Resilient and resolved
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Prime Minister
KURDISTAN REGIONAL GOVERNMENT

Build it better
Dr. Ashty HAWRAMI
Minister of Natural Resources
KURDISTAN REGIONAL GOVERNMENT

Realm of possibility
Drew GOODBREAD
General Manager Kurdistan Region of Iraq
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*The natural upstream oil and gas partner; navigating complexity, unlocking potential*
24 Diplomacy & Politics

2014 has been an eventful and decisive year for the Kurdistan Region of Iraq. In response to the insurgency of the Islamic State, the Kurdistan Region has expanded its territory. The Kirkuk field came under control of locals. With the debut of independent oil exports and backed by revenue from the region’s fields, full economic independence is becoming ever more likely day by day.

38 E&P: Early Entrants

Since 2002, when Genel Energy signed the first production-sharing contract (PSC) in the region, more than 100 wells have been spudded and some of the world’s largest oil and gas companies have signed PSCs with the Kurdistan Regional Government. Since Genel’s entrance, $15 billion has been invested in the region’s oil and gas industry. Confidence in the region’s PSC model has been the foundation of investment, more of which is predicted in the future.
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E&P: Recent Entrants
From the wildcatters of 2002, the Kurdistan Region is seeing some of the largest oil and gas companies in the world enter the local market. Chevron, ExxonMobil, Total and Gazprom Neft are among the big players that are drilling and acquiring seismic data across the region. Under production-sharing contracts, the activities of these super-majors are adding a new perspective to the region’s hydrocarbons industry.

CSR & Local Workforce Development
The rapid growth of the oil and gas industry in the Kurdistan Region of Iraq is outpacing the development of a domestic skilled workforce. Efforts are underway to train a greater number of local workers and the Ministry of Natural Resources hopes to achieve at least a threefold increase in local labour by the time the region hits production of 1 million barrels of oil per day, targeted for year-end 2015 or early 2016.

The Year’s Focus: A decade of drilling and development
The development of the hydrocarbons industry in the Kurdistan Region has been extraordinary. From the first well spud in 2005 to a production rate of 400,000 barrels of oil per day in 2014, there is now a target of 1 million barrels of oil per day by the end of 2015 or early 2016. Industry hopes are high for a region with such a successful track record.
124 Oilfield Services

The oilfield services sector in the Kurdistan Region is progressing steadily from a sector staffed with mostly expatriate employees to one supported by an expanding domestic workforce. This is largely thanks to the establishment of more machine shops in the region, allowing for equipment and repairs to be accessed domestically rather than relying on lengthy and costly imports. However, obstacles remain to be overcome, such as growing the pool of local talent.

138 Drilling Contractors

The Kurdistan Region of Iraq’s drilling sector has expanded eightfold since 2003 and the outlook for the future is positive, with new rigs in the market and techniques from managed pressure drilling and directional drilling facilitating new discoveries and rapid field development. However, there are still challenges to overcome including a lack of skilled domestic employees and a lengthy tendering process.

150 Engineering & Construction

Greater electricity generation in the Kurdistan Region of Iraq is one example of the area’s rapid economic growth and engineering and construction success. In 2007, electricity capacity in the Kurdistan Region was 484 MW. This grew to 2.7 GW in 2012 and the target is to double that within three years. Engineering and construction projects across the upstream and midstream sectors, including processing facilities and pipelines are also providing opportunities for sector growth.

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