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LNG

PROCESSING

AUSTRALIA : CB&I awarded storage tanks contract at Gorgon – CNR/48/23/1

CB&I has been recently awarded a contract by Chevron Australia Pty Ltd for the LNG and condensate storage tanks at the Gorgon LNG liquefaction project. CB&I's scope of work includes the engineering, procurement, fabrication and

construction of two 180,000 cubic meter full containment LNG tanks, four condensate tanks and the associated piping, electrical, instrumentation and civil works. CB&I's portion of the project is scheduled to be completed in the third quarter of 2013. (Downstream Today, September 30, 2009)

INDIA : Oil India plans to build a small-scale LNG plant in Assam – CNR/48/23/2

Oil India Ltd Chairman and Managing Director N M Borah said recently that the company plans to set up a mini -liquefied natural gas plant to monetise stranded natural gas in out-step fields in Assam. OIL plans to install the plant at places where gas evacuation/transmission facilities are currently not available, he said. "We are forced to flare small quantity of gas from wells at isolated places in Assam as they are not connected to the gas pipeline network.

We have been approached by companies that say there is technology available to in-situ convert the gas into LNG and transport it in trucks to consumption centres," he said. About 50,000 to 100,000 cubic meters per day of gas, that is currently being flared, is targeted to be monetised at each location. OIL is targeting to place orders for the mini-LNG plants before the end of current fiscal year. (India Times, September 29, 2009)

TRANSPORTATION-DISTRIBUTION

QATAR : New Q-Max LNG carrier named – CNR/48/23/3

The Deputy Premier and Minister of Energy and Industry, H E Abdullah bin Hamad Al Attiyah named recently a Q-Max (266,000 cubic metres) LNG) carrier "Al Dafna" at a ceremony held at Samsung Heavy Industries shipyard on Geoje Island in South Korea. Muhammad Ghannam, Nakilat Managing Director, said the naming of the LNG carrier 'Al Dafna' is another very special event and important milestone for Nakilat. "Al Dafna' is the fiftieth ship to be named in our fleet of 54 vessels which are being built in the South

Korean shipyards to service Qatar's massive LNG expansion projects. Twenty-two of the vessels in our fleet will be chartered to RasGas," he said. "Al Dafna" is the first RasGas Q-Max carrier and the largest ship built by Samsung for RasGas long term charter. She will complete the fleet of ships ordered as part of RasGas Train 6 and 7 ship building programme" he indicated. With the delivery of "Al Dafna" the RasGas charter fleet will reach a total of 27 LNG carriers including 14 conventional and 13 large LNG carriers. (The Peninsula, October 1, 2009)

SOUTH KOREA : New LNG containment system developed – CNR/48/23/4

Korea Gas Corporation and Hyundai Heavy Industries, Samsung Heavy Industries and Daewoo Shipbuilding & Marine Engineering, have jointly developed a LNG storage tank system. Nevertheless, it is worried that the new technology could fail in commercialization. An official said, "While newbuilding orders drought is being prolonged, if new orders resume, foreign ship owners are likely to avoid new technology of which safety is not tested and measures should follow to prevent it". (The Motor Ship, September 30, 2009)

SUPPLIES - IMPORTS - EXPORTS

INDIA : GSPC enters LNG spot business – CNR/48/23/5

Gujarat State Petroleum Corporation (GSPC) is planning to import one liquefied natural gas cargo every month as part of its strategy to enter into the LNG trading business. GSPC imported recently its second LNG cargo from Qatargas on a spot basis, making it the first Indian non-terminal owner to have independently purchased such cargoes. In June 2009, GSPC had purchased its first LNG cargo delivered by Australia's North West Shelf through a bidding process at a very competitive price, according to company sources. "This

is another step by GSPC towards building its LNG trading business and achieving its ambition to develop its own LNG terminal," GSPC managing director D J Pandian said. Gas from the cargo was received at Petronet LNG's R-LNG terminal at Dahej and will be sold across Gujarat. GSPC will utilise its 1420 kilometre pipeline to supply gas to various parts of the state.

Reliance, GSPC and NTPC are the main consumers of spot LNG in the country. India imports about four to five spot cargoes every month at the two operating terminals in Gujarat. "There is a huge demand for gas in Gujarat. We may still buy one cargo on spot basis from Dahej or Hazira terminals every month to cater to the industry demand," a senior official of GSPC said. (Upstream, October 1, 2009)

INDONESIA : PGN and EEES signs MoU for LNG supply – CNR/48/23/6

PT Perusahaan Gas Negara Tbk signed recently a Memorandum of Understanding with Energy Equity Epic Sengkang Pty Ltd (EEES) for the sale and purchase of liquefied natural gas. In the MoU, LNG from gas reserves in Sengkang PSC Block, South Sulawesi will be used for PGN's planned receiving terminal. PGN will acquire approximately 1.5 to 5 MTPA of LNG for domestic use, from the gas field operated by EEES. It is expected that deliveries will begin in 2011 for a period of 5 years. (PT Perusahaan Gas Negara press release, September 7, 2009)

RUSSIA : Quarter of world LNG market targeted – CNR/48/23/7

Mr Alexei Miller CEO of Gazprom said recently that "Russia could take a leading position on the world LNG market and get 25% of the global market". Mr Miller said the global market for liquefied natural gas will double by 2020. He said that LNG market has grown 70% since 2000 and forecasted to double by 2020. He added that the project for the construction of a liquefied natural

gas plant on Yamal Peninsula in West Siberia would be ready by 2015 to 2017. Mr Sergei Shmatko Russian Energy Minister said earlier that the potential of natural gas production at explored fields alone on Yamal Peninsula was estimated at 360 billion cubic meters a year for many years to come, with the peninsula's reserves estimated at over 50 trillion cubic meters. (RIA Novosti, September 27, 2009)

STORAGE

MEXICO : Boskalis wins dredging contract for Cuyutlán LNG terminal project – CNR/48/23/8

Royal Boskalis Westminster N.V. has been recently awarded a contract by Secretaría de Comunicaciones Y Transportes (Ministry of Communications and Transport) for the dredging of an access channel and turning basin at the liquefied natural gas import terminal of Cuyutlán on the west coast of Mexico. The work is scheduled to be completed by mid 2010. (Energy Business Review, September 29, 2009)

LPG

PROCESSING

NEW ZEALAND : Todd Energy to build LPG plant in Taranaki – CNR/48/23/9

Todd Energy announced recently that it will be moving ahead with plans to build a liquefied petroleum gas plant at its McKee Production Station site in Taranaki. Once commissioned, the LPG plant will enable Todd Energy to produce LPG sourced from its Mangahewa and Pohokura fields and deliver the product to customers via Todd Energy's retail company, Nova Energy. The new plant will produce 27,000 tonnes of LPG per annum. The plant will be located next to Todd Energy's 100% owned and operated McKee Production Station. Richard Tweedie, Managing Director Todd Energy said that the site is ideal

because it is already set up for industrial activity and that the new LPG plant will "maximise the use" of existing infrastructure from the McKee Plant and have a "low impact" on the area. Positive discussions regarding the LPG plant have been held with the Taranaki Regional Council and New Plymouth District Council and all consents have been signed off for the project to proceed to the construction stage. Todd Energy is currently in final negotiations with a number of potential contractors. (Todd Energy press release, September 28, 2009)

TRANSPORTATION-DISTRIBUTION

INDIA : Indian Oil Corporation to build LPG pipeline – CNR/48/23/10

Indian Oil Corporation Limited plans to set up a liquefied petroleum gas pipeline from Paradip to Haldia, which will be extended further to Durgapur. At present, the team involved is preparing the feasibility report on the project. The pipeline will deliver gas to the company's bottling plant in Balas ore, Kalian and Durgapur among others. K. K. Jha, director (Pipelines) of the company confirmed the development. According to a top official the new pipeline will be discussed at the next board meeting scheduled October 2009. The total length of the pipeline will be more than 700 kilometers the official said. "The ground level survey for the project has been completed. If the board approves the primary feasibility report, a final report will be prepared with more specific details in another four to six months. We expect to get the complete investment approval by the end of the present financial year," the official said after the complete approval of the project. IOC will take early 30 months for construction of the pipeline. The new LPG pipeline is expected to become operational by mid-2012. (Energy Business Review, September 28, 2009)

STORAGE

BELARUS : Belarusneft launches new LPG storage facility – CNR/48/23/11

The Belarusian Gas-Processing Plant, owned by Belarusneft, launched recently a new terminal to take, store and supply liquefied hydrocarbon gas and hydrocarbon propellants. The capacity of the new terminal will be 8,000 cubic meters of light hydrocarbons. The new terminal will allow the plant to double the capacities for taking and storing the light hydrocarbons. The Belarusian Gas-Processing Plant has agreed the project on increasing the capacities with the general supplier of raw material – Sibur Holding. According to the agreement, within near three years, Sibur will supply more than 600,000 tonnes of light

hydrocarbons to be processed. The Belarusian Gas-Processing Plant is the biggest producer of propane and butane in the country. The plant exports 40% of the total output. At present, Belarusneft and Sibur Holding are considering the prospects of the further cooperation. In particular, the sides are discussing the construction of one more terminal with the capacity of 8,000 cubic meters. The sides are also considering the construction of the gas fractionation plant with the production capacity of 750,000 tonnes of light hydrocarbons a year. The Belarusian Gas-Processing Plant processes all the associated petroleum gas produced in Belarus (200 million cubic meters). (BelTA, September 25, 2009)

NGL

PROCESSING

SAUDI ARABIA : KBR awarded FEED contract for Shaybah NGL Program – CNR/48/23/12

KBR announced recently that it has been awarded a contract by Saudi Aramco to provide front-end engineering and design (FEED), and Project Management Services (PMS) for its Shaybah Natural Gas Liquids Program at Shaybah field located in Saudi Arabia. KBR will provide FEED and PMS services to develop the process design, layout, develop equipment and material specifications, prepare bid packages and develop an estimate for the construction for several projects related to the Shaybah NGL Program facilities. The Shaybah Program is designed to help meet the rising domestic demand for gas and feedstocks for petrochemical projects. Work on the project is expected to begin in October 2009. (Business Wire, September 28, 2009)

GTL

USE AS AUTOMOTIVE FUEL

WORLD : GTL Jet Fuel approved by ASTM International – CNR/48/23/13

Shell welcomed recently the release by ASTM International of a new specification that fully and unconditionally approves the use of Gas-to-Liquids Kerosene blends for powering commercial aircraft. The new specification, ASTM D7566 "Aviation Turbine Fuel Containing Synthesized Hydrocarbons", approves jet

fuel containing up to 50% GTL Kerosene for use in civil aviation. The blends will be known as GTL Jet Fuel. The Pearl GTL project, currently under construction by Qatar Petroleum and Shell will produce around one million tonnes of GTL Kerosene per annum. Construction of Pearl GTL is planned to be complete around the end of 2010 with project ramp-up then taking about 12 months.

GTL Kerosene is planned to be available from 2012. Pearl GTL will convert natural gas into liquid fuels, lubricants and chemical feedstocks. In addition to GTL Kerosene, Pearl GTL will produce: GTL Gasol, a diesel type fuel; GTL Base Oils, which are used to manufacture high quality lubricants; GTL Normal Paraffin, which is used in the production of detergents; and GTL Naphtha, a feedstock for plastics products. (Shell press release, September 29, 2009)

NATURAL GAS

PRODUCTION

ARGENTINA : Apache receives Gas Plus programme incentive – CNR/48/23/14

Apache received recently approval to explore and sell natural gas at higher-than-normal rates under the Argentine government's "gas plus" programme. Apache will sell a combined 1.5 million cubic metres of natural gas from its fields in the Neuquen and Rio Negro provinces for \$5 per million British thermal units. Argentina's Gas Plus programme aims to give companies a financial incentive to explore for gas by allowing them to charge higher rates for gas from new discoveries. Apache will sell the gas to Central Termica Loma de La Lata, a local power generator. Central Termica is building a combined cycle generation plant that's set to go online in mid-2010. Gas from the Anticlinal Campamento field in Neuquen and the Estacion Fernandez Oro field in the Rio Negro will be harder and more costly to extract than gas in other fields. Given higher operating costs, Apache would not be extracting from those fields if it were not for the higher "gas plus" prices. (Upstream, October 1, 2009)

INDONESIA : Production suspended at Kambuna field – CNR/48/23/15

Serica Energy plc announced recently that production at the Kambuna field, offshore Sumatra, has been temporarily suspended at the request of the gas purchaser. Serica holds a 50% working interest in the Kambuna field. Commercial sales to PLN began on 11 August, 2009 and reached 37.9 million standard cubic feet per day on 16 September. However, PLN has experienced problems with the gas turbines at its power station at Belawan and has requested that Kambuna production be temporarily suspended while it undertakes the required maintenance. The gas

sales contract provides that future sales may be made at higher rates than contracted, in order to make up for any production lost while this maintenance is completed. Taking account of the present shutdown, it is expected that average September sales will be 20 mmscfd of gas and 2,100 barrels/day of condensate. To date the average condensate yield has been over 100 barrels per million cubic feet and the heating value of the gas has been over 1,200 Btu per cubic foot, both of which are in line with earlier forecasts. (Serica Energy press release, September 29, 2009)

INDONESIA : Contract extensions for four blocks recommended by the energy regulator – CNR/48/23/16

BPMigas recommended recently the government to extend contracts for four oil and gas blocks presently waiting for contract extension approval. The four blocks include Block A in East Aceh, the Southeast Sumatra extension block in South Sumatra, the Camar block in the East Java Sea, and the Madura BD field in East Java. "BPMigas has submitted the recommendation to the Energy and Mineral Resources Ministry," BPMigas planning Deputy Achmad Luthfi said. "Now it's up to the government to decide." Block A and the Southeast Sumatra Extension block are operated by PT Medco E&P Indonesia. The contract for Block A will expire in 2011, while that for Southeast Sumatra extension will expire in 2013.

The government has repeatedly said the contract extension for Block A will be one of its priorities, as the block will deliver gas to PT Pupuk Iskandar Muda. The contracts for both the Madura BD field, operated by Husky Energy Inc., and the Camar block, operated by Camar Resources, will expire in 2010. Beside the four blocks, there are another two other blocks awaiting contract extension approval comprising of the Mahakam block, operated by Total E&P Indonesia, a unit of Total SA, and the West Madura block, operated by Kodeco Energy.

The Mahakam block contract will expire in 2017, while that for the West Madura block contract will expire in 2011. Luthfi said BPMigas had not issued any decision about the contract extension appeal from the two blocks' operators due to the regulator first wanted them to finish their acquisition negotiations with PT Pertamina. "They must reach an agreement first, then we will process the request," Luthfi said. The Mahakam block is 50% owned by Total. Inpex Corporation owns the remainder. Under the current regulations, part of the stake must be sold to domestic companies. (Energy Business Review, September 30, 2009)

IRAN : New gas platform may increase gas output by 1 bcf/d – CNR/48/23/17

Iran announced recently plans to increase its natural gas output by one billion cubic feet of gas per day after the inauguration of a new gas platform in the South Pars gas field. Manager of the marine section of the phases 6, 7 and 8 of the field, Karim Hassanzadeh said the platform would

be inaugurated in the first week of October 2009. He added that the natural gas exploited from the phases would be injected into the Aqajari oil field via a 504-kilometer pipeline to boost its oil output. The South Pars gas field is jointly owned by Iran and Qatar. The Iranian share of the field has reserves of about 46.2 trillion cubic feet of gas. (Tehran Times, September 26, 2009)

RUSSIA : Gazprom to reduce gas output – CNR/48/23/18

According to Russian sources, Gazprom will cut gas output in 2009 by 13.8% on low demand at home and in Europe, and much lower demand in the former Soviet Union. Gazprom will produce 474 billion cubic metres in 2009. Exports to Europe are also expected to fall by 10% to 142.5bcm, the Vedomosti business daily said, citing documents by Gazprom. Supplies to Russian customers are also expected to fall by 11% to 268.4bcm. (Eurasianet, September 30, 2009)

UKRAINE : Transeuro Energy reports renewal of Karlavskoye license – CNR/48/23/19

Transeuro Energy Corp. announced recently that the license for the Karlavskoye gas condensate field in Crimea has been extended by the Ukraine government for a further five year term. The Karlavskoye license is located in the Northwest of Crimea near Chornomorske. All wells produced gas at rates of up to three to five million cubic feet per day from individual intervals. Third party resource estimates calculate a mean gas in place

of 474 Bcf, with condensate yields expected in the range of 40 to 80 barrels per million cubic feet of gas. The main export pipeline is located on the license. Transeuro Energy has a joint activity agreement with the state subsidiary, Crymgeologia, who holds the five-year license for exploration and pilot production of the field. Transeuro Energy provides investment and expertise and receives 72% of the profits of the Joint Activity. (Energy Business Review, September 29, 2009)

VIETNAM : Indian government approves ONGC Videsh investment in Block 06.1 project – CNR/48/23/20

ONGC Videsh Limited, a fully owned subsidiary of Oil and Natural Gas Corporation Limited, received recently government approval for its investment plan for further development of its gas field project in Vietnam. The Cabinet Committee on Economic Affairs authorized ONGC Videsh, "to make an additional project investment for further development and exploration of Block 06.1 in Vietnam from the revenue process of the project without any funding from the government". The company had started commercial production of gas from the project in January 2003. ONGC Videsh holds 45% stake in the project, BP plc holds 35% and Petrovietnam holds the remaining 20%. (Energy Business Review, October 1, 2009)

RESERVES

BANGLADESH : Special committee to evaluate Bibiyana new gas find – CNR/48/23/21

Petrobangla said recently that new estimation of gas reserves in Bibiyana field is now 6.6 trillion cubic feet which is more than 2 Tcf higher than earlier estimate. Chevron has submitted the report on new estimation to Petrobangla putting the "proven recoverable reserve" at 4.4 trillion cubic feet, up by a staggering amount of 2.7 Tcf"said Petrobangla officials. "We will form a committee to scrutinise the company's new estimate. If the findings are right, production at the Bibiyana gas-field could be increased to around 1,000 million cubic feet

per day in the next two years from the prevailing production of 670 mmcf/d," Petrobangla's chairman Muqtadir Ali said. Petrobangla said that the new estimate puts the total 'proven plus provable reserve' at more than 7 Tcf and the 'proven plus probable plus possible' reserve at more than 8 Tcf. (The New Nation, September 27, 2009)

PROCESSING

UNITED STATES : Willow Creek processing plant achieves full processing operations – CNR/48/23/22

Williams announced recently that the 450-million-cubic-foot-per-day Willow Creek natural gas processing plant in western Colorado's Piceance Basin has achieved full processing operations. The plant began operations in August 2009. Construction of the Willow Creek facility began November 2007 and finished in July 2009. It consists of a single-train amine treating and cryogenic plant located in Rio Blanco County, Colo., approximately 25 miles northwest of Williams' facilities in Garfield County. The plant's volumes originate from Williams' natural gas production in the Piceance Basin. The volumes currently being processed are being delivered to the Willow Creek plant via the Parachute Lateral,

the company's 30-inch diameter gathering pipeline. The volumes are delivered into the Parachute Lateral downstream of Williams' Parachute processing plant. After processing at Willow Creek, the Parachute Lateral then delivers the gas north to the Greasewood and White River Hubs. The Willow Creek plant is currently recovering approximately 20,000 barrels per day of natural gas liquids. Once the Willow Creek plant is processing gas volumes that have not already been processed at the Parachute plant, the expectation for peak NGL production is nearly 30,000 barrels per day. At peak production, the Willow Creek plant will boost the volume of NGLs recovered by Williams in the basin by more than five times the previous levels. (Electric Energy Online, September 29, 2009)

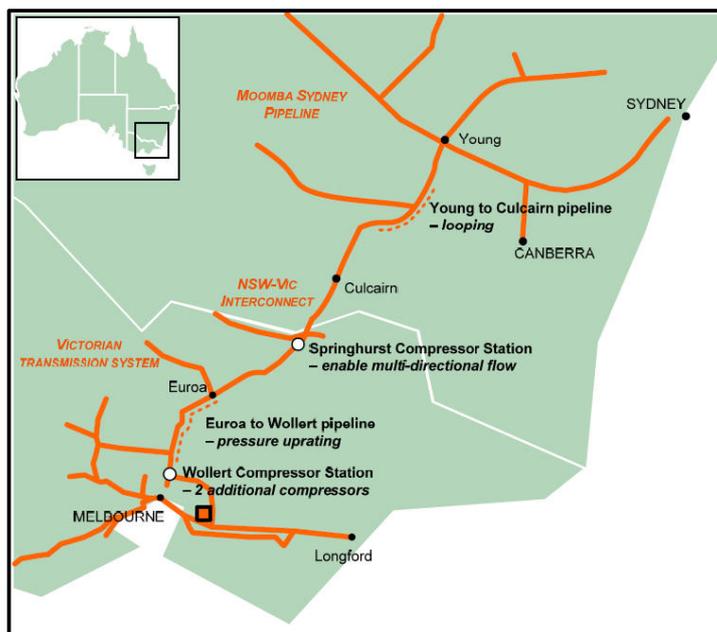
TRANSPORTATION-DISTRIBUTION

AUSTRALIA : APA starts capacity expansion in its Victorian and New South Wales gas pipeline systems – CNR/48/23/23

APA Group has commenced a capacity expansion of its Victorian and New South Wales pipeline systems to meet pipeline service requirements under regulatory and contractual arrangements. The expansion projects, which are scheduled to be completed by winter 2010, will provide increased gas transportation and storage capacity within and between the two states. The additional capacity, which is fully underwritten by long-term transportation and storage agreements, will be achieved by partial looping of the Young to Culcairn pipeline with 450 mm diameter pipe. APA Managing Director Mick McCormack said "The Moomba Sydney Pipeline is a critical piece of Australia's natural gas infrastructure and will continue to be so, as natural gas is used increasingly for electricity generation". (APA Group press release, October 1, 2009)

Source : APA Group website

APA Victorian – New South Wales pipeline systems capacity expansion



CHINA : New branch to link West-East natural gas pipeline to Northern Xinjiang – CNR/48/23/24

The second phase West-East natural gas pipeline started recently construction of a branch line to link to the truck route with the northern part of Xinjiang Uygur Autonomous Region, the National Energy Administration (NEA) said. The second phase West-East natural gas pipeline, which started construction in February 2008, will transport gas from central Asian countries such as Kazakhstan and Turkmenistan. The branch line, a

supplementary to the truck route, will be constructed at the same time. The branch line is to comprise of three parts including a 14-kilometer-long pipeline to link with Junggar Basin network to supply natural gas to Urumqi town gas grid; a 58-kilometer-long line directly hooked up with Urumqi Petrochemical Company; and an 8.5-kilometer line connecting Dushanzi Petrochemical Company. The three parts will have a total gas transporting capacity of 6.6 billion cubic meters a year. (Xinhua Economic News, September 28, 2009)

CHINA : CNPC and Shandong authorities in joint venture for pipeline project – CNR/48/23/25

China National Petroleum Corporation announced recently that it has signed a cooperation deal with Shandong provincial government to set up a joint venture to construct a natural gas pipeline network within the coastal province. The JV, Shandong Natural Gas Pipeline Network Company, will conduct the province's gas pipeline planning, design and construction. A natural gas pipeline connecting the province's Tai'an city with the coastal Weihai city is already under construction. Shandong's natural gas pipeline system will include one truck line and six branch lines with total length of 1,067 kilometers. (Xinhua, September 29, 2009)

GERMANY : Regulator reduces grid access fees – CNR/48/23/26

Network operator, the Bundesnetzagentur, cut recently grid access fees for 10 natural gas grid operators by 25% on average from October 1, 2009, the regulator's president Matthias Kurth said. Kurth said the new grid access fees will be valid until 2013. Gas transmission grids have previously been exempt from regulation, but the regulator, in 2008, decided gas grids should be regulated due to a lack of competition. The

regulated gas transmission grids, for which the fees will now be cut, are owned by E.ON AG, Wingas GmbH, a 50-50 joint venture between BASF SE's Wintershall AG and OAO Gazprom, Dutch Nederlandse Gasunie NV, Denmark's DONG Energy, Italy's Eni SpA, France's GDF Suez SA, Norway's StatoilHydro ASA and Germany's RWE AG, German municipal utility Erdgas Muenster's and eastern Germany-based VNG Verbundnetz Gas AG. (Dow Jones, September 30, 2009)

MOZAMBIQUE : Empresa Nacional de Hidrocarbonatos to build domestic gas pipeline – CNR/48/23/27

Empresa Nacional de Hidrocarbonatos (ENH) said recently that it plans to build a gas pipeline to boost local supplies. ENH chief executive Nelson Ocuane said the pipeline would link the industrial city of Matola and the capital city Maputo and that an international tender to select a company to supply engineering advice and procurement had been launched. (Reuters, September 30, 2009)

RUSSIA : Construction of Dzhubga–Lazarevskoye–Sochi pipeline started – CNR/48/23/28

The first joint of the Dzhubga–Lazarevskoye–Sochi gas pipeline has been recently welded near the settlement of Dzhubga, Krasnodar Krai. The Dzhubga–Lazarevskoye–Sochi gas pipeline will give an impetus to the gasification of Sochi and the Tuapse District and will cut the energy deficit on the Caucasian coast of the Black Sea. The pipeline has been entered into the governmentally approved Program of the Russian Federation Government for the construction of Olympic facilities and development of Sochi as a mountain-climatic resort. The gas pipeline will stretch 177 kilometers including a 159.5-kilometer offshore section. The pipeline route will run on the Black Sea bottom along the coastal line (around 4.5 kilometers away from the shore) to the Kudepsta gas distribution station near Sochi. The gas pipeline will have onshore sections near Dzhubga, Novomikhailovskoye, Tuapse and Kudepsta. The 530-millimeter gas pipeline will have the annual throughput capacity of some 3.8 billion cubic meters. The gas pipeline design has obtained a positive conclusion from the State Environmental Expertise and an approval from the State Environmental Expertise

Department (Glavgosekspertiza). It is projected to complete the pipeline construction in the second quarter of 2010. (Gazprom press release, September 28, 2009)

RUSSIA : Plan to send Russian gas to South Korea via North Korea is shelved – CNR/48/23/29

Plans to import Russian natural gas through a North Korean pipeline have been shelved due to strained inter-Korean relations, the head of Kogas

said recently. President Choo Kang-soo said unless North Korea specifically asks for the pipeline to be built on its soil, Seoul will not pursue the project but opt to import liquefied natural gas directly from Russia by ship. (Asia In Focus, September 29, 2009)

UNITED STATES : Dominion Resources aims to complete gas pipeline project by 2012 – CNR/48/23/30

Dominion Resources said recently it is moving ahead with a proposed project to pipe natural gas from fields in West Virginia to southwest Pennsylvania. Dominion plans to complete the project, which includes building 110 miles of pipeline and four compressor stations, by 2012. Dominion said the pipeline would run from West Virginia to Delmont, Pa., about 25 miles east of Pittsburgh. Dominion said that it has started the process of getting approval for the project from the Federal Energy Regulatory Commission. (Daily Press, September 29, 2009)

UNITED STATES : Florida Power & Light plans gas pipeline through Florida counties – CNR/48/23/31

Florida Power & Light's plans to build a 300 miles gas pipeline through 14 counties, including Orange, Seminole, Osceola, Volusia and Brevard, to provide natural gas to FPL plants in Brevard

and Palm Beach counties. The pipeline, originating in Bradford County, would feed 600 million cubic feet per day of natural gas for the plants, which are being converted from oil-burning to natural-gas-fired plants. (Orlando Sentinel, September 25, 2009)

VIETNAM : Gas pipeline planned in the Mekong Delta – CNR/48/23/32

Vietnam Oil and Gas Corporation signed recently an agreement with military authorities in the Mekong Delta city of Can Tho to co-develop the country's longest gas pipeline. Pham Hong Linh, head of the nearly 400-kilometer project's management board, said the pipe would carry natural gas from Depot B on the southwestern continental shelf through the four Mekong Delta Provinces Ca Mau, Bac Lieu, Kien Giang and Hau Giang, supplying industrial zones on its way to the Can Tho-based O Mon Power Station. (Thanh Nien, September 30, 2009)

SUPPLIES - IMPORTS - EXPORTS

IRAN : Minister predicts gas shortage in winter – CNR/48/23/33

Iran's oil minister said recently that the country will be short of around 200 million cubic metres per day of gas in the 2009-2010 winter due to rapid growth in demand. Iran has bought its first diesel cargoes for six months in September to supplement gas it is burning in power plants. Oil Minister Massoud Mirkazemi said "It seems because of the protective (subsidy) policies, in all fields, waste is prevalent ... Growth in gas consumption in the first half of the current year exceeded average consumption in the

corresponding period last year by 30 percent". Earlier in 2009, Iranian officials were so confident gas supplies would be sufficient to meet demand that they allocated no money from the federal budget for diesel imports. Then, officials said increased output from South Pars would be enough to meet demand. Mirkazemi said Iran's gas industry was lacking around \$16 billion in funding. "There are around \$19 billion worth of incomplete projects in the gas industry for which there are only \$3 billion of budget allocated". (Arabian Business, September 27, 2009)

THAILAND : Bongkot Joint Venture signs Gas Sales Agreement with PTT – CNR/48/23/34

Total and the partners of the Bongkot Joint Venture announced recently that a Gas Sales Agreement has been signed with PTT covering all gas production from the Greater Bongkot South (GBS) field in the Gulf of Thailand. The joint venture is operated by PTTEP (44.45%), alongside partners

Total (33.33%) and BG Group (22.22%). With all the construction contracts for the GBS development being awarded, GBS first production is expected in 2012. The offshore GBS field is located in Gulf of Thailand's blocks B16 and B17,

approximately 200 kilometres East of Songkhla. This new standalone development will consist of a central processing platform, a quarter's platform and 13 wellhead platforms.

The processing platform will have a capacity of 350 million cubic feet of gas per day and 15,000 barrels of condensate per day. Gas will be exported via a new build spur line to the PTT 3rd trunk line while condensate will be exported to the existing floating, storage and offloading vessel at the Greater Bongkot North field, which is located 80 kilometres to the north. (Total press release, September 22, 2009)

STORAGE

UNITED STATES : FERC will issue a final decision in 2010 for Perryville Gas storage project – CNR/48/23/35

FERC released recently a revised schedule for its pending review of Perryville Gas Storage LLC's Crowville Salt Dome Storage Project, now indicating that the commission will issue a final decision early in 2010. Perryville Gas filed an application for the project in May 2009, outlining plans for two storage caverns in Franklin and Richland parishes, La., each with about 7.5 Bcf of working gas capacity. Upon completion, Perryville will be capable of receiving and injecting gas at maximum rates of up to 226 MMcf/d, and delivering and withdrawing gas at maximum rates of up to 600 MMcf/d. Perryville Gas Storage is wholly-owned by Cardinal Gas Storage Partners LLC. (SNL, September 28, 2009°

CONSUMPTION

EUROPE : Eurogas forecasts EU gas demand to expand in 2010 – CNR/48/23/36

Eurogas President Domenico Dispenza said recently that European Union consumption of natural gas may increase 1% in 2010 as the economy strengthens after an expected 7% decline in 2009. The gas-demand slump in the EU in 2009 results from the recession and "the loss of public image" for the fuel after a January dispute

between Russia and Ukraine disrupted supply in Europe, Eurogas said. "A 1pc increase compared to 2009 seems to be realistic with the possibility of registering higher growth if the economic upturn is stronger than expected," Domenico Dispenza said. The start-up in 2009 of gas-fired power plants and an "increased competitiveness of gas to coal" may also play a role in the consumption rebound in 2010. (Independent, October 1, 2009)

USE FOR POWER GENERATION

CANADA : TransCanada to construct gas-fired plant in Ontario – CNR/48/23/37

TransCanada has been recently awarded a 20-year contract to build, own and operate the 900MW Oakville Generating Station (OGS) in Oakville, Ontario. The natural gas fired combined cycle plant is scheduled to start producing power by the end of 2013. TransCanada's bid for the OGS was submitted in response to the Ontario Power Authority's (OPA's) Southwest Greater Toronto Area Request for Proposals.

TransCanada said that it must receive approval from the Ministry of the Environment on impacts such as air quality and noise before construction of the facility can proceed. The OGS will be located on private, industrial land in the town of Oakville on Royal Windsor Drive, situated east of the Queen Elizabeth Way (QEW). TransCanada will work with the OPA to finalize the contract by mid-October 2009. (Energy Business Review, September 30, 2009)

CZECH REPUBLIC : Cez gets approval for construction of gas-fired power plant – CNR/48/23/38

Cez received recently permission from the Czech environment ministry to build an 841MW combined-cycle gas turbine at Pocerady. The plant will be Cez's first CCGT in the Czech Republic and is expected to begin production in 2013. Germany's RWE will supply the gas for the plant. Cez is also planning to build an 800MW gas-fired plant near Melnik, in the central Bohemia region. (Argus, September 30, 2009)

GREECE : Metka to build Megalopolis gas-fired plant – CNR/48/23/39

Public Power Corporation of Greece (DEI) awarded recently a contract to a consortium led by METKA for the construction of the 811MW

Megalopolis V CCGT unit. The project aims at the security and reliability of the energy supply in the islands of Syros, Paros, Naxos and Mykonos. (Energy Business Review, September 23, 2009)

INDIA : Dabhol power plant uses local gas instead LNG – CNR/48/23/40

Dabhol power plant, switched recently to use local gas from imported liquefied natural gas. "From today we have started getting 4.5 mmscmd of gas from Reliance," said A.K. Ahuja, managing director of Ratnagiri Gas and Power Pvt Ltd, which owns the facility. The federal government has allocated Dabhol 5.67 mmscmd of gas, produced from Reliance Industries Ltd's gas field in Krishna Godavari basin. Ahuja said Reliance's gas would cost about \$6.2 per million British thermal units against \$7.5/mBtu; it was paying for imported LNG. (Reuters, September 30, 2009)

JORDAN : Hanwha receives contract in power plant project – CNR/48/23/41

Jordan's state-owned power utility announced recently that it has awarded a contract to the South Korean company Hanwha to build two gas turbine stations for the Samra power plant project. Samra Electric Power Generating Company head

Amjad Rawashdeh said the stations would have an overall capacity of 285.7 megawatts. On completion, the Samra power plant is expected to have a capacity of around 900 megawatts, according to Rawashdeh. (Earth Times, September 29, 2009)

UNITED KINGDOM : E.ON plans gas-fired power station in Nottinghamshire – CNR/48/23/42

E.ON is planning to develop a new gas-fired power station at High Marnham in Nottinghamshire. According to the company, the new plant will have an installed capacity of 1,600MW and will use latest combined cycle gas turbine technology. A full planning application is expected to be lodged in early 2010. (Energy Business Review, September 30, 2009)

UNITED KINGDOM : Marchwood power plant to begin operations – CNR/48/23/43

Scottish and Southern Energy (SSE) said recently that Marchwood combined cycle gas turbine plant in Southampton is expected to begin operations in November 2009. The final reliability and

performance tests of the 840MW plant being developed by Marchwood Power are under way. The plant is a 50:50 joint venture between SSE and ESB International. (Energy Business Review, September 29, 2009)

UNITED STATES : BHCI to build gas-fired plant in Colorado – CNR/48/23/44

Black Hills Corporation said recently that its Black Hills Colorado IPP (BHCI) subsidiary has been selected to provide 200MW of power to the Black Hills Energy-Colorado Electric, a utility subsidiary of Black Hills. The BHCI generation facility will consist of two 100MW units, each with two 40MW LM6000 natural gas-fired combustion turbines and one 20MW steam turbine, operated in a combined cycle mode. The BHCI facility is expected to deliver power by January 1, 2012. (Earth Times, September 29, 2009)



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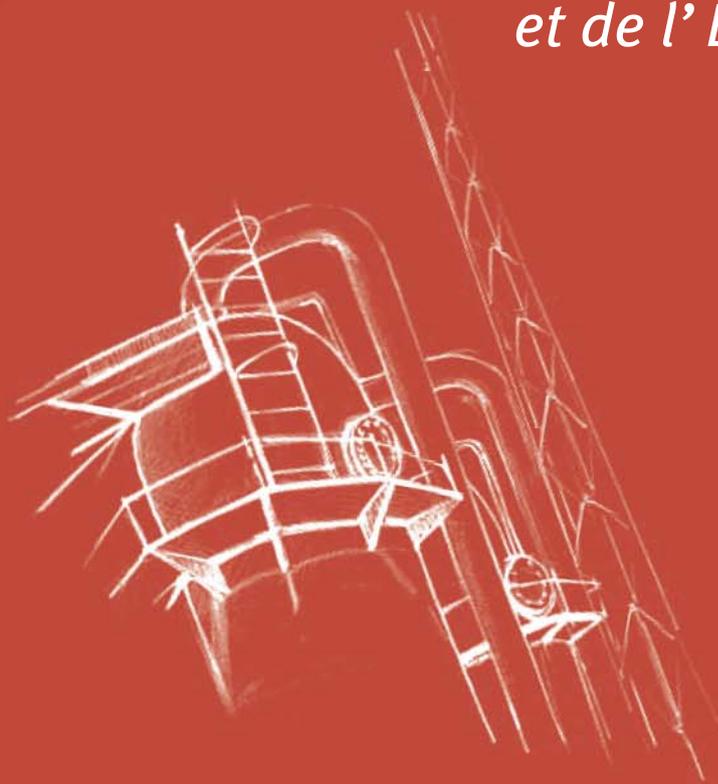
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REVIEW

- Natural gas demand
- Supply levels
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21 October 2009

• 14TH INTERNATIONAL GAS & ELECTRICITY SUMMIT

▶ 9.00 am - 10.00 am

Introduction by the Chairman of the 14th International Gas & Electricity Summit

Mr Nordine Aït-Laoussine, President of Nalcosa, former Energy Minister, Algeria

▶ Keynote Speaker:

- > Mr. **Sam Laidlaw**, CEO, Centrica*
- > Mr. **Gérard Mestrallet**, President & CEO, GDF Suez (invited)
- > Mr. **Alexander Medvedev**, Deputy CEO, Gazprom (invited)



Themes

- > **How prices volatility affect the competitiveness of gas?**
Conséquences de la volatilité des prix sur la compétitivité du gaz ?
- > **Is there enough investment in new production and transportation capacities?**
Investit-on suffisamment dans de nouvelles capacités de production et de transport ?
- > **What shape will future ties with producing countries take?**
Vers quels rapports entre pays producteurs et pays consommateurs ?
- > **Europe-Russia: what kind of partnership does the future hold?**
Europe-Russie : vers quel nouveau partenariat ?
- > **Europe-MENA: will new import flows be developed?**
Europe-Moyen-Orient-Afrique du Nord : de nouveaux flux d'importations apparaîtront-ils ?

