

LUKoil Agrees to Cut Iraq Production

By [The Moscow Times](#)

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No. 2 oil producer LUKoil said it has cut its oil production plan in Iraq by almost a third, in line with the local government plans to increase the lifetime of its oilfields.

Andrei Kuzyayev, head of LUKoil Overseas, told Russian state TV channel Rossia-24 in an interview aired on Wednesday that LUKoil is now looking for a peak production at West Qurna-2 oilfield at 1.2 million barrels per day, not 1.8 million bpd as previously envisaged.

He said the Iraqi government has decided to cut peak oil production in order to prop up oil prices and help its economy.

"That's why Iraq's leadership has decided to limit production in the whole country to 9 million bpd, not 12 million bpd," he said.

Iraq has signed a series of contracts with foreign companies that target total oil production capacity of 12 million bpd by 2017, but has been reviewing the target.

Any deep cut to Iraq's overall target could mean the deals could need to be adjusted to accommodate lower production plateaus, which would mean lower returns for oil companies in the short term.

Oil output in 2013 was targeted to reach an average 3.7 million bpd — just shy of an all-time high of 3.8 million, hit in 1979. Exports are expected to run at 2.9 million bpd, including 250,000 bpd contributed by the northern Kurdistan Regional Government.

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