



OIL



TPAO talks Black Sea oil with Chevron and RWE

Date : 01.09.2008

Source : Turkish Daily News (Reuters)

<http://www.turkishdailynews.com.tr/article.php?enewsid=114124>

Turkey is holding talks with Chevron and RWE on conducting oil exploration in the Black Sea, a senior energy ministry source told. The source said TPAO planned to open six wells in the Black Sea, of which two will be opened with Petrobras.

“Talks with U.S. Chevron are continuing. These talks have reached an important stage. A partnership may also be established with Germany’s RWE for some licenses belonging to TPAO,” the source said. Mehmet Uysal, General Director of TPAO, said earlier this year the company would start oil exploration in the Black Sea with Brazil’s Petrobras next year.

The seismic surveys near the Black Sea town of Sinop with Petrobras, which is expected to invest \$400 million in Black Sea oil exploration in the next four years, were completed last year and the first well is expected to be opened in 2009. TPAO is hoping to find rich gas reserves in the western Black Sea and rich oil reserves in the eastern part. Officials estimate the volume of reserves in the Black Sea to amount to 10 billion barrels.

OIL



Güler to visit Turkmenistan and Kazakhstan

Date : 02.09.2008

Source : Today’s Zaman

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=151885>

Turkish Energy and Natural Resources Minister Hilmi Güler is paying visits to the two major energy-producing nations in the Caspian Basin, Turkmenistan and Kazakhstan, for official talks, amid heated relations with the Russian Federation, which often claims influence over these countries.

The minister and a delegation of officials headed to the Turkmen capital of Ashgabat on Monday night following a meeting of the Cabinet. The Anatolia news agency reported that Güler would have talks on diverse subjects with Turkmen officials, including oil, natural gas and electricity. The minister and his delegation plan to proceed to Kazakhstan on Wednesday.

Güler was invited to participate in an Energy Forum in Astana to take place Sept. 4-5 and to deliver the meeting's opening remarks. He will meet with several Kazakh ministers and the chairman of Kazakh national oil and gas company KazMunay Gas while in Astana. Güler and his delegation will return to Turkey on Friday.

GAS



Güler postpones Tehran visit, awaiting steps by Iran

Date : 29.08.2008

Source : Today's Zaman (Reuters)

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=151546>

Energy Minister Hilmi Güler's upcoming visit to Tehran has been postponed to next month, a senior Turkish official said yesterday, citing the reason for the postponement as Ankara's expectation for Iran to take constructive steps toward finalization of an already delayed energy deal.

"Güler's Tehran visit that was expected to take place this week will not happen. The agreement with Iran was expected during this [postponed] visit but the expected progress couldn't be maintained. However, talks with Iran are still ongoing. A delegation from the TPAO is still holding talks in Iran," the senior official from the Energy Ministry told Reuters.

"On this issue, steps that must be taken by the Iranian side are awaited. Iran has given a signal of softening and change concerning its attitude in regards to the buy-back model that constitutes a problem for Turkey. In this situation, an agreement can be signed in September," the official elaborated.

Last week, a senior official from the Turkish Energy Ministry told Reuters that Turkey would not sign the natural gas accord with Iran until changes acceptable to global investors were made to so-called 'buy-back' deals, which are often criticized by foreign firms. In an apparent response, the Iranian oil minister said on Monday that Iran's revised oil and gas development contracts offer more incentives to foreign firms and Turkey's reservations about the deals reflect an initial lack of knowledge.



Kuwaiti firm mulls refinery construction in Ceyhan

Date : 04.09.2008

Source : Today's Zaman

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=152094>

A leading Kuwaiti oil company has started feasibility studies on the establishment of an oil refinery in Adana's Ceyhan district, the end point of the Baku-Tbilisi-Ceyhan (BTC) pipeline, which transports Azerbaijani oil to international markets.

A four-member delegation led by Kuwait Petroleum International (KPI) Vice President Mohammed Rashed Jasem recently visited Ceyhan and met with local officials. The delegation was briefed at the Ceyhan Chamber of Commerce and Industry after visiting the regional headquarters of BOTAS and the Yumurtalik Free Trade Zone. Ceyhan Chamber of Commerce and Industry President Ali Duru said he had briefed the Kuwaiti delegation on the opportunities for energy investment in the region. "The Kuwaitis left our city with many ideas [for investment]," he said.

Four companies have so far submitted applications to construct refineries in Ceyhan, including Calik Holding and Petrol Ofisi. If all of the applicants are allowed to establish refineries in the region, there will be a processing capacity of up to 40 million tons of oil annually. The amount of oil delivered to Ceyhan from Baku is 190 million tons per year.



Kashagan might start oil production in 2014

Date : 03.09.2008

Source : Rigzone (AFX News Ltd.)

http://www.rigzone.com/news/article.asp?a_id=66239

Commercial production at Kazakhstan's giant Kashagan oil field could start later than the agreed 2013 deadline, an oil industry official said on Thursday.

"They are talking about October 2013, but it would be impossible to launch (the production) during the winter so it will be 2014," Tumir Kulibayev, the head of influential KazEnergy association, told an energy conference. He said Kashagan would produce 450,000 barrels per day in 2014.



Russia boosts dominance with Uzbek gas deal

Date : 03.09.2008

Source : Today's Zaman (Reuters)

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=151994>

Russian Prime Minister Vladimir Putin clinched an outline deal with Uzbekistan on Tuesday to build a new pipeline to boost Central Asian gas exports to Russia, part of a strategy to strengthen Moscow's regional energy dominance.

Russia wants former Soviet republics to channel more of their oil and gas via its territory, while Europe would like them to bypass Russia in order to reduce its own energy dependence on an increasingly assertive Moscow. The issue was dramatically highlighted last month when Russia fought a war against Georgia, which hosts the only oil and gas pipelines bringing supplies westwards from the Caspian Sea without crossing Russia. Uzbekistan is one of the countries at the heart of this geopolitical struggle, which involves not just Russia and the West, but also China.

“An agreement has been reached on the start of practical work to build a new gas pipeline system on the territory of Uzbekistan to provide for the growing export potential of Turkmenistan and Uzbekistan,” Putin said. “We see that the potential for such partnership is growing. We have a mutual interest in the realisation of this project,” he was quoted as saying by Russian news agencies.

The new pipeline will increase gas exports from Uzbekistan and Turkmenistan, which both use Soviet-era pipelines operated by Russian gas export monopoly Gazprom. Gazprom said in a statement an agreement on building a new pipeline and on the price formula for Uzbek gas had been reached. It gave no further details.

Uzbek President Islam Karimov said the proposed pipeline, with a capacity of 26 – 30 bcm, would be built alongside the two existing Soviet-era pipelines, known as Central Asia-Centre and Central Asia-Bukhara-Ural. A spokesman for Putin confirmed that agreement had been reached with Uzbekistan to work out the details for building the new pipeline.

If built, the new pipeline could be a threat to a rival European Union project, known as the Nabucco Gas Pipeline, which plans to pump gas from Central Asia to Europe starting in 2013. Nabucco was proposed by the EU partly as a means to ease its reliance on Gazprom supplies. Central Asian states are trying to delicately balance the interests of major powers in the scramble for gas supplies.



British PM Brown: More funding for Nabucco

Date : 02.09.2008

Source : Turkish Daily News

<http://www.turkishdailynews.com.tr/article.php?enewsid=114237>

British Prime Minister Gordon Brown has publicly urged additional funding to construct the Nabucco pipeline from the Caspian Sea, to carry gas through Turkey to the West. His thoughts were outlined in an article published in the Sunday Observer.

Brown, prior to yesterday's meeting of European heads of state, called upon leaders to discuss the crisis in Georgia and said the West should not be dependent upon Russia for energy supplies. In the article, entitled, "This is how we will stand up to Russia's naked aggression," Brown argued that the EU must now speed up work on creating a single European market for gas and electricity as "a collective defense to secure our energy supplies and try to strike collective deals with Russia on energy supplies."

"No nation can be allowed to exert an energy stranglehold over Europe," he said, promising urgent action to prevent Britain from "sleepwalking into an energy dependence on less stable or reliable partners", including seeking out alternative suppliers of gas and oil, as well as pushing ahead with plans for new nuclear plants and alternative fuels.



Brazil says 'No' to OPEC

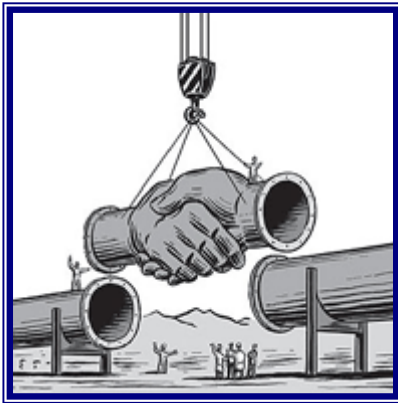
Date : 04.09.2008

Source : Upstream Online

<http://www.upstreamonline.com/live/article162430.ece>

Brazilian Energy Minister Edson Lobao said his country has rejected an Iranian invitation to join OPEC. "I received the Iranian Ambassador Moshen Shaterzadeh and he invited Brazil to become part of OPEC. It wasn't a suggestion but a formal invitation," he told reporters.

Lobao said at the news conference that he had informed the Iranian ambassador that Brazil "does not envisage that possibility" right now and added that there were no discussions on the subject within the Brazilian government. The Iranian invitation follows a recent announcement by Brazil's National Petroleum Agency that it had discovered a massive oil field off the coast of Rio De Janeiro, which could contain up to 33 billion barrels, said RTT News.



Turkmenistan set to boost agreed gas supplies to China

Date : 31.08.2008

Source : Today's Zaman (AP)

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=151726>

Turkmenistan signed a deal to boost its annual delivery of natural gas supplies to China to 40 bcm, an increase of 10 bcm over the previously agreed amount. Under the deal, China could start receiving gas deliveries from Turkmenistan by late 2009.

Construction of a pipeline that is meant to eventually stretch from Turkmenistan to China's northwestern Xinjiang region via Uzbekistan and Kazakhstan is slated for completion next year. Chinese premier Hu Jintao visited Turkmenistan to seal the agreement with his Turkmen counterpart, Gurbanguly Berdymukhamedov, at a ceremony in the capital.

"Our joint efforts are clearly visible in the transnational pipeline joining Turkmenistan with China along the banks of the Amu Darya river, where Turkmen specialists have discovered a gigantic oil and gas field," Berdymukhamedov said. Hu said every effort would be made to speed up the pace of construction work on the pipeline.

China National Petroleum Corporation last year won the license to explore and develop the Bagtyarlyk field near the Turkmen border with Uzbekistan, which the government estimates could hold up to 1.3 trillion cubic meters of gas. Last year, Turkmenistan, Russia and Kazakhstan signed an agreement to build a gas pipeline along the Caspian coast with an annual capacity for 20 bcm.

In July, Berdymukhamedov and the head of Russian gas monopoly OAO Gazprom, Alexei Miller, agreed to increase capacity to 30 billion cubic meters. The United States and the European Union have also pushed for building a trans-Caspian pipeline that would carry Turkmen natural gas to Azerbaijan, Turkey and then to Western markets bypassing Russia. According to official figures, Turkmenistan currently produces around 70 billion cubic meters of gas annually.

It exports 50 billion cubic meters per year to Russian under a 25-year contract. An additional eight billion cubic meters are sold annually to Iran. Turkmenistan estimates its gas reserves at more than 20 trillion cubic meters, but it has never provided independent verification.



Total signs exploration agreements with Syria

Date : 04.09.2008

Source : Oil & Gas Journal (Eric Watkins)

http://www.ogj.com/display_article/338702/120/ARTCL/none/ExplD/1/Total-signs-exploration-agreements-with-Syria/

Total has signed three oil and gas agreements with Syria. The three agreements “pave the way for increased cooperation between Total and Syria and bolster our operations in partnership with the national oil companies of this country,” Chief Executive Christophe de Margerie said.

The first agreement renews the Deir Ezzor oil license, wholly owned by Total and jointly operated by Total and the state-owned Syrian Petroleum Co (SPC) via the Deir Ezzor Petroleum Co joint venture. Total said the license for Deir Ezzor was extended for 10 years to 2021, and that the extension will enable the French firm to prolong and optimize production from the Jafra, Qahar, and Atalla fields. Discussions between the two sides began in early April over the earlier agreement, signed in 1988, which allowed Total to produce some 30,000 b/d of oil at Deir Ezzor.

The second agreement covers enhancing output from the Tabiyeh gas and condensate field to increase gas deliveries to the domestic market from the Deir Ezzor plant. This agreement will help Total develop its activities in Syria's gas industry.

The third agreement came in the form of a memorandum of understanding with SPC and the state-owned Syrian Gas Co to establish a strategic partnership that “will allow the development of common projects between Total and those companies.”



Iraq approves CNPC contract for Adhab oil field

Date : 03.09.2008

Source : Oil & Gas Journal (Eric Watkins)

http://www.ogj.com/display_article/338645/120/ARTCL/none/ExplD/1/Iraq-approves-CNPC-contract-for-Adhab-oil-field/

Iraq has approved a \$3 billion contract awarded last week by the ministry of oil to Chinese National Petroleum Co. (CNPC) to develop and produce Adhab oil field.

The cabinet of ministers sanctioned the contract between “Northern Oil Co. and a Chinese company” to develop and produce the field, “according to terms initialed by both sides,” said Iraqi government spokesman Ali al-Dabbagh. Oil Minister Hussain al-Shahristani, who last week announced renegotiated terms of the oil agreement originally signed with CNPC in 1997, said he would summon Chinese officials to Baghdad to sign the documents later this month.

Under the renewed contract, CNPC will provide technical advisers, oil workers, and equipment to increase production to 110,000 b/d, up from the originally agreed 90,000 b/d, with first output expected in 3 years time.



Romania – Ukraine case goes to the International Court of Justice

Date : 03.09.2008

Source : Today's Zaman (AP)

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=151982>

Romania called on the United Nation's highest court on Tuesday to set a maritime border between it and Ukraine that will fairly divide an estimated 100 bcm of natural gas and oil reserves under the Black Sea.

Romania took the dispute to the International Court of Justice, after years of negotiations failed to draw a line acceptable to both Bucharest and Kiev. Speaking at the start of oral hearings, Romania's representative accused Ukraine of unfairly distorting maritime border rules.

Bogdan Aurescu, director general of Romania's Foreign Affairs Ministry, said Ukraine has exploited its ownership of Serpents Island -a tiny rocky outcrop- to propose a more southerly line in its favor. Aurescu said the island was illegally annexed by the Soviet Union and handed to Ukraine at its independence and should be ignored by the court when it sets a border.

TNK-BP partners sign new deal



Date : 04.09.2008

Source : Upstream Online

<http://www.upstreamonline.com/incoming/article162396.ece>

BP and main TNK-BP partner Alfa Access-Renova, have signed a memorandum of understanding today that will see the re-structuring of TNK-BP through board changes, the departure of TNK-BP's BP-nominated chief executive, and the option to float 20% of TNK-BP.

The new agreement will see the re-structuring of the TNK-BP board through the appointment of three new directors independent of either side, and will also include an option to sell up to 20% of a subsidiary of TNK-BP through an IPO on the international financial markets, said BP in a statement.

The MoU, which will be finalised over the coming months, also envisages the appointment of a new independent chief executive who will be nominated by BP and approved by the TNK-BP board. The management committee, responsible for running operations, will be reduced significantly from the current 14 members and will include the chief executive, the chief operating officer, the chief financial officer and an executive director.

The main board of TNK-BP will be adjusted in size to four representatives each from BP and AAR, together with the three new independent directors not affiliated to either side. Current chief executive Bob Dudley will step down before the end of the year. In nominating his replacement, BP will offer a Russian-speaking candidate with extensive Russian business experience. BP chairman Peter Sutherland said that an agreement would align the two sides around a shared agenda, relieving recent tensions.

The British oil company had accused its partners of orchestrating a campaign of state harassment against TNK-BP and its officers as a means of securing key demands including the departure of chief executive Bob Dudley. BP chief executive Tony Hayward described the agreement as "a sensible means of resolving a situation that could not continue without causing serious damage to what has been an immensely successful joint venture for all concerned." Hayward went on to describe ousted Dudley as "an absolutely outstanding CEO of great courage and strength of character who will be hard to replace".

PETFORM
ANNOUNCEMENTS & REPORTS

✚ IEA Energy Policies Review: The European Union 2008

Source : International Energy Agency
Weblink : <http://www.iea.org/w/bookshop/add.aspx?id=331>

✚ Energy Efficiency Policies of Albania (2008)

Source : Energy Charter
Weblink : <http://www.encharter.org/index.php?id=379&L=0>

PETFORM
UPCOMING EVENTS

❖ 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)

