



bp and Iraq reach final agreement for redevelopment in Kirkuk

25 February 2025

bp today reached agreement on all contractual terms with the Government of the Republic of Iraq to invest in several giant oil fields in Kirkuk providing for the rehabilitation and redevelopment of the fields, spanning oil, gas, power and water with potential for investment in exploration. The agreement is subject to final governmental ratification.

Execution of the agreement will follow upon endorsement by the Council of Ministers, after which bp will work closely under the guidance of the Government of Iraq in setting up the new operator, which will be an unincorporated organization comprising predominantly personnel from the North Oil Company (NOC) and North Gas Company (NGC), but also with secondees from bp. The new operating organization will take over operations at Kirkuk from NOC. Subsequent to this agreement, bp expects to form a standalone incorporated joint venture to hold its interests in the operator.

The agreement follows a memorandum of understanding between bp and Iraq signed in July 2024 – of which technical terms were agreed in December and the majority of commercial terms agreed in January – together with previous work bp has done on the fields in Kirkuk from 2013 to 2019.

The agreement is for an initial phase and includes oil and gas production of more than three billion barrels of oil equivalent. It includes the Baba and Avanah domes of the Kirkuk oil field and three adjacent fields – Bai Hassan, Jambur and Khabbaz – in Federal Iraq, all of which are currently operated by the NOC.

The wider resource opportunity across the contract and surrounding area is believed to include up to 20 billion barrels of oil equivalent.

bp executive vice president William Lin said: “This agreement builds on our longstanding and strategic relationship with the Government of Iraq and delivers access to a material new resource opportunity, within one of the world’s most prolific hydrocarbon provinces. It will enable us to bring our experience of managing giant fields to realise the potential of this important asset for Iraq, working alongside and in close partnership with NOC and NGC. This opportunity is fully in line with our priority of pursuing new growth opportunities for bp as we strengthen and high-grade our portfolio across the world. We thank the Government of Iraq for the trust and privilege to deepen our cooperation in-country.”

Under the terms of the agreement, bp will work with NOC, NGC and the new operator to stabilize and grow production. Work will include a drilling programme, the rehabilitation of existing wells and facilities, and the construction of new infrastructure, including gas expansion projects.

Under the agreement, bp's remuneration will be linked to incremental production volumes, price and costs. bp will be able to book a share of production and reserves proportionate to the fees it earns for helping to increase production.

Investment in the project has the potential to bring opportunity and economic growth into the Kirkuk region – creating tangible benefits for the local population, improving supply chain capability alongside job creation.

The project is fully accommodated within bp's disciplined financial framework and exceeds bp's investment returns hurdles. bp expects the project to commence in 2025.

Note to editors

bp was a member of the consortium of oil companies that discovered oil in Kirkuk in the 1920s. From 2013 to 2019 bp worked with the Ministry of Oil and NOC on technical studies exploring the potential for redevelopment at Kirkuk.

Further information

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