



## GAS



## Ankara Mayor announces gas distribution tender

**Date** : 27.09.2007

**Source** : Turkish Daily News

<http://www.turkishdailynews.com.tr/article.php?enewsid=84532>

Ankara's Metropolitan Municipality will open bidding for the privatization of the natural gas distribution grid within the next two to three weeks, said Mayor Melih Gökçek. Başkent Doğal Gaz A.Ş., currently holding a 30-year license to distribute gas in Ankara, will be sold within six weeks once bids are invited.

The selling of the Ankara-based gas company should provide a model for the sale of Istanbul's gas distribution network, Istanbul Gaz Dağıtım AŞ (İGDAŞ), said Yusuf Günay, chairman of the Energy Market Regulatory Authority (EPDK). The sale will enable Ankara to repay \$850 million of its debt to the treasury and BOTAS, the state-run pipeline company.

Natural-gas consumption among Ankara's 4 million people is expected to more than double, hitting a yearly rate of 7.5 billion cubic meters in the next decade, up from the current 3 billion cubic meters, Gökçek said.

## OIL



## A new energy giant: StatoilHydro

**Date** : 27.09.2007

**Source** : Statoil

<http://www.statoil.com/>

The merger between Statoil and Norsk Hydro ASA's petroleum business is expected to be implemented on 1 October 2007. As a result, this will be the first day of trading in the StatoilHydro share. Consequently, Friday 28 September will be the last day that the Norsk Hydro ASA shares will trade inclusive of the right to receive Statoil shares.

Each Norsk Hydro ASA shareholder will receive Statoil shares based on their shareholder holdings registered at the Norwegian Central Securities Depository on 3 October 2007. After the completion of the merger, the company's name will change to StatoilHydro ASA. New share capital will be NOK 7,971,617,757.50 comprising 3,188,647,103 shares with a nominal value of NOK 2.50 each. A new stock exchange announcement will be published on 1 October 2007.

## Turkey to earn \$600 million from Iran natural gas



**Date** : 25.09.2007

**Source** : Today's Zaman (Ercan Baysal)

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=123041>

The details of a July natural gas exploration and transportation agreement between Turkey and Iran, over US objections, are now becoming clearer. According to the agreement Iran will pay 20 percent of profits from the natural gas extracted from the South Pars Basin to Turkey in compensation for exploration costs.

The Turkish Petroleum Corporation (TPAO) will invest around \$3 billion in the region. The project, forecast to be completed in seven years, will claim \$3.6 billion from Iran with the addition of the 20 percent profit margin. Iran will pay this sum in installments lasting from eight to 10 years, either in cash or in natural gas. Negotiations for the project will continue until February 2008. The final agreement is expected to be signed in April 2008, with groundbreaking at the end of the year. A TPAO authority, who spoke on condition of anonymity, said Iranian officials had offered a 15 percent profit margin.

*"We expected 25 percent, and we made a deal on 20 percent,"* he said. The agreement between the two countries also covers the transportation of 35 billion cubic meters from Turkmenistan to Europe. With this agreement, which allows Turkey to export Iranian and Turkmen gas to Europe, the exploration and extraction of three natural gas fields in the South Pars Basin, which has 14 trillion cubic meters of reserves, will be given to Turkey. The TPAO will operate these fields and has the ability to produce 56 million cubic meters of gas daily. On an annual basis, the company has a production capacity of 20 billion cubic meters.

After a visit of Energy Minister Hilmi Güler to Iran in the weeks following the gas agreement, another memorandum of understanding was signed between the two countries on electricity. With this memorandum, the construction of three thermal power plants and one hydro-power plant was decided. These plants are estimated to be capable of generating 6 billion kilowatt hours of electricity in total. The locations of the power plants will be determined at a later date.

Turkey and Iran, however, could not come to an agreement on the transportation of gas to Europe. Turkey does not accept Iran's *"let us to pay the transit fees for the transportation of gas to Europe"* offer. The Turkish Energy Ministry insists on establishing a joint company and selling the gas together. *"They have to accept our offer because without us, they cannot sell gas to Europe,"* an official from the ministry said. According to Turkey's offer, the state-owned Turkish Pipeline Company (BOTAŞ) and Iran would establish a firm to install pipeline from the Pars region to the Turkish border. Another joint company would purchase this gas and sell it to Europe.



## Kazakhstan allows govt to break oil contracts

**Date** : 26.09.2007

**Source** : Rigzone (Selina Williams – Dow Jones)  
[http://www.rigzone.com/news/article.asp?a\\_id=50684](http://www.rigzone.com/news/article.asp?a_id=50684)

Kazakhstan's lower house of parliament approved a bill that gives the state more power over contracts on subsurface resource use. The bill, which amends the law on subsurface deposits and their use, allows the state to revise the terms of a contract at a strategic deposit if the economic interests of the state have been impacted, Interfax said.

The bill will now be forwarded to the Kazakh senate for approval. Kazakh lawmakers say the bill is needed now because of cost overruns and delays at the Eni-led Kashagan oil field project in the Caspian Sea. According to one amendment in the bill, if the license holder's operations have an impact on Kazakhstan's economic interests or are a threat to national security, the relevant agencies *“have the right to demand changes and/or terms added to the contracts with the goal of reestablishing Kazakhstan's economic interests,”* Interfax reported.

The bill also expands the grounds on which the state can annul a subsurface resource use contract. Grounds for annulment include the following: if within a period of up to two months after receiving notification the resource user doesn't provide its written consent to begin talks on changing the terms of a contract or refuses to hold talks; if within a period of up to four months from receipt of the resource user's consent to talks no agreement has been reached; and if in a period of up to six months from the attainment of agreement on restoring Kazakhstan's economic interests the parties do not sign the contract amendments.

Eni holds an 18.5% stake in the development consortium, the same amount as Exxon Mobil, Royal Dutch Shell and Total. ConocoPhillips holds 9.3%, while Japan's Inpex and Kazakh state oil and gas company KazMunaiGas each own 8.3%. Eni is the sole Kashagan operator. Kashagan is estimated to hold 13 billion barrels of recoverable reserves.



## German RWE is at an advantage for becoming Nabucco partner

**Date** : 26.09.2007

**Source** : Turkish Daily News  
<http://www.turkishdailynews.com.tr/article.php?enewsid=84457>

While the partnership of German company RWE in the Nabucco Pipeline Project which transports Caspian and Middle East natural gas to Europe is expected to be finalized by next month, the project's seventh partner will also be evaluated.

*“We have made significant progress with respect to the selection of the sixth partner for the Nabucco project. Yet, there are certain points that need to be clarified and enlightened regarding the issue,”* said a senior Energy Ministry official while answering Reuters questions.

*“RWE is more advantageous compared to Gaz de France (GdF) in terms of becoming a partner in the Nabucco project,”* said the official. He stated the inadequacy of membership in the administrative board of BOTAŞ and underlined the necessity of appointment of one member to be able to reach a decision concerning the issue. *“After the appointment of the member in the administrative board, the process on the part of BOTAŞ will soon be finalized,”* he said.

He expressed that the status of the GdF, which initiated partnership negotiations earlier than RWE and which is eager to be part of the project, has not changed for Turkey. *“The inclusion of the seventh partner for the project depends on the conditions. The negotiations for the new partner could be carried out after the sixth partner is finalized. We do not have a hard line position which prevents the inclusion of the seventh partner for the project,”* he said.

## OIL



## Iraq ready to sign oilfield deals before new law

**Date** : 25.09.2007

**Source** : Turkish Daily News

<http://www.turkishdailynews.com.tr/article.php?newsid=84332>

Iraq's oil ministry hopes to sign contracts with international firms before the year-end even if a new oil law governing the sector has not been passed by parliament, Oil Minister Hussain al-Shahristani said. *“As a responsible ministry, we cannot keep waiting. The current laws allows the oil ministry to negotiate with firms and to sign contracts,”* he said.

While the industry generally prefers long-term production sharing contracts to develop larger investments, the Iraqi oil minister signalled more restrictive service contracts may be the way forward.

*“We have explored fields whose reserves and production rates we know very well so ... this only needs service contracts,”* Shahristani said. *“For super giants like northern and southern Rumaila and Zubair, we may only need service contracts,”* he added.

He said he hoped the tender process for developing oilfields could begin before the end of the year. *“We have (also) formed a new office, which is called the office of oil contracts and licenses, and it has prepared contract models and a plan for developing fields,”* he said. *“Which fields will be listed in the first round and which in the second is under final review. We will begin the first round before the end of this year.”*



## EU envoy: energy plan misunderstood as anti-Russia

**Date** : 25.09.2007

**Source** : Today's Zaman

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=123048>

*“The EU energy proposals aim first and foremost at strengthening the EU energy market and have been misinterpreted as an anti-Gazprom measure,”* Marc Franco, the EU ambassador to Moscow, told Reuters. *“Politicians and commentators need to read the text. As far as foreign investment in the energy sector is concerned, the text is very welcoming and open.”*

Russia, he added, had never allowed foreign participation in its own transmission networks, such as pipeline monopoly Transneft or the state-run electricity grid. *“We cannot understand what the fuss is about. No country would allow foreign investors to control its energy transport systems,”* Franco said. The Russian government has not yet formally reacted to the EU proposals but the State Duma (lower house of parliament) is currently considering a law to limit foreign investment in strategic sectors of the economy, such as energy.



### 📄 Turkish LPG Market Report (January – June 2007)

Source : EMRA

Weblink : <http://www.epdk.org.tr/english/reports/lpg2007/2007lpgmarketreport/2007lpgmarketreport.pdf>

### 📄 OPEC Monthly Oil Market Report (September 2007)

Source : OPEC

Weblink : <http://www.opec.org/home/Monthly%20Oil%20Market%20Reports/2007/pdf/MR092007.pdf>

### 📄 World Oil Balance (2003 – 2007)

Source : Energy Information Administration

Weblink : <http://www.eia.doe.gov/emeu/ipsr/t21.xls>

### 📄 World Crude Oil Prices

Source : World Trade Executive

Weblink : [http://tonto.eia.doe.gov/dnav/pet/pet\\_pri\\_wco\\_k\\_w.htm](http://tonto.eia.doe.gov/dnav/pet/pet_pri_wco_k_w.htm)



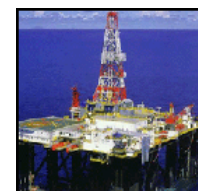
 **E&P Technology Summit 2007**

**Date** : October 16 – 17, 2007  
**Place** : Barcelona – Spain  
**Website** : [www.eptsummit.com](http://www.eptsummit.com)  
**Contact** : Michael Travers (+44 0 20 7202 75 11)



 **European Refining Markets**

**Date** : October 22 – 23, 2007  
**Place** : Brussels – Belgium  
**Website** : <http://www.platts.com/Events/pc777/>  
**Contact** : Sophie Adams (+44 (0) 20 7176 66 58)



 **Africa Upstream 2007**

**Date** : October 31 – November 2, 2007  
**Place** : Cape Town – South Africa  
**Website** : <http://petro21.com/events/index.cfm?id=302>  
**Contact** : [babette@glopac.com](mailto:babette@glopac.com)



 **Developing European Gas Supply Infrastructure**


**Date** : November 5 – 6, 2007  
**Place** : Vienna – Austria  
**Website** : <http://www.platts.com/Events/pc778/>  
**Contact** : Sophie Adams (+44 (0) 20 7176 66 58)



 **World Energy Congress**

**Date** : November 11 – 15, 2007  
**Place** : Rome – Italy  
**Website** : [www.rome2007.it](http://www.rome2007.it)  
**Contact** : Erica La Venuta (+06 420 45423)



 **Creating Value in European Oil Storage**

**Date** : November 26 – 27, 2007  
**Place** : Budapest – Hungary  
**Website** : <http://www.platts.com/Events/pc779/>  
**Contact** : Sophie Adams (+44 (0) 20 7176 66 58)

