



## GAS



## President Gül in Moscow with energy top item on his agenda

Date : 13.02.2009

Source : Today's Zaman

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=166798>

Defining energy cooperation as the most important item in bilateral relations between Russia and Turkey, President Abdullah Gül said he would seek to diversify the ongoing cooperation in the field of energy during his talks in Moscow.

*"All kinds of opportunities of cooperation on the energy issue will be reviewed during the visit,"* Gül told reporters, ahead of his departure for the Russian capital for a four-day official visit, while he voiced willingness to get involved in new pipeline projects with Russia for the transportation of natural gas and oil. This is the first visit by Gül to Moscow with his presidential title.

His visit comes after last month's row between Russia and Ukraine over natural gas prices that cut Russian gas supplies and raised questions about the security of Russia's trans-Balkan pipeline that feeds parts of Europe. Relations between Turkey and Russia, its largest trading partner, have been rocky at times, especially after last year's war between Georgia and Russia, but Ankara will look to the Kremlin to boost gas supplies to relieve chronic gas shortages and turn the country into the energy hub it seeks to be.

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## Russia seeks Turkey's permission for South Stream studies

Date : 11.02.2009

Source : Today's Zaman (Ismail Altunsoy)

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=166596>

Weary of natural gas disputes with Ukraine, Russia has sought Turkey's permission to initiate feasibility studies for a new gas pipeline to be built in the Black Sea's Turkish-controlled waters.

Today's Zaman has learned from sources close to the Energy and Natural Resources Ministry that while the Turkish government is interested in expanding the Blue Stream gas pipeline, which currently travels under the Black Sea to Turkey, Russian is insisting on the South Stream project, which bypasses Turkey. Experts say Russia will not be able to build the pipeline in the Black Sea unless the Turkish government agrees to do so.

Russia plans to conduct preliminary studies in Turkey's exclusive economic zone in the Black Sea to define the route for the planned natural gas pipeline. The current definition of an exclusive economic zone in the Black Sea dates back to a deal signed between the Soviet Union and Turkey in 1978. However, following the collapse of USSR in 1990 the lines demarcating territorial waters had to be redefined with the emergence of new independent states surrounding the Black Sea, such as Georgia, Ukraine, Romania and Bulgaria.



## **Istanbul hosts summit for Iraqi oil and gas**

**Date** : 12.02.2009

**Source** : Hürriyet Daily News (Begüm Gürsoy – Referans)  
<http://arama.hurriyet.com.tr/arsivnews.aspx?id=10982452>

A two-day summit organized by the Iraqi Oil Ministry starts in Istanbul where tenders for Iraqi oil and natural gas fields will be put forward. The Turkish Petroleum Corporation (TPAO) agreed with international investors on consortiums and talks with other companies are ongoing.

Last year, Iraq first called for a tender for oil and natural gas fields situated in the south of the country and 35 international companies received a preliminary qualification. Although TPAO and its subsidiary TPIC could not initially enter the list. The Iraqi Oil Ministry called for a second tender at the beginning of January 2009. The application period for preliminary qualification was extended until Feb.15. TPAO is also preparing to participate in the second tender which covers 11 fields.

The second tender will be made for fields in Mecnun, West Qurna, Halfaya, East Baghdad, Garrafa, Kayara, Necme, Badrah, Kifil, West Kifil, Mirjan and Diyala. Siba natural gas field in Basra province will also be opened for tender. TPAO formed consortiums with BOTAS and Shell in the first phase, then signed a memorandum of understanding for Iraq-Turkey Gas Exports Project last year.



## Turkey says energy chapter dispute may delay, but not end Nabucco

Date : 06.02.2009

Source : Hürriyet Daily News

<http://arama.hurriyet.com.tr/arsivnews.aspx?id=10945716>

*"We will press ahead with Nabucco even if the accession talks don't make progress,"* Selim Kunalalp, Deputy Undersecretary at the Turkish Foreign Ministry in charge of economic affairs, said.

*"However, it could take a bit longer then,"* he said, adding: *"There is no formal link between (Turkey's) EU accession and Nabucco, because Nabucco is advantageous for Turkey anyway."* Kunalalp said progress on Nabucco would be accelerated if the energy portion of Turkey's EU accession talks was opened.

*"If Turkey could start the energy chapter of the accession talks, this would speed up the adoption of EU law on energy policy and therefore also speed up Nabucco,"* Kunalalp said. He criticized the EU for having wasted time in the past because nobody was in charge of the project, but added that he noticed a pickup in motivation since the Russian – Ukrainian gas dispute last month interrupted gas supplies. The main gas suppliers for the pipeline will be Azerbaijan and Turkmenistan, Kunalalp said. Turkey would have no objections against Russia and Iran as suppliers, he added.



## Gazprom prioritizes projects in economic downturn

Date : 10.02.2009

Source : Oil & Gas Journal (Uchenna Izundu)

[http://www.ogj.com/display\\_article/353051/120/ARTCL/none/GenIn/1/Gazprom-prioritizes-projects-in-economic-downturn/](http://www.ogj.com/display_article/353051/120/ARTCL/none/GenIn/1/Gazprom-prioritizes-projects-in-economic-downturn/)

Gazprom is prioritizing gas projects, determining which projects it will proceed with, because of decreasing gas demand and challenging financing issues amid the economic downturn.

Speaking through an interpreter, Chief Financial Officer Andrey Kruglov told reporters in London that the company had not yet confirmed its list. *"We have also been prioritizing projects in our investment program... and this will allow us to see which projects will be financed and which projects are going ahead,"* he said. Its key Yamal Peninsula project is expected to go ahead.

Gazprom management came to London Feb. 10 to give a strategy and budget update to investors. Kruglov said the company would wait until it determines this year's first quarter results before assessing how the global and Russian financial situation would impact its budget. *"But we have started developing different scenarios which depend on oil price levels,"* he said.

Last December, the company approved a draft investment program of 920.44 billion rubles, another 699.88 billion rubles in capital investments, and 220.56 billion rubles for long-term financial investments. He said these investment figures remain unchanged.

The company will focus on improving efficiency and better handling of its liquidity. It intends to keep a tight reign on costs by cutting back on sponsorships, social activities, and personnel by 10%. It also has launched an advanced payment system to ensure that its customers don't fall behind on their bills. This applies to 1-year contracts and primarily Russian customers.

Gazprom said its major Shtokman gas condensate project in the Barents Sea is on track, however, and the shareholders, including Total SA and StatoilHydro, are to make a final investment decision in first-quarter 2010, said Alexander Medvedev, deputy chief executive of Gazprom.

The partners expect to run up high costs before they make the decision whether to execute it, which is unusual, Medvedev added, pointing out that this demonstrated how confident they were about it. Shtokman is scheduled to export gas by pipeline in 2013 and the 7.5 million tonnes/year liquefaction plant would start in 2014.

Other major Gazprom projects include predevelopment work in Bovanenkovo and Prirazlomnoye fields; the Apt-Albian deposits in the Nyda area of Medvezhye gas and condensate field; the Zapadno-Pestsovaya area of Urengoy oil and gas condensate field; the Kharvutinskaya area of Yamburg gas and condensate field; and other fields.

Gas transportation priorities include construction of the Bovanenkovo-to-Ukhta and Ukhta-to-Torzhok trunkline systems; the Gryazovets-to-Vyborg, Pochinki-to-Gryazovets, and Murmansk-to-Volkhov gas pipelines; and the SRTO-to-Torzhok gas trunkline. Gazprom's presence in London reignited rumors that it was interested in buying Centrica PLC. *"We are not in talks with either the shareholders or the management of Centrica,"* Medvedev said.



## Edison eyes Iraq gas, drilling in Iran

Date : 13.02.2009

Source : Rigzone (AFX News Limited)

[http://www.rigzone.com/news/article.asp?a\\_id=72909](http://www.rigzone.com/news/article.asp?a_id=72909)

Italian utility Edison is interested in bidding for the two gas fields on offer in Iraq's first oil and gas bidding round, a senior company executive said. Iraq is offering its Akkas and Mansuriyah gas fields as part of a bidding round that includes some of its most prized oil fields.

*"We are interested in both fields,"* Pietro Cavanna, Edison's head of oil and gas assets, told. *"We will do our best to deal with competition for resources and capital and to be successful."* It was too early to say if Edison would definitely bid, he added, speaking on the sidelines of a workshop in Istanbul hosted by Iraqi officials for energy firms preparing to bid for oil and gas contracts.

He declined to estimate the cost of developing either field. Other sources at the workshop said the gas projects would cost at least a billion dollars. *"There has been some improvement in terms and conditions,"* Cavanna said. *"Some of the suggestions of the international companies have been taken into account."* Edison, jointly controlled by French power giant EDF and Italian utility A2A, is among 35 companies that Iraq has declared qualified to bid for the oil and gas contracts.

In Iran, Edison aims to begin drilling by the end of the year at the Dayyer offshore block in the Gulf, he said. Edison and Iran signed a \$107 million contract for the block in January 2008. *"We think this field is a good prospect,"* Cavanna said. *"We hope to start drilling by the end of this year or in early 2010, depending on the availability of rigs."* Edison had come under no political pressure to stay out of Iran since signing the deal, he said.

The administration of former U.S. President George W. Bush put political pressure on companies and countries that courted Iran for energy deals, as the United States looked to isolate Iran over its disputed nuclear program. The Dayyer field was one of three blocks awarded to international oil companies out of 17 offered for bidding in early 2007.

❖ **OPEC Bulletin (January 2009)**

**Source** : OPEC

**Weblink** : <http://www.opec.org/library/OPEC%20Bulletin/2009/pdf/OB012009.pdf>

❖ **OPEC Monthly Oil Market Report (February 2009)**

**Source** : OPEC

**Weblink** : <http://www.opec.org/home/Monthly%20Oil%20Market%20Reports/2009/pdf/MR022009.pdf>

❖ **IEA Energy Efficiency Policy Recommendations**

**Source** : International Energy Agency

**Weblink** : [http://www.iea.org/textbase/Papers/2008/cd\\_energy\\_efficiency\\_policy/index\\_EnergyEfficiencyPolicy\\_2008.pdf](http://www.iea.org/textbase/Papers/2008/cd_energy_efficiency_policy/index_EnergyEfficiencyPolicy_2008.pdf)