Turkey unveils 9 percent hike on natural gas, electricity prices

Hurriyet Daily News, *30.09.2014*

The Turkish government has announced a massive hike of 9 percent on natural gas and electricity bills, citing pressure from the increase in dollar currency exchange-rate levels and the low levels of rainfall across the country.

Electricity and natural gas prices in the country will be increased by 9 percent as of October, Energy Minister Taner Yildiz said on Sept. 30, ending months of speculation over the possibility of hikes. "Turkey hasn't made any increases in energy prices for 24 months, but the lack of rainfall and instability in the water system this year have reached a point where these (prices) can no longer be balanced," Yildiz said.

Energy costs have soared as the lira-dollar exchange rate touched 2.28 - 2.29 levels, the minister said, underlining the damage to the energy sector arising from increases in the value of the U.S. currency. Yildiz added that the Turkish government has been trying to compensate for the rising value of energy imports with its local resources, but these efforts have been thwarted by water scarcity. The 9-percent hike will be effective for the months of October, November and December. The hikes are expected to add 0.6 - 0.7 percentage points to inflation, analysts said. Inflation reached 9.54 percent in August, double the Central Bank's 5 percent year-end target.

The Bank, whose own forecast for 2014 inflation is 7.6 percent, said this month that the year-end inflation forecasts in its monthly survey had risen to 8.89 percent from 8.70 percent previously. Last week, the Central Bank left its key interest rates unchanged despite slowing economic growth, as it battles stubbornly high inflation and pressure on the lira in the face of an expected tightening in U.S. monetary policy. The Bank has been under tight pressure from higher-than-expected inflation levels, which have pushed up to above the seasonal average due to drought that curbed crop supply.

Turkey has suffered from the driest season of 14 years over the past few months, facing a steep drop in crop supplies as well as electricity generation at dams, as the energy minister also highlighted. "We had not foreseen a change in the natural gas and electricity prices when making our 8.4 percent forecasts for year-end inflation. After today's announcement, we are revising our forecast to 9.1 percent," said Ali Cakiroglu, strategist at HSBC in Istanbul. Much of Turkey's electricity is generated using natural gas, meaning the price rise is likely to have a significant impact on household energy bills. The last hike to electricity and natural gas prices was made exactly two years ago.

Turkey expects new landmark gas-fired plant sale in 2015

ICIS, *08.10.2014*

Turkey's Privatization Administration (OIB) is expecting to start selling state-owned natural gas–fired generation from 2015 as it is wrapping up the successful tender of nearly 3GW of thermal production, a source at the administration told ICIS on Wednesday.

The first in the line may be the 1350MW Ambarli Combined Cycle Gas Turbine (CCGT) plant in the north-western Marmara region and currently in the portfolio of the incumbent EUAS. The landmark tender would follow the off-loading of the low-efficiency 1.2GW Hamitabat CCGT also owned by EUAS in 2013.

OIB is yet to announce a tender date for the plant, but said that it was first working to complete the privatisation of three thermal plants before the end of 2014. The 990MW Soma B in the southern Manisa region, the 210MW Orhaneli and the 365MW Tuncbilek plants in the western Bursa and Kutahya provinces are now lined up for sale over the upcoming weeks. Prequalification and bidding deadline for Soma B is set for 1 December while prequalification and bidding deadlines for Orhaneli and Tuncbilek have been set for 24 November. The amount of the bid bond for the latter two thermal plants was set at $20m (€15.8m) and for Soma B at $30m.

The OIB concluded in April the sale of the 630MW Kemerkoy and the 420MW Yenikoy coal-fired plants in the southwest Mugla region for $2.671bn (€1.93bn) to construction group IC Ictas while the 300MW Catalgazi plant was off-loaded to mining company Demir Madencilik. The privatisation of these plants is part of an ambitious project to offload 45 power plants from the EUAS portfolio of which 27 are hydroelectricity and 18 thermal. Last year, in addition to the 1.2GW Hamitabat CCGT OIB also sold two coal-fired plants - the 600MW Seyitomer and the 457MW Kangal.

Turkey, Russia energy deal intact

Anadolu Agency, *29.09.2014*

Russia will continue with its $22 billion nuclear energy investment in Turkey, and both countries will strengthen economic cooperation despite their differences regarding regional political issues, says Turkish energy minister.

Speaking at the World Economic Forum's Special Meeting entitled "Unlocking Resources for Regional Development" Taner Yildiz said he will visit Moscow on Wednesday to discuss Russia's economic investments in Turkey. He said that despite Turkey and Russia's different outlooks on the political crises in the Middle East such as with Syria their mutual interdependency takes priority.

He stressed this point with Russia's $22 billion investment in Turkey including nuclear power plants. The Akkuyu Nuclear Power Plant project is estimated to cost around $20 billion and total of $3.5 billion worth of equipment is expected to be used in the construction process, of which $1.8 billion will be spent this year alone. Funds received from Russia are expected to be used specifically in the building of the infrastructure for the plant, in constructing roads, power lines, water pipelines, temporary housing and cranes. If the project license is approved, the reactor construction is estimated to begin in 2016, and to be operational by 2020 with the entire plant being fully operational by 2023.

The Russian energy company Rosatom signed an agreement in 2011 to build and operate a four reactor nuclear power plant in Mersin province on Turkey's Mediterranean coast, with the aim of having the plant fully-operational by the Turkish republic's 100-year anniversary in 2023. Yildiz also said that despite the political instability in the Middle East, the conflicts will not prevent Turkey becoming an energy hub in the near future. "With the international projects that Turkey participates in, the country will shine as a symbol of stability in the region and will continue to make such projects lighten the political burden," he said. Turkey is currently involved in several pipeline projects, such as the Trans Anatolian Pipeline Project (TANAP) which will carry Azerbaijani natural gas to Europe by the end of 2018.

Turkey, Gazprom to increase Blue Stream gas capacity

Anadolu Agency, *01.10.2014*

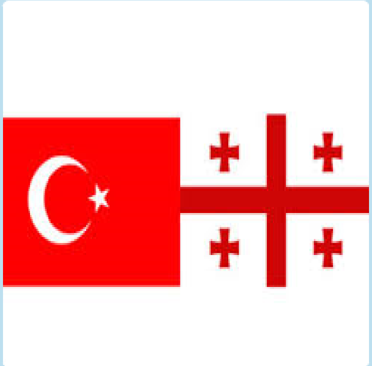
Turkey and Russian energy giant Gazprom have agreed to increase the capacity of the Blue Stream natural gas pipeline, which carries Russian gas to Turkey via the Black Sea. Turkish government sources confirmed to Anadolu Agency on Wednesday that the agreement to increase capacity from 16 billion cubic meters (bcm) to 19 bcm had been reached during Turkish Energy Minister Taner Yildiz's visit to Moscow.

Turkey consumes 45 billion cubic meters of gas annually, with nearly 60 percent of it being imported from Russia, big producer of natural gas.

The agreement came as Yildiz held discussions with Russian counterpart Alexander Novak, Gazprom's CEO Alexey Miller, Sergey Kiriyenko, CEO of the state-owned Russian nuclear company Rosatom and Elena Burmistrova, the head of Gazpromexport, during his visit to the Russian capital.

Turkey is our biggest energy investment partner

Anadolu Agency, *07.10.2014*



Georgia will invest $10 billion in energy in the next 10 years and sees Turkey as its biggest partner, the country's deputy energy minister Ilia Eloshvili has told The Anadolu Agency.

"Considering the growth rate of the Turkish economy in the last 10 years and its political stability, Georgia considers Turkey as its biggest partner in energy investments," Eloshvili said. The official added that an agreement was signed between the two neighbors to increase investments in both countries' energy sectors. "Georgia aims to construct a new 700-megawatt capacity electricity transportation system with Turkey in the next five years," he said.

Greek Cyprus president suspends peace talks

Agence France-Presse, *08.10.2014*

U.N. envoy Espen Barth Eide on Oct. 8 urged Greek Cyprus and Turkey to take steps to ease tensions over the divided island's energy search, warning that it could harm the peace process. Greek Cyprus on Oct. 8 suspended its participation in U.N.-led peace negotiations in protest over moves by Turkey to undermine its right to exploit gas and oil reserves.

Greek Cypriot leader Nicos Anastasiades and his Turkish Cypriot counterpart Dervis Eroglu had been due to meet Thursday inside the U.N.-controlled buffer zone in Nicosia. "I think it's very important now that everybody acts responsibly and avoid further escalation," Eide said.

The Norwegian diplomat said an understanding had to be reached "as soon as possible" to ensure the island's energy resources are shared between all Cypriots. Anastasiades's government has not clarified whether the peace process would be put on hold indefinitely, only saying that it was taking "legal and diplomatic" steps against Turkey's "hostile action" in Greek Cyprus's exclusive economic zone. But the envoy said that without a solution the energy issue will remain a source of conflict. "Oil and gas can be either a blessing or curse," said Eide.

"If it is well managed it will be a source of wealth for all Cypriots, if it becomes a source of tension it will be a problem for everyone and then it will be more of a curse than a solution." Eide said it was up to the leaders when they start the peace talks. "I cannot force people to meet but I hope that it will be soon, (and) while they are not meeting I will keep talking to both." Turkish troops invaded and occupied the northern third of Cyprus in 1974 in response to an Athens-engineered coup aimed at uniting it with Greece. The Turkish Republic of Northern Cyprus is recognised only by Turkey. Ankara opposes Nicosia's exploitation of offshore hydrocarbon reserves before any peace deal, but is itself determined to search for oil and gas in an area the Cypriot government has licensed exploratory drills.

The Greek Cypriots argue that the failure to reach a settlement should not mean such projects are put on hold. Italian-Korean energy consortium ENI-Kogas began deep sea drilling off Greek Cyprus for possible gas last month in a second block to undergo exploratory tests since the first find in 2011. U.S. firm Noble Energy made the first find in the Aphrodite field, which is estimated to contain 102 billion to 170 billion cubic metres (3.6 trillion to six trillion cubic feet) of gas. Government officials in Nicosia say Ankara, which does not recognise the zone, has announced that a Turkish seismic vessel would carry out a survey in the same area as ENI-Kogas's platform from mid-October. Ankara has also threatened to boycott energy firms operating off Greek Cyprus, while in the past Nicosia accused it of "gunboat diplomacy" by harassing international ships involved.

Hot topics at the World Economic Forum: refugee crisis and energy

Hurriyet Daily News, *30.09.2014*

The World Economic Forum (WEF) met in Istanbul in June 2012 for the summit "Roadmaps for Reform, Pathways to Inclusive Growth." The WEF is again hosted in Istanbul for a special meeting on "Unlocking Resources for Regional Development."

In the Middle East and North Africa (MENA) region, the focus of both summits, countries such as Libya, Syria and Iraq face major chaos. Dreams and targets of reform and growth have lost their places to the Islamic State of Iraq and the Levant (ISIL), the drama of the Syrian refugees, reported to have reached 10 million and energy security.

The first impression of the early hours of the meeting is that the summit's two hot topics are energy and refugees. The number of Syrian refugees in Turkey has reached more than 1.5 million. While almost 200,000 Syrian refugees are living in 17 refugee camps, the rest are scattered in various cities. President Recep Tayyip Erdoğan emphasized in his keynote speech at the WEF does not find the attention it needs in the international community. Turkey cannot receive its moral and material aid. President Erdoğan said despite the $1.5 million provided by the UNHCR, Turkey has spent $4.5 billion of its own resources.

The president's special adviser, İbrahim Kalın, said the situation was alarming. "How long can Turkey sustain this situation?" he asked. The second hot topic of the WEF in Istanbul was energy. On this front, Fatih Birol, chief economist of the International Energy Agency, provided clues of a new picture. Problems arising from the sanctions that the U.S. and the EU are imposing on Russia, a major player in the natural gas and oil market, are awaiting this country in the future. The American Schlumberger Company, which provides technical support for oil sources in Russia, can suspend its work in this country.

What does this mean? It means a drop in Russia's oil exportation may be expected. According to Birol, there has also been a big drop in Libya's oil production due to the chaos into which the country has fallen. Iraq continues to produce 3 million barrels of oil each day because, for now, only 10 percent of its oil production is affected. According to Birol, who spoke in the "Understanding Regional Energy Dynamics" meeting, energy security will be one of the top items on the global agenda in coming days. When viewed from a global point perspective, energy and refugees are subjects that are not too far apart from one another.

New US-led strikes hit oil fields in Syria's Deir ez-Zor, Hasakeh

AFP, *26.09.2014*

Fresh air strikes by a U.S.-led coalition fighting jihadists hit two provinces of Syria, targeting oil facilities for a second day. Syrian Observatory for Human Rights reported new air strikes in oilr-rich eastern Deir ez-Zor province and northeastern Hasakeh province, both of which were targeted a day earlier by the coalition.

The Britain-based group said at least two areas in Deir ez-Zor were struck to target oil facilities. Additional strikes hit an area in Hasakeh, where the target was not immediately clear, the group's director Rami Abdel Rahman said. There were no immediate details of any casualties from the strikes.

They came on a fourth night of bombing by the coalition Washington has assembled to tackle the Islamic State in Iraq and the Levant (ISIL) jihadists in Iraq and Syria. The strikes have killed at least 140 jihadists and 13 civilians so far, according to the Observatory, though Washington has yet to acknowledge any civilian casualties. Raids overnight between Sept. 24 and Sept. 25 also targeted some of the makeshift oil refineries operated by ISIL and others in Deir ez-Zor and Hasakeh. Black market sales of illegally extracted Syrian and Iraqi oil are believed to account for a large part of the ISIL's funding. Experts say the group could be earning between $1 million and $3 million a day.

Iran urges OPEC to stop oil slide, Gulf members relaxed

Reuters, *27.09.2014*

Iran on Friday urged OPEC members to make joint efforts to keep oil prices from falling further, highlighting a split with other members such as Saudi Arabia who face lower budget pressures despite a slide in prices towards $95 a barrel.

Oil has fallen from $115 in June, pressured by concern about slowing global demand and higher supplies as Libyan output recovers, raising concern among some oil exporters of lower revenues. "Considering the downward trend in prices, OPEC members should try to temper production to avoid further price instability", Iran's oil minister, Bijan Zanganeh, was quoted by the Iranian oil ministry website Shana as saying.

Iran has among the highest oil-price needs within the 12-member Organization of the Petroleum Exporting Countries and often supports measures likely to boost prices. Saudi Arabia and other Gulf OPEC producers have lower pain thresholds. But OPEC's Gulf Arab producers, so far, remain unruffled. Saudi Arabia's oil minister, in New York this week, appeared to downplay the price drop, while delegates have stopped short of calling for price-supporting action. “I am still relaxed,” said a delegate from one of OPEC's Gulf members this week, referring to the oil market situation.

Besides lower-than-expected demand, a key factor behind the drop in prices has been a recovery in Libyan output to around 925,000 barrels per day (bpd) now from just 200,000 bpd in June. Other OPEC members, mainly Saudi Arabia, had informally pumped more to make up for lower Libyan output and other outages and OPEC sources have said they could pare back the extra supply if needed to support prices. Saudi Arabia, the world's top exporter, cut its output by around 400,000 barrels per day in August.

But the amount of crude supplied to the market - both domestically and for export - was 9.688 million bpd, compared to around 9.66 million bpd in July, indicating no change in Saudi oil supply. Industry sources in Saudi Arabia have said the prospect of any significant change in output this year is unlikely. “As we approach winter and with the end of the refinery maintenance season, global demand is likely to pick up therefore Saudi oil production is not expected to see a major change,” an industry source said on Thursday.

Still, OPEC's next meeting, on Nov. 27, will likely see a debate on whether its output target of 30 million bpd is appropriate for 2015, given that OPEC and other forecasters expect a further drop in global demand for OPEC crude. The OPEC secretary general said last week he expected OPEC production to be around 29.50 million bpd in 2015, not 30 million bpd. But the United Arab Emirates, a core Gulf OPEC producer, said it was too early to predict a cut in the OPEC target. “There may be different levels of concern, but what they are all saying is we'll look closely at the market in November,” said an OPEC source.

Iran may represent an alternative source for EU gas supply

Turkish Weekly, *29.09.2014*

The European Union is looking for alternative gas supply sources as a result of Russian involvement in the Ukrainian crisis and Iran may fulfil this need. Russia is the largest supplier of gas for the EU but after the sanctions enacted by the EU against the country the EU runs the risk of falling victim to Russia's use of gas as a political weapon.

Source from the European Commission told Reuters that the EU is considering, first of all, lifting its sanctions on Iran over its disputed nuclear programme and, second, discussing the pipeline infrastructure that is needed to transport Iranian gas to Europe.

The EU had tightened sanctions on Iran in 2012 by imposing an oil embargo and restricting the country's access to financial services and energy technologies. A paper prepared for the EU's Directorate-Generale for External Policies of the Union following Russia's annexation of Crimea stated, "High potential for gas production, domestic energy sector reforms that are underway, and ongoing normalisation of its relationship with the West make Iran a credible alternative to Russia". The document also indicated that current sanctions and large infrastructure deficiencies inhibit Iran's ability to act as an alternative supplier in short term.

The European Commission source also remarked that a rapprochement between Iran and the West is being observed nowadays. The source also pointed out that Iran's new ambassador to Germany, who was appointed in July and is the EU's main point of contact with the Iranian government, is a former member of Iran's energy ministry. During a Tuesday meeting in New York with President of Austria Heinz Fischer ahead of the 69th UN General Assembly meeting, Iranian President Hassan Rouhani has said that the Islamic Republic can be a reliable supplier of energy to Europe, adding that Tehran is ready to deliver gas to European countries via Austria.

Amir Handjani, an independent oil and gas specialist working in Dubai commented on Iran's position, "Iran is trying to position itself in Europe as an alternative to Russian gas. It's playing a very sophisticated game, talking with Russia on the one hand about cooperation on easing sanctions and also talking to Europe about substituting Russian gas with its own." The most visible route for importing Iranian gas to Europe would be via Turkey due to its geostrategic position. This option would also less politically controversial than transporting the gas by way of the Persian pipeline. Independent feasibility studies indicate that Iran could supply 10-20 billion cubic meters (bcm) of gas per year to Turkey and Europe by the early 2020s if sanctions were eased and if investments were promptly initiated.

Israel's Leviathan gas field group submits $6.5B development plan

Rigzone, *30.09.2014*

The partners in Leviathan, Israel's largest natural gas field, have submitted their initial development plan to Israeli authorities, which one source said on Tuesday envisages producing 16 billion cubic metres (bcm) of gas a year.

The group, led by Texas-based Noble Energy and Israel's Delek Group, handed in its proposal after months of trying to determine the best way to develop the Mediterranean field, which lies in about 1500 metres of water about 80 miles (130 kilometres) off Israel's coast. Talks to bring in Australia's Woodside Petroleum, a liquefied natural gas (LNG) specialist, fell through in March.

With estimated reserves of 622 bcm, Leviathan is one of the world's largest offshore discoveries of the past decade. A spokeswoman for Israel's Energy Ministry, which must now approve the plan, confirmed it had been received, but disclosed no details. An industry source said the first stage will see floating production storage and offloading (FPSO) unit passing 16 bcm of gas a year via pipelines to Israel, the Palestinian Authority and other neighbors that decide to buy the gas. Production is expected to begin by 2018 and initial investment could reach $6.5 billion, the source said, which was in line with previous forecasts. The Leviathan partners are in talks with Britain's BG Group, which wants to bring gas in to feed its Egyptian LNG export plant, and with Jordan's national electricity company. Later development plans were not included in the proposal, and could include direct LNG exports to more distant markets, officials have said.

Ukraine backs off from EU-backed Russia gas deal

Agence France-Presse, *28.09.2014*

Ukraine has distanced itself from an EU-brokered agreement with Russia that would have restored its gas supplies during winter and helped rebuild trust between the neighbouring foes. EU Energy Commissioner Guenther Oettinger pronounced the three-month dispute on the verge of being resolved.

He and Russia's energy minister added that a final agreement could be signed after consultations in Moscow and Kiev next week. However Ukraine's top energy officials vowed on Sept. 27 to keep fighting over both the gas price and Moscow's claim that Kiev owed it billions of dollars in debt.

"No final decision was adopted. Not a single document was signed - period," Naftogaz state energy firm chief Andriy Kobolev wrote in a Facebook post. A deal would not only save the Westward-leaning nation from adopting drastic energy savings measures in freezing weather but also make sure that Russian gas flowed uninterrupted to European homes further down the pipeline. Yet the meeting came with trust between all sides lacking and any remaining goodwill between Moscow and Kiev dependent on the fate of a fragile truce in a pro-Russian uprising in eastern Ukraine that has claimed more than 3,200 lives. Russia froze natural gas deliveries to Ukraine in June. Oettinger said a compromise deal would see Russia ship at least 5.0 billion cubic metres of gas to Ukraine over a six-month period in exchange for an early payment of $3.1 billion (2.4 billion euros).

That volume roughly covers the amount of gas Ukraine says it needs to make it safely through the winter. The price translates to $385 per 1,000 cubic metres - 20 percent less than the figure Russia began charging Ukraine in the wake of the February ouster in Kiev of an unpopular Kremlin-backed president. But Russia said the $3.1 billion would be used to cover a $5.3-billion debt Ukraine incurred last year due to both its financial problems and a refusal to pay the higher rate. Moscow added that the $385 figure was only a temporary discount which would expire next spring. "The chances of us reaching a final agreement along these lines are high," Russian Energy Minister Alexander Novak told the Vesti 24 state news channel. Ukraine disputed both points and Oettinger himself shed little light on which side was right. "There are still lots of disagreements," Ukrainian Energy Minister Yuriy Prodan told AFP by telephone shortly after the Berlin talks broke up.

Naftogaz and Gazprom have filed mutual claims over the entire dispute with a Stockholm arbitration tribunal. Oettinger said a more permanent arrangement could be worked out once a verdict is issued in the first half of 2015. A senior U.S. official said Sept. 27 that Washington stands ready to help Ukraine attract private U.S. investment if Kiev acts to root out corruption. "The U.S. has a stake in helping Ukraine build a stable and prosperous country that benefits all of its citizens," U.S. Secretary of Commerce Penny Pritzker said after meeting Ukraine's leaders in Kiev. Ukraine's pipeline transmits just 15 percent of the Russian gas imported by Europe.

But EU powers such as Italy - reliant on the Ukrainian link for all their Russian supplies - fear that Kiev may be forced to tap into those flows once the winter heating season begins. The apparent failure to achieve meaningful progress came as Moscow-Kiev relations remain dependent on the survival of a tenuous peace pact that has been unveiled in stages since early September but whose terms remain unfulfilled. Russian and Ukrainian defence officials did take a cautious step on Sept. 26 toward establishing a 30-kilometer buffer zone along the front line that made sure the five-month war did not resume. The Ukrainian defence ministry said both guerrillas and government forces would begin “a gradual withdrawal of forces” if no truce violations were recorded in the two days. The military spokesman said one Ukrainian soldier and a civilian had been killed since Sept. 26 morning.

Russia oil production near record with sanctions yet to bite

Bloomberg, *02.10.2014*

Russian oil output rose to near a post-Soviet record last month. The nation increased output 0.7 percent to 10.61 million barrels a day, according to preliminary data from CDU-TEK, which is part of the Energy Ministry. The figure is within 0.3 percent of the record in January and is for crude and condensates, a type of oil that yields a greater proportion of high-value fuels.

The U.S. and the European Union have targeted Russia’s oil industry by banning exports of some equipment and technology, blaming Putin’s government for stoking a separatist insurgency in eastern Ukraine.

Russia denies involvement. Production in the oil and gas sector hasn’t been affected by tighter sanctions yet, according to Ildar Davletshin, an oil and gas analyst at Renaissance Capital in Moscow. “The impact on production will probably not be seen until next year,” he said by phone, adding that the rising costs associated with the sanctions could limit output by about 0.5 percent in 2015. “The sector is still trying to understand the consequences of the sanctions.”

Sanctions already halted some joint work between Exxon Mobil Corp. and OAO Rosneft, threatening a project in the Kara Sea where the state-run company said last week it may have identified a billion-barrel crude discovery. Schlumberger Ltd., the world’s biggest oilfield services provider, is withdrawing employees who are citizens of the U.S. and EU due to the sanctions, according to two people with knowledge of the matter, who asked not to be identified because they aren’t authorized to discuss it. The U.S. and EU announced the latest wave of sanctions last month, targeting the banking, energy and defense industries. They forbid providing services including drilling and well-testing for Russian deep-water, Arctic and shale oil exploration and production.

The price of Brent crude, used to price about half of the world's oil including Russia's main export blend Urals, fell 16 percent last quarter and was down 2.2 percent today at $92.11 on the ICE Futures Europe exchange at 12:14 p.m. in London. Falling oil prices are coming at a time when Russian oil companies already face increasing costs due to the sanctions, Davletshin said. "International service companies are scaling down their involvement in Russia, which means drilling costs could grow," he said. "Companies may have to cut capital expenditures." Russia produced 10.64 million barrels of crude and condensate in January. It was as high as 11.48 million barrels a day in 1987, the Soviet-era peak, data from BP Plc show. Oil and oil products represented 46 percent of the nation's budget revenues in the first eight months of this year, the biggest single contributor, government data show.

Merkel says may be necessary to rethink EU energy partnership with Russia

Reuters, *29.09.2014*

German Chancellor Angela Merkel said on Monday September 29 there were good reasons to continue the European Union's energy partnership with Russia for the time being but that this might change if Moscow continues to violate basic principles.

Merkel said that in the medium- to long-term it might be necessary to reconsider that energy partnership with Russia. "There are good reasons to continue the energy partnership with Russia," she said and noted that within the European Union different countries had different levels of dependency on supplies of Russian natural gas.

"It's not our goal to completely sever our dependency," she said, noting that cooperation in the energy sector was in the mutual interest of the EU and Russia. "Nevertheless we have naturally to think about what we might have to change in the medium- to long-term as far as energy policies go if there is a continued violation of basic principles," she said, referring to respecting national sovereignty. She added that it was important to keep the pressure on Russia - and that Germany and Finland were in agreement on that. She added that she saw no scope to relax the economic sanctions against Russia, imposed over Moscow's policies on Ukraine. "We are unfortunately far away from that," she said. A rift between Russia and the West since the Ukraine conflict has prompted European countries to look at ways to reduce their dependence on Russian oil and gas.
Russia provides around a third of the EU's oil and gas, and 40 percent of the gas is shipped through Ukraine.

Major developments in progress for Russia's gas sector

Natural Gas Europe, *08.10.2014*

Sanctions against the Russian Federation, more specifically in its energy section, seem to have been gradually nullified due to a counteraction by Moscow, which as of late made significant progress on several long-standing issues that have long-term effects on the global natural gas sector.

Gazprom and its Turkish counterparts agreed on expanding volumes transferred through the Blue Stream pipeline from 16 bcm per annum to 19 bcm with further upgrades to be discussed. For 2014, Turkey is expected to receive some 28 bcm of gas from Russian production, with quantities not coming from Blue Stream to be met by Ukraine.

Thus it can be safely concluded that Ankara is taking precautionary steps towards reducing significantly its reliance on Ukraine, whilst attaching itself further to the Russian company's overall long-term policy to have direct links with all of its major customers, as Germany with Nord Stream, a 55 bcm capacity link through the Baltic sea that bypasses Poland and the Baltic states. In similar fashion, the South Stream project, which has been temporarily stalled due to premature general elections in Bulgaria, is being backed by all states that have already signed bilateral intergovernmental agreements with Moscow. Despite EU objections, it would be hard to resist a 63 bcm capacity flow into the EU that will not be subject to the domestic situation in Ukraine that has become especially dramatic.

Well-placed sources in Bulgaria point out that no likely candidate will be able to form a government without a coalition backing it, thus it seems logical to assume that Bulgaria will eventually back South Stream in a firmer stance by the end of 2014, due to the fact that around 705 of the political forces are behind it, along with the important segments of the local business and financial elite. Also of importance is the agreement by all states sharing the shores of the Caspian Sea (Russia, Azerbaijan, Kazakhstan, Turkmenistan, Uzbekistan & Iran). The treaty, which is expected to be fully implemented in 2015 will regulate the exclusive economic rights of all countries involved, the terms of navigation and fisheries and along with rights on oil and gas drilling.

The most vital aspect is that all countries agreed that economic resources such as natural gas that are to be found 25 nautical miles offshore should be jointly exploited and all projects such as pipelines traversing the Sea should be agreed by all parties. In that case, the aims of transferring gas from Turkmenistan to Azerbaijan and then to Turkey on the way to the EU markets, seem like a farfetched dream, since it is almost certain that Russia and perhaps Iran could effectively block, in legal terms, such a procedure. Further to this, the prospective grand gas reserves are assumed to be in the midst of the Caspian, thus Russian companies can have a greater grasp of these resources and Iran also comes into play.

Concurrently, a report by the Energy Information Administration (EIA) revealed that Russian companies such as Gazprom and its oil arm Gazpromneft along with Rosneft, have seriously upgraded their techniques and know-how on shale gas and oil drilling. They are also moving on operations into the energy-rich Eastern Siberia in order to be able to maintain in the long-term steady and large hydrocarbon production. It should be noted that already a 38 bcm capacity gas pipeline has been agreed upon between Russia and Chinese buyers, while another agreement of similar quantities has currently been negotiated between he two countries. The rising Chinese demand for gas and the existence of excess capital in the country can assure Russian producers that by the mid of 2020's a new expanding market will be opened in the East for Gazprom, providing great room for leveraging its current reliance in the European sector.

Furthermore, there have been positive discoveries in the Kara Sea and the joint exploration programs by ExxonMobil and Rosneft that have for the time being revealed 750 million barrels of oil field along with 340 bcm of gas. Projections of assumed reserves in the specified sea region include talk of 10 billion barrels of oil and 3 tcm of gas, posing a great strain in the long-term plans of Exxon that risks losing access to such amounts of energy, due to the ongoing sanctions and the possibility of annulment of its joint ventures with Rosneft and the filling up of the position by eager Chinese or Indian corporations. The stakes involved are more than $2 trillion worth of reserves in today's prices or even more if we take into account assumptions that the oil to be found can reach up to 87 billion barrels, which would amount to almost $9 trillion.

In every case the continuity of the sanction policy as followed by the EU and US will be severely tested in the coming period as more facts and data come into light, by taking into account the antagonisms at hand between all major industrial forces in the planet, in which countries such as China are amongst the biggest ones, if not the biggest, with a vital need to secure great energy fields for the long-run. Lastly in the LNG sector, Gazprom and Shell are again in touch to discuss the upgrade of the Sakhalin-2 LNG production facility with an additional 5 million ton train that can increase exports by 50% per year. Also, Sakhalin-3 is a new gas field has been discovered by Gazprom adding to positive appraisals that the whole region can be a reliable supplier for at least another 30 years worldwide. The installations are in a favorable geographical point supplying Japanese, Chinese and Korean markets, whilst the exhaustion of Indonesian energy resources and the expansion of energy consumption of Thailand, Vietnam and Philippines is to be met, amongst other by Sakhalin and Australian fields for the coming decades.

Russia, Ukraine move toward interim gas deal before winter

Bloomberg, *26.09.2014*

Russia and Ukraine moved closer to a preliminary natural gas agreement valid for this winter only as the European Union brokers a truce in a dispute that was set to disrupt flows during the coming months.

If approved, Ukraine will pay $3.1 billion by the end of the year for previously delivered supplies and Russia in return will provide at least 5 billion cubic meters of gas to Ukraine in the coming months, EU Energy Commissioner Guenther Oettinger said today in Berlin following talks with the Russian and Ukrainian energy ministers. National leaders of both countries must still sign off on the deal, Oettinger said.

“I’ve experienced tough but constructive negotiators over the past weeks,” Oettinger told reporters. “Avoiding gas shortages is in the interest of all those involved.” Under the deal, Ukraine would pay $385 per 1,000 cubics meters (about $10.9 per million British thermal units) for gas for the next six months. The agreement is at the price that Russia’s OAO Gazprom had said was its final offer and at the highest level the EU had previously said should be paid. The EU, which depends on Russian gas piped through Ukraine for about 15 percent of its demand, has been trying to broker an accord to maintain shipments since May. After the last round of three-way talks failed in June, Russia stopped supplies to Ukraine, citing $4.5 billion in unpaid bills at the time. The debt has now swelled to $5.3 billion, according to Gazprom, the world’s biggest natural gas producer.

Oettinger said there wasn’t any agreement on the final price of gas supplied earlier to Ukraine because it’s the subject of a court dispute in Sweden between both nations. He said $3.1 billion is the minimum Ukraine would have to pay. Gazprom erased declines of as much as 0.9 percent, closing up 0.1 percent in Moscow after the news from Berlin. U.K. front-month natural gas reversed gains after Russia and Ukraine agreed the possible deal. Front-month gas dropped as much as 1 percent on ICE Futures Europe after gaining as much as 2.2 percent earlier today. “The deal between Russia and Ukraine might mean more reliable supplies and lower prices in the winter,” Eugen Weinberg, head of commodities research at Commerzbank AG in Frankfurt, said by e-mail today.

Concerns that a winter gas shortage may develop follow a political crisis between the former Soviet allies after Ukraine’s Kremlin-backed President Viktor Yanukovych was ousted amid street protests in February. In April, Russia rolled back two price discounts amid a growing conflict in which Russian President Vladimir Putin annexed Crimea and a separatist insurgency erupted in eastern Ukraine. As a result, Russia raised the gas price for Ukraine from $268.50 to $485 per 1,000 cubic meters, a level higher than for any EU nation. Oettinger said that the interim deal -- if approved by the governments of Russia and Ukraine -- runs only through March 2015.

Ukraine would pay $2 billion of its gas debt by the end of October and $1.1 billion by the end of the year, he said. The countries are set to decide on the draft next week, he said. Fredrik Erixon, director of the European Center for International Political Economy in Brussels, said that Putin's strategic target is continued destabilization of Ukraine. "People are fooling themselves if they believe you can sign a deal with Putin to sustain a predictable, commercial gas relationship for Russia, Ukraine and the EU," Erixon said in a phone interview before the accord was announced. "Any deal signed will last a few weeks or months before the Kremlin finds a new reason to disrupt it." Ukraine, which was ready to pay $1.5 billion of debt next month, will decide on the issues by Sept. 30, Ukrainian Energy Minister Yuri Prodan told reporters in Berlin after the meeting. The country, which has $3.1 billion reserved for possible gas payments, hasn't made any decision yet and still sees $268.50 as fair price, he said. Russia will resume gas supplies to Ukraine after it makes the October debt payment, Energy Minister Alexander Novak told reporters in Berlin after the meeting. While issues remain, a "big step" was made toward an agreement, he said.

Gazprom sees its average price in Europe at about $350 this year. Next year, it may decline to $316.50, according to the Russian Economy Ministry. A preliminary gas accord is needed, while a final agreement on the price is possible only after the international arbitration in Sweden decides on Gazprom and Naftogaz claims, Prime Minister Arseniy Yatsenyuk told reporters in Kiev today. "Unfortunately, we haven't reached agreement with the Russian side on the price mechanism," he said. While transit to the EU is so far unaffected, concern has grown among its governments over a possible disruption. Russia and Ukraine have been trading accusations of threats to EU-bound gas transit since July. Poland and Slovakia, which have the capacity to supply Ukraine through reverse flow, said earlier this month Russia has been supplying less fuel than requested. Gazprom said it was fulfilling its contractual obligations and the European request was for additional supplies. That may have to wait until November as Russia fills its own storage to a record level, it said.

Russia has challenged the reverse gas flows. "We believe that reverse isn't provided in the existing contracts between Gazprom and its consumers" in Europe, Novak said today. Hungary suspended natural gas deliveries to Ukraine yesterday for an "undetermined time" due to a projected "significant increase" in domestic demand, the Hungarian gas transit company FGSz said in an e-mailed statement. The 28 EU governments agreed in June to take steps to increase supply security and are preparing for a stress test of Europe's energy system to help overcome a potential cutoff in the 2014-15 winter. Short-term supply interruptions through Ukraine transit routes this winter poses significant challenges, in particular for Bulgaria, Romania, Hungary and Greece, the European Commission said in an energy security study in May. If all supplies from Russia are disrupted from October to March, Finland, Poland, Czech Republic, Slovakia, Croatia, Slovenia, Lithuania, Latvia and Estonia are also exposed, the document showed.

Countries including Slovakia and the Balkan nations already suffered from disruptions of Russian gas supply via Ukraine in freezing temperatures in 2006 and 2009. Should temperatures remain within season norms this year, the EU would probably weather a disruption of flows via Ukraine, according to analysts including Citigroup Inc. A final gas agreement, which means a new contract, is only likely "as part of a comprehensive reset of relations between Moscow and Kiev and that may only come after the status of eastern Ukraine is resolved," Chris Weafer, a founder of Macro Advisory in Moscow, said by e-mail. "Clearly that is a long way off."

Hungary and Russia create gas deal at Ukraine's expense

Natural Gas Europe, *29.09.2014*

Just as surely winter comes every year, so does the heating season. However, if the justification from Hungary's TSO, FGSZ is to be believed, they need to stop gas shipments to Ukraine to prepare for this winter. The Hungarian Prime Minister, Viktor Orban appears to be the grasshopper in Aesop's fable.

The Grasshopper and Ant story is about a grasshopper that plays all summer while the ants work – in preparation for winter. Well, in the cartoon version, it only takes the fall leaves to be blowing for the grasshopper to get cold and regret that he didn't work harder.

In our version today, it is the Hungarian government who didn't work hard enough in the summer. Although on a state radio news broadcast last Friday night, Orban was credited with ensuring the country has enough gas for the winter – the announcer just didn't mention this was at the expense of Ukraine. If we can piece together events, on September 25th it was Naftogaz of Ukraine that suddenly found out, through an email from Hungarian TSO FGSZ, the counterpart was halting deliveries to Ukraine. Media reports imply this was after pressure from Gazprom's head Alexei Miller met with Orban. However, I do not agree. Hungary is on too good of terms to be threatened by Russia – unlike Poland which disrupted flow for a few days after Russian pressure in September.

The reason Russia refrains from threatening Hungary is the Hungarian Prime Minister is at the forefront in Europe arguing against sanctions over Russia's involvement in Ukraine. In addition, Orban spearheaded and flew in secret to Russia to sign a deal with Putin to expand the existing nuclear power plant. A big win for Russia to get an EU member to sign up to Russian nuclear technology. Hungary has secured a Russian loan to build the plant, despite having no discussions with the Hungarian public or any feasibility studies. Orban is in charge of Hungary's energy policy – and representing Russia in the EU. He also pushes to restrain Ukrainian western leanings. Pushing for great autonomy for ethnic Hungarians in Ukraine matches Orban's nationalistic zeal and his regional agenda; autonomy for ethnic Russians also matches Putin's agenda in Ukraine.

Hungary turning off the taps to Ukraine benefits both Russia and Hungary, by keeping Kiev under pressure. Technically speaking, Hungary halted deliveries to Ukraine to receive significant quantities of western bound Gazprom gas to be stored in Hungary. The history here is on September 16th Hungary's Development Minister Miklós Seszták received Russian deputy Energy Minister Anatoly Yanovsky. They discussed the ability for Hungary to store gas for Russia, around 500 million cubic meters. This would take 15 – 20 days to transfer into Hungary's underground storage. In a scenario that gas flows from Russia, traversing Ukraine, are cut off then Gazprom's gas would be available to European consumers – and to Hungary.

Importantly, it helps Hungary because as of September 27th, the storage capacity was at 62%. It is, however, no accident that Hungary's capacity is this low at the onset of autumn. In May 2014, at an event hosted by Central European University the issue of Hungary's ill preparedness was discussed. A now former manager at Hungary's state owned Hungarian Gas Storage company, stated that the biggest issue facing Hungary was the low reserves and the financing of gas purchases. The reserves then were at 25% capacity. In short, money to buy gas was inhibiting Hungary's ability to prepare for the coming winter. Therefore, the current low gas levels of 60% should not be seen in isolation. The lack of gas is a result of the lack of stable state finances for the energy sector and Orban's energy 'war' waged against foreign owned energy utilities. The energy sector is now showing the stresses of heavy state ownership. The flooding of gas into the Hungarian system is at best a result of poorly managed state energy assets, at its worst, it is a calculated move against Ukraine.

Since 2010 Orban has put energy assets under state ownership and driven utility prices lower. Now, the utility sector, and particular retail gas companies, are deeply in debt, they are incurring huge losses to pay for the Fidesz government's more than 25 percent reduction in electricity and gas bills instituted a year ago. The Orban government is now laying out a plan to have 'non-profit' utilities. This is hard to see how the sector can shift from horrific losses to a non-profit-chartable-status without increasing consumer costs. The cost reduction and continued nationalization of assets are set to continue. The story of Hungary cutting off gas supplies should not be seen as Hungary bending to Russian pressure, rather Russia is helping out Hungary. Central to Orban's grip on elections is ensuring Hungarian's feel benefits. Whether this is in the form of retroactively changing mortgage loans between banks and their clients – forcing the banks to payback money in cash, or buying E.ON's gas storage unit – for energy security reasons – Hungary needs to project power and responsibility over its own fate – and at the same time, deliver cash into the pockets of Hungarians. Russia can help finance and make life more comfortable for Hungarians. Ensuring the Hungarian energy system functions is now dependent on Russian short and long term investments into the country (gas and nuclear).

Hungary needs more gas in its storage in case there is an interruption between Russia and Ukraine. Russia is more than happy to store gas in Hungary, this deal does the following four things to benefit Russia and Hungary: 1) Russia stores gas in Hungary and not in its normal location in Ukraine, giving it European market access and depriving Ukraine of the chance to siphon any off; 2) Previously stored gas was ensured by E.ON Foldgaz Storage, but storage is now owned by the Hungarian state- which lacks the funds to buy large quantities of gas; 3) Hungary boosts its gas reserves with no money down, it only buys from Gazprom if there is an emergency and needs to use it; and 4) Hungary gives the elbow to Ukraine (like it has throughout the entire Ukraine-Russia conflict) but doesn't inflict significant pain, just cuts off gas for a few weeks proclaiming its own security as more important. Nowhere in this analysis is the assumption that Russia threatened Hungary with a gas cut-off for supplying Ukraine with gas.

Hungary could have – and should have, bought sufficient amounts of gas over the summer. Instead, the country's leadership were playing with grasshoppers. Back in the spring or early summer the Hungarian government could have struck the same storage deal with the Russians. Instead both Russia and Hungary have waited until the last minute to unroll their 'technical' response to Hungary's low storage capacity. By Russia flooding Hungary's gas system, Ukraine is deprived of valuable and necessary capacity to help mitigate their looming winter gas shortage.

Gazprom pledges to give Rosneft access to Sakhalin gas transport system

Oil & Gas Eurasia, *29.09.2014*

Gazprom CEO Alexei Miller has pledged to give Russian oil giant Rosneft access to Gazprom's gas transportation system on the Pacific Island of Sakhalin, Rosneft head Igor Sechin said on Monday.

"I have no doubts we'll gain access to the Sakhalin pipe," Sechin said. "We had a meeting with Alexey Miller and Energy Minister Alexander Novak. Gazprom is exploring its own resource base for building up the capacities of the LNG project under Sakhalin-2, which it plans to complete before the end of 2015," Rosneft "needs to take a decision before that, and its resource base is already available" he said.

"That is why, we agreed at that meeting that Gazprom will provide us access to its gas transportation system," Sechin said. After Gazprom takes a decision on expanding the capacities of the Saklhalin-2 project, two options will be considered, Sechin said. "This may involve modernization of the existing gas transportation system or the construction of a second gas pipe. In any case, we (Rosneft) will pay a tariff for gas pumping," Sechin said. It was earlier reported that Rosneft had filed a lawsuit on July 7 to the Sakhalin Arbitration Court demanding that Sakhalin Energy, the operator of Gazprom's Sakhalin-2 gas project, ensures access for the plaintiff to the free capacities of the Sakhalin-2 trunk gas pipeline, gives the plaintiff technical specifications and the points of connection to the Sakhalin-2 gas transportation system to pump up to 8 billion cubic meters of natural gas from the Lunskoye unified onshore technological complex to a pipe branch-off leading to the Ilyinskoye site where Rosneft plans to build an LNG plant. In June, Gazprom denied Rosneft access to the Sakhalin-2 pipeline, saying there is no free capacity.

Russia-China new gas pipeline draws near

Anadolu Agency, *30.09.2014*

The proposed Altai natural gas pipeline project could ease the effects of western sanctions on the Russian economy, while China could gain from cheaper gas prices to meet its energy demand. The Altai gas pipeline has been the subject of intergovernmental talks between Russia and China since 2006. When the two countries could not agree on the price of gas in 2008, the project was indefinitely postponed.

However, when the $400 billion agreement for the 'Power of Siberia' gas pipeline project was signed between Russia and China in May 2014, the Altai project came onto the agenda and an agreement is expected to be signed this November.

"The Altai pipeline deal will help Russia cushion any further impact of Western-led sanctions that can potentially undermine Russia's energy exports," said Collin Koh Swee Lean, associate research fellow at the Military Studies Programme of Nanyang Technological University in Singapore. "I believe China is also taking advantage of the circumstances Moscow is facing with regards to Ukraine and Western reprisals," he added. Due to the unrest in Ukraine and pro-Russian influence in Crimea, the western countries imposed sanctions on Russia which prevent its companies seeking financial investment from western banks and institutions. Sijbren de Jong, an expert on energy security and natural resources at The Hague Centre for Strategic Studies, a think-tank based in the Netherlands, said: "Gazprom - the Russian gas company- is in a legal squeeze in Europe. So, with the European market under stress, Russia is keen to diversify its gas exports to China."

The Altai gas pipeline, if built, would carry natural gas from Russia's western Siberia to northwestern China, where the population is sparse. "China is not going to be willing to pay a premium price for the gas, since the pipeline would end up in China's western most regions, where barely a soul lives. China also paid a price much lower than that of Western consumers in the deal concluded last May," said de Jong. "Russia basically shot itself in the foot by agreeing to such a low price for the pipeline gas in the May deal, while China secured a long-term supply of gas at about $350 per thousand cubic meters.

This is much below the European price of around $380," he added. However, Lean believes that the pipeline may usher progress for the region as he said the pipeline serves as a means of helping facilitate China's energy diversification process and the socioeconomic development of China's northwest. Another issue Russia faces is its limited capabilities to finance the Altai project under the shadow of the western sanctions that prevent it seeking investment in the west. "The Altai pipeline is going to need serious investment and it is unclear where Gazprom will find the necessary billions, seen as access to the U.S. and EU capital markets is heavily restricted," said de Jong. It still remains a question whether Russia will acquire the share it desires from China's gas demand as the Asian market is expected to generate increased competition by 2018, when the first gas deliveries of the Power of Siberia project reach China.

Empty pipeline shows difficulty of breaking Moldova's Gazprom addiction

Natural Gas Europe, *29.09.2014*

That's about the only thing that is clear so far in the strange story of the Iasi-Ungheni gas pipeline from Romania to the western border region of Moldova. The gas interconnector -- which cost 28 million euros, including 7 million from the European Union -- was opened to great fanfare at a ceremony on Moldova's National Day -- August 27.

The event was an important photo op for Moldovan Prime Minister Iurie Leanca and Romanian Prime Minister Victor Ponto, both of whom are in the midst of tough election campaigns. The catch is that the shiny pipeline was there, but the gas wasn't.

Leanca announced that it would be at least until October 1 before Romanian gas would flow because of foot dragging by Moldova's natural-gas provider, Moldovagaz. That firm is controlled by Russia's Gazprom, which is eager to remain Moldova's exclusive source of gas. Leanca has been working to assuage Gazprom. "It is absolutely normal and not at all anti-Russian to want to have two sources of energy," he said on national television on September 25. "That's how you create competition. Prices fall and you get the necessary security." Breaking its dependence on Gazprom is crucial for the Moldovan government's Eurointegration policies. The Russian state firm is Moldova's sole supplier of natural gas, which accounts for 65 percent of its energy consumption.

In addition, Gazprom holds Chisinau accountable for more than $4 billion in arrears accumulated by the Russia-supported separatist region of Transdniester -- money that the de facto authorities have partially collected from consumers but not passed on to Gazprom. Moldova pays Gazprom about $420 per 1,000 cubic meters of gas. It is not known what mechanisms Moldovagaz is using to delay the import of Romanian gas. The company has not issued any statements and did not respond to RFE/RL's requests for comment. Chisinau-based energy analyst Ion Muntean was quoted by Eurasianet.org as saying he would not be surprised if the pipeline does not begin working before the end of the year. "There are major interests to block the project," he said. Former Moldovan Prime Minister Dumitru Braghis says the legal framework for bringing Romanian gas into Moldova already exists.

"That's why we created the National Energy Regulation Agency (ANERE)," he says. "Moldovagaz cannot refuse to transport gas from another source." However, he added, the firm must first "negotiate a price for transport." Although Chisinau cannot force Moldovagaz to offer Romanian gas to customers, it should be able to work with partners in Romania and newly created gas companies to do so. The Iasi-Ungheni pipeline is a small piece of Moldova's energy strategy. In its current configuration, it is only able to provide a small flow of gas to districts right on the country's border with Romania. But the potential of the entire project is "huge," says Anita Sobjak, a researcher at the Polish Institute of International Affairs in Warsaw.

"This is the very first phase of a grander project," Sobjak told RFE/RL. "This is only a 43.3-kilometer pipeline. What is still missing is the continuation of the pipeline from the Moldovan border to Chisinau, from Ungheni to Chisinau, something like 100 kilometers. More importantly, there are still the gas compressors missing on the Romanian side." About 200 million additional euros are needed to complete the project. But if it is completed, it has the potential to supply about 1.5 billion cubic meters annually, more than the 1.1 billion that Moldova currently buys from Gazprom. That is the prize that Prime Minister Leanca is aiming for. "Gazprom remains our main source of gas," he said on September 25. "But maybe in two years' time, if the pipeline will be fully working, [Gazprom] will also offer us a better price. For us, the main thing is to create competition among energy suppliers." "If everything goes fine," he added, "[the price of the Romanian gas will be] lower than Gazprom's price and we can attain two goals -- energy security and competitive pricing."

Russia to seek gas compromise with Kiev but debt has to be repaid

ITAR-TASS, *06.10.2014*

Russian Prime Minister Dmitry Medvedev instructed Energy Minister Alexander Novak on Monday to continue gas talks with Ukraine.

"We certainly need to continue searching for compromises based on the understanding that debts have to be repaid but terms for Ukraine in this situation should be quite acceptable and this is what your meeting with the participation of the European Commission is now aimed at," the Russian premier said. Russia's readiness to supply natural gas to Ukraine at $385 per 1,000 cubic meters "is our historical position, which is rather favorable for Ukraine as we believe," Medvedev said.

Gas talks between Russia and Ukraine with the EU's mediation at present have "quite a positive effect," the Russian premier said. "That is why, I request you to continue these negotiations," Medvedev said. The Russian energy minister said Russia was ready to supply 10 billion cu m of natural gas to Ukraine to live through the fall-winter period. "Gazprom may supply minimum volumes to [Ukraine's] Naftogaz - 5 billion cu m under the 'take-or-pay' clause and under the regime of advance payments," Novak said.

"Naftogaz will be required to prepay for 5 billion cu m while an additional option may be used for another 5 billion cu m but this time not under the 'take-or-pay' clause but in accordance with the system of additional requests, if such are required as a result of winter and the temperature regime", the Russian energy minister said. Russia stopped gas flows to Ukraine in June over an unsettled dispute over debt and gas prices. As of August 1, the overall debt of Naftogaz to Gazprom for supplied gas totaled about $5.3 billion. Russia raised the gas price for Ukraine from $268.5 to $485.5 per 1,000 cu m from April 2014. Ukraine has said it will not pay for Russian natural gas supplies at such a high price.

Gazprom Neft says Shell suspends Russian tight oil project

Reuters, *04.10.2014*

Shell has suspended development of hard-to-recover oil in Russia's Bazhenov formation with Gazprom Neft, Interfax cited Gazprom Neft's head as saying, after the West imposed sanctions on Russia over Ukraine. Last month the U.S. banned its firms from supporting exploration and production activities in deep water, Arctic offshore and shale projects with top Russian natural gas producer Gazprom, its oil arm Gazprom Neft, Lukoil , Surgutneftegaz and Rosneft.

"We continue work ... by ourselves," Alexander Dyukov said, referring to Shell's suspension of development in the two companies' joint venture in western Siberia.

An estimated 75 billion barrels of technically recoverable shale oil resources may lie in the Bazhenov formation, according to the U.S. Energy Information Administration, more than in the United States, the world's leading shale oil producer. "There are implications for some of Shell's current and envisaged activities in Russia, including Bazhenov, and we are working closely with relevant authorities and our partners to determine what the exact impact of those will be," Shell said in e-mailed comments. Shell continues working on other projects that are developing conventional oil in Russia including its Salym joint venture with Gazprom Neft. Last month, ExxonMobil said it was winding down its operations in offshore Arctic areas jointly with Rosneft because of sanctions.

Ukraine responds to interim Russian natural gas price proposal

ICIS, *01.10.2014*

A trilateral meeting including the EU, Russia and Ukraine took place in Berlin on 26 September in order to come to an agreement over the price Ukraine pays for Russian gas. Russian producer Gazprom had stopped deliveries to the embattled country on 16 June. Ukraine maintains the price enshrined in its current supply contract with Gazprom is unfair.

“During the negotiations, which took place on September 26, the Ukrainian side has not received an acceptable offer from the Russian side on the package,” the ministry statement said.

Prodan says a new interim agreement would need to include:

• formation of a gas price based solely on market principles rather than political ones that would be fixed in a supply contract
• amending the transit agreement for Russian gas to Europe in line with the EU and Ukrainian legislations and the Third Energy Package, which would eliminate the current discriminating restrictions imposed on the Ukrainian grid operator Ukrtransgas. That should result in providing Ukrainian incumbent Naftogaz with free access to European markets
• coordinating schedules of payments for previous gas supplies and agreeing on conditions for future supplies, including the take-or-pay clause.

Under the interim agreement proposed by the EU, Ukraine would have to pay Russian incumbent Gazprom $3.1bn (€2.4bn) by the end of the year in two instalments - $2bn for gas it had received from Russia by the end of October and an additional $1.1bn by the end of the year. Ukraine’s total debt is estimated at $5.3bn. In the coming months, an arbitration court in Stockholm is expected to decide whether Ukraine will have to pay the rest of its debt. Under the same deal, Gazprom would have to supply at least 5 billion cubic metres (bcm) of gas to Ukraine over the coming months at a price of $385/thousand cubic metres (kcm) to secure winter supplies. At a meeting in August, the Russian government offered Ukraine a $100/kcm discount on the price it pays for gas. Gazprom also said deliveries to Ukraine would only resume when Ukrainian oil and gas company Naftogaz pays $1.45bn off its gas debt.

Slovakia agrees back-up gas deals as Russian supplies drop

Reuters, *02.10.2014*

Slovakia's national gas company has concluded back-up deals for gas deliveries to help the central European country cope with supply cuts after big reductions in volumes from Russia this week. Prime Minister Robert Fico said on Thursday that state importer SPP recorded a more than 50 percent drop in flows for the second day in a row after smaller reductions for most of September.

Slovakia is among several central and southeastern European countries that have experienced reductions in supplies of Russian gas after EU countries raised shipments of gas eastward to Ukraine.

Fico told a news conference after an emergency government session that SPP had concluded a five-year deal with E.ON Global Commodities to supply up to 2 million cubic metres per day via Austria when needed. SPP also detailed a Wednesday purchase of gas on the spot market in Austria, saying deliveries would come in the current fourth quarter and first quarter of 2015 if needed. Fico said Slovakia could also use reverse flows of gas from the Czech Republic to supply customers - meaning a pipeline traditionally used for shipments through Slovakia to the Czech Republic would be used in the opposite direction. Fico's administration has had warm relations with Moscow and has criticised the EU's sanctions against Russia. But he said Moscow, which is backing pro-Russian separatists in eastern Ukraine, was now using gas as a political tool.

"We are convinced that, considering also gas prices which are not moving much, that this is a political war where gas is being used as a weapon," he told a news conference shown live on television. "You know well where gas is flowing from." SPP said the new deals would significantly help Slovakia diversify gas sourcing. "We are capable of securing over 30 percent of standard daily consumption ... from independent sources in the event of an extraordinary situation, and so greatly reduce our dependence on supplies from the east," Chairman Stefan Sabik said. Slovakia is an important country for transit of Russian gas through Ukraine to the European Union, although Gazprom has increasingly used alternative pipelines through Belarus and the Baltic Sea. It was not clear what exact daily amounts SPP was requesting nor what Gazprom was delivering.

Gazprom said on Thursday that its daily volumes delivered to Slovakia -- 48 million cubic metres -- had not changed in the past 10 days. This is in line with data released by the Slovak pipeline operator, Eustream. However, this amount is shared among multiple buyers, in Slovakia or elsewhere in the EU. At the same time, Ukraine was to receive 24.8 million cubic metres from Slovakia on Thursday. This included Norwegian gas for the first time, a source in the Ukrainian energy sector said on Thursday. Fico said such reverse flows would continue. It was not clear who was the buyer for any potential extra gas that was not allocated to SPP. Slovakia has filled 91 percent of its 3 billion cubic metres gas storage capacity, including about 1.5 billion owned by SPP.

SOCAR operating in Ukraine in accordance with initial strategy

Azernews, *07.10.2014*

Azerbaijan's state energy company SOCAR is operating in Ukraine in accordance with its initial strategy.Commenting on the possible impact of the difficult socio-political situation in Ukraine on the activities of SOCAR in this country, the source said despite current problems, SOCAR is carrying out its activities in accordance with its strategy.

"SOCAR, which owns a gas stations' network in Ukraine, currently is pressing ahead with the construction of new gas stations in this country," the source noted. However, the source didn't specify the exact date of putting these gas stations into operation.

"Currently, the total number of gas stations operating in Ukraine under the SOCAR brand stands at 40," the source added. Earlier SOCAR said it plans to increase its investment in Ukraine, despite unstable political and economic situation in the country. It also intends to continue the construction of filling station complexes in Ukraine. "The company plans to expand its filing station complex network in Ukraine by 50 percent by autumn 2014. Additionally, it is expected to open new complexes in those provinces of Ukraine where the company wasn't previously represented," SOCAR Energy Ukraine said. In its annual report titled "Monitoring of mutual investments in the CIS countries - 2014" the Center for Integrative Studies of the Eurasian Development Bank said SOCAR's total investment made in Ukrainian economy in 2009-2013 exceeded $160 million.

The report noted Azerbaijan was the only CIS country to increase investment in Ukraine in the crisis period. In spring of 2014, SOCAR opened new petrol stations in the country's Khmelnytsky and Poltava regions, bringing their total number to 37. "The success of SOCAR in the Ukrainian market largely depends on this fact that the Azerbaijani company is focused on the rapidly growing segment of premium fuel and import oil products of the Polish, Belarusian and Lithuanian refineries meeting the Euro-5 and Euro-6 environmental standards," the report said. SOCAR, which is keen on expanding operations in the retail oil products market abroad, is involved in exploring oil and gas fields, producing, processing, and transporting oil, gas, and gas condensate, marketing petroleum and petrochemical products in the domestic and international markets, and supplying natural gas to industry and the public in Azerbaijan.

SOCAR Ukraine, which represents SOCAR in Ukraine, owns over 60 refueling stations in the country. Some 38 gas stations are operating under the SOCAR brand in the Kyiv, Odessa, Lviv, Nikolaevsk, Rovensk, Cherkasy, Khmelnytsky and Poltava regions of Ukraine. Azerbaijan's energy giant SOCAR continues to steadily develop its filling stations network both in the capital of Ukraine and other regions. It provides the Ukrainians with quality European oil products in order to strengthen its position in Ukraine's fuel market.

SOCAR invested over $160 million in the development of business in Ukraine from 2009 to 2013. The company’s investments in social and charitable initiatives in this country amounted to over $5 billion in the mentioned period. Currently, the company owns gas stations in Azerbaijan, Switzerland, Georgia and Ukraine. It has representative offices in Georgia, Turkey, Romania, Austria, Switzerland, Kazakhstan, Britain, Iran, Germany and Ukraine, and trading companies in Switzerland, Singapore, Vietnam, Nigeria, and other countries.

Russia says South Stream gas pipeline is going ahead

Reuters, *04.10.2014*

The Russia-led South Stream undersea gas pipeline is still going ahead, Energy Minister Alexander Novak was quoted as saying on Saturday, following concerns the European Union might be losing enthusiasm for the project.

The natural gas pipeline, which will cost an estimated $40 billion, is designed to carry Russian gas to the center of Europe on a route that bypasses Ukraine which is crisis-hit The project has yet to be approved by the European Union, which is trying to become less dependent on Russian gas. Supplies from Russia currently account for about a third of EU gas imports.

“The South Stream project has not been stopped,” Novak was quoted as saying by the Interfax news agency. “The agreements which were signed remain in force. They can’t be canceled on a unilateral basis.” The European Commission has said South Stream as it stands does not comply with EU competition law because it offers no access to third parties. South Stream also runs counter to the EU policy of diversifying supply sources to reduce dependence on Russia. The project has run into problems as a European Commission working group, set up to define a mechanism for managing the pipeline, has stopped its work, Novak said. “We hope that we will resume such work when the new European Commission is appointed,” the minister added.

TAP to increase Azerbaijan's role in Italian energy market

Azernews, *30.09.2014*

Azerbaijan will play a larger role in the Italian energy market in future, as the construction of Trans Adriatic Pipeline AG (TAP) is set to bring Azerbaijani gas to the country. Matteo Verda, a researcher at the Italian Institute for International Political Studies made the remark commenting on the role and place of Azerbaijan in the Italian policy.

Verda said since the commissioning of the Baku-Tbilisi-Ceyhan (BTC) pipeline, Azerbaijan has been one of the most important oil suppliers of the Italian market, adding that this relevant commercial relation was developed on purely economic basis.

Noting that Azerbaijan's role in the Italian energy supplies will increase even more after the construction of TAP, he said this new flow will help the diversification of natural gas supplies and enhancement of Italian energy security. TAP is a project that envisages building a pipeline from Azerbaijan to Turkey and Italy, which is heavily dependent on foreign supplies of gas. "In this case, political cooperation at governmental level played an important role to ensure the construction of the pipeline. Moreover, once built, the pipeline will represent a mutually binding commitment, with potentially important spillovers on other sectors," Verda said.

With regard to the protests in Puglia against the TAP project, the expert said this will not hamper the implementation of TAP project, as the pipeline has been fully authorized. Leader of Italy's anti-establishment 5-Star Movement (M5S) Beppe Grillo has recently said he would call for a referendum over TAP project. However, the government of Italian Prime Minister Matteo Renzi is keen on completing the TAP project. "Local groups and some local governments were against the project for ideological reasons. In many European countries, small groups are protesting against infrastructural development. In any case, they usually do not pose a threat to the realization of the infrastructure project. Moreover, when a few individuals become violent, security forces always intervene," Verda said.

He noted that as in the case of Grillo, some politicians try to get more visibility at national level challenging big infrastructure projects only because they receive the support of the government. "Moreover, those politicians are always eager to show that they care about the environment, even in those cases - as TAP - where there is no relevant environmental issue."Verda said, in any case, there is neither legal nor political capacity to call for a national referendum on the construction of a big infrastructure. He further stressed that bilateral relations are very good and there is commitment on both sides to improve this relationship. "Azerbaijani market is rapidly expanding and Italy offers good opportunities for investments, both for private capitals and for public funds." Verda added that even with the change of governments, there is a strong will to press ahead with infrastructure projects across the country.

Eni has been awarded 3 new exploration licenses in Egypt

Oil and Gas Eurasia, *30.09.2014*

Eni was the successful bidder of 3 new exploration licenses in Egypt as a result of the competitive 2013 EGPC and EGAS bid rounds. The new licenses will be formally awarded soon, after the ratification and finalization of the Concession Agreements.

As a result of the EGPC bid round, Eni has been awarded a 100% participating interest and operatorship of the onshore block South-West Melehia. The block is located in Egypt's Western desert, near the Melehia Development Lease, in which the Company has a participating interest. The new license covers an area of 2,058 square kilometers.

As a result of the EGAS bid round, Eni will become the operator of Block 9 and Block 8, located in deep offshore waters of the Mediterranean Sea, near the boundary with Cypriot waters. Eni will hold 100% equity in Block 9, also named North Leil Offshore, which covers an area of 5,105 square kilometers in water depths ranging from 2,100 to 2,800 meters. In Block 8, also named Karawan Offshore Eni will be partner with BP, with both companies holding a 50% equity interest. This license covers an area of 4,565 square kilometers in water depths ranging from 2,000 to 2,500 meters.

Claudio Descalzi, Eni's CEO, said: "I am very pleased with the acquisition of these new exploration permits which further strengthens our presence in Egypt, a historically and strategically important country for Eni.' Eni continues to renew, expand and diversify its exploration portfolio. In the last months, Eni has entered into new countries, such as South Africa and Myanmar, and acquired new areas like, such as in China and Vietnam. Eni has been present since 1954 and is currently the largest international energy player in the country, with a hydrocarbon equity production of approximately 220,000 barrels of oil equivalent per day.

Eni Review Raises Questions about 'Age of Gas'

Rigzone, *06.10.2014*

A review of the global oil and gas industry by Italian oil major Eni has raised a question mark over whether the world is about to enter a so-called "Age of Gas", with data showing that growth in oil consumption worldwide far outstripped growth in gas consumption last year.

The 13th edition of the company's World Oil and Gas Review, published Monday, found that the world saw consumption of oil and gas both increase last year. But while oil consumption grew by 1.4 percent, gas only grew at only one percent compared to average consumption growth between 2000 and 2013 of 2.5 percent.

Eni highlighted the fact that, for the first time since the economic crisis began, OECD countries saw a positive trend for oil demand. Although the data represents only one year, it goes against the increasingly-popular view that the world is entering an "Age of Gas" in which gas will overtake oil as the world's primary source of energy. Eni's review also revealed that 2013 saw the world's oil and gas reserves increase by 0.4 percent and 1.7 percent respectively mainly thanks to new U.S. tight oil plays and gas discoveries in East Africa. The firm said 2013's slight increase in oil reserves was driven by the contribution from non-OPEC countries, with the US (up 9.8 percent) leading the way followed by Norway (up 8.6 percent). OPEC countries' reserves remain substantially stable, the firm added.

Spanish gas exchange launch pushed back from 1 January

ICIS, *06.10.2014*

A new Spanish gas exchange that was supposed to be launched in less than three months' time has been delayed by at least six months. The Spanish energy ministry reinstated auctions as the official price-setting tool for the gas market in Spain, displacing the role of a spot gas exchange.

"It looks like there will be a delay in implementing the exchange, but I do not have any information to confirm that this is the case, nor can I say what the new start date will be," a spokesman for OMIE, the Spanish electricity market operator, a division of which has been developing the exchange, said.

The new auction would be held on 18 November, he added. The energy ministry was unavailable for comment as to the exact reason for the delay. Some sources said it had been inevitable because the schedule was too ambitious. It was always unlikely that the gas exchange would launch on time, as there was "not physically enough time to do so," one official said this week. "Normally drafting a law takes a year – the market is not ready." On 26 September a government resolution announced a surprise auction would take place covering the six-month time frame from 1 January-30 June. "From this can be deduced that the exchange will not be operational until at least a year after it was announced," the official added.

The announcement of the six-month auction meant "the exchange has been delayed until at least mid-2015," a trading source agreed. The exchange, which was due to kick off on 1 January 2015, was to have represented a new attempt to bring transparency to the Spanish gas market by providing the country with its first daily reference price for the spot gas market (see ESGM 30 June 2014). Initially only Day-ahead and Within-Day products were envisaged, with scope to roll out further products as the need arose. The exchange was to have provided a venue where Spanish gas transmission system operator (TSO) Enagas, in its capacity as technical manager, would have purchased gas on an over-the-counter (OTC) basis for the first time.

Under the terms of its unbundling, Enagas is forbidden from purchasing gas except for operational purposes, such as for linepack and storage needs. Until now, these gas requirements have been purchased through auctions held on quarterly, half-yearly or annual bases. It was planned that the launch of an exchange on 1 January would have provided a new, daily marketplace for this regulated gas, albeit in very small volumes. Operational gas in Spain requirements total around 2TWh per year, or around 5.5GWh per day. The hope from the exchange's backers was that this guaranteed liquidity would in time have lured others to the market too. Currently, the only transparent regular price reference in Spain is the ICIS AOC front-month assessment, which was launched in 2012.

UK firm to drill for gas in disputed sea

The Associated Press, *27.09.2014*

The chairman of a Philippine energy company said a Chinese state-owned oil producer hasn't responded to a revived proposal to jointly explore a disputed area of the South China Sea but drilling will go ahead by 2016 with or without a partnership.

Manuel Pangilinan said that Filipino-British company Forum Energy PLC communicated the offer to China National Offshore Oil Corp. to explore Reed Bank, northwest of the Philippine island of Palawan. Pangilinan said the Forum is continuing its attempts to engage with the Chinese company, also known as CNOOC.

He said the project has not attracted other investors because it is in an area of conflicting territorial claims and other investors did not want to offend China. Pangilinan is chairman of Philex Petroleum Corp., majority owner of London-based Forum Energy that has been awarded the exploration contract. He had an initial meeting with CNOOC President Yang Hua in 2012, but the talks have stalled, with the territorial conflict hampering exploration in the area. Pangilinan said Forum still intends to drill two wells in first half of 2016. "We will do it on our own if we have to ... as long as we are not disturbed," he said. The Department of Energy has extended Forum's delayed drilling program by a year, giving it up to Aug. 15, 2016 to fulfil its contractual obligations. Pangilinan said weather would permit drilling only from March to May.

Territorial spats between China and the Philippines over parts of the South China Sea have worsened in recent years, straining ties. President Benigno Aquino III on Tuesday voiced concern that two Chinese hydrographic ships sighted by the military at the disputed Reed Bank in June could presage an attempt to drill for oil there. In March 2011, Chinese ships tried to drive away a Philippine exploration vessel at the Reed Bank. The Philippines deployed two air force planes but the Chinese patrol ships had left by the time the aircraft reached the contested area. China and the Philippines, along with Brunei, Malaysia, Taiwan and Vietnam, have been contesting ownership of mostly barren islands, islets, reefs and surrounding waters in the South China Sea for years.

Statoil wins license to explore in Algeria

Anadolu Agency, *30.09.2014*

Statoil and Shell won a new license to explore for oil in the southeastern part of Algeria. The Norwegian oil giant and the Anglo–Dutch multinational oil and gas company were awarded the Timissit permit licence in the Illizi-Ghadames Basin onshore Algeria. The license covers an area of 2,730 square kilometers, announced company in a press release.

The exploration will be operated by Statoil, which holds 30 percent stake in the partnership. Shell holds 19 percent equity and the remaining 51 percent will be held by Sonatrach, an Algerian government-owned oil and gas company.

“Statoil is entering this shale play to test the prospectivity and commerciality. The first exploration phase inAlgeria is expected to last up to 2017 and include the drilling of two wells and seismic acquisition,” said Nick Maden, senior vice president for Statoil’s exploration activities in the Western Hemisphere. Statoil already has projects in Algeria and announced a joint venture partners decision to resume ordinary operations at the “In Amenas”, a town in eastern Algeria, in the first days of September 2014. The decision of Statoil to resume ordinary operations at “In Amenas” was a result of step by step process to identify the necessary security measures, implementing them and validating that they are in place and operational, stated Statoil. The Norwegian company’s “In Amenas” plant faced a crisis on 16 January 2013. The plant was the target of a terrorist attack and five of the Statoil employees were killed. In total 40 people were killed and four days after the attack, the Algerian special forces conducted a raid. More than 750 people were freed.

Statoil is also involved in the gas fields in Salah and Hassi Mouina in Algeria. Salah, Algeria’s third largest gas field is jointly operated by Statoil, BP and Sonatrach. The field’s production capacity is 9 billion cubic meters (bcm) per year. Also, in Hassi Mouina, Statoil has completed an exploration programme which led to the discovery of dry gas both in the Northern and Southern parts of the license area. The gas discoveries are being evaluated for a possible development. Algeria has 20 trillion cubic meters of recoverable shale gas reserves, according to U.S. Energy Information Administration (EIA). Algeria is the leading natural gas producer in Africa and holds the world’s tenth-largest amount of proved natural gas reserves and the third-largest technically recoverable shale gas resources, according to EIA. The country produced 78.6 bcm of natural gas in 2013.

Norway’s oil minister concerned lower oil price will hit investment

Reuters, *30.09.2014*

Norway is concerned about a drop in energy investment levels and would like oil prices to rise back above $100 per barrel, but still sees activity levels high by historical standards next year, the energy minister told Reuters.

Exploration in Norway’s Arctic was disappointing this year, despite record high drilling activity, and a key worry for the sector is if service companies permanently remove capacity, as they did in the 1990s, becoming unable to meet increased demand once oil prices rise again, Tord Lien said. “We like to see oil prices above $100 and we like to see them stable,” Lien said on the sidelines of a conference.

“But we also see a technical floor under oil prices ... at around or above $80. “I’m not expecting it to go in that direction, but there’s never been a technical floor in the oil market before,” Lien said. “Earlier the floor depended on political decisions in large oil-producing countries.” Brent crude dipped under $96 per barrel last week, hitting a more than two-year low, raising concerns for oil companies which are struggling with rising costs, falling efficiency and demands from shareholders for increased returns. Norway, the world’s seventh-biggest oil exporter and Western Europe’s top gas supplier, relies on energy tax income to fund spending and the central bank said on Tuesday it would start converting foreign currency oil income for the budget as local currency tax revenue is no longer enough.

“Over the last decade, the oil price has almost tripled from just above $40 to around $100 per barrel,” Helge Lund, chief executive of Statoil, Norway’s biggest energy producer, said separately. “But due to escalating investment, increased costs, more complexity (and) more risk, the return on capital from the majors has decreased by 30 percent over the same time.” Lund said half of Statoil’s peers had returns on capital employed of 10 percent or less, a level considered unsustainably low, especially given the rising cost of future investment. Norway expects oil and gas investments to fall around 10 percent and Lien said it will not be a smooth ride for all. “There is reason to be concerned as projects are being put on hold,” Lien said. “There will have to be some readjustment in the supplier industry ... and not everybody will experience a soft landing.”

Oil companies are delaying developments or upgrades to existing fields to save cash and the Norwegian Petroleum Directorate earlier said it no longer expects any development plans this year. Meanwhile oil service companies have started to lay off some staff and reduce capacity. Lien said a key risk is that service firms, which do everything from seismic surveying and engineering to field development, will permanently take out capacity. “We’re not there yet,” Lien said. “But in the 1990s, when oil prices started to rise, the supplier industry didn’t have the capacity to meet demand. I hope they’ve learned from that.” Lien said exploration results in the Arctic Barents Sea had been disappointing as mostly relatively small pockets of gas had been found.

LITGAS begins selling natural gas from Lithuanian LNG cargoes

ICIS, *07.10.2014*

Gas from the first arrival of LNG into the upcoming Lithuanian import terminal began to be sold through natural gas exchanges GET Baltic and Baltpool on Tuesday, a spokesman from state-owned LNG buyer has LITGAS confirmed.

The gas futures being sold will come from the first cargo, which ICIS understands is due to arrive on 28 October into the terminal's new floating storage regasification unit, named Independence. The regasification unit will arrive at the terminal the day prior to this, and will offer more than 4 billion cubic metres (bcm) per year of nameplate send-out capacity.

Up to 50 million cubic metres (mcm) of gas from the cargo will be offered on the exchanges until 31 December. Initial trading on the exchanges will be treated as a test in order to evaluate how to go about meeting the needs of the market for 2015, said Dominykas Tuckus, general manager of LITGAS. Norwegian producer Statoil has signed an agreement with LITGAS to supply 550mcm/year of regasified LNG at the terminal over five years. However, third-party access to capacity at the terminal has attracted little interest from neighbouring countries. In August, 760mcm of seasonal capacity remained available between January and September 2015, with 2bcm still available on a long-term basis for Gas Year 2015. These capacities are still up for sale. LITGAS will use 402mcm of regasification capacity at the terminal during its first transitional gas year.

Terminal operator Klaipedos Nafta launched a market consultation last month to determine the potential demand for LNG reload services from 1 January 2015. The terminal operator is understood to have received interest from market participants for LNG bunkering, trucking and rail transport services and is now calling on Poland, Latvia and Estonia to participate. The company is also considering plans to set up a small-scale LNG reloading station in Lithuania, according to a source close to the matter. Reload capacity on offer from the terminal ranges from 5,000 cubic meters to a conventional-sized cargo. Lithuania consumes about 3bcm of gas every year, which has traditionally been supplied via pipeline by Russian producer Gazprom. New LNG supply in Lithuania will elevate the Baltic region's bargaining position in renegotiating gas prices under existing supply contracts with Gazprom.

EU seeks faster energy market integration amid crisis

Bloomberg, *06.10.2014*

The European Union is seeking to speed up the creation of a common energy market to help its shift to a low-carbon economy and boost security of energy supplies amid a natural-gas dispute between Russia and Ukraine.

Energy and environment ministers from the European Union's 28 member states are meeting in Milan, Italy, today (October 6) to help build a compromise before a summit on October 23-24 where the bloc's leaders are expected to decide on policies for 2030. The challenge for governments is to reconcile the need for cheaper and safer energy while accelerating the pace of emissions reductions.

"The completion of an integrated internal energy market will increase solidarity among member states, ensure safety of energy supplies and support integration of local renewable energy sources with a view to achieving energy self-sufficiency," Italy, which currently holds the EU's rotating presidency, said on its website. The EU energy strategy includes developing interconnections, modernizing infrastructure and diversifying supply sources. Jean-Claude Juncker, the president-designate of the next European Commission, has vowed to move toward an energy union with forward-looking climate policy as a pricing dispute led to the cutoff of Russian natural gas supplies to Ukraine, the transit country for around 15 percent of the EU demand for the fuel.

The EU is trying to broker a compromise between the two nations and proposed a temporary deal to restore flows before winter. The next round of three-way talks will be set this week, the commission said in a statement on Oct. 3. While Russian Energy Minister Alexander Novak on Sept. 26 called the EU "a big step" toward an agreement, Ukrainian Energy Minister Yuri Prodan said last week his country is "ready to reach an agreement, but not at the volumes and in the timeframes set by Russia." Concerns among EU governments over a possible disruption increase as Russia and Ukraine have been trading accusations of threats to EU-bound gas since July.

European nations have already agreed to stress test of Europe's energy system to help overcome a potential cutoff in the 2014-15 winter. Their leaders plan to decide on further measures to enhance the bloc's energy security at the October summit. "In the short term, the EU has the following overriding priority: to ensure that the best possible preparation and planning improves resilience to sudden disruptions in energy supplies, in particular during the coming winter," the EU presidency said in a report sent to member states for discussion at today's gathering. The completion of the EU energy market by the end of 2014 and ending energy isolation of member states by 2015 remain "essential tools" for energy security, according to Italy. Investment challenges that member states face include the replacement of obsolete power plants and infrastructures to improve energy efficiency and lower energy costs.

The commission, the bloc's regulatory arm, proposed in January the bloc adopt a binding goal to cut greenhouse gases by 40 percent by 2030, accelerating the pace of emissions reduction from 20 percent in 2020 compared with 1990 levels. It also recommended an EU-wide target to boost the share of renewables in energy consumption to 27 percent. Energy efficiency is the third pillar of the strategy for 2030, to be decided by EU leaders later this month. The commission proposed nations increase energy savings by 30 percent by 2030 compared with 20 percent targeted for the end of the current decade.

Energy savings exceed total EU consumption

Anadolu Agency, *08.10.2014*

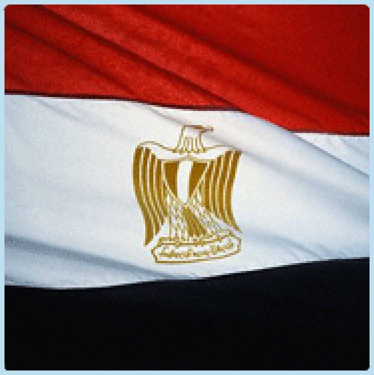
Energy efficiency savings in the European Union have exceeded the bloc's total consumption from all its energy sources, according to a recent report. The IEA Energy Efficiency Market Report 2014 said savings from energy efficiency improvements in 2011 among 11 International Energy Agency member countries equaled 1,337 million tons of oil-equivalent energy (Mtoe) more than the total final consumption of the EU and Asia, excluding China.

The report said: "Energy efficiency savings in 11 IEA member countries were effectively displacing a continent's energy demand."

The savings are equivalent to 80 percent of China's total final consumption and 87 percent of the USA's for 2011. The financial side of the savings equals $743 billion at a given average global price for energy. Efficiency investments made the largest contribution to the residential sector, where energy demand fell by 5 percent compared to 2001 levels among the countries analyzed. The report estimated that investment in energy efficiency markets worldwide in 2012 was between $310 billion and $360 billion. The amount was larger than supply-side investment in renewable electricity or in coal, oil and gas electricity generation, and about half the size of upstream oil and gas investment. The report said that new vehicle fuel economy standards will drive the market for more energy-efficient vehicles in the next five years. An annually $80 billion investment up to 2020 will save up to $190 billion in fuel costs, it added. The report also said that, if there had been no efficiency gains since 2001, total final energy consumption in 2011 would have been 218 Mtoe higher.

International energy investors return to Egypt

Anadolu Agency, *30.09.2014*



The energy market in Egypt is attracting new investors after the country pledged to reduce its $5.9 billion debt, according to one of the world's leading Middle East energy experts. The government has announced it will repay at least $4.5 billion of the debt to international energy companies over the next three years, sparking a return of investor confidence, Justin Dargin, an energy and Middle East expert at Oxford University, said.

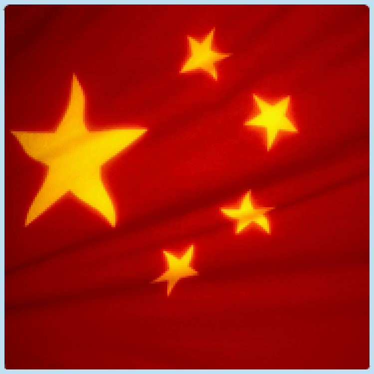
"President Sisi made a pledge to prioritize the repayment of all of the outstanding energy related debts." Dargin said, referring to Egyptian President Abdel Fattah el-Sisi.

He added that the government's "bold and comprehensive plan" to reconfigure its energy subsidies and revise terms of investment made in Egypt's upstream gas market more attractive for global energy companies. The turnaround has also been helped by an injection of finance from Gulf states. "The financial backing of the Gulf countries renewed trust in the Egyptian market," Dargin said. "The very visible presence of the Gulf countries in backing Egypt economically and politically has reassured international investors who doubted Egypt's ability to return to economic and political stability in the mid-term." Since the overthrow of President Mohamed Morsi in June last year by Sisi, the U.A.E. has provided a $3 billion aid package to Egypt in the form of a $1 billion grant and a $2 billion loan.

Saudi Arabia has also provided $5 billion with a further $4 billion from Kuwait. Egypt has signed more than 30 oil and gas deals with international companies in 2014 and plans to secure another 15 by the end of the year. The recent agreements include German firm RWE's concessions in the Gulf of Suez, the U.K.'s BG Group's $1.5 billion investment in the West Delta deep marine concession, the concession to Dana Gas, of the U.A.E., to develop two on-shore gas blocks in the Nile Delta, as well as deals with Italia's Eni and Edison, Tunisia's HBSI and Canadian firm TransGlobe. Last month, the Ministry of Petroleum signed a one-year $9 billion deal with the Abu Dhabi National Oil Company.

China targets neighbors for energy security

Anadolu Agency, *30.09.2014*



China is deploying its energy investments to neighboring countries to reduce its emissions and dependence on conventional domestic sources such as coal, according to a report released by Asian Development Bank. China depends on coal for 60 percent of its electricity production. And it is trying to reduce this number as environmental concerns rise while the demand continues to increase rapidly.

The report, titled "Energy Security in Asia," states that due to use of coal in power stations, industries and as a domestic fuel, the average air quality in 45 major Chinese cities was rated as poor.

China's latest air pollution alert comes on the heels of a report by the World Health Organization, which estimated that 7 million people in the country died as a result of air pollution in 2012.Countries in the region, such as Myanmar, Indonesia, Turkmenistan and Malaysia, are the main targets for China, the report states. China is expanding investments in Myanmar in both hydropower and hydrocarbons, according to the report. Some 45 companies are involved in 63 hydropower projects in Myanmar while two pipeline projects with a value of more $4 billion are being built by China National Petroleum Corporation. The $2.3 billion crude oil pipeline will transfer 22 million tons of oil per year, while a $2 billion gas pipeline will have a capacity of 13 billion cubic meters per year.

The report states that China's investments in Turkmenistan may be an opportunity for China to reduce dependence on seaborne imports. China has an agreement to buy 65 million cubic meters of gas per day from Turkmenistan. The first natural gas processing plant in the country was built by China. The gas pipeline from Turkmenistan to China has a capacity of 40 billion cubic meters natural gas annually. In addition, China provided more than $8 billion of financial support to Turkmenistan that is projected to be repaid from gas sales. In Indonesia, Chinese companies are involved in more than 30 power plant projects with a total capacity of nearly 10,000 megawatts, while five new dam projects are planned in addition to two operational hydropower plants in Malaysia.

Pioneer Natural Resources plans to double U.S. oil exports in 2015

Reuters, *29.09.2014*

Pioneer Natural Resources plans to double its U.S. exports of condensate, an ultra-light oil, to 50,000 barrels per day (bpd) next year, its chief executive said on Monday. The U.S. shale resources explorer, along with Enterprise Product Partners LP, received the green light from the U.S. government in March to ship the ultra-light crude as the country softened a 40-year ban on oil exports.

"We operate 50,000 bpd and we're selling probably about 20-25,000 bpd, but eventually we'll get up to 50,000 bpd," Scott Sheffield told Reuters, saying this would happen in the year 2015.

Pioneer sells processed condensate from its Eagle Ford shale site to Enterprise, which markets the oil to foreign buyers. Sheffield said a third cargo was on its way to Singapore after the first two cargoes went to South Korea and Europe. The cargoes are currently sold on a spot basis, but Pioneer and Enterprise are evaluating offers for one-year contracts for next year's supplies, said Sheffield. "We want to get it on bigger ships that will lower our transportation costs," Sheffield said, adding that he hoped larger shipments could happen by the end of this year. Pioneer has benefited from improved pricing as a result of its ability to sell the oil outside the United States, Sheffield said earlier this month.

Producers are pushing to export more condensate as output of the light oil from major shale basins across the country has outpaced local refining capacity to process it, even though some groups are lobbying against allowing the overseas sales. "After the elections, I see a lot more companies having the same agreement with the Commerce Department," he said. Another 20-25 companies are seeking approval to export U.S. condensate, Sheffield said. "So we'll see a lot more exports of condensate starting maybe late this year, early next year," he said. Condensate production in the Eagle Ford basin is about 600,000 bpd, he said. Chances that the United States government would lift its ban on crude oil exports next year were slim at 20 percent due to the upcoming November elections, Sheffield said earlier at a lecture at a local university.

But pressure from the rest of the world is growing as Asia needs oil to replace lost Iranian supply due to Western sanctions and as Europe seeks more oil and gas supplies from the U.S. in the wake of the Ukraine crisis. "How can we ask countries like Japan and South Korea not to take Iranian crude and we won't ship them crude? "And also with what's happening in Ukraine, Europe is asking ... for LNG, but that's going to take time, but they can get help today from oil versus importing it from Russia," Sheffield said. Sheffield expects the U.S. to lift its crude oil export ban in 2017. Pioneer produces 161,000 bpd of oil equivalent from its shale assets in Eagle Ford and Permian Basin in south Texas.

ExxonMobil suspends cooperation with Rosneft on Arctic oil project

Reuters, *29.09.2014*

U.S. oil giant ExxonMobil is suspending cooperation with Russia's state-owned company Rosneft on offshore drilling in the Arctic due to sanctions. Rosneft and its head Igor Sechin were among the targets of the sanctions, imposed over Moscow's role in the Ukrainian conflict, which has claimed the lives of more than 3,000 people.

On Saturday, Rosneft said it had made an oil discovery jointly with ExxonMobil and that the two had successfully completed drilling of a well in the Kara Sea oil province, where oil reserves are estimated to be comparable to those of Saudi Arabia.

Exxon said earlier this month that the U.S. Treasury Department had given it a short extension to wind down a rig in the Kara Sea beyond the 14 days outlined in the sanctions targeting Western cooperation in Russia's oil sector. "Theoretically, there was a possibility to continue the work, but it was necessary to obtain a new permit," Kommersant reported, citing one of the unnamed sources. "But ExxonMobil failed to get it. ExxonMobil should stop work and evacuate its personnel by mid-October." Rosneft declined to comment on the report. ExxonMobil was not immediately available for comment.

Chevron sells stake in Canadian shale field to Kuwait

Reuters, *06.10.2014*

Chevron Corp said it would sell a 30 percent stake in its Canadian oil shale holdings to Kuwait's state-owned oil company for $1.5 billion.The deal with Kuwait Foreign Petroleum Exploration Co helps Chevron reduce production risk and gives it more capital to increase drilling in Alberta's Duvernay shale formation, one of North America's largest shale deposits.

The deal, valued at about $15,000 per acre, boosts land valuations in the region and should help increase drilling, a step that will likely reduce production costs to about $12 million per well, down from about $15 million to $20 million.

Chevron’s Canadian subsidiary has exploration leases for about 1,335 square km in the Duvernay shale formation. The area is located about 200 km northwest of Edmonton, Alberta. The deal also creates a partnership for appraisal and development of liquids-rich shale resources in the Kaybob area of the Duvernay, Chevron said. After the deal closes in November, Chevron Canada will remain the operator and will hold a 70 percent interest in the project. The deal price includes a portion of Chevron Canada’s share of future capital costs for the joint venture. Allen Good, senior equity analyst at Morningstar, said the divestment was not a comment on the quality of Chevron’s Duvernay assets but rather a way to cut spending at a time when the company has a number of major projects underway.

“I see this as a way to reduce capital spending but still retain exposure to a potentially lucrative play,” Good said, adding that Kuwait Foreign Petroleum Exploration Co did not offer any particular expertise. “It’s simply a funding source that historically Chevron would not have looked at, but they are spending a lot on developing LNG and offshore so are looking at monetizing some of their assets sooner than they normally would.” Duvernay is widely viewed as one of North America’s most promising shale fields. Chevron boosted its holdings in the field in August 2013, buying 67,900 net acres from Alta Energy Luxembourg SARL. Chevron has drilled 16 wells since beginning its exploration program in the Duvernay in 2011, recording initial well production rates of up to 7.5 million cubic feet of natural gas and 1,300 barrels of condensate per day.

Penn West Petroleum Ltd, Royal Dutch Shell and Athabasca Oil Corp are some of the other operators in the Duvernay shale formation. Chevron also has shale assets in the Permian Basin in Texas and Pennsylvania’s Marcellus shale field. Chevron CEO John Watson told Reuters last month that the Duvernay, Permian and Marcellus would be the company’s primary North American shale projects for the foreseeable future. Chevron’s shares rose as high as $119.05 in morning trading before slipping back to trade flat at $117.71. The stock has fallen about 10 percent in the past three months.

Free trade in crude oil is in U.S. interests

Reuters, *30.09.2014*

U.S. oil refiners benefited from free trade in the last decade, however some continue to support the protectionist ban on crude exports. Domestic consumption of oil-based products fell by 2 million barrels per day (b/d) between 2005 and 2013, according to the U.S. Energy Information Administration.

Refiners turned to export markets to fill the gap, increasing exports of finished petroleum products and other refinery liquids by just less than 2 million b/d over the same period. The renaissance in U.S. refining stems from the shale boom, but it would not have been possible without free trade policies guaranteeing access to export markets.

Production, profits and jobs at U.S. refineries are increasingly underpinned by exports to Europe, Latin America and Asia. Without exports, falling demand at home for gasoline, diesel and fuel oil would have forced many refineries to close. Several leading shale oil producers have been lobbying to lift the restrictions on crude exports. Most refiners have quietly accepted that the case for free trade applies to unprocessed crude as well. But some smaller and more domestically focused operators continue to oppose any effort to ease or lift the restrictions on crude exports. Four smaller refiners have formed Consumers and Refiners United for Domestic Energy (CRUDE) to lobby Congress and the White House against repealing the four-decade old restrictions.

The crude export ban was originally introduced in response to the 1973 oil embargo, in which members of the Organization of Arab Exporting Countries (OAPEC) cut production and banned exports to the United States and the Netherlands in retaliation for their support for Israel. The U.S. oil export ban was meant to reserve U.S. energy for U.S. customers after supplies were cut from Saudi Arabia, Kuwait, Abu Dhabi, Bahrain, Qatar, Libya, Algeria, Egypt, Syria and Iraq. The original logic of the ban has long since become moot in the changed strategic environment of the 21st century. But opponents claim that permitting crude exports could harm American consumers and workers by raising fuel prices and leading to refinery closures. Neither outcome is likely. There is no rational basis for maintaining a near-total ban on exporting crude while allowing refined products to be exported freely.

Permitting crude oil exports would not raise the price of finished fuels such as gasoline and home heating oil for U.S. companies and consumers. Unlike crude, U.S. fuel prices are set in global markets and track international benchmarks such as Brent rather than domestic crude prices such as WTI or Bakken. With U.S. refiners now exporting more than 1 million barrels of distillates, half a million barrels of gasoline and 200,000 barrels of jet fuel every day, arbitrage ensures American consumers pay the same at the pump as motorists abroad. Any price changes as a result of lifting the ban would be trivial. The principal effect of the export ban is to transfer profits from domestic crude producers to refiners by artificially depressing the price of domestic crude oil while allowing product prices to be set at international levels.

Export opponents imply jobs might be lost and refineries might close if the ban were lifted, but there is no real reason to expect either outcome. U.S. refineries would remain cost-advantaged by their proximity to domestic production. Most are also considerably more sophisticated than competitors in Europe and Latin America, so they have a technology advantage as well. If the export ban is lifted, there are unlikely to be any significant refinery closures or job losses. Besides, focusing exclusively on refinery employment is too narrow. U.S. refineries directly employ around 76,000 workers, according to the U.S. Bureau of Labor Statistics (BLS), compared with more than 210,000 workers directly engaged in oil and gas drilling. Refineries have created fewer than 10,000 extra jobs over the past decade, while increased oil and gas production has generated nearly 100,000 and that number is still increasing.

Wage rates in field production and refineries are similar, according to the BLS, not least because many petroleum engineers and other highly skilled workers are equally able to find employment in the upstream or downstream sections of the industry. Government policy should aim to maximize well-paid jobs across the industry, whether upstream, midstream or downstream, rather than in just one part of it. The export ban is sometimes justified on the public interest and national security grounds that it reserves U.S. oil for U.S. customers and maintains a strong domestic petroleum industry. But the ban does nothing of the sort. More than 4 million barrels of oil and gas liquids are already exported every day, mostly in the form of diesel, gasoline and liquefied petroleum gas. Thanks to the shale revolution, the United States has experienced a boom in oil and gas jobs and lower prices for both natural gas and oil products. As a result of advances in drilling, it has a strong comparative advantage in oil and gas production and should focus on maximizing oilfield output and employment, rather than subsidizing refineries that do not need the help.

The ban on crude exports is illogical, unnecessary and serves only to enrich shareholders in a small number of domestically focused refineries. It does nothing to promote jobs or cut fuel prices for ordinary Americans. Instead it exposes the United States to charges of hypocrisy when U.S. officials try to promote liberalization and oppose barriers erected by other countries, such as China’s restrictions on the export of rare earth elements. Boosting domestic production, minimizing oil imports and maximizing exports serves the strategic interests of the United States by reducing global price volatility, ensuring the stable flow of energy to allies and reducing the influence of other energy exporters who are hostile to the United States. The case for Congress and the president to lift outdated restrictions on crude exports is overwhelming. Lawmakers and the White House should act promptly once the midterm elections are over. To continue enforcing the ban could be seen only as a cynical and arbitrary exercise in protectionism on behalf of a small number of vocal refinery owners.

Brent oil off 27-month low but still faces loss

Reuters, *03.10.2014*

Brent crude futures rose towards $94 a barrel Oct. 3 after a three-day slide pulled prices to their lowest since 2012, but the overall tone remains bearish, amid ample supply. The crude benchmark has fallen more than 15 percent this year as global supplies have remained high despite conflict in the Middle East.

"I think the market will continue to push prices lower because of concerns over the glut, but I think the market is (also) being complacent about the risks," said Jonathan Barratt, chief investment officer at Ayers Alliance. "I feel there's a lot of geopolitical risk out there and it could get worse."

The turmoil in Iraq sent Brent to a nine-month high of $115.71 a barrel in June, but prices have fallen since, with no disruptions to global oil supply and Libyan output even rising. New tensions in the Middle East are cropping up, however. Turkey's parliament authorized the government Oct. 2 to order military action against Islamic State of Iraq and Levant as the insurgents tightened their grip on Kobane, a Syrian border town. Brent for November delivery was up 33 cents at $93.75 a barrel by Oct. 3 in the morning. But the contract is down more than $3 for the week, having hit $91.55 on Oct. 2, its lowest since June 2012. U.S. November crude added 48 cents to $91.49 per barrel. It has lost around $2 this week, its steepest weekly fall in a month. It hit $88.18 in the previous session, its lowest point since April 2013.

Some investors may be betting on a softer U.S. jobs number for September that could sap the dollar's strength and boost commodities, such as oil, said Ric Spooner, chief market analyst at CMC Markets. "We might be seeing some positioning or buying as a defense against the risk of the nonfarm payrolls being skewed to the downside," said Spooner. A weaker greenback makes dollar-priced commodities cheaper for buyers using other currencies. But economists polled by Reuters forecast that U.S. nonfarm payrolls probably rose by 215,000 last month against 142,000 in August. Some analysts say only a cut in output by the OPEC may rescue oil prices as expectations rise that they will agree to do so at their meeting next month in Vienna.

While some OPEC countries are calling for supply cuts, however, other core members are betting winter demand will revive the market, suggesting the group is no closer to any collective steps. "I think once we get down to $85-$90 for Brent, one would imagine that OPEC would be beginning to talk about tightening supply," said CMC Markets' Spooner. Saudi Arabia's move on Oc.t 1 to cut official oil sale prices to Asian customers helped to send prices sharply lower this week. The move was seen as a strong sign it is trying to compete for crude market share and keep markets well supplied. But changes in Asia OSPs have tended in the past to be the result of demand for Saudi Arabian crude, not a driver of it, Morgan Stanley analysts said.

Announcements & Reports

► *Monthly energy review*

Source : EIA
Weblink : http://www.eia.gov/totalenergy/data/monthly/pdf/mer.pdf

► *Petroleum supply monthly, September 2014*

Source : EIA
Weblink : http://www.eia.gov/petroleum/supply/monthly/pdf/psmall.pdf

► *Weekly petroleum status report*

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

► *Short-term energy and winter fuels outlook (STEO)*

Source : EIA
Weblink : http://www.eia.gov/forecasts/steo/pdf/steo_full.pdf

► *Energy supply security*

Source : IEA
Weblink : http://www.iea.org/publications/freepublications/publication/ENERGYSUPPLYSECURITY2014.pdf

► *Energy interests of India in Central Asia: Chinese dimension as a motivation*

Source : EPPEN
Weblink : http://www.eppen.org/en/resim/haber_resim/EPPEN4AnilKumar.pdf

► *Presentation for refinement workshop*

Source : Entso G
Weblink : http://www.entsog.eu/public/uploads/files/publications/incrementalcapacity/INC00197-14_140910_Presentation%20for%20Refinement%20Workshop_FINAL.pdf

► *US NGLs production and steam cracker substitution*

Source : Oxford Energy Institute
Weblink : http://www.oxfordenergy.org/wpcms/wp-content/uploads/2014/09/US-NGLs-Production-and-Steam-Cracker-Substitution.pdf

► *Oxford energy forum*

Source : Oxford Energy Institute
Weblink : http://www.oxfordenergy.org/wpcms/wp-content/uploads/2014/09/OEF-97.pdf

► *Kenya: an African oil upstart in transition*

Source : Oxford Energy Institute
Weblink : http://www.oxfordenergy.org/wpcms/wp-content/uploads/2014/10/WPM-53.pdf

► *Best in class, how upstream gas can work smarter*

Source : PwC
Weblink : http://www.pwc.com/en_GX/gx/oil-gas-energy/publications/assets/pwc-appea-best-in-class-apr14.pdf

Upcoming Events

► *SPE Russian Oil and Gas E&P Technical Conference & Exhibition*

Date : 14 - 16 October 2014
Place : Moscow – Russia
Website : http://www.russianoilgas.ru/en/Home/

► *Canada Europe Roundtable for Business – 2014 Calgary Energy Roundtable*

Date : 15 October 2014
Place : London – United Kingdom
Website : http://www.energyroundtable.org/london.php

► *SPE Russian Oil and Gas Exploration & Production Technical Conference & Exhibition*

Date : 14 - 16 October 2014
Place : Moscow – Russia
Website : http://www.russianoilgas.ru/en/Home/

► *Energy Hedging, Risk Management & Trading Seminar*

Date : 15 – 16 October 2014
Place : Houston - USA
Website : http://www.mercatusenergy.com/energy-hedging-trading-risk-management-events/

► *FT European Gas Summit: New Supplies for Europe: Feast or Famine*

Date : 23 October 2014
Place : London – United Kingdom
Website : http://event.ft-live.com/ehome/index.php?eventid=87259&&reference=twittertweet

► *Society of Petroleum Engineers Annual Technical Conference and Exhibition (ATCE)*

Date : 27 - 29 October 2014
Place : Amsterdam – The Netherlands
Website : http://www.spe.org/atce/2014/

► *European Autumn Gas Conference*

Date : 28 – 30 October 2014
Place : London – United Kingdom
Website : http://www.theeagc.com/

► *Turkey International Underground Gas Storage Conference*

Date : 29 – 31 October 2014
Place : Ankara – Turkey
Website : http://tugs2014.org/

► *Gas to Liquids*

Date : 29 – 30 October 2014
Place : London – United Kingdom
Website : http://www.smi-online.co.uk/energy/uk/conference/gas-to-liquids

► *Climate Change: Raising Ambition, Delivering Results*

Date : 03 – 04 November 2014
Place : London – United Kingdom
Website : http://www.chathamhouse.org/ClimateChange14?campaign=ngfe

► *Iran Oil & Gas Summit*

Date : 03 – 05 November 2014
Place : London – United Kingdom
Website : http://www.iranoilgas-summit.com/

► *Africa Oil Week*

Date : 03 – 07 November 2014
Place : Cape Town – South Africa
Website : http://www.woodmac.com/public/events/12318502

► *Global Energy Forum*

Date : 04 November 2014
Place : Houston – USA
Website : http://www.woodmac.com/public/events/content/12524912

► *The European Utility Week*

Date : 04 – 06 November 2014
Place : Amsterdam – The Netherlands
Website : http://www.european-utility-week.com/

► *The 4th China International Offshore Oil & Gas Technology Conference and Exhibition*

Date : 09 – 11 November 2014
Place : Beijing – China
Website : http://www.bmc-china.cn/en/OTC/Info.aspx?m=20140623175442410336&nm=20140623140856553113

► *International Petroleum Technology Conference*

Date : 10 – 12 November 2014
Place : Kuala Lumpur – Malaysia
Website : http://www.iptcnet.org/2014/kl/?utm_source=Web+Banner&utm_medium=Web-ADBNR&utm_content=14IPTC-Web-ADBNR-WebUps-13AUG14&utm_campaign=14IPTC+-+Register+Now

► *Asset Integrity Management Summit Asia 2014*

Date : 10 – 13 November 2014
Place : Kuala Lumpur – Malaysia
Website : http://www.assetintegritysummit.com/default.aspx?utm_campaign=UpStream&utm_medium=external&utm_source=external&utm_content=home&utm_term=banner&MAC=ISG_UPS_BA

► *Global Energy Forum 2014*

Date : 13 November 2014
Place : London – United Kingdom
Website : http://www.woodmac.com/public/events/content/12525033

► *Middle East Upstream Forum*

Date : 17 November 2014
Place : Abu Dhabi – United Arab Emirates
Website : http://www.woodmac.com/public/events/12524884

► *EU Energy Policy*

Date : 17 November 2014
Place : Brussels - Belgium
Website : http://ec.europa.eu/energy/events/doc/201411_energy_policy_conference.pdf

► *Turkmenistan International Oil & Gas Conference and Exhibition*

Date : 18 - 20 November 2014
Place : Ashgabat - Turkmenistan
Website : http://www.oilgasturkmenistan.com/

► *Securing Europe's Competitive Energy Future*

Date : 19 November 2014
Place : Brussels - Belgium
Website : https://www.entsoe.eu/news-events/events/Pages/Events/entsoe-conference-securing-europes-competitive-energy-future.aspx?EventWorkshopId=154

► *Shell distinguished lecture series*

Date : 19 November 2014
Place : Houston - USA
Website : http://bakerinstitute.org/events/1675/

► *Oil & Gas Cyber Security*

Date : 24 – 25 November 2014
Place : London - United Kingdom
Website : http://www.smi-online.co.uk/energy/uk/conference

► *166th (Ordinary) OPEC Meeting*

Date : 27 November 2014
Place : Vienna - Austria
Website : http://www.opec.org/opec_web/en/311.htm

► *Kurdish – Iraq Oil & Gas*

Date : 16 – 18 2014
Place : London – United Kingdom
Website : http://cwc-news.com/S3A-2TCLY-E1BYMVHYA9/cr.aspx?v=0

► *Middle East and North Africa Energy*

Date : 26 January 2015
Place : London – United Kingdom
Website : http://www.chathamhouse.org/events/Mena-Energy2015

► *Middle East and North Africa Energy*

Date : 18 – 21 February 2015
Place : London – United Kingdom
Website : http://www.chathamhouse.org/node/15232

► *4th Erbil Oil & Gas International Exhibition*

Date : 18 – 21 February 2015
Place : Erbil – Iraq
Website : http://www.erbiloilgas.com/

► *Ukrainian Energy Forum*

Date : 02 – 05 March 2015
Place : Kyiv – Ukraine
Website : http://www.ukrainianenergy.com/

Supported by PETFORM

► *6th World Forum on Energy Regulation* *(in Turkey)*

Date : 25 – 28 May 2015
Place : Istanbul – Turkey
Website : http://www.wfer2015.org/

VI.WFER
Istanbul 2015
25-28 May

► *6th OPEC International Seminar*

Date : 03 – 04 June 2015
Place : Vienna - Austria
Website : http://www.opec.org/opec_web/en/press_room/2793.htm

► *OGA 2015*

Date : 02 – 05 June 2015
Place : Kuala Lumpur - Malaysia
Website : http://www.oilandgas-asia.com/home/index.php

► *The Energy Event 15*

Date : 15 – 16 September 2015
Place : Birmingham – United Kingdom
Website : http://www.theenergyevent.com/Content/MAIN-SF-W2L-enquiry-form