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LNG

PROCESSING

AUSTRALIA : Santos submits a draft of the Environmental Impact Statement for Gladstone LNG project – 48/10/1

Santos has recently submitted a draft of the Environmental Impact Statement (EIS) for its Gladstone LNG (GLNG) project. GLNG is the first major integrated coal seam gas (CSG) to LNG project to submit its EIS.

The EIS assesses the impacts of the following major components of the project:

- Coal seam gas fields (near Roma)
- Transmission gas pipeline (435km pipeline connecting Roma to Curtis Island)

- LNG liquefaction and export facility on Curtis Island
- Bridge, roads and service corridors to Curtis Island
- Dredging in Gladstone Harbour

GLNG released its draft EIS Terms of Reference for comment in May 2008, which was finalised in August 2008. The State Government will examine the EIS against the Terms of Reference agreed for the project's assessment, before the document is made public. The Queensland community will then have an opportunity to review the EIS and make submissions. (Santos press release, March 31, 2009)

NORTH AFRICA : Shell may use floating LNG processing technology – 48/10/2

Shell may use the floating technology in the Northeastern part of the Mediterranean Sea near Cyprus to produce liquefied natural gas, said recently Omar El Sisi, an official at Egyptian Natural Gas Holding Co. The Egyptian government announced in 2008 that it won't sign new gas-export contracts until 2010, citing price volatility and the need to meet domestic demand. Explorers must set aside a third of gas reserves for domestic use and a third for storage before being allowed to export the rest. The Egyptian government agreed in 2008 to pay more for gas supplied by foreign companies to the domestic market to attract investments in deep water areas. (Bloomberg, March 24, 2009)

PAPUA NEW GUINEA : Liquid Niugini Gas selects Bechtel and ConocoPhillips technology for its planned LNG facility – 48/10/3

Liquid Niugini Gas has recently selected leading engineering, construction and project management company Bechtel to undertake the front-end engineering and design (FEED) and engineering procurement and contracting (EPC) work for its planned LNG facility in Papua New Guinea. Liquid Niugini Gas has also chosen ConocoPhillips' Optimized CascadeSM Process Technology for the plant design. Liquid Niugini Gas has taken an innovative approach toward the FEED process by concurrently negotiating an agreed EPC contract as an option. The planned capacity of the LNG liquefaction plant, to be

located at Napa Napa in Port Moresby, is a nominal 5 million tons per annum as a single processing train, with the option to add a second processing train. Liquid Niugini Gas CEO, Dr Jack Hamilton explained that formal award of the FEED contract was subject to final shareholder approval, which requires the finalization of a Project Agreement with the Papua New Guinea Government. "While the Project is still aggressively pursuing its 2012 schedule, this timeframe is under pressure until the Project Agreement with the Government is completed," he said. The Government of Papua New Guinea will be provided an opportunity to participate in ownership. (Liquid Niugini Gas press release, February 28, 2009)

THAILAND : PTTEP plans to produce LNG from Australian fields – 48/10/4

PTT Exploration and Production PTTE.BK said recently it planned to produce 1-2 million tonnes a year of liquefied natural gas from Australian fields in the next five years. Chief Executive Anon Sirisaengtaksin said "Investment in LNG is to secure Thailand enough resources to cope with any shortfall if natural gas output from the Gulf of Thailand falls". Production would involve floating LNG after PTTEP signed a contract with Norway's Golar LNG to develop FLNG output in 2008, he said. (Reuters, April 2, 2009)

UNITED STATES : TransCanada awards gas processing plant engineering contract to URS Corp. – 48/10/5

TransCanada Corp. has awarded recently a contract to URS Corp. to develop a preliminary feasibility and engineering study for a gas treatment plant that would be part of an Alaska natural gas pipeline project the company hopes to develop, TransCanada vice president Tony Palmer said. Arctic Slope Energy Services, a subsidiary of Arctic Slope Regional Corp., will provide engineering services to URS on the contract, he said. TransCanada is doing to

develop overall cost estimates for its project. Cost estimates are needed for an open season planned in 2010 in which the pipeline company will solicit customers to ship gas on its pipeline. The URS and ASRC Energy work is due to be complete in early 2010, Palmer said. The gas treatment plant will process raw natural gas produced from North Slope fields to remove carbon dioxide, water and impurities from the gas, preparing it for the gas pipeline. (Alaska Journal of Commerce, March 30, 2009)

TRANSPORTATION-DISTRIBUTION

SINGAPORE : Sembawang Shipyard secures Favoured Customer Contract from BG LNG Services – 48/10/6

Sembawang Shipyard, a wholly-owned subsidiary of Sembcorp Marine, has recently secured the Favoured Customer Contract (FCC) from BG LNG Services, LLC. The contract provides for ship-repair, refurbishment, upgrading and related marine services for its fleet of LNG carriers. BG LNG Services is a subsidiary of BG Group plc and

the selected exclusive partner of Energy Market Authority (EMA) of Singapore to supply up to 3 million tonnes per annum of liquefied natural gas to Singapore for a period of up to 20 years. With the signing of this FCC contract, five membrane-type LNG carriers are currently scheduled to undergo dry docking and repairs in Sembawang Shipyard in 2009 with others scheduled for subsequent years. (Sembcorp press release, April 2, 2009)

SUPPLIES - IMPORTS – EXPORTS

ANGOLA : Netherlands seek to import LNG by 2012 – 48/10/7

The Economy Minister said recently that the Netherlands hopes to start importing gas from Angola and reselling it in Europe as soon as a plant to liquefy gas for export is ready by 2012. Dutch utilities Essent, Eneco and Delta had expressed interest in importing gas from Angola, Maria van der Hoeven said. "The Netherlands is

going to be the gas roundabout for Northwestern Europe. So that means that through Rotterdam, northwestern European countries are and will be supplied with gas," she said. Angola plans to have its first LNG plant running by 2012. Located near the coastal town of Soyo in northern Angola, the plant will produce around 5.2 million metric tonnes a year of LNG and related products. (Reuters, March 30, 2009)

AUSTRALIA : Officials eye gas exports to India by 2014 – 48/10/8

Australian High Commissioner to India John McCarthy said recently that his country has the potential to meet New Delhi's rising demand for natural resources and it would start exporting natural gas to India. "By 2013-14, we would be in a comfortable position to export liquefied natural gas to India" he said. (IANS, March 18, 2009)

INDONESIA : First LNG delivery from Tangguh delayed again – 48/10/9

Energy Minister Purnomo Yusgiantoro said recently that the first delivery of liquefied natural gas from the Tangguh project in Indonesia's Papua may be delayed beyond an earlier target of May 2009. Priyono, head of BPMIGAS, said the first two LNG cargoes would be delivered to

Fujian, China. "We may not make first delivery of LNG in May from Tangguh. We may deliver one cargo to Fujian as a test," Yusgiantoro said. He added Indonesia would not declare that Tangguh was on stream commercially until the receiving terminal in China was ready. (Reuters, March 27, 2009)

JAPAN : Osaka Gas wants to stop LNG spot purchases in 2009-2010 – 48/10/10

Osaka Gas Co said recently that it plans to buy 12 percent less liquefied natural gas in the year starting in April 2009, and will stop spot purchases altogether. The firm buys around 7 million tonnes of LNG a year through long-term contracts. But it plans to cut purchases for 2009-2010 to 6.512 million tonnes from an estimated 7.4 million tonnes in 2008-2009 due to a projected 6 percent fall in gas demand.

The company plans to reduce the purchase volume by halting spot purchases and adjusting term volumes by taking advantage of the "flexibility" option, Osaka Gas President Hiroshi Ozaki said. He added that he expects the LNG market to be oversupplied in 2010 and 2011 due to weak global demand amid an economic slowdown. The company also expects to buy no spot LNG in the year starting April 2010, when it looks to buy a total 6.819 million tonnes, a different senior company official said. (Downstreamtoday, March 24, 2009)

QATAR : First cargo arrives at South Hook LNG terminal – 48/10/11

Exxon Mobil Corporation reported recently that the first liquefied natural gas cargo arrived at the South Hook LNG receiving terminal in Milford Haven, Wales. The terminal has the ability to deliver up to 2 billion cubic feet of gas daily into the natural gas grid when it reaches full

operational capacity in 2009. South Hook LNG Terminal Company Ltd. is owned by Qatar Petroleum (67.5 percent), ExxonMobil (24.15 percent) and Total (8.35 percent). The terminal forms part of the wider Qatargas II joint venture which will supply gas to the UK from Qatar's North Field. (EnergyME, March 20, 2009)

RUSSIA : First LNG cargo from Sakhalin II plant loaded in Japan – 48/10/12

The first scheduled Russian LNG cargo has been successfully loaded from the Sakhalin II LNG plant onto the LNG carrier Energy Frontier. The vessel departed Prigorodnoye port on 29 March, 2009, bound for Sodegaura terminal, Tokyo Bay, with a cargo of some 145 thousand cubic metres of LNG. This consignment will be taken by two of the company's foundation customers, Tokyo Gas and Tokyo Electric. Sakhalin LNG is currently being produced by the first of two trains, the second of which is due to come on stream in the middle of 2009. A gradual ramp-up to full production capacity of both trains will occur in 2009 and early 2010. (EnergyME, March 29, 2009)

STORAGE

BRAZIL : Guanabara Bay LNG terminal completes testing stage – 48/10/13

Petrobras announced recently that the Guanabara Bay liquefied natural gas regasification terminal successfully completed its testing stage. The natural gas was regasified on board the Golar Spirit vessel, which sailed from the Pecém LNG terminal (in the state of Ceará) to Rio de Janeiro to operate in the Guanabara Bay unit testing procedures. The LNG that was regasified at the terminal was delivered to the Governador Leonel

Brizola (1,036 MW) and Aureliano Chaves (226 MW) thermoelectric plants. The plants generated, respectively, an average of 435 MW and 215 MW during these six days. The LNG that was regasified at the terminal was transferred over compressed natural gas transference arms to a 15-km long gas pipeline, 10 km of which under water and 5 km onshore, that connects the Guanabara Bay terminal to the Southeastern region gas pipeline network. (Petrobras press release, April 4, 2009)

INDONESIA : Government decides to build floating LNG terminals – 48/10/14

The government has recently decided to build floating liquefied natural gas terminals in North Sumatra and in the sea north of Jakarta, a cabinet minister said. Energy and Mineral Resources Minister Purnomo Yusgiantoro said that the construction of a floating LNG terminal was the most possible option in an effort to overcome gas stock deficit in the two regions for the coming 2010-2014 term. "After 2014, a relatively big gas stock will begin to come from East Kalimantan

and the Masela Block," the minister said. The terminal in North Sumatra will be built by PT PGN while that in Jakarta by PT Pertamina and power firm PT PLN. PT PGN director Hendi P Santos said that the floating LNG terminal in North Sumatra would be built with a capacity of 150 million cubic feet per day. The LNG terminal in Jakarta will be built with a capacity of 1.5 million tons per annum. (Downstreamtoday, March 31, 2009)

INDONESIA : Gas need could not be met in North Sumatra power plants – 48/10/15

Energy and Mineral Resources Minister Purnomo Yusgiantoro said recently that the need for gas of thermal power plants (PLTGU) in Belawan, North Sumatra, could not be met by gas fields in the area, namely the Glagah Kambuna and JOB Costa. PLN President Director Fahmi Mochtar said the need of PLTU for gas in Belawan, Medan, reached 130 million MCFPD, but only 20 MMSCFD had been made available. He that the need of gas for power plants in Jakarta and its surroundings reached 875 MMSCFD but gas already made available was only 550 MMSCFD. (Downstreamtoday, March 31, 2009)

UNITED STATES : Gulf Coast LNG becomes operator of Calhoun LNG terminal – 48/10/16

GCLP announced recently that it has executed a Memorandum of Understanding for the Consortium of KOGAS, LG International, and EMS Group (Port Lavaca LNG Services, LLC) to be the operator for the Calhoun LNG Terminal. The Consortium has also agreed to participate as an equity owner in the Calhoun LNG Terminal at The Port of Port Lavaca - Point Comfort. The Port Lavaca LNG Services Consortium members collectively bring extensive Operations & Maintenance (O&M) experience and capabilities and commercial and technical expertise in the

LNG business to Calhoun LNG. The Calhoun LNG terminal will have two 160,000 cubic meter storage tanks with the ability to process an average of approximately 1.0 billion cubic feet per day of natural gas. The proposed Point Comfort Pipeline originating at the terminal will include 27 miles of 36-inch pipeline, and will connect with nine major pipelines including 5 interstate and 4 intrastate pipeline systems serving Texas and the Midwest, Northeast, and Southeast regions of the country. (Gulf Coast LNG Partners press release, March 22, 2009)



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NATURAL GAS

EXPLORATION – DISCOVERY

ALGERIA : RWE Dea finds gas in the Ahnet Basin – 48/10/17

RWE Dea made recently a gas find in the Ahnet Basin in the Algerian Sahara. The Tigfermas Ordovician-1 exploration well located in the M'Sari Akabli concession encountered gas in the Lower Devonian. Initial tests using a 32/64-inch choke recorded a gas flow of 363,000 cubic metres per day. The M'Sari Akabli concession area is located north-east of the prospective Reggane concession. The company recently announced that it would pursue existing expansion plans in an effort to double the production of natural gas and crude by the year 2013. RWE Dea holds a 22.5%-stake in this concession. Repsol, with a stake of 33.75%, is the operator for the consortium, which includes Sonatrach with 25% and the Italian company Edison with a share of 18.75%. (RWE Dea press release, April 2, 2009)

ARGENTINE : Neuquen authorities agree to extend Apache's concessions – 48/10/18

Apache Corporation reported recently that the province of Neuquen has agreed to extend eight federal oil and gas concessions for 10 additional years. Since acquiring the blocks in 2006, Apache has increased gas production 25 percent to 106 million cubic feet per day. The concessions were scheduled to expire between 2015 and 2017. In exchange for production that would have reverted to the province beginning in six years and the right to explore for 10 additional years, Apache will pay a bonus of approximately \$23 million, increase the provincial royalty to 15 percent from 12 percent, and spend up to \$320 million in a future work program. Rob Johnston, region vice president said "Next, we plan to pursue similar extensions for concessions on the island of Tierra del Fuego". (EnergyME, March 30, 2009)

CHINA : CNOOC announces two new discoveries in Bohai Bay – 48/10/19

CNOOC Limited announced recently that it has successfully drilled two new oil and gas discoveries, Bozhong (BZ) 2-1 and Qinhuangdao (QHD) 29-2. BZ 2-1 is located in the west of Bozhong Sag. The well was tested to flow at an average rate of 1,270 barrels of oil and 393 thousand cubic feet of natural gas per day via 11.91mm choke. QHD 29-2 is located in southeast of Qinnan Sag. The well flowed at an average rate of 3,930 barrels of oil and 15.2 million cubic feet of natural gas per day. (CNOOC press release, March 26, 2009)

EGYPT : Abuqir Petroleum Company discovers gas offshore Alexandria – 48/10/20

The new Abuqir Petroleum Company, established in January 2009 between EGPC, Egyptian General Petroleum Corporation (50%) and Edison (50%), made recently a new hydrocarbon discovery in the Abu Qir concession after drilling the NAQ PII-2 well offshore Alexandria, in Egypt. The well tested a cumulative production of 1.85 million cubic meters of natural gas and 850 barrels of condensate a day. The Abu Qir fields, which have been in operation since the 1980's, currently, produce about 1.5 billion cubic meters of natural gas and 1.5 million barrels of liquids a year through four platforms. The concession's remaining reserves are estimated at about 70 billion cubic meters of natural gas equivalents. (Edison press release, March 31, 2009)

ISRAEL : Energtek receives commercial license to produce and sell gas in Negev region – 48/10/21

Energtek Inc. announced recently that its wholly-owned subsidiary, Energtek Products Ltd., was granted a commercial license for the exploration, production and sale of natural gas in Israel's Northern Negev region. Natural Gas Exploration and Production License Number 376, granted by Israel's Ministry of National Infrastructures, enables Energtek Products to produce natural gas on exploration block of approximately 19,000 acres.

An existing well on the site already enables the production of small quantities of natural gas. The license also enables Energtek Products to explore for additional gas quantities. Energtek plans to apply its LMPTM (Low-pressure Mobile Pipeline) bulk transportation technology to transport and sell natural gas produced. The proprietary LMPTM system enables the cost-effective transport of natural gas in areas without developed pipeline infrastructure. (Energtek press release, March 24, 2009)

ISRAEL : Noble Energy reports a second offshore gas discovery – 48/10/22

Noble Energy, Inc. announced recently a natural gas discovery at the Dalit prospect in the Michal license, offshore Israel. Dalit represents the Company's second subsalt, lower-Miocene discovery in the Levantine basin. Charles D. Davidson, Noble Energy's Chairman, President and CEO, said, "We are moving forward with development plans to bring first production to Israel from this new region in 2012. At the same time, we continue to remain focused on the vast exploration potential remaining, and we plan to conduct new 3D seismic later this year over various leads in our other licenses in the area.

Production testing will be performed at Dalit after the well is completed". Noble Energy operates both the Michal and Matan licenses with a 36 percent working interest. Other interest owners are Isramco Negev 2 with 28.75 percent, Delek Drilling with 15.625 percent, Avner Oil Exploration with 15.625 percent and Dor Gas Exploration with the remaining four percent. (PRNewswire, March 30, 2009)

PRODUCTION

CHINA : CNOOC announces first gas from PY30-1 field in Pearl River Mouth basin – 48/10/23

CNOOC Limited announced recently the successful start-up of its PanYu (PY) 30-1 gas field. Currently it is producing about 30 million cubic feet of natural gas per day. PY30-1 is located in the Pearl River Mouth basin in Eastern South China Sea, about 240 kilometers southeast of Hong Kong. To enhance the efficient development of resources and reduce the operating cost, the Company has implemented a joint development plan for PY30-1 and HuiZhou (HZ) 21-1 oil and gas field. The PY/HZ project was divided into two phases and its first phase.

HZ21-1 field has commenced production since the end of 2005. PY 30-1's start-up successfully concluded the engineering work of the second phase. Natural gas from PY30-1 will be piped to an onshore gas processing terminal which is located in Zhuhai and then supplied to the users after further processing. Daily gas production of PY 30-1 will gradually increase to and remain stable at 93 million cubic feet in 2009. The peak production of PY 30-1 is expected to reach 160 million cubic feet per day. PY30-1 is an independent gas field of CNOOC Ltd. and the company holds 100% interests. (CNOOC press release, March 18, 2009)

EGYPT : First gas output from Al Basant field in the Nile Delta region – 48/10/24

Dana Gas started recently its first production from the recent gas & condensate Al Basant discovery in the West Manzala Concession in the Nile Delta region. Al Basant-1 well was discovered in October 2008 and tested at a rate of 23.5 million standard cubic feet per day of gas and 1027 barrels per day condensate. The Al Basant-2 appraisal well was tested at 10.5 mmscfd gas. Al Basant field gas reserves are currently estimated to exceed 123 billion cubic feet. A third well, in the field is planned to reach an estimated target field production of 45 mmscfd before end of 2009.

The Al Basant discovery was developed with two pipelines; 6" and 12", 17.5 km each, to transport Al Basant production to El Wastani (EW) integrated gas plant which has a design capacity of 160 mmscfd and 7500 bpd of condensate and LPG. The El Wastani plant is currently operating at 153 mmscfd gas and 5400 bpd of condensate and LPG. The new gas production from Al Basant will allow testing the plant beyond its full design capacity and identifying the components that require modification, or upgrading, to maximize throughput while targeting production levels of 170 mmscfd. (EnergyME, April 5, 2009)

INDIA : Reliance Industries starts gas production from the Dhirubhai 1 and 3 discoveries – 48/10/25

Reliance Industries Limited commenced recently production of gas from the Dhirubhai 1 and 3 discoveries of the KG-D6 block in the Krishna Godavari Basin in the Bay of Bengal. The gas from offshore is being received at Gadimoga, in the East Godavari district of Andhra Pradesh and delivered to the East West Pipeline of Reliance

Gas Transportation Infrastructure Ltd. (RGITL). At peak production of oil & gas, the KG-D6 facility is expected to produce over 550,000 barrels of oil equivalent per day. The KG-D6 block (KG-DWN-98/3) in Krishna Godavari basin was awarded to RIL and Niko consortium under NELP-I. RIL holds 90% Participating Interest (PI) and Niko Resources Limited holds 10% PI in the block. (Reliance Industries Limited press release, April 2, 2009)

PAPUA NEW GUINEA : Rift Oil reports improved results of Puk-Puk flow testing – 48/10/26

Rift Oil announced recently improved results following independent analysis of Puk-Puk flow testing. Rift Oil PLC has received an analysis of the flow-test data on Puk-Puk from a qualified independent reservoir engineer. The overall conclusions are summarised as follows: Each of the three test zones has very high calculated permeabilities, consistent with the results from core and log analysis; and calculated Absolute Open Flow Potential is in the range 50-60 MMCFD for each zone, or a combined 150-180 MMCFD for the three zones. There is no evidence of depletion during testing, consistent with the presence of sizable reserves; and all three zones were still cleaning up and improving at the completion of test operations. The percentage of CO₂ in the well stream is very low, although condensates to gas ratios are only in the range 1-3 barrels per million cubic foot of gas. Chairman Ian Gowrie-Smith commented: "We are very pleased with the conclusions of the Puk Puk-1 test report, which indicate that we have high quality reservoirs, fully charged with gas; and can anticipate production wells individually producing at rates in the order of 100 million cubic feet per day of gas. (Rift Oil press release, March 31, 2009)

UNITED STATES : BHP Billiton announces first oil and gas from the Shenzi field in the Gulf of Mexico – 48/10/27

BHP Billiton announced recently that first oil and natural gas production has commenced from the Shenzi development in the deepwater Gulf of Mexico. The tension leg platform has a nominal capacity of 100,000 barrels of oil per day and 50 million cubic feet per day of natural gas, on a 100 percent basis. The Shenzi facility is located

approximately 195 kilometres off the Louisiana coastline. The Shenzi field comprises four blocks: Green Canyon 609, 610, 653 and 654. The natural gas will be exported via the Cleopatra pipeline. BHP Billiton is the operator with 44 percent equity. Joint interest participants are Hess Corporation and Repsol, each with a 28 percent equity. (BHP Billiton press release, March 25, 2009)

PROCESSING

ABU DHABI : Total extends its participation in Gasco for 20 years – 48/10/28

Total announced recently that it has signed agreements for a 20-year extension of its 15% participation in Abu Dhabi Gas Industries Limited Company (Gasco), alongside the Abu Dhabi National Oil Company (68%), Shell (15%) and Partex (2%). Gasco was created in 1978 to process the associated gas from the Bab, Bu Hasa and Asab oil fields, extract the natural gas liquids for the Joint Venture shareholders, and deliver the ethane and residue lean gas (essentially methane) to Adnoc. On behalf of Adnoc, Gasco also operates the processing and liquids extraction facilities of other associated and non-associated onshore gas, as well as fractionation, transportation, storage and export facilities related to the above operations. (Total press release, April 1, 2009)

ALGERIA : Saipem wins lump sum turn key contract for a gas processing plant and export pipelines – 48/10/29

Saipem has been recently awarded a new onshore contract in Algeria. Saipem has signed the lump sum turn key contract with the joint venture between Eni and Sonatrach for the treatment facilities of natural gas extracted from the Menzel Ledjmet East field and from the future developments of the CAFC (Central Area Field Complex). The contract encompasses the EPC

(engineering, procurement and construction) of the natural gas gathering systems and processing plant and the related export pipelines. The facilities will provide a processing capacity of 350 million cubic feet of gas per day and of 35,000 barrels per day of liquids and will be located in the Berkine Basin, approximately 1,000 kilometers southeast of Algiers. The contract is scheduled to be completed within 36 months. (Downstreamtoday, March 23, 2009)

NIGERIA : Shell shuts down Soku gas processing plant again – 48/10/30

Shell has recently shut down again gas production from one of its feeder plants in southern Nigeria, a spokesman said, just three days after operations resumed at the facility. Shell spokesman Precious Okolobo said the firm halted operations at its Soku gas plant for "operational reasons". The plant, which sends gas supplies to Nigeria LNG on Bonny Island, was forced to halt operations in November 2008 to repair pipelines that were illegally tapped into by thieves. About 100 of these connections were discovered in December 2008 alone. (Reuters, April 6, 2009)

NORWAY : Aker Solutions awarded upgrading contract for the Heidrun platform – 48/10/31

StatoilHydro awarded recently Aker Solutions an engineering, procurement, construction and installation contract at Heidrun. The object of the Heidrun Production Pipeline project is increase the gas capacity with 16 percent to 7.1 MSm³/d. The work includes onshore fabrication and offshore installation. Offshore work will take place between autumn 2009 and mid-2010. (Aker press release, April 3, 2009)

TRANSPORTATION-DISTRIBUTION

BELGIUM : Fluxys offers a new method for subscribing capacity – 48/10/32

Fluxys, in consultation with CREG, has recently developed for customers in the business of transport for supply into the Belgian market a new method for subscribing capacity at those entry points where demand exceeds availability. Customers in the business of transport for supply into the Belgian market subscribe capacity at the entry points on a 'first come, first served' basis. During a defined capacity subscription period, all the medium-term capacity that transport customers want to book is listed so as to provide a general overview of demand and to allocate available capacity on the basis of transparent criteria. First capacity subscription period ends on

15 May 2009. Allocation of available capacities is due by 15 May. Then from 16 May transport customers can request for the same period 2010-2014 capacity at the other entry points on the customary 'first come first served' basis.

Another novelty is that for all entry points a part of the medium-term 2010-2014 capacity will not be allocated. This is to enable for example new entrants to conclude short-term capacity contracts: from 16 to 31 May requests can be submitted for annual contracts running from 1 January to 31 December 2010. Fluxys will allocate the relevant capacity by 1 July. After that, the remaining available capacity for 2010 can be subscribed for periods of less than a year as well. (Fluxys press release, April 4, 2009)

CHINA : General Electric receives contract for work on the east-west gasline – 48/10/33

General Electric Co. said recently that has been awarded a \$300 million contract for work on a new east-west natural gas pipeline in China. GE's oil and gas division will provide compression equipment and turbines for the PetroChina pipeline that will run 8,700 kilometers through 13 of China's provinces. The pipeline is expected to raise the share of natural gas in China's primary energy consumption to 5 percent from 3.5 percent. GE's portions of the new pipeline project are expected to go into service in the second half of 2010 and 2011. (Associated Press, March 24, 2009)

EUROPE: UE and Ukraine agree to improve gas infrastructure – 48/10/34

Europe and Ukraine agreed recently to work together to encourage investment in Kiev's aging gas infrastructure, with Ukraine also endorsing more transparent tariffs. Ukraine presented a plan for modernizing its gas pipeline that it said will cost about \$7.5 billion. It also said it would provide fair and transparent tariffs for transshipping gas. External Relations Commissioner Benita Ferrero-

Waldner said "We cannot allow our citizens to face fuel shortages in the depth of winter again. Nor can Ukraine's economy develop without a more sustainable approach". Russia's energy minister Sergei Schmatko warned against what he described as a "unilateral" approach that does not pay enough attention to Moscow's crucial role as a gas supplier. (Voice of America, March 23, 2009)

INDIA : GAIL targets more gas transmission in financial year 2009-2010 – 48/10/35

GAIL (India) Limited has recently set a target of transmitting 94.8 mmscm/d of natural gas from domestic sources and through LNG route during financial year 2009-2010 under the Annual Memorandum of Understanding signed with Ministry of Petroleum and Natural Gas for performance targets for the financial year. The company has also targeted for Gas Marketing target of around 83.2 mmscm/d. (GAIL press release, March 25, 2009)

INDONESIA : Bakrie & Brothers to build gas pipeline in Central Java – 48/10/36

PT Bakrie & Brothers will build a pipeline to deliver gas from an offshore field to a power plant operated by the state electricity firm in Central Java, the energy minister said recently. Energy Minister Purnomo

Yusgiantoro said this section of the pipeline would be about 200 km and run from Java Island to the Muriah gas block in the Java Sea. "This is one section of the gas pipeline from East Kalimantan to Java," Yusgiantoro said. Malaysia's Petronas operates the Muriah gas block and has a contract to supply 145 billion British Thermal Units of natural gas a day for state own electricity firm PT Perusahaan Listrik Negara (PLN) for 10 years. The pipeline section is due to be completed in 2011. Yusgiantoro said the gas pipeline from East Kalimantan was needed to secure gas supply to heavily populated Java in future. "It will not disturb the production of LNG in Bontang plant," the minister added. (Downstreamtoday, March 23, 2009)

QATAR : LNG vessel "Al Sadd" delivered to Qatargas – 48/10/37

Another Q-Flex LNG carrier was recently delivered to Nakilat and chartered on long term contract to Qatargas Liquefied Gas Company Limited (3), known as Qatargas 3, at Daewoo Shipbuilding & Marine Engineering Co. Ltd., Okpo shipyard on Geoje Island. The Nakilat owned Q-Flex LNG Carrier "Al Sadd" (210,000 cm) will be used to ship LNG produced by Qatar Liquefied Gas Company Limited to markets primarily in the United States. (Qatargas press release, March 26, 2009)

UNITED STATES : Enbridge plans to hold an open season for LaCrosse Pipeline project – 48/10/38

Enbridge Inc. announced recently it will conduct a non-binding Open Season beginning in April, 2009, for an interstate pipeline to transport natural gas from Carthage, Texas, to Washington Parish in Southeastern Louisiana. The proposed LaCrosse Pipeline, which would run from Enbridge's Carthage Hub to an interconnection with Sonat Pipeline in Washington Parish, Louisiana, would include approximately 300 miles of 42- and 36-inch diameter pipe. The pipeline would interconnect with at least five to six major

interstate pipelines along this route and could include up to as many as 12 pipeline interconnections, depending on shipper interest. Enbridge also is exploring the possibility of extending the pipeline to Florida Gas Transmission's Station 10 near Wiggins, Mississippi. The proposed project is expected to be completed in late 2011 or early 2012. "We anticipate this pipeline could move at least 1 billion cubic feet/day of natural gas" said Patrick D. Daniel, President and Chief Executive Officer, Enbridge Inc. (Enbridge press release, April 1, 2009)

SUPPLIES - IMPORTS – EXPORTS

BOLIVIA : Gas exports price decreased – 48/10/39

The cost of the natural gas that Bolivia exports to Brazil and Argentina has recently fallen. The two countries are now paying \$4.60 per million British thermal units for Bolivia's gas. The price of the gas exported to Argentina had been \$7.80 per million BTU through the end of March 2009, compared with \$5.70 per million BTU for gas shipped to Brazil. Bolivia exports some 18 million cubic meters of natural gas per day to Brazil, down from around 30 million cm/d in 2008, and 4.5 million cm/d to Argentina. Separately, the Bolivian government announced that it expects gas production to total 46 million cm/d in 2009. (Latin America Herald Tribune, April 7, 2009),

BOLIVIA : Petrobras in strict compliance with gas purchase and sale agreement with YPF – 48/10/40

Regarding an alleged non-fulfilment of the Bolivian natural gas purchase and sale agreement Petrobras recently clarified that it is in strict compliance with the mentioned trade agreement and that it has not received any formal questioning from YPF about such alleged non-fulfilment of the natural gas purchase and sale agreement in effect between the parts (Petrobras and YPF).

This agreement sets the obligation of paying for an average volume of no less than 19.25 million cubic meters per month (monthly Take-or-Pay) and for an average volume of no less than 25.06 million cubic meters by the end of the year (annual Take-or-Pay). Petrobras has been importing an average monthly volume above 19.25 million cubic meters per day since 2005. Petrobras clarified that it is expected to consume larger volumes of Bolivian natural gas on account of the beginning of the dry season in Brazil. This trend will increase Petrobras' imports of Bolivian gas to levels that are likely to surpass 24 million cubic meters per day in the course of 2009. (Petrobras press release, March 20, 2009)

BRAZIL : Petrobras to launch a short-term gas contracting electronic platform – 48/10/41

Petrobras presented recently to the market a new contractual mode to market natural gas to local distributors. Volumes of natural gas will be offered in short-term agreements signed via electronic auctions. The first auction is scheduled for April 15, 2009. These trade agreements will involve volumes for consumption in up to two months, within the gas delivery availability limit. Unlike the existing trade agreements, the new contractual modes will have shorter delivery terms and pre-defined durations. The amount charged for the natural gas will be set in highest bid auctions.

State distributors with which Petrobras has long-term agreements can participate in these auctions. The volumes of natural gas foreseen by the existing agreements with the distributors and which are currently not being marketed by these companies to their final consumers will be offered. In each auction, lots of natural gas volumes defined by sub-markets in the natural gas marketing environment will be negotiated. The volumes of natural gas marketed in the auctions will be delivered in the first and/or second month after the sale is made. The auctions will be held electronically through a virtual platform developed especially for this model of negotiation. (Petrobras press release, March 31, 2009)

EQUATORIAL GUINEA : Authorities want to finalize gas deals with Nigeria and Cameroon – 48/10/42

Equatorial Guinea will send negotiators to Cameroon and Nigeria to finalize a deal to secure new gas supplies and stimulate efforts to create a regional gas hub, the deputy energy minister said. Gabriel Obiang Lima, deputy minister of mines, industry and energy, said "A memorandum of understanding has been signed but we need to move on to the next stage with the signing of the contract". (Downstreamtoday, March 24, 2009)

INDIA : Reliance Industries signs gas sales and purchase agreement with fertilizer companies – 48/10/43

Reliance Industries Limited signed recently the Gas Sales and Purchase Agreement (GSPA) with the customers in fertilizer sector for supply of natural gas to be produced from the KG-D6 block. The GSPAs were signed with 12 customers in the fertilizer sector for supply of approximately 15 million standard cubic meters (mmscmd) natural gas at 15 different urea manufacturing facilities. The duration of contract under the GSPA is 5 years and the gas price in GSPA is as per the formula approved by the Government. East-West Pipeline built by Reliance Gas Transportation Infrastructure Limited (RGTIL) would be used to transport gas from KG-D6 block to the fertilizer

companies, by inter-connecting with pipelines of GAIL and GSPL. The fertilizer companies also signed Gas Transportation Agreement (GTA) with RGTIL. The following fertilizer companies will be supplied natural gas from KG D6: Nagarjuna Fertilizers & Chemical Limited, Rashtriya Chemicals & Fertilizer Limited, IFFCO, KRIBHCO, GSFC, GNFC, Tata Chemicals Limited, National Fertilizer Limited, Chambal Fertilizer & Chemicals Limited, KRIBHCO Shyam Fertilizers Limited, IndoGulf Fertilizer & Shriram Fertiliser & Chemicals Limited. The supply of natural gas to these units would result in additional production of approximately 7 million tones of urea per annum. (Reliance Industries Limited press release, March 27, 2009)

ITALY : Gazprom's subsidiary to create a joint venture for gas sales – 48/10/44

Gazprom has recently bought a 50% stake in A2A Beta S.p.A. from A2A Alfa S.r.l. to create a joint venture to sell gas on the Italian market, a Gazprom Germania spokesman Burkhard Woelki said. The deal was struck by Gazprom's subsidiary, Gazprom Germania, which trades natural gas from Russia and Central Asia in Germany and Western Europe.

A2A Alfa S.r.l. is 70% controlled by a group of Italian companies, A2A, while the remaining 30% is held by Iride. Gazprom Germania is represented in the deal by its subsidiary ZMB GmbH. The joint venture is expected to enable Gazprom to sell about 900 million cubic meters of gas on the Italian market annually. (RIA Novosti, March 25, 2009)

PORTUGAL : Sonatrach receive approval to sell gas to customers – 48/10/45

Sonatrach has obtained a license to start selling natural gas direct to Portuguese customers, Algerian official news agency APS reported recently. Sonatrach Gas Comercializadora (SGC) signed the agreement with the Portuguese government in March 2009. Some 85 percent of Portugal's gas needs, or 2.5 billion cubic metres

a year, are already supplied indirectly by Algeria, under a 20-year agreement signed in 1993, APS said. (Reuters, March 21, 2009)

STORAGE

UNITED STATES : Expansion of LNG terminal at Cove Point enters into full commercial service – 48/10/46

Dominion announced recently that its Dominion Cove Point Expansion project went into full commercial service. Output capacity for the liquefied natural gas plant on the Chesapeake Bay in Maryland has increased by 80 percent to 1.8 million dekatherms of natural gas per day. LNG storage capacity has nearly doubled to 14.6

billion cubic feet equivalent. New facilities include: two storage tanks, each capable of holding 160,000 cubic meters of LNG, or approximately 3.4 Bcfe of natural gas each, increased vaporization and associated station facilities adding 800,000 Dth per day to output capacity. (Downstreamtoday, March 27, 2009)

UNITED STATES : Falcon Gas Storage successfully leases storage capacity in North Texas – 48/10/47

Falcon Gas Storage Company, Inc. announced recently that all of the available gas storage capacity at its Worsham-Steed and Hill-Lake Gas Storage Facilities in North Texas has been leased successfully as a result of an open season conducted during February 2009. “Falcon offered 6 Bcf of storage capacity under one- and two-year contracts starting April 1, 2009,” said Marketing Vice President John Holcomb. “We received firm bids for about 20 Bcf from nine companies”. (Falcon Gas Storage press release, March 24, 2009)

USE FOR POWER GENERATION

AUSTRALIA : Tallawarra gas-fired power station officially opened by TRUenergy – 48/10/48

A gas-fired power station was recently opened by TRUenergy. TRUenergy, the only Australian energy utility to have committed to a formal greenhouse gas reduction target, is aiming to reduce the carbon intensity of its generation portfolio and ultimately cut overall emissions by

60% by 2050. TRUenergy Tallawarra, a 435 megawatt will supply electricity to over 200,000 homes and businesses across the state. Construction of the power station commenced in November 2006, with synchronisation to the NSW power grid in October 2008. It commenced commercial operations in January 2009. (TRUenergy press release, March 31, 2009)



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