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LNG

PROCESSING

INDONESIA : LNG plant project in Masela Block receives approval – CNR/48/21/1

Inpex Corp. received recently approval to a plan from Upstream Oil and Gas Supervisory Agency BPMIGAS to construct an offshore liquefaction plant to process natural gas extracted from the Masela block in the Timor Sea. The facility is expected to come on stream in 2016, with an

expected annual production of around 4.5 million tons. The offshore terminal is planned to build about 200 kilometers south of Saumlaki Island in the eastern province Maluku to process gas from Masela's Abadi field. Abadi field holds estimated reserves of as much as 10 trillion cubic feet of natural gas, according to Inpex. (Energy Business Report, September 3, 2009)

PAPUA NEW GUINEA : InterOil and partners submit agreement for LNG project at Port Moresby – CNR/48/21/2

InterOil Corporation along with its joint venture partners, Petromin PNG Holdings Limited and Pacific LNG Operations Ltd., submitted recently a project agreement for the construction of a proposed liquefied natural gas plant in Port Moresby to the Papua New Guinea government. As previously announced, the proposed LNG project targets a \$6.0 billion two-train LNG facility, with each train capable of producing approximately 4 million tons of LNG per annum. Current plans call for first production of LNG towards the end of 2014 or beginning of 2015. (Energy Business Report, September 4, 2009)

RUSSIA : Gazprom and Novatek in talks for development of Yamal LNG – CNR/48/21/3

OAO Novatek announced recently that OAO Gazprom CEO Alexei Miller and Novatek CEO Leonid Mikhelson discussed the formation of a general plan for the development of hydrocarbon resources in the Yamal Peninsula. The two sides discussed the development plan for Novatek's subsidiary, Yamal LNG, as part of the general plan to create LNG production capacity at the

Yamal Peninsula. The resource base of the Tambeyskiy group of fields, which Novatek and Gazprom hold the licenses to, located in the Yamal Peninsula will provide the basis for the development of LNG facilities. Summing up the results of the meeting, both sides noted that to effectively develop Yamal LNG it would be prudent to begin discussions with potential partners in the project. (Novatek press release, August 27, 2009)

STORAGE

CHINA : Shanghai terminal to receive its first LNG cargo – CNR/48/21/4

The Shanghai liquefied natural gas project, a joint venture between CNOOC and Shenergy Group, is expected to receive its first cargo of LNG from Malaysia around 20 September, 2009. The shipment would be about 80,000 to 90,000 cubic metres, an industry source said, adding that the fuel would be used later to test new facilities. Under a long term contract, Malaysia's Petronas will supply 3.03 million tonnes of LNG a year to the new Shanghai terminal for 25 years starting from 2009. (Upstream, September 8, 2009)

UNITED KINGDOM : Commissioning completed at Dragon LNG terminal – CNR/48/21/5

Dragon LNG's new liquefied natural gas terminal at Waterston, Milford Haven in South West Wales has recently completed its commissioning phase and has commenced commercial operation. Dragon's shareholders are BG Group (50%),

Petronas (30%) and 4Gas (20%). The terminal has the ability to send out 6 billion cubic metres of natural gas per annum to the UK's National Transmission System. BG and Petronas between them have contracted for the full capacity at Dragon LNG's Milford Haven site over the next 20 years. (4Gas press release, September 1, 2009)

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GTL

PROCESSING

QATAR : Pearl GTL completes construction of storage tanks – CNR/48/21/6

The Pearl gas-to-liquids project completed recently the construction of the giant 38 tanks that will store lubricants and chemical feed stocks produced by the plant. Construction of the Pearl GTL project will be complete around end-2010, with the project ramp-up then taking about 12 months, according to its officials. The plant will convert natural gas into 140,000 bpd of GTL products and also produce 120,000bpd of oil equivalent of natural gas liquids and ethane. (Gulf Times, September 10, 2009)

RUSSIA : Irkutsk Oil Company and JOGMEC plans GTL plant – CNR/48/21/7

Mr Nikolai Buinov board chairman of INK said recently that Irkutsk Oil Company and Japan Oil, Gas & Metals National Corporation are examining opportunities to create gas to liquid capacity in Russia. He said the sides planned to sign an agreement in the near future to carry out pre-project development work. INK plans to make a decision in mid-2010 on construction of GTL capacity.

Mr Hirobumi Kawano president of JOGMEC said "GTL technology, on which JOGMEC has carried out research and development work jointly with six Japanese companies and which significantly differs from similar technologies being developed by Shell and Sasol is considered appropriate for Eastern Siberia, where there is a lot of associated gas. Under a government resolution of January 8th 2009 companies have until 2012 to raise their associated gas utilization and processing levels to 95%. We believe that our new technologies will help INK in resolving this issue." JOGMEC is working on three projects with INK exploration of the North Mogdinsky, West Yarktinsky and Bolshetirsky hydrocarbon sections. (Steel Guru, September 10, 2009)

UNITED STATES : BP closes GTL pilot plant in Nikiski – CNR/48/21/8

BP Exploration Alaska announced recently that it plans to close the gas-to-liquids research facility in Nikiski by the end of 2009. BP is calling the closure a successful conclusion to the research being conducted on the conversion of natural gas to diesel and jet fuel. "It was not intended to be a facility that would carry on indefinitely into the future. At its peak, Rinehart said the Nikiski project was taking 3 million cubic feet of Cook Inlet natural gas a day and producing about 300 barrels of product, which was sold to the Tesoro refinery. Rinehart said there was never a long-term plan for the facility. (Peninsula Clarion, September 3, 2009)

NATURAL GAS

EXPLORATION – DISCOVERY

KYRGYZSTAN : Manas Petroleum announces exploration updates – CNR/48/21/9

Manas Petroleum reported recently that the drilling of the second exploration well at the Huday Nazar SPC-1 (Soh license) prospect by the Kyrgyz joint venture, SPC (South Petroleum Company) is underway. The offset analogue field to the Huday Nazar SPC-1 prospect is the North Soh oil and gas field (13 MMBO & 140 BCF) which is approximately 20 km to the West. Acquisition of a total of 800 km of 2d seismic within the SPC licenses was completed as of late May 2009 and seismic processing is on-going. Preparations are underway for the 2010 deep drilling program which is expected to commence early 2010. (Manas Petroleum press release, August 12, 2009)

NORWAY : StatoilHydro discovers oil and gas near Åsgard field – CNR/48/21/10

An oil and gas discovery has been made by StatoilHydro in the Nona prospect ten kilometres south east of the Åsgard field in the Norwegian Sea Based on preliminary calculations the size of

the find is between 13-31 million barrels of oil and 1-2 billion standard cubic metres of gas. A development of the discovery involving production via the existing infrastructure will be considered. (StatoilHydro press release, September 7, 2009)

NORWAY : StatoilHydro announces oil and gas discovery in Norwegian Sea – CNR/48/21/11

StatoilHydro Petroleum AS (StatoilHydro), operator of production license 074, completed recently the drilling of wildcat well 6407/2-5 S. The well is located 12 kilometers south of the Midgard gas discovery 6507/11-1 on the Åsgard field in the Norwegian Sea. The well proved gas in the Garn formation and oil in the Ile formation. Preliminary calculations indicate that the size of the discovery

is one to two billion standard cubic meters of recoverable gas and two to five million standard cubic meters of recoverable oil. The licensees in the production license are considering development concepts to produce the discovery using existing infrastructure on the Åsgard field. Licensees in the production license 074 include: ExxonMobil Exploration & Production Norway AS 9.8%, Petoro AS 19.95%, Eni Norge AS 29.4%, StatoilHydro (operator) 40.85%. (Energy Business Report, September 7, 2009)

PAKISTAN : OGDCL finds gas in Sindh Province – CNR/48/21/12

Oil and Gas Development Company Limited, on behalf of Guddu joint venture, has encountered gas at the Reti exploratory well No. 01-A (Guddu block) in Ghotki district of Sindh region. Three zones have been chosen for testing. Zone-II, on 36/34" choke size produced 2.82 mmscf/d of gas with a wellhead flowing pressure of 498 Psi. The Guddu joint venture includes OGDCL, IPR Transoil Corporation and Government Holdings (Pvt.) Limited, holding 70%, 25% & 5% (pre-commercial) working interests, respectively. (Energy Business Review, August 17, 2009)

PRODUCTION

CHINA : CNOOC begins production in Yinggehai Basin – CNR/48/21/13

CNOOC Limited announced that Ledong (LD) 22-1 gas field commenced production. Currently, the field is producing about 30 thousand cubic feet of natural gas per day via five wells. About 47 kilometers eastern of the producing field Yacheng 13-1 and 20 kilometers western of LD 15-1 gas field, LD 22-1 is located in the Yinggehai basin of the Western South China Sea. After being further

processed at the Dongfang 1-1 gas terminal, natural gas from LD 22-1/15-1 will be piped to customers in Hainan province including refinery plant, chemical plant and city gas. Peak production of LD 22-1/15-1 is expected to be around 150 mmcf per day. LD 15-1 will commence production later in 2009. CNOOC acts as the operator and has 100% interest in the field. (Energy Business Review, September 7, 2009)

HUNGARY : Hajdúnánás gas comes on stream – CNR/48/21/13

JKX Oil & Gas plc announced recently the commencement of commercial gas production from the Hajdúnánás field in north east Hungary. The field has come on-stream at an initial rate of 3.5 MMcfd from the Hajdúnánás -1 well, following its initial discovery in August 2008. The Hajdúnánás -2 well is scheduled to come on-stream soon and, together, production is expected to increase to approximately 8.5 MMcfd. The newly completed Hajdúnánás gas plant is connected via a 14.7 km, 8-inch diameter pipeline to a tie-in and fiscal metering point on the national gas network. A gas sales contract has been concluded with Fogaz Zrt, the Hungarian subsidiary of the German utility, RWE. JKX holds a 50% interest in the licences. (JKX Oil & Gas press release, August 19, 2009)

INDIA : Oil India plans to double gas production in the next 5-6 years – CNR/48/21/15

Oil India Ltd plans to double its natural gas production to around 4.54 billion cubic metres annually in the next 5-6 years. "There have been a lot of proven reserves with the help of which we shall be in a position to double the gas production. We are in a position to more or less double our production in the next 5-6 years time," Oil India Chairman and Managing Director N M Borah said.

Borah said the company's gas production potential has gone up by 8 per cent compared to that in 2008-09. Oil India accounts for about 10.41 per cent of India's total production of crude oil and about 6.91 percent of its total gas output. The company is presently developing existing resources by drilling new wells and building pipelines and may eventually sell it through a city gas distribution joint venture it has with Bharat Petroleum Corp Ltd. (India times, August 31, 2009)

INDONESIA : Gas sales start from Kambuna field – CNR/48/21/16

Salamander Energy PLC and Serica Energy PLC announced recently the start of gas sales from Kambuna field in the Glagah Kambuna Technical Assistance Contract (TAC) area of the Malacca Straits, 40 km off North Sumatra. In early 2008, the companies installed the Kambuna field production platform in 40 m of water and completed and tested the three wells from the platform at a combined stabilized rate of 114 MMscfd and 8,000 b/d of condensate. The gas and condensate is delivered through a 14-in. flowline to Pangkalan Brandan, the site of a Pertamina gas plant and refinery about 8 km from the coast. Deliveries of gas to a pipeline system serving the Balawan power plant. The companies

expect the field initially to produce at a plateau rate of 40 MMscfd of gas and about 4,000 b/d of condensate. Upon completion of an ongoing upgrade and refurbishment of the Pertamina LPG plant at Pangkalan Brandan, LPG extraction will result in gas production increasing an additional 10%, the companies say. In May 2008, the companies signed contracts to sell 28 MMscfd to PT Perusahaan Listrik Negara, the state electricity company, and 12 MMscfd to PT Pertiwi Nusantara Resources at a price of about \$5.40/Mscf to PLN and \$7/Mscf to Pertiwi. Consultants, in March 2008, estimated Kambuna gross proved plus probable reserves at 119 bcf of gas and 9.9 million bbl of condensate. (Oil and Gas Journal, August 13, 2009)

PERU : Pluspetrol and Repsol to increase gas production of Camisea field – CNR/48/21/17

Energy Minister Pedro Sanchez Gamarra recently said that A Pluspetrol SA-led group will invest at least \$2 billion in Camisea and surrounding gas fields to increase output in the area fivefold. The group, which includes Repsol YPF SA, will boost gas output to 1.58 billion cubic feet a day by 2012 in the area to meet rising domestic demand and supply a \$3.8 billion export plant, Sanchez said. Peru's government expects \$10 billion in energy investments over the next six years, including a pipeline that will take natural gas from the Camisea fields to supply the country's copper mines, petrochemical producers and power plants. (Bloomberg, August 27, 2009)

QATAR : Qatar Petroleum wants to boost gas, condensate and LPG output by 2014 – CNR/48/21/18

According to Saad Al Kaabi, manager of projects at Qatar Petroleum, Qatar will increase production of natural gas to about 23 billion cubic feet a day by 2014. Qatar's output of condensate will rise to 680,000 barrels a day by 2014 and liquid petroleum gas production, including propane and butane, will increase to 12 million tons a year. About 13.6 billion cubic feet of gas will go into the production of liquefied natural gas, Kaabi said. The remaining gas will be used domestically or exported to the United Arab Emirates through the Dolphin pipeline. (Bloomberg, August 17, 2009)

RUSSIA : 20 Bcm of gas produced by Rospan during in 15 years of field development – CNR/48/21/19

Rospan International, a subsidiary of TNK-BP, announced recently that it has produced 20 billion cubic meters of gas since it began development of its fields 15 years ago. Approximately 1.56 billion cubic meters of gas and 350 tons of gas condensate were produced by Rospan International in the first eight months of 2009. By the end of the year, the production volumes are

expected to amount to 2.5 billion cubic meters of gas and 550 tons of gas condensate. Rospan International is a subsidiary of TNK-BP. The company was established in 1994 for development of the Vostochno-Urengoiskoe and Novo-Urengoiskoe gas condensate fields in the Purovsky District of the Yamalo-Nenets Autonomous Area. The reserves of these fields are estimated at 950 billion cubic meters of gas and 180 million tons of gas condensate. (Oilvoice, September 6, 2009)

UNITED STATES : CenterPoint Energy to expand gathering and treating facilities in Haynesville Shale – CNR/48/21/20

CenterPoint Energy Field Services, Inc. (CEFS), an indirect, wholly-owned subsidiary of CenterPoint Energy, Inc. announced recently that it has entered into long-term agreements with subsidiaries of EnCana and Shell to provide gathering and treating services for their Haynesville Shale natural gas production. Under the terms of the agreements, CEFS will expand the acquired facilities to gather and treat up to 700 million cubic feet per day of gas from its current throughput to over 100 MMcf/day. The long-term gas gathering agreements provide for gathering and treating services to commence immediately from the acquired facilities. New

construction to reach 700 MMcf/day includes more than 200 miles of pipelines, nearly 25,500 horsepower of compression and over 800 MMcf/day of treating capacity. (PRNewswire, September 9, 2009)

UNITED STATES : Newfield Exploration reduces its gas production due to low prices – CNR/48/21/21

Newfield Exploration Company announced recently that the company plans to voluntarily curtail about 2.5 Bcfe of its third quarter 2009 production in response to recent low natural gas prices. The curtailments will come primarily from the Company's Mid-Continent division. "Although approximately 75% of our expected third quarter

2009 natural gas production is hedged at nearly \$8 per Mcf, we are electing to curtail a portion of our production today," said Lee K. Boothby, Newfield President and CEO. "We still expect that our full-year 2009 production will be in the upper half of our previous guidance range of 250-260 Bcfe." Newfield has an inventory of approximately 30 uncompleted wells in the Woodford Shale. The timing of well completions is dependent on natural gas prices. (PRNewswire, August 24, 2009)

PROCESSING

CHINA : Construction of the fourth gas processing plant started at Sulige field – CNR/48/21/22

China National Petroleum Corporation started recently the construction of its fourth natural gas processing plant in the southern Sulige natural gas field of Inner Mongolia. CNPC and Total S.A will jointly operate the plant which is expected to process five billion cubic meters of gas every year. The project is expected to be placed into production by the end of 2010. The Sulige natural gas field's annual processing capacity will hit 18 billion cubic meters. (Energy Business Review, August 12, 2009)

TRANSPORTATION-DISTRIBUTION

AUSTRALIA : ERM Power proposes new gasline in Queensland – CNR/48/21/23

ERM Power proposed recently to build the 900 kilometre line from Young, through Wellington, Gunnedah and Narrabri in the north-west into Queensland. The company already has approval to build a line through Alectown as part of the power station project but now wants to change the route. The NSW director of ERM Power, Andy Pittlick, said if approved, the line will provide gas to the company's gas-fired power station in Wellington. (Yahoo, August 31, 2009)

CENTRAL ASIA : Uzbek and Turkmen sections of pipeline to China connected – CNR/48/21/24

The Chinese National Petroleum Corporation announced recently that the Turkmen and Uzbek parts of the Turkmenistan – China pipeline were connected. The gas main runs through the territory of four states: Turkmenistan, Uzbekistan, Kazakhstan and China. There will be laid 188 km of the pipeline in the territory of Turkmenistan, 530 km in Uzbekistan, 1300 km in Kazakhstan and over 4500 km in China. It is expected that the Turkmenistan-China gas pipeline will be commissioned in late 2009. In accordance with

previous agreements, Turkmenistan will supply up to 40 billion cubic meters of gas annually to China for over 30 years. At the initial stage, Turkmenistan will ensure the supply of 13 billion cubic meters of gas by constructing gas treating and preparing facilities at Samandepa and Altyn Asyr fields. The remaining volumes of gas will come from new gas fields. The Chinese National Petroleum Corporation has already received a package of documents guaranteeing the right to exploration and extraction of gas on Bagtyyarlyk contractual territory on the right bank of Amu Darya River. (Turkmenistan.ru, August 14, 2009)

CHINA : Authorities approve construction of gas pipeline from Baiwu to Changchun – CNR/48/21/25

China Petroleum & Chemical Corporation received recently an official approval to begin construction of a gas pipeline project from Baiwu to Changchun in northeast China. The 70.5-kilometer pipeline, with a supply capacity of 1.08 billion cubic meters of natural gas, is to be completed by the end of 2009. Sinopec's Songnan gasfield in Songliao basin (in Jilin province) will be supplying gas to the pipeline. The full production has been scheduled for November 2009. (Energy Business Review, August 10, 2009)

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GERMANY : Planning approval process started for NEL pipeline in Lower Saxony – CNR/48/21/26

The planning approval process for the section of Norddeutsche Erdgasleitung (NEL) which is to run through Lower Saxony has been recently initiated. "The planning documents will be laid open for public inspection in the relevant administrative districts along the pipeline route for a period of four weeks," announced Mr. Franz-Josef Kissing of E.ON Ruhrgas, the project manager. The NEL pipeline is to connect the Nord Stream pipeline running through the Baltic Sea as well as the OPAL natural gas pipeline running to the Czech Republic with the European transmission network. Starting in Lubmin near Greifswald on the Baltic Sea, the NEL pipeline is to continue to Rehden in Lower Saxony. From here, the pipeline is to be

tied in with the existing transmission networks of WINGAS TRANSPORT and E.ON Gastransport for onward transportation of the gas to many neighbouring European countries of the European single market. The planning approval process started affects the administrative districts of Lüneburg, Harburg, Rotenburg/Wümme, Verden and Diepholz. This section of the pipeline is approx. 194 km long. The total pipeline length is approx. 435 km. The pipeline is designed for a maximum operating pressure of 100 bar and may take approx. 20 billion m³ of natural gas annually from the Nord Stream pipeline for onward transportation. The NEL pipeline is a joint project in which WINGAS GmbH & Co. KG, Kassel, holds a 75% share and E.ON Ruhrgas AG, Essen, a 25% share. (E.ON Ruhrgas press release, September 9, 2009)

IRAN : Exports to Pakistan through Peace Pipeline targeted for 2013 – CNR/48/21/27

Iran plans to start exporting natural gas to Pakistan from 2013, after the two countries agreed to build the \$7.6 billion pipeline. Construction of the so-called Peace Pipeline will begin in 2010, Iranian state television reported. The pipeline will be able to export 30 million cubic meters of gas a day. (Bloomberg, September 1, 2009)

UNITED STATES : Inergy announces successful open seasons for Northeast pipeline projects – CNR/48/21/28

Inergy, L.P. announced recently that its wholly-owned subsidiary, Inergy Midstream, LLC, has received indications of interest exceeding 400% of the capacity required to construct the 43-mile Marc I Hub Line and indications of interest exceeding 600% of the capacity required to construct the North-South Project. Together these projects when completed will allow shippers to wheel/transport gas bi-directionally through up to a 36-inch pipe on a firm basis approximately 75 miles between the Millennium Pipeline in Tioga County, N.Y., and Transcontinental Gas Pipeline Corporation's Leidy Line located in Columbia County, Pa., and all points in between. Bill Moler, Senior Vice President of Inergy Midstream, LLC said "Our platform with the addition of these

projects will allow market participants to meet supply and demand needs by connecting the three major northeast market pipes, Inergy's Stagecoach gas storage facility, and the prolific Marcellus Shale gas play in north-eastern Pennsylvania." The expected in-service date for the MARC I Hub Line and the North-South Project is in the fall of 2011. The Marc I Hub Line and the North-South projects combined with Inergy's previously announced 7.0 Bcf Thomas Corners natural gas storage development, the 5 million barrel Finger Lakes LPG storage development, which are expected to be operational in the Spring of 2010, and the 5 Bcf natural gas storage development opportunity at Inergy's US Salt plant in Watkins Glen, N.Y., provide visible organic growth opportunities for the next two years. (Business Wire, August 26, 2009)

UNITED STATES : FERC issues draft environmental impact statement on Bison pipeline project – CNR/48/21/29

Federal Energy Regulatory Commission said recently in a draft environmental impact statement that a proposed 302-mile natural gas pipeline from a site near Gillette, Wyo., to an interconnection in Morton County, ND, would have some adverse environmental impacts which could be reduced with appropriate measures. The Bison Pipeline Project would include a 30-inch diameter pipeline from the Dead Horse Region near Gillette across southeastern Montana and southwestern North Dakota where it would connect with Northern Border Pipeline Co.'s system near Northern Border's Compressor Station No. 6, according to the project's sponsor, Bison Pipeline LLC. The pipeline would have a 477 million cubic feet/day design capacity which could be expanded to 1 billion cubic feet/day. It could be in operation by November 2010. Bison Pipeline, which is based in Omaha, is part of a TransCanada Corp. subsidiary. TransCanada also is a partner and operator of Northern Border. (Oil and Gas Journal, August 31, 2009)

UNITED STATES : National Fuel Gas launches open season to expand transportation capacity in Pennsylvania – CNR/48/21/30

A unit of National Fuel Gas Co. said recently it is starting a binding open season to expand transportation capacity in the Marcellus Shale fairway in central Pennsylvania. The National Fuel Gas Supply Corp., which is part of the pipeline and storage segment of the company, will construct new pipeline and compression facilities largely along its existing infrastructure and will serve key northeast markets. Phase one of construction will be designed to transport about 200,000 dekatherms per day from the Marcellus

producing area through a new 32-mile pipeline to be constructed through Elk, Cameron and Clinton Counties, Pa., to the Leidy hub. The company expects an in-service date of November 2011. Phase two facilities will be designed to provide additional transportation capacity for at least 300,000 dth/d, and will consist of approximately 50 miles of new pipeline and compression, extending the Phase I facilities through Clearfield and Jefferson Counties, Pa., to Supply Corp.'s Line K in western Elk County, for an anticipated in-service date of November 2012. (The Street, August 26, 2009)

SUPPLIES - IMPORTS - EXPORTS

EGYPT : Lebanon to receive gas through Syria – CNR/48/21/31

Syria and Egypt recently signed an agreement to transport Egyptian natural gas to Lebanon through Syria. The agreement is part of a deal under which Egypt will supply Syria with 600 million cubic meters of natural gas a year through a pipeline passing through Jordan. Syria will then supply Lebanon an equivalent quantity of its natural gas. Egypt is to start supplying the gas by mid September 2009. The agreement is in effect for 15 years and opens for extension. (Associated Press, September 10, 2009)

INDIA : Gail signs gas supply contract with RIL – CNR/48/21/32

GAIL India Ltd recently signed a contract to buy natural gas from Reliance Industries for production of LPG. GAIL signed a Gas Sales and Purchase Agreement (GSPA) for buying 2.6 million standard cubic meters per day of gas from RIL's KG-D6 fields at Government approved price of USD 4.2 per million British thermal unit. The firm will use the gas at six LPG production plants.

The Government had placed LPG plants at priority number three after fertiliser and power plants, for receipt of KG-D6 gas. RIL is currently producing around 37 mmscmd of gas from KG-D6, half of which goes to power plants. The firm has the capacity to produce a little less than 60 mmscmd but is constrained to produce less as the government is yet to identify customers for buying gas beyond the initial 40 mmscmd, allocated primarily to fertiliser and power producers in accordance with the Gas Utilisation Policy. (India Times, August 30, 2009)

RUSSIA : Gas exports to CIS decreased by 41.2% in January-May 2009 – CNR/48/21/33

The Federal Customs Service announced recently that Russia's natural gas exports to countries other than former Soviet republics declined 50%, year-on-year, in January-May 2009 to 37.8 billion cubic meters. Exports to the Commonwealth of Independent States (CIS) fell 41.2% to 5.3 billion cubic meters, the Federal Customs Service said. Overall, Russia exported 43.1 billion cubic meters worth \$12.9 billion in the first five months of the

year, the Federal Customs Service added. The national statistics service Rosstat earlier reported that Russia's natural gas output declined 19.2%, year-on-year, in the first five months of 2009 to 238 billion cubic meters. Natural gas production had been expected to reach 620-644 billion cubic meters in 2009, with exports estimated at 190-196 billion cubic meters. In 2008, output grew 1.6%, year-on-year, to 663 billion cubic meters, with exports of 174.3 billion cubic meters bringing in \$66.4 billion. (UzReport, August 28, 2009)

RUSSIA : Naftohaz Ukrainy asks Gazprom to reduce gas import in 2010 – CNR/48/21/34

The Naftohaz Ukrainy national joint-stock company officially requested that Gazprom reduces the basic volume of natural gas that is stipulated in the contract for export of natural gas to Ukraine from 52 billion cubic meters to 33 billion cubic meters in 2010.

Anatolii Podmyshalskyi, the head of Gazprom's department of operations with near-abroad countries and director of the Gazprom Sbyt Ukraine company, said "They are making an official request. Various messages are presently being sent. They want to reduce [gas imports] from 52 billion cubic meters to 33 billion cubic meters in order to [reduce their gas import volume by 20%] to about 27 billion cubic meters or

less". According to Podmyshalskyi, Naftohaz Ukrainy placed an order for importation of 14 billion cubic meters of gas in the period of October- December 2009 in order to reach the 32 billion cubic meters stipulated in its contract with Gazprom. Anatoly Podmyshalskyi also said that the price for national gas purchased by Naftogaz Ukrainy from OJSC Gazprom will come to \$205-\$210 per 1,000 cubic meters in the fourth quarter of 2009, up from 198 in the third quarter (Kyiv Post, September 10, 2009)

PERU : A share of Repsol gas output to be sold exclusively to the domestic market – CNR/48/21/35

Repsol and the Peruvian government agreed recently that natural gas output from the company's lot 57 would be sold exclusively to the local market. Lot 57 has around 2 trillion cubic feet of gas, according to reserve estimates.

Repsol is part of the Camisea consortium, which is led by Argentina's Pluspetrol. The consortium's lots 88 and 56 are slated to supply gas to the domestic market and also feed a liquefied natural gas export facility that is being built. Energy Minister Pedro Sanchez said that between 2010 and 2015, the consortium would not export any gas from lot 88 and that it would invest roughly \$200 million to expand and develop reserves located in lot 56. That lot, 56, will supply the LNG export plant. The consortium said it has some 14.1 tcf of proven gas reserves that would last through 2047, though a recent study by an energy consulting firm estimated a more modest 8.79 tcf. (Reuters, August 27, 2009)

UNITED STATES: ConocoPhillips to supply gas to Alaska's Chugach Electric Association – CNR/48/21/36

ConocoPhillips Co. will begin supplying Anchorage, Alaska-based Chugach Electric Association Inc. with 66 Bcf of natural gas in a seven-year deal beginning in 2010, after the Regulatory Commission of Alaska approved the contract. The utility said that ConocoPhillips will supply gas through December 31, 2016. The contract is designed to fill all of Chugach's unmet needs through April 2011. The gas supplied by ConocoPhillips under the contract is separated into two volume tranches for pricing purposes: "firm fixed quantity" gas will meet a portion of Chugach's baseload requirements, while "firm variable quantity" gas will meet peaking needs.

Chugach expects that 90% of the gas purchased under the contract will be firm fixed and 10% will be firm variable. The pricing for firm fixed gas will be based on the average of five Lower 48 states gas production areas, according to the contract. There will be a price collar, floor of \$5.75 per Mcf and cap of \$6.25 per Mcf, on the firm fixed gas between Jan. 1, 2010 and June 30, 2010. Firm variable prices between Jan. 1, 2010, and March 31, 2011, will be the one quarter trailing average of 95% of the average monthly price of Kenai LNG delivered to Japan, as reported to the U.S. Energy Department. Chugach has an option until Dec. 31, 2016, to receive a fixed price quote from ConocoPhillips and lock the price of any quantity as long as it does not exceed the firm fixed quantity. (SNL, August 28, 2009)

STORAGE

CANADA : Niska Gas Storage increases storage capacity in its facilities – CNR/48/21/37

Gas Storage Canada ULC today announced recently that it has completed a 10.5 billion cubic feet expansion of its natural gas storage capacity at its AECO Hub™ (comprised of the Suffield and Countess facilities). Additionally, Niska announced that the Alberta Energy Resources Conservation Board has approved modifications that will allow a further increase of 10 Bcf in Niska's Countess facility in Alberta, Canada.

At the conclusion of this expansion program, the natural gas storage capacity of the Countess facility will be increased to 60 Bcf (for a collective total of nearly 140 Bcf at the AECO Hub™). Niska Gas Storage, with the above described expansion, will own and operate approximately 180 Bcf of working gas capacity in three facilities: the AECO Hub (comprised of the Countess and Suffield facilities) - 140 Bcf in Alberta; Wild Goose - 29 Bcf in Northern California; and Salt Plains - 13 Bcf in Oklahoma. (Business wire, August 25, 2009)

GEORGIA : Socar plans to construct a storage facility – CNR/48/21/38

Socar plans to build an underground gas storage facility in Georgia with a capacity of 300 million cubic meters, the company's Chief Executive Rovnaq Abdullayev said recently. Georgia imports most of its gas from Azerbaijan and Socar controls 75% of the country's natural gas distribution system. (Dow Jones, September 1, 2009)

GERMANY : Technip receives contract from EDF for a gas storage project at Etzel – CNR/48/21/39

Technip has been recently awarded by EDF, in coordination with EnBW Energie Baden-Württemberg AG, an engineering, procurement and construction management contract for the “Crystal” Gas Plant project located in Etzel,

Germany. The “Crystal” project covers gas compression and treatment facilities for the storage of gas in underground salt caverns. Gas will be injected into the caverns at times of low gas prices and withdrawn to feed into the Dutch and the German gas grids, notably during periods of peak demand. (Business Wire, July 31, 2009)

HUNGARY : Mol and Gazprom reported to create a gas storage company – CNR/48/21/40

Mol Nyrt. plans to set up a joint venture with OAO Gazprom in 2009 to build a natural-gas storage facility in Hungary, a newspaper recently reported. The two companies would have equal stakes in the 1.3 billion cubic-meter facility, which could service the South Stream pipeline. Gazprom also would rent 100 billion to 200 billion cubic meters of storage capacity from E.ON Foldgaz Storage Zrt., a local unit of Germany’s E.ON AG. (Bloomberg, August 11, 2009)

NETHERLANDS : Gazprom signs agreement for Bergermeer gas storage project – CNR/48/21/41

The Bergermeer Gas Storage project consortium, consisting of EBN, Dyas B.V., Petro-Canada and operator TAQA Energy B.V., a subsidiary of The Abu Dhabi National Energy Company PJSC (TAQA), signed recently an agreement with Gazprom export for provision of gas storage services in exchange for the delivery of cushion gas for the Bergermeer Gas Storage project. The agreement specifies that Gazprom export, a subsidiary JSC Gazprom, will deliver for the project a certain amount of cushion gas for

injection into the Bergermeer reservoir. In exchange, Gazprom will receive working capacity and participating interest in the technical operator of the facility. The planned working volume of Bergermeer Gas Storage amounts to 4.1 bcm. Subject to obtaining the necessary permits and the final investment decision for the project, TAQA, as operator, plans to commence construction of the Bergermeer Gas Storage facility in 2010 with commercial operations expected to start in 2013. Once commercially operational, the majority of the capacity of the facility will be made available for third party access. (Taq press release, August 20, 2009)

UKRAINE : 25 Bcm of gas stored as of September 2009 – CNR/48/21/42

Ukraine has pumped more than 25 billion cubic meters of natural gas into underground storage facilities, as of September 1, 2009 said the Press secretary of the Fuel and Energy Ministry Fent Di. As of early August, around 22.7 billion cubic meters of natural gas was pumped into underground storage facilities. About 20 billion cubic meters of natural gas had been pumped into underground storage facilities as of July 8. It has been reported before that around 27 billion cubic meters of natural gas is planned to accumulate in the underground storage facilities before the heating season. (Ukrainian News, September 1, 2009)

UNITED STATES : Chestnut Ridge receives certificate to build Junction gas storage project – CNR/48/21/43

FERC recently approved Chestnut Ridge Storage LLC’s application to build the Junction Natural Gas Storage Project, a facility designed to access supplies from the Midcontinent, Rocky Mountain and Appalachian Basin producing regions. The storage facility, to be located in Fayette County, Pa., and Monongalia and Preston counties, W.Va., will have a total capacity of approximately 29.1 Bcf, a working gas capacity of 25 Bcf, and a maximum injection and deliverability rate of 500 MMcf/d. FERC said. Chestnut Ridge must complete construction and bring the facilities into service within two years of the order. Chestnut

Ridge is a joint venture owned by affiliates of eCorp LLC and Tenaska Power Fund LP; eCORP will serve as the project manager of the Junction storage project and operate the facility. The storage facility will connect directly with the pipeline systems owned by Dominion Transmission Inc., Texas Eastern Transmission LP and Columbia Gas Transmission Corp., and indirectly to the systems owned by National Fuel Gas Supply Corp. and Transcontinental Gas Pipe Line LLC. Chestnut Ridge held an open season between Sept. 17 and Oct. 10, 2007, and received expressions of interest from 22 prospective shippers for firm storage services for terms ranging from one to 15 years for a total of more than 75 Bcf. (SNL, August 31, 2009)

UNITED STATES : AGL Resources In unit seeks deal with Louisiana on gas storage project – CNR/48/21/44

AGL Resources Inc. subsidiary Jefferson Island Storage & Hub LLC (JISH) hammered out a tentative deal with Louisiana that, would resolve a pending lawsuit between the parties over a disputed mineral lease. Atlanta-based AGL Resources said the agreement allows JISH to resume its plan to expand an existing natural gas storage facility. JISH currently consists of two salt dome storage caverns with 7.5 billion cubic feet of working gas capacities. The Louisiana Mineral Board must approve the agreement in order for it to be valid. (Atlanta Business Chronicle, August 19, 2009)

UNITED STATES : Central Valley Gas Storage files application for an underground storage facility in California – CNR/48/21/45

Central Valley Gas Storage, L.L.C., a subsidiary of Nicor Inc. GAS of Naperville, Illinois filed recently an application for a Certificate of Public Convenience and Necessity with the California Public Utilities Commission (CPUC) requesting authorization to construct and operate an underground natural gas storage facility. The Central Valley natural gas storage project is a high deliverability reservoir that is expected to provide firm services with the capability to be cycled three times during a year. The field's initial capacity will be 5.5 billion cubic feet and have the capability to be expanded up to 8.0 Bcf in total working capacity. It is anticipated that interim services will available during 2011 and firm service will begin in April, 2012. The project site is located in Colusa County about one mile south of Princeton, California and the facility will interconnect with Pacific Gas and Electric Company's (PG&E) gas transmission system. (Moneycentral, August 6, 2009)

UNITED STATES : Magnum Gas Storage announces successful open season for its proposed UGS facility – CNR/48/21/46

Magnum Gas Storage, LLC, announced recently that the non-binding Open Season for its Magnum Gas Storage Project has concluded successfully. The project is the first large-scale, high-deliverability, multi-cycle salt cavern natural gas storage facility to be developed in the western United States. Plans are well underway to initially

develop two caverns, each with working gas capacity of approximately 5.6 billion cubic feet, in Millard County in central Utah. The project will connect directly with a new lateral to the Kern River and Questar interstate pipelines at Goshen, Utah, creating a header that will indirectly serve the Opal, Wyoming, area market hub pipeline interconnections through backhaul and displacement. (PRNewswire, August 6, 2009)

UNITED STATES : Peak working gas storage capacity increased by 100 Bcf – CNR/48/21/47

According to the U.S. Energy Information Administration, the aggregate peak capacity for U.S. underground natural gas storage now stands at 3,889 Bcf, an increase of 100 Bcf, or 2.6%, over the estimated peak capacity in 2008. This estimate is based on demonstrated noncoincident peak working gas storage volumes for individual active gas storage fields reported to EIA over a 60-month period that ended in April 2009, the agency said. In its "Estimates of Peak Underground Working Gas Storage Capacity in the United States, 2009 Update," released recently, EIA said the increase in natural gas storage capacity estimates can be attributed to the opening of new facilities, capacity expansion at existing facilities and, for demonstrated peak capacity, greater use of existing storage facilities during 2008. In the report, EIA also said working gas design capacity, as of April, totalled an estimated 4,313 Bcf, an increase of 177 Bcf from April 2008. Aggregate working gas design capacity provides an alternative measure of the amount of natural gas that can be stored. "However, logistical, operational, and practical considerations may preclude attainment of maximum design capacities of storage fields, so that a summation of design capacities is likely to exceed actual available maximum storage capacity," EIA said. (SNL, August 31, 2009)

The document can be downloaded at:

http://www.eia.doe.gov/pub/oil_gas/natural_gas/feature_articles/2009/ngpeakstorage/ngpeakstorage.pdf



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