



OIL



SOCAR cheers Petkim decision, plan further investment

Date : 18.10.2007

Source : Today's Zaman (Enes Cansever)

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=124917>

In a last-minute development in the tender for the privatization of Turkey's petrochemicals monopoly, Petkim, the contract has been awarded to the joint venture group, including the State Oil Company of Azerbaijan (SOCAR).

A commission dealing with the privatization had decided on Tuesday to exclude a bid submitted by the Kazakh-led TransCentralAsia Petrochemical Holding Joint Venture that had outbid all of its five rivals by offering to pay \$2.05 billion for Petkim. The Azeri SOCAR-Turcas-Injaz joint venture had given the second-best bid in the tender, held on July 5, for the block sale of a 51 percent state-owned stake in Petkim.

Vakıf Aliyev, the Azeri corporation's vice president for investment, stated that they saw this acquisition as an extension to the Baku-Tbilisi-Ceyhan (BTC) and Baku-Tbilisi-Erzurum (BTE) projects. *"Petkim is our second largest investor. The largest is Georgia. We are aware of the true value of the institution we have acquired. Accordingly, we are planning to make investments amounting to \$2 billion in Petkim and other areas,"* he said.

Aliyev stressed that of \$26 billion in foreign investment in Azerbaijan, \$3 billion were made by the Turkish Petroleum Corporation (TPAO). On another occasion, in a press conference in Baku, Davud Memmedov, the vice president of SOCAR, noting that the joint venture group's capital may rise to \$50-\$60 million in one to two years, said: *"The capital to be invested by the group in Petkim will take its market share from 27 percent to about 40 percent."*

OIL



Turkey beefs up security along BTC pipeline

Date : 17.10.2007

Source : Upstream Online

<http://www.upstreamonline.com/live/article142455.ece>

While oil prices have risen to record highs in recent days amid tensions between Turkey and Iraq over military plans, Turkey has stepped up security along the Baku-Tbilisi-Ceyhan (BTC) oil pipeline, a senior energy ministry official said.

“It is normal to have some threats against important pipelines at a time when Turkey is expected to launch an operation in northern Iraq. There are some threats by PKK (Kurdistan Workers Party) towards this pipeline,” a senior official told Reuters. “For that reason, security measures in the facilities have been stepped up,” he said.

An official at state pipeline company BOTAS said the Baku-Tbilisi-Ceyhan pipeline pumps oil at full capacity despite some small technical problems. *“There are no problems in the world markets with regard to oil supply. Great importance is attached to security of the pipeline,”* he said. But he said energy pipelines which cut across Turkey were too long for complete protection from possible sabotage.

Meanwhile, the flow of oil exports through Iraq's northern pipeline to Turkey was on hold for the third consecutive day today, a shipping source said. Iraq has pumped more Kirkuk crude through the line in sporadic shipments since August than it did in the whole of 2006. Sabotage has kept the pipeline mostly inoperable since the US-led invasion of Iraq in March 2003.



Sabancı to invest \$6.5 bln in energy projects

Date : 17.10.2007

Source : Today's Zaman

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=124829>

Enerjisa, the joint partnership between Sabancı Holding and Austrian electricity company Verbud, has set its sights on becoming a leading corporation in the power generation and distribution sector and to do so, Enerjisa will invest \$6.5 billion in its energy projects within the next 10 years.

Officials from Sabancı Holding and Verbud held a joint press conference at which Güler Sabancı was also present. Ahmet Dördüncü, the CEO of Sabancı Holding, said: *“From early 2007 to date, the demand for electric energy has increased 9.5 percent compared to one year ago. This clearly shows the importance of meeting electricity demand in Turkey.”* Noting that their partnership with Verbud began in March 2007, Dördüncü said: *“On May 31, 2007, Verbud acquired 50 percent of our shares. We are making use of their experiences in the energy sector.”*

Touching on the tenders pertaining to electricity distribution zones, Dördüncü added: *“We are waiting for tenders. We are trying to ensure that the electricity supply in Turkey does not bring an additional burden to public finance. Moreover, we will develop projects that do not require the state's purchase guarantee with respect to renewable energy and nuclear energy issues.”*



New Petrobras technology boosts reservoir productivity

Date : 17.10.2007

Source : Rigzone

http://www.rigzone.com/news/article.asp?a_id=51536

Petrobras has successfully completed the first 100 days of operation of the Submarine Centrifuge Pumping System in the Espírito Santo portion of the Campos Basin. The well, where production was anticipated to top out at 10,000 b/d, is now producing 24,000 b/d using the new system, a 140% increase.

The technology, developed by Petrobras together with its vendors, has great potential not only to increase producer field productivity, but also to make commercial production viable in deepwater fields, particularly those containing heavy oil. In addition to its application in large accumulations to raise the oil recovery factor, the system can be used to make commercial production viable at smaller or marginal fields previously considered commercially unviable.

The system, part of the Heavy Oil Technological Program (Propes), is fundamentally important to maintain Brazilian oil self-sufficiency, since most of the Brazilian oil reserves hold heavy and extra-heavy oil, and the challenges involved in pumping this type of oil are very big. The equipment went online in the first half of 2007 and will be followed-up on closely through the end of 2007 for the company to consolidate its mastery over the technology.



Eni ties up Libya prize

Date : 16.10.2007

Source : Upstream Online

<http://www.upstreamonline.com/live/article142399.ece>

Libya will extend Italian producer Eni's concessions for 25 years from 2008, company boss Paolo Scaroni said, adding that the deal includes cuts to the percentage of oil payments for costs. Eni and Libya's National Oil Corporation (NOC) will each invest \$14 billion in Libya over 10 years, with Scaroni saying Eni had earmarked a further \$800 million on top of its share of the \$14 billion already budgeted, for new exploration over seven year.

Scaroni, who last week was in Kazakhstan to try to resolve a dispute with the government over its licence in the giant Kashagan field, said *"until 2015, Libya will be more important to Eni than Kashagan"* in terms of production. *"Here, we are extracting 250,000 to 290,000 barrels per day, which is 20% of our total production, while Kashagan will bring Eni 50,000 bpd until 2015,"* Scaroni said.

OPEC exports jump 609,000 bpd



Date : 17.10.2007

Source : The Economic Times

http://economictimes.indiatimes.com/Oil_Gas/OPEC_exports_jump_609000_bpd_in_Sept/articleshow/2467491.cms

OPEC seaborne oil exports, excluding Angola, jumped 609,000 bpd in September versus August, according to newly released data by Lloyd's Marine Intelligence Unit (LMIU). The consultancy said shipments from 11 OPEC members, including Iraq and excluding new member Angola, averaged 23.039 million bpd in Sept. compared with an Aug. monthly average of 22.430 million bpd.

It said exports had risen through the summer months from a slight dip in supply and tighter compliance seen in May and June. Despite the jump, one of the biggest this year, the September monthly average total was still down on July's which averaged 23.284 million bpd. The oil export tracking firm has previously said that compliance with long-standing OPEC cuts of up to 1.7 million bpd were strongest in January and December.

Lloyd's, which counts seaborne exports and not OPEC production, says it is confident it tracks shipments covering more than 90 percent of the world's tanker fleet, including spot, term charters and exports aboard state-owned fleets. LMIU says it strives to monitor purely crude oil shipments and not condensates and feedstocks as well, but could not guarantee some condensates might be counted alongside crude cargoes.

GdF: EU energy proposals could harm gas industry



Date : 17.10.2007

Source : Platts

<http://www.platts.com/Natural%20Gas/News/8304035.xml?p=Natural%20Gas/News&sub=Natural%20Gas>

The European Commission's new energy proposals show its 'obsession' with unbundling, or breaking up the EU's gas and electricity companies, and would hurt the gas industry, Gaz de France CEO Jean-Francois Cirelli said, adding that the proposed legislation "*would be harmful to the gas industry in Europe.*"

The EC proposals, published in mid-September, could be counter-productive by threatening investment in new gas import projects such as the planned Nabucco pipeline through southeast Europe, he said. "*Projects such as Nabucco may never see the light of day,*" he said. "*The current proposals lead to more questions than solutions, we need to look for a solution that does not impact on trust with energy suppliers.*"

“The unbundling obsession of the European Commission seems unfathomable to us. How can you integrate the energy market, if integrated companies which have been accused of all sorts of evils are weakened? How can you build an integrated energy market if large operators no longer exist?” he said. *“We need to be powerful, credible partners and have access to markets through long-term projects for EU supply.”* Cirelli said GDF had proposed alternatives to unbundling before the Commission published its proposals. *“It is a shame these were rejected without being seriously analyzed. This is not acceptable when it comes to legislating on an issue as sensitive as transportation,”* he said.

GAS >>>



RWE and GdF 'may join Nabucco'

Date : 17.10.2007

Source : Upstream Online

<http://www.upstreamonline.com/live/article142458.ece>

The European Union is in talks with the five partners (Austria's OMV, Hungary's MOL, Romania's Transgaz, Bulgaria's Bulgargaz and Turkey's BOTAS) in the Nabucco gas pipeline in a bid to see whether both Germany's RWE and France's Gaz de France (GdF) could join the consortium, Bulgaria's Economy Ministry said.

Johannes van Aartsen, the European Commission Nabucco co-ordinator, visited Sofia to discuss the participation of both a sixth and a seventh partner to the project, the ministry said in a statement. The long-delayed €4.6 billion (\$6.5 billion) pipeline which will pass via Turkey and the Balkans to Austria is a key plank in EU plans to ease dependence on Russian gas and diversify with Caspian or Middle Eastern supplies.

Some officials have not ruled out the option of seeking a seventh partner too. An announcement on the talks is expected by the end of the month. *“The EU co-ordinator is visiting all the countries that are part of Nabucco to test the water for attracting two more partners instead of just one,”* a spokeswoman at the Bulgarian ministry told Reuters. *“Bulgaria expressed its agreement in principle to have both Gaz de France and RWE taking part,”* the ministry said.

Turkish government officials have said that RWE was the favourite to become the sixth partner but did not rule the option of seeking a seventh partner too. Turkey previously said it favoured RWE rather than Gaz de France after Paris passed a bill on so-called Armenian genocide.

Azerbaijan, Kazakhstan, Turkmenistan, Iran, Egypt and even Iraq have been mentioned as possible suppliers to the 31 billion cubic metre pipeline. But so far the five signatory countries to the project have not secured any gas and without supplies it would be difficult to raise funding, analysts said.

OMV targets natural gas market



Date : 12.10.2007

Source : Turkish Daily News (Cevdet Aşkın)
<http://www.turkishdailynews.com.tr/article.php?enewsid=85811>

Austria-based energy company OMV, a partner of Petrol Ofisi, held its Fifth Media Summit between October 9 and 10 in Vienna. Turkey is potentially in the front rank for OMV's plans, thanks to the size of its natural gas market, said Werner Auli, member of the OMV Executive Board responsible for the Gas business at the summit.

OMV, which established a marketing and sales company five years ago, went into operation in Romanian market two years ago, said Auli in an interview of the business daily Referans. *“Potentially, Turkey is the next step. Turkey is a very promising big market. However, it is very early to give a date about this issue. Considering the current regulation situation, it cannot take place in the upcoming few years.”*

There are many ongoing negotiations for supply agreements within the context of Nabucco project, said Auli. A memorandum of understanding was signed with Azerbaijan a few weeks ago. *“We will start negotiations with Turkmenistan,”* he said. OMV will also start negotiations with Egypt and see whether Russia will also contribute. Negotiations with Iran are ongoing, noted Auli.

Auli declined to respond to the question whether Turkey will give the green light for Gaz de France, considering the problems between two countries concerning the Armenian issue and the European Union membership. *“It is the shareholders who will decide. However, Gaz de France or another European company may offer to provide gas for the same price. The only difference between a shareholder company and a non-shareholder company is subscribing the gas capacity,”* Auli said. *“Even if Gaz de France does not become a partner, it will have the same transportation chance with the partners.”*

All European companies would naturally like to participate in Nabucco, Auli added. *“It would be difficult to manage the business with 10 partners. There will be seven partners at most.”* Russia does not seem to prevent the Nabucco project, Auli said. *“Europe's gas demand is enormous. There is a place for everyone and no competition in this issue.”* There is need for more than five Nabuccos, said Auli. *“We will see whether Russia would like to contribute to the pipeline.”*

Kazakhstan lowers Chevron consortium's fine



Date : 18.10.2007

Source : Oil & Gas Journal (Eric Watkins)

http://www.ogj.com/display_article/309458/7/ONART/none/GenIn/1/Kazakhstan-lowers-Tengizchevroil-environment-fine/

Kazakhstan's Atyrau regional economic court has reduced by nearly 50% an environmental fine of 74.4 billion tenge levied against the Chevron-led Tengizchevroil (TCO) consortium operating in the country.

A spokeswoman for TCO said the consortium - Chevron Corp. 50%, ExxonMobil 25%, KazMunaiGaz 20%, LukArco 5% - plans to appeal the 37 billion tenge fine, which is to be levied Oct. 29. The Atyrau regional environment protection department earlier had filed a lawsuit with the court, accusing the firm of causing environmental damage by storing 2.8 million tonnes of bulk sulfur in 2003-06 without official permission and demanding the 74 billion tenge as compensation. The Atyrau court's decision to reduce the fine follows earlier statements by Kazakh Prime Minister Karim Masimov, who Oct. 12 said his government and Tengizchevroil had agreed to resolve the environmental problems that led to the fine. *"We found a way to solve the problems,"* Masimov said when asked about the fine Tengizchevroil was facing. *"Questions are not solved just by handing in fines,"* he said.

📌 Turkish LPG Market Report (2006)

Source : EMRA

Weblink : <http://www.epdk.org.tr/english/reports/lpgsectorreport2006.doc>

📌 OPEC Monthly Oil Market Report (October 2007)

Source : OPEC

Weblink : <http://www.opec.org/home/Monthly%20Oil%20Market%20Reports/2007/pdf/MR102007.pdf>

📌 Policy Developments and Challenges in Delivering Energy Efficiency

Source : Energy Charter

Weblink : <http://www.encharter.org/index.php?id=274&L=0>

✚ 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)



✚ TIOGE 2007 (Turkmenistan Oil & Gas Conference)

Date : November 14 – 15, 2007
Place : Ashgabat – Turkmenistan
Website : www.tioge.com
Contact : ITE Group Plc. Turkey (212 – 291 83 10)



✚ 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)

