Oil & Gas Bulletin

► *18.01.2013*

Turkey hits all-time gas consuming record

Hürriyet Daily News, *15.01.2013*

Turkey broke its all-time natural gas usage record on Jan. 10, with 187 million cubic meters used across the country due to the cold weather.

Noting that the average daily usage last year was 170 million cubic meters in January and 164 million cubic meters in February, Energy Minister Taner Yildiz said there was no supply shortage. "However, we care about a saving culture in natural gas consumption, like any other field," the minister told. Around one-fifth of the consumption is in Istanbul and its surrounding area, and was largely down to the cold weather that brought life to a standstill in many cities.

The consumption is at its highest in the industrialized Marmara region, which also hosts Istanbul. Turkey buys most of it gas from Russia, Iran and Azerbaijan, as well as more moderate amounts of LNG from Algeria and Nigeria. The country generates around half of its power needs from natural gas. It is in talks with Qatar for the building of an LNG facility in the Marmara region.

KRG defends oil policy, reject BP's Kirkuk deal

Reuters, *18.01.2013*

Kurdish Regional Government (KRG) has defended its oil policy as constitutional, and rejected a deal between Baghdad and BP for an oilfield in the disputed city of Kirkuk as an 'illegal' step in the autonomous region's feud with the central government.

The statement came after Iraq's oil minister said Baghdad's government would sue companies exporting crude from Northern Iraq, warned of cuts to the self-ruled region's federal budget and announced an accord with BP in Kirkuk. Iraq's central government and the KRG are locked in a widening dispute over control of oil revenues, oilfields and territory that is fraying the country's uneasy federal union.

The ethnically mixed city of Kirkuk, sitting on the internal border between Iraq and Kurdish Region, is at the heart of their long-running battle over constitutional rights to the OPEC member's crude reserves, the world's fourth-largest. "Iraq's citizens are simply tired of this sort of language of threat and intimidation, which in the cynical pursuit of narrow political agendas serves only to create division and strife," the KRG said. "In terms of oil and gas management, the KRG firmly believes in, and abides by, the letter and spirit of Iraq's permanent, federal constitution."

Speaking to Reuters Oil Minister Abdul Kareem Luaibi said Baghdad intends to sue Genel Energy - the first company to export oil directly from Northern Iraq and may slash the government's allocated 17 percent budget to the region unless it halts what he rejected as smuggling. Luaibi announced a preliminary agreement with BP to revive the northern Kirkuk oil field, which - apart from being at the centre of the fight between KRG and Iraq - is suffering massive output declines. "He reveals details of an illegal and unconstitutional plan to allegedly allow BP to enhance the recovery of some of the depleted fields in Kirkuk... without consulting and obtaining approval of the other parties to the dispute," the KRG said.

The feud between Baghdad and the KRG enclave, which has run its own regional administration and armed forces since 1991, has escalated since the KRG began signing deals with oil majors like ExxonMobil and Chevron. Iraq's government claims only it has the constitutional authority to export crude oil and sign deals, but KRG says the constitution allows it to agree to contracts and ship oil independently of Baghdad. Baghdad and KRG late last year both sent troops to reinforce positions along their internal border in a major escalation of tensions between the two regions, but neither appeared to have the stomach for open conflict.

KRG has given permission to Genel to truck exports directly from Taq Taq oilfield to Turkey, bypassing the federal pipeline system linking Kirkuk with the Turkish Mediterranean port of Ceyhan. While the central government dismisses that as smuggling, the KRG said the barter with Turkey was making up part of KRG's entitlement to 17 percent of refined products since Baghdad was not supplying the full amount.

The regional government also rejected Luaibi's suggestion that Baghdad might cut KRG's 17 percent allocation of the federal budget. "The federal oil minister is stepping well beyond his remit in speaking about the federal budget, creating yet another smokescreen for the incompetency of his ministry and of the federal administration," it said.

The move to truck oil directly to Turkey came after Kurdish exports were halted via the Baghdad-controlled Iraq-Turkey pipeline due to a dispute over central government payments to oil companies working in KRG. Baghdad has made one payment in 2012, but Iraqi officials said last month they would not pay firms a second installment because KRG had failed to reach agreed production under a deal made in September.

The central government says KRG is expected to provide 250,000 bpd to Iraq's 2013 oil export target of 2.9 million bpd. In 2012, the KRG was to contribute 175,000 bpd to the federal budget, but handed an average of 61,000 bpd, Luaibi said. "Had it not been for the federal government's obstructionist policies, the Kurdish Region could now be exporting 500,000 barrels per day or some $18 billion per year," the KRG said.

Baghdad plans tough steps against KRG and Genel Energy

Reuters, *17.01.2013*

Iraq plans tough measures against the country's Kurdish Regional Government (KRG) and foreign oil companies working there, including Turkey-based Genel Energy, to stop 'illegal' crude exports in an escalation of its standoff with the autonomous enclave, the oil minister said.

Oil exports and contracts are at the heart of a wider dispute over territory, oilfields and political autonomy between the central government in Baghdad and the KRG. Abdul Kareem Luaibi said Baghdad intends to sue Genel Energy and may slash the government's allocated budget to the region unless it halts what he rejected as smuggling.

Speaking from his office in the oil ministry in Baghdad, Luaibi said it was "high time" for the KRG to stop "this very dangerous behavior." Luaibi also revealed a preliminary agreement with oil major BP to revive the giant but ageing northern Kirkuk oil field, which - apart from being at the center of a feud between the KRG and Baghdad - is suffering massive output declines.

Iraq's government insists it alone has the sole authority to export crude oil and sign deals, but KRG says the constitution allows it to agree to contracts and ship oil independently of Baghdad. KRG has upset Baghdad by signing deals directly with oil majors such as Exxon Mobil and Chevron, providing lucrative production-sharing contracts and better operating conditions than in the south. The KRG gave permission to Genel to truck exports directly from its Taq Taq oilfield to Turkey, bypassing the federal pipeline system linking Kirkuk with the Turkish Mediterranean port of Ceyhan.

Baghdad responded swiftly. Iraq's state-run oil marketer SOMO issued a statement saying it had the right to take legal action against companies exporting crude independently of the central government. "We are going to proceed with judicial proceedings against this company and all others dealing with smuggled oil," said Luaibi. "It's our right to stop them." He said the ministry, via SOMO, has sent a letter to Anglo-Turkish explorer Genel detailing its position. Genel declined comment.

Genel Energy sees output rise

Upstream Online, *18.01.2013*

Genel Energy saw output climb in 2012 and expects full year revenue to be ahead of its previous guidance. The company's average net working interest production for the 12 months to 31 December was 44,500 barrels of oil per day, up from 42,000 bpd in 2011.

Genel noted that full year revenue was expected to total about $330 million, ahead of its previous guidance, and includes $132 million it received last month from the Kurdish Regional Government (KRG) as part of the total amount owed to the company for unpaid historic export revenues.

It also stated it had begun reducing exports in mid-November due to uncertainty over the receipt of the second payment for historic exports owed from the Federal Government of Iraq. As a result it began switching sales of production back into the domestic market realizing prices through December above $70 per barrel.

Earlier this month the company received permission to export oil from Taq Taq into Turkey by truck and Genel said on Friday that while initial volumes had been small, it expects trucked exports to hit about 20,000 bpd over the next six-to-eight weeks. "2012 saw a strong production performance and a materially expanded exploration portfolio which will provide us with significant opportunities in 2013, both in the Kurdish Region of Iraq and Africa," Genel chief executive Tony Hayward said. "We expect revenues to be ahead of previous guidance and all development and exploration activities in Northern Iraq to be funded from cash flow generated locally in line with our stated strategy."

Capital expenditure for 2012 amounted to about $230 million and the company has forecast spending this year to total between $400 million and $500 million. The company's current exploration program in the region involves three wells, which are all scheduled to be completed during the first half of the year, targeting over 750 million barrels of gross unrisked resource.

The first two wells, Tawke Deep and Chia Surkh-10, are currently being drilled, with results expected by the end of the first quarter, while the third well, Taq Taq Deep, is expected to be spudded in the next couple of months. Genel is also expecting to spend about $110 million this year on its African portfolio as it looks to expand its producing assets beyond KRG.

Merger volume in energy hails by $9.5 bln in 2012

Hürriyet Daily News, *17.01.2013*

Turkey's merger and acquisitions (M&A) volume in energy jumped to $9.5 billion last year from a mere $1.2 billion in 2011, according to a PricewaterhouseCoopers report released yesterday.

The total deal volume, worth $9.5 billion with 45 deals in 2012, exceeded market expectations by multiplying the 2011 figures nearly seven times. In 2011 there were 29 deals worth $1.237 billion. The number of deals was composed of 37 utilities (power and gas distribution grids) deals worth $9.1 billion and eight oil and gas deals worth $400 million.

The report indicates the privatizations in 2012 made up the major part of this volume, as the Bogazici, Gediz and Akdeniz electricity distribution companies and Seyitömer power plant tenders by $5.985 billion boosted the volume in the utilities sector. Also, Azerbaijan's Socar, which already owned 51 percent of petrochemical company Petkim, bought 10.32 percent of the company for $168 million in a privatization tender, it said. However, many private deals, particularly German E.ON SE's acquisition of a 50 percent stake in Enerjsa, show a healthy growth in the utilities sector, the report noted.

Local investors dominated the merger and acquisitions activities in energy, by owning 75 percent share of total deal volume. Meanwhile, the important foreign deals were Gazprom's subsidiary Prima Energy's acquisition of a 60 percent stake in Avrasya Gaz, Inter RAO's acquisition of a 90 percent stake in Trakya Elektrik, and E.ON and SOCAR's acquisitions. The report claims that the privatization deals will continue to dominate the deals outlook in 2013.

Another report released by Ernst&Young yesterday said Turkey's mergers and acquisitions volume had reached $23.2 billion, with 315 transactions last year. However, a Jan. 3 Deloitte report had revealed that the 2012 volume was $28 billion, with 259 transactions. The two reports also foresee M&A activities to continue increasing in Turkey in 2013, with small and medium-sized enterprises making up the major share.

Çalık commences drilling ops at Turkey well

Rigzone, *16.01.2013*

Anatolia Energy announced that its partner, Calik Enerji, has commenced drilling at Giremir-1, the initial exploration well on the Sinan Licence in Turkey, where Anatolia can earn a 50 percent interest.

The Giremir-1 commitment well will satisfy the drilling requirements on the Sinan Licence pursuant to its Joint Venture agreement with Calik and as required by the General Directorate of Petroleum Affairs (GDPA). Drilling of Giremir-1 satisfies the work commitment of the Sinan Licence during its initial four year exploration period and satisfies the district drilling obligation which includes the Bismil Licences.

Giremir-1 is expected to be drilled to a depth of approximately 1,250 meters for a total cost of $1.4 million. The deepest horizon to be drilled will be the Upper Sinan Formation. Although its hydrocarbon potential is unknown in this area, the Paleocene age reservoir produces oil in 5 fields in southeastern Turkey; most notably at the Selmo Field which is located approximately 47 kilometers northeast of the Giremir well.

Sinan and Bismil Licences encompass 17,833 (8,917 net) and 245,699 gross (122,850 net) acres, respectively, and are well-located within the Dadas Shale Oil trend as well as the Cretaceous and Ordovician conventional oil plays. Activity focused on the Dadas Shale continues to gain momentum with numerous drilling and testing operations currently on-going in the area, including the drilling of the first well of the Shell and Turkish Petroleum (TPAO) joint venture approximately 20 kilometers from the Company's Sinan Licence border. Under the terms of the TPAO-Shell agreement announced in November 2011, Shell is expected to drill five wells into the Dadas Shale formation.

Anatolia continues to work towards the optimal design of a fracture stimulation test of the Silurian Dadas Shale on the Bismil Licence. The tests are due to be carried out in 2013 with the aim of flowing hydrocarbons from the shale. A large volume of physical and geochemical data extracted from the shale cores has led management to anticipate a positive fracture response from the shale. The Bismil and Sinan Licences in Turkey provide the Company with exposure to 263,532 gross acres (131,766 net) of Dadas Shale and/or conventional oil prospective acreage. The Company's independent third party resource evaluator, Ryder Scott, has allocated 94 MMBbls (47 MMBbls net) of unrisked prospective resources related to the Dadas Shale on the Bismil and Sinan Licences.

The Company and Calik recently amended the Joint Venture agreement for Sinan, Antep and Besni such that the final payment to trust of $6.5 million due March 31, 2013 has been extended to August 1, 2013 to better reflect the timing of the respective work programs. In addition, the parties agreed to amend the JV Supplemental agreement with an option to earn an additional 25 percent at Bismil (Dadas Shale) such that the payments to trust have been amended to $1.5 million on August 1, 2013 and $10 million on March 31, 2014 to better reflect the timing of the respective work programs.

PETFORM

Algeria kills 34 hostages in 'op fiasco'

Hürriyet Daily News (AFP), *18.01.2013*

An Algerian mission to free 41 hostages kidnapped by al-Qaeda-linked Islamists at a gas complex ended yesterday in a tragic fiasco after government forces reportedly fired on vehicles containing the hostages, killing 34 captives.

Britain, France and Norway confirmed an operation was underway at the remote site, which was attacked Jan. 16 in retaliation for France's military assault against Islamists in Mali. A total of 34 hostages and 15 of their kidnappers were reportedly killed in the Algerian air strike at the In Amenas gas facility. "Thirty-four hostages and 15 kidnappers were killed in an [air] raid by the Algerian army."

The source said Westerners were among the dead. Also killed was Abu al-Baraa, who led the Jan. 16 operation. The spokesman said Algerian aircraft attacked the kidnappers when they tried to "transport some of the hostages in vehicles to a location to the south." Algerian media reported yesterday 15 foreigners and 30 Algerians being held hostage had managed to escape, but authorities could not confirm this. Four hostages were freed by the Algerian army, the APS news agency reported. After the airstrikes, the Algerian military launched a ground assault on the desert gas complex, one of the kidnappers told the ANI news agency. "Warplanes and ground units have begun an operation to take the complex by force," the spokesman said, threatening to "kill all the hostages if the Algerian forces succeed in entering the complex."

Britain's Foreign Office and a French government source also said they had been informed of an assault, amid reports of the deaths. The militants killed two people, including one Briton, when it first raided the facility and took the hostages, which include British, Irish, French, Norwegian and Japanese citizens. British Prime Minister David Cameron's spokesman said earlier yesterday that Britain would consider any requests for help from Algeria in its efforts to free the hostages. British energy giant BP said it had also been informed of an Algerian attempt to "take control" of the plant.

"We have been informed by the U.K. and Algerian governments that the Algerian army is attempting to take control of the In Amenas site," it said in a statement. "The situation remains unclear and we continue to seek updates from the authorities," it added. "Sadly, there have been some reports of casualties but we are still lacking any confirmed or reliable information. There are also reports of hostages being released or escaping."

The company said it was evacuating a group of workers from Algeria. "As a precautionary measure, staged plans are under way to bring a group of non-essential workers out of Algeria." The militants said they seized the hostages in retaliation for the French military intervention in nearby northern Mali, which began after Islamist rebels started pushing south toward a strategic airbase in the center of the country. Algerian troops encircled the In Amenas plant earlier in the day, prompting gunmen to demand their withdrawal to allow for negotiations. They have also demanded the release of some 100 Islamist extremists in Algeria, and want them sent to northern Mali to continue the fight against French and Malian forces.

OMV committed to gas investments in Romania and Black Sea region

Upstream Online, *09.01.2013*

OMV is prepared to undertake investments to ensure that its OMV Petrom unit remains the most important natural gas exporter in Romania and the Black Sea region.

Speaking with the press, the president of the CEO of Austrian oil and gas group, Gerhard Roiss, discussed plans for the Romanian natural gas market. "We have high expectations regarding the resources from the Neptun block (in the Black Sea), and, as well, from the leases in Ukraine and Bulgaria, otherwise we would not have invested there" commented Roiss.

In February, Petrom and ExxonMobil Exploration and Production Romania announced an important gas discovery in the Black Sea. Preliminary assessments placed the resource at 42 – 48 billions cubic meters, which is equivalent to 3 to 6 times the yearly consumption in Romania. The Austrian group has acquired licenses for two more areas in the Ukrainian and Bulgarian territorial waters, both located near Neptun block.

Commercial production in the Black Sea is estimated for the end of the decade and the exploitation of the deposit could ensure the energetic independence of Romania with respect to the natural gas. Asked if OMV will export the gas that will be produced in the areas from the Black sea, Roiss said that the group will prioritise Romanian demand. "We are a responsible company established in Romania and the act accordingly to the social needs. We will export gas only after satisfying the necessity in Romania." declared Roiss.

Roiss deferred on the topic of the talks with the government in Bucharest regarding the possible increases of the royalties for oil and gas, as well as on the intention of the executive to establish a tax on the special incomes of the companies in the gas and electricity field. "I will not comment; it is not my style" said Roiss.

The royalties for gas and oil, now between 3.5% and 13% of production were established in 2004 by the privatization contract of Petrom with OMV and are valid until December 2014. Beginning in January 2013, the government intends to impose a tax on the extraordinary incomes of the companies acting on the gas and electricity market and, in the middle of next year, will introduce a new regulation and taxation regime for the companies in the oil and natural gas field.

In addition to prospects in the Black Sea, one of the most promising plays for Petrom is Oltenia and the Totea gas and condensates field. The Toteq gas field began production in 2011 with total proven reserves of the Toteq gas field are around 53.6 billion cubic feet and production is centered around 16.9 million cubic feet/day.

BP: Unconventionals to drive supplies through 2030

Upstream Online, *16.01.2013*

Supplies of oil and gas will continue to rise in the coming decades, driven almost entirely by unconventional sources, according to BP's annual outlook of energy markets through 2030. The UK supermajor called fears of dwindling supplies of hydrocarbons "groundless", even as demand for oil is expected to grow at a slower rate than any other energy source.

"The outlook shows the degree to which once-accepted wisdom has been turned on its head. Fears over oil running out appear increasingly groundless," BP chief executive Bob Dudley said in a statement.

Unconventional sources of oil in North America - including tight oil, oil sands and biofuels - are expected to provide all of the global net supply growth through 2020, BP said. They will provide 70% of the supply growth by 2030, according to the outlook. "Vast unconventional reserves have been unlocked in the US, with oil production following gas," said BP chief economist Christof Ruhl. "This delivery has been made possible not only by the resources and technology, but also by 'above-ground' factors such as a strong and competitive service sector, land access facilitated by private ownership, liquid markets and favorable regulatory terms."

Ruhl added: "No other country outside the US and Canada has yet succeeded in combining these factors to support production growth. While we expect other regions will adapt over time to develop their resources, by 2030 we expect North America still to dominate production of these resources."

North America's head start will result in the US becoming "99% self-sufficient in net energy" by 2030 - a sharp turnaround from 2005 when the country was just 70% self-sufficient, BP said. Emerging economies such as India and China will make up for the expected shift in trade balances, as "steep economic growth" will make these countries "increasingly reliant" on energy imports, according to the outlook. Demand for oil will increase by only 0.8% per year over that time period, as LNG and renewables start to make up an increasing portion on the global energy mix. However, even a modest growth in demand will require an additional 16 million barrels per day of liquid fuels to come on the market by 2030 compared to 2011.

All of the net oil demand growth will come from outside the OECD, BP said, with more than half the growth in oil supply coming from non-Opec nations like the US and Brazil. Natural gas, meanwhile, is expected to be the fastest growing of the fossil fuels, with demand rising at an average of 2% per year. Non-OECD countries will generate 76% of demand growth.

LNG production is expected to grow more than twice as fast as gas consumption, at an average of 4.3% a year, accounting for 27% of the growth in gas supply to 2030, BP said. Shale gas supplies will meet 37% of the growth in gas demand and account for 16% of world gas and 53% of US gas production by 2030. Overall, BP expects global energy demand to increase by 2% a year to 2020 and then by only 1.3% a year to 2030 for an average of 1.6% annually. Almost all of this - 93% - will come from non-OECD economies.

By 2030, energy use in non-OECD economies is expected to be 61% higher than in 2011, while consumption in the OECD will have grown by only 6% and will have fallen in per capita terms. “While the fuel mix is evolving, fossil fuels will continue to be dominant. Oil, gas and coal are expected to converge on market shares of around 26-28% each by 2030, and non-fossil fuels – nuclear, hydro and renewables – on a share of around 6-7% each,” the outlook states. Bob Dudley concluded: “The projections demonstrate yet again that we inhabit a diverse and dynamic energy market. The future is full of opportunities for job-creating businesses with world-leading technology and capability and for countries that want to work with them.”

Saudi denies to eye hike in oil prices

Hürriyet Daily News, *16.01.2013*

The world’s biggest oil exporter Saudi Arabia denied that a five percent cut in its crude output was aimed at boosting prices on international markets.

The fluctuations in production depend on domestic demand, which is seasonal in nature as it peaked in the summer before declining during the last quarter of the year, oil ministry adviser Ibrahim Mehanna told. He said it was totally wrong to link the fall in Saudi oil output to an attempt to raise prices, stating that several challenges to growth in the Eurozone and fears about the U.S. crisis have affected the demand.

Mehanna stated that Riyadh was fully prepared to respond to these changes and reaffirmed its commitment to meet the demands of its customers. Oil prices rose on Jan. 14 after the completion of a major U.S. pipeline expansion project that will cut oversupplied inventories in the U.S., the world’s biggest consumer.

Nord Stream will cost Gazprom more to export gas

Natural Gas Europe, *18.01.2013*

Gazprom's plans to transfer gas shipments from Ukraine to the Nord Stream pipeline are turning out unexpectedly expensive.

The price of moving gas through both Ukraine and Nord Stream significantly increased by 20 % in just first six months of 2012, Kommersant daily reports. At the same time the volume of Russian gas going through Ukraine decreased by 15% by the end of last year. Once the second stretch of the Nord Stream was opened at the end of last year it reached its full capacity of 55 billion cubic meters per year.

However, the head of East European Gas Analysis Michael Korchemkyn says the pipeline is currently only using about one-third of its capacity. He believes switching gas export away from Ukraine to Nord Stream will mean not only higher delivery costs but also other expenses, Kommersant daily reports. Many transit contracts with European countries have ship-or-pay condition and lower volumes mean fines for Gazprom.

UK seeks to water down Arctic oil drilling proposals

EurActiv, *16.01.2013*

The UK government is seeking to water down planned EU regulations on deep-sea oil drilling, even while insisting to MPs that it wants "robust environmental protection" for oil drilling in the Arctic.

In leaked EU documents seen by the Guardian, the UK has sought to change proposals that could prevent oil and gas drilling operations that would leave fragile areas vulnerable. The UK is insisting that this clause be removed, because "oil spills may be effectively dispersed by wind and wave action and this is in itself one form of effective response".

This has outraged green campaigners, who are concerned that the “Arctic oil rush” several companies are engaged on could lead to irreparable damage to one of the Earth’s last pristine wildernesses. Ministers have also ruled out any moratorium on oil drilling in the Arctic, despite calls for such a move by an influential committee of MPs, and despite the grounding of Shell’s Kulluk drilling rig off Alaska on the last day of 2012. That incident, though it did not result in a dangerous oil spill, heightened safety fears over offshore drilling in far northern seas, where any response to a serious spill would be difficult or even impossible.

That difficulty creates an “oil spill response gap”, in which spills could have to be left for weeks or months if adverse weather conditions make it impossible to clean them up using mechanical or chemical means, such as those deployed in BP’s Gulf of Mexico oil spill. That would increase the potential for damage to vulnerable areas such as Greenland and the Arctic. Several EU member states wanted this “response gap” to be recognized, so that it would have to be taken into account in any decision on whether to allow a drilling site to go ahead. If the “response gap” was too great, companies could be prevented from drilling. These regulations would also apply to countries such as Norway, which may have large potential for Arctic drilling. But the UK has insisted this language be removed in the Brussels negotiations.

Instead, the government appeared to suggest that leaving oil spills in deep Arctic oceans could be an adequate response. Answering the call by the environmental audit committee for tighter regulation of Arctic and similarly dangerous oil drilling, the government told MPs: “[We are] acutely aware of the potential environmental impacts of an oil spill in the Arctic and recognizes the risks of drilling for hydrocarbons. We therefore fully support the use of the highest environmental and drilling standards in the Arctic.”

The UK has also sought to water down EU proposals to force drilling operators to lodge their “emergency response plans” with governments, which would ensure they satisfied government regulations and would allow campaigners to see the plans under freedom of information rules and judge them. If the UK’s alternative is accepted, governments will only see “descriptions” of the plans, which campaigners are concerned will be inadequate.

Joan Walley, chair of the environmental audit committee of MPs, which called for a moratorium on Arctic drilling until safety fears were allayed and better response methods in place in case of any accidents, criticized David Cameron over his response on Arctic oil drilling. She said: “A few years ago the prime minister rode with huskies in the Arctic to demonstrate his commitment on environmental issues, but now he is being asked to protect that pristine wilderness for real he has refused to take a lead on the issue.”

Shell is to be hauled back in front of the MPs to explain the Kulluk incident. Walley said: “The grounding of the Kulluk rig raises serious questions about the safety of Shell’s operations in the Arctic and we will be calling them back to give further evidence.” Shell said, however, that it could not appear before the committee until reviews under way in the US were complete. The company added that its operations were safe, saying in a statement: “Shell understands the uniqueness and importance of the Arctic, but gas and oil production from the Arctic is not new. Our record throughout 50 years’ experience of operating in Arctic and sub-Arctic regions demonstrates that we have the technical expertise to explore for and produce oil and gas in challenging locations.” The Department of Energy and Climate Change did not respond to a request for comment.

Turkmenistan ready for sell off but wants control of fuel

Hürriyet Daily News, *17.01.2013*

Turkmenistan leader Gurbanguly Berdymukhamedov has signed the 2013-16 privatization program, which will start soon. However, sources say the country will keep the control of the oil and natural gas facilities, which are vital for the Central Asian nation.

Reclusive Turkmenistan will launch a privatization of state-held assets in its tightly regulated economy in coming months but looks set to keep control of the vital oil and gas industry, officials have said. "I have just signed an order to approve Turkmenistan's privatization program for 2013-16," President Gurbanguly Berdymukhamedov said.

"Sell-offs of some state companies will start already at the beginning of this year," he said without giving a time frame. The president, who wields virtually unlimited powers in the Central Asian nation of 5.5 million, made no mention of the oil and gas sector in a country which sits on the world's fourth-largest natural gas reserves. A government official told that the sector would remain under state control. The government has compiled a list of other "strategic companies of national significance" which will not be privatized, the official said. He said sell-offs would primarily target transport, communications and construction assets. "Our privatization programme is just in line with our plans of gradual transition to a market economy," said Berdymukhamedov, whose word is final in a nation seen by human rights bodies as one of the most repressive in the world.

In his speech, Berdymukhamedov, a qualified dentist widely titled "Arkadag" (The Patron), also did not say whether foreign investors would be allowed to take part in privatization. Ruling since the death of his autoctratic predecessor Saparmurat Niyazov in December 2006, Berdymukhamedov has eased his grip on small-scale entrepreneurs and stamped out the black market in the manat currency. The country now plans to introduce international accounting standards next year and to launch a stock market in 2016. But two decades after the Soviet Union's demise, Turkmenistan is still lagging far behind its oil-rich post-Soviet neighbor Kazakhstan in terms of economic reforms.

Turkmen private businesses have so far been allowed to invest mainly in services, public catering and small-scale construction projects. The Turkmen economy has grown rapidly on the back of high world oil prices. Berdymukhamedov said gross domestic product had expanded by 11.1 percent last year and would grow by no less than 11 percent in 2013. Growth in 2011 was 14.7 percent. The International Monetary Fund is slightly less optimistic; in November it forecast growth of 8.0 percent in 2012 and 7.7 percent in 2013. Hopes for future prosperity depend on laying alternative gas export routes to the European Union and India to ease dependence on the country's former imperial master Russia. Besides Russia, Turkmenistan sells gas to China and Iran. The desert nation plans to more than triple its annual gas production capacity to 250 billion cubic metres by 2030. While state media do not disclose the size of gas output, energy major BP estimated Turkmen gas production at 59.5 bcm in 2011.

Announcements & Reports

► *BP Energy Outlook 2030*

Source : BP
Weblink : http://www.bp.com/extendedsectiongenericarticle.do?categoryId=9048887&contentId=7082549

► *OPEC Bulletin (Dec 2012)*

Source : Organization of the Petroleum Exporting Countries
Weblink : http://www.opec.org/opec_web/static_files_project/media/downloads/publications/OB10-122012.pdf

► *OPEC Monthly Oil Market Report (Jan 2013)*

Source : Organization of the Petroleum Exporting Countries
Weblink : http://www.opec.org/opec_web/static_files_project/media/downloads/publications/MOMR_January_2013_.pdf

► *Deloitte Annual Turkish M&A Review 2012*

Source : Deloitte
Weblink : http://www.deloitte.com/assets/Dcom-Turkey/Local%20Assets/Documents/Deloitte_Turkiye_2012%20_M&A_Raporu.pdf

Upcoming Events

Supported by PETFORM

► *Tight and Shale Gas Summit 2013* ***(in Turkey)***

Date : 27 – 28 February 2013
Place : Istanbul – Turkey
Website : http://www.wplgroup.com/aci/conferences/eu-eug2.asp

► *6th Annual Unconventional Gas Conference*

Date : 6 – 7 March 2013
Place : London – UK
Website : http://www.smi-online.co.uk/energy/uk/unconventional-gas

► *6th International Petroleum Technology Conference*

Date : 26 – 28 March 2013
Place : Beijing – China
Website : http://www.iptcnet.org/2013/

► *LNG17 – International Conference and Exhibition on Liquefied Natural Gas*

Date : 16 – 19 April 2013
Place : Houston – USA
Website : http://conferencehound.com/conference/lng17-international-conference-and-exhibition-on-liquefied-natural-gas/53874

► *Offshore Technology Conference*

Date : 6 – 9 May 2013
Place : Texas – USA
Website : http://www.gshtx.org/en/cev/908

► *12th Moscow International Oil & Gas Exhibition*

Date : 25 – 28 June 2013
Place : Moscow – Russia
Website : http://mioge.com/about/upstream.aspx

► *Oil and Gas Conference and Exhibition 2013*

Date : 3 – 6 September 2013
Place : Aberdeen – UK
Website : http://www.offshore-europe.co.uk/page.cfm/Link=1/t=m/goSection=1

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► *All Energy Turkey* ***(in Turkey)***

Date : 11 – 12 September 2013
Place : Istanbul – Turkey
Website : http://www.all-energy-turkey.com/?lang=tr

► *Texas Oilfield Expo*

Date : 6 – 7 March 2013
Place : Texas – USA
Website : http://www.gshtx.org/en/cev/906

► *21st Kazakhstan International Oil & Gas Exhibition and Conference*

Date : 1 – 4 October 2013
Place : Almaty – Kazakhstan
Website : http://www.kioge.com/2013/upstream2013.html

► *Deep Offshore Technology International Conference & Exhibition*

Date : 22 – 24 October 2013
Place : Texas – USA
Website : http://www.biztradeshows.com/trade-events/deep-offshore-technology.html

► *World Shale Gas Conference & Exhibition*

Date : 4 – 7 November 2013
Place : Texas – USA
Website : http://www.biztradeshows.com/trade-events/world-shalegas-exhibition.html