

Norway's Hammerfest LNG must rethink electrification project

Norwegian legislators voted against LNG plant electrification and prefer to have CCS

LNG News Editor

The Norwegian parliament, the Storting, has ordered the government to consider an alternative way to cut carbon emissions at Western Europe's largest liquefied natural gas export plant at Hammerfest and to consider the use of carbon capture instead of electrification.

State-owned oil and gas company Equinor and partners were seeking approval to replace the use of gas power at the plant and to instead use electricity from the national grid to help reduce emissions.

Island debate

The Hammerfest liquefaction plant is located on Melkøya island and Equinor had already submitted a plan for development and operation of the project to the Norwegian Ministry of Petroleum and Energy.

Electrification would have entailed replacing the current gas turbine generators at the Hammerfest plant with power brought from the shore.

Equinor's Hammerfest project changes fell under the government programme to electrify major industrial operations to support compliance with the 2015 Paris Climate Agreement and required government assent.

The responses from local residents in northern Norway were mostly negative because of concerns about power shortages and other issues.

In a vote the parliament ordered Norway's minority centre-left government to assess carbon-capture and storage (CCS) as an alternative to electrification by 2029.

Norway's parliament had debated the issue over the previous week.



Liquefaction facility on Melkøya island is operated by Equinor

The oil and gas industry is strategic for the nation and produces multiple benefits so that developments are keenly debated in public, in the press and in parliament.

Three parliamentary motions to delay or abandon the electrification project, or otherwise reduce power output through the continued use of gas at the plant were filed by opposition parties.

The parliament's Standing Committee on Energy and the Environment then recommended that all these proposals be rejected.

A fourth proposal to evaluate the possibility of deploying CCS for the Hammerfest facility to reduce emissions instead of drawing power from the electricity grid was then presented and gathered majority support in the chamber.

The Hammerfest project was contentious with locals in Northern Norway who have stood up against green measures whatever the cost to people and many also sided with the rights of Indigenous Sami reindeer herders in the region.

The Sami herders said that they were worried that the power masts needed to transport the power as well as tunnels and other infrastructure would be built on reindeer pastures.

They also argued and were supported by many members of parliament that the sight and sounds from the huge masts and cables would frighten their animals and disrupt age-old traditions.

In addition, the upgrade would

have seen high activity levels in the Hammerfest region, such as the construction of a tunnel and a transformer station as well as all the laying and setting of transmission cables.

Power concerns

The local people of the region were additionally concerned that the move would lead to a shortage of power as the Hammerfest plant would consume most of what was available and would prevent the establishment of new industries and future job creation.

Equinor had noted in December 2022 that electrification would have reduced carbon-dioxide emissions from the plant by around 850,000 tonnes per year.

Hammerfest produces 4.65 million tonnes per annum of LNG from a single liquefaction Train as well as 340,000 tonnes of liquefied petroleum gas and 730,000 tonnes of condensate.

The Snøhvit field serving the Hammerfest plant lies in the central part of the gas basin in the southern Barents Sea in water depths of 310-340 metres.

Snøhvit was the first field to be developed in the Barents Sea and the gas field comprises the Snøhvit, Albatross and Askeladd structures.

The licence owners of the Snøhvit field are operator Equinor along with Norway's state body Petoro, French major TotalEnergies, Neptune Energy of the UK and Germany's Wintershall Dea.

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London shipbroker gives April overview of the current charter challenges in LNG market

LNG News Editor

There is an enormous divide in charter rates in discussions for liquefied natural gas carriers up until September 2023 compared with October to December.

"Winter is clearly still expected to be very strong and the lack of shipping to cover that period is a demonstration of the unpredictability and uncertainty when it comes to what the rates may end up being," according to the monthly LNG shipping report for April from London shipbrokers Simpson Spence Young (SSY).

Charter aims

"There remains, however a fundamental lack of independent length and should the market turn a bullish corner on the cargo side, much may change rapidly this summer," SSY explained.

The brokerage noted that the months March and April in LNG shipping have historically often been "very tricky patches to navigate" if you have open tonnage, but the belief in a stronger second half of the year has not completely waned.

"Notably, every single period and type of ship today is trading at a premium versus this time 12 months ago. Spot, Term, East and West, 2

stroke, Steam is all better than in March 2022," SSY stated.

"The long-term market also showed no sign of slowing as a European utility locked in two ten-year deals at record-breaking levels before the agreement fell through. However interest around the re-opened units resumed instantly," added the report.

The SSY report also mentioned that the start of April was marked by the first ever "IE" week.

The report explained that International Energy week has replaced its predecessor International Petroleum week as the oil tanker market, and increasingly the LNG market, descended upon London to share thoughts and socialise.

"Following a slow week owing to this and a lethargic half-term period the market picked up again with several spot fixtures across both basins," SSY said.

The report added that free-on-board tenders were hotly competed out of Egypt and Oman with a Chinese major winning two of these in a single week.

"Despite the action, spot rates remained flat, perhaps even suffering a slight decrease on the back of spot fixtures that saw multiple ships in contention for a single cargo,"

SSY said.

"The action mainly leant in the favour of the Pacific in terms of activity despite no real sign of a Chinese resurgence for LNG demand," the broker added.

Relet owners

"Relet owners often really struggled to find a cargo that was a suitable match against their length which saw many ships sit idle until ballasting to their next commitments, particularly in the Atlantic," the report said.

The markets was summarised by the last EGAS FOB tender in Egypt being awarded to a player with their own shipping, reflecting ample length in the market and saw lower and lower rates being shown for sub-tender shipping awards.

"April at times felt barren of

cargoes and May, despite being a bit beyond the fixing window, gave similar ominous signs," SSY stated.

"The West to East arbitrage remained firmly shut, as commodity prices continued their downward trajectory. This resulted in the market continuing to being notably 'intra' basin," said the report.

The primary and most interesting action remains, as has often been the narrative, on the multi-month and term market.

The report explained that a steam requirement in the Middle East was covered on a European Owner's steam vessel for 70-plus up to 30 days at relatively healthy levels, pointing to the certain premium that Middle East loadings frequently command and showing the older ships still have a role to play for certain trades.



Carrier charter business is tricky to navigate for brokers

LNG storage firm GTT receives first maritime orders for four China Merchants newbuilds

Gaztransport and Technigaz (GTT), the French LNG storage technology company for shipping and onshore, said it received its first order from a new partner, the Chinese shipyard China Merchants Heavy Industry in Jiangsu province, for the tank designs for four LNG carriers.

GTT will design the tanks of these four vessels, which will each offer a total cargo capacity of 180,000 cubic metres and would be fitted with the Mark III Flex membrane containment system.

The delivery of the vessels to an as yet unnamed European owner is scheduled between the first quarter of 2026 and the first quarter of 2027.

Delivery dates

"We are glad to receive this first order from China Merchants Heavy Industry-Jiangsu for the design of the tanks of four new LNG carriers," said Philippe Berterrotière, Chairman and Chief Executive of GTT.

"With this fifth shipyard, China confirms its growing role in the

construction of LNG carriers and opens up new opportunities in a context of strong demand," stated Berterrotière.

Simple Hu, General Manager of China Merchants Industry Holdings, said the order for large-scale LNG carriers was the first for the Haimen shipyard in Jiangsu.

"We are excited to turn our vision into reality, offering state-of-the-art vessels to the growing LNGC market," he added.

"We highly appreciate the support provided by the GTT Group, whose

experience was instrumental in the preparation and development of our solution," he said.

GTT continues to expand its relationships with Chinese companies and shipyards with technology accords for maritime and onshore LNG tanks storage tanks.

PipeChina Engineering Technology Innovation Co. signed a cooperation agreement on April 6, 2023, for the evaluation and further promotion of GTT's membrane containment technology for onshore LNG projects in China.

Profits rise for Kinder Morgan gas business

Kinder Morgan Inc. (KMI) the leading US pipeline feed-gas company for liquefied natural gas plants and a key energy infrastructure developer, increased first-quarter net income and cash flow with more natural gas from the US Gulf Coast shale-gas basins.

The company reported first-quarter net income attributable to KMI of \$679 million compared with \$667M in the first three months of 2022.

"Our natural gas pipeline network is composed of some 70,000 miles of interstate and intrastate pipelines that move about 40 percent of US natural gas production," explained Steve Kean, KMI Chief Executive.

"While the US Congress debates much-needed infrastructure permitting reform, the system we operate under today makes it difficult to permit new natural gas pipelines in much of the country," Kean stated.

"That in turn increases the value of our existing natural gas pipeline systems, which results in a favorable recontracting environment," the CEO added.

"With a large portion of our existing natural gas pipeline network in Texas and Louisiana, we also benefit from our ability to expand to meet growing demand in the most infrastructure-friendly region of the country," Kean said.

KMI President Kim Dang gave an overview and praised the gas gathering systems for keeping the natural gas business on track.

"The Natural Gas Pipelines business segment's financial performance was up in the first quarter of 2023 relative to the first quarter of 2022, primarily on higher contributions from our Texas system," she said. ■

Second storage tank roof-raising succeeds at Plaquemines LNG

LNG News Editor

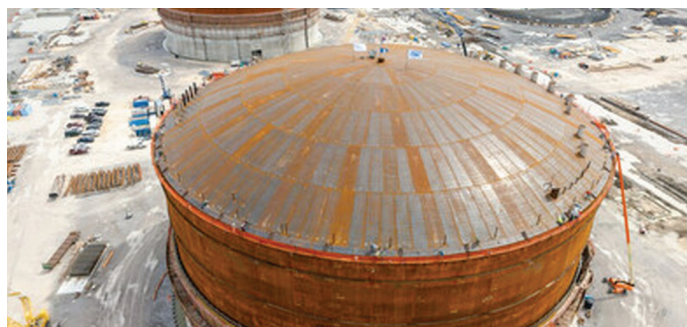
Venture Global LNG, the operator of the Calcasieu Pass export plant in Louisiana and developer of three other plants in the US Gulf Coast state, said it had successfully raised the roof of the second LNG storage tank at the Plaquemines LNG export project in Louisiana.

Venture Global, based in Arlington, Virginia, said the roof-raising was completed ahead of schedule and came just seven weeks after the roof-raising for tank one.

Four tanks

"This represents another major milestone in the construction of Plaquemines LNG, with both roofs now raised for the tanks serving Phase One," said Michael Sabel, Chief Executive of Venture Global.

"With Phase One deep into construction and our recent final investment decision and full notice to proceed on Phase Two, Plaquemines is well positioned to be the



Developer said process was completed ahead of schedule

next new major LNG capacity to reach the global market," Sabel explained.

This is the second tank of four in total being constructed for Plaquemines, located on the banks of the Mississippi and south of New Orleans.

When operational each tank will be capable of storing 200,000 cubic metres of LNG.

"The roof weighs 900 tons and is 294 feet in diameter. Air raising allows for better and safer access as well as a faster construction schedule, as the roof can be erected concurrently with the

shell. The tank dome was raised in 71 minutes using 0.3 psi of pressure underneath the roof," the company said.

The company's existing export plant, the Calcasieu Pass facility in Cameron Parish in Louisiana, is located south of the city of Lake Charles and shipped its first cargo at the start of March 2022.

The Calcasieu Pass facility has 18 small-scale modular liquefaction Trains each with 0.626 million tonnes per annum of capacity and configured in 9 blocks for nameplate output of 11.26 MTPA. ■

US DoE gives final approval for Alaska after longest process

The US Department of Energy has given final approval after permit processes lasting more than a decade of the Alaska Gasline Development Corp. LNG export project to supply Asian nations with the state's abundant North Slope gas.

The DoE Office for Fossil Energy and Carbon Management said AGDC's project could export natural gas to countries with which the United States does not have a free trade agreement.

Moving forward

With the export licence approval from DoE and with all the environmental permits from the Federal Energy Regulatory Commission, the LNG export joint venture can now move forward.

The Alaska LNG project includes

a liquefaction facility on the Kenai Peninsula in southcentral Alaska and a proposed 807-mile (1,300 kilometres) pipeline to move gas from northern Alaska across the state.

The project was first approved by the Administration of Donald Trump and the Biden Administration has now also concluded that there were large economic and international security benefits and that opponents had "failed to show the exports were not in the public interest" of the nation.

The Federal Energy Regulatory Commission (FERC) had prepared an Environmental Impact Statement that assessed the potential environmental impacts of the proposal to develop, construct, and operate facilities that would commercialize the North Slope resources.

The Biden Administration in January 2023 had also published the final Supplemental Impact Statement (SEIS) for the Alaska LNG project.

The final SEIS generally confirmed the conclusions of the draft SEIS published in June 2022.

Benefits

The AGDC had said that the Biden Administration had already confirmed that Alaska LNG could deliver environmental benefits globally and provide environmental and socioeconomic benefits for Alaskans as the world "turns away from Russian energy" supplies.

Strong LNG demand is expected to create a gap in supply starting in 2028, which new projects like Alaska LNG are competing to fill. ■

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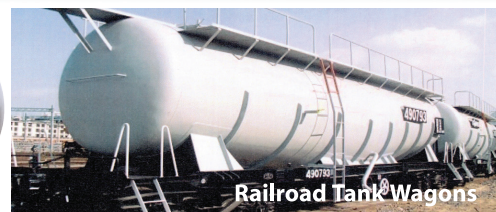
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NEWS NUDGES

Japan LNG imports

Japanese liquefied natural gas imports dropped by 12 percent in March even as cargo numbers remained stable from Australia and Asian nations and with thermal coal shipments falling by more than delivered LNG volumes amid ample stocks and lower demand for power generation. Japan's LNG imports for March came to 5.70 million tonnes, or about 83 cargoes, down from 6.50MT, or 95 cargoes, received in March 2022, according to trade figures from the Japanese Finance Ministry. The March cost of LNG deliveries increased to 596.44MT (\$4.43Bln), up 4.5 percent from the 570.77 Bln yen (\$4.24Bln) spent in the same month of 2022.

Dutch green gas

Gasunie, the Dutch utility and LNG terminals stakeholder, has decided to convert a natural gas pipeline of 60 kilometres in length from Emmen to Ommen in the northeast of the Netherlands to make it suitable for the transport of only regional biogas made from waste. Gasunie said the first flows of biogas are expected through the converted pipeline by August 2025 and would remove congestion in parts of the gas pipeline system in the Netherlands. "The increasing amount of 'green gas' is causing congestion in the regional pipelines on which the various regional producers sell their 'green gas'. With the decision to convert the natural gas pipeline from Emmen to Ommen into a transport pipeline for 'green gas', one central pipeline has been created for 'green gas' for producers in this region," said Gasunie.

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Woodside CEO O'Neill gives speech on Australian LNG and protecting industry and people from extremism

LNG News Editor

Woodside Energy Chief Executive Meg O'Neill said liquefied natural gas and oil and gas production were the keys to Australia's future and outlined a three-point plan for the nation to progress while taking care not to be undermined by climate extremists.

"Despite all the challenges and the intensity of debate on these matters, I'm still an optimist and there are significant opportunities across both traditional and new energy in Australia and internationally," she said in a speech delivered to the Australian National Press Club in Canberra.

National asset

O'Neill stated that the energy industry and its supply chain supported tens of thousands of jobs while investing billions of dollars in regional communities.

The CEO noted that the supply of natural gas from the Bass Strait Joint Venture, in which Woodside acquired a stake through its merger last year with BHP Petroleum, had been a mainstay of gas supply to Eastern Australia since 1969.

"The merger has expanded our portfolio and extended our global reach, including a significant regional office in Houston, but we are a proudly Australian company," said O'Neill, who comes from Boulder in the US state of Colorado.

"We want to develop new projects in Australia, across both hydrocarbons and new energy opportunities, but that will only be possible if policy settings provide the certainty to underpin long-term investment," O'Neill explained.

"One example is the Sunrise Joint Venture, comprising Timor Leste, Australian and Japanese participation, which is working on options to develop this regional

gas resource," she said.

"And we are developing Scarborough (gas field) and working to progress opportunities including Browse (basin resources) and new energy projects in Australia and around the world," added O'Neill.

The first of my three objectives is to secure the role of gas in supplying affordable and reliable energy for Australians.

She described the fall-out from the global energy crisis and said the poorer members of society had to choose between food and heating through winter.

"This should not be happening in Australia," she declared.

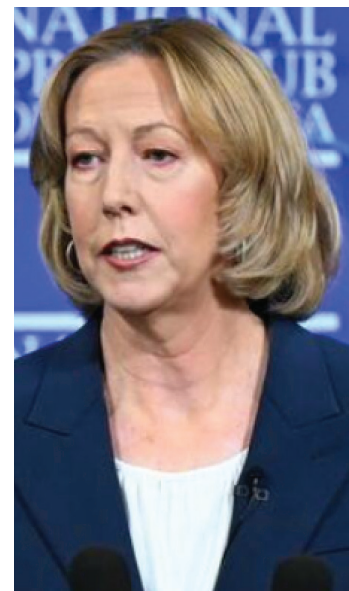
"Australians should be able to expect reliable energy. That needs to come from having the right investment climate - rather than arbitrary market intervention - and the right honest conversations between all participants in the energy system," O'Neill said.

"Woodside and other companies are actively considering what we might be able to do to help (the government) - from infrastructure to enable LNG imports, to the build-out of gas storage - but we also know these can only be progressed in concert with government," she said.

"With the right regulatory framework, solutions like these could come online relatively quickly," O'Neill added.

The CEO said her second objective was for the Australian gas industry to maintain strategic partnerships which underpin export earnings, access to capital and regional security.

"A vocal minority wants to shut down the industry and the jobs and livelihoods that go with it. They have deep pockets and are using both protest action and the courts to create uncertainty and destabilise regulatory processes to frustrate existing and new projects," O'Neill stated.



O'Neill addressing Australian National Press Club in Canberra. She pointed to the widespread investments in providing jobs in many regional communities

"We respect every Australian's right to express their opinion - and we share the commitment to decarbonisation - but extremism is not the answer," said the CEO.

LNG 'not quitting'

"The Australian Government has stated its support for the gas industry and provided strong reassurances that Australia is not 'quietly quitting' its LNG industry," O'Neill declared.

She said that the third objective for Australian gas was to progress towards global decarbonisation.

"Globally, we are going to need to use all the tools to address climate change while advancing developing economies," she said.

"We should not be regressing. We should instead be extending access to electricity to hundreds of millions of people in the developing world who still live without it," O'Neill said.

"To do that, we need new supplies of affordable and reliable energy. But we also need to decarbonise," she concluded ■

US LNG equipment-maker Baker Hughes boosts orders and income in 'unique cycle'

LNG News Editor

Baker Hughes, the US liquefied natural gas equipment-maker and energy services company, reported a first-quarter rise in orders, revenues and operating income as liquefaction projects advanced to construction.

The company orders during the three months to the end of March increased 12 percent year-on-year to \$7.73 billion.

Baker Hughes revenues jumped by 18 percent to \$5.71Bn versus \$4.83Bn in the same three months of 2022.

Quarterly operating income surged by 57 percent to \$438 million compared with \$279M in the prior-year quarter.

Sabah LNG order

Baker Hughes was also awarded an order to be booked in the first quarter from US firm Black & Veatch, a subcontractor to Japan's JGC and Samsung Heavy Industries of South Korea, to deliver two LM9000-driven compressor trains for the Petronas nearshore LNG facility in Sabah, Malaysia.

The company will provide two



Baker Hughes won order linked to Malaysian FLNG project off the state of Sabah

LM9000-powered compressor trains of 1 MTPA each. The contract also includes an order for spare parts.

"We were pleased with our first-quarter results and remain optimistic on the outlook for 2023," said Lorenzo Simonelli, Baker Hughes Chairman and Chief Executive.

"We maintained our strong order momentum and delivered solid operating results at the high end of our guidance," Simonelli added.

Baker Hughes said the Industrial & Energy Technology (IET) division saw "another excellent quarter" commercially.

"Gas Tech Equipment secured multiple LNG awards, including an order to supply two main refrigerant compressors (MRCs) for the North

Field South project, which will be executed by Qatargas," said the company.

"The MRCs are part of two LNG 'mega-trains' representing 16 MTPA of additional capacity that is estimated to further boost Qatar's LNG production capacity to 126 MTPA by 2027," added Baker Hughes.

IET was also awarded an order by Bechtel to supply two MRCs for Semptra Infrastructure's Port Arthur LNG Phase 1 project in Jefferson County, Texas.

"Baker Hughes will supply gas turbines and centrifugal compressors across two LNG Trains, for a nameplate capacity of approximately 13 MTPA, as well as two electric motor driven compressors for the plant's

boosting services," it added.

The CEO noted that while 2023 had already started off with some macro volatility he remained optimistic on the outlook for energy services and Baker Hughes.

Simonelli stated that he continued to believe that the current environment "remains unique with a spending cycle that is more durable and less sensitive to commodity price swings" relative to prior cycles.

Angola order

"Another notable characteristic of this cycle is the continued shift towards the development of natural gas and LNG. As the world increasingly recognizes the crucial role natural gas will play in the energy transition, serving as both a transition and destination fuel, the case for a multi-decade growth opportunity in gas is steadily improving," he stated.

The company's Oilfield Services & Equipment (OFSE) division secured its largest subsea tree order in almost five years through a contract with Azule Energy in the Agogo oilfield offshore Angola in south-west Africa.

Baker Hughes will supply subsea equipment and services, including 23 subsea trees and 11 Aptara manifolds.

"A significant portion of the equipment manufacturing will be conducted in country, utilizing Baker Hughes' local facilities and workforce, which is a key condition of many contracts in the region," said the company. ■

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Nakilat reports profits rise for quarter

Qatar Gas Transport Company, known as Nakilat and with a liquefied natural gas LNG fleet of 69 vessels, has posted a 3.6 percent increase in first-quarter 2023 net profits.

Nakilat reported 396 million Qatari riyals (\$108M) of net profit for the period to the end of March 2023, an increase on the 382M riyals achieved in the same three months of 2022.

As a shipping and maritime company, Nakilat provides an essential transportation link in the State of Qatar's LNG supply chain.

Its LNG fleet is one of the largest in the world and the company also owns and manages one floating storage and regasification unit and four large liquefied petroleum gas (LPG) carriers as well as the ship repair and industrial and offshore fabrication facilities at Erhama Bin Jaber Al Jahalma Shipyard in Ras Laffan Industrial City.

The company also has strategic joint ventures with Nakilat-Kepel Offshore & Marine (N-KOM) and Qatar Fabrication Company (QFAB) and offers a full range of marine support services to vessels operating in Qatari waters.

Nakilat said that profits from the joint venture companies operating in LNG transportation and the yard rose 7.9 percent.

"The increase in net profit can be attributed to the company's continued focus on operational efficiency, effective cost management and robust market demand for its LNG shipping services," Nakilat explained.

Nakilat's Chief Executive Abdullah Al-Sulaiti said that the strong financial performance in the first quarter was a reflection of the company's continued efforts to optimize operations and capitalize on market opportunities. ■

Philippines set to compete for Asian LNG cargoes for two terminals

LNG News Editor

The Philippines has entered the LNG importer list in a low-key way after years of planning as a cool-down cargo was delivered to Subic Bay for the Floating Storage Unit (FSU) "Ish" as part of the commissioning of the first LNG terminal in Batangas Bay and a second vessel for a separate project is scheduled to arrive in July.

The Philippines Department of Energy said that a floating storage and regasification unit (FSRU) is due in the country for another FLNG project being developed by local power group First Gen Corp. and with the vessel being supplied by the dual Singapore and Oslo-headquartered shipping company BW Group.

Second terminal

The arrival of the First Gen FSRU, which is currently in Malaysia undergoing checks, is scheduled for three months' time and commercial operations will start in August or September.

Analysts said that FLNG projects

in the Philippines are expected to raise Asian LNG demand just as Europe enters the peak of the winter season at year-end.

Global commodities firm Vitol supplied the cool-down cargo to San Miguel Corp's Global Power Holdings, operator of the 1,200 megawatt Ilijan power plant to start net dependable power generation as the country's electricity demand rises.

Vitol had loaded this LNG cargo onto the 161,900 cubic metres capacity LNG vessel "Golar Glacier" at Das Island in Abu Dhabi in the United Arab Emirates under a long-term contract with Abu Dhabi National Oil Company.

Michael Muller, President of Vitol Asia, said he was pleased and excited to be working alongside the Philippines LNG developers.

"This is a significant milestone and we look forward to bringing more LNG supply from around the world to meet the rising gas demand of the Philippines," stated Muller.

SMC Global Power has an FSU capacity agreement with the LNG import facility developer, Atlantic, Gulf & Pacific Company (AG&P), and

the FSU has thus been berthed near the Ilijan gas-fired power plant in Batangas.

The commercial operations of the LNG import terminals will help ease gas shortages at power plants that have worsened over the past two years because of the depleting state of production at the main Philippines natural gas resource, the Malampaya gas field.

The Filipino DoE has issued notices-to-proceed on six separate LNG import projects that were held up by several issues, not least the Covid-19 pandemic.

The country currently has five gas-fired power facilities with aggregate capacity of 3,211 megawatts. Four of these assets belong to First Gen. ■



First LNG cargo for Philippines transfer to FSU vessel

India's seventh terminal and second on East Coast aims for May start-up

TotalEnergies said it expected India's newest LNG terminal, the onshore Dhamra facility located in the East Coast Indian state of Odisha, to start full commercial operations in May.

The Dhamra terminal is owned and operated by Adani-Total Private Limited (ATPL), a 50-50 joint venture between TotalEnergies and India's Adani conglomerate.

Qatari cargo

The first cargo delivery from Qatar at the start of April launched the commissioning process ahead of the full start-up.

"With regasification capacity of 5 million metric tons of LNG per year, the Dhamra LNG terminal adds

more than 10 percent to India's regasification capacity," explained the French company.

It also strengthens the country's position as the world's fifth-largest LNG importer and allows it to increase the share of natural gas in its energy mix from 8 percent to 15 percent by 2030.

"India wants to develop the use of natural gas to reduce the carbon intensity of its energy mix by replacing coal, and LNG can therefore meet growing domestic demand," said Thomas Maurisse, Senior Vice President of LNG at TotalEnergies.

"The commissioning of the Dhamra terminal reflects TotalEnergies' ambition to support India's

energy transition and supply security," Maurisse added.

TotalEnergies is an able partner for Adani as the world's third-largest LNG player with a market share of around 12 percent and 50 MTPA of LNG in its global portfolio.

The Paris-based company also benefits from an integrated position across the LNG value chain, including production, transportation and with access to more than 20 MTPA of regasification capacity in Europe,

The new Dhamra terminal is India's seventh and only the second on the East Coast.

By May the Dhamra opening will raise the total capacity of the seven import facilities to around 47.7 MTPA of LNG. ■



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G7 nations disagree on climate and energy security balance as LNG importer Japan pushes back

LNG News Editor

Energy ministers of the Group of Seven industrial nations met in the Japanese city of Sapporo on April 15-16 under the revolving chairmanship with Japan as host and issued a hodge-podge statement of aims including one pledging to back new natural gas projects but reduce fossil fuel needs over time.

The final G7 statement released on April 16 pledged to move away from oil and gas and petroleum products and urged other countries to do the same, though failed to agree to any new deadlines.

Hedged statement

Analysts said that the final statement from the group comprising, Japan, Canada, France, Italy, Germany, the UK and the United States as well as the European Union as a super-observer, reflected disagreements among the allies.

This was particularly focused on the balance between action on climate change and energy security with the host Japan resisting some



Group of Seven meeting in city of Sapporo on April 15-16

more extreme policies being put forward by nations like Canada as well as unwelcome suggestions sourced from the EU.

"Recognising the primary need to accelerate the clean energy transition through energy savings and gas demand reduction, investment in the gas sector can be appropriate to help address potential market shortfalls provoked by the crisis, subject to clearly defined national circumstances, and if implemented in a manner consistent with our climate objectives and without creating lock-in effects," said the

final ministerial statement.

The Energy Ministers, most of whom now like to call themselves Environment or Climate Change Ministers, had started their statement by condemning the Russian invasion of Ukraine.

However, they also said that they wished to "support the sustainable and resilient recovery and green reconstruction of Ukraine" after the war.

On natural gas investments the ministers stated that they should be integrated into national strategies for the development of low-carbon

and renewable hydrogen without explaining how or when this hydrogen would work, how it will be produced and delivered nor what costs were involved.

The ministerial meeting organised by Japan, the world's largest liquefied natural gas importer, was in preparation of the G7 summit of leaders scheduled to take place in the Japanese city of Hiroshima on May 19-21.

With only limited reserves of oil and gas, some analysts noted that the dynamic Japanese economy would have developed any new wonder fuel years ago if it were possible and affordable but is sticking for now like other nations with imported LNG and oil as well as coal for economic reasons and the safety of their citizens.

"We recognise low-carbon and renewable hydrogen and its derivatives such as ammonia should be developed and used where they are impactful as effective emission reduction tools to advance decarbonisation," it added.

French EDF Group faces financial woes and supply concerns but LNG trading now pooled

French utility EDF, a former large player in the LNG market before partially pooling its activities separately with Japan's JERA Co. Inc., is now being overtaken by its financial difficulties amid concerns about future power shortages in the country.

EDF has decided to suspend recruitment and reassess priorities as it traverses "a difficult situation" ahead of the completion of full nationalisation by the French government.

Rowing back

The EDF group, which began rowing back its group LNG activities with the sale in 2018 of its stake in the Dunkirk import terminal on the Channel Coast, has four divisions.

These are Production, Transmission and Distribution, Supply and the unit charged with Trading and Optimization.

More than 400 employees are employed in the optimization of EDF's production in France, though other traders operate elsewhere.

Their activities enable EDF to meet supply commitments made to its customers, and to cover physical, financial and market risks.

However, four years ago EDF combined its LNG trading and optimisation activities with those of JERA, the largest Japanese LNG buyer.

The EDFT offshoot is a one-third shareholder in JERA Global Markets (JERAGM) and analysts said it would escape most of the backwash from the parent company's financial troubles.

JERAGM also essentially manages and operates EDF's third-party LNG supply agreements in Australia, the Middle East and the US Gulf Coast.

The EDF group posted a record loss of €17.9 billion (\$19.7Bln) in 2022 and the group's debts have reached around €60Bln.

The focus on EDF's finances was led by the French financial daily newspaper "Les Echos" in an article just published and citing unnamed executives and highlighting problems afflicting the company.

"There is a moratorium on hiring for 2023," said the report that cited a memo to that effect sent to all divisions by the director of human resources.

EDF has been burdened by huge debts and by attempting to manage its ageing nuclear

power stations while also selling energy at below cost to consumers because of rising prices.

"This suspension of recruitment comes at a crucial time for EDF," said the report in "Les Echos".

"The company, in the process of complete nationalization, is confronted with numerous industrial and financial challenges, which would rather involve hiring than the reverse," it explained.

State pressure

"The State is effectively putting pressure on EDF. The government has asked it to study the scenario of increasing the power of its existing reactors to restore its electricity production after a bad year in 2022," said the report.



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