



Vol. 48, n° 16, July 8, 2009

Contents

Liquefied Natural Gas

p2- ALGERIA : Air Products to provide technology process to Arzew LNG plant.

- **AUSTRALIA** : Maintenance operations to reduce LNG output of North West Shelf Venture.

- **UNITED STATES** : Linde North America and Waste Management plan landfill gas to LNG project.

- **RUSSIA** : Sovcomflot and STASCO sign cooperation agreement on LNG transport.

p3- AUSTRALIA : Gladstone LNG and Petronas in LNG supply deal.

- **INDONESIA** : Government agrees to allocate LNG from Donggi to domestic use.

- **KUWAIT** : KPC in LNG import deal with Shell.

- **PAPUA NEW GUINEA** : Tokyo Electric and Osaka Gas in talks to buy LNG.

- **QATAR** : Pakistan seeks to buy 3.2 million tonnes of LNG.

- **QATAR** : Qatargas signs LNG supply agreement with PGNIG.

p4- RUSSIA : Gazprom forecasts 5 million tonnes of LNG exports in 2009.

- **TRINIDAD AND TOBAGO** : Prime Minister agrees to supply LNG to Jamaica.

- **INDIA** : RNRL challenges to lease LNG terminal.

- **ISRAEL** : LNG terminal tender issued.

- **JAPAN** : Inpex to start construction of Naoetsu LNG terminal.

- **SINGAPORE** : Development of the first LNG terminal delayed by a year.

p5- SPAIN : Iberdrola to sell its stake in the Sagunto and Bahia Bizkaia Gas regasification terminals.

- **SPAIN** : New docking facilities at Cartagena LNG terminal will allow receiving bigger carriers.

Natural Gas

p5- NORWAY : Significant gas discovery at Gro prospect.

- **VIETNAM** : Premier Oil announces gas discovery on offshore Block 07/03.

p6- ABU DHABI : Adma-Opco signs contracts for gas development project.

- **IRAN** : Petronas decides to stay at Phase 11 of South Pars.

- **ITALY** : Po Valley receives approval for Castello project.

- **KUWAIT** : Gas production capacity to be increased by 2015.

- **RUSSIA** : Gazprom Management Committee postpones Bovanenkovo field commissioning.

p7- RUSSIA : Novatek and Total to establish joint venture to develop Termokarstovoye gas condensate field.

- **RUSSIA** : Gazprom may cut 2009 investment program by 30%.

- **UNITED STATES** : EIA reduces US gas production and consumption estimates for 2009.

- **ALGERIA** : SNC-Lavalin Group wins gas processing facility contract.

- **UNITED STATES** : ExxonMobil completes expansion of a gas processing plant in Colorado.

p8- ARGENTINA : ENAP and Gasco increase stake in the Gasoducto del Pacifico pipeline.

- **ARGENTINA** : Boskalis and Allseas to build pipeline through the Strait of Magellan.

- **AUSTRALIA** : Blue Energy to study options for pipeline in Queensland Magellan.

- **BULGARIA** : Gas connections with Greece and Romania to be built by 2011.

- **CHINA** : PetroChina completes projects for West-to-East gas pipeline.

p9- FINLAND : Environmental impact assessment of Nord Stream project is finalised.

- **INDIA** : GAIL approves investment for Southern pipelines.

- **KAZAKHSTAN** : Nabucco project not a priority.

- **MYANMAR** : Petrochina to start pipeline construction in September 2009.

- **RUSSIA** : Construction of a pipeline to China delayed

- **SLOVAKIA** : Eustream studies gas connection with Hungary.

p10- UNITED STATES : Rockies Express starts service on REX-East pipeline.

- **UNITED STATES** : FERC approves Oasis Pipeline extension.

- **VIETNAM** : Petrovietnam starts to operate Su Tu Vang gasline.

- **VIETNAM** : PetroVietnam to build a pipeline from Can Tho province to Ho Chi Minh City.

- **NETHERLANDS** : GasTerra extends long-term gas supply agreement with GDF Suez.

p11- NIGERIA : Shell to supply gas to Aba power plant.

- **ROMANIA** : European Commission urges authorities to ensure energy market competitiveness.

- **RUSSIA** : Gazprom and Kogas sign agreement to jointly explore gas supply project.



LNG

PROCESSING

ALGERIA : Air Products to provide technology process to Arzew LNG plant – CNR/48/16/1

Air Products announced recently that it has signed an agreement with Saipem to provide its proprietary process technology and main cryogenic heat exchanger for Sonatrach's GNL3Z liquefied natural gas project in Arzew, Algeria. Sonatrach will produce 4.7m metric tons per year of LNG. Air Products' LNG technology and equipment is to be delivered to the western Mediterranean port site by October 2010. (Gasworld, June 21, 2009)

AUSTRALIA : Maintenance operations to reduce LNG output of North West Shelf Venture – CNR/48/16/2

North West Shelf Venture may boost maintenance and shrink output in 2009. Woodside may load about 15 million metric tons of LNG compared with a capacity of 16.3 million at the five-train production unit, Chief Executive Officer Don Voelte said. The 4.2 million ton-a-year fifth production line is back up and running above expected capacity, he said. "We are carrying out a lot more maintenance this year and over the next couple of years," Voelte said. Woodside started work to rectify a fault that limited production at the

Train 5 unit, which started up at the end of August 2009, the company said. The repair required a 25-to-30-day shutdown in May 2009. Production at Train 4 and at either Train 2 or 3 will be halted for 20 to 25 days in the third quarter for routine maintenance, the company said. The North West Shelf venture had five uncommitted cargoes in 2008 of the 204 produced, Voelte said in the presentation. The venture has found alternative buyers for about 20 uncommitted cargoes in 2009 as demand softens in Japan, Peter Cleary, president of the project's LNG marketing arm, said. (Bloomberg, June 19, 2009)

UNITED STATES : Linde North America and Waste Management plan landfill gas to LNG project – CNR/48/16/3

Linde North America and Waste Management shared recently details about a project to purify and liquefy landfill gas, a source of renewable biomethane fuel, at the Altamont Landfill near Livermore, California. When the plant begins operating, it is designed to produce up to 13,000 gallons a day of liquefied natural gas that could fuel waste collection trucks in California.

The Altamont project is one of several LNG and biomethane projects around the world in which Linde is participating. "Biomethane is a truly renewable and readily available green source of high quality fuel. Although it is still an emerging commodity, its economic and environmental value is rapidly being recognized," said Bryan Luftglass, manager of Linde North America's energy segment. (DownstreamToday, June 23, 2009)

TRANSPORTATION-DISTRIBUTION

RUSSIA : Sovcomflot and STASCO sign cooperation agreement on LNG transport – CNR/48/16/4

OAO Sovcomflot and Shell International Trading and Shipping Company Limited (STASCO) signed recently a General Cooperation Agreement. The Cooperation Agreement covers Russia's future projects for the seaborne transportation of liquefied natural gas, including shipments from the Arctic offshore fields. In particular the Agreement envisages the expansion of cooperation between

the parties as the Sakhalin-2 project progresses; the organisation of joint transport and logistical support for the development of natural gas fields in the Yamal Peninsula; further improvement of the LNG transportation technologies used in harsh ice conditions, including floating LNG plant projects, and the construction of vessels with onboard regasification units to supply Russia's remote areas with gas. (Sovcomflot press release, June 27, 2009)

SUPPLIES – IMPORTS – EXPORTS

AUSTRALIA : Gladstone LNG and Petronas in LNG supply deal – CNR/48/16/5

Gladstone LNG venture (GLNG) signed recently an accord to sell 2 million metric tons a year of LNG to its partner Petroliam Nasional Bhd. For 20 years beginning 2014, with an option for an additional million tons, the companies said. The LNG will be used in the Malaysian domestic gas market. Malaysia increased exports of LNG to a record 22.87 million metric tons in 2008 from its LNG complex in Borneo, according to Bank Negara Malaysia, the central bank. (Bloomberg, June 18, 2009)

INDONESIA : Government agrees to allocate LNG from Donggi to domestic use – CNR/48/16/6

President Susilo Bambang Yudhoyono agreed recently to allocate LNG from the Donggi Senoro project in central Sulawesi for domestic use, Vice President Jusuf Kalla said. Under the original plan, Japanese buyers were allocated the entire LNG output from the Senoro project. Kalla has said about 1-2 million mt/year of LNG from Senoro should be allocated to a proposed fertilizer factory

in southeast Sulawesi, while the rest could be sold to local industries in eastern Indonesia, Java and other provinces. If there is still any surplus, it would be exported to Japan. The Donggi Senoro project is operated by DS LNG, which is a joint venture involving Pertamina (29%), Medco Energi Internasional (20%) and Japan's Mitsubishi (51%). The plant would have an annual capacity of 2 million mt and is expected to start up in 2012. (Platts, June 19, 2009)

KUWAIT : KPC in LNG import deal with Shell – CNR/48/16/7

Kuwait Petroleum Corp signed recently a deal with Royal Dutch Shell to import liquefied natural gas needed for power generation. Kuwait expects its first LNG cargo by the start of August 2009 said KPC's Managing Director of International Marketing, Abdullatif Al-Houti. (Reuters, June 22, 2009)

PAPUA NEW GUINEA : Tokyo Electric and Osaka Gas in talks to buy LNG – CNR/48/16/8

Tokyo Electric Power Co. and Osaka Gas Co. are among three Asian customers who signed with Exxon Mobil Corp. to buy liquefied natural gas from its venture in Papua New Guinea. Miles Shaw, an Exxon spokesman in Port Moresby, confirmed that both utilities are among the customers. The company said it had reached "commercial terms" with three Asian buyers for 4.3 million metric tons of LNG a year. Tokyo Electric spokesman Masayuki Kishino and Osaka

Gas's Toru Kinukawa each confirmed the talks. Exxon and its five partners may approve Papua New Guinea's largest investment before the end of 2009, Oil Search Ltd., one of the holders, said. They will start construction in early 2010, according to Oil Search. "This is a key milestone in the project's schedule, with delivery of LNG to the market expected to commence in late 2013 or early 2014," Ron Billings, vice president of LNG, Exxon Mobil Gas & Power Marketing Co., said. (Bloomberg, June 22? 2009)

QATAR : Pakistan seeks to buy 3.2 million tonnes of LNG – CNR/48/16/9

A high level delegation of the petroleum ministry discussed recently LNG imports from Qatar. Pakistan wants a quota of 3.2 million tonnes LNG from Qatar and the imported gas would be used for power production and the industries mainly the textile sector. According to the working paper prepared by the petroleum ministry, Pakistan needed to have additional gas supplies for at least five years till the Iran-Pakistan gas pipeline becomes operational. The petroleum ministry said it would enter into another agreement with Qatar Gas to rent a floating regasification plant. (Dawn, June 25, 2009)

QATAR : Qatargas signs LNG supply agreement with PGNiG – CNR/48/16/10

Qatargas and PGNiG announced recently the signing of a Sales and Purchase Agreement for LNG supply from Qatar to Poland. Under the terms of the SPA Qatargas will supply one million tonnes per annum of liquefied natural gas to Polskie Górnictwo Naftowe i Gazownictwo SA (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, June 29, 2009)

RUSSIA : Gazprom forecasts 5 million tonnes of LNG exports in 2009 – CNR/48/16/11

Mr Alexander Medvedev deputy CEO of Gazprom said recently that the company expects exports of liquefied natural gas from the Sakhalin II project to reach 5 million tonnes in 2009. He said that "The initial plan was for 3 million tonnes, but we forecast that 5 million tonnes will be supplied." Mr Medvedev said Gazprom estimates that despite the current economic problems, global demand for LNG will grow at an annual rate of 6% to 8% to reach about 500 million tonnes to 800 million tonnes by 2030. (RIA Novosti, June 19, 2009)

TRINIDAD AND TOBAGO : Prime Minister agrees to supply LNG to Jamaica – CNR/48/16/12

Trinidad and Tobago's Prime Minister Patrick Manning said recently that sending liquefied natural gas to stimulate investments in Jamaica's alumina sector was now a matter of national priority. Trinidad and Tobago signed an agreement in 2004 to supply Jamaica with 1.1 million tonnes of LNG per year for 20 years,

beginning in 2009, for use by the Jamalco refinery and the Jamaica Public Service Company's electric power plants. Manning told Parliament supplies had become available because the global supply and demand situation for gas has changed. In the new environment, there is no longer the need for Jamaica to build regasification terminals, and floating terminals can be used, he said. (Reuters, June 24, 2009)

STORAGE

INDIA : RNRL challenges to lease LNG terminal – CNR/48/16/13

RNRL has joined the fray to lease Ratnagiri Gas and Power's liquefied natural gas terminal, Ratnagiri Gas & Power MD AK Ahuja said". Other contenders include RIL, NTPC, Indian Oil, GMR and Essar Oil. Ratnagiri Power will operate and maintain the terminal for the regasification, while the winning bidder will manage transportation and distribution. The terminal will have an initial capacity of one million tonne by October 2009 that is expected to increase by five-fold in three years. (India Times, June 17, 2009)

ISRAEL : LNG terminal tender issued – CNR/48/16/14

Israel issued recently a tender for an offshore liquefied natural gas receiving terminal with a daily processing capacity of about 16 million cubic metres.

The finance and national infrastructure ministries said that the successful bidder would agree to a build-operate transfer (BOT) deal under which it will receive a licence to develop and operate the project for 20 to 30 years, after which the ownership will shift to the government. (Upstream, June 23, 2009)

JAPAN : Inpex to start construction of Naoetsu LNG terminal – CNR/48/16/15

Inpex Corp. is to start construction of a liquefied natural gas receiving terminal at the port of Naoetsu in Joetsu City, Niigata Prefecture, Japan. LNG Receiving Terminal Construction Division was newly established for overall project management, which replaces LNG Receiving Terminal Construction Department of Domestic Project Division. (DownstreamToday, June 26, 2009)

SINGAPORE : Development of the first LNG terminal delayed by a year – CNR/48/16/16

The Singapore government said recently it will take over the development of the city-state's first liquefied natural gas terminal and has postponed the start of its operations by a year to 2013. In September 2007, the government originally appointed Powergas, a subsidiary of Singapore Power Group, to develop and operate the LNG terminal. However, amid the global economic downturn it had become significantly more

challenging for Powergas to proceed with the project on a commercial basis as originally intended, Singapore Senior Minister for Trade and Industry S Iswaran said. The city-state's Energy Market Authority would set up a company, the Singapore LNG Corporation, for this purpose. The LNG terminal to be built on Singapore's Jurong Island was originally scheduled to take its first gas delivery by 2012. (Deutsche Presse-Agentur, June 30, 2009)

SPAIN : Iberdrola to sell its stake in the Sagunto and Bahia Bizkaia Gas regasification terminals – CNR/48/16/17

Iberdrola recently agreed to sell its shareholdings in the Sagunto (Saggas) and Bahia Bizkaia Gas (BBG) regasification plants to RREF Infrastructure. The transaction is subject to the relevant regulatory authorizations and other third party approvals. Specifically, the company has closed the sale of 25% of BBG and 30% of Saggas. Iberdrola acquired its stake in Saggas in July 2002. The plant is located in the port of

Sagunto and has been in commercial operation since April 2006. It has a storage capacity of 450,000 m³ and a regasification capacity of 1,000,000 m³ per hour. Iberdrola's stake in the BBG regasification company BBG, located in the town of Zierbana, Vizcaya, dates back to 1998. The plant regasifies liquefied natural gas from LNG cargo vessels with a storage capacity of 300,000 m³ and an emission capacity of 800,000 m³ per hour. (Iberdrola press release, July 1, 2009)

SPAIN : New docking facilities at Cartagena LNG terminal will allow receiving bigger carriers – CNR/48/16/18

From the summer 2009, the docking facilities at Enagás' regasification plant in Cartagena will be able to receive methane tankers of up to 263,000m³. With the enlargement, the Cartagena plant will be the first of Enagás' plants equipped to unload LNG from tankers of this size. Until now, the berth only allowed entry of tankers of up to 140,000m³ of capacity. Meanwhile, a fifth LNG storage tank, with a capacity of 150,000m³, is currently being built.

With the civil engineering part completed, work on the interconnection lines with the plant and on the tank's interior are slated to begin in September 2009. This storage tank is expected to begin operating around the end of 2010. With the various enlargements, the Cartagena plant will have five LNG storage tanks, with combined capacity of 587,000m³ of LNG, an emission capacity of 1,350,000m³(n)/h and two methane tanker docks, one for ships of up to 40,000m³ of capacity and one for ships of up to 263,000m³. (Enagas press release, June 30, 2009)

NATURAL GAS

EXPLORATION – DISCOVERY

NORWAY : Significant gas discovery at Gro prospect – CNR/48/16/19

Royal Dutch Shell Plc recently made a natural gas discovery at a record depth in the northern Norwegian Sea that may equal the size of Norway's annual production. The find was made in the Gro prospect 360 kilometers offshore Broennoeysund in Nordland and is estimated to hold 10 to 100 billion standard cubic meters of recoverable gas, the Norwegian Petroleum Directorate said. "It's a significant find for the Norwegian Sea," Shell spokesman David

Williams. "We've only got one well, one point of data, so there's not enough data to be specific. We'll continue to reassess the data and plan what we're going to do as quickly as possible". The well hasn't been formation-tested and delineation drilling is needed to determine the resource potential, including possible additional volume, the directorate said. Shell holds a 50 percent stake in the field and StatoilHydro ASA 40 percent. GDF Suez SA bought a 10 percent stake from Shell. (Bloomberg, June 19, 2009)

VIETNAM : Premier Oil announces gas discovery on offshore Block 07/03 – CNR/48/16/20

Premier Oil has recently completed drill stem testing of the Cá Rong Do discovery well on Block 07/03, offshore Vietnam. The Cá Rong Do well has intersected oil and gas pay within multiple stacked reservoir layers. Two of these reservoir zones have now been tested.

The zones tested flowed oil at a combined rate of 3,265 barrels of oil per day plus 8.1 million standard cubic feet of gas per day, through a 48/64" choke. Premier plans to conduct a 3D survey to define the resource potential of the Cá Rong Do discovery and adjacent structures and to determine future exploration and appraisal activity. (Oilvoice, June 24, 2009)

PRODUCTION

ABU DHABI : Adma-Opco signs contracts for gas development project – CNR/48/16/21

Abu Dhabi Marine Operating Company (Adma-Opco) signed recently an engineering procurement and construction agreement for the integrated gas development (IGD) project - Habshan Platform (HAP) with National Petroleum Construction Company (NPCC).

The Adma-Opco portion involves the challenging offshore portion of gas production by drilling additional gas wells and processing platforms at Umm Shaif for gas dehydration and transfer to Das Island through the new main gas line to be laid under this contract. The engineering, procurement and fabrication works are scheduled for completion by mid-2012. (Gulf News, June 17, 2009)

IRAN : Petronas decides to stay at Phase 11 of South Pars – CNR/48/16/22

Petronas will remain in Iran's South Pars gas project and assess its position with new partner China National Petroleum Corporation (CNPC), the company said. Iran's National Iranian Oil Company (NIOC) in June had signed a contract with CNPC to develop Phase 11 of South Pars. Petronas holds a 10 percent stake in the Pars liquefied natural gas project. NIOC, by development of phase, aims to supply sweet gas to Pars LNG project and extract gas condensate. The phase will produce two billion cubic meters of gas per day and 70,000 barrels of gas condensate. (Pipeline Magazine, June 15, 2009)

ITALY : Po Valley receives approval for Castello project – CNR/48/16/23

Po Valley Energy secured recently government approval to build a gas plant at its Castello project east of Milan. The regulatory approval also means the company can begin drilling at the Sillaro 2 production well. Po Valley chief executive Michael Masterton described the approval as the one the company had been waiting for. "Castello civil

works and plant installation are due to commence on Monday next week, with a target four-month schedule for completion in October 2009," he said. The company announced earlier in 2009 it had secured sales contracts with two Italian gas distributors covering three years of production from the Castello and its nearby Sillaro field. (The West, June 22, 2009)

KUWAIT : Gas production capacity to be increased by 2015 – CNR/48/16/24

Kuwait Oil Company recently said that Kuwait will raise its present 150 million cubic feet per day output capacity to one billion.

The country is all set to increase its non-linked gas production by about 900mcf/d by 2015. The capacity for the non-linked gas production, which started in June 2008, is 150mcf/d. Kuwait is looking to boost it to 600 million by 2012 and one billion by 2015. (Energy Business Review, June 2, 2009)

RUSSIA : Gazprom Management Committee postpones Bovanenkovo field commissioning – CNR/48/16/25

Gazprom Management Committee resolved recently to postpone the commissioning of the first startup complexes of the Bovanenkovo field and the Bovanenkovo-Ukhta gas trunkline system from the third quarter of 2011 to the third quarter of 2012. The meeting noted that the global financial crisis had a negative impact on the domestic and foreign gas demand as well as on the consumption forecast over the next years. The Cenomanian-Aptian deposits of the Bovanenkovo

field are a paramount development target on the Yamal fields. It is anticipated to increase the projected gas production at the Bovanenkovo field from the current 115 to 140 billion cubic meters per annum in the long-term. In order to deliver the Yamal gas to the Unified Gas Supply System of Russia, it is necessary to build before 2030 a new-generation gas transportation system with the total length of 2,500 km including the new 1,100-km-long Bovanenkovo-Ukhta gas transportation corridor. (Gazprom press release, June 18, 2009)

RUSSIA : Novatek and Total to establish joint venture to develop Termokarstovoye gas condensate field – CNR/48/16/26

Novatek and Total signed recently a Heads of Agreement establishing the framework for joint cooperation in exploring and developing Novatek's Termokarstovoye gas condensate field. The agreement provides for the establishment of a joint venture through the acquisition, by Total, of a 49% participation interest in Terneftegas LLC, a wholly-owned subsidiary of NOVATEK and holder of the license for geological exploration and production of gas and gas condensate at the Termokarstovoye field. Under the terms and conditions of the Agreement, the joint venture has

two years to complete exploration works and prepare a field development plan, with a final investment decision to proceed forward with the Project taken in 2011. The closing date for the transaction is subject to the final approval obtained from the Federal Anti-Monopoly Service. The Termokarstovoye gas condensate field was discovered in 1986 and is located in the Krasnoselkup district of the Yamal-Nenets Autonomous Region approximately 250 kilometers to the east of Tarko-Sale. The field's reserves according to the Russian ABC1+C2 classification amount to 47.3 bcm of natural gas and 10.3 mmt of liquids. (Novatek press release, June 24, 2009)

RUSSIA : Gazprom may cut 2009 investment program by 30% – CNR/48/16/27

The Gazprom deputy chief for finances, Andrei Kruglov said recently that the company may cut its investment program in 2009 by 30 percent. He said the board of directors will consider a new budget in September. The company's board earlier approved a US\$29.4 billion investment program for 2009. Gazprom Deputy CEO Alexander Medvedev said that the company expects sales to drop by about 40 percent in 2009 despite increased consumption in Europe in recent months. (Associated Press, June 25, 2009)

UNITED STATES : EIA reduces US gas production and consumption estimates for 2009 – CNR/48/16/28

The U.S. Energy Information Administration said recently it lowered its estimates for domestic natural gas production and consumption in 2009, as weak economic conditions continue to pressure drilling and overall demand. In its June Short-Term Energy Outlook, EIA forecast U.S. marketed natural gas output in 2009 would average about 57.93 billion cubic feet per day, down 1.1 percent from last year's daily rate of 58.59 bcf. EIA also said it expected production to drop again in 2010, declining another 2.6 percent to 56.42 bcf per day. EIA projected domestic gas

consumption in 2009 would fall 1.4 bcf per day, or 2.2 percent, to 62.15 bcf per day. The outlook for continued economic weakness in 2009 was expected to take its greatest toll on industrial demand, which is expected to drop 8 percent in 2009, more than EIA's previous estimate for a 7.9 percent decline. But EIA said low gas prices should lead to a 2.7 percent increase in electric power sector consumption in 2009, at least partly offsetting the declines expected in residential, commercial and industrial users. EIA expects overall consumption in 2010 to increase almost 0.3 percent to about 62.31 bcf daily. (Reuters, June 9, 2009)

PROCESSING

ALGERIA : SNC-Lavalin Group wins gas processing facility contract – CNR/48/16/29

SNC-Lavalin Group Inc. has been awarded a contract to build a natural gas processing facility for Algeria's national oil company. The contract awarded by Sonatrach spans 39 months. Algeria's energy minister said SNC-Lavalin will build gas collection infrastructure at four southern fields, a natural gas processing facility at Qartzites de Hamra and a processing facility to re-inject carbon dioxide into gas fields. The natural gas will flow to the Arzew liquefied natural gas processing facility being built near Oran. (The Canadian Press, June 15, 2009)

UNITED STATES : ExxonMobil completes expansion of a gas processing plant in Colorado – CNR/48/16/30

ExxonMobil said recently it has completed an expansion of its natural gas processing capacity at a site in Colorado, allowing it to handle up to 200 million cubic feet of gas per day, double its current output. The work at the Piceance Project on the western slope of the Rocky Mountains in Rio Blanco County, Colo., includes gas and liquid gathering systems, treating facilities and a produced-water pipeline. (Associated Press, June 22, 2009)

TRANSPORTATION-DISTRIBUTION

ARGENTINA : ENAP and Gasco increase stake in the Gasoducto del Pacifico pipeline – CNR/48/16/31

Chilean company ENAP and gas distribution firm Gasco have recently increased their stakes in the Gasoducto del Pacifico pipeline, which links the southern industrial cities of Concepcion and Talcahuano with gas fields in the Argentinean province of Neuquen.

Gasco said it increased its stake in Gasoducto del Pacifico SA to 30% from 20% for \$9.968 million, and in Gasoducto del Pacifico Argentina SA and its parent company Gasoducto del Pacifico Cayman Ltda to 26.7% from 20% previously for \$3.872 million. The pipeline's other major shareholder is TransCanada Pipelines. The pipeline began operating in 1999, but has been operating at a fraction of its full capacity of 3.1 million cubic meters/day in recent years due to restrictions imposed on Argentinean gas exports. (Platts, June 19, 2009)

ARGENTINA : Boskalis and Allseas to build pipeline through the Strait of Magellan – CNR/48/16/32

A consortium of Royal Boskalis Westminster N.V. and Allseas Group S.A. has been recently appointed for the construction of a gas pipeline through the Strait of Magellan in Southern Argentina. The agreement was signed by Nación Fideicomisos S.A. as Trustee of the Estrecho de Magallanes Trust and Work Principal. The project

is expected to be completed before the end of 2009. The work consists of laying a new 24-inch undersea gas pipeline joining Cape Espiritu Santo and Cape Virgenes in waters outside the eastern mouth of the Strait of Magellan, Argentina. The length of the undersea pipeline and shoreline sections is around 38 kilometers. The pipeline will link gas fields in the south with the main gas network of Argentina. (Energy Current, June 23, 2009)

AUSTRALIA : Blue Energy to study options for pipeline in Queensland Magellan – CNR/48/16/33

Blue Energy recently commissioned a study into route options for a gas pipeline between its Galilee Basin coal seam gas project and various ports on the Queensland coast. The study will examine the most commercially attractive options for a gas pipeline and secure regulatory survey licenses for the preferred route. Blue Energy plans to drill 21 holes at the project to gather geological data for the reserve certification process and help in determining locations for pilot production wells. (The West, June 25, 2009)

BULGARIA : Gas connections with Greece and Romania to be built by 2011 – CNR/48/16/34

The CEO of the Bulgarian Energy Holding (BEH), Galina Tosheva said recently that Bulgaria is supposed to build its connections to the gas transit networks of Greece and Romania by 2011, or it will lose the money that the EU has allocated for those projects.

The EU has allocated EUR 45 M for the construction of the natural gas network connection between Bulgaria and Greece, and another EUR 10 M for the gas connection between Bulgaria and Romania. Bulgaria is supposed to submit the application forms for the construction of the pipeline connections by July 2009. (Novinite, June 18, 2009)

CHINA : PetroChina completes projects for West-to-East gas pipeline – CNR/48/16/35

PetroChina completed recently the construction of five supporting projects for the west-to-east gas transmission pipeline and it will soon apply for the state's inspection and acceptance of the west-to-east gas pipeline project. The five supporting projects include three link lines that link up the west-to-east gas pipeline with the second

Shaanxi-Beijing gas pipeline and two other transregional gas pipelines. PetroChina's second West-to-East gas pipeline, starting from the Amur River in Turkmenistan to Horgos in northwestern China's Xinjiang Uygur Autonomous Region, and extending to South China's Guangdong province, is scheduled for completion in 2010. (Xinhua, June 29, 2009)

FINLAND : Environmental impact assessment of Nord Stream project is finalised – CNR/48/16/36

Nord Stream received recently the Uusimaa Regional Environment Centre's statement regarding the Baltic Sea gas pipeline's national environmental impact assessment (EIA). The statement will be taken into account when the permitting decisions are made in Finland during autumn 2009. The EIA report and the Uusimaa Regional Environment Centre's statement will be considered when the Finnish permits are to be decided. The permits that need to be issued are the EEZ permit from the Ministry of Employment and Economy and the water permit from the Western Finland Environmental Permitting Authority (WFEP). (Nord Stream press release, June 2, 2009)

INDIA : GAIL approves investment for Southern pipelines – CNR/48/16/37

GAIL's Board of Directors has accorded an investment approval for laying Dabhol – Bengaluru and Kochi – Kanjirkkod – Bengaluru – Mangalore pipelines. The design capacity of the 30 inch diameter Dabhol-Bengaluru section is 16 MMSCMD and the project will be implemented in two phases. In part A of the first phase, 402 km pipeline will be laid from Dabhol to Gokak along with spurlines to Belgaum and Goa and is scheduled to be completed by 2011-12. In part B of the phase I, 570 km pipeline will be laid from Gokak to Bengaluru (KPCL, Bidadi) along with spur lines / feeder lines to Bengaluru and is scheduled to be completed by 2011-12 / 2012-13. In phase II of the project, 417 km spur lines / feeder lines will be laid to Ratnagiri, Kolhapur, Sangali, Bijapur, Dharwad, Devangere, Harihar and Tumkur and is scheduled to be completed by 2012-13 / 2013-14. For the second project, 1,114

km Kochi – Kanjirkkod – Bengaluru – Mangalore pipeline, the design capacity of this pipeline is 16 MMSCMD including 4 MMSCMD as common carrier and the project will be implemented in two phases. In phase I of the project, 96 km pipeline will be laid from Kochi to Alwaye (Tap-off) with spur lines / feeder lines to Alwaye, Udyogmandal, Binannipuram, Ambalamedu. The phase I is scheduled to be completed by 2011-12. In phase II of the project, 1018 km pipeline will be laid from Alwaye (Tap-off) to Kanjirkkod, Kanjirkkod to Mangalore and Kanjirkkod to Palghat / Palakkad with spurlines / feeder lines to Thrissur, Kottakal, Kozhikode, Kannur, Mangalore and Palakkad. The phase II of the project will involve laying of pipeline from Palakkad to Bengaluru with spurlines / feeder lines to Coimbatore, Trippur, Truchengode and Salem. The phase II of the project is scheduled to be completed by 2012-13. (GAIL press release, June 25, 2009)

KAZAKHSTAN : Nabucco project not a priority – CNR/48/16/38

Kazakh Deputy Minister of Energy and Mineral Resources Aset Magauov said recently at that due to insufficient natural-gas supplies, Kazakhstan wouldn't be able to participate in the Nabucco project. According to Magauov, Kazakhstan's current gas priorities are the Caspian Sea pipeline and a project with Chinese partners. (DownstreamToday, June 26, 2009)

MYANMAR : Petrochina to start pipeline construction in September 2009 – CNR/48/16/39

Construction of pipelines that will transport oil and gas to China via Myanmar will begin in September 2009, according its builder PetroChina. The oil and natural gas pipelines will run in parallel. Both will start in Kyaukryu port on the west coast of Myanmar and enter China at the border city of Ruili in Yunnan province. The 1,100-km oil pipeline will end in Kunming, capital of Yunnan. The natural gas pipeline will extend further from Kunming to Guizhou province and the Guangxi Zhuang autonomous region, running a total of 2,806 km. It is expected to transport 12 billion cubic meter of gas to China every year. (China Daily, June 17, 2009)

RUSSIA : Construction of a pipeline to China delayed – CNR/48/16/40

Russia delayed recently plans to build gas pipelines to China until after 2011 because it still cannot reach a pricing deal with Beijing. No one is talking about gas supplies to China in 2011 anymore" said Gazprom deputy chief executive Alexander Ananenko. (Financial24, June 17, 2009)

SLOVAKIA : Eustream studies gas connection with Hungary – CNR/48/16/41

Eustream, signed recently a Memorandum of Understanding with the Hungarian gas transmission company FGSZ Zrt. The main goal of the co-operation is to analyze possibilities of connecting the Slovak and

Hungarian gas transmission systems. According to Eustream, the project could be implemented within a period of three years. The planned 100 km long pipeline would connect Veľký Krtíš on the Slovak side with Vecses in Hungary. "By creating a new interconnection of the existing pipeline systems in our region, we would like to help increase the security of gas supplies for Slovakia and the liquidity of the market in Central Europe" commented Antoine Jourdain, Chairman of the Board of Directors of Eustream. (Eustream press release, June 25, 2009)

UNITED STATES : Rockies Express starts service on REX-East pipeline – CNR/48/16/42

Rockies Express Pipeline LLC said recently that service has begun on a portion of a major pipeline that carries natural gas from the Rocky Mountain region to markets in the eastern U.S.

The segment of the Rockies Express-East pipeline brings up to 1.6 billion cubic feet of gas a day from Audrain County, Mo., to the Lebanon interconnection point in Warren County, Ohio. The final portion of the Rockies Express East pipeline, which will end in Clarington, Ohio, is expected to be in service by November 2009. When completed, the 1,679-mile pipeline will have a capacity of 1.8 bcf/day, most of which is under long-term contracts. (Dow Jones, June 29, 2009)

UNITED STATES : FERC approves Oasis Pipeline extension – CNR/48/16/43

The US Federal Energy Regulatory Commission cleared recently the way for an Oasis Pipeline cross-border project to send natural gas to Mexico. The Clint Export Project design includes 188 miles of 36-inch-diameter pipeline capable of sending up to 600,000 MMBtu/d from the Waha Hub in Pecos County through border facilities located in El Paso County, Texas. On the Mexico

side of the board, Oasis will deliver gas to Tarahumara Pipeline. The gas is destined for gas-fired electric generation and for industrial customers. As an extension of the intrastate Oasis system in Texas, the 188-mile pipeline segment is not subject to traditional FERC regulation under the Natural Gas Act, except for authorization of the border crossing facilities. (Platts, June 18, 2009)

VIETNAM : Petrovietnam starts to operate Su Tu Vang gasline – CNR/48/16/44

Petrovietnam has begun operating a natural gas pipeline to electric power plants and industrial parks in the country's southeastern region from its Su Tu Vang field offshore on Block 15-1. Petrovietnam said the pipeline's initial capacity is 500,000 cm/day, which will reach 3 million cm/day when linked with the nearby Su Tu Den Northeast, Rubi, and Su Tu Trang fields. (Oil and Gas Journal, June 22, 2009)

VIETNAM : PetroVietnam to build a pipeline from Can Tho province to Ho Chi Minh City – CNR/48/16/45

PetroVietnam will invest \$300 million to build a gas pipeline in southern Viet Nam, the Ministry of Planning and Investment said recently. The 145-kilometer pipeline will run from Can Tho province to Ho Chi Minh City, the ministry said. It will have an annual transmission capacity of 3 billion cubic meters of gas. Construction of the pipeline is scheduled to begin late this year and to be completed in late 2011. (VNBusinessNews, June 18, 2009)

SUPPLIES – IMPORTS – EXPORTS

NETHERLANDS : GasTerra extends long-term gas supply agreement with GDF Suez – CNR/48/16/46

GasTerra and GDF Suez have recently extended their natural gas sale and purchase agreement through to 2029. The gas will form about 15% of GDF Suez's gas supply portfolio in coming years, GDF Suez said. The deal could cover 15 Bcm/year or more. GDF Suez's CEO Jean-Francois Cirelli. said "The identified gas reserves in the Netherlands ensure the availability of a supply on a long-term basis and a portfolio diversification for GDF Suez". The gas will come from the Groningen field, said GasTerra. (Platts, June 15, 2009)

NIGERIA : Shell to supply gas to Aba power plant – CNR/48/16/47

Geometric Power Limited, signed recently a gas supply agreement with Shell Petroleum Development Corporation, SPDC and its JV partners, Nigerian National Petroleum Corporation, NNPC, Agip Nigeria and Total Nigeria Ltd. Shell is expected to supply between 40 and 45 million cubic feet of gas per day from Owesa to Aba Independent Power Plant. The Chairman of Geometric Power Limited, Professor Bath Nnaji explained that the agreement was a credible gas off-taker, that would ensure a steady demand of gas commodity over a 20-year horizon at a commercial tariff, thereby serving as an incentive to develop more gas fields for domestic consumption. Nnaji further disclosed that the company, in partnership with Alpine Investment Ltd, plans to replicate the project in other major cities in the country including Kano and Kaduna for the development of infrastructure in the Northern part of the country. According to him, the planned capacity (188 MW) of the Aba Power Plant will require some 43MMscf/d of gas which the SPDC JV will supply. (Vanguard, June 22, 2009)

ROMANIA : European Commission urges authorities to ensure energy market competitiveness – CNR/48/16/48

The European Commission sent recently to Romania letters of formal notice for not complying with applicable gas and electricity regulations and for maintaining a system of regulated prices in violation of the EU directives on electricity and gas, respectively, in the first stage of the infringement procedure. According to EU rules, equal access to electricity and gas networks is a key for those who want to enter the energy market. "However, without reliable and transparent information on the capacity of the network, newcomers cannot effectively participate

in the energy market," the Commission said. EU's executive arm considers that the transmission system operator for electricity and for gas do not publish all information as required by the EC Regulations, notably on available capacity. As regards the consumer protection, the current Romanian legislation does not provide for an alternative dispute settlement mechanism, the Commission concluded. On the other hand, EC rules do not allow, in principle, end-user regulated prices for electricity and gas for non-household customers, which are currently approved by Romania's regulatory authority ANRE. (Mediafax, June 25, 2009)

RUSSIA : Gazprom and Kogas sign agreement to jointly explore gas supply project – CNR/48/16/49

Alexey Miller, Chairman of Gazprom Management Committee and Choo Kingswood, President – CEO of Kogas signed recently an agreement to jointly explore a gas supply project.

The agreement was signed as an extension to the Intergovernmental Agreement of Cooperation in the gas sector and the Memorandum of Understanding on natural gas supplies from Russia to Korea between Gazprom and Kogas. The Agreement envisages the study of gas supply scenarios from the final point of the Sakhalin – Khabarovsk – Vladivostok gas transmission system (GTS) to Korea. Alexey Miller also had a working meeting with Lee Youn Hoo, Knowledge Economy Minister of Korea.

The parties stressed the importance of starting regular LNG supplies from Russia to Korea within the Sakhalin II project. In addition, special attention was paid to the possible interaction between Gazprom and Korean companies as part of the Eastern Gas Program including within gas processing and gas chemical projects in Russia as well as to the cooperation in offshore platform and LNG carrier construction and compressed gas production for Gazprom's existing and prospective projects. (Gazprom press release, June 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