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FUTURE OF SHARJAH LNG PROJECT IN DOUBT

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A final investment decision on the Sharjah LNG import project in the United Arab Emirates by Sharjah National Oil Co. (SNOC) and Germany's Uniper has yet to be made, according to Keith Martin, CEO of Uniper's Global Commodities division. The Sharjah government will ultimately decide whether to greenlight the scheme by June, he added.

The project would see LNG imported into the emirate of Sharjah through its Hamriyah Port. The import project will have capacity to process 3 million-4 million tons per year of LNG and, once regasified, supply some 500 million cubic feet per day to 1 billion cubic feet per day of gas to the local market.

"We're looking to facilitate the project, bringing in the LNG if it's required, engineering to put the FSRU [floating storage and regasification unit] in place, and the engineering to link the project to the downstream market," said Uniper's Martin.

"We've delivered on everything that we've promised," he said, speaking at the 27th Middle East Petroleum & Gas Conference in Dubai, adding, "Now, whether the project gets taken forward, or not, is in the hands of the Sharjah government."

The project is being developed as a joint venture between SNOC and Uniper and was first announced in October 2016. The project was originally due to be operational earlier this year. In June 2018, Uniper spoke of a delay to the project, which could be up to two years.

The joint venture selected Hamriyah Port because it is the only location in the northern Emirates with the required infrastructure to send more than 1 Bcf/d of gas to the market. The project is intended to supply natural gas to three power stations operated by Sharjah Electricity & Water (Sewa). The 10-year supply agreement for this was set to begin earlier this year.

Updates about the project have gone quiet over the past year, and SNOC has declined to comment on its status on several occasions when asked by Energy Intelligence.

One reason for the delay is that the project was switched to an FSRU format, while the original plan was for the regasification facilities to be onshore, John Roper, Managing Director and Head of Middle East, Uniper Global Commodities, told Energy Intelligence.

In the meantime, Sharjah has set out to develop its domestic gas resources, potentially diminishing its need for imports. Abu Dhabi National Oil Co. (Adnoc) has announced its intention to make the United Arab Emirates self sufficient in gas supplies by 2030 by developing domestic resources including unconventional.

Sharjah awarded three upstream licenses to Italian major Eni through an upstream tender in 2018. SNOC previously told Energy Intelligence it aims to launch a second tender by the end of this year.