



OIL



Russian Lukoil in talks to buy Akpet

Date : 29.09.2007

Source : Today's Zaman

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=123432>

Russian oil company Lukoil has reportedly been in talks with Akpet, a leading player in the Turkish fuel market, for a buyout or partnership agreement. Lukoil, already in the Turkish market with a few gas stations under its own brand, is planning to expand through acquisitions, according to information from close sources.

The Russian company is eyeing Akpet, co-owned by the Aytemiz and Ciner groups. Sources assert that Aytemiz firmly rejected the idea of leaving the market, so Lukoil then began to consider acquiring Ciner's company shares, though the parties haven't yet discussed the price issue.

GAS



RWE, GdF and Gazprom eye Ankara gas tender

Date : 03.10.2007

Source : Turkish Daily News (Reuters)

<http://www.turkishdailynews.com.tr/article.php?enewsid=84989>

The sale of the Ankara's natural gas distribution grid has attracted strong overseas interest. The official, from the Ankara gas company Başkent Doğalgaz, said RWE, Gaz de France and Gazprom are interested in the tender, set to be held in the next two weeks. Other potential bidders include Sabancı, Zorlu, Aksa and Energaz.

He said the winner will be allowed to sell off a portion of the company's shares via an international public offering after three years. *"The value of the company in three years is calculated to be at least \$6 billion and as much as \$18 billion,"* the official said.

Metin Şen, the general manager of Bosphorus Gas, a joint venture of Gazprom and Turkish businessman Ali Şen, said his company was interested in the privatizations of both the Ankara and Istanbul gas distribution companies. He said his company wanted to achieve a 20 percent stake in the natural gas market in Turkey. He said annual gas consumption in Ankara is expected to rise to 7.5 billion cubic meters within 10 years from three billion now. The current number of customers is 70,000 and this may rise to 150,000, he said.



Cevahir Group applies for \$6 bln oil refinery

Date : 02.10.2007

Source : Today's Zaman

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=123640>

The Cevahir Group has applied to the Energy Market Regulatory Agency to establish an oil refinery in Yumurtalık, the end point of the Baku-Tbilisi-Ceyhan, Samsun-Ceyhan and Kirkuk-Yumurtalık oil pipelines. The refinery will cost approximately \$6 billion and will be able to process 10 million tons of crude oil per year.

Including this latest application, the total value of refinery investments has increased to \$21 billion and total processing capacity has reached 45 million tons per year. Petrol Ofisi-OMW, Çalık-Indian Oil and Socar-Turcas' applications to build oil refineries were approved by the EPDK. EPDK President Yusuf Günay said the new Cevahir Group refinery would serve not only the Turkish market but also the Mediterranean market.



Turkey to finance \$3.5b Iran gas deal

Date : 03.10.2007

Source : Gulf News (Reuters)

http://www.gulfnews.com/business/Oil_and_Gas/10157877.html

The senior Turkish officials, who declined to be named, told Reuters the Turkish Petroleum Corporation (TPAO) would start investing in Iran's South Pars gas field project as soon as a comprehensive agreement was signed in the second half of October. Ankara and Tehran signed a memorandum of understanding in July.

"Turkey can completely cover the necessary amount for the investment," one of the officials told Reuters. The official said TPAO had not sought credit from foreign institutions, given their unwillingness to finance projects linked to Iran.

Turkish Prime Minister Tayyip Erdogan has defended his government's deal with Iran, saying no country can ask Ankara to give up the relationships it has with energy suppliers. Washington has suggested Turkey, which is almost entirely dependent on energy imports, seek alternatives to Iran. Iran is Turkey's second largest natural gas supplier after Russia.

Turkish energy ministry sources told Reuters TPAO was also interested in investing in Iran's oil sector after the October agreement was signed. Every year TPAO invests some \$1 billion in projects abroad, one official said.



Stratic hopeful from Eskikale operations

Date : 01.10.2007

Source : Rigzone

http://www.rigzone.com/news/article.asp?a_id=50860

Stratic Energy has commenced operations at the Bati Eskikale-1 exploration well in the Black Sea, offshore Turkey. The West Eskikale-1 well will test a prospect to the west of the existing Akcakoca discovery. The prospect lies along the same structural trend as the Akcakoca discovery, and is approximately 5.5 kilometers to the west-northwest of the Akcakoca-3 well.

The well is targeting the same-stacked pay sands in the Eocene Kusuri formation that contain the gas reservoirs throughout the project area. The Atwood Southern Cross semi-submersible rig will drill the well. Stratic's interest in the well is 12.25%.



Second phase of Shakh-Deniz gas field delayed to 2013

Date : 03.10.2007

Source : Turkish Daily News (Reuters)

<http://www.turkishdailynews.com.tr/article.php?enewsid=84990>

The start of the second, \$10 billion phase of Azerbaijan's biggest gas field, Shakh-Deniz, has been delayed by one year to 2013 as the project faces development problems, the project's owner said Monday. Potential buyers of the gas from phase two are Georgia, Turkey and southern European countries.

"Launching phase two in 2013 is more realistic. The postponement comes from complications in drilling and a delay in extracting gas," said Jan Heiberg, vice president of Statoil, which co-leads the project. Gas was first retrieved from the development in the Caspian Sea in December 2006 during phase one, until geophysical oversights and sudden well leaks halted extraction until February of this year.

Currently Shakh-Deniz produces around 15 million cubic meters of gas per day and has reserves of 1.2 trillion cubic meters all of which it sends to Turkey via Georgia. It is so huge that a third phase may be required, the company said. *"Peak production of phase two is scheduled for 2015 with an excess of 20 billion cubic meters of gas per year,"* Heiberg said. *"We want to accelerate negotiations with Turkey on a transit agreement. According to European Union law, it is not illegal to redirect Azeri gas,"* he added. Gas could be exported by the Nabucco pipeline. Next year Shakh-Deniz plans to export 7 bcm, up dramatically from this year's 2.8 bcm. Azerbaijan's state energy company Socar is a partner in Shakh-Deniz, along with Russia's Lukoil, France's Total and Iranian and Turkish state firms.



Energy imports reach \$20.4 billion

Date : 05.10.2007

Source : Today's Zaman

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=123939>

Turkey's bill from energy imports has grown by 9.4 percent in the first eight months of 2007 over the previous year, rising to \$20.4 billion. Energy imports constituted 18.9 percent of all imports in the given time period. Meanwhile Turkey exported \$2.9 billion worth of energy, which represents a 25.3 percent increase compared to the same period last year.

The statistics on foreign trade from the Turkish Statistics Institute (TurkStat) show that in the first eight months imports of coal increased 35.1 percent to \$1.5 billion. Turkey paid 3.4 percent more for oil and oil product imports and transferred \$11.5 billion to oil-producing countries in the same period.



KRG approved \$500m oil deals

Date : 03.10.2007

Source : Upstream Online

<http://www.upstreamonline.com/live/article141712.ece>

Kurdish Regional Government (KRG) has approved four new exploration deals that will attract around \$500 million in investment. New agreements was made public in a statement published on the KRG's website. KRG has struck five production sharing agreements this year, despite objections from Baghdad, which has said the deals the KRG has signed since February are illegal.

The KRG said it signed a PSA with a subsidiary of Heritage Oil & Gas for the Miran Block. It signed another with a subsidiary of Perenco for the Sindi-Amedi Block. Heritage signed a memorandum of understanding with the KRG for exploration in 2005 that analysts had expected to result in a PSA.

The KRG oil and gas council has also approved projects to build two new 20,000 bpd refineries worth a total of around \$300 million. Heritage will build one in the Miran area. Addax Petroleum and its Turkish partner Genel Enerji will build another near the Taq Taq oilfield. Addax holds a PSA with the KRG for the Taq Taq oilfield. It plans to submit a \$1 billion field development plan for the field that could bring output to 200,000 bpd by 2010. The KRG's oil and gas council has approved two more deals with international companies that would be signed shortly. The KRG did not give the names of the two companies. Holders of the PSAs would take 15% of the profits, while 85% would go to Iraq, the KRG said. A deal signed with Hunt Oil in August was agreed on the same terms, the KRG said.



Tehran ties up \$1bn Syria gas deal

Date : 04.10.2007

Source : Upstream Online

<http://www.upstreamonline.com/live/article141764.ece>

Iran and Syria have signed an agreement which will see Tehran export 3 billion cubic metres of gas per annum to its ally in a deal worth an annual \$1 billion, according to reports. Iranian Oil Minister Gholam Hossein Nozari and Syrian counterpart Sufian Allaw signed a memorandum of understanding in Tehran.

“With the signing of these agreements, experts will start work to define the transit cost and examine the other aspects of the contract,” said Nozari. State television said that the exports are set to start in 2009. Nozari said the gas would be supplied to Syria via its northern neighbour Turkey, which already receives Iranian gas through a pipeline linking the northern city of Tabriz and Ankara.



First output at Kashagan field scheduled for H2 2010

Date : 03.10.2007

Source : Platts

<http://www.platts.com/Natural%20Gas/News/8281687.xml?p=Natural%20Gas/News&sub=Natural%20Gas>

First production at Kazakhstan's giant Kashagan oilfield is scheduled for the second half of 2010 with production levels of up to 1.5 million b/d, Agip KCO Managing Director Umberto Carrara said at an oil and gas conference in Almaty Wednesday.

Commenting on this year's progress, Carrara said that the Agip consortium, which is led by Italy's Eni, had drilled 35 wells this year. *“Six of the wells have been followed by 13 appraisal wells, all of which achieving a remarkable 100% success rate,”* said Carrara. Of the 16 development wells, all have been fully commissioned and ready for production with an overall output potential in excess of 120,000 b/d, he added.

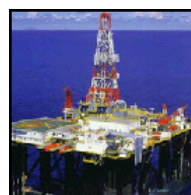
The Kashagan field is key to Kazakhstan's plans to triple its oil production by 2015. But a row developed over the project's development after Eni pushed back the start of production from 2005 to 2010. Kazakhstan wants to modify the contract to increase its share of future profits from 10% to 40%. In addition, Kazakh officials have stated that state-owned KazMunaiGaz Exploration and Production should join the consortium as co-operator. KMG EP's parent company, KazMunaiGaz, holds an 8.33% share in the project. Eni, Total, Shell and ExxonMobil each hold an 18.52% stake in the consortium, ConocoPhillips has a 9.26% stake, and Japan's Inpex holds another 8.33%.

Oil Market Report (September 2007)

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

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



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
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/>
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