



## Iraq agrees to renew Kirkuk - Ceyhan accord with Turkey

Date : 17.03.2010

Source: Reuters

<http://in.reuters.com/article/oilRpt/idINLDE62G1BD20100317?pageNumber=2&virtualBrandChannel=0>

Iraq has agreed with Turkey to to renew an accord to operate an oil pipeline from its northern oilfields near Kirkuk to the Turkish Mediterranean port of Ceyhan, a senior Iraqi oil official said.

“Iraq has approved to renew the Kirkuk-Ceyhan agreement after agreeing on some changes and amendments”, Iraq’s deputy oil minister, Ahmed al-Shamma, told Reuters. Shamma said the two sides had agreed on new transit fees and upgrades to the pipeline. “There is an Iraqi delegation in Turkey now, headed by a deputy oil minister, to finalise the deal.” The agreement is expected to be signed during a trip by Turkish Energy Minister Taner Yildiz to Baghdad, scheduled for March 22, said a Turkish Energy Ministry official who declined to be named.

An agreement between Baghdad and Ankara that governs the operation of the 970-km (600-mile) pipeline, which transports about a quarter of all Iraqi oil exports, expires this month. Turkish officials said talks with Baghdad on extending the accord began last year. The deal will include a guarantee from Baghdad on the flow of oil in the pipeline, the Turkish Energy Ministry official said.

Flows are sometimes halted due to maintenance problems or sabotage by Iraqi insurgents and poor security left the link mostly idle between 2003 and 2007 after the U.S.-led invasion of Iraq. The double-pipe link has a capacity of 1.6 million barrels per day (bpd) but normally carries about 500,000 bpd. The Kirkuk-Ceyhan pipeline first opened in 1977.



## ExxonMobil primes deepwater bit for Turkish Black Sea

Date : 16.03.2010

Source: Rigzone

[http://www.rigzone.com/news/article.asp?a\\_id=89487](http://www.rigzone.com/news/article.asp?a_id=89487)

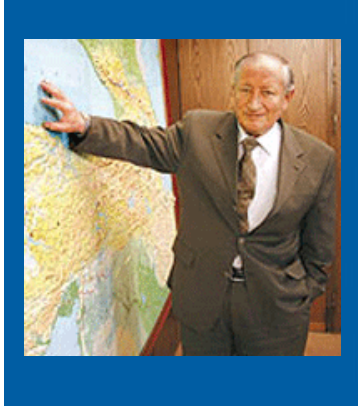
ExxonMobil Exploration and Production Turkey B.V. will use the 'Deepwater Champion', a specially designed, newly built drillship from a subsidiary of Transocean Ltd., to explore the deepwater Black Sea offshore Turkey.

Elwyn Griffiths, vice president, ExxonMobil Exploration Company, announced plans for the Deepwater Champion during a speech today at the TUROGE 2010 conference in Ankara. "We look forward to utilizing a world-class drillship with superior ultra-deepwater technology in the Turkish Black Sea," Griffiths said.

Drew Goodbread, ExxonMobil Turkey General Manager, said the Deepwater Champion is currently under construction at the Hyundai Heavy Industries shipyard in Ulsan, South Korea. It is expected to drill its first well in the Turkish Black Sea in the first half of 2011. Goodbread said the Deepwater Champion is a sixth-generation drillship capable of drilling to 12,190 meters (40,000 feet) in up to 3,660 meters (12,000 feet) of water.

The vessel's drilling derrick contains two drilling stations capable of a variety of simultaneous operations to improve efficiency. The derrick has two removable sections for more efficient transit under the bridges spanning the Bosphorus Strait at Istanbul. The double-hulled vessel is self-propelled and capable of holding its position in open water in nine meter (30 feet) waves and 60 knot (70 miles per hour) winds.

ExxonMobil entered into an agreement with the Turkish national oil company TPAO in November 2008 to jointly explore deepwater prospects in the Samsun block of AR/TPO/3922 exploration license and the eastern portion of AR/TPO/3921 exploration license in the Black Sea. In January 2010, ExxonMobil signed an agreement with Petrobras and TPAO to acquire a 25 percent interest in the Sinop, Ayancik and Carsamba sub-blocks of the AR/TPO/3922 exploration license.



## Uysal: Black Sea could fuel Turkey for upcoming 40 years

Date : 17.03.2010

Source: Today's Zaman

<http://www.todayszaman.com/tz-web/news-204588-tpao-black-sea-could-fuel-turkey-for-upcoming-40-years.html>

According to Mehmet Uysal, Turkish Petroleum Corporation (TPAO) General Director, the Black Sea could have enough petroleum to meet Turkey's needs for the next 40 years.

Speaking at the TUROGE 2010 conference on Tuesday, Uysal announced that according to their research, the amount of fossil fuel on Turkish soil is not enough to attract international attention but the potential under the Black Sea is different story. "As soon as we explore and research this potential, there will be a new page opened for Turkey's petroleum exploration and production," said Uysal. Noting that similar exploration is being conducted in the Mediterranean Sea, Uysal stated that it too has much potential and that they will be forming partnerships to work with the international sphere.



## Otto Energy: Edirne gas plant ready to go

Date : 19.03.2010

Source: Upstream Online

<http://www.upstreamonline.com/live/article209136.ece>

Otto Energy said the gas production plant at the Edirne licence in western Turkey had been completed and sales would start as soon as state-owned pipelines operator BOTAS tied in the field.

Otto said it was retrofitting a hot tap fitting to meet BOTAS' requirement and expected the plant to come on line at the end of the month. Otto holds a 35% stake in the field but elected not to participate in ownership of the gas plant. The field is operated jointly by Transatlantic Mediterranean International, with 55%, and local Turkish player Petraco with 10%.

Australia-based Otto said the Yolboyu-1 well, the third exploration well in phase 2 drilling on the field, had reached total depth of 2000 metres. Gas shows were logged in the upper Danisman formation and the well would be suspended for further evaluation, it said. Otto said the rig would now move to spud the Somurcali-1 well.



## Gov't ponders privatization of remaining 20 pct of Baskent

Date : 19.03.2010

Source: Today's Zaman

<http://www.todayszaman.com/tz-web/news-204768-govt-ponders-privatization-of-remaining-20-pct-of-baskent.html>

Turkey aims to privatize the remaining 20 percent of Ankara natural gas distributor Baskent Dogalgaz in 2010, Ahmet Aksu, Deputy President of the Privatization Administration, said.

The privatization of 80 percent of Baskent Dogalgaz was completed last year. "We can open a tender very soon," Aksu said in his meeting with the press. With 1.2 million subscribers, Baskent Dogalgaz is the second-largest natural gas distribution firm in Turkey. The efforts to privatize the company were launched on July 2, 2009. The Ankara monopoly has a natural gas distribution license valid till 2037.

On privatization of electricity transmission companies, Aksu said the tender process of eight of 20 companies had been completed and \$5.1 billion had been obtained from the privatization of electricity transmission companies in 11 regions. There are 18 thermal and 56 hydroelectric power plants which remain to be privatized, Aksu also said. Turkey earned around \$2.3 billion from privatization projects in 2009.

Meanwhile, the Privatization Administration on Thursday opened a tender for the privatization of four electricity distribution companies, including Bogazici Elektrik Dagitim, Dicle Elektrik Dagitim, Gediz Elektrik Dagitim and Trakya Elektrik Dagitim. The administration demands at least TL 45 million for the privatization of the four companies, which dominate 30 percent of the domestic market and serve around 8 million subscribers.



## Gazprom makes a leap in Turkish market

Date : 15.03.2010

Source: Hürriyet Daily News

<http://www.hurriyetdailynews.com/n.php?n=gazprom-makes-a-leap-in-turkish-market-2010-03-15>

Russian energy giant Gazprom is making serious efforts to expand in the Turkish energy market, Dietmar Schulz-Oral, Strategy Director at Gazprom Germania, has said.

The group has designated four goals – electricity, natural-gas import, natural-gas storage and distribution – but will initially focus on the first three, said Schulz-Oral. He also said talks are underway with the Calik Group on the Salt Lake Underground Natural Gas Storage Facility. Working groups have also been formed with Aksa, EnerjiSA and Akenerji to deal with several projects, he added.

Within the context of a Russian natural-gas purchase deal for 6 billion cubic meters, the term of which will end in 2011, the firm aims to bring in an additional 1.5 to 2 bcm gas for BosphorusGaz. It also plans to build new electricity-generating power plants. The firm will also launch activities to establish an underground natural-gas storage facility by the end of the year.



## Auli: Nabucco may be supported by countries with gas resources

Date : 19.03.2010

Source: Today's Zaman

<http://www.todayszaman.com/tz-web/news-204799-nabucco-may-be-supported-by-countries-with-gas-resources.html>

Nabucco project may possibly be supported by countries with gas resources such as Azerbaijan, Iraq and Turkmenistan, Werner Auli, a senior official of Nabucco partner OMV, has said.

Speaking to journalists following a Nabucco executives meeting, which was hosted by the state-owned Turkish Pipeline Corporation (BOTAS) in Ankara on Tuesday and was also attended by Energy and Natural Resources Minister Taner Yildiz, Auli said two weeks ago Azerbaijani President Ilham Aliyev announced that he supports the project and is ready to provide gas from the Caspian basin. Talks are underway with Iraq to obtain gas from a massive gas field in northern Iraq, Auli said.

He also stated that Turkmenistan is another possible source for gas for the project as the Nabucco consortium is also talking with this country. Turkmenistan's president said he would also extend support to the project, he added. Asked about French gas company Gaz de France's participation in the project, Auli said since Nabucco will surely develop and expand further, they are in favor of new partners, if, of course, they contribute.

The project support agreement for the Nabucco pipeline will be finished and signed by the end of this month, Yildiz said. Reinhard Mitschek, international managing director of the Nabucco pipeline project, stated that construction of the project will start in 2011 and that the pipeline will begin operating fully by 2014.



## OPEC sticks to its guns, demand rising

Date : 17.03.2010

Source: Reuters

<http://www.reuters.com/article/idUSTRE62E1PD20100317>

OPEC ministers agreed not to change oil output targets they are already exceeding, anticipating that demand will pick up later in the year to mop up extra barrels.

But with economic recovery still fragile as powerhouse China considers curbs on credit, members discussed on Wednesday their adherence to production levels set in December 2008 to keep supply at 24.84 million barrels per day (bpd). OPEC Secretary-General Abdullah al-Badri said the producers would next meet on October 14 in Vienna, pushing back slightly from the usual September slot. "Good demand, reliable supply, beautiful prices -- we are very happy," Saudi Arabian Oil Minister Ali al-Naimi said just before entering the meeting. Benchmark crude futures traded at over \$82 per barrel -- in the area that OPEC's biggest exporter considers appealing to both consumers and producers alike, despite overproduction by OPEC.

A nascent recovery in the global economy in the last year and rising prices have encouraged revenue-hungry OPEC members to pump more oil and in February they were making just 53 percent of promised cuts of 4.2 million bpd. "Everything is relative -- if there was no demand there would be no leakage," said Naimi.

Saudi Arabia, OPEC's biggest producer, is pumping around 8.1 million bpd -- more than twice its nearest competitor in the group, Iran, but closer than many to its target level. The kingdom has plenty of spare capacity which makes it the most flexible member of the group to meet consumption changes. Naimi said he expected world oil demand in the second half of this year to grow by 'about a million barrel' per day, adding he thought growth would be mainly from Asia. "The implied situation is that we can go to zero compliance and then we'll have Saudi Arabia as a swing producer," said Olivier Jakob at Petromatrix.

"While there has been improvement in the oil market outlook in recent months, there is still a long way to go before we can feel at ease with the situation," OPEC President Germanico Pinto said. "The issue of exit strategies from stimulus packages of a year ago and the right timing of adjustment is becoming a key factor in the recovery of prices," he added.



## Shell predicts surge in output

Date : 16.03.2010

Source: Hürriyet Daily News

<http://www.hurriyetedailynews.com/n.php?n=shell-predicts-surge-in-output-2010-03-16>

Royal Dutch Shell, vying with BP as Europe's biggest oil company, expects production to rise to 3.5 million barrels of oil equivalent a day in 2012 and will spend more than \$100 billion to 2014 to sustain growth.

"We are making substantial investments in new projects to drive Shell's financial performance going forward," Chief Executive Officer Peter Voser said on Tuesday in a statement. "We have a tremendous opportunity set for the 2015-2020 timeframe." The company is assessing more than 35 projects that may add 8 billion barrels of oil equivalent resources, boosting production until 2020. Voser has targeted \$1 billion in cost savings this year and will cut 2,000 more jobs by the end of next year to weather the economic slowdown, which has caused fuel inventories to swell in the U.S. and Europe. The Hague-based Shell is reviewing 15 percent of its refining capacity.

The CEO is seeking to revive production growth with new projects in Qatar, Malaysia and Brazil after output fell for a seventh consecutive year. The company has earmarked net capital spending of \$28 billion for 2010 and will spend between \$25 billion and \$27 billion a year from 2011 until 2014 with as much as \$3 billion of asset sales a year.

Shell and PetroChina this month made a A\$3.3 billion (\$3.02 billion) bid for Arrow Energy, the Australian coal- seam gas producer. The acquisition would give Shell additional gas reserves to support multiple liquefied natural gas production units. Cash flow from operations is expected to increase by about 50 percent from 2009 until 2012, assuming an oil price of \$60 a barrel.

Two weeks ago, BP announced plans to increase pretax profitability by \$3 billion over the next two to three years by boosting production and making the refining and marketing business more efficient. BP intends to raise average annual oil and gas output by 1 to 2 percent through 2015.



## Pakistan and Iran sign deal on gas pipeline project

Date : 17.03.2010

Source: World Bulletin

[http://www.worldbulletin.net/news\\_detail.php?id=55603](http://www.worldbulletin.net/news_detail.php?id=55603)

Pakistan has signed a deal with Iran paving the way for the construction of a much-delayed pipeline pumping Iranian natural gas to the energy-starved South Asian country.

Under the deal, 750 million cubic feet of gas will be pumped to Pakistan daily from Iran by mid-2015. The \$7.6 billion project is crucial for Pakistan to avert a growing energy crisis already causing severe electricity shortages in the country of about 170 million. Pakistani Petroleum and Natural Resources Minister Naveed Qmar hailed the signing of the deal in Turkey on Tuesday as an historic achievement.

The pipeline will connect Iran's South Pars gas field with Pakistan's southern Baluchistan and Sindh provinces. Iran has the world's second-largest gas reserves after Russia. But sanctions by the West have slowed its development as an exporter. Under the deal, 750 million cubic feet of gas will be pumped to Pakistan daily from Iran by mid-2015. Qamar said he hoped work on the project would be started soon so that gas supplies to Pakistan could start on time.

Dubbed the 'peace pipeline', the project has been planned since the 1990s and originally would have extended from Pakistan to its old rival, India. Under the deal signed on Tuesday, Pakistan is allowed to charge a transit fee if the proposed pipeline is eventually extended to India. The United States has tried to prevent India and Pakistan from any deal with Iran.



## TOTAL to acquire 50% interest in Kazakh license

Date : 17.03.2010

Source: Rigzone

[http://www.rigzone.com/news/article.asp?a\\_id=89576](http://www.rigzone.com/news/article.asp?a_id=89576)

TOTAL signed an agreement to acquire a 50% interest in Kazakhstan's concession held by OilTechnoGroup, the Kazakh subsidiary of Poland's Petrolinvest.



The roughly 5,500-square-kilometer onshore license presently being explored is located in northwestern Kazakhstan. The transaction, subject to the Kazakh government approval, broadens TOTAL's portfolio of acreage in Kazakhstan. As operator of the license, TOTAL will proceed with a work program that includes reprocessing of seismic data and drilling of a well. A well has already been drilled on the license, with encouraging results.

"The acquisition of the stake in the concession held by OTG allows the Group to deploy its deep drilling expertise as an operator in Kazakhstan in a region with promising potential," said Yves-Louis Darricarrère, President, Total Exploration & Production. Since 1992, TOTAL has been present in Kazakhstan with the company's 16.8% stake in the North Caspian permit, which includes the giant Kashagan field operated by the North Caspian Operating Company (NCOC). Kashagan is planned to enter into production at the end of 2012.



#### ❖ EMRA Stakeholder Survey

Source : Energy Market Regulatory Authority  
Weblink : <http://www.jetanket.com/s/3b12c964e4>

#### ❖ OPEC Bulletin (March 2010)

Source : Organization of the Petroleum Exporting Countries  
Weblink : [http://www.opec.org/opec\\_web/static\\_files\\_project/media/downloads/publications/OB032010.pdf](http://www.opec.org/opec_web/static_files_project/media/downloads/publications/OB032010.pdf)