Oil & Gas Bulletin

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Turkey's first drillship to arrive by end December

Anadolu Agency, *18.12.2017*

Monday's shipping data shows that Turkey's first drillship, the Deepsea Metro 2, is expected to arrive in Turkey by the end of December in preparation for exploratory offshore drilling in the Mediterranean at the beginning of next year.

The data showed that the ship, which will be used by Turkish Petroleum Corporation (TPAO), left Norway's Hoylandsbygda port and will arrive in Turkey on Dec. 31. Turkey has already undertaken oil and gas exploration using two seismic ships, but the Deepsea Metro 2 will be the country's first active drillship.

The South Korean merchant vessel was produced in 2011, has a length of 229 meters, and is capable of drilling to a maximum depth of 40,000 feet. Turkey's first seismic vessel Barbaros Hayrettin Pasa already started conducting operations in the Mediterranean since April 2017 while a second vessel the MTA Oruc Reis is ready for exploration. Turkey's Energy and Natural Resources Minister Berat Albayrak said earlier in October that Turkey will make its first deep drilling in 2018.

He added that Ankara would conduct drilling activities with a new seismic vessel, which is due for placement on the country's inventory in the last quarter of this year, as part of natural gas and oil exploration activities in the Mediterranean and the Black Sea. Albayrak said that negotiations are almost complete for this new seismic vessel, which is anticipated to be the Deepsea Metro 2. "We will make our own drilling activities with our [own] engineers," he added.

Turkey to add highest regasification capacity in Europe

Anadolu Agency, *19.12.2017*

Turkey will have the highest regasification capacity in Europe by 2019, according to Gas Infrastructure Europe's (GIE) LNG Map and Database 2018 on Tuesday.

The report showed that there are currently 32 LNG terminals in operation in Europe out of which 27 are located in the EU-28 area. These terminals are spread along the coasts of 15 countries. GIE statistics show that these terminals offer a total regasification capacity of 228 billion cubic meters annually (bcm/y) and 211 bcm/y for EU-28. In addition, 5 bcm/y are under construction in Europe while several other projects are planned.

However with little indication on their progression, the GIE noted. The statistics revealed that Turkey, which has a current regasification capacity of 17 bcm/y, will add 21 bcm/y of regasification capacity by 2019 with the Floating Storage Regasification Units (FSRU) projects in Iskenderun and Saros Bay. Thanks to these projects, which are planned to become operational by 2019, Turkey will become the country, which adds the highest regasification capacity in Europe. Turkey will be followed by the U.K. with 17 bcm/y of additional capacity, to add to the current 48 bcm/y of current regasification capacity.

Lastly, Poland and France will follow the U.K. with a combined total of 11 bcm/y of additional capacity, 5 bcm/y and 34 bcm/y, respectively. LNG to represent almost 90% of additional gas trade by 2040. “The energy sector is undergoing a transformation to a lower carbon energy future like never before. Policy attention is given to air quality, global emissions and accelerated energy transition post-COP21. Natural gas is the least emitting air pollution fossil fuel and as well as the best complement to variable renewables (wind, solar) thanks to the high flexibility of the gas-fired power plants,” GIE said in a statement on Nov. 12.

Natural gas can deliver solutions to address climate change and make a clean future a reality as it produces at least 40 percent less greenhouse gas emissions than coal when generating electricity, the GIE noted. LNG, the super cooled natural gas, is essential in helping clean energy transitions and once regasified, LNG is also a clean alternative fuel for marine, waterway and road transport, the association underlined. The GIE noted that LNG has zero sulphur almost zero fine particles and about 90 percent less nitrogen oxide emissions. “Rapid developments in this sector are seen on the horizon. According to International Energy Agency, LNG is expected to make up almost 90 percent of additional gas trade by 2040. Gas LNG Europe (GLE) members welcomed the Paris Agreement and they are convinced that the LNG industry can help turn words into action and meet the COP21 commitments,” the organization concluded.

At the Paris climate conference (COP21) in December 2015, 195 countries adopted the first-ever universal, legally binding global climate deal. The agreement sets out a global action plan to put the world on track to avoid dangerous climate change by limiting global warming to well below 2 degrees Celsius.

Turkey to benefit from diversified gas suppliers

Anadolu Agency, *21.12.2017*

Turkey should benefit as much as possible from a more diversified global natural gas market, as the United States, Canada and Australia have become major players in LNG, according to Fatih Birol, the executive director of the IEA.

Birol indicated that the LNG market would become more competitive if more players were involved, while speaking at the Turkish National Committee of the World Energy Council's DEK Speeches event in the Turkish capital Ankara. He explained the market has moved on from the era of the early 2000s.

When there were only five LNG-importing countries, to a market in which figures of around 50 will emerge by the end of the next three years. "Most of these countries are developing. Japan, Korea, India and China will become important natural gas importers, replacing Europe's leading position. The market will start to thrive in Asia, not in Europe," Birol said. He explained that two of the biggest competitors in the market, the U.S. and Russia, have become a hot topic in the global energy sector. "The U.S. will try to sell its gas, Russia will try to maintain its current share of the market and dominance," said Birol.

Consequently, he advised that countries like Turkey take stock of any developments, analyze their situation and play their cards to extract the best deals possible in a more secure market environment. "Source diversity is extremely important. I suggest countries increase their diversity, thus reducing risks," he said, adding that four or five years ago, it was inconceivable that the U.S. would export gas to the Middle East and Gulf countries, Birol said. "We do not expect a huge increase in gas prices unless there is a huge geopolitical situation in the next four to five years. Even if they will not import gas from the U.S. or Canada, it is a good option for countries like Turkey to have them. It may bring better conditions in existing contracts. It should be eyed very well," he explained.

The IEA head argued that China is taking very important steps on new energy technologies. “China will shake up the energy world, but this time it will do so especially with new energy technologies. The figures point to it. By doing so, China may cause costs to fall,” Birol said. He argued that in the last 15 years, there was a huge demand for coal from China, but that this would decrease in the future. “We see coal demand will decrease in the coming years because the Chinese government has made restrictions to reduce air pollution in cities. China’s LNG imports grew 40 percent this year, an enormous figure. China has made its mark on the energy world,” he said.

Birol advised that the decisions made by China and India for new technology investments in the energy sector will have a knock-on effect on all countries. “...Decisions made in China and India are extremely important for all countries. If these countries go for and invest in ‘x’ technology, their costs will fall and everyone will be affected. We have to pay attention to the decisions made there,” he said.

Birol noted that despite the increase in the numbers of electric vehicles, oil would still be featured in the global energy mix. There are a total of one billion cars in the world, out of which two million are electric, he said. “There are different estimates in this regard, but we think based on a mid-way estimate, it could reach up to 300 million by 2040. Some governments, such as the Netherlands, Sweden, Norway and China have already come up with legislation and laws in this regard,” said Birol, adding that one million electric cars on the market are in China. Thanks to big incentives in this area, he said the number of electric cars could reach up to 300 million, but warned this could only be achieved if the corresponding infrastructure is in place.

“The increase in energy efficiency in conventional cars and increase in the number of electric cars will lead to a decline in petroleum demand for cars, plus many countries now use oil to generate electricity, especially in the Middle East, which will also fall. But there are a number of issues where oil demand will increase rapidly: Trucks, planes and petrochemical facilities. There are no serious alternatives to replace oil in these three main areas. Therefore, oil and gas investments are still needed,” said the IEA head.

Gazprom sets record high gas exports to Turkey in 2017

Anadolu Agency, *18.12.2017*

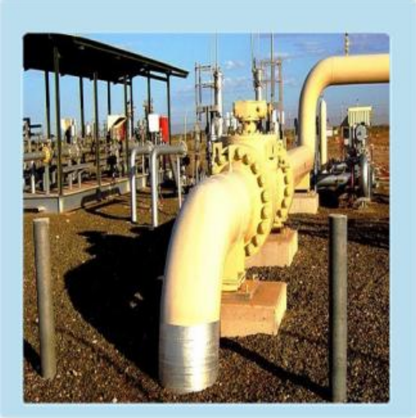
Gazprom increased its gas supplies to Turkey by 18.8 percent between Jan. 1 and Dec. 15.

Tass reported Gazprom saying they sent 27.6 billion cubic meters of gas to Turkey, a record high during that period. Gazprom's earlier export record to Turkey was made in 2014 for the full year with 27.3 billion cubic meters. Turkey is the second biggest foreign market for Gazprom, following Germany, the company said. According to the company, gas supplies to other countries of the target region of the under-construction TurkStream gas pipeline also increased.

Supplies to Greece increased by 10.1 percent, to Bulgaria by 5.7 percent, to Hungary by 22 percent and the largest rise was seen in Serbia with 23.5 percent. TurkStream will consist of two offshore pipelines, with a total capacity to transport up to 31.5 billion cubic meters of natural gas per year. The first line is intended for the Turkish market, while the second targets gas supplies to countries in south and southeastern Europe.

El Molla: Egypt in talks with Greek Cyprus to transfer gas

Egypt Today, *18.12.2017*



Egypt is currently in negotiations with Greek Cyprus to sign an agreement that would allow it to transfer gas to Egypt, Minister of Petroleum Tarek El Molla said.

During his speech in the 1st Al-Ahram Energy Conference, El Molla said that the two sides are holding strategic negotiations with the European Union about connecting gas fields in the region. "Egypt has cooperation with Jordan and Iraq in the field of oil and gas," El Molla added. Both countries are currently building a $1 billion pipeline, which came under a deal between Cairo and Nicosia and which was signed in the Greek Cypriot capital in August 2016.

Greek Cypriot Minister of Energy Georgios Lakkotrypis said at that time that the pipeline will be operational between 2020 and 2022. Egypt's government will allow the private sector to be involved in gas importing and distribution in the country as stated by the New Natural Gas Market Law. After the law comes into effect, the government targets being a regional hub for the trade of liquefied natural gas (LNG), as a string of recent major discoveries are expected to make the country meet all its demand for gas by the end of 2018.

Azeri SOCAR, Norway's Statoil to join forces on Caspian

Reuters, *21.12.2017*

Daewoo Azerbaijan's state energy company SOCAR signed an agreement with Norway's Statoil for a joint exploration project on the Karabakh offshore oil and gas field and for other fields in the Caspian Sea, SOCAR announced on Wednesday.

The Azeri company said the planned activities in the Karabakh oil field, located in the Caspian Sea and in other prospective areas are regarded as important projects in Azerbaijan to maintain stable oil production and increase gas production.

"Our experts have worked productively and have achieved positive results. The signing of the basic principles creates a solid foundation for future projects that will bring new value to our economy," said Rovnag Abdullayev, SOCAR's president during the signing ceremony. The Karabakh offshore block is located 130 kilometers east of the Azeri capital Baku. Statoil has been working in Azerbaijan since 1992. In September, a 30-year production sharing agreement for Azeri Chirag and Deep Water Gunashli oil field that was signed in September 1994 was extended for another 25 years until the end of 2049. Statoil has a 7.26 percent interest in the extended contracts. In addition, Statoil has a 8.71 percent interest in the Baku-Tbilisi-Ceyhan oil export pipeline, which crosses Azerbaijan, Georgia and Turkey, connecting the Caspian with the Mediterranean Sea.

Slovak, Polish pipeline operators get EU grant for new gas connection

Reuters, *21.12.2017*

Slovakia's Eustream and Poland's Gaz-System secured around €107.7 million in financing from the European Union's Innovation and Networks Executive Agency for a natural gas pipeline between the two countries, Gaz-System said on Wednesday.

The Polish company said that 59 kilometers of the pipeline is located in Poland and 106 kilometers in Slovakia. The financial support will be broken down with €55.2 million designated for Eustream and €52.5 million for Gaz-System. Tomasz Stepien, chairman of Gaz-System's board said.

"The received financial support is underlining the great importance of the Poland-Slovakia Gas Interconnection for the achievement of the European Union energy policy objectives," The company said the implementation of the Poland-Slovak gas interconnection, which constitutes a crucial part of the North South Gas Interconnections in Central Eastern and South Eastern Europe, will contribute to the enhancement of the regional security of supply and integration of the gas markets.

"The new pipeline will allow for diversification of the Central and Eastern European (CEE) region gas sources by creating a missing interconnection between the Polish and Slovak gas transmission systems," Gaz-System said, and added that implementation of the project will enable surrounding CEE countries to benefit from direct access to different gas supply sources from the north, such as fully operational LNG terminals at the Baltic Sea and in Norway as well as from the south through the Slovakia-Hungary Interconnection. Construction works for the pipeline are planned to begin in the second half of 2018 and will be finalized by the end of 2021.

Russia to finance a feasibility study on building a multibillion dollar gas pipeline from Iran to Pakistan

Pipeline Journal, *20.12.2017*

Making headway on an idea that has been discussed for at least a decade, Russia and Pakistan have reached a preliminary agreement to build a multibillion dollar offshore pipeline for the transport of Iranian gas to Pakistan and possibly to India.

While the agreement has yet to codified in an official written document, observers believe this will soon happen. One of the ironies of the agreement is that the gas for the project will come from Iran, not Russia, two countries with the lion's share of the earth natural gas resources. This follows a flurry of activity over the past year.

Where Russia and Iran have agreed to strategic cooperation covering a broad range of projects in the energy sector. In addition to constructing a pipeline from Iran to Pakistan, Russia is considering laying a parallel pipeline for gas export to India. The Indians have indicated that they would be interested in purchasing gas through an offshore pipeline from Iran via Gwadar in Balouchistan, believing this would be a safe way for energy import. Russian gas exports touched an all-time high in 2017. According to its energy giant Gazprom, gas flows to Europe and Turkey, excluding former Soviet states, hit a new daily record at 621.8 million cubic metres. Annual exports touched 179.3 billion cubic metres (bcm) in 2016, a significant jump from the previous high of 161.5 bcm in 2013 and well above the 2015 total of 158.6 bcm.

Russia leads world for oil, gas discoveries in Q317

Anadolu Agency, *21.12.2017*

Russia led the world for oil and gas discoveries in the third quarter of 2017, according to data and analytics company GlobalData.

GlobalData said that a total of 30 oil and gas discoveries were made in the third quarter of 2017. "Of these, 18 are conventional oil, one is heavy oil, one is unconventional gas, and the remaining 10 are conventional gas," the company said. The data company said that among various countries, Russia led with eight discoveries, followed by Norway and Australia with five and three discoveries, respectively.

Pakistan and Senegal had two discoveries during the same period. "In Russia, all eight discoveries yielded conventional oil, with two located in the West Siberian Basin and the rest in the Volga-Ural Basin," it noted. According to the data, Norway made its discoveries near the Barents Sea Basin and the Norwegian Sea Basin."Among five discoveries, four finds yielded conventional gas from the Barents Sea Basin and Norwegian Sea Basin, while the remaining one yielded conventional oil from the Barents Sea Basin," GlobalData said. It also added that among operators, Rosneft led among operators with seven discoveries, followed by Statoil with five discoveries.

Norway's oil production for November below forecast

Oil & Price, *20.12.2017*

Norway's November oil output saw a 102,000 barrel-per-day decrease compared to October, according to official figures from the Norwegian Petroleum Directorate (NPD) on Wednesday.

"The main reasons that production in November was below forecast is that Goliat, an offshore oil field in the Barents Sea was closed during the whole month and production from some other fields was less than expected, some of the reasons being technical problems and maintenance work," the NPD explained.

Norway's preliminary oil production for November was about 9 percent below the NPD's forecast for the month. Nonetheless, the country's total gas sales for November saw a monthly increase of 0.2 billion cubic meters and reached 10.9 billion cubic meters compared to October. The Nordic country's daily production of oil, natural gas liquids and condensate was about 1.6 billion barrels for the month of November.

French to ban oil, gas production by 2040

Agence France, *20.12.2017*

France's parliament on Dec. 19 passed into law a ban on producing oil and gas by 2040, a largely symbolic gesture as the country is 99 percent dependent on hydrocarbon imports.In the vote by show of hands, only the right-wing Republicans party opposed, while left-wing lawmakers abstained.

No new permits will be granted to extract fossil fuels and no existing licenses will be renewed beyond 2040, when all production in mainland France and its overseas territories will stop.

Socialist lawmaker Delphine Batho said on Dec. 19 she hoped the ban would be “contagious”, inspiring bigger producers to follow suit. France extracts the equivalent of about 815,000 tons of oil per year -- an amount produced in a few hours by Saudi Arabia.But centrist President Emmanuel Macron has said he wants France to take the lead as a major world economy switching away from fossil fuels -- and the nuclear industry -- into renewable sources. His government plans to stop the sale of diesel and petrol engine cars by 2040 as well.Above all the ban will affect companies prospecting for oil in the French territory of Guyana in South America, while also banning the extraction of shale gas by any means -- its extraction by fracking was banned in 2011.

TAP likely to attract European bank loans

Anadolu Agency, *20.12.2017*

Trans Adriatic Pipeline (TAP), which will initially deliver 10 billion cubic meters of Azeri gas to Europe, may find financing from the European Bank for Reconstruction and Development (EBRD) and the European Investment Bank (EIB), according to statements from the banks.

TAP is a 878 kilometer-long cross-border natural gas pipeline, currently under construction, stretching from the Greek/Turkish border crossing Greece, Albania and the Adriatic Sea to Italy. TAP will connect at its entry point to the Trans Anatolian Pipeline (TANAP) in Turkey. The total cost of the project is foreseen to reach €4.5 billion.

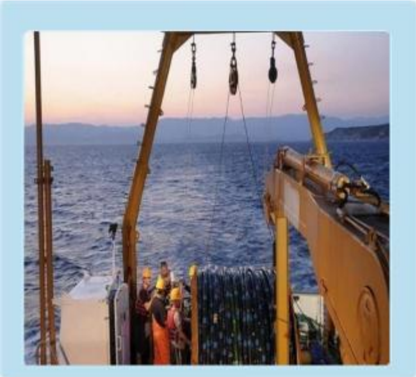
TAP’s initial capacity of 10 billion cubic meters of gas per year is calculated to be equivalent to the energy consumption of approximately seven million households in Europe. The Press Officer at EIB, Marco Santarelli, told Anadolu Agency that the project was presented to the board of the bank at its last meeting of the year amid a very busy agenda and a decision on its financing would be made at the board’s first meeting in 2018. “The board decided that, given the unexpected length of discussion on other agenda points, there wasn’t enough time left for a proper discussion of this important project. The due diligence is done and the project has been proposed to the Board. Now it is for the Bank’s directors to discuss and decide. This will happen in February at the first meeting of the Board in 2018. No change in attitude or approach by the Bank,” he confirmed. It has not yet been confirmed how much of a loan the EIB will give to TAP.

EBRD evaluates loan of €500 million. The EBRD said the project’s environmental and social due diligence is ongoing in a statement late Tuesday, but affirmed that the project could attract a loan of up to €500 million. “Stretching across five countries where the EBRD operates in the Southern Gas Corridor - of which the TAP project is an integral part - is an important strategic gas infrastructure project aimed at improving the security and diversity of the energy supply to Europe and Turkey,” the statement read.

"It will expand gas supply options and provide new energy transportation routes enabling Europe to access gas from the Caspian region and, in the longer term, beyond it, including the Eastern Mediterranean, Central Asia and the Middle East," according to the EBRD. The project's construction commenced in 2015 and so far 58 percent has been completed. The project is scheduled for realization in the fourth quarter of 2019 in time for receiving first gas in 2020. Project company TAP AG is the constructor, owner and operator of the project. Partners BP (U.K.), Snam SpA (Italy), Southern Gas Corridor Company (Azerbaijan) each have a 20 percent stake, Fluxys SA (Belgium) has a 19 percent share, Enagas (Spain) has 16 percent interest and Axpo Trading (Switzerland) has a 5 percent share in TAP AG.

Eni starts production in largest gas field in Med. Sea

Anadolu Agency, *20.12.2017*



Italian Eni has produced its first gas from the supergiant Zohr field in a record time for this type of field of less than two and a half years, the company announced Wednesday.

With potential resources in excess of 30 trillion cubic feet of gas in place, or about 5.5 billion barrels of oil equivalent, started-up in less than two and a half years from its discovery. The field is located in the Shorouk Block, offshore Egypt approximately 190 kilometers north of Port Said. In February 2016, Zohr, which was discovered in August 2015, obtained investment authorization after just six months

"It is the largest gas discovery ever made in Egypt and in the Mediterranean Sea, and will be able to satisfy a part of Egypt's natural gas demand for decades to come," the company said. Zohr is one of Eni's seven record-breaking projects, which have involved rapid development and production, and is testament to the success of Eni's Dual Exploration Model, adopted in 2013. According to the announcement, the approach is based on a simple principle: while the reserves of hydrocarbons grow through the exploration successes, Eni can benefit from early monetization thanks to the sale of minority stakes, all while maintaining operatorship of the asset.

"By parallelizing exploration, appraisal and development phases, the time-to-market is quicker, equity development cost are lowered, and Eni achieves an accelerated cash flow. This winning combination allowed Eni to generate $9 billion from its exploration activities between 2014 and 2017," the company said. The Italian company holds a 60 percent stake in the Shorouk Block, Russia's Rosneft has a 30 percent share and BP has a 10 percent stake. Eni has been present in Egypt since 1954, where it operates through its subsidiary IEOC Production BV. The company is the country's main producer with an equity production of approximately 230,000 barrels of oil equivalent per day.

PETFORM

Petrobras reaches deal with Modec for libra platform

Reuters, *18.12.2017*

Brazil's Petroleo Brasileiro SA has closed a deal with Japan's Modec Inc, which will build and operate a platform for oil production in the nation's Libra block, the state-controlled energy company said on Monday.

The company, known as Petrobras, did not disclose the cost but said Modec would operate the platform, which will link up to 17 wells, for 22 years. The floating production, storage and offloading unit will process up to 180,000 barrels per day of oil and 12 million cubic meters of gas, Petrobras said. Production is forecast to begin in 2021.

The vast Libra field was the first block of Brazil's coveted offshore pre-salt region to be auctioned off in 2013. In November, Petrobras said the field's northeast section was ready to produce commercially and had proven reserves of 3.3 billion barrels. The company named the section Mero. Petrobras owns 40 percent of the Libra project, with Anglo-Dutch Shell Plc and France's Total SA each owning 20 percent. Chinese state oil companies CNOOC Ltd and China National Petroleum Corp each hold 10 percent.

Maria field production starts one year ahead of schedule

Rigzone, *18.12.2017*

Wintershall revealed Monday that production has started at the Maria field in Norway one year ahead of schedule.

The development, which originally anticipated oil production start-up in the fourth quarter of 2018, is expected to hit a final investment cost of around $1.4 billion (NOK 12 billion), 358 million (NOK 3 billion) below the original budget. "Ahead of schedule and below budget: Maria is a major achievement for Wintershall, our partners and our suppliers," Martin Bachmann, Wintershall executive board member for exploration and production in Europe and Middle East, said in a company statement.

“In challenging times, we have kept a clear focus on smart engineering and sharp project management. The fact that we have achieved this so quickly without incidents is a real credit to the whole team that worked so hard to make this happen,” he added. The Maria field is located approximately 20 kilometers east of the Kristin field and about 45 kilometers south of the Heidrun field. Wintershall Norge is the operator of the license with a 50 percent share. Petoro has a 30 percent stake and Spirit Energy owns the remaining 20 percent. Recoverable reserves of the field are estimated around 180 million barrels of oil equivalent (boe), of which the majority is oil, according to Wintershall.

Statoil buys 25% stake in Brazil field from Petrobras

Anadolu Agency, *18.12.2017*

Norway’s Statoil acquired a 25 percent share of the large Roncador oil field in the Campos Basin in Brazil from Petrobras, Statoil announced on Monday.

The transaction nearly triples Statoil’s production in Brazil, with attractive break-evens and potential for additional value creation for both parties through the application of Statoil’s expertise in improved oil recovery, Statoil’s statement read. The total consideration comprises an initial payment of $2.35 billion, plus additional contingent payments of up to $550 million. Eldar Saetre, president and chief executive officer of Statoil said;

“This transaction adds material and attractive long-term production to our international portfolio, further strengthening the position of Brazil as a core area for Statoil. We are also pleased to advance our strategic partnership with Petrobras by expanding our technical collaboration, sharing technology, competence and experience to increase oil and gas recovery,”

The Roncsador field has been in production since 1999 with output during November 2017 of around 240,000 barrels of oil per day plus around 40,000 barrels of oil equivalent per day of associated gas. The transaction increases Statoil’s equity production in Brazil by around 175 percent to around 110,000 barrels of oil equivalent per day from around 40,000 barrels of oil equivalent per day. Petrobras retains operatorship and a 75 percent interest.

Crude rally loses steam as threat to Nigerian oil supply eases

Bloomberg, *18.12.2017*

Crude lingered near $57 a barrel for a third day as oil workers in Nigeria suspended a strike and repairs to a crucial North Sea pipeline proceeded apace.

Futures slipped 0.2 percent in New York, erasing gains from earlier in the session. Managerial workers in Africa's second-largest crude-producing nation halted their strike and agreed to reopen talks next month. Meanwhile, the owner of the Forties Pipelines System in the North Sea, which helps set international oil prices, said repairs to a crack that halted shipments a week ago were on track. "People that bought on the word of the strike are probably taking some profits," said.

The Nigerian oil union known as Pengassan stopped work after talks deadlocked late Sunday, according to a spokesman. The union, the labor minister and Neconde Energy Ltd. will restart talks in January. A hairline crack which prompted Ineos Group to shut its Forties system on Dec. 11 "has not propagated," the company said in an email. Repairs are expected to be complete within weeks. Hedge-fund managers have amassed a record number of bullish wagers on London crude prices, creating conditions that could trigger a selloff as the Forties restart date approaches, said Bob Yawger of Mizuho Securities USA.

"The only thing that's holding the market here at these levels is the Forties problem," said Yawger, Mizuho's New York-based director of futures. "The potential is there for people to start bailing on the loaded-up speculative position. I would tend to think there will be a slow unwinding of these positions in anticipation" of the line restarting soon. Oil in New York is poised for about a 6 percent gain this year as production limits by the Organization of Petroleum Exporting Countries and other major suppliers erode a worldwide glut. The effort to curb excess output could be dashed by U.S. shale drillers, who are forecast to lift American oil production to a record next year.

West Texas Intermediate for January delivery, which expires Tuesday, dropped 14 cents to settle at $57.16 a barrel on the New York Mercantile Exchange. Total volume traded was about 23 percent below the 100-day average. Brent for February settlement rose 18 cents to end the session at $63.41 on the London-based ICE Futures Europe exchange. The global benchmark traded at a premium of $6.19 to February WTI. The Brent net-long position -- the difference between bets on a price increase and wagers on a drop -- rose 1.8 percent to a record 544,051 contracts in the week ended Dec. 12, according to data from ICE Futures. Longs increased for a third week, also reaching an all-time high. During the same period, bullish bets on WTI were near a nine-month high.

Tokyo Gas to launch 2 US subsidiaries for venture cap.

Anadolu Agency, *18.12.2017*

Japanese Tokyo Gas launched two subsidiaries in the U.S. for venture capital investment, energy-related venture capital funds and to conduct open collaboration with new technologies, the company said on Monday.

Tokyo Gas said that its two wholly-owned subsidiaries will be named Acario Investment One and Acario Innovation. "Tokyo Gas is seeking opportunities to investment in and collaboration with venture companies and venture capital funds to achieve our strategy – achieve value creation through innovation," the company said.

Acario Investment will work closely with Acario Innovation and invest in venture companies in energy-related technologies, according Tokyo Gas. "We aim to achieve this through collaboration with domestic and international venture companies, energy-related venture capital funds and other large corporates," the company explained.

China to shake up global market with yuan-based oil futures contract

Wall Street Journal, *20.12.2017*

China is preparing to launch its own yuan-based oil futures contract, a move set to shake up the 96 million barrel-per-day global crude market currently dominated by trading in London and New York.

No official launch date has been announced for the new contract, but traders and analysts in China say they expect trading in it to begin late this year or in early 2018. Trading will be based at the Shanghai International Energy Exchange, which has already conducted five test runs for the new contract, according to its website. Uncertainties remain, including the take-up by foreign investors and oil majors.

But authorities in China, the world’s biggest importer of crude, hope it will provide a benchmark price for oil in Asia that matches the region’s voracious demand. A yuan-denominated oil contract could also challenge the role of the U.S. dollar—currently the dominant commodity-pricing currency— by making it possible for crude exporters to sell the oil in another currency. Foreign investors will be allowed to trade it, the first time they have been allowed to participate in China’s domestic commodity markets without setting up onshore trading operations.

But analysts say it could take time before China’s new oil futures challenge the dominance in oil trading of the two current global benchmarks—Brent crude futures, traded in London, and West Texas Intermediate futures, the main U.S. gauge, traded in New York. China’s existing commodities futures markets have become a byword for volatile trading. And Beijing’s record of intervening in its domestic markets, such as those for equities, to steer them in its desired direction could arouse wariness among foreign participants.

Pricing the new futures contract in yuan adds an extra slice of currency risk to a commodity whose price can move on news from conflicts in the Middle East to the output of shale producers in the U.S. Major oil market participants, including exporters like Saudi Arabia and Russia and oil companies like ExxonMobil Corp., may be reluctant to use Chinese futures as a benchmark for their crude. Oil majors including Exxon, Royal Dutch Shell, BP, Chevron Corp. and Total didn’t comment, nor did China Securities Regulatory Commission, the country’s chief market regulator. For some, trading oil in China—whose imports account for almost 20% of global crude trade, according to Societe Generale estimates—is still a tantalizing prospect.

“The Chinese have been talking about it forever but they seem very serious this time,” said Doug King, chief investment officer of Singapore-based hedge fund Merchant Commodity, after visiting the Shanghai Stock Exchange earlier this year. “It definitely has a lot of potential.” A new major oil benchmark could have a practical impact. Airlines use futures to hedge their exposure to oil-price fluctuations while refineries use them to price the crude they process, ultimately influencing gasoline prices at the pump. Investors, meanwhile, use futures to trade oil as a financial instrument. Chinese officials first made plans to begin oil futures trading in Shanghai in 2009, according to people involved in the process. In 2014, China’s securities regulator issued an approval for the Shanghai International Energy Exchange to conduct crude oil futures trading.

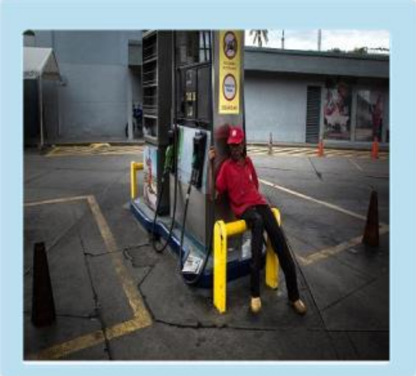
But turmoil struck China’s domestic markets in 2015, with a bubble in the country’s stock markets spectacularly bursting that summer. A wave of similar speculative bubbles that have inflated Chinese prices for iron ore, steel rebar and soybeans over the past two years further may have partly caused the delay in Beijing’s plan to unveil the crude contract, according to Gui Chenxi, an analyst at brokerage CITIC Futures Co. The introduction of the Shanghai oil contract is part of Beijing’s strategy to make the yuan a major international currency, analysts say.

Non-dollar oil trade today is negligible, making up 300-350,000 out of the 82.2 million barrel a day global crude market, according to Societe Generale. An important factor for many foreign investors will be how China adapts its capital controls to allow them to get their money in and out of the Shanghai market. Mr. King’s hedge fund previously had to open a subsidiary on the mainland to trade commodities like soybeans on the local market. “They say this will be different—this will be key to see any takeup by foreign investors,” he said. “If they don’t change the rules, the contract will be dead in the water.”

Such matters are of little concern for Huang Guanwei, a Shanghai-based investor who once dabbled in iron ore trading. He is eager to make a comeback when the crude oil futures debuts in Shanghai. “I plan to trade within the first year because typically in China when any commodities futures is launched, there tends to be a one-way direction of price movement,” Mr. Huang said.

Venezuela’s impact on oil markets could be far worse than expected, RBC’s Helima Croft says

CNBC, *18.12.2017*



Oil traders expecting steep production losses from one of the world’s largest producers are likely to be underestimating the severity of the country’s crisis.

Analysts at the global investment bank said while oil production in Venezuela is poised to “plunge” in 2018, the extent of its losses could be far worse than investors were anticipating. “Given the severity of the crisis, we think market participants would be unwise to assume that Venezuelan production losses will simply mirror the several hundred-thousand barrels per day losses seen in 2014,”

Helima Croft, head of global commodity strategy at RBC Capital Markets, said in the note. Instead, the analysts said Caracas’ production losses could be at least several hundred-thousand barrels per day higher — and may even plausibly approach levels last witnessed during the Venezuelan oil strike in 2002.

Venezuela, one of Latin America’s leading oil producers, has witnessed steadily declining production levels in recent years as the oil-dependent state slogs through an economic crisis. The turmoil has been precipitated by years of government mismanagement and exacerbated by a prolonged oil price slump. The major oil-producing nation has been struggling with hyperinflation, recession, food shortages and attempts to restructure foreign debt in order to avoid a default. This has put its entire economy, including its nationalized oil industry that accounts for most of the country’s export revenues, in jeopardy.

The price of oil collapsed from near $120 a barrel in June 2014 due to weak demand, a strong dollar and booming U.S. shale production. Several stressed producer states have proven to be “ill-equipped” to endure the economic and political calamity caused by a downturn in oil prices, RBC Capital markets analysts said, and Venezuela is a prime example. In December 2002, almost half the workers at state-run oil company Petroleos de Venezuela (PDVSA) went on strike in bid to trigger an early general election. The move virtually halted oil production for around two months before the government gradually reestablished control over PDVSA, subsequently firing approximately 40 percent of its workers.

RBC Capital Markets analysts said there was also a risk PDVSA could become the “piggy bank” of the military. In November, Venezuelan President Nicolas Maduro appointed Manuel Quevedo, a former housing minister and major general in the national guard (one of the country’s armed forces), as the new oil minister and head of PDVSA. In the research note, the analysts projected oil prices would likely “ebb and flow” over the coming months while “geopolitically driven supply disruptions” were likely to be much more “consequential” in 2018. At the start of the month, Goldman Sachs lifted its Brent price forecast for next year to $62 a barrel and its WTI projection to $57.50 a barrel. The revisions were up from $58 a barrel and $55 a barrel respectively. The U.S. bank said a stronger-than-anticipated OPEC-led commitment to extend production cuts would support prices through 2018. Brent crude traded at around $63.56 on Monday morning, up 0.52 percent, while U.S. crude was trading at $57.64, up 0.59 percent.

Qatargas signs 5-year LNG deal with Austria’s OMV

Reuters, *20.12.2017*

Qatargas and OMV signed a new agreement to supply 1.1 million tonnes of LNG per annum to the Austrian company for five years, Qatargas announced on Wednesday.

“We are very pleased to announce this new deal with OMV - an international, integrated oil and gas company operating from the heart of Europe. OMV provides major European customers and distributors with tailored natural gas solutions, and we look forward to supplying them with reliable Qatari LNG,” Saad Sherida Al-Kaabi Qatar Petroleum’s president and CEO said.

In addition, Sheikh Khalid Bin Khalifa Al-Thani, CEO of Qatargas said that they are delighted to conclude this new agreement with OMV. “This new deal is testament to our proven ability to supply reliable clean energy to customers in Europe, and to our customers all over the world,” he said. The LNG will be delivered to the Gate LNG Terminal in the Netherlands on board Qatargas’ chartered LNG vessels.

Forecasters believe US oil production will be up next year, but differ on the amount

CNBC, *14.12.2017*

A trio of closely watched energy organizations all raised their forecasts for American oil production this week, but the prognosticators can't seem to agree on one thing: Just how much more crude will U.S. drillers pump?

The flexibility and innovation in the U.S. shale oil patch — where new production can be started up quickly — is making it difficult for forecasters to make projections about American oil supply in 2018, the Paris-based International Energy Agency said in a monthly report on Thursday. That might explain why forecasts this week were all over the map.

The U.S. Energy Information Administration on Tuesday said it expects U.S. output to grow by 780,000 barrels a day next year. The following day, the 14-member oil cartel OPEC forecast growth of 1.05 million barrels a day. And on Thursday, IEA said it sees the American oil patch raising output by 870,000 barrels a day. "That's a wide margin of error, so the key takeaway is no one really knows what that value is going to be, but it is going to be a sizable chunk," Matt Smith, director of commodity research at ClipperData, told CNBC's "Squawk Box" on Thursday.

Adding to the confusion, oil prices are on the rise, and U.S. shale drillers have pumped aggressively in the past when that happens. But many are now saying they're focusing on generating positive cash flow and returning money to shareholders.

That means they may have less capital to spend on funding new production, so a continued rise in oil prices might not produce the same output growth the market has seen in the past. Shale producers rely on an expensive drilling method called hydraulic fracturing to free oil from rock formations. The "new mantra in the U.S. shale regions is 'moderation', reflecting a desire to greet stronger prices as an opportunity to consolidate rather than to launch yet more headlong expansion," IEA said.

Independent drillers have long borrowed heavily to fund growth, and are notorious for failing to deliver on promises to generate positive cash flow. But this year, shareholders have signaled they want drillers to get their finances in order. Still, some analysts believe the new focus on financial discipline won't necessarily create a huge drag on overall U.S. production growth. Barclays analysts on Wednesday said U.S. production can grow by 1 million barrels a day next year even as drillers try to shape up their balance sheets.

The bank's equity research analysts warn that "capital discipline should not be confused with austerity." Many publicly traded firms are now healthy enough to spend more prudently while still growing output, in their view. While some drillers might shrink their capital spending to buy shares back from stockholders or fund higher dividends, many will stick with their short- and medium-term plans, they say.

Analysts at financial services company Stifel also think some publicly traded drillers can grow production without spending beyond their means as oil prices rise. In September, the firm estimated that the drillers it covers would increase their oil volumes by 20 percent next year while outspending their cash flow by $3.2 billion. Last month, with forward oil prices having risen 9 percent from September, it said those companies can grow volumes by 18 percent while underspending cash flow by $3.1 billion. The companies with the best free cash flow yield in 2018 include Devon Energy, Continental Resources, Marathon Oil, Newfield Exploration and Abraxas Petroleum, according to Stifel's research. However, many small and medium-sized drillers will struggle to generate both positive cash flow and output growth, Stifel said.

Tellurian plans $7 billion gas pipeline network

Chron, *18.12.2017*

Houston-based Tellurian said it proposes to build an ambitious, $7 billion network of natural gas pipelines from West Texas' Permian Basin to liquefied natural gas export hubs in southern Louisiana.

The system also would include a pipeline from East Texas' and North Louisiana's Haynesville shale down to the same southern Louisiana hub north of Lake Charles. All of these would tie into existing pipeline systems and another planned pipeline to Tellurian's proposed Driftwood LNG export terminal south of Lake Charles. Tellurian went public earlier this year after being founded by Charif Souki.

The LNG pioneer who turned Houston's Cheniere Energy into the nation's first LNG exporter. Souki was ousted from Cheniere for allegedly planning too much growth and then he promptly founded Tellurian. There are more than proposed 15 projects to expand or construct pipelines that will traverse most of Texas from the Permian Basin to Houston, Corpus Christi and Beaumont. But most of those are crude oil or natural gas liquids pipelines built to serve Texas Gulf Coast hubs. Tellurian's project is focused on dry gas extending even farther into Louisiana.

The other major natural gas pipeline project from the Permian in the works is the pending Gulf Coast Express pipeline project owned by Houston's Kinder Morgan and DCP Midstream, which is a joint venture between Houston's Phillips 66 and Calgary-based Enbridge. The Gulf Coast Express project would run from the Permian to Corpus Christi. The biggest question with the Tellurian projects is how they'll be funded. Tellurian is hoping to sign on enough customers to move their natural gas by late 2018. The goal is to complete construction in 2022. The Driftwood LNG project, which is still attracting financing, wouldn't come online until 2022 either if all goes as planned.

Tellurian President and CEO Meg Gentle, who joined Souki from Cheniere, said the proposed network would accommodate much of the anticipated 8 billion cubic feet a day of extra natural gas demand expected in southern Louisiana by 2025 as LNG exports grow. The planned Tellurian network would include three different pipeline projects. The largest, the Permian Global Access Pipeline, would run 625 miles from West Texas' Pecos County to Gillis, Louisiana. The proposed Haynesville Global Access Pipeline would travel about 200 mile from northern Louisiana near the Arkansas border to Gillis. And the previously announced Driftwood Pipeline would connect Gillis across 96 miles to the Driftwood LNG export terminal. Gentle said Tellurian hired the project leader for the controversial Dakota Access Pipeline to head up the Tellurian network. Joey Mahmoud, an executive vice president of Dallas-based Energy Transfer Partners, is the new president overseeing the Tellurian network.

Brent oil above $63 at week beginning Dec.18

Anadolu Agency, *18.12.2017*

International benchmark Brent crude traded at $63.41 while the cost of American benchmark WTI was $57.43 on Monday.

On Friday, Brent crude slightly increased to $63.66 and the American benchmark WTI saw prices at $57.47. The number of oil rigs in the U.S. increased four weeks in a row, according to data from oilfield services company Baker Hughes on Friday. However, after four consecutive weeks of rises, last week a decrease of 4 rigs was seen bringing the rig count to 747 for the week ending Dec. 15, the Baker Hughes data showed.

On Nov. 30, OPEC and some non-OPEC oil producing countries agreed to extend their oil production cut for a further nine months to the end of 2018 to rebalance the oil market and oil glut in the sector.

Highlights of global energy market in 2017

Anadolu Agency, *18.12.2017*

The global energy sector in 2017 saw the Organization of Petroleum Exporting Countries (OPEC)'s decision to lower oil output, wide-ranging oil price fluctuations, and OPEC's oil cut extension decision to the end of 2018 largely feature.

OPEC and non-OPEC oil producing countries agreed to extend their oil production cut for a further nine months to the end of 2018 in November. OPEC producers and non-OPEC producing countries led by Russia decided on Nov.30, 2017 that the oil production cap of 1.8 mb/d, which was due to end in March '18, would be extended to the end of December 2018.

On Nov. 30, 2016, OPEC members unanimously agreed during the 173rd Ordinary OPEC meeting and the third OPEC and non-OPEC ministerial meeting in Vienna, to lower oil production by 1.2 million barrels per day (mb/d) down to 32.5 mb/d effective from Jan. 1. The first production cap decision was the organization's first production cut in eight years, and its first intervention in the global oil market since mid-2014 when oil prices began to fall. The adjustments were initially applied for six months and were reconsidered for a six-month extension.

OPEC heavyweight Saudi Arabia will carry most of the burden of output reduction, with a daily cut of 486,000 barrels per day (b/d) while Russia pledged a cut of 300,000 b/d. Global oil price hits $65.83 in mid-December. At the beginning of 2017, global oil prices surged to their highest levels since 2015. On Jan. 3, international benchmark Brent crude traded as high as $58.37. On Oct. 27, Brent oil reached its highest level since 2016 with $60.44 On Nov. 7, Brent traded at $60.44, the highest level from the beginning of January 2016 and on Nov. 6, prices continued to fluctuate and hit the year's highest level of $64.27.

On Nov. 30, oil prices peaked after OPEC and non-OPEC oil producing countries agreed to extend their oil cut decision until the end of 2018. On Dec. 12, Brent crude jumped to $65.83 per barrel after the shutdown of a major North Sea pipeline while the cost of WTI registered at $58.37 at 06.36 GMT. The oil prices increase came after the Forties North Sea pipeline, which delivers 450,000 barrels of oil per day, shut down for repairs.

Combatting climate change and COP23 Bonn. The United Nations (UN) Climate Change Conference took place between Nov. 6 and 17 in Bonn. During the conference, the UN's top climate official called for urgent action on climate and warned against the catastrophic consequences of global warming. In late August, Trump's U.S. administration issued its first written notification to the UN of its intention to withdraw from the Paris Climate Agreement. The Paris Climate Conference (COP 21) on Dec.12, 2015 saw the first legally binding and universal agreement on climate change in over 20 years of UN negotiations.

Under the Paris Agreement, 195 countries struck an international deal to hold the global average temperature rise to well below 2 degrees Celsius and agreed to work towards limiting the temperature increase to 1.5 degrees Celsius. On April 22, 2015, four months after COP 21, 171 countries at the UN headquarters in New York signed the Paris climate agreement. Previously on June 19, the U.S. Secretary of Energy Rick Perry stressed that fossil fuels, including coal, are a priority for Trump administration's agenda for energy security and the economy. Despite the reduction in coal production in the U.S and worldwide, along with global efforts to curb CO2 emissions, the U.S. government is still very focused on increasing domestic coal output.

Trump prioritizes fossil fuels. On Nov. 8, 2016, the citizens of the U.S. hit the polls to elect the next president. President-elect Donald Trump took the oath of office on Jan. 20 as the 45th president of the U.S. His views on climate change concerned many energy market players and countries. Since the beginning of his election campaign, Trump voiced his opinions on prioritizing fossil fuels over renewables, in direct contrast with President Barack Obama's actions. During his two terms as president, Obama placed importance on renewable and green energy, while Trump was and continues to be vocal about wanting to lift restrictions on fossil fuels. On Jan. 25, five days after taking office, Trump signed executive orders allowing the completion of the controversial oil pipelines, the North Dakota Access and Keystone XL.

The North Dakota Access pipeline, worth $3.7 billion, plans to stretch from the oil-rich Bakken formation in North Dakota to carry 470,000 barrels of crude through South Dakota and Iowa to Illinois. Native Americans along with environmentalist groups argue that the Dakota Access pipeline poses a great risk to water sources of the people in the area and threatens sacred sites in the event of a potential oil spill. The Standing Rock Sioux Tribe sued the government in July. In January, the U.S. Army Corps of Engineers denied a request by the company building the pipeline to tunnel under the Missouri River. The pipeline is anticipated to help the U.S. reduce its dependency on foreign sources, and provide lower-cost petroleum products for industrialized states of Indiana, Michigan, Ohio, Wisconsin, Iowa, and Pennsylvania, to help increase their manufacturing and employment. A federal court, however, overturned the decision in October 2016 paving the way for the project to be completed. In December 2016, Obama suspended the project once again, giving a major victory to the tribes and environmentalist one month before leaving his office.

Qatar Crisis, On May 23, the crisis began between Qatar and Saudi Arabia, the United Arab Emirates, Bahrain, Egypt, and Yemen erupted when Qatar's official News Agency (QNA) website was reportedly hacked by an unknown group that allegedly posted false remarks -- attributed to Qatari Emir Tamim bin Hamad al-Thani -- about U.S. foreign policy and Iran. The same day, the Twitter account of Qatar's foreign minister featured a statement urging the ambassadors of Saudi Arabia, Egypt, Kuwait, Bahrain and the United Arab Emirates to leave Qatar within 24 hours. On June 2, the United Arab Emirates, Saudi Arabia, Bahrain, Egypt and Yemen all abruptly announced their decision to sever diplomatic relations with Qatar, citing "national security" concerns. These countries, excluding Yemen, threatened to impose further sanctions on Doha if it failed to accept a long list of demands including the closure of the Qatar-funded Al Jazeera television.

On Nov. 7, Qatar signed contracts worth €12 billion ($14.15 billion) with French companies during a one-day visit by President Emmanuel Macron amid a continuing crisis between Doha and its Gulf neighbors. The signed contracts cover defense, armaments, the operation and maintenance of metros and tramways, and soil pollution treatment. In addition on Nov. 11, Qatar signed an agreement with the U.K. to purchase 24 Eurofighter Typhoon fighter jets, according to Qatar’s Defense Ministry. Qatar denies the accusations levied against it and described attempts to diplomatically isolate it as a violation of international law and its national sovereignty. The world’s biggest LNG supplier is also forging ahead with a partnership with ExxonMobil for the $1.3 billion Golden Pass LNG terminal in Texas, which is set to start LNG production from shale gas in five years.

Jerusalem case, On Nov. 6, Trump announced the U.S.’ recognition that Jerusalem should be made Israel’s capital as well as plans to relocate the U.S. embassy in Israel from Tel Aviv to Jerusalem. The controversial decision angered Muslims throughout the world. The city remains at the heart of the Israel-Palestine conflict, with Palestinians hoping that East Jerusalem -- occupied by Israel in 1967 -- might eventually serve as the capital of a future Palestinian state. The dramatic shift in Washington’s Jerusalem policy triggered demonstrations in the occupied Palestinian territories, Turkey, Egypt, Jordan, Tunisia, Algeria, Iraq and other Muslim countries. Experts maintain that instability in the region could negatively affect general trade including energy.

At an extraordinary Organization of Islamic Cooperation summit in Istanbul on Dec. 13 saw a final declaration of East Jerusalem as Palestine’s capital came in response to Trump’s decision to recognize Jerusalem as Israel’s capital and relocate Washington’s embassy from Tel Aviv to Jerusalem. Illegitimate independence referendum in KRG region of northern Iraq

On Sept. 25, Iraqis in areas held by the Kurdish Regional Government (KRG) -- and in a handful of territories disputed between Erbil and Baghdad -- voted on whether to secede from Iraq. Along with Baghdad, Turkey, the U.S., Iran, and the UN have all spoken out against the poll, saying it will only distract from the ongoing fight against Daesh and further destabilize the region. Meanwhile, on Dec. 10, Iraqi Oil Minister Jabar Ali al-Luaibi announced that Iraq and Iran inked an agreement to soon carry Kirkuk oil from northern Iraq to Iran. Al-Luaibi said the agreement between Iraq’s State Organization for Marketing of Oil and Iran would pave the way for the transfer of between 30 to 60 thousand cubic meters of Kirkuk oil per day to Iran.

Hurricanes hit oil production in the U.S. in 2017. Production of crude oil declined by 1.07 million bpd for the week ending Oct. 13 due to Hurricane Nate, which cut off large amounts of output in the U.S.’ Gulf of Mexico region. Hurricanes Harvey, Irma and Maria cost the U.S. more than $260 billion in destruction and lost economic output. Hurricane Harvey, which hit the state of Texas in August, cost $87 billion in property damage, and $10 billion in economic output losses, data from economic research firm Moody’s Analytics showed. In addition, Hurricane Irma, which affected the state of Florida at the beginning of September, caused $56.5 billion in destruction, and $14 billion in lost output. And Hurricane Maria, which hit the U.S. territory of Puerto Rico, cost $55 billion in property damage, and $40 billion in economic output losses, according to the firm.

Nord Stream II, Denmark passed a law at the end of November to permit the Danish foreign minister to ban Russia’s Nord Stream II natural gas pipeline from traversing its waters. The bill will allow foreign, security and defense policies to be considered as an argument in support of the ban when Denmark is to decide whether energy companies should be allowed to disconnect power cables and pipelines in Danish territorial waters. In effect, the latest decision will permit the Danish government to decide whether Gazprom’s Nord Stream II should be allowed through Danish waters. In addition to the obstacles from Denmark, the EC’s new draft law proposed on Nov. 8 stipulates that EU third party access or anti-monopoly legislation applies to offshore pipeline segments in EU territory.

The project also faces resistance from other European countries including Lithuania and Poland in addition to Denmark. The entry point of the Nord Stream II gas pipeline into the Baltic Sea will be the Ust-Luga area of the Leningrad Region in Russia from where the pipeline will stretch across the Baltic Sea to Germany. The Nord Stream II is a 1,200 kilometer-long pipeline project, which aims to double the current capacity of 55 billion cubic meters per year for the Nord Stream pipeline to take gas from Russia to Germany across the Baltic Sea to supply 26 million households in the region. The line’s route passes through the Danish island of Bornholm, between Sweden and Poland.

Announcements & Reports

► *Natural Gas Weekly Update*

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

► *This Week in Petroleum*

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

Upcoming Events

► *North Africa Oil & Gas Summit*

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

► *European Gas Conference 2018*

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

► *Cameroon Oil & Gas Summit 2018*

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

► *Egypt Petroleum Show*

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

► *North Africa Petroleum Exhibition & Conference*

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

► *Kuwait Oil & Gas Summit*

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

► *International Conference on Petroleum & Petrochemical Economics*

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