



GAS



Gazprom weighs up Turkey move

Date : 17.07.2008

Source : Upstream Online

<http://www.upstreamonline.com/live/article159341.ece>

Russian Gazprom has proposed setting up a company in Turkey to handle urban gas distribution and a planned extension of the Blue Stream pipeline to Israel, a senior Turkish Energy Ministry source said.

The proposed company would also build new gas storage facilities in Turkey. Separately Russia, Turkey's largest natural gas supplier, also wants to renew a contract under which it exports 6 billion cubic metres of gas annually to Turkey, Turkish Energy Minister Hilmi Güler told reporters. The contract expires in 2011 and either Turkey's pipeline company BOTAS or a private company would be eligible to renew the contract. Güler also said Gazprom is interested in carrying out other energy projects with Turkey, including the expansion of the capacity of the Blue Stream pipeline.

OIL



Güler: US company applies for Black Sea oil exploration permit

Date : 14.07.2008

Source : Today's Zaman (Ismail Altunsoy)

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=147480>

Energy and Natural Resources Minister Hilmi Güler said Turkey's oil exploration will begin in the Black Sea in 2009, adding that the aim is to find a good source very quickly as the cost of oil drilling is very high both on land and offshore.

In response to a question over whether there had been any new requests for oil exploration in the Black Sea, Güler said an American company had applied, adding that his ministry will examine the application and respond to it in the coming days. However, the minister declined to give the name of the company.



Competition Board examines price fixing of fuel distributors

Date : 17.07.2008

Source : Today's Zaman (Ismail Altunsoy)

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=147742>

The Competition Board has started a preliminary inquiry into claims that fuel distribution companies are selling unleaded gas and diesel fuel for close to the same price, which violates competition laws.

The preliminary investigation by the board has been welcomed as a positive development among consumers. However, consumer associations also want the Energy Market Regulatory Agency (EPDK) to start a probe into the claims of a common price violating competition rules. Consumers Union President Nazım Kaya remarked on the Competition Board's latest decision, noting that the union expects heavy fines to be levied on fuel distribution companies. He said such sanctions will make these companies more careful in their pricing schemes. The Competition Board evaluated the Consumers Union's complaint concerning eight companies that apply the same price to unleaded gas and diesel in a violation of competition rules.

The companies Aytemiz, Altınbaş and Bölünmez were not on the list. The Competition Board discussed the matter on June 5 and decided to start an inquiry into the Tüpraş, Petrol Ofisi, Shell & Turcas, BP and Opet. The price of the fuels has increased significantly in recent months. The surge in global oil prices and the increase in tax rates that the Treasury imposed have been influential in the rapid price climb of fuel prices in Turkey.

Another factor increasing fuel prices is the high profits that the fuel distribution companies are earning. Under strong public pressure, the EPDK applied to the Competition Board and demanded an examination into whether the distribution companies' profits are excessive. Under energy market regulations, the branches of fuel distribution companies must report their prices to the EPDK; and as all of the companies have regularly been reporting the same prices, this is regarded as a violation of competition.

According to the regulations of the Competition Board, after the preliminary inspection is completed a report on it will be presented to the EPDK. Then the EPDK will decide whether to initiate an investigation or not. If it decides to do so, this process should be completed in six months, according to regulations. If the investigation reveals there are conditions violating competition rules then these companies will face heavy fines.

GAS



Egypt starts natural gas exports to Syria

Date : 13.07.2008

Source : Oil & Gas Journal (Eric Watkins)

http://www.ogj.com/display_article/334151/120/ARTCL/none/Trasp/1/Egypt-starts-natural-gas-exports-to-Syria/

Egypt has begun sending natural gas to Syria via a pipeline that extends through Jordan as part of a larger project to export Egyptian gas to the Middle East and, eventually, Europe.

Sufian Allaw, Syria's oil minister, said the new line would provide his country with 88.3 MMcfd of gas, eventually rising to 212 MMcfd over the next 9 years. Egypt has agreed to supply Jordan, Lebanon, and Syria with gas for 30 years under terms of the \$2.1 billion, 1,200-km Arab Gas Pipeline Project, which was signed in 2001.

The first phase of the project, linking Egypt with Jordan's Red Sea port of Aqaba, was finished in 2003, with the pipeline passing under the Gulf of Aqaba to avoid crossing Israeli territory. In 2005, under the second phase of construction, the pipeline was extended to the Jordanian town of Rihab, north of the capital Amman. Egypt has been exporting nearly 99 bcf/year of gas to Jordan under a 15-year agreement.

The third phase brought the pipeline to Syria's Deir Ali electric power station south of Damascus, according to Allaw. Further extensions are planned to Lebanon and Turkey, where the line will be connected to the planned Nabucco Pipeline for the delivery of gas to Europe.

OIL



Petkim to invest \$5 bln to expand market share

Date : 16.07.2008

Source : Turkish Daily News (Bloomberg)

<http://www.turkishdailynews.com.tr/article.php?enewsid=109895>

Petkim will invest \$5 billion to expand its market share to 40 percent by 2015. Turcas and Socar will invest \$5 billion to boost capacity, including starting production of raw materials, Petkim said in a filing with the Istanbul Stock Exchange yesterday.



Turkey and Israel agree to start work on Med pipeline project

Date : 18.07.2008

Source : Today's Zaman

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=147847>

Turkey and Israel announced yesterday that feasibility studies will start on a planned pipeline project to carry water, natural gas, oil, electricity and fiber optics from Turkey's Mediterranean coast to Israel.

Energy and Natural Resources Minister Hilmi Güler, speaking after a meeting with Israeli Infrastructure Minister Binyamin Ben-Eliezer, said the feasibility studies will be completed in 10 months and that the construction of the pipeline, which he estimated will be finished in three years, will start thereafter.

Ben-Eliezer said his country was close to an agreement with Russia that would secure natural gas for the planned pipeline project. The project consists of five pipelines to carry water, natural gas, oil, electricity and fiber optics from Turkey to Israel. Turkey is purchasing natural gas from Russia via a pipeline that runs underneath the Black Sea.

"We are very close to reaching an agreement with Russia that would supply the pipeline with natural gas," Ben-Eliezer said at a joint press conference with Güler, after their meeting on the technical details of the pipeline project. Azerbaijan has also said it is interested in using the pipeline to ship its oil to eastern markets, Ben-Eliezer added.

Güler said the pipeline could carry at least 40 million tons of oil annually. The oil pipeline is also seen as an important step to reducing the time it takes to transport crude oil to eastern Asia. There has been no study yet on how much gas, water and electricity could be transported through the planned pipeline, noted Güler. India is also included in the project and therefore a tripartite meeting will be held with the participation of Turkish, Israeli and Indian officials in the next 10 days. "This will be followed by a ministerial meeting," Güler stated.

According to Güler, the feasibility studies will cost about 8 million euros. Efforts are still under way to provide the funding. As to the cost of the pipeline project, he declined to state a figure, saying it will be clear after the feasibility work.



Eni enters Russian downstream gas market

Date : 14.07.2008

Source : Oil & Gas Journal (Uchenna Izundu)

http://www.ogj.com/display_article/334246/120/ARTCL/none/GenIn/1/Eni-enters-Russian-downstream-gas-market/

Eni Energhia will supply 350 million cu m of natural gas to Russian power company TGK-9 by 2010 under sales contracts signed on July 8. The agreement is effective from June 1.

The deal positions Eni as the first European company to enter Russia's downstream market, the second largest consumer in the world, and brings it closer to the target in its 2008-11 strategic plan of selling 900 million cu m in Russia in 2011. Eni SPA, parent of Eni Energhia, said the Russian gas market was attractive because the government was increasing domestic gas levels to reach parity with European levels net of transportation costs and export taxes.

Eni has sought opportunities to expand its presence in Russia, including a 2007 deal with OAO Gazprom to construct the South Stream gas pipeline that will deliver Russian gas to the European Union across the Black Sea. Last April, EniNeftegaz consortium also awarded Eni the assets of Lot 2 when Yukos was liquidated, thus entering Russia's upstream industry.



Tüpraş rated 'buy' by Merrill Lynch

Date : 17.07.2008

Source : Turkish Daily News (Bloomberg)

<http://www.turkishdailynews.com.tr/article.php?enewsid=109998>

Tüpraş was rated 'buy' in new coverage by Merrill Lynch. The brokerage expects Tüpraş shares to reach 34 YTL, compared with a current price of 26.25 YTL. Tüpraş is at an advantage because of its "monopoly position in Turkey, which faces a growing oil products deficit, and its location in the heart of the east Mediterranean," Merrill Lynch said.



Iran's gas exports may sink as tensions rise

Date : 15.07.2008

Source : Today's Zaman (Reuters)

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=147569>

Iran's vast gas reserves will remain largely untapped so long as Western companies are scared off by political tensions and US sanctions stop Tehran from getting the technology it needs to develop them alone.

European and Asian energy companies had been lining up to invest in Iran's gas industry, with the lure of the world's second-largest reserves countering pressure from the United States to stay away. But European companies, deterred by heightened tension over Iran's nuclear programme, have now shelved immediate plans for LNG export projects, although they still yearn for Iran's gas riches.

"Iran now has no access to foreign majors' technology for any of its LNG projects, and will find it impossible to import equipment and develop expertise on its own under the current sanctions," Samuel Ciszuk, Middle East energy analyst at Global Insight, said. "The narrow group of international companies that have experience of managing the construction of a liquefaction plant makes it close to impossible for Iran to proceed on its own," Ciszuk said after France's Total reiterated last week it would not spend any more on Iranian gas projects for now.

Iran has not yet exported any LNG but says it will be able to produce 77 million tonnes a year by 2014, more than double the amount the world's leading exporter, Qatar, is producing after nearly two decades of steady investment. Companies including Total, Royal Dutch Shell, Spain's Repsol and Norway's Statoil, have invested billions in Iran's oil and gas sector, defying the threat of sanctions from the United States.

But, as Iran tested long-range missiles last week, Total became the last European major to delay plans. Growing confrontation over Iran's nuclear programme, which Tehran insists is for energy but which Western governments say is for weapons, is increasing the risk of investment. The delays to investments in Iran mean it will do well to export any LNG within seven years, analysts say, with or without foreign help.



Nabucco pipeline sponsors seek supplier support

Date : 14.07.2008

Source : Oil & Gas Journal (Eric Watkins)

http://www.ogj.com/display_article/334256/120/ARTCL/none/Trasp/1/Nabucco-pipeline-sponsors-seek-supplier-support/

Hungary's Prime Minister Ferenc Gyurcsany, following a 3-day visit to Azerbaijan and Turkmenistan, plans to organize a summit meeting in Budapest later this year to boost support for the Nabucco pipeline project.

Government spokesman David Daroczi said the Hungarian prime minister initiated a summit meeting with the participation of all players in the Nabucco project. "We sense that Nabucco could be developing much faster," Daroczi said. Russian President Dmitry Medvedev attempted to further those negotiations on July 3-4 during his own visit to the Caspian region, aiming in particular to secure the 25-year gas supply deal signed in 2003 by the former leaders of both countries. While Turkmenistan assured Russia of its commitment to the agreement, the two sides did not agree on the most crucial question, the price for which Gazprom will buy Turkmen gas.



Baghdad rethink over 'no-bid' deals

Date : 17.07.2008

Source : Upstream Online

<http://www.upstreamonline.com/live/article159263.ece>


Iraq may not award the so-called 'no-bid' contracts that are being negotiated with companies including US supermajor ExxonMobil, because they risk interfering with this year's oil bidding round, Oil Minister Hussain Shahrstani said.

The technical service contracts that Iraq's Oil Ministry is negotiating with ExxonMobil, Shell, Chevron, BP, and Total will have to become void once contracts from the bid round are awarded, Shahrstani told. The separate no-bid contracts can still be signed if the companies involved submit new proposals that will last for one year rather than the original two years so that they do not overlap with the bid round awards, Shahrstani said, adding that Iraq is yet to receive proposals from the oil players concerned.

 **Monthly Oil Market Report (July 2008)**

Source : OPEC

Weblink : <http://www.opec.org/home/Monthly%20Oil%20Market%20Reports/2008/pdf/MR072008.pdf>

 **Energy Efficiency in the Public Sector (2008)**

Source : Energy Charter

Weblink : http://www.encharter.org/fileadmin/user_upload/document/Public_Sector_EE_2008_ENG.pdf

❖ **CIPEE 2008**

China International Petroleum Equipment & Technology Exhibition

Date : September 12 – 14, 2008
 Place : Shandong – China
 Website : 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/intlpipe/
 Contact : Lesley Stevenson (+403 209 3555)



❖ **KIOGE 2008**

16th Kazakhstan International Oil & Gas Exhibition & Conference

Date : October 7 – 10, 2008
 Place : Almaty – Kazakhstan
 Website : www.kioge.com
 Contact : Siobhan Enright (+44 207 596 5166)



❖ **Africa Upstream 2008**

15th Annual Africa Upstream 2008

Date : October 8 – 10, 2008
 Place : Cape Town – South Africa
 Website : petro21.com/events/index.cfm?id=346
 Contact : Duncan Clarke (+31 70 324 6154)

