Oil & Gas Bulletin

► 17.05.2013

PETFORM

Ankara confirms critical Kurdish oil accord, considering reaction

Today's Zaman, *15.05.2013*

Minutes before his departure for the US on Tuesday, Turkish Prime Minister Recep Tayyip Erdogan confirmed that a long-speculated energy deal in Iraq's Kurdish-led north was true, an announcement that riled Baghdad while placing further pressure on Washington.

Turkey's state-run Turkish Petroleum Corporation (TPAO) is partnering with the Kurdish Regional Government (KRG) and ExxonMobil to carry out oil exploration in northern Iraq, Erdogan said on Tuesday, taking Turkey's cooperation with Iraqi Kurds on energy one step further.

"Our oil company already has an agreement with ExxonMobil in place. This is a step with the KRG on exploration work," Erdogan told reporters at Ankara airport before heading to the United States for an official visit. He is due to meet US President Barack Obama on Thursday. Erdogan added that details would be clearer after his US visit.

Erdogan's acknowledgement of the deal is meaningful in terms of timing, observers said, arguing the prime minister might have hoped the critical deal may be overlooked amidst the busy political agenda. During his decade-old prime ministry, Erdogan has become well-known for timely announcements on visits abroad. The oil deal will likely be overshadowed by the crisis in Syria, which is expected to dominate the talks -- and media reports -- between Erdogan and Obama. In addition to Syria, Erdogan will also seek Obama's support for further energy deals that Turkish companies are hoping to strike in northern Iraq. Erdogan's statements follow earlier speculation in media that the Kurdish region has signed a 'landmark agreement' with Turkey to supply it directly with oil and gas. Sources earlier said Erdogan inked the deal during a meeting with the Iraqi Kurdish Prime Minister Nechirvan Barzani in Ankara in March.

Referring to TPAO's partner ExxonMobil as "the most controversial of all international oil investors in Northern Iraq," London-based IHS energy analyst Siddik Bakir says: "It remains to be seen what Baghdad's opposition to this announcement will look like. Also, it remains to be seen what reaction the Turkish prime minister will receive during his visit to the US, which was previously critical of Turkey's energy-fueled relations with the Kurdish administration."

Faisal Abdullah, spokesman for Hussein al-Shahristani, Iraq's deputy prime minister for energy was quoted as saying, "The deal is illegal and is not in line with the Iraqi constitution" late on Tuesday. Recalling that the Iraqi government has repeatedly asked ExxonMobil to either cancel its deal with KRG or leave its operations at the giant West Qurna-1 oilfield in southern Iraq where the US company holds a 60 percent stake, Bakir said ExxonMobil sought to retain both areas and hadn't left West Qurna-1 despite its announcement last year to sell its stake.

Turkish Energy Minister holds talks in Washington

Anadolu Agency, *17.05.2013*

Turkish Minister of Energy and Natural Resources Yildiz said the talks with his counterpart were extremely efficient. Yildiz said that 19 countries and 39 companies cooperate with the regional administration in northern Iraq and added, "how could it be that the Iraqi constitution is not violated by those countries but by Turkey?"

Yildiz told journalists that he held a 3-hour-long meeting with his American counterpart Daniel Poneman yesterday and that he comes together with Carlos Pascual, the State Department's Special Envoy and Coordinator for International Energy Affairs and a delegation.

Minister Yildiz said the talks were extremely efficient and that they evaluated the bilateral projects with the Russian Federation, Turkmenistan, Azerbaijan, Iran, Iraq and many other countries. Upon the question of "are there any countries which have similar agreements with the administration of northern Iraq?" Yildiz said:

"There are 19 countries and 39 companies, so has the Constitution of Iraq been violated by only Turkey's job but not the other's? This is not a right approach. These are trade agreements. I'm repeating, it doesn't matter whether public or private company, they see no harm if the trade contracts are signed. The oil is being produced right now. The central Iraqi government transfers money, these are experienced there. This is not a new issue."

Yildiz continued his words by saying: "We have begun this oil project in north of Iraq because we believe it is true, and we continue for the same reason. We don't have any hesitation and we haven't come here with a blurred mind. We have discussed the decisions elaborately as a state of law and then, evaluated the issues related to private companies standing there. The Republic of Turkey is a state of law here and never stands in an illegal process."

Attack on Iraq-Turkey oil pipeline halts flow

Oil&Gas Eurasia, *15.05.2013*

Unknown militants have bombed a section of a pipeline carrying Iraqi crude oil from the northern city of Kirkuk to Turkey's Mediterranean port of Ceyhan, Press TV reports.

Monday's attack, which was second in a week, stopped the flow of oil, Reuters quoted Iraqi oil officials as saying. "More than one bomb was used to attack the pipeline at around 1:30 local time Monday. The pipeline was severely damaged," an oil ministry official said. On May 6, militants bombed the same pipeline, and halted the flow of oil until May 12. Ties have soured between the Iraqi government and the Turkish government over energy relations between Ankara and KRG.

In November, Baghdad prevented Turkish national energy firm TPAO from bidding for an oil exploration contract. And in December, the Iraqi government prevented a plane carrying Turkish Energy Minister Taner Yildiz from landing in Arbil as he was reportedly on his way to ink the energy agreements with the KRG.

Mercan: Turkey should transform state-run energy companies

Hürriyet Daily News, *16.05.2013*

Turkey should transform its state-run energy companies, including Turkish Petroleum (TPAO) and Turkish Petroleum Pipeline Corporation (BOTAS), into actors capable of playing an active and leading role in the region and in the world, the deputy energy minister said.

Turkey won't be able to join the top 10 economies in the world without transforming its top energy companies like TPAO, BOTAS, the Turkish Petroleum Distribution Company (TP), and Mineral Research and Exploration (MTA), in compliance with Turkey's economic vision," Deputy Energy Minister Hasan Murat Mercan said.

Erdogan says sees opportunity for Cyprus deal

Reuters, *16.05.2013*

Turkish Prime Minister Tayyip Erdogan said on Thursday he saw a good opportunity for progress towards ending the division of Cyprus, a move that could further the exploitation of natural gas and oil in the eastern Mediterranean.

The island has been divided since a Greek Cypriot coup was followed by a Turkish military operation in 1974. Turkey keeps some 30,000 troops in the north and is the only nation to recognize the self-declared Turkish Republic of Northern Cyprus. Turkish officials say the election in February of President Nicos Anastasiades, who backed a 2004 U.N. plan, presents the best hope in years of reaching a deal.

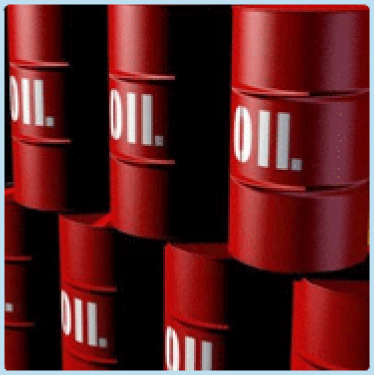
Anastasiades backed the 2004 plan proposed by then-U.N. Secretary General Kofi Annan, even though a majority of his Greek Cypriot compatriots rejected it in a referendum shortly before the island joined the European Union. The Turkish Cypriots in the north backed Annan's proposal. "We're optimistic, we're working for a solution and we are asking the United States to apply diplomatic support to this as well," a Turkish official said ahead of talks between Erdogan and Obama.

Turkey itself began EU entry talks in 2005, a year after Cyprus was admitted, but its bid has been blocked by the intractable dispute over the island, as well as by longstanding opposition from core EU members Germany and France. The Mediterranean island concluded a 10 billion euro bailout deal with the euro zone and the International Monetary Fund in April to stave off bankruptcy. Development of its offshore

Aphrodite gas field, which may contain 5 trillion to 8 trillion cubic feet of gas, could reverse its financial fortunes. But Turkey has strongly warned it against exploiting the gas before a settlement is reached. Turkey has meanwhile drilled exploratory onshore oil wells on the north of the island that have shown traces of hydrocarbons, further exacerbating the tensions.

Erdogan: No decision yet on further Iran oil import cuts

Today's Zaman (Reuters), *17.05.2013*



Turkish Prime Minister Tayyip Erdogan said Turkey had already significantly reduced its oil imports from Iran and further cutbacks would depend on Turkey's energy needs.

"On crude oil, there has been a significant decrease in the amount of oil we import from Iran. As to whether we would cut back any further, it will depend on our need. Time will tell," he said at the Brookings Institution in Washington. Last year, Ankara effectively halved imports of Iranian oil after a European Union oil embargo against Iran came into full force on July 1, which also targeted the marine insurance sector, cutting off the usual avenues for tanker insurance.

Turkey was twice granted a waiver on Iranian oil by the United States for 180 days after it made initial cuts. Turkish imports of Iranian crude were steady in April at around 100,000 barrels per day, data from a well-informed shipping agent in the region showed two weeks ago. Before the introduction of stricter US and EU sanctions against Iran last year, Ankara's purchases were averaging 180,000 bpd. Turkey nonetheless remains one of the largest customers for Iranian oil together with Asian buyers such as China, India, South Korea and Japan.

SOCAR eyes to sign new energy deal with Russia

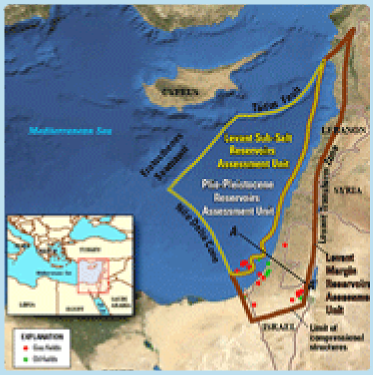
Hürriyet Daily News (Reuters), *17.05.2013*

Azerbaijan is ready to discuss a new deal to pump its oil across Russia on acceptable terms, the head of SOCAR has said following the termination of a transshipment contract.

"The company will continue oil deliveries in case of economic suitability of new contract conditions for SOCAR," Rovnag Abdullayev told reporters. "In case of economic unsuitability, deliveries won't be implemented." Russia terminated a 1996 contract with Azerbaijan on May 14, as Azerbaijan failed to ship agreed quantities. The contract allowed Azerbaijan to pump oil through a 1,330-km pipeline from the capital, Baku to the Russian Black Sea port of Novorossiisk.

Noble and Israeli partners find signs of another gas field off Israeli coast

Reuters, *16.05.2013*



A U.S.-Israeli group drilling in the eastern Mediterranean has discovered positive signs of another natural gas field off Israel's coast, potentially boosting the country's reserves as it drafts its export policy.

Texas-based Noble Energy and its Israeli partners, Avner Oil Exploration and Delek Drilling, said on Thursday they found significant signs of gas at an exploratory well at the Karish prospect, about 75 km from the coastal port of Haifa. Karish could hold 2 tcf of gas, Delek Drilling said, making it much smaller than the two massive Tamar and Leviathan fields recently discovered in Israeli waters.

But it is still a commercial quantity and, if proven, strengthens the case for energy companies who are lobbying the government to allow large levels of exports. The Karish partners will publish a more detailed analysis of the data in about two months, Delek Drilling said. Tamar, which came online in March with an estimated 10 tcf, can meet Israel's needs for decades. Leviathan, expected to begin production in 2016, is estimated to hold 19 tcf.

Israel, long reliant on energy imports, is struggling to find the balance of how much gas to keep and how much to export. Exploration companies argue that because Israel is such a small market, further investment in the area could only be justified if there is a substantial export quota. But if too much is sold abroad, the country may lose out on long-term energy independence.

Noble, which is also leading the Leviathan project, has said it cannot commit to further development until the government decides on its policy. That includes finalizing a deal to bring Australia's Woodside Petroleum in on Leviathan to help with liquefied natural gas exports. Energy Minister Silvan Shalom has said a decision will be made in the coming weeks. The verdict will likely be based on recommendations made by a government committee last year. The panel called on Israel to keep enough gas to satisfy its own needs for 25 years, which comes out to a bit less than half of Israel's total reserves, currently estimated at 33.5 tcf.

In the meantime, a number of lawmakers and environmental groups have called to lower the recommended export cap, or even to put off making any final judgement for years. The gas windfall will give a bump to Israel's economy, which is expected to grow 2.8 percent in 2013 excluding gas production, down from 3.2 percent in 2012. With gas, the 2013 forecast jumps to 3.8 percent. "The natural gas industry is a key economic growth engine," said Delek Drilling CEO Yossi Abu following the Karish announcement. "Exports in significant quantities will encourage additional players from Israel and the world to invest vast sums of money in further exploration."

Turkish and Korean firms to build natural gas plant

Hürriyet Daily News, *17.05.2013*

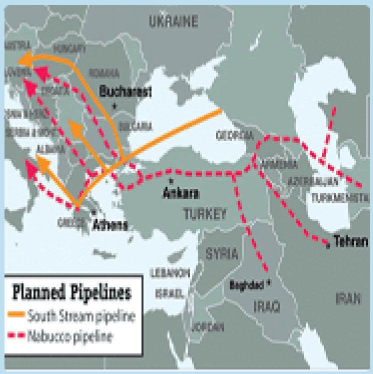
Turkish and South Korean companies signed a deal yesterday for construction of a natural gas cycle power plant with 141 megawatt installed capacity worth $175 million that is planned to generate power in the Aegean province of Aydin.

Turkey's Doganlar Investment Holding's D-Energy Group and South Korea's KOSEP and SK E&C concluded a deal for the construction of the plant in the Büyükefe district of Aydin. The plant will come into operation in 2016. "We are at the beginning of the long-term investments in Turkey as this deal is a good example, said Binali Yildirim

Doganlar's Chairman Davut Dogan said they invested $175 million, which made the first phase of the 'three-company group's energy investments worth an estimated $1.5 billion. However, Yildirim recalled that the Free Trade Agreement (FTA) between Turkey and South Korea, which entered into force on May 1, was a new page for two countries. The parties will gradually taper the customs to zero in 90 percent of all the tariff lines over 10 years. Korea will zero 80 percent of its customs, while Turkey will zero 65 percent of its own in terms of the total tariff lines, according to the FTA.

Prospects for Southern Gas Corridor strategy discussed between SOCAR and EU

Today.az, *16.05.2013*



President of the State Oil Company of Azerbaijan (SOCAR) Rovnag Abdullayev has met head of the EU delegation to Azerbaijan, Ambassador Roland Kobia. Abdullayev praised the ambassador's activity in the country, noting the European Union's relations with Azerbaijan, as well as with SOCAR are steadily developing.

Kobia said he would spare no efforts to contribute to developing the EU-Azerbaijan relations. He noted that the European Union sees Azerbaijan as a strategic partner. During the meeting, they also discussed prospects for the realization of the Southern Gas Corridor strategy.

US Energy Department approves Freeport LNG export terminal permit

Rigzone (Dow Jones), *17.05.2013*

The Obama administrationcleared the way for broader natural gas exports by approving a $10 billion facility in Texas, a milestone in the U.S. transition into a major supplier of energy for world markets.

The decision shows how the boom in U.S. natural-gas production has caused a 180-degree shift in a key area of energy trade. Five years ago, many companies built natural-gas import terminals, anticipating greater U.S. demand for imported fuel. Now a group of private investors that includes ConocoPhillips plans to turn one of those terminals into an export facility to ship natural gas to Japan and other nations.

The project, known as Freeport LNG, is expected to require more than $10 billion in investment, according to the owners. In giving Freeport the green light, the Department of Energy signaled that it found the prospective benefits from exporting energy outweighed concerns about possible downsides for the U.S. economy.

Proponents of greater exports, including the oil and gas industry, say that exporting inexpensive natural gas from the U.S. will help the U.S. trade balance, help advance the adoption of clean-burning fuels around the world and shore up energy-poor U.S. allies. Opponents counter that exports may cause domestic prices to rise, hurting consumers and some industries such as chemicals that have benefited from cheap natural gas.

Dow Chemical Co., which has vocally opposed unrestricted gas exports, said it supported the DOE's decision because it reflected a careful approach to export approvals rather than the blanket approvals some proponents have called for. "Dow will adopt a wait-and-see approach regarding further approvals," the company said. It maintained that using natural gas for domestic manufacturing creates "far more" value "than exporting it as a fuel." The American Petroleum Institute urged the Energy Department to approve the remaining applications without delay "so that the U.S can achieve its full energy and economic potential."

The Department of Energy said it had given preliminary authorization to the Freeport project to export up to 1.4 billion cubic feet per day of liquefied natural gas. The approval is needed for exports to countries with which the U.S. doesn't have a free-trade agreement, a category that includes major trading partners in Europe and Asia. The project still requires final approval from the Federal Energy Regulatory Commission.

The Freeport terminal is the second export facility approved by the Obama administration. Cheniere Energy Inc.'s (LNG) Sabine Pass facility in Louisiana won approval in May 2011 to export LNG to the countries without free-trade agreements.

The first approval got relatively little notice, but the issue gained prominence as export applications piled up and leading companies on both sides of the issue began to clash over the merits of exports. The Department of Energy spent much of 2012 waiting for a report it commissioned on the issue, which was released in December 2012 and concluded that exports would benefit the U.S. economy overall. Friday’s decision is an important harbinger for the remaining 19 applications to export gas to non-FTA countries. That’s because according to law, gas exports are presumed to be in the public interest unless shown otherwise.

Freeport LNG has signed preliminary 20-year contracts to sell much of the export facility's capacity to Chubu Electric Power Co., Osaka Gas Co. and BP Energy Co., and the company says it expects to announce a deal for the rest of the capacity this summer. Chubu Electric and Osaka Gas, both major Japanese utilities, have a partial stake in the portion of the facility that is feeding the Japanese demand. The combination of hydraulic fracturing and horizontal drilling has unleashed a natural-gas bonanza that made the U.S. the world’s largest natural-gas producer.

The Freeport permit approval opens up the dam for other pending applications, but the pace of upcoming decisions is still unknown, said Randy Bhatia, an analyst at Capital One Southcoast. “This is an encouraging step,” Mr. Bhatia said. “But you need more than one to get a better idea of what pace we can expect them to process the remainder of that queue.”

The Energy Department will next consider the application of a slightly larger export facility in Lake Charles, La. While there are nearly a score of outstanding applications, analysts expect that only a handful will be built, due to the high cost of gas liquefication facilities. Moody’s Investor Service has said that projects building from existing facilities, including Cove Point LNG in Maryland and Cameron LNG in Louisiana, are best placed to secure approval and financing from the private sector.

Further complicating the picture for U.S. exports are uncertainties over future global demand for LNG. Australia and Qatar, among other countries, have expanded their own gas exports in recent years and are well-placed to supply potential customers in Asia and Europe. Due to the cost of liquefying and transporting gas, U.S. exports may not be cost-competitive if domestic prices rise in coming years.

The DOE said it conducted an “extensive, careful review” which considered “the economic, energy security, and environmental impacts,” and found that the project was “not inconsistent with the public interest.” The department said that in considering future export applications, it will consider market conditions, including projections about natural-gas prices, supply and demand. All remaining permit applications will be considered on a case-by-case basis, the department said, keeping in mind the cumulative amount of authorized gas exports.

EU Climate Chief: Forget US-style shale gas revolution

EurActiv, *16.05.2013*

Closer cooperation between European countries and an emphasis on energy efficiency would be more effective at lowering prices in Europe than dreams about an American-style shale gas boom, the EU's climate chief said on Thursday.

We need efficient and also cost-efficient energy systems. We need to liberalize the energy market, a Europeanized market. It is wrong that renationalization will be cheaper. Of course you cannot have climate policies that cost nothing," she said. Hedegaard was attempting to allay business concerns that the cost of EU climate policies was stunting their growth.

Adrian van den Hoven, deputy director general of the BusinessEurope employers' association, blamed green taxes for putting European companies at a disadvantage against global competitors. "Looking at the 2020 to 2030 period, European Commission climate directives are creating some big costs. It would be manageable if the rest of the world also faced the same cost factors. That is not the case," he said, adding that the EU could learn from the US's shale gas boom, which has slashed energy costs. "The investments going to [shale] plants are huge in terms of job creation. We need to reduce the EU-US differential."

But Hedegaard dismissed the BusinessEurope argument as "yes [to climate action] but not now". "Even without the climate policies we would still have a US shale gas problem," she said. "In the European Commission we don't mind shale gas. If the member states want to do shale gas, they can do it. Their energy mix is up to the member states," she said. And "even if they decide to do shale gas, experts will tell you that the EU won't get its prices down to US levels," she added.

Hedegaard stressed that the geological and geographical factors of Europe shale did not make its large-scale exploitation as cost-effective as in North America. Imports of fossil fuels are no longer the answer, she said. "€1 billion of oil every day was imported [to the EU] last year. Efficiency can do our economy very well."

Huge OGPC plant to be built in Azerbaijan

Today.az, *16.05.2013*

Azerbaijan's state energy company SOCAR is keen on launching construction of a new oil-gas processing and petrochemical complex (OGPC) worth $17 billion by late 2013.

The project envisions construction of a petrochemical enterprise with capacity of 1.7 million tons of finished products, an oil refinery with capacity of 10 million tons per year as well as a gas processing plant with capacity of 10 billion cubic meters per year. SOCAR President Rovnag Abdullayev said that work is currently underway on the final construction draft of the complex.

"We will try to start specific work by late this year," Abdullayev said. The complex, located 60 kilometers from the Azerbaijani capital Baku, is scheduled to be commissioned by the end of 2020. Payback of the facility is expected in 7-8 years. The depth of oil processing at the plant will be about 95 percent, and the yield of light oil products - 85 percent.In the long term, the gas processing plant's capacity will be increased to 15 billion cubic meters a year. A thermal power plant with capacity of 250 megawatts will be built as part of the new complex as well.

Azerbaijan sees growth in the consumption of petroleum products year on year, but SOCAR has assured that available processing enterprises will provide the country with the required amount of oil products until the new complex comes on stream. Currently, oil products are produced at two Baku refineries with a total capacity of 20 million tons of oil a year. Both refineries are part of SOCAR, which annually processes about 6 million tons of oil from onshore and offshore fields on its own.

In April, Azerbaijan's State Statistics Committee reported that around 1.18 million tons of oil products were delivered to the domestic market in January-March 2013 or 15.9 percent more than in the same period of 2012. 75.1 percent of the total volume of petroleum products delivered to customers was sold on the domestic market, while the remaining 24.9 percent was exported. Around 4.8 million tons of petroleum products were delivered to the Azerbaijani market in 2012, 8.8 percent more than in 2011.

European Commission probes big oil firms for possible price manipulation

EurActiv, *15.05.2013*

European authorities have raided offices of oil majors Shell, BP and Statoil in an investigation of suspected manipulation of oil prices, one of the biggest cross-border actions since the Libor rigging scandal. Authorities have sharpened scrutiny of financial benchmarks around the world since slapping large fines on some of the world's biggest banks for rigging interest rate benchmarks.

The European Commission said on Tuesday it was investigating major oil companies over suspected anti-competitive agreements related to submission of prices to leading oil pricing agency Platts, a unit of McGraw Hill Group.

"Officials carried out unannounced inspections at the premises of several companies active in and providing services to the crude oil, refined oil products and biofuels sectors," the Commission said. The inspections took place in two EU member states and one non-EU country, it said. "The Commission has concerns that the companies may have colluded in reporting distorted prices to a price reporting agency to manipulate the published prices for a number of oil and biofuel products," it said. The Commission also said companies may have prevented others from participating in the price assessment process, with a view to distorting published prices.

Statoil said the suspected violations were related to the Platts price assessment process and may have been ongoing since 2002. The probe will shine a light on the methodology designed by Platts for daily assessments on the physical oil markets, used to close deals worth billions of dollars. The so-called Platts window, or market-on-close (MOC) system, is a daily half-hour period in which it determines cash prices through a series of bids, offers and trades.

Critics say the system is only a snapshot of the market, because it excludes trade outside the window - one reason that it can be vulnerable to manipulation. "I remember looking at these sorts of issues 10 years ago, and nothing has changed, it's sort of an accident waiting to happen," said Craig Pirrong, professor of Finance at the University of Houston, noting that after the Libor scandal, price assessment agencies were under "incredible scrutiny". "Regulators and law enforcement officials are quite upset with this sort of alleged conduct and they have proven that they are willing to go after companies that misreport for very large sums of money," Pirrong said.

The Commission said that even small distortions of assessed prices may have a huge impact on the prices of crude oil, refined oil products and biofuels purchases and sales, potentially harming final consumers. It added the fact inspections had been carried out did not mean the companies were guilty of anti-competitive behavior. The Commission did not make clear whether it was investigating a specific incident. These investigations typically take years to draw final conclusions.

Platts, Royal Dutch Shell, BP and Statoil said they were cooperating with the probe. French major Total said there had been no inspections at its offices. The Commission did not list the companies being investigated, and it was not clear whether other companies were included. Statoil said authorities had inspected its office in Stavanger on the request of the European Commission on suspicions of anti-competitive behavior. The Norwegian state, the controlling shareholder of Statoil, said the probe was a matter for the company's management to handle and declined further comment. Platts said the European Commission had “undertaken a review at its premises in London this morning in relation to the Platts price assessment process”.

Gazprom Neft profit sinks

Upstream Online, *16.05.2013*

Slumping crude oil prices sent net profit diving almost a fifth at Russian giant Gazprom Neft in the first quarter. The oil company also blamed a rise in taxes and tariffs for the drop while it flagged a huge hike in capital expenditure for the period.

Net profit for the first three months of the financial year was 39.57 billion Russian rubles ($1.26 billion) as against 48.37 billion rubles, a drop of over 18%. This was despite revenues rising from 278.43 billion rubles to 291.9 billion rubles as production increased 3% to 111.76 million barrels of oil equivalent.

There was also a 1.9% rise in refining throughput and higher retail sales volumes over. The realized price per barrel dropped, however, from 730 rubles to 686 rubles. Capital investment soared 24% to 35.6 billion rubles driven by investments in the Yamal and Odeburg regions as well as drilling more complex horizontal wells at legacy fields.

Eni sees Kashagan to produce 75,000 bopd

Rigzone, *11.05.2013*

Eni SpA expects the much-delayed Kashagan field in Kazakhstan to start producing before October and to average 75,000 barrels a day the first month and twice that within three months, a senior official of the Italian energy company said Friday.

Claudio Descalzi, head of the exploration and production division, said ENI expects output to soar in the second half of 2014. In the third quarter of next year, it will reach 370,000 barrels a day on average, he said at a press conference in Rome after a shareholders meeting.

Output will “certainly” start by the end of September, the deadline agreed with Kazak authorities, he said, adding that it may start as early as July. Earlier this year, the Italian company said it expected to start pumping in June. The Kashagan project, which includes large oil companies such as Exxon Mobil Corp., Royal Dutch Shell PLC and Total SA, is years behind initial schedule, with cost overruns in the billions of dollars.

Announcements & Reports

► *IEA Medium Term Oil Market Report 2013*

Source : International Energy Agency
Weblink : http://www.iea.org/w/bookshop/add.aspx?id=450

► *IEA Monthly Gas Survey*

Source : International Energy Agency
Weblink : http://www.iea.org/stats/surveys/NATGAS.PDF

► *IEA Monthly Oil Survey*

Source : International Energy Agency
Weblink : http://www.iea.org/stats/surveys/OILSURV.PDF

► *EMRA Petroleum Market Report (March 2013)*

Source : Energy Market Regulatory Authority
Weblink : http://www.epdk.gov.tr/documents/petrol/rapor_yayin/Ppd_Rapor_Yayin_Sektor_Raporu_2013_Mart.pdf

Upcoming Events

► *Caspian Oil & Gas*

Date : 4 – 7 June 2013
Place : Baku – Azerbaijan
Website : http://www.caspianoil-gas.com/2013/index.html

► *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

Supported by PETFORM

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

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

► *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