



GAS



PM Erdogan approves RWE as Nabucco partner

Date : 23.01.2008

Source : Today's Zaman

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=132266>

Prime Minister Recep Tayyip Erdogan has approved German energy firm RWE as the sixth partner in the EU-backed Nabucco pipeline project. A decision on RWE's partnership was also due this week from the state-owned Turkish Pipeline Corporation (BOTAS), a stakeholder in the Nabucco project.

The official said they were going to discuss getting a seventh partner for the financing or gas supply elements of the Nabucco project, adding that Gaz de France was among the candidates. The Nabucco project is one of Europe's most important projects for strengthening its natural gas supply security, as it will contribute substantially to diversifying existing supply routes. The pipeline connects large gas reserves in the Caspian region, the Middle East and Egypt with Europe.

The investment costs will amount to approximately 5 billion euros. When completed, the pipeline's annual capacity will be 31 billion cubic meters. The current shareholders are the Austrian OMV, Hungarian MOL, Transgaz, Bulgargaz and BOTAS.

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Residential gas consumption to increase

Date : 21.01.2008

Source : Turkish Daily News

<http://www.turkishdailynews.com.tr/article.php?newsid=94253>

While Turkey struggles to conserve natural gas after Iran cut its gas exports, the Energy Market Regulatory Authority (EPDK) announced that Turkey's natural gas consumption in households will increase by 17 percent this year, to hit 7.3 billion cubic meters, whereas industrial consumption will dip by less than 1 percent.

Total consumption of natural gas will increase by more than 1 billion cubic meters to reach 37.5 billion cubic meters this year, 70 percent of which will be used in electricity production and industry.



Half of trade deficit stems from energy imports

Date : 21.01.2008

Source : Today's Zaman

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=132102>

In response to a motion by Yilmaz Ates, a Republican People's Party (CHP) deputy, State Minister for Foreign Trade Kursad Tuzmen has said the country's trade deficit escalated to \$50.8 billion in the first 10 months of 2007 and that the money spent on energy imports was \$26.6 billion.

According to the minister the annual figure for intermediate goods imports rose by 27.5 percent to \$99.9 billion from 2002 to 2006. During those five years, Turkish companies spent a total of \$338.1 billion for the purchases of intermediate goods. This upward trend continued in 2007, and in only the 10 months from January to October it increased by 23.5 percent to \$100.7 billion. An intermediate good is something that is bought for resale or for use in producing something else; raw materials and semi-finished goods are considered a part of this category. In that sense, oil and natural gas are two of the most important intermediate goods.

The minister said the growth in the energy, iron and steel, chemicals and plastics industries was the main factor in the rising oil and gas demand. Their imports will increase as long as industrialization continues to gain speed, he added. Tuzmen pointed out that energy imports were just 4.8 percent of gross national product (GNP) in 2003, whereas in of 2006 this amount rose to 7.5 percent.



Iraq extends oil contracts deadline to February 18

Date : 22.01.2008

Source : Rigzone (AFX News Limited)

http://www.rigzone.com/news/article.asp?a_id=55609

Iraq has extended until Feb 18 the deadline for foreign oil companies to apply for service contracts linked to exploitation of its vast crude reserves, the oil ministry said. *"The deadline was extended from Jan. 31 to Feb. 18,"* Ministry Spokesman Asim Jihad told Agence France-Presse.

"A ministry committee has invited international companies to apply for service licences related to the extraction of oil, the development of oil fields and the deployment of expertise, equipment and training for projects that will be implemented by Iraqis," Jihad said. *"These licences are not investment contracts, but service contracts that will last for two years."* After then, companies will be allowed to bid for lucrative long-term exploitation contracts, he added.

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UK-based Penspen Group wins Nabucco contract

Date : 23.01.2008

Source : Turkish Daily News

<http://www.turkishdailynews.com.tr/article.php?newsid=94416>

The Nabucco gas pipeline partners have awarded the Owner's Engineer contract to the UK-based consultancy Penspen Limited (DAR Consultants UK Ltd), according to a written statement of BOTAS. According to the statement, the project has reached an important stage and engineering activities started January.

Penspen will assist in the setting up and then will manage the local FEED contractors in Austria, Hungary, Romania, Bulgaria and Turkey. *“The Penspen Group assumed the role after a bidding procedure covering all Europe. The total contract value is 9 million euros. The group will be responsible for the coordination of all technical details and engineering management,”* said the statement.

Penspen's scope of services will include the overall management of the local FEED contractors, the review of the technical feasibility study, route confirmation, preparation of the design basis, hydraulic studies, overall SCADA and telecommunications, GIS and preparation of tender packages for the next phase.

OIL



National oil companies overtaking multinationals

Date : 23.01.2008

Source : Rigzone (Greenwire)

http://www.rigzone.com/news/article.asp?a_id=55711

The annual PFC Energy 50 rankings of the world's largest listed energy companies reinforce the perception that national oil companies from China and Brazil are pushing international oil companies out of the way on issues of access to global resources and future successes.

“In spite of their enormous profits, the capital markets are saying the international oil companies have to offer a new vision of growth,” said Robin West, chairman of PFC Energy, the consultancy that did the ranking.

The top share price performer of the year was PetroChina, which rose 181 percent, surpassing Exxon Mobil Corp. to become the world's largest energy company by market capitalization. PetroChina is worth far less if the value of its Hong Kong listed shares is extrapolated into a market capitalization, and Exxon remains the largest listed group in terms of oil production. Prospects for international oil companies have declined since the 1970s, when they controlled 85 percent of the world's oil reserves. Today, national oil companies control 80 percent of those reserves.



Putin lands key pipeline deal in Bulgaria

Date : 19.01.2008

Source : Turkish Daily News (Agence France-Presse)

<http://www.turkishdailynews.com.tr/article.php?newsid=94101>

Russia and Bulgaria agreed a landmark gas pipeline deal that will strengthen Russia's grip on Europe's energy markets. The deal, set to be signed later Friday, opens the way for the construction of the South Stream pipeline project, which will carry Russian gas through Bulgarian territory and on to western European markets.

Russia and Bulgaria were set to sign two more multi-billion-dollar energy contracts by the time the Russian leader leaves on Friday evening. Bulgarian Prime Minister Sergey Stanishev announced at a hastily-convened news conference that Moscow and Sofia had settled their differences and would sign an accord after all. *"The negotiations ended successfully for both parties. Bulgaria's interests have been protected,"* Stanishev said.

South Stream is a new pipeline being built by Russian giant Gazprom and Italy's ENI which will transport gas from Russia under the Black Sea to Bulgaria and then branch off northwest to Austria, south to Greece and then west to southern Italy. With a capacity to deliver up to 30 billion cubic meters (one trillion cubic feet) of Russian gas annually to Europe, the project will strengthen Moscow's grip as the leading supplier of gas to Europe.

South Stream rivals EU plans for its own pipeline project, Nabucco, which will transport Central Asian gas from the Caspian basin to Europe, bypassing Russia. The strategic aim of Nabucco was to reduce the EU's dependence on Russian gas.

Stanishev said that Moscow and Sofia had agreed to each hold a stake of 50 percent in the company that operates the stretch of pipeline running through Bulgarian territory. Russia had previously wanted to retain full ownership for that particular stretch of pipeline.

Bulgaria, which receives almost all of its gas and oil from Russia, already transfers about 17 billion cubic meters of Russian gas a year to Turkey, Greece and Macedonia. Accompanied by First Deputy Prime Minister Dmitry Medvedev - the man Putin wants to succeed him in the Kremlin - the Russian president leader was in Sofia in a last major push for Russia's energy interests abroad before stepping down.

After 14 years of talks, Bulgaria and Russia will also finally set up a joint company for building the Burgas-Alexandroupolis pipeline to channel Russian oil from the Black Sea to the Aegean. That pipeline is seen as an alternative to the tanker-congested Bosphorus Straits.



Iran: Turkmenistan not to be trusted

Date : 24.01.2008

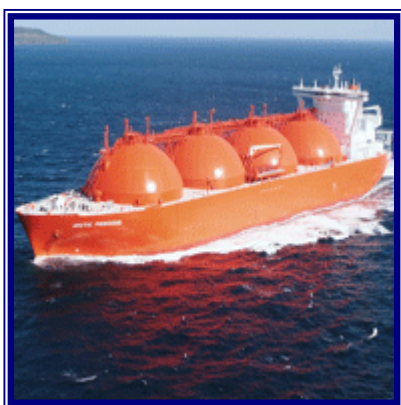
Source : Today's Zaman (Reuters)

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=132357>

Iran may review energy ties with Turkmenistan after the neighbouring country last month cut gas exports to the Islamic Republic, an Iranian official warned, saying Ashgabat could 'not be trusted'. Turkmenistan halted daily deliveries of up to 23 million cubic metres to Iran in late December, citing technical problems.

Iranian officials say Turkmenistan wants to raise the price of its gas and have voiced increasing anger at the cut. Iran, struggling with some of its coldest weather in decades, has subsequently halted its own natural gas exports to Turkey. *"This immoral behaviour by Turkmenistan has created problems for us and Turkey,"* Ebadollah Ghanbari, head of the public relations unit of Iran's national gas company, told Reuters.

"Surely Turkmenistan showed that it cannot be trusted and surely Iran, I feel, will review its trade activities with Turkmenistan, at least at its energy sector. We do not trust Turkmenistan anymore." Iranian Oil Minister Gholamhossein Nozari said on Jan. 13 that Iran might consider stopping purchasing Turkmen gas altogether if supplies did not resume. Iran says Turkmenistan must resume gas exports before Tehran would be prepared to enter price talks with Ashgabat.



China looks to Iran to supply gas

Date : 22.01.2008

Source : Rigzone (Greenwire)

http://www.rigzone.com/news/article.asp?a_id=55654

China National Offshore Oil Corp. could within two weeks sign an agreement with Iran for a guaranteed supply of LNG for three Chinese terminals, two people familiar with the situation said. If concluded, the National Iranian Oil Co. would deliver 10 million metric tons of the gas for three new or expanded LNG terminals in China.

The gas would come from Iran's North Pars project, the sources said. *"Iran is our target place for sourcing LNG,"* said a sales manager with Guangdong Zhuhai Jinwan LNG Corp., which is working with CNOOC in developing one of the terminals.

But analysts are skeptical Iran will be able to secure liquefaction technology to meet its commitment, as it has struggled to seal agreements on its natural gas reserves with foreign investors because of spiraling costs and U.S. sanctions.



World oil demand to reach 118 mbpd by 2030

Date : 21.01.2008

Source : Rigzone (Xinhua News Agency)

http://www.rigzone.com/news/article.asp?a_id=55541

The United Arab Emirates (UAE) Energy Minister Mohammed bin Dhaen Al Hamli said on Monday that the world's oil demand will reach 118 million barrels per day (bpd) by 2030, the official Emirates News Agency reported. The forecast was made by Al Hamli in his keynote speech at the World Future Energy Summit.

Hamli assured the audience that the world's oil resources are sufficient to meet the heavy forecast increases in demand for decades to come. Estimates of ultimately recoverable reserves have practically been doubling since the early 1980s due to improved technology, successful exploration and enhanced recovery from existing fields, he said. *"On top of this, there is also a vast resource base of non-conventional oil to explore and develop"*, he added.

The minister also highlighted three pillars of sustainable development: economic growth, social development, and environmental protection. It was critical that the world community makes sure that access to reliable, affordable, economically viable, socially acceptable and environmentally sound energy services are available to people who struggle daily to combat poverty, he said. In 2007, the world's oil demand stood at 85.8 million barrels per day, according to the International Energy Agency.



Russia increases exploration drilling by 20%

Date : 24.01.2008

Source : Rigzone

http://www.rigzone.com/news/article.asp?a_id=55796

Russian oil companies increased exploration drilling by 20.6% in 2007, according to the Fuel and Energy Dispatch Center. Over 870,900 exploration wells were drilled in 2007. Russian companies also completed 13.8 million meters of production wells, an increase of 18.8% more over 2006.

Surgutneftegas drilled 168,100 meters of exploration wells last year (up 2.4%) and 3.1914 million meters of production well (up 4.0%). Other increases include Lukoil, which drilled 125,100 meters of exploration wells (up 7.8%) and 2.6379 million meters of production wells (up 26.6%); Rosneft--84,200 meters (up 37.6%) and 2.5136 million meters (up 79.8%) respectively; TNK--BP Holding--102,200 meters (up 150%) and 1.1061 million meters (up 20.4%); and Gazprom Neft--53,400 meters (up 70.6%) and 1.6937 million meters (up 18.5%).



Melrose Black Sea exploration a success

Date : 21.01.2008

Source : Rigzone

http://www.rigzone.com/news/article.asp?a_id=55559

Melrose Resources plc reported that the results of recent exploration drilling and a planned development project in Bulgaria. Following the announcement of the award to Melrose of the Block Galata exploration concession, Melrose has drilled the Galata E3 - Kaliakra exploration well using the Atwood Cross drilling rig.

The well was drilled to test a structural feature similar to that at the nearby Galata gas field, with the main reservoir target in a Palaeocene-aged formation. The well intersected the top reservoir at a measured depth of 2743 feet and found a gross hydrocarbon column of 46 feet. Open hole log data indicates a net pay interval of 33 feet with an average porosity of 31% and high gas saturations. Due to the high quality of the reservoir, flow testing was not required and the well has been suspended for use as a production well.

Plans are now being formulated for the development of the field using a subsea completion and tying the well back approximately 15 kilometres to the Galata platform production facilities. The objective is to achieve production from the well no later than mid 2009.

Based on the open log data, the reserves in the immediate vicinity of the well are estimated at 7 billion cubic feet (Bcf) and there is additional upside in the field of over 40 Bcf if a shale-filled channel to the east of the structure acts as an effective seal. Based on seismic mapping and regional analogues, the estimated chance of success for the upside reserves case is 50%.



Kazakhstan to export as much oil via Russia as it can take

Date : 23.01.2008

Source : Platts

<http://www.platts.com/Oil/News/8484436.xml?p=Oil/News&sub=Oil>

Kazakhstan plans to export as much crude through Russia as the Russian pipeline transportation system can take, with the remaining volumes to go through alternative routes, Kazakhstan's Prime Minister Karim Masimov told Russia's daily Vedomosti in an interview published Wednesday.

“We will export via Russia as much [crude] as the Russian pipeline system can digest,” Masimov told the newspaper. “We will export the remaining [volumes] via other routes such as Baku-Tbilisi-Ceyhan, towards China.”

Speaking about the planned Caspian gas pipeline, Karimov said that all the main issues regarding the construction of the pipeline had been resolved. *“I don't see any problems in the construction of the gas pipeline as all the principal issues have been resolved,”* he said. The agreement signed by Kazakhstan, Russia, and Turkmenistan includes the gas price formula. So *“this issue is settled for the near future.”*

In the long-term, there would be a question of gas resources availability, rather than the price, Karimov said. *“Whether Turkmenistan has this gas, I cannot confirm or deny,”* Masimov said. But he added that Kazakhstan takes decisions on the assumption that Turkmenistan has gas. Russia already handles 100% of Kazakhstan's small, but rapidly developing exports of gas. The source of much of the existing and projected deliveries is Kazakhstan's giant oil and gas field Karachaganak.



📌 OPEC Monthly Oil Market Report (January 2008)

Source : OPEC
 Weblink : <http://www.platts.com/Oil/News/8484436.xml?p=Oil/News&sub=Oil>



📌 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)



📌 GEO 2008 – 8th Middle East Geosciences Conference

Date : March 3 – 5, 2008
Place : Bahrain – Bahrain
Website : <http://www.aeminfo.com.bh/Geo2008/>
Contact : Fawzi Al Shehabi (+973 17 55 00 33)



📌 Petrotech 2008 – 6th Middle East Refining & Petrochemicals Conference

Date : May 25 – 28, 2008
Place : Bahrain – Bahrain
Website : <http://www.mepetrotech.com/>
Contact : Fawzi Al Shehabi (+973 17 55 00 33)

