



GAS



Nabucco crisis pits Turkey against the EU and Azerbaijan

Date : 14.03.2008

Source : Turkish Daily News (Barcin Yinanc)

<http://www.turkishdailynews.com.tr/article.php?enewsid=98941>

Turkish government's ambition to maximize its profit from the Nabucco pipeline jeopardizes the realization of the project. Turkey's stance over the pricing mechanism angers Azerbaijan, while it also complicates negotiations with the EU. Instead of asking for a standard transit fee at internationally commercial prices, Turkey wants to have the ability to sell the gas it receives.

The perception in the world is that Turkey sees this route as a monopoly route, hence it asks a monopoly price. This is counterproductive. For a small amount of money, Turkey gains many enemies, say energy experts. *"European consumer countries want to buy directly from the suppliers. But the government wants to buy the gas from suppliers and sell it to European consumers at a different price. The EU obviously objects to this,"* said a Turkish diplomat. *"The Energy Ministry has this ambition of making Turkey an energy hub, instead of an energy transit hub,"* said another official from the Foreign Ministry.

"There is nothing wrong in Turkey being an energy hub, as long as it adds extra value to it, by building new refineries and petrochemical industries," said John Roberts, an energy security expert in London. *"But if, what Turkey understands from becoming an energy hub is to ask to pay Turkey a premium, just because the oil and gas go via Turkey, than that would be a terrible mistake,"* he said in a telephone interview. *"Every transit country, like Bulgaria, Romania, Hungary, will all want exactly the same thing with exactly the same justification,"* he added.

"Turkey has to provide us a transparent mechanism on the issue of transit fees. So far it has not formally presented a proposal to us," said a European diplomat. *"But the real problem are Turkey's additional requests. It wants a certain amount of gas to be provided for Turkey and at a cheaper price with the argument that it is closer geographically. But this is forced sail. It goes against EU norms,"* said the same official who asked to remain anonymous.

The European Commission's Special Representative Jozias Van Aarsten was in Ankara a few weeks ago but left Turkey without reaching a compromise. *"We have been hearing that the EU's patience is running thin and that at any moment they can come with a 'take it or live it' attitude,"* said a Turkish diplomat.

"The real concern with Russia is its attitude to act as a monopolist power. Once Turkey starts acting like a monopolist power, producers and consumers will start looking elsewhere. The Azeri government is extremely angry at Turkey's request. It has already started looking for alternatives," said Roberts. The Energy Ministry's position is, *"Europe is dependent on us, they cannot drop us,"* according to sources familiar with the issue.



Eureka ends Bismil exploration well with P&A

Date : 13.03.2008

Source : Upstream Online

<http://www.upstreamonline.com/live/article150522.ece>

Eureka Energy confirmed the Koyunlu–2 exploration well on the Bismil project in Turkey would be plugged and abandoned after failing to find commercial oil. The well was drilled to 1311 metres with minor oil shows in the targeted Beloka and Mardin formations, but testing of the lower 200 metres of the well produced no oil.

The company said a further 56 kilometres of 2D seismic had been shot to the east of the Koyunlu–2 site to investigate further structural trends in the Garzan, Mardin and Bedinan formations. The Bismil project is operated by Turkish explorer ARAR with a 55% stake. Eureka has a 20% stake in the Koyunlu–2 well.



Iraq still not recognizing deals between KRG and IOCs

Date : 11.03.2008

Source : Oil & Gas Journal (Eric Watkins)

http://www.ogj.com/display_article/322683/120/ARTCL/none/GenIn/1/Iraq-still-not-recognizing-deals-between-KRG-IOCs/

Iraq has repeated its refusal to recognize any agreements signed between the KRG and IOCs. Oil Minister Hussain al-Shahristani said, *“The central government is in charge of the administration of natural resources, and agreements not approved by the central government will not be recognized.”*

KRG already approved several contracts with international oil companies, including Crescent Petroleum, Reliance Industries Ltd., OMV AG and a consortium led by state-run Korea National Oil Corp. The Iraqi oil ministry considers such agreements illegal and has threatened to exclude and blacklist participating IOCs from future opportunities in the country.

As of Dec. 31, 2007, the Iraqi oil ministry suspended SK Energy’s term contract to import Basra oil because it refused to abandon its exploration project in the region as part of the KNOC consortium. Last month, KRG Prime Minister Nechirvan Barzani planned to lead a delegation to Baghdad for talks with Iraqi Prime Minister Nuri al-Maliki on the status of the Oil and Gas Law, as well as recent and pending contracts KRG signed with international oil companies.



Güler met Macedonian Minister on energy

Date : 14.03.2008

Source : Turkish Daily News

<http://www.turkishdailynews.com.tr/article.php?newsid=98963>

Hilmi Güler, Minister of Energy and Natural Resources, met Macedonian Minister Adnan Kahil. *"Macedonia is a country rich in natural resources and it is located in a strategic location since geographically it is on the energy route, like Turkey,"* said Güler, adding, *"We want to cooperate with Macedonia on projects concerning electric energy, natural gas pipelines and mining."*



Iraq PM Advisor: Majors will accept service contracts

Date : 13.03.2008

Source : Rigzone (Monica Mark)

http://www.rigzone.com/news/article.asp?a_id=58279

Thamir Abbas Ghadhban, who is a former oil minister, said he was certain international oil companies would accept service contracts... for already discovered oil fields *"in view of their geological characteristics, their very great potential, their low production costs and the current and future level of oil prices."*

While production-sharing contracts, or PSCs, wouldn't be considered an option by anyone 'of sane mind,' for these oil fields, the government would have to decide if they were appropriate in areas under explorations -including the Western Desert region- Ghadhban said. The exploration risks for companies involved in areas such as the Western Desert are compounded by the fact that that even basic infrastructure is practically nonexistent.

Royal Dutch Shell PLC, BP PLC, ExxonMobil Corp. and Chevron Corp. are among the majors expected to sign Technical Support Agreements with Iraq over the coming few weeks. The Iraqi Oil Ministry has said more than 70 companies are lined up to sign service contracts over the next 18 months.

The contracts, which allow the companies develop a country's oil industry in exchange for oil or a much smaller percentage of revenue than when production is shared, are seen as a stop gap until a national oil law governing the distribution of Iraq's oil resources is agreed between Baghdad and the KRG. Attempts to ratify the law have been hampered by political and ethnical complications in the region. *"I think there is still the possibility of compromise on the text. The differences between the two sides are not huge,"* Ghadhban said. However he didn't give a time frame, saying it wasn't possible to predict when the such an agreement might be reached. *"In the current situation in Iraq, delays in the decision-making process are frequent,"* he added.

OIL



Oil hits new record of \$111 on dollar slump

Date : 14.03.2008

Source : Today's Zaman (Reuters)

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=136357>

Oil rose to a fresh record high on Thursday, hitting new peaks for the seventh trading day, as a weak dollar overshadowed an increase in US crude inventories. US crude for April delivery struck a new high of \$111.00 a barrel. London Brent crude for April, which expires on Friday, also hit a new peak at \$107.88.

The dollar dropped to a 12-year low against the yen and a record low versus the euro on Thursday on uncertainty about the long-term impact of the Federal Reserve's efforts to ease strained credit and money markets. Investors have rushed into commodities to hedge against inflation and the softening dollar. That has contributed to oil's rally, despite concerns over a recession in top oil consumer the United States and rising fuel inventories.

Oil prices rebounded after a drop on Wednesday caused by US government data that showed crude stocks rose more than expected last week and gasoline stocks were at a 15-year high.

GAS



Gazprom pushed to pay more

Date : 13.03.2008

Source : Upstream Online

<http://www.upstreamonline.com/live/article150553.ece>

Kazakhstan wants Gazprom to pay more for the transit of Turkmen and Uzbek gas in 2009 when the latter states start charging more for their gas, the head of the Kazakh state energy firm said. Gazprom said last week it had agreed to buy gas from Uzbekistan, Kazakhstan and Turkmenistan at prices close to that it charges European customers, minus transport and other costs.

"If the gas we buy becomes more expensive then, logically, the tariff will also grow," Uzakbai Karabalin, head of state oil and gas firm KazMunaiGas told Reuters. This year Kazakhstan raised the transit fee to \$1.4 per 1,000 cubic metres per 100 kilometres from \$1.1, following price increases by both Turkmenistan and Uzbekistan that sell their gas to Gazprom.

Turkmenistan exports about 50 billion cubic metres of gas a year. Uzbekistan sells about 9 Bcm while Kazakhstan shipped abroad 7 bcm last year. Kazakhstan uses a small amount of the natural gas going through its territory to power its pipeline pumps.

IEA Monthly Oil Survey

Source : IEA (International Energy Agency)
Weblink : <http://www.iea.org/Textbase/stats/surveys/oil surv.pdf>

IEA Monthly Natural Gas Survey

Source : IEA (International Energy Agency)
Weblink : <http://www.iea.org/dbtw-wpd/Textbase/stats/surveys/natgas.pdf>

❖ COS 2008

China Offshore Summit 2008

Date : April 2 – 3, 2008
Place : Beijing – China
Website : www.chinaoffshoresummit.com
Contact : Michael Yuan (+86 21 5236 0030)



❖ GIOGIE 2008

7th Georgian International Oil, Gas, Energy Infrastructure Conference & Showcase

Date : April 3 – 4, 2008
Place : Tbilisi – Georgia
Website : www.giogie.com
Contact : Siobhan Enright (+44 207 596 5166)



❖ MPGC 2008

16th Annual Middle East Petroleum & Gas Conference

Date : April 6 – 8, 2008
Place : Doha – Qatar
Website : www.cconnection.org/mpgchome.htm
Contact : Conference Connection Group (+65 62 220230)



❖ CIPPE 2008

8th China International Petroleum & Petrochemical
Technology and Equipment Exhibition

Date : April 7 – 9, 2008
Place : Beijing – China
Website : www.cippe.com.cn
Contact : Joanna Qiao (+86 10 58 236588)



❖ SYROIL 2008

6th Syrian International Oil & Gas Exhibition

Date : April 7 – 10, 2008
Place : Damascus – Syria
Website : www.syroil.com
Contact : Allied Expo (+963 11 332 4801)



❖ African Petroleum

5th Annual African Petroleum Forum

Date : April 9 – 11, 2008
Place : London – UK
Website : petro21.com/events/index.cfm?id=319
Contact : Duncan Clarke (+31 70 324 6154)



❖ Atyrau Oil & Gas 2008

7th Regional Oil & Gas Exhibition

Date : April 9 – 11, 2008
Place : Atyrau – Kazakhstan
Website : www.atyrauoilgas.com
Contact : Angela Kourtidou (+44 (0) 207 5965078)



❖ EMBT Conference

2nd International Evolving Multiphase Boosting Technology
Conference

Date : April 16 – 18, 2008
Place : Hannover – Germany
Website : www.embt-conference.com
Contact : Angela Kohlmeier (+49 5724 3902330)



❖ Oil & Gas West Asia

Oil, Gas, Refining and Petrochemical Exhibition & Conference

Date : April 21 – 23, 2008
Place : Muscat – Oman
Website : www.ogwaexpo.com
Contact : Oman Expo (+968 24 790333)

