

Gazprom calms fears in Arctic



Gazprom said it is Russia's most prepared company for independently implementing offshore projects in the Arctic. |EPA/WILL ROSE/GREENPEACE

On 10 September, Gazprom said it is Russia's most prepared company capable of independently implementing offshore projects in the Arctic. Gazprom's Management Committee deputy Chairman Valery Golubev told delegates in St Petersburg at the opening of the 11th International Conference for Oil and Gas Resources Development in the Russian Arctic and CIS Continental Shelf that the Russian gas giant was pioneering efforts in extreme climates.

"Gazprom is Russia's most prepared

company that has the experience and technical means for independently implementing offshore projects in the Arctic, from geological and geophysical studies to field commissioning," he said, pointing out that Gazprom owned Russia's largest modern fleet of drilling rigs and specialised vessels for shelf operations.

Gazprom said it drilled more than two dozen wells in the Arctic between 1995 and 2012, discovering seven new fields and adding billions of barrels of oil equivalent to existing reserves.

Last year, the company started operations at the Prirazlomnoye oil field in the Pechora Sea and the Kirinskoye gas and condensate field in the Sea of Okhotsk.

In 2013, Gazprom produced its first volumes of oil from the Prirazlomnoye oil field using a stationary platform designed specifically for operations in arctic conditions.

In 2012, Greenpeace campaigners occupied a Prirazlomnoye oil rig, saying it was trying to stop "the destruction of the planet".

BP makes significant gas discovery in Egypt

On 9 September, British energy giant BP announced it made a significant gas discovery while drilling in deep waters in the eastern Nile Delta. BP's Egyptian subsidiary announced it made the discovery in its Salamat well, which is the deepest well ever drilled in the Nile Delta. It is the first well in the North Damietta Offshore concession granted in February 2010 and operated by BP.

The well was drilled using the sixth generation semi-submersible rig "Maersk Discoverer" in water depth of 649 metres and reaching a total depth of around 7,000 metres.

BP Executive Vice President Exploration Mike Daly said success with Salamat proves hydrocarbons in the centre of a 50-kilometre long structure. "With a hydrocarbon column in excess of 180 metres, the discovery increases our confidence in the materiality of the deep Oligocene play in the East Nile Delta," he said.

BP Egypt Regional President Hesham Mekawi said the Salamat discovery is a great outcome for the company's first well in this core exploration programme in the East Nile Delta. "It shows our commitment to meeting Egypt's energy needs by exploring the deep potential offshore

the Nile Delta. Standalone and tie-back to the nearby Tamsah infrastructure development options are currently being evaluated," he said. The Salamat discovery is located around 75 kilometres north of Damietta city and only 35 kilometres to the North West of the Tamsah offshore facilities. BP has 100% equity in the discovery.

The US Energy Department said last month insecurity in Egypt and Syria, coupled with territorial disputes between Israel and Lebanon, could complicate export plans for the region's natural gas. BP said it has a "long and successful track record" in the country.

CIVITAS seeks new solutions to sustainable transport

The CIVITAS network is launching the 11th edition of the annual CIVITAS Forum Conference which will take place in the French port city of Brest from 30 September to 2 October, focussing on "Implementing sustainable urban mobility with less". It seeks to unveil dynamic ways to advance greener transport with fewer resources and making such a vision more at-

tainable, CIVITAS said in a press release. It will also focus on ways to identify barriers and failure factors in adopting a more sustainable transport model, proposing novel approaches to overcome them.

The CIVITAS Initiative, which is co-financed by the European Union, has been bringing numerous European cities together since 2002 to launch several research and

demonstration projects in different urban environments. It has helped extend cleaner and better transport across the continent, from Cork in Ireland and Tallinn in Estonia to Coimbra in Portugal and Nicosia in Cyprus. It has established over 60 demonstration cities where it introduced new technologies and helped adopt new eco-friendly transport initiatives.

By Kostis Geropoulos



Energy Insider

Oettinger tells Gazprom the EU means business

STRASBOURG – European Energy Commissioner Günther Oettinger reiterated that the EU and Gazprom do not see eye to eye on long-term gas contracts and questioned the Russian gas giant's market policies.

"Our Russian partners like an oil price index and they like long-term contracts but the thing is that over time it has become clear that there is freedom of contract and there are two signatories to a contract – a seller and a purchaser," he told MEPs at the plenary in Strasbourg late on 9 September, speaking in German. He explained that if a gas entrepreneur guarantees a price and signs a contract to that extent, that's their freedom of choice and they are free to act in the world of European contractual law.

"Now we have sought sometimes to intervene when we thought there was a case of breach of contract. We sought to intervene against Gazprom and against gas industry and we have sought to ascertain whether the oil price index were actually in controversy of our internal market rules and were in breach of our competition law," Oettinger said.

"Let me say that Moscow thinks that this is actually a fairly aggressive piece of intervention on our part, that we are serious minded, that we will intervene and that we will report back and the parliament will then comment on the legal situation, having analysed it carefully," he asserted, adding it will then become clear whether an oil price index is feasible in a long-term contractual set up which operates within the EU's constitutional state based on the rule of law.

He noted that there has to be a framework for business and sometimes prices have to be renegotiated. Different producers and routes -- Norway and the Scandinavian countries, Azerbaijan and the Southern Corridor -- have generated competition. "Therefore, the EU strategy for connecting Europe is something which will become clearer in the autumn when our strategic pipelines take their rightful place in this scenario of increased competition," Oettinger said.

The European Parliament on 10 September adopted a report by Polish MEP and former EP president Jerzy Buzek on the completion of the EU internal energy market. "What gives us the chance for cheaper energy is an integrated and solid energy market. Its speedy implementation will ensure our security and sustainable use of our natural resources. It is now a moral obligation of the governments of all Member States," Buzek said after the plenary vote. He called for using all domestic energy sources - including coal and shale gas - and connecting the energy markets through transmission networks to "gain a protective shield against gas and oil crises".

Oettinger told the plenary, the EU is seeking to gradually drive down prices. He noted that gas prices should not be pegged to oil prices but gradually reflect world markets, global supply and demand, spot markets and the bourses. "And we have been working hard to try to ensure that we may also be able to reflect prices in the US which are certainly lower than here. In 2016, to the best of my knowledge, the Americans are expecting to export shale gas. I'm fairly confident this will actually happen," Oettinger said.

KGeropoulos@NEurope.eu
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