

## Turkey sees no clash with U.S. over Iran 'gold for gas'

Reuters, 29.11.2012



Turkey's energy minister said that he sees no conflict between Ankara and Washington over U.S. plans to widen trade sanctions against Iran, including Turkish-Iranian "gold for gas" trade.

U.S. senators and aides told that new sanctions aimed at reducing global trade with Iran in the energy, shipping and metals sectors may soon be considered by the U.S. Senate as part of an annual defense policy bill. One senior aide said the move would end "Turkey's game of gold for natural gas", referring to Iran's conversion of Turkish payments for gas into gold because of the sanctions.

Iran sells oil and gas to Turkey, with payments made to Iranian state institutions. U.S. and European banking sanctions ban payments in U.S. dollars or euros, so Iran is paid in Turkish lira - of limited value for buying goods on international markets, but ideal for buying gold in Turkey. Asked about the planned new sanctions, Turkey's Energy Minister Taner Yildiz said: "I'm not of the view that there will be any negative situation, a clash with the USA, regarding natural gas, oil and mining. We are talking with the USA." Couriers carrying millions of dollars' worth of gold bullion in their luggage have been flying from Istanbul to Dubai, where the gold is shipped to Iran, industry sources with knowledge of the business told.

Turkey's Deputy Prime Minister Ali Babacan said last week that the lira Iran received from Turkey for its gas was being converted into gold because sanctions meant that it could not transfer the cash into Iran. Official Turkish trade data suggests that nearly \$2 billion in gold was sent to Dubai on behalf of Iranian buyers in August. The shipments help Tehran to manage its finances in the face of Western financial sanctions.

The sanctions, imposed over Iran's disputed nuclear program, have largely frozen it out of the global banking system, making it hard to conduct international money transfers. By using physical gold, Iran can continue to move its wealth across borders. As the banking sanctions began to bite in March, Tehran sharply increased its purchases of gold bullion from Turkey, according to the Turkish government's trade data. Turkey's gold exports as a whole jumped more than fourfold to \$11.2 billion in the first eight months of 2012. More than 90 percent of Iran's gas exports go to Turkey under a 25-year supply deal. Turkey imports about 10 billion cubic meters of gas a year from Iran, making it the country's second-largest supplier behind Russia.

## 37 pct hike in gas for power plants signals rise in electricity prices

Today's Zaman, 29.11.2012



The state-owned Turkish Pipeline Corporation (BOTAS) has recently increased the price of the natural gas it sells to power plants by 37 percent a move that could lead to a rise in electricity costs as well, sources close to the corporation have told.

The anticipated hike has not been officially announced, however, and BOTAS has not commented on it. Though some observers say the increase is likely part of preparations for an electricity price hike, there are no clear details available on what the rate will be nor the date such a hike may come into effect.

The steep increase has brought the price per 1,000 cubic meters of natural gas from TL 1.013 to TL 1.400. According to official data, BOTAS sells a large portion of its natural gas to the electricity production sector. Last year, 18.9 billion cubic meters of a total 39.4 billion cubic meters of natural gas were sold to power plants. Another 10.1 billion cubic meters were provided to households and the remaining gas was distributed among other sectors.

As part of efforts to maintain a balanced monetary policy, the natural gas BOTAS sells to power plants is relatively expensive. On the other hand, the company provides gas to households and manufacturing facilities at relatively cheaper prices. BOTAS officials declined to comment when contacted by Today's Zaman. Last year, TL 13.8 billion of BOTAS's TL 25.9 billion in profits was made from gas sold to electricity production plants. The company has a 90 percent market share in the Turkish natural gas sector.

## Gazprom goes liberal in Turkish market

Hürriyet Daily News, 24.11.2012



Russia's Gazprom has found Turkish private companies to which it can sell its annual 6 billion cubic meters of natural gas, during a one-year-limbo during trade with BOTAS.

Turkish Energy Minister Taner Yildiz said that the world's largest gas company had signed contracts for the transfer of the trade to Turkish companies. "In the energy sector, our very close ties with Russia continue," the minister said. His comments were an indirect reference to the recent tension between Ankara and Moscow over Turkey's bid to have Patriot missiles placed on the border with Syria by NATO.

The minister did not name any company specifically, but Reuters said that sector sources identified them as Akfel, Bosphorus, Bati Hatti Dogalgaz, and Kibar Enerji. Turkey's energy regulator, EPDK, said that Turkey would also approve the licenses for four companies. The agency also cited a company executive, who said that the Turkish licenses were expected before Nov. 30, as the capacity usage would be detailed. EPDK is waiting for the four qualified companies to sign contracts with Gazprom first.

## TPAO wins block pair in Afghan tender

Upstream Online, 30.11.2012



TPAO secured a contract worth \$215 million with Kuwaiti and Afghan partners to explore for oil in Afghanistan, Turkish Energy Minister Taner Yildiz said. Turkish energy officials told Reuters that TPAO's investment in the Afghan project would amount to \$64.5 million for work on two separate fields, they said. Also involved in the consortium were Kuwait Energy, Dubai's Dragon Oil and the Afghan Ghazanfer group.

TPAO, Kuwait Energy and Dragon had been bidding separately for the Mazar-e Sharif and Sanduqli blocks in the Afghan-Tajik basin, which were among six tracts on offer in Afghanistan's recent lacklustre licensing round.

Energy companies are exploring new frontiers in pursuit of fresh reserves as they exhaust existing fields and Afghanistan, after decades of conflict, remains little explored. Yildiz also said there was no plan for a price hike in natural gas and electricity in December.



## BP sells off Turkish LPG asset to Russian firm

(Hürriyet Daily News) Reuters, 28.11.2012



BP's Turkish unit said it had sold its liquefied petroleum gas (LPG) assets and Petgaz business in Turkey to Russia's Oteko Group, which transports crude oil and oil products within Russia.

The sale was part of BP's plan to exit its liquefied petroleum gas bottle- and tank-filling businesses worldwide after reviewing the operations last year. BP's Turkey unit said in an e-mailed statement yesterday that its LPG and Petgaz branded autogas units in Turkey serve around 500 domestic customers and dealers, employ 117 people and operate from various locations throughout Turkey.

BP said in February it planned to sell its LPG bottles and tank filling operations in Portugal, U.K., Austria, Poland, Netherlands, Belgium, Turkey, China and South Africa, as well as its non refinery-integrated wholesale business. Oteko is involved in transporting crude oil, LPG and other hydrocarbons in the Commonwealth of Independent States. It recently completed the construction of the largest Russian LPG terminal in Taman, on the Black Sea.

## RWE could quit Nabucco

Upstream Online, 30.11.2012



German utility RWE may soon quit the Nabucco gas pipeline project and could sell its 16.1% stake in the scheme to fellow shareholder OMV, according to reports.

A deal to transfer RWE's stake to the Austrian energy company could still happen before the end of the year, Germany's Focus magazine reported. RWE said in May that it was reviewing strategic requirements regarding the Nabucco project which would carry Caspian area gas to Europe. Ambitions of the project's consortium have been tempered by anticipated cost overruns and possible overcapacity, according to Reuters.

## Taqqa sells 17.98% stake in WesternZagros

Reuters, 29.11.2012



UAE explorer Abu Dhabi National Energy Company (Taqqa) has garnered a profit of \$38.5 million after selling its 17.98% stake in Calgary-based explorer WesternZagros.

Taqqa said it had disposed of its 74 million common shares stake in the company in a single pre-open trade for C\$85.1 million. The company had paid just \$46.6 million for the stock in October 2011. WesternZagros holds two production sharing contracts in Northern Iraq, Kurdamir and Garmian. The disposal comes just weeks after rumours emerged that Taqqa was working on a farm-in elsewhere in Northern Iraq, in which it would gain a stake in the Atrush block.

The block is currently owned by a joint venture involving Aspect Energy, ShaMaran Petroleum and the Regional Government. The Atrush Block is located north of Gulf Keystone Petroleum's high-profile Shaikan discovery and is also adjacent to MOL's Bijeel oil find to the east.

## BP sells some North Sea assets for \$1.1 bln to Taqqa

AFP, 28.11.2012



BP said on Wednesday that it will sell a package of North Sea assets to Abu Dhabi national oil firm TAQA for about \$1.1 billion (850 million euros) to help pay for the devastating 2010 US Gulf of Mexico oil spill.

"BP announced today that it has agreed to sell its interests in a number of central North Sea oil and gas fields to TAQA for \$1.058 billion plus future payments which, dependent on oil price and production, BP currently expects will exceed \$250 million," the British energy giant said in a statement.

# EU seeks to speed up strategic energy pipelines

Today's.Az, 29.11.2012



The EU has agreed on a streamlined approval process to speed up strategic energy pipelines and grids, Reuters reported with the reference to EU Energy Commissioner Günther Oettinger.

The draft law requires the final approval of the European Parliament and member states, which are expected to decide on it early next year so it could come into force around March or April. According to Oettinger, the political agreement is already a major step forward, which will give a big push to much-needed infrastructure.

According to the Commission's statement, its Commission had proposed permit-granting for crucial infrastructure should not exceed three years, but a deal reached on this week had decided on a maximum timeframe of three years, six months. The fast-track permitting rules will only apply to the most strategic infrastructure, labelled "projects of common interest" because they benefit more than one member state. They could include the proposed Southern Gas Corridor

The Southern Gas Corridor is a major energy project for the EU. It is intended to diversify routes and sources of supply. It is aimed at ensuring EU energy security. Gas which will be produced during the second stage of Azerbaijani Shah Deniz field development is considered as the main source for the Southern Gas Corridor projects.

Reuters reported that the EU is expected to decide on the projects of common interest in 2013. They could be entitled to funding from 9.1 billion euros towards strategic energy infrastructure proposed by the Commission as part of the bloc's seven-year budget, which the EU has so far failed to agree. That compares with the estimated 200 billion euros the Commission has said is needed to build gas pipelines and new power grids.

# Medvedev says corrections in TNK-BP Deal possible

Ria Novosti, 29.11.2012



Russian Prime Minister Dmitry Medvedev said corrections are possible in the recently inked deal on the purchase of Russia's third largest crude producer TNK-BP.

Rosneft announced in October it had reached agreements to buy 100 percent of TNK-BP from BP and the AAR consortium of Russian billionaire shareholders. "Technically, parameters of the TNK-BP deal may be corrected considering the changeable market situation," Medvedev said but did not specify the type of corrections. But on the whole, the main provisions of the deal should be preserved, if we are not considering force majeure scenarios. This is the issue of an agreement between the seller and the buyer," Medvedev said.

Under the terms of the deal, Rosneft will buy the whole of TNK-BP for \$45.1 billion in cash and 12.84 percent of its stock. BP will receive \$17.1 billion in cash for its 50 percent stake plus stock representing 12.84 percent of Rosneft's shares, while the AAR consortium of Russian billionaire shareholders will sell its 50 percent stake in the joint venture "for cash consideration of \$28 billion." Rosneft signed a definitive agreement with BP on acquiring the British oil major's 50 percent interest last week while the deal with AAR is at an advanced stage. The TNK-BP deal is expected to be closed in the first half of 2013.

## Announcements & Reports

### ► *Energy Policies of IEA Countries – The Republic of Korea*

**Source** : International Energy Agency  
**Weblink** : <http://www.iea.org/w/bookshop/add.aspx?id=442>

### ► *OPEC Monthly Oil Market Report (Nov 2012)*

**Source** : Organization of the Petroleum Exporting Countries  
**Weblink** : [http://www.opec.org/opec\\_web/static\\_files\\_project/media/downloads/publications/MOMR\\_November\\_2012.pdf](http://www.opec.org/opec_web/static_files_project/media/downloads/publications/MOMR_November_2012.pdf)



# Upcoming Events

## ▶ *Energy Today & Tomorrow Conference* (in Turkey)

**Date** : 13 December 2012  
**Place** : İstanbul – Turkey  
**Website** : <http://turkeyenergy.net/>

## ▶ *6<sup>th</sup> Annual Gas Transport & Storage Forum 2013*

**Date** : 28 - 29 January 2013  
**Place** : Berlin – Germany  
**Website** : <http://www.gtsevent.com/?mc=EL>

## ▶ *3<sup>rd</sup> European Unconventional Gas Summit*

**Date** : 29 January - 1 February 2013  
**Place** : Vienna – Austria  
**Website** : <http://www.theenergyexchange.co.uk/european-unconventional-gas-summit-3rd-annual-meeting/s13/a274/>

## ▶ *Tight and Shale Gas Summit 2013* (in Turkey)

**Date** : 27 – 28 February 2013  
**Place** : İstanbul – Turkey  
**Website** : <http://www.wplgroup.com/aci/conferences/eu-eug2.asp>

## ▶ *6<sup>th</sup> Annual Unconventional Gas Conference*

**Date** : 6 – 7 March 2013  
**Place** : London – UK  
**Website** : <http://www.smi-online.co.uk/energy/uk/unconventional-gas>

## ▶ *6<sup>th</sup> International Petroleum Technology Conference*

**Date** : 26 – 28 March 2013  
**Place** : Beijing – China  
**Website** : <http://www.iptcnet.org/2013/>

## ▶ *All Energy Turkey* (in Turkey)

**Date** : 11 – 12 September 2013  
**Place** : İstanbul – Turkey  
**Website** : <http://www.all-energy-turkey.com/?lang=tr>