
RUSSIA'S ROSNEFT STARTS DRILLING IN IRAQ

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Russian oil producer Rosneft reported Monday it started new drilling operations in Iraq, alongside a Chinese contracting partner.

Rosneft said it started a new exploration well, which according to state news agency Tass should be completed by July. The company is working in the area alongside a Chinese contractor, after taking over the operations in October.

Rosneft is Russia's largest oil producer. For the fourth quarter, the company said its net production was up 11.8 percent year-on-year for a new record high.

As one of the largest oil producers outside of the Organization of Petroleum Exporting Countries, Russia is contributing to efforts to balance a market that last year favored the supply side.

According to statistics, Russian oil producer Lukoil, one of the country's largest in terms of net reserves, posted a 2.8 percent decline in production. State-owned oil producer Bashneft reported a 6.3 percent gain from 2015.

Iraq, meanwhile, balked initially at an agreement that went into force in January. Last month, however, Russia's Lukoil said it hadn't received directives to cut production from its operations in Iraq.

Iraq, one of OPEC's larger contributors, produced around 4.48 million barrels of oil per day on average in January, a survey from S&P Global Platts found. The country lobbied for an exemption from the OPEC agreement, citing a need to keep the revenue stream flowing as it battled against the Islamic State terrorist group. Baghdad acquiesced, however, to a ceiling of 4.35 million bpd.

Iraq's production in January was a decline of 150,000 bpd from the previous month.

Kaynak/Source: