

LNG WRAP-UP

NARUC LNG GROUP

Friday, April 01, 2016

On March 17, 2016 the FERC published the 2015 State of the Markets report. <http://www.ferc.gov/market-oversight/reports-analyses/st-mkt-ovr/2015-som.pdf>

Previous issues of the Wrap-Up are found here: <http://www.naruc.org/our-programs/resources/lng-newsletters/> (the link shown in previous issues is **not** valid anymore)

NORTH AMERICA

FERC-Related (2016)

(2/29) Downeast LNG files a request to hold its application for an LNG export terminal in abeyance. <http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=14158491>

(3/11) The FERC issued an order denying Jordan Cove's application to site, construct and operate an LNG terminal in Coos County, Oregon. <http://www.ferc.gov/CalendarFiles/20160311154932-CP13-483-000.pdf>

(3/25) The FERC issues the draft Environmental Impact Statement for the proposed Golden Pass LNG export project in Jefferson County, TX. <http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=14180172>

(3/30) Texas LNG filed an application with the FERC for authorization to site, construct and operate the proposed Texas LNG facility in Brownsville, TX http://elibrary.ferc.gov/idmws/file_list.asp?accession_number=20160331-5064

Calgary, AB (3/1) Crowley LNG Inc., files an application with Canada's NEB to export up to 10 Bcf of LNG per year to the United States from British Columbia. <https://docs.neb-one.gc.ca/ll-eng/llisapi.dll?func=ll&objId=2935248&objAction=download&viewType=1>

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

Washington, D.C. (3/1) Venture Global Plaquemines LNG files an application to export LNG to FTA and non-FTA nations from the proposed liquefaction facility in Plaquemines Parish, LA. http://energy.gov/sites/prod/files/2016/03/f30/16_28_LNG%20Venture%20Global%20Plaquemines%20LNG_1.pdf

Kingston, Jamaica (3/4) New Fortress entered into a 2-year agreement with Golar for LNG shipments to Jamaica's Bogue power plant. <http://jamaica-gleaner.com/article/business/20160304/new-fortress-secures-lng-ship-jamaica-project>

Washington, D.C. (3/7) Cheniere Marketing LLC filed an application for authorization to export up to 500 Bcf of LNG that has previously been imported into the U.S. <http://energy.gov/sites/prod/files/2016/03/f30/16-29-LNG%20-CMI%20DOE%20Export.pdf>

Kuala Lumpur, Malaysia (3/9) Malaysia's state oil company issued a press release regarding the Final Investment Decision for the proposed Pacific Northwest LNG export terminal. <http://www.petronas.com.my/media-relations/media-releases/Pages/article/Canada-LNG.aspx>

Calgary, AB (3/11) Veresen, the sponsor of the proposed Oregon LNG project that was denied a permit by the FERC, will request rehearing.

<http://www.vereseninc.com/newsroom/news-releases/?path=/press-releases/veresen-comments-on-ferc-decision-tsx-vsn-201603121046615001>

Sacramento, CA (3/14) Matheson trucking, Inc. has added 12 LNG-fueled tractors to its Postal Services division. <http://www.mathesoninc.com/matheson-trucking-inc-s-postal-services-division-continues-to-build-a-green-fleet-with-37-new-cnglng-tractors/>

Saint John, N.B. (3/16) According to news reports, Repsol will not be converting the Canaport facility to export LNG. <http://www.cbc.ca/news/canada/new-brunswick/repsol-canaport-conversion-scrapped-1.3493617>

Squamish, B.C. (3/17) Woodfibre LNG received approval from Canada's Ministry of Environment and Climate Change. <http://www.ceaa-acee.gc.ca/050/document-eng.cfm?document=109540>

Washington, D.C. (3/18) The U.S. Department of Energy issued a final opinion and order authorizing Cameron LNG to export an additional volume equivalent to 152 Bcf per year to non-FTA nations. <http://energy.gov/sites/prod/files/2016/03/f30/ord3797.pdf>

Ottawa, ON (3/19) The Canadian Environmental Assessment Agency has extended the deadline in order to request new information and review and complete its environmental assessment of the proposed Pacific Northwest LNG project.

Request for additional information:

<http://www.ceaa.gc.ca/050/document-eng.cfm?document=109809>

Extension of deadline:

<http://www.ceaa.gc.ca/050/document-eng.cfm?document=109808>

Hamilton, Bermuda (3/21) Bermuda's Minister of Economic Development introduced a study investigating the viability of LNG for power generation. <http://www.parliament.bm/uploadedFiles/Content/Home/2016%20-%20Statement%20-%20March%2021%202016%20-%20Viability%20of%20LNG.pdf>

Calgary, AB (3/22) Veresen the sponsor of the proposed, yet FERC-rejected, Jordan Cove LNG project announced a 20-year, 1.5 mtpa agreement with Japan's JERA.

<http://veresen.mwnewsroom.com/Files/fc/fc6b2b99-8f40-46aa-96e1-46dbe00d461d.pdf>

Panama City, Panama (3/23) According to the Panama Canal Authority, the Panama Canal Expansion will open on June 26, 2016.

<https://www.pan canal.com/eng/pr/press-releases/2016/03/23/pr579.html>

Victoria, B.C. (3/24) BC Ferries has awarded Poland's Remontowa Ship Repair a #140 million contract for the conversion of two vessels to also operate on LNG. <https://www.bcferrries.com/bcferrries/faces/attachments?id=946922>

Jacksonville, FL (3/29) Crowley Maritime announced the setting of the LNG-fueled engine on the first of the two Jones Act cargo vessels to operate between Jacksonville, Florida and Puerto Rico.

<http://www.crowley.com/News-and-Media/Press-Releases/Crowley-Reaches-Milestone-with-Setting-of-LNG-Engine-in-New-Ship>

Promotional video: <https://youtu.be/c-YyTY44zn0>

INTERNATIONAL NEWS

Sydney, Australia (3/1) Origin Energy signed a 5-year, non-binding agreements with China's ENN LNG Trading for 500,000 tons of LNG.

<https://www.originenergy.com.au/about/investors-media/media-centre/non-binding-agreement-to-supply-lng-to-enn.html>

Tokyo, Japan (3/2) Tokyo Gas CO., Ltd signed a Heads of Agreement with Mitsubishi Corporation for the purchase of 200,000 tons of LNG from the Cameron LNG project. http://www.tokyo-gas.co.jp/Press_e/20160302-01e.pdf

The Hague, Netherlands (3/2) Royal Dutch Shell is considering a \$30 billion divestment program which may include LNG assets in Trinidad & Tobago. <http://www.bloomberg.com/news/articles/2016-03-02/shell-said-to-mull-sales-from-u-s-to-india-in-30-billion-plan>

Moscow, Russia (3/3) Gazprom will receive a 5-year, € 2 billion loan from the Bank of China. <http://www.gazprom.com/press/news/2016/march/article268285/>

Hamilton, Bermuda (3/4) Golar GenPower Brasil and ExxonMobil have entered into a framework agreement for the provision of LNG to a natural gas fired generator project under development in Brazil. http://www.golarlng.com/index.php?name=seksjon/Stock_Exchange_Releases/Press_Releases.html&pressrelease=1991978.html

San Ramon, CA (USA) (3/7) Chevron Australia begins LNG production at the Gorgon project off the northwest coast of Western Australia. http://www.chevron.com/chevron/pressreleases/article/03072016_chevrontakesfirstlngproductionatgorgon.news#.Vt8pCubMc9w.linkedin

London, U.K./Milano, Italy (3/7) After some speculation and concern it was announced that EGAS, Egypt's state-owned agency, made the first payments for LNG received this year. <http://www.reuters.com/article/egypt-lng-payments-idU5L5N16F3QU>

Kuala Lumpur, Malaysia (3/7) Petronas' first floating LNG unit was named PFLNG SATU. The PFLNG SATU which will tap into the Kanowait field off Sarawak has the capacity to produce 1.2 million tons of LNG per year. <http://www.petronas.com.my/media-relations/media-releases/Pages/article/PFLNG-Satu.aspx>



(Image Courtesy Petronas)

La Défence, France (3/7) Engie entered into an agreement with Panama's Gas Natural Atlantico to provide up to 400,000 TPA of LNG for power generation. <http://www.engie.com/en/journalists/press-releases/engie-to-supply-lng-panama/>

Derby, United Kingdom (3/8) Rolls-Royce has entered into a \$6.5 million agreement to supply an LNG propulsion system for a cargo vessel designed for Norway's NSK Shipping. <http://www.rolls-royce.com/media/press-releases/yr-2016/pr-2016-03-08-rr-signs-to-supply-liquefied-natural-gas.aspx>



(Image Courtesy Rolls-Royce)

Kuala Lumpur, Malaysia (3/9) Petronas issues a statement on the conditions precedent in order to make a final investment decision on the Pacific NorthWest LNG project in Canada.

<http://www.petronas.com.my/media-relations/media-releases/Pages/article/Canada-LNG.aspx>

Tokyo, Japan (3/9) Prices for LNG imported in Japan for February 2016 dipped further. (SOURCE: [METI](#))

| <u>Month</u> | <u>Contract-based</u> | <u>Arrival-Based</u> |
|--------------|-----------------------|----------------------|
| Jan. 2016 | 7.1 | 7.9 |
| Feb. 2016 | 6.5 | 6.9 |

Tokyo, Japan (3/10) Osaka Gas projects a fairly flat growth in LNG imports through September 2021.

http://www.osakagas.co.jp/en/ir/news/icsFiles/afieldfile/2016/03/10/2016plan_press_1.pdf

Ankara, Turkey (3/11) The political disputes between Turkey and Russia have resulted in the loss of a discount to Turkish buyers. As a result, independent gas companies are entertaining forming an LNG buying consortium. <http://en.portnews.ru/digest/16984/>

Dubai, U.A.E. (3/15) Exceleerate Energy announced that its newly upgraded FSRU *Explorer* completed its sendout performance tests and reached a sendout capacity of 1.0 Bcf/d. The FSRU is currently under long-term charter to Dubai Supply Authority (DUSUP) at the Jebel Ali LNG Import Terminal.

<http://exceleerateenergy.com/exceleerate-energys-fsr-achieves-unprecedented-milestone-in-lng-industry/>

Moscow, Russia (3/15) Russia's Novatek and China's Silk Road Fund, completed a transaction by which Silk Road Fund acquire 9.9% of Yamal LNG for €1.09 billion.

http://www.novatek.ru/en/press/releases/index.php?id_4=1165

Dallas, TX (3/16) Kosmos Energy announced a significant gas discovery off Mauritania. According to Kosmos, the discovery would support a "world scale LNG project."

<http://investors.kosmosenergy.com/phoenix.zhtml?c=238878&p=irol-newsArticle&ID=2148812>

Espoo, Finland (3/16) SkanGas will acquire the Risavika LNG production plant from Norway's Lyse. (Finnish state-owned Gasum is 71% owner of SkanGas). <http://www.skangas.com/en/news/acquire-risavika-lng/>

Vilnius, Lithuania (3/16) Lithuania's Klaipėdos Nafta is developing rules in preparation of bunkering activities and sales to small LNG projects. <http://www.baltic-course.com/eng/energy/?doc=118208>

Brussels, Belgium (3/18) The European Commission has approved Finland's plans to provide € 28 million (US\$ 32 million) towards the financing of a small-scale LNG facility in Hamina, Finland.

http://europa.eu/rapid/press-release_IP-16-923_en.htm?locale=en

Perth, W. Australia (3/21) The first LNG shipment from the Gorgon Project has left Australia's Barrow Island heading to Japan's Chubu Electric.

<https://www.chevronaustralia.com/news/media-statements/2016/03/20/first-chevron-gorgon-lng-cargo-departs-for-japan>



Moscow, Russia (3/22) According to Tass, Russia's Novatek is not concerned with the inevitable competition that will be brought by European imports of US LNG. <http://tass.ru/en/economy/864215>

Perth, W. Australia (3/22) Woodside Petroleum and its partners in the proposed Browse FLNG project, citing the current market environment, have decided not to proceed with the development of the project.

<http://www.woodside.com.au/Investors-Media/announcements/Documents/23.03.16%20Browse%20Development%20Update.pdf>

Tirana, Albania (3/22) Albania Eagle LNG, a project that started in 2008, expects to proceed and be operational by 2020. (no-cost registration required)

<http://www.platts.com/news-feature/2016/naturalgas/global-gas/albanian-eagle-lng-gas>

London, U.K. (3/23) EDF Trading and Angola LNG entered into a 2-year agreement for the supply of LNG to “optimize the LNG through the European wholesale market.” (Note: Angola LNG restarted its facilities in Soyo, Angola in January 2016)

<http://www.edftrading.com/media/press-releases/angola-lng-and-edf-trading-enter-into-a-sales-agree>

Tokyo, Japan (3/24) In response to reports that Indonesia’s prime President Joko Widodo supports an onshore LNG processing plant for the Abadi LNG project, Tokyo-based Inpex announced that it will reevaluate its options when it receives official confirmation.

<http://www.inpex.co.jp/english/news/pdf/2016/e20160324.pdf>

Kuwait City, Kuwait (3/24) The Kuwait National Petroleum Co. has entered into a \$2.9 million agreement for the construction of a new LNG import facility

<http://www.hyundaimotorgroup.com/MediaCenter/News/Press-Releases/hec-Press-release-160324.hub#.Vv1ckfkrJpg>

Tokyo, Japan (3/25) The Tokyo Gas Company announced its plans to build an additional LNG storage facility at the Sodegaura terminal on Tokyo Bay (pages 3-4). http://www.tokyo-gas.co.jp/Press_e/20160325-02e.pdf

Moscow, Russia (3/28) According to Russia’s Tass Jordan and Gazprom are in discussions for the sale of LNG to the kingdom.

<http://tass.ru/en/economy/865472>

Paris, France (3/29) Gazprom Chairman Alexei Miller led a delegation which met with France’s Economic Minister to review cooperation in the natural gas sector.

<http://www.gazprom.com/press/news/2016/march/article270133/?from=rss>

Brussels, Belgium (3/29) Fluxys and Gazprom have signed a cooperation agreement for the development of small-scale LNG terminals, fueling stations and bunkering facilities in Europe.

http://www.fluxys.com/group/en/NewsAndPress/2016/160329_GazpromSmallScaleLNG

Paris, France (3/29) Paris-based Bourbon acquired Danish Evergas a company that owns and operates LNG & multigas carriers.

<http://www.bourbonoffshore.com/en/bourbon-service-customers-new-focus-energy-transition-investing-gas-sector>

New Delhi, India (3/30) In India, the reduction in global prices led to a 19% increase in natural gas (LNG) imports compared to a year ago (Feb. 2016 v. Feb. 2015).

<http://economictimes.indiatimes.com/industry/energy/oil-gas/gas-consumption-up-19-in-february-on-falling-lng-prices/articleshow/51608003.cms>

La Défence, France (3/30) Engie announced that it will invest up to € 100 to develop CNG and LNG fueling infrastructure in Europe by 2020.

<http://www.engie.com/en/journalists/press-releases/green-mobility/>

Analysis-Opinion-OTHER

Vancouver, BC (3/2) “LNG is real, it's here, it's clean - so let's get on with saying yes” Opinion by Barinder Rasode at [Vancitybuzz](http://www.vancitybuzz.com/2016/03/lng-british-columbia/).

<http://www.vancitybuzz.com/2016/03/lng-british-columbia/>

Washington, D.C. (3/4) A report from the United States Department of Energy concludes that U.S. LNG export projects face market uncertainties.

<https://www.eia.gov/todayinenergy/detail.cfm?id=25232>

Charlotte, NC (3/12) “Why Wall Street is Dead Wrong About Cheniere Energy” an opinion piece originally posted in [The Motley Fool](http://www.mysanantonio.com/business/fool/article/Why-Wall-Street-is-Dead-Wrong-About-Cheniere-6886363.php), by Luke Neely.

<http://www.mysanantonio.com/business/fool/article/Why-Wall-Street-is-Dead-Wrong-About-Cheniere-6886363.php>

Doha, Qatar (3/20) “Lower LNG costs to help Qatar stay profitable: “ (BMI= London-based BMI Research).

Article discusses how despite projected reductions in contract volumes and competition from Australia Qatar is expected to remain profitable. By Pratap John of [Gulf Times](http://www.gulf-times.com/story/485271/Lower-LNG-costs-to-help-Qatar-stay-profitable-BMI). <http://www.gulf-times.com/story/485271/Lower-LNG-costs-to-help-Qatar-stay-profitable-BMI>

Singapore (3/29) The lack of demand in the usual markets in Asia (Korea, Japan, etc.) and South America has resulted in the rerouting of U.S. and Australian LNG to South Asia and the Middle East.

<http://www.platts.com/latest-news/natural-gas/singapore/lng-from-new-us-and-australia-projects-head-to-27403453>

Toronto, ON (3/29) “Why Canadian LNG projects are inching forward despite low prices, sagging interest” analysis by Yadullah Hussain at the [Financial Post](http://business.financialpost.com/news/energy/how-canadian-lng-projects-are-inching-forward-despite-low-prices?lsa=7dbc-6f25). <http://business.financialpost.com/news/energy/how-canadian-lng-projects-are-inching-forward-despite-low-prices?lsa=7dbc-6f25>

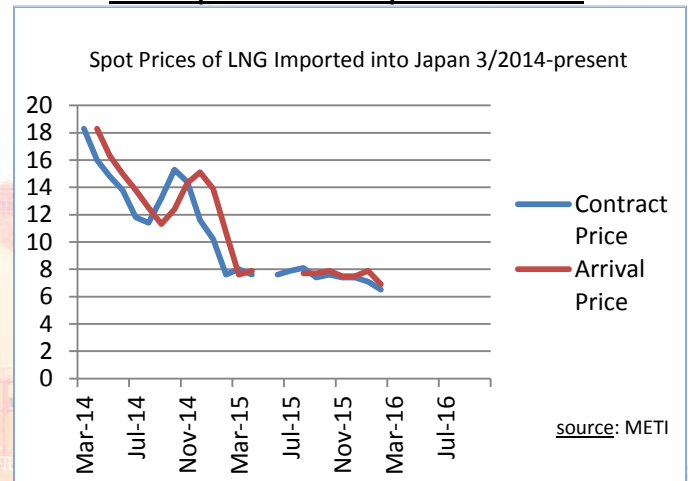
Singapore (3/30) Ahead of the FLNG World Congress, which will take place in Singapore on 28-29 June 2016, Conn Fagan, VP for Business Development at DNV-GL talks about FLNG-related safety considerations (registration required)

http://www.fpsonetwork.com/flng/videos/the-biggest-safety-considerations-for-flng/?utm_source=email&utm_medium=internalemail&utm_campaign=FLNG+NL+4&utm_term=1&utm_content=1&mac=1-28376456817&disc=

Washington, D.C. (3/31) “Australia's Gorgon, one of the world's largest LNG terminals, ships first cargo” Analysis of Australia’s LNG export capacity by the US DOE.

<http://www.eia.gov/todayinenergy/detail.cfm?id=25612&src>

LNG Import Prices in Japan. 2014-2016



Links to some entities mentioned in this issue

| | |
|--------------------|---|
| Cameron LNG | http://cameronlng.com/ |
| EDF Trading | http://www.edftrading.com/ |
| Inpex | http://www.inpex.co.jp/english/ |
| Kosmos energy | http://www.kosmosenergy.com/ |
| Skangas | http://www.skangas.com/ |
| Veresen | http://www.vereseninc.com/ |
| Woodfibre LNG | http://www.woodfibrelng.ca/ |
| Woodside Petroleum | http://www.woodside.com.au |
| Bourbon | http://www.bourbonoffshore.com/en |
| Evergas | http://evergas.net/ |
| Engie | http://www.engie.com/en/ |
| Texas LNG | http://www.txlng.com/ |