



GAS



Russia boosts gas exports to Turkey after blast

Date : 28.05.2008

Source : Turkish Daily News (AFP)

<http://www.turkishdailynews.com.tr/article.php?enewsid=105710>

“Gazprom has increased supplies of Russian gas from 22 to 30 million cubic metres per day through the Blue Stream gas pipeline after an accident on a gas pipeline lowered supplies of Iranian gas to Turkey,” the spokesman said.

“Gazprom took this decision after a request from Ankara,” he added. The blast, the cause of which remains unknown, occurred 13 kilometres from the Iranian border in the eastern Turkish province of Agri overnight Monday, the state-run BOTAS gas company said in a statement. Turkish authorities have cut the gas flow through the pipeline, which usually amounts to 29 million cubic metres a day.

OIL



Socar & Turcas to take over Petkim today

Date : 30.05.2008

Source : Turkish Daily News

<http://www.turkishdailynews.com.tr/article.php?enewsid=105944>

As the government received an initial \$1.02 billion for the strategic petrochemicals giant Petkim, the handover of the company's assets to buyers is expected to take place today.

The state asset-sales agency is holding talks with Turcas and Socar on how the remaining payment will be implemented, reported Bloomberg citing a spokeswoman for the agency. Negotiations include a requirement for Turcas and Socar to provide a bank guarantee underwriting the outstanding \$1.02 billion, which may be paid in as many as three installments, the spokeswoman said.

As Turcas Chairman Erdal Aksoy had previously noted, it is planned that the investments for Petkim will total \$2 billion by 2013. Among the future plans are a new refinery which would be established with an investment of \$3-4 billion to process 6-8 million tons of crude oil annually aswell as doubling the capacity.



Shell to be partner in Samsun – Ceyhan project, deal in June

Date : 27.05.2008

Source : Today's Zaman

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=143057>

Royal Dutch Shell will become a partner on the Samsun – Ceyhan oil pipeline project. Çalık Enerji and Eni S.p.A. have formed a 50/50 joint venture known as the Trans-Anatolian Pipeline Company (TAPCO) to build and operate the pipeline.

Two sources told Reuters yesterday that Shell's purchase of shares from TAPCO has been negotiated and that feasibility studies have almost been completed for the project. The same sources said an agreement on the partnership is expected by the end of June.

Shell could buy either from Eni or Çalık's shares, according to sources. Indian Oil had revealed at the end of 2006 that it would have a 12.5 percent share in the project, but the company has not yet been listed as part of TAPCO. Running north-south across Turkey, the Samsun-Ceyhan pipeline saw construction begin in April of last year, and its aim is to reduce oil tanker traffic on the Bosphorus. Expected to cost \$1.5 billion, the pipeline will be 555 kilometers in length. The TAPCO project is expected to produce 1 million barrels of oil per day when operations begin and as much as 1.5 million barrels per day by 2010.

Shell and Eni are also partners in the Caspian Oil pipeline consortium, which was established to carry oil produced in the Kashagan region of Kazakhstan. The daily oil production of Kazakhstan is more than 1.3 million barrels and its export volume exceeds 1 million barrels per day, with most of this transported via the Black Sea, the Bosphorus and the Dardanelles.

Sources said a 'throughput guarantee' would be provided by the multi-member consortium, including Shell, Eni and the Offshore Kazakhstan International Operating Company (OKIOC). The consortium had struck oil at Kashagan, well off Kazakhstan's Caspian coast and a region said to be the most important oil discovery in the world in the last 30 years.

For analysts, the TAPCO project was strategically a very important step to render Turkey an energy hub while reducing the density of traffic on the crowded Bosphorus Strait. It is also seen as an effort to create an alternative to Russia's increasingly dominant position in supplying Europe with vital energy resources. Russia is said to be aiming to thwart this effort by implementing an alternative

project -Burgas-Alexandroupolis pipeline- which will carry Russian natural resources to the Aegean Sea, bypassing Turkey, through Bulgaria and Greece.

The US is also backing the TAPCO project, which it sees as diminishing Russia's importance in European politics. On the day of the groundbreaking ceremony for TAPCO last year, the US Embassy issued a written statement praising the initiative and wishing it success. The statement said the US strongly supported the concept of multiple pipelines to enhance global competition and to ensure the diversity and security of energy supply. "We wish the Samsun-Ceyhan project well in gaining oil throughput commitments to achieve its commercial success. Building on the success of the Baku-Tbilisi-Ceyhan oil pipeline, we are supportive of the development of Ceyhan as an energy center," the statement noted.



Turkey reiterates efforts on Nabucco

Date : 29.05.2008

Source : Turkish Daily News

<http://www.turkishdailynews.com.tr/article.php?enewsid=105796>

"The partners are carrying out their own efforts to realize the project, as Russia's new pipeline projects seem challenging for Nabucco," Hilmi Güler, Energy Minister, said, following a meeting of the Turkish-Russian Joint Economic Commission in Moscow.

"Our efforts regarding the Nabucco project are continuing in a speedy way. We took important steps recently and our discussions continue with the other partners. I met the Austrian president (Heinz Fischer) last week and we agreed with the sixth partner (Germany's RWE)," Güler was quoted as saying by the Anatolia news agency.

Turkish and Austrian presidents and ministers met to discuss the Nabucco project last week, and Güler has said work on the Nabucco project will be stepped up as the Austrian minister said the first gas is set to be pumped in 2012 or 2013. "Our discussions on the amount and rates of the natural gas are underway, and we mind our own business," Güler added.

Partnership with Russia in the Nabucco project requires detailed discussions, said Güler, responding to a question about whether there would be a partnership between the two countries. "Our talks are ongoing. I will meet Russian Trade Minister Viktor Khristenko, and we will definitely discuss energy issues," Güler said.



EPDK to check competition in fuel market

Date : 28.05.2008

Source : Today's Zaman

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=143166>

Energy Market Regulatory Authority (EPDK) President Hasan Köktas said that they had brought the question to the attention of the Competition Board to see if there were any oligopolistic practices among the players manipulating the prices illegally.

But he added that any intervention in the prices in the market, either by the EPDK or the companies themselves, would run contrary to the interests of customers. Speaking to the Anatolia news agency, Köktas recalled that the Oil Market Law had fully liberalized prices on fuel products starting from Jan. 1, 2005. Following this liberalization, the number of distribution companies increased dramatically to 45, boosting the competitiveness in the market. “However, we are definitely not happy to see the distribution companies selling their products at the same price while focusing on delivering gifts as a means of competition,” he said.

Köktas also mentioned skyrocketing fuel prices, noting that the main drive behind the price hikes was soaring global crude prices stemming from supply concerns and the weak dollar. Oil is floating at around \$135 per barrel in the global futures markets, and many worry that it is heading to \$150. In January 2005 a liter of unleaded gas was being sold at YTL 2.3 in İstanbul, and nowadays the price is around YTL 3.5.

Köktas said that although the law entitled the EPDK to manipulate prices in the fuel market in ‘exceptional circumstances,’ any involvement will not be good for consumers.

Köktas said the share of taxes in the current price of unleaded gas is around YTL 2, or 58 percent, and that only the remaining 42 percent goes to refineries, distributors and gas stations. “Because we can't intervene in global oil prices, we have to turn our attention to the components of domestic fuel prices. Taxes are the most important device at hand in times of necessity. All in all, Turkey needs radical changes in its policies of taxing energy resources,” he added.



EU and Turkmenistan sign agreement on energy

Date : 29.05.2008

Source : Today's Zaman (AP)

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=143170>

Turkmenistan and the European Union have agreed to join efforts in developing Turkmenistan's energy sector, state media reported Tuesday. The nonbinding agreement advances European moves to reduce dependence on supplies from Russia.

During talks with EU Energy Commissioner Andris Piebalgs on Monday, Turkmen President Gurbanguli Berdimukhamedov emphasized the value of ties with Europe. "The development of mutually beneficial cooperation with the European Union is a foreign policy priority for Turkmenistan," Berdimukhamedov was quoted as saying by the newspaper Neitralny Turkmenistan. Most natural gas from Turkmenistan, which produced around 73 billion cubic meters last year, goes to Russia.

A pipeline to China is to come online in 2009 and is expected to reach an annual capacity of 30 billion cubic meters. Berdimukhamedov renewed assurances that Turkmenistan will be able to fulfill all its contractual obligations for gas supply. "We have invested large sums in speeding up the exploration and development of our hydrocarbon resources," he was quoted as saying.



WesternZagros spud Sarqala-1 wildcat

Date : 26.05.2008

Source : Oil & Gas Journal

http://www.ogj.com/display_article/329743/120/ARTCL/none/ExplD/1/Iraq/

WesternZagros spud its Sarqala-1 wildcat in early May on the 2,120 sq km Kalar-Bawanoor Block in Northern Iraq. The well, first of a multiwell program scheduled for the next 3 years, is projected to 4,800 m to evaluate four potential reservoirs.

Meanwhile, the company continues to shoot seismic. By shooting more than 1,265 line-km, it has exceeded its seismic commitment under the PSC. WesternZagros Resources Ltd. is operator with 40% working interest, and it carries the KRG for 20%. The KRG is to allocate the other 40% to a third party by August 2008.



Iran mulling swap of gas exploration projects

Date : 30.05.2008

Source : Turkish Daily News (AFP)

<http://www.turkishdailynews.com.tr/article.php?enewsid=105897>

Iran is negotiating with Spanish and British-Dutch energy giants to switch their gas exploration blocs with others due for later development, the Oil Minister Gholam Hossein Nozari was quoted yesterday as saying.

The comments by Nozari came after sources in Spain's Repsol said the company wanted to swap its phase in the offshore South Pars field, Iran's largest gas field, owing to rising development costs. "The border areas phases 13 and 14 of the South Pars gas field were allocated to (British-Dutch) Shell and Repsol," Nozari was quoted as saying by the Hamshahri newspaper. "But instead of these two, we are examining giving them other phases. Phase 15, 16, 20 and 21 are being negotiated with Shell and Repsol," he said.

According to the official IRNA news agency, Nozari said on Wednesday "We are negotiating with these companies to allocate other phases of the field's development, where a delay does not harm the reservoir. We are pursuing similar talks with Total," he added, without giving further details.

Under a deal agreed in 2006, France's Total is to exploit phase 11 of the South Pars field and to produce liquefied natural gas (LNG) for export and build a liquefaction plant but the deal is held up by a price dispute. Iranian officials have urged the company to take a decision by June in order to avoid a replacement by other companies in the gas deal. However they later denied such an ultimatum.

A Repsol source said earlier this month that two firms sought to exchange their participation in bloc 13 for a role in bloc 20 or 21 due to rising development costs. Blocs 20 and 21 will take at least a decade before they become operational while bloc 13 is expected to be developed much sooner, reports said.

In January 2007, the U.S. government reportedly told Royal Dutch Shell and Repsol, which both have major interests in the United States, that their project in Iran would probably infringe U.S. law. Iran has the world's second-largest reserves of natural gas. The South Pars field in the Gulf has around 500 trillion cubic feet (14 trillion cubic meters) of gas, which represents about eight percent of world reserves.

Indonesia pulls out of OPEC



Date : 29.05.2008

Source : Today's Zaman (AP)

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=143266>

Indonesia is pulling out of OPEC, because it is no longer a net oil exporter, the energy minister said. Purnomo Yusgiantoro told reporters it did not make sense for Indonesia to be a member of OPEC at a time when domestic reserves were drying up and consumption increasing.

“We are pulling out of OPEC,” he said. “I will sign the papers today.” The country of 235 million people is Southeast Asia’s only member of the cartel, but has had to import oil because of decades of declining investment in exploration and extraction. Purnomo said the decision to leave OPEC was made by the Cabinet of President Susilo Bambang Yudhoyono, but that Indonesia could still rejoin at a later date.

Last month, Yudhoyono said his nation needed to concentrate on increasing domestic production, which has dropped to less than 1 million barrels a day compared to just over 1.5 million barrels a day in the mid-1990s. Meanwhile, Indonesia, which heavily subsidizes oil to protect the poor, last week raised the price of gasoline and other fuel products by nearly 30 percent because surging costs on the global market threatened to blow its budget.

PETFORM ANNOUNCEMENTS & REPORTS

📌 Network Code Amendment Proposals

Source : BOTAS

Weblink : <http://www.botas.gov.tr/popup/DegisiklikOnerileri.zip>

📌 PETDER Sector Report (Jan – Mar 2008)

Source : PETDER

Weblink : <http://www.petder.org.tr/Yayinlar/files/pdf/PETDERSectorRaporu2008Q1.pdf>

📌 OPEC Bulletin – May 2008

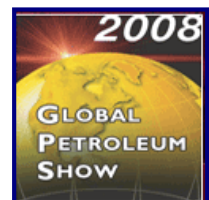
Source : OPEC

Weblink : <http://www.opec.org/library/OPEC%20Bulletin/2008/pdf/OB052008.pdf>

❖ **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)

