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Iraqi oilfields showcased in Istanbul

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Source: Today's Zaman

<http://www.todayszaman.com/tz-web/news-185239-iraqi-oilfields-showcased-in-istanbul.html>

Iraq presented oilfields available for development to several international companies at a meeting in Istanbul on Tuesday, according to a Turkish energy official.

Iraq's oil minister, Hussain al-Shahristani, chaired Tuesday's meeting with technical experts from international oil companies, the energy official said, on condition of anonymity because she was not authorized to brief journalists. The Istanbul event comes after the country's first oilfield development tender in 30 years, held this June, flopped, having secured just one deal.

Al-Shahristani also had a meeting with Turkish Energy and Natural Resources Minister Taner Yildiz at Dolmabahce Palace yesterday. Speaking at a joint press conference after the meeting, Yildiz said the Turkish Petroleum Corporation (TPAO) might submit bids for oil and natural gas tenders in Iraq as a direct operator in six fields and as part of a consortium in four.

"TPAO will be able to offer bids in all 10 of the current tenders, and I hope we will help solidify the cooperation between Turkey and Iraq by winning a tender there," Yildiz told reporters. Meanwhile, the Iraqi oil minister said his country could provide natural gas to the Nabuco pipeline if Iraq produces more gas than is currently needed.



EUAS lifts tender ban on Petrol Ofisi and Dogan Holding

Date : 27.08.2009

Source: Today's Zaman

<http://www.todayszaman.com/tz-web/news-185241-euas-lifts-tender-ban-on-petrol-ofisi-dogan-holding.html>

The Electricity Generation Holding Company (EUAS) has lifted its one-year tender ban on Petrol Ofisi and Dogan Holding, which had barred these companies and their subsidiaries from participating in public tenders organized by EUAS.

The ban was lifted as a result of a decision by the Ankara 12th Administrative Court to suspend its execution. Petrol Ofisi had filed a lawsuit with the court, asking for the removal of what the company claimed were 'unfairly instituted obstacles.'

The decision went into effect after EUAS' statement was published in the Official Gazette yesterday. Although it originally targeted Petrol Ofisi, the tender ban was also applied to Dogan Holding, which holds a majority stake in Petrol Ofisi, as well to Petrol Ofisi's 10 subsidiaries, whose shares are traded separately on the Istanbul Stock Exchange (IMKB). The ban was put into place as a result of the Energy and Natural Resources Ministry's investigation into allegations that Petrol Ofisi was involved in misconduct in several previous tenders.

The ministry held two tenders for a plan to reduce the level of sulfur emissions at Istanbul's Ambarli fuel oil power plant, first in March and then in December 2008. Petrol Ofisi won both tenders; however, the ministry later learned that the firm had conspired to rig bids in the tenders, preventing other companies from submitting competitive offers. Petrol Ofisi was accused of failing to comply with the conditions of the tenders.

The company rejected all the claims and argued that it had always acted according to the conditions set out in the tender specifications. The company issued a written statement after the ban decision was announced in April, saying: *"All deliveries were inspected by EUAS officials ... certifying them as meeting the required emissions levels defined in the tenders. The ministry declined to issue a detailed explanation for its decision to revoke our right to participate in bidding processes."*



Turkmen leader declares Turkey 'strategic partner'

Date : 24.08.2009

Source: Today's Zaman (Cemil Yildiz)

<http://www.todayszaman.com/tz-web/news-184889-turkmen-leader-declares-turkey-strategic-partner.html>

Ahead of an official visit to Turkey, Turkmen President Gurbanguly Berdimukhammedov has stressed common points between his country and Turkey, while declaring the other 'a strategic partner' for his country.

Turkmen Foreign Minister Rashid Meredov, speaking at a cabinet meeting held on Saturday, informed cabinet members of Berdimukhammedov's upcoming visits to Bulgaria and Turkey. *"We have a lot of common points which unite Turkey and our country. Consequently, we consider Turkey our strategic partner,"* Berdimukhammedov said at the same meeting.

During a telephone conversation last month, President Abdullah Gül had invited Berdimukhammedov to Turkey for a visit. Gül told him that Turkey was proud of Turkmenistan's achievements and that he was committed to expanding the friendly ties and cooperation between Turkey and Turkmenistan.

The two leaders also exchanged views on ways to improve cooperation and restated their commitment to intensify bilateral contact between the two countries. Gül invited Berdimukhammedov to Turkey as a first step in the direction of closer dialogue between the two countries.

Berdymukhammedov had welcomed the invitation, but no exact date has yet been announced for the visit. Gül visited the Turkic-speaking Turkmenistan in November last year. During his visit, he participated in a trilateral meeting with Berdimukhammedov and Azerbaijani President İlham Aliyev, discussing energy cooperation.

In March 2008, following a seven-year hiatus, Ankara for the first time hosted a Turkmen president when Berdimukhammedov arrived in the capital upon an official invitation from his Turkish counterpart, Gül. At the time, the landmark visit was widely considered a positive result of intensified Turkish efforts in recent years to improve relations with Central Asian countries. The fact that Berdimukhammedov reciprocated Gül's December 2007 visit to Turkmenistan within the short space of three months was highly welcomed by Ankara, with a senior Turkish official describing this situation as indicative of *"Turkmenistan's will to improve relations with Ankara."*



Mitsubishi joins South Gas Utilization Project in Iraq

Date : 25.08.2009

Source: Rigzone (Mitsubishi Corporation)

http://www.rigzone.com/news/article.asp?a_id=79614

Mitsubishi Corporation has accepted an invitation letter issued by the Iraqi Ministry of Oil and Royal Dutch Shell to take a 5% interest in the proposed South Gas Utilization Project JV currently under development by the Ministry and Shell.

As a new partner in the proposed JV, Mitsubishi brings knowledge of the existing South Gas Company facilities and complementary technical and commercial capabilities in order to enhance the value of the project. In September 2008, Iraqi Ministry of Oil and Shell signed a Heads of Agreement that sets out the commercial principles to establish the joint venture with the Iraqi South Gas Company, an affiliate of the Ministry.

Once established, the JV will gather, treat and process raw gas produced in Basra and sell the processed natural gas and associated products such as condensate and Liquefied Petroleum Gas (LPG) for use in the domestic and export markets. In the future, the JV could develop a liquefied natural gas (LNG) facility to also export natural gas.

Some 700 million standard cubic feet per day of natural gas, which is produced by upstream suppliers in association with oil, is currently flared every day in southern Iraq. By capturing and processing this natural gas, the JV aims to create an important and reliable supply of domestic energy, reduce unnecessary greenhouse gas emissions and create significant value for Iraq. The proposed JV structure is the model chosen by the Ministry of Oil as the vehicle to create a world-class natural gas industry in Iraq.

"We have a long and close relationship with Shell for over 40 years in the global energy sector and are delighted to be a strategic partner in this project. We have been also conducting business in Iraq for many years, hence we expect to further enhance our relationship with Iraqi Ministry of Oil by taking advantage of this opportunity. We are delighted to be the first Japanese company to participate in such large-scale energy project in Iraq and aim to contribute to the country through this project," said Jun Nishizawa, Vice President and General Manager, Business Development Unit, Natural Gas Business Division, Mitsubishi.



Heritage says FSA probe could hinder Genel Energy merger

Date : 28.08.2009

Source: Today's Zaman (Reuters)

<http://www.todayszaman.com/tz-web/news-185385-heritage-says-fsa-probe-could-hinder-genel-merger.html>

British explorer Heritage Oil said a probe by the Financial Services Authority (FSA), UK's financial markets regulator, could hinder its plans for a \$5.5 billion merger with Genel Energy International.

Heritage said in a statement on Friday that an investigation by the FSA could affect the ability of certain members of Genel's operational management team to assume their proposed roles in the combined entity. *"Heritage understands that relevant members of the Genel team are assisting the FSA with a view to bringing this matter to a swift conclusion,"* the company said. At 0704 GMT, Heritage shares were down 5.2 percent.

Heritage said it remained in merger talks with Genel and that, 'as soon as practicable', would send shareholders the prospectus on the deal, for their approval. The company had hoped to send the prospectus out in August and a source close to the matter said the probe would likely delay the merger by 'a couple of months'. Unlisted Genel was not immediately available for comment.

Heritage declined to name the Genel managers involved or to confirm whether the probe was into the individuals or the company, or whether the Genel team members were simply providing information. FSA spokeswoman Abi Jones declined to say what the nature of the investigation was or to give any reasons why the FSA would limit an individual's ability to take up a position with a UK-listed company.



Gazprom's Q1 profit down 62 pct to \$3.3 bln

Date : 27.08.2009

Source: Today's Zaman (AP)

<http://www.todayszaman.com/tz-web/news-185228-gazproms-q1-profit-down-62-pct-to-33-bln.html>

Gazprom reported a 62 percent drop in net profit for the first quarter of 2009, when the company was hit hard by disruptions of gas supplies to Europe and the plunging value of the ruble.

Net profit at the world's largest gas producer dropped to 103.7 billion rubles (\$3.3 billion) during the January-March period from 273.4 billion a year earlier. Sales rose 2 percent to 931.4 billion rubles (\$29.7 billion). The company reported a 140.4 billion ruble (\$4.5 billion) foreign exchange loss as the ruble's value declined dramatically since last fall, when Russia entered its first recession in a decade. The currency's drop caused net debt to rise 17 percent in the first quarter to 1.2 trillion rubles (\$38 billion).

A gas price dispute with Ukraine in January also contributed to the massive drop in Gazprom's earnings. At the time, Russia suspended gas shipments to Europe via Ukraine -about 20 percent of Europe's total gas consumption- for two weeks.

Gazprom's export volumes to Europe and other countries excluding former Soviet Union republics dropped 31 percent in the first quarter to 31.7 bcm compared to a year earlier. They increased, however, by 28 percent in value terms -to 433.2 billion rubles (\$13.8 billion)- due to higher gas prices.

The company's deputy chief executive Alexander Medvedev said in late June that Gazprom sales volumes are expected to decline by about 40 percent this year despite increased consumption in Europe in recent months. The company earlier said it would slash its \$29.4 billion investment program by 30 percent this year, citing inadequate demand for the planned capacities.

Gazprom also revealed in its first quarter report that it spent \$1.7 billion between April and June this year to double its stake in mid-sized oil producer Sibir Energy to 55 percent. Sibir Energy, a Russia-focused oil producer that also runs the Moscow Refinery with Gazprom Neft, agreed to a takeover bid from Gazprom Neft, Gazprom's oil arm, in May. Gazprom Neft proposed a cash offer for the company's shares, except for the 40 percent owned by Bennfield Ltd., the Central fuel company and the Bank of Moscow.



Russian energy strategy calls for increased production

Date : 27.08.2009

Source: Rigzone (Xinhua News Agency)

http://www.rigzone.com/news/article.asp?a_id=79746

The Russian government has approved an energy strategy that aims to make full use of the country's natural resources and strengthen its position on international energy markets, Energy Minister Sergei Shmatko said Thursday.

The strategy, approved until 2030, would increase domestic oil and gas production, and it outlined three phases for energy development, Shmatko told reporters after a government meeting. The main goal of the first stage was to eliminate the impact of the ongoing economic crisis on the energy sector and pave the way for post-crisis development. The second stage would focus on improving energy efficiency.

By the end of the third stage, Russia was expected to have switched to highly efficient use of traditional energy and stood ready for transition to alternative energy, according to the strategy. Prime Minister Vladimir Putin said at the meeting that Russia “*should get a well-balanced, effective and modern fuel and energy complex that has a high safety margin*” by implementing the strategy.



❖ EMRA LPG Market Report (January – June 2009)

Source : Energy Market Regulatory Authority
Weblink : http://www.epdk.org.tr/yayin_rapor/lpg/2009ocak_haziran.doc

❖ Energy Statistics of Non-OECD Countries (2009)

Source : International Energy Agency
Weblink : <http://www.iea.org/w/bookshop/add.aspx?id=30>

❖ Energy Balances of Non-OECD Countries (2009)

Source : International Energy Agency
Weblink : <http://www.iea.org/w/bookshop/add.aspx?id=31>