LNG Unlimited

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Cheniere plans 23 MPTA of new expansions as earnings climb

Sabine Pass and Corpus Christi set for more plant developments and volume expansions

LNG News Editor

Houston-based company pursuing more Texas and Louisiana expansions at the export facilities

Cheniere Energy, the largest US LNG exporter, posted 2022 revenues of $33.4 billion as it shipped 638 cargoes worldwide because of soaring demand, 13 percent more than last year, and outlined its plans for adding 20 million tonnes per annum more to the Sabine Pass plant in Louisiana and further expanding the Corpus Christi plant in Texas.

During the fourth quarter and the 12-month periods Cheniere dispatched more cargoes to make of up for the Russian deficit of pipeline gas for Europe.

Revenues

Cheniere revenues for the fourth quarter amounted to $9.1Bln versus $6.5Bln in the same three months of 2021.

Net income for Cheniere came in a $3.9Bln for 2022 and $1.4Bln for the final three months of the year.

The Houston, Texas-based company said the increase in both the three and 12 months was due primarily to increased total margins, driven by increased margins per million British thermal units of LNG, increased volumes of LNG delivered and, to a lesser extent, a higher contribution from certain portfolio optimization activities.

"Reflecting on an incredible 2022, I am most proud of the Cheniere team's unwavering commitment to safety and operational excellence, which enabled us to answer the call for reliable, cleaner-burning energy supply during a critical time in energy markets across the globe," said Jack Fusco, Cheniere's President and Chief Executive.

"The year 2022 brought the criticality of natural gas and energy security into focus throughout the world, and we are proud to have made FID on Corpus Christi Stage 3, which will provide much-needed new LNG volumes to the market beginning in late 2025," added Fusco.

"Our stable operations continue to underpin our strong financial results, which have enabled Cheniere to execute on our comprehensive capital allocation plan, highlighted by the achievement of investment grade ratings, returning meaningful capital to our stakeholders via debt repayment, share repurchases and dividends, and pursuing further accretive growth at Sabine Pass and Corpus Christi," stated Fusco.

On the Sabine Pass expansion, Cheniere said the project was being designed for additional total production capacity of 20 million tonnes per annum.

It will comprise three large-scale liquefaction Trains, each with capacity of 6.5 MTPA, a boil-off-gas re-liquefaction unit with output of 750,000 tonnes a year and two 220,000 cubic metres capacity storage tanks.

Cheniere has engaged US company Bechtel Energy to complete a front-end engineering and design (FEED) study of the Sabine Pass project.

"As the first and largest LNG export facility in the Lower 48, Sabine Pass has pioneered an industry critical to supplying reliable, flexible and cleaner-burning natural gas to markets and customers around the world," said CEO Fusco.

Expansion details

"The SPL expansion project is being designed to leverage the infrastructure platform we've built at Sabine Pass to deliver economically-advantaged incremental LNG capacity in a safe and environmentally responsible manner," stated Fusco.

Cheniere operates three liquefaction Trains for a total production capacity of 15 MTPA of LNG at the Corpus Christi plant in Texas and a further expansion is planned there in addition to the one already being developed.

The company is constructing an expansion, known as Stage 3, adjacent to the existing Corpus Christi plant consisting of seven mid-scale Trains with an expected total production capacity of over 10 MTPA. ■

UNLIMITED AGENDA

UPSTREAM

INEOS acquires Eagle Ford assets as producer amid LNG market moves 2

IMPORTS

Japan posts rise in monthly LNG imports ahead of China volumes 3

EXPORTS

US data shows UK overtaking China in overall list for LNG deliveries 5

SHIPPING

Höegh LNG sees future profits from FSRU surge led by Germans amid losses 6

SHIPPING

GasLog posts jump in annual profits amid merger plan and more charters 7

UTILITIES

LNG player Engie posts 60 percent earnings surge amid arbitration case 9

INEOS acquires Eagle Ford assets as producer amid US LNG and German terminal moves

LNG News Editor

INEOS, the UK-based European chemicals company with increasing LNG interests, is entering the US oil and gas production sector for the first time with the acquisition of a portion of Chesapeake Energy's assets in the Eagle Ford shale basin in south Texas for $1.4 billion.

The deal marks the entry of the INEOS energy division as an operator into the US onshore oil and gas market as it acquired 2,300 wells, producing net 36,000 barrels of oil equivalent per day.

On the LNG front, INEOS has signed a 20-year contract with Sempra Infrastructure for the supply of about 1.4 million tonnes per annum of LNG from the US Port Arthur project under development in Texas.

The INEOS Sempra LNG agreement is for 1.4 MTPA from Phase 1 of the project and it has a non-binding heads of agreement for the potential purchase of an additional 200,000 tonnes per annum from the Port Arthur LNG Phase 2 project.

INEOS Energy Chairman Brian Gilvary's upstream plan

The first deliveries from the US Gulf Coast plant are expected in 2027.

German LNG stake

INEOS has also signed a contract for long-term regasification capacity at the German onshore LNG import terminal being developed at Brunsbüttel on the Elbe River north of Hamburg.

The INEOS Eagle Ford acquisition, which includes production and exploration leases across 172,000 net acres, is expected to be completed in the second quarter.

"The addition of Chesapeake's assets and operations in south Texas is part of INEOS Energy's strategy to build a global integrated portfolio, fit for the energy transition, offering high-quality, energy solutions to its customers," said the company.

INEOS incorporates many sectors of the oil and gas business and is actively producing and trading oil, gas, power and carbon credits, as well as investing in LNG and carbon-capture and storage.

INEOS Energy Chairman Brian Gilvary said the Eagle Ford shale deal was a big strategic step for the company.

"Over the last two decades, US onshore oil and gas production has provided security of supply for the global market and competitive advantage for US industry," explained Gilvary.

"We believe this acquisition will help us to serve our internal and external customers today as we continue to position our business," stated the CEO.

Largest Permian acreage holder Pioneer reports $7.8Bln profits and more spending

Pioneer Natural Resources, the biggest Texas oil producer and the largest acreage holder in the oil and gas-rich Permian Basin of the southwest US, reported fourth-quarter profits that were better than expected and said it would push ahead with drilling, completions, facilities and water infrastructure spending of up to $4.75 billion in 2023.

Pioneer, which describes itself as a "Permian pure-play company", reported annual net income attributable to shareholders of $7.8 billion, or $31.13 per diluted share, up from $2.11Bln in 2021, or $8.61 per diluted share.

Operational prices

Cash flow from operating activities for the year was $11.3Bln as Pioneer reported average realized West Texas Intermediate prices of $83.53 per barrel of oil in the three months This was 9.4 percent higher than the $76.38 per barrel logged in the prior-year quarter.

Pioneer reported fourth-quarter net income attributable to shareholders of $1.5 billion, or $5.98 per diluted share, an increase from $763 million in the 2021 quarter and including the effects of non-cash mark-to-market adjustments and certain other one-time items.

The company now has around 2.37 billion barrels of oil equivalent in proved reserves, of which around 44 percent is petroleum, 30 percent natural gas liquids and 16 percent natural gas.

For natural gas, Pioneer's annual average sales in 2022 increased to 825,085 thousand feet from 703,919 thousand feet in 2021.

Average natural gas realized prices came to $4.98 per thousand feet versus $5.20 per thousand foot in the same three months of 2021.

The earnings statement said cash flow from operating activities for the fourth quarter was $2.6Bln.

"During 2022, Pioneer's operational teams delivered a fifth consecutive year of improved drilling and completions efficiencies," said the company.

"The 2023 capital program is expected to place 500 to 530 wells on production," added Pioneer.

Pioneer expects 2023 oil production of 357,000 to 372,000 barrels per day and total production including gas of 670,000 to 700,000 barrels of oil equivalent per day.

During 2023, Pioneer plans to operate an average of 24 to 26 horizontal drilling rigs in the Midland Basin of Texas, including a three-rig average program in the southern Midland Basin joint venture area. Pioneer said its large and contiguous acreage position provides the opportunity to drive further operational enhancements.

The development of wells with lateral lengths in excess of 15,000 feet is expected to provide significant capital savings on a per foot basis and generate returns that are on average 20 percent higher than a 10,000-foot lateral well.

Expansions

The company said it was expanding the development of 15,000 foot laterals and expects to place more than 100 of these wells on production in 2023.

"Pioneer delivered a strong 2022, executing on our investment framework and providing compelling shareholder returns," said Chief Executive Scott D. Sheffield.

POSCO wins gas licence off Java

POSCO International, the energy unit of the South Korean steel-producing and industrial group, has joined with Indonesian state-owned oil and gas company PT Pertamina to win the exploration and production licence for the Bunga gas block offshore Java as Korea's LNG mport facilities are expanding.

"A consortium involving POSCO International and Indonesian state-owned PT Pertamina Hulu Energy (PHE) obtained the rights from the Indonesian government to explore the Bunga natural gas block off the eastern Java Island," said POSCO in a statement.

The two will each own a 50 percent stake in the project and POSCO International will be the operator.

POSCO explained that the award followed a joint study of the 8,500 square kilometres Bunga block with Pertamina Hulu Energi, a 100 percent subsidiary of Pertamina.

The Korean company is expected to direct any natural gas resources to possible LNG export possibilities.

POSCO International, which was newly branded as a company after the merger with POSCO Energy, noted that it is the only energy company in Korea that has an LNG value chain from exploration to production, storage and power generation.

It also has natural gas interests in Myanmar and Australia and has been carrying out gas exploration offshore Malaysia since 2021.

POSCO has firm plans to increase LNG imports and held a ground-breaking ceremony at the end of January 2023 for a planned new import facility near the site of the existing Gwangyang facility in South Jeolla province.

Japan posts rise in monthly LNG imports ahead of China

LNG News Editor

Japan, which formally took back the World No. 1 LNG importer spot from China in 2022, reported a small rise in LNG shipments in January though at a much higher cost than in the prior-year period.

Imports for January amounted to 6.82 million tonnes, or about 100 cargoes, and an increase of 0.5 percent from the 6.78MT received in January 2022, according to Japan's Finance Ministry.

Pricing

The imports cost 873.8 billion yen ($6.54Bln), which was 57 percent more than the 556.6Bln ($4.16Bln) cost of shipments in January 2022.

While China's LNG imports dropped by 18.8 percent to 64.15MT, the official Japanese LNG import volumes for 2022 came to 71.99MT compared with 74.31MT in 2021, showing a fall of 3.1 percent but still enough to easily maintain the lead over China.

China had overtaken Japan in 2021 to become the world's largest LNG importer with 78.93MT of imports, though then slipped back because of the economic slowdown and Covid-19 restrictions affecting energy demand.

Japanese is increasing deliveries to keep stocks up

Japan's annual LNG costs jumped by 97.5 percent to 8.55 trillion yen ($64.34Bln) in 2022.

Monthly LNG imports for December 2022 to Japan's network of 37 terminals had fallen by 13.8 percent to 6.06MT from 7.03MT in the same month of 2021.

Japan continued to use an increased proportion of thermal coal for electricity generation and the January coal imports rose by 1.3 percent from January 2022 to 10.68MT.

LNG cargo deliveries from Asian countries like Malaysia and Indonesia increased in January by 17.8 percent to 1.88MT.

Middle East cargo imports rose by 24.1 percent to 787,000 tonnes during the month.

LNG imports from the US tumbled by 73.9 percent year-on-year to 90,000 tonnes as cargoes from American export plants were pointed at Europe.

Indian LNG imports rebound by almost 8 percent as prices fall

Indian liquefied natural gas imports started 2023 on a brighter note with LNG deliveries increasing by almost 8 percent as falling cargo costs encouraged industrial buyers in West Asia to purchase more gas.

LNG imports for the month of January amounted to around 1.67 million tonnes, or 26 cargoes, which was 7.9 percent higher than in the same month in 2022 when shipments amounted to 1.56MT, or 23 cargoes, according to provisional data from India's Ministry of Petroleum and Natural Gas.

The volumes of LNG delivered to India's network of six import terminals for the previous month of December had dropped by 11.5 percent to 1.67MT from 1.89MT in the same month of 2021.

For the first 10 months of the fiscal year so far from April to January, deliveries to India were down 14 percent at 16.77MT versus 19.50MT for the same 10 months of the previous year.

LNG deliveries to Indian terminals have come mainly in the past year from Qatar, which provides over one-third of volumes, as well as West Africa, the US, Asian nations, Australia and the spot market.

Cargo costs

The first 10 months of the fiscal year were marked by high LNG prices and deliveries carried a bill for India of $15.9Bln, or 131,733 Indian crore rupees, compared with $10.9Bln, or 90,308 crore rupees, in the same period of the previous fiscal year.

The cost of LNG deliveries in January 2023 amounted to $1.6Bln, or 13,256 crore rupees, compared with $1.4Bln paid in January 2022.

Analysts said demand for spot shipments is seen rising in the Indian sub-continent as prices drop in the Northern Hemisphere summer season when European demand lessens for a brief period.

Indian domestic natural gas production from gas fields in offshore areas such as the Bay of Bengal on the East Coast increased in January by 4 percent to 2.975 billion cubic metres versus 2.861 Bcm in January last year, the Ministry's data showed.

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US LNG data shows UK overtaking China in overall list for deliveries while Cameron point has highest price

LNG News Editor

'Adamastos' ship has delivered Louisiana cargoes to Europe

The US Department of Energy has published its latest LNG monthly export data showing that the United Kingdom has formally overtaken China in the overall list of countries receiving the most cargoes, while the most expensive US shipments by far have been departing from the Cameron export point in Louisiana.

The February 2023 DoE data just issued gives the prices, numbers and trends for December 2022. It showed that the total number of US cargoes delivered worldwide since March 2016 now amounted to 4,256 shipments, or 13,595.2 billion cubic feet of natural gas.

ISO containers

A further 1,273 ISO containers of LNG have been shipped to nations in the Caribbean and Latin America from ports in Florida.

The DoE report also confirmed that the UK had received 299 full shipments of US LNG since 2016, including a bumper 20 deliveries in December, enabling the US ally to surpass China's total of 289 cargoes.

The six operating US LNG export plants dispatched 111 full LNG cargoes in December 2022, the same as in December 2021, though higher than the November 2022 total of 95 shipments.

The Sabine Pass plant remained the volume leader in December 2022 with six Trains on stream and supplying 41 cargoes followed by the Cameron export point's 37 shipment's. This included 26 cargoes from Cameron LNG and 11 from Calcasieu Pass. Corpus Christi shipped 20, Cove Point 10 and Elba Island three.

Shipments from the Cameron export point in Louisiana cost the most for a ninth straight month through December 2022.

In the DoE data the two separately operated export plants are California-based utility Sempra's Cameron LNG and Arlington-based Venture Global's Calcasieu Pass.

Cargoes lifted from the Cameron facilities near Lake Charles cost an average of $16.84 per million British thermal units in December, which was higher than the Cameron price in the previous month of $14.82 per MMBtu.

The Cameron export point price in September 2022 was a record US high of $19.89 per MMBtu.

The combined average December price at the export points including the four other plants, with Freeport off stream, was $12.19 per MMBtu versus $11.27 per MMBtu for the previous month.

The year-to-date price from the export points for all plants combined was $11.79 per MMBtu versus $11.53 per MMBtu in November 2022.

The average prices for each of the four other plants (from the export point) from highest to lowest in December 2022 were: Cove Point (Maryland) $10.98 per MMBtu ($10.10, November 2022); Corpus Christi in Texas $10.60 per MMBtu ($10.36 November); Sabine Pass (Louisiana) $10.43 per MMBtu ($9.26, November); and Elba Island (Georgia) $10.14 per MMBtu ($9.62, November).

Country data

Top five countries of destination, representing 60.7 percent of total US LNG exports in December 2022, were the United Kingdom (69.3 Bcf, 20 cargoes), the Netherlands (39.9 Bcf, 11 cargoes), France (38.3 Bcf, 11 cargoes), Spain (33.8 Bcf, 13 cargoes) and South Korea (24.7 Bcf, seven cargoes).

The list of the Top 10 countries of destination overall since 2016 through December 2022 showed two Asian nations, South Korea and Japan, leading and with Spain consolidating its third place position and the UK moving into fourth ahead of China that dropped to fifth.

The top 10 recipients of US LNG by overall numbers of cargoes at the end of December 2022 were: 1) South Korea 494 cargoes. 2) Japan 364. 3) Spain 335; 4) UK 299; 5) China 289; 6) France 298 - including split cargoes); 7) the Netherland 220; 8) India 186; 9) Brazil 217 - including split cargoes; and 10) Turkey 186.

Vessel-borne delivery prices are also given for the US territory of Puerto Rico.

Shipments to Puerto Rico in December had cost an average of $12.81 per MMBtu, up from $10.71 per MMBtu in November.

US LNG had been received in vessels by 44 different countries through December 2022. This comprises ISO containers carried by cargo ships. An ISO delivery was made to Germany in November 2022, making it the 44th nation.

The US has sent ISO containers to Caribbean and Latin American nations for several years. Recipients include Barbados, the Bahamas, Jamaica, Haiti, Antigua and Barbuda and Nicaragua. ■

NEWS BRIEFS

Cedar LNG countdown

Pembina Pipeline Corp., the Calgary-based North American pipelines and terminals operator, said in its latest earnings statement that it planned to advance the development of two "transformational projects" in Canada, the Cedar LNG project and the Alberta Carbon Grid and expected a regulatory decision soon on the Cedar joint venture. This could come before the end of the first quarter. Pembina has formed a partnership with the Haisla First Nation to develop the Cedar LNG project on the Douglas Channel of British Columbia.

Eni earnings increase

Eni said in its latest earnings that LNG sales in 2022 dropped by 14 percent to 9.4 million tonnes from 10.9MT in 2021, impacted by lower supply from Russia and Nigeria. In LNG project activities, Eni noted that in November the first loading of LNG produced from the Coral Sul FLNG project offshore Mozambique was completed. In December, as part of the Congo LNG project from Eni's gas reserves in block Marine XII, a turn-key contract was signed to build, install and commission an FLNG vessel.

Gulfstream LNG plan

Gulfstream LNG, a proposed mid-scale LNG export project located on the shore of the Mississippi River in Plaquemines Parish in Louisiana plans to request that the Federal Energy Regulatory Commission (FERC) begins a pre-filing process after completion of the company's current initial equity funding round. The Gulfstream project plans to start exporting volumes by 2029 from its mid-scale facility with 4 million tonnes per annum of output. ■

Höegh LNG anticipates future profits from FSRU surge led by Germans but posts losses

LNG News Editor

Höegh LNG Holdings, the owner of 10 floating storage and regasification units and two conventional LNG carriers, reported net losses for the fourth quarter and the year during a busy period as three vessels were prepared for FSRU operations in Germany and Brazil.

Höegh still posted increased revenues during the last three months of 2022 amounting to $106.06 million, up from $94.66M in the same quarter of 2021. Full-year revenues rose to $380.8M from $351.8M in 2021.

Loss widens

However, quarterly losses came to $3.98M compared with a profit of $3.57M in the same three months of 2021.

Annual losses widened in 2022 to $55.40M from $21.28M in the previous year.

"Although revenues increased, the group also incurred higher expenses in 2022, through increased vessel operating expense primarily related to repositioning of three vessels to make them ready for FSRU operations and increased administrative expenses," explained Höegh.

All three vessels completed their FSRU operational preparations at shipyards during the fourth quarter and the two 10-year time charter contracts with the German Federal Government were signed in December and January respectively. The company said that the FSRUs "Höegh Esperanza" and "Höegh Gannet" were allocated to these two contracts and are already in place in Germany, located at the North Sea port of Wilhelmshaven and at Brunsbüttel on the Elbe River north of Hamburg.

'Höegh Gannet' to be operating soon at Brunsbüttel

The third vessel, "Höegh Giant", left the yard in November and is now operating in the LNG carrier market on an interim charter before it is scheduled to go to Brazil in the second quarter of 2023.

Höegh signed a 10-year charter agreement with a Brazilian joint venture comprising São Paulo Regas Company (TSRP) and Comgás, Brazil's largest gas distributor.

The "Höegh Gannet" has cargo capacity of 170,000 cubic metres and regasification capacity of 1 billion standard cubic feet per day.

Höegh added in its earnings statement that its business development team was in "active dialogue" with several potential new projects looking for FSRU capacity which could provide growth opportunities for the group in the future.

The company said that the fleet had delivered a stable operating performance in the fourth quarter, though the "Höegh Esperanza", "Höegh Gannet", and "Höegh Giant" were idle for a period of about 35 days on average, while finalising the class renewals and modifications to be carried out to prepare the vessels for FSRU operations.

Höegh noted that its vessel "Höegh Gannet" had arrived in Brunsbüttel in January 2023 and expected to complete its commissioning and commence regasification operations in March-April 2023.

The company added that the "Neptune", which is employed on a long-term charter with TotalEnergies, successfully commenced regas operations for Deutsche ReGas at the German Baltic port of Lubmin in January.

Höegh also gave an overview and its own 2023 outlook for the LNG FSRU market.

"The demand for FSRUs remains high. The turnaround in 2022 was driven by European countries looking to ensure security of energy supply with import of LNG to substitute pipeline gas from Russia," said Höegh.

FSRU fleet

"Currently, 45 FSRUs are on the water (excluding four barges with limited storage and/or send-out). There is one open FSRU newbuilding on order with expected delivery in 2026 and 2-3 ongoing conversions contracted to specific FSRU projects," explained the company.

"Two older conversions with relatively limited storage capacity are in layup. Following the recent surge in demand for FSRUs, most of the world's fleet of FSRUs is now either employed on existing long-term contracts or committed to FSRU contracts with near-term commencement," it added.

Höegh said its own near-term focus was to ensure its new FSRU projects commence operations as planned for the customers in Germany and Brazil over the coming months.

"Furthermore, we are planning for commencement of the contract with Australian Industrial Energy (AIE) in Australia with expected start towards the end of this year," said said Höegh.

The AIE company in Australia is controlled by billionaire commodities businessman Andrew Forrest and the deal with Höegh is to deploy an FSRU to operate at Port Kembla south of Sydney.

"The demand for FSRUs is expected to remain strong. While Höegh LNG has secured long-term contracts for its entire fleet of FSRUs, our business development team is in active dialogue with several potential new projects looking for FSRU capacity. The acquisition of the LNG carrier 'Golar Seal' provides flexibility to pursue FSRU conversion opportunities," it stated.

■

Capital Gas fleet gets new vessel

Capital Product Partners LP (CPLP), the growing liquefied natural gas and energy shipping assets owner, has taken delivery of the newbuild LNG carrier, "Asterix I" and chartered it to a UK-based company.

CPLP said that the vessel has started seven years of employment with Hartree Partners Power & Gas Company (UK) Limited, who maintain an option to extend by an additional two years.

Hartree Partners is a London-based energy supplier and is also involved in trading and marketing volumes to the National Grid.

The owner of "Astrix 1" is a Greek company listed on the Nasdaq global exchange as well as being a master limited partnership in the Marshall Islands.

The LNG vessels sail under the Capital Gas banner and the experienced CPLP executive leadership comprises Chief Executive Gerasimos (Jerry) Kalogiratos, Chief Financial Officer Nikolaos Kalapotharakos and Chief Commercial Officer Spyridon Leousis.

The "Asterix I" vessel is the seventh latest-generation of LNG carriers for CPLP and has 174,000 cubic metres capacity.

CPLP currently owns 22 vessels, including the seven LNG carriers as well as 11 Neo-Panamax container vessels, three Panamax container vessels and one Capesize bulk carrier.

This excludes one 13,312 TEU container vessel that CPLP has agreed to acquire and is expected to be delivered in the second quarter of 2023.

CPLP in its most recent earnings posted on February 3, 2023, reported full year net profits of $21.1 million, an increase of 13 percent on the $18.6M of net earnings from 2021.

GasLog posts jump in annual profits amid merger plan and hire extensions

LNG News Editor

GasLog Ltd, the operator of a fleet of 27 vessels along with affiliate GasLog Partners, posted a more than 78 percent surge in annual profits as global energy shipping activities intensified and charter options were extended.

GasLog, which owns 15 of the ships to the Partnership's 12 vessels, reported annual profits to $398.43M compared with $222.68M in 2021.

Short-term bonus

Annual revenues for the Hamilton, Bermuda-headquartered Greek shipping company, which is headed by Chief Executive Paolo Enoizi, jumped to $915.62M compared with $809.57M in 2021.

"The increase in revenues is mainly attributable to our vessels operating in the spot and short-term markets in the fourth quarter of 2022, in line with the continued strength of the LNG shipping spot and short-term markets," said GasLog.

Vessel operating costs for the year increased to $170.59M from $166.43M in 2021.

GasLog LNG carrier at an import terminal in north Spain

The company fourth-quarter net profits came to $68.70M versus a loss of $59.98M in the same quarter of 2021.

GasLog reported increased quarterly revenues of $244.84M, up from $223.07M in the prior-year quarter.

GasLog said the time charter agreement of the "GasLog Salem", a tri-fuel diesel electric (TFDE) LNG carrier, was extended for three years with Clearlake Shipping Ltd., a subsidiary of commodities group Gunvor. That contract now expires in March 2026.

GasLog Partners also extended the time charter of the "Methane Becki Anne", a TFDE LNG carrier, with a subsidiary of Shell exercising their five-year option to extend and with the contract now expiring in 2029.

In addition, GasLog lengthened the time charter of the "Methane Jane Elizabeth", a steam turbine propulsion LNG carrier, with a subsidiary of Cheniere Energy of the US which exercised its option for another year's hire.

In GasLog's corporate activities, the company's board made to GasLog Partners an unsolicited non-binding proposal for a full merger with the Partnership.

GasLog proposes to acquire all of the outstanding common units representing limited partner interests of the Partnership not already owned by GasLog at an aggregate purchase price of $7.70 per common unit in cash, consisting in part of a special distribution by the Partnership of $2.33 per common unit in cash.

GTT reports profit dip while orders hit record as vessel demand grows

Gaztransport and Technigaz (GTT), the French LNG storage technology company, reported a slight drop in full-year revenues though the results were strong as orders also reached a record level with demand increasing for new vessels.

GTT's revenues for 2022 dipped by 2.4 percent to €307.3 million ($329M) from €314.7M in the previous year.

The Paris-based company, which earns its main income from technology licensing, posted a 4.3 percent decline in net income to €128.3M compared with €134.1M in 2021.

However, the company order book contained a record number of 274 LNG membrane storage units for the core business and 70 units for the LNG-as-fuel sector.

GTT said it achieved a record year in 2022 with 162 LNG carrier orders.

Deliveries of the tanks are scheduled between the third quarter of 2024 and the fourth quarter of 2028.

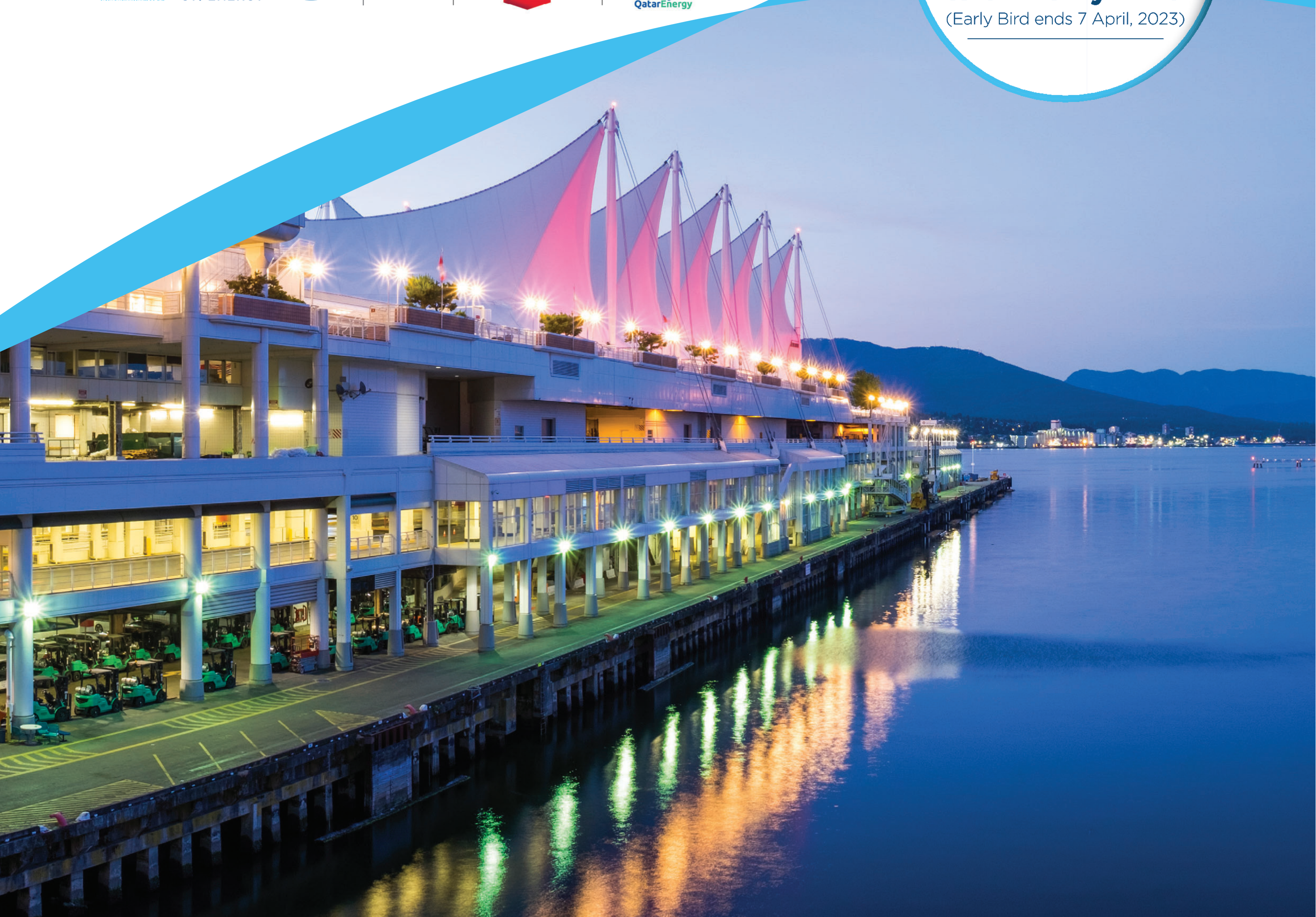
"Of particular note among these orders are those for six large-capacity LNG carriers (200,000 cubic metres)," said the company.

GTT also received an order for a floating storage and regasification unit for delivery in the second quarter of 2026 and two orders for large-capacity ethane carriers for delivery in the fourth quarter of 2025.

The company additionally received orders to equip 42 LNG-powered vessels in 2022.

"The high price of LNG in Europe is hampering sales momentum in the short term, as confirmed by the absence of orders in the fourth quarter of 2022," the company noted.

"Nevertheless, GTT remains convinced of the relevance of its solutions, which enable vessels to comply with new environmental standards, and therefore of the medium-term and long-term potential of this business," stated GTT.



LNG player Engie posts 60 percent earnings surge amid arbitration case against Gazprom Export

LNG News Editor

French utility and LNG market participant Engie reported a more than 60 percent surge in revenues, though real net income plunged and the company said it was going ahead with an arbitration procedure against Russia's Gazprom.

Engie's 2022 revenues amounted to a huge total of €93.9 billion ($113Bln) from its spread of power generation sales from coal power to nuclear and renewables compared with €57.9Bln in the previous year, an increase of 62.2 percent.

Recurring income

Engie said its net recurring income totalled €5.2Bln, up 78.4 percent, well up from €2.9Bln in 2021.

However, the massive French utility reported the group's share of net income as €200 million, a drop of 94.1 percent from the €3.7Bln reported in the previous year.

Engie's net "economic debt" soared by €500M from the previous year to stand at €38.8Bln in total. The utility is still 24 percent-owned by the French government.

The Fos Tonkin LNG terminal 50km west of Marseille

Europe role

"As gas infrastructure owner, operator, and gas supplier, Engie has played a crucial role in Europe," said the company.

"In France, Engie's networks activities have operated at record high utilisation rates, with LNG terminals working at nearly full capacity, with a two-fold increase in transit at GRTgaz including reversed flows from France to Germany, and gas storage levels filled at 82 percent as at 31 December 2022 compared to 53 percent at 31 December 2021," the company explained.

The utility's revenues were boosted by higher energy prices caused by supply disruptions and Western sanctions on Russian gas.

However, those gains were partly tempered by €900M windfall profit taxes decided at EU level and €1.1Bln in government-mandated revenue limits on nuclear and hydro-electric earnings in Belgium and France.

"It was an unprecedented year during which Engie played a major role in ensuring security of supply, remaining close to its customers throughout the crisis," said Chief Executive Catherine MacGregor.

"I am particularly proud that in this volatile and complex environment, our teams have delivered a very strong operational performance," added MacGregor.

Gazprom case

Engie also said that it had initiated an arbitration procedure against Gazprom Export in the fourth quarter of 2022 over non-performance of its gas delivery obligations.

"Engie is seeking in particular to obtain recognition of Gazprom Export's non-performance of its gas delivery obligations towards Engie under long-term gas delivery agreements and payment of contractual penalties as well as compensation for damages resulting from this non-performance," said the French company.

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Spanish gas grid and LNG terminals operator Enagás reports fall in profits as it helps EU system

Enagás, Spain's natural gas grid and LNG network operator, reported slight declines in 2022 net profits and revenues after a year of high volatility in the energy markets with the Spanish Gas System operating without halt and Enagás infrastructure helping maintain the security of supply of the European Union.

Enagás net profits fell 6.9 percent to €375.8 million ($402M) from €403.8M in 2021.

Revenues for the year edged lower by 2.1 percent to €970.2M versus €991.2M in the previous year.

The company like other European and global utilities has regulated income.

The statement showed that total gas demand in Spain, which includes both domestic consumption and exports to Europe, increased by 4.4 percent in 2022.

This amount includes natural gas exports through international connections and LNG vessel cargoes which increased by 90 percent to 68 terawatt hours (TWh). This is the equivalent of 6.96 billion cubic metres of gas, or 5.15 million tonnes of LNG.

"Gas demand for electricity generation increased by 52.7 percent, reaching the highest value since 2010. This increase was driven by electricity exports to France and Portugal," stated Enagás.

Domestic decrease

However, domestic Spanish natural gas demand fell by 21.4 percent.

"This decrease is mainly due to lower industrial consumption, especially in sectors such as cogeneration and to the Government's savings and energy efficiency measures," said the company.

Gas exports to Europe via interconnections with France increased by 22 TWh.

"LNG vessel refuelling from Spanish terminals increased by 45 percent, the third highest ever," stated Enagás.

"This supported the coverage of the gas market and the filling of underground storage in the rest of Europe. Of the refuelling carried out at Spanish plants, the main destinations were Italy and Germany (refuelling of the first FSRU put into operation in this country)," said the company.

In addition to operating the gas grid, Enagás has capacity at six LNG regasification terminals in Spain.

It owns five terminals at Barcelona in the northeast, at Cartagena in the southeast, at Sagunto in the east of Spain, at Huelva in the southwest and the El Musel terminal in the northwest that is now being reactivated for trans-shipments to the EU.

As well as controlling the El Musel terminal in its new role, Enagás is also overseeing the overhaul of the jetty at the Barcelona terminal to increase its ship handling capacity and to enable trans-shipments from Barcelona to other EU terminals.

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