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NEWSLETTER #3

HEKLA – Helsingborg & Klaipeda
LNG Infrastructure Facility Deployment





e-Newsletter #3

KLAIPEDOS NAFTA: FSRU INDEPENDENCE EARNS MORE CASH IN JULY

05.08.2016



Klaipėdos Nafta, the operator of the first Lithuanian LNG terminal said Friday that sales revenues from the import facility rose 1.9 percent in July.

Sales revenues coming from the regasification activity from Höegh LNG's FSRU Independence located in the port of Klaipėda were at 5.5 million euros in the second quarter, as compared to 5.4 million euros the year before.

According to Klaipėdos Nafta, the FSRU regasified 1,012 thousand MWh of natural gas and supplied it to Lithuania's natural gas transmission system. This represents a rise of 210% as compared to July last year.

LNG revenues rose by 4.8% in the January-July period to 39.6 million euros as the terminal regasified 10,220 thousand MWh, or 245% more than in the corresponding period in 2015, the Lithuanian company said.

The largest of the three Baltic nations, Lithuania started importing LNG in December 2014 in order to reduce its dependence on Russian pipeline gas supplies.

Deliveries to Lithuania's LNG terminal are being split between Litgas, a part of state-controlled energy group Lietuvos Energija, Lietuvos Dujų Tiekimas, and Lithuanian fertilizer producer Achema.

Source: www.lngworldnews.com

Events

PROJECT-RELEVANT UPCOMING EVENTS

**BALTIC
PORTS
CONFERENCE**

8-9 SEP 2016
Helsinki / Finland



HEKLA coordination meeting at the Baltic Ports Conference, 8.09.2016, Helsinki.

On September 8, 2016, the HEKLA coordination meeting will be held within frameworks of the Baltic Ports Conference, in Helsinki (Finland), celebrating the 25th Anniversary of the Baltic Ports Organization. For details, please refer to the official announcement at: www.bpoports.com



**Seminar on LNG bunkering,
December 2016, Gothenburg area (to be confirmed).**

In December 2016, the seminar on LNG, dedicated to such topics as ship to ship bunkering and other technical issues of LNG handling, will be organized by SSPA Sweden, in Gothenburg. For up-to-date information, please check the official website of the HEKLA project: www.heklalang.com



GASUM TO OPEN TURKU LNG STATION IN SEPTEMBER



19.08.2016

Gasum recently informed its liquefied natural gas station in the port of Turku intended for heavy-duty vehicles will open in late September.

The company set a plan to develop a network of fueling stations and deployment of four pilot stations for heavy-duty vehicles in Turku, Helsinki, Vantaa and Jyväskylä.

The project is 50 percent funded by the European Union's Connecting Europe Facility with 2.65 million EUR of the total 5.3 million EUR expected cost, Gasum said.

The infrastructure built under the project would also enable the use liquefied biogas in the future.

The company intends to increase its network by 35 new natural gas filling stations over the course of the next 10 years.

Source: www.lngworldnews.com

NEW LNG IMPORTERS DRIVE GROWTH – GASLOG



04.08.2016

Monaco-based, Oslo-listed LNG shipowner GasLog on August 4 reported a net 2Q loss attributable to its owners of \$8mn, compared with an \$8mn net profit in April-June 2015, but expressed confidence in the longer term market for charter rates for LNG tankers.

Shorter-term, spot market LNG tanker charter rates through 2016 had levelled off around multi-year lows, it said, while observing a „marked uptick in spot charter terms in recent weeks, with slightly improved freight rates and the ability to achieve round-trip economics on a more frequent basis.”

„New liquefaction projects representing [some] 140mn metric tons per annum of capacity have taken final investment decision and are scheduled to come online between now and 2020,” said GasLog’s statement.

„On the demand side, there have been sizeable year-on-year increases in import volumes from many new and existing nations looking to take advantage of low cost LNG. For the six months to June 30, 2016, China and India have imported 29% and 45% more LNG, respectively, versus the same period in 2015.

“New importers such as Jordan, Egypt, Pakistan, and Lithuania have seen imports rise significantly in 2016 through the use of floating storage regasification units (FSRUs), which are typically quicker to market and offer greater flexibility than land-based terminals. We expect FSRUs to create additional demand in both new and existing markets for the new LNG coming online,” its August 4 statement continued.

GasLog said it entered a time-charter agreement July 11 with Total for a LNG carrier it has under construction at Hyundai Heavy Industries in South Korea that is due for delivery in 2018. It is GasLog’s only remaining



open newbuild. The charter lasts seven years, with an option of three more years.

The shipowner also took delivery June 30 of GasLog Glasgow, an LNG carrier of 174,000m³ capacity, built by Samsung in South Korea that is chartered out to Shell for ten years out to 2026.
www.naturalgaseurope.com

Looking at wider shipping trends rather than its own book, GasLog noted that three more LNG carriers have been booked for the enlarged Panama Canal in the next month, in addition to the two first ships last month to transit since expansion, plus a third Maran Gas Delphi that transited August 4.

GasLog's 2Q 2016 revenues were \$114.5mn (year ago: \$104.4mn), while basic profits were \$3.3mn (\$16.7mn). Its wholly-owned fleet consists of 18 LNG vessels: two-thirds are on the water, and one-third is on order so being built. In addition it part-owns another eight LNG carriers on the water.

Source: Mark Smedley, www.naturalgaseurope.com

EU FUNDS BALTICCONNECTOR TO FINLAND



15.07.2016

EU governments on July 15 agreed to a commission (EC) proposal to invest 263mn EUR in key energy projects, of which the lion's share will go to build a gas pipeline that will link Estonia and Finland.

Balticconnector, which once built will end Finland's dependence on Gazprom, will receive a 187.5mn EUR EU grant. It is a 7.2mn m³/d (254mn ft³/d) bi-directional subsea gas transmission project that is scheduled for completion in 2019.

Its backers, Estonian gas and power grid operator Elering and Finland's Balticconnector Oy company, applied for the grant in April and have now received the maximum permissible 75% EU funding towards its estimated 250mn EUR cost. For most projects, EU funding has been capped at 50%. But this venture is seen by the EC as "strengthening the security of supply in the Eastern Baltic Sea region."

Matti Sainio, project director at Balticconnector, told NGE July 15 that the final investment decision is expected this autumn.

The project consists of an 82-km offshore pipe from Paldiski (Estonia) to Inkoo (Finland) that will operate at 80 bar, plus a 22-km onshore pipe in Finland at the same pressure, and a 47-km onshore pipe in Estonia at 55 bar, and gas metering and compressor stations at Kersalu (Estonia) and Inkoo.

The EC said that works to enhance the Estonian-Latvian interconnection will additionally be granted 18.6mn EUR. It already granted Balticconnector 5.4mn EUR towards studies.

Source: Mark Smedley, www.naturalgaseurope.com



10TH LNG DELIVERY TO LITHUANIA

28.06.2016

The largest of the three Baltic nations, Lithuania received another cargo of liquefied natural gas from Statoil's Hamnerfest LNG facility in Norway.

This is the tenth cargo of the chilled fuel Lithuania received from Norway's Statoil since the beginning of this year.

The 155,000 cubic meters Arctic Aurora docked at Höegh LNG's FSRU Independence in the port of Klaipeda on Tuesday, Indre Miliniene, spokeswoman at Klaipedos Nafta, the operator of Lithuania's first LNG terminal told LNG World News.

Lithuania started importing LNG in December 2014 in order to reduce its dependence on Russian pipeline gas supplies.

All previous deliveries to Lithuania's LNG terminal were strictly for Litgas, a part of state-controlled energy group Lietuvos Energija. However, as of February this year, the imported volumes are split between Litgas, Lietuvos Duju Tiekimas, and Lithuanian fertilizer producer Achema.

The Arctic Aurora brought about 140,000 cubic meters of LNG that will be regasified and delivered to the three terminal users. According to the data posted on Litgas website, the company will only take 9.800 cubic meters of LNG from the latest cargo with the rest to be split between Achema and LDT.

Source: www.lngworldnews.com

GO LNG POLSKA SEMINAR

Seminar "Go LNG Polska" is a one-day event organized as a part of the GoLNG project, co-financed by INTERREG Baltic Sea Region programme. The event will be held on October 18th, 2016, at the Faculty of Economics of the University of Gdansk and will be focused on the development of small scale LNG in Poland. Addressees of the event are the LNG market stakeholders, including gas, fuel and shipbuilding industry, transportation and academic sector, regional and local authorities. Objective of the seminar is to discuss the current condition of the domestic LNG market and analyse the potential role of LNG in transport and energy sectors. Seminar also aims to lay grounds for stakeholders' discussion and cooperation, which may further result in the development of the action plan for LNG deployment in Poland.

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