Oil & Gas Bulletin

► *18.03.2011*

New platform to commence oil exploration off Black Sea in April

Today's Zaman, *12.03.2011*

An oil exploration platform built in South Korea will drop anchor next month off Turkey's Black Sea coast to start looking for oil, Energy and Natural Resources Minister Taner Yildiz told reporters Friday in Ankara.

The new platform arrives as part of a recent deal between the Turkish Petroleum Corporation (TPAO) and ExxonMobil, a leading international oil company, over joint exploration for oil off the Black Sea coast. A Norwegian oil exploration platform, Leiv Eiriksson, is currently carrying out drilling operations separately in the Black Sea for TPAO and its Brazilian partner Petrobras.

Yildiz said the platform would start oil exploration in the Black Sea before the end of April. The new platform, named Deepwater Champion, will render it possible to conduct deeper offshore exploration. A sixth-generation drilling ship that is able to search for oil in seas of up to 3,660 meters in depth, it can delve into the earth up to 12,190 meters below sea level. Its portable structure will enable Champion to easily pass through the Bosporus since it can float beneath the bridges across the Bosporus.

TPAO and Naftogaz sign protocol on oil exploration

Hürriyet Daily News (AA), *12.03.2011*

Turkish Petroleum Corporation and Ukrainian gas company Naftogaz signed a protocol of the third meeting of working group established regarding oil exploration in the Black Sea.

Delivering a speech in the signing ceremony, Turkish Energy & Natural Resources Minister Taner Yildiz said that oil and gas exploration has been continuing in Black Sea and one of the most developed oil exploration platform would be brought to the region. Ihor Kyriushyn, Ukraine's Deputy Minister for Energy and Coal, said as a result of works between Ukraine and Turkey, the two countries achieved great progress in cooperation in coal industry.

Bombed Iraq-Turkey oil pipeline reopens

Hürriyet Daily News (AFP), *14.03.2011*

A key Iraqi pipeline bombed by saboteurs last week is back in action, pumping oil to the Turkish port of Ceyhan, an Iraqi Oil Ministry spokesman said Monday.

"The repairs were done in record time and pumping resumed late Sunday. The flow rate now is about 500,000 barrels a day," Asim Jihad told. A bomb on Tuesday last week at Ninawa, some 110 kilometers west of the city of Kirkuk, forced the complete shutdown of the pipeline, which transports 450,000 to 500,000 barrels of crude oil per day to Ceyhan.

"A segment of the pipeline was replaced and another leak was fixed," said an official of the state-owned North Oil Company, which operates the Baku-Tbilisi-Ceyhan pipeline. An NOC official had told AFP oil shipments through Ceyhan had not been interrupted during repairs, because reserves were kept at Ceyhan. Iraqi pipelines have often been targeted by militants in recent years.

Unidentified attackers detonated a bomb overnight on Feb. 26 at the Baiji refinery, 200 kilometers north of Baghdad. A few days later, authorities foiled a second attack against the refinery when an improvised bomb was found and defused, officials said. Iraq produces 2.6 million barrels of crude oil per day, of which some 2 million barrels are exported. The 1,768-kilometer Baku-Tbilisi-Ceyhan pipeline transports crude oil from offshore oil fields in the Caspian Sea to the Turkish Mediterranean coast, from where the crude is shipped via tankers to European markets.

Nabucco may start gas shipments in 2015

Hürriyet Daily News (Bloomberg), *18.03.2011*

Nabucco Gas Pipeline International, the planned link to carry natural gas from the Caspian Sea to Europe, may start commercial shipments in late 2015, Managing Director Reinhard Mitschek said on Thursday in Ankara.

The OMV-led project aims to deliver fuel via Turkey, bypassing Russia as part of the so-called Southern Corridor, supported by the U.S. and European Union. Nabucco is vying with projects backed by Norway's Statoil and Italy's Edison for gas from the BP-led Shah Deniz venture in Azerbaijan. Russia has also sought to boost purchases of Azeri gas as it competes for European market share.

Turkish January current account gap widened to $5.9 billion

Bloomberg, *11.03.2011*

Turkey's current-account deficit almost doubled in January from a year earlier, the 13th consecutive widening of a measure Moody's Investors Service says is a 'key risk' to the economy.

The deficit rose to $5.9 billion from $3.1 billion in the same month of 2010, the central bank said. The $7.5 billion gap in December was the biggest since 1984 when the bank's data series began. The current account gap is expanding as a credit-fueled domestic boom draws in imported goods and raw materials.

Turkey imports almost all its energy needs and rising oil prices driven by North African unrest are likely to widen the trade gap further, undermining the central bank's efforts to help exports and curb the import bill. The deficit is "better than we'd expected but it's still a huge increase," said Inan Demir, chief economist at Finansbank, who'd forecast a gap of $7 billion. "It shows there's still no sign yet of a slowdown." The current account deficit will widen on an annual basis in the first few months of the year before steps to support exports and reduce imports take effect, central bank Governor Durmus Yilmaz said on March 9 in Istanbul.

The Turkish economy has "substantial external vulnerabilities, including a large current account deficit," Moody's said in a report on March 7. The "rapid deterioration" in the measure is a key risk for the economy and the gap may reach 7.2 percent of economic output in 2011, it said. The central bank has raised reserve requirements for banks in a bid to slow the growth of consumer lending that's fueling import demand. Those measures were combined with cuts to the benchmark interest rate that have taken it to a low of 6.25 percent, weakening the lira and assisting exporters.

The bank's policy of cutting interest rates to curb short- term capital inflows and help exports "has proven only partially effective" and credit growth remains well above the bank's target of 20-25 percent, Roubini Global Economics said in a report on its web site today. The government forecasts a deficit of $39.3 billion, or 5.4 percent of GDP this year. The cumulative deficit was $51.4 billion in the 12 months to January, rising from $48.6 billion, or about 7 percent of estimated GDP, in the whole of 2010. There was a net outflow of $270 million of foreign investment in January compared with a net inflow of $394 million a year earlier, the central bank said today.

Foreign investors bought a net $2.3 billion in portfolio assets in the month, up from $1.9 billion in the same month of 2010, the bank said. The central bank also reported an inflow of $3.7 billion under "net errors and omissions," compared to $1.8 billion in the same month last year. It didn't provide further details. Imports in January rose 44 percent to $16.9 billion. Exports gained 22 percent to $9.6 billion, the statistics office said on Feb. 28.

Turcas and Socar to borrow up to $3.2 bln

Hürriyet Daily News (Bloomberg), *18.03.2011*

Turcas Petrol, a Turkish energy company, and Socar, the State Oil Company of Azerbaijan, plan to seek loans this year to help finance construction of a $4 billion refinery in Turkey, chief executive Batu Aksoy said.

The nonrecourse debt, the first of its kind in Turkey, will meet as much as 80 percent, or $3.2 billion, of the refinery's cost, Aksoy said at an export and project finance conference organized by Yapı Kredi Bank in Istanbul Thursday. "About 75 percent of the borrowing may come from international banks and the remainder from Turkish banks," Aksoy said.

Turcas and Socar will build the refinery at the site of their joint chemicals venture Petkim in western Turkey's Aliaga region on the Aegean coast. The refinery is scheduled to start operating in 2015 with the capacity to process 10 million metric tons of crude a year, Aksoy said. The refinery is part of a $10 billion investment plan Socar and Turcas have to turn the Petkim peninsula into an energy supersite similar to Jurong Island in Singapore.

Oil prices waffle on UNSC resolution and Libya's ceasefire

Oil & Gas Journal (Eric Watkins), *18.03.2011*

Oil prices were volatile in trading Mar. 18 after Libya's government agreed to halt military operations in the country following the Mar. 17 vote of the United Nations Security Council (UNSC) for air strikes against forces loyal to the country's leader Moammar Gadhafi.

"We're looking at an incredible number of bullish and bearish factors which have locked this market in place," said Phil Flynn, vice-president of research at PFGBest in Chicago. "Prices fell on the announcement of the ceasefire, but are moving back up because it seems meaningless," he said, expressing a view that was shared by others.

"Mr. Gadhafi has declared a ceasefire but you know, he's made so many declarations -each one more exotic than the last, each one more frightening than the last over the last week," said French Foreign Ministry spokesman Bernard Valero.

“This man’s credibility is gone, no one can trust him,” Valero told AP Television News after UNSC met Mar. 17 to endorse a resolution that authorized “all necessary measures” to prevent attacks on Libyan civilians by the Gaddafi regime.

UNSC also enforced a no-fly zone to prevent air attacks, strengthened an arms embargo against Tripoli and reinforced a freeze on the financial assets of Gadhafi and his aides. UNSC’s assets freeze took in Libya’s state-owned National Oil Co., as well as its head Shukri Ghanem, who was accused of “trying to sell heavily discounted Libyan oil to fund the regime.”

As a result of the UNSC resolution, the global benchmark rose to near a 2½-year high of $117.29/bbl in London, with traders fearing that the country’s oil fields and infrastructure could be damaged by new hostilities. But uncertainty continued to dog the market even after Tripoli pledged to cease hostilities and open negotiations with the country’s opposition leaders.

“This does not mean we near a resolution of the situation in Libya,” said Harry Tchilinguirian, an analyst at BNP Paribas. “We may be facing the possibility of an entrenched status quo between pro- and anti-Gaddafi groups. “This only maintains the uncertainty in terms of when we will eventually have a full resumption of production in Libya,” Tchilinguirian said, as the cost of Brent crude fell after the announcement by Tripoli.

Echoing earlier remarks by the International Energy Agency, other analysts see Libya’s exports falling off completely for a protracted period of time. “Libya, and the truncation of its exports, is likely to remain a major issue for the markets for the rest of this year and into next,” said Paul Horsnell, head of commodities research at Barclays Capital.

Libya was producing 1.69 million b/d before its recent unrest, according to the International Energy Agency, of which 1.2 million b/d were exported, mostly to Europe. But IEA said this week that Libya's oil exports would “remain off the market for a considerable time.” Meanwhile, the specter of damage to the country’s oil facilities was raised by further reports on Mar. 18 that conflict continues to rage in Libya, despite the government announcement of an ‘immediate’ ceasefire.

Witnesses in the western city of Misrata said a progovernment assault is persisting and casualties are mounting as countries backing the council’s move, such as Britain and France, get their military resources into place to enforce the measure. Details have not fully emerged of how an international military operation might unfold in Libya or how they could affect the country’s oil and gas infrastructure.

TransAtlantic touts 171% increase in 4Q10 production

Rigzone, *17.03.2011*

TransAtlantic provided an operational update for the year ended December 31, 2010. Net oil and gas production, after royalty, for the fourth quarter of 2010 increased 171% to approximately 344,000 barrels of oil equivalent compared to approximately 127,000 boe for the fourth quarter of 2009.

For the fourth quarter of 2010, net oil production, after royalty, in the company's Selmo oil field increased 45% to approximately 180,000 barrels of oil from approximately 124,000 barrels of oil in the fourth quarter of 2009. For 2010, net oil and gas production, after royalty, increased 133% to approximately 974,000 boe compared to approximately 417,000 boe in 2009.

The increase in 2010 was the result of a full year of production in the Selmo oil field, additional production in the Arpatepe oil field and new production in the Thrace Basin gas fields. For the fourth quarter of 2010, the company's average realized oil price was approximately $92.00 per barrel, and the company's average realized natural gas price was approximately $8.00 per thousand cubic feet.

“We expect to achieve a pro”duction rate from our properties in Turkey of at least 10,000 boe per day by the end of 2011,” said Malone Mitchell, the Chairman. He added, “All of our actions are directed toward this near-term goal, at which point we will largely be able to fund our capital expenditure program out of cash flow.” For 2011, the Company anticipates non-acquisition capital expenditures of between $125 million and $150 million, with the overwhelming majority directed towards Turkey.

More than half of the company's capital expenditures in 2011 are planned for properties in the Thrace Basin. The capital will be expended in the expectation of considerably growing gas production from the current base of approximately 10.0 million net cubic feet per day (Mmcfpd). The program for 2011 will focus on developing shallow gas prospects and reserves (conventional gas) and fracture stimulating the deeper pay (unconventional gas). The Company expects net gas production at year end of approximately 35 to 40 Mmcfpd.

On the northern licenses (3839 and 4037) production growth is expected from receipt of a wholesale gas license, which will permit sales from wells that are currently shut-in, and the drilling of 15 to 20 wells on structures identified on recently processed 3D seismic data.

On the central licenses, considerable production growth is expected from the Alpullu gas field and the adjoining exploration license, where the company plans to drill between five and eight wells to further develop the Alpullu field and test structures on the exploration license. The Alpullu field is currently producing at a constrained rate through a small pipeline to the north.

The company is currently constructing a pipeline to the south, which would connect the field to the gas distribution system operated by Thrace Basin Natural Gas. The company plans to build gathering lines to connect the structures to the east and west of the new pipeline. The company plans to be quite active on the southern licenses that it expects to acquire upon the acquisition of Thrace Basin Natural Gas, currently expected to close in the second quarter of 2011. The Company expects to drill approximately 20 wells on these licenses in 2011, targeting shallow conventional targets, and re-enter and fracture stimulate approximately eight wells in the Mezardere formation, which is behind pipe.

In January 2011, the Company began conducting a series of small fracture stimulations and gelled acid jobs on wells in the Selmo oil field. As a result of those operations, daily average production increased from approximately 2,400 bopd at year end 2010 to an average of 2,766 bopd for the month of February 2011, reaching a peak production of over 3,000 bopd. Current production from the field is approximately 3,000 bopd.

The company plans to drill and complete at least 24 wells in the field during 2011. As a result of the planned drilling activity, the Company expects production to grow to approximately 4,000 bopd. “In addition to the active drilling program, we are also reviewing all current and lower rate wells as candidates for fracture stimulated or gelled acid stimulation, as our results to date have been very good,” said Gary Mize, the company’s President.

Last year the company acquired 252 square kilometers of 3D seismic data around the Arpatepe field area on License 3118, in which the company holds a 50% working interest. Last week, the company received brute stack processing of the data and expects to receive final migrated data by the end of March 2011. “This is the highest priority 3D seismic data we are working with right now. We are pleased with the leads we see on the brute stack data,” said Mr.Mize.

The company expects to drill three exploration wells and two development wells at Arpatepe in 2011. In addition, plans have been approved to put the Arpatepe-1 well on pump, which is still flowing, but at declining rates. The company anticipates that the pump should increase production from the well by about 300 bopd gross. The Company expects its year end 2011 net production from License 3118 will be approximately 600 bopd.

Russia and Turkey in South Stream tug of war

EurActiv, *17.03.2011*

Upset by Turkish procrastination over the offshore section of the South Stream pipeline, Russia is warning that it may give up on the project altogether.

Russia is considering the possibility of abandoning the South Stream gas pipeline project, which is designed to bring Russian gas to Europe by bypassing Ukraine, the Russian press writes today, quoting top officials in Moscow. Talks held in Moscow yesterday between Russian President Dmitry Medvedev and Turkish Prime Minister Recep Tayyip Erdogan ended with no agreement on building a crucial offshore section of South Stream in Turkish territorial waters.

Russian Deputy Prime Minister Igor Sechin said the Turkish authorities had been expected to approve the construction on 31 October 2010. In the absence an agreement, Gazprom and the Russian government are currently studying various options for a ‘cheaper version’ of South Stream, Sechin said, including replacing the pipeline with a project based on liquefied natural gas (LNG), to be transported by ship across the Black Sea.

Last week, Russian Prime Minister Vladimir Putin demanded an investigation into the possibility of building an LNG plant on the Black Sea coast. According to Russian daily Kommersant, this latest development represents proof that the LNG project is not only seen as an additional option to South Stream, but could in fact replace it.

Turkey’s delay in granting approval to the laying of pipes in its Black Sea territorial waters appears to represent a major obstacle to South Stream's construction. Turkey claims that it cannot give the go-ahead before receiving additional documentation from Gazprom, but Russia suspects that Ankara has other reasons for procrastinating. Indeed, Moscow suspects Ankara is trying to trade its consent for a rebate on the price of gas imported from Russia. In theory, Russia could alternatively lay the pipes through Ukrainian waters, but Kyiv is a staunch opponent of the project.

Mikhail Korchemkin, founder and executive director of East European Gas Analysis, is quoted as saying that talk of giving up on South Stream is no more than ‘bluffing’ by the Russian authorities. Korchemkin also claims that Ankara understands perfectly well Russia's game. “Russia cannot give up South Steam […] because this would be too big a blow for the Prime Minister [Vladimir Putin],” he is quoted by Kommersant as saying.

“Most likely, the Turks will try to obtain concessions from Moscow in terms of lower gas prices and better conditions for the take-or-pay deal. But in any case, those would be protracted talks, so we should reach for our buckets of popcorn,” Korchemkin added.

Syria to award onshore blocks by end of March

Rigzone (Hassan Hafidh), *16.03.2011*

The Syrian government will award contracts to explore, develop and produce hydrocarbons from four onshore blocks later this month, the country's oil ministry said. Sufian Alaw said international companies had submitted bids for four blocks out of the eight blocks announced earlier.

The ministry last year offered production-sharing contracts to explore blocks 3, 4, 5, 7, 12, 14, 16 and 18, located mostly on the eastern and northern parts of the country. "The companies submitted their offers on four blocks only," Alaw said. "They are 3, 5, 7, and 12 while the remaining blocks didn't receive bids," he said.

The ministry's website said companies that had submitted bids for the four onshore blocks include Total, the U.K.'s Gulfsands Petroleum in alliance with Italy's Eni, China National Petroleum Corp., Dallas-based Improved Petroleum Recovery, Sweden's Svenska, and the U.A.E.'s Dana Gas.

Alaw also said Syria is poised to unveil later this month a new licensing round off its Mediterranean coast sometime during this month, the minister said. The move is intended to lure international companies interested in exploration drilling in the area following the recent big Leviathan discovery off Israel. The minister said the ministry will be offering three offshore blocks.

The new round for offshore exploration will mark the third attempt by the Syrian government to revive interest in its offshore waters after two previous tenders. The government put an offshore round on hold in 2008 following failure by countries like Cyprus and Egypt to lure up firms to explore for hydrocarbons on their own waters.

However, after the discovery of the potentially giant Leviathan gas find offshore Israel by U.S. oil company Noble Energy Inc. (NBL) in December and significant gas discoveries in Egypt and the Gaza Strip in recent years could encourage companies to bid for Syrian offshore blocks, analysts said. Syria aims to boost its crude oil production, which has declined from 590,000 barrels a day in 2006 to 380,000 barrels a day currently

OPEC may meet to assess Japan and Middle East crises

Rigzone (Dow Jones Newswires), *16.03.2011*

The Organization of Petroleum Exporting Countries may meet to assess the impact of the nuclear crisis in Japan and the unrest in the Middle East and North Africa on oil supply, Henry Odein Ajumogobia, Nigeria's foreign minister, said. "Japan is likely to affect the oil market and therefore the prices," he told reporters after a meeting with Indian officials in Delhi. "I do suspect members of OPEC would be getting together to assess the situation of demand and supply."

Crude futures dropped this week due to fears of an increase in radiation levels in Japan, which is working to control a nuclear crisis after being hit by an earthquake and a tsunami.

Japan, the world's third-largest oil consumer, is likely to require an increase in fuel oil imports to generate electricity in the long-term as a quarter of its nuclear power plants have been taken offline. Responding to a question on the political crisis in North Africa, Ajumogobia said OPEC will take into account the impact of the trouble while reviewing any increase in oil supplies. "If OPEC ceilings are increased then our production will increase by the same token," Nigeria's Ajumogobia said.

Tensions escalated in the Middle East Tuesday as Bahrain declared a state of emergency a day after Arab Gulf states, including Saudi Arabia, rushed troops to the island in an attempt to stifle a growing anti-government uprising. "We are working hard to expand our capacity, and it is important to have excess capacity for any sort of eventuality," Ajumogobia said.

Nigeria plans to increase its crude oil output capacity to 4 million barrels a day from 2.5 million barrels. It plans to expand its crude oil reserves to 40 billion barrels from about 33 billion now, but Ajumogobia didn't give a timeline for the expansion. He said Nigeria won't raise its oil production levels unilaterally, but will wait for OPEC's directions.

India has already invested about $5 billion in Nigeria and oil sector reforms are expected to attract more investments in downstream and upstream businesses, Ajumogobia said. He said at least one consortium of Indian companies has recently expressed interest in acquiring Shell's oil blocks in Nigeria. Shell is close to selling four of its onshore blocks to oil producers eager to snap up Western oil majors' properties as unrest in the Middle East boosts global crude prices.

Global economy unlikely to be hurt by Japan disaster

Hürriyet Daily News (Bloomberg), *15.03.2011*

The impact of Japan's record earthquake on global growth may be limited as its economy's share of world gross domestic product is in decline. Japan's share of the global economy has fallen in dollar terms from almost 18 percent in 1995, the year of the Kobe temblor, to 8.7 percent, according to data from the International Monetary Fund. It also lost its rank as the world's second largest economy to China last year, a report from its Cabinet Office said in February.

"Japan's not had a major impact on the world economy for a while," said Kit Juckes, head of foreign-exchange research at Societe Generale in London.

"It's not a big market for the rest of the world to sell to." Before the quake, Japan's economy was showing signs of a revival after shrinking an annualized 1.3 percent in the fourth quarter. Societe Generale economists said in a recent report they now expect a decline in economic output for a couple of months followed by a "sharp rebound." The economic damage will generate costs equivalent to about 2 percent of the country's GDP, they estimated. Juckes said the earthquake may still have an international effect by damping investor appetite for risk and supporting the price of oil above $100. "I can't see a step backward in the issuance of nuclear power being anything but positive for the price of oil," he said.

BP acquiring ethanol plants in Brazil

Oil & Gas Journal, *14.03.2011*

BP has agreed to acquire majority control of Cia. Nac. de Acuacar e Alcool, an ethanol and sugar producer in Brazil for $680 million and assumption of all the company's long-term debt. BP will become operator of two ethanol mills in Goias and Minas Gerais states. A third mill is under development in Minas Gerais.

When fully developed, each mill will have capacity to crush 15 million tonnes/year of sugar cane grown nearby and to produce 480 million l./year of ethanol equivalent. Each mill also will be able to supply 380 Gw-hr/year of electrical power.

Gulf Keystone hits oil flows

Upstream Online, *18.03.2011*

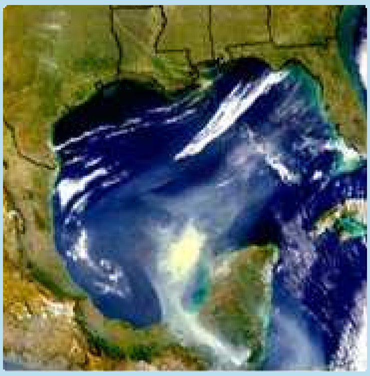
London-listed Gulf Keystone Petroleum has recorded initial oil flows during testing of an appraisal well at its Shaikan block in Northen Iraq, the company has announced.

Gulf Keystone said in an announcement that either smoke or an oil flare could be seen from its Erbil offices, which it said were a considerable distance from the well, leading it to tell the London Stock Exchange it had found a "significant initial oil flow". The Shaikan-2 appraisal well, the first to be drilled on the structure, was being drilled in a 44 metre interval at a depth of between 1792 metres to 1836 metres in the Jurassic age formation.

The company would test to determine flow rate, oil quality and similar information over the next 72 hours, it said. Situated nine kilometres south-east of the Shaikan-1 discovery well, Gulf Keystone chief executive Todd Kozel said the initial flow had validated the company's belief in the well. Gulf Keystone holds 75% of the block, with Mol subsidiary Kalegran and Texas Keystone holding the remaining 20% and 5% working interests respectively.

US gives green light to Petrobras

Upstream Online, *17.03.2011*



The US Interior Department said today it gave final approval for Petrobras to use the first ever deep-water floating production storage facility in the Gulf of Mexico.

The facility will be used when the company begins oil and natural gas production at its Chinook-Cascade project in the near future, the department said. The floating facility has a daily production capacity of 80,000 barrels of oil and 16 million cubic feet of gas, Reuters reported. It can be disconnected and moved in the event of a hurricane or tropical storm, preventing a long-term disruption in supply due to a major storm.

"These regulatory approvals pave the way for safe, new production of oil and gas resources in the Gulf of Mexico," said Michael Bromwich, who heads the department's agency that oversees offshore drilling. Petrobras' Cascade-Chinook project is located 165 miles off the Louisiana coastline in 8200 feet of water.

Iran to increase exploration activities in joint oilfields

Rigzone, *17.03.2011*

Iran will increase oil and gas exploration activities in joint oilfields of Khorasan province, near the Iraqi border and in Persian Gulf next year (starting March 21, 2011), said Iranian Deputy Oil Minister Ahmad Ghalebani, as reported by PANA.

Iranian and Iraqi oil officials have reached an agreement to develop their joint oilfields on border areas to increase their crude output. "The two neighboring states have signed an agreement for the development of joint oilfields," Mehr news agency reported. Iran and Iraq will set up joint expert committees to finalize technical and financial details of the agreement to develop the joint oilfields.

According to the report, Iran and neighboring Iraq have 23 joint oilfields on border regions. Earlier, Iran's deputy Oil Minister Alireza Zeighami said that the two neighbors had reached an agreement on preparing comprehensive plans for the development of five joint oilfields. Iran and Iraq are members of the Organization of Petroleum-Exporting Countries (OPEC) which supplies about 40 percent of the world's oil.

In November, Iran unveiled plans to develop its joint oil and gas fields with neighboring countries even without foreign investment. "We will not sit idly in protracted negotiations with foreign companies," said Iranian deputy Oil Minister Mohsen Khojastehmehr. Khojastehmehr said Iran has finalized a plan for the speedy development of the joint oil and gas fields, adding that Iran will start drilling at Azar oil field with a proven 2 billion barrels of oil reserves near the Iraqi border.

National Iranian Oil Company (NIOC) Director of Exploration Mahmoud Mohaddes said that Iran plans to explore new reserves of 500 million barrels of oil and 5 trillion cubic feet of gas per year in a five year plan (2011-2016). He further pointed out that Iran has discovered 19 new oilfields and eight new gas reserves during its Fourth Five Year Development Plan (2005-2010). NIOC's managing director Mahmoud Zirkachianzade said earlier that the company plans to develop 18 oil and gas fields in Iran's Persian Gulf territorial waters.

API board approve industry offshore safety center

Oil & Gas Journal (Nick Snow), *18.03.2011*

The board of the American Petroleum Institute endorsed industry steps to create a Center for Offshore Safety (COS) at its spring meeting on Mar. 17. The center, to be based in Houston, will be open to all companies exploring and producing oil and natural gas in deep water.

The center will promote the highest level of offshore safety through a program which addresses management, practices, coordination, and teamwork; and which relies on independent third-party auditing and verification, API Pres. Jack N. Gerard said.

“The board directed API to further develop the operation framework and timeline for the center, working with other industry stakeholders, to enhance industry safety and environmental performance,” he noted.

The board’s action follows API’s August 2010 testimony and its October 2010 letter to US President Barack Obama’s independent oil spill commission, regarding the industry’s review of five other safety programs, including the British Step Change in Safety, the US chemical industry’s Responsible Care Program, the Institute for Nuclear Power Operations, the US Occupational Safety and Health Administration’s Voluntary Protection Program, and the Safety Case Regime for international operators, according to API.

API said COS will draw on lessons learned from successful, existing safety programs; apply those programs’ best elements to the unique challenges offshore oil and gas operations pose; and rely on independent auditing and reviews. Its focus will be based on API’s Recommended Practice 75 (RP 75), covering safety and environmental systems. The US Bureau of Ocean Energy Management, Regulation, and Enforcement recently incorporated RP 75 into federal regulations.

Moscow halts petrol to Bishkek over nationalization row

Hürriyet Daily News (EurasiaNet), *16.03.2011*

In what could be a new fight over export duties, Russia has stopped transporting petrol fuel to Kyrgyzstan as of Feb. 15, after the Kyrgyz government decided to nationalize one of its largest telecom companies.

Russia initially sent duty free petrol from the beginning of the year until Feb. 15, lowering the price at the pumps in Bishkek by almost 25 percent and injecting a rare boost of confidence into the economy, but no fuel has arrived since. As the ouster of former President Kurmanbek Bakiyev demonstrated last spring, Russia is not afraid of meddling in Kyrgyzstan when the Kremlin feels its interests are at risk.

These days, Moscow appears to be using energy exports as leverage against the Kyrgyz government. The current source of Russian displeasure is connected with the nationalization of one of Kyrgyzstan's largest companies, mobile service provider Megacom. The row is shaking Kyrgyzstan's disjointed coalition and has the potential to seriously damage the country's fragile economy. Yet, Kyrgyz officials, despite the country's economic dependence on Russia, aren't obsequiously acceding to the Kremlin's wishes.

For Kyrgyzstan, the stakes are high in the nationalization deal. On March 14, government advisor Farid Niyazov confirmed that a deal to lift the tariff on Russian fuel imports was being delayed. But the delivery deal was never finalized, and no fuel has arrived since Feb. 15, MP Akylbek Japarov confirmed. Drawing parallels to the days before Bakiyev's ouster in April of last year, Japarov – a member of the opposition, but pro-Russian, Ar-Namys Party – said that Moscow's hesitation to end the tariffs indicated that "Russia no longer holds any trust in this government."

Announcements & Reports

► *Petroleum Market License Regulation*

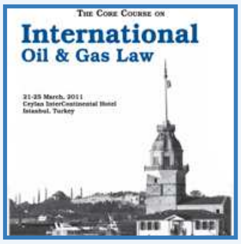
Source : Energy Market Regulatory Authority
Weblink : www.epdk.gov.tr/documents/10157/b679eff1-61d7-4b1c-8340-3e9757d22e84

► *Energy Policies of IEA Countries – Norway*

Source : International Energy Agency
Weblink : http://www.iea.org/w/bookshop/add.aspx?id=390

Upcoming Events

► *International Oil & Gas Law* *(in Turkey)*



Date : 21 – 25 March 2011
Place : Istanbul – Turkey
Website : www.rmmlf.org
Contact : info@rmmlf.org

► *GIOGIE 2011*

10th Georgian International Oil, Gas, Energy and Infrastructure Conference

Date : 29 – 30 March 2011
Place : Tblisi – Georgia
Website : http://www.giogie.com/2011/

► *Kuwait Summit&Exhibition 2011*

Date : 4 – 6 April 2011
Place : Hawally - Kuwait
Website : http://www.cwckuwait.com/
Contact : CWC (+44 0 20 7978 0000)

► *Colombia Oil & Gas Summit&Exhibition 2011*

Date : 5 – 7 April 2011
Place : Cartagena - Colombia
Website : http://www.cwccolombia.com/
Contact : CWC (+44 0 20 7978 0000)

► *Atyrau Oil & Gas 2011*

10th North Caspian Regional Atyrau Oil, Gas and Infrastructure Exhibition

Date : 5 – 7 April 2011
Place : Atyrau – Kazakhstan
Website : http://www.atyrauoilgas.com/2011/
Contact : Marina Li (+7 727 258 3434)

► *Ghana Summit 2011*

Date : 12 – 14 April 2011
Place : Accna - Ghana
Website : http://www.cwcghana.com/
Contact : CWC (+44 0 20 7978 0000)

► *Rio Gas Forum 2011*

Date : 12 – 15 April 2011
Place : Rio de Janeiro - Brazil
Website : http://www.thecwcgroup.com/events/eventproduct/index.aspx?ID=156
Contact : CWC (+44 0 20 7978 0000)

► *TGC 2011*

2nd Turkmenistan Gas Congress

Date : 13 – 14 April 2011
Place : Avaza – Turkmenistan
Website : http://www.summittradeevents.com/ourevents.php

► Oil & Gas Siberia 2011

7th International Specialized Exhibition of Equipment & Technologies for Extraction, Processing and Transportation of Energy Resources

Date : 27 – 29 April 2011
Place : Novosibirsk – Russia
Website : http://petroleum.sibfair.ru/eng/
Contact : Ilyas Idigov (+44 0 207 596 5000)

► IDOC'11

2nd International Digital Oilfield Conference

Date : 16 – 18 May 2011
Place : Abu Dhabi – UAE
Website : http://www.idoc-uae.com/idoc11/
Contact : Dome Exhibitions (+97126744040)

► OGU 2011

15th Uzbekistan International Oil & Gas Exhibition & Conference

Date : 17 – 19 May 2011
Place : Tashkent – Uzbekistan
Website : http://www.oguzbekistan.com/2011/
Contact : Antanina Severdiajeva (+44 0 207 596 5233)

► SEA 5 2011

Algerian Energy Week

Date : 21 – 25 May 2011
Place : Oran – Algeria
Website : http://www.sea5-algeria.com/
Contact : Teresa Zargouni (+44 0 20 7596 5243)

► World LNG Series Americas Summit

15th Uzbekistan International Oil & Gas Exhibition & Conference

Date : 23 – 25 May 2011
Place : Texas – USA
Website : http://lngamericas.cwclng.com/
Contact : Tyler Forbes (+44 20 7978 0061)

► *Caspian Oil & Gas 2011*

18th Caspian International Oil & Gas Exhibition & Conference Incorporating Refining & Petrochemicals

Date : 7 – 10 June 2011
Place : Baku – Azerbaijan
Website : http://www.caspianoil-gas.com/2011/
Contact : Siobhan Enright +44 0 20 7596 5116

► *MIOGE 2011*

11th Moscow International Oil & Gas Exhibition

Date : 21 – 23 June 2011
Place : Moscow – Russia
Website : http://www.mioge.com/2011/
Contact : Antanina Severdiajeva (+44 0 207 596 5233)

► *RPGC 2011*

The 9th Russian Petroleum Congress

Date : 21 – 24 June 2011
Place : Moscow – Russia
Website : http://www.mioge.com/RPGC-Conference/About-the-Conference.aspx
Contact : Antanina Severdiajeva (+44 0 207 596 5233)

► *NOG Tech*

Nigeria Oil and Gas Technology

Date : 7 – 9 June 2011
Place : Lagos – Nigeria
Website : http://www.cwcnogtech.com/
Contact : Alex Moulds (+ 44 20 7978 0340)

► *OGE Asia 2011*

Asia-Pacific International Offshore Oil & Gas Conference and Exhibition 2011

Date : 14 – 16 June 2011
Place : Krasnodar – Russia
Website : http://www.gas-russia.ru/about.aspx
Contact : ITE (7 495 935 7350)

PETFORM

► Gas Russia 2011

Date : 4 – 6 October 2011
Place : Lagos – Nigeria
Website : www.ogeasia.org
Contact : Alex Moulds (+ 44 20 7978 0340)

GAS RUSSIA

► KIOGE 2011

The 19th International Oil & Gas Exhibition and Conference

Date : 5 - 8 October 2011
Place : Almaty – Kazakhstan
Website : http://www.kioge.com/2011/
Contact : Antanina Severdiajeva (+44 0 20 7596 5233)

KIOGE

► OilTech Mangystau 2011

3rd Mangystau Regional Petroleum Technology Conference

Date : 1 - 2 November 2011
Place : Aktau – Kazakhstan
Website : http://www.oiltech-mangystau.com/2011/index.html
Contact : Marina Li (+7 727 258 3434)

OILTECH MANGYSTAU

► Mangystau Oil & Gas 2011

6th Mangystau Regional Oil, Gas and Infrastructure Exhibition

Date : 1 - 3 November 2011
Place : Aktau – Kazakhstan
Website : http://www.mangystauoilgas.com/2011/
Contact : Marina Li (+7 727 258 3434)

MANGYSTAU OIL & GAS