LNG Unlimited

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Sonatrach and TotalEnergies sign gas development and LNG accord

They plan to broaden partnership while Algeria itself boosts domestic gas and power

LNG News Editor

Deal signed to expand cooperation in gas resources and LNG

Sonatrach, the Algerian state energy company and LNG producer, has signed an accord with French major TotalEnergies to expand cooperation in the exploration and production of natural gas and in the LNG business.

The Sonatrach-TotalEnergies memorandum of understanding outlines the realisation of a work programme for the appraisal and development of natural gas resources in the Northeast Timimoun region.

The accord includes synergies with existing processing facilities for production from the Timimoun field to reduce costs and emissions.

Sonatrach and TotalEnergies plan to "consolidate their partnership and expand their cooperation" in their gas resources and LNG business.

Sonatrach added that the accord "defines the framework of cooperation between the parties" with the objective of concluding a hydrocarbon contract in the identified area of interest.

Interests

TotalEnergies is active in oil and gas exploration and production through its interests in the Tin Fouyé Tabankort (TFT) and Timimoun gas fields, the Berkine Basin oil fields (Blocks 404a and 208) and via LNG supply contracts with Sonatrach.

"Sonatrach and TotalEnergies operate, within the framework of association contracts, the contractual areas of TFT II, TFT Sud, Timimoun and Berkine," the statement noted.

These are among the largest gas fields Algeria and located in the prolific Illizi-Ghadames Basin.

Total and Sonatrach are also advancing with their petrochemical project development for Western Algeria.

"This memorandum of understanding reflects our shared willingness to expand our strategic partnership with Sonatrach," explained Julien Pouget, Senior Vice President Middle East and North Africa, Exploration and Production at TotalEnergies.

Energy security

Sonatrach and TotalEnergies earlier in 2023 extended their cooperation in the LNG sector with a new contract.

In 2025, Sonatrach will thus be delivering 2 million tonnes per annum of LNG to TotalEnergies at the LNG importer terminal at Fos-Cavaou, west of Marseille.

"This will contribute directly to the security of energy supply in France and Europe," the statement added.

Algerian LNG exports have been recovering from a low ebb and increased by almost 9 percent to 13.45 million tonnes in 2023 from 12.40MT in the previous year from the Arzew and Skikda liquefaction plants on the Mediterranean Coast.

Algeria is also a main pipeline natural gas supplier to Europe via Trans-Mediterranean pipelines supplying Italy as well as Spain and Portugal.

The Minister of Energy and Mines, Mohamed Arkab, has also moved to boost nationwide links to the natural gas and power grids to boost domestic energy security for homes, industrial zones and farms.

Domestic connections

During a plenary session of Algeria's National People's Assembly, Arkab assured members of parliament that in accordance with the instructions of the President of the Republic, Abdelmadjid Tebboune, "no home will be left without electricity throughout the entire national territory" of Algeria.

"To do this, companies and bodies in the sector will ensure the full implementation of the programmes drawn up by the public authorities with a view to ensuring energy coverage in all regions," stated Arkab.

The Minister said that transparency was important and a census was being carried out to pin-point regions not connected by projects currently being implemented.

"As for the regions that have not yet been connected, they will be part of the next scheduled connection programme for the rest of 2024 and 2025," the Minister added. ■

UNLIMITED AGENDA

Germany's fourth LNG import terminal gets operating permit at Mukran Baltic Sea port

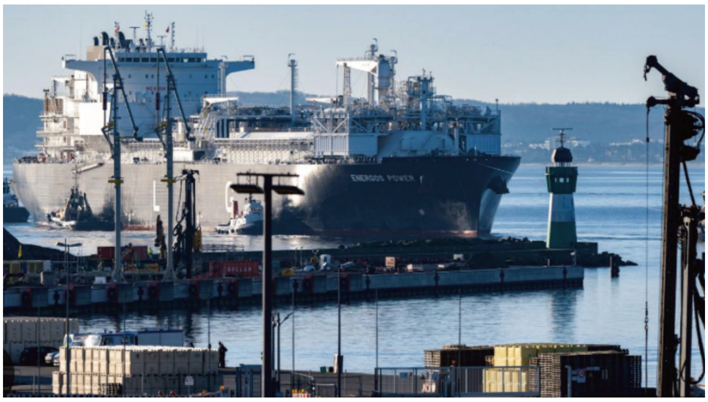
LNG News Editor

Deutsche Regas GmbH, the operator of the floating liquefied natural gas import terminal at the Baltic Sea port of Lubmin, said operating permits had been received at the company's second German Baltic regasification terminal, located at the port of Mukran on Germany's largest island of Rügen to allow operations to formally begin.

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

"The 'German Baltic Sea energy terminal' in the industrial port of Mukran received the emission control and water law permits on April 10 for the operation of the terminal in accordance with Section 4 of the Federal Emission Control Act from the State Office for Agriculture and the state of Mecklenburg-Vorpommern," said a Deutsche Regas statement.

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.



'Energos Power' FSRU at Mukran on the island of Rügen

The FSRU "Energos Power" with 174,000 cubic metres capacity had formerly been called the "Transgas Power".

Pipelines

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.

Deutsche ReGas has cooperated on the project with German Transmission System Operator, Gascade GmbH.

Gascade has been overseeing connections to gas grids in the rest of Germany and the European Union via the North European Natural Gas Pipeline (NEL), the Ostsee-Pipeline-Anbindungsleitung (OPAL) and the European Gas Pipeline Link (EUGAL).

"The energy terminal will feed up to 13.5 billion cubic metres of gas annually into the EUGAL/OPAL and NEL gas pipeline network, the most important supply lines in eastern Germany," explained Deutsche Regas. Ingo Wagner, managing partner of Deutsche ReGas, said that the company was making an even greater contribution to energy security for Eastern Germany, for neighbouring Eastern European countries and for the industrial locations in southwest Germany.

"As a purely privately-financed company, we also rolled-out our second terminal in eastern Germany at an impressive pace," added Wagner.

"This is the result of great collaboration with our local and energy partners. We would also like to thank all stakeholders involved for their determined support," stated Wagner.

The German Federal Government has been backing projects to replace Russian pipeline gas that previously arrived near Lubmin on the Nord Stream pipelines.

Fast-track development

The other Deutsche ReGas LNG facilities at Lubmin are about 40 nautical miles from Mukran port.

FNB Gas says moves on natural gas-hydrogen pipelines 'casts light and shadow' for TSOs

The German Association of Transmission System Operators (FNB Gas) said that members were partially disappointed with the upcoming adoption of the amendment to the Energy Industry Act (EnWG) in Germany's Bundestag to create the legal framework for the financing and integration of development planning for the nation's natural gas and hydrogen network.

FNB Gas Managing Director Barbara Fischer had earlier emphasized the need for the financing model to be suitable for capital markets to willingly invest.

The Bundestag in Berlin was considering the amendment of the Energy Industry Act with regulations for the financing of the core gas and hydrogen network.

The German plan focuses on the conversion of 60 percent of existing gas pipelines to carry hydrogen, which is additionally burdened by being more explosive than natural gas.

"The amendment to the EnWG casts light and shadow for transmission system operators and while some improvements were recognised in the financing concept, the risks remain high," said FNB Gas.

Outstanding issues

FNB Gas MD Fischer said that while the body stood by the core network and remained convinced that it was a necessary prerequisite for the decarbonization of German industry and economy, there were still outstanding issues.

"Unfortunately, central adjustments to make the model suitable for the capital markets, which were introduced by the FNB and the majority of the industry as well as the capital markets and the Federal Council, were not adopted," Fischer explained.

"This includes reducing the amount of deductibles and recording the residual values in the amortization account if the market ramp-up fails," she said.

"Accordingly, the capital market viability of the financing framework appears questionable," Fischer stated.

"However, we view the changes regarding the liability risks of network operators in the event of insolvency as well as the possibility of extending core network projects until 2037 as positive. We will now evaluate the model as a whole," said Fischer.

FNB Gas has also previously outlined the future role of LNG import facilities at the coastal locations of the North Sea port of Wilhelmshaven, at Brunsbüttel on the Elbe and at the Baltic ports of Lubmin and Mukran.

FNB Gas, which comes from the German words Fernleitungsnetzbetreiber, groups a dozen companies overseeing 40,000 kilometres (25,000 miles) of natural gas pipeline flows and other infrastructure.

US gas body still in legal fight on products

The American Gas Association and partner organizations have filed an initial brief with the US Court of Appeals in a legal challenge against three United States Department of Energy rules that limit customer access to energy-efficient natural gas products.

The AGA represents more than 200 local energy companies that deliver natural gas throughout the US.

There are more than 77 million residential, commercial and industrial natural gas customers in the US, of which 95 percent, or around 73M customers, receive their gas from AGA members.

The AGA argues that the challenged standards would, in violation of the Energy Policy and Conservation Act (EPCA), eliminate from the market furnaces and commercial water heaters installed in millions of homes and businesses around the nation.

While the AGA strongly supported advancing energy efficiency and reducing greenhouse -gas emissions, and the industry has been a leader in driving customer energy conservation, these DOE rules “do not follow statutory requirements and fail to meet the necessary legal standard” of being technologically feasible and economically justified.

“The law is clear, the Department of Energy is explicitly forbidden to set a standard that eliminates an entire class of appliances from the market,” said AGA President and Chief Executive Karen Harbert.

“The new rules would remove efficient appliance options from consumers, raising costs for those who can least afford it including senior citizens and low-income households,” explained Harbert. ■

US LNG bunker port project files for Texas City plant serving Galveston Bay

LNG News Editor

Graphic of how Galveston LNG Bunker Port will look

The Galveston LNG Bunker Port project is seeking authorisation to site, construct and operate a proposed small-scale liquefied natural gas production facility on Shoal Point in Texas to provide clean shipping fuel to the Galveston Bay and Greater Houston port area.

Included in the plans are two LNG liquefaction Trains capable of producing around 600,000 gallons per day of LNG.

The LNG production plant for bunkering is a joint venture involving Pilot LNG and Seapath Group, a subsidiary of the Libra Group.

The filing with the state and federal agencies includes a permit required from the United States Army Corps of Engineers (USACE) covering the various developments.

LNG storage

In addition to the liquefaction plant, the Galveston LNG Bunker Port is also seeking approval to build two LNG storage tanks each with 3 million gallons of capacity, feed-gas pre-treatment equipment, a bunkering vessel loading berth and associated marine and loading facilities.

“We are confident that we will meet the rigorous requirements of state and local permitting authorities to ensure that the project is delivered on-time and will meet the ever-growing demand for clean fuel supply in the Galveston Bay and US Gulf Coast region by the end of 2026,” said Shaun Davison, Chief Development Officer of Pilot LNG.

Pilot LNG and Seapath said they signed a project development agreement in September of 2023 that provides a framework for the development, technical design, permitting and marketing of the proposed liquefaction project.

“Our experience in developing, building, and operating energy infrastructure will help us with this much-needed facility,” said Joshua Lubarsky, President of Seapath.

“This facility is a critical investment into the resilience of US maritime infrastructure, and upon construction will immediately provide positive environmental and economic impacts in Texas City, Galveston,” stated Lubarsky.

Pilot LNG is the frontline developer while it will receive financial support from partner Seapath. ■

Dutch companies Titan and STX in bio-LNG operation at Rotterdam port

Titan Clean Fuels, a leading Dutch supplier of liquefied natural gas and bio-methane for shipping, has performed the largest bio-LNG ship-to-ship bunkering in the Port of Rotterdam by providing 2,200 tonnes of fuel to a Hapag-Lloyd container vessel.

This transaction marked Hapag-Lloyd’s entry into using liquefied biomethane (LBM) made from waste as a shipping fuel.

Titan’s bunkering vessel “Alice Cosulich” carried out the fulling operation for the Hamburg, Germany-based Hapag-Lloyd’s “Brussels Express” container ship.

Titan and another Dutch trading firm, STX Group, collaborated to liquify, store and deliver under ISSC certification fully recognized under the European Union´s Renewable Energy Directive known as RED II.

“This pioneering deal demonstrates that bunkering large quantities of liquefied biomethane is possible and scalable,” said Jan Christensen, Senior Director Fuel Purchasing at Hapag-Lloyd.

“However, there is still more progress required regarding the necessary infrastructure and the regulatory framework,” added Christensen.

Caspar Gooren, Director of Renewable Fuels at Titan, said the firm had been encouraged by the demand for biomethane.

“This major bunkering represents a significant step in shipping’s clean fuels transition. Titan recognizes the LNG pathway via LBM and renewable e-methane as a practical, sustainable and cost-effective route to net-zero shipping emissions available today,” stated Gooren.

Bio-LNG is already an established sustainable bunker fuel and is commercially available in Europe, Asia and North America.

The fuel is produced from biomass feedstocks such as industrial and agricultural waste streams.

“We congratulate Hapag-Lloyd on this landmark deal in the shipping sector. This transaction is a proof of how liquefied biomethane can be a powerful tool on the path to a lower-carbon transport sector,” said Sead Keric, Managing Partner of Renewable Gas at STX. ■

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NEWS BRIEFS

Eagle Ford gas sale

TotalEnergies has agreed to acquire the 20 percent interest held by Lewis Energy Group in the Dorado leases operated by EOG Resources in the Eagle Ford shale gas basin, increasing its natural gas production capacity in Texas and further strengthening its business integration in the US LNG value chain. "The Dorado field will allow TotalEnergies to increase its net US natural gas production by 50 million cubic feet a day in 2024, with the potential for an additional 50 Mcf per day by 2028," the French company said. "TotalEnergies was the No. 1 exporter of US LNG with 10 MTPA with its 16.6 percent stake in the Cameron LNG plant in Louisiana and several long-term purchasing agreements," it added. The Paris-based company also has a stake in the Rio Grande LNG project in Texas.

Waitsia LNG delays

Beach Energy of Australia and Mitsui Exploration and Production of Japan, the developers of the onshore Perth Basin LNG export project in Western Australia, have pushed out schedules and increased costs because of quality issue during pre-commissioning of systems at the Waitsia Gas Plant. Beach said it would continue to utilise commercial arrangements to enable LNG cargo liftings prior to completion of the Waitsia Plant. The Adelaide-based company added that it had changed the contractor's schedule for completion to early 2025 from mid-2024. "Total capital expenditure is A$600M-A$650M net to Beach, up from A$450M-A$500M," said Beach. "Unavoidable processing costs based on the above first gas target will also be incurred," it stated.

US forecasts increase in LNG exports this year and a surge in 2025 as new liquefaction plants come on stream

LNG News Editor

Expansions to come onstream soon at several Gulf Coast projects at Corpus Christi and near New Orleans

The US Government expects the nation's liquefied natural gas exports to increase in 2024 and to surge in 2025 as projects currently under construction start to come on stream.

The US Energy Administration said in the April Short-Term Outlook that LNG exports would average 12 billion cubic feet per day in 2024, up 2 percent from the previous year.

The Outlook stated that in 2025, LNG exports would increase by an additional 2 Bcf per day, or 18 percent, because three of the five LNG export projects currently under construction are expected to start operations and ramp-up to full production.

"We forecast that US LNG export facilities will run at similar utilization rates as in 2023, adjusted for seasonality and annual maintenance on liquefaction Trains," said the EIA.

Freeport maintenance

"In April and May 2024, we expect LNG exports to decline compared with April and May 2023 because two of the three Trains at the Freeport LNG export facility are undergoing annual maintenance, coinciding with lower global LNG demand in importing countries during the shoulder season," the report explained.

"Later in 2024, we expect Plaquemines LNG Phase I and Corpus Christi Stage 3 to begin LNG production and load first cargoes by the end of the year," the EIA report said.

"In 2025, the developers of the Golden Pass LNG plan to place the first two Trains of this new three-Train LNG export facility in service," it added.

The Outlook forecasts that US natural gas exports by pipeline would grow by almost 1 Bcf per day over the forecast period, mainly because of increased natural gas exports to Mexico.

"We expect several pipelines in Mexico, Tula-Villa de Reyes, Tuxpan-Tula, and Cuxtal Phase II connecting to the Energía Mayakan pipeline on the Yucatán Peninsula, to reach full service in 2024-2025," said the report

"These pipelines started partial service in 2022-2023 but are not yet fully operational," the EIA noted.

In addition, the report said that flows via the Sur de Texas-Tuxpan underwater pipeline are likely to increase slightly in 2024, delivering natural gas from the US to Mexico's first LNG export project, "Fast LNG Altamira", the project developed by US company New Fortress Energy.

Record storage

In US storage, the Outlook said that from April through October this year, the forecast is for less natural gas to be injected into storage than is typical, largely because the US would produce less natural gas on average in the second and third quarters of 2024 compared with the start of the year.

"Despite lower production, we still expect the United States will end the injection season with 4,120 Bcf of natural gas in storage, 10 percent more than the five-year average and the most on record," the EIA declared.

The US winter natural gas withdrawal season in the past year ended with 39 percent more natural gas in storage compared with the five-year average.

"As a result of high inventories, we expect the Henry Hub spot price to average less than $2.00 per million British thermal units," said the EIA.

"We forecast US dry natural gas production to average about 103 billion cubic feet per day from April through October, down slightly from last year's average of 104 Bcf per day for the same period," the EIA added.

"We forecast US natural gas consumed for electricity generation to average 38 Bcf/d from April through October, about the same as during the same period last year," the gas report concluded.

Oil markets

In the crude oil markets, the EIA forecasts that the Brent crude spot price would average $90 per barrel in the second quarter of 2024, which is $2 a barrel more than in the March Outlook and would average $89 a barrel in 2024.

"This increase reflects our expectation of strong global oil inventory draws during this quarter and ongoing geopolitical risks," said the EIA.

"We forecast oil inventories will begin increasing in 2025 because we assume OPEC+ production will increase when supply cuts expire," it stated.

Summit Lake LNG project is proposed for northern British Columbia at Prince George

LNG News Editor

JX LNG Canada, a privately held company registered in British Columbia, has proposed a fourth LNG export project for northern BC, adding to the already advancing LNG Canada, Cedar FLNG and another First Nation-led venture north of Prince Rupert.

The latest project proposed by JX LNG Canada is called the Summit Lake PG LNG Project and the developers have just filed to start the regulatory process.

The Summit Lake LNG venture is planned for the Caribou Region of BC and the liquefaction facility will be sited about 30 kilometres (19 miles) north of Prince George.

The Impact Assessment Agency of Canada (IAAC) and BC Environmental Assessment Office said they had started working cooperatively for the initial phase of the Summit LNG project's review.

Traditional territory

"The project will be located at the Hart North Industrial site. The site is located approximately 20km from the Lheidli-T'enneh First Nation Community, and within the traditional territory of the Lheidli-T'enneh First Nation," said the developers JX LNG Canada.

"The project is preliminarily projected to utilize 250 hectares of land," added JX LNG.

The company explained that a

Small-scale LNG venture has various shipment options

two-phase development is proposed with Phase 1 comprising the production of up to 1.35 million tonnes per annum of LNG.

The second phase would give an additional 1.35 MTPA of output for a total of 2.70 MTPA of LNG.

Such levels of output could be aimed at the ISO container market for off-grid power or transportation volumes.

Commercial operations for Phase 1 are expected to commence in 2028, according to JX LNG's initial filing for the Summit project.

At full build-out the project plans to process 355 million standard cubic feet per day of natural gas and was expected to operate for 30 years.

The Canadian and BC regulators have now invited public comments and are setting up information sessions for those in the project area and Canada at large.

"You are invited to review the initial project description and provide feedback. A summary document, in English or French, is available on the project," said the IAAC.

Review process

"Funding provided by the Agency is now available to help Indigenous Peoples and the public participate in the impact assessment process for the proposed Summit Lake PG LNG Project north of Prince George," the regulator added.

The other three LNG export projects in northern BC are the soon-to-start industrial-scale LNG Canada venture, the Cedar LNG project involving Pembina Pipeline Corp. and the Haisla First Nation and the Ksi Lisims LNG Partnership project.

The Ksi Lisims LNG Partnership joint venture comprises the Nisga'a Nation, Rockies LNG and Western LNG LLC.

They are proposing a floating liquefaction and export plant near the port of Prince Rupert and have signed a 20-year sale and purchase agreement with the Shell subsidiary, Shell Eastern Trading.

Under the SPA, Shell will purchase 2 MTPA of LNG per annum from the Ksi Lisims project on a free-on-board basis in what was the first LNG offtake agreement executed by the Ksi Lisims venture.

That project plans to produce 12 MTPA at Wil Milit, located north of Prince Rupert and near the Nisga'a tribal village of Gingolx.

NEWS BRIEFS

Stolt-Nielsen profits up

Stolt-Nielsen Ltd, the Oslo-listed and London-based owner of a small tanker fleet including for LNG through its stake in Avenir LNG as well as terminals and other shipping interests, reported first-quarter net profits of $104.0 million, up from $99.8M in the same three months of 2023. Stolt-Nielsen's earnings per share in the first quarter amounted to $1.94, up from $1.86. Stolt Tankers reported operating profits of $93M, an increase from $87.1M last year. Stolt-Nielsen Gas, including LNG assets, narrowed its operating losses to $2.0M from $3.4M in the 2023 quarter. "The firm market conditions enjoyed by Stolt Tankers during 2023 continued into the first quarter," said Udo Lange, Chief Executive. "Spot rates continued to strengthen and we should start seeing the effect in the second quarter onwards. That said, we have seen some contract volumes decline as our customers adjust to the impact of supply chain disruptions," he added.

Cedar LNG signs key deals pre-FID

Pembina Pipeline Corp., the Canadian natural gas and energy transportation and terminals company, and its Cedar floating LNG partner, the Haisla Nation of British Columbia, have reached landmark deals on LNG offtake, construction and financing.

Pembina, based in Calgary, Alberta, said that the agreements would allow Cedar LNG to initiate the project financing process and the Haisla Nation would now have equity contributions support in advance of a final investment decision expected by the middle of 2024.

The Cedar LNG partners have also completed a detailed Class III level capital cost estimate of around US$3.4 billion for the project, including US$2.3Bln, or approximately 70 percent of the cost, which is under a fixed-price, lump-sum agreement.

Pembina and the Haisla Nation, who have a partnership on developing the near-shore FLNG project on Haisla traditional territory on the Douglas Channel near Kitimat, can also issue a Notice to Proceed to the engineering, procurement and construction contractors, Samsung Heavy Industries of South Korea and US firm Black and Veatch, based near Kansas City in Missouri.

Pembina said that one of the main highlights of the deals was a 20-year take-or-pay liquefaction tolling services agreement with a fixed toll signed with Canadian energy company ARC Resources.

ARC Resources has operations focused in the Montney shale play in northeast BC and the tolling agreement is for 1.5 million tonnes per annum of LNG.

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Trader Vitol seen earning net profits of $13Bln boosted by LNG earnings

LNG News Editor

Geneva firm has been expanding LNG market presence

Vitol, the world's largest independent commodity trader and owned by several hundred partners, earned $13 billion in net profits for a second year, much higher than other global commodities traders.

The net profits at Vitol, a privately owned group whose Chief Executive Russell Hardy is based in London, were reported by the Financial Times newspaper, citing people with knowledge of the company's results.

The report noted that Vitol does not publicly release its financial results, which are only available when its accounts are filed in the Netherlands later in the year.

The company declined to comment to the FT on the profit figure, which was larger than its biggest competitors.

Profits fall

"Although down from the record $15.1Bln Vitol made in 2022, the net profit figure is more than three times higher than the $4Bln it reported in 2021, illustrating how much Vitol has benefited from disruption to energy markets in the past two year," the FT reported.

"The growth was driven by gas and liquefied natural gas volumes, which grew by 19 percent and 24 percent respectively," said the report.

Lower commodity prices meant turnover fell to $400Bln from $505Bln in 2022 but the total volume of energy products traded by Vitol increased by 4 percent year-on-year.

The volume of oil and refined petroleum products that the group traded remained stable.

Vitol's closest rival in the commodities trading market, Trafigura, made net profits of $7.2Bln in its last financial year, which ended in September 2023.

The other privately held energy trader Gunvor made $1.3Bln in profits

Trading hub

Vitol with its trading hub in Geneva was founded in 1966 and while being registered in the Netherlands it also has other major offices in London, Houston and Singapore.

Last year, Vitol delivered 7.4 million barrels of crude oil per day, which is more than 7 percent of global consumption.

■

Azerbaijan reports steady supplies to Southern EU on TAP system

Azerbaijan, the Central Asian nation and former Soviet republic, has issued its quarterly natural gas pipeline export data that affects LNG requirements in Southern Europe.

Azerbaijan said it exported 3.2 billion cubic metres to European countries in the period from January to March 2024.

The main Azeri natural gas export pipeline supplies South Europe, including nations such as Greece, several countries in the Balkans and Italy on the Trans-Adriatic Pipeline (TAP), which came on stream in 2020.

The TAP link is the final leg of the 3,500-kilometre (2,175 mile) Southern Gas Corridor pipeline network for Azeri gas.

Corridor

The Southern Gas Corridor started the transportation of Azerbaijan gas to Western Europe at the end of December 2020 with pipeline infrastructure costing $33 billion.

The Corridor route transports gas from the Caspian Sea region of Azerbaijan through the former Soviet republic of Georgia to Turkey and then onwards to the TAP.

There are five shareholders in TAP each with 20 percent of the shares. They comprise the State Oil Company of the Republic of Azerbaijan (SOCAR), UK major BP, Italian gas grid and terminals operator SNAM, Belgian gas grid a LNG terminals owner Fluxys and Spain's grid and terminals owner and operator Enagás.

"Azerbaijan's gas exports from January to March 2024 totaled 6.4 Bcm, matching the same period last year, including 3.2 Bcm (50 percent of total exports) supplied to Europe, 2.3 Bcm (35.9 percent) to Turkey, and 0.9 Bcm (14.1 percent to Georgia," said a statement from the Azeri Ministry of Energy.

The Balkan buyers of Azeri pipeline gas include the countries of Bulgaria, Romania, Hungary and Serbia.

■

Saudi Aramco awards $7.7Bln contracts to boost domestic gas while finishing Pavilion bid process

LNG News Editor

Saudi Arabian Oil Company (Saudi Aramco), the largest oil exporter, has just awarded a $7.7 billion engineering contract for domestic natural gas while also completing the bidding process against Shell to acquire the LNG interests of Pavilion Energy of Singapore.

Aramco has just awarded engineering, procurement and construction (EPC) contracts for a major expansion of its Fadhili Gas Plant in the Eastern Province of Saudi Arabia.

Aramco awarded EPC contracts to South Korea's Samsung Engineering Company and GS Engineering and Construction Corp. and local firm Nesma & Partners.

The Fadhili Gas project is expected to increase the plant's processing capacity from 2.5 billion standard cubic feet per day up to 4 billion standard cubic feet per day.

Aramco awarded contracts to South Korean and local firms

Aramco strategy

"This additional 1.5 Bscf per day of processing capacity is expected to contribute to the company's strategy to raise gas production by more than 60 percent by 2030, compared to 2021 levels," said Aramco.

The Fadhili Gas expansion is expected to be completed by November 2027 and is also expected to add an additional 2,300 metric tons per day to sulphur production.

"The award of these contracts reflects Aramco's goal to increase supplies of natural gas, help efforts to reduce greenhouse-gas emissions and free up more crude oil for value-added refining and export," said Wail Al-Jaafari, Aramco Executive Vice President of Technical Services.

"Together with leading international companies, we are advancing our goal to increase gas production. The expansion also supports our ambitions to develop a lower-carbon hydrogen business, while associated liquids from gas are an important feedstock for the petrochemical industry," Al-Jaafari added.

Pavilion bidding

Aramco is also one of two companies vying to acquire Singaporean company Pavilion Energy which is being off-loaded by the Singapore wealth fund Temasek in an investment banks-led sales process that has already lasted eight months.

The Asian island nation state's Pavilion Energy was set up by Temasek in 2013 to develop LNG assets.

Pavilion financed by Temasek then expanded from shipping to trading, bunkering and owning upstream natural gas assets.

Temasek was said by investment bankers to be currently evaluating the final offers for Pavilion from Aramco and Shell.

Pavilion is not a listed company, though reported earnings of US$438 million in the previous fiscal year and was said to have an equity value of up to US$3 billion.

The company had started with retail gas sales in Singapore and then joined BW Gas in a shipping joint venture followed up with the purchases of a stake in a natural gas field offshore Tanzania.

Pavilion then set up a trading unit followed by the signing of a supply deal with TotalEnergies. ■

Côte d'Ivoire stages first state visit by Italy's head of state to celebrate ramp-up of Baleine field

Côte d'Ivoire is continuing to benefit from the ramp-up of the Baleine oil and gas field as part of a world-class hub of oil, pipeline natural gas and LNG exports and imports being built out to improve economic prosperity in West Africa from Mauritania in the North to Angola in the South.

Italian oil and gas company Eni is the leading developer in the Côte d'Ivoire and the country has paid tribute to their energy partners by hosting the first ever state visit by an Italian head of state in welcoming the President of the Italian Republic Sergio Mattarella.

Key discovery

President Mattarella was accompanied by the leadership of Côte d'Ivoire in a tour of Eni's natural gas and other facilities in the African nation's economic capital, Abidjan.

"The President visited a gas transportation facility along the road to Grand Bassam," said Eni.

"Gas produced from the Baleine field is fed into the Ivorian energy grid, powering electricity generation in the country," added the Milan-based European major in a statement.

The Baleine field was discovered by Eni in 2021 and production started in 2023.

The oil and gas project helps ensure the population has access to energy and strengthens Côte d'Ivoire's position as a regional energy hub.

It is the first net-zero Upstream (Scope 1 and 2) development project in Africa.

"Emissions from production facilities are minimized using the best available technologies," Eni added.

The Baleine project is offshore block CI-101 and is believed to hold up to 2.0 billion barrels of oil in place and 2.4 trillion cubic feet of associated gas located at water depth of 1,200 metres.

The Côte d'Ivoire's regional neighbours to the North, Senegal and Mauritania, are currently developing floating LNG projects, while among its southern neighbours, Nigeria is an established world-scale LNG and oil exporting nation.

Cameroon FLNG

Another neighbour Cameroon has a small FLNG project in operation, Ghana plans LNG imports and Angola is a major oil and gas nation.

Most recently, the Eni-led FLNG project in the Republic of Congo shipped its first cargo to Italy.

The Côte d'Ivoire's mainly oil production has varied significantly over the past two decades as existing fields have become depleted, closed for maintenance or development works and as new discoveries have been made but have needed further investment and development.

Eni's partner in the Baleine project and other ventures in Côte d'Ivoire is the nation's state energy company, Société Nationale d'Opérations Pétrolières de la Côte d'Ivoire (Petroci). ■