

## **Linde to deliver liquefaction technology to Iran**

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London, 3 September (Argus) — National Iranian Gas Export (NIGEC), a subsidiary of Iranian state-owned gas producer NIGC, expects German industrial gases group Linde to deliver liquefaction technology to its 10.8mn t/yr Iran LNG project once sanctions against Iran are lifted.

The liquefaction licenses and some of the facilities have already been purchased, but sanctions have limited the technologies from being delivered, NIGEC general manager Mostafa Sharif said today.

"They are expected to be released after sanctions removal," Sharif said, which could result in the technology being delivered as early as 2016. "Certainly, in the short term, Iran will focus on reviving the Iran LNG project, as all of its facilities, with the exception of the liquefaction units, are ready to use," he said. Linde declined to comment on the issue.

Linde provided the liquefaction technology for Norway's 4.2mn t/yr Snohvit facility, which started commercial production in 2008. The plant was dogged by a number of technical issues in its first years of operations, but has stabilised over the last two years.

The prospect of Iran LNG exports will also depend on how quickly gas production can be accelerated from the South Pars field. Domestic demand is high, which limits volumes available for exports.

In the medium term, LNG will be a more attractive type of gas to export to Europe than pipeline gas, Sharif said. Europe already has a number of competing gas pipeline projects, including Tanap, which will transport Azeri gas to the Greece-Turkey border, then to Italy through the Tap pipeline. But Iran has said it will prioritise exporting gas to its regional neighbours in the Middle East and south Asia over other countries further afield. Iran has been in discussions with Bahrain, UAE, Kuwait and Oman.

Iran also has a pipeline project to export to neighbouring Iraq. But the pipeline has been consistently delayed because of financial issues on the Iraqi side. Exports were due to begin in May, but were subsequently delayed until August. The exports have not yet started.

Iran signed a gas supply deal with UAE independent Crescent Petroleum in 2001, but the deal was subsequently abandoned when the countries went into arbitration. The two sides disagreed on gas pricing.

India and Pakistan have pipeline projects that would use gas from Iran, but Iran could prioritise exports to countries using LNG.