LONDON -- Iraqi oil exports in November are running close to October levels despite stepped up attacks on oil facilities that have reduced the flow of oil to export terminals in the north and south, Energy Intelligence reports Wednesday.

Iraq is heading toward exports of 60 million barrels in November, or 2 million barrels a day, down from 65 million barrels or 2.1 million b/d in October, according to a preliminary schedule of tanker loadings compiled by Energy Intelligence.

After taking less Iraqi crude in October, the U.S. is back as the leading destination for Iraqi oil, with 26.8 million barrels, or 893,000 b/d, scheduled in November, up from about 670,000 b/d in October.

Canada is taking 1.8 million barrels, and Brazil is set to load 2 million barrels at the end of November.

Only 11.3 million barrels of Iraqi oil, or 376,000 b/d, is set to go to Europe in November, down from 550,000 b/d for October.

Asia will buy 19.7 million barrels of Iraqi oil, or 656,000 b/d, down from 860,000 b/d for October, according to the loading schedule.

India, which has a long-standing relationship with Iraq, has emerged as the preferred Asian destination for Basra Light crude, attracting 8 million barrels, or 267,000 b/d, compared with only 1.8 million barrels for China, the preferred destination in previous months.

Iraqi output is running at around 2.45 million b/d in November, of which an estimated 450,000 b/d is consumed locally. Domestic refinery runs are estimated at 550,000 b/d, but pipeline bombings prevent refineries from running at anywhere close to capacity.

Exports have ranged between 1.7 million b/d and 2.2 million b/d during the past three months, with over 85% exiting through the southern Basra Oil Terminal.

Exports through the northern pipeline that transports Kirkuk crude to export facilities at the Mediterranean port of Ceyhan have been interrupted several times by rebel attacks, the last one on Monday.

In the latest attack, armed opponents set fire to a storage tank at an oil pumping station along the Kirkuk pipeline. They also set four oil wells ablaze. Storage tanks in Ceyhan are down to about 1.5 million barrels of usable oil, port sources said.
On Wednesday, the Repsol YPF-chartered vessel Marina M was expected to pick up 1 million barrels of Kirkuk crude to Spain. The Kirkuk pipeline is out of service after Monday's attack.

Attacks on Iraqi oil infrastructure have risen in November. There have been 13 attacks so far this month, compared with 11 for the entire October, according to the Institute for the Analysis of Global Security, a nonprofit group that tracks Iraqi pipeline attacks.

"They attack pipelines because it works and it's very effective and they aren't likely to stop [attacking] soon," said Anne Korin, director of policy and strategic planning at IAGS.

"The goal is to curtail Iraq's ability to export oil and if Iraq can't export sufficient oil, it won't pay for its reconstruction... The other attacks on internal pipelines that feed power stations are to make Iraqi people resentful of the coalition."

Since the U.S. government declared the Iraqi war over on May 1, 2003, rebels have attacked oil facilities 149 times.

To attract buyers, Iraq's State Oil Marketing Organization has lowered the official selling price for December crude deliveries, while capping shipping rates at $1/barrels for U.S. and European term customers.

The new prices have ensured Kirkuk's welcome by its European lifters. Traders say that while the U.S. price for Basra Light isn't a killer, it isn't going to make anybody rich either.

SOMO also has to contend with one of the most volatile and confusing markets in recent memory.

The kaleidoscope seems to be shaken almost daily, as futures and physical prices, differentials, and supply and demand fundamentals present changes in form and substance with bewildering speed.

As benchmark prices for sweet crudes drop sharply, sours - like Iraq's Basra Light and Kirkuk, as well as archrival Russian Urals - have been heading in the opposite direction.

Energy Intelligence Web site: http://www/energyintel.com

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