LNG Unlimited
LNG JOURNAL PUBLICATION 19 December 2023

Tellurian's Chairman Houston praises Souki's LNG contribution

'These changes are not the result of any material or unexpected financial events'

LNG News Editor


Martin Houston with long-time business partner Charif Souki who started Cheniere Energy and Tellurian

Tellurian Inc., the developer of the Driftwood liquefied natural gas export plant near Lake Charles in Louisiana, has bid farewell from the leadership of co-founder Charif Souki and his long-time business partner Martin Houston has taken over as Tellurian Chairman and praised Souki's contribution as the US LNG industry's pathfinder.

"Co-Founder Charif Souki will no longer serve as an executive or officer of the company or hold any managerial responsibilities," said Tellurian in a statement.

Share movements

"These changes are not the result of any material or unexpected financial events," Tellurian added.

Tellurian's shares on the New York Stock Exchange rose around 8 percent after the announcement from $0.63 per share to $0.68 per share.

Souki previously headed Cheniere Energy as a founder but was ousted from Cheniere by activist shareholders in 2016 and went on to found Tellurian with Martin Houston, who had also been a former executive of BG Group prior to its takeover by Shell.

Following the appointment of Houston as Chairman, the Board also named former General Counsel Daniel Belhumeur as President of Tellurian, and former Deputy General Counsel Meredith Mouer as General Counsel and Chief Compliance Officer.

Current Chief Executive Octávio Simões remains in his post despite handing over the Presidency to Belhumeur.

"This is an important moment for Tellurian as we navigate several key initiatives," said Simões.

"We are focused on unlocking shareholder value via execution of potential development and commercial partners at Driftwood LNG, while also evaluating options to refinance our existing debt, streamline costs and improve our balance sheet. These management changes ensure alignment and continuity," stated the CEO.

"I look forward to working with Daniel as he oversees key functions while I prioritize bringing Driftwood LNG, now with growing commercial momentum, to a final investment decision," Simões stated.

Tellurian Chairman Houston commented on the end of an era for Gulf Coast LNG projects.

"The Board and I are confident in Tellurian's ongoing leadership and would like to thank Charif Souki for his leadership and contributions to Tellurian. He holds a special place in the industry and in the founding of US LNG," Houston declared.

Tellurian's shares had once traded as high as $10.70 per share on April 3, 2019, but have steadily slumped because of delays in progressing with the Driftwood project, which has permits to produce 27 million tonnes per annum of LNG.

Analysts note that setbacks for Tellurian have included changing its investment and equity strategies while potential initial backers such as Shell and global commodities firm Vitol and others withdrew their interest in being among the first cargo buyers.

Tellurian, posted a third-quarter loss of $12.55 million in November 2023 compared with a profit $40.07M in the same quarter of 2022.

As of the end of September, Tellurian said it had about $1.3Bln in total assets, including $59.3M of cash and cash equivalents.

Tellurian generates cash from natural gas assets included 31,149 net acres and interests in 159 producing wells.

Haynesville

Its main production area of operations is the Haynesville Basin covering northwest Louisiana and East Texas.

Tellurian had also invested over $1Bln to develop and advance construction of the Driftwood plant and "remained on target" to produce first LNG in 2027. ■

UNLIMITED AGENDA

Trafigura posts record profit with strong LNG and pipeline gas amid ‘brittle’ supply chains

LNG News Editor

Trafigura, the global commodities trading firm, said its traded liquefied natural gas volumes declined slightly in the past year and while market volatility had eased the energy supply chain remained “brittle” amid changing inventories and continuing geopolitical concerns.

The firm’s LNG activities are within its Gas, Power & Renewables division and the volumes handled dropped to 11.2 million tonnes for the year through September 2023 compared with 13MT in the previous year.

Natural gas volumes that were traded edged higher to 23.9MT versus 23.7MT for a total of 35.1MT in the pipeline gas and LNG sectors, down from the prior year’s 36.7MT.

LNG and pipeline gas sectors have bright and dark spots

Europe expansion

Trafigura said it had adapted its strategy to build a pan European flexible portfolio with a strong focus on storage and pipeline capacity and this had paid dividends with strong results.

Trafigura posted overall record net profits for the financial year through September. The profits rose 5 percent to $7.39 billion from $7.03Bln in the previous year with strong underlying contributions recorded across all group.

“Over the year, we worked hard to achieve closer cooperation between our Gas and Power teams as the new division expanded its footprint in Europe and North America,” Trafigura said.

“There was a ground-breaking deal to supply significant amounts of natural gas to Germany’s national importer. When the agreement was signed it was worth more than $12Bln at market prices,” Trafigura explained.

The company also entered a $3Bln loan deal for four years and underwritten by the German Federal Government to help secure the LNG cargoes that were part of the agreement.

Trafigura during 2023 also expanded into markets that have previously been dependent on Russian pipeline natural gas, including Slovakia, Hungary, the Czech Republic and Austria.

“Trafigura was one of the few companies to inject gas into Ukraine storage as European Union storage approached capacity,” said the company.

“In the US, we continued to focus on exports by using our pipeline transportation network to carry gas from the Permian and Eagle Ford Basins to the Gulf Coast and Mexico markets,” it added.

Gas markets

“In the coming years, this is a business we expect to grow as global gas markets become more interconnected. US natural gas prices fell substantially at the start of the year and subsequently traded in a narrow range near $3 per million British thermal Units (MMBtu) reflecting a mild winter, relatively robust supply and high storage levels,” it added.

Oxy and big shareholder Warren Buffett give value boost to the Permian with $12Bln deal

Occidental Petroleum, the Houston-based company with US oil and gas assets and Warren Buffett as a main shareholder as well as owning oil and natural gas stakes in Algeria, Oman and the United Arab Emirates, has agreed to buy US Permian Basin-focused energy producer CrownRock in a cash and stock deal valued at $12 billion including debt.

The transaction expands Occidental’s presence in the Permian, America’s largest oilfield where CrownRock is developing a 100,000 acre position in the Midland Basin that produces oil and associated gas from nearly a thousand wells.

Both CrownRock and its affiliate CrownRock Minerals are part of a decade-long partnership between CrownQuest and Lime Rock Partners, a leading energy-focused private equity firm.

Acres and infrastructure

“CrownRock’s over 94,000 net acres of premium stacked pay assets and supporting infrastructure are well positioned alongside Occidental’s legacy Midland Basin business,” said Oxy in announcing the deal.

Oxy is already a leading producer in the Permian Basin, one of the most prolific oil basins in the world and where it operates in about 2.8 million net acres in Texas and New Mexico and has oil and natural gas production assets in the DJ Basins in Colorado and southeast Wyoming and offshore the Gulf of Mexico.

The US company is also one of Algeria’s leading international oil producers and is involved with Algerian national energy company Sonatrach in the Ourhoud, Hassi Berkine and El Merk production projects.

Middle East complement

Oxy is additionally a leading oil and gas producer in the Arabian Peninsula’s Sultanate of Oman and in the UAE where the US company is a long-term partner of Abu Dhabi National Oil Company.

Oxy and ADNOC have a 30-year-old joint venture called Al Hosn Gas, one of the largest Middle Eastern natural gas developments.

The US company holds a 40 percent participating interest in this basin which is located in the Shah Field and became operational in 2015. The Oxy-CrownRock transaction is the latest in a long line of mergers and acquisition activities in the US during 2023.

They culminated in October 2023 with multi-billion dollar agreed acquisitions involving US majors ExxonMobil Corp. and Chevron Corp. who are buying Pioneer Natural Resources and Hess Corp. respectively for combined sums of more than $112Bln in stock.

Analysts note that the Occidental-CrownRock deal obviously has the blessing of the best-known US investor Warren Buffett, whose Berkshire Hathaway company is the largest single shareholder in Occidental with a stake nearing 26 percent.

Stonepeak lends to US LNG filling stations firm

Stonepeak, the New York-based investment and asset management firm, has given a $300 million loan to California-based company Clean Energy Fuels Corp., the operator of one of America's largest natural gas fuelling station networks.

The loan to Clean Energy Fuels, listed on the Nasdaq global exchange, is in the form of a senior secured term loan for a six-year period and will help with expansion plans.

"In addition to repaying existing loans, the financing from Stonepeak will provide Clean Energy with capital for new renewable natural gas (RNG) production facilities, as well as the expansion of the company's fuelling infrastructure targeting the heavy-duty truck market," said Clean Energy, based in Newport Beach, California.

The company currently provides RNG made from waste in the form of LNG and compressed natural gas (CNG) to hundreds of vehicle fleets every day.

"Stonepeak is one of the most well-respected infrastructure investment firms operating in the energy transition space and we're excited to partner with them as we grow our RNG business," said Clay Corbus, Senior Vice President for strategic development at Clean Energy.

"This financing agreement is very timely as we continue to see more RNG development opportunities come our way, and as we anticipate building additional stations to accommodate increased demand due to the arrival of the Cummins 15-liter natural gas engine," the company explained.

■

France's Elengy opens more LNG truck bays at Fos Cavaou terminal

LNG News Editor

Elengy, the operator of three terminals in Western and Southern France at Montoir-de-Bretagne, Fos Tonkin and Fos Cavaou has increased the LNG trucking capabilities at the Fos Cavaou facility located west of the Mediterranean port of Marseille.

The Managing Director of Elengy, Nelly Nicoli, inaugurated the two new tank-truck loading bays at the Fos Cavaou terminal.

Fos Cavaou now has four bays to offer 22,000 slots a year

Expansion

The LNG fuel expansion event was also attended by René Raimondi, Mayor of the town of Fos, Hervé Martel, President of the Grand Port Maritime de Marseilles, and Régis Passerieux, Sub-Prefect of the district of Istres.

The new loading bays at Fos Cavaou now give the West Med terminal four bays with the capacity to offer 22,000 slots a year.

"LNG constitutes an immediate and effective response to the challenges of the energy transition in the road transport sector by reducing carbon-dioxide emissions," stated Nicoli.

"With this commissioning, Elengy will continue with the development of its infrastructure to provide reliable and sustainable access to LNG for road transport," added Nicoli.

"The two new bays of Fos Cavaou represented an investment of €10 million ($10.8M)," she stated.

Elengy has been expanding LNG truck-loading bays since 2013 at the Montoir-de-Bretagne and the Fos Tokin and Fos Cavaou terminals.

Over the past 10 years around 70,000 trucks have been loaded with LNG for the gradually expanding fuel market in the European Union.

Elengy's three regulated terminals offer market flexibility for the unloading or loading of any type of LNG carriers as well as trans-shipment services.

Ship movements

The company's LNG carrier traffic amounts to around 330 ships per annum at the three facilities.

Elengy added that during 2023 LNG had also been loaded into ISO containers at the Fos terminals for transportation by rail.

■

French equity firm InfraVia and Molgas invest in Titan LNG

French equity firm InfraVia backed by its Molgas unit becomes strategic partner of Dutch LNG bunkering firm Titan.

InfraVia, the France-based equity firm and owner of Spanish-headquartered Molgas Energy, has become the strategic partners of Dutch LNG bunkering operator Titan Energy Holding with a capital injection in return for a combined minority stake.

Titan Energy, the Amsterdam-based parent company of Titan Clean Fuels, closed a successful funding round for a 45 percent equity stake with further follow-on rights for Molgas.

The value of the total InfraVia-Molgas-Titan transaction was not disclosed. Molgas itself was acquired three years ago by InfraVia and is a leader in small-scale downstream LNG and the supply of renewable gas made from waste in Western Europe.

Molgas has been active for over 20 years in providing LNG to industrial, cogeneration, vehicle and maritime customers.

Titan for its part owns and operates a diverse fleet of small-scale LNG and liquid bio-methane supply vessels deployed globally.

The Dutch operator has built up experience of ship-to-ship operations across Northern Europe, the Mediterranean, Southeast Asia, the Cape Verde Islands and the Caribbean.

Titan is also part of a consortium constructing the world's largest bio-methane liquefaction plant in the Port of Amsterdam, which will produce over 100,000 tonnes of per annum.

"We have been considering a growth partner for some time and believe we have found the perfect partner in InfraVia-Molgas investors," said Niels den Nijs, Chief Executive of Titan.

"Titan will retain independence, while benefiting from the complementary service offering of Molgas. Legislation and public scrutiny are stimulating the demand for low and zero-emissions fuels with growing momentum," added Den Nijs.

"The new capital will allow us to accelerate our growth plans and focus all our efforts on the maritime sector exactly at the time of fast-growing market," the CEO stated.

■


CHART®
NEXUS OF CLEAN™
"Chart's vision is to be the global leader in the design, engineering and manufacturing of cryogenic process technologies and equipment for the Nexus of Clean™ — clean power, clean water, clean food and clean industrials, regardless of molecule."
JILL EVANKO / CEO / CHART INDUSTRIES
CLEAN
CLEAN
CLEAN
CLEAN
CHART DELIVERS CLEAN SOLUTIONS FOR
Power
Water
Food
Industrials
Learn more at chartindustries.com

NEWS BRIEFS

Red Sea warning

The United Nations International Maritime Organisation's Secretary-General Kitack Lim from South Korea has issued an urgent warning about threats to commercial shipping in the Red Sea used by vessels entering or exiting the Suez Canal. "The recent reports of threats made to commercial shipping in the Red Sea are extremely alarming and unacceptable," Lim said. "Ships, cargoes and seafarers must be protected at all times. I invite Member States to work together to ensure unhindered and safe global navigation," he added. About 60 vessels including LNG carriers normally transit the Suez Canal each day, though numbers have dropped recently due to war risks. "Commercial shipping should never be a collateral victim of geopolitical conflicts.

Freeport fine

The Freeport LNG export plant on Quintana Island in Texas has accepted a fine from the US Environmental Protection Agency to settle safety violations related to the June 8, 2022, explosion and fire at the facility that caused over $250 million of damage. The consent agreement was made public by the Federal Energy Regulatory Commission and included a civil penalty of $163,054 for breaking chemical accident prevention rules under the Clean Air Act. The settlement followed allegations by the EPA that Freeport LNG had failed in its duty to maintain a safe facility, did not implement recommendations from a 2021 hazard analysis and failed to punctually update its emergency contact information. Under the settlement, Freeport LNG neither admitted nor denied the allegations. ■

US energy outlook forecasts a lower Henry Hub price to the end of March on higher production and storage levels

LNG News Editor

The United States energy outlook for December has forecast lower benchmark Henry Hub natural gas spot prices for the rest of the winter heating season to March 2024 because of higher production and storage levels.

The latest forecast is for the Henry Hub spot price to average about $2.80 per million British thermal units for the rest of the winter.

"We lowered our forecast for natural gas prices this winter by more than 60 cents compared with our November forecast," said the report from the Energy Information Administration.

The EIA said the lower price forecast was due to recent increases in natural gas production, which reduced natural gas prices in November and high natural gas storage inventory levels.

The Henry Hub spot price averaged $2.71 per MMBtu in November, which was down 27 cents from October.

More output

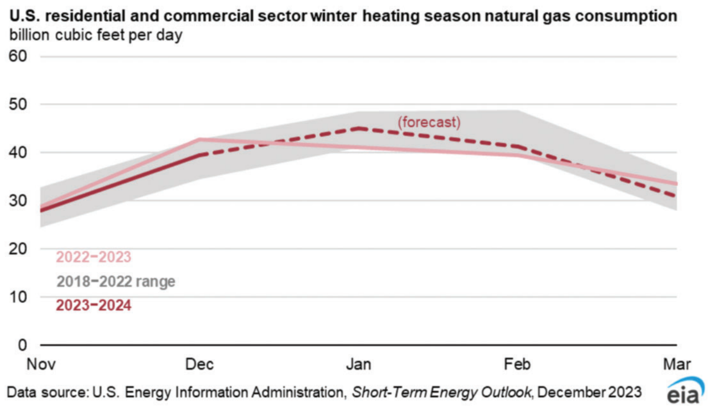
"Increased US natural gas production in October and November 2023 contributed to the natural gas price decline. US dry natural gas production averaged about 105 billion cubic feet per day in November, the most for any month on record," explained the EIA.

It said that dry natural gas production averaged almost 103 Bcf per day in the first half of the year and has increased in most months during the second half.

"We forecast dry natural gas production to remain close to 105 Bcf per day for the rest of winter," the report stated.

Increased natural gas production throughout all of 2023 contributed to more natural gas in US storage to start the winter heating season.

Storage inventories started the winter heating season at more than 3,800 Bcf or 5 percent more than the five-year (2018-2022) average.



The nations's winter heating season consumption trends

The EIA said that mild winter weather in the US in November reduced natural gas consumption.

"Less natural gas consumption along with increased natural gas production helped increase storage inventories to 3,771 Bcf at the end of November, 7 percent more than the five-year average," stated the EIA.

"We forecast natural gas storage inventories to remain above the five-year average throughout winter and for all of 2024" the agency said.

Consumption

It forecasts US natural gas consumption in the residential and commercial sectors to average almost 40 Bcf per day for the rest of the winter heating season, 2 percent less than the five-year average.

"For the rest of the winter heating season, we forecast close-to-normal weather with 44 fewer heating degree days (HHDs) than the five-year average," the EIA said.

"If temperatures are colder-than-forecast, the residential and commercial sectors will likely consume more natural gas than our forecast. Extreme winter weather events or prolonged cold temperatures have the potential to cause more significant disruptions to markets," it noted.

For the oil market, the EIA said the Brent crude oil spot price averaged $83 per barrel in November, a decrease of $8 per barrel compared with October.

Crude seen rising

"Although crude oil prices declined further during the first week of December, with the Brent spot price closing close to $76/b on December 8, we expect upward crude oil price pressures in the coming months as global oil inventories decline in our forecast in the first quarter of 2024," the EIA stated.

The forecast decline in oil inventories is driven in part by the recently announced production cuts on November 30 by the Organization of Petroleum Exporting Countries and its allies, known as OPEC+.

"We forecast the Brent price will increase from an average of $78/b in December 2023 to an average of $83/b for all of 2024," said the EIA.

The EIA said that growth in global crude oil supply has been limited in 2023 because of voluntary production cuts from Saudi Arabia and reduced production targets from other OPEC+ countries.

"We estimate countries within the OPEC+ agreement have lowered crude oil production by 1.4 million barrels per day in 2023, partly offsetting production growth of 2.4 million barrels per day by non-OPEC+ producers," the report said. ■

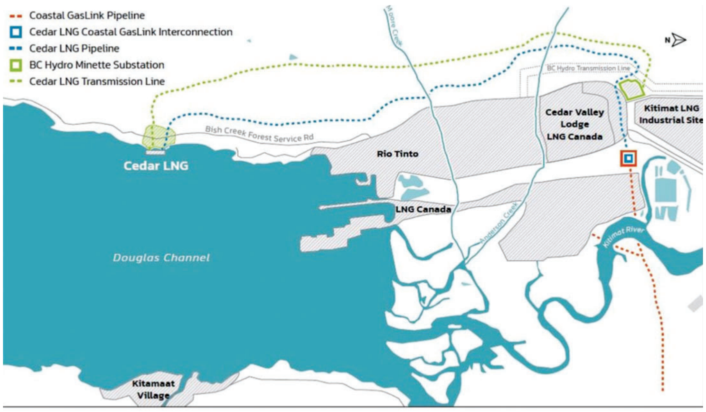
Canada's Pembina updates its 2024 targets including investment for Cedar LNG project

LNG News Editor

Pembina Pipeline Corp., the leading Canadian energy pipeline and midstream company with a network of gas gathering, processing and energy export terminals in North America has given a business update including spending plans and a final investment decision date for the planned Cedar LNG project in British Columbia.

Pembina has issued 2024 gross earnings guidance of C$3.72 billion (US$2.74Bln) to C$4.02Bln (US$2.96Bln) driven by continued volume growth across the Western Canadian Sedimentary Basin (MCSB), new assets placed into service, re-contracting of certain assets and the prevailing commodity price outlook.

"The 2024 capital investment program of C$880 million reflects growing volumes and Pembina's commitment to providing safe, reliable, flexible and cost-effective energy infrastructure solutions," said the Calgary, Alberta-based company.



Cedar LNG will be in Douglas Channel near LNG Canada

Growth projects

"Pembina is in development of additional growth projects, which could add up to C$280M to the 2024 capital investment program, inclusive of pre-final investment decision (FID) contributions related to the Cedar LNG project," Pembina explained.

Pembina and the Haisla Nation who live around Kitimat in BC have had a formal 50-50 partnership joint venture for several years to develop a floating export plant with liquefaction capacity of 3 million tonnes per annum of LNG.

Feed gas for Cedar FLNG will be sourced from the prolific Montney natural gas resource basin in northeast BC. The FLNG facilities will be located near-shore on the Douglas Channel.

"Cedar LNG recently achieved a significant milestone with the signing of a heads of agreement (HOA) with Samsung Heavy Industries and Black & Veatch Corp.," said Pembina in its update.

"The HOA provides Cedar LNG, on an exclusive basis with SHI and Black & Veatch, secure access to shipyard capacity to meet Cedar LNG's target commercial operations date. The parties expect to finalize a lump-sum engineering, procurement, and construction agreement prior to year-end, which will provide Cedar LNG with the necessary services to construct the project, subject to a positive FID," Pembina stated.

"In connection with, and following execution of, the lump-sum engineering, procurement, and construction agreement, Pembina expects to take additional steps and will be required to provide letters of credit to progress upstream infrastructure projects prior to an FID," the company explained.

"Such letters of credit, net to Pembina, are currently expected to be up to C$200M, which may become payable in the case of a negative FID. In conjunction with a positive FID, these letters of credit will be transferred to Cedar LNG," Pembina added.

Cedar LNG progress

The company noted that Cedar LNG continued to progress the key project deliverables, including finalizing the lump-sum EPC contract, definitive liquefaction tolling agreements and inter-project agreements with Coastal GasLink built by TC Energy and with LNG Canada, the Shell-run project currently being completed in Kitimat.

"Given the complexity and sequencing of aligning the multiple work streams required to facilitate the project financing, an FID is now expected by the end of the first quarter 2024," stated Pembina.

The company added that continued investment opportunities in the core business were highlighted by the sanctioning of a new cogeneration facility at the Kaybob South 3 Processing Plant by Pembina Gas Infrastructure and continued investment in northeast British Columbia liquids egress.

Pembina continues to progress the previously disclosed 40,000 barrels per day expansion of its North East BC Pipeline system and to evaluate additional pipeline and terminal infrastructure needs in the region.

"Over the next several years, Pembina sees the potential for mid-single digit annual volume growth across the WCSB, driven by near-term catalysts, including up to approximately 2.8 billion cubic feet per day of new natural gas export capacity from new West Coast LNG projects," said Pembina.

"It also sees 590,000 barrels per day of new crude oil export capacity from the expected completion of the Trans Mountain Pipeline expansion, as well as potential new developments in the Alberta petrochemical industry, including Pembina's expectation of more than 100,000 barrels per day of incremental ethane demand," Pembina added.

This ethane demand was linked to Dow Inc.'s recent decision to build a new 1.8 million metric tonne per annum integrated ethylene cracker and derivatives facility in Fort Saskatchewan. ■

N-KOM rebranded as Qatar's QSTS unit

Qatar's main shipping repairs and offshore construction facility, Nakilat-Keppel Offshore & Marine (N-KOM) located near the main liquefied natural gas production and shipping base of Ras Laffan, is rebranding itself into Qatar Shipyard Technology Solutions (QSTS).

Qatari company Nakilat has N-Kom as a subsidiary venture while also operating an LNG fleet of 69 vessels and the re-named N-Kom remains one of Nakilat's strategic joint ventures.

QSTS said that the rebranding marked a significant move in the company's evolution underscored by its new vision "to be the leading world-class shipyard of choice" delivering sustainable marine and offshore technological solutions.

"The company adopted the launching of the new identity in alignment with its 13th anniversary, confirming its endeavour to make a qualitative leap," said a statement.

"This adoption came in the form of the company's new name to become Qatar Shipyard Technology Solutions emphasizing the importance of its location in the State of Qatar," it added.

Established in 2010, the newly-branded QSTS is a premier global offshore and marine facility.

"From its strategic location within the world-class Erhama Bin Jaber Al Jalahma Shipyard in Ras Laffan Industrial City, Qatar Shipyard Technology Solutions offers a growing, comprehensive range of one-stop repair, conversion, maintenance and fabrication services for marine vessels, offshore and onshore structures," the statement added.

Deltamarin gains approvals for two LNG carriers and at Marintec event

LNG News Editor

Deltamarin, the Finnish ship design company based in the port of Turku and which is part of the China Merchants Group conglomerate headquartered in Hong Kong, has received approvals in principle from the Nordic DNV classification society.

Deltamarin's three AiPs were awarded by DNV at the Marintec conference and exhibition in the Chinese port of Shanghai.

Deltamarin's LNG and PCTC designs receive approvals

Certificates

The certificates were handed over at Marintec China to China Merchants Heavy Industry (Jiangsu), China Merchants Jinling Shipyard (Nanjing) and to Deltamarin.

The vessel designs involved included one for a 180,000 cubic metres capacity LNG carrier design as well as an vessels with 200,000 cubic metres of capacity and a Pure Car and Truck Carrier (PCTC) with 11,000 car equivalent units.

"The designs showcased Deltamarin and CMG's expertise in creating innovative, technologically advanced and sustainable vessel designs," said a statement.

The 180,000 cubic metres capacity LNG carrier designed by Deltamarin and being built by CMHI (Jiangsu), features the membrane cargo tanks designed by France's GTT and is the largest LNG carrier currently under construction in China.

"Featuring key attributes such as strong environmental friendliness, high energy-efficiency, reliability, and compatibility, the Deltamarin-designed twisted skeg hull form aims to achieve world-leading overall efficiency," Deltamarin said. Deltamarin explained that it built on the current design with "further optimisations on the main dimension and propulsion configuration" for the design of a second LNG carrier with capacity of 200,000 cubic metres capacity.

"The LNG carrier maximize the total cargo tank capacity within the limited overall length. These design improvements significantly enhance its market competitiveness," Deltamarin added.

Deltamarin collaborated with CMJL (Nanjing) on the development of a new 11 000 CEU PCTC design.

Peninsula builds Gibraltar as fuel station for next generation tankers

Peninsula, the leading global independent marine energy supplier founded to fill a gap in the Gibraltar market for bunkering services, has successfully completed the supply of liquefied natural gas as a marine fuel to a crude oil tanker owned by Singapore-based Eastern Pacific Shipping.

The delivery took place at the Gibraltar Port's Western Anchorage.

Peninsula's "Levante LNG", the company's first purpose-built 12,500 cubic metres capacity LNG bunkering vessel, supplied the EPS Suezmax crude oil tanker, the "Starway", with around 3,500 cubic metres of LNG.

"EPS vessels like the 'Starway' and her sister, the 'Greenway', the world's first LNG fuelled Suezmax tanker, are paving the way for a lower carbon future," said Nacho de Miguel, Peninsula's Head of Alternative Fuels and Sustainability.

"Through our investment in assets like the 'Levante LNG' we can close the supply chain loop to give these vessels access to lower-carbon fuels in the world's leading ports," De Miguel stated.

"I want to thank EPS for partnering with Peninsula to help power them towards a more sustainable future," he added.

The EPS General Manager of Operations, Captain Suraj Sundaresan, said Gibraltar was one of those ports that was making efforts to cater for vessels seeking alternative fuels like LNG.

"Peninsula bridges shipowners like us who are at the forefront of the industry's energy transition, and Ports who are evolving to host alternative-fuel powered vessels," explained Sundaresan.

"Our vision to lower emissions is mirrored in Peninsula's desire to provide lower carbon options today. The availability of low-carbon fuel supply is incredibly important, he added.

"As the demand for alternative fuels towards decarbonisation increases, we rely on suppliers like Peninsula to help keep our state-of-the-art alternative-fuelled ships moving," Sundaresan declared.

East African Uganda-Tanzania pipeline set for construction and may give traction to LNG plans

LNG News Editor

Tanzania, the future LNG exporter, and neighbour Uganda are making progress on oil and natural gas projects and the first shipment of 100 kilometres of line pipe as just arrived at the Tanzanian Port of Dar es Salaam, signalling the start of the main construction phase for the region's first major cross-border pipeline project.

The East African Crude Oil Pipeline (EACOP) will now enter the construction phase and the occasion was marked by a gathering of the EACOP shareholders at the storage yard operated by EACOP's Tanzanian logistics partners.

EACOP will transport crude oil from the onshore fields in the Lake Albert region of land-locked Uganda from Kabaale-Hoima in Uganda to the Chongoleani peninsula near Tanga in Tanzania where will be shipped to world markets.

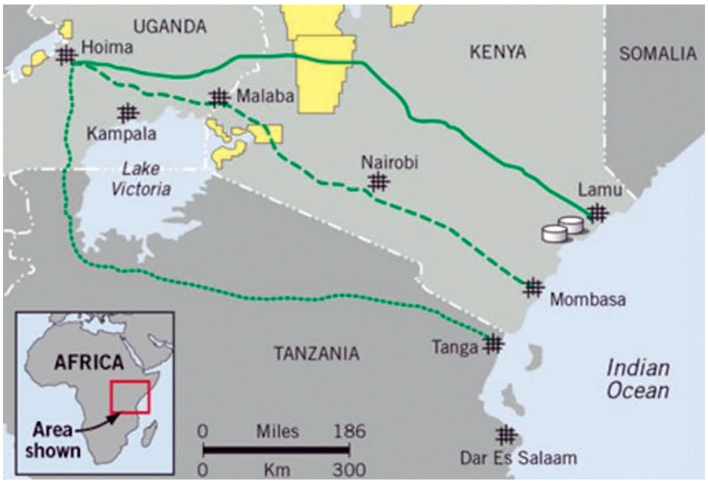
Export pipeline

The East African pipeline will run for over 1,440 kilometres (895 miles) and will transport Uganda's crude oil from Kabaale-Hoima in Uganda to the Chongoleani Peninsula near Tanga in Tanzania for export to international markets.

This major regional export system will includes 296km of pipeline in Uganda and 1,147km in Tanzania.

The insulated and buried 24-inch pipeline will have six pumping stations, two pressure reduction stations and a marine export terminal in Tanzania.

The Uganda oil project is drilling more than 450 wells on 35 well-pads for the Kingfisher and Tilenga oil fields and the venture expects to have production of around 230,000 barrels of oil per day from 2025.



Some of the Uganda oil pipeline alternatives once considered

The drilling operations aim to ensure that at least 70 wells are in place by 2025 to facilitate the start of commercial production.

The EACOP project represents a major inward investment in Uganda and Tanzania and comes ahead of the future Tanzanian LNG export project involving energy majors.

Transformative

Analysts said that during the following 25 years, Uganda's oil will provide a boost for investment in other sectors and is expected to have a potentially transformative impact on the nation's economy.

EACOP said it was focused on ensuring that its activities adhered to the most stringent social, environmental and safety standards.

"The onward transportation of pipes to their point of use will be conducted using new, high specification trucks and trailers," said the company. "The project has also invested in extensive driver training, focusing on defensive driving practices, route planning and compliance with road regulations," it added.

"The best available technology has also been incorporated for the forthcoming line pipe lifting operations," said EACOP.

"As the on the ground construction of this 1,440km pipeline progresses, EACOP remains committed to delivering this project with the utmost responsibility, contributing to the sustainable growth and prosperity of East Africa," the company stated.

Shareholders

Following the final investment decision that was taken in February 2022, EACOP concluded the formation of the company that will construct and operate the pipeline.

EACOP Ltd. is that special purpose company, governed by its shareholder agreement and in which French major TotalEnergies has 62 percent, Uganda National Oil Company (UNOC) 15 percent, Tanzania Petroleum Development Corp. (15 percent) and China National Offshore Oil Corp. 8 percent.

Tanzania Petroleum Development Corp (TPPDC) is also the company that is part of Tanzania's LNG export project which has suffered delays but could gain traction from the start of the region's trans-nation oil project and pipeline.

TPDC is a minority partner in the Tanzania LNG project with joint operators, Equinor of Norway and UK-based Shell, while ExxonMobil and several smaller energy companies are also shareholders.

Shell is operator of Tanzania's Block 1 and Block 4, which hold 16 trillion cubic feet of estimated recoverable gas, while Equinor operates Block 2 in Tanzanian waters in which ExxonMobil also holds a stake. This block is estimated to hold more than 20 Tcf of gas. ■

> "The project has also invested in extensive driver training, focusing on defensive driving practices, route planning and compliance with road regulations"
>
> *- EACOP*

NEWS BRIEFS

LNG storage steel

Dongkuk Steel Mill Co., South Korea's third-largest steelmaker, said it had succeeded in commercializing cryogenic flexible steel for making liquefied natural gas storage tanks. Dongkuk Steel said research and development had taken three years. Dongkuk, headquartered in the Korean port of Incheon, said the cryogenic flexible steel had passed tension tests by a global certifier, the Luxemburg Institute of Science and Technology. The product called "DK-CryoFlex BAR" can withstand temperatures as low as minus-170 C and will be marketed to LNG storage facilities. ■