

Vitol increases traded LNG cargoes to over 17MT and sees tight supply

Chief Executive sees more demand from the nations of emerging Asia
LNG News Editor

Vitol, the world's largest independent energy and commodities firm, said its traded liquefied natural gas volumes increased slightly to 17.6 million tonnes during 2022 and with 67 percent sold to Europe in the fourth quarter.

The firm, owned by several hundred senior partners spread across the energy-trading hubs of London, Geneva, Singapore and Houston, reported an 81 percent jump in 2022 overall energy turnover to \$505 billion compared with \$279Bln in 2021.

However, Vitol's delivered crude oil and petroleum product volumes declined to 7.4 million barrels a day versus 7.6 million barrels a day in 2021.

Vitol forecast that the LNG market would be tight for the next few years.

"The supply of LNG is critical to ensuring near-term energy security in many regions," said the firm.

Price surge

"High prices during 2022 pushed a number of Asian buyers and economies out of the market and resulted in increased coal burn," Vitol added.

"We expect this tightness in LNG to continue until 2026, when significant new production capacity will come online, equivalent to 50 percent of supply in 2022," it stated.

"This new supply, which will originate in the US, Qatar and Africa, will primarily be consumed



Vitol CEO said 2022 events 'shook world' and markets

by developing Asian economies, enabling them to underpin economic growth and move away from coal," Vitol said.

Vitol Chief Executive Russell Hardy said that the events of 2022 "shook the world" and energy markets.

Hardy said the invasion of Ukraine and its political ramifications resulted in severe dislocations in energy markets and Vitol like other companies had to respond quickly to supply signals.

"In this context of higher prices and a fast-growing gas and power business, our turnover increased to \$505Bln. Mindful of our role in meeting the needs of our customers, we continue to focus on our strategy of investing in energy solutions for today and tomorrow," stated the CEO.

Africa focus

Vitol noted that in the longer term, Africa would continue to be a growth market as per capita oil consumption, currently 9 percent that of Europe, increases in line with economic development.

The firm acquired the public

shareholding in 2022 of Vivo Energy, the African downstream business it founded in 2012 and which operates the Shell and Engen brands in 23 African markets.

Vitol added that in February 2023, Vivo consolidated its market-leading presence by agreeing to acquire South Africa-based Engen from Malaysia's Petronas.

"The combined group will have 3,900 service stations across 27 African countries, resulting in one of the largest energy distribution platforms in Africa," said Vitol.

Vitol, through its portfolio company VTX, has also just closed its second US onshore upstream acquisition and this one is in the Southern Delaware Basin in Texas.

Together with Vencer, an existing Midland Basin producer, Vitol said it would invest in US production of around 80,000 barrels of oil equivalent per day.

Vitol added that also during 2022 it completed a new-build, efficient refinery in Malaysia. The facility is intended to serve local bunkering and other growing product markets in the Asian region.

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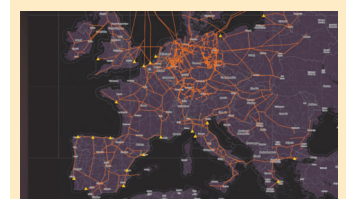
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Italian gas grid operator SNAM allocates most of Piombino LNG regasification capacity

LNG News Editor

The proposed floating LNG terminal at the Italian Port of Piombino in northwest Italy has filled 86 percent of the regasification and cargo slots.

Italian gas grid and terminals operator SNAM said the procedure for the first allocation of regasification capacity for the 20-year period between the 2023-2024 and 2043-2044 had mostly been filled.

Slots

A total of 37 slots per year out of a total of 43 slot per year had been subject to offers, leaving just 14 percent of the annual capacity to be filled for the floating storage and regasification unit (FSRU).

SNAM is deploying the 154,950 cubic metres capacity FSRU "Golar Tundra" permanently at Piombino.

The utility company said in its statement on the allocation that each landing slot corresponded to



Latest Italian floating LNG terminal FSRU 'Golar Tundra'

a capacity of 171,920 cubic metres of LNG.

New allocation

"The terminal's residual capacity, equal to six slots per year, will be made available in a forthcoming allocation procedure for a multi-year period," stated SNAM.

"The excellent result achieved will allow greater quantities of natural gas to be introduced into the national transport network, contributing substantially to the diversification of supplies and to the security of the national energy system," declared SNAM.

However, some members of Pi-

ombino's municipal administration filed a legal challenge in late 2022 against the government-backed FSRU project.

SNAM has purchased two FSRUs as part of Italy's plan to support the European Union's replacement of Russian pipeline gas with more LNG deliveries from nations such as the US, Qatar, Algeria and Egypt.

SNAM, whose name comes from Società Nazionale Metanodotti (National Pipeline Company), already operates the onshore Panigaglia LNG facility near Genoa where deliveries doubled in 2022.

The utility also has a controlling stake in the "FSRU Toscana" moored

off the Italian coast between the cities of Livorno and Pisa.

The Piombino FSRU and the second SNAM FSRU would be Italy's fourth and fifth LNG import terminals after the onshore facility at Panigaglia, the Livorno FSRU and the Adriatic LNG facility, an off-shore gravity-based structure on the east coast.

Second FSRU

The second SNAM FSRU is the 170,000 cubic metres capacity "BW Singapore".

The vessel has already been purchased by SNAM, though is currently bound by a charter agreement with a third party until November 2023.

According to SNAM the "BW Singapore" could be deployed eventually in the upper Adriatic Sea, close to the Port of Ravenna where there is already a small-scale on-shore LNG fuel terminal and other petroleum storage infrastructure.

EU moves ahead with joint purchases plan for pipeline gas and LNG for five EU regions

The European Union is moving forward with its plan to seek pooled natural gas purchases under a programme called AggregateEU and set to be launched in June with the aim of reducing prices and increasing efficiency in fully replacing Russian pipeline gas supplies to Germany and the EU.

More than 50 companies from around the world have shown interest in using the platform, according to the European Commission Vice President in charge of the programme, which includes the 27 EU members and four non-EU members from eastern Europe and the Balkans, including Ukraine.

The AggregateEU plans is being steered by Slovak diplomat Maroš Šefčovič who is serving as Vice-President of the European Commission's Interinstitutional Relations unit.

To implement this strategy, the European Commission has already created a web site and system called the EU Energy Platform "to facilitate purchases of joint gas, liquefied natural gas and hydrogen" across the continent.

Following a steering committee meeting recently led by Commission Vice President Šefčovič, a total of 22 member states expressed their preliminary interest in aggregating gas demand equalling more than 17 billion cubic metres of gas over the next three years.

"I encouraged the remaining five member states to notify their volumes as soon as possible," he said in a statement.

Live web site

The web site for AggregateEU tool went live on March 15.

"The service provider, PRISMA, will help us implement demand aggregation as a first step towards the joint purchase of gas," explained Šefčovič.

Under the EU plans, the bloc will focus on organising demand aggregation and joint purchasing of gas for the coming 2023-2024 winter season.

While the EU is ending the current winter season at the end of March with most major and LNG importer nations still having gas in reserve after a very mild winter and lower demand because of high prices, the coming year is expected to require substantial gas availability.

The International Energy Agency forecasts that the EU will need around 395 Bcm of natural gas in 2023, around the same total as

2021, even as consumption in the past year amounted to 360 Bcm.

Endorsement

The European Council of the 27 nations endorsed the joint purchasing of gas and recommended "coordinating and prioritising negotiations with reliable partners to seek mutually beneficial partnerships" to exploit the EU's collective "political and market weight" and to make full use of the EU Energy Platform.

EU countries are now obliged to aggregate demand for volumes of natural gas equivalent to 15 percent of their respective storage filling obligations.

Beyond the 15 percent, the aggregation will be voluntary, though based on the same mechanism.

GTT in merger of brands in shipping

Gaztransport and Technigaz (GTT), the French LNG storage technology company for shipping and onshore, has created a new smart-shipping brand from subsidiaries based in Singapore and Iceland.

The brand merger of the units is under the name Ascenz Marorka, taking the name of the Singaporean company Ascenz and the Europe-based Marorka.

GTT acquired Marorka, a smart-shipping company based in Reykjavik with services much sought by the LNG industry, in February 2020.

Marorka was bought from its owners and management team for an undisclosed sum.

The company designs maritime energy monitoring and optimization systems for vessels allowing them to reduce their environmental footprint and also provides other benefits.

The Icelandic company's systems were at the time of its acquisition by GTT installed on more than 600 vessels.

Marorka was purchased as a good technical, commercial and geographical complement to the Far East smart-shipping unit Ascenz.

Anouar Kiassi, Vice-President Digital and Information at GTT, said that thanks to 30 combined years of experience the Ascenz Marorka brand would provide a great service to ship owners.

"The new brand will put us in a stronger position to design and distribute superior solutions to our customers and meet the evolving requirements of the maritime industry," Kiassi stated.

Höegh LNG completes purchase for \$184M of 'Golar Seal' ship

LNG News Editor

Höegh LNG Holdings, the owner of 10 floating storage and regasification units and two conventional LNG carrier, has completed the acquisition of the LNG carrier "Golar Seal".

The company purchased the 2013-built "Golar Seal" from Cool Co., the LNG shipping joint venture led by Eastern Pacific Shipping.

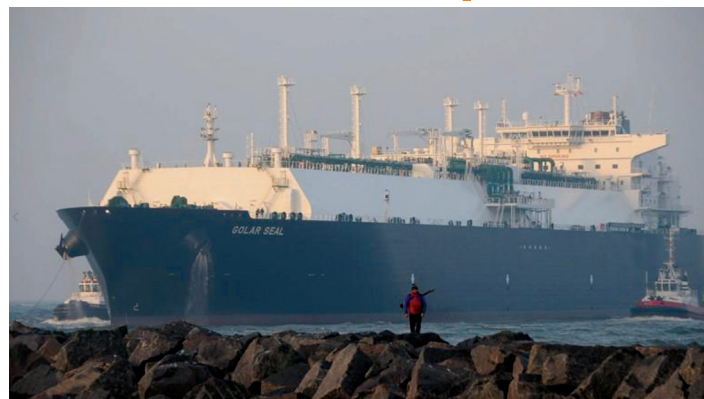
FSRU market

Höegh LNG paid \$184.3M for the vessel with 160,000 cubic metres of capacity.

Hamilton, Bermuda-based, Höegh also assumed all costs associated with the vessel's scheduled dry-docking.

Höegh said that the "Golar Seal" would also be renamed the "Höegh Gandria".

Höegh last month reported net losses for the fourth quarter and the year during a busy period as three vessels were prepared for floating storage and regasification unit (FSRU) operations in Germany and Brazil.



The 'Golar Seal' will be renamed the 'Höegh Gandria'

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

The company increased vessel operating expenses primarily related to repositioning of three vessels to make them ready for FSRU operations.

All three vessels completed their FSRU operational preparations at shipyards during the fourth quarter and two 10-year time charter contracts with the

German Federal Government were signed in December and January respectively.

The company's FSRUs "Höegh Esperanza" and "Höegh Gannet" were allocated to contracts and deployed in Germany at the North Sea port of Wilhelmshaven and at Brunsbüttel on the Elbe River north of Hamburg.

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

Dynagas LNG Partners posts rise in profit and stable voyage revenue

Dynagas LNG Partners, the owner of six liquefied natural gas carriers and mostly involved in Russian cargo liftings, reported an increase in net income for 2022.

Dynagas Partners, the US unit of Athens-based shipping company Dynagas and listed on the New York Stock Exchange, said net income increased to \$54.01 million versus \$53.26M in the previous year.

'Strong market'

However, voyage revenues for 2022 were slightly lower at \$131.65M compared with \$137.74M in 2021.

"On the back of a strong LNG market Dynagas entered into a new time charter party agreement with Equinor ASA for the employ-

ment of our LNG carrier 'Arctic Aurora' with expected delivery in September 2023," said the Dynagas partnership.

"The new time charter period is about three years, adding about \$115.3M to the Partnership's existing contracted revenue backlog," the company added.

All six LNG carriers in the fleet are operating under their respective original long-term charters with international gas producers, including Novatek and its Yamal LNG joint venture project in Arctic Russia.

The vessels are registered in the Marshall Islands and sail under that flag. Five out of the six LNG carriers have ice-class 1A FS or

equivalent notations of Arc-4 LNG vessels.

The Dynagas fleet's main area of navigation with regards to ice-bound regions are the Northern Sea Route between Norway, northern Russia and Sakhalin Island in the Russian Far East.

In addition to the "Arctic Aurora", the fleet comprises the "Clean Energy", the "Amur River", the "Ob River", the "Yenisei River" and the "Lena River".

"While future results may vary, we are pleased to report 100 percent utilization for our fleet for the 11th quarter in a row which is a testament to the fleet's performance," Dynagas said.



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NEWS BRIEFS

Papua LNG EPC

A joint venture comprising JGC Holdings of Japan and South Korea's Hyundai Engineering & Construction of South Korea have been awarded downstream contracts for the Papua New Guinea LNG expansion project. JGC and Hyundai were awarded a front-end engineering and design (FEED) contract and an engineering, procurement and construction (EPC) estimation contract as part of a competition by PNG plant operator ExxonMobil on behalf of the Papua LNG project partners. The project is to build 4 million tonnes per annum of LNG liquefaction capacity adjacent to the existing PNG LNG plant located north-west of the capital Port Moresby.

GTT in patents list

Gaztransport and Technigaz (GTT), the French LNG storage technology company, has taken first place for a fourth consecutive year in list of patent applications from medium-sized companies made to the French Patent and Trademark Office, l'Institut National de la Propriété Industrielle. GTT said it had 57 patents published in 2022. "In the ranking of the Top 50 patent applicants in all categories, GTT is in 23rd place and has moved up seven places compared to the 2021 list," said the Paris-based company.

Genel Energy boost

Genel Energy plc, the London-listed oil and natural gas company with interests off the beaten track in Kurdistan and Somaliland, reported annual revenues of \$432.7 million, an increase on the previous year's \$334.9M and also posted operating profit of \$18.3M. "We have a very strong balance sheet with \$495M of cash, net cash of \$228M, at the end of 2022 and no debt maturity until 2025," said the company.

US DoE LNG pricing and delivery data shows UK and France consolidating lead over China in overall shipments list

LNG News Editor

The US Department of Energy has published its latest LNG monthly export data showing that the United Kingdom and France are consolidating their lead over China in the overall list of countries receiving the most cargoes.

The March 2023 DoE data report just issued gives the prices, numbers and trends for January 2023.

Cargo growth

It showed that the total number of US cargoes delivered worldwide since March 2016 now amounted to 4,358 shipments, or 13,932.1 billion cubic feet of natural gas.

A further 1,300 ISO containers of LNG have been shipped to nations in the Caribbean and Latin America from ports in Florida and from Puerto Rico.

The six operating US LNG export plants dispatched 102 full LNG cargoes in January 2023 versus 112 in December 2022 and 108 shipments in January 2022.

The Sabine Pass plant in Louisiana remained the volume leader in January 2023 with six Trains on stream and supplying 41 cargoes followed by the Cameron export point's 33 shipments from Louisiana. This included 21 cargoes from Cameron LNG and 12 from Calcasieu Pass.

Corpus Christi in Texas shipped 19 cargoes, Cove Point in Maryland dispatched six cargoes and Elba Island in Georgia three.

Shipments from the Cameron export point in Louisiana cost the most for a 10th straight month through January 2023.

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 \$14.33 per million



More US exports will point at Panama Canal and Asia

British thermal units in January 2023, which was lower than the Cameron price in the previous month of \$16.34 per MMBtu.

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

The combined average January price at the export points including the four other plants, with Freeport off stream in January, was \$10.82 per MMBtu versus \$12.19 per MMBtu for the previous month.

The year-to-date price in January 2023 from the export points for all plants combined was \$12.03 per MMBtu versus \$11.79 per MMBtu in December 2022.

The average prices for each of the four other plants (from the export point) from highest to lowest in January 2023 were: Corpus Christi in Texas \$10.74 per MMBtu (\$10.60 December); Elba Island (Georgia) \$8.81 per MMBtu (\$10.14, December); Sabine Pass (Louisiana) \$8.67 per MMBtu (\$10.43, December); and Cove Point (Maryland) also \$8.67 per MMBtu (\$10.98, December 2022).

The Top Five countries of destination, representing 58.6 percent of total US LNG exports in January 2023, were the United Kingdom (63.0 Bcf, 19 cargoes), Turkey (39.9 Bcf, 11 cargoes), the Netherlands (36.5 Bcf, 11 cargoes), France (34.1 Bcf, 10 cargoes) and South Korea (24.5 Bcf, eight cargoes).

The list of the Top 10 countries of destination overall since 2016 through January 2023 showed two Asian nations, South Korea and Japan, leading and with Spain consolidating its third-placed position.

The UK and France have overtaken China in recent months to take fourth and fifth places respectively while the Chinese drop to sixth.

The top 10 recipients of US LNG by overall numbers of cargoes at the end of January 2023 were:

- 1) South Korea 502 cargoes. 2) Japan 369. 3) Spain 339; 4) UK 317; 5) France 308; 6) China 293; 7) the Netherlands 231; 8) India 188; 9) Turkey 197; and 10) Brazil 217 - including split cargoes.

Puerto Rico

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

Shipments to Puerto Rico in January 2023 had cost an average of \$9.82 per MMBtu, down from \$12.81 per MMBtu in December.

US LNG had been received in vessels by 44 different countries through January 2023. This also comprises ISO containers carried by cargo ships.

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.

ICE's energy markets hit record open interest for oil options as European TTF activity rises

LNG News Editor

Intercontinental Exchange, the leading global provider of energy trading platforms for futures and options, reported record Open Interest across its global commodity and energy futures and options markets, including European natural gas and with record volumes also seen in oil options.

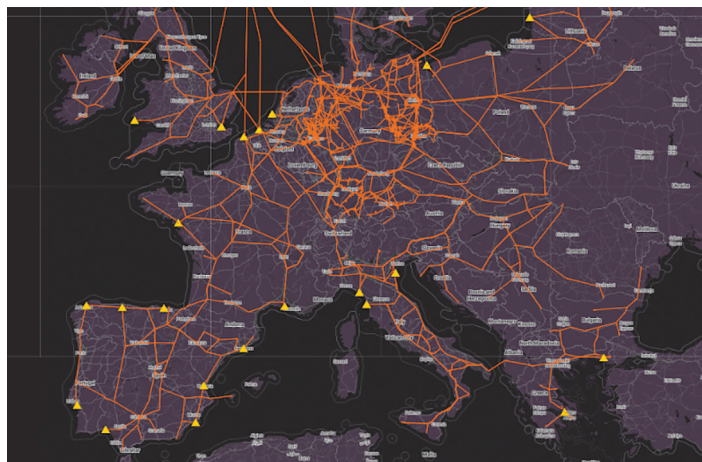
ICE hit a record 51.1 million Open Interest (OI) contracts across commodities futures and options, up 10 percent since the start of the year, as well as record OI in energy futures and options of 47M.

Contracts

The firm, headquartered in Atlanta, Georgia, said OI in the European benchmark ICE Dutch Title Transfer Facility (TTF) natural gas futures and options had surged by 29 percent since the start of 2023 to 2 million contracts.

ICE noted that it also saw the first TTF trades in the past week in the Calendar Year 2031 TTF.

Open Interest is the number of contracts that remain open each day and reflects how customers are adding to their positions for a



Dutch TTF futures and options activity surged in early 2023

period of time. The longer-dated positions of OI tend to be held by commercial customers hedging their exposure to price risk.

ICE's overall OI across ICE's global natural gas futures and options portfolio is up 9 percent since the start of the year at 30.4M contracts.

It added that OI across North American natural gas futures and options, which includes Henry Hub and US Basis Markets contracts, was up 8 percent at 27.8M contracts.

The Dutch TTF, US Henry Hub,

Japan-Korea Marker LNG spot cargo price and UK National Balancing Point futures and options form most of the ICE's global natural gas complex, alongside the West India Marker (WIM) and the Spark LNG Freight Futures contracts.

Across ICE's global oil markets, OI is up 18 percent since the start of the year at 11.37M contracts, with OI in North Sea Brent futures and options up 28 percent at 4.98M.

ICE reported that on March 15, 2023, a record 567,731 oil option contracts traded on ICE, including

a record 513,567 Brent options.

Both previous records were last set three years ago on March 9, 2020.

ICE explained that Brent is used to price an estimated 80 percent of oil traded on the global market and is the most liquid crude oil futures and options market in the world.

Hedging

"The increase in trading activity across ICE's markets reflects the breadth of ICE's commodity benchmarks, with customers utilizing our liquidity and transparency to hedge their risk," said Jeff Barbuto, Global Head of Oil Markets at ICE.

"The resilience of ICE Brent through the shocks the market witnessed last year, and its out-performance this year versus other oil benchmarks, shows how the market depends on its ability to reflect global fundamentals," stated Barbuto.

Elsewhere in the oil portfolio, ICE reported that Gasoil, where OI is up 19 percent since the start of the year, saw 308,400 tons of diesel headed for delivery to North-West Europe at its most recent expiry, the highest since November 2021.

Other ICE oil benchmarks performing strongly since the start of 2023 include ICE Dubai (Platts) where OI is up 9 percent, with average daily volume (ADV) of 55,000 contracts, up 33 percent year-over-year.

The Abu Dhabi Murban oil OI is up 16 percent at 47,300 contracts, with ADV of 8,400 contracts, up 77 percent.

ICE added that the Texas Midland WTI (HOU) has seen OI grow to 14,000 contracts with ADV of 4,700.

The platform's Wet Freight, which is used to manage price risk associated with shipping oil, was up 7 percent in OI at 158,100 contracts and ADV was up 27 percent.

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Excelerate Energy extends financing

Excelerate Energy, the leading US provider of floating LNG import terminals facing increased global demand in Europe and elsewhere for its services, has extended its credit facilities as activities increase and to finance the purchase of a vessel.

The company, headquartered in The Woodlands suburb of Houston in Texas, said it extended an existing \$350 million revolving credit facility and added a \$250M term loan for a financing total of \$600M.

Proceeds from the term loan are intended to be used to purchase the floating storage and regasification unit (FSRU), the "Sequoia".

Excelerate took delivery of the "Excelerate Sequoia" from the Daewoo Shipbuilding and Marine Engineering shipyard in South Korea in mid-2020.

The vessel has a storage capacity of 173,400 cubic metres and is capable of operating as both an FSRU and a conventional carrier.

Excelerate also signed a five-year bareboat charter agreement (BBC) for the FSRU with Greek shipping company Maran Gas Maritime, making Maran the "disponent owner" of the ship.

However, Excelerate retained the option to purchase the "Sequoia" during the five-year BBC.

Excelerate said it intended to acquire the FSRU "Sequoia" by exercising the purchase option with Maran Gas and for the purchase to be completed in April 2023.

"The commitments under the Term Loan Facility expire on May 1, 2023 if the acquisition of the FSRU 'Sequoia' does not occur by such date," explained Excelerate.

Russian LNG producer Novatek to move GDRs to Luxembourg

LNG News Editor

Novatek, the largest Russian LNG exporter from the Yamal plant in northern Siberia and the developer of the Arctic LNG II project on the Gydan Peninsula, has announced impending changes in its Global Depositary Receipts (GDR) program as The Bank of New York Mellon is withdrawing as the currently appointed depositary.

Novatek has agreed to replace the US bank with the Luxembourg-based financial institution RCS Issuer Services S.A.R.L.

From June

The company said the change in the depositary regime is expected to come into effect on June 21st.

"Holders of Novatek GDRs are not required to take any action in connection with the change of the depositary," said the company.

The share of Novatek's GDRs was 17.46 percent of the capital at the start of 2022.

The existing Yamal plant has



Construction site for the Arctic LNG II export project

around 20 million tonnes per annum of capacity and Novatek says the launch of the first Train at the Arctic LNG II project is still on schedule for year-end 2023 and the second and third Trains for 2024 and 2026 respectively.

The Arctic LNG II project construction involves three processing Trains each with capacity of 6.6 MTPA.

The Novatek company is the largest Yamal LNG shareholder and also owns a 60 percent stake in Arctic LNG II and there are four other 10 percent stakeholders from China, Europe and Japan.

A GDR or an American Depositary Receipt are negotiable securities issued by depositaries in the international markets to investors both outside and within the US.

The security establishes a path to ownership of shares for example in a non-US issuer, facilitating access to capital markets outside a home jurisdiction.

Each GDR or ADR represents a set number of underlying ordinary or preferred local shares deposited with depositary custodians in the home market or international markets.

Energean boosts East Med revenue and swings to gas field profitability

Energean plc, the London-listed natural gas focused company with growing East Mediterranean assets offshore Israel, Egypt, Greece and Italy reported a more than 48 percent increase in revenues and swung to a net profit in 2022.

Energean revenues during the year to the end of December 2022 amounted to \$737 million compared with \$497M in the previous year as prices increased along with production.

Net profit

The company made a net profit of \$17.3M after losses in the previous year of \$96.2M.

Operating profit during the year surged to \$232.2M, up from \$32.1M in 2021.

Energean's East Med realised

weighted average pre-hedging oil and gas prices for the year came to \$81.2 a barrel versus \$57.1 a barrel in 2021 and \$11.2 per thousand cubic feet for natural gas compared with \$5.2 per mcf in the previous year.

Working interest production averaged 41.2 thousand barrels of oil equivalent per day with the Abu Qir gas-condensate field offshore Egypt accounting for over 60 percent of total output.

Mathios Rigas, Chief Executive of Energean, said it was a transformational year for the company whose assets include the Karish gas field offshore Israel, the Cassiopea gas field off the Italian coast, Egyptian gas assets and a Greek oil field.

"It was a year of positive delivery. We commenced production

from the only FPSO in the strategically vital Eastern Mediterranean region, paid dividends to our shareholders, and laid the foundation for our future growth through the discovery and de-risking of new natural gas resources adjacent to our infrastructure," explained CEO Rigas.

"Energean was the sole owner-operator of five deepwater wells, which drove a 20 percent increase in our reserve base and marked the 15th consecutive year of reserve and resource base increases for Energean," he stated.

"We are proud to be on track to deliver between 4.5 billion cubic metres and 5.5 Bcm of gas into the Israeli domestic gas market this year," Rigas added.



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India's LNG import continue resurgence through last month even at higher prices as demand rises

LNG News Editor

Indian liquefied natural gas imports jumped by 11 percent in February to continue the resurgence in the nation's natural gas use despite LNG cargo prices being 37 percent higher than last year.

LNG imports for the month of February rose to 1.67 million tonnes, or 25 cargoes, compared with the 1.50MT, or 22 cargoes, delivered in February 2022, according to provisional data from India's Ministry of Petroleum and Natural Gas.

Annual fall

India's January deliveries to the network of six import terminals had also risen by 7.9 percent to 1.67MT from 1.53MT in January 2022.

However, the total imports for the first 11 months of the fiscal year so far from April 2022 to February 2023 amounted to 18.33MT, a drop of 12.8 percent on



Hazira LNG terminal is one of five on the West Coast

the 21.00MT discharged at terminals in the previous fiscal-year period.

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.

The first 11 months of the fiscal year were marked by LNG prices 40 percent higher than the previous year with the bill for India coming to \$16.8Bln, or 138,680 Indian crore rupees, compared with \$12.0Bln, or 99,057 crore rupees, in the same

period of the previous fiscal year.

The LNG costs for February 2023 alone came to \$1.5Bln, up 37 percent from the \$1.1Bln paid in February 2022.

Analysts expect demand for spot shipments to rise in the Indian sub-continent as prices drop in the Northern Hemisphere summer season to a near two-year low.

Indian domestic natural gas production in February from gas fields in offshore areas such as the Bay of Bengal on the East Coast came to 2.651 billion cubic metres, an in-

crease of 1.9 percent on the 2.602 Bcm produced in February 2022.

Production from April-to-February came to 31.494, which was just over 1.1 percent more than the 31.137 Bcm produced in the same 11 months of the previous fiscal year.

The Ministry added that on-shore coal-bed methane gas production in February came to 50.27 Bcm and for the year-to-date amounted to 617.68 Bcm.

Ministry data also gave average capacity utilization rates for the LNG terminals one month in arrears from April-to-January.

The total capacity of the six terminals amounts to 42.7 million tonnes per annum of LNG.

The largest Indian terminal at Dahej, located north of Mumbai and operated by Petronet LNG, has capacity of 17.5 MTPA and the latest utilisation rate given by the Ministry saw a slight fall to 78.2 percent from 78.4 percent previously.

Chinese LNG imports at start of year drop almost 12 percent but show some signs of recovery

Chinese liquefied natural gas imports dropped by almost 12 percent in January and February compared with the same period of 2022.

Chinese imports of LNG came to 11.12 million tonnes which was 11.9 percent lower than the January-February 2022 period, according to China's National Bureau of Statistics (NBS).

Combined data

The NBS combines economic data each year for January and February to avoid distortions from the timing of the annual Lunar New Year holiday, which fell in late January in 2023.

"Imports of natural gas (LNG and pipeline) came to 17.93 million tonnes, a year-on-year decrease of 9.4 percent and 2.4 percentage points lower than in December 2022," said the NBS.

While January's LNG deliveries were down on last year at 6.00MT, China's network of terminals received 5.12MT of LNG imports in February, up 8.2 percent versus February 2022.

The overall drop in LNG deliveries during the two-month period was expected because of relatively high spot prices and a fall in domestic demand when industries close for the New Year holiday and cargo purchases decline.

China's main LNG suppliers in early 2023 were Australia, Qatar, Malaysia, Indonesia and the Yamal plant in Arctic Russia.

Chinese LNG deliveries had surpassed those of Japan in 2021 and amounted to 78.93MT, which was 18.3 percent more than in 2020 and made the country the No. 1 global LNG importer.

However, LNG deliveries to

Japan's network of 37 terminals reversed China's lead in 2022 and the Japanese moved back to the top importer spot.

China's pipeline gas imports in the January-February period were down 5.2 percent from the previous year to 6.81MT.

The Chinese receive varying volumes of pipeline gas mainly through links from the former Asian republics of Turkmenistan, Kazakhstan and Uzbekistan, as well as from Russia as part of Gazprom's "Power of Siberia" project.

The NBS also reported that China's domestic natural gas production was increasing.

"The growth rate of natural gas production increased steadily and the decrease in imports was narrowed. From January to February, China produced 39.8 billion cubic metres of natural gas, a year-on-

year increase of 6.7 percent and with average daily output of 670 million cubic metres," the NBS said.

The NBS data also showed that thermal power generation for all fuels declined by 2.3 percent year-on-year in the two-month period with the country's hydro-electric power output falling 3.4 percent from the year before.

Coal and oil

On the coal production front, the NBS said that China's growth rate of raw coal production increased rapidly and coal imports had also rebounded sharply.

"From January to February, 730 million tons of raw coal were produced, a year-on-year increase of 5.8 percent and the average daily output was 12.44 MT," the NBS said.