LNG Unlimited

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Indonesian Tangguh LNG export project plans EPC awards soon

Japanese firms at forefront for engineering contract award

Our Europe editor

Tangguh has operated in Papua Barat province since 2008

UK oil major BP and about a dozen other companies, including eight from Japan who are parties to a production sharing contract, have taken a positive final investment decision to build a third liquefaction Train at the Indonesian Tangguh LNG export project.

The Tangguh facility is located in the Papua Barat province of Indonesia and began production in 2008.

Approval

The engineering and construction contracts will be awarded in the next six weeks

One consortium consists of Japan's Chiyoda Corp. and Italy's Saipem, with Indonesia's PT Tripatra Engineers and Constructors. The other involved includes KBR of the US, JGC Corp of Japan and local company PT Rekayasa Industri.

"Awards for the project's key engineering, procurement and construction contracts are expected in the third quarter with construction to begin thereafter," the statement added.

The decision follows the government of Indonesia's approval of the last plan of development in 2012 and issuance of the project's environmental and social impact assessment (AMDAL) and environmental permit in 2014.

The Tangguh expansion project will add a third LNG processing Train with 3.8 million tonnes per annum of production capacity to the existing two-Train facility.

The project also includes two offshore platforms, 13 new production wells, a new LNG jetty and supporting infrastructure.

The start-up of production for the third Tangguh Train is expected in 2020.

"Tangguh expansion will play an important role in supporting Indonesia's growing energy demand, with 75 percent of the Train 3 annual LNG production sold to the state electricity company Persero," the statement added.

The remaining volumes are under contract to Japanese utility Kansai Electric Power.

Several Indonesian companies are also part of the PSC agreement.

The Japanese partners in the PSC are Inpex Corp., Mitsubishi Corp., JX Nippon Oil & Gas Exploration, Mitsui & Co., LNG Japan Corp., Sumitomo Corp., Sojitz Corp., and Japan Oil, Gas and Metals National Corp.

"All the Japanese partners commit themselves to contribute to diversifying energy supply and securing competitive natural resources to Japan, through helping stable production and supply from the Tangguh LNG project," they said.

The Tangguh decision is a boost for Indonesian LNG following international concern about the direction of the nation's energy Industry.

Indonesia said in March 2016 that it had decided against a proposal by Japan's Inpex for the Abadi Floating LNG project to be located in eastern Indonesian waters and it would instead be located onshore.

The Indonesian onshore project is to be located on Aru island in order to save on development spending, according to the new plans. Inpex was planning Abadi FLNG with Royal Dutch Shell to produce 7.5 million tonnes per annum of LNG when completed.

The Abadi FLNG is owned 65 percent by Inpex and 35 percent by Shell, though the Indonesian government has control of the PSC. Inpex's Abadi project aimed to develop huge potential gas reserves in the Masela Block in the Arafura Sea.

Now the Indonesian government proposes that a 370-mile pipeline will be built to connect the Abadi gas field resources to a liquefaction plant on Aru island.

UNLIMITED AGENDA

SUPPLIES

RasGas signs agreement with EDF for French Dunkirk terminal 2

CONTRACTS

Amec FW wins contract from Enagas for Spain storage project 3

FUEL MARKET

France's Elengy plans expansion of truck-loading on West Coast 5

EXPORTS

Asian-backed Canadian plant helped again by Squamish Nation 6

LEGAL

US LNG industry applauds court rulings to reject double challenge 7

EXECUTIVES

'Frack Master' faces charges from SEC over fraud at his companies 8

RasGas of Qatar signs supply agreement with EDF for French terminal at port of Dunkirk

Our Europe editor

RasGas of Qatar has signed an agreement to supply 3 million tonnes per annum of LNG to Electricte de France (EDF) at the new French import terminal at the Channel port of Dunkirk, set to start its commissioning process in the weeks ahead.

Under the agreement, RasGas will start its deliveries in 2017 under a medium-term contract.

Agreement signed between RasGas CEO Hamad Mubarak Al Muhannadi and Marc Benayoun, EDF group VP gas

Signatories

The agreement was signed by RasGas Chief Executive Hamad Mubarak al-Muhannadi and Marc Benayoun, EDF Group Senior Executive.

This agreement complements three existing long-term Sales and Purchase Agreements between RasGas ventures and EDF group subsidiaries for the delivery of up to 4.6 MTPA to Edison in Italy and up 3.5 MTPA to EDF Trading in Belgium.

"This latest agreement is an excellent example of RasGas' continued commitment to developing and executing opportunities that respond to our customer's needs," said Al-Muhannadi.

"We are proud that, together with EDF, we have played a significant role in continuing to provide a safe and reliable supply of energy to the homes, businesses and communities of Europe," the RasGas CEO stated.

EdF's Benayoun said the agreement with RasGas reflected the French company's growing interest in the LNG markets.

"The group is proud to add this significant contract to its global LNG portfolio and to reach a new important milestone in the excellent relationship with RasGas, who already delivers LNG cargoes to the group under long-term contracts in both Rovigo (Italy) and Zeebrugge (Belgium) terminals," the EDF executive said.

"At a time when Dunkirk LNG is due to receive its first commissioning cargo early July, this new contract demonstrates Dunkirk LNG's outstanding position in the North West European gas markets," he added.

The French Dunkirk terminal is scheduled to receive its first cargo delivery on July 8 to start the facility's commissioning.

The Dunkirk facility was developed by EDF with other shareholders including French energy major Total and Belgian LNG terminal owner and network operator Fluxys, owner of the Zeebrugge terminal.

The Dunkirk terminal itself cost 1 billion euros ($1.13Bln) to build and is managed by the subsidiary company Dunkerque LNG. The facilities were connected to the natural gas transmission network by France's GRTgaz at the end of 2015.

The commissioning cargoes heading for the facility will ensure that everything is in place for the commercial start-up scheduled for September 2016.

During the cool-down process all the systems have to be made ready to safely receive and handle regular cargoes and regasified LNG. ■

Gazprom and China National Petroleum in talks over pipelines, storage and LNG plans

Russian natural gas giant Gazprom and China National Petroleum Corp. (CNPC), the state-owned Chinese company with a stake in the Russian Yamal LNG project, have held talks in Beijing on the supply of more pipeline gas to the Chinese and greater cooperation on LNG and storage.

The supply increase was discussed at a meeting between Gazprom Chairman Alexei Miller and Wang Yilin, his counterpart at CNPC. Miller also held talks with Zhang Gaoli, the vice premier of the state council of China.

Gazprom said gas exports by Russia via the western route and eastern routes to China were discussed as well as cooperation in underground gas storage and power generation.

"Zhang encouraged both countries to put energy cooperation on gas supplies, storage and LNG as a priority, ensuring the construction of major energy projects including the Russia natural gas pipelines," a Chinese statement said.

The western route would source natural gas from resources in Russia's Western Siberia region while the eastern route would bring in gas from Russian projects in the Far East, to include Sakhalin Island where an LNG production plant is located.

In 2014, Gazprom and CNPC signed the agreement for gas to be supplied via the eastern route and in 2015 an accord was signed for the western route, known as the "Power of Siberia" gas pipeline.

Gazprom envisages supplying about 30 billion cubic metres a year from the western route, on which work has yet to start, and 38 Bcm per year from the eastern route that could see deliveries begin as early as 2018.

China still needs to complete its end of the pipeline to connect to Russia's Eastern Siberia and the Far East network that currently terminates in Vladivostok.

Miller said Russia attached "great importance" to energy cooperation with China, especially on natural gas.

CNPC is a shareholder with France's Total and Novatek, the rival Russian natural gas company to Gazprom, in the Yamal LNG export project in Arctic Russia.

Novatek owns 50.1 percent of Yamal LNG. CNPC and the French company each hold 20 percent of the project, while Chinese funding is underpinning the construction of the liquefaction plant and export terminal.

The LNG venture is located in the Yamal Peninsula deep in the Russian Arctic, a region that is icebound for seven to nine months of the year.

More than 200 wells will be drilled for that project involving three liquefaction Trains, each with a capacity to produce 5.5 million tonnes per annum of LNG.

To ensure its stability, the plant will be supported by tens of thousands of piles driven some 20 metres into the permafrost.

Over the next couple of years until 2018, the port of Sabetta is taking delivery of 150 modules representing 450,000 metric tonnes of equipment. ■

UK company Gasconsult is given Chinese LNG patent

UK-based company Gasconsult has been awarded a patent in China for its liquefied natural gas liquefaction technology, matching its current British patent and pending approvals in nine other nations and regions.

The patent is for the UK firm's ZR-LNG technology, which achieves liquefaction without use of external refrigerants, using the feed natural gas in an optimised system of expanders.

"Elimination of external refrigerant infrastructure reduces cost, weight and footprint making the process well suited to Floating LNG," said Gasconsult, whose headquarters are in Twickenham, near London.

"The absence of nitrogen or mixed hydrocarbon refrigerants makes the process particularly well suited for remote locations where refrigerant supply costs and logistics may be problematic," Gasconsult explained.

The UK company claims its ZR-LNG achieves a power demand equal or lower than the Single Mixed Refrigerant processes and some 25 percent lower than dual nitrogen expander schemes.

"The new award builds on Gasconsult's objective of increasing its IP portfolio," said the firm's Chief Executive Bill Howe.

"Patent applications for newer variants of its technology, Integrated Pressure Liquefaction (IPL) for low pressure feed gases and Integrated Heavies Removal (IHR) for low cost C5+ removal have also recently been submitted," Howe added.

Gasconsult said the China approval comes as it also awaits pending applications in Australia, Canada, Europe, India, Japan, Korea, Malaysia, Mexico and the US.

Amec FW wins contract from unit of Spanish LNG operator Enagas

Our Europe editor

Amec Foster Wheeler, the London-based energy engineering company, was awarded a contract by a unit of Spain's main LNG terminal operator Enagas to revamp a key underground natural gas storage facility in waters off the Bay of Biscay.

Gaviota is one of two underground storage caverns held off Spain's northwest coast by Enagas, the national transmission and LNG network operator, which also has a growing portfolio of overseas assets.

Amec FW said the award was made by the Enagas subsidiary, Enagas Transporte SAU, an international leader in the development and maintenance of gas infrastructure and the operation and management of complex gas networks.

"The Gaviota plant is part of Enagas's strategic infrastructure, supporting Spain's natural gas market," Amec FW said.

The UK company said it would assess the current capacity of the facility to meet new European standards and any requirements for improvement.

Gaviota is under a platform off Spain's northwest coast

The study, to be completed in 2016, follows multiple project deliveries by Amec FW for Enagas in both Spain and Mexico over the past 22 years.

"We know the importance of this facility for Enagas. Natural gas is one of the cleanest sources of energy and a sustainable means to meet energy demand," said Roberto Penno, Amec FW Group President for Asia, the Middle East and Southern Europe.

"We are delighted that Enagas has once again chosen us for this work, enhancing our long partnership to provide solutions that will add business value while minimising the environmental impacts," Penno added.

Enagas has Spanish import and regasification facilities at Barcelona, Cartagena, Huelva, Bilbao and El Musel.

It also has LNG import facility stakes in Chile and Mexico and is a major pipeline project company in Peru.

Enagas takes control of a sixth terminal with deal for Sagunto

Enagas, the Spanish natural gas transmission company and LNG terminal owner, has taken a majority stake in the Sagunto import terminal in eastern Spain, giving it control of six regasification facilities.

The company said that through its subsidiary Enagas Transporte it has agreed to buy 42.5 percent of the Sagunto regasification plant from the holding company, Union Fenosa Gas Plant Sagunto Regasification (Saggas), for 106 million euros ($117M).

The transaction gives it main interests in six of Spain's terminals in the network, Europe's largest.

Enagas is already a stakeholder or has operatorship in the import and regas facilities at Barcelona, Cartagena, Huelva, Bilbao and El Musel.

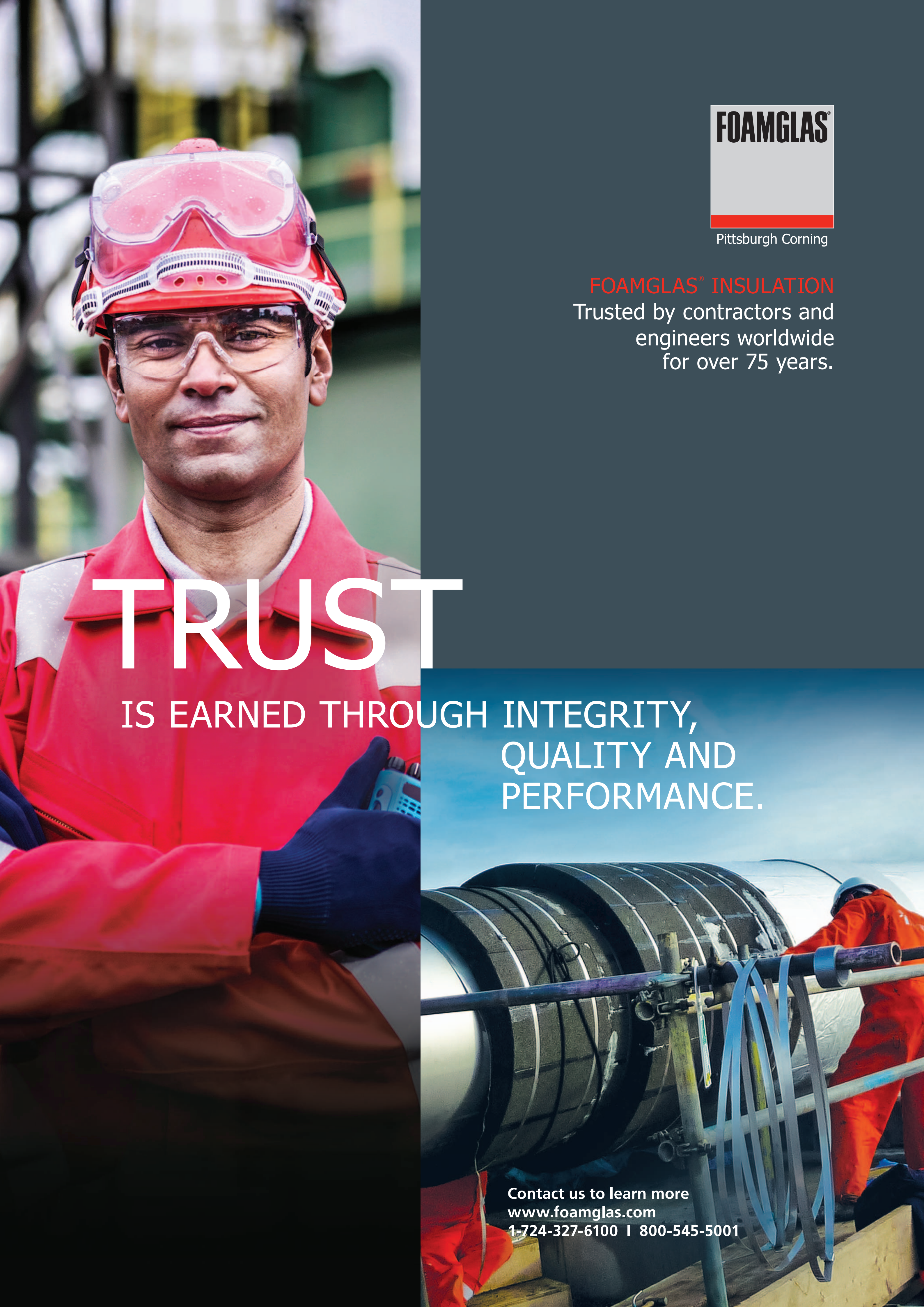
"With this transaction, which is subject to approvals from regulatory authorities and other characteristics of this type of operation conditions, Enagas Transport increase its total stake in the plant to 72.5 percent," Enagas said.

The Spanish company has also completed the transaction that takes its stake in the Quintero import terminal in the South American country of Chile to 60.4 percent. Enagas reached an agreement to acquire the Quintero terminal stake of Chile's Metrogas, majority-owned by Spain's Gas Natural Fenosa, for $200M.

The Chile transaction for the Quintero terminal was first agreed on June 9.

With the closure of these two deals for Enagas, the company continues to fulfil its expansion strategy.

"These acquisitions fit with the core business of the company and its goals of profitability and debt reduction," it added.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NEWS NUDGES

Shell man to head UK body

The Energy Institute, the London-based chartered professional body for the industry, with executives and others from 200 companies as members, has appointed senior Royal Dutch Shell executive Malcolm Brinded as President-elect to succeed Professor Jim Skea CBE in 2017 for a two-year term. Brinded was main board executive director of Shell for a decade until retirement in April 2012. Four leading figures were also appointed Vice-Presidents: Dr Bernie Bulkin, Director of Ludgate Investment in the UK, Vivienne Cox CBE, who has held senior executive roles at BP, Steve Holliday, formerly CEO of National Grid, and Ceri Powell, Global Head of Exploration at Shell. The VPs will serve for a period of three years.

Tokyo LNG Conference

The Japanese Government-run "LNG Producer-Consumer Conference 2016" has made changes to its schedule, bringing the gathering forward by a week. The conference will take place at the Grand Prince Hotel New Takanawa in Tokyo on November 23 instead of November 30. The annual conference is hosted by the Ministry of Economy, Trade and Industry and is attended by representatives from corporate producers and consumers of LNG, financial institutions and the largest global energy companies.

Texas gas output falls

Estimated natural gas output in Texas in May was about 721.4 billion cubic feet, a year-over-year monthly decline of about 3.1 percent, according to the Texas Petro Index of the Texas Alliance of Energy Producers. Texas producers will be among the main feed-gas suppliers for LNG plants being built along the US Gulf Coast.

French import terminal owner Elengy plans LNG truck-loading expansion

Our Europe editor

French liquefied natural gas terminal operator Elengy said it was studying the construction of additional truck-loading facilities at the Montoir-de-Bretagne import terminal on the Atlantic Coast and has invited expressions of interest in capacity by July 29.

"Depending on its configuration, the new facility could at least double the current capacity of 70 loading operations per week," said Elengy, a subsidiary of French utility and energy company Engie.

Target

"This facility would be in operation by the winter of 2017," Elengy stated.

The move comes as European import terminals have been opting for value-adding trucking facilities to transport LNG fuel to the retail and wholesale markets.

Elengy added that it was "willing to discuss this new facility with any interested company".

Montoir-de-Bretagne import terminal on Loire estuary

It said discussions could include the proposed capacity and deadline, and any related matter.

"A decision is to be taken in the second half of 2016. Interested parties are then invited to express their interest before July 25, 2016," Elengy said.

The Montoir-de-Bretagne LNG import terminal has been in operation in the Loire River estuary in Western France since 1980.

Elengy's first terminal at Fos Tonkin, near the Mediterranean city of Marseilles, opened in 1972 to receive cargoes from Algeria.

A second import terminal for the Marseille area has been in operation at Fos Cavaou since 2010.

Elengy launched LNG truck-loading at Montoir for the retail market in 2013.

The truck-loading service is in constant growth and capacity was increased in 2015 when more than 1,100 trucks received LNG.

The other facilities benefitting from the truck-loading market as well as the French terminals include the UK Isle of Grain facility, the largest in Europe, and Rotterdam's Gate LNG and the Zeebrugge facility in Belgium.

Technip and FMC Technologies move closer to merger after US clearance

French energy and LNG engineering company Technip and US peer FMC Technologies said their pending merger has passed its anti-trust review in the US, satisfying one of the conditions of the transaction.

"The merger transaction between the companies has received an early decision from the United States antitrust regulators under the Hart-Scott-Rodino," the statement said.

"As previously announced on May 19, 2016, FMC Technologies and Technip will combine to create a global leader that will drive change by redefining the production and transformation of oil and gas," Technip-FMC added.

Combining Technip and Houston-based FMC in a $13-billion transaction brings together the largest provider of subsea equipment in the industry and gives valuable back-up services to Floating LNG specialist Technip.

The merger comes at a time when costs can be shared by energy industry service providers amid a slump in oil prices that has led customers to postpone or reduce investments in new projects.

Doug Pferdehirt, President and Chief Operating Officer of FMC, will serve as the Chief Executive of Technip-FMC.

John Gremp, current Chairman and CEI of FMC is retiring, while Thierry Pilenko, Technip Chairman and CEO, will serve as Executive Chairman of Technip FMC.

"Conclusion of the antitrust review in the United States under the HSR Act satisfies one of the closing conditions of the transaction, which remains subject to other closing conditions, including approval of Technip and FMC Technologies shareholders, the conclusion of the antitrust review in other countries and other regulatory approvals," they stated.

Shareholders of Technip will get two shares in the new company for every Technip share held, while FMC investors will get one share.

The companies already work together and in March 2015 announced a joint venture for offshore fields, called Forsys Subsea, as they sought to cut costs.

Technip is a leader in FLNG project engineering. It is responsible for the topsides of the "PFLNG Satu" which will be the first LNG production vessel to enter service in 2016 offshore Malaysia.

Asian-backed Canadian liquefaction plant helped by Squamish Nation latest approval

Our North America editor in New York

A Canadian LNG export project of Indonesian billionaire Sukanto Tanoto and his Singapore Pacific Oil and Gas company has been further boosted by the Squamish First Nation approving the pipeline to supply the feed-gas for the liquefaction plant aiming to ship cargoes to China.

Tanoto and his Pacific Oil and Gas company are building their liquefaction and export project called Woodfibre LNG at the site of an old pulp mill near the town of Squamish, north of Vancouver.

Passed

The facility earlier in 2016 became the first LNG export project in the province of British Columbia to receive its full environmental approval from the federal ministry in Ottawa.

LNG plant to be built on site of former pulp mill

The export facility will produce 2.1 million tonnes per annum of LNG and the engineering and construction work has been awarded to US engineering company KBR.

It has already signed a contract to supply China's Guangzhou Gas Group with 1 MTPA of LNG over 25 years, starting in 2020.

The Squamish First Nation has now approved the Eagle Mountain-Woodfibre Gas Pipeline Project, an expansion of Canadian company FortisBC's existing Vancouver Island natural gas transportation system, to provide natural gas services to the Woodfibre LNG plant.

The project includes building about 47 kilometres of pipeline between Coquitlam in BC and the Woodfibre liquefaction plant.

"The agreement comes from Squamish Nation's independent environmental review of the project, which began more than two years ago," Woodfibre said.

"As part of the agreement, the Squamish Nation approved the use of the Mount Mulligan location near Squamish for FortisBC's natural gas compressor station," it added.

"The decision follows the Squamish National Council's approval of an environmental assessment agreement and Environmental Certificate for the Woodfibre LNG project on October 14, 2015," Woodfibre noted. ■

Angola LNG cargo at Pecem terminal in Brazil after relaunch

Angola LNG, the troubled liquefaction plant in southwest Africa operated by Chevron Corp., has formally re-launched after a two-year shutdown with the arrival of a cargo in Brazil.

The plant resumed production after undergoing an overhaul and extensive repairs and is now delivering shipments sold by international tender.

The 160,500 cubic metres capacity carrier "Sonangol Benguela" is unloading the cargo at the Brazilian import facility at Pecem, operated by Petrobras in the northeast state of Ceara.

Production at the Angola facility had originally been scheduled to re-start in December 2015. However, modifications and repairs at the plant near the town of Soyo ran behind schedule.

The single-Train plant, located near the Congo River estuary in the north of the country, has a capacity of 5.2 million tonnes per annum and can process 1.1 billion cubic feet of natural gas per day.

In April 2014, the plant experienced a failure in the flare blow-down piping system, resulting in an extended plant closure.

It cost an initial $10 billion to build and is a joint venture involving Chevron with partners including the Angolan energy company Sonangol, BP of the UK, Italy's Eni and France's Total.

The restart of operations at the LNG plant in May came after Angolan President Jose Eduardo dos Santos appointed his daughter Isabel dos Santos as head of state-owned Sonangol.

Angola, which is vying with Nigeria to be Sub-Saharan Africa's leading oil producer, said in April it would restructure Sonangol to "increase efficiency and profitability".

■

US LNG industry applauds court rulings to reject repeated environment challenges

Our North America editor in New York

The Center for Liquefied Natural Gas, a Washington-based industry lobbying group has praised a court's rejection of repeated challenges by the environmental group, the Sierra Club, to the nation's LNG export projects.

The two rulings from the Washington DC circuit court addressed challenges to the Federal Energy Regulatory Commission's National Environmental Policy Act (NEPA) analysis of the Freeport and Sabine Pass LNG facilities on the US Gulf Coast.

Two opinions

In both opinions, the court rejected Sierra Club's objections primarily because the Court finds that environmental criticism to exporting LNG should be raised in the Department of Energy's proceeding that authorizes the export of natural gas, not in FERC's permitting process.

The Center for LNG's Executive Director Charlie Riedl applauded the decisions.

"The rulings make clear that the existing NEPA process adequately and completely assesses the environmental impacts of LNG exports," said Riedl.

"The court found that attempts to draw the bounds of environmental analysis for purposes of

Two rulings for LNG from Washington DC court

citing and constructing an LNG facility outside the local impacts of a given facility are not valid," the CLNG head added.

"The consequence of these rulings is that the US LNG industry will continue to grow - creating jobs, tax revenue and economic growth across the country," Riedl stated.

"Additionally, studies have shown that US LNG exports help promote the use of natural gas by our allies and trading partners, which, in turn, helps to lower global greenhouse gas emissions," he said.

Key findings from the court orders included:

1.In the case of Freeport LNG "[The] Commission's NEPA analysis did not have to address the indirect effects of the anticipated export of natural gas. That is because the Department of Energy, not the Commission, has the sole authority to license the export of any natural gas going through the Freeport facilities.

"In particular, the Commission found no evidence that the Projects by themselves would lead to increased gas production because "no specific shale-play [had] been identified as a source of natural gas for" the Projects.

"More importantly, there was no evidence suggesting that the gas to be processed in the Freeport facility, independent of the export authorization, would come from future, induced natural gas production, as opposed to from existing production, particularly in light of the longtime, extensive natural gas development" that has already occurred in Texas.

2. In the case of Sabine Pass: "The Commission adequately explained why it was not reasonably foreseeable that greater production capacity at the Terminal - separate and apart from any export activity - would induce additional domestic natural gas production."

■

Rio Grande LNG project in Texas asks regulator to reject environmental protests

The US Rio Grande LNG project and its associated pipeline being developed by former Royal Dutch Shell LNG executive Kathleen Eisbrenner and her NextDecade company has answered criticism filed by others with the US Federal Energy Regulatory Commission.

NextDecade is currently proceeding with the Rio Grande venture for the port of Brownsville in Texas and in May 2016 launched an open season for its pipeline to deliver feedgas to the liquefaction plant.

In its latest move, the Eisbrenner project has asked the regulator to reject the 90 or so motions to intervene and halt the venture filed by various individuals and organizations as "procedurally deficient".

The RGLNG project mentioned in particular the joint protest of the US environmental groups, the Sierra Club and Defenders of Wildlife, because they contained "generalized assertions on the presumed harmful environmental effects of induced natural gas production and increased emissions that will follow LNG exports".

The Rio Bravo LNG export facility is expected to produce 27 million tonnes per annum of LNG from six liquefaction Trains and a final investment decision on the venture is scheduled to be taken in 2017.

The pipeline company is conducting its binding open season, a bidding process for companies to book capacity for natural gas transportation on the new facilities.

■

US CEO who championed fracking that opened way for LNG exports now caught in fraud case

Our North America editor in New York

The US Securities and Exchange Commission (SEC) has brought fraud charges against Breitling Energy Chief Executive Chris Faulkner, known as the "Frack Master" because of his championing of hydraulic fracturing that created the US shale-gas surplus to enable LNG exports.

Faulkner is accused of running a "sophisticated and multi-layered" scheme to defraud investors of $80 million. The SEC also accuses Faulkner of disseminating false and misleading information, misappropriating millions of dollars of investor funds and attempting to manipulate Breitling's shares.

Speaker

Faulkner was a regular speaker at conferences across America, explaining the advantages of "fracking" and its role in boosting the US oil and gas reserves.

In April 2015 he also addressed a Shale Conference in the UK city of Birmingham. He said at the time that the conversation about fracking in England was "more important" than ever.

Faulkner during a visit last year to the UK. Now accused of 'sophisticated and multi-layered' fraud

According to the SEC, while being a popular pubic speaker Faulkner was also misappropriating around $30 million of investor funds for personal expenses, including "lavish meals and entertainment, international travel, cars, jewelry, gentlemen's clubs, and personal escorts."

"Since at least 2011, Chris Faulkner has orchestrated a massive, multi-pronged, and fraudulent scheme that has defrauded hundreds of investors across the country," the SEC stated.

"Faulkner - who has appeared on CNBC, CNN International, Fox Business News, and the BBC to discuss oil and gas topics, and who hosted a weekly radio talk show in Dallas - has misappropriated at least $30M in investor funds to maintain a lifestyle of decadence and debauchery," the SEC alleges.

"The Commission brings this action in the interest of protecting the public from any further fraudulent activity and to hold Defendants accountable for their roles in this long-lasting and egregious fraud," the SEC said.

The SEC claimed that Faulkner's scheme began in 2011 through Breitling Energy forerunner Breitling Oil and Gas.

According to the SEC, Breitling's documents contained false statements and omissions about Faulkner's experience, estimates for drilling costs and how investor funds would be used.

The plot evolved to include Breitling Energy, as well as Crude Energy and Patriot Energy, which the SEC alleges Faulkner established to deceive investors through similar activities.

The charges allege that even though investors thought others were running Crude Energy and Patriot Energy, Faulkner directed much of the companies' operations. ■

Alaska calls special session of legislature amid deficit crisis that may slow LNG plan

Alaska Governor Bill Walker has called the state legislature into a special session in the capital Juneau on July 11 to consider special budget measures and oil and gas bill that will have a bearing on the economics of the Alaska liquefied natural gas project.

Alaska is in the midst of deficit crisis during an important year for the Alaska LNG project in terms of making regulatory and financial progress.

"There is an act relating to the oil and gas production tax, tax payments, and credits, oil and gas lease expenditures, production tax credits and interest applicable to delinquent taxes," a statement said.

The special session will also address issues such as personal income tax, a sales tax and issues relating to the Alaska Permanent Fund. Walker has called legislators back for what will be the second special session of 2016 after five months of work in a regular and first special session, which failed to yield legislative consensus on the Walker's special deficit-reduction package.

The Alaska Senate passed a rewritten version of Walker's legislation in a 14-5 vote earlier in June, though the House adjourned on June 18 without considering the bill. This forced Walker to call another special legislative session.

The Alaska state shareholding company in the LNG project on June 9 named former Cheniere Energy President Keith Meyer as its new head.

Meyer took up his role as President of Alaska Gasline Development Corp. (AGDC), owner of a 25 percent interest in the state's Alaska LNG joint venture with ExxonMobil, ConocoPhillips and BP of the UK.

AGDC appointed Meyer after a board meeting in Anchorage following a five-month national search initiated in December 2015 to fill the job previously held by Dan Fauske.

Under current plans for Alaska LNG, the three oil companies and AGDC are aiming to construct three liquefaction Trains at Nikiski in south-central Alaska to process up to 20 million tonnes per annum of LNG and with three 160,000 cubic metres capacity storage tanks alongside.

The proposals include delivering the gas from the North Slope region using an 800-mile, 42-inches diameter pipeline with up to eight compressor stations along the way.

The pipeline will have a capacity of 3.3 billion cubic feet of Alaskan natural gas per day.

The four Alaska LNG project partners have been carrying out preliminary engineering and design work on aspects of the liquefaction plant and storage facilities, as well as the pipeline.

This additional information will be forwarded to the US Federal Energy Regulatory Commission as part of the ongoing permitting process.

"Alaska is engaged in one of the largest energy projects in North America. I'm excited by the challenge and incredibly honored by the trust and confidence the board is placing in me," said Meyer in June.

"I understand how vital the gas pipeline and LNG project are to our Alaskan economy and I'm committed to getting them built," he had stated. ■

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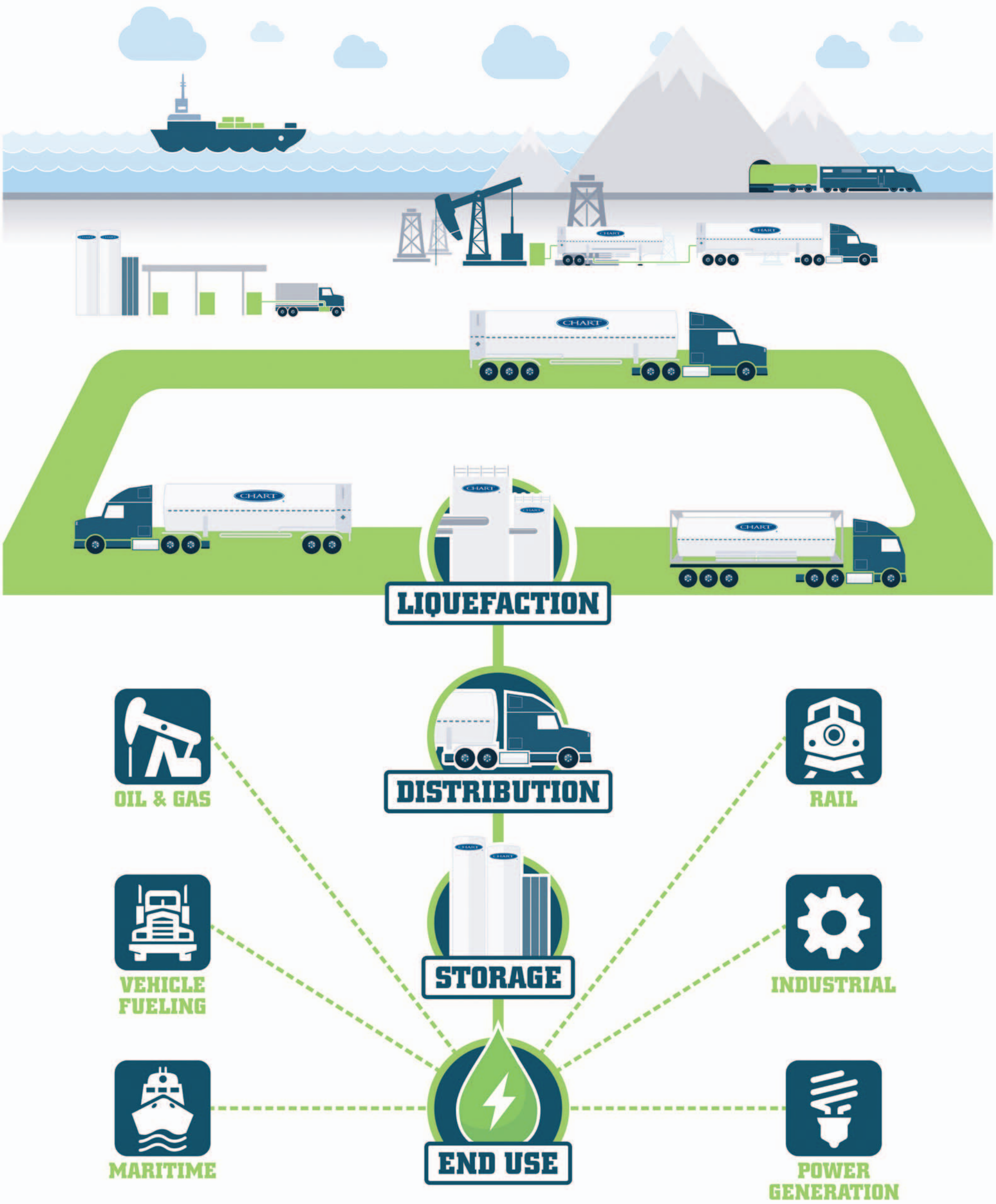

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