

# News Briefs

## Milford Haven strike called off

Strike action at UK's Milford Haven terminals has been called off, the Milford Haven Port Authority (MHPA) confirmed on Tuesday.

The decision came a week before the end of the 28-day consultation period, in which trade union Unite agreed to suspend planned industrial action to discuss details of the offer MHPA tabled on 22 February.

MHPA said Unite members will be accepting new offers and will not be reissuing any further industrial action notices that could hamper LNG imports into the two terminals at Milford Haven.

South Hook Gas, the commercial entity responsible for marketing gas from the South Hook terminal, was set to do a deal with one or more of the Isle of Grain terminal capacity holders to divert cargoes if a strike were underway. Negotiations were called off after the strike was cancelled, a source close to the South Hook terminal told ICIS Heren.

The cancellation will allow the completion of phase two commissioning at the South Hook terminal, with market sources suggesting the 7.8 million tonnes per annum (mtpa) second phase would go live on 1 April. (ICIS Heren)

## GDF SUEZ commissions Neptune terminal

GDF SUEZ started commissioning on its 750 million cubic feet/day Neptune regasification terminal offshore New England this week, the president and CEO of GDF SUEZ North America told ICIS Heren on Tuesday.

The vessel GDF SUEZ Neptune delivered the cargo, which was sourced from the company's Trinidad & Tobago production portfolio.

Neptune LNG is targeted to supply the premium Boston market and complements the 1 billion cubic feet/day Everett onshore terminal, which has no physical space available for expansion. (ICIS Heren)

## PGNiG agrees regasification contract with Polskie LNG

Polish gas incumbent PGNiG has finalised a 20-year regasification services contract with Polskie LNG, the owner-operator of Poland's planned LNG terminal at Świnoujście, PGNiG said on Thursday.

The contract will come into force on 1 July 2014, and will entitle PGNiG to receive up to 10 LNG cargoes per year.

According to current data, the estimated value of the contract is zlotych 13bn (\$4.5bn), PGNiG said in its statement.

Last year, PGNiG signed a long-term deal with Qatargas to receive 1.5 billion cubic metres (1.5Gm<sup>3</sup>)/year for 20 years, commencing in 2014.

The gas incumbent has also previously stated that it already has plans to purchase gas on the spot market, as well as from its Qatari contract.

This indicates that PGNiG still might need to sign another regasification services agreement with the terminal operator.

The Świnoujście terminal is being planned to accept 5Gm<sup>3</sup>/year, although this could be expanded up to 7.5Gm<sup>3</sup>/year, if there is demand for this. (ICIS Heren)

## Lake Charles completes \$430m upgrade

Liquid extraction technology has been installed at the Lake Charles LNG terminal in Louisiana, terminal operator Southern Union confirmed on Monday.

The terminal operator also installed four ambient air vaporisation units as part of the Trunkline LNG Infrastructure Enhancement Project (IEP), Southern Union said.

The IEP cost approximately \$430m, excluding capitalised interest, and is expected to generate operating income in the range of \$55m to \$60m per year.

The Lake Charles terminal is fully contracted to BG Group to 2030. The liquid extraction technology is understood to be used primarily for cargoes delivered from Nigeria. (ICIS Heren)

## Port authority signs Florida terminal deal

Florida's Manatee County Port Authority (MCPA) has signed a \$30m contract allowing the Port Dolphin project to be developed, MCPA said in a statement on Thursday.

Port Dolphin LNG would pay MCPA \$16 million in cash and assets in the first five years of the agreement, followed by about \$15m over the remainder of the agreement.

Höegh LNG's proposed 1.2bcf/day (12.4 billion cubic metres/year) Port Dolphin LNG would comprise two submerged unloading and mooring buoys, located 45km off Tampa Bay. Each buoy is designed to berth one LNG vessel with onboard regasification equipment.

Final investment decision is due for the terminal by Q4 2010, subject to capacity contracts being signed. Construction of the project is expected to begin in 2012, with completion in 2013. (ICIS Heren)

## Trinidad & Tobago reaffirms supply commitments

Trinidad & Tobago will meet all its long-term LNG supply commitments, a government official said this week at the World LNG Americas Summit in San Antonio, Texas.

"Having ramped up production from 3 to 15 mtpa in six years created certain reserves concerns," Marleen Lord-Lewis, vice president for business development at the National Energy Corporation of Trinidad & Tobago said. Lord-Lewis added, measures are being taken to ensure the Atlantic LNG contracts, which mainly supply BP, BG and Repsol, are honoured until their expiration in 2019-23. One way is by encouraging new exploration and production activity under a new fiscal regime. In parallel, Atlantic LNG is due to carry out de-bottleneck-

ing work and efficiency improvements, she said.

In September 2009, independent energy consultant Ryder Scott estimated the country's reserves at 15.37 trillion cubic feet (tcf).

T&T's proposed Train X has been effectively shelved until T&T and Venezuela finalise negotiations on sharing of the Lorán/Manatee offshore field, estimated to hold about 10 tcf of gas, ICIS Heren understands. In addition, new sources of feedstock gas must be developed to back up the Train X, as most of Lorán/Manatee's reserves are located in Venezuelan waters. (ICIS Heren)

## Gazprom signs ONGC Yamal deal

Russian incumbent Gazprom has signed a supplement to its memorandum of understanding (MoU) with India's Oil and Natural Gas Corp. for possible development of an integrated LNG project in Russia's Yamal Peninsula.

The agreement was signed in New Delhi by committee deputy chairman Alexander Medvedev and ONGC Videsh managing director Ranbir Singh Butola, Gazprom announced last Friday.

The supplement expands a 2005 MoU between the companies that covers refining, petrochemicals and underground gas storage (UGS). (ICIS Heren)

## Malaysia's January exports steady

Exports of LNG from Malaysia climbed to 2.21m tonnes in January, up from 2.15m tonnes in December, trade statistics indicated on Monday.

Average prices for material sold in January were stable from December at \$8.97/MMBtu.

Japan was the biggest importer of LNG in the month, purchasing 1.39m tonnes at an average \$9.93/MMBtu. This was followed by South Korea, which imported 585,846 tonnes of LNG at \$7.12/MMBtu. Taiwan and China bought 175,327 tonnes and 61,274 tonnes of LNG at \$8.78/MMBtu and \$5.51/MMBtu, respectively. (ICIS Heren)

## Nord Stream completes first-phase financing

The Gazprom-led consortium developing the Nord Stream pipeline reached financial close on the €3.9bn (\$5.3bn) loan package backing the first phase of the project on Tuesday.

The 27.5 billion cubic metre first phase, will stretch from Vyborg, Russia under the Baltic Sea, to Greifswald, in Germany, due to cost, and is expected to be completed by 2011.

Supplies underlying the first phase of the pipeline have been fully contracted by several companies, including Denmark's DONG Energy and German utilities Wings and E.ON Ruhrgas.

A second phase of equal capacity, which has yet to be fully contracted by buyers, is to be completed by November 2012. (ICIS Heren)