



GAS



BOTAŞ to go public as it faces financial difficulties

Date : 09.10.2007

Source : Today's Zaman (Ercan Baysal)

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=124253>

The Ministry of Energy has prepared an action plan for BOTAŞ in which the shares of the company would be offered to the public after the privatization of electricity distribution rights. *"We are not thinking of privatizing BOTAŞ. Most probably a majority stake will be offered to the public,"* an energy ministry official said, adding that the public offering could not take place before 2009.

Of the total fees owed to the company, 90.9 percent come from the two other state-owned enterprises, the Electricity Generation Corporation (EÜAŞ) and Hamitabat Power Plant (HEAŞ). According to information obtained from the Turkish Treasury, EÜAŞ's total debt to BOTAŞ has reached YTL 8.75 billion; YTL 3.2 billion principal debt and YTL 5.54 billion in interest. Second-highest debtor HEAŞ owes YTL 788 million; YTL 299 million principal and YTL 489 million in accumulated interest. İZGAZ, İzmir's gas delivery company, owes BOTAŞ YTL 60 million, while the İGDAŞ debt totals YTL 2 million.

BOTAŞ has to make its payments punctually to the foreign companies from which it has bought gas. Because BOTAŞ could not collect its receivables, it began to use bank loans to pay its debts. Thus the amount of bank loans that BOTAŞ had utilized by the end of 2006 increased to YTL 1.74 billion. The recorded interest payment of BOTAŞ from these loans was YTL 500 million as of May 15, 2007.

OIL



Melrose Picks Up Acreage in Mardin

Date : 10.10.2007

Source : Rigzone

http://www.rigzone.com/news/article.asp?a_id=51289

In Southeast Turkey Melrose and its joint-venture partner, GYP, were awarded eight exploration concessions in the South Mardin basin on the border with Syria. These concessions cover a combined area of 3,910 square kilometers and the initial exploration period is 4 years, with two optional 2 year extensions.

The gross financial commitment is \$5 million and Melrose holds a 75% operated working interest in the concessions.



Minister expects 2008 energy season to be briskest yet

Date : 11.10.2007

Source : Today's Zaman

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=124449>

Next year will be the busiest and the most colorful year in the Turkish Republic's entire energy history, Minister of Energy and Natural Resources Hilmi Güler said, speaking at an iftar dinner organized by the Turkish Oil Industry Association (PETDER) Tuesday evening.

Intensive work in current energy issues is poised to continue with the same momentum until the end of the year, he noted, adding that starting with 2008, the energy sector will witness very important steps - particularly in the natural gas and electricity industries. Mentioning ongoing oil and natural gas exploration activities, the minister told the audience about the Turkish Petroleum Corporation's (TPAO) exploration studies in Turkey and abroad and touched on the new projects the TPAO is now poised begin, including drilling in Venezuela, Ecuador and Colombia.

Güler also provided the most recent figures for oil flowing through the Baku-Tbilisi-Ceyhan oil pipeline. Currently 1 million barrels of oil per day pass through the pipeline, and this amount will be raised to 1.6 million barrels per day shortly, according to the minister. Concessions from the liberal structure of the market, however, will never be made, the minister confirmed with his closing remarks, *"We support the formation of a purely competitive environment in the energy market."*



Çalık Energy given more time for refinery license

Date : 09.10.2007

Source : Today's Zaman

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=124259>

The Energy Market Regulatory Authority (EPDK) has given an extra three months to Çalık Enerji-Indian Oil Corporation (IOC) to submit their environmental assessment report for their oil refinery license application.

The EPDK decided the application by Çalık-IOC Corp. for an oil refinery license in Ceyhan was satisfactory at its meeting in May. After receiving the decision on its license application, the corporation was supposed to submit the report to the EPDK within 90 days. An EPDK official said that extra time was given starting from Sept. 13 -the previous deadline for the report's submission. Petrol Ofisi had also submitted an environmental assessment for a refinery license while an application from Turcas Petrol has been approved by the EPDK.

OIL

East European Nations Sign Black Sea-Baltic Sea Oil Pipe Deal

Date : 10.10.2007

Source : Rigzone (Dow Jones)

http://www.rigzone.com/news/article.asp?a_id=51286

Ministers from five East European countries signed a deal for the construction of an oil pipeline linking the Black and Baltic seas, aimed at improving energy security and reducing dependence on Russian crude.

The agreement - signed by Azerbaijan, Georgia, Ukraine, Poland and Lithuania - will call for the building of a 490-kilometer extension to an existing pipeline in western Ukraine northward to the Polish port of Gdansk on the Baltic Sea, and securing supplies of Azerbaijan's crude from the Caspian Sea.

The proposed deal will call for building a pipeline from Brody in western Ukraine to Plock in central Poland, and another stretch to Gdansk. The pipeline will have an approximate capacity of 14 million tons a year. The first leg of the pipeline - from Odessa to Brody - was completed in 2004 in the hope of delivering Caspian oil to central Europe. However, the project has languished, and now Russia uses it to export oil via the Black Sea.

GAS

Gazprom sees gas exports to Europe at 147 Bcm in 2007

Date : 08.10.2007

Source : Platts

<http://www.platts.com/Natural%20Gas/News/8289030.xml?p=Natural%20Gas/News&sub=Natural%20Gas>

Gazprom expects its natural gas exports to Europe to amount to 147 Bcm this year, down from 151 Bcm last year, a company official said. The figure refers to exports of gas under long-term contracts with Gazprom Export, said Sergey Chelpanov, deputy head of the company.

Besides Gazprom Export, Gazprom Germania also sells the company's gas. *"We expect to meet this target despite high prices,"* Chelpanov said in a conference call. Exports are forecast at 34 Bcm to 35 Bcm in the third quarter and 44 Bcm in the fourth quarter, he said. Chelpanov said the price for Europe is expected to be \$263-\$265/1,000 cum, but did not explain when that price might apply.

Russian gas pipeline more likely than EU's Nabucco



Date : 06.10.2007

Source : Turkish Daily News (Reuters)

<http://www.turkishdailynews.com.tr/article.php?enewsid=85320>

A major Kremlin-backed gas pipeline may have a better chance of supplying Europe with new gas than the much-touted EU-backed Nabucco project, designed to ease the bloc's dependence on Russia, analysts say. *"Nabucco has fantastic political will behind it but so far no reality,"* said Jonathan Stern of the Oxford Institute for Energy Studies.

"The crucial problem with Nabucco is that while it has political support it doesn't have the supplies to fill the 9 billion cubic metres for the first phase," said Derek Brower, an independent energy writer who specialises in the region.

The 31-billion-cubic-metre capacity pipeline is a key plank in EU plans to diversify gas supplies away from Russia after a political dispute between Moscow and Kiev last year cut off exports via Ukraine. Russia supplies a quarter of EU's gas. Azerbaijan, Kazakhstan, Turkmenistan, Iran, Egypt and even Iraq have been mentioned as possible suppliers to the 3,300 km Nabucco which will pass via Turkey and the Balkans to Austria.

But so far the five signatory countries to the 4.6 billion euro pipeline -- Turkey, Bulgaria, Romania, Hungary and Austria -- have not secured any gas and without supplies it would be difficult to raise funding, analysts said. *"The European Union has been putting strategy ahead of the market, but at the end of the day banks are banks and the gas has to be there (to be commercially viable),"* said Brower.

The rival 30 billion cubic metre Russian South Stream project, proposed by Russia's gas monopoly Gazprom and Italy's Eni, is to be built at a great depth on the bottom of the Black Sea, which may make it too expensive. Some analysts say it may exceed 10 billion euros.

"Laying pipe across the Black Sea is not a piece of cake, you have a body of water 900 km to cross and 2,200 metres in depth. So it must be proven feasible," said a distribution industry source. *"This Black Sea crossing would be the deepest and the longest off shore pipeline ever built"*.

Despite possible high costs, few analysts doubt Gazprom's resolve to build pipelines like South Stream -- which will come ashore in Bulgaria -- to help it reduce its dependence on transit countries such as Ukraine, Belarus and Turkey. Experts said that if the EU wanted to make Nabucco a reality and bypass Russia, it should back up the project with funding not just political will.

"Nabucco could look realistic if the EU, because it's made such a big deal about it, was to come forward with several billion euros of financing," Stern said. *"But the EU has never done that in the past and I don't think it will do it now."*



Kazakhstan rejects new Kashagan oil contracts

Date : 08.10.2007

Source : Oil & Gas Journal (Eric Watkins)

http://www.ogj.com/display_article/308424/120/ARTCL/none/GenIn/Kazakhstan-rejects-new-Kashagan-oil-contracts/

Kazakhstan will not revise the terms of its contract with the Eni-led consortium developing Kashagan oil field, according to Kazakh President Nursultan Nazarbayev. *“There is no revising the contract signed 10 years ago,”* said Nazarbayev after concluding talks with visiting Italian Prime Minister Romano Prodi.

But Nazarbayev also warned that if investors break their contracts, Kazakhstan *“reserves the right”* to take measures envisaged by its laws, i.e., to review contracts with foreign companies on the development of subsurface resources if such contracts are deemed damaging to the country's strategic economic interests. The president based the threatened action on a bill the Kazakh parliament passed last month that will become law when Nazarbayev signs it.

Nazarbayev said the disagreement between his government and the consortium arose from increased estimated development costs and a delay in the onset of production. The two changes mean delays in the country's economic development, which could violate the new law. *“This year Eni, which became the operator with the backing of Kazakhstan's government, presented a new budget under which the outlays grow by \$100 billion and the beginning of oil extraction is put off until 2010,”* Nazarbayev said.

“The government has estimated that large funds envisaged in our strategic plans for economic development will thus be lost to Kazakhstan's budget,” the Kazakh president said, adding that, *“For this reason both sides entered the negotiations.”*



📄 OPEC Annual Report (2006)

Source : OPEC

Weblink : <http://www.opec.org/library/Annual%20Reports/pdf/AR2006.pdf>

✚ European Refining Markets

Date : October 22 – 23, 2007
Place : Brussels – Belgium
Website : <http://www.platts.com/Events/pc777/>
Contact : Sophie Adams (+44 (0) 20 7176 66 58)



✚ Africa Upstream 2007

Date : October 31 – November 2, 2007
Place : Cape Town – South Africa
Website : <http://petro21.com/events/index.cfm?id=302>
Contact : babette@glopac.com



✚ Developing European Gas Supply Infrastructure

Date : November 5 – 6, 2007
Place : Vienna – Austria
Website : <http://www.platts.com/Events/pc778/>
Contact : Sophie Adams (+44 (0) 20 7176 66 58)



✚ World Energy Congress

Date : November 11 – 15, 2007
Place : Rome – Italy
Website : www.rome2007.it
Contact : Erica La Venuta (+06 420 45423)



✚ Creating Value in European Oil Storage

Date : November 26 – 27, 2007
Place : Budapest – Hungary
Website : <http://www.platts.com/Events/pc779/>
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