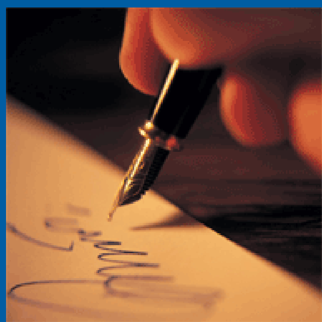


Turkey may pay Iran $2 billion due to 'take or pay'

Date : 02.09.2009
Source: Today's Zaman (Ismail Altunsoy)
http://www.todayszaman.com/tz-web/news-185881-turkey-may-pay-iran-2-bln-for-unused-gas-as-consumption-plummets.html

Turkey may have to pay Iran some $2 billion for unused natural gas this year, officials from the Ministry of Energy and Natural Resources have said.

Following an accumulative 75 percent increase in natural gas prices last year, gas consumption in Turkey dropped remarkably. With the negative impact of the ongoing global economic crisis, the contraction in natural gas consumption in Turkey in the past few months has reached 20 percent.

Turkey meets a considerable amount of its natural gas needs from Iran. As stated in the natural gas purchase contract between the two countries in July 2003, the state-owned Turkish Pipeline Corporation (BOTAS) has to buy at least 6.8 bcm of natural gas from Iran annually, meaning Turkey has to pay Iran a specified amount of money whether or not it buys the natural gas. Turkey paid Iran $704 million for natural gas it failed to buy from the country in 2008.

The amount of natural gas that Turkey failed to purchase from Iran since the beginning of this year has amounted to 2 bcm. Turkey will have to pay Iran around $2 billion for unused gas unless sales increase by the end of the year.

While the Ministry of Energy and Natural Resources is meeting with natural gas provider countries to ease a 'take or pay' condition in agreements, it is also seeking ways to increase natural gas sales. Initial plans include exempting some sectors from paying the private consumption tax (OTV) and not increasing natural gas prices until the end of the year even if fuel prices increase.

Natural gas prices increased by close to 73 percent for homes and 75 percent for industries last year, leading subscribers to cut back on gas consumption. As a response to these developments, the Ministry announced that gas prices would drop as of January. However, despite a 40 percent reduction in natural gas prices since January, sales still continue to drop.

Searching for ways to increase sales, the Ministry's first plan is to exempt some sectors from the OTV on natural gas. According to officials close to the Supreme Planning Board (YPK), BOTAS recently asked the council to lift the OTV on natural gas for the fertilizer sector. Doing so, the company seeks to sell some 800 million cubic meters of natural gas to the Turkish fertilizer industry, which currently consumes no natural gas at all. An official from the ministry asserted that the OTV exemption will boost activity in the fertilizer industry, which is currently facing a serious drop in production.

Yildiz: EGO owes BOTAS TL 676.9 million

Date : 01.09.2009
Source: Today's Zaman
http://www.todayszaman.com/tz-web/news-185755-energy-minister-ego-owes-botas-tl-6769-million.html

Ankara's former natural gas delivery company owes the Turkish Pipeline Corporation (BOTAS) TL 676.9 million, Energy and Natural Resources Minister Taner Yildiz said.

Troubled with millions of dollars of debt from natural gas deals with BOTAS, the Ankara Municipality decided to separate its gas distribution business from its Electricity, Gas and Bus Company (EGO) in 2007.

In reply to a written question submitted by Republican People's Party (CHP), Yildiz also said that following the completion of the privatization of Baskent Dogalgaz Dagitim A.S., Ankara's natural gas distribution company established in 2007 to take over the task of gas distribution from EGO, the company's debts will be paid in accordance with rules set forth by the Supreme Privatization Board (OYK).

Asked how the natural gas delivery company will pay the debts, Yildiz said the government had recently opened a tender for the privatization of gas distribution. *"We informed companies that bid in the tender about the gas unit's debts,"* he said, adding that EGO shares in Baskent Dogalgaz were confiscated as part of efforts to pay off its debts. The minister noted that work on repaying the accumulating debts of the State Economic Enterprises (KIT) in the energy sector has been continuing in coordination with the Treasury Undersecretariat. In line with this aim, a draft law was presented to the Prime Ministry in January 2009.

Gazprom eyes Turkish energy plant

Date : 02.09.2009
Source: Hürriyet Daily News (Begüm Gürsoy)
http://www.hurriyetdailynews.com/n.php?n=gazprom-eyes-turkish-energy-plant-2009-09-02

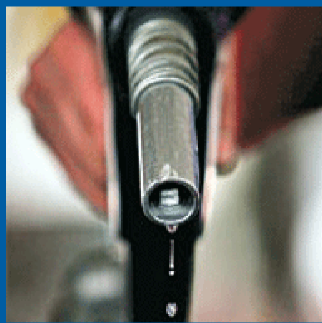
Russian natural-gas giant Gazprom is in talks with businessman and former State Minister Cavit Caglar. The company seeks to acquire Caglar's shares in Bis Energy.

If these talks do not bear fruit, then the Savings Deposit Insurance Fund (TMSF) is likely to enter the fray. Cavit Caglar had turned over his 50-percent stake in Bis Energy to TMSF back in March. Bis Energy, a joint-stock company founded in 1992 and headquartered in Bursa, meets the needs of the Bursa Industrial Zone. With its 410 megawatts of power, Bis is the largest plant in the area. The plant's other partner is Muammer Agim, the owner of the Metrocity shopping mall in Istanbul.

According to the agreement signed between Caglar and TMSF, the businessman will maintain the right to sell his shares in the plant until the end of the year. The money Caglar obtains from the sale of his shares in Bis Energy will be used to pay off his debt to TMSF. If Caglar cannot complete the sale by the end of this year, then TMSF will jump in. Therefore, Caglar is keeping TMSF abreast of the developments.

The plant's importance derives from its position as energy supplier to the Bursa Industrial Zone and its correspondingly wide range of customers. Some 12 percent of the energy generated in the plant is distributed to partners inside the zone. The remaining 88 percent is distributed between the Turkish Electricity Transmission Company (TEIAS) and the Turkish Electricity Distribution Company (TEDAS). The plant also provides electricity for 50 companies located close to the zone, which are considered to be 'free consumers,' meaning that they have a right to choose their supplier. The plant sells 3.5 billion kilowatt hours of electricity annually. The plant's projected income for 2010 is 560 million Turkish Liras.

Gazprom has shown great interest in Turkey's energy market. The Russian firm is getting ready to participate in natural-gas distribution tenders, which will be held in Ankara and Istanbul, with its partner, Aksa Group. The Turkish government is planning to auction Ankara's Baskent Dogalgaz and Istanbul's IGDAS. Gazprom is also expected to become Aksa's partner in its Antalya plant. The energy giant also has plans to establish a LNG plant in Turkey.



Turkey's oil imports down 56.6 percent in first seven months

Date : 04.09.2009
Source: Today's Zaman
http://www.todayszaman.com/tz-web/news-186102-turkeys-oil-imports-down-566-percent-in-first-seven-months.html

Turkey's oil imports declined by 56.6 percent in the January-July period of this year compared to the same period of 2008 as the country's oil imports decreased to $7.7 billion from $17.7 billion in the first seven months of 2008.

According to recent data compiled by the Turkish Statistics Institute (TurkStat), Turkey's oil expenditures were down $10 billion in the first seven months of the year compared to the same months of 2008, indicating to analysts that the ongoing global financial crisis has dealt a major blow to the country's industrial activities.

The amount of natural gas Turkey imported also declined by 33 percent in the first seven months of the year over the same months of 2008. Turkey spent $6.6 billion on natural gas imports in the given period, while this number was $9.9 billion in the first seven months of 2008.

Greece to restructure gas monopoly DEPA before sale

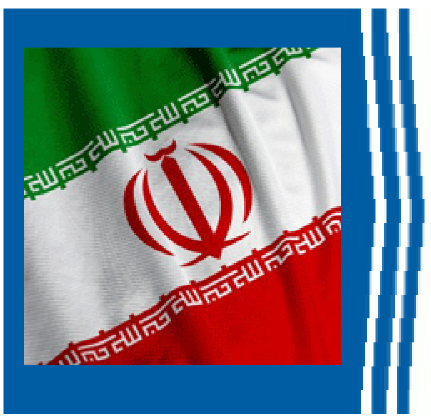
Date : 01.09.2009
Source: Reuters (Harry Papachristou)
http://www.reuters.com/article/rbssEnergyNews/idUSL121320820090901

Greece said on Tuesday it plans to strip its natural gas monopoly DEPA from its pipeline grid and ask it to return some capital to shareholders before selling a stake to investors.

Natural gas grid operator DESFA, currently 100-percent owned by DEPA, will be separated from the group and form a stand-alone, state-run entity, the country's privatisation committee decided. This move reflects Greece's desire to maintain control over the country's natural gas grid network, the finance ministry said in a statement. Greece will also ask both DEPA and DESFA to return some capital to shareholders, the statement said without providiing further details.

DESFA's separation and the share capital return will make it easier to attract high-profile investors for DEPA and will also boost state revenue, the statement said. Greece currently owns 65 percent of DEPA, with the rest being held by Hellenic Petroleum, the country's biggest refiner. Hellenic carries its 35 percent DEPA stake at a book value of 450 million euros ($646.2 million).

Greece initially planned to list DEPA on the stock exchange but said earlier this year that it would seek a strategic investor for the company instead. Greece's government, which faces early elections by March 2010, is selling state assets to reduce its public debt, the EU's second-highest in terms of GDP last year. DEPA had net income of 120.5 million euros ($173 million) last year, on sales of 1.51 billion euros. But the company's profit is expected to drop in 2009 as a sharp economic slowdown in Greece hurts natural gas consumption.



Iran to put 14 new oil and gas fields for tender

Date : 31.08.2009
Source: Rigzone (Dow Jones Newswires)
http://www.rigzone.com/news/article.asp?a_id=79812

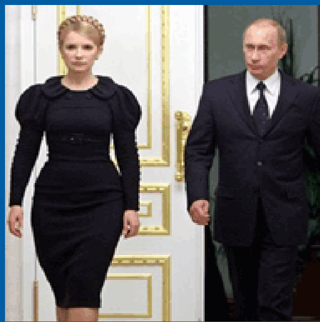
Iran is to put 14 new oil or gas fields for tender in the near future, the semi-official agency Shana said Saturday, amidst increased uncertainty for the country's oil industry.

The Iran Central Oilfields Co. will awards contracts for six natural gas fields - requiring $3.6 billion of investment- and eight oil fields. They include the Koohmond gas field, with a capacity of 24.8 million cubic meters a day, and an expected required investment of $1.65 billion.

Separately, Iranian student news agency Mehr reported Sunday that the third phase of the Abadan Oil Refinery's development plan is 80% complete and will come on-stream by mid-March 2010. Under the upgrading plans, the refinery's gasoline output capacity will rise to 16 million barrels per day from the current figure of 10 million barrels.

The news come amidst rising uncertainties for Iran as it faces its deepest crisis in 20 years following Mahmoud Ahmadinejad's reelection. Sunday, Iranian lawmakers criticized his nomination of current Commerce Minister Massoud Mirkazemi as new oil minister, to replace Gholam-Hossein Nozari.

Ukraine and Russia resolve gas dispute

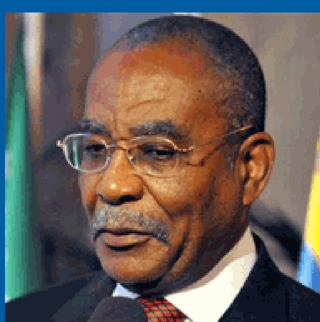


Date : 02.09.2009
Source: Today's Zaman (Reuters)
http://www.todayszaman.com/tz-web/news-185883-ukraine-russia-pms-resolve-gas-dispute.html

Russia and Ukraine have resolved a long standing dispute over natural gas supplies, Ukrainian Prime Minister Yulia Tymoshenko said on Tuesday after meeting her Russian counterpart Vladimir Putin.

Rows over gas supplies have dominated Russia's relations with Ukraine over recent years, leading last winter to the longest interruption to European Union supplies for decades. "*We have removed all of the gas problems,*" Tymoshenko said after talks in Sopot, a resort on the Baltic coast in northern Poland. "*We feel that all the crisis-like occurrences in this sphere have gone.*"

OPEC President sees quota unchanged at next meeting



Date : 02.09.2009
Source: Rigzone (Dow Jones Newswires)
http://www.rigzone.com/news/article.asp?a_id=79953

The Organization of Petroleum Exporting Countries is set to leave its output quotas unchanged when it next meets on Sept. 9, its president was quoted as saying Wednesday.

State news agency Angola Press quoted Angolan Oil Minister Jose Bothelo de Vasconcelos, who is also OPEC president, as telling reporters "*the current quota system should not undergo any changes.*"

OPEC's current quota ceiling is 24.845 million barrels a day. Last year, the organization opted to cut 4.2 million barrels a day in separate decisions, after oil prices and demand were hit by a global recession. But signs of economic recovery have now led to a doubling of oil prices in six months, encouraging most OPEC members to favor a status quo.

Piebalgs: Nabucco can't fail

Date : 02.09.2009
Source: EurActiv
http://www.euractiv.com/en/energy/nabucco-fail-eu-commissioner/article-185056

Energy Commissioner Andris Piebalgs told the European Parliament today (2 September) that the Nabucco gas pipeline could not fail, despite attempts by Russia to undermine the project by speeding up work on the rival South Stream pipe.

Speaking to the Parliament's industry, research and energy committee, Piebalgs said Turkey's recent decision to accept South Stream passing through its territorial waters would not hamper Nabucco. "*We have taken note [of the Russian-Turkish agreement], but we trust Turkey for Nabucco*," said Piebalgs.

Piebalgs was also asked about Bulgaria's new government, which reportedly questioned the country's role in South Stream. Piebalgs said the Commission was not involved in any decision-making on South Stream, although he had personally invited countries participating to the project to make a presentation in Brussels, without success.

The energy commissioner said that it was 'up to Bulgaria to decide' its role in the project, adding that in future, he would like such projects to be discussed in an EU framework beforehand. But he added that under the present treaties, Italy -the main EU actor in South Stream- and Bulgaria had the sovereign right to decide by themselves.

Bulgaria's new Prime Minister Boyko Borissov met his Russian counterpart Vladimir Putin yesterday, at the commemoration in Gdańsk (Poland) of the 70th anniversary of the beginning of World War II. Borissov told Putin that his government was still investigating how much money it can dedicate to infrastructure projects, as the previous cabinet had depleted the country's budget. Borissov reportedly told Putin that a decision would be taken in the next three months.

During the meeting, Polish MEPs also challenged Piebalgs over Nord Stream, another Gazprom-sponsored pipeline, which is designed to bring Russian gas under the Baltic Sea directly to Germany, bypassing Ukraine. Piebalgs made it plain that the EU considered Nord Stream to be a project of European interest, indirectly rebuking a recent outburst by Lithuanian President Dalia Grybauskaite, who said the project was not a priority for the Union. "*Nord Stream will strengthen our security of supply. It will not weaken it*," Piebalgs said.

‘We will survive this winter’

Piebalgs expressed cautious optimism as to recurring payment conflicts between Russia and Ukraine, which led last January to a major gas crisis in many EU countries. “*Are supplies guaranteed for the winter? Yes, we will survive,*” said Piebalgs. He said the EU was better prepared now to face potential crises, because the Gas Coordination Group was working effectively. He also explained that the EU was trying to improve Russia-Ukraine relations, which he said suffered during the transit fees controversy. “*If transit fees are not interesting for Ukraine, we have a problem,*” Piebalgs said. But he added that negotiations were moving in the right direction and that prices were being adjusted to the market.

Jordan to sign deal with Estonian firm for oil shale

Date : 03.09.2009

Source: Rigzone (Deutsche Presse-Agentur)

http://www.rigzone.com/news/article.asp?a_id=79817

The Jordanian government is involved in the final stage of negotiations with an Estonian firm on a multi-billion-dollar project envisaging the production of 35,000 barrels of crude per day from oil shale, an official said Sunday.

The Natural Resources Authority is finalizing an agreement with Eesti Energia under which the Estonian firm is expected to invest an estimated 7 billion dollars in the sector, NRA director Maher Hijazeen said. “*We are looking to sign the agreement within the next few months,*” he added.

He expected the venture to produce 35,000 barrels of oil daily within the next 10 years and to create thousands of jobs. Hijazeen also disclosed that the government was close to finalizing an oil shale agreement with Jordan Energy and Mining Limited (JEML), a joint Jordanian-British firm. The JEML, which is expected to invest at least 2 billion dollars in the project, estimates its production in the first stage at about 15,000 barrels per day.

The Jordanian government has already concluded a deal with Royal Dutch Shell for the exploitation of oil shale ores in the Kingdom. Official statistics put the country’s total oil shale deposits at about 40 billion tons. A switch to power plants operated by oil shale has the potential to reduce Jordan’s energy bill by at least 40 percent, the NRA said.

Gazprom bumps up offshore reserves to 4.7 tcm

Date : 02.09.2009
Source: Rigzone
http://www.rigzone.com/news/article.asp?a_id=79961

Gazprom's Deputy Chief Executive Valery Golobev said Wednesday that the company has increased its offshore reserves to 4.7 trillion cubic meters (tcm) from an estimated 2.5 trillion cubic meters in 2005.

According to Golobev, Gazprom expects its offshore reserves to reach 10 tcm in 2020, by which time the company intends to drill an addition 100 offshore wells.

Market surplus forces TOTAL to shut down refinery

Date : 03.09.2009
Source: Oil & Gas Journal (Doris Leblond)
http://www.ogj.com/index/article-display/8888490524/s-articles/s-oil-gas-journal/s-processing-2/s-refining/s-operations/s-2009/s-09/s-market-surplus_forces.html

TOTAL will shut down for a few weeks beginning mid-September its 137,000 b/d Flanders refinery near Dunkirk, France, because surplus supply has undercut refiners' margins on products.

The refinery supplies northwestern Europe, including the UK, which has been particularly hard hit by the global economic downturn. The distillation unit of TOTAL's 343,000 b/d Gonfreville l'Orcher refinery in Normandy was shut down last month.

Olivier Jakob at Petromatrix, Zug, Switzerland, noted, *"This follows Valero Energy Corp.'s cold shut down of Aruba's 235,000 b/d refinery."* He said, *"The expansion of refinery capacity in the Far East is forcing the shut down of refinery capacity in the Atlantic Basin, but this translates into a longer time chain for supply security in products and could start eating into the product stocks afloat on the water, which are still at hefty levels."*

Quantities of crude processed in Esso SAF's two French refineries fell by 8.5%, including planned turnarounds in the first quarter. Lube oil production was reduced at Esso's 270,000 b/d Port Jerome-Gravenchon refinery because of poor demand. Esso SAF's first-half sales fell 6%, reflecting production drops and lower wholesale motor and heating fuels in an internal French products market that fell 3% over the period.

Gazprom may invite foreign partners to new Sakhalin projects

Date : 02.09.2009

Source: Rigzone (Dow Jones Newswires)

http://www.rigzone.com/news/article.asp?a_id=79932

Russian gas firm OAO Gazprom may invite foreign partners to develop the Sakhalin-3 and Sakhalin-4 projects in Russia's Far East, the company's Deputy Chief Executive Valery Golubev said.

Foreign energy companies might be involved in the Sakhalin projects on a *"financial, technological and to some extent operating level,"* Golubev said. Gazprom will seek to spread the risks connected with development of the challenging offshore projects and *"it might be necessary to draw on expertise along the same lines as Shtokman,"* Golubev said.

The state-controlled company invited France's TOTAL and Norway's StatoilHydro as minority partners in the giant Shtokman field in the Barents Sea. Gazprom, however, kept the ownership rights to all reserves at the field. Gazprom already holds a controlling stake in the Sakhalin-2 project, which has Royal Dutch Shell, Mitsubishi Corp. and Mitsui & Co. as minority partners.

PETFORM ANNOUNCEMENTS & REPORTS

❖ BOTAS' Announcement on Free Consumers

Source : BOTAS
Weblink : http://www.botas.gov.tr/

❖ MENR Annual Report (2008)

Source : Ministry of Energy and Natural Resources
Weblink : http://www.enerji.gov.tr/yayinlar_raporlar/2008_faaliyet_raporu.pdf