



## OIL



## Turkish energy bill may reach \$50 billion

Date : 25.06.2008

Source : Today's Zaman

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=145711>

Turkey expended \$15.1 billion, or one-fourth of its total import spending, for oil, natural gas, LPG and coal imports in the first four months of the year, with experts saying energy costs may well exceed \$50 billion by the end of the year.

In the first four months of the year, 54.1 percent of Turkey's foreign trade deficit stemmed from energy imports. At the current price and demand level, the year-end energy bill for Turkey is expected to top \$50 billion, and the net energy import volume is forecast at \$43 billion.

The \$15.1 billion spent on imports between January and April of this year mark a 59.8 percent increase over the same period last year, when energy imports amounted to \$9.44 billion. In 2003, when energy prices were relatively low, energy imports accounted for 16.7 percent of overall import volume.

This figure dropped to 14.8 percent in 2004, while reaching 18.2 percent in 2005, 20.7 percent in 2006 and 19.9 percent in 2007. Turkey spent \$11.6 billion on energy imports in 2003, \$14.4 billion in 2004, \$21.3 billion in 2005, \$29 billion in 2006 and \$28.7 billion in 2007.

## OIL



## BP: Turkish energy consumption on the rise

Date : 21.06.2008

Source : Turkish Daily News

<http://www.turkishdailynews.com.tr/article.php?enewsid=107867>

Energy consumption in Turkey increased by 5 percent last year, while the growth of global energy consumption was also robust, driven by above-average economic growth and despite continued high prices, according to a British Petroleum report.

China accounted for half of global energy consumption growth in 2007, with a 7.7 percent increase, while EU energy consumption declined by 2.2 percent, with Germany registering the world's largest decline in energy consumption, according to the report, A Statistical Review of World Energy, launched in an address by BP chief economist Christof Ruehl.

The highest increase in energy consumption in Turkey was in the natural gas sector, the report revealed. Over 35 billion cubic meters of natural gas were consumed in Turkey in 2007, which amounted to a 15 percent increase compared to the 2006 figures. Turkey's gas use accounted for 1.2 percent of the world natural gas consumption in 2007.

The report revealed that world natural gas use grew by an above-average 3.1 percent in 2007. The United States accounted for nearly half of the world's gas consumption growth, driven by cold winter weather and strong demand for gas in power generation. Chinese consumption grew by 19.9 percent and accounted for the second-largest increase in global gas consumption. In contrast, EU consumption declined by 1.6 percent – the second consecutive decline -- in the face of warm winter weather, the report said. Oil consumption in Turkey grew by 1.5 percent in 2007 with 31.1 million tons of oil consumed, according to the BP review. This figure amounts to 0.8 percent of the global oil consumption, which grew by 1.1 percent in 2007, or one million barrels per day.

Consumption in the oil-exporting regions of the Middle East, South and Central America, and Africa accounted for two-thirds of the world's growth, according to the report. Global oil production, on the other hand, fell by 0.2 percent, or 81.5 barrels per day - the first decline since 2002.

Ruehl said an increase in oil consumption is expected in every region of the world in the upcoming period, predicting that oil production will increase, especially in Russia, Angola, Mexico and the Caspian region. Discussing the situation with other fuels, the document said coal was the fastest-growing fuel in the world for the fifth consecutive year. In Turkey, coal production increased by 17.7 percent in 2007, while coal consumption increased by 7.8 percent.

The report revealed that coal consumption was widespread. Chinese coal use rose by 7.9 percent - a figure sufficient to account for more than two-thirds of global growth. Indian consumption rose by 6.6 percent and OECD, consumption rose by 1.3 percent - both above average figures.



## Güler welcomes Iraq's TPAO move

Date : 23.06.2008

Source : Today's Zaman

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=145576>

Turkish Energy and Natural Resources Minister Hilmi Güler has welcomed the Iraqi Oil Ministry's decision to add the Turkish Petroleum Corporation (TPAO) to the list of oil firms permitted to bid for future oil and gas projects in Iraq.

Güler, who is currently in Jeddah to attend an international energy meeting, said: "We know about the geology of the region better than anyone. We have carried out joint projects with Iraq in the past." The Iraqi Oil Ministry added six more oil companies to a list of 35 permitted to bid for future oil and gas deals. Also added were firms from Vietnam, Pakistan, Thailand, Angola and Algeria.



## South Korea and Northern Iraq sign oil exploration deal

Date : 26.06.2008

Source : Turkish Daily News (AFP)

<http://www.turkishdailynews.com.tr/article.php?enewsid=108223>

A South Korean consortium has forged a deal to explore eight oilfields in Northern Iraq. The oil fields are believed to hold 7.2 billion barrels of untapped crude oil, said the state-run Korea National Oil Corp (KNOC).

"Our side will be able to secure 1.9 billion barrels," Suh Moon-Kyu, KNOC senior executive vice president, told reporters, adding that exploration could start in two months. In return, South Korean companies will invest \$2.1 billion in the region's infrastructure development, he said. Five of the fields are near Arbil in Northern Iraq, where South Korea has about 650 troops helping reconstruct the country. Under the current timetable they are due to leave at the end of this year.

In January, Iraq suspended an annual contract with South Korea's top oil refiner to export 90,000 barrels a day after Seoul agreed with the regional government to explore the Bazian field - estimated to contain 500 million barrels.

## OIL



# World energy consumption to soar by 50% from 2005 – 2030

Date : 25.06.2008

Source : Rigzone

[http://www.rigzone.com/news/article.asp?a\\_id=63437](http://www.rigzone.com/news/article.asp?a_id=63437)

World marketed energy consumption is projected to grow by 50% between 2005 and 2030, according to the reference case projection from the International Energy Outlook 2008 released today by the Energy Information Administration (EIA).

Average world oil prices in every year since 2003 have been higher than the average for the previous year and prices in 2007 were nearly double the 2003 prices in real terms. The IEO2008 uses oil price cases originally developed in the summer of 2007 for use in the Annual Energy Outlook 2008, which focuses on the U.S. energy outlook. These prices do not reflect the substantial runup in prices that has occurred since that time. Nonetheless, although liquid fuels are expected to remain the largest single source of energy through 2030, the liquids share of marketed world energy consumption declines from 37 percent in 2005 to 33 percent in 2030 in the IEO2008 reference case.

## GAS



# Saipem signs contract for Nord Stream pipeline

Date : 24.06.2008

Source : Rigzone

[http://www.rigzone.com/news/article.asp?a\\_id=63355](http://www.rigzone.com/news/article.asp?a_id=63355)

Saipem and Nord Stream AG have signed the contract for laying the Nord Stream gas pipeline, worth more than 1 billion Euro (US \$1.55 billion). Nord Stream is a twin natural gas pipeline that will link Vyborg, Russia and Greifswald, Germany across the Baltic Sea.

Each line is approximately 1,220 kilometers long, with a transport capacity of some 27.5 bcm per annum. Overall capacity of about 55 bcm a year will be reached when both the lines are operational. Saipem will start the laying activities in the first months of 2010 by using two pipe laying vessels, in order to complete the laying of the first line in the first half of 2011.

This is a prerequisite for first gas deliveries through the Nord Stream pipeline in 2011. The laying of the second line is scheduled in 2011 and 2012. The present contract relates only to the sole pipelaying job, whereas negotiations with the client on shore approaches, tie-ins, rock dumping, testing and commissioning activities are still under way. Nord Stream AG is an international joint venture which partners are: Gazprom (51%), BASF/Wintershall (20%), E.ON Ruhrgas (20%) and N.V. Nederlandse Gasunie (9%).



## Israel and Gazprom hope to sign long-term gas agreement

Date : 26.06.2008

Source : Platts (Neal Sandler)

<http://www.platts.com/Natural%20Gas/News/8835083.xml?p=Natural%20Gas/News&sub=Natural%20Gas>

Israel is hoping for a long-term natural gas supply agreement with Gazprom within the next few months, National Infrastructure Minister Benjamin Ben-Eliezer said after talks with Gazprom Chairman Alexei Miller in Moscow this week.

The agreement would be for at least 20 years, he added. The first stage would involve Israel buying 4 billion cubic meters of gas annually from Gazprom. An Israeli National Infrastructure Ministry spokesman said the amount could eventually reach 10 bcm/year. Ben-Eliezer said that Israel would use the gas for power plants.

The ministry spokesman said that a preliminary agreement between governments was now being drawn up as well as a commercial agreement between Gazprom and an Israeli state-owned company. The agreements would be presented to the ministry in the coming weeks by the Russian team, he added.

Gazprom has demanded that it sell natural gas to a state-owned company. Israel's finance ministry is insisting that private customers have access as well. Israel may have to set up a new company to handle the commercial side of the deal. It is unclear how the gas will be delivered. The possibilities under consideration include the proposed corridor between Turkey and Israel, and an extension of Gazprom's planned pipeline in the Balkans.



## Saudi Aramco hiking production capacity by 850,000 b/d

Date : 23.06.2008

Source : Oil & Gas Journal (Eric Watkins)

[http://www.ogj.com/display\\_article/332541/120/ARTCL/none/DriPr/1/Aramco-hiking-production-capacity-by-850,000-b/d/](http://www.ogj.com/display_article/332541/120/ARTCL/none/DriPr/1/Aramco-hiking-production-capacity-by-850,000-b/d/)

Saudi Aramco, repeating long-announced plans, will increase production by yearend by a combined 850,000 b/d from its Khursaniyah, Nuayyim, and Shaybah fields, according to a senior official.

Amin Al Nasser, Saudi Aramco's senior vice-president for exploration and production, said the company will bring Khursaniyah on stream by yearend, adding 500,000 b/d of oil production, while boosting output at Shaybah to 750,000 b/d from 500,000 b/d, and bringing newly developed Nuayyim field to 100,000 b/d.

Last year, reports said Saudi capacity increases during 2007–08 would come from the three fields, pushing the total to 11.4 million b/d by yearend 2008 from 10.8 million b/d currently. Looking farther ahead, Al Nasser said his country's output will increase by an additional 900,000 b/d in fourth-quarter 2009 when Aramco will bring on stream its large-scale Manifa heavy oil field, where construction is now 55% complete.

The field developments are part of Saudi Arabia's plan to raise its daily production capacity, including output from the partitioned neutral zone shared with Kuwait, to 12.5 million b/d of crude oil by yearend 2009, from 11.3 million b/d now. Al Nasser's comments followed a 1-day summit in Jeddah of the world's top oil producing and consuming nations, which discussed ways to reduce crude oil prices from the current \$140/bbl.

Saudi Arabia's oil minister Ali Al Naimi told the Jeddah meeting that his country plans to invest some \$129 billion in E&P projects over the next 5 years and to expand pumping capacity to as high as 15 million b/d in the longer run, if necessary. Last month, Saudi officials acknowledged that the Khursaniyah oil field expansion project, which it had planned to bring on stream last December, was still not producing oil, but that much of its 500,000 b/d capacity is ready.

According to Khalid al Falih, Aramco's executive vice-president of operations, the delayed start-up was due to problems in the construction of a gas processing plant in the field. While the Saudi national firm could bring on most of Khursaniyah's capacity if needed, according to Falih, he said the gas would have to be flared - something Saudi Aramco wanted to avoid.

**PETFORM**  
**ANNOUNCEMENTS & REPORTS**

✚ Energy in the Western Balkans: The Path to Reform and Reconstruction

Source : International Energy Agency  
Weblink : [http://www.iea.org/Textbase/press/pressdetail.asp?PRESS\\_REL\\_ID=266](http://www.iea.org/Textbase/press/pressdetail.asp?PRESS_REL_ID=266)

**PETFORM**  
**UPCOMING EVENTS**

❖ **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 International 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)

