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NATIONAL

CITY GAS DISTRIBUTION & CNG/AUTO LPG

- Tenth round of bidding for CGD licences soon: PNGRB
- Indraprastha Gas: Ebitda, PAT ahead of our estimates
- Barak valley in Assam set for piped gas supply
- BG Asia Pacific Holdings sells 14 per cent stake in Mahanagar Gas
- GAIL Gas plans gas stations at 10 spots

see page 2 & 11

LNG DEVELOPMENT / SHIPPING

- Shell to buy out Total in Hazira LNG terminal

see page 4

POLICY MATTERS/ GAS PRICING/ OTHERS

- India's Vedanta wins 41 blocks in small field auction
- Government notifies incentives to oil PSUs in pre-NELP blocks
- Fossil fuel market due for overhaul

see page 5

NATURAL GAS/PIPELINES/COMPANY IN THE NEWS

- SBI should declare Gujarat State Petroleum as bankrupt- Jairam
- GAIL launches on-line portal for booking capacity in their pipeline: Chairman
- Government to test underutilized natural gas-fired power plants as 'peakers' to even out supply fluctuations
- GAIL awards contract for 108 km of Barauni-Guwahati gas pipeline project
- GAIL seeks foray into solar power plants, battery charging stations
- India has 49% more than earlier estimated oil and gas reserves, says report
- Raniganj CBM block: ONGC to hire integrated service provider to cut costs

see page 3 - 4

INTERNATIONAL

NATURAL GAS / TRANSNATIONAL PIPELINES / COMPANIES / OTHERS

- Oil prices edge up on decline in U.S. fuel inventories, looming Iran sanctions
- Gazprom's second quarter profit soars on rising energy prices, sales
- After Trump attack on Russia ties, Merkel eyes Azeri gas
- India seeks re negotiation of Tapi pipeline gas price
- U.S. piped gas displacing Mexican LNG imports
- Eni granted new exploration license offshore Egypt
- Algeria signs gas supply deals with Spain, Italy's Eni -Sonatrach CEO
- Slowdowns in China and India eat away at Asian crude oil demand
- Oil markets muted as U.S.-China trade war remains unresolved

see page 6, 7, 13 & 14

LNG DEVELOPMENT

- High oil-linked LNG contract prices hit Chinese Sinopec's H1 2018 revenue
- Global LNG-Prices edge up as focus switches to winter storage
- BP in PNG LNG supply deal
- KOGAS to invest 10 tln won by 2025 in LNG, hydrogen projects
- Egypt to export gas starting January, says minister - El Watan
- Japan Mitsubishi Corp to acquire 25 percent stake in Bangladesh LNG terminal
- Trinidad inks gas deal with Venezuela to continue LNG exports
- Golar LNG eyes more Africa FLNG projects after Hilli success

see page 8, 9 & 14

NG/LNG UTILITLISATION- ROADWAYS

- Argentina: Energy Minister supports LNG adoption in heavy trans-port
- NGV infrastructure grows in Mexico with new refueling station in Jalisco
- Mexico: Querétaro revises Mobility Law, supports use of clean fuel taxis
- UK government funds project to develop off-highway NGV technol-ogy
- U.S. mobile pipeline supplier orders first TITAN®53 gas transport module
- CNG shuttle buses for California's Oakland International Airport

see page 10 - 11

LNG AS A MARINE FUEL/BUNKERING/ LNG SHIPPING

- Samsung Heavy wins $370 million deal for 2 LNG carriers
- New fuel rules push ship owners to go green with LNG
- LNG as marine fuel gains more presence in the Americas

see page 12

TECHNOLOGICAL DEVELOPMENT FOR CLEANER ENVIRONMENT

- Zhengzhou to Trial 20 Yutong New Hydrogen Buses
- First hydrogen fuel cell passenger vessel will be built by Bay Ship
- Government imposes restrictions on import of bio-fuels
- Shell kicks off hydrogen refueling network in The Netherlands

see page 13

Tenth round of bidding for CGD licences soon: PNGRB

Close on the heels of awarding 86 geographical areas (GAs) under the 9th round of city gas distribution (CGD) licensing, the Petroleum and Natural Gas Regulatory Board (PNGRB) is preparing to launch the 10th round as well.Speaking at an event on Monday, PNGRB chairperson DK Sarraf said the 10th round would be launched soon.The PNGRB had offered 86 GAs under the 9th round of CGD which covered 174 districts in 22 states and Union Territories i.e. 24% of India's area and 29% of population.The government aims to connect 1 crore households with piped gas by 2020, which is in line with increasing the share of natural gas in the primary energy basket to 15% from 6% over the next few years.The 9th bidding round was being held on changed parameters after one-paisa bids spoilt the initial auction rounds. Bidders have been asked to quote the number of CNG stations to be set up and the number of domestic cooking gas connections to be given in the first eight years of operations.The regulator has already declared winners for 78 GAs and one GA has been cancelled. "The winners of remaining GAs will be announced soon," said Sarraf. Adani Gas emerged as the runaway leader by winning bids for 22 GAs out of the 78 announced. While the company has won 13 GAs as an individual company, the most by any firm, its consortium, Indian Oil-Adani Gas, has also been awarded nine GAs. Other top winners include Bharat Gas Resources with 11 GAs, followed by Torrent Gas (9 GAs) and Indian Oil (7 GAs).

https://www.financialexpress.com/industry/tenth-round-of-bidding-for-cgd-licences-soon-pngrb/1294479/

Indraprastha Gas: Ebitda, PAT ahead of our estimates

We expected Q1 to be relatively muted for Indraprastha Gas (IGL) as typically, volume growth is muted (summer holidays). Also, we expected a negative impact of sharp rupee weakness.We expected Q1 to be relatively muted for Indraprastha Gas (IGL) as typically, volume growth is muted (summer holidays). Also, we expected a negative impact of sharp rupee weakness. Reported numbers were largely in line. Ebitda of Rs 2.95 billion (+6% year-on-year, +1% quarter-on-quarter) was 4% ahead of our estimates, and PAT of Rs 1.76 billion (+9% y-o-y, 1% q-o-q) was 2% ahead. CNG sales of 273 million kg (+10% y-o-y, +7% q-o-q) were in line. In volume terms, CNG sales of 4.1 MMSCMD were up 12% y-o-y and 4% q-o-q. In our view, high petrol/diesel prices (both at near-peak levels) continue to encourage switch to CNG. CNG volume growth should see a boost as Delhi-NCR finally sees long-delayed bus additions from H2FY19F. PNG volumes of 1.4 MMSCMD were up 18% y-o-y.Within PNG, industrial/ commercial volumes were particularly strong (up 29% y-o-y, 9% q-o-q). Part of this growth is driven by increased conversion to natural gas after a ban on petcoke and fuel oil in 2017-end. It was also driven by higher short-term intake of R-LNG by a few large customers (at lower margins). The total volumes of 5.5 MMSCMD were up 13% y-o-y and 2% q-o-q. Per unit gross margin Rs 10.8/scm (vsRs 11.1/scm in Q4), were in line. Ebitda margin was Rs 5.84/scm (vs adjusted Rs 5.7/scm in Q4) were marginally ahead of our estimates of Rs 5.7/scm. Reported Ebitda/scm in Q4 were higher due to one-off reversal of provisions. IGL's share of Q1 profits at Central UP Gas and Maharashtra Natural Gas was `190 million (+6% y-o-y, +12 q-o-q).IGL has won one licence area which comprised districts of Meerut (excluding area already authorised), Muzaffarnagar and Shamli. Decision for Hissar (has 5 bids) and Jhajjar (14 bids) are pending. IGL's 50% subsidiary MNGL has won three licence areas: 1) Ramanagra (Karnataka); 2) Sindhudurg (Maharashtra); and 3) districts of Valsad (excluding area already authorised), Dhule and Nashik (Maharashtra).

https://www.financialexpress.com/market/indraprastha-gas-ebitda-pat-ahead-of-our-estimates/1283156/

Barak valley in Assam set for piped gas supply

About 95,000 households in Barak Valley in south Assam will get piped natural gas within two years.A budget of Rs 500 crore has been earmarked for the project and a distribution plant will be set up at Dhonehari in Cachar district.Some areas like Sonai town, South Krishnapur, North Krishnapur and Satrakandigaon-panchayat in Cachar will get connection by next year. All the households of Barak Valley will be covered within eight years. Assam Gas Company Limited will implement the scheme.Sources in Silchar district administration said preparations to supply piped gas in houses had started. A preparatory meeting was held at the Silchar deputy commissioner's office, it was attended by local MLAs besides Cachar deputy commissioner S. Lakshmanan and other officials of ONGC, IOC and Assam Gas Company.Electronic meters will be set up and the bill will be charged as per use. There will be various slabs of use of gas and the unit price will be fixed accordingly. Assam Gas officials said the demand for natural gas in its operational area far exceeds the supply.They said they have identified an additional demand of at least 13 MMSCMD in Assam. The company currently handles about 5.5 MMSCMD of natural gas. The meeting also decided to introduce CNG vehicles in the valley to avoid pollution. It decided to establish 40 CNG stations in Barak Valley but the time of starting the system is yet to be fixed.

https://www.telegraphindia.com/states/north-east/barak-set-for-piped-gas-supply-253944

BG Asia Pacific Holdings sells 14 per cent stake in Mahanagar Gas

BG Asia Pacific Holdings Pte Ltd, a wholly owned subsidiary of Shell India, said it has sold 14 per cent stake in CNG retailing firm Mahanagar Gas Ltd in the open market, reducing its holding to 10%. This is the second time in five months that BG Asia Pacific Holdings Pte Ltd (BGAPH) has sold stake in Mahanagar Gas Ltd (MGL). It had in April pared shareholding in MGL to 24% from 32.50%. In a regulatory filing to the stock exchanges, BGAPH said 1.38 crore shares, carrying voting rights of 14%, were sold. Without giving transaction value, it said the "sale of equity shares (was executed) in the open market by way of a bulk deal". As per bulk deal data available with the NSE, the shares were sold at an average price of Rs 852 apiece, valuing the transaction at Rs 1,176 crore. BlackRock Emerging Frontiers Master Fund, L&T Emerging Business Fund and Schroder International Selection Fund were among the buyers. Following the sale of shares, MGL plunged by 6.87% to close at Rs 840.25 on the NSE. While Shell spokesperson could not be reached for comments immediately, the company had in April stated that the share sale is a part of the ongoing portfolio optimisation to transform into a simpler company, delivering stronger returns.

https://energy.economictimes.indiatimes.com/news/oil-and-gas/bg-asia-pacific-holdings-sells-14-per-cent-stake-in-mahanagar-gas/65523676

SBI should declare Gujarat State Petroleum as bankrupt-Jairam

Citing a Reserve Bank of India (RBI) notification, senior Congress leader Jairam-Rameshon Monday said that the State Bank of India should declare Gujarat State Petroleum Corporation(GSPC) as bankrupt by 5 p.m. The Congress leader said, On February 12, 2018, RBI issued a circular stating any company that owes more than Rs 200 billion to banks, should be declared bankrupt within 180 days. "GSPC's highest debt is from SBI. According to RBI's notification, SBI should declare GSPC as bankrupt by 5 p.m. today (Monday)," said Ramesh.

During Prime Minister NarendraModi's term as Gujarat Chief Minister, the GSPC was cited as one of the biggest successful Gujarat Model and was shown as an example for other states in India. "In 70 years, for the first time the Central government has filed an affidavit in High Court against RBI, with the only intention of saving GSPC," said Ramesh. Even after the sanction of Rs 200 billion to GSPC, no oil or gas has been extracted from GSPC, he said. "The company is in bankruptcy now and this is a burden on taxpayers and public has been lied to," he added.

Source: Indian Oil & Gas/ANI

Government to test underutilized natural gas-fired power plants as 'peakers' to even out supply fluctuations

India has an ambitious goal of installing 175 gigawatts of renewable energy by 2022, or a little more than the country's current peak demand, as part of its Paris climate pledge to cut carbon emissions.India will test a plan to operate its underutilized natural gas-fired power generators as "peaker" plants that can switch on quickly when there's high demand, according to the country's power planning body. The project will start with four NTPC Ltd. plants with a combined capacity of 2.3 gigawatts that will run only in the evenings, Central Electricity Authority Chairman PankajBatra said in New Delhi.The agency envisions 20 gigawatts of gas-fired capacity being used as peaking stations to even out supply fluctuations from the large amount of renewable energy that's set be built by 2022, he said."The government will start testing the plan this month by operating one of NTPC's gas-based power plants as a peaking station" for nearly four hours in the evening, Batra said in an interview last week, adding that the three other plants will be online by the end of the year. State-owned GAIL India Ltd. has agreed to supply gas to the four plants, he said.Gas-fired power plants can play a role balancing the grid by maintaining uninterrupted electricity supply, especially when solar-fired generation peters out in the evenings and coal plants take time to ramp up.The gas facilities will be run on fuel produced in India, which is in short supply, and running them as peakers will optimize use of the fuel, Batra said. A shortage of domestic gas has kept the utilization of India's 25 gigawatts of gas-fired plants at about a fifth of total capacity, according to CEA data. The cost of gas imports for India makes the fuel uncompetitive with other sources of baseload power.

https://www.financialexpress.com/industry/govt-to-test-underutilized-natural-gas-fired-power-plants-as-peakers-to-even-out-supply-fluctuations/1281997/

GAIL launches on-line portal for booking capacity in their pipeline: Chairman

Tripathi said the company is also investing around Rs 3,500 crore in the current financial year in setting up city gas distribution networks. State-owned natural gas transmission utility GAIL (India) is currently is currently executing new 5,000 Km of trunk pipeline across the country at an estimated cost of Rs 25,000 crore, Chairman and Managing Director B C Tripathi said today.GAIL had first started allowing open access to other entities for its pipelines in 2004. However, applications for access had to be given physically. The launch of the online portal for common carrier capacity is a step towards a functioning natural gas trading hub, the company said.Guidelines set by Petroleum and Natural Gas Regulatory Board (PNGRB), the country's downstream oil and gas regulator, stipulate providing 25% of the total pipeline capacity as common carrier capacity, for providing non-discriminatory open-access on first-come-first-served basis for transporting third party gas for a period of less than one year.According to Tripathi, of the total earmarked common carrier capacity under GAIL's pipelines, almost 33% of the capacity was used by third party transporters during the last financial year ended March 2018. He added that apart from re-negotiation of Liquefied Natural Gas (LNG) contracts the company has started supplying gas through its own ships in the European and Middle-East markets based on delivered-ship basis. Tripathi also announced the first phase of PradhanMantriUrja Ganga project that involves setting up gas pipelines will be commissioned in the current calendar year ahead of schedule.GAIL is the country's largest natural gas company and operates more than 11,400 Km of natural gas pipelines across the country.

https://energy.economictimes.indiatimes.com/news/oil-and-gas/gail-executing-5000-km-new-pipeline-projects-at-a-cost-of-rs-25000-crore-chairman/65566755

GAIL awards contract for 108 km of Barauni-Guwahati gas pipeline project

GAIL Limited has awarded the first contract for purchase of 108 km 24-inch diameter line pipes under the Barauni-Guwahati segment of the Jagdishpur-Haldia and Bokaro-Dhamra Natural Gas Pipeline (JHBDPL) project.The contract for purchase of line pipes of 108 km was awarded to M/s Ratnamani at a total cost of Rs 125 crore. Line pipe procurement activities for the rest of the 600 km trunk line up to Guwahati is at an advanced stage of tender process, a senior official of the M/s Ratnamani said.The Barauni-Guwahati pipeline section executed on a capital outlay of Rs 3,300 crore is an integral part of the prestigious 3,405 km-long JHBDPL project, popularly known as 'PradhanMantriUrja Ganga', executed by GAIL. GAIL officials said that JHBDPL project is progressing in full swing and the first phase is scheduled for completion by December 2018.The project will usher industrial development in eastern part of India by supplying environmentally clean natural gas to fertilizer units, power plants, refineries, steel processing plants and other industries.It will also provide clean energy to households and transportation through the city gas distribution networks through the pipeline. City Gas distribution projects have been commissioned at Varanasi, Bhubaneswar and Cuttack while project activities are in progress at other cities of eastern India.

https://nenow.in/north-east-news/gail-awards-contract-108-km-barauni-guwahati-gas-pipeline-project.html

GAIL seeks foray into solar power plants, battery charging stations

State-owned GAIL India has sought shareholder nod to amend the charter of the company to invest in start-ups, build solar power plants and set up battery charging stations for electric vehicles as it looks to diversify its portfolio beyond gas and petrochemicals. The nation's biggest natural gastransporting and marketing company wants to insert six new sections in the main objects clause of the memorandum of association of the company, according to shareholder notice. It wants to invest in "start-ups in core business areas (of natural gas, petrochemicals, and energy) and non-core areas (like health, social and environment, safety, and security) either directly or indirectly." "The investment can be made through special purpose vehicle (SPV), alternative investment fund (AIF), fund of funds (F o F) and trust," it said. GAIL said that there is a necessity to adopt new and different pathways to provide clean, cost-effective and efficient mobility services that are safe, reduce dependence on oil imports and achieve more efficient land-use in cities with the least environmental footprints and impacts on human health. With the objective in mind, the firm wants to set up "battery charging stations and providing charging services" to electric vehicles. With the government planning to make a major shift to electric vehicles by 2030, GAIL felt that charging infrastructure for electric vehicles in India has not been fully developed yet. GAIL with its "pan-India presence through the natural gas network is deep-pocketed and has the capability of setting up charging infrastructure at a faster pace," the notice said. The 34th annual general meeting of the company is scheduled for September 11.

https://energy.economictimes.indiatimes.com/news/oil-and-gas/gail-seeks-foray-in-to-solar-power-plants-battery-charging-stations/65440606

India has 49% more than earlier estimated oil and gas reserves, says report

India has 42 billion tonnes of oil equivalent (BTOE) reserves, according to a new assessment, done after 22 years.The Mumbai Offshore and Krishna-Godavari basins will continue to hold the key to the country's energy future with the maximum reserves.The current estimate is 49 per cent higher than the last assessment, which projected, in 1996, around 28.09 BTOE in 15 sedimentary basins including onshore, shallow water and deep-water areas.The current report by the Directorate General of Hydrocarbons (DGH) is based on in-place resources, around 41.872 BTOE, in 26 sedimentary basins. Of this, around 29.796 billion tonnes are undiscovered hydrocarbons while the share of discovered hydrocarbons is 12.076 BTOE, the report said.The DGH says it consulted international experts in reassessing methodologies, based on data availability. Other basins with more than 1 BTOE of estimated reserves include Cambay (2.5), Cauvery (1.9), the Assam Arakan Fold Belt (1.6), Rajasthan (4.1), Saurashtra (1.3) and Kerala Konkan (1.2).Of the 26 sedimentary basins covering over 3.14 million sqkm, crude oil and natural gas are being produced only in seven basins.After the nine rounds of New Exploration Licensing Policy (NELP) auctions, at least 11 public sector undertakings, 58 private and 48 foreign companies marked their presence in India. At present, of the 311 exploration blocks awarded under the National Exploration Licensing Policy (NELP), pre-NELP and the discovered field rounds, 178 blocks are operational.

https://www.business-standard.com/article/economy-policy/india-has-49-more-than-earlier-estimated-oil-and-gas-reserves-says-report-118082000024_1.html

Raniganj CBM block: ONGC to hire integrated service provider to cut costs

State-run ONGC has decided to hire an integrated service provider to produce coal-bed methane (CBM) from its Raniganj block as the explorer is finding it difficult to cut production cost which in turn means the break-even cost of gas from the block will be $8.77 per MMBtu, far more than the same for the company's other three CBM blocks in Jharkhand. The break-even CBM gas prices of ONGC from its Bokaro block is $5.56 per MMBtu, $5.68 per MMBtu for Jharia block and $6.24 per MMBtu for North Karanpura block.According to sources, the estimated cost of developing the Raniganj CBM block is Rs 2,213 crore and the company expects the integrated service provider to bring down the cost to around `1,400 crore, making the project commercially viable.While the government has allowed marketing freedom for gas produced from CBM blocks unlike regulated price offered for gas produced from conventional fields, a cost of $8.77 per MMBtu is way more compared with prices that other CBM blocks have fetched. While it is reported that ONGC has struck deals to sell gas from its other three blocks at $5.56-6.17 per MMBtu, Reliance Industires' Sohagpur CBM block in Madhya Pradesh sells gas for more than $7.15 per MMBtu, the highest till date.Nevertheless, these rates are much more than $3.06 per MMBtu price set by the government for majority of the domestically produced conventional natural gas. ONGC has already invited expression of interest for the integrated development of the Raniganj block from interested parties. Only 2,575 square kilometre till date have been put to production having 280 BCM of reserves.

https://www.financialexpress.com/industry/raniganj-cbm-block-ongc-to-hire-integrated-service-provider-to-cut-costs/1290277/

LNG DEVELOPMENT/SHIPPING

Shell to buy out Total in Hazira LNG terminal

Hazira LNG & Port venture comprises two companies -- Hazira LNG that operates an LNG regasification terminal in Gujarat and Hazira Port, which manages a direct berthing multi-cargo port at Hazira. Royal Dutch Shell today said it will acquire French oil major Total's 26% stake in the company that operates 5-MTPA Hazira LNG terminal in Gujarat.The size of the deal was however not disclosed."Shell Gas BV, a subsidiary of Royal Dutch Shell plc, has signed a binding Letter of Intent (LoI) with Total GazElectricité Holdings France to acquire its 26% equity in the Hazira LNG and Port venture in India, subject to regulatory approvals," it said in a statement. Hazira LNG & Port venture comprises two companies -- Hazira LNG that operates an LNG regasification terminal in Gujarat and Hazira Port, which manages a direct berthing multi-cargo port at Hazira."The move would allow Shell commercial and operational flexibility over Hazira to maximise integrated value and offer creative customer value propositions," it said. This portfolio action is consistent with Shell's strategy to deepen its presence in the gas value chain in India, the fourth largest LNG consumer in the world, Royal Dutch Shell said.

Source: ET Energyworld

India's Vedanta wins 41 blocks in small field auction

Anil Agarwal-led Vedanta Ltd got 41 blocks, out of the total 55 on offer, under the country's first round of oil and gas auctions under the Open Acreage Licensing Policy (OALP-I).The Directorate General of Hydrocarbons (DGH) came out with the list of winners, which also included Oil India (OIL), with nine blocks, and Oil and Natural Gas Corporation (ONGC), with two blocks. Three companies Gail (India), Hindustan Oil Exploration Company (HOEC) and Bharat PetroResources got one block each.The current round was in the news owing to the non-aggressive bidding strategy of the largest hydrocarbon player, ONGC. The company said that the move was a commercial decision.The 55 blocks are spread across 10 sedimentary basins covering an area of 60,000 square kilometres. The blocks are spread all across India, including Assam-Arakan (19), Mumbai Offshore (2), Cambay (11), Rajasthan (9), Krishna Godavari (5), Cauvery (3), Kuch (2), Saurashtra (2) and one each in Himalayan Foreland and Ganga basins.Based on the existing policy, companies will get a single license to access all forms of hydrocarbons, along with a simplified revenue-sharing model with marketing and pricing freedom.Meanwhile, the second round of OALP, which kicked off the bidding process early this month, has received expressions of interest for only 13 geographical areas. Since it is a continuous process, the third round of OALP kicked off on May 16 and will extend up to November 15 this year.The government also aims at meeting a share of the increasing demand through domestic production and targets to reduce imports by 10 per cent by 2022. Currently, India is the third-largest consumer of oil and petroleum products after the US and China. India's share of global demand is expected to grow from the current 5.5 per cent to nine per cent by 2035.

https://www.business-standard.com/article/companies/vedanta-gets-41-oil-blocks-out-of-55-in-first-round-of-open-acreage-auction-118082800939_1.html

Fossil fuel market due for overhaul

Outlook for fossil fuels is tough to comprehend, but as long as they can be made cleaner, it seems they are here to stay.Recently, the government banned the use of petcoke as a fuel. Petcoke is a more polluting fuel than coal, and India is one of its largest importer and consumer. However, the Directorate General of Foreign Trade has allowed its import, only for use in cement, lime kiln, calcium carbide and gasification industries, when used as the feedstock or in the manufacturing process. This import ban was long pending after the Supreme Court prohibited the use of petcoke in and around New Delhi last November, over the region's air quality concerns.Petcoke became attractive, given the higher calorific value and the absence of any additional taxation. Domestic petcoke production stood at 13.94 MMTtonnes in FY17, growing at a CAGR of around 20% over the last seven years. The domestic consumption of petcoke also grew at a CAGR of around 20% over the same period. Petcoke consumption accounted for 12.3% of consumption of petroleum products, second only to high-speed diesel.Apart from bunker fuel, petrol and diesel, coal too is being subjected to a similar treatment to reduce sulphur content. Estimates suggest around 50% of global sulphur dioxide emissions come from burning coal. South Korea has already adopted rules forcing utilities to buy coal with a maximum average sulphur content of 0.4%. Such developments put existing major coal producing and exporting nations at risk. Other countries are too moving in the similar direction. Amidst all these developments, cleaner fuels like gas and renewables stand to gain.As the world focuses more on climate change and emissions, the traditional fossil fuels market is due for an overhaul. This will have implications for the entire value chain, right from the producer of the fuel till the end-consumer. While this makes the outlook for fossil fuels difficult to comprehend, it necessitates businesses to be agile and be ahead of the curve. As long as fossil fuels can be made cleaner, it seems they are here to stay, for a while.

https://www.financialexpress.com/opinion/fossil-fuel-market-due-for-overhaul/1294223/[Edited]

Government notifies incentives to oil PSUs in pre-NELP blocks

The government has notified a new policy requiring state-owned Oil and Natural Gas Corp Ltd (ONGC) and Oil India Ltd (OIL) to pay royalty and cess tax only to the extent of their equity holding in certain pre-1999 oil and gas fields. The 'Policy Framework for Streamlining the Working of Production Sharing Contracts in respect of Pre-NELP and NELP Blocks' was notified in the Gazette of India yesterday, according to the Gazette notification. The new rule, which last month approved by the Cabinet, will apply to 11 fields like Dholka field in Gujarat that is operated by Joshi Oil and Gas. It will also apply to Hindustan Oil Exploration Company (HOEC)-operated PY-1 field in Cauvery basin. All the constituents of the blocks would become licensees and payments made towards such statutory levies shall be eligible for cost recovery. It means that like capital and operating expense, the statutory levies can now be first recovered from the sale of hydrocarbons before sharing the profits with the government. These are the same conditions that ONGC had insisted upon in 2010 when Vedanta bought Cairn Energy plc's 70 per cent stake in the prolific Barmer basin oil block in Rajasthan. ONGC, which held 30 per cent stake in the block, gave approval to the deal only when Vedanta agreed to pay royalty and cess on its 70 per cent share. Royalty for on-land block is presently 20 per cent. An equivalent amount of cess is also levied. Also, the notification extended the time period given to oil and gas companies to develop hydrocarbon blocks in the northeast. Production from these blocks will be linked to market prices of natural gas. It also extended tax benefits under Section 42 of Income Tax, 1961 prospectively to operational blocks under pre-NELP discovered fields for the extended period of the contract. Section 42 of Income Tax allows the companies to claim 100 per cent of expenditure incurred under a production sharing contract (PSC) as tax deductible for computing taxable income in the same year. While signing PSC of pre-NELP discovered fields, 13 contracts out of 28 contracts did not have provision for tax benefit under Section 42 of Income-tax Act. Now, this will bring uniformity and consistency in PSCs and provide an incentive to the contractor to make an additional investment during the extended period of PSC, it said. The approvals given are expected to help in ensuring the expeditious development of hydrocarbon resources

https://energy.economictimes.indiatimes.com/news/oil-and-gas/government-notifies-incentives-to-oil-psus-in-pre-nelp-blocks/65414916

Oil prices edge up on decline in U.S. fuel inventories, looming Iran sanctions

Oil prices inched up on Thursday, extending solid gains from the previous session on a fall in U.S. crude inventories and expected disruptions to supply from Iran and Venezuela. International Brent crude oil futures were at $77.21 per barrel at 0114 GMT, up 7 cents from their last close. U.S. West Texas Intermediate (WTI) crude futures were up 14 cents at $69.65 a barrel. The rises came after crude hit multi-week highs during the previous session. U.S. commercial crude inventories fell by 2.6 million barrels in the week to Aug. 24, to 405.79 million barrels. U.S. production was flat from the previous week's record 11 million barrels per day (bpd). "Oil prices rose on the back of an unexpected U.S. inventory draw, the second week in a row of declines, together with gasoline demand reaching a record high," said William O'Loughlin, investment analyst at Australia's Rivkin Securities. "The looming sanctions against Iran are beginning to impact oil supply lifting crude prices," added Alfonso Esparza, analyst at futures brokerage OANDA. The Organization of the Petroleum Exporting Countries (OPEC), of which Iran is the third biggest producer, will discuss in December whether it can compensate for a sudden drop in Iranian oil supply after U.S sanctions against Tehran start in November, the head of Iraq's stateoil marketer SOMO, Alaa al-Yasiri, said on Wednesday. Iran's August crude oil exports will likely drop to just over 2 million bpd, versus a peak of 3.1 million bpd in April, as importers bow to American pressure to cut orders. The International Energy Agency (IEA) warned of a tightening market towards the end of the year, due to a combination of supply concerns, such as Iran and also Venezuela, and strong demand especially in Asia. "Definitely there are some worries that oil markets can tighten towards the end of this year," the IEA's chief Fatih Birol told Reuters on Wednesday. Crude oil exports in crisis-struck OPEC-member Venezuela have halved in recent years to only around 1 million bpd.

https://energy.economictimes.indiatimes.com/news/oil-and-gas/oil-prices-edge-up-on-decline-in-u-s-fuel-inventories-looming-iran-sanctions/65601387

After Trump attack on Russia ties, Merkel eyes Azeri gas

Castigated by U.S. President Donald Trump as relying too much on Russian gas supplies, German Chancellor Angela Merkel heads to Azerbaijan this week to discuss the development of a southern pipeline to deliver gas to Europe from the Caspian.The visit underscores Merkel's openness to finding alternative sources of affordable gas even as she remains committed to the Nord Stream 2 pipeline, which will carry gas directly from Russia under the Baltic Sea to Germany."We have a big interest in further developing the Southern Corridor," a senior German government official said."This is part of the EU's diversification strategy of getting gas from other regions, not just Russia, to Europe."In Baku, Merkel will discuss energy issues, including improving the infrastructure to help transport gas from Azerbaijan to Europe via Turkey, officials said.Azerbaijan looks set to play a crucial role as it plans to launch the second stage of a gas pipeline from the vast Shah Deniz field to Europe. Shah Deniz II is expected to produce 16 BCM of gas a year from 2020, with 10 BCM earmarked for Europe and 6 BCM for Turkey and Georgia.Later, gas could be brought from Turkmenistan, Iran and Iraq to Europe. In a sign of progress, Iran, Russia, Kazakhstan, Turkmenistan and Azerbaijan agreed in principle this month on how to divide the potentially huge oil and gas resources of the Caspian Sea.However, the southern pipeline is dwarfed by Nord Stream 2, a Gazprom initiative that will double Russia's export capacity to Europe to 110 BCM. That pipeline is welcomed by much of German industry, which wants as much cheap gas as possible.Last month Trump, who is pressing Germany to buy more U.S. liquefied natural gas, lambasted Germany as being "a captive" of Russia due to its dependence on Russian energy, a charge Germany denies. Trump has called Nord Stream 2 "horrific".Germany imported 39% of its gas from Russia in the first half of 2018, figures from state foreign trade authority BAFA showed.Merkel discussed energy in talks with Russian President Vladimir Putin at a palace outside Berlin at the weekend. She is trying to assuage some Nord Stream 2 critics by ensuring Ukraine does not suffer from lower gas transit revenues.Merkel also travels to Georgia and Armenia on her three-day trip.

https://www.hellenicshippingnews.com/after-trump-attack-on-russia-ties-merkel-eyes-azeri-gas/

India seeks re-negotiation of Tapi pipeline gas price

India has sought re-negotiation of the natural gas price it is to source through a proposed USD 10 billion Turkmenistan-Afghanistan-Pakistan-India (TAPI) pipeline in view of the slump in global energy markets, a top source said.The four nations to the pipeline projects had in 2013 signed a gas sale purchase agreement (GSPA) that benchmarked the price of natural gas that Turkmenistan is to export at 55% of the prevailing crude oil price. This translates into a price of about USD 7.5 per MMBtu at current oil prices at the Turkmen border.Added to this would be transit fee and transportation charges which would jack up the rates to over USD 10.5 per MMBtu at the Indian border, the source said.For a consumer, the price would be around USD 13 per MMBtu after adding local taxes and transportation charges.The price of Turkmen gas is more than double of the USD 3.6 per MMBtu rate paid for post natural gas producers in India.Leaders of the four countries performed the ground-breaking of the project in December 2015 but the project hasn't moved significantly since then.The source said the project has not moved forward because of unresolved issues like the economic viability of the project, security of supply and tie-up of debt and equity.The four nations have incorporated TAPI Pipeline Company Limited (TPCL) in Isle of Man to build, own, and operate the TAPI Pipeline. Turkmenistan's Turkmengas has been appointed as the consortium leader. State gas utility GAIL India Ltd represents India on the consortium.Turkmenistan would export 90 MMSCMD of gas through TAPI, with Afghanistan getting 14 MMSCMD and India and Pakistan 38 MMSCMD each.The gas will be sourced from the YolotenUsman field, which ranks amongst the five biggest fields in the world. The field is being developed by Turkmenistan national oil firm TurkmenGas.India had previously used its position as world's fastest-growing energy consumer to renegotiate gas import deals with Australia, Russia and Qatar.

http://www.dailyexcelsior.com/india-seeks-revision-in-gas-price-from-tapi-pipeline/

Eni granted new exploration license offshore Egypt

Eni announces that a new Concession Agreement, aimed at governing an offshore exploration license in the prolific East Nile Delta Basin of the Mediterranean Sea, has received approval by Egyptian authorities.The exploration license, named "Nour", is located approximately 50 km offshore in the Eastern Mediterranean, in water depth ranging from 50 to 400 meters, and covers a total area of 739 km2. Eni plans to proceed with the drilling of an exploration well in the second half of the 2018.This new acquisition further strengthens Eni's position in Egypt, an area of historic and strategic importance for the Company.Nour is operated by Eni through its subsidiary IEOC. In the concession, which is in participation with Egyptian Natural Gas Holding Company (EGAS), Eni holds an 85% stake in partnership with Tharwa Petroleum Company, which holds a 15% stake.Eni has been present in Egypt since 1954, where it operates through its subsidiary IEOC. The company is the country's leading producer with equity of approximately 300,000 barrels of oil equivalent per day.

https://www.hellenicshippingnews.com/eni-granted-new-exploration-license-offshore-egypt/

U.S. piped gas displacing Mexican LNG imports

Cross-border natural gas pipelines from the United States to Mexico could be displacing Mexican imports of liquefied natural gas, a government report found. A briefing from the U.S. Energy Information Administration found that expansions to U.S. natural gas pipelines to Mexico have led to an overall increase in exports. Last year, the United States averaged about 4.2 billion cubic feet per day in gas exports to Mexico. In the first five months of this year, that average is closer to 4.4 billion cubic feet per day. "By the end of 2018, an additional four of six major pipelines identified as strategic in Mexico's five-year natural gas infrastructure expansion plan are scheduled to begin commercial operations," the EIA's report read. Mexico, meanwhile, could be making strides on its own in natural gas development. In March, PetróleosMexicanos, known also as Pemex, signed an exploration and extraction contract with the Mexican subsidiary of Lewis Energy to invest $617 million in developing the Olmos field in the Mexican state of Coahuila. Lewis has drilled more the 500 wells in the Texas section of the Eagle Ford shale, setting itself up as the third-largest producer in the state. Pemex estimated it could produce as much as 117 million cubic feet of natural gas per day from its section of the Eagle Ford by 2021. Apart from piped gas, the U.S. leaders are looking to increase their leverage in foreign markets by exporting more LNG sourced from shale basins like Eagle Ford. A bipartisan group of Senate leaders said in a letter to the head of the Federal Regulatory Commission the agency needed to approve pending LNG export applications "in a timely manner." Piped gas from the United States has its own complications. USA tariffs on imported steel creates problems for the domestic energy sector because of the increase in costs to build new infrastructure.

Source: LNG Global

Slowdowns in China and India eat away at Asian crude oil demand

Oil demand from Asia's biggest importers, China and India, is growing more slowly than expected, exposing weakness in two of the world's largest economies and eroding a key pillar of global petroleum prices amid trade tensions. The two countries buy a combined 12 percent of the world's oil, and their growth has helped drive the recovery in oil prices since 2016.Yet their shipped imports in July were about half a million barrels per day (bpd) below their January-June average of 12.4 million bpd, shipping data shows.That has dragged down demand growth in Asia, despite inflated purchases ahead of U.S. sanctions on Iran and increased imports from Japan and South Korea as they struggle with record-setting heat waves. Shipping data shows annualisedgrowth in demand from Asia's five largest oil importers - China, India, Japan, South Korea and Taiwan - fell from more than 3.5% in 2016 to around 2% so far this year. "Everything is weakening, but from a pretty elevated level," said Jeff Brown, president of energy consultancy FGE.Traders expect growth to slow further as the Iran sanctions take hold, the trade spat between the United States and China escalates, and as Asia's emerging markets show signs of cooling.Any further escalation in the trade conflict between them is clearly an important downside risk and could lead to a further slowdown in oil demand growth for 2019, leading to a downward pressure on oil prices," said Sushant Gupta, research director at energy consultancy Wood Mackenzie.Renewed U.S. sanctions against major oil exporter Iran, which from November will target the petroleum sector, are expected to disrupt the market.Iran's oil exports peaked at almost 3 million bpd in May this year, but they have since fallen to around 2 million bpd as Asian buyers, including Japan, South Korea and India, began to shun its crude ahead of the sanctions.The effects of the economic slowdown will take time to manifest, but analysts say investors are already becoming cautious.Weaker currencies in Asia and tariff-suppressed trade slows economic growth, reduces purchasing power, and eventually hits fuel demand. Although Brent crude oil has become about 8 percent more expensive this year in dollars, the price increase has been 14% in China's renminbi and more than 18% in Indian rupees."The high crude prices appear to have been taking a toll on demand," said SukritVijayakar, Director of Indian oil consultancy Trifecta.Japan and South Korea, where summer consumption was bumped up by an unusual heat wave, jointly imported around 6.3 million bpd of crude in July, compared with an average of 6 million bpd in the first half of the year.Australia, another rich economy in the region, has also seen strong demand, importing an some 370,000 bpd in July, up from an average of 333,000 bpd in the first half of the year. But the increases matter little when weighed against China's tanker imports, which fell from more than 8 million bpd during January and June to about 7.3 million bpd in July.Shipping data suggests July oil imports into China, India, Japan, South Korea and Taiwan were around 19 million bpd.Although that's slightly above June, it's below the figures for April and May. It's also some way off a record of more than 20 million bpd from April 2016.Should the global economic outlook darken further amid trade disputes and emerging market turmoil, oil demand in Asia could worsen."When you have all these factors like tariff disputes and weakening emerging market currencies, it's going to hurt sentiment," said FGE's Brown.

https://energy.economictimes.indiatimes.com/news/oil-and-gas/slowdowns-in-china-and-india-eat-away-at-asian-crude-oil-demand/65415428

High oil-linked LNG contract prices hit Chinese Sinopec's H1 2018 revenue

China's state-owned Sinopec was hit with an import loss of Yuan 1.6 billion ($235 million) in the first half of 2018, because of difficulty in passing higher long-term oil-linked LNG contract prices to downstream gas consumers in the country, a senior company official said.As crude oil benchmarks recover, so do oil-linked long-term LNG contract prices. Based on an estimated 14% linkage to Dated Brent plus a 50 cents/MMBtu constant, the average price of long-term LNG contracts delivered in H1 2018 would be $10.4/MMBtu, up 35% from $7.7/MMBtu a year earlier, according to Platts data. The linkage to crude oil in long-term contracts was also higher in 2011, when oil prices reached above $100/b and Sinopec's bigger contract with Australia Pacific LNG was signed.Sinopec imported 3.5 MMT in H1 2018, largely from two contracts it signed on an oil-linked basis with Papua New Guinea LNG for 2 MMTPA in 2009, and with APLNG for 4.3 MMTPA in 2011."Term LNG prices were agreed when the oil price was high, while domestic gas prices were cut in line with falling oil prices in 2014," Sinopec CFO Wang Dehua said during Sinopec's interim result briefing.Sinopec is planning to increase gas supplies though more LNG imports and domestic natural gas production, Sinopec Chair Dai Houliang said."We will expand our LNG terminal capacity to over 14 MMTPA in the future," Dai said. Currently, Sinopec has two LNG terminals with a combined capacity of nearly 6 MMTPA.Sinopec is also planning to increase domestic natural gas production to 33 BCM by 2020, 20% above its 2018 target of 27.58 BCM, company vice president Huang Wensheng said.

https://www.hellenicshippingnews.com/high-oil-linked-lng-contract-prices-hit-chinese-sinopecs-h1-2018-revenue/

Global LNG-Prices edge up as focus switches to winter storage

Asian LNG spot prices edged higher this week as attention shifted to cargoes for winter storage, though few shipments changed hands.LNG cargo prices for delivery in October LNG-AS were about $11.10 per MMBtu, up from $11 last week. September cargoes were still being sold, with prices assessed at $10.20 to $10.30 per MMBtu, up 20-30 cents.A prolonged heatwave through large areas of China and in Japan over the past month has kept prices above three-year highs, where they have been since April.A harsh winter in 2017-2018, compounded by soaring Chinese demand, sparked that long rally and the start of buying for this winter's storage could maintain that trend.Multiple traders said that South Korean state-run utility Kogas, the world's second-largest single corporate buyer of LNG, waded into the market and bought a large number of cargoes after holding talks with sellers this month. Two sources said Kogas had wanted to buy 12 cargoes for October to February or March. One source said the company bought 20 cargos for the fourth quarter alone, though another said the purchases were for fewer shipments.Japan's Tohuku Gas was heard by several traders buying an October cargo for $11.10 per MMBtu, with other Japanese interest also seen in the market. Some traders expect Japan's LNG imports to rise this month and next to above last year's levels.One trader said that few Chinese buyers were seen this week, having previously bought large volumes, and there could be future bottlenecks at some ports.Compared with Japan and Korea, the world's number one and three LNG buyers, Chinese capacity for storage is relatively low, which also leaves it vulnerable during winter demand spikes.Mexico's state-run utility CFE awarded two cargoes to Trafigura and two to Cheniere, several traders said. One said that Cheniere was awarded more cargoes and another said that Shell was also awarded shipments as part of a ten-cargo tender.Cheniere, meanwhile, received approval from U.S. regulators feed gas to its new LNG terminal in Corpus Christi, marking the start of commissioning at the Texas facility and raising the prospect of a commissioning cargo coming to market soon.Indonesia's state-owned Pertamina is offering one cargo a month for delivery in October, November and December in a tender closing on Aug. 20 and valid through to Sept. 20.There were two Angola tenders this week, one cargo each, for delivery to Japan, Korea, Taiwan or China (JKTC) in the second half of September. Kuwait Foreign Petroleum Exploration Company (KUFPEC) offered a cargo for a Sept. 14-25 loading at Wheatstone.

Source: LNG Global

BP in PNG LNG supply deal

OIL Search, 29% partner in the PNG LNG project, said at the weekend that its co-venturers had entered into a mid-term LNG sale and purchase agreement with BP Singapore for the supply of LNG beginning this month.The agreement provides BP with the supply of about 0.45 million tonnes of LNG a year over the initial three-year period, rising to about 0.9Mt of LNG in the following two years. Oil Search managing director Peter Botten said the agreement broadened the customer base for LNG from PNG LNG. "The BP agreement takes the total contracted volumes from the project to about 7.5Mtpa, following the announcement in July of the mid-term sale to PetroChina, together with 6.6Mtpa committed under long-term contracts to JERA, Osaka Gas, Sinopec and CPC. "Operator ExxonMobil, on behalf of the PNG LNG project participants, is in negotiations with several other parties for the final mid-term tranche of up to 0.45Mtpa. An agreement is expected to be concluded in the near-term and will increase total sales under new mid-term agreements to 1.3 MTPA," Botten said.

https://www.pngindustrynews.net/oil-gas/news/1344862/bp-in-png-lng-supply-deal

Egypt to export gas starting January, says minister - El Watan

Egypt's petroleum minister said on Wednesday, August 15, that the country would begin exporting natural gas in January, news website El Watan reported. Tarek El Molla told El Watan in an interview that Egypt would halt gas imports in October."It will be the beginning of gas self-sufficiency, and we'll begin exporting the surplus in January 2019," he said. He gave no further details.Egypt aims to be a regional hub for the trade of liquefied natural gas (LNG) after a string of major discoveries in recent years including the giant Zohr offshore gas field which holds an estimated 30 trillion cubic feet of gas.

Source: LNG Global

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Japan Mitsubishi Corp to acquire 25 percent stake in Bangladesh LNG terminal

Japan's Mitsubishi Corp said it has agreed to acquire 25 percent of Bangladesh's Summit Liquefied Natural Gas (LNG) terminal and plans to help develop an offshore receiving site in the South Asian country.The other 75 percent of the Summit LNG terminal will remain with Summit Corp.Summit LNG's project plans call for a floating storage and regasification unit (FSRU) to be installed off the coast of Moheshkali, where it will receive and regasify LNG procured by Petrobangla, the country's national oil and gas company.Construction of the terminal has already begun, with commercial operation expected to start in March 2019. The planned LNG import volumes are about 3.5 MMTPA, Mitsubishi said.Mitsubishi did not state the investment cost in the release, but an industry source close to the matter said it is investing about $20 million to $25 million for the 25 percent equity.A Mitsubishi spokeswoman said the company declined to comment, and that the information was not public.Bangladesh's economic growth rose by 7.28 percent in the financial year through mid-2017, and its population is expected to climb to over 185 million people by 2030, boosting demand for electricity and LNG for power generation.Summit and Mitsubishi have agreed to jointly pursue other LNG projects in Bangladesh, said the Japanese company, from the supply of the super-chilled fuel to power generation.In March this year, the two companies signed a memorandum of understanding to jointly pursue an integrated LNG-to-power development consisting of an on-shore LNG receiving terminal, associated LNG supply and construction of 2,400-megawatt gas-powered thermal power plant.

Source: LNG Global

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KOGAS to invest 10 tln won by 2025 in LNG, hydrogen projects

The state-run Korea Gas Corp. (KOGAS) announced that it will invest 10 trillion won (US$8.84 billion) by 2025 to expand its natural gas capacity and infrastructure for hydrogen vehicles and other clean energy sources.KOGAS, the world's second-largest importer of liquefied natural gas (LNG), unveiled a long-term business plan on the 35th anniversary of its foundation as it expects to play a greater role under the government's energy transformation policy.The state utility firm said it will buy LNG at cheaper prices in future contracts and make joint efforts with other Asian buyers to have greater bargaining power, setting a goal of saving 6 trillion won from gas purchases by 2025.KOGAS has been seeking to diversify its gas import portfolio beyond its traditional sources in the Middle East and Southeast Asia, which account for about 70% of the nation's total supply. South Korea imported about 30% of its total supply from Qatar last year, while buying natural gas from Australia, Oman and other countries.Instead, KOGAS said it will invest 6 trillion won to expand LNG capacity and combine advanced technologies to improve the energy management system and invest 3 trillion won in overseas projects to diversify supplies.The company also plans to inject 1 trillion won in energy transformation projects to increase hydrogen-fueled cars, as well as LNG bunkering and trucks to help tackle air pollution problems.To boost sales of hydrogen vehicles, KOGAS aims to establish about 100 hydrogen charging stations and distribution centers by 2022 and create 2 million tons of new natural gas demand by 2025.Demand for natural gas, a relatively clean source of fuel, is projected to grow at an annual rate of 0.81 percent to 40.49 million metric tons in 2031 from this year's estimated 36.46 million metric tons, according to the government's long-term gas supply plan.

https://www.hellenicshippingnews.com/kogas-to-invest-10-tln-won-by-2025-in-lng-hydrogen-projects/

Golar LNG eyes more Africa FLNG projects after Hilli success

Hopes its pioneering floating liquefied natural gas (FLNG) project in Cameroon will lead to further schemes in West Africa after it struck a deal to use the concept at BP's Tortue gas development, its chief executive said on Thursday, August 24. The HilliEpiseyo FLNG, a massive vessel above a subsea field that liquefies gas for further transport, was the first of its kind and is now running at commercially agreed levels, having produced its first LNG in May.Golar is now moving ahead with its portion of the BPoperated Tortue development, which straddles Mauritania and Senegal, having penned a preliminary agreement with BP in April to provide an FLNG for the project. "The FEED (front end engineering development) update is being progressed at pace -- we have a couple of months to go on that and we have strong interest with lenders," chief executive Iain Ross told investors in a call. He noted BP and partner Kosmos Energy aimed to take a final investment decision on the development by the end of the year, with first LNG due to be produced before the end of 2021. But aside from Tortue, Ross said there were two or three "strong" FLNG prospects that have emerged thanks to proving the FLNG technology and commerciality. "We're seeing Hilli's proof of concept triggering new interest... We think this is a truly disruptive solution in an industry not known for its disruptive solutions," he said. Golar has in the past hit serious stumbling blocks for its vessel-based projects, including floating storage and regasification units (FSRUs) which import LNG. The Ophir Energy-operated Fortuna FLNG project in Equatorial Guinea stalled due to problems with financing, prompting a third partner to withdraw. Ross said only that Golar had not yet given up on the project. Golar also had issues with a project in Ghana, where it had earmarked an FSRU before the initiative was disbanded.

https://energy.economictimes.indiatimes.com/news/oil-and-gas/golar-lng-eyes-more-africa-flng-projects-after-hilli-success/65524297

Argentina: Energy Minister supports LNG adoption in heavy transport

The Minister of Energy Javier Iguacel recently visited Galileo Technologies' Cryobox-Trailer stations, which allow the Argentine company to liquefy stranded gas in the Province of Mendoza. There he recognized the possibilities of LNG as a fuel and was able to observe how a Scania LNG-powered truck works.The visit took place at YPF-operated Cavaos field, where Iguacel was joined by his provincial counterpart, Minister Martín KerchnerTomba. Through his social networks, Iguacel expressed its surprise at the technology applied by Galileo to take advantage of the stranded gas and turn it into LNG, which can be used to power the engines of heavy transport vehicles.The official recognized the benefits that this fuel would have on heavy transport by observing the new Scania LNG trucks with which Galileo Technologies will transport the Virtual Pipeline that connects the wells with the Anchoris Thermoelectric Power Plant."With this liquefied gas we are going to change the energy grid in Argentina. Can you imagine gas-powered trucks, buses and trains? With this technology it is possible, and at a much lower cost than diesel and cleaner for the environment. This Scania truck already works like this," said Iguacel on his Twitter account.

http://www.ngvjournal.com/s1-news/c7-lng-h2-blends/argentina-minister-of-energy-supports-lng-adoption-in-heavy-transport/

NGV infrastructure grows in Mexico with new refueling station in Jalisco

With an investment of USD 1.5 million, including urban improvements and spaces for the community, the company Energía y Combustibles (Enco GNV) has opened the first natural gas station in the municipality of San Pedro Tlaquepaque, state of Jalisco. Dina also participated in the opening with the exhibition of a Runner 9G bus, equipped with a BG-230 Plus natural gas engine from Cummins Westport, which was refueled at the new facility."It is an important step for the development of the Metropolitan Zone of Guadalajara; natural gas is a pillar to achieve a cleaner environment. According to studies, we require 30 CNG stations in Jalisco, this is the fourth one that opens and another one is on the way, which is undoubtedly encouraging, because the fuel is around 80% less polluting compared to diesel," said Juan Antonio Flores, president of the Coordinating Council of Compressed Natural Gas AC during the opening ceremony.This CNG station, which has been recognized by ProMéxico (federal government agency that coordinates strategies to strengthen the country's participation in the international economy) as a success case for generating shared value, will serve up to a 1,000 vehicles, especially from public transport, which will save more than 50% in fuel costs for each kilometer traveled. This will allow public transport sector to save 72 million pesos per year.In addition, Enco GNV plans to invest USD 130 million over the next five years with the opening of 50 natural gas stations in places such as Mexico City, the State of Mexico, Puebla, Monterrey and Guadalajara.

http://www.ngvjournal.com/s1-news/c4-stations/ngv-infrastructure-expands-in-mexico-new-refueling-station-opens-in-jalisco/

Mexico: Querétaro revises Mobility Law, supports use of clean fuel taxis

The deputies of the Commission of Sustainable Mobility of the LVIII Legislature of the State, Antonio Zapata Guerrero, Aydé Espinoza González and Jesús Llamas Contreras, in working session, unanimously approved the Decision of the "Initiative that reforms the Third Transitory Article and adds the Transitional Eleventh Article to the Law that reforms, adds and repeals various provisions of the Transportation Mobility Law of the State of Querétaro."Zapata pointed out that the spirit of this amendment is to give one more year of useful life to vehicles, in order to migrate decisively to non-polluting technologies, such as CNG. He affirmed that they discussed, from the practical point of view, with Querétaro Institute of Transport to grant "one more year to taxi operators, in order to join the concept that has been promoted, in the sense of being truly friendly with the environment, and this time we understand the economic need of some of them to finish their financial cycle to be able to migrate to new energies."With these modifications, it is expected that from 2020, taxi concessions will be only granted to those who have a vehicle, operated with electricity, natural gas or another type of energy authorized by the Secretariat of Sustainable Development. In addition, it is contemplated that there is a regularization of concessions, where a private individual is authorized to have more than 10, as long as the vehicles use clean fuels. Up to this moment about 3,000 vehicles that operate in the metropolitan area are powered by natural gas, according to local media Megalopolis.

http://www.ngvjournal.com/s1-news/c3-vehicles/mexico-queretaro-modifies-mobility-law-supporting-use-of-eco-friendly-taxis/

CNG shuttle buses for California's Oakland International Airport

Oakland International Airport (OAK), the fourth busiest airport in California, has completed testing and put into operation 9 new Compressed Natural Gas (CNG) -powered parking shuttle buses. OAK can now provide convenient and environmentally sustainable service between airline terminals and parking facilities.The CNG shuttle buses can reduce fuel costs by up to 50% and greenhouse gas emissions by 25%. The new fleet replaces the 2003 Ford Aerotech "Cutaway"-style minibuses with ElDorado Class-E buses from Creative Bus Sales.OAK's public and employee parking facilities are just a short bus ride away from the terminals. During the last fiscal year, which ended in June, 921,457 passengers utilized OAK parking shuttles. This is up 5% from 875,381 passengers served in the prior fiscal year."Safety, security, and enhanced customer service are top priorities at OAK. This is just as true for customers boarding aircraft as it is for passengers riding the new and improved parking shuttles. From concept to delivery, this journey has been extremely rewarding," says Acting Parking and Ground Transportation Manager, Alma Peña.

http://www.ngvglobal.com/blog/cng-shuttle-buses-for-californias-oakland-international-airport-0817

UK government funds project to develop off-highway NGV technology

As part of a consortium of major UK Automotive suppliers, Zircotec will be awarded funding through the government funded Advanced Propulsion Centre (APC) to provide expertise to develop viable natural gas off-highway vehicle technologies. The consortium's focus is to improve the performance, autonomy and efficiency of a low carbon agricultural tractor concept using an engine fueled by natural gas or biogas instead of diesel. If successful, the technology developed will enable other vehicles, such as trucks and buses to adopt natural gas engines too.Significantly higher exhaust gas temperatures occur with natural gas engines, compared with diesel, necessitating advanced thermal management techniques to meet cost and packaging targets. Zircotec is providing essential thermal management consultation to contain the higher exhaust temperatures associated with the change of fuel, which increase from around 500°C to as much as 850°C. The APC, which aims to position the UK as a centre of excellence for low carbon propulsion development and production, is investing circa £10 million to the carefully selected consortium for the project. It aims to develop and demonstrate practical and cost-effective technologies to use biomethane produced from agricultural waste to power farm equipment directly. The project is scheduled for completion mid-2020. Currently, individual thermal barrier materials are being optimized for specific applications before vehicle-based development gets underway later this year. Great potential exists for future technology transfer to other transport applications such as large commercial vehicles and buses.Led by New Holland Agriculture (brand of CNH Industrial N.V.), the program brings together a consortium of world-class UK technology companies alongside Zircotec. These include Ricardo (engine consultancy), Eminox (after-treatment) and the National Composite Centre (high pressure composite gas tanks).

http://www.ngvjournal.com/s1-news/c5-products/uk-government-funds-new-project-to-develop-off-highway-ngv-technologies/

U.S. mobile pipeline supplier orders first TITAN®53 gas transport module

Hexagon Composites' subsidiary Hexagon Lincoln received a substantial order for the new TITAN® 53 transport modules from Xpress Natural Gas LLC (XNG),

full-service provider of CNG Mobile Pipeline®, with a total value of USD 10.6 million. The large-capacity Mobile Pipeline® modules will serve virtual interconnect projects in the U.S., connecting communities and facilities to the gas grid. Deliveries of the TITAN®53 are scheduled to commence in the fourth quarter of 2018 and continue through first quarter of 2019.The 53-foot-long TITAN®53 is the most recent example of how Hexagon is adapting its composite pressure vessel technology for a wide range of applications for CNG, hydrogen and industrial gases. TITAN®53 delivers almost 40% greater payload than the first TITAN® modules while retaining all the advantages of Hexagon's Mobile Pipeline® platform to deliver a lower cost of ownership. TITAN®53 is ideally suited to the U.S. market, able to meet GVWR (gross vehicle weight rating) requirements in all 50 states. It targets energy intensive industries wishing to convert to clean and cost-effective natural gas, virtual interconnects, gas islands, vehicle refueling and transport of industrial gases.

"Hexagon is building momentum for a cleaner energy future with the unveiling of the new TITAN®53 gas transport module, which employs the largest composite cylinder tanks in the world. After nearly a decade of success with TITAN® products, customers are requiring the ability to move greater volumes of compressed gases," said Miguel Raimao, Vice President Mobile Pipeline® at Hexagon Lincoln.

http://www.ngvjournal.com/s1-news/c1-markets/u-s-mobile-pipeline-supplier-orders-first-titan53-gas-transport-modules/

CITY GAS DISTRIBUTION & CNG/AUTO LPG

GAIL Gas plans gas stations at 10 spots

GAIL Gas is planning to set up refilling stations at around 10 places in Patna. It is going to come out with advertisements to seek land for this.Sharing details with The Telegraph, a GAIL official said: "We are looking for 1,200-2,400 sqm plots along major roads of Patna for setting up the CNG refilling stations to be managed by us."He pointed out that advertisements had been published in the past too but at that time no one came up with any proposal. "Now that the people have become aware of the pipeline project and the gas which is coming to Bihar, we hope several proposals would come for land," said the GAIL official. Places where the gas major intends to set up refilling stations are along the new bypass road, Bailey road, Danapur and Khagaul area, Digha. GAIL has already decided to set up one such station at Naubatpur on the southern fringe of Patna where land is available. In addition to setting up its own refilling facility, GAIL has also entered into an understanding with some of the existing fuel stations where CNG refilling facility would be set up. One such petro pump is located along Bailey road in western Patna, one near Gandhi Setu, two along the Patna-Bakhtiyarpur road and one on the Ashiana-Digha road.Asked about the progress in connecting households piped natural gas supply, for which pipeline-laying is in progress in Patna, the GAIL official said around 1,200 households had already been connected with the facility in Jagdeo Path area, Jalalpur city area and in the board colony. "We intend to launch the actual gas supply sometime in October-November and the pilot project will be launched with 1,000 households to begin with. The facility will be gradually expanded to all parts of the city," he said.

https://www.telegraphindia.com/states/bihar/gail-plans-gas-stations-at-10-spots-255275

Samsung Heavy wins $370 million deal for 2 LNG carriers

Samsung Heavy Industries Co., a major South Korean shipbuilder, said Friday that it has clinched a deal worth about $370 million to build two liquefied natural gas carriers for a European shipping company.

Samsung Heavy said it is set to deliver the carriers, which can hold 180,000 cubic meters of LNG each, to Celsius Tankers by December 2020.Samsung Heavy said it has received $3.3 billion worth of ship orders so far this year, for the building of 31 vessels.

http://www.koreaherald.com/view.php?ud=20180817000445

New fuel rules push ship owners to go green with LNG

Tough new rules on marine fuel are forcing ship owners to explore liquefied natural gas as a cleaner alternative.In Ireland, Shannon LNG applied to An BordPleanála to extend the planning permission to build an LNG terminal on the Shannon Estuary near Ballylongford earlier this year. Ports such as Gibraltar are preparing to offer upgraded refuelling facilities in the shipping industry's biggest shake-up in decades.From 2020, International Maritime Organisation rules will ban ships from using fuels with a sulphur content above 0.5pc, compared with 3.5pc now, unless they are equipped to clean up sulphur emissions. This will be enforced by fines levied by the IMO's member states.Using LNG to power ships instead of heavy fuel oil or the lighter marine gasoil can reduce polluting emissions of nitrogen oxides and sulphur oxides by 90 to 95pc, according to industry estimates.The stakes are high. Analysts at Swiss bank UBS estimate that the green shipping market could be worth at least $250bn over the next five years.To scoop up some that market, Gibraltar is in the process of launching an LNG-fuelled power station whose accompanying storage tanks will also be able to be used to refuel cargo ships via barges.Gibraltar already supplies the most marine fuel of any port in the Mediterranean and is aiming to do the same with LNG, said Manuel Tirado, CEO of the Gibraltar Port Authority.A period of low oil prices slowed the take-up of LNG as a marine fuel. But over the past year, as the oil price has risen, appetite has grown in the cruise ship industry as well as in the container, cargo and tanker sectors.There are currently 125 ships around the world using LNG, according to ship certification experts DNV GL, with between 400 to 600 expected to be delivered by 2020. That is a still small fraction of a world fleet of more than 60,000 commercial ships.Valuation company VesselsValue said 78 ships with dual-fuel engines capable of using LNG would be delivered in 2018, the largest annual number to date.But the transition to LNG will take time, with low-sulphur oil-based fuels also used to replace heavy oil.By 2050, DNV GL forecasts that only 47pc of energy for shipping will come from oil-based fuels. Gas fuels will account for 32pc, and the rest will be provided by carbon-neutral energy sources, such as biofuels and electricity.One of the challenges in using LNG to power ships has been the investment needed to build the refuelling facilities.

In addition, commercial vessels powered by LNG cost around $5m more than regular ships.

https://www.independent.ie/business/irish/new-fuel-rules-push-ship-owners-to-go-green-with-lng-37224632.html

LNG as marine fuel gains more presence in the Americas

SEA\LNG, the multi-sector industry coalition aiming to accelerate the widespread adoption of LNG as a marine fuel, announced that it has welcomed Mexico-based ÉNESTAS to its membership coalition. With the addition of ÉNESTAS, the SEA\LNG coalition bolsters its efforts to drive forward LNG as a marine fuel, and to progress its vital role as a viable solution in the energy transition within shipping.As the largest private LNG company in Mexico and with the largest LNG distribution network, ÉNESTAS will leverage its wealth and breadth of expertise in relation to LNG – garnered from both road and ship transportation – to support the coalition's vision of a competitive global LNG value chain for cleaner maritime shipping by 2020.SEA\LNG chairman and executive vice president, TOTE Inc., Peter Keller, said: "SEA\LNG continues to unite organizations from across the LNG value chain to address market barriers to LNG uptake, and to help transform the use of LNG as a marine fuel into a global reality. With several ports under development in North America, including in the Gulf of Mexico, we look forward to leveraging ÉNESTAS' vast network and capabilities within the region to support the continued growth and investment in LNG bunkering infrastructure."Caio Zapata M, CEO, ÉNESTAS, said: "We expect LNG to become the dominant fuel for transportation by road, rail, and sea. In this encouraging scenario for natural gas as alternative and clean energy in Mexico and Latin America, AltFuels Mexico 2019 will take place on 11-13 March, 2019, at the World Trade Center of Mexico City. The event will feature first level conferences and exhibition led by experts and national and international companies that will share their experiences and knowledge with visitors and exhibit the latest in alternative fuel technologies. For more information, please contact info@altfuelscg.com.

http://www.ngvjournal.com/s1-news/c7-lng-h2-blends/lng-as-marine-fuel-gains-presence-in-the-americas/

TECHNOLOGICAL DEVELOPMENT FOR CLEANER ENVIRONMENT/BIO-METHANE

Government imposes restrictions on import of bio-fuels

Government has imposed restriction on import of bio-fuels including ethyl alcohol and other denatured spirits, biodiesel, petroleum oils and oils obtained from bituminous minerals other than crude, through an amendment in import policy. The import of these items, which was free earlier, will now only be allowed for non-fuel purpose on actual user basis. "Import policy of bio-fuels revised from 'free' to 'restricted' and allowed for non-fuel purpose on actual user basis as per the National Bio-Fuel Policy," the Directorate General of Foreign Trade (DGFT) said in a notification. In another notification, the government said export of beach sand minerals has been brought under state trading enterprise and shall be canalised through Indian Rare Earths Limited. Export of rare earth compounds classified as beach sand minerals, permitted anywhere in the export policy, will now be regulated.

https://energy.economictimes.indiatimes.com/news/oil-and-gas/government-imposes-restrictions-on-import-of-bio-fuels/65508826

Zhengzhou to Trial 20 Yutong New Hydrogen Buses

Zhengzhou Yutong Bus Co., Ltd. (Yutong), a large-scale modern bus manufacturing company located in Zhengzhou in China's Henan province, says Zhengzhou Public Transportation Corporation (ZPTC) will put into use two hydrogen fuel cell buses in the city this week. The start-up will be followed by a further 18 buses as part of a commercial demonstration operation. This is the first time Zhengzhou has operated hydrogen powered buses, which have been independently developed by Yutong. Compared to full electric buses with 200km driving range after being charged for two hours, the hydrogen fuel cell buses boast 500km driving range and less than 10 minutes refueling time. Apart from these two advantages, this new energy bus has also achieved zero pollution and "negative" emissions. Improvements have been achieved in terms of vehicle safety, acceleration, shock absorption and convenience, passenger and driver comfort and user-friendly experience. "During operation, these buses effectively remove ultra-fine dust smaller than PM2.5, and emit clean water and air," said GuoYongshan from the New Energy Product Department of Yutong Company.Furthermore, the vehicle is equipped with four hydrogen leakage sensors. When the hydrogen concentration reaches 1.6%, an alarm is triggered. When it reaches 2%, the hydrogen supply will be cut off and the alarm on the dashboard will alert the driver to take corresponding measures as soon as possible. In addition, the vehicle is also provided with two sets of video surveillance systems and in total seven cameras are available to provide overall surveillance so as to guarantee the safety of the vehicle.

http://www.ngvglobal.com/blog/zhengzhou-to-trial-20-yutong-new-hydrogen-buses-0817

First hydrogen fuel cell passenger vessel will be built by Bay Ship

Bay Ship and Yacht Co., based in Alameda, California, has won a contract to build the first hydrogen fuel cell passenger vessel in the U.S.A. for Golden Gate Zero Emission Marine (GGZEM), a Bay Area company on a mission to eliminate maritime pollution. The vessel is expected to be delivered and in service by September 2019. The seventy-foot, all-aluminum ferry will operate on the San Francisco Bay, and will be managed by the Red and White Fleet.GGZEM awarded a $3 million grant by the California Air Resources Board (CARB) to build the zero-emission vessel, which will be the first of its kind in the U.S., proving that businesses with an elevated environmental consciousness can create viable, cost effective solutions to mitigate climate change. This initiative provides a solution to a $330 billion maritime pollution problem globally. The vessel is named Water-Go-Round, a light-hearted nod that speaks to the cyclical nature of how the technology works. Simply put, hydrogen can be created from water and after being used in a fuel cell, becomes water again. Since water is the only bi-product of the power system, widespread adoption of this technology for shipping will achieve drastic reductions of pollutants and greenhouse gases. The vessel is powered by dual 300 kW electric motors using independent electric drivetrains from BAE Systems. Power is generated by 360 kW of Hydrogenics proton exchange membrane fuel cells and Li-ion battery packs. Hydrogen tanks from Hexagon Composites, with valves and hardware from OMB-Saleri, are installed on the upper deck, and contain enough hydrogen to go up to two days between refueling. GGZEM's "zero infrastructure" flexible fueling arrangement allows the Water-Go-Round to be fueled anywhere with truck access.

http://www.ngvjournal.com/s1-news/c7-lng-h2-blends/first-hydrogen-fuel-cell-passenger-vessel-will-be-built-by-bay-ship/

Shell kicks off hydrogen refueling network in The Netherlands

Four new hydrogen refueling stations, two in the Amsterdam region, one in The Hague and one in Pesse (Drenthe), mark the beginning of Shell's plan to establish a network of hydrogen filling stations in the Netherlands. The intention is that hydrogen will be available at these four stations by the beginning of 2020 at the latest.Shell will take an active role in the transition of the Dutch energy system, explained Marjan van Loon, CEO of Shell Netherlands. She is supported by Oliver Bishop, General Manager Hydrogen at Shell who commented on the benefits of hydrogen fuel:Shell uses the Demonstration Scheme for Climate Technologies and Innovations in Transport (DKTI Transport) of the Netherlands Enterprise Agency for the roll-out of hydrogen stations. Through this scheme, companies, knowledge institutions and non-governmental organizations can apply for a subsidy for transport solutions with low or no CO2 emissions.Shell's hydrogen stations are part of the extensive hydrogen project H2Benelux. This project is co-financed by the 'Connecting Europe Facility' of the European Union. Oliver Bishop: "We are happy with the cooperation with other companies and governments. In Germany you can see how successful this can be. Here companies work together with the government on a network of four hundred hydrogen stations by the end of 2023, of which 230 will be Shell. And successful partnerships in the United Kingdom, Canada and California lead to the rollout of hydrogen station networks."

http://www.ngvglobal.com/blog/shell-kicks-off-hydrogen-refuelling-network-in-the-netherlands-0828

INTERNATIONAL: NATURAL GAS/ TRANSNATIONAL PIPELINES/COMPANIES/ OTHERS

Oil markets muted as U.S.-China trade war remains unresolved

Oil markets were steady on Friday as the unresolved trade dispute between Washington and Beijing muted activity. Brent crude oil futures were at $74.50 per barrel at 0105 GMT, up 7 cents from their last close. U.S. West Texas Intermediate (WTI) crude futures were at $67.93 per barrel, up 10 cents.Both oil benchmarks saw low liquidity during early trading on Friday. U.S. and Chinese officials ended two days of talks on Thursday with no major breakthrough as the trade war between the world's two biggest economies escalated with activation of another round of duelling tariffs on $16 billion worth of each country's goods. "Investors are likely to feel nervous as the two countries vow to step up the pressure," ANZ bank said on Friday. While the trade conflict between Washington and Beijing darkens the economic outlook, the supply versus demand outlook for oil markets remains relatively tight especially because of the looming U.S. sanctions against Iran, which will target oil exports. Iran is the third-biggest producer within the Organization of the Petroleum Exporting Countries (OPEC) and the nation exports around 2 million barrels per day of crude, equivalent to around 2 percent of global consumption.

https://energy.economictimes.indiatimes.com/news/oil-and-gas/oil-markets-muted-as-u-s-china-trade-war-remains-unresolved/65523644

Gazprom's second quarter profit soars on rising energy prices, sales

Russian gas giant Gazprom reported a surge in second-quarter net profit, beating analysts' expectations, as it benefited from rising energy prices. It said second-quarter net profit jumped to 259 billion roubles ($3.8 billion), from 48 billion roubles in the yearearlier period and above a forecast of 228 billion roubles in a Reuters survey of analysts. Gazprom's shares were up 1.1 percent after the results, outperforming the broader Moscow stock market, which was 0.8 percent higher. Gazprom shipped more than 101 billion cubic metres of natural gas to the EU and Turkey in the first half of the year, up 6 percent year-on-year and accounting for around a 34 percent share of Europe's gas market. It said its average gas export price rose by a quarter to 13,858 roubles per 1,000 cubic metres in the first half of this year. Total sales in April-June increased to 1.83 trillion roubles, from 1.39 trillion roubles in the second quarter of 2017.
https://energy.economictimes.indiatimes.com/news/oil-and-gas/gazproms-second-quarter-profit-soars-on-rising-energy-prices-sales/65596292

Algeria signs gas supply deals with Spain, Italy's Eni -Sonatrach CEO

Algeria has signed deals to provide gas to Spain and to Italy's Eni as it negotiates new gas contracts with European partners, the head of Algerian state energy firm Sonatrach AbdelmoumenOuldKaddour said on Wednesday.Algeria has signed a nine-year deal to supply Spain with9 BCM of gas per year, as well as a deal to supply Italy's Eni with 3 BCM of gas per year, OuldKaddoursaid.He did not give a timeframe for the deal with Eni. A senior Sonatrach official said the firm was also in talks with Shell over developing joint projects in Algeria, part of a push to boost domestic production with new partners whilst trying to build reserves overseas. Algeria has been trying to attract more investment to its vital oil and gas sector, with OuldKaddour pursuing a multi-pronged strategy since he took over as CEO in March 2017. "Our aim is definitely to rise our reserves by a presence overseas," said the senior official, who asked not to be named.
Sonatrach has already held talks with Niger and Iraq for exploration contracts. Talks with Bolivia are scheduled for next week.
https://energy.economictimes.indiatimes.com/news/oil-and-gas/algeria-signs-gas-supply-deals-with-spain-italys-eni-sonatrach-ceo/65418262

INTERNATIONAL: LNG DEVELOPMENT

Trinidad inks gas deal with Venezuela to continue LNG exports

Trinidad and Tobago will continue to ship super-chilled natural gas all over the world, with a little help from Venezuela. President Nicolas Maduro and Trinidad and Tobago Prime Minister Keith Rowley signed a deal Saturday where Trinidad will purchase gas from Venezuela's prolific Dragon Field, state-run energy company, Petroleos de Venezuela SA, said in a tweet. Under the terms of the agreement 150 million cubic feet of gas will be supplied every day.The deal has long been in the making and will throw a lifeline to Trinidad, which has seen its gas output decline in recent years. It's also good news for Royal Dutch Shell Plc and BP Plc, each of which have a stake in the state-owned Atlantic LNG.Shell has had a presence in Trinidad and Tobago since 1913, which expanded after it bought BG Group in 2016. The Anglo-Dutch oil giant is the largest trader of liquefied natural gas worldwide, and along with BP, owns stakes in each of the trains of the Atlantic LNG facility. Trinidad is the world's seventh-largest exporter of LNG, according to the BP Statistical Review. One of BP's seven major project start-ups last year was in Trinidad and it's the country's largest hydrocarbon producer. Last year the British oil major made two large discoveries offshore, which could unlock an extra 2 trillion cubic feet of gas, roughly the annual consumption of Egypt, according to BP.
Source: Bloomberg/LNG Global

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