



Turkey seeks closer energy partnership with Qatar

Date : 18.08.2009

Source: Eurasia Daily Monitor (Saban Kardas)

http://www.jamestown.org/programs/edm/single/?tx_ttnews%5Btt_news%5D=35425&tx_ttnews%5BbackPid%5D=27&cHash=2e26275ec0

The Emir of Qatar, Sheikh Hamad bin Khalifa al-Thani, paid a two day visit to Turkey as the guest of Turkish President Abdullah Gül. They both signed several agreements improving bilateral relations.

The parties announced that they will set up a Turkey-Qatar Joint Energy Working Group. Gül said that they discussed the feasibility of gas pipelines, storage facilities and refineries, as well as meeting Turkey's liquefied natural gas (LNG) needs. Gül invited Qatar to invest in the storage facilities in Turkey's Mediterranean port of Ceyhan, which is the terminus of the Baku-Tbilisi-Ceyhan pipeline and the planned Samsun-Ceyhan pipeline. Ankara has actively promoted Ceyhan as a global energy terminal, and al-Thani responded to this offer with great enthusiasm.

Al-Thani also added that he hopes to see a pipeline running from Qatar to Turkey, and that the feasibility work on that project will continue. It was unclear, however, whether it would be a natural gas or crude pipeline, and what route it would follow.

Prior to the visit, Turkish Energy and Natural Resources Minister Taner Yildiz had publicized the natural gas dimension of the bilateral meeting. He said that talks were underway with Qatar concerning importing LNG.

Yildiz noted that his contacts with Qatar are part of a broader Turkish effort to diversify its energy suppliers and supply routes. He said that if the parties could reach a consensus, Turkey might import around 4 bcm of LNG annually from Qatar. He also added that he hoped to sign a declaration on LNG imports during the visit of the Qatari delegation, yet following the meetings no official announcement was made to that effect.

Ankara has attempted to import Qatari LNG for its domestic needs for some time. During Gül's February 2008 and PM Recep Tayyip Erdogan's April 2008 visits to Qatar, energy was an important item on their agendas. They raised the issue of LNG imports, and the negotiations on this have continued since.



Turkey and Syria sign protocol on building gas pipeline

Date : 20.08.2009

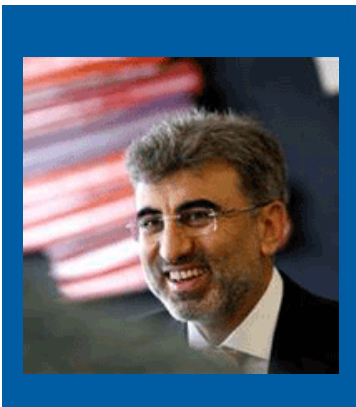
Source: Rigzone (BBC Monitoring)

http://www.rigzone.com/news/article.asp?a_id=79508

Turkish Energy and Natural Resources Minister Taner Yildiz and Syrian Oil Minister Sufyan Allow signed a protocol Thursday in Damascus regarding construction of a natural gas pipeline.

Speaking after the signing ceremony, Yildiz said Arab natural gas was an important part of Turkey's energy policies. Yildiz said an important step has been taken on Syria's gas supply thanks to the natural gas pipeline, underlining the importance of the protocol for the region.

Yildiz said they planned to conclude construction of the pipeline within 15 or 18 months, indicating that Egypt's natural gas could be shipped to Europe via Turkey after completion of the pipeline. Syrian minister said Turkey and Syria have initiatives to explore oil jointly and noted that talks were under way to establish a joint company.



Yildiz gives assurances to deputies on energy policy

Date : 15.08.2009

Source: Today's Zaman

<http://www.todayszaman.com/tz-web/news-184065-minister-gives-assurances-to-deputies-on-energy-policy.html>

Energy Minister Taner Yildiz has sent a letter to deputies to inform them about Turkey's regional energy cooperation initiatives and recent energy deals.

In the letter, Yildiz said the energy cooperation agreements signed with EU countries and later with Russia, which critics say contradict each other, have strengthened Turkey's central role as an energy hub, playing a key role in the transfer of rich energy sources from the East to western consumers.

In a speech earlier this week, main opposition Republican People's Party (CHP) leader Deniz Baykal said the South Stream deal will 'kill Nabucco' and strengthen Russian domination over European gas supplies.



Najaf Refinery gets third production unit in Iraq

Date : 17.08.2009

Source: Today's Zaman (AP)

<http://www.todayszaman.com/tz-web/news-184197-najaf-refinery-gets-third-production-unit-in-iraq.html>

Iraq's Oil Ministry has opened a third production unit at a refinery south of Baghdad, bringing the complex's refining capacity to 30,000 barrels per day, a spokesman said Sunday.

Assem Jihad also announced plans to invite foreign oil companies to develop two oil fields in southern Iraq in a frame of service contracts. The Najaf refinery's new 10,000-barrels unit, which was inaugurated Saturday, will help meet the demand for petroleum products such as kerosene and heating oil amid shortages in central and southern Iraq, Jihad said.

Iraq has refining capacity of over 400,000 barrels per day, but still needs to import another 60,000 barrels of refined product a year according to the State Oil Marketing Organization statistics that released last year. The refinery, about 160 kilometers south of Baghdad was built in October 2006 as part of a plan to build small refineries to curtail the shortfall in petroleum products that has forced Iraq since the 2003 US-led invasion to turn to imports from neighboring countries.

The country's three main oil refineries -Dora, Shuaiba and Beiji- are processing slightly over half of the 700,000 barrels per day capacity they had before the March 2003 US invasion. The Oil Ministry also plans to invite foreign companies to develop two southern oil fields -Rafidain in Nasiriyah province and Tuba in Basra province-. "The development studies for these two fields have been completed and invitations will be extended soon," he told Associated Press in a telephone interview. He did not give a specific time frame.

The proposed contract will be for Engineering, Procurement and Construction services, known as EPC, by which developers are paid a flat fee for their services, he said. According to the Oil Ministry figures, each field has the potential to produce up to 100,000 barrels per day.



Egypt signs \$2.3 billion oil and gas deals

Date : 20.08.2009

Source: Oil & Gas Journal (Uchenna Izundu)

http://www.ogj.com/index/article-display/0124072560/s-articles/s-oil-gas-journal/s-exploration-development/s-articles/s-egypt-signs_2_3_billion.html

Egypt agreed to oil and gas exploration deals worth \$2.3 billion covering the Eastern Desert, the Nile Delta, the Gulf of Suez, and northern Sinai.

BP finalized gas prices and commercial terms with the oil ministry for development of gas fields in the East Nile Delta and in the Gulf of Suez and expects to commit \$2 billion to bringing them on stream. East Nile Delta covers the Ras El-Barr and Tamsah concessions and the Gulf of Suez relates to the extension of two concessions in South Ghara and South Belayim.

BP and its partner, International Egypt Oil Co., a unit of Eni SPA, will spend \$1.1 billion on the Ras el Bar concession. Both will spend \$900 million for Tamsah. The parties have agreed a \$200 million deal for South Ghara in the Gulf of Suez, and BP alone has signed a \$60 million agreement on South Belayim, also in the Gulf of Suez.

Separately, Tharwa Petroleum cinched a new exploration deal covering 43 sq km of acreage in the Eastern Desert together with Ganoub el-Wadi Petroleum Holding Co. and worth \$17.5 million, according to Reuters.



Kiev to slash Russia gas imports

Date : 20.08.2009

Source: Upstream Online

<http://www.upstreamonline.com/live/article186128.ece>

Ukraine, one of the largest buyers of gas from Russia's export monopoly Gazprom, plans to cut imports by a quarter next year, Prime Minister Yulia Tymoshenko was quoted as saying today. Ukraine's imports of gas burden its finances, but provide vital revenues to Russia.

The two ex-Soviet states often row over prices and supplies and one dispute led to a New Year gas cut-off for weeks, affecting consumers across central Europe. "Given that we have bought 33 bcm of Russian gas this year, next year we will take 25 bcm," local news agencies quoted her as saying in the western city of Lviv.

Ukraine imported 49 bcm of gas last year at \$179.50 per 1000 cubic metres. It paid \$8.6 billion in total, almost 7% of gross domestic product, reported Reuters. After the January row with Russia, Ukraine agreed to pay the market price for gas with a 20% discount. Prices are set quarterly - Kiev now pays \$198.34 per 1000 cubic metres, far lower than the \$360 it paid in the first quarter.

A cut in imports next year to 25 bcm would halve Ukraine's consumption of Russian gas from the 50 bcm it had been buying annually in previous years. A deep economic recession, which has slashed industrial activity, has slowed gas consumption.



Jordan's oil shale deal with Shell comes into force

Date : 18.08.2009

Source: Rigzone (Jordan Times)

http://www.rigzone.com/news/article.asp?a_id=79394

The government's oil shale agreement with Royal Dutch Shell has come into force this week, as Shell's Jordanian subsidiary begins preparations for three years of exploration in the Kingdom.

According to Natural Resource Authority (NRA) Director Maher Hijazin, the product-sharing agreement went into effect on Sunday, and the Jordan Oil Shale Company B.V. is now setting up offices and ordering equipment in order to start shale exploration activities within the next nine months. The concession area provided to Shell is divided into three blocks encompassing a total of 22,000 square kilometers, in the north, south and northeast of the Kingdom, according to the NRA. Hijazin estimated the initial direct investment by Shell for the first phase of the project to be 'a minimum' of \$30 million.

Following three years of exploration, the firm will enter a four-year evaluation stage to determine the feasibility of the initiative, which calls for Shell's patented In-situ Conversion Process. If Shell agrees to follow through on the scheme, it will be 15-20 years before oil shale is extracted from the concession area, as the firm will spend several years preparing designs for pilot projects in various oil shale 'sweet spots'.

Shell is expected to invest \$340 million in the project and pay the government \$150 million over the various stages of the scheme, according to authorities. Previous NRA studies have revealed that 40 billion tonnes of oil shale exist in 21 sites concentrated near the Yarmouk River, Buweida, Beit Ras, Rweished, Karak, Madaba and Maan.



European storage project advances

Date : 20.08.2009

Source: Oil & Gas Journal (Warren R.True)

http://www.ogj.com/index/article-display/4050649354/s-articles/s-oil-gas-journal/s-transportation/s-articles/s-european-storage_project.html

The natural gas storage project billed by sponsors as Europe's largest -Bergermeer Gas Storage- took another step toward completion when partners signed an agreement with Gazprom Export.

Gazprom Export will supply the project's cushion gas in exchange for gas storage services and a participating interest in operations of the facility. The Bergermeer consortium consists of Energie Beheer Nederland (EBN), Dyas BV, Petro-Canada, and operator TAQA Energy BV, a subsidiary of the Abu Dhabi National Energy Co. PJSC. The announcement follows a memorandum of understanding signed late last year to form the consortium.

The announcement said that, upon completion, the facility will be Europe's largest with working gas capacity of 4.1 billion cu m (about 144.7 bcf). It also stated the partners expected to make a final investment decision in September. Current plans target construction start-up in 2010 with commercial operations beginning in 2013, assuming all permits are obtained and the FID takes place soon.

Storage will be in a depleted natural gas field at a depth of 2.5 km in impermeable layers of rock. Surface treatment and compression will be designed as a 'zero emissions' plant with no emissions of hydrocarbons or carbon dioxide, the announcement said.

Bergermeer Gas Storage will enhance the security of energy supply to Dutch and European consumers, it said, and provide a 'reserve of the equivalent to the annual gas consumption' of about 1.6 million Dutch households and will be a 'major contributor to liquidity in the Northwest European gas markets.'

Although Petro-Canada has formally merged with Suncor Energy Inc. to form the 'new' Suncor Energy, the unit's name has not yet changed in the Netherlands, said the announcement. In addition to supplying gas, Gazprom Export supplies gas condensate, oil and products, other liquefied hydrocarbon gases, as well as petrochemicals.



No natural gas imports for Pakistan before 2014-15

Date : 20.08.2009

Source: Oil & Gas Journal (Cristopher E.Smith)

http://www.ogj.com/index/article-display/0760034057/s-articles/s-oil-gas-journal/s-general-interest/s-articles/s-facts -no_natural.html

LNG will not reach Pakistan before 2015, with pipeline gas from Iran not expected before 2014, according to the new brief 'Iran-Pakistan Pipeline Deal: Future Role of Gas and LNG in Pakistan's Power Sector,' by FACTS Global Energy Group.

Moving proposed Pakistani LNG projects forward will require active government participation. Such participation would include loan guarantees and domestic price increases designed to make Pakistan a more attractive destination for international suppliers. FACTS said financing is the primary obstacle to having the Iran-Pakistan pipeline done any sooner, the 750-km Pakistani leg costing more than \$1 billion.

The economic downturn also created financing difficulties for Pakistan's leading proposed LNG terminal project, according to FACTS. The Pakistani government approved Sui Southern Gas Corp.'s Mashal LNG project at Port Qasim, Karachi, in early 2007, choosing a development consortium led by 4Gas. The brief said two other projects proposed for Port Qasim have not advanced as far as Mashal LNG.

The Iran-Pakistan pipeline would be an extension of Iran Gas Trunkline 7, currently under construction and expected to be completed in 2010. Running 900 km from Assaluyeh to Iranshahr in Iran's Sistan-Baluchestan province, the 56-in. OD line will have a capacity of 5.3 bcf/d. A 400-km branch line from Iranshahr to the Pakistani border would have an initial capacity of 750 MMcf/d expandable to as much as 2.1 bcf/d. Contracts for this connecting pipeline, likely running through Chahbahar in southeast Iran to the Pakistani border, have not yet been awarded.

FACTS said the pipeline will enter Pakistan in southern Balochistan, running to Sindh province where the country's main pipeline hub lies. From Sindh, gas would travel through SSGC's existing distribution network. Iranian gas entering Pakistan will be used by independent power producers, according to FACTS, as they have the greatest ability to pay.

Iranian gas could replace more costly liquid fuels in power generation in the more remote parts the country, at the same time reducing its fuel oil and naphtha imports. Iran and Pakistan agreed in June to a price formula linked 79% to the Japan crude cocktail (JCC) price. At JCC of \$60/bbl Pakistan would pay around \$8.20/MMbtu.



ExxonMobil and PetroChina shake hands over Gorgon LNG supply

Date : 18.08.2009

Source: Rigzone

http://www.rigzone.com/news/article.asp?a_id=79411

Affiliates of ExxonMobil and PetroChina announced they had signed a sales and purchase agreement (SPA) for the long-term supply of LNG from the proposed Gorgon LNG Project.

The 20-year SPA is for the supply of approximately 2.25mtpa (million tonnes per annum) of the ExxonMobil affiliate's share of LNG from the Gorgon LNG Project. Documents celebrating the SPA were signed at PetroChina's headquarters in Beijing in the presence of ExxonMobil Senior Vice President Mr. Andrew Swiger and Chairman of PetroChina, Mr. Jiang Jiemin.

"ExxonMobil is very pleased to have been given the opportunity to develop this contract with PetroChina and hope that its successful conclusion will enhance the long term strategic relationship between our two companies," Mr. Swiger said. "I am delighted we have signed this long term LNG supply contract with PetroChina's affiliate," said Mr. Luke Musgrave, Vice President-Australia LNG. "Natural gas from our share of the Gorgon LNG Project will provide a reliable source of clean energy to help meet China's growing demand."

The SPA commits the remainder of ExxonMobil affiliate's equity share in the Gorgon LNG Project. The Project, in which the ExxonMobil affiliate holds a 25 percent share, will include three 5mtpa LNG processing trains. A final investment decision is anticipated later this year.



❖ IEA 9th Annual Workshop on Greenhouse Gas Emission Trading

Source : International Energy Agency

Weblink : http://www.iea.org/Textbase/work/workshopdetail.asp?WS_ID=416