

LNG Unlimited

LNG JOURNAL PUBLICATION

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EU lists lessons from Russia shock and sets LNG and pipeline gas aims

The Market Monitoring Report includes four main lessons and eight main recommendations
LNG News Editor

The European Union's Agency for the Cooperation of Energy Regulators (ACER) has issued its annual report on the natural gas market, including the role of liquefied natural gas, with a list of lessons learnt and future actions to be taken 18 months after the Russian supply shock began with the Ukraine invasion and prompted a major rebalancing of the markets that will have a lasting impact.

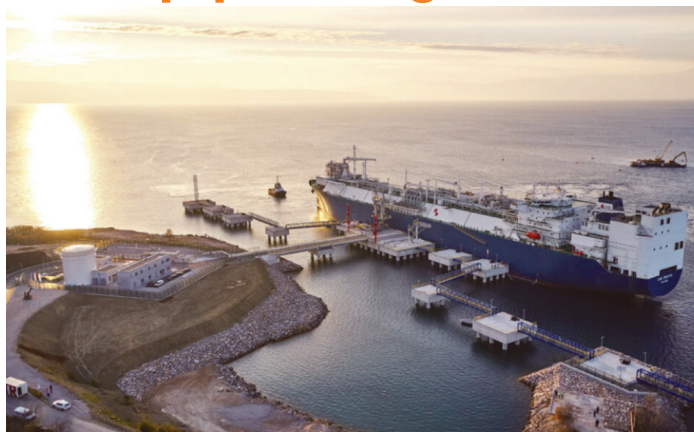
The EU's ACER and the Council of European Energy Regulators (CEER) annual Market Monitoring Report includes the four main lessons to be taken on board and a list of eight main recommendations.

The 27-nation EU was urged to understand the "valuable lessons and conceptual forward-looking implications" to be considered for enhancing the resilience of the EU internal energy market in the future.

"EU gas prices will be more exposed to global competition going forward. This circumstance stems from the EU's growing reliance on LNG supply. This situation will likely increase the volatility of EU gas prices, which might subsequently affect electricity prices," explained the report.

Systemic impacts

"Moreover, considering the systemic impacts of energy prices on the EU economy, factors such as inflation, the international competitiveness of EU industries and the pace and scale of the invest-



EU LNG deliveries are increasing in the North and South

ments aimed at decarbonizing the EU economy could all be influenced," it added.

"Furthermore, as the gas market transitions towards an increased reliance on LNG, safeguarding its competitiveness and integration levels remains crucial. An important element in that respect relates to enhancing the transparency of the new LNG terminal access regimes, to prevent any stifling of healthy competition," the report declared.

The report noted that actions taken to restore the EU's gas market balance in the summer of 2022 brought about challenges and opportunities for gas producers, suppliers, transmission system operators and traders.

There was also an overall and substantial impact on energy-intensive consumers who had and still have to pay the prices.

The EU acknowledges that designing appropriate and targeted mechanisms for the redistribution of extra collected revenues to alleviate high costs, while at the same time fostering the large investments that the EU needs to meet decarbonisation goals, is a complex challenge for policy makers.

"A pressing challenge is finding the most efficient means to reduce the EU's conventional gas demand to adjust it to a tight supply market and assist the decarbonisation goals while preserving the economic activity and the security of supply that gas offers to the EU's energy system," the report said.

"The pace of gas demand reduction carries important near-term and long-term contractual implications. In this context, it is important to increase the flexibility of the less responsive segments of gas demand, as these segments will continue to influence short-term gas prices significantly," it explained.

"Furthermore, the substitution of conventional gas for alternative energy supplies could impact the competitiveness of energy-intensive industries relying on gas," the report stated.

The report additionally looked at the implications related to the role of underground storage and how to enable sufficient storage injections based on economic signals, while limiting "public support" interventions.

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Saudi Arabia says acquisitions by Chevron and ExxonMobil strengthen oil and gas case

LNG News Editor

Saudi Arabia, which is buying LNG assets for the first time through Saudi Aramco, said that recent multi-billion dollar agreed acquisitions during October by US oil majors ExxonMobil Corp. and Chevron Corp. for Pioneer Natural Resources and Hess Corp. respectively for combined sums of more than \$112 billion in stock proved that hydrocarbons were “here to stay” in the global energy future.

“Exxon and Chevron didn’t buy because they want to have stranded assets,” said Saudi Energy Minister Prince Abdulaziz bin Salman at Riyadh’s annual Future Investment Initiative (FII) conference and added that the US combinations for oil and gas could not have come at a “better time” for the industry.

The FII event is known as “Davos in the desert” as it is similar to the elite get-together held



Saudi Minister Abdulaziz bin Salman at ‘Davos in the desert’

annually in Switzerland.

The US takeover deals have drawn criticism from environmentalist activists who regard the merger and acquisition activities as undermining ambitious climate change aims that are increasingly costly and are beginning to affect energy security requirements of nations.

Aramco LNG

Saudi Aramco, the world’s largest oil production group, has signed definitive agreements to acquire a strategic minority stake in a com-

pany called MidOcean, a unit of Washington DC-based equity fund EIG for \$500 million and thus entering the LNG sector initially in Australia.

Prince Abdulaziz said in the Riyadh’s speech that the energy transition would require hydrocarbons including petrochemicals which are vital for sectors such as pharmaceuticals and industry manufacturing.

The International Energy Agency (IEA) argued in its World Energy Outlook issued on October 24 that world fossil fuel demand

was set to peak by 2030 as more electric cars were being purchased and China’s economy was forced to grow more slowly amid changes centred on renewable energy.

The IEA’s forecasts run counter to those of the Organization of the Petroleum Exporting Countries (OPEC), which sees oil demand rising long after 2030 and which would require trillions in new oil sector investment.

Saudi Arabia is the world’s biggest oil exporter and intends to increase its oil production capacity by 1 million barrels per day to 13 million barrels per day by 2027 to meet increasing global demand.

Future oil demand

“We are investing not to create a stranded asset. Saudi Arabia would not be investing in raising its capacity if there was not sufficient demand for additional production,” he added.

Latest mega-deal in oil and gas sees Chevron agreeing takeover of Hess in \$53Bln transaction

Chevron Corp. agreed last week to acquire US energy company Hess Corp in an all-stock transaction valued at \$53 billion and is the second huge American merger and acquisitions deal in October 2023 after ExxonMobil’s agreement to acquire Texas-based Pioneer Natural Resources for \$59.5Bln with both takeovers having a focus on US shale oil and gas assets.

Chevron, the operator in US shale basins and a world-scale LNG player at Gorgon and Wheatstone in Australia and Angola in south-west Africa and with natural gas assets in the East Mediterranean, said its definitive agreement with New York-based Hess is an all-stock transaction at \$171 per share and under the terms Hess shareholders will receive 1.0250 shares of Chevron for each Hess share.

The total enterprise value, in-

cluding debt, of the Chevron-Hess transaction is \$60Bln, just less than the ExxonMobil-Pioneer deal at \$64.5Bln.

Analysts noted that the Hess acquisition essentially increases Chevron’s oil and gas production by more than 10 percent.

Chevron said the acquisition of Hess upgrades and diversifies Chevron’s “already advantaged portfolio” and includes the Stabroek block offshore the South American nation of Guyana, which is “an extraordinary asset with industry-leading cash margins and low carbon intensity” that was expected to deliver production growth into the next decade.

Bakken and Guyana

“Hess’s Bakken assets add another leading US shale position to Chevron’s DJ and Permian basin

operations and further strengthen domestic energy security,” stated Chevron in reference to the Bakken Basin in North Dakota.

In addition, the statement added that Hess Chief Executive John Hess was expected to join Chevron’s board of directors.

Chevron, which is headquartered in San Ramon, California, said transaction benefits included various strands.

Firstly, there is the Guyana 30-percent ownership in more than 11 billion barrels of oil equivalent discovered recoverable resource with high cash margins per barrel, a strong production growth outlook and a potential exploration upside.

Secondly, the Bakken assets were 465,000 net acres of high-quality, long-duration inventory supported by the integrated assets

of Hess Midstream.

There were also, thirdly, complementary Gulf of Mexico assets and steady free cash flow from the Southeast Asia natural gas business centred on the Gulf of Thailand and Peninsular Malaysia.

“This combination positions Chevron to strengthen our long-term performance and further enhance our advantaged portfolio by adding world-class assets,” said Chevron Chairman and CEO Mike Wirth.

“Importantly, our two companies have similar values and cultures, with a focus on operating safely and with integrity, attracting and developing the best people, making positive contributions to our communities and delivering higher returns and lower carbon,” stated Wirth.

JERA of Japan signs multi-year deal in UAE

JERA Global Markets, the trading arm of Japan's largest LNG and energy buyer and utility JERA Co. Inc., and ADNOC Gas, the recently spun-off unit of Abu Dhabi National Oil Company (ADNOC) in the United Arab Emirates, have signed a multi-year LNG supply agreement.

JERA said that under the terms of the agreement, which was valued at between \$500 million and \$700 million, the contracted LNG volumes would be supplied from the ADNOC Gas liquefaction and export plant on Das Island in the Gulf and be delivered to the global supply portfolio of JERA Global Markets.

The term of the transaction for LNG cargoes was not immediately revealed.

"We are pleased to re-establish our LNG partnership with ADNOC Gas as the JERA group continuously looks towards strengthening our global LNG portfolio with stable, flexible and competitive LNG supply," said Kazunori Kasai, Chief Optimisation Officer of JERA Co. Inc. and Chairman JERA Global Markets.

Ahmed Alebri, Chief Executive of ADNOC Gas, said he was delighted with the deal.

"This LNG supply agreement marks a significant milestone in a long-standing strategic partnership between ADNOC Gas and JERA, demonstrating our continuous and shared commitment to advancing sustainability in the energy sector and supporting a reliable and cleaner energy future for Japan and beyond," Alebri explained.

This agreement builds on the long-standing bilateral relationship between the UAE and Japan.

Shell realigns LNG interests with Qatar and Indonesian agreements

LNG News Editor

Shell signed two long-term LNG sale and purchase agreements for the supply of up to 3.5 million tonnes per annum of LNG from Qatar to the Netherlands while also completing the sale of its interests in the Masela block in Indonesia for an LNG project.

The UK-based major said that under the Qatari deals the LNG would be delivered to the Dutch Gate LNG terminal in Rotterdam starting in 2026 for a term of 27 years.

The LNG volumes would be sourced from the two joint ventures between QatarEnergy and Shell that hold interests in Qatar's North Field East (NFE) and North field South (NFS) expansion projects.

The SPAs were signed in the Qatari capital Doha between QatarEnergy Chief Executive Saad Sherida Al-Kaabi and his Shell counterpart Wael Sawan.

Qatari stakes

Shell's partnerships in the North



Shell CEO Sawan and QatarEnergy counterpart Al-Kaabi

Field LNG expansion ventures are made up of a 6.25 percent share in the NFE project with 32 MTPA of total output and a 9.375 percent share in the NFS project to produce 16 MTPA.

"We are delighted to sign these two long-term LNG sale and purchase agreements with Shell that will further enhance our decades-long relationship and strategic partnership in Qatar and around the world," said Al-Kaabi.

Shell Upstream Overseas, a subsidiary of Shell plc, has also completed the previously announced

sale of its 35 percent participating interest in Indonesia's Masela Production Sharing Contract (PSC) to Indonesian state energy company Pertamina and to Malaysia's oil and gas company Petronas.

Completion of the Shell's sale of its Indonesian assets in the Masela block will see the stakes transferred to subsidiaries of the Asian energy majors, PT Pertamina Hulu Energi Masela and Petronas Masela.

"This divestment is in line with Shell's focus on disciplined capital allocation," said the UK company.

UK major BP ships first cargo from third Tangguh LNG Train

UK major BP shipped the first cargo on behalf of the Tangguh LNG production-sharing contract partners in Indonesia as the third liquefaction Train entered commercial operations.

The shipment was made for domestic consumption to Indonesia's state-owned power generator PT PLN (Persero).

Many delays

"This marks the start of full commercial operations of the expanded Tangguh LNG facility," stated BP.

The start-up of Tangguh Train 3 will add 3.8 million tonnes per annum of LNG production capacity to the existing two-Train facility, bringing total plant capacity to

11.4 MTPA. The first cargo of LNG produced by the new Train sailed from Tangguh on 18 October to be delivered to PLN's regasification facility in Arun in Indonesia's Aceh Darussalam province.

Tangguh LNG is located in the Papua Barat Province of Indonesia and has been in operation since 2009.

BP has a 40.22 percent interest as operator of Tangguh LNG and the other shareholders are Chinese major China National Offshore Oil Corp. with almost 14 percent, Nippon Oil Exploration of Japan with just over 12 percent and with the balance held by four Indonesian companies.

"The safe and successful start-

up of Train 3 marks a new phase for Tangguh and is a proud day for BP and our Tangguh partners," said Anja-Isabel Dotzenrath, BP's Executive Vice President for Low Carbon Energy.

"I would like to thank the Government of Indonesia for our strong partnership and their continued support that has made this possible," Dotzenrath added.

"Tangguh is important both to BP and to Indonesia. It is expected to account for more than a third of the country's gas production and make a significant contribution to meeting the country's growing needs for reliable and affordable energy," the BP executive explained.

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NEWS BRIEFS

Italy's supply deal in Qatar

Italian major Eni became the latest company to sign a long-term LNG supply contract for volumes from the expansion being developed in the Arabian Gulf by QatarEnergy. The Eni cargoes will come from a joint venture with QatarEnergy for the development of the North Field East (NFE) project and will amount to the delivery of up to 1.1 million tonnes per annum of LNG. The Milan-based company said the volumes would be delivered to the floating storage and regasification unit "FSRU Italia" currently berthed in the port of Piombino in Tuscany and deliveries would start in 2026 for a period of 27 years.

Santos hits earnings target

Australian liquefied natural gas plant operator Santos reported solid third-quarter revenues of US\$1.43 billion as the depleted Bayu-Undan gas field for the Darwin LNG plant was run down and regulators continued to block the Barossa in-fill project, which was 68 percent complete. "Drilling activities remain suspended pending assessment and acceptance of the associated environment plan by the regulator," said Santos.

Gazprom-CNPC agreement

Russia's Gazprom and China National Petroleum Corp. said they signed an additional agreement for China to receive more pipeline natural gas from Siberia from the end of 2023. Gazprom Chief Executive Alexey Miller and CNPC Chairman Dai Houliaang signed the deal after a meeting in Beijing. "During the meeting Gazprom and CNPC signed an additional agreement to the gas sales contract on the eastern route for an extra volume of supplies of Russian gas to China by the end of 2023," said a statement that gave no details of volumes.

US pricing unit of S&P Global launches Southeast Asia cargo assessment for nations like Thailand and Philippines

LNG News Editor

S&P Global Inc. said its Platts pricing unit has launched a Southeast Asia price assessment for liquefied natural gas cargoes as a differential to the existing Japan-Korea Marker for spot cargoes as well as on an outright basis.

The Southeast Asia delivered cargo price (SEAM) price aims to reflect the value of cargoes delivered to Thailand, Singapore, Vietnam and the Philippines.

Major Hub

"Southeast Asia is expected to become a major hub for the consumption of LNG with its changing energy mix and increasing power demand," said Ciaran Roe, Global Director for LNG at S&P Global Commodity Insights.

"Gas and power market liberalization continues apace as seen in developments in pricing policies and third-party access of LNG terminal infrastructure for these markets," added Roe.

The firm explained that the launch of the Platts SEAM delivered ex-ship (DES) assessment marked a further stage in the rapid commoditization of the LNG market in Southeast Asia, where contracts are already linked to JKM LNG prices.

"The development of a Southeast Asia LNG cargo price reference will also foster the advancement of related markets like small-scale LNG and LNG bunkering in the region," said Roe.

"The integrity of the methodology underpinning our assessment processes allows Platts price benchmarks like JKM and the West India Marker to be relied upon by the world's most important energy



Thailand's LNG terminal at Map Ta Phut in Rayong province

markets," Roe added.

Southeast Asia is poised to be a key growth driver for global LNG demand with imports into the region expected to increase significantly and be a main replacement for coal-fired power.

The recent start-up of receiving terminals in new import markets Vietnam and Philippines will fuel growing economies, while Thailand and Singapore have shown strong import increases in 2023.

Traditional exporters Malaysia and Indonesia are also expected to import more LNG in future for power plant needs.

New terminals

Three new LNG terminals received their commissioning cargoes this year in Southeast Asia.

State-run PetroVietnam Gas bought Vietnam's first cargo in May to test run the Thi Vai LNG Terminal in the southern province of Ba Ria Vung Tau.

The first LNG cargo for the Philippines was imported by San Miguel Global Power Holdings Corp in April to commission the floating terminal in Batangas City, while Filipino power producer First Gen Corp bought an LNG cargo to commission its floating storage and re-

gasification unit (FSRU) in Batangas province in September.

According to S&P Global, Southeast Asia LNG imports are expected to rise to 31 million tonnes in 2025 and to 56MT in 2030.

"This growth will be aided by an expansion in import capacity with the number of regasification terminals expected to increase from 14 in 2023 to 24 by 2030," the firm added.

Bids and offers

Bids and offers provided for publication in the Platts Market on Close process typically reflect delivery into ports in Thailand, with the buyer's option to nominate a discharge port.

"Bids must be expressed with a specific base discharge port. The location chosen sets the conditions for any potential counterparty considering trading," said Platts.

"Buyers retain the option to substitute discharge port within Thailand up to 15 days before the first day of the traded delivery window, subject to ship shore compatibility study (SSCS)," it added.

The delivery period reflected by bids and offers is typically three days long, with the buyer's option to narrow to a one-day delivery window by 30 days before the first day of the traded delivery window.

“Southeast Asia is expected to become a major hub for the consumption of LNG”

- Ciaran Roe, Global Director for LNG, S&P Global Commodity Insights

US feed-gas provider KMI posts lower profits but new CEO Kim Dang says future is bright

LNG News Editor

Kinder Morgan Inc. (KMI), the leading US pipeline feed-gas company for liquefied natural gas plants and a key energy infrastructure developer, reported lower third-quarter earnings and cash flow, though the new Chief Executive Kim Dang forecast a “bright” future for the company.

Net income attributable to KMI in the third quarter came to \$532 million compared with \$576M in the same three months of 2022.

Cash flow

Distributable cash flow was also down at \$1.09 billion versus \$1.12Bln in the third quarter last year.

“During the quarter the company experienced the second management succession in its history, but our time-tested strategy remains the same,” said Executive Chairman Richard D. Kinder in reference to Kim Dang succeeding Steven Kean as CEO.

“We return value to shareholders while maintaining a strong balance sheet. We internally fund capital projects that produce returns well in excess of our cost of capital - including high-grade projects that are part of the ongoing energy evolution toward a lower carbon future,” explained Richard Kinder.

Strong demand

New CEO Dang said that KMI continued to benefit from strong demand for natural gas transportation and storage services.

“The future is bright as we expect natural gas demand to grow by more than 20 percent through 2028, led by liquefied natural gas



KMI CEO outlines benefits from gas infrastructure

exports, exports to Mexico and power generation,” Dang explained.

Permian Highway

“Our network of interconnected assets is ideally located to serve those export markets, and our 700 billion cubic feet of operated natural gas storage capacity and nationwide pipeline network is particularly useful in backstopping intermittent renewable electricity resources,” she stated.

Dang added that KMI’s portfolio of assets performed “very well” during the quarter as financial contributions from the Natural Gas Pipeline business segment, the Products Pipelines business segment and the Terminals unit were all up relative to the third quarter of 2022.

“Our growing project backlog includes capital-efficient expansions of our existing natural gas pipeline and storage systems,” Dang added.

“We continued working to add

approximately 550 million cubic feet per day of capacity to the Permian Highway Pipeline (PHP) system. We also continued construction on an expansion project at our Markham Storage facility along the Texas Gulf Coast, where we will be adding more than 6 Bcf of incremental working gas storage capacity,” the CEO stated.

KMI also explained that the Natural Gas Pipelines division’s financial performance was up in the third quarter relative to the prior-year quarter, primarily on higher contributions from the Texas Intrastate system, Midcontinent Express Pipeline and El Paso Natural Gas (EPNG), partially offset by lower contributions from the Eagle Ford gathering system assets.

“Natural gas transport volumes were up 5 percent compared to the third quarter of 2022, primarily from increases on EPNG due to returning a pipeline to service and the retirement of a coal-fired power plant, and across other

assets due to higher volumes delivered to power generation, LNG facilities and industrial customers,” said KMI President Tom Martin.

“Natural gas gathering volumes were up 11 percent from the third quarter across most of our systems,” Martin added.

Products pipelines

“Contributions from the Products Pipelines business segment were up compared to the third quarter of 2022 due to improved pricing and rate escalations. Total refined products volumes were up slightly compared to the third quarter of 2022. Crude and condensate volumes were also up 5 percent,” Martin stated.

“Gasoline volumes were up 1 percent compared to the third quarter of 2022 while diesel volumes were down 2 percent. Jet fuel volumes continued to rebound, up 5 percent versus the third quarter of 2022,” he added.

“Terminals business segment earnings were up. Earnings contributions from our Jones Act tanker business were meaningfully higher compared to the prior year period on higher average charter rates. The fleet remains fully contracted under term charter agreements,” said Martin.

“Contributions from our liquids terminals were up versus the prior year period, benefiting from higher utilization across the network, higher volumes across our Houston Ship Channel hub and improving tank lease rates at our Carteret, New Jersey facility,” the KMI President concluded.

The KMI carbon-dioxide business segment earnings were down compared with the third quarter of 2022, primarily due to lower realized NGL and CO2 prices and volumes and higher power costs, partially offset by contributions from the company’s Renewable Natural Gas business in the Energy Transition Ventures group.

“We internally fund capital projects that produce returns well in excess of our cost of capital - including high-grade projects that are part of the ongoing energy evolution toward a lower carbon future”

- Richard Kinder, Executive Chairman, Kinder Morgan Inc.

GTT unit for smart shipping in GSL deal

Ascenz Marorka, the smart-shipping arm of LNG maritime storage technology company GTT, has signed a contract with Global Ship Lease (GSL), a leading independent owner of container vessels to roll out its shipping systems across the GSL fleet.

GSL is a containership owner, leasing ships to container shipping companies under industry-standard, fixed-rate time charters and owns 68 containerships, ranging from 2,207 to 11,040 twenty-foot equivalent units, with a combined capacity of 375,406 TEU with 36 ships being wide-beam Post-Panamax.

The GSL company is a Marshall Islands Corporation with offices in London and Athens and has been listed on the New York Stock Exchange since 2008, under the ticker NYSE:GSL.

Ascenz Marorka's contract with GSL encompasses the installation of automatic data collection systems and intelligent software designed to enable "real-time management and optimization of vessel energy and environmental" performance.

"The integration of these systems will provide GSL with valuable insights and tools to make informed decisions, thereby reducing fuel consumption, CO2 emissions and overall operational costs," Ascenz Marorka explained.

Additionally, Ascenz Marorka's team will work on an expanding suite of tools to enhance operational collaboration between GSL and its liner operator customers.

Seaside LNG takes delivery of newbuild ship 'Clean Everglades' for bunkering

LNG News Editor

US shipping logistics and bunkering companies Seaside LNG and Polaris New Energy gathered with Fincantieri Bay Shipbuilding executives to christen the recently constructed LNG bunkering barge "Clean Everglades" to be deployed along the US Gulf Coast.

Seaside LNG has the largest fleet of Jones Act-compliant LNG barges operating in the United States.

Sister ship

The company contracted Fincantieri to build the "Clean Everglades", an articulated tug barge that holds 5,500 cubic meters of LNG.

The vessel is similar in design and appearance to its sister ship, the LNG barge "Clean Canaveral", which was delivered by Fincantieri two years ago and has made more than 65 successful LNG bunker deliveries.

Seaside LNG provides fuel production and maritime transportation logistics to meet the growing demand for LNG as a cleaner al-



Newbuild constructed at US yard Fincantieri shipyard

ternative fuel to customers in the maritime, aerospace, and transportation industries.

Seaside also owns 50 percent JAX LNG, the small-scale LNG production facility with 360,000 gallons per day of output from two liquefaction Trains located in Jacksonville in Florida.

It additionally has a 100 percent ownership stake in LNG bunkering barge operator Polaris New Energy.

PNE maintains the fleet of bunkering vessels, including

"Clean Canaveral", "Clean Jacksonville", the tug "Polaris", the tug "Tortuga" and newbuild "Clean Everglades".

PNE's bunkering operations are compatible with several vessel types, including cruise ships, containerships, tankers and car carriers.

"Polaris New Energy is excited to continue to expand the LNG bunkering infrastructure in the United States," said Tim Casey Chief Executive of Seaside LNG.

Eni and Republic of Congo celebrate sail away from Dubai of two FLNGs

The Republic of the Congo and Italian energy major and liquefied natural gas project developer Eni have witnessed the sail away from Dubai in the United Arab Emirates of two vessels that will comprise the African nation's first floating LNG production venture.

The two vessels left Dubai at a ceremony attended by Bruno Jean Richard Itoua, Minister of Hydrocarbons of the Republic of the Congo, Maixent Raoul Ominga, Managing Director of state energy company Societe National des Petroles du Congo (SNPC) and Guido Brusco, Chief Operating Officer for Natural Resources for FLNG developer Eni.

Eni said that the "Tango" FLNG vessel that formerly operated in Argentina is now on its way to the West Coast of Africa along with the "Excalibur" floating storage unit (FSU).

"The milestone aligns with the timeline of the Congo LNG project, whose first phase will start-up in December 2023," said Eni.

When Congo FLNG starts it will be the third project operating in Africa after Cameroon FLNG, Mozambique FLNG and with other ventures being developed in nations like Nigeria.

Two more FLNG facilities are being developed in joint projects for Senegal and Mauritania in West Africa and involving UK major BP

and Dallas, Texas-based Kosmos Energy.

The "Tango" FLNG production hull has a liquefaction capacity of around 1 billion cubic metres per annum of gas.

It will be moored about three kilometres offshore along with the "Excalibur" FSU upon their arrival in Congo territorial waters.

"The Congo LNG project leverages Marine XII natural gas resources and existing production facilities in a new, phased approach that will be allowed to reach approximately 4.5 Bcm a year of gas liquefaction capacity at plateau, as well as zero routine gas flaring," Eni explained.



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Japanese LNG imports increase as storage is up and amid contract activities for diverse supplies

LNG News Editor

Japanese liquefied natural gas imports increased last month as thermal coal imports dropped and energy players in Japan signed more LNG supply contracts amid stricter energy security policies to confront geopolitical uncertainties.

Deliveries of LNG to the nation's regasification terminal network rose by 3.8 percent in September 2023 to 5.52 million tonnes, or 81 cargoes, from the 5.32MT, or 78 shipments, received in September 2022.

Asia steady

Cargo deliveries had plunged by 9.6 percent in August 2023 to 5.67MT from the 6.27MT received in August 2022.

The Finance Ministry figures also showed that LNG cargoes cost 44.8 percent less in September 2023 at 484.42Bln yen (\$3.23Bln) compared with 877.46Bln yen (\$5.85Bln) in September 2022.

Deliveries of thermal coal to



The 'LNG Saturn' operated by Mitsui delivers to Japan

Japanese ports dropped by 11 percent year-over-year to 8.40MT.

The Ministry data showed the imports of LNG in September from Asian nations like Malaysia, Indonesia and Brunei dropped by 27 percent to 1.10MT.

Middle East shipments from countries such as Qatar increased by 73 percent from the same 2022 period to 437,000 tonnes.

US imports of LNG cargoes almost tripled from a year ago to 707,000 tonnes.

Russian LNG deliveries to Japan

declined by 33.7 percent to 386,000 tonnes.

The balance of deliveries to Japan in September 2023 came to 2.89MT and were supplied by Australia and the spot market, up from 2.61MT in August 2023 from those sources and from 2.78MT in September 2022.

The Finance Ministry figures were issued as Japan's JERA Global Markets, the trading arm of Japan's largest LNG and energy buyer and utility JERA Co. Inc., signed a multi-year LNG supply deal with

ADNOC Gas in the United Arab Emirates and trading houses also sought more Australian volumes.

Japan had regained the global No. 1 spot as an LNG importer from China in 2022 with its 72MT of volumes, though the pace of Chinese deliveries is increasing in 2023.

Nuclear competition

Japan is also using more nuclear power and intends to bring other reactors on line over the next year or so as public opposition lessens with energy security taking priority.

Almost a dozen reactors are now back in operation compared with the 54 that were online in 2011 before the Fukushima disaster and which had supplied around 30 percent of Japan's energy needs.

The latest nuclear restart was the Takahama-1 plant owned by LNG importing utility Kansai Electric Power Company and brings to 11 the number of plants in operation from the 33 that are capable of re-starting.

Indian LNG imports rise by more than 20 percent on lower prices and higher domestic demand

Indian liquefied natural gas imports surged by more than 20 percent last month helped by lower prices and higher domestic gas demand while gas output offshore the Bay of Bengal also increased.

LNG imports for the month of September soared by 21 percent to 1.68 million tonnes, or 25 cargoes, from 1.39MT, or 21 cargoes, in September 2022, according to provisional data from India's Ministry of Petroleum and Natural Gas.

Turning tide

Deliveries in August 2023 had risen by 10 percent to 1.65MT from 1.50MT in August 2022.

The Ministry data showed that the cumulative imports for the first six months of the fiscal year from April to September increased

by 10.5 percent to 11.18MT from 10.12MT in the first six months of the previous fiscal year.

LNG cargo costs in September 2023 declined to 9,9818 crore Indian rupees (\$1.2 billion) from the 11,645 crore rupees (\$1.4Bln) paid in September 2022.

India paid 54,900 crore rupees (\$6.60Bln) for six months of LNG imports, which was less than the 78,192 crore rupees (\$9.40Bln) paid in the prior-year fiscal period.

Deliveries of LNG to Indian terminals in 2023 have come from Qatar, which provides over one-third of volumes, as well as West Africa, the US, Asia-Pacific nations, the spot market and Russia.

The latest regional spot LNG indicator price, the West India

Marker (WIM), was last at \$17.475 per million British thermal units for December delivery versus last month's \$13.466 per MMBtu for a cargo arriving in November.

The WIM futures prices are for spot LNG cargoes delivered ex-ship (DES) into West Asia and the Arabian Gulf states.

The September increase in Indian LNG imports came as the country's seventh LNG import terminal at Dhamra in the East Coast state of Odisha was slowly ramping up deliveries.

The Dhamra terminal is the second on the East Coast and is a joint venture owned by France's Total-Energies and India's Adani group.

The Ministry data showed that domestic gas output increased by 4 percent to 17.879 Bcm in the

first six months of the fiscal year versus 17.184 Bcm in the prior-year period.

The Ministry also gave average capacity utilization rates for the LNG terminals for the fiscal year so far from April to September.

Regasification

The largest Indian terminal at Dahej, located north of Mumbai and operated by Petronet LNG, has capacity of 17.5 MTPA and had a higher utilisation rate of 94.3 percent compared with the previous month's 93.4 percent utilization.

At the Hazira facility, operated by Shell India, the utilisation rate increased to 39.2 percent from 36.0 percent previously for 5.2 MTPA of capacity.