



GAS



Turkish Iranian gas deal takes shape

Date : 11.04.2008

Source : Turkish Daily News

<http://www.turkishdailynews.com.tr/article.php?enewsid=101459>

Turkey and Iran take one step further toward concluding a deal on development of Iran's three South Pars gas fields, as delegations from the two neighbors discuss investment models during the week. Turkish Petroleum Corporation (TPAO) will look for partners once a final deal is reached on the \$3-4 billion Project.

Delegations from Turkey and Iran met in Ankara yesterday to solidify the memorandum of understanding signed last year to develop Iran's three phases in South Pars gas fields. The Iranian officials arrived Monday and held talks with officials from the TPAO and BOTAS for three days. The Iranian delegation submitted its report to the Turkish Energy Ministry and returned home yesterday.

Energy Minister Hilmi Güler signed a memorandum of understanding with Iran's former Oil Minister Kazem Vaziri-Hamaneh on July 13, 2007 allowing TPAO to produce 20 billion cubic meters of natural gas in phases 22, 23 and 24 of Iran's South Pars gas field. The plans also include an agreement to use Iran as a transit country for Turkmenistan's natural gas.

The delegations discussed the investment model for TPAO, a high-level energy ministry official said. "TPAO and Iran are still elaborating on the investment model. We are close to reaching a conclusion. Technical teams will convene in Ankara or Tehran in a month," he said.

The official said there is no reason not to sign the contract with Iran this year. No developments took place in the electricity deal with Iran, the same official said. Turkey declared in August last year that it will help build a hydroelectric plant in Iran and will purchase three to six billion kilowatt-hours of electricity from Iran to cover its shortages.

The TPAO will look for partners following finalization of the deal, as investment costs are expected to reach \$3-4 billion, officials said. Iran will pay cash or natural gas in exchange for TPAO's production in the three fields. The annual gas flow expected is 20 billion cubic meters, which amounts to two-thirds of Turkey's gas needs. Gas will be transferred to Turkey through a pipeline to be built by BOTAS and Iran's concerned companies. Some of this gas will be used in Turkey, while the rest will be delivered to Europe, officials said.



EGO to refund excess gas bills

Date : 05.04.2008

Source : Today's Zaman

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=138195>

The Energy Market Regulatory Board (EPDK) has ruled that EGO collected excess payments from customers between June 2, 2005 and January 1, 2006 and that this money must be refunded. The amount collected in excess is reportedly YTL 10–12 million. The decision by the EPDK was made on March 13 and was announced this week in the Official Gazette.

The EPDK, in its ruling, decided that the EGO General Directorate's adjustment coefficient in the tariff rate was in violation of the legislation in effect. Considering that customers had made excess payments under this unlawful coefficient, the EPDK decided that EGO must refund the excess to consumers.



Europe eyes Caspian energy

Date : 11.04.2008

Source : Turkish Daily News (Reuters)

<http://www.turkishdailynews.com.tr/article.php?newsid=101508>

The European Union agreed with Turkmenistan to step up energy cooperation following closed-door talks between top EU and Central Asian officials. Brussels sees Central Asia, lying on some of the world's biggest oil and gas reserves, as key to its ambitions to diversify energy supplies away from Russia which provides the bloc with a quarter of its gas needs.

EU External Relations Commissioner Benita Ferrero-Waldner as well as the French and Slovenian foreign ministers gathered in Turkmenistan this week for talks on issues ranging from energy security and pipelines to democracy and human rights. "We want to diversify our supplies," Ferrero-Waldner told Reuters on the sidelines of the talks. "I had a meeting with his Excellency the president (of Turkmenistan) and (there is) now a mutual will on both sides indeed to go forward and to try to work together."

The European Union is particularly keen to convince Turkmenistan to join the long-stalled Nabucco gas pipeline project designed to link up Caspian gas with European markets. "Turkmenistan's key goal is to diversify energy export routes on the global market," Turkmen Foreign Minister Rashid Meredov told reporters after the talks. "Talks on that are being held and work is being done."



OPEC President: No need for more crude oil

Date : 08.04.2008

Source : Rigzone (Spencer Swartz)

http://www.rigzone.com/news/article.asp?a_id=59758

OPEC President Chakib Khelil said the OPEC has no plans to increase oil supply, pinning high prices on a weaker U.S. dollar and financial speculators, not a shortage of supply. "The supply is there. We are (now) entering a period of lower demand... demand this year is going to be lower than expected," Khelil told reporters.

Khelil, who is also Algeria's oil minister, placed the blame for the current \$100 a barrel oil prices on a weak U.S. economy that was undermining the U.S. dollar, which was giving financial speculators room to bid oil prices higher. "I think everyone agrees that the major concern is the economic crisis in the U.S. and the downfall of the U.S. dollar and its impact on the oil price," he said, adding he believed financial speculators were the driving force pushing oil prices higher.

Several analysts in recent days, however, have said the role of speculators wasn't a big factor in recent high prices, noting speculators have actually been reducing their exposure to the oil market. Khelil's comments on oil supplies echoed the remarks of OPEC Secretary General Abdullah al-Badri earlier this week, who said during a visit to Iran that, "At the moment there is enough oil in the market and no need to change OPEC's output," according to AFP.



Iraq lawmaker: Parliament working to re-establish state oil company

Date : 07.04.2008

Source : Rigzone (Dow Jones)

http://www.rigzone.com/news/article.asp?a_id=59667

Abdul-Hadi al-Hassani, deputy chairman of the committee on oil and gas, said legislation to re-establish the Iraqi National Oil Company, was likely to be presented to parliament Tuesday.

Al-Hassani said parliament also began discussing a separate anti-smuggling bill this week. The law would call for tight penalties against oil smugglers ranging from fines to years in prison and confiscation of boats that are used for smuggling. He said that there is no accurate study on how much Iraq loses due to oil smuggling but his committee estimates the figure at nearly 10% of total revenue - or about \$5 billion a year.



IEA cuts demand forecast on slow growth

Date : 11.04.2008

Source : Upstream Online

<http://www.upstreamonline.com/live/article152280.ece>

World oil demand will rise less than expected this year because of slower economic growth in the US, the International Energy Agency (IEA) said in its monthly oil market report, released today. Global consumption will rise by 1.27 million barrels per day, 460,000 bpd less than the previous forecast, the IEA said.

“The latest GDP projections from the IMF suggest less robust oil demand growth in the coming months,” the IEA said. The IEA cut expected OECD demand this year by 320,000 bpd to 48.9 million bpd. The agency also trimmed its forecast for 2008 demand in China, the world’s second-largest oil consumer, by 70,000 bpd, partly due to weather-related effects in the first quarter.

The reduction brings the IEA’s global demand forecast closer to OPEC’s, which expects growth of 1.2 million bpd this year. But the IEA said weaker demand might not translate into lower oil prices given supply risks in countries such as Nigeria and Iraq. The IEA trimmed its forecast for oil supply outside OPEC this year and said oil inventories fell in February and preliminary figures showed only a small increase in March. Commercial oil inventories in the OECD fell 49 million barrels in February and rose by just 6.3 million barrels in March. That leaves stocks equalling 53.3 days of forward demand at the end of February.



CNOOC to offer 17 blocks to foreign companies

Date : 10.04.2008

Source : Rigzone (AFX News)

http://www.rigzone.com/news/article.asp?a_id=59939

China National Offshore Oil Corp (CNOOC) said it will offer 17 offshore blocks to foreign companies this year for joint oil and gas exploration. The blocks cover 45,817 square kilometers. There are 13 in the eastern South China Sea and four in the western area of the sea, the company said in a statement on its website.

Two-dimensional seismic surveys have been carried out on all the blocks, the company said. Their water depth ranges from 18 to 300 meters. CNOOC controls most of China’s offshore oil and gas resources. At the beginning of each year, CNOOC opens up selected blocks to foreign bidders.



Russian oil supply takes a dip

Date : 11.04.2008

Source : Upstream Online

<http://www.upstreamonline.com/live/article152290.ece>

Russian oil supply in the first quarter of the year averaged 10 million barrels per day, a 90,000 bpd drop on the same period in 2007 and the first year-on-year fall this decade, the International Energy Agency (IEA) said. For 2008, Russian oil production is forecast to show growth of only 80,000 bpd, compared with an average of 2.5% in the last three years.

But the agency cautioned the year-on-year comparison was distorted by unusually mild weather during the previous winter that minimised seasonal shutdowns at production sites. Others factors that could limit output in 2008 include fiscal reform, which will raise the production tax threshold from \$9 to \$15 a barrel from 2009, as well as an expected drop in output from the Sakhalin 1 project.

Net oil exports from the former Soviet Union rose by 130,000 bpd in February as a significant monthly rise in product exports offset a drop in crude exports. Product exports rose by 235,000 bpd in February from a downwardly-revised January, while record high distillate prices in Europe provided an incentive for former Soviet Union refiners to maximise gasoil exports.



TOTAL in talks with Syrian govt to renew crude oil PSA

Date : 08.04.2008

Source : Rigzone (Hassan Hafidh)

http://www.rigzone.com/news/article.asp?a_id=59831

Total S.A. was holding talks with the Syrian government to renew a production sharing agreement signed in 1988, the company said in statement Tuesday. "There are ongoing discussions with the government of Syria to renew this agreement over a 10-year period, until 2021," the company said. The current PSA expires in 2011.

Total currently produces some 30,000 barrels a day from the Deir Ezzor area. The PSA contract area contains nine production fields, the most significant of which are Jafra, Qahar and Attalla. Total, in partnership with ConocoPhillips, developed the Deir Ezzor gas plant in 1999 under a build-operate-transfer contract and it was transferred to the Syrian government in 2005. Syria's Oil Minister Sufian al-Alao said Monday that his country's oil production had fallen by 20,000 barrels a day to 360,000 barrels a day and said Syria is taking measures to increase its production by awarding exploration contracts to international oil companies.

PETFORM
ANNOUNCEMENTS & REPORTS

✚ Board's Decree on K Coefficient of EGO (Baskent Natural Gas Distribution Corporation)

Source : EMRA

Weblink : http://www.epdk.org.tr/mevzuat/kurul/dogalgaz/1537_1/1537_1.html

✚ Oil Market Report

Source : International Energy Agency (IEA)

Weblink : <http://omrpublic.iea.org/>

PETFORM
UPCOMING EVENTS

❖ **OGU 2008**

12th Uzbekistan International Oil & Gas Exhibition & Conference

Date : May 13 – 15, 2008

Place : Tashkent – Uzbekistan

Website : www.ogu2008.com

Contact : Siobhan Enright (+44 (0) 20 7596 5166)



❖ **Nigeria Gas 2008**

1st Nigerian International Gas Conference & Exhibition

Date : May 21 – 23, 2008

Place : Abuja – Nigeria

Website : www.nigeria-gas.com

Contact : Bryan Pearson (+44 1638 743633)



❖ **POGEE 2008**

6th Pakistan Oil, Gas & Energy Exhibition & Conference

Date : May 21 – 24, 2008

Place : Karachi – Pakistan

Website : www.pogeepakistan.com

Contact : Pegasus Consultancy (+92 21 11 1734266)



❖ Petrotech 2008

6th Middle East Refining & Petrochemicals Conference

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



❖ MidEast Oil Week 2008

5th Middle East Upstream Conference

Date : May 27 – 28, 2008
Place : Dubai – UAE
Website : petro21.com/events/index.cfm?id=325
Contact : Duncan Clarke (+31 70 324 6154)



❖ Kuwait Oil & Gas

Kuwait Oil & Gas Conference and Exhibition

Date : May 27 – 29, 2008
Place : Kuwait – Kuwait
Website : www.kuwait-oil.com
Contact : Kuwait Ministry of Energy (+965 4335391)

