

Turkey's first drillship arrives at destination

Anadolu Agency, 01.01.2018



Turkey's Energy and Natural Resources Minister on late Sunday paid a visit to Turkey's first drilling vessel which docked to a private port in Kocaeli province in the Marmara Region where the localization studies of the ship will be carried out.

The ship, which is owned and will be operated by Turkish Petroleum Corporation (TP), left Norway's Hoylandsbygda port early December and arrived its final destination port in Kocaeli. It will rest in the port until its localization studies are finished, and also will be renamed by the officials.

"After a fast preparation process, the ship will set off for its first drilling in the Mediterranean," Berat Albayrak, Turkey's energy minister said during his visit. The vessel has a length of 230 meters, a span of 36 meters and sixth generation technology, he told. "We wanted to welcome 2018 in our ship which is very important for Turkey," Albayrak said.

The minister said that Turkey saw records especially in renewable energy sector in 2017. "We had historic low-price records in wind and solar energy tenders," he reminded. The Siemens - Turkerler - Kalyon consortium won the first 1,000-megawatt wind tender offered by Turkey's Renewable Energy Resources Zone (YEKA) project on August, 3, 2017. The consortium offered the lowest price at \$3.48 per kilowatt-hour of electricity. Thus, Turkey saw record in the lowest cost of electricity per hour from wind power generation, which was \$10.3 before. Albayrak also stated that Turkey will take the second Floating Storage Regasification Unit (FSRU) into operation in Dortyol, Hatay - a province in the Mediterranean region - after the test studies were completed. "So that our LNG capacity will increase further," he said. The first FSRU was taken into operation in December, 2016 in Aliaga region of Izmir.

Turkey's energy import bill increases by 46% in Nov.

Anadolu Agency, 29.12.2017



Turkey's energy import bill increased by nearly 46 percent to \$3.53 billion in November from \$2.42 billion year-on-year.

The data shows that Turkey's import bill in November 2017 reached \$20.53 billion, out of which energy accounted for nearly 17 percent. Additionally, the country's crude oil imports showed nearly a 33 percent decrease in November compared to the same period of 2016. Turkey imported approximately 1.50 million tonnes of crude oil in November 2017, down from 2.25 million tonnes for the same period in 2016.

Energy Minister Albayrak emphasizes Turkey's intense gas exploration in Mediterranean

Daily Sabah, 27.12.2017



In an article in the Italian daily, Milano Finanza, Energy and Natural Resources Minister Berat Albayrak (L) elaborated on the development of Turkey's energy sector while explaining future projects as well as the country's national energy and mining strategies.

He particularly emphasized that Turkey will continue its exploration and drilling operations in the Mediterranean and the Black Sea. Minister Albayrak said the Turkish energy sector was in a grand transition that included fundamental changes to the market structure and business model.

It is through decentralization and digitization. He explained that Turkey's domestic energy sector is characterized by rapid demand growth and import dependency. To decrease import dependency and cater to the growing needs of the market, the Turkish government has developed a national energy and mining strategy based on three main pillars, localization, security of supply and predictability of market conditions with particular importance attached to regional infrastructural projects for diversification as a guiding element.



“As for Turkey’s energy outlook, as a champion of the growth in the demand for electricity per capita among Organization for Economic Cooperation and Development (OECD) members, we managed to mobilize public and private investments in infrastructure to meet growing internal demand. As a result, over the past 15 years Turkey’s installed capacity has almost tripled, reaching 81,000 megawatts (MW), while maintaining an average economic growth of 5 percent over the last seven years,” the minister wrote. As part of Turkey’s goal to increase the share of national and renewable energy sources for electricity production to 66 percent by 2023, “Ankara has set a target of reaching an installed capacity of 10 thousand MW, for wind and solar energy within a decade. Consequently, as a first major step towards these objectives, tenders were organized in March and August 2017 for projects of 1,000 megawatts for photovoltaic, wind energy and for the production of related equipment, which recorded a great investor interest and low bidding prices,” Albayrak explained. Turkey, he informed, plans to apply a similar model for clean coal technologies in the near future, in order to use the country’s abundant coal reserves.

Turkey’s national energy strategy also encompasses nuclear power plants. In order to achieve its goal in nuclear, Turkey has partnered up with countries that have extensive experience in the sector and plans to operational first reactor by 2023 in Akkuyu Nuclear Power Plant in southern province of Mersin. “Another pillar of our strategy is to ensure security of supply and diversification of our natural gas consumption. The gas storage capacity in Turkey has increased to 4 billion cubic meters (bcm) with the introduction of the Lake Tuz underground storage facility,” the article read. By 2023, the country aims to increase the storage capacity to 11 billion cubic meters, the minister said. The natural gas storage and regasification has also been supported by floating LNG storage and regasification units. While first one became operational in 2016 in zmir, Alia a, the second one will be deployed in Hatay’s Dörtöyl district in southern Turkey.

“We have always tried to keep the technical and regulatory alignment with the European Union and to increase our integration with the EU energy markets by building more interconnections and promoting projects for regional diversification and supply security such as the Trans Anatolian Pipeline Project (TANAP) and the Baku-Tblisi-Ceyhan (BTC) crude oil pipeline,” Albayrak explained the role of Turkish energy sector in the region. The BTC has been successfully implemented and has been in operation for more than a decade. As for the Tanap project, which will bring Azeri gas to Turkey and to European markets, 80 percent of its construction was completed ahead of schedule. In this regard, once completed, projects such as TANAP, Trans Adriatic Pipeline (TAP), TurkStream and other potential future initiatives will promote the security of supplies in many European countries, the energy minister emphasized.

“Turkey is trying to participate directly in the increase in investments in the activities carried out upstream. We began to focus on oil and gas exploration studies in the Mediterranean and the Black Sea. Extensive studies are already under way to conduct seismic survey in the Mediterranean. We intend to do the same for the Black Sea region in the next period. These operations will follow further exploration and drilling activities, which will reveal the potential of both seas and contribute to security of supply in Turkey and in our region. Turkey’s first drilling ship, the Deepsea Metro II, passed the straits of Gallipoli on Friday, the Turkish Petroleum Company said. The state-run firm said it was to be used for drilling in the Black Sea and the Mediterranean.

“Turkey will continue to support regional and international infrastructure projects as long as they contribute to regional peace and stability, multilateral wellbeing and security of supply,” Minister Albayrak said with particular emphasis on the country’s principle based on the fair share of energy resources through cooperation between regional partners. As a result, Turkey used the Share for Peace motto at the 23rd World Energy Congress organized by the ministry under the auspices of the Presidency in Istanbul in October 2016. The country also promoted Turkey for Energy motto for the 22nd World Oil Congress hosted by Turkey in Istanbul in July 2017. These mottoes and the organization of these events, Albayrak said, reveal that Turkey is the key to international energy diplomacy and regional infrastructure projects thanks to its peaceful and cooperative approach to multilateral projects.

Oil-rich Chad invites Turkish companies

Reuters, 20.12.2017



Turkish President Recep Tayyip Erdogan’s visit to Chad has paved the way for cooperation in extracting hydrocarbon energy, the African state’s energy minister said.

Erdogan’s one-day visit earlier this week was part of an African tour that included Sudan and Tunisia. “We see this visit as a huge opportunity,” Petroleum and Energy Minister Bechir Madet told Anadolu Agency. “We signed joint agreements on hydrocarbon fields with my counterpart Albayrak and we will welcome Turkish companies to extract oil and energy resources in our country.”

Chad has crude oil reserves that were estimated at 900 million barrels in 2004 and it also has plentiful sunshine, offering opportunities for solar energy projects. “I believe we can increase the use of our underground sources with the help of our brother, Turkey,” Madet said. “I have no doubt that the two countries will be very profitable in economic terms in accordance with the ‘win-win’ model. “I have a map of Chad’s oil reserves. Even today, if demanded, we would immediately start production and export of petroleum through Turkish firms.”

The Turkish government’s win-win model pledges not to exploit but support the African people and African development. Erdogan’s visit, the first by a Turkish president, was dominated by business forums and the signing of agreements to strengthen economic partnerships. Chad presents opportunities for Turkish investors in construction, agriculture, food processing and storage, animal product processing, textiles, machinery and energy, according to Turkey’s Economy Ministry. “I invite the Turkish companies to come and invest here,” Madet said. “I promise to provide them with every kind of convenience and support. They can start to produce electricity immediately.” As well as oil, Chad has rich gold and uranium deposits. Turkey’s imports from Chad in the first 10 months of 2017 stood at \$26.9 million while exports were \$14.9 million, according to the Turkish Statistical Institute.

Jordan allocates initial \$2 million for joint pipeline project with Israel

Middle East Monitor, 02.01.2018



Jordan has allocated 1.5 million dinars in the 2018 national budget for a gas pipeline linking the Hashemite Kingdom with Israel.

According to Al-Ghad newspaper on Sunday, the cost of the joint Jordanian-Israeli project is expected to rise to 3 million dinars in 2019, and to 6 million dinars by 2020. The pipeline will pass over the Sheikh Hussein border crossing, 90 km from Amman. In September 2016, Jordan's government-owned National Electric Power Company (NEPCO) and Noble Energy signed an agreement to import 40 per cent of the Kingdom's electricity-generating needs from Israel.

Noble Energy owns 39 per cent of the Leviathan natural gas field in Israeli territorial waters. A statement issued by NEPCO at the time said that the agreement "enhances opportunities for regional cooperation and will make Jordan part of the EU and the Union for the Mediterranean project to utilise the gas fields discovered in the East Mediterranean." The natural gas provided by Noble Energy, it continued, will allow Jordan to utilise the gas fields discovered in the territorial waters of Palestine, Cyprus and Egypt.

Over the past two years, protests have been organised in the Jordanian capital Amman against plans to import gas from Israel. The Committee against Normalisation with Israel called for negotiations with Israel on the import of gas to stop. "[Such talks] serve the Israeli objective to normalise economic relations with the Arab countries," it claimed. Those behind the campaign to cancel the gas agreement with Israel have decided to sue the Jordanian government, NEPCO and the Arab Potassium Company over the deal. In response, the government argues that Jordan suffers from the high cost of producing electricity and is looking for cheaper alternatives, including the import of natural gas. According to recent figures from the Jordanian Ministry of Energy, the Kingdom's daily need for gas is estimated at 400 million cubic feet, all of which is imported to generate electricity.

Iran oil exports hit 777 million barrels in 2017

Oil & Price, 02.01.2018



Iran shipped 777 million barrels of crude last year, the state news agency Shana reported. Of this total, which represents an average daily export rate of 2.13 million barrels, 62 percent went to buyers in Asia. The rest was sold to European customers.

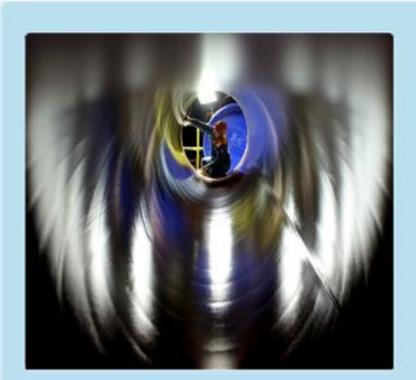
The country also exported 490,000 bpd or gas condensate. The combined daily exports of crude oil and condensate are on par with what the country used to export in oil and condensate before the imposition of economic sanctions because of its nuclear program.

The biggest importers of Iranian crude oil last year were China and India, which is hardly a surprise as the two Asian economies are seen as the main drivers of global oil demand over the medium term. The average price of Iranian crude in 2017 was US\$52 a barrel – a very substantial premium to the international benchmark's current price level of mover US\$67 a barrel. Oil revenues for the first seven months of the Iranian year, which started in March 2017, rose by 56.8 percent on the year, to some US\$14.08 billion (469.3 trillion rials). The figure also included revenues from oil product sales. Iran is currently grappling with mass protests against the state of the economy, which are pushing international oil prices even higher. Despite attempts by President Rouhani to appease the protesters and threats from the revolutionary guard to crack down on the rallies, the protests continue.

While these started as purely economic protests, Iran expert Suzanne Maloney noted in a recent interview with the NPR, they have now evolved into a wider anti-government outpour, "directly confronting the most important aspects of the Islamic Republic's ideology." Whether the protests have the makings of another Middle Eastern revolution or they will be dealt with by the revolutionary guard as one official warned, they have certainly served to demonstrate that despite the removal of the sanctions and Iran's return to international oil markets, not all is well and, as Maloney, notes, it will take a lot more than a couple of years to make it well as Iran's economic problems are the result of processes that have been going on for decades.

Russia natural gas output jumps to record in expansion drive

Bloomberg, 02.01.2018



Russia's natural gas production rose to its highest ever last year, driven by increasing sales to Europe and rising domestic demand.

Government data published Tuesday showed that output jumped 7.9 percent to beat a 2011 record. With a pipeline of projects including plans to expand into China and new liquefied natural gas plants, the country may close the gap on the U.S., which leapfrogged Russia to the top spot in global production of the fuel nine years ago. Russia needs to strengthen its position in the global gas market.

As it's considered a leading global energy power, President Vladimir Putin said last month. Already the world's largest exporter of the fuel, the nation is working to boost output with new LNG plants stretching from the Baltic region to the Pacific coast. That will pit the country against the biggest producers of the super-chilled fuel, including Qatar and Australia. Russia is also working to keep shipments to Europe near record levels this year as state-run Gazprom PJSC, the continent's biggest supplier, plans to start pipeline exports to China in late 2019. Gazprom meets more than a third of Europe's demand for natural gas and the nation's most lucrative market was worth some \$37 billion in revenue last year.

Gazprom's increased sales helped boost overall production to 690.5 billion cubic meters (24.4 trillion cubic feet) last year, exceeding the 2011 record by 2.9 percent. As a result of the shale gas revolution, the U.S. became the world's largest natural gas producer in 2009, and has kept the crown for most of the time according to official data from the two nations. U.S. producers pumped 22.1 trillion cubic feet (about 626 billion cubic meters) of dry gas in the first 10 months of 2017, according to December data from the U.S. Energy Information Administration. This was 11 percent higher than Russia for the same period. Russia has resources to increase its LNG production by almost 10 times to about 100 million tons by 2035, led by the privately-owned Novatek PJSC in the Arctic, according to the nation's Energy Ministry.

The U.S. imposed financial sanctions against Novatek in 2014 after Russia annexed Crimea and last year added export pipelines to the list of sanctions against Russia, setting risks for Gazprom's projects. Putin ordered the government in December to identify economic and political "threats" to the nation's gas projects as well as steps to take to overcome or minimize them. Officials in Moscow are also planning to improve gas-output forecasts in the nation's long-term energy strategy, adding planned and potential LNG projects.

First Russian LNG arrives in UK, to ship elsewhere

Kallanishenergy, 03.01.2018



The UK has received its first shipment of liquefied natural gas (LNG) from Russia, a 170,000-cubic-meter cargo from Yamal LNG, but the fuel is likely to be reloaded for delivery elsewhere, Kallanish Energy learns.

Yamal LNG, the joint venture led by Russia's Novatek, operating in the Arctic Circle, shipped its inaugural LNG cargo on Dec. 8 to an "Asian buyer." The Christophe de Margerie vessel carrying the gas, owned by Petronas LNG UK, arrived at the UK's Isle of Grain terminal in Kent, on Dec. 28.

Novatek said last month the Yamal LNG cargo was sold on the spot market by the main shareholders of the Yamal LNG plant, without disclosing destination or buyer details. Exports under long-term contracts will start in April, it said. National Grid, the operator of country's gas grid and the Grain LNG terminal, confirmed on Tuesday the shipment had arrived, but didn't enter the grid. Instead, it was offloaded to storage. Christophe de Margerie is now heading back to Russia's Sabetta port.

Industry sources believe the LNG will be reloaded onto the French-flagged Gaselys LNG vessel, which is already at the UK's Grain terminal, despite speculation the UK was importing LNG from Russia to meet its growing domestic demand following the outage on the Forties pipeline. "Feeling cold? Help is on the way," the Russian embassy in the UK tweeted last week, fuelling controversy around Britain's reliance on foreign energy supply. The UK imports over 50% of its energy today and by 2035 it will import nearly 80%, UKOOG CEO Ken Cronin said, making a case for domestic onshore gas exploration.

"We now see a gas tanker that has come from very far away with the associated environmental impact of transporting gas thousands of miles," he said. "Surely it is better for our economy and our environment that instead of relying on others, we produce the gas from underneath our feet..." Another Russian LNG cargo was delivered in the Netherlands at the Gate terminal, and is expected to arrive in Spain today after being reportedly reloaded onto the Clean Ocean LNG tanker.

Russia's Gazprom sets annual Europe, Turkey gas export record of 193.9 Bcm

Platss, 03.01.2018



The Russia's Gazprom supplied a total of 193.9 Bcm of gas to Europe and Turkey in 2017, its CEO Alexei Miller said Wednesday, easily breaking the record set in the previous year.

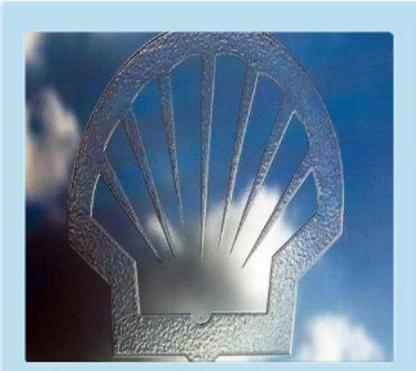
Miller, cited by Russian news agency Tass, said deliveries to the "Far Abroad," which includes Europe and Turkey but not the countries of the former Soviet Union, were 8.1% higher than 2016's 179.3 Bcm. "The trend of record yearly records demonstrates the growing demand of European countries for Russian gas on the one hand and the reliability of our supplies in the required volumes on the other," Miller said.

Russian supplies to Germany and northwest Europe are likely to remain at elevated levels through the winter as the oil-indexed contract price range remains well below the TTF month-ahead price until April. Supplies to Germany hit a record of 53.4 Bcm last year, Miller said, a 7.1% year-on-year increase. Gazprom's supplies to Austria, the Netherlands and Denmark also hit new record highs in 2017, he said. Austria bought 8.5 Bcm last year, a 40% year on year increase, while the Netherlands was supplied with 4.6 Bcm, up 9.7% year on year.

Gazprom delivered 1.75 Bcm of gas to Denmark, up 1.9% year on year. The previous records to Austria, the Netherlands and Denmark were set in 2005, 2007 and 2016, respectively. Russian gas supplies also rose to France by 6.8% to 12.3 Bcm, to the Czech Republic by 28% to 5.8 Bcm and to Slovakia by 24.5% to 4.6 Bcm. Demand for Russian gas was strong across Europe in early 2017 due to cold weather and remained robust through the summer and autumn given the need to refill storage stocks -- especially in Germany and the Netherlands -- which fell to historically low levels last winter.

Shell to retain ownership of Danish refinery ops.

Anadolu Agency, 02.01.2018



The sale of Shell's refinery operations in Denmark has been cancelled, according to the statement released.

“Shell announces today [Tuesday] that the agreement it signed with Dansk Olieselskab AS (DO) in September 2016 regarding the sale of A/S Dansk Shell, which consists of the Fredericia refinery and local trading and supply activities, has terminated and the sale will not complete,” the statement read. A/S Dansk Shell, including the refinery and local trading and supply activities, will remain under Shell's ownership and continue business as usual, the company noted.

It is without adding any further details as to the reason the sale did not go ahead. Shell Group's \$30 billion divestment program “remains on track” for completion in 2018, with deals worth \$23 billion completed, \$2 billion announced and \$5 billion in advanced progress, the company concluded.

Statoil Comes Up Dry in Central North Sea Well

Rigzone, 04.01.2018



The Norwegian Petroleum Directorate confirmed Thursday that Statoil Petroleum AS has come up dry in well 15/6-14 S, located in the central part of the North Sea. The objective of the well was to prove petroleum in Middle Jurassic reservoir rocks (the Hugin formation) and conduct extensive data acquisition in the event of a discovery.

The well encountered approximately 15 meters of sandstone in the Hugin formation, with moderate to poor reservoir quality. Drilled with the Maersk Integrator drilling facility to a measured depth of 4,620 meters below the sea surface, the well was terminated in the Sleipner formation.

In the Middle Jurassic and has now been permanently plugged and abandoned. This is the first exploration well in production license 029 C. Statoil is the operator of the license.

Maersk Drilling inks 4 year contract with Tullow Ghana

Anadolu Agency, 03.01.2018



Tullow Ghana awarded Denmark's Maersk Drilling a four-year contract for the deep-water drillship Maersk Venturer.

Maersk said that the contract is expected to commence in February 2018 and covers development drilling on the Jubilee and TEN fields offshore Ghana. Maersk Venturer is currently in transit for the job offshore Ghana and further strengthens Maersk Drilling's presence in the region. "It is our first contract with Tullow Ghana and it is a testament to our successful operational track record in Ghana. We are firmly committed to supporting Tullow Ghana's business through safe and efficient drilling operations,"

According to the U.S. Energy Information Administration, Ghana is a small oil and natural gas producer in West Africa. Oil and natural gas production are both expected to increase within the next five years with the start of new offshore projects. Ghana's energy sector has expanded considerably after the discovery of the Jubilee oil field in 2007, which now produces light sweet crude oil. The field came online in 2010, and production in Ghana has since increased from almost 9,000 barrels per day (b/d) in 2010 to almost 107,000 b/d in 2015.

Tullow Oil, the operator of the Jubilee field, is also developing the offshore Tweneboa, Enyenra, and Ntomme (TEN) project. The TEN field came online in August 2016 and is expected to reach a peak output of 80,000 b/d of crude oil and 50 million cubic feet per day of natural gas.

Shale resources hold answer to China's LNG supply

China.org, 01.01.2018



China has shown its determination to tackle pollution by shifting from coal to natural gas. But the government is not solely responsible for the gas supply shortage this winter. Oil and gas companies didn't expect or plan for the rapid growth of natural gas demand.

The shortage is temporary. But in the long run, China has to exploit its own resources to build a new energy structure. The manufacturing industry in China rebounded in 2017, which drove up energy demand - not just for natural gas but also for coal and electric power. Natural gas demand expanded 15 percent in the first half of 2017.

A majority of the increase was for the industrial use. Even without the coal to gas conversion project, a rise of more than 10 percent in gas demand was certain. The recent rise of the liquefied natural gas (LNG) price is unsustainable, and it is likely to fall sharply. LNG will be in excess globally until 2020, according to International Energy Agency. China alone cannot push up the LNG price while prices in other countries remain stable. China has brought in more LNG through imports and pipelines. Once the new supplies fill the shortfall, the price will fall back to its original level.

There is sufficient gas supply in the short run. In the long run, China cannot bear high dependency on the international market. China can only produce half of its gas demand, so the majority of consumption and increased supply will have to rely on other countries. Global price changes will greatly affect China. Moreover, in terms of energy security, because most of China's LNG imports are through bilateral pipelines, other countries always have a means of cutting gas supply to China. If the Chinese government is determined to have a 15 percent to 20 percent LNG increase, it must develop its own resources, shale gas in particular. China is No.1 in shale gas reserves.

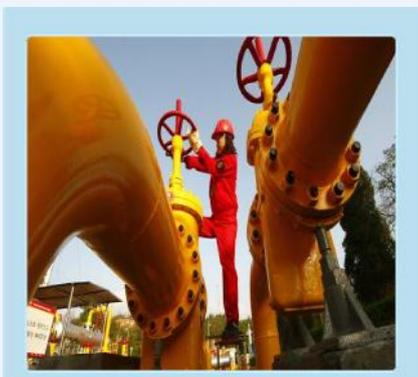
The US has set an example when it comes to shale oil utilization. The success in the US can be seen as a two-stage process. When the international crude oil price was more than \$100 per barrel, capital flowed into the shale oil business. With the cost at about \$50 per barrel, the profits were huge. Later, the price of crude oil fell sharply, so the money stopped coming in, which forced companies to lower costs. In developing shale resources, stage one is attracting more capital in search of profits. Stage two is cutting costs to avoid losses. Shale oil helped keep the global oil price at \$50 to 60 per barrel, which led to low energy prices in the US.

When China began to consider developing shale gas, the crude oil price had already dropped, and the window to attract capital into shale gas exploration had closed. There are only a few companies producing shale gas in China because the cost outweighs the market price. The current shale gas reserve in China can meet domestic energy needs. The key question is how to draw capital into the sector. Given the current cost and profit ratio, no company is willing to get in. This will also lead to a downward spiral. Having fewer participants means costs are less likely to fall. The low oil price in the US is due to competition among many companies. China needs more people and companies to join the shale gas industry to boost technology advancement, hence cutting costs. Therefore, more incentives should be given to companies.

In the early stages of shale gas development, the government should provide policy support and subsidies for this industry. Shale oil and gas are vital for Chinese energy security, even more than wind and solar power. Policy support and subsidies will bring more companies into the game. China may be able to copy the US success if the government has the courage to create an environment for the prosperous development of shale resources.

China to become world's No 2 LNG importer in 2017, behind Japan

Business Times, 03.01.2018



Beijing's crackdown on pollution has put China on track to overtake Japan this year as the world's biggest importer of natural gas, used to replace dirtier coal.

China - already the biggest importer of oil and coal - is the world's third biggest user of natural gas behind the United States and Russia, but has to import around 40 per cent of its total needs as domestic production can't keep up with demand. Data compiled from the Thomson Reuters Eikon terminal indicates China's 2017 imports of pipeline gas and LNG will top 67 million tonnes.

LNG imports alone surged more than 50 per cent. The data, which includes LNG tanker arrivals to China and pipeline monthly import flow estimates, is preliminary as December figures are not yet available.

China still lags Japan, with gas annual imports of around 83.5 million tonnes, all as LNG, but its overall gas imports topped Japan's in September and again in November, government data and shipping flows show. Analysts say the trend is set and China should top Japan for the full year in 2018. "Both LNG and pipeline imports will continue to increase in the next few years. We expect China to overtake Japan as the world's largest gas importer in 2018," said Miaoru Huang, Asia gas and LNG senior manager at energy consultancy Wood Mackenzie.

“But Japan will remain as the No 1 LNG importer till around 2028,” she added. China last year started to move millions of households and many industrial facilities from coal to gas as part of efforts to clean its skies, sparking an unprecedented rally in overseas import orders. China’s three biggest LNG suppliers are Australia, Qatar and Malaysia, while pipeline imports come from Central Asia and Myanmar. A pipeline connecting China to Russia is under construction Unlike established LNG importers which import the bulk of their cargoes under long-term contracts with fixed monthly volumes and a link to the oil market, many Chinese utilities buy LNG in the spot market when they need it at short notice, such as the current peak demand winter season. As a result, Asian spot LNG prices LNG-AS have more than doubled since June to US\$11.20 per million British thermal units (mmBtu), their highest since November 2014, making LNG one of 2017’s strongest performing commodities. China’s surging demand already pushed it past South Korea in 2017 as the world’s number 2 LNG importer.

Oil-Rich Venezuela Is Out Of Gasoline

Oil & Price, 30.12.2017



After lining up for an entire day to get a plane ticket to visit her relatives in the western city of Mérida, Josefina García did not know if she and her octogenarian mother were going to reach their final destination on time for Christmas.

The airport is located 76 kilometers away from the city and when they tried to book a cab in advance to take them to the place where they were going to stay, the taxi company said they could not make bookings because there is a shortage of gas and management did not know if they were going to have enough fuel on the day of Josefina’s arrival.

Once they landed, the 61-year-old and her mother found a cab that had enough gas to take them to a certain part of the city where a cousin would pick them up. In the meantime, another cousin was lining up for gas. He was able to fill his sedan’s tank after waiting for more than six hours. According to the Organization of the Petroleum Exporting Countries, the highest proven oil reserves in the world, including non-conventional oil deposits, are in Venezuela.

“Gentlemen: There is no more gasoline in Venezuela. In Venezuela, we are out of gas. In Venezuela, there is no gas oil. In Venezuela, there are no lube oils,” said Iván Freites in a televised press conference. Freites is the secretary of the professional and technician division of the United Federation of Venezuelan Petroleum Workers. In his address, Freites said that poor management led to the stoppage of 80 per cent of the country’s refineries. “Only Amuay and Cardón refineries are operative and that is nothing. They produce 40,000 barrels per day and the national demand is over 200,000 barrels of gas per day,” he said.

Venezuela's oil production has fallen to levels not seeing since the late-1980s. According to the latest OPEC report, which is based on information provided by the Nicolás Maduro government, the country is producing about 2.3 million barrels of oil per day. In October, it experienced the steepest fall in production of 2017, as only 1.9 million barrels were extracted, 130,000 barrels less than the previous month. The oil industry, however, is still the major source of income as it generates about 96 per cent of the foreign exchange. "Can you imagine how much it would be to bring our refineries back to operation? To recover production in the Eastern Coast of the Lake (of Maracaibo)?" Iván Freites asked during the media brief. He blamed corrupt government officials for the fuel crisis and dismissed the theory that it is all due to the sanctions that Donald Trump imposed on some key figures in the Venezuelan cabinet. He also expressed concern about the fact that Maduro's administration pulled out of a partnership with Cuba in its Cienfuegos oil refinery, taking into account that all of Venezuela's oil products have been unloaded on the island for the past 15 years before making their way to other markets.

Transparency call over \$16.8B in Nigerian oil revenues

Anadolu Agency, 29.12.2017



Group says state-owned corporation has not accounted for dividends collected from 2000-2015. Nigeria's state-owned oil corporation did not send \$16.8 billion in dividends collected in 2000-2015 to the government, a report said Friday.

Calling for sweeping reforms in the oil sector, the Nigeria Extractive Industries Transparency Initiative said the Nigerian National Petroleum Corporation (NNPC) received \$1.07 billion in dividends, interest and loan repayments from Nigeria Liquefied Natural Gas Limited in 2015 alone.

"While the NNPC has always confirmed receipt of the payments, it has never shown evidence of remittance to either the federal government or to the federation account," the report said. It called on the NNPC to provide documentary evidence of claimed authorization to hold the money in trust and provide a full account of the status of the \$16.8 billion collected from the gas company over 16 years. Waziri Adio, head of the initiative, said: "Beyond providing a snapshot of what transpired in 2015, this report reveals money to be recovered, leakages to be blocked and urgent reforms to be undertaken.

"The most critical takeaway is the need to expedite, expand and sustain reforms in this still critical sector of national life." The report also showed that Nigeria suffered a 54.6 percent fall in oil revenues in 2015 but only a 2.7 percent fall in production.

LNG deal with QatarGas saves Pakistan \$76 million

The News, 03.01.2018



Buying of liquefied natural gas (LNG) from state-owned QatarGas under the long-term agreement saved Pakistan \$76 million in the last three months when compared with the current spot market rates, documents revealed on Tuesday.

Official documents, available with The News, showed that Pakistan saved almost Rs8 billion (\$76 million) in December, January and February of the fiscal year of 2017/18 because of buying LNG under a 15-year agreement with Qatari government as compared with recent spot purchases. Pakistan's government-to-government LNG buying deal with Qatar has long been subject to criticism.

Industry officials termed the deal expensive as compared to spot market prices of LNG. The data analysis of Pakistan LNG Limited's (PLL) recently floated tenders seeking delivery during December 2017 and January and February 2018 under spot market rates, however, presented entirely different picture. PLL's tenders fetched bid prices ranging from 13.98 to 16.89 percent of Brent, which is much higher than the prices agreed under the long-term sale-purchase agreement with QatarGas. In December, an average saving per LNG cargo import stood at around \$2.30 million. For six cargoes imported every month, under state-run Pakistan State Oil's deal with QatarGas, total savings for December came around \$13.8 million.

In January, average saving per cargo was \$5.7 million and for six cargoes aggregate savings amounted to \$34 million. Likewise, average saving per LNG cargo stood at around \$4.7 million for February, while total savings for six cargoes were \$28 million. An official of the ministry of petroleum and natural resources said the global LNG market is "all about preferences and choices of LNG producers and traders." "LNG cargoes supplied on spot basis should not be compared with the cargoes bought under long term agreements," the official added. "This is because of difference in market dynamics and factors that affect the prices like demand and supply situation, global weather condition, plants maintenance, geopolitical situation, freight elements and port charges."

The official added that traders usually prefer spot supplies. Energy experts argued that Pakistan should not have entered into the agreement with Qatari government and instead should import LNG from spot market. Ministry's officials, however, said had the agreement with Qatar been not in place LNG imports could have been subject to price fluctuations, causing a substantial dent to precious foreign reserves. Generally, the officials said countries initiate LNG imports with long term contracts and then build on the experience to buy on spot and for short term. Officials said Pakistan saw significant price fluctuations on buying LNG on monthly basis. Sometimes, bidders did not bid, rendering terminal charges and causing uncertainty in supplies to power producers that use LNG to produce electricity for domestic consumption.

“Therefore, effort was diverted to five-year contracts and now the number of bidders significantly increased and the benefits surfaced in the two contracts awarded for the second LNG terminal,” an official said. Pakistan’s second LNG terminal commenced operation in November last year to import 4.5 million tonnes per year of LNG. In 2015, the country saw its first terminal. The country’s LNG re-gasification capacity has increased to 1.2 billion cubic feet/day. The country is expected to be a market of 30 million tonnes per year of LNG in the next five years.

New horizons of Baku-Almaty gas cooperation

Vestnik Kavkaza, 25.12.2017



Kazakhstan’s idea to supply LNG to Europe through the territory of Azerbaijan can be realized by using the capabilities of the Baku-Tbilisi-Kars railway or already existing and constructed facilities within the Southern Gas Corridor project, the experts told the correspondents of Vestnik Kavkaza.

At the same time, they warned that a large-scale implementation of this idea requires a special infrastructure necessary for working with LNG in both countries Kazakhstan’s desire to deliver gas to Europe via Azerbaijan.

Chief editor of the Trend information agency, Seymour Aliyev, explained 3 reasons to delivered. “The Azerbaijani route of transportation from Kazakhstan was chosen due, first, to the fact that Astana has been using this reliable route for many years, and second, the use of this route will allow loading one of Kazakhstan’s major infrastructure projects abroad - the Batumi port along Georgia’s Black Sea coast, Third, this is an additional delivery direction, resulting from the policy of diversification of routes,” he noted.

Seymour Aliyev drew attention to the fact that the experience of LNG supplies to Azerbaijan already exists, but the opportunities for implementing the new project will depend on its scale. “The investments in this project will depend on the volume of transportation. It should be recalled that gas was transported through Azerbaijan in tanks using ferries. With a significant increase in volumes and increased economic efficiency it is possible to consider the issue of creating the appropriate infrastructure - LNG terminals, special vessels for transportation through the Caspian Sea,” the chief editor of the Trend information agency stressed. In his estimation, Azerbaijan will support such a proposal of Kazakhstan. “Azerbaijan is interested in increasing the volume of cargo transportation via its territory, including the East-West corridor. And the Baku-Tbilisi-Kars railway, which allows to export all types of cargo by railway directly to Europe or Mediterranean coast of Turkey, is part of this route,” Seymour Aliyev said.



Political scientist Rovshan Ibragimov, in turn, drew attention to the long-term nature of Kazakhstan's plans to organize LNG supplies through Azerbaijan. "The fact is that LNG requires expensive LNG terminals not only in Kazakhstan, but also in Azerbaijan, but both countries don't have such infrastructure. In general, gas will be liquefied in Kazakhstan, converted back to gas in Azerbaijan and will be exported to European markets through pipelines of the Southern Gas Corridor. It should be noted that now this pipeline, intended primarily for the export of natural gas from Shah Deniz, is not able to transport additional volumes of gas," he said.

The expert also explained Kazakhstan's desire to open a new way of supplying hydrocarbons through Azerbaijan by the need for export diversification. "There is obvious political and economic need for diversification of supplies. It should be emphasized that diversification and the formation of alternative export routes to foreign markets is the number one task for landlocked states. Kazakhstan offered Azerbaijan a program that will be discussed by the countries in the future," Rovshan Ibragimov said.

The head of the Central Asia Department of the CIS Institute, Andrei Grozin, estimated LNG supplies through Azerbaijan as new opportunities for Kazakh exporters. "Most likely, LNG will be delivered to Azerbaijan by a tanker fleet, which means new logistics and new technological solutions for Kazakhstan's port facilities in the Caspian. According to geological data, Kashagan is more of a gas project than an oil one, which means that in the next decade Kazakhstan will have significant amounts of gas in the Caspian Sea that cannot be pumped into the reservoir to maintain pressure or simply burn," he pointed out. "Due to huge amounts of gas, the question will arise of where should they put it. Although the capacity of the Caspian Pipeline Consortium will increase in the future, it will not be able to absorb all Kashagan gas, and the Kazakh Energy Ministry also does not exclude the possibility of a general increase in the country's gas production. The new gas could be supplied by a pipeline to China, but its capacity is also limited, and most importantly, China does not see a need for a sharp increase in gas consumption. So, Kazakhstan still has to look for new gas delivery routes. LNG with delivery to Europe via Azerbaijan could be one of such routes. That is, in my opinion, Kazakhstan is investing in tomorrow," Andrei Grozin stressed.

To counter U.S., Russia allows Gazprom to sell LNG ‘at any price’

Forbes, 03.01.2018



From a pure commercial perspective, the real ‘war’ being waged between Washington and the Kremlin is not over Ukraine. It’s over Europe. Russia and the U.S. are the new titans of oil and gas.

Russia wants to make sure that its investments in the far east do not eventually get undercut by the Americans selling to the Middle East and Asia. U.S. natural gas exporters are already encroaching on long-held Russian markets in Europe, particularly in countries whose governments tend to be anti-Russia. So to retaliate from a recent five year deal signed between Poland and U.S. LNG exporters.

The Russian government said that its state-controlled gas giant, Gazprom, can undercut the Americans in Europe by selling LNG “at any price”. The executive order, approved on Wednesday by Vladimir Putin’s administration, allows Gazprom to sell natural gas to companies engaged in the production and export of LNG starting January 1 at an “unregulated price,” the Kommersant business daily reported on Thursday.

The decree will primarily effect Gazprom’s Baltic LNG project and their Sakhalin-2 project. Gazprom is in a joint venture with Shell on the Baltic LNG facility in Leningrad. The move can be seen as a means to compete with new LNG plants in Lithuania and Poland, both of which have been receiving shipments from the Gulf of Mexico. Gazprom was restricted to sell gas at a regulated rate to local producers of LNG, and now it can sell it for less. In the original version of the decree, Gazprom lobbied to switch to unregulated prices with export-oriented gas chemical companies too, but was not granted this wish. The U.S. has become a serious competitor to Russia in Europe. Animosity towards the Russian company are seen by Washington energy policy makers as an opportunity to convince energy ministers there to diversify away from Russian gas and import U.S. LNG.

LNG is a costly process and the infrastructure is not quite there yet, with Poland and Lithuania having two of the newest facilities to import natural gas from abroad. Gazprom gas is primarily delivered via pipelines, at a much lower rate. There is only one LNG terminal in the U.S., which is owned by Cheniere Energy and has been exporting LNG at its Sabine Pass facility since last year. Sabine Pass has a capacity of about 2 billion cubic feet per day. Total capacity is expected to be 3.5 billion cubic feet per day once rail infrastructure is fully built.

There are five additional LNG projects under construction with a total capacity of about 7.5 billion cubic feet per day that will come online in 2018 and 2019, making total U.S. LNG export capacity about 10 or 11 billion cubic feet per day by 2020, according to the Institute for Energy Research in Washington. Four more projects with a capacity of almost 7 billion cubic feet per day are approved but not yet under construction. If completed, the U.S. will be a top three LNG exporter along with Australia and Qatar. Not to be outdone, Russia's Baltic LNG terminal has the capacity to produce 10 million metric tons of LNG. Global consumption of LNG this year is seen at around 280 million metric tons.

US crude, natural gas output at multi-year records in October

Reuters, 29.12.2017



U.S. crude oil production in October rose to the highest in more than 46 years, while natural gas production leaped to a new record, U.S. Energy Information Administration data showed on Friday.

The production increases in October compared to a year ago come on the heels of higher energy prices, with U.S. crude futures recently touching \$60 a barrel for the first time since mid 2015. Natural gas futures hit near four-week highs on Friday and were poised for their best weekly gain since July last year on higher demand expectations.

Production was expected to continue rising through 2017 and into 2018, analysts and traders said, driven by rising exports and growing oil demand. October crude production rose 167,000 barrels per day to 9.64 million bpd, according to the EIA's monthly production report. If the figure is not revised next month, it would be the highest monthly level since May 1971. September's oil production figures were revised down by 11,000 bpd to 9.47 million bpd, the EIA added. In North Dakota, oil output rose by 83,000 bpd in October, while it jumped 206,000 bpd in Texas. Offshore in the U.S. Gulf of Mexico, production declined by 200,000 bpd.

Meanwhile, total U.S. natural gas production rose to a new record in October, hitting 93.10 billion cubic feet per day (bcfd), up from 91.85 bcfd, according to the EIA, which tracks data back to 2006. It was driven by a 2.4 percent monthly increase from Texas, the nation's largest natural gas producer, to 22.39 bcfd, and Alaska, where production rose by 7.3 percent from a month earlier. The overall figure surpasses the previous record set in April 2015, when the nation produced 91.96 bcfd.



For the lower 48 states, the 83.97 bcf produced also stands as a record, surpassing the previous record set a month earlier. Crude exports rose to 1.73 million bpd in October compared with 1.47 million bpd in September. Total refined oil product exports rose to 3.6 million bpd in October, with gasoline exports rising to 732,000 bpd and distillate fuel exports rising to 1.5 million bpd. Oil demand for the month rose compared with a year ago, edging up 0.8 percent or 156,000 bpd to 19.8 million bpd. Of that, gasoline demand rose 2.8 percent or 254,000 bpd to 9.3 million bpd compared with last year. Distillate demand slipped 0.5 percent or 20,000 bpd to nearly 4 million bpd.

Hard work in 2018 for oil and gas business, balancing costs with price

Houston Chronicle, 01.01.2018



Oil inventories are dropping, federal regulations are dissipating, and OPEC members are committed to limiting production.

The year ahead holds immense promise for oil companies. Oil field services are getting expensive, labor is in short supply, and higher prices could limit demand growth. Exploration and production companies will struggle to compete in 2018. The energy business is finally getting back to normal. After three and a half years, the oil glut produced by horizontal drilling and hydraulic fracturing in the United States is shrinking.

Inventory at the Cushing, Okla., trading hub fell to 51.4 million barrels, the lowest level since March 2015, according to the U.S. Energy Information Administration. Shrinking inventories have triggered higher prices. In June 2017, the price for West Texas Intermediate crude was \$42.53 a barrel, but this year begins at about \$60.

Most analysts predict WTI will average \$55 a barrel in 2018, a price high enough for the best wells to make money, but low enough to keep producers from drilling second-tier wells. Prices are nowhere near June 2014's \$107, but are far better than the \$26 barrel of February 2016. President Donald Trump's administration, meanwhile, is promoting U.S. "energy dominance" by slashing regulations.

The Bureau of Land Management on Thursday repealed its rules for hydraulic fractured wells on federal land, leaving only state regulations in place. The federal Bureau of Safety and Environmental Enforcement, responsible for offshore wells, is rolling back safety regulations put in place following the 2010 Deepwater Horizon accident in the Gulf of Mexico. "It's time for a paradigm shift in the way we regulate," said Scott Angelle, the director of the Bureau of Safety and Environmental Enforcement. While these changes should boost U.S. oil profit margins, the Organization of the Petroleum Exporting Countries holds the real key to keeping prices high. And its 14 members along with Russia appear committed to keeping 1.8 million barrels a day off the market in 2018.



Saudi Arabia needs high prices to generate value for the shares it is selling in Aramco, the country's national oil company. Other cartel members need high prices to cover government budgets. That leaves American shale drillers to meet new global demand. The U.S. added 1 million barrels a day of new production in 2017 and exported 954 million barrels a day of it, according to the EIA. In early 2018, oil producers are expected to break the American record of 10.4 million barrels a day pumped in November 2017. Higher production comes from more drilling and longer wells, though, which means higher costs. "It will be interesting to see how cost inflation plays out against productivity gains in 2018," said Jessica Brewer, principal upstream analyst at research and consulting firm Wood Mackenzie. Drillers have already captured most of the easy savings, and per-barrel production costs are likely to rise.

Oil field services firms heavily discounted their work following the 2014 bust, and now that prices are rising, so will the cost of their services as they expect their cut. More drilling also requires more workers, but companies are finding it hard to lure people back to the oil industry after three years of layoffs and pay cuts. Midland and Odessa, at the center of the Permian Basin, have unemployment rates of 2.6 percent and 3.4 percent respectively, and they need more workers.

"This has been an unusual year from the standpoint that it's been steady in terms of growth," Willie Taylor, CEO of Workforce Solutions Permian Basin, told my colleague at the Midland Reporter-Telegram. "We're placing 300, 400 a month out of our offices." The other dangers of higher prices, of course, include producers getting over-excited and creating another glut, or running up prices so high they hurt demand. This time around, investors who were burned by past boom-and-bust cycles, are pressuring executives to prioritize profits over barrels. "The shale hype seems to be over, with CEOs and management teams being held strongly accountable to deliver positive cash flow over production growth," said Chris Midgley, global head of analytics at S&P Global Platts. "Planned capital investments across oil over the next couple of years of around \$300 billion show that the industry is not underinvesting and is on target."

If all market players stay on target, 2018 could be a stable and profitable year for the oil industry. But when has that ever happened? U.S. producers are like race horses, their instinct is to compete by pumping more oil. If they can squeeze more crude out of each well for the same cost, that could create another glut. Russian oil companies have also made their displeasure with the current production quotas clear. While President Vladimir Putin has committed them to at least another six months of restraint, they will eventually balk at letting U.S. exporters gain global market share at their expense and flood the market with cheaper oil. The fundamental problem of excess oil production capacity remains, and that will cap how high prices can go and limit profits. The oil business may be looking up in 2018, but that doesn't mean it will be easy.

Global exploration sector may soon return to profit

Reuters, 04.01.2018



There are early signs that the global exploration sector may soon return to profit, according to Andrew Latham, Wood Mackenzie's vice president of global exploration research.

“Based on the volumes that we can already measure, resource discovery costs are close to \$2 per barrel of oil equivalent [in 2017],” Latham said in an organization statement. “If these volumes have average development values of around \$2 per barrel of oil equivalent, then the year's discoveries will indeed be worth more than they cost to find,” he added.

Despite the potential increase in profitability, there will not be a surge in global exploration activity in 2018, Woodmac revealed. “We expect most companies will maintain a highly cautious approach to exploration for a while yet,” Latham said. “Industry investment and well counts will remain stubbornly low in 2018”. Woodmac expects fewer explorers to focus on fewer plays in 2018 and anticipates conventional exploration and appraisal investment to be seven percent below the 2017 spend of \$40 billion. The most-favored plays will be deepwater spots promising high resource density, rapid commercialization and breakeven prices below \$50 per barrel, Woodmac stated. The organization highlighted that most of the best of these are located around the Atlantic margins.

Cold weather shocks natural gas prices

Oil & Price, 03.01.2018



Natural gas markets are receiving a jolt from the wave of icy weather that has swept over the Eastern half of the United States. Extreme cold is actually cutting production, while demand is surging because everyone is turning up the thermostat to stay warm. There are reports that in North Dakota's Bakken, for instance, cold weather is cutting into production.

Reuters reports that gas output in the Bakken is down more than 20 percent since last month. Citing Genscape data, Gas flowing through interstate pipelines from North Dakota dropped from 1.3 billion cubic feet per day.



Some of that decline could be consumed within North Dakota, but the drop-off is probably too significant not to be related to production problems. “That drop is due to the freeze off we’re seeing,” said Andrew Bradford of BTU Analytics, according to Reuters. Texas (-20 percent) Oklahoma (-22 percent) and Pennsylvania (-5 percent) are also reporting weather-related production problems, Genscape data says. Gas output can be affected by water and water vapor freezing. With temperatures in North Dakota recently dipping to -45F (-43C), it is no surprise there have been issues.

In Canada, cold weather is also curtailing output. The Financial Post reports that some natural gas wells in Alberta were “frozen shut,” a situation called a “freeze-off” in industry jargon. Benchmark natural gas prices in Alberta surged 72 percent from \$2.50 per thousand cubic feet to \$4.30/mcf because of the cold temperatures. On the demand side of the ledger, the U.S. is now burning through much more gas because of the cold snap. There is a structural issue and a seasonal one. The U.S. has built a long line of new gas-fired power plants in recent years to burn cheap natural gas, which has catapulted natural gas into the top spot for electricity generation. So while gas consumption fluctuates seasonally, the spring and autumn lows are getting higher and the winter spikes are also getting higher. This is a structural increase that will continue to grow over time.

However, the recent jump in consumption is also the result of the extreme cold that has swept over the country. Bloomberg noted that on New Year’s Day, the U.S. burned the most natural gas ever recorded. The U.S. consumed 143 bcf of natural gas on January 1, breaking the previous record of 142 bcf during the polar vortex in 2014. With supply disruptions and record consumption occurring simultaneously, why are natural gas prices not spiking? Well, in some places they are. As mentioned above, Alberta saw a significant price increase because of the weather. In New England, where there are pipeline constraints, prices are soaring. The FT reports, citing data from S&P Global Platts, that natural gas prices just outside of Boston jumped to nearly \$25/MMBtu in December. Nationally, the extreme cold could take a bite out of what has been ample storage. “We could consume upwards of a quarter of the stored natural gas just this month,” John Kilduff of Again Capital told CNBC.

A year ago, natural gas inventories in the U.S. were well above the five-year average. But things have tightened significantly in recent months, and the current cold snap could drain stocks even further. “Things could start to get tight for sure. Even if we have a normally cold winter, things get tight,” Kilduff said. “These are big demand numbers we’re seeing. Monday was a record. I think Saturday could eclipse Monday’s record.” But, judging by Nymex prices, natural gas markets remain sanguine about the challenges ahead, despite regional problems. Front-month prices are still hovering at about \$3/MMBtu, roughly where they have been for the better part of a year. In fact, the bout of cold weather may only have a limited impact on the gas markets. The supply outages will be temporary, and so will the demand spike. As temperatures rise, things will go back to normal. Moreover, most analysts see the natural gas industry continuing to ramp up production. Natural gas prices “have exhibited a relatively tepid response” Teri Viswanath, an analyst at S&P Global Platts, told the FT. “Why? Rapid production growth that has unfolded in the second half of 2017 has limited concerns of a supply shortage this winter.”

Brent oil prices above \$66 at week ending Dec. 29

Anadolu Agency, 30.12.2017



International benchmark Brent crude decreased to \$66.50 while American benchmark West Texas Intermediate (WTI) saw prices at \$60.17 at 11.40 GMT on Friday.

Brent crude oil price soared a little over \$67 on Tuesday for the first time since May 2015, pushed upwards by the supply disruption following an attack on the Libya's Es-Sider oil pipeline. According to the Libyan National Oil Company's statement, the explosion blocked the transport of between 70 thousand and 100 thousand barrels per day. After the attack, Brent crude oil prices started trading at \$66.25 Wednesday.

Currently it is around \$66.50 per barrel on Friday at 11.40 GMT. Despite the tight supply in Libya, Forties pipeline, one of the major oil pipelines in the North Sea, started pumping oil in lower quantities. In the meantime, Energy Information Administration (EIA) said on Thursday that crude oil production decreased 35 thousand barrels and reached to 9.75 million barrels per day.



Announcements & Reports

Reflection on the Baumgarten Gas Explosion: Markets are Working

Source : OIES
Weblink : <https://www.oxfordenergy.org/publications/reflection-baumgarten-gas-explosion/>

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

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.egyptps.com/>

North Africa Petroleum Exhibition & Conference

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



The 10th International Petroleum & Natural Gas Summit

Date : 27 - 28 March 2018
Place : Beijing, China
Website : <http://oil.zhenweievents.com/en/>

The 8th International Offshore Engineering Technology & Equipment Exhibiton

Date : 27 - 29 March 2018
Place : Beijing, China
Website : <http://www.chinamaritime.com.cn/en/>

Kuwait Oil & Gas Summit

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

China LNG & Gas International Summit & Exhibition

Date : 24 - 25 April 2018
Place : Beijing - China
Website : www.chinalngsummit.com/

International Conference on Petroleum & Petrochemical Economics

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

27th World Gas Conference

Date : 25 - 29 June 2018
Place : Washington DC
Website : <https://wgc2018.com/?src=Upstream>

Offshore Oil & Gas and Chemical Industry Technology and Equipment Exhibition

Date : 23 - 25 August 2018
Place : Shanghai
Website : http://sh.cippe.com.cn/en/For_Visitors/Venue_Time/