



OIL



Güler discusses Iraq oil list with Shahrستاني

Date : 24.04.2008

Source : Today's Zaman

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=139947>

Hilmi Güler had talks with Iraqi Oil Minister Hussain al-Shahrستاني earlier this week in which the two also discussed the absence of TPAO among 35 companies approved by the Oil Ministry to bid for soon-to-be announced tenders.

Güler and al-Shahrستاني met in Rome late on Tuesday on the sidelines of the International Energy Forum, which gathered together world oil producers and consumers. Al-Shahrستاني told Güler that his ministry had no ill intent in not including the TPAO/TPIC on the list and that companies on the list were all selected by computer according to data on those companies. If the TPAO/TPIC renews its application by renewing its company's data, it may be included in a new list, the Iraqi minister added. "[There was no] ... intervention [to exclude] the TPAO/TPIC from the list. If we had the chance to intervene, we would use this chance in favor of you," he said.

OIL



TPAO to spend more on exploration

Date : 24.04.2008

Source : Turkish Daily News (Bloomberg)

<http://www.turkishdailynews.com.tr/article.php?enewsid=102650>

TPAO will spend \$826 million this year on oil and gas exploration. Hüseyin Yakar, a manager at TPAO, didn't give a figure for last year's investment in exploration. It was \$350 million in 2006 and \$70 million in 2002, according to the Energy Ministry.

Turkey imports nearly all of its oil and gas, and higher global energy prices have helped swell the current-account deficit to \$3.7 billion in February. Turkey has mainly explored off its Black Sea coast, where it hopes to find a 'giant field', Yakar told. TPAO is now 'shifting priority' to the Mediterranean and last year completed the collection of seismic data at two sets of blocks near the cities of Antalya and Mersin, Yakar also said.



Lukoil takes a second look at buying Akpet

Date : 22.04.2008

Source : Today's Zaman (Ismail Altunsoy)

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=139736>

Lukoil, which currently has around 50 stations mainly in minor cities and on the outskirts of major cities, aims to grow in the Turkish market by forming partnerships or purchasing domestic companies.

According to sources in the energy field, Lukoil will hold preliminary negotiations with Akpet, a subsidiary of the Aytemiz Group. If the initial negotiations go well, Lukoil will then launch official negotiations to either buy out Akpet or to form a partnership with the company. Akpet currently operates 700 gas stations across the country.

Previously Akpet was under the control of both the Aytemiz and Ciner groups, of which each had a 50 percent stake. Last year Lukoil conducted acquisition negotiations with the Ciner Group for its shares in Akpet. However, Ciner could not come to an agreement with Lukoil and ended up selling its shares to Aytemiz and leaving the fuel sector. Lukoil also had talks with Bölünmez Petroleum's Moil. If Lukoil does acquire Akpet, the company will become one of the leading gas distributors in Turkey.

In addition to Russia, Gulf countries are also interested in the Turkish fuel market. According to energy professionals, another leading energy company operating in the Gulf also wants to enter the Turkish fuel market. The oil giant, which reportedly had talks with domestic companies including Akpet and others, will likely invest in Turkey to access the Turkish fuel market, which has an economic volume of around \$50 billion. Moreover, it is expected that other major companies in Turkey operating in sectors other than energy also aim to enter the fuel business and reportedly have already launched negotiations.

There had been mergers in the Turkish fuel market between Petrol Ofisi and OMW and between Shell and Turcas. Another ongoing merger possibility is Türkiye Petrolleri (TP) and Moil.

OIL



Shahristani: Record oil to fund Iraq's reconstruction

Date : 23.04.2008

Source : Today's Zaman (Reuters)

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=139841>

Oil prices near \$120 a barrel will fund Iraq's massive reconstruction effort and help boost its production to the highest level in three decades, Iraq's Oil Minister Hussain al-Shahristani said on Tuesday.

"Of course, it's more comfortable for Iraq and for the IOCs to know there is a hydrocarbon law that has been accepted by the Iraqi parliament, by the Iraqi people, that's not going to be challenged... in the years to come." Even without it, Shahristani said the cabinet - a higher authority than the Federal Council for Oil and Gas that is being set up by the hydrocarbons law- could guarantee contracts. "So I think the companies are fully protected by the highest executive authority in the country to approve and sign those contracts," he said. A small share of Iraq's oil income will go towards payments to the foreign companies. "For that service they will be paid. It's not a significant amount because it's basically consultative fees," Shahristani said. The estimated cost for the five fields is between \$2 billion to \$2.5 billion.

GAS



South and Central Asian officials talk on gas pipe

Date : 24.04.2008

Source : Today's Zaman (AP)

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=139942>

South and Central Asian officials opened talks on a pipeline to carry natural gas from Turkmenistan to Pakistan and India by way of Afghanistan, a spokesman said. Officials from four countries will discuss the proposed project, Pakistan Foreign Ministry spokesman Mohammed Sadiq said.

He said officials and experts from Pakistan, Iran and India would also meet later this week in the Pakistani capital to discuss another multibillion dollar gas pipeline, one opposed by the United States, which is trying to isolate Iran. The second project has been delayed in part because of Indian worries about the safety of portions of the pipeline running through Pakistan.



Energy producers in driving seat at Rome talks

Date : 21.04.2008

Source : Today's Zaman (Reuters)

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=139658>

The relative positions of international energy companies and national energy companies are changing - and not in our favor, Paolo Scaroni, chief executive of Eni said in a speech at the opening of the International Energy Forum (IEF).

International firms have found themselves faced with tougher terms and shut out of the best energy territory. During the 1970s, the international oil companies controlled nearly three-quarters of global oil reserves and 80 percent of production, Scaroni said. Now, they control 6 percent of oil and 20 percent of gas reserves, and 24 percent of oil and 35 percent of gas production, he said. National oil companies hold the rest. There is little sign the trend will reverse.

But national oil companies still have some need for cooperation with foreign investors as international and national firms alike battle with cost overruns, staff shortages and the difficulty of extracting oil and gas from more complex fields. To keep pace with energy demand, which is expected to increase by more than 50 percent by 2030, the IEF has said, the world will not only need more oil.

Despite high prices, demand is not dropping, there is only slower growth. Easy oil and easy gas cannot supply all that surge in demand, CEO of Royal Dutch Shell Jeroen van der Veer told reporters. "So it is not a matter of choice, do we do coal, or oil, or nuclear? The world will need everything, including biofuels. You name it." In the immediate term, oil markets at least are well-supplied, members of the OPEC have said, making clear the IEF talks in Rome would not be the occasion to revise their output policy. But they have said they would pump more oil if necessary. Producers are also keeping a nervous eye on the impact of high prices on demand and the development of alternative energy.

Shokri Ghanem, head of Libya's National Oil Corporation, said consumer countries and international oil companies had to accept the world was changing. "When the prices went down in 1990s, we accepted to give them a higher share ... Now they have to accept a lower share, because they have a windfall profits," he said. But Libya remains relatively open as it seeks to develop reserves that were hobbled by years of international sanctions. "We are opening our doors to different countries, to work in our country. It is in our advantage to have oil companies working there," Ghanem said.

GAS



Iraq commits to export 5 bcm gas to Europe

Date : 21.04.2008

Source : Oil & Gas Journal (Uchenna Izundu)

http://www.ogj.com/display_article/326363/120/ARTCL/none/GenIn/1/Iraq-commits-to-export-gas-to-Europe/

Iraq has committed to send at least 5 billion cu m/year of gas to European Union countries within the next 3-4 years from Akkas field, which is just north of Bagdad and 30 km from the Syrian border.

The gesture was made at a meeting between European energy commissioner Andris Piebalgs and Iraqi Oil and Energy Minister Hussain Ibrahim Saleh Al-Shahristani. The gas could be delivered to Europe via the proposed Nabucco pipeline or north into Turkey. Alternatively, the gas could be exported as LNG or go into Syria via the Mashrek pipeline.

Pielbags has offered Iraq technical assistance for the preparation of its 10-year energy master plan. Iraq plans to increase its oil production from 2.5 million b/d to 3 million b/d by yearend, although progress still depends on security of oil fields and export outlets. Its target is 4.5 million b/d by 2012.

OIL



Russia now world's largest oil producer, ahead of Saudi Arabia

Date : 24.04.2008

Source : Rigzone

http://www.rigzone.com/news/article.asp?a_id=60984

Last year, Russia was the world's largest oil producer ahead of Saudi Arabia. At roughly 9.84 million b/d, Russia produced almost a fourth of non-OPEC crude oil in 2007. However, the latest data now suggests that the days of strong Russian oil output growth are over.

After an increase of 2.3% in 2007, crude oil production plummeted in January & February. The decline accelerated further in March, to 1.0% YoY, and Russia's first quarter crude oil production averaged just 9.75 million b/d, down 0.8% YoY. Base production in Western Siberia is now in steep decline, with the main fields reaching a 5-6% production loss relative to last year.



Energy group offers EU strategy for attracting LNG

Date : 24.04.2008

Source : Oil & Gas Journal (Doris Leblond)

http://www.ogj.com/display_article/326765/120/ARTCL/none/Trasp/1/Energy-group-offers-EU-strategy-for-attracting-LNG/

The regulation of future LNG terminals will play a commanding role in the European Union's ability to attract LNG imports, reported an independent group of energy experts established by France's Energy Regulatory Commission (CRE).

The main mission of the working group was to determine the most appropriate regulatory framework for new LNG projects so that world gas would come to Europe rather than to the US or Asia. Regulatory approaches applied to LNG terminals and tariffs for associated services are part of the criteria that producing countries take into account when assessing the attractiveness of a given market, the study group reported. The existing Montoir-de-Bretagne and Fos-Tonkin terminals, which account for 30% of the gas consumed in France, are subject to regulated third party access, with tariffs for their use set by the government on CRE's recommendation.

Five LNG terminal projects, expected to come on stream during 2012–15, could benefit from exemption from such third party access in application of an EU directive, the study group said. It added that regulation of future LNG terminals in France should encourage investment so that France and the European Union will have sufficient regasification capacity, and it emphasized that operators must follow market rules in their relationship with clients.

To enable the smooth cohabitation of exempted and regulated terminals, regulations should not favor one regime over another, but encourage investment in both cases, the working group insists. Competition will be exercised on the offer of services and the price level, it added. In the medium term, a better balance between capacity offer and demand will lead to an adjustment of the prices applied by the exempted terminals with regard to those of the regulated terminals.

The same transparency and 'Use it or lose it' requirements should be applied to both regulated and exempt terminals. These mechanisms should all be applied with flexibility and should be open to change, with dissuasive penalties provided.

Another strategy involves the amount of regasification capacity provided. Because the market is set to become a sellers' market dominated by gas producers and the strong development of arbitrage between destinations, importing countries are better off maintaining or developing surplus regasification capacity and surplus LNG terminals, the study group advised. It said France offers many possibilities for hosting new LNG terminals because of its geographic situation and extended coastline.

The group said the priority for regulation should be to set up a stable framework favorable to investments in gas terminals because construction or extension of a terminal is a heavy industrial investment. In a European market open to competition, all projects should be considered within a private investment logic. "Supply safety does not depend only on import capacities and regulation; transparency of infrastructure data also plays a prime role," concluded Colette Lewiner, president of the working group and vice-president at consultant CapGemini.



BP begins oil production from Gunashli field

Date : 23.04.2008

Source : Oil & Gas Journal (Uchenna Izundu)

http://www.ogj.com/display_article/326632/120/ARTCL/none/DriPr/1/BP-begins-oil-production-from-Gunashli-field/

BP has started oil production from the third phase of Azeri-Chirag-Gunashli (ACG) field in the Azerbaijan area of the Caspian Sea. The field will produce plateau oil levels of 320,000 b/d via the deepwater Gunashli (DWG) platform complex.

The DWG facility has 48 drilling slots and a drilling and production platform bridge linked to a water injection and gas compression platform. Oil will be delivered through the Baku-Ceyhan pipeline to Turkey's Mediterranean coast.

BP said: "Production export off the complex is via two 30-in. oil pipeline tie-ins and a single 28 in. gas pipeline tie-in into preinstalled pipeline junctions located on the Azeri field subsea export pipelines to the onshore Sangachal terminal. In addition, uniquely for the ACG project, two subsea water injection manifolds, four water injection supply flowlines, and associated control umbilicals have been installed in the DWG development." Oil production is expected to increase as more predrilled wells come on stream during the year. Overall, ACG's total production will hit more than 1 million b/d, including Chirag, East Azeri, West Azeri, and Central Azeri.

PETFORM
ANNOUNCEMENTS & REPORTS

✚ Board's Decree on Approval of BOTAS' National Transmission Network Investment Programme Including Natural Gas Transit Transmission of the Year 2008

Source : EMRA
Weblink : <http://www.epdk.org.tr/mevzuat/kurul/dogalgaz/1577/1577.doc>

✚ IEA Monthly Oil Market Report

Source : International Energy Agency (IEA)
Weblink : <http://omrpublic.iea.org/>

PETFORM
UPCOMING EVENTS

❖ **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)

