



**Delta-Eko**

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### **Turkish state firm to drill Black Sea in January**

Türkiye Petrolleri Anonim Ortaklığı, or TPAO, Turkey's state oil company, will start drilling for crude oil in the Black Sea in January, Chief Executive Officer Mehmet Uysal said last week.

The company has invested \$5 billion in the past 10 years to explore the Black Sea and has identified 10 drilling prospects with capacity to cover Turkey's consumption for 40 years, Uysal said in an interview in Bucharest.

TPAO has Black Sea exploration agreements with Brazil's state-controlled Petroleo Brasileiro, and signed a joint operation accord with Exxon Mobil in November.

"The Black Sea has huge reserves, which will be the main supplier of Europe within 10 or 15 years," Uysal said. "Our modest estimates for those prospects are 10 billion barrels of recoverable oil and 1.5 trillion to 2 trillion cubic meters of gas."

Once the 10 drilling prospects are proven as oil or gas bearing, TPAO will start production studies, which will take about five to seven years, and by 2017 or 2020 it will start production in those fields, he said.

"Our first aim is to fulfill Turkey's energy demand," Uysal said. "Then we will make more investment to expand the fields' capacity to export to Europe."

In the next 10 or 15 years Turkey will become a vital energy hub for Europe as an alternative to Russia, from which the European Union now gets a quarter of its natural gas, Uysal said. There are many oil and gas pipeline projects passing through Turkey and "very soon Turkey's territory will start looking like a spaghetti plate," he said.

### *Samsun-Ceyhan pipeline*

The 27-nation EU, which Turkey aspires to join, seeks to reduce its dependence on Russian gas, through projects including the Nabucco pipeline designed to pump gas from the Caspian via Turkey to Europe. Kazakhstan already ships oil through BP's Baku-Ceyhan link to Turkey's Mediterranean coast.

Eni, Italy's biggest energy company, and Turkey's Çalık Holding plan to build the Samsun-Ceyhan pipeline to carry oil from the Black Sea to the Mediterranean. The project "can be up and running in five to seven years," Eni Chief Executive Officer Paolo Scaroni said in Bucharest last week.

"In energy terms Turkey is already part of the EU," Scaroni said. "Turkey is the most important transit country in the region. It is a matter of geography."



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## **Turkish micro power plants open abroad**

*Micro hydroelectric power plants developed by a Turkish public company are now offered outside of Turkey as the firm prefers to expand abroad amid the economic turmoil. Through its entrepreneurial spirit, TEMSAN aims to increase its export portfolio in the near future.*

The Turkish Electromechanics Industry, or TEMSAN, which deals with the production, establishment, operation and maintenance services of energy installations, has started to export micro hydroelectric power plants.

These power plants enable electricity generation even from small streams. Designed and developed with the slogan "Generate your own electricity," they have been exported to the Fiji Islands and Tajikistan.

Although TEMSAN is a public company, it has the entrepreneurial spirit of the private sector, said TEMSAN Managing Director Osman Kadakal. According to Kadakal, the firm has focused on research and development, or R&D, and design for the last year, and is now collecting the fruits of these efforts through exports.

Noting that TEMSAN has exported micro hydroelectric power plants that are designed and produced by Turkish engineers to the Fiji Islands and Tajikistan for \$500,000 per unit, Kadakal said sales talks are ongoing with Madagascar, Equatorial Guinea, Azerbaijan, Morocco, Syria, Nigeria, Yemen and Iraq.

TEMSAN has participated in several tenders on hydroelectric power plant installation, micro hydroelectric power plants, power transformers and panel sales in the aforementioned countries, and has managed to undertake business worth \$78 million, Kadakal said.

### *Bright horizon for energy*

The energy sector has been heavily affected by the global economic crisis, according to Kadakal. TEMSAN's turnover is better this year compared to 2008, he said. "As a result of the contraction in the overall economy amid the turmoil, we have expanded abroad and become very successful," he added. "We attach great importance to research and development activities, as one cannot have a brand without design, and it is impossible to have a voice in the world without a brand."

Thanks to the marketing department, the firm has focused on Africa in particular, he said. The company's goal is to obtain a share of \$500 million in the African market in a few years, he added. TEMSAN aims to reach an export figure of \$1 billion within two years.

To date, TEMSAN has developed 21 turbine projects in various sizes and capacity and has prepared prototypes for 18 of them. The prices of the turbines vary according to their power capabilities. The one with the smallest power starts at 1,500 Turkish Liras and can meet the electricity demand of three houses. It is possible to generate 480 kilowatt/hours of electricity daily with a turbine of 20 kilowatt/hours.

Considering the average electricity need of a house is 5 kilowatt/hours per day, the micro hydroelectric power plant can cover the electricity demand of 96 houses. This provides an opportunity for houses, facilities, fish farms, flour mills, bakeries and small industrial enterprises, as well as villages and districts located close to water resources to generate their own electricity for free.

TEMSAN, which has 32 years of experience in the production, establishment, operation and maintenance services of energy installations, has two factories, in the Turkish capital of Ankara and the southeastern city of Diyarbakır.



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### **Turkey, Qatar sign memorandum on energy**

Turkey and Qatar on Tuesday signed a memorandum of understanding to cooperate on energy affairs. Turkey's Energy and Natural Resources Minister Taner Yıldız and Qatari Minister of Energy and Industry Abdallah bin Hamad al-Atiyah put their signatures to the memorandum in the Qatari capital of Doha. "We need to establish a strategic relationship with Qatar, the most important liquid natural gas [LNG] center in the world," Yıldız said during the signing ceremony.

The minister also said the two countries would set up energy working groups that would consider mutual energy issues in detail. Al-Atiyah underlined in his speech the importance of a diversified energy supply and said it was a step in the right direction for Turkey to meet its energy need from different countries. Yıldız also called on Qatari investors to take their share in the \$100 billion in energy investments Turkey is planning to make in the next 15 years.

Turkey and Qatar had agreed to establish a joint committee to seek opportunities on energy cooperation during Qatari Emir Hamad bin Khalifa al-Thani's visit to Turkey in August.

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