Oil & Gas Bulletin

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Iraq ups oil flow to Turkey to block Kurdish oil

Hürriyet Daily News, *28.12.2013*

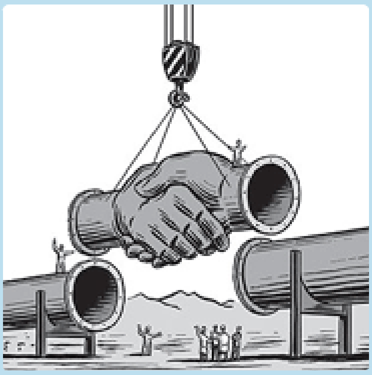
Baghdad has ramped up the crude oil it pumps to Kirkuk-Yumurtalik pipeline in order to block the incipient oil flow between Turkey and the Kurdish Regional Government (KRG), according several media reports.

"As the test flows at the pipeline coming from Northern Iraq are completed and normal flow has begun, the central [Iraqi] government has raised the oil flow though the line that used to run with low capacity," The Kirkuk-Yumurtalik pipeline was reported as carrying 400,000 barrels of oil per day, which is far below its actual capacity of 1.5 million barrels, according to Turkish energy ministry statements.

Desperately seeking alternative energy resources, Turkey has signed an agreement with the KRG for the establishment of a separate 300,000-barrel capacity pipeline. On Dec. 23, Turkish Energy Minister Taner Yildiz said test flows for Northern Iraqi oil have been completed up to Ceyhan, Turkey's southern coastal district in the Mediterranean province of Adana, adding oil flow would start after the tests. Until recently, Baghdad has been explicitly opposed to the autonomous Kurdish region's direct oil deals with foreign companies and the export of Kurdish oil and gas to Turkey. However, some fresh negotiations between the parties have appeared to be yielding some solutions over the issue. The KRG Prime Minister Nechirvan Barzani was reported as saying on Dec. 25 the central government is leaning toward resolving energy rows with its autonomous Kurdish counterpart.

KRG export first heavy oil to global market

Reuters, *31.12.2013*



KRG has started exports of heavy crude to world markets, traders and industry sources said, a further step to wrestle more control of its lucrative oil sector from the central government in Baghdad.

Trucked through Turkey to a waiting tanker, the sale of Shaikan crude comes just ahead of planned exports of light crude Taq Taq via a new pipeline. The Kurdish Regional Government (KRG) began selling its oil independently of Baghdad in 2012; first with very light oil condensate, followed by Taq Taq, produced by London-listed oil company Genel.

These exports enraged Baghdad, which considers them smuggling as selling oil falls is handled by under the purview of Iraq's State Oil Marketing Organization. Talks are underway between Iraq and the Kurds to find an agreement over oil exports and revenue sharing, after Arbil and Ankara signed a multi-billion dollar energy package at the end of November, including gas pipelines and exploration deals. Iraq's oil minister said Baghdad would retain control over the oil revenues. But despite Baghdad's threats of legal action against potential buyers over the last year, the KRG has moved ahead with exporting Shaikan, the first international exports for AIM-listed Gulf Keystone in KRG. Trading company Powertrans, an intermediary used by the KRG to export its oil from Turkey, has sold a 30,000 tonne cargo of Shaikan loading Jan 6-10, trading sources familiar with the matter said.

The cargo will load at the Delta Rubis terminal at Dortyol on Turkey's bay of Iskenderun, one of the sources said. Details of the ultimate buyer were unclear as a trader was re-offering the grade. The Shaikan oilfield is operated by Gulf Keystone, with Hungarian MOL holding a 20 percent interest. Commercial production began in July 2013 with an initial capacity of 10,000 barrels per day (bpd) and output is expected to reach 40,000 bpd in early 2014. Gulf Keystone was not immediately able to provide a comment to Reuters after several enquiries. Taq Taq crude is being tested in a newly completed pipeline that links Kurdish oilfields to the Turkish border and then into an existing pipeline already exporting Kirkuk crude for state marketer SOMO to the port of Ceyhan. The oil successfully reached the Turkish port of Ceyhan for the first time last week.

KRG oil revenues to cumulate in US bank

Hürriyet Daily News, *30.12.2013*

Revenues from Kurdish oil, which is to be exported to world markets via Turkey, will be deposited in a New York-based bank account of the Development Fund of Iraq (DFI), sources have said.

Iraqi Prime Minister Nuri al-Maliki and KRG Prime Minister Nechirvan Barzani reached a resolution in Baghdad over their differences on oil exports on Dec. 25, Anadolu Agency reported. The deal stipulates that oil revenues from KRG will go to the DFI account which was created at JPMorgan Chase in New York in 2003 at the request of the United Nations, instead of Turkish state-owned lender Halkbank.

Barzani broached the issue of depositing the oil money in a U.S. lender during a visit to Ankara at the end of November. According to a statement from the office of al-Maliki's deputy for energy, Hussein Shahristani, both sides agreed to export Kurdish oil through the State Organization for Marketing of Oil (SOMO), the company responsible for marketing Iraq's oil. Meanwhile, al-Maliki's media adviser, Ali Musawi, said the two parties had reached a consensus on establishing a committee for the resolution of problems between the two governments and that the committee would convene at the end of 2014 to end the issues.

The revenues will later be distributed to the relevant parties via Iraq's central budget, the statement said. Hasan Ozmen, a parliament for Diyala province, told Anadolu Agency that the revenue from the oil which is to be exported via Turkey through a newly finished pipeline would also be deposited in the DFI account. Ozmen said the account was originally established to ensure the equal distribution of revenues. Turkey recently signed an agreement with the KRG for the establishment of a separate 300,000-barrel capacity pipeline. On Dec. 23, Turkish Energy Minister Taner Yildiz said test flows for northern Iraqi oil had been completed up to Ceyhan, a coastal district in the Mediterranean province of Adana, adding that the oil would begin to flow after the tests. Until recently, Baghdad had expressed its explicit opposition to the autonomous Kurdish region's direct oil deals with foreign companies and the export of Kurdish oil and gas to Turkey.

Gazprom's supplies to Turkey, Europe reach record level

Hürriyet Daily News, *30.12.2013*

Russia's state-held energy giant Gazprom, the largest natural gas supplier to Europe, has ramped up exports to the region and Turkey to a record this year due to price reductions and colder weather.

Supplies raised by 16 percent to 161.5 billion cubic meters in 2013, excluding volumes traded by the Moscow-based company's European units, the export arm of the Russian energy giant said yesterday in an e-mailed statement. The average price for gas in Gazprom's European contracts fell by 5.5 percent in 2013 to $380 per 1,000 cubic meters from $402 last year, Gazprom Export also said.

Last year, Gazprom's exports to Europe fell 7.5 percent year-on-year to 138.8 billion cubic meters. The Russian major gas producer also saw an 8 percent decline in total 2012 gas exports to 203.2 billion cubic meters. Gazprom's natural gas supplies to Europe increased in response to the cold weather at the beginning of 2013 and also due to a decline in gas supplies from Algeria, Libya, Nigeria, Norway, Qatar and the U.K. Gazprom also benefited from Europe's dwindling supply options, as producers of liquefied natural gas diverted their fuel to Asia, where prices reached a record in February and are higher than in Europe. European buyers have struggled to find alternatives to Gazprom, whose contracts link prices to oil, generally making it expensive compared to the spot market. Gazprom covers a quarter of Europe's gas needs, with more than 150 bcm of exports a year. In response to Europe's quest for Caspian supply, Gazprom proposed its $39 billion South Stream project, which would pipe gas to northeast Italy through the Black Sea starting at the end of 2015. Gazprom also clinched a long-term deal last November to export gas to private companies in Turkey.

Turkey to continue gas imports from Iran

Natural Gas Asia, *31.12.2013*

Turkey will continue to imports natural gas from Iran, Turkish energy and natural resources minister Taner Yildiz said.

“Iran is our neighbor and brother country. We will continue our natural gas trade,” he told Turkish-language news network Kanal 24, reports Iran’s Press TV. The minister said that state-owned Turkish Halkbank has been paid $4.5 billion for natural gas purchased from Iran. In October, the Turkish minister of energy and natural resources said his country will raise its gas imports from Iran - currently standing at 10 billion cubic meters a year - if possible, adds Press TV. Iran is Turkey’s second biggest importer after Russia

Azerbaijan reveals oil and gas production volumes

Today.Az, *30.12.2013*

Azerbaijan produced 43.5 million tons of oil in 2013, head of Azerbaijan’s energy giant SOCAR Rovnag Abdullayev said on December 28.

Abdullayev further said the country also produced 29.5 billion cubic meters of gas. The State Oil Company produced 8.34 million tons of oil and 7.15 billion cubic meters of gas. Oil is produced independently by SOCAR as well as through joint ventures. In addition, oil and gas production is carried out under the contract on the development of the Azeri-Chirag-Guneshli field block. Gas and condensate are produced within the Shah Deniz field development project.

In both contracts SOCAR operates within a consortium with foreign companies. The contract for development of Azeri-Chirag-Guneshli large offshore field was signed in 1994. Shares are distributed as follows: BP (operator in Azeri-Chirag-Guneshli) - 35.78 per cent, Chevron - 11.27 per cent, Inpex - 10.96 per cent, AzACG - 11.65 per cent, Statoil - 8.56 per cent, Exxon - 8 per cent, TPAO - 6.75 per cent, Itochu - 4.3 per cent and ONGC - 2.72 per cent. The contract for the development of the offshore Shah Deniz field was signed on June 4, 1996. Participants to the agreement are: BP (operator) - 28.8 percent, Statoil - 15.5 percent, NICO - 10 percent, Total - 10 percent, Lukoil - 10 percent, TPAO - 9 percent and SOCAR - 16.7 percent.

Georgia’s natural gas imports mainly consist of Azerbaijani gas

Today.Az, *02.01.2014*

Georgia imported around 1.2 billion tons in oil equivalent, of natural gas worth of $207.44 million in 2013, GruzStat, the National Statistical Service of Georgia said in its report.

Azerbaijan is the main supplier of this kind of fuel to the country with a specific weight of 83.76 percent of Georgia's total volume of imports in this category. According to the report, in total Georgia imported $247.66 million worth of natural gas in Jan.-Nov. 2013. In an annual calculation, the volume of natural gas imported by Georgia from Azerbaijan increased by 24.58 percent or 0.03 billion tons of oil equivalent.

For comparison Georgia imported 1.09 billion tons of fuel from Azerbaijan in the first 11 months of 2012 which amounted to $166.51 million. The specific weight of natural gas amounted to 38.08 percent of the total volume of imports from Azerbaijan to Georgia during the reporting period. Georgia imported $544.74 million worth of products from Azerbaijan in January-November 2013. According to the report, the volume of imports from Azerbaijan to Georgia decreased by 4.75 percent during the reporting period compared to the same period of 2012. By comparison, Georgia imported $571.88 million worth of products from Azerbaijan from January-November 2012

SOCAR elucidates volume of investment in Turkey projects

Today.Az, *03.01.2014*

SOCAR’s total investment volume in this country will reach $ 17 billion taking into account all projects implemented in Turkey, SOCAR head Rovnag Abdullayev said on Saturday.

In particular, Abdullayev stressed the construction projects of the Trans-Anatolian gas pipeline, a new STAR refinery in Izmir, the Petkim container port and power stations. “The company also continues working to implement projects in other countries,” he said. “In particular, the process of re-branding petrol stations has been completed in Switzerland. SOCAR intends to intensify its efforts to become a leader in the Swiss market.”

New contract inked on Shah Deniz-2 project

Today.Az, *30.12.2013*

The Shah Deniz partnership has awarded its next major contract for Stage 2 development of the Shah Deniz gas field in the Caspian Sea, BP reported. The contract for provision of detailed engineering, project management and procurement support services for the Shah Deniz Stage 2 project has been awarded to KRG .

The award of this contract follows the final investment decision for the Stage 2 development signed in Baku on December 17. The value of the contract is 365 million dollars. The work under this contract is planned to commence in January 2014 with completion expected in 2018.

The scope of work for this contract includes offshore engineering design support for Shah Deniz Stage 2 offshore complex consisting of two bridge-linked platforms; onshore engineering design support services for the onshore gas processing facility at the Sangachal Terminal consisting of two gas processing trains with 900 million cubic feet per day (mmscf/d) - capacity each and condensate processing facilities with about 105,000 barrels per day capacity; provision of procurement services; Project Information Management integrator. The Shah Deniz Stage 2 project will bring gas from the Caspian Sea to markets in Turkey and Europe, opening up the “Southern Gas Corridor.”

Shah Deniz Stage 2 is expected to add a further 16 billion cubic meters per year (BCMA) of gas production to the approximately 9 BCMA from Shah Deniz Stage 1. This Stage 2 development of the Shah Deniz field, which lies some 70 kilometres offshore in the Azerbaijan sector of the Caspian Sea, is expected to include two new bridge-linked production platforms; 26 subsea wells to be drilled with 2 semi-submersible rigs; 500 kilometres of subsea pipelines built at up to 550 metres of water depth; a 16 bcma upgrade for the South Caucasus Pipeline (SCP); and expansion of the Sangachal Terminal.

The Trans-Anatolian Pipeline (TANAP) will transport gas across Turkey and the Trans-Adriatic Pipeline will transport gas from the Turkish-Greek border to Italy. The Shah Deniz co-venturers are (after recent acquisitions): BP, operator (28.8 per cent), SOCAR (16.7 per cent), Statoil (15.5 per cent), Total (10 per cent), Lukoil (10 per cent), NICO (10 per cent) and TPAO (9 per cent). These percentages include the recent purchases of equity from Statoil by BP and SOCAR, respectively, which are subject to conditions that are expected to be satisfied in 2014 for completion of the transactions.

Iran's gas consumption reaches critical level

Today.Az, *02.01.2014*

Gas supply to industries in Iran has been limited, while domestic gas consumption has reached a critical level due to severe cold season, Tabnak news portal reported.

The country's domestic and commercial units' total gas consumption surpassed 482 million cubic meters per day on Dec. 30, which was a new record during the current solar year. Supplying gas to power plants has been limited, and the country's main industries including steel, cement and petrochemical industries have faced gas shortage. The gas supply to CNG stations in Tehran as well as northern provinces was suspended due to shortage and low pressure.

Some 50 percent of the CNG stations in Tehran were closed due to shortage and low pressure, chairman of the board of directors of the union of Iranian CNG station owners, Ardeshir Dadras said. Earlier Iranian Deputy Oil Minister Hamidreza Araqi urged households to economize on the consumption of natural gas. "If consumption is not limited, gas supply to power plants, industrial units, and households will be reduced," Araqi said, the Mehr News Agency reported on Dec. 13. Iranian Oil Minister Bijan Namdar Zanganeh said on Nov. 29 that the coming winter will be the hardest one in the country's history in terms of gas shortage.

However, Zanganeh said that the Iranians will face no difficulty in the season, the IRNA News Agency reported. The Mehr News Agency previously reported that based on data collected by Iran's Oil Ministry, the country needs over 700 million cubic meters of gas per day in the coming winter. According to the U.S. Energy Information Administration report, Iran's natural dried gas output was about 153 billion cubic meters which is as much as the domestic consumption figures. According to this report released in March 2013, overall, Iran's natural gas consumption is expected to grow around seven percent annually for the next decade. Iran has 33.6 trillion cubic meters of gas reserves.

Delek examines $3.6 billion energy spinoff

Reuters, *31.12.2013*

Israeli conglomerate Delek Group is examining a spinoff of its oil and gas activities, saying it could help maximise value for shareholders by separately listing a bunch of assets which one analyst valued at some $3.6 billion.

Delek, which 63 percent is held by billionaire Yitzhak Tshuva, has major shares in a number of newly discovered gas fields off Israel's coast including Tamar and Leviathan. The Tamar field, which Delek developed together with Texas-based Noble Energy, has estimated reserves of 10 tcf and began production in late March. Nearby Leviathan, with an estimated 19 tcf of gas reserves, is set to come online in 2016 or 2017.

Israel's High Court has upheld a government decision to allow exports of 40 percent of offshore reserves.UBS analyst Roni Biron estimates Delek's exploration and production (E&P) activities account for 77 percent of group net asset value (NAV), which he put at 16.39 billion shekels ($4.7 billion). The rest consists of downstream operations in Israel, Europe and the United States, as well as insurance and water desalination. Shares in Delek Group, which has a market value of $4.3 billion, were up 4 percent to 1333 shekels in afternoon trading in Tel Aviv on Tuesday.Biron said Delek is the only Israeli E&P vehicle not structured as a limited partnership and its holding structure had made it less popular among international investors.

"Consequently, Delek had already adopted a strategy of streamlining its structure around E&P, a process which could now be expedited," said Biron, who rates Delek shares "neutral". "We therefore believe that this strategic move, if implemented, could boost Delek's E&P profile." A senior Israeli fund manager invested in Delek said the split would not increase value as Delek does not trade at a discount to its NAV. "What it will do is make it easier for foreigners to invest in the company," he said. The fund manager added this will not likely be the final step in Delek's restructuring, as he believes the company would eventually seek to merge all the energy units together. Shares in the new energy company, which would be incorporated outside Israel, would be registered to trade on a foreign bourse, either alongside or in addition to the Tel Aviv Stock Exchange, Delek said in a statement.

Delek's management said the company's preference is to list the new company in London. Shares in the new company would be given to existing group shareholders of Delek in proportion to their respective holdings. Delek Group shares and bonds will continue to trade in Tel Aviv. Delek would transfer to the new company its holdings in Delek Energy Systems, Delek Drilling, Avner Oil Exploration, Cohen Development & Industrial Buildings and Navitas Petroleum, as well as its rights in the Ashkelon and Noa leases and its right to receive royalties from the energy sector. The split will enable Delek and the new company "to act as independent companies ... thus contributing to the exposure of the respective assets of each company to a larger and more targeted investor market," Delek said.

Israel closer to selling gas to Egypt

Natural Gas Europe, *28.12.2013*

Israel and Egypt are discussing a natural gas deal. An energy collaboration is not new between the two countries except that this time, the natural gas flow will be in the opposite direction, from Israel to Egypt.

Historically, Israel has been reliant on Egyptian gas to satisfy 40% of its domestic natural gas needs. An agreement was signed in 2005 stipulating that Egypt would supply Israel with 7 bcm of Egyptian natural gas every year and for a 20 year period. The deal was an economic annex to the 1979 peace treaty between the two countries —the first between Israel and an Arab state.

Egypt's state-run gas company terminated this controversial natural gas agreement with Israel in 2012 in the aftermath of the uprising in Egypt that put an end to the Mubarak regime. The pipeline that carried natural gas from Egypt to Israel and Jordan across the Sinai desert was bombed at least 15 times, effectively cutting off supply at normal levels ever since the start of the revolution in Egypt. The disruptions forced Israel to import fuel products with a very high price tag prompting a severe increase in Israe's energy bill and as a result a jump in electricity prices. Egypt is rich in natural gas. It has around 70 Tcf in proven gas reserves, an amount that would have been sufficient to supply Egypt's own gas needs for decades to come.

However, due to export commitments, an increased domestic consumption and stalled gas explorations, Egypt is now suffering from a natural gas crisis. Meanwhile offshore Israel, Texas-based Noble Energy and its Israeli partners have made substantial gas discoveries that will allow Israel to achieve energy security and produce substantial revenues from the sales of natural gas to export markets. In October 2013, Israel's high court of justice ratified a June 2013 cabinet decision to export around 40% of Israel's natural gas. In light of the regional energy shortfalls in Egypt and Jordan, Israel will start by exporting to immediate neighbors: an Egypt struggling to meet its obligations and a Jordan that suffered from Egyptian gas disruptions too.

Exporting to Egypt would allow Israel to use the Egyptian LNG terminal and avoid investing in its own LNG facility - a very costly multi-billion dollar project. However, energy collaboration between the two countries remains politically sensitive, just like an Israeli-Jordanian agreement would be considered with apprehension. Israel and Jordan recently signed a water-sharing deal recently but a natural gas deal has not yet reached final stages. The final energy map in the region remains unclear with Cyprus still hoping that Israel will choose to pool costs with the cash-strapped island and export its natural gas to further destinations via an LNG facility that would be built in the Vassiliko coastal site between Larnaca and Limassol.

Egypt to auction 22 oil, gas concessions

Natural Gas Asia, *30.12.2013*

Two Egyptian state owned firms, General Petroleum Corporation (EGPC) and Natural Gas Holding Company (EGAS) announced on Monday an international auction for 22 concessions for oil and gas exploration in accordance with production-sharing agreements, reports news agency Reuters.

According to the news shared by Reuters, which quotes from an advertisement issued by the two firms, the concessions are for areas in the Suez Canal, Egypt's western desert, the Mediterranean Sea and the Nile Delta. The auction will end on May 19, 2014.

Egyptian officials have suggested pricing arrangements should be changed to reflect the high costs of offshore exploration in deep water, arguing that such reform would spur new investments, adds Reuters. Last week, Egypt's cabinet approved seven new oil and gas exploration agreements, which have potential to attract investments worth at least $1.2 billion.

Iran's daily gas output crosses 570 mcm

Natural Gas Asia, *30.12.2013*

Iran's daily gas production surpassed 570 million cubic meters last week, Deputy Director of the National Iranian Gas Company, Abdolhossein Samari said, reports Trend News Agency citing a news item in local newspaper Jahanesanat.

Consumption figures stood at 570 million cubic meters per day last week, with 460 million cubic meters being consumed by the domestic and commercial units. The Mehr News Agency previously reported that based on data collected by Iran's Oil Ministry, the country needs over 700 million cubic meters of gas per day in the coming winter, Iran has 33.6 trillion cubic meters of gas reserves.

North–South gas corridor: Geopolitical breakthrough in Central Europe

Natural Gas Europe, *30.12.2013*

Despite delays, as well as turbulent domestic political agendas, the North–South Gas Corridor remains a priority for all of the Central European states.

There are significant differences among them in terms of the level of market liberalization, progress in building physical infrastructure, and with short-term priorities; however, first and foremost in common is a deep need to diversify both gas supply routes and suppliers. The goal is the development of new infrastructure. contractual and trade arrangements, market liberalization, and the promotion of competition, spot markers and contracts with alternative gas suppliers

The V4 governments and regulators should be expected to continue coordination of efforts amongst themselves on a common regulatory framework for unified wholesaler trading zones, in parallel with the EU Single Market process (an integrated entry/exit network, a single virtual trading point, mergers of trading zones, etc.). In the long run, regional market liquidity might be increased through the establishment of a common gas trading hub, possibly at the future LNG terminal in Świnoujście, Poland. This could strengthen the hand of all of the purchasing countries from the region vis-á-vis their traditional suppliers, namely Russia and Norway.The Central European states should increase their efforts to establish one system of hub-based pricing in the EU, which would be the same for all gas buyers, with the differences in the prices offered reflecting either transportation costs or entry/exit tariffs.

This very competitive price formation mechanism would work against the strategy of suppliers that try to maintain a gas price linked to oil prices in their contracts. By taking a unified position against those firms, Central European companies may therefore renegotiate their long-term contracts with the support of the European Commission.Bearing in mind the fact that Central Europe is of key strategic importance to securing safe supplies of natural gas thanks to its location in the East-to-West and North-to-South transportation corridors, in a few decades the region could achieve not only significant independence from sole-source suppliers but also could become a crucial player in the European energy market with even opportunities to export energy.

In this program, one could also include the development of unconventional gas.The NSI, as well as other diversification efforts in Central Europe, coupled with policy changes in the EU will not only affect the positions of traditional gas suppliers in the regional energy sector but also their political heft in the wider region. The Russia–Central Europe relationship in the coming years will thus change. The optimal aim would be a transformation of the region into a single gas market without Russian policy excesses, though NSI has thus the potential to result in a sort of geopolitical breakthrough in the region in the long run.

Gazprom and European gas markets

Natural Gas Europe, *03.01.2014*

The combustibility of natural gas makes it a potent weapon. When Gazprom, a giant gas company controlled by the Russian state, cut off supplies to Ukraine in early 2009, in a dispute over unpaid bills, Europeans farther west suffered too.

Gazprom provides about a quarter of their gas, to heat homes, fire industrial furnaces and fuel power stations, much of it via a pipeline through Ukraine. European utilities and regulators have since tried to reduce the Russian company's market power. Although they may seem to be winning the battle, Gazprom could yet outmanoeuvre its customers.

The main battleground is the method of setting the price of gas. Gazprom is keen that its European customers continue to buy expensive gas on long contracts, sometimes lasting decades, with prices linked to the cost of oil. Gazprom makes a nice profit on such customers, since oil is pricey but it produces its gas cheaply from vast fields developed in the Soviet era. However, a high and rising proportion of European gas is now traded on spot markets at lower prices, set by supply and demand. When gas was first sold internationally in volume, in the 1960s, there was no market to set its price. Since it was used as a substitute for oil in heating and power generation, it seemed sensible to link its price to that of crude.

Long contracts also made sense. Building pipelines from, say, Siberia to Europe was costly. Producers wanted to be sure of recouping their investments. Buyers were glad to secure supplies.
The cracks began to show when Europe's gas markets were shaken by both recession and the boom in American shale gas. From around 2008 Qatari liquefied natural gas, once destined for America but now surplus to requirements there, was redirected to Europe, adding to the continent's tiny spot market. Meanwhile, crude prices rose steadily from early 2009, taking oil-indexed gas with them, and demand for gas waned. All this opened a big gap between the spot price and the oil-indexed price asked by Gazprom, Norway's Statoil and other big, state-run suppliers.

Romania establishes center for excellence in unconventional gas

Natural Gas Europe, *29.12.2013*

The Romanian National Committee of World Energy Council (CNR-CME) has inaugurated the European Centre for Excellence in the field of natural gas from gas-bearing shales.

The event saw the presentation of a research paper by CENTGAS on the potential of gas from gas-bearing shales and the presentation of the European and international context regarding the exploitation of energy resources. The study "Resources of Natural Gas from Unconventional Deposits – Potential and Value" saw the participation of 43 experts from CNR-CME, most of them professors in the oil and gas field.

The findings of the study are directed for the benefit of the Romanian authorities with responsibilities in the energy field (Ministries, ANRM, ANRE) as well as non-governmental organizations, service providers, exploration and production companies, political parties, academics and universities. One of the target objectives of the study is to propose and establish a framework of measures or an action plan in order to start, as soon as possible, the exploration of gas-bearing areas and to establish their economic potential. The study shows that Romania has significant potential for shale gas in the Eastern Carpathians, Moldavian Platform, Barlad Depresion (Scythian platform) and Romanian Plain (Moesian Platform), including the South of Dobrogea.

These areas host gas bearing formations at depths of over 2.500 – 3.000 meters from which "shale gas" can be extracted. Besides the areas with highest potential, conditions for the presence of gas are also present in the Getic Depression, Pannonian Depression and Transylvanian Basin. "The unconventional energy resources are an alternative form of energy. They are located in sedimentary deposits of various ages, usually deep in the Earth's crust: shale and tight gas, heavy oil and oil shale, coal seam gas and, in some cold areas, in seas and oceans, natural gas hydrates" is shown in the report. Romania's experience in drilling horizontal bores commenced in 1995 with bore 1 Clejani; a total of over 30 horizontal and guided bores were drilled between 2008 and 2012. The same method of horizontal drilling is being used when building shale gas bores.

"Hydraulic fracturing in Romania, in order to increase the productivity of the wells recovering deposits present in low permeability geologic formations (sandstones, marl/sandy clay, etc.), has been used for 40 years, and hundreds of such operations have been performed successfully", reads the report. The study indicates that Romania has proven natural gas resources for the next 10 to 15 years. In this context, "Romania with a recoverable reserve estimated at 1.444 billion cubic meters of shale gas is on the third place in Europe, after Poland (4.190 billion cubic meters) and France (2.879 billion cubic meters) and before Denmark (906 billion cubic meters)." Purica, an energy expert for the Romanian Academy commented: "Today, the import invoice from gas is about 1.5% of GDP and is comparable with the defense budget, for example.

But, if we become exporters we will have an income of 0.5% of GDP. Thus, a total contribution of 2% of GDP." Prime Minister Victor Ponta said that shale gas exploitation in Romania is a political decision that ensures the country's energy independence and that shale gas can be the driving force of the country's economy, as it has happened in the US. "It is a political decision was made not only by Romania but also by Poland, Lithuania, if I remember correctly; because for us it is not a strictly economic problem […] it is the problem of being independent from an energy point of view. Meaning, not to be obliged to import gas. […] We are capable of being independent. Not only from Russia do we want to be independent and, furthermore, in our energy strategy we are taking into consideration the Republic of Moldavia because we hope that in a few years will have energy resources for Romania and for the Republic of Moldavia", said Ponta.

George Epurescu, "Romania without Them" (www.romaniafaraei.ro) stated: "There are shale gas in Romania but their exploitation implies a supplementary cost when compared to classic exploitation. Shale gas exploitation is a combination of mining and gas extraction, the mining part being necessary for release of the gas. These costs, as well as the consequences on health and environment, are already seen in the USA and do not make shale gas economically efficient. Chevron makes no investments in Romania, but it has exploration/exploitation costs, which means it will not create jobs or related industries. These costs must be recovered in the selling price and are covered by the citizens. The environmental destruction seen in USA means that the exploitation area becomes bare, economic activities will not exist after the exploitation is over, that is in 10 years maximum."

Cristian Parvan, general secretary of the The Businessmen's Association of Romania (www.aoar.ro) cautiously agrees with the Prime Minister's statement: "Yes, if the price of shale gas will be equal to that in the US (?!). For now, natural gas exploited with high profit cannot be delivered at this price, IMF/EC/WB forcing the administrative increase of the price with 18% in 2014. All EU reports show that, for many reasons, the price of shale gas will be at least double to the US.
Parvan also points out that Romania is according to Eurostat, three times more inefficient than the EU average with losses in the energy system estimated at 4 billion US dollars annually.

"Energy independence may be obtained if, first, we become more energy efficient (Regarding Romania's energy independence, Epurescu says it is a subject not based on science. "Energy independence must be seen in a historic context. If, until 2011 Romania exported gas, suddenly we began importing […]. The lack of any energy strategy of the government confirms the suspicions. The civilized world is full of examples of correction of energy dependence by using alternative energies and by moving consumers to night in order to efficiently use hydro energy. The so called dependence is a myth because of the stupid talk of "experts" and government, when they pretend that Romania will export gas."

Highlighting Romania's significant unconventional gas potential, the authors of the CENTGAS report conclude that proceeding with systematic exploration and exploitation is an opportunity and a necessity of the moment, providing that modern technologies are implemented and an appropriate regulatory framework reducing potential risks to acceptable values is adopted. "Considering the decrease in the production of hydrocarbons from the operational deposits, Romania has to explore and exploit new conventional and particularly unconventional oil and natural gas fields in order to meet the requirements in domestic consumption and maybe an additional quantity for export." states the report.

Polish shale gas deal expires, source says no renewal

Reuters, *31.12.2013*

Five Polish state-controlled companies said their deal to cooperate on developing the country's shale gas resources would expire on Tuesday, and according to a source close to the matter, the arrangement will not be renewed.

Gas monopoly PGNiG, copper miner KGHM and utilities PGE, Tauron and Enea agreed in 2012 to spend 1.7 billion zlotys ($566 million) on joint exploration and extraction of shale gas. But they missed a number of deadlines for mapping out details of the deal and said in separate statements that they had now let it expire. The source said there would be no renewal of the arrangement.

Neither PGNiG, which led the joint project, nor were any of the other partners immediately available for further comment. The deal's expiration adds to a series of mixed signals from the shale gas industry on its prospects in Poland, Eastern Europe's biggest economy. Enthusiasm towards unconventional gas reserves in the country faded earlier this year after three global players decided to pull out, quoting poor results, red tape and an uncertain legal landscape.

U.S. energy giant Chevron, however, joined forces with PGNiG earlier in December on shale gas exploration in Poland. Polish Prime Minister Donald Tusk attempted to revive hopes for the sector by appointing a new environment minister in November and setting him a goal of intensifying shale gas exploration. Poland launched a major push into shale three years ago when Tusk said the country would seek to produce unconventional gas on a commercial scale in 2014. The plan has suffered setbacks; however, as Poland's estimated recoverable reserves were slashed by 90 percent.

Statoil made a gas discovery in the Askja West prospect in the North Sea

Natural Gas Europe, *02.01.2014*

"We are pleased to start 2014 with a gas and oil find in the Askja West and East prospects, in the very heart of the North Sea. This demonstrates once again that even the most mature parts of the NCS still have an exciting value creation potential," May-Liss Hauknes, vice president exploration North Sea in Statoil, said in a note released on Thursday.

Norway's major together with its partners also made an oil discovery in Askja East prospect in the North Sea. 'Statoil estimates the total volumes in Askja West and Askja East to be in the range of 19 - 44 million barrels of recoverable oil equivalent,' reads the press release.

The company is the operator of exploration wells 30/11-9 S and 30/11-9 A situated in PL272. The partners are Svenska Petroleum Exploration (25%) and Det norske oljeselskap (25%). According to a note released by the Norwegian Petroleum Directorate, the two wells were drilled to respective vertical depths of 3,637 and 3,646 metres below the sea surface. The wells are the second and third exploration wells in production licence 272, which was awarded in the 2001 North Sea Awards in 2002. "Askja will be considered developed together with the Krafla and Krafla West discoveries made by Statoil in 2011," Knut Skjoldli, vice president field development in Statoil, commented.

Statfjord a restarted after leak

Upstream Online, *30.12.2013*

Statoil reboots production from North Sea platform within 24 hours of reported oil and gas leakage Statoil restarted production on Sunday from its Statfjord A platform off Norway after the facility was shut down the previous day due to an oil and gas leak, the state-owned operator said.

The North Sea platform has been remanned after about half of the 168 personnel onboard were evacuated to nearby facilities following the reported leak. "The leakage has been stopped, and the site of the leak has been found and isolated". The company had stated that production would be resumed when the cause of the leak had been established.

Libya has large gas reserves, including shale gas

Natural Gas Europe, *31.12.2013*

A conference was held on Wednesday in Tripoli organized by Sirte Oil Company and the NOC entitled "The Gas Transport Network – the present and future needs". The two-day conference looked at Libya' present gas distribution and consumption as well as its future needs.

An introduction to the present pipe network delivering gas to all the main users and consumption centres such as electricity stations and the Libyan Iron and Steel company in Misrata, was made. NOC head Nuri Berruein said "We are facing many technical and other problems such as employee issues and the various conflicts disrupting supplies.

Also because of the security situation, some sites are not working currently." However, allaying fears of shortages of gas supplies for future power generation, the NOC head said that there were "numerous likely new sources of large gas supply being explored and on the verge of being developed" such as the Fara field which could produce 160 million cubic feet and that AGOCO was also exploring gas fields in the Hamada Hamra region. He estimated that these would take about two years to develop, but felt that" by 2020 Libya would have a gas surplus". Regarding the current gas distribution network, Burreuin admitted that it was old and needed upgrading, and that there is a committee studying this. The NOC head confirmed that Libya had the "potential to produce large quantities of shale gas". He accepted that Libya did not have enough experience in this field yet, but added that Libya would acquire this experience.

Libya makes new gas discovery

Natural Gas Asia, *02.01.2014*

Libya's National Oil Corporation (NOC) has announced new gas discovery in the Ghadames basin, about 650 kilometers (404 miles) southwest of Tripoli.

NOC, Sonatrach, Oil India, and Indian Oil are part of the consortium in an Exploration and Production Sharing Agreement (EPSA IV) in area 95/96 in Ghadames Basin signed in May 2008, NOC said in a statement. The well B1-96/01 flowed at a rate of 12 million cubic feet per day of gas through 64 and 32 inch chokes in the Tadrart formation. The well is the third discovery well in this contract area.

Oil falls on signs of Libya recovery

Upstream Online, *30.12.2013*

Crude oil futures tumbled on both sides of the Atlantic on Monday on early signals that oil output in Libya may be starting to recover and concerns over a buildup in local government debt in China, the world's second-largest oil consumer, according to a report.

Brent is less than $1 from where it began in January after trading in a range of $22, while US crude has gained 8% year-to-date in spite of ever-climbing domestic shale oil production. Sarir and Messla oilfields are up and running, although the Hariga port they connect with needs to reopen before exports can resume.

The North African OPEC producer has been pumping a mere 250,000 barrels per day versus 1.4 million bpd in July before civil unrest disrupted flows. China's state auditor said in a report local governments had total outstanding debt of 17.9 trillion yuan, or nearly $3 trillion, at the end of June, a sum that includes contingent liabilities and debt guarantees. "The China debt revelation was very unsettling, and raises a big concern for the oil market's swing demand center. The resumption of some Libyan oil is also pressuring prices today," John Kilduff, partner at Again Capital LLC in New York, told the news wire.

US crude futures dropped on profit-taking after reaching a two-month high above $100 on Friday following a report showing stockpiles of crude oil had fallen for a fourth straight week, analysts said. "The market made a last gasp to push above $100, and coming into this week we didn't seem to be attracting any fresh speculative buyers into the market," said Gene McGillian, an energy analyst with Tradition Energy in Stamford, Connecticut. Brent crude shed 97 cents to settle at $111.21 a barrel after earlier hitting a low of $110.90. US crude fell $1.03 to settle at $99.29.

The price of US crude has increased 7% in December as inventories declined, although some of the drawdown may have been due to a tax incentive. "Going into 2014, people are going to see whether this drawdown in crude stockpiles was for accounting purposes, and will we start to build our inventories again," said McGillian. The spread between the two benchmarks held steady on Monday near $12, above the 2013 average of $10.57. That spread is expected to narrow as the Keystone XL pipeline is launched in the United States.

The pipeline will allow rising inventories at the Cushing, Oklahoma, and oil hub to move to the US Gulf Coast, where a large share of the country's refining capacity is concentrated. Rising violence in South Sudan, where crude output has fallen nearly a fifth to 200,000 bpd, checked further losses. Money managers raised their net long US crude futures and options positions in the week to 24 December, the US Commodity Futures Trading Commission said on Monday. The speculator groups raise its combined futures and options position in New York and London by 11,824 contracts to 325,245, equivalent to around 3.5 days' worth of global oil demand.

OOCEP to position itself as key player in Oman's unconventional energy space

Natural Gas Asia, *01.01.2014*

Oman Oil Company Exploration and Production (OOCEP), a wholly owned subsidiary of Oman Oil Company, is looking to position itself as key player in Oman's emerging unconventional oil and gas industry, said Salim al Sibani, Chief Executive Officer of the company.

Last month, BP announced that OOCEP would buy 40% stake in Khazzan tight gas project in Block 61. The state owned firm is also harnessing the tight gas potential of its own Abu Tubul field in Block 60. "We believe the unconventional resources sector, which is still in its early stages now, has a huge upside in Oman.

Our partnership with BP in the commercial development of Block 61 puts us in a very good position to address some other (unconventional) fields which fall in the same category," Al Sibani told Oman Daily Observer. According to Al Sibani, commercial production from Block 60 is expected to begin by the end of the first quarter or beginning of the second quarter of 2014. OOCEP's successful efforts in harnessing the potential of the Abu Tubul, which it acquired upon British firm BG's relinquishment of the Block in 2010, were key in positioning the company for this partnership role with BP in the development of the Khazzan field, Oman Daily Observer quoted Al Sibani as saying.

"Block 60 has allowed us to build our capabilities within OOCEP. For us here in Oman, embarking on non-conventional resources has been a key parameter in building the required knowhow. Block 60 served as a platform which allowed us to be well-positioned to partner with BP in Block 61. There is a lot of synergy (between the two fields), not so much on the size but in terms of their complexity, the knowhow needed to deal with this complexity, and management of risks. Both projects are similar on the unconventional stage: they come from the same reservoir at depths of almost 5,000 metres. The type of drilling, fraccing, deep tight completions, and so on, will be similar as well," the CEO told the newspaper.

ONGC to drill more shale gas wells in Gujarat

Natural Gas Asia, *01.01.2014*

Indian state owned oil and gas major ONGC plans to drill more shale gas wells in Cambay region of Gujarat, news agency Press Trust of India reports.

"ONGC had drilled the first well in Jambusar in the last week of October in 2013 to exploit the natural gas trapped within the shale formations located in Cambay basin, which is estimated to have a shale gas potential of 20 TCF (trillion cubic feet)," G C Katiyar, basin manager of Western Onshore Basin of ONGC, said on Wednesday, reports Press Trust. The data from the first well near Jambusar has given ONGC more leads for further exploration.

That will help the company ascertain parameters in taking up commercial productions, Katiyar said. ONGC estimates India's shale gas reserve in the range of 500 to 2000 trillion cubic meters. The company has plans to dig 30 shale gas exploratory wells across the country by 2014-15, adds Press Trust. These explorations are expected to be carried out in alliance with Conoco Philips.

Gail in talks to supply gas to Bangladesh

Natural Gas Asia, *30.12.2013*

Gail India is in talks with Bangladesh authorities to supply gas through an inter country pipeline, reports Financial Express.

According to the business daily, Gail India plans to use the Hiranandani Group's upcoming offshore liquefied natural gas terminal at Haldia, West Bengal, to import LNG from multiple sources and supply 3.6 million metric standard cubic meters per day (mmscmd) of the fuel to consumers in Bangladesh by extending the proposed 2,050-km Jagdishpur-Haldia pipeline. The state owned firm is also working on supplying LNG to Pakistan via a pipeline.

These developments indicate that even as Indian consumers like power and fertilizer units are vying for gas linkage, many of them finding LNG unaffordable, encouraging those in the LNG business like GAIL to look for markets abroad, says Financial Express. "From the Jagadishpur-Haldia pipeline we will need to add another 50- km pipeline to Bangladesh.

China’s shale gas development outlook and challenges

Natural Gas Asia, *30.12.2013*

Developing and using shale gas could alleviate fossil fuel shortfalls in China, enhance that nation’s energy security, and contribute to economic and social development. Though the government has plans to utilize its buried shale resources, significant barriers to that plan remain.

Thanks to sustained and rapid development of China’s economy, demand for natural gas has been increasing. From 2000 to 2010, China’s demand for natural gas increased from 24.7 billion cubic meters (bcm) to 107.2 bcm; the average growth rate was about 16%. Furthermore, by 2009, natural gas demand exceeded supply in the Chinese market.

China’s conventional natural gas production exceeded 100 bcm for the first time and reached 102 bcm in 2011, but the growth rate of yields was only 8.45%-lower than the average of 13.07% in the past decade. Additionally, China’s dependence upon traditional energy imports is increasing yearly. Dependence upon foreign oil reached 53.8% in 2011, and net imports of coal were about 146 million tons in 2010, with year-on-year growth of more than 41%. Natural gas imports have been steadily increasing as Chinese natural gas demand has been growing faster than that of coal and petroleum.

China’s high degree of dependence upon traditional energy imports is becoming a serious threat to the country’s energy security. Oil can be purchased from the international market; however, natural gas imports are limited by the fact that regional distribution is mainly by pipelines, which are limited in adjacent countries. It is predicted that China’s natural gas consumption will maintain an annual growth rate of 25% in the next five years and that demand will reach 170 bcm to 210 bcm in 2015. However, it is also estimated that natural gas production will be only 140 bcm in 2015, with a growth rate of only 15%, which is far below that of consumption increases. The gap between supply and demand for natural gas in China will continue to expand in 2015, reaching 50 bcm

China may raise Iran oil imports with new contract

Hürriyet Daily News, *31.12.2013*

China may buy more Iranian oil next year as a state trader is negotiating a new light crude contract that could raise imports from Tehran to levels not seen since tough Western sanctions were imposed in 2012, running the risk of upsetting Washington.

An increase would go against the spirit of November's breakthrough agreement relaxing some of the stringent measures slapped on Iran two years ago over its nuclear program. The deal between Tehran and P5+1 paused efforts to reduce Iran's crude sales but required buyers to hold to "current average amounts" of Iranian oil imports.

That agreement was seen as a reward for a softer diplomatic tone from Tehran that was forced, some U.S. officials and lawmakers say, by U.S. and EU sanctions that slashed Iran's oil exports by more than half to about 1 million barrels per day (bpd) and cost it as much as $80 billion in lost revenue. But industry sources say Chinese state-trader Zhuhai Zhenrong Corp, which was sanctioned by Washington in early 2012 for supplying gasoline to Iran, is in talks with the National Iranian Oil Company (NIOC) for a new contract for condensate.

However, it was not clear how much of the light crude would be imported through any new term deal. Zhenrong or others could also continue buying condensate through spot deals. "If they do step up imports from Iran, they are risking more sanctions from the U.S.," said a trader with a Western trading house that sells to China. "The Chinese government may make some noises if overall imports from Iran rise too much, but not if there is a slight increase." Zhenrong, an affiliate of China's defense authorities in the 1990s, acts largely as an import agent for China Petroleum and Chemical Corp, or Sinopec, whose refineries process Iranian crude.

Zhenrong also buys a small amount for a PetroChina-controlled refinery. The new condensate contract would be through a subsidiary, Tianjin Zhenrong International Energy Corp, for delivery to independent petrochemical plant Dragon Aromatics in southeast China's Fujian province, the sources said. Dragon Aromatics since around August has been buying from Zhenrong on a spot basis about 66,000 bpd of condensate produced from Iran's giant South Pars gas project. A Zhenrong spokesperson declined to comment on any negotiations and whether they ran the risk of putting the company under pressure from Washington.

"More pressure? Do you think they really care?" said a former Zhenrong trader. Zhenrong, with no investments in the United States that could be targeted, has long thought it could be folded into a larger state company as a crude oil desk and probably has few concerns about any future sanctions, he said. Besides the new deal, Iran's largest trade partner and oil customer China is set to roll over its existing import volumes of about 505,000 bpd.

Actual imports from Iran in the first 11 months of this year have been lower at 421,520 bpd, down 0.6 percent on year, according to Chinese customs figures, due to pressure from the Western sanctions. China's total imports from Iran averaged about 530,500 bpd in the year prior to the sanctions. Of the total for next year, Zhuhai Zhenrong is set to renew its annual supply deal at around 240,000 bpd, not including any new deal for condensate. “It’s almost done, and the volume will be the same,” said a trading official with direct knowledge of the supply talks. Senior Zhenrong officials may visit Tehran in the coming weeks to put final touches on the 2014 agreement, the official said. Zhenrong was set up around 1995 to take oil from Tehran in payment for arms Beijing supplied during the 1980-88 Iran-Iraq war.

It has been a commercial state-run enterprise since 1998. The balance of China's contract volumes from Iran would be going to Sinopec, through its trading vehicle Unipec. Unipec agreed with NIOC early last year to an 8-year oil contract to end-2019 to lift around 265,000 bpd, about a quarter of which is condensate, according to a second trading official. Under U.S. and European sanctions, Sinopec has been lifting below those contractual volumes to win waivers to the U.S. measures every six months, with one official estimating the cut at 11-13 percent. Sinopec has filled the gap mainly with Iraqi and Russian supplies. Waivers for China, India and South Korea were extended in November. China’s waiver, together with November’s diplomatic breakthrough, may have taken some pressure off the U.S.-listed Sinopec, the world’s single largest Iranian oil processor, to make further cuts.

“It’s at Sinopec’s discretion to decide whether to perform the contractual volume,” said a second trading official. “But the contract is there, signed through end of 2019.” A Sinopec spokesperson said he was not aware of the contract and was unable to comment. Since November, Sinopec has loaded slightly above contractual rates following a meeting the previous month between Iran’s deputy oil minister Ali Mojedi and a Sinopec executive in charge of trading, said the second official. But Sinopec may not risk raising imports significantly higher before more progress is made on easing sanctions on Iran. ”There are still potential risks without signs of sanctions being lifted in a meaningful way,” said a procurement official with a Sinopec refinery.

Far east energy continues to see higher gas output at China CBM block

Natural Gas Asia, *31.12.2013*

Far East Energy has reported continuous rise in gas production from the Shouyang block in Shanxi province of China.

According to the company, gas production at Shouyang for December 29, 2013 reached 1,569,270 cubic feet per day (1,569 Mcf/d), up 11% from the date of the last release on December 20, 2013, and up 113% from the 738 Mcf/d produced during the week ended November 12, 2013. “We are now beginning to see the potential of the Shouyang block and the production characteristics of a high permeability CBM reservoir,” said CEO Mike McElwrath.

He added that in conjunction with the gas price rise already announced for 2014, when the company will be receiving a price of approximately $9.00/Mcf, the higher production figures should translate into improved sales revenues in 2014. “We remain very active in the field having tied 15 wells into the gathering and sales system in the last 14 days, with another seven wells scheduled to be tied in over the next 10 days,” he concluded.

Woodside, Japan Australia LNG terminate browse LNG gas sales deal

Natural Gas Asia, *01.01.2014*

Woodside and Japan Australia LNG (MIMI) have terminated the sales and purchase agreement (SPA) for around 1.5 million tonnes of LNG a year from the Browse LNG development.

The SPA was conditional upon a final investment decision on Browse being taken by 31 December 2013. “As a result of the Browse joint venture participants deciding not to proceed with an onshore development and to enter Basis of Design for a floating LNG development concept, both parties recognise that this condition will not be satisfied to meet foreseen investments.

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Petrobras starts at Roncador

Upstream Online, *02.01.2014*

Brazil's state-run oil company Petroleo Brasileiro SA has started production from its P-55 platform in the offshore Roncador field, the company said in a statement on Wednesday.

The platform started operating on Tuesday and will be linked to 11 oil-producing wells in the field in the Campos Basin. P-55 is expected to process 180,000 barrels of oil and compress 6 million cubic meters of natural gas per day. Brazil's oil regulator, ANP, last year asked Petrobras to increase production in Roncador, one of Brazil's older fields where output had been declining.

Petrobras is responsible for 90% of Brazil's oil needs. Bringing the platform online was a priority in the company's $237 billion five-year investment plan, the world's largest corporate spending program. Petrobras said the 52,000-tonne P-55 is the largest semi-submersible platform built in Brazil.

Oil prices start year with rise on demand hopes

Einnews, *02.01.2014*

Oil prices started the new year Thursday with a gain amid hopes for stronger demand following a 7 percent surge in 2013. Benchmark oil added 28 cents to $98.70 on the New York Mercantile Exchange.

Hopes for the solid demand in coming months are pegged to the signs of a recovery in the U.S., which is expected to help revive other major global economies. Brent crude, a benchmark used to price international crudes used by many U.S. refiners, added 28 cents to $111.08. In other energy futures trading: Natural gas futures were little changed at $4.24 per thousand cubic feet.

Heating oil was also little changed at $3.07 a gallon. Wholesale gasoline was unchanged at $2.79 a gallon.

Announcements & Reports

► *Quarterly Coal Report (July – Sep. 2013)*

Source : Energy Information Administration
Weblink : http://www.eia.gov/coal/production/quarterly/pdf/qcr.pdf

► *Shale Oil and Gas Brief*

Source : Energy Information Administration
Weblink : http://www.eia.gov/todayinenergy/detail.cfm?id=14431

► *Petroleum Marketing Monthly (Oct. 2013)*

Source : Energy Information Administration
Weblink : http://www.eia.gov/petroleum/marketing/monthly/pdf/pmmall.pdf

► *Petroleum Supply Monthly (Dec. 2013)*

Source : Energy Information Administration
Weblink : http://www.eia.gov/petroleum/supply/monthly/

► *Nigeria Country Analysis Brief*

Source : Energy Information Administration
Weblink : http://www.eia.gov/countries/analysisbriefs/Nigeria/nigeria.pdf

► *IEA Journal 2013*

Source : International Energy Agency
Weblink : http://www.iea.org/media/ieajournal/IEA_ENERGY_Issue5.pdf

Upcoming Events

► *International Petroleum Technology Conference*

Date : 19 – 22 January 2014
Place : Doha – Qatar
Website : http://www.iptcnet.org/2014/doha/index.php

► *European Unconventional Gas Summit 2014*

Date : 28 – 30 January 2014
Place : Vienna – Austria
Website : http://www.theenergyexchange.co.uk/event/european-unconventional-gas-summit-2014#tab-country1

► *CIPPE 2014*

Date : 19 – 21 March 2014
Place : Beijing – China
Website : http://www.cippe.com.cn/2014/en/

► *Unconventional Gas Aberdeen 2014*

Date : 25 – 26 March 2014
Place : Aberdeen – UK
Website : http://www.unconventionalgasaberdeen.com/

► *8th Atyrau Regional Petroleum Technology Conference*

Date : 1 – 2 April 2014
Place : Atyrau – Kazakhstan
Website : http://www.oiltech-atyrau.com/

► *TUROGE 2014*

Date : 9 – 10 April 2014
Place : Ankara – Turkey
Website : http://www.turoge.com/

► *13th Uzbekistan International Oil & Gas Exhibition*

Date : 13 – 15 May 2014
Place : Tashkent – Uzbekistan
Website : http://www.oguzbekistan.com/

► 5th Turkmenistan Gas Conference

Date : 21 – 22 May 2014
Place : Ashgabat – Turkmenistan
Website : http://www.turkmenistangascongress.com/

► 21st Caspian International Oil & Gas Exhibition

Date : 3 – 6 June 2014
Place : Baku – Azerbaijan
Website : http://www.caspianoil-gas.com/

► 4th Erbil Oil & Gas International Exhibition

Date : 1 – 4 September 2014
Place : Erbil – Iraq
Website : http://www.erbiloilgas.com/

► South Russia Oil & Gas Exhibition

Date : 2 – 4 September 2014
Place : Krasnodar – Russia
Website : http://oilgas-expo.su/

► 2nd East Mediterranean Oil & Gas Conference

Date : 9 – 10 September 2014
Place : Paphos – Greek Cyprus
Website : http://www.eastmed-og.com/Home.aspx