

mZINE

Industry Insights From MJMEENERGY

Nabucco pipeline Issue

May 2007



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The Nabucco Pipeline



Reinhard Mitschek, Head of OMV Gas International, introduced delegates at last years EAGC to the Nabucco pipeline as 'a missing link between giant gas sources and their potential markets'. This month in MZINE we are going to take a look at this ambitious project and discuss how Nabucco can offer a possible solution to the rising European gas demand.

[Read the rest of this article](#)



mWELCOME

Hello and welcome to the May issue of **MZINE**, our free monthly e-newsletter.

This month we are taking a look at the Nabucco project and how that might benefit Europe as a whole, see [MSTORY](#). [MPRICES](#) looks at the spot Oil Forward Curve, whilst at [MPHISIS](#) Derek offers his view on pipelines to Europe! Don't forget to check out our thought of the month at [MPATHY](#).

Our public course dates for 2007 have now been published and can be seen at http://www.energytrainingnetwork.com/public_courses.htm The next few months can be found at [MTRAIN](#).

Please feel free to contact me about this newsletter and let me have your thoughts, what you like and don't like, I am open to your suggestions.

And if you have enjoyed reading this newsletter and think you know someone who might also enjoy it then feel free to forward it on.

Any one may sign up for this monthly newsletter, it is free and your details are protected.

Email:

Kind regards.

A handwritten signature in black ink that reads 'Paul Cassar'.

Paul Cassar
Editor

mTRAIN

All of our training courses can now earn, participating solicitors, CPD points from the law society. Attendance at any of our events may also contribute to meeting accountancy CPD requirements under the terms of the ICAEW's CPD policy. Please visit www.icaew.co.uk/cpd for the ICAEW's CPD policy details.

Over the [next few months](#) the following one-day events are being held in **London, UK**. For an at a glance view of our 2007 public training dates please visit: http://www.energytrainingnetwork.com/2007_pcg.htm

More information about these courses can be found by clicking on the course title or visiting energytrainingnetwork.com and clicking on public courses. Alternatively you can contact me by [email](#) or phone +44 (0) 1235 553917, fax +44 (0) 1235 553917.

Any of our public courses can be held at your location, for your company, or they can be tailor made to your requirements. If you want to find out more contact our Training Manager [Nick White](#) +44(0) 1235 211161 and get ahead of the rest.

| | | |
|--------------|--|--------|
| 5th June | <u>UK Electricity Market</u> | London |
| 6th June | <u>An INTRODUCTION to the UK GAS MARKET</u> | London |
| 7th June | <u>An INTRODUCTION to the NETWORK CODE</u> | London |
| 2nd-3rd July | <u>EU Gas Markets - a two day course</u> | London |
| 4th July | <u>Gas Storage</u> | London |



SMi present their Conference...

GAS STORAGE

25th & 26th June, 2007, The Hatton, London



At this event you will hear from expert speakers including:

- Klaus-Dieter Barbknecht, President, Gas Storage Europe (GSE)
- Thomas Lehmann, Gas Storage Division, Wingas Storage UK
- Mogens Houe, Vice President, Gas Distribution and Storage, DONG
- Sonia Youd, Commercial Director, Centrica Storage
- Leendert Florusse, Vice President, Mid and Downstream, EDF
- Hermann Spreckels, Head of Underground Storage Facilities, E.ON Ruhrgas
- Niels Dijkman, Groningen Asset Reservoir Engineering Leader, Nederlandse Aardolie Maatschappij
- Pierre-Marie Cussagnet, Co-Chairman, ERGEG Gas Storage Task Force, CRE

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mPRICES

Forward Oil Curve

THE FORWARD CURVE

High stocks at Cushing – the inland delivery point for the Nymex light sweet crude futures contract – are depressing prompt prices, decoupling WTI from the rest of the world oil market. Inventories in the area rose sharply following a fire at Valero's McKee refinery in February, forcing the front end of the forward curve into a deep contango as storage filled up. However, gasoline stocks are now below normal seasonal levels, opening up a wide crack spread as refiners come out of spring turnaround.

SWAPS PRICES

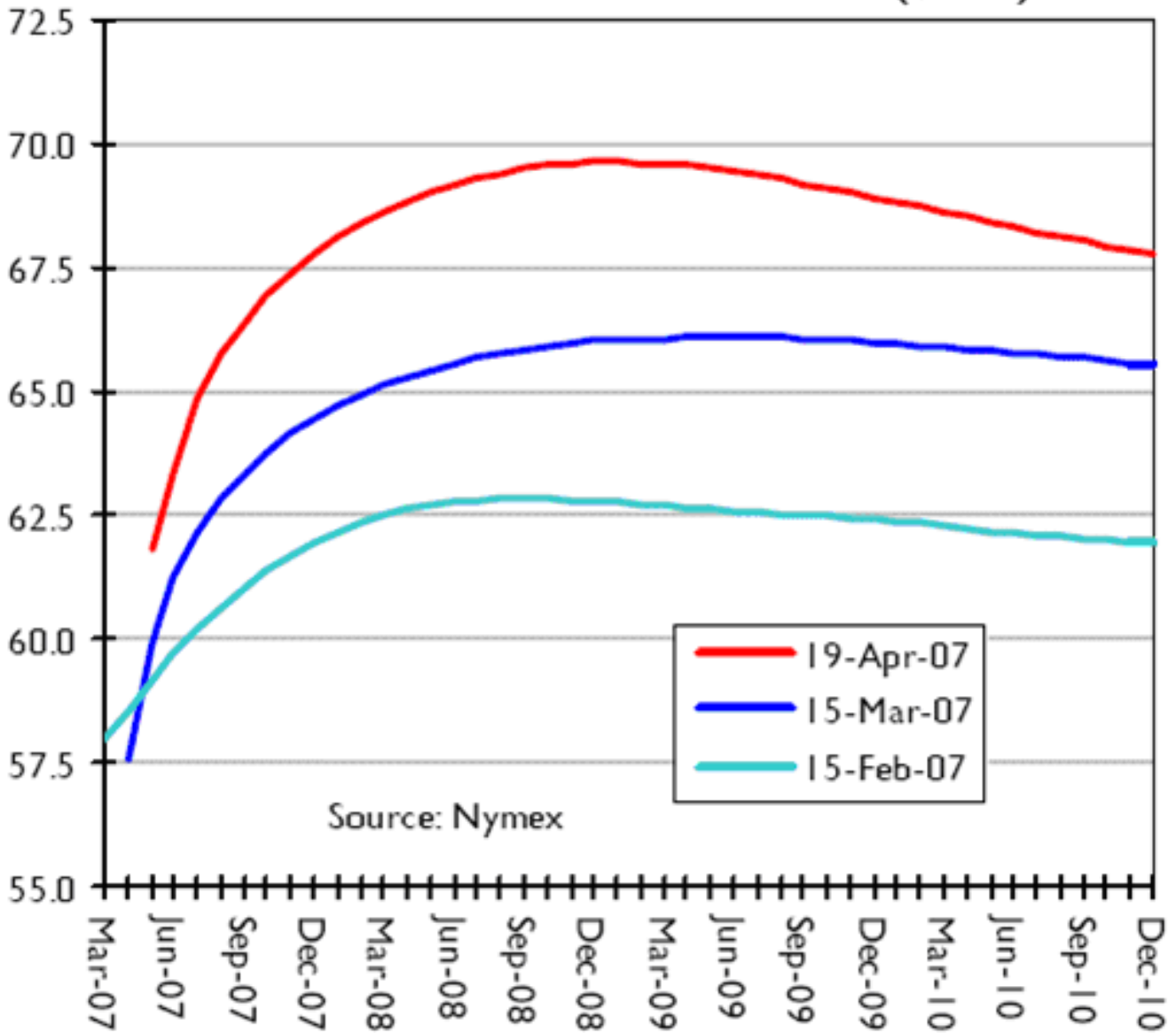
Period averages at close of business on 19/04/2007

| \$/bbl | 3Q07 | 4Q07 | 1Q08 | 2Q08 | 2008 | 2009 | 2010 |
|--------|-------|-------|-------|-------|-------|-------|-------|
| WTI | 66.54 | 67.86 | 68.68 | 69.21 | 69.25 | 69.25 | 68.17 |

Source: Icap Energy Ltd.

Medium-term prices moved up towards \$70/bbl last month, bolstered by continuing friction with Iran, improved output compliance by OPEC and the tightening gasoline market. Yet the back end of the curve is now downward sloping, with prices below \$66/bbl by 2010. The balance of Calendar 2007 WTI is \$65.5/bbl, lower than Brent because of the distortion at Cushing makes it difficult to compare with the new OPEC basket of crudes, which is currently trading at the same level as prompt WTI.

WTI FORWARD PRICE CURVE (\$/bbl)



CGES Monthly Oil Report, 23 April 2007 www.cges.co.uk

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mPHASIS!

for the lighter side of life!



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mPATHY

thought of the month

The thing with high-tech is that you always end up using scissors.

David Hockney 1937-

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mFEATURE

The Challenges of Security and Liberalisation of Gas Supplies in Central Europe

The 13th **C**entral **E**uropean **G**as **C**onference travels to Berlin in 2007, as the region comes to grips with unprecedented change and new challenges. The region is traditionally dependent on Russian gas but new pressures and requirements from the EU are forcing the countries to ponder diversification of supplies. New possible solutions and alternative routes may affect the patterns of deliveries to Central Europe but the region will continue to be the most important transit corridor for gas supplies to the rest of Europe.

Join us for an in-depth look at how the region's gas sector players are coping with their new environment and responding to pressure from the EU to introduce fully liberalised markets. The CEGC's expert participants will analyse the status of liberalisation across the region; the emergence of new competitors; new requirements and the lessons being learned as incumbent players respond to market shifts.

RWE Transgas are this year's event hosts, and sponsors include **VNG, JKX Oil & Gas** and **Alphatania**.

Various Central European nations will be represented by the following top level speakers:

Georg Boomgaarden, State Secretary, Federal German Foreign Office, **Germany**

Martin Herrmann, Chairman of the Board of Directors, RWE Transgas, **Czech Republic**

Laszlo Varro, Chief Economist, MOL, **Hungary**

Christophe Poillion, Chairman of the Board of Directors, SPP Preprava, **Slovak Republic**

Uwe Fip, Senior Vice President, Gas Supply Division East, E.ON Ruhrgas, **Germany**

Kostyantyn Gryshchenko, Vice Chairman, Republican Party of **Ukraine**

Matthias Warnig, Managing Director, Nord Stream, **Switzerland**

Igor Wasilewski, President, OGP Gaz-System SA, **Poland**

Tomislav Jurekovic, Senior Project Manager, Croplin, **Croatia**

This year, we have restructured the programme in an effort to move away from the formal lecture based design to a more interactive forum, where debate and analysis and even confrontation will provide a fascinating insight into the Central European Gas market.

Full details on the programme, social events and registration information is all available on the event website at www.thecegc.com or you can call **+44 (0) 20 8275 5198** for further details.

We hope to see you in Berlin!

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