# Oil & Gas Bulletin

▸ *21.08.2015*

## Turkey reportedly interested in 20% stake in TAP

Natural Gas Europe, *17.08.2015*


**Turkey is reportedly mulling an investment in Trans-Adriatic Pipeline (TAP), eyeing Statoil's 20% stake in the final pipeline of the project connecting Azerbaijan with Italy. According to Azerbaijan-headquartered Trend, TAP could become Turkey's priority given Ankara's current frictions with Moscow. Currently, BP (20%), SOCAR (20%), Statoil (20%), Fluxys (19%), Enagás (16%) and Axpo (5%) are the partners.**

**Snam's CEO Carlo Malacarne confirmed that there are TAP's stakeholders willing to sell their shares to the Italian company, adding that a 20% interest would cost around 400 million euros.**

Also experts said in Brussels that there is room for cooperation between Turkey and the European Union, but opportunities might easily fade away in the event of a sustained low-trust environment, where a weak engagement strategy and slow decision processes might reduce the scope for the Southern Gas Corridor (SGC). LUKoil signed a deal for a syndicated loan worth $1 billion with the Asian Development Bank (ADB) and the European Bank for Reconstruction and Development (EBRD), with the participation of the Black Sea Trade and Development Bank (BSTDB).

## Weakness of Turkish lira pushes gas bill up

Natural Gas Europe, *19.08.2015*

**Despite its advantageous geographic situation and declarations of interest from several gas-rich countries, Turkey's energy security remains at risk, also in relation to recent Forex movements. According to Energy Minister Taner Yildiz, the weakness of the Turkish lira came along with an additional $3.8 billion to Turkey's natural gas bill in the last 8 months. Turkey is negotiating stronger ties with Russia, Israel and Iran.**

**Energy Minister Yildiz added there had been an 8% drop in Russian gas sales to Turkey in the last 5-6 months, Reuters reported.**

Yildiz claimed he had sent a draft inter-governmental agreement to Russia on the proposed Turkish Stream project, but he had not received any answer yet. On the other hand, UPI wrote that the Kremlin has not received proposals from Turkey on the proposed natural gas pipeline. Meanwhile, amid a strong focus on gas matters, Israeli newspapers said that Tel Aviv could be interested in selling gas to Ankara. Teheran also expressed its resolve to find a solution to the current gas dispute between Iran and Turkey. Iran's Deputy Oil Minister Amirhossein Zamani-Nia recently said that sanctions relief is set to open new opportunities. He added that Turkey could increase its gas imports from Iran.

Moreover, Turkey was reported to be mulling investments in the Trans-Adriatic Pipeline (TAP), eyeing Statoil's 20% stake in the final pipeline of the project connecting Azerbaijan with Italy. Finally, on Sunday, the United States informed the Turkish government that 'the U.S. deployment of Patriot air and missile defense units in Turkey which expires in October will not be renewed beyond the end of the current rotation.'

# Greek Minister: Turkish stream will guarantee energy security for Europe

Sputnik, *20.08.2015*

**The extension of Russia's Turkish Stream gas pipeline to Greece will ensure energy security for Europe, Greek Energy Minister Panos Skourletis told Sputnik.**

**"This project is of special importance as it is designed to guarantee the energy security of Europe, which needs to be based on diversification of energy supply roads," Skourletis said. Russia and Greece signed a memorandum on extending the planned Turkish Stream pipeline."I cannot be precise about the chronology of the project's implementation, as the construction of pipeline includes not exclusively Russia and Greece, other countries as well, where the pipeline passes.**

Relevant discussions should take place there as well. But I would say that we should move towards the quickest possible action," the minister told Sputnik. Skourletis added that Greek support of different energy projects "is not a question of competitiveness." "We want our country to become an energy hub, which would mean it will ease diversification, both through pipelines or by transporting energy resources by other means," the minister stressed. At the moment Greece seeks to support the realization of two large international gas pipelines. The 2,170-mile Trans Adriatic Pipeline will transport Azerbaijan's natural gas to Europe and the Turkish Stream Pipeline, with an annual capacity of 63 billion cubic meters, will run from Russia to Turkey beneath the Black Sea, with an extension continuing through Greek territory.

The establishment of a Russian-Greek interstate commission confirms Athens' wish to deepen its relations with Moscow, Panos Skourletis said. "At the present situation the Greek government has and wants to have close relations with Russia. The fact that there is an interstate commission on the ministry level, which studies a range of cooperation issues between the two countries confirms the wish of the Greek government to deepen the relations," Skourletis said. "We should continue with the promotion of good relations and increased cooperation between the two countries," he added.

# Kremlin: No word yet on Turkish gas pipeline

UPI, *19.08.2015*

**A source close to Russian energy ministry discussions told state media there are no proposals in the Kremlin from Turkey on a proposed natural gas pipeline.**

**A representative in the Russian Energy Ministry told state news agency ITAR-Tass the Kremlin has sent two offers to the Turkish government for consideration on a pipeline project dubbed Turkish Stream. Similar sources said there is still no word on the project from Turkish government. Russia, was ready for a "phased implementation" of project. Turkish government said Russian planners hadn't come forward with route coordinates for the pipeline through the country.**

The project can't move forward without them, the Turkish energy ministry said. Russian Energy Minister Alexander Novak said last month a decision on at least one of the legs of the planned pipeline was expected "within a week or two." Turkey aims to exploit its geographical position to serve as an energy bridge for oil and natural gas supplies running from Eastern economies to Europe. A rival project from natural gas fields off the coast of Azerbaijan would run through Turkish networks to Europe. Turkey is the second-largest consumer of Russian natural gas. South Stream, a longer version of the Russian pipeline through Turkey, was envisioned as a European network before the Kremlin pulled it off the table in late 2014. European leaders in the past have put pressure on Russian energy company Gazprom, saying it holds a monopoly over supplies and transit arteries.

# Gas storage facility in Turkey to come online by 2019

Anadolu Agency, *20.08.2015*

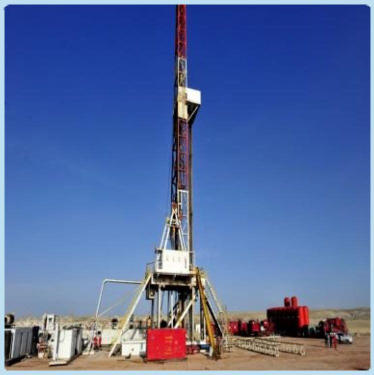
**The gas storage facility under Lake Tuz in Central Anatolia will become fully operational by 2019, according to sources from the Energy Ministry. Some 65 percent of the construction activities have already been completed and the first part of the project, which is composed of six storage units, will be opened by 2017, according to officials.**

**In the framework of the project, all expropriation works, fresh water supply and discharging pipeline construction and electricity transmission lines mounting have already been completed. Three pumping stations and five water deposits were also built, the ministry officials said.**

The project will be composed of 12 wells with the capacity of 1 billion cubic meters (bcm) of gas storage, and the drilling activities are being made for the last well. The capacity of the facility is planned to be increased in the coming years. The drilling of the first of the project's 12 wells began in 2012. From each well, a total of 40 million cubic meters of gas can be pumped into the country's gas network on a daily basis. The project was financed through an international loan agreement at $325,000, which was inked between the World Bank and Turkey's gas grid BOTAŞ in 2006, and an additional financing loan deal at $400,000, which was signed in 2014. Germany has the largest gas storage capacity in Europe, followed by Britain, Italy, the Netherlands, Ukraine and France. According to data from the Gas Infrastructure of Europe (GIE), around 25 bcm of gas storage capacity will come online in the next decade across Europe. Some 4 percent of this new capacity will be supplied through the Lake Tuz facility.

# Turkey’s salt formation gas storage to open in 2017

Anadolu Agency, *20.08.2015*



**Energy hungry Turkey aims at increasing investment in gas storage in order to improve its energy security. A salt formation gas storage facility beneath a salt lake in central Anatolia will open in 2017 as an important step to improve the country’s energy security, according to a statement from Turkey’s energy ministry.**

**Petroleum Pipeline Corporation (BOTAS) is still constructing the storage facility which commenced in 2011, and which expects to be fully operational by 2019. The facility will have a capacity of nearly 1 billion cubic meters in 12 separate stores, six of which will be ready in 2017.**

The project, of which 60 percent has been completed, will cost over $340 million. Underground salt caverns are very effective for natural gas storage and have been widely used in European countries as salt formations act as secure storage preventing gas leakages. Developing gas storage capacity will help to cope with sudden peaks in demand especially in harsh weather conditions while guaranteeing gas supplies in the market even under unforeseen circumstances like cuts or delays in gas imports. In Ernst & Young’s recently published report, recommendations were made for Turkey to take the necessary measures to develop storage systems in order to attract investors to its gas sector.  Turkey has two other operational gas storages with a total capacity of 4.1 billion cubic meters, according to Gas Infrastructure Europe (GIE) and plans to add one other in the province of Mersin in southern Turkey. Germany is leading the sector and Europe’s gas storage capacity including that of Turkey’s ongoing Salt Lake project, is expected to exceed 25 billion cubic meters in next decade. Turkey imports around 98 percent of its natural gas mainly from Russia and Iran.

# Israel government approves major offshore gas deal

AFP, *17.08.2015*

**The Israeli government approved a major deal with a consortium including US firm Noble Energy on natural offshore gas production in the Mediterranean, the PM's office said. The agreement is expected to face a parliamentary vote, aims to end months of uncertainty and set a framework for the exploitation of gas discoveries.**

**It is expected to raise major new government revenues and could provide Israel with strategic leverage in region if it becomes a gas exporter. "This money will benefit education, health, social welfare and other national needs," PM Netanyahu said ahead of the cabinet vote, which passed 17-1.**

Noble and locally based firm Delek have since 2013 produced gas from the Tamar field off the Israeli coast. They have also teamed up to develop the offshore Leviathan field, considered to be the largest in the Mediterranean. The agreement stipulates that Delek sells its 31 percent share of Tamar within six years, and Noble decrease its holdings there from 36 to 25 percent to no longer be the largest shareholder. It also contains amendments to an earlier version, such as linking the price of gas to an energy index, which is meant to lower costs for consumers. The consortium committed to invest $1.5 billion to develop the Leviathan field over the next two years.

Israel has agreed not to change fiscal and regulatory rules related to the gas industry for a decade as long as the consortium abides by its commitments. The talks have been controversial, with many fearing the deal would overly favour the companies involved. The agreement notes that Israel's anti-trust authority objects to it on the grounds that it does not allow for sufficient competition. To circumvent that obstacle, Netanyahu's inner cabinet declared gas production to be linked to national security, thus allowing the government to override laws related to monopolies. Netanyahu has pushed hard to speed up gas production in the Mediterranean, drawing criticism from political opponents who accuse him of not ensuring sufficient benefits for the public in the negotiations. "The true interests of the state of Israel require the approval of this outline as quickly as possible," he said while declaring he was "not impressed by populism".

Dov Khenin, a lawmaker from the Joint List, was one of the opposition members to speak out against the agreement, listing a series of reasons why it was tantamount to a "concession agreement" to Noble and Delek. Khenin noted the lack of a mechanism to control gas prices, which would enable them to rise. He also said the government agreed to put off the deadline to developing Leviathan until 2020, and pointed out that Israel was not insisting on another pipeline to lead the gas from Tamar being installed, as many had hoped would be the case.

# Israeli cabinet approves natural gas agreement

Natural Gas Europe, *16.08.2015*

**Israel's Cabinet has approved a regulatory framework that will allow the continuation of development of natural gas fields in it exclusive economic zone. PM Netanyahu hailed the decision saying it would "will put into the state coffers, hundreds of billions of shekels," which would benefit education, health, social welfare. Netanyahu said the increased gas flow will also lower consumer prices by providing cheaper energy for electricity and manufacturing.**

**The approval follows the signing of an agreement between Israel and Noble Energy and Delek Group for the development of the Leviathan gas field.**

US-based Noble and Israel's Delek have been producing gas from the Tamar field off the coast of Israel since 2013. As anticipated by Natural Gas Europe, the deal allows the two companies to keep ownership of the largest offshore field, Leviathan, while forcing them to sell off other assets. Delek Group will have to divest its holdings in the Tamar, Karish and Tanin gas fields within six years; Noble Energy will have to gradually reduce its stake in Tamar to no more than 25% within that same time frame. During these six years, prices for natural gas will be regulated. The vote in Cabinet saw the opposition of a Environmental Protection Minister Avi Gabbay, while three other ministers refrained from voting due to conflict of interests. The deal still requires the approval of Israel's legislature Knesset, where debate will be focused on the about the price of gas for domestic consumers and the facilitation of competition. Isaac Herzog, leader of opposition in legislature criticized the deal, commenting on Facebook that: "A government headed by me would decide on a gas deal that's fair and decent for Israeli citizens that includes price controls and represents the real concerns for the future of the State of Israel."

# Iran sees high gas output, increase in usage growth

Natural Gas Europe, *17.08.2015*

**While Iran is preparing to boost its raw gas production capacity from the current 700 million cubic meters per day (mcm/d) to 1,100 mcm/d by 2018, the country's plans indicate a new wave of gas consumption growth in coming years, a fact that casts a shadow on its export might.**

**During recent weeks Iranian officials announced a $4.8 billion fund for gasification of more than 3 million households as well as $1.2 billion budget to connect 19,000 industrial units to national gas network by 2018. Currently, over 19 million households and 73,000 industrial units reach natural gas fuel in Iran.**

Regarding the fact that Iran's total refined gas consumption stands at 174 billion cubic meters (bcm) while housing and industrial sectors consumed 91 bcm/d and 34 bcm during the last year, then these sectors share more than 70 percent of Iran's total refined gas consumption. As a result, increasing gasified households and industrial consumers by 16 percent and 26 percent would lead to a surge in gas consumption growth. On the other hand, currently Iran supplies the petrochemical units with 35 mcm/d of gas to produce about 45 million tons of petrochemical products annually, but Iran has projects worth $70 billion to increase this volume to 120 million tons by 2020 and 180 million tons by 2025, which will lead to more gas consumption growth. The country's power sector also consumes about 50 bcm per annum (bcm/d) of refined gas, while some 20 bcm/a in gas is needed to curb burning liquid fuels (about 19.5 billion liters of diesel and fuel oil) there. The country's power generation growth pace is also very high. For instance, Iran added 2.87 gigawatt (GW) to its power generation capacity during last year, while for the current fiscal year it's expected that power production level will increase by 2.5 GW to about 75.6 GW.

As statistics indicate, over the past several years, Iran has increased power generation significantly. For comparison - Iran's power generation capacity was 56.5 GW in 2010, while this figure in 2004 was only 38 GW. As the official statistics indicate, Iran's power generation capacity doubled during the last decade. Therefore, it is expected the country's power plants would need gas fuel increasingly in coming years. The consumption growth pace is not limited only in the mentioned sectors. About 80 percent of Iran's active oil fields are in their second half-life and Iran re-injects about 34 bcm/a of raw gas into these fields to slow the production decline pace, but this figure is not enough and Iran needs to double this figure as soon as possible.

The facts mentioned above indicate that Iran will not become an important gas supplier in international markets at least in the mid-term because of huge shortages and demand growth for natural gas. However, Iran can attempt to halve its energy intensity. Iranian Energy Conservation Company CEO Nosratollah Seifi announced on August 17th that the country has lost the chance to lower energy intensity by 19 percent during the years 2010 to 2014. According to a national plan, Iran is scheduled to lower its energy intensity by 50 percent by the year 2021. From 2009 to 2014, Iran lost 3,600 million barrels of oil equivalent energy, he said. Energy intensity is a measure of the energy efficiency of a nation’s economy. It is calculated as units of energy per unit of GDP.  Energy intensity in Iran is two times more than the global average, according to the World Bank’s estimations. Iran consumes about 2 billion barrels of oil equivalent primary energy annually, while natural gas shares 72 percent in this volume.  Seifi further said that for a GDP of 6 percent, Iran must reduce energy intensity by five billion barrels of oil equivalent by 2021. He noted that doing so will require $192 billion investment and will reduce the emission of 1,800 million metric tons of carbon equivalent. Renovating the Tehran subway, launching subways for eight big cities of Iran, discarding 400 thousand old gasoline-powered motorbikes and replacing them with the same number of electric bikes are among plans to reduce energy intensity in Iran. Iran, with 34 trillion cubic meters of gas, as well as 158 billion barrels of oil reserves, ranks second and forth as primary energy holder in the world, but due to huge consumption rates, it is suffering from energy shortage.

# TAP’s Managing Director: Iran not to join project

News.Az, *19.08.2015*

**No discussion was conducted on Iran’s joining to Trans Adriatic Pipeline (TAP) and no proposal was put forward in this regard.**

**TAP’s Managing Director Bradshaw told the aforesaid, APA reports quoting Anadolu agency. According to him, this project, which is part of the Southern Gas Corridor, is of strategic importance for the European market. Director said that the project offers new natural gas reserves to the region and thus increases energy security”The project plans to deliver 10 billion cubic metres of gas per year to Europe, and possibly double that in the long-term future.**

Therefore, additional compressor modules and stations will be built. Moreover, the project will ensure gas transport in the opposite direction. Thus, these opportunities will be evaluated in case of excessive increase in urgent need and demand. In particular, there are many countries in South-East European region which will be able to benefit from the Southern Gas Corridor and TAP”, I.Bradshaw stressed.

Ian Bradshaw noted that the project would be completed in Italy, connecting pipelines offer many opportunities in gas transmission to Switzerland, Austria, France, Germany, Belgium and the UK and he said that Shahdeniz-2 gas would play an important role in supplying Bulgaria and Greece. Bradshaw also touched on the issue of transporting Iranian gas to Europe via TAP. “TAP envisages only transportation of Azerbaijani gas to Italy through Greece and Albania. TAP is not competing with other gas pipeline projects in the region. We didn’t have any contact with Iran or propose the country to join the project. TAP is acting in accordance with EU legislation and related sanctions. Thus, the project has always been open to all companies that could bring strategic value to it,” he said.

# Iranian gas delivery to EU via Azerbaijan easier than direct export

Azer News, *18.08.2015*

**An Iranian official says the Islamic Republic and Azerbaijan have been talking on transiting gas to Europe. Azerbaijani and Iranian officials have discussed in Tehran ways to export Iran’s gas to Europe via Azerbaijan, the Fars news agency quoted an unnamed official as saying.**

**Recently an Azerbaijani delegation headed by Economy and Industry Minister Mustafayev traveled to Iran and met with Iranian top officials. “Azerbaijani delegation offered their Iranian counterparts to cooperate in the gas export to Europe via Azerbaijan, as Iran’s involvement will leave no concern in terms of providing Europe with gas,” the source said.**

According to the report, the two parties stressed that the Iranian gas export to Europe through Azerbaijan is easier than its direct export to the West. The head of Azerbaijan’s state oil company SOCAR, Rovnag Abdullayev said in April that Iran is interested in purchasing a stake in the Trans-Anatolian Natural Gas Pipeline (TANAP). He said SOCAR stands ready to consider the offers for the sale of a part of its share in TANAP.

During Mustafayev’s visit Azerbaijan offered Iran to use its infrastructure for exports of oil and gas to world markets. Mustafayev said that Iran could in the future join TANAP. Azerbaijan also invited Iran to use its gas storage facilities to keep gas and use it during the period when consumption grows. Iran was also offered to cooperate in oil and gas engineering, and joint production of oil and gas equipment. Iran plans to increase the raw gas output from the current 700 million cubic meters per day (mcm/d) to 1,100 mcm/d in 2018. With its 34 trillion cubic meters of conventional gas reserves, Iran ranks first in the world.

# European Investment Bank may fund €2 billion for TAP project

ABC.AZ, *17.08.2015*

**The EIP is considering a possibility to finance the project of TAP construction for delivery of Azerbaijani gas to Europe. The Bank reports that the EIB could give €2 bn for this project.**

**"TAP project has been included to the EC's list of 33 priority energy security Projects of Common Interest. The EC in its positive decision to grant exemption to the pipeline from third party access highlighted the "overall positive impact for the EU of this investment as it is responding directly to the Security of Supply objective of diversification of gas sources, routes and counterparties," the Bank said in a statement.**

TAP pipeline with total length of about 870 km will be connected with TANAP on the Turkish-Greek border and will run through Greece, Albania, the Adriatic Sea and further to the south of Italy. The start of the pipe construction is scheduled for May 2016. The initial capacity of TAP will be 10 bn cu m a year with possible expansion of up to 20 bn cu m. The first gas within the framework of project Shah Deniz 2 will be carried to Europe via TAP in 2020. The TAP shareholders are: BP – 20%, SOCAR – 20%, Statoil – 20%, Fluxys – 19%, Enagás – 16%, Axpo – 5%.

# Greece balances its natural gas policy

Natural Gas Europe, *17.08.2015*

**A recent reshuffling within the Greek government of several key Ministries led to the appointment of Panagiotis Skourletis as Minister of Productive Reconstruction, Environment and Energy. Minister Skourletis replaced Panagiotis Lafazanis who is now teamed up with several SYRIZA party figures against the party line of Prime Minister AlexisTsipras to achieve a new bail out agreement with the country's creditors.**

**As a result, a stabilisation of cabinet priorities is now taking place with regards to Athens' natural gas strategy with an even focus on Moscow and Baku.**

The previous Minister was widely criticized for an over-reliance on Gazprom, based on beliefs stemming from swift Turkish Stream plans and its Greek Stream offshoot, which aims to devliver gas to Italy. One of the first initiatives of the new Minister was to arrange a meeting with top-level SOCAR official, Anar Mammadov, who is responsible for ongoing projects in Greece. The meeting concluded with the full support of Athens in the impending privatisation of the Greek transmission company DESFA. For the time being the deal has been blocked by the EC's Directorate-General for Competition and it is probable that SOCAR will team up with an EU firm in order to buy 49% and an additional 17% in shares to be acquired by a company such as Fluxys. In all terms Skourletis promised that he will prioritize this agreement during his Ministerial term. Furthermore, Skourletis met with a representation of the Trans-Adriatic Pipeline (TAP) Consortium in Athens, which included Greek Country director Ian Bradshaw, Rikard Skoufias and Director for External Affairs Michael Hoffmann. All sides confirmed their will to proceed as soon as possible with the establishment of the pipeline route and there was a detailed conversation on how to deal with several technical aspects. The Greek side also made a promise to prioritize this project and arrange consecutive meetings between all sides to speed up the process. This is a significant change from the previous administration that requested transfer fees to be paid along with extra infrastructure costs to be made. It's look as thought Athens is fully determined to have the pipeline running by 2019 as prescribed in the Consortium's original business plan.

Minister Skourletis also communicated with Russian Energy Minister Alexander Novak to discuss and re-affirm agreements on both sides for the Greek Stream project. They discussed technicalities such as investment volume, timetable and favoured routes within the country. It was also agreed upon to keep up with joint working groups that will bilaterally set up a conclusive intergovernmental agreement. It is important to note that in order to get a go-ahead for the project, they would have to wait until Turkish Stream is constructed as it will serve as an offshoot. For the moment, Minister Skourletis has guaranteed that in early November 2015 Greek and Russian Energy Ministry representatives will meet in Athens to lay down the prospects of this project, along with a broader range of issues between the two sides, such as extension of a long-term contract with Gazprom, possible price reductions, inclusion of Gazprom in Greek LNG projects and a proliferation of gas used for transportation. The Greek gas market is on the cusp of a significant shift as Minister Skourletis has vowed to implement full liberalization by early 2018, which is estimated to lead to considerable price reductions both for high-volume consumers and households alike. Together with multiple low and mid-level infrastructure projects and strategic projects such as TAP and Greek Stream, the coming decade should witness a steady growth in gas consumption in the country. Athens-based research institutes such as IENE have concluded that by 2025 Greece could consume 8-9 bcm per year, which would be the second largest in the Balkans. Most importantly, a liberalized market would enable projects such as LNG exporting and LNG fuel supply vessel projects to develop, thus making the country not only a consumer market but also a transit hub for international markets.

# Bulgaria gears up for exploration on black sea shelf

Natural Gas Europe, *17.08.2015*

**Bulgaria is gearing up for exploration on the Black Sea shelf, with Prime Minister Boyko Borissov claiming that if the previous government had not been ousted, operations would had already started. "We will start oil and gas explorations in the Black Sea shelf in February" Borisov said.**

**Similarly, on Monday, France-based Total told Reuters it was on track to start drilling for oil and gas at an exploration site off Bulgaria's Black Sea coast early next year. "We are currently under preparation and we expect to begin in early 2016," Xavier Faugeras, general manager of Total's Bulgaria division, commented.**

From the government's perspective, the announcement can be explained in two ways. First, Sofia is willing to follow in Romania's footsteps - Bucharest cut its gas imports by 61% in 2014, according to data prepared by the Institutul National de Statistica and BP. Second, Borisov knows well that Europe could soon approach turbulent times, and that a political stability would be required for any major projects like explorations in the Black Sea.

# Bulgaria 'never gave up building South Stream'

Sofia News Agency, *19.08.2015*


**Bulgaria didn't quit the South Stream gas pipeline project, Energy Minister Temenuzhka Petkova has said. Petkova is quoted by Focus News Agency as telling reporters that Sofia always perceived South Stream to be "a very important project", but it had to be realized in compliance with European law.**

**Russian President Vladimir Putin had pointed out that it was Bulgaria, and not Russia, that withdrew from the pipeline project. Putin announced the end of South Stream in December 2014, citing Bulgaria's reluctance to issue construction permits for the offshore section.**

Sofia refused to unblock construction after Brussels said it was launching an infringement procedure over South Stream's incompatibility with the so-called Third Energy Package.

# Albanian minister: South-east Europe needs comprehensive energy security concept

Trend News Agency, *20.08.2015*

**The fact that the EU is currently focusing on the consolidation of the European energy market and sees SEE countries as important partners in this process, is certainly a further step in the right direction, Ditmir Bushati, minister of foreign affairs for Albania and member of European Council on Foreign Relations said in an article for ECFR.**

**"On 20th July the Council of EU welcomed the EU Energy Diplomacy Action Plan proposed jointly by the High Representative and the Commission. This Action Plan seeks to initiate new synergies with EU partners and facilitate diversification of energy connections" minister said.**

The Council Conclusions on EU Energy Diplomacy rightly point out that "diplomatic support should focus on the Southern Gas Corridor and the strategic potential of the Eastern-Mediterranean region", the article said. Trans Adriatic Pipeline (TAP), according to Bushati, currently remains the only tangible project of the wider South Corridor. "TAP's first stage of construction started only few weeks ago in Albania and with its completion the country will be in a position to become an energy hub, enabling the supply of neighboring countries through the much needed Ionian Adriatic Pipeline (IAP), a missing piece in south-east Europe's energy security toolkit," Bushati said in the article. These pipelines, minister said, will considerably diversify South-east Europe's energy supply whilst helping to avoid high prices and unpleasant events such as the epic standoffs Eastern Europe has been witnessing over the past decade. He believes that in order to increase energy security in the region make better use of the existing energy potentials is needed. "To put it differently, what is desperately needed at this point is to connect the energy islands in this corner of Europe, he said. Better energy connectivity will allow the countries of the region to integrate over longer distances and enhance their capability to face the supply shocks." Yet the existing projects of interconnection are not enough to get towards a favorable Energy-Security nexus in south-east Europe, according to Bushati.

"In a challenging geopolitical landscape, it is high time for the EU to elaborate a bold and comprehensive energy security concept for south-east Europe. This will help to ensure a good investment climate for European companies in the region and bring back healthy competition against corruptive practices that usually tend to favor the involvement of third actors," Bushati said.

# Gazprom's colossal deal with China is already looking like a terrible move for Russia

Business Insider, *17.08.2015*

**There was a lot of excitement in industry when the Russian energy giant Gazprom announced a mammoth $400 billion (£256 billion), 30-year export deal to China, but the agreement is now coming under extreme pressure on numerous fronts.**

**Morgan Stanley analysts suggested that construction of necessary pipeline would be delayed by at least six months, taking the initial exports to mid-2019 at the earliest. The initial deal had talked about beginning supplies as early as 2018. According to a recent Interfax report, this contract was only activated. This means that exports from Russia can begin no earlier than in May 2019.**

The final deadline for the project coming on line is now May 2021. At the same time, in late July, China reportedly suspended a second pipeline, this one planned to pump 30 bcm per year from Western Siberian gas fields to China's northern-western Xinjiang region. It's not the first problem that's been noted for the Gazprom deal. Last week, a Financial Times report noted that the deal offered Gazprom, which is majority-owned by the Russian government, no protection against a prolonged period of lower oil prices. According to analysts the FT spoke with, at current oil prices the project is unprofitable or even loss-making for Gazprom. In May 2014, Brent Crude was sitting at well over $100 a barrel, but it began to decline almost immediately after the agreement was reached.

A report from AFP noted that this wasn't the first major challenge for Gazprom in recent years — it has lost about five-sixths of its market value since before the financial crisis. What's more, EU and US sanctions against Russia have made the company's efforts to export to Asia more difficult. Here's a snippet from AFP: Western sanctions imposed on Moscow over the Ukraine crisis have undermined Gazprom's attempts to turn away from Europe, its traditional market. Washington's ban on technology transfers to Russia for certain energy projects, including Gazprom's Yuzhnoye Kirinskoye field in the far eastern Okhotsk Sea, is stifling Moscow's ambitions on the Asian market. The combination of delays and sanctions, and selling a product that has plunged in value, are all bad news for Gazprom — and by extension, for the Kremlin.

# Russia used to have a powerful weapon in its energy sector. Not anymore.

The Washinghton Post, *10.08.2015*


**For years, Russia's ability to choke off energy shipments any time tensions spiked with the West was a potent threat, one that could force much of Europe to shiver during the wintertime. But with energy prices swooning, the Kremlin's pipeline politics are looking a lot less threatening.**

**Gazprom has long been accused of working as the Kremlin's bludgeon, has seen demand for its natural gas drop to the lowest level in its post-Soviet history. Nations that were once fully dependent on its gas have other options. Company must decide whether to contest an antitrust case that could force it to give up its hardball tactics in Europe for good.**

Gazprom's new weakness has empowered the West to push Russia hard for its role in stoking conflict in Ukraine without fretting about the consequences of a vengeful gas cutoff in return. With the Iran nuclear deal likely to send a wave of Persian oil and gas to Europe, Gazprom may soon lose even more leverage. It is a stark reversal for a company that twice cut winter gas flows to Europe in the past decade during moments of political disputes with Ukraine. Eastern Europe took the collateral damage and had to turn down thermostats for days because of dwindling supplies of crucial natural gas for heating that normally flow through Ukraine's pthirdipelines. "Gazprom is in a very precarious position," said Mikhail Krutikhin, an energy analyst at the Moscow-based RusEnergy consulting firm. The company is flailing for cash — and it no longer has a captive market to fill its coffers. By now, Gazprom was supposed to have been the biggest publicly traded company in the world. That was what Chairman Alexey Miller boasted to a French news agency in 2008, when he said that it would be worth $1 trillion by the middle of this decade. Instead, it has shriveled to a seventh of its 2008 market valuation. In Western Europe, it has even been surpassed as a supplier by Norway, a Nordic rival with a far less expansionist agenda. The newly sour prospects are yet another consequence of a sharp decline in energy prices that has upended alliances and assumptions from Caracas to Tokyo. But a host of challenges have conspired against Gazprom all at once.

Even during the Soviet era, Europe bought much of its natural gas from its energy-rich neighbor to the east. The Soviet Union collapsed, but the old arteries of its energy network remained, keeping Eastern Europe deeply dependent on Russia for the crucial fuel. Balkan countries are almost completely dependent on Russia for natural gas, as are Hungary and the Baltics. Overall, Russia still supplies Europe with about a third of its natural gas. But after Russian cutoffs in 2006 and 2009 that coincided with moments of geopolitical tension, Europe became increasingly skeptical of the old model — particularly since Gazprom's high prices made even expensive alternatives attractive. Frightened by the constant threat to its energy supply, Europe sparked a boom of construction to make it easier to get gas from other suppliers and to ship gas from one European nation to another.

“The Russians have reaped what they sowed,” said Dieter Helm, who teaches energy policy at Oxford University. “If they want to make supplies unstable, you can’t expect the customer to take it in a lying-down form.” At the same time, vast new stores of natural gas were unlocked in the United States as part of the shale gas boom, further increasing global supplies. Europe’s own economic challenges have idled factories and slackened its appetite for energy. Ukraine, long an important Russian customer, has tried to make steep cuts to its gas consumption so that it is less dependent on a neighbor that annexed the Crimean Peninsula and then helped fuel a bitter war in the eastern part of the country. Even the weather conspired against Gazprom. The last two winters have been unusually warm, idling radiators and furnaces. “We suddenly find that we have a cornucopia of gas supplies,” Helm said.

Now there are signs of conciliation from Gazprom’s leaders, an unusual development at a company that has more often been a fount of bristling defiance. Miller, the chairman, said in June that Russian President Vladimir Putin had asked him to hold talks to keep pumping gas to Europe through Ukraine, a tacit recognition that attempts to find other routes were unrealistic for now. Gas supplies to Ukraine itself remain a contentious issue. Last winter, Ukraine narrowly squeezed by despite a Russian cutoff for many of the coldest months. The two sides continue to negotiate ahead of this coming winter. Gazprom leaders have also said they want to find a compromise with the E.U. in the antitrust case. That move came after they initially said they were not subject to European jurisdiction because they were effectively an arm of the Russian government. “Gazprom was in a denial mode for a very, very long time,” said Ildar Davletshin, a Moscow-based energy analyst at Renaissance Capital. “It’s clear that the golden years when everyone was competing for Gazprom’s gas are over, and Gazprom is quietly adjusting.” The antitrust case has the power to force Gazprom to adopt significantly different business practices in Europe, with prices tied closer to the cost of shipping and production rather than the vulnerability of the customer. The E.U. has leverage in the clash because Gazprom needs Europe’s cash more than Europe needs the gas, analysts say. Gazprom must provide a formal response to Europe. “Oil prices are currently moving down, as we all know,” said Andrei Zotov, a deputy department head at Gazprom’s export division, in a conference call with investors last week, explaining whyrevenue was waning. Last month, Russia’s Economy Ministry forecast that Gazprom’s output could fall as much as 7- percent this year, a record low for the company.

But it has cushions that soften the blows. One major factor is the ruble, which has lost more than half its value against the dollar since the beginning of 2014. That means that even though Gazprom’s profit was down in dollar terms, when converted into rubles, it was actually up 71 percent in the first quarter of 2015. Sales to Europe may also pick up in the coming months, as countries that have put off purchases because of dropping energy prices prepare for winter. Gazprom has tried to turn eastward to lessen its reliance on European customers, signing a major deal last year to supply China with gas. But the project will take years to complete, and China’s slowing economy is reducing demand. U.S. sanctions imposed this month against a major eastern gas field will also complicate its expansion efforts. A few years ago, “Russia looked like it was in a pretty strong position,” said Edward Chow, an energy policy analyst at the Center for Strategic and International Studies. “But some countries and companies have prepared themselves much better for yet another gas cutoff.”

# Ukrainian gas strategy hinges on subsidies, Europe

Natural Gas Europe, *18.08.2015*

**While negotiating and speaking with Western partners, the Ukrainian government said that subsidies worth UAH 4.5 million (around €200,000) will be assigned to Ukrainian families before the heating season commences. "Almost each third Ukrainian citizen will obtain a subsidy," Prime Minister of Ukraine Arseniy Yatsenyuk said on Sunday, as reported by the government's website.**

**According to the head of the Government, the state actively helped over two million Ukrainian families paying the bills for housing and communal services. He also explained that the process to get subsidies will be easier.**

"All bureaucratic obstacles have been removed. Ukrainian family receive compensation directly from the state budget to pay their bills for gas, electricity, water and housing and communal services as a whole" he said. Meanwhile, Ukrainian and Danish participants took part to a workshop on the Ukrainian energy sector. 'The workshop marked the beginning of in depth national work on energy balances statistics within the framework of the Ukrainian-Danish energy project/cooperation. During the workshop the delegates discussed and exchanged the knowledge on energy data, and this contributed to the identification of specific activities' reads the note released by the Danish Energy Agency on Tuesday. Ukraine seems to rely on Europe, while remaining critical of Russian strategy. "In theory we could pump [gas] without Russia at the price of $255 – we pay this price for reverse gas. This is $1.2 billion, and we don't have it now," Energy and Coal Industry Minister Volodymyr Demchyshyn said in an interview with Tyzhden.

He said that Kiev prefers to buy gas from European countries, as it did not agree on a package with Moscow for supplies for the 2015/2016 heating season. Several reports published indicated that the country increased its requests for reverse flow gas from Slovakia by 34.6% - to 23.833 mcm - from the 1st of July.

# What Putin do recent remarks tell about Russia-Bulgaria relations?

Novinite, *19.08.2015*


**Russian President Vladimir Putin's recent remarks about relations with Bulgaria have prompted mixed signals from Bulgarian analysts. Asserting that Russian ties with Bulgaria could not end just because of the move by Sofia to join NATO eleven years ago, Russian President Putin also used the occasion to blame - again - Bulgaria for the failure of South Stream.**

**Abandoned in December 2014, after a speech by the Russian head of state during his visit to Turkey, South Stream was designed to carry 63 billion cubic meters of gas to Central Europe via Bulgaria, Serbia, and Hungary.**

Sofia, however, refused to issue construction permits for the offshore section after warnings from the EU commission that the project violated common energy rules. Putin is inclined to return to "a certain version of South Stream", though it might be just part of the project. This is what Prof Atanas Tasev, an energy expert, thinks judging by the Russian President's comments. He suggests that plans for the construction of Turkish Stream, designed as an alternative to South Stream "no matter the cost," do not match reality, in light of oil prices and the financial situation at Gazprom and generally in Russia. "A problem can be solved only in the environment where it was created. Since it was the Russian President who created the problem, it is he who can solve it," Prof Tasev, who has worked as a financial analyst for a number of deals in the Bulgarian energy sector, believes. He maintains that the route previously designated for South Stream is not "a result of some sentiments for the Bulgarian-Soviet fellowship" but is the most economically and technically viable solution. "It seems that the expertise for this has already reached Putin himself," Tasev writes in an analysis for daily Standart. At the same time the professor notes that it is highly unlikely that South Stream is "reborn" with all of the four lines (both Turkish Stream now-abandoned South Stream are planned to consist of four parallel sections). He foresees that one of the pipes, with a capacity of 15.75 billion cubic meters of gas, might reach Europe via Turkey, while the others could be "redirected" to Bulgaria. Tasev reminds that Bulgaria's territory is fully prepared to host the pipeline, with a number of documents having been signed, unlike the case with Turkey and Greece which would like to see Turkish Stream pass via their territory.

The implications of Iran's nuclear deal with world powers and its possible reemergence as a key player in energy might also lead Putin to give South Stream a second thought. "Russia needs Bulgaria at the moment," says Ilian Vassilev, a former Bulgarian ambassador to Moscow and now Managing Partner at consultancy Innovative Energy Solutions.He told private bTV station on Wednesday that Russia needs its allies to mitigate the impact of sanctions on its economy. In his words, in Bulgaria Putin sees a potential ally at a time when he is unable to "play hard" against the country, also knowing that Bulgaria is among the Eastern European countries that do not perceive his country as "such a threat" as other states in the region do. Vassilev was placed earlier this year in a list of 89 European nationals on whom Moscow imposed a travel ban, supposedly in retaliation to Western sanctions on Russian officials. Now is the moment for Bulgaria to defend its national interest in relations with Russia, Vassilev opined, but did not elaborate. He added that by ditching South Stream Russia had also renounced the ability to "control" Turkey and Ukraine.

# The 'cheap EU gas for Ukraine' myth debunked: Kiev pays $75 mln more in Q2

Sputnik, *19.08.2015*

**Ukraine's national oil and gas company has revealed the true cost at which it purchased the reverse gas from Europe. As it turned out, the average price of European gas without transportation was $267 per 1,000 of cubic meters and $275 – including transportation towards the national border.**

**Russia's Gazprom previously offered $247 for the same amount, but its proposal was rejected with a demand for a larger discount. "The revealed data proves that Naftogaz of Ukraine has lost out from the purchase of the reverse gas from Europe," Yuri Korolchuk, Ukrainian expert of the Energy Strategies Institute, commented to Regnum new agency.**

"With an average price at $275 the company purchased 2.68 billion cubic meters for a total of $737 million. At the same time Gazprom offered $247 per 1,000 cubic meters. So, the same amount of gas could have been purchased for $662 million," he is quoted as saying. "Thus, in the second quarter of the year Naftogas lost $75 million (1.65 billion Ukrainian hryvnias). Is this a significant amount? With an expected deficit of 94 billion hryvnias ($4.24 billion) in 2015, this isn't much. But, on the other hand, it proves the saying "low overpays." "The admittance of the overpay means dispelling the myth of cheaper reverse gas flow from the European Union," he added. "Since 2012 Ukraine has had an opportunity to purchase cheaper European gas as opposed to what it deemed as more expensive Russian gas.

However the purchase of the European gas has become more of a political and, likely, a corrupt process, affecting the decisions to buy more expensive reverse gas. Thus the idea of reverse gas as an alternative to Russian gas can be discounted and could be seen as more of a “soap bubble”, which can burst at any moment.” Overpaying for gas by $75 million in just the second quarter alone is a loss for Ukraine, he said. And the sale of more expensive gas by a national company in the national currency can by no means be called diversification. Ukraine suspended gas purchases from Russia’s energy company Gazprom because the two countries were unable to reach an agreement covering the third quarter of 2015. At present, Ukraine receives reverse gas flows from Slovakia, Hungary and Poland Ukraine’s Cabinet of Ministers has proposed lowering the minimum allowable temperature in dwellings with central heating to 16 degrees Celsius this winter, with the Ministry of Regional Development and the Ministry of Health now tasked with reviewing existing norms, Ukrainian media have reported. During the round of gas talks in Vienna, Kiev demanded a discount of $100 per 1,000 cubic meters, which exceeded the Russian discount offer by $70. President Poroshenko vowed to pay $245 per thousand cubic meters for the gas it will get through reverse flow from Europe as the country wanted to diversify its natural gas supply away from Russia.

# Total drops shale site in Dybvad, Denmark

Natural Gas Europe, *18.08.2015*


**France-headquartered Total said that it will close its site in Dybvad, Denmark, adding that it will not perform hydraulic fracturing in the area because of technical reasons related to the geology of the site. ‘The results of the drilling at Vendsyssel-1 showed that the shale layer encountered by the well was too thin for economically feasible gas production.**

**The exploration drilling, which was completed after about 3 months of drilling, showed natural gas in the Alum shale in the subsoil. ‘However, the shale layer encountered in the well is substantially thinner than required for economically feasible gas extraction.’**

Total relinquished its permission to for shale gas in Denmark’s northern Zealand near to the country’s capital Copenhagen after drilling failed to yield attractive results. Total said its decision on Zealand site was not linked to the critisicm it received at separate shale gas exploration site in northern Jutland, where it had to temporarily halt operations after the use of an unapproved chemical. The Danish government imposed a halt to shale gas exploration in north Jutland, less than two days after Total started its campaign. According to local media, the French company used a chemical which was not authorised in the environmental guidelines defined by the municipality where the operations were taking place.

# UK governments announces 27 onshore blocks, 132 under assessment

Natural Gas Europe, *18.08.2015*

**The Oil & Gas Authority (OGA) announced that 27 onshore blocks from the 14th Onshore Oil and Gas Licensing Round will be formally offered to companies.**

**"With almost 100 applications received, the 14th Onshore Round has attracted significant interest and high-quality proposed work programmes from a range oil and gas companies. Today's announcement regarding the offer of 27 blocks gives those successful companies assurance about the blocks that they will be formally offered later in the year" OGA Chief Executive Andy Samuel commented in a note. OGA is the UK's oil and gas regulator.**

According to the British government, a second group of 132 further blocks has been subjected to detailed assessment under the Conservation of Habitats and Species Regulations 2010, the findings of which are now out for consultation. 'Subject to the outcome of that consultation, the OGA will announce offers for the second group of licence blocks later in the year. The licences for all offered blocks will then be granted after the terms and conditions have been finalised' reads the press release. Announcing the licences, the government also confirmed its focus on onshore activities and shale potentials.  "We continue to back our onshore oil and gas industry and the safe development of shale gas in the UK.

# Italy seeks gas relief

Politico, *17.08.2015*

**Italy's grand plans of becoming a European gas hub have all but fizzled. Plans for new liquified natural gas terminals around the peninsula have been scrapped over the past five years, and the country is scrambling to find a use for its existing import facilities.**

**Instead of Italy pumping liquefied natural gas (LNG) into Europe's network of pipelines, the gas could be used as a clean transportation fuel. In a bid to decarbonize, the EU has been pushing for a shift away from gasoline, diesel and other traditional fuels to less emissions-intensive alternatives such as electricity, biofuels, and LNG.**

“This could be a very interesting, positive development — it’s got a green, environmental side to it that we like a lot,” said Massimo Federici, mayor of the port city of La Spezia in Liguria, near the Panigaglia LNG import terminal. Italy’s Ministry for Economic Development is now putting together a national LNG strategy focused on kick-starting a small-scale LNG industry in the country. Operators of two of Italy’s three import terminals, Panigaglia and Offshore LNG Toscana (OLT), are carrying out their own studies. But while liquefied gas is increasingly common on European highways and shipping lanes, it is still largely confined to northern countries. Its future in the Mediterranean remains locked in a chicken-and-egg situation: companies need to see demand before they invest in the infrastructure, but shipping and trucking companies need the infrastructure before they can make the switch from traditional fuels. “LNG for transport hasn’t really been on Italy’s radar the way it has elsewhere, because Italy had these big plans for LNG that haven’t worked out,” said Chris Le Fevre, a senior visiting research fellow at the Oxford Institute for Energy Studies. “But I think the obvious environmental benefits have pushed the issue up the agenda more recently.” For Snam, operator of the five-decade-old Panigaglia terminal, adding refueling services and dividing large cargos of LNG into smaller ones that could be shipped or trucked around Europe represents a last-ditch effort to revive a dwindling business. The number of LNG carriers docking at the terminal dropped to just one in 2013 and three in 2014, down from 31 in 2012 and 102 in 2006. “Back then, the city jumped with joy at the news that this terminal would be built …” — Massimo Federici, mayor. “The expansion of innovative LNG services allows you to be more innovative in the way you manage regasification terminals, and this would make the use of LNG in all its forms all the more attractive,” said Snam spokesman Davide Sempio.

The two-year-old OLT terminal, moored off the coast of Tuscany, came to a similar conclusion after carrying out its own feasibility study, which found small scale gas sales would drive new business without requiring too much investment. Italy’s Eni is looking to add similar services to its Gela refinery in Sicily. Italy’s first stab at becoming an LNG hub a decade ago was poorly timed. The recession took a bite out of the country’s energy demand, and new subsidies led to a surge in renewable energy, which, along with cheaper coal, squeezed out gas-fired power. Plans for at least five new LNG import terminals in the west, east and south have since been canceled, along with Snam’s plan to more than double Panigaglia’s receiving capacity. Instead of LNG, Italy still gets the bulk of its gas through pipelines from Russia, North Africa and northern Europe. And so, the country is looking to use LNG to fuel trucks, ships and eventually even trains, hoping to piggyback on the EU’s clean fuel strategy, launched in 2013.

One big LNG user could be ships. The La Spezia Port Authority has the European Commission’s blessing and €2.6 billion (out of a €5.1 billion budget) to develop an LNG refueling network across the eastern Mediterranean with partners from Italy, Cyprus, Greece, Qatar, the U.K. and France. By creating a market for LNG as a marine fuel, the Poseidon Med venture hopes to revive the area’s shipping industry while also cutting pollution. “The fact that we’ve got a regasification terminal right here in our port is obviously an advantage because we have the actual entry point for the LNG right here, and then the possibility of re-using it for shipping,” said Federica Montaresi, an engineer at the port authority. The Commission’s clean fuel strategy aims to have LNG refueling stations for trucks every 400 kilometers along its Trans European Core Network by 2025, up from just 38 in the EU in 2013. As for ships, Brussels hopes to see refueling stations installed at all 139 ports in the core network by 2025.

But Italy's shift to LNG as a marine or trucking fuel is likely to be slow, Le Fevre warned. The success of a project like Panigaglia's will be driven by demand from ships, rather than trucks. And ship owners are unlikely to make substantial changes unless they're pressed by emissions regulations like the ones that took effect this year in the North Sea, English Channel and Baltic Sea. "It really depends on whether the EU is going to insist that those limits are imposed in the Mediterranean," Le Fevre said. So far, there have only been "very preliminary" discussions between some countries about the possibility of imposing similar limits on sulfur emissions in the Mediterranean, according to an EU source.

When it comes to reviving the Panigaglia terminal, small-scale is the undisputed favorite for locals in the scenic area known as the Gulf of Poets. It is certainly more welcome than Snam's 2010 plan to expand Panigaglia's import capacity to 8 billion cubic meters per year, from 3.5 bcm. LNG import projects around the country were met with tough opposition from local authorities in recent years, and there would "absolutely" have been a similar response in the Gulf of Poets, said Federici, the La Spezia mayor. Panigaglia was Italy's first terminal, built in the late 1960s next to the seaside town of Porto Venere. It came at a time when the La Spezia region was rising to become one of Italy's industrial hubs, with a refinery, a coal-fired power plant, ship- and arms-building companies, and a busy cargo port. "Back then, the city jumped with joy at the news that this terminal would be built, because it signified wealth and jobs," said Federici.

But public sentiment has since turned greener. "An LNG terminal in such a picturesque bay — expanding its size would surely have drawn strong hostility from the communities," he said. As Panigaglia's imports started to fall and the expansion was canceled, talk in La Spezia turned to the hope that the terminal might go the way of the neighboring refinery: into retirement.

# Fracking in the UK: could it happen near you?

The Telegraph, *11.08.2015*

**Fracking could take place across large swathes of England after the Government awarded energy companies new licences to explore for oil and gas. National Parks, protected wildlife habitats and historic city centres are among 6,000 square miles of the county earmarked for potential fracking, under Government plans to double the area open to oil and gas drilling.**

**Ministers announced they would award companies rights to explore for oil and gas in 27 new blocks of land, spanning 1,000 square miles of northern England and the East Midlands, as they seek to kick-start a UK shale gas industry.**

The licences include parts of Yorkshire, Lancashire, Lincolnshire, Leicestershire, Nottinghamshire and Derbyshire, which are believed to be some of the most promising areas for shale gas. The Government also launched a consultation on plans to award another 132 licences in areas that are more environmentally sensitive, covering about another 5,000 square miles of England. Most of these are also in the North or the East Midlands but some are in the South, including areas in Dorset, Somerset, Wiltshire, Sussex, Surrey and the Isle of Wight. It is thought the areas in the South may contain oil, which may not require fracking to extract. In total the 6,000 square miles would roughly double the land licenced for oil and gas exploration. Companies already have rights to about 7,300 square miles across the UK, but some of that is effectively off-limits after Scotland and Wales imposed temporary bans on fracking. Companies that are awarded licences will still need to apply for planning permission and secure environmental permits.

Ministers last week introduced new planning guidance to speed up the planning process and make it easier for Government to overrule or bypass local councils who obstruct the process. Some 53 Sites of Special Scientific Interest and three RSPB nature reserves are among the 27 licences awarded on Tuesday, the RSPB said. The Government has refused to ban fracking in these areas, saying it would be “impractical”. Matt Williams, the RSPB’s climate change policy offer said the licences “put some of our most precious wildlife sites under threat”. “Species such as kingfisher, bittern and goldeneye could be put at risk in these special places and should be protected from the Government’s fracking plans,” he said. Protected areas home to species such as kingfishers could be fracked, the RSPB said. Of the licences subject to further consultation, 73 contain areas that are protected under EU law due to special habitats or species. The Oil and Gas Authority, the UK regulator, proposed that companies be allowed to frack underneath these areas but that activity on the surface would be banned. Licences subject to consultation also include the historic York city centre and areas within at least two National Parks - the Peak District and North Yorks Moors. Ministers have vowed to ban fracking on the surface in National Parks but have said companies can still drill there without fracking, or can station a fracking rig just outside the boundaries of the park and drill horizontally underneath them. Despite backing from David Cameron and George Osborne, no fracking has taken place in the UK since 2011 when Cuadrilla caused earth tremors fracking near Blackpool. Applications by Cuadrilla to frack at two sites in Lancashire were recently rejected amid fierce local opposition.

Experts suggested some of the new areas may be more receptive as they included former coal-mining areas of Yorkshire and Nottinghamshire, where communities were more used to industrial operations. But green groups warned that hundreds of protests groups were now likely to spring up across the country to oppose the plans. Andrew Pendleton, head of campaigns at Friends of the Earth, said: “Opening up huge swathes of Northern England to a fracking blitz will only provoke more anger and controversy, because wherever fracking has been proposed, it has been opposed by local people. “The Government’s own report into the rural economy impacts of fracking highlights a myriad of concerns, including a drop in house prices, impacts on tourism, and increased noise and traffic congestion - not to mention local environment and climate risks.” Daisy Sands, head of energy at Greenpeace, said: “This is the starting gun to the fight for the future of our countryside. Hundreds of battles will spring up to defend our rural landscapes from the pollution, noise and drilling rigs that come with fracking.”

Francis Egan, chief executive of Cuadrilla, which was awarded two new licences, said: “Our first priority will be to talk with local communities. We recognise that some members of the public will have concerns and there continues to be a good deal of misinformation circulated regarding onshore shale exploration. “We have a responsibility to ensure people understand the facts and are not misled by harmful scaremongering.” Analysis by Greenpeace suggests the new and proposed new licences include parts of the constituencies represented by Mr Osborne, by Nicky Morgan, the education secretary, and by Labour leadership contenders Yvette Cooper and Andy Burnham. Lord Bourne, the energy minister, said: “It’s important we press on and get shale moving, while maintaining strong environmental controls. Investment in shale could reach £33 billion and support 64,000 jobs creating financial security for hardworking people and their families, whilst providing a cost-efficient bridge to lower-carbon energy use.”

# NPD grants Wintershall drilling permit in blocks 35/8 and 35/11

Natural Gas Europe, *13.08.2015*

**Norway’s gas industry reported some progress over the last hours, with local authorities granting new drilling permits and a Sevan Marine eying new opportunities in the Arctic and in the FPSO/FSO market. ‘The Norwegian Petroleum Directorate (NPD) has granted Wintershall Norge AS a drilling permit for well 35/12-5 S, cf. Section 8 of the Resource Management Regulations’ reads a note released by the NPD.**

**Wintershall Norge is operator (60%) and teams up with Petoro AS (40%). ‘The area in this permit consists of parts of blocks 35/8 and 35/11. The well will be drilled about 100 km south-west of Florø and about 20 km north-west of the Fram field.’**

Meanwhile, Sevan Marine reported a decline in revenue only partially compensated by improved cost and efficiency in the Floating business. The company has also been involved in the Petrobras scandal in Brazil. ‘Arises out of allegations and most recently criminal charges in Brazil against former Sevan Marine employee and agent Mr. Raul Schmidt Felippe Junior in the Brazilian authorities’ investigation into corrupt activities involving Petrobras’ reads a note released on Wednesday. On the other hand, Sevan thinks to be well positioned in the current market conditions, adding that it intends to capitalise on the FPSO/FSO studies made during the second quarter. ‘We believe that we should be able to secure a license for one of these projects later this year or in the beginning of next year.’ At the same time, the market will remain difficult.

As for the market in general, we continue to see prospects being postponed or delayed due to continued low oil price and consequent reduction in investment levels. The company is also working on new concepts for exploration in the Arctic, and it reportedly issued a licence to develop a a new cylindrical rig for Arctic waters.

# Why is fracking bad? You asked Google – here's the answer

The Guardian, *18.08.2015*

**You don't have to look hard for stories of people who think fracking is bad. There are the two children in Pennsylvania who were given a lifelong gagging order over talking about fracking after a settlement with an oil and gas company. A woman in north Texas experienced nosebleeds, nausea and headaches after drilling started near her home. And in Barnhart, Texas, people blame fracking for the town running out of water.**

**Even advocates for the industry admit to examples of people having views near their homes obscured by fracking rigs popping up, or of their homes being devalued by fracking.**

Some countries, such as France and Germany, think it's bad enough to warrant banning, though the latter is considering lifting its moratorium. New York State banned it, citing risks to public health. Yet there is nothing inherently bad about fracking, or hydraulic fracturing. The technique is a way of extracting natural gas, which is mostly methane, from shale rock formations that are often deep underground. It involves pumping water, chemicals and usually sand underground at high pressure to fracture shale – hence the name – and release the gas trapped within to be collected back at the surface. The technology has transformed the US energy landscape in the last decade, owing to the combination of high-volume fracking – 1.5m gallons of water per well, on average – and the relatively modern ability to drill horizontally into shale after a vertical well has been drilled. In the US, up to 30,000 new wells were drilled and fracked between 2011 and 2014. In the UK, not a single well has been drilled and fracked completely – the only attempt to date, near Blackpool in 2010, was halted halfway after being linked to minor earthquakes. Weighing up whether fracking is bad depends on how you define " bad".

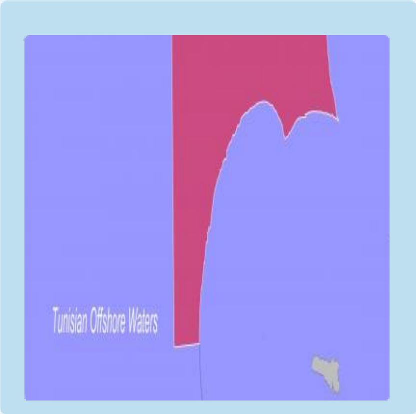
Fracking has given America gas prices that are far cheaper than in Europe, created hundreds of thousands if not millions of jobs, and has almost doubled crude production over the last seven years. Some claim it can even take the credit for America's falling greenhouse gas emissions, though recent research suggests that may have may have had more to do with the recession than a switch from polluting coal to cleaner gas. What most critics point to, of course, are the potential health and environmental impacts. Concerns include contamination of water supplies, seismic activity caused by the fracking itself but mostly by the injection of wastewater deep underground, and fears that the gas glut from fracking threatens to hinder the development of emissions-free renewable sources of power, such as wind and solar. Then there are fears over the venting and flaring of methane, industrialisation of rural areas and noise from lorries.

There is also a huge debate – too big to cover in detail here – over whether fracking is bad news for the climate, since it unlocks a whole new source of fossil fuels and some academics say it has emissions even worse than coal once methane leaks (a powerful greenhouse gas) have been factored in. Others argue it is good news, as gas produces around half the carbon emissions of coal, which it is displacing in some parts of the world. In many cases in the US, where fracking got up and running before regulation caught up, the local environmental impacts are not just theoretical but well-documented. The US Environmental Protection Agency (EPA) which, in a recent report on fracking's impact on water, cleared the industry of "widespread" and "systematic" pollution of drinking water, still lists some egregious examples. There can be problems with the well casings – an issue that is not specific to fracking, and which can affect conventional drilling – such as one incident in Bainbridge, Ohio, where inadequate casing saw natural gas move into drinking water aquifers. Sometimes the water that returns to the surface after a frack gets spilled, such as when 2.9m gallons spilled from a broken pipeline in North Dakota and "impacted surface and groundwater", in the largest volume spill recorded by the EPA. Since the state's shale boom took off around 2006, 18m gallons of oil and toxic wastewater have been spilled between January 2006 to October 2014, a New York Times investigation found. By comparison, even the exploratory phase of fracking for shale in the UK has yet to get off the ground, or under it. But august British organisations say it can be done safely – provided it's done properly. "I think the shale gas thing has suffered from a lack of high quality public engagement [in the UK]. That is down to industry, government, public bodies, so it [the debate over risks] is unfortunately dominated by social media and press releases and stuff like that, which can skew the issues," says a spokesman for the Royal Academy of Engineering, which produced an influential report saying fracking should go ahead in the UK provided it's well-regulated.There is a huge debate over whether fracking is bad news for the climate. "If carried out to industry best standard, with close regulation, then the risks can be managed to an acceptable level," he said. Similarly, the UK's health watchdog cleared fracking of health risks in a report, saying it was safe if properly regulated. It's not all been plain sailing in the UK though. An environment department report, which the government fought to keep secret, suggested house prices near shale wells could fall and insurance costs might rise. The shale industry's impact on British democracy has also come to the fore, with a leaked letter showing the chancellor, George Osborne, intervening personally to fast-track the industry's development. And the UK's ability to regulate the industry properly has been questioned too, with Cuadrilla failing to report a deformed well in Lancashire to government officials for six months. The company has also breached previous planning permissions, drilling beyond a cut-off date designed to protect wintering birds.

Mike Bradshaw, professor of global energy at Warwick Business School and researcher at the UK Energy Research Centre, says what is needed above all in the UK is a more informed debate. He blames both the industry and the media for the current level of public mistrust over fracking. "This is an industrial activity just like any industrial activity, and like all sources of energy it has environmental impacts. Whether those environmental impacts are greater than other industrial activity is a case for planners and industry," he says. But ironically the only way Britons will find out if fracking is bad or not for them, he says, will be for more drilling to take place. Until then, we won't know whether people will accept it, or whether the gas and oil trapped within British shale is even commercially viable to extract."I'm not saying that there are not risks. There are risks. They are well understood and clearly identified. What we don't know is the scale of the risks until we carry out drilling in the UK." Ultimately, it may just be too early to say if fracking is bad – and what's bad for one country might not be for another.

# Tunisian authority renews circle oil's exploration permit

Natural Gas Europe, *19.08.2015*




**Ireland-headquartered Circle Oil announced that the Tunisian Authority approved its application to renew the exploration permit on the Mahdia block. 'The Permit is being extended for three years until 19 January 2018 and Circle Oil, as operator, currently has a 100% working interest in the Permit' reads a note released.**

**The Mahdia permit offshore Tunisia covers an area of 3,024km2, and contains the El Mediouni structure which was drilled by Circle's EMD-1 well in August 2014. According to Circle Oil, several companies already voiced their intention to take a stake in the project.**

"Circle Oil wishes to place on record our thanks to the Tunisian Consultative Committee on Hydrocarbons. We look forward to continuing to work with them with the aim of delivering a project which would bring considerable benefit to the people of Tunisia and to Circle. We will now move forward with the process of identifying a suitable partner or partners to work with us to realise the value of this exciting discovery" Mitch Flegg, CEO Circle Oil commented. Reuters reported that Tunisia said it would reopen its airspace to flights to and from Libya as safety standards in its neighbour's airports had allegedly improved. Tunis' decision had to do with the instability in Libya and it remains unclear whether the U-turn is related to a changed assessment of the security situation in Libya. Canada-based Serinus Energy resumed production at the Sabria Field in Tunisia, after more than a month-long break due to local protests.

# Tension growing in Kazakhstan as oil prices batter economy

Oil Price,*18.08.2015*

**Sinking oil prices are putting the brakes on Kazakhstan's once-soaring economy, forcing layoffs in the all-important energy sector. With memories of the months-long strike in the western town of Zhanaozen that culminated in a bloody crackdown in 2011 still fresh in memory, government has put measures in place to prevent the seeds of industrial unrest.**

**As the global benchmark for oil was plunging below $50 per barrel last week, Sino-Kazakhstani drilling company Velikaya Stena announced a raft of layoffs. A company official contacted by EurasiaNet.org confirmed that 203 staff had been fired and that another 200 layoffs are expected in fall.**

Velikaya Stena, which is based in the western oil-hub city of Aktobe, is only one of many feeling the squeeze from the low price for oil, which accounts for a quarter of Kazakhstan's economy and 60 percent of its balance of payments. "Low oil prices have hit profits at Kazakh producers," Alex Nice, Kazakhstan analyst at the London-based Economist Intelligence Unit, told EurasiaNet.org. "They have also struggled because, unlike the Russian central bank, the Kazakh National Bank has held the currency relatively steady against the dollar since February last year. As a result, labor costs for commodity producers have remained high in dollar terms."The scale of the revenue squeeze in the oil sector was demonstrated last month when the National Bank was compelled to step in and prop up Kazakhstan's cash-strapped oil giant, KazMunayGaz. The layoffs in Aktobe have heightened the mood of despondency in the energy sector, a source at CNPC-AktobeMunayGaz, a Sino-Kazakhstani joint venture between the two countries' state energy companies, told EurasiaNet.org on condition of anonymity. "The mood is very low, because people don't want to lose their jobs," the source at the Aktobe-based firm said.

A distressed oil worker quoted in a report on the layoffs was indicative of a high sense of concern among those who still have jobs at Velikaya Stena, which has cut salaries by half in a cost-cutting measure to compensate for falling revenues. "I'm the only breadwinner in the family," Kanay Borekeshov told the Moy Gorod regional news website. "I have four children. … The money we get is barely enough for us. And if they cut the salary and then leave us without work at all, we will be finished." "We currently have only seven teams working out of 24," lamented Arman Kamalov, Velikaya Stena's deputy director, in remarks quoted by Moy Gorod. "Work is drying up." The experience of Zhanaozen has taught authorities the value of more efficient negotiation. Since those events, the government has pressured oil companies to come to terms with strikers on the rare occasions that industrial action occurs. A strike in May at a company servicing the massive Karachaganak field in northwestern Kazakhstan was swiftly ended with a pay offer. But Astana is showing that it is still ready to wield the stick.

Parliament adopted legislation placing severe restrictions on independent trade union activity and criminalizing any action deemed to provoke an illegal strike. Trade unions are also bristling over the drafting of a new labor code. In a statement the Federation of Trade Unions of Kazakhstan condemned the pending legislation, which is intended to revise rules on numerous points, including contract termination and salary. “The new draft of the Labor Code strengthens the position of the employer at the expense of workers’ rights,” the statement said. “Adoption of the Labor Code will create the conditions for increased social tension in labor collectives and even across entire industries.” While oil workers are alarmed by the impact of low prices on their employers, the CNPC-AktobeMunayGaz source told EurasiaNet.org there is little appetite for striking. “People are dissatisfied, but they understand that oil prices are low so they are treating [cost-cutting measures] with understanding.” Over the near term, analysts believe Kazakhstan’s oil companies can weather the storm. “Currently, there is no reason to expect mass dismissals as the crisis is just emerging,” Kassymkhan Kapparov, director of the National Bureau for Economic Research, told EurasiaNet.org. It all seemed so much brighter only two years ago. Astana was counting on a massive boost in output with the launch of the super-giant Kashagan field. Delays there now mean it will not start pumping oil, as well as generating revenue for the treasury, until 2017. The government says oil output will be flat this year, at 80 million metric tons, while OPEC forecasts that Kazakhstan’s production will actually fall slightly in 2015. Kazakhstan’s budget is based on an oil price of $50 per barrel, so any sustained fall below that level will put pressure on government spending. Officials are already dipping into the country’s National Fund – a pool of accumulated energy revenue set aside for a rainy day – to breathe life into the flagging economy, which Astana forecasts will grow at just 1.5 percent this year. “Low commodity prices are likely to have a significant impact on Kazakhstan’s economy,” said Nice. “[Gross domestic product] growth is likely to slow to 1-2 percent this year, down from 4.3 percent in 2014.” “The government has responded with an infrastructure program to offset weak investment, but it is cutting back spending in other areas,” he said. “If commodity prices and exports also remain weak in the coming years, it’s hard to see where the drivers of growth will come from.”

# Japan, China joint shale gas study begins in Canada

Anadolu Agency, *20.08.2015*

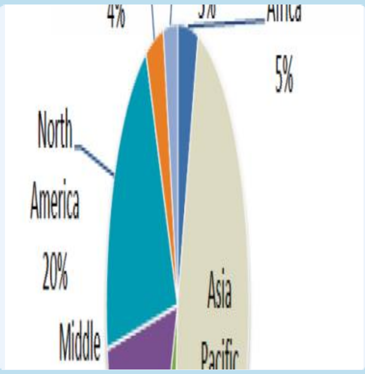
**A consortium of Japanese energy companies joined British Columbia's INPEX in Canada and China's Nexen Energy to begin a joint study for shale gas development in Canada's British Columbia region, the presidents of the Japanese companies announced.**

**The two Japanese companies, JOGMEC and oil company INPEX in conjunction with INPEX Gas British Columbia (IGBC), and Nexen Energy which is a wholly-owned subsidiary of CNOOC announced that they are undertaking a joint study in developing shale gas in the Horn River, Liard and Cordova areas in the province of British Columbia.**

In March 2015, the four companies agreed to evaluate geological characteristics of the areas, by analyzing properties of rock samples extracted from shale reservoirs marked for development, according to the statement. This process which began in July has been completed in preparation for the approximate year-long joint study. During this period, further analysis and evaluation of geological characteristics of the areas will be conducted."Nexen and IGBC will meanwhile proceed with shale gas development and production operations in the areas while JOGMEC will provide financial support for this project through IGBC," the statement read. The data obtained from the shale gas development and production operations undertaken by Nexen and IGBC within the areas will help optimize and streamline the development of shale gas reservoirs in the relevant areas.

# Emerging economies & how to build gas demand

Natural Gas Europe,*18.08.2015*




**In a session dedicated to "Gas Developments in Emerging Economies" at the World Gas Conference in Paris, Ali Moshiri, President, Chevron Africa and Latin America E&P, showed a chart of gas demand going to 2035, commenting that about 50% of the growth will come from Asia-Pacific.**

**Emerging markets, he explained, "are continents and countries that are trying to make that first step toward becoming emerging markets, but there are obstacles that push you back." With that in mind, he said he would speak about the amount of gas that is required to push such countries forward.**

While the bulk of gas import may indeed be going to Asia, Mr. Moshiri pointed out that Africa, Latin America and others also require attention and infrastructure to build the necessary gas demand to turn assist them into the emerging market category. Conceding that resources are significant – both conventional and unconventional, in North America, Asia, Africa, etc. he posed some questions. "The key given in this equation is, 'how do we monetize that? And what is the best way of marketing that monetized gas? What are the tools that can be used?'" Technology has enabled the industry to hurdle any obstacles to doing that, according to him. "The technology is there, the resources are there, and if you add unconventional resources, there are more natural gas resources available to us that create a necessary market and put some of the countries into the emerging market [category]," explained Mr. Moshiri. Looking at the three components that are required to make that happen, he contended that the supply side is there. Of the marketing side, he said: "Demand is not created by itself; it also depends on the infrastructure that needs to be built." Infrastructure, he said, is required for local marketing, for regional integration and export of the gas as well, "because it's a value chain that has to be created as well, creating a focus on the emerging market." It is a question, he said, whether the market or the infrastructure should be built first. To illustrate that, he said that in Nigeria the government aspires to have an integrated gas economy. He reported, "There is LNG, export pipeline, local gas pipeline – all the components are there. "But when you look at the gas integration, it's only around the supply of the gas and doesn't extend to the rest of the country. For it to become an emerging country, it is required to expand that infrastructure further into the country: basically, increase the electricity capacity and other components to be able to do that. The resources are there; the infrastructure has to be expanded to get there." With sufficient resources, gas can be converted to liquids, he said. Angola is another example he offered. "Angola LNG is a very complicated project," he explained, "using solution gas, converting it into LNG – a portion of the gas goes to the domestic market, while the rest is exported." Here, too, it is a question of increasing gas infrastructure, according to Mr. Moshiri.

Numerous investors, he said, can play a significant role in this, mainly in building the infrastructure. “There’s a role for national oil companies, IOCs, independents, for the government to be able to put the policy in place, but one fact we need to keep in mind is to be a market-driven business. We can’t be subsidized, but purly driven by the economy and market of the country,” he concluded. Showing a picture of Hong Kong illuminated by night to illustrate the role of gas in developing economies where economic transition is taking rapidly, Shell’s Roger Bounds warned that the gas industry should be careful of bold forecasts, given, for example, the reversal of fortune for LNG in the US, where the shale gas revolution had flipped things on their head. He stated, “An industry that was basing itself around much higher oil prices than we’re experiencing in the current environment needs to be careful about forecasts.” Still, he contended that some forecasts the industry can make with self confidence are the growth of the global population, that the world will be more affluence, and people will demand improved quality of life. “And with that improved quality of life will come energy choices,” said Mr. Bounds, who added that energy from all sources will be required. This will, he said, require making sensible choices that should be integrated into energy policies that address the challenge of climate change. “These policies, however, can’t just address the needs of those countries, markets that’ve already made the transition into a more affluent society; we have to start at the foundations and address the questions of energy poverty, of enabling access to energy for a wider variety of people, and of dealing with the challenges and opportunities that exist in places like sub-Saharan Africa, where we can take energy to people who currently have no access to reliable power without which cannot really make aspirations to improve the quality of life. “The relationship between energy poverty, infant mortality, slower economic growth and poorer health is well established, so the ability to bring more energy to these parties, to stimulate employment and growth, and with that stimulation, bring enhanced energy integration into people’s lives is one of the challenges that we all need to work on together,” he continued. According to Mr. Bounds, this challenge doesn’t rest on any one particular energy company, nor within one government, but requires a multilateral, integrated approach. He added that with appropriate transmission mechanisms, investment climate and price signals there is the opportunity to resolve energy poverty within any particular region. “We see that gas, in particular, plays a role in this area. Gas, adopted as a foundation fuel, allows the transition from solid fuels into more flexible, complementary fuels sources which are needed in the global energy system as well.” Referring to rapid areas of urbanization in Asia, where there is fast economic growth, he said: “Populations are moving from rural areas into urban ones and adopting transport, living in condominiums and high rises with more access to white goods – better demand per capita for energy. But at the same time, as this moves forward, what we also see is that the easy choices, the accessible choices, may not be the best choices for the long run,” he explained. For example, he said the easy choice of adopting cheap and accessible coal will increase coal-fired power stations and energy systems built up around the transmission of electricity from coal, could lock-in to the wrong energy choice for decades to come. He offered, “Integrated planning which allows combined heat and power, renewable energy and gas as a preferred fuel target is the best way of addressing the development challenges of such cities and enhance the economic growth and welfare being discussed.”

Giving mention to the Ukraine crisis, the UN Economic Commission for Europe's Executive Secretary & Under-Secretary-General, Christian Friis-Bach, said that many countries are breaking gas ties and becoming more independent. "But, if we've learned anything from history, it is that if we want peace and progress in Europe, we must do the opposite: strengthen ties between countries in Europe and make countries depend on each other, and a greater and interconnected energy system will be a crucial part of this," he said, recalling the coal and steel unions' had been part of peace building in the wake of World War II. "We need energy markets, once again, to unite us. And gas will play a role in achieving this." Such interconnection, he contended, is also good for economics. "We are leaving a lot of money on the table," he quipped. "We need properly-balanced, designed markets that value flexibility, but if they are national, they are sub-optimal." Such markets are key to the emerging markets of Eastern Europe and Central Asia. "And gas and LNG can help us achieve this even globally," he added. Meanwhile, according to Mr. Friis-Bach, the world is on an extremely dangerous path towards an unstable, unpredictable climate, but it is certain that fossil fuels will be around for decades, especially in emerging economies. He said, "Natural gas can help us to make the transition, but we will only reach the 2 C degree pathway if we use carbon capture and storage (CCS). Introducing CCS, we can turn the entire fossil fuel industry into being part of the solution instead of, as it is today, being seen as only part of the problem." That, he contended, will change the dynamics at the Paris climate change talks in December. The UNEC, he said, has developed recommendations on CCS and is urging others to back them. If connected energy markets are built, he said, joint standards and best practices are necessary, just as the UNEC has done, for example, for the energy efficiency and safety of cars, for one. Mr. Friis-Bach reported that the UNEC has also developed a classification scheme for energy resources, regardless of their origin, to facilitate efficient, appropriate investments into them. Meanwhile, the organization is still at work on developing standards for gas, for emerging markets as well.

# Announcements & Reports

## ► *Oil and Gas Digital and Technology Trends Survey*

**Source** : Accenture
**Weblink** : https://www.accenture.com/us-en/~/media/Accenture/Conversion-Assets/DotCom/Documents/Global/PDF/Dualpub_15/Accenture-Microsoft-Digital-Energy-Survey-2015.pdf

## ► *Oil and Gas Reality Check 2015*

**Source** : Deloitte
**Weblink** : http://www2.deloitte.com/content/dam/Deloitte/tr/Documents/energy-resources/gx-er-oil-and-gas-reality-check-2015.pdf

## ► *Outlook for International Oil Market*

**Source** : Institute of Energy Economics
**Weblink** : http://eneken.ieej.or.jp/data/6257.pdf

## ► *Natural Gas Weekly Update*

**Source** : EIA
**Weblink** : http://www.eia.gov/naturalgas/weekly/

## ► *This Week in Petroleum*

**Source** : EIA
**Weblink** : http://www.eia.gov/petroleum/weekly/

# Upcoming Events

## ► *7th South Russia International Oil & Gas Exhibition*

**Date** : 02 – 04 September 2015
**Place** : Krasnodar – Russia
**Website** : http://www.oilgas-expo.su/en-GB

## ► *22nd Annual India Oil & Gas Review Summit and International Exhibition*

**Date** : 09 – 10 September 2015
**Place** : Mumbai – India
**Website** : http://www.oilgas-events.com/india-oil-gas

## ► *The Energy Event 15*

**Date** : 15 – 16 September 2015
**Place** : Birmingham – United Kingdom
**Website** : http://www.theenergyevent.com/Content/MAIN-SF-W2L-enquiry-form

## ► *3rd East Mediterranean Gas Conference*

**Date** : 22 – 23 September 2015
**Place** : Paphos – Greek Cyprus
**Website** : http://www.oilgas-events.com/East-Med-Oil-Gas

## ► *LNG Global Congress*

**Date** : 23 - 24 September 2015
**Place** : London - UK
**Website** : http://www.lnggc.com/?xtssot=0

## ► *The 3rd Azerbaijan and Caspian Sea Oil & Gas Week 2015*

**Date** : 28 – 29 - 30 September 2015
**Place** : Baku - Azerbaijan
**Website** : http://www.azerbaijansummit.com/

## ► *Shaklin Oil and Gas*

**Date** : 28 – 30 September 2015
**Place** : Yuzhno – Sakhalinsk - Russia
**Website** : http://www.sakhalin-oil-gas.com/?xtssot=0

## ► *23rd Kazakhstan International Oil & Gas Exhibition and Conference*

**Date** : 06 – 09 October 2015
**Place** : Almaty – Kazkhstan
**Website** : http://www.kioge.kz/en/conference/about-conference

## ► *Shale Gas Environmental Summit*

**Date** : 26 - 27 October 2015
**Place** : London - UK
**Website** : http://www.smi-online.co.uk/energy/uk/shale-gas-environmental-summit

PETFORM

## ► Gastech

**Date** : 27 - 30 October 2015
**Place** : Singapore
**Website** : http://www.gastechsingapore.com/

***Supported by PETFORM***

## ► Abu Dhabi International Petroleum Exhibition & Conference

**Date** : 09 - 12 November 2015
**Place** : Abu Dhabi - United Arab Emirates
**Website** : http://www.adipec.com/

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One global industry. One city. One meeting place.
The Abu Dhabi International Petroleum Exhibition & Conference

***Supported by PETFORM***

## ► CIS Oil and Gas Transportation Congress *(in Turkey)*

**Date** : 11 – 12 November 2015
**Place** : Istanbul - Turkey
**Website** : http://www.theenergyexchange.co.uk/event/cis-oil-and-gas-transportation-congress-2014/attend

17 th Annual
CIS OIL AND GAS TRANSPORTATION CONGRESS

## ► 20th Turkmenistan Oil and Gas Conference

**Date** : 17 - 19 November 2015
**Place** : Ashgabat – Turkmenistan
**Website** : http://www.oilgasturkmenistan.com/

## ► Israel's 2nd Annual International Oil & Gas Conference

**Date** : 17 - 19 November 2015
**Place** : Tel Aviv - Israel
**Website** : http://www.universaloilgas.com/

## ► European Autumn Gas Conference

**Date** : 17 - 19 November 2015
**Place** : Geneva - Switzerland
**Website** : http://www.theeagc.com/

## ► Project Financing in Oil and Gas Conference

**Date** : 23 - 24 November 2015
**Place** : London - UK
**Website** : http://www.smi-online.co.uk/