



OIL



Petkim's new owner SOCAR to build oil refinery in Aliaga

Date : 22.07.2008

Source : Today's Zaman

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=148160>

The Azerbaijani oil company SOCAR, which jointly purchased a 51 percent share of petrochemical giant Petkim with Turcas and Injaz, has plans to construct a refinery in Aliaga that will provide raw materials to Petkim by processing Caspian oil.

SOCAR and Petkim Chairman Rövnag Abdullayev and Petkim Deputy Chairman and Turcas Chairman Erdal Aksoy spoke to the Anatolia news agency regarding future projects at Petkim. Noting that SOCAR is a fast-growing oil company that has taken great strides owing to its recent investments, Abdullayev said Petkim has abundant resources, good management and qualified employees. He stated that Petkim will become a global player in a short time with the combination of Turcas' experience and SOCAR's raw materials.

Abdullayev said Petkim will see dramatic growth and progress. "Our global goal is to double the capacity of Petkim as soon as possible and meet 40 percent of demand in the Turkish market. For this reason, we will make large investments; we are planning a huge investment of 2 billion pounds. Turkey is making great progress. The chemical industry grows by 11 percent every year. If Petkim does not make new investments, its current share of 25-27 percent of the Turkish petrochemicals industry could see a gradual decline in the coming years. Thus, we developed projects to diversify the product line, increase capacity and create a greater sales network," he stated.

Abdullayev further mentioned that they are planning to construct a refinery on the Petkim premises. Noting that this refinery will supply the raw materials for Petkim, Abdullayev said Azeri oil will be transported through Ceyhan Port to Izmir and converted into products with higher added value at Petkim.

Recalling that SOCAR had decided to construct a refinery in Turkey that will process its own oil, Aksoy noted that the initial target site was Ceyhan, whereas later deliberations also brought Petkim to the fore. Noting that Petkim may prevail over Ceyhan, Aksoy said: "With the transfer of shares at Petkim, SOCAR decided to give priority to Petkim for the erection of a refinery. Petkim needs to procure its raw materials from a reliable source. A refinery investment of at least \$3 billion is planned."



Oil flow from Iraq via Ceyhan pipeline resumed

Date : 24.07.2008

Source : Oil & Gas Journal (Eric Watkins)

http://www.ogj.com/display_article/335307/120/ARTCL/none/Trasp/1/Oil-flow-from-Iraq-via-Ceyhan-pipeline-resumed/

Iraq resumed transporting 480,000 b/d of oil through its northern pipeline after Turkey allowed exports to restart from Ceyhan. The Turkish government had ordered a halt to Iraqi exports on July 21 as a way of forcing Baghdad to pay an outstanding debt pegged at some \$100 million.

After Iraq paid half the debt on July 22, Turkish state pipeline operator BOTAS restarted loadings from the pipeline at Ceyhan. No statement was issued concerning the outstanding payment. Earlier, there had been contradictory statements from Turkish and Iraqi officials about the shutdown.

An official of Turkey's state-owned BOTAS told that the flow of Iraqi oil exports through the Kirkuk-Ceyhan pipeline stopped July 22 for 17 hr. He said the cause of the halt was technical not financial. "It is true that Turkey has claims. But the halt of the flow is not concerned with this debt," he said.

That contradicted earlier reports, attributed to Iraqi oil officials, that Baghdad's oil exports to Turkey were halted after a Turkish court ordered the stoppage pending settlement of a claim. "A small Turkish court issued an order to stop Iraqi exports because of claims lodged against Iraqi entities," an official said. He said the claims were for 'relatively small' amounts of money, without providing further details.

Iraq's northern pipeline, which carries crude from Kirkuk oil fields to Ceyhan, flows at about 430,000 b/d and accounts for more than 20% of Iraq's oil exports. The bulk of Iraqi crude oil exports, which stand at more than 1.5 million b/d, pass through its oil export terminal in the south of the country at the port of Basra.



Gazprom shifts position on Samsun – Ceyhan pipeline

Date : 19.07.2008

Source : Turkish Daily News (Referans)

<http://www.turkishdailynews.com.tr/article.php?enewsid=110221>

The vice president of Gazprom said he had not ruled out the possibility of cooperating with Turkey on the Samsun-Ceyhan oil pipeline, which Russia has long opposed, following a meeting with Energy Minister Hilmi Güler late Thursday.

Aleksei Medvedev also said the Russia-led Southstream project did not conflict with the Nabucco pipeline because Europe needs both pipelines. Evaluating Russia and Turkey's mutual energy projects, Güler said Gazprom's subsidiary company, Gazpromneft, is interested in supplying oil to the Samsun-Ceyhan oil pipeline.

He also announced that Russia favors renewing the natural gas agreement with Turkey while negotiations on the main principles still continue. The agreement on the transfer of natural gas between Russia and Turkey through the western pipeline expires in 2011. He noted that it is still not clear whether the state-run Turkish pipeline company, BOTAS, or the private sector will import natural gas from energy-rich Russia.

Meanwhile, Medvedev said the transfer of natural gas from Russia to Israel would be made through Turkey and that in this case the capacity of the Blue Stream gas pipeline should be extended.

When asked whether there would be an increase in gas prices at the end of the year, Medvedev said: "Gazprom does not increase the prices, they are determined according to a formula." He added that the prices are based on oil and argued that gas prices in Turkey are rational when compared to current oil prices. "On the basis of oil prices, the price of natural gas should be \$900."

Gazprom will cooperate with Italian company Eni on energy production in Europe and natural gas prospecting activities in various areas. "Unfortunately, Turkey does not have sufficient facilities on the subject. This is a mutual process," Medvedev said, when asked whether Russia would cooperate with Turkey in prospecting activities as well. In response to Medvedev, Güler said Turkey does not have sufficient facilities 'for the present'.



Iran discovers 525mm barrel oil field

Date : 21.07.2008

Source : Rigzone (Dow Jones)

http://www.rigzone.com/news/article.asp?a_id=64485

Iran has announced the discovery of a new oil field with in-place reserves of around 525 million barrels. The discovery was made near the southern port of Assaluyeh in Bushehr province in the southwest of the country.

The news comes a week after Iran announced the discovery of a 1.1-million-barrel oil field in Khuzestan, province on the border with southern Iraq.



Oil prices lower as hurricane threat fades

Date : 23.07.2008

Source : Rigzone (United Press)

http://www.rigzone.com/news/article.asp?a_id=64560

The price of crude oil was off by more than \$2 to \$126.37 a barrel Wednesday on the NYMEX. While major energy commodities all began the day lower, analysts point to the fading threat from Hurricane Dolly on energy equipment in the Gulf of Mexico as the reason for lower prices for crude oil and gas.

The price for a barrel of crude oil was \$126.37, down \$2.05, during morning trading. Natural gas was trading for \$9.949 per million British thermal units, a drop of 0.118 cents. Heating oil was down 0.0582 cents at \$3.6200 per gallon. Gasoline was selling for \$3.0906 per gallon, off 0.0564 cents.

The AAA Daily Fuel Gauge Report indicated the average price for a gallon of unleaded regular gasoline at the pump was \$4.042 Wednesday, down from an average \$4.055 reported on Tuesday.



BP to appeal against harsh Russian ruling on TNK-BP

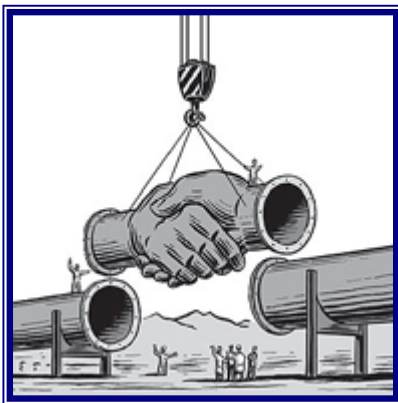
Date : 25.07.2008

Source : Today's Zaman (Reuters)

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=148438>

BP said on Thursday it will appeal against a Russian court ruling that it illegally used its own staff at its Russian venture, TNK-BP, which if upheld may ultimately cost the oil major around \$400 million.

A Siberian court ruled on Wednesday in favour of Moscow brokerage Tetlis, a TNK-BP minority shareholder, which claims that TNK-BP's use of 148 BP secondees is illegal because it amounts to a special dividend to BP at the expense of other shareholders. BP has strongly denied the claim. The legal battle around the use of the employees is a part of fierce dispute between BP, which owns 50 percent in the third-largest Russian oil producer, and four Russian-connected billionaire shareholders, who own the other half.



China and Russia to launch energy talks

Date : 25.07.2008

Source : Today's Zaman (Reuters)

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=148437>

Chinese Foreign Ministry spokesman Liu Jianchao said Russian Deputy PM Igor Sechin would visit China on July 26-27. But talks between Russia and China have yielded limited progress so far, largely because the two heavyweights disagree on pricing.

China believes access to its vast markets, which will help Russia diversify away from Western customers, should win it a steep discount on fuel prices. Moscow is not prepared to go as low as China wants and so planned gas pipelines have stalled. A 2,700-km (1,680-mile) crude pipeline to carry 600,000 barrels per day from East Siberia to the Chinese border has been slowed amid cost problems. Russia's pipeline monopoly Transneft has upped its forecast for the cost of the project, which is now due to be launched in late 2009.

PETFORM **ANNOUNCEMENTS & REPORTS**

✚ IEA Oil Market Report (July 2008)

Source : International Energy Agency
Weblink : <http://omrpublic.iea.org/currentissues/full.pdf>

PETFORM **UPCOMING EVENTS**

❖ **CIPEE 2008**

China International Petroleum Equipment & Technology Exhibition

Date : September 12 – 14, 2008
Place : Shandong – China
Website : www.cipee.com.cn
Contact : Beijing CEW Internatioal Fair Co. (+86 10 516 542 22)



❖ **IPE 2008**

International Pipeline Exposition

Date : September 30 – October 2, 2008
Place : Calgary – Canada
Website : www.petroleumshow.com/intlpipeline/
Contact : Lesley Stevenson (+403 209 3555)



❖ **KIOGE 2008**

16th Kazakhstan International Oil & Gas Exhibition & Conference

Date : October 7 – 10, 2008
Place : Almaty – Kazakhstan
Website : www.kioge.com
Contact : Siobhan Enright (+44 207 596 5166)



❖ **Africa Upstream 2008**

15th Annual Africa Upstream 2008

Date : October 8 – 10, 2008
Place : Cape Town – South Africa
Website : petro21.com/events/index.cfm?id=346
Contact : Duncan Clarke (+31 70 324 6154)

