

Key Iraq Events - Oil



SOMO Excludes Basrah Light for Term Buyers from 2022

Iraq's State Oil Marketing Organization (SOMO) requested customers to provide their 2022 term crude requirements for three crude grades, Basrah Medium, Basrah Heavy and Kirkuk, excluding the flagship Basrah Light. This implies that the latter would be used for local consumption in Iraqi refineries.

Iraq has struggled to maintain the contracted quality for Basrah Light, with volumes of the grade being the smallest of SOMO's three Basrah export grades throughout 2021, according to Kpler data at around 700 - 800,000 b/d.

State-owned Basrah Oil Co. is revamping the Basrah oil terminal to export the Basrah Medium grade instead of Basrah Light. SOMO's deputy director general, Ali al-Shatari, said that Basrah Light will be loaded from the single point mooring (SPM) that was previously used for Basrah Medium. The latter's flows are expected to rise over the rest of the year, with operations at the Basrah terminal to dedicate more capacity

to the newly created grade. Basrah Light might make a comeback in the future as the government plans to develop the deeper, lighter Yamama reservoir (32.7-36.4°API) in fields such as West Qurna-2 and Majnoon.

Get in Touch

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