

Turkey gets seven bidders for Ankara gas grid

Bloomberg (Steve Bryant), 06.08.2010



Turkey's state asset sales agency said it drew bids from seven companies interested in the sale of the natural gas distribution grid in Ankara.

According to an e-mailed statement, the bidders who registered today were MMEKA, Aksa Dogalgaz, Yildizlar Holding, Akfen Holding, Fernas Insaat, Genpa and Limak.

Turkey to continue trade with Iran

Oil&Gas Journal, 06.08.2010



Turkey's Energy Minister Taner Yildiz said oil trade with Iran would continue and added that the United Nations' sanctions imposed no restrictions on energy trade with Iran. "Turkey is doing (oil trade with Iran) through the private sector and this trade is currently continuing... I think that trade can continue as there is no UN Security Council decision now," Yildiz said.

Since June, the UN Security Council, the United States and the European Union have tightened sanctions on Iran over its refusal to enter into international talks on its nuclear programme, which Washington fears is a cover to build weapons but Tehran says is for the generation of electricity.

Turkey and Brazil brokered a deal in May for a nuclear fuel swap in Tehran, hoping that this would draw Iran and major powers back to the negotiating table. Iran is Turkey's second-biggest gas supplier after Russia with annual purchases around 10 bcm. Yildiz also said Turkey may purchase gas from Turkmenistan and was in talks with the Turkmen authorities. "They have 5.5 bcm exploitable gas reserves at the Caspian Sea and I have told them that we may be interested in this," Yildiz said.

Iran to resume natural gas flow to Turkey

Today's Zaman, 02.08.2010



Iran said it would resume gas flow to Turkey on Sunday if there were no further major problems; Iranian Oil Ministry's official website quoted an official as saying on Saturday.

Iran had stopped exporting gas to Turkey following an explosion in eastern Anatolia on July 21 that damaged the pipeline. "Iran's gas exports to Turkey will resume on Sunday before noon," the manager of Iran's eighth zone of gas transfer operations, Valiollah Dini, told on Saturday, indicating that flow would resume "at 10:00 [Sunday]." Turkish officials announced their preparedness to restart operations yesterday.

Turkey had requested the halt of the flow, blaming technical problems, but some reports suggested that part of the Iran-Turkey gas pipeline, which runs through Turkish territory, was blown up. Dini also confirmed the Turkish officials' announcement that the suspension in the transfer of gas took place due to technical problems. Iran, Turkey's second largest natural gas provider after Russia, has sent 23 million cubic meters of gas to Turkey daily since March 20.

EU seeks Turkmen – Azeri gas accord

Hürriyet Daily News (Bloomberg), 04.08.2010



The European Union is seeking an agreement on a natural-gas pipeline between Turkmenistan and Azerbaijan as the 27-nation bloc aims to import Caspian fuel and reduce its dependence on Russia.

The EU regulator's energy unit drafted a document the parties could use as the basis for a deal on building at least one pipeline across the Caspian Sea, according to a copy of the non-binding paper obtained by Bloomberg. The EU, seeking less reliance on Russia, wants Turkmen gas for the proposed Nabucco pipeline.

Turkmenistan ships gas to Russia and Iran, and opened a pipeline to China last year. Plans to build a link across the Caspian Sea have been frustrated by unresolved marine borders and opposition from Russia and Iran. "Without Turkmen gas, Nabucco wouldn't make sense," said Alexander Rahr, an expert at the German Council on Foreign Relations in Berlin. "The EU is trying to get this pipeline through, but they're running out of time as the Turkmen are sending more gas to China."



Azerbaijan attended an EU-hosted meeting in Brussels with Turkmenistan and no agreements were signed, said Vagif Aliyev, head of investment at The State Oil Co. of Azerbaijan. Azerbaijan has yet to receive a concrete proposal from Turkmenistan, holder of the world's fourth-largest gas reserves, Aliyev said by phone from Baku. "We are ready to provide transit for Turkmen gas," he said.

The EU must get 'serious' about Nabucco to compete with Russia's Gazprom for Caspian natural gas, Azeri President Ilham Aliyev said in January. Nabucco lacks a clear leader able to attract the necessary financing or hold talks with suppliers and transit countries, Aliyev said. "The European Commission is showing that a way can be navigated through this tangle of countries and we actually are in the course of doing so," EU Energy Commissioner Guenther Oettinger said in a copy of a July 27 speech the regulator posted on its website. "We may need extraordinary measures to achieve success, such as the Caspian Development Corporation or the building of a trans-Caspian pipeline link."

Turkmenistan and Azerbaijan would have to assure that the owner of the link maintains optimal use of the asset subject to market conditions, according to the draft document. The owner wouldn't be able to refuse to offer free capacity or reject requests to use available capacity, according to the paper, which does not specify the capacity or route of the pipeline. The two governments would have to consult one another before designating entities that can request to use the pipe, the energy department's draft said. The link could be used to transport gas in either direction, according to the document.

After Niyazov's death, governments from the EU to Asia jostled for access to Turkmenistan's gas reserves, estimated at 8.1 trillion cubic meters by BP. That's enough to meet current German demand for more than a century. Russia wants Turkmenistan and Kazakhstan to build a new gas pipeline along the Caspian coast to keep control over the former Soviet republics' energy exports. Iran has presented an alternative plan envisioning a network of shipping routes and pipelines that would turn the country into a regional hub for Caspian energy exports.

Turkmenistan is building a \$2 billion East-West pipeline that will carry about 30 bcm of gas from the country's biggest fields toward the Caspian coast when opened in June 2015 as it seeks to increase fuel exports. The 7.9 billion-euro Nabucco pipeline is planned to stretch more than 3,300 kilometers from Turkey to Austria to send gas to Europe and reduce the region's dependence on Russia. Nabucco is also seeking to source gas from Azerbaijan and Iraq. The Nabucco partners, which also include OMV, RWE, MOL, Bulgargaz, Transgaz and BOTAS, have said they will decide on the investment by the end of this year. Construction is set to begin in 2011 and shipments may start at the end of 2014, according to the venture's website.

While Nabucco welcomes increased support from the EU for a southern gas corridor, the venture doesn't have any formal knowledge of efforts to push for an Azeri-Turkmen deal on a pipe between the countries, spokeswoman Gabriele Egartner said in an e-mailed response to questions.

The proposed framework isn't to be interpreted as affecting Azerbaijan or Turkmenistan's jurisdiction over sub-soil resources or their sovereign rights under international law to the Caspian Sea, according to the document. The delineation of the Caspian Sea became an issue after the 1991 breakup of the Soviet Union, when Iran found itself with four neighbors on the body of water instead of one.

Shaw to provide project management consultancy for Adana Refinery

AA, 28.07.2010



The Shaw Group Inc. today announced it has been awarded a contract by Dogu Akdeniz Petrokimya ve Rafineri Sanayi ve Ticaret A.S., a subsidiary of Calik Enerji, to provide project management consultancy (PMC) services for a grassroots refinery in Yumurtalik located in the Ceyhan region of Turkey on the eastern Mediterranean coast.

Shaw also will conduct pre - front - end engineering design development for 14 process units, utilities, offsites and marine facilities at the site. The planned facility, the Adana Dogu Akdeniz Refinery, will be designed to process 212,000 barrels of crude oil per calendar day.

The crude will flow the Ceyhan region from various sources, including Iraq, Russia and Caspian areas, and target the domestic and regional export markets. "Shaw has a long track record of executing industrial projects in Turkey." said Lou Pucher, president of Shaw Energy & Chemicals Group. "Forty years ago we provided our proprietary technology and engineering for the first ethylene plant in Yarımca, and since that time, we have completed more than 50 projects for the petrochemical, power and refining industries in Turkey." The undisclosed value of the contract will be included in Shaw's Energy & Chemicals segment's backlog of unfilled orders in the fourth quarter of fiscal year 2010.

Iraq delays gas tender until October

Hürriyet Daily News (AFP), 02.08.2010



Iraq has postponed the auction of three major gas fields by one month to October, a source from an international energy company said Monday. The decision was announced by Iraqi oil ministry officials during a meeting with interested companies in Istanbul on Sunday and Monday to discuss terms and conditions for the auction, the source, speaking on condition of anonymity, told AFP.

Iraq had originally invited companies to submit their bids for the fields of Akkaz, Mansuriyah and Siba in a September 1 auction, but had now pushed back the date of the bidding to October 1, the source added.

He did not elaborate on the contract terms which Iraq was offering in the auction, its third major attempt aimed at developing the war-torn country's oil and gas sectors. The planned gas field auction follows the signing of contracts last year with foreign firms to develop 10 oil fields across Iraq, aimed at raising crude output, currently 2.4 million barrels per day, to between 10 to 12 million bpd. Iraq had said in May that about 45 companies approved to bid in last year's auction s would be eligible to bid in the gas field tender.

The three gas fields on offer contain total estimated reserves of 11.2 trillion cubic feet (317 billion cubic meters). The biggest field, Akkaz, which is 50 kilometers long and 18 kilometers wide, is west of Baghdad in Anbar province and contains 5.6 tcf. The second field, Mansuriyah, is located in Diyala province northeast of Baghdad, and has reserves of 4.5 tcf. The third field is Siba, located in the southern province of Basra near the borders of Iran and Kuwait. It has reserves of 1.1 tcf.

Gulf Keystone encouraged by oil flows at Iraqi field

Rigzone, 05.08.2010



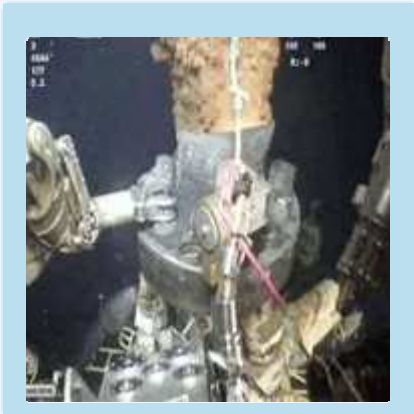
Gulf Keystone announced the results of further testing of the Butmah (1783m to 1814m) section of the Jurassic on its Shaikan-1 discovery well. Final production rates during this week's re-test were measured at 4650 bopd with an API gravity of 17.68 degrees and a gas oil ratio of 34 standard cubic feet per barrel of oil at a flowing wellhead pressure of 295 psi. This is in line with the previously estimated rate.

The Mus (1627m to 1667m) section of the Jurassic will be re-tested next, followed by the Sargelu (1450m to 1510m), which will then also be configured for long term production testing.

John Gerstenlauer, Chief Operating Officer for Gulf Keystone said, "I am encouraged by this verification of the flow capacity of the Butmah formation. This test represents another step in our efforts to confirm and define the magnitude of the Shaikan discovery. The well has now demonstrated an aggregate flow capacity of over 20,000 bopd from just a fraction of the total prospective interval. I look forward to further testing and also to commercial oil sales from the long term test of the Sargelu, commencing later this year."

BP: Mud pumped into well is holding back the oil

Hürriyet Daily News (AP), 04.08.2010



In a significant step toward stopping the worst offshore oil spill in U.S. history, BP announced Wednesday that mud it had forced down a blown-out well was holding back the flow of crude into the Gulf of Mexico.

Workers stopped pumping mud in after about eight hours of their 'static kill' procedure and were monitoring the oil well to ensure it remained stable, BP said. They said the well was "in a static condition." "It's a milestone," BP spokeswoman Sheila Williams said. "It's a step toward the killing of the well." The next step would be deciding whether to cement the well, Williams said.

The pressure in the well dropped quickly in the first 90 minutes of the procedure Tuesday, a sign that everything was going as planned, wellsite leader Bobby Bolton told. "Pressure is down and appears to be stabilizing," he told. The static kill procedure -also known as bullheading- involved slowly pumping the mud from a ship down lines running to the top of the ruptured well a mile 1.6 kilometers below the surface. BP has said that may be enough by itself to seal the well.

But to call the entire mission a success, crews working on a flotilla of vessels on a desolate patch of water need to seal off the well from two directions. An 5,490-meter relief well BP has been drilling for the past three months will be used later this month to execute a 'bottom kill', in which mud and cement will be injected into the bedrock 2½ miles below the sea floor to finish the job, retired Coast Guard Adm. Thad Allen said.

"There should be no ambiguity about that," Allen said. "I'm the national incident commander, and this is how this will be handled." A 75-ton cap placed on the well in July has been keeping the oil bottled up inside over the past three weeks, but is considered only a temporary measure. BP and the Coast Guard want to plug up the hole with a column of heavy drilling mud and cement to seal it off more securely.

Before the cap was lowered onto the well, 172 million gallons of crude flowed into the sea, unleashed by the April 20 explosion aboard the drilling rig Deepwater Horizon that killed 11 workers. BP won't know for certain whether the static kill has succeeded until engineers can use the soon-to-be-completed relief well to check their work. The task is becoming more urgent because peak hurricane season is drawing near, Allen said. Tropical Storm Colin formed then dissipated far out in the Atlantic on Tuesday, but early forecasts say it will travel toward the U.S. East Coast rather than the Gulf.

Petrol Ofisi net income declines in second quarter

Hürriyet Daily News (Bloomberg), 04.08.2010



Petrol Ofisi, Turkey's biggest chain of gas stations, said second-quarter profit fell 99 percent from a year ago due to cost increases and declining income.

Net income in the period was 1.42 million Turkish Liras compared with 176.7 million in the second quarter of 2009, the company said in a report filed at the Istanbul Stock Exchange on Tuesday. Meanwhile, OMV said second-quarter profit more than doubled, beating analyst estimates, as oil prices increased. Petrol Ofisi is 53.73 percent owned by Dogan Holding, while 34 percent is owned by OMV and 13.27 percent is open to the public.

Net income at OMV rose to 338 million euros, up from 144 million euros one year earlier, the Vienna-based company said in a statement on Wednesday. "The company managed to capitalize well on rising oil prices and stronger United States dollar foreign exchange rates," Philipp Chladek, an analyst at Raiffeisen Centrobank in Vienna, wrote in a note to clients.

Earnings were boosted by higher production and rising prices during the three-month period. OMV said last month that production rose 0.3 percent to the equivalent of 318,000 barrels of oil a day. North Sea Brent crude, a benchmark in Europe, rose 32 percent in the quarter from a year earlier.

Excluding costs of revaluing inventories, adjusted earnings before interest and tax rose to 623 million euros from 151 million euros a year earlier. In the refining and marketing unit, such earnings rose to 120 million euros, compared with a loss of 103 million euros a year earlier, as the refining margin had increased to \$3.39 a barrel.

"Despite a recovery in refining margins in the first half, the market for refined products is expected to be challenging in the second half of the year 2010," OMV said. The company said it is likely to spend less than the previously planned capital expenditure of 2.8 billion euros.

Ukraine doubles domestic gas prices

Hürriyet Daily News, 02.08.2010



Ukraine's government on Sunday raised domestic household gas prices by 50 percent, as part of its measures to balance the budget and get much-needed funds from the International Monetary Fund (IMF), reported Russian news agency RIA Novosti.

A gradual increase in natural gas prices for the Ukrainian population to what the government says is an economically justified level is a major condition of Ukraine's cooperation with the IMF, which has pledged to allocate a \$15.15 billion loan to the ex-Soviet republic.

The opposition led by former Prime Minister Yulia Tymoshenko who lost the presidential election earlier this year to Viktor Yanukovich has appealed against the government's decision in a court of law. Tymoshenko also said such a large loan would be a burden for the country, "inadmissible at the moment," and that Ukraine actually needs "from three to five billion, maximum."

In November 2008, the IMF started a \$16.4 billion standby loan arrangement for Ukraine, of which more than \$11 billion was disbursed. Ukraine expected to receive the remaining \$3.8 billion in November 2009, but the funds were frozen due to political instability in the country. Yanukovich has managed to convince the IMF that reforms being carried out by the new Ukrainian authorities will allow rapid economic growth in the country.

Announcements & Reports

► *Energy Statistics of Non-OECD Countries*

Source : International Energy Agency

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