



Kurdistan Regional Government of Iraq

Oil production, export, consumption and revenue for
the year ended 31 December 2019

30 April 2020

30 April 2020

Regional Council for Oil
and Gas Affairs

Kurdistan Regional
Government

Kurdistan Region, Iraq

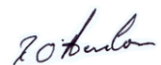
Review of the Kurdistan Regional Government of Iraq's oil production, export, consumption and revenue for the year ended 31 December 2019

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.
2. We have reviewed and reported on the quarterly oil export, consumption and revenue for the period 1 January 2019 to 31 December 2019.
3. Schedule 1, attached to this report, is a consolidation of the oil exports, consumption and revenues from the following 2019 quarterly reports:
 - 3.1 Report on oil export, consumption and revenue covering period 1 January 2019 to 31 March 2019.
 - 3.2 Report on oil export, consumption and revenue covering period 1 April 2019 to 30 June 2019.
 - 3.3 Report on oil export, consumption and revenue covering period 1 July 2019 to 30 September 2019.
 - 3.4 Report on oil export, consumption and revenue covering period 1 October 2019 to 31 December 2019.
4. 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 RCOG, is entitled to rely on this report for any purpose whatsoever.

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 year ended 31 December 2019

 Oil Exports and Consumption	Period Total
Piped export of crude oil (Note 2 and Note 3)	160,306,283 bbls
Crude oil delivered to refineries for MNR refining	8,737,444 bbls
Sales to refineries	564,476 bbls
Local sales	1,369,581 bbls
Total exported & consumed	170,977,784 bbls

 Pipeline Export Sales Analysis	Period Total
Net oil lifted by the buyers (net quantity after inventory movement and removal of water content) (Note 3 and Note 4)	158,512,960 bbls
Gross value of crude oil sold	8,349,749,733 USD
Average price per barrel achieved for oil sold	52.676 USD/bbl

 Refinery and Local Sales Analysis	Period Total
Net oil (crude and condensate) lifted by the buyers (net quantity after removal of water content and evaporation losses during transportation)	1,934,057 bbls
Gross value of crude and condensate sold	88,851,567 USD
Average price per barrel achieved for oil sold (*)	45.941 USD/bbl

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

 Financial Flows	Period Total
Gross value of crude oil and condensate sold (Piped exports and local sales)	8,438,601,300 USD
Net movement in buyer account balances (Note 5)	(696,501,776) USD
Long term advance payments (Note 6)	1,572,726,900 USD
Interest and other charges from the buyers (Note 7)	(24,444,037) USD
Payments made to oil producers by, or on behalf of, the KRG	(2,537,121,290) USD
Tariff payments to Turkish Energy Company (TEC)	(494,186,315) USD
Payments made to Kurdistan Pipeline Company (KPC) under the pipeline concession agreement	(644,372,854) USD
Debt repayment to TEC and Turkish Petroleum International Company (TPIC)	(610,000,362) USD
Payments made to other parties by, or on behalf of, the KRG (Note 8)	(781,486,431) USD
Additional proceeds from PSC / pipeline licensing agreement (Note 9)	292,206,490 USD
Net cash balance received by the KRG for sales and related activities (Note 10)	4,515,421,625 USD

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 year ended 31 December 2019

Note 1

All figures in Schedule 1 for the period 1 January 2019 to 31 December 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 2,366,581 bbls of refined heavy fuel oil surplus to internal consumption during the period.

Note 3

Gross crude oil lifted by the buyers	161,230,822	bbls
Increase (decrease) in storage at oil terminal	(924,539)	bbls
Piped export of crude oil	160,306,283	bbls

Note 4

Gross piped exports are 161,230,822 bbls whereas the net piped export sales are 158,512,960 bbls. The difference of 2,717,862 bbls between the gross and net piped exports is due to the removal of contaminants such as water, and four 2019 shipments totaling 2,219,798 gross bbls of off-spec contaminated crude oil, for which a value has not yet been assigned. These off-spec shipments have not been included in the reported piped export sales figures in this period, but will be reported in a subsequent period once values have been assigned to the shipments.

Note 5

Excluding additional long term advance payments, the net movement in buyer account balances during the period was a decrease of USD 696,501,776. The resulting total balance owing from the KRG to buyers at the end of the period was USD 3,441,479,296. Claims from the buyers that are pending MNR approval are not included in this balance.

Note 6

During the period, USD 1,572,726,900 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 5 above.

Note 7

Interest and other charges from buyers of USD 24,444,037 is made up of the following:

- USD 10,450,029 for transportation costs from a field to the pipeline;
- USD 9,457,428 in 2019 interest charges;
- USD 1,964,898 in prior period shipment cancellation charges;
- USD 1,365,767 in demurrage claims against prior period shipments that were approved during 2019;
- USD 648,011 in off-spec claims against prior period shipments that were approved during 2019; and
- USD 557,904 in demurrage claims against current period shipments.

Note 8

Payments to other parties of USD 781,486,431 is made up of the following:

- USD 342,592,153 for supply of electricity to the Kurdistan Region;
- USD 186,629,355 for refinery processing fees;
- USD 178,133,337 for the settlement of debt by the KRG;
- USD 54,062,038 for fuel purchased for the Ministry of Electricity;
- USD 13,266,415 for logistical support services provided to the MNR;
- USD 3,476,282 for legal services and retainer for the KRG;
- USD 1,801,148 for services provided to the Ministry of Electricity (Smart metering project); and
- USD 1,525,703 in connection with the gas pipeline project.

Note 9

In addition to oil sales revenues, an amount of USD 292,206,490 has been received by the KRG in relation to production sharing contracts and pipeline licensing agreements. While these additional funds were not revenue from the sale of oil, they represent material receipt of funds to the KRG linked to the MNR's oil operations, and therefore have been included in this report.

Note 10

Of the net cash balance of USD 4,515,421,625 received by the KRG, a balance of USD 318,540,719 (as of 31 December 2019) is held in a bank account in Lebanon. The banks in Lebanon are currently restricting the movement of foreign currency outside the country.

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 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.

كورتيمبكت لمسير ديلويت

ديلویت ناماؤجه بؤ پيچيک يان زياتر له نئداماني گروپي (Deloitte Touche Tohmatsu Limited) که کورمپانيه يکي تليغتي بريتانيه، هر يکيک له نئداماني توري ديلويت يکي يکي ياسيلي سر بغيره. بؤ زياتري له لعضر پيچيکري ياسيلي ديلويت و کورمپانيه نئدامانيه کاني، تکليه بروانه www.deloitte.com/about ديلويت خزمهتگوزاري ورديبي، راونژکاري و راونژي داراي، بريتويبرني مئترسي، باج و خزمهتگوزاري پيوست نيشگمش دکات به خزمهتگوزاري گفشي و تاييت له کهرته جياواز دکان. ديلويت خزمهتگوزاري نيشگمش به چوار له پينج گروپورين کومپانيکاني (Fortune Global 500®) دکات له ريگهي توريکي نئدولمئتي کومپانيا نئدامانکانه له زياتر له ۱۵۰ ولات، يمممش تواناکاني له ناستيکي ناياب و قولدان و خزمهتگوزاريه يکيان بمرزورين کولتيا هه به دايينگردي بنداويستيمکاني خزمهتگوزاره جياواز دکان. بؤ زياتري زياتر لمسر نزيکهي 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)

دوباره خزمهتگوزاريه پيشه يکي ديلويت (Deloitte Professional Services (DIFC) Limited)

خزمهتگوزاريه پيشه يکي ديلويت (Deloitte Professional Services (DIFC) Limited) له سئنتري بازارگفشي نئدولمئتي دويه، به ژمارهي توماري بازارگفشي (CL0748) تومار کراوه، هروه لاي دسهلمتي خزمهتگوزاري دارايي دويه، وک کومپانيه يکي پيشه يکي تومار کراوه. خزمهتگوزاريه پيشه يکي ديلويت (Deloitte Professional Services (DIFC) Limited) پيروژي يکي هابيه له جنوان (Deloitte LLP (UK)) و کومپانيه نئدامي ديلويت له روزهلمتي ناراست. خزمهتگوزاريه پيشه يکي ديلويت (Deloitte Professional Services (DIFC) Limited) بشکي ۱۰۰% کومپانيه ديلويت (DCFAL) (Deloitte Corporate Finance Advisory Limited) ده، که توماري بازارگفشي ژماره (CL2220)، (DCFAL) له لايين دسهلمتي خزمهتگوزاري دارايي دويغوه ريگخزراوه و بؤ نيشگمشگردي خزمهتگوزاريه يکي راونژکاري داراي موله ي پندراوه. نؤقيسي سر مديکي تومارکراوي هه دودو کومپانيا (DPSL & DCFAL) له (فغان کارخني هاوز، بالاخاني ۱، نؤهي ۵، سئنتري بازارگفشي نئدولمئتي دويه، نيمارات. تاملغون 4 506 4700 (0) +971) فاکس 4 327 3637 (0) +971.

دوباره ديلويت له روزهلمتي ناورست:

ديلویت له روزهلمتي ناورست (Deloitte & Touche (M.E.)) له گروپي (Deloitte Touche Tohmatsu Limited (DTTL)) نئدامه و له بوري خزمهتگوزاريه يکيان له روزهلمتي ناورست نيشگمش به يمين دايورن له سالي ۱۹۲۶ هه له نارچمکه نامادي هه. نامادبي ديلويت له روزهلمتي ناورست له ريگهي هابيش و نئدامه ياسيليکانيه دکريت که بؤ کارکردن و دايينگردي خزمهتگوزاريه يکي ياسي يکي کارکاني و لاته به پيوندار دکان، موله نئندارون. هابيش و پيکيه يکاني ديلويت يعنر پايغند و پيريسار ناکن لکاني دايينگردي خزمهتگوزاري، هر هابيش يان پيکيه يکي راسته خوز و سر بغيره پيوشدي له گفشل خزمهتگوزاريه يکيان نروسست دکات و تعنيا نو به پيريسار ديبيت له کردار و ناکارايي دکان.

هسو مافهکان پارتيزاون 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

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. ٥٧٤٨. مسجلة في سلطنة 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 71.0% 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 كرني هاوز، 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