

LNG

PRODUCTION

AUSTRALIA:

Australia Pacific LNG is 88% complete

Origin Energy Limited has reported that the Australia Pacific LNG project is **88% complete** and on track to deliver first LNG in **mid-2015**. David Baldwin, the company's CEO, commented: "We continue to make significant progress in the delivery of the Australia Pacific LNG project.

"The upstream component of the project is **90% complete**, with 1019 development wells drilled and 666 wells commissioned, while the downstream component is 86% complete and the final Train 2 module has been set on its permanent foundations." "The Australia Pacific LNG project remains on track for first LNG in mid-2015." (January 30, 2015)

01/30/2015

AUSTRALIA:

Inpex's Ichthys LNG project in Western Australia begins development drilling

Inpex Corp. announced on Feb. 4 that its liquefied natural gas project in the Ichthys gas-condensate field, **located some 200 kilometers off the Western Australian coast in the Browse Basin, has commenced drilling.**

The Ichthys LNG project is expected to **produce 8.4 million tons of LNG and 1.6 million tons of LPG annually**, along with approximately **100,000 barrels of condensate per day** at peak, the company said.

The expected operational life of the project is **40 years**.

Louis Bon, managing director of the project, called the safe commencement of drilling another major milestone.

"Today we officially mark the beginning of our development drilling program after years of intensive optimization studies and detailed planning," he said. "This campaign will target the Brewster reservoir with 20 production wells. The wells will be drilled into reservoirs about 4,000 to 4,500 meters beneath the seabed."

Natural gas and other byproducts produced by the project's wells will first undergo preliminary separating and processing offshore, according to Inpex. The gas will then be transported via a 889-km pipeline to an onshore facility in Darwin for further processing into LNG and other products. The condensate will be stored on the floating ENSCO-5006 production, storage and offloading facility and loaded onto tankers for export. (February 4, 2015)

02/04/2015

AUSTRALIA:

Shell shelves plans for Arrow LNG project in Queensland

Royal Dutch Shell has officially ditched plans for a new **\$US20 billion-plus (\$25.5 billion)** liquefied natural gas project in Queensland in a step-up of spending cuts by global majors buckling down for a prolonged downturn in oil prices.

Global Shell chief executive Ben van Beurden said the proposed greenfield Arrow LNG project with PetroChina was "off the table", while other ventures would be slowed as priority was given instead to Shell's North American LNG projects.

Shell labelled plans for a stand-alone LNG project in Queensland as "cancelled" along with several other ventures around the world being deferred or cancelled in the wake of the crash in prices. But Arrow's coal seam gas resources will still be developed, with work going ahead to bring gas in coal seams in Queensland to market. "Work continues on development of Arrow's substantial gas resources in the Bowen and Surat Basins," Shell Australia spokesman Paul Zennaro said. (January 30, 2015)

01/30/2015

SUPPLIES - IMPORTS - EXPORTS

CHINA - NIGERIA:

China steps up LNG imports from Nigeria

China's state-owned buyers have stepped up imports from Nigeria LNG (NLNG), with six cargoes delivered to the country's LNG terminals so far this year.

China imported two cargoes from Nigeria in the period January-February 2014 and seven cargoes for the year as a whole -- all in the first seven months, according China's import data.

The increase comes during limited inter-basin arbitrage opportunities caused by weak demand and falling spot prices in Asian markets. (February 4, 2015)

02/05/2015

CHINA:

China's Independent Players Push for Access to LNG Supplies

Falling LNG costs and rising domestic gas prices in China have made opportunistic purchases increasingly attractive for non-traditional LNG buyers, which are now putting pressure on state-owned terminal operators to gain access to their import infrastructure.

Several private and state-owned companies -- which currently do not have access to receiving terminals or an established credit rating -- have stepped up discussions with the operators of China's terminals, requesting them to import LNG on their behalf, share cargoes or even grant direct access to their import facilities.

A state-owned importer said: "We are getting a lot of inquiries from partners, private companies and some smaller state-owned companies... A lot of them have approached us to share a cargo or buy one on their behalf."

In recent months, plunging LNG spot prices, coupled with rising domestic gas values, have created an incentive for smaller players looking to import LNG. (January 28, 2015)

01/29/2015

EGYPT:

Egypt Signs LNG Import Deal with Trafigura

Egyptian Natural Gas Holding Co (EGAS) has signed a contract with Trafigura to import LNG, Egypt's Amwal Al Ghad newspaper reported Thursday.

Khaled Abd El Badee, EGAS's Chairman said **Trafigura would supply Egypt with 33 cargoes of LNG between 2015 and 2016.**

Abd El Badee added that Egypt is expected to sign more contracts to import another 75 LNG cargoes in coming days, the newspaper reported. (February 5, 2015)

02/06/2015

UNITED STATES:

House passes LNG Permitting Certainty and Transparency Act

The US House of Representatives has passed legislation to expedite the federal approval process for the export of LNG. The House passes Representative Bill Johnson's legislation, H.R. 351, the LNG Permitting Certainty and Transparency Act, by a bipartisan vote of 277-133. The bill expedites the approval process of LNG export permits that have been delayed by the Department of Energy (DOE).

The bill calls for the DOE to issue a final decision within 30 days for any application to build, expand or operate LNG export facilities that also require authorisation from the Federal Energy Regulatory Commission (FERC) or the US Marine Administration. The DOE would need to make the decision following the conclusion of any review required by the National Environmental Policy Act.

Commenting on the passage of his legislation to Senate, Bill Johnson said: "America is experiencing an energy renaissance because of the oil and natural gas development occurring across Eastern and Southeastern Ohio, and throughout the United States. We're now the world's largest producer of natural gas, and because we have become so efficient at producing this resource, we have an excess supply we can sell to our allies across the globe – allies that have been beholden to the whims of Vladimir Putin's Russia for their energy needs.

"Most importantly, this legislation is a significant job creator. Some estimates suggest that the construction associated with LNG export terminals would support the creation of 45 000 jobs. Additionally, this bill would further spur our manufacturing industry's comeback – estimates suggest that hundreds of thousands of jobs could be created because of increased natural gas production and development. I'm honored to have been part of the team to usher this bipartisan legislation through the House of Representatives, and I'm hopeful that it will clear the Senate and be placed on President Obama's desk for his signature." (January 29, 2015)

01/29/2015

NETHERLANDS:

Titan LNG wins new customer

Titan LNG has signed an LNG supply contract with a new customer in the Netherlands: Tank Services Pernis (TSP).

Titan will provide TSP with **11.5 GWh/yr of LNG**, from the Gate terminal in Rotterdam. Commenting on the new agreement, Niels den Nijs, Titan LNG Commercial Director, said: "We are very pleased that Tank Services Pernis has chosen Titan LNG as their LNG supply partner as this is our first client in our home market."

TSP is already equipped with an LNG plant, and the gas is used to fire an industrial steam boiler. Terry de Mello, SHEQ Manager at TSP, explained: "LNG enables a pipeline independent and reliable gas supply for us. Compared to our old heating oil usage we are reducing our energy costs and emissions significantly, which has a positive influence on the environment." (January 29, 2015)

01/30/2015

EGYPT:

Trading Houses dominate in Egypt's \$2.2 billion LNG Tender

European commodity traders won the lion's share of a closely-watched tender to supply Egypt with **\$2.2 billion** worth of LNG, as they work to expand into a business typically dominated by the oil majors. Vitol, Noble Group and Trafigura will supply most of the LNG, with oil major BP covering the remainder, traders with knowledge of the matter said on Tuesday. The global market for the fuel was otherwise marked by receding demand, oversupply and plunging prices.

Trading companies are gaining a foothold in global gas trade, at times by working with oil majors especially in countries carrying credit and payment risks, while an emerging glut of the fuel also creates more space for them to operate. "The traders are developing an increasing role for themselves in the LNG market including taking on the risk of supplying LNG to new, less creditworthy buyers who some of the more traditional players are more reluctant to deal with directly," Andy Flower, independent LNG consultant said. "Their ability to make commitments to these buyers without necessarily having fixed the supply is a sign of the increasing flexibility of the LNG business as it expands and new producers enter the market."

Egypt has emerged as a major new market for LNG as the government looks to ease the worst energy crunch in decades. Falling output and rising demand have transformed the country from an oil and gas exporter to net importer. Last month Egypt's state-owned gas company EGAS launched the tender to buy **75 LNG cargoes over a one- to two-year period**.

The country of about **90 million relies heavily on gas to generate power for households and industry**, but has had difficulty securing imports because it lacks a terminal to process LNG, which is natural gas chilled into a liquid state.

But after two years of delays, Egypt contracted Norway's Hoegh LNG for a floating storage and regasification unit, opening the door to LNG imports once the terminal is operational by the end of March. Alongside the current purchases, Egypt has struck LNG import deals with Algeria's state-run Sonatrach for six cargoes and the trading arm of Russia's Gazprom.

EGAS is also negotiating a five-year import deal with Sonatrach. (January 28, 2015)

01/28/2015

UNITED KINGDOM:

UK LNG imports soar as Asian price crashes

In January the UK received seven LNG cargoes, compared to just one cargo in the same month last year, analysts at market reporting agency Icis said.

In Asia, LNG prices have fallen below that of the UK for the first time since the Fukushima nuclear disaster forced Japan into an increased dependency on gas-fired power.

Since 2010 strong demand from Asian markets - including Japan, South Korea, Taiwan and China - has put in place a strong price premium over the UK, meaning it is difficult to attract cargoes in the competitive global market.

But on Wednesday the price for LNG delivered to Asia in March closed at 45.63 pence/therm while the UK price closed at 46.08 pence/therm.

"A combination of weak winter gas demand across key importing Asian countries, additional global production and lower oil prices have hit market sentiment with spot prices falling fast," Cox said.

As a result, the UK has seen LNG imports climb to account for around 25 per cent of the UK's total gas supply between October and February. The remainder is made up from Norwegian pipeline gas imports and from domestic production.

Although UK gas prices for next-month delivery are currently 30 per cent lower than at the same time last year Cox said forward pricing trends suggest the UK may continue to be a more attractive market for LNG exporters "for the foreseeable future". (February 6, 2015)

02/06/2015

USE FOR POWER GENERATION

PAKISTAN:

Govt opts to replace coal-run power plants with LNG

Addressing the acute energy crisis, the federal government has suggested abandoning the plan of developing two coal-based power plants in exchange for liquefied natural gas (LNG) power plants, which will be established in Punjab.

The proposal recommends fixing the upfront tariff for 3,600-megawatt LNG-based plants at Rs8.85 per kilowatt hour (kWh).

Giving a detailed briefing, a senior official of the Water and Power Ministry said that gas-fired power plants can be established in two to three years.

Earlier, the government intended to establish three imported coal-fired power plants in Punjab but now the focus is on LNG. The official further stated that the government has replaced two imported coal-fired plants with LNG plants. However, one imported coal-fired plant in Sahiwal is being pursued by the government. (February 5, 2015)

02/05/2015

PAKISTAN:

LNG will be imported to overcome electricity shortage

It is absolutely imperative to keep the wheel of the industry moving, Chief Minister Shahbaz Sharif said on Friday. "Overcoming the energy crisis is vital for progress and prosperity of the country."

He was addressing a meeting to review progress on various energy projects.

He said shortage of energy had affected education, health and agriculture sectors. "The government is trying its best to overcome the power shortfall...let's hope that our efforts bear fruit soon."

He said the provincial government had planned to set up an **LNG Park which would generate 1,000MW**. He said the project would help **generate low-cost electricity**. "LNG will be imported to overcome the electricity shortfall." He directed relevant institutions and departments to work in a coordinated manner to ensure early completion of the project. "Every moment is precious and we have to march forward." (January 31, 2015)

02/02/2015

USE AS AUTOMOTIVE FUEL

FRANCE:

Port of Dunkirk and consortium work on LNG project

The French port of Dunkirk is currently negotiating an agreement with the consortium Dunkerque LNG – Air Liquide – Exmar Marine NV that won the call for expressions of interest (CEI), which the port issued in April 2013.

In addition, an application for co-funding under the European Union's TEN-E proposals scheme, is being prepared and needs to be submitted to the European agency by the national authorities no later than 26 February.

At present, the project consists of a number of phases, beginning with the construction of an LNG filling station for tank trucks. The second step will be the construction of an LNG bunkering ship and the necessary adaptation of the present wharf to allow its berthing.

Lastly, depending on market trends, a subsequent phase could see the construction of a new dedicated pier for LNG bunkering. (January 30, 2015)

01/30/2015

GENERAL INFORMATION

AUSTRALIA:

Shell scraps Australian LNG project

Pulls out of US\$20bn plant after oil slump

SHELL has scrapped its plans for a US\$20bn LNG project in Australia as it continues to be squeezed by the massive slump in oil prices.

The European energy giant confirmed, during its 2014 results presentation late last month, that the **Arrow LNG project on Curtis Island in Queensland**, is being shelved. The facility was set to produce up to 18m t/y of LNG from four different processing trains.

CEO Ben van Beurden told investors that the project – which it was co-developing with PetroChina – is "off the table" while other ventures will be slowed as the company cuts US\$15bn off its spending plans for the coming three years. The company will focus much of its remaining efforts in LNG on its two projects in North America.

However, despite the LNG plant being put aside, Shell's Australian unit told the Sydney Morning Herald that **it will not stop development of the coal seam gas (CSG) reserves that were to supply the project. The gas will likely be sold to one of the other LNG plants operating in the region.** (February 2, 2015)

02/03/2015

LPG

STORAGE

JAPAN:

Japan seeks some 42,000 tonnes LPG for national reserves

State-run Japan Oil, Gas and Metals National Corp (JOGMEC) issued a tender on Wednesday to buy liquefied petroleum gas (LPG) to store in its national reserves.

JOGMEC is seeking **42,100-42,600 tonnes** of propane for the stockpiling base in Namikata in Ehime.

Japan, which has five national LPG stockpiling bases with a total capacity of **1.5 million tonnes, plans to increase stockpiles to full capacity by the end of March 2018.** (January 28, 2015)

01/28/2015

NATURAL GAS

EXPLORATION

INDONESIA:

Triangle Energy secures extension to Indonesian gas project

Triangle Energy has been granted a **20-year extension to the Pase Production Sharing Contract in Aceh, Indonesia.**

This enables the company to execute its exploration program, which has been suspended during past three years while it was temporary operator of the PSC.

The extension dates from 24th February 2012, the date the original PSC expired.

Pase is in a very prolific oil and gas area with access to existing infrastructure and the local gas market.

It covers 922 square kilometres with two gas production fields. It had generated over \$65 million in revenue before it was shut-in. (February 5, 2015)

02/05/2015

PRODUCTION

BRAZIL:

Brazil Posts Record Oil, Gas Production In December

Oil and natural gas production in Brazil climbed to a **new record of 3.1 million barrels of oil equivalent per day in December, as output of both hydrocarbons reached unprecedented levels**, the National Petroleum Agency (ANP) said.

Natural gas output totalled 95.1 mcm/day, up 16.6 per cent from December 2013 and topping the **previous record of 92.7 million cmd**, also set in October of last year.

Production was given a boost by the drilling of new wells in the offshore pre-salt region, a massive hydrocarbon frontier so-named because the oil and gas reserves it contains are located under water, rocks and a shifting, 1.2-mile-thick layer of salt at depths of up to 7,000 metres below the surface of the Atlantic.

Development of that highly promising area could eventually transform Brazil into a major global crude exporter. (February 5, 2015)

02/05/2015

ALGERIA:

Drilling campaign starts at Algerian Reggane Nord project

The Reggane Nord consortium that includes RWE Dea has commenced development drilling at the gas project in the Algerian Sahara. 26 development wells are planned for the first drilling campaign. The start of gas production is scheduled for summer 2017.

The first development well KL-39 was spudded end of January, with KCA Deutag Rig T-211. It's the first of a total of 26 development wells, which are planned to be completed during the first drilling campaign. Further production wells are foreseen in the course of the development of this project.

"We are delighted to reach this next stage in the project, after detailed preparation work with all partners over recent months," said Christoph Schlichter, Senior Vice President Production North Africa of RWE Dea AG. "We are looking forward to a successful drilling campaign. The expected reserves of the project will make a significant contribution to the growth of Dea's gas production in the years to come. That's why we are pleased that the project is in time for start of production in summer 2017", Schlichter remarked. (February 5, 2015)

02/06/2015

INDIA:

India's ONGC Expects its Gas Output to Jump 81% by 2019

India's state-owned energy firm Oil and Natural Gas Corp (ONGC) expects its natural gas output to jump **81% to 116 million standard cubic meters per day by 2019**. The company expects the rise as it bring newer fields in western and eastern offshore into production.

"Gas production will rise from **64 mmscmd to 116 mmscmd by 2019**," ONGC Chairman and Managing Director Dinesh K Sarraf said at the India Energy Congress being held New Delhi, The increased production will come from Krishna Godavari basin gas block KG-DWN-98/2 as well as western offshore discoveries. Sarraf said four projects have been approved in past six months. (January 28, 2015)

01/29/2015

NORWAY:

Norway's Kollsnes gas plant outage extends into Monday

An ongoing outage at Norway's Kollsnes gas processing plant is expected to last into Monday, cutting the production capacity by 34.5 million cubic metres (mcm) per day, the gas system operator Gassco said.

Western Europe's top natural gas supplier is able to produce about 350 million cubic metres (mcm) of pipeline gas per day.

In addition, a separate outage at the Sleipner gas field will cut output by 6 mcm/day, putting the total reduction at 40.5 mcm/day, less than on Sunday, Gassco added.

Real-time pipeline gas flows from Norway to Europe were running at a rate of 320 mcm/day by 0600 GMT on Monday, data from Gassco showed. (February 2, 2015)

02/02/2015

UNITED STATES:

UK oil and gas giant BP has formed an alliance with America's Chevron and ConocoPhillips

UK oil and gas giant BP has formed an alliance with America's Chevron and ConocoPhillips to push forward the development of the Tiber and Gila fields in the Gulf of Mexico, BP has announced in a statement.

According to the new agreement, Chevron will receive about half of BP's current equity interests in the Gila and Tiber fields. The companies have also agreed to joint ownership of exploration sites east of Gila, where they plan to drill later this year.

BP, which is one of the world's top oil and gas companies, cooperated with Chevron last year, when it participated in the Chevron-operated Guadalupe discovery as a co-owner. Over the past five years, BP has invested nearly **\$50 billion** in the United States. (January 29, 2015)

01/29/2015

GHANA:

Vitol and ENI to develop \$7bn offshore oil and gas project in Ghana

A leading commodities trader Vitol along with Italian energy group ENI is set to develop a \$7bn offshore oil and gas project in Ghana. Called Offshore Cap Three Point, the project will generate 15 years worth of gas, which will be used for domestic power stations, as well as crude oil meant for sale on overseas markets. Offshore Cap Three Point is considered to be the largest project supported by overseas investment in Ghana.

The two companies received final approval for the project from the Government of Ghana on Tuesday. Oil is expected to be produced from the project's five fields in 2017 and gas production is likely to commence in 2018.

Following the discovery of Jubilee oilfield in 2007, Ghana's energy sector has seen a major expansion. Although the country's output has surged, the country struggled to attract foreign investment. (January 28, 2015)

01/28/2015

TRANSPORT - DISTRIBUTION

EUROPE:

EU says Gazprom's Turkey plan 'won't work'

Maros Sefcovic told press in Brussels the project - Turkish Stream - "won't work" because of "simple maths" on supply and demand and because of contractual obligations.

Russian supplier Gazprom says it will deliver 63 billion cubic metres of gas a year to the Turkish-Greek border and will be operational from 2019.

It also said it will stop using Ukraine transit pipes to the EU when it is up and running.

But Sefcovic noted that Turkey itself needs just 15bcm while countries in south-east Europe need a further 15 only.

"So why do you need to ship more than 60bcm and tell the Europeans: 'OK. Now build your pipelines to the Turkish border'?", he said.

"It's simply not viable to suddenly change everything", he added on switching from Ukraine to Turkey.

"This won't work and I cannot see how this will be the final solution. I think we'll have to come back to a debate on what should be the future of this project".

Sefcovic also said Gazprom is tied to a different model of gas deliveries in contracts with EU distributors.

He said several EU-based companies "confirmed" to him "there are very clear [contractual] articles about the place of delivery and this is not the Greek-Turkish border".

He complained about Gazprom's lack of respect for EU clients.

He noted that it's "unusual" that Russia made the Turkish Stream announcement in a press conference in Ankara before telling them first.

"We're good customers. We're paying a lot of money. We're paying on time and we're paying in hard currency. So I think we should be treated accordingly".

He stopped short of urging EU states to boycott the Turkish-Greek hub.

But he said countries in south-east and central Europe would be better off building inter-connecting pipes between themselves instead of linking to Gazprom's new "hub". (February 5, 2015)

02/05/2015

IRAN - IRAK:

Iran floats \$1.5bn tender for Iraq gas pipeline

Iran has floated a \$1.5 billion tender to build a second pipeline to carry natural gas to Iraq, a report said.

The project will be a build-operate-transfer (BOT) one and all costs will be recovered through revenues from gas exports to Iraq, Ali-Reza Gharibi managing-director of Iran Gas Engineering and Development Company (IGEDC) was quoted in the Iraq Daily Journal, which cited state-owned Shana.

The project involves laying out pipeline from the Iranian city of Dezful to the border city of Shalamcheh and is estimated to take three years, the report said. (February 3, 2015)

02/03/2015

GREECE:

Greece wants more money for Trans-Adriatic Pipeline gas transit bypassing Russia

The Greek government supports the construction of the Trans-Adriatic Pipeline (TAP), however, believes that the profit that Greece may get from the natural gas transit through the pipeline via Greek territory is insufficient, Greek Production, Reconstruction, Environment and Energy Minister Panagiotis Lafazanis said on Wednesday.

"We have doubts concerning TAP transit conditions in regard to Greek interests," said the minister. "We support the TAP pipeline laying on our territory, it will benefit the country as it helps ensure energy security and energy sufficiency in the wider European region." According to Lafazanis, the government seek to get more benefits from TAP for Greece and certainly for Azerbaijan. "There will be a discussion in order to obtain the best results," said the official, adding that the government "seeks to strengthen and improve relations with Azerbaijan in all areas."

Deputy of the Greek Parliament from the Independent Greeks faction Gabriel Avramidis said previously in an interview with TASS that his "party opposed the version that had been chosen by the previous government of Greece — the Azerbaijani TAP gas pipeline, which did not even envisage payments to the Greek state for the natural gas transit." (February 4, 2015)

02/04/2015

ITALY:

Italy still interested in GALSI pipeline project

Italy is still interested in GALSI gas pipeline project, linking Algeria to Italy via Sardinia, said Monday in Algiers Italy's Minister of Foreign Affairs and International Cooperation Paolo Gentiloni.

"We are still interested in the project (GALSI) and we support the idea of the diversification of energy resources," Gentiloni said during a press conference held jointly with his Algerian counterpart Ramtane Lamamra.

The gas pipeline is due to have a capacity of 8 billion cubic metres per year. Algeria owns 41.6 % of the project.

To a question on the development of economic relations between Algeria and Italy, Gentiloni underlined the need to further improve the Algerian-Italian cooperation, adding that "one of the main objective of the next joint commission meeting, to be held this year in Rome, consists in identifying means to boost this cooperation."

The promotion of Algerian-Italian economic relations requires greater cooperation between companies of the two countries, he said.

Gentiloni said that the exchange of visits between Algerian ministers and their Italian counterparts will contribute to strengthening economic relations between the two countries. (February 2, 2015)

02/03/2015

SUPPLIES - IMPORTS - EXPORTS

RUSSIA:

Gazprom puts hold on Nord Stream expansion

According to sources at the state-controlled firm, Gazprom has put an expansion of its **Nord Stream gas pipeline on hold**.

In 2014, Gazprom said it could increase the pipeline that runs under the Baltic Sea to Germany with a line that would go to Britain. The construction of two more pipes would have doubled Nord Stream's capacity.

Gazprom Chairman Viktor Zubkov said a weak gas market was forcing the firm to defer projects at the European Gas Conference in Vienna. **"How can one be confidently planning long-term investments if in one year the market can drop by as much as the Nord Stream capacity?"**

"What we have now in the EU is complete chaos in the market and lack of understanding of long-term goals for both suppliers and consumers.

"When the price is decreasing... is difficult to realise these projects and sometimes it's even not possible."

Sources at Gazprom said the decision was also related to the **"complicated" political situation**.

(February 2, 2015)

02/03/2015

RUSSIA:

Gazprom says Russia-Turkey pipeline route approved

Gazprom said a new Russia-Turkey gas pipeline route has been approved at meeting in Ankara.

Ankara hosted today a working meeting between Alexey Miller, Chairman of the Gazprom Management Committee and Taner Yildiz, Turkish Minister of Energy and Natural Resources. The parties discussed the main issues of constructing a new gas pipeline across the Black Sea towards Turkey.

The meeting considered the preliminary feasibility study on the new gas pipeline and approved its new route. The four strings will have an aggregate capacity of 63bcm a year. 660 kilometers of the pipeline's route will be laid within the old corridor of South Stream and 250 kilometers - within a new corridor towards the European part of Turkey.

Already on January 28 Gazprom will submit a notice requesting a conduct of FEED operations for the new Turkish offshore section. Gazprom will be solely responsible for the construction of the offshore section. Turkish gas transportation facilities will be built jointly.

The project stakes will be distributed in the course of the future talks. Botas is approved to represent the Turkish party. Gazprom and Botas will develop the project schedule within 7 days.

Alexey Miller noted:

"The joint construction of the gas transportation facilities within such an important project would create the strategic infrastructure partnership between Gazprom and Botas. The talks were friendly and constructive. Both parties are keen to hit the target.

"Our priorities - to study the route's options in Turkey, to define the location of the landfall facilities, gas delivery points for Turkish consumers and border crossings between Turkey and Greece.

"We agreed to plan our work in such a way that would allow us to sign an Intergovernmental Agreement on the gas pipeline in the second quarter this year, therefore the **first gas would come to Turkey in December 2016**.

"In this respect, the first string's throughput capacity of **15.75bcm** will be exclusively intended for Turkish consumers. Considering the state of readiness of the Russkaya compressor station and the pipeline's offshore section, this deadline is absolutely real." (January 28, 2015)

01/28/2015

KYRGYZSTAN:

Gazprom to take up natural gas infrastructure development project in Kyrgyzstan

Russia's natural gas monopoly Gazprom will take up the strategic project of gas distribution network development throughout the Central Asian republic of Kyrgyzstan. The republic's authorities announced on Friday that the Russian company would be given the most favored treatment in its operation. Prime Minister Dجومart Otorbaev at a meeting of the Cabinet of Ministers instructed his permanent representative in the regions to provide every kind of assistance to Gazprom in regional gas distribution network development.

"These issues must be addressed urgently," said the prime minister. "All government agencies should provide assistance to Gazprom in the implementation of this large-scale project."

Otorbaev said he would sign a decree on Friday on the national gas infrastructure development program, which **runs until 2030**. The project envisages installation of gas supply services to **411** populated localities of the republic.

Gazprom bought a controlling stake in Kyrgyzstan's natural gas company Kirgizgaz last spring. The Russian company expressed its willingness to invest about **20 billion rubles (\$290 million)** in the country's gas infrastructure development. (January 30, 2015)

01/30/2015

EGYPT:

Looking for a new client to substitute Jordan? Israeli Noble in Egypt for gas trade talks

A delegation from American oil firm **Noble Energy is in Egypt for talks with the state gas company about importing Israeli gas to energy-starved Egypt**, sources at the airport and the oil ministry said on Sunday.

Gas shipments could come from **Israel's offshore Tamar gas field, which Noble operates**, and whose partners have floated plans to connect the field with Egypt's Damietta LNG plant.

Israel's Delek Drilling, one of the partners in the field, said in November that if an agreement is signed, **gas supplies to Egypt could start flowing in 2017**.

Egypt has signed several deals in past months to import natural gas, which powers most of its homes and factories, but imports from Israel are potentially more sensitive because of the countries' rocky history.

The oil ministry source said Sunday's talks concerned the technical procedures for bringing natural gas from Israeli fields into Egypt.

"Negotiations are under way about the amount of gas that can be imported," the source said.

Another source at Cairo's airport earlier in the day said that a delegation came for several hours from Israel to discuss gas shipments.

Egypt's oil minister said two weeks ago that the country was open to Israeli imports.

Egypt, which once exported gas to Israel and elsewhere, is going through its worst energy crisis in decades, with rising consumption and declining production turning it into an energy importer. (February 2, 2015)

02/02/2015

TURKEY:

Turkey to import 10 bcm of gas from Iran

Turkey announced that it will **import 10 billion cubic meters (bcm) of natural gas in 2015**, around **one-fifth of the country's total gas imports, from neighboring Iran**.

Turkey's natural gas imports for 2015 are projected to reach 52.2 bcm, an increase of 9.6 percent compared to last year, according to the country's Ministry of Energy and Natural Resources.

Turkish news website Daily Sabah reported that Ankara will import one-fifth of its gas from Iran, and the rest from Russia, Republic of Azerbaijan, Algeria and Nigeria.

Gas consumption has been increasing in Turkey because of the country's developing economy and industry, and its population growth.

Turkey uses most of the natural gas for its electricity sector, which accounts for nearly half of the country's natural gas consumption. The industrial and residential sectors each account for approximately 20 percent. (January 31, 2015)

02/02/2015

UKRAINE:

Ukraine significantly increases gas imports from Europe

Ukraine imported 2.0 billion cubic meters (bcm) of natural gas in January 2015, according to the national gas transmission system operator (TSO) Ukrtransgaz. Gas imports from **Europe totalled 1.1 bcm, with 1.0 bcm coming via Slovakia and 0.1 bcm via Hungary.**

Natural gas **imports from the Russia Federation fell 64% in January** on a year-on-year at 0.9 bcm. During the same period in 2014, Ukraine imported 2.5 bcm overall, with the entirety of this volume coming from Russia.

Ukrainian daily imports of natural gas stood at 63.1 million cubic meters (mcm) as of January 31, with more than two thirds of this volume is entering Ukraine from the EU (42.5 mcm). Gas from the EU is currently offered at a lower price than gas from Russia, which means European imports are commercially preferable.

Increased imports of natural gas from the EU have been made possible by an expansion of transmission capacity from Slovakia. The latest increase took place on January 24, when daily capacity was increased from 31 mcm to 40 mcm.

Naftogaz CEO Andriy Kobolyev commented: "In only five months we have been able to almost double import capacity from Slovakia from 8 to 15 billion cubic meters per annum thanks to constructive cooperation with Slovak TSO Eustream and the European Commission. In 2015, this route can cover nearly 60% of Ukraine's demand for imported gas. Just a year ago such an ability to diversify our gas supplies was unthinkable. Jointly with the European Commission we are continuing our work to have a direct interconnection agreement signed between Ukrainian and Slovak TSOs for all pipelines at this interconnection point." (February 3, 2015)

02/04/2015

CONSUMPTION

TURKEY:

Turkey's natural gas consumption to soar in 2015

Turkey's domestic gas consumption for **2015 is projected to reach 50.8bcm, an increase of 3bcm** compared with last year, according to the Energy Market Regulatory Authority.

Turkey consumed **47.8bcm of natural gas in 2014. Gas consumption has been increasing continuously in Turkey because of the country's developing economy, industry and increasing population.** Gas plants also had the highest share in the total electricity production with 46.7 percent, followed by coal plants with 27.5%.

Turkey consumed **45.2bcm of natural gas in 2013** and used 45.8% of it for electricity production, 25.1% in industry and 20.8% for household usage, according to 2013's data at the authority's website. (January 28, 2015)

01/28/2015

USE FOR POWER GENERATION

UNITED KINGDOM:

South Hook combined heat and power plant project on hold

Plans for a proposed combined heat and power plant (CHP) at South Hook LNG have been put on hold by the company's board of directors.

Plans for the plant near the South Hook LNG terminal were approved last October by the Department for Energy and Climate Change.

Shareholders met last week to make the final decision on beginning construction of the plant near Milford Haven.

A spokesman for South Hook CHP said that the board of directors **"in the light of current market conditions" will defer the decision on proceeding with construction and the project "placed on hold"**

"Development work will be brought to minimum levels required to maintain the integrity of the work done to date and will allow the timely and efficient restart of the development if required."

Speaking on behalf of shareholders, Nasser Al Jaidah, chief executive office of Qatar Petroleum International, said: "The decision to place the project on hold and to defer the investment decision on the South Hook CHP Project was a difficult one for the shareholders to make and reflects the fact that in light of today's market conditions all discretionary major investments have to be rigorously appraised. (February 2, 2015)

02/03/2015

USE AS AUTOMOTIVE FUEL

EGYPT:

Agreement signed converting 2,000 cars to run on natural gas

The Ministry of Petroleum signed Tuesday a contract with the Social Fund for Development (SFD) funding the fourth phase of a project converting cars to run on natural gas. The contract targets **converting 2,000 new cars** to work with natural gas, in a project **worth EGP 10m**.

Minister of Petroleum Sherif Ismail said increased annual rates of converting cars to natural gas since the beginning of the project is an important indicator of the growing awareness. This is particularly regarding consumption rationalisation, easing burdens on the national budget, and a reliance on an environmental, clean fuel.

Ismail added, in a press statement, that the total number of cars running on natural gas since the beginning of the project in **2012 until the end of December 2014 was approximately 210,000 cars**. He noted that there has also been the creation of **180 supply stations and 74 conversion centres**. The coming period will witness the establishment of more stations and car converting centres to work with natural gas, especially in Upper Egypt, he said. SFD Secretary General Soha Soliman said the fund has so far contributed towards the conversion of **21,500 cars through providing financing worth EGP 107m**. (January 27, 2015)

01/28/2015

FINLAND:

Finland's gasum sees good prospects for gas-fuelled cars

Amid difficulties for European upstream companies, Gasum stressed that natural gas could play a significant role in the transportation sector.

Decreasing its price of natural gas and biogas in its filling stations, the Finnish company tried to give new impetus to gas, stressing it is compatible with climate targets.

'As well as being affordable, natural gas and biogas are also excellent road fuel choices from an environmental perspective. Carbon dioxide emissions from vehicles running on natural gas are around 25% and on biogas up to 90% lower than those from petrol-fuelled vehicles' Gasum wrote on Thursday.

The company, which already bet on the opportunities of gas in the maritime transportation, is clearly endorsing an increase in gas-fuelled car.

'Despite the changing market situation, natural gas remains the least expensive road transport fuel, and the 100% Finnish biogas is the cheapest renewable vehicle fuel.' (February 5, 2015)

02/06/2015

KYRGYZSTAN:

Gazprom recommends Kyrgyzstan to transfer vehicles to natural gas motor fuel

Gazprom recommends Kyrgyzstan to transfer vehicles to natural gas motor fuel, the General Director of Gazprom Promgaz LLC Yury Spektor said today at an extraordinary meeting of the Kyrgyz government.

According to him, it is planned to build modular gas stations. However, the project requires a high load of refueling stations. "That's why it's necessary to transfer most of the vehicles to natural gas motor fuel," Yuri Spektor said.

Prime Minister Dzhoomart Otorbayev noted that the construction of modular gas stations -another ambitious project of Gazprom in Kyrgyzstan, for the implementation of which the country is ready to provide support."This project is a priority, as it is economical and environmentally friendly. This is the direction which will allow solving the problem of saving the city budget, improving the efficiency of agriculture." (January 30, 2015)

01/30/2015

GENERAL INFORMATION

EUROPE:

EU to meet on security of gas supply for SE. Europe

The first meeting of the High level Working Group on Gas Connectivity for the South-East Europe region will take place on February 9 in Sofia, Bulgaria.

Energy Ministers from Austria, Bulgaria, Croatia, Greece, Hungary, Italy, Romania, Slovenia and Slovakia have been invited, said a European Commission statement here Thursday.

The group will exchange views on the prospects of **regional gas supply, as well as discuss potential infrastructure solutions**. The EU will be represented by the European Commission Vice-President for Energy Union Maros Sefcovic and EU Commissioner for Climate Action and Energy Arias Canete. "It is today more than ever important that we look for solutions to enhance cross-border gas flows and to ensure diversification of gas supply," said Sefcovic in a statement.

Canete added: "Our meeting in Sofia will be a very good opportunity to advance regional cooperation in the energy field. We should speed up the development of strategic projects to address the security of supply challenge of the region." (February 5, 2015)

02/06/2015

GREECE:

New Greek Government changes course on Natural Gas sector

In a nutshell, concerning the gas sector in Greece, several changes of tactical level should be expected, such as **postponement of the privatization of the gas trading business (DEPA) and changes in the trading agreements of the TAP route**. On a strategic level, although too soon to tell, the Greek administration appears ready to **examine the prospects of engaging to the Turk Stream**, while on a **regulatory level, the strong presence of the state is expected to continue**.

The Syriza government is also fervently in favour of the use of **natural gas as an alternative model for transport**, including the widespread of **natural gas as preferred fuel for all public vehicles** and will push forward the EU's plans to make it a standard mode for all commercial and passengers sea vessels in the coming years. (February 2, 2015)

02/02/2015

NGV

CONSUMPTION

THAILAND:

NGV consumption drops as oil prices slide

Thailand's consumption of natural gas for vehicle (NGV) has dropped by 200 tonnes per day from about 9,000 tonnes, after the slide in oil prices, according to PTT.

Nattachart Jaruchinda, PTT chief executive officer for upstream petroleum and natural gas, said that some NGV users have switched to fuel oil.

Aside from lower consumption rate, PTT is also forced to lower NGV prices in line with the falling cost. (January 29, 2015)

01/29/2015
