



OIL



## Iraqi Kurds plan to begin exporting oil through Ceyhan

Date : 28.11.2008

Source : Today's Zaman

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=160036>

Ashti Hawrami, Natural Resources Minister for the regional administration in Northern Iraq, said an initial 100,000 barrels per day of crude oil from two Northern Iraqi fields would be sent through a pipeline to Ceyhan.

Exports will eventually be ramped up to 250,000 barrels per day by the end of 2009, he said in a statement. Hawrami did not say when the exports would begin, but noted that they would be coordinated by the Iraqi Oil Ministry. The announcement appeared to take the national government by surprise, however, with a ministry spokesman saying the Kurds had not yet received approval to unilaterally begin exports. "An export license has not yet been granted, and is still under discussion," Assem Jihad told. "Only a technical agreement has been reached on how to link these two fields to the Iraqi strategic export pipeline."

Ankara has frequently stated its reservations about the regional administration exporting oil and gas to the world markets on its own before Iraq has adopted a federal hydrocarbons law. Turkish Foreign Ministry officials were not immediately available for comment on the announcement.

OIL



## Lukoil announced Akpet deal finalized

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Source : Today's Zaman

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=159811>

In a statement yesterday, Lukoil President Vagit Alekperov announced that his company will pay \$555 million for the Turkish oil firm Akpet, whose 693 gas stations account for about 5 percent of the Turkish market.

Akpet facilities include eight oil terminals with a total capacity of 300,000 cubic meters, five LPG depots, three jet fuel depots and a lubricants production and packaging plant in İzmir's Aliğa district with a capacity of 12,000 tons per year. Six of its eight oil terminals are on the coast and can accommodate oil tankers, and three terminals are connected by pipeline to TUPRAS. Of the licensed fuel distributors in Turkey, Akpet ranks sixth in terms of market share, third in terms of storage capacity and second in terms of number of depots.

Lukoil paid \$250 million for the deal in October and will pay the remaining sum in installments without interest. The second and third payments will be on April 30 and Oct. 30, 2009. Alekperov said in the statement that purchasing the assets in Turkey had increased the company's distribution network abroad by 18 percent.



## Greek Cyprus presses on with oil exploration

Date : 26.11.2008

Source : Today's Zaman

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=159816>

Greek Cyprus said on Tuesday it would push ahead with oil and gas exploration activities in the Mediterranean and warned that Turkey could face difficulties with its EU entry bid if it tried to stop them.

Greek Cyprus has accused Turkey of harassing two Panamanian-flagged vessels conducting seismic surveys for Greek Cyprus in international waters on Nov. 13 and said a second incident occurred on Nov. 24. "We will decisively defend the sovereign rights of the Republic of Cyprus ... and we have reported the provocative actions of Ankara to the United Nations and the EU," said Greek Cypriot leader Dimitris Christofias, who represents the Greek Cypriot side in reunification negotiations.

Turkish Foreign Ministry spokesperson Burak Ozügergin on Monday said the exploration on what it called Turkey's continental shelf could upset negotiation efforts. "We find it an adventurous approach to carry out activities on Turkey's continental shelf at a time negotiations continue for a comprehensive solution in Cyprus," Ozügergin told.

Greek Cyprus angered Turkey last year by charting 11 offshore blocks south and southeast of the island, offering them to companies for exploration. The Greek Cypriot government plans to offer more blocks in a bidding process next year.

## OIL



## Turkish, Israeli, Indian ministers to meet for Med Stream

Date : 24.11.2008

Source : Hürriyet Daily News

<http://arama.hurriyet.com.tr/arsivnews.aspx?id=10428800>

Energy Minister Hilmi Güler said he would meet his Israeli and Indian counterparts in the coming days over the Med Stream project. Med Stream, a multi-purpose offshore pipeline project, is planned to transport oil, natural gas, water, electricity and fiber optic cables.

India is interested in the project to import oil from the line through the Red Sea with loading tankers from an Israeli port. The project is estimated to cost around 8 billion euros. “The highest amount of cargo allowed to pass from the Turkish Straits is set as 130,000 tons, while ships carrying 400,000 tons of cargo can come to the Ceyhan Port in southern Turkey,” Güler, who is currently accompanying Prime Minister Tayyip Erdogan in India, told reporters.

India is interested in the project as the pipeline would be short and economical for transportation and that the country would get the better of time and cost as soon as the project is implemented. “On the other hand, it takes 39 days for a ship to arrive in the Red Sea after passing from the Turkish Straits, and only 16 days from Ceyhan to India. These are significant advantages for India,” Güler added. Feasibility studies of the pipeline are planned to begin by the end of this year and are expected to be completed in the summer of 2009. Construction of the pipeline is planned to start no later than 2010.

## GAS



## Gazprom to stick to 10-year goals

Date : 26.11.2008

Source : Upstream Online

<http://www.upstreamonline.com/live/article167194.ece>

Gazprom confirmed it will maintain its financial and operational goals for the next 10 years and will reconsider them after the first half of 2009. The company said it plans to produce not less than 550 bcm of gas and sell not less than 490 bcm per year.



## Turkey and Norway discuss cooperation on energy

Date : 27.11.2008

Source : Hürriyet Daily News

<http://arama.hurriyet.com.tr/arsivnews.aspx?id=10449129>

Cooperation on energy is on the Norwegian crown prince's agenda for his meetings with Turkish officials. Turkey and Norway are preparing to launch joint projects for building hydroelectric plants, investing in solar energy and oil explorations in the Black Sea

As two of Europe's non-European Union countries, Turkey and Norway discussed yesterday ways to boost ties in the energy field. "Let's go on a journey in the Black Sea with the Norwegian companies. I hope we'll be as successful as we were in our joint drilling in the Caspian Sea," Hilmi Güler, Energy Minister, said during the Turkey-Norway Hydro Energy Forum organized by the Norwegian Embassy and Innovation Norway, on the occasion of the visit by Norwegian Crown Prince Hakoon Magnus to Turkey.

Prince Hakoon arrived in Turkey on Tuesday and held meetings with President Abdullah Gül and Prime Minister Tayyip Erdogan. Accompanied by a large group of businessmen and government officials, Hakoon's agenda was increasing the level of cooperation between the two countries on energy issues.

Norway is an important oil and natural gas supplier in the world and has great experience in hydroelectric power plants. The Turkish Petroleum Corporation and Norway's Statoil are cooperating in an international consortium established for drilling and marketing Azerbaijani oil to world markets via the Baku-Tbilisi-Ceyhan oil pipeline.

"Seismic studies [of the Black Sea] are proving that we can conduct new business investments and set new relations," Güler stated. TPAO recently signed an oil exploration deal with Exxon-Mobil, hoping economically feasible oil and natural gas reserves would be found in the Black Sea. "Let's not miss this opportunity," the minister added.



## Barzani and Shahrستاني shake hands to develop Iraq oilfields

Date : 28.11.2008

Source : Today's Zaman

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=160036>

KRG PM Nechiravan Barzani, Deputy PM Omer Fattah and Natural Resources Minister Ashti Hawrami met the Iraqi Oil Minister Hussain al-Shahrستاني on Monday where they told they had reached agreement on the basic principle that oil remains for all the Iraqi people.

Barzani said, “KRG still believes that all differences can be resolved through dialogue and consultation. Today’s meeting between the KRG and Minister al-Shahrستاني was fruitful and should be seen as an important step in a continuous process. We hope that such dialogue continues and that the Iraqi Council of Representatives can pass a national oil law that benefits and respects the federal rights of all Iraqis.”

When asked about a national oil law, Shahrستاني said, “The Iraqi Council of Representatives has been unable to pass a national oil and gas law because of a lack of consensus among the political parties.” He later added, “The February 2007 draft law will be a good base for a hydrocarbon law in Iraq which will benefit Iraqis across the country.”

Barzani and Shahrستاني announced that both sides would prepare for the future joining of two oilfields, Tawke and Taqtaq in Northern Iraq, to the main northern export pipeline to the Turkish port of Ceyhan. They stated however that further talks would be needed before national export licenses would be assigned to the fields.

The visiting minister said that a top priority was the development of the Khurmala oilfield, located south of Erbil city, in order to supply a refinery in the Erbil governorate. The two sides agreed that the KRG and Baghdad will continue to cooperate in this regard. Barzani said, “There was a problem in the past regarding this field and today we have solved it.”



## TransAtlantic swaps rigs at Atesler-1 well

Date : 25.11.2008

Source : Rigzone

[http://www.rigzone.com/news/article.asp?a\\_id=69968](http://www.rigzone.com/news/article.asp?a_id=69968)

Incremental Petroleum announced that 13 3/8 inch casing has now been run and cemented at 534m in Atesler-1 well. The current rig is being demobilized to be replaced by a new and more efficient rig owned by TransAtlantic which is currently being brought to the site from overseas.

Drilling operations will re-commence once the new rig is onsite, targeting a total depth of 3200m. TransAtlantic (60%) is the operator with Incremental retaining 40% equity in the concession and being free carried through the drilling of this well. Incremental will continue to provide updates when significant milestones in the well are reached.

In the company's previous release of September 10, 2008, C90 and C50 resource categories were used to describe Atesler. This was an incorrect use of these terms that has only now been brought to the company's attention. The prospect should have been described as set out below:

The play is a low risk structural rollover with a low resource estimate of 0.5 million barrels. An upside fault-seal play with lateral seal provided by shaley rocks across the fault-face has an estimated best resource estimate of 13 million bbl on IPM's license. The fault has demonstrated sealing capacity at a deeper level.

Well data from nearby fields suggests anticipated reservoir porosity averages about 16%, with initial productivity exceeding several thousand bopd of light oil. The regional infrastructure is good. These modifications do not change the prospectivity of the prospect.





## Ukraine PM wants one firm to develop Black Sea gas

Date : 25.11.2008

Source : Rigzone (AFX News Limited)

[http://www.rigzone.com/news/article.asp?a\\_id=69980](http://www.rigzone.com/news/article.asp?a_id=69980)

Ukraine will study the possibility of exploration of Black Sea gas resources under the direction of a single company, PM Yulia Tymoshenko said. She asked a group of advisers to look into the issue several months after the government cancelled a contract with U.S. firm Vanco Energy.

“I would suggest we create one great project, which includes the whole shelf, and includes all exploration and extraction,” she told a meeting discussing infrastructure and energy issues. She said the project should be “a separate state programme with its own accounts and with defined sources of financing, including via long-term credit from international financial institutions.”

Tymoshenko was speaking as negotiations commenced between state energy firm Naftogaz and Russia’s gas monopoly Gazprom on arrears and a new gas price for next year. Gazprom said on Tuesday that Ukraine had agreed to pay back its gas debts -- which it says amount to \$2.4 billion and Kiev says are far less -- by Dec. 1. Russian President Dmitry Medvedev said at the weekend that court action could be launched against Ukraine and a Gazprom spokesman said no supplies could be assured without a new contract.

Naftogaz chief Oleh Dubyna said in July that the two companies should create a joint venture to develop Black Sea resources, an unusual proposal given Ukraine’s wariness of too much Russian influence and participation in its energy sector. Tymoshenko said in May, after cancelling the contract with Vanco, that Naftogaz should be the sole developer of the shelf, with the participation of foreign firms.

Vanco had been allowed to explore and extract gas for 30 years in a 13,000 square km area of the shelf. Ukraine’s richest man, Rinat Akhmetov, was one of the financing partners. Vanco said when it won the licence that the area represented about 20 percent of Ukraine’s Black Sea territory, describing it as one of the world’s largest untapped offshore regions. The deal would have allowed Ukraine to raise gas extraction by 4 billion cubic metres, on top of the 20 bcm now, and by 3 million tonnes of oil in addition to 4 million tonnes now.



## Edison SpA stresses European gas diversity

Date : 25.11.2008

Source : Oil & Gas Journal (Uchenna Izundu)

[http://www.ogj.com/display\\_article/346342/120/ARTCL/none/GenIn/1/EAGC:-Edison-official-stresses-European-gas-diversity/](http://www.ogj.com/display_article/346342/120/ARTCL/none/GenIn/1/EAGC:-Edison-official-stresses-European-gas-diversity/)

Enhancing diversity of gas supplies is a key challenge for Europe, and the Caspian could become an important source, according to an Edison SpA senior official at the European Autumn Gas Conference (EAGC) at Lake Como, Italy.

Riccardo Pasetto, executive vice-president of corporate business development at Edison, said: “We want to promote new gas from the Caspian; the advantage of our position is small compared with [that of] Nabucco.” Edison’s proposal is the IGI (Interconnect Greece-Italy) gas pipeline that would import 8–10 billion cu m/year of gas from the Caspian and the Middle East areas through Turkey to connect Italy and Greece. Deliveries are expected to start in 2012. Edison is working with the Greek company Depa to build the 800-km long pipeline.

OMV is developing the 3,300-km Nabucco gas pipeline, which is of strategic importance for the European Union. It has a planned capacity of 31 billion cu m/year of gas to be delivered from the Caspian and Central Asia beginning in 2013. Currently Russia is one of the biggest suppliers of natural gas to Europe, but this reliance troubles European politicians and policy makers as Russia increasingly uses energy to shape its foreign policy.

In 2007, Russia provided 27% of Italy’s required 13.5 bcm of gas, followed by Libya 11% and Norway 10%, according to Pasetto. However the IGI pipeline in 2015 will supply 27% of the 24 bcm required, with Qatar providing 26%, Algeria 17%, Libya 17%, and Russia 17%. “Russia and North Africa will remain the main suppliers to Europe, providing 35% of total demand,” Pasetto said. “Russia’s incremental supplies of 30–60 bcm should be lower than the additional capacity provided by the projects under development.”

Pasetto stressed that LNG supplies will be essential to meeting future European gas demand, but this could be subject to arbitrages on the US and Asian markets. If gas prices are attractive in Italy, the LNG will come. Qatar’s role will be crucial, and Edison is developing the 8 billion cu m/year North Adriatic LNG regasification terminal in partnership with ExxonMobil Corp. and Qatar Petroleum.





## Kirkuk – Ceyhan oil pipeline repaired after three-day fire

Date : 24.11.2008

Source : Hürriyet Daily News

<http://arama.hurriyet.com.tr/arsivnews.aspx?id=10431711>

A section of the Kirkuk-Ceyhan oil pipeline has been repaired after a three-day fire and has resumed carrying oil. Workers have finished the repairs after putting out the fire triggered by an explosion Friday near the town of Midyat, 80 kilometers from the Iraqi border.

Military sources in the region earlier told that they had established control in the affected area and that the blast appeared to have been caused by sabotage. Turkish authorities say the terror organization, PKK, was responsible for the attack. Officials at Turkey's state pipeline company BOTAS did not immediately comment.

## PETFORM ANNOUNCEMENTS & REPORTS

### ❖ IEA Oil Market Report (November 2008)

Source : International Energy Agency

Weblink : <http://omrpublic.iea.org/currentissues/full.pdf>

### ❖ Taxation Along the Oil and Gas Supply Chain: International Pricing Mechanisms for Oil and Gas (2008)

Source : Energy Charter

Weblink : [http://www.encharter.org/fileadmin/user\\_upload/document/Taxation\\_Study\\_2008\\_ENG.pdf](http://www.encharter.org/fileadmin/user_upload/document/Taxation_Study_2008_ENG.pdf)