

## ExxonMobil farms in to Black Sea acreage

Date : 13.01.2010

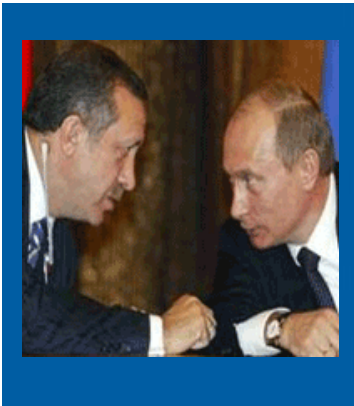
Source: Today's Zaman

<http://www.todayszaman.com/tz-web/news-198353-exxon-mobil-joins-black-sea-exploration-accord-with-petrobras.html>

Exxon Mobil is joining a Black Sea exploration agreement with Brazilian energy company Petrobras and the Turkish Petroleum Corporation (TPAO), the companies said in a joint statement.

ExxonMobil and Petrobras will each have a 25 percent stake in the TPAO-Petrobras blocks off the coast of Turkey in the Black Sea, the statement said. TPAO will hold the remaining 50 percent. The deal, which covers exploration over an area of 3 million hectares (7.413 million acres) in the Black Sea, will take effect once approved by the Turkish government.

Petrobras said last year it expected investments in the Black Sea totaling \$300 million in 2009-2010. TPAO has said it sees the Black Sea yielding as much as 10 billion barrels of oil and 1.5 trillion cubic meters of natural gas. TPAO General Director Mehmet Uysal, assessing the agreement, noted that they are eager to benefit from the technology and expertise of the three companies. ExxonMobil Exploration Director Russ Bellis also expressed his pleasure over widening their global portfolio and expanding the company's presence in the Black Sea.



## Turkey and Russia move closer to building strategic partnership

Date : 15.01.2010

Source: Today's Zaman (Faruk Akkan)

<http://www.todayszaman.com/tz-web/news-198585-turkey-and-russia-move-closer-to-building-strategic-partnership.html>

Turkey and Russia have come closer to building a strategic partnership by agreeing to deepen cooperation in the area of energy and work on a plan to lift visa requirements for their citizens.

The two countries also have ambitious plans to boost their trade volume to \$100 billion in the coming years. “Our relations are developing and becoming more diversified in the political, military, economic and cultural spheres. What is exciting for me is that both sides have a positive will,” to further boost ties, Prime Minister Recep Tayyip Erdogan said at a joint press conference with his Russian counterpart, Vladimir Putin.

Erdogan, who had talks with Putin and Russian President Dmitry Medvedev during his one-day visit to Moscow, announced that the two countries will start work on abolishing visa requirements for their nationals. “The prime minister [Putin] has just given us the good news that efforts to mutually abolish the visa requirements will go forward as planned,” Erdogan said, adding that the Turkish side hoped that a final deal would be concluded during an upcoming visit by Medvedev in May or June.

In another key achievement of Erdogan’s short visit, Energy Minister Taner Yildiz and Russian Deputy Prime Minister Igor Sechin signed a memorandum on building nuclear power plants in Turkey in a sign that Russian firms would be given a second chance to build Ankara’s first plant. Turkey canceled a previous tender to build a nuclear power station, after a court earlier ruled the tender, won by Russian Inter RAO and Atomstroieksport and Turkey’s Park Teknik, invalid due to problems with the pricing of electricity from the plant.

Putin and Erdogan also had talks on energy projects. Putin said the governments of Italy, Turkey and Russia should consider signing a deal to support the proposed Samsun-Ceyhan pipeline, an oil link between Turkey’s Black Sea coast and the Mediterranean.

The Russian prime minister also said Russia has won Turkish support for all its major oil, gas and nuclear projects, while carefully avoiding its usual harsh criticism of the rival trans-Turkish EU-backed Nabucco gas pipeline. He said Ankara had pledged to fully clear the Russian gas pipeline project South Stream before November 2010, when construction is due to begin.

“We have an agreement that before November 10, 2010 ... the Turkish government will make all the necessary judgments and issue a construction permit. In the course of today’s talks Mr.Erdogan confirmed these intentions,” Putin said. “I very much hope this work will be finished as planned,” he said, adding that the work on South Stream was going according to plan with environmental, geological and seismic studies near completion. Putin also said the project, which apart from Russia’s gas export monopoly Gazprom involves Italy’s Eni, may benefit from an inter-governmental agreement between Russia, Turkey and Italy.



## TPIC President: Privatization left TPAO bare and uncompetitive

Date : 11.01.2010

Source: Today's Zaman (AA)

<http://www.todayszaman.com/tz-web/news-198140-privatization-left-tpao-bare-and-uncompetitive.html>

Galip Özbek, the president of the Turkish Petroleum International Co. (TPIC), stated that the 'wrong privatization' and separation of firms under the TPAO umbrella left it stripped of its resources and unable to compete in the world.

Özbek noted that while Turkey was slicing TPAO into smaller firms, Western nations were working to enlarge their oil industry corporations. He noted that for Turkey to privatize its oil industry was 'misguided'. "Fully 72 percent of the world's petroleum is extracted from countries neighboring Turkey. It is therefore important for Turkey to have a strong petroleum company in this region. But instead we've split TPAO up into smaller and smaller firms. We can't bring those firms together again but we can learn from the experience. TPAO is an important company for Turkey, and we need to work to lift barriers its path."

Özbek, highlighting that TPIC started focusing on Iraq in 2003, before many other petroleum firms did, noted that the financially small TPAO could not compete in bidding for the oil fields. Pointing out that TPAO was eliminated in the first round of bidding for an Iraqi oil field, Özbek stated that one of the main reasons for its poor performance was its fragmented nature. "These are billion-dollar projects, and they said that TPAO's budget was not adequate. We were able to enter the tenders again with the help of political diplomacy," Özbek said.

Despite these setbacks in Iraq, Özbek said not all is lost, as they were still planning on entering any exploration tenders. "Iraq has a lot of potential, and we don't have the luxury of just forgetting about the place," he said. Speaking about TPIC's current activities in Iraq, Özbek revealed that they have signed an agreement with the central government for 10 oil wells in the north and would start work on the wells this year.

He also revealed that TPAO had shifted its focus to 'more affordable' fields in South America, because bids for important fields in the Middle East had reached record levels because of the recovery in oil prices. He added that "TPAO cannot take the risk" of tying much of its funding to these high-priced oil fields.



## Zorlu steps on gas pedal

Date : 15.01.2010

Source: Upstream Online (Reuters)

<http://www.upstreamonline.com/live/article203785.ece>

Turkish power company Zorlu Enerji's oil and gas unit, Zorlu Petrogas, is set to bring two new gas fields on stream this year, Mete Baysal, Deputy General Manager, said. He also added that the company hopes to enter Iraq and Syria's upstream play at a later date.

The fields, their location and expected production figures were not immediately available. Zorlu's gas-related activities, which include distribution, exploration and trading, will account for more than half of sales turnover at Zorlu's energy operations in the next five to 10 years, Baysal added. The company may work with foreign partners at the new fields, which are in Turkey, but is not seeking to sell a stake at this time, he said.



## Jordan lines up more Egyptian gas

Date : 14.01.2010

Source: Upstream Online (Reuters)

<http://www.upstreamonline.com/live/article203532.ece>

Egypt has given preliminary approval to sending Jordan more gas through the Arab Gas Pipeline project. Jordan was connected to Egypt through the pipeline in 2003 after the project was agreed to in 2000 to export Egyptian gas to Jordan.

“The Egyptian government has given its preliminary approval to the Jordanian government's request to supply it with additional quantities of natural gas of around 500 million cubic metres,” state news agency MENA quoted Jordanian Minister Khalid Irani as saying, reported Reuters. Egyptian oil officials have said Egypt exports 5.7 million cubic metres per day to 7.1 MMcmd of natural gas to Jordan.

The agreement signed between both countries for Arab pipeline exports was originally for 1.1 Bcmd. Egyptian gas flows through the pipeline from Arish in Egypt to Aqaba in Jordan and from there to Homs in Syria and enters Lebanon through Tripoli.



## Russian oil flows to Belarus despite talks failure

Date : 11.01.2010

Source: Today's Zaman (Reuters)

<http://www.todayszaman.com/tz-web/news-198141-russian-oil-flows-to-belarus-despite-talks-failure.html>

Russian oil continues to flow to Belarus despite a failure by Moscow and Minsk to clinch a new oil supply deal at talks on Saturday, a Russian Energy Ministry spokeswoman said on Sunday.

“Belarus is holding back the negotiation process. Russia has made unprecedented and very comfortable proposals about duty-free oil supplies...But Belarus is demanding more,” spokeswoman Irina Yesipova told. She said she didn't know if talks would resume on Sunday or next week.

On Saturday, Belarus' delegation left Moscow, and Minsk accused Russia of ignoring its arguments in a development that will revive fears of supply cuts to Europe, which have already pushed oil prices up. Talks have repeatedly broken down over the New Year period, resulting in a brief interruption in supplies to Belarusian refineries.

Europe, mindful of a dispute in 2007 that cut around a million barrels per day of Russian oil supplies via Belarus, are keen the ex-Soviet states resolve their differences. The latest dispute, which centers on the tariffs Belarus must pay for Russian oil, has yet to affect supplies to Europe, but it was a contributing factor to oil's push to a 15-month high above \$83 a barrel during the past week.

Russia says it wants simply to bring energy prices and transit fees into line with the market after subsidizing its neighbors for many years with preferential terms. Much of its oil and gas must cross Ukraine and Belarus to reach Europe. Russia allowed Belarus to import around 20 million tons of oil last year at only 35.6 percent of the current crude export tariff. Russia has said Belarus can now buy only 6 million tons of Russian oil, for domestic needs only, duty-free.

While Minsk argues all Russian oil should be duty-free, Moscow now wants payment in full for about 14.5 million tons a year of crude that is mostly refined and re-exported. Germany and Poland would be worst affected should the dispute affect transit supplies to Europe. Germany last year received 350,000 barrels per day (bpd) of crude via the Druzhba pipeline, or just under 15 percent of its total consumption.



## Azerbaijan to supply gas to Iran until April

Date : 14.01.2010

Source: Hürriyet Daily News (AFP)

<http://www.hurriyetcdailynews.com/n.php?n=azerbaijan-to-supply-gas-to-iran-until-april-2010-01-14>

Azerbaijan will supply Iran with over two million cubic meters of gas daily until April 1, Rovnag Abdullayev, Azerbaijan's state oil company's chief, said Wednesday.

The contract signed by Azerbaijan's State Oil Company and its Iranian counterpart "stipulates supplies until April 1, 2010," Rovnag Abdullayev said, adding that another, long-term contract currently being prepared. "Until then, Azerbaijan will reconstruct its gas compressing station in Astara (on Iranian border) and the Gadjibul-Astara pipeline. After that we will be able to supply Iran with three to five million cubic meters of gas daily," Abdullayev told reporters.

By 2011, Azerbaijan may be producing up to 1.5 bcm of gas, which would provide all its neighbours' needs, Abdullayev said. "Azerbaijan's existing Iran-bound gas pipelines and compressor station in Astara do not allow transporting more gas to Iran now. This year we plan to invest \$125 million to reconstruct and upgrade Hajigabul-Astara line and compressor station in Astara", said Abdullayev. He noted that after reconstruction of Azerbaijan's existing infrastructure by the autumn of this year the country will be able transport 3 to 5 million cubic meters of gas per day to Iran.



## Uzbekistan cuts gas by 50% to Tajikistan

Date : 11.01.2010

Source: Oil & Gas Journal (Eric Watkins)

[http://www.ogj.com/index/article-display/3385289416/articles/oil-gas-journal/transportation-2/pipelines/2010/01/uzbekistan-cuts\\_gas.html](http://www.ogj.com/index/article-display/3385289416/articles/oil-gas-journal/transportation-2/pipelines/2010/01/uzbekistan-cuts_gas.html)

Uzbekistan's state-owned energy company Uzbektransgaz has reduced its supplies of natural gas to neighboring Tajikistan by 50% due to a dispute over payment.

Shavkat Shoimov, deputy head of Tajikistan's state-owned Tajiktransgaz, said Uzbektransgaz demanded prepayment, but his country does not "have such means and there are no free resources."

“We do not have funds to make prepayments now. Funds we have are enough for only 2 or 3-day gas shipments,” he said. “This is the reason for gas supply cuts from 480,000 cu m to 240,000 cu m/day,” said Shoiuomov, who added that his firm in turn has had to impose cuts on to Tajik factories. According to analyst IHS Global Insight, Uzbekistan regularly halts or sharply reduces gas exports to Tajikistan, usually to enforce payment of debts accumulated for supplies already received. “In an effort to end this cycle of debt and supply cut-offs, Uzbekistan last year began requiring its main gas debtor countries -Kyrgyzstan and Tajikistan- to make prepayments for gas supplies”.

Last month, Tajiktransgaz and Uzbektransgaz signed an agreement on Uzbek gas shipments to Tajikistan in 2010. Under the agreement, Tajikistan is due to import 250 mcm from Uzbekistan next year. Tjiktransgaz head Saidmamat Sharofiddinov said the gas price would vary quarterly depending on the on world market trends and that “the gas price for the first quarter of 2010 will become known only in early January.” Sharofiddinov also said that Tajikistan would buy Uzbek gas on a take-or-pay agreement and that “under the contract the conditions remain the same—we will make prepayments every 10 days.”



❖ General Energy Balance of Turkey (2008)

Source : Ministry of Energy and Natural Resources  
Weblink : [http://www.enerji.gov.tr/duyurular/2008\\_yili\\_genel\\_enerji\\_dengesi.pdf](http://www.enerji.gov.tr/duyurular/2008_yili_genel_enerji_dengesi.pdf)

❖ IEA Monthly Energy Prices Survey (Dec 2009)

Source : International Energy Agency  
Weblink : <http://www.iea.org/stats/surveys/mps.pdf>

❖ IEA Monthly Natural Gas Survey (Oct 2009)

Source : International Energy Agency  
Weblink : <http://www.iea.org/stats/surveys/NATGAS.PDF>

❖ IEA Monthly Oil Survey (Oct 2009)

Source : International Energy Agency  
Weblink : <http://www.iea.org/stats/surveys/OILSURV.PDF>