



OIL



Turkey's fuel market sales volume on the rise

Date : 05.05.2008

Source : Turkish Daily News (AA)

<http://www.turkishdailynews.com.tr/article.php?enewsid=103607>

Sales volume of the Turkish fuel market is on the rise, reveals the Energy Market Regulatory Agency (EPDK) data. Total fuel sales volume shows an increase of 23 percent to YTL 49.6 billion in 2007 from previous year's YTL 40.3 billion in 2006

The sales volume of Turkey's fuel market, including all taxes and commercial activities among distributors, rose 23 percent to YTL 49.6 billion in 2007, according to the EPDK's "Oil Market 2007 Report". The market's sales volume totaled YTL 33.3 billion and YTL 40.3 billion on average in 2005 and 2006. Turkish oil refineries processed a total of 25.59 million tons of crude oil last year. The amount consisted of 23.53 million tons of imported crude oil, which covers 92 percent of the aggregate processed crude oil, and 2.06 million tons of domestic crude oil.

Distribution of imports

Turkey imported 8.35 million tons of crude oil from Iran, 9.36 million tons from Russia, 3.33 million tons from Saudi Arabia and 0.61 million tons from Libya in 2007. Italy's share in Turkey's total imported crude oil was 0.44 million tons while Syria and Iraq supplied 0.24 million tons and 0.86 million tons respectively. Total crude oil import from Iran, Russia and Saudi Arabia reached 91 percent in 2007. Due to commercial reasons, Russia superseded Libya in terms of Turkey's crude oil imports. Petroleum products exports of the refineries totaled approximately 6.4 million tons over the last two years. The refineries displayed an increasing tendency toward fuel import, which reached 2.6 million tons as of 2007.

Total oil sales at Turkey's refineries reached 18.8 million tons in 2007. The sale of diesel oil increased by 7.3 percent in 2006, and by 10.6 percent in 2007 compared to the corresponding periods of the preceding years. The sale of fuel oil derivatives declined drastically in 2007. The sale of gasoline derivatives increased by 4.6 percent last year compared to 2006. Within the framework of the international marker system, which aims to avoid illegal fuel oil, Turkish oil refineries marked approximately 12.4 million cubic meters of fuel last year. As of 2007, distribution companies sold approximately 18.1 million tons of fuel, one-third of which was composed of imported products, according to EPDK's report.

Approval for grid of BOTAS

Meanwhile, EPDK approved the state-owned Turkish Pipeline Company's (BOTAS) national transmission grid program for this year at YTL 218.14 million. BOTAS is obliged to stay within the limits of a certain threshold for investment projects and will not earmark any amount of funds for non-listed projects, according to EPDK's relevant regulation. The project grants will not be used for purposes other than investment. In accordance with the relevant legislation, BOTAS will not undertake investments concerning inner-city natural gas transmission.



Iran and Turkey to discuss gas projects

Date : 05.05.2008

Source : Turkish Daily News

<http://www.turkishdailynews.com.tr/article.php?enewsid=103604>

Turkish delegation is expected to visit Tehran to discuss natural gas projects, Hossein Noqrehkar Shirazi, Iranian deputy oil minister, said. "An Iranian expert group visited Turkey and Turkish officials requested more details on offshore and onshore features of phases 22-24 of the South Pars gas field" Shirazi told.

Delegations from Turkey and Iran met in Ankara last month to solidify the memorandum of understanding (MOU) signed last year. Energy Minister Hilmi Güler signed a MOU with Iran's former Oil Minister Kazem Vaziri-Hamaneh on July 13, 2007 allowing the Turkish Petroleum Corporation (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. 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. Turkey acquires around 65 percent of its natural gas from Russia and is looking for ways to divert its sources. Iran, the second-largest gas supplier to Turkey, had difficulties sustaining its natural gas flow to Turkey during previous winters, due to extraordinary cold weather and supply cuts by Turkmenistan.



Incremental Petroleum spuds 4th well in Edirne

Date : 07.05.2008

Source : Rigzone

http://www.rigzone.com/news/article.asp?a_id=61626

Incremental Petroleum and Otto Energy announced that the six gas wells drilled to date in the Edirne Gas license (three in 2008) have discovered sufficient gas to proceed to FEED (Front end Engineering Design).

First gas sales are anticipated before mid 2009. Drilling in the concession continues, with the fourth well in the 2008 program, Arpaci 2, expected to spud today. Arpaci 2 will be drilled to a total depth of 480m, and is expected to take about 5 days to reach TD. Arpaci 1 was drilled in 2006 with the location selected from the 2D seismic interpretation. The 2007 3D seismic program confirmed a larger closure than previously mapped and Arpaci 2 is located in an optimal location to drain that accumulation, some 650m NE of Arpaci 1.

The Arpaci structure is a NW oriented fault bounded anticlinal structure, with strong seismic amplitudes at more than one level. The closure covers a mapped area of about 2.7 sq. km. The primary reservoir is prognosed below about 150m. The partners in the Edirne Gas project are Incremental Petroleum (55%), Otto Energy (35%) and Petraco Energi (10%), who are also the joint operator with Incremental.



TPAO buys land in Ceyhan

Date : 02.05.2008

Source : Turkish Daily News (Bloomberg)

<http://www.turkishdailynews.com.tr/article.php?enewsid=103398>

Turkish Petroleum Corporation (TPAO) is buying land near the Mediterranean town of Ceyhan to build an oil refinery, broadcaster NTV said yesterday. TPAO is seeking a partner for the refinery and will retain a stake of up to 10 percent in the plant, CEO Mehmet Uysal told the news channel.



Turkish energy bill jumps 56 percent in first quarter

Date : 08.05.2008

Source : Today's Zaman (AP)

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=141252>

Following the rise in prices, oil and other fuel amount to 22.3 % of Turkey's total import volume cost. According to data provided by the Turkish Statistics Institut, oil and fuel imports increased by 56 percent in the January – March period over the same period of 2007, amounting to \$11 billion.

Total import costs of oil in the first quarter of 2007 equaled \$7 billion and \$33.8 billion for all of 2007. In the first quarter of last year the cost of these products increased by 14 percent and their share in Turkey's total imports stood at 20 percent. If this dramatic rise of oil prices continues during the rest of the year, the annual cost of Turkey's energy imports is expected to total \$53–54 billion.

Total oil and fuels import volume in 2002 was \$9.2 billion, an increase of 10 percent compared to 2001. However, this number rose to \$11.5 billion in 2003, a 26 percent hike over the preceding year. Year 2004 saw Turkey spend \$14.4 billion for oil, but this cost reached \$21.2 billion in 2005, an increase of 48 percent. The accelerated rate increases did not slow down in 2006, with Turkey seeing a 36 percent increase and paying \$28.8 billion for oil imports.



Indonesia ponders leaving OPEC

Date : 08.05.2008

Source : Oil & Gas Journal (Eric Watkins)

http://www.ogj.com/display_article/328224/120/ARTCL/none/GenIn/1/Indonesia-ponders-leaving-OPEC/

The government of Indonesia, facing a steady decline in the country's oil production, is considering plans to withdraw as a member of the OPEC. "Our oil production is currently below 1 million b/d because of aging wells" said Indonesian President Susilo Bambang Yudhoyono.

Indonesia, which joined OPEC in 1962 as the group's only Southeast Asian member, produces 927,000 b/d, down from 950,000 b/d last year.



EU eyes progress on gas pipelines from Iraq and Egypt

Date : 07.05.2008

Source : Today's Zaman (Reuters)

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=141139>

The EU said it was progressing with efforts to secure gas from Egypt and Iraq. Energy Commissioner Andris Piebalgs said progress had been made on developing gas pipelines during a meeting with senior officials from Syria, Egypt, Iraq, Jordan, Lebanon and Turkey.

“Seven billion cubic metres (bcm) from new sources to the European market is not bad from this part of the world,” Piebalgs told reporters. He said 5 bcm of gas was expected to come from Iraq’s Akkas field in two or three years -as announced in April- while a further 2 bcm is expected to be piped from Egypt from 2010. The EU hopes to import Iraqi gas via the planned Nabucco pipeline across Turkey to central Europe as it diversifies gas supplies away from Russia which provides a quarter of its needs.

Officials attending Monday’s meeting agreed to forge ahead with the Arab Gas Pipeline which runs from Egypt to Syria and with connections to Iraq, Turkey and the EU by 2009. “We’re also looking in other directions,” added Piebalgs. “Azerbaijan and Turkmenistan are not less important for also directly delivering gas to the European Union.” The European Commission said last month it had secured a guarantee of 10 billion cubic metres a year of natural gas from Turkmenistan from 2009 as part of the drive to ensure sufficient supplies to make Nabucco commercially viable.

The pipeline is seen as a rival to the Kremlin-backed South Stream project due eventually to take some 30 billion cubic metres of Russian gas a year to southern Europe. “Too many people still think we only look north and east when we think of our energy security, but we also of course look south too,” said European Commissioner for External Relations Benita Ferrero-Waldner. “On a bilateral level, I’ve already signed a joint declaration on energy cooperation with Jordan and we’re close to signing an MoU with Egypt on energy and we are also working on another with Iraq,” she added.

Ferrero-Waldner is set to launch on Tuesday the EU’s Neighbourhood Investment Facility, which will provide over 700 million euros of funding for energy and transport infrastructure between the EU and neighbouring states between 2007 and 2013. The EU expects the facility to encourage a further 5–6 billion euros of lending for infrastructure projects.



Iraq sets new deadline for gas field bids

Date : 07.05.2008

Source : Today's Zaman (AP)

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=141146>

Iraq's oil ministry said it has postponed the deadline for bids to develop the Akkas gas field, a prized natural gas field in western Iraq, until May 18. The announcement came two weeks after the previous deadline expired. Authorities did not provide a reason for the postponement on Tuesday.

But the oil ministry last week said in a report that Iraq has been unable to lure enough bids from foreign or local companies for oil and gas projects due to lack of security. Early this year, the ministry said it was negotiating with Royal Dutch Shell PLC to conduct output tests for the field, which has five wells that are ready to be interconnected. It could produce up to 50 million cubic feet a day as a first stage. That could be increased to 500 million cubic feet a day, which could be pumped through Syria and Turkey to consumers in Europe.

The ministry on Tuesday also postponed until May 18 bids for a separate tender to help construct two oil pipelines to link the Basra oil fields in southern Iraq with Iran's Abadan refinery. The project's aim is to export crude oil and import refined petroleum products through Shatt-al-Arab waterway.



Kuwait to build LNG regasification terminal

Date : 08.05.2008

Source : Oil & Gas Journal (Eric Watkins)

http://www.ogj.com/display_article/328237/120/ARTCL/none/Trasp/1/Kuwait-to-build-LNG-regas-terminal.-import-gas/

Kuwait, faced with domestic demand growth exceeding its own supplies of gas, has signed a \$150 million contract with Excelebrate Energy, The Woodlands, Tex., to build a regasification terminal at Ahmadi port by April 2009.

In February Kuwait announced plans for the construction of facilities that would allow the import of 500–700 MMcfd of gas. At the moment, Kuwaiti officials are in talks with Qatar for the supply of LNG for the facility.

PETFORM ANNOUNCEMENTS & REPORTS

Higher Planning Council's Decree on 'Cost-Based Pricing Mechanism'

Source : Undersecretariat of Treasury

Weblink : http://www.hazine.gov.tr/mevzuat/kit/14_02_2008_tarih_2008T_5_sayili_YPK_Karari_Eki.pdf

PETFORM UPCOMING EVENTS

❖ 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)

