

GAS

PETFORM



Ankara natural gas tender postponed

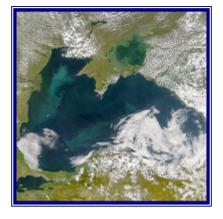
Date: 04.02.2008 Source: Today's Zaman

 $\underline{http://www.todayszaman.com/tz\text{-}web/detaylar.do?load=detay\&link=133204}$

The Ankara Metropolitan Municipality has delayed the deadline for submission of bids for a natural gas distribution tender from the previously announced Feb. 26 date to March 14 in order to give participating companies an opportunity to obtain more information about the deal and the process.

In a statement issued yesterday the municipality noted that to date 33 domestic and foreign companies have purchased bid specifications and application documents for the privatization of the Baskent Natural Gas Distribution Corporation. Of these, nine have applied to enter the Information Room, specially designed to provide detailed information about Baskent to interested companies. Prominent companies from within Turkey and abroad, such as Gazprom, Merrill Lynch, BosphorusGaz, Zorlu Enerji, Gaz de France, Suez Tractebel, Energaz, Nurol, Calik Enerji and Guris, will compete to win the tender for gas distribution tender. Analysts believe that the real reason behind the postponement of the auction is to ensure the participation of more companies in order to create a more competitive environment and therefore earn better revenue from the sale.

OIL



Uysal: Black Sea oil reserves will meet Turkey's needs

Date : 05.02.2008

Source: Turkish Daily News (Referans)

http://www.turkishdailynews.com.tr/article.php?enewsid=95556

Mehmet Uysal, General Director of the Turkish Petroleum Corporation (TPAO) which has been prospecting for oil in the Black Sea together with Brazilian Petrobras, announced that they will begin drilling by 2010 and said, "the anticipated reserves are sufficient to meet all of Turkey's oil and gas needs."

Experts say Romanian oil and Caspian Basin oil have the same type of structure. Based on this, the TPAO is said to have started prospecting for oil in the Black Sea. An official from Calik Enerji said the gas detected and produced in Akcakoca on the Black Sea shows the carbon structure of the Black Sea and the TPAO took action relying on the strength of these findings.



Turkey opposes Gaz de France in Nabucco

Date : 07.02.2008

Source: Today's Zaman (Reuters)

http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=133446

Turkey opposes Gaz de France (GdF)'s inclusion in the Nabucco gas pipeline project because of France's stances on Armenian accusations of genocide and Ankara's EU bid, a senior energy official said. His comments followed expressions of support from Romania's president and Hungarian MOL for GdF's involvement in the project.

Ankara has previously said it opposed GdF's involvement in the project because of the French National Assembly's approval of a bill making it a crime to deny Armenians suffered a genocide at the hands of Ottoman Turks in 1915–16. Turkey is also upset about French President Nicolas Sarkozy's opposition to Ankara's quest for European Union membership.

The Turkish Energy Ministry official said six partners was enough for the project but that a seventh partner, from a gas-producing country, could join. Iran has stated its desire to supply gas to the Nabucco project. "We are aiming to enter the European market to export gas and the more partners we have in this long route of passage, the faster it will be. Of course we appreciate that Turkey is the first part of this route," Hojjatollah Ghanimifard, international affairs director at the National Iranian Oil Company, told Reuters.





Turkey starts drilling in Aegean, cautiously

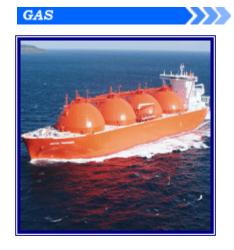
Date : 04.02.2008

Source: Turkish Daily News

http://www.turkishdailynews.com.tr/article.php?enewsid=95464

Turkey has started delving into the depths of the Aegean Sea in search of oil, near Edremit Bay, Saroz Gulf and Gokceada, while taking care not to rekindle territorial water disputes with Greece, the Energy Minister and the head of the Turkish Petroleum Corporation (TPAO) announced over the weekend.

TPAO General Director Mehmet Uysal said the company requested a drilling license within six miles of Gokceada's territorial waters, but following deliberations with the Turkish Foreign Ministry, they decided to start operations within six miles of the Turkish mainland. "Drilling works have started between Turkish islands on the Aegean and the Turkish mainland," Uysal told reporters Saturday.



Kuwait to start importing LNG by ship from Qatar next year

Date : 05.02.2008

Source: Turkish Daily News (Agence France-Presse) http://www.turkishdailynews.com.tr/article.php?enewsid=95583

Kuwait will start importing between 500 million and 750 million cubic feet of LNG daily from Qatar by sea next year, a top oil official said yesterday. "In 2009 we will definitely import LNG (Liquefied Natural Gas) by ships which will operate in summer," CEO of national oil firm Kuwait Petroleum Corp. (KPC) Saad al-Shuwaib said.

Import facilities will be ready by the end of the year, Shuwaib told. He said most of the imports will be used to supply power and water desalination plants when demand rises sharply during the summer months in the desert state.

The emirate currently produces around one billion cubic feet of associated natural gas, but that amount is insufficient to meet increased demand for power plants and water desalination. Kuwait in March 2006 announced the discovery for the first time of 35 trillion cubic feet (one trillion cubic meters) of free natural gas. First commercial production of 175 million cubic feet (five million cubic meters) of free gas and condensates is slated to start next month.

Deputy chairman for gas at Kuwait Oil Co., Mohammad Hussein, told the second gas production phase, between 2008 and 2011, stipulates an increase in production to 600 million cubic feet (17 million cubic meters) daily and 165,000 bpd of light oil and condensates. The third stage will see production upped to one billion cubic feet (28.4 million cubic meters) daily of free gas and condensates by early 2015, he said. Kuwait ultimately plans to increase its production to 1.5 billion cubic feet (42.6 million cubic meters) under a fourth phase for which no timeline has yet been set, Hussein said.



OMV to continue oil exploration project in Northern Iraq

Date : 05.02.2008

Source : Rigzone (AFX News Limited) http://www.rigzone.com/news/article.asp?a_id=56282

OMV AG intends to start oil exploration in Northern Iraq this year despite delivery sanctions imposed against the company by the oil ministry, according to Der Standard. "We are sure that we are on the correct side of the law, like the 15 other international companies (involved) are too," a spokesperson for OMV told Der Standard.

On Jan 1, the oil ministry agreed to halt exports of crude oil to OMV, and a South Korean company, in a protest against what it calls 'illegal' delivery contracts with Kurdish authorities.

OIL



EU and Iraq seek closer energy ties

Date : 02.02.2008

Source: Turkish Daily News (Agence France-Presse) http://www.turkishdailynews.com.tr/article.php?enewsid=95303

European Union and Iraqi officials agreed Thursday to pursue closer energy ties, part of Europe's broader strategy to reduce its dependence on Russian supplies. Iraqi Oil Minister Hussain al-Shahristani said his visit to Brussels was an opportunity to confirm Iraq's commitment to supply Europe with both oil and gas.

EU External Relations Commissioner Benita Ferrero-Waldner, who met the Iraqi minister, said "Iraq is a natural energy partner for the EU, both as a producer of oil and gas and as a transit country for hydrocarbon resources from the Middle East and the Gulf to the EU."

The natural gas pipeline, still under construction, will allow European customers to tap into supplies from Egypt and other countries along the line. "We talked about Iraqi gas," said EU Energy Commissioner Andris Piebalgs, who also met the Iraqi oil minister. "It is important that it becomes available to the EU market," he added. Al-Shahristani said Iraq planned to develop its gas fields this year and "should be in a position to supply Europe with gas in two or three years."

The European Union is planning to build the 3,300-kilometer (2,050-mile) pipeline to transport gas from the Middle East and Central Asia to its energy-hungry consumers in Europe while bypassing Russia. On the oil front, Iraq, which boasts the third largest reserves in the world, is studying the possibility of building new pipelines through Turkey, al-Shahristani said. Oil extracted from the massive Kirkuk field in northern Iraq is currently exported via a pipeline that links up to the Turkish Ceyhan terminal on the Mediterranean.

OIL



Sakhalin well sets measured depth record

Date: 08.02.2008 **Source**: Upstream Online

http://www.upstreamonline.com/live/article148507.ece

ExxonMobil said its extended reach Z-12 well on Russia's Sakhalin Island had been directionally drilled 39,222 feet to an offshore target area, setting a new world record for measured depth in an oilwell. The well exceeds by 1306 feet the record set by the Z-11 well, drilled by the same rig at Choyvo last year.

The Choyvo field contains 17 of the worlds' 30 longest extended reach wells, ExxonMobil said. The company said it was using the world's most powerful land rig to sink the Choyvo bores.



Hungary interested in Nabucco and South Stream pipelines

Date : 06.02.2008

Source: Turkish Daily News (Agence France-Presse) http://www.turkishdailynews.com.tr/article.php?enewsid=95685

Hungary threw its weight behind the EU's Nabucco project, while at the same time signaling its support of Russia's rival South Stream project. "Hungary is interested in the construction of both Nabucco and South Stream," said Hungarian President Laszlo Solyom after meeting his Bulgarian counterpart Georgy Parvanov.

Both Bulgaria and Hungary are currently shareholders in Nabucco Gas Pipeline International GmbH, in charge of planning and building the 5 billion euro, 3,300-kilometer pipeline. South Stream is a rival 10 billion euro pipeline being built by Russian gas giant Gazprom and ENI of Italy and is expected to become operational by 2013. It will cross the Black Sea into Bulgaria and then split into two arms, one going northwest to Austria and the other south to Greece and from there west to southern Italy.

Bulgaria recently signed a deal with Russia allowing the South Stream to pass through its territory and stands to pocket substantial transit fees from both Nabucco and South Stream. Furthermore, now that Hungary had also confirmed its interest in participating in South Stream, Bulgaria would lobby for that pipeline to pass through Hungary as well, Parvanov said. At the same time, both leaders said they were ready to help speed up the Nabucco project. "I'm prepared... to visit potential supplier countries," Parvanov said.



Iran oil output reaches record 4.184m bpd

Date : 06.02.2008

Source: Rigzone (AFX News Limited) http://www.rigzone.com/news/article.asp?a_id=56340

Oil Minister Gholam Hossein Nozari on Wednesday said Iran's oil output hit a record. "Yesterday we reached a record of oil output since the Islamic revolution with production of 4.184 mln bpd of oil," Nozari added. Iran is expecting to pocket 60 bln dollars in foreign currency revenues from oil sales, Nozari said earlier.

Despite long-term plans to increase oil output, pressure falls in oil wells have prevented Iran from increasing production to its target of 5 mln bpd. Iran has also been suffering from underinvestment in its oil fields with European companies under pressure from the United States not to deal with Tehran amid the standoff over its nuclear programme.



Iran to spend \$18 bil on new refinery, upgrade program

Date : 06.02.2008

Source: Platts (Takeo Kumagai)

http://www.platts.com/Oil/News/8514139.xml?p=Oil/News&sub=Oil

Iran plans to spend a total of \$18 billion to build three new refineries in the country and to expand and upgrade its existing refineries over the next four years, the director of refining affairs at the National Iranian Oil Refining and Distribution Company, Aminollah Eskandari, said Wednesday.

Iran's investment will come as part of its plan to boost refining capacity from 1.6 million b/d to around 3 million b/d and to upgrade its existing facilities to meet the Euro 5 standard by 2011, Eskandari said in an interview. The project will involve construction of a 300,000 b/d refinery and a 360,000 b/d condensate refinery in Bandar Abbas as well as a 300,000 b/d refinery in Abadan, Eskandari said. The refinery will be equipped with high hydro-cracking processing capacities to refine Iranian extra heavy crudes, the director said.

The country has finished engineering design work for the 360,000 b/d Bandar Abbas condensate refinery, where it intends to refine condensate from the South Pars offshore gas field, which alone holds half of the country's gas reserves of around 27 Tcf, he said. The 300,000 b/d Abadan refinery, which will also be designed to process Iranian extra heavy crudes, is expected to come on stream in 2012, Eskandari said.

Iran's planned upgrading programs at its existing refineries in Arak, Abadan, Bandar Abbas, Tehran, Isfahan and Tabriz will mainly involve installing secondary units such as desulfurizers to meet the requirements of the Euro 5 standard, he said. "After these programs, Iran's gasoline output [as a percentage of] total production is expected to increase to about 30-35% from the current levels of around 16-17%," Eskandari said. "Then the country's fuel oil output will be reduced to 10% from around 30% while the remaining portions would be shared by middle distillates," he added.

The majority of the investment is expected to be covered by the government, with perhaps only a minority foreign participation invited for the new refineries. "Under Iranian law, the government is allowed to hold up to a maximum of 20% share in new refineries," Eskandari said. "The remaining 80% share is then held by private sectors, including international companies." Of the \$18 billion, about \$10 billion will be spent on building the new refineries, he added.

Aside from the investment plans, Iran is also in talks with the Caspian states about their possible participation in its planned 300,000 b/d oil refinery on the Caspian Sea in the northern province of Golestan, Eskandari said. Iran intends to refine heavy and sour crudes from the Caspian sea at the refinery to be built near Torkman port, he said. The new refinery will be linked to Neka oil terminal by pipeline, he added. "Some Caspian countries have expressed interested in investing in the project," said Eskandari, while declining to name the countries. Iran hopes to conclude talks with the Caspian states about their possible participation this year and aims to bring the refinery online by around 2015, he added.

OIL



TNK-BP: No threat from a delay to the launch of Russia – Chine oil pipeline

Date : 07.02.2008 Source : Upstream Online

http://www.upstreamonline.com/live/article148366.ece

BP's Russian venture, TNK-BP, sees no threat from a possible delay to the launch of Russia's first oil pipeline to China for its prized field as it may send the crude westward instead.

Tim Summers, TNK-BP's chief operating officer, told Reuters the Verkhnechonsk field in East Siberia will start production at the end of this year, as planned, regardless of whether the new pipeline is ready to ship the output to China. He said TNK-BP will make a final decision on where to send crude from the field later this year, when Russian pipeline monopoly Transneft, which is building the 600,000 barrel per day pipeline, clarifies its plans. Transneft said in December that it might delay the launch of the pipeline, initially planned for the end of this year, by at least nine months because contractors failed to meet the schedule.

The route, Russia's first pipeline link to China, is expected to help the country diversify its exports away from European markets. Summers said Verkhnechonsk will stick to its plans and expected to produce at least 1 million tonnes of crude next year and increase output to 3 million tonnes per year within the next few years. TNK-BP hopes the field to reach maximum production of 7 million to 8 million tonnes per year by 2011, he said.

Verkhnechonsk, with recoverable reserves estimated by TNK-BP at 1 billion barrels, is one of the largest oil deposits in East Siberia, which, Russia hopes, will replace depleted West Siberia as its oil production centre. TNK-BP pins its hopes on Verkhnechonsk as well as its another greenfield project, Uvat in West Siberia, to raise annual output by 1.5% to 2% from next year as output is declining at the firm's mature deposits in West Siberia.

The company produces over 1.4 million barrels per day (70 million tonnes per year), down from 1.6 million bpd in recent years after assets divestments, but flat based on a like-for-like comparison. Verkhnechonsk, 1000 kilometres to the north of Irkutsk, is operated by VerkhnechonskNefteGaz, in which TNK-BP owns 68%. Russia's largest oil producer Rosneft holds the rest.

Summers said both companies plan to invest \$4 billion to \$5 billion into the project over around the next eight years, depending on the number of wells they decide to drill. He said by the end of this year they will drill 50 wells ready for production, up from 25 now. The whole project may require drilling 500 to 600 wells, he said. "By the end of this year, the investments will reach \$1 billion on the field, which means that we are spending around \$10 million a week on it," he said.

ANNOUNCEMENTS & REPORTS

Natural Gas Statistics

Source: EMRA

Weblink : http://www.epdk.org.tr/lisans/dogalgaz/lisansdatabase/istatistik.asp

♣ Costs of Licensing, Annual License, License Renewal, License Amendment and License Reprints to Be Executed in 2008 in Accordance with the Natural Gas Market License Regulation

Source: EMRA

Weblink : http://www.epdk.org.tr/mevzuat/kurul/dogalgaz/1416/1484.doc

UPCOMING EVENTS

❖ GEO 2008

8th Middle East Geoscience Conference & Exhibition

Date : March 3 – 5, 2008Place : Bahrain – BahrainWebsite : www.geobahrain.org

Contact : Lara Bell (+973 17 550033)



New Zealand Petroleum

2008 New Zealand Petroleum Conference: Beyond 08

Date : March 9 – 12, 2008 Place : Auckland – New Zealand

Website : www.crownminerals.govt.nz/cms/petroleum/

Contact : Ministry of Economic Development (+64 3 962 6179)



Heavy Oil Congress 2008

World Heavy Oil Congress

Date : March 10 – 12, 2008 **Place** : Alberta – Canada

Website : www.petroleumshow.com/worldheavyoil/

Contact : Monte Sumner (+403 209 3552)



❖ GASTECH 2008

23rd International Conference & Exhibition for the LNG, LPG and Natural Gas Industries

Date : March 10 – 13, 2008
Place : Bangkok – Thailand
Website : www.gastech.co.uk

Contact : Tony Stephenson (+44 (0) 1737 855106)

GASTECH 2008

Offshore Asia

Offshore Asia Conference & Exhibition

Date : March 17 – 19, 2008
Place : Kuala Lumpur – Malaysia
Website : www.offshoreasiaevent.com

Contact: Joanie Harrington (+1 918 832 9305)



❖ Oil Africa 2008

3rd Sub-Saharan Oil, Gas and Petrochem Exhibition & Conference

Date : March 17 – 19, 2008 Place : Cape Town – South Africa

Website : www.fairconsultants.com/oilafrica08.htm

Contact : Mark Burridge (+27 21 713 3360)



❖ Latin Upstream 2008

14th Annual Latin Upstream Conference

Date : March 18 – 19, 2008 Place : Rio de Janeiro – Brazil

Website : petro21.com/events/index.cfm?id=323 Contact : Duncan Clarke (+31 70 324 6154)



❖ TUROGE 2008

Turkish & Black Sea International Oil and Gas Conference

Date : March 18 – 20, 2008
Place : Ankara – Turkey
Website : www.turoge.com

Contact : Hale Corbaci (+90 212 291 83 10)

