



Delta-Eko

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Turkey may help Gazprom pipeline

Turkey may offer its territorial waters for Gazprom's proposed South Stream pipeline under accords to be signed Thursday during a trip by Russian Prime Minister Vladimir Putin, a senior Russian official said.

Russia and Turkey intend to conclude 16 documents during the one-day visit to Ankara, including protocols on natural gas, oil and nuclear power, Yury Ushakov, Putin's deputy chief of staff, told reporters in Moscow Wednesday.

State-run gas exporter Gazprom is looking toward the South Stream pipeline, a 900-kilometer (560-mile) link under the Black Sea from Russia to Bulgaria, to help diversify supplies to Europe that were disrupted in pricing disputes with Ukraine. An environmental study will be conducted before construction begins, Ushakov said.

The two countries will also discuss adding a second pipe to the Blue Stream gas link, Ushakov said. Blue Stream's current design capacity is 16 billion cubic meters a year.

Turkey joined Bulgaria, Romania, Hungary and Austria in signing up to the Nabucco pipeline project, which has been in planning since at least 2004. Nabucco may send as much as 31 billion cubic meters of Caspian Sea-region gas a year via Turkey to Austria starting in 2014.

Putin will be meeting with Turkish Prime Minister Recep Tayyip Erdoğan for the eighth time, Ushakov said. Russia, which outpaced Germany as Turkey's top trade partner last year, is also considering oil and atomic energy projects in the Black Sea nation, he said.

"The personal contacts and personal chemistry offers good support for resolving most sensitive issues," Ushakov said.

Russian and Turkish officials will sign an accord on setting up a working group on a proposed oil pipeline from Samsun to Ceyhan. Gazprom said in July last year that the company's crude arm would be interested in joining a pipeline project planned by Italy's Eni and Turkey's Çalık Holding.

Turkey may also provide Russia with a loan for a proposed nuclear power plant as the two sides seek to reach an agreement on the project's price, Ushakov said. Russia has offered a "compromise" that will be lower than the original price for the station in Turkey, he said, without elaborating.



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Domestic fuel saver device proves successful

A device developed in Turkey that reportedly provides up to 30 percent in savings in fuel consumption is now being exported to more than 20 countries worldwide.

"EKO-66," invented by Talat Mollaoğlu, can be used in all engines operating with liquefied petroleum gas, or LPG, benzine and diesel. Mollaoğlu has obtained a patent for the device, which has drawn increasing attention.

Noting that dealers have opened in four cities nationwide, Mollaoğlu said that teams are sent to install the device in other cities. "People are showing great interest in my device. Based on the principle of using fuel more efficiently by enabling the burning of raw fuel in exhaust gas, the device provides up to 30 percent savings in fuel and reduces environmental pollution considerably."

Mollaoğlu noted that the device can be used not only in automobiles but also in sea vehicles and trains. "We installed our device in a train owned by the Turkish State Railways, and the practice proved to be a success. We have also installed it in boats, cargo ships and passenger ships as well as in buses and agricultural machines. At present, all customers have expressed satisfaction."

The firm, which was initially sold just in Turkey, has started to send the device abroad, he said, adding: "We send the device to more than 20 countries, including Chile, New Zealand, Germany, the Netherlands, Belgium, Luxemburg and the United States. We will sign distributorship agreements in all European Union countries."

Saver devices get attention

Due to the recent consecutive price hikes in fuel prices, saver devices have been receiving increased demand, Mollaoğlu said, adding that many citizens that complain about high prices prefer EKO-66. The device receives demand both at home and abroad, he said.

The device, which is "a source of pride for the Turkish nation," is environmentally friendly, according to Mollaoğlu. "This device, which is totally Turkish-made, is used in automobiles in many countries," he said, expressing his expectation of support from the government.

The price of the EKO-66 fuel saver device ranges between 500 to 2,000 Turkish Liras, excluding value added tax.

EKO-66 transforms all types of gas and liquid fuels containing hydrocarbon molecules from low-power "para state" to high-power "ortho state." It works with 12 and 24 volts of energy and combines the fuel with oxygen, the second main material in the formation of the burning process. It is an eco-friendly electromagnetic device that converts neutral fuel molecules into a positive state, and by means of all that process, decreases the level of carbon monoxide gas, which is harmful for human health and the environment.



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Austria's OMV may raise stake in Petrol Ofisi

OMV is in talks with Turkey's Doğan Holding to raise its stake in Petrol Ofisi and gain control of Turkey's biggest fuel retailer as the Austrian company expands in faster growing markets.

Doğan plans to sell part or all of its 54 percent in Petrol Ofisi, the Turkish company said Wednesday in a statement to the Istanbul Stock Exchange. Doğan's stake in Petrol Ofisi is worth \$1.4 billion, according to the current share price.

OMV, central Europe's biggest oil company, owns 42 percent of Petrol Ofisi, after initially paying \$1.05 billion for 34 percent in 2006. "The company is expanding in emerging markets to tap faster growth in demand," Bloomberg said. OMV in 2004 bought Romania's biggest oil company, SNP Petrom, and in May purchased a stake in an Iraqi-based natural gas producer.

"We feel very well prepared to take over control and to run this company under our leadership," OMV Chief Executive Officer Wolfgang Ruttendorfer said Wednesday in a Bloomberg Television interview. There's no time pressure on the talks, the companies also said.

OMV, meanwhile, declined 2.4 percent in Vienna trading and was at 28.14 euros at 5:14 p.m. Turkish time.

"We don't think the market perceives positively that OMV invests at least 1 billion euros into the downstream business by acquiring the majority stake," said Tamas Pletser, an analyst at ING Groep in Budapest, in a note to clients. "The Turkish retail market is lucrative with strong margins and high growth, but we think investors welcome an upstream acquisition rather than investing into lower margin downstream."

Pletser estimates that OMV has about 5 billion euros (\$7.2 billion) of funds for acquisitions.

A possible takeover of Petrol Ofisi may have "implications" for the Austrian company's rating, Fitch said Wednesday. "The rating implications for OMV will depend on price, the funding structure and possible changes to future capital commitments that would ultimately determine the post-transaction financial profile," said Josef Pospisil, director in Fitch's Energy, Utilities and Regulation group.

OMV doesn't "purely see downstream business," Ruttendorfer said at a press conference. "We want to be active around Turkey, for instance with the investment in northern Iraq, for which the only close market is Turkey. For us Turkey is a strategic question, not simply of filling stations."

OMV on Wednesday reported that second-quarter net income fell 79 percent to 144 million euros. Excluding the cost of revaluing inventories, the company had an adjusted loss of 103 million euros before interest and taxes in refining and marketing, compared with a profit of 45 million euros a year earlier.

Petrol Ofisi posted a 4.9 percent increase in second-quarter net income to 176.6 million liras (\$121 million). Net income in the period was 176.6 million liras compared with 168.4 million liras a year earlier, the company said in a filing with the Istanbul Stock Exchange. Financial income more than doubled to 339.7 million liras in the period, while expenses from sales and marketing fell to 75.3 million liras from 85.3 million liras, the company said.

"There is talk in the market that the sale price might be 30 percent higher than the market value," said Orhan Canlı, a trader at İş Investment in Istanbul, Turkey's biggest broker.

"Doğan will sell a large stake, or all of it."

Petrol Ofisi has 3,223 gas stations in Turkey where oil consumption grew 5.8 percent in 2008, according to BP's annual world energy report.



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OMV in March sold its stake in Mol to Surgutneftegaz for 1.4 billion euros, booking a loss of 37 million euros. In August it abandoned a 2.8 trillion-forint (\$13.5 billion) hostile takeover of Mol, Hungary's largest refiner, after the European Union expressed competition concerns over the proposed acquisition.

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