



GAS



Iran to pay Turkey \$750 million

Date : 27.02.2009

Source : Today's Zaman

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=168138>

BOTAS has won a case in the International Chamber of Commerce (ICC) Commission on Arbitration, which has ruled that Iran must pay \$750 million in compensation for turning down Turkey's demand to cut prices as sought in the natural gas purchase contract between the two countries in July 2003.

The commission's verdict, released on Feb.17, said Turkey was within its right to ask Iran for a price revision. The ruling stipulates that Iran must compensate Turkey to offset losses it incurred as a result of paying more for gas over the last five years. Turkey asked Iran to reduce gas prices on the grounds that Iran had failed to abide by contract rules when it sent less natural gas than agreed upon, interrupted gas flow frequently and sent lower quality gas than what was sought in the agreement.

An official from the Energy Ministry said the decision will also reduce prices in the coming days. He said details of the ICC decision are not yet available. The official also underlined that the decision will now be confirmed by the legal authorities of both countries. "There is ongoing close cooperation between Turkey and Iran on energy. This decision will not affect the current and planned common projects," he said.

OIL



TPAO may bid for Iraqi oil and gas fields

Date : 25.02.2009

Source : Hürriyet Daily News (Bloomberg)

<http://arama.hurriyet.com.tr/arsivnews.aspx?id=11076744>

The state-run Turkish Petroleum Corporation (TPAO) may bid to develop oil and gas fields in northern Iraq with companies including Royal Dutch Shell, Chief Executive Officer Mehmet Uysal said.

TPAO wants to develop and operate the Kirkuk, Majnoon, Rumaila and Zubair oil fields in central and northern Iraq, Uysal said in an interview yesterday. TPAO is also negotiating with U.S. oil companies about bidding partnerships, he said without identifying them.

Iraq is seeking to attract investors to develop its oil and gas fields. The country has pre-qualified 35 bidders including Shell, BP, Chevron, ExxonMobil and Lukoil for a first round of bids due in the second quarter of this year. Uysal said TPAO also wants to develop and run Iraqi natural gas fields of Mansuriyah and Akkas with partners including Turkish pipeline company BOTAS.

TPAO had successful negotiations with international oil companies during a workshop in Istanbul on Feb. 12 and Feb. 13, Uysal said. Shell signed a memorandum of understanding with TPAO and BOTAS in November to examine gas exploration projects in Iraq.

GAS



NIGC Chairman: Turkey – Iran gas transfer deal signed

Date : 24.02.2009

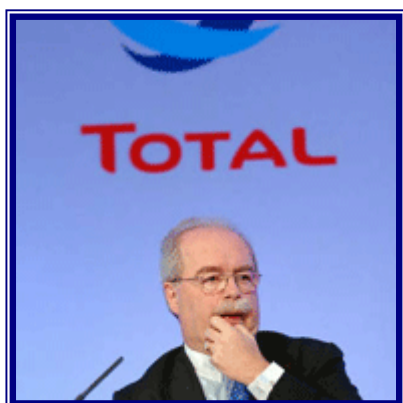
Source : Today's Zaman

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=167814>

The semi-official Fars news agency quoted National Iranian Gas Company (NIGC) Chairman Seyyed Reza Kassaeizadeh as saying that Iran and Turkey have signed an agreement to transfer Iranian gas to Europe via Turkey.

Kassaeizadeh said the two parties had not yet agreed on the best transfer route. "Under the new agreement, Turkey can transfer up to 35 billion cubic meters of gas from Iran to Europe," the agency report said.

Meanwhile, the Islamic Republic News Agency reported that Turkey expects to invest \$12 billion in Iran on the basis of an agreement signed between the two countries in Tehran to construct a 1,800-kilometer-long gas pipeline from Assalouyeh, a gas field in southern Iran's Bushehr province, to the Turkish border.



TOTAL denies South Pars deal with Iran

Date : 23.02.2009

Source : The Oil & Gas Journal (Eric Watkins)

http://www.ogj.com/display_article/354149/120/ARTCL/none/ExpID/1/Total-denies-South-Pars-development-deal-with-Iran/

TOTAL Chief Executive Officer Christophe de Margerie has denied Iranian and Western media reports that his firm will sign an agreement with the Iranian government before Mar. 20 to develop the next phase of South Pars gas field.

“If it was true I would know about it,” De Margerie told reporters. “I don’t know why they made this announcement,” he said, adding, “We continue to negotiate with them.” On Feb. 18, the official Islamic Republic of Iran Broadcasting reported that TOTAL would sign a \$5 billion contract with Iran by Mar. 20 to develop Phase 11 of South Pars.

“The main subject of negotiations (between Iran and TOTAL) was on South Pars Phase 11; (these negotiations) are currently about to be concluded,” IRIB reported, citing the head of National Iranian Oil Co., Seifollah Jashnsaz. “According to this contract, France’s oil company TOTAL will undertake the development of the upstream sector of South Pars Phase 11 and will build... LNG plants for the downstream sector,” Jashnsaz said. According to the IRIB report, citing Jashnsaz, Royal Dutch Shell and Respol also have come forward for new discussions with Iran.

“Italy’s oil company Eni is in active talks over the development of Phase 3 of Darkhovin oil field. Discussions with Eni will conclude in a contract by the end of the (Iranian) year [Mar. 20] or by the beginning of next year,” Jashnsaz added. IRIB said Iran also has begun natural gas talks with Germany’s E.ON. This company’s main purpose [in negotiating with Iran] “is to invest in the Iran LNG project and then to invest in Iran’s remaining gas fields,” IRIB quoted Jashnsaz as saying.

Further development of South Pars has been pending for nearly 5 years since an initial agreement to undertake the project was signed in 2004 between TOTAL, National Iranian Oil Co., and Malaysia’s Petronas.

In July 2008, De Margerie told international news channel, France 24, that the South Pars project had been ‘de facto frozen’ as far as TOTAL was concerned and would not resume until Iran’s relationships with the rest of the world improved. “It is out of the question to stop that project; it is out of the question to renounce it or to abandon it, but (it is) necessary to wait for things to improve, for Iran to get better relationships with its neighbors,” De Margerie said. “We decided not to decide,” said De Margerie.

OIL



South Korea and Iraq agree on \$3.55 billion oil deal

Date : 24.02.2009

Source : Rigzone (AFX News Limited)

http://www.rigzone.com/news/article.asp?a_id=73320

South Korea will provide Iraq with \$3.55 billion in infrastructure in return for oil field stakes, the South Korean Energy Ministry said. The Korean statement, which came during a visit to Seoul by Iraqi President Jalal Talabani, said the ministry would be given rights to fields in Southern Basra.

In exchange, Seoul would build infrastructure such as power plants and generators, the ministry said. Senior Iraqi officials cast doubt on steps to seal such a deal, which South Korea said came during a meeting between South Korean President Lee Myung-bak and Talabani and would be finalised in the first half of the year.

“We have not signed any agreement with South Korea yet. We are still discussing this,” Naseer al-Ani, Talabani’s chief of staff, said by telephone from South Korea. Oil Ministry officials in Baghdad said they were not aware of a deal. State-run KNOC recently entered a \$2.1 billion investment in Northern Iraq’s oil fields alone after consortium members dropped out due to political instability.

GAS



Güler reiterates commitment to Nabucco project

Date : 21.02.2009

Source : Hürriyet Daily News

<http://arama.hurriyet.com.tr/arsivnews.aspx?id=11054827>

“Turkey undertakes the role of bridge between the east and the west. Nabucco project will give rise to Turkey’s importance,” Energy Minister Hilmi Güler told at a conference in Manas University in Kyrgyzstan where he pays an official visit.

Güler said the energy pipeline projects will help to overcome the conflicts in the region, the Anatolian Agency reported. He also advised Kyrgyzstan to consider similar pipeline projects to increase its geopolitical importance, the report added.

GAS



Gazprom sees \$2.5 billion Nigeria deal sealed in March

Date : 25.02.2009

Source : Rigzone (AFX News Limited)

http://www.rigzone.com/news/article.asp?a_id=73356

Gazprom hopes to conclude a \$2.5 billion oil and gas exploration deal with Nigeria by the end of March, establishing a 50/50 joint venture with state oil firm NNPC. "We are one month away from getting a conclusion on the JV deal," Vladimir Ilyanin, Managing Director of Gazprom Nigeria, told.

The Nigerian National Petroleum Corp. (NNPC) said in September it had signed a memorandum of understanding (MOU) with the Russian gas export monopoly on joint venture projects, but gave few details. NNPC said at the time that the deal covered petroleum and gas exploration, as well as power. Some industry experts in Europe see Russia's deals with African OPEC members like Nigeria as an attempt to increase control on Europe's natural gas supplies. Gazprom already provides a quarter of Europe's gas.

A senior Gazprom source told Reuters three weeks ago that the Russian firm wanted to invest at least \$2.5 billion in the development and production of Nigerian gas, a figure confirmed by Ilyanin. The source said 90 percent of the investment would be in developing Nigeria's domestic gas production, processing and transportation.

OIL



Obama budget hits oil and gas companies with new taxes

Date : 27.02.2009

Source : Rigzone (Dow Jones Newswires)

http://www.rigzone.com/news/article.asp?a_id=73471

The Obama administration Thursday proposed raising at least \$31.5 billion over 10 years from oil and gas companies, reflecting a repeal of tax breaks for domestic production and new charges on oil and gas production in the Gulf of Mexico.

The plans, outlined as part of a fiscal 2010 budget proposal, revive long-standing Democratic efforts to turn to the oil and gas industry as a source of funding for other priorities.

Among other things, the Obama budget plan calls for about \$13 billion over 10 years in new charges on oil and gas companies from the repeal of a tax deduction for domestic production. “It’s a concerning area, of course, because as you put more royalty and tax burdens on the industry, particularly a cyclical industry, you just have to be cognizant of the potential impact it has on investments,” said Marvin Odum, the president of Royal Dutch Shell’s U.S. operations, after meetings with various lawmakers about energy policy. “That’s not something you can put real definition to, but I think it’s a concern.”

Oil companies have been fighting to maintain the tax treatment, which they say keeps jobs in the U.S. by encouraging domestic production. Congress scaled back the tax deduction last year to help pay for an extension of tax breaks for the solar and wind industries, but stopped short of eliminating it entirely.

The Obama administration also proposed a new excise tax on oil and gas production in the Gulf of Mexico, saying it would raise about \$5 billion over the next 10 years. The White House said that the new tax, along with plans to charge user fees to oil companies for processing oil and gas drilling permits on federal lands, would “ensure that federal taxpayers receive their fair share” and “close loopholes that have given oil companies excessive royalty relief.” The tax “will begin in 2011, after the economy has had time to recover,” the White House said.

Democrats have been battling oil firms to get royalty payments from Gulf of Mexico leases signed in the late 1990s, years when the government apparently accidentally left price triggers out of contracts. Government auditors say that the omission could ultimately short change taxpayer coffers by billions of dollars.

Six companies -including BP, Royal Dutch Shell, ConocoPhillips and Marathon Oil- originally agreed to pay royalties on the leases for production from October 2006, but not on past output. But that agreement wasn’t finalized, and negotiations stalled after lawmakers pressed for payment on past output and after a court ruling in favor of the oil industry. The firms only represented a fraction of the total lease owners.

Around 40 companies representing 80% of the production haven’t agreed to re-negotiate the leases, including ExxonMobil, TOTAL, Chevron and Anadarko Petroleum, according to Interior Department data. Interior Secretary Ken Salazar and key Congressional Democrats have promised to reform the structure of fees and royalties on public lands, and a senior Office of Management and Budget official said the new oil industry taxes would help to “re-balance the tax system.” “This budget begins that process, that conversation on finding ways to rebalance the tax system over so that we can get at the \$1.3 trillion deficit that we inherited,” the official said.



TOTAL takes reigns at Absheron Block in Caspian Sea

Date : 27.02.2009

Source : Rigzone

http://www.rigzone.com/news/article.asp?a_id=73472

TOTAL has signed an agreement with Azerbaijan's state-owned SOCAR. The exploration, development and production sharing agreement (EDPSA) covers a license on the Absheron offshore block. This block is located in the Caspian Sea, 100 kilometers from Baku, in a water depth of around 500 meters.

TOTAL will be the operator of the Absheron Block during the exploration phase. For the development phase, TOTAL and SOCAR will jointly form an operating company for the management of operations. TOTAL will hold a 60% interest and SOCAR will hold a 40% interest.

"TOTAL is pleased to continue developing its presence in the Republic of Azerbaijan and to extend in the Caspian Sea. This agreement enters into the framework of the group's global exploration strategy," said Yves-Louis Darricarrere, President Exploration and Production.

This latest exploration contract will strengthen TOTAL's ties with the Republic of Azerbaijan. The company will continue to support the development of Azerbaijan's oil and gas industry over the long term.

TOTAL has been present in Azerbaijan since 1996. Its production averaged around 18,000 barrels of oil equivalent per day in 2008. The Group's operations are primarily concentrated on the Shah Deniz field, in which it has a 10% interest. The field came on stream in December 2006. In November 2007, positive results were received from an appraisal well, which could lead to the launch of a second development phase for this field.

TOTAL also has a 10% stake in South Caucasus Pipeline Company (SCPC), which owns the pipeline that carries Shah Deniz gas to Turkey and Georgia. In addition, the Group has a 5% interest in the Baku-Tblisi-Ceyhan (BTC) oil pipeline from Baku to the Mediterranean Sea. In 2007, the pipeline was used in particular to export condensate from Shah Deniz.

❖ LPG Market Sectoral Report (2008)

Source : EMRA

Weblink : http://www.epdk.org.tr/yayin_rapor/lpg/2008lpgsektorraporu.doc