

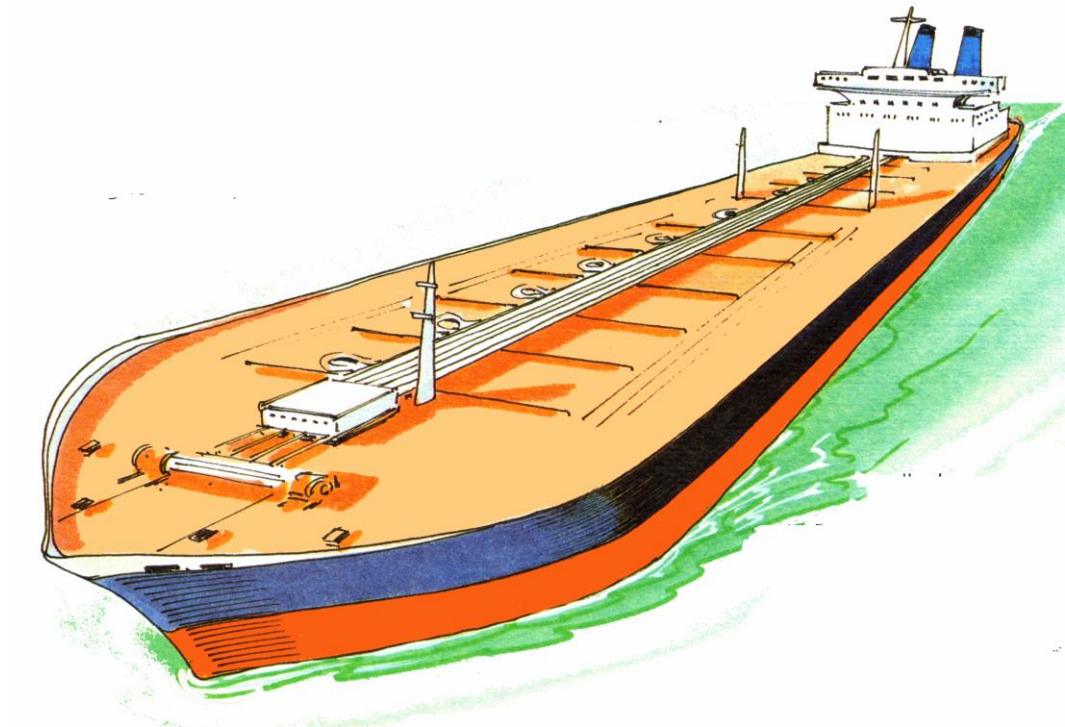


MINISTRY OF NATURAL RESOURCES | KURDISTAN REGIONAL GOVERNMENT
هه‌زاره‌تی سامانه سروشتیه‌کان | حکومه‌تی هه‌ریمی کوردستان

Monthly Export, Lifting & Revenue Report

February 2016

Report Prepared: 6th March 2016



Monthly Export, Lifting & Revenue Report

Executive Summary

This monthly report for February 2016 details:

- 1) All oil export volumes through the KRG-Ceyhan crude oil pipeline
- 2) All crude oil cargoes lifted from Ceyhan by the buyers
- 3) The revenues received on account by the KRG during the month

The Kurdistan Regional Government (KRG) exported 10,151,944 barrels of crude oil (an average of 350,067 barrels per day (bpd)) in the month of February through the Kurdistan pipeline network to the port of Ceyhan in Turkey.

Due to circumstances beyond the KRG's control that occurred within the territory of Turkey, during the month of February there were approximately 13 days of downtime for the export pipeline. The downtime is continuing at the date of this report.

The buyers of the KRG crude oil lifted 13 cargoes (totaling 11,890,345 barrels) according to the volumes allocated to them under their contracts. The cargo volumes lifted exceeded the February KRG export volumes. The excess derived from the previously exported oil accumulated in the storage tanks in Ceyhan.

The KRG received \$303,943,433 on account in February from its crude oil export, of which \$70,933,433 was allocated to the producers. The sales revenue received by KRG during the month included \$100 million from a new prepayment commitment. It should be noted that from the crude oil cargoes lifted in February, there was also an amount of \$43,200,644 set off by the buyers against 2014/2015 prepayments. Therefore, the net prepayment received during February by the KRG was \$56,799,356 (\$100,000,000 minus \$43,200,644).

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Notes

1. For measurement purposes, the definition of a day is 6am on a particular day ending 24 hours later at 6am the next day.
2. All volumes in this report are measured in barrels at standard condition (60 degrees Fahrenheit and 1 atm), unless stated otherwise.

Pipeline Export Summary

February 2016

| Storage Summary in Ceyhan | |
|---|------------|
| KRG Beginning Storage Tank at Ceyhan 6am-01/01 (bbls) | 1,460,550 |
| Total Received at Ceyhan by KRG Tanks (bbls) | 10,255,296 |
| KRG Direct Sales at Ceyhan (bbls) | 11,587,244 |
| KRG End Storage Tank at Ceyhan 6am-01/02 (bbls) | 128,602 |

| Pipeline Export Summary | |
|---|------------|
| Total Exported to Ceyhan (bbls) | 10,151,944 |
| Average Daily Exported to Ceyhan (bbls/day) | 350,067 |

| Pipeline Export Daily Averages Excluding Periods of Shutdown* | |
|--|---------|
| Average Daily Delivered to Ceyhan for Exports (bbls/day) | 619,021 |

*Cumulatively, there were approximately 13 days of downtime in February due to circumstances beyond the KRG's control. The figures presented in this table show daily averages considering the actual number of days the pipeline was online, which was about 16 days.

Daily Pipeline Exports to Ceyhan

February 2016

| Date | Total Exported (bbls) | Total Received at Ceyhan (bbls) |
|--------------|-----------------------|---------------------------------|
| 01/02/2016 | 607,112 | 596,804 |
| 02/02/2016 | 641,381 | 621,934 |
| 03/02/2016 | 640,879 | 631,317 |
| 04/02/2016 | 626,322 | 630,139 |
| 05/02/2016 | 610,451 | 618,356 |
| 06/02/2016 | 609,295 | 604,611 |
| 07/02/2016 | 592,761 | 596,141 |
| 08/02/2016 | 601,501 | 644,672 |
| 09/02/2016 | 611,915 | 626,494 |
| 10/02/2016 | 630,709 | 581,436 |
| 11/02/2016 | 637,285 | 638,631 |
| 12/02/2016 | 644,514 | 663,324 |
| 13/02/2016 | 618,878 | 625,592 |
| 14/02/2016 | 644,040 | 629,747 |
| 15/02/2016 | 661,744 | 672,139 |
| 16/02/2016 | 518,513 | 493,288 |
| 17/02/2016 | 254,645 | 380,671 |
| 18/02/2016 | 0 | 0 |
| 19/02/2016 | 0 | 0 |
| 20/02/2016 | 0 | 0 |
| 21/02/2016 | 0 | 0 |
| 22/02/2016 | 0 | 0 |
| 23/02/2016 | 0 | 0 |
| 24/02/2016 | 0 | 0 |
| 25/02/2016 | 0 | 0 |
| 26/02/2016 | 0 | 0 |
| 27/02/2016 | 0 | 0 |
| 28/02/2016 | 0 | 0 |
| 29/02/2016 | 0 | 0 |
| Total | 10,151,944 | 10,255,296 |

Cargoes Lifted by Buyers in Ceyhan

February 2016

Buyer "A"

| | |
|-------------------------------|--|
| February Deliveries to Buyer | 7,304,991 BBLS |
| Shortage of Cargo in February | 4,700,000 BBLS (according to contractual obligation) |

Buyer "E"

| | |
|-------------------------------|--|
| February Deliveries to Buyer | 0 BBLS |
| Shortage of Cargo in February | 0 BBLS (according to contractual obligation) |

Buyer "T"

| | |
|-------------------------------|--|
| February Deliveries to Buyer | 1,049,949 BBLS |
| Shortage of Cargo in February | 0 BBLS (according to contractual obligation) |

Buyer "P"

| | |
|-------------------------------|--|
| February Deliveries to Buyer | 3,535,405 BBLS |
| Shortage of Cargo in February | 3,500,000 BBLS (according to contractual obligation) |

Sales by Vessel

February 2016

Sales Loaded Detail

Norm Month

Feb 2016

| <u>Grade</u> | <u>Location</u> | <u>B/L Date</u> | <u>Vessel No</u> | <u>Vessel Name</u> | <u>Quantity</u> | <u>Nett Quantity</u> |
|---------------------------|-----------------|-----------------|------------------|--------------------|----------------------|----------------------|
| Export Blend Crude Oil | CEYHAN | 01/02/2016 | 216 | Marika | 1,050,068.00 | 1,046,918.00 |
| Export Blend Crude Oil | CEYHAN | 03/02/2016 | 217 | Mabrouk | 1,049,953.00 | 1,046,803.00 |
| Export Blend Crude Oil | CEYHAN | 05/02/2016 | 218 | Sikinos | 1,031,718.00 | 1,029,139.00 |
| Export Blend Crude Oil | CEYHAN | 06/02/2016 | 219 | Tamara | 1,049,949.00 | 1,046,799.00 |
| Export Blend Crude Oil | CEYHAN | 08/02/2016 | 220 | Sifnos | 1,042,889.00 | 1,039,760.00 |
| Export Blend Crude Oil | CEYHAN | 10/02/2016 | 221 | Kriti Breeze | 958,330.00 | 955,934.00 |
| Export Blend Crude Oil | CEYHAN | 11/02/2016 | 222 | Alicante | 764,973.00 | 761,913.00 |
| Export Blend Crude Oil | CEYHAN | 13/02/2016 | 223 | Marika | 1,099,937.00 | 1,094,437.00 |
| Export Blend Crude Oil | CEYHAN | 14/02/2016 | 224 | Tahiti | 997,605.00 | 987,629.00 |
| Export Blend Crude Oil | CEYHAN | 16/02/2016 | 225 | Neverland Dream | 779,988.00 | 774,528.00 |
| Export Blend Crude Oil | CEYHAN | 17/02/2016 | 226 | Lovina | 729,938.00 | 725,558.00 |
| Export Blend Crude Oil | CEYHAN | 19/02/2016 | 227 | Kriti Breeze | 960,077.00 | 956,717.00 |
| Export Blend Crude Oil | CEYHAN | 27/02/2016 | 228 | Neverland | 374,920.00 | 374,170.00 |
| Total for Feb 2016 | | | | | 11,890,345.00 | 11,840,305.00 |
| Total Quantity | | | | | 11,890,345.00 | 11,840,305.00 |

Crude Oil Export Revenue

February 2016

February Payments made by Buyers

| | |
|--------------|----------------------------|
| Buyer "A" | \$102,494,624 (on account) |
| Buyer "E" | \$100,000,000 (on account) |
| Buyer "T" | \$0 (on account) |
| Buyer "P" | \$101,448,809 (on account) |
| Total | \$303,943,433 |

Breakdown of February Payments

| No. | Contract ID | Beneficiary | "A" Payments | "E" Payments | "T" Payments | "P" Payments | Date |
|-----|-----------------|-------------|----------------------|----------------------|--------------|----------------------|----------------------|
| 1 | 9081 | TTOPCO | \$19,494,624 | | | | 03/02/16 |
| 2 | 060502 | DNO | | | | \$21,448,809 | 05/02/16 |
| 3 | 060502 | KAR | | | | \$15,000,000 | 12/02/16 |
| 4 | 9081 | KRG - HALK | \$61,000,000 | | | | 16/02/16 |
| 5 | 060502 | KRG - HALK | | | | \$50,000,000 | 16/02/16 |
| 6 | E2016 | KRG - HALK | | \$100,000,00 | | | 23/02/16 |
| 7 | 9081 | KRG - HALK | \$22,000,000 | | | | 01/03/16 |
| 8 | 060502 | GKP | | | | \$15,000,000 | 02/03/16 |
| | Subtotal | | \$102,494,624 | \$100,000,000 | | \$101,448,809 | |
| | | | | Grand Total* | | | \$303,943,433 |

*\$70,933,433 paid directly to contractors and \$233m paid directly to KRG.