

Turkey and Syria establish partnership for oil exploration

Today's Zaman, 05.10.2010



Energy and Natural Resources Minister Taner Yildiz has stated that a partnership has been established between Turkey and Syria in order to facilitate a search for oil in seven oilfields in Syria. Yildiz said the partnership between the Turkish Petroleum Corporation (TPAO) and the Syria National Petroleum Corporation has been official since it was published in the Official Gazette on Oct. 2.

“Syria has given Turkey access to seven oilfields without a tender,” announced Yildiz. He also noted that the companies would start their search when regulations concerning the new partnership’s capital rules, executive board members and required equipment are settled.

Minister Yildiz also stated that a section in Turkey of the 1,200-kilometer Arab Gas Pipeline is almost complete, while construction on the Syrian side is still continuing. The Arab Gas Pipeline aims to transport Egyptian natural gas through Syria, Jordan and Turkey to Europe.

Turkey backs pipeline merger

Upstream Online, 07.10.2010



Turkey supports combining the natural gas pipeline projects Nabucco and Interconnector Turkey-Greece-Italy (ITGI), which both aim to feed European needs, said Turkish Energy and Natural Resources Minister Taner Yildiz.

He also said in an interview with Reuters that Turkey’s state-owned oil company TPAO was due to be privatised in the second half of next year. Yildiz added that Turkey also wanted to take part in a possible oil pipeline running from Iraq to Turkey.

Iraqi Kurds promise to fill Nabucco pipeline

Today's Zaman (Fatma Demirelli), 02.10.2010



Northern Iraq's vast gas fields may have enough reserves to provide the entire supply for the Nabucco pipeline, Ashti Hawrami, the Natural Resources Minister of the Regional Government said, raising more hopes that enough supplies could be found to fill the ambitious pipeline project once Iraq resolves its post-war internal disputes on power and revenue sharing.

Hawrami said oil fields in Northern Iraq were estimated to have 100 to 200 trillion cubic feet (tcf), or 3 to 6 trillion cubic meters (tcm) of natural gas.

"This is more than adequate for internal use, the domestic supply of Turkey as well as to satisfy the requirements of Nabucco. We are confident, if we can prove the full 200 tcf, we can supply the entire needs of Nabucco," Hawrami told a small group of journalists on the sidelines of a high-profile international energy forum.

Iraqi Prime Minister Nouri al-Maliki said last year that Iraq was ready to contribute 15 billion cubic meters to the project, which is expected to bring about 30 billion cubic meters of gas each year from Azerbaijan and other eastern suppliers when it becomes operational in 2015. But deep disputes between the regional government and the central government in Baghdad hinder any energy exports from the area administered by the regional government. Hawrami, who attended the Black Sea Energy and Economic Forum organized by the Atlantic Council in Istanbul, said he was optimistic that disputes could be resolved but insisted during an address to the forum that Kurds' concerns on revenue and power sharing must be addressed.

Iraqi Kurds say the Iraqi constitution provides principles for sharing political power and revenue from energy exports, but complain that these principles are not being implemented. Hawrami complained that some people in Baghdad are still dreaming of concentrating power in one hand although there was an agreement among Iraqi groups prior to a US-led war on Iraq that federalism was the best system in the post-Saddam era. "Please be mindful of our concerns," Hawrami told the forum. In the meantime, the Iraqi central government's oil minister, Hussain al-Shahristani, did not take part in the forum, despite his name being listed among the participants by the organizer Atlantic Council.

Hawrami said the regional government wanted autonomy on development activities, planning and exporting as long as the revenue went to Baghdad. "We are not after the revenues. Revenue can go to Baghdad to be distributed to all of Iraq," he said. "But they say 'give us all the revenue and we promise to share it'." Hawrami said he was still optimistic that a solution could be found in a near future because Iraqis are tired of lingering indecision and are looking for new revenues to rebuild the country.

But in a sign that Iraq's internal disputes might be too deep to resolve anytime soon, Joost Hiltermann of the International Crisis Group, an expert on Iraq, told the same forum that the Iraqi constitution could not be implemented because it is 'not implementable', given the vague language of the constitution and disagreements among Iraqi groups as to what is meant by sharing power.

Hiltermann said Turkey could play a positive role in helping resolve disagreements within Iraq, while Hawrami praised Turkey as the biggest trade partner of the Kurdish administration. "We are partners in energy and trade. Our relationship with Turkey is fantastic and it continues to expand," he told reporters. Turkey is a key energy investor in Iraq but it does not export energy from Iraq because of the central government's refusal to recognize KRG's energy export contracts. "Turkey does not want to get involved in Iraq's internal disputes," Hawrami said.

Japan bids to build nuclear power plant in Turkey

Today's Zaman, 08.10.2010



Japan has submitted a bid to construct a nuclear energy power plant in Turkey through the mediation of Toshiba, Energy and Natural Resources Minister Taner Yildiz has said.

Speaking at a press conference after receiving a delegation from Toshiba in Ankara on Thursday, Yildiz said the Japanese delegates submitted a letter from the Japanese economy, trade and industry minister. "We see this offer from Japan as an important bid in terms of our efforts to construct nuclear power plants in Turkey. However, we told them that we cannot give them a definite answer before concluding our negotiations with South Korea," Yildiz said.

Turkey is in the final phase of negotiations with South Korea in building a power plant in Sinop province, which borders the Black Sea, and recently signed an international agreement with Russia to build another plant in Mersin province, along the Mediterranean Sea. Yildiz said Turkey currently has no plans to build a third plant. In response to a question, the minister said Turkey has received no bid whatsoever from the US concerning the construction of nuclear power plants, adding that they were open to proposals from the US and France.

Japanese Ambassador to Turkey Nobuaki Tanaka also delivered a brief speech at the meeting, particularly underlining Japan's rising interest in Turkey's energy arena, especially in nuclear and renewable projects. The offer includes the formation of a consortium of companies gathered under the leadership of Toshiba, he said, adding that the US company Westinghouse will also be included in this consortium.

Iraq proven oil reserves rise to 143.1B barrels

Rigzone (Dow Jones), 04.10.2010



Iraq dramatically increased the official size of its proven oil reserves with new data suggesting its proven oil reserves have reached 143.1 billion barrels of oil, up from a previous 115 billion barrels, the country's Oil Minister Hussein al-Shahristani said Monday.

The government will inform the Organization of Petroleum Exporting Countries (OPEC) on the new proven reserves, Shahristani told a news conference in Baghdad. The figure, the first update since 2001, would mean Iraq has the world's second largest reserves according to statistics on the OPEC website.

Iraq would take second place from Iran, which has 137.01 billion barrels of proven reserves, but would still be far behind Saudi Arabia, which has 264.59 billion barrels of proven oil reserves, according to OPEC figures.

"These aren't random figures, rather they were the results of deep surveys carried out by the ministry's oil reservoir company and international companies which signed contracts with Iraq," Shahristani said. "Most of these figures were the result of surveys conducted by these international companies, especially at oil fields such as West Qurna and Zubair."

Iraq has signed 12 deals with international oil companies to ramp up output capacity to about 12 million barrels a day from around 2.4 million barrels a day now. BP, ExxonMobil, Shell, Lukoil, Eni, Total, Japan Petroleum Exploration and China National Petroleum Corp., or CNPC, have signed on to develop Iraq's vast oil fields. Shahristani said the largest Iraqi oil field was West Qurna. With total proven oil reserves of 43 billion barrels, it could be the world's second largest. West Qurna is divided in two Phase 1 and Phase 2. ExxonMobil led a consortium won a deal to develop Phase 1, while Lukoil led a consortium to develop Phase 2.

Rumaila, which is being developed by BP and CNPC, is the second-largest Iraqi oil field, with total proven reserves of 17 billion barrels, the minister said. Majnoon, which Shell won the right to develop, comes third with proven reserves of 11 billion barrels of oil. These three are in southern Basra governorate. The untapped East Baghdad oil field, near the capital, has proven reserves of 8 billion barrels, while Kirkuk oil field in the north has 8.9 billion barrels, the minister said.

Shahristani said 71% of Iraq's total oil reserves are located in the southern Iraqi governorates, particularly in Basra. Some 20% of the reserves are in northern governorate particularly in Kirkuk, while the remaining 9% are located in central Iraq. The minister said the new reserve figure doesn't include the regional government in northern Iraq. The region's authorities have estimated reserves in their north region to be around 40 billion barrels.

Russia not considering changing gas deal with Belarus

RIA Novosti, 06.10.2010



Russia is not is not going to revise its gas contract with Belarus as there are no problems with the current agreement, Gazprom CEO Alexei Miller said on Wednesday.

“The Belarusian side is paying for gas in strict accordance with the terms set for 2010,” Miller said. “Now, this issue [revision of the gas contract] is not a topic for discussion. If you talk about paying for deliveries in the coming months, we see absolutely no problem.” Miller said, expressing the hope that the situation would not change before the end of the year.

Russian Ambassador to Belarus Alexander Surikov said at the start of September that there would be no ‘gas war’ between the two countries. He admitted, however, that Belarus would like to pay less for gas in 2011. Belarus has made no secret of its desire to negotiate a better price for Russian gas, looking enviously at the deal Ukraine received after President Viktor Yanukovich was elected in February. Yanukovich moved swiftly to improve ties with Moscow, and discounted gas prices were agreed when the two sides agreed to extend Russia’s use of a key naval base in Crimea. Gazprom will raise its gas price for Belarus from the current \$185 to \$220 per 1000 cubic meters in 2011, the company’s Deputy CEO Andrei Kruglov said on October 1.

Gazprom agrees with Total on Bolivia

Reuters (Andrey Ostroukh), 06.10.2010

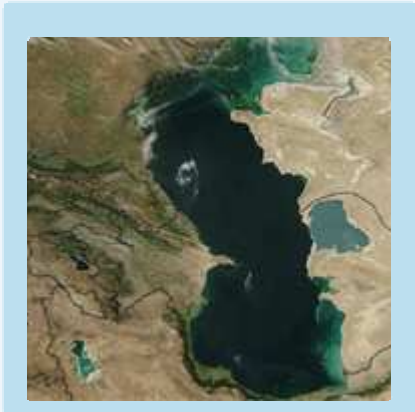


Russia’s gas giant Gazprom and French oil producer Total agreed to reassign their stakes in two blocks under exploration in Bolivia, Gazprom said in a statement. Gazprom will get a stake of 20 percent, Total 60 percent, and Argentina’s Tecpetrol 20 percent in two Bolivian projects, the statement says.

Gazprom did not disclose the financial terms of the deal. Bolivia’s state-run energy company YPFB said in June Russian energy giant Gazprom was about to signing a deal to explore for natural gas in Bolivia.

BP and SOCAR sign Shafag-Asiman PSA

BP, 07.10.2010



BP and SOCAR announced they had signed a new production sharing agreement (PSA) on joint exploration and development of the Shafag-Asiman structure in the Azerbaijan sector of the Caspian Sea. The PSA was signed in Baku by Rovnag Abdullayev, President of SOCAR, and Rashid Javanshir, BP Azerbaijan President, in the presence of BP's CEO Robert Dudley.

The signing of the PSA follows the earlier concluded Heads of Agreement (HOA) which defined the basic commercial principles of the contract. Under the PSA, which is for 30 years, BP will be the operator with 50 per cent interest while SOCAR will hold the remaining 50 per cent equity.

The block lies some 125 kilometers (78 miles) to the SE of Baku. It covers an area of some 1100 square kilometers and has never been explored before. It is located in a deepwater section of about 650-800 meters with reservoir depth of about 7000 meters.

Medvedev to discuss energy and military cooperation in Algeria

RIA Novosti, 05.10.2010



Russian President Dmitry Medvedev will discuss energy and military cooperation at talks with Algerian leader Abdelaziz Bouteflika. Sergei Prikhodko, Russian president's aide, told that Medvedev's visit to Algeria would be the fourth top level meeting between Russia and Algeria in the past 10 years.

"The sides will discuss bilateral political cooperation, trade and economic ties, military and technical cooperation, Russian Railways activity, international issues, in particular the Middle East settlement and the situation around Iraq," Prikhodko said.

"The sides pay special attention to prospects of developing a closer interaction in the energy sphere, including on the global gas market as part of the Gas Exporting Countries Forum, whose active participants are Russia and Algeria," Prikhodko said.

Oettinger values EU 2020 energy goals at €1 trln

EurActiv, 07.10.2010



Europe needs to spend one trillion euros over the next decade on overhauling its energy system to reduce pollution and ensure supply, EU energy chief Günther Oettinger is expected to warn in the next few weeks.

“The energy challenge is one of the greatest tests Europe has to face. It will take years and decades to put our energy system onto a more sustainable and secure path,” reads an early draft of the EU’s ‘Energy 2020’ strategy, which the 27-member bloc’s energy commissioner may propose as soon as November.

The strategy lays out how Europe might achieve the twin goals of cutting greenhouse gas emissions and preventing energy crises, such as the three-week cut in supplies of Russian gas via Ukraine in January 2009. That calls for massive refurbishment of its draughty buildings and creaking distribution networks, a tough foreign policy stance for negotiating energy imports and new powers to force through unsightly infrastructure projects. “Investments needed by 2020 are estimated at one trillion euros to deliver the energy and climate targets,” reads the document, seen by Reuters on Wednesday. “Energy prices will be affected by the rising investment needs.”

Parts of the strategy worried environmentalists. “If Oettinger gives the message that we should sweep away protections for citizens to make way for infrastructure, all he’ll get is public outcry,” said MEP Claude Turmes, of the Green group in the European Parliament. Despite efforts to cut consumption, gas and electricity demand are forecast to increase. Power generation is expected to rise 23% to 4,073 terawatt hours in 2030, according to fresh data revealed in the draft of Oettinger’s ‘Energy Infrastructure Priorities’, which he plans to launch on 17 November.

“An estimated 50,000 km of electricity transmission lines will either have to be built or upgraded from now to 2020,” says the plan, also seen by Reuters. Electricity bills will also face upward pressure due to huge investments in green energy sources, such as wind turbines in the North Sea or solar panels around the Mediterranean, but that may be mitigated by a determined drive for energy efficiency. “Average energy savings for a household can amount to 1,000 euros per year,” says the Energy 2020 report.

An EU draft discussion paper on energy efficiency points to the advantages of scaling back oil and gas bills as Europe recovers from its worst economic crisis in 80 years. “At a European level, we export annually an estimated 350 billion euros of the EU’s wealth, mainly to countries rich in oil and natural gas,” it says. Despite strong economic arguments in favour of energy efficiency, improvements are not happening. The EU is set to cut energy consumption by about 10% by 2020 - only halfway towards its stated target, the discussion paper said.

ExxonMobil says selling some shallow Gulf assets

Reuters (Anna Driver), 05.10.2010



ExxonMobil Corp said it is planning a small sale of oil and gas production assets in the Gulf of Mexico, primarily shallow water installations.

The sale includes pipeline assets and unmanned platforms along the central Gulf Coast that produce 12,000 barrels of oil per day and 49 million cubic feet of natural gas per day, a company spokesman said. "The company markets assets that for a variety of reasons may be of more value to others," Exxon said in a statement. The production represents less than 15 percent of Exxon's total output from the Gulf.

Last year, Exxon reported average net production of about 85,000 barrels of liquids per day and 350 million cubic feet of gas per day from the Gulf of Mexico.

Announcements & Reports

► *Energy Policies of IEA Countries - Czech Republic*

Source : International Energy Agency
Weblink : <http://www.iea.org/w/bookshop/add.aspx?id=367>

► *CO2 Emissions from Fuel Combustion 2010*

Source : International Energy Agency
Weblink : <http://www.iea.org/co2highlights/co2highlights.pdf>



Upcoming Events

► *New Era in Oil, Gas & Power Value Creation*

Date : 18 – 29 October 2010
Place : Houston – USA
Website : <http://www.beg.utexas.edu/energyecon/new-era/>

► *Iraq's Oil & Gas Contracts* (in Turkey)

Date : 19 – 21 October 2010
Place : Istanbul – Turkey
Website : www.cwcschool.com

► *Gas Russia 2010*

Date : 20 – 22 October 2010
Place : Krasnodar – Russia
Website : <http://www.gasrussia-expo.ru/>

► *CIS Oil & Gas Transportation* (in Turkey)

Date : 26 – 28 October 2010
Place : Istanbul – Turkey
Website : www.theenergyexchange.co.uk/cistrans

► *PETROTECH 2010*

9th International Oil and Gas Conference & Exhibition

Date : 31 October – 3 November 2010
Place : New Delhi – India
Website : <http://www.petrotech.in/>

► *Offshore Production Facilities & Operations* (in Turkey)

Date : 1 – 3 November 2010
Place : Istanbul – Turkey
Website : <http://www.magenta-global.com.sg/>



► **Mangystau Oil & Gas 2010**

5th Mangystau Regional Oil, Gas and Infrastructure Exhibition

Date : 2 – 4 November 2010
Place : Aktau – Kazakhstan
Website : <http://www.mangystauoilgas.com/2010>

► **6th Emerging Europe Energy Summit** *(in Turkey)*

Date : 4 – 5 November 2010
Place : Istanbul – Turkey
Website : <http://www.conventure.ro/>

► **OGT 2010**

15th Turkmenistan International Oil & Gas Conference

Date : 17 – 19 November 2010
Place : Ashgabat – Turkmenistan
Website : <http://www.summittradeevents.com/ourevents.php>

► **Basra Oil & Gas**

International Oil & Gas Conference – Exhibition

Date : 25 – 28 November 2010
Place : Basra – Iraq
Website : www.basraoilgas.com

► **CEVI Energy School** *(in Turkey)*

Date : 7 – 11 February 2011
Place : Istanbul – Turkey
Website : -----

► **TUROGE 2011** *(in Turkey)*

10th Turkish International Oil & Gas Conference & Showcase

Date : 16 – 17 March 2011
Place : Ankara – Turkey
Website : <http://www.turoge.com/>



► **International Oil & Gas Law** *(in Turkey)*

Date : 21 – 25 March 2011
Place : Istanbul – Turkey
Website : www.rmmlf.org

► **GIOGIE 2011**

10th Georgian International Oil, Gas, Energy and Infrastructure Conference

Date : 29 – 30 March 2011
Place : Tblisi – Georgia
Website : <http://www.giogie.com/2011/>

► **Atyrau Oil & Gas 2011**

10th North Caspian Regional Atyrau Oil, Gas and Infrastructure Exhibition

Date : 5 – 7 April 2011
Place : Atyrau – Kazakhstan
Website : <http://www.atyrauoilgas.com/2011/>

► **TGC 2011**

2nd Turkmenistan Gas Congress

Date : 13 – 14 April 2011
Place : Avaza – Turkmenistan
Website : <http://www.summittradeevents.com/ourevents.php>

► **Oil & Gas Siberia 2011**

7th International Specialized Exhibition of Equipment & Technologies for Extraction, Processing and Transportation of Energy Resources

Date : 27 – 29 April 2011
Place : Novosibirsk – Russia
Website : <http://petroleum.sibfair.ru/eng/>

► **OGU 2011**

15th Uzbekistan International Oil & Gas Exhibition & Conference

Date : 17 – 19 May 2011
Place : Tashkent – Uzbekistan
Website : <http://www.oguzbekistan.com/2011/>



► *SEA 5 2011*

Algerian Energy Week

Date : 21 – 25 May 2011
Place : Oran – Algeria
Website : <http://www.sea5-algeria.com/>

► *Caspian Oil & Gas 2011*

18th Caspian International Oil & Gas Exhibition & Conference Incorporating Refining & Petrochemicals

Date : 7 – 10 June 2011
Place : Baku – Azerbaijan
Website : <http://www.caspianoil-gas.com/2011/>

► *MIOGE 2011*

11th Moscow International Oil & Gas Exhibition

Date : 21 – 24 June 2011
Place : Moscow – Russia
Website : <http://www.mioge.com/2011/>