



PETDER criticizes new gas price regulation

Date : 22.07.2009

Source: Hürriyet Daily News

<http://www.hurriyetdailynews.com/n.php?n=petder-criticizes-new-gas-price-regulation-2009-07-22>

PETDER (Turkish Petroleum Industry Association) has announced it will take legal action against the Energy Market Regulatory Authority's (EMRA) decision to put a maximum price on gas sales.

"The ceiling-price application is against the law," said PETDER Chairman Muammer Ekim. "According to the Petroleum Market Law, EMRA can only apply this decision when significant malfunctions occur in the market, such as corruption of the competition. There is no such condition in the market and EMRA has no right to apply ceiling-price."

According to Ekim, the move by EMRA goes against the principles of a free market. "A free market is like a democracy, it gives people the opportunity to choose," he said. "Applying a ceiling price will eliminate people's option to choose and damage the competitive environment of the Turkish oil market." The chairman noted that some companies have already taken legal action against this decision. Noting that there are many differences between the Turkish and European markets, Ekim said that taxes in Turkey are higher than those in Europe and that EMRA's decision would affect that situation as well.



TPAO to explore oil and gas in South America

Date : 22.07.2009

Source: Today's Zaman (Ercan Baysal)

<http://www.todayszaman.com/tz-web/news-181667-tpao-to-explore-oil-natural-gas-in-s-america.html>

Following a recent visit by Foreign Trade Minister Zafer Caglayan to Chile and Brazil, officials from the Turkish Petroleum Corporation (TPAO) met with the CEO of Petrobras in Rio de Janeiro.

TPAO will be concentrating on this continent along with Brazilian oil giant Petrobras, with whom TPAO has been drilling for oil in the Black Sea. The meeting comes one week after TPAO signed an energy agreement with its counterpart in Chile. TPAO, which considers South America a priority, will start searching for oil in the region by late 2010.

In addition to opening a representative office in Colombia, TPAO also expects to explore oil options in Venezuela. Officials from the Energy Ministry note that the region has a huge natural resources potential, but add, however, that Chile can produce only 4 percent of its oil demand. Chile's daily consumption of oil and natural gas is 342,000 barrels, which is half of Turkey's production. Brazil has made a major leap forward recently in the energy sector. This country, which used to import energy, is now able to produce more than 2 million barrels daily.



EIB says prepared to help finance Nabucco pipeline

Date : 23.07.2009

Source: Forbes (Reuters)

<http://www.forbes.com/feeds/afx/2009/07/23/afx6692637.html>

The European Investment Bank is ready to help finance the 7.9 billion euro Nabucco pipeline and to look closely at the concept of creating a single gas purchaser to ensure the project is viable.

“When the project actually starts, we would be ready to fund the project and I think certainly our funding will be called upon to do that,” Christopher Hurst, Director for Energy and Transport at the European Investment Bank, told. Hurst said EIB was actively following the project and testing its viability but added it was still early days and declined to offer possible investment figures.

Hurst said the EIB was exploring the concept of a single gas purchaser -the so-called Caspian Development Corporation (CDC)- which would be a coordinator of gas purchases in bulk. When asked whether this would be a main criteria for investment in the project, Hurst said: “At the end of the day, if we are going to fund the project, then we have to have a structure which is robust to pay back a loan over a long period of time.” EU Energy Commissioner Andris Piebags has already proposed this idea to Turkish and Azeri authorities, who have also said it is a promising area to explore.



Tüpraş tops Istanbul Chamber of Commerce 500 giants list

Date : 23.07.2009

Source: Today's Zaman

<http://www.todayszaman.com/tz-web/news-181744-tupras-tops-istanbul-chamber-of-commerce-500-giants-list.html>

Tüpraş, Turkey's largest oil refining company, ranked first in the 'Top 500 Industrial Enterprises' list compiled by the Istanbul Chamber of Industry (ISO).

Tüpraş topped the list with a net production of TL 27.7 billion in 2008. The Electricity Generation Inc. Directorate General (EUAS) came the second with TL 6.2 billion of net output and Ford Otomotiv was ranked the third with 6 billion TL. Tüpraş was also the biggest industrial company in Turkey in 2007.

With regards to the list of companies with the highest profits, a remarkable difference was realized compared to 2007 list. The state-owned Turkish Petroleum Corporation (TPAO), which ranked 7th in 2007, came first with TL 1.77 billion in the list of firms with the highest profit, the first time a public enterprise sitting on this position. Philsa Philip Morris, a consortium of US cigarette producing giant Philip Morris and Turkish giant conglomerate Sabancı Holding, came second with TL 729 million of profits. Ford Otomotiv posted TL 616 million profit, moving to the third seat. Tüpraş, although it had the highest net production, was only the fourth with TL 517 million in the same list of profit champions.

Top 10 in the ISO Top 500 Industrial Enterprises List:

1. Tüpraş (Kocaeli)
2. EUAS (State-run)
3. Ford Otomotiv (Istanbul)
4. Ereğli Demir Çelik (Ankara)
5. Oyak-Renault (Istanbul)
6. Tofaş (Istanbul)
7. Arcelik (Istanbul)
8. Icdas (Istanbul)
9. Habas (Istanbul)
10. Aygaz (Istanbul)



Northern Iraq opens refinery

Date : 20.07.2009

Source: Hürriyet Daily News (Bloomberg)

<http://www.hurriyetdailynews.com/n.php?n=northern-iraq-opens-refinery-2009-07-20>

Northern Iraq's regional government started a new crude-oil refinery Sunday. Crude began flowing by pipeline to a refinery in Arbil after Nechirvan Barzani, PM of the Regional Government, inaugurated the Khurmala oil field project.

The Khurmala development and refinery, run by the KAR Oil & Gas Co., will have a total capacity of 75,000 barrels a day of diesel, benzene and kerosene, according to the statement.



Greek Cypriots to keep blocking Turkey on EU energy chapter

Date : 20.07.2009

Source: Today's Zaman (Reuters)

<http://www.todayszaman.com/tz-web/news-181475-greek-cypriots-to-keep-blocking-turkey-on-eu-energy-chapter.html>

Cyprus said it would keep up its block on Turkey opening its energy chapter with the European Union, accusing its neighbour of being a 'bully' in a dispute with the island over oil exploration.

Cyprus, which joined the EU in 2004, is at loggerheads with Turkey over its long-running division and over plans the island has to start hydrocarbons exploration in the east Mediterranean. Turkey and the breakaway Turkish Cypriot state in north Cyprus say Greek Cypriots have no authority to explore for oil or gas.

"The energy chapter cannot open while Turkey is attempting to block the Republic of Cyprus, an EU member state, from utilising its own energy sources in accordance with international law," Foreign Minister Markos Kyprianou said. "While it is behaving like the classroom bully obviously Cyprus cannot give its consent," he told reporters.



Northern Iraq set to go to polls

Date : 23.07.2009

Source: Upstream Online

<http://www.upstreamonline.com/live/article183981.ece>

Iraq's autonomous Kurdish region goes to the polls on Saturday to elect a president and members of parliament, as a row with Baghdad over the region's oil resources remains unresolved. Incumbent president Massud Barzani is widely expected to be returned to office.

Barzani's Kurdistan Democratic Party (KDP) and Iraqi President Jalal Talabani's Patriotic Union of Kurdistan (PUK) look likely to emerge as winners in the legislative poll, in which more than 2.5 million Kurds are eligible to vote. The two parties have presented a joint list, but face a number of challengers seeking to break their stranglehold over the region's political scene.

In the election run-up, tensions between Barzani and the central government of Prime Minister Nuri Maliki heightened over Kurdish claims 16 disputed areas including oil-rich Kirkuk and parts of three other provinces -Diyala, Nineveh and Salaheddin-. Earlier this week Barzani insisted he would not 'compromise' on the longstanding claims to Kirkuk and repeated his demand that the issue be settled by a referendum called for under the Iraqi constitution, despite opposition from Arab and Turkmen communities.

"The next government will have major challenges to face," AFP quoted former Kurdish culture minister Sammy Shourash as saying. "The most pressing of those is resolution of the territorial and constitutional conflict with the central government in Baghdad." Dyandar Zebari, who is responsible for co-ordinating the Regional Government's relations with the United Nations, told the news agency the next administration will also have to reach a deal with Baghdad to share energy resources from northern Iraq's oilfields.

Five candidates have registered for the presidential race, including Barzani, while 24 political lists have registered to contest the 111 seats in the assembly which first sat in 1992. It is the first time the regional president will be elected by popular vote. In 2005, Barzani was elected by parliament in the region.



Gulf Keystone buys stakes in Northern Iraq oil permits

Date : 20.07.2009

Source: Hürriyet Daily News (Bloomberg)

<http://www.hurriyetdailynews.com/n.php?n=british-firm-buys-stakes-in-n-iraq-oil-permits-2009-07-20>

British oil exploration company Gulf Keystone Petroleum acquired holdings in two northern Iraq production-sharing contract areas, while seeking arbitration in a dispute over an Algerian license.

The company won 'significant interests' in the Iraqi Sheikh Adi and Ber Bahr blocks from the Regional Government, the company said in a statement. ETAMIC, a private investment fund based in the Middle East, will fund 50 percent of the costs, Gulf Keystone said. "The partnership with ETAMIC has halved shareholders' exposure to any drilling success whilst retaining all the current financial burden for Gulf Keystone's existing drilling program," Al Stanton, an analyst at RBC Capital Markets, said in a note. "It remains a difficult time for Gulf Keystone."

The blocks may have combined resources of more than 1 billion barrels of oil in place, according to Gulf Keystone's technical team. The company plans to accelerate drilling at the blocks, with the first well being started next year.

Gulf Keystone also said Monday it had filed for arbitration to resolve a dispute over an Algerian permit. The move followed an announcement on July 14 that the company would sell a stake in the country's Hassi Ba Hamou license and focus on northern Iraq. BG Group, which holds a 36.75 percent stake in the permit, is claiming \$7.5 million in cash as compensation for the decision to suspend investment, Gulf Keystone said.

BG's action may lead to Gulf Keystone's forfeiture of rights on the permit, it said, adding that "the rights which BG seeks to exercise are unenforceable." BG said in an e-mailed statement Monday that Gulf Keystone had breached the terms of the joint operating agreement.

The start of exports in June from oil-rich northern Iraq prompted a flurry of takeovers among explorers. China Petrochemical Corp. agreed to pay \$7.2 billion for Addax Petroleum, a Canadian company with assets in the region, while Heritage Oil agreed to a reverse takeover of Turkey's Genel Energy International for \$2.5 billion.



BP and CNPC submit Iraq Rumaila oil field plan

Date : 22.07.2009

Source: Rigzone (Dow Jones Newswires)

http://www.rigzone.com/news/article.asp?a_id=78473&hmpn=1

The Iraqi Oil Ministry has received an initial development plan from BP and China National Petroleum Corp. (CNPC), which won the rights of Rumaila oil field, paving the way for a final signing of the contract, Iraqi Oil Ministry sources said.

The sources said the plan was submitted last week to the ministry's Petroleum Contracts and Licensing Directorate (PCLD) which has set a deadline of July 15 for the winners to hand in development plans. "The ministry wants to see if the winners are serious and they aren't gambling before signing the contract," one source said. "The plan supposed to be preliminary and doesn't go into details."

The detailed development plan for the field needs to be submitted six months after officially signing the contract, another source said. The PCLD has suggested August as the month for a final signature of the deal. The BP/CNPC alliance initially asked the government for a payment of \$3.99 for each additional barrel of oil they can extract from the 17 billion barrel Rumaila field, but eventually accepted \$2/barrel. The consortium plans to raise Rumaila's production from 1.1 million barrels of oil a day to 2.85 million barrels a day.



Kremlin extends oil tax holiday

Date : 23.07.2009

Source: Upstream Online

<http://www.upstreamonline.com/live/article184013.ece>

Russia's government today extended its oil tax breaks programme to include fields in the Black and Okhotsk seas. The government said tax breaks would apply for up to 15 years, or until 20 million tonnes (125.8 million barrels) of oil is produced from the Black Sea fields.

Producers working in the Sea of Okhotsk will also be granted tax breaks for up to 15 years, or until 30 million tonnes (188.7 million barrels) of oil is produced. Russia is amending its tax legislation to revive oil output growth, which reversed to a fall last year after a decade-long boom. Production has been stagnant this year.



Nigeria loses 1 million barrels of crude oil daily due to crisis

Date : 22.07.2009

Source: Rigzone (Xinhua News Agency)

http://www.rigzone.com/news/article.asp?a_id=78489

Nigerian Minister of Petroleum Resources Rilwanu Lukman has said the country is losing an average of 1 million barrels of crude oil per day because of the crisis in the oil-rich Niger Delta.

The minister disclosed this at the meeting of the ruling Peoples Democratic Party National Working Committee in Abuja on Tuesday, noting that the country is still counting the losses inflicted by militancy in the oil-rich region. Lukman said owing to the Niger Delta crisis which is a major challenge to his ministry, oil production has dropped to between 1.4 million barrels and 1.5 million barrels per day, against the budget benchmark of 2.2 million barrels per day.

He said the crisis has made mincemeat of budget projections as a fall in revenue has affected the implementation of budgets, with many states opting to cut down spending and sourcing extra funds from the capital market. The minister added the Atlas Cove jetty bombed by militants nearly two weeks ago had resumed operation since last Sunday, noting that adequate security had been put in place to forestall a re-occurrence.

According to him, the Nigerian federal government is planning to regain the loss incurred in the sector by ensuring an increase in production to a target of 4 million barrels per day. "We have production capacity of 2.3 million barrels per day but because of problems in the Niger Delta, we cannot meet our target," he added. "This year's budget is based on having 2.2 million barrels per day, so, we are in short of a million barrels."

Lukman said the policy of the Nigerian federal government to embark on the deregulation of the downstream sector was inevitable as the budget for subsidy of petroleum products was far above the budget for capital projects every year.

He said the government would not back down on the policy of deregulation, even as the National Assembly, National Union of Petroleum and Natural Gas Workers and Petroleum and Natural Gas Senior Staff Association of Nigeria had accepted the deregulation policy in principle.

❖ Tables Forming the Basis of the Tariffs in Natural Gas Market in 2010

Source : Energy Market Regulatory Authority

Weblink : <http://www.epdk.org.tr/tarife/dogalgaz/2010/index.html>