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LNG

**PROCESSING**

**ALGERIA : First deliveries from Skikda LNG plant delayed to 2013 – CNR/48/8/1**

Oil Minister Chakib Khelil said recently that Algeria won't start deliveries from its new Skikda liquefied natural gas plant until 2013, two years later than the date given on Sonatrach's website. Construction of the plant is about 20 percent complete and procurement of 70 percent of materials has been carried out, he said. A separate LNG export plant at Arzew, that will take gas from Gassi Touil field, will start at "about the same time" as Skikda, the oil minister said. (Bloomberg, March 3, 2009)

**NIGERIA : Total to make final investment decision on Brass LNG project in 2009 - CNR/48/8/2**

Total has yet to make a final investment decision on Brass LNG project, a company executive said recently. Total executives have said a decision would be made in 2009. Brass is still on course even though the foreign investment decision has not been made, Charles Ngoka, business director for Total Nigeria, said. (Reuters, February 2, 2009)

**NORWAY : StatoilHydro considers taking stakes in LNG projects in Australia and Indonesia - CNR/48/8/3**

Nils Helge Sorgard, vice president for the StatoilHydro's international business, said recently that the company is looking at the possibility of taking stakes in LNG projects in Australia and Indonesia. "We see LNG export opportunities as most interesting and Australia and Indonesia are our main areas of interest". "We could get involved in domestic pipeline gas projects, but the focus will be on LNG," Sorgard said. (Platts, February 26, 2009)

**PAPUA NEW GUINEA : InterOil acquires Merrill Lynch's interest in the Liquid Niugini Gas LNG project - CNR/48/8/4**

InterOil Corporation announced recently that the Company and Merrill Lynch have settled and agreed to release all of their outstanding claims against each other relating to the joint venture, owned by their affiliates and by Pacific LNG Operations Limited, to construct a natural gas liquefaction plant on a site adjacent to InterOil's

refinery in Papua New Guinea. Under the terms of the settlement agreement, InterOil issued 652,931 common shares and is subject to a post-closing balancing payment, and Pacific LNG made certain cash and stock payments to Merrill Lynch, all of which was in exchange for Merrill Lynch's interest in the joint venture. Merrill Lynch has not retained any ownership in the PNG LNG project. (Marketwire, March 2, 2009)

**QATAR : Qatargas 2 LNG plant to be inaugurated in April 2009 - CNR/48/8/5**

The Qatargas 2 LNG plant will be inaugurated by the Emir Sheikh Hamad bin Khalifa al-Thani on April 6, 2009 and will supply gas to the South Hook terminal in Wales. The first LNG cargo from Qatargas 2 will reach South Hook in May 2009 and, on average, one LNG cargo will be dispatched to the UK from Qatargas 2 every three days. Operating Company CEO Faisal M al-

Suwaidi said Qatargas was well on course to achieve a production capacity of about 42m tonnes per year within two to three years. Qatargas 2 will produce 15.6m tpy, Qatargas 3 7.8mn tpy and Qatargas 4 7.8mn tpy. Qatargas 3 and Qatargas 4 will supply to markets in Europe, the US and the UK. Qatargas 1 already supplies to Japan and Spain from three trains of 3.3m tpy each. (Arabian Business, March 5, 2009)

**THAILAND : PTT plans small scale LNG pilot project - CNR/48/8/6**

PTT is considering a mini-liquefied natural project and plans a pilot to test its viability. The project would enable volumes to be delivered by truck to remote areas outside its pipeline network. The prototype project will be used to power air conditioning units at a subsidiary company that will require 60 tonnes per month of

gas. "If our co-development project proves to be technologically and commercially viable, we would introduce mini LNG commercially as soon as possible," said PTT's chief operating officer for upstream oil and gas Chitrapongse Kwangsukstith. (Upstream, March 6, 2009)

## **TRANSPORTATION-DISTRIBUTION**

### **INDONESIA : MISC names new LNG carrier - CNR/48/8/7**

Shipping contractor MISC, a subsidiary of national oil and gas company Petronas, has named the 29th vessel in its liquefied natural gas fleet. The 157,000-cubic metre Seri Balqis is the fifth and last of the Seri, B class tankers built under MISC's long-term LNG fleet expansion. The carrier was built by Mitsubishi Heavy Industries at its shipyard in Nagasaki, Japan. The new vessel brings MISC's gross LNG handling capacity to 3.67 million cubic metres or almost 8% of global transportation capacity. (Upstream, March 6, 2009)

## **SUPPLIES - IMPORTS – EXPORTS**

### **AUSTRALIA : PetroChina may sign LNG supply deal with Exxon - CNR/48/8/8**

PetroChina Chairman Jiang Jiemin said recently that the company may sign an accord with Exxon Mobil Corp. in the first half of 2009 to buy liquefied natural gas from the Gorgon project in Australia under a term contract. The purchase will be in addition to the 2 million-ton-a-year accord signed in 2008 between Shell and PetroChina. (Bloomberg, March 5, 2009)

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### **INDIA : GAIL seeks suppliers for long-term LNG contract - CNR/48/8/9**

GAIL recently invited expressions of interest for long-term LNG supply to Dabhol power plant. The terminal has a throughput capacity of 5 million mt/year, but will not be able to import that much until it gets a breakwater. In the absence of a breakwater, it will not be able to take in shipments during the monsoon season. GAIL said the EOI should state the volume of LNG available for long-term supply to GAIL, the possible contract period, the LNG project from which the cargoes will be

shipped, and the role of the party registering its interest. The 2,150 MW Dabhol power plant currently operates only part of its capacity, using regasified LNG from importer Petronet. The regasified LNG supply from Petronet is currently around 6 million cubic meters/day enough to fuel two of Dabhol's three power blocks. The plant would need 9 million cm/day to operate at full capacity. Petronet currently has a contract to supply R-LNG to Dabhol until September 2009, an official at the LNG importer said. (Platts, February 26, 2009)

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### **RUSSIA : Sakhalin Energy signs LNG supply deal with Osaka Gas - CNR/48/8/10**

Sakhalin Energy said recently that a sale and purchase agreement had been signed for LNG supply to Osaka Gas. The deal stipulates the supply of approximately 0.2 million metric tons of liquefied natural gas annually for a period of more than 20 years. LNG will be delivered from a plant in the south of Sakhalin Island, which will eventually have a capacity of 9.6 million tons a year. (RIA Novosti, March 4, 2009)

## **STORAGE**

### **CANADA : SGS Industrial Services completes Canaport LNG design verification - CNR/48/8/11**

SGS Industrial Services has recently completed the design verification of three cryogenic liquefied natural gas tanks of Canaport LNG in Saint John, in accordance with Canadian code CSA Z276-01.

Canaport LNG is a consortium between Irving Oil, New Brunswick and Repsol, Spain. The Canaport LNG terminal should begin operations in the second quarter of 2009. The first Canadian LNG terminal has a capacity of 28 million cubic meters of natural gas per day. (Engineeringtalk, March 4, 2009)

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### **CROATIA : Energy companies confident in LNG terminal plan - CNR/48/8/12**

European energy firms said recently that they were confident about getting a location permit to build an Adriatic liquefied natural gas terminal. "We're confident that we can get the location permit at the beginning of

2010 and then start building so that the terminal could become operational on target, in 2014,' the head of the Adria LNG consortium, Michael Mertl said.

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**UNITED STATES : GDF Suez stops Calypso LNG terminal project - CNR/48/8/13**

GDF Suez has recently withdrawn its application to build and operate the Calypso LNG import terminal off the coast of the US state of Florida. The decision was confirmed after Florida governor Charlie Crist highlighted his opposition to the plan.

Calypso informed the US Coast Guard and the Maritime Administration that it was ceasing all licence processing work related to the project, thus withdrawing its application from consideration. Calypso project would have had send-out capacity of up to 1 billion cubic feet per day. (Upstream, March 6, 2009)

**GTL**

**PROCESSING**

**NIGERIA : Chevron to delay GTL and Escravos projects - CNR/48/8/14**

According to the newspaper The Guardian, Chevron will delay the start of production in at least three key projects in Nigeria. The projects Gas To Liquids, Escravos Gas Plant phase 3 and Usan oil field will now start at least a year later than planned. Chevron's chief David O'Reilly said that the costs of the projects would more than

double from initial estimates because of the increased cost of equipment and other setbacks. The GTL plant will now cost 5.9 billion dollars; more than double the initial estimate. The plant is not expected to commence production until 2011 or 2012. The target date had been 2010. Chevron has also put back the start of the expansion of the Escravos Gas Plant, (AFP, March 3, 2009)

**NATURAL GAS**

**EXPLORATION – DISCOVERY**

**PAPUA NEW GUINEA : Antelope-1 well flow tested at 545 MMcf/d - CNR/48/8/15**

InterOil Corporation announced recently that its Antelope-1 well flowed at 382 million cubic feet of natural gas per day with 5,000 barrels of condensate per day. The flow test recorded a maximum calculated rate at 545 MMcfd for a dry gas reading through a 6 inch capacity choke that was only opened to 3 1/2 inches or about 30% of capacity. Conservatively adjusting the dry gas flow rate of 545 MMcfd to compensate for 13 Bbls of condensate per MMcf results in the 382 MMcf effective gas flow rate reported above.

InterOil believes the Antelope-1 well clearly confirms the gas resource potential sufficient to proceed with plans to build a liquefied natural gas plant on company land next to the InterOil refinery. Antelope-1 and previous wells, have confirmed over 120% of full capacity, estimated at 500 MMcfd, for the first proposed LNG train. (Marketwire, March 2, 2009)

**PRODUCTION**

**BANGLADESH : Foreign companies produce more gas than domestic companies - CNR/48/8/16**

Jalal Ahmed, chairman of the Bangladesh Oil, Gas and Mineral Corporation, said recently that the amount of natural gas produced in Bangladesh by international oil companies has exceeded the output of domestic state-run oil firms for the first time. Of total daily gas production totalling nearly 1,825 million cubic feet, international oil firms are supplying about 920 mmcf while the rest is being produced by domestic firms. "Successive governments did not provide adequate funds to domestic firms which make them incapable to develop and explore more natural gas from new discoveries," he said. Gas production by the state-run Bangladesh Gas Fields Company, Sylhet Gas Fields Company and Bangladesh Petroleum Exploration and Production Company has dropped substantially during the last two years as they failed to find new fields. "Petrobangla was compelled to buy more gas from the IOCs to meet the growing demands," Jalal said.

Petrobangla purchases gas from domestic firms at between 7 and 25 taka per unit or 1,000 cubic feet, compared with 130 taka from the international firms (\$1=68.90 taka). (Reuters, February 11, 2009)

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**CHINA : CNOOC plans to produce 8 Bcm from Liwan field - CNR/48/8/17**

China National Offshore Oil Corporation is targeting to produce up to 8 billion cubic metres of natural gas from Liwan field in the South China Sea. CNOOC vice president Zhou Shouwei said first gas was expected by the end of 2012 at a rate between 5 Bcm and 8 Bcm per annum. Liwan has contingent reserves of between 4 trillion and 6 trillion cubic feet of gas based on the Liwan 3-1-1 discovery drilled in mid-2006 in Block 29126. (Upstream, March 6, 2009)

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**CHINA : CNOOC plans to develop production in Chunxiao area in the East China Sea - CNR/48/8/18**

China will continue developing gas prospects in the Chunxiao area in the East China Sea in 2009. China National Offshore Oil Corporation is building a new platform in Rongsheng Heavy Industries in Nantong city of Jiangsu province to complete the first phase development of the field. When facilities are in place in July, CNOOC will drill four production wells at Chunxiao to boost the production there by 1 million cubic metres per day. Chunxiao's development scheme calls for drilling seven wells, which will raise total

production to 1.8 million cubic metres per day. Chunxiao consists of four fields: Tianwaitian, Chunxiao, Canxue and Duanqiao. Tianwaitian and Chunxiao fall into the first phase development, while Canxue and Duanqiao are scheduled for the second phase development. Currently, only Tianwaitian is producing at 400,000 cubic meters per day. The Japan government fears China's exploration new Chunxiao, west of the median line that China does not recognise, may siphon off resources from Japan's side and it has repeatedly lodged protests with Beijing. (Upstream, March 6, 2009)

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**CHINA : Government plans to produce 120 Bcm/y of gas in 2011 - CNR/48/8/19**

The latest government planning will see the natural gas production increase to 86 billion cubic metres in 2009, to 105 Bcm in 2010 and to 120 Bcm by 2011. In 2008, China produced 76.1 Bcm of natural gas, up by 12.3% on the year. Before 2011, China aims to add 65 Bcm of new natural gas production capacity by proving up 1.2 trillion cubic metres of gas reserves. (Upstream, March 6, 2009)

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**INDIA : ONGC to invest in development of Panna and Mukta offshore fields - CNR/48/8/20**

Oil and Natural Gas Corp said recently it would spend \$206.2 million as its part of investment to lift oil and gas output at the western offshore fields of Panna and Mukta. ONGC owns a 40 percent

stake in the joint venture that operates the fields. Reliance Industries and the Indian unit of BG Group PLC own 30 percent each. The partners aim to recover about 22.8 million barrels of oil and 33.6 billion cubic feet of gas, ONGC said in a statement.

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**INDONESIA : BP to sell its stake in the Offshore North West Java field - CNR/48/8/21**

BP has recently put up for sale a 46 percent stake in an offshore oil and gas field in Indonesia's West Java. The Offshore North West Java (ONWJ) block produces 24,000 barrels of oil per day and around 220 billion British thermal unit of gas a day. "BP plans to complete the divestment by the

end of 2009. "ONWJ production sharing contract has been an important part of our portfolio for many years. However, it does not fit with the company's long term strategy," BP said in a statement. Other major shareholders in ONWJ include CNOOC with 36.72 percent and Inpex with 7.25 percent, BP said. (Reuters, February 26, 2009)

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**RUSSIA : Consortium awarded an engineering contract for the Shtokman project - CNR/48/8/22**

Technip, in a consortium with Aker Solutions and SBM Offshore, has been awarded by Shtokman Development AG an engineering contract for the floating production unit for the offshore portion of the first phase of the integrated development of the Shtokman gas-condensate field in Russia. The contract is

scheduled to be completed in the first half of 2010. It includes concept definition for the floating production unit, front end engineering design for the hull, turret & mooring system and topsides. The consortium is committed to take any opportunity to increase the Russian content and transfer its technology as per the guidelines provided by Shtokman Development AG. (Business Wire, February 26, 2009)

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**SAUDI ARABIA : Saudi Aramco awards Karan field development contracts - CNR/48/8/23**

Saudi Aramco awarded recently contracts to Petrofac Ltd. and Hyundai Engineering & Construction Co. Ltd. to develop Karan gas field, which is expected to start production in mid-2011. Petrofac was awarded an engineering, procurement, and construction contract to design the Karan utilities and a 150-Mw cogeneration unit. The field will produce 1.8 bcf/d of sour gas,

which will be processed at the Khursaniyah gas plant, and a 47-km gas pipeline, 50 km northwest of Jubail in Saudi Arabia's Eastern province. Hyundai will start building the plant this month. It will include gas processing trains consisting of gas handling, sweetening, dehydration, acid gas enrichment, and supplementary propane refrigeration. (Oil and Gas Journal, March 2, 2009)

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**UNITED STATES : Chesapeake Energy cuts production and drilling plans facing low gas price - CNR/48/8/24**

Chesapeake Energy has recently scaled back its US mid-continent gas production by 240 million cubic feet per day due to current low wellhead prices for the volumes. The company has cut its production by about 200 million cubic feet per day of natural gas, at least for March. The producer is also examining the possibility of a further 10% reduction in drilling activity if prices do not improve

over the next few months. "During March 2009, most mid-continent natural gas prices at major interstate pipeline delivery points will average about \$2.70 per thousand cubic feet, a price at which most natural gas production is unprofitable," said Chesapeake chief executive Aubrey McClendon. "We believe low wellhead prices combined with constrained capital availability will likely cause US drilling activity to decline well beyond the 40% drop already seen since August 2008. (Upstream, March 6, 2009)

## **RESERVES**

**EGYPT : Gas reserves may exceed 70 trillion cubic feet - CNR/48/8/25**

According to studies prepared by experts of the Wood McKenzie Corporation, Egypt's confirmed natural gas reserve is more than 70 trillion cubic feet. Greg McMahon, the global corporation chief for the Middle East, North Africa and the Indian Subcontinent regions, said "Egypt has attained the largest number of exploratory wells – 900 – during the current decade". (Egypt State Information Service, March 5, 2009)

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**NIGERIA : Stranded gas reserves estimated at 200 Tcf - CNR/48/8/26**

The Managing Director and Chief Executive of the Nigeria Liquefied Natural Gas (NLNG), Chima Ibenneche disclosed recently that 100 trillion cubic ft of the nation's 200 trillion estimated gas reserve are stranded and not available for use. The NLNG boss observed that for Nigeria to hold its position as a respected and significant member of the world's LNG export community, it must make more effort to create local industry and carry out a proper clarification of investors before embarking

on any project. Total warned recently the Nigerian government that without investments, it would fail to meet its gas and LNG export commitments and its requirements for domestic power generation. The Senior Vice-President, Exploration and Production, Africa Total, Jacques Marraud des Grottes also said that flared gas projects will deliver an additional 1 billion cubic feet of gas daily to the market by 2010. (AllAfrica, February 26, 2009)

## **PROCESSING**

**AUSTRALIA : Clough receives construction contract for Devil Creek processing facility - CNR/48/8/27**

Clough won recently a contract on the Devil Creek gas processing project off Western Australia owned by Apache Energy and Santos. Clough said it would provide engineering, design works, procurement of all permanent materials and equipment and assembly of all modules for the onshore facility at the project.

Options exist to increase the scope of work based on mutual agreement between Clough and Apache, it said. (Adelaide Now, March 5, 2009)

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**NIGERIA : Shell hopes to restart soon Soku plant output - CNR/48/8/28**

Shell said recently it is hopeful output at its Soku gas plant, which supplies Nigeria's main LNG facility, would be restored in the coming weeks after the completion of pipeline repairs. Shell declared force majeure in November 2008 on its gas supplies to Nigeria LNG Limited after thieves tapping into pipelines forced it to shut down the plant for repairs. Ann Pickard, Shell's regional executive vice president for Africa, said 1.6 million tonnes of liquefied natural gas had been lost since the plant shut down. (Reuters, February 24, 2009)

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**RUSSIA : Authorities approve Yuzhno-Priobsky gas processing plant project - CNR/48/8/29**

Central State Expertise Department approved recently the project documentation for Yuzhno-Priobsky gas processing plant and pipeline to be constructed for the production and transportation of residue gas to the gas transportation system. Until Yuzhno-Priobsky gas processing plant comes onstream the pipeline with the length of 6.9 km will be used in the reversing mode to supply gas from the gas transportation system to Yuzhno-Priobskaya

GTPP that is being constructed at the moment by Gazpromneft-Khantos LLC. The pipeline construction is due for completion in the third quarter 2009. In August 2007 Gazprom Neft JSC and SIBUR Holding JSC set up a joint venture Yuzhno- Priobsky GPP LLC for the processing of associated petroleum gas from Yuzhno-Priobskoye field. In December 2008 Yuzhno-Priobsky GPP LLC received from Gazprom JSC official specifications for the tie-in of Priobsky GPP pipeline to the mainline "Gas supply of Khanty-Mansiysk city". (Cable Directory, March 2, 2009)

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**UNITED ARAB EMIRATES : EPiC Energy wins EPCM contract for sour gas processing plant - CNR/48/8/30**

EPiC Energy Resources, Inc. announced recently that Pearl Development Company (Pearl), a wholly-owned subsidiary of EPiC, has received a contract from a client in the United Arab Emirates. Pearl is contracted to provide engineering, procurement, and construction management services to support the build-out of a sour gas processing facility. The unit will be designed to process 60 Million standard cubic feet per day of

sour gas containing up to 4% H<sub>2</sub>S. Pearl estimates the project to be completed by year end 2009. New processing units will be integrated into an existing gas plant and will consist of new amine treating and modifications to the condensate stabilization, inlet compression, gas dehydration, cryogenic processing for LPG recovery and export compression to the sales pipeline. The design will also include provisions for the future installation of a Sulphur Recovery Unit. (PRNewswire, March 3, 2009)

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**UNITED STATES : UOP and Newpoint Gas sign agreement for use of membrane gas processing technology - CNR/48/8/31**

UOP LLC, a Honeywell announced recently it has signed an agreement with Newpoint Gas, LP to exclusively use UOP Separex membrane technology in the design of specific gas treating plants in Canada and the United States. UOP's Separex technology upgrades natural gas streams by removing carbon dioxide and water vapour in order to meet the quality standards specified by pipeline transmission and distribution companies, as well as end users of the natural gas. To date more than 70 Separex systems have been installed worldwide. (Webwire, March 4, 2009)

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**TRANSPORTATION-DISTRIBUTION**

**BULGARIA : Government interested in ITGI Gas Pipeline Project - CNR/48/8/32**

Bulgaria's President Georgy Parvanov announced recently his country's "intense interest" in participation in the Interconnector Turkey-Greece-Italy (ITGI) gas pipeline. The ITGI project comprises of three interdependent pipeline sections, one of which, the Turkey-Greece-Italy Interconnector, has been in operation since November 2007, delivering up to 0.75.bcm/year of gas to Greece. The second section is to cross northern Greece to the Ionian coast, from where a subsea section to Italy will be built by a 50/50 joint

venture between Edison and Greek state gas company DEPA. ITGI's planned throughput capacity is 11.5 bcm/y, of which 8 bcm/y is committed to the Italian market. The project is expected to become operational in 2013-2014, but partners still have to secure export commitments from Azerbaijan. (Middle East Economic Survey, March 9, 2009)

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**CANADA : Spectra Energy signs transportation agreements for Northeast BC Pipeline Expansion Project - CNR/48/8/33**

Spectra Energy Corp announced recently that it has executed firm Service Agreements with customers related to the proposed expansion of the company's Transportation North (T North) natural gas transmission facilities in Northeastern British Columbia. The T North expansion project will increase eastbound transportation capacity by 153 million cubic feet per day from Spectra Energy's McMahon Plant in Taylor, BC, to interconnections with TransCanada Pipeline and Alliance Pipeline near Gordondale, Alberta.

The project also will increase westbound capacity by 112 MMcf/d from the McMahon Plant to Compressor Station 2 at the interconnection with the company's Transmission South system, near Chetwynd, BC. The company is currently working to finalize the design of the new facilities, with the eastbound expansion slated to be in-service by early 2010 and the westbound expansion to be in-service toward year-end 2010, subject to the receipt of regulatory approvals. (CNW, March 3, 2009)

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**EUROPE : German Chancellor opposed to EU funding for Nabucco - CNR/48/8/34**

German Chancellor Angela Merkel confirmed recently her country's opposition to funding the Nabucco gas pipeline project with European money, stressing that the problem is not financing but finding the gas to feed the pipeline. At a recent Nabucco summit in Budapest, Hungarian Prime Minister Ferenc Gyurcsány described Nabucco as an issue of national security and suggested that the EU should finance the strategic project.

A day after, in a proposal to reallocate five billion euros' worth of unspent EU funds, the Commission earmarked 250 million for Nabucco. However, this amount in fact represents a risk-sharing facility, intended to help secure loans from banks under better conditions than those offered by the market. (Euractiv,

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**EUROPE : New gas transit pipeline planned between Hungary and Croatia - CNR/48/8/35**

Hungary and Croatia plan to build a new gas transit pipeline by mid-2011 which would ship gas from Hungary to Croatia, but would also allow two-way shipments later, MOL's gas transmission arm said recently. The company, FGSZ Zrt said that the new pipeline would have an annual capacity of around 6.5 billion cubic metres. The

heads of Plinacro and FGSZ signed a joint development agreement aimed at connecting the pipeline networks of Hungary and Croatia, a Plinacro official said. She said the pipeline will be reversible. FGSZ will build the 206-km Hungarian section of the pipeline, while Croatia will cover the costs of the 88 km stretch in Croatia, the Hungarian firm said. (Reuters, March 2, 2009)

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**NIGERIA : Nigerian National Petroleum Corporation launches prequalification bids for pipeline contracts - CNR/48/8/36**

Nigerian National Petroleum Corporation subsidiary Nigerian Gas Company is seeking prequalification bids for three pipeline contracts:

- for engineering, procurement and construction work for the Ajaokuta gas pipeline system. The scope of work includes engineering design, procurement, construction, installation, testing and commissioning of a 56-inch, 55km Class 600 gas supply pipeline, a 48-inch, 340km Class 600 pipeline, and gas processing and pressure reduction facilities.

- for EPC of a pipeline from Obiafi/Obrikom to Oben. The scope of work includes engineering design, procurement, construction, installation, testing, and commissioning of a 48inch, 107km Class 600 pipeline, and facilities as above.

- prequalification for the Ajaokuta-Abuja- Kaduna-Kano Class 600 gas pipeline system's EPC contract. Work includes a 48inch, 587km pipeline system from Ajaokuta to Kano, a 20-inch, 15.5km spur from Abuja node to Abuja terminal gas stations, a 24-inch, 250kni spur from Zaria to Katsina, and terminal gas stations in Abuja, Kaduna and Kano. (African Energy, March 9, 2009)

**UNITED STATES : Oneok Partners announces completion of Guardian Pipeline expansion - CNR/48/8/37**

Oneok Partners announced recently the completion of the Guardian Pipeline expansion and extension project. The pipeline, meter stations and associated compressor stations are now fully in service, extending the existing 143-mile Guardian natural gas pipeline system that originates near Channahon, Ill., and ends at Ixonia, Wis., by approximately 119 miles and adding 537,200 dekatherms per day of natural gas transportation capacity.

The Public Service Commission of Wisconsin previously granted approval for Wisconsin Public Service Corporation, a wholly-owned subsidiary of Integrys Energy Group, Inc and We Energies, the utility segment of Wisconsin Energy Corporation, to construct lateral connections to the new pipeline. (PRNewswire, February 26, 2009)

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**UNITED STATES : Spectra Energy and National Grid USA stop pipeline project - CNR/48/8/38**

Spectra Energy and National Grid USA have recently withdrawn their appeal to the U.S. Commerce Department to overturn Connecticut regulators' denial of environmental permits for the Islander East project, a natural gas pipeline in Long Island Sound between Connecticut and New York. (Associated Press, February 27, 2009)

**SUPPLIES - IMPORTS – EXPORTS**

**ALGERIA : Sonatrach signs gas sales agreement with Orascom - CNR/48/8/39**

Sonatrach signed recently a 20-year sales-purchase contract with Egypt's Orascom Construction Industries (OCI) to supply 1.7 bcm/year of gas to the ammonia/urea plant that the two companies are developing in Algeria from 2011.

President 'Abd al-'Aziz Bouteflika laid recently the cornerstone for another fertilizer plant being built at Arzew by a joint venture between Sonatrach and the Omani firm Suhail Bahwan Group Holding (SBGH). This second complex is due on-stream in 2013 and will require 2 bcm/y of gas feedstock (Middle East Economic Survey, March 9, 2009)

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**INDIA : Reliance Industries to supply gas to Tata Chemicals - CNR/48/8/40**

Tata Chemicals signed recently an agreement to buy natural gas from Reliance Industries for its urea plant in Uttar Pradesh, a senior company official said. Tata Chemical's Babrala unit will get 0.88 million cubic meters per day of gas. After 0.88 mmscmd gas from RIL, the plant's entire 2.24 mmscmd gas requirement would be fully

met. The plant had recently completed debottlenecking process. Tata Chemicals will pay \$4.20 per million British thermal unit price plus transportation charges and taxes, Tata Chemicals Executive Director Kapil Mehan said. He added the Babrala unit currently receives 1.46 mmscmd gas from the state gas utility GAIL India and the Indian Oil Corp (IOC). (India times, March 3, 2009)

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**IRAN : NIGEC and Bulgargaz to discuss joint ventures in gas supply - CNR/48/8/41**

The National Iranian Gas Export Company and Bulgarian state firm Bulgargaz are to set up a joint study committee to discuss potential joint ventures, NIGEC Managing Director Reza Kasaizadeh said recently. A delegation from Bulgargaz visited Tehran and Mr Kasaizadeh said that the two sides had discussed the supply of Iranian natural gas to Bulgaria, Bulgargaz participation in gas export pipeline projects, and Bulgarian investment in proposed Iranian LNG

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**RUSSIA : Gazprom inks gas swap deal with Gas Natural - CNR/48/8/42**

Gazprom signed recently a gas swap deal with Gas Natural which includes liquefied natural gas supplies from Russia's Shtokman field to be delivered to Spain, Gazprom CEO Alexei Miller said. Miller said "Up until now, Gazprom has not supplied natural gas to Spain,

In accordance with this agreement, gas under Gazprom contracts will appear on the market of that country in the near future". "But in accordance with the agreement, Spain will in the future receive liquefied natural gas from the Shtokman gas field, which will be put into operation in 2014," Miller said. He added "We are

considering the possibility of our Spanish colleagues working in Russia in the future. In the first place, this concerns the Yamal liquefied natural gas project". (RIA Novosti, March 3, 2009)

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**UZBEKISTAN : Gas supply to Tajikistan will restart after full repayment of the debt - CNR/48/8/43**

Saidmamad Sharofiddinov, the director of the state-owned utility said recently that Tajiktransgaz Uzbekistan is requiring the full repayment of Tajikistan's \$18 million debt before it will fully restore gas exports to the country. Uzbekistan has been exporting only 50 percent of the gas Tajikistan needs because the debt is unpaid. Tajiktransgaz has repaid \$4 million, and company officials say that citizens owe \$1 million and various companies owe the other \$13 million. An earlier agreement between Tajikistan and Uzbekistan increased gas prices in 2009 by \$100 per 1,000 cubic meters of gas, meaning Tajikistan is now paying \$240. (Radio Free Europe, March 5, 2009)

**STORAGE**

**ITALY : Avelar Energy wins approval to build a gas storage facility in Matera Province - CNR/48/8/44**

Avelar Energy, a Zurich-based company, won recently permission from two Italian ministries to build a natural-gas storage facility. The environment and culture ministries approved the construction of a storage site to hold 700 million cubic meters of gas in Italy's Matera province. The facility will be completed by 2011 and may be expanded to hold 1 billion cubic meters of gas. (Bloomberg, February 25, 2009)



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**NETHERLANDS : BAM to build installations of Zuidwending underground gas storage facility - CNR/48/8/45**

BAM Group has recently won the contract to build gas installations for the first underground natural gas storage facility in salt caverns in the Netherlands. The project will be implemented near the village of Zuidwending (Veendam municipality) in Groningen province.

The natural gas storage facility will be built, operated and maintained on behalf of Gasunie and Nuon by the dedicated joint venture Zuidwending VOF. The project is scheduled for completion at the end of 2010. The natural gas storage facility will consist of four salt caverns with a total storage capacity of 180 million m<sup>3</sup>. The facility is favourably situated near the existing natural gas transport network and the Groningen gas field near Slochteren. (Oilvoice, March 1, 2009)



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