
The Resumption of Oil Exports from the Kurdistan Region to the Ceyhan Port: Impacts and Implications.

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The Kurdistan Region is capable of producing a total of 285,000 barrels of oil per day from all fields, with an initial export of 190,000 barrels in the first days. Although DNO and Genel Energy sell their shares from the Tawke field to the domestic market, this amount is also re-injected into the pipeline for export, as confirmed by [DNO's announcement on Saturday, September 26, 2025](#).

Losses from halting oil exports from the Kurdistan Region to the Ceyhan port over two and a half years amounted not only [to \\$28 billion](#) for the three parties involved but also billions in lost investment opportunities. These included exploration of new oil wells, the purchase of new technologies and equipment, suspension of field development for higher production, and reductions in operational costs. All of these must be added to the sector's overall losses during this period.

Exporting oil to global markets will directly affect the capital expenditure (CAPEX) and operational expenditure (OPEX) of oil companies in the first quarter of next year. For instance, company financial and operational reports after March 2023 clearly show that not only was investment spending halted, but oil production costs fell to a minimum. With the new agreement, and in the first [announcement from DNO, the company](#) referred to drilling eight new oil wells and raising production from the Tawke and Peshkabir fields to 100,000 barrels per day next year.

On September 7-8, during [the Baghdad International Energy Forum](#), an CEO of a major oil service company explained how the export suspension forced them to halt operations and relocate nearly 100 employees from the Kurdistan Region to southern Iraq. The primary reason was reduced company expenditures and the lack of new drilling projects, even though, prior to March 2023, they had been active in several fields for different companies. The resumption of exports means the return of these oil service providers and the revival of dozens of domestic service companies in the sector.

Another immediate impact of oil export concerns company shares. For example, [Gulf Keystone's share price](#) rose from 174 cents per share on September 20 to 208 cents per share by the morning of September 26. Similarly, [DNO's share increased](#) from SEK 14 per share on September 15 to SEK 16 per share. While these gains reflect company profits, they also signal a direct and lasting effect on the value of Kurdistan Region oil fields.

Exporting oil via pipeline to Ceyhan port means doubling the price per barrel of oil and selling it according to its quality at the Brent price. If the quality is better, it will be sold above Brent price, but if the quality is lower, it will not be at the 2014-2023 prices of approximately 10-12 dollars less, but rather close to 1-2 dollars less than today's Brent price of \$68, because it is official and no one files lawsuits in the international courts of London and Paris against it.

During the past two and a half years, according to company reports, a barrel of oil was priced at [\\$27.28 for Shaikan](#), below \$30 for Tawke-Peshkabir, and \$33.34 for [Atrush and Sarsang](#). Now, the price per barrel has nearly doubled or more for the fourth quarter of this year.

Aspects of the Tripartite Agreement: Present and Future

The publications of the three parties to the agreement frame it differently. The [Iraqi Ministry of Oil and](#) the federal government describe it as a restoration of sovereignty over the country's public wealth and the resolution of an 18-year dispute. The [Kurdistan Region presents](#) it as reconnecting its oil fields to global markets, while the companies emphasize safeguarding their rights and entitlements. However, whatever the interpretation, the agreement has four domestic dimensions:

First, it restores confidence in energy investment in Iraq and the Kurdistan Region, particularly after the [International Energy Agency \(IEA\)](#) warned in its latest report that declining global oil and gas investment threatens energy security. Kurdistan Region oil fields fell within this risk during the suspension. The new agreement, by bringing oil back to global markets at competitive prices, will reactivate investment as before March 2023 and attract major companies back into the sector.

Second, it recognizes oil contracts and guarantees the rights and entitlements of the international oil companies that signed them. This both encourages investment and ensures that companies receive their financial dues as stipulated by their contracts.

Third, it effectively nullifies Iraq's earlier attempts to declare Kurdistan Region oil contracts illegal. Under the contracts, companies are entitled to reimbursement for production costs and profit shares once independent consulting firms verify the cost of production per barrel.

Fourth, it highlights the economic relationship between Erbil and Baghdad regarding the Kurdistan Region's commitments and entitlements. When oil is sold through SOMO, will Baghdad only cover salaries, or will it also transfer the Kurdistan Region's budget share from the federal state? Over the past decade, budget allocations and actual transfers have differed, as shown in the table below. Whether these changes will become clearer after the Iraqi parliamentary elections on November 11, 2025, if they take place.

Table 1: Kurdistan Region's Share in Iraq's Budget and Expenditures, Ministry of Finance (2015_2024)








year	Type	Allocated amount in the budget for operations	Allocated amount in the budget for investment	Total overall expenditure according to the budget	The amount allocated by the Ministry of Finance for operations	The amount allocated from the Ministry of Finance for investment	Total overall expenditure: Ministry of Finance
2015	Total overall expenditures	78,248,392,443,000	41,214,037,106,000	119,462,429,549,000	51,832,839,243,623	18,564,676,216,776	70,397,515,460,399
	Kurdistan Region of Iraq	9,296,559,702,000	5,520,915,288,000	2,501,885,226,249	2,457,750,226,249	44,135,000,000	2,501,885,226,249
2016	Total overall expenditures	80,149,411,081,000	25,746,311,538,000	105,895,722,619,000	51,173,425,329,719	15,894,008,591,247	67,067,433,920,966
	Kurdistan Region of Iraq	9,185,000,567,000	3,882,323,511,000	13,067,324,078,000	0	0	0
2017	Total overall expenditures	75,217,142,790,000	25,454,018,000,000	100,671,160,790,000	59,025,654,216,968	16,464,461,221,812	75,490,115,438,780
	Kurdistan Region of Iraq	7,568,374,894,000	4,036,653,941,000	11,605,028,835,000	0	0	0
2018	Total overall expenditures	79,508,071,596,000	24,650,112,138,000	104,158,183,734,000	67,052,856,085,140	13,820,332,662,927	80,873,188,748,067
	Kurdistan Region of Iraq	5,210,783,447,000	386,749,347,000	2,862,368,778,714	2,862,368,778,714	0	2,862,368,778,714
2019	Total overall expenditures	10,005,911,000,400	33,048,506,408,000	133,107,616,412,000	87,300,932,640,255	24,422,590,414,111	111,723,523,054,366
	Kurdistan Region of Iraq	8,198,700,391,000	1,584,325,420,000	9,783,025,811,000	5,443,562,482,562	0	5,443,562,482,562
2020	Total overall expenditures				72,873,537,541,404	3,208,905,372,539	76,082,442,913,942
	Kurdistan Region of Iraq				2,401,583,435,109	0	2,401,583,435,109
2021	Total overall expenditures	10,085,613,948,200	29,136,869,809,000	102,849,659,747,427	89,526,686,305,251	13,322,973,442,176	102,849,659,747,427
	Kurdistan Region of Iraq	8,161,000,000,000	(3,321,384,940,000)	11,482,384,940,000	1,003,000,000,000	0	1,003,000,000,000
2022	Total overall expenditures				104,941,090,861,952	12,018,490,830,070	116,959,581,692,022
	Kurdistan Region of Iraq				400,000,000,000	0	400,000,000,000
2023	Total overall expenditures	13,322,169,400,200	65,688,649,588,000	198,910,343,590,000	118,242,777,445,694	24,192,858,852,201	142,435,636,297,895
	Kurdistan Region of Iraq	13,428,663,041,000	(3,069,208,048,000)	16,497,871,089,000	0	0	0
2024	Total overall expenditures	13,322,169,400,200	65,688,649,588,000	198,910,343,590,000	125,214,044,053,991	25,313,302,223,674	150,527,346,277,665
	Kurdistan Region of Iraq	13,428,663,041,000	3,069,208,048,000	16,497,871,089,000	10,786,352,903,560	0	10,786,352,903,560

Source: Financial reports of the Ministry of Finance, Iraq's annual budgets 2015_2025; Iraq Financial Dashboard 2015_2025.

If the current tripartite agreement on the export of oil through the Ceyhan port proceeds as planned, three major issues will remain on the agenda in the coming months concerning Kurdistan Region oil.

The first concerns the unresolved debts owed to international oil companies (IOCs) operating in the Kurdistan Region. According to their own reports, the outstanding amount for five companies exceeds \$885 million, as shown in the table below.

Table 2: Debts of International Oil Companies (IOCs) to the Kurdistan Region, Q4 2022 _ Q1 2023

Company Name	Logo	Debt amount in dollars	Note	Source
DNO Company		298.1		https://www.dno.no/media/yl5esnu3/2024-annual-report.pdf
Genel Energy Company		107		https://genelenergy.com/wp-content/uploads/genel-march-outlook-presentation-final-march-2025.pdf
Shamran Company		96.7		https://shamranpetroleum.com/news/shamran-reports-second-quarter-2023-results-122846/
HKN Company		190.7		https://www.hknenergy.com/wp-content/uploads/2023/08/Q2-2023-Mgmt-Update-Final.pdf
Gulf Keystone Company		192.8		https://polaris.brighterlr.com/public/gulf_keystone_petroleum/news/ms/story/xe8ynzx/export
Western Zagros Company			The debt amount of American Western Zagros Company, which is a member of the Association of the Petroleum Industry of Kurdistan, APIKUR, is not clear due to the absence of annual financial reports since 2018.	https://www.westernzagros.com/wp-content/uploads/2020/11/WZ-2018-ESTMA-Report.pdf
Hunt Oil Company			The debt amount of American Hunt Oil Company, which is a member of the Association of the Petroleum Industry of Kurdistan, APIKUR, is not clear due to the absence of annual financial reports since 2018.	
Total		885.3		

The second issue relates to ongoing negotiations between Ankara and Baghdad over a new agreement governing the use of the oil export pipeline through Turkey, with the current agreement set to expire in July of next year.

The third issue involves the political landscape in the Kurdistan Region. While the formation of a new regional government may not lead to significant changes on this front, parliamentary elections in Iraq and the possible emergence of a new federal government could alter the balance of power in the Iraqi parliament. Such changes may create new obstacles, even though the present agreement only covers the final three months of the year. For this reason, close attention must be paid to developments at the start of the new year.