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Kosmos advances on Senegal FLNG and Yakaar-Teranga gas field plan

Dallas-based company expects first LNG cargo from Senegal floating plant by the year-end

LNG News Editor

Hull arrived from Singapore to take up offshore position

Kosmos Energy, a shareholder in the floating liquefied natural gas projects offshore Senegal and Mauritania in West Africa and other regional oil and gas ventures in Ghana and Equatorial Guinea, swung to a fourth-quarter profit from a previous loss and reported good progress on the FLNG development alongside UK major BP and advances in the additional Yakaar-Teranga LNG proposal.

Kosmos gave the updates in its fourth-quarter earnings which amounted to net profits of $21.68 million versus losses of $114.27M in the same three months of 2022.

The Dallas, Texas-based company listed on the New York Stock Exchange and the London Stock Exchange, reported a fall in annual net income to $213.52M in 2023 from $226.55M in 2022.

The Senegal-Mauritania FLNG projects are underpinned by resources in in the Greater Tortue Ahmeyim gas fields.

Drilling

"The operator (BP) has successfully drilled and completed all four wells with expected production capacity significantly higher than what is required for first gas," explained Kosmos.

"The FLNG hull construction was completed in the fourth quarter of 2023 and the vessel arrived on location offshore Mauritania-Senegal in the first quarter of 2024 and hook-up work is now underway," the company added.

The Floating Production and Offloading (FPSO) unit was in a shipyard in Tenerife, Spain, for inspection and some repairs and completion of this work and transit to the project site was expected early in the second quarter of 2024 ahead of final hook-up and commissioning.

"The critical path to first gas, expected in the third quarter of 2024, continues to be through the arrival, hook-up and commissioning of the FPSO," stated Kosmos.

The company said that 'timely execution of this workstream" was expected to allow for first LNG in the fourth quarter of 2024.

Kosmos said it exited the fourth quarter with around $2.4 billion of total long-term debt and available liquidity of around $700M.

The company generated net cash provided by operating activities of $294M.

Spending

Net capital expenditure for the fourth quarter was $281M, higher than expected primarily due to the accelerated timing of long-lead equipment purchases for the Equatorial Guinea infill and ILX drilling programme.

"We continued to advance our key development projects, which aim to deliver around 50 percent production growth from the second half," said Chairman and Chief Executive Andrew G. Inglis.

"The start-up of Jubilee Southeast (in Ghana) was a major step toward achieving this goal and, in the coming months, we expect production to begin at Winterfell in the Gulf of Mexico followed by first gas at Greater Tortue-Ahmeyim offshore Mauritania and Senegal," Inglis added.

In November 2023, Kosmos also assumed operatorship and increased its working interest in the Yakaar-Teranga gas field to 90 percent from 30 percent with Senegalese government approvals received in January 2024.

"Kosmos is working closely with Senegal's national oil company (Petrosen) on pre-FEED work that prioritizes cost-competitive gas to the rapidly growing domestic market, combined with an offshore LNG facility targeting exports into international LNG markets," the company explained.

"Post completion of pre-FEED, Kosmos plans to farm down its interest in Yakaar-Teranga gas in the second half of 2024 to around a 33 percent working interest while retaining operatorship of the project," Kosmos added.

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UNLIMITED AGENDA

Sempra reports progress on Gulf Coast and Mexican LNG amid more utility spending

LNG News Editor

Sempra, the US utility company with power and natural gas services centred on California and Texas and LNG developments in the US and Mexico through the Sempra Infrastructure subsidiary, reported a surge in net income for the year and the fourth quarter.

The San Diego, California-based company posted annual net profits of $3.61 billion, up from $2.28bln, while fourth-quarter profits more than doubled to $856 million from $408M in the same three months of 2022.

Revenues for the year soared to $16.72Bln from $14.44Bln in the previous year.

Positive on LNG

Sempra, which operates the Cameron LNG export plant in Louisiana and whose other projects include the Port Arthur LNG joint venture in Texas and Costa Azul LNG on the Pacific Coast of Mexico, gave a positive update on the various ventures.

The Sempra Infrastructure unit runs the LNG projects and delivered a “strong financial and operational performance” in 2023.

Cameron LNG plant at Hackberry has shipped 700 cargoes

Sempra said that Cameron LNG Phase 1 continued to be highly efficient, delivering excess production and achieving over 700 cargoes loaded since production began.

As the company looks to expand its LNG portfolio, significant progress continued at Energía Costa Azul (ECA) LNG Phase 1 in Mexico and at Port Arthur LNG Phase 1 in Texas.

Sempra said that the ECA LNG Phase 1 remained on track for commercial operations in summer 2025.

Sempra Infrastructure made a positive final investment decision in 2023 on Port Arthur LNG Phase 1 and project-level financing was secured.

Port Arthur stakes

Sempra also closed the sales of indirect non-controlling interests in the Port Arthur project to ConocoPhillips and to New York-based investment firm Kohlberg Kravis Roberts (KKR) & Co.

In addition, Sempra Infrastructure continues to advance development efforts for its various LNG, hydrogen and carbon-capture projects in response to continued global demand for cleaner fuels.

“The strong business performance in 2023 reflects continued improvements in our corporate strategy and consistency in execution," said Jeffrey W. Martin, Chairman and Chief Executive of Sempra.

“Our goal is to give investors exposure to attractive growth in the energy infrastructure sector with the support of a growing dividend and a management team committed to providing superior, long-term total returns,” Martin stated.

Sempra is forecasting a five-year record capital plan of around $48 billion, representing a 20 percent increase from the previous capital plan with over 90 percent focused on investments in Sempra California and Sempra Texas.

Sempra’s California utility businesses are San Diego Gas & Electric Co. (SDGE) and Southern California Gas Co. (SoCalGas).

The company said that the California utilities currently served around 25 million consumers.

“Sempra California is a dual-utility platform focused on connecting people to safer, more reliable and cleaner energy,” said Sempra. ■

US power and LNG terminals owner AES narrows losses while moving to renewables

AES Corp. of the US whose businesses include electricity supplies and stakes in liquefied natural gas and power in the Dominican Republic and Panama, has been able to narrow its net losses amid changing markets and as its swallows the high cost of moving to renewables.

AES is involved in a range of projects, mainly electricity generation from natural gas, hydroelectric, coal-fired power and renewables in the US, the Caribbean and Brazil and Chile, where AES subsidiaries operate.

The company also still runs two LNG import terminals in the Caribbean, in the Dominican Republic and Panama.

AES said the company’s revenues edged higher in 2023 to $12.66 billion from $12.61Bln in the previous year, including from its range of power business in US states such as Indiana, Ohio and California.

Impairments

However, one-time items kept the earnings in the negative zone with net losses narrowing to $182 million from $505M.

Earnings per share for common shareholders came to $0.37 per share from a loss per share of $0.82 per share in 2022.

AES said that the full-year net loss included $1.1Bln of impairments in 2023 primarily related to the company's continued exit from coal-fired generation.

This represented an improvement on the previous year but was partially offset by lower contributions from LNG transactions compared with 2022 and from the New Energy Technology Strategic Business Units (SBUs).

After the fourth quarter in January 2024, AES closed sell-downs of minority stakes in the LNG and power businesses in the Dominican Republic and at its AES Colón business in Panama for proceeds of $338M.

LNG stakes

Under these deals AES sold 20 percent of its businesses in the Dominican Republic and 35 percent of AES Colón in Panama.

The AES assets in the Dominican Republic include an LNG regasification terminal with a 160,000 cubic metres capacity storage tank.

They also include the AES Andres 319 megawatts combined-cycle gas-fired power plant, the DPP 328 MW CCGT power plant as well as an additional 150 MW of solar and wind power plants.

The AES Colón assets comprise a 381MW CCGT plant with an adjacent regasification facility that has an LNG storage tank with capacity of 180,000 cubic metres. ■

Tellurian secures debt deal to back sale

Tellurian Inc., the developer of the Driftwood liquefied natural gas export plant near Lake Charles in Louisiana, has moved to agree an amendment to the terms of certain debts after a month of various key decisions.

Tellurian said the amendment was expected to enhance near-term liquidity and provide the company with flexibility to successfully complete the sale of its upstream assets.

Among other items, the amendment provisions include a reduction in Tellurian's minimum cash balance requirement and the ability for the company to make its upcoming interest payments in-kind.

"This amendment to our debt agreement is pivotal towards establishing a sustainable capital structure and accelerating our strategic priority, Driftwood LNG," explained Chief Executive Octávio Simões.

"It also provides us the time and flexibility to complete the sale of our upstream assets in a manner that maximizes value for our shareholders while we maintain our focus on the intensive negotiations associated with the commercialization of Driftwood LNG," stated Simões.

The Driftwood project involves constructing 20 mid-scale processing Trains, each with 1.38 MTPA of capacity and built as five blocks of Trains.

The Phase One development would include the first two of these blocks for 11 MTPA of output and two of three planned 235,000 cubic metres storage tanks and the first of three planned loading berths for LNG carriers.

Congo becomes LNG exporter and cargo heads for Italy terminal

LNG News Editor

The Republic of the Congo in West Africa has become an LNG exporter under a project developed by Italian major Eni and the first shipment is heading for the Italian floating LNG import terminal at Piombino in Tuscany.

The President of the Republic of the Congo, Denis Sassou-N'Guesso, and the Chairman of Eni Giuseppe Zafarana and Chief Executive Claudio Descalzi celebrated the start-up at an event held the Congolese port of Pointe Noire.

"With the first cargo, the Republic of the Congo enters the group of LNG exporting countries, opening up opportunities for economic growth while contributing to the global energy balance," said a joint statement.

The loading of the first cargo offshore the Congo makes the nation the third FLNG producer after Cameroon, located further North, and Mozambique in southeast Africa.

Configuration called 'split mooring' off the Congo coast

FLNG configuration

The "Tango FLNG" facility has a liquefaction capacity of about 1 billion cubic metres per annum and is moored alongside the "Excalibur" floating storage unit (FSU) to use a production and loading configuration called "split mooring" and implemented for the first time in an FLNG project.

Natural gas had been introduced into the system in December 2023, which was a record 12 months after the final investment decision on the project was taken in December 2022.

"The Congo LNG project encompasses the adoption of new technologies and a strong synergy with existing producing assets," Eni explained.

Following completion of the commissioning phase, the "Tango FLNG" barge succeeded in producing the first cargo on schedule in the first quarter of 2024.

The FLNG hub is located within the Marine XII natural gas field permit area with plateau gas liquefaction capacity of around 4.5 billion cubic metres per annum.

The volumes will be marketed by Eni, strengthening and expanding the company's LNG portfolio.

Naturgy gives overview of LNG and the gas and power markets

Naturgy Energy, the power company with LNG operations from Puerto Rico to Europe and pipeline gas networks from Algeria to South America, reported a more than 20 percent rise in annual net profits.

Naturgy posted net income for 2023 of €1.98 billion ($2.15Bln) which was an increase on the €1.64Bln ($1.77Bln) logged in the previous year.

The company's gross earnings (EBITDA) surged by 10.5 percent to €5.47Bln from €4.95Bln in the previous year.

The company in its latest earnings statement has also integrated its former International LNG, Markets and Procurement and pipeline gas division into a segment called Energy Management.

Energy Management covering LNG reported an increase of 11.3 percent in annual earnings to €1.01Bln from €992 million in the previous year.

Sales in the Energy Management division with LNG and pipeline gas amounted to €8.78Bln, down by 52.9 percent from the €18.65Bln recorded in 2022.

"The LNG earnings had been affected by the ineffectiveness of gas sales hedging derivatives caused by the decoupling with respect to the indices covered in sales transactions and with most of these expiring in 2023," Naturgy explained.

Annual LNG sales dropped to 106,937 gigawatt hours (GWh) compared with 125,053 GWh in 2022.

Overall natural gas sales decreased by 32.4 percent to 181,076 GWh from 268,014 GWh in the previous year.

Brazilian gas sales

Brazilian natural gas sales, for example, netted 9.3 percent less in 2023 at €1.75Bln versus €1.93Bln in 2022.

Thermal generation earnings (Spain and Latin America) declined by 2.5 percent to €670M from €687M from net sales of €2.41Bln.

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NEWS BRIEFS

Belgian market moves

Fluxys Belgium and Fluxys LNG have reached agreement with the Belgian Federal Commission for Electricity and Gas Regulation (CREG) to propose to the market some adjustments to the tariff methodology. "In an environment characterised by high inflation and volatile and rising interest rates, these adjustments will allow Fluxys Belgium's margin to reach a fair level for the period 2024-2027," said Fluxys. Fluxys Belgium and the regulator have agreed on certain changes they wish to make to the tariff methodology for the natural gas transmission system, the natural gas storage facility and the LNG terminal at Zeebrugge for the regulatory period 2024-2027. "They believe that these changes are necessary to guarantee the system operators a fair return on the capital invested in the regulated assets, and to enable them to make necessary investments," the statement added.

Pavilion LNG bunkering

A Japanese consortium of LNG and energy players has signed a storage site agreement with Malaysia's Petronas and Petroleum Sarawak (Petros) for the depleted M3 gas field that previously supplied the Bintulu LNG export plant and will now be used as part of a carbon-capture and storage project. Japan Petroleum Exploration Co., engineering firm JGC Holdings Corp and shipping company Kawasaki Kisen Kaisha (K-LINE) signed the accord. "This collaboration represents a significant advancement in the efforts to reduce greenhouse-gas emissions in the Asia Pacific region, including Malaysia and Japan," said the companies.

■

Qatar confirms third LNG expansion called North Field West for to meet overall long-term global cargo needs

LNG News Editor

Qatari officials and QatarEnergy executives here outline plan

The Arabian Gulf state of Qatar said it was going ahead with a third huge expansion project for liquefied natural gas called the North Field West (NFW) project to take overall output to 142 million tonnes per annum by the end of the decade.

The NFW joint venture will add to production expansions already under way with the North Field East (NFE) and North Field South (NFS) LNG projects.

The current NFE ramp-up of QatarEnergy's liquefaction capacity will take production from 77 MTPA 110 MTPA by 2027.

The second phase, called the NFS venture, will further increase the LNG output capacity from 110 MTPA to 126 MTPA.

The new NFW project will be developed to take production to 142 MTPA.

Overall the three expansions will put into production a total of eight LNG mega-Trains, each with nameplate capacity of around 8 MTPA and total additional nameplate capacity of just over 64 MTPA.

Appraisal drilling

The Minister of State for Energy Affairs of Qatar, Saad Sherida Al-Kaabi, who is also President and Chief Executive of QatarEnergy, said the three expansions would boost production by almost 85 percent through 2030 from current levels.

Al-Kaabi told a press conference in the Qatari capital Doha on February 25 that "extensive appraisal drilling and testing" had confirmed that productive layers of Qatar's giant North Field extend towards the West, allowing for the NFW project to add two more 8 MTPA Trains to the Ras Laffan liquefaction complex.

Al-Kaabi also confirmed the presence of huge additional gas quantities in the North Field estimated at 240 trillion cubic feet, which raises Qatar's gas reserves from 1,760 Tcf to more than 2,000 Tcf.

"These are very important results of great dimensions that will take Qatar's gas industry to new horizons, as they will enable us to begin developing a new LNG project from the North Field's western sector with a production capacity of about 16 MTPA," said Al-Kaabi.

"As such, the State of Qatar's total LNG production will reach about 142 MTPA when this new expansion is completed before the end of this decade," he stated.

Al-Kaabi noted that with the completion of the NFW project, Qatar's total hydrocarbon production would exceed 7.25 million barrels of oil equivalent per day.

Other products

The reserves of condensates also increase from 70 billion barrels to more than 80 billion barrels, in addition to large quantities of liquefied petroleum gas (LPG), ethane and helium.

Qatar's portion of the North Field has turned it into a global leader in gas supply and analysts said that the go-ahead for the NFW joint venture would put Qatar way out in front as a global energy power as the current US Administration has said it was cutting back on LNG projects.

The other portion of the prolific Gulf gas basin is owned by Iran and the Iranians call their part the South Pars field.

However, plans for Iranian LNG projects have never progressed because of sanctions over the country's nuclear programme and issues such as internal barriers to transparent joint venture operations with international energy companies.

Qatar partners

Qatar's partners for the current NFS and NFE expansions include the world's largest energy companies.

They are ExxonMobil Corp., the UK's Shell, France's TotalEnergies and Italy's Eni, as well as the US major ConocoPhillips and the Chinese majors China Petroleum and Chemicals Corp. (Sinopec) and China National Petroleum Corp.

Qatar's Al-Kaabi added that QatarEnergy would immediately commence the basic engineering works necessary to ensure that the planned progress is achieved according to the already approved schedule for the North Field West (NFW) project.

"I would like to extend my sincere thanks and appreciation to my colleagues the managers and employees at QatarEnergy and in the energy sector in Qatar, women and men, Qataris and expatriates, who work as one family tirelessly and with dedication to advance the energy sector for the benefit of Qatar, QatarEnergy and our partners," said Al-Kaabi in his Doha speech.

Al-Kaabi concluded his remarks by expressing "sincere thanks and gratitude" to Sheikh Tamim bin Hamad Al Thani, the Amir of the State of Qatar, for his "wise leadership and guidance and unlimited support" for the energy sector of Qatar.

■

Germany's fourth LNG import terminal set to start at Mukran off Baltic Sea island of Rügen

LNG News Editor

Deutsche Regas GmbH, the operator of the floating liquefied natural gas import terminal at the Baltic Sea port of Lubmin, said a vessel carrying LNG for a second German Baltic regasification terminal had arrived at the port of Mukran on Germany's largest island of Rügen to begin commissioning.

The floating storage and regasification unit (FSRU) "Energos Power" docked at Mukran on the tourist island of Rügen on February 24.

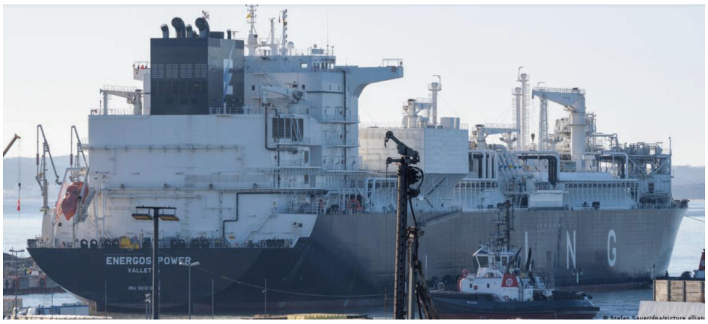
The "Energos Power" is 300 metres in length and is part of a plan to provide adequate natural gas to replace pipeline gas previously received from Russia's Gazprom.

Deutsche Regas said the "Energos Power" with 174,000 cubic metres capacity had formerly been called the "Transgas Power" and was carrying LNG sourced from Equinor's liquefaction plant at Hammerfest in northern Norway.

Pipeline to mainland

The Mukran floating LNG operations include a 50 kilometres (31 miles) pipeline that will transport the regasified LNG to the mainland and into the German gas grid.

"As promised, we will begin transferring natural gas from Mukran to Germany's gas transmission network with the 'Energos Power' FSRU," said Deutsche ReGas Chief Executive Stephan Knabe.



The 'Energos Power' is in place now on island of Rügen

"I would like to thank everyone involved, our partner companies and especially our employees for the tireless work and close and constructive cooperation on the project," Knabe added.

"The 'Energos Power' will now enable trial operations to test all land and seaborne systems and to make them all fully operational," the CEO stated.

The project was also praised as positive for Germany by the Social Democrat (SPD) Commissioner for eastern Germany, Carsten Schneider. He said the floating LNG project was an energy bonus for the Baltic Coast region of Mecklenburg-Western Pomerania.

"The Rügen terminal will guarantee Germany's energy independence as well as that of numerous companies," Carsten explained about the Mukran project that had overcome opposition from environmental activists opposed to fossil fuels.

German environmental groups such as Environmental Action Germany (DUH) had accused Deutsche Regas of turning the popular holiday island of Rügen into a "fossil fuel" energy park.

Opponents had fought the Mukran project for more than a year, arguing that Germany's strategic natural gas reserves were already secured with other LNG import terminals.

Currently, other FSRUs are operating at nearby Lubmin, at the North Sea port of Wilhelmshaven and at Brunsbüttel on the Elbe and with a fifth proposed for the port of Stade, also located on the Elbe between Hamburg and Cuxhaven.

Deutsche Regas noted that by mid-year 2024 the FSRU "Neptune" currently deployed at Lubmin would be moved to Mukran to operate alongside the "Energos Power".

FSRUs in Germany

The other vessels involved in German FLNG projects so far include the Höegh LNG FSRUs "Höegh Esperanza" at Wilhelmshaven and "Hoegh Gannet" at Brunsbüttel as well as the "Neptune", partly owned by Höegh LNG and chartered to TotalEnergies, and currently operating at the port of Lubmin.

Another ship, a floating storage unit (FSU), the "Seapeak Hispania", was also anchored near Lubmin to transfer cargoes to the "Neptune" via small-scale LNG carriers.

The Brunsbüttel FSRU is part of LNG operations run by RWE as a forerunner to an onshore terminal being developed by Dutch utility Gasunie, RWE and with a stake held by a German state bank. ■

NEWS BRIEFS

Santos CCS funding

Santos, the Australian and Papua New Guinea LNG plant shareholder and operator, has secured finance for the company's share of the US$220 million Moomba carbon-capture and storage (CCS) project in South Australia. The facilities, arranged over five years and totalling US$150M, will be used to cover project costs incurred to date and to use as the project progresses to the first carbon injection targeted for mid-2024. Santos said the willingness of banks to fund energy transition projects at very competitive rates indicated their recognition of CCS as a vital tool to control carbon. "The strong support Santos has received is underpinned by the progress we are making focused on reducing our own emissions and those of our customers, as well as on developing low-carbon fuels as customer demand evolves," said Santos Chief Executive Kevin Gallagher. ■

Seapeak and others join ship initiative

Shipping subsidiaries of energy majors Chevron Corp. and TotalEnergies along with the LNG and gas cargoes carrier company Seapeak, have joined a global technology-led initiative for cleaner shipping.

The Methane Abatement in Maritime Innovation Initiative (MAMII) is led by SafetyTech Accelerator, a firm established by UK maritime classification society Lloyd's Register.

"Our mission is to make the world safer and more sustainable through wider adoption of technology," said SafetyTech Accelerator.

TotalEnergies and Chevron joins the group with Seapeak, which was formerly known as Teekay LNG and alone has over 90 gas carriers, including 50 LNG tankers.

The three companies join the now more than 20 members of MAMII, emphasising its pivotal role in addressing methane abatement within the maritime sector.

Chevron, Seapeak and TotalEnergies have pledged to bring their valuable insights and commitment to the critical challenge of "methane slip", an escape of gas that adds to pollution from dual-fuel engines or other technology.

The initiative has additionally selected four technology providers to produce feasibility studies on the technologies which will reduce methane emissions from ships.

"The release of unburnt methane is a key obstacle to unlocking the full environmental potential of LNG as a maritime fuel," said a statement.

Anglo American now has 10-strong LNG dual-fuelled commodities ships

LNG News Editor

Anglo American, the UK-listed global mining company, has taken delivery of the last of its 10-strong chartered fleet of Capesize-plus liquefied natural gas dual-fuelled bulk carriers.

The vessel, the "Ubuntu Liberty" made its maiden voyage from China to Saldanha Bay in South Africa to collect a cargo of high-quality iron ore.

The loading marked the successful on-time delivery of all 10 ships built over the last three years by Shanghai Waigaoqiao Shipbuilding in China.

"Launching the final vessel of our Ubuntu fleet is a very large manifestation of our commitment to more sustainable shipping," said Matt Walker, Chief Executive of Anglo American's Marketing business.

The commodities firm's fleet is using LNG propulsion

Dedicated

"This is testament to our dedication to a sustainable path forward for our controllable ocean freight, ensuring the delivery of essential resources to our customers around the world," Walker explained.

"It also puts us in a market-leading position as the charterer of the largest LNG dual-fuelled Capesize-plus fleet in the world," stated Walker.

The word "Ubuntu" carried by the ships comes from the Zulu language in Southern Africa where Anglo American has operations. The word has its roots in humanist African beliefs whereby the idea of "community" is one of the building blocks of society.

Anglo American executive Walker explained that customers had shown a keen interest in accessing the Ubuntu freight fleet, demonstrating growing recognition of the value of sustainable shipping.

"I thank Shanghai Waigaoqiao Shipbuilding for its collaboration to deliver these vessels on time, on budget and most importantly, with a stellar zero-safety incident record," Walker said.

"Our gratitude also goes to all the other companies and agencies that partnered with us to make the Ubuntu fleet roll out a success," he declared.

Höegh sees floating LNG terminals market remaining tight amid growth

Höegh LNG Holdings Ltd, the owner and operator of 13 LNG vessels including floating storage and regasification (FSRU) units, said the outlook for the FSRU market was expected to remain strong as another terminal plan progressed for the Netherlands port of Vlissingen.

While Höegh LNG has secured long-term contracts for its entire fleet of FSRUs, and the business development team was in active dialogue with several potential new projects looking for floating regasification capacity.

Höegh said it its fourth-quarter earnings statement that it had completed the refinancing of "Hoegh Gannet" and entered into a partnership with Dutch firm VTTI to develop the terminal in or near the port of Vlissingen in the Netherlands.

Vlissingen accord

The company entered into an agreement with a Dutch terminal company VTTI in December 2023 to jointly develop the Vlissingen terminal, enhancing Dutch energy security and that of the European Union.

VTTI is co-owned by several firms including commodities group Vitol and Abu Dhabi National Oil Company and the deal would give the Netherlands a third terminal located in Dutch Province of Zeeland, adding to the existing facilities in Rotterdam and Eemshaven.

The Vlissingen terminal using a Höegh FSRU will supply one of the largest industrial clusters in the Netherlands and connect to the Dutch and European gas pipeline network with operations targeted for the second half of 2027.

Other events in the Höegh FSRU charter business included the charterer of the "Höegh Grace" waiving its termination option in 2026 so that the vessel will continue its employment in the South American country of Colombia until at least until 2031.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LNG operator Woodside focuses on earnings cycle from Scarborough gas and Trion and Sangomar oil

LNG News Editor

Western Australian LNG operator Woodside reported a plunge in annual earnings of 74 percent as it focused on its next phase of growth in the Scarborough Gas project, Sangomar oil offshore Senegal and on the Trion venture in the Gulf of Mexico.

Woodside net profits plunged to US$1.66 billion from $6.649Bln in 2022 as prices for commodities dropped.

The Perth-based company's operating revenues for 2023 declined to US$13.99 billion from US$16.81Bln as advantages began to show from the takeover of BHP Petroleum as revenues were just US$6.96Bln in 2021.

The Pluto LNG plant is having a second train constructed

LNG rebalance

"Global gas markets began to rebalance but remained tight, exacerbated by Russian LNG sanction uncertainty," said Woodside.

"Although North East Asian LNG prices averaged half of 2022 average prices at US$14/MMBtu, global gas prices remained robust and consistent with long-term expectations," the company added.

Woodside's share of production from Australian operations like the operated North West Shelf LNG plant and Pluto LNG was 145.1 million barrels of oil equivalent in 2023, an increase of 6 percent compared with 2022.

The company's overall production guidance for 2024, including overseas assets, was between 185 million barrels of oil equivalent and 195 MMboe.

This comprised 45 percent LNG, 30 percent crude oil and condensate, 20 percent pipeline natural gas and 5 percent natural gas liquids.

Woodside's share of NWS plant production was 40.8 million barrels of oil equivalent for the year, which was an 11 percent increase versus 2022, due to the boost in Woodside's equity share following completion of the merger with BHP Petroleum in June 2022.

Woodside's share of Pluto production was 51.8 MMboe in 2023.

Wheatstone LNG boost

The company is also a shareholder in the Chevron-operated Wheatstone LNG plant operated by US major Chevron Corp. near Onslow in Western Australia, comprising an offshore production platform and two onshore LNG processing Trains.

It processes gas from several offshore gas fields including Julimar and Brunello.

Woodside's share of Wheatstone production was 13.5 million barrels of oil equivalent in 2023, an increase from 12.2 MMboe in 2022, which had been impacted by a major facility turnaround.

The company noted that the final investment decision on the Julimar-Brunello Phase 3 was approved in April 2023.

"The project involves the drilling of up to four development wells tied-back from the Julimar field to the existing Julimar field production system," explained Woodside.

Woodside is operator of the Julimar field and holds a 65 percent participating interest in both the Julimar-Brunello fields while Woodside holds a 13 percent non-operated interest in the Wheatstone LNG project.

In an outline of Asian economic growth and its customer base, China is viewed by Woodside as presenting "uncertainty as the economy struggles with tepid demand, lower confidence and the real estate sector faces liquidity" issues.

However, Woodside noted that recent government stimulus measures were a positive sign for future growth enabling China to meet its official GDP growth targets.

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Woodside signs long-term LNG cargo supply agreement with main South Korea's Kogas

Woodside Energy, the leading supplier of Australian LNG cargoes to North Asia, has signed a sale and purchase agreement with the South Korean state-owned utility Korea Gas Corp. as more Asian nations seek to secure long-term supplies for energy security.

The SPA provides for the supply of around 500,000 tonnes per annum of LNG for a period of 10.5 years on a delivered basis whereby Woodside supplies the shipping.

The supply deals with the Koreans begin in 2026 and will come from Woodside's portfolio.

"LNG delivered to Kogas under the SPA will be sourced from uncommitted volumes across Woodside's global portfolio, including the Scarborough Energy Project which is targeting first LNG cargo in 2026," explained Woodside.

Kogas already receives Australian LNG cargoes from other regional projects such as Gladstone LNG in Queensland.

Queensland LNG

The GLNG plant is operated by Adelaide-based Santos and Kogas is a shareholder along with French major TotalEnergies and Malaysia's Petronas.

The state-owned Korean utility has been a long-term regional importer from nations like Indonesia and Malaysia as well as Qatar and Oman in the Middle East.

Woodside Chief Executive Meg O'Neill said that the SPA was significant as Woodside's first long-term supply agreement into Korea, the world's third-largest LNG market.

She said the agreement reinforced the ongoing contribution of Woodside's LNG towards the energy security needs of major customers in the region.

"Woodside is pleased to be a long-term supplier of LNG to Kogas, a leading global energy company and one of the world's largest LNG importers," said O'Neill.

"This agreement is further demonstration of ongoing robust demand for Woodside's products from major energy customers in our region," O'Neill stated.

LNG for power

Kogas President and CEO Choi Yeon-Hye said she was pleased to conclude the SPA with Woodside.

"This SPA has enabled Kogas to enlarge the customer base in the domestic power market, reinforcing our role as a leading natural gas supplier in Korea," she stated.

"By leveraging this SPA, we look forward to further expanding our business opportunities with Woodside in the LNG industry," added Choi.

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