

LNG WRAP-UP

NARUC LNG GROUP

Tuesday, December 29, 2015

The LNG Group's sponsored presentation will take place on Sunday February 14, 2016 during the Gas Staff Subcommittee meeting.

Previous issues of the LNG Wrap-Up can be found on the LNG Working Group's page at the following link:
<http://www.naruc.org/Grants/programs.cfm?page=60>

DOMESTIC NEWS (NORTH AMERICA)

FERC-Related (2015)

(11/25) Having received DOE approval to export to FTA-nations, Louisiana-based G2 LNG, LLC notified FERC of its proposal to develop a liquefaction facility on the west bank of Calcasieu River. <http://elibrary-backup.ferc.gov/idmws/common/opennat.asp?fileID=14063083>

(12/9) G2 LNG, LLC submitted a request that FERC initiate the pre-filing environmental review for the proposed Calcasieu LNG terminal. <http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=14067227>

(12/16) The FERC released an update of its review of the proposed Annona LNG export terminal in Cameron County, TX. <http://elibrary-backup.ferc.gov/idmws/common/OpenNat.asp?fileID=14072924>

(12/17) FERC issued an order granting Lake Charles LNG authorization to construct liquefaction and export facilities adjacent to Lake Charles LNG's existing import terminal in Calcasieu Parish, La. The order also granted Lake Charles LNG's request to convert its facilities and operations from NGA section 7 jurisdiction to NGA section 3 jurisdiction. <http://www.ferc.gov/whats-new/comm-meet/2015/121715/C-1.pdf>

(12/21) Cheniere's Sabine Pass filed its monthly construction progress report for the month of November 2015.

<http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=14078239>

(12/21) Cheniere's Corpus Christi Liquefaction filed its monthly construction report for November 2015.

<http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=14078107>

(12/23) FERC issues a letter decision granting G2 LNG's request to initiate the pre-filing review for the planned Calcasieu River LNG project.

<http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=14081474>

Santa Nella, CA (12/1) Shell opened new LNG lanes at a TravelCenters of America truck fueling station in Santa Nella, California. This is Shell's second LNG-fueling station in California.

<http://www.shell.com/global/future-energy/natural-gas/natural-gas-transport/shell-grows-lng-truck-fuelling-network-in-the-united-states.html>

The newsletter is compiled for NARUC's LNG Working Group using open-source resources, by Andreas Thanos. The information provided is for situational awareness and neither represents nor reflects any particular views of the LNG Working Group, NARUC, or its members. Mentions are not endorsements. For comments/corrections please email andreas.thanos@state.ma.us

Hamilton, Bermuda (12/2) A Teekay LNG-led consortium will develop a floating LNG import terminal in Bahrain. Hamilton, Bermuda-based Teekay is collaborating with Samsung C&T and Gulf Investment Corporation <http://teekay.com/blog/2015/12/02/teekay-lng-samsung-gic-sign-lng-import-terminal-project-in-bahrain/>

The Woodlands, TX (12/3) LNG shipping company Excelerate received a takeover offer in November; however, sale is not imminent. <http://in.reuters.com/article/us-excelerate-lng-takeover-idINKBN0TL2NY20151203>

Atlanta, GA (12/3) Siemens Drilling & Marine, Dresser-Rand and Lloyd's Register are teaming up to offer an integrated solution to the "LNG as marine fuel" question that encompasses "... the entire supply chain of LNG..." <http://www.businesswire.com/news/home/20151203005057/en/Industry-Leaders-Join-Forces-Offer-U.S.-Ship>

Washington, D.C. (12/4) The US DOE granted Air Flow North America authorization to export up to 22,000 gallons of LNG per day to non-FTA nations, for a period of up-to 25 years. <http://energy.gov/sites/prod/files/2015/12/f27/ord3753.pdf>

Vancouver, B.C. (12/9) Teck Resources Limited, a diversified mining company, is piloting the use of LNG a fuel source on six haul trucks steelmaking coal operation. <http://www.teck.com/news/news-releases/2015/teck-announces-lng-haul-truck-pilot-project>

Honolulu, HI (12/11) HI Gov. Ige reiterated his position that LNG is a diversion from the pursuit of renewable resources. <http://www.bizjournals.com/pacific/blog/2015/12/lng-is-a-diversion-from-renewable-energy-focus-gov.html>

Halifax, N.S. (12/17) Pieridae Energy (Canada) Ltd. has acquired a 107-hectare tract of land for its proposed Goldboro LNG export terminal in Guysborough County, Nova Scotia. An FID is expected in late 2016. <http://pieridaeenergy.com/pieridae-energy-limited-reaches-project-milestones/>

Cove Point, MD (12/17) Dominion's Cove Point Liquefaction project released a video on the progress of converting the facility to an LNG export terminal. https://youtu.be/J8H_r6-kq6E

San Ramon, CA (12/21) Chevron Corporation announced that its Chevron USA Inc. subsidiary entered into a non-binding LNG supply agreement with China Huadian Green Energy Co. When finalized, it is expected to be a 10-year agreement for up to 1mtpa, primarily from Chevron's Australian holdings. http://www.chevron.com/chevron/pressreleases/article/12212015_chevronandchinahuadiansignheadsofagreement.news

New York, NY (12/21) The combination of lower-than-expected Asian demand and a decrease in European natural gas production are leading U.S. LNG exporters to Europe. <http://www.bloomberg.com/news/articles/2015-12-22/american-lng-exporters-turn-to-europe-as-asian-demand-sputters>

Jacksonville, FL (12/23) Crowley Maritime received the 2nd of 4 Jones Act tankers from Philly Shipyard (formerly Aker Philadelphia Shipyard). The tanker named Texas has received "LNG-Ready Level 1" approval meaning that it can be converted to LNG propulsion in the future. <http://www.crowley.com/News-and-Media/Press-Releases/Crowley-Takes-Delivery-of-Second-of-Four-New-LNG-Ready-Jones-Act-Product-Tankers-from-Philly-Shipyard-Inc.>

INTERNATIONAL NEWS

Lagos, Nigeria (11/30) As it increases its production capacity to 30 mtpa, the Nigeria Liquefied Natural Gas Limited has commissioned 4 new LNG vessels. <http://theeagleonline.com.ng/nlng-bgt-commission-four-new-hi-tech-lng-vessels/>

Jerusalem, Israel (12/1) Quoting anonymous sources, Reuters shares that China's Fosun is interested in the acquisition of some of Delek Group's gas fields offshore Israel.

<http://af.reuters.com/article/energyOilNews/idAFL8N13Q23O20151201>

Rome, Italy (12/2) Reuters reports that according to an executive from the Kuwait Petroleum Corporation, who attended the 2015 CWC World LNG Summit here, LNG imports to Kuwait are expected to reach 3 million tonnes in 2015, representing a 17% increase when compared with 2014.

<http://af.reuters.com/article/commoditiesNews/idAFL8N13T1RJ20151204>

Amsterdam, The Netherlands (12/3) According to a report from the Central Bureau of Statistics, a self imposed reduction on natural gas production is causing Holland to become a net natural gas importer.

<http://www.bloomberg.com/news/articles/2015-12-03/european-union-s-largest-gas-producer-is-now-its-latest-importer>

If you speak Dutch:

<http://www.cbs.nl/NR/rdonlyres/349A5142-1FA9-47F9-8BCA-B3A0B7B64423/0/2015DNE06deinvloedvanaardgaswinning.pdf>

Tokyo, Japan (12/3) Mitsui OSK Lines received the Beidou Star, and LNG carrier built by China's Hudong. The almost 1,000 foot Beidou Star will serve Papua New Guinean and Australian liquefaction projects.

<http://www.mol.co.jp/en/pr/2015/15078.html>

Milano, Italy, Houston, TX (12/3) Italy's ENI and Houston-based Anadarko have signed agreements to collaborate in the development of gas fields off-shore Mozambique.

Anadarko: <http://investors.anadarko.com/2015-12-03-Anadarko-Achieves-New-Mozambique-LNG-Milestones>

Eni: http://www.eni.com/en_IT/media/press-releases/2015/12/Eni_unitization_areas4_and_1_Ruvuma_offshore_Mozambique.shtml

Istanbul, Turkey (12/4) Turkey and Qatar have signed an MOU under which Qatar will provide unspecified volumes of LNG to Turkey.

<http://www.platts.com/latest-news/natural-gas/istanbul/turkey-and-qatar-discuss-lng-terminal-storage-26300753?hootpostid=9fe0367acac233a622b81e9910705f85>

Tehran, Iran (12/5) According to Iranian news agency Shana, Iran has established an LNG research institute.

<http://www.shana.ir/en/newsagency/251310/Iran-Launches-LNG-Institute-to-Enter-Global-Gas-Market>

Rome, Italy (12/6) Khalid Sultan R. Al Kuwari, Chief Marketing and Shipping Officer of Qatar's RasGas believes that the global environment for LNG remains strong with continuous growth potential.

<http://www.gasworld.com/rasgas-expecting-healthy-growth-in-lng/2009682.article>

Helsinki, Finland (12/7) Wärtsilä will deliver a 40 MW LNG-fired generator for use in the Southwestern Indian state of Kerala.

<http://www.wartsila.com/media/news/07-12-2015-wartsila-delivers-lng-fired-peaking-power-plant-to-kerala-india>

Perth Australia (12/8) Woodside Petroleum has withdrawn its proposal to merge with Oil Search Ltd (see October '15 issue, p. 4).

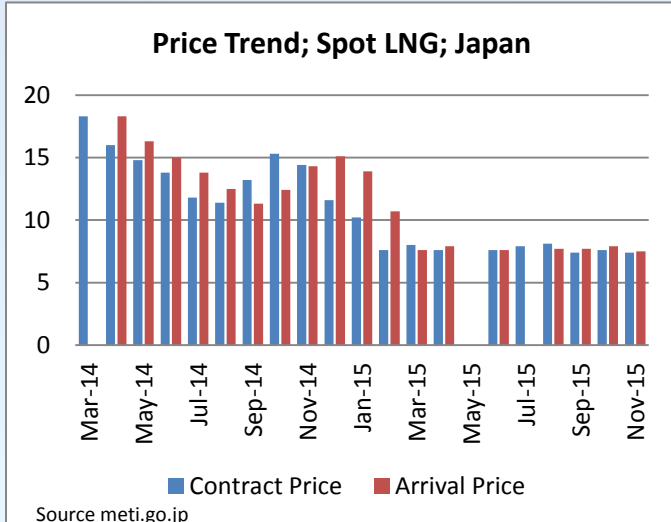
<http://www.woodside.com.au/Investors-Media/announcements/Documents/08.12.2015%20Woodside%20Withdraws%20Proposal%20to%20Merge%20with%20Oil%20Search%20Limited.pdf>

Curtis Island, Australia (12/11) Australia Pacific LNG has begun LNG production at the facility on Curtis Island.

<http://www.aplng.com.au/sites/default/files/11122015%20APLNG%20Commences%20LNG%20production%20Media%20Release%20FINAL.pdf>

Tokyo, Japan (12/9) November prices for LNG delivered to Japan were at the lowest for the past 18 months (Japan's METI began publishing LNG prices in March 2014).

<http://www.meti.go.jp/english/statistics/sho/slng/result/pdf/201511-e.pdf>



London, U.K. (12/9) Ophir Energy announced that it has signed heads of agreements to sell the offtake of Fortuna, its FLNG project in Equatorial Guinea, with 6 buyers active in the European and Asian markets.
<https://www.ophir-energy.com/press-release/heads-of-agreements-signed-for-sale-of-gas-and-capex-reductions-for-fortuna-flng/>

Warsaw, Poland (12/11) The first delivery of Qatari LNG reached the Polish Harbor of Swinoujscie. Poland is trying to diversify its portfolio and negotiate better pricing terms for Russian natural gas.
<http://en.polskielng.pl/press-centre/news/news/artykul/201431/>

Rotterdam, Netherlands (12/14) Construction has begun in S. Korea for a Shell LNG bunker vessel that will be based in the port of Rotterdam.
<http://www.shell.com/business-customers/trading-and-supply/shell-shipping-and-maritime/shell-shipping-news-and-media-releases/innovative-bunker-vessel.html>

Abuja, Nigeria (21/16) According to Nigeria's National Bureau of Statistics, LNG-related revenues for Q3 totaled \$1.33 billion.
<http://www.nigerianstat.gov.ng/pages/download/338>

Rotterdam, Netherlands (12/16) The Port of Rotterdam Authority introduced a new incentive to bunker LNG. A 10% discount on gross seaport dues for vessels that bunker LNG will apply until 2020.
<https://www.portofrotterdam.com/en/news-and-press-releases/new-incentive-for-ships-that-bunker-lng-in-rotterdam>

Cuxhaven, Germany (12/16) The first ever newbuild LNG-fuelled German seagoing vessel had its maiden voyage on December 11. The ferry, built in Germany, will operate primarily on LNG-fueled Wärtsilä-built engines.
<http://www.wartsila.com/media/news/14-12-2015-deutschlands-erstes-mit-lng-betriebenes-neugebautes-hochseeschiff-ging-auf-jungfernfahrt>

Yuzhno-Sakhalinsk, Russia (12/17) Sakhalin Energy has entered into agreements to begin design work on the expansion of the facilities by adding a 3rd train and raise LNG capacity to 14.4 mtpa at the facility located on Sakhalin Island in S.E. Russia.
http://www.sakhalinenergy.com/en/media-centre/news/item.wbp?article_id=b9e2dc0c-eb53-465d-9427-160bb80a4a8c&date=18%C2%A0December%C2%A02015

The Hague, Netherlands (12/18) Shell has entered into an agreement to charter 15 LNG-as –a-primary-fuel-powered barges to operate in N.W. Europe. The barges will run on engines built by Finland's Wärtsilä
<http://www.shell.com/energy-and-innovation/natural-gas/lng-for-transport/news-and-media-releases/shell-plans-to-charter.html>

Tehran, Iran (12/19) According to Iranian sources, India's government is interested in investing in the Iran LNG project, at Tombak Point, Southern Iran.
<http://theiranproject.com/blog/2015/12/19/india-willing-to-take-stake-in-iran-lng-terminal/>

New Delhi, India (12/21) According to India's "The Economic Times" India will enter the LNG shipbuilding business.
<http://economictimes.indiatimes.com/industry/transportation/shipping/-transport/Make-in-India-Cochin-Shipyard-to-build-Indias-first-LNG-carriers/articleshow/50264505.cms>

Hong Kong, China (12/23) Noble Group signed a 5-year contract LNG term sales contract, its first, with an undisclosed buyer in the Asian Pacific region.
<http://www.thisisnoble.com/noble-news/2652-signs-first-lng-term-sales-contract.html>

Tokyo, Japan (12/25) Japan-based Jera Co., announced that it has entered into a 5-year agreement with Shizuoka Gas for the sale of 70,000 tonnes of LNG per annum, beginning in April 2022. (Jera is a joint venture of Tokyo Electric Power and Chubu Electric Power, established on 4/30/2015).
http://www.jera.co.jp/english/information/20151225_01.html

Tel Aviv, Israel (12/26) Egypt is facing a shortage of foreign cash reserves limiting its ability to pay for imported energy. <http://www.haaretz.com/israel-news/business/1.693965>

Singapore (12/28) According to data obtained from China's General Administration of Customs, Platts calculated that China's LNG imports in November 2015 were 3.5% higher than Nov. 2014.
<http://www.platts.com/latest-news/natural-gas/singapore/chinas-nov-lng-imports-rise-35-on-year-to-18-27088446>

Analysis-Opinion-OTHER

Edinburgh, Scotland (11/30) "The stakes are high as LNG players plan their next move" a discussion on the complexities regarding the future of the international LNG trade, by Andrew Pearson of Wood Mackenzie.
<http://www.woodmac.com/blog/the-stakes-are-high-as-lng-players-plan-their-next-move/>

New York, N.Y. (12/2) "Golar Liquid Natural Gas (GLNG) Is Worth A Closer Look" NASDAQ analysis of the stock value of Hamilton, Bermuda-based Golar, owner of LNG tankers. <http://www.nasdaq.com/article/golar-liquid-natural-gas-glng-is-worth-a-closer-look-cm549344>

Washington, D.C. (12/3) The U.S. Government Accountability Office issued a report comparing the benefits to the implications of using Jones Act compliant carriers for LNG exports.
<http://www.gao.gov/assets/680/673976.pdf>

Chicago, IL (12/13) "LNG Exports the Most Powerful Demonstration of US Geopolitics in Decades" Commentary on the impact of US LNG exports on US geopolitics; by Bill Murray of Real Clear Energy.
http://www.realclearenergy.org/articles/2015/12/13/lng_exports_the_most_powerful_demonstration_of_us_geopolitics_in_decades_108932.html

Juneau, AK (12/14) "Feds help competing LNG projects, but could now also help Alaska gas exports" By Pat Forgey at Alaska Dispatch News.
<https://www.adn.com/article/20151214/feds-help-competing-lng-projects-could-now-also-help-alaska-gas-exports>

The Hague, Netherlands (12/15) Shell uploaded a video on the status of the Prelude FLNG barge/ship.
https://youtu.be/W_KyyDEWJjk

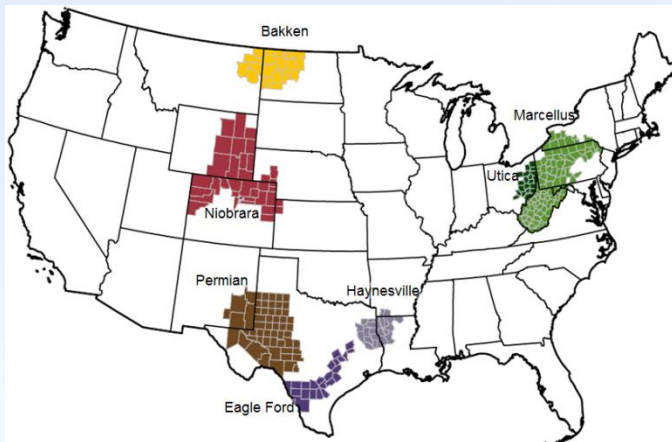
Montevideo, Uruguay (12/18) "LNG: Small scale – Big Opportunities" Article by Jorge Ferreiro, at Gastech News. <http://www.gastechnews.com/lng/lng-small-scale-big-opportunities/>

Crownsville, MD (12/20) "Pseudo-Environmentalists' Cove Point Hail Mary" a discussion by K.J. Rodgers on the goals of the groups opposing the Cove Point Export facility. <http://naturalgasnow.org/pseudo-environmentalists-cove-point-hail-mary/>

Pittsburgh, PA (12/22) "A look at LNG for locomotives: GE's NextFuel retrofit kit" by Brittany Thomas, External Affairs at Cabot Oil & Gas Corporation.
<http://wellsaidcabot.com/lng-for-locomotives/>

San Antonio, TX (12/23) “Year in Review: Natural gas is no longer the ugly stepchild” by Sergio Chapa of the San Antonio Business Journal.
http://www.bizjournals.com/sanantonio/news/2015/12/23/year-in-review-natural-gas-is-no-longer-the-ugly.html?ana=e_hstn_nrg&u=MeRNIMIZ8xducgs3LOC3dQ0cf67be0&t=1451321001

Washington, D.C. (December, '15) Below is a map of the shale plays in the lower 48, compiled by the U.S. DOE. (click on image for larger version)



Souki/Cheniere – related news

The ousting of Charif Souki, Cheniere’s former CEO has led to a series of articles – fact and opinion. Below is a representative listing of them by date:

(12/7) *This Gas CEO is Cashing in on Shares, NOT Shale.*
<http://www.bloomberg.com/news/articles/2015-12-07/cheniere-s-souki-sells-third-of-stake-in-15-while-stock-tumbles>

(12/14) *Ex-Cheniere CEO Souki Shrugs Off Icahn Criticism of Stock Sales*
<http://www.bloomberg.com/news/articles/2015-12-14/souki-says-don-t-overthink-216-million-stock-sales-before-exit>

(12/14) *Cheniere Energy: The makings of a CEO ousting*
<http://www.bizjournals.com/houston/blog/drilling-down/2015/12/cheniere-energy-the-makings-of-a-ceo-ousting.html>

(12/14) *Low Natural Gas Prices Squeeze Industry and Fell a C.E.O.*

http://www.nytimes.com/2015/12/15/business/energy-environment/low-gas-prices-squeeze-industry-and-fell-a-ceo.html?_r=1

(12/14) *Cheniere CEO ousted, replacements named*
http://www.bizjournals.com/houston/morning_call/2015/12/cheniere-ceo-ousted-replacements-named.html

(12/15) *Burned by Icahn, Cheniere's Ex-CEO Contemplates Life as Ski Bum*

<http://www.bloomberg.com/news/articles/2015-12-15/burned-by-icahn-cheniere-s-ex-ceo-contemplates-life-as-ski-bum>

(12/16) *Former Cheniere CEO isn't leaving quite yet*
http://www.bizjournals.com/houston/morning_call/2015/12/cheniere-ceo-isnt-leaving-quite-yet.html

(12/28) *Cheniere Energy May Have Just Avoided A SunEdison Debacle Thanks To Icahn*
<http://seekingalpha.com/article/3777966-cheniere-energy-may-have-just-avoided-a-sunedison-debacle-thanks-to-icahn?>

Links to some entities mentioned in this issue

Teck	https://www.teck.com/
Ophir	https://www.ophir-energy.com/
Air Flow	http://www.airflow.fr/en/
G2 LNG	http://www.g2lngllc.com/
Australian Pacific	http://www.aplng.com.au/
Anadarko	http://www.anadarko.com/
Teekay	http://teekay.com/
Peridae Energy	http://pieridaeenergy.com/
Sakhalin Energy	http://www.sakhalinenergy.com/en/index.wbp
Chevron	http://www.chevron.com/
Jera	http://www.jera.co.jp/english/index.html