

LNG Daily

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Argentina not considering third tender: source

Buenos Aires—Enarsa is not planning to hold a third tender for 2012 LNG supplies, even after coming up short in delivery commitments in two previous tenders, a company source said Monday.

Argentine state energy company Enarsa, which handles the country's LNG imports, awarded 56 cargoes, of 138,000 cubic meters (equivalent to 3 Bcf of gas) each, in two tenders late last year, with deliveries scheduled to start this month. That was less than the 80 cargoes the company originally sought.

Enarsa turned down more than half the offers in the first tender because prices were too high. Most offers in the second tender came in at the company's cutoff price of less than Henry Hub plus a premium of \$13/MMBtu, or \$15.87/MMBtu at current levels. That would be in line with the highest price it paid in 2011 to import about 55 cargoes.

The shortfall for this year, however, led to speculation that Enarsa could hold a third tender to secure the remaining 23 or 24 cargoes still needed to fill the total of 80, with at least one trader mentioning the possibility.

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India eyes investment in Mozambican LNG

Mumbai—India's Bharat Petroleum Corp. Ltd, has decided to invest \$2 billion-\$2.5 billion over the next five years, Finance Director S. Varadarajan told Platts in an interview.

Most of that would go into Mozambican and Brazilian projects, where discoveries have shown good reserve potential, Varadarajan said.

While state-owned refiner BPCL continues to look at acquisition opportunities in the upstream sector, the company for now would like to reserve its cash for those developments, he said.

"The last estimates we have had from Mozambique have almost doubled to 30 Tcf from 15 Tcf of gas," Varadarajan said. "So we have decided to accept the advance commitments asked for by the partner."

BPCL subsidiary Bharat Petro Resources has a 10% stake in the offshore Area 1 in Mozambique's Rovuma Basin, Indian private company Videocon another 10% through its subsidiary Videocon Mozambique Rovuma 1, Cove Energy Mozambique Rovuma Offshore has 8.5%, and Mitsui E&P Mozambique hold 8.5%.

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JKM softens 5 cents on lackluster demand

THE MARKET

Singapore—Platts' February Japan Korea Marker softened 5 cents to \$15.45/MMBtu Monday, amid tepid demand for the period. Japan, the world's largest LNG buyer, was on holiday Monday.

The best notional bid for February was in the low \$15s/MMBtu for February, and the best reported offer was in the high \$15s/MMBtu.

A North Asian utility source said he would bid in the low \$15s/MMBtu for a February cargo, adding that sellers were still offering cargoes in the high \$15s/MMBtu.

"We don't have too much demand at the moment," the utility source said. "Everything could change if January and February temperatures decrease enough."

He was waiting for prices to fall further.

"For the spring season, the demand should decrease in the Far East, so I think the price will decrease further," he said.

Another utility source said, "I have quite healthy storage levels at the

(continued on page 2)

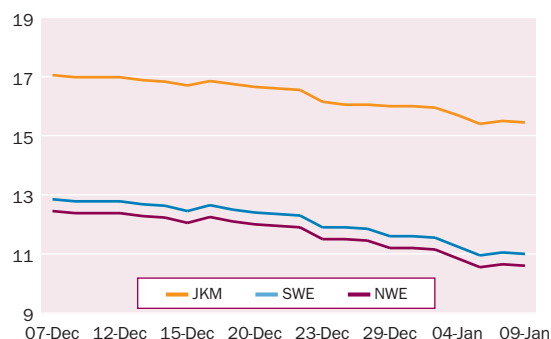
Platts daily LNG markers (\$/MMBtu)

January 9, 2012	Change
DES Japan/Korea Marker (JKM)	
JKM (Feb)	15.450 -0.050 ▼
H1 Feb	15.400 -0.050 ▼
H2 Feb	15.500 -0.050 ▼
H1 Mar	15.550 -0.050 ▼
DES Southwest Europe Marker (SWE)	
SWE (Feb)	11.000 -0.050 ▼
H1 Feb	10.950 -0.050 ▼
H2 Feb	11.050 -0.050 ▼
H1 Mar	11.100 -0.050 ▼
DES Northwest Europe Marker (NWE)	
NWE (Feb)	10.600 -0.050 ▼
H1 Feb	10.550 -0.050 ▼
H2 Feb	10.650 -0.050 ▼
H1 Mar	10.700 -0.050 ▼
FOB Middle East	
FOB Middle East	12.650 0.050 ▲
DES West India	
DES West India (Feb)	13.400 0.000 —
FOB Australia	
FOB Australia (netback)	13.830 -0.050 ▼

Shipping rates: Jan 09, 2012

Asia Pacific Day Rate (\$/day)	147,000
Atlantic Day Rate (\$/day)	145,000
PLF1 Middle East Japan/Korea (\$/MMBtu)	2.65
PLF2 Middle East NWE (\$/MMBtu)	2.83
PLF3 Trinidad NWE (\$/MMBtu)	1.56

Global price comparisons (\$/MMBtu)



Source: Platts

JKM softens 5 cents on lackluster demand

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moment, and would only take something in February or March that is distressed, or which needs to find a home in the near future.”

The market seemed very quiet, with sellers trying to place volumes, he said.

“I am taking a back seat for the moment,” he added. “We’ve seen a bit of availability, but prices would have to come down more before we would consider buying.”

Platts February DES West India was stable at \$13.40/MMBtu.

“We are looking to purchase a March cargo around the mid-\$13s,” a West Asian utility source said.

Sellers were marketing cargoes into India, but offers were not yet firm, he said.

UK National Balancing Point February gas hub futures were higher at 54.20 pence/therm (\$8.363/MMBtu) at 0830 GMT Monday, gaining 1.3 p/therm and \$0.164/MMBtu from the same time Friday. That put the JKM at a premium of \$7.087/MMBtu to the NBP.

Platts’ FOB Middle East was up to \$12.65/MMBtu Monday for a cargo loading February 13, after subtracting \$0.78/MMBtu from the DES West India assessment for the freight cost and adding \$0.01/MMBtu for the one-day contango for a cargo loading 25-45 days out and a median delivery date of February 16 into West India.

The Asia Pacific Day Rate was stable at \$147,000/d Monday. — *Max Gostelow*

European prices lose 5 cents

THE MARKET

London—European prices lost 5 cents Monday, as appetite for spot LNG continued to wane and dragged prices lower.

The Platts North West Europe marker for February slipped to \$10.600/MMBtu and the South West Europe marker for the same month declined to \$11.00/MMBtu.

The February JKM softened 5 cents to \$15.45/MMBtu, as demand for spot cargoes remained low and a holiday Monday in Japan compounded the situation.

The European market was still quiet, although there was talk that Turkey and Greece have been looking for some LNG.

Given the recent downtrend of the UK onshore gas price, some buyers thought they could bargain cheaper prices for LNG, a trader said. Turkey was believed to be trying to secure supply at the UK National Balancing Point price plus \$1/MMBtu, and Greece was said to be paying more than \$10.00/MMBtu for its LNG.

The NBP hub price for February closed Monday at \$8.451,

\$2.149/MMBtu less than the NWE marker. Most companies that need additional gas supply would probably prefer to buy at the onshore hub, rather than pay more for a spot cargo of LNG in competition with Asia.

With the freight cost from Belgium to Japan indicated at about \$4.85/MMBtu, a buyer in Northwest Europe would probably have to pay about \$10.600/MMBtu to prevent a spot cargo from being sent to Asia. Qatar regularly sends LNG to the UK, although those shipments are likely to be under long-term contracts, which are priced at about 95% of NBP, working out to \$8.03/MMBtu Monday.

Milford Haven port data listed only one Qatari tanker, the Al Nuaman, scheduled to arrive in the UK in upcoming days, January 12 at South Hook.

The Zeebrugge terminal in Belgium has no spare berthing slots advertised. Reports that Iran has threatened to shut the Strait of Hormuz, a passageway between the Gulf of Oman and the Persian Gulf that is a critical shipping route for oil, could also impact on Qatari LNG exports.

The impact of any Strait of Hormuz shutdown, which would cut off Qatar’s LNG supply, would be “huge,” although it is unlikely to happen, a source said, adding that LNG volumes to the Far East would suffer the most as a consequence of a possible blockade. — *Geraldine Anderson*

Some predict \$2 US gas as January forecasts warm

Washington—While meteorologists still disagree about how mild this winter would be in the US, the consensus outlook for January is shifting toward above-average temperatures, suggesting that New York Mercantile Exchange gas prices may continue to fall, possibly to about \$2/MMBtu, several analysts said last week.

The winter outlook is still challenging for meteorologists to predict because the appearance of a so-called blocking pattern remains an unknown, and the original forecasts for a frigid start to winter did not materialize.

The blocking pattern is a ridge of high pressure over Greenland and the Arctic, persisting for a considerable length of time and forcing the jet stream off its path, thus causing freezing conditions farther south.

Commodity Weather Group said in its outlook for the balance of winter that its confidence for the January forecast remains low.

“The odds of a warmer outcome are still greater than a cold one due to the current lack of major blocking and the variable/warm Pacific flow dominance,” the firm wrote in a research note last month.

Reported North Asian bids, offers and trades (\$/MMBtu)

Date	Buyer	Destination	Seller	Source	Basis	Delivery period	Confirmed	Notes
Best Bids/Offers							Bid/Offer	
1/9/2012	Utility	N. Asia			DES	February	low 15s bid	Yes Notional
1/9/2012		N. Asia	Trader		DES	February	high 15s offer	
1/9/2012		N. Asia	Trader		DES	H2 March	mid 15s offer	
1/9/2012	Utility	W. Asia			DES	March	low 13s bid	Yes
Last 5 trades							Price	
late Dec	Utility	W. Asia	International producer		DES	H1 February	low 14	Yes
early Dec	Utility	W. Asia			DES	H1 January	around 14	Yes
early Dec	Utility	W. Asia			DES	H1 January	around 14.20	
end Nov	Utility	N. Asia		Middle East	DES	H1 February	around mid 17	Yes
end Nov	Utility	N. Asia			DES	H1 February	below mid 17	Yes

Asia/Middle East (\$/MMBtu)

DES Japan/Korea Marker (JKM)

JKM (Feb)	15.450
Asian Dated Brent	21.43
JKM vs. Henry Hub futures	12.422
JKM vs. NBP futures	7.087
JKM vs. Asian Dated Brent	-5.976
JKM vs. SWE	4.450
JKM vs. NWE	4.850

FOB Middle East

FOB Middle East	12.650
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DES West India

DES West India (Feb)	13.400
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FOB Australia (netback)

JKM	15.450
(-) Freight	1.62
FOB Australia	13.83

Key gas price benchmarks

Japan JCC LNG (Oct)	16.57	Final
Japan JCC LNG (Nov)	16.93	Estimated

Competing fuel prices

JCC crude oil (Oct) (\$/b)	110.90	Final
JCC crude oil (Nov) (\$/b)	109.36	Estimated
HSFO 3.5% sulfur 180 CST FOB Singapore	17.40	
Qinhuangdao coal	5.14	
Minas crude oil	22.782	
Naphtha CFR Japan	23.177	

Shipping Calculator

	Australia-Japan/Korea	Middle East-India
Ship size (mt)	64000	64000
Trip length (days)	8	3
Carrier Day Rate (\$/day)	147,000	147,000
Day rate cost (\$/MMBtu)	0.82	0.36
Boil-off cost	0.51	0.32
Bunker fuel ex-wharf 380 CST (\$/mt)	771.50	711.50
Fuel oil cost (\$/MMBtu)	0.29	0.10
Cost of voyage (\$/MMBtu)	1.61	0.78

Europe (\$/MMBtu)

DES Southwest Europe Marker (SWE)

SWE (Feb)	11.000
Dated Brent	21.072
SWE vs. Henry Hub futures	8.006
SWE vs. NBP futures	2.549
SWE vs. Dated Brent	-10.072
SWE vs. NWE	0.400
SWE vs. JKM	-4.450

DES Northwest Europe Marker (NWE)

NWE (Feb)	10.600
Dated Brent	21.072
NWE vs. Henry Hub futures	7.606
NWE vs. NBP futures	2.149
NWE vs. Dated Brent	-10.472
NWE vs. SWE	-0.400
NWE vs. JKM	-4.850
NWE as a % of NBP	125.42
Competing fuel prices	
Northwest Europe fuel oil	16.63
ARA coal	4.59

North America (\$/MMBtu)

Competing fuel prices

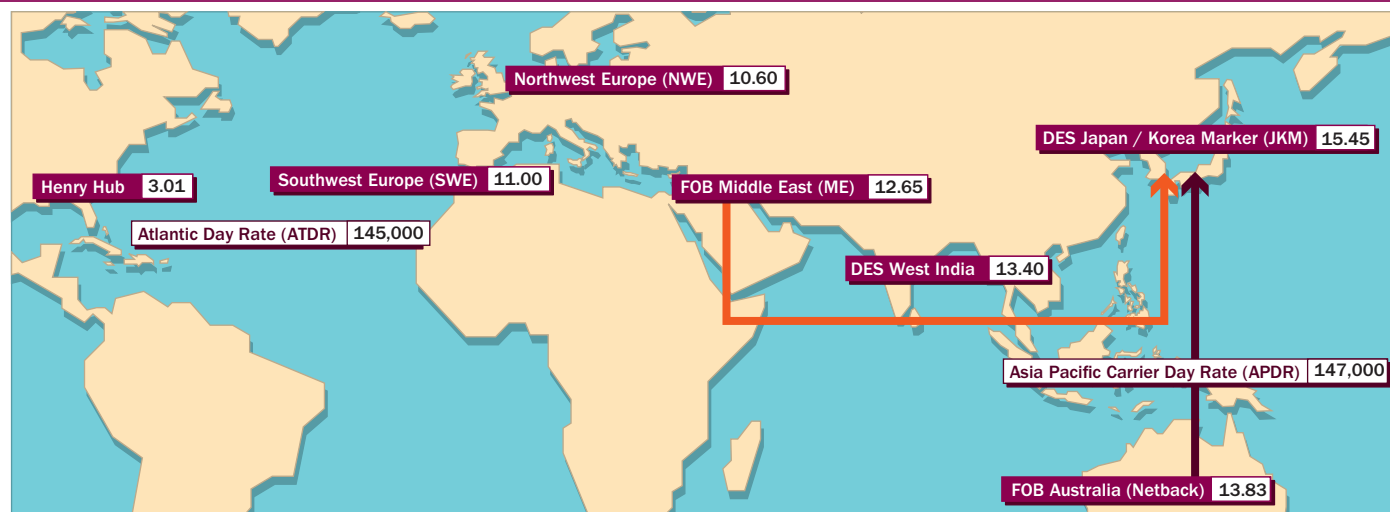
US Gulf Coast 3%S fuel oil	16.12
New York Harbor 1%S fuel oil	16.44

Futures (\$/MMBtu)

NYMEX HH Singapore close	(Feb)	3.028	(Mar)	3.069
ICE NBP Singapore close	(Feb)	8.363	(Mar)	8.317
NYMEX HH London close	(Feb)	2.994	(Mar)	3.037
ICE NBP London close	(Feb)	8.451	(Mar)	8.413
NYMEX HH US close	(Feb)	3.011	(Mar)	3.050

NOTES: Japan JCC value shows latest available CIF price published by the Ministry of Finance, converted to US dollars per MMBtu. All other values reflect Platts most recent one-month forward assessments for each product in each region, converted to US dollars per MMBtu. JKM Marker, SWE LNG and NWE LNG average the assessments of the two half-months comprising the first full month of forward delivery. Asian LNG assessments assessed at Singapore market close 0830 GMT, European LNG assessment assessed at London market close 1630 UK time. NYMEX Henry Hub futures and ICE NBP futures values taken at Singapore market close and London market close. ICE NBP futures converted from Pence/Therm to \$/MMBtu. Asian Dated Brent crude oil assessed at Asian market close 0830 GMT and converted from \$/barrel to \$/MMBtu. Detailed assessment methodology is found on www.platts.com.

Global Price Picture



Source: Platts

CWG said that, in light of the uncertainties, it is leaning toward a winter split between relatively warm and cold periods.

"At this point in the winter, it would be reasonable to believe that the prospects of ever getting a sustained cold pattern are fairly low," the firm wrote.

David Tolleris of Windsong Forecasts said January would be colder than December, but that does not necessarily mean the winter will be unusually cold overall.

"The original forecasts were for much below-average temperatures followed by some moderation," said a Washington-based broker. "The model has been inaccurate so far for the month of December."

If that pattern continues, it suggests that NYMEX prices could collapse to the \$2/MMBtu level, said some analysts.

"The non-starter of heating demand has made the NYMEX \$2 handle the new sugar plum vision for the season," said Gelber & Associates analyst Pax Saunders.

Kilduff Report analyst Mike Fitzpatrick agreed that \$2/MMBtu gas is a possibility, even in the heart of the heating season.

"Normal seasonal influences are not only absent; they are accompanied by an onerous supply overhang, relentlessly fed by overproduction from shale gas," he said. "Under these conditions, then, and with no significant drop in temperature forecast, weekly stock draws will probably come in well under historic norms."

So far, the gas contract has shown little ability to rally despite seasonal demand—even in the November-to-December period, when prices usually rise, the Washington-based broker said, adding that traders tend to be cautious about winter and hoard some supply. That is followed by a January selloff as the winter outlook becomes clearer.

"This year we have seen no seasonal rally, so how low can it be if we do get a January selloff?" the broker asked, adding that it "could be close to \$2/(MMBtu)."

A mild winter, with 4% below-normal heating degree days, could bring the Henry Hub price average to \$2.72/MMBtu by March and April, Stephen Smith Energy Associates said.

TFS Energy Futures trader Gene McGillian said that, similar to the December forecast, the January weather outlook "flipped back from below-normal to normal to above-normal temperatures."

Such a forecast is likely to keep gas prices below \$3/MMBtu, he added. — *Anastasia Gnezditskaia*

Freight route costs: January 9, 2012 (\$/MMBtu)

	Japan/ Korea	South China/ Taiwan	West India	South West Europe	North West Europe	North East US	Argentina
Middle East	2.65	2.34	0.78	2.41	2.83	3.42	3.34
Australia	1.62	1.46	1.66	3.64	4.07	4.25	3.40
Trinidad	5.67	5.34	3.78	1.58	1.56	0.85	1.85
Nigeria	4.28	3.81	2.77	1.56	1.69	1.90	1.84
Algeria	4.21	3.90	2.43	0.45	0.86	1.37	2.26
Belgium	4.82	4.35	2.87	0.73	-	1.24	2.56
Peru	3.56	4.01	4.31	3.62	3.73	3.44	1.58
Russia	NA	NA	NA	NA	NA	NA	NA

All values calculated based on prevailing spot market values during the day for LNG, bunker fuel and ship chartering. No route cost is calculated for Zeebrugge to NW Europe. Other routes appear blank on days when a public holiday in one or other location means underlying values are not published. Detailed assessment methodology, including assumed route times and underlying values, is found on www.platts.com

RasGas delivers first cargo to Taiwan under second SPA

Singapore—Ras Laffan Liquefied Natural Gas delivered its first cargo to CPC Thursday, under a new long-term sale-and-purchase agreement, RasGas said in a statement Sunday.

The LNG vessel Fuwairit delivered the cargo to the 7.44-million-mt/yr (equivalent to 952,000 Mcf/d of gas) Yung An LNG terminal in Kaohsiung, southern Taiwan.

The 138,000-cubic-meter (equivalent to 3 Bcf/d of gas) Fuwairit is on a long-term charter to RasGas.

Platts reported December 6 that RasGas 3 signed a 20-year agreement to supply and Taiwan's state-owned CPC with 1.5 million mt/yr, starting in 2013.

Incremental gas volumes might be supplied from 2012 to 2016, Mohammad al-Sada, Qatar's minister of industry and energy, said at the time.

The agreement was the second long-term LNG deal signed between Qatar's state-controlled RasGas and CPC.

CPC has an existing 25-year contract with RasGas for 3 million mt/yr delivered to the Taichung terminal.

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Houston

Michael Rieke, Ron Nissimov
Phone: +1 713-655-2215 or
+1 713-658-3257

Singapore

Hong Chou Hui, Chloe Hang,
Max Gostelow
Phone: +65 6530 6551

London

Alex Froyle, Geraldine Anderson
Phone: + 44 (0)20 7176 6119

Email: lng@platts.com

Editorial Director, EMEA Power

Sarah Cottle

Global Director, Power

Larry Foster

Director of Market Reporting

Jorge Montepeque

Vice President, Editorial

Dan Tanz

Platts President

Larry Neal

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To reach Platts

E-mail: support@platts.com

North America

Tel: 800-PLATTS-8 (toll-free)
+1-212-904-3070 (direct)

Latin America

Tel: +54-11-4804-1890

Europe & Middle East

Tel: +44-20-7176-6111

Asia Pacific

Tel: +65-6530-6430

Manager, Advertisement Sales

Kacey Comstock

Advertising

Tel: +1-720-548-5508

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"Our new long-term LNG SPA with CPC exhibits our commitment to the LNG industry and our long-term LNG customers in meeting their growing LNG and energy demand, and this delivery of our first cargo promptly following the execution of this new long-term agreement with CPC is a further testimony of Qatar and RasGas as being a safe and a reliable global LNG supplier," Khalid Sultan Al-Kuwari, marketing and shipping executive at RasGas, said.

RasGas 3, a unit of RasGas, is a joint venture between Qatar Petroleum (70%) and ExxonMobil (30%). It owns LNG mega-trains 6 and 7, each with production capacity of 7.8 million mt/yr.

Qatar is the world's largest LNG producer, with total capacity of 77 million mt/yr, supplied by Qatargas and RasGas. The latter accounts for about 36 million mt/yr from seven trains. — *Chloe Hang*

Statoil makes major Barents Sea find

Copenhagen—Statoil has made a "substantial" new oil and gas discovery at the Havis prospect in the Barents Sea, the Norwegian company said Monday.

The discovery contains recoverable volumes of 200 million-300 million barrels of oil equivalent and has improved the economics of developing the equally significant nearby Skrugard discovery.

Operator Statoil said well 7220/7-1, drilled by the Aker Barents rig, has proved a 48-meter (157-foot) gas column and a 128-meter oil column. Havis lies about 7 km (4 miles) southwest of the huge Skrugard discovery, made in April last year.

"The provisional, updated total volume estimate for the Skrugard and Havis discoveries in PL532 is in the region of 400-600 million barrels of recoverable oil equivalents," Oslo-listed Statoil said in a statement.

Havis is inside PL532—the same production license as Skrugard—but Statoil said it forms an independent structure and there is no communication between the two discoveries.

However, analysts said the Havis find improves the economics justifying the massive infrastructure costs required to develop Skrugard, which lies in remote Arctic waters, 100 km north of the Snohvit field.

Statoil CEO Helge Lund indicated Monday that the Havis find was a watershed development for opening up the Barents Sea.

"Havis is our second high impact oil discovery in the Barents Sea in nine months," Lund said. "The discovery's volume and reservoir properties make it Skrugard's twin. Skrugard and Havis open up a new petroleum province in the North."

Statoil, which is 67% state-controlled, said the Skrugard discovery would provide the basis for independent development and, with the Havis volumes, the development project becomes even more robust.

"The Havis discovery boosts the development of Skrugard as a versatile new center with processing and transport capacity," said Statoil's Erik Strand Tellefsen, vice president for Skrugard development. "We are about to realize the Barents Sea as a core area on the Norwegian continental shelf."

Going forward, the partnership would drill an appraisal well in the Skrugard discovery and assess further upside potential in the license, Statoil said Monday.

The finds follow on the heels of the huge Aldous Major South and Avaldsnes discoveries made by Statoil and Lundin Petroleum last year. Those finds have now been determined to be linked and are regarded as one of the biggest discoveries in the history of Norwegian continental shelf exploration.

The Havis find firmed up the already positive investment

case for Statoil, Norwegian analyst Trond Omdal at Arctic Securities said.

Omdal, who has a buy recommendation on Statoil with a 12-month NOK200 (\$33.10) target price, said Havis added NOK 0.9-1.4 of extra value to the group's share price

"Assuming 500 Mboe total resources for the two discoveries would likely imply plateau production from the two fields above 100,000 b/d after 2020, with Statoil's share 50,000 boe/d giving further support to Statoil's 2020 production ambition of 2.5 million b/d," Omdal said in a research note after the announcement.

"The Havis and Skrugard discoveries along with the Aldous should continue to support a premium pricing for Statoil compared to European peers Eni and Total." — *Patrick McLoughlin*

Awilco LNG extends use of WilEnergy ship to 2013

London—Awilco LNG's old LNG vessel WilEnergy will now be employed until February 2013, after the charter party extended its agreement, the Norwegian company said Monday.

The 125,556-cubic-meter (equivalent to 2.7 Bcf of gas) ship was initially chartered for six months in November, with the option to extend it through to 2013. The ship is expected to start its new employment in February, after completion of its dry dock.

The estimated earnings before interest, tax, depreciation and amortization contribution for WilEnergy in 2012 is expected to be \$21.5 million, the company said.

The ship is one of three tankers owned and operated by Awilco LNG.

WilGas, WilPower and WilEnergy were built in the 1980s and therefore would command about \$70,000-\$80,000/d for a short-term charter, about half the amount of a modern tanker, sources said. Platts now assesses shipping day rates, for a modern tanker on a short-term charter, in the Atlantic Basin at \$145,000/d.

The tight shipping market has prompted a number of ship owners to reactivate old ships.

Norwegian shipping firm Golar LNG successfully reactivated the Gimi LNG ship, built in 1976, in August. Golar LNG said in November it also was considering bringing the Hilli ship, built in the 1970s, back into service. — *Geraldine Anderson*

T&T November LNG production down 21% on year

Austin, Texas—Trinidad-based gas liquefaction complex Atlantic LNG produced 2.3 million cubic meters of LNG (equivalent to 49.5 Bcf of gas) in November, down 21% on the year, Trinidad and Tobago's Energy Ministry said Monday.

LNG sales and deliveries from ALNG totaled 55.1 million MMBtu in November, down 18% from 67.0 million MMBtu in November 2010.

November production for each of the Point Fortin-based facility's four trains was: train 1, 644,406 cu m; train 2, 500,931 cu m; train 3, 617,518 cu m; and train 4, 578,853 cu m.

By train, LNG sales and deliveries were: train 1, 12.1 million MMBtu; train 2, 13.7 million MMBtu; train 3, 13.6 million MMBtu; and train 4, 15.8 million MMBtu, with train 4 also covering LNG redeliveries to owners of input gas.

ALNG's four trains are owned separately, but a joint operating agreement among owners allows them to be run in combination. The shareholders are BP, BG, Repsol YPF, GDF

Suez and the National Gas Co. of Trinidad and Tobago.

November natural gas liquids sales and deliveries from ALNG were 559,641 barrels, down 25%.

Trinidad-based Phoenix Park Gas Processors produced 1.2 million barrels of NGLs, and NGL exports were 1.2 million barrels, the ministry's report said.

Gas production down

The seven gas producers operating in Trinidad and Tobago produced an average 3.9 Bcf/d, down 7% on the year. Gas production for each company was: BP Trinidad and Tobago, 2.1 Bcf/d; T&T state-owned oil Petrotrin, 5,000 Mcf/d; Petrotrin subsidiary Trinmar, 13,000 Mcf/d; Houston-based EOG Resources, 433,000 Mcf/d; the UK's BG, 936,000 Mcf/d; Australian firm BHP Billiton, 402,290 Mcf/d; and Spain's Repsol, 23,000 Mcf/d.

Natural gas utilization in September totaled 3.5 Bcf/d, including 1.9 Bcf/d by the LNG sector, 564,000 Mcf/d for ammonia manufacturing, 566,000 Mcf/d for methanol manufacturing, 305,000 Mcf/d for power generation, and 81,000 Mcf/d for iron and steel manufacturing. — *Laura Brooks*

Lebanon to invite offshore gas tenders within months: minister

Beirut—Lebanon aims to invite tenders to explore for offshore gas within three months, the energy minister said Sunday, downplaying the risk of conflict with Israel, despite a dispute over the maritime border, AFP reported.

"Our target is to begin within three months," Energy Minister Gebran Bassil said. "We now have everything required for an oil company to have enough information to begin its activities, and we are on the right track to start offshore drilling."

Lebanon hopes to have exploration contracts with international companies signed and sealed by the end of the year, Bassil said, adding that European, US, Chinese and Russian firms already have shown serious interest in drilling off Lebanon's coast.

"Every big oil company has begun initial talks to explore offshore drilling and bought data to that end," he said.

Bassil played down the risk of conflict with Israel over potential reserves, despite a longstanding dispute over the maritime boundary between the two neighbors, which remain technically in a state of war.

"We are working on making potential drilling a factor of stability, not a factor of conflict or instability," Bassil said.

"I believe that Israel has no interest in threatening our oil resources," he added. "It has resources itself. It's a balance of power, and Lebanon now has enough power to protect its own resources."

Lebanon's Hezbollah-dominated cabinet Wednesday endorsed plans to implement legislation that would clear the way for offshore oil and gas exploration.

In August, parliament passed a law setting Lebanon's maritime boundary and exclusive economic zone.

Lebanon has also submitted to the United Nations a maritime map that conflicts significantly with one proposed by Israel.

Lebanon argues that its map is in line with an armistice accord drawn up in 1949, an agreement that is not contested by Israel.

The disputed zone comprises about 854 square km (330 square miles), and suspected energy reserves there could generate billions of dollars.

Lebanon has been slow to exploit its maritime resources compared with other eastern Mediterranean countries. Israel, Cyprus and Turkey are all much more advanced in drilling for oil and gas.

The Hezbollah-dominated government has warned that Lebanon would not give up its maritime rights and accuses Israel of violating its waters, territory and air space.

The Iranian-backed Shi'ite militant group fought a devastating war with Israel in 2006, causing much of Lebanon's infrastructure to be destroyed and killing more than 1,200 people in Lebanon, mainly civilians, and 160 Israelis, mainly soldiers. — *AFP*

Cyprus, Israel to start talks on gas-field borders: ministry

Jerusalem—A high-level delegation from Cyprus is due in Israel later this month to discuss borders of gas fields that straddle the two countries' exclusive economic zones, according to Israel's National Infrastructure Ministry.

The Cypriot delegation would be headed by Commerce, Industry and Trade Minister Praxoula Antoniadou, the ministry said Sunday.

The talks are important as Israel has awarded licenses adjacent to Cyprus' block 12. Last month, Noble Energy announced that block 12 had estimated gross gas reserves of 7 Tcf. The two countries are discussing a proposal to jointly develop fields that straddle the zones.

In December, 2010 Israel and Cyprus signed an agreement demarcating their maritime borders. Under that agreement, the two countries mutually recognize the economic waters of the other. Israeli officials said that effectively means Cyprus recognized Israel's control over the Tamar and Leviathan fields south of the maritime border, and that they are entirely within the Israeli zone.

Gas in block 12, where Noble Energy and its Israeli partners—Delek Drilling and Avner Oil and Gas—are drilling, may be partially inside Israeli territory, Israeli energy sources said, adding that the Pelagic licenses—which are controlled by Israeli businessmen Teddy Sagi and Benny Steinmetz, as well as the Israel Opportunity Fund and Norway's AGR—and are adjacent to block 12 and the huge Leviathan field.

Israel and Cyprus have been holding talks on possible joint exports of gas, including setting up a liquefaction plant in Vasilikos, along the southern coast of Cyprus. Commercial gas production in Cyprus is not likely to begin for three to four years.

Cyprus is waiting for Israel to decide on its export policy. An Israeli government committee was appointed in October to make recommendations on exports. It is due to issue its report in February, and then the government would decide. — *Neal Sandler*

Israel's Dalia Power Energies signs Tamar gas deal

Jerusalem—The Tamar consortium has signed an agreement to supply Dalia Power Energies with 1.38 billion cubic meters/yr (133,000 Mcf/d) of gas, Delek Energy said Monday.

The contract is for 17 years and worth more than \$5 billion. Gas deliveries are due to begin in late 2014 or early 2015. The deal was signed Sunday. The consortium comprises Noble Energy, Delek Drilling, Avner Oil and Gas, Isramco and Alon Gas Exploration.

Dalia Power Energies is building an 870-MW combined-cycle power plant in Tzafit, in the northern Negev region.

"The agreement will enable us to complete the financing agreement for the project," said Arik Reichman, chairman of Dalia Power Energies.

The power plant is due to be completed in late 2014. It is the second major agreement to be signed by the Tamar consortium. In late December, the consortium agreed to supply Israel Electric Corp. with 3 Bcm/yr, with an option to increase volumes to 5 Bcm.

The 15-year agreement is valued at \$8 billion. The volume increase to 5 Bcm/yr depends on opening of a second pipeline and receiving stations planned for Ashkelon, which is scheduled to come online in 2015.

But Israel's Energy and Water Ministry is pressing the Tamar partners to speed the timetable for the receiving station and complete it by the end of 2013. Commercial production at the Tamar field, located off Israel's northern Mediterranean Coast, is due to begin in the second quarter of 2013.

The agreement is very significant as it is the first with a private power company and would open the door for additional contracts with other players in the sector, Israeli energy industry sources said.

Talks are under way with Oil Refineries, Paz Fuel, Neshor Cement Works and American Israel Paper, sources added.

Dalia Power Energies is owned by Israel's kibbutz movement, Hiram-Epsilon, Sigma Epsilon and the Israel Infrastructure Fund.

The price for the IEC deal is estimated at \$5.20-\$5.30/MMBtu. Israeli energy industry sources estimated that Dalia Power Energies would be pay slightly more. — *Neal Sandler*

Israeli navy to protect offshore infrastructure: sources

Jerusalem—The Israel Navy has been put in charge of protecting rigs and natural gas infrastructure located off the country's Mediterranean Coast, Israeli government sources said Monday.

The navy's fleet of missile boats will be responsible for security of quickly expanding gas infrastructure, they said, adding that the navy plans to buy two additional missile boats to meet the growing demand of protecting the offshore gas industry.

The sources added that the greatest concern is from missile attacks by Hezbollah, the Lebanese Shi'ite organization, which has close ties to Iran and is armed with medium-range missiles.

Palestinian organizations are also considered potential threats. The rigs are viewed as fairly easy targets and therefore the need to step up security, sources said.

Exploration companies are responsible for security on the rigs, and they hire local private security firms, the sources said.

While the private security firms would be able to prevent takeover of a rig, they may not be able to deal with a missile or terror attack directed at the site, the sources added.

Meanwhile, in addition to the navy, the Israeli Air Force is expanding its protection of infrastructure.

Rigs in the Yam Thetis, Leviathan and Tamar fields are located in Israel's economic waters, and in the coming years drilling is expected to increase sharply as several groups are due to begin exploration activities. — *Neal Sandler*

Jordan, Qatar name technical team to explore LNG deal

Dubai—Jordan and Qatar have jointly formed a technical committee to work out how the desert kingdom could receive gas supplies from the Persian Gulf exporter, reducing its

dependence on Egyptian gas.

Jordanian Minister of Energy and Natural Resources Qutaybe Abu-Qura told the kingdom's official Petra news agency last week that he had agreed with Qatari Minister of Industry and Energy Mohammad al-Sada to form the task force, which would examine prospects for supplying Qatari LNG to Jordan via the port of Aqaba on Jordan's Red Sea coast.

Aqaba does not now have LNG receiving and regasification facilities, which would have to be built, along with other infrastructure such as gas storage facilities and pipelines, Abu-Qura noted. Before leaving Monday for Doha, the Jordanian minister told Petra he would also discuss with Sada a plan to build a power plant in Aqaba that could be fueled by gas from Qatar.

"Abu Qura highlighted the importance of the project in supplying the kingdom with Qatari gas in parallel with the gas supplied by Egypt," the news agency reported.

Jordan, which imports almost all its fossil fuel requirements, now relies on Egypt for a contracted 250,000 Mcf/d of gas, under a long-term agreement signed in 2001. Recently, however, those supplies have been disrupted 11 times in as many months by sabotage attacks on the pipeline that moves the gas through northern Sinai.

The pipeline has become a magnet for saboteurs since Egypt's January 2011 revolution, due to a branch line that delivers Egyptian gas to Israel. Gas supply disruptions have cost Jordan about \$4 million/d in added power generation costs, as the country has been forced to import more expensive fuels, such as diesel and fuel oil to make up for the shortfall, Petra said.

Until the attacks on the pipeline started, Egyptian gas fueled about 80% of Jordan's power generation.

Jordan and Egypt signed an amended pricing agreement for the gas supply in December, after the two countries' cabinets approved a price increase. — *Tamsin Carlisle, Sherif Elhelwa*

Dubai launches solar park; aims for 1% solar power by 2020

Dubai—Dubai's Supreme Council of Energy launched the emirate's first utility-scale solar research park Monday, aiming to develop 1,000 MW of installed solar power capacity by 2030.

The Mohammed bin Rashid Al Maktoum Solar Park, named after Dubai's ruler, will use the latest solar power generation technology available in international markets, the government of Dubai and SCE said in a joint statement.

The research park will contribute to Dubai Integrated Energy Strategy 2030, a policy platform announced in 2011 and aimed at diversifying the emirate's power supply.

The park's first project will involve installing photovoltaic cells with total power generation capacity of 10 MW by 2013, said SCE Vice Chairman Saeed al-Tayer, who also heads Dubai's state-owned electrical utility.

"We have undertaken to research the opportunities for using solar energy in electricity generation," he said.

Dubai, one of seven Persian Gulf emirates in the UAE federation, wants solar energy to constitute 1% of its total power supply by 2020 and 5% by 2030, Tayer said. By 2030, Dubai would also seek to supply 12% of its electricity requirements from nuclear facilities and 12% from "clean coal" thermal plants. Natural gas would fuel the remainder of its power supply.

The emirate, which has limited oil and gas resources, for the past three years has imported LNG to supplement local gas production. Its power sector is now fueled almost exclusively by gas, officials said. — *Tamsin Carlisle*

US LNG Throughput (Dt/d)

	Point Capacity	Jan 3	Jan 4	Jan 5	Jan 6	Jan 7	Jan 8	Jan 9
CANAPORT, N.B.								
MARITIMES & NORTHEAST PIPELINE LLC	1,189,834	721,438	583,627	321,586	122,990	116,960	135,943	140,437
COVE POINT, MD								
DOMINION COVE POINT LNG LP	1,800,000	489,570	104,345	23,568	22,000	22,000	22,000	22,000
ELBA ISLAND, GA								
SOUTHERN NATURAL GAS CO	1,599,714	497,820	390,173	137,591	139,736	140,132	140,132	150,132
ENERGIA COSTA AZUL, BAJA, MEXICO								
NORTH BAJA PIPELINE LLC	614,000	0	0	0	0	0	0	0
EVERETT, MA								
ALGONQUIN GAS TRANSMISSION CO	275,200	127,013	124,665	131,713	127,166	107,618	110,825	129,412
TENNESSEE GAS PIPELINE CO	200,000	64,665	48,123	85,013	60,652	54,489	54,489	54,307
FREEPORT LNG								
FREEPORT LNG PIPELINE	4,000,000	0	0	0	0	0	0	0
GOLDEN PASS LNG								
GOLDEN PASS PIPELINE	2,600,910	10,031	10,030	10,030	10,030	10,030	10,030	10,030
GULF GATEWAY								
BLUE WATER PIPELINE	694,299	0	0	0	0	0	0	0
SEA ROBIN PIPELINE CO	635,000	0	0	0	0	0	0	0
GULF LNG ENERGY								
DESTIN PIPELINE CO LLC	1,000,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
HACKBERRY, LA								
CAMERON LNG	1,500,000	10,553	10,553	10,553	10,553	10,553	10,553	10,553
LAKE CHARLES, LA								
GULF SOUTH PIPELINE CO LP	200,000	8,200	8,200	8,200	8,200	8,200	8,200	8,200
TRUNKLINE GAS CO LLC	1,800,000	12	133	12	12	12	12	12
NEPTUNE LNG								
ALGONQUIN GAS TRANSMISSION CO	400,000	0	0	0	0	0	0	0
NORTHEAST GATEWAY								
ALGONQUIN GAS TRANSMISSION CO	1,200,000	0	0	0	0	0	0	0
SABINE PASS								
CHENIERE CREOLE TRAIL PIPELINE CO	2,100,000	2,079	2,079	2,088	8,088	21,625	11,626	11,671
KINDER MORGAN LOUISIANA PIPELINE LLC	3,395,134	14,721	14,106	14,712	14,712	5,274	5,274	5,224
Total:		1,951,102	1,301,034	750,066	529,139	501,893	514,084	546,978

Notes: 1 dekatherm equals approximately 1 MMBtu. The volume in the column with today's date is what was scheduled to flow on the pipeline as of 4 pm Central time. The volume listed for other dates is the final volume scheduled for that day. Platts gathers the data from web sites of interstate pipelines. Freeport LNG is not listed because it flows regasified LNG into intrastate pipelines, which are not required to disclose throughput.

(a) Canaport volumes show throughput from Brunswick Pipeline at the US-Canadian border.

(b) Everett volumes do not include volumes flowing to Mystic River power plant via an intrastate pipeline or volumes trucked from the import terminal. According to terminal operator GDF Suez, about 70 Bcf/yr, or about 5.83 Bcf/mo, is sent to the Mystic River plant and about 5-10% of the terminal's total sendout moves via trucks.

(c) Energia Costa Azul volumes show throughput from North Baja Pipeline at the US-Mexico border.

French weekly LNG throughput falls 29.7% on year

London—Combined throughput into the national grid from France's LNG terminals in the week that ended Sunday fell 29.7% on the year to 2,507.5 GWh (8.6 TBtu), data from grid operator GRTgaz showed Monday.

Inputs from the Mediterranean Coast terminals of Fos Tonkin and Fos Cavaou fell 30.9% to 1,813.3 GWh, while injections from the Atlantic Coast's Montoir de Bretagne facility fell 26.1% to 694.2 GWh.

Temperatures were higher a year ago and weekly gas demand in the GRTgaz grid, which serves about 85% of French customers, fell 16.6% to 12,912.7 GWh.

Regasified LNG represented some 19% of that demand, compared with 23% in the same week last year.

In terms of pipeline gas supplies into France, weekly net inflows rose on the year at the Dunkirk and Obergailbach entry points, while inflows at Taisnieres fell.

At Dunkirk, entry point for gas from Norway, inflows climbed 9.8% to 4,126.3 GWh. At Obergailbach, where Russian gas enters France, net inflows rose 12.9% to 1,978.7 GWh. At Taisnieres, on the Belgian border, net inflows fell 3.9% to 3,772.7 GWh, high- and low-calorific gas combined.

On a week-on-week basis, net inflows at Dunkirk and Taisnieres rose 10.6% and by 50.7%, respectively. At Obergailbach, net inflows fell 6.4% on the week.

Injections of regasified LNG into the French grid climbed 7.1% week on week.

There was a 10.4% rise at the Fos terminals on the week, while Montoir saw injections soften 0.7%.

Gas demand in the GRTgaz grid rose 4.1% over the same period, but the level of regasified LNG supplies as a proportion of demand remained unchanged, at 19%. — *Robin Sayles*

Argentina not considering third tender: source

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Enarsa shot down the possibility.

"It is true, there are (delivery) windows to complete from the two tenders," the source told Platts by e-mail on the condition of anonymity. "But for the time being, a new tender is not planned."

Instead, the possibilities are doing nothing or buying supplies on the spot market, the source said without saying how much.

Enarsa has bought off the spot market since starting to import LNG in 2008. Spot purchases most likely would come during the May-to-September cold season, when demand surges with heating consumption. Enarsa had planned to import an average of five cargoes a month to Bahia Blanca in southern Buenos Aires province, where a floating terminal is docked. Bahia Blanca is now slated to get 31 cargoes this year, while the other 25 would go to Escobar, a floating terminal docked up river from the city of Buenos Aires.

Orders for Bahia Blanca has left three slots available to fill in May, two in July, two in August and three in September, so Enarsa may seek those supplies on the spot market.

This year's first cargo for Bahia Blanca is due January 20 to January 22, delivered by New York-based Morgan Stanley. Other suppliers this year are Spanish companies Gas Natural and Repsol, Texas-based Excelerate Energy, the UK's BP and Japan's Marubeni.

Argentina is importing more LNG and Bolivian pipeline gas

to meet rising demand as the economy expands robustly. It grew an average of 8% from 2003-2011, and is expected to expand 4% this year, according to government and private estimates.

The country's gas production, which meets half of its energy needs, is declining. It fell 13% to 125 million cu m/d (4.4 Bcf/d) in 2011, from a peak of 143.1 million cu m/d in 2004. — *Charles Newbery*

India eyes investment in Mozambican LNG

...from page 1

Anadarko owns a 36.5% interest and is the block's operator. "All the consortium partners have agreed to take up similar stakes in the liquefaction facilities to be set up at Mozambique for LNG exports," Varadarajan said. "With the reserve estimates going up, the estimates for LNG trains, initially pegged at two trains, have also now gone up to six trains."

With the first gas expected in 2017-18, the partners have already started marketing LNG, Varadarajan said.

Anadarko President and Chief Operating Officer Al Walker has said the partners have already nearly completed pre-front-end engineering and design and expect to begin FEED work in the near future.

BPCL, which has a 12.5% stake in India's Petronet LNG, said its LNG marketing efforts are independent from its stake in the LNG company. Varadarajan said that, while LNG from Mozambique could go to India, there are no plans to build a new LNG import and regasification terminal in India based on the Mozambique discovery.

There would be enough capacity available with Petronet LNG's terminals, and new terminals planned on the west coast as well on the east coast, in Paradip and Ennore, by Indian Oil.

Other major shareholders in Petronet are state-owned GAIL, Oil and Natural Gas, and Indian Oil., each with 12.5% equity.

In Brazil, where BPCL is Anadarko's partner in block BM-C-30 and holds 25% along with its Indian partner Videocon, reserve estimates are expected by 2013 and production to start by 2016-17.

With two promising discoveries at the block, BPCL has agreed to pay advance commitments as part of the planned capital expenditure, Varadarajan said. — *M.C. Vijayanthi*

Briefs

BANGLADESHI SANGU GAS FIELD BACK ONLINE

Gas output from the Santos-operated Sangu field offshore Bangladesh resumed Monday, although at reduced levels, as only one of three producing wells is back online after planned maintenance shutdown on December 20, a senior company official told Platts. Current output at Sangu, the country's sole offshore field, located in the Bay of Bengal, is 4,000 Mcf/d, 69% lower than about 13,000 Mcf/d prior to the shutdown, said Ajay Nambiar, Santos Bangladesh's vice president of planning. Water unloading activities at the other two Sangu wells are still being carried out, said Nambiar, adding that the wells should be online shortly. Australia-based Santos has been incurring losses at the Sangu field due to declining output, a company source said previously. The field had peak output of about 220,000 Mcf/d in 2006, when Shell was the operator. After acquisition of Cairn Energy's interests in Bangladesh in November 2010, Santos became the operator of the field with a 75% stake. US-based Halliburton Energy holds the remaining 25%.

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For more info and speaking opportunities, contact:

Cynthia Rugg
tel: 781-430-2105
cynthia_rugg@platts.com

For sponsorship opportunities, contact:

Joshua Vernon
tel: 781-430-2113
joshua_vernon@platts.com

For media inquiries, contact:

Christine Benners
tel: 781-430-2104
christine_benners@platts.com

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