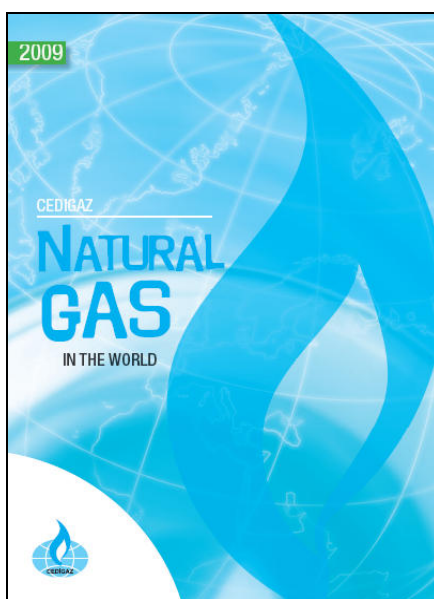




Vol. 48, n°27, November 18, 2009

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Natural Gas



Cedigaz is pleased to announce that the “**Natural Gas in the World**” - 2009 Edition has been sent to press. This 160 page - survey will be available in the last week of November 2009.

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LNG

PROCESSING

AUSTRALIA : Final investment decision on Ichthys LNG project to be made in late 2010 – CNR/48/27/1

Inpex Corp said recently it would make a final investment decision on its giant Ichthys liquefied natural gas project in northwest Australia in late 2010. A company source indicated that the decision might be pushed back slightly, to 2011. Design work for the offshore facilities in the Ichthys field that began in April 2009 will take

about 18 months, longer than the 12 months initially projected, a company spokesman said. Inpex reiterated its plans to begin production in 2015. Inpex has a 76 percent stake in the project, and France's Total SA holds the rest. LNG output from the Ichthys project is expected to top 8 million tonnes a year, in addition to 1.6 million tonnes a year of liquefied petroleum gas and up to 100,000 barrels a day of condensate at peak output. (Reuters, November 6, 2009)

AUSTRALIA : Dual FEED contracts for Pluto expansion awarded – CNR/48/27/2

Woodside awarded recently dual contracts for Train 2 and Train 3 front-end engineering design (FEED) to Foster Wheeler and WorleyParsons (an unincorporated joint venture PJV) and KBR. The companies are expected to complete the FEED studies in the second half of 2010. Woodside Petroleum serves as the operator of the Pluto project with 90% interest. Kanasi Electric and Tokyo Gas each hold 5% interest in the project. (Downstream Today, November 10, 2009)

AUSTRALIA : Hess considers floating LNG facility to develop gas reserves – CNR/48/27/3

Aidan McKay, the company's vice president of production in the Asia Pacific said recently that Hess Corp. is considering several options including a floating liquefied natural gas facility to develop its reserves off Western Australia.

Hess is assessing the size of the deposit as it holds talks with potential partners including Woodside Petroleum Ltd., Chevron Corp. and Royal Dutch Shell Plc, he said. McKay said Hess may select a partner that is pursuing floating LNG, such as Shell. (Bloomberg, November 5, 2009)

TRANSPORTATION-DISTRIBUTION

QATAR : Four new Q-Max LNG carriers named – CNR/48/27/4

Nakilat and vessel charterer Qatargas Operating Company Ltd. announced recently the naming of the final four Q-Max (266,000 cm) LNG carriers. The new ships have been named "Shagra", "Zarga" and "Aamira", "Rasheeda". Muhammad Ghannam, Nakilat Managing Director, said; "Nakilat has achieved many important milestones since our ship building program started just a few short years ago, and today is a very special

milestone indeed with our last four Q-Max LNG carriers being named at this final ceremony. Our massive LNG fleet comprising 54 ships is now complete. During the next year all of our 25 wholly-owned new LNG ships, 14 Q-Max and 11 Q-Flex, will be fully operational. These twenty-five vessels, along with our 29 jointly-owned ships, built by the Korean shipyards, form the largest LNG fleet in the world. Thirty-two of these LNG carriers will be dedicated to Qatargas". (Downstream Today, November 10, 2009)

WORLD : LNG and LPG shipping sector likely to stabilise in 2010 – CNR/48/27/5

Maritime bank DnB NOR said recently that the liquefied petroleum and natural gas shipping sector is likely to stabilise by 2010 through better management of capacity. Glenn Lodden, equity research analyst, Shipping, DnB NOR, said: "We see some positives with the LPG and LNG shipping sector where you see fleet growth coming down nicely in 2010, and even more so in 2011. (Channel NewsAsia, November 4, 2009)

SUPPLIES - IMPORTS - EXPORTS

PAPUA NEW GUINEA : PNG LNG partners and Sinopec sign heads of agreement for LNG supply – CNR/48/27/6

Esso Highlands Limited, a subsidiary of ExxonMobil Corporation and operator of the PNG LNG project, said recently that the project participants entered into a heads of agreement with Unipec Asia Co., Ltd., a subsidiary of China Petroleum & Chemical Corporation (Sinopec) for

the long-term supply of two million tonnes per year of LNG. "We are pleased to have signed this significant Heads of Agreement with the PNG LNG project, which is led by our partner ExxonMobil. This LNG resource will be supplied to a LNG receiving terminal that Sinopec will build in China," said Wang Zhigang, senior vice president of Sinopec. (Energy Business Review, November 4, 2009)

YEMEN : First LNG cargo – CNR/48/27/7

Following the start of pumping at a newly built liquefied natural gas plant in Balhaf on the Gulf of Aden, Yemen has officially become a gas exporter. The first shipment, 149,000 cubic meters of LNG, will go to Korea Gas Corp.. Exports are expected to run normally by the second half of 2010, where they will reach primarily Europe and Asia. (Downstream Today, November 10, 2009)

STORAGE

UNITED STATES : Hess considers a LNG terminal project in South Jersey – CNR/48/27/8

Hess LNG said recently that its planning a scaled-back version of the liquefied natural gas terminal that BP tried and failed to build at Crown Landing in Logan Township, Gloucester County. "It's a very long-term" plan, said Gordon Shearer, president of Hess LNG. "We'll be two to three years in permitting and reassessments, three to four years in construction, and run it for 30 years" he added. The project has been opposed by state officials and environmentalists in Delaware, where state law limits development in its coastal waters, which extend to the New Jersey shore. (Philly.com, November 5, 2009)

NATURAL GAS

EXPLORATION - DISCOVERY

ARGENTINA : Crown Point Ventures finds gas in the El Valle field – CNR/48/27/9

Crown Point Ventures Ltd. announced recently that it has successfully completed the EVx-20 well as a dual zone gas discovery. The well was drilled as the final well of the three well program in the El Valle field in the San Jorge Basin of Argentina. In the EVx-20 well, the company tested two zones in the Canadon Seco formation, which both produced gas. The first zone was tested through a 14mm choke at rates of approximately 1.0 MMcf/d of dry gas. The second zone flowed through a

19mm choke at rates of approximately 5.0 MMcf/d of dry gas. The well is currently shut in and the gas resources will be included in our proved reserves once suitable facilities and markets can be sourced to maximize the economic returns to the company. There is an existing gas transmission pipeline which runs through the block. Any commercial gas sales from the El Valle field will be eligible for the 'Gas Plus' program which was introduced in 2008 to provide better prices for sale of 'new gas' within Argentina. (Marketwire, November 5, 2009)

IRAQ : WesternZagros announces a gas and condensate discovery at Kurdamir-1 well – CNR/48/27/10

WesternZagros Resources Ltd. announced recently a gas discovery at Kurdamir-1 well. Combined test rates indicate approximately 27.5 million cubic feet per day of gas and 1,172 barrels per day of 61 degrees API natural gas liquids (condensate). Test rates were limited due to testing equipment restrictions; however, initial well test analysis conducted by an independent third party indicates that reservoir production potential of approximately 52 million cubic feet per day of gas and 2,240 barrels per day of condensate could be expected from these intervals. No formation water was recovered during the testing. WesternZagros is engaged in acquiring properties and exploring for, developing and producing crude oil and natural gas in

Iraq. WesternZagros, through its wholly-owned subsidiaries, holds a Production Sharing Contract with the Kurdistan Regional Government in the Kurdistan Region of Iraq. (Marketwire, November 4, 2009)

PERU : Petrobras discovers gas in central Cuzco province – CNR/48/27/11

Peru's President, Alan Garcia said recently that Petrobras has discovered around one trillion cubic feet of natural gas in the Amazon jungle. Peru's state oil officials estimate there are up to five

trillion cubic feet of gas in Petrobras' Lot 58 in central Cuzco province. "We can confirm in lot 58, it (Petrobras) has found a large quantity of natural gas ... It appears in the first well, there is a lot more than 1 trillion cubic feet," Garcia said. (Energy Business Review, November 6, 2009)

TURKMENISTAN : New gas field discovered in the Central Karakum – CNR/48/27/12

The significant inflow of natural gas in industrial volumes was obtained from the first well drilled in the Central Karakum in the perspective Geyazli area, Turkmengeologia State Corporation said recently. According to preliminary data, the daily production rate of gas wells is 500,000 cubic meters of natural gas and 33 cubic meters of gas condensate. In Turkmenistan, the intensification of exploration, development and industrial operation of new perspective areas is one of the priorities of development of oil and gas industry. Natural gas production is projected to reach 250 billion cubic meters by 2030.

Turkmen Dovlet Khabarlary (TDH) state news service reported that Turkmen geologists recently greatly enlarged resource base of natural gas, creating a number of fields - in Lebap (area) were opened new fields Agarguy, North Gazlidepe, in Akhal province - South Gutlyak, Geyazli, in Mary province - Minar. In addition, industrial gas flows were also obtained from the explored fields that extend the contours of the distribution of gas fields, which ensures growth of industrial reserves. This, in particular, has already been achieved in the fields of Northern Nayip, Bagadzha, and Chartak in Lebap province, Garajaovlak - in Akhal province, and Garadurun and Adzhiyap - in Balkan province. (November 1, 2009, in partnership with TREND News Agency, <http://en.trend.az/>)

PRODUCTION

BULGARIA : Melrose gets approval to develop Kavarna gas field – CNR/48/27/13

Melrose Resources said recently it has received approval from the Bulgarian government to develop the Kavarna gas field, which contains estimated reserves of 24 billion cubic feet. The group said it has also formally received approval from the Romanian National Agency of Mineral Resources to conduct petroleum operations in the country under new administrative guidelines. (Sharecast, November 6, 2009)

CHINA : CNPC and Chevron agree to develop Luojiashai field – CNR/48/27/14

China National Petroleum Corp and Chevron signed recently an agreement to jointly develop a gas field in southwest China's Sichuan province. The National Development and Reform Commission granted approval to the two companies to develop the Luojiashai field in the northeast of the province, CNPC said. The regulatory approval came almost two years after

Chevron signed a 30-year production sharing agreement with CNPC to develop the area. CNPC holds a 51-percent interest in the project and Chevron takes the rest. The field is in the Chuandongbei area and has an estimated reserve of 5 trillion cubic feet. Chevron and CNPC plan to build two sour gas plants with a throughput capacity of 740 million cubic feet of natural gas per day, Chevron said in 2008. (KUNA, November 11, 2009)

MYANMAR : Hyundai Heavy Industries receives development order for Shwe Project – CNR/48/27/15

Hyundai Heavy Industries received recently an order for Shwe Project from Daewoo International Corporation. The Shwe Project is for development of Block A-1 and Block A-3 at Bengal Bay, 70km west of Myanmar. It will install a gas production and processing platform to produce and transport the gas to Ramree Island through subsea pipeline and export the gas to China through an onshore gas terminal. HHI will serve the entire project on a turnkey basis including engineering, procurement, construction, installation and commission. The project will be completed by March 2013. When complete, the gas platform will produce 500 million cubic feet of gas per day. Daewoo International and HHI will sign the official contract in the middle of December 2009 with Myanmar's approval. (Energy Business Review, November 6, 2009)

PROCESSING

KAZAKHSTAN : Eni to invest in upstream and downstream oil and gas sector – CNR/48/27/16

Eni group and KazMunaiGas signed recently a preliminary agreement that could result in up to \$50bn of investments in Kazakhstan's upstream and downstream oil and gas sectors. The

agreement includes construction of a gas sweetening plant in Kazakhstan. Kazakhstan at present has to send all its sulphur-rich gas to Russia for processing before some is piped back for internal consumption. (Financial Times, November 6, 2009)

ROMANIA : Gas processing plant inaugurated in Midia – CNR/48/27/17

Petrom SA inaugurated recently a new gas processing plant in Midia, near Constanta. With more than twice as much capacity as the old installation, the plant can process the entire offshore gas production of Petrom. The Midia gas plant can process up to 3.8 MMcm/d of natural gas with a 99% recovery of heavy components allowing for an improved recovery of 340 t/d of liquid natural gas products. In comparison the former gas plant was able to recover only 100 t/d. In addition, the Midia gas plant boasts its own gas fired power generation plant with a capacity of 10 MW inclusive a fully redundant 200 t/d steam generation capacity. (Energy Business Review, October 29, 2009)

UNITED STATES : Sterling Energy seeks to expand Ambrose gas processing plant capacity – CNR/48/27/18

Sterling Energy Co. announced recently that it is looking to expand in North Dakota through its Ambrose Gas Processing LLC. subsidiary in Divide County, The Ambrose Gas Plant southwest of Ambrose has operated for nearly 25 years, taking in gas from oil wells located in the Fortuna area. The existing Ambrose Gas Plant produces 500,000 cubic feet of gas per day. The gas is

transported through a pipeline to Hess Corporation in Tioga. Smith said the near-term goal for Sterling Energy is to increase capacity to 3 million cubic feet per day. He said with some rough and preliminary calculations, a plant with a capacity of up to 50 million cubic feet per day could be a possibility. One option that may be considered to help increase capacity is to use what is known as a refrigeration plant. Smith said the hope is for the expansion to take place in 2010. (Williston Herald, November 5, 2009)

TRANSPORTATION-DISTRIBUTION

UNITED STATES : Colorado Hub connection pipeline completed – CNR/48/27/19

Williams announced recently that Northwest Pipeline GP, Williams' majority-owned subsidiary, has received authorization from the Federal Energy Regulatory Commission (FERC) to place its 24-inch diameter natural gas transmission pipeline known as the Colorado Hub Connection into service. The approximately 26.4-mile pipeline and related facilities connect the Meeker/White River Hub, a regional production area hub, with the Northwest Pipeline mainline system south of Rangely, Colo. The project will provide approximately 360,000 dekatherms per day of firm transportation service on Northwest's mainline to delivery points as far south as Ignacio, Colo. At Ignacio, Northwest interconnects with El Paso Natural Gas and Transwestern Pipeline Company. (Downstream Today, November 10, 2009)

UNITED STATES : Willbros to construct two spreads of Fayetteville Express Pipeline – CNR/48/27/20

Willbros Group, Inc. announced recently that it has been awarded the construction contract for spreads three and four of the Fayetteville Express Pipeline (FEP). The approximately 185-mile natural gas pipeline will originate in Conway County, Arkansas, continue eastward through

White County, Arkansas, and terminate at an interconnect with Trunkline Gas Company in Panola County, Mississippi. The Willbros scope of work includes 120 miles of 42-inch pipeline, beginning near Bald Knob, Arkansas and ending at the Trunkline interconnection. The project is expected to begin construction in April 2010 and be completed in October 2010. (Electric energy Online, November 5, 2009)

SUPPLIES - IMPORTS - EXPORTS

AUSTRALIA : ACCC allows joint marketing of gas from Gorgon project – CNR/48/27/21

Australian Competition and Consumer Commission (ACCC) issued recently a decision allowing natural gas produced from the Gorgon gas project to be jointly marketed and sold to customers in Western Australia by the Gorgon partners. The project is forecasted to begin supplying customers in Western Australia with natural gas from late 2015. Under an agreement with the WA Government, the Gorgon partners are required to reserve 2000 petajoules from the Gorgon fields for delivery to customers in Western Australia, subject to supply being commercially viable. ACCC Chairman, Peter Kell said "The ACCC notes that the WA market has experienced an increase in demand for natural gas in recent years, with corresponding price increases. The Gorgon Project will provide a welcome new source of supply that will help meet this growing demand and diversify WA's energy supply sources." The ACCC is of the view that with a

small number of customers comprising the bulk of demand, the preference of market participants to sign long term contracts, little short term trading of gas, and limited storage facilities, separate marketing by the Gorgon partners in the WA natural gas market is still not commercially viable at this time. Authorization is granted until December 31, 2015, which is a shorter period than that sought by the Gorgon partners. The ACCC considers that in the next six years the WA gas market may develop the necessary characteristics to support separate marketing. In particular, the entry of new gas projects in addition to Gorgon, the proposed development of additional storage and a gas bulletin board could change the dynamics of the WA market. Should the Gorgon partners consider that they still require authorization for the joint marketing and sale of domestic natural gas after 2015, they retain the option of reapplying for authorization. (Energy Business Review, November 5, 2009)

RUSSIA : Novatek's shareholders asked to approve gas supply deal with Inter RAO – CNR/48/27/22

Novatek asked recently its shareholders to approve a \$6 billion domestic gas supply deal with power trader Inter RAO. According to Reuters, the company's board has recommended its shareholders approve a deal to supply Russia's power trader Inter RAO and its regional generation company OGK-1 with around 65 billion cubic metres of gas from 2010 to 2015.

Gazprom has current contracts to supply Inter RAO, which owns power stations across the former Soviet Union and OGK-1 with natural gas from 2007 to 2012. The Inter RAO sources told Reuters that the company and its OGK-1 unit would not terminate the contracts with Gazprom if they sign with Novatek, but would reduce their gas purchases to zero. Inter RAO, chaired by Russia's Deputy Prime Minister Igor Sechin, said Novatek proposed more attractive contracts than Gazprom. "Conditions of payment for Novatek's gas supply are also more attractive, while fines for less (than contracted) or excessive gas off-takes are materially lowered," Inter RAO has said. The contract is for Novatek to supply Inter RAO with up to 7.9 bcm and OGK-1 with up to 56.99 bcm of gas for five years. (Reuters, November 5, 2009)

STORAGE

AZERBAIJAN : Iran plans to store its gas in the border zone – CNR/48/27/23

Executive director of the Iranian company managing the storage of gas, Masud Samivand said recently that Iran intends to use the underground reservoir, located in the border zone of Azerbaijan, to store its own gas. "The company's experts arrived in Azerbaijan to inspect the technical condition of the reservoirs. The talks, which began in 2008, will continue," said Samivand. "Due to the fact that in the present technical condition of the pipeline between Iran

and Azerbaijan is poor, the Azerbaijani side was proposed to build a new gas pipeline," said Samivand. According to him, in the summer months, Iran will pump gas into the reservoir of Azerbaijan, and in winter - to take 15 million cubic meters of gas per day. Azerbaijan and Iran are connected by Gazi-Mahammad-Astara-Bind-Biand gas pipeline, with a total length of 1474.5km (296.5km in Azerbaijan). Its carrying capacity makes up 10bcm a year. (November 1, 2009, in partnership with TREND News Agency, <http://en.trend.az/>)

AZERBAIJAN : Socar to expand Garadagh storage facility – CNR/48/27/24

In the first quarter of 2010, SOCAR (State Oil Company of Azerbaijan) plans to complete the first stage of reconstruction of the Garadagh underground gas storage facility, SOCAR said recently. After the first phase of expansion, the active gas storage capacity will be increased to 1.45 billion cubic meters compared to the

current 500 million cubic meters. The first phase envisages repairing wells, constructing above-ground communications, and a compressor station and as a result, daily volume of gas injected into the gas storage facility is projected to reach seven million cubic meters. It is planned to expand the Garadagh gas-storage facilities in two phases and its capacity would reach 2.3 billion cubic meters. Thus, the state commission has already adopted the facilities within the "Building a distribution point in the Garadagh underground gas storage facility" and "Landscaping of territories around the repaired wells, and roads leading to the wells under the reconstruction of the Garadagh underground gas storage facility".

As a result of the reconstruction, it is planned to increase an active gas storage capacity from the current 500 million cubic metres to 2.3 billion cubic metres. The gas distribution point, put in operation, was built to ensure the pumping of gas from 32 wells in the spring-summer season, and its retrieval and transmission to consumers in the autumn-winter season. Totally, there are two underground gas storage facilities in Azerbaijan, including Garadagh, and Kalmaz. An active capacity of the gas storage is 1.1-1.2 billion cubic meters. (November 1, 2009, in partnership with TREND News Agency, <http://en.trend.az/>)

UNITED STATES : Commercial operations started at the second cavern of Port Barre storage facility – CNR/48/27/25

Bobcat Gas Storage announced recently that it had commenced full commercial operations in the second cavern at its Port Barre natural gas storage facility in St. Landry Parish, La., on October 31, 2009. Cavern II provides an

additional 7.8 Bcf of working gas capacity at the Port Barre Facility. The Bobcat Project offers customers premier interconnections with five interstate pipelines including Texas Eastern Transmission, L.P., Transcontinental Gas Pipeline Company, Florida Gas Transmission, Gulf South Pipeline and ANR Pipeline. (Downstream Today, November 10, 2009)

UNITED STATES : Gill Ranch Storage facility project receives official approval – CNR/48/27/26

Gill Ranch Storage, LLC, a wholly-owned subsidiary of Northwest Natural Gas Company received recently approval of its filing for a Certificate of Public Convenience and Necessity from the California Public Utilities Commission to construct and operate an underground natural gas storage facility near Fresno, Calif., known as Gill Ranch Storage. Charlie Stinson, Director, Project Development, of GRS said "Following some additional permit approvals, which are expected soon, we anticipate breaking ground at Gill Ranch before year-end, and to remain on schedule for an August 2010 in-service date"

The Gill Ranch Gas Storage project, with an initial capacity of about 20 billion cubic feet, will be developed by GRS and Pacific Gas & Electric Company (PG&E), a subsidiary of PG&E Corporation. GRS and PG&E each own a portion of the overall project, holding undivided interests, with GRS having a 75 percent interest and PG&E having a 25 percent interest in the initial development phase of the project. Gill Ranch Storage is located about 25 miles west of Fresno and will include an approximately 27-mile, 30-inch pipeline, which will connect to the PG&E Line 401 north of Panoche, Calif. (Business Wire, October 29, 2009)

UNITED STATES : BCR Holdings Inc. announces non-binding open season for gas storage in Louisiana – CNR/48/27/27

BCR Holdings Inc. announced recently that Bully Camp Gas Storage, a wholly-owned subsidiary of BCR, intends to hold a non-binding open season in November-December 2009 for capacity at a planned storage facility. The facility, which will be located in Lafourche Parish, Louisiana, approximately 35 miles southwest of New Orleans, is scheduled to be in service in the fourth quarter of 2013. The storage facility is designed to

provide 1,200 MMcf/d of peak deliverability and 800 MMcf/d of peak injection capacity from two salt caverns with a total working gas capacity of 15 Bcf. BCR intends to file with the Federal Energy Regulatory Commission for approval to construct and operate the Bully Camp storage facility later in 2009. As part of its FERC application, BCR will be requesting the necessary approvals to charge market-based rates for its proposed storage, parking and lending, and wheeling services. (BCR Holdings press release, November 3, 2009)

UNITED STATES : Newly formed Icon NGS aims to develop and acquire gas storage facilities – CNR/48/27/28

Quantum NGS Holding, LLC announced recently that together with Dr. Larry W. Bickle, William A. Lang and Mark Fullerton, it has formed Icon NGS, LLC, a natural gas storage focused company. Icon NGS will develop and/or acquire high-deliverability, multi-cycle natural gas storage capacity in the United States. Icon NGS will

initially focus on identifying strategic supply and market locations where it can develop greenfield storage facilities from concept stage to commercial operations. The company will also evaluate the acquisition of in-process greenfield storage development projects and operating storage facilities. (Oilvoice, November 4, 2009)

UNITED STATES : Perryville Gas Storage gets nod to drill test well in Louisiana – CNR/48/27/29

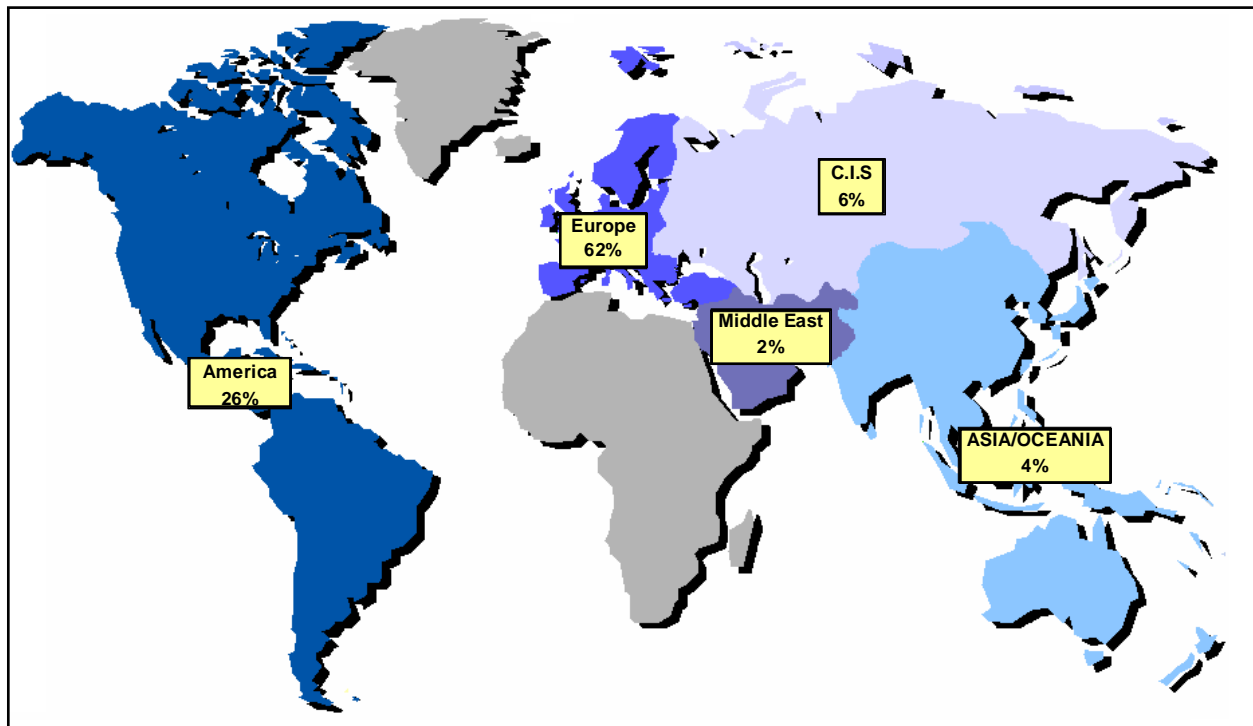
Perryville Gas Storage LLC received recently authorization from FERC to drill a test well in Franklin Parish, La., to determine the feasibility of saltwater disposal for an underground gas storage facility being considered there. The commission noted that the exploratory activities are temporary and will be conducted to determine the feasibility of brine disposal in the Crowville Salt Dome.

UNITED STATES : Alaskan Senator proposes tax credit bill for local gas storage projects – CNR/48/27/30

Anchorage Senator Hollis French proposed recently a tax credit to those willing to build a natural gas storage facility for Cook Inlet. French said that a storage facility is needed in Southcentral to help with possible rolling blackouts because of a problem with delivering enough gas on peak usage days. The bill would offer companies a 20 percent tax credit if they built a storage facility that all the utilities could use. (KTUU, November 2, 2009)

WORLD : 199 worldwide storages projects could add 80bcm of working gas by 2015 – CNR/48/27/31

Cedigaz, the international association focused on natural gas statistics, has extended the range of its services in adding a worldwide database of existing and projected underground gas storages facilities. As of 1 October 2009, 638 underground gas storages (UGS) were in operation worldwide, representing a total working capacity of 328.9 billion cubic meters (10.7% of global gas consumption). The great majority of facilities are located in America (446), the United States (US) in particular (395 sites).



Europe ranks second with 129 underground gas storages. More than half of them are concentrated in three countries: Germany (47 sites), France (15 sites), and Italy (10 sites). The remaining UGS facilities are located in the Commonwealth of Independent States (C.I.S), which holds 50 sites (half of them are in Russia), and in Asia/Oceania. In this latter, 12 sites can be broken down as follows: 5 in Japan, 4 in Australia, 2 in China, and 1 in Taiwan.

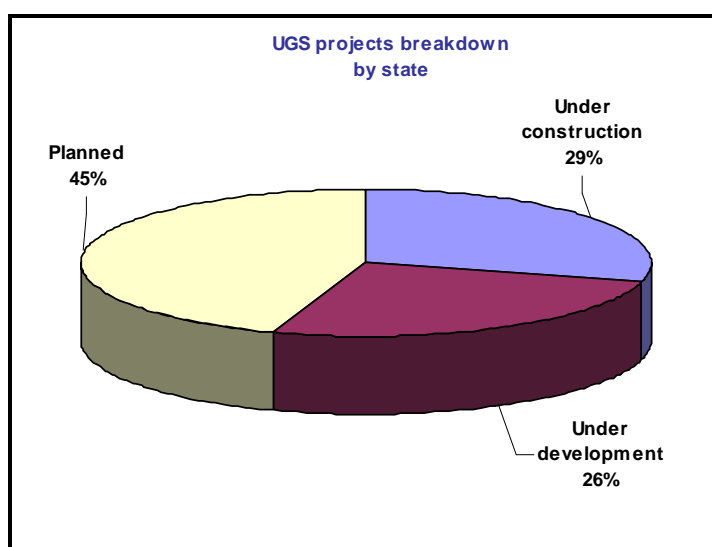
As far as underground gas storage projects are concerned, Cedigaz has identified 199 new storage facilities or expansions of existing ones that are either under construction, under development, or planned. The breakdown of these projects reveals Europe as the most dynamic region, with 123 projects (62% of the total) representing more than 75 bcm of additional working capacity, compared to the current 82 bcm available.

Beside Europe, 51 projects have been identified in America, with almost the totality in the US (47 sites). Mexico also plans to develop two new UGS facilities. Other few countries studied the opportunity to develop new storages: Brazil started a feasibility study for an aquifer storage in 2002, which is still to be developed. Uruguay has also planned to develop an aquifer in Santa Lucia for several years. Finally, Chile and Venezuela are also considering the opportunity to develop some underground storages in the future.

In the C.I.S, 13 projects are ongoing: 6 in Russia, 3 in Belarus, 2 in Azerbaijan, 1 in Armenia, and finally 1 in Georgia, where the company Socar intends to develop the country's first storage facility with 300 million cubic meters of working capacity.

In Asia/Oceania, which holds only 1.8% of the total number of existing facilities, 8 projects have been identified, representing 4% of the total projects worldwide (199).

China and Australia represent the bulk of this amount with respectively 4 and 2 projects. In addition, Pakistan and New Zealand each plan to convert a depleted field into a first new underground gas storage.



According to Cedigaz, these 199 projects could add more than 80 bcm of working gas capacity in the World by 2015, a 24% increase compared to a volume of 328.9 bcm available as of 1 October 2009. This rapid development of underground gas storages worldwide can be partially explained by the following factors:

- The emergence of security of supply issues at the Eastern borders of Europe (Bulgaria, Romania, Poland)
- The plunging production in the United Kingdom associated to a historical lack of storage capacity
- Growing LNG imports in Italy and Spain in parallel with a greater penetration of natural gas in their energy mix.
- Fast growing gas consumption in emerging gas markets with no or limited storage capacities so far (China, South America).(Cedigaz press release, November 10, 2009)

More information about the UGS database at: http://www.cedigaz.org/products_services/UGSdatabase.aspx



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