

Elba III Project
Docket No. PF06-14-000
Response of Southern LNG Inc. and Elba Express Company, L.L.C.
to
Scoping Comments
18 C.F.R. § 157.21(f)(9)

May 8, 2006

ATTACHMENT 1

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Press Release

Source: BG Group PLC

BG Group and Southern Natural Gas Company Enter Agreement to Further Expand the Elba Island LNG Import Terminal

Wednesday December 21, 9:00 am ET

HOUSTON—(BUSINESS WIRE)—Dec. 21, 2005—BG LNG Services, LLC (BG) a wholly owned subsidiary of BG Group PLC (NYSE:BRG - News), today announced that it has entered into agreements with two wholly owned subsidiaries of El Paso Corporation to further expand the storage and throughput capacity at the Elba Island liquefied natural gas (LNG) terminal and to participate in a new interstate pipeline – Elba Express. The expansion and new pipeline will benefit the southeastern U.S. by adding more LNG import capacity directly into the market area. Both projects will be filed with the U.S. Federal Energy Regulatory Commission (FERC) for approval in the third quarter of 2006.

The expansion of Elba Island will increase BG's storage capacity from 4.0 billion cubic feet (bcf) to 8.2 bcf and will increase BG's vaporization capacity from 675 million cubic feet per day (mmcf/d) to 1.17 billion cubic feet per day. The expansion is expected to be completed before the end of 2012.

As part of the expansion project, BG also entered into an agreement with SNG for transportation capacity on the recently announced Elba Express Pipeline. This new 191-mile interstate natural gas pipeline will allow BG to deliver natural gas from Elba Island to additional markets in Georgia and, through interconnections with other pipelines, to the southeastern and eastern United States.

Martin Houston, BG executive vice president and managing director, North America, Caribbean and Global LNG, said, "The United States is one of our core markets and this agreement once again demonstrates BG's commitment to increasing LNG supply to the U.S. We have a clear market strategy which will continue to drive growth in our North American business."

There are matters discussed in this media information that are forward-looking statements. Such statements are only predictions and actual events or results may differ materially. For a discussion of important factors which could cause actual results to differ from the forward-looking statements, refer to the Company's annual report and accounts for the year ended 31 December 2004.

Notes to Editors:

BG Group PLC is a global natural gas business. Active on five continents in over 20 countries, it operates four business segments – Exploration and Production, LNG, Transmission and Distribution and Power.

In the USA, BG LNG Services, LLC, holds, through 2023, 100% of the capacity rights at North America's largest operating LNG importation terminal, Lake Charles in Louisiana. This has the capability to receive, store, vaporise and deliver an average daily send out of 1.2 billion cubic feet per day (bcfd). Expansion work is scheduled to increase the average send-out rate to 1.8 bcf/d by mid-2006. Additionally, BGLS currently holds supply and regasification rights of 675 mmcf/d for 22 years at the Elba Island LNG terminal near Savannah, Georgia. BG's website: www.bg-group.com

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Source: BG Group PLC

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Shell adds major liquefied natural gas supply and regasification projects to its global portfolio

21 Dec 2005

Royal Dutch Shell plc (Shell) today announced two major additions to its global Liquefied Natural Gas (LNG) portfolio. In Qatar, the company has joined forces with Qatar Petroleum (QP) in the development of the large scale Qatargas 4 LNG project, while in the United States Shell has agreed to acquire additional capacity at the Elba Island LNG import terminal in Georgia.

Speaking from Doha in Qatar at the award of the Engineering, Procurement and Construction (EPC) contract for the Qatargas 4 project, Linda Cook, Shell Executive Director of Gas and Power said, "We are honoured to join Qatar Petroleum in partnership for the Qatargas 4 LNG venture. The project will contribute to Shell's goal of growing our natural gas production and reserves position, as well as to increased security and diversity of natural gas supply to North America."

Qatargas 4 is Shell's seventh global LNG supply project and reaffirms the company's leadership position amongst international oil companies in the global LNG business.

An integrated upstream and LNG project, Qatargas 4 will produce 1.4 billion cubic feet per day of natural gas, including an average of approximately 70 thousand barrels per day of associated natural gas liquids from Qatar's North Field over the 25 year life of the project. The project also includes a 7.8 million tonnes-per-annum (mtpa) liquefaction plant and related LNG shipping capability. Qatargas 4 is a joint venture between Qatar Petroleum (70 percent) and Shell (30 percent). The majority of the LNG will be delivered to the growing natural gas market in North America. LNG deliveries are expected to commence around the end of the decade.

Shell's LNG equity sales in 2004 were 10.15 million tonnes from projects in Nigeria, Malaysia, Brunei, Oman and Australia. Three new LNG trains are currently nearing start-up, within budget and schedule expectations, in Oman and Nigeria. Good construction progress is being made on additional new trains in Australia, Russia and Nigeria for start up in the coming years. Now, with the addition of Qatargas 4, Shell's equity LNG production capacity is expected to approximately double by the end of the decade.

Shell also announced today that it has reached agreement with Southern LNG Inc., a wholly owned subsidiary of El Paso Corporation's Southern Natural Gas Company (SNG), to acquire additional capacity at the Elba Island LNG import terminal in Georgia in the United States. In addition Shell has reached agreement with Elba Express Pipeline Company LLC, a wholly owned subsidiary of SNG, to acquire capacity in a new natural gas pipeline. Both projects will be filed with the U.S. Federal Energy Regulatory Commission (FERC) for approval in the third quarter of 2006. The intention is that this capacity will be utilised to import Qatargas 4 volumes into natural gas markets in the eastern United States.

The deal with El Paso will further strengthen Shell's LNG import position in North America. In addition to Elba Island, Shell has capacity rights at the existing Cove Point LNG terminal in Maryland and in the Altamira LNG terminal under construction on Mexico's east coast. Shell also has capacity rights at the Energia Costa Azul terminal currently under construction on the Pacific coast of Mexico.

LNG supplies for these projects are planned from Shell's portfolio of existing and future LNG projects.

Linda Cook added, "With global demand for LNG expected to double this decade, the addition of Qatargas 4 and additional Elba Island capacity to Shell's global portfolio of LNG assets will further strengthen our leading industry position in this exciting sector."

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