



## Yildiz: We expect gesture from Russia and Iran for 'take or pay'

Date : 20.01.2010

Source: Rigzone

[http://www.rigzone.com/news/article.asp?a\\_id=86102](http://www.rigzone.com/news/article.asp?a_id=86102)

Turkey's Energy and Natural Resources Minister Taner Yildiz said Turkey was expecting a gesture from Russia and Iran regarding natural gas.

Yildiz's remarks came after a reporter said natural gas consumption in Turkey was seriously down in 2009 and Turkish Petroleum Pipeline Corporation (BOTAS) would have to pay to Russia and Iran for the natural gas that had not been used. "During my visit to Iran, I presented an offer to 'take or pay'. They will respond to us in three weeks," he said. Yildiz said Turkey was also negotiating the same issue with Russia. Minister Yildiz also said that transporting Azerbaijani natural gas to Europe via Turkey was the most appropriate route.



## BOTAS and Gazprom hold working meeting

Date : 15.01.2010

Source: UPI.com

[http://www.upi.com/Science\\_News/Resource-Wars/2010/01/15/BOTAS-Gazprom-hold-working-meeting/UPI-83871263577200/](http://www.upi.com/Science_News/Resource-Wars/2010/01/15/BOTAS-Gazprom-hold-working-meeting/UPI-83871263577200/)

Gazprom executives in Moscow welcomed delegates from Turkey's state-owned pipeline company BOTAS as Turkey becomes Russia's second-largest gas purchaser.

Alexei Miller, the chief executive of Gazprom, welcomed Mehmet Konuk, the managing director of BOTAS, to discuss energy cooperation in 2010. Gazprom notes that a series of deals with Ankara makes the country the second-largest purchaser of Russian gas after Germany. The working meeting follows a visit to Moscow by Turkish Prime Minister Recep Tayyip Erdogan to discuss bilateral trade and energy measures.



## Kazanci: Aksa to start natural gas imports by 2011

Date : 23.01.2010

Source: Today's Zaman (Faruk Akkan)

<http://www.todayszaman.com/tz-web/news-199408-aksa-to-start-natural-gas-imports-by-2011.html>

Aksa, which signed a cooperation protocol with Gazprom during Russian Prime Minister Vladimir Putin's visit to Turkey last August, will begin to import natural gas directly from Russia in 2011.

Previously enjoying a monopoly in the domestic market, the state-owned Turkish Pipeline Corporation (BOTAS) has been taking steps to liberalize the market by distributing gas import licenses to private companies. Aksa was one of the companies that succeeded in getting a license.

The company is also expected to collaborate with Gazprom to bid in the privatization tenders for the natural gas grids of Istanbul and Ankara and to work together to establish a liquefied natural gas (LNG) production facility in Adana's Ceyhan district. Aksa will commence the imports after BOTAS' current deal to purchase 6 bcm of natural gas from Gazprom annually expires next year. Aksa Chairman Cemil Kazanci said his company will be working together with Gazprom to market the natural gas in Turkey.



## Aliyev: Nabucco lacks leadership

Date : 28.01.2010

Source: Hürriyet Daily News (Bloomberg)

<http://www.hurriyetdailynews.com/n.php?n=nabucco-lacks-leadership-aliyev-says-2010-01-28>

The Nabucco gas pipeline project to Europe lacks the leadership necessary to secure gas supplies, consumers and financing, Azeri President Ilham Aliyev said in an interview with Bloomberg on Wednesday in Davos, Switzerland.

“So far we do not know who is that leader who will move this process forward,” Aliyev said. “Who will engage itself in negotiations with gas producers, transiters? Who will do the marketing for this gas? What will be the pricing? So a lot of questions that are not answered for quite a lot of time.”

Nabucco has become 'too politicized', he said. At the same time, a number of countries are committing to both that project and Russia's potential rival South Stream pipeline, creating 'ambiguity'. "Azerbaijan must know it all serious about Nabucco," Aliyev said. About \$20 billion of investment is needed to expand its biggest gas field, Shah Deniz, to help fill Nabucco, Aliyev said.

Aliyev also complained about a two-year pricing dispute with Turkey. "The issues of transit are unresolved," he said. "The price for our gas from Turkey is unsatisfactory so we cannot move forward under these circumstances."



## Kurdish Regional Government want to resolve oil row

Date : 19.01.2010

Source: Today's Zaman (Reuters)

<http://www.todayszaman.com/tz-web/news-198947-iraq-kurds-want-to-resolve-oil-row-resume-exports.html>

The regional administration in northern Iraq said it wanted to reach an amicable agreement with the Baghdad government over the sharing of oil revenue so it could resume exporting crude.

In a statement responding to a call from Prime Minister Nuri al-Maliki to settle the dispute over the country's oil wealth, the regional government said it was considering publishing contracts it has signed with foreign oil companies. "KRG is willing to enter a serious dialogue about the subject, and we are willing completely and in the interest of the Iraqi people to renew exports of crude oil from KRG fields at a level of no less than 100,000 barrels per day," it said.

The statement added that the regional authorities hoped to boost output to 200,000 barrels per day this year and attain an output capacity of 1 million bpd within the next four years. The regional government has signed production sharing agreements with a string of foreign companies, including Norway's DNO and Turkey's Genel Enerji, but Iraq's Oil Ministry considers those deals illegal. "In order to show our seriousness about the subject, we are contemplating publishing the ratified contracts with DNO and Genel," the KRG said.

Prime Minister Maliki on Jan. 3 called for an end to the row over oil after he met with Barham Salih. The Iraqi government briefly allowed the regional administration to start exporting oil from two fields, Taq Taq and Tawke, over the summer but its refusal to pay the private firms running the oilfield projects led to the suspension of the exports.



## Genel Enerji to establish refinery in Northern Iraq

Date : 25.01.2010

Source: Hürriyet Daily News (Milliyet)

<http://www.hurriyetdailynews.com/n.php?n=turkish-energy-giant-to-establish-refinery-in-northern-iraq-2010-01-25>

Genel Enerji, owned by Cukurova Holding, plans to establish a refinery with a capacity of 60,000 barrels this year in the city of Koya, near the Taq Taq oilfield.

The company, which has the authority to establish a refinery and conduct oil exploration in the Taq Taq field as a part of its deal with the Kurdish administration in northern Iraq, has prepared a report titled “Midstream Opportunity in Kurdistan” for the refinery investment. According to the report, the refinery is expected to be built in three phases and will cost \$510 million. The Regional Kurdish Administration supports investments in order to cover northern Iraq’s oil demand and export oil.

The Taq Taq Petroleum Refining Company, a subsidiary of Genel Enerji, will build the refinery, which will have a daily capacity of 60,000 barrels, exceeding other refineries in the region in terms of both capacity and technology, according to the ownership and strategy section of the report.

During the two phases, the refinery will have a daily production capacity of 40,000 barrels by 2011 and 60,000 by 2013. The cash to flow following the construction of the first two phases will benefit the investment cost of the third phase, according to the report. “The deals were signed in 2009. The construction of Phase 1 and Phase 2 will commence in 2010. Within the fourth quarter of 2011, Phase 1 will start production and the construction of Phase 3 will start. Phase 3 will operate at full capacity in the second quarter of 2013,” the report said. “The Kurdish administration in northern Iraq will supply crude oil and the Iraqi government will market the output of the refinery.”

Genel Enerji is reported to be seeking financing for the investment by submitting the report to several financial institutions. The process for the share of revenues is ongoing. The price of oil will be determined in line with the free-market model. The cost of the operation is \$2.75 per barrel.

The company will be exempt from taxes levied by the Regional Kurdish Administration and the central government for the first 25 years. The regional administration will continue paying the company in case of a cease in oil production at Taq Taq, a disruption in transfer or the expiration of stocks. If the firm bears losses, the regional administration will support it.

The Taq Taq Operating Company, jointly owned by Genel Enerji of Turkey and Addax Petroleum International of Canada, is building a terminal with a daily capacity of 1 million barrels near Taq Taq. The terminal investment aims to make transfers to the Kirkuk-Ceyhan pipeline and oil export through trailer-truck loading. The trailer-truck loading station will have a daily capacity of 30,000 barrels. The company is also building a 24-inch pipeline with a length of 64 kilometers to run from Koya to Kirkuk. This line will be connected to the Kirkuk-Ceyhan pipeline for export purposes.

The organization of the Taq Taq Operating Company encompasses a permanent staff of approximately 50 petroleum-industry experts originating from Iraq, Turkey, Britain, France, Canada and other countries. It maintains offices in the Turkish capital of Ankara, Arbil in northern Iraq and within the Taq Taq license area. The Taq Taq field is located approximately 60 kilometers northeast of Kirkuk and 85 kilometers southeast of Arbil.



## IGDAS' revenue to rise 4 pct in 2010

Date : 20.01.2010

Source: Hürriyet Daily News (Bloomberg)

<http://www.hurriyetdailynews.com/n.php?n=istanbul-gaz-revenue-to-rise-4-pct-in-2010-2010-01-20>

IGDAS, Istanbul's natural gas state company, which may be sold to the public this year, expects sales to rise 4 percent to 2.8 billion Turkish Liras (\$1.9 billion) in 2010.

The company will probably add 175,000 subscribers this year to its existing 4.2 million users in the city of 12 million, IGDAS said in an e-mailed response to questions from Bloomberg. The city of Istanbul received bids last week from Bank of America Corp.'s Merrill Lynch, Credit Suisse Group AG and Calyon among others to handle an initial public offering or a stake sale in the distribution company, three people familiar with the plan said on Jan. 15.

"IGDAS controls the natural gas infrastructure for 96 percent of Istanbul, and therefore we can say the number of subscribers has reached a saturation level," according to the statement. The company sold 3.83 billion cubic meters of gas in 2009 and plans to sell 3.9 billion cubic meters in 2010. Turkey's largest city wants to raise \$10 billion from selling stakes in IGDAS and its ferryboat operator, Sabah newspaper reported in September.



## Morningstar: Failure to conclude agreement on Caspian Sea gas purchase is disappointing

Date : 29.01.2010

Source: Today's Zaman (AA)

<http://www.todayszaman.com/tz-web/news-200011-failure-to-conclude-agreement-on-caspian-sea-gas-purchase-is-disappointing-us-official.html>

The US Special Envoy on Eurasian Energy, Richard Morningstar, said the failure of Turkey and Azerbaijan to conclude an agreement on Caspian Sea gas purchase and transit was disappointing.

Speaking at a think-tank organization in Washington, D.C., Morningstar said that “the US supports opening a new corridor, a Southern Corridor, to bring natural gas from the Caspian region to Europe”. This corridor could include Nabucco and the Turkey-Greece-Italy Interconnector, Morningstar said. Both are important from a strategic standpoint to diversify gas sources and open new supply routes to Europe, he added.

A Southern Corridor would provide commercial benefit for the countries of the Caucasus and Central Asia and also create a long-term partnership based on mutual interests with Europe. To that end, we are focused on two areas: encouraging an agreement between Turkey and Azerbaijan on Caspian Sea gas, and encouraging producing countries of Central Asia and the Middle East to supply gas to the corridor, Morningstar noted.

The concept of a Southern Corridor is simply not viable if countries that stand most to benefit from that concept can not reach commercially sensible, mutually advantageous agreements on the terms under which gas for the Corridor will be transported, Morningstar said. The failure of Turkey and Azerbaijan to conclude an agreement on Caspian Sea gas purchase and transit is somewhat disappointing, Morningstar added.

“Both countries are good friends of the US, and we do not take sides in their negotiations. But significant further delays could see the window of opportunity for putting in place this key piece of a Southern Corridor close”, Morningstar said. “It is hard to see how that would serve the interests of either side. We believe the two sides will reach an agreement, hopefully sooner rather than later, so that confidence in the Southern Corridor is not undermined.”



## Baku set to quadruple gas exports to Russia

Date : 28.01.2010

Source: Hürriyet Daily News

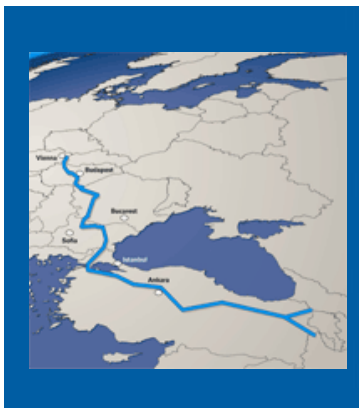
<http://www.hurriyetdailynews.com/n.php?n=baku-set-to-quadruple-gas-exports-to-russia-2010-01-28>

Having significantly lowered natural gas imports from Turkmenistan, Russia's state-controlled energy conglomerate, Gazprom, is turning to Azerbaijan to make up some of the shortfall.

Gazprom and its Azerbaijani counterpart, SOCAR, announced on Jan. 21 the Russian conglomerate would significantly increase gas purchases from Azerbaijan over the next two years, EuraisaNet's Caucasus service reported. An agreement signed last year indicated that Gazprom would buy 500 million cubic meters of gas from SOCAR in 2010. Following a meeting in Moscow between Gazprom CEO Alexei Miller and SOCAR counterpart Rovnag Abdullayev, however, the Russian firm announced it would obtain 1 bcm of SOCAR gas this year and 2 bcm in 2011.

Following the meeting with Abdullayev, Miller reiterated a pledge to purchase 'as much gas as SOCAR can supply.' Experts widely believe Gazprom's desire to lock up SOCAR's gas production is motivated by a desire to prevent the construction of new energy export routes that would circumvent Russia, and, therefore, break the Kremlin's stranglehold on the European market.

In recent months, SOCAR has significantly increased its volumes of gas exports. According to a company statement, it exported 146.58 million cubic meters of gas in December, up from 41.83 million cubic meters last June. Overall in 2009, SOCAR exported 1.03 billion cubic meters of gas.



## OMV: Nabucco will not be built if demand too low

Date : 29.01.2010

Source: Today's Zaman (Reuters)

[www.todayszaman.com/tz-web/news-199980-nabucco-will-not-be-built-if-demand-too-low.html](http://www.todayszaman.com/tz-web/news-199980-nabucco-will-not-be-built-if-demand-too-low.html)

The Nabucco gas pipeline will not be built if an open season bidding process for capacity this year shows demand is too low, an executive of Austria's OMV, adding that demand looked strong.

“We will start the open season process this year, then we will get enough demand or not,” Werner Auli, OMV’s head of oil and gas, told a conference. “If not, Nabucco will not be built, this is very simple. We are a commercial company, we are not an institution. If the demand is not there, we will not build the pipeline,” he said. Auli said he expected that the open season process, where companies make bids for the pipeline’s capacity, would show good results.



## Russia and Belarus sign oil deal, resolve supply row

Date : 28.01.2010

Source: Reuters

<http://in.reuters.com/article/businessNews/idINIndia-45745220100127?pageNumber=2&virtualBrandChannel=0>

Russia and Belarus signed a new oil supply deal on Wednesday, resolving a month-long row that had threatened to disrupt Russian oil flows to European Union members Germany and Poland.

Russian and Belarussian officials said the new agreements guaranteed trouble-free supplies of Russian crude to Belarussian refineries at least until the end of September when the two sides would meet again to discuss potential changes to volumes. "The documents that were prepared are very balanced and are pretty compromising and are followed by our joint declaration that guarantees uninterrupted supplies. And this is what European customers expect from us," Russia’s top energy official Igor Sechin said at the signing ceremony.

Belarus gets over 20 million tonnes of oil from Russia annually for processing at its two plants but keeps only 6 million tonnes of refined products for domestic needs while the rest is exported to the West. Russia has drastically cut subsidies to Belarus in past years after political relations with Minsk chilled. Moscow has said it is ready to supply 6 million tonnes of duty-free oil this year and would charge full duties on the rest. Minsk has insisted on getting at least 9 million tonnes.

Belarussian agencies quoted Belarussian Vice Prime Minister Vladimir Semashko as saying Minsk would get 6.3 million tonnes of duty-free oil in 2010, but the volumes could be adjusted after September if the economy grew faster than expected. He also said the tariffs for Russian oil transit through Belarus will rise 11 percent this year as a part of the deal. According to Semashko, Russian companies that guarantee the return of oil products from Belarussian refineries to Russia for exports would be allowed to ship oil to Belarus free of duties.





## EU and Iraq sign strategic partnership MOU

Date : 19.01.2010

Source: Oil&Gas Journal

<http://www.ogj.com/index/article-display/0285995004/articles/oil-gas-journal/general-interest-2/government/2010/01/eu-iraq-sign-strategic.html>

EU Energy Commissioner and Iraq's Minister for Oil signed a Memorandum of Understanding outlining priorities for an energy strategic partnership.

MOU, which is signed by Andris Piebalgs and Hussain Al-Shahristani, includes Iraq as a possible natural gas supplier to the Southern Corridor gas lines. For its part, the EU could help Iraq develop its electric power system and tap its vast renewable resources. Areas of cooperation covered by the MOU involve development of an Iraqi energy policy, an energy action program for 2010-15, assessment of Iraq's hydrocarbon pipeline network, enhancing pipeline safety and reliability, identifying sources and supply routes for gas from Iraq to the EU, and a plan for development of renewable energy in Iraq.



## Iran plans budget on \$60 price for crude oil

Date : 24.01.2010

Source: CNBC

<http://www.cnbc.com/id/35042623/>

Iran's official news agency says the country has planned next year's budget based on an oil price of \$60 per barrel, nearly double the price from last year.

Last year, the parliament approved a budget based on \$37.5 per barrel. About 80 percent of Iran's foreign revenue comes from oil exports and the economy was severely impact by last year's low prices.

President Mahmoud Ahmadinejad submitted the budget to the Iranian parliament for approval. Details of the spending plan were not available on Sunday. However Ahmadinejad said more money would go to the agriculture, education and research sections. The budget requires approval by the parliament and a constitutional watchdog.



## Gazprom finds buyers for half of Nord Stream pipeline gas

Date : 19.01.2010

Source: Itar-Tass

<http://www.itar-tass.com/eng/level2.html?NewsID=14732239&PageNum=0>

Gazprom has already found buyers for half of the volumes of gas that will be supplied to Europe through Nord Stream pipeline, Matthias Warnig, Managing Director of the consortium of companies for the pipeline construction, said.

According to Warnig, contracts on the supply of over 21 bcm of gas a year have been concluded with consumers in Germany, Denmark, France and Great Britain. Among the major gas consumers in Germany are the energy concern E.ON Ruhrgas and a daughter company of Gazprom and Germany's concern Wintershall – Wingas. Warnig noted that these enterprises plan during the next 25 years to get, in addition to the currently supplies gas volumes, 9 bcm of natural gas annually.

The Nord Stream official said that the laying of the 1,200-km pipeline on the Baltic Sea bottom will be started this April. In late 2011, the gas will be pumped through the first line of the pipe from Russia's Vyborg to Germany's Lubmin near Greifswald. After the putting into operation of the second stage of the pipeline the volume of gas pumping through it from Russia to Western Europe will reach 55 bcm annually.

Warnig noted that there will be no problems with financing of the project the cost of which is 7.4 billion euros, despite the economic crisis effects. A total of 27 banks will be engaged in the financing of the first phase of the project. Besides, the Nord Stream consortium has requested from the German government state guarantees on credits worth 2.6 billion euros.

Nord Stream is a planned natural gas offshore pipeline from Vyborg in Russia to Greifswald in Germany by the company Nord Stream AG. The name occasionally has a wider meaning, including the feeding onshore pipeline in Russia, and further connections in Western Europe. The plan for the offshore pipeline is to build two parallel legs each with capacity of 27.5 bcm per year. The diameter of the pipe will be 1,220 millimetres (48 in) and the working pressure 220 bars (22 MPa). The first leg of the pipeline is to be built in 2010–2011 and the second one in 2011–2012. The first gas delivery is scheduled for late 2011.

❖ **GDPA's Performance Programme (2010)**

Source : General Directorate of Petroleum Affairs  
Weblink : [http://www.pigm.gov.tr/duyurular/2010\\_pigm\\_performans\\_programi.pdf](http://www.pigm.gov.tr/duyurular/2010_pigm_performans_programi.pdf)

❖ **OPEC Oil Market Report (Jan 2010)**

Source : Organization of the Petroleum Exporting Countries  
Weblink : <http://www.opec.org/home/Monthly%20Oil%20Market%20Reports/2010/pdf/MR012010.pdf>

❖ **Investment Climate in Tajikistan (2010)**

Source : Energy Charter  
Weblink : [http://www.encharter.org/fileadmin/user\\_upload/document/Tajikistan\\_ICMS\\_2010\\_ENG.pdf](http://www.encharter.org/fileadmin/user_upload/document/Tajikistan_ICMS_2010_ENG.pdf)