

SE Features
HD **Enbridge Joins Land Grab in BC**
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It looks like Exxon Mobil, **Chinese**-owned Nexen and Australia's Woodside have a potential new neighbor at remote Grassy Point on the northwest British Columbia coastline just north of the port of Prince Rupert.

Calgary-based pipeline giant Enbridge confirmed last week it paid C\$20 **million** (US\$18 **million**) in December for a 160-acre seaside chunk of land at Grassy Point, alongside properties where Exxon and its Canadian unit, Imperial **Oil**, as well as Nexen, Woodside and South Korea's SK E&S, signed **purchase** agreements last February with the British Columbia government (LNGI Jan.17'14).

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The interest shown by Australian LNG champion Woodside was particularly interesting since it is a world-leader in LNG terminal development and Australia is seen by many as Canada's main rival as it gears up its LNG export industry.

But the agreements are just preliminary developments and are not hard and fast commitments to build LNG export infrastructure in British Columbia. What makes Enbridge's commitment different, however, is that it could have more of a midstream angle, since Enbridge may be more interested in building gas pipelines while the other companies appear more focused on developing their British Columbia shale gas assets or building LNG export facilities.

Exxon, for example, is looking at options to monetize its considerable holdings in the province, including its acreage in the prolific Montney, Duvernay and Horn River shale formations -- although Exxon and Imperial have yet to make any concrete decisions about producing and exporting gas.

China's Cnooc, when it acquired Calgary-based Nexen in late 2012 for C\$15.9 **billion**, inherited a sizeable gas position in Northern British Columbia as well (LNGI Feb.13'13).

Nexen has an option to buy a 1,520-acre tract at Grassy Point for a possible LNG terminal. Other partners in its LNG venture, dubbed Aurora LNG, are two Japanese companies, Inpex and JGC. Nexen will own 60% of the project, while the two Japanese firms will have the remaining 40% (LNGI Nov.14'13).

Woodside, on the other hand, would likely be more interested in putting to good use its expertise gained by establishing LNG terminals in Australia, possibly duplicating its efforts in Grassy Point, where it has an option to buy a much larger 2,500-acre piece of property.

But Enbridge is keeping mum on what it plans to do with its Grassy Point property although the **company**'s chief executive, Al Monaco, said last October that Enbridge was in "very preliminary stages" about talking to gas producers about the possibility of building a pipeline to get LNG feedstock to the British Columbia coast.

Enbridge is better known in the province as the **company** behind the controversial Northern Gateway pipeline, which got a green light late last year from Canada's National **Energy** Board to pump 530,000 barrels per day of crude by pipeline to Kitimat -- although the project remains fiercely opposed by aboriginal First Nations groups in British Columbia (NGW Dec.23'13).

However, Enbridge says the **purchase** of the land in Grassy Point has nothing to do with Northern Gateway.

A number of pipeline companies including TransCanada, Spectra **Energy** and Pacific Northern Gas are also contemplating new pipelines to get British Columbia gas to the coast for shipment to markets in Japan, **China** and South Korea.

Last week, Canada and South Korea signed a Free Trade Agreement (FTA), Canada's first such deal with an Asian country. Although Canada's current exports to South Korea are dominated by **coal**, the new deal will remove border taxes on a wide range of Canadian trade goods -- including LNG.

The deal does not exactly give potential Canadian LNG exporters an upper hand over their international competitors. The US and Australia have already signed free trade deals with South Korea.

At latest count, there were 15 different proposals at various stages of development for terminals to export LNG from British Columbia. Apart from Grassy Point, the other two epicenters for possible LNG terminals are Kitimat and Prince Rupert.

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CO gbricb : Government of British Columbia | ykng : SK Holdings Co Ltd | cxy : Nexen Inc | exxn : Exxon Mobil Corporation | wodpet : Woodside Petroleum Ltd | ipipf : Enbridge Inc | chno : China National Offshore Oil Corporation | cnooc : CNOOC Ltd

IN i1300006 : Pipeline Transportation | i1 : Energy | i13 : Crude Oil/Natural Gas | i1300003 : Crude Petroleum Extraction | i14 : Petroleum/Coal Products | i14001 : Petroleum Refining | iextra : Natural Gas/Oil Extraction | iindstrls : Industrial Goods

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