



Vol. 48, n° 11, April 29, 2009

Contents

Liquefied Natural Gas

p2- AUSTRALIA : Woodside, Aborigines and the Kimberley Land Council agree on a landmark deal for LNG hub project.

- **INDONESIA** : Ministry wants review of Sulawesi reserves planned to feed the Donggi-Senoro LNG plant.

- **KAZAKHSTAN** : Xinjiang Guanghui and Tarbagatay Munay in LNG processing deal.

- **PAPUA NEW GUINEA** : Export-Import Bank of Korea is considering investing in LNG project.

p3- PAPUA NEW GUINEA : Petromin signs cooperation agreement with CNOOC in Liquid Niugini LNG project.

- **RUSSIA** : Production stats at the small-scale LNG plant of Kingisepp.

- **VENEZUELA** : Iran ready to invest in LNG processing.

- **YEMEN** : Yemen LNG set to begin commissioning during the second half of 2009

- **JAPAN** : A new carrier in Tokyo LNG Tanker fleet.

p4- WORLD : Surplus forecasted in LNG shipping capacity.

- **CHINA** : Spot LNG cargoes bought from Malaysia and Trinidad & Tobago.

- **QATAR** : PGNiG signs Heads of Agreement for LNG supply.

- **RUSSIA** : First Russian LNG reached South Korea.

- **RUSSIA** : Gazprom and Shell announce the signing of LNG and natural gas contracts.

p5- TRINIDAD AND TOBAGO : Energy Minister seeks better LNG prices.

- **CHILE** : Excelerate Energy agrees to extend LNG regasification services.

- **CHILE** : Quintero terminal to receive first LNG shipment in June 2009.

- **CYPRUS** : Authorities seeks partners in Vasilikos LNG terminal venture.

- **INDIA** : APM plans to build an LNG terminal at Pipavav.

- **ITALY** : Start-up of Gioia Tauro LNG terminal delayed to 2014.

p6- SWEDEN : AGA wins LNG terminal contract in Nynäshamn.

- **UNITED STATES** : FERC extends Cameron LNG deadline.

Liquefied Petroleum Gas

p6- NIGERIA : LPG consumption remains low.

Gas To Liquids

p6- UZBEKISTAN : Sasol, Uzbekneftegaz and Petronas in GTL agreement.

Natural Gas

p7- ALGERIA : Repsol makes a new gas find in the Ahnet basin.

- **ITALY** : Po Valley reports gas flow at Bezzacca-1 appraisal gas well.

- **NORWAY** : UN Commission submits final recommendation on limits of Norwegian continental shelf to the north.

- **OMAN** : Government signs gas exploration and sales with Petronas and BP.

- **POLAND** : FX Energy announces Kromolice-2 test results.

p8- SAUDI ARABIA : Lukoil may have found gas and condensate in the Bloc A.

- **UNITED KINGDOM** : Venture Production announces new appraisal well in the southern North Sea.

- **UNITED STATES** : Apache tests Ewing Banks 998 #1 discovery in the Gulf of Mexico.

- **UZBEKISTAN** : Sasol, Uzbekneftegaz and Petronas in GTL agreement.

p9- VIETNAM : PVEP discovers gas at Hac Long.

- **ABU DHABI** : Gasco plans to increase gas output by 25% over five years.

- **INDIA** : Government approves SGL field development plan.

- **IRAN** : Development plans for Farzad B Lavan gas field in final talks.

- **ITALY** : Mediterranean Oil & Gas announces the start up of gas production from the Vigna Nocelli 1 well.

p10- MOZAMBIQUE : Sasol to increase gas output.

- **RUSSIA** : Gazprom discusses gas saving.

- **RUSSIA** : Lukoil-Zapadnaya Sibir started drilling the first production well at Pyakyakhinskoye gas condensate field.

- **INDONESIA** : Sembcorp Marine unit to build gas processing platforms.

p11- NIGERIA : Utorogu processing plant to produce more gas.

RUSSIA : Sibur and TNK-BP in partnership to process associated petroleum gas in Irkutsk region.

- **NIGERIA** : Oando gets Akwa Ibom Right of Way for South East gas pipeline project.



LNG

PROCESSING

AUSTRALIA : Woodside, Aborigines and the Kimberley Land Council agree on a landmark deal for LNG hub project – 48/11/1

Woodside's liquefied natural gas hub proposed for the West Australian coast has overcome a major hurdle after local Aborigines and the Kimberley Land Council struck recently a landmark deal. The Two parties brokered an in-principle agreement that will give the traditional owners more than \$1 billion in compensation over 30 years. The LNG project is a step closer to being developed at James Price Point, 60 kilometres north of Broome. West Australian Premier Colin Barnett said "The next step is the development of an indigenous land use agreement in negotiation with the traditional owners, registered by early 2010 and the environmental approvals process completed by late 2010»This would enable a foundation proponent, such as Woodside, to begin construction by mid to late 2011". (The Age, April 15, 2009)

INDONESIA : Ministry wants review of Sulawesi reserves planned to feed the Donggi-Senoro LNG plant – 48/11/2

Ministry officials said recently PT Medco Energi International and Pertamina must review the size of natural gas reserves before building a liquefied natural gas plant in Sulawesi. Pertamina, Medco and Mitsubishi Corp. have agreed to build the Donggi-Senoro LNG plant in Sulawesi, with a capacity of 2 million tonnes per year. It will receive natural gas supplies from Pertamina and Medco. However, energy and mining officials are now questioning the estimated size of the reserves. A Pertamina official had said previously that the combined gas reserves in Sulawesi were around 2 trillion cubic feet. "The ministry has found that the gas reserves in Sulawesi are lower than their

finding," Mines and Energy Minister Purnomo Yusgiantoro said, adding that this raised questions over whether to go ahead with the project. Medco signed recently an agreement to supply a total of 2 million tonnes a year of LNG to two Japanese buyers. Under the agreement, Medco will sell 1 million tonnes of LNG from the Donggi-Senoro LNG plant to Chubu Electric Power Co and 1 million tonnes to Kansai Electric .The contracts will run for 15 years. Kardaya Warnika, an expert at the energy ministry, said that according to the ministry's findings, the gas reserves in Sulawesi were insufficient to meet contract. Yusgiantoro said other issues would also need to be resolved including domestic gas supplies from the Sulawesi gas reserves and the price. (Reuters, April 22, 2009)

KAZAKHSTAN : Xinjiang Guanghui and Tarbagatay Munay in LNG processing deal – 48/11/3

Xinjiang Guanghui Industry Co signed recently a cooperation agreement with Kazakhstan-based Tarbagatay Munay LLP (TBM) on oil and gas exploration and development in Kazakhstan. According to the agreement, Xinjiang Guanghui will with the Kazakhstani company to develop an oil gas field in eastern Kazakhstan. In addition, TBM will invest RMB 30.3 million for a 10% stake in an LNG plant to be established in Jeminay County, in Altai Prefecture of China's Xinjiang Uygur Autonomous Region. The plant will have an estimated processing capability of 500 million to 800 million cubic meters. The new plant, which will process gas produced in Kazakhstan, is expected to start construction within two months, according to Wang Liyuan, chairman of Xinjiang Guanghui. (China Knowledge, April 21, 2009)

PAPUA NEW GUINEA : Export-Import Bank of Korea is considering investing in LNG project – 48/11/4

Export-Import Bank of Korea (KEXIM) said recently that it is looking to support Exxon Mobil Ltd and its partners in the LNG project in Papua New Guinea, on condition that Korea Gas Corp is picked to receive steady supply of LNG from the project. "With KOGAS, we're in talks with partners of the project including Exxon. As a state-run bank, it is inappropriate for us to support a project

that a Korean company is not involved in," said the company's spokesman. Exxon Mobil and its partners are seeking \$9 billion in debt financing for the LNG project, looking to raise the funds from a combination of loans from export credit agencies, bonds and commercial bank loans, to supplement a \$3 billion loan from Exxon itself. [In addition, the project operators also need to raise another \$5 billion in equity, based on their target debt-to-equity ratio of 70:30. (Reuters, April 16, 2009)

PAPUA NEW GUINEA : Petromin signs cooperation agreement with CNOOC in Liquid Niugini LNG project – 48/11/5

Petromin said it has recently signed an agreement with China National Offshore Oil Corporation (CNOOC) on cooperating in Liquid Niugini Gas' planned liquefied natural gas project. Petromin said the heads of agreement also included gas reserves owner InterOil, but an InterOil spokesman said InterOil was not involved in the agreement; rather it was a direct arrangement between Petromin and CNOOC. The agreement would provide for CNOOC to discuss the terms on which it could provide a carry for Petromin in respect of the financing of the state's equity in the LNG project, added Petromin. (Upstream, April 20, 2009)

RUSSIA : Production stats at the small-scale LNG plant of Kingisepp – 48/11/6

Output is now underway at a new small-scale LNG plant in Kingisepp, Russia, built by private Russian company JSC Cryogas. The LNG plant, which operates at a capacity of 7000 tonnes per year, was built in the town of Kingisepp in the Northwest region of the Russian Federation in 2008. For JSC Cryogas, a part of the Polish group CP Energia S.A, start-up and adjustment works have now come to an end and LNG output has begun. The small-scale plant was built at the site of the Vehicle Gas Filling Compressor station

(VGFCs), where fuelling of vehicles with compressed natural gas is carried out. The plant is built on the basis of a high pressure LNG unit and equipped with a Freon freezing machine, while the system of LNG storage consists of two vertical cryogenic tanks with a volume of 63m³ and cryogenic pump intended for LNG delivery in cryogenic LNG road tank. Produced LNG is delivered to consumers in the Northwest region of the Russian Federation and is exported to the Polish Republic, Finland and Germany. (Gasworld, April 20, 2009)

VENEZUELA : Iran ready to invest in LNG processing – 48/11/7

Tehran and Caracas have recently signed the research phase of an agreement on an \$8 billion investment to construct an LNG plant in Venezuela. The negotiations between the two parties on investment terms will start after the research phase is finished; Mehr News agency quoted an unidentified source at Iran's Oil Ministry as saying. No other investor has been chosen to be involved in the project, which is planned to produce around 10 million tons of LNG per year, the source added. It is estimated that the project will come on-line by 2014. (Tehran Times, April 8, 2009)

YEMEN : Yemen LNG set to begin commissioning during the second half of 2009 – 48/11/8

Total said recently that Yemen LNG (YLNG), the group's liquefied natural gas venture in the country, is set to begin commissioning its first liquefaction train during the second half of 2009. Yemen LNG will be operating a two-train natural gas liquefaction plant with a guaranteed capacity of 6.7 million metric tonnes per annum (mmtpa) each, plus associated pipelines, storage and loading terminal on the southern coast of Yemen. Two storage tanks with a capacity of 120,000 cubic metres each and a single berth capable of serving LNG tankers of up to 140,000 cubic metres, with a maximum loading rate of 12,000 cubic metre per hour are also being developed.

The project will monetise gas extracted from the fields dedicated for that purpose in the Marib existing fields of central Yemen. Upstream, the gas feed will reach the plant by a 320-km, 34-inch pipeline from Maarib/Jawf and Jannah, with a capacity of 830 MCF/day. A second 14-inch pipeline with a capacity of 100 MCF/day is to be built from Safir (Maarib) to Sanaa, about 210 km, for domestic gas consumption. Yemen LNG has committed approximately 100% of the guaranteed Plant capacity under three 20-year LNG Sales and Purchase Agreements. The shareholders of the YLNG Company are Yemen Gas Company (23.10%), Total (42.90%), Hunt Oil Company (18%) and two Korean companies, SK Corporation (10%) and Hyundai Corporation (6%). (Pipeline Magazine, April 13, 2009)

TRANSPORTATION-DISTRIBUTION

JAPAN : A new carrier in Tokyo LNG Tanker fleet – 48/11/9

The newly built 7th LNG Carrier of Tokyo LNG Tanker Co., Ltd., a wholly-owned subsidiary of Tokyo Gas was named "Energy Confidence". The ship is jointly owned by Tokyo LNG Tanker and Nippon Yusen Kaisha with the share 70% and 30% respectively. With the same hull dimension as other four "Energy" series ships in TLT's fleet which has 147,000m³ tank capacity, this ship has achieved to increase its tank capacity to

155,000m³ by stretching three of its four spherical tanks by 2m in vertical direction at the equator. Additional 5.5% tank capacity will enable to provide more efficient transportation. After the delivery in the beginning of May 2009, Energy Confidence will transport LNG from projects of Northwest Shelf (Australia), Darwin (Australia), Malaysia I and III, Sakhalin II, and in the future, Pluto and Gorgon. The new ship is the 7th LNG tanker in Tokyo LNG Tanker fleet. (Tokyo Gas press release, April 14, 2009)

WORLD : Surplus forecasted in LNG shipping capacity – 48/11/10

Merrill Lynch said in recent report that the number of LNG tankers has increased from about 150 in late 2003 to more than 300 today. The LNG fleet has reached a total capacity of 23mn DWT (dead weight tonnage) in March 2009. The current global order book suggests there are 77 more ships (6mn DWT of capacity) set to arrive in the next few years, Francisco Blanch, head of global commodities research at Banc of America Securities-Merrill Lynch said. "Thus, despite our expectation of an 18mn tonnes increase in LNG trade, we believe the surplus in LNG shipping capacity will likely increase this year, suggesting relatively cheap LNG transport costs going forward. While supply will grow at the strongest rate in three years, we do not think shipping will

be a bottleneck, as the LNG fleet is also growing at a rapid pace," Blanch said. "In stark contrast to last year, we see supplies increasing this year due to new liquefaction trains in Asia and the Middle East. We expect five projects with nameplate capacity of 39.5mn tonnes to come into the market this year, mostly in the second half. Ramp-up times of an average of three months imply that the bulk of the increase will be felt in 2010, when another 15.6mn tonnes of nameplate capacity is scheduled to come online. That compares to new projects of just 1.65 billion cubic feet a day in 2007 and 1.1bn in 2008. Of the five new projects this year, Russia's Sakhalin project has now delivered its first test cargo. In Qatar, the first of six 7.8mn tonnes mega trains is set to load its first cargo destined to the UK," Blanch said. (Gulf Times, April 11, 2009)

SUPPLIES - IMPORTS – EXPORTS

CHINA : Spot LNG cargoes bought from Malaysia and Trinidad & Tobago – 48/11/11

China bought recently spot liquefied natural gas cargoes from Malaysia and Trinidad & Tobago to supplement term-contract supplies from Australia. China paid US\$6.25 million for 8,419 metric tons of LNG from Malaysia in March and US\$28.6 million for 58,064 tons of LNG from Trinidad & Tobago, the customs said. (Bloomberg, April 22, 2009)

QATAR : PGNiG signs Heads of Agreement for LNG supply – 48/11/12

Qatargas and PGNiG SA announced recently the signing of a Heads of Agreement for LNG supply from Qatar to Poland. Under the terms of the HoA Qatargas will supply one million tonnes per annum of liquefied natural gas to PGNiG under a

20 year long term agreement. The LNG will be delivered into a new LNG receiving terminal in Poland, to start in 2014. The terminal will be capable of receiving the cargoes using the new Q-Flex class of vessels. (PGNiG press release, April 16, 2009)

RUSSIA : First Russian LNG reached South Korea – 48/11/13

Korea Gas Corp announced that the first-ever shipment of Russian natural gas to South Korea arrived recently at the southern port city of Tongyeong. It is the first shipment of agreed annual imports of 1.5 million tonnes from Russia over the next 20 years, Kogas said. (AFP, April 8, 2009)

RUSSIA : Gazprom and Shell announce the signing of LNG and natural gas contracts – 48/11/14

Shell and Gazprom announced recently the signing of agreements concerning LNG and pipeline gas supplies. The agreements include the purchase of LNG by both Shell Eastern Trading LTD and Gazprom Global LNG from Sakhalin Energy Investment Company. Deliveries to Gazprom and Shell begin in 2009 and will last until 2028, totalling 1 mtpa each to Gazprom and Shell at plateau. The agreements also include a new pipeline gas agreement for the delivery of an equivalent volume of gas to Shell in Europe. As part of the transaction, Gazprom affiliates, under long-term assignment from Shell, will take capacity in Sempra's Energia Costa Azul LNG import terminal in Baja California, Mexico, and pipeline capacity to enable gas to be transported to Southern California. (Shell press release, April 8 2009)

TRINIDAD AND TOBAGO : Energy Minister seeks better LNG prices – 48/11/15

Energy Minister Conrad Enill said recently that LNG from Trinidad was finding new markets with prices higher than the depressed US market. At that time, US natural gas prices was US\$7.50-8.00 /MMBtu, just enough to earn the adjusted well head price of US\$4.00/MMBtu. The Energy Minister has advised that traders BP, BG and Repsol have used contract flexibility to divert cargo to higher priced markets such as Japan, Spain, and the UK. (Trinidad news, April 22, 2009)

STORAGE

CHILE : Excelerate Energy agrees to extend LNG regasification services – 48/11/16

Excelerate Energy L.L.C. executed recently agreements to provide another two years of LNG regasification services to the LNG importation facility, at the port city of Bahía Blanca, around 643km south of Buenos Aires in Argentina.

Excelerate's Energy Bridge Regasification Vessel (EBRV), named Excelsior, will arrive in May 2009 to bring natural gas supplies. LNG cargoes will be supplied to the docked vessel via traditional LNG carriers, utilising Excelerate's ship-to-ship LNG transfer protocol. (Gasworld, April 14, 2009)

CHILE : Quintero terminal to receive first LNG shipment in June 2009 – 48/11/17

Rafael Mateo, CEO of power company Endesa Chile said that Quintero LNG regasification terminal will receive its first shipment of liquefied natural gas in June 2009. The plant will begin limited operations in July 2009, and operate fully from 2010 onwards. The project has the capacity to process 10 million cubic meters/day of natural gas, but is initially contracted to supply a total of just 6.5 million cubic meters/day to Endesa, ENAP and Metrogas. (Platts, April 15, 2009)

CYPRUS : Authorities seeks partners in Vasilikos LNG terminal venture – 48/11/18

The Electricity Authority, a semi-government corporation, invited recently applications for expression of interest, for participation and investment in the LNG company responsible for the development, financing, operation and management of the Vasilikos LNG terminal on the south coast of Cyprus. A separate entity, Defa, which is jointly owned by the EAC and the Cypriot government, will be responsible for import and distribution of the gas. Official estimates put Cyprus's LNG requirements at 1 bcm per year. (Gasworld, April 12, 2009)

INDIA : APM plans to build an LNG terminal at Pipavav – 48/11/19

APM Terminals is aiming to set up an LNG terminal at Pipavav port as part of its expansion plans. Prakash Tulsiani, MD of Gujarat Pipavav Port Ltd said "We have 400 hectares of land for various expansion projects. One of them is setting

up an LNG terminal," he said. The company has already begun discussions with various global LNG players; however things were yet to be firmed up". While APM Terminals will hold majority stake in the project, the remaining will be tied-up with strategic partners including LNG suppliers. (Business Standard, April 20, 2009)

ITALY : Start-up of Gioia Tauro LNG terminal delayed to 2014 – 48/11/20

A spokesman for Italian project partner Sorigenia said recently that the LNG regasification terminal planned for Gioia Tauro, Calabria, in southern Italy, is now expected to begin commercial operations by 2014. The start-up date was previously scheduled for 2013. Project backers are awaiting final terminal approval, which could come later in 2009, as part of an authorization process that involves local, regional and national officials.

Project backers have also formally asked Italy's Economic Development Ministry to begin the process of securing the land needed to install a pipeline to connect the terminal to the country's gas network, he said. Sorigenia and Norway's Torp Technology are also weighing the option of building another LNG regasification terminal offshore Italy, the spokesman said. "We are still exploring with Torp the possibility of an offshore LNG terminal in Italy, and we are still in the exploration process in order to identify the possible place," he said. (Platts, April 16, 2009)

SWEDEN : AGA wins LNG terminal contract in Nynäshamn – 48/11/21

NCC Construction Sweden has been recently commissioned by AGA Gas AB to construct a terminal for liquid natural gas which is to be located at Brunnsviksholme outside Nynäshamn. The agreement consists of the construction of the infrastructure required for the new terminal and the assignment will be implemented as a partnering project. The LNG tank itself will be built on a general contract on assignment from Cryo AB. The terminal to be erected will be the first of

its type in Sweden and will facilitate the utilization of natural gas in Central Sweden. The LNG tank will be 33 meters high and 38 meters in diameter and will be constructed in slip form in August 2009 and completed during the first half of 2010. NCC will also construct a harbour, which will be able to receive tankers with a maximum length of 160 meters and a depth of nine meters. The terminal and its infrastructure are scheduled to be in operation on May 21, 2011. (Rigzone, April 20, 2009)

UNITED STATES : FERC extends Cameron LNG deadline – 48/11/22

The US Federal Energy Regulatory Commission recently extended to December 31, 2009 from May 22 the deadline for Sempra Energy to place into service its Cameron liquefied natural gas terminal under construction near Hackberry, Louisiana. The developer told the commission it is "continuing to proceed with due diligence," explaining that the need for additional time is largely the result of construction delays. The initial capacity of the regasification terminal is 1.5 Bcf/d. An expansion authorized by FERC in 2006 could eventually increase the send out capacity to 2.6 Bcf/d. (Platts, April 15, 2009)

LPG

CONSUMPTION

NIGERIA : LPG consumption remains low – 48/11/23

The Chief Operating Officer of African Petroleum Plc, Mr Tunde Falasinu said recently that Nigeria's per-capita consumption of liquefied petroleum gas is still very low when compared with some other African countries. According to him, Nigeria currently consumes 58,000 metric tonnes per year which translates into 0.39 per capita, while neighbouring Ghana with a population less than half of Nigeria's consumes 71,000 MT per year, translating into 3.0 per capita, South Africa has a per capita of 220,000 MT per year which translates into 5.5 per capita. Morocco has the highest per capita of 44.4 in view of its consumption of 1,465,000 MT per year, Egypt comes close with 3,370,000 MT per year which translates to 43.05 per capita. "However, there have been improvements on Nigeria's per capita

consumption to 70,000 MT in 2007 and less than 80,000 MT in 2008, but these figures are still unacceptable for our population strength". He stated further that it has become obvious that LPG potentials in Nigeria is so enormous if only the country can have in place the right combination of consistent policies, effective regulations, and investments in requisite infrastructure and sound marketing strategies. He said "In AP Plc, LP Gas has always been an important business unit. At present, we have three LPG plants in Lagos, Kano and Port Harcourt, with plans to establish new ones in Abuja, Kaduna, Ibadan, Onitsha and Jos. As part of our renewed drive to take advantage of the potentials in LPG marketing in Nigeria, our main LPG storage facility in Lagos would be expanded from 840 MT to 6,000 MT". (AllAfrica, April 21, 2009)

GTL

PROCESSING

UZBEKISTAN : Sasol, Uzbekneftegaz and Petronas in GTL agreement – 48/11/24

Sasol, Uzbekneftegaz and Petronas signed recently a Heads of Agreement for the development and implementation of a gas to liquids project, as well as a Memorandum of Understanding for mutual cooperation in the oil and gas industry, in the Republic of Uzbekistan. The Heads of Agreement follows the positive outcome of the joint pre-feasibility study based on Sasol's proprietary technology. The technology will be deployed to produce high quality transportation fuels from

Uzbekistan's abundant domestic gas reserves. The partners are currently in negotiations with the Uzbekistan government regarding the required project enablers and plan to proceed to the next phase of project implementation which involves the establishment of a joint venture company. (Downstreamtoday, April 13, 2009)

NATURAL GAS

EXPLORATION – DISCOVERY

ALGERIA : Repsol makes a new gas find in the Ahnet basin – 48/11/25

Repsol has made a new gas find in Algeria. The find in the Ahnet basin confirms the potential of the area and offers new development possibilities. Repsol operates the consortium with a 33.75% stake. Sonatrach controls 25%; RWE Dea owns 22.5% and Edison has 18.75%. Gas was found in the M'Sari Akabli permit. Initial tests show production at the TGFO-1 well to be 363,000 cubic meters per day in the Emsian Layer with a 32/64" choke and wellhead pressure of 2,114 psi. (Oilvoice, April 10, 2009)

ITALY : Po Valley reports gas flow at Bezzecca-1 appraisal gas well – 48/11/26

Po Valley Energy has recently reported positive gas flows during initial clean up and testing of the deepest level in its Bezzecca-1 appraisal gas well in northern Italy. "Initial flows were tested at 2.2 million cubic feet per day on a ¼ inch choke at 1760psi during initial clean up and testing of the deepest Miocene level from 1925 to 1945m," Po Valley's Chief Executive Officer, Mr Michael Masterman, said. (Po Valley Energy press release, April 15, 2009)

NORWAY : UN Commission submits final recommendation on limits of Norwegian continental shelf to the north – 48/11/27

The UN Commission on the limits of the Continental Shelf has submitted its final recommendation for the limits on the Norwegian continental shelf to the north. "This creates a clear distribution of responsibility and predictable terms for the activities in the northern region. This ensures significant rights and responsibilities for Norway in a maritime zone of 235,000 square kilometers," Minister of Foreign Affairs Jonas Gahr Støre said. The recommendation from the Commission on the limits of the Continental Shelf is based on documentation on the Arctic Ocean,

Barents Sea and the Norwegian Sea submitted by Norway in 2006. The Norwegian Petroleum Directorate (NPD) has been in charge of collecting the necessary data and headed the work to finalize the documentation for the commission. Most of the area beyond 200 nautical miles is at a sea depth of more than 2,500 meters and on oceanic crust. The presence of oil or gas reserves in these areas is unlikely, according to the NPD. The limits to be set by Norway, based on the recommendation, will be final. The recommendation will not affect questions regarding borders between Norway and neighbouring states. (Norwegian Petroleum Directorate press release, April 16, 2009)

OMAN : Government signs gas exploration and sales with Petronas and BP – 48/11/28

Oman signed recently two natural gas exploration and sales deals BP PLC and Petronas. The deal with BP gives new exploration rights in Block 61 in the central part of the country, and includes a two-year provision in which BP would sell the gas to the Omani government. According to BP, the area so far contains four gas reservoirs with an estimated 20 to 30 trillion cubic feet of natural gas. If new commercially viable gas deposits are found, the agreement with BP would be extended to 20 years, said Saleh bin Ali al-Anbouri, the head of the Omani Oil Ministry's investments authority. A similar exploration rights agreement was signed with Petronas, giving the Malaysian firm access to Block 63, in the western part of the country. (Associated Press, April 15, 2009)

POLAND : FX Energy announces Kromolice-2 test results – 48/11/29

FX Energy, Inc. released recently test results from the Kromolice-2 discovery well. Analysis of the flow test data indicates absolute open flow potential of 47 million cubic feet per day. The initial production rate is

forecast at approximately 4.8 mmcf/d, based on a 5% drawdown. FX Energy holds a 49% non-operating interest. Production facilities for Kromolice-2, along with two earlier discoveries, Kromolice-1 and Sroda-4, are in the planning and permitting stage. Permitting for the facility and pipeline is anticipated to take about one year, followed by an estimated six months for actual construction.

The target for first production is the fourth quarter of 2010. The three wells will tie into an existing line that currently serves another three wells, including the Company's Zaniemysl-3 well. This line is expected to have total available capacity for approximately an additional 14 mmcf/d. This available capacity is approximately 80% of the combined forecast initial plateau rate of the company's three new wells. In general the Company sells gas at the wellhead from its wells in Poland under contract at prices set as a percentage of posted tariffs.

The tariffs were increased on two occasions in 2008, most recently at November 1, 2008. The current posted tariff for high methane gas approximately \$8.30 per mcf at an exchange rate of 3.25 zlotys to the dollar as of April 16, 2009. The Company's wells are linked to either the high methane tariff or the low methane tariff and the percentage is different for each well. In addition, the price is adjusted for the actual heating value of gas from each well. In the first quarter of 2009, the Company received an average \$4.20 per mcf, or \$5.08 per mmbtu, for all of the gas it produced in Poland. (Oilonline, April 20, 2009)

SAUDI ARABIA : Lukoil may have found gas and condensate in the Bloc A – 48/11/30

Lukoil has found recently two oil fields in Saudi Arabia, media sources reported. The oil fields contain C1 + C2 reserves of 70 million tons of condensate and 300 billion cubic meters of gas. Lukoil will require another two and half years to conduct a full appraisal and later it would commence developing the project. In 2004, Lukoil and the Saudi oil ministry entered into a contract for the exploration and development of gas fields and gas concentrate in a region known as Bloc A. The time period of the agreement is 40 years. (Energy Business Review, April 12, 2009)

UNITED KINGDOM : Venture Production announces new appraisal well in the southern North Sea – 48/11/31

Venture Production plc announced recently a further successful appraisal well on the Cygnus gas field. Venture has a 48.75% non-operated interest in Cygnus which lies within UKCS blocks 44/12a and 44/11a near to the Caister Murdoch System (CMS) area in the southern North Sea. The Cygnus field is operated by GDF Suez. The well (44/12a-4) has successfully tested a fault block with a tubing constrained stabilised flow rate

of 32 million standard cubic feet per day, significantly better than the 5-10 MMsc/d anticipated pre-drill. A draft field development plan has been prepared which envisages a phased development of the now fully appraised eastern part of the field. In due course, further appraisal drilling may be carried out in the as yet under appraised western part of the field which could lead to additional recoverable reserves through further phases of field development. (Venture Production press release, April 7, 2009)

UNITED STATES : Apache tests Ewing Banks 998 #1 discovery in the Gulf of Mexico – 48/11/32

Apache Corporation said recently that its Ewing Banks 998 #1 discovery test-flowed 4,254 barrels of oil and 5.4 million cubic feet of natural gas per day. The well will be connected to existing facilities using a subsea tie-back with first production expected during the first quarter of 2010. Apache owns a 50-percent interest in the discovery, which is located in the Gulf of Mexico. Walter Oil & Gas Corporation is the operator and owns the remaining 50 percent. (Rigzone, April 21, 2009)

UZBEKISTAN : Sasol, Uzbekneftegaz and Petronas in GTL agreement – 48/11/33

Sasol, Uzbekneftegaz and Petronas signed recently a Heads of Agreement for the development and implementation of a gas to liquids project, as well as a Memorandum of Understanding for mutual cooperation in the oil and gas industry, in the Republic of Uzbekistan. The Heads of Agreement follows the positive outcome of the joint pre-feasibility study based on Sasol's proprietary technology. The technology will be deployed to produce high quality transportation fuels from Uzbekistan's abundant domestic gas reserves. The partners are currently in negotiations with the Uzbekistan government regarding the required project enablers and plan to proceed to the next phase of project implementation which involves the establishment of a joint venture company. (Downstreamtoday, April 13, 2009)

VIETNAM : PVEP discovers gas at Hac Long – 48/11/34

PetroVietnam Exploration Production Co. said recently that it discovered gas at Hac Long, offshore northern Vietnam. PVEP confirmed that tests conducted by the company and Petronas Carigali Sdn Bhd. indicated that the Hac Long field flowed gas at 400,000 cubic meters per day. (Rigzone, April 20, 2009)

PRODUCTION

ABU DHABI : Gasco plans to increase gas output by 25% over five years – 48/11/35

The Abu Dhabi National Oil Company's (Adnoc) plans to raise gas production by 25 per cent over five years as increased oil drilling and a link-up with offshore fields lifts available supply. Production capacity of natural gas, or methane, would increase to 3.75 billion cubic feet a day, while production of ethane, the main feedstock for Adnoc's petrochemical plants, would triple to 3 million tonnes a year, said Mohammed al Suwaidi, Gasco's general manager. "In line with Gasco's vision to develop, operate and maintain associated and non-associated gas processing and transport facilities to meet the growth needs of the emirate of Abu Dhabi, we are currently executing a total of 11 major gas development and related projects," Mr al Suwaidi said.

Gasco's expansion centres on harvesting gas from increased oil production both on and offshore, but also includes development of the offshore Hail sour gas reserves. The company produced about 60 per cent of the country's gas, Mr al Suwaidi said, and delivered about 2 bcf a day to consumers. The balance of production is reinjected into oil wells to maintain pressure, or burnt in Adnoc's own power stations. (The National, April 18, 2009)

INDIA : Government approves SGL field development plan – 48/11/36

Indus Gas Limited announced recently it has received approval for the SGL Field Development Plan by the DGH and Management Committee. This approval paves the way for developing the SGL Field and the production of gas under the PSC. The highlights of the approved Development Plan are as follows:

- An area of 176 Km² has been approved as the SGL Field Area
- P50 in-place GIIP of 328 Bscf gas and recoverable reserves of 246 Bscf
- Production facilities consisting of mainly 14 Gas wells, 2 manifold/headers, a total of 65 km of 6" flow line from wells to GGS manifold, 3 phase test and inlet separator, Gas dehydration unit, heat

exchanger, CO₂ removal unit, hydrocarbon dew point control unit, condensate stabilization, storage, loading & unloading facilities, gas compression unit, gas turbine unit, water treatment plant, gas flare unit, SCADA control and monitoring system

- 12 years Plateau and field life of 21 years with peak production rate of 42 MMscfd
- Total Project cost of up to \$239.16m, subject to annual budget approval by Management Committee
- Techno-economic feasibility proved with expected positive net cash present value at 10% discounting factor
- Production Mining lease in respect of SGL Field to be granted for an initial period of 20 years. (Oilvoice, April 20, 2009)

IRAN : Development plans for Farzad B Lavan gas field in final talks – 48/11/37

IOOC Managing Director Mahmoud Zirakchianzadeh said recently that the Iranian company is in the final stages of talks with a European company and India's Oil and Natural Gas Corporation over two gas deals. Zirakchianzadeh did not reveal the name of the European company but said it has completed the master development plan for the Lavan gas field and, according to the contract, will invest \$4 billion in the project to produce 4 million tons of liquefied natural gas per year.

"India's ONGC has finished the master development plan for the Farzad B gas field in the Farsi block of the Persian Gulf," the IOOC managing director explained, adding that ONGC has agreed to invest \$3 billion in the first phase of the project to extract 1.1 billion cubic feet of natural gas from the gas field. The natural gas extracted from the Farzad B field will be processed into LNG to be exported to India or other countries, he added. (Tehran Times, April 15, 2009)

ITALY : Mediterranean Oil & Gas announces the start up of gas production from the Vigna Nocelli 1 well – 48/11/38

Mediterranean Oil & Gas Plc announced recently the start up of new gas production from the Vigna Nocelli 1 well, onshore Italy. Since 1 April 2009, VN1, located inside the Torrente Celone Concession (MOG Operator;

50%), has been producing approximately 6,000 scm/day of pure natural gas. This start up production should progressively increase to a peak gross target production of 10,000scm/day by September 2009. Following the workover results, an additional 20 MMscm of 2P reserves have been independently certified on this field net to MOG. VN1 should produce approximately 2.5 MMscm per annum. (Mediterranean Oil & Gas press release, April 9, 2009)

MOZAMBIQUE : Sasol to increase gas output – 48/11/39

Sasol reached a deal with Mozambique to increase natural gas production at the company's Mozambican facilities by 53 percent, state media reported recently. Of the extra 63 million gigajoules of gas that Sasol expects to produce per year, 27 million will be exported to South Africa, 27 million will fuel a planned Mozambican power plant and nine million will be used for other local projects. Mozambique is in the planning stages of a 1.3-billion-dollar gas-fired power plant with 680 megawatts of capacity, to be built in the town of Moamba, 60 kilometres northwest of Maputo. (AFP, April 17, 2009)

RUSSIA : Gazprom discusses gas saving – 48/11/40

The Gazprom headquarters hosted recently a panel discussion “Russia’s Gas Industry: Strategic Guidelines and Development Priorities” as part of the forum “Fuel & Energy Complex of Russia in XXI century”. The speech of Oleg Aksyutin, Member of the Management Committee – Head of the Gas Transportation, Underground Storage and Utilization Department was devoted to the prospects of gas saving in Russia. Oleg Aksyutin said that the share of natural gas in the fuel and energy balance of Russia was still at the level of over 50 per cent. At the same time, there is significant potential for growth in domestic gas

saving. In particular, a mere increase in performance of the gas-turbine power plants used for electric power generation to a worldwide average level of 40 per cent may save some 20 billion cubic meters of gas per annum. Over 70 billion cubic meters per annum may be saved by using up-to-date technologies in the housing and utilities sector. Oleg Aksyutin said “Gazprom Group considers gas saving an important objective and makes efforts to reach it. Thus, the implementation of corporate energy saving programs allowed Gazprom to save a total of 20.8 billion cubic meters of gas in 2002-2008”. (Gazprom press release, April 10, 2009)

RUSSIA : Lukoil-Zapadnaya Sibir started drilling the first production well at Pyakyakhinskoye gas condensate field – 48/11/41

OOO Lukoil-Zapadnaya Sibir (a 100% subsidiary of OAO Lukoil) started recently drilling the first production well at Pyakyakhinskoye gas condensate field in Yamalo-Nenets Autonomous District (YNAD). Fifty-five production wells are to be drilled in this license area in the mid-term. Proven reserves of Pyakyakhinskoye field came to 70 million barrels of oil and 1.9 trillion cubic feet of gas as of the end of 2008. The field is to be commissioned in the fourth quarter of 2011.

The extracted gas will be transferred via Nakhodkinskoye field to Yamburgskaya gas compressor station and further on to OAO Gazprom gas transmission system. Liquid hydrocarbons (oil and condensate) will be pumped to the oil pipeline of Vankorskoye field owned by OAO NK Rosneft with subsequent delivery to the main system of AK Transneft. A 126-km gas pipeline to Nakhodkinskoye field and a 160-km pipeline to Vankorskoye field will be constructed to transport the hydrocarbons produced at Pyakyakhinskoye field. (Lukoil press release, April 4, 2009)

PROCESSING

INDONESIA : Sembcorp Marine unit to build gas processing platforms – 48/11/42

A unit of Sembcorp Marine has been recently granted approval by Indonesian authorities to build and install a gas processing platform in three gas fields in Indonesia. The gas from the fields will be piped to SembGas in Singapore. SembGas has agreed to pay US\$11 per million British thermal units for the gas for a total volume of up to 100 million cubic feet for 18 years starting 2011. (ChannelNewsAsia, April 14, 2009)

NIGERIA : Utorogu processing plant to produce more gas – 48/11/43

The Utorogu gas plant in Delta State is to increase the production capacity of the facility from the present 270 million standard cubic feet of gas per day to 370 million. The gas plant is the main supplier of domestic gas to power stations and other consumers. Operated by Shell Petroleum Development Company, the plant is currently supplying gas to Ghana, Togo and other countries through the West African Gas Pipeline (WAGP). (AllAfrica, April 16, 2009)

RUSSIA : Sibur and TNK-BP in partnership to process associated petroleum gas in Irkutsk region – 48/11/44

LLC Sibur Vostok and JSC TNK-BP Management signed recently a memorandum of intentions for associated petroleum gas processing in Irkutsk region. The document provides the possibility to consolidate efforts of both companies for the launch of gas processing site in the region on base of the fields developed by the oil company. SIBUR has already started to carry out a pre-feasibility study for the construction of gas processing and gas chemical productions in East Siberia and Far East. The development of gas processing in eastern part of the country mostly depends on the state participation in creation of required infrastructure and availability of long-term APG supply contracts between the project operator and subsurface users before the construction starts. (Sibur press release, April 9, 2009)

TRANSPORTATION-DISTRIBUTION

NIGERIA : Oando gets Akwa Ibom Right of Way for South East gas pipeline project – 48/11/45

Oando Gas and Power has recently secured the Right of Way (ROW) approval from the Akwa Ibom State Government for the construction of its 128km South East gas pipeline project from Ukanafun in the state to Mfamosing, Cross Rivers

State. The ROW within the Akwa Ibom state boundary is approximately 80km out of the total 128km for the project. With the Akwa Ibom State ROW approval, Oando Gas and Power is therefore set to commence construction activities in Akwa Ibom State in time for the project planned end-2009 delivery target. (Oando Gas and Power press release, March 23, 2009)



CEDIGAZ

Centre International d'Information sur le Gaz Naturel et tous Hydrocarbures Gazeux
1 et 4, avenue de Bois Préau, 92852 Rueil-Malmaison Cedex, France
Tel. +33 1 47 52 61 94 - Fax +33 1 47 52 70 14 - www.cedigaz.org