



OIL



## Toreador: Production halted at Black Sea operations

**Date** : 26.11.2007

**Source** : Rigzone

[http://www.rigzone.com/news/article.asp?a\\_id=53252](http://www.rigzone.com/news/article.asp?a_id=53252)

Toreador Resources disclosed that over the weekend production in the South Akcakoca Sub-basin (SASB) was shut down by system operator TPAO, due to damage to the pipeline spur running to the Akkaya platform. At this time there does not appear to be any damage to the rest of the SASB pipeline system.

Underwater inspection reveals that the Akkaya pipeline spur has been separated at a pipeline flange and displaced approximately 20 feet from its original location. The likely cause was that a fishing boat, which was trawling through the exclusion zone around the platform, lifted the pipeline and caused the separation.

Toreador management believes that the company's cash position at the end of the year will still be in excess of \$20 million, as higher oil prices in France are expected to partially offset the effect of lost production in Turkey.

OIL



## Multiple thefts intensify need for heightened BTC security

**Date** : 28.11.2007

**Source** : Today's Zaman

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=128130>

The Baku-Tbilisi-Ceyhan (BTC) crude oil pipeline, since its opening last year, has not only attracted world attention for the transport of crude oil from Azerbaijan, it has also garnered the notice of thieves desirous of stealing the 'black gold' running through its pipe.

Pipeline valves were shut down three times last month to ensure effective monitoring and supervisory control after oil thieves drilled holes into the pipe on numerous occasions. Because of the growing number of oil theft incidents and delays in repairs resulting these incidents, the volume of oil flowing through the pipeline to Ceyhan has substantially decreased. The Ministry of Energy and Natural Resources has taken action in response to the growing number of theft attempts and is considering setting up a special security team to prevent theft. The ministry will call for a tender to maintain security along the pipeline.

The Turkish side of the pipeline is protected by gendarmerie units, whereas 700 private security personnel supervise the security and safety of that section of the pipeline in Azerbaijani territory. Noting that setting up a private armed unit on this particular matter under current legislation is not possible, ministry authorities said: *“We are authorized to maintain security via unarmed private units only. Since unarmed protection is not a good deterrent, we are unable to eliminate theft attempts.”*

It is currently unclear how losses associated with these thefts can be recovered. Whether Turkey or the company insuring pipeline operations and security will cover losses amounting to \$60 million still remains uncertain. Turkey is particularly worried about how to proceed if BTC International, responsible for the operation of the pipeline, or the line’s insurer fail to pay for the losses. Additional measures are deemed necessary because of a recent escalation in terrorism. A number of security companies are already paying close attention to the issue and are in line to make proposals on how they would maintain security along the pipeline.

## GAS >>>



## Turkmenistan, Russia to build key natural gas pipeline

**Date** : 24.11.2007

**Source** : Today’s Zaman (AP)

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=127868>

Construction of a new pipeline to carry gas from Turkmenistan to Europe via Russia could begin ahead of schedule in the first half of 2008, the President Gurbanguli Berdimukhamedov said Friday. The president spoke after talks with the Russian PM, which is vying with Western nations for Turkmen gas.

Russia scored a victory in May when it reached agreement for a pipeline to carry Turkmen gas westward across Kazakhstan and Russia, skirting the Caspian Sea. The European Union and United States want a pipeline built under the Caspian, bypassing Russia.

Russian Prime Minister Viktor Zubkov said that agreement had been reached to sign a formal deal with Turkmenistan and Kazakhstan on the new gas pipeline soon, and to begin construction swiftly after it is concluded. When the initial agreement was reached, however, the presidents ordered their governments to sign a more specific deal, and it was unclear why that has not yet happened. At the time, Russian President Vladimir Putin said construction would begin in mid-2008. *“Turkmenistan has opportunities now, and we will probably start earlier,”* Berdimukhamedov said Friday.

Putin said in May that the new pipeline may carry ‘at least’ 20 billion cubic meters of gas annually by 2012, while Russian Industry and Energy Minister Viktor Khristenko told reporters that it could eventually carry 30 billion cubic meters a year. Zubkov and Berdimukhamedov said work to modernize a Soviet-era pipeline from Turkmenistan to Russia via Uzbekistan and Kazakhstan would also begin soon. The Turkmen leader said Thursday that that pipeline's capacity would be doubled to 20 billion cubic meters a year.



## Iraq KRG Oil Minister to Sign 20 E&P contracts by early 2008

**Date** : 27.11.2007

**Source** : Rigzone

[http://www.rigzone.com/news/article.asp?a\\_id=53349](http://www.rigzone.com/news/article.asp?a_id=53349)

The Kurdistan Regional Government (KRG) is expecting to sign exploration and production contracts with around 20 more companies by the first half of next year, KRG Natural Resources Minister Ashti Hawrami said Tuesday.

The relationship between the Kurdish government and Iraq's federal government deteriorated Tuesday as Iraq's oil minister accused the Kurds of using military force to prevent Baghdad from developing an oil field in the north of the country. Iraq Oil Minister Hussein al-Shahristani has called contracts the KRG has already signed with companies such as TNK BP, a Russian company in which BP Plc holds 50%, and OMV, 'illegal,' while Hawrami says the regional governments are allowed to sign deals under the current constitution. "*Dr. Sharistani, he is wrong, plainly wrong,*" Hawrami said. "*We are a federal region...(he) can't do anything... we don't need his approval,*" he said.

Speaking at a press briefing here, Hawrami said that several of the new contracts could be signed by mid-December, following a trip to Texas. He declined to comment on which companies the KRG was planning to sign contracts with. "*Significant companies are negotiating with us now,*" he said. Any oil produced in the region could be shipped out of the 1.6 million barrel a day Kirkuk-Ceyhan pipeline, but will still require an export permit, raising additional legal hurdles for the KRG and project operators.



## EU says Iranian gas 'irrelevant' to Nabucco at this stage

**Date** : 27.11.2007

**Source** : Rigzone (Xinhua)

[http://www.rigzone.com/news/article.asp?a\\_id=53352](http://www.rigzone.com/news/article.asp?a_id=53352)

The issue of Iranian gas is 'irrelevant' for the realization of the planned Nabucco pipeline, according to Ferran Tarradellas Espuny, the spokesman for EU Energy Commissioner Andris Piebalgs. "*Iranian gas is neither necessary nor desired for Nabucco's realisation at this stage,*" said Espuny, according to a report by the APA.

The spokesman said the EU Commission is convinced that the Caspian Sea region can provide large amounts of gas for the Nabucco pipeline even without gas deliveries from Russia and Iran. The founding members of the Nabucco consortium are Austria's OMV, Hungary's MOL, BOTAS of Turkey, Transgas of Romania, and Bulgaria's Bulgargaz. A sixth partner is scheduled to be named before the end of this year.



## Increase in energy consumption a threat to security

**Date** : 29.11.2007

**Source** : Turkish Daily News (Elif Özmenek)

<http://www.turkishdailynews.com.tr/article.php?enewsid=89844>

The consequences of unfettered growth in global energy demand are alarming for all countries. If governments around the world stick with existing policies the world's energy needs would be well over 50 percent higher in 2030 than today. These policies threaten energy security and accelerate climate change, according to Fatih Birol

The chief economist and head of the economic analysis division of the Paris-based International Energy Agency (IEA), briefed an independent, and nonpartisan foreign policy membership organization Tuesday on the agency's new World Energy Outlook report. The annual flagship publication of the IEA this year focuses on energy developments in China and India and their implications for the world.

*“The report demonstrates more clearly than ever that, if governments don't change their policies, oil and gas imports, coal use and greenhouse-gas emissions are set to grow inexorably through to 2030 – even faster, in fact, than in last year's outlook. These trends would threaten energy security and accelerate climate change,”* Dr. Fatih Birol told the Council on Foreign Relations.

Birol drew attention to the fact that energy developments in China and India are transforming the global energy system as a result of their sheer size and their growing importance in international energy markets. *“Rapid economic development will undoubtedly continue to drive up energy demand in China and India, and will contribute to a real improvement in the quality of life for more than two billion people. This is a legitimate aspiration that needs to be accommodated and supported by the rest of the world,”* said Birol. *“Indeed, most countries stand to benefit economically from China's and India's economic development through international trade.”*

But the consequences of unfettered growth in global energy demand are alarming for all countries. If governments around the world stick with existing policies – the underlying premise of the WEO Reference Scenario – the world's energy needs would be well over 50 percent higher in 2030 than today. China and India together account for 45 percent of the increase in global primary energy demand in this scenario. Both countries' energy use is set to more than double between 2005 and 2030. Birol also highlighted that China is expected to overtake the United States to become the world's biggest emitter in 2007, while India will become the third-biggest emitter by around 2015.

Birol also answered questions posed by Turkish journalists after his talk at the Council. Birol underlined the fact that Turkey is a poor country in terms of energy resources. Therefore officials immediately have to consider nuclear energy as an alternative to Russian natural gas. *“Without nuclear energy Turkey will always be heavily dependent on Russia and the Middle East countries,”* he said. Birol also pointed out that Turkey's economy is organically linked to petrol prices thus to lower such dependency is crucial for strong fiscal policies.

## OIL



# Oil prices jump after accident

**Date** : 30.11.2007

**Source** : Turkish Daily News (AP)

<http://www.turkishdailynews.com.tr/article.php?newsid=90000>

Oil prices jumped more than \$4 yesterday after a fire erupted at a pipeline carrying crude oil from Canada to the U.S. Midwest, rebounding from the previous day's plunge. The fire late Wednesday along the Enbridge Energy pipeline in northern Minnesota killed two workers who were repairing it, authorities said.

Denise Hamsher, a spokeswoman for Enbridge in Houston, Texas, said because oil is stored in company stations along the line and at refineries, the pipelines could be shuttered for several days without causing disruptions in supply to the Midwest.

News of terrorist arrests in Saudi Arabia and changing perception of the outlook for the U.S. economy also helped to reverse oil prices from Wednesday's fall to levels not seen since the end of last month.

*"It was the pipeline explosion and reports of the Saudis arresting some people in the Kingdom, and the fact that yesterday's tumble was perhaps a knee-jerk reaction to the U.S. inventory report,"* said Victor Shum, an energy analyst with Purvin & Gertz in Singapore. Any sign of conflict in the Middle East, particularly in Saudi Arabia, the world's largest oil producer, makes oil investors worry about potential supply disruptions.

## GAS



# Uzbekneftegaz to seek higher gas price from Gazprom

**Date** : 29.11.2007

**Source** : Platts

<http://www.platts.com/Natural%20Gas/News/8388496.xml?p=Natural%20Gas/News&sub=Natural%20Gas>

Uzbek national oil and gas firm Uzbekneftegaz will hold talks with Gazprom in a bid to secure a higher price for the gas it sells to Russia from 2008, a senior official said. *"We have officially stated we are switching from regional prices to world prices,"* the official said.

Gazprom currently pays \$100/1000 cu m for Uzbek gas, he said. Uzbek gas is shipped via the Central Asia-Center pipeline, which runs from Central Asia into Russia. The comments come two days after Turkmenistan, which sells higher volumes to Russia, managed to push through a much higher price for its gas from 2008.



## Eurogas: EU to use gas as link to sustainable energy

**Date** : 27.11.2007

**Source** : Oil & Gas Journal (Doris Leblond)

[http://www.ogj.com/display\\_article/313190/120/ARTCL/none/GenIn/1/Eurogas:-EU-to-use-gas-as-link-to-sustainable-energy/](http://www.ogj.com/display_article/313190/120/ARTCL/none/GenIn/1/Eurogas:-EU-to-use-gas-as-link-to-sustainable-energy/)

Natural gas can play an important role in the European Union over the next decades as ‘a bridging fuel’ to a sustainable energy future, said the gas trade group Eurogas in its first evaluation and analysis of the future role of natural gas in Europe.

Current president of Brussels-based Eurogas is Domenica Dispenza, Eni SPA gas and power chief operating officer. Eurogas's newly established forecasting taskforce noted that expected investments in new energy efficiency and climate change commitments will reduce energy consumption growth in the EU 27 over the next 25 years to the ‘disproportionately’ low level of 0.5%/year, compared with 1.6%/year for the rest of the world. Data for the forecast were compiled from industrial sources, including 30 gas companies of members and also of Switzerland and Turkey, and from many associated national gas industry federations.

While the taskforce points to a 34% energy efficiency improvement to 2030, it indicates that under a number of different scenarios examined, fossil energy sources will continue to be the backbone of Europe's energy supply.

Eurogas expects the largest increase in gas consumption will come from electric power generation at a growth rate of 2.7%/year. Its share will increase to 38% of the total 625 million tonnes of oil equivalent (MMtoe) of gas demand in 2030, up from 28% in 2005. Volume growth in residential-commercial use will slow to 0.4%/year to 194 MMtoe. In the industrial sector, with some support from emissions trading, gas sales will increase by only 1%/year to 156 MMtoe in 2030.

Gas supply will continue to rely on long-term contracts despite increasing short-term agreements. The task force indicated that the EU gas industry has already contracted gas deliveries from regions outside Europe that fully cover foreseeable demand until 2015, at which time a ‘substantial gap emerges between demand and the supplies from European production or imported from outside Europe.’

Demand for additional gas supplies will jump to 22% in 2020 and to about 39% in 2030— from 10% in 2015. This is why the European gas industry is now focusing its gas procurement on the period after 2015. A huge effort and substantial investments by suppliers will be required to mobilize this gas in time, considering the growing global gas demand and decreasing indigenous production in Europe, cautions the task force, which also points to stiffer competition for supplies on international markets.

**Board's Decree on Amendment to the TNOR**

Source : EMRA  
Weblink : <http://www.epdk.org.tr/mevzuat/kurul/dogalgaz/1384/1384.doc>

**IEA Monthly Oil Prices Survey – October 2007**

Source : International Energy Agency (IEA)  
Weblink : <http://www.iea.org/Textbase/stats/surveys/mps.pdf>

**World Crude Oil Prices**

Source : Energy Information Administration  
Weblink : [http://tonto.eia.doe.gov/dnav/pet/pet\\_pri\\_wco\\_k\\_w.htm](http://tonto.eia.doe.gov/dnav/pet/pet_pri_wco_k_w.htm)

**6th Annual Gas Storage Outlook**

**Date** : January 16 – 17, 2008  
**Place** : Houston – USA  
**Website** : <http://www.platts.com/Events/2008/pc806/>  
**Contact** : James Gillies (781 – 430 – 21 10)



**2nd Annual European Gas Storage**

**Date** : February 11 – 12, 2008  
**Place** : Budapest – Hungary  
**Website** : <http://www.platts.com/Events/2008/pc862/>  
**Contact** : Sophie Adams (+44 (0) 20 7176 66 58)

