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EMRA defined the outline of Turkish Energy Exchange 'EPIAS'

Enerji IQ, *29.07.2013*

Turkish regulator EMRA defined the outline of the Turkish Energy Exchange EPIAS which is expected to be concluded by the end of August. EPIAS will be established with its headquarters in Ankara, and with the whole of the shares registered in the names of their holders. The company's board of directors will be made up of nine members.

The board of directors will consist of 3 members each from among groups A, and C shareholders, while NASDAQ, who will possibly own group D shares, will remain outside the board of directors, despite the fact that the Electricity Markets Board gives shareholders this right.

However, it will also be possible to appoint one member to the EPIAS board of directors from the outside. The chairman of the board of directors of EPIAS will be elected by the general assembly, from among the members of the board, every three years. What catches the attention at EPIAS is that decision making processes will be determined in a more participative manner, when compared with the centralized approach determined for corporations within the framework of the Turkish Commercial Code.

In order for EPIAS to take strategic decisions such as entering into partnerships or merging with other companies, seven of the nine members of the company board of directors must vote in favor of this. In accordance with the Electricity Markets Legislation, EPIAS is required to have been established by 30 September 2013. Within six months after its formation EPIAS will obtain a market operating license from the EMRA and begin its activities. "Until EPIAS becomes active, the transactions will be carried out by TEIAS, in the same way as they are presently."

BOTAS suffers TL 606 million loss in 2012

Today's Zaman, *27.07.2013*

The state-owned Turkish Pipeline Corporation (BOTAS) suffered a TL 606 million ($314.3 million) loss in 2012, continuing a two-year losing streak. The corporation released the figures on Friday. Unable to maintain profitability in business despite earlier price hikes in gas which it provides to the state, BOTAS's 2012 loss follows a $690 million loss in the preceding year.

Market observers argued that BOTAS failed to establish an efficient cost-based pricing mechanism. BOTAS provides imported gas to households as well as to private and public electricity producers.

Late in 2012, BOTAS hiked the price of gas it sells to public-owned electricity production facilities by 37 percent. This increase, however, was not enough to help them close the gap in balance sheets. BOTAS first suffered a loss in profits in 2010 when their profits declined to TL 202 million from a record TL 3.2 billion in 2009. In 2011, they posted over TL 1.32 billion in losses. Market experts argued the poor performance in profitability would negatively impact the firm's macro-financial balances. The government last year decided to cut BOTAS' share in gas distribution via Turkey's Western Pipeline from Russia, allowing foreign firms to enter the business.

Erzincan compressor station to transmit gas between east and west goes online

Hürriyet Daily News, *01.08.2013*

A natural gas compressor, which will enable the transmission of gas between Turkey's east and west, started operations. Aiming to help the transmission of the increasing volumes of gas that are expected to be imported into Turkey from existing and new sources, BOTAS has been working on constructing the Erzincan compressor station in.

"As the Erzincan station becomes operational, natural gas supplied from sources in the east will be transported to western regions, where the energy consumption is higher, under easier and safer conditions," Energy Minister Taner Yildiz said in a statement.

BOTAS has been experiencing problems in transmitting the Iranian gas to western provinces. The lack of a connection system and sufficient facilities to store gas has also been preventing Turkey from receive gas from Azerbaijan that it has already paid for. “A healthier gas flow will be maintained between our country’s east and west,” Energy Minister Taner Yildiz said in the statement. Spanish Tecnicas Reunidas undertook the construction of the station, which cost around $85 million.

License application from SOM Petrol to import Turkmenistan gas to Turkey

Enerji IQ, *29.07.2013*

SOM Petrol, which is one of largest traders with Iran in terms of the volume of its trade, has made an application to the Energy Market Regulatory Authority (EMRA) for a license to import natural gas from Turkmenistan through a pipeline. Cengiz Insaat, another vertically integrated player in the energy market, has also made an application to EMRA for importing spot LNG, with its subsidiary HIPOT Enerji.

Turkish Company SOM Petrol, which became known due to the construction project planned in order to export natural gas from Iran to Europe, has made an application to the EMRA for a license to import natural gas from Turkmenistan.

It has been learnt that the company has not submitted the natural gas purchase and sale agreement, which is one of the most important conditions of obtaining a license, to the EMRA, at the application stage. However, the company is able to submit the contract to the EMRA at the later stages of the licensing process, in accordance with the Natural Gas Market Licensing Directive. SOM Petrol had signed an agreement with NIGEC (National Iranian Gas Export Company), the national gas company of Iran, in 2010, for a pipeline project, announced to be in the amount of 1.3 billion USD, and it was stated that 100 million cubic meters of natural gas would be exported every day through this pipeline. It was also stated in the news at the time that a large part of the said natural gas would be natural gas from Turkmenistan, which had been imported by Iran.

On the other hand, the General directorate of Petrol Operations had given a pipeline certificate to Turang Transit A.S., one of the subsidiaries of SOM Petrol, in November 2010, for the pipeline to be built in order to transfer the procured natural gas to Germany. GENT Elektrik, another SOM Petrol subsidiary, is known for the electricity it imports into Iran. Another company which has made an application to the EMRA in order to import natural gas is HIPOT Enerji ve Madencilik A.S., a subsidiary of Cengiz Insaat. In the application made to the Board at the beginning of last week, HIPOT Enerji requested a license for the import of spot LNG.

Turkey, KRG pipeline to finish end of 2013

Hürriyet Daily News, *02.08.2013*

The pipeline that will carry oil from the KRG to Turkey will be completed by the end of this year Genel Energy has said. "Significant progress has been made on the independent KRG pipeline infrastructure to Turkey, which is expected to be completed in the last quarter of this year," the company said in a written statement on July 31.

The first phase from the Taq Taq field to Khurmala is currently operational with an initial capacity of 150,000 bopd. The second phase involves the conversion to an oil pipeline of a pipeline from Khurmala to Dohuk, which will have an initial capacity of 300,000 bopd, conversion is now complete.

The final phase is a pipeline from Dohuk to Fishkabur on the Turkish border, which is under construction and expected to be completed in the fourth quarter of 2013, Genel Energy said. Tony Hayward, chief executive, said Genel's exploration success in the first half of 2013 had added the equivalent of around 500m barrels of oil to its total contingent resources – an increase of more than 50 percent. He said a gas sales agreement between the KRG and Turkey could be signed by the end of the year, envisaging sales to Turkey of 10 billion cubic meters of gas per year.

SOCAR Turkey LNG Company has purchased the assets of Güney Dogalgaz

Enerji IQ, *29.07.2013*

SOCAR Turkey LNG Satis A.S., who had received a sales license from the EMRA a while ago, has purchased the LNG related assets of Pargaz Sanayi ve Ticaret A.S., a subsidiary of the Adana based Güney Dogalgaz Sanayi ve Ticaret A.S. who also operate within the sector. Company also operates in the medical and industrial gases sector.

The main shareholder of SOCAR Turkey LNG Satis A.S., who are targeting sales to the areas where the natural gas pipelines are unable to currently reach, is SOCAR Turkey Petrol Enerji Dagitim, which was established by the group for the purposes of trading in petrol products.

Bomb attack halts oil flow through Kirkuk-Ceyhan pipeline

Today's Zaman, *28.07.2013*

A bomb attack halted crude flow through the pipeline running from Kirkuk oilfields to the Mediterranean port of Ceyhan, officials at Iraq's North Oil Company said on Sunday. The attack took place at midnight on Saturday near the city of Mosul and the officials at state-run NOC said repair work would be complete in 72 hours.

Meanwhile, KRG is planned to start a new oil pipeline to Turkey within months, according to Minister Ashti Hawrami in mid-June. In a move that will provoke Baghdad, the Kurdish regional government will complete the pipeline by the end of September with an initial capacity of 300,000 bpd.

Shah Deniz partners take stake in TAP

Reuters, *31.07.2013*

The oil companies developing a large Azeri gas project, Shah Deniz II, and Belgian gas grid operator Fluxys said they had taken stakes in the Trans-Adriatic Pipeline (TAP), which will transport the gas to Europe.

Last month, Shah Deniz II partners BP, Azeri state oil company SOCAR, Total and Statoil, which was already a TAP shareholder, chose TAP over its Austria-based rival Nabucco West. TAP said at the time that SOCAR, BP, Total and Fluxys would join the project. Fluxys said yesterday it now holds 16 percent. BP, SOCAR and Statoil said each own 20 percent and Total 10 percent.

Initial TAP owners E.ON and Axpo have reduced their stakes to 9 percent and 5 percent, respectively, from the 15 percent and 42.5 percent they originally owned. Beginning in 2019, the TAP plans to deliver 10 bcm of gas from Shah Deniz II, one of the world's largest gas fields with an expected investment of more than $40 billion including pipelines, each year. A Turkish pipeline will carry the Azeri gas from the Caspian Sea and link to TAP, which will extend to southern Italy via Greece and Albania. Fluxys and Italian equivalent Snam also are jointly developing projects to increase gas exchange between northern and southern Europe.

Gazprom increases exports to Europe and Turkey in July

Natural Gas Europe, *01.08.2013*

Russia's Gazprom exported 14.04 billion cubic meters to the European Union and Turkey in July, registering a 29% increase with respect to the same period a year ago. "Daily gas withdrawal rates have been hitting record highs since the beginning of July: export supplies to Europe are higher than in January and the upward trend of Russian gas consumption in Europe is picking up still," Gazprom's Chairman Alexey Miller recently commented in a note.

The European Union aims to decrease its reliance on Russian natural gas supply, hinging mainly on liquefied natural gas (LNG) coming from Qatar.

Lithuania recently joined a long string of countries trying to decrease dependence on Russia, betting on LNG platforms and shale gas exploration to loose ties with Moscow. At the same time, European companies like Germany's RWE AG challenged Gazprom in courts. RWE welcomed the favorable arbitration ruling, saying that it would change the existing system for European gas prices. European companies are also trying to sign better deals, renegotiating parameters like prices and amounts.

Turkish firm sells power in Pakistan

Hürriyet Daily News, *27.07.2013*

ZORLU

Turkish Zorlu Enerji has announced its 56.4 megawatts (MW) of wind power plant in Pakistan had started to sell power to the Pakistani national power distribution company after having passed all tests in a statement to the KAP

Zorlu Energy Pakistan was set up in 2007 to launch wind power plants and to sell the electricity. The wind power plant of the company is located in the wind corridor between Gharo, Keti Bandar and Hyderabad in Pakistan's Jimphir region. Zorlu Enerji has around 800 MW of power capacity in Turkey and Russia, as well as Pakistan. The company also has gas-fired power plant investments in Israel.

Israeli plant of Zorlu set to be online by 2014

Hürriyet Daily News, *30.07.2013*

Turkey's Zorlu Energy announced that Dorad Energy Limited, 25 percent of which is owned by the company, started July 26 to test and run operations in six gas turbines in Ashkelon, Israel, by a written statement to the Public Disclosure Platform (KAP) yesterday.

The turbines are planned to be fired and become fully operational in the next few weeks, the company said. The remaining six gas turbines, each of which has 48 MWs of installed power, are planned to be fired by the end of August, completing all the tests for the whole power plant in December.

The power plant is expected to reach the capacity of 840 MWs with the steam turbines and to begin commercially available production. The company announced last week that its 56.4 megawatts (MW) of wind power plant in Pakistan had started to sell power to the Pakistani national power distribution company after having passed all tests, in a written statement.

OMV to hire 1600 upstream staff by 2016

Upstream Online, *31.07.2013*

Austria's OMV has said it plans recruit an additional 1600 upstream staff in the next three years to meet its planned growth in exploration and production activities. OMV chief executive Gerhard Roiss said that the company's increasing focus on upstream since 2011 meant it would need hundreds of new highly talented employees "to achieve the growth we have planned".

The Vienna-based integrated energy player said it will need both experienced technical staff and graduates of geosciences and oil engineering, with vacancies based domestically and internationally.

The company said that the Norwegian Sea's Aasta Hansteen and Zidane gas fields would be a primary contributor to the jobs boost, along with the explorer's large-scale Domino gas find at in the Bulgarian Black Sea.

Building of Turkey’s first nuke plant faces delay risk

Hürriyet Daily News, *29.07.2013*

Turkey’s first nuclear power plant’s construction is likely to be slowed because the environmental impact analysis report submitted by the company was rejected by the Environment Ministry. The construction of Turkey’s first nuclear plant seems likely to be delayed as the Environment and Urban Planning Ministry rejected the Environmental Impact Analysis Report for the Akkuyu plant.

Rosatom, was selected in 2010 to build and operate the Akkuyu nuclear plant in Mersin, an investment worth around $20 billion. The plant will be made with four reactors and will have a total installed power of 4,800 megawatts.

The undertaking company, Akkuyu NGS, submitted the report for the nuclear plant in Akkuyu to the Turkish Environment Ministry on July 9 to be assessed. The environmental impact report is one of the most critical steps to begin the construction of Turkey’s first nuclear plant. The report consisted of 3,000 pages and 12 sections, and included the results of scientific observations and detailed research regarding the every aspect of the planned power plant.

However, the ministry did not approve the report in a six-day period, without sending it to the inspection commission. The report was sent back to Akkuyu NGS July 15 by the ministry, which said the report had deficiencies in form and content and should be developed in all aspects. As the construction of the nuclear power plant in Akkuyu may not be started without the environmental impact report, the process will last longer than the company’s schedule, which had planned to begin operations in Mersin-Akkuyu by 2019, officials said. Akkuyu NGS will examine its report and submit a new report to the ministry. Once the ministry approves the report, the construction of Turkey’s first nuclear power plant will begin.

Turkey’s second nuclear plant will be built by a Japanese-French alliance led by Mitsubishi Heavy Industries and French firm Areva with a total capacity of 4,800 megawatts in the Black Sea province of Sinop. Turkey and Japan signed a $22 billion deal on Turkey’s second nuclear plant project May 3. The first unit of the nuclear plant is set to be active by 2023, while the last unit will come online by 2028.

Turkey plans to cut $7.2 billion from its annual natural gas bill after the planned nuclear plants are online in the next decade, Prime Minister Recep Tayyip Erdogan said in May. Turkey’s nuclear power strategy constitutes one of the bases of its long-term strategy to decrease its energy dependence.

Genel a buy ahead of production boost

The Telegraph, *02.08.2013*

Genel Energy reported progress on a number of fronts yesterday, with a substantial rise in oil output expected next year. Genel, run by former BP chief executive Tony Hayward, is the largest oil producer in the Kurdish semi-autonomous region of Iraq. It also has exploration acreage in Morocco, Malta and Somaliland, with drilling expected to start in the final quarter of this year.

The interim figures were in line with City expectations. Revenues in the six months of Genel Energy to June rose 30pc to $160.6m (£106m) and pre-tax profit soared to $109.1m from $22.3m.

However, the profit figure was flattered by a $54.5m one-off accounting credit after changes in the way depreciation was measured. When this is stripped out, profits rose 148pc. The group still has a net cash position of $867m and Julian Metherell, finance director, raised the possibility of a dividend next year. Oil production is expected to rise to between 45,000 barrels and 55,000 barrels of oil equivalent a day for the full year from 44,500 barrels in 2012. The company says this will generate revenue of between $300m and $400m. Genel has had substantial exploration success this year and has added about 500m barrels of contingent resources. There is also a potential gas deal between Turkey and the KRG which would boost Genel following significant gas discoveries in the first half.

Yesterday Genel raised its estimates for its gas reserves at the 100pc-owned Miran and 44pc-owned Bina Bawi fields to between 8 trillion and 14 trillion cubic feet. Talks are in progress about an export deal that would see the KRG supplying up to 25pc of Turkey's gas requirements. The exploration programme in Africa starts in the fourth quarter in Morocco, with drilling in Malta expected in the first quarter of 2014.

Most of the world's easy oil has been discovered and oil companies are looking to under-explored areas for new reserves. Next year, Genel will drill its first well in Somaliland, the breakaway East African territory that declared independence from Somalia more than 20 years ago after a bloody civil war. There is talk that the geology in the country is similar to that of Yemen, where oil money generates 75pc of government revenues. For obvious reasons, Somaliland is under-explored with little activity since the oil majors left in the 1980s. This means there is a good chance of finding oil. However, the fun will really start following any discovery. Somalia is likely to want a slice of the revenues so thrashing out an agreement may be challenging.

Political difficulties appear to be getting resolved and a gas agreement between Turkey and the KRG will be very positive for Genel following recent gas finds. Diversification away from the KRG is welcome and the company's balance sheet remains robust. The shares are trading on a 2013 earnings multiple of 31.5 but this falls to 15.2 in 2014 and then just 9.8. Questor keeps a buy.

Hess seeking partners for KRG and Ghana

Upstream Online, *31.07.2013*

Hess, which on Tuesday reported bigger-than-expected second-quarter profit, said it was seeking partners to explore two fields in KRG and a block offshore Ghana, sending its shares up 3.5 percent to a two-year high. Hess executives made the comments in a conference call with analysts, according to a Reuters report.

Hess operates and has an 80% stake along with 20% partner Petroceltic of Ireland in the Dinarta and Shakrok blocks in the semi-autonomous region of northern Iraq. Hess plans to spend $550 million this year for exploration work, including shoot seismic and drill exploration wells there.

It has also signed onto a production-sharing contract. KRG began exporting crude oil last July, despite the Iraq government's claim to sole authority over crude exports. Hess is among the companies who have defied the principal Iraqi government to carry out oil business there. The company also owns a 90% stake in the Deepwater Tano / Cape Three Points block in Ghana, one of the top 10 oil producers in sub-Saharan Africa. Ghana National Petroleum owns the remaining stake.

Shifting global investments to clean energy

Hürriyet Daily News, *30.07.2013*

When President Barack Obama announced the country's first national climate strategy, many people wondered what it would mean across the nation. Yet, the strategy may carry even more significant implications overseas. The plan restricts U.S. government funding for most international coal projects. This policy could significantly affect energy producers and public and private investors around the globe.

Global energy-related greenhouse gas emissions, a major driver of climate change, hit a record high in 2012. Meanwhile, there are more than 1.2 billion people worldwide still without access to electricity.

The global middle class is booming -especially in the developing world- and with it, energy demand is surging. In fact, global energy demand is expected to grow by one-third by 2035. This surge in demand, however, does not need to lead to a surge in carbon pollution. It is well past time for the world to embrace the shift to renewable energy -a shift that would bring economic opportunities while leaving a better planet for future generations.

In fact, this transition is already underway. Renewable energy (including hydro) is the fastest-growing power generation sector in the world, according to a recent International Energy Agency report. Renewable energy is on pace to comprise one-quarter of the electricity mix by 2018. It is also increasingly cost-competitive with fossil fuels. Many developing nations, like South Africa, China and Brazil, are setting the pace. Renewable energy investments in developing countries hit $112 billion in 2012, according to Bloomberg New Energy Finance, close to the $132 billion from developed countries.

Obama's announcement should have a significant ripple effect, especially on major U.S. lending institutions. The U.S. Overseas Private Investment Corporation (OPIC), which works with the private sector to invest abroad in support of development activities, committed around $1 billion to renewable energy projects in each of the past two years, with its annual commitments increasing nearly 10-fold since 2009. Its recent renewable energy investments are focused on Peru, South Africa and Pakistan, among others.

Momentum is clearly growing as the World Bank just announced that it will restrict funding of new coal-fired power plants to rare circumstances and support universal access to reliable modern energy. Even before its decision, the bank was taking steps in this direction — $3.6 billion of its $8.2 billion in energy investments between June 2011 and June 2012 went to renewable energy projects. The bank has some important test cases, including in Kosovo, in the near future.

Also last week, the European Investment Bank said it would stop financing most coal-fired power plants to reduce pollution and meet climate targets. Clearly, renewable energy can be profitable for business. Many companies, like Wal-Mart, Google and General Electric, have made major bets on renewables. Notably Warren Buffett's Berkshire Hathaway firm has been increasing its clean energy investments, with a recent purchase of $5.6 billion for a renewable energy company in Nevada and a $2.4 billion investment in a wind farm in California.

As clean energy markets expand, these American companies and investors will be well-positioned to lead. Investing in clean energy is not only good for the economic growth, it is good for people. The unfortunate reality is that those in the poorest countries are often the most vulnerable to climate change — whether from rising seas that threatens homes and water supplies or droughts that drive up food prices. This is the human cost of fossil fuels that often goes unmentioned in balance sheets and gross domestic product statistics. Considering the risks of climate change and benefits of clean energy, the president's climate plan clearly deserves our support. Now, it is our collective responsibility to turn this plan into a reality.

Woodside's Leviathan deal on verge of collapse

Globes, *28.07.2013*

Leviathan's partners are planning a pipeline to Turkey rather than an LNG plant. The huge deal in which Australia's Woodside is due to acquire 30% of the rights to the Leviathan gas reservoir for $1.25 billion is close to collapse.

Woodside, Australia's largest gas exploration company, signed a memorandum of understanding with Noble, Delek and Ratio Oil Exploration in December 2012. Under the memorandum, Woodside would make a $696 million down payment at the signing of the deal, which was scheduled for February, but has been frozen until the Israeli government decides on its gas export policy.

Implementation of the government decision on gas exports has been delayed until the High Court of Justice rules on a petition filed against the government by MKs, headed by Labor Party chairwoman MK Shelly Yachimovich and MKs Reuven Rivlin (Likud). Now another factor has emerged which might torpedo a deal: the Australian media reports that Leviathan's partners have changed their export plans for Leviathan from building a liquefied natural gas (LNG) plant to building a pipeline to neighboring countries, apparently Turkey.

Woodside's motive for the Leviathan deal was to build an LNG plant at a cost of $10 billion or more, and to market the product to its customers in China and other Far Eastern countries. But Noble Energy CEO Charles Davidson told analysts on Friday that the company had changed its priorities and "our thinking right now is the Leviathan is going to be a combination of an LNG export as well as domestic sales and we are continuing to move those plans forward." Noble Energy is considered Woodside's main partner in the Leviathan deal, and Delek has not concealed its disappointment over the terms agreed with Woodside.

Iran grants Syria $3.6 billion credit to buy oil products

Today’s Zaman (Reuters), *30.07.2013*

Syria and Iran signed a deal this week to activate a $3.6 billion credit facility to buy oil products to shore up President Bashar al-Assad’s war battered economy.

The deal, which was agreed in May and will allow Iran to acquire equity stakes in investments in Syria, is part of Shi’ite Iran’s broader support for Assad in his battle against a two-year insurgency by mainly Sunni opposition forces. Tehran has already provided military assistance to Assad, training his forces and advising on military strategy. Iranian-backed Hezbollah fighters have also bolstered counter-offensives against opposition forces around Homs and Damascus.

“This will help Syria to import petroleum products that the country needs,” said a Syrian trade official, referring to the credit facility. Underlining the acute nature of Syria’s financial problems, he said authorities had tried to set a ceiling of $4 billion on the deal. Syria is short of diesel for its army and fuel to keep the economy running, partly because of US and European Union financial sanctions imposed after the crackdown on protests at the start of the crisis. Its main supplier of petroleum products by sea has been Iran.

Another $1 billion credit line to Damascus has already been extended to buy Iranian power generating products and other goods in a barter arrangement that has helped Syria export textiles, phosphates and some agricultural produce such as olive oil and citrus products, trade officials say. “This will allow Syria to import Iranian products up to this ceiling, with almost half to buy electricity equipment for the sector,” the trade official, speaking by phone from Damascus, told Reuters. Alongside the favorable deferred payment terms of those financing facilities, Damascus has been in talks for months to secure a loan of up to $2 billion with low interest and a long grace period, the official said.

Syria’s economy has been hurt by depletion of foreign reserves that were estimated at around $16-18 billion before the crisis. The country had been earning some $2.5 billion a year from oil exports before the crisis. With the economy on a war footing and military costs spiraling, Syria has been forced to rely increasingly on new credit lines from its main allies. Russia, Iraq and China have provided support - sometimes in the form of barter deals - but not on the scale of this week’s deal with Tehran.

Syria’s Deputy Prime Minister Qadri Jamil held talks in Moscow last week about a possible Russian loan to Damascus but no agreement has been announced yet. The latest deal should also ease financial demands on an economy whose $60 billion GDP is estimated to have shrunk by around 30 percent since the conflict began two years ago.

US House passes Iran sanctions bill to slash oil exports

Reuters, *01.08.2013*

The House of Representatives easily passed a bill on Wednesday to tighten sanctions on Iran, showing a strong message to Tehran over its disputed nuclear program days before President-elect Hassan Rouhani is sworn in.

The vote also highlighted a growing divide between Congress and the Obama administration on Iran policy ahead of international talks on the nuclear program in coming months. The bill, which passed 400 to 20, would cut Iran's oil exports by another 1 million barrels per day over a year to near zero, in an attempt to reduce the flow of funds to the nuclear program.

It is the first sanctions bill to put a number on exactly how much Iran's oil exports would be cut. The legislation provides for heavy penalties for buyers who do not find alternative supplies, limits Iran's access to funds in overseas accounts and penalizes countries trading with Iran in other industrial sectors. Existing US and EU measures have already reduced Iran's oil exports by more than half from pre-sanction levels of about 2.2 million barrels per day (bpd), costing Tehran billions of dollars in lost revenue a month.

Most of the OPEC member's exports head to Asia, where the United States has worked with Iran's top four customers China, India, Japan and South Korea to push them towards alternative suppliers. The four have cut purchases from Iran by more than a fifth in the first half of this year, over and above the reductions made last year. Oil prices have remained relatively steady, which has allowed the efforts to continue, but some analysts say further sanctions risk pushing up prices and damaging the economies of US allies.

"This is almost like an embargo on Iranian oil imports. It is like giving Iran an ultimatum," a Seoul-based refining source said, after the vote. "I think we can find alternatives but we prefer Iranian crude as the economics are better. If very little Iranian crude is available, overall oil prices would rise." The bill still has to be passed in the Senate and signed by President Barack Obama before becoming law. The Senate Banking Committee is expected to introduce a similar measure in September, though it is uncertain whether the language to cut exports by 1 million barrels a day will survive.

Critics of the bill said it shows an aggressive signal to Iran that last month voted in Rouhani, a cleric many see as more moderate. He will be sworn in on Sunday. Rep. Ed Royce, a California Republican and Chairman of the House Foreign Affairs Committee who introduced the bill with Rep. Eliot Engel, a New York Democrat, said the United States has no higher national security priority than preventing a nuclear-armed Iran.

Royce said the Supreme Leader Ayatollah Ali Khamenei's drive to develop a nuclear arsenal was evident. “New president or not, I am convinced that Iran's Supreme Leader intends to continue on this path,” he said. The vote showed a growing disagreement between the White House and Congress on Iran policy. A senior administration official said on Wednesday the White House is not opposed to new sanctions in principle, but wants to give Rouhani a chance.

The Treasury Department last week partially eased sanctions on Iran by expanding a list of medical devices that can be exported there without special permission. One of the 20 lawmakers to vote against the bill, Jim McDermott, a Washington-state Democrat, said shortly before the vote that the rush to sanction Iran before Rouhani takes office could hurt efforts to deflate the nuclear issue.

“It’s a dangerous sign to send and it limits our ability to find a diplomatic solution to nuclear arms in Iran,” McDermott said.Ayatollah Ali Khamenei “doesn’t see our flexibility and good faith efforts as a sign of good intentions, he sees it as a sign of weakness,” said Mark Dubowitz, the head of Foundation of Defense of Democracies, an advocate of sanctions.

But Trita Parsi, the president of the National Iranian American council, said the House action undermines the US strategy which has long been one of good cop - bad cop. The White House has taken a softer stance toward Iran's nuclear program and Congress has taken a tougher one. But now there are signs that the good cop cannot control the bad cop, he said. “The impression on the Iranian side is not that it’s good cop bad cop, but complete chaos and mayhem,” Parsi said.

The bill also further denies Iran’s government access to foreign currency reserves, and targets Iranian efforts to circumvent international sanctions against its shipping business. “I think it’s too much. Asian countries don’t have much oil resources and they need to import a lot from the Middle East,” said a trader with a North Asian buyer of Iranian crude. “If the United States keeps pushing further, it would be a big burden for Asian refineries.”

While the bill has more steps to clear before becoming law, Asian buyers have already begun voicing their inability to reduce dependence on Iranian oil much further. “Cuts in our imports from Iran have been the maximum as compared to other Asian countries,” an Indian industry executive said. “At this moment there is no scope for further reduction.” India cut its Iranian oil imports by 43 percent over the first half of the year. That's more than the 27 percent cut by South Korea, 22.5 percent by Japan and about 2 percent by China.

Iran's new president to return Zanganeh to oil ministry

Reuters, *28.07.2013*

Iranian President-elect Hassan Rouhani is expected to return respected former oil minister Bijan Zanganeh to the post he held for eight years until hardline President Mahmoud Ahmadinejad came to office in 2005, an Iranian industry source said on Sunday.

As oil minister under the reformist government from 1997 to 2005, Zanganeh helped attract billions of dollars of foreign investment into Iran's vast oil and gas industry and was seen as being insulated from political attacks on the administration by the strong support of Supreme Leader Ayatollah Khamenei.

But since then Iran has been hit hard by United Nations, US and European Union sanctions over its disputed nuclear programme. US and EU sanctions on the oil industry, shipping and financial transactions have cut Iran's oil exports by about a half since they went into force last year, helping to devalue the country's currency, and pushing up inflation.

Rouhani has pledged a less confrontational approach to Iran's relations with the outside world once he is inaugurated on Aug. 4. Iranian news agencies said the moderate, mid-ranking cleric would likely name his cabinet straight away. Iranian officials were not immediately available to comment on the report by the source who told Reuters of the expected appointment but declined to be identified. Zanganeh's re-appointment would likely indicate a welcome return to stability after a revolving door of four men in control of the vital ministry under Ahmadinejad. Once nominated, ministers have to be approved by parliament, which though dominated by conservative allies of candidates beaten by Rouhani in last month's election has so far been broadly supportive of him.

Under siege, JPMorgan to quit physical commodities

Reuters, *28.07.2013*

JPMorgan Chase & Co is exiting physical commodities trading as Wall Street's role in the trading of raw materials comes under political and regulatory pressure.

JPMorgan said it would pursue "strategic alternatives" for its trading assets that stretch from Baltimore to Johor, and a global team dealing in everything from African crude oil to Chilean copper. The firm will explore "a sale, spinoff or strategic partnership" of the physical business championed by commodities chief Blythe Masters, the architect of JPMorgan's expansion in the sector and one of the most famous women on Wall Street.

The bank said it will continue to trade in financial commodities such as derivatives and precious metals. Pressured by tougher regulation and rising capital levels, JPMorgan joins other banks such as Barclays PLC and Deutsche Bank in a retreat that marks the end of an era in which investment banks across the world rushed to tap into volatile markets during a decade-long price boom. But JPMorgan is the first big player to exit physical commodities entirely and attention will now turn to Morgan Stanley and Goldman Sachs, which face similar pressures.

The announcement follows a week of intense scrutiny of Wall Street's commodity operations, with U.S. lawmakers questioning whether banks should own warehouses and pipelines, and the U.S. Federal Reserve reviewing a landmark 2003 decision that allowed commercial banks to trade in physical markets. JPMorgan's own review, which began in February, concluded that the profits from the business were too slight to be worth the risks and costs of dealing with regulators in multiple jurisdictions, according to one person familiar with the matter. One analyst estimated that physical trade accounted for half or more of overall commodities revenue.

Regulators say JPMorgan gamed energy markets

The Washington Post, *30.07.2013*

The Federal Energy Regulatory Commission unveiled charges against JPMorgan Chase on Monday, accusing the bank of charging California and Midwest electricity grids more than 80 times prevailing power prices through "manipulative bidding strategies."

FERC said that a JPMorgan subsidiary, J.P. Morgan Ventures Energy Corp., engaged in eight manipulative techniques to take advantage of power market rules to "obtain payments at above-market rates" between September 2010 and June 2011. JPMorgan did not comment, but a source familiar with negotiations said that a $400 million settlement is imminent.

The schemes were tied to the complicated rules for electricity markets, where regional grid operators buy power according to an hourly and daily bidding system. In certain markets, wind power generators bid minus $29 per megawatt hour — actually paying the regional grid — because if they remained idle, they would lose $30 per megawatt hour worth of federal production tax credits.

In California, JPMorgan allegedly bid minus $30 per megawatt hour in the final hours of a day, then would jack up prices for the first hour or two of the next day to $999 per megawatt hour. The going rate at that time, between midnight and 2 a.m., averaged about $12 a megawatt hour. Because it is hard to quickly ramp up power plants or store electricity, the California Independent System Operator would be stuck paying what FERC called "tens of millions of dollars at rates far above market prices."

FERC's notice to JPMorgan also said that the company followed similar strategies with the Midwest Independent System Operator. The bank would submit bids a day ahead for as little as minus $60 a megawatt hour for a four-hour minimum, then charge $1,000 a megawatt hour for a 20-hour minimum on day two. FERC said in its notice that the bank's assertion that its power generator required a 20-hour minimum run was "false." The agency said that JPMorgan violated regulations about minimum run times on several occasions at its Kinder Jackson power plant in Michigan.

In June, FERC also ordered -JPMorgan to reimburse $52 million to California's system. The agency also suspended JPMorgan from trading in U.S. electricity markets for six months for giving false information during an investigation of California power markets. JPMorgan announced last Friday that it would exit the physical commodities trading business, though it will remain in financial commodity trading. The bank expanded into commodity trading with its acquisitions of Bear Stearns in 2007 and RBS Sempra's oil and metals business in 2010. In addition to owning three power plants, JPMorgan trades energy on behalf of other power plants and wind farms.

BP’s oil spill recoup payouts leap in Q2

Hürriyet Daily News (Reuters), *29.07.2013*

BP’s $20 billion Gulf of Mexico oil spill trust fund has almost run out after provisions for compensation costs so far leaped by $1.4 billion in the second quarter. BP has just $300 million left in the fund and the deadline to claim for losses by Gulf coast businesses is not until April next year.

BP has said claims beyond what the fund can pay will be taken straight off future profits. The company revealed the extra cost in its second-quarter results, which missed profit forecasts due to the lagging effect of tax in Russia, where the price of Urals crude was weaker, and due to the tax effects of a stronger dollar on a basket of currencies.

Adjusted net profit for the quarter reached $2.71 billion compared with expectations of $3.41 billion and with $3.6 billion a year ago. Profit was also hit by lower prices and by lower production - partly the result of asset sales to pay the costs of the spill, which killed 11 men and despoiled the Gulf of Mexico coastline. The extra $1.4 billion of spill compensation costs come on top of a $500 million addition in the first quarter and bring BP’s estimate of the cost of compensation claims so far to $9.6 billion.

Some $900 million is for extra claims, while about $500 million is for the costs of the claims administrator, BP said. BP is locked in a legal battle over the compensation payouts with the administrator, Patrick Juneau. It says Juneau is paying out “fictitious” and “absurd” claims due to a misinterpretation of the settlement. But so far it has lost all its court battles and appeals to stop the payouts.

Last week, its legal campaign appeared to receive a boost when Halliburton, which was involved in preparing the doomed Macondo well for production, abandoned one of its arguments that tried to paint the British oil company as unconcerned about well safety. Analysts expect BP’s final bill to be billions bigger.

Halliburton admits destroying evidence in Deepwater Horizon disaster

AFP, *27.07.2013*

Halliburton, the US energy services giant, has admitted destroying evidence relating to the 2010 Deepwater Horizon oil rig explosion in the Gulf of Mexico, the worst such disaster in American history.

A Justice Department statement released said the company had agreed to plead guilty to criminal conduct that occurred when it was carrying out its own post-accident investigation. Eleven people died and 4.9 million barrels of oil gushed into the Gulf over a three-month period after the explosion, with BP -- who leased Deepwater Horizon -- ending up paying billions of dollars in compensation and cleanup costs.

Halliburton Energy Services, BP's contractor, had been accused by the British oil giant of destroying evidence. BP has also asked Halliburton to pay damages stemming from the April 2010 accident off the coast of Louisiana. The Justice Department statement said Halliburton -- which constructed the cement casing of the well at the center of the disaster -- had carried out its own internal investigations in May and June the same year.

However, the results of computer simulations conducted as part of that probe were ordered to be destroyed and were never recovered, it said. In addition to a guilty plea -- which is subject to court approval -- Halliburton has agreed to pay the maximum statutory fine of $200,000. The company said in a statement that it would make a separate and voluntary $55 million payment to the National Fish and Wildlife Foundation.

"These simulations indicated that there was little difference between using six and 21 centralizers. (The) Program Manager was directed to, and did, destroy these results," the Justice Department statement said. In a later incident in or around June 2010, similar evidence was also destroyed when Halliburton's cementing technology director asked another more experienced employee to repeat the simulations. When he "reached the same conclusion" he was directed to "get rid of" the simulations, the statement said.

"In agreeing to plead guilty, Halliburton has accepted criminal responsibility for destroying the aforementioned evidence," the Justice Department added. Halliburton's statement said the agreement with the Justice Department would conclude the criminal investigation into its actions over the giant spill. "A Halliburton subsidiary has agreed to plead guilty to one misdemeanor violation associated with the deletion of records created after the Macondo well incident, to pay the statutory maximum fine of $200,000 and to accept a term of three years' probation," it said. Several government probes have castigated BP, rig operator Transocean and Halliburton for cutting corners and missing warning signs that could have prevented the disaster.

Eni completes sale of 28.57% of Eni East Africas share to CNPC

Oil & Gas Eurasia, *29.07.2013*

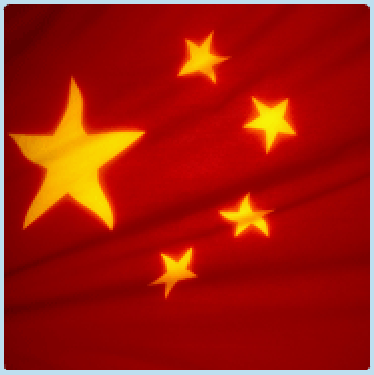
Eni and China National Petroleum Corporation concluded Eni's sale today to CNPC of 28.57% of Eni East Africa's shares, owner of a 70% interest in Area 4, located off the coast of Mozambique, Eni reported in a news release.

The deal was closed on the basis of the price sanctioned by the agreement signed on 14 March 2013, equal to US$ 4,210 million, integrated for contractual balances provided until the date of closing. Through this deal, CNPC acquires a stake in Eni East Africa which equates to a 20% indirect participation in Area 4. Eni remains the indirect owner of the 50% participation owned by Eni East Africa.

The remaining shares in Area 4 are held by Empresa Nacional de Hidrocarbonetos de Mozambique (ENH, 10%), Kogas (10%) and Galp Energia (10%). CNPC's entrance into Area 4 is strategically significant for the project because of the worldwide importance of the company in the upstream and downstream sectors. Furthermore, the planned activities of the Joint Study Agreement, signed between the parties in March, which focus on developing the promising shale gas block located in the Sichuan Basin in China, will continue.

China's CPECC wins $547.9 million Iraqi oilfield contract

Oil & Gas Eurasia, *31.07.2013*



China Petroleum Engineering & Construction Corporation (CPECC) has won a $547.95 million service contract to develop Iraq's Halfaya oilfield, Iraq's cabinet said.

CPECC, which is affiliated to China National Petroleum Corporation (CNPC), will handle engineering, procurement, construction and commissioning work at the oilfield, which is forecast to produce 535,000 barrels of oil per day in 2017, Iraq's oil ministry, has said. Iraq signed a contract in 2010 to develop Halfaya with CNPC, Total, and Petronas for a fee of $1.40 per barrel. CNPC has a 37.5 percent interest in the consortium.

Gas price hike to make discoveries commercially viable: Moily

Reuters, *30.07.2013*

Around 3 tcf of discovered natural gas in the country is lying unutilized as it's not viable to commercially exploit the reserves at prevailing rates, Indian oil minister M. Veerappa Moily said on Friday, justifying a higher gas price and answering critics who have accused the minister of favouring private sector companies.

Even the Directorate General of Hydrocarbons was of the opinion that a price of more than $4.2 per million British thermal unit (mBtu) was needed to make some of the gas discoveries commercially viable, Moily said at a conference in Mumbai.

The oil ministry is moving ahead with a plan to raise the price of domestically produced natural gas to around $6.83 per mBtu from $4.2 per mBtu, beginning 2014. This is further to the pricing formula submitted by a committee under C. Rangarajan, chairman of the Prime Minister's economic advisory council. The proposed new price will help improve gas production in the country, Moily said, and added that if volumes increase and it leads to further investment in the sector, then economies of scale may even push gas prices down in the future. "We need to produce more oil and gas or perish," Moily said.

Moily said the government cannot afford to behave with a "timid mindset" while taking policy decisions. Oppositions parties such as the Communist Party of India have alleged that the hike in gas prices were to favour private sector oil and gas companies such as Reliance Industries Ltd. But Moily pointed out that the maximum benefit from higher gas prices will accrue to the state-run firms and the government. For every, $1 billion spent in the Indian oil and gas sector, around $700 million comes back to the government through the revenues of firms it promotes, taxes and royalty.

"We cannot be afraid of the ghosts of 2G, CBI (Central Bureau of Investigation), CAG (Comptroller and Auditor General)," the minister added, referring to scandals that have rocked the government in the past few years."The decision to increase gas price, pursuant to recommendation of the Rangarajan Committee, was a positive step," said Akhil Sambhar, associate director (oil and gas practice) at audit and consulting firm EY (formerly Ernst and Young). "Some of these hard decisions have to be implemented in order to create a positive environment for participation by private and foreign companies."

The minister, who admitted that bureaucratic delays needed to be removed in India, said that a constant flip-flop on policy matters was hurting investor sentiment. "Which investors will trust us if we keep hanging (referring to policy indecision)," Moily asked. "We have only two-three major international investors in India and even they are being hunted, as if they were devils," Moily said. "If this continues, they will leave and go to places like Vietnam and Brazil."

Poland to get dirtier as it leans towards lignite coal

Reuters, *31.07.2013*

Poland, one of the heaviest polluters in Europe, will become even dirtier now that its shale gas ambitions have faded and it turns to cheap domestic lignite coal to secure its energy supply. Poland already relies on coal to produce more than 90 percent of its electricity and is home to the European installation that emits the most carbon dioxide.

Its choice of fuel now could determine its energy and environmental situation for decades to come, given that Poland needs to build new power stations to replace ageing plants and cope with future demand as its power system operates close to capacity.

The government and utilities, encouraged by firm popular support, are looking to domestic lignite reserves as a cheap way to fuel that new capacity and reduce imports of Russian gas. “Looking at Poland’s limited reserves of gas and oil, lignite coal has to be perceived as the stabilizing factor for Poland’s energy safety,” Poland’s economy ministry said in an email, adding Poland’s lignite reserves will last for 200 to 300 years.

Poland had aspired to become Europe’s main producer of cleaner shale gas, but its ambitions for a U.S. style boom were thwarted when estimates of its shale gas reserves were slashed by over 90 percent. Potential shale investors including Exxon Mobil, Marathon Oil and Talisman Energy quit Poland, which then set its sights on boosting lignite production. Lignite is a soft brown fuel, considered to be the lowest and cheapest grade with a carbon content of around 25-35 percent.

“Lignite is the cheapest fuel at the moment. Moreover, its price is the most stable and predictable compared to hard coal, gas or oil. I think lignite is becoming Poland's raison d'état,” said Zbigniew Bryja, the head of ZE PAK's mining unit. Warsaw-listed ZE PAK is Poland's second-largest lignite power producer, and the company has an exploration license for a part of a lignite field whose potential reserves together with smaller neighboring fields total 3 billion tones, more than Poland's total lignite output since World War Two.

Environmental groups worry that the newly discovered appetite for lignite will make Poland even dirtier. Poland’s emissions already exceed Spain's even though its population and economy are smaller. “If all these projects kick off, Poland will become even more polluted,” said Michal Wilczynski, Poland’s former chief geologist. State-controlled PGE, Poland’s biggest utility, plans a couple of new lignite projects including a power plant in Turow, with the lignite fields in Legnica as a potential fuel source.

Power production at lignite plants in Poland already increased by 3.7 percent year-on-year in 2012, while hard coal-fired plants lowered their output by almost 7 percent, data from Polish grid operator PSE shows. Poland still managed to reduce its CO2 emissions by 5 percent last year, according to Eurostat, due to low demand for power in a sluggish economy and through adding renewable power capacity. Renewables require expensive state subsidies, however, and the costs of developing new nuclear power stations have been spiraling.

Polish utilities want to curb spending at a time of weak economic growth that has dented wholesale power prices, and lignite is their cheapest fuel by far. “Lignite costs some 6.5 zlotys ($2.05) per gigajoule and hard coal 10 to 11 zlotys,” said Maciej Hebda, equity analyst at Espirito Santo. The European Union has set a target of cutting carbon emissions across the 28-nation bloc by 20 percent from 1990 levels by 2020. Poland could risk financial penalties imposed by Brussels should it miss these targets because of a lignite boom.

But the EU’s Emissions Trading System currently provides little financial incentive for utilities across Europe to stop burning coal. EU carbon permits have lost over half their value over the past year and are now worth fewer than 5 euros a tone. The scheme forces utilities to buy a permit for each tone of carbon dioxide they emit. Carbon permits would have to cost around 45 euros to make burning natural gas more profitable for them than imported hard coal. Lignite coal sourced domestically would require an even higher carbon price.

The role of lignite in Poland’s energy mix will be defined in its new energy policy to 2050, to be published by the end of this year. That role will depend on the development of renewables and nuclear energy and the opening of new coal mines. “Lignite will stay,” said Pawel Smolen, head of the European Association for Coal and Lignite and former PGE management board member. “I definitely believe in lignite in countries like Poland ... because you have open cast mines in place,” he added.

ExxonMobil profits dive by 57%

Upstream Online, *01.08.2013*

ExxonMobil has reported a 57% drop year-on-year in second quarter profits according to its recent announcement of fiscal data. The US supermajor posted net incomes of $6.9 billion for the past three months, compared to $15.91 billion during the same period last year.

ExxonMobil said that when the prior-year divestment earnings of $7.5 billion - led by a $5.3 billion profit on a downstream assets sale in Japan - were excluded, second quarter profits had fallen by 19%. Earnings per share of $1.55 came in well below analysts' expectations of $1.90 per share, according to the Thomson Reuters I/B/E/S database.

The company said that the Japanese divestment, along with weaker refining margins and volumes stemming from planned turnaround and maintenance activities, had caused a steep drop in downstream earnings, with segment profits careening down $6.25 billion to $396 million. Capital and exploratory expenditures also rose 10% year-on-year in the second quarter to $10.24 billion.

Upstream earnings declined by $2.05 billion in the second quarter to $6.3 billion, which ExxonMobil put down to prior-year farmout earnings off Angola and back costs paid to Rosneft for the Kara Sea and Black Sea ventures this year. Total production also decreased by 1.9% in the second quarter. Liquids production fell by 26,000 barrels per day to 2.182 million barrels per day, while gas output fell 307 million cubic feet per day to 11.354 billion cubic feet per day.

The supermajor said that both liquids and gas output were essentially flat for the quarter when the impact of entitlement volumes, OPEC quota effects and divestments were excluded. For the first half of 2013, earnings of $16.36 billion were down 35% on the $25.36 billion garnered by the Irving, Texas-headquartered giant in the first six months of 2012. The year-ago Angolan sale and higher expenses accounted for $2.3 billion of the drop, ExxonMobil said, with lower prices chopping off $140 million and lower sales volumes reducing earnings by $340 million. Key developments for ExxonMobil over the period included first production at the Kearl oil sands project in Alberta and a string of new Russian joint ventures with Rosneft.

Shell profits hit by high costs, Nigeria troubles

Upstream Online, *01.08.2013*

Shell said higher costs and gas supply disruptions in Nigeria were major factors that made for a "clearly disappointing" second quarter. The Anglo-Dutch supermajor reported net earnings taking a dive in the quarter, dropping 20% to $4.6 billion (on a current cost of supply basis).

Shell chief executive officer Peter Voser said exploration charges and adverse currency exchange rate effects also hit the company's bottom line. "These results were undermined by a number of factors – but they were clearly disappointing for Shell," he said in a statement on Thursday regarding the second quarter performance of the company.

Shell reported an after-tax negative impact of $450 million related to the impact of the weakening Australian dollar on a deferred tax liability and at least a $250 million impact from the deteriorating operating environment in Nigeria. Voser said the oil theft and disruptions to gas supplies in the country could cost the Nigerian government $12 billion in lost revenues per year. "We will play our part, but these are problems Shell cannot solve alone," he said.

Earnings were also impacted by higher operating expenses and depreciation, as well as increased exploration well write-offs. Upstream earnings for the second quarter were $1.68 billion, compared to $4.7 billion last year, after adjusting for a net charge of $1.84 million. This charge was due to $2.07 million in impairments related to liquids-rich shale properties in North America being partly offset by $69 million in gas contracts, $41 million in divestment gains and other items of $116 million.

Quarterly oil and gas production declined by 1% to 3.06 million barrels of oil equivalent per day. Nigerian output was impacted by some 100,000 bpd during the 2013 second quarter compared to by 65,000 bpd for the same period last year. However, excluding the issues in Nigeria, as well as divestments and PSC price effects, second quarter production volumes were 2% higher than last year. Shell also reported that equity liquefied natural gas sales volumes were up by 2% at 4.68 million tonnes.

Cash flow from operating activities was $12.4 billion, compared with $13.3 billion for the 2012 second quarter. Although, Voser said noted five major project start-ups anticipated in the next 18 months that were expected to add $4 billion to Shell's 2015 cash flow. These projects include Mars B and Cardamom in the deep-water Gulf of Mexico, Gumusut-Kakap in deep-water Malaysia, Kashagan Phase 1 in Kazakhstan and the completion of the acquisition of part of Repsol's LNG portfolio.

Shell to sell Nigerian block quartet

Reuters, *31.07.2013*

Shell is to continue its round of asset sales in Nigeria as it looks to offload a pair each of onshore and offshore blocks, according to a report. Supermajor is selling oil mining licenses 13 and 16 onshore as well as 71 and 72 offshore.

Hess The news wire cited a trio of unidentified oil industry sources familiar with the deals as telling it of the impending sales on Wednesday. Shell is a major oil producer in Nigeria which is itself Africa’s largest oil producer. The supermajor has suffered a large amount of pipeline spills and shut-ins, consistently claiming that a large portion of these are caused by sabotage and oil theft.

Barclays: US drilling activity continues to rise

Oil & Gas Journal, *27.07.2013*

Onshore drilling permits for the US 30 states that Barclays monitors increased 4% in June, following a 2.7% increase in May and a 7.9% decrease in April. Utah, Texas, and Kansas saw the largest changes in permit activity, with gains of 121 permits, 83 permits, and 68 permits, respectively.

US “The gradual increase in permit activity will lead to a continued rise in drilling activity, with an acceleration likely in [this year’s second half],” Barclays said. In June, the US Bureau of Ocean Energy Management issued 37 permits for floating rigs in the US Gulf of Mexico, compared with 36 permits announced in May and 45 permits in April.

Of the 37 offshore permits issued in June, 20 permits were for exploration and 17 were for development. Exploration locations in the gulf, including both shallow and deep water, stand at 35, up from 33 at yearend 2012 and up from 28 at the comparable period last year, according to IHS-Petrodata. “The continued strong permitting environment in the US Gulf of Mexico suggests a continued improvement in the deepwater rig count, especially in light of recent, very successful discovery announcements in the lower tertiary. We expect this to persist in the coming months,” Barclays said. A total of 41 shallow-water permits (3 for new wells) in the US Gulf of Mexico were issued in June, down from 49 in May (10 for new wells) and up from 37 in April (4 for new wells).

Announcements & Reports

► U.S. Crude Oil and Natural Gas Proved Reserves

Source : Energy Information Administration
Weblink : http://www.eia.gov/naturalgas/crudeoilreserves/pdf/uscrudeoil.pdf

► EIA Country Brief Analysis – Egypt

Source : Energy Information Administration
Weblink : http://www.eia.gov/countries/analysisbriefs/Egypt/egypt.pdf

► EIA Natural Gas Monthly

Source : Energy Information Administration
Weblink : http://www.iea.org/W/bookshop/add.aspx?id=625

► EIA Petroleum Marketing Monthly

Source : Energy Information Administration
Weblink : http://www.eia.gov/petroleum/marketing/monthly/pdf/pmmall.pdf

► EIA Petroleum Supply Monthly

Source : Energy Information Administration
Weblink : http://www.eia.gov/petroleum/supply/monthly/

► EIA Monthly Energy Review

Source : Energy Information Administration
Weblink : http://www.eia.gov/totalenergy/data/monthly/pdf/mer.pdf

► Asia – Pacific Oil and Gas Transactions

Source : Ernst & Young
Weblink : http://www.ey.com/Publication/vwLUAssets/Asia_Pacific_oil_and_gas_transactions_Spring_2013/$FILE/Asia_Pacific_oil_and_gas_transactions_DW0231.pdf

► Tracking Clean Energy Progress 2013

Source : International Energy Administration
Weblink : http://www.iea.org/publications/TCEP_web.pdf

► *Transition to Sustainable Buildings*

Source : International Energy Administration
Weblink : http://www.iea.org/w/bookshop/add.aspx?id=457

► *Spotlight on Advanced Metering Infrastructure*

Source : International Energy Administration
Weblink : http://www.iea-isgan.org/b/Media/831

► *OPEC Annual Statistical Bulletin 2013*

Source : Organization of the Petroleum Exporting Countries
Weblink : http://www.opec.org/opec_web/static_files_project/media/downloads/publications/ASB2013.pdf

► *OPEC Monthly Bulletin*

Source : Organization of the Petroleum Exporting Countries
Weblink : http://www.opec.org/opec_web/static_files_project/media/downloads/publications/OB06_072013.pdf

Upcoming Events

► 3rd Erbil International Oil and Gas Exhibition

Date : 2 – 5 September 2013
Place : Erbil – Iraq
Website : http://www.erbiloilgas.com/

► 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

► Global Gas Opportunities Summit *(in Turkey)*

Date : 1 – 3 October 2013
Place : Istanbul – Turkey
Website : http://www.fleminggulf.com/conferenceview/Global-Gas-Opportunities-Summit/209

► 21st Kazakhstan International Oil & Gas Exhibition and Conference

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

► 22nd World Energy Congress

Date : 13 – 17 October 2013
Place : Daegu – South Korea
Website : http://www.daegu2013.kr/eng/index.do

► 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

Supported by PETFORM

► EIF International Energy Congress and Fair *(in Turkey)*

Date : 24 – 25 October 2013
Place : Ankara – Turkey
Website : http://www.enerjikongresi.com/en/

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► The Economist European Energy Summit *(in Turkey)*

Date : 30 – 31 October 2013
Place : Istanbul – Turkey
Website : http://cemea.economistconferences.com/event/european-energy-summit#.UfJAK40vlbF

► Gas to Power Turkey 2013 *(in Turkey)*

Date : November 2013
Place : Istanbul – Turkey
Website : http://www.biztradeshows.com/trade-events/world-shalegas-exhibition

► World Shale Gas Conference & Exhibition

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

► Abu Dhabi International Petroleum Exhibition and Conference

Date : 10 – 13 November 2013
Place : Abu Dhabi – UAE
Website : http://www.adipec.com/page.cfm/Link=1/t=m/goSection=1

► European Unconventional Gas Summit 2014

Date : 28 – 30 January 2014
Place : Vienna – Austria
Website : http://www.theenergyexchange.co.uk/event/european-unconventional-gas-summit-2014#tab-country1