



OIL



TransAtlantic farms in with Incremental Petroleum

Date : 11.09.2008

Source : Upstream Online

<http://www.upstreamonline.com/incoming/article162883.ece>

TransAtlantic is to farm in to a 60% stake in Incremental Petroleum's Licence 4262 in south-eastern Turkey. TransAtlantic said it would earn the interest by sinking a single exploration well on the Atesler prospect on the licence to a depth of 3200 metres, to test the oil-prone Mardin formation.

The well will target a structural rollover at the prospect. TransAtlantic and Incremental will each determine at casing point whether to complete the well, and will bear their own costs from that point, TransAtlantic said in a statement. The deal also gives TransAtlantic a 75% stake in four further licences to the south of Licence 4262 covering a total of 1863 square kilometres. The deal is subject to approval by Turkish authorities.

Under existing commitments, the parties are required to start drilling on Licence 4262 by early November. TransAtlantic said it also planned to spud a well on its licences 4173 and 4174 in the fourth quarter of this year and drill to a depth of 3700 metres to test the Ordovician Bedinan formation. Under agreements with its partners, TransAtlantic will retain a 25% stake and will be carried through to completion of the well.

OIL



Turkey's oil bill swells despite drop in imports

Date : 08.09.2008

Source : Today's Zaman

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=152465>

According to recent figures released by the Energy Ministry, Turkey purchased 3.46% less foreign crude in the first six months of this year compared to the same period last year, but spent 71% more on these imports due to skyrocketing oil prices.

Turkey imported 11.53 million tons of crude in the first half of 2007 compared to only 11.13 million tons in the first half of this year. However, the money paid to oil exporting countries climbed from \$4.98 billion to \$8.52 billion in the given period.

Four million tons of oil was bought from Russia in the first half, 3.92 million tons from Iran, 1.73 million from Saudi Arabia, 0.76 million tons from Iraq, 0.25 million tons from Kazakhstan, 0.24 million tons from Syria and 0.21 million tons from Italy. In 2005 crude imports amounted to 23.4 million tons, climbing to 23.79 million tons in 2006. But due to a forced contraction in the demand for oil due to soaring prices, the amount fell to 23.45 million tons last year. Turkey has expended \$39.7 billion just on crude oil in the last three-and-a-half years.

Oil and oil products make up a significant proportion of Turkey's imports. According to the Turkish Statistics Institute's (TurkStat) detailed foreign trade figures, in the first seven months of this year Turkey expended \$29.4 billion on oil, including crude, and oil products, which are mainly used as raw materials for the chemicals industry. This amount represents 67.4 percent of the total imports bill in the first seven months.



Güler invites Azeris and Turkmens to cooperate in Black Sea

Date : 10.09.2008

Source : Today's Zaman

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=152698>

"We will start drilling in the Black Sea in 2009, and I am inviting you [Azerbaijan and Turkmenistan] to cooperate with us on this drilling project," Energy Minister Hilmi Güler said during a conference in the Azerbaijani capital.

Güler also referred to the Nabucco pipeline project and said this project would be implemented. Güler also said the Nabucco project would ensure energy security not only in Turkey but also in Europe.

Güler stated that Turkey aims to invest some \$125 billion in energy projects before 2020 and plans to allocate \$100 billion of this amount to electricity generation. Güler stated that oil transportation through the Turkish Straits was up 50 percent in the last three years, adding that Turkey aims to construct a Samsun-Ceyhan pipeline project to reduce the amount of traffic through the straits. "Central Asian and Kazakh oil will be transferred to Ceyhan with this pipeline project," he explained.



Tekfen Construction to sell 50% stake to SOCAR

Date : 09.09.2008

Source : Today's Zaman

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=152586>

Tekfen Holding has agreed to sell 50 percent of its construction firm, Tekfen Construction, for \$520 million to the Azerbaijani state oil company, SOCAR, the holding said in a written statement sent to the Istanbul Stock Exchange (IMKB).

According to the sale terms, SOCAR will establish a new company to transfer the stake it is purchasing from Tekfen. SOCAR also agreed to use Tekfen Construction exclusively for all its construction-related projects in Turkey, Azerbaijan and other countries. Tekfen Holding said it has been negotiating with SOCAR over the past few months. Tekfen added that the parties were working on a final contract for the acquisition.

Founded in 1956, Tekfen is one of Turkey's biggest conglomerate and is active in the areas of contracting, agri-industry, banking and real-estate development. The group has 18,000 employees and is a leading name in international contracting. ENR (Engineering News Record), the well known publication of the international contracting industry, covering the world's Top 225 Contractors lists TEKFEN 69th in 2006.

The State Oil Company of Azerbaijan Republic (SOCAR) is a state-owned oil and natural gas corporation in Azerbaijan. It is responsible for the production of oil and natural gas in Azerbaijan, for operation of two oil refineries, and for running the oil and gas pipeline system. SOCAR is a party to all of the international consortia developing new oil and gas projects in Azerbaijan.

SOCAR was established in September 1992 with the merger of Azerbaijan's two state oil companies, Azerneft and Azneftkimiya. In 1994, SOCAR signed the 'Contract of the Century' related to the extraction of oil from the Caspian Sea. SOCAR employs more than 70,000 employees. In 2005 SOCAR produced above 14 million tones of oil mostly from the Azeri-Chirag-Guneshli field. Since 1994, SOCAR has signed 25 major production sharing agreements.



OPEC decides to curb overall output, prices rise

Date : 11.09.2008

Source : Today's Zaman (AP)

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=152809>

OPEC oil ministers agreed Wednesday to trim overall output by more than 520,000 barrels a day in a compromise meant to avoid new turmoil in crude markets while seeking to bolster falling prices.

The news sent oil prices upward. Light, sweet crude for October delivery rose 97 cents to \$104.23 a barrel in electronic trading on the New York Mercantile Exchange. But benchmark crude fell back in later trading, fetching only 8 cents more at US\$103.34 by afternoon in Dubai and reflecting market conviction that the cut would not seriously affect supply. The steady market also showed lack of concern over news that Russia and OPEC had agreed to sign a memorandum of understanding that would increase bilateral cooperation in energy issues.

Russia produces around 11 percent of the world's oil and OPEC 40 percent and any tight coordination between the two could potentially reduce importers' options on where to go for their crude. The agreement to intensify cooperation came in discussions between Russian Vice Premier Igor Sechin and OPEC Secretary General Abdalla Salem El-Badri late Tuesday. But both El-Badri and analysts warned against attaching too much importance to Moscow's overture.

"I don't think our cooperation will affect the consumer at all," El Badri said, adding the contacts were preliminary and that OPEC had similar arrangements with China and the EU. Cornelia Meyer, who has helped negotiate several energy deals between Russia and Western companies said that "it's important that Russia and OPEC speak but the understandings are very loose." "Russia does not want to be in OPEC because it means adhering to quotas which is not what Russia wants. Russia does not want to comply with anyone's wishes but the Kremlin's," she said.

A statement issued by the Organization of Petroleum Exporting Countries issued after oil ministers ended their meeting early Wednesday said the organization agreed to produce 28.8 million barrels a day. OPEC President Chakib Khelil said that quota in effect meant that member countries had agreed to cut back 520,000 barrels a day in production over the established quota. Saudi Arabia alone accounts for more than that amount of output over its official quota. But Khelil said that the cutbacks in overproduction would apply proportionally to all OPEC members bound by quotas.

GAS



Shell approved to gather associated gas in Basra

Date : 08.09.2008

Source : Oil & Gas Journal (Eric Watkins)

http://www.ogj.com/display_article/339032/120/ARTCL/none/Trasp/1/Shell-approved-to-gather-associated-gas-in-Basra/

The Iraqi government has approved Royal Dutch Shell's Iraq Gas Master Plan, paving the way for the firm to invest some \$3 – 4 billion to gather 500 – 600 MMcfd of associated natural gas in the southern part of the country.

“The Council of Ministers, in an exceptional session, decided to approve an agreement of principles with Shell to invest in the natural gas adjoining oil drilling in Basra,” the government said. Shell will establish a joint-venture company with Iraq's state-owned South Oil Co. (SOC) to execute the gathering, treatment, and monetization operation. SOC will hold a 51% majority stake, while Shell will hold 49%.

The agreement enables rapid development of Iraq's associated gas resources, most of which are being burned off. While Iraq's domestic power industry will use most of the gas; other volumes could be exported as LNG via a floating liquefaction facility off Basra. According to analyst Global Insight, Shell's involvement in the south could place it in a favorable position for similar associated gas production deals in Iraq's Kirkuk area and perhaps Missan province.

The analyst said the agreement holds 'vast potential for Shell and Iraq alike,' to move away from wasteful flaring of gas—which the country has no infrastructure or know-how to monetize—to a lucrative opportunity to supply domestic markets and earn export revenues.

 OPEC Monthly Oil Bulletin (September 2008)


Source : OPEC

Weblink : <http://www.opec.org/library/OPEC%20Bulletin/2008/pdf/OB092008.pdf>

 IEA Monthly Natural Gas Survey (June 2008)

Source : International Energy Agency

Weblink : <http://www.iea.org/dbtw-wpd/Textbase/stats/surveys/NATGAS.PDF>

 IEA Monthly Oil Survey (June 2008)

Source : International Energy Agency

Weblink : <http://www.iea.org/Textbase/stats/surveys/OILSURV.PDF>

 IEA Open Energy Technology Bulletin

Source : International Energy Agency

Weblink : <http://www.iea.org/impagr/cip/index.htm>

❖ **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)



❖ **ADIPEC 2008**

12th Abu Dhabi International Petroleum Exhibition & Conference

Date : November 3 – 6, 2008
Place : Abu Dhabi – UAE
Website : www.adipec.com
Contact : Ashok Pillai (+971 (0) 2 4444 909)



❖ **Mangystau Oil & Gas 2008**

3rd Regional Mangystau Oil & Gas Exhibition

Date : November 5 – 7, 2008
Place : Aktau – Kazakhstan
Website : www.mangystau.oil-gas.kz
Contact : Olessya Makarenko (+7 3272 583434)



❖ **World Independents Forum 2008**

12th World Independents Forum

Date : November 18, 2008
Place : London – UK
Website : petro21.com/events/index.cfm?id=357
Contact : Duncan Clarke (+31 70 324 6154)



❖ **National Oil Companies 2008**

7th Annual National Oil Companies 2008

Date : November 19 – 20, 2008
Place : London – UK
Website : petro21.com/events/index.cfm?id=355
Contact : Duncan Clarke (+31 70 324 6154)

