Oil & Gas Bulletin

▸ 15.11.2013

Turkey in talks with KRG on 13 energy exploration blocks

Reuters, *15.11.2013*

Turkey is in talks with northern Iraq's Kurdish Regional Government (KRG) about joint exploration on 13 oil and gas blocks in the semi-autonomous region, Turkey's Energy Minister Taner Yildiz said on Friday.

The Turkish Energy Company (TEC), a state-backed vehicle established to operate in Northern Iraq, is aiming to partner with a third party in six of the blocks, Yildiz said, adding talks for the potential contracts have not been finalized.

Turkey and Iraq work to repair bilateral ties

Hürriyet Daily News, *09.11.2013*

Turkish Foreign Minister Davutoglu is set to conduct an official visit to Iraq as Ankara and Baghdad continue to hold high level meetings to repair ties after two years of strained relations. After nearly two year of cold ties, Turkey and Iraq are intensifying talks to repair bilateral relations, as Turkish Foreign Minister Ahmet Davutoglu is set to visit Baghdad.

Davutoglu is expected to meet Nouri al-Maliki and Foreign Minister Hosyhar Zebari along with other high-level Iraqi officials in a visit only weeks after Zebari held talks in Ankara. Al-Maliki's visit to Ankara in the coming months is also on the agenda, but the final date has not been set yet.

"It was Turkey who made the most contribution to the democratization process of Iraq," Davutoglu said in a televised interview on Nov. 8, referring to the developments in this neighboring country following elections in 2006. Davutoglu described the current chilliness in bilateral ties as conjectural and pointed out the internal tension in Iraq as the primary reason of ruined Ankara-Baghdad relations. "(Internal tension) had not only effects on us but on the entire region. The political principle we are pursuing here is to allow a political process that will embrace all segments," Davutoglu stressed. Turkey never tried to intervene with the internal affairs of its neighbors, he said, but adding that developments in regional countries affect other countries.

“It’s particularly much more visible in the frame of Iraq and Syria,” he said. Davutoglu’s visit comes only days after reports suggested Turkey and Iraqi KRG agreed on a comprehensive energy deal that includes oil, natural gas licenses and a pipeline to carry them from northern Iraq to Turkey. The deal is seen as controversial as the Iraqi central government and the regional government has not yet resolved their problem in sharing revenues. “None of the (prepared) agreements ignore the rights of the central government or erode the central government’s legal and constitutional rights. Afterwards, we will discuss all of these things (with Iraq),” Davutoglu underlined.

The Turkish foreign minister also stressed Turkey’s policy was to be interested in the whole of Iraq’s energy resources, not to only focus on those of northern Iraq, stating that transporting Iraqi sources through Turkey was in fact to the interest of Iraqi people. On ties with Israel, recalling that some Israeli officials admitted Israel was wrong in attacking the Gaza-bound Mavi Marmara vessel and killing unarmed civilians, Davutogtlu said it was important that Israelis were examining their acts through these sorts of statements. “This would mean that Israel has learned its lesson out of this issue and will not to repeat the same mistakes,” the foreign minister said. An Israeli former military intelligence chief recently admitted that what happened in the Mavi Marmara raid was a big mistake.

Turkey and Azerbaijan cement bilateral ties

Hürriyet Daily News, *13.11.2013*

Turkey and Azerbaijan signed today several agreements and memorandums of understanding to ensure bilateral cooperation on various areas including trade, transportation, technology and science. “We are taking steps on the area of energy which has strategic importance,” Prime Minister Recep Tayyip Erdogan said with President Ilham Aliyev.

Turkey and Azerbaijan would work to bilaterally boost trade up from the current level of $4.2 billion per annum to $15 billion by 2020, Erdoğan noted. Construction of TANAP project, which will carry Azerbaijani gas to Europe through Turkey, will start in early 2014, the prime minister said.

They also discussed the distribution of Azerbaijani gas to Balkan states, he added. As the Kars-Tbilisi-Baku railway was on the verge of being finalized, discussions also encompassed a railway project between Igdir and Nakhcivan, Erdoğan said. The cost of work permits for Turkish citizens wanting to work in Azerbaijan will be reduced to $50 from $1,270, according to Erdoğan, also mentioning Turley’s continued support of Azerbaijan on the Nagorno Karabagh issue.

Rosatom in search for nuke investors

Hürriyet Daily News, *15.11.2013*

Russian reactor builder and supplier Rosatom is talking with a number of local and international firms interested in investing in Turkey's first nuclear project, worth $20 billion, an official in its Turkish subsidiary said.

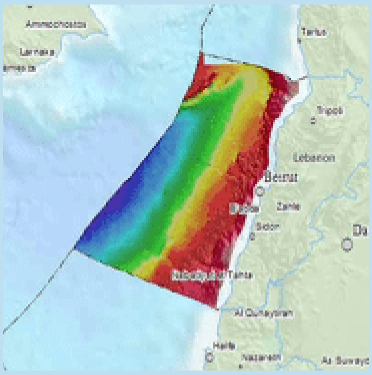
"Five Turkish companies have applied to become an equity partner. Also there are foreign companies who have applied as well," Rauf Kasimov, Deputy GM of Akkuyu NPP. He declined to name the interested companies. Turkey is pushing ahead with an ambitious nuclear program to provide 10 percent of its electricity needs by 2023 and reduce its dependence on imports of oil and gas for nearly all its energy

Its second planned nuclear power plant will be built by a consortium of Japan's Mitsubishi Heavy Industries Ltd and Itochu Corporation and France's GDF Suez. The two plants will each have a capacity of 4,800 megawatts. Kasimov said state-owned Rosatom had already secured the funding to carry out the work needed for the next three years and that its need for a partner was not urgent. The project has so far been on schedule, he said, despite the potential for delays due to bureaucratic hurdles and Turkey's lack of experience in nuclear energy. "We don't see a delay in the project. We expect construction to be completed by end-2019 and the first reactor to become operational in 2020," he said.

Plans call for all four of the plant's planned reactors to start generating power by 2023. But the project has yet to obtain a construction license and approval of a key environmental assessment from Turkish authorities. Approval of the report was initially expected by November. Kasimov said Rosatom now expected the report to be approved by the end of this year or in early January. Only when the approval is granted will Atomstroyexport, the main contractor chosen by Rosatom to build the reactors, then open a tender to pick sub-contractors.

Greek Cyprus and Lebanon to discuss natural gas production sharing

Financial Mirror, *09.11.2013*



Greek Cyprus and Lebanon have agreed to start negotiations for a production-sharing agreement concerning their adjoining offshore hydrocarbon resources. Greek Cyprus Energy Minister Giorgos Lakkotrypis said he and his Lebanese counterpart Gebran Bassil "agreed to start the discussion and conclude it as soon as possible" to exploit newly found resources.

"We are opening a new era of a good cooperation between Lebanon and Greek Cyprus in oil and gas," added Bassil, adding that Lebanon could constitute a potential market for Cypriot gas.

According to Lakkotrypis, both sides briefed each other on the current state of hydrocarbon exploration and exploitation efforts and said they agreed to exchange experiences and knowledge. Bassil said that his country was "open to discuss everything", adding that Lebanon is keen to correct the "mistake" relating to the maritime border between Lebanon and Israel. He added that Lebanon may provide Greek Cyprus with an alternative market to export its gas, noting that Beirut is also in need for gas. On the LNG plant Greek Cyprus plans to construct at Vassiliko area, on the southeastern coast of the island, Bassil said that Lebanon regards it in a positive light. "It can also be a possible diversification solution for our gas exports" he said.

He noted that the two countries share a "gift from God", the rich hydrocarbon resources, and expressed hope to utilise them for the benefit of their people. Bassil said the prospects in Lebanon-Greek Cyprus relations also include water, transportations and even wine. Greek Cyprus has already given six exploration and production sharing licenses to Texas-based Noble Energy, French Total and the Italian-Korean joint venture ENI-Kogas. Noble, and its junior partners Avner and Delek, who are already operating gas fields within Israeli waters, have drilled twice with estimated average resources of 5 trillion cubic feet. They have also signed a MoU with Greek Cyprus to build an onshore LNG production plant in Vassiliko.

Total and ENI-Kogas are expected to start their initial exploration drilling in 2014. Lebanon suspended its initial license period which is expected to close in December, subject to political stability in the country. Greek Cyprus has delineated the maritime borders of its Exclusive Economic Zone (EEZ) with Lebanon, Israel and Egypt, but the Greek Cyprus agreement with Beirut has not been ratified due to the difference between Lebanon and Israel.

Greek Cyprus implements changes to its energy sector

Natural Gas Europe, *14.11.2013*

The government of Greek Cyprus is making fundamental changes related to its energy sector. The Greek Cypriot cabinet approved the minister of energy's proposal made on Wednesday 16 October to make amendments to the articles of association of the Greek Cyprus National Hydrocarbon Company (CNHC) that will as of now be known as the Greek Cyprus Hydrocarbon Company (CHC).

The changes essentially touch upon the structure of the company, accountability, transparency and reporting. The ministry also submitted a proposal to introduce Total on board the LNG project.

Texas-based Noble Energy encountered substantial amounts of gas when undertaking the Aphrodite field appraisal drilling in Block 12 of Greek Cyprus' exclusive economic zone. Although the quantities were less than originally estimated, the downsizing of the Aphrodite field to a range of 3.6 to 6 tcf will not deter Greek Cyprus from moving ahead with its LNG project and energy hub ambitions. The quality of the gas (98% methane) encourages such efforts as well as further exploration activities within Greek Cyprus' EEZ.

The ministry of energy's proposal included the abolishment of the current posts of executive officers so that the board comprises seven non-executives (solely Cabinet-appointed with no involvement of the Parliament). The changes also added increased auditing both on the financial results and the management of the company. The Parliament will receive reports on the company's annual budget and maintains the right to question the company's officials on the company's activities. The cabinet will receive a bi-annual plan from the CHC. The CHC will represent the government in the LNG project and the future sales of natural gas.

The government intends to sign an MOU with Total in the coming weeks regarding the French company's participation in the LNG project. Total SA was granted exclusive exploration rights for blocks 10 and 11 in the Cypriot Exclusive Economic Zone (EEZ). In the event of successful natural gas encounters by the French giant, Total might invest in an additional train that will serve the purpose of selling the natural gas to foreign customers.

Greek Cyprus remains interested in collaboration with Israel. Energy minister Giorgos Lakkotrypis has confirmed rumors that the island is offering Israel the opportunity to pool costs and partner up with Greek Cyprus in joint exports of natural gas via the Vassiliko LNG plant on the island. Gas from the Leviathan would be transported to Greek Cyprus for processing and sale. Lakkotrypis also added that Greek Cyprus was even considering importing gas from Israel to satisfy the country's needs as an interim measure until the country reaches self-sufficiency. Noble plans to bring the gas from Aphrodite offshore in the next three years.

Greek Cyprus plans to reach export phase by 2020. Charles Ellinas warns that Greek Cyprus must not stall the process at the risk of losing the tight window of opportunity of entering the LNG market and finding customers. The island's good intentions and considerable efforts to transform its cash-strapped economy will prove rewarding. Ellinas stressed on the need to develop an exhaustive master plan that will put the country on the right path towards becoming an exporter of natural gas and diversifying Europe's energy portfolio.

Iran to use stored gas for exports to Turkey

Natural Gas Asia, *09.11.2013*

Iran will use stored natural gas for exports to Turkey, Iran's Natural Gas Storage Company's Managing Director Masoud Samivand said on Saturday. According to media reports, the plan is to extract 10 million cubic meters of gas per day from its Sarajeh gas storage facility during winter in order to stabilize gas exports to Turkey.

Mehr News Agency adds that Iran plans to stabilize gas exports to Turkey. Turkey has complaint about uncertain condition of gas imports from Iran as well as high price of Iranian gas, Mehr quoted Iranian deputy oil minister Hamidreza Araqi.

Under an agreement between Tehran and Ankara, Iran should export up to 30 million cubic meters of gas daily to its northwestern neighbor. In 1996, Iran and Turkey signed a 25 year agreement to supply 10 billion cubic meters of gas to Turkey annually. In October, Turkish Energy Minister Taner Yildiz said that Turkey is importing 10 billion cubic meters (bcm) of gas a year from Iran but would buy more if it were available, Tehran Times reports.

Israel: Export quotas decided, export routes debated

Natural Gas Europe, *13.11.2013*

Israel has now closed the export quota debate. The Supreme Court of Justice ratified the Israeli government's June decision to export 40% of the gas, to the relief of investors involved in its shores. The satisfaction of investors is paramount for Israel to persevere in its path towards becoming a major natural gas exporter.

How Israel will opt to transport its gas to potential customers is still questionable. Identifying the customer could be a starting point. The geographical location of the latter tremendously affects how Israel will choose to deliver its gas - via pipeline or LNG - and therefore who its partners will be.

The options discussed to date are various and despite the fact they all present obstacles of political, technical or economical nature, none has been eliminated. Israel might be considering selling its gas to Asian customers who pay a higher price than the rest of the world. Europe, with its strong dependence on Russia, would also be an obvious customer. Europe is looking to diversify its energy portfolio, loosen Russia's grip over the market and find new sources that would satisfy its additional needs. Israel repeatedly expressed its intention to start with its immediate neighbors while it solves the problem of delivering gas to further parts of the world.

Jordan and Egypt, with their close proximity to the country and their energy problems - Jordan being severely energy thirsty and Egypt suffering from shortfalls of natural gas - would have been obvious customers to start with. However, Israel's tensed relationship with its Arab neighbors might stand in the way of such energy collaboration. Historically reliant on Egyptian gas, Israel stopped receiving it after several attacks on the pipeline that carried gas from Egypt to Israel since the 2011 Arab Spring. Israel could positively respond to Greek Cyprus' partnership proposal. Despite the smaller quantities of gas encountered at the Aphrodite field in Block 12 of its EEZ (100-170 bcm), the island intends to move forward with its plan to build a $12 billion liquefied natural gas facility in its Vassiliko coastal site. Having Israel's support would mean reduced costs for the cash-strapped island.

Total, ENI and Kogas will start exploration activities off the island's shores in 2014. However, Greek Cyprus is keen to move ahead with its project in the shortest delay to fulfil its ambition of becoming a natural gas exporter. Its domestic needs being negligible, most of the natural gas encountered in its waters will be dedicated for export. Israel could use the island's facility to process and transport its gas. Israel might also be considering the pipeline option. Recently restored diplomatic relations between Turkey and Israel led many to think that the two countries were planning energy collaboration. A pipeline from Israel's 19 tcf Leviathan to Europe via Turkey has been considered a potential route for Israeli gas. Turkish groups have offered to build the infrastructure from Israel's Leviathan to the Turkish Port of Mersin or Jihan in southern Turkey.

Those two options are not mutually exclusive. Israel might consider investing in both and diversifying its export routes. Its meticulous approach in achieving a final decision in regards to export quotas is an indicator that a similar approach will be adopted when it comes to opting for its routes. Israel's long history of energy dependence justifies its keenness to stay on the safe side: keeping enough gas at home and ensuring that its energy ambitions do not depend solely on a foreign partner.

Regional hub Turkey becoming energy exchange center

Today's Zaman, *14.11.2013*

Turkey, a major hub between the world's second-largest natural gas market, continental Europe, and the substantial gas reserves of Russia, the Caspian basin and the Middle East, is already becoming a vital actor in regional gas politics as an energy exchange center, analysts agree.

"Energy exchange is not a new concept. Turkey is an energy consumer rather than an energy producer, and it is providing a considerable amount of energy from overseas. And, as a result, the country is not only becoming heavily reliant on outside natural sources, but it is also obliged to stay out of energy-related market management.

However, in recent years important developments have occurred in Turkey's energy sector, and the country has begun to emerge as an actor in the development of the region's energy economy," said Dr. Bülent Aras, head of the Caspian Strategy Institute's (HASEN) Science and Analysts Board in a press conference on energy exchange held in İstanbul on Thursday. In an opening speech at the conference held to introduce a report on energy exchange, Aras said that although Turkey itself does not produce energy and has no energy resources, its ideal geographical location has led the country to become a regional energy hub, adding, "Energy exchange will be a remarkable contribution to Turkey's role as a hub, as it is also a critical step to laying the groundwork of the country."

Addressing the importance of energy exchange and the launch of the Southern Gas Corridor project, its integration into energy exchange and finally the effect of this connection on the political and economic development of the region, the experts underlined that the current conditions, including Turkey's easy access to natural resources and also recent developments in the region, offer the country an opportunity to be a center of energy exchange. Talking about the role of energy exchange, Fatih Macit, one of the authors of the energy report, said it is not just an area in which producers and consumers meet but also a platform where dealers and consumers can come together.

“The energy exchange to be set up in Turkey will bring together all consumers and sellers, which will establish much more reliable price formation. And this will certainly increase and hold investors who are planning to make an investment in the energy sector,” Macit said in his speech. He added that with an energy exchange all the uncertainties producers now face will be removed, directly affecting future uncertainties in price, which will disappear when the market becomes more transparent. Turkey’s economy has recently experienced a considerable boom, and this has carried an important rise in energy demand, with Turkey’s energy consumption showing a 60 percent increase in recent times. A critical part of Turkey’s energy demand and 43 percent of its electricity production is provided by natural gas, which it purchases from abroad.

“To get rid of this imbalance, Turkey needs to develop its local resources,” Macit recommends. He also said the Trans-Adriatic Pipeline (TAP), the main route for Caspian gas to Europe, and also the Trans-Anatolian Gas Pipeline (TANAP), which Turkey and Azerbaijan have agreed will carry Azerbaijani gas from the Caspian to Europe via Turkey, have helped Turkey become an energy bridge between the world's producers and consumers, adding, “Procurement variety is very important for Turkey's future as an energy exchange center.”

Cemil Ertem, the other author of the energy report, also mentioned the importance of TANAP and TAP in the transport of natural gas to the consumers’ market and added that Turkey, with all the solid progress it has made, is contributing to the establishment of a stable price in the region. “It is very important to trade Caspian and also northern Iraqi gas via Turkey. After the improvement of relations between the two countries, Iraqi gas will also be included in these pipelines and this will contribute to integration and peace in the region, in which case the price of natural gas will fall to $500 per cubic meter. This will also bring a 20-25 percent decrease in Turkey’s energy costs,” Ertem said

Russia confirms schedule for LNG export liberalization

Natural Gas Europe, *09.11.2013*

Russia moved closer to its plan to liberalize LNG exports on Friday, after the government approved the bill and submitted it to the Duma. The government gave a final green light to the law in late October. Officials confirmed that they expect the bill to be discussed by the lower and upper chambers by the end of the year.

Russia’s President Vladimir Putin has expressed his firm intention to spur LNG exports, granting more leeway to Novatek and Rosneft. He also stated Russia’s interest to press ahead with a gas pipeline system to supply China. That would remain controlled by Gazprom.

EU aims to complete Gazprom antitrust probe by spring

Reuters, *09.11.2013*

The European Commission expects to wrap up an investigation by the spring into suspected anti-competitive market practices by Russian gas export monopoly Gazprom, the EU energy commissioner said on Monday.

The Commission's action against Gazprom is likely to ratchet up the tension between Europe and Russia, which has criticized EU attempts to boost competition in the energy market and reduce its reliance on Russian supplies. "I would say spring next year. We need some more months for investigation on an expert level," European Energy Commissioner Guenther Oettinger told.

Gazprom has said the investigation is a politically motivated attempt to bring down EU gas prices. "It's an investigation by our experts and it's an objective investigation and not a political investigation," Oettinger said. EU Competition Commissioner Joaquin Almunia, who is in charge of the investigation, said in October the EU's executive was preparing a charge sheet against Gazprom, known as a statement of objections. The Commission sets out its concerns and whether it intends to levy a fine in the charge sheet.

Companies are usually given one to two months to reply. Unless the two sides reach a settlement, EU regulators would then typically take a further six months at least to make a decision. Officials in Lithuania, which holds the EU's rotating presidency, said the Commission might present the statement of objections to Gazprom this month. The Commission has the power to fine companies up to 10 percent of annual turnover if they are found to be in breach of EU competition rules. It has fined Microsoft Corp more than 2.2 billion euros ($3 billion) in the past decade for anti-competitive behavior.

Kashagan oilfield to stay shut until next year

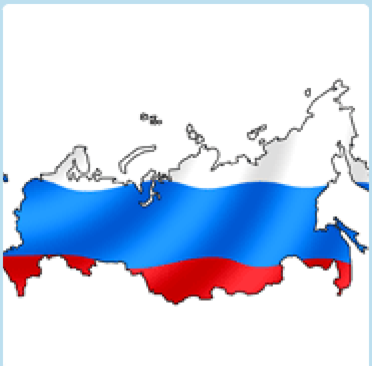
Natural Gas Europe, *11.11.2013*

The Kashagan oilfield in Kazakhstan is not expected to restart production until next year, according to Total. The field, which took nearly 13 years and $50 billion to complete, is operated by a consortium comprising Total, Shell, Eni, ExxonMobil, KazMunaiGas, Inpex and China National Petroleum Corporation.

It was only brought online in September but was shut down two weeks later, then again on 9 October, following reported gas leaks. At the start of this month, the consortium's operating company said inspections and investigations would take "some weeks".

But on Sunday, Total chief executive Christophe de Margerie told that Kashagan would not be able to resume production before the end of the year. The consortium must be sure before restarting production that the whole piping system would operate safely over the long term, he said. According to Kazakh oil industry officials, the field has been producing more than 60,000 barrels per day prior to the second leak. The consortium is required to achieve commercial output of 75,000 bpd this month to meet its contractual obligations.

Russia to produce first Arctic oil



Oil and Gas Eurasia, *12.11.2013*

Russia's first offshore ice-resistant fixed platform Prirazlomnaya will start commercial oil production in the Pechora Sea in the Arctic in December. The press service reported on the results of a meeting between Governor Igor Fedorov and Aleksandr Dyukov, the board chairman of Gazprom Neft, the company which develops the Prirazlomnoye field.

The platform was installed some 60 km off the Varandey village in the Nenetsky area on August 26, 2011. It is essentially an artificial island because it is attached to the sea bottom thanks to its weight of more than 500,000 tons.

EU: Southern Gas Corridor to strengthen relations with Azerbaijan

Trend.Az, *11.11.2013*

Implementation of the Southern Gas Corridor project will further strengthen EU cooperation with the countries of the Caspian Basin and in particular Azerbaijan, Energy Counsellor of the EU delegation to Azerbaijan Edyta Nowak said on Monday speaking at a conference entitled 'Caspian oil and gas week' , held in Baku.

"The global energy map is changing at an unprecedented pace. Despite the increasing role of renewable and alternative sources of energy, oil and gas remain the dominant positions and that will remain such until 2035," she told to journalists in a meeting.

According to her, market participants have to revise their energy strategy in response to the growing role of the United States, Australia and other relatively new suppliers and players. According to the forecasts Europe's dependence on oil and gas imports will increase up to 2030, the Counsellor said. "BP Energy Outlook says that shale gas which is booming is not enough. The future of nuclear energy in Europe is also undetermined after the events at the Fukushima plant," Nowak stressed. "The EU is considering forecasts on energy consumption by 2050, according to which the proportion of alternative and renewable energy will increase to 55 per cent, but at the same time highlights the important role of gas in securing energy," Nowak said. According to the Counsellor, all of this suggests the importance of the Caspian region to the EU.

"The countries of the Caspian basin namely Azerbaijan and Kazakhstan provide 11 per cent of Europe's oil imports. We would like to see the same pattern in relation to the gas supply in the future," she said. At present as Nowak noted, the EU's attention in the search for new ways to deliver gas is focused on Azerbaijan and in particular the giant Shah Deniz oil field which lays the foundation for the Southern Gas Corridor. "Considerable work was conducted on its implementation and important agreements signed. By the end of this year, a final investment decision will be made on the second phase of development of the Shah Deniz field".

"I want to emphasize that both the EU and Azerbaijan and other participants of the project are firmly focused on its successful implementation and strengthening cooperation", the Counsellor said. The Southern Gas Corridor is the project which will give opportunities to Europe to diversify its sources of hydrocarbon supplies and increase its energy security and will give to Azerbaijan a chance to develop a new market in Europe. The Southern Gas Corridor is a large project designed to meet Europe's gas needs for decades to come. The gas which will be produced in the second phase of the Shah Deniz field is considered as the main source for the Southern Gas Corridor. A consortium of the Azerbaijani Shah Deniz gas condensate field development has chosen the TAP project as a gas transportation route to European markets.

Ukraine halts Russian gas imports; transit to Europe intact

Reuters, *11.11.2013*

Ukraine's Naftogaz halted Russian natural gas imports last Friday in a dispute over pricing, sources in the industry and at Russia's Gazprom told Reuters on Monday, but the flow to Europe via Ukraine was so far unaffected. The stoppage comes just weeks before Kiev is due to sign a free-trade agreement with the European Union which has angered Moscow.

"There have been no supplies to Naftogaz since Friday," an industry source said, referring to the Ukrainian state energy company that buys Russian gas to clarify the recent gas trade between Russia and Ukraine.

Ukraine has for years been a politically troubled buffer state between Russia and the European Union, and has used its status as a gas transit corridor to play Moscow off against Brussels. Now, as Russia builds alternative export routes, Ukrainian President Viktor Yanukovich is seeking a rapprochement with the West even as it struggles to pay its import bill and its public finances become increasingly precarious. The supply worry comes at a vulnerable moment for Europe, whose second-biggest gas supplier Norway faces production constraints due to refurbishment works on ageing fields this winter. Ukrainian tycoon Dmytro Firtash, who has agreed to purchase 5 billion cubic metres (bcm) of gas to put into underground storage at a 30-36 percent discount, is still receiving gas from Russia, his spokesman said.

He declined to talk about volumes, but a source in the Russian gas industry says Firtash "receives very little at the moment". Gas held in underground storage caverns is intended to help meet peak demand during the winter heating season. A source in Ukraine's gas industry said that gas pipeline operator Ukrtransgaz had ordered Naftogaz to stop purchases of Russian gas on Friday. Russia supplies around half of its gas to Europe through Ukraine. An official at Gazprom said transit flows of Russian gas to European clients via Ukraine were continuing unaffected. "All requests for exports are being fulfilled," he said. Both Gazprom and Naftogaz declined to comment on the stop to Russian gas flows to Ukraine, which has also tried to find other sources of gas.

The source in Ukraine said the country has been sending around 219 million cubic metres (mcm) of Russian gas per day to Europe. Ukraine gets around 4.4 mcm per day from Poland and 4.0 mcm per day from Hungary. Ukraine, which pays around $400 per 1,000 cubic metres of Russian gas, one of the highest prices in Europe, has asked Moscow to ease terms it considers excessive and unaffordable for its debt-strapped economy. It has been steadily reducing its Russian gas intake. Last month, Gazprom said Ukraine had failed to pay for August deliveries in full. The dispute has raised concerns of a new "gas war" over prices between the two neighbours, similar to those in the winters of 2006 and 2009 which disrupted supplies to other countries in Europe.

Ukraine's agreements with the European Union on association and free trade, expected to be signed at a summit on Nov. 28, offer the former Soviet republic of 46 million people the chance of an historic westward shift away from Russia. Kremlin spokesman Dmitry Peskov told reporters on Monday that Russian President Vladimir Putin and his Ukrainian counterpart Viktor Yanukovich had met in Moscow at the weekend. "They held talks, comprehensively discussed trade and economic relations of Ukraine and Russia," Peskov said, without elaborating. Gazprom meets around a quarter of Europe's gas needs. It aims to increase gas supplies to the EU and Turkey to 152 bcm this year after they fell 7 percent to 139 bcm in 2012. Countries in central and southeastern Europe, including Italy, get virtually all of their Russian gas supplies via Ukraine.

Bulgaria not affected by Ukraine stopping to buy Russian gas

Oil and Gas Eurasia, *12.11.2013*

Bulgaria has experienced no gas supply disruptions as a result of the reported refusal of Ukraine's national oil and gas company Naftogaz to buy gas from Gazprom, the Bulgarian news agency Novinite.com said on November 11. Gogov, Chief Executive Officer of state-owned gas supplier Bulgargaz, announced on November 11 that Bulgaria had not been informed about an upcoming supply disruption on the pipeline coming from Ukraine.

Ukraine's Naftogaz was reported to have completely stopped buying gas from Russian state-owned energy giant Gazprom. "The system is managed by the Ukrainian company."

"It can stop gas supplies flowing in one or the other direction, but, judging by the documents, Ukraine's refusal to buy gas supplies should not result in a supply disruption for other consumers located to the west or northwest of its territory," Gogov explained, as cited by dnevnik.bg. "The gas flow is common, a very large quantity of gas enters from several points, but in any case the situation at hand, from what I gather from the press release, involves a refusal of Ukraine to buy Russian gas, not a refusal to carry Russian gas," he added.

He went on to say that even of there was some sort of problem, it would not be felt immediately, but in a certain amount of hours. Last week, Economy and Energy Minister Dragomir Stoynev warned that Bulgaria could be affected by escalated tensions between Russia and Ukraine over payments for gas supplies. A dispute between Ukraine and Russia caused Bulgaria to be left without gas supplies for a few days in January 2009.

Gazprom Neft lifts profit

Upstream Online, *12.11.2013*

Russia's Gazprom Neft beat analyst forecasts with a 3% year-on-year increase in third-quarter net profit. The oil-producing arm of state gas export monopoly Gazprom reported a net result of 57.5 billion roubles ($1.75 billion), compared with 55.95 billion roubles a year earlier, while a Reuters poll of analysts had expected the company to earn 52.3 billion roubles in the latest quarter.

Gazprom Neft, which has set itself the target of doubling oil production to 100 million tonnes (2 million barrels per day) by 2020 reported turnover of 402.3 billion roubles.

Quarterly earnings before interest, tax, depreciation and amortization were up 40.3% over the year to 96.1 billion roubles. Its capital expenditure in the first nine months increased 11.4% year on year, driven mainly by new project development and use of new technology to maintain production at mature fields, the company stated.

Serbia to join Russia's South Stream Pipeline Project in November

Oil and Gas Eurasia, *12.11.2013*

Serbia's prime minister said on November 11 that the construction of his country's section of the Russia-initiated South Stream gas pipeline would begin on November 24, RIA Novosti reported on November 11. Prime Minister Ivica Dacic made the announcement after meeting with Gazprom officials, including the company's chief executive.

"It is very important to begin the construction of South Stream as soon as possible," he said before the talks. The South Stream pipeline is expected to annually transport up to 63 billion cubic meters of natural gas to Central and Southern Europe along the Black Sea seabed.

The Serbian section of the pipeline will stretch to about 450 kilometers (280 miles) and cost an estimated 1.7 billion euros ($2.3 million). Gazprom is expected to pay for all construction costs related to the Serbian section. The Serbian government's press service said Monday that Russia and Serbia planned to lay pipelines to supply South Stream gas to Bosnia and Herzegovina, Macedonia and Kosovo.

IEA: U.S. to become world’s top oil producer in 2015

Bloomberg, *12.11.2013*

The United States will stride past Saudi Arabia and Russia to become the world’s top oil producer in 2015, the West’s energy agency said, bringing Washington closer to energy self-sufficiency and reducing the need for OPEC supply.

But by 2020, the oilfields of Texas and North Dakota will be past their prime and the Middle East will regain its dominance - especially as a supplier to Asia, IEA said on Tuesday. A boom in shale oil in the United States has reversed a decline in its oil output and the IEA, adviser to industrialized nations, predicted in its 2012 World Energy Outlook the U.S. would surpass Riyadh as top producer in 2017.

Introducing this year’s outlook at a news conference in London on Tuesday, IEA Chief Economist Fatih Birol said the agency now expects the re-ordering earlier. “We expect in 2015 the U.S. to be the largest oil producer in the world,” he said. “We see two chapters in the oil markets,” he told Reuters in an interview. “Up to 2020, we expect the light, tight oil to increase - I would call it a surge. And due to the increase coming from Brazil, the need for Middle East oil in the next few years will definitely be less.” “But due to the limited resource base (of U.S. tight oil), it is going to plateau and decline. After 2020 there will be a major dominance of Middle East oil.”

Oil prices would continue to rise, the IEA said, and spur development of unconventional resources such as the light, tight oil that has fueled the U.S. oil boom, oil sands in Canada, deepwater production in Brazil and natural gas liquids. The average crude import price of IEA members will climb steadily to $128 a barrel in 2012 terms by 2035 - up $3 from 2012’s outlook. The nominal price by 2035 will be $216, similar to last year's assumption. Other nations are unlikely to match the success of the United States in tapping shale, the IEA said.

While tight oil output is set to soar in the next few years, the Paris-based agency said the world was not “on the cusp of a new era of oil abundance” and repeated that investment in new supply needed to be kept up to avert any future supply crunch. By the mid-2020s, non-OPEC production will fall back and countries in the Middle East - home to core members of the Organization of the Petroleum Exporting Countries - will provide most of the increase in global supply.

Birol said it was essential that investments continue to be made in the plentiful, low-cost resources of the Middle East in order to meet growing demand from Asia. “The Middle East is and will remain the heart of the global oil industry for many years to come,” he told Reuters. “Giving the wrong signal to Middle East producers may well delay investment. If we want Middle East oil in 2020, the investments need to be made by now.” Rising U.S. tight oil production is for now helping to meet growing demand, which the IEA forecasts will reach 101 million barrels per day (bpd) in 2035, up from 86.7 million bpd in 2011 and up slightly from 99.7 million bpd expected last year.

"Shale oil is very good news for the United States and for the world. But the demand is in Asia," Birol said. "First China, and then after 2020 driven by India. Therefore we need Middle East oil for the Asian demand growth." China is due to overtake the United States as the largest oil-consuming country and Middle East oil consumption is expected to surpass that of the European Union, both around 2030, the IEA said. India is forecast to become the largest single source of global oil demand growth after 2020. The share of the United States in global energy-intensive industries - chemicals, aluminium, cement, iron, steel, paper, glass and oil refining - will increase slightly thanks to cheaper energy. By contrast, the EU and Japan will lose one third of their current share. The IEA also said that up to 10 million bpd of global oil refining capacity was at risk as global refining centres were relocating closer to Asia.

IEA: Regional gas price differences will remain beyond 2035

Bloomberg, *12.11.2013*

Gas prices will vary across regions until more flexible supply terms develop and a global market is formed to narrow the gaps, according to the IEA. For prices to converge, contracts for LNG supplies and oil-indexed pricing need to be loosened, spurred by accelerated gas-market reforms in Asia and LNG exports from North America, the Paris-based IEA said today in its World Energy Outlook 2013 report.

"Although gas price differentials have come down from the extraordinary levels seen in mid-2012, natural gas in the U.S. still trades at one-third of the import prices to Europe and one-fifth of those to Japan," the IEA said.

"While regional differences in natural gas prices narrow in our central scenario, they nonetheless remain large through to 2035." Next-month gas in the U.S. averaged $3.66 per million British thermal units in the past year on the New York Mercantile Exchange. The comparable price in the U.K. was 66.5 pence a therm, equivalent to $10.62 a million Btu, on the ICE Futures Europe exchange. LNG for delivery to Northeast Asia in four to eight weeks averaged $16.09, according to assessments by World Gas Intelligence.

While gas demand is expected to rise in Asia and the Middle East by 2035, led by a quadrupling in China, it will struggle to return to 2010 levels in the European Union amid competition from a rising share of renewables and more profitable coal in power generation, the IEA said. China and parts of Latin America and Europe could replicate U.S. success in developing unconventional gas resources "at smaller scale," the IEA said.

U.S. to ship 10-15 bcm LNG a year to Europe from 2020

Natural Gas Europe, *13.11.2013*

The United States is likely to export 10-15 bcm LNG per year to Europe from 2020, although it will ship much more to Asian markets, a report by Wood Mackenzie showed.

The discovery of vast amounts of shale gas has transformed the United States from a gas importer into a potential exporter, with its first shipments of super-cooled gas expected from the middle of this decade. The lion's share of the new U.S. exports is likely to go to Asia to take advantage of higher prices, the report said. LNG currently trades above $17 per mmbtu in Asia, compared with around $10.50 per mmbtu in Europe.

Wood Mackenzie said most European utility gas buyers see their future supply prospects as adequate already due to forecasts for weak demand growth and to the likelihood of additional gas supplies via pipelines. A number of global companies with a large LNG portfolio and a presence in Europe are nevertheless likely to ship U.S. LNG to European markets to offload spare volumes, Wood Mackenzie said.

Poland's shale program is proceeding too cautiously, says organization

Natural Gas Europe, *12.11.2013*

OPPPW voiced concerns over Eastern European country's shale gas program, saying that exploration may need up to 24 years to be completed. Kamlesh Parmar, chairman of the OPPPW, believes Poland's shale gas program is progressing too slowly. Citing the US as an example, he added that the Government is too slow in approving shale gas projects.

"Until today, 49 wells have been made in Poland, whereas in Pennsylvania thousands have been built over a few years," Parmar said to Polskie Radio. According to the estimates, Poland is the country with the largest shale gas reserves in Europe after Russia and Ukraine.

Drill rig shortage may delay Total's Caspian natural gas project

Bloomberg, *12.11.2013*

Total SA needs drilling rigs by 2017 to meet its development targets at the Caspian Sea natural-gas field of Absheron, the company's regional manager said. Europe's third-biggest energy company had to stop drilling at the field 100 kilometers (60 miles) off Azerbaijan in September last year because of a shortage of drill rigs amid increasing Caspian exploration.

"It's a bit of constraint," Christian Giudicelli, general manager of Total E&P Azerbaijan, said today in Baku, the capital. "The challenge here is that we cannot drill, therefore there is some uncertainty."

The European Union is looking to Absheron, Shah Deniz and other deposits in the Caspian to ease dependence on Russian supplies, which meet a quarter of European demand. Absheron, discovered in 2011, may contain 300 billion cubic meters of gas and 45 million metric tons of condensate, or light oil, according to State Oil Co. of Azerbaijan, or Socar. Total is the operator of the project with a 40 percent stake. Socar holds 40 percent and GDF Suez (GSZ) has 20 percent. Giudicelli said Total would need at least one rig to restart drilling at Absheron in early 2017 and start production at the end of 2020.

"Access to two rigs would be even better," he said. "We are waiting for rigs to be available for both appraisal and development." Absheron is expected to produce 3 billion cubic meters to 5 billion cubic meters of gas a year in the initial phase, he said. The shortage of drilling rigs in the Caspian led Socar to sign an agreement with Singapore-based Keppel Corp. in June to build a rig. Construction will take three years and cost more than $1 billion, Socar President Rovnaq Abdullayev said at the time.

The partners were in talks on a second rig, he said. German utility RWE AG will also need a rig to start exploration at the Nakhchivan structure in the Caspian while Socar needs more for its own Caspian developments including Umid and Babak. Giudicelli said Total, which also holds a stake in the BP Plc-led Shah Deniz project, is interested in new offshore developments in Azerbaijan's section of the Caspian Sea. "We bring a competence in deep water exploration and production," he said. "We are ready to look at any opportunity and made this known to Socar."

EU pushes for Balkan Gas Market

Natural Gas Europe, *14.11.2013*

Regional energy integration, specifically of gas markets, was the message at a recent international forum in Belgrade from the Energy Community. The Energy Community (also known as the Energy Community of South East Europe) is a community established between the European Union and nine contracting parties to extend the European Union internal energy market to South East Europe, the Black Sea region and beyond.

At the forum, a High Level Reflection Group to speed up the process was created with former Premier of Poland Jerzy Buzek appointed as head of the group.

35 Projects of Energy Community Interest (PECIs) were announced including 14 on electricity production, 9 on electricity connections, 10 natural gas projects and 2 oil related. The main criteria for each include the capacity for interlinking the fragmented Balkan market and the better operation of local regulatory framework. Thus, in terms of the natural gas market, emphasis was placed on the interconnectors between Greece-Bulgaria-Romania-Serbia. Moreover it was noted that South Stream is a project of importance since it will provide the market with more available gas, whilst it will also link the isolated markets of FYROM and Croatia and at later stages, those of Montenegro and Kosovo.

Further, the Trans-Adriatic Pipeline was noted as a high interest project, along with the Ionian Adriatic Pipeline (IAP) that will put Albania into the gas markets, and will also assist in diversifying the rest of the Western Balkans in terms of supply options. Nevertheless it was noted by delegates that as far as IAP is concerned a possible conflict between it and South Stream may be visible in the coming period, due to the relative small markets at hand and the great amounts to be delivered, especially by the latter. In that sense one can note that TAP and South Stream are two projects that could go hand in hand in the region.

South Stream aims to bypass Ukraine and deliver extra quantities of gas that are expected to be needed in the Balkans and in the EU in the coming decade due to increased consumption, while TAP is directed towards two counties not related to South Stream (Greece-Albania) and to Italy, which will likely need extra gas quantities in order to ease its dependence on unsecured Libyan gas. Lastly the use of interconnectors, including those mentioned previously, as well as plans to link Croatia, Hungary as far as Ukraine, will also add to the creation of a natural gas hub in South East Europe that will stimulate competition and help decrease prices. The overall picture in the mid and long-term is to mimic the advances of the Northern and Western European gas hubs and interlink the entire EU gas system into one single market, where security of supplies is assured, along with price stability in affordable indexes.

Gas industry needs to find new solutions, say energy leaders

Natural Gas Europe, *14.11.2013*

The gas industry has to find a way to be a valuable instrument for an efficient power transition, adapting to the current situation in order to overcome the "huge uncertainties for the future of gas in Europe."

That was the message delivered by three leaders of energy companies speaking in occasion of the European Autumn Gas Conference 2013. "The gas industry has a common interest to take advantage of its potential by reviewing its approach," Didier Sire, Head of Strategy, Regulatory Affairs, Enterprise Risk Management and Sustainable Development at GDF Suez, said on Tuesday

The industry's approach has to be based on innovation and cooperation between the industry players, said panelists. Cooperation could be a way to decrease the risks for the companies. "Uncertainties on the demand side will create new commercial relationships," explained Philippe Sauquet, President of Gas & Power at Total during the first session of the day. Despite industry concerns, Total also sees a 2% yearly increase of the world gad demand by 2030. Asia is expected to drive this trend, with liquefied natural gas seen as the fastest growing segment. At the same time, Total expects Europe to consume more gas in the next 20 years.

GDF Suez was more cautious about Europe, seeing "huge uncertainties for the future of gas in Europe." Sire said that gas is no more competitive in power generation, arguing that the collapse of the ETS system and the competition of coal added artificial stress on the gas industry. Sire showed that the price of CO_2 plunged from € 29/t in July 2008 to €5/t in October 2013. According to GDF Suez, a coal-to-gas parity is therefore difficult to achieve. It would require a CO_2 price 12 times the present one or significantly different market conditions for coal and gas. Sire said that the parity would be achieved if the gas prices were half of the present ones or, alternatively, the coal prices were twice the ones registered in autumn 2013.

The ways out to these huge strains hinge on a collaboration of politicians and gas industry, said Sire. The European Commission was clearly called to review its gas policy, while the industry was asked to adapt to the current situation. "Gas sector must also rethink its business," suggested Sire, not ruling out long-term contracts. According to him, long-term contracts still make sense, as they allow financing and developing new projects. As said by Sire, the possible approaches to overcome the current situation are two: an intervention of politicians or a rethinking of the business model of the gas companies. If a change of the industry was agreed on by all three panelists, the role of European politics was a more discussed issue. Total's Sauquet said that an intervention of politicians is needed. He claimed that gas is theoretically highly competitive in power generation.

“Gas has been made uncompetitive by regulation,” said Saquet, pointing out that the subsidies to renewables distort the market. On the other hand, Wim Groenendijk, head of the International and Regulatory Affairs department of Gasunie, said that companies have to adapt to the present situation. They have to understand how they can be a valuable addition to the energy transition. “Instead of asking what the others can do for us, the gas industry needs to consider how it can contribute to the energy system of the future,” said Groenendijk, suggesting that the gas industry has to follow the needs and the requests of the public.

Politicians and members of the civil society are entitled to ask for changes and the industry has to find a way to keep up with those requests. According to the head of the International and Regulatory Affairs department of Gasunie, companies have to find the best way to minimize costs for society and, through innovation, find new applications. Gas in transportation was given as an example. “As a gas industry we should look at ourselves first and foremost to ask what we can offer to help to bring about these structural changes that the society wants,” concluded Groenendijk.

Enel finalizes sale of SeverEnergia stake to Rosneft

Natural Gas Europe, *13.11.2013*

Italy’s Enel has completed the sale of its 19.6% stake in Russia’s SeverEnergia, announcing it gave up over its 40% stake in Arctic Russia to Rosneft. The sale of the stake in Arctic Russia, which owns 49% of the share capital of SeverEnergia, came despite resistance from other shareholders. Gennady Timchenko, co-owner of Novatek, was interested in Enel’s shares.

SeverEnergia is owned by Arctic Russia (49%) and a joint venture of Novatek and Gazprom Neft called Yamal Development, which holds 51% of the company, is considered of substantial step.

The parties announced the transaction on September 24. The agreement was signed by Fulvio Conti, CEO and General Manager of Enel, and Igor Sechin, President and Chairman of the Management Board of Rosneft. According to a note released on Wednesday, the Italian company received 1.8 billion, which will enable the Enel Group to reduce its consolidated net financial debt.

Israeli sources claim Iran nuclear drive costs $170 billion

Hürriyet Daily News (AFP), *12.11.2013*

Israeli security sources claimed Tuesday that Iran's disputed nuclear programme has cost the country $170 billion, mostly due to tough economic sanctions. The estimate came as Israel and the US were locked in a war of words over negotiations between world powers and Iran that could see sanctions relaxed in exchange for Tehran curbing or freezing parts of the nuclear programme.

Of the $170 billion price tag, $40 billion was "invested over the past 20 years in the construction and operation of nuclear infrastructure," they told Agence France Press Israeli security sources.

They said "Iran had lostt $130 billion because of sanctions put in place since 2012," including $105 million linked to the oil sector and $25 billion to banking, trade and industry, development and investment. US ambassador Dan Shapiro on Monday sought to quell Israeli fears over an emerging deal with Iran, vowing that Washington would never let Tehran acquire a nuclear weapon. President Barack Obama "will not permit Iran to acquire a nuclear weapon, period," he told delegates attending the General Assembly of the Jewish Federations of North America in Jerusalem. Western countries accuse Iran of seeking to develop an atomic weapon, a charge Tehran denies.

Diplomats have said they are closing in on an interim agreement that would freeze or curb some of Iran's nuclear activities for as long as six months in exchange for an easing of the tight sanctions on the Islamic republic, after failing to secure a deal at weekend crunch talks in Geneva. Israel's Prime Minister Benjamin Netanyahu has furiously denounced the emerging agreement as "dangerous", reaching out to world leaders and to the American public to get his point across. Officials in Israel have warned they could carry out unilateral military action to stop Iran developing nuclear weapons capability.

The Israeli sources also gave figures for the amount of money they said Iran had sent to its allies in Syria -- President Bashar al-Assad's regime in Damascus and Lebanese Shiite movement Hezbollah -- as well as to Gaza's Islamist rulers Hamas and the Gaza-based Palestinian Islamic Jihad. Up to $10 billion dollars went to Hezbollah, "hundreds of millions" to Damascus, and $1.3 to $1.8 billion to Hamas and the PIJ, they said. But they did not specify when and within what time frame this aid had been delivered.

Rosneft, BP disclose $6 billion oil supply deal

Hürriyet Daily News, *12.11.2013*

Russia's top crude oil producer Rosneft said Nov. 12 that its board had approved deals to sell oil product cargoes to BP worth over $6 billion, on top of a previous deal to sell oil worth $5.3 billion. The Russian state - owned company said in a filing that it would sell up to 3.2 million metric tons of fuel oil to BP Singapore worth as much as $2.6 billion from the Far East ports of Nakhodka or Vanino between November 2013 and December 2014 with a possibility to lift it in 2015.

Rosneft has not disclosed the timeframe for other deals, but a source familiar with the agreements, said the deliveries should be fulfilled over the next 12 or 13 months.

Rosneft will also sell up to 1.44 million metric tons of diesels to BP worth as much as $1.77 billion from the Black Sea port of Tuapse. It will sell up to 2 million metric tons of fuel oil to BP worth as much as $1.62 billion from the Baltic port of Ust-Luga and up to 60,000 metric tons of naphtha worth $65 million from Tuapse. BP raised its stake in Rosneft to nearly 20 percent as part of the Russian oil major's $55 billion takeover of TNK-BP which was completed in March. Trade sources have also told Reuters that BP was working on becoming the first oil major with a long-term deal to buy seaborne crude from Rosneft, after some trading houses this year secured large volumes.

OPEC oil embargo at 40

Today's Zaman, *10.11.2013*

Forty years ago, the United States and much of Europe learned difficult lessons about their dangerous addiction to fossil fuels. Following Israel's victory in the Yom Kippur War, the Arab members of OPEC announced an oil embargo on Israel's supporters.

Developed countries, faced with the sudden cutoff of a key energy source and a major spike in world oil prices, felt powerless. But, as it turned out, developed countries did have options for reducing their dependence on Arab oil. They just had not recognized -- or had not cared to recognize -- the need for action until OPEC had them over a barrel.

While consumers waited in long lines -- and even fought -- to fill their gas tanks, governments attempted to encourage innovative solutions by, for example, raising efficiency requirements for automobiles and certain appliances, like refrigerators. In 1977, the US created the Department of Energy (DOE); a year later, it enacted the National Energy Act, which employed tools like industrial regulation and tax incentives to promote fuel efficiency and renewable energy.

These efforts led to major improvements in energy efficiency. From 1973 to 1985, US energy consumption per dollar of GDP declined by 28 percent -- five times faster than during the previous quarter-century, according to the DOE. But the corresponding decline in demand caused the price of oil to plummet in 1986, ushering in a new era of cheap energy. This facilitated a two-decade-long economic boom, while reducing pressure on governments to sustain the momentum of progress toward greater energy efficiency.

But oil prices do not reflect the true costs of fossil-fuel consumption. Beyond the economic and human costs of wars fought to maintain reliable oil supplies are the tremendous costs -- which are set to rise substantially in the coming years -- associated with human-induced climate change. The recently released Fifth Assessment Report of the United Nations Intergovernmental Panel on Climate Change (IPCC) provides further evidence that human-induced climate change is happening. Continued greenhouse-gas emissions on the massive scale of today would have devastating consequences, including more frequent and more intense weather events.

Reversing this trend demands urgent action. As was true in the 1970s, innovation is the key to effective solutions. But, unlike 40 years ago, governments cannot be expected to drive progress. In recent years, governments have clearly demonstrated their lack of willingness to pursue the kind of bold policies and regulatory action that are needed to curb climate change. Indeed, since world leaders failed to achieve a climate-change agreement at the COP15 conference in Copenhagen in 2009, the issue has remained on the back burner, with policymakers focusing instead on containing the fallout of the global economic crisis. The recent budget gridlock in the US will only reinforce this approach. While many would welcome top-down solutions like those that emerged in the 1970s, such outcomes are unlikely in the foreseeable future.

Fortunately, there is another way. Business-led innovation and market-based solutions can drive a decisive global shift from crippling fossil-fuel dependency to more efficient renewable-energy systems. Rocky Mountain Institute’s Reinventing Fire analysis shows that such a future is possible, offering market-driven strategies for powering a US economy that is 158 percent larger in 2050 -- without reliance on oil, coal or nuclear energy. Swift and determined action to make buildings more energy-efficient, design automobiles that require little or no fossil fuels, and increase the share of renewable energy in the electricity supply could ensure that the substantially hotter and less pleasant world of 2050 that the IPCC warns against does not materialize.

Our livelihoods, not to mention those of future generations, should not be held hostage by our ongoing addiction to fossil fuels. Four decades ago, countries not only endured the immediate economic impact of the OPEC embargo; they leveraged the potential of the resulting oil shortages to spur innovation. Today, the world needs the same kind of bold action -- but this time, it is up to the market to provide it.

Libyan Berbers shut gas pipeline to Italy

Today's Zaman, *11.11.2013*

Protesters have shut Libya's gas export pipeline to Italy, its only customer, demanding more rights for the Amazigh, or Berber, minority. Although the closure on Monday of the Greenstream pipeline will take several hours to register at the other end, it adds to Italy's energy headaches after Ukraine halted gas imports from Russia, which could also impact supplies. Italy depends heavily on Russian gas.

Amazigh protesters last month seized the port at the Mellitah complex, some 100 km west of Tripoli, and have already shut down oil exports from there. The port is operated by Libya's National Oil Corp and Italian energy company Eni.

"We tried to convince them not to close the pipeline, but it's closed now," Munir Abu Saud, head of the local oil workers' union, told Reuters. "Sadly, it's true," said a senior official at the Libyan oil ministry. Tripoli has seen its authority crumbling over its restive regions and fears an exodus of foreign oil companies and investment. The Amazigh minority in September shut a pipeline feeding gas from Eni's Wafa field to export facilities at Mellitah. Although this squeezed exports, much of the gas Libya sends to Italy comes from offshore fields. Gas flows on Greenstream were at 15.9 million cubic meters on Monday - for now the same amount requested by operators, data from gas grid operator Snam showed.

"At the moment we do not see supply problems for Italy," said Eni, the biggest oil and gas operator in Libya, in an email response. Exports from Africa's fourth-largest gas reserve holder to Italy have fallen since last year as production rates lag pre-civil war levels. Libya's 9.9 billion cubic meter/year Greenstream can meet up to 12.2 percent of Italy's annual gas demand, although last year it accounted for just nine percent of imports, a share that has continued to drop this year. Italy is 90.4 percent dependent on imports for its gas needs, with a clear majority coming from Russia - of 31 percent in 2012, though that share has likely grown this year.

A spokesman for the protesters camped out at the Mellitah complex said they had ordered the closure because Libya's parliament and the government had not met their demands by Sunday. "This time it is for real because the General National Congress did not meet our demands," the spokesman said. The Amazigh protesters want their language guaranteed under Libya's planned new constitution and a bigger say in a committee to be elected to draft the constitution. The GNC debated the issue on Sunday but has not yet found a solution, said GNC Spokesman Omar Humeidan.

Two years on from the 2011 overthrow of Libyan leader Muammar Gaddafi the country remains beset by violence, strikes and protests over political rights, jobs, and how its oil wealth is to be shared. Most ports in eastern Libya are shut though the government had managed to end blockages of western ports in September.

Announcements & Reports

► EMRA Natural Gas Market Report 2012

Source : Energy Market Regulatory Authority
Weblink : http://epdk.gov.tr/documents/dogalgaz/rapor_yayin/Ddp_yayin_rapor_2012.pdf

► IEA World Energy Outlook 2013

Source : International Energy Agency
Weblink : http://www.iea.org/W/bookshop/add.aspx?id=455

► OPEC World Oil Outlook 2013

Source : Organization of the Petroleum Exporting Countries
Weblink : http://www.opec.org/opec_web/static_files_project/media/downloads/publications/WOO_2013.pdf

► IEA Oil Market Report (Nov 2013)

Source : International Energy Agency
Weblink : http://omrpublic.iea.org/

► CO2 Emissions from Fuel Combustion Highlights 2013

Source : International Energy Agency
Weblink : http://www.iea.org/publications/freepublications/publication/CO2EmissionsFromFuelCombustionHighlights2013.pdf

► Wind Energy 2013

Source : International Energy Agency
Weblink : http://www.iea.org/publications/freepublications/publication/Wind_2013_Roadmap.pdf

► EIA Short Term Energy Outlook Market Prices and Uncertainty Report

Source : Energy Information Administration
Weblink : http://www.eia.gov/forecasts/steo/pdf/uncertainty.pdf

► EIA Drilling Productivity Report

Source : Energy Information Administration
Weblink : http://www.eia.gov/petroleum/drilling/pdf/dpr-full.pdf

Upcoming Events

► SAOGE 2013

Date : 25 – 27 November 2013
Place : Dammam – Saudi Arabia
Website : http://www.saoge.org/

► Shale Gas Europe

Date : 27 – 28 November 2013
Place : Abu Dhabi – UAE
Website : http://www.terrapinn.com/template/live/documents.aspx?e=6082&d=12251&utm_source=NGFE&utm_medium=banner&utm_campaign=op

► MENA Shale 2013 Unconventional Gas Strategy for the New Era

Date : 10 – 11 December 2013
Place : Abu Dhabi – UAE
Website : http://www.europetro.com/en/menashale2013

► 4th Basra Oil and Gas International Conference & Exhibition

Date : 5 – 8 December 2013
Place : Basra – Iraq
Website : http://www.basraoilgas.com/

► 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

► CIPPE 2014

Date : 19 – 21 March 2014
Place : Beijing – China
Website : http://www.cippe.com.cn/2014/en/

► Unconventional Gas Aberdeen 2014

Date : 25 – 26 March 2014
Place : Aberdeen – UK
Website : http://www.unconventionalgasaberdeen.com/

► *8th Atyrau Regional Petroleum Technology Conference*

Date : 1 – 2 April 2014
Place : Atyrau – Kazakhstan
Website : http://www.oiltech-atyrau.com/

► *TUROGE 2014*

Date : 9 – 10 April 2014
Place : Ankara – Turkey
Website : http://www.turoge.com/