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## IRAQI OIL COMPANY PLANS MAJOR PRODUCTION HIKE

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11.10.2018

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OilPrice.com (10 October 2018)

By Irina Slav

Basra Oil Company, which accounts for the bulk of Iraqs crude oil production, plans to increase its production to 5 million bpd from the current 3.2 million bpd by 2025, S&P Global Platts reports, citing the companys Director General, Ihsan Ismaael who spoke at an industry event in Turkey.

Ismaael said the plans would involve the construction of new oil pipelines and that this level of production will be sustained for as long as two decades. Currently, Basra Oil Company produces 75 percent of Iraqs crude oil.

Most of the additional production, the executive said, will come from fields that are operated by international oil companies, but some will come from BOC-operated projects. The foreign-operated fields will contribute 1.8 million bpd to the higher production. These include West Qurna-1 operated by Exxon, West Qurna-2 operated by Lukoil, Rumaila with BP as operator, and Zubair, operated by Eni. The increase will happen over the next three to five years.

The BOC-operated fields will add 700,000 bpd to overall production by 2024.

Along with the increase in production, BOC will also expand its export capacity by as much as 3 million bpd by replacing old pipelines with new ones. This would also solve a problem that the current infrastructure is having, with one of the pipelines that takes the crude from fields to the export terminals operating at below 50 percent of capacity due to the risk of rupture.

Iraqs government earlier announced plans to boost oil production considerably, but analysts from IHS Markit forecast this will be tough to accomplish, projecting instead only a marginal increase in production to a total of 5 million bpd, because of continued political instability and economic troubles. The country has a capacity to produce 7 million bpd.

Iraq had oil reserves of 153 billion barrels as of last year, but earlier this year Oil Minister Jabar al-Luaibi said the actual reserves could be twice as large. If the higher estimate proves true, it would make Iraq the largest oil-rich country in the world, even ahead of Venezuela, which claims its reserves are just above 300 billion barrels, and also ahead of Saudi Arabia, with 260.8 billion barrels.

By Irina Slav for Oilprice.com

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