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Iran to hold South Pars talks with Turkey

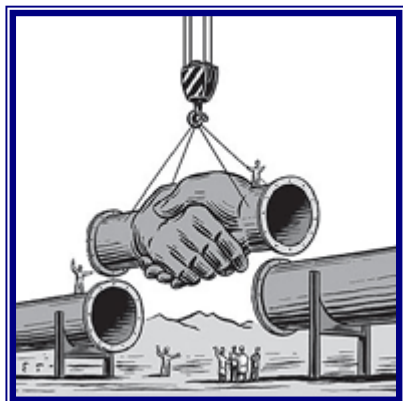
Date : 20.05.2008

Source : Turkish Daily News (Bloomberg)

<http://www.turkishdailynews.com.tr/article.php?enewsid=104930>

Iran will hold talks with Turkey this month for the development of its South Pars gas field. Iran plans 'to cede the development of the phases 22 to 24 of the South Pars field to Turkey,' Iranian newspaper Sarmayeh said, citing Seifollah Jashnsaz, Managing Director of National Iranian Oil Co.

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Azeri gas agreement to be signed in May

Date : 15.05.2008

Source : Today's Zaman

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=141884>

Azerbaijani Minister of Industry and Energy Natig Aliyev said Azerbaijan, Turkey, Greece and Italy will sign an agreement at the end of May allowing the transportation of Azeri natural gas to the European market through Turkish territory.

Aliyev was speaking at a meeting with Robert Lombardi, head of the EGL Group, a well-known Swiss energy and construction conglomerate that is also working with StatoilHydro on a Trans-Adriatic pipeline project to carry natural gas from Greece via Albania to Italy.

The European Union is planning to form an inter-governmental coordination council on gas pipeline issues to step up the level of cooperation between project member countries. Aliyev stated that Azeri representation on the council would be a significant step toward securing his country's energy interests.



Iraq to accept more companies to bid for oil deals

Date : 19.05.2008

Source : Rigzone (Dow Jones Newswires)

http://www.rigzone.com/news/article.asp?a_id=62054

Iraq is planning to issue a new list of pre-qualified international companies, a spokesman for the Iraqi Oil Ministry. Last April, Iraq accepted 35 companies to compete for hydrocarbon contracts out of 120 firms that applied to the ministry.

“There will be another invitation for companies to submit their qualification documentation to compete for the development of smaller oil and gas fields,” Assem Jihad told Dow Jones Newswires. “There is another chance for companies to compete for the second round of licenses,” he added.

Jihad said the 35 companies announced in April would compete for the development of Iraq’s large oil fields. The ministry is expected to announce the first round of tenders to develop these oil fields in the second half of the year, Iraqi oil officials have said.

The ministry spokesman didn’t specify when the ministry would issue the new invitation for companies to send their documentation for qualification, but said it would be as soon as the ministry finished awarding the first round of tenders to develop large oil fields. “We don't know yet when we will invite companies for the second round of licenses but it will be immediately after the conclusion of the first round of tenders,” Jihad said.

Iraq is currently in the final stages of striking what are called Technical Services Contracts with oil majors to help boost crude oil production in the country’s largest producing fields. Iraqi oil sources said these Technical Services Contracts, or TSCs, could be signed as early as June. Each would last two years and could be extended for another year.

Iraq wants to boost production by 600,000 barrels a day in six producing oil fields in northern and southern Iraq. They are Kirkuk in the north, West Qurna 1, Zubair, Missan, Rumaila and Luhais in the south.

Iraq is currently producing between 2.3 million and 2.4 million barrels a day of oil, a tiny fraction of its 115 billion barrels of proven crude reserves, the world's third largest. Iraqi oil officials have estimated the value of each TSC to be around \$500 million



Crucial gap widens on energy

Date : 12.05.2008

Source : Turkish Daily News (Bloomberg)

<http://www.turkishdailynews.com.tr/article.php?enewsid=104202>

Turkey's current-account deficit widened in March, driven by higher prices for imports of fuel and raw materials. The gap expanded to \$4.2 billion from \$3 billion in March 2007. The deficit was forecast at \$3.9 billion, according to the median estimate of 14 economists in a Bloomberg e-mail survey.

Turkey imports nearly all of its energy and rising global oil prices may push the cumulative current-account deficit to a record \$50 billion at the end of this year, Economy Minister Mehmet Şimsek said on April 29. "Energy costs are pushing up the trade deficit, unfortunately we have nothing to balance it with," said Şengül Dağdeviren, economist for Oyakbank.

The deficit in the 12 months to March reached \$40.4 billion, compared with \$37.6 billion at the end of 2007. The deficit last year was equivalent to about 5.7 percent of gross domestic product. Crude oil prices rose to about \$104 a barrel in March from \$66 a year earlier.



Oil Search Ltd. expands exploration in Northern Iraq

Date : 13.05.2008

Source : Turkish Daily News (Bloomberg)

<http://www.turkishdailynews.com.tr/article.php?enewsid=104287>

Oil Search Ltd., Papua New Guinea's biggest oil producer, took a stake in an oil exploration venture in Northern Iraq as it focuses its Middle East business on areas that offer the potential for larger finds.

Turkey's Petoil and another company, yet to be arranged, will also have stakes in the venture. The Shakal license area has the potential to contain about 250 million barrels of oil. Oil Search Ltd. has an 18.75 percent stake in the venture, operated by Prime Natural Resources, while the semi-autonomous government in the north will take 20 percent of the venture's revenue. The oil supplier has a stake in an existing exploration venture in northern Iraq, the Bina Bawi production sharing contract.



Turkey and Austria prepare for cooperation on energy

Date : 22.05.2008

Source : Turkish Daily News (Begüm Gürsoy)

<http://www.turkishdailynews.com.tr/article.php?enewsid=105161>

Turkish and Austrian ministers and presidents discuss cooperation in energy and Nabucco project in separate meetings Tuesday. Austrian energy company OMV plans to cooperate with Turkey both domestically and internationally.

The energy issue came up during Austrian President Heinz Fischer's visit to Turkey, during which OMV also opened discussions with the Turkish Energy Ministry, the Turkish Daily News has learned. The plan discussed is for Turkey to cooperate with OMV in the Turkish domestic market, and to establish international energy links.

The TDN learned that OMV has plans to supply natural gas to Turkey's neighbors, carry out searches for gas and commence production in the area. The company also wants to cooperate with Romania, and to increase its operations in Austria. However, it apparently perceives Turkey as its most serious potential market.

The construction of the pipeline is expected to commence next year. However the issue of which nation's gas will be pumped through the new line remains uncertain. The parties said that the supply issue is the most urgent problem to be solved, and that construction cannot start before the needed supply of gas can be guaranteed. The Energy Ministry said it is also waiting for a guarantee as to the actual cost of the project. Given that a major part of the pipeline will pass through Turkey, the cost is particularly important to the country.

Austrian Economic Affairs Minister Martin Bartenstein reiterated that his country attaches great importance to the Nabucco project during his meeting with Energy Minister Hilmi Güler Tuesday. He said Austria is working hard to pump the first gas in 2012 or 2013. "It is time to finish the project," he said.

Due to the prospect of Azerbaijani-Turkmen cooperation in energy, the natural gas supplies of both countries have garnered new attention. The TDN learned that the United States asked for Turkey's help in creating a rapprochement between the two countries, which have had tense relations for years. Their decision to cooperate on energy would be very important to the goal of sending Turkmen gas to Europe through Nabucco.



Gazprom sells 21 bcm of Nord Stream gas to EU companies

Date : 08.05.2008

Source : Platts

<http://www.platts.com/Natural%20Gas/News/8718734.xml?p=Natural%20Gas/News&sub=Natural%20Gas>

Russia's Gazprom has already sold a total of 21 billion cubic meters of gas on long-term contracts due to be delivered to Europe via the planned Nord Stream gas pipeline from 2011, a senior Nord Stream official said.

Paul Corcoran, financial director of the Nord Stream consortium, told Platts in an interview that European companies including Denmark's DONG, Gaz de France, Germany's E.ON Ruhrgas, Gazprom's own UK gas marketing subsidiary and Wintershall/Gazprom venture Wingas had booked gas from the line. "We have a ship or pay agreement with Gazprom Export for 100% of the capacity, so the capacity in the line is already sold," he said. "We understand that Gazprom has already sold 21 bcm of the gas on long-term contracts."

Nord Stream will consist of two parallel 1,220 km, 27.5 bcm/year gas pipelines linking Russia directly to Germany, crossing economic zones controlled by Denmark, Finland and Sweden. Construction is set to begin in the summer of 2009, and the first line is due to start operations in 2011, with the second expected to come onstream in 2012, Corcoran said.

Nord Stream will also not be subject to any EU regulations on Energy transportation, such as allowing third-party access to the pipeline. "Because it's an exit point, it's not a network, there's not a possibility to transport within the EU, it is not subject to EU regulation," Corcoran said. At present, Corcoran said, Nord Stream has no plans either to build any offshoot pipelines from Nord Stream in the future. "We have no offshoots, spurs planned. But it is a very simple step to tap into the pipeline. Spur lines, if required could be built."

Nord Stream has previously come under fire from the three Baltic states of Estonia, Latvia and Lithuania, as well as Poland, which have all criticized the project for its potentially harmful environmental impact during the building phase. Corcoran also confirmed the latest budget estimate for the project at Eur7.4 billion (\$11.4 billion). "We expect to come in below this," he said, adding that 30% of the funding would be supplied by the shareholders, with the remaining 70% to come from financial institutions. Gazprom owns 51% of Nord Stream, while E.ON Ruhrgas has 20%, Wintershall 20% and Dutch Gasunie 9%.



Crude oil passes \$130/bbl, may hit \$150/bbl

Date : 21.05.2008

Source : Oil & Gas Journal (Sam Fletcher)

[http://www.ogj.com/display_article/329443/120/ARTCL/none/GenIn/1/MARKET-WATCH:-Crude-passes-\\$130/bbl,-may-hit-\\$150/bbl/](http://www.ogj.com/display_article/329443/120/ARTCL/none/GenIn/1/MARKET-WATCH:-Crude-passes-$130/bbl,-may-hit-$150/bbl/)

Energy prices hit new highs May 20 and continued climbing after former oilman Boone Pickens predicted crude futures will reach \$150/bbl this year because there is not enough supply to meet demand.

Pickens, founder and chairman of BP Capital LLC in Dallas, claimed producers are running out of oil. The new front-month crude contract for the first time broke through the \$130/bbl barrier in after-hours electronic trading. The July contract peaked at an overnight high of \$130.47/bbl and remained above the \$130 mark in early trading May 21 – “up more than a dollar from where the June contract expired,” said analysts at Pritchard Capital Partners LLC, New Orleans.

The Energy Information Administration reported May 21 that commercial inventories of benchmark US light, sweet crudes fell 5.4 million bbl to 320.4 million bbl in the week ended May 16. The consensus among Wall Street analysts was for a 500,000 bbl increase. Gasoline stocks declined 800,000 bbl to 209.4 million bbl, vs. expectations of a 300,000 bbl build. Distillate fuel inventories gained 700,000 bbl to 107.8 million bbl, half the increase anticipated by analysts. Propane and propylene inventories increased 2.7 million bbl to 34 million bbl.

Imports of crude into the US dropped 696,000 b/d to 9.2 million b/d in that same period. Input of crude into the US refining system inched up by 29,000 b/d to 15.1 million b/d, with refineries operating at 87.9% of capacity. Gasoline production increased to 9 million b/d while distillate fuel production decreased to 4.3 million b/d. Meanwhile, the US dollar fell 1% to \$1.57 against the euro. The value of the dollar has been in decline since September when the US Federal Reserve began cutting interest rates on overnight loans to banks in an effort to avoid recession.

In an apparent play to assure constituents they are taking some action against rising prices, the US House of Representatives passed legislation to stretch US antitrust laws to include members of the Organization of Petroleum Exporting Countries. The Bush administration opposes the bill. Critics claim that targeting OPEC investments in the US as a source of damage awards in such cases would spark retaliations that could result in an embargo of OPEC oil to the US.



Kazakhstan seeks oil export routes

Date : 22.05.2008

Source : Upstream Online

<http://www.upstreamonline.com/live/article155389.ece>

Kazakh Deputy Energy Minister Lyazzat Kiinov said today Kazakhstan is seeking new routes to Europe for its increasing oil and gas exports, partly in an effort to free itself from an oil pipeline to Russia's port of Novorossiysk.

"Kazakhstan has a huge export capacity and we are studying all possible ways to increase shipments," Bloomberg quoted Kiinov as saying. Kiinov said the country will seek to produce as much as 130 million metric tons of oil in 2015. Kazakhstan pumped 66.1 million tons in 2006, Bloomberg said, referring to BP.

Kiinov said projects to export 2 million tons of liquefied natural gas by the end of 2015 are also under consideration. He said the country has reserves of as much as 8 trillion cubic metres of gas.



Turkmen and Azeri leaders vow to expand ties

Date : 21.05.2008

Source : Today's Zaman (AP)

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=142461>

Azerbaijan's Ilham Aliyev and his Turkmen counterpart Gurbanguli Berdymukhamedov said their first talks, in Baku, resulted in several deals, including one on a transport corridor, and an agreement to resolve border disputes.

The ex-Soviet states restored ties in March, seven years after a dispute over oil fields in a border area in the Caspian Sea where they have long shorelines on opposite sides. Their talks offer new hope for building oil and gas pipelines from Central Asia that would cross under the Caspian, circumventing Russia, and connect to Europe through Azerbaijan and Turkey. The European Union and the United States have backed the project that Russia fiercely opposes.

 **Turkish LPG Market Report – 2007**

Source : EMRA

Weblink : <http://www.epdk.org.tr/english/reports/lpg2007/2007lpgmarketreport/2007lpgmarketreport332.pdf>

 **EMRA Activity Report – 2007**

Source : EMRA

Weblink : http://www.epdk.org.tr/yayin_rapor/yillik/2007/2007.pdf

 **Exploration Opportunities in Black Sea (Play and Prospect Concepts)**


Source : TPAO

Weblink : <http://www.tpa.gov.tr/v1.4/>

 **OPEC Monthly Oil Market Report – May 2008**

Source : OPEC

Weblink : <http://www.opec.org/home/Monthly%20Oil%20Market%20Reports/2008/pdf/MR052008.pdf>

 **OPEC Bulletin – March & April 2008**

Source : OPEC

Weblink : http://www.opec.org/library/OPEC%20Bulletin/2008/pdf/OB03_042008.pdf

❖ **MidEast Oil Week 2008**

5th Middle East Upstream Conference

Date : May 27 – 28, 2008
 Place : Dubai – UAE
 Website : petro21.com/events/index.cfm?id=325
 Contact : Duncan Clarke (+31 70 324 6154)



❖ **Kuwait Oil & Gas**

Kuwait Oil & Gas Conference and Exhibition

Date : May 27 – 29, 2008
 Place : Kuwait – Kuwait
 Website : www.kuwait-oil.com
 Contact : Kuwait Ministry of Energy (+965 4335391)



❖ **Caspian Oil & Gas 2008**

15th Caspian Oil & Gas Exhibition & Conference

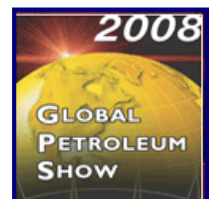
Date : June 3 – 6, 2008
 Place : Baku – Azerbaijan
 Website : www.caspianoilgas.co.uk
 Contact : Siobhan Enright (+44 (0) 20 7596 5166)



❖ **Global Petroleum Show 2008**

20th Global Petroleum Show

Date : June 10 – 12, 2008
 Place : Calgary – Canada
 Website : www.petroleumshow.com/globalpetroleum/
 Contact : Lesley Stevenson (+403 209 3555)



❖ **GTA 2008**

Asian Gas Technology Exhibition

Date : June 11 – 13, 2008
 Place : Kuala Lumpur – Malaysia
 Website : www.gastechnologyasia.com
 Contact : Malaysian Exhibition Services (+603 4041 0311)



❖ Atlantic Canada 2008

Atlantic Canada Petroleum Show

Date : June 18 – 19, 2008
Place : St. John's Newfoundland – Canada
Website : www.petroleumshow.com/acps/
Contact : Monte Sumner (+403 209 3552)



❖ RPGC 2008

6th Russian Petroleum Congress

Date : June 24 – 26, 2008
Place : Moscow – Russia
Website : www.russianpetroleumcongress.com
Contact : Veronica Zhuvagena (+44 (0) 207 596 5269)



❖ WPC 2008

19th World Petroleum Congress

Date : June 29 – July 3, 2008
Place : Madrid – Spain
Website : www.19wpc.com
Contact : Ivaylo Ivanov (+44 (0) 207 596 5136)

