



LNG SUPPLIES FOR ASIAN MARKETS (LNGA) '17

The Great LNG Rebalance: Opportunities & Painful Consequences

14-15 February '17 * Singapore

Supported by:



Organised by:



Press Clipping

The Business Times - 15 February 2017

Singapore LNG Terminal to Call for Proposals to Take Up Spare Capacity

by Andrea Soh

Singapore LNG terminal to call for proposals to take up spare capacity

By Andrea Soh
sandra@sph.com.sg
@AndreaSohBT

Singapore

SINGAPORE LNG, which owns and runs the liquefied natural gas (LNG) terminal on Jurong Island, will be calling for proposals later this year to use its spare capacity as it anticipates the completion of its fourth tank by next year.

This is part of a range of activities that Singapore is embarking on to create new options and possibilities for the sector in the region, Minister for Trade and Industry (Industry) S Iswaran said on Tuesday.

Noting that there has been interest from a number of companies to use the spare capacity at the LNG terminal for storage and reload services, Mr Iswaran said it is a business area that will grow with the completion of a fourth storage tank at the terminal by next year.

Expected to be one of the largest in the world with a capacity of 260,000 cubic metres, the tank will be able to receive a full cargo load from a Q-max carrier, currently the largest LNG carrier in the world. It will also bring the terminal's total storage capacity to 800,000 cubic metres, and increase its send-out capacity from the current

six million tonnes a year to 11 million tonnes. SLNG is owned by the Energy Market Authority (EMA).

"This is in excess of our needs to fulfil domestic requirements, and it creates capacity and the opportunity to leverage this for other applications and business purposes," said Mr Iswaran in a keynote speech at an LNG conference.

An SLNG spokesperson said the request for proposals will be launched in the first half of this year. Currently, only independent energy trader Trafigura is using the storage and reload services, though Temasek's Pavilion Energy had previously done the same.

SLNG is also planning to commission a nitrogen blending facility so that it can accept a wider range of cargoes with varying LNG specifications, said Mr Iswaran. Such a facility is used to dilute LNG with higher energy content in order to meet Singapore's domestic requirements, the SLNG spokesperson explained.

The terminal has recently launched an LNG truck loading facility to allow small volumes of LNG to be transported overland.

"This will also open up possibilities for gas supply to domestic customers with no pipeline access," said Mr Iswaran.

Aside from the SLNG terminal, he also gave an update on the ongoing work to create a domestic secondary gas trading market.

EMA has held the first industry working group meeting last week to discuss the proposed market design. The agency will be consulting the broader industry on the proposed design of the market once the group has submitted its recommendations, Mr Iswaran said.

Meanwhile, the Singapore Exchange is developing a Sling price index for the Dubai, Kuwait and India LNG markets to be launched later this year. The EMA is also allowing inter-

ested parties to import spot LNG, up to a cap of 10 per cent of the total gas imports in Singapore, in the second half of this year.

These efforts are part of a series of initiatives that Singapore has embarked on to move towards a more dynamic gas market and position the country for the future, said Mr Iswaran.

"Although by global standards the scale is limited, we believe there is room for innovation and the creation of new options and possibilities, which can be enhanced and leveraged for application around the region, for the benefit of players in the industry," he said.

Singapore LNG, which owns and runs the liquefied natural gas (LNG) terminal on Jurong Island, will be calling for proposals later this year to use its spare capacity as it anticipates the completion of its fourth tank by next year.

This is part of a range of activities that Singapore is embarking on to create new options and possibilities for the sector in this region, Minister for Trade and Industry (Industry) S Iswaran said on Thursday.

Noting that there has been interest from a number of companies to use the spare capacity at the LNG terminal for storage and reload services, Mr Iswaran said it is a business area that will grow with the completion of a fourth storage tank at the terminal by next year.

Expected to be one of the largest in the world with a capacity of 260,000 cubic meters, the tank will be able to receive a full cargo load from a Q-max carrier, currently the largest LNG carrier in the world. It will also bring the terminal's total storage capacity to 800,000 cubic meters, and increase its send-out capacity from the current six million tonnes a year to 11 million tonnes. SLNG is owned by the Energy Market Authority (EMA).

"This is in excess of our needs to fulfil domestic requirements, and it creates capacity and the opportunity to leverage this for other business purposes," said Mr Iswaran at a keynote speech at an LNG conference.

An SLNG spokesperson said the request for proposals will be launched in the first half of this year. Currently, only independent energy trader Trafigura is using the storage and reload services, though Temasek's Pavilion Energy has previously done the same.

SLNG is also planning to commission a nitrogen blending facility so that it can accept a wider range of cargoes with varying LNG specifications, said Mr Iswaran. Such a facility is used to dilute LNG with higher energy content in order to meet Singapore's domestic requirements, the SLNG spokesperson explained.

The terminal has recently launched an LNG truck loading facility to allow small volumes of LNG to be transported overland.

"This will also open up possibilities for gas supply to domestic customers with no pipeline access", said Mr Iswaran.

Aside from the SLNG terminal, he also gave an update on the ongoing work to create a domestic secondary gas trading market.

EMA has held the first industry working group meeting last week to discuss the proposed market design. The agency will be consulting the broader industry on the proposed design of the market once the group has submitted its recommendations, Iswaran said.

Meanwhile, the Singapore Exchange is developing a Sling price index for the Dubai, Kuwait and India LNG markets to be launched later this year. The EMA is also allowing interested parties to import spot LNG up to a cap of 10 per cent of the total gas imports in Singapore, in the second half of this year.

These efforts are part of a series of initiatives that Singapore has embarked on to move towards a more dynamic gas market and position the country for the future, said Mr Iswaran.

"Although by global standards the scale is limited, we believe there is room for innovation and the creation of new options and possibilities, which can be enhanced and leveraged for the benefit of players in the industry," he said.