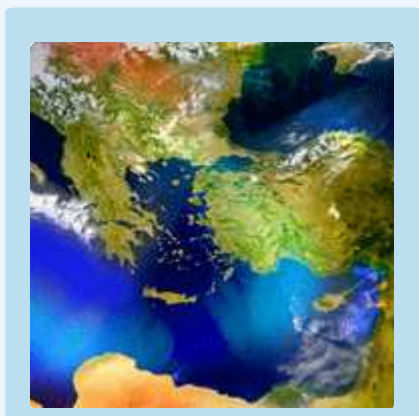


Turkey to sign deal with Shell for gas exploration in Mediterranean

Today's Zaman, 16.11.2011



Turkey will sign an agreement with Shell for exploration of natural gas in the Eastern Mediterranean, Turkish Energy Minister Taner Yildiz said. Yildiz said the deal with Shell would pave the way for exploration both in Turkish territory and off Turkey's coasts.

The planned deal with Shell comes as US company Noble Energy, licensed by the Greek Cypriot administration, drills for natural gas off the island's southern coast. Turkey has protested the exploration, saying Turkish Cypriots, who run their own state in the north of the island, also should have a say in deciding what to do with Cyprus' oil and gas reserves.

Turkey has also sent an exploration ship to the Eastern Mediterranean and, raising possibilities of a naval confrontation, said its exploration vessels will be escorted by warships. Turkey's state oil company Turkish Petroleum Corporation (TPAO) and Shell have already agreed in principle to a deal and the agreement is expected to be signed by the end of this month, a news report in Sabah daily said on Wednesday. According to the report, Turkey will license Shell to dig for oil and gas in Turkey's exclusive economic zone in the Eastern Mediterranean, off the coast of the southern province of Antalya.

If the agreement is finalized as planned, Shell will undertake to finance the drill, which is expected to be at least \$300 million. It will bring a massive oil exploration platform to the Mediterranean and will share revenues from hydrocarbon finds with Turkey. According to Sabah, TPAO has ascertained that there are potential oil and gas reserves in three areas in the Eastern Mediterranean. There was no information on the estimated market value of the estimated reserves.

Authorities say there is serious potential, particularly in Mersin Gulf, in the Mediterranean and estimate a drill of 5-6,000-meters in depth in this area is likely to find significant hydrocarbon reserves.

Azerbaijan and Turkey start work on Trans-Anatolian Pipeline

Reuters, 17.11.2011



Azerbaijan and Turkey have started work on a Trans-Anatolian gas pipeline project costing some \$5-6 billion, Azeri state energy company SOCAR said, adding to an array of planned energy projects crossing Turkey.

Azerbaijan has been receptive to overtures from proponents of a so-called Southern Corridor, promising to help diversify energy sales away from Russia and options are proliferating. The latest project, led by Socar and with a Turkish partner to be named later, is planned to have a capacity of 16-17 bcm, a SOCAR official, who declined to be named. It could also be open to other partners.

“Azerbaijan and Turkey have started work on a Trans-Anatolian gas pipeline project from Anatolia’s eastern border to its western border,” SOCAR President Rovnag Abdullayev said at a conference on Thursday. He said this did not mean the end of the Nabucco project, backed by the European Union as an alternative to Russian gas, but which the top EU energy official has said will be “very expensive” at 10 billion euros. It was not immediately clear when the trans-Anatolian pipeline, named after the land mass which makes up the vast majority of Turkey, would be completed.

Separately, Abdullayev said a decision would be made soon on whether gas from the Shah Deniz II project would be supplied to Nabucco, the Interconnector Turkey-Greece-Italy (ITGI) or the Trans Adriatic Pipeline (TAP) project. The TAP and ITGI consortia both propose to run their pipelines through Greece and could run into financial obstacles if Greece defaults or exits the euro zone.

SOCAR said this week Azerbaijan was in talks with BP and Turkey’s BOTAS on the export of excess gas volumes for the next six years, providing a fresh source of gas for European consumers. Azerbaijan currently sells gas in the domestic market, to neighbouring Georgia and Turkey via the Baku-Tbilisi-Erzurum pipeline and to Russia. The pipeline pumps gas from the Shah Deniz field at a full capacity of 5 bcm per year. Azerbaijan expects gas production to increase to 50 bcm per year by 2025 from the 25.3 bcm expected this year.

Yildiz: Terror threatening European energy

Hürriyet Daily News, 17.11.2011



Terror attacks in Turkey's southern region, which carry a significant importance in country's transit role in transferring Iraqi and Caspian oil and gas to European markets, risk not only Turkey's position but also energy security of European countries, according to energy minister.

"The energy security is not just Turkey's problem, but also carries a great importance for European countries," said Taner Yildiz told. "European countries should also understand the necessity of maintaining security in the region in order to transfer Iraqi gas and oil to European markets," he said.

Turkey's role in transferring Iraq's resources to European countries recently reduces energy dependency on Russia, Yildiz said, adding that "in that sense, security in the region means energy security for Europe," concerning the southern corridor. Yildiz said Turkish government closely monitors the developments in the region, adding that, "Turkey expects the disputes between Northern Iraqi government and central government of Iraq to find resolution."

Turkey would increase the capacity of the Kirkuk-Ceyhan crude oil pipeline between Iraq and Turkey, which was initially made operational for the export of crude oil without taking the risk of passing through the Persian Gulf from 1980 to 1988. "We want to use this line to full capacity," Yildiz said. The total capacity of the pipeline is 1.6 million barrels a day with length of 970 kilometers. The pipeline has been under attack and subject to prolonged closures; however a considerable amount of investment has been made for the repair and refurbishment operations on this pipeline.

"Nabucco pipeline responsibility is not just on the shoulders of Turkey, but on other countries as well," said Yildiz referring to European energy companies including OMV of Austria, MOL of Hungary, Transgaz of Romania, BOTAS of Turkey, RWE of Germany, Bulgargaz of Bulgaria, each with a share of 16.67 percent in Nabucco consortium.

"There is no change in Turkey's position regarding to transferring no gas from northern Iraq through Turkey without Bagdad's permission." Yildiz said response to a statement by Hussein al-Shahristani, Iraqi Deputy Prime Minister on Nov.13 cautioning to Exxon against pursuit of oil deals in Northern Iraq. "Energy security should have the top priority of all the nations in the region, should not be seen as a source of fighting but cooperation," said Prime Minister Recep Tayyip Erdogan addressing to the participants of the top level energy meeting.

Vallares to put billions into Northern Iraq via Genel Energy

Hürriyet Daily News, 14.11.2011



Genel Energy, a Turkish company in talks with ex-BP chief executive Tony Hayward's Vallares, will put \$725 million into developing six oil fields in Northern Iraq, according to company executives. Genel also plans to build a pipeline that will connect its fields in northern Iraq to a port in Turkey on the Mediterranean.

Ex-BP CEO Tony Hayward, who was forced out of the company last year after a disaster that killed 11 rig workers and caused an environmental catastrophe, has announced plans to spend \$725 million to develop Genel's six fields in Northern Iraq.

Hayward's investment company, Vallares, has a six-week head start with its \$2.1 billion agreement in September to acquire Genel. Even though the merger process of Vallares and Genel has not yet been finalized, working with prominent names such as Hayward is important for the Turkish company, Mehmet Sepil, the chief executive of Genel.

"We are proud to work with names such as Tony Hayward and share in their experience," Sepil said. "I believe such economic and social cooperation will rapidly develop relations between Kurds and Turks." Masoud Barzani visited Turkey twice recently, Sepil said, adding that mutual relations tended to grow quickly. "The disputes between Baghdad and Arbil will be solved, somehow. There are lots of foreign investors in the region and they all have contracts. The potential of the region is too great to be denied."

Home to approximately 40 percent of the Iraq's 115 billion barrels of reserves, Northern Iraq has attracted keen interest from small- and mid-sized foreign explorers since the fall of Saddam Hussein in 2003 opened the region for the first time in decades. In equal amount to the oilfield developing business with Genel will be devoted to buying up some of the 41 companies drilling for crude and natural gas in the regional administration in northern Iraq, Hayward said during a Sept. 8 meeting with reporters in Istanbul. "We will be participating in the inevitable consolidation among the 41 companies in the region," he said. "We want to have the dominant position in the region by building a bigger company."

Vallares, a so-called blank-check company founded by Hayward, financier Nathaniel Rothschild and banker Julian Metherell, said that it plans to change its name to Genel, pending approval by shareholders. Crude oil output at the Taq Taq field has climbed to 90,000 bpd, Genel's chief Sepil said on Nov. 13. "In January, our production levels in Taq Taq will be 120,000 barrels," Sepil told in Arbil. Genel plans to build a pipeline that will connect its fields in Northern Iraq to a port in Turkey on the Mediterranean, the Financial Times reported on Nov. 13. The pipeline will have a capacity to export 400,000 bpd, it said, citing Hayward.

17 US energy firms and Russia's Gazprom mull investing in Turkey

Today's Zaman, 16.11.2011



The rapidly growing Turkish economy has started to garner more attention from international investors, indicated by the fact that 17 American firms and Russia's largest company, Gazprom, are now considering investing in Turkey's energy market.

Speaking to a group of reporters in Ankara, Michael Lally, commercial counselor at the US Embassy, said American companies such as Abound Solar, AES Corporation, Clipper Windpower, General Electric, Megtec Systems and Solar Reserve are among those that will make a business trip to Turkey starting Dec. 5.

It will be the first time for 11 of those companies to seek business opportunities in Turkey, Lally said, adding that cooperation with Turkish companies in third countries, particularly in Russia, the Caucasus and Africa, will also be on the table during discussions to be held during their stay in Turkey. Representatives from the Export-Import Bank of the United States and a number of other financial organizations will also be taking part in the meetings to be held in Istanbul, Ankara and İzmir as part of the planned visit, Lally also said.

The news related to Gazprom, on the other hand, hit online portals after Alexander Medvedev, director-general of the Russian company's export arm Gazprom Export, announced the company's intentions in Turkey. "We are ready to enter Turkey's electricity market, not only as a supplier but also an investor," he was quoted as saying by the Anatolia news agency Thursday. Gazprom's venture into Turkey's domestic electricity market would likely be in partnership with a local operator. A spokesman for Gazprom declined to comment on specific targets being considered by the state-owned gas giant. "Gazprom is at the preliminary stage of discussions regarding investment in Turkey's electricity grid. We will continue to evaluate the different options in terms of electrical grids in Turkey and potential partners," he said.

The move follows failed privatization tenders this year for the Akdeniz Elektrik grid in Turkey's Mediterranean region and Istanbul's Anadolu and Rumeli grids as well as the Toroslar, Dicle, Gediz and Trakya grids after the highest bidders for each failed to make payments by the respective deadlines. The inability of top bidders provides a fund on time reflects the difficulty of procuring funds from international investors in the current financial climate, analysts suggest. Gazprom, awash with cash after net profit jumped 56 percent to \$25 billion for the first half of 2011, could fill the void, benefitting from one of the fastest growing electricity markets in the world, with energy demand expected to double between now and 2020.

Medvedev said that negotiations with private Turkish gas distributors were taking place this month in response to the cancelled western pipeline deal with the state-owned Turkish Petroleum Pipeline Corporation (BOTAS), which saw 6 billion cubic meters of gas supplied through the Balkans annually. "We will decide on the procedure to be applied to Turkey regarding gas sale as of January 1, 2012 during our meeting with Turkish executives in November," with meetings scheduled for next week in Istanbul, Medvedev said.

Medvedev said that Gazprom would be seeking agreements reflecting the market price for gas, with the company pushing for further liberalization of the gas market and a move away from the subsidized rates that governed long-term contracts with BOTAS in the past. In October, BOTAS cancelled the contract after Gazprom refused to offer a rebate on gas prices. Medvedev refuted analysts' suggestion that the terminated contract was surplus to Turkey's requirements, saying that Turkey needed Russian gas.

Turkey cancels oil search plans in Syria, threatens to cut electricity

Today's Zaman, 15.11.2011



Turkey may consider terminating the sale of electricity to neighboring Syria if tensions continue to escalate over a Syrian crackdown on anti-regime protests, Turkish Energy Minister Taner Yildiz said.

Yildiz also announced that Turkey had shelved plans for Turkey's petroleum company, TPAO, to jointly explore oil with Syria's state oil company in six wells within Syria. "We are currently supplying electricity to Syria. If this trend continues, however, we may have to revise all these decisions," Yildiz said.

Yildiz's statement came hours after Prime Minister Recep Tayyip Erdogan slammed the Syrian government following attacks on Turkish diplomatic missions in Syria over the weekend following an Arab League decision to suspend Syria's membership over its crackdown on the eight-month uprising. Turkish President Abdullah Gul also warned Syria that Turkey will have a 'different reaction' if attacks similar to Saturday's are repeated.

Greece plans to connect islands to Turkish grids

Hürriyet Daily News, 18.11.2011



The Greek Energy Ministry's new plan to tap into Turkish grids to meet Greek islands' electricity needs could boost flagging Ankara - Athens relations that have been strained by offshore Greek Cypriot gas exploration, Greece's energy minister has said.

"We have talked with Turkish officials previously on connecting Greek Islands to Turkey [for electricity] and we are still considering this," Giorgos Papaconstantinou, Greece's energy and environment minister, said Nov. 17 on the sidelines of the Atlantic Council Black Sea Energy and Economic Forum in Istanbul.

"We have always wanted to connect the island to mainland Greece, but there is a possibility that we might connect islands to Turkish grids." The minister said the move may be more affordable and efficient for Greece. Speaking about the tensions related to Greek Cyprus' offshore exploration, Papaconstantinou said, "I can see the nervousness of Turkey, but it will recede with time." Turkey's state run oil company's decision to ink a deal for onshore and offshore exploration with Dutch energy giant Shell next week is "no threat for Greece," he added. As long as the exploration is carried out according to international laws, "Turkey should go ahead," the Greek minister said.

"Turkish companies can also take part in Greek energy tenders," said Papaconstantinou. As Greece's budget crisis drags on, the Greek state-owned natural gas company, DEPA, is preparing for privatization. Under a proposed plan, the state will sell a bulk of the 65 percent of shares it currently holds in the company; Hellenic Petroleum (ELPE) will take over the remaining 35 percent. "We have no discriminative rule against Turkish firms," Papaconstantinou said, adding that Socar, the State Oil Company of Azerbaijan, was among the possible bidders.

The minister also said tenders would take place by December for the privatization of DEPA. The Greek government may unbundle DEPA, which also owns natural gas administrator company DESPA and continue the privatization process as planned, he said.

DEPA is also beginning to pay back some of the money it owes Turkey's state-run pipeline company, BOTAS, following an increase in prices due to changes in the energy relationship among Azerbaijan, Turkey and Greece, DEPA Chief Executive Officer Harry G. Sachinis told the Hürriyet Daily News on the sidelines of the conference. "Turkey has had some disagreements with Azerbaijan regarding gas prices for over three years. Once the price was agreed between Turkey and Azerbaijan, BOTAS claimed additional capital from Greece for previous gas purchases," he said. The total amount was nearly \$300 million and DEPA paid nearly 60 percent of the sum in the last month, he said.

Sachinis said DEPA's profits increased by nearly 20 percent this year and "basically the firm has enough funds to pay the total sum to Turkey." "The Nabucco [pipeline project] is too big to handle due to its size and investment return time," Sachinis said, adding that the Interconnector Turkey-Greece-Italy natural gas pipeline project (ITGI) would be the "best plan." The ITGI project aims to establish a gas transportation capacity of nearly 12 billion cubic meters a year. "The capacity of the line could be increased to up to 20 billion in a few years' time," he added.

Gas summit starts with call for fair price

Hürriyet Daily News (AP), 15.11.2011



Leaders of the world's biggest gas suppliers opened their first summit in the Qatari capital yesterday by calling for a fair gas price while Iran, whose president was absent from the ceremony, warned that Western taxation will derail the energy market.

"There is an urgent need to achieve stability to the natural gas (industry) ... which does not have a fair price yet," said Egyptian Petroleum Minister Abdullah Ghorab, as he spoke at the opening session of the first summit of the 12-member Gas Exporting Countries Forum (GECF).

Iranian President Mahmoud Ahmadinejad, who had been expected to represent the Islamic republic "wanted to be here but could not come," his representative, Iranian Oil Minister Rostam Qasemi told the summit. In his speech, Qasemi blasted taxes against energy exports by Western consumers. Any taxation by consumer countries "will derail the energy market," he warned, adding that the falling dollar has "negatively affected the world economy."

The summit was opened by Qatar's Emir Sheikh Hamad bin Khalifa al-Thani who called for innovative solutions to the challenges facing the gas industry for the benefit of both consumers and producers. The event aims to discuss "the priority of long-term contracts as the basis of security for exporters and consumers of natural gas." It also seeks ways to establish a fair price for gas under a gas-to-oil indexation, with the aim of overcoming the disparity between crude oil and gas prices.

Iraq cabinet approves \$17.2B Shell gas deal

Rigzone, 15.11.2011



The Iraqi cabinet approved a deal worth up to \$17.2 billion for Shell to capture and process gas from three giant southern oil fields Rumaila, West Qurna phase 1, and Zubair in the southern governorate of Basra, a government spokesman said.

“The cabinet today ratified the Basra Gas Company...in which the (state-run) South Gas Company, Shell and Mitsubishi participated,” Ali Al Dabbagh said. Al Dabbadh said the production capacity will be 2 billion cubic feet a day. Shell said in a statement that an official signing ceremony will be scheduled in the near future. It gave no exact date.

Some 700 million standard cubic feet of gas is currently burned off each day in southern Iraq. At current prices, the gas is worth about \$1.8 billion per year, the Shell statement said. “Capturing this gas will create a reliable supply of energy for Iraq while at the same time reducing greenhouse-gas emissions,” said Shell Chief Executive Officer Peter Voser. “This also sends a positive signal about the investment climate in the country.”

The Iraqi Oil Ministry initialed the Iraq South Gas agreements last July with Shell and Japan’s Mitsubishi Corp. The deal has been in the council of ministers since for approval. The 25-year venture calls for an investment of \$17.2 billion to create the Basra Gas Company. Baghdad would have a 51% stake, Shell 44% and Mitsubishi 5%. Some \$12.8 billion would be spent on infrastructure and \$4.4 billion on construction of a liquefied natural gas facility, according to a document distributed by the Iraqi parliament. Under the agreement, the company must first meet local demand but can export any gas not used by Iraq’s fuel-starved power plants. The planned LNG terminal would handle the export of 600 million cubic feet a day. The joint venture would sell processed gas to Iraq’s state-owned South Gas Company.

According to oil ministry conclusions, Iraq would make nearly \$100 billion from the venture because the gas would substitute for the oil currently used to fuel Iraq’s power stations. Iraq would tax Shell and Mitsubishi profits at 35%, Dabbagh said. Iraq would also impose 5% import and 1% export taxes, he added. Iraq has natural gas reserves totaling 112.6 trillion cubic feet, the 10th largest in the world. However, it produces only around 1 billion cubic feet a day, and of that some 700 million cubic feet are being flared because of a lack of infrastructure.

Kuwait says OPEC should raise production at December 14 meeting

Platts, 14.11.2011



OPEC should increase crude production when it meets on December 14 in order to avoid an oil price spike, Kuwaiti oil minister Mohammed al-Busairi said.

The group's Gulf Arab members have been relatively quiet on OPEC output policy in the run up to the December meeting, the first since the acrimonious June 8 conference when ministers failed to reach agreement on production levels for the second half of the year. But Busairi said: "It would be logical and sensible to raise production while taking into consideration the need to avoid a supply glut."

Busairi's comments, reported by official Kuwaiti news agency KUNA, convey the essence of OPEC's current dilemma: whether to continue to produce freely to prevent oil prices from rising further or, given the deep concerns about the impact of the Eurozone crisis on the fragile global economy, whether to reintroduce some kind of limit on production. This dilemma is compounded by the faster-than-expected recovery of crude production in Libya which, according to its top oil official, is already pumping 600,000 b/d and is set to reach 800,000 b/d by the end of the year -- half its pre-uprising level of 1.6 million b/d.

OPEC's June meeting ended without agreement when Iran and several other countries rejected a proposal from OPEC kingpin Saudi Arabia to increase actual production, estimated at 28.8 million b/d for all 12 members in April, by 1.5 million b/d to 30.3 million b/d. Saudi oil minister Ali Naimi said the kingdom and other Gulf producers would raise output unilaterally to ensure that world oil markets did not go short of oil. The Saudis regard the previous agreement, agreed in late 2008 when oil prices were tumbling to levels below \$40/barrel and which set a target of 24.845 million b/d for 11 members but not Iraq, as defunct. But Iran, which holds the OPEC presidency this year, says it will press OPEC in December to uphold the previous agreement.

Kuwait's Busairi said the absence of an agreement meant that it was left to individual members to determine their output levels. "Should there be agreement at the next OPEC meeting to raise production, then the official quotas of each member will rise," he said, but without explaining what baseline would be used for any increase in individual output shares. He said the market would need more oil, even with the return of production from fellow member Libya.

OPEC's crude basket has averaged \$107.35/barrel for the year to date, well above the 2010 average of \$77.45/barrel. The OPEC secretariat said on November 8 in its long-term outlook that it saw demand for OPEC crude increasing slowly over the next few years, to 31.3 million b/d in 2015 from 29.3 million b/d in 2010. A Platts survey of OPEC and oil industry officials and analysts estimated the group's October output at 30.05 million b/d, including Libya at 350,000 b/d.

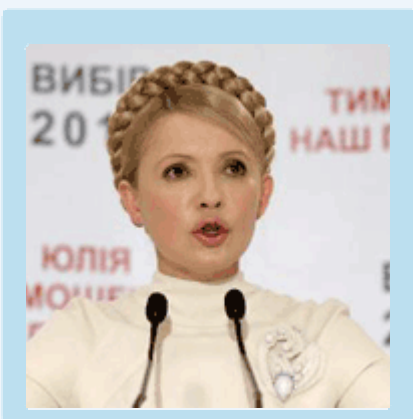
OPEC said that it had raised the price assumption on which its reference case projections were based by \$10 to \$85-\$95/barrel for the current decade, having taken into account price behavior since the publication of the 2010 Outlook, the impact of dollar exchange rate movements on recent prices and potential future developments, signals from futures prices, and also “a slight reassessment of how upstream costs might evolve.”

It was evident, OPEC said that the previous \$75-\$85/b nominal price assumption of a year ago might be too low. “For example, coal-to-liquids (CTLs) backstop prices could be in the range of \$74-85/b, and the price needed to support Canadian oil sands projects at internal rates of return above 10% suggest higher prices than previously assumed,” it said. “Cost curves also show that at high prices, vast amounts of non-conventional oil would be economic,” it added.

OPEC said in its outlook that the global economy had recovered more rapidly in 2010 than had previously been assumed but warned the recovery was increasingly showing signs of weakness. “Two developments seem possible from here. The first is that the global economy will be marked by below average trend growth, in combination with high unemployment in developed economies and continuing global growth imbalances. And the second is the potential failure of the current support schemes and mechanisms, which would shock the global economy and push it back into decline. At present, this seems the less likely scenario, but it cannot be ruled out altogether,” it said.

Ukrainian parliament rejects Tymoshenko reprieve

Today's Zaman, 14.11.2011



Ukraine's parliament voted against a proposal to downgrade the abuse-of-power offence under which former Prime Minister Yulia Tymoshenko has been jailed, a move which could have led to her early release.

The opposition leader was jailed for 7 years last month for abusing her powers in forcing through a gas deal with Russia in 2009 which the present Ukrainian leadership says saddled the country with an exorbitant price for Russian gas. She denies wrong-doing and says the trial is a vendetta against her by President Viktor Yanukovich who beat her for the presidency in a bitterly-fought run-off vote in February 2010.

Tymoshenko's case has soured the ex-Soviet republic's relations with the European Union weeks ahead of a summit in which the sides had planned to initial deals on political association and free trade. The EU sees Tymoshenko's prosecution as politically motivated and has warned Kiev the deals may not be signed if she remains in jail. But deputies from Yanukovich's Party of Regions, which dominates parliament, refused to let her go free in a move which had been largely expected by Tymoshenko's defense.

Oil prices to remain over \$100/b for some time: BP economist

Platts, 16.11.2011



Oil price will likely remain at current levels at above \$100/barrel for 'some time' if a new global economic slowdown is averted in the short term, BP chief economist Christof Ruhl said Wednesday.

“There will be a period of muddling through, but the most likely outcome, if the economy is not collapsing, is for oil prices in the current regions for some time to come,” Ruhl told an oil conference in London. Brent oil prices have stayed above \$100/b this year and 2011 is set to become the year with the highest average normal oil prices on record, at above \$111/b, Ruhl said.

Even adjusted for inflation, average oil prices in real terms are going to be the highest ever this year, except for in 1864, he said. “These are very high oil prices, and it’s the annual average price -- not a short spike -- which matters for the global economy, so we should not be surprised if we see, at some point, an ugly discussion emerging about this.” Oil prices rose at record rates in 2010 due to the rebound in the global economy, but unlike other commodities, did not slow their pace of growth this year, Ruhl noted.

Ruhl said production level management by OPEC remains the key reason why oil prices continued to find support this year despite growing concerns over a new global recession triggered by a debt crisis in Europe. “Oil prices have held up because the industry lives under the OPEC umbrella and OPEC has not completely equalised the outages from Libya and because, across the entire [Middle East] region, all of a sudden oil prices are needed for higher budgets and spending,” he said.

Faced with continued high oil prices crimping recovery in developed countries, oil consuming nations should be cautious about releasing strategic oil stocks to help deflate prices, Ruhl said. Oil stock releases such as the International Energy Agency’s move this year to replace lost the Libyan production, are more often a ‘blunt instrument’ sometimes motivated by political fear rather than a market need, he said. “I think it was a signal more than anything and I hope it’s not something we’ll see on a continual basis, after all it’s a reserve for emergency situations,” Ruhl said, referring to the IEA stock release in late June.

Ruhl acknowledged, however, that it remains a ‘very tricky’ time for OPEC producers deciding on production levels, as they are faced with potentially raising output to ease prices in face of a possible fresh collapse in demand if the world economy hits a new recession.

Oil riches languish on China's doorstep

Ria Novosti, 18.11.2011



To China, the world's biggest energy consumer, another Saudi Arabia of oil may lie beneath the ocean to its south. Escalating regional tensions mean large-scale drilling may be slipping further into the future.

The South China Sea may hold 213 billion barrels of oil, or 80 percent of Saudi Arabia's reserves. The world's second-largest economy claims 'indisputable sovereignty' over most of the sea, including blocks off Vietnam that ExxonMobil and Russia's Gazprom are exploring. Disputes have strained China's ties with its neighbors and tensions rose as Vietnam said oil survey boats were harassed by Chinese vessels.

The friction threatens maritime security in one of the world's busiest shipping lanes and may be discussed at a two-day summit of Asia-Pacific leaders hosted by U.S. President Barack Obama in Honolulu starting tomorrow. "China is the elephant in the room at the moment, so like it or not, you cannot ignore it," said Lin Boqiang, director of the independent China Center for Energy Economics Research at Xiamen University in Fujian province. "Countries at the rim of the South China Sea are under pressure to find a practical way to deal with its presence -- not to anger or challenge it." The sea lies south of mainland China at the western extreme of the Pacific Ocean, and while it borders several nations China claims a huge expanse. That's based largely on a historical map that predates the founding of the People's Republic in 1949.

Transneft plans to launch Baltic pipeline second trunk line in December

Ria Novosti, 18.11.2011



The second trunk line of the Baltic Pipeline System, or BTS-2, will be launched on December 15-20, Nikolai Tokarev, head of Russia's state-run pipeline monopoly Transneft, said. Transneft has already completed the construction and commissioning operations, while there are still several technical problems, Tokarev said.

"We are talking about the launch of BTS-2 no earlier than December 15," Transneft spokesman Igor Dyomin told Prime news agency. "It is most likely to happen in the second part of December," Dyomin added.



It was earlier planned to launch the pipeline at the end of November, while in early October Tokarev said there were some problems with bottom dredging operations, which the Russian Transport Ministry had not yet completed. The BTS-2 pipeline project is implemented under the government's order to secure the reliable supplies of oil to European consumers. The 1,000-kilometer pipeline, with an annual capacity of 30 million metric tons of oil, will run from Unecha in western Russia to the Baltic Sea port of Ust-Luga in the country's northwest, bypassing Belarus.

Announcements & Reports

► *General Energy Balance of Turkey (2010)*

Source : Ministry of Energy and Natural Resources
Weblink : http://www.enerji.gov.tr/duyurular/2010_Yili_Genel_Enerji_Dengesi.pdf

► *EMRA Electricity Market Report (2010)*

Source : Energy Market Regulatory Authority
Weblink : <http://www.epdk.gov.tr/documents/10157/48dd12d4-74da-4dcf-9f48-86983146c0d8>

► *EMRA Domestic Resource Determination Table (2011)*

Source : Energy Market Regulatory Authority
Weblink : <http://www.epdk.org.tr/documents/10157/a5ba6fb6-ec05-4ded-9fe5-81085cdebda0>

► *EMRA's Announcement on Yumurtalik – Kirikkale Crude Oil Pipeline Tariffs*

Source : Energy Market Regulatory Authority
Weblink : <http://www.epdk.org.tr/documents/10157/5dc1979d-6a56-4e80-9216-8ceccfc60947>

► *PETDER Petroleum Market Report (Jan – Sep 2011)*

Source : Turkish Petroleum Industry Association
Weblink : http://www.petder.org.tr/admin/my_documents/my_files/8B9_PETDERSectorRaporu20113%C3%83%E2%80%A1eyrek.pdf

► *OPEC Monthly Oil Market Report (Nov 2011)*

Source : Organization of the Petroleum Exporting Countries
Weblink : http://www.opec.org/opec_web/static_files_project/media/downloads/publications/MOMR_November_2011.pdf

► *World Energy Insight 2011*

Source : World Energy Council
Weblink : http://www.worldenergy.org/documents/wec_wei2011.pdf



Upcoming Events

► *Shale Gas World Europe 2011*

Date : 28 November – 1 December 2011
Place : Warsaw – Poland
Website : <http://www.terrapinn.com/2011/shale-gas-conference/>

► *GeoPower Europe*

Date : 4 – 8 December 2011
Place : Doha – Qatar
Website : www.20wpc.com

► *2nd Unconventional Gas Asia Summit 2011*

Date : 5 – 9 December 2011
Place : Beijing – China
Website : <http://www.szwgroup.com/2011/unconventional>

► *20th World Petroleum Congress*

Date : 6 – 7 December 2011
Place : Milano – Italy
Website : <http://www.greenpowerconferences.com/>

► *APPEX 2012*

Date : 6 – 8 January 2012
Place : London – UK
Website : <http://www.appexlondon.com/2012/index.cfm>

► *European Gas Conference*

Date : 24 – 27 January 2012
Place : Vienna – Austria
Website : www.europeangas-conference.com

► *Global Tight Oil Summit*

Date : 31 January – 1 February 2012
Place : Houston – USA
Website : <http://www.theenergyexchange.co.uk/the-global-tight-oil-summit/s13/a314/>



▶ *6th Africa Economic Forum*

Date : 5 – 7 March 2012
Place : Cape Town – South Africa
Website : <http://www.petro21.com/events/?eventid=728>

▶ *Iraq Energy Expo 2012*

Date : 23 – 26 April 2012
Place : Baghdad – Iraq
Website : <http://www.iraqenergyexpo.com/2012/index.php>

▶ *Oil and Gas Pipelines in the Middle East 2012*

Date : 20 – 23 May 2012
Place : Abu Dhabi – UAE
Website : <http://www.theenergyexchange.co.uk/oil-and-gas-pipelines-in-the-middle-east-2012/s13/a170/>

▶ *4th African Gas – LNG*

Date : 21 – 24 May 2012
Place : London – UK
Website : <http://www.petro21.com/events/?eventid=735>

▶ *25th World Gas Conference 2012*

Date : 3 – 8 June 2012
Place : Kuala Lumpur – Malaysia
Website : www.wgc2012.com

▶ *Iraq Future Energy 2012* (in Turkey)

Date : 24 – 26 September 2012
Place : Istanbul – Turkey
Website : <http://www.theenergyexchange.co.uk/iraq-2012-future-energy/s13/a255/>