



## Gazprom plans to invest in Turkish market

Date : 23.09.2009

Source: Hürriyet Daily News (Begüm Gürsoy)

<http://www.hurriyetdailynews.com/n.php?n=gazprom-plans-to-invest-in-turkish-market-2009-09-23>

Russian natural gas giant Gazprom is eyeing the growing Turkish market, deputy chief executive Alexander Medvedev told business daily Referans, adding that the firm might invest in the natural gas distribution and electricity production markets.

Gazprom aims to build and operate a center with the Aksa Group, a Turkish energy producer and supplier, in order to sell gas directly to Aksa once Turkey changes regulations that prevent such sales, Medvedev said. Detailing the company's negotiations with BOTAS, Medvedev said a volume discount in the context of the 'take or pay' model is being discussed, but no official negotiations have started yet over the issue. "We have reached an agreement on the political aspects of the Blue Stream-2 project," said Medvedev.

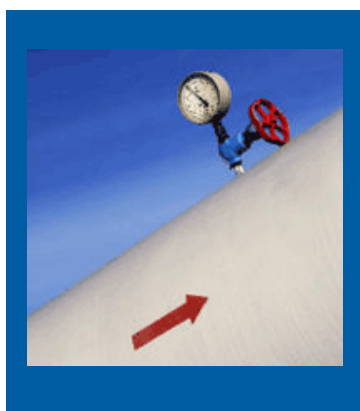
Speaking on Gazprom's plans for the Turkish market, Medvedev pointed toward current legislative problems. "Supplying gas to private Turkish companies is expected to take place after the change of legislation," he said. "We hope that Turkey will take care of this problem in the future. Gazprom and Aksa are considering possible cooperation on subjects such as building and operating a natural gas center."

BOTAS had previously requested a change to the 'take or pay' clause after it faced difficulties selling the gas purchased from Russian in the market. "We did not reach the level of official negotiations on this issue," said Medvedev. Noting that Turkey is the second biggest gas buyer from Russia after Germany, Medvedev said, "The gas that Turkey purchased in 2008 totaled 23.8 billion cubic meters." As of Aug. 1, Turkey's purchase will amount to 12 billion cubic meters, he said, adding that Gazprom expects this year's total purchases to reach the 2008 level.

Gazprom is waiting to obtain permission from the Turkish authorities to start feasibility work for the South Stream project, a natural gas pipeline that will bypass Ukraine and carry Russian gas to southeast and Central Europe through Turkey, Medvedev said. The pipeline is regarded as a rival to the European Union and United States-backed Nabucco project.

“After obtaining the permissions, we will immediately start working in the Black Sea,” he said. “Cooperating with Turkey on natural gas opens many doors. Our cooperation enables us to lengthen long-term agreements,” such as the West Line agreement, which is expected to expire by 2011.

Noting that the Blue Stream project is still in its early phases, Medvedev said: “We have reached a deal with our Turkish partners on political issues. [Now] we will start negotiating the actual issues.” Medvedev also said it was too early to talk about Gazprom’s potential interest in BOTAS if Turkey decides to privatize the company.



## Kazakhstan offers to pump Azeri gas

Date : 24.09.2009

Source: Upstream Online

<http://www.upstreamonline.com/live/article192411.ece>

Kazakhstan offered to ship Azerbaijan’s gas to China through a pipeline planned to on stream in 2011, the head of Kazakh state energy company KazMunaiGaz said today.

Kazakhstan, China, Uzbekistan and Turkmenistan are building a pipeline that will connect Turkmen gas fields to China, passes through the four countries and is due to be launched in December this year. Kazakhstan then plans to build a link from its Caspian coast to the main pipeline to pump its own gas into it.

Reuters quoted KazMunaiGaz boss Kairegdy Kabyldin as saying the planned pipeline could also be used to transit gas from Azerbaijan, although it needs first to be shipped across the Caspian. “We are offering to look at the possibility of... shipping (Azeri) gas to China through Kazakhstan,” Kabyldin told reporters. “This is just for the sake of diversification.”

Kabyldin said the project could take a long time to implement since building a pipeline across the Caspian faces political and legal disputes between littoral states. “This can be viewed as a project,” he said. The Turkmenistan-China pipeline will have a capacity of 40 bcm a year. The domestic Kazakh link will be able to ship 10 bcm a year.



## DNO share suspension extended amid Northern Iraq dispute

Date : 22.09.2009

Source: Bloomberg (M.Stigset & M.Bhatia)

<http://www.bloomberg.com/apps/news?pid=20601087&sid=a711c2cSxn6Q>

DNO International ASA, the first foreign company to pump oil in Iraq since the 1970s, will be suspended from Oslo trading through tomorrow after Northern Iraq authorities halted operations amid dispute over a stock sale.

Trading was stopped yesterday at 3:56 p.m. and today the exchange extended the suspension. The Ministry of Natural Resources of the Regional Government in a letter yesterday informed DNO its operations would be halted for a maximum of six weeks and said the company needs to “remedy, and to our full satisfaction, the damage done to the Regional Government reputation and for once and all to sort its internal problems” with the exchange. DNO would not be entitled “to any economic interest” during the suspension, the authority said.

The exchange disclosed that the Regional Government acted as a middleman in a transaction of 43 million shares of DNO in October last year. DNO had sought to keep the authorities’ role undisclosed after a probe discovered contacts between Natural Resource Minister Ashti Hawrami and DNO’s CEO Helge Eide. DNO is delivering 45,000 barrels a day from its Tawke field through a pipeline to Ceyhan, Turkey. It owns 55 percent of the field, which has reserves of 150 million to 370 million barrels.

In a separate statement, DNO said it “will explore all options available to protect the interests of DNO shareholders” and was considering legal action against the Oslo exchange. The Regional Government on Sept. 19 said it brokered the transaction to help the Norwegian explorer’s investments and that no officials benefited from the transaction. The Regional Government bought the shares on behalf of Genel Enerji under an agreement to provide a cash advance loan to the Turkish company.

DNO in April disclosed that Genel Enerji was the buyer of the 43 million shares, or 4.8 percent of the company. It was fined in June for not revealing the identity of the buyer sooner. After an appeal, the Stock Exchange Appeals Committee last week ruled that DNO didn’t break rules on dealing with insider information. It upheld a ruling that it breached regulations in not being sufficiently forthcoming with information to the exchange. DNO last traded at 6.66 kroner in Oslo yesterday. The shares have gained 50 percent this year, giving the company a value of 6 billion kroner (\$1 billion).



## Genel Enerji's CEO eyes FTSE berth but probes threaten

Date : 24.09.2009

Source: Today's Zaman (Reuters)

<http://www.todayszaman.com/tz-web/news-187975-aquagenel-ceo-eyes-ftse-berth-but-probes-threaten.html>

The Chief Executive of Genel Enerji may soon find himself running one of Britain's largest listed companies but with regulatory probes involving Genel in Norway and the UK, challenges remain.

In June, privately-held Genel agreed to a merge its Iraqi unit with Heritage Oil in a deal which envisaged Genel CEO Mehmet Sepil taking the helm of and a 20 percent stake in, the enlarged company, to be renamed HeritaGE. Sepil owns around 44 percent of Genel, while the Cukurova group, owned by Mehmet Emin Karamehmet, has 56 percent.

As part of the deal -which aims to create a \$6 billion oil company focused on Northern Iraq that analysts said would likely enter the FTSE 100 index of the UK's largest companies- Karamehmet is also to join the HeritaGE board. However, Sepil's plans took a knock in August when Heritage said it had become aware of an investigation by the UK's financial regulator, the Financial Services Authority (FSA). That probe "could potentially affect the ability of certain members of Genel's operational management team to assume their proposed roles in the combined entity," Heritage said in a statement without naming the individuals.

Last Friday it emerged that Genel was involved in an Oslo Stock Exchange probe into its purchase of \$30 million worth of shares in DNO International, through the Regional Government. On Thursday, Norway's financial watchdog Kredittilsynet said it had asked the police to investigate the matter.

Sepil declined to comment on the DNO share sale or the FSA probe. "That has already been written about substantially so I don't think Genel has anything else to add at this time," he said of the DNO issue in a telephone interview.

A report in the Sunday Times said last month that to solve the problems associated with the FSA probe, Buckingham would become CEO of the enlarged HeritaGE. However, a spokesman for Heritage said the plan had not changed and that a prospectus would be sent to shareholders in the coming weeks with a view to completing the deal within two months.



## Yildiz: Turkey may sign pact with Iraq on Nabucco gas

Date : 19.09.2009

Source: Yahoo News (Reuters)

<http://sg.news.yahoo.com/rtrs/20090919/tbs-energy-nabucco-turkey-955c2a1.html>

Turkey and Iraq have discussed signing a memorandum of understanding to ship Iraqi gas to Europe via Turkey through the planned Nabucco pipeline, Turkish Energy Minister Taner Yildiz said.

Yildiz did not provide more details of the possible MOU with neighbouring Iraq. But during the signing ceremony of the Nabucco transit deal in Ankara between Turkey, Bulgaria, Romania, Hungary and Austria in July, Iraqi Prime Minister Nuri al-Maliki said Europe could receive 15 bcm of Iraqi gas via Turkey. Yildiz also said Turkish petroleum firm TPAO and Turkish Petroleum's foreign exploration unit TPIC would enter Iraq's second oil auction later this year.



## Eni and Enel finalize \$1.57 billion SeverEnergia stake sale to Gazprom

Date : 23.09.2009

Source: Morningstar (Dow Jones Newswires)

[http://news.morningstar.com/newsnet/ViewNews.aspx?article=/DJ/200909230905DOW/ONESDJONLINE000371\\_univ.xml](http://news.morningstar.com/newsnet/ViewNews.aspx?article=/DJ/200909230905DOW/ONESDJONLINE000371_univ.xml)

Enel SpA and Eni SpA, said they finalized the sale of a 51% stake in Russian company SeverEnergia to Gazprom for \$1,57 billion as agreed in May.

In a statement, the two companies said Enel will receive \$626,5 million and Eni \$940 million. The amounts will be transferred in two tranches between this year and 2010. Gazprom has already paid Enel \$153,5 million and Eni \$230,3 million, they said. The remaining part will be paid by next March.

Enel and Eni formed SeverEnergia in 2007 by teaming up to purchase some of the assets that the Russian government seized after breaking up oil giant Yukos. The two Italian companies gave Gazprom an option to buy a 51% stake in SeverEnergia.



## Kazakh Pearls oil block to start 2016

Date : 23.09.2009

Source: Rigzone (Dow Jones Newswires)

[http://www.rigzone.com/news/article.asp?a\\_id=80663](http://www.rigzone.com/news/article.asp?a_id=80663)

Oil production at the Pearls oil block in the Caspian Sea is expected to start in 2016, Yermek Marabayev Chief Executive of KazMunaiTeniz, said Wednesday.

Marabayev told reporters in the capital Astana that the start of commercial production at the Pearls, also known as Zhemchuzhiny, in 2016 was 'the most optimal' expectation. He said that 'a lot will depend' on exploration work at Naryn and Tulpar oil fields of the block which will start within the next two years. Oil had earlier been discovered at Auezov and Khazar sections of the Pearls block, Marabayev said, adding that Khazar could be considered a medium oil field with profitable development.

The Pearls oil block is jointly developed by KazMunaiTeniz, a subsidiary of the state oil and gas company KazMunaiGas, which owns 40%, Royal Dutch Shell which also owns 40% and Oman Oil which has the remaining 20%.

KazMunaiGas said the Pearls prospective reserves stand at 358,4 million metric tons, while recoverable reserves stand at 108,5 million tons of oil equivalent. KazMunaiTeniz and KazMunaiGas did not release expected figures for oil production at the Pearls. The Pearls is in the Kazakh section of the Caspian Sea.



## OPEC oil prices edge slightly higher

Date : 21.09.2009

Source: Rigzone

[http://www.rigzone.com/news/article.asp?a\\_id=80570](http://www.rigzone.com/news/article.asp?a_id=80570)

The weekly average price of the Organization of Petroleum Exporting Countries (OPEC) rose only one cent to US \$68,1 per barrel last week, said the Vienna-based cartel Monday.

On the first trading day of last week, OPEC oil prices dropped \$1,74 to \$66,47 on Monday. However, the price rebounded in the next few days, rising to \$70,27 per barrel on Thursday.



OPEC's daily oil price rose 3 percent compared with the beginning of the week, mainly due to a decline in U.S. inventories of crude oil and a weakening U.S. dollar. The U.S. dollar rebounded slightly Friday after a nearly one-year low. As a result, the international crude oil prices slid slightly, while the OPEC price did not react due to the weekend. According to OPEC's latest monthly report, released last Tuesday, the demand of OPEC crude oil will drop from 28.52 million barrels this year to about 28,06 million barrels in 2010.

Kuwait's representative to OPEC Mohammad Shati told the media Friday that OPEC may cut oil supplies next year. By the end of last year, OPEC had cut a total of 4,2 million barrels per day to boost the sliding oil prices. Market analysts said, although confidence about a global economic recovery was increasing, the real recovery had not begun. In the near future, the world oil market would not see any substantial growth in demand.



❖ Press Release of 154th Ordinary Meeting of the OPEC Conference

Source : Organization of the Petroleum Exporting Countries  
Weblink : <http://www.opec.org/opecna/Press%20Releases/2009/pr092009.htm>