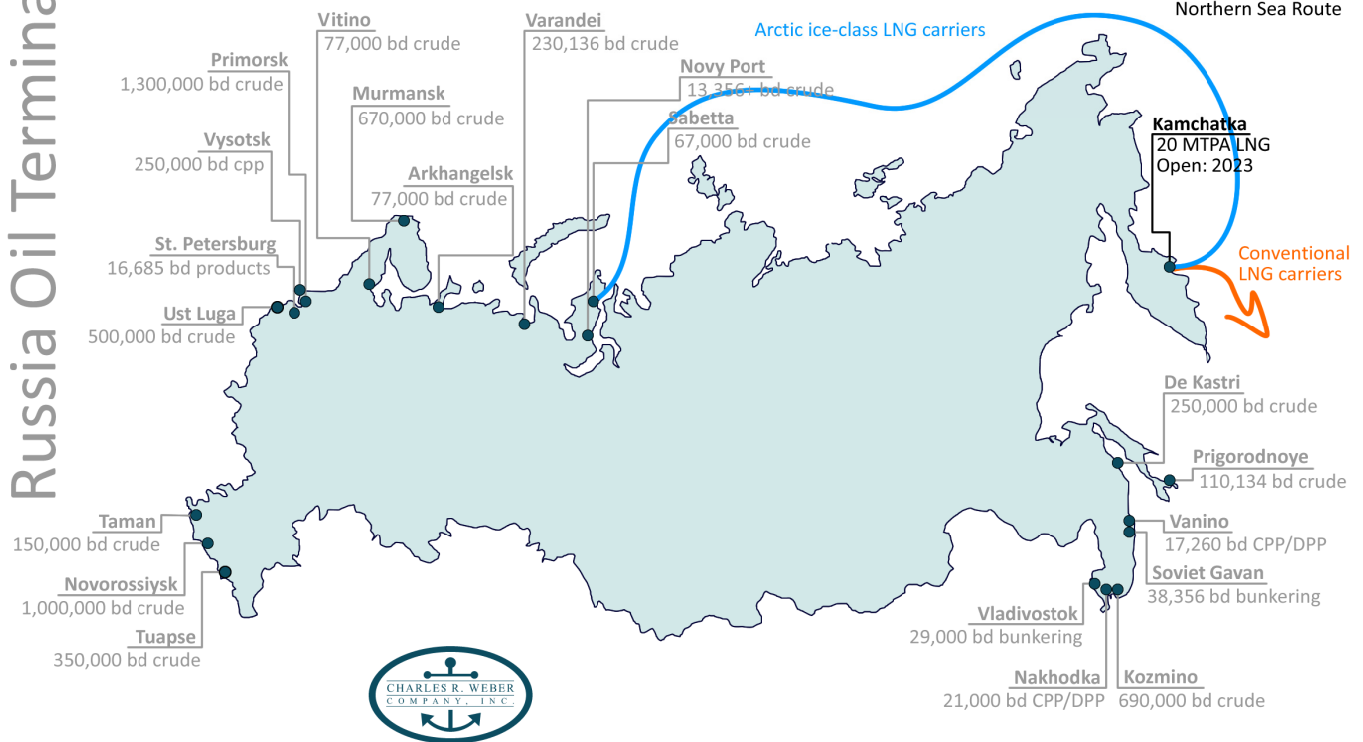


New Russia LNG Transshipment Terminal



Russia's Novatek has signed an agreement with the Kamchatka Territorial Government to build an LNG sea terminal facility at Kamchatka for reloading LNG from Arctic ice-class tankers to conventional LNG tankers.

The terminal is anticipated to have a capacity of 20 million tons per annum and will be completed by 2023. The company says it will optimize the logistics of LNG supplies from the Arctic region, stimulate use of the Northern Sea Route and create a new LNG supply hub for Asian-Pacific regional consumers.

Novatek CEO Leonid Mikhelson said that the company intends to expand its groundbreaking Yamal LNG project with one more liquefaction train, adding an additional one MTPA of capacity. The first three trains will be online by the first half of 2019, and the fourth train would be in operation before 2020. With all trains running, the total capacity of the plant would be about 18 MTPA.

Novatek also announced that it intends to build a comparable plant on the Gydan Peninsula, across the Gulf of Ob from Yamal LNG. The second facility, called Arctic LNG-2, is expected to be completed by 2023. It will export gas from Novatek's Salmanovskoye and Geofizicheskoye fields, along with production from new license areas as the firm continues exploration. Mikhelson has claimed that the combined plants could produce 70 MTPA, enough to rival world leader Qatar.

Sovcomflot is building a fleet of icebreaking LNG carriers – the first of their kind – in order to carry Yamal LNG's exports, and the series could be expanded to handle additional plant capacity. Sovcomflot's ARC7-class LNG tanker *Christophe de Margerie*, the first of 15 in the series, completed its first voyage of the Northern Sea Route in a record time earlier this year.

The Russian Ministry of Transport currently forecasts that cargo turnover along the Northern Sea Route for all ship types will grow tenfold to 65 million tons per year by 2020.