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When Cheniere Energy announced in March last year that it was looking at installing liquefaction capacity at its Sabine Pass regasification terminal in Louisiana, there was widespread scepticism that the concept was feasible. But Cheniere has managed to confound the sceptics with the announcement of fully-fledged long-term Sales and Purchase Agreements (SPAs), each for 3.5 mtpa, with two very experienced LNG players – namely BG Group and Gas Natural Fenosa. An Engineering, Procurement and Construction (EPC) contract has been concluded with Bechtel for construction of two liquefaction trains, and Cheniere seems to be heading for a final investment decision on the first two trains of its scheme in the near future. And the company is optimistic that there is more to come, with the possibility of moving to a four-train facility. As LNG Business Review discusses here, the commercial structure of the deals breaks some new ground, and places some interesting price risks with the buyers.



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