

# Guangzhou Gas still seeking LNG after Canada deal lapses

Source: <https://www.upstreamonline.com/hardcopy/1835636/guangzhou-gas-still-seeking-lng-after-canada-deal-lapses>

15 Aug 2019 22:00 GMT

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Chinese town gas distributor Guangzhou Gas is continuing to search for liquefied natural gas supplies after walking away from a potential deal to buy 1 million tonnes per annum of LNG from the Woodfibre LNG project in Canada.

Guangzhou Gas said a heads of agreement on the potential deal had expired in June and it decided not to extend the process.

The HoA was signed in 2016 and was previously extended in 2017 and 2018 but Guangzhou signalled that the Woodfibre project was not expected to be able to provide supply in time for its needs.

Although Guangzhou Gas has walked away, China National Offshore Oil Corporation (CNOOC) still has a framework agreement signed with Woodfibre LNG in 2018 to buy 750,000 tpa of LNG for 13 years starting 2023.

In the meantime, Guangzhou Gas, which is responsible for the gas supply to cities around Guangzhou, the capital of Guangdong province, is seeking alternative LNG volumes through a tender issued last year.

The company is still evaluating the bids from potential suppliers including Petronas of Malaysia, Total of France and Anglo-Dutch supermajor Shell for the supply of 1 million tonnes per annum of LNG.

Guangzhou Gas owns a 6% stake in the Dapeng terminal in Shenzhen and a 25% stake in the Jinwan LNG terminal in Zhuhai, both operated by CNOOC.

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