



GAS



TPAO, BOTAS and Shell agree to partner on gas exploration in Iraq

Date : 21.11.2008

Source : Today's Zaman

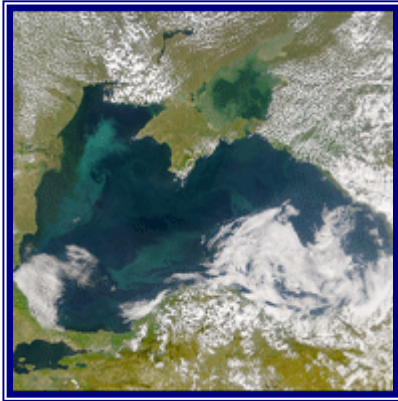
<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=159352>

TPAO, BOTAS and Shell Energy signed a preliminary contract to explore, manage, transport and market natural gas in Iraq. The agreement enables the transportation of gas to Turkey and Europe after it meets domestic demand in Iraq.

It also allows the companies to carry out infrastructure projects, including the construction of pipelines, underground depots and interconnection lines. "The cooperation of these three companies will contribute to the safety of the world's energy supply, and regional peace and stability," Energy and Natural Resources Minister Hilmi Güler said during the signing ceremony in Ankara. Güler described TPAO as a company that knows about Iraq's geology and BOTAS as a firm that has constructed pipelines worldwide.

The minister said that TPAO, which had been invited to bid on exploring and managing eight giant oil fields in Iraq, wanted to be partners with many foreign companies. Güler said TPAO and Shell could also cooperate in exploring and managing oil in Iraq and added that TPAO was deliberating with the Iraqi government to drill for natural gas near Iraq's border with Syria.

At the ceremony, Andrew Hepler, the vice president of Shell Energy Europe B.V. for strategy, portfolio and integration, said Turkey wanted to become an energy center in the region and that their company supported a strong integration with regional and European natural gas markets.



ExxonMobil and TPAO team up for Black Sea exploration

Date : 19.11.2008

Source : Rigzone

http://www.rigzone.com/news/article.asp?a_id=69724

ExxonMobil Exploration and Production Turkey B.V., has signed an agreement with TPAO to explore in two large deepwater blocks offshore Turkey, marking ExxonMobil's entry into Black Sea exploration.

ExxonMobil will become operator during the initial exploration phase and earn a 50 percent interest in the Samsun Block, which measures approximately 2 million acres (8,500 square kilometers) and the eastern portion of 3921 Block, which measures approximately 5 million acres (21,000 square kilometers). Water depths reach an approximate 6,500 feet (2,000 meters).

TPAO and ExxonMobil intend to collaborate to merge skills and operational abilities during the development and production phases. Seismic acquisition and evaluation programs for the two blocks are currently being operated by TPAO and are scheduled for completion in 2009. Assignment of the interest to ExxonMobil by TPAO is subject to Turkish government approval.

“ExxonMobil is pleased to team up with TPAO to explore the hydrocarbon potential of these deepwater Black Sea blocks,” said Tim Cejka, president of ExxonMobil Exploration Company. “We look forward to bringing our global deepwater experience to this prospective unexplored area.”

Mehmet Uysal, president and CEO of TPAO, said, “Together, TPAO and ExxonMobil have all the tools required to fully evaluate the potential of these blocks and safely develop whatever commercial quantities of oil and gas we discover. We look forward to working together on an aggressive exploration program to see what we can find.”

ExxonMobil affiliates are currently exploring for hydrocarbons in deepwater locations around the world, including offshore Angola, Brazil, Canada, Greenland, Ireland, Indonesia, Libya, Madagascar, Nigeria, The Philippines and the United States.



Iran and Turkey sign MoU on gas transfer

Date : 19.11.2008

Source : Today's Zaman (Reuters)

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=159140>

Iran signed a memorandum of understanding (MoU) with Turkey on Monday for the development of two phases of its South Pars gas field in the Gulf and on transferring gas to Europe, Iran's oil minister said on Monday.

The two sides had signed a deal last year on joint gas production and export of Iranian gas via Turkey to Europe. But since then they have been working to finalize the deal, such as hammering out investment terms. Turkish Energy Minister Hilmi Güler has been in Iran to discuss expanding energy cooperation, a move that has drawn criticism from the United States which is seeking to isolate the Islamic Republic over its nuclear plans.

“This [MoU] is about the development of phases 23 and 24 of the South Pars gas field with the joint investment of Iran and Turkey. Fifty percent of gas produced from these fields will be sold to Turkey,” Oil Minister Gholamhossein Nozari said. Nozari said a second part of the deal covered transporting gas to Turkey from Iran, and a third element covered transferring 35 bcm of gas a year onwards to Europe. Under the deal signed last year, Turkey was to extract 20.4 bcm of gas from South Pars.

Turkish Energy Ministry sources told Reuters last month that the neighbors had resolved problems on planned investment in South Pars and that they might sign a deal in November. Ankara imports about 10 bcm of gas each year from Iran, about 30 percent of its natural gas needs. An Iranian deputy oil minister, Akbar Torkan, said Turkey had asked Iran for more gas but did not give details.

“We have had positive negotiations with Iranian officials and they have promised us that there will not be any problem with respect to gas supply to Turkey this winter, and we have no worries,” Güler was earlier quoted by Shana as saying.

GAS



Gazprom: Natural gas prices will decrease in 2009

Date : 13.11.2008

Source : Today's Zaman

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=158578>

“The natural gas that Turkey imports from Russia will be 20 percent cheaper in 2009,” Sergey Komlev, the President of Gazprom’s Export Department, said. He said that since oil prices had fallen recently, Gazprom would decrease the price of natural gas supplied to Turkey.

Turkey currently pays \$400 per cubic meter of natural gas that is imported from Russia. Komlev also underlined that Russia sold natural gas to Turkey at a cheaper price than it does to European countries. Komlev asserted that they were unhappy with recent news suggesting that Gazprom was being extortionate in its deals. “However, I don’t think the Turkish government believes such news,” he noted. He also said he expects oil prices will fall further in 2009.

OIL



Fuel prices continue to drop as oil slides

Date : 21.11.2008

Source : Today's Zaman (Hasan Bozkurt)

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=159353>

Following three consecutive price cuts in fuel last week, prices dropped again yesterday. Fuel at the pumps has fallen by nearly 6 kuruş. A liter of 95 octane unleaded fuel was being sold for YTL 2.91 yesterday in Istanbul and Ankara.

A liter of diesel was selling for YTL 2.74 in İstanbul and YTL 2.79 in Ankara. LPG traded for YTL 1.71 per liter in Istanbul. Hasan Köktas, President of EMRA, said last week that declining oil prices are decreasing fuel costs and that further price cuts are likely to continue depending on developments in the currency market. Prime Minister Recep Tayyip Erdogan and Köktas criticized fuel distribution companies two weeks ago for not allowing prices to drop amid falling oil prices. The result was a series of price cuts. With the most recent fall, the price of a liter of fuel dropped to levels that were last seen in June 2006.



Kirkuk – Yumurtalik oil pipeline repaired

Date : 12.11.2008

Source : Today's Zaman (Murat Gezer)

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=158497>

Repair work to an oil pipeline that runs between Iraq and Turkey, necessitated by an explosion last week, has been completed, and officials of the state-owned Turkish Pipeline Corporation (BOTAS) have tested the system.

The clean-up and rehabilitation process of the surrounding area, however, could take up to a month. Oil spilled last week as a result of a blast caused by a sudden change in pressure on the Kirkuk-Yumurtalik oil pipeline connecting the northern Iraqi city of Kirkuk to the Ceyhan and carrying crude oil to Turkey.

The oil spill from the blast created a large oil slick when the 40-inch-wide pipeline broke with a 200-meter-high explosion of crude oil. Officials said about 200 tons of crude oil has been loaded into tankers and some spilt oil has been burnt to prevent oil from reaching nearby the lake formed by Ataturk Dam, Turkey's largest dam.

Officials ignited the oil on the surface of the lake which formed behind the dam, causing the deaths of several *rafetus euphraticus* turtles, which are indigenous to the region. Ducks, geese and swans, also covered by oil, have been affected, with farmland seeing damage from oil as well. BOTAS officials promised to compensate farm owners whose lands had been affected by the oil slick. A similar explosion at the pipeline happened three years ago and 20,000 barrels of oil spilled in the previous leak. It took months to clean up the area, again, near the same lake.



BTC pipeline to boost throughput by yearend

Date : 15.11.2008

Source : Oil & Gas Journal (Eric Watkins)

http://www.ogj.com/display_article/345424/120/ARTCL/none/Trasp/1/BTC-pipeline-to-boost-throughput-by-yearend/

The BTC pipeline will resume shipments of 1 mmbod by the yearend, according to Azerbaijan's Energy Minister Natiq Aliyev. The BTC line has been operating at reduced capacity of 850,000 b/d due to a partial shutdown of the Azeri-Chirag-Gunashli (ACG) fields in the Caspian Sea after a gas leak near one platform.

The Central Azeri platform, one of four producing oil from the ACG fields, will resume output in late December, said Rovnaq Abdullayev, head of the State Oil Co. of the Azerbaijan Republic (SOCAR). The announcements coincided with plans revealed Nov. 14 that SOCAR and Kazakhstan's state-owned KazMunaiGas agreed on the basic principles of a project to bring Kazakh oil across the Caspian Sea from 2013—some of it intended for transport through the BTC line.

Under the agreement, Kazakhstan will build a pipeline network from the Tenghiz and Kashagan oil fields to export terminals on its Caspian seaboard. The oil will then be shipped by tanker to terminals yet to be constructed on the Azeri coast. Once in Baku, oil will be shipped through the BTC line or by trans-Caucasus rail to Georgian ports on the Black Sea. The system's initial shipment capacity will stand at 500,000 b/d, eventually rising to 0.75-1.2 million b/d.

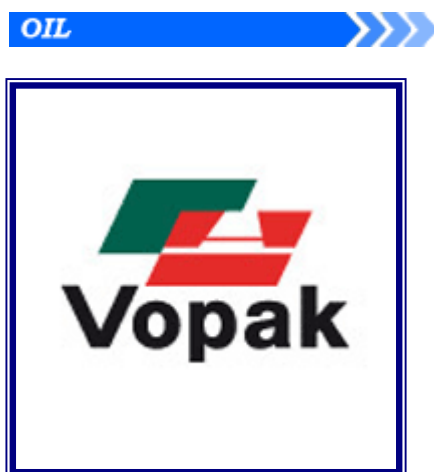
The current accord is based on a June 16, 2006, intergovernmental agreement signed by both countries on the transportation of 25 million tonnes of Kazakh oil through the BTC. Kazakh Energy Minister Sauat Mynbayev said the trans-Caspian project will give much-needed relief to Kazakhstan's energy business, which is struggling to provide enough capacity for the export of its rising crude output to buyers in Europe and China. "We're putting a lot of hope into transporting oil across the Caspian," said Mynbayev, adding, "We're interested in different export routes."

By 2015 Kazakhstan expects to be exporting 100 million tonnes of crude, Mynbaev said Nov. 14 at the signing ceremony in Baku. The Kazakh government pegs the cost of the trans-Caspian transport project, including terminals and tankers, at \$3 billion.

The announcement of a firm date for shipments to Azerbaijan came after Kazakhstan last month ended a dispute with foreign investors over the development and operation of its Kashagan oil field.

The government and the international oil companies developing the Kashagan field agreed to double Kazmunaigas' stake in the project. The other consortium members include Royal Dutch Shell PLC, ExxonMobil Corp., Total SA, ConocoPhillips, and Inpex Holdings Inc. The Eni SPA-led Kashagan development, in which KazMunaiGas will now have a 16.81% stake, is expected to start production in 2013.

Earlier this month, the first shipment of Kazakh oil—supplied by Tenghiz field—entered the BTC line after being transported across the Caspian Sea by tanker, according to Tamam Bayatli, a spokesman for pipeline operator BP PLC. The spokesman declined to say how much oil was shipped, but SOCAR officials have said as much as 100,000 b/d of Kazakh oil could ultimately be shipped through the 1,700-km line.



Vopak pursues new Turkish storage terminal

Date : 09.11.2008

Source : Oil & Gas Journal (Uchenna Izundu)

http://www.ogj.com/display_article/344839/120/ARTCL/none/Trasp/1/Vopak-pursues-new-Turkish-storage-terminal/

Royal Vopak plans to construct an oil products storage terminal on the coast of the Sea of Marmara in the vicinity of Yalova, Turkey. The company has bought GY Elyaf ve Iplik from Global Yatirim Holding for an undisclosed sum.

It will submit applications to secure necessary permits and prepare marketing, technical, and economic plans. “Thereafter a final investment decision to construct the terminal can be taken,” Vopak said. The 26-ha industrial plot of land will serve the greater Istanbul area and store liquid bulk chemical, oil, and vegetable oil products. Vopak said its customers were interested in using independent storage facilities around the Sea of Marmara because of its major development.



OMV in talks with Shell and BP on Nabucco gas

Date : 14.11.2008

Source : Rigzone (AFX News Limited)

http://www.rigzone.com/news/article.asp?a_id=69510

Austria's OMV is in talks with BP and Royal Dutch Shell to buy Azeri and Iraqi natural gas for transport through the planned Nabucco pipeline, which the EU hopes will reduce its reliance on Russian imports.

OMV spokesman Thomas Huemer said the talks with BP were related to its leading role in the Shah-Deniz project in Azerbaijan, while Shell has signed a gas deal with Baghdad that could lead to it becoming a major producer there.

The Nabucco consortium hopes gas from phase 2 of the Shah-Deniz project will be the bedrock of supplies to help get the pipeline off the ground, with additional supplies coming later from Iraq and possibly Iran and the Caspian region.

The shareholders are OMV, Romanian gas pipeline operator Transgaz German utility RWE, Hungarian oil company MOL, Turkish pipeline operator Botas and Bulgarian state gas company Bulgargaz.

OMV said building on the project would start in 2010 and first gas was planned for 2013, but many analysts doubt the project will be able to secure enough gas to get off the ground. Nabucco spokesman Christian Dolezal said the consortium was confident enough gas would be secured.

The second, \$10 billion phase of Shakh-Deniz is expected to come on stream between 2011 and 2012. BP and Statoil control Shah-Deniz, which produces around 15 million cubic metres of gas per day and has reserves of 1.2 trillion cubic meters.



Russia to build gas pipeline to South Ossetia

Date : 17.11.2008

Source : Rigzone (Xinhua Financial News)

http://www.rigzone.com/news/article.asp?a_id=69574

Russian gas giant Gazprom said on Monday it would build a pipeline directly to Georgia's rebel region of South Ossetia because of problems with natural gas supplies to the enclave after a war with Georgia.

Gazprom said the new pipeline was needed because the current pipeline goes through the territory of Georgia proper. "No-one thought that a direct gas pipeline would be needed, but one is now being built and will only be turned on in the middle of next year," Gazprom spokesman Sergei Kupriyanov told. When asked if gas supplies to South Ossetia had been affected, he said: "according to the information we have, yes."

Kupriyanov said the pipeline had been damaged and added that supplies were complicated by the fact that Gazprom had no direct transit agreement with Georgia for gas supplies through its territory to South Ossetia.

Russia fought a short war with Georgia in August after Tbilisi sent troops and tanks to retake the pro-Russian rebel region of South Ossetia. Russian troops drove Georgia out of the enclave and pushed into Georgia proper before recognising South Ossetia and another rebel region, Abkhazia, as independent states.

❖ World Energy Outlook 2008

Source : International Energy Agency

Weblink : <http://www.iea.org/w/bookshop/add.aspx?id=353>

❖ OPEC Monthly Oil Market Report (November 2008)

Source : OPEC

Weblink : <http://www.opec.org/home/Monthly%20Oil%20Market%20Reports/2008/pdf/MR112008.pdf>

❖ LPG Market Figures (Jan – Sep 2008)

Source : EMRA

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