

Turkish Energy Minister's Arbil trip gets Baghdad block

Hürriyet Daily News, 05.12.2012



Tensions between Ankara and Baghdad strain again after Iraq denies Turkey's energy minister the right to fly directly to Arbil to join an oil conference.

Energy Minister Taner Yildiz was unable to fly to the northern Iraqi city of Arbil when the central government issued a last-minute decree seemingly intended to block his visit. "The central government did not approve, and we landed in Kayseri," Yildiz told after the plane landed in Kayseri. Yildiz had been scheduled to fly to Arbil to attend the ministerial closing session of an oil and gas conference that is being held for the second time in Arbil.

However, the Iraqi central government issued a decree, just three hours before the minister's plane was scheduled to take off, requiring all private planes destined for Arbil first to land in Baghdad. After learning of the new decree, the Turkish ambassador to Baghdad, Yunus Demirer, was barely able to reach the Foreign Ministry official on the plane, which was about to take off, in time to halt the departure. Turkish officials realized at the last minute that despite the diplomatic clearance they had obtained from Baghdad earlier, they did not have permission to fly into Iraqi airspace and go directly to Arbil.

After consulting with the Foreign Ministry, the minister decided to land in Kayseri. "We will make an overall assessment with the Regional Government Prime Minister Necirvan Barzani," Yildiz said, insisting that Turkey's oil interests in Iraq would not be harmed by this incident and there was no change to the roadmap.

Ankara and Baghdad have been at odds over several issues, including Turkey's refusal to extradite fugitive Vice President Tariq al-Hashemi – who was sentenced to death by a Baghdad court – the Turkish military presence in Iraq to pursue outlawed Kurdistan Workers' Party (PKK) militants and the oil dispute. Baghdad says Arbil's oil exports to Turkey without Baghdad's permission are illegal. Foreign Minister Ahmet Davutoglu's visit to Kirkuk without informing Baghdad in August also incensed Iraqi authorities and brought already cold ties between Baghdad and Ankara to a new low. "There is a lack of communication between Turkey and Baghdad over this incident, but we are not doing something wrong," the energy minister said, adding that he may meet with Baghdad's Energy Minister Hussain al-Shahristani in Istanbul.

Arbil crisis to bring Turkey and the Regional Government closer

Hürriyet Daily News, 06.12.2012



Amid worsening ties with Baghdad, Ankara and the Regional Government set for closer relationship fuelled by Baghdad's refusal to allow Turkish minister's plane to fly Arbil.

Baghdad's refusal to allow Turkish Energy Minister Taner Yildiz to fly directly from Istanbul to Arbil left the participants of a conference he was supposed to attend incredulous while raising speculation that the incident will drive Ankara and Arbil closer together. "With the exception of Americans, who could do business in a region where a ministerial plane is not even allowed to land?" said a representative of an energy company that is not present in Arbil.

"This is clearly an insult to the Turks. I wonder how the Turkish government will respond to that," said an energy expert. "At what point will Ankara say, 'I've had it with Baghdad; I will concentrate on the Northern Iraq region?'" Baghdad's latest move against Turkey is expected to further accelerate the rapprochement between Ankara and the Regional Government.

Relations between Ankara and Baghdad have been strained by Turkey's claims that Iraqi Prime Minister Nouri al-Maliki is acting out of sectarian interests and seeking authoritarian rule. Al-Maliki accuses Turkey of interfering in Iraq's internal affairs – a view reinforced by Turkey's refusal to extradite Iraqi Vice President Tariq al-Hashemi, who has been sentenced to death in absentia. Turkey's improved relation with the Regional Government, which also sharply disagrees with Baghdad over the management of the region's natural resources, is an additional concern for al-Maliki's government. Ankara is warming up to the idea of the Regional Government directly exporting its oil and gas, an option that Turkey opposed until recently in the belief that it would be the latest step toward Northern independence. Yet the results of explorations showing that the Northern Region sits on huge reserves of oil and gas has put Iraq's north on the world energy map. Although oil was first discovered in Kirkuk, the potential of the region has never been fully explored.

"Whatever few wells were open by the Arabs in the north were hastily closed down. Arabs did not want the Kurds to access oil and gas," said the official of an energy company. In addition to the region's newly discovered potential, Iraq's economic nationalism is also pushing energy companies to the north. Iraq's government is offering technical service agreements to international oil companies instead of production-sharing contracts, which is the main point of disagreement between Baghdad and Arbil, as the Regional Government has been signing production-sharing contracts which are much more attractive to IOCs. Baghdad, meanwhile, has threatened to blacklist companies that sign deals with the Regional Government.

Russia says will fill higher Turkey winter gas demand

Reuters, 02.12.2012



Russia is willing to increase gas supplies to Turkey this winter if Ankara requests, Russian Energy Minister Alexander Novak said, ahead of an expected surge in gas demand from the country which is struggling to diversify its suppliers.

Turkey, which ranks as Gazprom's second-largest natural gas consumer after Germany, is forecast to see daily demand rise to near 220 million cubic meters this winter from 125 million currently, according to Energy Ministry officials. Its limited underground storage capacity means it faces difficulties meeting high demand from its 75 million people as winter temperatures plunge.

"As has happened many times in the past, we have always helped Turkey when they have experienced problems managing during the winter," Novak told reporters in Turkey, a day ahead of Russian President Vladimir Putin's arrival in the country. "If needed, and a joint agreement was reached, it is possible to do this again." Gazprom clinched a long-term deal to export natural gas to private companies in Turkey last week, securing a growing market for the Russian gas export monopoly as it faces declines from its core consumers in the European Union.

The move followed a one-year impasse in gas trade between Gazprom and Turkish firms after state pipeline company BOTAS did not renew an expiring 25-year contract at the end of 2011 due to a pricing dispute. Business has continued in the meantime only on a short-term basis. Turkey's Energy Minister Taner Yildiz told last month Ankara planned to enable BOTAS to buy natural gas on the spot market, a move that would help it meet demand during harsh winters. Novak also said Russia's Rosatom, which is set to build Turkey's first nuclear power plant, was eyeing building future plants in the country. "Rosatom wants to be involved in the establishment of other nuclear power plants in Turkey. We have expressed our desire to be involved in negotiations on this," Novak said.

Turkey, which has ambitious plans to build nuclear plants over the next decade to reduce dependence on imported oil and gas, has reached an agreement with Rosatom to build a plant at Mersin on the Mediterranean coast. It is also in talks with four other countries for a second plant at Sinop on the Black Sea and is planning a third plant. Turkey, which is likely to overtake Britain as Europe's third-biggest electricity consumer within a decade and become an energy trading hub, is struggling to diversify gas suppliers. It is largely dependent on the fuel because it produces the majority of its electricity via natural gas. In a move that could see Turkey having to reduce its gas imports from Iran, U.S. senators and aides told Reuters last week the U.S. Senate may soon consider widening trade sanctions against Iran, including Turkish-Iranian "gold for gas" trade. Turkey currently pays its neighbor in Turkish lira to circumvent existing U.S. and European banking sanctions, which Iran then uses to buy gold in Turkey.

Ambitious E.ON buys EnerjiSA stake

Hürriyet Daily News, 05.12.2012



German electric utility service provider E.ON aims to more than double EnerjiSA's share of Turkey's power generation capacity, expanding its presence in one of the world's fastest-growing energy markets with an acquisition revealed.

Verbund, Austria based company, handed over its 50 percent stake in EnerjiSA to E.ON, according to a filing to the Istanbul Stock Exchange by Sabanci Holding, which owns the other half of EnerjiSA. E.ON said yesterday that EnerjiSA wanted at least 10 percent of the market by 2020, up from 4 percent now, Reuters has reported.

"In Turkey we found exactly what we wanted - a stable market with an interesting growth perspective and a superb partner that is well established," chief executive Johannes Teysen said, referring to Sabanci.

E.ON - hit by Germany's decision to end nuclear power production by 2022 - has been looking for growth in fast-growing markets to offset the stagnating energy demand in Western Europe. As part of the EnerjiSA deal, the German group will invest 150-200 million euros (\$196-261 million) annually in Turkey until 2015. "We are expanding the company's targets with our new partner," Sabanci Chairwoman Güler Sabanci said. "The goal is to reach 8,000 mW/h as of 2020. I hope and I believe that we will achieve this earlier."

Turkey's annual power demand is around 210 terawatt-hours and the government expects demand to rise at an annual rate of 6-9 percent from 2009-23. Meanwhile, Günther Rabensteiner, a Verbund board member, told Anatolia news agency yesterday that the company's interest in Turkey was not over yet. "We will not withdraw from Turkey," the agency quoted him as saying. The company is a partner in a build-operate-transfer model electricity generating business in the northwestern Turkish province of Bilecik.



Çalık set to found joint venture with Rosneft

Hürriyet Daily News, 05.12.2012



The deals signed during Russian leader Putin's visit to Turkey include the foundation of a joint petrol distribution firm between Rosneft and Calik holding.

Energy ties fueled a Russian visit to Turkey with Turkey's Calik Holding signing a major cooperation with Rosneft, Russia's leading oil distributor. The duo will establish an associated company to operate within the oil trade in the domestic and Mediterranean markets, according to a statement published on Calik's official web site. The new company will also operate in the oil distribution and bunker fuel trade in Turkey.

The deal was signed by Calik Holding Chairman Ahmet Calik and Rosneft President Eduard Khudainatov. Turkey's Energy Minister Taner Yildiz and Rosneft Chief Executive Igor Sechin were in attendance at the signing ceremony. The deal will work to move forward the successful cooperation between the two companies, Khudainatov said, according to the company statement. The cooperation between Turkey and Russia will continue to increase and the agreement in oil trade is part of this relation on the national level, Sechin said. "Turkey is our strategic partner in this region," Sechin said. No further deals were revealed.

The agreement was of 11 undersigned deals spanning from cooperation against financial crimes and a capital raise for the construction of Turkey's first nuclear plant. They include two deals by Sberbank with Turkish Eximbank and Turkey's Investment Support and Promotion Agency of Turkey (ISPAT). The deals between the ministries, state institutions and firms were signed at the High Level Cooperation Council meeting in the presence of Russian President Vladimir Putin and Turkish Prime Minister Recep Tayyip Erdogan.

One of the most important deals was signed between Turkey's Financial Crimes Investigative Board (MASAK) and Russian Federation Financial Control Agency. The memorandum of understanding envisages cooperation between the two countries to combat money laundering and terrorism financing. An intergovernmental agreement regarding the Medium Term Program on Commercial, Economic, Scientific and Technical Fields for the period 2012 and 2015 was another highlight of the series of deals. The parties signed a joint declaration regarding the Akkuyu Nuclear Power Plant and Erdogan praised Russia's \$700 million additional capital flow to Turkey for the construction of the project, a figure that may be increased to \$800 million. A joint declaration regarding a meeting between Turkish Energy Minister Taner Yildiz and his Russian counterpart Aleksandr Novak, the co-chairs of the Turkish-Russian Intergovernmental Joint Economic Commission emphasized the energy relations between Turkey and Russia.

SOCAR to invest \$6.6 bln in Turkey facility

Hürriyet Daily News, 06.12.2012



Azerbaijan's state-run energy company SOCAR's \$6.6 billion investment in the Star refinery in the western province of Izmir has received a government incentive, SOCAR Turkey President Kenan Yavuz said at a press conference.

The company aims to reach \$15 billion in revenue and \$5 billion in export volume, with a total employment of 5,000 by 2018, he said. International rating agency Fitch's elevation of Turkey's rating to "investment level," the government's incentive, and a minimum of 35 percent of equity capital use in the financing of the investment lowered the financing costs considerably, Yavuz added.

Among the government incentives are value added tax and customs tax exemptions, a 90 percent tax cut, and a 50 percent investment contribution, according to the statement made to the Istanbul bourse by Petkim, which is owned by SOCAR. The government will also return value added tax for the construction works and give support to SOCAR in insurance premium and interest payments, according to the statement.

In his own speech at the press conference, Economy Minister Zafer Caglayan said this was the first strategic investment incentive. "There are nine more strategic investment applications in six different sectors that are currently being processed. The planned investments include facilities in the petrochemicals, refinery, machinery, paper, drug, ceramics, automotive supply, copper and aluminum sectors," he said. The total investments of SOCAR and these nine other projects amount to 15 billion liras, he added.

Turkey says no new US request to cut Iranian crude import

Today's Zaman, 05.12.2012



Amid speculations that scrutiny in Washington over Turkey's "gold for gas" deal with Iran could draw plans for a new round of US sanctions, Turkish Energy Minister Taner Yildiz touched upon an equally critical energy issue, saying Ankara did not receive any new request from the US to reduce the level of its crude oil purchases from Iran. "Our existing level of imports is continuing," Yildiz said in Ankara.

In June, Washington exempted Turkey, along with six other countries, from its financial sanctions on Iran's oil trade for six months in return for a 20 percent cut in Ankara's purchases.

Last week, the US Senate approved expanded sanctions on global trade with Iran's energy and shipping sectors as it continued to ratchet up economic pressure on Tehran over its nuclear program. Washington says Tehran is enriching uranium to levels that could be used in a nuclear weapon. Iran says the program is for peaceful purposes. The new package kept in place exemptions for countries, including Turkey, that have made significant cuts to their purchases of Iranian crude oil.

"There is no new demand from the US to reduce the amount of crude oil we get from Iran," Yildiz told. "Whatever the current process is for purchasing crude oil from Iran, we are continuing that in the same way," he said. Official trade data last month showed Turkey's crude oil imports from Iran fell more than 30 percent to 75,281 barrels per day (bpd) in October from September, as substitute oil from other suppliers including Iraq and Saudi Arabia rose. Imports from Tehran, which once supplied more than 60 percent of Turkey's crude oil requirements, came third in October behind Iraq and Russia.

The new US sanctions also included measures aimed at stopping the flow of gold from Turkey to Iran. Yildiz said that Ankara does not expect tighter US sanctions to apply to its natural gas imports from Iran, which would mean Tehran will continue to supply and get paid by its biggest gas customer. Statements from State Department spokesman Mark Toner hinted at a possible US intervention over "the flow of gold from Turkey in exchange for Iranian natural gas." "We continue, obviously, to consult closely with Turkey as we do with all the countries on the scope of US sanctions against Iran," State Department spokesman Mark Toner told reporters at a daily briefing. "Certainly we would pursue any evidence of potentially sanctionable transactions," Toner said on Tuesday. The same day, Yildiz said purchases of Iranian natural gas are not covered by US sanctions, which would mean Tehran will continue to supply and get paid by its biggest gas customer. He was preceded by Prime Minister Tayyip Erdogan, who said in Istanbul that Turkey will continue to buy natural gas from Iran despite the prospects of tighter U.S. sanctions.

Turkey cuts Iranian oil to obtain US exemption

Hürriyet Daily News, 03.12.2012



Turkey's private refinery company, Tüpras, will further cut its purchases of oil from Iran by 20 percent in a bid to obtain another six-month exemption from the United States' sanctions against Iran, the deputy prime minister has announced. The statement came a day before Turkey's exemption from U.S. sanctions ends on Dec. 3.

"As far as I know, Tüpras is reducing the amount of oil by another 20 percent. Talks on this have already been held," Deputy Prime Minister Ali Babacan was quoted as saying by the daily Yeni Safak newspaper on Dec. 2.

According to Babacan, Tüpras cut the oil it was purchasing from Iran by 20 percent in late March and could obtain a six-month long exemption from the sanctions against Turkey's southern neighbor, which supplies nearly one third of its oil needs.

"Tüpras is getting on with its work through consultations with the American side or supplying oil from other countries. As a matter of fact, this is not having an effect on us at the moment," Babacan said. Tüpras sought deals with Libya and Saudi Arabia to meet its oil needs after it announced its decision to cut the purchased Iranian oil by 20 percent in late March. The move came as a result of a new U.S. law aiming to penalize foreign financial institutions over transactions with Iran's central bank, which handles sales of the country's key exports. Tüpras received the exemption after its reduction of oil but it needs to renew this exemption every six months. U.S. law is imposing more pressure on Iran over its controversial nuclear program.

Additionally, the U.S. is putting pressure on Turkey. Babacan said the government was still working on the ratification of an international convention on the protection and financing of terrorism. "The work is still ongoing. We will review these legal regulations in January and in the first half of February." Turkey's failure to ratify the U.N. Convention for the Suppression of the Financing of Terrorism is causing fierce criticism to come from both the U.S. and the European Union. The Financial Action Task Force (FATF) set Feb. 22, 2013 as the deadline for Turkey's ratification of the convention if it does not want to be added to its black list. The task force has already extended the deadline twice in 2012.

Noting that the FATF provides a common legal base for preventing money laundering and the financing of terrorism, Babacan said, "We are expected to harmonize our legal system with international implementations within a certain timetable."

Abdullayev: Southern gas corridor to strengthen energy security

Today's.Az, 06.12.2012



The South gas project will strengthen the European energy security. SOCAR President Rovnag Abdullayev told at the international Caspian forum in Istanbul. He noted that the corridor will bring the relations between EU and Azerbaijan to a qualitatively new level.

He noted that with growing demand for natural gas, Azerbaijan's importance as a reliable gas exporter is growing. "Today Azerbaijan has ensured its energy security for a long time and is already playing an important role in the energy security of the region. Today Turkey, Georgia and Russia are among Azerbaijani gas buyers.

All the same Azerbaijani gas is exported to Greece via Turkey. Thus Azerbaijan is actively supporting the gas export strategy". Abdullayev said that the export of Azerbaijani gas will reach 40-50bn cubic meters by 2025. He said that Azerbaijan is not only a country rich in energy resources but also produces these resources and has the infrastructure and geographical position which is favorable for the export of these resources to Europe.

Yildiz: TANAP crucial to solve Europe's energy problem

Today's.Az, 06.12.2012



"TANAP is crucial for the solution of Europe's energy problem" said Turkish Energy and Natural Resources Minister Taner Yildiz at the International Caspian Forum.

He noted that they have many projects implemented to address the energy problem of Europe. "TANAP is the most important. I believe that this project launched with our Azerbaijani brothers will be certainly materialized. Recalling previous big projects between Azerbaijan and Turkey, the minister noted that consortium Shahdeniz-2 will decide whether to transport natural gas via Bulgaria to Austria or via Greece to Italy. "Turkey will not interfere in this decision. Whatever decision it is, we will support it," the minister said.

Maliki says ready to mend Turkey ties on condition of ‘non-interference’

Today's Zaman, 06.12.2012



Iraqi Prime Minister Nouri al-Maliki has said Baghdad is ready to improve ties with Ankara only on the condition that Iraq and Turkey do not interfere in each other's internal affairs.

“I am sending a message of brotherhood [to Turkish Prime Minister Recep Tayyip Erdogan] again. I am ready to re-establish our brotherhood. We are ready for all kinds of agreements. But we have a condition: Neither Turkey nor Iraq will interfere in each other's internal affairs,” Maliki told Turkey's *Hürriyet* daily in an interview on Thursday.

The Iraqi prime minister, who frequently accuses the Turkish government of meddling in Iraq's internal affairs, said his country “can also interfere in Turkey's internal issues.” “But we are not doing so. So, you [Turkey] should not either. We can make a fresh start,” Maliki was quoted as saying. Maliki claimed that the reason behind the recent tensions between Turkey and Iraq is “Turkey's support for sectarianism in Iraq.”

“Now, despite all the problems, we want dialogue with Turkey. I am offering an olive branch. We are ready and willing to cooperate with you on security, oil, trade and culture... But, there should not be interference in Iraq's internal affairs. ... There are different ethnic groups in Iraq. But there are [different ethnic groups] also in Turkey. There is opposition in Iraq but there is opposition also in Turkey. These opposition groups in Turkey are willing to [make] contact with us and make agreements. But we do not give heed. There are also sects in Turkey. But this is Turkey's issue. Turkey should also treat us like this,” Maliki said.

Tensions between the two countries, which soured significantly in the recent past due to oil agreements Turkey signed with the Kurdish administration without the consent of the Iraqi government, hit a new low this week when Iraq denied flight permission to a plane carrying Turkish Energy Minister Taner Yildiz, who was on his way to Arbil to attend an energy conference. Maliki claimed Yildiz was planning to conclude a business deal with the Kurdish administration in Arbil and added that the Turkish authorities had received permission for the plane but not for a ministerial visit.

In response to a question on Maliki's remarks at the Caspian Forum organized in Istanbul, Yildiz said that “no plane is supposed to fly without passengers. We were going there [to Arbil] for an international meeting like this one. We can always talk with Maliki or our counterparts; we can host him on the Bosphorus or go to Arbil, we have no problem.” However, he also added that Turkey's being “sensitive about Iraq's decisions does not necessarily mean that we will not develop [energy] projects in Iraq.”



Maliki said all business deals should be concluded with Iraq's central government and complained that Turkey treated the semi-autonomous Kurdish region like a "republic." "The contacts should be between governments. You cannot have deals with a certain part of a foreign state," said Maliki.

The Iraqi prime minister, a Shiite and an ally of Iran, is also at odds with Turkey over the Syrian crisis, with Turkey supporting the opposition seeking to topple President Bashar al-Assad, while Maliki is refusing to endorse calls for Assad's withdrawal. Maliki reiterated concerns over the establishment of an "al-Qaeda government" in Syria but insisted that his government has not supplied "even a bullet" to the Syrian regime. Maliki also warned Syria's disintegration would directly affect Iraq and Turkey as well. "Iraq will be divided if Syria is divided. And Turkey will be divided if Iraq is divided," he said.

Maliki also criticized Turkey for playing host to former Vice President Tariq al-Hashemi who was sentenced to death in Baghdad on charges of running death squads to eliminate political rivals. "What would happen if I hosted [terrorist Kurdistan Workers' Party] PKK leader Abdullah Ocalan in Baghdad?" Maliki asked. He accused the Iraqi Kurds of obstructing the Iraqi fight against the PKK, which has bases in Kurdish-run northern Iraq. "If I send Iraqi soldiers to fight the PKK, the [Kurdish] Peshmerga forces will confront them. The Peshmerga is protecting them [the PKK]," he said.

DNO gets payment in Northern Iraq

Rigzone, 03.12.2012

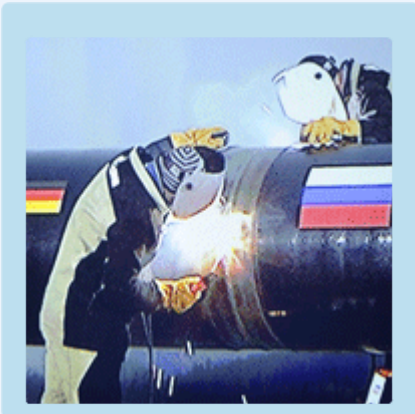


Norway's DNO International reported Monday that the Regional Government in Northern Iraq has made a payment of \$160 million to international members of the Tawke JV.

The monies were a partial payment for past oil exports from the onshore Tawke field. DNO itself will receive \$116 million as its share of the payment, with the balance to be transferred to Genel Energy. "We are pleased to receive this latest payment as we continue to increase production capacity at Tawke and develop our other discoveries," DNO International Executive Chairman Bijan Mossavar-Rahmani said in a company statement.

Gazprom starts work on South Stream

Upstream Online, 07.12.2012



A Gazprom-led consortium formally started construction on Friday of the South Stream gas pipeline that will feed European markets.

High-profile guests including Russian President Vladimir Putin, Gazprom executive chairman Alexei Miller and Eni chief executive were in attendance at a launch ceremony held at the Russkaya compressor station near the Black Sea resort town of Anapa. Two sections of the pipeline were symbolically welded together in what was hailed by Miller as ‘an historical event’ representing the bonding of the Russian and European gas transport systems.

“The project embodies the intention of Russia and the countries of southern and central Europe to strengthen the partnership in the energy sector and to create a new reliable system of Russian gas supplies to European consumers,” he said. It is also an important step by the Russian gas giant to diversify its gas export routes to Europe to bypass traditional transit countries such as Ukraine, where an ongoing wrangle over gas pricing has historically disrupted supplies.

Gazprom has faced pressure from Putin to start construction of the route, with the 900-kilometre offshore section to be laid across the Black Sea from Russia to Bulgaria and the onshore portion to run 1450 kilometres from Bulgaria to Serbia. The pipeline is scheduled to come on stream in late 2015 and is due to export 63 billion cubic metres of gas per year to southern Europe from 2018, with total investments currently estimated at around \$21 billion. The consortium members are Gazprom with 50%, Italy’s Eni on 20%, and Germany’s Wintershall and France’s EdF, each with 15% interest.

Gazprom, meanwhile, is also increasingly shifting to liquefied natural gas exports to target the booming Asia market, where gas prices are higher. The company last week completed the first LNG shipment through the Northern Sea Route, now traversible due to melting of Arctic ice, using the chartered vessel Ob River. The LNG carrier reached the Japanese terminal of Tobata after making the 28-day crossing from Statoil’s Snohvit LNG terminal on the island of Melkoya off Hammerfest, having been escorted along the route by Russian nuclear-powered icebreaker vessels.

Yildiz: China has advantage in bid for 2nd nuclear plant

Hürriyet Daily News, 07.12.2012



As the Turkish government nears the deadline it set for itself to announce the winning company of a bid for a second nuclear plant in the Black Sea region, Energy Minister Taner Yıldiz has said China possesses an advantage.

“China brings its own financing to the project and does not demand a Treasury guarantee, which are important advantages. However, China is also demanding a share in the discussed facility”, Yıldiz said. Canada, South Korea and Japan are also bidding for the Sinop nuclear facility plans and the ministry had earlier announced the winner would be made public by the end of this year.

Russia’s Rosatom is building the country’s debut nuclear plant in the southern province of Mersin and Moscow has also announced it would like to take part in Turkey’s future nuclear plans. The energy minister’s remarks matched a statement made by Economy Minister Zafer Caglayan a day earlier.

“Hopefully we will build three nuclear energy plants as of 2023,” Caglayan said at a Dec. 5 meeting to grant new incentives for a Socar refinery. “One will be in Mersin and the other in Sinop. The Chinese have a very important offer. Once finished these two nuclear plants will generate 85 billion kWh of energy. The cost of such an amount produced with natural gas today, is \$4 billion. But the costs in nuclear energy are almost nothing,” he said.

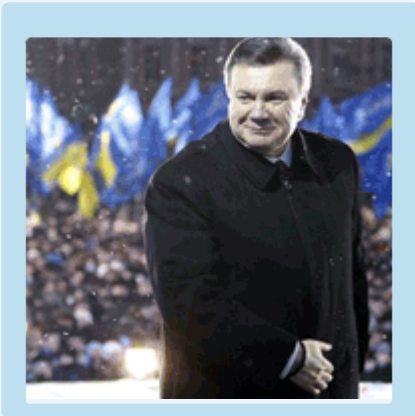
Two out of the four bidders for the second plant have taken steps forward in the process, Yıldiz had said late last month. Canada has been the latest country to join the race as South Korea is seeking a joint attempt with the United Arab Emirates to overcome financing problems.

The Fukushima disaster in March 2011 year may have hurt Japan’s bid as the country is currently revising its own facilities. TEPCO, the builder of the Daiichi facility in Fukushima had withdrawn from the Turkish tender, leaving the ground for other Japanese firms to enter. Still, many experts speculate the Chinese plants are also raising security concerns as they usually depend on older technology. Turkey is considering nuclear power as a tool to beat its foreign dependency in energy, mainly to Russia, Iran and Iraq.

Meanwhile, Platform Against Nuclear, a local anti-nuke group said it will sue the Mersin plant, claiming it is against the official Environmental Impact Assessments Report and it externalizes the locals. Sebahat Arslan, a group spokesman, said at a press conference held in front of a ruling Justice and Development Party (AKP) office in the town of Gülnar in Mersin that the process was anti-democratic and unlawful, Doğan news agency reported.

Yanukovitch accepts cabinet resignation

Euronews, 03.12.2012



Ukrainian President Viktor Yanukovich has accepted the resignation of Prime Minister Mykola Azarov and his cabinet. The president asked them to stay on in an interim capacity. A number of cabinet members were re-elected in October and therefore expected to resign their posts.

Azarov has led tough and so far unsuccessful negotiations with Moscow in an attempt to get a reduction in the price of Russian gas. Yanukovich now has the option of re-appointing Azarov and individual ministers if he so chooses. There is talk in the capital that the president may discard Azarov and replace him with central bank chief Serhiy Arbuzov.

EIA sees higher oil US output, earlier net gas exports

Upstream Online, 05.12.2012



The United States will see a sharper than expected increase in crude oil production and become a net exporter of natural gas earlier than previously envisaged, the Energy Information Administration said in a 2013 forecast.

Driven by sharp increases from shale and tight unconventional plays, the agency now anticipates the US will become a net exporter of LNG in 2016 and natural gas overall in 2020, the EIA said in a release to news organizations. The agency sees domestic oil output rising to 7.5 million barrels per day by 2019 compared with less than 6 million bpd in 2011.

It also expects net imports of all energy sources to drop to 9% by 2040 from 9% from 19% in 2011. The agency also sees lower gasoline consumption due to tougher fuel-economy standards and growth for renewable fuels, with 16% of electricity generation from green sources by 2040 compared with 13% in 2011. "... Evolving consumer preferences, improved technology, and economic changes are pushing the nation toward more domestic energy production, greater vehicle efficiency, greater use of clean energy, and reduced energy imports," agency administrator Adam Sieminski said in a statement.

RWE in talks to sell Nabucco stake, OMV chief confirms

Upstream Online, 07.12.2012



Austria's OMV has said it is in talks with Germany's RWE about buying the German explorer's 16.7% stake in the Nabucco gas pipeline project.

Rumours of a possible deal have swirled in recent weeks, but Roiss's remarks are the first to confirm that sale talks are underway. "We are in talks with RWE about taking over their shares but not for the long term," Gerhard Roiss told. RWE said in May it was reviewing strategic requirements regarding the Nabucco project. The other shareholders in the consortium - each with 16.7% - are Hungary's MOL, Turkey's BOTAS, BEH of Bulgaria and Transgaz of Romania.

Rosneft, ExxonMobil sign West Siberia exploration agreement

RiaNovosti, 07.12.2012



Rosneft and ExxonMobil signed an agreement to jointly explore the commercial potential of oil fields in Western Siberia, a Rosneft press release said.

The two companies will create a joint venture in which Rosneft will hold 51 percent and ExxonMobil 49 percent, and exploration work, slated to start in 2013, will cover more than 6,000 square miles. The agreement was signed between Rosneft CEO Igor Sechin and ExxonMobil CEO Rex Tillerson. ExxonMobil will reportedly provide up to \$300 million for the exploration, which will aim to end by 2015.

The majors also signed a declaration on environmental protection and biological conservation in Russia's Arctic shelf, setting out measures for safer drilling by Rosneft and its partners. The agreement is the latest development since the two oil giants announced their broad cooperation last year in energy exploration.

Announcements & Reports

► *Tables on Gas Consumption Estimation for 2013*

Source : Energy Market Regulatory Authority
Weblink : <http://www.epdk.org.tr/index.php/dogalgaz-piyasasi/2013tuketimtahmini>

Upcoming Events

► *6th Annual Gas Transport & Storage Forum 2013*

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

► *3rd 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 : Istanbul – Turkey
Website : <http://www.wplgroup.com/aci/conferences/eu-eug2.asp>

► *6th Annual Unconventional Gas Conference*

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

► *6th 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 : Istanbul – Turkey
Website : <http://www.all-energy-turkey.com/?lang=tr>