



GAS



RWE and Turcas sign joint venture agreement

Date : 23.03.2009

Source : RWE AG

<http://www.rwe.com/web/cms/en/113648/rwe/press-news/press-release/?pmid=4003167>

RWE Holding, RWE's Turkish subsidiary company, and Turcas Elektrik Uretim, subsidiary of Turcas Petrol on 20 March signed a JV agreement for the construction of an 800 MW combined cycle gas turbine power plant near the city of Denizli.

RWE will own 70% in the JV company, which already holds pre-license rights for the power plant. Initially, the main task of the joint venture company is to continue the project development work and further advance the project. A final investment decision is expected by the end of 2009 and construction could start in early 2010.

Erdal Aksoy, Chairman of Turcas, emphasised during the signing ceremony: "We highly appreciate the competence of our partner and look forward to working jointly on the remaining issues. We are optimistic that together with RWE, we can start the operation of the power station within the deadlines we have mutually set ourselves." Laying out the importance of the joint venture, Dr. Leo Birnbaum, Member of the RWE Executive Board responsible for strategy, explained: "For RWE, this joint venture represents a first step into the Turkish power market. In addition, this project will reinforce RWE's organic growth strategy for south-east Europe."

OIL



Dismissing turmoil, Petkim moves forward

Date : 25.03.2009

Source : Hürriyet Daily News (Mete Tamer Omür – Referans)

<http://arama.hurriyet.com.tr/arsivnews.aspx?id=11281829>

A climate of global uncertainty cannot stop Pektim from aiming high, according to Kenan Yavuz, General Manager of the company. "Petkim has many exciting projects and is waiting for approval from the Energy Market Regulatory Authority", he said.

Petkim, a petrochemicals producer owned by Turkey's Turcas and Azerbaijan's Socar, is now involved in giant projects following its privatization last year. Petkim has been preparing for its most exciting projects of the last 40 years, Yavuz said. He requested for the bureaucratic process of its projects to be finalized quickly to move forward with the projects as soon as possible. Among the projects is a refinery worth \$3 billion, which will create jobs for thousands of people.

Petkim's owners Socar and Turcas applied to the Energy Market Regulatory Authority (EPDK) to obtain a license to establish a new refinery right after the privatization procedure was concluded, said Yavuz. The decision makers in Turkey should also lend their full support to this investment, he said. "We expect to see the positive results of our bureaucratic applications rapidly. There are two options. Either, my partners will establish a refinery here, and Petkim will grow with the raw material I acquire from that refinery, or I will disappear," he said. "If a certain scale is not reached in order to keep up with the competition, one is bound to perish. I have to establish this refinery in order to secure competitive advantage. We will grow with this refinery. We will either be supported by all in our conquest, or Turkey will have to forget all about the petrochemicals industry," he said.

Socar-Turcas Joint Venture took over control of Petkim for 49 years, said Yavuz. Petkim currently meets its raw material demand via imports and a new refinery would remove the company's dependency abroad, he said. "We are awaiting EPDK's approval. We are conducting all the studies necessary to obtain the Environmental Impact Assessment (EIA) document. Our engineering studies for feasibility and configurations are also ongoing."

A few years ago, Petkim used to obtain all of its naphta, a flammable liquid, from Tüpraş; however, as the firm halted production, Petkim has begun to import almost all of its naphta supply, according to Yavuz. "This project will enable us to meet Petkim's raw material demand as well as producing chemicals to meet Turkey's needs. Petkim, with its port, dam, water, electricity and steam, has a great infrastructure. That is a significant advantage. Our partners envisage an investment starting from at least \$3 billion for this [refinery] project."

Petkim aims to meet 40 percent of the domestic market's demand by 2018, Yavuz said. The refinery construction and some other investments, which will be implemented through 2018, will enable employment opportunities for at least 10,000 people, he said. Once established, the factories will also require hiring at least 1,500 people to operate, he said. "When everyone is concerned over uncertainties, we can speak about 2018. The crisis is temporary, and we have long-term strategic targets. In line with these targets, we have the projection to connect the Caspian and Aegean. The plan also includes the Baku-Tbilisi-Ceyhan pipeline, railway connection and Shah Deniz gas field project," he said.

OIL



President Gül: Iraqi energy must be transferred via Turkey

Date : 23.03.2009

Source : Hürriyet Daily News

<http://arama.hurriyet.com.tr/arsivnews.aspx?id=11269999>

The transfer of Iraqi energy sources will be made through Turkey, President Abdullah Gül said on his visit to Iraq. Gül met with his Iraqi counterpart Jalal Talabani in the first presidential visit in 33-years, and is also expected to meet Prime Minister Nuri al-Maliki during his two-day stay to Baghdad.

Trade between two countries has grown substantially since the intensity of the war in Iraq eased. Iraq sells oil to its neighbor, while Turkey exported domestic goods, cement and foods totaling \$4 billion in 2008 to northern Iraq. “A comprehensive Economic Partnership Agreement will be signed during the visit”, Gül’s office has earlier said in a statement.

GAS



Gazprom warns Ukraine over pipeline plan

Date : 27.03.2009

Source : Today’s Zaman (Reuters)

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=170732>

Russia’s Gazprom warned Ukraine against implementing plans to modernize its pipelines without consulting Moscow, saying any such action would immediately affect gas supplies to Europe.

Ukraine has called on the European Union, which gets most of its imported Russian gas via Ukraine, to help fund modernization of its pipeline system. The proposal has angered the Kremlin and Russian Prime Minister Vladimir Putin has said Moscow could review its ties with the EU if its interests are ignored.

Gazprom said late on Wednesday that any changes to Ukraine’s pipelines, built as part of a single Soviet-era system also including Russia, would need the company’s approval or risk disrupting gas production and output across Eurasia.



RWE Dea seeks Caspian region gas licenses

Date : 25.03.2009

Source : Rigzone (AFX News Limited)

http://www.rigzone.com/news/article.asp?a_id=74339

RWE oil and gas unit Dea is looking to expand operations in the Caspian gas region, Dea Chief Executive Georg Schoening said. "We are in talks with Turkmenistan and Azerbaijan. I hope we will be able to agree a contract with Turkmenistan in the first half of 2009", he told.

RWE Dea was also looking into possible Kazakh projects, the paper quoted him as saying. RWE is one of the partners in the Nabucco gas pipeline consortium that aims to bring Caspian region and Middle Eastern gas to Europe via Turkey.

The RWE group has plans to invest annually 850 million euros into gas and treble its gas production via Dea by 2013. Group CEO Juergen Grossmann this way wants to cover a quarter of RWE's overall gas requirements for its distribution subsidiaries and power plants from own sources, compared with 15 percent now.

RWE recently opened an office in Dubai, not far from Nabucco's route and close to Qatari LNG terminals. Rival E.ON is also stepping up its representations in the area. Dea reported it raised its gas output by 3 percent to 3.3 bcm last year while oil output shrank by eight percent to 2.5 million cubic meters.



Petrobras may compete for Iraqi oil deal

Date : 26.03.2009

Source : Rigzone (Dow Jones Newswires)

http://www.rigzone.com/news/article.asp?a_id=74387

Brazil's state-run oil company Petrobras could join a U.S. firm and two European companies in competing for a contract to develop Iraq's Nahr Bin Umar oil field, a senior Iraqi oil official involved in talks with international oil companies told.

“Petrobras had carried out studies on Nahr Bin Umar during the 1970s and the Oil Ministry may invite it for negotiations,” the official said. Earlier this week, an Iraqi oil official said Baghdad had invited a consortium of Total and Chevron to compete against StatoilHydro and a fourth company which he didn’t name.

In the 1990s, Total signed a tentative agreement with Saddam Hussein’s regime to develop Nahr Bin Umar, but no final deal was signed due to the then economic sanctions. The field has about 6.6 billion barrels of reserves and a potential production of 440,000 barrels a day. Petrobras worked in Iraq in late 1970s and it actually discovered the current super giant Majnoon oil field with proven oil reserves of around 12 billion barrels, according to former Iraqi officials.

The Nahr Bin Umar field’s contract would be similar in format to a contract in the southern Nasiriyah field for which Japan’s Nippon, Italy’s Eni and Spain’s Repsol are vying. Development of Nahr Bin Umar is part of a ‘Crush Plan’ launched earlier this month by the Oil Ministry to increase Iraqi oil production by 500,000 barrels a day in two years time. Iraq is currently producing around 2.3 million barrels a day.



Gazprom to buy oil stakes of Italian firms Eni and Enel

Date : 26.03.2009

Source : Hürriyet Daily News (Agence France-Presse)

<http://arama.hurriyet.com.tr/arsivnews.aspx?id=11290036>

Gazprom is to buy a set of Russian oil assets from Italian firms Eni and Enel for \$5.5 billion, well above the current market price. Gazprom will buy out the 20 percent stake owned by Eni in its oil unit Gazprom Neft for four billion dollars, the business daily Vedomosti reported.

It will also acquire assets owned by Eni and Enel from the broken-up Russian oil firm Yukos for \$1.5 billion. The newspaper quoted a source close to Gazprom as saying its directors had already approved both transactions, which will be announced during a visit by Italian Prime Minister Silvio Berlusconi to Moscow on April 6-7. Gazprom already has an option to buy the 20 percent stake in Gazprom Neft but Vedomosti said the price of \$4 billion was almost double the estimated market price of \$2.2 billion.



Iraq revises model contract for international oil companies

Date : 24.03.2009

Source : Rigzone (Dow Jones Newswires)

http://www.rigzone.com/news/article.asp?a_id=74306

The Iraqi Oil Ministry has sent out a revised copy of a model contract for the eight oil and gas fields included in its landmark first bidding round in an effort to accelerate the process of awarding contracts to international oil firms by the end of June, a senior Iraqi oil official said Monday.

“We had sent out to bidding companies on March 19 a semifinal version of the model contract,” Abdul Mahdy al-Ameedi, deputy director general at Iraq’s Petroleum Contracts and Licensing Directorate (PCLD) told Dow Jones Newswires. International oil companies have to send their comments on the new model contract by April 1, and the PCLD will issue its final model servicing contract and resend it to them between April 15 and April 17, he said.

“Companies would have two and half months to study the final model contract and submit their offers by the end of June this year,” he said, adding that contracts would be awarded by the end of June. The PCLD has made several changes to the original model contract which was first issued in November last year, Ameedi said.

The most important change the directorate had made to the original model contract was that oil firms would have a 75% stake in the joint ventures with state-owned Iraqi operators at the fields holding the rest, he said. That was up from 49–51% equity stake initially proposed. The Iraqi oil ministry is planning to award service contracts which mean that winning companies would receive remuneration in kind for each produced barrel as well as cost fees. Big oil companies prefer deals that give them a share of profits and allow them to book reserves.

The initial model contract stated firms should bid on the cost per barrel of maintaining the same output over 20 years, and the cost per barrel of raising output. Oil companies would recover their costs from oil they pump above the baseline. The producing oil fields in question 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.

❖ EMRA-Certified Transmission Tariff of BOTAS Yumurtalik – Kirikkale Crude Oil Pipeline

Source : EMRA

Weblink : http://www.epdk.org.tr/mevzuat/kurul/petrol/2025_3/2025_3.doc

❖ EMRA-Certified Transmission Tariff of BOTAS Batman – Dörtyol Pipeline

Source : EMRA

Weblink : http://www.epdk.org.tr/mevzuat/kurul/petrol/2025_2/2025_2.doc

❖ EMRA Board Resolution on Network Code

Source : EMRA

Weblink : <http://www.epdk.org.tr/mevzuat/kurul/dogalgaz/2013/2013.html>

❖ IEA Oil Market Report (March 2009)

Source : International Energy Agency

Weblink : <http://omrpublic.iea.org/>