Oil & Gas Bulletin

▸ *24.11.2017*

2020 critical for Turkey's gas market

Anadolu Agency, *18.11.2017*

Turkey would be in a better position of becoming a competent trading partner for Europe, if its gas market is liberalized through regulations by 2020 when the Trans Adriatic Pipeline (TAP) is set to launch, director at Grant Thornton Greece, an audit, tax and advisory services company said.

Speaking exclusively to Anadolu Agency, Michael Thomadakis, director at Grant Thornton Greece, firstly questioned the feasibility of the market for gas through the TurkStream gas pipeline.

It was given that Europe's gas sources have become more diversified with the supply of liquefied natural gas (LNG) and the potential alternative supply through the Nord Stream II. LNG markets will make up the shortfall should Turkey not succeed in sending gas to Europe, according to Thomadakis and correspondingly, he added that it is important to open the gas market to Europeans by 2020 - the year that the TAP plans to launch. “I would say that the critical time would be 2020 when the TAP will start operations. If Turkey has not opened the market or made preparations for it at that time, then it will lose this opportunity. A big country like Turkey cannot afford to suffer losses from not opening the market then because three to five years of losses could cost billions of dollars,” he said.

BOTAS, the country's main gas exporter and semi governmental body, is the dominant player in Turkey's oligopolistic natural gas market. In its aspirations to become an energy-trading hub in its region, Turkey expressed plans to liberalize the market gradually to allow private companies to manoeuvre in a free market, only overseen and regulated by the government. The TurkStream project is set to have two lines, each with 15.75 billion cubic meters of capacity. One line will be used for Turkey's needs while the second is planned to deliver Russian gas to Europe even though its route has not yet been determined.

He said the most accessible route for the second line of the TurkStream is through the Trans Adriatic Pipeline (TAP), which has 10 billion cubic meters of spare capacity per year that the TurkStream could avail of. However, Thomadakis also argued that the project also faces competition from the Nord Stream II pipeline that was announced on June 18, 2015, when Shell, Russia's Gazprom, Germany's E.ON and BASF along with Austrian OMV signed a memorandum of understanding for the construction of the project, which will add two additional pipelines to the original Nord Stream project. “Constructing the second line of TurkStream will take some more time and a lot depends on what is going to happen with the Nord Stream II. I think the main opponent to the TurkStream is now the Nord Stream II because it crosses through the sea but the TurkStream will have to go through European territory,” he said.

A part of the Southern Gas Corridor, TAP's initial capacity of 10 billion cubic meters of gas per year is equivalent to the energy consumption of approximately seven million households in Europe, according to the company's website. In the future, the addition of two extra compressor stations could double throughput to more than 20 billion cubic meters of gas as additional energy supplies come on stream in the wider Caspian region. TAP, whose shareholders are SOCAR, Snam, BP, Fluxys, Enagas and Axpo, will take gas from the Trans Anatolian Natural Gas Pipeline (TANAP) on the Turkish-Greek border.

Russia's gas giant Gazprom inked a cooperation agreement with the Public Gas Corporation of Greece (DEPA) and EDISON on the southern route for Russian gas supplies to Europe in the summer, Thomadakis explained. But he claimed that at this stage, nobody is demanding gas in Europe. "A lot of consideration is being given as to how much gas is needed and from where? There are a lot of administrative efforts being made, but the construction of the second line of the TurkStream is not something that will happen very soon," he warned.

A joint company comprising Gazprom and Turkey's BOTAS, the Petroleum Pipeline Corporation, plan to construct the TurkStream pipeline. Time is ticking for Turkey to open market by 2020. A rival to TurkStream gas, the 1,200 kilometer-long Nord Stream II pipeline project, which aims to double the existing annual 55 billion cubic meters of capacity, currently faces opposition in Europe, particularly from Poland. Opponents claim that the pipeline could contravene the EU's anti-trust laws. In addition, Russian Prime Minister Dmitry Medvedev said on Tuesday that with the European Union's newly proposed regulations on gas pipelines on its territory, the union is putting pressure on Russia to abandon the Nord Stream II project.

Nonetheless, Thomadakis asserted that as long as the pipeline sponsors respect fair competition in Europe, then no force would be able to stop the project from going ahead. "So, the Nord Stream II will be there [in Europe]. Russian gas is surrounding Europe but regardless of where Russian gas comes from, as long as it is sold based on market conditions, it does not really matter," he said. He contended that it is up to Russia and Turkey to decide whether they have a commercially viable project with the second line of TurkStream, and said, "If they [Russia and Turkey] think that under market conditions in Europe, the TurkStream gas will be profitable and competitive, then it will be built." He acknowledged that Turkey has a very important role to play in the energy sector and said that it is not necessary to be politically in line with EU countries to realize the TurkStream project.

Nobody waits for solution of Cyprus issue. Thomadakis also spoke about Eastern Mediterranean gas reserves, which he said would be developed based on market supply and demand dynamics, while putting regional politics aside. "This is the history of energy. Politics can affect energy but not 100 percent," he said, adding that oil majors will not wait for the Cyprus issue to be resolved before they make inroads there. The Eastern Mediterranean Island has been divided since 1974 when a Greek Cypriot coup was followed by violence against the island's Turks, and Ankara's intervention as a guarantor power. Thomadakis believes that Eastern Mediterranean gas will reach markets through Egypt.

“So, both Cyprus and Turkey will have lost a big opportunity. It is crystal clear that under existing conditions and up to the point of discoveries, the only feasible way out on the ground is through Egypt, from LNG terminals in the country, which is quicker and a more viable way. There will be no need for investing in pipelines,” he concluded. The Leviathan field, discovered in 2009, holds an estimated 613 billion cubic meters (bcm) of gas with 39.4 million barrels of condensates. The field is set to begin production in the fourth quarter of 2019. The relatively small Aphrodite field is estimated to hold 127 bcm in capacity.

Turkey and Israel are in negotiations to build a gas pipeline between Israel and Turkey to transport natural gas supplies from the Leviathan gas field in the Mediterranean Sea off the coast of Israel to Europe. The negotiations involve both commercial Turkish and Israeli companies as well as government officials. In a recent visit to Turkey on the sidelines of 22nd World Petroleum Congress in Istanbul, Israel’s Minister of National Infrastructure, Energy and Water Resources, Yuval Steinitz said that Turkey and Israel agreed to try to conclude the inter-governmental umbrella agreement that will enable the construction of the Turkey-Israel pipeline by the end of this year.

GAZBIR: Turkey’s gas consumption to reach all time high

Anadolu Agency, *18.11.2017*

Turkey’s natural gas consumption is expected to reach an all time high with 53 billion cubic meters, according to Yasar Arslan, president of Turkey’s Natural Gas Distribution Companies’ Association (GAZBİR).

Yaşar Arslan told Anadolu Agency exclusively that the cold spell during the first four months of 2017 boosted gas consumption in the country. Arslan said the country’s gas consumption increased by 17 percent in the first eight months of 2017 compared to the same period last year. Heating consumption jumped by 27 percent.

This jump occurred during the same period while natural gas consumption for electricity production also increased compared to the previous year. “As the year 2017 is an arid year in the sense of precipitation, the consumption in power plants is high. There is also an increase by about one million in the number of natural gas subscribers thanks to the expanded investments of our companies. There are over 13 million natural gas subscribers in Turkey. This is another factor for the increase in consumption,” he explained.

Arslan stressed that when consumption increases to 53 billion cubic meters by the end of this year, Turkey's natural gas imports will also reach 54 billion cubic meters. "2017 is an intensive year for natural gas distribution companies in terms of investments. There has not been any similar expansion in investments in the world as with Turkish companies," he said. GAZBIR, in partnership with the Ministry of Energy and Natural Resources and EMRA, plan to provide natural gas supplies to 222 districts by 2020. "We keep investing at a fast pace although some disruptions in our districts, such as municipal permits slows down our investments a bit, but the work is continuing rapidly," Arslan said. Turkey consumed around 46 billion cubic meters of natural gas in 2016.

Two new FSRU facilities to be launched in Turkey

Anadolu Agency, *20.11.2017*

Two new Floating Storage Regasification Units (FSRU) will be put into operation in Turkey, one in Hatay/Dortyol in southern Turkey and the other in Saros Bay on the Gallipoli peninsula in the northwest, Turkey's Energy and Natural Resources Minister Berat Albayrak said on Monday.

Speaking at the Turkish Grand National Assembly Plan and Budget Commission, Albayrak said the Hatay FSRU will have a regasification capacity of 29 mcm per day and will become operational by the end of the year. Turkey's natural gas storage capacity will rise to 10 bcm, or equal to 20 percent of annual natural gas consumption, he said.

In addition, the expansion phase of the North Marmara underground natural gas storage facility will be finalized by 2020 to have a storage capacity of 4.6 billion cubic meters, according to the minister. The plant transfers 25 million cubic meters (mcm) of gas per day to the Turkish gas system, but this is set to increase to 75 mcm per day by 2020, he added.

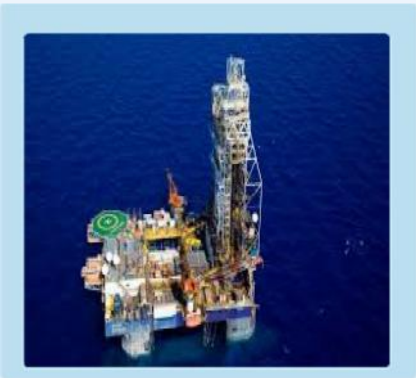
To help meet the country's increasing natural gas demand, 94 percent of the construction works for the Trans-Anatolian Natural Gas Pipeline (TANAP) project will be complete by the end of the year, he asserted. TANAP is a natural gas pipeline, currently under construction, and stretching from the Turkey-Georgia border to the Turkey-Greece border to supply natural gas both to Turkey and also to European countries. The project will start transporting natural gas from Azerbaijan to Turkey next year and to Europe in the first quarter of 2020 via the Trans Adriatic Pipeline (TAP). TANAP's initial capacity per year will be 16 billion cubic meters, out of which Turkey will utilize 6 billion cubic meters while the remaining 10 billion cubic meters will be delivered to Europe.

The Turkish energy minister also noted that 65 new oil wells would be drilled both offshore and onshore, totalling 100,000 meters by the end of 2017. In 2016, the number of oil wells drilled was 44, in total 75.3 thousand meters of drilling, he said. To increase the share of local resources and renewables in the energy production mix, 10 thousand megawatts (MW) each of solar and wind power per annum will be brought on line in the next ten years, Albayrak highlighted.

He elaborated that in the last 10 years, almost 53 percent of electricity production investments were made in the renewables sector. Through critical developments in clean coal technologies in recent years, he said that local coal would become an important instrument for energy supply security in the future. Claims of Turkey's coal resources being of low quality hampered coal usage up until now, he explained. Albayrak underlined that 20 thousand workers will be employed during the construction of Turkey's first nuclear plant in the Mersin province and the planned second plant at Sinop on the Black Sea coast. Turkey plans to build three nuclear power plants, with a construction date set for Akkuyu in early 2018 and an operation start planned for 2023. These nuclear power plants will pave the way for nearly $16 billion of investment opportunities for local businesses, who plan to manufacture nuclear equipment and supply nuclear materials, the minister noted. "Big progress has been made for the construction of the planned nuclear power plants in Akkuyu and Sinop while location surveying continues for the third plant," he said. He concluded that the Ministry's draft budget for 2018 amounts to 2.38 billion Turkish liras.

Israel's first oil and gas offshore round has only drawn two bids

Enter Data *21.11.2017*



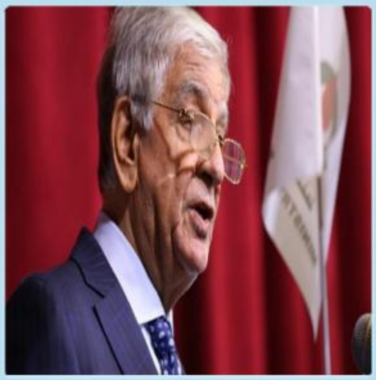
The Israeli Ministry of National Infrastructure, Energy and Water has published the outcome of the country's first offshore oil and gas exploration round:

The tender only received two bids, one from the Greek company Energean, which is already present in the Israeli Karish and Tanin fields, and a second one from a consortium of Indian companies including ONGC Videsh Ltd (OVL), Bharat PetroResources, Indian Oil Corp (IOC) and Oil India. The initial deadline for bid submissions was set for April 2017.

It was then extended to July 2017 after only four companies purchased the required data package and again until November after only one company, Energean, submitted a bid. The exploration licenses for 24 blocks are for three years, with an option to extend them. The Ministry has also announced that a similar bidding round will be held in 2018.

Iraqi central govt controls all oil wells: Minister

Anadolu Agency, *22.11.2017*



All oil wells in Iraq are under the control of the central government, Iraqi Oil Minister Jabbar Ali Hussein Al-Luiebi said.

Speaking to reporters at the 44th Baghdad International Fair, Luiebi said: “Our central government is currently improving the energy refining systems located in the northern regions of the country and is controlling all the oil wells in Iraq.” “The central government has increased the production in Basra and southern oil fields in order to compensate for the loss of oil in the north, “The minister went on to say that the country would not suffer any loss.

As it had redressed the balance between oil production and export. When asked about the alleged agreement between Rosneft, Russia’s largest oil producing company, and the Kurdish Regional Government (KRG) regarding the oil wells in northern Iraq, he said: “We have heard about this. However, we do not have enough information on this matter for now. According to the initial information, they are working on improving some natural gas fields.” The minister added that they contacted Rosneft regarding the matter. “They [Rosfnet] said that the agreement was in its negotiation phase.” Earlier this week, Iraqi forces moved into Kirkuk province -- and into other disputed parts of Iraq -- following the withdrawal of Peshmerga fighters loyal to the Erbil-based Kurdish Regional Government.

Iraqi forces swiftly assumed control of strategic facilities throughout the province, including the North Oil Company, the Baba Gurgur oilfield, the K1 military base, the Mullah Abdullah oil refinery and Kirkuk’s main airport, among others. Tension has steadily mounted between Baghdad and the KRG since Sept. 25, when Iraqis in KRG-controlled areas -- and in several disputed parts of the country -- voted on whether or not to declare independence from the Iraqi state. The illegitimate referendum faced sharp opposition from most regional and international actors (including the U.S., Turkey and Iran), who had warned that the poll would distract from Iraq’s fight against terrorism and further destabilize the already-volatile region.

Saudi oil exports fall to six-year low in September

Oil & Price, *22.11.2017*

Saudi Arabia's crude oil exports in September hit a six-year low at 6.55 million barrels daily, according to data from JODI, cited by senior Platts oil analyst Sammy Six.

At the same time, however, Six says, exports of refined oil products surged to 1.55 million bpd in the same month – an all-time high as the Kingdom seeks to shift its focus away from crude and towards oil products. This month, Saudi Arabia has been shipping abroad an average 5.7 million bpd. According to TankerTrackers data, Saudi crude exports continued to fall in the next two months as well.

The cargo-tracking website has calculated that Saudi exports in October averaged 6.68 million bpd—down from a calculated 6.7 million bpd for September. The discrepancy between data supplied by the Kingdom to JODI and the figures calculated by TankerTrackers are another indication that nobody can be certain about even so-called official data anymore. Earlier this month, data analytics company Orbital Insight, for example, said its satellite images suggest Saudi Arabia may have misled JODI about the size of its crude oil inventories.

The downward export trend, however, seems to be a fact even if there are differences in the data for any given month. The Kingdom has repeatedly made it clear that it is ready to go to great lengths to ensure the success of the OPEC production cut deal it agreed to last year, especially now, with the next Vienna Club meeting round the corner. This meeting should produce an extension of the deal, despite recent uncertainty about Russia's willingness to go along with another extension. Opinions differ, with some observers arguing the world's largest producer would be better off without the cut and others countering with the fact that Russia and Saudi Arabia's rather new and fragile alliance may not be able to withstand Moscow bowing out of the pact.

Gazprom opens Europe’s largest CNG station in Russia

Anadolu Agency, *17.11.2017*

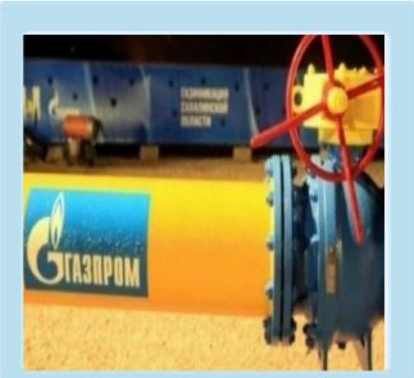
Gazprom officially opened Europe’s largest Compressed Natural Gas (CNG) filling station in Moscow, the company announced late Thursday.

Chairman of Gazprom Viktor Zubkov, Deputy Minister of Energy of the Russian Federation Kirill Molodtsov, Mayor of Moscow Sergey Sobyanin, Deputy Chairman of Gazprom Mikhail Likhachev and Director General of Gazprom Gazomotornoye Toplivo attended the event. The new refueling station has a capacity of 29.8 million cubic meters of gas per year.

Also it is equipped with 12 gas pumps and a dispenser for mobile natural gas vehicle refueling. “Thanks to the advanced, reliable equipment manufactured primarily in Russia, the new facility can service some 2,000 vehicles per day,” Gazprom said. “Russia has the largest reserves of natural gas in the world. In view of that potential, a few years ago we embarked on an ambitious effort to develop the refueling infrastructure that uses affordable and eco-friendly vehicle fuel,” Gazprom’s chairman said, adding that over the past three year, Gazprom’s investments into the gas filling network exceeded 10 billion rubles ($167.5 million) “We have built 43 state-of-the-art stations in 24 Russian regions,” he said.

Gazprom raises exports to countries on TurkStream route

Anadolu Agency, *17.11.2017*



Russian Gazprom’s natural gas exports to Turkey increased by 21.7 percent to 24.8 billion cubic meters between January and Nov. 15 compared to the same period last year, the company said on Friday.

The company also said that its gas exports to Greece increased by 12.1 percent while exports to Bulgaria rose by 7.1 percent, Hungary by 24.4 percent and Serbia by 26.7 percent. All the countries are on the route of Turk Stream natural gas pipeline project’s planned second line. The Turk Stream project consists of two lines.

The first of which will serve Turkey with a capacity of 15.75 billion cubic meters, while the second line is planned to serve Europe. Four hundred and fifty kilometers of pipes will be laid over a 900-kilometer route under the Black Sea to reach the Thrace region of Turkey along the Black Sea coast.

Gazprom Management Committee approves investment program and budget for 2018

London Stock Exchange, *23.11.2017*

The Gazprom Management Committee took note of the information about the Company's preliminary operating results for 2017 and the projected investment program and budget (financial plan) for 2019-2020.

The Management Committee also approved the Company's draft investment program and budget for 2018. Pursuant to Gazprom's draft investment program for 2018, the overall amount of investments will stand at RUB 1,278.830 billion, with RUB 798.428 billion intended for capital investments, RUB 40.983 billion for the acquisition of non-current assets.

And RUB 439.419 billion for long-term financial investments. In line with Gazprom's draft budget (financial plan), the external financial borrowings will total RUB 416.971 billion. The approved financial plan will provide for a full coverage of the Company's liabilities without a deficit. The information about Gazprom's preliminary operating results for 2017, the drafts of the Company's investment program and budget (financial plan) for 2018, and the projected investment program and budget (financial plan) for 2019-2020 will be submitted to the Gazprom Board of Directors.

Norway's giant oil fund to turn its back on oil & gas

Anadolu Agency, *17.11.2017*

Norges Bank, the Norwegian central bank, who manages the government's wealth fund, recommended the removal of oil stocks from the fund's benchmark index, it announced on Friday.

In a letter to the Norwegian Ministry of Finance, Norges Bank said this move would ensure the government's wealth is less vulnerable to a permanent drop in oil and gas prices. Oil and gas equities currently account for around 6 percent of the fund's benchmark index or just over NOK 300 billion ($36.62 billion).

"This advice is based exclusively on financial arguments and analyses of the government's total oil and gas exposure and does not reflect any particular view of future movements in oil and gas prices or the profitability or sustainability of the oil and gas sector," the Deputy Governor Egil Matsen explained. The Bank's advice has largely been based on how changes in the investment strategy can be expected to affect return and risk for the fund in isolation, Matsen said.

Norges Bank's analysis of the oil price risk in the sovereign wealth fund is based on the government's future oil and gas revenues and the government's direct holdings in Statoil and the fund. "The investments in the fund and the stake in Statoil result in a total exposure to oil and gas equities for the government that is twice as large as would be the case in a broad global equity index. This exposure is increased several-fold when the government's future oil and gas revenues are also taken into account," the bank said.

According to the bank, oil and gas stocks are significantly more exposed to movements in oil prices than other sectors. It added that in periods of stable oil prices, the returns on oil and gas stocks have largely moved in tandem with the broad equity market. "However, in periods of substantial and prolonged oil price changes, the difference in returns between oil and gas stocks and the broad equity market have been considerable. The return on oil and gas stocks has been significantly lower than in the broad equity market in periods of falling oil prices," it stressed.

Therefore, the bank's assessment is that the government's wealth can be made less vulnerable to a permanent drop in oil prices if the fund is not invested in oil and gas stocks. The bank did not yet announce a deadline for the fund's removal of its oil and gas holdings. The fund's biggest oil and gas holding was Royal Dutch Shell with $5.36 billion as at the end of 2016 followed by an investment of $3.06 billion in ExxonMobil. The fund also holds shares in Italy's Eni and the U.S.' Chevron. In total, it has 379 investments in oil and gas equities.

Poland’s PGNiG inks 5-year deal with Centrica to buy US LNG

LNG World News, *22.11.2017*

Poland’s state-owned gas company PGNiG has signed a five-year contract with British utility Centrica to buy liquefied natural gas (LNG) sourced from Cheniere’s Sabine Pass liquefaction plant in the US.

The LNG will be delivered on a DES (delivered ex-ship) basis and the supplies will start in 2018. Up to 9 cargoes will be delivered during the term of the contract to the President Lech Kaczyński LNG terminal, Poland’s first import facility located in Świnoujście, where PGNiG recently booked additional regasification capacity, PGNiG said in a statement.

This is the first medium-term LNG agreement signed by PGNiG Supply & Trading’s branch office located in London, which is dedicated to global LNG trading. It is also the first mid-term contract for LNG supplies from the US to Central and Eastern Europe, according to PGNiG.

“Preceded by the long-term contract for LNG deliveries from Qatar and several spot deliveries in 2017, this agreement shows that we are stepping into a new level of global LNG market activity. This five-year agreement for American LNG deliveries is based on gas market conditions,” said Piotr Woźniak, CEO and President of the Management Board of PGNiG.

“This agreement is the first of its kind in PGNiG’s planned portfolio of medium-term LNG agreements. Most of these LNG supply agreements will be dedicated to the gas markets of Poland and other Central European countries in order to increase the energy security of this region, which has historically been dominated by Russian gas,” said Woźniak. To remind, PGNiG has earlier this year received its first US spot delivery of LNG from Cheniere. PGNiG is in charge of all the LNG supplies coming to the import terminal in Świnoujście operated by Gaz-System’s unit Polskie LNG.

BP to sell three North Sea assets to Serica Energy

Anadolu Agency, *21.11.2017*

BP has agreed to sell a package of its interests in the Bruce assets in the North Sea to Serica Energy, the company announced on Tuesday.

BP currently operates the assets, which comprise the Bruce, Keith and Rhum fields, three bridge-linked platforms and associated subsea infrastructure, the company noted. Overall, BP expects to receive payments of around £300 million, the majority of which will be received over the next four years. "We remain committed to the North Sea and continue to invest.

We expect our production there to double to around 200,000 barrels equivalent a day by 2020 through new projects like Quad 204 and Clair Ridge," Bernard Looney, BP chief executive of Upstream, was quoted as saying. "While the Bruce assets are no longer core to BP, we are confident that Serica is the right owner and operator to maximize their continuing value for both companies and for the U.K.," he continued.

The Bruce field was discovered in 1974 and came into production in 1993, with Keith tied back to Bruce in 2000. Rhum, a high-pressure, high-temperature satellite field located 40 kilometers to the north of Bruce, was brought into production in 2005. Subject to the receipt of regulatory and other third-party approvals, BP aims to complete the sale and transfer of operatorship in the third quarter of 2018. U.K.-based Serica Energy is an oil and gas exploration, development and production company with activities in Europe and Africa.

IGI Poseidon enters crucial phase

Interfax, *22.11.2017*

Gazprom's launch of a feasibility study on the options for bringing Turkish Stream gas into Europe means it is crunch time for the Greece-backed IGI Poseidon project.

The study follows lengthy negotiations between Gazprom and potential European partners. But while construction on the TAP – the other major connection Gazprom may use to ship gas from the Turkish Stream pipeline to Europe – has already started, progress on IGI Poseidon has been confined to the boardroom. IGI Poseidon, a 50/50 joint venture between Greece's DEPA and Italy's Edison, is a planned pipeline network that aims to open up new supply sources for Europe.

One of these proposed sources is a connection to Turkish Stream at the Greek/Turkish border for shipping up to 20 billion cubic metres per year of Russian gas through Greece and into Italy. But sceptics have questioned the need for the project since it emerged earlier this year that Gazprom is considering using TAP to carry Turkish Stream volumes into Europe. However, Elio Ruggeri, the chief executive of IGI Poseidon, is confident more capacity will be needed given that TAP will – at least initially – largely be used to transport gas from Azerbaijan's giant Shah Deniz field.

"At the Turkish/Greek border, there could be gas from many sources – Russian gas, Iranian gas, additional Azeri gas, [and] Iraqi gas – in quantities exceeding TAP's full [20 bcm/y] capacity. The Poseidon pipeline project is an answer to an expected need [for additional capacity]," Ruggeri told Interfax Natural Gas Daily on the sidelines of the European Autumn Gas Conference in Milan at the start of November. Ruggeri told delegates at the conference that he does not view TAP as a competing project. "There is no competition whatsoever [between TAP and IGI-Poseidon]. Poseidon plans to complement TAP in a constructive and fully transparent manner," Ruggeri said.

However, according to Marco Giuli, an analyst at the European Policy Centre, Gazprom's strategy is to play potential partners off against each other. "Gazprom's strategy is to induce partners to think every option is open. It's a strategy aimed to cause difficulties for investment decisions considered negative for themselves," Giuli told Interfax Natural Gas Daily. Claire Wilby, a senior associate at Norton Rose Fulbright who worked on the abandoned South Stream and Nabucco projects, told Interfax Natural Gas Daily there could be room for both projects.

''TAP was always built with the intention of transporting Azeri gas from Shah Deniz through its connection with the Trans-Anatolian Gas Pipeline (TANAP). Now that there is more gas delivery planned to Turkey [...] there is indeed potential for extra capacity, which can be met by IGI,'' she said. But Katja Yafimava, a senior research fellow at the Oxford Institute for Energy Studies, noted TAP may have more spare capacity for Russian gas than forecast by Ruggeri.

"It is possible there will be less than 10 bcm/y of Shah Denis 2 gas flowing to Europe by 2020," Yafimava told Interfax Natural Gas Daily. Turkey might also absorb more Azerbaijani gas than expected from TANAP, she said. "The gas is contracted by traders, so it might not need to cross Turkey at the Greek border," Yafimava noted.

In addition to the capacity questions, IGI Poseidon may face opposition in Italy should it progress to the construction phase. Construction work on TAP has prompted fierce resistance, said Giuli. "Given how local opposition and state-region controversies have delayed TAP construction works [in Italy], we should consider whether local politics would be able to absorb a second pipeline landing in Puglia," Giuli told Interfax Natural Gas Daily. Timing may also not work in IGI Poseidon's favour. The project aims to take FID in 2019 and construction will take 3-4 years, so it would not be ready until 2023 – by which time TAP will have doubled its capacity to 20 bcm/y.

Oil, gas still to play significant role: OPEC president

Anadolu Agency, *23.11.2017*

Oil and gas will continue to play a major role in the world's energy mix for the foreseeable future, contributing an estimated 52 percent to the global energy mix by 2040, the OPEC president said in a statement Wednesday.

Mohammad Sanusi Barkindo, OPEC secretary general in a statement after his speech at the 25th Lustrum Symposium on Nov. 21 in Delft, located in the Netherlands said total primary energy demand is increasing by 35 percent in the period to 2040. "Long-term oil demand is projected to surpass 100 million barrels per day (mb/d) in 2020 to reach a level of more than 111 mb/d by 2040," he said.

He was adding that the majority of this rising demand will come from developing countries, increasing by almost 24 mb/d, to reach 67 mb/d by 2040. He explained that there is no expectation for peak oil demand over the forecasted period, but that oil would continue to be relied upon over the long term to help meet the world's rapidly rising energy requirements. He warned though that this is no small challenge considering that an estimated 1.1 billion people around the world still have no access to electricity.

Industry will drive this growth in demand, he maintained, detailing that the three main sectors will be road transportation with 5.4 mb/d, petrochemicals with 3.9 mb/d and aviation with 2.9 mb/d. "Now, turning to the supply picture, non-OPEC liquids supply is forecast to increase from 57 mb/d in 2016 to 62 mb/d in 2022," mainly as a result of the recovery and improved outlook for U.S. tight oil production, he said, but added that for the forecast further ahead up to 2040, supplies will drop to 60.4 mb/d.

“This dynamic bodes well for OPEC crude, which will benefit from rising demand, reaching an estimated 41.4 mb/d by 2040. The share of OPEC liquids in the total global liquids supply is forecast to rise to 46 percent by 2040, up from 40 percent in 2016,” he explained. Barkindo, however, warned that a revival in investments is required to cover this increasing demand given that nearly one trillion dollars in investments were frozen or discontinued, and many thousands of industry jobs were cut. “Considering the fallout from this crisis I have just described regarding the need to meet rapidly rising world oil demand in the coming decades, it is clearly imperative that industry investment is urgently restored to levels that will secure the energy requirements of future generations. To achieve this, an estimated $10.5 trillion in industry investment is expected to be required from now until 2040,” he said.

On a positive note, he said that investment is picking up slightly this year and in 2018, but added that, “this is far from the levels we have witnessed in the past.” He advised it is not only a question of increasing new production, but that producers would also need to compensate for natural decline rates, which can be 5 percent per year. Therefore, to maintain current production levels, industry might need to add upwards of 4 mb/d each year, he said. “OPEC member countries have continued to invest in their industries throughout this volatile down-cycle.” He said that progress is being made as global stocks are coming down, while the world economic outlook is positive with robust demand ahead.

“We are on the path to stability,” he underlined. To ensure adequate energy supply levels, Barkindo said that all energy sources would be needed including fossil fuels, which are still plentiful. At present, the world’s proven crude oil reserves alone stand above 1.2 trillion barrels. “It is also important to recognize the positive aspects of these resources and how they have impacted the lives of billions around the world for hundreds of years,” he said, adding “these natural resources are fundamental to our daily lives, and will continue to be well into the future.” Notwithstanding, he acknowledged the environmental issues with emissions that emanate from fossil fuels.

“OPEC will continue to prioritize the advancement of the environmental credentials of oil, both in production and usage,” he said. Energy transition does not necessarily mean moving from one energy source to another, he affirmed. “All energy sources will be needed in the years ahead to meet rising demand, and each source has an important role to play in the overall energy mix,” he concluded.

Why Russia might actually be better off quitting the OPEC deal

Reuters, *20.11.2017*

The world's largest oil exporter could be poised to back out of a widely anticipated extension to global supply cuts, Chris Weafer said. OPEC members are reportedly forming a consensus with other allied crude exporters to extend their production deal by nine months.

That would prolong the agreement among OPEC, Russia and other oil-producing nations to keep 1.8 million barrels a day off the market through the whole of next year. Nonetheless, Weafer said that while at first glance Russia backing out of a production deal looking to clear a global supply overhang seemed to be a "crazy position to take,".

The context of Russia's changing industrial priorities meant it actually made "perfect sense." Weafer said if oil stays in the $60 to $65 a barrel range, Moscow's support for a deal extension beyond March next year would be "very unlikely." Weafer said that Russia still makes money with the oil price in the mid-$50s and any higher would prompt U.S. shale firms to ramp up production. He also believes that this price would incentivize the Russian economy to diversify away from oil, a major long-term benefit for the country.

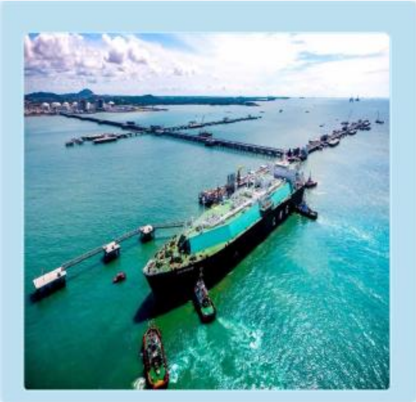
"The higher the price of oil then raises the risk of more investment into, for example, U.S. shale and Canadian Sands projects, which, as was seen in 2014, risks a big increase in global supply," Weafer said in a research note originally published in an article for The Moscow Times Thursday. He argued, therefore, that Russia's sustained backing of the OPEC-led deal could "create a risk of another collapse" next year. Russia's Energy Minister Alexander Novak — a key architect of the output cut deal that was extended last May — said in October that Moscow would be in favor of extending the OPEC-led production deal into late 2018. However, Weafer said Novak's comments had since lost relevance because they were made at a time when the oil price was drifting in the $50 to $55 range.

Brent crude traded at around $62.05 a barrel Friday afternoon, up 1.14 percent, while U.S. crude was around $56.01 a barrel, up 1.6 percent. The price of oil collapsed from near $120 a barrel in June 2014 due to weak demand, a strong dollar and booming U.S. shale production. OPEC's reluctance to cut output was also seen as a key reason behind the fall. But, the oil cartel soon moved to curb production — along with other oil producing nations — in late 2016. Weafer argued if Russia opted out of extension cuts, it would allow the non-OPEC nation to continue with efforts to diversify its economy at a time when it was looking to move away from oil dependency. Furthermore, Weafer said the Kremlin had been consistent in their message that a weaker ruble would be much better for its economy. And while oil prices had surged from the mid-$50 a barrel range to $64 in recent weeks, the ruble-dollar exchange rate had actually weakened.

“All of this compares a lot more favorably with the typical OPEC-country model and are powerful reasons why Moscow is today more comfortable with a sustainable price in the $50s than closer to the mid-$60s,” he concluded. On Monday, United Arab Emirates (UAE) Minister for Energy Suhail al-Mazroui said he expected OPEC and non-OPEC countries to extend global supply cuts at a closely-watched meeting at the end of the month. The UAE’s Al-Mazroui added that while he had not heard any OPEC members discussing the possibility of not extending the deal, the time and duration of an extension was still to be decided. The exporters reached the current deal last December and have already extended the agreement once through March 2018. OPEC and other non-OPEC producers are poised to meet on November 30 in Vienna to decide on oil output policy.

Petronas LNG Inks Services Agreements in Malaysia

Rigzone, *22.11.2017*



Petronas LNG Ltd. (PLL), has signed a two-year service agreement with Argo Engineering Sdn Bhd (Argo) and Eastport Marine Sdn Bhd (Eastport) to provide LNG ship-to-ship transfer services in Labuan, Malaysia.

“This ship-to-ship transfer service agreement is Petronas’ first collaboration in providing flexible delivery solutions that goes beyond the conventional selling and delivering of LNG,” said PLL Chairman, Ahmad Adly Alias, in a company statement. “LNG ship-to-ship transfer services is an emerging trend to cater to the needs of small scale LNG requirements,” he added.

PLL said the partnership will enable the company to respond to new market requirements in the changing LNG industry landscape. In addition to the ship-to-ship services deal, PLL announced Wednesday that it had also signed an agreement with Bintulu Port Sdn Bhd (BPSB) for the provision of marine services to support PLL’s Gassing Up and Cooling Down (GUCD) operations at the site for a period of three years.

The services at the Bintulu Port will commence in 2018. “The GUCD services is a niche and specialized service offered by Petronas. This is the first GUCD services in Malaysia at the Bintulu Port,” said Adly Alias. “This collaboration is expected to enhance Petronas’ portfolio of services in the integrated (LNG) value chain,” he added.

Chevron joint venture signs $1.7b oil, gas deal ın Nigeria

Oil & Price, *20.11.2017*

Chevron's Nigerian unit and the Nigerian National Petroleum Corporation (NNPC) have signed the second and final phase of a US$1.7-billion alternative financing agreement for a joint project in Nigeria that is expected to boost the country's crude oil production by 39,000 bpd in the long term, NNPC said.

The joint venture of NNPC and Chevron Nigeria Limited (CNL) expects the project to boost production will cost some US$1.7 billion, of which US$780 million will be provided by third parties.

In the first financing stage, Nigerian commercial banks provided US$400 million of the financing, while in the second stage, international commercial banks pledged to fund the project with US$380 million. Of the CNL-NNPC joint venture financing, Chevron's co-lending amounts to US$312 million and NNPC's share of the funding is US$468 million, the Nigerian company said.

The project is planned to produce natural gas liquids and condensate extracted from the Sonam and Okan fields located in OML 90 and 91 in the Niger Delta. Under the deal, the parties will also complete the Sonam non-associated gas well platform; drill seven wells in the Sonam field and the Okan 30E NAG well; and complete a pipeline and Okan pig receiver platform and development of the associated facilities.

"We know the important role gas supply to the domestic market plays in growing power generation. We also understand government's need to seek alternative sources to fund profitable and bankable JV Projects," CNL Managing Director Jeff Ewing said in NNPC's statement. Chevron, through its key subsidiary CNL, operates and holds a 40-percent interest in eight concessions in the onshore and near-onshore regions of the Niger Delta under a joint-venture arrangement with the NNPC. Chevron also does business through other subsidiaries in Nigeria. Last year, Chevron's net daily production in Nigeria averaged 204,000 barrels of crude oil, 159 million cubic feet of natural gas, and 4,000 barrels of liquefied petroleum gas.

US crude slips 46 cents, settling at $56.09, as market grows edgy ahead of OPEC's decision on output cut deal

Reuters, *20.11.2017*

Oil prices slipped on Monday as traders took a cautious approach ahead of an OPEC meeting next week, where an extension of current price-supporting curbs on crude output are due to be discussed. U.S. WTI crude futures finished Monday's session down 46 cents at $56.09 a barrel.

Brent crude futures were down 51 cents at $62.21 per barrel by 2:28 p.m. ET. OPEC together with a group of non-OPEC producers led by Russia, has been restraining output since the start of this year in a bid to end a global supply overhang and prop up prices.

The deal to curb output is due to expire in March 2018, and OPEC meets on Nov. 30 to discuss the outlook for the policy. The expectation is for the agreement to be extended to cover the whole of next year. "It is widely believed that OPEC together with 10 non-OPEC countries will roll-over their production for the whole of 2018 although Russia is holding its cards close to its chest," PVM Oil Associates strategist Tamas Varga said.

OPEC last week forecast demand for its own crude to rise by 460,000 bpd to 33.42 million bpd next year, in contrast with a forecast from the International Energy Agency for a drop of 320,000 bpd to 32.38 million bpd. "Such a rollover (in the deal) would be bullish if you believe OPEC's numbers but will not reduce global or OECD stocks if the IEA estimate is closer to reality. Judging by the weekly losses more credit was given to the IEA prediction," Varga added. The dollar's move higher overnight hit commodities, including oil. The U.S. currency strengthened against the euro after news that Germany has been unable to form a coalition government, adding to political uncertainty in the European Union. The dollar gained 0.4 percent against the euro.

Oil often moves inversely to the dollar, because oil is transacted in the dollar, and a stronger dollar theoretically makes oil more expensive for global buyers. The relationship is not consistent, but sharp reactions in the dollar can affect commodities, and vice versa. Current high levels of speculative interest in oil may have also contributed to the move lower. CFTC data last week showed a record level of long positions in RBOB gasoline futures as well, for an overall heavy speculative position in energy contracts.

“Because of those positions, we were vulnerable to profit taking, and people started to get out when the dollar took off,” said Phil Flynn, analyst at Price Futures Group in Chicago. Money managers in the Brent market trimmed their net long position for the first time in a month, by just over 5,000 lots to 537,557. They also added 4,793 lots in short positions — more than at any time since late June. But the net long position is still well within sight of the previous week’s record high of 543,069 lots, meaning that if OPEC’s decision disappoints the more bullish investors, the chances of a sell-off after the meeting are higher. Money managers raised their net long holdings in U.S. crude futures and options by 28,297 lots to 409,963 contacts, equivalent to nearly 410 million barrels of oil. In the United States, the number of rigs drilling for new oil production remained unchanged in the week to Nov. 17, at 738, data from oil services firm Baker Hughes showed on Friday. Nebraska regulators voted on Monday to approve TransCanada’s Keystone XL pipeline route through the state, lifting the last big regulatory obstacle for the long-delayed project that U.S. President Donald Trump wants built.

Offshore US oil firms Talos, Stone Energy plan $2.5b merger

Reuters, *22.11.2017*

Talos Energy LLC and Stone Energy Corp, two U.S. exploration and production companies focused on the Gulf of Mexico, announced on Tuesday plans to merge and create a new company valued around $2.5 billion including debt, sending Stone’s shares down nearly 13 percent.

“The idea of a reverse merger works very well for us, as we get a lot of talented people into the company and also use a structure which gets us to the public equity markets”, said Timothy Duncan, chief executive of Talos, who will retain the title under the combined company, to be named Talos Energy Inc.

Stone shares will be exchanged for Talos stock on a one-for-one basis, while Talos’ existing stockholders will be issued 34.2 million shares to give them 63 percent of the combined company, according to a statement. Assent from both Stone’s shareholders and holders of its 2022-maturing debt is required. Investment firms Franklin Advisers and MacKay Shields, who own 53 percent of Stone’s equity, have provisionally pledged to back the transaction.

Stone went through bankruptcy proceedings during the oil price downturn after mid-2014 during which debt holders received equity stakes in the reorganized company. Offshore producers were particularly hard hit by this price drop, given the higher costs of extracting oil this way versus many onshore fields. For Talos, the deal provides the company with a route to a stock exchange listing, after its attempts to undertake an initial public offering were stymied by market turbulence. Sources told Reuters in October 2014 that the firm, backed by private equity firms Apollo Global Management and Riverstone Holdings, had hired banks to implement the flotation.

The combined company will have average daily production of 47,000 barrels of oil equivalent (BOE) and proven reserves of 136 million BOE, located in the deepwater Gulf of Mexico and shallow coastal areas of Mexico, the statement said. As well as having strong growth opportunities with existing assets, the combined company would also be open to further acquisitions, both in the Gulf of Mexico and other locations, according to Duncan. Citigroup and UBS acted as Talos' financial advisers, while Vinson & Elkins LLP and Paul, Weiss, Rifkind, Wharton & Garrison LLP provided legal counsel. Petrie Partners Securities and Akin Gump Strauss Hauer & Feld LLP were Stone's respective financial and legal advisers.

US oil rig count remains unchanged this week

Anadolu Agency, *18.10.2017*

The number of oil rigs in the U.S. remained unchanged this week, oilfield services company Baker Hughes data showed Friday.

The oil rig count in the country remained flat at 739 for the week ending Nov. 10, according to the data. With that result, the number of total rigs in the U.S.' oil industry increased only two times in the past seven 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.

After oil rig count data did not show any change this week, crude oil prices in the global oil market showed small increase. International benchmark Brent crude rose to $62.82 per barrel with a daily gain of 2.4 percent at 1820 GMT, while American benchmark West Texas Intermediate traded at $56.51 a barrel to extend its daily gain to 2.5 percent. Crude oil production in the U.S. continued to increase last week, according to the U.S.' Energy Information Administration (EIA) data released Wednesday. Oil output rose by 25,000 barrels per day (bpd) to 9.64 million bpd for the week ending Nov. 10, the EIA data showed.

The EIA expects crude oil production in the U.S. to average 9.2 million barrels per day (mbpd) in 2017, and 9.9 mbpd in 2018, according to its Short-Term Energy Outlook for November. With rising U.S. crude production, oil prices are expected to remain under pressure. OPEC and Russia are in talks to extend their production cut beyond March 2018, however this may not be enough push prices higher since U.S. crude output is on the rise, according to experts. OPEC's semi-annual meeting will be held on Nov. 30 in Vienna.

Brazil is third-largest oil producer in Americas: EIA

Anadolu Agency, *22.11.2017*

Brazil's production of 3.24 million barrels per day (b/d) of petroleum and other liquids in 2016 has made it the world's ninth-largest producer and the third-largest in the Americas behind the U.S. and Canada, U.S Energy Information Administration (EIA) said in a report on Wednesday.

The Country Analysis Brief showed that increasing domestic oil production has been a long-term goal of the Brazilian government, and discoveries of large, offshore, pre-salt oil deposits have transformed Brazil into a top-10 liquid fuels producer.

According to the brief, total primary energy consumption in Brazil has nearly doubled in the past decade because of economic growth. In addition, Brazil was the largest producer of petroleum and other liquids in South America in 2016, surpassing Venezuela. "Petroleum and other liquids represented about 47 percent of Brazil's domestic energy consumption in 2016," according to the report. It also underlined that renewables, hydroelectric power, and nuclear energy accounted for a combined 37 percent of Brazil's energy consumption in 2016.

The Oil & Gas Journal estimates that as of January 2017, Brazil had 13 billion barrels of proved oil reserves. These reserves represent the second-largest level in South America after Venezuela and almost 1 percent of the world's total reserves. More than 94 percent of Brazil's oil reserves are located offshore, while 80 percent of all offshore reserves are found near the state of Rio de Janeiro. "The next largest accumulation of reserves is located off the coast of the Espirito Santo state, with about 10 percent of the country's oil reserves. Reserves are expected to rise as pre-salt resources are further explored," the EIA report said.

Last year, Brazil's production of petroleum and other liquid fuels was 3.24 million b/d, up from 3.18 million b/d in 2015. "Crude oil made up 2.5 million b/d, and the remainder was produced as biofuels, natural gas, and other liquids," the report stated. In addition, Brazil exported approximately 798,000 b/d of crude oil in 2016, an 8 percent increase from the previous year. China, the largest importer of Brazilian crude oil, imported about 296,000 b/d in 2016, an increase of more than 17 percent from 2015. "Uruguay was the second-largest importer of Brazilian crude oil in 2016, with 100,000 b/d," the report said.

Oil & Gas UK welcomes BP North Sea asset sale

Rigzone, *22.11.2017*

News of BP plc's intended sale of its North Sea assets to Serica Energy plc has been welcomed by trade body Oil & Gas UK. Deirdre Michie said the announcement was good news for the UK's offshore oil and gas sector and reinforced the 'gathering strength of belief in the future of the UK North'.

"We believe there are up to 20 billion barrels of oil and gas still to recover from Britain's offshore regions," Michie said. "The complexity of deals like the BP Serica one…is indicative of the effort the industry has to make to ensure that the right assets are in the right hands for further development and extending field life," she added.

Michie said the BP deal would help bolster the industry's efforts to maximize recovery of a 'vital' primary resource which helps to meet the country's energy needs, secure jobs and generate wealth for the economy. The Oil & Gas UK Chief Executive also stated that deals such as this would act as catalysts for fresh investment, reinvigorating activity in both new and existing portfolios.

On November 21, Serica UK agreed to acquire BP plc's interests in the Bruce, Keith and Rhum fields in the North Sea, in a deal which will see the transfer of approximately 110 BP staff to the company on completion. The deal is expected to go through in mid-2018 and Serica currently has no plans to reduce staff numbers, according to a company spokesperson. "We very much look forward to welcoming the extremely capable team that will be transferring to Serica from BP and combining skillsets and operational expertise," said Tony Craven Walker, Serica's executive chairman, in a company release on Tuesday.

Brent oil prices above $63 at mid-week

Oil & Price, *22.11.2017*

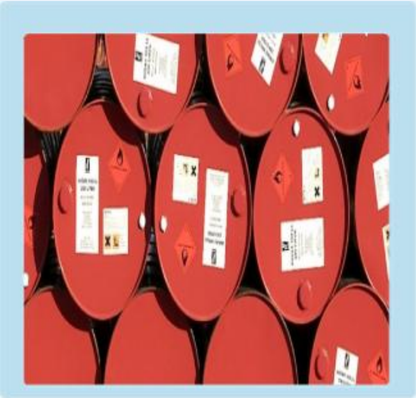
International benchmark Brent crude traded at $63.07 per barrel at 06.48 GMT.

American benchmark West Texas Intermediate (WTI) reached $57.67 barrel at the same time. The expectations that OPEC producers and Russia would extend their production cut agreement beyond March 2018 have positively affected crude oil prices over the past two weeks. Last Wednesday, the U.S. Energy Information Administration said crude oil inventories and production in the U.S. increased last week. Meanwhile, the number of oil rigs in the U.S. remained unchanged at 739 last week.

With no change in the oil rig count data, crude oil prices this week showed a small increase.

The 10 Most Influential Oil Countries

Anadolu Agency, *23.11.2017*



The world's top oil exporters are some of the world's most influential countries. As such, it behooves analysts to always stay abreast of the internal dynamics of these economic power houses. Here's what's going on in the countries that have the power to make or break the oil market.

Saudi Arabia; as the world's leading oil exporter, Saudi Arabia shipped 7.5 million barrels per day in 2016, according to data published by OPEC. As far as oil exports go, the Kingdom is top of the pile, despite the OPEC agreement that cut 486,000 barrels per day off its production level of 10.5 million bpd.

The Kingdom holds a lot of clout in the oil market, and as such, plays a leading role in the industry cartel, which is currently implementing a 1.2 million-barrel per day production cut to rebalance a three-year supply glut plaguing oil markets. Despite its reigning supreme in the oil export arena, not all is well in the royal palace. Mohammed bin Salman (MBS), the newly crowned heir to the throne, started the month off with a series of shocking arrests of powerful royals and businessmen in a domestic power consolidation marketed in official outlets as an anti-corruption drive.

The unity of the Saud family has been a hallmark of the nation since the establishment of the Third Saudi State back in 1902. Infighting in the palace could cause the nation to fall back into contentious politics at a time when it needs to chart its course towards economic diversification, as outlined in MBS's Vision 2030—a plan that may move Saudi Arabia away from oil, unseating it from its top spot on the list.

Russia; Outside of OPEC, Russia dominates the oil export game, hitting roughly 5.5 million barrels per day last year. Like Saudi Arabia, it too has clout, and it knows how to use it. Moscow has teamed up with its rivals at OPEC to reduce the current oversupply that is keeping oil prices down. Russia has cut output by 300,000 bpd to assist in the team effort, but the reduction largely cuts into a boost in production that began right before the agreement was made. Russia's oil plays have focused on the Middle East as the U.S. foreign policy agenda in the region has weakened following the swearing in of President Donald Trump. Libya, Syria, and Iraq are now all on the receiving end of extra attention from Putin since the beginning of the year.

Iraq; Baghdad has been particularly resistant to calls to reduce production to levels agreed upon in the OPEC quotas, claiming that it is in desperate need of the oil revenues. Its stubborn resistance has forced Saudi Arabia to compensate for Iraq's steady production levels, which amounted to an export rate of 3.8 million barrels per day in 2016, according to OPEC data.

Canada; Canada is the largest exporter that is not part of the OPEC/NOPEC agreement, putting it at economic odds with the efforts to draw down the global glut. With the world's third-largest oil reserves, Canada exports just over 3.2 million barrels per day, mostly to the USA. Canada's status as a reliable ally to the American and Western European foreign policy agenda provides a guilt-free source of fuel for its southern neighbor. Thousands of miles pipelines connect the U.S. and Canada, the most significant of which is the Keystone pipeline, controversially being expanded to XL status to bring Canadian oil to Gulf refineries. Its pipeline woes, caused by pipelines falling grossly out of favor as of late, may soon cap its exports to America.

United Arab Emirates; the tiny Gulf community of emirates exported an impressive 2.5 million barrels per day last year, which represents 40 percent of the country's GDP. Its recent squabble with neighboring Qatar has put the UEA in the spotlight. The UAE was a key ally for Saudi Arabia in its ongoing battle against Qatar's acquiescence of Iran for the exploitation of the South Pars gas field. The blockade against Doha, which began back in June, caused the UAE to end its relationship as the central shipping hub of the Qatari LNG industry—the largest of its kind. As for its commitment to the OPEC deal, the UAE has been quick to publicly support an extension—but has only managed to comply fully with the cuts for a single month out of the entire length of the agreement.

Kuwait; while it's not a big player in the export market, oil is the backbone of Kuwait's economy. Kuwait pumped out 2.1 million barrels per day into international markets back in 2016, which represents 95 percent of the country's total export revenues. Iraq is still paying reparations to Kuwait for its invasion of the latter country back in 1990.

Iran; off again, on again most aptly describes Iran’s presence on this list. Once a non-entity in the oil market due to the sanctions levied against it, now it’s established its presence, taking a bite out of Saudi Arabi’s market share. Although both Saudi Arabia and Iran are members of OPEC, they are competing for market share as Iran struggles to regain what it lost during those painful sanction years. While it’s perceived clout in the world when it comes to oil exports appears to be waning, its ability to swing prices is strong, in that prices jump every time news breaks of its pending default—or actual default. Its poor oil quality has caused some shipments of oil to be refused, and it has struggled to keep production going as its cash dries up. Years of economic mismanagement exacerbated by a three-year downturn in oil prices have now caused runaway inflation and violent street clashes, as President Nicolas Maduro prioritizes paying its international creditors, the most prominent of whom have already declared Caracas in default.

Venezuela, a nation failing to fund its hospitals and stock its grocery stores, is a founding member of the cartel, with an export rate still falling from a 2016 average of 1.9 million barrels per day in 2016, according to OPEC. Oil money earns the country 95 percent of its export revenues. Production in October 2017 has fallen to 1.863 million bpd, and exports along with it.

Nigeria, the largest African oil producer and exporter, ships 1.7 million barrels per day of oil. In 2016, it temporarily lost the top spot to Angola due to a militancy in the Niger Delta, a major oil-producing region. Since the beginning of the year, the nation has stabilized, allowing output to recover at a cap of 1.8 million barrels per day. OPEC required the cap to make sure the nation’s gains do not interfere with the bloc’s production quota program.

Angola, Angola shipped 1.7 million barrels per day in 2016, with oil production and supporting activities contributing to roughly 45 percent of the nation’s gross domestic product and 95 percent of its exports. The country’s new president just fired Isabel dos Santos, Africa’s richest woman, from her post as chief of Sonangol as part of a push to end entrenched corruption. Since Iran’s reintroduction to world oil markets in January, Tehran has recovered its output to an average of about 2 million barrels per day. Production has been running a bit over 3.8 million bpd—more than both Kuwait and the UEA which have beat Iran with exports. The Trump administration is determined to terminate the international nuclear pact against Iran, threatening its spot here on this list, but Tehran’s strict adherence to the terms of the deal makes it difficult for a Republican Congress to justify levying new sanctions against the country in front of the international community.

Announcements & Reports

► *US Crude Exports – Gaining Ground*

Source : OIES
Weblink : https://www.oxfordenergy.org/publications/us-crude-exports-gaining-ground/

► *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

► *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/

► *North Africa Oil & Gas Summit*

Date : 25 January 2018
Place : Milan, Italy
Website : https://www.infield.com/exhibitions/north-africa-oil-gas-summit

► *European Gas Conference 2018*

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

► *Cameroon Oil & Gas Summit 2018*

Date : 02 February 2018
Place : Yaounde, Cameroon
Website : https://www.cameroonsummit.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