Interview with Kuwait Oil Company CEO Hashim Hashim

Hashim Hashim

KUWAIT: The following are scripts from an interview conducted with Kuwait Oil Company CEO Hashim Hashim, which was published by Al-Rai yesterday:

Question: What are the operational and capital budgets of Kuwait Oil Company for 2016-2017?
Hashim: We would like to explain that the operational and capital budgets are still under approval. The operational budget for KOC in 2016/2017 is estimated at KD 1.68 million, and the budget was prepared based on an expected production capacity of 3.15 million bpd and actual production of 3 million bpd, As for the capital budget for 2016/2017, it is estimated at KD 1.7 million and it is part of the five-year capital plan which aims at raising KOC's production capacity to 3.65 million bpd in 2020.

Question: What is the production capacity of KOC?
Hashim: The current production capacity of KOC is 3 million bpd, and the company achieved this level in 2015. It should be noted that KOC reached this level in an experimentation phase in 2010, and actual production in the '70s, but the '70s production was of easy oil as it did not have accompanying water and from reservoirs that were considered to be at the start of their productive age then.

Question: Do you have a certain mechanism to qualify private companies to work in company projects?
Hashim: Yes, KOC has a mechanism to qualify private companies to work for projects, and this mechanism was placed on the basis that guarantees the qualification of competent companies and contractors.

Question: What is the cost of expected budgets during the next five years?
Hashim: The budget of proposed capital projects for the next five years is around KD 17 billion, which includes projects under construction, projects that are being awarded and future projects.

Question: How far have you got in the northern fields? And what is the fate of qualified companies for the heavy oil tenders?
Hashim: KOC continues to develop the conventional northern fields, and as said before, KOC is working on three main programs to develop the fields in the north. As for the development of heavy oil, KOC awarded the tender of developing the first stage which aims to build a production capacity of 60,000 bpd in 2018/2019, and there are several qualified companies and opportunities to cooperate with KOC.

Question: How do you see the condition of the major Burgan field following more than 80 years of production? And where is its production now, and what are the new projects to raise its production?
Hashim: First, we would like to confirm that Burgan field contains a strategic reserves that enable it to produce for many years, as it is considered one of the biggest fields not in Kuwait but at the global level. Burgan field is characterized by containing huge reserves and has a large production capacity. It plays a basic role in achieving the strategic goal of KOC to reach 3.65 million bpd by 2020.

Question: Where have you reached in new discoveries that you announced earlier? And when are they expected to be included in production plans?
Hashim: Discovery programs aim at compensating for oil and gas production and increase reserves. These programs also include seismic surveys that cover all Kuwait land and sea areas, as discovery programs aim at discovering and developing nearly 700,000 bpd and one million cu ft of gas daily by 2030 as part of the 2030 strategy. – Al-Rai

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