

Press release March 2018

RUMAILA OILFIELD EXPANDS FACILITY CAPACITY TO PRODUCE 80,000 MORE BARRELS A DAY FOR IRAQ

- New production train among the most technologically advanced in Iraq
- Additional 80,000 barrels per day of oil processing and production capacity
- Modern three-phase separators to increase water removal capacity

Basra, Iraq, March 2018: The Rumaila Operating Organisation (ROO) is pleased to announce the start-up of a new production train at Degassing Station (DS-02) in North Rumaila. The production train will increase Rumaila's oil processing capacity by 80,000 barrels per day.

Production trains are engineering facilities that reside within the oilfield's degassing stations; the mixture of oil, gas and water that has been extracted and piped from Rumaila's reservoirs is separated and treated by these production trains. The new train (Train 2) is part of a broader strategy to install the additional production and water removal capacity required across Rumaila to grow and sustain the operation's oil production, while maintaining its quality.

Train 2 is now one of the most advanced production trains in Iraq, incorporating modern electronic control systems and the very latest in dehydrators and desalters (D&D) dual frequency technology. A key feature of the new train's design is the inclusion of three-phase separators, enabling oil, gas, and water separation, greatly increasing the water removal capacity of the new train compared to existing trains, which only have two-phase (oil and gas) separation vessels. Each of these new separators weighs 99 tons and measures 14 metres in length.

As the new train includes modern electronic control systems, this enables real-time data capture of all the train's key operating parameters and allows staff to adjust and optimize the plant online. Other upgrades include improvements to the DS2 control room, increased export capacity, upgrades to the flow tank gas venting system, vents and produced water facilities, as well as associated utility upgrades.

The construction work scope included more than 771 piping valves, 20km of pipes and 38km of cables installed by Iraqi staff from the Construction Department and other supporting departments

of ROO in addition to five Iraqi contractors, employing local staff. Construction was completed within 12 months, in a project that took just over 300,000 working hours and experienced no safety incidents.

ROO General Manager from Basra Oil Company Mr. Hussein Abdul Kadhum Hussein said: "The involvement of Iraqi national staff in delivering this project has improved their performance levels in line with oil industry best practice, making them more eligible for future participation in similar construction work and therefore economically more competitive."

ROO Deputy General Manager Ariel Flores added: "This new production train is a significant investment and important step in our long-term strategy to modernise existing facilities; it will help to extend Rumaila's ability to deliver high quality oil to support Iraq for many years to come. On behalf of the Rumaila management team, I'd like to thank everyone – Iraqi contractors and Basra Oil Company, BP and PetroChina staff – for the success of this project."

Fan Jianping, ROO Special Deputy General Manager, concluded: "I am very happy to see the new train operating successfully and safely and I am very sure it will help us to deliver more oil from this extraordinary field and exceptional operation."

The ROO unincorporated joint venture comprises BOC, BP, PetroChina and the State Oil Marketing Organisation (SOMO), and is responsible for maximizing oil production from Iraq's biggest oilfield. Since its establishment, ROO has delivered over three billion barrels of oil for Iraq, and increased its oil production 41% from 1.066 million barrels per day (bpd) in June 2010 to over 1.500 million bpd in 2018 (year to date average).

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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 41% in eight years to produce over
 1.500 million bpd (average daily measured production rate YTD 2018)
- The Rumaila Operating Organisation (ROO) is the operator of the Rumaila oilfield, which is an unincorporated joint venture formed in 30th of June 2010 between BOC, BP, PetroChina and the State Oil Marketing Organization (SOMO)
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