



New deal to be signed on Kirkuk-Yumurtalik pipeline

Date : 23.03.2010

Source: Hürriyet Daily News

<http://www.hurriyetdailynews.com/n.php?n=new-deal-to-be-signed-on-kirkuk-yumurtalik-pipeline-2010-03-23>

Turkish Energy & Natural Resources Minister Taner Yildiz said on Tuesday a new agreement would be signed with Iraq soon about the Kirkuk-Yumurtalik crude oil pipeline.

Yildiz said talks were underway with the Iraqi government and Iraqi Petroleum Ministry about the pipeline and a new agreement would be signed within a week or 10 days. He recalled that the existing agreement about the pipeline expired in March. Noting that one last meeting would be held with Iraq about the pipeline, Yildiz said if the two countries reached a consensus on two remaining issues, the new agreement covering the next 15 to 20 years would be signed.



Turkey to decide on South Pars gas investment in two weeks

Date : 25.03.2010

Source: Today's Zaman

<http://www.todayszaman.com/tz-web/news-205356-turkey-to-decide-on-iran-gas-investment-in-two-weeks.html>

Turkey will decide within two weeks on whether to go ahead with investment in Iran to produce natural gas. Energy Minister Taner Yildiz said late Tuesday the deal, with an estimated worth of \$5.5 billion, had political support in Ankara.

The decision to press ahead now rested with firms carrying out feasibility studies in the South Pars gas field, Yildiz told Reuters in an interview. "We will decide within two weeks on our final decision on the investment in Iran. This project has complete political support, but companies are carrying out the talks. ... If the feasibility is not high, we will not continue," he said.



Turkey unveils strategic energy plan

Date : 24.03.2010

Source: Hürriyet Daily News

<http://www.hurriyetdailynews.com/n.php?n=turkey-unveils-strategic-energy-plan-2010-03-24>

Energy import-dependent Turkey hopes to increase domestic power generation within the next five years, according to a recent report prepared by the country's Energy Ministry.

In a new energy plan for 2010-2014, Turkey plans to generate more of its own power, diversify natural gas suppliers, increase the amount of oil pumped to Turkey's oil hub of Ceyhan and begin the construction of a nuclear power plant. At the end of 2009, Turkey had oil reserves that could meet consumption for a year and natural gas reserves enough for two months, the ministry report said.

Turkey's proven oil reserves are estimated at around 39.4 million tons while its natural gas reserves are 6.1 billion cubic meters. Turkey's annual oil consumption is around 31.1 million tons while its natural gas consumption is nearly 36 bcm. Turkey imports natural gas from five countries, two-thirds of which comes from Russia. The Turkish government, however, wants to reduce its dependence on Russia and plans to cut the country's stake in Turkey's gas imports to below 50 percent in a bid to diversify suppliers. Turkey also plans to raise its oil production through oil and natural gas exploration projects in the Black Sea and the Mediterranean.

According to the strategic energy plan, Turkey plans to extend the duration of a crude oil pipeline deal with Iraq, finalize negotiations on the Nabucco pipeline project deal this year before beginning construction in 2011 and launch a project to connect Turkish and Syrian natural gas networks next year. The government also aims to make Ceyhan, a port in the southern province of Adana, a wholly-integrated oil hub by the year 2015. By that time, the amount of oil pumped to Ceyhan is expected to reach 500 million barrels a year.

In terms of electricity, the Turkish government plans to complete the construction of several coal-fired thermal power plants and hydropower plants throughout the country by 2013. The proposed plants would have a total capacity of 8,500 megawatts. Meanwhile, one of the government's priorities is to begin construction on the country's first nuclear power plant by 2014. At the same time, it also hopes to increase the ratio of renewable energy resources to 30 percent in total energy generation by 2023. According to the government's plans for energy efficiency, Turkey will save 10 percent on its energy costs by 2015 and 20 percent by 2023.



Erdogan and Putin discuss energy during phone conversation

Date : 25.03.2010

Source: Today's Zaman

<http://www.todayszaman.com/tz-web/news-205347-erdogan-putin-discuss-energy-during-phone-conversation.html>

Prime Minister Recep Tayyip Erdogan discussed Turkish-Russian energy projects and bilateral ties during a telephone conversation with his Russian counterpart, Vladimir Putin.

“Putin and Erdogan discussed the current situation in trade and economic relations, the implementation of major international projects, including projects in the energy sphere, as well as some issues concerning the cooperation of Russia and Turkey in international organizations,” Dmitry Peskov, the press secretary of the Russian prime minister, said. The phone conversation was initiated by Erdogan, he said.

Russia and Turkey are in talks for construction by Russia of a nuclear power plant in Turkey, and the two countries are looking into building an oil pipeline from Samsun on the Black Sea coast to the Mediterranean port of Ceyhan and a gas pipeline that will run underneath the Black Sea, called Blue Stream 2.

In addition to growing cooperation in the field of energy, Turkey and Russia have also been working on expanding their trade volume to \$100 billion in the next five years. Other measures that the two countries are working on to boost bilateral ties include abolishing visa requirements and easing customs procedures. All of those issues are expected to be reviewed when Russian President Dmitry Medvedev visits Turkey on May 11-13.



Nabucco boss holds firm on start-up

Date : 25.03.2010

Source: Upstream Online

<http://www.upstreamonline.com/live/article209489.ece>

Nabucco consortium head Reinhard Mitschek confirmed that first gas is set to flow in 2014. His statement came after EU Energy Commissioner Gunther Oettinger told Süddeutscher Zeitung he did not expect first flows until 2018.

However, earlier today Oettinger contradicted those remarks, issuing a statement saying he was confident Nabucco would stay on track for a planned start-up in 2014. Mitschek said: "We are aiming to start with the construction at the end of 2011 and we'll expect first gas to flow at the end of 2014. The Nabucco consortium has no indication to shift the current timeline," he added.

Mitschek also stressed that the pipeline will not reach its maximum capacity of 31 bcm per year until 2018. "For a large pipeline system like Nabucco it is necessary to raise the capacities stepwise," he said. "We'll start with 8 bcm to 10 bcm per year and we need the timeframe from 2014 to 2018 for the construction of additional compressor stations which are the precondition for the plateau level."



Iraqi Kurds plan to double oil export capacity

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Source: Hürriyet Daily News

<http://www.hurriyetdailynews.com/n.php?n=iraqi-kurds-plan-to-double-oil-export-capacity-2010-03-25>

Northern Iraq is drilling wells to more than double oil export capacity this year and plans a \$1 billion pipeline to send the crude to global markets, Natural Resource Minister Ashti Hawrami said.

The region aims to be able to export between 200,000 and 250,000 barrels of crude a day by the end of 2010, Hawrami told reporters at a conference in London. It will put out a tender soon for the construction of a pipeline capable of sending 1 million barrels of crude a day to Iraq's northern export pipeline by 2014, he added.

Exports remain halted for the time being because of a dispute with the national government on how to pay companies, such as Norway's DNO International, that operate in the region. The Regional Government has not received a response on a payment proposal it made in February, he said.

"Right now about eight, 10 rigs are drilling new prospects and we expect a significant percentage of them to be successful," he said at the conference, organized by the London-based Centre for Global Energy Studies. "Ultimately we need a major pipeline that combines all the fields together to the final export point." The cost of the new pipeline, which would connect to the existing Kirkuk to Ceyhan link, will be shouldered by existing operators in the region rather than the regional government, Hawrami said.



Iraq's oil exports rise 7.4 percent

Date : 24.03.2010

Source: Today's Zaman

<http://www.todayszaman.com/tz-web/news-205214-iraqs-oil-exports-rise-74-percent.html>

Assem Jihad, Spokesman of the Oil Ministry of Iraq, says that oil exports rose 7.4 percent in February from the month before to 2.068 million barrels a day.

Jihad says, however, that February revenues dipped to \$4.229 billion with an average price of \$73.04 a barrel. January's exports averaged 1.926 million barrels a day and grossed \$4.416 billion. The increase in the average daily export figure reflected the fact that February was two days shorter than January.

Jihad told The Associated Press Tuesday that 45.2 million barrels were exported through the Persian Gulf, while 12.7 million barrels were exported via Turkey's port of Ceyhan. Oil sales account for about 95 percent of Iraq's revenues and are a vital part of its reconstruction efforts.



Russia and Qatar to discuss gas cooperation

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Source: Hürriyet Daily News

<http://www.hurriyetedailynews.com/n.php?n=russia-qatar-to-discuss-gas-cooperation-2010-03-24>

Russian President Dmitry Medvedev and Qatari Prime Minister and Foreign Minister Sheikh Ahmad bin Jassim al-Thani are to discuss cooperation in the gas sphere, mainly within the framework of the Gas Exporting Countries Forum.

The Sheikh is in Moscow on an invitation from Prime Minister Vladimir Putin. Russian officials hope this visit will help closer relations between the two nations. President Medvedev and the Qatari leader are also to discuss a Middle East peace settlement in connection with the outcome of the meeting of the 'quartet' of international mediators that took place in Moscow on March 19, the Iranian nuclear issue and the situation in Iraq.



Eastern Europe and Central Asia may face energy crunch

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Source: Hürriyet Daily News

<http://www.hurriyetdailynews.com/n.php?n=europe-and-central-asia-may-face-energy-crunch-2010-03-22>

Eastern Europe and Central Asia will likely face an energy crunch unless investments of more than \$3 trillion are made over the next 20 years, according to a World Bank report released last week.

The outlook for primary energy supplies, heat and electricity is questionable for the region, despite Russia and Central Asia's current role as a major energy supplier to both Eastern and Western Europe, warned the report titled 'Lights Out? The Energy Outlook in Eastern Europe and the Former Soviet Union.' "The demand for primary energy in the European and Central Asian region is expected to increase by 50 percent by 2030, while the demand for electricity is expected to increase by 90 percent," said Peter Thomson, director for sustainable development in the region for the World Bank.

Before the global financial crisis hit, several importing countries in the region had begun to experience difficulties with supplies, he said. "The financial crisis has slowed demand for energy and has created some breathing room to allow countries to take action to mitigate the impact of the anticipated energy crunch. But this window of opportunity will only exist for about five to six years. Mitigating actions are required on both the supply and the demand side, and without a change in behavior the region as a whole could face an energy crunch – moving from being a net energy exporter to a net energy importer by 2030."

According to the report, the projected needs for primary energy development from 2010 to 2030 are estimated at almost \$1.3 trillion to ensure the availability of oil, gas and coal, he said. Meanwhile, investment needed in power sector infrastructure over the next 20 to 25 years is estimated at \$1.5 trillion, with a further \$500 billion required for district heating, he said. "This level of investment – more than \$3 trillion – cannot be provided in this region by the public sector alone. Attracting private sector investors will require changing the investment climate to make it conducive to such investment," said Thomson.

According to the report, an additional \$1 invested in energy efficiency may avoid more than \$2 in production investment. "But much potential remains untapped because of the many obstacles to investments in energy efficiency, including inadequate energy prices and a lack of payment discipline, a lack of information on the latest technologies, too few contractors and service companies, as well as financing constraints," it said.

The challenge for these countries going forward will be to secure additional energy supplies quickly at minimum cost while acting in an environmentally friendly fashion to limit the growth of greenhouse gases, the World Bank said. According to the report, carbon emissions relative to gross domestic product in the region are among the highest in the world with Russia world's third-largest CO2 emitter after the United States and China in 2005.

The region's EU members have already begun tackling climate change, improving energy efficiency, developing renewable energy technologies and tapping into carbon finance, yet other countries in the region will face increasing pressure to catch up, the bank said. By tapping into carbon finance, countries in the region can reduce their carbon footprint and attract critical capital to rebuild their energy infrastructure and industrial base using efficient and cleaner technologies, the bank said.

Noting that failure to introduce an enabling environment to support investment in the sector could constrain economic activity, the bank said a 10 percent shortfall in energy availability could lead to a 1 percent reduction in economic growth. "The World Bank stands ready to assist countries in meeting their energy needs by helping them create an attractive climate for investment, and by helping secure access to various sources of funding, including carbon finance," said Thomson. "However, countries need to act swiftly – time is of the essence," he added.



TOTAL teams up with Qatar in E&P sector

Date : 25.03.2010

Source: Rigzone

http://www.rigzone.com/news/article.asp?a_id=90026

TOTAL has agreed with Qatar Petroleum to invest together in exploration and production projects beyond the shores of Qatar, Christophe de Margerie, the company's CEO said.

The agreement, which de Margerie disclosed at a Qatar Investment Conference in Paris, is TOTAL's latest affirmation of its strategy to build partnerships with national oil companies abroad to get access to fresh reserves and markets. He said the joint investment is likely to center on Africa. In separate comments to reporters on the sidelines of the conference, he also added that he expects oil prices to rise slowly as long as there is no new financial crisis. The current oil price, of around \$80 a barrel, already allows for his company to pursue fresh investments, he said.



Shell shifts balance toward gas with Arrow Energy takeover

Date : 23.03.2010

Source: Bloomberg

http://www.bloomberg.com/apps/news?pid=20601087&sid=aP_qmACdf8Rc&pos=2

Royal Dutch Shell moved a step closer to shifting the balance of its production in favor of natural gas over oil following a joint \$3.2 billion acquisition of Arrow Energy Ltd.

The deal with PetroChina will give Shell access to Arrow Energy's holdings of coal-seam gas reserves, while conventional supplies are either declining or off limits in other parts of the world. Chief Executive Officer Peter Voser has described Australia as a 'key growth' region for Shell.

Shell is focusing investment in Australia, the Gulf of Mexico and U.S. gas that's found in hard-to-reach rock formations. As much as 40 percent of the company's capital spending in the next few years has been earmarked for the Asia Pacific region. Shell, which has been adding more gas than oil to its resources since 2005, expects the share of gas as a proportion of total output to rise to 52 percent in 2012.

Shell isn't alone in seeking to tap Australia's energy resources. The nation's gas fields are attracting more than \$130 billion of investment to supply customers in Asia. Chevron Corp. is leading the A\$43 billion Gorgon liquefied natural gas project in Western Australia.

Under the Arrow deal, Shell and PetroChina will gain control of Australia's largest holder of permits to extract gas from coal seams for processing into liquid form for export. It's the biggest Australian coal-seam gas transaction since ConocoPhillips paid \$5 billion for a stake in Origin Energy Ltd.'s gas assets in 2008. Shell and PetroChina will pay A\$4.70 cash a share for Arrow's Australian business. That's 5.6 percent more than an initial offer of A\$4.45 and 35 percent above the stock's level before Arrow was first approached on March 8. Investors will also get shares in a new company holding Arrow's gas assets in China, Indonesia, India and Vietnam.

Arrow's biggest shareholder, New Hope Corp., supports the acquisition offer, it said today. The coal producer, which owns almost 17 percent of Arrow, said it plans to vote in favor of the proposal in the absence of a higher bid. Arrow, which fell 3.6 percent yesterday in Sydney trading, reflecting disappointment among some investors who had expected a bigger increase in the bid, dropped a further 2.2 percent to A\$4.99 today. The stock had climbed 52 percent, reaching a record close of A\$5.29 on March 18, as investors bet the initial offer would be sweetened.

❖ Projected Costs of Generating Electricity - 2010 Edition

Source : International Energy Agency

Weblink : <http://www.iea.org/w/bookshop/add.aspx?id=403>