PETFORM
OIL & GAS BULLETIN
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GAS

PM Erdogan: Turkey to review Nabucco if energy chapter blocked

Date : 19.01.2009
Source : Hürriyet Daily News
http://arama.hurriyet.com.tr/arsivnews.aspx?id=10808645

Turkey said it will review its support for the Nabucco pipeline project if the negotiations are blocked on the energy chapter. Turkish and the European Union officials, on the other hand, agreed on the need for the pipeline.

"If we are faced with a situation where the energy chapter is blocked, we would of course review our position," Turkish Prime Minister Tayyip Erdogan told at the European Policy Center (EPC) on a rare visit to Brussels aimed at boosting accession talks this year. Greek Cyprus told Hurriyet Daily News last month it would not let talks on the energy part of the accession process start until an oil exploration dispute was resolved. Greek Cypriots have accused Turkey of harassing hydrocarbon research vessels four times since Nov. 13.

The EU and Turkey agreed on the need for the project, European Commission President Jose Manuel Barroso and Turkish PM Tayyip Erdogan said on Monday. *"We agreed for the need for this pipeline,"* Barroso was quoted by Reuters as saying after talks with Erdogan, who earlier said Turkey could review its support for the project over EU member Greek Cyprus' veto of the energy portion of the country's EU accession talks.

"We do not want accession negotiations with Turkey to be impeded," Barroso told the joint conference. Erdogan, however, said Turkey does not have any intention of using the Nabucco issue as a tool in a bid to reassure of his country's commitment. *"We do not use this (Nabucco) issue as a tool. Anyway we are a member of this project."*

The intergovernmental agreements on Nabucco are expected to be completed in the near future and experts believe the agreements with the potential suppliers should also be made. Members of the consortium however say the supply agreements should be made afterwards. *"The information is that the countries that say that they will provide sufficient amounts of natural gas do not have enough natural gas to provide,"* Erdogan told at the EPC. *"In the Nabucco project there needs to 30 billion cubic meters of natural gas flowing, but it's not there,"* he added. Iran remains a potential source of gas for Nabucco, and Erdogan criticized countries that oppose accessing Iranian gas for political reasons.

GAS

Natural gas flow to Turkey resumes

Date : 22.01.2009
Source : Today's Zaman
http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=164760

Officials from the Energy and Natural Resources Ministry and the Turkish Pipeline Corporation (BOTAS) said on Tuesday the flow of natural gas would increase gradually over the day and would reach normal levels by Wednesday evening.

Turkey received 40 million cubic meters of natural gas per day through the west pipeline before the dispute over gas prices between Ukraine and Russia broke out. Soon turning into a crisis, Gazprom cut the gas flow to Ukraine. On Jan. 6, Energy and Natural Resources Minister Hilmi Güler announced that the flow of natural gas through the west pipeline from Russia to Turkey via Ukraine had completely stopped. Güler met with Russian officials last week and participated in a meeting between Russia and the European countries that consume Russian gas.

Meanwhile, routine maintenance on a gas pipeline between Iran and Turkey is continuing. Officials said yesterday that there had been some technical issues and that these would be worked out soon. They said Iran was expected to resume natural gas flow to Turkey some time on Wednesday.

OIL

TEKFEN

Tekfen: Takeover deal with SOCAR delayed to September

Date : 21.01.2009
Source : Hürriyet Daily News (AA)
http://arama.hurriyet.com.tr/arsivnews.aspx?id=10826006

Turkey's Tekfen Holding said Wednesday that completion of the takeover deal for its construction arm, signed with Azerbaijan's state oil company SOCAR, has been delayed to September due to the global financial crisis.

In September 2008, Tekfen Holding agreed with SOCAR to sell 50 percent of its construction firm for $520 million. Tekfen said in a statement sent to Istanbul Stock Exchange that both parties agreed to postpone the implementation of the deal until September 2009 due to the global financial crisis and fluctuations in oil prices.

GAS

Turkey seeks to get 15 percent of Nabucco gas, partners oppose

Date : 23.01.2009
Source : Today's Zaman (Reuters)
http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=164857

Turkey wants to keep a net 15 percent of the natural gas that will flow through the planned Nabucco pipeline, a demand its European partners have so far refused, an Energy Ministry official said on Wednesday.

Lack of resolution on the issue has stalled progress, including finding enough gas to supply the pipeline, but Turkey and its partners hope to agree on terms by the end of the month, the official told Reuters on condition of anonymity. Turkey wants to retain a 'net back' 15 percent of the gas that ships through Nabucco after it opens in 2013, which is minus the cost of transport, the official said. Its five partners, however, want Turkey to serve as a transit country without using any of the annual 30 bcm of gas the pipeline will eventually carry.

"Turkey is insistent on the issue of net back, and the consortium and the EU are opposed to this," the official said. "*Turkey must consider supply security ... EU countries saw Turkey's stance on supply security was justified during the Russian-Ukrainian crisis.*" Turkey expects to resolve the standoff over gas purchases, as well as three to four other outstanding issues, at a summit in Budapest later this month, the Energy Ministry official said.

GAS

GDF Suez pays $232 million for IZGAZ

Date : 23.01.2009
Source : Hürriyet Daily News (Bloomberg)
http://arama.hurriyet.com.tr/arsivnews.aspx?id=10836334

GDF Suez paid $232 million to Kocaeli municipality to acquire the city of Izmit's natural gas grid. The Paris-based utility signed an agreement Wednesday to operate IZGAZ after winning an auction in August, company spokesman Yasin Yanik said.

GDF Suez will also pay 290 million liras ($176 million) in debt owed by IZGAZ to BOTAS and the Turkish Treasury by the end of the year, he said.

GAS

Incremental Petroleum discovers gas in Edirne

Date : 19.01.2009
Source : Rigzone
http://www.rigzone.com/news/article.asp?a_id=71825

Incremental Petroleum has announced that the Edirne appraisal well Ikihoyuk 2 in Western Turkey (IPM 55%) has discovered 27 m of net gas pay over a gross interval of 87m. The net pay exceeded the predrill estimate by some 25%.

Ikihoyuk 2 is 620m west of Ikihoyuk 1, and encountered 27 meters of net gas pay, based on wireline log analysis, between 395m and 482m. Average porosity is an excellent 26%. Total depth of the well is 500m. The present operation is running 5 inch casing. The well will not be tested at this time.

The Ikihoyuk structure is one of some 17 structures mapped on the 2007 3D seismic and is a downthrown fault trap. Gerry McGann, Managing Director, said, *"The excellent results of this appraisal well move us one step further to commercializing the Edirne project."* The partners in the Edirne Gas project are Incremental Petroleum 55%, Otto Energy 35% and Petraco, as joint operator, with 10%.

OIL

IEA sees oil demand down

Date : 17.01.2009
Source : Hürriyet Daily News (AP)
http://arama.hurriyet.com.tr/arsivnews.aspx?id=10793842

The International Energy Agency predicted that the worsening global economy will cause a decline in oil consumption for a second straight year in 2009. The agency said in its monthly survey that the accelerating slide in oil consumption this year will result in the first two-year decline in 26 years.

The agency has cut its forecast for oil demand this year by 1 million barrels to 85.3 million barrels a day - 0.6 percent lower than 2008.

OIL

Obama’s energy strategies to be ‘mixed bag’

Date : 20.01.2009
Source : Oil & Gas Journal (Nick Snow)
http://www.ogj.com/display_article/350871/120/ARTCL/none/GenIn/1/Obama's-energy,-environment-strategies-to-be-'mixed-bag'/

As Barack Obama was sworn in January 20 as the 44th US president, his administration announced an energy and environment program with provisions directly affecting the oil and gas industry in several areas.

The strategy aims to save more oil than the US imports from Venezuela and the Middle East combined within 10 years by promoting ‘the responsible domestic production’ of oil and gas, according to information posted on the White House web site. It also embraces a ‘use it or lose it’ approach to existing leases.

Proposals to reduce US oil imports also include enacting higher fuel economy standards, putting 1 million plug-in hybrid cars on the road by 2015, creating a $7,000 tax credit for purchasing advanced fuel vehicles and establishing a national low-carbon fuel standard.

Under what is called the Obama-Biden Comprehensive New Energy for America plan, the White House also includes prioritized construction of a natural gas pipeline from Alaska as part of a program to create 5 million ‘green jobs’ by investing $150 billion over the next 10 years. The jobs creation portion also proposes clean coal technology development and deployment; greater energy efficiency, including weatherization of 1 million homes annually, and ensuring that 10% of the nation’s electricity come from renewable sources by 2012 and 25% by 2025.

In an effort to provide short-term relief to consumers, the plan calls for swapping oil from the Strategic Petroleum Reserve to cut prices and cracking down on excessive energy speculation. Democrats in Congress proposed both actions as oil prices approached $150/bbl and retail gasoline prices broke the $4/gal barrier early last summer.

Obama’s inaugural address included references to excessive financial speculation, which several federal lawmakers believe played a greater part in 2008’s record-high oil prices than supply and demand. Finally, the incoming administration’s energy and environmental strategy calls for implementation of an economy-wide cap-and-trade program to reduce greenhouse gas emissions by 80% by 2050.

OIL

US Department of Energy makes first direct oil purchases for the Strategic Petroleum Reserve

Date : 21.01.2009
Source : Oil & Gas Journal (Nick Snow)
http://www.ogj.com/display_article/350948/120/ARTCL/none/GenIn/1/DOE-makes-first-direct-oil-purchases-for-SPR-since-1994/

The US Department of Energy awarded contracts on Jan. 16 to purchase nearly 10.7 million bbl of oil for the Strategic Petroleum Reserve.

The awards were the first direct purchases of crude for the reserve since 1994, it said. DOE said it awarded the contracts to Shell Trading Co. and to Vitol Inc. to deliver oil to the SPR from February to April. It said that it used revenues from the emergency sale of crude from the reserve following Hurricane Katrina in 2005 to pay for the purchase. DOE also announced contracts using the royalty-in-kind transfer program with the US Department of the Interior to Shell Trading and Glencore Ltd. for 26,000 b/d of oil.

These awards will result in the addition of nearly 6.16 million bbl of oil to the SPR's inventory from May 2009 through January 2010, DOE said. It said both sets of awards resulted from separate contract solicitations on Jan. 2. DOE said it decided to solicit the oil following sharp price declines during second-half 2008, which made the purchases more economically favorable.

PETFORM ANNOUNCEMENTS & REPORTS

❖ Minimum Amount of Capital in Natural Gas Market in 2009

Source : EMRA
Weblink : http://www.epdk.org.tr/lisans/dogalgaz/asgarisermaye/2009/2009.html

❖ Announcement on Natural Gas Market Information Portal

Source : EMRA
Weblink : http://www.epdk.org.tr/duyuru/dogalgaz/acil/portal/Duyuru.html