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LNG

PRODUCTION

AUSTRALIA: Prelude LNG project will be a key focus for Shell in 2010 – CNR/49/8/1

Royal Dutch Shell's chief executive, Peter Voser, said recently that Prelude liquefied natural gas project in the Timor Sea will be a key focus for the energy giant in 2010. He said the company expected to increase its LNG capacity by about 40 per cent to 26 million tonnes per annum by 2015 and Australia was central to those plans. "We have the potential to grow to around 35 million tonnes per annum by 2020, with Australia being the main driver of that," Mr Voser said.

"In Australia, there is huge potential - a lot of LNG growth with various projects. On the Prelude project, almost 500km off Broome, Mr Voser said Shell would "firm up" plans for a floating LNG processing vessel in 2010. "We are focusing a lot now at the moment on Prelude, which is the first floating LNG project which we have. But we are also looking with our partners at other projects like Sunrise, Browse and potentially may look for Gorgon expansions," Mr Voser said. "Australia is the key growth region for Shell ... plenty of growth opportunities from now up to 2020 and beyond". Mr Voser also said Shell would reduce staff by 2000 by the end of 2011, and potentially achieve \$US1 billion (\$A1.09 billion) in costs savings in 2010. (AAP, March 16, 2010)

PROCESSING

AUSTRALIA: LNG Ltd. extends HOA with Arrow Energy for Fisherman's Landing LNG plant – CNR/49/8/2

Liquefied Natural Gas Ltd. recently extended its heads of agreement with Arrow Energy Ltd. for the proposed production of Fisherman's Landing coal seam methane to a LNG plant in Gladstone, until the end of June 2010. Both LNG Ltd. and Arrow have amended the agreement to a nonexclusive arrangement that can be terminated by either party with a 1-day written notice.

Termination will not incur any liability on either party. The change occurred because of the recent takeover bid for Arrow by Royal Dutch Shell PLC and PetroChina. Some sources said the bidders don't want to proceed with the LNG plant and would prefer to reserve Arrow's CSM resources for Shell's own planned CSM-to-LNG plant. Consequently LNG Ltd. made the agreement adjustment to appraise other opportunities to develop Fisherman's Landing. (Oil & Gas Journal, March 17, 2010)

AUSTRALIA: Blue Energy and Kogas ink small scale LNG joint venture – CNR/49/8/3

Blue Energy inked recently a joint venture with Korea Gas Corporation to investigate the feasibility of developing small scale liquefied natural gas and compressed natural gas projects within Eastern Australia. With the current deal, Blue Energy and Kogas will identify opportunities to develop and operate micro LNG and CNG facilities as an alternative to existing fuels such as diesel, petrol and LPG. (Kogas press release, March 16, 2010)

AUSTRALIA: Baosteel wins pipeline tender for Queensland Curtis LNG project – CNR/49/8/4

Shanghai-based giant Chinese steelmaker Baosteel recently won a tender for the Queensland Curtis Liquefied Natural Gas project in Australia. It will deliver 200,000 mt of high quality steel pipeline pipes. This is the first export contract received by Baosteel's UOE welded pipe

plant since its commissioning. The Queensland Curtis LNG project includes a network of underground pipelines including a 340 km gas transmission pipeline linking the gas fields to the city of Gladstone, Queensland. The tender in question was for the supply of 200,000 mt of X70 grade steel. (SteelOrbis, March 17, 2010)

AUSTRALIA: QGC and BOC sign deal to convert coal seam gas to LNG – CNR/49/8/5

Australia's first plant that converts coal seam methane gas into liquefied natural gas for domestic use is to be built in Queensland, under a deal recently announced. The deal, announced by Premier Anna Bligh, is a joint venture between the Queensland Gas Company and gas company BOC. This plant will provide LNG to create fuel for trucks. Ms Bligh said "LNG produces up to 25 per cent fewer emissions than diesel and is a

proven safe alternative to other fossil fuels". Ms Bligh said QCG has agreed to supply gas to BOC from July 2011 and if the companies meet that deadline, Queensland will become the first in Australia to produce LNG from coal seam gas. The plant will be built next to the Condamine Power Station, west of Chinchilla, with construction expected to start early 2011. (The Australian, March 18, 2010)

INDONESIA: Tokyo Gas aims to acquire stake in Sengkang project – CNR/49/8/6

Tokyo Gas Co. said recently that it will begin producing and selling liquefied natural gas following its purchase of a stake in a smaller Indonesian natural gas field. The gas utility has purchased stakes of 25 per cent in a number of companies from Australian firm Energy World Corp., which is developing the LNG project in South Sulawesi province. The Sengkang project is slated to start producing two million tons a year of LNG from 2011, with Tokyo Gas to import around 500,000 tons from 2012. But BPMIGAS, the oil,

gas and mining regulator, said the proposed deal would be scrutinised because new LNG facilities need to be built for any sale. "We have not received a proposal from them (EWC) to build an LNG plant. So how can they secure a contract with another party without our knowledge," Agus Supto Rahardjo, BPMIGAS senior manager for LNG, said. "This violates regulations. We will send a warning to EWC". A spokesman for BPMIGAS said the agency will consider "administrative sanctions" against Energy World over its move to sign a deal with Tokyo. (Asia Pulse and Reuters, March 25, 2010)

OMAN: Oman LNG maintains output plan – CNR/49/8/7

The Chief Executive of Oman LNG said recently that the company will keep its liquefied natural gas output steady at around 8 million tons a year for the foreseeable future. Oman LNG accounts for two thirds of total gas production in the Sultanate and exports all of its output as LNG, primarily to Asian countries like Japan and South Korea under long-term contracts. (MENAFN, March 18, 2010)

PAPUA NEW GUINEA: PNG LNG Project clears final conditions – CNR/49/8/8

Exxon Mobil Corporation announced recently that sales and purchase agreements with liquefied natural gas buyers and financing arrangements with lenders are now complete and its affiliate, Esso Highlands Limited, is proceeding with full execution of the Papua New Guinea (PNG) LNG project. The integrated development includes gas production and processing facilities in the Southern Highlands and Western Provinces of Papua New Guinea; liquefaction and storage facilities with capacity of 6.6 million tons per year, located northwest of Port Moresby on the Gulf of Papua; and over 450 miles of pipelines connecting the facilities. Participating interests include affiliates of ExxonMobil including Esso Highlands Limited as operator (33.2 percent), Oil

Search Limited (29.0 percent), Independent Public Business Corporation (PNG government, 16.6 percent), Santos Limited (13.5 percent), Nippon Oil Exploration (4.7 percent), Mineral Resources Development Company (PNG landowners, 2.8 percent) and Petromin PNG Holdings Limited (0.2 percent). Over its 30-year life, PNG LNG is expected to produce over 9 trillion cubic feet of gas. First LNG deliveries are scheduled to begin in 2014, following a construction period of about four years. The project will supply four major LNG customers in the Asia region through long-term sales, including: CPC Corporation, Taiwan; Osaka Gas Company Limited; The Tokyo Electric Power Company, Inc.; and Unipec Asia Company Limited, a subsidiary of China Petroleum and Chemical Corporation (Sinopec). (Business Wire, March 12, 2010)

SUPPLIES - IMPORTS - EXPORTS

AUSTRALIA: BG Group and CNOOC sign LNG supply deal – CNR/49/8/9

BG Group recently signed a sales contract with China National Offshore Oil Corporation (CNOOC) for the supply of 3.6 million tonnes per annum of LNG over 20 years from its Queensland Curtis LNG (QCLNG) development. Under the terms of the agreement, CNOOC will acquire a 5 per cent interest certain BG Group tenements in Queensland's Surat Basin. CNOOC will also acquire a 10 per cent interest in the first LNG train of the development, paying BG Group 10 per cent of the costs incurred in respect to the train at the time of the final investment decision. BG Group may supply CNOOC with LNG from its global LNG portfolio. The two companies have also agreed to participate in a consortium to construct two LNG ships in China. All of the agreements are conditional upon Chinese, Queensland and Australian government approvals and upon BG Group making a final investment decision.

The decision is expected in late 2010. QCLNG is underpinned by supply agreements for up to 8.3 MMt/a of LNG, including the agreement with CNOOC, a supply agreement for 1.7 MMt/a over 21 years to Chile and a supply agreement for 3 MMt/a over 20 years to Singapore. (Gas Today, March 25, 2010)

DUBAI: Dubai Mercantile Exchange studies feasibility of LNG futures contract – CNR/49/8/10

The chief executive officer said recently that Dubai Mercantile Exchange is studying the possibility of a liquefied natural gas futures contract but any commercial feasibility is still at least five years away. CEO Thomas Leaver said LNG has potential given its global nature and given Qatar is the largest producer. "There needs

to be more gas infrastructure but environmentally it's cleaner," he said. He said the DME is studying it but needs assurance it will be used before it makes any launch decisions. "Intuitively it makes sense but commercially it may not be viable for another five years," he said. He added that commodities will remain an important part of the financial space given the growth in China and India. (Dow Jones, March 22, 2010)

INDONESIA: Korea Gas and Kyushu Electric Power to buy LNG from Donggi-Senoro plant – CNR/49/8/11

Hari Karyuliarto, head of Pertamina's LNG business, announced recently that Korea Gas Corp. and Kyushu Electric Power Co. will buy 1 million tons of liquefied natural gas per year from Indonesia's Donggi-Senoro plant on Sulawesi Island, which is run by Mitsubishi Corp., PT Pertamina and PT Medco Energi Internasional. "Korea Gas and Kyushu replaced Kansai Electric Corp., which backed out of the purchase agreement," Karyuliarto said. Korea Gas will buy 700,000 tons of LNG per year and Kyushu will buy 300,000 tons, he said. (Bloomberg, March 25, 2010)

ITALY: Gas Natural to deliver LNG at Panigaglia – CNR/49/8/12

Gas Natural announced recently that it expects to deliver 280,000 cubic meters of liquefied natural gas in Italy to the regasification plant at

Panigaglia, in four shipments of the 70,000 cubic meters capacity liquefied gas carrier SCF Arctic. Gas Natural also announced plans to construct a regasification plant in Trieste, in the north of Italy. (IStockAnalyst, March 23, 2010)

JAPAN: Tokyo Gas plans to buy 1.4 percent more LNG in 2010/11 – CNR/49/8/13

Tokyo Gas Co plans to buy 1.4 percent more liquefied natural gas in 2010/11 as it sees demand rising steadily for several years amid a shift to environment-friendly gas from oil or coal. The utility said recently it plans to buy 12.678 billion cubic metres in the 2010/2011 business year, compared with an estimated 12.498 billion cubic metres in the current fiscal year. The company said it expected to consume 9.972 million tonnes of LNG in 2010/11, up from 9.797 million tonnes a year earlier. Tokyo Gas said demand from the industrial sector was expected to grow more than 6 percent a year over the next five years. (Reuters, March 25, 2010)

MALAYSIA: LNG exports fall 3% in 2009 – CNR/49/8/14

Bank Negara Malaysia, the central bank, said in its annual report recently released that Malaysia reduced LNG shipments in 2009. Exports fell 3 percent to 22.2 million metric tons from a year earlier. The value of shipments dropped 23 percent to \$9.4 billion. The average price of Malaysia's LNG exports tumbled 21 percent to 1,406 ringgit a ton in 2009, the central bank said.

Malaysia's crude oil and condensates production dropped 4.1 percent to 660,000 barrels a day in 2009, while natural gas output fell 3.7 percent to 5.67 billion cubic feet a day. The declines led to a 3.8 percent contraction in the country's mining industry, according to the annual report. Gas reserves were at 14.66 billion barrels of oil equivalent, sufficient for 36 years based on current output. (Bloomberg, March 24, 2010)

QATAR: India to receive additional LNG supply – CNR/49/8/15

Qatar recently agreed to supply an additional four million tonnes of liquefied natural gas to India by 2013, Indian officials said. Qatar, which already supplies 7.5 million tonnes a year, is likely to increase shipments by 300,000 tonnes in 2010 with additional supplies rising gradually to four million tonnes by 2013, India's oil secretary, S Sundareshan said. Additional supplies would be imported at the Dahej terminal of Petronet LNG and the Dabhol terminal of GAIL India, which is likely to be commissioned later in 2010, he said. (Daily times, March 23, 2010)

SPAIN: DONG Energy agrees to receive LNG supply from Iberdrola – CNR/49/8/16

DONG Energy and Iberdrola signed recently the commercial terms for Iberdrola to deliver liquefied natural gas, corresponding to about 1 billion m3 of natural gas per year to DONG Energy from the second half of 2011. The ten-year agreement that will take effect in 2011 includes an option for a

five-year extension. Completion and signing of the final agreement is expected by mid 2010. The LNG will be delivered to Gate terminal in the port of Rotterdam. DONG Energy is a co-owner of the terminal and also has part of the import capacity at its disposal. (Iberdrola press release, March 17, 2010)

STORAGE

BULGARIA: Qatar considers building LNG terminal – CNR/49/8/17

Qatar's Prime Minister and Foreign Minister Sheikh Hamad bin Jassim bin Jabor al-Thani, after a recent meeting with Bulgarian PM Boyko Borisov, announced that the government of Qatar is considering Bulgaria as a destination where it can invest in a new liquefied natural gas terminal. "At this moment, we are studying all the options and Bulgaria is on our list," Sheikh Hamad bin Jassim bin Jabor al-Thani has declared. It has been reported that Qatar plans to raise its annual LNG production capacity 43% to 77 million tons in 2010, with the start up of three new plants. (Novinite, March 23, 2010)

CROATIA: Krk LNG project receives approval from Ministry of Environmental Protection – CNR/49/8/18

The Ministry of Environmental Protection given recently the green light to a planned Adriatic liquefied natural gas terminal in a major boost for the long-delayed energy project in the northern Adriatic. Adria LNG comprises Germany's E.ON-Ruhrgas, OMV, Total and Geoplina. Croatian firms should join later in 2010 and have a 25-percent stake in the joint venture. 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. (Reuters, March 26, 2010)

ESTONIA: Balti Gaas plans LNG terminal near Paldiski – CNR/49/8/19

Balti Gaas plc that develops a liquefied natural gas terminal close to Paldiski (Northern Estonia) recently outlined the importance of such terminal to be built in Estonia. "LNG terminal would be of essence in terms of the security of energy supply, from Finland across the Baltics. Estonia should aim at having the terminal here that would allow Estonia to become a regional centre for the LNG and it is beneficial, in addition to the security of supply, also for the exports and employment," said recently Urmo Männi, CEO of Balti Gaas. The project by Balti Gaas has been designed in accordance with BEMIP (Baltic Electricity Market Interconnection Plan) and approved by the European Commission. Paldiski terminal is planned for two containers with a total capacity of 160,000 cubic metres. (Baltic Business News, March 25, 2010)



INDIA: LNG regasification capacity will reach 20 mtpa by 2012 – CNR/49/8/20

The Minister for Petroleum and Natural Gas, Mr Murli Deora said recently that the domestic capacity to handle imported liquefied natural gas is likely to rise by about 7 million tonnes a year to reach 20 million tonnes by 2011-12. Currently, India has two LNG capacities, one at Dahej (Petronet LNG) and another at Hazira (Shell). The Minister also said that the Government is targeting

to add 7,450 km gas pipeline network in the country with a capacity of 248 mmscmd. “The present natural gas transportation infrastructure in the country is around 10,800 km with a capacity of around 270 mscmd. Major pipeline projects are under way in the country, which would add another 7,450 km and 248 mmscmd to our gas transport infrastructure”. (Business Line, March 23, 2010)

INDONESIA: Authorities offer LNG terminal construction projects to South Korean investors – CNR/49/8/21

Indonesia has offered liquefied natural gas receiving terminal construction projects to South Korean investors said recently Evita Herawati Legowo, director general of oil and natural gas at the Energy and Natural Resources Ministry. The South Korean investors could get involved in the engineering, procurement and construction tender, Evita said. In the early stage of the program, the Indonesian government would build some LNG receiving terminals in North Sumatra, West Java, East Java, Bali, and South Sulawesi provinces. (Antara, March 22, 2010)

PAPUA NEW GUINEA: GAIL eyes stake in LNG terminal project – CNR/49/8/22

Chairman and managing director, B.C. Tripathi said recently that Gas Authority India Limited is venturing into Papua New Guinea with a possible stake in a new liquefied natural gas terminal. “We are in discussions with Interoil... it is at a

preliminary stage and I cannot say what stake GAIL can get” Tripathi said. He added that GAIL was also in partnership with multinationals Total and Shell to develop Nigeria’s master gas plan. Tripathi said in Ghana the company was in talks for processing and transportation of gas. (Sify, March 22, 2010)

UNITED STATES: Proposed Clearwater Port LNG project terminated – CNR/49/8/23

The California State Lands Commission recently terminated Clearwater Port’s bid to build a liquefied natural gas terminal off Oxnard’s shores after the company abandoned its application. An application is terminated after six months of inactivity and the Clearwater proposal has been dormant for more than a year, according to a letter the commission sent to the company. Joseph Desmond, a senior vice president with NorthernStar Natural Gas, Clearwater Port’s parent company said “We are in a position to reopen the file at some point in the future”, adding the company just renewed its option to lease or buy the oil platform on which the terminal was proposed. (VCStar, March 16, 2010)

NGL

TRANSPORTATION-DISTRIBUTION

UNITED STATES: Enbridge plans NGL pipeline to Chicago – CNR/49/8/24

Enbridge Inc. announced recently it intends to develop a natural gas liquids pipeline from the Marcellus Shale in Southern Pennsylvania and Northern West Virginia to markets in the Midwestern United States. The proposed pipeline is currently targeted to deliver into existing NGL infrastructure in the Chicago area including the Aux Sable facility which processes gas from Alliance pipeline and fractionates NGLs from various supply sources. Additional NGL fractionation capacity is available at the plant. Enbridge will develop, construct, own and operate the planned NGL pipeline. The company is currently evaluating various routing and market alternatives and anticipates moving forward with an open season in the second quarter 2010. (Downstream Today, March 22, 2010)

NATURAL GAS

EXPLORATION – DISCOVERY

HUNGARY: Ascent Resources reports tests on PEN-101 well – CNR/49/8/25

Ascent Resources plc, through its subsidiary PetroHungaria kft, recently tested and completed the PEN-101 well, in the Penészlek area of the Nyírség exploration permits in eastern Hungary. Initial production rates achieved during preliminary

testing exceeded 1.0 MMscfd and productivity is expected to be improved by the use of small scale acid stimulation. The PEN-101 well is located at the site of the production facilities that will be used to produce both it and the PEN-105 gas discovery. (Oilvoice, March 10, 2010)

PAKISTAN: New oil and gas reserves discovered in Attock area – CNR/49/8/26

The Pak Oilfields Limited (POL) recently discovered oil and gas reserves from the Bela-1 well in Meyal/Uchhri D&P lease in Attock area. Reserves of 54 barrels of oil per day and more than two million mcf of gas per day were expected from this discovery. (Pakistan Times, March 18, 2010)

RUSSIA: Vladimir Putin repeats claims to the Arctic continental shelf – CNR/49/8/27

Prime Minister Vladimir Putin recently repeated Russia's claims to the Arctic continental shelf. The Arctic lands have been the subject of dispute among the United States, Russia, Canada, Norway and Denmark. Each of the five Arctic Circle countries has a 200-mile exclusive economic zone in the Arctic Ocean under international law. But if a country can show its

continental shelf extends beyond the 200-mile limit, it can claim rights to more of the ocean floor. Russia has sent two expeditions to the Arctic to support its territorial claims in the region. Putin told members of the Russian Geographic Society. "Nobody has ever stopped them from erecting their own flags. Let them do it. But we work under the rules established by the United Nations and in line with international maritime laws". (UPI, March 15, 2010)

PRODUCTION

COLOMBIA: PetroLatina expects gas sales from Serafin in 2010 – CNR/49/8/28

PetroLatina Energy recently commissioned works to connect the Serafin-1 gas well to the main Colombian gas trunk line and expects production to commence during the last quarter of 2010. The Serafin gas field is located in the Tisquirama licence block in the Middle Magdalena Valley. The well tested at flow rates of 14 million cubic feet of gas per day. Based on the recent assessment by Ryder Scott, GIIP is estimated to be 5.37 billion cubic feet (bcf) with 1P Reserves of 3.13bcf, and the well is expected to be capable of initially producing up to 7mmscf/d.

Since January 2007, the gas price that the company expects to receive and which is not subject to price regulation from the regulatory commission for energy and gas (CREG), has substantially increased from \$3.50 per thousand cubic feet to between \$5-\$6 per thousand cubic feet. PetroLatina said in December 2009

that it had resolved all technical and legal issues relating to the tie-in of the Serafin-1 gas well to the main Colombian gas trunk line. The company has now entered into a contract to construct a 'city gate' gas handling station to connect the Serafin-1 gas well to the Ballenas-Barrancabermeja gas trunk line that carries the bulk of Colombia's gas production from the Caribbean coast to the gas consuming cities in the centre of the country. The construction project is expected to take six months to complete. (Energy Business Review, March 17, 2010)

EAST TIMOR: President threatens to scuttle gas development if country's interests are ignored – CNR/49/8/29

East Timor's president Jose Ramos-Horta said recently his country is serious about making sure its interests are not ignored in the development of the Greater Sunrise Gas field. East Timor's government wants the gas processing plant built in East Timor. Dr Ramos-Horta said. "If it's an arbitrary decision that we know is politically motivated, based on prejudices about a small

developing country: if the decision is based on that and seems like it's based on that rather than technical and commercial considerations then obviously we can not agree," he said. "For Australia, one pipeline more, one pipeline less to Darwin - it wouldn't make a terrible difference.»But to Timor, it would ensure its prosperity into the future. "So this is a political question. It's a moral, ethical question besides the commercial consideration". (ABCNews, March 13, 2010)

IRAN: 6.8 bcm exported during in the current Iranian calendar year – CNR/49/8/30

The managing director of National Iranian Gas Exports Company said recently that Iran exported 6.8 billion cubic meters of natural gas in the current Iranian calendar year (to end March 19, 2010). Javad Owji said "Iran gas exports faced 43.8 percent increase in comparison to the previous year". He said, noting that 54 power plants consume gas, "averagely 422 million cubic meters per day of gas was consumed in the current year which is 10 percent more than the year before". (Tehran Times, March 14, 2010)

NEW ZEALAND: Kupe gas field development fully operational – CNR/49/8/31

New Zealand Prime Minister John Key recently opened Origin Energy's Kupe Gas Field Development. Now fully operational, the project is supplying natural gas to the country's gas transmission system, LPG for national distribution and condensate for export to refineries in Australasia and the South Pacific. Origin Managing Director Grant King said "At peak, it is expected that Kupe gas project will produce 10–15 per cent of New Zealand's current annual gas demand and 50 per cent of its LPG current demand". The Kupe Gas Field Development is

made up of an unmanned offshore platform with three production wells, a 30 kilometre raw gas pipeline running from the platform to the shore, an onshore production station near Hawera, light crude storage and export facilities near Port Taranaki, New Plymouth on the North Island. It is estimated that over the life of the project, Kupe will produce a total of approximately 254 petajoules of natural gas, 1.1 million tonnes of LPG and 14.7 million barrels of crude oil. Joint venture partners are Origin, Genesis Energy, New Zealand Oil and Gas and Mitsui E&P Australia. (Gas Today, March 19, 2010)

UNITED KINGDOM: Laggan and Tormore gas fields come on line – CNR/49/8/32

Total announced recently the launch of the Laggan and Tormore gas fields development in the offshore frontier region of the West of Shetland, subject to the United Kingdom Government's Department of Energy and Climate Change approval. The Laggan and Tormore gas fields, which lie around 140 kilometres West of Shetland by 600 metres of water depth in blocks 206/1a, 205/4b and 205/5a, have global estimated reserves of around 230 million barrels of oil equivalent (boe). At peak, gas production rate of 500 million standard cubic feet per day is expected from the two fields, plus associated condensates (for a total production of 93,000 boe per day).

Construction work on the offshore gas infrastructure, and on a new gas processing plant at Sullom Voe on Shetland, will start almost immediately, with first gas production planned for 2014. After processing at the new Sullom Voe plant, Laggan and Tormore gas will transit through a new 230 kilometres export pipeline from Shetland into the existing Frigg UK line and onward to the Total operated Saint Fergus gas terminal, located north of Aberdeen. (Total press release, March 17, 2010)

VENEZUELA: Joint gas venture announced with Belarus – CNR/49/8/33

Venezuela and Belarus recently agreed to create a joint enterprise to produce natural gas. Venezuelan President Hugo Chavez said. The venture represents an expansion of Belarus's existing involvement in oil production in Venezuela's Orinoco Belt. Chavez said the project will require an investment of \$1.6 billion and that initial output will be around 40 million cubic feet per day, increasing by 2012 to 200 million cubic feet per day, enough – he said – to meet 25 percent of Belarus's energy needs. The new company, Bielovenezolana S.A., will extract non-associated natural gas from the Soto, Mapiri and La Ceibita fields, north of the Orinoco River. (EFE, March 19, 2010)

PROCESSING

CANADA: ATCO Midstream and SaskEnergy to expand output of Kisbey Gas Plant – CNR/49/8/34

ATCO Midstream and SaskEnergy Inc. announced recently the completion of an expansion project at the Kisbey Gas Plant. The project, funded jointly by SaskEnergy's Bayhurst

Energy Services Corporation (BESCO) and ATCO Midstream, triples the capacity of the plant to five million cubic feet of gas per day. The joint venture project also extends the current gathering system at the plant. (The Regina Leader-Post, March 15, 2010)

GHANA: Ghana National Petroleum Company acquires land for gas processing project – CNR/49/8/35

The Ghana National Petroleum Company (GNPC) recently acquired a large tract of land near Bonyere and Kabla Suazo in the Western Region for the construction of a gas processing plant. The plant will be constructed in phases. The company has already ordered pipes for the project and the laying of the pipes to bring gas from the Jubilee Field to the shore for processing to begin in June 2010. The Lead Geophysicist of the GNPC, Mr Benjamin Kwame Asante said there was a strategic plan to bring associated gas from the Jubilee Field to the shore to process the transmitted wet gas into dry gas and liquids, including liquefied petroleum gas (LPG), condensate and propane. He said the GNPC was also sizing the gas infrastructure to enable the monetisation of the Jubilee Field gas and other indigenous natural gas reserves in its vicinity. (Accra Mail, March 1-, 2010)

UNITED KINGDOM: CompactGTL and Sumitomo create partnership to build floating processing plants – CNR/49/8/36

CompactGTL recently partnered with Sumitomo Precision Products for reactors to fit CGTL's associated gas conversion process, which can be applied offshore. SPP will construct all reactor modules required by CGTL for this process. Trading company Sumisho Machinery Trade Corp, owned by Sumitomo Corp., is also a partner under the agreement. Manufacturing of commercial scale compact reactor modules should start in 2011 at SPP's Amagasaki plant,

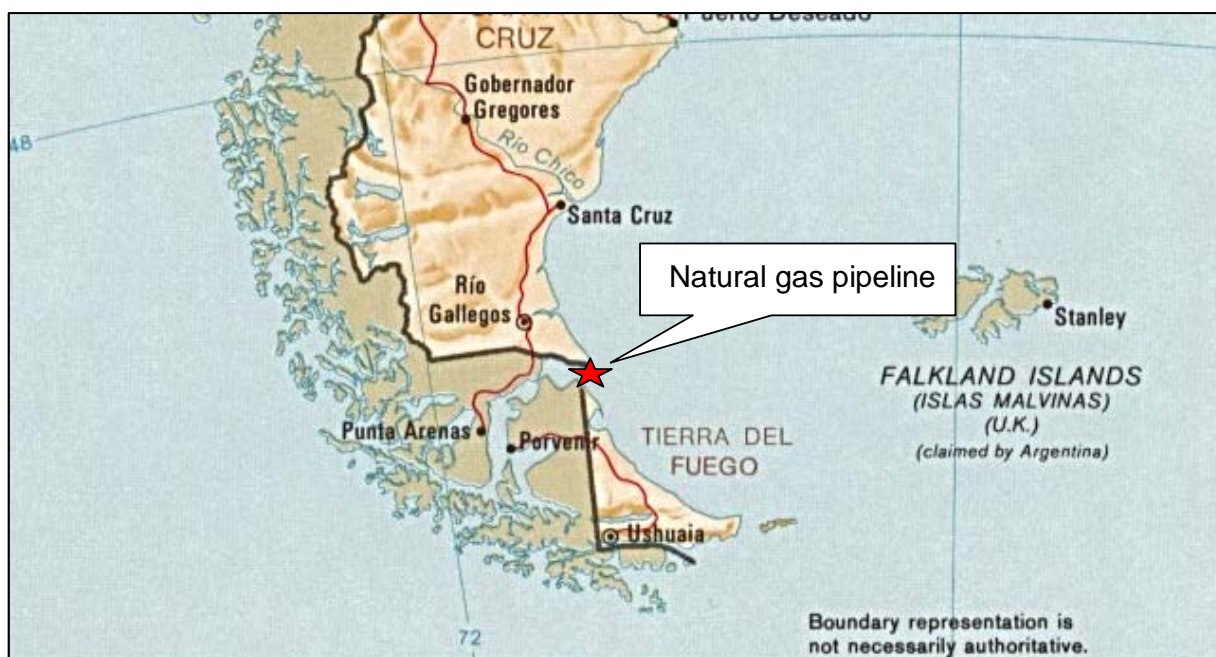
near Osaka. SPP will provide CGTL with steam methane reformer units for syngas production and Fischer Tropsch reactors for the conversion of syngas into syncrude. The companies have been cooperating to develop the reactor designs, and demonstration units manufactured by SPP have been tested at CGTL's pilot syncrude plant in Wilton, UK. CGTL said the tests have proven that the process is viable, and also that the system can handle feed gases containing up to 35% CO₂ without plant modification. (Offshore, March 17, 2010)

TRANSPORTATION-DISTRIBUTION

ARGENTINA: Gas line launched across the Strait of Magellan – CNR/49/8/37

Argentina recently launched a 37.7-km natural gas pipeline across the Strait of Magellan, linking Cabo Espiritu Santo in Tierra del Fuego province with Cabo Vírgenes in Santa Cruz province. The new line "allows us to give more gas to homes and also to the country's industry," said Argentine President Cristina Fernandez de Kirchner, adding that the project is the country's "most important gas project in the past 32 years." The new pipeline was built as an expansion to the existing San Martin pipeline in an effort by the government to increase gas supplies from Tierra del Fuego to the Argentinean mainland. Argentina's gas production fell by 7.3% to 132.6 million cm/day in 2009 from 143.1 million cm/day in 2004.

In particular, officials believe the new pipeline will permit the start-up or restart of operations at gas fields by a consortium comprised of Total SA, Wintershall, and Pan American Energy, including the onshore Ara and Canadon Alfa fields as well as Hidra, Kaus, Argo, Carina, and Aries fields offshore.



Argentina's planning minister Julio De Vido said the new line initially will begin transporting 5.5 million cm/day in June, with an additional 2 million cm/day coming online in early 2011. Together, the two pipelines will provide 18.5 million cm/day in 2011—an increase of nearly 70% over the current 11 million cm/d. (Oil & Gas Journal, March 16, 2010)

ARMENIA: Government considers participation in Nabucco project – CNR/49/8/38
Armenian Foreign Minister Eduard Nalbandian said recently that he does not rule out Yerevan's participation in the Nabucco pipeline project. "We consider that all regional projects, especially economic ones, should involve all countries of the region and not exclude anyone," he said. As for

Armenia's desire to be one of the transit countries for such a gas pipeline, Nalbandian said his country is ready to partake in the projects connected with energy resources. "Such projects should be realistic and meet the interests of the region. We wouldn't want to see them politicized," Nalbandian said. (Azernews, March 18, 2010)

CENTRAL ASIA: Pakistan and Iran sign gas pipeline agreements – CNR/49/8/39

Pakistan and Iran signed recently agreements paving the way for a gas pipeline. Pakistani Petroleum Minister Naveed Qamar said the heads of agreement (HOA) and operational agreement (OA) signed in Turkey was a "historic achievement and a milestone towards meeting the energy needs of the country". Under the deal, Tehran is to supply 750 million cubic feet to one billion cubic feet per day to Pakistan by mid-2015, the Islamabad government said in a statement. (AFP, March 18, 2010)

EUROPE: Technip bags frame contract for the Nord Stream project – CNR/49/8/40

Technip has been recently awarded by Nord Stream AG a frame contract for the Nord Stream project. The contract covers four tie-ins on the two

parallel pipelines that will run through the Baltic Sea. The subsea tie-in operations are scheduled for mid-2011 for the first pipeline, and mid-2012 for the second one. (Business Wire, March 18, 2010)

EUROPE: Nord Stream completes Phase I financing – CNR/49/8/41

Nord Stream together with its shareholders in the consortium, Gazprom, BASF/Wintershall GmbH, E.ON Ruhrgas AG and N.V. Nederlandse Gasunie announced recently the successful signing of Phase I financing of the pipeline project. The financing for Phase I amounts to 3.9 billion euros and paves the way for construction of the first line of Nord Stream.

The positive response from lenders has meant that Nord Stream was approximately 60 percent oversubscribed for the 3.9 billion euros funding. Nord Stream has RBS, Commerzbank and Société Générale acting as financial advisers. The pipelaying of the first line of Nord Stream will start in April 2010 with the Castoro Sei pipelay vessel operating from this date.

The Solitaire pipelay vessel will begin to lay pipe on the same line in September 2010. It is planned that construction of the first line will be completed in 2011 with construction on the second parallel line scheduled to begin in 2011 finishing in 2012. (Gazprom press release, March 16, 2010)

INDIA: GAIL targets for transmit over 114 Mmscm/d in fiscal year 2010-11 – CNR/49/8/42

Under the Annual Memorandum of Understanding recently signed with Ministry of Petroleum and Natural Gas for performance targets for the Financial Year 2010-11, GAIL (India) Limited has set a target of transmitting 114.8 Mmscm/d of natural gas from domestic sources and through LNG route during FY 2010-2011. During the FY

2010-11, to achieve the Excellence in performance, the Company has targeted the Gas Marketing of around 87 Mmscm/d. The Company's performance will be assessed on key financial parameters and also dynamic and sector / enterprise-specific parameters such as Gas Sourcing, E&P and CBM, City Gas Projects, Pipeline Projects Implementation, Safety, Customer. (Gail press release, March 16, 2010)

INDIA: Minister announces construction of 7,450 km of gas network over the next 2-3 years – CNR/49/8/43

Petroleum Minister Murli Deora said recently that India will add over 7,450 km of gas pipeline network over the next 2-3 years to ramp up its supply lines to keep pace with the growing demand from the consumption centres in the country. He said "The challenge for an emerging market like India is to develop pipeline infrastructure in all parts of the country, including in remote areas, in tandem with increasing supplies. Only then we will be able to secure inclusive growth". The present natural gas transportation infrastructure in the country is around 10,800 km with a capacity to move 270 million standard cubic meters of gas per day. "Major pipeline projects are underway in the country, which would add another 7,450 km and 248 mmscmd to our gas transport infrastructure," he said. (Asia Pulse, March 23, 2010)

ITALY: Trans Adriatic Pipeline applies for inclusion in the Rete Nazionale Gas Grid – CNR/49/8/44

The Trans Adriatic Pipeline AG (TAP) recently submitted its official application to the Italian Ministry of Economic Development in Italy for inclusion in the Rete Nazionale Gas (RNG) Grid. Once the request is granted, TAP will be officially registered as an interconnector to the Italian gas network with 15km of onshore pipeline in Puglia from Brindisi to Mesagne. The request for

inclusion in the Rete Nazionale Gas will be followed by a detailed study of the Environmental, Social Impact Assessment which will make use of the extensive stakeholder engagement program conducted in the Brindisi area in 2009. Once the inclusion is granted, TAP will benefit from the processing of all applications and permits in Italy by the central and local governments. (Trans Adriatic Pipeline AG press release, March 16, 2010)

UNITED STATES: Southern Union gets green light to place Trunkline LNG IEP Project into service – CNR/49/8/45

Southern Union recently received approval from the Federal Energy Regulatory Commission to place its Trunkline LNG infrastructure enhancement project (IEP) into service. IEP involved two separate components: the installation of four ambient air vaporization units (AVUs) and the construction of a natural gas liquids extraction facility. Trunkline LNG is located in Lake Charles, Louisiana. Utilization of the AVUs will improve fuel efficiency during the regasification process, for the benefit of Trunkline LNG's customer BG LNG Services. Additionally, the availability of a natural gas liquids extraction facility is expected to provide BG with greater flexibility in sourcing its LNG supply. The Trunkline LNG terminal is fully contracted to BG through 2030. (Energy Business Review, March 15, 2010)

VIETNAM: PetroVietnam and Chevron to build gas line to the Mekong Delta region – CNR/49/8/46

PetroVietnam Gas Corp. formed recently a partnership with a Chevron-led consortium to construct a pipeline that would transport natural gas from Chevron's fields in southern Vietnam to the Mekong Delta region. PetroVietnam Gas agreed to hold a 51% stake in the venture, which will involve the building of a 398-km pipeline, 246 km offshore and 152 km onshore. Other consortium participants include Mitsui Oil Exploration Co. (Moeco) and Thailand's PTT Exploration & Production PLC (PTTEP). The

pipeline will transport as much as 18.3 million cm/day of gas from Blocks B, 48/95, and 52/97, which lie off southwestern Vietnam. PV Gas will serve as the line's operator. The line will supply gas to industrial users in the southern province of Ca Mau, including to a 3,000-Mw electric power plant as well as to a fertilizer complex. Stakeholders in Blocks B and 48/95 are Chevron 42.38%, Moeco 25.62%, PetroVietnam Exploration & Production Corp. 23.5%, and PTTEP 8.5%). Chevron holds a 43.4% share in Block 52/97, while PetroVietnam E&P holds 30%, Moeco 19.6%, and PTTEP 7%. (Oil & Gas Journal, March 16, 2010)



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