
SHELL EXITS LAST IRAQ OIL HOLDING WITH \$406MN ITOCHU DEAL

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Royal Dutch Shell is selling its stake in Iraq's West Qurna 1 field, abandoning the last of its oil assets in the country as it focuses on natural gas.

Itochu Corp is expected to take control of the 19.6% stake in the next few days after agreeing to pay \$406mn, Shell said Friday in a statement. In September, the Anglo-Dutch oil major quit its Majnoon oil field in Iraq over a payment dispute with the government.

The sale frees up Shell to focus on natural gas in Iraq, where it has a minority stake in Basrah Gas Co. The joint venture with the Iraqi government captures and treats gas flared in West Qurna and other fields. It had record output of 935mn square cubic feet of gas a day in January, according to Shell.

Shell remains committed to working with its partners to redevelop Iraq's energy infrastructure by capturing associated gas, upstream director Andy Brown said in the emailed statement. The sale is in line with the drive to simplify our upstream portfolio and reshape the company into a world class investment.

The sale is also another step toward Shell meeting its divestment target of \$30bn as the company reduces debt after spending more than \$50bn to acquire BG Group in 2016. Divestments so far total \$24bn, according to Shell's quarterly earnings call last month.

The sale to Itochu was first announced in January, though a sale price wasn't disclosed at the time. Itochu will also assume debt of \$144mn as part of the transaction.

<http://www.gulf-times.com/story/586474/Shell-exits-last-Iraq-oil-holding-with-406mn-Itochu>

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