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Toreador hits oil in Turkey

Date : 14.04.2009

Source: Rigzone

http://www.rigzone.com/news/article.asp?a_id=75033

Toreador's Cendere - 22 development well in the southeast of Turkey reached a total depth of 2,871 meters and encountered 21 stands of pure oil during a drill stem test. The well is now being completed and is expected to commence production by the end of April.

Toreador holds a 19.6% working interest in the Cendere Field. Toreador and its partners Hema Energy and Sherritt International Oil & Gas Ltd will spud its Durusu - 1 exploration well in the Black Sea before the end of May 2009 utilizing the GSP Romania owned Saturn jackup drilling rig.

The Durusu - 1 well is situated within the seven Western Black Sea licenses held by Toreador and its partners, approximately 20 kilometers offshore in 80 meters of water. The well will target both the Danisman and Osmancik formations and the planned total depth is 2,500 meters subsea. Toreador holds a 25% WI in the 7 licenses and is carried for the first \$10.7 million of Durusu - 1 well costs; Hema Energy and Sherritt hold 33% and 42% working interests, respectively.



Turkey hopes to sign Nabucco deal by June 2009

Date : 13.04.2009

Source: Rigzone (BBC)

http://www.rigzone.com/news/article.asp?a_id=75021

Turkey has sent a letter to EU countries which are part of the Nabucco gas pipeline project and now expects their answers. "If they sent the answers by the end of April, we will sign deals by June," Hilmi Güler, Turkey's Energy Minister said.

“We expect the European Union to send us the text that EU countries agreed on,” Güler told reporters. “We sent them (EU countries) the intergovernmental agreement and host government agreement. They sent their responses. However, we have discussed again and again things that we already agreed on. I sent a letter to avoid that. What I said was (just sign and send us, from one point of view, something that you agreed on),” Güler said.

Turkish government wants to start the project, which would carry gas to European markets from fields in the Caucasus and Central Asia, as soon as possible, Güler said. Turkey wants 15 percent share from natural gas to be carried through the Nabucco pipeline. Güler said Turkey asks 15 percent for its own use, not to sell it.



Global oil demand to fall by 2.4 mln a day

Date : 11.04.2009

Source: Hürriyet Daily News (Bloomberg)

<http://arama.hurriyet.com.tr/arsivnews.aspx?id=11409578>

The International Energy Agency (IEA) expects global oil demand to plunge by 2.4 million barrels a day this year, about the same amount that Iraq produces, as the economic slump reduces consumption to the lowest since 2004.

The adviser to 28 nations cut its 2009 forecast for an eighth consecutive month, lowering its outlook by 1 million barrels a day, or 1.2 percent, to 83.4 million barrels a day. The IEA also said supplies from outside the OPEC will drop this year.

Demand will shrink by 2.8 percent this year as worldwide gross domestic product shrinks by 1.4 percent, according to the IEA, which until now had assumed the global economy would expand in 2009. The decline outpaces supply from OPEC's third-largest producer, Iraq, which last month pumped 2.27 million barrels a day.

Collapsing demand has left crude inventories in the world's most developed nations, the OECD, at their highest since 1993, the IEA said. Stockpiles were equivalent to 61.6 days of consumption as of February. In December, OPEC ministers had expressed concern that a level of about 57 days was too high.

Non-OPEC supply will fall by 300,000 barrels a day this year, a second annual decline, to 50.3 million barrels a day. “This is largely because of adjustments on the biofuels side,” said David Fyfe, head of the IEA's oil industry and markets division. That forecast is 320,000 barrels a day lower than last month's.



Shell and Chinese oil companies may make joint bid for Iraqi oil

Date : 13.04.2009

Source: Rigzone (Dow Jones Newswires)

http://www.rigzone.com/news/article.asp?a_id=75004

Royal Dutch Shell PLC is in advanced talks with China's two biggest state-owned oil companies on a possible joint bid to develop the Kirkuk oil field in northern Iraq, a person familiar with the situation said.

Shell, China National Petroleum Corp., the parent of Hong Kong-listed PetroChina Co., and China Petrochemical Corp., the parent of China Petroleum & Chemical Corp., have yet to decide on equity stakes in the consortium, said the person, declining to be named. Shell had offered CNPC a 15% stake, but CNPC has sought more - around 20% - he added. Stakes that Sinopec Group had been offered are unclear.

In return for taking CNPC along in Iraq's landmark first postwar bidding for development service contracts in its huge and under-developed oil and gas fields, Shell hopes to win CNPC's blessing for a production sharing contract for the Jinqiu gas field in China's southwestern Sichuan province, the person added. "We do not comment on market speculations," said Li Lusha, Shell China's spokeswoman, when asked about the talks.

In November last year, CNPC officially signed a \$3 billion oil service contract with the Iraqi oil ministry to develop the Ahdab oil field in central Iraq. The deal was only a revival of an agreement signed with the ousted regime of Saddam Hussein and not one won in a commercial bidding.

According to the semi-official version of the model contract that the Iraqi Oil Ministry sent to international oil firms in mid-March for the bidding round, oil firms will be entitled to a 75% stake in the joint ventures, while state-owned Iraqi operators at the fields will hold the rest. The successful international companies would receive remuneration in kind for each produced barrel as well as cost fees under those service contracts. A total of eight oil and gas fields, including Kirkuk, were available in the first bidding round.

A second bidding round was announced at the end of December, naming 11 fields that would be opened for bidding for development service contracts. No Chinese companies were mentioned by Iraq's Oil Ministry, which picked nine companies last month to compete in the second round.



RWE signs on Turkmen dotted line

Date : 16.04.2009

Source: Upstream Online

<http://www.upstreamonline.com/live/article175825.ece>

RWE has signed agreement with Turkmenistan which will see it get to work at Block 23, in the Turkmen sector of the Caspian Sea, as well as seeking new ways to deliver Turkmen gas to Europe.

RWE boss Jurgen Grossmann travelled to the former Soviet state to sign the agreement and meet Turkmen President Kurbanguly Berdymukhamedov. "There are several options (how to ship Turkmen gas to Europe) and one of them is through the Caspian sea and we will work on it," Grossmann told Reuters.

He added RWE would work on the Turkmen sector of the Caspian which is potentially rich with oil and gas. "We are talking about Block 23 of Turkmenistan's Caspian shelf," Grossman said. He gave no other details. No public information about this block was immediately available.

After coming to power in 2007, the Turkmen leader pledged to bring in foreign investment and diversify gas exports. As part of this policy, Turkmenistan is building a gas pipeline to China, due to be completed this year. Turkmenistan produces about 75 bcma, selling about 50 bcm of that to Russian gas giant Gazprom. The Chinese pipeline will have a capacity of 40 bcma.



❖ OPEC Monthly Oil Market Report (April 2009)

Source : Organization of the Petroleum Exporting Countries

Weblink : <http://www.opec.org/home/Monthly%20Oil%20Market%20Reports/2009/pdf/MR042009.pdf>