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LNG

PROCESSING

IRAN : Daelim Industrial to build LNG processing plant for Iran LNG Co – CNR/48/15/1

Daelim Industrial Co., a South Korean builder, said recently it has signed a deal with an Iranian firm to build a liquefied natural gas plant. The deal with Iran LNG Co. calls for Daelim Industrial to complete the plant by June 2011. (Asia Pulse, June 10, 2009)

NIGERIA : NNPC is considering an additional 8.5 mil mt/yr trains at Bonny LNG – CNR/48/15/2

Mohammed Barkindon managing director of the Nigerian National Petroleum Corporation said recently that the company is considering expanding its Bonny LNG plant with the addition of a seventh and possibly an eighth train, each with a capacity of 8.5 mt/y. Barkindo said that Train 7 was in the pre-FID (final investment decision phase) and would not proceed unless Nigeria was satisfied that its domestic gas requirements were met by both NNPC and its joint venture partners. Train 8 was only under consideration at this point. Barkindo said Nigeria

needs to add 1.2 Bcf/day of gas supply by the end of 2009. He added "From a historical low utilization of less than 3 Bcf/d, there is potential for growth to as high as 20 Bcf/d in demand so the potential for growth is high. The challenge is growing supply to meet demand". Barkindo also said that country's Gas to Liquids project, a joint venture with the ExxonMobil was under internal review. "Some of these issues are contractual issues. Some of them are cost issues," he said. "We have seen an escalation in the cost of the project in comparison with similar projects in Qatar," Barkindo said, referring to the GTL plant being developed by Shell in the Arab emirate. (Platts, June 1, 2009)

NORWAY : Det Norske Veritas gives technical approval for Höegh's LNG FPSO – CNR/48/15/3

Höegh LNG received recently the Approval In Principle (AiP) from Det Norske Veritas (DNV) for its LNG FPSO project, including a reconfigured membrane containment system. The Approval in Principle covers the complete LNG FPSO design, including: The hull and all marine and utility systems designed for offshore use GTT No. 96 reinforced double row containment system designed by Gaz Transport Technigas Niche LNG liquefaction system design and patented by Chicago Bridge & Iron (CB&I).

The Höegh LNG FPSO design consists of offshore classed ship-shaped structure and a topside plant with capacity to treat and liquefy a well stream of approximately 3.0 billion cubic meters per year, which will give an annual production of between 1.6 to 2.0 million tons of LNG and approximately 0.4 million tons of LPG/condensate, depending on the specification of the gas stream.

The design is such that it can be expanded to 2.4 million tons per year of LNG or reduced to 1.0 million tons per year. The LNG FPSO will have storage capacity of 190,000 cubic meters of LNG and 30,000 cubic meters of LPG/condensate. Höegh LNG currently owns and operates a fleet of four traditional LNG tankers, and has 2 Shuttle- and regasification vessels (SRV), under construction at Samsung for the Neptune project offshore Boston owned by Suez LNG NA. (Höegh LNG press release, June 9, 2009)

NORWAY : StatoilHydro confirms outage at Snoehvit LNG plant for 80 days in 2009 – CNR/48/15/4

StatoilHydro confirmed recently that the company will shut down its Snoehvit liquefied natural gas complex for an estimated 80 days from mid-August 2009 for scheduled repairs that were announced in February. "This turnaround will be the last major turnaround due to start-up problems -- the last major stop for a couple of years," StatoilHydro spokesman Geir said. (DownstreamToday, June 3, 2009)

TRANSPORTATION-DISTRIBUTION

QATAR : Nakilat takes delivery of a new Q-Max LNG carrier – CNR/48/15/5

A Q-Max LNG carrier has been recently delivered to Nakilat and chartered on long term contract to Qatar Liquefied Gas Company Limited (3), at Samsung Heavy Industries Co. Ltd., shipyard on Geoje Island. The Nakilat owned Q-Max LNG carrier "Al Mafyar" (266,000 cm) will be used to ship LNG produced by Qatargas 3, to markets primarily in the United States. (Nakilat press release, May 27, 2009)

SUPPLIES – IMPORTS – EXPORTS

AUSTRALIA : BP agrees LNG deal with Shell and unitizes lo field for Gorgon project – CNR/48/15/6

BP, Chevron, ExxonMobil and Shell have recently struck an agreement for the lo gas field offshore Western Australia to be unitized with the nearby Jansz field, for development via the Gorgon LNG project, BP said. BP and Shell have also agreed sales and purchase agreements under which BP would sell petroleum to Shell, and purchase it as LNG after it has been processed through the

Chevron-operated Gorgon liquefaction facilities. BP holds a 12.5% stake in the lo gas field. Gorgon project partners Chevron, ExxonMobil and Shell hold 50%, 25% and 12.5% of the field, respectively. The Jansz and Gorgon fields will provide most of the feedstock for the Gorgon LNG project and are estimated to contain around 40 Tcf of gas. The two fields are held 50% by Chevron and 25% each by ExxonMobil and Shell. (Platts, May 29, 2009)

CANADA : Repsol signs LNG supply deals from Canaport terminal – CNR/48/15/7

Repsol signed recently natural gas supply deals from its newly built Canaport liquefied natural gas import terminal in New Brunswick, company executives said. Vice President of Repsol Energy North America Vincent Morrissette said that Repsol, responsible for marketing the gas from Canaport into the United States, is targeting to sell 2,000 to 4,000 dekatherms per day of gas from the terminal, possibly increasing over time depending on demand this winter. Canaport LNG, a partnership between Repsol (75 percent) and Irving Oil (25 percent). (Reuters, June 18, 2009)

PAPUA NEW GUINEA : PNG LNG signs offtake agreements with Asian buyers – CNR/48/15/8

PNG LNG project reached recently alignment on commercial terms for offtake agreements with three major Asian buyers. The agreements are in addition to a deal with another large Asian customer announced recently, and, if finalised, will underpin the project's full 6.3 million tonnes per annum production capacity. Oil Search chief

executive Peter Botten said the agreements underscored the project's credibility for delivering gas by 2013 or 2014. The project, of which Oil Search holds 34 per cent, Santos 17.7 per cent and Exxon Mobil 41.5 per cent, will now focus on finalising the agreements prior to making a final investment decision in late 2009, Mr Botten said. (Dow Jones Newswires, June 22, 2009)

QATAR : Kuwait to start Qatari LNG imports – CNR/48/15/9

Kuwait will start importing 14.2 million cubic meters daily of gas in form of liquefied natural gas from Qatar by sea at the end of June 2009 said recently Deputy Chairman of national refiner Kuwait National Petroleum Co Asad al-Saad. The imports will be used to supply power and water desalination plants. A few months ago, the two Gulf States signed an agreement for gas imports by vessel after a plan to have the gas piped through Saudi Arabia failed when the kingdom refused to allow this because of political differences with Qatar. Kuwait currently produces around one billion cubic feet of associated natural gas and 150 million cubic feet of free gas daily. (AFP, June 17, 2009)

QATAR : StatoilHydro signs LNG deal with RasGas – CNR/48/15/10

StatoilHydro announced recently that it signed a deal with RasGas that will see the Qatari company deliver liquefied natural gas to the Cove Point terminal in the USA. "The number of LNG cargoes actually delivered to Statoil at Cove Point will depend on such factors as the competitiveness of US gas prices," spokeswoman Rannveig Stangeland said. (Arabian Oil and Gas, June 17, 2009)

UNITED STATES : FERC allows Sabine Pass to re-export LNG – CNR/48/15/11

The Federal Energy Regulatory Commission has recently approved Cheniere Energy's request to modify its Sabine Pass liquefied natural gas import terminal in Cameron Parish, Louisiana, so it can export gas from outside of the US. "The proposal will help ensure that the Sabine Pass facility remains in operation even when US market prices are low," FERC said. "To the extent that a domestic market for LNG does develop, the proposal will help ensure that a supply is present and available for delivery to domestic markets," it added.

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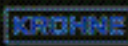
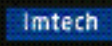
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Cheniere has a pending application with the Department of Energy for authorization to export up to 64 Bcf of LNG for a two-year period. To export the LNG, Sabine Pass would need to modify four 24-inch-diameter check valves at the terminal. The terminal can accommodate up to 400 LNG vessels a year. Of that, about 20 cargoes are expected to be for the purpose of exporting gas. The company explained to FERC that the drop-off in LNG deliveries to the US in 2008 puts the infrastructure in some peril if customers stop using the terminal. (Platts, June 1, 2009)

STORAGE

UNITED KINGDOM : Port Meridian Floating LNG terminal ready for construction – CNR/48/15/12

Höegh LNG has been recently granted final approvals to go ahead with its Port Meridian Deepwater Port project in UK. The Department of Energy & Climate Change (Offshore Environment and Decommissioning, OED) confirmed that a favourable Environmental Impact Assessment approval decision is given for the offshore part of the project. Barrow Borough Council's planning meeting consented to the development of the pipeline route and onshore facilities. Port Meridian base design is for a Floating Regasification Units (FSRU), but the with added flexibility of two unloading buoys, a large diameter subsea pipeline and onshore facilities connecting the system to the UK National Transmissions system (NTS).

The annual import capacity of the project could be up to 8 billion cubic metres. The onshore installations include the pipeline landfall on Walney Island, the crossing of Walney Island and Piel Channel to connect to the above ground installations (AGI) close to Barrow-in-Furness on the mainland. Natural gas will be fed continuously to the Port Meridian pipeline from the permanently moored FSRU supplied by standard LNG shuttle tankers through ship-to-ship transfer of LNG. Alternatively, connecting Shuttle and Regasification Vessels (SRVs) to the two buoy sites can ensure continuous, intermittent or seasonal send-out of natural gas to the pipeline. According to current plan, first gas can be delivered to the National Grid 4th Quarter 2013. (Höegh LNG press release, June 17, 2009)

NATURAL GAS

EXPLORATION – DISCOVERY

COLOMBIA : Total announces gas condensate discovery – CNR/48/15/13

Total announced recently the discovery of a significant gas condensate field in the Niscota block of the Andes foothills, 300 kilometres north east of Bogota, Colombia. Total owns a 50% interest in the block, alongside partners Talisman Energy Inc. (30%) and Hocol (operator, 20%). The exploration well, Huron-1, encountered several reservoirs, one of which was tested at 3,400 barrels per day of gas condensate, and the others are still to be tested. (Total press release, June 3, 2009)

MOROCCO : Circle Oil finds gas in the Sebou permit – CNR/48/15/14

Circle Oil has recently completed drilling at its CGD-10 exploration in the Sebou permit. The company confirmed a discovery with the well testing gas at a sustained rate of 3.9MMscfd from the primary target using a 24/64in choke. The well is being completed as a potential producer. The

Sebou permit lies to the north-east of Rabat in the Rharrb basin in Morocco. The concession agreement, in which Circle Oil has a 75% share and ONHYM, the Moroccan State oil company, has a 25% share, includes the right of conversion to a production licence of 25 years, plus extensions in the event of commercial discoveries. (Offshore Technology, June 4, 2009)

NORWAY : StatoilHydro makes two gas discoveries in North Sea – CNR/48/15/15

StatoilHydro announced recently two gas discoveries. The first, located in Middle Jurassic rocks, the Harepus discovery lies seven kilometres south of the Mikkel field. No formation testing has been done, but extensive data and cores have been collected. "Preliminary calculations indicate 0.5 to one billion standard cubic metres of recoverable gas," said Sivert Jørgenvåg, head of infrastructure-led exploration on the Halten Bank. "A tie-back to Åsgard together with the Gamma discovery made in the same licence in 2008 will be considered".

The second, the Corvus exploration well was drilled about 7.5 kilometres north-west of Oseberg C, and proved small quantities of gas. "Reservoir thickness remains unclarified because the well, for technical reasons, could not be drilled deeper," explains Tom Dreyer, head of infrastructure-led exploration in the North Sea. "This means that a possible appraisal well will be needed before the size of the discovery can be evaluated". (StatoilHydro press release, May 28, 2009)

PRODUCTION

DENMARK : Energy Agency revises forecast for Danish gas production in the North Sea – CNR/48/15/16

On 15 June 2009, the Danish Energy Agency published recently a report on Denmark's oil and natural gas production and its use of the subsoil. According to the report, expectations are Danish gas reserves have increased by 2 per cent compared to the previous year.

The drop in natural gas production is expected to be slowed by the technological development, the expectation that the Tyra and Valdemar fields will yield additional potential and the possibility of new natural gas discoveries. Denmark is still self-sufficient in and a net exporter of energy. The report predicts that Denmark will be self-sufficient in natural gas up to and including 2020. (Energinet.dk press release, June 22, 2009)

NETHERLANDS : Northern Petroleum announces update of Grolloo gas field testing – CNR/48/15/17

Northern Petroleum Plc announced recently that in The Netherlands its wholly-owned subsidiary Northern Petroleum Nederland B.V has achieved success in hydraulically fracturing the main Carboniferous reservoir in the Grolloo gas field. The field is scheduled to be put on-stream in the fourth quarter of 2009. NPN is currently undertaking a six field development programme to bring into production proven and probable reserves of some 100 million barrels of oil equivalence. (Northern Petroleum press release, June 19, 2009)

NEW ZEALAND : Kupe field production to start in the fourth quarter of 2009 – CNR/48/15/18

Origin Energy Resources (Kupe) Limited, on behalf of the Kupe Joint Venture, recently announced an updated schedule whereby it expects to bring the first raw gas from the Kupe field ashore, effectively commencing production, in the fourth quarter calendar year 2009. Origin's Executive General Manager, Major Development Projects, Mr Andrew Stock, said "The Kupe Gas project will make a significant contribution to securing New Zealand's gas supply needs during

the next 15-20 years". "Kupe will meet approximately 15 per cent of New Zealand's current annual gas demand and 50 per cent of New Zealand's LPG demand. The project will provide in the order of 254 petajoules of natural gas, as well as 1.1 million tonnes of LPG and 14.7 million barrels of condensate". Kupe Gas Project participants are: Origin Energy Resources (Kupe) Limited* 50 per cent (operator), Genesis Energy 31 per cent, New Zealand Oil & Gas Limited 15 per cent, Mitsui E&P Australia Pty Ltd 4 per cent. (Origin Energy press release, June 11, 2009)

VIETNAM : Chevron expects delay in its gas project – CNR/48/15/19

Chevron expects its natural gas project in Vietnam to be delayed until late 2014 due to prolonged negotiations over gas prices with Petrovietnam. Chevron said in 2008 it wanted to start gas production in 2012 from the project off the southwest coast of Vietnam. A company official said "First production is expected in 2014, instead of 2012". Chevron, which has a 43 percent stake in the development, would invest up to \$2 billion in the \$4 billion project that includes a gas pipeline and power plants. (Reuters, June 15, 2009)

RESERVES

INDIA : Directorate General of Hydrocarbons discusses D-3 field reserves claim – CNR/48/15/20

Upstream oil and gas regulator Directorate General of Hydrocarbons (DGH) has called a meeting of Reliance Industries Ltd (RIL) and Hardy Oil and Gas to discuss the Krishna-Godavari basin gas reserves claim made recently by the latter.

The D-3 field may hold as much as 9.5 trillion cubic feet (Tcf) of gas, while the D-9 field may hold 10.8 Tcf, Hardy Oil announced on May 27, 2009, citing a technical evaluation by consultant Gaffney, Cline & Associates Ltd. RIL is the operator in these two blocks, while Hardy Oil is a partner with 10 per cent stake. In



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a letter dated May 29, 2009 to stock market regulator Securities and Exchange Board of India (Sebi), DGH had said that a potential discovery is declared as a commercial discovery only after the technical data is examined and verified by the upstream regulator, DGH.

Therefore, "...the announcement by Hardy Oil and Gas regarding discovery of gas in D1 and D3 blocks of RIL in the Krishna-Godavari basin is against established norms and procedures," it said in the letter. (Business Standard, June 3, 2009)

PROCESSING

ALGERIA : ABB wins contract for three gas processing facilities – CNR/48/15/21

ABB has won a contract from Sonatrach for three gas plants in Algeria. Scheduled for completion in the first quarter of 2012, the project includes new compressor trains, re-instrumentation of existing gas treatment plants and an integrated control system for both the new and existing facilities. New compressor trains are used to increase the

gas flow rate in the pipelines. This improves production efficiency by recovering the amount of low-pressure gas that would otherwise be flared off. ABB will be responsible for the engineering, procurement and commissioning of the project, while construction activities will be carried out by Sarpi, a joint-venture company owned by Sonatrach and ABB. (DownstreamToday, June 9, 2009)

MEXICO : Pemex calls for bids for maintenance on offshore gas processing plant – CNR/48/15/22

Pemex recently issued a call for bids related to maintenance work on an offshore plant, which processes gas for reinjection into the Cantarell crude deposits. Work is slated to last two years. According to the company, demand is on the rise to inject gas into the declining Cantarell fields, underscoring the importance of the Akal gas-processing facility in the Campeche Sound region. (DownstreamToday, June 10, 2009)

TRANSPORTATION-DISTRIBUTION

ALGERIA : Energy Minister announces first exports from Galsi pipeline in 2010 – CNR/48/15/23

Algerian Energy Minister, Chakib Khelil said recently that construction of the Galsi pipeline that will permit Algeria to export around eight billion cubic meters of gas a year to Italy will start in 2010. The first phase of the expansion, adding 3.5 billion cubic meters of capacity, will be concluded

by the end of 2009. The building of Galsi and the upgrades to the Transmed pipeline should increase Algeria's export capacity to Italy to around 40 billion cubic meters per year. "All of the studies concerning the pipeline have been completed, and the two partners in the project, Algeria and Italy, have decided to begin investment in 2010, Khelil said. (Energy Business Review, June 1, 2009)

ALGERIA : Sonatrach awards pipeline contracts to Saipem and Petrojet – CNR/48/15/24

Sonatrach has recently given contracts to Saipem S.p.A and Petrojet for laying a gas pipeline in Algeria. Saipem, Eni S.p.A and Petrojet would each construct a section of the GK3 pipeline. The pipeline would run from Hassi R'Mel gas field to El Kala, a total of 784 kilometers, and raise capacity of the field to nine billion cubic meters annually. Petrojet will construct the first two sections of the pipeline running from Hassi R'Mel to Mechatine, a total of 433 kilometers. Saipem would construct the left over section to Skikda port and El Kala, a total of 351 kilometers. (Energy Business Review, June 4, 2009)

AUSTRALIA : Origin to secure long term gas pipeline capacity in Eastern Australia – CNR/48/15/25

Origin Energy Limited entered recently into a conditional gas transportation agreement with Epic Energy which will result in the expansion of capacity on the 935 kilometre South West Queensland Pipeline and QSN Link from Wallumbilla to Moomba. Origin has entered into a conditional agreement for the transportation of up to 1,200 PJ of gas over 22 years from January 2012 with extension options over some capacity for up to a further 10 years. The agreement also includes additional long term capacity on the Moomba to Adelaide pipeline and options to further expand the capacity of the South West Queensland Pipeline in the future. Completion of the transaction is subject to Epic securing funding for the development. Should Epic be unable to secure funding within an agreed timeframe.

In certain circumstances where the project does not proceed, despite Origin being prepared to provide funding, Epic may be required to provide Origin with some zero charge gas transportation services on the Moomba to Adelaide Pipeline System. (Origin Energy press release, June 16, 2009)

DENMARK : Reinforcement of gas pipeline between Ellund and Egtved – CNR/48/15/26

The plans to reinforce the gas pipeline between Ellund near the Danish/German border and Egtved in Southern Jutland have come one step closer to being implemented after the latest Supervisory Board meeting of Energinet.dk. The Board decided to let the possible expansion project proceed to the next phase of the Open Season solicitation procedure. Reinforcement or looping of the gas pipeline between Ellund and Egtved is precisely what several players have pinpointed as an important channel for non-domestic natural gas when the Danish gas production in the North Sea starts to decline. Søren Juel Hansen, Head of Infrastructure with

Energinet.dk said “So right now we are anxious to find out whether Ellund attracts similar - or even more interest - in the German-Dutch open season conducted by Gasunie, the Dutch transmission system operator. Simultaneously, we will also look into the possibility of backing the reinforcement project with EU recovery funds, which include a EUR 150m pool to ensure security of supply in Poland, Sweden and Denmark. If we can obtain a sizable share of these funds, it could improve the possibilities of establishing a sensible business case on the expansion. The second bidding round, which involves binding bids, will start in July, and the entire Open Season process will be completed in December 2009. (Energinet.dk press release, June 22, 2009)

EUROPE : Edison may cancel Poseidon pipeline project – CNR/48/15/27

Edison SpA, a Milan-based utility, may have to cancel a planned pipeline between Italy and Greece if it can't secure natural-gas supplies from the Shah Deniz field in Azerbaijan. Edison Development Manager Mario Cumbat said recently that supply talks have been stalled by Turkey. Shipments must be agreed on by the end of 2009 or Edison may be forced to buy gas from Gazprom, he said. Edison needs at least 5 billion cubic meters of gas a year from the Shah Deniz project, led by BP Plc and StatoilHydro ASA, to be able to start building a 450 million-euro pipeline between Greece and Italy in 2010.

The so-called Poseidon pipe would form part of a longer link supplying Azeri gas via Turkey and Greece. The Italian company and Greece's Depa SA set up a venture in June 2009 to build and operate the Poseidon pipeline under the Adriatic Sea, with capacity of as much as 8 billion cubic meters a year. Italy, Greece and Turkey signed an accord in 2007 to connect their countries by 2012. Edison can't buy gas from Iran, which has insufficient supply in the north to send to Italy, Cumbat said. (Bloomberg, May 28, 2009)

FRANCE : Corsica may be connected to Galsi pipeline – CNR/48/15/28

France wants the Island of Corsica linked to the planned Galsi natural-gas pipeline between Algeria and Italy. French Energy Minister Jean-Louis Borloo said recently “We are clearly a candidate”. About two thirds of the 900-kilometer Galsi pipeline will be offshore, crossing the Italian island of Sardinia before passing under the Tyrrhenian Sea to reach mainland Italy. The pipeline is slated for completion in 2012. A connection to the pipeline would ease Corsica's dependence on power supplied from aging coal-fired installations, Borloo said. (Bloomberg, June 3, 2009)

LUXEMBOURG : Fluxys launches open season for additional long-term transit capacity – CNR/48/15/29

Fluxys recently launched an open season to assess the level of market demand for additional long-term transit capacity to the Grand Duchy of Luxembourg. Fluxys proposes several scenarios to provide additional transit capacity to the Grand Duchy of Luxembourg: Entry from the East through the border points in Eynatten (interconnection with adjacent networks of Wingas Transport and E.ON Gastransport) and in 's-Gravenvoeren (interconnection with adjacent network of Gas Transport Services).

Entry from the West through the border points in the Zeebrugge area: through the border points in the area: the Interconnector Zeebrugge Terminal (IZT), the only bi-directional link between the UK and the continent, the Zeepipe Terminal (ZPT), feeding North Sea gas into Belgium, the LNG Terminal, with an annual throughput capacity of 9 billion cubic metres of natural gas per year and currently showing a capacity utilization rate of over 80%, the Zeebrugge hub (HUB), with currently 73 members and net traded volumes at 43.5 billion cubic meters in 2008. Entry from the North through the border point in Zelzate (interconnection

with adjacent network of Gas Transport Services). Depending on the level and nature of interest, the project could involve investments in new infrastructure so as to provide the market with additional capacity. If required and economically feasible, Fluxys envisages making such additional capacity available in 2015. The actual commissioning date may depend on the level and type of new investments required and on permitting constraints. A phased implementation of the project could be envisaged. (Fluxys press release, June 15, 2009)

MALTA : Authorities suggest a Malta-Sicily gas pipeline – CNR/48/15/30

Communications Minister Austin Gatt suggested recently that the planned submarine electricity link between Malta and Sicily could include a gas pipeline to fire up the power station in Delimara. Malta was granted €20 million by the EU for a submarine cable link with Sicily in order to join the European electricity grid by 2012. (Times of Malta, May 30, 2009)

WORLD : DNV and Gassco in partnership to develop a new acoustic inspection method for pipelines – CNR/48/15/31

Det Norske Veritas (DNV) has joined with Gassco to develop a new acoustic inspection method which allows the internal and external status of gas pipelines to be accurately characterized. Measurements can now be made without reducing the gas flow, and the net effect is both a big improvement in the safety of gas pipelines and substantially reduced inspection costs. This solves a long-standing problem for the oil and gas

industry, which has previously had to reduce gas flows to check pipelines for possible maintenance requirements. The world market for gas pipeline inspection is estimated to be in the order of US \$300 million per year, and the new method can be used both on land and offshore. Gassco has already tested the new technology on one of its gas pipelines and found the results highly interesting. Gassco and DNV have decided to establish a joint venture to commercialize the solution. (TBpetroleum, June 1, 2009)

SUPPLIES – IMPORTS – EXPORTS

DENMARK : Energinet.dk improves online access to information about the gas market – CNR/48/15/32

Energinet.dk started recently to provide improved functionalities in the public section of the self-service portal Energinet.dk Online as well as the section reserved for shippers with access via log-in. The new functionalities in the public section of the portal are: Current flow data, historical flow data, historical and future gas network capacity. The current flow data appear from a map showing the actual physical gas flow into and out of the Danish transmission system. The data are

updated on an hourly basis. The information is subject to re-evaluation on a current basis and may be changed without previous notice. Registered shippers are also given access to new options. All shippers have been informed of the new functionalities, some of which are: Balance information showing the balance status before, during and after a particular gas day and information about imbalances. Overview of the nominations at each point, prioritisation of nominations at Ellund (into Germany). (Energinet.dk press release, June 17, 2009)

IRAN : New round of gas talks started with Turkmenistan – CNR/48/15/33

Iran and Turkmenistan started recently a new round of gas talks in Ashgabat, the National Iranian Gas Export Company's managing director said. Seyyed Reza Kasaiizadeh said "The price of natural gas has fallen in the global markets due to the crude oil price fall. So we plan to negotiate with the Turkmen officials to reduce the gas export price". "We aim to extend the contract period for another 3 years," the official said while noting that Iran has also requested a rise in the volume of exported gas. Turkmenistan has been supplying gas to Iran since 1997, but exports have never hit the Korpjeje-Kurt Kui pipeline's full capacity of 8 billion cubic meters per year, a report from the Russian newspaper Vremya said, adding that exports have not exceeded 6.5 bcm. Turkmenistan has a contract to send an additional 10 bcm to Iran in 2009. In mid-March 2009, Iran and Russia signed a gas swap deal that would see Gazprom assume responsibility for the delivery of Turkmen gas to Iran. Ashgabat would benefit from this arrangement since Russia would purchase Turkmen gas at a premium price. Iran currently pays \$140 per thousand cubic meters; Gazprom is willing to buy the same gas for re-export from Ashgabat for \$240/tcm. (Tehran Times, June 20, 2009)

RUSSIA : Gazprom aims to supply 5 to 10% of U.S. gas by 2020 – CNR/48/15/34

Gazprom Deputy CEO Alexander Medvedev said recently that the company is seeking as much as 10 percent of the U.S. gas market by 2020, after two liquefied natural gas projects start producing. "The volume which we have right now is just 0.5 percent of natural gas consumption of the United States, but with gas out of Shtokman and maybe Yamal LNG our share in the U.S. and Canada

market would go up between 5 and 10 percent," Medvedev said. "We targeted that approximately 17 percent of the Shtokman volumes would reach North America," Medvedev added. "Even in the current depressed pricing situation with LNG in different parts of the world and relatively low prices in Henry Hub, we still do not see any danger to the feasibility of Shtokman," Medvedev said. (Bloomberg, June 10, 2009)

SLOVAKIA : SPP to supply gas to Slovnaft for five years – CNR/48/15/35

The companies Slovenský plynárenský priemysel, a.s. (SPP) and Slovnaft, a.s. signed recently a gas supply contract. SPP will supply approximately 2 billion cubic metres of natural gas to the oil and petrochemical company by the end of 2013. In terms of the contractual duration and the contracted volumes, this is one of the largest contracts to be concluded between a natural gas trader and an end customer in Central Europe. Representatives of SPP and Slovnaft, a member of Mol Group, also signed a Framework agreement that creates premises for the future gas supplies to the planned energy projects of MOL Group in Slovakia. (SPP press release, June 19, 2009)

UNITED STATES : NGX opens four new natural gas hub locations – CNR/48/15/36

TMX Group Inc. announced recently that Natural Gas Exchange, a wholly-owned subsidiary of TMX Group has opened four new natural gas clearing points in the United States. The new hubs include Socal CityGate, NNG Ventura, ANR SE pool and Tennessee 800L. The four new points represent another step in expansion of the project that began in 2008 and now totals 17 cleared physical gas hubs in the U.S. (Canada NewsWire, June 10, 2009)

STORAGE

AUSTRALIA : Mosaic in talks with customers for underground gas storage prospect – CNR/48/15/37

Mosaic Oil announced recently that it is in talks with a number of prospective customers for the utilisation of underground gas storage at the Silver Springs-Renlim gas field in the state of Queensland. Commercial negotiations are being progressed following technical work indicating that up to 75 billion cubic feet can be stored in the nearly depleted Silver Springs-Renlim gas field.

The field could provide suitable storage for ramp-up gas for liquefied natural gas projects, on-going gas production management, as well as meeting seasonal gas demand and peaking supply for electricity generation. Storage would also provide security in the event of supply interruptions, Mosaic said. Mosaic Oil owns 100% of the near depleted Silver Springs-Renlim field, which now only produces from one well. The Silver Springs-Renlim field has produced over 90 Bcf of gas. (Upstream, May 26, 2009)

BULGARIA : Galata field to be used as national gas storage – CNR/48/15/38

The Bulgarian Energy Holding said recently that the find near Galata could be transformed into gas storage in 2009, should (BEH) settle the scores with the site's concessionaire Melrose. Melrose has been licensed to extract natural gas, but couldn't legally store it. Bulgartransgaz, on its turn, has the necessary paper at its

disposal but will probably have to acquire some of the facilities from Melrose. (FOCUS News Agency, June 5, 2009)

CHINA : Technip to build a mid-scale LNG plant in Yinchuan – CNR/48/15/39

Technip has been recently awarded a lump sum contract by Ningxia Hanas Natural Gas Company for a mid-scale LNG plant to be built in Yinchuan, China. The contract covers engineering, supply of main equipment, procurement and construction management services for facilities for natural gas pretreatment, liquefaction, LNG storage and loading, utilities, offsites, buildings and other infrastructure. The LNG plant will comprise

two trains each with the capacity to produce 400,000 mt/year. According to Technip, the plant will use an Air Products liquefaction process to produce LNG for distribution to the Chinese domestic market. (Platts, June 22, 2009)

CZECH REPUBLIC : RWE to increase gas storage capacity by up to a third by 2013 – CNR/48/15/40

The Czech unit of Germany's RWE plans to raise gas storage capacity in the Czech Republic by up to a third by 2013, the company said recently. An RWE spokesman said "We plan to increase our gas storage capacity by up to a third by expanding our present storage capacities" RWE gas storage Chief Lubor Veleba said. "An investment in the order of billions of crowns will make it possible for us to raise storage capacity from the present 2.3 cubic metres to 3 billion cubic metres," he said. RWE has also agreed with Czech regulators to free up more storage capacity to competing gas firms in the coming years to allow for more competition on the gas market, the company said. The Czech competition watchdog UOHS said RWE agreed to free up about 20 percent of its storage space to other providers by 2013, from less than 10 percent at present. (Reuters, June 9, 2009)

EUROPE : Wingas Group plans billion-euro investments in supply security – CNR/48/15/41

The Wingas Group is planning to make substantial expansions to the European gas infrastructure with investments of around three billion euros by 2015. The investments are mostly earmarked for the expansion of the German transport system and the construction of new natural gas storage facilities in Europe. "The natural gas supply gap in the EU will grow to at least 100 billion cubic meters in the coming decade as demand rises and Europe's own natural gas deposits, especially in the British and Dutch sectors of the North Sea, rapidly become depleted", Dr. Rainer Seele, Chairman of Wingas & Co. KG, said. He also said. "Since the European Union is having to import increasing amounts of natural gas, the need for additional storage facilities is also growing". A new natural gas storage facility will be built in Jemgum near

Leer in North Germany in the next few years. The geological conditions there allow caverns to be created at depths of 1,000 to 1,500 meters. Wingas is cooperating with EWE AG (Oldenburg) for this project. Altogether EWE and Wingas plan to set up 33 caverns in the Jemgum salt dome. Wingas will initially set up 18 caverns with a geometric volume of up to 750,000 cubic meters each. The two storage facilities will actually be developed together, but operated separately by both companies after completion. The first caverns with a working gas capacity of up to 300 million cubic meters will be ready for use in 2013. After the final phase of construction, which is planned for completion in 2016, the storage facility will have a working gas capacity of 1.2 billion cubic meters and a withdrawal rate of 1.2 million cubic meters per hour. (Wingas press release, June 19, 2009)

FRANCE : Jacobs receives contract from Storengy for UGS renovation project – CNR/48/15/42

Jacobs Engineering Group Inc. announced recently that it received a contract from Storengy, a company of GDF SUEZ Group, to provide engineering, procurement, and construction management services to upgrade its underground gas storage facility in Etrez, France.

This renovation project will add four salt caverns to the existing 17 caverns at the site to increase the facility's production capacity as well as reduce impacts to the environment. Jacobs will design and install gas compression, gas treatment, a control system, and utilities. The program is scheduled to be implemented over the next three years. (PRNewswire, June 16, 2009)

SERBIA : Joint venture for Banatski Dvor storage facility to be funded soon – CNR/48/15/43

Srbijagas director Dusan Bajatovic said recently that the joint venture of Srbijagas and Gazprom for gas underground storage facility at Banatski Dvor would be founded until the end of June 2009. He said that pumping of one million cubic meters of gas daily into storage facility at Banatski Dvor should begin as of July 1. Banatski Dvor shall provide five million cubic meters of gas daily; however there are also ongoing negotiations with Hungary over renting of a storage facility that would secure stable gas supplies to Serbia in case of crisis. (Blic, June 9, 2009)

SPAIN : Noble Denton wins contract to develop the Amposta gas storage project – CNR/48/15/44

Noble Denton has been recently awarded contract by ACS Cobra Castor to expand an underground gas-storage project in Spain. The scope of work comprises of project management and procurement support services. The project will last over a four-year period. "This initiative will see the redevelopment of the abandoned Amposta reservoir to provide back-up gas supplies for the Mediterranean coast of Spain in periods of high gas demand," said John Wishart, Noble Denton's managing director. The wellhead platform bridge will support gas injection into the reservoir at flow rates of up to eight million cubic meters per day and gas withdrawal and transfer to shore with flow rates of up to 25 MMcmd. (Energy Business Review, May 27, 2009)

UNITED KINGDOM : Jacobs wins contract from Centrica for Caythorpe UGS – CNR/48/15/45

Jacobs Engineering Group Inc. JEC announced recently that it received a contract from Centrica plc to provide front-end engineering services for an underground gas storage project located in East Yorkshire, England. The project involves conversion of the substantially depleted Caythorpe onshore gas field into an onshore UGS complete with associated onshore pipelines and processing facilities. (PRNewswire, May 26, 2009)

UNITED STATES : Tricor Ten Section Hub launches open season for hub gas storage service in California – CNR/48/15/46

Tricor Ten Section Hub, LLC announced recently a non-binding open season for its planned natural gas storage and Hub facility located in Kern County, Calif. ten miles southwest of Bakersfield, Calif. In 1997 the field was purchased by Tricor for the underground storage of natural gas. The gas storage facility is strategically located in the south central part of the state near the confluence of two interstate pipelines, Kern River Gas Transmission Company and Mojave Pipeline Company and the

two major intrastate pipeline systems of PG&E and SoCal Gas. The natural gas storage facility will contain 32.5 Bcf of storage gas of which 22.4 Bcf will be working gas. Tricor will drill twenty-five new horizontal wells and rework seven vertical wells. Upon completion, the storage facility will provide four cycles per year with a maximum withdrawal rate of 1.0 Bcf per day and a maximum injection rate of 0.8 Bcf per day. Assuming a FERC certificate issues by February 2010, Tricor estimates that initial service could commence in January 2012. (PRNewswire, June 1, 2009)

UNITED STATES : ONEOK Partners announces open season for storage capacity at Loop facility in Texas CNR/48/15/47

ONEOK Partners, L.P. announced recently that its subsidiary, ONEOK Texas Gas Storage, L.L.C., is holding a non-binding open-season bidding process for firm intrastate natural gas storage at its Loop, Texas, natural gas storage facility. The open season for this natural gas storage capacity provides customers with the opportunity to bid for up to 5.5 billion cubic feet of storage capacity that will be available with the reactivation of the storage field. The additional storage space is currently projected to be available in April 2011. OTGS currently owns and operates fully leased salt and reservoir storages with combined capacities of 4.7 Bcf. The reactivated storage will add an additional 5.5 Bcf of storage to OTGS's existing capacity. OTGS storage can be accessed by shippers on ONEOK WestTex Transmission, L.L.C. (OWT). (PRNewswire, June 24, 2009)



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