

OPEC's income down by \$363b in seven months

A sharp decline in crude prices allied with heavy production cuts to depress OPEC's oil export earnings by nearly \$363 billion (Dh1.3 trillion) in the first seven months of 2009, official U.S. figures showed yesterday.

From \$645bn in the first seven months of 2008, the income of the 12-nation Organization of Petro-

leum Exporting Countries (OPEC) plummeted by 56 per cent to nearly \$282bn in the first seven months of this year, showed the figures by the Energy Information Administration (EIA).

EIA of the U.S. Department of Energy gave no reason for the decline but the price of OPEC's basket averaged about \$52 in the first sev-



months of 2009 compared with as high as \$110 in the same period of last year.

OPEC also agreed to cut its output by 4.2 million barrels per day from the beginning of 2009 to keep prices relatively firm after they crashed close to \$30 a barrel in December because of the global financial distress. Before the erup-

tion of the crisis, crude prices had climbed to their highest ever level of about \$147 in late July on strong demand, market speculation and weak dollar.

EIA forecast OPEC's earnings at about \$555bn in 2009, sharply lower than the record high revenues of \$968bn it achieved in 2008 because of high prices and

production. But the report expected a strong recovery in the group's income to about \$667bn in 2010 as it forecasts higher prices due to a mild recovery in the global economy and consequently oil demand. A breakdown showed the UAE netted about \$26bn in the first seven months of 2009.

(Source: business24-7.ae)

Egypt signs \$2.3 billion oil, gas agreements with BP, Eni's unit

CAIRO (Bloomberg) — Egypt signed six agreements to explore for oil and natural gas with BP Plc and IEOC, a unit of Italy's Eni SpA, the Egyptian Oil Ministry said on Sunday.

The agreements have a total investment cost of \$2.3 billion and aim to explore oil and gas in the Eastern Desert, the Nile Delta, the Gulf of Suez and northern Sinai, the ministry said in a faxed statement on Sunday in Cairo.

Dana Gas Q2 profit surges on Kurdish Iraq ops

DUBAI (Reuters) — United Arab Emirates firm Dana Gas posted a second-quarter net profit of 392 million dirhams (\$106.7 million), a more than eleven-fold increase on the year-earlier period.

The company made a net profit of 392 million dirhams in the second quarter, compared with 32 million dirhams a year earlier, it said in a statement on Saturday.

Revenue from the sale of hydrocarbons reached 303 million dirhams, a 31 percent rise from 2008, due to condensate sales from the operations in the Kurdish region of Iraq, Dana Gas said.

Shell offered \$2.5 billion for Arrow Energy, Telegraph reports

LONDON (Bloomberg) — Royal Dutch Shell Plc made an A\$3 billion (\$2.5 billion) bid for Arrow Energy Ltd., and the talks ended "in stalemate," the Sunday Telegraph reported, without saying where it got the information.

Shell may return with a "revised approach," according to the newspaper.

Shell spokeswoman Catherine Aitkin in The Hague declined to comment on the report to Bloomberg News. Calls made outside business hours to the office of Gareth Quinn, a Brisbane-based spokesman for Arrow, weren't answered. E-mailed requests for comment weren't responded to.



First offshore German wind farm goes live

The Alpha Ventus project in the North Sea began producing electricity Aug. 12 and could someday power 50,000 homes

Electricity generated by Germany's first offshore wind energy park began streaming into the national network as three wind turbines located 45 kilometers (28 miles) north of the North Sea island of Borkum went online.

The three wind turbines are massive. Each towers more than 100 meters (328 feet) above the waves, with blades spanning more than 116 meters. Individually, the wind turbines are capable of generating 5 megawatts of energy per year. The initial trio will be joined later this year by nine more wind turbines. When all 12 go online later this year, the installation is expected to provide enough electricity to power 50,000 homes.

The project, dubbed Alpha Ventus, is co-financed by German energy giants Vattenfall, E.ON (EONGN.DE), and EWE. Construction began in 2007, and cost €250 million (\$357 million)—significantly more than the €190 million originally budgeted for the project. Bad weather last summer delayed the construction of the facility by almost a year.

Though Germany is considered a world leader in land-based wind power, this is the country's first offshore facility. The United Kingdom, Sweden, Finland, Denmark, Ireland and the Netherlands all have offshore wind energy parks already.

Alpha Ventus is a sort of experiment for the three big energy firms. Their consortium, the German Offshore Test Field and Infrastructure Foundation, is a critical part of the country's energy policy. Further wind parks are also already under construction or planned near Borkum and other islands.

20 percent from sustainable sources

In February, the German Environment Ministry unveiled an "energy roadmap" that includes slashing energy usage, boosting the efficiency and cleanliness of coal-fired power plants and taking nuclear plants offline. Renewable energy—which in cloudy, wintry Germany mostly means wind power—is supposed to make up much of the difference, providing 20 percent of the country's total power by the end of the next decade.

To make that a reality, there will have to be a significant investment in wind power, and soon. Germany already boasts nearly 20,000 wind energy plants on land, second only to the United States. Ocean-based wind turbines are the hope of the future. Power generated by projects like Alpha Ventus is subsidized by the German government to encourage investment and support the wind power industry.

But the 12 wind turbines of Alpha Ventus are a drop in the bucket. To meet the government's goal of substantially reducing CO2 emissions by 2020, thousands more wind turbines will have to be erected in the oceans. Environment experts with most German political parties support the offshore technologies. Indeed, the government's target is to generate 10,000 megawatts per year using offshore wind turbines by 2020, the equivalent of 10 nuclear power plants. It would take 2,000 more windmills in the North and Baltic seas to generate that volume of electricity.

And that worries conservation groups, which are concerned that the massive projects will disrupt flight paths of or even kill migratory birds. They also claim that too little has been done to study the impact the thousands of wind turbine towers could have on sea creatures.

(Source: businessweek.com)

PDVSA, Russian group to start \$30 billion oil venture

ST. PETERSBURG (Bloomberg) — Petroleos de Venezuela SA and a group of Russian oil companies plan to spend \$30 billion on a joint venture in Venezuela's Orinoco region.

The 40-year venture will seek to produce crude in the Junin 6 area and may expand to other Orinoco blocks, Russian Deputy Prime Minister Igor Sechin told reporters in St. Petersburg after meeting with Venezuelan Vice President Ramon Carrizalez. Russian investors will include OAO Gazprom, OAO Rosneft, OAO Lukoil, TNK-BP and OAO Surgutneftegaz.

The venture will be signed "in the coming months," Sechin said. Presidents Dmitry Medvedev and Hugo Chavez are expected to sign an agreement to create a bank to fund projects during Chavez's visit to Russia in September, Carrizalez told reporters. Russian and Venezuelan officials signed accords covering energy, education, tourism, environment and drug en-

forcement cooperation.

PDVSA-Servicios, the state oil company's oilfield services subsidiary, and Gazprom's Latin American division agreed last month to form a venture to operate drilling rigs and gas compression equipment. Venezuela has reached out to Russia in an attempt to obtain financing and reduce dependency on the U.S., the country's main trading partner.

Gazprom will use its Gazprombank unit to lend \$4 billion to Venezuela starting at the end of August, Boris Ivanov, chief executive officer of Gazprom EP International BV, told Chavez on state television on July 28. The loan will be collateralized by Venezuelan exports, he said.

Five Russian oil companies last year formed a company known as Consorcio Ruso to pursue joint ventures in the South American country.

UAE's Dolphin to finish gas pipeline Q3 2010

ABU DHABI (Reuters) — The UAE's Dolphin Energy said on Sunday it would finish building a cross-country pipeline to pump gas from Qatar to the east coast of the UAE in the third quarter 2010.

The UAE imports around 2 billion cubic feet per day (cf) into the emirate of Abu Dhabi from Qatar to meet around a third of domestic demand. Gas consumption in the UAE has outpaced growth of supplies, even though the world's third-largest oil exporter sits on fifth-largest gas reserves.

The gas pipeline would allow Dolphin to pump gas 240 kilometers (150 miles) to Fujairah on the UAE's east coast from the plant in Abu Dhabi's Taweelah that receives Qatari gas.

"The project is on track to be completed by the third quarter of 2010," Dolphin said in a statement on Sunday. The project had experienced delays in the early phase of construction, the company said.

Eni eyes Uganda refinery, pipeline projects: govt. official

KAMPALA, Uganda (Dow Jones) — Eni SpA has expressed interest building a refinery in Uganda and a 1,300-kilometer pipeline from there to the Kenyan port of Mombasa, a government official told Dow Jones Newswires.

"It's almost a done deal but talks are still underway," said the senior official at Uganda's Petroleum Exploration and Production Department, adding a cooperation deal could be signed soon.

Under the deal, Eni would be expected to partner UK-based



The gas was earmarked to supply a new power plant on the east coast. Dolphin has completed testing a plant to receive gas for the Qidfa power and water plant in Fujairah, the statement said.

Another section of pipeline from Taweelah to link up with a pipeline to the UAE city of Al Ain and then on to Fujairah would be completed in February, Dolphin said.

This would supply the power plant in Qidfa until supply via the Taweelah-Fujairah pipeline could begin, it said.

Mubadala Development Co, run by the government of the emirate of Abu Dhabi, owns 51 percent of Dolphin. France's Total and U.S. Occidental Petroleum each have a 24.5 percent stake.

Dolphin was the first cross-border gas project in the Persian Gulf Arab region, and began importing gas from Oman to the UAE in 2004. Supplies from Qatar to the UAE began in 2007.

Russia's Sroytransgaz won a \$418 million contract to build the Fujairah-Taweelah pipeline in July 2008.

Tullow Oil PLC in carrying out a feasibility study for the construction of a 100,000 barrel a day refinery in the Albertine region. The refinery would produce fuel for both domestic and regional markets.

A 1,300 kilometer pipeline is also necessary to take fuel from the Albertine rift to the Kenyan port of Mombasa for export once the country reaches full production. Other projects being considered include a railway line and a number of roads to the remote oil region.

China's power generating capacity tops 800 GW: report



BEIJING (Reuters) — China's installed power generating capacity exceeds 800 million kilowatts (800 gigawatts) with a new hydropower generator coming on line, state media reported on Sunday.

That puts China just over halfway toward its target of 1,600 gigawatts of installed power generating capacity by 2020.

The latest addition came from the no. 6 generator at Laxiwa Hydropower Station, the country's largest hydropower station on the Yellow River, which has started running, Xinhua news agency reported.

Brief Notice of International Tender No. 88-52



Esfahan steel Co.

Esfahan Steel Co. intends to purchase through international Tender for **two units shear for cutting round bars and reinforced bars**. Prospective bidders specialized and experienced in the said area may visit Esfahan Steel Co.'s Website at www.esfahansteel.com to get the tender documents no later than **(29.08.2009)** and deliver their bids to the following address no later than **official closing time (i.e.3:00 pm) on (11.10.2009).**

Equipment & Services Purchasing Dept
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For further information, prospective bidders may contact us via the following phone No.: 0098-3342573637

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