



EPDK moves for more transparent pricing mechanism for fuel

Date : 17.09.2008

Source : Today's Zaman (Ismail Altunsoy)

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=153371>

EPDK Chairman Hasan Köktas has said that the Authority has decided to change the process for the determination of fuel prices. He said they will re-determine the pricing methodology to make all process more transparent.

Speaking to journalists at a fast-breaking dinner in Ankara on Monday, Köktas explained that they had received many complaints about fuel distribution companies not reflecting global oil price decreases in their fuel prices immediately, even though they are quick to change their prices when oil prices go up. Köktas added that if the EPDK were to directly determine fuel prices, this would be disadvantageous for consumers in the long run.

The EPDK chairman noted they have been working on a new pricing mechanism for a long time adding, "We are trying to establish permanent competition in the sector. We have come to the final stage. We are adopting the method of intervening in the energy prices by using the energy markets as an intervention tool, rather than deciding the prices ourselves. The pricing methodology for fuel will be transparent, from the moment it leaves the refinery to the last minute when it reaches consumers."

Köktas stressed that there were three links in the chain - refineries, distributors and dealers - adding: "We need to set the pricing methodology for this chain. After this, all of us will see the parameters used to decide the prices, so the majority of these complaints will end at that point."

Answering a question about why they did not grant Petrol Ofisi (POAS), an oil company owned by Aydın Dogan, authorization for a new oil refinery, Köktas said Diler Insaat Co. had previously requested to construct an electric power plant at the same site on which POAS had sought to establish an oil refinery. "The procedure that the EPDK should follow if more than one company applies for a particular site is not defined. This was the problem in the case of POAS. Because of this incident, we have drafted a new regulation to solve this problem, and we are now waiting for it to be approved."



Russia denies using gas as 'weapon' against Turkey

Date : 13.09.2008

Source : Today's Zaman

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=153023>

The Russian Embassy in Ankara issued a written statement yesterday rejecting charges that it uses Turkey's energy dependence for its own interests and that it will 'teach Turkey a lesson' by curtailing gas delivery.

"Russia - Turkey relations have been improving very dynamically in the recent period. The active political dialogue between Russia and Turkey is an indication of the importance attached by both sides to reinforcing and deepening the Russian - Turkish partnership," the statement said, noting that the two countries have been exploring numerous new opportunities for cooperation in both the commercial and economic spheres.

"The most pivotal role in our cooperation that provides mutual benefit is being played by the energy sector. Our joint studies in the gas energy field continues to be one of the most important factors," the embassy said, reaffirming that Russia - which supplies two-thirds of Turkey's natural gas needs - will continue to be a safe energy supplier for its partners, first of all for Turkey.

The statement referred to a meeting between Russian Foreign Minister Sergey Lavrov and his Turkish counterpart, Ali Babacan, which took place in Istanbul on Sept. 2. Lavrov at the time ruled out cuts in Russian natural gas supplies to Turkey. "This is crazy. Why would such a thing happen?" Lavrov asked in response to a question. "Have you ever seen Russia breaking its commitments in any natural gas agreement?"

Gas and other types of energy products make up 70 percent of the trade between the two nations, and in addition 3 million tons of raw oil was transported from Russia to Turkey, the embassy statement said.

"Taking into consideration that Turkey is Russia's third largest gas customer after Germany and Italy, it would definitely be very appropriate to say that Russia needs the mentioned cooperation, which provides mutual benefit as much as Turkey needs it. We attach very great importance to our partners like Turkey. Russia is not acting on political and geopolitical motives on this issue, but is acting on commercial and economic motives," it added.



Iraq resumes oil exports following storm

Date : 16.09.2008

Source : Oil & Gas Journal (Eric Watkins)

http://www.ogj.com/display_article/339692/120/ARTCL/none/Trasp/1/Iraq-resumes-oil-exports-following-storm/

Iraq has resumed oil exports following a storm that shut in the southern port of Basra and the completion of repairs to the bomb-damaged northern pipeline that carries crude from the northern Kirkuk fields to the port of Ceyhan.

On Sept. 15, Iraqi oil exports stood at some 1.53 million b/d, up from 860,000 b/d the previous day. But the flow of exports from Basra was still lower than the normal average of 1.6 million b/d. Oil flowed at 450,000 b/d via the country's northern pipeline system, while exports rose to 1.08 million b/d at Basra and the nearby Khor al-Amaya facility as operations at both facilities began to recover after a storm.

Oil exports at Basra slowed to 860,000 b/d on Sept. 14 and 15, down from 1.68 million b/d on Sept. 13, according to shipping agents. Officials stressed that the reduced throughput was due only to bad weather.

Meanwhile, until the completion of repairs in the north, Iraq had suspended shipments of crude oil along pipeline route since Sept. 10 following an explosion on the line, according to government officials. "A bomb hit a pipeline transporting crude to Ceyhan in Turkey and halted exports on [Sept. 10]. The blast occurred in an area called Hadhar," said a spokesperson for the state-owned North Oil Co.



OMV increases stake in Petrol Ofisi

Date : 18.09.2008

Source : Turkish Daily News (Bloomberg)

<http://www.turkishdailynews.com.tr/article.php?enewsid=115658>

OMV raised its stake in Petrol Ofisi, a Turkish chain of gas stations, to 41.6 percent. OMV paid YTL 2.47 million (\$2 million) for 405,000 shares, the company said in a filing with the Istanbul Stock Exchange. The purchase doesn't give OMV any additional control over the company, the statement said.



Nigerian militants sabotage oil facilities

Date : 17.09.2008

Source : Today's Zaman (Reuters)

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=153359>

The militants of the Movement for the Emancipation of the Niger Delta (MEND) attacked two oil installations in the Niger Delta in the heaviest fighting there in two years, militants and security sources said on Tuesday.

MEND, responsible for attacks that have cut a fifth of the OPEC member's output since early 2006, said they attacked a Royal Dutch Shell oil pipeline and Chevron-operated oilfield late on Monday and early Tuesday. But a military spokesman dismissed MEND's claims, saying there were no security breaches.

The oil market, focusing on the impact of the credit crisis on the global economy, has largely ignored the escalation in violence in the world's eighth largest oil exporter. Prices on Tuesday traded at a seven-month low near \$92 a barrel. "A major crude oil pipeline ... belonging to the Shell Petroleum Development Company was destroyed with high explosives," MEND said. The pipeline was at Degema in Rivers state. A private security source said the militants also attacked Chevron's Idama oilfield, but were repelled by the military.



India may join Med Stream project

Date : 18.09.2008

Source : Turkish Daily News

<http://www.turkishdailynews.com.tr/article.php?newsid=115671>

India has expressed an interest in the \$11 billion Med Stream project, a multi-purpose offshore pipeline venture to transport crude oil at cheaper rates from Turkey to India. Officials from India, Turkey and Israel met, for the first time, in Ankara on Saturday to discuss technical issues.



Brazil declines invitation to join OPEC

Date : 16.09.2008

Source : Rigzone (Xinhua News Agency)

http://www.rigzone.com/news/article.asp?a_id=66694

Brazilian Mines and Energy Minister Edison Lobao Monday declined an invitation from Saudi Arabia to join OPEC, explaining that Brazil plans to refine, not export, crude oil from recently discovered deep water reserves.

Paulo Roberto Costa, a high-ranking executive with the state-run Petroleo Brasileiro SA oil company, confirmed that Brazil had turned down the offer to join the Organization of Petroleum Exporting Countries (OPEC) because it plans to refine crude at home and mainly export processed oil products.

Brazil in November 2007 announced it had discovered a new oil field 250 kilometers off its coast that could contain up to 8 billion barrels of oil.



Russia eyes more tax cuts for the oil industry

Date : 19.09.2008

Source : Upstream Online

<http://www.upstreamonline.com/live/article163532.ece>

Russia will propose more tax cuts for the oil industry this year to be put in place in 2010, Kremlin economic aide Arkady Dvorkovich said. "In effect yesterday a decision was made on lowering the tax burden for the oil sector," he told a news briefing.

Russia said yesterday it will slash the oil export duty to allow oil firms hit by a weaker crude price to save \$5.5 billion and give a boost to their floundering stocks. Dvorkovich also said that recent anti-crisis measures for the market will cost 0.5 percentage points of annual gross domestic product, but he did not specify which year. He also said Russia's plan to spend \$20 billion on stock purchases will be divided in equal parts over two years in 2008 and 2009.

Floating LNG sails into Italy



Date : 19.09.2008

Source : Upstream Online

<http://www.upstreamonline.com/live/article163525.ece>

The world's first offshore LNG terminal arrived at its final location off the Italian coast, where it will be capable of supplying about 10% of Italy's gas requirements. The terminal is designed to store and regasify LNG to deliver 775 million cubic feet per day (8 bcm per year) of gas when it reaches full capacity in 2009, said operator ExxonMobil.

The Adriatic terminal has been positioned at about 15 kilometers offshore Porto Levante, Italy, in the Adriatic Sea, in around 28 meters of water and will be connected via pipeline to Italy's natural-gas grid. The Adriatic LNG project is owned by ExxonMobil, Qatar Terminal (a 100% subsidiary of Qatar Petroleum) and Edison.

The Adriatic LNG terminal will receive natural gas produced from Qatar's North Field, which has resources of more than 900 trillion cubic feet of natural gas, making it the largest non-associated natural gas field in the world.

PETFORM ANNOUNCEMENTS & REPORTS

❖ IEA Natural Gas Market Review – 2008

Source : International Energy Agency

Weblink : <http://www.iea.org/w/bookshop/add.aspx?id=341>

❖ IEA Energy Policies Review – The European Union 2008

Source : International Energy Agency

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

❖ OPEC Monthly Oil Market Report (September 2008)

Source : OPEC

Weblink : <http://www.opec.org/home/Monthly%20Oil%20Market%20Reports/2008/pdf/MR092008.pdf>

❖ **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)



❖ **ADIPEC 2008**

12th Abu Dhabi International Petroleum Exhibition & Conference

Date : November 3 – 6, 2008
 Place : Abu Dhabi – UAE
 Website : www.adipec.com
 Contact : Ashok Pillai (+971 (0) 2 4444 909)



❖ **Mangystau Oil & Gas 2008**

3rd Regional Mangystau Oil & Gas Exhibition

Date : November 5 – 7, 2008
 Place : Aktau – Kazakhstan
 Website : www.mangystau.oil-gas.kz
 Contact : Olessya Makarenko (+7 3272 583434)



❖ **World Independents Forum 2008**

12th World Independents Forum

Date : November 18, 2008
 Place : London – UK
 Website : petro21.com/events/index.cfm?id=357
 Contact : Duncan Clarke (+31 70 324 6154)



❖ **National Oil Companies 2008**

7th Annual National Oil Companies 2008

Date : November 19 – 20, 2008
 Place : London – UK
 Website : petro21.com/events/index.cfm?id=355
 Contact : Duncan Clarke (+31 70 324 6154)

