



OIL



## BTC pipeline resumes operations

Date : 26.08.2008

Source : Oil & Gas Journal (Eric Watkins)

[http://www.ogj.com/display\\_article/337970/120/ARTCL/none/Trasp/1/BTC-pipeline-resumes-operations/](http://www.ogj.com/display_article/337970/120/ARTCL/none/Trasp/1/BTC-pipeline-resumes-operations/)

Some 1.7 million bbl of Azeri crude were loaded aboard tankers, the first transfer since the closure of the pipeline on August 5. In addition to the disruption in the Turkish sector, operation of the BTC line and other export outlets were shut down due to hostilities between Russia and Georgia.

As head of the BTC consortium BP PLC operates the BTC line that transports oil from Azerbaijan's Azeri-Chirag-Gunashli fields complex to world markets. It transported 670,000 b/d in 2007 and plans throughput of 840,000 b/d in 2008 and 1 million b/d in 2009. The Russian incursion into Georgia raised fears over the security of the trans-Caucasus as an energy corridor for oil and gas from the Caspian region, as well as from countries of Central Asia, such as Kazakhstan and Turkmenistan.

According to an oil industry analyst, "Victory in Georgia now gives Russia the edge in the struggle over access to the Caspian's 35 billion bbl of oil and trillions of cubic feet of gas." The analyst said probable losers include "the US and those Western oil companies that have bet heavily on the Caspian as one of the few regions where they could still operate with relative freedom."

### Kazakhstan undeterred

However, despite the shutdown of the BTC line and the other export options via Georgia, neighboring Kazakhstan has denied reports that it will withdraw its planned support for the project. "In order for Kazakhstan to withdraw from BTC, it would have to renounce, that is suspend, the operation of several agreements, including the one on Kazakhstan joining the BTC," said Kazakh foreign ministry spokesperson Yerzhan Ashikbayev.

In 2006, Kazakhstan said it will begin transporting oil through the BTC pipeline following an agreement signed June 16 by Kazakh President Nursultan Nazarbayev and Azerbaijan President Ilham Aliyev. Some 25 million tonnes/year of Kazakh oil will be shipped by tanker from the northern Caspian port of Aktau to Baku. The project envisions eventual construction of subsea pipelines between Kazakhstan and Azerbaijan.



## KKTC slams Greek Cypriot move on oil exploration

Date : 26.08.2008

Source : Today's Zaman

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=151247>

Turgay Avcı, foreign minister of the Turkish Republic of Northern Cyprus (KKTC), reacted harshly yesterday to a reported unilateral move by the Greek Cypriot administration to launch offshore oil and gas exploration in waters surrounding the divided island of Cyprus.

Greek Cypriot daily Phileleftheros reported that the Greek Cypriot administration has been preparing to launch exploration in the waters between Egypt and the island of Cyprus in early 2009 and that ongoing negotiations with two companies concerning the planned exploration have entered their final stage, the Anatolia news agency reported. A deal could be signed next month with those two companies, the daily said, citing Greek Cypriot sources. A few days ago a new tender was announced, with a December deadline, the daily also said.

Exploration of oil by the Greek Cypriot administration is a violation of legal rights of Turkey and the KKTC over Exclusive Economic Zones (EEZ) in the region, Avcı said yesterday in a written statement. The Turkish Cypriots "have encountered a new Greek Cypriot provocation and irresponsibility on the eve of the meetings," Avcı said, in an apparent reference to a scheduled meeting between Greek Cypriot leader Dimitris Christofias and Turkish Cypriot leader Mehmet Ali Talat which will take place on Sept. 3 and mark the start of direct negotiations to resolve the Cyprus issue.

Greek Cyprus is supposed to offer successful applicants exclusive exploration rights over the exploration blocks. If a commercial discovery is made, production would be shared between the licensee and Greek Cyprus under a production-sharing contract.

Greek Cyprus signed accords with Egypt in 2005 and with Lebanon in 2007 to delineate the sea boundaries between them along with the limits of the continental shelf. Ankara opposes those agreements on the basis that international law states that sea boundaries between countries and the limit of the continental shelf for each country need to be delineated in a consensus amongst all the coastal and neighboring states when the issue is in a semi-closed sea like the east Mediterranean.



## Fuel train explodes after hitting mine on main Georgian railway

Date : 25.08.2008

Source : Today's Zaman (AP)

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=151111>

A train carrying oil products hit a mine near Georgia's strategic central city of Gori on Sunday setting tanker cars alight and sending clouds of black smoke into the sky, a government official said.

Interior Ministry spokesman Shota Utiashvili said the blast hit near the end of the train and one third of its 30 tanker cars were on fire. Georgian Public Television showed the 20 others that were uncoupled to prevent the fire from spreading. There were no casualties, Utiashvili said. The blast came amid persistent tension in Georgia.

Russia withdrew the bulk of its troops and tanks from the country Friday after a brief but intense war, but built up its forces in and around two separatist regions and retained positions deeper in the former Soviet republic.

The blast hit the train about 10 kilometers west of Gori, which Russian forces had held until the pullback on Friday, Utiashvili said. The television report said two nearby houses were damaged. Utiashvili blamed the blast on the Russians. Georgian officials say Russian forces deliberately damaged infrastructure before the pullback to weaken Georgia, and accused the Russians of blowing up a train bridge last week. A Russian Defense Ministry spokesman declined to comment on the reported explosions, saying it was not clear what happened.

Utiashvili said the train may have been carrying petroleum products originating in oil-rich Azerbaijan, east of Georgia, toward a Georgian Black Sea port. Georgia straddles a key westward route for oil from Azerbaijan and other Caspian Sea nations. It gives the small nation added strategic importance as the US and European Union seek to decrease Russia's dominance of oil and gas exports from the former Soviet Union.



## Bulgaria says EU must do more to back Nabucco

Date : 28.08.2008

Source : Today's Zaman (Reuters)

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=151434>

The EU has made the 7,9 billion euro pipeline a cornerstone of its policy to ease its dependence on Russian gas but Bulgaria's Economy and Energy Minister Petar Dimitrov said that was not enough and strong political lobbying was needed.

"Finding enough supplies is the big problem and it cannot be solved just by the efforts of the companies in the Nabucco consortium," Dimitrov told Reuters in an interview. "Without a political deal, this case cannot be solved. Russia is holding political talks to buy out the available gas from the Caspian region... I believe the EU should also hold such political talks and not narrow it all down to just principal support for the Nabucco project."

The pipeline is planned to start in Turkey, near its border with either Georgia or Iran. So far only Azerbaijan has agreed to supply Nabucco. Other potential suppliers include Turkmenistan, Kazakhstan, Egypt and Iraq. Nabucco also faces a challenge from a rival Gazprom pipeline, South Stream, which is due to bring more Russian gas to south-eastern and central Europe to meet growing demand. Europe gets a quarter of its gas from Russia.



## Nozari: Turkey is priority for gas exports

Date : 26.08.2008

Source : Turkish Daily News (AA)

<http://www.turkishdailynews.com.tr/article.php?enewsid=113635>

Iran said it gave priority to Turkey in terms of natural gas exports. "We are giving priority to the transportation of Iranian gas to the European markets through Turkey," said Iranian Oil Minister Gholam Hossein Nozari.

Explaining that a route through Russia was not on the agenda, the Iranian minister said negotiations between Ankara and Tehran would continue on the export of gas.

## OIL



## TNK-BP head of downstream resigns

Date : 26.08.2008

Source : Today's Zaman (Reuters)

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=151239>

TNK-BP Executive Vice-President for Downstream Tony Considine resigned on Monday after five years heading the refining, trading and marketing businesses at BP's Russian venture, the company said.

TNK-BP said Considine's resignation would be effective from Sept. 15 and the executive would 'pursue other opportunities'. BP and the quartet of Russia-connected billionaires that own Russia's third-largest oil producer have been at loggerheads for months over management and strategy.

Chief Executive Robert Dudley is managing the company from overseas, having left Russia in July citing harassment, and has since been banned by a Moscow court from working in the country for two years. Considine had held the position of executive vice-president since TNK-BP began operations in August 2003. "Tony has led the transformation of our refining and marketing business, including value chain optimisation, which has translated directly into consistently excellent financial results," TNK-BP Chief Operating Officer Tim Summers said.

## OIL



## Iraq's oil exports rise to 58.8mm barrels in July

Date : 27.08.2008

Source : Rigzone (AFX News)

[http://www.rigzone.com/news/article.asp?a\\_id=65960](http://www.rigzone.com/news/article.asp?a_id=65960)

The Iraqi Oil Ministry says that oil exports in July inched up to 58.8 million barrels, a 0.7% increase from the previous month. The statement says the barrel was sold at an average price of \$113.8 and yielded \$6.692 billion. June's price stood at \$123.

The statement adds that 46.9 million barrels were exported through the country's south and 11.9 million barrels from the north, from Turkey's port of Ceyhan. The oil was uploaded by 19 international oil companies. In May, Iraq saw its highest oil exports since the U.S.-led invasion in 2003, with 62.4 million barrels.



## Egypt expects to boost oil output

Date : 25.08.2008

Source : Oil & Gas News Worldwide

<http://www.oilandgasnewsworldwide.com/Articles.asp?Article=25253>

Egypt expects to boost its oil production from 705,000 bpd to 735,000 bpd within three months, the state-run Middle East News Agency quotes Oil Minister Sameh Fahmy as saying. Fahmy also says the ministry was seeking to review the prices of natural gas exports to secure more revenues.

Fahmy says the country plans to increase its oil output by 100,000 bpd to 800,000 bpd in 2008 by developing recent discoveries in the Gulf of Suez and the Western Desert. Production has declined from peak levels of close to one million bpd in the mid-1990s. Egypt has become a significant exporter of natural gas, both by pipeline through Jordan and in liquefied form by ship.

The most important oil producing ventures are in the Gulf of Suez (GoS), an area accounting for 65 per cent of Egypt's oil and condensate output, followed by Sinai and the Eastern Province, and the relatively newer producers in the Western Desert. GoS output is to rise from 422,500 bpd in 2007 to 482,500 bpd in 2008. The Nile Delta and the Mediterranean are mostly gas-producing areas.

However, the GoS is the most mature petroleum province in Egypt where crude oil production has declined steadily since the 1990s. By contrast, new gas-producing regions have emerged, such as the offshore Mediterranean fields which now account for 60 per cent of the country's proven 72.3 trillion cubic feet (tcf) of reserves. This is followed by the Western Desert, the GoS, and the Nile Delta.

ONGC Videsh (OVL), the overseas arm of India's state-owned E&P giant ONGC, in April 2007 announced it had found an oilfield in the GoS said to hold at least 200 million barrels.

The petroleum ministry has recently offered a number of incentives to boost oil E&P investment, which has remained in the shadow of the lucrative gas sector in recent years. But Egypt has made just enough discoveries to meet domestic consumption without having to import large volumes of crude oil.

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

**✚ Energy Efficiency Policies of Bosnia and Herzegovina**

Source : Energy Charter  
Weblink : <http://www.encharter.org/index.php?id=378&L=0>

**✚ IEA Oil Market Report**

Source : International Energy Agency  
Weblink : <http://omrpublic.iea.org/currentissues/full.pdf>

**PETFORM**  
**UPCOMING EVENTS**

**❖ 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)



**❖ KIOGE 2008**

16th Kazakhstan International Oil & Gas Exhibition & Conference

Date : October 7 – 10, 2008  
Place : Almaty – Kazakhstan  
Website : [www.kioge.com](http://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](http://petro21.com/events/index.cfm?id=346)  
Contact : Duncan Clarke (+31 70 324 6154)

