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LUKoil Makes First Shipment From Iraq's West Qurna Oilfield

By The Moscow Times

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Russia's LUKoil has shipped its first lot of oil from southern Iraq's giant West Qurna-2 oilfield — totaling 1 million barrels.

LUKoil, Russia's second biggest oil producer, said on Tuesday it had shipped 1 million barrels of oil produced from southern Iraq's giant West Qurna-2 oilfield, its first shipment from the field, despite a surge of violence in Iraq.

Ranked as one of the largest oil fields in the world, West Qurna-2, where LUKoil holds a 75-percent stake, is one of several big fields under development that are set to boost Iraq's economy. West Qurna-2's output alone is expected to peak at 1.2 million barrels per day from estimated recoverable reserves of about 13 billion barrels.

Shipping its first oil, LUKoil said the Sea Triumph tanker had left the port of Basra bound for Augusta in Sicily, where LUKoil owns the ISAB refinery.

Production at West Qurna-2 is a key part of LUKoil's efforts to make up for its declining production elsewhere, chiefly in western Siberia.

LUKoil's foreign upstream projects now account for around 6 percent of the company's oil output and it expects the figure to rise to 17 percent of its total hydrocarbon production by 2020.

LUKoil said three weeks ago that production at West Qurna-2 has increased to 280,000 barrels per day since commercial production started in March at a rate of 120,000 bpd.

"The project's development is on schedule with LUKoil successfully fulfilling all of its contractual obligations," the company said in a statement on Tuesday.

While northern provinces of Iraq have been hit by an upsurge in violence and fighting with Islamist militants, a spokesman for LUKoil said the situation in the south where the company is working "is stable and, on the whole, predictable".

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LUKoil to Invest $30 Billion in Iraq

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