



OIL



Kazakhstan pledges to supply oil for BTC pipeline

Date : 14.12.2007

Source : Today's Zaman

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=129386>

Speaking at a joint press conference with visiting Turkish President Abdullah Gül in Astana, Kazakhstan's President Nursultan Nazarbayev said the transfer of oil to the Baku-Tbilisi-Ceyhan (BTC) pipeline will begin when Kazakhstan completes building ports on the shores of the Caspian Sea.

"Then, Kazakh oil will be transported to the Baku-Tbilisi-Ceyhan pipeline via tankers," he was quoted as saying by the Anatolia news agency. "We know that Azeri oil alone will not be enough to fill the pipeline. It will remain idle if no Kazakh oil is pumped in." The Kazakh president did not say how much oil his country is committed to transport through the BTC pipeline. Kazakhstan has reiterated that most of its oil exports will go through Russia, although it says this does not mean there will be no oil left to transport through the BTC. Critics say the BTC pipeline, launched in 2005, would lose its economic profitability if it is not supplied with oil from Kazakhstan.

The pipeline currently transports oil from the Caucasus region, President Gül said, and added that Azerbaijan and Kazakhstan were in consensus that Kazakh oil should also be pumped in. *"Once the ports in the Caspian Sea are completed, Kazakh oil too will flow through the BTC,"* he said.

OIL



Petkim reveals ambitious new plan

Date : 11.12.2007

Source : Turkish Daily News

<http://www.turkishdailynews.com.tr/article.php?enewsid=91006>

The new owners of Petkim plan to invest \$2 billion by 2014 and double capacity to become one of the region's petrochemical giants. SOCAR, Turcas Petrol and Saudi Arabian Injaz, the new joint owners of recently privatized Petkim, announced their ambitious plans at a press conference.

The annual production capacity of Petkim, which was established in 1965, is currently 3.2 million tons. The three firms acquired Petkim in a state auction for \$2.04 billion in July. The deal was confirmed and announced by the Privatization Board in the Official Gazette late November. At present, Petkim is the biggest chemicals producer in Turkey.

The new investment will increase the revenue of Petkim from \$1.5 billion to \$4 billion and the production capacity from 3.2 million tons to 6.4 million tons, Batu Aksoy, director at Turcas Petrol, told reporters. Turkey's petrochemical sector, the total volume of which was \$5.5 billion in 2006, is expected to grow by 11 percent annually in the coming years, Aksoy added. The growth of the sector is visible also in the market share of Petkim, which has shrunk from 85 percent in 1965 to the current 25 percent.

Ameen Killidar, chief executive officer at Injaz, said the three firms aim to build Petkim into a regional petrochemical giant. By 2014, total investments of the three firms in Petkim are likely to reach \$10 billion. *"Petkim is our starting point in Turkey. We are happy to act as a catalyst to the growth of the Turkish economy,"* Killidar said.

Turcas and SOCAR are also planning to build a refinery at Petkim's factory in İzmir-Aliğa, with a capacity of between six-eight million tons a year. The partners also plan to build another refinery near the port of Ceyhan. The refinery will have a capacity of 10 million tons a year, which may rise to 15 million tons when a petrochemicals unit is added to the site.



Toreador: Black Sea pipeline repairs to be completed by 1Q08

Date : 07.12.2007

Source : Rigzone

http://www.rigzone.com/news/article.asp?a_id=53770

Toreador provided an operations update on the South Akcakoca Sub-basin project in the Black Sea, following the previously disclosed accident which caused a shut down of all gas production. TPAO has notified Toreador that a contract now is in place for the repair of the pipeline system and operations will begin soon.

The first priority is to repair the main pipeline. This is expected to be completed by early in the first quarter of 2008 and will allow any production available from the Dogu Ayazli and Ayazli platforms to be delivered to the gas facility on shore. The reconnection of the Akkaya platform pipeline spur is the next step in the operation and should be completed later in first quarter of 2008. Claims to cover the cost of the repair work have been filed with the insurance carriers and legal action has been initiated against the owners of the vessel that caused the accident.

An intervention is planned for the Dogu Ayazli platform to diagnose and remediate the unexpected production declines in the lower zones of the Dogu Ayazli-1 and -2 wells. A detailed plan and budget is expected to be provided by the operator next week. The intervention will begin once the main pipeline is back in operation and is expected to be completed in the first quarter of 2008. On the Ayazli platform, a larger dive boat, more suitable for the weather conditions, and an expanded diving crew have been mobilized to complete the connection of the Ayazli platform to the main pipeline. The connection to the main pipeline is expected to be completed by early in the first quarter of 2008.

GAS



Turkish gas use up 20% on 2006 to 27.72 bcm

Date : 13.12.2007

Source : Platts

<http://www.platts.com/Natural%20Gas/News/8419223.xml?p=Natural%20Gas/News&sub=Natural%20Gas>

Turkey's consumption of natural gas over the first ten months of the year reached 27.72 billion cubic meters, up 20% on the same period in 2006 according to figures published Wednesday by Turkey's gas importation and transmission company BOTAS.

The figures published by BOTAS indicate the volume of gas used to generate electricity in Turkey over the first ten months of the year reaching 16.18 Bcm, only marginally below the 16.64 Bcm recorded over the full twelve months of 2006.

Gas consumption by industrial consumers reached 6.16 Bcm over the first ten months of year compared with 7.26 Bcm over the whole of 2006 while consumption by domestic consumers reaching 5.38 Bcm over the first ten months compared with 7.26 Bcm over the whole of 2006.

OIL



Kurdish leader to discuss oil deals with Baghdad

Date : 10.12.2007

Source : Today's Zaman

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=129045>

The prime minister of Iraq's Kurdish region, Nechirvan Barzani, will hold talks with top government officials in Baghdad this week over a stalled draft oil law and disputed oil contracts signed by his administration, an official said. Barzani would meet with Prime Minister Nouri al-Maliki and other officials, the national government's spokesman, Ali al-Dabbagh said.

“On Monday, Barzani is coming to Baghdad to meet with Maliki and other officials to discuss the budget and the money for the regions,” Dabbagh said. *“He will also discuss the oil law and the oil contracts that Kurdistan has signed.”*

The Kurdish administration has said its actions signing oil deals were constitutional, arguing it has the right to attract foreign firms to develop oil and gas resources in its northern region. The draft national oil law, which aims to share Iraq's vast oil wealth among its different ethnic and sectarian groups, has been stalled because of disputes with the Kurdish administration and other political factions.



Second section of the Kazakhstan – China oil pipeline begins construction

Date : 13.12.2007

Source : Rigzone

http://www.rigzone.com/news/article.asp?a_id=54020

On Dec. 11, the commencement ceremony for the second section of the Kazakhstan-China Oil Pipeline was held in Aktobe in Kazakhstan. The Kazakhstan-China Oil Pipeline is jointly invested by CNPC and KazMunaiGaz, with each owning a 50% stake.

The pipeline, with a full length of 2,798 kilometers, starts at Atyrau at the Caspian Sea and ends at Alatau Pass on the border of Kazakhstan and China via Aktobe. The 448-kilometer prophase section between Atyrau and Kenkiyak was completed and went on stream at the end of 2003. The 962-kilometer first section between Atasu and Alatau Pass was put into operation in May 2006. The Kenkiyak-Kumkol segment of the second section has a length of 761 kilometers and is to be completed and begin operation on October 1, 2009.



StatoilHydro expects 1.9 million boe/d in 2008

Date : 10.12.2007

Source : Oil & Gas Journal (Uchenna Izundu)

http://www.ogj.com/display_article/314239/120/ARTCL/none/DriPr/1/StatoilHydro-expects-19-million-boe/d-in-2008/

StatoilHydro ASA said it expects to produce 1.9 million boe/d in 2008 and to receive an entitlement of 1.75 million boe/d from its international projects. The figures differ because of the effects of production-sharing agreements, StatoilHydro explained.

Problems with domestic projects will affect production in 2008, the company added, referring to Hammerfest LNG, Ormen Lange, and Kvitebjorn. Hammerfest suffered a seawater leakage in a heat exchanger, and production has been stopped to repair it. Gas production is expected to restart in early January. StatoilHydro tentatively expects to see an equity average of 25,000–30,000 boe/d. *“The challenges associated with the start-up of the gas liquefaction plant will, however, entail a slower escalation of production than originally assumed,”* the company said.

StatoilHydro will repair the rich gas pipeline from Kvitebjorn to Kollsnes, which was most likely damaged by a ship's anchor. StatoilHydro will lose gas and condensate from Kvitebjorn and about 18,000 boe/d of the 30,000 boe/d of the gas exported from Visund. Production from all three will be ‘slightly lower’ than the estimated 1,735, 000 boe/d given on Nov. 12. Production from Ormen Lange field is ramping up, StatoilHydro reported, but slower-than-expected drilling progress is expected to affect production in 2008, it said.



Oil price tops \$94/bbl in biggest leap in 11 months

Date : 13.12.2007

Source : Oil & Gas Journal (Sam Fletcher)

[http://www.ogj.com/display_article/314640/120/ARTCL/none/GenIn/1/MARKET-WATCH:-Oil-price-tops-\\$94/bbl-in-biggest-leap-in-11-months/](http://www.ogj.com/display_article/314640/120/ARTCL/none/GenIn/1/MARKET-WATCH:-Oil-price-tops-$94/bbl-in-biggest-leap-in-11-months/)

Crude futures prices jumped more than \$4 to top \$94/bbl Dec. 12, the biggest one-day gain since Jan. 30 and the highest closing since Nov. 27 on the New York market, after the US Federal Reserve said it would make \$24 billion available to the European Central Bank and Swiss National Bank to spur economic growth.

The Fed also plans four auctions—two this month—to increase US cash by as much as \$40 billion. Meanwhile, Goldman Sachs Group Inc., the world's largest securities firm, raised its 2008 oil price prediction to \$95/bbl for benchmark US light, sweet crudes, up from \$85/bbl previously, and said crude may trade as high as \$105/bbl by the end of next year.

In London, the January IPE contract for North Sea Brent shot up \$4.03 to \$94.02/bbl. Gas oil for December remained unchanged at \$861.50/tonne. The average price of the Organization of Petroleum Exporting Countries' basket of 12 benchmark crudes increased \$2.07 to \$86.71/bbl on Dec. 12.



Final approval by Albanian government opens exploration

Date : 13.12.2007

Source : Rigzone

http://www.rigzone.com/news/article.asp?a_id=54002

The Albanian Council of Ministers has approved Decision No. 796 regarding the approval of production sharing for exploration, development and production of hydrocarbons onshore Albania, between the Ministry of Economy, Trade and Energy, represented by the National Agency of Natural Resources and DWM Petroleum AG.

This final approval empowers DWM to explore and produce oil and gas on Blocks A-B and D-E. The existing 2D seismic data over the concession area totals approximately 4,000 kilometres and was shot by AlbPetrol, Shell, INA, Premier Oil and Coparex. Manas plans to reprocess approximately 700 kilometres of the existing data as well as acquire new seismic data.

During the same time Shell & Coparex discovered a deep under-thrust structure within the blocks that by their calculations has a potential to contain 820 million barrels recoverable of oil. Work to further refine these prospects and additional prospects using data combined for the first time from Shell, Coparex and the State oil company AlbPetrol is underway.



Sinopec agrees to triple imports from Iran

Date : 14.12.2007

Source : Turkish Daily News

<http://www.turkishdailynews.com.tr/article.php?newsid=91310>

China's top refiner Sinopec Corp will nearly triple its imports of Iranian crude next year, increasing Beijing's reliance on the OPEC producer that faces Western political pressure over its nuclear program. Its state-owned parent Sinopec has agreed to buy 160,000 bpd from Iran next year, up from this year's 60,000 bpd.

Including a separate pact, agreed earlier between China's state-run Zhuhai Zhenrong Corp and National Iranian Oil Company, China has contracted to buy 400,000 bpd of Iranian crude for next year, roughly 6 percent of China's total crude demand. The supply deal comes days after the state-run Chinese oil giant finalized a \$2 billion pact to develop Iran's huge Yadavaran oilfield, after nearly three years of negotiations, part of Beijing's plan to help ensure a stable, secure supply of oil for the world's second-largest consumer.

Analysts saw the deal as a further sign of a long-term strategic relationship between China and Iran. Beijing is scrambling to fuel the world's fastest growing major economy and Tehran is relying on oil revenue to establish itself as a dominant Middle Eastern power. *"There is a growing rivalry among the big powers for access to major sources of crude oil. For so long America had a monopoly on much of the crude oil exports from the Persian Gulf region and it is now facing increasing rivalry,"* said Mehdi Varzi of London-based consultancy Varzi Energy.



✚ IEA Oil Market Report

Source : International Energy Agency

Weblink : <http://omrpublic.iea.org/currentissues/full.pdf>

✚ EIA World Oil Balance (2003 – 2007)

Source : Energy Information Administration

Weblink : <http://www.eia.doe.gov/emeu/ipsr/t21.xls>

✚ EIA World Crude Oil Prices

Source : Energy Information Administration

Weblink : http://tonto.eia.doe.gov/dnav/pet/pet_pri_wco_k_w.htm

✚ 6th Annual Gas Storage Outlook

Date : January 16 – 17, 2008
Place : Houston – USA
Website : <http://www.platts.com/Events/2008/pc806/>
Contact : James Gillies (781 – 430 – 21 10)



✚ 2nd Annual European Gas Storage

Date : February 11 – 12, 2008
Place : Budapest – Hungary
Website : <http://www.platts.com/Events/2008/pc862/>
Contact : Sophie Adams (+44 (0) 20 7176 66 58)



✚ GEO 2008 – 8th Middle East Geosciences Conference

Date : March 3 – 5, 2008
Place : Bahrain – Bahrain
Website : <http://www.aeminfo.com.bh/Geo2008/>
Contact : Fawzi Al Shehabi (+973 17 55 00 33)



✚ Petrotech 2008 – 6th Middle East Refining & Petrochemicals Conference

Date : May 25 – 28, 2008
Place : Bahrain – Bahrain
Website : <http://www.mepetrotech.com/>
Contact : Fawzi Al Shehabi (+973 17 55 00 33)

