

# IRAQI OIL EXPORTS

## TRANSPARENCY IN FIRST-COMMODITY TRADING



# Oil Well Baba Gurgur / 1

Oct. 1927



# Iraq Oil Fields

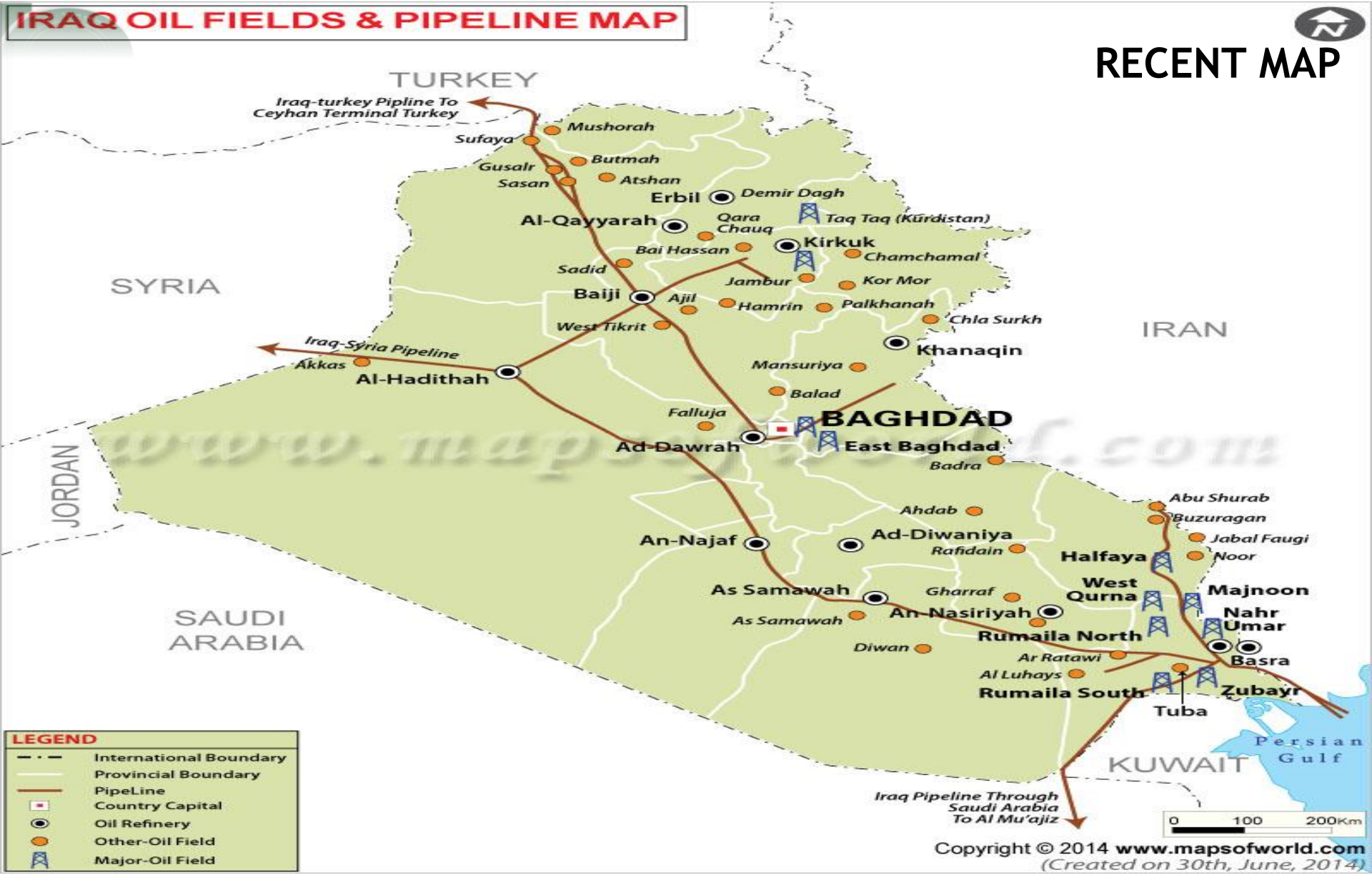
1927



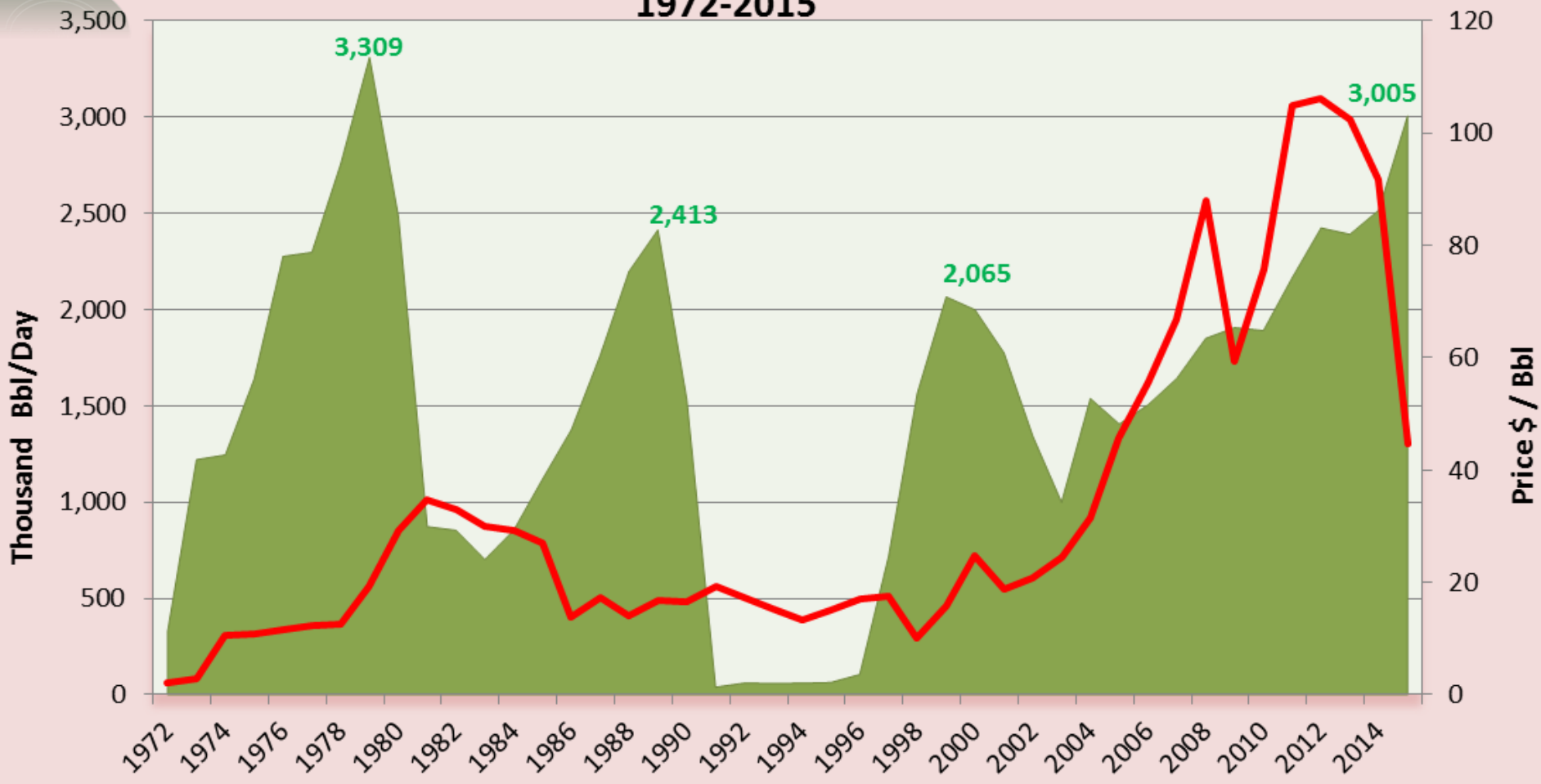


# IRAQ OIL FIELDS & PIPELINE MAP

## RECENT MAP



# Iraqi Oil Exports 1972-2015



**TOTAL EXPORTS ( 24 billion bbls)**

**TOTAL REVENUES ( 939 billion Dollars)**

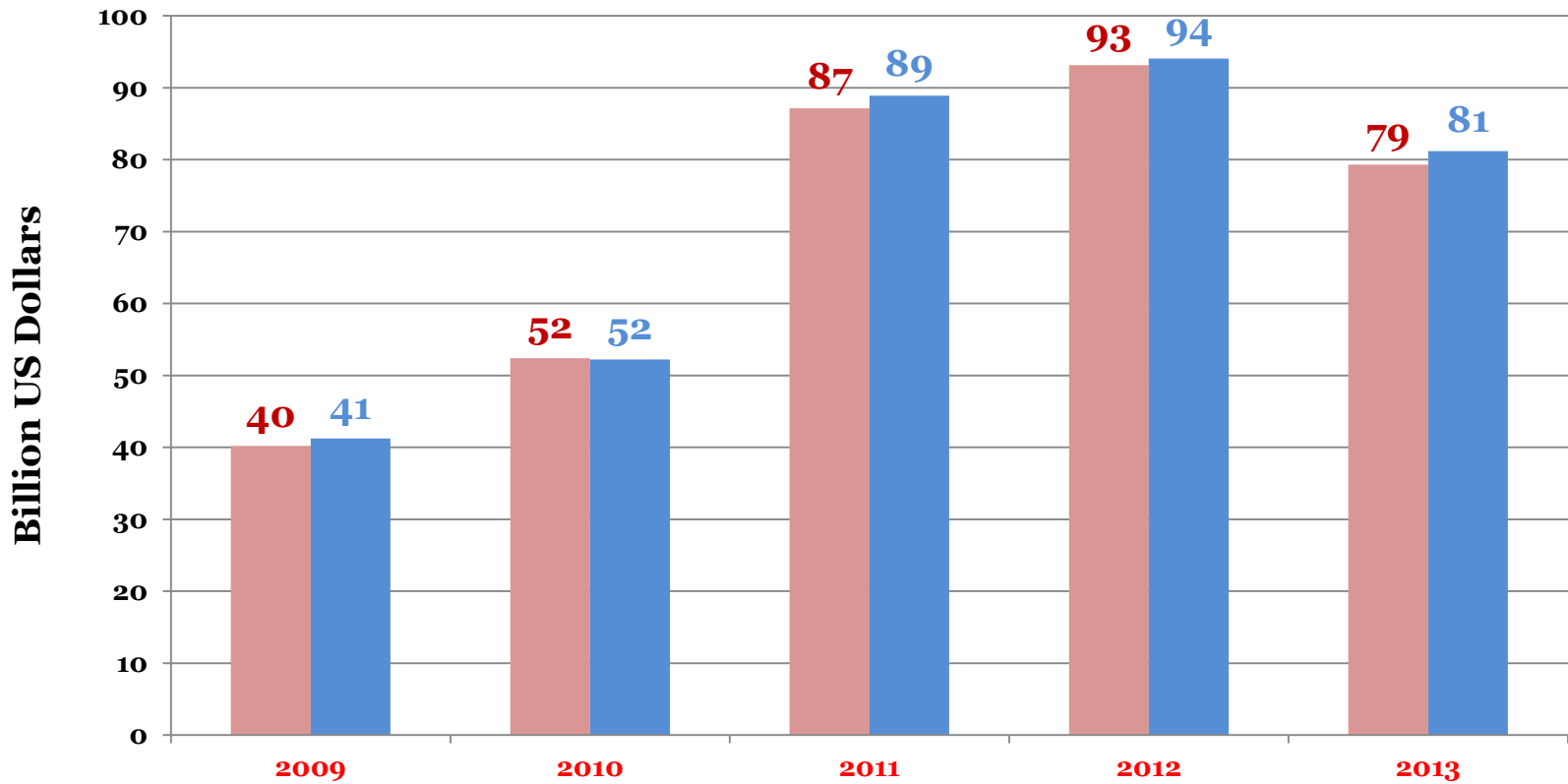
## *IRAQ adherence to EITI*

- Managing Iraq natural resources wisely was the main goal for the government to join **EITI** in Feb.2008
- On 12 Dec. 2012, Iraq was announced as an **EITI** compliant country.
- Iraq has set an example in previous reports by disclosing crude oil export revenues and reconciling these flows with company sales data.
- The five **EITI** reports published covering fiscal years 2009-2013 include reconciliation of oil sales disaggregated by buyer and the four main export regions.
- As of 2012, reports include information on **“in-kind” revenues**



# IEITI Reports Reconciliation

■ **Company Payment**      ■ **Government Revenues**



## *How SOMO deals with the EITI requirements*

- First challenge was accepting to disclose the exporting data
- SOMO insert contractual phrase committing the buyer to the requirements of (EITI)
- SOMO's most customers according to criteria do support the EITI
- Any delay in correspondence for reconciliation purposes to be followed up by SOMO and IEITI
- After issuing the 6th report all templates data became a routine forms for SOMO.



## ***SOMO's Criteria for Allocation & Pricing***

- Iraqi crude oil is allocated exclusively for **end user** companies; fully integrated Co., refiners
- Iraq adopts (OSP) Official Selling Prices that maintains the perfect balance between Competitiveness and revenue.
- It is used to ensure simplicity and transparency in crude oil marketing process while providing a fair value for Iraqi crude.



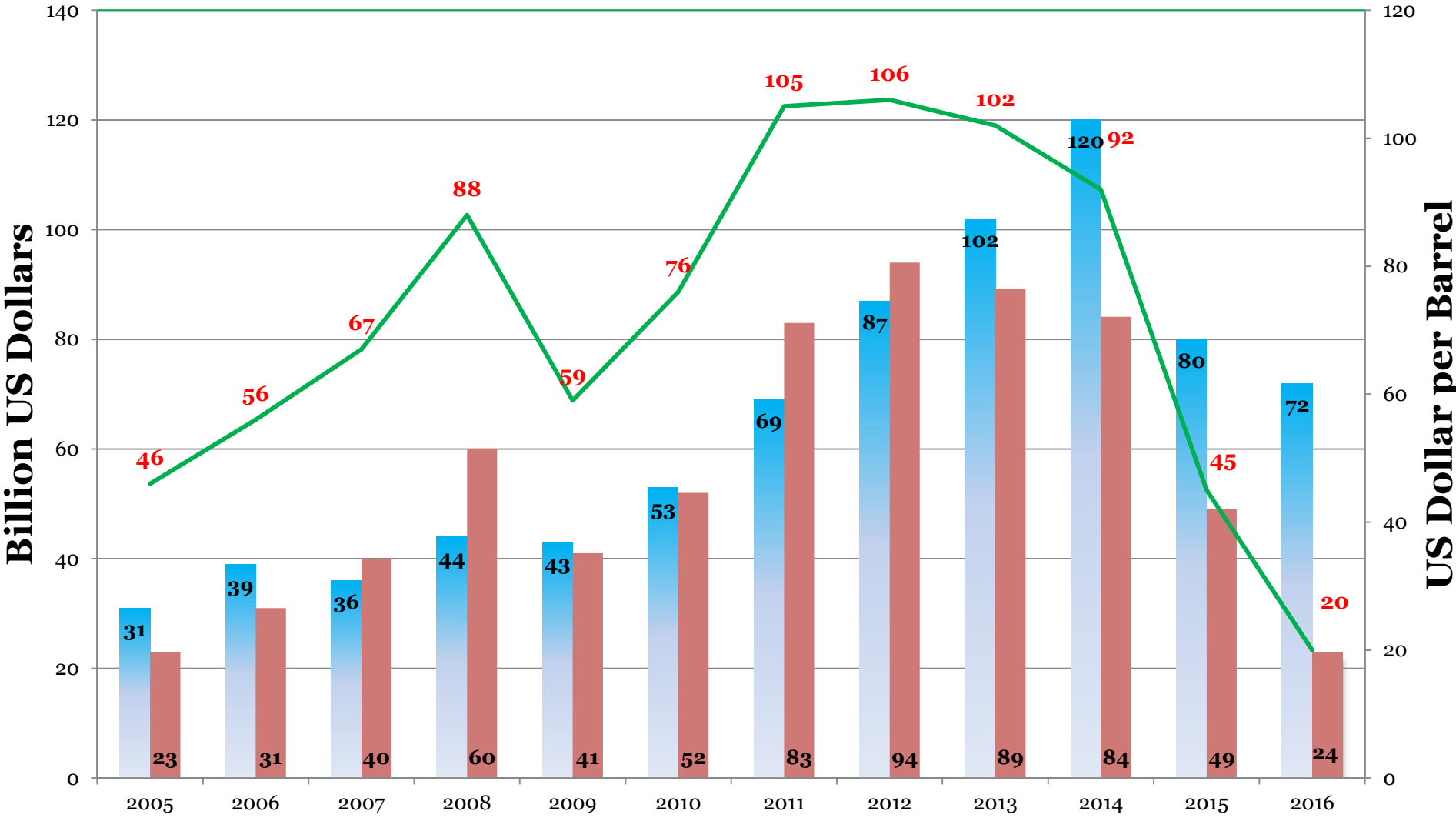
## *SOMO's Transparent Pricing Basis*

- One price for all customers in a certain market.
- Transparency in dealing with customers.
- No negotiations with specific customers to keep the basis of dealing impartial.
- Selecting the best benchmark for each market based on its structure to achieve the fair price for the Iraqi Crude.



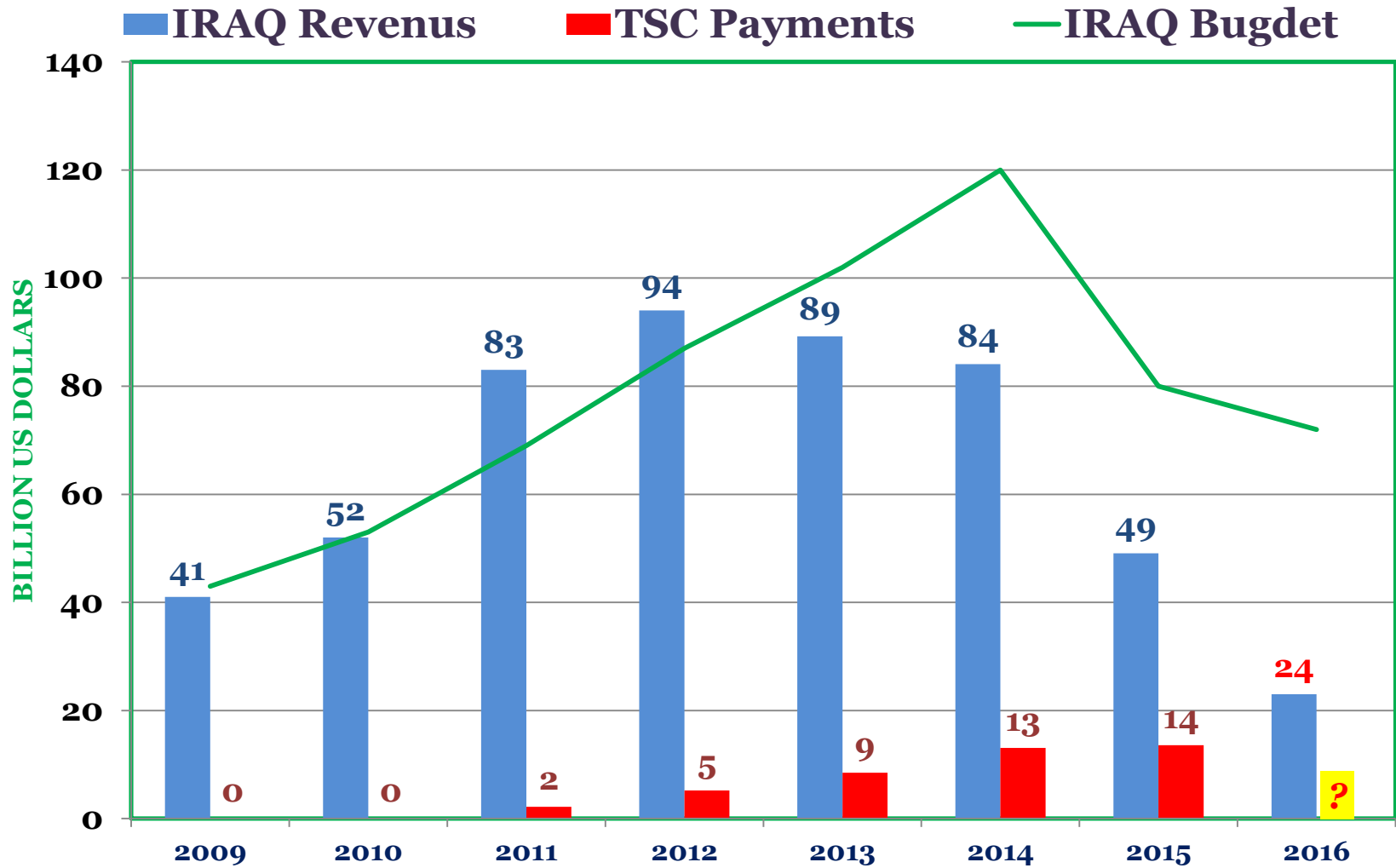
# Iraq Oil Budget , Revenues & Iraqi Oil Price

**Budget**      **Revenue**      **Price \$/bbls**





## IRAQ BUDGET REVENUES AND TSC PAYMENTS

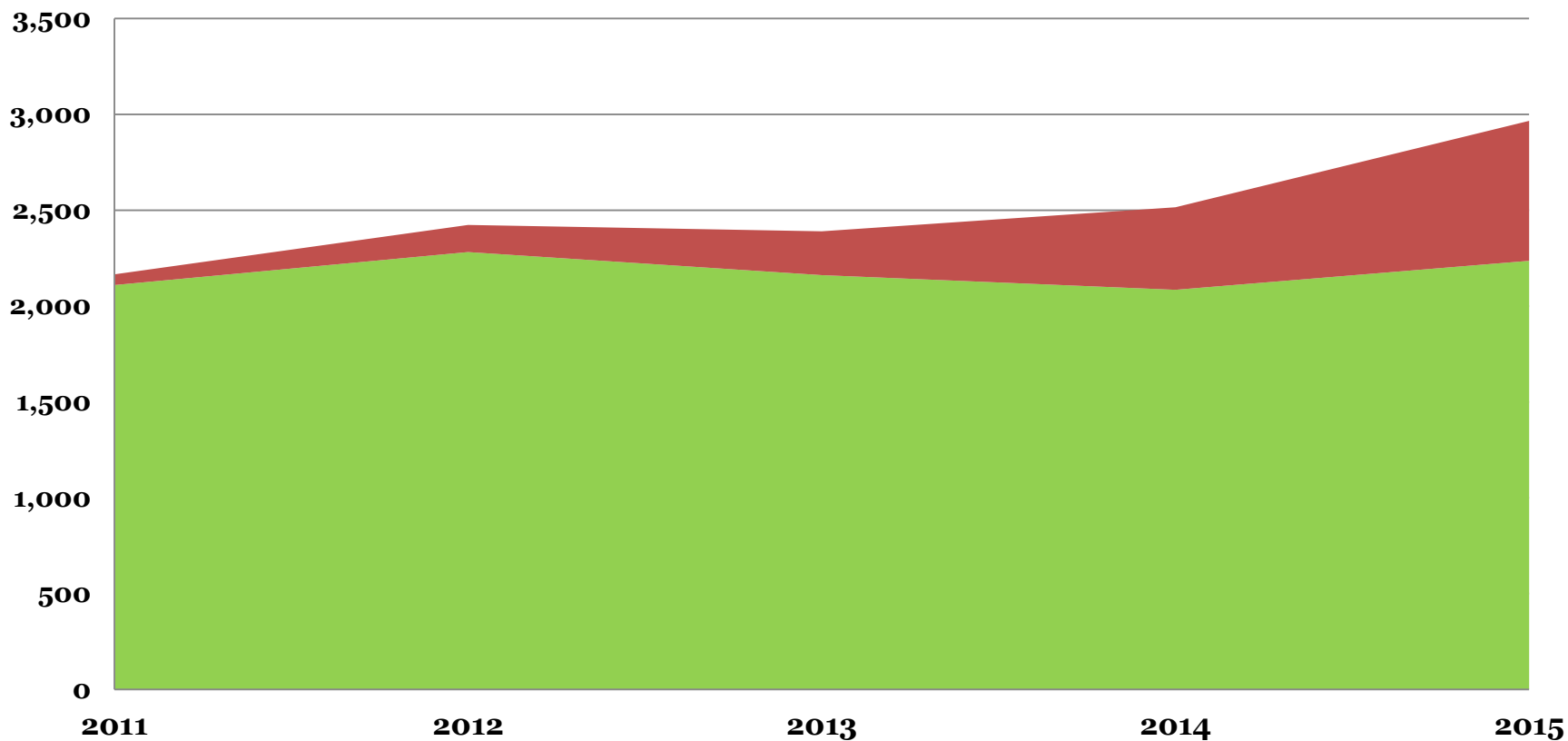




# Iraqi Export & TSC Payment bbl/day

■ TSC

■ TERM CONTRACT



***Thank You***