



## GAS



## Ankara looks Syria and Iraq for gas

Date : 14.06.2008

Source : Today's Zaman

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=144804>

Energy Minister Hilmi Güler said on Friday that Turkey has been talking to Syria and Iraq about extracting natural gas from Iraq's Akkas fields. "We are planning to carry Iraqi gas through a pipeline right next to the Kirkuk-Yumurtalik oil pipeline" Güler said.

"We are holding trilateral negotiations with Syria and Iraq to extract and use gas in the Akkas fields, and we hope our talks will yield a positive result," Güler added at the Turkish-Arab Economic Forum in Istanbul.

## OIL



## Iraq says ready to include Turkey in energy tenders

Date : 16.06.2008

Source : Today's Zaman

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=144962>

Iraqi Deputy Prime Minister Barham Salih has expressed willingness to include Turkish companies in new tenders to develop the country's oil and gas fields, calling Turkey a gateway for Iraq to open up to Europe.

In April, Iraq's Oil Ministry qualified 35 companies to bid for tenders to develop the nation's oil and gas fields. Turkey's state-owned Turkish Petroleum Corporation (TPAO) was not included in the list, disappointing Ankara.

"I spoke with Energy Minister Hilmi Güler and Prime Minister Recep Tayyip Erdogan, and I told them that we have been planning to include some major Turkish companies on the list of companies which will invest in the Iraqi oil sector. Both President [Jalal] Talabani and Prime Minister [Nouri] al-Maliki want Turkish companies to be on this list," Salih was quoted as saying in an interview with news station NTV over the weekend. "We see Turkey as a strategic partner, and when I say this, I mean it. This is a strategic choice and Iraq wants to go ahead with it," he said at the Turkish-Arab Economic Forum.



## Turkey earns \$2.5 billion from BTC pipeline

Date : 07.06.2008

Source : Today's Zaman

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=144107>

Officials from BOTAS International Limited (BIL), which operates the Turkish section of the BTC, told that Turkey has taken in revenue of \$2.5 billion over the last two years from the Baku-Tbilisi-Ceyhan (BTC) oil pipeline.

BIL officials told that the amount of oil loaded on 490 tanker ships from the Haydar Aliyev Terminal in the Ceyhan district of Adana province in the June 2006-June 2008 period reached 385 million barrels, providing Turkey with \$2.5 billion. According to BIL statistics, \$2.2 billion of the total revenue went to the Turkish Petroleum Corporation (TPAO), while \$134 million was paid to BIL for its operational services. Furthermore, \$77 million was paid to the Treasury as tax and \$15 million was allocated to port services.



## Total and Iraq in service agreement discussions

Date : 20.06.2008

Source : Oil & Gas Journal (Doris Leblond)

[http://www.ogj.com/display\\_article/332312/120/ARTCL/none/ExpID/1/Total-Iraq-in-service-agreement-discussions/](http://www.ogj.com/display_article/332312/120/ARTCL/none/ExpID/1/Total-Iraq-in-service-agreement-discussions/)

Total confirmed that it is finalizing discussions with Iraq's oil ministry on a technical service agreement for the first phase of West Kurna field development, in partnership with Chevron Corp.

The group would give no other details, but Perla Srour-Gandon, energy analyst at Paris-based Observatory of Arab Countries told that the 'technical contracts' signed by Iraq's ministry, described as 'no-bid contracts,' cover 1-2 years and are to provide a foothold for major oil companies in fields they could later develop while waiting for the oil law to be passed by parliament. Major oil firms have been advising the ministry on current technology.



## Otto Energy swings, misses at Arpaci-1 in Edirne

Date : 17.06.2008

Source : Rigzone

[http://www.rigzone.com/news/article.asp?a\\_id=63132](http://www.rigzone.com/news/article.asp?a_id=63132)

Joint venture partners Otto Energy and Incremental Petroleum announced that the Arpaci-1 well was tested on June 12. The company reported that the well was perforated and tested over a 4m interval which had ambiguous gas indications on well logs.

Formation water at 6,300 ppm was swabbed out with no free gas flow. Arpaci-1 was drilled in Jan 2006, but not tested at the time due to adverse winter weather conditions. Arpaci-1 was tested during the current program to confirm the validity of the seismic interpretation of amplitude anomalies and log interpretations.

Arpaci-1 was originally drilled on a sparse 2D seismic grid. Subsequent 3D seismic showed Arpaci-1 to be located at the edge of the Arpaci structure. The Arpaci- 2 well recently discovered gas approximately 50 m updip of Arpaci-1. “Although disappointing to not have commercial rates from Arpaci-1, the well was always interpreted to be on the very edge of the structure and does not affect the overall commerciality of the Arpaci Field which was successfully appraised with Arpaci-2,” said Alex Parks, Otto CEO.



## Iraq talks with Kuwait and Iran on shared oil

Date : 09.06.2008

Source : Today's Zaman

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=144306>

Iraq has entered into negotiations with Kuwait and Iran, Iraqi Oil Minister Hussain al-Shahristani said. “We have informed them of the necessity of signing an agreement to unify the oil fields and to move away from a situation where each side has control from its side as that will bleed these fields in an uneconomical way,”.

The London-based daily Asharq Alawsat quoted that Iraq is hoping for a further output boost after oil production and exports reached a post-war high in May. Asharq Alawsat did not say which oil fields Iraq was hoping to pool with its neighbors.



## Nabucco preps for open season interest

Date : 10.06.2008

Source : Oil & Gas Journal (Doris Leblond)

[http://www.ogj.com/display\\_article/331177/120/ARTCL/none/Trasp/1/Nabucco-gas-line-preps-for-open-season-interest/](http://www.ogj.com/display_article/331177/120/ARTCL/none/Trasp/1/Nabucco-gas-line-preps-for-open-season-interest/)

Although the investment required to build the Nabucco has jumped from €5 billion estimated in 2005 to €7.9 billion today, its “competitiveness is not affected, since high demand for energy will increase the profitability of energy projects,” says Reinhard Mitschek, Managing Director of the project.

The altered forecast is based on a recent capital expense update undertaken by the Nabucco consortium that incorporates the high price of crude oil and the rising demand for steel. Nabucco will require 2 million tons of steel, 200,000 pipes, and more than 30 compressor units. In mid-June Nabucco will sound out the market in preparation for the open season process. So far, the consortium says, the market has shown great interest in the proposed available capacities.

Although there is still some doubt as to whether there will be enough gas available from the Caspian region to fill the Nabucco gasline, Brendan Devlin, Assistant EU coordinator for the Caspian-Middle East-EU gas route, insisted at Energy Exchange Ltd.’s CIS Oil & Gas Summit held in Paris in late May that all the current gasline projects announced to supply Europe from the East would be needed.

Some of the current gas lines, he said, “do not add a lot of gas for the EU but are diversions of already signed contracts.” Nonetheless, with eastern EU countries still completely dependent on Russian gas and with no interconnections between them, route diversification is central to the EU supply strategy. “There is the need to coordinate the southern route in its entirety, not only Nabucco,” he said.

He added that it made sense to develop relations with the Middle East, Egypt, and Iran for the EU gas import needs that would increase by 70 billion cu m to 200 billion cu m by 2020 and 100 billion cu m to 230 billion cu m by 2030. “We have about 10–15 scenarios being prepared, and we would want Turkey to be central to a number of them,” he said.



## Deloitte: Competition key in gas

Date : 07.06.2008

Source : Turkish Daily News

<http://www.turkishdailynews.com.tr/article.php?enewsid=106531>

Turkey has taken several important steps toward liberalizing its energy sector since 2001, but it is crucial for the country to create a more competitive environment in its wholesale market if it wants to attain a stronger global position, Deloitte Turkey's report released Wednesday revealed.

The report argues that the import share of the state-owned Turkish Pipeline Company (BOTAS) should be decreased, in order to ensure greater competition in the wholesale natural gas market. Turkey has shown progress in the privatization of the energy market, as exemplified by natural gas distribution tenders in 53 regions, said Sibel Cetinkaya, the head of Deloitte Turkey's energy and natural resources industry division. "The liberalization process should speed up. BOTAS' dominant position should be reduced with realistic planning, and the activity of private sector players should increase in wholesale area."

BOTAS is expected to make legal arrangements to create two separate corporate bodies to govern the firm's infrastructure activities and its competitive activities by 2009, said the report, prepared by associate professors Izak Atiyas and Sinan Ulgen. The report said the contract transfer targets, which aim to reduce BOTAS' market share to 20 percent, are not realistic. The contract transfer program should be completed by the implementation of a volume transfer program, the report suggests.

Changes to the legal structure of energy governance, particularly the Natural Gas Law and the establishment of the Energy Market Regulatory Agency (EPDK) are important indicators of progress, the Deloitte report said. The restructuring of state companies, privatization and the increasing activity of the private sector are other crucial improvements in the energy industry, the report added.

Turkey should strengthen its relations with Turkmenistan and Iran, according to the Deloitte report. However, Iran's problems in international relations and conflicts between Turkmenistan and Azerbaijan on the Caspian Sea are causing problems with Turkey's long-term agreements with these countries. Russia's involvement in the country's industry is expected to decline once Turkey becomes capable of carrying natural gas to Europe, the report said. European Union countries, who are seeking ways to reduce their dependence on Russia, support investment projects such as Nabucco, in which Turkey is playing an important role, the report said.



## Saudis call for world summit to curb energy prices

Date : 11.06.2008

Source : Today's Zaman

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=144474>

The International Energy Agency (IEA) lowered its forecast for global oil demand this year amid surging prices for the resource, a day after Saudi Arabia called for a meeting to discuss ways of dealing with soaring energy prices.

Saudi Information and Culture Minister Iyad Madani on Monday said the Saudis would work with Organization of the Petroleum Exporting Countries (OPEC) to 'guarantee the availability of oil supplies now and in the future.' From Europe to Indonesia, truck drivers have been protesting for the last few days, blocking roads and demanding that the price of fuel be subsidized or lowered.

Saudi Arabia is working to prevent "unwarranted and unnatural oil price hikes that could affect international economies, especially those of developing countries," said Madani, adding that "there is no justification for the current rise in prices."

The IEA, which is based in Paris, said in a monthly report that growth so far this year has been poor and that higher prices are needed to choke off demand and balance the market. The agency lowered its 2008 global demand forecast to 86.8 million barrels a day, down 80,000 barrels from last month, and has been steadily lowering its demand predictions for the past several months as oil prices have climbed.

Lower fuel taxes or higher subsidies, the agency said, would be "absolutely the worst response." US presidential candidate John McCain has proposed suspending gasoline taxes for the summer, and French President Nicolas Sarkozy is pushing for a cap on fuel taxes across the 27-nation European Union. Oil prices have risen more than 8 percent since the IEA's last monthly report. Crude for the July delivery rebounded \$0.67 to \$135.02 a barrel in Singapore in Tuesday's trading.

Meanwhile, Chakib Khelil, the current president of OPEC in Saudi Arabia, said the organization will make no new decision on production levels until its Sept. 9 meeting in Vienna.



## China and Japan agree on East China Sea E&P projects

Date : 20.06.2008

Source : Oil & Gas Journal (Eric Watkins)

[http://www.ogj.com/display\\_article/332394/120/ARTCL/none/ExplD/1/China-Japan-agree-on-East-China-Sea-E&P-projects/](http://www.ogj.com/display_article/332394/120/ARTCL/none/ExplD/1/China-Japan-agree-on-East-China-Sea-E&P-projects/)

Japan and China say they have reached a political agreement on gas exploration projects in the East China Sea, with Japan to invest in a gas field already operated by China and the two nations to jointly explore an undeveloped area.

Under terms of the agreement, they will jointly explore a 2,700 sq km area south of Asunaro gas field, which China calls Longjing and which straddles what the Japanese claim is the median line between the two nations. The two sides will then pick exact sites for joint development within the area, and they will work on concluding the necessary bilateral pact as soon as possible, according to Japanese officials.

In accordance with Chinese laws, Beijing welcomed investment by Japanese corporations in Chinese-operated Chunxiao gas field, which lies west of the median line and is known as Shirakaba in Japan. Two Chinese companies—China National Offshore Oil Corp. and China Petroleum & Chemical Corp.—already are involved in oil exploration in Chunxiao field.

The Japanese corporations will be mainly from the private sector, although government-backed entities could also be involved, the officials said. Details on the amount of investment and proportion of profits will be determined in future negotiations among the parties involved.

While both governments said the agreement is mutually beneficial, they still must work out details such as the ratio of investment and distribution of profits. They also left unresolved the issue of demarcating the exact maritime boundary between them and what to do with other possible areas for joint development. They did not spell out a clear timeline.

The dispute erupted in August 2004 when Chinese media reported that China had begun a 470-km subsea pipeline to the 22,000 sq km Chunxiao natural gas field. Much of the problem between the two countries stems from the fact that China does not recognize the Japanese-claimed median line and instead claims that its exclusive economic zone stretches further east to the edge of the continental shelf near Japan's Okinawa Prefecture.



## Gazprom sees gas prices increasing

Date : 13.06.2008

Source : Today's Zaman (Reuters)


<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=144691>

Russia's Gazprom, which supplies a quarter of Europe's natural gas, expects gas prices to keep rising, dragged higher by oil, Chief Executive Alexei Miller said at an event to mark the 35th anniversary of Russian gas deliveries to Germany

"The price for 1,000 cubic meters of gas is already \$410, a third more than Gazprom's prediction last year of \$310," he told reporters, offering scant hope for relief from rising energy costs. The tendency for a rising gas price is set to hold on, he added.

"For users, this situation is dramatic," he said. Europe's gas prices are mainly based on long-term contracts which are tied to the price of crude oil with a time lag of about half a year. Europe's dependence on Russian gas is growing, but Miller cautioned there was no need to worry. "Gazprom depends on Europe as Europe depends on Gazprom," he said. "We are prepared to deliver as much gas to our European consumers as they need."



 Oil Flows and Export Capacity in the Caspian Sea and Black Sea Regions

Source : Energy Charter

Weblink : [http://www.encharter.org/fileadmin/user\\_upload/document/Oil\\_Flows.pdf](http://www.encharter.org/fileadmin/user_upload/document/Oil_Flows.pdf)

 OPEC Monthly Oil Market Report (June 2008)

Source : OPEC

Weblink : <http://www.opec.org/home/Monthly%20Oil%20Market%20Reports/2008/pdf/MR062008.pdf>

 OPEC Bulletin (June 2008)

Source : OPEC

Weblink : <http://www.opec.org/library/OPEC%20Bulletin/2008/pdf/OB062008.pdf>

 Energy Policies of IEA Countries – Japan

Source : International Energy Agency

Weblink : <http://www.iea.org/w/bookshop/add.aspx?id=342>

 Model Agreements

Source : Energy Charter

Weblink : [http://www.encharter.org/fileadmin/user\\_upload/document/ma-en.pdf](http://www.encharter.org/fileadmin/user_upload/document/ma-en.pdf)

### ❖ **RPGC 2008**

6th Russian Petroleum Congress

Date : June 24 – 26, 2008  
Place : Moscow – Russia  
Website : [www.russianpetroleumcongress.com](http://www.russianpetroleumcongress.com)  
Contact : Veronica Zhuvagena (+44 (0) 207 596 5269)



### ❖ **WPC 2008**

19th World Petroleum Congress

Date : June 29 – July 3, 2008  
Place : Madrid – Spain  
Website : [www.19wpc.com](http://www.19wpc.com)  
Contact : Ivaylo Ivanov (+44 (0) 207 596 5136)



### ❖ **CIPEE 2008**

China International Petroleum Equipment & Technology Exhibition

Date : September 12 – 14, 2008  
Place : Shandong – China  
Website : [www.cipee.com.cn](http://www.cipee.com.cn)  
Contact : Beijing CEW Internatioal Fair Co. (+86 10 516 542 22)



### ❖ **IPE 2008**

International Pipeline Exposition

Date : September 30 – October 2, 2008  
Place : Calgary – Canada  
Website : [www.petroleumshow.com/intlpipeline/](http://www.petroleumshow.com/intlpipeline/)  
Contact : Lesley Stevenson (+403 209 3555)

