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Turkey hopes Serbia will be included in TurkStream

Anadolu Agency, *10.10.2017*

Turkey hopes natural gas from the TurkStream natural gas pipeline will eventually reach Serbia, Turkish President Recep Tayyip Erdogan said. Erdogan and Serbian President Aleksandar Vucic held a joint press conference at the Palace of Serbia in Belgrade where the gas pipeline was up for discussion.

The TurkStream pipeline is a mutual project between Turkey and Russia to carry Russian gas to Turkey and Europe. "We hope that in the shortest time Serbia will also receive this natural gas.

I think Russian President Putin won't think negatively on this issue, but will approach this situation positively," Erdogan said. On Monday, Serbia's ambassador to Turkey, Danilo Vucetic, also declared that the TurkStream pipeline can not only offer an answer to Serbia's gas needs, but can also provide a solution to Eastern European countries. nHe said that if the European Union gives the green light to the European part of the project, Russia and Turkey would be ready to progress.

"We also support it but it's not a decision for us to take. We will wait for Europe's view and see," Vucetic said. Earlier in July, the Serbian president also spoke on the TurkStream and noted that the project will end near the Turkish-Bulgarian border, from where it could be distributed to Europe. On completion, Bulgaria and Serbia need to construct a downstream pipeline to receive the Russian gas.

However, Bulgaria and Serbia have already plans to begin construction a pipeline in 2019 scheduled for operations in 2020. Nonetheless, Russia has so far not revealed any plans to include Serbia in the TurkStream project. The TurkStream will send Russian gas to Turkey with the first of its two lines. The second line of the project will carry Russian gas to southern and southeastern Europe. The total capacity of the dual pipeline system is set to be 31.5 billion cubic meters. More than 300 kilometers of the first line of the TurkStream has already been constructed.

Minister: Turkey to hold first deep drilling for oil and gas in Med in 2018

Hurriyet Daily News, *11.10.2017*

Turkey will carry out its first hydrocarbon drilling in the Mediterranean later this year and its first deep drilling in 2018, Energy Minister Berat Albayrak stated on Oct. 11.

Albayrak said Turkey aimed to open wells in Turkish and Cypriot waters, and drilling would also take place in the Black Sea, Reuters reported. "We will make our first hydrocarbon drilling in the Mediterranean Sea before the end of this year. We plan to hold our first deep drilling in 2018," he said during a speech at an energy summit in the Mediterranean resort of Antalya. "We are very hopeful for our exploration works in the area.

We will start to open wells in Turkish and Cypriot waters," Albayrak added. He announced in early April that Turkey would conduct seismic studies for oil and gas drilling activities, noting that exploration would occur in two areas in the Black Sea and two in the Mediterranean. The country started its seismic energy exploration in eastern Mediterranean on April 21 in line with the government's "National Energy and Mining Policy."

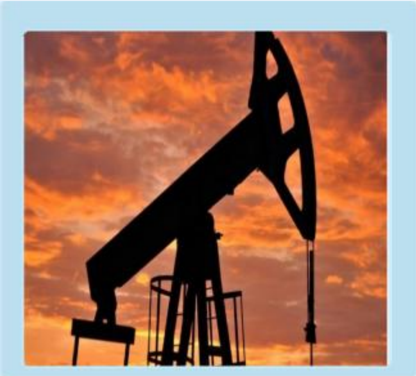
Akkuyu construction 'to start soon' Albayrak also noted that construction of the Akkuyu nuclear power plant would start at the end of this year or at the start of next year "at the latest." Russia's State Atomic Energy Corporation, Rosatom, plans to construct Turkey's first nuclear power plant in the country's southern province of Mersin in southern Turkey. "The Turkish Atomic Energy Agency [TAEK], Turkey's regulatory body, is working on a detailed study for the construction permit for the Akkuyu nuclear power plant," Albayrak said, state-run Anadolu Agency reported.

He also stressed that all works for localization have already started and even the slightest risk will be addressed in Turkey, a country new to nuclear technology. On Oct. 4, the TAEK approved AEM-technology as an equipment manufacturer for the Akkuyu plant. According to an announcement from the company, the TAEK issued the approval certificate to AEM-technology, the machine engineering division of Russia's Rosatom (Atomenergomash) on Sept. 19. Rosatom is the first of the Akkuyu equipment manufacturers to obtain an official manufacturing certificate.

Meanwhile, the energy watchdog has given a power generation license to Akkuyu Nuclear JSC for a 49-year period, starting as of June 15. In a statement, the Energy Market Regulatory Authority (EPDK) said it had issued a preliminary license for power generation to the company for a three-year period. “A 49-year power generation license for the Akkuyu Power Plant will become operational as of June 15,” it stated. The first unit of the power plant with a planned 4,800 MW installed power capacity was slated to become operational by 2025 according to the agreement, but the company has vowed to complete the work by Oct. 29, 2023, the 100th anniversary of the establishment of the Turkish Republic, read the statement. Turkey and Russia signed an intergovernmental agreement to build and operate a nuclear power plant in Mersin’s Akkuyu in 2010.

OPEC increases oil output in September

Anadolu Agency, *11.10.2017*



OPEC’s crude oil production increased by 88 thousand barrels per day (b/d) to 32.75 million b/d in September, according to the organization’s Wednesday report.

In September, output in non-OPEC countries increased to 57.57 million barrels per day (mb/d), up by 310 thousand b/d from August levels. With the increase in OPEC and non-OPEC output, global oil supply raised by 410 thousand b/d to average 96.50 mb/d in September. “The share of OPEC crude oil in total global production fell slightly by 0.1 percentage point to total 33.9 percent in September,” OPEC said.

According to the organization, crude oil output increased the most in Nigeria, Libya, Gabon and Iraq while production showed declines in Venezuela. Nigeria raised its production level by 50.8 thousand b/d, while output in Libya increased by 53.9 thousand b/d. Production struggled in Venezuela and dropped by 51.9 thousand b/d to 1.89 mb/d.

World oil demand growth in 2017 is expected to increase by 1.5 mb/d, representing an upward revision of around 30 thousand b/d from the previous report, mainly reflecting recent data showing an improvement in economic activities. In 2018, world oil demand is anticipated to grow by 1.4 mb/d, following an upward adjustment of 30 thousand b/d over the previous report, due to the improving economic outlook in the world economy, particularly in China and Russia. “In 2018, the growth in non-OPEC oil supply saw a downward revision of 60 thousand b/d to stand at 0.9 mb/d,” the report said.

OPEC is said to see oil inventory glut finally gone in one year

Bloomberg, *12.10.2017*

OPEC expects its efforts to clear the surplus in oil inventories to finally succeed by the end of the third quarter of next year, said people familiar with the group's internal forecasts.

The Organization of Petroleum Exporting Countries and allies including Russia have been cutting oil production this year to bring fuel inventories in industrialized nations back in line with the five-year average. They hope to end an unprecedented build-up that sent prices plunging from above $100 a barrel in 2014 to around $50 currently, but the process has taken longer than expected and the deal has already been extended beyond its initial June expiry.

OPEC estimated that stockpiles in developed nations were still about 171 million barrels above that average in August, but expected trends in supply and demand will eliminate the surplus in about a year, the people said, asking not to be identified because the information isn't public. The forecasts assume that Libya and Nigeria's production will remain at current levels and U.S. shale output will expand by no more than 500,000 barrels a day next year, two of the people said.

Although the current production curbs are due to expire at the end of March, OPEC's estimates suggest producers will have to extend them to achieve their long-stated objective. They would need to maintain output around current levels in order to create a supply deficit next year big enough to erode stockpiles, according to Bloomberg calculations based on data published in the group's monthly market report.

OPEC and its allies will hold a meeting in Vienna on Nov. 30 where they may decide whether to prolong the measures. Russian President Vladimir Putin signaled earlier this month that he's prepared to keep the accord going until the end of next year. OPEC's projections align with those of the Energy Information Administration, the statistical arm of the U.S. Department of Energy. The International Energy Agency estimated in its monthly report on Thursday that the decline in inventories this year will halt in 2018 due to rising supplies from the U.S. and elsewhere. Even if stockpiles remain stable, they could continue to converge with the five-year average, which is steadily rising following years of oversupply.

Oil market is rebalancing with major commitment: OPEC

Anadolu Agency, *10.10.2017*

Turkey There is clear evidence that the oil market is rebalancing with the Organization of the Petroleum Exporting Countries' (OPEC) global oil production cut deal, the cartel's Secretary General Mohammad Barkindo said on Monday.

In OPEC's latest statement, the cartel reported that sustainable market stability was achieved from the major commitment of 24 producing countries. "I could tell you the process has been a straightforward one, but I think we can all appreciate that the rebalancing process was never going to happen overnight, and it was never going to happen in a linear fashion," Barkindo said in OPEC's release.

Barkindo explained that to help contain, and then alleviate the current oil market cycle, which many have described as the worst they have ever seen in the history of the industry, has required great patience, resolve and perseverance. "We believe that developments this year have helped stem the industry's hemorrhaging. It has put a stop to the industry being stuck in reverse," he said. "We have every reason to be satisfied with the steady and ever-improving progress we have made in our collective efforts to overcome the challenges of the current oil market cycle. As I said in Moscow last week, it is 'so far, so good'. There is clear evidence that the market is rebalancing," he said.

Barkindo said that global oil demand growth has also been robust, with an estimated increase of close to 2 million barrels a day from the first to the second half of this year. Moreover, he added the OPEC Secretariat in the most recent Monthly Oil Market Report raised projections for oil demand in both 2017 and 2018. "These upward demand revisions are most likely to be an ongoing trend. In addition, we have recently seen a deceleration in the U.S. tight oil growth compared to the first half of the year, evidenced recently by the falling productivity of wells, as well as growing concerns from the investment community," he noted. He said that there are clearly a number of positives to point to in the rebalancing process, but challenges still remain, particularly in investments. He explained that although there is an expectation that investments will pick up slightly this year and in 2018, they would be nowhere near to levels seen in the past.

"...it is more evident in short-cycle, rather than long-cycle projects, which are the industry's baseload," he said. "As we have all learned from previous price cycles, such pronounced and long-term declines in investments are a serious threat to future supply. But given our projected future demand for oil, with our upcoming World Oil Outlook 2017 expecting demand to reach over 111 million barrels a day by 2040, an increase of almost 16 million barrels a day, the world simply cannot afford a supply crunch," he said.

He also said that recognizing and respecting the link between the long-term security of supply and short-term conditions is critical. “Let me assure you that all participants remain committed to fully achieving its goals and objectives. We will not waiver, we will not tire,” he stressed. On May 25, OPEC members agreed to lower oil output and extend their previous agreement by nine more months to March 2018. OPEC members’ compliance rate to the production cut agreement increased to 82 percent in August, from 75 percent in July, according to the International Energy Agency (IEA) report. With non-OPEC participants, the oil production cut will see 1.8 million barrels per day, equal to 2 percent of global production. This is the organization’s second production cut in the last two years and its second intervention in the global oil market since mid-2014 when oil prices began to fall.

KRG’s oil transfer via Turkey under spotlight

Anadolu Agency, *10.10.2017*

The government is considering the decision they will take on whether to continue the Kurdish Regional Government’s (KRG) oil transfer through Turkey, Turkey’s Energy Ministry Undersecretary Fatih Donmez said.

Speaking at the eighth Turkey Energy Summit, Donmez said that although no decision has yet been taken on the KRG’s oil exports following the illegal independence referendum on Sept. 25, the issue is currently on the agenda and is being examined. “However, we will decide on our stance based on instructions from the [Turkish] government.

As of today, there is no decision yet, although this does not mean that there will not be one,” he asserted. The regional government, led by President Masoud Barzani, has enjoyed close ties with Ankara and had used a pipeline stretching from northern Iraq to the Turkish Mediterranean port of Ceyhan to export oil, a mainstay of the KRG economy. However, the independence referendum -- held in KRG-controlled areas across northern Iraq, including those disputed with the central government in Baghdad -- has threatened this relationship. The KRG’s net income from exports through the Ceyhan port amounted to almost $416 million in October 2016, according to the KRG’s Ministry of Natural Resources Monthly Export and Production Report in 2016 - the ministry’s latest monthly oil report released.

The report showed that the KRG exported 19 million barrels of crude oil in total and an average of nearly 614 thousand barrels of oil per day in the month of October last year through the port of Ceyhan in Turkey. The eighth Turkey Energy Summit is a two-day event currently running in Antalya, which has gathered over one thousand delegates both from Turkey and abroad. The Minister of Energy and Natural Resources Berat Albayrak will also speak at the summit tomorrow, Donmez said. Renewables will be a focal sector of the summit, Donmez said, stressing the importance of the two Renewable Energy Resources Zone Project (YEKA) tenders in Turkey.

“We had very good results at these tenders. In solar energy, for example, this year we will lay the foundations of a solar map of the country and we hope that the first solar panel will be laid in 2019. In the following years, we hope to open this station,” he said. Kalyon Holdings together with the South Korean Hanwha Q-Cells consortium won the tender for Turkey’s biggest solar power plant project - the Karapinar Renewable Energy Resources Zone Project, in Konya’s Karapinar province in the Central Anatolian region of Turkey on March 20. The consortium is responsible for building a 500-megawatt solar panel production facility and a solar power plant with 1,000 megawatts of capacity.

“In wind, a total of one thousand megawatts of wind capacity will be constructed in five or six different locations. These turbines need to be 65 percent locally manufactured. Siemens has won this tender - a very strong company in its field,” he asserted. The wind tender on Aug. 3 saw the submission of bids and attendance of the world’s top wind turbine producers for Turkey’s 1,000-megawatt wind project. A Siemens Gamesa - Turkerler - Kalyon consortium won the first 1,000-megawatt wind tender offered by YEKA. “The company is currently preparing for production. We know that their work will not only help the local production sector to develop but also it will help local producers to become exporters of this technology to regional countries,” he concluded.

Baghdad orders repair of Kirkuk-Ceyhan oil pipeline

Anadolu Agency, *10.10.2017*

The central Iraqi government started to repair the Kirkuk-Ceyhan oil pipeline connecting oil fields near the city of Kirkuk in northern Iraq with Turkey’s Mediterranean oil terminal in Ceyhan, the Iraqi Oil Ministry announced on Tuesday.

Iraqi Oil Minister Jabbar Ali Hussein Al-Luiebi ordered the repair for the resumption of oil exports to overcome the financial and economic difficulties in Iraq. Crude oil from northern Iraq is pumped via the Kirkuk-Ceyhan pipeline to Turkey’s Ceyhan Port on the eastern Mediterranean coast, from where it is exported to foreign markets.

“The Minister of Petroleum has ordered that the Kirkuk oil pipeline pass through the cities of Salahaddin and Mosul and that oil exports to Turkey’s Ceyhan port be restarted,” the Iraqi Oil Ministry’s statement read. In addition, a written statement from the Iraqi oil ministry spokesperson Asim Jihad said the minister ordered the repair of the Kirkuk-Ceyhan oil pipeline to transport crude oil after gains were made against the terrorist organization DAESH in Kirkuk, Salahaddin and Mosul.

Jihad noted that Iraq wants to regain 250 to 400 thousand barrels of oil export capacity daily and also wants to avail of new opportunities for energy exports from the north of the country. There are five oil wells in the oil-rich Kirkuk region, two of which are controlled by the Kurdish Regional Government (KRG). Unidentified attackers on several occasions blew up the strategic Kirkuk-Ceyhan oil pipeline in Iraq’s northern Kirkuk province. Iraq is the second-largest crude oil producer in the Organization of the Petroleum Exporting Countries (OPEC) after Saudi Arabia, and holds the world’s fifth largest proved crude oil reserves after Venezuela, Saudi Arabia, Canada, and Iran, according to the U.S. Energy Information Administration (EIA).

BP, Azerbaijan’s Socar to sign Caspian Sea exploration deal in 2017

Reuters, *12.10.2017*

Azeri state energy company SOCAR plans to sign a production-sharing agreement with BP to jointly explore prospects in a new block, D-230, in the North Absheron basin of the Caspian Sea before the end of 2017, a source at SOCAR said.

BP and SOCAR signed a memorandum of understanding on joint exploration of this block in May 2016 in a move that reflected efforts by SOCAR and foreign companies to make new discoveries in the oil-rich country. The source, who did not want to be named, told Reuters.

“Participants of the deal will each have 50 percent of shares in the agreement,” Block D-230 covers areas in a water depth of up to 300 metres, with a reservoir depth of 3,000-5,000 metres. BP is a main investor and operator of two major projects in Azerbaijan - the Azeri-Chirag-Guneshli (ACG) oilfields, which account for most of Azerbaijan’s output, and the Shah Deniz offshore gas field, which is estimated to contain 1.2-1.5 trillion cubic metres of gas.

BP teams with KMarin and ICBC on $1bn LNG carrier project

Tradewindsnews, *06.10.2017*

BP Shipping has teamed up with two existing partners on a $1bn plus LNG carrier financing project. The oil major is working with KMarin and ICBC Leasing on the six vessels to serve the Freeport LNG facility in Texas and other global projects, according to a statement from the company.

The deal involves six 174,000-cbm vessels under construction at DSME, which the oil major's shipping arm contracted in 2014.Susan Dio, chief executive of BP Shipping, said in a statement: "These vessels will significantly increase BP's ability to safely transport LNG to anywhere in the world, directly supporting BP's global natural gas strategy."

Delivery of the tankers is slated to begin in 2018, in line with the first Freeport trains, and will conclude in 2019. BP, which claims the new ships will be 25% more fuel efficient than their predecessors, has a deal for 230 Trillion BTUs per year of LNG capacity at Freeport. Its statement also points to projects in Australia, UAE, Indonesia, Trinidad and Angola where it has a mixture of long-term, mid-term and short-term supply contracts.

Alan Haywood, chief executive of BP's global supply and trading business, said: "BP has built a diverse LNG portfolio spanning both established and emerging markets. "Freeport is the latest example of how BP continues to expand the reach of our LNG business and serve our customers with flexible solutions through leveraging our scale, connectivity and relationships - and another sign of our commitment to remaining at the forefront of this rapidly growing and important global business."

Dio has said LNG marine capability is a scarce resource in the industry, with demand continuing to increase. "The expansion of the fleet allows us to both manage the risks of this particular operation and to grow our own capability for the future," she said in an interview with BP Horizon last year. BP and ICBC were first reported to have teamed up in October 2015 on an $869m tanker sale and leaseback deal spanning 18 ships.

At the time it was branded the largest single financing order in BP Shipping's history. Kmarin and BP also have history, having joined up in late 2014 on a deal for 10 aframax tanker newbuildings at under construction at STX Offshore & Shipbuilding. BP Shipping launched a fleet rejuvenation programme in 2016 spanning 32 new vessels. A spokesperson for BP Shipping says the first of those vessels, the 110,000-dwt British Respect, was delivered in the same year and has been followed by 25 other ships which were part of the same project. The stable of new vessels includes nine aframaxes funded by KMarin. ICBC financed three suezmaxes built at STX Goseong, nine handymaxes built at HMD Ulsan and five handysizes from the same yard. According to Clarksons, the company has a fleet of 45 ships on the water today, spanning the crude, products, LNG and offshore arenas.

New Danish law could block Russian pipeline

Euobserver, *11.10.2017*

A new Danish law could make it possible to block pipelines that run through Danish territorial waters by reference to security concerns. The bill, which is to be discussed in the Danish parliament for the first time on Thursday (12 October), is backed by the government as well as by the main opposition parties.

Currently, only environmental concerns are taken into account when applications are made for pipelines that use Danish territorial waters. But under the new law, the country would also take security, foreign policy, defence, and political concerns into account prior to granting approval.

The law could enter into force in January 2018, but it remains uncertain whether that would be quick enough to block a pending application by the builders of Russia's Nord Stream 2 gas pipeline. The Nord Stream consortium, a Swiss-based vehicle of Russian state firm Gazprom, aims to build a 1,200km pipeline under the Baltic Sea to Germany. The pipeline's critics say it will make Europe more vulnerable to Russian energy blackmail and would harm Ukraine at a time when it is trying to align itself with the West. Its planned route would go under the Baltic Sea via the economic zones of Finland and Sweden, and via 139km of Danish territorial waters, concentrating almost all Russian gas exports to Europe in one route. The Danish Energy Agency has been analysing the Nord Stream 2 application since April.

It ended an environmental impact assessment of the project in March and concluded a public consultation in September. "Denmark is currently unable to involve foreign policy, defence policy and security policy aspects when dealing with applications for pipelines, gas pipelines or power lines through the territorial sea. With this bill, we get that opportunity," Lars Christian Lilleholt, the Danish energy minister, told Danish Radio (DR) on Wednesday.

He noted that Russia has already built one pipeline, Nord Stream 1, using the same route as Nord Stream 2. But “times change,” the minister said, referring to Russia’s increasingly aggressive behaviour in the past three years. “Political conditions in the world also change. And I am very pleased that the parliament and government now have the opportunity to involve security, defence and foreign policy aspects when dealing with such an application,” he said. Nick Haekkerup, a spokesman for the opposition Social Democrat party, told DR that “in a situation where the Russians are acting aggressively and where Danish soldiers are about to be stationed in the Baltic countries in order to balance the situation, then of course we have to weigh in how it [Nord Stream 2] fits our foreign policy interests”.

Lilleholt hoped that the question of Nord Stream 2 approval could be handled at the EU level instead of by individual member states. The EU commissioner for competition, Danish politician Margrethe Vestager, told press in Vilnius on Tuesday that the EU had no legal recourse to stop it being built. But she said the European Commission did have grounds to ensure that the pipeline did not operate in a “legal void”. She was referring to a Commission proposal to negotiate a Nord Stream 2 legal model with Russia on behalf of the EU that would ensure it did not harm EU energy interests.

But a legal opinion by the EU Council, where member states meet, said last month the Commission had no mandate to do even that and that Germany would be free to veto such an agreement in any case. Anders Fogh Rasmussen, a former Danish leader and Nato chief, who currently advises the president of Ukraine, told EUobserver on Tuesday that it would be “absurd” to let Nord Stream 2 go ahead at a time when the EU was trying to impose a cost on Russian aggression in Ukraine via economic sanctions. “It’s a political project that would make the EU even more dependent on Russian gas and it would be very damaging to Ukraine and the Ukrainian economy,” he said. He said it “remained to be seen whether the EU can or will stop the pipeline”.

Russia’s Rosneft closes Zohr gas field deal for $1.13B

Anadolu Agency, *09.10.2017*

Russia’s Rosneft closed a deal to acquire a 30 percent stake through a concessions agreement with Italian company Eni for the development of the Zohr field, the largest gas field in the Mediterranean Sea, Rosneft announced on Monday.

The company said that the cost of the acquisition is $1.13 billion. Through the agreement, Rosneft has become a participant in the project to develop the largest deepwater gas field offshore Egypt jointly with Rosneft’s other world majors and strategic partners – Eni with a 60 percent stake and BP with a 10 percent stake.

The oil company said it has also refunded its share of past project costs to Eni. “Having closed the deal to acquire a stake in the concession agreement for the development of the Zohr gas field, Rosneft has entered the world class project. It opens up opportunities for the company to reinforce its position in the promising and strategic region, broadens potential of our trading division and enhances our mutually beneficial cooperation with Egypt,” Igor Sechin, Rosneft’s CEO said.

Eni discovered the Zohr gas field at the shelf of Egypt in 2015. Reserves at the field exceed 850 billion cubic meters. On December 12, 2016, during a working visit to Cairo, Sechin informed Egyptian President Abdel Fattah el-Sisi of the agreement for Rosneft’s acquisition of a stake in the concession from Eni for the development of the Zohr field and for 15 percent in the project’s operator Petroshorouk, a joint parity enterprise of Eni and EGAS.

Statoil makes small oil discovery on UK cont. shelf

Anadolu Agency, *09.10.2017*

Natural Norway’s Statoil and partners made an oil discovery in the Verbier sidetrack well, on the U.K. continental shelf, the company announced on Monday. Statoil said the preliminary discovery proves a minimum of 25 million recoverable barrels of oil and up to 130 million barrels.

“This is an encouraging result for Statoil and the U.K. team. We have proven oil in good quality sands with good reservoir properties, but significant work remains, most likely including appraisal, to clarify the recoverable volumes and to refine this range,” Jez Averty said.

The Norwegian company said that the partnership will continue to assess the data and plans for a further appraisal to determine the exact size of the discovery. “The partnership will also seek to determine the commerciality of the discovery in addition to maturing additional opportunities within the lisence,” it noted. Statoil holds a 70 percent stake in the Verbier well, Jersey Oil & Gas holds an 18 percent interest while CIECO V&C holds the remaining 12 percent share.

Norway remains among world's top 10 places to discover oil

Reuters, *12.10.2017*

Norway remains among the top 10 places to find oil worldwide, with the Arctic region still having much potential despite recent disappointing exploration results, consultancy firm Wood Mackenzie said.

Earlier this week Norway's Statoil reported yet another dry well in the Barents sea, some 100 kilometres northwest of the Johan Castberg discovery. However, the firm said it would continue its exploration campaign in the area next year. "Exploration has been very disappointing over the few past years, the Barents hasn't lived up to expectations.

But this is still one of the top ten regions yet to find reserves, so there is plenty more to play for", Luke Parker, head of corporate analysis in Wood Mackenzie told an investor conference in Oslo. "The companies that are there will continue to drill, he added, naming Statoil, Aker BP and Lundin Petroleum as the key players to lead the activity. In 2017 the global oil and gas industry was on track to hit forecasts of 20-25 new project sanctions, according to Wood Mackenzie's calculation. "We are currently 18 and counting. We are broadly on track to meet the forecast," Parker said.

IEnova ups stake in major Mexican natural gas pipeline

Reuters, *06.10.2017*

Mexico's Infraestructura Energetica Nova (IEnova) said Friday it had acquired state oil firm Pemex's stake in the joint venture Ductos y Energeticos del Norte, increasing its participation in the second phase of a key natural gas pipeline.

As a result of the transaction, IEnova's indirect stake in the project known as Ramones II North, will increase to 50 percent from 25 percent, said IEnova, a unit of U.S.-based Sempra Energy. The value of the operation is approximately $520 million, the company said.

Europe's natural gas traders have a bone to pick with Italy

Bloomberg, *11.10.2017*

Italy is looking to shed its status as one of Europe's most expensive gas markets, but the way it plans to do so has riled traders.

Lawmakers are aiming to turn a proposed national energy strategy that would overhaul the country's gas sector into law by the end of the month. The plan, put forth by Economic Development Minister Carlo Calenda would see the nation buy pipeline capacity in neighboring Switzerland, and could cut gas prices by 5 percent. In most cases, tweaks to a country's internal energy market don't get much attention.

Yet Calenda's proposal to use the Swiss capacity to try to boost liquidity and lower prices in Italy has led to a backlash from a lobby group that represents most of Europe's major energy companies and trading houses. Italy's intervention would have repercussions far beyond its borders, it says. "It shouldn't be implemented at all," said Pietro Baldovin, a Brussels-based adviser at the European Federation of Energy Traders. "Any gas hub should simply function according to the rules of supply and demand."

EFET, whose members include companies and traders from Exxon Mobil Corp. to Gazprom PJSC and Vitol Group, has been examining the proposal since June, when it was first laid out. Lobby groups have already helped stymie one attempt by a member of parliament to turn the measure into law and are closely watching further legislative moves, Baldovin said. Aiget, the Italian Association of Wholesalers and Energy Traders, also opposes the plan, Secretary-General Paolo Ghislandi said. Calenda declined to comment further. A discussion on the energy strategy scheduled for Wednesday was canceled because legislators needed to vote on electoral law. They haven't yet rescheduled talks.

Italy pays more for gas than other countries in Europe because about a quarter of its fuel enters the country via Switzerland, which isn't subject to European Union rules on access to transport capacity that help damp costs across the continent. Under the "liquidity corridor" plan, the government would assign a company, such as gas grid operator Snam Rete or another regulated entity, to buy unused Swiss transportation capacity and sell it at a discount to companies that ship fuel to Italy.

That may lower gas prices in Italy by about 5 percent by aligning them with other prices in Europe, according to Pierluigi Frison, a gas trader at London's Green Network Plc who trades the fuel in Italy. On Tuesday, the price of gas was 19.85 euros per megawatt-hour on the Italian PSV hub, 12 percent above that on the Title Transfer Facility in the Netherlands, a regional benchmark. "That is a problem for the Italian industries," said Fabio Cedronio, head of trading at proprietary gas and power trading company Enet Energy SA. "Especially the Confindustria is pushing to reduce the spread with the rest of European countries," he said, referring to the the employers' federation with 150,000 member companies.

The plan might mean transport capacity is bought at market value and sold for less, creating a financial loss. It's not clear how the capacity would be priced, EFET's Baldavin said. The plan could also benefit bigger companies better equipped to absorb the change, said Aiget's Ghislandi. "The association has responded to the consultation. We are against it," he said by phone. The bill "could favor larger players," he said.

Furthermore, the liquidity corridor has raised fears Italian politics will determine gas prices throughout Europe. For instance, if Snam orders higher exports from Germany to boost flows into Italy that could lead to price increases there, EFET said in its comments. The price disparities should be addressed at the EU level and not nationally, it said. It's only fair for Italy to make steps to reduce costs for gas consumers, said Green Network's Frison. He said market participants are now looking for more clarity. "We appreciated the proposal and the government initiative," Carlo Bagnasco, chief executive officer of Italian energy provider Eviva SpA, said by telephone. "But there are still too many questions to answer."

Nigeria oil corp blasts claims of $25B contract fraud

Anadolu Agency, *10.10.2017*

Nigeria's state-owned oil firm on Monday denied awarding any contracts without following due process, dismissing as "baseless" claims by Petroleum Minister Ibe Kachikwu that the agency routinely flouts the law.

In a memo leaked to the media last week, Kachikwu accused the Nigeria National Petroleum Corporation (NNPC) of awarding $25 billion contracts without passing through him or the NNPC board. The memo triggered a national outrage, with parliament calling for the suspension of NNPC chief Maikanti Baru and the minister to allow a probe.

But the agency said in a statement on Monday that Kachikwu's claims were not correct, as all the contracts it ever awarded had been approved by the NNPC tender's board -- the agency's "final approving body" in contracts not exceeding $20 million. "Furthermore, it is established that apart from the AKK [$3 billion Ajaokuta-Kaduna-Kano] project and [$3-$4 billion Nigerian Petroleum.

Development Company] NPDC production service contracts, all the other transactions mentioned were not procurement contracts," NNPC spokesman Ndu Ughamadu said in the statement. "The NPDC production service contracts have undergone due process, while the AKK contract that requires [Federal Executive Council] FEC approval has not reached the stage of contract award," it added.

Ughamadu added that it is "inappropriate to attach arbitrary values to the shortlists with the aim of classifying the transactions as contracts above NNPC Tenders Board limit. They are merely the shortlisting of prospective off-takers of crude oil and suppliers of petroleum products under agreed terms. "These transactions were not required to be presented as contracts to the Board of NNPC and, of course, the monetary value of any crude oil eventually lifted by any of the companies goes straight into the federation account and not to the company."

South Sudan seeks to woo investors at oil summit

Anadolu Agency, *12.10.2017*

South Sudan, sub-Saharan Africa's leading oil producer, on Wednesday began hosting a two-day summit in the capital Juba to attract investors to its oil and gas reserves, amid continuing political turmoil.

In his welcoming address to regional oil ministers and dozens of international gas and oil representatives, Petroleum Minister Ezekiel Lol Gatkuoth said the summit was called in response to the need to invest in the country's vast oil potential. The conference represents South Sudan's quest for a sustainable platform for global industry players.

"We have seen a decline in oil production since war broke out in 2013, and now we are producing about 130,000 barrels a day,'' he said. "We want to move quickly to go back to the same production level of 280,000 barrels a day in 2018." This event will seek to assess the opportunities and infrastructure needs of the country's upstream and other sectors, as well as how to finance and develop new projects, and discuss gas monetization and security, he said. "South Sudan's current oil reserves are 3.5 billion barrels, with only 30 percent explored so 70 percent is unexplored," Gatkuoth told would-be investors.

"The potential is huge and we urge international oil companies and investors to come in." Be assured that the government is working hard to ensure the security of your oil workers, he said. Vice President James Wani Igga said: "South Sudan has a huge potential in the energy sector and to realize this, global investors must invest and explore the country." This country has world-class petroleum and South Sudan wants to make this industry grow to help empower our people, so it called on investors to take this opportunity, and the government is working hard to provide a good investment environment, Wani said.

Guillaume Doane, the CEO of Africa Oil and Power, said: “This energy and infrastructure event truly represents a critical moment in the development of the nation’s oil and gas sector.” “The mission of Africa Oil and Power is to provide a platform for African countries, including South Sudan, to tell their stories of the potential for oil and gas as the backbone of their economies,” Doane said, adding that his firm will help South Sudan woo potential investors.

A civil war in South Sudan continues to rage, casting a shadow over efforts to develop its natural gas potential. In 2013, two years after gaining independence, President Salva Kiir accused his sacked deputy of plotting a coup. This triggered armed conflict that, according to aid agencies, has killed tens of thousands and displaced nearly 4 million to the neighboring states of Kenya, Sudan, and Uganda. The oil infrastructure is routinely targeted. Malaysian state oil producer Petronas and the China National Petroleum Corporation (CNPC) are among the high-profile sponsors of the event.

Japan’s JERA buys stake in gas-fired U.S. power complex

Anadolu Agency, *12.10.2017*

Japan’s JERA, the world’s biggest LNG importer, acquired a 50 percent stake in Linden Cogen Holdings, the owner of a 972-megawatt natural gas-fired thermal power cogeneration complex in the state of New Jersey in the U.S., the company said.

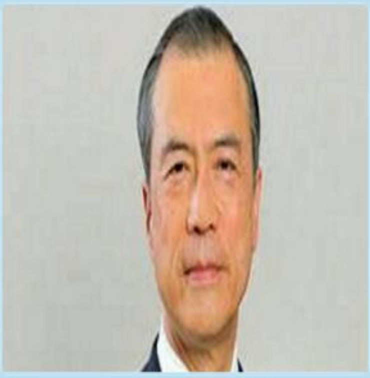
JERA said that it would acquire the interest from funds managed by Oaktree Capital Management, L.P. and Ares Management, L.P. and their respective co-investors through its wholly-owned subsidiary JERA Power U.S.A.

Linden not only plays a significant role in the supply of wholesale power to New York City, producing approximately 10 percent of the metropolis’ power demand, but also sells power and steam produced during the process of power generation for industrial use. JERA said that it will continue to enhance its corporate value by expanding its overseas power generation business, in the Americas and elsewhere, taking into account global market trends, profitability and associated risks, and applying the know-how gained overseas to its domestic power generation business.

“We are delighted to partner with outstanding investment firms, Oaktree and Ares, on this excellent power plant that delivers reliable power to meet New York City’s demand and provides significant benefits to the region,” said Toshiro Kudama, senior vice president of JERA. JERA is a fuel joint venture between Tokyo Electric Power and Chubu Electric Power.

Tokyo Gas to rid LNG destination clauses

Tradewindsnews, *06.10.2017*



In public comments during a business briefing, company president Michiaki Hirose said Tokyo Gas has "no intention of signing new contracts unless the destinations are free."

Hirose says destination flexibility will needed as the company also plans to use more short-term contracts and spot LNG cargoes to supplement its long-term commitments. Tokyo Gas is the country's second largest LNG buyer behind Jera, the joint venture of Toko Electric Power and Chubu Electric. Tokyo Gas' move comes after Japanese regulators earlier this year concluded that destination restrictions on LNG cargoes violate the country's trade laws.

Wheatstone fires up

Upstreamonline, *09.10.2017*

US supermajor Chevron has started producing gas from its Wheatstone liquefied natural gas project in Western Australia. Chevron confirmed the milestone on Monday, adding that the first cargo from the US$34 billion project was expected to be shipped in the coming weeks.

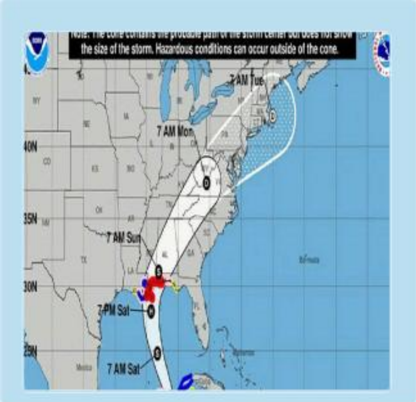
"First LNG production is a significant milestone and is a credit to our partners, contractors and the many thousands of people who collaborated to deliver this legacy asset," Chevron chief executive John Watson said. "Wheatstone adds to our legacy gas position in Australia that will be a significant cash generator for decades to come."

The project had experienced several delays, with a 2016 start-up being pushed back to mid-2017, while the project also saw a 17% capital cost increase from an original estimate of US$29 billion. Upstream reported last week that the LNG carrier that was earmarked for Wheatstone's first cargo had been redirected about 300 kilometres north to Dampier with production, at the time, yet to start.

Once fully operational, Wheatstone will have the capacity to produce 8.9 million tonnes per annum of LNG from two trains which will be fed by the Chevron-operated Wheatstone and Iago fields. Wheatstone is operated by Chevron with a 64.14% stake and it is partnered by Kuwait Foreign Petroleum Exploration Company (13.4%), Woodside (13%), and Kyushu Electric Power Company (1.46 %), together with PE Wheatstone, part owned by Japanese company Jera (8%).

Over 70% of US Gulf oil ouput offline

Upstreamonline, *06.10.2017*



About 71% of US Gulf of Mexico oil production was offline by Friday morning as operators secured and evacuated facilities ahead of Tropical Storm Nate's arrival in the region. About 1.2 million barrels of oil per day has been shut-in, according to the latest figures from the US Bureau of Safety and Environmental Enforcement (BSEE).

In addition, 53.2% of US Gulf natural gas production, equivalent to 1.7 billion cubic feet per day, was offline. Sixty-six of the US Gulf's 737 production platforms had been evacuated.

And 11 dynamically positioned rig out of the 18 such rigs working in the US Gulf had been moved out of the storm's path, BSEE said. Five of 20 non-dynamically positioned rigs had been evacuated. Tropical Storm Nate strengthened as it grazed the northeastern tip of Mexico's Yucatan Peninsula Friday evening and is expected to hit the northern US Gulf Coast as a hurricane early on Sunday, according to the US National Weather Service. The storm has already caused the deaths of at least 25 people in Central America, Reuters reported.

A hurricane warning has been issued for Grand Isle, Louisiana to the border of Alabama and Florida. A hurricane warning was also issued for New Orleans, which evacuated some residents outside of its levee system. Anglo-Dutch supermajor Shell said Friday it was securing its Mars, Ursa, Olympus and Ram Powell production hubs. "Production is being safely shut in, drilling operations have been suspended and all personnel are returning to shore," the company said in a statement.

US Gulf employees will work from Shell's Robert Training Centre in Tangipahoa Parish, Louisiana, and other remote locations to monitor facilities. Also on Friday, ConocoPhillips said it was evacuating non- essential personnel from its Magnolia platform. Production was unaffected. Other operators started removing staff and shutting in production from installations in the eastern region on Thursday.

Anadarko Petroleum said late Friday it had shut in production at its Constitution, Heidelberg, Holstein, Lucius, Marco Polo, Marlin platforms and was in the process of removing workers from the facilities. It had already evacuated and shut-in production from its Horn Mountain platform. Chevron confirmed to Upstream that it had taken offline and continued to evacuate its Blind Faith, Genesis, Jack/St. Malo, Petronius and Tahiti facilities. The company also said it was removing workers from the facilities.

Chevron also implemented hurricane preparedness plans at its midstream operations in the US Gulf, including its Fourchon and Empire pipeline terminals. “Shippers have been notified of our plans to secure the terminals and to discontinue the receipt and delivery of crude oil until after the storm,” Chevron said. On Thursday, BP began removing all offshore personnel and shutting in production at its four operated platforms in the US Gulf. “Once this process is complete, BP will continue to monitor offshore conditions to determine when conditions are safe to redeploy personnel and resume operations,” the company said.

ExxonMobil also started removing workers Thursday from its Lena platform in the US Gulf. The installation is currently in the decommissioning process and has no associated production. “We are closely monitoring weather updates, determining which of our facilities may potentially be in the path of the storm and preparing those structures,” ExxonMobil spokeswoman Suann Guthrie said via email.

US energy agency revises up oil price forecast

Anadolu Agency, *12.10.2017*

Global crude oil prices were revised up for 2017 and 2018, the U.S. Energy Information Administration (EIA) said Wednesday.

International benchmark Brent crude is estimated to average $52 this year and $54 per barrel next year, the EIA said in its Short-Term Energy Outlook (STEO) for October. The prices are $2 higher than estimates last month. American benchmark West Texas Intermediate (WTI) is expected to average $49.5 this year, and $50.5 next year, the EIA said, each $0.5 higher compared to the September predictions.

The EIA pointed to declining global oil inventories and falling OPEC production for the revisions. “EIA estimates that OPEC crude oil production averaged 32.9 million bpd [barrels per day] in the third quarter of 2017, down from an average of 33.4 million bpd in November 2016,” according to the report. U.S. crude production estimates were revised down slightly to 9.2 million bpd in 2017, from a previous forecast of 9.3 million bpd. That is expected to increase to 9.9 million bpd in 2018, up 0.1 million bpd from the previous estimate.

The global oil supply outlook was also revised downward. Total world supply is now forecast to average 98 million bpd this year, instead of 98.3 million bpd; and 100 million bpd, instead of 100.3 million bpd next year. The EIA said total world consumption would remain unchanged at an average of 98.3 million bpd in 2017 and 99.5 million bpd in 2018.

Oil slips despite larger draw in US stocks

Reuters, *12.10.2017*

Oil prices rebounded from earlier losses, but ended lower on the day, after the Energy Department reported a larger-than-expected decline in U.S. inventories and a falloff in weekly production on Thursday. The market was pressured by a bearish outlook by the International Energy Agency, which lowered its forecast for oil demand for 2018.

Oil has strengthened in recent weeks, but it is unclear whether U.S. crude prices will regain the high of nearly $53 a barrel reached in late September. A surprise build in gasoline inventories fed concern that crude stocks may begin to rise again, sapping some strength from the recent rally.

Brent crude oil settled down 69 cents, or 1.2 percent, to $56.25 a barrel while U.S. light crude ended down 70 cents, or 1.4 percent, to $50.60 a barrel. Both benchmarks have risen more than 20 percent from their lows in June as world oil markets tightened. Crude inventories fell by 2.7 million barrels in the week to Oct. 6, compared with analysts' expectations for a decrease of 2 million barrels. Distillate stocks fell by 1.5 million barrels, but gasoline inventories surprisingly rose by 2.5 million barrels.

"With the U.S. already out of the summer driving season, there will be less demand for gasoline over the coming weeks - this could result in weeks of crude builds as oil production in the U.S. remains high," said Abhishek Kumar, senior energy analyst at Interfax Energy's Global Gas Analytics in London. The IEA said demand for OPEC oil would be 32.5 million barrels per day next year - around 150,000 bpd lower than the group pumped last month.

Gary Ross, founder of PIRA Energy and head of Global Oil Analytics for S&P Global Platts, said the global crude surplus has now largely been absorbed - and there was risk that OPEC could overshoot on its cuts. "We think (Brent) should make a new high before the end of the year," Ross said, speaking to reporters as the annual PIRA client seminar in New York. He said he expects crude to stay between $50 and $60 a barrel through the end of the year. U.S. crude inventories are still 13 percent above five-year averages headed into the busy winter season, despite efforts by OPEC to cut production. The OPEC-led deal helped lift oil from below $30 a barrel early last year. But traders say supplies remain ample and OPEC is widely expected to extend its cuts beyond the current expiry date of end-March 2018.

“There is little doubt that leading producers have re-committed to do whatever it takes to underpin the market,” the IEA said. High U.S. production is pushing increasing volumes of U.S. crude into world markets, feeding inventories and undermining OPEC’s efforts to tighten the market <C-OUT-T-EIA>. U.S. exports fell in the most recent week to 1.27 million bpd, but U.S. exports have still exceeded 1 million barrels a day for three straight weeks, the first time this has happened. Traders have expressed concerns that the United States will at some point reach its export capacity, though that has not been hit yet.

Oil rig count in US falls by 2 this week

Anadolu Agency, *07.10.2017*

Number of oil rigs in the U.S. decreased this week, according to Baker Hughes data on Friday. Two oil rigs were taken offline in the American oil industry during the Oct. 2-6 period, the oilfield services company’s data showed.

This brought the total number of oil rigs in the country down to 748. Oil rigs in the U.S. have now decreased four times in the past five weeks. Number of rigs in the country provides an indication of the oil sector’s well-being in the country, and signals possible short-term production cuts and increases. Crude oil production in the U.S., on the other hand, continued to increase last week.

Oil output rose by 14,000 bpd to reach 9.56 million barrels per day (bpd) for the wek ending Sept. 29. This marked the fourth consecutive weekly increase of crude oil production in the country. With the decline in oil rig count, crude oil prices showed little gains on Friday. International benchmark Brent crude rose to $55.90 a barrel, while American benchmark West Texas Intermediate climbed to $49.44 shortly after 1700 GMT.

LNG Ltd halts US relocation

Upstreamonline, *06.10.2017*

Australian junior Liquefied Natural Gas Ltd (LNG Ltd) has stopped exploring the possibility of redomiciling to the US to focus on securing offtake agreements for its proposed North American export facilities. LNG Ltd chairman Paul Cavicchi said the company was still committed to eventually moving to the US market.

"A US listing is the right step for LNG Ltd, but we must ensure we proceed deliberately and remain attentive to all shareholder expectations," he said in a statement. The 4-million-tonnes-per-annum Magnolia LNG project is fully permitted.

However, LNG Ltd has been unable to secure enough offtake agreements to allow a final investment decision on the project. The company said in January it had reached a non-binding agreement to potentially supply up to 4 million tonnes per annum to India's Vessel Gasification Solutions. LNG Ltd is also developing the Bear Head LNG facility in Nova Scotia. The company acquired the site from a subsidiary of Anadarko Petroleum in 2014 in an $11 million deal which included 225 acres of industrial-zoned and deep-water acreage in Richmond County, Nova Scotia, as well as the foundations in place for two 180,000 cubic metre LNG tanks.

Petronas' Canadian unit to look at other LNG opportunities

Reuters, *11.10.2017*

Progress Energy, a wholly-owned unit of Malaysia's Petronas, will look at other liquefied natural gas opportunities as a way to monetize its Canadian gas assets after Petronas scrapped a $29 billion LNG project this year, a company executive said on Wednesday.

Petronas, the Malaysian state-owned energy company, abandoned plans to build the Pacific Northwest LNG plant in northern British Columbia in July due to weak prices, leaving Progress with 800,000 acres of land rights in the Montney shale play and 50 trillion cubic feet a day of reserves.

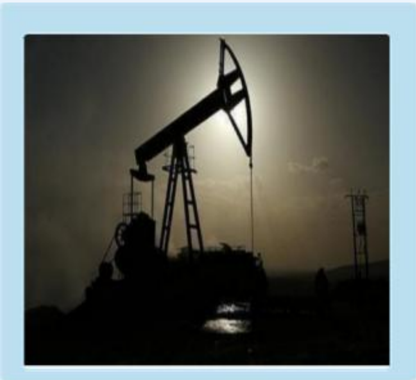
Since the project was scrapped, Calgary-based Progress said it planned to make money out of its huge natural gas operations in the Montney, which spans northeast British Columbia and northwest Alberta, but gave few details of how it would do that. Progress's vice president of production, Dennis Lawrence, told an energy conference in Calgary on Wednesday that the company had spent a significant amount of money acquiring that position over the last five years and it was time to get the gas to market.

"We are in the very early stages of this but we will look hard at other LNG opportunities, we will look hard at petrochemical opportunities," Lawrence said in a panel discussion. "That's not a process you figure out in a month or two." Lawrence did not specify which LNG opportunities Progress would look at. In August Canada's Globe and Mail newspaper reported that Petronas was considering acquiring a minority stake in the LNG Canada project, a joint venture led by Royal Dutch Shell.

Petronas bought Progress in 2012 to supply the Pacific Northwest LNG project. Progress has signed up as an anchor shipper on a proposed pipeline that will connect gas from the Montney to the Alberta market hub and feed it into the North American market. Last week it said it was looking to sell its Deep Basin oil and gas asset in Alberta. LNG Canada's chief executive, Andy Calitz, who also took part in the panel discussion, said his company will be ready to make a final investment decision on the $32 billion project in 2018. The joint venture group last year delayed a final decision to find ways to reduce costs.

World oil supplies see monthly increase in Sept.: IEA

Anadolu Agency, *12.10.2017*



Global oil supply rose by 90 thousand barrels per day (b/d) in September as non-OPEC output edged higher with output of 97.5 million b/d standing 620 thousand barrels above that of September last year, according to the International Energy Agency's (IEA) Thursday report.

According to oil market report, following very strong year-on-year demand growth of 2.2 million barrels per day (mb/d) in the second quarter of 2017, the pace slowed to 1.2 mb/d in the third quarter of 2017, reflecting relatively weak July and August data and the impact of hurricanes in September.

The IEA forecast for global demand growth remains unchanged at 1.6 mb/d in 2017 and 1.4 mb/d in 2018. In 2017, non-OPEC supplies are expected to grow by 0.7 mb/d, followed by a 1.5 mb/d increase in 2018. In the meanwhile, OPEC crude output was virtually unchanged in September as slightly higher flows from Libya and Iraq offset lower supply from Venezuela.

"Output of 32.65 mb/d was down by 400 thousand b/d compared to a year ago. Compliance with supply cuts for the year-to-date is 86 percent," according to the report, referring to compliance rates of OPEC's oil production cut pact. In addition, despite the strong performance seen in the second quarter of 2017, growth slowed to 1.2 mb/d in the third quarter of 2017, reflecting relatively weak, preliminary July and August data and the expected impact of hurricanes Harvey and Irma in September. "Demand is expected to bounce back in the fourth quarter of 2017, expanding by 1.7 mb/d year-on-year, assuming normal northern hemisphere winter temperatures," the report underlined.

Oil ends week lower

Reuters, *06.10.2017*

Oil futures fell more than 2% on Friday, ending Brent crude's longest multi-week rally in 16 months as oversupply concerns reappeared as producers have started hedging future drilling.

Brent futures settled down 2.4%, or $1.38 a barrel, to $55.62, snapping a five-week winning streak that was the longest since June 2016. For the week, Brent lost 3.3%. US West Texas Intermediate (WTI) crude dropped $1.50 to $49.29, a 3% decline, putting losses on the week at 4.6%. Russia clarified remarks made by President Vladimir Putin about the oil market earlier this week.

Saying he did not propose extending a global oil output cut deal but said he recognised it was a possibility. "Yesterday we had Russia and the Saudis talking about extending cooperation, and today we saw a little bit of backtracking with respect to additional cuts in production," said Houston-based consultant Andrew Lipow. "What the market gained yesterday is clearly being given back today." The prospect of extended oil production cuts by Opec and other producers led by Russia had supported prices in recent sessions. Saudi Arabia's energy minister said on Thursday he was "flexible" about prolonging the production-curbing pact until the end of 2018. However, concerns linger about growing US crude exports, due to a hefty WTI discount to Brent prices, which makes US oil more competitive.

US crude exports' rise to a record of nearly 2 million barrels per day last week and the growth in US production to 9.56 million bpd has fanned some concerns about oversupply. Producer hedging has picked up as oil hit $50 a barrel, according to Bank of America analysts, who said that if producers keep boosting hedging, "they can limit the sensitivity of production to spot prices and continue to increase output in 2018."

BofA noted that about 115 million barrels have been hedged since late August after lower-than-usual volumes of hedging in the early part of the year. Supply may be somewhat restricted in the coming week, however, as the impending arrival of Tropical Storm Nate had already shut in more than 70% of US Gulf of Mexico oil production, according to the US Bureau of Safety and Environmental Enforcement. The lack of a rally on Nate's approach suggests that perhaps "the risk premium is baked into the cake from the active hurricane season, which is going to be gone soon," said Richard Hastings, macro strategist at Seaport Global Securities in Charlotte. The Baker Hughes' report on the USoil drilling rigs, an early indicator of future output, showed the rig count fall in for the fourth week out of the last five.

Oil price is at $55.77 at week starting October 9

Anadolu Agency, *09.10.2017*

International benchmark Brent crude increased by 0.27 percent to $55.77 per barrel on Monday at 06.42 GMT compared to the closing price on Friday of $55.62.

American benchmark West Texas Intermediate (WTI) increased slightly by 0.26 percent to $49.42 at 06.42 GMT. The number of oil rigs in the U.S., which provides an indication of the oil sector's well-being in the country, and signals possible short-term production cuts and increases, decreased this week, according to Baker Hughes data on Friday.

2-6 period, the oilfield services company's data showed. This brought the total number of oil rigs in the country down to 748. Due to the Columbus Day on Monday, Oct. 9, markets are closed in the U.S.

Announcements & Reports

▸ Monthly Oil Market Report

Source : OPEC
Weblink : http://www.opec.org/opec_web/en/publications/338.htm

▸ Natural Gas Weekly Update

Source : EIA
Weblink : http://www.eia.gov/naturalgas/weekly/

▸ This Week in Petroleum

Source : EIA
Weblink : http://www.eia.gov/petroleum/weekly/

Upcoming Events

▸ Reciprocating Compressors in Natural Gas Processing

Date : 16 – 17 October, 2017
Place : Calgary
Website : http://www.rigzone.com/search.asp?q=natural+gas

▸ Rotary Screw Compressors in Natural Gas Processing

Date : 18 October 2017
Place : Calgary
Website : http://www.rigzone.com/search.asp?q=natural+gas

▸ Tanzania Oil & Gas Congress

Date : 09 November 2017
Place : Dar es Salaam, Tanzania
Website : http://www.cwctog.com/

► 7th Iraq Oil & Gas Conference

Date : 28 – 30 November 2017
Place : Basrah, Iraq
Website : http://www.basraoilgas.com/Conference/

► International Conference on Energy Engineering & Oil Reserves

Date : 05 December 2017
Place : Hong Kong
Website : https://www.waset.org/conference/2017/12/hong-kong/ICEEOR/home

► Iraq Oil & Gas Show

Date : 05 December 2017
Place : Basrah, Iraq
Website : http://basraoilgas.com/

► European Gas Conference 2018

Date : 29 January 2018
Place : Vienna, Austria
Website : https://www.europeangas-conference.com/

► Egypt Petroleum Show

Date : 12 February 2018
Place : Cairo, Egypt
Website : http://www.egyps.com/

► North Africa Petroleum Exhibition & Conference

Date : 03 March 2018
Place : Oran, Algeria
Website : www.napec-dz.com/NewDefault.aspx?lg=en

► Kuwait Oil & Gas Summit

Date : 16 April 2018
Place : Kuwait City
Website : www.cwckuwait.com/

► International Conference on Petroleum & Petrochemical Economics

Date : 26 April 2018
Place : Istanbul, Turkey
Website : www.waset.org/conference/2018/04/istanbul/ICPPE