

Fluxys LNG and Exmar examine project to build second jetty at Zeebrugge liquefied natural gas terminal

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Fluxys LNG is to launch the detailed study into building a second jetty at the Zeebrugge liquefied natural gas terminal, the aim being to enable regasification ships to moor. For its part, Exmar is prepared to book long-term capacity with Fluxys LNG. The two companies have signed a Memorandum of Understanding setting out their agreement. Pascal De Buck, Member of the Fluxys Executive Board and Commercial Director:

“Enabling reception of regasification ships would further strengthen the role of Zeebrugge as a crossroads for Western European natural gas flows and contribute to diversification of sources, security of supply and liquidity of the natural gas market. We expect twice as many ships to unload at the terminal in the first half of 2009 compared to the first half of 2008. This is partly the result of the terminal’s first capacity enhancement last year. A second jetty again would serve as an attractor for additional LNG shipping traffic.”

Nicolas Saverys, CEO of Exmar: "Natural gas can be moved in any direction from Zeebrugge: to the Zeebrugge Hub short-term market, to the Belgian market, to all neighbouring markets and to markets further afield. This makes Zeebrugge an outstanding location for our regasification ships to unload. The flexibility of our regasification ships is a huge asset, enabling us to respond very quickly to market signals."

Exmar: pioneer in regasification ships Standard ships carrying liquefied natural gas (LNG) unload their cargo into storage tanks at a terminal. The LNG is then regasified and injected into the grid. Regasification ships also transport LNG, but they regasify it on board and then inject the gas directly into the grid. Exmar is a pioneer in this kind of ship and has three regasification ships in its fleet. Four other regasification ships are currently under construction and will be delivered by mid-2010. World first

Following the introduction of the service for loading LNG ships last year, the novelty of offering the possibility to receive regasification ships would once more extend the scope of services on offer at the terminal. Zeebrugge would also be the first LNG terminal in the world allowing both standard LNG ships and regasification ships to moor. The fact that Fluxys' ambitious investment programme anticipates a significant increase in downstream transmission capacity is an asset for the market as well.

Feasibility study to begin with

Reception of regasification ships at the terminal requires a second jetty in the LNG-dock as well as a pipeline and ancillary infrastructure allowing injection of natural gas into the Fluxys transmission network. In the first phase, Fluxys LNG – in close cooperation with the Brugge Port Authority (MBZ) and the proper government bodies – is to study the technical and economic feasibility of the project, the safety and nautical aspects, and other factors. Exmar will contribute its experience gained in other countries to the study.

Result of market consultation

The Memorandum of Understanding results from the market consultation launched by Fluxys LNG in late 2007 to assess the level of interest in additional capacity at the LNG terminal. Various LNG players – including Exmar - expressed their non-binding interest in additional capacity. Fluxys LNG is also in consultations with other interested customers. Since relatively little time is needed to implement facilities to receive regasification ships, Fluxys LNG is considering a multi-stage approach to the capacity enhancements that might follow from the market consultation. The infrastructure for receiving regasification ships could be developed in the first phase, with the other infrastructure following in a later phase.

EXMAR is a diversified and independent shipping group serving the international gas and oil industry. Apart from providing the ships for the transportation of these products, it also performs studies and undertakes the management of commercial, technical and administrative activities for the industry.

IMPRESS COMMUNICATIONS LTD

DMR House
8-10 Cleave Avenue,
Farnborough, Orpington
Kent BR6 7DR
UNITED KINGDOM

Tel: +44 (0) 1689 860660

Fax: +44 (0) 1689 818285

e-mail: impcomms@yahoo.co.uk

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