



## **Kurdistan Regional Government of Iraq**

Oil production, export, consumption and revenue for  
the period 1 July 2019 to 30 September 2019

29 April 2020



29 April 2020

Regional Council for Oil  
and Gas Affairs

Kurdistan Regional  
Government

Kurdistan Region, Iraq

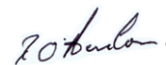
## **Review of the Kurdistan Regional Government of Iraq's oil production, export, consumption and revenue for the period 1 July 2019 to 30 September 2019**

- 1.1 We were appointed by the Regional Council for Oil and Gas Affairs ("RCOG") of the Kurdistan Regional Government ("KRG") to review oil production, export, consumption and revenue for 2019, as well as prior years 2014 to 2018.
- 1.2 We have completed our review of the schedule of oil export, consumption and revenue for the period 1 July 2019 to 30 September 2019 ("Q3 2019"), attached as Schedule 1 to this report. We have also reviewed and reported on the schedule of oil export, consumption and revenue for the period 1 January 2017 to 30 June 2019.
- 1.3 Our procedures involved reviewing export and sales records; undertaking site visits; making inquiries of oil producers; obtaining production metering records; and undertaking other procedures as required.
- 1.4 We report our findings below:
  - 1.4.1 Oil export and consumption - We did not identify any misstatements in the 1 July 2019 to 30 September 2019 oil export and consumption data.
  - 1.4.2 Oil sales - We did not identify any misstatements in the 1 July 2019 to 30 September 2019 oil sales data and the net amount received in the period by the KRG.
- 1.5 This report is limited to the data contained in Schedule 1 and does not extend to any further information that may have been produced or published by the KRG. We note that production contributions for the individual fields is subject to additional reconciliation and verification procedures and this exercise is currently in progress.
- 1.6 We used sampling and other techniques to the extent we considered necessary to verify the data in Schedule 1. Our review was dependent on documentation provided by all stakeholders (oil producers, refineries, oil traders, the pipeline operator, and the KRG's Ministry of Natural Resources), and the accuracy and completeness thereof.
- 1.7 This report has been prepared for RCOG. Deloitte accepts no responsibility or liability to any third parties for any opinions expressed or any inaccuracy, omission or error regarding any information contained within this report. No party, other than the RCOG, is entitled to rely on this report for any purpose whatsoever.
- 1.8 This report and Schedule 1 have also been published in the Arabic and Kurdish languages. In the event of any discrepancies between these documents, the English version is definitive.

Yours faithfully,



Neil Hargreaves  
Deloitte Professional Services (DIFC) Limited




Robert O'Hanlon  
Deloitte & Touche (M.E.)


# SCHEDULE 1

## Oil export, consumption and revenue


**Review of the Kurdistan Regional Government of Iraq's oil production, export, consumption and revenue for the period 1 July 2019 to 30 September 2019**

 <b>Oil Exports and Consumption</b>	<b>Period Total</b>
Piped export of crude oil (Note 2 and Note 3)	39,896,860 bbls
Crude oil delivered to refineries for MNR refining	2,105,543 bbls
Sales to refineries	112,408 bbls
Local sales	255,869 bbls
<b>Total exported &amp; consumed</b>	<b>42,370,680 bbls</b>


 <b>Pipeline Export Sales Analysis</b>	<b>Period Total</b>
Net oil lifted by the buyers (net quantity after inventory movement and removal of water content) (Note 3 and Note 4)	39,953,584 bbls
Gross value of crude oil sold	1,974,088,999 USD
Average price per barrel achieved for oil sold (Note 5)	49.410 USD/bbl

 <b>Refinery and Local Sales Analysis</b>	<b>Period Total</b>
Net oil (crude and condensate) lifted by the buyers (net quantity after removal of water content and evaporation losses during transportation)	368,277 bbls
Gross value of crude and condensate sold	16,328,609 USD
Average price per barrel achieved for oil sold (*)	44.338 USD/bbl

(\*) Condensate is priced as USD/MT, and has been converted to barrel equivalent for reporting purposes.

 <b>Financial Flows</b>	<b>Period Total</b>
<b>Gross value of crude oil and condensate sold (Piped exports and local sales)</b>	<b>1,990,417,608 USD</b>
Net movement in buyer account balances (Note 6)	62,892,731 USD
Long term advance payments (Note 7)	450,918,900 USD
Interest and other charges from the buyers (Note 8)	(6,767,835) USD
Payments made to oil producers by, or on behalf of, the KRG	(888,169,759) USD
Tariff payments to Turkish Energy Company (TEC)	(142,627,557) USD
Payments made to Kurdistan Pipeline Company (KPC) under the pipeline concession agreement	(174,572,125) USD
Debt repayment to TEC and Turkish Petroleum International Company (TPIC)	(150,000,080) USD
Payments made to other parties by, or on behalf of, the KRG (Note 9)	(78,982,504) USD
Additional proceeds from PSC / pipeline licensing agreement (Note 10)	3,562,302 USD
<b>Net cash balance received by the KRG for sales and related activities</b>	<b>1,066,671,681 USD</b>

# NOTES TO SCHEDULE 1

## Oil export, consumption and revenue

### Review of the Kurdistan Regional Government of Iraq's oil production, export, consumption and revenue for the period 1 July 2019 to 30 September 2019

#### Note 1

All figures in Schedule 1 for the period 1 July 2019 to 30 September 2019 oil export, consumption and revenue data are based on the records provided by stakeholders to the KRG. The KRG pipeline has also been used to export North Oil Company (NOC) crude oil during the period. This oil is not included in Schedule 1.

#### Note 2

Piped export of crude oil includes 787,783 bbls of refined heavy fuel oil surplus to internal consumption during the period.

#### Note 3

Gross crude oil lifted by the buyers	40,550,180	bbls
Increase (decrease) in storage at oil terminal	(653,320)	bbls
<b>Piped export of crude oil</b>	<b>39,896,860</b>	<b>bbls</b>

#### Note 4

Gross piped exports are 40,550,180 bbls whereas the net piped export sales are 39,953,584 bbls. The difference between the gross and net exports is due to the removal of contaminants such as water, and a Q3 2019 shipment of 480,924 gross bbls of off-spec contaminated crude oil, for which a value has not yet been assigned. This off-spec shipment has not been included in the reported piped export sales figures in this period, but will be reported in a subsequent period once a value has been assigned to the shipment.

#### Note 5

The net piped export barrels and average price per barrel achieved for oil sold by month is as follows:

July 2019	August 2019	September 2019	Q3 2019
13,633,335 bbls	14,640,860 bbls	11,679,389 bbls	39,953,584 bbls
51.637 USD/bbl	47.079 USD/bbl	49.730 USD/bbl	49.410 USD/bbl

#### Note 6

Excluding additional long term advance payments, the net movement in buyer account balances during the period was an increase of USD 62,892,731. The resulting total balance owing from the KRG to buyers at the end of the period was USD 4,133,361,566. Claims from the buyers that are pending MNR approval are not included in this balance.

#### Note 7

During the period, USD 450,918,900 in long term advance payments against future crude oil purchases were received. These advances are repayable, either in cash or by way of offset against payments due for crude oil deliveries, and therefore have been shown separately from the net movement in buyer account balances referred to in Note 6 above.

#### Note 8

Interest and other charges from buyers of USD 6,767,835 is made up of the following:

- USD 2,644,151 for transportation costs from a field to the pipeline;
- USD 1,964,898 in prior period shipment cancellation charges;
- USD 1,463,819 in demurrage claims against prior period shipments that were approved during Q3 2019;
- USD 648,011 in off-spec claims against prior period shipments that were approved during Q3 2019; and
- USD 46,956 in demurrage claims against current period shipments.

#### Note 9

Payments to other parties of USD 78,982,504 is made up of the following:

- USD 53,371,661 for supply of electricity to the Kurdistan Region;
- USD 16,672,444 for fuel purchased for the Ministry of Electricity;
- USD 5,462,117 for logistical support services provided to the MNR; and
- USD 3,476,282 for legal services and retainer for the KRG.

#### Note 10

In addition to oil sales revenues, an amount of USD 3,562,302 has been received by the KRG in relation to production sharing contracts.

## About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see [www.deloitte.com/about](http://www.deloitte.com/about) for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

Deloitte provides audit, consulting, financial advisory, risk management, tax and related services to public and private clients spanning multiple industries. Deloitte serves four out of five Fortune Global 500® companies through a globally connected network of member firms in more than 150 countries bringing world-class capabilities, insights, and high-quality service to address clients' most complex business challenges. To learn more about how Deloitte's approximately 225,000 professionals make an impact that matters, please connect with us on [Facebook](https://www.facebook.com/deloitte), [LinkedIn](https://www.linkedin.com/company/deloitte), or [Twitter](https://twitter.com/deloitte).

## About Deloitte Professional Services (DIFC) Limited

Deloitte Professional Services (DIFC) Limited (DPSL) is incorporated in the Dubai International Financial Centre, with commercial registration number CL0748 and is registered with the Dubai Financial Services Authority (DFSA) as a Designated Non-Financial Business or Profession (DNFBP). DPSL is a joint venture vehicle between Deloitte LLP (UK) and the Middle East member firm of Deloitte Touche Tohmatsu Limited. DPSL has a 100% wholly owned subsidiary in the DIFC namely Deloitte Corporate Finance Advisory Limited (DCFAL) which has commercial registration CL2220. DCFAL is regulated by the DFSA and licensed to provide regulated financial advisory services. DPSL & DCFAL co-inhabit with their principal place of business and registered offices at Al Fattan Currency House, Building 1, 5th Floor, Dubai International Financial Centre, Dubai, United Arab Emirates. Tel: +971 (0) 4 506 4700 Fax: +971 (0) 4 327 3637.

## About Deloitte & Touche (M.E.)

Deloitte & Touche (M.E.) is a member firm of Deloitte Touche Tohmatsu Limited (DTTL) and is a leading professional services firm established in the Middle East region with uninterrupted presence since 1926. DTME's presence in the Middle East region is established through its affiliated independent legal entities which are licensed to operate and to provide services under the applicable laws and regulations of the relevant country. DTME's affiliates and related entities cannot oblige each other and/or DTME, and when providing services, each affiliate and related entity engages directly and independently with its own clients and shall only be liable only for its own acts or omissions and not those of any other affiliate.

© 2020 Deloitte Professional Services (DIFC) Limited. All rights reserved.

## كورتيمبک لمسر ديلويت

ديلویت ناماؤه بؤ پيچيک يان زياتر له نئدامانی گروپي (Deloitte Touche Tohmatsu Limited) که کورمپانيه يکي تليغی بریتانیيه، هر يکيک له نئدامانی توری ديلويت يکي يکي ياسيلی سر بعه زيئه. بؤ زياتری له لعضر پيچيکری ياسيلی ديلويت و کورمپانيا نئدامانگاني، تکليه بروانه [www.deloitte.com/about](http://www.deloitte.com/about) ديلويت خزمگوزاري وردييني، راولتکاري و راولتکاري دارايي، بريتويبرني مئترسي، باج و خزمگوزاري پيويست پيشگمش دکات به خزمگوزاري گفشي و تاييت له کهرته جياواز دکان. ديلويت خزمگوزاري پيشگمش به چوار له پينج گروپورين کومپانيکاني ( Fortune Global 500®) دکات له ريگهي توريکي نئدولمئي کومپانيا نئدامانگانه له زياتر له ۱۵۰ ولات، يمممش تواناکاني له ناستيکي ناياب و قولدان و خزمگوزاري يکي يکي بمرزورين کولتيا هه به دايينگندي بنداويستيمگني خزمگوزاره جياواز دکان. بؤ زياتری زياتر لمسر نزيکي ۲۲۵۰۰۰ شارمزا که جيندستيان دياره، تکيه سرمدانمان بکه له: [Facebook](https://www.facebook.com/deloitte), [LinkedIn](https://www.linkedin.com/company/deloitte), or [Twitter](https://twitter.com/deloitte)

## درياره خزمگوزاريه پيشه يکي ديلويت (Deloitte Professional Services (DIFC) Limited)

خزمگوزاريه پيشه يکي ديلويت (Deloitte Professional Services (DIFC) Limited) له سئنتري بازگاني نئدولمئي دويه، به ژماره ي توماري بازگاني (CL0748) تومار کراوه، هروه لاي دسه لئتي خزمگوزاري دارايي دويه، وک کومپانيه يکي پيشه يکي تومار کراوه. خزمگوزاريه پيشه يکي ديلويت (Deloitte Professional Services (DIFC) Limited) پيرو جيکي هابه شه لئنيان (Deloitte LLP (UK)) و کومپانيه يکي نئدامي ديلويت له روه لئتي ناراست. خزمگوزاريه پيشه يکي ديلويت (Deloitte Professional Services (DIFC) Limited) پيشکي ۱۰۰% کومپانيه يکي (DCFAL) Deloitte Corporate Finance Advisory Limited، که توماري بازگانيه يکي ژماره (CL2220)، (DCFAL) له لايين دسه لئتي خزمگوزاري دارايي دويغوه ريگخواوه و بؤ پيشگمشگندي خزمگوزاريه يکي راولتکاري دارايي مؤلتي بنداوه. توقيسي سر سگي تومار کراوه هروه دوه کومپانيا (DPSL & DCFAL) له (فغان کارضسي هاز، بالآخانه ي ۱، نيو ي ۵، سئنتري بازگاني نئدولمئي دويه، نيمازات. تاملغون 4 506 4700 (0) +971) فاکس 4 327 3637 (0) +971.

## درياره ديلويت له روه لئتي ناروست:

ديلویت له روه لئتي ناروست (Deloitte & Touche (M.E.)) له گروپي (Deloitte Touche Tohmatsu Limited (DTTL)) نئدامه و له باري خزمگوزاريه يکي له روه لئتي ناروست پيشگمشه و يمي دايان له سالي ۱۹۲۶ هوه له ناروچکه نامادي ههيه. ناماديين ديلويت له روه لئتي ناروست له ريگهي هابه شه و نئدامه ياسيلی کانيه دهکريت که بؤ کار کردن و دايينگندي خزمگوزاريه يکي يکي ياسا يکي يکي و لاته يهوخار دکان، مؤلتي بنداوه. هابه شه و پيکيه يکي ديلويت يعنر پايه بند و يهريسيار ناکن لکاني دايينگندي خزمگوزاري، هر هابه شه يان پيکيه يکي راستهوخ و سر بعه يهوشدي لهگهل خزمگوزار دکان دروست دکات و تعنيا نو يهريسيار دييت له کردار و ناکارايي دکان.

ههسو مافهکان پاريزراون بؤ:

© 2020 Deloitte Professional Services (DIFC) Limited

## نیده عن ديلويت

يُستخد اسم "ديلویت" للدلالة على واحدة أو أكثر من أعضاء ديلويت توش توهامسو المحدودة، وهي شركة بريطانية خاصة محدودة، وكل من شركاتها الأعضاء التي تتمتع بشخصية قانونية مستقلة خاصة بها. للحصول على المزيد من التفاصيل حول الكيان القانوني لمجموعة ديلويت توش توهامسو المحدودة وشركاتها الأعضاء، يرجى مراجعة موقعنا الإلكتروني على العنوان التالي: [www.deloitte.com/about](http://www.deloitte.com/about)

تقدم ديلويت خدمات تدقيق الحسابات والضرائب والاستشارات الإدارية والمشورة المالية وإدارة المخاطر والخدمات ذات الصلة إلى عملاء من القطاعين العام والخاص في مجموعة واسعة من المجالات الاقتصادية. تقدم ديلويت خدماتها لأربع من خمس شركات مصنفة من قبل "فورتنين جلوبال 500" من خلال شبكة عالمية مترابطة من الشركات الأعضاء في أكثر من 150 دولة، وبفضلها تضع ديلويت في خدمة عملائها مجموعة من الكفاءات والخبرات العالمية وخدمات عالية الجودة لتساعد على التعامل مع أكثر التحديات صعوبة والتي يواجهها العملاء في عملهم. تضم شبكة ديلويت نحو 225 ألف موظفًا مهنيًا وللمحصول على مزيد من المعلومات حول تأثير موظفي ديلويت الفاعل، يرجى الاتصال بنا عبر مواقع التواصل الاجتماعي [Facebook](https://www.facebook.com/deloitte) و [LinkedIn](https://www.linkedin.com/company/deloitte) و [Twitter](https://twitter.com/deloitte).

## عن ديلويت للخدمات المهنية (مركز دبي المالي العالمي) المحدودة

ديلویت للخدمات المهنية (مركز دبي المالي العالمي) المحدودة (ديلویت للخدمات المهنية المحدودة) هي شركة مؤسسة في مركز دبي المالي العالمي وتعمل سجل تجاري رقم س.ت. ٠٧٤٨ ومسجلة في سلطة دبي للخدمات المالية وفقًا لتصنيف "الأصل والمين غير المالية المحددة". ديلويت للخدمات المهنية المحدودة هي مشروع مشترك بين الشركات الأعضاء في المملكة المتحدة والشرق الأوسط التابعة لمجموعة ديلويت توش توهامسو المحدودة. تمتلك شركة ديلويت للخدمات المهنية المحدودة شركة تابعة مملوكة بالكامل بنسبة 7.1% في مركز دبي المالي العالمي تدعى ديلويت كورپوريت فاينانس أدفايزوري ليميتد وتعمل سجل تجاري رقم س.ت. 2220. وتخصص ديلويت كورپوريت فاينانس أدفايزوري ليميتد لتنظيم سلطة دبي للخدمات المالية وهي مرخصة لتقديم خدمات استشارية مالية ومنظمة. تتشارك كل من ديلويت للخدمات المهنية المحدودة & ديلويت كورپوريت فاينانس أدفايزوري ليميتد مكان عملها ومكتبها الرئيسي المسجل الذي يقع في الفغان كرنيس هانس، الميني رقم ١، الطابق الخامس، مركز دبي المالي العالمي، دبي، الإمارات العربية المتحدة. هاتف رقم: ٤٧٠٠ ٥٠٦ (٠) +٩٧١، فاكس: ٣٢٣٧ ٣٢٣٧ (٠) +٩٧١

## ديلویت اند توش (الشرق الأوسط)

ديلویت اند توش (الشرق الأوسط) هي عضو في "ديلویت توش توهامسو المحدودة" وهي أول شركة خدمات مهنية تأسست في منطقة الشرق الأوسط منذ العام 1926. تتواجد ديلويت اند توش (الشرق الأوسط) في المنطقة من خلال الكيانات القانونية المستقلة التابعة لها والمرخصة للعمل وتقديم الخدمات بموجب القوانين والوائح المعمول بها في الدول المعنية. لا تستطيع الشركات التابعة والكيانات ذات الصلة بديلویت اند توش (الشرق الأوسط) إلزام بعضها البعض و / أو ديلويت اند توش (الشرق الأوسط)، وعند تقديم الخدمات، فإن كل شركة تابعة والكيانات ذات الصلة تتعاقد مع عملائها بشكل مباشر ومستقل، وتكون مسؤولة فقط عن أعمالها أو الإغفال الناشئ عنها، وليس عن الأفعال أو الإغفال الناتج عن أي من الشركات التابعة الأخرى.

© 2020 ديلويت للخدمات المهنية (مركز دبي المالي العالمي) المحدودة