

LNG Unlimited

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Saudi Aramco enters LNG sector in \$500M stake deal with EIG unit

Saudi Aramco joins US EIG firm venture for LNG market debut with Australian volumes
LNG News Editor

Saudi Arabian Oil Company (Saudi Aramco), the world's largest oil production group, has signed definitive agreements to acquire a strategic minority stake in MidOcean Energy for \$500 million and thus enter the liquefied natural gas sector initially in Australia.

MidOcean Energy is an LNG company formed and managed by EIG, a leading institutional investor in the global energy and infrastructure sectors.

Washington DC-based EIG acquired the LNG portion of Australia's Origin Energy, the upstream supplier of coal-seam gas to Australian-Pacific LNG, the liquefaction and export plant in the state of Queensland operated by US major ConocoPhillips.

Origin takeover

EIG's takeover of Origin Energy for US\$9.8 billion with in partnership with Canadian asset management firm Brookfield.

APLNG is a joint venture between Origin, ConocoPhillips and China Petroleum and Chemical Corp., or Sinopec, and Origin is the upstream CSG operator.

Under the takeover of Origin formally agreed on March 27, 2023, Brookfield was taking control of Origin's Energy Markets business and EIG's MidOcean Energy was taking control of Origin's Integrated Gas business, including its 27.5 percent stake in APLNG.

MidOcean Energy had also moved in 2022 to acquire interests in four Australian LNG projects



Aramco and EIG executives sign the deal in Dhahran in Saudi Arabia to give the Saudis a key LNG stake

with a growth strategy to create a diversified global LNG business.

"The strategic partnership with MidOcean Energy marks Aramco's first international investment in LNG," said a statement.

"The agreement builds on the relationship between Aramco and EIG, which was part of a consortium that acquired a 49 percent stake in Aramco Oil Pipelines Company, a subsidiary of Aramco, in 2021," the statement added.

Saudi Aramco and MidOcean said the completion of the LNG assets transaction was subject to closing conditions which included regulatory approvals.

"Aramco also has the option to increase its shareholding and associated rights in MidOcean Energy in the future," the statement added.

Amin H. Nasser, Aramco President and Chief Executive, said he was pleased to be strengthening Aramco's ties with EIG through this acquisition.

"We anticipate strong demand-led growth for LNG as the world continues on its energy transition journey, with gas being a vital fuel and feedstock in various industries," added Nasser.

LNG energy security

"We believe that gas will be important in meeting the world's rising need for secure, accessible and more sustainable energy," stated the Aramco CEO.

Blair Thomas, EIG Chairman and CEO, said he believed LNG had a key role to play in enabling an orderly energy transition.

"Concurrent with that, we believe the LNG industry is ripe for change and there is a role for a nimble, pure-play company like MidOcean Energy," added Thomas.

"While our initial focus is on the announced transactions in Australia, we believe the opportunity set is global. We are excited to expand our existing partnership with Aramco to include this important initiative," Thomas declared.

Nasir K. Al-Naimi, Aramco Upstream President, said the LNG move was an important step in Aramco's strategy to become a leading global LNG player.

"We see significant opportunities in this market, which is positioned for structural, long-term growth," added Al-Naimi.

UNLIMITED AGENDA

IMPORTS

LNG producer begins IPO process for Oman Gas Networks through to Oct. 9 completion

2

UPSTREAM

Equinor proceeds with huge Brazil gas development offsetting LNG

3

CONTRACTS

UK approves spend of \$9.7Bln on gas and oil field for contracts and jobs

5

EXPORTS



Port of Corpus Christi Ship Channel project enters final phase

6

PROJECTS

Woodside's gas and Pluto LNG projects face court delays

7

SHIPPING

Japan's Mitsui OSK Lines gives update on market with 94 LNG carriers in fleet

9

LNG producer begins the IPO sale process for Oman Gas Networks through October 9

LNG News Editor

Oman, the liquefied natural gas exporter with a range of new supply deals, is proceeding with an initial public offering through October 9 for 49 percent of Oman Gas Networks (OQGN), the holder of the concession covering natural gas pipeline infrastructure in the Arabian Peninsula Sultanate for the next 70 years.

The IPO is expected to raise up to 297 million Omani Riyals (\$768M) at the top of the price range, valuing OQGN at up to 606M Riyals (\$1.57 billion).

Anchor investors

There are three anchor investors who have subscribed to 10 percent each of the shares on offer, including Fluxys International, a unit of the Belgian-based gas network Fluxys, Saudi Omani Investment Company, a wholly owned entity of the Public Investment Fund, and Falcon Investments LLC, a subsidiary of the Qatar Investment Authority.

"The IPO will allow OQGN, the exclusive operator of the natural gas transportation network in



Oman Gas Networks has around 4,000 kilometres of pipelines with its concession lasting for 70 years

Oman, to move the company into the next chapter of growth," according to the prospectus. OQGN has more than 4,000 kilometres (2,485 miles) of pipelines in its network.

"It is part of a broader divestment programme envisioned by the government and being implemented by Oman Investment Authority - the sovereign wealth fund of the Sultanate of Oman," it added.

"It offers an opportunity for Omani and international investors to participate in Oman's Vision 2040, the long-term national development plan that aims to make Oman a prosperous, competitive

and sustainable nation and to rapidly diversify its economy," the prospectus stated.

There are two categories of shares. There is the Category I subscription open until October 9 to institutional investors, representing 40 percent of the total offering at the subscription price range of between 131-140 Omani Riyal cents per share.

The Category II subscription period, for individual investors, will run to October 5 and represents 30 percent of the total offering at a discounted maximum price of 126 Omani Riyal cents, providing a 10 percent discount on the maximum price in the offering.

In January 2024, OQGN intends to pay a dividend of 33M Omani Riyals (\$85M) for the first 9 months of 2023 and expects to pay a second dividend distribution of around 11M Riyals for the last three months of 2023 and scheduled for around April 2024.

The shares in OQGN are expected to commence trading on the Muscat Securities Exchange around the 24th of October, 2023.

The nation's other leading gas company is Oman LNG which has been signing new contracts after extending the lifespan of the liquefaction complex at Qalhat for another 10 years beyond its current concession date of 2024.

Oman LNG

The Omani LNG export facilities comprise the amalgamated three liquefaction Trains of Oman LNG and Qalhat LNG, which were merged in 2013 under the banner of Oman LNG.

The company has three liquefaction Trains at its site near Sur in the South Sharqiyah Governorate with a combined nameplate capacity of almost 11 MTPA.

Fluxys Belgium grid company reports mixed earnings with more Dutch and German flows

Fluxys Belgium, the national gas grid company and operator of the Zeebrugge LNG import terminal, increased regulated revenues while net profits fell and said its infrastructure was used particularly intensively by customers to support security of supply in Germany and the Netherlands.

The company said that first-half regulated turnover rose to €309.3 million (\$328.4M) compared with €287.4M in the same six months of 2022.

The Fluxys Belgium net profits fell to €34.5M from €41.1M in the first half of last year.

"The decrease in net income is

in line with the tariff methodology and the fair margin stipulated therein for the (Zeebrugge) LNG terminal," said Fluxys.

Fluxys noted that there were also investments totalling €70.3M compared with €35.2M in the same six months of 2022 and €30.3M of the spending went on LNG infrastructure projects and about €40M on transmission ventures.

Dynamics

"The geopolitical situation in Ukraine has significantly changed the dynamics of the gas markets and the direction of flows," said Fluxys.

"Demand to send natural gas

from Belgium to Germany and the Netherlands remained high in the first half of the year and our commercial and operational staff are doing their very best to ensure our essential service to society even during these challenging times," it added.

Fluxys explained that the Belgian gas grid has once again cemented its role as an energy hub in North-West Europe and Zeebrugge remained "an important gateway" for both natural gas via pipelines and LNG via ships.

The company said that high natural gas volumes continued to flow to Germany and the Netherlands.

Flows to Germany rose to 124 TWh versus 113 TWh in the same period of 2022 and those to the Netherlands were slightly lower at 60 TWh compared with 64 TWh in the first six months of 2022.

"Given the context of changing flows, we are upgrading the Zeebrugge-Brussels route by building an additional pipeline in parallel with the existing line," said Fluxys.

"This will boost our capacity to carry natural gas inland from Zeebrugge and at the same time allow us to maintain high flows to neighbouring countries," it added.

European gas players sign hub accord

European natural gas markets are exploring more imaginative LNG and pipeline natural gas deals with land-locked Austria securing a five-year agreement for the supply of gas volumes into the newest LNG importing nation Germany's virtual gas trading hub.

The agreement has been signed with Austria's major energy company OMV and was scheduled to start on October 1.

The annual volumes of 12 terawatt hours will be delivered at Germany's Trading Hub Europe (THE) by Norwegian energy company Equinor, the biggest provider of gas to the European Union.

The Norwegian company said that new bilateral agreement builds on the long-standing relationship between the OMV and Equinor and adds to the volumes under already existing contracts.

"The contract is priced at market terms," said a statement.

The German Trading Hub price on September 27 stood at the equivalent of \$12.155 per million British thermal units.

"Equinor prides itself on being a long-term, reliable supplier of natural gas to Europe," said Helge Haugane, Equinor's Senior Vice President of Gas and Power.

"I am very happy that we can announce another bilateral agreement between our two companies," added Haugane.

"We have been observing an increasing demand for bilateral contracts from customers who see Norwegian gas as an enabler of energy security as well as of the energy transition," he stated.

OMV is one of Austria's largest listed company with revenues of €62 billion in 2022 and a workforce of 22,300 employees.

Equinor proceeds with huge Brazil gas development offsetting LNG

LNG News Editor

Norwegian energy company Equinor is proceeding with the development of two natural gas fields offshore Brazil at a cost of around \$9 billion and the resources will provide about 15 percent of the South American nation's gas needs when the project comes on stream.

Equinor said it had informed the Brazilian regulator, the Agência Nacional de Petróleo, Gás Natural e Biocombustíveis, that the BM-C-33 concession's joint venture was going ahead in Brazil's Campos Basin.

Concession

The concession is located about 200 kilometres (124 miles) offshore Rio de Janeiro, in water depths up to 2,900 metres.

Equinor said that the suggested names for the gas fields are Raia Manta and Raia Pintada, though these have still to be confirmed by the regulator.

The company said that Raia Manta and Raia Pintada are significant



The Raia Manta and Raia Pintada fields are in Campos Basin with its prolific volumes offshore Brazil

cant natural gas fields that will play a key role in the ongoing advancement of the Brazilian gas market.

"Together, the development and operation of the fields have the potential to generate up to 50,000 local jobs during its full life cycle, through various contracts in the supply chain," Equinor said.

Analysts note that Brazil is still an importer of LNG cargoes and is the 10th largest recipient of US LNG cargoes from the list of 44

customers around the world who receive shipments from US plants.

The partners in the venture are operator Equinor with 35 percent, the Spain-China venture called Repsol Sinopec Brazil also with 35 percent and the Brazilian national energy company Petrobras with a 30 percent shareholding.

The fields in the Campos Basin pre-salt area were discovered by the Repsol-Sinopec partners in 2010 and Equinor became the operator in 2016.

TotalEnergies will continue with Pouyanné at helm and his strategy

TotalEnergies, the French major with multiple energy and LNG projects under development, has pledged at a two-day meeting of the board to maintain a multi-energy strategy with current Chairman and Chief Executive Patrick Pouyanné at the helm.

The company said the board met on September 20-21 in Paris to review the strategic outlook in the context of "changing energy markets because of the energy transition and evolving geopolitical" events.

TotalEnergies has oil and gas interests from Argentina to Asia and is a leading global LNG market participants. Its immediate LNG plans include developing the huge onshore Mozambique LNG export project,

expanding LNG production in Papua New Guinea and taking part in the liquefaction build-out in Qatar.

Relevance

The board noted the relevance of the company's balanced multi-energy strategy considering the developments in the oil, gas and electricity markets.

"Thanks to refocusing the oil and gas portfolio on assets and projects with low breakeven and low greenhouse gas emissions, and to the diversification into electricity, notably renewable, through an integrated strategy from production to customer, the company is in a very favorable position to take advantage of changing energy

markets and prices" the board said in a statement.

With a breakeven anchored below \$25 a barrel of oil, TotalEnergies said it was a much more "efficient and profitable company today than it was 10 years ago" at the same oil equivalent price.

The board noted that the company managed to generate an additional \$15 billion of cash flow in 2022.

"Thus, by end-2022, the company benefits from a fortress balance sheet and is positioned to both implement its transition strategy and to guarantee an attractive shareholder return policy," the board added.

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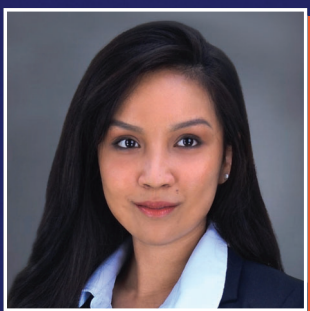
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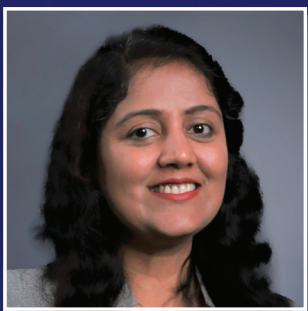


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Please join us in celebrating our 2023 winners!
We look forward to building off of this momentum in 2024.

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NEWS BRIEFS

AES LNG stakes sale

AES Corp., the New York Stock Exchange-listed company, has agreed to sell minority stakes in its LNG businesses in the Dominican Republic and Panama. The agreements include the sale of 10 percent of the AES business in the Dominican Republic to local Latin American firms Grupo Linda and the Grupo Popular subsidiary, AFI Popular. The AES Dominican Republic assets include an LNG regasification terminal with a 160,000 cubic metres of LNG capacity, the AES Andres 319 megawatts combined-cycle gas-fired power plant, the DPP 328 MW plant and an additional 150 MW of solar and wind power plants.

GTT China ship orders

GTT, the French designer of maritime and onshore LNG storage tanks, continues to build its Chinese portfolio of orders. The Jiangnan Shipyard in Shanghai has ordered tank designs for two LNG carriers ordered by shipping company Shandong Marine Energy (Singapore) Ltd. "GTT will design the tanks of these two vessels, which will each offer a capacity of 175,000 cubic metres. The tanks will be fitted with the Mark III Flex membrane containment system developed by GTT," the Paris-based company said.

Mongolia gas prospects

Elixir Energy of Australia was positive about future coal-bed methane (CBM) gas production prospects in Mongolia, bordered by China and Russia. Elixir Managing Director Neil Young said the company's Nomgon-10 pilot well is now online at its Nomgon IX CBM project in the South Gobi Basin of Mongolia. Young said that Elixir was bringing the well into production slowly to minimise the risks of formation damage and shocks to the coal reservoir.

UK approves \$9.7Bln of investment in North Sea Rosebank field to reduce LNG and oil import needs

LNG News Editor

The UK North Sea Transition Authority (NSTA) has given the go-ahead for the development of the North Sea Rosebank oil and gas field by Norway's Equinor and London-listed Ithaca Energy with sizeable contracts for US engineering company TechnipFMC and several European energy contractors.

The Rosebank field will be capable of producing 69,000 barrels of oil and 44 million cubic feet of natural gas per day at its peak.

"Developing the Rosebank field will allow us to grow our position as a broad energy partner to the UK, while optimising our oil and gas portfolio, and increasing energy supply in Europe," said Geir Tunesvik, Executive Vice President of Projects, Drilling and Procurement at Equinor.

Equinor currently supplies 29 percent of the UK's pipeline natural gas, offsetting LNG import needs, and 15 percent of the UK's oil.

"Rosebank provides an opportunity to develop a field within the UK Continental Shelf which will bring significant benefits to Scotland and the wider UK," added Tunesvik.

Location

The Rosebank field is located around 130 kilometres (81 miles) northwest of Shetland in about 1,100 metres of water depth.

Operator Equinor said that the field would be developed with subsea wells tied back to a redeployed Floating Production Storage and Offloading (FPSO) vessel, with start-up planned in 2026-2027.

Oil will be transported to refineries by shuttle tankers, while natural gas will be exported through the West of Shetland Pipeline system to mainland Scotland.

"We are pleased to move forward with the Rosebank field together with Ithaca Energy," said



Rosebank field will be capable of substantial oil and gas output when brought on stream by 2027 at latest

Philippe Mathieu, Executive Vice President for Equinor's Exploration and Production International unit.

"This development further strengthens our international business, and we look forward to collaborating closely with our partner and suppliers to develop and operate Rosebank with the lowest possible carbon footprint while bringing the maximum value to society in the shape of UK investment, local jobs and energy security," stated Mathieu.

Transition deal

The Rosebank oil and gas field is being developed in compliance with the North Sea Transition Deal, an agreement between the UK government and the offshore industry based on energy security and which counters radical environmental extremism.

"It acknowledges that whilst there is a continued, though over time reducing need for oil and gas, the remaining demand for oil and gas must be met with the lowest emissions possible," the statement added.

The FPSO has been designed to be electrification-ready and Equinor is collaborating with government and industry to pursue a regional solution for power from shore to Rosebank and nearby fields to minimise carbon emissions from production.

Studies have estimated that Rosebank development will lead to over £8 billion (\$9.7Bln) of total direct investment over the life-

time of the field, of which 78 percent is likely to be invested in UK-based businesses.

It is expected to support around 1,600 jobs during the height of the construction phase of the project, and it will continue to support about 450 UK-based jobs during the lifetime of the field.

"We know that the world needs to transition to new, cleaner energy systems and our broad energy investments into the UK support this. And while we do this there is going to be a continued need for oil and gas, which currently meets 76 percent of the UK's energy needs," Equinor explained.

Contracts

TechnipFMC has been awarded an integrated engineering, procurement, construction and installation contract for subsea production systems, umbilicals, risers and flowlines with an estimated value of around \$500 million for the local content part.

TechnipFMC has estimated that more than half of the contract value will be generated from local activities across the UK, with a large portion in Scotland.

Project management and engineering activities will be performed mainly from Aberdeen and tree systems will be manufactured in Dunfermline, Scotland.

Umbilicals will be produced in Newcastle, northeast England, and pipelines will be fabricated in Evanton, Scotland.

Port of Corpus Christi Ship Channel project advances to final phase for better export flows

LNG News Editor

The US Army Corps of Engineers has awarded the fourth and final contract of the Port of Corpus Christi Ship Channel Improvement Project (CIP) to Callan Marine, signaling the conclusion of a national infrastructure initiative that will render the ship channel the most improved waterway along the US Gulf Coast from Texas to Florida.

The Corpus Christi Ship Channel is a leader in US energy exports and a major economic engine of Texas and the nation. The Port of Corpus Christi is also the largest port in the United States in total revenue tonnage.

The Corpus Christi LNG export plant is located on the busy La Quinta Ship Channel, which adjoins the Corpus Christi Ship Channel and the Gulf Intracoastal Waterway operated by the Port of Corpus Christi.

"The completion of this history-making project largely is due to the confluence of several key factors, including: the diligence of our friends at the US Army Corps of Engineers, the commitment to prioritizing this critical infrastructure by our federal delegation and the Administration and the growing demand for infrastructure generated by our Port of Corpus



Corpus Christi Ship Channel joins Gulf Intracoastal Waterway

Christi customers," said Kent Britton, Chief Executive of the Port.

Costs

The project is costing over \$680 million and is jointly funded by the Federal government and Port, with the final tranche of project funding allocated by Congress in the Consolidated Appropriations Act of 2023.

That \$157.3M allocation will be used for final project close-out of the CIP.

Analysts said that project was a massive undertaking between the USACE, the Port and private marine companies. The CIP yielded more than 40 million cubic yards of dredge material that will be used in the construction of beneficial use sites for wildlife and erosion control.

"Our work and partnership with the Port of Corpus Christi, one of the largest ports in the US, is vital to maintaining the economic engine of Texas and the nation," said Col. Rhett Blackmon, USACE Galveston District Commander.

"I'm especially proud that more than 90 percent of the new work dredged material in this contract is staying within the system, through our beneficial use program," he added.

Development path

The statement explained that when the Port of Corpus Christi opened in 1926, four years after it was created by voters as Nueces County Navigation District No. 1, the Corpus Christi Ship Channel had been dredged to a depth of 25

feet and a width of 200 feet.

The channel has since been expanded several times, with the CIP increasing that depth to 54 feet Mean Lower Low Water (MLLW) and a new width of 530 feet, with additional barge shelves also being constructed.

In 1990, Congress authorized a study to determine the feasibility of expanding the Corpus Christi Ship Channel through widening and deepening the waterway.

In 2017, the project advanced to construction. The first phase was completed in February 2020, while Phase 2 wrapped up in July of this year.

The third phase is expected to be completed in 2023, with completion of the final phase estimated for early 2025.

"My fellow Port of Corpus Christi Commissioners and I are grateful to everyone who has advocated for this critical project over the past 30 years," said Charles W. Zahn, Jr., Port of Corpus Christi Commission Chairman.

"This truly is great progress, not only for the Port of Corpus Christi, but for the entire Coastal Bend region, because of the opportunities it will bring for future economic prosperity and growth," Zahn stated.

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Denmark pulls oil and gas tender with no bids

Denmark, the pipeline natural gas and power market player involved in LNG trading and a bridge supplier of gas to Poland on the Baltic Pipe, has revealed its “mini tender round” for interested oil and gas companies to apply for a licence for a concession in the North Sea had flopped as the one company interested had withdrawn.

The Danish Energy Agency’s tendered area covered the Elly and Luke discoveries and bidding and registration was open until October 15, 2023.

“The reason for the mini-round is that the Danish Energy Agency had received an unsolicited application in the area,” the government body explained.

The Norwegian-listed company apparently involved, BlueNord, had informed the Danish Agency that the company had decided not to proceed as an applicant in the mini tender regarding a new oil and gas permit that includes the Elly and Luke discoveries.

BlueNord is an Oslo Stock Exchange listed oil and gas company. In 2019, the company completed the transformational acquisition of Shell’s upstream assets in Denmark.

As a result of this transaction, BlueNord established itself as a material independent E&P company, focused on the North Sea and the second-largest oil and gas producer in Denmark.

Based on the unsolicited application, the Danish Agency explained that it had opened a mini tender round in July 2023, where interested oil and gas companies could apply until 15 October for a permit for an oil and gas concession in an area that includes the Elly and Luke discoveries.

Woodside’s Scarborough gas and Pluto LNG projects delayed by court

LNG News Editor

An Australian Federal Court ruling has delayed Woodside Energy’s US\$12 billion Scarborough gas project for LNG expansion even though the resources are located a long way from land.

The Scarborough gas project is one of the few moving forward in Australia and has been specially targeted by environmental activists who have now succeeded in delaying Woodside’s plans as the previously approved seismic testing programme has now been called into question.

The Australian Federal Court by a decision handed down on September 28 has invalidated approvals given to Woodside by the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA).

Previous ruling

The Supreme Court of Western Australia had previously, in March 2022, dismissed two proceedings brought against the Pluto LNG and Karratha Gas Plant environmental approvals given in 2019.



The Scarborough gas field is located 375km from land

In the latest hearing, the judge found that NOPSEMA, did not have the statutory power to accept Woodside’s environment plan because he wasn’t reasonably satisfied that all relevant stakeholders had been consulted, including some local Aboriginals.

The Pluto LNG onshore processing facility is located on the Burup Peninsula near Karratha in the northwest of Western Australia and the first cargo from the cur-

rent single-Train facility was delivered in 2012.

The second Train planned using Scarborough field gas will have 5 million tonnes per annum of output and take total nameplate capacity to around 9.2 MTPA.

The Scarborough field is located about 375 kilometres (233 miles) off the coast of Western Australia and is estimated to contain over 11 trillion cubic feet of dry gas.

New Fortress Energy advances with first Mexican ‘Fast LNG’ facility

New Fortress Energy, the New York-based developer of liquefied natural gas import and export projects, could begin production as early as October 2023 from a floating FLNG plant offshore the Mexican port of Altamira in the Gulf of Mexico.

NFE is on course to start LNG production and export operations in the weeks ahead, the first ever from Mexico, at a facility with capacity of 1.4 million tonnes per annum.

NFE’s “Fast LNG” pairs modular, midsize liquefaction technology with jack-up rigs to enable lower-cost and faster deployment schedules.

The US company and Mexico’s state-owned power utility, the

Comisión Federal de Electricidad (CFE), have set up the LNG hub in Altamira in the GoM to convert Mexican natural gas into LNG for export.

Installations

The US company expects to complete and install the two remaining parts of the FLNG project this month and to immediately introduce gas and with a first cargo sold in October, according to a company presentation.

Each of NFE’s three parts of the first “Fast LNG” project have been completed at the Kiewit Offshore Services yard in Ingleside in Texas.

The company said that the first “FLNG 1” liquefaction operating

facility is being deployed in Mexican waters at a cost of just \$1.3 billion, far below the cost of other proposed projects.

NFE has yet to formally confirm when exactly the Altamira FLNG production plant will come on stream.

The US firm received an export permit in June 2023 for the Altamira ‘Fast LNG’ facility from Mexico’s Ministry of Energy.

Under the permit, NFE is authorised to export up to 7.8 million tonnes of LNG through April 2028, providing ample capacity to support the operations of the planned 1.4 MTPA facility through the permitted period.



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Japan's Mitsui OSK Lines gives update on market with 94 LNG carriers operating and 799 ships

LNG News Editor

Japanese shipping company Mitsui OSK Lines has presented its annual update on activities, praising the role of the LNG fleet as it cemented its position as the world's third-largest shipping group behind Japan's NYK Line and the giant Chinese company COSCO Shipping.

The overview from President and Chief Executive Takeshi Hashimoto was contained in the updated presentation called "Blue Action 2035", involving an initial first phase of 1.2 trillion yen (\$8 billion) in investments.

"To date, the group has worked to strengthen its LNG carrier business and offshore business to increase the ratio of stable earnings," Hashimoto explained.

"In particular, MOL's LNG carrier business has grown to become one of the world's leading businesses in terms of both scale and competitiveness," he added.

Long-term contracts

"Furthermore, the group intends to increase the asset allocation to



Part of the updated MOL presentation called 'Blue Action 2035'

areas within the shipping industry where long-term contracts can be obtained, such as crude oil carriers and liquefied petroleum gas carriers, as well as to businesses different from industrial cargo transport, such as domestic ferries and cruise ships, and to land-based businesses such as real estate property and warehouses," the CEO explained.

"We aim for the best mix of businesses that can resist recession, maintain stable dividends, and enjoy large profits when market conditions are favorable, by

striking a good balance between market driven businesses such as containerships, which offer high returns but also large fluctuations in earnings and stable revenue businesses such as LNG carriers and real estate," Hashimoto declared.

"The opportunity to enjoy unexpected profits over a long period can be said to be an attractive feature of the shipping business," said the CEO.

"On the other hand, however, considering the huge capital investment required for consistent fleet renewal to continue the

business, the company cannot solely rely on this irregular economic boom," he added.

Hashimoto stated that while the shipping business would continue to be the core of the group and a source of "competitive advantage that generates high returns during market boom" MOL would also be looking to diversify and invest in other businesses to help stabilize the earnings base.

LNG stability

MOL said that LNG continued to be a "stable revenue business" while containerships was a "market driven business" along with the car-carrier fleet.

MOL said it was currently the third-largest global shipping company with a fleet of 799 vessels, just behind Japan's NYK Line with 800-plus vessels, though well behind Chinas COSCO Shipping with around 1,300 vessels.

Hashimoto noted that LNG shipping was rapidly increasing around the world as an environmentally friendly and clean energy source.

Hong Kong floating LNG terminal owners give update on facility benefits in former British colony

The Hong Kong floating LNG import terminal, the "Bauhinia Spirit" FSRU deployed to the east of the Soko Islands, is operating well after entering service in July 2023 and has been receiving diverse cargoes.

CLP Power Hong Kong and The Hongkong Electric Company are the charter owners of the facility and they have recently updated investors on the benefits of LNG imports for the former British colony handed back to China in 1997.

"The operation of the terminal has enhanced Hong Kong's fuel supply stability by the addition of a new supply source for natural gas, facilitating the city's energy transition," they said.

The "Bauhinia Spirit" is the

world's largest FSRU and has an LNG storage capacity of 263,000 cubic metres.

It is moored at the jetty of the terminal to receive, store and re-gasify LNG before the natural gas is sent by two separate subsea pipelines to CLP Power's Black Point Power Station and HK Electric's Lamma Power Station.

"The terminal gives the power companies direct access to international LNG markets and provides a long-term alternative fuel source to meet Hong Kong's generation needs," they added.

Reliability

"It also strengthens the companies' supply reliability, and ability

to source competitively-priced gas for the benefit of customers and Hong Kong as a whole," the statement explained.

The CLP Holdings Chairman, Sir Michael Kadoorie, said that the construction of the offshore LNG terminal took place in the midst of the pandemic, exemplifying Hong Kong's engineering prowess and the city's can-do spirit.

"Being the first of its kind in Hong Kong, the offshore LNG terminal bears great significance in supporting the city's energy transition," Kadoorie added.

"CLP Power and HK Electric have been serving Hong Kong for over a century. This new terminal signifies a proud collaboration

between us to support Hong Kong's energy development," he explained.

"We would like to take this opportunity to express our greatest gratitude to the many parties who helped make this engineering wonder possible - our business partners, marine experts, engineers, technicians, construction workers and HK Electric and CLP Power colleagues," Kadoorie stated.

John Lee, Chief Executive of the Hong Kong Special Administrative Region (HKSAR), said that the offshore LNG terminal was a great benefit to the people of Hong Kong.

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