# LNG Unlimited

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# East Med LNG and gas spending to surge from Egypt and Israel

**Egypt plans gas drilling programme as Israel expands Leviathan pipelines**

**LNG News Editor**

Egypt is planning to drill around 35 new exploratory natural gas wells in the Eastern Mediterranean and the Nile Delta by 2025 with $1.8 billion in investments in joint ventures with oil and gas majors and with a view to increasing liquefied natural gas production.

The Egyptian Minister of Petroleum and Mineral Resources Tarek El-Molla announced the exploration and production programme in a statement made at the 8th Energy Seminar held in Vienna by the Organization of Petroleum Exporting Countries.

**Egyptian Minister of Petroleum and Mineral Resources Tarek El-Molla outlined details of multiple project**

## Partners

The two-day OPEC event held once every three years was attended by energy majors invited to promote cooperation and dialogue among global energy producers as well as the 13 members of OPEC.

El Molla said that the Egyptian natural gas E&P programme would involve energy major including Chevron Corp., ExxonMobil, Shell, BP and Italy’s Eni.

The Egyptian gas plans come as NewMed Energy, the Israeli natural gas company and LNG project developer in the East Med, has taken a positive final investment decision for a third natural gas pipeline for production wells in the Leviathan gas field amid LNG export and domestic supply plans.

The expansion of the maximum gas supply capacity from the Leviathan project will allow the transportation into the state-owned Israel Natural Gas Lines Ltd (INGL) system of 1.2 billion cubic feet per day, increasing to 1.4 Bcf per day from mid-2025.

The NewMed-led Partnership holds over 45 percent of the Leviathan field while Chevron Corp. units hold almost 40 percent and Israel’s Ratio Energies 15 percent.

Leviathan is the subject of continuing pre-engineering work for the Leviathan field expansion that will also include the development of a floating LNG project offshore Israel.

## Exploration

Egyptian Minister El Molla explained that the Egyptian petroleum sector and its international partners had been busy exploring new oil and gas resources over the past five years, discovering over 200 oil wells and 67 gas wells.

“These new resources have added 1.32 billion barrels of oil equivalent to the country's reserves,” he stated.

El Molla noted that the successes of the petroleum sector in Egypt were due to the integrated strategy of partnerships between the public and private sectors and fully supported by President Abdel Fattah El-Sisi.

The five energy majors named would be drilling 35 exploratory gas wells from now until July 2025 with 21 planned for the 2023-2024 fiscal year and 14 for the 2024-2025 fiscal year.

“Egypt's oil and gas production covers most of the country's energy demand and hydrocarbons account for 93 percent of primary energy sources in the country and satisfy 75 percent of consumption,” said El Molla.

“The Egyptian government has also decided to speed up its transition to clean energy in the electricity sector so that renewable energy capacity should contribute 42 percent of power capacity by 2035,” the Minister added.

## Initial targets

The Minister said Egypt was initially targeting production from the Nargis, Satis, and Nour natural gas fields in the East Med, the East Damanhour field in the Nile Delta and the Faramid and Al Abyad fields in the Western Desert. ■

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# Spanish LNG terminal designated for the EU receives commissioning cargo from US plant

**LNG News Editor**

Enagás, the Spanish gas grid and terminals operator, said the El Musel liquefied natural gas re-loading facility in Northwest Spain designated to supply the European Union has received its first cargo that was loaded on the US Gulf Coast.

Enagás has re-activated the existing El Musel terminal on the Bay of Biscay to meet growing LNG needs in the EU after the closure of Russian pipeline gas supplies and a commissioning cargo was delivered by the 174,000 cubic metres capacity carrier "Cool Racer".

Shipping data showed that the cargo had been lifted from the Calcasieu Pass export plant in Louisiana on June 16.

The Spanish terminal in the Port of Gijón will contribute up to 8 billion cubic metres of additional LNG to Europe's supply when commercial operations start.

"The unloading of this first LNG vessel is a necessary prior step, from a technical point of view, before the final start-up as a logistics plant," said Enagás.


The carrier 'Cool Racer' unloaded commissioning cargo

Enagás has already conducted the second phase of a capacity allocation process, or open season, for El Musel after interest was expressed by 16 trading companies.

The binding phase just closed on June 30 after receiving binding offers from marketers for the capacity offered by the terminal.

## Cool-down process

"As part of the usual technical process in this type of start-up operation, the initial cold start-up with liquid nitrogen of the infrastructure has already been carried out, prior to the arrival of the ship," said Enagás.

"The LNG from the ship gradually replaces the inert gas (nitrogen) inside the tanks. With this, a progressive cooling of the tanks occurs until reaching cryogenic temperatures in which LNG can be stored at minus-160ºC," Enagás explained.

The aim of the logistical use of the El Musel facility is to contribute energy supply to the EU because of the end of dependence on Russian pipeline natural gas after the events such as sanctions and retaliatory pipeline shutdowns that followed Russia's invasion of Ukraine in February 2022.

El Musel will specialise in the unloading of LNG carriers from various producing countries and the rapid re-loading of ships for different European destinations.

The terminal berthing can accommodate the largest vessels and it has two storage tanks each with capacity of 150,000 cubic metres.

The re-opening of El Musel is part of the Spanish Government's "More Energy Security Plan" and will add to Spain's role as an energy hub for Europe as the nation also receives pipeline gas imports from Algeria.

Enagás operates six other LNG regasification terminals on mainland Spain.

It owns five of those terminals at Barcelona in the northeast, at Cartagena in the southeast, at Sagunto in the east of Spain, at Huelva in the southwest as well as the El Musel facility.

Enagás additionally holds a 50 percent stake at another northwest facility serving the northwest port of Bilbao and owns two small regasification terminals in the Canary Islands. ■

# ExxonMobil's Adriatic LNG has registration phase until July 14 for regasification capacity

Adriatic LNG, the ExxonMobil-owned company that operates the largest liquefied natural gas regasification terminal in Italy, has launched the accreditation phase for the 2023 open season aimed at operators interested in acquiring capacity.

Adriatic LNG terminal is majority-owned by the US major and with QatarEnergy also a shareholder at the terminal located 15 kilometres (9.3 miles) off the Veneto coastline.

The terminal is a gravity-based structure and Italian utility SNAM is a 7.3 percent shareholder in the facility.

Adriatic LNG said that the open season was offering the market regasification capacity available in the period between January 2029 to December 2048 and a new possible incremental capacity subject to conditions from the first quarter of 2026 and for up to 20 years.

"The Open Season 2023 provides an opportunity to increase LNG imports and, at the same time, diversify sources of supply," said the terminal company.

## Deadlines

It stated that operators can apply by July 14 for accreditation to participate in the binding phase of the open season, which will begin on July 19 and end on August 2.

The Adriatic terminal has been on line since autumn 2009 and includes two LNG storage tanks, each with a capacity of 125,000 cubic metres.

"To accredit, operators will need to follow the directions provided in the Notice of Initiation of the Annual Subscription Procedure and the Auction Application Rules, which have been made available on Adriatic LNG's website," the company explained.

Adriatic LNG said the incremental capacity was subject to technical and financial-economic conditions and subject to obtaining authorization permits.

"In order to proceed with the possible realization of the incremental capacity, this decision will be made by the end of August 2023 or, at the latest, within two months from the date of signing the relevant capacity agreements in relation to the incremental capacity," the company said.

## Four terminals

Adriatic is one of four terminals now operating in Italy after the May start-up by utility SNAM of the floating storage and regasification unit at the Port of Piombino in Tuscany.

SNAM has purchased two FSRUs as part of Italy's plan to support the European Union's replacement of Russian pipeline gas and the other FSRU is expected to be deployed at the Port of Ravenna and would by Italy's fifth terminal.

The utility already operates the onshore Panigaglia LNG facility at La Spezia near Genoa. The terminal is Italy's oldest and has been in operation since 1969. ■

# ICE's energy markets hit record Open Interest in late June period

LNG News Editor

Intercontinental Exchange, the leading global provider of energy trading platforms for futures and options, reported record Open Interest including European natural gas and oil contracts amid further development of US Midland oil and the Brent crude basket.

ICE posted record OI across its global energy futures and options markets of 50.4 million contracts on June 23, 2023, up 11 percent year-over-year.

Across ICE's global natural gas futures and options markets, OI is up 13 percent year on year at 32.9M, with record OI set in ICE's natural gas futures on June 26, 2023, of 19.8M contracts.

ICE said its global energy options market is also performing strongly, with OI up 18 percent at 17.8M.

Market activity grows from LNG to ICE's Midland oil

## Gas complex

ICE, headquartered in Atlanta, Georgia, offers customers the whole complex of natural gas benchmarks.

These comprise natural gas futures and options for the European Dutch Title Transfer Facility (TTF), the US Henry Hub, the Canadian AECO, the UK National Balancing Point and the ICE JKM LNG (Platts) for natural gas for North-East Asia.

OI in ICE's natural gas options markets is up 23 percent year-on-year at 13M, with TTF options hitting record OI of over 1.5M on June 23, 2023, and the TTF volumes were up 79 percent year-on-year.

Across ICE's global oil markets, OI is up 13 percent at 12.2M with OI in Brent futures and options up 14 percent at 5.1M.

"Brent is used to price over three quarters of the world's internationally traded oil and is the most liquid crude oil futures and options market in the world," ICE noted.

OI across ICE's oil options markets is up 10 percent at 4.2M, including a rise of 7 percent in Brent options.

## Oil benchmarks

With Midland West Texas Intermediate crude now deliverable into the Brent Basket, ICE's Midland WTI (Code: HOU) contract has seen OI grow to over 30,000 contracts as participants choose HOU to directly price and hedge Midland WTI exposure.

# Australian forecasts expect LNG earnings to fall due with spending

The Australian Government said that given the inherent seasonal variability in European natural gas consumption driven by heating demand, there remains a risk of further price volatility in 2023 as seasonal conditions change.

## Shortfall

The European Union currently lacks the firm liquefied natural gas contracts needed to fully offset lost Russian pipeline gas volumes, which will force the bloc to source its marginal LNG supplies from global spot markets when needed, according to the latest Australian "Resources and Energy Quarterly" from the Office of the Chief Economist.

"As such, LNG markets are expected to remain in moderate shortfall over 2024 and early 2025, as Europe continues to replace lost Russian pipeline gas with LNG imports," stated the report.

"Our base case is for Asian spot prices to average US$14/MMBtu over the outlook period, with risks skewed to the upside for the reasons mentioned above," added the report.

"While this price is well below levels averaged over 2022 (US$33/MMBtu), it is still double the five year, pre-2020 average of US$7/MMBtu," stated the report.

Australia itself has 10 LNG export plant and in 2022 shipped 82 million tonnes of LNG valued at A$91 billion (US$60.55Bln).

The report forecasts that national LNG income will fall through fiscal 2024-2025 to A$60Bln (US$40Bln), with volumes also easing to 79MT over the same period.

"While volatility in LNG markets could re-emerge over the Northern Hemisphere winter and boost spot sale earnings, the base case is that lower energy prices will cause the value of Australian LNG exports to fall," said the report.

The cargoes last year were mainly delivered to Asia and with 80 percent of volumes being unloaded in Japan, China and South Korea. Around 75 percent of the cargoes were sold under long-term contracts.

# French major is positive post-AGM

TotalEnergies Chairman and Chief Executive of Patrick Pouyanné explained to shareholders the positive consequences of fighting off moves by environmental activist shareholders and remaining on track to increase liquefied natural gas and other hydrocarbons supplies needed now.

Pouyanné explained in his monthly July newsletter to shareholders that in a context of exceptional and highly volatile prices, TotalEnergies has shown the relevance of its "broad energy strategy" by being the most profitable major with a return on capital employed of over 28 percent.

"We're also the major who has invested the most to build tomorrow's energy model," he said.

"Some $4 billion were invested in 2022 and this figure is set to increase to $5Bln in 2023. I would like to emphasize, contrary to what some people would like to imply, that these figures do not include investments in gas or LNG, but just those in electricity, in particular of renewable origin, and low-carbon molecules, biofuels, biogas and carbon storage," the Chairman explained, as the company also plans huge additional investments in LNG projects, for example, in countries like Qatar and Mozambique.

In reference to the resolution put forward by climate activist shareholder groups to force the Board onto an extremist path Pouyanné explained the consequences of such a resolution had it been adopted.

"This resolution would have obliged TotalEnergies to sell off assets that would continue to generate emissions, to other players," Pouyanné said.

## NEWS BRIEFS

### Shell profits update

Shell Plc, Europe's largest energy company, has issued a second-quarter 2023 earnings forecast update. The Integrated Gas unit, one of six Shell divisions and including LNG, is set to maintain steady production levels. However, trading and optimisation is expected to be significantly lower compared with a strong first quarter of 2023 "due to seasonality" and fewer optimisation opportunities. Shell added that overall Upstream oil and gas output is expected to fall to between 1.650 million barrels of oil equivalent per day and 1.750M boe per day, down from 1.877M boe per day in the first quarter because of "scheduled maintenance, including assets in the Gulf of Mexico, Norway, Malaysia and Brazil".

### Technip in acquisition

Technip Energies, the LNG and energy projects engineering company, has purchased a French firm Processium for an undisclosed sum. The Lyon-based firm is in the process development sector and owns laboratory and piloting facilities. "Processium is an industrial development partner designing and developing next-generation processes to support the energy transition and to enhance manufacturing competitiveness in the field of sustainable chemicals," explained TechnipEnergies.

### EU LNG cargoes

Belgium and the Netherlands each have one LNG delivery scheduled for after the middle of July. The "Bonito LNG" vessel with 174,000 cubic metres of capacity is expected to berth on July 17 at the Zeebrugge terminal in Belgium with a US shipment. The cargo was lifted on June 28 from the Corpus Christi plant in Texas, according to shipping data. ■

# South African firm advances LNG and helium ventures at Virginia Gas project amid conventional power crisis

LNG News Editor

While South Africa is undergoing an energy and power crisis a liquefied natural gas and helium project in the Free State is expected to progress at a faster pace after receiving loan approvals of $750 million, including from the US International Development Finance Corporation.

Renergen is the South African company behind the LNG and helium production and has confirmed $500M in debt funding from the US IDFC and a further $250M from Standard Bank in Johannesburg for the construction of the second phase of the Virginia Gas Project.

The Virginia Gas complex is located about 250km southwest of Johannesburg and now has additional finance

### Approvals

The company, listed on the Johannesburg Stock Exchange and on the Australian Securities Exchange, has just issued a quarterly activities report.

"The US IDFC approved $500M loan for Phase 2 at both the credit committee and board committee and the US congressional notification process is now complete," explained Renergen.

The company added that Standard Bank had also approved a $250M loan for Phase 2 and an LNG offtake agreement had been secured with the Timelink Cargo truck transportation company based in Cape Town for Phase 1 offtake from the liquefaction plant.

"The agreement will see Timelink's invest in the dual fuel conversion kits and Renergen subsidiary Tetra invest in the associated LNG dispensing equipment required for installation within Timelink's Johannesburg depot," said Renergen.

The progress report comes as the country suffers power cuts and electricity rationing because of an inadequate power supply system mostly reliant on coal and inadequate infrastructure.

The company additionally reported that a new well called Morpheus was drilled and was producing 3.2 percent helium and a flow of 70,000 standard cubic feet per day.

### Due diligence

Renergen noted that prior to the loan approvals the company and its subsidiary Tera underwent several months of due diligence by the US and South African lenders on site in the Free State.

The process involved the lenders studying the Phase 1 construction and the geology and discussing market conditions for helium and LNG with Renergen executives and employees.

"The final step in this process was for the US DFC to present the transaction to Congress, and following the stipulated notification period with no objections, the loans are now approved and subject to typical project finance conditions precedent," explained Renergen.

The Virginia Gas project underpinning the venture started producing the country's first commercial LNG in September 2022 and is also now advancing with plans to produce helium for export.

"LNG production increased by 12.8 percent relative to the previous quarter and amounted to 823 tons," said Renergen.

However, the company stated that during commissioning work for the helium cold box there was found to be a leak in a vacuum circuit which is now under repair.

The Virginia Gas project is located about 250 kilometres southwest of Johannesburg, South Africa's largest city, and holds the nation's only onshore petroleum production rights.

### E&P rights

All of the Virginia Gas project comprises exploration and production rights of 187,000 hectares of gas fields across the areas and towns of Welkom, Virginia and Theunissen in the Free State.

The fields also contain one of the richest helium concentrations logged internationally.

The source of the Virginia Gas project's natural gas is primarily microbial.

It originates from deep within the Witwatersrand Supergroup of sedimentary rocks via groundwater circulating through large faults.

The natural gas was first discovered in the Virginia gold mine in 1947 and the mine has been emitting combustible gas ever since.

This gas, with affiliated helium, comes to the surface via drill-holes, faults and cracks in all the mines of the goldfield area of the Free State. ■

# Swiss-based maker of LNG carrier engines WinGD changes leadership as CEO quits

**LNG News Editor**

Winterthur Gas & Diesel (WinGD), the leading Swiss-based developer of low-speed gas and diesel engines for marine propulsion and a leading supplier to the global LNG fleet, has announced a change in leadership.

After five years at the helm, the current Chief Executive of WinGD, Klaus Heim, has informed the board that he had decided to step down from his role at the end of July.

The board has appointed Dominik Schneiter as the Acting CEO, effective July 1.

**New Acting CEO Dominik Schneiter has served as WinGD's Vice President of Research and Development for seven years**

## Dual-fuel power

WinGD's dual-fuel engine technology and electric propulsion systems have been popular with LNG carrier fleet owners.

The X72DF is the best-selling engine in WinGD's portfolio and accounted for most low-speed engine ordered for newbuild LNG carriers in recent years.

The X72DF is also applicable on Suezmax tankers, Panamax and sub-Panamax containers and Capesize bulk carriers.

"During his tenure as CEO, Klaus has steered WinGD through a period of significant growth and innovation," said the company.

The company said that under Heim's guidance, it had launched a suite of smart power solutions and strengthened its position as a technology leader in the maritime industry.

"Serving as the CEO of WinGD for the past five years has been an incredible privilege and a journey filled with remarkable achievements," said outgoing CEO Heim.

"Throughout this time, I have had the pleasure of working alongside our exceptional colleagues, customers, partners and shareholders," he added.

"However, I believe it is the right time for me and for WinGD to make this transition and to contribute my knowledge and experience in a different capacity elsewhere," Heim said.

WinGD expressed its "sincere gratitude" to Heim for his "exceptional leadership" and "invaluable contributions" during his tenure as CEO.

The company said it looked forward to a bright future under new leadership as WinGD continues its commitment to delivering technologies for the maritime sector.

The company noted that Acting CEO Schneiter brings over three decades of industry experience to the role, having served as WinGD's Vice President of Research and Development for the last seven years.

"His deep understanding of the industry, coupled with his strong leadership capabilities, makes him well-suited to lead WinGD through this important phase," the statement added.

Schneiter said that he was keen to take on the role and move the company forward.

"I am honoured to be entrusted with the responsibility of leading WinGD as we navigate the evolving landscape of the shipping industry," he stated.

"Building upon our strong foundation, we will continue to drive innovation, advance sustainable solutions, and provide exceptional value to our customers and partners," Schneiter added.

## Recent history

The Swiss company is now 100-percent owned by China State Shipbuilding Corp. (CSSC), the largest Chinese shipbuilder and controlled by the state.

WinGD has evolved since 2015 when Wärtsilä Switzerland Ltd. was responsible for the low-speed, two-stroke engine unit within Finland's Wärtsilä group and was merged with China's CSSC in early 2015 and renamed Winterthur Gas & Diesel Ltd. (WinGD).

In 2016, Wärtsilä transferred its remaining shares in WinGD to CSSC making WinGD 100 percent owned by the Chinese company. ■

## Equinor plans are approved three fields

Norway's Equinor has received approval for the development of three more fields in the Norwegian Continental Shelf to supply Europe, including the fast-track Irpa natural gas field to supply several million UK households with gas for seven years in competition to LNG cargoes.

The Norwegian Government has approved the plans of development for the Irpa field, the Verdande field and the Andvare production well.

"The Irpa gas field will be tied back to Aasta Hansteen, whereas the oil field Verdande and the Andvare well will be tied back to Norne infrastructure," Equinor explained.

"We are experiencing a strong demand for oil and gas in the current geopolitical situation," Equinor added.

Trond Bokn, Equinor's senior Vice President for Project Development, said the projects would "quickly bring new production to market" with low development costs while extending the activity on the host platforms.

"The Irpa gas volumes may supply just over 2.3 million UK households with gas for seven years," added Bokn.

"The gas discovery is located almost 80 kilometres from the Aasta Hansteen field, and the development will extend the field's productive life by seven years, up to 2039," he stated.

The Irpa gas field for UK supplies is the second subsea field tied back to Aasta Hansteen and will be the deepest field on the NCS at 1,350 metres.

Capital expenditures is 14.8 billion Norwegian crowns ($1.37Bln) for the Irpa development and the planned start-up is set for the fourth quarter of 2026.

# UK's oil and gas services firm acquired by Mitsui of Japan

**LNG News Editor**

**Koichi Fujita, Chief Operating Officer of Mitsui Iron & Steel and Leigh Howarth, Chief Executive of the UK's STATS**

The decline of the UK oil and gas industry with the country being a net importer of oil and natural gas by gas pipelines and as LNG after being a net exporter for over 25 years has been further illustrated by Japan's Mitsui now taking over UK energy pipeline services and technology specialist STATS.

STATS (UK) Ltd, based in Aberdeenshire, has executed a share purchase agreement to sell 100 percent of the issued share capital of the company to Japanese trading house Mitsui & Co.

### Closing

The company's name STATS, comes from being a provider of Specialist Tools and Technology Services.

The value of the transaction was not disclosed. A statement said the closing of the deal was expected before the end of September subject to the satisfaction of regulatory competition approvals.

STATS, a market leader in the provision of innovative, technology-led pressurised pipeline integrity solutions, including its BISEP® and Tecno Plug® products, will help progress Mitsui's medium term management plan for "transformation and growth".

The UK group operates from its headquarters in Kintore, Aberdeenshire, though also has offices around the world from Houston in Texas to Saudi Arabia and Qatar and Perth in Western Australia.

Mitsui said the transaction presented an attractive opportunity to achieve "market acceleration" in relation to sustainable infrastructure maintenance.

"Mitsui is aiming to work toward a global energy transition by providing optimal solutions through business," said Koichi Fujita, Chief Operating Officer of Mitsui Iron & Steel.

"Utilising the equipment and services provided by STATS, Mitsui will also work to strengthen the value chain for its upstream oil and gas interests and businesses," Fujita added.

# BP Statistical Review of World Energy 72nd edition changes hands

The former BP Statistical Review of World Energy was handed over this week for its 72nd edition to the UK-based Energy Institute (EI), the chartered body for the energy industry and which will be the new custodian of the Review carrying the latest data from LNG to coal and renewables.

The EI-compiled 72nd Statistical Review was in partnership with accountants KPMG and management consultants Kearney.

### Gas markets

The Review said that natural gas markets were particularly impacted by the Russian invasion of Ukraine in terms of prices, supply and demand.

Prices reached record levels in Europe and Asia in 2022, rising nearly three-fold in Europe with the Dutch Title Transfer Facility (TTF) averaging $37 per million British thermal units.

The North Asian spot cargo price, the Japan-Korea Marker, doubled to $34 per MMBtu while the US benchmark Henry Hub price rose more than 50 percent to average $6.5 per MMBtu in 2022, the highest annual level since 2008.

The Review stated that global natural gas demand declined by 3 percent in 2022 dropping just below the 4 trillion cubic metres mark achieved for the first time in 2021.

The share of natural gas in primary energy in 2022 decreased slightly to 24 percent from 25 percent in 2021.

Global gas production remained relatively constant compared with the previous year while LNG supply grew 5 percent, or by 26 billion cubic metres to 542 Bcm in 2022, similar to 2021.

"The increase in global LNG demand was triggered by Europe (62 Bcm) in 2022," the Review said.

"Countries in the Asia-Pacific region reduced their LNG imports by 24 Bcm and those in South and Central America by 11 Bcm," it explained.

The Asia-Pacific region accounted for around 65 percent of global LNG demand but fell 6.5 percent compared with 2021 while Europe increased its LNG imports by 57 percent.

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# Perenco buys some Eni field interests in Congo for $300M to leave Italian major focusing on FLNG

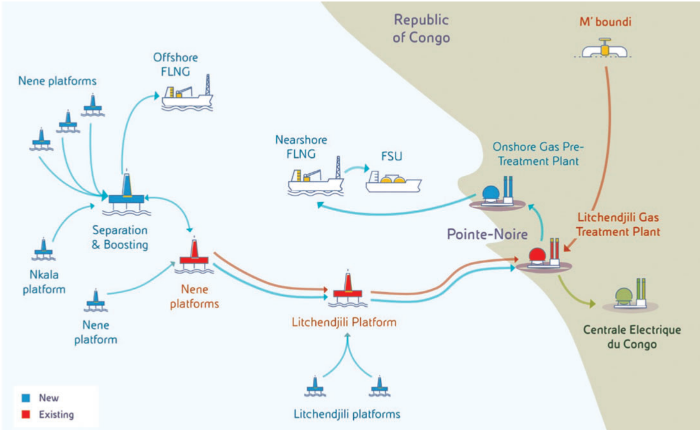
**LNG News Editor**

Italian major Eni has agreed to sell several permit interests in the Republic of Congo for $300 million to European oil and gas company Perenco as Eni continues to focus on being the Central-West African nation's sole natural gas producer and developer of a floating LNG export project using two liquefaction vessels.

Perenco itself is known in the LNG sector as the owner of the feed-gas for the Cameroon FLNG project that started up in 2018 and the UK-based firm is now looking at a liquefaction venture near the Cap Lopez oil terminal in Gabon in West Africa.

Eni said that closing the deal with Perenco on the Congo field assets would be subject to the authorization of the relevant local and regulatory authorities.

"To date, Eni is the only company committed to develop the country's vast natural gas resources, in particular through the Congo LNG project which will exploit the huge gas resources of Marine XII, fulfilling the country's power generation needs while also fuelling LNG exports, supplying new volumes of gas to international markets focusing on Europe," Eni explained.




**Congo's Marine XII offshore natural gas expansion project**

## FLNG production

"The project is expected to reach an overall LNG production capacity of approximately 4.5 billion cubic metres a year. Eni currently supplies gas to the Congo Electric Power Station (CEC), which provides 70 percent of the country's electricity generation," added the Milan-based company.

The Congo FLNG projects were formally launched in April 2023 in a ceremony involving the President of Congo, Denis Sassou Nguesso, and Eni senior executives who laid a foundation stone for the Congo FLNG ventures.

That ceremony took place at the port and industrial city of Pointe-Noire, located 383 kilometres (238 miles) west of the capital Brazzaville, which is in the interior of the country.

Two FLNG units are set to make the West African nation an LNG exporter within a year as Congo and other African nations assume leadership of the FLNG sector to monetize their resources backed by Western oil majors.

The Congo is also currently the third-largest oil-producing country in sub-Saharan Africa.

## Feed gas

Eni's first FLNG project is being made through an accelerated development schedule and will see the installation of two floating liquefaction plants at the Nenè and Litchendjili gas fields - already in production - and at other fields yet to be developed.

The first FLNG hull, the former "Tango FLNG" that operated in Argentina, is currently undergoing some conversion work. It has capacity of 600,000 tonnes per year. ■

# Mozambique may have second floating LNG plant before onshore facility is built in Cabo Delgado

The Mozambican Government is considering a project led by Italian energy company Eni for the deployment of a second floating liquefied natural gas plant called the Coral North project to match the Coral South plant that went on stream in November 2022.

Agência de Informação de Moçambique (AIM), the official Mozambique news agency, carried the report in its latest bulletin.

The project will be developed by a consortium headed by Italian oil and gas major Eni and was in the "pre-viability environmental study" stage for deployment in the Rovuma Basin offshore Mozambique.

The Eni study was cited by AIM as saying that the second FLNG plant would be "the most efficient way to maximise the recovery and profitability of the gas reserves" of the Coral natural gas field.

## FLNG costs

"The investment envisaged in the second platform is US$7 billion and is still subject to approval by the Mozambican government," said the official news agency.

"Under the current schedule, the new platform would begin to produce LNG in the second half of 2027," it said.

"That means that the platform will be in production before the onshore LNG plant planned for the Afungi Peninsula in Palma district by French oil and gas company TotalEnergies," added the report.

"The resumption of work by TotalEnergies will depend on whether the French company is satisfied with the recent improvements in the security situation," said AIM.

The report said that the Mozambique Government expects the Coral North FLNG plant to be anchored about 10 kilometres (6.2 miles) from the existing Coral South facility which has been liquefying natural gas since October 2022.

"The platform has the capacity to produce 3.37 million tonnes of LNG a year and the Coral North platform would double that figure," it said.

## Upstream operator

The first LNG cargo was lifted on the 13th of November 2022 from the "Coral Sul FLNG" vessel.

Eni is the upstream operator of the Area 4 licence resources containing the Coral gas reservoir.

The "Coral-Sul FLNG" vessel was constructed at Samsung Heavy Industries shipyard in Geoje in South Korea and is the first floating LNG facility ever deployed in the deep waters of East Africa.

The other partners of Eni in the first FLNG project were US major ExxonMobil Corp., China National Petroleum Corp., Galp Energia of Portugal, Korea Gas Corp. and Mozambique's Empresa Nacional de Hidrocarbonetos (ENH), the state energy company.

BP of the UK has a long-term agreement spanning over 20 years to purchase 100 percent of LNG output from the Coral South FLNG venture. ■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