



Iraq to hold oil deal roadshow on August 25 in Istanbul

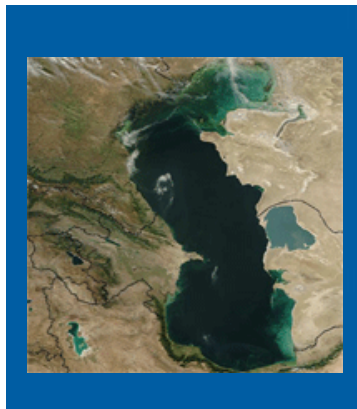
Date : 26.07.2009

Source: Reuters (Mohammed Abbas)

<http://www.reuters.com/article/GCA-Oil/idUSTRE56POU820090726>

Iraq will hold a roadshow for oil fields on offer in its second major energy auction on August 25 in Istanbul. Abdul-Mahdy al-Ameedi, Deputy Director General of Iraq's Contracts and Licensing Directorate, said 45 firms had been invited.

Iraq's first bidding round for contracts was held last month, giving major firms a chance to compete for Iraqi oil and gas fields for the first time in decades. But only one of eight fields on offer secured a developer, a group led by BP. Other firms were surprised by the difference in how much they expected to be paid for developing Iraqi fields and how much Iraq was willing to pay for their services.



Caspian border dispute poses Europe gas supply questions

Date : 27.07.2009

Source: Platts (John Roberts)

www.platts.com

Turkmenistan has called for international arbitration in its long-running Caspian boundary dispute with Azerbaijan in a move that has major implications for prospective Caspian gas deliveries to Europe.

President Gurbanguly Berdimukhammedov on Friday asked foreign minister Rashid Meredov to file a request to what he termed the International Court of Arbitration in order to settle the dispute, which primarily involves Turkmen claims to parts of the giant Azeri Chirag Guneshli field being developed by Azerbaijan and a disputed field in the center of the Caspian Sea known as Serdar to the Turkmen and as Kyapaz to the Azerbaijanis.

“The issue of demarcation of the sea bed and the sea’s mineral resources between Turkmenistan and Azerbaijan, as well as the definition of median line there, remain unresolved for a long time due to Azerbaijan’s specific position,” Berdimukhammedov told the meeting, according to the local Altyn Asyr television station monitored by the BBC on Saturday. “Turkmenistan will be ready to accept any ruling to be issued by the International Court of Arbitration on this issue,” he said.

In its first response to the Berdimukhammedov declaration, Azerbaijan made no direct reference to arbitration, but the statement from deputy foreign minister Xalaf Xalafov that Baku would defend its position could be interpreted as an indication that it was prepared to submit its case to arbitration. “We are confident that our position is right,” Xalafov said. “We believe that we are ready to defend Azerbaijan’s position and rights on all levels.”

Boundary experts told that Azerbaijani approval is almost certainly necessary for the case to be taken to international arbitration before such tribunals as the International Court of Justice, the Permanent court of Arbitration at The Hague or, somewhat less likely, the International Chamber of Commerce’s International Court of Arbitration in Paris. Despite the reference to an international court of arbitration, it is not clear which court the Turkmen have in mind.

Azerbaijan’s Turan news agency noted that Berdimukhammedov had specifically mentioned Turkmen claims to the Azeri and Chirag fields, which are known to the Turkmen as Omar and Osman.

But Turan also reported that “the President stressed that Turkmenistan does not lay claims to anybody’s territory, it always welcomes fair territorial division of the unique reservoir on the basis of the international law and world experience of division of sea borders.”

Turan accompanied its report on the Turkmen government meeting with a commentary attributed to experts that was headlined: “Azerbaijan and Turkmenistan most likely to find compromise on the disputable field.” The commentary said: “The sides are interested in settlement of the problem, which hinders widescale energy cooperation between the two countries in the Caspian Sea. In the near future the issue could be considered in the international court of arbitration and the trade-off decision can be made. In the end the both countries will begin joint development of Kyapaz.”

Dr. Jennifer Coolidge, an analyst with Caspian energy consultancy CMX, told Platts that the decision to go to arbitration would have major implications for projected Caspian gas exports to Europe but that it was too early to say whether they would be positive or negative. “At first sight, today’s announcement seems quite a contrast to the statement Berdimukhammedov made on July 10,” Coolidge said. “Currently Turkmenistan has excess gas for trade. We are ready to send it abroad to any customer. This includes Nabucco,” Turkmen president said on July 10.

On the other hand, Coolidge added, “it may be that the Turkmens have come to the conclusion that since they have not been able to solve the Serdar/Kyapaz problem in direct talks, then perhaps it can be solved by reaching out to international mediation.” She added. “What is clear is that the Serdar Kyapaz issue does have to be sorted out if there is to be Turkmen input for Nabucco.”

The President’s call also came just 24 hours after visiting Romanian President Trajan Basescu praised Turkmenistan for its work in helping to enhance the prospects for Nabucco. Resolution of the maritime boundary problem is also important because Germany’s RWE, which on July 15 secured a production-sharing agreement for oil and gas exploration and production off Turkmenistan’s southern Caspian coast, is also aiming to develop a TransCaspian Gas Pipeline (TCGP) to feed gas from Turkmenistan into the Nabucco project in which it is a partner.

Turkmenistan and Azerbaijan held their most recent round of talks over three days in Baku on July 15-17 but appear to have achieved no progress. Speaking in London two days before these talks opened, Azerbaijani President Ilham Aliev told that negotiations were continuing ‘in a friendly fashion with Turkmenistan’ on Caspian Sea delimitation issues and that his government still favored joint development of the disputed Serdar/Kyapaz field in the middle of the sea between the Turkmen and Azerbaijani coasts. “We’ve offered our Turkmen friends to have a joint company and to use our infrastructure, our pipes and our (onshore) facilities, and even to have an international operating company,” for Serdar/Kyapaz, he said.



Yildiz: Oil and gas imports disturbing market balances

Date : 28.07.2009

Source: Today’s Zaman

<http://www.todayszaman.com/tz-web/news-182224-natural-gas-oil-imports-disturbing-market-balances.html>

Speaking in Balıkesir, Energy and Natural Resources Minister Taner Yildiz stated, “There is at least as much oil and gas in Turkey, and this balance will work for the benefit of our country in the future should we manage to harness our resources effectively.”

Stating that the ministry is carrying out exploration projects in the Black Sea in cooperation with Exxon Mobil, Yildiz stated that they are hopeful about this work. “It is impossible to reach our targets in a short period of time. These are medium and long-term projects. We need to be patient.” he added.



Opposition set to break Iraqi Kurd stranglehold

Date : 27.07.2009

Source: Hürriyet Daily News (AFP)

<http://www.hurriyetdailynews.com/n.php?n=opposition-set-to-break-iraqi-kurd-stranglehold-2009-07-27>

Iraqi authorities are set to release preliminary results from weekend elections in the autonomous Kurdish region after a new opposition party claimed a major breakthrough.

The Goran (Change) list said it had won more than a quarter of seats in the regional parliament in Saturday's legislative election, raising the prospect of a strong opposition for the first time. The vote was held at a key time in Iraq's transition as regional leaders are locked in a bitter dispute with Baghdad over land and oil, while local voters also voiced their increasing concern about corruption.

Incumbent regional president Massoud Barzani won 70 percent of the vote in a simultaneous presidential poll pitting him against four other candidates, presidential cabinet chief Fuad Hussein said on Sunday. A joint list uniting Barzani's Kurdistan Democratic Party (KDP) and the Patriotic Union of Kurdistan (PUK) of Iraqi President Jalal Talabani won 60 percent of ballots cast in the parliamentary vote, Hussein said.

The two parties have dominated Iraqi Kurdish politics for half a century, first as rebels and then as the region's effective rulers in the aftermath of the 1991 Gulf war over Saddam Hussein's invasion of neighboring Kuwait. The results would give the KDP-PUK list around 55 seats in the 111-seat parliament, down from 78 seats in the outgoing assembly elected in 2005.

A senior Goran official told AFP that his party would win 28 seats, making it the first credible opposition to the longstanding KDP-PUK dominance in the rugged mountainous north of Iraq. Nearly 80 percent of the region's 2.5 million voters turned out on Saturday for what election officials trumpeted as a transparent poll. Final results are not due for several days, as ballots must be transported to Baghdad for an official count.



Berdymukhamedov: We want to sell Turkmen gas to European markets including Britain

Date : 28.07.2009

Source: Los Angeles Times (AP)

<http://www.latimes.com/business/nationworld/wire/sns-ap-as-turkmenistan-britain-energy.0.1404289.story>

Turkmenistan's president has said his energy-rich country wants to export natural gas to Britain as part of its strategy to find new markets.

"The prospect of sending Turkmen natural gas to European markets, including Britain, is fully in line with Turkmenistan's plans to diversify its energy exports to world markets," President Gurbanguli Berdimukhamedov said in a meeting with the U.K.'s Prince Andrew, who is also Britain's special representative for trade and investment.

Most natural gas from Turkmenistan, which produced around 70 billion cubic meters (2.5 trillion cubic feet) in 2008, goes to Russia. Those deliveries have been suspended since April amid a row over an explosion on a key pipeline that all but shut off Turkmenistan's exports to Russia. The two sides are continuing to bicker over the cause and cost for repairs.

A pipeline to China is to come online over the coming year and is expected to reach an annual capacity of 40 billion cubic meters (1.4 trillion cubic feet). Turkmenistan has also said it hopes to boost its current deliveries to Iran and develop new markets in the West. Prince Andrew said Britain would provide 'substantial support' to Turkmen efforts to develop large energy projects.



Chevron profit tumbles

Date : 31.07.2009

Source: Upstream Online

<http://www.upstreamonline.com/live/article184923.ece>

Chevron reported a 71% drop in second-quarter profit today as oil and gas prices fell from a year earlier and the economic slump shrank demand for fuel. The second-largest US oil company posted net profit of \$1.75 billion, or 87 cents per share, down from \$5.98 billion, or \$2.90 a share, a year earlier.

Wall Street's average earnings forecast was 97 cents per share, according to Reuters Estimates. Yesterday, larger rival Exxon Mobil reported a steeper-than-expected drop in profit, and Shell boss said he saw no near-term respite from weak energy demand, excess capacity and high costs. Chevron shares were down 1% at \$67 in pre-market trade after closing at \$67.70 yesterday on the New York Stock Exchange.



Shell to push ahead with 'Floating LNG'

Date : 28.07.2009

Source: Oil & Gas Journal

http://www.ogj.com/index/article-display/2653970769/s-articles/s-oil-gas-journal/s-transportation/s-lng0/s-articles/s-shell-to_push_ahead.html

Shell Gas & Power signed an agreement July 28 in Paris with a consortium of Technip and Samsung for design, construction, and installation of several floating LNG facilities over a period of up to 15 years, according to an announcement from Shell.

The companies also signed a contract for front-end engineering and design for Shell's 3.5 million tonne/year 'FLNG solution.' Shell conceived its technology, said the announcement, to place gas liquefaction directly over offshore gas fields and thereby precluding long-distance pipelines and extensive onshore infrastructure.

The concept's key dimensions are about 450 m by 70 m, with a 3.5 million tpy LNG capacity, plus associated LPG and condensate production, taking total liquid production potential to more than 5 million tpy. Estimated topsides weight is more than 50,000 tonnes, said the announcement.

Shell's FLNG design is, according to the company, "suitable for more distant offshore fields, designed to operate under harsh metocean conditions and process a wide range of gas compositions." The broad operating parameters of the Shell design mean it can be redeployed, said Shell. Its standardized 'design one-build many' approach permits 'material repeatability gains' during design and construction.

After completing the FEED phase, Shell said it will examine key aspects of each potential FLNG project in its portfolio before considering a final investment decision. "This innovative alternative to traditional onshore LNG plants provides a commercially attractive and environmentally sensitive approach for monetization of offshore gas fields," said Shell.



Europe's LNG imports for July and August to set record

Date : 29.07.2009

Source: Oil & Gas Journal

http://www.ogj.com/index/article-display/5293603743/s-articles/s-oil-gas-journal/s-transportation/s-lng0/s-markets/s-articles/s-europe_s-lng_imports.html

LNG shipments to Europe will increase by more than 40% in July and August, according to the latest edition of European LNG Report from market analysis firm Waterborne, Houston.

This development, says Waterborne, will continue to depress natural gas prices on the continent. "We are adjusting our forecast numbers upward for European LNG imports in July and August based on strong import growth expected in the UK and Belgium," says Steve Johnson, Waterborne president.

Under shipment scenarios devised by Waterborne, total European LNG imports for July will exceed 4.5 million tonnes, setting a record for 1-month imports and representing a 40% increase over July 2008. For August, total European imports will reach nearly 4.2 million tonnes, a 45% jump over the same month last year.

Shipments to Spain will lead European importing countries in both months, reaching more than 1.8 million tonnes in July and more than 1.6 million tonnes in August, according to Waterborne. France will import 804,000 tonnes in July and 844,000 tonnes in August.

The UK will receive 732,000 tonnes of LNG in July followed in August by 552,000 tonnes. Dragon LNG's terminal at Milford Haven, Wales, received its first commissioning cargo on July 14, weeks earlier than expected. "We are also projecting increased LNG shipments from Qatar into Milford Haven's South Hook terminal, which opened in May," says Johnson.

The July edition of the European Waterborne LNG Report looks at the effect of the Medgaz pipeline on Europe's LNG markets, if planned, new pipeline connections are built across the Pyrenees.



Iraq wants to revive its national oil company

Date : 30.07.2009

Source: Today's Zaman (AP)

<http://www.todayszaman.com/tz-web/news-182457-iraq-wants-to-revive-its-national-oil-company.html>

The Iraqi Cabinet has approved a plan to revive a national oil company to help the war-torn nation upgrade its dilapidated oil industry, an official said Wednesday.

The Iraqi National Oil Co. was established in 1964 but Saddam Hussein dissolved it in 1987, as the Iraq-Iran war that was under way curtailed oil-related activities nationwide. Thamir al-Ghadhban, an energy adviser to Prime Minister Nouri al-Maliki, said the law would give the INOC wide authority to explore for new fields, run producing oil fields, develop discovered but undeveloped fields, issue bonds and ask for loans.

In a statement issued late Tuesday, government spokesman Ali al-Dabbagh said the bill was approved by the Cabinet and had been sent to parliament for approval, but gave no details. Iraq's parliament is in recess until September. The bill joins three others on oil issues, including a law that has been stalled in parliament over disputes about who has the final say in developing the wealth in their regions.

The yet-to-be established company will act as a holding company for the three existing regional state-run oil companies: the Basra-based South Oil Co., the Kirkuk-based North Oil Co. and Maysan Oil Co. in Maysan province. According to the bill, the company would have its own budget and would be run by a board headed by a chairman with ministerial powers.



Venezuela agrees to invest in Iranian oil blocks

Date : 27.07.2009

Source: Rigzone (BBC Monitoring)

http://www.rigzone.com/news/article.asp?a_id=78624

Venezuela has agreed to invest in the exploratory operations and development of 12 Iranian oil blocks, Iranian oil minister said on the sidelines of a seminar on Compressed Natural Gas (CNG) industry in Tehran on Sunday.

Shana news agency quoted Gholamhoseyn Nowzari as saying that during the recent visit by a Venezuelan energy delegation to Tehran which ended on Saturday, the two sides signed agreement for the participation of Venezuela in the projects. Iran is already one of Venezuela's partners in the development of Ayacucho oil field in Venezuela's Orinoco Belt. The two countries will invest \$4 billion in the joint project.

Iran and Venezuela also signed an agreement to develop a new oil field in the Latin American country during Venezuelan Energy Minister Rafael Ramirez's visit to Tehran in April. According to the agreement, Iran's Petropars Company will develop the oil field.

Iran - Turkmenistan gas price negotiations

Iran's oil minister said Sunday that the price for Iran's gas imports from Turkmenistan is reduced by half in the country's recent gas negotiations with the Central Asian country. The two sides agreed on the price of \$170 per thousand cubic meters in their final negotiations, Nowzari said.

Gas imports negotiations with Turkmenistan have been finalized and the new price agreed on by both parties is half the price of the previous contract, he said. According to the new contract, Iran's gas imports from Turkmenistan are set to rise to 14 billion cubic meters a year, Iran's oil minister added. He went on to note that a new pipeline is going to be built in order to convey the gas produced in Turkmenistan's Dauletabad gas field to the Iranian city of Sarakhs.

Turkmenistan has been supplying gas to Iran since 1997. Ties between the two energy powers were strained in winter 2008 after Turkmenistan halted gas sales to Iran, but during an official visit by Turkmen leader Kurbanguly Berdimukhamedov to Tehran in February 2009, the two sides inked an agreement which would allow Iran to develop the Yolatan gas field in Turkmenistan and import a portion of the extracted gas annually



❖ TPAO Annual Report - 2008

Source : Turkish Petroleum Corporation
Weblink : http://www.tpao.gov.tr/v1.4/condocs/yillik_rapor_2008tr.pdf