

Nabucco signs pipeline accords

The Wall Street Journal, 08.06.2011



The Nabucco consortium signed agreements Wednesday with transit countries for a pipeline it is building to bring natural gas to Europe via Turkey, in what it called a breakthrough for the troubled project. The group predicted that the first supply contracts would be sealed by the end of the year.

Government ministers and consortium companies at the signing sought to dispel growing skepticism about the pipeline's viability, just weeks after they announced a two-year delay in the project's target date for completion.

Increased natural-gas supplies in Turkmenistan and the prospect of stronger gas demand in Europe, in the wake of Japan's Fukushima nuclear power-plant disaster, had improved prospects for the pipeline project at both ends, the ministers and the consortium said. "Nabucco has made the final step from a project to reality," Gunther Öttinger, the European Union's energy commissioner, told a hall filled with hundreds of dignitaries at the start of an elaborate ceremony in Kayseri, central Turkey.

The project aims to build a 3,900-kilometer pipeline -with the capacity to transport 31 billion cubic meters of natural gas a year- from Turkey's borders with Iraq and Georgia to the Baumgarten hub in Vienna. It assumes that natural-gas supplies from Azerbaijan, Iraq and Turkmenistan will be available. The energy ministers from Turkey, Bulgaria, Romania, Hungary and Austria repeatedly stressed Nabucco's strategic importance in diversifying Europe's energy supplies. Russia currently has a monopoly on the supply of gas from the Caspian region to the EU.

"We are gathered here to say: Yes, Nabucco will happen," said Bulgarian Energy Minister Traiko Traykov. Speaking to reporters before the ceremony, Reinhard Mitschek, managing director of Nabucco, said that after project-support agreements were signed with each of the transit countries Wednesday, he expected to start signing gas-supply contracts by the end of the year.

The project-support agreements were needed first to create the necessary legal framework for financing, Mr. Mitschek said. The bilateral agreements include standards and government assurances in some 40 areas, including land acquisitions, taxes and imports of construction materials. Most concerns over Nabucco's success have focused on whether the consortium will be able to find enough gas to fill the pipeline. Consortium members on Wednesday sought to dismiss those concerns. Turkmenistan has a growing interest in supplying Nabucco, because Russia is buying just one-fifth of the Turkmen natural gas that it used to, said Stefan Judisch, chief executive of supply and trading at Germany's RWE AG. "They have more gas than they can sell."



An audit of Turkmenistan's South Yolotan field to be delivered to the Turkmen government this month will upgrade estimates of the field's size, making it the world's second-largest field after South Pars in the Persian Gulf, the audit company, Gaffney, Cline & Associates of London, said last month. South Yolotan alone has enough gas to supply all of Europe for 36 years, Mr. Judisch said, adding that a pipeline to take the gas across the Caspian Sea to feed into Nabucco could be built within three to four years, given political will. Meanwhile, Mr. Judisch said he learned Tuesday that Uzbekistan also had expressed interest in selling gas through Nabucco. Israel, which is developing new offshore gas fields, also has approached the consortium, Mr. Judisch said.

At the same time, the consortium has revised higher its estimates of how much demand there will be for natural gas in Europe, following the meltdown earlier this year at Japan's Fukushima plant, which triggered a scaling back of plans for nuclear-power production in Europe, especially in Germany. Instead of a projected gap by 2025 between supply and demand of gas of 150 billion cubic meters a year, there is now a projected gap of 180 billion cubic meters, said Gerhard Roiss, chief executive of Austria's OMV AG, using company estimates. But there have long been doubts about the Nabucco pipeline's viability, and those were fueled last month when the consortium said it was delaying construction by two years. The target date to deliver the first pipeline gas is now 2017.

Richard Morningstar, the U.S. secretary of state's special envoy for Eurasian energy, urged Turkey and Azerbaijan to finalize a transit agreement needed for Nabucco to progress. Mr. Öttinger, meanwhile, said Iraq would need help with its own energy market before it could export gas, and that Nabucco needed new partners from the supplier states to join up. Costs are also expected to rise substantially from the consortium's original €7.9 billion (\$11.6 billion) estimate. Mr. Mitschek dismissed those expectations as 'speculation,' but said a cost review was under way. Meanwhile, South Stream, a rival Russian pipeline project to bring gas from Central Asia to Europe, has a target launch date of 2015.

Mr. Judisch blamed the Nabucco delay on BP PLC, which runs the consortium working Azerbaijan's Shah Deniz field and which recently made public its concerns about Nabucco's viability. "Shah Deniz initially said it would announce who gets the gas [from the field] by March 2011. They haven't made this decision, and consequently we delayed our construction because we will not build an empty pipeline," Mr. Judisch said.

"In March this year, the Shah Deniz consortium extended its deadline for transportation offers from European pipeline consortia" to Oct. 1, a BP spokesman said Wednesday. "The aim was to give all the consortia more time to complete their engineering studies and prepare their offers. Despite this extension, progress on the Shah Deniz 2 project has continued as scheduled, with gas start-up remaining on track for 2017."

Iraq signs gas deal with TPAO

Hürriyet Daily News, 05.06.2011



Iraq, eager to supply natural gas to its overburdened power plants, has signed agreements with Korea Gas, Kuwait Energy and the Turkish Petroleum Corporation, or TPAO, to develop two gas fields.

The three companies secured rights to develop the Mansouriya field in Iraq's eastern Diyala province, while TPAO and Kuwait Energy won a license for the Siba field in southern Basra province, Oil Minister Abdul Kareem al-Luaibi said. The government awarded rights to both deposits in October, together with a license for a third field called Akkas.

"Iraq needs to develop these fields in order to provide the needs of its electricity stations," Luaibi said Sunday during the signing ceremony in Baghdad and in the presence of the Turkish Energy Minister Taner Yildiz. "Iraq also aims to become a major source for gas in the future," Bloomberg quoted the Iraqi minister as saying. Speaking at the ceremony, TPAO Chairman Mehmet Uysal said they had undersigned a historic deal. The company is eyeing further contracts in the country, the Anatolia news agency quoted him as saying.

Mansouriya, discovered in 1979, holds an estimated 127 billion cubic meters of gas, Luaibi said. The three companies hold a 20-year license for the field and are obligated to start producing 320 million cubic feet within six years, he said.

Siba, discovered in 1968, has 34 billion cubic meter of gas. TPAO and Korea Gas, known as Kogas, have development rights there for 20 years and are committed to begin producing 100 million cubic feet within six years, Luaibi said.

Iraq signed a separate agreement with Kogas on June 1 to produce gas at Akkas, ending seven months of delays for the project. The Korean company took over after its original partner, KazMunaiGas Exploration Production of Kazakhstan, unexpectedly withdrew. Akkas, in western Anbar province in 1998, held 5.6 trillion cubic feet of gas and has six wells.

The government is also negotiating an agreement with Royal Dutch Shell and Mitsubishi on a \$12 billion plan to develop and capture gas, which is being flared off and wasted in southern Iraq. A final agreement is due to be reached this week, Deputy Oil Minister Ahmed al-Shamma said June 1. Iraq's current gas production, all of it associated gas from oil wells, is 1.5 million cubic meters a day, but half is burned off in flares from oil wells, according to Baghdad-based analyst Ruba Husari.

Turkey warming to France as Nabucco seeks 7th partner

Hürriyet Daily News (Fulya Ozerkan), 09.06.2011



Turkey is leaving the door open for the involvement of France in the multi-national Nabucco project amid plans to extend its scope to include a seventh partner.

“There could be one or more partners to the project,” Energy Minister Taner Yildiz told a group of journalists Thursday in his hometown Kayseri, one day after five transit countries undersigned project support agreements with the Nabucco International company. “We will evaluate different proposals as almost every party said we need to be more flexible,” said the minister, when asked about the possibility of the French involvement.

Turkey blocked French company Gaz de France’s participation in the European Union-backed Nabucco project for political reasons. The minister’s remarks, however, show a significant shift in the Turkish position toward France.

“I think the door is open not only to countries but also to companies,” Hungary’s National Development Minister Tamas Fellegi told the Daily News in an interview in Kayseri. He said the consortium behind the project should discuss this issue very frankly. “I would not rule out any country just because of the basis of nationality or counter background. The Nabucco project, don’t forget, is a significant European Union project that is politically and financially supported by the EU. And France is a member of the EU,” he told the Daily News.

The idea came after some Nabucco participating states expressed intentions to involve additional parties especially from the side of gas supply countries. “I think the participating countries should make the decision later this year,” said the Hungarian minister.

Nabucco cannot be finalized without source countries, said Yildiz, adding that finding supplies was as important as securing financing for the project. The director-generals of the European Investment Bank and the International Bank of Reconstruction and Development were also present at the signing ceremony. Yildiz said the governments sustained ‘necessary’ conditions for the financing of the project but added that was ‘not sufficient.’ “Financing cannot be done without seeing the source country, and indeed without seeing the natural gas,” he said.

None of the potential supply countries were present at the signing ceremony. Azerbaijan did not attend the event despite the Turkish Energy Ministry’s invitation. Yildiz, however, downplayed concerns over Baku’s absence. “Azerbaijan was hosting an oil and gas conference, otherwise they would have come.”

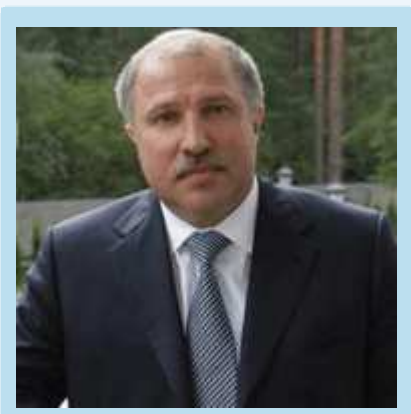
Yildiz said the project support agreements, subjected to the Swiss law, were including close to 40 provisions from taxation, environment impact to technical details. He argued the deals were going to be signed earlier, putting the blame on Hungary for their delay. Third parties in Europe that are not involved in Nabucco can conclude bilateral energy deals with supply countries and can transport this gas through Nabucco pipeline by leasing, said Yıldız.

“This is a commercial project. For example, Switzerland struck a gas deal with Iran and it will be able to lease the Nabucco pipeline to ship this gas back home,” he added. The minister invited third countries to “find cheap gas and bring it home through Nabucco.” He also made it clear that Turkey was not in need of gas that would come from Nabucco, saying that Turkey would not be the party that would lose if the project did not come true.

Yildiz responded to the statement by the U.S. envoy for Eurasian Energy, Richard Morningstar, who called on Turkey and Azerbaijan to sign a deal for the sale of natural gas. “An agreement will be concluded between Nabucco consortium and Shah Deniz II. Turkey will not sign a deal on behalf of Nabucco,” said Yıldız. “Turkey is doing its share at the every phase of the project. It is not appropriate to throw the ball into Turkey’s court.”

Rosneft CEO: Chevron to exit joint Black Sea project

Rigzone (Dow Jones), 10.06.2011



Rosneft is seeking new partners for its Val Shatsky project in the Black Sea because Chevron is likely to leave the block, Eduard Khudainatov, the CEO of the Russian state-owned oil major, said Friday.

“We had some disagreements,” said Khudainatov. When asked whether Rosneft will develop the Val Shatsky block in the Black sea together with Chevron, Khudainatov said: “Obviously not.” “Chevron still wants to work with us on offshore projects. Now we’re considering where we will work (together),” he said.

Azerbaijan says sees transit gas deal with Turkey soon

Today's Zaman, 07.06.2011



Ilham Aliyev has said his country is about to conclude negotiations about the transit of natural gas with neighboring Turkey, terming his country a 'gas-rich country.'

Aliyev delivered his speech at the 18th International Caspian Oil and Gas Expo in Baku, where Special Envoy of the United States Secretary of State for Eurasian Energy Ambassador Richard Morningstar, EU Energy Commissioner Günther Oettinger, Norwegian Crown Prince Haakon, Georgian Energy and Natural Resources Minister Alexander Khetaguri and Turkish Ambassador to Azerbaijan Hulusi Kilic, along with other ambassadors, were present.

Stressing the importance of the 'Deal of the Century' that was signed in 1994 -- a groundbreaking deal that catapulted Azerbaijan's oil industry, Aliyev said at the opening ceremony of the expo that the agreement has brought foreign investment into the country. Recalling that Azerbaijan's oil is being exported through three different ways, Aliyev said the Baku-Tbilisi-Ceyhan (BTC) oil pipeline has contributed much to the booming economy.

Oil prices have risen by a third since the beginning of the year, buoyed by unrest in North Africa and the Middle East which unseated the Egyptian and Tunisian leaders. For the government of Azerbaijan, which pumps about a million barrels of oil a day, the price increase means more than \$4 billion in extra oil money for the state budget.

Aliyev also noted that he believes in the possibility of the realization of the Southern Corridor pipeline project, adding that Turkey and Azerbaijan are currently in the final stages of transit gas negotiations and that the transit gas deal is envisaged to be signed with Turkey 'soon.'

Morningstar said while testifying before the US Congress last week that three pipeline consortiums are competing to bring natural gas from Azerbaijan's Shah Deniz gas field to Europe, and the investment decisions to make that possible should be made by the end of this year. Aliyev also said Azerbaijan was known as an oil-rich country but added that newly found gas reserves have made Azerbaijan famous for its gas reserves, adding that Azerbaijani gas could be sufficient for both Azerbaijan and other countries. A total of 285 companies from 27 countries participated in the fair. Five companies from Turkey were at the exhibition.

Ukraine seeks to diversify gas imports after Russia talks fail

Platts, 08.06.2011



Ukraine will press ahead with diversification of natural gas supplies to reduce dependence on imports of gas from Russia, Prime Minister Mykola Azarov said, the day after he failed to persuade his Russian counterpart Vladimir Putin to cut prices. After the talks in Moscow, Putin said Russia and Ukraine would stick to existing gas supply and transit agreements.

“Ukraine depends 100% on supplies of Russian energy resources, and we sometimes face a situation when we get prices that are in our view not optimum for us,” Azarov told a World Economic Forum conference in Vienna.

“That is why we are making maximum efforts to organize supplies of energy resource from other countries,” he added. The main thrust of Ukraine’s diversification strategy is to build a liquefied natural gas terminal on the Black Sea, a project that President Viktor Yanukovich had described as the top priority for the next five years. Azarov said that Ukraine would later this year begin building the LNG terminal, which will have capacity of 10 billion cubic meters of gas a year.

Ukraine is in talks with Azerbaijan and Central Asia as potential alternative sources of gas for Ukraine, he said. Mykhaylo Chechetov, a senior lawmaker from Yanukovich’s Regions Party, said cutting gas prices was extremely important for Ukraine. “The gas loop is strangling us,” he told Radio Liberty on Tuesday. “The issue No. 1 - the issue of life and death is the issue of gas prices.”

Putin agreed to create a joint team that would look into the issue again, but there was little optimism that agreement will be reached. “From the point of view of Russia, conditions of cooperation in the gas sector are very good,” Azarov said, adding that the agreement had several problems that needed to be discussed and mutually acceptable changes made.

Ukraine wants to secure lower natural gas prices now because growing prices of crude oil may push gas price to \$500 per 1,000 cu m that will make the operations of Ukrainian fertilizer producers unprofitable. Ukraine is buying Russian gas at about \$297 per 1,000 cu m in the second quarter, compared with \$264/1,000 cu m in the first quarter, according to Naftogaz Ukrayiny, the national energy company.

Russia to maintain gas price formula for Ukraine

RiaNovosti, 07.06.2011



Russia's price formula for gas is universal for all countries and Ukraine "is no exception," Russian Prime Minister Vladimir Putin said. "We have confirmed our intentions to strictly follow agreements reached earlier," Putin said following talks with his Ukrainian counterpart Mykola Azarov in Moscow. "This goes both for Russian natural gas prices for Ukrainian consumers and for reliable transit via Ukraine."

The premier said that if gas transit prices rise, prices for Ukrainian consumers would also increase. Azarov, who said earlier he planned to seek lower prices for Russian gas or higher transit tariffs, confirmed that Ukraine would "follow all earlier reached agreements with Russia."

Ukraine is seeking to revise a 2009 gas supply contract signed by former Prime Minister Yulia Tymoshenko, claiming the gas pricing formula, which linked the price for gas with the international price for oil, was unfair and forced Kiev to overpay since oil prices have raised strongly. Alexei Miller, head of Russian gas monopoly Gazprom, said on Monday that the Russian gas price for Ukraine would nearly double in the fourth quarter of this year, amounting to nearly \$500 per 1,000 cubic meters. Ukraine is paying \$295.6 per 1,000 cubic meters of Russian gas in the second quarter and expects to pay \$350 in the third quarter.

Oil prices surge after 'worst OPEC summit'

Hürriyet Daily News (Bloomberg), 09.06.2011



The Organization of Petroleum Exporting Countries, or OPEC, failed to agree on crude production for the first time in at least 20 years, with six members opposing a Saudi Arabian push to increase output.

"It was one of the worst meetings we've ever had," Saudi Oil Minister Ali al-Naimi said after representatives of the 12-member OPEC adjourned five hours of talks in Vienna on Wednesday. "We were unable to reach an agreement." Crude oil in New York jumped 2.7 percent in the 20 minutes after the meeting ended.



The split underscores growing divisions within the group that accounts for about 40 percent of the world's crude. Saudi Arabia, OPEC's largest producer, together with Kuwait, Qatar and the United Arab Emirates, proposed increasing group output by 1.5 million barrels a day to 30.3 million barrels. They were blocked by members including Iran and Venezuela, which warned of a "collapse" in prices. "We expect OPEC's credibility to be damaged by the meeting's outcome," said Serene Lim, a commodity strategist at Australia & New Zealand Banking Group Ltd. in Singapore. "The divide among the Arab states as well as the inability of Saudi Arabia to control the group may be a supporting factor to prices."

Crude for July delivery rose as much as 73 cents to \$101.47 a barrel in electronic trading on the New York Mercantile Exchange Thursday and was at \$101.31 at 11:31 a.m. Singapore time. The contract climbed \$1.65 Wednesday to \$100.74, the highest settlement since May 31. Prices are up 36 percent the past year.

OPEC's spare production capacity is poised to dwindle, David Greely, a New York-based analyst at Goldman Sachs Group said Wednesday. Rising global demand for oil will exhaust the group's surplus capacity next year, said Goldman, which forecast on May 24 that Brent crude will rise to \$120 within six months and \$130 within a year. Brent climbed as much as 0.3 percent to \$118.23 in London Thursday after settling 0.9 percent higher at \$117.85 Wednesday. While the lack of coordination appears "disconcerting, the fact remains that the vast majority of OPEC spare capacity remains in Saudi Arabia," Greely said. "Consequently, it still remains a question of Saudi's willingness and ability to raise production to keep pace with world oil demand growth."

Iran, the group's second-biggest producer, has historically taken a harder line on prices than its regional rival Saudi Arabia. Constrained by economic sanctions over its nuclear program, it's pumping at close to full capacity. "Iran has replaced Saudi Arabia as the powerhouse in OPEC," said Olivier Jakob, managing director of Petromatrix, a research group. Besides Iran and Venezuela, OPEC members opposing a higher production ceiling were Libya, Angola, Ecuador and Algeria. Venezuela was concerned crude prices would tumble if OPEC increased quotas, the country's oil minister said in an interview with state television. "There was a proposal to raise output by between 1.5 million barrels a day and 2 million," Rafael Ramirez said. "We, given the uncertainty in the market, thought that could cause the price of oil to collapse."

They were "vehemently against increasing production," Saudi Arabia's Naimi said, adding that he and his group tried for several hours to persuade the six of the need for more oil. "In 16 years, I've never seen an obstinate position," he said. Mohammad Aliabadi, the acting Iranian oil minister and current OPEC president, speaking through a translator, described the meeting as polite and cordial. "I don't know why he called it the worst meeting," Aliabadi said.

The last time OPEC adjourned a meeting with no agreement was in the early 1980s, when Iraq and Iran were at war. The IEA expressed "disappointment" over OPEC's failure to reach an agreement. "Of course what really matters is actual supply, which should move in line with seasonally rising demand, and we urge key producers to respond accordingly," the Paris-based agency said in a statement.



SOCAR to sign gas deals with RWE, Russia and Iran

Reuters, 08.06.2011



Azeri state energy company SOCAR plans to sign a gas deal with German utility RWE by the end of 2011 to explore in the Caspian Sea, as well as gas exports contracts with Russia and Iran. Vagif Aliyev, the head of SOCAR's investment department, said on Wednesday the company would agree with RWE on exploring the Nakhchivan gas and oil deposit in the Caspian Sea before the end of this year.

The two companies signed a memorandum of understanding last March. "It will be a production-sharing agreement," Aliyev told reporters on the sidelines of the Caspian Oil and Gas conference in the Azeri capital.

RWE leads a consortium that plans to build the 31 billion cubic metre capacity Nabucco pipeline to bring Caspian gas to Europe. It needs to secure gas to fill it in the face of stiff competition for Central Asian gas from China and Russia.

SOCAR said it also plans to sign contracts on gas exports to Russia in September and Iran within coming months. "Azerbaijan will export 2 billion cubic metres (bcm) of gas to Russia in 2011. The same amount is planned for 2012," Kyamal Abbasov, the head of SOCAR's gas export department, told journalists. "The contract on sales in 2012 will be signed in September," he said. In 2010 Azerbaijan exported 0.8 bcm of gas to Russia's southern regions. Abbasov added that a contract on direct sales to Iran was expected to be signed this summer.

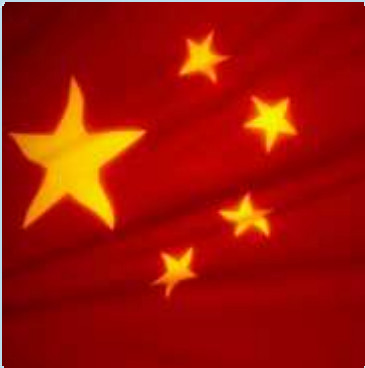
SOCAR and the National Iranian Gas Export Company (NIGEC) in January signed a five-year deal, which envisages doubling Azeri gas supplies to Iran to 1 bcm per year, but the commercial details of the deal were still to be agreed. "We agreed on main conditions of the long-term contract with Iran in the beginning of 2011," Abbasov said. "We plan another meeting soon to discuss the commercial details in order to sign the contract this summer."

Azerbaijan supplies just over 400 mcm of gas to Iran per year, in exchange for 350 mcm that Iran sends to Azerbaijan's geographically isolated region of Nakhchivan. Azerbaijan launched a new gas-compressor station in April to handle the planned increase in supplies to Iran.

The deal between two countries underscores Azerbaijan's policy of diversifying routes to sell its Caspian Sea gas, sought by the West for the Nabucco pipeline aimed at reducing European energy dependence on Russia. Azerbaijan's gas output rose by 11.2 percent in 2010 year-on-year to 26.2 bcm from 23.6 bcm in 2009. It plans to produce 28.0-29.0 bcm of gas this year. The oil-rich country's total gas reserves are estimated at 3 trillion to 5 trillion cubic metres. The Nakhchivan deposit is 90 km (55 miles) south of Baku at a depth of 400-600 metres below the surface of the Caspian Sea.

BP: China was world's top energy consumer in 2010

Oil & Gas Journal, 09.06.2011



China surpassed the US to become the world's largest energy consumer in 2010, as the rebounding global economy drove worldwide consumption higher and at a rate not seen since the aftermath of the 1973 oil-price shocks, according to the latest annual BP Statistical Review of World Energy. Total energy consumption in China grew by 11.2% last year.

Oil remains the world's leading fuel, at 33.6% of global energy consumption, but it continued to lose market share for the 11th consecutive year. Global oil consumption grew by 3.1%, the strongest growth since 2004, to average 87.38 million b/d.

This rate of oil demand growth was more than twice the 10-year average and was the first increase among members of the Organization for Economic Cooperation and Development since 2005 and the largest volumetric increase outside the OECD ever, BP said. China contributed the largest national increment to oil demand as its consumption rose by 10.4% to average 9 million b/d. The rebound in global economic activity and the energy-intensive nature of the recovery appear to have been the most important factors behind last year's demand growth, BP said.

Middle distillates saw the strongest increase among refined products, growing by 4.4%. BP said this was a mirror image of 2009, when middle distillates and fuel oil recorded the strongest declines because of the recession's disproportionate impact on industry. Meanwhile, growth in gasoline demand was relatively weak, stagnating in the OECD, which suggests that higher prices had already started to have an effect.

Global oil production increased to average 82.1 million b/d, up 2.2%, also the strongest growth in 16 years, as crude oil supply growth was roughly split between members of the Organization of Petroleum Exporting Countries and non-OPEC producers. In addition, biofuels output grew by 240,000 b/d, up 13.8% from a year earlier.

Non-OPEC oil production increased last year by 1.9% to average 34.29 million b/d. Climbing 7.1% to average a little more than 4 million b/d, China's oil production saw the largest increase in the country's history due to rising offshore output, while Norway experienced the world's largest production decline.

DNO hits Cretaceous gas in Dohuk

Oil & Gas Journal, 06.06.2011



DNO has gauged a flow of 4 MMscfd of gas through a 24/64-in. choke on an open hole test after drilling 25 m into the Cretaceous interval at the Summail-1 exploratory well on the Dohuk license in Northern Iraq. Drilling will continue through the entire Cretaceous section, estimated to be 800 m thick, and testing will be undertaken as required. DNO will then set casing and drill into the Jurassic and Triassic intervals.

Meanwhile, on the Erbil license, test production at the Bastora-1A horizontal sidetrack has stabilized at 1,700-1,800 b/d compared with early rates of 2,000-2,300 b/d of 18-19° gravity oil on a downhole jet pump.

Produced crude is trucked to Tawke oil field facilities on the Tawke license, which DNO operates with 55% interest. The 600-m horizontal section was drilled through one of the oil-filled carbonate zones with the objectives of penetrating multiple fracture systems to enhance productivity and furthermore enabling the well to be used in an early production concept.

Flow-tests will continue in order to acquire more production and reservoir information that will serve as an important input to the development plan to be prepared for the Bastora and Benenan oil discoveries. DNO will issue a declaration of commercial discovery for the two discoveries to the Regional Government by June 25, 2011. DNO also confirmed deposit to its account of \$103.7 million for February and March crude oil exports previously approved by the Regional Government.

Statoil sells stake in Gassled for \$3.2 billion

Yahoo! News (AP), 06.06.2011



Norwegian oil company Statoil ASA will sell the majority of its stake in gas transportation company Gassled to a holding company for 17.35 billion Norwegian kroner (\$3.2 billion).

Statoil said Monday it will sell 24.1 percent of Gassled shares to Solveig Gas Norway AS, a holding company owned by Canada Pension Plan Investment Board and subsidiaries of German-based insurance giant Allianz SE and the Abu Dhabi Investment Authority. The transaction is subject to the approval of the Norwegian Ministry of Petroleum and Energy and the Norwegian Ministry of Finance. After the sale, Statoil's stake in Gassled will be 5 percent.



Announcements & Reports

▶ *EMRA Natural Gas Market Report – 2010*

Source : Energy Market Regulatory Authority

Weblink : <http://www.epdk.org.tr/documents/10157/5240dd6f-6c54-4096-89f1-dd91337259b6>

▶ *OPEC Monthly Oil Market Report (June 2011)*

Source : Organization of the Petroleum Exporting Countries

Weblink : http://www.opec.org/opec_web/static_files_project/media/downloads/publications/MOMR_June_2011.pdf

▶ *IEA Special Report: 'Are We Entering a Golden Age of Gas?'*

Source : International Energy Agency

Weblink : http://www.iea.org/weo/docs/weo2011/WEO2011_GoldenAgeofGasReport.pdf

Upcoming Events

▶ *International Electricity Summit (in Turkey)*

Date : 14 – 16 September 2011

Place : Ankara – Turkey

Website : <http://www.energy-congress.com/>

▶ *GeoPower Turkey (in Turkey)*

Date : 20 – 21 September 2011

Place : Istanbul – Turkey

Website : <http://www.greenpowerconferences.com/geopowerturkey>

▶ *Iraq Future Energy 2011 (in Turkey)*

Date : 26 – 29 September 2011

Place : Istanbul – Turkey

Website : <http://www.theenergyexchange.co.uk/3/13/articles/255.php?>