Restricted & Private Circulation Only

NGS' NG/LNG
SNAPSHOT

NOVEMBER 2014

NATURAL GAS/CROSS COUNTRY AND TRANSNATIONAL PIPELINES

Russia cuts down gas supplies to Slovakia by 50% as it fears that Slovakia is helping Ukraine build up their winter requirement. State-controlled Russian energy company Gazprom OAO plans to invest in Argentina's natural gas sector.China National Petroleum Corp (CNPC) has received government approval for the design of the Chinese section of a giant pipeline that is due to ship $400 billion worth of Russian natural gas to China by 2018.

Argentina says natural gas deal reached with Russia's Gazprom

State-controlled Russian energy company Gazprom OAO plans to invest in Argentina's natural gas sector.
The Industry Minister of Argentina, Debora Giorgi said in a statement that she met in Russia with Gazprom head Alexey Miller, who told her a "confidential" deal had been reached with Argentine state-run energy company YPF SA to explore for and produce gas in Argentina. Both countries looked at the development prospects for the bilateral cooperation in the gas sector, with an emphasis on exploration. A Gazprom deal would be the second major investment for Argentina after Chevron Corp agreed last year to invest $1.24 billion into the promising VacaMuerta, or Dead Cow, shale formation in Patagonia.
Source: Reuters

CNPC gets nod for China-Russia gas pipeline design

China National Petroleum Corp (CNPC) has received government approval for the design of the Chinese section of a giant pipeline that is due to ship $400 billion worth of Russian natural gas to China, the company said on Thursday.
Construction of the Chinese section will start in the first half of next year and is slated to be completed in 2018, it said. Russia will begin delivering gas to China from 2018, building up gradually to 38 billion cubic metres (bcm) per year. Gazprom chief Alexei Miller said a further contract on shipment of gas via a second, more westerly route to China could be signed in November.
Source: Brecorder

Russia cuts down 50% of its gas supplies for Slovakia

Russia has cut down its natural gas supplies to Slovakia by 50%, announced Slovakian Prime Minister Robert Fico, marking the strongest of reductions so far for the European Union member.
Slovakia is helping Ukraine build gas supplies before the arrival of winter. Fico informed that the reduction in gas supplies could be seen as a politically driven message for the EU, which has been negotiating the gas talks between Russia and Ukraine. Fico was quoted as saying by the Wall Street Journal: "What's interesting in the case is that it isn't about a lack of gas, but this is about playing with gas supplies as an instrument of political posturing."
Slovakia will continue to "fulfil its commitments" and supply Ukraine with the fuel, according to Fico, which is to be done through Eustream, the Slovakian gas pipeline operator. Russian Gazprom had earlier reduced gas supplies to Slovakia, Austria and Poland, all of whom had been helping Ukraine with gas supplies.
Hungary, the other gas supplier for Ukraine, also stopped its shipments to Ukraine last week.
Source: fossilfuel

Papua New Guinea welcomes Total's commitment to 2nd LNG project

Prime Minister Hon. Peter O'Neill has welcomed the commitment of Total to advance to Elk-Antelope LNG project in Papua New Guinea. The PM noted that the revised sales and purchase agreement between InterOil and Total in March this year paves the way for Total to bring its considerable LNG expertise to develop PNG's second LNG project.

In a joint press statement released by Total and InterOil, following the signing the revised sales and purchase agreement in March, Total Exploration and Production Senior VP, Jean-Marie Guillermou said the agreement allows the joint venture to proceed with confidence.

Joint venture partners for the Elk-Antelope LNG project are Total, InterOil, Oil Search and the government of Papua New Guinea.

Source: LNG Industry

Russia's Gazprom may drop Vladivostok LNG project in favour of pipeline gas to China

Russia's state-controlled gas company Gazprom may drop its Vladivostok LNG project in Russia's Far East in favour of pipeline gas supplies to China, the firm's Chief Executive Alexei Miller told reporters on Monday.

"We will study the question of supplying pipeline gas from the Vladivostok area to China. This could really be a complete alternative to the project Vladivostok LNG," Miller said, adding that Gazprom could supply 15 billion cubic metres (bcm) of gas per year to China on top of earlier agreed volumes.Russia and China agreed earlier this year that Gazprom would supply gas to China via the yet to be built Power of Siberia pipeline, which is expected to carry 38 bcm of gas to China per year. **Source: LNG Global**

LNG DEVELOPMENT

VSL, a Euro company will develop the international standard for LNG. The U.S. Federal Energy Regulatory Commission (FERC) authorized Dominion Cove Point LNG to build the Cove Point Liquefaction Project of 5.75 million metric tons capacity of LNG per year. FERC has recommended a set of mitigation measures that "would ensure that impacts in the project area would be avoided or minimized and would not be significant". Papua New Guinea embarks upon their 2nd LNG export project with Total.Reliance Industries is looking to sell its 45 per cent stake in the Eagle Ford basin shale oil and gas venture in theUS for an estimated USD 4.5 billion.

Spot LNG prices in Asia swings between \$11/MMBtu to \$20/MMBtu this year. Lithuania frees itself from Russian gas with the commissioning of FSRU on the Baltic coast. The LNG Journal East Asian Delivered LNG Indicator Price hit its lowest level since 2009 at \$12.30 per MMBtu with European Brent crude oil prices collapsing to \$82.85 per barrel.Qatargas sold a LNG cargo to Chinese independent Jovo, marking its first such deal with a private-sector Chinese company.Thailand, Pakistan, Greece, Russia and Indonesia continue to focus on LNG. Global LNG market is shifting in favour of buyers across the Pacific, making life more complicated for firms already struggling with the economics of exporting the fuel.

VSL to develop new LNG standard

VSL, a leader in the field of specialist construction engineering and associated technologies and services, will develop the international standard for LNG over the next few years. This will take place in a new measurement and calibration facility for LNG on the Rotterdam Maasvlakte. The growing consumption of LNG calls for good measurement solutions for its fair use and trading. At present, there is no global measurement standard, as a result of which the measured volumes and quality of LNG may vary from terminal to terminal or from one country to another. However, to enable fair trading, the counted amount of cubic metres or kilograms of LNG must be the same everywhere. This calls for traceable Measurements based on reliable measurement standards, on the same level as those for other fuels. The project has been made financially possible through a combination of private investments, innovation contracts with the Dutch government and European subsidies.

Source: LNG Industry

Thailand may build nation's second LNG import terminal in neighbouring Myanmar

Thai energy company PTT is considering building an LNG import terminal in neighbouring Myanmar while it expands its only import facility at Map Ta Phut in the Rayong Province of Thailand to handle growing imports from Qatar and eventually from Mozambique in southeast Africa.

Source: LNG Journal

U.S. Government Approves Dominion Cove Point LNG Export Project in Maryland

The U.S. Federal Energy Regulatory Commission (FERC) authorized Dominion Cove Point LNG to build the Cove Point Liquefaction Project in Calvert County, Maryland. The authorization will enable Dominion Cove Point to liquefy and export up to 5.75 million metric tons of LNG per year.

This order is based on more than two years of thorough, exhaustive analysis by FERC along with numerous other federal and state agencies. It also reflects a robust public input process.

The U.S. Department of Energy has approved Dominion Cove Point's export of LNG to both Free Trade Agreement and non-Free Trade Agreement countries. Dominion has fully subscribed the marketed capacity of the project with 20-year service agreements with ST Cove Point, LLC, a joint venture of Sumitomo Corporation, Tokyo Gas Co., Ltd. and GAIL Global (USA) LNG LLC, a wholly owned indirect U.S. subsidiary of GAIL (India) Limited.

Source: LNG Global

Texas natural gas export project gets favourable environmental review

The staff of the Federal Energy Regulatory Commission (FERC) gave a favorable environmental review to a proposed LNG export terminal in Texas. FERC staff concluded that the project, developed by Cheniere Energy Inc., would result in some environmental impacts, mostly in the short term. The proposed terminal in Corpus Christi would be able to liquefy and export 2.1 billion cubic feet of gas per day and to import and 400 million cubic feet a day. It would have three liquefaction facilities, two berths for ships and be able to store up to 3.4 billion cubic feet of gas. FERC's commissioners will take the review into account when they vote on whether to approve a permit for the terminal's construction. Cheniere would still need approval from the Energy Department if it wants to export LNG to countries without United States free trade agreements.

Source: The Hill

LNG terminal outlook in North America

North America is set to emerge as a major LNG exporter in the world on the back of development of several LNG liquefaction terminals in the US and Canada. The planned new terminals are expected to start liquefaction operations by 2017-18 with an estimated total capacity of 152.3 MMTPA. Canada also currently has no liquefaction terminals at present and is expected to witness start of six terminals with a total capacity of 40.1 MMTPA by 2018.

Mexico will register with highest regasification capacity addition in North America. The regasification capacity of the country is expected to increase from 2.2 bcf in 2014 to 3.2 bcf in 2018 at an AAGR of 9.4%.Looking at the traditional LNG suppliers in the region, Australia will alone drive the liquefaction capacity growth substantially with large offshore LNG export projects.

Source: LNG Industry

BHP predicts change in LNG pricing model

BHP Billiton is predicting the end of the historically lucrative oil-linked LNG pricing model, but believes it will be replaced by a pure "fundamentals" based system rather than the shale-linked model feared by producers.

Executive Mike Henry said that long-term contracts would give way to a price more closely tied to spot market indices. He added that BHP believes that LNG will behave like any other commodity and that is that it will be priced on its merits — and that will happen over time.

It is understood that BHP, which has a preference for selling products at index-linked prices based on supply and demand as opposed to long-term contracts, believes there is little logic in tying LNG sales in Asia to the oil index or the US domestic Henry Hub price.

This would likely mean contracts of far shorter duration than the current 20-year oil-linked ones, with the price paid fluctuating with the value of a credible spot index of LNG trades. He told the conference that 70 per cent of LNG would continue to be traded on long-term contracts, although there was an "appetite in Asia to build a more robust spot market".

Source: The Australian

Global LNG/natural gas price to remain under check

Price of the short-term contracts in Asia have fluctuated sharply over the course of the year, driven primarily by the demand dynamics of the two largest gas importing countries — Japan and Korea. From more than $20 perMMBtu in early 2014 due to high demand and shortage of spot cargoes, spot LNG prices in Asia crashed to under $11 per MMBtu in June-July, a multi-year low. But upside in spot gas prices may be limited in the near term. One, the sharp decline in crude oil prices recently could give more bargaining power to gas importers to substitute among fuels and between term and spot gas contracts; this should help importers negotiate lower rates. Also, spot cargo supply seems adequate to meet winter demand in Asia.

The natural gas futures contract traded on the New York Mercantile Exchange (NYMEX) has declined nearly 42 per cent from about $6.5 in February to $3.8 now. Record shale gas output in the country and a four-fold rise in inventories during the March-October storage period dragged down prices. Data from the US Energy Information Administration shows that the natural gas inventory in the US surged to 3,299 billion cubic feet (bcf) as of October 10 from 822 bcf in March. Gas demand in the US is expected to increase in the coming months with the approaching winter season. But this year, the winter is forecast to be milder. This, along with continued growth expected in shale gas output and comfortable inventory position, should keep prices under check. **Source: Business Line**

Reliance Industries looking to sell off US shale gas interest for upto US$ 4.5 billion

Reliance Industries is looking to sell its 45 per cent stake in the Eagle Ford basin shale oil and gas venture in the US for an estimated USD 4.5 billion. Reliance Industries, which bought 45 per cent interest in Pioneer Natural Resources Co's Eagle Ford shale formation of south Texas for USD 1.3 billion, is working with Citigroup Inc and Bank of America Merrill Lynch to find a buyer, industry sources said. Reliance Industries is also selling its investment in EFS Midstream LLC, an oil and gas gathering treatment and transportation network, sources said. EFS Midstream operates 11 central gathering plants in south Texas. Besides Eagle Ford, RIL has two more shale ventures in US - 40 per cent stake in Chevron's Marcellus shale acreage and a 60 per cent interest in Carrizo Oil and Gas Inc's Marcellus shale acreage in Central and Northeast Pennsylvania. According to RIL's July presentation, the company has till date invested USD 0.87 billion in the Carrizo joint venture and another USD 2.59 billion in the Chevron venture. Its total investment in US was USD 7.36 billion.

Source: PTI

Japan LNG price hits 5-year low

The LNG Journal East Asian Delivered LNG Indicator Price hit its lowest level since 2009 at $12.30 million British thermal units with European Brent crude oil prices collapsing to $82.85 per barrel. The East Asia LNG price is based on the Japanese Crude Cocktail method of assessing long-term contract cargo prices for Japan, based on oil which last hit current levels and then slipped below $80.00 per barrel during 2009. That's as the UK National Balancing Point price hit $8.75 per MMBtu and the US benchmark Henry Hub natural gas price was at $3.82 per MMBtu. **Source: LNG Journal**

Qatargas delivers first LNG cargo to China's Jovo

State-owned Qatargas has sold a 64,000m³ LNG cargo to Chinese independent Jovo, marking its first such deal with a private-sector Chinese company. The sale follows two years of negotiations and was sold on a fob basis. The shipment was loaded on to the LNG carrier Lerici at RasLaffan port on 22 October for Jovo's Dongguan terminal in south China's Guangdong province. China's efforts to boost its use of cleaner fuels have triggered an emergence of smaller and independent LNG firms in a sector dominated by state-run companies.

Qatargas hopes that the Jovo deal will encourage more Chinese independents to look to Qatar, with China's gas market forecast to grow into one of the world's largest.LNG as a transport fuel is one of Jovo's core businesses, with the company also providing gas and feedstock for associated industries and for residential uses such as cooking.

Source: argusmedia

Lithuania Grabs LNG in Effort to Curb Russian Dominance

After less than three years and spending of 350 million litai ($128 million), an off-shore liquefied natural-gas vessel is anchoring on the former Soviet republic Baltic coast today and will convert LNG into natural gas and pump the commodity to the mainland. The aim is to free the country from its dependence on Russia's OAO Gazprom (OGZD), the world's largest gas supplier and the sole source for Lithuania.

Years before the Ukraine conflict renewed fears of another winter gas shutoff from Russia, Lithuania requisitioned the Independence, a South Korean-made ship the length of three football fields. It is docking in the port of Klaipeda and may replace all Russia's annual 2.7 billion cubic meters of gas supplies. The Baltic state now "can very seriously consider the option of not having any agreements with" Gazprom when the gas supply contract expires, Grybauskaite said. Still, Lithuania doesn't "strictly reject Russian gas, especially if it comes at a cheaper and competitive price for us."

Source: Bloomberg

Indonesia signs five gas supply deals, including LNG deal with BP

Indonesia on Friday signed five natural gas agreements for domestic supply that are expected to increase state revenues by up to $10.5 billion, as the country continues to divert more of its energy output to meet rapidly expanding domestic demand. Buyers include state power utility Perusahaan Listrik Negara (PLN), which signed a deal to purchase liquefied natural gas (LNG) from the Tangguh LNG project, operated by BP in Indonesia's West Papua province. The BP Tangguh-PLN deal will supply Indonesia with an estimated 400 cargoes of LNG over the 19-year contract, regulator spokesman Rudianto Rimbono told Reuters, adding that this was the country's biggest domestic gas supply deal ever.

Indonesia is still one of the world's biggest LNG exporters, but with domestic output slipping and local demand growing, the country has started consuming more of its natural gas and seeking supply from overseas. Some of the Tangguh gas will be sent to PLN via the Arun regasification plant, operated by state energy company Pertamina and now undergoing conversion into a receiving terminal from LNG production. **Source: LNG Global- By Wilda Asmarini and Fergus Jensen**

Canadian LNG Export project-It's becoming a buyer's market for LNG globally

The global LNG market is shifting in favour of buyers across the Pacific, making life more complicated for firms already struggling with the economics of exporting the fuel from the West Coast of Canada. There's actually more projects chasing buyers than there currently are buyers of the product. More than a dozen projects are competing for global market share with players on the U.S. Gulf Coast and in Australia, among other places, and seeing customers exert more pressure when it comes to pricing. It's unlikely more than a handful of the West Coast projects will go ahead and even some of the front-runners are having a hard time with the economics of their multibillion-dollar proposals. Recently, Malaysian state-owned firm Petronas said its proposed LNG terminal near Prince Rupert, B.C., could be delayed by 10 to 15 years unless it gets assurances that taxes and regulatory delays won't make the project uneconomical.

As the United States pumps more and more gas from its own fields, the room for Canadian gas in that marketplace is shrinking. Industry and governments will have to move quickly to define the fiscal framework surrounding LNG taxes, resolve labour supply issues, gain local community support and avoid the cost overruns that have plagued energy projects across Western Canada.

Source: Global LNG

Russia plans to expand liquefied natural gas production by 2018

The importance of Liquefied Natural Gas to the Russian economy has been highlighted by a new report from GlobalData, the market intelligence company which says Russia plans to greatly increase LNG production, especially through the state-owned company Gazprom to some 25 million tonnes by 2018.

Gazprom has expressed plans to expand beyond pipeline-based gas marketing into LNG as it aims to extend its reach into Asian demand centres. The company has committed to expanding its liquefaction capacity by 250% to 25 million tonnes per year in 2018 in order to secure a larger share of the global LNG market. Rosneft and Novatek, backed by foreign partners, plan to bring new liquefaction plants online by 2018. The two companies are the main beneficiaries of recent regulatory changes in Russia, expanding gas export options beyond Gazprom. Based on announced development plans, the two companies will account for almost 50% of Russian liquefaction capacity by 2018.

Source: hellenicshippingnews

Cameron LNG Export Project Breaks Ground In Louisiana

More than 300 community, business, government and international leaders took part in a ground-breaking ceremony for the new $10 billion liquefaction export facilities at Cameron LNG in Hackberry, Louisiana. The LNG export project is being developed by a joint venture formed by Sempra LNG, GDF SUEZ S.A., Mitsui & Co., Ltd. and Mitsubishi Corporation. Cameron LNG was completed in 2009 as a LNG receiving terminal along the Calcasieu Channel. The project will use Cameron LNG's existing facilities, including two marine berths capable of accommodating Q-Flex sized LNG carriers. The liquefaction project will have three trains with an export capability of 12 million tonnes per annum of LNG or approximately 1.7 billion cubic feet per day.

All three trains are expected to begin operations during 2018, with the first full year of operations in 2019. The Cameron LNG liquefaction project received final approval to operate by the Federal Energy Regulatory Commission in June 2014. In September the project received the U.S. Department of Energy's final authorization to export LNG to non-free-trade-agreement countries.

Source: LNG Global

Gas revolution taking place in Pakistan

The Pakistan Economy Watch (PEW) on Thursday said energy mix of Pakistan is being transformed in Pakistan which will have a positive impact on every sector of the economy.The recently-introduced LNG policy is radically distinctive which will help balance energy mix, reduce dependence on oil and transform lives of millions of people while reducing inflation, oil import bill and pollution, it said. Availability of LNG is set to grow but may not rise as fast as millions of consumers including operators of CNG stations would hope, said Dr.Murtaza Mughal, President PEW.Eleven countries were importing LNG in 2010 with almost zero shares in transportation but today 27 nations are importing it while 42 countries would be importing it by 2020 to run industry, cars, trucks, trains and ships due to strong incentive of the price gap, he added.Mughal said that at present, about 80 percent of the world's demand for transportation fuels are met by petrol but share of natural gas in the global energy mix edged up to 23 percent.

Source: nation.com.pk

Import facility in Pakistan: FSRU to be ready by January 2015

EngroElengy Terminal Private Limited (ETPL) said that it will be ready to receive LNG consignments at Karachi's Port Qasim by January 26, 2015.Vital works related to LNG infrastructure including the 14.5-metre deep dredging of the channel, erecting pillars for the jetty, construction of pipelines and basic engineering has been completed according to Engro ETPL CEO Sheikh Imran ulHaque. ETPL has hired a floating storage and regasification unit (FSRU) – a large ship with onboard liquid-to-gas conversion facility and storage tanks – that will be docked at a new jetty being built at the port.

The FSRU has capacity to handle an average of 600 MMCFD of gas.

Pakistan's government will use 200 MMcfd of the capacity to import LNG by itself for the first year and then expand the import volume to 400 MMcfd.

ETPL has been allowed a tariff of 66 cents per million British thermal unit for the terminal.The Sui Southern Gas Company, which will receive the LNG supplies into its pipeline network, has issued a standby letter of credit to the company, covering six months of payment for the tariff.

Source: Tribune

NG/LNG UTILITLISATION- ROADWAYS AND WATERWAYS

The NGV industry continues to grow in the global markets with wide spread usage of CN/LNG as an alternative to gasoline and diesel. Light and heavy commercial vehicles with range from 700 Km to 370 Km have been developed. Columbia, Spain, Brazil, Canada, Russia, Mexico, Indonesia and Thailand are also witnessing increased use of natural gas as an automotive fuel and marine fuel. In the USA, Westport is giving fleets the opportunity to try out light-duty natural gas vehicles through its new "Drive Now with CNG" program.

Colombia: 41,000 NGV users are registered in the Coffee Triangle

Out of the 500,000 vehicles that have already been converted to natural gas in the country, the Coffee Triangle region in Columbia accounts for 8.2%, reported Efigas director Carlos MazenethDávila in an event that was attended by sector's representatives in the city of Pereira. So far this year, there have been 1,995 conversions from gasoline or diesel to CNG in the Coffee Triangle, which are distributed by department as follows: 45.6% in Risaralda, 30.91% in Caldas and 23.45% in Quindío. Over the last two years, 75% of the conversions were conducted in individual service vehicles, while 25% were executed in public service vehicles. There is a boom in the use of CNG in this part of the country and the highest consumption figures come from public transport vehicles. In the area there are 14 conversion centres in operation, which generate 78% of direct jobs and 22% of indirect jobs; besides, there are 49 natural gas fueling stations. **Source: NGV Journal**

GAZ Group showcases its CNG Next vehicles with Euro 5 engines

GAZelle Next and GAZon Next, part of GAZ Group, one of the largest Russian LMV/HV manufacturers, are equipped with the new Evotech 2.7 and YaMZ-534 compressed natural gas powertrains respectively, developed at the manufacturer's Ulyanovsk and Yaroslavl engine plants. The components of the CNG systems are certified in compliance with the EEC Regulations and are approved for usage in EU countries.

The light *commercial vehicle GAZelle Next CNG* has four natural gas bottles with the capacity of 52 L each and maximum working pressure of 200 atm and its total range is 700 km. It has a common engine control system both for natural gas and gasoline that provides easy switching between the two types of fuel as well as maintains the optimal ratio of air and gas in the fuel mixture.

The heavy commercial vehicle GAZon Next CNG has seven natural gas bottles with the capacity of 52L each and maximum working pressure of 200 atm, while the driving range in 370Km. It has a new CNG engine YaMZ-534 developed in cooperation with Westport, Canada, and meets the requirements of Euro-5 emission standard.

Source: NGV Journal

SEAT offers test drive with NGVs for citizens from Basque Country

After signing a strategic agreement in 2013, SEAT, the Spanish automobile manufacturer and Gas Natural Fenosa begin this week a joint action to provide the inhabitants of the Spanish autonomous community with the possibility of test driving CNG-powered cars. Customers, driving schools and companies based in Álava, Vizcaya and Guipúzcoa will have the chance to test CNG powered versions of SEATcars. Both models León TGI y MiiEcofuel are now available in the Spanish market and backed by their international success in countries like Italy and Germany in the use of this cheaper and cleaner fuel.In addition, until November 15, the Energy Agency of the Basque Government (EVE) is encouraging the use of alternative fuels with grants of between €2,000 and €2,500 awarded -for example- to the León TGI. **Source: NGV Journal**

Ledcor to Own One of Canada's Largest NGV Fleets

The Ledcor Group of Companies, a diverse construction company of North America, will take ownership of over two-hundred compressed natural gas (CNG) vehicles, creating one of the largest fleets of CNG vehicles in Canada. The 2014 and 2015 Ford Transit Connect cargo vans have been converted by G.W. AnglinManufacturing to incorporate CNG fuel systems from Altech-Eco, making them the first vehicles of their kind. It is estimated that their annual fuel costs will reduce by about 30 percent and green-house-gasemissions by approximately 23 percent or 2,000 tonnes of CO2e per year. Ledcor has invested over $10 million in natural gas vehicles to date. Ledcor also owns fifteen class eight liquefied natural gas (LNG) trucks.

Source: NGV Global

Demo Program Gives Fleets a Trial Run of NGVs in the USA

Westport, an engineering company, is giving fleets the opportunity to try out light-duty natural gas vehicles through its new "Drive Now with CNG" program - an initiative designed to serve as a small-scale trial run of the company's Westport WiNG Power System. Fleet operators can work with Westport, at no cost, to test a CNG-powered Ford Transit van in regular service for up to three weeks. The vehicle pairs Ford's 3.7-liter V6 engine with a dedicated CNG Westport WiNG system and either 20 GGE or 23 GGE of on-board storage. Westport announced that it would be adding the 2015 Transit to its line-up of NGVs. The vans, which will soon be certified by the U.S. Environmental Protection Agency and California Air Resources Board, are rated at 10,000 GVW and can be ordered - through Westport's participation in the Ford Qualified Vehicle Modifer program - in various passenger and cargo configurations.

Source: NGT News

Paraná CNG Fuel Sales Accelerating in Brazil

Over the past three months, the sales volume of Natural Gas Vehicles (NGV) rose 6.02% in Paraná, a southern state of Brazil. In July, the NGV consumption in the state was 87,572 m^3/day, August reached 91,900 m^3/day and in September rose to 92,845 m^3/day. Compagas, a regional distributor, says the rise is justified by the advantages of CNG compared to liquid fuels.In the same period, natural gas remained approximately 49% cheaper than ethanol and gasoline. This advantage is possible because, besides being cheaper in price, CNG yields more: an average car in an urban setting travels 7 km with 1 liter of ethanol, about 10 km if using gasoline, and at least 13 km with 1 m^3 of natural gas.Furthermore, in Paraná another benefit is the 60% discount in the amount of Tax on Motor Vehicles (property taxes) for vehicles with CNG; while owners of cars fueled by gasoline and ethanol pay 2.5% on the value of the car, owners of cars with CNG only pay 1%.

Currently, about 33,000 vehicles refuel from 39 CNG stations in the cities of Curitiba, Pinhais, Campo Largo, Ponta Grossa, Colombo, Paranaguá, Pinewoods and Londrina (Gastech).

Source: NGV Global

GAZ Group showcases its CNG Next vehicles with Euro 5 engines

GAZelle Next and GAZon Next, part of GAZ Group, one of the largest Russian LMV/HV manufacturers, are equipped with the new Evotech 2.7 and YaMZ-534 compressed natural gas powertrains respectively, developed at the manufacturer's Ulyanovsk and Yaroslavl engine plants. The components of the CNG systems are certified in compliance with the EEC Regulations and are approved for usage in EU countries.

The light *commercial vehicle GAZelle Next CNG* has four natural gas bottles with the capacity of 52 L each and maximum working pressure of 200 atm and its total range is 700 km. It has a common engine control system both for natural gas and gasoline that provides easy switching between the two types of fuel as well as maintains the optimal ratio of air and gas in the fuel mixture.

The heavy commercial vehicle GAZon Next CNG has seven natural gas bottles with the capacity of 52L each and maximum working pressure of 200 atm, while the driving range in 370Km. It has a new CNG engine YaMZ-534 developed in cooperation with Westport, Canada, and meets the requirements of Euro-5 emission standard.

Source: NGV Journal

Wärtsilä will build Indonesia's first bio-LNG plant producing vehicle fuel

Along with PT Pertamina (Persero), Indonesian state-owned oil and gas company, and PT GodangTua Jaya (GTJ), a waste utilization sector specialist company, Wärtsilä Oil & Gas Systems have signed an agreement to conduct a feasibility study for the project to develop a mini bio-LNG plant with a capacity of 0,75 tons/hour, which corresponds to approximately 4 MWh in electrical production. The plant will process municipal solid waste into eco-friendly biogas for use as a renewable energy source for typical vehicle fuel.

In addition to the feasibility study, Wärtsilä will provide technological support and an economic assessment. This study represents a Front End Engineering Design (FEED) equivalent. If the project is deemed to be feasible then the parties are expected to enter into an Execution Agreement.

An outstanding example of Wärtsilä's expertise in this field is its biogas liquefaction plant in Oslo, Norway. The plant converts household food waste into biomethane that is then used to fuel the local buses.

The plant treats 50,000 tons of garbage per year, which produces enough fuel to run 135 buses. The environmental benefits are extremely significant with annual CO2 emissions being reduced by as much as 10,000 tons.

Source: NGV Journal

Gas Natural Fenosa to Create LNG Service Station Network in Spain

Gas Natural Fenosa (GNF) is to create a network of LNG service stations to encourage its use in the goods transport sector. During an initial stage of the project, the multinational energy company will build eight new service stations, which will be located along the main transport corridors of the Iberian Peninsula with a total investment of EUR 7 million (USD 8.94m).This new network – added to the nine service stations that GNF already has in operation or under development – will be capable of supplying the main transport corridors in the country. Deployment of this service station network falls in line with the European targets reflected in the Directive on Alternative Fuels approved by the Council of the European Union on 29 September.

The service stations will supply liquefied natural gas (LNG), a fuel used by heavy goods vehicles that travel long distances. LNG is a technically-proven alternative to traditional fuels and offers major advantages from both environmental and economic perspectives.

The use of natural gas as a fuel for transport helps improve air quality as it reduces the emission of nitrous oxides and suspended particles (the main pollutants affecting human health) by more than 85%. Furthermore, it cuts CO2 emissions (the main greenhouse gas) by up to 20%. Natural gas reduces noise pollution because a natural gas vehicle produces up to 50% less noise than the engine.

Source: NGV Global

Major Marine and Rail Opportunities for LNG, ANGA Study Declares

A new study, released by America's Natural gas Alliance (ANGA), confirms that thanks to its cleaner profile and low cost, greater use of natural gas as a marine and rail fuel is becoming a welcome reality.

The study, performed by Gladstein, Neandross& Associates (GNA) and commissioned by ANGA, sought to identify locations across three key areas – the Great Lakes, the Gulf of Mexico and the Mississippi River and its tributaries – with the best potential for demand growth to support liquefied natural gas (LNG) infrastructure investment.The study reveals that with continued coordination between end-users, suppliers, and stakeholders, potential U.S. LNG demand from high horsepower users—in just these three regions—could reach one billion gallons annually by 2029, approximately seven times all current domestic LNG use for transportation. Already, LNG-powered marine vessels are underway or under construction at many of our nation's shipyards. From Harvey Gulf's LNG-powered offshore service vessels to the world's first LNG-powered container ship being built for TOTE in San Diego, there are currently 19 confirmed orders for LNG or LNG-conversion-ready vessels in North America. GNA estimates that within 15 years, 363 U.S.-flagged vessels could generate 380 million gallons of LNG demand annually.

Source: NGV Global

Shipbuilder works on liquefied natural gas vessels

Shipbuilder VT Halter Marine, a shipbuilding company, has started work on the first of two liquefied natural gas-powered container vessels for Crowley Maritime Corp. VT Halter officials say in a news release that the new vessels are designed to maximize the carriage of 102-inch-wide containers, which offer the most cubic cargo capacity in the trade. Cargo capacity will be approximately 2,400 TEUs (20-foot-equivalent-units), with additional space for nearly 400 vehicles.The main propulsion and auxiliary engines will be fueled with environmentally-friendly LNG.

Delivery of the two vessels is scheduled for mid and late 2017.

Source: abc3340

LNG America and Buffalo Marine to Develop LNG Bunkering Network

Texas-based LNG infrastructure developer LNG America and Buffalo Marine Service, Inc. (Buffalo Marine), a bunker transportation company, have signed an agreement to cooperate on the design of a Liquefied natural Gas (LNG) bunker fuel network for the U.S. Gulf Coast region. Bunkering LNG in North America presents a unique opportunity for shippers—a cost effective, readily available, and extraordinarily clean fuel. LNG America is developing a hub-and-spoke delivery system for LNG as fuel for the marine market and other high horsepower applications. Buffalo Marine is one of the premiere bunkering companies in the Gulf of Mexico with over 50 vessels dedicated to bunkering in the region. The agreement will incorporate Buffalo Marine's logistical, commercial, and administrative expertise regarding bunkering operations with LNG America's experience with LNG as fuel for high horsepower applications. It is expected that decades of bunkering experience in the region will mix well with LNG America's LNG expertise in order to insure safe adoption and use of LNG as a marine fuel. **Source: NGV Global**

Thailand Commences CNG Pricing Correction:

Thailand has commenced what could be a long-term pricing correction program for CNG and LPG which will see fuel prices increasing every six months. The program was introduced after energy giant PTT signed an agreement last month with the Land Transport Federation of Thailand (LTFT) and seeks to increase the cost of the fuels to a level more reflective of their actual cost. The agreement saw the price of CNG rise by 1 baht ($US0.03) this week to 12.55 baht/kg, still well below PTT's break-even price of 16 baht/kg.

Public transport vehicles and taxis are exempt from the rise and will continue to get lower priced fuel at 8.5 baht/kg.

Sources in Thailand say that despite the agreement, any further price rises would still be subject to government policy at the time and that press reports indicating that PTT would add another 200 CNG stations as part of the agreement are incorrect. Thailand currently has 497 CNG stations and 457,000 CNG vehicles. **Source: NGV Global**

CITY GAS DISTRIBUTION

The Ministry of Petroleum and Natural Gas continues to put the CGD industry in forefront of the gas industry by allocating more gas for domestic and transport segment. The Ministry further cuts gas supplies to small industries in Gujarat. GAIL offers alternate gas to small scale industrial units in Gujarat after the Petroleum and Natural Gas Regulatory Board stepped in on the representation of South Gujarat Small Gas Consumers' Association. GSPC Gas likely to pick up stake in Vadodra Gas.

Oil Ministry cuts natural gas supplies to small industry in Gujarat

Oil Ministry has cut natural gas supplies to small industries in south Gujarat by 60 per cent to feed CNG demand, a move that has threatened their survival and is being seen as a contravention of the stated policy.

The ministry had recently decided to meet 100 per cent gas requirement for CNG and piped cooking gas supplies in cities of firms like Indraprastha Gas Ltd, from domestic production by cutting domestic gas supplies to non-priority sectors. GAIL has pointed out the 'Guidelines for Allocation of Domestic Gas to City Gas Distribution (CGD) Entities', which were issued in compliance with a Gujarat High Court order seeking parity in supplies to all CNG firms across the country, stated that additional requirement of gas will be met by imposing proportionate cut on all APM/PMT field customers in the non-priority sectors.

Source: Economic Times

GSPC Gas may pick up stake in Vadodara Gas

G S PC Gas Co. Ltd, which is poised to become India's biggest city gas distributor after its planned merger with Gujarat Gas Co. Ltd, is hungry for more. The company is looking to pick up stakes in Vadodara Gas Co. Ltd (VGCL), which services the Vadodara municipality area, and Sabarmati Gas Ltd (SGL) that supplies gas in three northern districts, four officials close to the development said.

GSPC Gas is in advanced talks with GAIL Gas to buy its entire 50% stake. VGCL was formed in 2013, after the Petroleum and Natural Gas Regulatory Board (PGNRB) directed all city gas distributors to incorporate themselves as companies, in an attempt to promote accountability and transparency.

Source: Live Mint

NATURAL GAS/PIPELINES/COMPANY IN THE NEWS

India's domestic gas production is expected to increase by two-thirds over the next five years, from 100 MMSCMD currently to 163 MMSCMD according to the Petroleum Ministry. The recent agreement between India and Pakistan provides an opportunity to join hands to achieve operational excellence in creating an LNG global supply chain cutting across the gas value chain, from international transit and downstream infrastructure (gas lines and storage).The Delhi High Courthas held "to be bad" the Model Gas Transmission Agreements (GTA) guidelines issued by the Petroleum and Natural Gas Regulatory Board (PNGRB) for fixing and regulating the tariff of gas transport. The petroleum ministry has kick-started a detailed action plan of building 15,000 km of new gas pipelines. Reliance Industries efforts tostep up gas production at the KG-D6 block have not met with the desired expectations. Iran's troubled ties with the West continue to dog India's efforts to secure energy supplies as GAIL expresses unwillingness to enter into a non-binding framework agreement with NIGEC for buying gas through a transnational undersea pipeline for fear of losing access to international financing.

Domestic gas production to rise two-thirds in the next 5 years

India's domestic gas production is expected to increase by two-thirds over the next five years, from 100 MMSCMD currently to 163 MMSCMD or 59 BCM according to the Petroleum Ministry. A bulk of the additional gas will come from ONGC's increase in output from 24 BCM in the current financial year to 35 BCM by 2019 on the back of development of new blocks.

OIL is also expected to increase production from the current 2.8 BCM to 4 BCM by 2018-19. At present, 13 out of 25 wells of Reliance in D1, D3 and MA fields are closed due to waterlogging, sand ingress and pressure depletion issues. The block has produced 12.9 MMSCMD of gas between April and July in the current financial year.

Source: Business Standard

Delhi High Court holds as "bad" PNGRB's Model GTA guidelines

GAIL India Limited had challenged the Model GTA guidelines issued by the Board. The Court held "to be bad" the Model Gas Transmission Agreements (GTA) guidelines issued by the Petroleum and Natural Gas Regulatory Board (PNGRB) for fixing and regulating the tariff of gas transport. The bench said PNGRB can fix and regulate the rates for transporting natural gas only by way of regulations. It made it clear that the Board in exercise of its adjudicatory functions also cannot pass an order having the effect of determining and regulating transportation tariff. The Court accordingly held the provisions of the Model GTA guidelines, purporting to fix the transportation rate and/or regulating the transportation rate and/or to lay down the transportation tariff and the manner of determination thereof, though issued by the PNGRB but otherwise than by way of Regulations, to be bad.

Source: Business Standard

Indo-Pak gas deals more than hot air

Last month the two sides agreed on a gas-pricing formula for gas export from India.The significance of this milestone needs to be understood in a much larger context of the 1,680 km-long Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline project. The deal provides India and Pakistan an opportunity to join hands to achieve operational excellence in creating an LNG global supply chain cutting across the gas value chain, from international transit and downstream infrastructure (gas lines and storage). In this context, the implementation of the GAIL-ISGS deal is the first step in generating interdependence between India and Pakistan in the energy sector. In a sense it is, therefore, an important safeguard against the disruption of gas supply via the TAPI pipeline to India. The successful operation of this bilateral gas pipeline will serve as a significant confidence building measure and will lay the ground for a transit agreement for movement of goods across countries and regions. This clearly falls in line with the prime minister's vision of reconnecting Asia for its shared prosperity. **Source: Rediff**

RIL admits efforts to increase KG-D6 output unsuccessful

Reliance Industries has said its efforts to step up gas production at the KG-D6 block haven't met expectations thus far and a recent appraisal well drilled to assess hydrocarbon potential has turned out to be unsuccessful. This is despite bringing on board London-based BP through a $7.2-billion deal in 2011, to benefit from its technical expertise in increasing gas supply from D6.For the July-September period, gas production from KG-D6 averaged 12.5 MMSCMD, down from 13.1 MMSCMD in April-June. Gas production from the reservoir was supposed to reach at least 60 MMSCMD by now, but RIL has cited technical challenges to explain the steadily declining gas production.To complicate things further, RIL, for the first time, cited "natural decline" in the KG-D6 gas field as one of the reasons for declining gas production in its earnings press release, indicating that the gas field was showing signs of ageing.

Source: Indian Express

GAIL skirts Iran undersea pipeline deal for fear of US ire

Teheran's troubled ties with the West continue to dog India's efforts to secure energy supplies. In the latest instance, GAIL India has expressed unwillingness to enter into a non-binding framework agreement with NIGEC for buying gas through a transnational undersea pipeline for fear of losing access to international financing. SAGE proposed signing a three-way framework agreement among gas seller NIGEC, transporter SAGE and Indian gas buyer GAIL, IndianOil and Gujarat State Petroleum Corporation. Since the agreement involved an Iranian entity, GAIL sought opinion on the impact of American sanctions laws from a US law firm, Akin Gump Strauss Hauer& Feld LLP. The legal opinion broadly said signing a non-binding agreement would not attract any US or UN sanctions. But, it could lead to blocking of GAIL's access to international commercial or financial services and capital markets in its global business ventures.

Source: Times of India

Kick starting the Gas Pipeline action plan

In a move to complete Finance Minister's budget promise of building 15,000 km of new gas pipelines, the petroleum ministry has kick-started a detailed action plan. Various options being placed on the drawing board are a partnership between GAIL (India) and Gujarat-based GSPC, taking up certain strategic pipeline projects based on budgetary support, public-private partnership (PPP) and bidding on viability gap funding (VGF). The projects are supposed to be rolling out in three months.

The first category has three pipelines spanning 2,753 km. The Petroleum and Natural Gas Regulatory Board (PNGRB), has already granted authorisation to these lines.

Construction activities on the smaller two pipelines–Shadhol-Phulpur and Kakinada-Srikakulam—are likely to start within a year. GAIL is expected to start work on the 2050 km Jagdishpur-Haldia stretch, however, construction on this will start only after two fertiliser plants at Barauni and Gorakhpur are revived.

In the second category, four pipelines stretching over 6,958 km are considered. These have been authorised by the PNGRB in 2011 and 2012. Construction work on these pipelines could not commence because of the absence of anchor customers.

GSPL India Transco Ltd (GITL) and GSPL India Gasnet Ltd (GIGL), both subsidiaries of Gujarat government-promoted Gujarat State Petronet Ltd (GSPL), are in talks with GAIL (India) to explore the possibility of joint development of certain sections of these pipelines. An action plan for starting construction on these pipelines in phases would be finalised between GAIL and GSPL in the next three months. The third category of pipelines comprising five pipelines of 3,800 km are yet to be auctioned. PNGRB has initiated the bidding process for two of them– Ennore-Nellore and Ennore-Tuticorn, which is likely to be finalised in the next three months. The remaining three pipelines—Ranchi-Paradip; Barauni-Agartala and Haldiya-Srikakulam—would be implemented through public-private partnership (PPP) on the viability gap funding (VGF) model. The petroleum ministry has identified GAIL as the sponsoring authority, which would prepare a detailed feasibility report.The bidding for them would be based on VGF. This means the bidder who quotes the lowest VGF would be qualified. **Source: Financial Express**

POLICY MATTERS/GAS PRICING

The new gas price has been announced by the government and shall come into effect from November 1, 2014. The price hike announced by the Government for domestically produced natural gas is unlikely to cheer either the PSU majors ONGC and Oil India or the private sector. However, it may have a silver lining for Reliance Industries for its new deep sea drilling efforts

Natural Gas price increased by Government-it will be $5.61 per unit on NCV basis

The government on Saturday announced a new pricing formula on the basis of recommendations of a panel of secretaries. It will come into effect from November 1, 2014. Industrial consumers will pay about $5.61 per unit for domestic gas on net calorific value basis. The existing gas price of $4.2 per unit is on the basis of NCV. The gas sale purchase agreements between sellers and buyers specify the price on the basis NCV too. The new price on NCV basis is nearly 33% higher than the earlier price.Oil Minister Pradhan said CNG and PNG suppliers (such as Indraprastha Gas Delhi) would see how much they can absorb, gas transporter GAIL would look at pruning transportation charge wherever possible and states would be urged to lower taxes to avoid any sharp rise in CNG or PNG prices. The new price appears acceptable to power and fertilizer industries also. Though the cost of power from gas-fired stations is estimated to rise by 45-55 paise per unit, the impact on overall tariffs would be minimal since such type of plants account for about 7% of generation capacity.
Source: Economic Times

Why gas price hike is no cheer for explorers

The price hike announced by the Government for domestically produced natural gas is unlikely to cheer either the PSU majors ONGC and Oil India or the private sector behemoth Reliance Industries. The new price is primarily because the Government has excluded the Japanese and Indian LNG import price; these components have a higher cost than many other global benchmarks given the demand-supply dynamics in Asia. Under the new formula, the price will be revised on a half-yearly basis (the next revision is on April 1, 2015) instead of every quarter, as recommended by the Rangarajan Committee. While the Government has said that it will pay a premium for discoveries in deep/ultra-deep waters and high-pressure temperature areas, it has not spelt out the quantum. For Reliance Industries, the price hike benefit is not likely to kick in anytime soon. This is because it will be paid $4.2 a unit until its dispute with the Government over the production shortfall in the KG-D6 field is settled. So, while RIL's customers will pay $5.61 a unit from November 1, the company will get only $4.2 with the excess credited to a gas pool account maintained by GAIL.
Source: Business Line

Gas pricing decision has a silver lining for RIL

The government's decision to raise prices paid to domestic gas producers may have no immediate impact on Reliance Industries Ltd (RIL) as it remains locked in arbitration with the government, but the fine print of the gas pricing policy may be positive for the conglomerate led by Mukesh Ambani. The gas pricing policy announced this fortnight says that companies operating in deep- and ultra-deep-water blocks will get a premium over and above the prevalent natural gas prices in the country. The notification revised the current price of natural gas to $5.6 per MMBtu from $4.2 per MMBtu. These prices will be revised every six months. And for all the discoveries in ultra-deep-water areas, deep-water areas and high pressure-high temperature areas, a premium would be given on the gas price to be determined as per a prescribed procedure of the government. This clause would be beneficial to RIL as most of its on-going exploration activities are located in the deep-water area of the Bay of Bengal. **Source: Live Mint**

Hyderabad: Proposed gas pipeline hits roadblock

The proposed Vijayawada-Nellore natural gas pipeline, part of Andhra Pradesh's gas grid including the city gas distribution network for the proposed capital, has hit a roadblock as the Indian Oil Corporation and Gujarat State Petronet Limited have filed objections with the Petroleum and Natural Gas Regulatory Board stating that the pipeline should start at Kakinada instead of Vijayawada for better connectivity. The pipeline originating at Vijayawada will burden consumers as tariff will have to be paid to private-owned gas pipelines that bring gas from Kakinada to Vijayawada. The AP Gas Distribution Corporation had recently filed an expression of interest for the 355-km long natural gas pipeline from Vijayawada to Nellore to complete the AP gas grid, in order to supply gas to power projects.GSPL is of the view that the proposed arrangement does not ensure optimal utilisation of the Vijayawada-Nellore pipeline as it is not connected with all sources of natural gas in the vicinity.
Source: Deccan Chronicle

Gas price to rule stake

Reliance Industries has said it will make a final investment decision on producing gas from the R-Cluster discovery in the flagging KG-D6 block only after the government decides on gas price hike.Reliance India Ltd (RIL) and its partners BP plc of UK and Canada's Niko Resources plan to produce about 13 MMSCMD of gas for 13 years from D-34 discovery, known as R-Cluster, in the KG-DWN-98/3 or KG-D6 block by 2017-18.The planned output from D-34, which is estimated to hold an in place gas reserve of 2.2 trillion cubic feet, is equivalent to the combined current production from Dhirubhai-1 and 3 (D1&D3) gas field and MA field in the KG-D6 block. It has so far made 19 gas discoveries and one oil find in the KG-D6 block. Of these, D1 and D3 gas fields were brought to production in April 2009 while MA oilfield began pumping oil in September 2008. **Source: Asian Age**

NG/LNG UTILITLISATION- ROADWAYS

JnNURM Approved Tender to Add 271 CNG Buses to Bangalore Metro (BMTC)

JnNURM is a massive city-modernisation scheme launched by the Government of India under the Ministry of Urban Development. The aim is to encourage reforms and fast track planned development of identified cities. Focus is to be on efficiency in urban infrastructure and service delivery mechanisms, community participation, and accountability of Urban Local bodies. Under this scheme, Government of Karnataka has issued a tender for the procurement of 271 CNG-fuelled low-floor non-air-conditioned buses. The buses will join Bangalore Metro Transport Corporation (BMTC)'s fleet. The buses will be funded 50% by BMTC, 15% by the State Government with the rest being provided by the Centre. The approximate tender value is Crore 176.15 (USD 2.86 million).

In an unconfirmed article published by The Hindu, Transport Minister Ramalinga Reddy said BMTC plans to replace diesel-fueled buses with CNG buses over a five-year period to help reduce air and noise pollution in Bangalore. The plan also includes creating five filling stations for the fleet, which currently numbers 6,000 vehicles.

Source: NGV Global

LNG & SHIPPING

GAIL is planning to buy around 10-12 LNG cargoes or around 0.9 million tonne from the spot market to meet its target of 2 million tonnes of gas supply for the current financial year. Shipping Corporation of India (SCI) and GAIL India Limited are currently in discussion to forge a tie-up under which the latter will acquire nine LNG ships. Hiranandani Group, a real estate company, plans to build an 8 million ton per year LNG import facility at Jaigarh on Maharasthra coast.

Gail India to buy LNG cargoes to meet demand

GAIL plans to buy around 10-12 LNG cargoes or around 0.9 million tonne from the spot market to meet its target of 2 million tonnes of gas supply for the financial year ending March 2015. It recently tied up 12 cargoes with Gas Natural Fenosa (GNF) of Spain and 6 from Gaz de France (GDF). Besides, the company plans to purchase on its own around 10 to 12 cargoes from the spot market. Out of total supply of 2MMT, GAIL has already imported around 12-14 cargoes that is equivalent to 1MMT. The company also has close to 5 million tonne of long term gas contract with RasGas of Qatar. It holds a 20 per cent stake in Carrizo's Eagle Ford Shale acreage. It has a deal with Cheniere Energy Partners to buy 3.5 mtpa liquefied natural gas (LNG) from Sabine Pass Liquefaction, a subsidiary of Cheniere from 2017-18 and a 20-year sales and purchase agreement with Dominion Resources for supply of 2.3 mtpa of shale gas starting from 2017-18. GAIL is looking at swapping option to get early supplies from Sabine Pass LNG export facility.

SCI and Gail explore collaboration for LNG ships

Shipping Corporation of India (SCI) and GAIL currently in discussion to forge a tie-up under which the latter will acquire nine liquefied natural gas (LNG) ships for almost $3 billion and the former will operate these, according to a senior official of the shipping firm. SCI may have an option to pick up 25 per cent stake once a joint venture company is formed for the purpose and talks are held through respective ministries. SCI is currently running four LNG ships through joint venture companies with Japanese partners, among others, in which the Indian public sector undertaking holds 26 per cent stake. The funding will be though GAIL.GAIL has imported 25 LNG cargoes during the last financial year from various international sources on short term as well as spot basis to meet immediate domestic gas requirement.SCI currently has aMoU with GAIL for transporting LNG from the US to India in 2016-17 wherein it has step-in right of up to 26% with technical consultancy.

Source: Business Standard

Hiranandani Group to build LNG terminal at Jaigarh

Real estate firm Hiranandani Group plans to build an 8 million ton per year LNG import facility at Jaigarh on Maharasthra coast by July 2018. H-Energy Gateway has applied to sector regulator PNGRB to connect the import facility with major trunk pipelines that take gas to consumers. The Petroleum and Natural Gas Regulatory Board, in a public notice, invited comments on the company's proposal to connect the Jaigarh LNG terminal with Dahej-Uran-Dabhol-Panvel (DUDPL) pipeline and Dabhol-Bangalore (DBPL) line. H-Energy plans to lay a small 40 kilometre line from the LNG receipt facility to Dabhol to hook-up or tie-in with the two pipelines. H-Energy Gateway Pvt Ltd wants to operate the Jaigarh terminal on tolling basis, that is, offering import and storage facility to third parties.

Source: Economic Times