



## GAS



## Güler: Russia calls for meeting with gas consumer countries

Date : 16.01.2009

Source : Today's Zaman

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=164255>

“Russian President Dmitry Medvedev invited European natural gas consumer countries to a meeting on Saturday,” Energy and Natural Resources Minister Hilmi Güler said on Thursday upon his return from Moscow.

“The natural gas crisis between Russia and Ukraine is ongoing,” Güler said. He paid a two-day visit to the Russian capital as the guest of Russian Energy Minister Sergey Ivanovich Shmatko. “Turkey has been asked to contribute to the solution of the problem,” he said. He noted that Turkey had been doing a good job managing the crisis even though this has not been reflected in the Turkish media.

He said Balkan countries wanted be included in the Nabucco project, a plan for the construction of a pipeline to carry natural gas from the Caspian region to European markets via Turkey, emphasizing that Turkey expected to help such countries. Regarding a possible decline in the price of natural gas in Turkey, Güler said the government was conducting studies on the subject and that they would make an announcement on the issue by the end of the month.

## OIL



## Iraq invites IOCs to workshop in Istanbul

Date : 15.01.2009

Source : Rigzone (Dow Jones Newswires)

[http://www.rigzone.com/news/article.asp?a\\_id=71732](http://www.rigzone.com/news/article.asp?a_id=71732)

The Iraqi oil ministry will hold a workshop in Istanbul on Feb. 12–14 for international oil companies interested in bidding for the country's first licensing round to develop one of the world's largest oil and gas fields, an Iraqi oil official said.

“The ministry will listen to proposals, comments and suggestions from oil companies on the bidding procedures and contract models of the first licensing round,” said the official who is close to the first bidding round. The ministry will study these proposals and comments and if it finds them useful it will adopt them, he said.

Iraq announced its first licensing round at the end of June, offering eight oil and gas fields to 35 prequalified international companies. The official said only companies which paid participation fees and bought a draft model contract, initial tender protocols and data for the eight oil and gas fields can attend the workshop. So far only 16 international oil companies out of the 35 prequalified firms had bought these documents, but mostly the world's majors, the official said.

He said the draft contract model which offers oil-producing fields on service contracts could be modified in accordance with the outcome of the workshop and would be sent again to companies which bought the first draft contract. Analysis of the latest text of the model contract reveals there was still a gap between the oil ministry and international oil companies on the draft model contract. The gap has been widened by the recent slide on world oil prices.

“Investing in an environment like Iraq isn’t very tempting for international oil companies because of the recent dramatic slide in oil prices,” an Iraqi analyst said. The workshop aims to narrow the gap between the oil ministry and companies and for the ministry to issue the final technical service contract by April and award contracts by the summer.

The producing oil fields in questions are Kirkuk and Bai Hassan in northern Iraq, West Qurna -1, North and South Rumaila, Zubair and Missan in southern Iraq. The two non-producing gas fields are Akkas in western Iraq and Mansouriya in the center. Baghdad hopes contracts for the fields, which are expected to run for 20 years, will help boost the country’s crude production capacity to 4.5 million barrels a day by 2012 from 2.4 million barrels a day now. Iraq also launched last month the second bidding round opening some 15 oil fields and 1 gas field for international investment.

Around two-thirds of the 35 companies that have been prequalified to place bids for the first bidding round are international firms like TOTAL, ExxonMobil, Lukoil, Royal Dutch Shell, BP and Chevron. However, some international companies are still reluctant to go to Iraq to develop the country’s vast oil reserves because of violence and unstable security situation. Iraq is planning to hold provincial elections at the end of this month, which could trigger violence.



## Turkey does not plan natural gas supply cuts to Greece

Date : 14.01.2009

Source : Hürriyet Daily News

<http://arama.hurriyet.com.tr/arsivnews.aspx?id=10775676>

Turkey does not plan any cuts in domestic natural gas distribution and gas exports to Greece will not be cut despite the Russian-Ukrainian gas row, a senior Turkish Energy Ministry source said on Wednesday.

Turkish daily domestic consumption stands at 110–115 million cubic metres, compared with a usual seasonal level of 130 million, the source said. Turkey has shut down three of its state-owned power plants because of the gas shortfall.

The source told Reuters gas flow to Greece was currently at 1.6 million cubic metres a day, compared with a contract level of 2.0 million due to low pressure. “Turkey in general has not experienced any problems because of the measures it has taken. We took measures with several gas-fired power stations... At the moment there is no plan for any gas cuts,” the source said.



## Turkey breaks a new record in energy deals

Date : 12.01.2009

Source : Hürriyet Daily News

<http://arama.hurriyet.com.tr/arsivnews.aspx?id=10756647>

Amid the onslaught of the global crisis, Turkey’s energy deals prove to be a shield, says a report by PricewaterhouseCoopers. The country has set a new record with its energy deals worth \$6.6 billion last year

The first edition of ‘Energy Deals’, which is an analysis of mergers and acquisitions in the Turkish energy market, aims to provide current and future investors with an updated and a deeper insight on the deal activities that took place in the Turkish oil, power and gas markets in 2008.

The Turkish energy market has seen tremendous interest from both domestic and foreign investors in 2008; total deal volume reached \$6.6 billion from 19 deals. The launch of big-ticket privatizations in the electricity and gas distribution segments was the key driver of this momentum.

Utilities have been the busiest deal venue in 2008. Of the total 19 deals, 16 were related to utilities, with a total activity of \$6 billion, i.e. 90 percent of the total deal value. Privatizations of electricity and gas distribution companies in Ankara and the electricity distribution company in Sakarya were the top three deals in 2008 in the utilities sector.

In privatizations, foreign players preferred to engage in consortiums with local counterparts, rather than participating by themselves. The main reason behind their low interest was the uncertainties in the tariff structures in the electricity and gas markets. The acquisition of Izgaz, the gas distribution company operating in Kocaeli, by GdF Suez, on the other hand, constituted an exception to the absence of pure foreign interest in the privatization tenders.

The privatization tenders left incomplete in 2008 will constitute main transactions in 2009 and most probably in 2010, the report says. In the power arena, privatization of state-owned distribution and generation assets as well as private deals in renewable energy will constitute the bulk of the deal activities.

In the gas front, the privatization of IGDAS, the gas distribution company in Istanbul, scheduled for the post-municipal election period, is the biggest deal prospect. The PricewaterhouseCoopers report's outlook for the deal potential in the Turkish oil market is doubtful given the existing market-related and regulatory constraints.

Western Europe continues to be the most active region in energy deals in Turkey. In fact, major players from France, Germany, Italy, the Netherlands and Austria comprised 58 percent of total deal volume in 2008, including their local partners' shares where applicable, in line with their strategy to extend their reach beyond their motherlands.

The survey indicates that regulatory uncertainties are the biggest challenge for investors during the deal process. In the post acquisition period, on the other hand, obtaining regulatory approvals remains the biggest obstacle.



## Birol: Russia no longer reliable gas supplier

Date : 16.01.2009

Source : Today's Zaman

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=164263>

Russia has lost its status as a reliable gas supplier to Europe after EU states were cut off for days from Russian gas, the International Energy Agency (IEA) said. "With this move Russia casts a very dark shadow on being a reliable gas supplier to Europe," IEA Chief Economist Fatih Birol told a conference in Madrid.

"The Russia-Ukrainian gas crisis is another wake up call to EU countries to restructure their energy policies." Ukraine rejected Russia's latest request to pipe natural gas westward to increasingly frustrated EU consumers on Thursday, deepening the bitter economic and political dispute that has paralyzed energy shipments to Europe. Desperate to restore supplies, the European Union said it was ready to join a weekend meeting between Russia and Ukraine to seek a solution to the crisis that has left eastern Europe frantically scrambling for heat, light and power.

Gazprom opened a tap near the border Tuesday and asked Ukraine to send a limited amount of gas on to Europe. Ukraine's Naftogaz refused, saying the route Gazprom demanded would force Ukraine to shut off energy supplies to millions of Ukrainian consumers first. Ukraine also said Russia must supply 'technical gas' to prime the pumps. Russia said on Thursday Prime Minister Vladimir Putin and his Ukrainian counterpart Yulia Tymoshenko would meet for talks on Saturday.



## Medgaz gas pipeline from Algeria to Spain completed

Date : 08.01.2009

Source : Oil & Gas Journal (Eric Watkins)

[http://www.ogj.com/display\\_article/349767/120/ARTCL/none/Trasp/1/Medgaz-Algeria-to-Spain-gas-pipeline-completed/](http://www.ogj.com/display_article/349767/120/ARTCL/none/Trasp/1/Medgaz-Algeria-to-Spain-gas-pipeline-completed/)

The Medgaz consortium -comprised of Sonatrach 36%; Cepsa 20%, Iberola 20%, and Endesa 12%; and newly merged GDF Suez 12%- has completed construction on the sub-Mediterranean natural gas pipeline connecting Algeria to Spain.

Medgaz said main contractor Saipem of Italy finished laying the last 24-in. pipes along the 210 km route, which runs from Beni Saf, Algeria, to Almeira, Spain. Medgaz said it will conduct hydraulic tests on the line between January and March before the gas comes on stream in mid-2009. Europe will welcome completion of the line, given its current distress associated with curtailment of Russian gas supplies via Ukraine.

In 2006, Spain and Italy, concerned about the reliability of supplies from Russia, asked Algeria to speed up construction of several new gas lines after a similar dispute between Russia and Ukraine disrupted gas flow to Europe.

The 8 bcm/year Medgaz pipeline joins two other lines linking Algeria with southern Europe: the 12 bcm/year Pedro Duran Farell line via Morocco to Spain and the 33.5 bcm/year Trans-Mediterranean pipeline flowing gas via Tunisia to Italy and Slovenia.

Work also is under way on the 8 bcm/year Galsi line from Algeria to northern Italy via Sardinia. Snam Rete Gas SPA is constructing that line. Last October, Snam Rete Gas Chief Executive Carlo Malacarne said the Galsi pipeline is expected to be ready in 2012-13.



## Indian firms to search for oil in Georgia

Date : 16.01.2009

Source : Rigzone (Xinhua Financial News)

[http://www.rigzone.com/news/article.asp?a\\_id=71773](http://www.rigzone.com/news/article.asp?a_id=71773)

A consortium of two Indian companies said they plan to invest \$150 million in oil exploration in Georgia. “Georgia has tremendous potential -if proper technology, good technology is used, we hope we'll be able to do a very good job,” Naveen Jindal, Executive Vice Chairman of Jindal Steel and Power Ltd, told.

The consortium of Jindal Petroleum and Ensearch Petroleum has been given permission to explore and extract oil in the Caucasus country, paying \$17.4 million for the right to operate on four blocks in different regions. Georgia's best years came at the twilight of the Soviet Union in the mid-1980s, when it produced 3.3 million tonnes a year (66,000 barrels per day). In 2008, Georgia produced 52,000 tonnes of oil. But Jindal said he was optimistic. “According to available data there are more than one billion barrels in reserves,” he said.



## GAS



## Shahristani: Iraq and Syria map out new pipeline

Date : 15.01.2009

Source : Upstream Online

<http://www.upstreamonline.com/live/article169714.ece>

Iraq is planning to build a new pipeline to pump natural gas to Syria, part of its efforts to develop new oil and gas export routes, the Iraqi Oil Ministry Hussain al-Shahristani said today.

Shahristani met Syrian ambassador Nawaf Aboud al-Sheikh Faris in Baghdad to discuss co-operation in oil and gas between countries that have restored diplomatic ties in recent years after a decades-long freeze. “The Iraqi oil ministry is preparing the requirements to fulfil the project of transporting gas from the Akkas field to Syria,” Reuters quoted ministry spokesman Asim Jihad quoted Shahristani as saying.

He said the ministry has already reached an agreement with a company specialising in constructing gas pipelines to work on the project, although he did not name the company. He also said Iraq and Syria have plans to re-open a long shut oil pipeline to pump Iraqi crude to the Syrian port of Baniyas. Akkas, a giant natural gas field, is one of eight oil and gas fields that Iraq opened to foreign companies to bid for contracts in a first round of bidding last year.

## OIL



## China and Iran oilfield cooperation to help stabilize market

Date : 15.01.2009

Source : Rigzone (Xinhua News Agency)

[http://www.rigzone.com/news/article.asp?a\\_id=71723](http://www.rigzone.com/news/article.asp?a_id=71723)

Joint commercial oilfield development by China and Iran would help stabilize the oil market, China’s Foreign Ministry spokeswoman Jiang Yu said. Iran and China signed a US \$1.76 billion deal for the initial development of Iran’s North Azadegan oilfield, IRNA news agency reported.

The North Azadegan oilfield, located in Iran’s western province of Khuzestan, has estimated reserves of 6 billion barrels and can produce 75,000 barrels per day for 25 years, the IRNA report said.

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Source : EMRA

Weblink : <http://www.epdk.org.tr/AylikTopluLisanslarResmiGazete/ayliklisanslar.htm>

❖ OPEC Monthly Oil Market Report (Jan 2009)

Source : OPEC

Weblink : <http://www.opec.org/home/Monthly%20Oil%20Market%20Reports/2009/pdf/MR012009.pdf>

❖ Statement of the Energy Charter Secretary General on the Russia – Ukraine Gas Dispute

Source : Energy Charter

Weblink : [http://www.encharter.org/index.php?id=21&id\\_article=166&L=0](http://www.encharter.org/index.php?id=21&id_article=166&L=0)