



19.02.2010



## Istanbul to choose adviser for gas grid sale

Date : 18.02.2010

Source: Hürriyet Daily News (Bloomberg)

<http://www.hurriyetdailynews.com/n.php?n=istanbul-to-choose-adviser-for-gas-grid-sale-2010-02-18>

The city of Istanbul will soon choose advisers for the sale of its natural gas distributor Istanbul Gaz Dagitim (IGDAS) and ferry operator Istanbul Deniz Otobüsleri (IDO), Mayor Kadir Topbas said.

Istanbul will pick advisers for the sales 'as soon as possible,' Topbas said in an interview in Istanbul on Wednesday. The city of Istanbul has received bids from Bank of America's Merrill Lynch and Credit Suisse Group among others to handle an initial public offering or a stake sale in IGDAS, three people familiar with the plan said on January 15. "Because this is a large sell-off, we want to be very careful in the group that we will award the advising job," Topbas said. "We want to choose the advisers that we believe will maximize our revenue. We will complete the sale in 2010."

Turkey's largest city wants to raise as much as \$10 billion from selling the IGDAS and IDO stakes, Sabah newspaper reported in September, citing council records. IGDAS has about 4.2 million customers and sold almost 4 bcm of gas, or about 10 percent of Turkey's annual demand, in 2008. Credit Agricole's Calyon is also among the bidders, the people said, joining local groups including Türkiye Sinai Kalkinma Bankasi, Oyak Securities, Standard Ünlü Securities and Deniz Yatirim.



## TransAtlantic to start Thrace basin gas sales

Date : 17.02.2010

Source: Oil & Gas Journal

[http://www.ogj.com/index/article-display/4524348103/articles/oil-gas-journal/exploration-development-2/2010/02/transatlantic-to\\_start.html](http://www.ogj.com/index/article-display/4524348103/articles/oil-gas-journal/exploration-development-2/2010/02/transatlantic-to_start.html)

TransAtlantic Petroleum Ltd., Dallas, plans to begin gas sales through a 30-km gathering system into the Botas pipeline by early March from its Thrace basin Edirne license in northwestern Turkey.

TransAtlantic resumed drilling at Edirne in January and has spud Yolboyu-1, third well in its five to seven-well campaign. Yolboyu-1 is a 6,500-ft exploratory well that targets deeper gas potential south of the existing 3D seismic survey. The company logged and cased the first two wells, Kumluk-1 and Kartal-1, where logs indicate net pay. All wells will be completed in a batch. On western Edirne, the company shot a further 81 sq km of 3D seismic and has begun interpretation. TransAtlantic is operator with 55% interest in more than 119,000 gross acres.



## Gazprom's gas exports down 13% to 205 bcm in 2009

Date : 16.02.2010

Source: The Financial

[http://www.finchannel.com/news\\_flash/Oil & Auto/58350\\_Gazprom's gas exports do  
wn\\_13%25\\_to\\_205\\_bln\\_cu\\_m\\_in\\_2009/](http://www.finchannel.com/news_flash/Oil%20&%20Auto/58350_Gazprom's_gas_exports_down_13%25_to_205_bln_cu_m_in_2009/)

Gazprom's gas exports declined 13.4% in 2009, year-on-year, to 205.8 bcm amid reduced natural gas demand, the Russian energy giant said on February 15, according to RIA Novosti.

Gas exports to European consumers declined 11.6% in 2009 from the previous year to 140.4 bcm, with exports falling 11% to 104.1 bcm to Western Europe and 13.7% to 36.1 bcm to Central Europe, Gazprom said in a statement. Gas exports to former Soviet republics, including the Baltic states, declined 17% in the reporting period to 65.6 bcm, the statement said.

At the same time, Gazprom boosted gas exports 12% in the fourth quarter of 2009 from the same period of 2008 to 62.6 bcm, with gas supplies to key European consumers increasing 64% to Germany and 19% to France. Gazprom earlier said it expected to supply 160.8 bcm of natural gas to Europe in 2010, 163.5 bcm in 2011 and 170.9 bcm in 2012.

The company's three-year plan of gas exports is based on the conservative scenario of gas demand recovery in Europe and takes into account the implications of the global financial and economic crisis. Gazprom expects average natural gas prices in Europe to increase 10% in 2010 to \$326 per 1,000 cubic meters compared with \$296 in 2009.



## Brussels faces 'tough fight' opening EU energy sector

Date : 15.02.2010

Source: EurActiv

[http://www.euractiv.com/en/energy/brussels-faces-tough-fight-opening-eu-energy-sector?utm\\_source=EurActiv+Newsletter&utm\\_campaign=c8963c665e-Daily Update 14 02&utm\\_medium=email](http://www.euractiv.com/en/energy/brussels-faces-tough-fight-opening-eu-energy-sector?utm_source=EurActiv+Newsletter&utm_campaign=c8963c665e-Daily Update 14 02&utm_medium=email)

Günther Oettinger, the EU's new energy commissioner, faces an uphill battle against national interests in opening up electricity and gas markets, warns Georg Zachmann, energy expert at think-tank Bruegel.

In an interview with EurActiv, he says member states risk dragging their feet in implementing EU rules. "One threat, arguably the biggest one, would be the failure to implement the existing energy packages," said Zachmann, who also advises policymakers in Ukraine and Belarus on energy sector issues.

But he warned this "will not be an easy task because many member states are still reluctant" to implement 'ownership unbundling' rules that encourage integrated energy companies to sell off their transmission grids. "Some big companies are opposing this and it will be a tough fight for the Commission to really deliver on the objectives of the third package," he said, citing RWE in Germany.

Although he admitted that meeting existing liberalisation objectives "will already be hard," Zachmann said "the Commission needs to go beyond" this. "In the electricity market, I clearly see a point for strengthening the institutions that have been established with the third [energy liberalisation] package, which have very limited powers at the moment," he said, citing the EU Agency for the Cooperation of Energy Regulators, ACER.

The agency, which will be located in Ljubljana, Slovenia, will coordinate the work of national regulatory authorities when it comes to cross-border gas and electricity networks and will become operational on 3 March 2011. It will be able to take binding decisions on cross-border infrastructure but only if national authorities fail to reach agreement between themselves or if they decide to refer the case to it.

But Zachmann warned the agency will not have sufficient powers to dictate energy investments, saying national interests are likely to continue to dominate. "The question is that some countries may not have the benefit in their own countries even though they have invested money. You then have to assure by redistribution measures that they also get their fair share in the benefits that these new investments bring."

The Bruegel analyst said greater market integration will be hardest for the gas sector, due to the limited coverage of gas pipelines and insufficient Liquefied Natural Gas (LNG) infrastructure. “The backwardness of the gas market is both about infrastructures and rules,” he said, referring to contractual clauses that prevent gas flows from being adjusted to demand.

“During the [January 2009 gas crisis between Russia and Ukraine], we actually saw that it was possible to switch the direction of the energy flow and that the problem of interconnectivity was not as daunting as expected,” said Zachmann. “One problem was old destination clauses whereby operators are not allowed to sell in certain areas, and a lack of liquid markets in all European regions”.

For example, he said, “the market in France and Germany is divided in zones and you lack a national price for gas, so the situation is not transparent enough and detrimental to consumers. This is really hindering the flow of gas from one market to the other. This has been particularly problematic during the crisis in 2009. In Poland for example it was difficult to choose the market from which gas should have been bought since there was no price transparency in neighbouring countries.” He rejected suggestions that long-term gas contracts offer greater visibility for business and ensures price stability in the long-run. “I do not agree. I believe you have to allow for different supply options and then let the market decide.”



## Tengizchevroil halts oil pumping to BTC

Date : 19.02.2010

Source: Today's Zaman (AA)

<http://www.todayszaman.com/tz-web/news-201982-us-tengizchevr-oil-halts-oil-pumping-to-btc.html>

US company Tengizchevroil, operating oil activities in Atrau region in Kazakhstan, halted oil pumping from Kazakhstan's Atrau region to Baku-Tbilisi-Ceyhan (BTC) pipeline on charges that Azerbaijan assumed an intransigent stance on taxation.

Todd Levy, Director General of Tengizchevroil, said they halted oil pumping because of Azerbaijan's high taxes on pumping. He said the oil would be shipped to world market through some other ways. Levy said 22.5 million tones of crude oil was produced in 2009, noting they targeted to raise it to 23.5 million tones. BTC pipeline is a crude oil pipeline that covers 1,768 kilometres from the Azeri-Chirag-Gunesli oil field in the Caspian Sea to the Mediterranean Sea. It is the second longest oil pipeline in the world after the Druzhba pipeline.



## Tüpraş' net refining margin falls

Date : 16.02.2010

Source: Hürriyet Daily News

<http://www.hurriyetdailynews.com/n.php?n=tupras8217s-net-refining-margin-falls-2010-02-15>

Tüpraş, Turkey's sole oil refiner, said its net refining margin fell to 34 cents over the benchmark Mediterranean complex gross margin last year, from 97 cents in 2008.

The company's production volume declined 30 percent in 2009, while exports dropped 46 percent, Tüpraş said in an e- mailed statement Monday. Domestic sales dropped 8.2 percent and sales revenue fell 36 percent last year, Tüpraş said. The company didn't provide detailed figures.

Tüpraş said net income was 632.3 million liras (\$416 million) last year in a preliminary filing for tax purposes. Sales were 18.2 billion liras in 2009, Tüpraş said in a filing with the Istanbul Stock Exchange Monday. Tüpraş had reported profit of 420.9 million liras for tax purposes in 2008.



## Iran kicks off drilling in Caspian Sea

Date : 15.02.2010

Source: Rigzone

[http://www.rigzone.com/news/article.asp?a\\_id=87554](http://www.rigzone.com/news/article.asp?a_id=87554)

Iran started drilling its first exploratory well in the Caspian Sea. "The Iran Alborz semi-floating drilling rig has started exploration drillings in the Caspian Sea," Iran's North Drilling Company Managing Director Hedayatollah Khademi said.

"It will drill the country's first exploratory well at a depth of 1, 550 meters under the seabed. In light of the great potential of the region, there is a very good possibility that the Iran-Alborz semi-floating drilling rig will help find new reserves of crude oil in the Caspian Sea," Khademi was quoted as saying.

Earlier in July, Iran announced the country would launch exploration of oil and gas using its domestically-built semi- floating drilling rig in the Caspian Sea. Iran Alborz weighs 14,000 tons and is the largest in the Middle East, Iran's Oil Minister Gholam Hossein Nozari said in July.



## BP launches drilling tenders for Iraq's largest oil field

Date : 17.02.2010

Source: Upstream Online (AFP)

[http://www.rigzone.com/news/article.asp?a\\_id=87629](http://www.rigzone.com/news/article.asp?a_id=87629)

UK oil major BP, along with Iraq's South Oil Co., has announced a tender to drill 56 wells and work on several others as part of the company's 2010 program to develop Iraq's largest oil field, Rumaila, a senior Iraqi oil official said Wednesday.

"A number of companies have been invited to bid for the drilling contract including Weatherford and Schlumberger," Abdul Mahdy al-Ameedi, head of the Iraqi oil ministry's petroleum contracts and licensing directorate, told Dow Jones Newswires. He didn't name other companies, but separately an Iraqi oil official said Halliburton Co. and Baker Hughes Inc. were also invited.

Ameedi said that the development program of the field called for increasing production from the field by 110,000 barrels a day during this year. Rumaila, which is in southern Iraq and holds oil reserves of 17 billion barrels, is producing 1.07 million barrels a day.

BP and China National Petroleum Corp. signed a 20-year technical service contract in November last year to develop the field. An Iraqi oil official said the BP/CNPC consortium also invited bids for purchasing rigs. He said there are already 10 rigs owned by the Iraqi Drilling Co. and Weatherford working in the field but that more rigs were needed. He gave no further details.

The BP-led consortium has pledged to almost triple production at the field to 2.85 million barrels a day. Under the deal, BP holds a 38% stake in the venture, while CNPC has 37% and Iraq's South Oil Co. the remaining 25%. The three contractors will receive a fixed fee of \$2 for each additional barrel of oil produced from Rumaila.

The Rumaila deal is one of 10 deals signed with international oil companies late last year and early this year in a bid to revamp the country's war-hit oil industry and quadruple the country's production of 2.5 million barrels a day.



## Heritage to invest \$155 mln to Northern Iraq this year

Date : 15.02.2010

Source: Hürriyet Daily News

<http://www.hurriyetedailynews.com/n.php?n=heritage-to-invest-155-mln-this-year-2010-02-15>

Heritage Oil, the U.K. explorer selling assets in Uganda, earmarked about half of the \$155 million to be spent on projects this year for Northern Iraq.

The company aims to complete the \$1.5 billion sale of its Ugandan oil assets to Tullow Oil in the first quarter, Chief Financial Officer Paul Atherton said in an interview last week. Heritage is drilling the Miran West-2 well in Northern Iraq, which is due to reach its target depth by the end of March. St. Helier, Jersey-based Heritage will step up projects in Northern Iraq after agreeing to sell its interests in Uganda's Lake Albert region. The company plans to produce its first oil in Iraq this year as well as drill wells in Malta, Russia and Pakistan, Atherton said.

"We provided information to the Ugandan government" about the sale, Atherton said. "We expect the government to approve the sale." The Ugandan government is examining plans to impose a 30 percent capital gain tax on the Heritage's asset sale. The "management reconfirmed that capital gains tax should not apply to the sale," Nick Copeman and Brendan Wilders, energy analysts at Oriel Securities, said in an e-mailed report, following a briefing by Heritage executives. Last month, Tullow exercised its right of first refusal over fields being sold by Heritage, seeing off a challenge from Eni, Italy's largest energy company.



## Gazprom Marketing & Trading USA gets OK for LNG

Date : 18.02.2010

Source: Upstream Online

<http://www.upstreamonline.com/live/article206836.ece>

The Federal Energy Regulatory Commission voted in favour of a deal between Gazprom Marketing & Trading USA and a US affiliate of Norwegian state-run Statoil to import the gas through Dominion Resources' LNG terminal in Cove Point, Maryland.

As much as 200 million cubic feet of gas per day would be imported under the 1 December deal, according to a Bloomberg report.



## Total refinery workers occupy plant in France

Date : 16.02.2010

Source: Hürriyet Daily News

<http://www.hurriyetedailynews.com/n.php?n=total-refinery-workers-occupy-plant-in-france-2010-02-16>

Workers at a Total oil refinery in northern France that has been idle for five months stamped into the plant on Tuesday and demanded to go back to work.

About 150 staff burned tires at the gated entrance of the plant near Dunkirk at dawn before pushing their way passed a dozen security guards. They then broke into the entrance of the main administrative building and occupied the offices of the plant director and other executives, who were allowed to leave. "We will occupy the building for as long as is needed to get an answer about our future," said union activist Philippe Wullens.

Workers at the Flanders refinery, which shut down production in September, had threatened last week to seize control of the plant if Total failed to re-start work by February 15. "We don't want to hold the director of the plant," said another union activist, Marc Pigeon. "He is free to leave if he wants. He has no power to decide anyway."

"What we want is for someone from the top management of Total to give us clear answers about the future of the plant," said Pigeon. "We wanted to send a symbolic message to Total management and to the other refineries to show our determination," said Benjamin Tange, who has been working at the plant for eight years.

In September, Total cited a decline in sales of refined products for its decision to halt operations at the Flanders refinery, which employs 370 people directly and 450 sub-contractors. Union activists at the refinery plant hung banners on the occupied building that read: 'A future for Flanders'.

Unions representing Total workers called for a two-day strike at all sites on Wednesday and Thursday in a show of solidarity with the Flanders plant. Total said in December that it was considering shutting down the facility, one of six refineries it runs in France, but has come under pressure from the government not to cut jobs. Total last week reported a net profit of 7.8 billion euros (\$10.9 billion) in 2009, down 44 percent from the previous year.





## Shtokman project may move forward without LNG

Date : 18.02.2010

Source: Rigzone

[http://www.rigzone.com/news/article.asp?a\\_id=87976](http://www.rigzone.com/news/article.asp?a_id=87976)

Citing documents from field operator Shtokman Development AG, Prime-Tass news agency reported Thursday that the massive Shtokman gas condensate field may be developed without liquefied natural gas.

According to the report, the operator has set the deadline for an investment decision on LNG production at December 2011. If a decision is not reached by this date, the field's gas will be transported through pipeline and shipped to European markets.

Located in the harsh, arctic waters of the Barents Sea, Shtokman contains an estimated 3.8 trillion cubic meters of natural gas and 37 million tons of gas condensate, making it one of the largest offshore deposits ever discovered. Russian oil giant Gazprom holds a 51% working interest in the offshore development, with partners Total and Statoil holding the remaining 25% and 24% stakes, respectively.



### ❖ GDPA Public Service Inventory Table

Source : General Directorate of Petroleum Affairs

Weblink : <http://www.pigm.gov.tr/>