



January 29, 2024

The Honorable Jack Reed, Chairman
United States Senate Committee on Armed Services

The Honorable Roger Wicker, Ranking Member
United States Senate Committee on Armed Services

Russell Senate Building, Room 228
Washington, D.C., 20510

Dear Senator Reed and Senator Wicker,

On behalf of the member companies of the Association of the Petroleum Industry of Kurdistan (APIKUR) we hope this year brings you peace and prosperity. Our association's membership includes eight international oil and gas companies operating in the Kurdistan Region of Iraq (KRI), including three U.S. owned companies and several more with substantial U.S. equity and bond holdings.

We request your immediate assistance to persuade the Federal Government of Iraq (GoI) to promptly resolve issues that have resulted in the halt of greater than 400,000 barrels a day of crude oil exports from the KRI to global markets. The White House has extended an invitation for the Federal Iraqi Prime Minister Mohammed Shia Al Sudani to visit. We ask that you take this opportunity to impress on the Iraqi PM that GoI must allow U.S. oil companies, and all APIKUR members, to freely produce and export their oil to the global markets. The GoI must immediately resolve two issues: the full implementation of the Iraqi budget for the Kurdistan Region which is essential for western and American companies to resume operations, as well as payment surety for past and future oil exports in accordance with their contractual rights.

We refer to our previous communications, dated February 9 and April 24, 2023, regarding the critical situation in the KRI. Unfortunately, the circumstances have deteriorated since our last correspondence. The halt of crude oil exports from the region, now lasting over 10 months, coupled with the unresolved Federal Budget issues by the GoI, continue to threaten the fiscal stability and autonomous status of the KRI—a region that has been a steadfast security ally of the United States in the Middle East. The United States has made significant public and private sector investments in the KRI; Iraqi governmental intransigence is thwarting the return on that investment. The U.S. Development Finance Corporation, for instance, has invested \$300 million in energy projects in the KRI. Moreover, our APIKUR member companies, have invested over \$10 billion in the region. These investments, which were made based on solid, legally-binding agreements, are now being jeopardized.

Our disquiet is shared by others; for example, on September 18, 2023, your colleagues expressed similar concerns in a letter to President Biden. On September 21, 2023, Deputy Assistant to the President and White House Coordinator for the Middle East and

North Africa Brett McGurk and Deputy Assistant and Senior Advisor to the President for Energy and Investment Amos Hochstein met with the Iraqi PM, and “emphasized the urgency of reopening the Iraq-Türkiye Pipeline as soon as possible.” Despite Washington’s encouragement the stalemate continues between the GOI on the one hand and the Kurdistan Regional Government (KRG), International Oil Companies and the Republic of Türkiye on the other, notwithstanding repeated statements by the Iraqi PM, and others in his government, to the contrary.

APIKUR and its members reiterate their request for preserving the sanctity of their contractual rights as well as certainty of past and future payments to end this deadlock. APIKUR is confident that, with advocacy from the U.S. Executive Branch as well as the U.S. Congress, the desired solution can be reached. APIKUR notes that meetings were held in Baghdad on January 7-9, 2024, between representatives of the GOI, the KRG, and International Oil Companies — including representatives of several APIKUR member companies. But, thus far, there has been no concrete progress towards that end presented to the members of APIKUR.

We remain committed to Kurdistan, despite the recent ballistic missile attacks and increased threats from Iranian-backed militia groups throughout Iraq. It is imperative that we resume full oil production and recommence oil exports from Kurdistan to create economic stability in the region as a bulwark against destructive and destabilizing influences from external actors.

We look forward to your engagement and support in resolving these pressing issues.

For the Association of the Petroleum Industry of Kurdistan,



Nicholas W. Atencio
Secretary General
email: nicholas.atencio@APIKUR.uk

About APIKUR:

APIKUR’s objective and purpose is to promote the KRI as an attractive destination for international oil and gas companies, service providers and investors. In addition, APIKUR aims to advocate for and represent the common interests of its members, function as a joint and effective voice towards all relevant stakeholders whether in the KRI, or elsewhere, and provide a forum for its members to share appropriate public industry information and best practices.