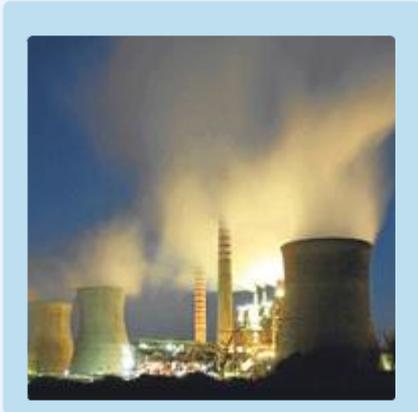


Turkey hopes \$7.2 billion gas bill cut with nukes

Today's Zaman, 10.05.2013



Turkey plans to cut \$7.2 billion from its annual natural gas bill after the planned nuclear plants are online in the next decade.

“Our power needs will double in the next decade. Now we have been importing 72 percent of our energy needs, but we will not need to import one-third of our current natural gas imports when our nuclear plants are online, saving \$7.2 billion annually,” Prime Minister Recep Tayyip Erdogan said. Turkey’s power consumption has doubled in the last decade, having been increased from 130 billion kWh to 240 billion kWh.

Turkey’s nuclear power strategy constitutes one of the basics of its long-term strategy to decrease its energy dependence. Turkey aims to build a local nuclear industry over the next decade as it seeks to cut reliance on costly imported oil and gas, although Turkey outsourced its first two atomic power plants to foreign firms.

“Maybe we will build our third nuclear plant with our local [human] resources. We have already started to train our engineers and other workforce in this regard,” Erdogan said during the opening ceremony of an event organized by the Ministry of Industry in Istanbul yesterday. Turkey made a \$22 billion deal with a Japanese-French consortium to build its second nuclear power plant in the Black Sea province of Sinop last week. The construction of the first nuclear plant was handed to a Russian company, Rosatom, which plans to begin operations in Mersin-Akkuyu by 2019.

According to the latest nuclear plant agreement, Japan promises to set up Turkish vocational colleges and universities to provide nuclear training. Under the deal with Rosatom, 100 students each year are to be trained in Russia. The program has attracted over 5,000 applications for the positions this year.

Many governments around the world have started to rethink their nuclear strategies after the Fukushima disaster in Japan two years ago. Of the 63 nuclear power plants currently being built worldwide, 39 are being built in non-OECD countries, including 26 in China, 10 in Russia and seven in India, according to the World Energy Outlook 2012 report by the World Energy Council.

“Safety measures will be applied at maximum levels, considering the lessons from unfortunate nuclear plant accidents, lately in Fukushima,” Erdogan noted. He said there was always a risk, even if it is one in a million, with such projects but such risks can be minimized using scientific breakthroughs and the latest technologies.

Turkey hopes natural gas deal in East Med can resolve Cyprus problem

Today's Zaman, 05.05.2013



Ankara expects that a deal on the transportation of gas reserves off the island of Cyprus, which would also necessitate including Turkey, would hopefully oblige crisis-hit Greek Cyprus to enter into cooperation with Turkey, in turn facilitating the solution of the Cyprus deadlock.

The economic and technical realities on the ground point out that the Greek Cypriots could not run their energy plans without cooperating with Turkey. Analysts as well as Turkish officials think that the administration needs Turkish consent for the energy plans due to political and geographical limitations.

Firstly, Greece -- and later Greek Cyprus -- drifted into a deep financial crisis starting in 2012, and now using the gas reserves near the island for potential deals with a third country to secure bailout loans is being perceived as a life buoy by the two. In transporting gas drilled from Cyprus to Europe, a pipeline through Turkey seems the lowest-cost opportunity for Greek Cyprus, which will most likely stay cash-strapped due to its major economic crisis.

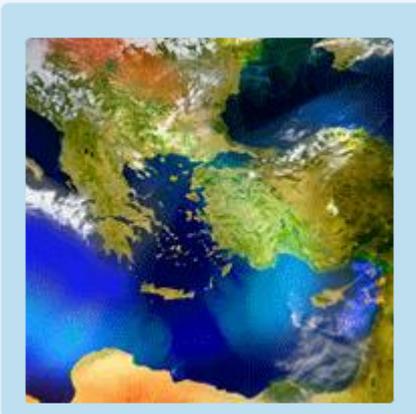
So the most sensible way would be delivery from Turkey to Europe via existing pipelines, the same official noted. In addition, the normalization process between Turkey and Israel and the election of moderate Nicos Anastasiades as the new president of Greek Cyprus are estimated to be facilitating elements in paving the way for negotiation.

The Israeli and Greek Cypriot administrations had begun to cooperate on energy matters right after the American oil company Noble Energy discovered gas around the island. Such cooperation came on the agenda in a period of frozen ties between Turkey and Israel -- after the Israeli raid of the Mavi Marmara aid flotilla on May 31, 2010, in which Israeli commandos killed eight Turks and one Turkish-American had attracted attention. But renewed negotiation efforts between Turkey and Israel in late March may isolate the Greek Cypriots in their plans to export the gas through a route circumventing Turkey.

Depending on the environment that would facilitate a negotiation period, Turkey recently increased its international efforts for a new solution initiative on Cyprus. To that end, Turkish Foreign Minister Ahmet Davutoglu sent letters to UN Secretary-General Ban Ki-moon, the foreign ministers of the five permanent members of the UN Security Council, Germany and Greece -- another guarantor state on the island of Cyprus -- urging an international conference to be held between Turkey, Greece and the political leaders from the two parts of the island.

Gas discovery cements ties between Greek Cyprus and Israel

Hürriyet Daily News, 09.05.2013



Greek Cyprus and Israel boost ties as both sides underline hydrocarbons. 'Both countries have common blessing: hydrocarbons,' says Anastasiades Greek Cyprus and Israel cemented ties with the latest visit of President Nicos Anastasiades to Jerusalem.

Greek Cypriot President Nicos Anastasiades said his country was the most reliable neighbor of Israel and the discovery of hydrocarbons in the Mediterranean Sea created new prospects for relations between the two countries. "We are inaugurating a new era in relations between our two countries"

"The two countries are committed to collaborating - we have historic ties and a common culture, but also a common blessing that are the hydrocarbons." Turkey finds unacceptable a loan method for debt-hit Greek Cyprus providing natural resources in the Eastern Mediterranean as a guarantee. Turkish officials say the resources around the island belong to all the people living on the island, within the framework of international law.

Israel has discovered at least 24 trillion cubic feet of natural gas in two marine blocks. Greek Cyprus is in the process of confirming the discovery of about 7.5 trillion cubic feet of gas in a block adjoining one of Israel's gas fields. Further exploratory drillings are expected soon by an Italian ENI and South Korean Kogas consortium and by French company Total. For his part, Peres said the two countries were linked in many ways. "Without Cyprus, Israel is far away from Europe. We regard Cyprus as a close friend, both politically and geographically," he said.

Anastasiades said Greek Cyprus' decision to press forward with plans to build an onshore liquefied natural gas (LNG) plant on the divided island, located "opposite the Suez Canal," affords interested parties the opportunity to make use of this infrastructure to export gas to the Far East and to Europe. Greek Cyprus proposes that the two countries pool their natural gas reserves with a view to exporting the fuel via a mooted LNG facility on the island.

The Greek Cypriot energy minister said that only by combining their forces would Israel and Greek Cyprus be able to make a significant dent in the global natural gas economy. "We feel that through a close collaboration with Israel we will be able to be a major player in the world energy market, something that might be too hard for each country to achieve individually," said Energy Minister Yiorgos Lakkotrypis. Greek Cyprus also intends to conclude agreements with Tel Aviv on energy security and a unitization deal, paving the way for exploitation of cross-border natural gas and oil reserves.

Turkish energy hub plan faces hurdles

UPI, 09.05.2013



Israel's rapprochement with onetime strategic ally Turkey is a vital element in Ankara's drive to become the intercontinental east-west energy hub in the Mediterranean and many expect to produce an energy alliance that will transform the region.

Turkish Prime Minister Tayyip Recep Erdogan has, since taking power in 2002, transformed his country's economic prospects through a wide-ranging diplomatic drive aimed at restoring Turkish leadership in the region. There's a powerful geopolitical ambition, rather than a simple commercial objective behind Erdogan's push for energy glory and for Israel to participate.

But there are important technical and geopolitical hurdles to overcome before this or similar plans can be put into action to tap into the estimated 122 trillion cubic feet of gas the U.S. Geological Survey says lies under the Levant Basin. "The easiest way for Israel to sell the resource abroad would be to build a pipeline running along the coasts of Lebanon and Syria end eventually reaching Turkey," the U.S. global security consultancy Stratfor said. "But Lebanon and Syria are openly hostile to the idea. Even if they agreed, neither country has a government stable enough to secure such a project in perpetuity."

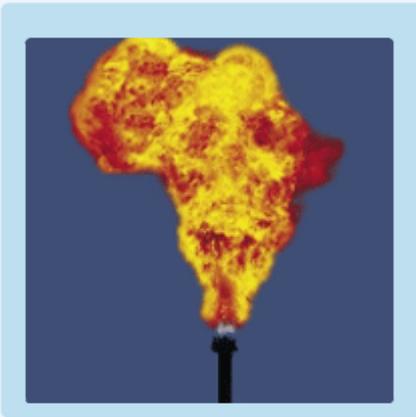
The Turks were also galvanized by attempts by Russia, Turkey's rival and the main gas exporter to Europe, to grab a stake in the eastern Mediterranean. "Russia wants to ensure that any prospective energy exports to Europe that circumvent the Russian mainland still require a Russian signature," one industry insider said.

The Israel-Turkey rapprochement was engineered to a large extent by U.S. President Barack Obama when he visited Israel in March, with particular U.S. geopolitical objectives in mind. The confrontation between the two regional military heavyweights was a major setback for U.S. policy in the Mideast at a time when American influence was waning in the aftermath of the Iraq and Afghanistan wars.

Even before Obama's visit to Israel, well-informed sources said Ankara had put out feelers to Israel about jointly developing an underwater pipeline from Israel's gas fields to southern Turkey. The Zorlu Group, a Turkish conglomerate, was reported to be discussing this with Israeli officials and the partners operating Leviathan, Israel's biggest with reserves estimated at up to 20 tcf of gas. The pipeline under the eastern Mediterranean would have a capacity of 282 billion-353 billion cubic feet of gas a year.

Nigeria seeks Turkish energy, construction partnerships

Today's Zaman, 09.05.2013



Turkish-Nigerian mutual trade could grow by leaps and bounds in the coming years as businesspeople from the two countries begin to show signs of greater interest in building partnerships and mutual investments.

The African country's deputy chief of mission in Ankara, Foluso Oluwole Adeshida, accompanied by the deputy head of the Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA) Dahiru Muhammed Ardo and 150 Nigerian entrepreneurs, was in Istanbul to participate in a meeting organized by TUSKON on Thursday.

Underlining that the two countries expected to realize \$5 billion in mutual trade in the midterm, Adeshida said his country expected to boost trade globally and that Turkish entrepreneurs could help improve Nigeria's domestic manufacturing industry. Mutual trade between Nigeria and Turkey neared \$1 billion in 2012.

Romania seeks Turkey's support on Nabucco

Anadolu Agency, 10.05.2013



Romanian minister said Turkey was the leading actor in the region and they must cooperate with leaders. Romanian State Minister for Energy Constantin Nita said on Thursday "we seek Turkey's support in Nabucco Project."

Paying a formal visit to Turkey as the guest of Turkish Minister of Energy & Natural Resources Taner Yildiz, Nita praised Turkey's recent performance on the international energy platform and said "Turkey is the leading actor in the region and we must cooperate with leaders. We wish to develop joint projects. Some projects have been on the shelf for a few years but we want to take further steps."

Iran courts Indian companies with sweeter oil contracts

Reuters, 09.05.2013



Iran has offered new, more alluring terms to reluctant Indian companies to win the investment it craves for its decaying energy sector suffering from tight Western sanctions.

Iran started offering production sharing contracts (PSCs), long denied to investors, to a group of Indian oil executives visiting Tehran in January, an Indian industry source said on Thursday. Tehran's insistence, until now, on paying contractors back in oil made projects unattractive to foreign firms even before sanctions made it nearly impossible for most to work there.

Iranian Foreign Minister Ali Akbar Salehi repeated the production sharing offer during an India-Iran Joint Commission meeting with Indian external affairs minister Salman Khurshid in Tehran last weekend, Indian media reported. Indian firms say the risks of investing large sums in Iran are still too great, even with a more attractive PSC regime. "We expressed our reservations because of international sanctions and non-availability of services and material required for execution projects," said a source who was involved in talks with Iran on potential upstream activities in January.

The two ministers did discuss India working to upgrade Iran's Chahbahar Port near the border with Pakistan to help boost trade with land-locked Afghanistan to the north, according to the Indian statement. "We are determined to explore and use all capacities for economic cooperation," Khurshid was quoted as saying in a statement published by the Iranian foreign ministry.

Under Iran's established buy-back system, contractors are supposed to be paid in oil and gas from projects they develop with their own capital but then have to hand back the project to Iranian companies when completed and wait for pay back.

This system has kept oil majors like Italy's Eni waiting for multi-million dollar payments for projects they completed decades ago, while sanctions make it still more difficult to get the oil from Iran. Under the new contracts, NIOC plans to transfer development of small oil and gas fields to contractors so that the state-run Iranian oil company plays only a supervisory role, NIOC director Ahmad Qalebani was reported as saying by Fars News in March. PSCs would only be offered for shared fields, he was quoted as saying during a meeting in Tehran on the development of Iran's contracting system in March.

Iraq – Kurd oil talks break ice, long-term fix unlikely

Reuters, 07.05.2013



A lasting solution to Iraq's dispute with its Kurdish north is unlikely even if recent talks between the two sides lead to a resumption of oil exports from the autonomous region.

Kurdish crude used to be shipped to world markets through a Baghdad-controlled pipeline, but exports via that channel dried up last December due to a row over payment for oil companies operating in the northern enclave. The spat intensified in March when the Iraqi parliament passed the country's 2013 budget despite a boycott by Kurdish lawmakers, who withdrew from the assembly in protest at the amount they were allocated.

Kurdish lawmakers returned to Baghdad on Monday as part of an agreement that includes amending the budget and forming a committee to study the oil and gas law, which has been stuck in parliament for years due to a lack of consensus. "It was a visit to break the ice and start a new phase for serious talks," Kurdish lawmaker Mahmoud Othman told Reuters. "No final agreement was reached to resume oil exports from the Kurdistan region yet, but I can confirm that both parties are very close to resolving this problem very soon."

Anatolia Energy moves to full ownership of Turkish uranium project

Steelguru, 06.05.2013



As Anatolia Energy has received Turkish regulatory approval that grants it 100% ownership of the Temrezli uranium project by merging Anatolia Uranium with JV partner Vetter Uranium.

Anatolia Uranium, a wholly owned subsidiary of the company, will hold 65% of the project while Vetter holds the remaining 35%. The merger consists of issuing 1 Anatolia share for every outstanding Vetter share for a total issue of 11,513,223 Anatolia shares, or a 7.1% increase in the company's issued ordinary shares. The company said the merger simplified the ownership structure of the project while providing potential savings of up to USD 13 million in future JV expenditure.

The Temrezli Uranium Project is located within one of Turkey's key uranium regions, is close to established infrastructure and includes the Temrezli uranium deposit, one of Turkey's largest and highest grade uranium deposits. The deposit has a JORC Resource of 17.41 million pounds of contained uranium at a grade of 1,170 parts per million (0.117%) eU₃O₈. Anatolia recently completed an aquifer pumping test program to obtain key preliminary information regarding the amenability of the aquifer for utilization of solution mining. The results provide support that solution mining appears a feasible process for the Temrezli uranium deposit. It is also rapidly advancing the preliminary economic assessment on the Temrezli project and has recently outlined new uranium mineralization at Sefaatli and West Sorgun. The company will undertake additional hydro testing in its next planned drilling program to continue to advance its understanding of the deposit and complete preliminary feasibility studies

Nabucco launches 'Open Season'

Natural Gas Europe, 06.05.2013



The company behind the Nabucco West pipeline says it is ready to deal with expressions of interest in using its facility for transport, and has launched what it calls Open Season.

Nabucco Gas Pipeline International GmbH announced Monday the launch of the process for booking capacity on the pipeline planned from Turkey. "As development of the Nabucco project continues, we are pleased to be able to announce the achievement of this highly significant milestone," Nabucco chief executive officer Reinhard Mitschek said from Vienna.

Nabucco is one of the two contenders for the contract to transport gas from the second phase of the vast Shah Deniz natural gas field off Azerbaijan. The consortium says its pipeline will connect with the Trans Anatolian Pipeline (TANAP) at the Turkish-Bulgarian border, crossing Hungary, Bulgaria and Romania to the Central European Gas Hub in Baumgarten, Austria.

Last week, the BP-led consortium managing Shah Deniz said it has started thorough examination of the Nabucco group and its competitor, the Trans-Adriatic Pipeline. Its decision is expected in June. Both projects are part of the Southern Corridor, a network of gas transit options meant to bypass Russian sources supplying the European energy sector. Europe gets about 25% percent of its gas from Russia, with most of that shipped through pipelines crossing Ukraine

Obama backs rise in US gas exports

Financial Times, 06.05.2013



The Obama administration has signalled support for more plants to export liquefied natural gas, as the US embraces its surging energy production as a key new element of its national security policy.

Barack Obama said at the weekend the US was likely to be a net gas exporter by 2020, the strongest sign yet that the president is swinging his support behind higher energy sales overseas. The Department of Energy is studying applications for new liquefied natural gas terminals, with approval of one in Texas likely within months.

Big oil companies won't pursue Polish shale

Oil & Gas Eurasia, 10.05.2013



International oil companies don't have the patience to explore for shale natural gas in frontier territory like Poland's, an executive said, UPI reports.

John Buggenhagen, director of Irish energy company San Leon, said his company was moving into Polish shale after Marathon Oil Corp. and Talisman Energy Inc. said they were abandoning the area. Marathon followed Talisman out of the area after it said had a change in strategy. San Leon will serve as the operator of three licenses in Poland's Dutch basin.

A Polish energy trade group said last year that tax regulations proposed for the upstream industry may cause investors to shy away from potential gas reserves. The Polish government estimates it has as much as 3.3 trillion cubic feet of natural gas. Poland, Lithuania and Ukraine are among the Eastern European countries eyeing potential shale gas reserves.

Ukraine wants to become energy hub for Europe

EurActiv, 06.05.2013



Ukraine is working to become an energy hub, producing its own gas, developing storage and importing from both the EU and Russia, Ukraine's energy minister said in Brussels.

The EU is pressing for agreements to be sealed with Ukraine by the end of this year as both parties seek to dilute Russia's dominance as a gas supplier. But Kyiv is torn between EU cooperation and Russia's promise to cut its gas bills in return for control of its pipelines. At the end of April, Ukraine's government asked parliament to lift a ban on the privatization of state energy firm Naftogaz. That could allow Kyiv to sell or lease them to Russia's gas export monopoly Gazprom.

Ukraine's Energy Minister Eduard Stavytsky and EU Energy Commissioner Günther Oettinger raised the possibility of a three-way relationship at talks in Brussels on May 3. "Ukraine is really trying to consider its geopolitical situation and to establish a gas hub, so we will be able to do spot purchases in central Europe," Stavytsky told reporters.

Oettinger said he believed EU firms were willing to buy into Ukraine infrastructure. He did not name potential investors, but energy firms were at the closed-door talks, including ExxonMobil and Royal Dutch Shell. None was immediately available to comment. To modernize Ukraine's infrastructure, of which Naftogaz could provide €183 million, while the rest would come from loans. Since late last year, technology allowing pipeline flows to be reversed has allowed Ukraine to import some gas from EU nations, including Hungary and from Germany via Poland. In addition, Slovakia is seeking to develop reverse flow technology, with a test expected this month, Oettinger said.

As the European Commission seeks to expand its internal energy market, it has also been working to develop Ukraine's extensive gas storage, which could ease any supply shortages. Ukraine already has storage of 31 billion cubic metres (bcm) and Stavytsky said it was seeking to increase it to 50 bcm, compared with 95 bcm for the EU as a whole. In the past, gas flows to the EU have been disrupted because of Ukraine's quarrels with Russia over how much it has to pay for its supplies.

Announcements & Reports

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

Source : Organization of the Petroleum Exporting Countries
Weblink : http://www.opec.org/opec_web/static_files_project/media/downloads/publications/MOMR_May_2013.pdf

► *Deloitte Oil and Gas Reality Check (2013)*

Source : Deloitte
Weblink : https://www.deloitte.com/assets/Dcom_Global/Local%20Assets/Documents/Energy_Resources/dtt_er_OG_Reality_Check_2013_05102013.pdf

Upcoming Events

► *Uzbekistan International Oil & Gas Exhibition*

Date : 14 – 16 May 2013
Place : Tashkent – Uzbekistan
Website : <http://www.oguzbekistan.com/2013/>

Supported by PETFORM

► *EMART Turkey* *(in Turkey)*

Date : 21 – 22 May 2013
Place : Istanbul – Turkey
Website : <http://www.emart-turkey.com/>

The logo for EMART Turkey, with "EMART" in red and "Turkey" in black, both in a bold, sans-serif font.

► *Turkmenistan Gas Congress*

Date : 21 – 22 May 2013
Place : Ashgabat – Turkmenistan
Website : <http://www.turkmenistangascongress.com/>

► *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>

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► *All Energy Turkey* **(in Turkey)**

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



► *Texas Oilfield Expo*

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

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

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

► *Deep Offshore Technology International Conference & Exhibition*

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

► *World Shale Gas Conference & Exhibition*

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