

31 March 2010

CONSTRUCTION STARTS FOR SINGAPORE'S LNG TERMINAL

A groundbreaking ceremony was held today for Singapore's Liquefied Natural Gas (LNG) terminal at Jurong Island. The LNG terminal facility will be Asia's first open-access multi-user terminal, capable of importing and reexporting LNG from multiple suppliers.

2 The Guest-of-Honour at the groundbreaking event Mr S. Iswaran, Senior Minister of State for Trade & Industry and Education, described the terminal as one that "will not only help meet Singapore's growing energy needs, but also catalyse the development of a robust gas market to underpin our industrial growth." The terminal is expected to be ready for start up by 2013.

3 Even as construction for the terminal begins, significant progress has been made in the procurement of regasified LNG for domestic needs. Mr S. Iswaran announced that six power companies in Singapore have entered into long-term gas purchase contracts with Singapore's LNG Aggregator, BG Singapore Gas Marketing Pte. Ltd.

4 The six companies - Senoko Energy, PowerSeraya, Tuas Power Generation, SembCorp Cogen, Keppel Merlimau Cogen and Island Power Company - have committed to an initial tranche of around 1.5 million tonnes per annum (Mtpa) of regasified LNG. This is about one-quarter of the volume of gas currently being imported by pipelines into Singapore. The actual volume of gas sold in these LNG contracts could increase further if the power companies invest in new generation plants, and need additional gas to fuel these plants.

5 The LNG terminal at Jurong Island will have an initial capacity of 3.5 million tonnes per annum (Mtpa), with provision for expansion to 6 Mtpa or more, if required. The LNG terminal will be located on an approximately 30-hectare site on the south-western part of Jurong Island. Background information on the LNG project is in Annex 1.

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About the Energy Market Authority

The Energy Market Authority (EMA) is a statutory board under the Ministry of Trade and Industry. The EMA's main goals are to promote effective competition in the energy market, ensure a reliable and secure energy supply, and develop a dynamic energy sector in Singapore. Through its work, the EMA seeks to forge a progressive energy landscape for sustained growth.

For more information on the EMA, please visit www.ema.gov.sg

About Singapore LNG Corporation Pte Ltd

Singapore LNG Corporation Pte. Ltd. is a company incorporated by the Energy Market Authority to own and develop Singapore's first LNG import terminal.

Annex 1

Background of LNG in Singapore – Chronology of Events

On **7 August 2006**, Mr Lim Hng Kiang, Minister for Trade and Industry announced that Singapore would build an LNG terminal to import LNG to diversify its sources of energy and to meet Singapore's rising future demand for energy.

On **4 September 2007**, Mr S. Iswaran, then Minister of State for Trade and Industry, announced that the Energy Market Authority (EMA) would call a Request for Proposal (RFP) for interested parties to participate in the selection process for the LNG Aggregator. Interested parties were invited by EMA to submit their business concepts for the Aggregator role. PowerGas Ltd (PowerGas), a wholly-owned subsidiary of Singapore Power Limited, was designated as the LNG terminal owner and operator.

On **18 April 2008**, BG Singapore Gas Marketing Pte. Ltd. was appointed as the LNG Aggregator for Singapore. In this role, BG will aggregate demand for regasified LNG from all end-users in Singapore and procure LNG supply for up to three million tonnes per annum (Mtpa) starting in early 2013.

On **28 April 2008**, PowerGas was appointed as the developer of the LNG terminal.

On **30 June 2009**, the Government announced that it would take over the development and ownership of the Singapore LNG terminal, as it was difficult to proceed with the project on a commercial basis. EMA subsequently formed a new company, the Singapore LNG Corporation Pte Ltd (SLNG), to own the terminal and oversee its development.

On **8 February 2010**, SLNG awarded the contract for the engineering, procurement and construction (EPC) of Singapore's LNG terminal to Samsung C&T Corporation (Samsung). Foster Wheeler Asia Pacific Pte Ltd (Foster Wheeler) was also appointed by SLNG to be its Project Management Consultant. SLNG and Foster Wheeler will jointly manage the EPC contractor through an "Integrated Project Management Team" approach, which would allow SLNG to be fully involved in the management of the engineering and construction activities.

Artist's Impression of Singapore's LNG terminal at Jurong Island



* Courtesy of Samsung