

Turkey's natural gas imports become 28.7 bcm

Date : 03.12.2009

Source: Today's Zaman

<http://www.todayszaman.com/tz-web/news-194469-turkeys-natural-gas-imports-become-287-billion-cubic-meter.html>

Turkey's natural gas imports have become 28,7 billion cubic meters in the first ten months of 2009, and natural gas production became 580,4 million cubic meters between January and October 2009.

Turkey's natural gas imports became 3,1 billion cubic meters in January, 2,8 billion cubic meters in February, 3,1 billion in March, 2,5 billion in April, 2,5 billion cubic meters in May, 2,6 billion cubic meters in June, 3 billion cubic meters in July, 3 billion cubic meters in August, 2,8 billion in September and 2,6 billion cubic meters in October 2009. Turkey consumed 37,7 billion cubic meters of natural gas in 2008.



Turkey and US to cooperate in Iraqi gas exploration

Date : 03.12.2009

Source: Hürriyet Daily News

<http://www.hurriyetdailynews.com/n.php?n=turkey821us-to-cooperate-in-iraqi-gas-exploration-2009-12-03>

Energy Minister Taner Yildiz and U.S. envoy Richard Morningstar confirmed they would cooperate in gas exploration and transition projects of Iraq.

Morningstar highlighted that the rich Iraqi reserves have the potential to supply the Nabucco pipeline along with Caspian gas. Iraq's Prime Minister Nouri Maliki at a signing ceremony of the intergovernmental agreement on Nabucco said they could supply 15 billion cubic meters of natural gas. "Turkey continues its efforts to discover its own resources, but no doubt, it will be a real transit country. Imagine, up to eight pipelines linking east to west and north to south will cross Turkey," Yildiz told reporters.

Turkey, Iraq and the United States facilitate cooperation through a trilateral natural gas working group. A meeting between U.S. and Turkish officials will take place in Ankara on Thursday. They will discuss in detail how to establish a U.S.-Turkish consortium to join gas exploration tenders in Iraq. "Turkish Petroleum International Company, or TPAO, is planning to take part in six consortiums and at least one or two will include U.S. companies", Yildiz said.



Iraq pipeline rupture 'not sabotage'

Date : 30.11.2009

Source: Upstream Online

<http://www.upstreamonline.com/live/article200266.ece>

The latest interruption in the flow of oil through Iraq's pipeline to Turkey was not caused by sabotage but was the result of a rupture, an Iraqi police official said today.

The account by the police colonel in Salahuddin province, where the leak occurred, contrasted with assertions by the Iraqi Oil Ministry that insurgents had attacked the pipeline, which carries roughly a quarter of the country's oil exports. "It was not an attack. Five days ago there was a leak in this pipeline and due to an attempt to fix the fault a spark caused a fire," the police colonel, who asked not to be identified, said to Reuters.

He said a pool of oil 800 square metres large had collected on the ground. They said no evidence of an attack was found at the site and that around 300,000 barrels of oil had spilled as a result of a rupture along a 2 kilometre stretch of the pipeline. Asked last week about reports that the latest incident involved equipment malfunction rather than an attack, an Oil Ministry spokesman read out a statement condemning insurgents for a 'desperate' attempt to halt progress in Iraq.

A shipping agent based in Ceyhan said information about the pipeline was hard to get hold of. "The flows are repeatedly cut on the Iraqi side," the agent said, asking not to be named. "We hear reports of sabotage or maintenance problems, who knows what is really happening? Reliable information is not available."



Iraq resumes oil exports to Turkey after pipeline sabotage

Date : 29.11.2009

Source: Google News (AFP)

<http://www.google.com/hostednews/afp/article/ALeqM5jBD4yx-SRiBJvy6fvLeVSP1YkPmw>

Oil exports to the port of Ceyhan in Turkey resumed on Saturday after a week-long interruption because of sabotage to a pipeline in northern Iraq, an oil ministry spokesman said.

“Exports resumed today at 2:30 pm (1130 GMT). Repairs were completed faster than we had expected,” Assem Jihad told. According to the ministry, acts of sabotage by insurgents reduced oil exports in October by four percent compared with the previous month, but overall revenues were higher because of an increase in prices. Iraq exported 1,87 million barrels per day in October, bringing in 4,2 billion dollars in revenues. September exports stood at 1,95 million bpd and raised 3,8 billion dollars.



President Gül to attend climate conference in Copenhagen

Date : 04.12.2009

Source: Today's Zaman

<http://www.todayszaman.com/tz-web/news-194569-gul-to-attend-climate-conference-in-copenhagen.html>

President Abdullah Gül is planning to travel to Copenhagen to attend the UN Climate Change Conference, in which the world's big emitters of climate-warming gases will meet in the hope of striking a deal to replace the Kyoto Protocol.

President Gül will participate the meeting in its second week. He is expected to be in Copenhagen on Dec. 17-18, the final days of the meeting. Haluk Özdalga, chairman of Parliament's Environment Commission, hailed the president's decision, as world leaders are called upon to support a new deal to stop climate change.

Danish Prime Minister Lars Løkke Rasmussen sent invitations to 191 world leaders to attend the Dec. 7-18 conference in Copenhagen. “Your personal attendance is a pivotal contribution to a successful outcome,” says the letter from Rasmussen, who will chair the talks aimed at reaching a new global accord to replace the 1997 Kyoto Protocol.



Tüpraş to invest \$2 billion to increase diesel production

Date : 02.12.2009

Source: Today's Zaman

<http://www.todayszaman.com/tz-web/news-194339-tupras-to-invest-2-billion-to-increase-diesel-production.html>

The Turkish Petroleum Refineries Corporation (Tüpraş) has decided to invest \$2 billion in increasing Turkey's diesel production capacity due to the increased consumption of this type of fuel.

General Manager Yavuz Erkut said the investment envisages the construction of a new refinery that will focus on fuel production rather than being a facility for crude oil processing. Speaking to the Anatolia news agency yesterday, Erkut gave details regarding their new investment projection and figures about future diesel consumption.

Diesel consumption has been on the rise recently, largely owing to tax policies, he asserted. Turkey, whose diesel production is far from meeting its own demand as in many countries in the Mediterranean basin, imports 8 million tons of diesel every year, Erkut added. "In the 2020s, it is estimated that gasoline consumption will remain at its current levels of around 2.5 million tons per year. However, it is likely that diesel consumption will rise from 13.9 million tons per year to 18.3 million tons per year," he said. The new refinery will be able to transform 4.2 million tons of crude oil into 2.5 million tons of diesel and 700,000 tons of gas, Erkut noted.

The tender for the investment project will be completed in a few weeks, Erkut said, adding: "We will sign an agreement with an international company for this. It seems that the project will be finished in the first quarter of 2014."

"Because diesel can be utilized more productively now thanks to developing technologies, its position in the market is already on the rise. Adding the tax advantage to this, diesel is becoming increasingly more attractive for consumers," he said. The total private consumption tax (ÖTV) and value-added tax (KDV) for a liter of diesel is TL 1.49, whereas it is TL 2.2 per a liter of gas. The price of a liter of gas is TL 3.35. However, motorists are paying only TL 2.66 for a liter of diesel.

Erkut called on the government to stop protecting the diesel with such a segmented and unfair taxation policy, asserting that the market would improve more healthily if the state applied the same tax rates for both products.

Upon a question about the refinery investments in Adana's Ceyhan district, Erkut said investing in the refinery business requires diffusive analyses since these investments are large and upscale strategic industrial investments. The demand for fuel products has declined considerably since October 2008 due to the global economic crisis, decreasing Tüpras' exports, he said.

"The profit margins for refineries were quite high before the fourth quarter of 2008 and thus refinery investments were appealing. But considering that the profits for a barrel of oil are in the ballpark of \$1 in the Mediterranean basin, a \$5 billion to \$10 billion refinery investment will only pay off in 20 to 30 years," Erkut argued and pointed out that the establishment of a refinery is unlikely in such an environment.



Ukraine urges Gazprom to change gas price terms

Date : 28.11.2009

Source: Gulf Daily News

<http://www.gulf-daily-news.com/NewsDetails.aspx?storyid=265490>

Ukraine has asked Russia's giant gas monopoly Gazprom to amend the formula by which it calculates the price of gas, Ukrainian state energy firm Naftogaz said.

Naftogaz announced the proposal just days after Gazprom relaxed contract obligations for Ukraine, allowing it to buy far less gas next year as its crippled economy needs less energy. Rows between Kiev and Moscow over gas volumes, prices and debts have led to supply cuts to Europe, which gets a fifth of its gas from Russia via Ukraine. "We think the formula that calculates the price of gas. could be subject to consultation and correction in order to optimise the price of gas for Ukraine," Naftogaz chief Oleh Dubyna said in a statement.

"Until now, Naftogaz has not yet received an answer to its proposal from the side of Gazprom and is continuing the negotiating process," he said. Naftogaz gave no further details and did not say whether it was seeking lower prices. The price of gas for Ukraine tracks the prices of gas oil and fuel oil also used by power stations.

Moscow and Kiev signed a 10-year deal to end that dispute which said Naftogaz would pay the 'market price' for gas next year, calculated according to a formula. The deal - and the formula - was never made public. Gazprom said earlier this week the average price for Ukraine next year could be about \$280 per 1,000 cubic metres against over \$228 this year.



Ukraine pays the gas bill

Date : 04.12.2009

Source: Upstream Online

<http://www.upstreamonline.com/live/article200840.ece>

Ukrainian state energy company Naftohaz said today it had its bill for November's Russian gas imports 'on time and in full'. "We have paid in full," Naftohaz spokesman Valentyn Zemlyansky told. The bill totalled \$770 million, the finance ministry said earlier this week.



Devon Energy sells its stake in Azeri - Chirag - Guneshli

Date : 23.11.2009

Source: Trend Capital

<http://en.trend.az/capital/pengineering/1586083.html>

The U.S. company Devon Energy is selling its share in the development of the Azeri-Chirag-Guneshli (ACG) offshore unit in Azerbaijan, hoping to focus on mining projects in the U.S.

"We will sell our stake in the ACG project, as well as all our international assets, including assets in the Gulf of Mexico," Devon Energy Spokesman Chip Minty said. Devon Energy has decided to focus its activities on onshore projects in North America, "where the company has more opportunities to drill." According to some reports, Devon Energy will sell its share in the first quarter of 2010. Devon Energy has a 5,62% equity share in the ACG project. Its total reserves of oil deposits exceed 900 million tons.

ACG participating interests are: BP (operator - 34,1), Chevron (10,2), SOCAR (10), INPEX (10), StatoilHydro (8,6), ExxonMobil (8), TPAO (6,8), Devon (5,6), ITOCHU (3,9), and Delta Hess (2,7). In the first three quarters of 2009, BP produced roughly 224 million barrels of oil from the ACG fields, which on average is over 822,100 bpd, BP reported earlier.

The Baku-Supsa pipeline on the Black Sea coast of Georgia transports Azeri Light oil varieties produced from the field. The project partners, not including ExxonMobil and Devon Energy, transport major volumes of oil via the Baku-Tbilisi-Ceyhan on the Mediterranean coast of Turkey. ExxonMobil and Devon Energy, not being members of the Baku-Tbilisi-Ceyhan oil pipeline, transport their energy by rail in the direction of the Georgian Black Sea ports.



Russia approves energy strategy until 2030

Date : 27.11.2009

Source: Rigzone (Xinhua News Agency)

http://www.rigzone.com/news/article.asp?a_id=83006

The Russian government approved on Thursday an energy strategy until 2030, which foresees an increase in energy output and a declining reliance on natural resources.

Prime Minister Vladimir Putin has ordered the Energy Ministry, the Economic Development Ministry, the Natural Resources Ministry and state-run nuclear power corporation Rosatom to secure the fulfillment of the new strategy and make annual reports to the government.

The new energy strategy includes plans to raise annual oil production to 530-535 million tons, gas production to 885-940 billion cubic meters (bcm) and electricity output to 1.8-2.2 trillion kw/hr by 2030. Crude and petroleum product exports are expected to rise to 329 million tons and gas exports to 349-368 bcm by the same year.



Russia and Iran agree on new oil and gas projects

Date : 30.11.2009

Source: Tehran Times

http://www.tehrantimes.com/index_View.asp?code=208936

The Russian energy minister and officials from the Iranian Oil Ministry have agreed on a gas swap, the implementation of 15 new oil and gas projects, the construction of a oil refinery near the Caspian Sea, and the establishment a joint oil company.

The agreements were made as Russian Energy Minister Sergei Shmatko arrived in Tehran on Sunday to attend the eighth meeting of Iran-Russian Joint Economic Commission. The visiting Russian minister also held talks with Foreign Minister Manouchehr Mottaki on expanding cooperation in various other fields. At the meeting Iran and Russia expressed satisfaction over the holding of the joint commission meeting, which would help bolster bilateral cooperation in the fields of transportation, telecommunication, energy, commerce, economy and banking.



Black Sea city readies for new plant

Date : 30.11.2009

Source: Hürriyet Daily News

<http://www.hurriyetdailynews.com/n.php?n=black-sea-city-readies-for-new-plant-2009-11-26>

A combined-cycle natural-gas project that will be developed jointly with Austria's OMV in Terme, near the Black Sea city of Samsun, is expected to contribute to relations between Turkey and Austria.

"This project is very important for OMV, Turkey-Austria relations and project managers," said Korkut Oztürkmen, the managing director of Borasco. He added that the 870-megawatt project has expanded to cover 444 dunams, or 444,000 square meters, of land in the town of Terme. Excavation work started 20 days ago, after the Environmental Impact Assessment (EIA) report and other authorizations were received.

"There will be 60 kilometers of natural-gas pipeline and 2x5 kilometers of electricity line," Oztürkmen said. "This project costs 600 million euros and we are planning to launch it by 2012." The project is among the few still continuing amid the financial crisis in order to prevent an energy bottleneck, he added. "Even though there were many plant projects in Black Sea region, only a few have survived the crisis and our project is one of them," Oztürkmen said. "When the crisis is over, the electricity bottleneck will again be the first issue on the agenda and our project will gain more importance."

According to Oztürkmen, project owner OMV Energy Group's shares have risen 100 percent. "It has five refineries in Central Europe. There are oil stations under the name of OMV in Austria and its neighboring countries. It owns 41 percent of Turkey's Petrol Ofisi and works in the Nabucco consortium," said Oztürkmen. Noting that Turkey is very important for OMV, he added: "We would like to have a voice while meeting Turkey's energy needs. We are building a plant in Romania that is similar to the one in Samsun. We are also planning to make a big project in Germany. In Turkey, we are continuing to work not only on natural gas but also on hydroelectric, solar and wind plants."

Commenting on the choice of the Black Sea region and Samsun for the natural-gas plant project, Oztürkmen said cold regions are usually preferred in order to increase efficiency and decrease emissions. "It is also very important that the region is close to a cold sea as these kinds of plants need to be cooled with the sea," he said. "Another important reason is the closeness to the Blue Stream project. The most qualified gas comes from Russia. Considering all the criteria, Samsun and the Black Sea region appear to be the most suitable area to produce environmentally friendly electricity for our needs."



EU reaches antitrust settlement with GDF Suez

Date : 04.12.2009

Source: EurActiv (Reuters)

<http://www.euractiv.com/en/energy/eu-reaches-antitrust-settlement-gdf-suez/article-187989>

European Union regulators accepted on Thursday proposals by French utility GDF Suez to settle antitrust charges and give rivals easier access to the French gas market.

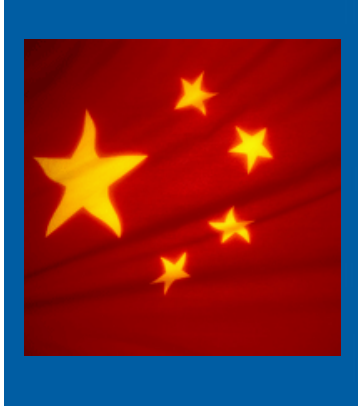
GDF Suez is the third energy firm, after Germany's E.ON and RWE, to settle with the European Commission after the EU executive charged them with abusing a dominant position and restricting rivals' access to networks. European regulators have battled hard to open the energy market. EU countries reached a deal in March that will beef up regulatory power over giant utilities and protect consumers' rights.

"The remedies offered by GDF Suez provide a real opportunity for competitors to enter the French gas market and so offer energy consumers greater choice of gas supplier and more competitive prices," EU Competition Commissioner Neelie Kroes said in a statement.

"The remedies will improve structural access to French gas import infrastructure and contribute to an integrated and competitive single European energy market that can provide a secure supply of energy at affordable prices," she said. Under the settlement terms, GDF Suez will not be fined nor will it admit to any infringement of EU rules.

As part of the legally binding commitments, the company agreed to release rapidly a large share of its long-term reservations of gas import capacity into France, equal to about 10 percent of the total long-term import capacity. It will continue to cut its share of those reservations to below 50% by 1 October 2014. GDF Suez was not ordered to sell off any assets, unlike E.ON and RWE, because doing so would not have resolved the competition problem, the Commission said.

GDF Suez shares were trading 0.7% higher at 28.82 euros by 11:01 GMT, outperforming a 0.2% gain in the DJ Stoxx utilities index. The Commission had in July fined GDF Suez and E.ON a total 1.1 billion euros (\$1.7 billion) for agreeing not to compete against each other in their respective gas markets, the first antitrust penalty for a utility in the 27-country EU. The companies have denied any wrongdoing and said they would appeal.



China unveils carbon target ahead of Copenhagen

Date : 27.11.2009

Source: Today's Zaman (Reuters)

<http://www.todayszaman.com/tz-web/news-194097-china-unveils-carbon-target-ahead-of-copenhagen-climate-talks.html>

China has unveiled its first firm target to curb greenhouse gas emissions, laying out a carbon intensity goal on Thursday that Premier Wen Jiabao will take to looming climate talks as his government's central commitment.

The announcement comes a day after the United States unveiled its proposal to cut greenhouse gases by 2020 and said President Barack Obama will attend the Dec. 7-18 UN climate talks in Copenhagen. Beijing said on Thursday Wen would also attend.

China, the world's top emitter of greenhouse gases from human activity, pledged to cut the amount of carbon dioxide emitted for each unit of national income 40 to 45 percent by 2020, compared to 2005 levels, the official Xinhua agency reported. "This is a voluntary action taken by the Chinese government based on its own national conditions and is a major contribution to the global effort in tackling climate change," Xinhua said, quoting a cabinet meeting that was chaired by Wen.

The firm emissions commitment from China will help efforts to reach a deal at the UN-led talks in Denmark. "This is a huge morale booster," said John Hay, spokesman for the UN Climate Change Secretariat, referring to the Chinese target and the planned visit by Obama.

"It is extremely welcome news that China is now putting specific figures on its reductions of carbon intensity towards 2020," said Kim Carstensen, leader of WWF International's global climate initiative. Negotiations over a new climate change treaty have stalled as rich and poor nations argued over who should cut emissions, by how much and who should pay.

China's announcement after big emitters Brazil and Indonesia recently announced tough 2020 reduction targets and Wednesday's 2020 target from the United States are expected to help the Copenhagen talks, analysts say, although there are likely to be demands for tougher action.



Iran offers India 40% stake in South Pars

Date : 01.12.2009

Source: Rigzone (Dow Jones Newswires)

http://www.rigzone.com/news/article.asp?a_id=83194

National Iranian Oil Company (NIOC) has offered India a 40% interest in phase 12 of the South Pars gas field and 6 million metric tons of liquefied natural gas a year, its managing director said.

India's state-run Oil & Natural Gas Corp. Ltd. and Hinduja group will each get 20% interest in South Pars, which will need an investment of \$7.5 billion, Seifollah Jashnsaz told reporters after second day of talks with Indian companies on investments in Iran. South Pars, the world's largest gas reservoir, is shared by Iran and Qatar. Phase 12 is the southeastern block of the field and covers 150 square kilometers.

Naftiran Intertrade Co., a unit of NIOC, will hold 40% in South Pars Phase 12 and the balance will be held by Angola's state oil company Sonangol, Jashnsaz said. Iran has also offered ONGC, Hinduja group and India's Petronet LNG Ltd. a stake in Iran LNG Co., Jashnsaz said. The LNG project aims to produce 3 billion cubic feet of gas a day from south pars Phase 12. "Both the opportunities put together will result in supply of up to 6 million tons of LNG to India," ONGC Chairman R.S. Sharma said.

India has the option to raise its investment in South Pars. For every extra dollar investment, India will get a right in the downstream LNG project, Jashnsaz said. Iran may also help Indian companies raise funds for the projects, with Naftiran Intertrade depositing its foreign exchange with Indian banks, Sharma said.

The investments in Iranian projects are subject to board and federal government approvals, Sharma said. NIOC's Jashnsaz also said ONGC's overseas investment arm, ONGC Videsh Ltd., has been given responsibility to develop Farsi gas field in the Persian Gulf. OVL and India's state-run refiner Indian Oil Corp. each own a 40% stake in the 3,500 square kilometer Farsi offshore block that was awarded to the consortium in 2002. Oil India Ltd. owns the remaining 20%.

Iran will also restart negotiations with India on India-Pakistan-Iran gas pipeline in December in New Delhi, Jashnsaz said. The 2,775-kilometer pipeline project has been stuck due to several issues like gas pricing, project structure, security of supplies.



EDF joins South Stream gas pipeline

Date : 01.12.2009

Source: EurActiv

<http://www.euractiv.com/en/energy/france-joins-south-stream-gas-pipeline/article-187830>

French company Electricité de France (EDF) on 27 November signed a memorandum of understanding with Gazprom regarding its possible participation in the South Stream gas pipeline.

The document, which concerns EDF's participation in the construction of the offshore section of the South Stream pipeline, was signed in Paris during a visit by Russian Prime Minister Vladimir Putin. The memorandum specifies that the details of EDF's participation in the project will be worked out jointly with Italy's ENI, which currently owns 50% of South Stream AG, according to a statement posted on Gazprom's website.

"We are gaining a new reliable and long-term partner today in EDF [...] We are confident that South Stream - along with Nord Stream - increasingly being recognised by European countries will ensure the well-being of Gazprom's customers in terms of energy," said Gazprom CEO Alexei Miller.

French Prime Minister François Fillon hailed EDF's participation in South Stream and the recent partnership between GDF Suez and Gazprom on Nord Stream, according to the Kremlin website. Like South Stream, Nord Stream is designed to bring Russian gas to Western Europe, bypassing Ukraine.



ConocoPhillips slashes its budget

Date : 02.12.2009

Source: Upstream Online

<http://www.upstreamonline.com/live/article200522.ece>

US supermajor ConocoPhillips will cut capital expenditures by an estimated 10% to \$11.2 billion next year, as the hard-hit supermajor continues to grapple with volatile energy markets and tight credit.

The approval confirms tentative plans from October, when the company also said it would sell about \$10 billion of assets over the next two years. ConocoPhillips has been tightening its belt, having already reduced capex 18% to \$12,5 billion this year. The tough operating conditions continued in the third quarter, as earnings fell 71% on sharply lower natural-gas prices and poor refining margins.

“We intend to achieve our objectives of organically replacing reserves and increasing our upstream production from a reduced, more strategic asset base, consistent with our recently announced portfolio optimization plan,” ConocoPhillips boss Jim Mulva said. The capital programme includes about \$9,7 billion for exploration and production, with \$4,1 billion of that in North America.

Refining and marketing will account for another \$1,3 billion, about \$900 million in the US. The segment for emerging businesses and corporate expenditures will be about \$200 million. Most of the emerging-business funding will go toward the completion of the second phase of an expansion at the company’s Immingham combined heat and power plant in the UK.



❖ OPEC Bulletin (Oct-Nov 2009)

Source : Organization of the Petroleum Exporting Countries
Weblink : http://www.opec.org/library/OPEC%20Bulletin/2009/pdf/OB10_112009.pdf

❖ CO2 Emissions from Fuel Combustion

Source : International Energy Agency
Weblink : <http://www.iea.org/w/bookshop/add.aspx?id=36>

❖ Sectoral Approaches in Electricity

Source : International Energy Agency
Weblink : <http://www.iea.org/w/bookshop/add.aspx?id=370>