



Vol. 54, n° 1, January 12, 2015

Main news

LNG: Production

- Liquefied natural gas plant proposed in Titusville.

LNG: Transport - Distribution

- Wärtsilä to proceed with first LNG terminal.

LNG: Supplies- Imports – Exports

- BG Group loads first LNG cargo from QCLNG.
- LNG tanker arrives in Gladstone for historic first cargo.
- Thailand's PTT could double LNG imports to 3 mil mt in 2015.
- Brazil's LNG imports surge 136% on year in first half of December.
- Croatia, Poland Plan LNG Terminal Link to Boost Security.

LNG: Price

- Liquefied Natural Gas Price Crashes by 50%, Says Report.

LNG: Use as Power Generation

- Morocco to launch multi-billion-dollar natural gas project.

LNG: Use as Automotive Fuel

- DHL and partner Ninatrans introduce the first LNG-Truck and the first two Teardrop Trailers in Belgium.

Natural Gas: Exploration

- Another Mid-to-large Sized Natural Gas Discovery Made on Independent Deepwater Exploration.
- Iran Finds Significant Gas Reserve in Southern Part of the Country.
- Israel Discovers Another Major Gas Field.
- Russia's Gazprom prepares to launch Yamal's largest gas field.

Natural Gas: Supplies- Imports – Exports

- Iran: Gas production up, gas consumption.
- Putin gobsmacks West with Turkey gas deal.
- Three-year contract on Russian natural gas deliveries to Belarus signed.

Natural Gas: Price

- Add Natural Gas Prices to Putin's Long List of Problems.

Natural Gas: Consumption

- Largest world gas reserves incapable of meeting Iran's gas consumption.
- Turkey's natural gas consumption soars.

LNG

PRODUCTION

UNITED STATES:

Liquefied natural gas plant proposed in Titusville

Florida East Coast Industries wants to build a **\$250 million** liquefied natural gas production and distribution plant on undeveloped land it owns west of U.S. 1 in Titusville — a project the company says would be the first of its kind in Florida.

The plant would draw conventional natural gas from existing pipelines, and would operate around the clock, and could produce up to **1 million gallons of LNG a day**. The liquefied gas would be temporarily stored in a **5 million-gallon storage tank** at the Titusville site, then loaded onto special **10,000-gallon** insulated shipping containers to be transported by truck or rail. (January 8, 2015)

01/09/2015

TRANSPORT - DISTRIBUTION

BELGIUM - SWEDEN:

Coral Energy loaded with LNG

Skangass' time chartered vessel, **Coral Energy**, has recently been loaded with LNG at Fluxys' Zeebrugge LNG terminal.

LNG loading on the vessel - **the world's first direct driven dual-fuel ice-class 1A LNG carrier** – forms part of an agreement between Skangass and Eni to supply Scandinavia with LNG sourced at the Zeebrugge LNG terminal. **It also supports the EU's programmes for clean industry.**

The LNG loading operation forms part of Fluxys plan to **develop the Zeebrugge LNG terminal into a hub for small scale LNG in northwest Europe**. It demonstrated the advantages of LNG as a fuel of choice for both shipping and long-haul trucks, as well as the industrial uses of LNG.

Coral Energy will carry the LNG to Skangass' LNG receiving terminal in Lysekil, Sweden. **The LNG will be distributed to clients in Sweden by pipeline or trucks.** (January 7, 2015)

01/08/2015

AUSTRALIA:

Second vessel docks at QCLNG

BG Group's Queensland Curtis LNG (QCLNG) project is ready to load the second shipment of liquefied natural gas (LNG).

The QCLNG project is the first to **convert coalbed methane (CBM) into LNG**. The CBM gas is piped from the Bowen and Surat Basins in Queensland, via a pipeline some 543 km long, to BG's flagship project in Gladstone harbour.

The first shipment of CBM LNG gas was taken by the Methane Rita Andrea tanker and is currently en route to Singapore.

Following this milestone first cargo, the second vessel to be loaded at QCLNG will be the 170,000 m³ Methane Mickie Harper.

The second and third CBM to LNG projects – Origin Energy's Australia Pacific LNG and the Santos-led Gladstone LNG – are due to come online before the start of 2H15.

As the second LNG vessel prepares to load its cargo, all signs paint a positive picture of operations at this milestone project. (January 8, 2015)

01/08/2015

GREECE:

Shippers invest 1.44 bln euros in 11 LNG carriers

Greek shipowners have invested a total of **1.44 billion euros in acquiring 11 LNG carriers** so far this year.

Shippers have made that investment in anticipation of European Union countries turning to third countries, such as Qatar, for their natural gas supplies in order to cut dependence on Russian fuel.

Greeks hold the second place in the world in terms of **share of the global LNG fleet**, as according to VesselsValue they control **65 LNG carriers worth 9.33 billion euros**. (December 16, 2014)

12/17/2014

FINLAND:

Wärtsilä to proceed with first LNG terminal

Wärtsilä has been given full notice to proceed (NTP) from Manga LNG Oy for the supply of an LNG import terminal in Tornio, Northern Finland. Wärtsilä will commence construction on the site near the port of Tornio in January 2015. Manga LNG Oy is a joint venture of Outokumpu Group, Svenskt Stål AB (SSAB), Skangass and EPV Energy Ltd. The order is valued at approximately €100 million.

The turnkey delivery of the first import terminal supplied by Wärtsilä includes complete unloading, storing and regasification equipment for LNG. The capacity of the LNG storage tank will be 50 000 m³. A 10-year maintenance agreement was also signed between the parties. The first maintenance agreement for an LNG terminal complements Wärtsilä's service proposition and experience within dual-fuel and gas engines and related equipment.

One of the main users of the imported natural gas will be the Outokumpu Tornio steel mill. A gas pipeline will be built to the nearby Röyttä industrial site, where the mill is located.

Additional potential gas users included mines, factories and other industrial customers in Northern Finland and Sweden. Railroad and truck transportation from the terminal will be available. The terminal can also be used for LNG bunkering as well as to supply fuel for LNG-powered ships. (December 19, 2014)

12/19/2014

SUPPLIES - IMPORTS - EXPORTS

AUSTRALIA:

BG Group loads first LNG cargo from QCLNG

BG Group announced that it has been loading the **first cargo of LNG** from its Queensland Curtis LNG (QCLNG) facility since 28 December. The vessel being loaded is the Methane Rita Andrea. The second cargo of LNG from the facility will be loaded onto the Methane Mickie Harper which is expected in Gladstone in the first week of January.

QCLNG is the **world's first LNG project to be supplied by coal seam gas**. The start of production from the plant's first LNG train is the result of more than four years of development and construction on Curtis Island.

The QCLNG project connects more than **2000 onshore wells, spread across a wide expanse of 4500 square kilometres**. These flow into a 540 kilometre pipeline to the liquefaction facility on Curtis Island, near Gladstone, Queensland, on the east coast of Australia. The project will expand further with the start-up of the **second train in 3Q 2015**. At plateau production, expected during 2016, QCLNG will have an output of around 8mtpa. (January 5, 2015)

01/05/2015

EGYPT:

Idku plant LNG exportation collapses 2014

The Idku LNG factory exports decreased from approximately **50 LNG shipments in 2013, to 5 shipments in 2014**, according to a senior BG official. The export figures come in light of the inbound gas shortage currently ongoing in Egypt.

The official said that for the factory to achieve revenue and expenditure self-sufficiency, it needs to export at **least 22 shipment of LNG annually**. He pointed to the decrease in gas production from the Borollos fields, roughly **900mcf of gas per day, compared with 1.2bcf in 2013**. The domestic gas market's needs led to the reduction of the gas pumped to Idku LNG, with the company only **exporting approximately five shipments during 2014**.

A senior official with the Egyptian Natural Gas Holding Company (EGAS) said that BG's work to link its projects with the Borollos fields slowed down. The slower pace has in turn contributed to a strong decrease in the production of gas from Egypt. He noted that the company delayed linking the production of project phase "9B" in the Borollos fields to the beginning of 2016, rather than the beginning of 2015 as agreed. This is in addition to linking project phase "9A" by the end of 2014, which is **10 months behind schedule**, and contributed to aggravating the energy crisis in summer.

The EGAS official said that BG has to bear the consequences of the delay, and confirmed that they shall continue to reduce pumping gas to Idku for the needs of the gas domestic market. He mentioned that EGAS targeted pumping about 100mcf of gas per day to Idku LNG during 2015 due to the continuous field gas production shortage.

The BG official said the gas supply amount contracted with the Ministry of Petroleum for the factory is estimated at **1.1bcf of gas per day, where the actual pumped amount is less than 100mcf per day**. He added that the amount is even unstable. (January 5, 2015)

01/05/2015

CANADA:

Japan's MGC joins Pacific Northwest LNG

Japanese chemicals firm Mitsubishi Gas Chemical (MGC) is joining upstream firm Japex in the proposed 12mn t/yr Pacific Northwest LNG project in Canada despite an expected project delay. C\$92mn (\$79mn) acquisition will allow MGC to take 120,000 t/yr of LNG from the project once the deal is completed.

It plans to use the imported LNG from Canada as feedstock for its Japanese chemicals plants in an effort to improve its competitiveness. MGC has been working with Japanese upstream firms, including Japex, in natural gas exploration for the last 50 years. It produces natural gas onshore and offshore Niigata on Japan's west coast, using it as chemicals feedstock at its Niigata plant.

MGC is committing to Pacific Northwest LNG despite Petronas delaying making a final investment decision on the potential C\$36bn project from an original end-2014 target. Falling oil prices are threatening the economic viability of various proposed LNG development projects. Pacific Northwest LNG was originally targeting to start up its first liquefaction production train in late 2018, with no new timeframe yet outlined. (December 19, 2014)

12/19/2014

INDONESIA:

Kalla Group, Pertamina to build LNG terminal

Kalla Group, through its subsidiary PT Bumi Sarana Migas, plans to team up with state-owned oil and gas company PT Pertamina to develop an LNG receiving terminal in Banjarnegara, Banten.

The new project will have a total capacity of 500mmscfd, equal to 4 million tons of LNG, however neither firm had signed a contract or agreement for the project. (January 9, 2015)

01/09/2015

ESTONIA:

LETA/POSTIMEES: RUSSIAN FROST FROZE SILLAMÄE LNG TERMINAL

The war of European Union and Russian sanctions put an end to the grand plans of building the Sillamäe gas terminal that would have cost hundreds of millions of euros and could have become an important transit centre for Gazprom gas.

"The Sillamäe terminal could have become, besides the Ust-Luga port, a Gazprom gas transit project, but now they do not consider it possible to expand in our direction," said one of the founders of the Estonian transit business Endel Siff, who last year became the head of Sillgas, that planned the Sillamäe terminal. The plan then was to build a **500 million euro terminal that would have processed Gazprom pipeline gas into LNG** but also receive it from big ships for storing and selling. **The terminal was supposed to handle 2.3 million tonnes of gas a year.**

Siff estimated that construction of an LNG terminal for Estonian consumers has no perspectives since the government policy favours the use of local fuels, and the excise tax on natural gas that this year increased by 20% reduces the competitiveness of the so-called light-blue fuel further. (January 6, 2015)

01/07/2015

PAKISTAN:

LNG imports, new discoveries to boost gas supplies to industry

The country, facing the worst energy shortages for years, expects a steady gas supply to its industrial sector by the end of 2015 following the import of LNG and supplies from new fields, Shoaib Warsi, Managing Director Sui Southern Gas Company.

Warsi said LNG import was in the process and would be available for the utilisation by independent power producers by the March-end next year, which would ease the demand. (December 23, 2014)

12/23/2014

AUSTRALIA:

LNG tanker arrives in Gladstone for historic first cargo

The tanker that will make history by shipping Queensland's first cargo of liquefied natural gas has arrived in Gladstone, confirming that the start-up of BG Group's \$US20.4 billion (\$25 billion) LNG project is just days away.

The Methane Rita Andrea arrived off the coast of Gladstone on Monday and is waiting outside the harbour to complete regulatory procedures and until the Queensland Curtis LNG venture is ready to start loading from Curtis Island. A BG spokesman in Brisbane and Gladstone Port Corporation both confirmed the tanker had arrived.

BG's project will be the first of the three rival LNG projects in Queensland to start shipments, with production due to start this month. The British gas major has not given an exact date for production to start or for the ship to sail away. The start-up is also significant on a world scale given the Queensland plants are the first in the world to produce LNG for export from gas extracted from coal seams rather than conventional fields. (December 22, 2014)

12/22/2014

AUSTRALIA:

New \$7 billion offshore LNG project looms for WA after Hess-North West Shelf deal

Western Australia looks set for a new \$US6 billion (\$7.3 billion) offshore petroleum development thanks to a long-awaited deal struck between US player Hess Corporation and the North West Shelf venture, which also opens a new era for the Woodside-managed venture in the processing of third-party gas.

The North West Shelf venture will process gas supplied by Hess from its fields in the Carnarvon Basin through its LNG plant at Karratha for a fee, providing an extra revenue stream and helping extend the life of the project.

The deal will allow Hess to go ahead with the development of the gas it has discovered in the Carnarvon Basin off WA, in a project expected to cost \$US6 billion to develop. It will also secure LNG that it can then market to customers in the Asia-Pacific region. A final investment decision in Equus is not expected until 2017 or later. (December 23, 2014)

12/23/2014

RUSSIA - BAHRAIN:

Russia in Talks to Supply Gas to Bahrain

Russia could likely supply LNG to Bahrain with financing from Russia's Vnesheconombank (VEB), the bank's CEO Vladimir Dmitriyev, who chairs the Russian-Bahraini Business Council, told TASS news agency on Sunday.

"It might be either Gazprom or independent gas producers. Russian gas might compete successfully with all other suppliers," Dmitriyev said.

With no indigenous supply source, Bahrain has been looking at gas supplies from Qatar and Iran but talks are complicated due to political contradictions.

Bahrain plans to open an LNG terminal in 2015, TASS said. (December 14, 2014)

12/15/2014

THAILAND:

Thailand's PTT could double LNG imports to 3 mil mt in 2015

Thailand's national oil and gas company PTT could increase **LNG imports to 3mtpa** in 2015 from around **1.4mtpa** last year because of decreasing pipeline supply from Myanmar, a source close to the company said. The company is expected to receive **2mtpa from Qatari supplier Qatargas in 2015 as part of a 20-year contract signed in 2012** and could secure up to **1mtpa of extra LNG through either spot purchases** or additional term volumes.

However, the buyer's additional LNG requirements will largely depend on downstream gas consumption, which has recently been affected by a slowdown in the country's economic growth. (January 9, 2015)

01/09/2015

UNITED STATES:

US LNG Exports Receive Major Boost

A US regulatory agency has approved plans by Cheniere Energy to proceed with building an LNG terminal in Corpus Christi, Texas, on the coast of the Gulf of Mexico. Construction of the terminal will begin early this year if the project wins final approval from the Energy Department. The Federal Energy Regulatory Commission (FERC) announced the approval on Dec. 30, saying it was convinced that Cheniere, based in Houston, will operate the facility responsibly. **The terminal is approved for both imports and exports and is expected to be big enough to liquefy and ship up to 15 million tons of LNG each year.**

In an effort to win approval, Cheniere said it had approached several banks and other financial institutions to ensure it had the **\$11.5 billion it estimates** it will need to complete the project. It also said it already had found some customers for its LNG. One customer it named is **EDF, the largest gas company in Portugal, which committed itself to buy about 8.4mtpa from the terminal.** (January 5, 2015)

01/05/2015

BRAZIL:

Brazil's LNG imports surge 136% on year in first half of December

Brazilian imports of liquefied natural gas surged to **715,425 cubic meters during the first half of December, up nearly 136% from 303,500 cu m imported during the same period last year**, data from Platts unit Bentek Energy showed Wednesday.

First half December LNG imports were also up 24% from H1 November, when Brazil imported 577,600 cu m.

Rising LNG imports so far this month come as drought conditions continued to worsen in November, with hydro-electric reservoir levels in the Southeast-Midwest region dipping to a record low of 16% capacity. November marked the eighth consecutive month of declines in the region, as reservoir levels continued to dwindle from an annual high at 40.3% in January. As of Tuesday, reservoir levels in the Southeast-Midwest had recovered modestly, standing at 17% capacity, according to the National Electric System Operator. (December 17, 2014)

12/18/2014

CROATIA - POLAND:

Croatia, Poland Plan LNG Terminal Link to Boost Security

Croatia and Poland plan to link their liquefied natural gas terminals by 2020 to boost energy security and cut dependence on Russian supplies of the fuel.

“The cooperation between our countries in connecting LNG terminals into the North-South gas pipeline corridor is crucial for the region’s energy security,” Croatian Economy Minister Ivan Vrdoljak said at a news conference in Zagreb today after meeting with Polish Treasury Minister Wlodzimierz Karpinski. (December 12, 2014)

12/15/2014

UNITED STATES:

Decision could impact Pascagoula LNG export application

The Federal Energy Regulatory Commission's decision to authorize Cheniere Energy's plans to build a second natural gas export facility marks a milestone for the Houston-based company as well as its proposed facility in Corpus Christi, Texas. The facility, which would be able to process as much as **15mtpa** of liquefied natural gas annually, is the first proposed greenfield export project one that wouldn't be built on the footprint of existing LNG infrastructure to make it this far, and now Cheniere is poised to become the biggest beneficiary of the Energy Department's 2014 decision to upend the way the government reviews proposed LNG exports, jumping ahead of dozens of other applicants for licenses to widely export the fossil fuel.

The \$1.1 billion Gulf LNG in Pascagoula is one of the facilities waiting for federal permission to export liquified natural gas. Gulf LNG's application has been pending since 2012. Cheniere is already building a facility for liquefying and exporting natural gas in Sabine Pass, La., and was the first in the nation to win government approval to broadly export LNG.

But Cheniere's plans for a second LNG facility in Corpus Christi materialized later, putting it behind eight other projects in line for Energy Department licenses to export gas to countries that do not have free trade agreements with the United States. (January 6, 2015)

01/07/2015

EGYPT:

Egypt to finalise Gazprom LNG deal

Egypt will complete an agreement with Russia's Gazprom for the company to supply it with liquefied natural gas (LNG) shipments later this month, Egyptian Oil Minister Sharif Ismail told Reuters on Sunday.

Egypt agreed in principle last April for Gazprom to supply seven LNG shipments to help it meet gas supplies needed to face its worst energy crisis in decades.

A Gazprom delegation would visit Egypt in mid-January, Ismail told Reuters by phone.

If successful, the Gazprom deal would be the second LNG import agreement since Egypt finalised a deal for the necessary import infrastructure in November. (January 11, 2015)

01/12/2015

BELGIUM:

EXMAR SEES BRIGHT FUTURE IN LNG LIQUEFACTION FLOATING UNITS

The Belgian gas tanker shipping company Exmar has ordered Wison Offshore & Marine to undertake a second floating liquified natural gas unit.

Wison will be responsible for the turnkey engineering, procurement, construction, transportation, installation and commissioning of the FLNG liquefaction unit, which will be a self-contained barge with a liquefaction capacity of 0.6 million tons per year and 20,000 m³ of LNG storage. The FLNG will be constructed at Wison's shipyard in Nantong, China, where also the construction of Exmars' first FLNG is nearing completion. (January 5, 2015)

01/06/2015

BELGIUM:

EXMAR SEES BRIGHT FUTURE IN LNG LIQUEFACTION FLOATING UNITS

The Belgian gas tanker shipping company Exmar has ordered Wison Offshore & Marine to undertake a second floating liquified natural gas unit.

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01/06/2015

AUSTRALIA:

Gladstone moves ahead with port expansion

Australia's Gladstone coal and LNG port has begun technical work on the duplication of its shipping channel to allow for increased exports.

The Queensland port is moving forward with the project, despite concerns that coal and LNG output may not increase in Australia beyond what is already being built. The project also faces significant environmental opposition after a previous dredging programme was found to have caused major damage to fish populations. Gladstone is on the edge of the Great Barrier Reef World Heritage Area, which is a highly environmentally sensitive area.

Without the expansion Gladstone will face shipping delays, safety risks and congestion in the existing channel, but the port can cope with the predicted shipping demand over the next five years from existing and soon to be completed industrial projects in the region. These include three LNG export projects with a total capacity of 24.2mn t/yr. (January 6, 2015)

01/06/2015

UNITED STATES:

Heinrich, Barrasso introduce LNG transparency act

US Senators Martin Heinrich and John Barrasso have introduced the LNG Permitting Certainty and Transparency Act. The bipartisan legislation will speed up the approval process for exports of LNG to countries that do not have free trade agreements with the US. It specifically requires the Secretary of Energy to make a decision on any LNG export application within 45 days after the environmental review document for the project is published.

Improving the process for reviewing permits to export US natural gas to our allies would create jobs in states like New Mexico because we're rich in the resource. If the US does not aggressively market LNG abroad, many of these countries may have no choice but to purchase energy from Russia or other nations that are not aligned with our own national interests. (January 7, 2015)

01/07/2015

PRICE

ASIA:

Liquefied Natural Gas Price Crashes by 50%, Says Report

As the price of crude oil dropped from \$115 per barrel in June 2014 to less than \$60 in December, a new report by Wood Mackenzie indicates that the spot Asian prices of LNG also crashed from a peak of over \$20 per mmbtu in February 2014 to less than \$10 per mmbtu in November 2014. (January 9, 2015)

01/09/2015

USE FOR POWER GENERATION

CHILE:

GDF Suez plans 375MW Chilean plant

Energy firm GDF Suez has announced plans to build a new 375 MW gas plant in Mejillones, Chile along with transmission infrastructure and LNG supply via its subsidiary company E-CL. The agreement is part of a 15 year contract with Chile's central electricity operator SIC which will see E-CL deliver 5,040 GWh per year from 2018. (December 19, 2014)

12/19/2014

PAKISTAN:

K-Electric and Engro to Boost Power Generation through LNG

K-Electric Limited announces the signing of two separate MoUs with Engro, with the objective of increasing power supply to the city of Karachi and its adjoining areas using LNG as fuel for the new generation. Introduction of LNG in the fuel mix is part of KE's strategy to achieve fuel diversity and enhance power availability in its franchise area within the shortest possible time.

K-Electric signed the first MoU with Elengy Terminal Pakistan Limited (ETPL), a wholly owned subsidiary of Engro Corporation Limited, which is currently developing the first LNG terminal in Pakistan. Keeping in view the long term forecast of receding gas supply from indigenous sources, KE has shown keen interest in the development of LNG terminal by ETPL. The second MOU is a tri-partite MoU signed between KE, Engro Powergen, and GE international for the development of a high efficiency 225 MW combined cycle LNG fired power plant at Port Qasim.

Engro Powergen, a subsidiary of Engro Corporation is the lead developer of the project and is expected to engage GE as the technology provider and investor in the project. KE will off-take power from the project under a long term PPA and has also shown interest to invest in the power company. The project is expected to be fast tracked and will be the first instance in Pakistan where an LNG fuelled IPP shall be developed. (December 19, 2014)

12/19/2014

MOROCCO:

Morocco to launch multi-billion-dollar natural gas project

Morocco says it is planning to launch a multi-billion-dollar project to intensify its search for natural gas.

Morocco's Energy Minister Abdelkader Amara said on Tuesday that the country would spend USD 4.6 billion on infrastructure for the project through the year 2021.

The project, which is aimed at producing 2,700 megawatts of electricity from liquefied natural gas (LNG), is expected to improve Morocco's energy mix alongside renewable sources of energy.

Ali Fassi Fihri, head of the National Office of Electricity and Water, also said that the demand for electricity is dramatically on the rise in the country.

He further described as a "race against time" the country's bid to make sure its electricity needs are met.

To achieve its goal in the energy sector, Morocco, which is the biggest importer of energy in the Middle East and North Africa, should build an LNG terminal at Jorf Lasfar near the western port city of El Jadida within five years. (December 17, 2014)

12/17/2014

USE AS AUTOMOTIVE FUEL

BELGIUM:

DHL and partner Ninatrans introduce the first LNG-Truck and the first two Teardrop Trailers in Belgium

Deutsche Post DHL further expands its fleet of about 11,500 vehicles with alternative drive systems and aerodynamic modifications. DHL introduces two so-called Teardrop trailers as well as one LNG-Truck for the first time in Belgium. The vehicles will be operated by DHL partner Ninatrans. The aerodynamic form of the teardrop-shaped trailers featuring a curved roof reduces air resistance, cutting fuel consumption by 5 to 10 percent compared to regular heavy-load trucks. The LNG-Truck, which runs on natural gas, in addition supports the green transport solution. By adding to its green fleet, Deutsche Post DHL not only acts on its environmental responsibility but also benefits from decreased fuel use. The teardrop trailers, built by Don-Bur, and the LNG-truck, built by Iveco, will contribute to the continuous efforts of both DHL and Ninatrans to reduce CO₂ emissions.

The LNG-truck has a reach of about 700 km and will refuel at a LNG station in the city of Tilburg. Overall, the use of natural gas will help to reduce consumption and CO₂ emissions by 5 to 10 percent. (December 22, 2014)

12/22/2014

USE AS MARINE FUEL

EUROPE:

Shell to Build Special LNG Bunker Vessel

Anglo Dutch oil giant, Shell has confirmed its plans to build a specialised liquefied natural gas (LNG) bunker vessel. The multi-national firm said when completed, it would be delivered to LNG-fuelled vessels in Northwest Europe.

The new vessel will be based at the port of Rotterdam in the Netherlands and will load from the new LNG break bulk terminal and jetty to be constructed by the Gas Access to Europe (Gate) terminal.

Shell's Executive Vice President, Integrated Gas, Mr.Maarten Wetselaar said this specialised LNG bunker vessel is good news and potential customers need to know that their LNG fuel will be delivered reliably and safely. "Shell's investment in this vessel, as well as commitment to buy capacity at the gate terminal, underlines our confidence in LNG becoming a bigger part of the fuel mix." It will also be sea-going and, therefore, able to bunker customers at other locations.

Demand for LNG as a fuel in the shipping industry is increasing, due to emissions reduction requirements scheduled to come into force in January 2015. According to the firm, the new fuel will also enable the industry to comply with future regulations. The vessel itself will be pioneering in design. It will have a capacity to carry 6,500 m³ of LNG fuel and will be highly efficient and manoeuvrable. Featuring an innovative transfer system and sub cooler unit, it will be able to load from big or small terminals and able to bunker a wide variety of customer vessels. (December 19, 2014)

12/19/2014

SWEDEN:

Wärtsilä to power LNG-fuelled RoPax ferry

A new passenger ferry being built for Swedish operator Rederi AB Gotland will be fuelled by LNG and will feature a Wärtsilä integrated solution.

The Wärtsilä solution includes a complete LNG powered propulsion and fuel storage and supply system, as well as comprehensive project services. This will be the first Swedish flagged LNG powered passenger vessel and the first LNG fuelled high speed RoPax ferry in the world. The vessel is being built at the Guangzhou Shipyard International (GSI) yard in China and when delivered, will sail between the Swedish mainland and the island of Gotland. GSI placed the contract with Wärtsilä in November. (December 22, 2014)

12/22/2014

GENERAL INFORMATION

JAPAN - VIETNAM:

Collaboration to develop LNG value chain in Vietnam

Tokyo Gas Company and PetroVietnam Gas (PV Gas) have signed a Memorandum of Understanding (**MOU**) to carry out a feasibility study on energy solution business in Vietnam.

In 2012, Tokyo Gas and PV Gas signed an agreement for cooperation on the development of the LNG value chain in Vietnam. The feasibility study on energy solution business is the first step under this collaboration, with the aim of LNG value chain development in Vietnam.

In the course of these studies, the two companies discovered the potential for further cooperation in energy solutions businesses, such as energy-saving services enabling efficient use of LNG, and LNG satellite provision to bring LNG to areas not served by gas pipelines. (December 15, 2014)

12/15/2014

MOZAMBIQUE:

Mozambique gets new law for gas partnerships

The European Union is set to tighten sanctions on the Crimea region annexed by Russia from Ukraine in March.

New sanctions will target Russian oil and natural gas exploration in the Black Sea and are expected to be announced in coordination with similar measures from the United States.

The annexation of Crimea provided Russia with increased access to energy resources in the Black Sea. Russia's state-run gas giant Gazprom has already made moves to exploit Crimea's oil and gas but the EU hopes to prevent such moves taking place. (December 17, 2014)

12/18/2014

LPG

SUPPLIES - IMPORTS - EXPORTS

NIGERIA:

Accessibility, affordability, hindrances to LPG market

Nigerian Liquefied Natural Gas, (LNG) Limited has highlighted accessibility, affordability and acceptability as the major barriers to the development of the Liquefied Petroleum Gas (LPG) market in Nigeria.

Nigeria LNG, disclosed that in response to supply shortages in the domestic LPG market, NLNG intervened in 2007 and commenced with an annual volume commitment of 150,000 metric tonnes (MT) which was subsequently increased in 2013 to 250,000mt. He further stated that the NLNG supplies 80 per cent of total domestic consumption, adding that since 2007, total supply to the domestic market is 615,000mt.

He explained that the NLNG is advocating a five-point agenda to grow the industry, which includes: creating awareness, granting incentives to LPG stakeholders, empowering consumers, improving infrastructure and promoting favourable government regulation. (December 23, 2014)

12/23/2014

NATURAL GAS

EXPLORATION

CHINA:

Another Mid-to-large Sized Natural Gas Discovery Made on Independent Deepwater Exploration

CNOOC Limited has successfully made a new mid-to-large sized natural gas discovery Lingshui 25-1 on the independent deepwater exploration. The Lingshui 25-1 structure is located in the northeast of Ledong Sag in Qiongdongnan Basin of South China Sea, with an average water depth of about 980 meters. The discovery well Lingshui 25-1-1 was drilled and completed at a depth of about 4,000 meters and encountered the oil and gas pay zone with a total thickness of about 73 meters. The well was tested to produce about **35.6mcf of natural gas** and 395 barrels of oil per day.

Lingshui 25-1 is another mid-to-large sized natural gas discovery following Lingshui 17-2 that the Company made on independent deepwater exploration. (January 6, 2015)

01/06/2015

RUSSIA:

EU to widen sanctions on 'illegally annexed' Crimea and target Russian oil and gas exploration

The European Union is set to tighten sanctions on the Crimea region annexed by Russia from Ukraine in March.

New sanctions will target Russian oil and natural gas exploration in the Black Sea and are expected to be announced in coordination with similar measures from the United States.

The annexation of Crimea provided Russia with increased access to energy resources in the Black Sea. Russia's state-run gas giant Gazprom has already made moves to exploit Crimea's oil and gas but the EU hopes to prevent such moves taking place. (December 17, 2014)

12/18/2014

AUSTRALIA:

ExxonMobil begins \$276 million drilling program at Australian gas project

ExxonMobil has begun a A\$335 million (\$276 million) drilling campaign at its Turrum field in the Bass Strait, aimed at unlocking additional gas supplies for eastern Australia.

The field is part of the \$4.5 billion Kipper Tuna Turrum project, the largest oil and gas development on Australia's east coast.

The Turrum and Tuna fields are part of the Gippsland Basin joint venture, owned 50% each by ExxonMobil and BHP Billiton.

The Kipper field partners are ExxonMobil and BHP Billiton with 32.5% each and Santos with 35%.

The Turrum field began producing oil when the project's Marlin B platform started up in October 2013, but its gas has been re-injected, awaiting the commissioning of a new gas conditioning plant at the onshore Longford processing facility in 2016.

Turrum holds an estimated 1 Tcf of natural gas and 110 million barrels of oil and gas liquids.

The current phase of the field's development involves drilling of four gas wells and one oil well, ExxonMobil said Wednesday.

ExxonMobil Australia Chairman Richard Owen said the drilling program was expected to continue into the second half of 2015.

"ExxonMobil continues to invest in Bass Strait to unlock new resources and maintain gas supplies," he said. (December 17, 2014)

12/17/2014

IRAN:

Iran Finds Significant Gas Reserve in Southern Part of the Country

Iran's state owned National Iranian Oil Company (NIOC) has discovered significant natural gas reserve in the southern part of the country, company's Managing Director of Exploration Department Hormoz Qalavand announced on Sunday.

Qalavand stated that the new gas reserve was discovered during NIOC's recent exploration in the south of Fars and near Bushehr province.

He said that exercise to estimate the volume of this new gas reserve has commenced, Mehr News reported.

"At present, tests and evaluations on the lower Paleozoic formation are being conducted, which have verified the presence of natural gas and gas condensate there," Mehr quoted Qalavand as saying.

Iran with several large-scale natural gas condensate fields including South Pars, Golshan, Ferdowsi, Homa, Arash and over 34 trillion cubic meters of exploitable reserves, holds one of the largest natural gas reserves in the world. (December 14, 2014)

12/15/2014

ISRAEL:

Israel Discovers Another Major Gas Field

A new natural gas field containing about **3.2 trillion cubic feet (tcf) of gas** has been discovered **about 150 kilometers (93 miles) off Israel's coast**. The Royee field contains, according to a seismic survey, between 1.9 and 5 tcf, with 3.2 tcf the best estimate.

The license for the Royee field is held by Israel's Ratio Oil, which has a 70% stake, along with Israel Opportunity Energy Resources, with a 10% stake. Italian power company Edison, controlled by France's EDF, holds 20% of the find.

If the survey is correct, the field would be Israel's third biggest. Between the two of them, the much larger Leviathan and Tamar fields have 33 tcf. (December 14, 2014)

12/15/2014

TURKEY:

Marsa unveils 21.2 bln cubic feet of gas reserves at Turkey block

Shares of Calgary-based Marsa Energy (CVE:MEP) rocketed higher today after recognizing reserves for the first time at the Poyraz Ridge field in the Ortakoy block in Turkey, with first gas sales expected next year.

The company announced earlier today the results of an independent reserves and economic evaluation of its Poyraz Ridge field, which was discovered in the second quarter of 2013.

The report, by DeGolyer and MacNaughton and effective November 30, is highlighted **by proved plus probable reserves of 21.2 bcf of gas, which has a net present value of US\$85.7 million, at a 10 percent discount rate and after Turkish income taxes.**

"With the discovery of the Poyraz Ridge gas field, Marsa Energy has made one of the most significant finds in the Thrace basin in the last 10 years." said president and chief executive officer Blair Anderson.

"Our exceptional success with the drill bit, which in combination with acquiring a Gas Wholesalers Licence and obtaining approval from Botas (Turkey's state pipeline company) to tie into their Inter-Turkey Greece Italy connector pipeline transecting the Ortakoy Block, has enabled Marsa to convert contingent resource into significant high value 1P, 2P and 3P reserves on the Poyraz Ridge field."

"In 2015, we are focussed on tying the Poyraz Ridge field into the Botas gas grid with a view to having first gas sales in Q1 2016," added Anderson. (January 7, 2015)

01/08/2015

RUSSIA:

Russia's Gazprom prepares to launch Yamal's largest gas field

Russian energy giant Gazprom has completed all the procedures needed to prepare for Monday's launch of production at gas field ?1 at Bovanenkovo, one of the largest on the Yamal Peninsula in terms of gas reserves.

The Bovanenkovskoye oil, gas and condensate field with the reserves estimated at almost 5tcm was put into operation in October 2012. With the launch of the gas field ?2 in 2013, it produced 22.8bcm of natural gas. This year, it is expected to produce 38.4bcm. The annual projected gas production from the field is estimated at 115 billion cubic meters. In the long term, gas production is due to increase to 140bcm per year. (December 22, 2014)

12/22/2014

PRODUCTION

INDONESIA:

AWE Limited takes a step closer to developing Lengo gas field in Indonesia

AWE Limited has achieved a major milestone with the Indonesian Government approving the plan of development for the Lengo Gas Field offshore East Java.

Lengo has an **estimated 200bcf** of recoverable sales gas. AWE has 42.5% interest in the project.

Growing demand in East Java is expected to keep gas prices firm despite current oil market volatility. The company will now work with operator KrisEnergy towards a final investment decision. (January 5, 2015)

01/05/2015

AZERBAIJAN:

COST OF GAS PRODUCTION IN AZERBAIJAN SIGNIFICANTLY DECREASED

The cost of production of 1,000 cubic meters of gas by The State Oil Company of Azerbaijan Republic (SOCAR) has decreased by 14 percent.

A recent report published by SOCAR covers the statistics until the beginning of 2014 and indicates that the cost of production of **1,000 cubic meters of gas in 2013 was 38.02 manat, or \$48.55, amd declined by 13.8 percent compared to 2012.** (January 9, 2015)

01/12/2015

CHINA:

Husky, CNOOC Start Production at Liuhua 34-2 Gas Field in South China Sea

Husky Energy and CNOOC Limited have started production at Liuhua 34-2 gas field in the South China Sea.

This is the second field to be brought online at the Liwan Gas Project this year. The Liwan 3-1 field began production in March 2014.

The Liuhua 34-2 field will produce approximately 30 million cubic feet per day (mmcf/day, gross) in addition to the Liwan 3-1 volumes. (December 15, 2014)

12/16/2014

UKRAINE:

JKX to suspend 2015 capex programme in Ukraine

JKX Oil & Gas Plc said it would suspend its capital expenditure program in Ukraine for 2015, citing government-imposed restrictions on selling gas to industrial clients and an increase in gas production tax.

The company said gas sales may reduce to less than **50 percent** of its production capacity in Ukraine while the decree remained in force, adding that it would halt a proportionate level of gas production. A presidential ruling requires Ukrainian gas producers to supply all their output in the 2014-15 seasons to the population rather than industries to help the country tide over an energy shortage. (January 7, 2015)

01/07/2015

UNITED STATES:

U.S. Natural Gas Production in December Averages 72.8 Bcf/d, Achieves New Record

Natural gas production in the lower 48 United States increased by **2.2Bcf/d during the month of December**, according to Platts oil and gas analytics unit Bentek Energy. **Production averaged 72.8Bcf/d in December**, the highest monthly average on record, and an **11.6% increase 7.5 Bcf/d** over daily average production levels in **December 2013**.

U.S. production hit another one-day **record high of 73.6Bcf/d on December 20**, according to Bentek, and U.S. Northeast production achieved a **new one-day record of 19.8Bcf/d on December 19**. (January 6, 2015)

01/07/2015

TRANSPORT - DISTRIBUTION

BULGARIA:

Merkel urges Bulgaria to seek new talks with Putin on South Stream

German Chancellor Angela Merkel **backed Bulgaria** on Monday in its bid to seek **new talks with Russia about the South Stream gas pipeline** after Moscow shelved the project this month in favour of an alternative link via Turkey.

"We need to examine all legal questions surrounding the South Stream project and then use these to move discussions forward with Russia," Merkel said after talks with Bulgarian Prime Minister Boiko Borisov in Berlin.

Numerous contracts have already been agreed and it is important for both sides to remain reliable partners, she added.

Borisov said after meeting Merkel he was convinced that the problems could be resolved and he hoped to receive clarification from Brussels on its views about the pipeline. (December 15, 2014)

12/16/2014

SLOVAKIA:

Slovak EUstream in Testing to Boost Reverse Gas Exports to Ukraine

A pipeline allowing **Ukraine to import natural gas from the European Union is undergoing tests to boost its capacity**, as Kiev seeks to secure sufficient energy supplies for the coming winter amid ongoing loggerheads over Russian gas shipments.

EUstream said Monday that it may increase the capacity of its auxiliary gas pipeline, connecting the eastern Slovak town of Vojany with western Ukrainian town of Uzhgorod.

"**Current capacity of the Vojany pipeline is 11.5 billion cubic meters a year.** Further increase is expected after running some more technical tests," EUstream spokesman Vahram Chuguryan told the Wall Street Journal, adding that the testing would take about a week.

The Vojany-Uzhgorod pipeline was idle for about a decade before finding its use to provide gas for Ukraine. The pipeline is separate from the main bulk pipeline used by Russia to ship gas from Siberia via Ukraine to Europe. Slovakia is a key entry point for Russian gas shipments to the EU. (December 15, 2014)

12/16/2014

SOUTH AFRICA:

Study to consider proposed South Africa-Mozambique gas pipeline

South African-based SacOil said it has signed a joint development agreement (JDA) with the Mozambican government's Institute for the Management of State Holdings (IGEPE) to “**evaluate the technical and commercial feasibility of a trans-national terrestrial gas pipeline and distribution facility**”.

The feasibility study will cover engineering, market development, gas purchasing, economic, financial, technical and commercial risk profiles as well as environmental, social and regulatory issues.

The **pipeline would carry natural gas from Mozambique’s Rovuma fields into South Africa**, “with off-takes to other neighbouring Southern African Development Community (SADC) countries, SacOil said.

If constructed, it is proposed that the **2,600-kilometre main pipeline from northern Mozambique to South Africa will, en route, deliver gas to key towns and settlements in all provinces of Mozambique**. SacOil said this would “stimulate industrial growth in the country”. (December 16, 2014)

12/17/2014

JAPAN:

Tokyo Gas Plans First Offshore Gas Pipeline

Tokyo Gas Co. intends to build the nation’s first offshore gas pipeline, an undersea route connecting Hitachi, Ibaraki Prefecture, and an oceanfront industrial complex in and around Kashima in the prefecture, according to sources.

The targeted **completion date is about 2020**. By diversifying gas transportation routes, the company hopes to build a stable supply system that is equipped to deal with large-scale disasters, the sources said.

Tokyo Gas owns three liquefied natural gas supply bases in an area facing Tokyo Bay. The company is now building a new LNG base in Hitachi to ensure a stable gas supply even in the event of a disaster in central Tokyo.

The planned route will likely extend about 80 kilometers, and will connect the new base in Hitachi and the Kashima industrial complex. The envisaged pipelines will normally be used to supply gas from Hitachi to the industrial complex. (January 8, 2015)

01/09/2015

SUPPLIES - IMPORTS - EXPORTS

UNITED STATES:

B.C. regulations ban oil and bitumen from natural gas pipelines

A proposed network of pipelines from natural gas fields in British Columbia's northeast to liquefied natural gas export plants in the northwest will not be permitted to pump oil and diluted bitumen. The Natural Gas Development Ministry said a new regulation prohibits the B.C. Oil and Gas Commission from allowing any conversion of a natural gas pipeline supplying an LNG facility.

The B.C. pipeline regulation currently applies to six proposed pipelines, including the Prince Rupert Gas Transmission Project, which is slated to bring natural gas to the Petronas-backed Pacific Northwest LNG plant. (January 5, 2015)

01/07/2015

UKRAINE:

UKRAINE'S 2014 GAS IMPORTS FROM EUROPE SOAR

Ukraine's imports of natural gas from Europe increased by **143% year on year, or 3bcm**, to **5.1bcm in 2014**, up from **2.1bcm in 2013**, state-owned gas shipper UkrTransGaz reported Monday.

In December alone, Ukraine imported **998.8mcm** of gas from Europe, up from **946mcm** in November and **892.2mcm** in October, the company said.

Ukraine imports European gas via Slovakia, Poland and Hungary. In 2014, Ukraine imported **3.6bcm of gas from Slovakia, 900mcm from Poland** and **600mcm from Hungary**, UkrTransGaz said. (January 5, 2015)

01/06/2015

NORWAY:

We can increase supply of gas

Norway's Foreign Minister Borge Brende said his country will continue to be a reliable energy supplier, even increasing gas supply if necessary.

"Norway is one of the leading energy suppliers in Europe and we will continue to be one in the area of natural gas. We can even step up supply if there is demand for that in the years to come," he said. "We will also then, in terms of commercial interest, improve the capacity when it comes to pipes," Brende said, speaking at a press conference with Turkey's Foreign Minister Mevlut Cavusoglu on Tuesday.

Brende said that the cancellation of the South Stream pipeline project opens up new opportunities for Turkey as "a main transition country," adding supplies of natural gas from the Caspian Sea, from Azerbaijan and perhaps, in the future, for Turkmenistan. The South Stream project was an EU plan to bring natural gas from Russia to Europe through Bulgaria. Russia has instead decided to build a gas pipeline to Turkey. (December 17, 2014)

12/18/2014

ISRAEL - JORDAN:

Gas deal still on, Delek and Noble Energy tell Jordanians

The gas export deal with Jordan is still on the agenda, despite the events of the past few days that's the message that senior managers at Delek Group Ltd and Noble Energy wish to convey to the Jordanians. The deal for the export of **45 million bcm of gas** was still alive.

In the light of the Israeli antitrust commissioner's decision to rescind the consent decree whereby Delek Group and Noble Energy could have retained the large Leviathan gas reserve in return for selling two small reserves. Energy Committee of the Jordanian House of Representatives, said that the negotiations on the gas supply deal had been called off, and that no deal could take place until the picture in Israel was clarified.

The deal in question was the subject of a letter of intent signed last September for the supply of 3-4 BCM of gas annually from Israel for **15 years to Jordanian power producer Nepco**. The deal is estimated to be worth some **\$15 billion**.

The supply of gas to Jordan was to have commenced immediately on completion of the development of the Leviathan field, the target date for which was early 2018, but it is now not clear how long development will be delayed. The final agreement was due to have been signed in Washington at the end of this month. (January 6, 2015)

01/06/2015

CHINA:

Gas imports to cope with rising winter demand

China is to increase its natural gas imports to cope with rising winter demand, the country's largest oil and gas company said. China National Petroleum Corp, which accounts for 75 percent of national gas output, said it will deliver 60.7bcm of natural gas from November through to March 2015, a 9 percent rise compared with the same period last year as the country's energy use peaks.

Officials said the supply system has a shortfall of 2bcm for the coming winter with total demand expected to hit 88.2bcm. The world's biggest energy user is raising the percentage of clean fuel being used to reduce emissions. A CNPC representative, said the company's pipeline gas and liquified natural gas imports will both increase by 10 percent this year with total gas imports of more than 20.8bcm during 2014. (December 23, 2014)

12/23/2014

IRAN:

IRAN: GAS PRODUCTION UP, GAS CONSUMPTION UP

For first time since 2009, **Iran's gas production experienced a double-digit increase. However, production continues to fall short of demand.**

Hassan Montazer Torbati, planning director of the National Iranian Gas Company, announced that total dry **gas production reached 160 bcm** during last nine months of current fiscal year, **indicating a 12% increase compared to the same period last year.** Iran's fiscal year started on March 21, 2014.

Iran did not commence any new upstream gas projects from 2009 to 2013, but in early 2014 it inaugurated the phase 12 of South Pars gas field.

Initial Phase 12 production of 12.5 mcm/d was subsequently increased to 50 mcm/d in June 2014 with the launch of a second platform. On January 5, 2015, the third platform of Phase 12 became operational and currently the total gas production is about 60 mcm/d. The final production capacity for the phase is projected to reach 82 mcm/d by March.

Iran also commenced the phases 15 and 16 of South Pars with restricted production amount during last months. Islamic Republic planned to raise the gas production levels from the current 575 mcm/d to 600 mcm/d until March 2015.

Despite the increase in production levels, Iran's consumption level also rose significantly.

Montazer Torbati said that during last 9 months, some **42 bcm of gas delivered to power plants, a 10 bcm increase compared to the same period in previous year. Iran also increased gas exports by one bcm to 8 bcm during this period**

Iran is currently delivering 110 mcm/d of gas to power plants and 82 mcm/d to industrial sector, however deliveries may be limited in the upcoming period to avoid gas shortage in housing sector during winter. It is expected that demands from Iran's housing sector, which presently consumes 400 to 405 mcm/d of gas, will reach 450 mcm/d next week. (January 7, 2015)

01/08/2015

IRAK - TURKEY:

Iraqi Natural Gas to Reach Turkey by end of 2017

Genel Energy is due to begin **transferring Iraqi natural gas to Turkey by the end of 2017**, and its volume thereafter will rise year on year, said Mehmet Sepil, president of Genel Energy.

The Turkish Ministry of Energy and Natural Resources Taner Yildiz signaled the delivery of Iraqi natural gas to Turkey on Thursday at the Bosphorus Energy Club's third meeting in Istanbul, stating that once Iraq starts its gas production, transmission to Turkey will become possible.

"By the end of 2017 or the beginning of 2018, four billion cubic meters of natural gas from Iraqi fields will arrive in Turkey," Sepil said.

"The volume will increase by two billion cubic meters every year, and will eventually reach 10 billion cubic meters," he added. (December 13, 2014)

12/15/2014

TURKEY:

Putin gobsmacks West with Turkey gas deal

Russian President Vladimir Putin clinched a groundbreaking deal with Turkish President Recep Tayyip Erdogan that will strengthen economic ties between the two nations and make Turkey the major hub for Russian gas in the region. Under the terms of the agreement, Russia will pump additional natural gas to locations in central Turkey and to a "hub at the Turkish-Greek border" which will eventually provide Putin with backdoor access to the lucrative EU market, although Turkey will serve as the critical intermediary. (December 23, 2014)

12/23/2014

UKRAINE:

Russian gas flows to Ukraine stable: Ukrtransgaz

Russian natural gas flows to Ukraine have been stable since Dec. 9, when Gazprom resumed supplies after a six-month gap caused by a price dispute and unpaid debts. supplies are stable. Ukraine received 23.4mcm of Russian gas on December 20.

Ukraine has had to cope with low temperatures and a lack of fuel to produce enough power to cover domestic needs. The volume of gas in Ukrainian underground storages had fallen by 27.2 percent since the start of the heating season to 12.19bcm as of Dec. 20, the Ukrtransgaz data showed.

The country paid \$378 million to Gazprom for 1bcm of gas in December to replenish its limited reserves. Ukraine has said a gas agreement with Russia, reached in October, allows Kiev to buy up to 5bcm of gas in the period between October and March. (December 22, 2014)

12/22/2014

NORWAY:

Statoil's \$2.9bn Valemon gas field offshore Norwegian Sea goes on stream

Statoil and its partners have brought the Valemon gas and condensate field on stream. Scheduled to complete drilling in 2017, the Valemon platform is Statoil's first platform remotely controlled from shore.

Using the existing facilities at Kvitebjørn and Heimdal, as well as the existing pipelines Statoil have also reduced the costs of developing the Valemon field.

Statoil Technology, Projects and Drilling executive vice president Margareth Øvrum said: "The South Korean yard and a competitive Norwegian supply industry have together with a competent project organisation ensured project start-up on schedule, with excellent HSE results. (January 5, 2015)

01/05/2015

RUSSIA:

Three-year contract on Russian natural gas deliveries to Belarus signed

A contract has been signed to determine the terms of Russian natural gas deliveries to Belarus for the next three years.

Details of the contract have yet to be specified. Earlier First Vice Prime Minister of Belarus Vladimir Semashko said that the document they were about to sign did not differ from the existing one by a lot. "We will use the same pricing formula. Since the exchange rate of the Russian ruble has dropped, Belarus will pay slightly less for natural gas as from 1 January. Today the price is close to \$168 per 1,000m³. The price will be about \$154-155," explained the official.

Speaking about the volume of natural gas deliveries, Vladimir Semashko said that Belarus will get as much natural gas as it needs. "About 22 billion m³ of natural gas per annum. We sometimes use less than that. The contract allows Belarus to use up to 5% more or 10% less than the target," he said.

The existing three-year contract on Gazprom's natural gas deliveries to Belarus will expire on 31 December 2014. (December 16, 2014)

12/17/2014

PRICE

RUSSIA:

Add Natural Gas Prices to Putin's Long List of Problems

After last year's plunges in oil and the ruble, Russian President Vladimir Putin now has another thing to worry about: the price of natural gas.

While the fuel held up better than oil last year, weakening just about half as much, **the average cost on Europe's biggest open market will fall 13 percent this year** to the lowest since 2010, according to the median of 13 traders, brokers and analyst estimates compiled by Bloomberg. Part of the reason for the drop is that global production capacity of liquefied natural gas will jump the most in four years, boosting competition for Russian pipeline flows that meet almost a third of Europe's demand.

Russia gets 14 percent of its export sales from gas. State-run Gazprom's revenue will drop 7.6 percent to 6.13 trillion rubles (\$99 billion) in fiscal year 2015, the first decline since 2009, according to the mean estimate of 18 analysts surveyed by Bloomberg.

Russia also faces lower demand in the European Union, its biggest gas market. **Consumption in the 28-nation bloc declined 9 percent last year**, the fourth annual drop, according to a forecast by Brussels-based lobby group Eurogas.

"You have a triple negative impact on the demand for Russian gas," Georgi Slavov, head of basic resources research at brokerage Marex Spectron Group, said Dec. 23. "You have increasing energy efficiency of most of the economies in Europe, you have relatively weak economic conditions, which translate into weak demand for gas, and you also have the drive of certain countries to diversify away from Russian gas on geopolitical grounds." (January 8, 2015)

01/08/2015

IRAN:

Iran Hoping Natural Gas Can Save It From Low Oil Prices

Iran appears to be shifting its attention from low-priced oil to gas, gearing up to increase **production to 100mcm of gas** per day at its South Pars field by March 20, the end of the country's calendar year. South Pars, the largest known gas field in the world. The field, situated in the Persian Gulf, contains an estimated 14tcm of natural gas. (January 5, 2015)

01/06/2015

STORAGE

RUSSIA - EUROPE:

EU TURNS TO GAS INVENTORY AS RUSSIAN IMPORTS DELAYED ON OIL

European traders are **withdrawing natural gas from storage sites** at the fastest pace since 2012 as oil's collapse to a five-year low prompts buyers to delay imports of Russian fuel to take advantage of lower prices next year.

Inventories at storage facilities in the 28 European Union nations **fell 9.7 percent since Oct. 1, compared with an 8 percent drop in the same period of 2013**, according to data from Gas Infrastructure Europe, a lobby group based in Brussels. Russian gas flows to Europe declined by 25 percent from a year earlier last month, state-run exporter OAO Gazprom said Dec. 1. (December 16, 2014)

12/17/2014

CONSUMPTION

IRAN:

Largest world gas reserves incapable of meeting Iran's gas consumption

Consumption of gas and other forms of energy in Iran is so high that it is said even the largest world gas reserve in South Pars will not be capable of meeting demands of the Iranian people. Up to the next two decades the country will be turned into one of the biggest gas importers in the world.

The scale of energy consumption in Iran **is three times more than the world average** to such an extent that in some areas **the consumption level of Iran's population of 78 million is equal to the consumption of 1.3 billion people in China.**

According to statistics, while in the world for an average production of \$1000 of gross domestic product (GDP) the energy consumed is equal to 01.19 tons of crude oil, for the production of the same amount of GDP the energy consumed in Iran is 0.63 tons of crude oil.

Energy consumption in Iran is much higher than other countries and according to reports the per capita gas consumption in Iran is three times more than the world average to such an extent that annual gas consumption in Iran is 1700 cubic meters while it is 600 cubic meters in the world.

Iran ranks three among world countries in gas consumption and this is at a time when the country in terms of population and economic growth is below other major consumers.

Possessing one of the largest natural gas reserves in the world provides Iran with an opportunity to accelerate its development trend but the growing gas consumption in the country is a threat that can remove such an opportunity. By exceeding China and Europe in gas consumption it seems that in a near future the country becomes one of the largest gas consumers in the world.

The intensity of energy consumption in Iran is so high that Nasrollah Seifi, Managing Director of the Iranian Fuel Conservation Company has predicted that Iran will be turned into one of the energy importers by the year 1404 (2025).

Meanwhile, Oil Minister Bijan Namdar Zanganeh has said if consumption is not controlled the present water crisis will be experienced in the case of energy within the next 10 years even if the entire South Pars becomes operational. (January 10, 2015)

01/12/2015

TURKEY:

Turkey's natural gas consumption soars

Turkey's natural gas **consumption soared by 5.7 percent, reaching 47.8 billion cubic meters in 2014**, official sources, who asked not to be named, told Anadolu Agency on Jan. 9.

Natural gas consumption has been increasing continuously in Turkey due to the country's developing economy, industry and increasing population.

Natural gas plants also had the highest share of the total electricity production with 46.7 percent, followed by coal plants with 27.5 percent.

Turkey consumed 45.2 billion cubic meters of natural gas in 2013, of which 45.8 percent went to electricity production, 25.1 percent went to industry and 20.8 percent was for household usage, according to data on the Turkish Energy Market Regulatory Authority's (EMRA) website. (January 9, 2015)

01/12/2015

USE FOR POWER GENERATION

GHANA:

New gas plant could save Ghana US\$300m on fuel costs

Ghana has begun processing gas from its offshore Jubilee oil field through a pipeline project that could save the government US\$300 million a year on fuel costs even with the current steep drop in oil prices.

The Atuabo gas plant is supplying 50mcf of gas per day to nearby thermal power generators operated by the Volta River Authority. It has also produced 3,000 tonnes of liquefied petroleum gas and condensate as by products. The project aims to ramp up production to 150mcf by the end of December. Atuabo remains a vital cushion for the current unreliable gas supply from Nigeria and would remain in operation for the long haul.

Two more gas fields are expected to come onstream by 2017 to add to Jubilee, which is operated by British firm Tullow Oil. (December 19, 2014)

12/19/2014

UNITED STATES:

Volvo converts methane gas into power for New River Valley plant, achieves carbon neutrality

Volvo Trucks is using **methane gas provided at 13 area landfills to produce energy** for its New River Valley (NRV) assembly plant in Dublin, VA . As of November, the company said, 100% of that power is now coming from the landfills, making the plant carbon neutral.

The fossil fuels previously used to generate the NRV plant's electricity in 2013 produced 40,408 tons of carbon dioxide (CO2) emissions, the company said. Volvo said its electricity provider now uses landfill gas to produce power for the plant that otherwise would have required fossil fuels to produce. (December 15, 2014)

12/16/2014

GENERAL INFORMATION

THAILAND:

Rethink in govt plan to reduce gas dependency

Energy Minister Narongchai Akrasanee said yesterday the government **was "rethinking" its plan to sharply reduce the country's dependency on natural gas.**

Narongchai said anticipation that the world was entering a new era where natural gas would reshape the global economy - the so-called "LNG [liquefied natural gas] revolution" had prompted his ministry to **reconsider its plan to accelerate the cut of natural gas used to fuel power generation.**

"We're rethinking about [the usage of] natural gas which we once said we would reduce a lot. If this 'revolution' is really coming, natural gas might not be so bad. It is a very clean energy and an alternative energy that is highly efficient," he said.

The ministry has just recently unveiled a 15-year power development plan (PDP-2015) targeting to **cut the use of natural gas in the country's power generation from nearly 70 per cent at present, to between 30-40 per cent in 2036.**

At the same time the proportion of coal, renewable energy, and electricity imports from hydro-power plants in neighbouring countries would be increased. A previous PDP plan called for the cut in natural gas's usage to 58 per cent.

Areepong Bhoocha-oom, permanent secretary of the Energy Ministry, said the discovery of shale gas had brought down the price of natural gas and might narrow the prices gap with other fuels. (January 8, 2015)

01/08/2015
