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LNG

PROCESSING

WORLD: Samsung Heavy and Technip receive floating LNG facility order from for Shell – CNR/49/7/1

Samsung Heavy Industries Co. said recently that it has won a deal to build a floating liquefied natural gas facility for Royal Dutch Shell Plc. Samsung Heavy said the value of the contract will be decided by April 1, 2010. In July 2009,

Samsung Heavy signed an agreement with Royal Dutch Shell to construct LNG facilities for up to 15 years. Under the agreement, Samsung Heavy and Technip SA will design, construct and install multiple floating LNG facilities. Work will begin in 2012 with delivery scheduled for 2016. (Asia Pulse, March 9, 2010)

TRANSPORTATION-DISTRIBUTION

QATAR: Nakilat takes delivery of LNG carrier Zarga – CNR/49/7/2

The Q-Max LNG Carrier "Zarga" (266,000 cubic meters) was recently delivered to Nakilat at Samsung Heavy Industries shipyard on Geoje Island. The carrier was chartered on long term contract to Qatargas Operating Company Limited. The LNG carrier "Zarga" will be used to ship LNG produced by Qatar Liquefied Gas Company Limited (4) to markets primarily in the North America, China, and Dubai. (The Peninsula, March 8, 2010)

SUPPLIES - IMPORTS - EXPORTS

ALGERIA: Energy Minister forecasts a big need for gas within the next two to three years – CNR/49/7/3

Algerian Energy Minister Chakib Khelil said recently that the global slump in demand for liquefied natural gas is temporary and demand will recover within the next two to three years. "If we look at the long term, definitely from the environmental point of view and from the point of view of satisfying global demand, there is going to be a big need for natural gas," Khelil said. "So we think that this is just a transitory problem and it is going to pass away within two or three years and

things will come back again, especially as, because of this crisis, lots of investments that had been planned have been postponed," he said. Khelil said Algeria, which is building two new LNG plants to be completed within the next four years, was pursuing further LNG sales in Asian markets. "Basically our traditional market is Japan and then Korea and of course China is a very interesting market," he said. "With India we are already discussing" he said, adding that any exports destined for India would come from the LNG plants under construction. (Reuters, March 9, 2010)

ARGENTINA: Six bidders for LNG supply – CNR/49/7/4

Enarsa announced recently that Repsol YPF SA, Morgan Stanley's, Gas Natural SDG SA, Cheniere Energy Inc., Excelebrate Energy LLC and Marubeni Corp. are bidding to supply liquefied natural gas to Argentina from May to September 2010. The liquefied natural gas will be processed on a regasification vessel off the southern coast of Buenos Aires province. The winning bidders will deliver as many as five shipments, each equal to 3 million MMBTU, Enarsa said. The government accepted bids for a total of 12 shipments and will close an auction for two more tomorrow, Enarsa said. (Bloomberg, March 11, 2010)

INDONESIA: BPMIGAS signs LNG supply deal with Chubu Electric – CNR/49/7/5

BPMIGAS said recently it had signed a liquefied natural gas supply deal with Japan's Chubu Electric amounting to 2 million tonnes by 2015. Indonesia would supply 250,000 tonnes annually between 2011 and 2012 and 500,000 tonnes per year from 2013 to 2015, BPMIGAS spokesman Amir Hamzah said. BPMIGAS chief Priyono said the LNG was set to come from the Tangguh project in Papua province, and was to be part of the LNG lifted by U.S. firm Sempra Energy and sold to other customers. Sempra has a 20-year contract to lift 3.6 million tonnes per year of LNG from the 7.6 million-tpy Tangguh project, led by BP It has the right to divert half its volume to customers other than its own new terminal in Mexico. (Reuters, March 9, 2010)

RUSSIA: Gazprom will continue to finance construction of gas distribution networks in Altai Republic – CNR/49/7/6

Gazprom will allocate another 1.9 billion roubles for gas supply of the Altai Republic in 2010-2014. A total of 1.1 billion roubles were earmarked for these purposes in 2007-2009. An agreement on this issue was recently reached by Gazprom CEO Alexei Miller and head of the Altai Republic Alexander Berdnikov. Gazprom will allocate around three billion roubles to implement the program of gas supply of the Altai Republic. In 2009, Gazprom allocated gratis 500 million roubles for the construction of inter-settlement and distribution networks. According to the results of the meeting between Miller and Berdnikov, an agreement was reached to continue the gas supply program until 2014. In 2011-2014, the state company will continue financing the construction of gas distribution networks in Gorno-Altai and Altai rural areas adjacent to it. At present, the average level of gas supply of the region amounts to less than one percent. On the average in Russia, this index is equal to 63.2 percent. (Itar-Tass, March 5, 2010)

STORAGE

BANGLADESH: Authorities and experts to select a site for the future LNG terminal – CNR/49/7/7

A delegation of 35-members of the Ministry of Power, Energy and Mineral Resources visited recently Chittagong to choose suitable site for installation of a LNG terminal having a storage capacity of 3.5million tonnes of gas. Besides, top officials of Accelerator USA, a mother company of the Philippines based TNO Exploration Corporation visited the sites also to provide technical support to Bangladesh for installation of the terminal. Petrobangla Chairman Prof Hossain Monsoor said the delegation will also visit Sanghu, Moheshkhali



and Kutubdia through Bangladesh Navy Ship, Petrobangla. "Qatar is interested to invest in transportation, river dredging, housing in coastal belt here," Monsoor said, adding, "We proposed them to assist us in LNG sector during their visit here". He hoped that the Government would complete the LNG station within two years. PDB Chairman ASM Alamgir Kabir said the Government wants to invite pre-qualification tender to site selection of the terminal and other necessary measures to install the terminal immediately. A total of twenty leading multinational companies in US, Europe and Asia have shown their interest to invest in government initiated LNG terminal during three separate road shows in London, Singapore and New York recently. (The New Nation, March 8, 2010)

CANADA: Canaport LNG terminal plans to double supply to New England in winter 2010 – CNR/49/7/8

Canaport liquefied natural gas terminal in eastern Canada plans to double shipments into New England in winter 2010. The terminal, located in Saint John, New Brunswick, may ship an average of 800 million cubic feet a day of natural gas into the Northeast via pipeline compared with an average of 400 million shipped in winter 2009, Phillip Ribbeck, president of Repsol Energy North America, said. About 25 percent of power

generators in New England can switch between gas and fuel oil based on price and availability, according to ISO New England, which manages the region's power generation and distribution. LNG represents about 20 percent of New England's gas supply, according to Northeast Gas Association, a regional industry organization. "Canaport is very well positioned to be an important part in the New England market," said Damien Gaul, an economist and gas specialist at the U.S. Energy Department. "They can meet swing demand by their close access to the New England market.

We expect a significant increase of LNG imports at Canaport during the entire year". About 50 percent of Canaport's LNG imports come from Trinidad and Tobago, Ribbeck said. Ships from Egypt, Norway and Qatar also supply the port. Supplies will start coming from Peru in the middle of 2010, he said. Repsol owns 75 percent of Canaport, and St. John-based Irving Oil Corp. owns 25 percent. Repsol has contracted for 100 percent of the capacity. (Maritime News, March 5, 2010)

CHINA: China Natural Gas inks installation contract for Jingbian LNG project – CNR/49/7/9

China Natural Gas, Inc. announced recently that the Company has signed an installation contract with China Nuclear Industry Fifth Construction Co., Ltd. for its liquefied natural gas project. According to the contract, China Nuclear Industry Fifth Construction Company will ensure the installation of core processing equipment in the plant as well as related engineering be completed before June 30, 2010 with labour, material,

quality, duration, and safety specified in the contract. This will mark the commencement of the test run of Phase I of the LNG project and the prelude of commercial production. China Natural Gas Chairman and CEO, Qinan Ji said "The Jingbian LNG project is the first liquefied natural gas plant in Shaanxi approved by the NDRC and Shaanxi Provincial Government". Upon completion, the LNG project will have production capacity of 500,000 cubic meters per day. (PRNewswire, March 4, 2010)

CROATIA: Changes of participation in Krk Island LNG project – CNR/49/7/10

An economy ministry source said recently that Croatia's energy firms will change their participation structure in an Adriatic liquefied natural gas terminal project to help make it operational in 2014. The capacity of the future terminal, to be built on the northern Adriatic island of Krk, is planned at 15 billion cubic metres of gas per year. "Our two state-owned energy firms, HEP and Plinacro, will form a Croatian consortium for the LNG, but INA will go alone" the source said. (Reuters, March 11, 2010)

FRANCE: Total secures regasification capacity in the planned EDF's Dunkirk LNG terminal – CNR/49/7/11

EDF and Total announced recently the signature of an agreement whereby Total will reserve regasification capacity in the planned Dunkirk LNG terminal being developed by Dunkerque LNG, a wholly-owned EDF subsidiary, and will also acquire an interest in the company. With regasification capacity of between 10 billion and

13 billion cubic meters per year, the terminal being developed by Dunkerque LNG would be able to meet more than 20% of French natural gas demand. Dunkerque LNG will make the final investment decision in summer 2010, with a view to commissioning in 2014. The project remains subject to the necessary regulatory approvals, successful marketing and construction calls for tenders. (Total press release, March 8, 2010)

GREECE: Qatar in talks for LNG terminal construction in Astakos Naval Industrial Zone – CNR/49/7/12

It has been recently reported that Greece and Qatar are in the process of negotiations for the development of natural gas projects in the Astakos Naval Industrial Zone (NAVIPE) in the western part of Greece. The Emirate is set to invest 3 billions euro to create a LNG terminal and a unit that will produce electric power. (Capital, March 8, 2010)



INDIA: Karnataka Power may construct LNG regasification plant at Karwar port – CNR/49/7/13

Karnataka Power Corp. may build a 2.5 million metric ton/year liquefied natural gas import terminal to help fuel a new plant. The company has called for feasibility studies into a proposed floating storage and regasification terminal at Karwar port, Ashoka Murthi, a manager of the

gas- based power plant project said recently. The terminal will supply gas to the planned Tadadi plant, which is expected to have a capacity of 2,100 megawatts that will later be doubled to 4,200 megawatts, Murthi said. Karnataka Power currently operates plants with a combined installed capacity of 5,510 megawatts of hydroelectric, thermal and wind energy. (Bloomberg, March 11, 2010)

MEXICO: First LNG cargo may be delivered at Manzanillo by late 2011 – CNR/49/7/14

Benjamin Palomo Sanz, head of Repsol YPF's LNG operations said recently that the company may deliver the first shipment of liquefied natural gas to the Manzanillo regasification plant in Mexico in 2011. The plant, which is being built by Mitsui & Co., Samsung Heavy Industries Co. and Korea Gas Corp., may reach capacity by mid- 2012, he said . Repsol is selling gas to the state's Federal Electricity Commission. Repsol plans to start operating a plant in Peru in June 2010 that will be supplied by gas from the Camisea fields, Sanz said. Mexico will import about 500 million cubic feet of gas a day from Peru that will be processed at the Manzanillo gasification plant to meet domestic demand, President Felipe Calderon has said. (Bloomberg, March 11, 2010)

NETHERLANDS: Liongas cancels plans to build LNG terminal in Rotterdam – CNR/49/7/15

According to spokesman Harry van Rietschoten of 4Gas, of which Liongas is a subsidiary, the plan to build a new LNG terminal at the "Kop van de

Beer" area in the Europoort section of the port of Rotterdam has been annulled. The Liongas terminal, with a planned capacity of 12 bcmpa, would be the second LNG terminal in Rotterdam. (TanksTerminal, March 6, 2010)

SOUTH AFRICA: Gigajoule Africa plans LNG terminal to supply Western Cape market – CNR/49/7/16

Gigajoule Africa plans to supply the Western Cape markets with a combination of piped gas and compressed natural gas (CNG). Mobile units of CNG will initially supply gas to remote areas until the demand increases to justify installing a pipeline. Once all the licences have been approved and the final board decisions have been received, it will take Gigajoule 30 months to commission the LNG importation facilities and gas infrastructure. Gigajoule's Johan de Vos said that this venture is much needed in the energy-scarce southern coastal region of South Africa and he is of the opinion that a new licence application will be favourably received.

The company's engineering department is also currently looking at the optimisation of engineering and infrastructure costs. Gigajoule owns a 49.6% share in the Mozambican Matola Gas Company (MGC), which transports, distributes and sells gas to industrial, commercial and domestic consumers in the Maputo region. In 2009, MGC invested \$2-million in additional infrastructure to supply gas to new industries. (Engineering News, March 12, 2010)

GTL

PROCESSING

BRAZIL: Petrobras, Toyo Engineering and Modec in GTL floating plant partnership – CNR/49/7/17

Toyo Engineering Corporation, and Modec, Inc., which have been working together since November 2007 on the development of small- and medium-scale GTL, concluded recently a cooperation agreement with Petroleo Brasileiro S.A. to construct the verification facility. The verification plant of the new GTL process uses the microchannel reactor and will be constructed within the Petrobras refinery, located in Fortaleza, Ceara, Brazil. Construction is due to finish at the beginning of 2011 when the verification operation will take



place, and data will be collected for designing commercial plants. The new GTL process will enter the phase of commercialization by the end of 2011. Petrobras will cooperate with the verification test in order to increase oil production by liquefying gas produced from the offshore crude oil production and natural gas in gas fields located in remote areas within Brazil through the GTL. In addition, the microchannel reactor is produced with the cooperation of Kobe Steel, Ltd. After the verification tests have been completed successfully, it is envisaged that a small-scale GTL to be mounted on a floating production, storage and offloading unit for processing associated gas produced from offshore oil development operations, will be used. (Toyo Engineering press release, March 4, 2010)

UZBEKISTAN: Technip wins contract for feasibility study of a GTL plant – CNR/49/7/18

Uzbekistan GTL LLC has let to Technip a reimbursable services contract for a detailed feasibility study of the gas-to-liquids project it plans to build 40 km south of Qarshi, Uzbekistan. Uzbekistan GTL is a joint venture of state-owned

Uzbekneftegas, Sasol Synfuels International and Petronas. The plant would use the proprietary Sasol Slurry-Phase Distillate process to produce about 1.3 million tonnes/year of diesel, kerosene, naphtha, and LPG. (Oil and Gas Journal, March 8, 2010)

NATURAL GAS

EXPLORATION – DISCOVERY

EGYPT: Circle Oil tests gas at Al-Amir SE-5 appraisal well – CNR/49/7/19

Circle Oil Plc announced recently that the Al-Amir SE-5 appraisal well has been successfully drilled and production tested in the Al-Amir Development Lease in the onshore North West Gemsa Concession in Egypt. The well flowed 42° API oil at sustained average rates of 6,150 bopd and 6.9 MMscfd of gas using a 64/64" choke and at 4,300 bopd and 4.9 MMscfd of gas using a 48/64" choke.

The NW Gemsa concession, containing the Al-Amir and Geyad Development Leases, covering an area of over 260 square kilometres, lies about 300 kilometres southeast of Cairo in a partially unexplored area of the Gulf of Suez Basin. The concession agreement includes the right of conversion to a production licence of 20 years, plus extensions, in the event of commercial discoveries. The North West Gemsa Concession partners include: Vegas Oil and Gas (50% interest and operator); Circle Oil Plc (40% interest); and Sea Dragon Energy (10% interest). (AME Info, March 9, 2010)

EGYPT: Dana Gas reports gas discoveries in the Nile Delta – CNR/49/7/20

Dana Gas PJSC announced recently two gas discoveries in the Nile Delta. The first discovery was at El Panseiya-1 in the West El Manzala Concession and produced 10 million standard cubic feet per day of dry gas. The preliminary estimate of the recoverable reserves is from 8-13 billion cubic feet of gas. The second discovery, South Faraskour-1, also in the West El Manzala Concession tested 16.3 mmscfd of gas with

condensate. The preliminary estimate of the recoverable reserves is 27-57 bcf of gas with associated condensate. Both the El Panseiya-1 and South Faraskour-1 discoveries are expected to be tied in to the Company's nearby El Wastani gas processing plant by the end of 2010. Dana Gas also announced the first production from its West Qantara Concession in the Nile Delta from the Sama Field which was put on stream in February 2010. (Oilvoice, March 7, 2010)

LIBYA: Sirte Oil finds gas in the Ghadames Basin – CNR/49/7/21

Drilling of Well A2-NC151 to determine extent of the Hawaz Formation was completed recently. The preliminary results of well logs proved the gas containment. Therefore, the well was tested at 4.5 Mmscf/d. (Sirte Oil press release, March 9, 2010)

PRODUCTION

CAMAROON: Victoria Oil & Gas discovery produces enough gas to supply industrial customers in Douala – CNR/49/7/22

Victoria Oil & Gas announced recently that their Cameroon project, the La-105 well, is showing rates in excess of 55 million cubic feet of natural gas and 1,000 barrels of oil equivalent per day. Logbaba is located in Douala. Victoria signed an in-principle agreement with industrial customers in Douala for around 8 MMscf/d of natural gas at a price of US\$16 per thousand cubic feet. The company confirmed that production levels at the prospect are sufficient to satisfy industrial demand in Douala. (Stockopedia News, March 9, 2010)

IRAN: An Eastern European company to invest in Lavan gas field development – CNR/49/7/23

The head of Iranian Offshore Oil Company Mahmoud Zirakchianzadeh said recently that Iran has finalized technical and financial terms with an Eastern European company to expand the Lavan gas field. The Lavan gas field, southern Iran, aims

at producing 4 million tonnes of liquefied natural gas and 600 million cubic feet of gas per year. "The European company has received a state permit to participate in the project in Iran," he said. The Lavan gas field has in place gas reserves of around 12 trillion cubic feet. (Bernama, March 9, 2010)

IRAQ: Government extends for six months associated gas venture deal with Shell – CNR/49/7/24

Iraq recently extended a MoU with Shell on a natural gas venture around the southern oil hub of Basra for six months from March 2010, Iraq's Oil Minister said. 'We will resume talks with Shell after the election,' the minister, Hussain al-Shahristani added Iraq has been working to finalize the venture between its South Gas Company, Shell and Mitsubishi. The deal would capture gas currently flared at oilfields and use it for the domestic market or exports. (Reuters, March 7, 2010)

PAKISTAN: Pressure decreases in Qadirpur gas field – CNR/49/7/25

A senior official at the Water and Power Ministry said recently that the gas pressure in the Qadirpur gas field has decreased to 690 pound per square inch (psi), just 50 psi above the dangerous level of 640 psi at which gas will not be able to be injected from the field into the system due to back pressure of the Sui Northern Gas Pipeline Limited (SNGPL) pipeline. "As per the gas sales agreement inked between the SNGPL and the Qadirpur Joint Venture, the gas provision to the SNGPL has been ensured at 750 psi, but now this pressure has gone to the level of 690 psi from 750 psi. So much so the gas reserves in the field, as per the rough estimates, are getting depleted by 100 million cubic feet per day just because of the delay in installation of compressors," the official added. He said the Qadirpur gas field was a

national asset of the country, as the OGDCL generated 40 per cent of the total revenue from this field. Managing Director Rashid Lone said the SNGPL was currently getting almost 450 million cubic feet gas per day against the agreement of 600 million cubic feet of gas. "The Liberty Power Limited is being provided 50 mmcf and the Engo 35 mmcf gas per day," he added. OGDCL MD Shah Mehboob Alam said. "However, the incumbent management is working on a war footing to install 14 compressors by May-June. The target is to commission the compressors by June 30, 2010 and this would help increase the production of the raw gas to 690 mmcf per day". He added "The SNGPL has started construction work to complete the foundation by March 31 for the installation of compressors" (The News, March 6, 2010)

PROCESSING

ABU DHABI: Al Jaber Group selected for construction of Shah gas project – CNR/49/7/26

Abu Dhabi and ConocoPhillips recently awarded a contract for construction of their Shah Gas project to the Al Jaber Group. Al Jaber will construct the project's infrastructure, including gas treatment plants and its roads. The sour gas project, the first of its kind in the UAE, is expected to treat around 1 billion cubic feet of gas and pump around 540 million cfd of processed gas. (Dubai Business, March 6, 2010)

CHINA: Jilin targets 3 Bcm output by 2015 – CNR/49/7/27

Hou Qijun, president of PetroChina unit Jilin Oilfield said recently that the company aims to nearly double its natural gas output by 2015 to fuel a rapid growth in demand. Jilin, an operator in Northeastern China, plans to pump more than 3 billion cubic metres of gas in 2015, versus 2010 target of 1.6 Bcm, Jilin said. "Within eight to 10 years, PetroChina has set the goal to produce 130 Bcm to 140 Bcm gas, or equivalent to its oil production of about 110 million tonnes" said Hou. (Upstream Online, March 8, 2010)

RUSSIA: Volga Gas takes stake in gas processing facilities – CNR/49/7/28

Volga Gas Plc announced recently that an agreement has been signed with Trans Nafta to purchase a 75% direct interest in gas processing facilities which will be used for the Company's Vostochny Makarovskoye gas and condensate field. As a result of this agreement, Gaznefteservice, a company 100% owned by the Volga Gas group, will have a direct 75% interest in a gas processing unit constructed on a site approximately 7km from the field. The plant is to be operated by a company which is 75% owned by Gaznefteservice. As reported in the 2009

Interim Results announcement, the two initial wells on the Vostochny Makarovskoye field have been connected by intra-field pipelines to the gas plant being constructed by Trans Nafta on its Dobrinskoye field. Before the processing unit can become fully operational, it will be necessary to transfer a sulphur treatment unit from the Vostochny Makarovskoye licence area to the processing unit. This process, with the required regulatory approvals, is expected to take up to nine months. Meanwhile, it may be possible to commence long term test production from the field during 2010. (Oilvoice, March 7, 2010)

TRANSPORTATION-DISTRIBUTION

AUSTRALIA: BJ Services receives precommissioning contract for Gorgon pipeline – CNR/49/7/29

Chevron Australia Pty Ltd has recently awarded a pipeline precommissioning contract for work on the Gorgon project offshore Western Australia to BJ Services (Australia) Pty Ltd. The Gorgon Project involves development of the Jansz and Gorgon fields 130-200 km off the northwest coast of Western Australia. The project consists of subsea facilities, offshore and onshore pipelines, and umbilicals tied back to an LNG processing facility on Barrow Island. (Offshore, March 5, 2010)

CANADA: First federally regulated shale gas transport system in Western Canada approved by regulators – CNR/49/7/30

Regulators conditionally approved TransCanada Corp's plan for a pipeline, the first federally regulated shale gas transport system in Western Canada. The 77 km Groundbirch pipeline would

carry gas to TransCanada's Alberta pipeline network from Northeastern British Columbia's Montney formation. Canada's National Energy Board said its approval carried 30 conditions, comprising such things as environmental protection and aboriginal consultation measures. (Reuters, March 4, 2010)

CHINA: Haikou-Wenchang pipeline enters in operation – CNR/49/7/31

It has been recently reported that the 88-km-long Haikou-Wenchang natural gas pipeline invested by CNOOC subsidiary has entered operation in south China's Hainan Province. As a part of extension of Hainan's Dongfang-Yangpu-Haikou pipeline project and CNOOC's LNG project in Hainan, the Haikou-Wenchang pipeline will have transportation capacity of 757 million cubic meters per year at most. CNOOC is building the natural gas pipeline along the coastline of Hainan Island, which will feed on the gas from CNOOC's Ledong gasfield in South China Sea and is expected to come on stream in 2015. (Xinhua, March 10, 2010)

EUROPE: European Union grants 2.3 billion euros for energy infrastructure projects, including Nabucco pipeline – CNR/49/7/32

The European Commission added recently to its economic stimulus program with the largest-ever package of grants to energy infrastructure, including support for the Nabucco pipeline project. The package of 2.3 billion euros for 43 projects will attract 22 billion euros of private sector energy investment, largely for pipelines and electricity interconnectors. "The problem is that, in today's economic climate, such projects risk to be delayed," Guenther Oettinger, the European commissioner responsible for energy, said. "This is a moment where Europe can play an important role in keeping these projects on track." One of the biggest grants, 200 million euros, will go to help fund the Nabucco pipeline project to bring gas from the Caspian Sea via Bulgaria and

Romania to European Union countries. "Investing in key infrastructure will not only give a push to the economy and employment, but it will also help ensuring that citizens' homes will have heating and electricity, even in the event of supply disruptions," commission president José Manuel Barroso said. "We have learnt the lessons of the recent gas crisis which is one of the reasons why we decided to allocate major financial assistance to new energy infrastructure projects". The grants totalled 910 million euros for 12 electricity interconnection projects and 1.4 billion euros for 31 gas pipeline projects. The money will be granted to project developers over the next 18 months. The projects were selected to better interconnect all EU member states and to reduce the isolation of remoter parts, such as the three Baltic States, Ireland and Malta, the commission said. (Oilprice, March 7, 2010)

EUROPE: BEH, DEPA and Edison finalize agreement on Greece-Bulgaria pipeline project – CNR/49/7/33

BEH (Bulgarian Energy Holding) and IGI Poseidon SA (equal owned joint venture between DEPA, the Greek Public Gas Corporation, and Edison) recently finalised the agreement for the establishment of the Asset Company (50% BEH and 50% IGI Poseidon SA) to realize the new gas pipeline IGB (Interconnector Greece-Bulgaria) between Greece and Bulgaria. The IGB will transport new gas from the Southern Corridor to Bulgaria and the Balkan countries. The Southern Corridor includes the ITGI pipeline linking Turkey, Greece and Italy enabling Europe to import about 10 billion cubic meters of gas a year from Caspian and Middle Eastern areas. With a transport capacity of 3-5 billion cubic meters of gas a year, IGB pipeline will be 160 km

long connecting Komotini (Greece) and Stara Zagora (Bulgaria). The pipeline is forecasted to be operational starting 2013. (Edison press release, March 4, 2010)

EUROPE: Bulgaria and Serbia sign gas grids interconnection agreement – CNR/49/7/34

Bulgaria's Economy and Energy Minister Traicho Traikov signed recently an agreement with Serbia's mining and energy minister Petar Škundić to speed up the construction of the interconnection between the gas grids of the two countries. The agreement outlined the next steps of the project and invited the assistance of the European Commission and international financial institutions in preparation of the project and related studies. "This gas interconnector is part of our strategy to link with our neighbours, which also includes interconnections with Romania, Greece and the possibility of physical reverse flow

with Turkey. We intend to use part of our allocation from the European Regional Development Fund for this project since we believe this project will contribute greatly to the long term development of our country," Traikov said. The gas pipeline, starting in Nis and crossing the border near Dimitrovgrad, would be the first interconnector between the transmission systems of Bulgaria and Serbia. The investment required for the 180km pipeline would have a capacity of two billion cubic metres a year. The project is expected to enter into the feasibility study phase already in autumn 2010, and the first gas could start flowing in 2013. (Sofia Echo, March 5, 2010)

FRANCE: GRTgaz finalizes the sale of firm long term capacities released by GDF Suez – CNR/49/7/35

GRTgaz recently carried out the sale of firm long term capacities released by GDF Suez on October 1st 2010 in the framework of the commitments offered to the European Commission. First, the stakeholders had the opportunity to subscribe capacities on Obergailbach Entry point up to 80 GWh/d over 17 years, then on Taisnières H Entry point up to 10 GWh/d over 16 years. In the first sale period, 50 GWh/d have been subscribed on Obergailbach Entry point over 11 years. Capacities offered on Taisnières H entry point, allowing the coupling between French, Belgium and British market places, have been fully subscribed over 10 years. (GRTgaz press release, March 8, 2010)

UNITED STATES: Williams Partners launches binding open season for Transco expansion – CNR/49/7/36

A unit of Williams Partners LP has recently initiated a binding open season for expansion of its Transco natural gas pipeline, providing incremental firm gas transportation capacity from the Marcellus shale to markets in New York and New Jersey. The Northeast Supply Link expansion project is designed to provide 420 MMcfd firm service on the Transco line from interconnections accessing Marcellus production

along its Leidy line in Pennsylvania to its Station 210 pooling point and existing New York City delivery points. Transco has executed a precedent agreement with an anchor shipper for 200 MMcfd, with the remaining 220 MMcfd offered through the open season. Subject to regulatory approval, Williams expects the first phase of the project to enter service in November 2012, adding 120 MMcfd. The second phase would follow in November 2013, bringing the expansion to full capacity. (Oil and Gas Journal, March 5, 2010)

UNITED STATES: Spectra Energy Partners to expand East Tennessee Natural Gas pipeline system – CNR/49/7/37

Spectra Energy Partners recently announced that it has signed an agreement with the Tennessee Valley Authority (TVA) for an expansion of its East Tennessee Natural Gas (ETNG) pipeline system to provide firm transportation services of up to 150 million cubic feet per day to TVA's proposed 880-megawatt combined cycle, natural gas-fired power plant in northeast Tennessee.

The scope of the Northeast Tennessee (NET) Project includes expanding or modifying existing facilities on the ETNG system and building a new, 8.5-mile mainline extension that would generally follow TVA's existing transmission line corridor. ETNG's pipeline system expansion, which is expected to be in service during the second half of 2011, is subject to Spectra Energy Corp and Spectra Energy Partners board of directors approvals as well as regulatory approvals. (PRNewswire, March 8, 2010)

SUPPLIES - IMPORTS - EXPORTS

CHINA: Authorities want to link natural gas price with oil – CNR/49/7/38

Zhang Guobao, CPPCC member and head of the National Energy Administration (NEA), made recently clear that China's natural gas price will be linked to the oil price. In regards to the current oil price trend, Zhang said that it is involved with too many financial factors and the price does not fully reveal the relationship between supply and demand. He also stressed, "The current oil price generally remains stable around 80 U.S. dollars, which is much more rational than the peak price of 147 U.S. dollars prior to the international financial crisis in 2008". (People's Daily, March 5, 2010)

MALAYSIA: Petronas signs gas sales agreement from three fields in offshore Sarawak – CNR/49/7/39

Petronas recently signed a gas sales agreement with upstream contractors Sarawak Shell Berhad and Petronas Carigali Sdn Bhd for the natural gas to be produced from three fields in Block SK308 offshore Sarawak. The Upstream Gas Sales Agreement will see the development of the three gas fields, namely F28, F14 and E6, where the gas produced from the fields will be delivered by

the contractors primarily to meet the supply requirements of the MLNG Tiga plant within the Petronas LNG Complex in Bintulu. The F28 gas field will be developed first where first gas is expected to be produced by April 2012. Block SK308, which is about 200km offshore Sarawak, was awarded to Sarawak Shell (50%; operator) and Petronas Carigali (50%) via a Production Sharing Contract in 1998. (Petronas press release, March 8, 2010)

STORAGE

RUSSIA: Gazprom reviews current operation of Russian UGS facilities – CNR/49/7/40

The Gazprom headquarters recently hosted a meeting dedicated to operation and expansion of above-ground technological equipment of underground gas storage facilities. The meeting participants looked at the current operation of Russian UGS facilities and the measures to raise their daily send-out capacity. In particular, the discussion centred on the interaction of Gazprom UGS with customer organizations when executing investment projects targeted at promoting the reliability and productivity of the Nevskoye, Krasnodarskoye and Kushevskoye UGS facilities and Kanchurinsko-Musinsky UGS complex.

The meeting also addressed the construction of the Volgogradskoye and Kaliningradskoye UGS facilities, the first gas storages created in salt caverns. There are currently 25 UGS facilities operational in the Russian Federation with the commercial gas volume of 64 billion cubic meters. UGS peak daily send-out capacity as of the withdrawal season start up accounts for 620 million cubic meters, and the daily average send-out capacity in 2009–2010 December/February makes up 500 million cubic meters. (Gazprom press release, March 9, 2010)

UNITED STATES: Enstor launches open season for Houston Hub Storage – CNR/49/7/41

Enstor is holding a non-binding open season for firm storage service at its Houston Hub Storage Project currently under development approximately 30 miles northeast of Houston, Texas. Storage capacity of up to 16 Bcf of working capacity will provide deliverability of up to 1 Bcf/d and interconnect with as many as five pipelines. The project is expected to begin service June 2013, subject to approved regulatory amendments to the original certificate. The Federal Energy Regulatory Commission (FERC) issued Enstor its

Certificate in April 2008 to construct and operate a high-deliverability, multi-cycle salt dome natural gas storage facility on the North Dayton Dome in the Texas Gulf Coast. This facility will provide for an ultimate capacity of 30 Bcf of working gas and pipeline interconnects with Natural Gas Pipeline Company of America and Transcontinental Gas Pipeline Corporation (Transco). Additional interconnects planned, and subject to additional state regulatory and FERC approval are Trunkline Gas Company, Energy Transfer-Houston Pipeline, and Kinder Morgan-Texas. (Enstor press release, February 26, 2010)

UNITED STATES : Enbridge announces non-binding open season for Tecumseh storage facility – CNR/49/7/42

Enbridge Inc. announced recently that it is conducting a non-binding open season for gas storage and transportation services through its wholly-owned subsidiaries Enbridge Gas Distribution Inc. and Niagara Gas Transmission Limited. The non-binding open season will allow Enbridge to assess the feasibility of developing incremental gas storage capacity/services at Enbridge Gas Distribution's Tecumseh storage facility located near the Dawn gas trading hub and developing incremental transportation capacity on the Corunna-Tecumseh-Dawn pathway. (Marketwire, March 4, 2010)

USE FOR POWER GENERATION

RUSSIA : Arkhangelsk Thermal Plant to be fuelled by gas – CNR/49/7/43

One of the biggest energy consuming units in Arkhangelsk Oblast, the Arkhangelsk Thermal Plant, will be soon connected to the Russian gas

pipeline grid and transformed from oil to gas use. Together with plant owner TGK-2, Gazprom subsidiary, Gazpromregiongaz will make the thermal plant operate on gas from summer 2010. (Barents Observer, March 8, 2010)

SAUDI ARABIA : GDF Suez and Aljomaih Group selected as preferred bidder for the next Independent Power Project – CNR/49/7/44

GDF Suez and the Saudi Aljomaih Group have been recently appointed preferred bidder for Saudi Arabia's next Independent Power Project (IPP). Riyadh PP11 is a greenfield gas-fired independent power project with a capacity of 1,730 MW, situated approximately 125 km west of the Kingdom's capital. The electricity will be sold via a 20-year power purchase agreement to the Saudi Electricity Company. Saudi Arabia has a current installed capacity of 29,000 MW, which is planned to increase to 60,000 MW by 2020. (GDF Suez press release, March 3, 2010)



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