



## GAS



## Global Energaz wins Ankara gas grid with \$1.61 bln bid

**Date** : 15.03.2008

**Source** : Today's Zaman

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=136465>

Global Energaz was the highest bidder in an auction to buy Ankara's state-owned natural gas network, currently run by the Ankara Metropolitan Municipality, after offering \$1.61 billion for one of the most valuable assets in the country's privatization program. Seven firms had submitted sealed bids in the first phase of the tender.

Güris was expected to bid, but announced it would not participate in the process immediately prior to the tender. Aksen, Calik Enerji, Gaz Naturel – Nurol, Global Yatirim – Energaz, Limak, Elektromed and Zorlu Petrogas made the initial bids. Zorlu Petrogas eliminated after initial bids. Zübeyir Arik, head of the commission that oversees tenders, had announced one-to-one meetings would continue for the revising of bids. After one-to-one meetings Arik said no firm had raised their bid over the highest offer in initial bids, namely \$1.6 billion.

Akfen, Gaz Naturel – Nurol and Limak submitted the lowest bids, leading to their elimination in the first phase. The tender then continued in an open auction with the opening price set at \$1.606 billion. Calik Enerji and Elektromed withdrew in this phase without raising their bids. Global Yatirim – Energaz accepted the opening price and did not raise it further.

After the auction ended, the commission asked for a final bid, and Global Yatirim – Energaz raised its bid to \$1.61 billion. The tender was technically completed but the process needs to be approved by the Competition Board before BaskentGaz can officially be sold. The gas network has assets valued at \$570 million and 1.1 million customers.

Ankara Mayor Melih Gökcek had said some 3.2 billion cubic meters of natural gas were consumed in Ankara last year and estimated that consumption would double over the next decade. Gökcek said the operator of the grid will be responsible for distributing the gas but can also decide from where to import gas stocks.

Profits from the privatization will be used to pay off the municipality's debts, Gökcek said. The municipality owes \$800 million to the Turkish Treasury and to the state-owned Turkish Pipeline Corporation (BOTAS). He said the municipality would spend the remainder on transportation, infrastructure and irrigation investment.



## Güler: Marriage between Nabucco and South Stream possible

**Date** : 21.03.2008

**Source** : Today's Zaman (Ramazan Solak & Ismail Altunsoy)  
<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=136902>

Turkey is trying to establish a central role for itself on the global energy strategy stage by making Anatolia a corridor for energy transportation with grand projects such as the Nabucco, Baku-Tbilisi-Ceyhan and Samsun-Ceyhan pipelines, while Russia is developing alternative projects.

Turkish Energy Minister Hilmi Güler, however, doesn't perceive these actions by the two countries as rival moves; rather, he defines Russia's South Stream project as complementary to the European Union and US-backed Nabucco, saying that a partnership with Russia is always a possibility. The minister denied the existence of rivalry with Moscow, noting that every project has its own focus, customers and target markets:

*"We do not intend to be rivals of anyone while developing our projects, and they are all open to everyone. I have already offered partnership to Russia on many projects, considering the advantages of such a partnership. But these all depend on economic factors, feasibility and the conditions of the region. We are always in communication with Russia and have discussed many projects. Our relations are very good,"* he noted.

*"It was hard to effect these projects due to a great many technical, legal and diplomatic hurdles, but we have undertaken risks to complete these great projects, each of which represents a major step in terms of making Turkey an energy hub,"* the minister stated.

The minister also recalled a deal for a gas pipeline to bring gas from Egypt to Turkey through Iraq and Syria. *"We are also planning to take this gas to Europe through Nabucco, and this is very important for the progress of Iraq's economy and the stability of the region. Our aim is not just economic here. We also want to provide peace because our state traditions prevent us from adopting a merely economic perspective in our relations with our neighbors,"* he said

Regarding the ministry's management of Iran's winter gas flow cuts, Güler praised his ministry's performance and said: *"Iran cut the gas flow for 34 days this year, but thanks to our timely measures, no problem occurred in the country. There are four major criteria in determining the success of an energy ministry: Is there enough electricity, natural gas, gas and coal in a country."* He said his energy ministry had so far succeeded in all these points.



## Düzyol: EU was late to back Nabucco

**Date** : 19.03.2008

**Source** : Today's Zaman

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=136712>

BOTAS General Manager Saltuk Düzyol has claimed that the European Union did not act in a timely fashion to provide support for the Nabucco project, which seeks to construct a natural gas pipeline to carry Caspian gas to European markets through Turkey, Bulgaria, Romania, Hungary and Austria.

Talking to members of the press after the TUROGE 2008 Conference in Ankara, Düzyol shared his remarks on some crucial issues concerning Turkey's energy policies. In reply to a question on whether Turkey had any plans to accept a seventh partner in Nabucco, he said Turkey's current position was closer to conducting the project with the current six partner countries. He also claimed that the South Stream project, being carried out by Italian energy giant Eni and Russian Gazprom, is a tough contender for Nabucco. Düzyol also criticized Eni for helping both Nabucco and the South Stream project.



## TPAO producing gas from Ayazli field

**Date** : 19.03.2008

**Source** : Oil & Gas Journal

[http://www.ogj.com/display\\_article/323573/120/ARTCL/none/DriPr/1/TPAO-producing-gas-from-Ayazli-field/](http://www.ogj.com/display_article/323573/120/ARTCL/none/DriPr/1/TPAO-producing-gas-from-Ayazli-field/)

TPAO has begun producing natural gas from Ayazli gas field in the Black Sea off Turkey, reported partner Stratic Energy Corp., Calgary. Ayazli is the third gas field in which production has begun under Phase 1 of the South Akcakoca sub-basin development program.

Production began last year from Akkaya and East Ayazli fields. Officials said initial flow rates from Ayazli support operator estimates that production from the field will average more than 10 MMscfd. Production from the two existing fields recently has been 17 MMscfd gross.

TPAO has started well intervention projects to add further perforations on the East Ayazli-2 well to increase production from that field. TPAO has 51% interest in the permit area. Dallas-based Toreador Resources Corp. has 36.75%, and Stratic Energy has 12.25%.



## Shell to cut reserves by 1.3 billion barrels

**Date** : 17.03.2008

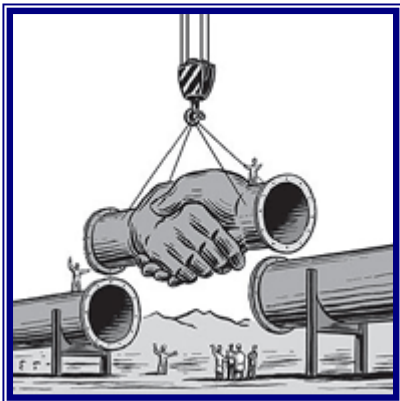
**Source** : Rigzone

[http://www.rigzone.com/news/article.asp?a\\_id=58404](http://www.rigzone.com/news/article.asp?a_id=58404)

Royal Dutch Shell is set to slash its 2007 reserves figures by more than half, it was reported. The company will mark down its reserves by 1.3 billion barrels -around one year's production- according to reports. CEO Jeroen van der Veer is also expected to say that production growth will be near zero until 2010.

Shell was at the centre of the biggest crisis in its history in 2004 when it overstated its reserves by a fifth, shaking confidence in the firm and sparking lawsuits, which the oil major has settled. Mr. van der Veer is expected to cite problems in Russia and Nigeria as the reason for the downgrade, the report says.

The Anglo-Dutch company's stake in the vast Sakhalin-2 gas field has been diluted after Russian giant Gazprom bought control of the project in April last year. This is expected to wipe 1.1 billion off reserves. Meanwhile, Shell's production facilities in Nigeria have come under rebel attack in the oil-rich Niger Delta region. The company is said to have lowered its reserves estimates by around 200 million barrels as a result. The reserves issue comes just weeks after Shell reported annual profits of pounds 13.6bn for 2007.



## Iran signs final agreement for 'Peace Pipeline'

**Date** : 18.03.2008

**Source** : Oil & Gas Journal

[http://www.ogj.com/display\\_article/323378/120/ARTCL/none/Trasp/1/Iran-signs-final-agreement-for-'Peace'-gas-pipeline/](http://www.ogj.com/display_article/323378/120/ARTCL/none/Trasp/1/Iran-signs-final-agreement-for-'Peace'-gas-pipeline/)

Iran reported it will sign a final agreement to export natural gas via pipeline to Pakistan in April. Iran has completed construction of about half of the 110 million cu m/day gas line, known as the 'Peace Pipeline', which will transport gas to Pakistan and later India.

Iran plans to start exporting gas to Pakistan and India starting in 2011 through the \$7.4 billion pipeline project. "Negotiations are at a final stage," a National Iranian Gas Co. senior pipeline executive said, adding, "Pakistan needs 50 million cu m/day of gas, and we can supply the rest to India if they want it."

National Iranian Oil Co. is developing Kish field, which would transport gas via a 900-km pipeline from Assaluyeh to Iranshar once it was completed, the executive said. Pakistan could start receiving the gas when Iran completed a 400-km section from Iranshar to the Pakistani border, he said.



## EU to stay dependent on Russian gas transit states

**Date** : 15.03.2008

**Source** : Today's Zaman (Reuters)

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=136451>

The European Union will continue to depend on ex-Soviet transit states for the delivery of Russian gas, an official said. Torsten Woellert, EU policy officer for energy in Russia, said capacity limits and uncertain planning would restrict impact of the major Nord Stream and South Stream pipelines.

*“Neither of them will stop Russia and Europe’s reliance on transit countries such as Ukraine and Belarus for Russian gas,”* Woellert told Reuters in an interview. Nord Stream’s first strand has 27 billion cubic metres a year, South Stream has 30 bcm and is only a plan. Europe receives around 120 billion cubic metres of gas a year from Russia via Ukraine, through Soviet-era links. Another 30 bcm comes through Belarus.

A second strand will double Nord Stream’s capacity to 55 bcm but both it and South Stream, if they reach planned capacity, would only be able to transport a total 85 bcm per year. Russian gas export monopoly Gazprom, which supplies Europe with a quarter of its gas needs and will part-operate the two links, has long sought alternative routes to avoid current transit states.



## EU member states’ gas use falls 1.5% in 2007

**Date** : 18.03.2008

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

[http://www.ogj.com/display\\_article/323433/120/ARTCL/none/GenIn/1/EU-member-states'-gas-use-falls-15-in-2007/](http://www.ogj.com/display_article/323433/120/ARTCL/none/GenIn/1/EU-member-states'-gas-use-falls-15-in-2007/)

Natural gas consumption in the 27 member states of the EU fell 1.5% in 2007 because of widespread mild weather early in the year. In some countries high energy prices and increased efficiency also played a role, said Eurogas in Brussels. Natural gas consumption amounted to 505 bcm compared with 513 bcm in 2006.

By year end 2007, the number of customers connected to the EU 27 gas grid increased 1% to 110.2 million, pulled along by the UK, Spain, and Italy. Indigenous production decreased 7% to 198 bcm with drops in major producing countries such as the UK, down 9.9%; Germany, down 8.3%; Denmark, down 11.4%; and Italy, down 11.5%.

Eurogas said indigenous production provides the highest percentage of gas supplied in the EU 27, covering 38% of total net supplies in 2007. The main external sources of gas are Russia with 23%, Norway with 18%, and Algeria 10%.



## Egypt says gas pipeline to Israel being tested

**Date** : 18.03.2008

**Source** : Platts

<http://www.platts.com/Natural%20Gas/News/8597656.xml?p=Natural%20Gas/News&sub=Natural%20Gas>

A gas pipeline to deliver Egyptian natural gas to Israel is being tested ahead of the supply of around 150 million cubic feet of natural gas, the head of the state-owned Egyptian Natural Gas Holding Company was quoted as saying.

The Egyptian oil ministry's website carried details of a news conference held in Cairo by Egas President Mahmoud Latif at which he gave details of Egyptian gas exports and average prices of exported gas and LNG. Under a 2005 MOU between the two countries, Egypt is expected to supply gas to Israel via a 100 km (60 mile) pipeline linking from al-Arish on the Mediterranean Sea to Ashkelon in southern Israel for a reportedly low price of \$2.75/MMBtu, lower than the average price of Egyptian gas sales.

Actual gas deliveries to Israel are expected at the end of March when the pipeline is linked to Israel's national grid. Israel said February 26 that it had started receiving natural gas from Egypt through the subsea pipeline but that it had not yet reached customers. The gas is being delivered by the East Mediterranean Gas Company, a joint venture whose investors include Egyptian businessman Hussein Salem, Israeli businessman Yossi Maiman and Thai energy company PTT. In 2005 the Egyptian and Israeli governments signed a memorandum of understanding for the delivery of up to 7 billion cubic meters/year of gas to Israel.

Latif said that the average price of Egyptian gas exports was \$5/MMBtu though some spot LNG cargoes had been sold at between \$8 and \$11/MMBtu. He said that Egypt had recently revised some sales contracts with foreign partners that will earn the country an additional \$18 billion in revenues over the next 20 years. Egypt had set a cap of \$2.65/MMBtu on the purchase of gas from its foreign partners, he said.

Latif noted that the proposed volume of sales to Israel represents only 2.5% of total natural gas production which he said averaged 6.3 Bcf/d though he gave no timeline. Egypt's natural gas reserves have risen to 72.3 Tcf after the addition of 6.2 Tcf to reserves last year with the discovery of new fields and the development of producing fields, Latif said. He added that the figure was expected to rise further to 75 Tcf by the end of 2008.

Another Egyptian official said at the same news conference that Egypt had a right to review its gas sales contracts so they conform with current higher gas prices internationally. There have been reports recently that Egypt is seeking a price of \$7/MMBtu for LNG exports.

**+** OPEC Monthly Oil Market Report (March 2008)

**Source** : OPEC  
**Weblink** : <http://www.opec.org/home/Monthly%20Oil%20Market%20Reports/2008/pdf/MR032008.pdf>

**+** Promoting Energy Efficiency Investments

**Source** : IEA (International Energy Agency)  
**Weblink** : <http://www.iea.org/w/bookshop/add.aspx?id=326>

**❖ COS 2008**

China Offshore Summit 2008

**Date** : April 2 – 3, 2008  
**Place** : Beijing – China  
**Website** : [www.chinaoffshoresummit.com](http://www.chinaoffshoresummit.com)  
**Contact** : Michael Yuan (+86 21 5236 0030)



**❖ GIOGIE 2008**

7th Georgian International Oil, Gas, Energy Infrastructure Conference & Showcase

**Date** : April 3 – 4, 2008  
**Place** : Tbilisi – Georgia  
**Website** : [www.giogie.com](http://www.giogie.com)  
**Contact** : Siobhan Enright (+44 207 596 5166)



**❖ MPGC 2008**

16th Annual Middle East Petroleum & Gas Conference

**Date** : April 6 – 8, 2008  
**Place** : Doha – Qatar  
**Website** : [www.cconnection.org/mpgchome.htm](http://www.cconnection.org/mpgchome.htm)  
**Contact** : Conference Connection Group (+65 62 220230)



## ❖ CIPPE 2008

8th China International Petroleum & Petrochemical  
Technology and Equipment Exhibition

Date : April 7 – 9, 2008  
Place : Beijing – China  
Website : [www.cippe.com.cn](http://www.cippe.com.cn)  
Contact : Joanna Qiao (+86 10 58 236588)



## ❖ SYROIL 2008

6th Syrian International Oil & Gas Exhibition

Date : April 7 – 10, 2008  
Place : Damascus – Syria  
Website : [www.syroil.com](http://www.syroil.com)  
Contact : Allied Expo (+963 11 332 4801)



## ❖ African Petroleum

5th Annual African Petroleum Forum

Date : April 9 – 11, 2008  
Place : London – UK  
Website : [petro21.com/events/index.cfm?id=319](http://petro21.com/events/index.cfm?id=319)  
Contact : Duncan Clarke (+31 70 324 6154)



## ❖ Atyrau Oil & Gas 2008

7th Regional Oil & Gas Exhibition

Date : April 9 – 11, 2008  
Place : Atyrau – Kazakhstan  
Website : [www.atyrauoilgas.com](http://www.atyrauoilgas.com)  
Contact : Angela Kourtidou (+44 (0) 207 5965078)



## ❖ EMBT Conference

2nd International Evolving Multiphase Boosting Technology  
Conference

Date : April 16 – 18, 2008  
Place : Hannover – Germany  
Website : [www.embt-conference.com](http://www.embt-conference.com)  
Contact : Angela Kohlmeier (+49 5724 3902330)





## ❖ Oil & Gas West Asia

Oil, Gas, Refining and Petrochemical Exhibition & Conference

Date : April 21 – 23, 2008  
Place : Muscat – Oman  
Website : [www.ogwaexpo.com](http://www.ogwaexpo.com)  
Contact : Oman Expo (+968 24 790333)

