

TransAtlantic to pay \$100 mln for Zorlu Petrogas

Hürriyet Daily News (Bloomberg), 05.05.2010



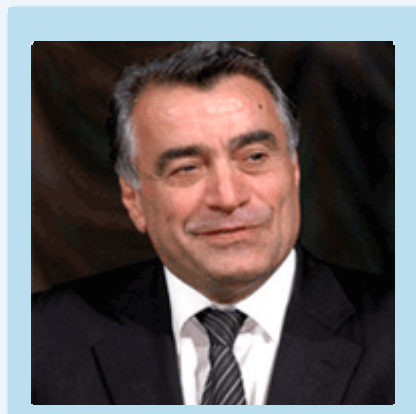
TransAtlantic Petroleum will buy the oil and natural gas units of Turkey's Zorlu Enerji for \$100 million. TransAtlantic signed the accord "regarding the acquisition of Zorlu's oil and natural gas exploration and production operations in Turkey," the company said in a statement.

Zorlu will have the right to purchase 100 percent of the natural gas that TransAtlantic develops via the acquired licenses. It will also have the option to either receive a 5 percent net profit interest in new wells under the licenses or 25 percent participatory working interest, TransAtlantic said.

Zorlu also agreed to spend \$20 million of the purchase price to build new pipelines to connect the fields to local grids, TransAtlantic said. Zorlu also said its unit Amity Oil discovered 12 million cubic meters of natural gas in western Turkey. The license for the Pasakoy-1 field in the Marmara region is jointly owned by Amity and the state-run TPAO, Zorlu said in a filing with the Istanbul Stock Exchange.

Turkey and Azerbaijan wrap up gas talks

Rigzone, 06.05.2010



The Azerbaijani Energy and Industry Minister, Natiq Aliyev, said on Wednesday that talks between Turkey and Azerbaijan had been completed, and Azerbaijan would supply natural gas to Turkey after a purchase agreement was signed.

Speaking at Eurasia Economy Summit in Istanbul, Aliyev said that Azerbaijan's production was on a record level in oil and natural gas areas. Aliyev said that more than 500 Azerbaijani companies invested in Turkey, adding that the investment amount was US\$500 billion. He noted that Azerbaijan was one of the countries which made the highest investment in Turkey among Central Asia and Caucasus countries.

He recalled that Azerbaijan's petrochemical company had a 51 percent partnership with Turkey's petrochemical company PETKIM. Aliyev said that an investment worth of US\$3-5 billion would be used to boost PETKIM's capacity in the next period.

Turkey spends 68 pct more on oil imports in first quarter

Today's Zaman, 05.05.2010



Turkey saw a 68.1 percent spike in funds allocated to oil imports in the first quarter of this year over the same period of 2009, recent data from the Turkish Statistics Institute (TurkStat) have shown. Turkey spent \$4.14 billion on oil imports in the first three months of the year. That figure was \$2.38 billion in the first quarter of 2009.

The major drivers behind the increased oil consumption were an increase in imports of durable consumer products --rising 61.3 percent in January-March over the same period of 2009 to reach \$759.4 million-- and a 67.9 percent increase in passenger cars imports in the same period.

Despite the rise in oil import expenditures, the Treasury spent 1.3 percent less on natural gas imports in the first quarter over the first quarter of 2009, a total of \$3.61 billion. Observers argue that a considerable decline in domestic natural gas consumption amidst the aftereffects of last year's global financial credit crunch was a leading factor in this respect. Turkey's exports rose by 7 percent to \$26.2 billion in the first quarter of this year, while the nation's imports outpaced the performance of the export market, surging by 32.7 percent to \$38.3 billion.

Turkey's new oil rig to arrive in 2011

Hürriyet Daily News, 02.05.2010



A new Turkish oil-drilling platform ordered from South Korea will be available for oil exploration by early 2011, Taner Yildiz, Turkey's energy minister said. Yildiz told a conference on energy efficiency that Turkey's order was under construction in South Korea and that it would cost roughly \$1.5 billion.

The new oil rig will join the Leiv Eiriksson, one of the world's largest rigs, which started oil and gas exploration in the Black Sea earlier this year as part of a deal signed last year between the Turkish Petroleum Corporation (TPAO) and Brazil's state oil company, Petrobras. Yildiz said the new platform would explore oil at a depth of 12,000 meters.



“This is a process only to drill oil from one well. Such efforts are made only for an adventure in the Black Sea,” he said. “When we find oil, another process will begin and it will take eight years.” Earlier this year, Leiv Eiriksson, which set off from Norway months ago, passed through Turkish straits and reached Sinop on Turkey’s north coast to explore oil at a depth of 6,000 meters at a daily cost of close to \$1 million. The platform will stay in the Black Sea for five years.

In January 2010, ExxonMobil announced a deal with Petrobras to participate in the consortium with TPAO in a quest to find oil in the Black Sea. With the deal, ExxonMobil said it purchased a 25-percent share of the rights over a 3-million hectare area around Sinop, Ayancik and Carsamba. Petrobras holds 25 percent shares in the consortium while TPAO holds 50 percent.

TPAO aims to end Turkish dependence on foreign energy

Hürriyet Daily News, 06.05.2010



The Turkish Petroleum Corporation (TPAO) head Mehmet Uysal said at a press conference in Adiyaman that it aimed to end Turkey’s dependence on foreign energy supplies by 2023.

“Our greatest target is the Black Sea. We aim to meet all of Turkey’s demand with discoveries in the Black Sea,” he said. TPAO is currently drilling at 3,000 meters deep in the Black Sea, said Uysal, adding that he expects a discovery by June. “If everything goes as planned, we will be able to meet Turkey’s energy demand through domestic resources,” said Uysal.

Turkey produces an average of 600,000 barrels of oil per day, said Uysal, adding that the annual production had reached 12 million barrels, 20 percent above the projected targets last year. TPAO wants to further increase production capacity this year, said Uysal, noting that recent discoveries in Batman, Adiyaman and Diyarbakir represented promising developments in this respect. Uysal said the discovery at the Sambayat field in Adiyaman was the largest and most fertile field discovered in the last decade in Turkey, adding that it was of major significance for Turkey and TPAO.

RWE to build power plant in Denizli

Hürriyet Daily News (AA), 03.05.2010



Germany's leading energy company RWE has announced its final decision to invest in the construction of a power plant in the western Turkish province of Denizli. RWE will cooperate with Turkey's Turcas for the construction of a 775-megawatt natural gas combined cycle power plant, the company said in a statement.

The construction license of the project was acquired in April as a result of comprehensive examinations carried out in accordance with EU standards. The project is worth nearly 500 million Euros and the construction phase is expected to start by mid-2010.

RWE's Chief Strategy Officer Leonhard Birnbaum said his company had a significant growth potential in Turkey. Birnbaum said RWE would improve its commercial activities and participate in new projects in the country. Moreover, Andreas Radmacher, head of the executive board of the Istanbul-based RWE Holding, said that the new power plant to be constructed in Denizli would have a productivity level above 55 percent; besides, it would contribute to procurement of environment-friendly and safe electricity.

Central Asian Gas Pipeline reaches milestone

Rigzone, 03.05.2010



As of the morning of 27 April, one billion cubic meters of gas have been delivered to China from Central Asia via the new Turkmenistan-Uzbekistan-Kazakhstan-China pipeline, Xinhua news has reported citing the North-West China immigration and controls office.

Daily deliveries exceed 7.5 million cubic meters. Turkmenistan-Uzbekistan-Kazakhstan-China pipeline, which was launched in December 2009, begins near the Turkmenistan-Uzbekistan border and crosses central Uzbekistan and the southern part of Kazakhstan on its way to the Chinese border town of Horgos.

Iraq takes extra security measures to protect oil fields

Rigzone, 05.05.2010



Iraq has begun implementing extra security measures to protect oil fields in and around the south-eastern city of Basra, security sources announced on Wednesday. Iraq's oil pipelines have frequently been attacked in the past. Last month, a bomb destroyed a section of pipeline linking northern Iraqi oil fields to the Turkish port of Ceyhan.

"We removed thousands of mines and cluster bombs that were left in the oil fields in order to be able to dig and repair the wells and extend the network of oil pipelines," Brigadier-General Moussa Abdelhassan, head of police for the Southern Oil Company told dpa.

Security forces are cooperating with oil companies connected to the oil ministry, and have signed security agreements with foreign companies licensed to develop a number of oil fields in the area. The aim is to take appropriate security measures that adapt to the demands of the companies operating in the area and ensure their safety, Abdelhassan added. "We foiled an attempted transgression against an oil pipeline in the al-Ramliya area (on Monday)," Abdelhassan said.

Soaring prices boost OMV

Upstream Online, 07.05.2010



Austrian producer OMV posted a quarterly profit that topped average analyst estimates as a higher price for oil boosted results. OMV also said there were tentative signs of refinery margin improvements and forecast 2010 oil and gas production at 325,000 barrels of oil equivalent per day.

"In the first quarter, we saw a continuing rise in crude oil prices and a further reduction in operating costs which led to a strong set of results in our E&P segment," OMV chief executive Wolfgang Ruttenstorfer said in a statement. It said net income after minorities rose to €346 million (\$440 million) in the first quarter from €40 million in the year ago period.

Iraq puts 3 natural gas fields up for bid

Yahoo News, 06.05.2010



Hussain al-Shahristani, Iraq's oil minister, invited international energy companies to bid for contracts to develop three untapped natural gas fields. He expressed confidence in international interest in the fields, saying that 45 companies will submit their offers in third energy bidding round, set for Sept. 1.

“We have indications that there is renewed interest among companies to compete for these fields,” he said. The Akkas gas field has estimated reserves of 5.6 trillion cubic feet (tcf) and was originally offered in Iraq's first round of bidding. It only garnered a single offer, which was declined.

Mansouriya gas field, with reserves of 4.5 tcf, is located in the once restive province of Diyala north of Baghdad and received no bids in the round. The smaller Siba field, with 1.1 tcf of reserves and near the border with Kuwait, will be offered up for the first time.

The 45 companies, which are pre-qualified from previous rounds, will be bidding for service contracts, which involve flat fee payments rather than the more lucrative production sharing contracts preferred by international energy companies. Iraq awarded 10 oil deals to Western companies in two bidding rounds last year. The country has an estimated 112 tcf of natural gas reserves. Al-Shahristani also said a multibillion-dollar joint venture deal with Shell to harvest associated natural gas from three oil fields in the south has been submitted to the cabinet's energy committee for approval.

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