

NGS' NG/LNG SNAPSHOT

Restricted & Private Circulation Only



DECEMBER 2014 | VOL 1

POLICY MATTERS/GAS PRICING

- After steering two crucial reforms in the energy sector OilMin to focus on gas as a major fuel including development of additional pipelines, CGD sector, shale gas and NELP.
- The new gas pricing policy is unlikely to cheer either the PSUs or the private sector.
- The power inter-connection between Bangladesh and India gives added impetus to ONGC's natural gas supply to their Palatana power project.
- The Central government informs the Supreme Court about its new domestic gas pricing policy guidelines. Reliance challenges new gas pricing norm.
See on Pg. 2

NATURAL GAS/PIPELINES/ COMPANY IN THE NEWS

- The Indian and Russian governments have agreed to organize a working group to consider possible on-ground supplies of hydrocarbons from Russia to India.
- ONGC receives approval from Ministry of Environment for drilling of 100+ exploratory wells.
- The four state gas companies of Turkmenistan, Afghanistan, Pakistan, and India have established a company that will build, own and operate the planned 1,800-km Turkmenistan-Afghanistan-Pakistan-India (TAPI) natural gas pipeline.
- India and Norway to resume bilateral discussions in the oil and natural gas field. *See on pg. 2*

NG/LNG UTILISATION- ROADWAYS

LNG & SHIPPING:

- The tussle for the Gangavaram LNG import facility continues between the Petroleum Ministry and the AP Government.
- The viability of a second terminal adjoining Kakinada is in question.
- GAIL extends LNG ship tender submission date by another one month.
- Gol gives approval for an oil and gas deal with Mozambique.
- GAIL (India) Ltd has entered into a MoU with Socar, the state-owned oil company of Azerbaijan for co-operation in marketing, sourcing and shipping of LNG including pursuing opportunities in upstream assets across the world and jointly invests in petrochemical projects.
- GAIL to increase domestic price of LNG. Indian Oil Corporation set to commission its first LNG import project in 2017-18.
- STX Offshore & Shipbuilding Co. Ltd of South Korea has agreed to lend technology to three Indian shipyards to build liquefied natural gas (LNG) carriers locally. *See on Pg 4*

INTERNATIONAL

NATURAL GAS/CROSS COUNTRY AND TRANSNATIONAL PIPELINES

- Trans-Anatolian natural gas pipeline which will carry Shah Deniz gas in Azerbaijan through Turkey to the Greek border and Europe is moving ahead. It could also carry Turkmenistan gas.
- Russian gas production on the increase, and Russia signs gas supply deal with Ukraine.
- Saudi Arabia and Iran plan to double natural gas output. Pakistan keen to explore gas supply from Iran again.
- Pipeline capacity building continues in the USA and Canada. Japan's state-owned energy agency, Japan Oil Gas and Metals National Corporation (Jogmec) inks technology deal with USA and Canada.
- Shell to invest in shale gas prospects in South Africa.
- The fight against pollution in China will benefit the natural gas sector-more and more emphasis on gas.
- Azerbaijan as gas mediator between Iran and Europe.
See on pg. 5

LNG DEVELOPMENT

- Russia China pipeline gas supply deal to put pressure on Australian and Canadian LNG export projects.
- Freeport's liquefied natural gas project ceremonially broke ground when about a dozen executives plunged shovels into a trough of Gulf Coast soil after receiving permits from government agencies.
- Canada continues to push its LNG development programme with several projects under development but is yet to close a single project.
- Honolulu based company is looking to bring in even more of LNG to Hawaii to help it better manage its fuel costs.
- Countries across Asia are quietly reaching deals to import liquefied natural gas (LNG) from Mozambique.
- Mexico and Mozambique focus on their proposed LNG export projects, but the Mexican project still does not look feasible.
- Low oil prices could affect upcoming and proposed LNG projects. Second LNG import project to be built in the UAE at Fujairah.
See on pg. 8

CITY GAS DISTRIBUTION

The Delhi High Court is of the view that there are no statutory provisions that allow the board to make any move with respect to fixing of retail price of gas. Government also supports IGL against Petroleum and Natural Gas Regulatory Board.

Government backs IGL against PNGRB; no final decision yet

Delhi High Court had earlier struck down the Petroleum and Natural Gas Regulatory Board (PNGRB) order that sought to regulate prices, clearly holding that there are no statutory provisions that allow the board to make any such moves with respect to fixing of retailing prices. The issue at hand is whether or not the PNGRB the board has the power to regulate transmission tariffs. PNGRB thereafter appealed against the Delhi High Court order in the Supreme Court. It had conceded that it does not have the powers to regulate the final retailing price. Meanwhile, the government backs Indraprastha Gas Limited (IGL) against PNGRB in the case stating that PNGRB is not empowered to determine retail prices. However, there is no final decision on the same yet and the apex court will continue hearing the case. Source: Money Control

Russia-India working group to consider ground transportation of hydrocarbons

Russia and India will organise a working group on ground transportation of hydrocarbons from Russia to India, Russia's Deputy Minister of Energy Yuri Senturin told TASS on Saturday. India and Russia have agreed to organise a working group to consider possible on-ground supplies of hydrocarbons from Russia via Central Asia to India. The plans to organize a working group were announced in 2013, where India's major oil and gas corporation ONGC (Oil and Natural Gas Corporation) suggested building an oil pipeline from Russia. Besides, the parties discussed extending to the border with India of the gas pipeline from Russia to China. Source: TASS

NATURAL GAS/PIPELINES/COMPANY IN THE NEWS

ONGC to drill 103 wells in Cambay basin in Gujarat

Oil and Natural Gas Corporation Limited (ONGC) will be drilling 100-plus exploratory wells in the Cambay Basin in Gujarat in the next five years. ONGC recently received environment clearance from the Ministry of Environment and Forests (MoEF) to drill 103 wells in 30 blocks in Mehsana and Patan districts which are the upper reaches of the Cambay basin. The company will be spending over Rs 670 crore for drilling these wells that will have a depth varying between 1000-3500 meters. In spite of the dipping hydrocarbon reserves in Cambay, oil companies including ONGC have continued to strike oil. Jay Polychem (India) Pvt Ltd recently made an oil discovery. Source: Indian Express

India & Norway plan joint oil & gas exploration drive

The Ambassador of Norway Elvind S Homme called on Minister of State for Petroleum and Natural Gas Dharmendra Pradhan along with a business delegation of companies from his country related to the petroleum and natural gas sector. Bilateral relations between India and Norway in the field of oil and natural gas were discussed. Norwegian Ambassador said the last meeting of the joint working group took place in September 2012. He added that there is a need to take this forward as Norway has the best of technology in the field of safety management and hydrocarbon exploration, especially in deep sea drilling. It was agreed that the joint working group should meet at an early date to work out specific details and take the bilateral cooperation forward.

Source: Millenniumpost

Turkmenistan, Afghanistan, Pak, India set up TAPI pipeline company

The four state gas companies of Turkmenistan, Afghanistan, Pakistan, and India have established a company that will build, own and operate the planned 1,800-km Turkmenistan-Afghanistan-Pakistan-India (TAPI) natural gas pipeline. In a statement ADB issued, the transaction advisor for the TAPI gas pipeline, said that State concerns Turkmengas, Afghan Gas Enterprise, Inter State Gas Systems (Private) Limited, and GAIL (India) Limited will own equal shares of the company. The TAPI pipeline will export up to 33 billion cubic metres of natural gas annually from Turkmenistan to Afghanistan, Pakistan, and India over 30 years.

Source: Business Line

POLICY MATTERS/ GAS PRICING

Gas price hike inadequate to attract investments

The new gas price of \$5.61 per unit will not be adequate to attract investment in exploration as most of the discoveries in deep-sea need a higher rate to be economically viable, top research organisations have said. While deep-water producers want to produce and sell — albeit at gas price upwards of \$8 — industrial consumers are willing to pay for these productions, but due to the limit imposed by the current pricing formula, they will have to buy costly imported LNG. Deutsche Bank said the lack of clarity on gas price for new deep-water discoveries — which will be higher — could delay capex and production. HSBC said while the hike imposes a higher price on the end consumer, it is unlikely to result in investment beyond what the upstream industry would have invested anyway at the old gas price of USD 4.2 per MMBtu.

Source: Business Standard

Reforms don't mean subsidy cuts alone: Oil minister

Petroleum minister Dharmendra Pradhan has steered two crucial reforms in the energy sector. In an interview to TOI, he promises more steps in the coming months but makes it clear that the government's focus is on the common citizen.

What's next on oil ministry's agenda?

The government's priority is to focus on gas as a major source of fuel. So far, the gas grid was 15,000 km. In the Budget, the government has announced it will add 15,000 km over the next five years. Piped natural gas and CNG will be put on mission mode. The government is actively looking at gas pooling.

What is your plan for subsidized gas cylinders?

We are not going to increase the burden. Instead, we will focus on direct subsidy transfer to consumers, which will help check pilferage.

What about shale gas?

Currently, only ONGC and Oil India can explore but we are creating a framework to involve the private sector. We need a mechanism to let people explore - oil, gas, and shale gas or coal bed methane - and allow multiple uses of licences.

What is the timeframe for NELP-X?

We have analyzed earlier rounds and we have realized that there are three areas under NELP that need attention - technology, scientific data and addressing the constraints of production sharing contracts.

Do you have a plan for existing and marginal fields?

We have prepared a 10-point reform agenda for existing fields. ONGC has a lot of assets, including marginal fields, which it believes are not viable. The Cairn field, for instance, was with ONGC earlier. Today, technology is available but these fields need investment. We are planning to unbundle these fields through a transparent bid process so that production goes up.

What about reforms at other PSUs?

Our companies are into exploration, production, refining, distribution and marketing. Earlier, only a few products were being produced at refineries but now petrochemicals have emerged as a major area. We are still reliant on import of petrochemicals. We want our PSUs to explore global markets, where some of the private companies have gone.

You mentioned marketing and other areas...

We want to follow the PM's advice of 'Make in India'. Oil companies will invest around Rs 5 lakh crore in the 12th Plan. Over the years, we have started importing things like rigs, pipes and ships, which were earlier made here. GAIL needs nine vessels to ship gas from the US. We have asked it to get at least three Made-in-India ships. **Source: Times of India**

Bangladesh and India decide on inter-connection power line

Bangladesh and India have decided that a 'Radial inter-connection line' would be drawn from Suryamani power sub-station here up to Comilla in South Bangladesh for transportation of 100 mw power from the 726 mw thermal power project at Palatana in Gomati district. The line would be drawn by the Indian government up to Konaban, the crossing point to Bangladesh, covering a distance of about 24 km. From Konaban the line would be drawn by the Bangladesh government up to Comilla grid covering a distance of about 27 km. ONGC started dispatching natural gas to Palatana project for power generation by the plant's second unit, which is expected to become operational in the current year.

Source: Zee News

RIL challenges govt's new gas pricing norms

Reliance Industries Ltd (RIL) told the Supreme Court (SC) that it had initiated arbitration proceedings against the government over the new domestic gas pricing guidelines. Senior lawyer Harish Salve, appearing for RIL, said the company had already appointed its arbitrator and it was now up to the government to respond. The second arbitration, which was initiated by RIL in July 2012, was on not allowing recovery of cost incurred in the development of D1 and D3 fields—the two flagship fields in the KG-D6 block. This was the fourth year when the government disallowed the company from recovering cost incurred in exploration and production of oil and gas from the KG basin due to a shortfall in production. **Source: Live Mint**

India's gas deficit to continue on unimpressive new policy

India's natural gas deficit and its reliance on imports will continue as the just announced gas pricing policy with its low rates and lack of roadmap to free pricing may not revitalise near stagnant exploration and production, a research report said today. Existing gas discoveries in deep-sea areas of Bay of Bengal are not viable at the new gas price of \$ 5.61 per million British thermal unit, which is just 33 per cent higher than old rate of \$ 4.2, it added. It said it's "study indicates that India's gas deficit is unlikely to improve over the next 5-6 years implying that reliance on LNG is unlikely to abate." In the nine New Exploration Licensing Policy (NELP) rounds since 1999, 131 discoveries have been reported in 41 blocks, 86 (2/3rd) of which are gas discoveries that will require higher gas prices and greater scale of operations to be viable, it said.

Source: Economic Times

Centre informs SC about its new gas pricing formula

The central government informed the Supreme Court about its new domestic gas pricing policy guidelines, discontinuing the Rangarajan formula. Solicitor-General Ranjit Kumar told the court that in view of this development, the petition moved by Communist Party of India leader Gurudas Dasgupta no longer survived. Reliance Industries counsel Harish Salve told the bench, headed by T S Thakur, that most of the issues raised in the court about pricing were before two arbitral tribunals, presided over by a retired Australian judge, Michael Kerby. As of now, the schedule of hearing has not been fixed. The counsel said the court might hear the present petitions after the arbitration award. Common Cause counsel Prashant Bhushan was more adamant and insisted a court-monitored investigation team be set up to probe the issues of fraud leading to huge public losses, gold-plating and large amounts flowing from a name plate company in Singapore to Reliance.

Source: Business Standard

NG/ LNG UTILISATION-ROADWAYS

Indian Oil LNG terminal to be ready by 2017-18

Indian Oil Corporation's first LNG import terminal and also the first one on the east coast at Kamarajar Port will become operational by the third quarter of 2017 or early 2018. Briefing reporters, IOC chairman B. Ashok said the company was setting up a five million-tonne LNG terminal with storage and re-gasification facilities at Ennore. The Rs.5,150-crore project is developed jointly by IOC and Tamil Nadu Industrial Development Corporation. IOC has 45 per cent stake and the latter five per cent. To a query on the sourcing of LNG, Mr Ashok said 1.2 MMT of would be sourced from a project in British Columbia, Canada, where the company has invested \$4 billion for a 10% stake. About 0.7 MMT would be sourced from the Cameron project in U.S.

Source: Hindu

Apprehensive OILMIN seeks clarity on Gangavaram LNG terminal from AP Government

With the Andhra Pradesh Government keen on setting up an LNG terminal in Gangavaram, the Petroleum Ministry has raised questions about the commercial viability of the project as already another LNG terminal in Kakinada is coming up in the State. The Centre's main concern is that whether having two LNG terminals in a single State will be feasible in terms of seeking adequate number of customers for gas. AP Chief Minister in a recent meeting with Petroleum Minister is learnt to have assured the Centre that the Gangavaram project can co-exist with the already under implementation Kakinada LNG terminal as the commercial potential of sale of gas in the State is going to increase in the near future.

Source: Daily Pioneer

GAIL extends LNG ship deadline by over one month

GAIL has extended by over a month the deadline for submission of bids for 9 LNG ships; it said the last date for bidding has been extended till December 4 from October 30 previously. The company has asked ship builders to quote daily hire charges for the freshly built LNG tankers in lots of three. It has conditioned that one ship out of every lot of three ships each would be built in India. In the tender, GAIL has given Indian shipbuilders six years to deliver the ships as opposed to two-and-half year deadline for foreign firms. According to the tender document, each of the LNG ships will be registered as a Special Purpose Vehicle (SPV) for ownership and management of such vessel.

Source: Jagran

GAIL taps Azerbaijan

Gas transporter GAIL (India) Ltd has entered into a MoU with Socar, the state-owned oil company of Azerbaijan. Under the MoU, the companies shall co-operate in the marketing, sourcing and shipping of LNG. The two will also pursue opportunities in upstream assets across the world and jointly invest in petrochemical projects. "Skills and strengths of both the parties will be leveraged to explore business opportunities jointly in natural gas and LNG, including new business developments," B. C. Tripathi, chairman and managing director of GAIL, said. Gas production in Azerbaijan is expected to reach 30 bcm in 2018 compared to 29.45 bcm in 2013. Source: Telegraph

India and Mozambique enter new Oil & Gas deal

An approval has been granted by the Indian government for an oil and gas deal between the Asian powerhouse and Mozambique that will synergize both countries in upstream and downstream activities while also encouraging and promoting trade, investment and technological transfers. "Mozambique is strategically located near India and is ideally suited for bringing natural gas to India. The participation of Indian energy companies will facilitate access to LNG for the growing Indian gas market," read a statement from the Mozambican government. In moves to further explore its potentials in oil & gas, the Mozambican government has also called for bids from companies wishing to check out fifteen new blocks totalling an area of 76,800 sq kilometers.

Source: Ventures

GAIL set to hike domestic price of LNG

Of the total 5.8 MMT of LNG it contracted with US suppliers; GAIL has found Indian buyers for only 2.5 MMT. In an attempt to force local consumers such as power projects and fertilizer plants to finalize their purchase plans, state-owned gas supplier GAIL is set to increase the domestic price of LNG by 10 cents per unit. Major domestic consumers have refused to buy at current prices, which they perceive to be high. GAIL plans to sell at around \$12-13 per MMBtu in the domestic market. GAIL stands to gain better margins by selling overseas.

Source: Mint

South Korea's STX offers India LNG shipbuilding technology

The first objective is to win a tender issued by GAIL for hiring 9 LNG ships; the second is to promote PM Narendra Modi's 'Make in India' mission. South Korea's financially troubled shipbuilder STX Offshore & Shipbuilding Co. Ltd has agreed to lend technology to three Indian shipyards to build liquefied natural gas (LNG) carriers locally, ending India's search for an experienced global partner to get started in this business. GAIL will not order the nine ships directly at shipyards. It plans to hire the carriers for 20 years starting September 2017 from fleet owners who will have to construct three of the nine ships in India, as per a 1 August tender. STX has said that many fleet owners were willing to build six of the nine LNG carriers required by GAIL at its facility and if the tender conditions are relaxed by GAIL to allow the yard to compete, it would share technology with Indian yards to construct the remaining three LNG carriers locally as stipulated by GAIL, the official mentioned earlier said. Source: Live Mint

NATURAL GAS/CROSS COUNTRY AND TRANSNATIONAL PIPELINES

BP awards \$40 million Shah Deniz gas contract

Energy services company Emerson Process Management said it secured a \$40 million contract from BP to help develop the Shah Deniz gas field offshore Azerbaijan. Emerson will provide control and safety systems to BP's operations to ensure safe and efficient gas production offshore and processing at an onshore terminal.

The Trans-Anatolian natural gas pipeline will carry Shah Deniz gas through Turkey to the Greek border. From there, TAP will take the gas to the European market. Both pipelines are part of the so-called Southern Corridor of gas pipelines for Europe meant to break Russia's grip on the region's energy sector. First gas from the giant offshore natural gas field will be delivered in late 2018.

Source: UPI

Turkey Supports Turkmenistan's Joining Trans-Anatolian Gas Pipeline Project

Turkish President Recep Tayyip Erdogan said that the Trans-Anatolian gas pipeline project (TANAP) could also count on supply of Turkmen gas to Europe. The President added that Turkey pays special attention to Europe's energy security issues. After the high-level negotiations held on Friday, Turkmenistan's Turkmen State Concern and Turkey's Atagaz company signed a framework agreement on cooperation for the purchase and sale of natural gas. Turkmenistan is one of the key players in the gas market in the Caspian Sea region and Central Asia. According to Trend Turkey expresses interest in re-export of Turkmen gas to Europe. The most optimal option is to lay a 300-kilometer gas pipeline through the Caspian Sea to the coast of Azerbaijan which has the appropriate infrastructure to transport gas to Turkey and further to Europe.

Source: Bernama

Saudi Arabia 'to double' gas output

Saudi Arabia, the world's top oil exporter, will double its natural gas output by 2030 but plans to keep all of it at home to fuel domestic growth, the country's oil minister said. Increased gas production will be put to use to meet its own rising energy demands, including both power generation and water desalination, as well as developing its growing mineral industry. Saudi Arabia has the world's fifth-largest natural gas reserves at 291 trillion cubic feet, according to the US Energy Information Administration. While Naimi said crude oil will power the global economy for "many decades to come", he said the rising importance of natural gas is a welcome development. "There was a time when the night skies of the eastern province of Saudi Arabia were lit up by the flaring of this gas," he said. "No more."

Source: Upstreamonline

Kaira, former Pakistan Minister says completing IP gas pipeline best option for Pakistan

Former minister of information and Pakistan People's Party leader Qamar Zaman Kaira has stressed that the best choice for Pakistan to supply its needed energy is accomplishing the Iran-Pakistan (IP) gas pipeline. He said that the former Pakistani government signed a contract with Tehran to import its needed gas from Iran and the current government should work on the implementation of the project. Iran wants to export its natural gas to Pakistan, India and China through the peace pipeline. Iran has already built its 900-kilometer share of the pipeline on its own soil and is waiting for the 700-kilometer Pakistani side of the pipeline to be built. Iran and Pakistan signed an agreement over the construction of a gas pipeline in 1995.

Source: Daily Times

Gazprom to resume gas supply once Ukraine pays \$2.2 billion

Moscow, Kiev and the EU reached an agreement on Thursday over the gas supplies despite tensions over a pro-Russian separatist rebellion in east Ukraine. Gazprom cut off Ukraine in June amid a bitter dispute over unpaid bills and pricing. Gazprom CEO Alexei Miller said Gazprom would restart the flow of gas within two days of Kiev covering part of its debt and pre-paying for deliveries in November. The Kremlin on Friday welcomed the deal as "an important step in the context of ensuring further uninterrupted gas transit to Europe". Ukraine will pay \$378 per 1,000 cubic metres for gas in 2014 and \$365 in the first quarter of next year. The deal has been signed between Gazprom, EU and Ukraine.

Source: Reuters

Planning begins for natural gas pipeline in USA-boost employment during construction

A project to construct a major natural gas pipeline running into North Carolina is entering its planning stages, but environmental advocates say it will slow the state's movement toward renewable energy. Virginia-based energy company Dominion is teaming up with three power companies, including Duke Energy, to build a 550-mile-long pipeline from West Virginia to Robeson County, N.C. The Atlantic Coast Pipeline LLC, which would cost between \$4.5 and \$5 billion, would transport natural gas from the Marcellus and Utica shales and will increase natural gas supply in West Virginia, Virginia and North Carolina. Mack said the pipeline would support about 4,400 jobs during construction and bring \$12 million of economic activity to the state by 2019.

Source: Daily tarheel.com

Russia's Natural Gas Production accelerates to 2.11% in 10 months

Russia's natural gas production increased by an annualized 2.11 percent during the first ten months of this year, having reached 516.684 bcm, while LNG exports to Asia-Pacific amount to 11.830 bcm. According to Central Dispatching Department of Fuel Energy Complex (CDU TEK) data, Russia's natural gas production in 2013 added 2 percent year-on-year and amounted to 668.024 bcm, while exports in natural gas rose 10 percent to 204.911 bcm.

Source: Hellenicshipping

Maine's investment in natural gas expansion raises questions

The natural gas pipeline expansion now under consideration in the State of Maine, in the New England region of USA by the state Public Utilities Commission could relieve a bottleneck that spikes energy prices during winter. It also could leave ratepayers on the hook for as much as \$1.5 billion. The commission voted 2-1 last week to review three proposals to expand pipeline capacity in New England. But energy prices can change quickly, because of factors far outside the control of Maine officials. Low-cost natural gas would certainly be beneficial to Maine residents and businesses, and the PUC is right to look more closely at how to get it. But before the state writes a check this large, more questions have to be answered. Source: Press Herald

Natural gas represents next big innovation-Canada

Delivering natural gas to rural Ontario in Canada will be the biggest game changer on farms since tractors replaced horse power. Natural gas expansion to farms and rural Ontario communities promises to dramatically boost business by significantly lowering energy costs. That's the message the Ontario Federation of Agriculture (OFA) delivered to government at the recent Natural Gas Opportunities for Ontario event at Queen's Park. The OFA is committed to continue building the momentum for greater access to affordable natural gas. Source: Barrieexaminer

Citing pipeline capacity, natural gas companies poised to turn away new customers in Valley, USA

A natural gas pipeline that feeds much of the Pioneer Valley, U.S. Commonwealth of Massachusetts's portion of the Connecticut River Valley, is nearly at capacity, a development that will force at least one gas company to turn away new customers in its Franklin County territory by the end of this year and extend the moratorium to Hampshire County areas by the middle of next year. "The problem is the distribution system is literally choked," said Chris Farrell, spokesman for Berkshire Gas Co, local distribution company. "The commodity (natural gas) has never been more plentiful, but we just can't get it here." Plans are being discussed.

Source: Gazettenet

State House Policy Committee explores natural gas possibilities

The natural gas industry was the highlight of discussion in a Pennsylvania House Majority Policy Committee meeting. Natural gas extraction and production benefits the residents of south-eastern Pennsylvania through lower energy costs and commercial applications, the House Committee said. While previous discussion on the industry has largely been about taxation and regulatory measures, the importance of discussing the economic impact of natural gas on the state is becoming more apparent. With its wealth of natural energy, the state hopes to attract companies that require large amounts of energy, like food processors and glass manufacturing — thus keeping product prices competitive and jobs within the state.

Source: Pennbusinessdaily

New South Wales and Northern Territory leaders meet for pipeline talks

The leaders of the NT and NSW are meeting in Sydney to discuss a proposed \$1 billion gas pipeline. Expressions of interest will be released on November 13 for owning and operating the pipeline from Alice Springs to Moomba, or a pipeline connector between the NT (stranded gas) and the eastern seaboard.

'They will bring infrastructure, roads, bridges, and telecommunications, built and paid for by the private sector, and many of those jobs will go to regional and remote Territories who are longing to be part of the economy and don't have that opportunity for jobs.' NSW is expected to see a downturn in its gas supply from 2017, feeling the strain from 2019, and the Northern Territory can meet its needs as per reports. Source: Law.com

Shifting Perspectives: Fracking in the Marcellus Shale

The Marcellus shale is the second largest natural gas field on the planet. Marcellus shale covers much of Pennsylvania and reaches into parts of Eastern Ohio. Most people do not have a clear understanding of the Marcellus shale formation, its uses or processes. The shale is a unit of marine sedimentary rock that contains untapped natural gas reserves close to the high demand market along the east coast. The process undertaken to extract the gas from the shale is an essential part of the drilling process. Hydro-fracking not only offers economic benefits but enable us to enjoy everyday living. Federal laws meant to protect drinking water require fracking companies to obtain a permit before using diesel fuel in the drilling process.

Sunoco investing \$2.5 billion in new gas pipeline

Sunoco Logistics, transportation and terminalling Company, says it plans to invest \$2.5 billion in a planned natural gas pipeline across southern Pennsylvania. The company said the Mariner East 2 pipeline would provide four times the capacity to move gas from Marcellus Shale drilling sites in western Pennsylvania to its Marcus Hook storage and distribution facility near Philadelphia. The new proposal could affect even more townships in the county, according to reports. The plans are being applauded in Delaware County, where business and political leaders tout the jobs the projects can create at Marcus Hook. Source: Dailylocal

Iran plans to double gas production by 2017

Iran is prepared to double its natural gas production by 2017 even if Western sanctions against the country stay in place, a senior Iranian energy official says. "Over the next three years, our plan is to increase production to 1 billion cubic meters (bcm) per day," Managing Director of National Iranian Gas Company (NIGC) Hamid Reza Araqi told Bloomberg. He added that Iran's daily gas output will increase to 680 mcm in winter, up from 550 mcm. The NIGC chief further said the country exports 30 mcm of gas a day, mostly to neighbouring Turkey.

Source: Oil and Gas Eurasia

U.S. Natural Gas Exports Will Fire Up in 2015

On the Louisiana coast will come up the largest LNG export facility in the U.S. When it's finished late next year, Cheniere Energy's (LNG) Sabine Pass liquefaction terminal will begin loading onto tankers. It will be the first facility to export natural gas from the U.S. The first phase of the Sabine Pass project will cost more than \$12 billion. Cheniere says it will be the largest buyer of U.S. natural gas by 2020. Its liquefaction plant in Louisiana and another planned for Texas will allow it to ship about 6 percent of all the gas produced in the U.S.

Source: Business Week

Japan, US target Alaskan test gas hydrate output

Japan's state-owned energy agency, Japan Oil Gas and Metals National Corporation (Jogmec) and the National Energy Technology Laboratory, affiliated with the US Department of Energy, have signed an initial deal to co-operate on methane hydrate production onshore Alaska, targeting test output within the next five years. Jogmec is hoping to gain expertise in gas production from methane hydrate bearing sands in permafrost onshore Alaska, similar to the reserves offshore Japan's central Pacific coast.

Source: Argus Media

Japan and Canada sign technology cooperation deal

Jogmec also signed an initial deal with Canada's ministry of natural resources for co-operation on unconventional oil and gas technology, targeting support of Japanese investment in unconventional oil and gas development projects in Canada. Jogmec is backing Mitsubishi's shale gas project at the Cutbank Ridge shale assets in British Columbia.

Source: Argus Media

Shell ready to test-drill for Karoo gas

Bonang Mohale, Chairman of Shell SA is reported to have said that Shell is prepared to invest about 2bn Rand to drill six holes in Karoo, a semi desert region of South Africa, once it receives the necessary permits. Based on studies conducted in the 1960s, it is believed SA could have considerable quantities of shale gas. In SA, public concern over the environmental consequences has paralysed the process. Restricted exploration work can take place but hydraulic fracturing (fracking) will not be allowed until final regulations are in place. Karoo could contain between 40-trillion and 380-trillion cubic feet of gas but its viability is still to be proven.

Source: Business Day Live

China Gas Plays Emerge From the Smog

The fight against pollution will benefit gas. This lament is another reminder of China's need for a long-term solution to its air pollution problem. One measure being explored is a rejigging of the country's energy mix to shift away from smog inducing coal and towards cleaner burning natural gas. Gas currently makes up only 6% of China's energy mix, but the proportion could almost double by 2020, based on government targets. The Chinese government is looking to lift natural gas consumption to 360 billion cubic meters (bcm) from the current 207bcm. While China skies may cloud over again in coming days, the outlook is clear for China's gas plays.

Source: Barrons

Japanese say no proposals to Gazprom to build pipeline from Sakhalin

Earlier Gazprom's CEO said that the company has a proposal from Japan to consider a pipeline to Hokkaido and Tokyo and to take part in the distribution of natural gas and electric power in the country. Japanese government did not make any proposals to the Russian natural gas producer Gazprom to build a gas pipeline from the island of Sakhalin to Japan, a senior official at the department for natural resources and energy of the Economics Ministry told TASS on Tuesday. A possibility of construction of a gas pipeline from Sakhalin to Japan has been mentioned at the level of experts for quite some time already. A group of MPs in the Japanese parliament supports the project. Expert assessments suggest that the total length of a pipeline, which would stretch from Sakhalin to Ibaraki prefecture neighbouring the Greater Tokyo, could be around 1,350 km and the costs of its construction are estimated at \$5 billion to \$6 billion.

Source: TASS

Azerbaijan as gas mediator between Iran and Europe

Gradual change of the West's attitude towards Iran opens new perspectives of cooperation, firstly, in economic area, for this country. For development of this cooperation, Tehran needs reliable partners which have close relations with Europe, which is more liberal towards Islamic Republic, and can be mediators in resuming and expanding of trade and economic ties. Azerbaijan, which has proven itself as a reliable partner, can be one of such mediators. It is also confirmed by the statement of Iranian President Hassan Rouhani made during his visit to Baku. He said that Iran can unite with Europe with Azerbaijan's help.

Today it is necessary for Iran to find a common ground with Europe, also through cooperative partners like Azerbaijan. Source: Iran Oil Gas

Freeport LNG project reaches long-awaited milestone

Freeport LNG Development first applied for federal permits about four years ago for its \$14 billion natural gas export facility. One of the first companies to apply for LNG export was able to get permitted with few problems unlike Cheniere Energy's Sabine Pass export facility. The company finished its financing for the second of three planned facilities. Freeport LNG has more than \$10 billion in financing waiting in escrow for construction to begin according to company sources. The last two roadblocks for the project are an appeal by the Sierra Club environmentalist group pending at the Federal Energy Regulatory Commission and the finalization of a temporary permit issued by the U.S. Department of Energy, Smith said. Both are expected to be resolved in the coming weeks. Source: Houston Chronicle

Pemex Looks to develop Natural Gas export terminal

Mexico's state-owned energy company, Petroleos Mexicanos, or Pemex, said it wants to develop a liquefied natural gas export terminal on the Pacific coast of Oaxaca and is seeking private funds to help pay for it.

The country, already a major exporter of crude oil, is trying to expand its energy sector under recently adopted laws that allow for new drilling and greater foreign investment. Mexican energy officials want to start exporting natural gas to Asia. The \$6 billion gas export plant would be the first of its kind in Mexico—a country whose own gas supply is so strained that it buys natural gas from the U.S. and moves it across the border on pipelines. Construction could start in 2017, with the first shipment expected in 2021.

Gas exports from Mexico will only be feasible if the country can obtain more natural gas from Texas at low prices to help meet its own needs, said analyst Barry Posner of energy consulting firm Wood Mackenzie.

Source: Wall Street Journal

Russia-China Gas Accord to Pressure LNG in Canada, Australia

Russia's move to broaden its energy ties to China is clouding the outlook for natural gas export projects on the drawing board in the U.S., Canada and Australia. Gas-supply agreements between Russia, the world's largest energy exporter, and China, the biggest consumer, are adding to pressure on projects that are already facing increasing competition, rising costs and the prospect of lower prices. "It's just bad news generally" for LNG around the world, said Peter Howard, president of the Canadian Energy Research Institute. "It's going to get really crowded." The price in the Chinese contract earlier this year is equal to about \$10 per MMBtu, two Russian officials said in July. China pays about \$16 per MMBtu for LNG, Macquarie said. "The more Russian gas going into China" means the less higher-cost LNG China will import from places like Canada and Australia. Source: Business Week

Emirates LNG to start Operations Mid-2018 – CEO

Once complete, the terminal will be capable of supplying an average of 1.2 bcf of natural gas per day to the UAE. EmiratesLNG, a joint venture between UAE state-controlled International Petroleum Investment Co (IPIC) and Mubadala Petroleum, will start output from a yet-to-be-built LNG import facility by mid-2018. The results of a tender to build the facility, which will be located at the busy oil port of Fujairah, will be announced in early 2015. Dubai already imports LNG through ports in the Gulf, and the UAE gets a modest volume of Qatari gas by pipeline, which helps feed power and desalination plants at Fujairah. Source: Gulf Business

Hawaii Gas investing \$13M in LNG expansion project

Hawaii Gas will invest about \$13 million in its recent expansion plan regarding LNG which would replace up to 30% of its current supply fuel thereby saving on fuel bill. The Honolulu-based company, which became the first utility in the state to begin shipping LNG to the Islands in April, is looking to bring in even more of this fuel to Hawaii to help it better manage its fuel costs. Regular deliveries of containerized LNG are expected to begin by late 2015. Currently, the state's only franchised gas utility is using the LNG as a backup fuel for its synthetic natural gas (SNG) operations.

Source: Bizjournals

Global LNG-prices grind lower on weak demand, rising supply

Asian spot liquefied natural gas prices in the last week of October extended a slide that started in late September, overwhelmed by weak demand, falling oil prices and growing supplies, while traders said there was no relief in sight. LNG was priced on Oct 31 at \$13.00/MMBtu for December delivery LNG-AS, down around 60 cents from a week ago. Australia's North West Shelf LNG export project closed a two-cargo sell tender and was expected to award them later. The supplies are for December delivery, and the deal was likely to serve as a pricing signal for the market.

Source: LNG Global

Asian buyers line up for Mozambican LNG with new deals

Countries across Asia are quietly reaching deals to import LNG from Mozambique, which could transform its economy and give it a front-row seat in tapping rising global gas demand. U.S. oil major Anadarko Petroleum is building the first two of the export plants in Mozambique. Its gas finds in Area 1 of the country's Rovuma Basin will feed the initial 10 MMTPA, \$23 billion export project, which is due to start by 2021. Preliminary deals have been reached to sell its LNG to companies in China, Japan, Indonesia, UAE, Thailand and India, according to company and industry sources close to the talks.

Source: LNG Global

Proposed British Columbia LNG project worth \$40 billion

A major player in British Columbia's liquefied natural gas sweepstakes has plans to spend up to \$40 billion to build a proposed export facility on the province's northern coast that could generate up to \$39 billion in tax revenues over its lifespan. The massive dollar figures were part of LNG Canada's environmental certificate application released Friday by the joint venture company that includes Shell Canada Energy (TSX:SHC), PetroChina, Korea Gas Corp. and Mitsubishi Corp. There are 18 potential projects at various development stages, but no company has made a final investment decision.

Source: Global News

Prospective LNG exporter eyes huge growth

Prospective LNG exporter AltaGas Ltd. of Calgary, Canada said it plans to double its asset base from \$7.5 billion to \$15 billion by 2019. At an investor day webcast from Toronto, executives said AltaGas plans to expand its utility and power operations but most of the growth will be in its ability to handle and export western Canadian natural gas from prolific shale plays in north-eastern British Columbia and north-western Alberta. AltaGas and its partners say they could build the first British Columbia liquefied natural gas export terminal.

LNG export terminals to be operating by 2025 from a list that has grown to 18 proposals.

Source: Calgary Herald

LNG Market Seeing "Temporary Glut" Says Gas Natural

The LNG market is merely seeing a "temporary glut," according to Spain's Gas Natural CEO Rafael Villaseca, reports Platts. Despite recent declines in LNG spot prices and volumes, Villaseca said that he was not worried, as much of the oversupply was due to mild weather in the northern hemisphere in the beginning of the year. He also noted that other sources have made connections between the

LNG Supply Tight Until 2016

Outages of production trains around the world and increased demand in the winter months will keep LNG supply tight through to 2016, IHS Maritime 360 reports. The surge in LNG demand first began following the closure of the Fukushima nuclear power plant. Since then, demand in China, India and Southeast Asia has also risen. LNG projects are current in the works in Australia, North America, Russia and possibly East Africa, though supply won't become available until after 2016. It is estimated that total LNG supply could rise to over 1.1 billion tonnes if those projects pan out. As per reports it is expected that balance will return to the market post-2016, as new Australian LNG supply pushes volumes from the idle East and Atlantic out of the Asian markets. Demand however, will remain secure.

Source: Ship & Bunker

Liquefied Natural Gas Ltd to expand Bear Head LNG to 8Mtpa

Liquefied Natural Gas Limited, a Canadian LNG company, has filed for modifications to the existing construction and environmental permits for its Bear Head liquefied natural gas export project in Nova Scotia, Canada. This includes the expansion of the initial 4MMTPA capacity facility to 8 MMTPA. Bear Head was originally proposed for a LNG import terminal. A final investment decision on the project is expected in late 2015 to 2016 with commercial production starting in late 2018 to 2019. Source: Proactive Investors

overstock of LNG and worries over the reliability and stability of Russian gas delivered through the Ukraine over the winter. "The spot will adjust rapidly to the non-spot market where volumes are much larger," he said. "We don't see a drop in demand for the non-spot market," LNG bunker demand is expected to rise to 35.7 MMT in 2025 and 77 MMT in 2035.

Source: Ship & Bunker

Low oil prices could kill LNG projects, cause gas shortage by 2023: Woodside

Asian gas buyers face possible supply shortages as early as 2023 if final investment decisions for 50 MMTPA in new LNG projects are not made soon, given low crude prices and industry weakness, according to Woodside Energy CEO Peter Coleman.

He further added that the prolonged oil price slump will impact returns on existing LNG projects as well as threaten future projects and in this environment, LNG projects selling at 75-80% oil equivalent will simply face the axe. "This is clearly not sustainable and unfortunately the situation is likely to get worse," he said. "We face rising costs -- upstream costs have quadrupled over the last 14 years, and we're entering now a period of oil price uncertainty."

Source: Platts

Japan LNG spot price rises to \$15.30per MMBtu in October

LNG spot prices for Japanese buyers rose for a second straight month in October, as seasonal demand climbed with utilities stockpiling for the approach of winter. The gains are likely to prove short-lived as Asian buyers are facing the prospect of lower import costs for the first winter since the Fukushima nuclear crisis in 2011, with rising supplies helping to ease any shortages.

Spot LNG contracted in October for delivery to Japan averaged \$15.30 per MMBtu, up from \$13.20 from a month earlier, the Ministry of Economy, Trade and Industry (METI) said.

Cargoes arriving last month averaged \$12.40 per MMBtu, compared with \$11.30 in September. Japan, which takes about a third of the world's LNG imports, shipped in a record 87.73 million tonnes in the year through March.

Source: Business Recorder

Shell putting up LNG facility in the Philippines

The Shell Group is investing in a LNG terminal in the country even as it awaits the government's fuel mix policy, which is supposed to signal support for developing a market for non-coal energy sources. Shell has so far undertaken a technical feasibility study as well as engineering and design work on the LNG terminal. The state, however, has remained non-committal on mandating increased use of LNG through its energy mix policy. At present, the Philippines is heavily reliant on coal, geothermal, and hydroelectric power plants, with some diesel, renewable energy and natural gas power thrown in.

Source: Inquirer

Asian buyout firm RRJ to invest \$1 bln in U.S. LNG project

Asian buyout firm, Hongkong based RRJ Capital has increased its bet on the U.S LNG sector by agreeing to invest about \$1 billion in convertible notes issued by Cheniere Energy Inc.

RRJ has the option to transfer part of the notes to Temasek Holdings, the statement said. RRJ and Temasek first agreed to buy a 19.8 percent stake in Cheniere in May 2012, to help the U.S. energy company fund the country's first LNG export facility at Sabine Pass, Louisiana. A sharp rise in Cheniere Energy shares encouraged Temasek to sell its holding last year.

Proceeds will be partly used to fund Cheniere's Corpus Christi liquefaction project which is expected to start building the plant early next year. Temasek is also involved in east African LNG projects in Tanzania, and has LNG supply deals with France's Total.

Source: Hellenicshipping News

USA report-LNG exports could increase production and price of gas

Liquefied natural gas exports could mean more gas production, more economic growth and an increase in consumer prices, according to a government analysis. The LNG export permits require the export project to be in the public interest. The analysis presented several different scenarios where the U.S. exported LNG, ranging from exporting a cumulative 30.6 tcf by 2040 to a high of 101.6 tcf of LNG exports. In a summary, the report concluded that increasing LNG exports of natural gas would lead to higher domestic natural gas prices. The increase could be 4% to 12%. The report said that U.S. LNG exports would result in a higher US gross domestic product. Economic gains could measure between 0.05% and 0.17%, and would increase with the amount of LNG exported.

Source: Fuelfix

Japex starts on Soma LNG import terminal

Japanese upstream developer Japex has started building its first domestic LNG import terminal that will receive imports from the planned Pacific Northwest LNG export project in Canada where it has a 10% stake. Japex began working on the ¥60bn (\$522mn) project at Soma in Fukushima prefecture on the north Pacific coast, which is scheduled for a March 2018 start-up. Soma will enhance Japex's LNG and regasified gas distribution logistics by connecting via a new 40km pipeline link to the Niigata-Sendai gas pipeline running across northern Japan. The company operates a satellite LNG terminal at Yufutsu in northern Japan's Hokkaido to liquefy natural gas produced at its inland Yufutsu gas field for deliveries on tanker trucks and railcars.

Source: Argusmedia

Japan, Korea Banks to Finance LNG Project in Indonesia

Banks in Japan and South Korea, the world's biggest importers of liquefied natural gas, are set to lend \$1.5 billion to Mitsubishi Corp. project to produce LNG in Indonesia, people familiar with the matter said. Sumitomo Mitsui Financial Group Inc. is leading the group of lenders, they said, asking not to be identified because the details are private. State-owned Japan Bank for International Cooperation will commit \$764 million. Mitsubishi UFJ Financial Group Inc., Mizuho Financial Group Inc. and Sumitomo Mitsui will provide a total of \$382 million, while Export-Import Bank of Korea, Korea Exchange Bank and Nonghyup Bank together are committing the same amount, according to the people. Mitsubishi owns 45 percent, the largest stake, in the Donggi-Senoro LNG project on the central island of Sulawesi in Indonesia. The facilities in Sulawesi are scheduled to begin operations in the middle of next year, and will have annual capacity of 2 million tons, the people said.

Source: Business Week

Dialog units sign accord on Pengerang LNG project

Dialog Group Bhd's wholly-owned subsidiaries, Dialog LNG Sdn Bhd and Pengerang LNG (Two) Sdn Bhd (PLNG-2), have entered into a shareholders' agreement with Petronas Gas Bhd for the development of LNG regasification facilities at Pengerang, southern Johor. The total estimated project cost of the Pengerang LNG project was about RM2.7bil, Dialog Group said in filing with Bursa Malaysia. The project comprised a regasification unit and two 200,000 cu m LNG storage tanks with an initial send-out capacity of 3.5 million tonnes per year, equivalent to about 490 million scfd of natural gas, Bernama reported. Following the agreement, Petronas Gas will own 65% in PLNG-2, Dialog LNG will hold 25% and SSI Johor the remaining 10%.

Source: The Star Online

NG/LNG UTILISATION- ROADWAYS AND WATERWAYS

- Logistics and OEM companies have caught the CNG/LNG fever with Mercedes and Tycmo USA successfully converting to alternative fuels. Mercedes vehicle will now run on dual fuel-CNG and Duesel.
- LNG is also picking up as a preferred marine fuel because of its environmental emission benefits.
- The European Commission is providing €4 million to two German companies for the construction of a LNG ferry and a fuel station in the North Sea.
- In the USA large fleet owners/companies are already pumping in money for early conversion of their vehicles to CNG/LNG.
- Estonia and Azerbaijan have started to encourage the use of CNG as an alternative to diesel and gasoline.
- NGVAmerica has launched an online tool that helps fleet drivers locate the nation's natural gas fueling station.
- CNG on-board cylinders in Impala being reinforced with sheet metal plates on either side of the tank to help protect it from loose objects in the trunk or rear seat.
- Luxfer's technology introduced for new cylinders in heavy duty vehicles has resulted in a 13 to 18 percent weight savings over Type 4 cylinders thereby getting better fuel efficiency.

First Euro 6 dual fuel CNG vehicle to hit Europe

Howard Tenens, UK Logistics Company and Prins Autogas are the first companies to successfully convert a Mercedes-Benz Actros Euro 6 type vehicle to run on dual fuel, compressed natural gas and diesel. The conversion work is now complete on the Mercedes-Benz Actros and this month Howard Tenens will take delivery of the first Euro 6 dual fuel CNG vehicle in Europe. Howard Tenens will conduct various fuel trials using both CNG and Diesel Euro 6 vehicles over the coming months.

Source: Biofuels

Natural Gas Powered trucks now serving Puget Sound Area

Republic Services, fleet operator in the Pacific Northwest in the State of Washington, USA announced the addition of 14 new CNG solid waste and recycling trucks to serve customers throughout the greater Eastside. Republic Services operates a fleet of more than 2,200 CNG vehicles and 38 natural gas fueling stations nationwide. According to the U.S. Environmental Protection Agency, each new CNG truck reduces carbon emissions by as much as 80 % and is equivalent to removing five passenger vehicles from local roads for one year, or planting 600 mature trees. Source: PR Newswire

TYMCO Offers Dedicated-CNG Dump Street Sweeper

U.S. sweeper manufacturer TYMCO has added a 100% Compressed Natural Gas (CNG) powered sweeper to its range: Model 500x High Side Dump Regenerative Air Street Sweeper. Previously only available with a diesel engine, the Model 500x joins TYMCO's Model 600 CNG which has been available for more than 20 years. "TYMCO is a pioneer when using alternative fuels – starting with propane (liquefied petroleum gas [LPG]) in the 1980s and first introducing the Model 600 CNG in 1993," said Bobby Johnson, TYMCO – Vice President, Marketing. Source: NGV Global

Port of Tallinn Orders Four LNG-ready Ferries

The Port of Tallinn in Estonia has signed contracts with Remontowa Shipbuilding of Poland and Sefine Shipyard of Turkey for the construction of four new car-passenger ferry boats to be used on the lines between the mainland and major Estonian islands; two ferries are to be built by each shipbuilding facility. The four new ferry boats will be constructed in the shipbuilding yards located in Gdansk, Poland, and Altinova, Turkey. The new ferry boats will be designed by the Norwegian company LMG Marin. Source: NGV Global

SANTOS, Australia closer to first GLNG Gas in 2015

Oil and gas producer Santos is a step closer to producing gas at its GLNG project in Queensland by next year. Santos said it has installed the final module on its two LNG processing trains which are part of its gas liquefaction plant on Curtis Island near Gladstone in south-east Queensland. The company said final pipework and cabling on the trains would take place before commissioning of the plant begins later this year and reiterated that it expects to produce first LNG in 2015.

Source: The Bull

Future Clean Energy Station at Chicago O'Hare International Airport

As part of the on-going sustainability efforts at Chicago's airports, the Chicago Department of Aviation (CDA) has contracted with a private company to develop a 4,000-square-foot fueling station and travel center featuring a range of alternative fuels and food options on City-owned vacant land near O'Hare International Airport. Located at the Southeast corner of Higgins Road and Patton Drive, the travel center will offer compressed natural gas (CNG), biodiesel and fast-charge charging stations for electric vehicles, as well as conventional gasoline.

Source: NGV Global

Maryland Baked Foods Distributor to Lease 25 Natural Gas Vehicles

Ryder System, Inc., a commercial fleet management and supply chain solutions provider, Maryland USA has added Northeast Foods as another natural gas vehicle client, signing them up for 25 CNG tractors under a full-service lease. Northeast Foods, a baking company and food distributor based in Baltimore, Maryland, will use the trucks to support its distribution and delivery operations that exclusively service McDonald's Corporation. Northeast Foods will begin to take delivery of the NGVs in 2015 and expects to have all 25 CNG vehicles fully operational by midyear. Source: NGV Global

Germany to build liquefied gas station with EU funds

The European Commission is providing €4 million to two German companies for the construction of a liquefied natural gas (LNG) ferry and a fuel station in the North Sea, it announced Tuesday (4 October). The project could increase the number of ships using LNG in future. The new ship will run entirely on LNG once the project is finalised at the end of 2015. While there are ships that use LNG in Europe, their number is limited due to the lack of fueling stations which provide the gas. LNG is considered an alternative to heavy oils, as it does not emit sulphur dioxide that pollutes waters. It also produces far less carbon and nitrogen emissions
Source: Oil and Gas Eurasia

Germans go for LPG vehicles

According to the latest information on car registrations in Germany, the number of LPG-powered vehicles in the country is growing, and a report by Shell claims the long-term prospects for gaseous fuels are very good. Petrol Plaza reports that according to data published by Germany's Federal Road Transport Office in September 2014, the number of newly registered LPG-powered cars in Germany rose by 40.9% compared to the previous month. Electric vehicles (EVs) enjoyed a similar rise over the same period, while vehicles running on compressed natural gas (CNG) increased by 16.1%. Out of 43.9 million cars on German roads, as many as 68.3% (approximately 30 million) are powered by traditional fuel, 30.1% (13.2 million) are diesels, while only 1.6% (680,000) are cars running on alternative fuels. Out of those, LPG-powered vehicles are prevalent (more than 500,000), with hybrids (85,500) and CNG cars (79,000) making up the rest. Source: NACS Online

NGVAmerica Launches Natural Gas Station Mapping Tool

NGVAmerica has launched an online tool that helps fleet drivers locate the nation's natural gas fueling stations. The online tool, known as the NGVAmerica Station Analysis Map, highlights vehicle ranges supported by stations in 100-, 400-, and 600-mile increments. The tool includes information about compressed natural gas (CNG) and liquefied natural gas (LNG) stations. The tool shows station locations, accessibility, and contact information. The information is derived from the Alternative Fuels Data Center (AFDC) and is updated monthly. Source: Trucking Info

South Korean Port Mulls LNG Bunkering

The City of Ulsan, South Korea, is set to launch a feasibility study on the construction of a LNG bunkering station at the Port of Ulsan as reported in World Maritime News. Under the plans, the feasibility study would commence in January and run to October 2015 covering areas such as demand for LNG bunkering at the Port of Ulsan, international case studies, equipment requirements, and the potential size and location of a bunkering station. According to the report, the City believes steady demand from an increased number of LNG-powered ships could make a LNG bunkering hub at the port a success. A new bunkering station would allow ships to refuel at sea. Source: Ship & Bunker

Westport Slashes Waiting Time for Ford NGVs

Westport is launching a new stocking program that will see its natural gas vehicles available at select Ford dealerships across the United States. In Oklahoma, Texas, Alabama, Tennessee, Pennsylvania, Kentucky and Florida participating dealerships will be stocking a wide range of bi-fuel and dedicated Westport WiNG™ Power System compressed natural gas (CNG) vehicles including the Ford F-150, F-250, the all-new Transit Van and the F-59. The purpose of the Westport Stocking Program, expected to be in place by early 2015, is to have product readily available for purchase without having to wait for the vehicle to be The program also affords fleets and customers the opportunity to test or demo the vehicles from their local Ford participating dealer. Source: NGV Global

Consortium Exploring LNG Fuel for Fishing Vessels

The Alternative Fuels for Fishing Vessels (AFFV) group, whose partners include Wärtsilä Netherlands and Netherlands-based CIV Den Oever, said that it had chosen three ships from Ekofish Group, Zeevisserijbedrijf P.A. Baaij en Zn. and Maaskant Shipyards to research different methods of integrating both LNG and compressed natural gas (CNG) as fuel. The consortium has made moves to begin researching the adoption of LNG fuel aboard fishing vessels, LNG World News reports. Pieter 't Hart, director of maritime consultant Koers & Vaart, Netherlands said that the results would be compared to low sulphur marine diesel oil. The project is supported by BluePort North-West Netherlands and the Dutch Ministry of Economic Affairs. Research is slated to last until December 2015. Source: Ship & Bunker

Bi-fuel Chevrolet Impala tested with bullets and bonfires

Being able to take a bullet and withstand fires from multiple directions sets apart the compressed natural gas (CNG) tank in the 2015 Bi-fuel Chevrolet Impala from less-strenuous testing of other natural gas-powered vehicles. A large piece of cast aluminium helps protect the tank valve and connection from certain side impacts. Sheet metal plates on either side of the tank help protect it from loose objects in the trunk or rear seat. The Bi-fuel Impala – a 2015 'Green Car of the Year' finalist – is the auto-industry's only manufacturer-produced full-size sedan in North America that runs on both CNG and petrol. It is available to order now through all Chevrolet dealerships in the US and Canada with delivery expected at the end of this year. The all-steel trunk-mounted CNG tank holds approximately 7.8 gallons, sufficient for about 150 miles/240 kilometres of driving after which the Impala seamlessly switches to petrol power. Source: Auto Car Professional

LNG-fuelled LEG ships debut

Two ground-breaking liquefied ethylene gas carriers designed to use LNG as a fuel will be named in the UK today. The 4,768-cbm Coral Star and Coral Sticho, which were contracted by Dutch owner Anthony Veder at Avic Dingheng Shipbuilding in China, are chartered to Saudi Basic Industries Corp (Sabic). Veder claim the ships will reduce NOx emissions by over 85%, CO2 by 20%.

"We are proud to be the first chemical company in the world to be transporting our products on carriers running on LNG and to have an innovative partner in Anthony Veder," Sabic's European supply chair director of chemical Wouter Vermijs said.

Source: Trade Wind News

Azerbaijan's Baku City Adds CNG Stations

Rovnag Abdullayev, CEO of State Oil Company of Azerbaijan Republic (SOCAR) which is headquartered in the capital city of Baku, has stated the company will build six Compressed Natural Gas (CNG) filling stations next year at the request of the government, reports Baku Post. In May this year, Baku Bus purchased 151 Iveco Crealis CNG buses in preparation for hosting the Pan-European Games in June 2015. More stations are planned over coming years, reportedly to be located approximately 180 kms apart, thereby providing a CNG refueling network for the city. Source: NGV Global

10pc More NGVs On The Road This Year'

The number of natural gas vehicles (NGV) on the Malaysian roads is expected to grow by 10 per cent by next year as more users opt for the compressed natural gas (CNG) amid rising fuel prices. According to statistics released by NGV Global, as of December 2013, there were about 56,000 vehicles powered by the alternative gas in the country.

Malaysia Association Natural Gas Vehicle (MANGVI) Installer president Datuk Danny Tan said a new and positive trend has been emerging in Malaysia lately, where people are increasingly accepting of NGVs.

Source: Malaysian digest

Ryder Signs CNG Agreement With Mansfield Clean Energy Partners

Ryder System USA, global fleet management company, said it signed an agreement with Mansfield Clean Energy Partners, a joint venture that was formed in September by Mansfield Energy Corp. and Clean Energy Fuels Corp., to offer compressed natural gas to bulk fuel haulers, a segment of the transportation industry that consumes more than 500 million gallons of fuel annually. The agreement includes truck leasing and maintenance services for natural-gas vehicles from Ryder, and CNG fueling from Mansfield. The companies have worked with tractor and engine manufacturers to develop an optimized CNG vehicle design specifically for bulk fuel-hauling applications.

Source: Transport Topics

New Stanton turnpike plaza 1st to offer compressed natural gas

Motorists who drive vehicles that use compressed natural gas can fill up at the New Stanton plaza of the Pennsylvania Turnpike. Turnpike commission officials Thursday kicked off the opening of three CNG fueling dispenser stations at the plaza. The New Stanton plaza is the first of the commission's 17 plazas to offer the fuel. The dispensers — one for passenger vehicles, one for commercial vehicles and one situated outside the plaza gate for use by off-turnpike vehicles — are Sunoco's first compressed natural gas offering in Pennsylvania since the 1990s. About 112,000 vehicles depend on CNG nationwide, according to the Department of Energy. Worldwide, it powers 14.8 million vehicles. Westmoreland County transit buses could be possible CNG users.

Source: Trib Live

Trilogy Now Using Luxfer Tanks in CNG Systems

Trilogy Engineered Solutions, a developer of natural gas fuel systems for heavy-duty trucks, has begun integrating Luxfer Gas Cylinders' new 26-inch-diameter G-Stor Go Type 4 compressed natural gas cylinders into its platforms. "Switching to Luxfer's new cylinders resulted in a 13 to 18 percent weight savings over Type 4 cylinders Trilogy previously used," says Trilogy's Matt Lawrence. Western Dairy Transport (WDT) - the largest transporter of milk and dairy products in the U.S. - is among the first fleets to implement the new set-up. For WDT's systems, Trilogy is using boss-mounted Luxfer cylinders in lengths of 60 inches and 90 inches. Three cylinders are installed on a truck. The weight savings is a huge game-changer.

Source: NGT News

Quantum to Supply AGA Systems with Q-Lite CNG Cylinders

AGA Systems has selected Q-Lite compressed natural gas (CNG) storage tanks from Quantum Fuel Systems Technologies Worldwide Inc. for use in its new bi-fuel natural gas vehicles equipped with General Motors' 5.3- and 6.2-liter direct-injection engines. AGA Systems' EPA-certified bi-fuel CNG platforms are now available through certified installers for 2014 and 2015 Chevrolet Silverado and GMC Sierra 1500 pickups and vans, the entire GM SUV family (Tahoe, Suburban, Yukon, Yukon XL, Escalade and Escalade ESV) and the GM Tahoe PPV (police pursuit vehicle) equipped with the GM 5.3- and 6.2-liter direct-injection engines, in addition to the entire line of GM light- and medium-duty trucks using the 6.0-liter engine platform.

Source: NGT News