

OIL PRICES | 0 +\$0.32



**Australia dumps trading scheme**

Australia is in political turmoil after the parliament rejected the carbon emissions trading scheme (ETS), proposed by Prime Minister Kevin Rudd, ahead of next week's UN climate change convention in

- NEWS  
Exploration & Production
- REGIONS
- HARDCOPY
- MARKET DATA  
Field Development
- CAREERS
- WEB-TV  
Company News
- EVENTS
- SUBSCRIBE  
Po&cs
- SPECIAL
- ABOUT UPSTREAM  
Technology



Iraq oil goals: Are production targets unrealistic?

## Iraq oil claims may be too high

Some international oil companies have overstated how high they can take Iraq's crude oil production, a senior government adviser said today, ahead of a second round of oilfield development tenders this week.

News wires Monday, 07 December, 2009, 19:56 GMT

Thamir Ghadhban, adviser to Iraq's prime minister and a former oil minister, told an industry conference that he believed 6 million barrels per day (bpd) was a realistic target for Iraq's oil output within the next six to seven years.

This is well below the estimates of 10 or even 12 million bpd that have been mentioned as a result of plateau production targets proposed by some foreign oil companies as they bid for Iraqi oilfield contracts.

Iraq's Oil Ministry plans to auction off contracts for 10 untapped oilfields on 11 and December, the latest chapter in a scheme to catapult it into the big league of oil producers.

**RELATED STORES**

- CNPC to start Rumaila work 'soon'
- Iraq makes its mind up
- Iraq pipeline exports on
- Opec output hits new high

Contracts awarded since a first round of tenders in June alone have the potential to almost triple output to 7 million bpd.

"With all due respect to IOCs (international oil companies) and their technical expertise, I think some of the plateau figures that were bid on in the first round were exaggerated and most likely unsustainable," Thamir Ghadhban said in a Reuters report.

"According to our plan an oil production rate of 4.1 million bpd will be achieved by 2012 and this will be ramped up to 6 million bpd by 2017," Ghadhban added.

Last month, UK supermajor BP and China's CNPC signed a 20-year development contract for Rumaila, one of the world's biggest oilfields, sparking optimism over large increases in Iraq's crude output.

BP and its partner committed to lifting Rumaila's output to 2.85 million bpd from 1.05 million bpd currently.

Agreements have also been inked with an Eni-led group for the Zubair field and an ExxonMobil-led consortium for West Qurna.

These three projects alone have the potential to lift Iraq's output by 4.5 million bpd from 2.5 million bpd currently, according to the projections provided by the oil companies.

Even the lower estimate for production increases mentioned by Ghadhban could put pressure on oil prices given the slow pace of demand recovery following the global economic crisis and as the world works towards improved energy efficiency.

Some analysts suggest Iraq could be damaging its own economy by allowing output to increase too rapidly.

"What Iraq can gain from producing more oil it will lose in a fall in price," said Fadhil Chalabi, executive director at Centre for Global Energy Studies in London, in reaction to Ghadhban's speech.

Iraq is an Opec member but does not have an output target.

Opec has held its formal output targets steady all year following a decision announced last December to cut supplies by a record 4.2 million bpd from last September levels in an attempt to support falling oil prices.

Ghadhban said today he did not expect fellow Opec members to be concerned by production increase plans, despite a possible impact on oil prices.

"I am not of the opinion that we are approaching any problems with Opec."

Opec meets on 22 December in Angola to decide on future output policy.

Published: 07 December 2009 | Last updated: 07 December 2009

E-MAIL THIS TO A FRIEND  
Share

FREE DAILY NEWSLETTER

PRINT

**Learn Refinery Operations**  
Refining 101, Non-Technical Class Energy Management Institute

**OIL AND GAS JOBS**  
Be matched to Oil and Gas Jobs automatically, let Jobs find you!

Ads by Google

*"Upstream has helped them or their company identify leads or business opportunities"*

**upstream**  
The International O&G Magazine

**MOST POPULAR**

- Contractors hit as spending falls
- Horn of Africa on Tulow radar
- Montara blaze totals West Atlas
- OGX scores big in Campos
- Aramco names Manifa date

**SEARCH**

Advanced search

**SUBSCRIBER LOGIN**

Username: Password:

**RECRUITMENT**

**Condition Monitoring Specialist**

Reporting to the Mechanical Supervisor, you will carry out duties as part of the Offshore Maintenance Group, conducting condition-monitoring activities of all turbo machinery, rotating equipment and power generation drivers (Vibration analysis, Videoscoping and Greasing). Prepare maintenance action recommendation report, follow up and updating/closing of reports for all Turbo machinery/ Rotating equipment.

Sheffield Offshore

**Assistant Operations Manager**

Junior onshore position suitable for individuals with sea-going seismic experience looking to work ashore.

Sheffield Offshore

**Pipeline Integrity Engineer**

Provide Asset Integrity, Corrosion Engineering and Inspection task leadership to Integrity Management Projects. Act as technical resource on projects within field of engineering competence and experience.

Sheffield Offshore

**Chief Financial Officer**

Faststream

**Chief Operating**

ANSWER: VelcoGray and Hybrid Pressure Control are now GE Oil & Gas. Drilling & Production - a whole that



LNG Unlimited