

Press release
05 June 2017

EFFICIENCY DRIVE BOOSTS RUMAILA PRODUCTION TO RECORD LEVEL

- Oil production at its highest in 27 years
- 1.8 million barrels of oil and produced water treated every day – highest in Rumaila history
- 25 new wells drilled in 2016 & time from well drilling to flow of oil to facilities falls 46% in 12 months

Basra, Iraq, 05 June: Production from the Rumaila oilfield has reached its highest level since 1989, with an average measured production rate of 1.411 million barrels a day recorded during 2016. This is 5.8% higher than in the previous year, according to the 2016 Annual Report submitted by Basra Oil Company (BOC) to the Government. The Rumaila oilfield is operated by the Rumaila Operating Organisation (ROO), a joint venture composed of BP, BOC, PetroChina and SOMO.

Key to production growth in the face of lower operating budgets requested by the Ministry of Oil, due to the continuing low oil price, has been the drive to improve efficiency across all operations and departments. A strong focus on water injection, new well delivery, workover efficiency and enhancements to processing facilities has made a material difference to production.

Water injection in North Rumaila reached a daily average of 729,000 barrels, an 8% increase over 2015 and the highest rate in 15 years. This vast water injection programme has been undertaken in the northern section of the field to maximise production from low-pressure reservoirs. As a result, production from North Rumaila has more than doubled since ROO's inception in 2010.

A total of 25 new wells were drilled in 2016, with marked improvements in drilling time. Twenty-three wells were brought online and the time taken to put wells on production fell by 46% over 12 months. Optimisation work was carried out on 117 existing wells to improve performance and proved very effective. Rumaila now has around 1.8 million barrels of production fluids (oil, gas and water) entering its degassing stations – the highest volume of fluids in 37 years. Meeting this challenge has involved the continuation of a major refurbishment programme carried out across ROO's 14 degassing stations, including the upgrading and installation of major processing and

storage equipment.

Commenting on 2016 performance ROO General Manager Ariel Flores stated: “This has been another challenging year in terms of the oil price environment and lower operating budget that we have to work with. The first part of the year was spent adjusting to this new reality and getting things in place to apply a laser sharp focus on efficiency and trying to do more with less.

“Thanks to the dedication and skill of our workforce, the second six months of the year saw momentum pick up and the results of our efficiency drive bore fruit. We are now handling record amounts of fluids throughout the field and output of oil is at its highest level in 27 years. The foundation to our success is our ability to operate safely with robust operating discipline. As a result, I am pleased to report that we are becoming a safer operation, with days away from work cases falling 58% and an 80% reduction in severe vehicle accidents.”

Fan Jianping, Special Deputy General Manager, concluded: “These results again prove the benefit of working together as one team, bringing all the expertise, skills and abilities of colleagues from BOC, BP and PetroChina.”

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Note to editors:

- Rumaila is a Basra Oil Company (BOC) oilfield and one of the largest producing fields in the world.
- Rumaila’s production under the ROO partnership has risen 32% in seven years to produce 1.411 million bpd (average daily measured production rate 2016)
- The Rumaila Operating Organisation (ROO) is the operator of the Rumaila oilfield, which is a joint venture formed in 30th of June 2010 between BOC, BP, PetroChina and the State Oil Marketing Organization (SOMO)
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