



08.08.2008

OIL



PKK claims responsibility for BTC pipeline explosion

Date : 08.08.2008

Source : Turkish Daily News

<http://www.turkishdailynews.com.tr/article.php?enewsid=111960>

The Baku-Tbilisi-Ceyhan (BTC) oil pipeline will remain shut for about 15 days after an explosion sparked a fire in a section in eastern Turkey, an official from the energy ministry told Anatolia News Agency yesterday.

Repair work would then start and was expected to take between 10 and 15 days, the unnamed official said, adding that the cause of the explosion could be investigated only after the fire was extinguished.

The outlawed Kurdistan Workers' Party (PKK) claimed responsibility for the explosion on the pipeline in a statement on its web site. However the official said no trace of sabotage was found so far. *"The cause will become clear after the fire is over,"* the official said. Local authorities ruled out the possibility of a sabotage, saying that a fault in the system had been detected before the blast.

The PKK, which usually attacks military targets in southeastern Turkey, previously said it was behind a blast on an Iranian-Turkish natural gas pipeline earlier this year. The attack halted gas exports from Iran to Turkey for five days.

The closure of the pipeline after the explosion on Tuesday night has boosted oil prices, while BP told Reuters that the BTC partners had declared force majeure on exports, freeing themselves from contractual obligations. BP said the group which it leads producing oil in Azerbaijan had started diverting crude slated for the Turkish port of Ceyhan to other routes, including the Georgian port of Supsa, after the explosion. *"We are actively considering alternative routes,"* BP's spokeswoman in Azerbaijan told Reuters. She said some crude had already been diverted to Supsa on the Black Sea. She also said BP and its partners had started reducing oil output from their fields to avoid a glut on the onshore facilities.

BP owns 30.1 percent of the BTC, while Socar holds 25 percent. Other shareholders include U.S. Chevron and ConocoPhillips, Norway's StatoilHydro, Italy's ENI and France's Total. The BTC pipeline pumps the equivalent of more than 1 percent of world supply from fields in the Azeri sector of the Caspian Sea to Ceyhan on the Turkish Mediterranean coast.



Interest in Black Sea pleases TPAO

Date : 04.08.2008

Source : Turkish Daily News

<http://www.turkishdailynews.com.tr/article.php?enewsid=111564>

Having a hard time accessing global reserves, Exxon Mobil is eyeing the Black Sea. The U.S. company is among those who wish to extract oil reserves from the Black Sea, according to a member of the board of the TPAO.

Yurdal Öztas, a member of the board of directors of the state-run Turkish Petroleum Corporation (TPAO), said among other international applicants for exploration works in the Black Sea, Exxon Mobil's claim was very important. TPAO has recently launched a new call to all international oil companies to take advantage of exploration opportunities in the Black Sea that would start in 2009 through a new presentation posted on its official web site. TPAO estimates that the region is home to vast oil reserves equivalent to Turkey's consumption for 50 years, especially in the eastern and central part of the Black Sea.

Öztas underlined that the TPAO has been conducting drilling activities in the region for the last six years and had reached the 2,000-meter depth where the real oil reserves would be found. He said at that point they recognized the need for more advanced technology and decided to apply to big international companies. Emphasizing that TPAO was conducting a joint project with Brazil's Petrobras, which has experience in drilling deep-sea reserves, Öztas said Exxon Mobil also has the desire to work with them. *"We plan to drill in five different oil wells. Will the partner international company join all of them or some of them? If the company considers a strong partnership, then its investment could be more than \$600 million,"* he said.

Exxon Mobil Corp. posted a smaller increase in second-quarter profit than analysts estimated, after production slid the most in at least a decade. Oil and gas output tumbled 7.8 percent after Venezuela seized assets, Nigerian workers went on strike and governments from Angola to Russia kept more crude under contracts that give them a bigger share when prices rise. Net income rose to \$11.7 billion, or \$2.22 a share, from \$10.3 billion, or \$1.83, a year earlier, the Irving, Texas-based company said in a statement Thursday.

CEO Rex Tillerson is spending \$52 million a day to search for new fields after reserves fell in 2007 by the most in at least a decade. Exxon Mobil plans to start 12 projects this year, which will pump the equivalent of 411,000 barrels of crude a day, more than the daily output of Prudhoe Bay, the largest U.S. oil field.



EMRA: Motorists turn to autogas as gasoline prices keep rising

Date : 04.08.2008

Source : Today's Zaman

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=149303>

According to the Energy Market Regulatory Agency (EPDK) report on the LPG market for first half of 2008, autogas consumption increased to 964,492 tons between January and June, compared to 917,516 tons in the same period last year.

A liter of gasoline is being sold for slightly over YTL 3.5 in Istanbul, while the same amount of autogas, a form of liquefied petroleum gas (LPG) used as a fuel in internal combustion engines, is priced near YTL 1.9. Many motorists are converting their car engines to use autogas because of this 40 percent price difference.

In the total consumption of LPG, the share of autogas rose from 54 percent to 58 percent, while LPG consumption, which was 1.7 million tons in the first half of 2007, fell to 1.65 million tons for the first half of this year. The fall in domestic LPG trade was caused by drops in the consumption of bottled gas and bulk LPG. Bottled gas consumption fell to 594,955 tons in the first half of 2008 from 669,820 tons in the same period last year, while bulk LPG fell to 94,531 tons from 116,487 tons.

The Turkish Petroleum Refineries Corporation (TUPRAS) and other distribution companies imported 1.28 million tons of LPG from 11 countries in the first of the year, the report says. In the same period last year, on the other hand, Turkey imported 1.3 million tons from 13 countries.

While 680,000 tons of Turkey's total LPG imports in the first half of 2008 were imported from Algeria, 220,000 tons were imported from Norway, which was followed by Kazakhstan, with 130,000 tons, and Libya, with 120,000 tons. LPG exports increased from 33,870 tons in the first half of 2007 to 53,217 tons in the first six months of this year. Tunisia imported 36,119 tons of LPG from Turkey, followed by the Turkish Republic of Northern Cyprus (KKTC), with 11,279 tons.

For the first half of this year, 223,000 tons of autogas were sold in Istanbul. Aygaz ranked first in autogas sales, selling 409,403 tons, with a market share of 24.75 percent.

GAS



Izmir's natural gas network expanded

Date : 08.08.2008

Source : Turkish Daily News

<http://www.turkishdailynews.com.tr/article.php?enewsid=111790>

Izmirgaz has installed a natural gas distribution network in nine districts this year. Manager of the company, Halil Tatas, pointing out that 55,000 residents of Izmir are using the natural gas service, said that the number of the dwellings in which natural gas is available has reached 360,000 houses.

“We’ve supplied natural gas for the use of people in different regions of Izmir in a period of two years. We’ve started the infrastructure work in three new regions this year and completed the most difficult part of the work. At the moment, natural gas is available for use in 360,000 houses” Tatas said. He added that the company supplies gas for 33 new industrial plants founded in Izmir and for the industrial plants taken over from BOTAS.

OIL



Iraq invites energy contractors

Date : 04.08.2008

Source : Today's Zaman (AP)

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=149314>

Iraq is inviting bids from contractors to drill seven new oil wells and complete work on four natural gas wells. The Oil Ministry says contractors have until September 15 to submit bids to drill in the East Baghdad oil field. Statement says bids to complete four gas wells in the Akkas gas field in western Iraq will be accepted until September 30.

Reserves in the East Baghdad oil field are estimated to be at least 5 billion barrels. Its prewar production was 50,000 barrels per day, but it has not been operational since 2003. The Akkas gas field has estimated reserves of more than 2.15 trillion cubic feet. Iraq's Northern Oil Company says it will field questions from bidders at meetings in mid-August at its headquarters in the northern city of Kirkuk.



OMV drops merger proposal with Hungary's MOL

Date : 07.08.2008

Source : Oil & Gas Journal (Uchenna Izundu)

http://www.ogj.com/display_article/336484/120/ARTCL/none/GenIn/1/OMV-drops-merger-proposal-with-Mol/

OMV has abandoned its unsolicited \$23 billion bid for MOL because it is unhappy with the conditions set by the European Commission. The move ends a year-long battle between the companies that had begun to affect OMV's share price.

OMV described the EC's demand to sell a refinery as 'unacceptable' as the EC had sought to minimize the concentration of refining capacity across Central and Eastern Europe. It had offered to sell some of its retail petrol stations and third party access to a new refinery centre where it could share capacity with OMV, but this was rebuffed by the EC.

The company wanted to integrate the Schwechat and Slovnaft refineries into one complex as they are only 55-km apart. OMV said that independent buyers could sell products at highly competitive terms and access significant refining capacity and products, crude transport facilities, and storage infrastructure.



Tehran says it can close Strait of Hormuz easily

Date : 05.08.2008

Source : Today's Zaman (Reuters)

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=149419>

Iran can easily close a key Gulf shipping route if it were attacked over its nuclear program, Mohammad Ali Jafari, the head of the Revolutionary Guards was quoted as saying, a move that could choke off world oil exports.

Iran's armed forces have "*the possibility of closing the Strait of Hormuz, easily and on an unlimited basis,*" state radio quoted Jafari as telling a news conference. About 40 percent of world oil exports passes through the Strait of Hormuz, a choke point at the southern end of the Gulf, flanked by the coastlines of Iran and Oman. Much of it goes to Asia, the United States and western Europe.



Oil prices rebound above \$119

Date : 07.08.2008

Source : Rigzone (AFX News Limited)

http://www.rigzone.com/news/article.asp?a_id=65186

World oil prices rebounded on Thursday, as it was announced that the BTC pipeline would remain shut for about 15 days. Prices had dropped on Wednesday owing to news of a surprise jump in U.S. crude reserves. New York's main contract, light sweet crude for September delivery gained 98 cents to \$119.56 a barrel.

It was announced on Thursday that the Baku-Tbilisi-Ceyhan oil pipeline would remain shut for about 15 days after a blast had occurred in a pump at a section in eastern Turkey. Local authorities ruled out the possibility of sabotage, saying a fault in the system had been detected before the blast.

Oil prices had meanwhile fallen on Wednesday after an unexpected jump in U.S. crude reserves, but a bigger-than-expected drop in gasoline stockpiles was the other surprise element for the market. The U.S. Department of Energy announced in its weekly report that American crude reserves had increased by 1.7 million barrels in the week ended August 1.

The reading caught the market off guard because expectations had been for a 200,000-barrel decline. The weekly report on reserves in the nation with the biggest energy consumption often impacts oil prices.

Motor fuel stockpiles plunged 4.4 million barrels, well beyond consensus forecasts for a drop of 1.5 million. Traders are closely tracking the level of U.S. gasoline stockpiles amid the ongoing peak-demand summer driving season, when many Americans take to the roads for their summer holidays.

 LPG Market Report (Jan – Jun 2008)

Source : EMRA

Weblink : http://www.epdk.org.tr/yayin_rapor/lpg/2008ilkAltiAylikRapor.doc

 OPEC Bulletin (Jul – Aug 2008)

Source : OPEC

Weblink : http://www.opec.org/library/OPEC%20Bulletin/2008/pdf/OB07_082008.pdf

❖ CIPEE 2008

China International Petroleum Equipment & Technology Exhibition

Date : September 12 – 14, 2008
Place : Shandong – China
Website : www.cipee.com.cn
Contact : Beijing CEW International 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/intlpipe/
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)

