LNG Unlimited
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Kinder Morgan posts profits rise and sees LNG, pipeline gas surge

'We expect demand for natural gas to grow substantially between now and 2030': CEO

LNG News Editor

US company's Natural Gas Pipeline division is key earner

Kinder Morgan Inc. (KMI), the leading US pipeline feed-gas company for liquefied natural gas plants and a key energy infrastructure operator and developer, reported an almost 10 percent rise in first-quarter net income with contributions from all business segments while forecasting soaring LNG and pipeline gas exports through 2030.

Net income attributable to KMI amounted to $746 million compared with $679M in the first quarter of 2023.

KMI's revenues for the first three months of 2024 were steady and came to $3.84 billion versus $3.88Bln in the same quarter of 2023.

"The company got off to a strong start this quarter on increased financial contributions from our Natural Gas Pipelines, Products Pipelines and Terminals business segments," said Chief Executive Kim Dang.

"Notwithstanding the current low natural gas price environment, the future looks very bright for our Natural Gas Pipelines business," Dang stated.

Forecasts

"We expect demand for natural gas to grow substantially between now and 2030, led by more than a doubling of demand for LNG exports and a more than 50 percent increase in exports to Mexico," she forecast.

"We are also anticipating significant new natural gas demand for electric generation associated with artificial intelligence operations, crypto-currency mining and data centers, which would be additive to the growth discussed above," explained Dang.

"It's also important to note that the Biden Administration's 'pause' in approving LNG exports to non-Free Trade Agreement countries, while disappointing, will likely have no impact on our planned projects to support LNG exports," Dang declared.

KMI issued a 2024 outlook, including contributions from the acquired STX Midstream assets, and said it budgeted net income attributable to KMI was $2.7Bln ($1.22 per share), up 15 percent versus 2023.

KMI expects to declare dividends of $1.15 per share for 2024, a 2 percent increase from the dividends declared for 2023.

The budget assumes average annual prices for West Texas Intermediate (WTI) crude oil and Henry Hub natural gas of $82 per barrel and $3.50 per million British thermal unit (MMBtu), respectively.

Gas pipeline expansions

KMI President Tom Martin commented on the performance of the Natural Gas Pipelines business and all the ongoing projects in Texas, Louisiana and Mississippi.

Martin said that construction was nearly complete on KMI's project to expand the working gas storage capacity at its Markham Storage facility (Markham) in Matagorda County along the Texas Gulf Coast.

The project will add an additional cavern at Markham to provide more than 6 billion cubic feet (Bcf) of incremental working gas storage capacity and 650 million cubic feet per day of incremental withdrawal capacity on KMI's extensive Texas intrastate system.

"Shippers have subscribed to all of the available capacity under long-term agreements," Martin confirmed.

"Partial commercial service began last November, with full commercial service expected in June 2024," he added.

The KMI President said that construction activities continued for the Tejas project, the $97 million South Texas-to-Houston Market expansion venture.

The project will add compression on Tejas's mainline to increase natural gas deliveries by around 0.35 Bcf per day to Houston markets. The target in-service date is the first quarter of 2025.

■

UNLIMITED AGENDA

LNG exporter Woodside prepares for climate policy challenge at forthcoming AGM in Perth

LNG News Editor

Woodside Energy, the operator of two liquefied natural gas export plants in Western Australia and the Scarborough Gas Project for LNG expansion, is seeking support from shareholders on its climate policies and urging them to attend the April 24 annual general meeting online or in person.

The appeal from Chairman Richard Goyder on behalf of the board is for active participation in the AGM, which will be held at the Crown Perth hotel in the state capital.

Disclosures

The Chairman said he acknowledged the previous concerns of shareholders, as reflected in the voting results at the 2022 and 2023 AGM related to climate change-transition plans and disclosures.

"Since then, we have stepped up our engagements to better understand investor expectations on our governance and climate-transition strategy," said Goyder.

Woodside may also develop Sunrise LNG with Timor Sea gas

"In the last 12 months, we have had hundreds of meetings with shareholders and proxy advisors, and I have personally led over 80 of those engagements," the Chairman explained.

Woodside climate vote

"Based on your feedback, we have prepared our Climate Transition Action Plan (CTAP). We believe this demonstrates our commitment to engaging, listening and responding to investors," said the Chairman.

"You may have seen in the media that some proxy advisers have sought to reject the CTAP based on a perceived lack of shareholder engagement. We disagree with this assessment," stated Goyder.

"In response to investor feedback, Woodside is committed to put its climate disclosures to a vote of shareholders at this year's AGM," the Chairman added.

"Such a vote is not required by law or a feature of common market practice but is something that our investors specifically asked for and we have met this commitment," he declared.

Goyder added that Woodside had managed to achieve a "strong operational and financial performance", while laying the foundations for future growth and value.

"This includes taking final investment decisions on Scarborough in 2021 and Trion (offshore Mexico) last year, as well as achieving the sell downs on the Scarborough and Pluto LNG Train 2 projects," he stated.

Dividend yield

"In the two years since the merger (with BHP Petroleum), Woodside has returned a total of 393 US cents per share, fully franked, in dividends. This amounts to US$7.5 billion (equivalent to A$11.2 billion) distributed to our shareholders, representing an average dividend yield of 9 percent," the Chairman noted.

"Woodside's disciplined capital management framework supports the company to navigate through the investment and commodity price cycles," Goyder said. ■

Russian LNG producer Novatek posts results affected by drone attack and Arctic plant delay

Novatek, the Russian natural gas company and operator of the Yamal LNG export plant and developer of the delayed Arctic LNG II facility hit by Western sanctions on equipment imposed because of the Ukraine invasion, has reported operational results for the first quarter of 2024 as it continued to supply LNG cargoes to the European Union.

Novatek's results statement showed it had resumed full production at the Ust-Luga complex, the huge Baltic Sea fuel export terminal and condensate processing plant that was damaged by fire on January 21, 2024, after reportedly being the subject of a Ukrainian drone attack.

Novatek resumed gas condensate processing at its Ust-Luga complex on February 11 after fire damage was repaired.

The company said it processed 1.4MT of stable gas condensate at the previously damaged Ust-Luga facility during the first quarter of 2024, which was 22 percent lower compared with the first three months of 2023 when 1.8MT was processed.

Natural gas sales

Novatek's first-quarter 2024 total natural gas sales volumes to the end of March, including LNG, amounted to 21.47 billion cubic metres, a decrease of 3.8 percent compared with the same three months of 2023 when the total was 22.33 Bcm.

Novatek said its hydrocarbon production totaled 167.4 million barrels of oil equivalent, including 21.12 Bcm of natural gas and 3.5 million tons of liquids comprising gas condensate and crude oil.

This represented an increase of almost 2.5 percent in total hydrocarbons production compared with the first quarter of 2023 when the total was 163.9 million boe.

Novatek said it processed 3.3 million tonnes of unstable gas condensate at the Purovsky Processing Plant, which was 2.8 percent less than the 3.4MT processed in the prior-year quarter.

Preliminary total sales volumes of liquid hydrocarbons amounted to 4.3MT, which was 11 percent higher than in the first quarter of 2023.

Yamal cargoes

Novatek added that it had 0.2 Bcm of natural gas, including LNG, and 1.2MT of stable gas condensate and petroleum products in storage or transit and these were recognized as inventory.

Cargoes from the Yamal plant in the Russian Arctic are still being unloaded in EU nations with the UK being the only LNG importer in Western Europe to formally ban LNG from Russia.

The main EU destinations for Yamal LNG in the first quarter of 2024 have been Belgium, France and Spain. ■

MAN gets China order for car carriers

MAN Energy Solutions, the Denmark-based subsidiary of the German engine-maker MAN SE, has received a propulsion package order to power the world's largest car carriers being built in China.

The MAN head office, which is in Augsburg, Germany as part of the Volkswagen Group, is best known in the LNG sector for its speciality power package in the electronically-controlled, gas-injection (MEGI) engine for LNG carriers and other vessels.

The Denmark-based unit MAN Energy Solutions said that the Chinese shipyard, Guangzhou Shipbuilding International (GSI), has received an order for four MAN B&W 8S60 ME-GI engines.

The dual-fuel propulsion will be fitted on four 10,800 car equivalent units (CEU) Pure Car and Truck Carriers (PCTCs) for a leading South Korean shipowner, Hyundai Merchant Marine (HMM) Co. Ltd.

MAN Energy Solutions said a Chinese company, CSIC Diesel Engine Co. Ltd (CSE), will build the Mk10.5 dual-fuel -GI (-Gas Injection) engines in China, which will feature Exhaust Gas Recirculation (EGR) emissions-reduction technology for Tier III NOx compliance.

Upon delivery, the PCTCs will go out on charter to Hyundai Glovis Co., Ltd., the logistics company headquartered in Seoul, South Korea and part of the Hyundai Kia Automotive Group.

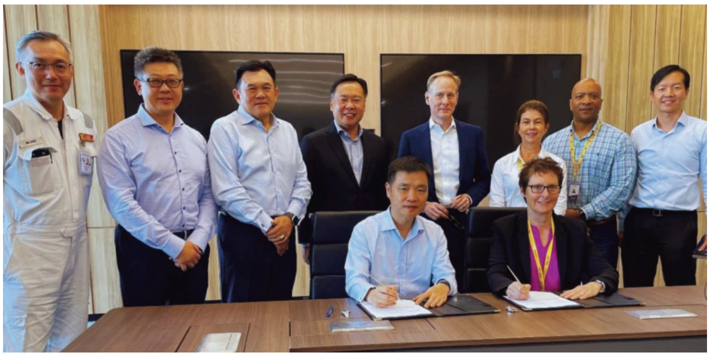
MAN Energy Solutions will also provide the three MAN 8L28/32DF (Dual-Fuel) GenSets aboard each vessel with CSSC Marine Power Zhenjian Ltd. (CMP) set to build these, also in China.

■

Seatrium and Shell sign accord to further cooperate in Floating Production Systems

LNG News Editor

Seatrium of Singapore, the shipyard engineering company, with continued project successes in oil and LNG with many projects to work on through 2025 has signed an accord with Shell Global Solutions to explore and strengthen collaboration opportunities in Floating Production Systems through leveraging their engineering capabilities and technologies.



Seatrium's William Gu and Shell's Hilary Mercer sign deal

Seatrium, formerly called Sembcorp Marine Ltd and renamed as Seatrium following its merger with Keppel Offshore & Marine, signed a memorandum of understanding (MoU) with ethe Shell unit focusing on driving project standardisation and replication while seeking to promote best practices in the design of floating systems.

The Singaporean company noted that Seatrium and Shell had worked together on various projects over the years, including the recently-announced Sparta floating production unit (FPU), which is conceived as a replicable project to leverage the Group's topsides single-lift integration methodology, following the fabrication of Vito and Whale FPU newbuilds in 2021 and 2023 respectively.

Collaboration

"We are pleased to deepen our collaboration with Shell, leveraging both parties' competencies and technologies in past Floating Production Systems projects," explained William Gu, Executive Vice President of Seatrium Oil & Gas (International).

"We look forward to continuing working with Shell to mutually learn and develop best-in-class project management practices to achieve operational efficiency in future floater projects, benefitting both parties," Gu stated.

Seatrium also said in April 2024 that the its shipyard engineering activities would include more LNG project successes.

The company as secured a series of major contracts with an aggregate value of S$350 million (US$259M), to be completed by the end 2025, reinforcing its reputation as a market leader in vessel repairs, upgrades and conversions.

Seatrium, formerly called Sembcorp Marine Ltd and renamed as Seatrium following its merger with Keppel Offshore & Marine, is moving forward in the sector after big LNG delivery highlights in 2023.

■

Japan's JERA signs LNG accord with Singapore Energy Market Authority

JERA Co. Inc., the largest Japanese LNG importer, and the Singaporean Energy Market Authority signed an accord to cooperate on mutually beneficial areas in liquefied natural gas procurement and supply chains for Singapore and Japan.

Under the accord, the EMA and JERA said they would share best practices and knowledge in LNG procurement and management of supplies as well as explore collaboration opportunities for cargoes and supply chain management.

Soh Sai Bor, Assistant Chief Executive at EMA, said that natural gas would continue to be a major part of Singapore's energy mix even as the Asian island state pivots to lower carbon sources in the medium to longer term.

"EMA is pleased to partner JERA to mutually strengthen our LNG supply chains," said Soh.

"This is another step forward in Singapore's efforts to enhance the security and reliability of natural gas supply with stable and competitive pricing for our power sector in our energy transition," he stated.

Ryosuke Tsugaru, Senior Managing Executive Officer and Chief Low Carbon Fuel Officer, at JERA said the agreement, in the form of a memorandum of understanding, showed a shared commitment.

"Through this MoU, JERA and the EMA will seek to establish a more stable, resilient, and cost-efficient energy flow into both Japan and Singapore leveraging their mutually complementary relationship," added Tsugaru.

This MoU between EMA and JERA followed an earlier "memorandum of cooperation" on LNG and energy transitions signed in October 2022 between the Ministry of Trade and Industry of Singapore and the Ministry of Economy, Trade and Industry of Japan.

"Both memoranda aim to further strengthen the partnership between Singapore and Japan," the statement added.

■

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Mark your calendars to **nominate yourself or someone else between March 20 and July 5, 2024.**

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NEWS BRIEFS

Sunrise LNG project study

Woodside Energy, the Australian LNG plant operator, said energy engineering company Wood Plc of the UK, the winner of a tender, would conduct a study on the proposed Greater Sunrise LNG project involving Australia and the nation of Timor-Este. The Timorese would have a more than 56 percent share in the Sunrise LNG venture if it goes ahead while Woodside would hold 33.4 percent and Japanese utility Osaka Gas would have a 10 percent stake. "The study will consider the key issues for developing, processing, and marketing gas with a strong focus on delivery of gas to Timor-Leste for processing and LNG sales or the alternative of delivery of the gas to Australia," Woodside said. The study is scheduled to be completed by no later than the fourth quarter of 2024.

Gasunie pipeline moves

Gasunie, the Dutch utility and LNG terminals owner, said it was concluding new 10-year framework agreements with a selection of six contractors for the maintenance and management of existing natural gas pipelines and the construction of new pipelines for hydrogen, green gas and carbon-dioxide. "The energy transition leads to many new projects, where maintenance of existing infrastructure also remains crucial. The agreement includes maximum investments of around €4 billion ($4.25Bln) spread over a period of 10 years," Gasunie explained. Janneke Hermes, Chief Financial Officer of Gasunie, said the agreement included "a new working method" that focuses on strategic partnership in the light of the energy transition. "We will invest large-scale in our core activity, the transport of energy, in the coming years," Hermes added. ■

Indian LNG imports surge by more than 17 percent in full fiscal year amid start soon of new Hindustan Petroleum terminal

LNG News Editor

Hindustan Petroleum's new LNG facility Gujarat state

Indian liquefied natural gas imports showed a long-awaited surge of over 17 percent in the full fiscal year to the end of March as growing domestic gas output was offset by falling LNG prices and the nation's increasing demand for gas marked by a new West Coast terminal set to start commercial operations soon.

India's LNG imports for the whole fiscal year from April 2023 to the end of March 2024 came to 22.87 million tonnes, up by 17.5 percent from the 19.46MT imported in the previous fiscal year.

LNG imports for the month of March 2024 actually edged lower to 1.87 million tonnes, which was 0.6 percent down from the 1.88MT received in March 2023.

Eighth terminal

That's as India's eighth LNG import terminal, the Chhara facility in the West Coast state of Gujarat, received its commissioning cargo on April 12 from the Punta Europa LNG export plant on Bioko Island in the African nation of Equatorial Guinea.

The Chhara LNG import terminal has 5 million tonnes per annum of capacity as been developed by Hindustan Petroleum Corp.

The Ministry import data showed that LNG cargoes for the whole fiscal year from April 2023 to March 2024 cost India 111,181 crore Indian rupees ($13.30Bln), which was around 22.5 percent lower than the 142,947 crore rupees ($17.10Bln) paid in the prior fiscal-year period.

Indian LNG imports cost around $1.1Bln in March 2024 compared with $1.2Bln in March 2023.

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

The Indian Ministry data showed that domestic natural gas production for the month of March 2024 came to 3.138 Bcm, up by 6.2 percent from the March 2023 total of 2.956 Bcm.

For the whole fiscal year, gas output increased by 5.8 percent to 36.438 Bcm versus 34.450 Bcm in the previous fiscal year.

The Ministry also gave average capacity utilization rates for the seven LNG terminals now operating and with data covering the first 11 months, one month in arrears, of the fiscal year from April 2023 to February 2024.

The total capacity of existing terminals has now risen to 52.7 MTPA from the eight facilities. However, the Chhara terminal will take several months to appear in the Ministry data book.

Regasification

The largest Indian terminal at Dahej, located north of Mumbai and operated by Petronet LNG, has capacity of 17.5 MTPA and had the highest utilisation rate which rose to 95.1 percent of capacity.

At the Hazira facility, operated by Shell India, the utilisation rate fell to 31.5 percent from 34.6 percent previously for 5.2 MTPA of capacity.

The GAIL (India) terminal at Dabhol, south of Mumbai, reported an increase to 41.5 percent in throughput from the 36.4 percent 11-month average previously logged for its 5 MTPA.

The West Coast terminal at Mundra reported a rise in utilisation to 12.6 percent from 11.1 percent for 5 MTPA.

At the Kochi facility in the southwest state of Kerala usage edged higher to 20.6 percent versus 20.3 percent previously for 5 MTPA.

At the Kamarajar (Ennore) terminal on the East Coast, capacity usage rose to 17.8 percent from the 17.0 percent registered previously at the facility with 5 MTPA of capacity.

At the second East Coast terminal, owned by the Adani group and TotalEnergies and located at Dhamra in the state of Odisha, the utilisation rate edged lower to 23.1 percent versus 25.1 percent for its 5 MTPA of regasification capacity.

The Ministry said that natural gas cumulative consumption for the whole fiscal year jumped by 11.1 percent to 66.634 Bcm compared with 59.969 Bcm in the 2022-2023 period. ■

Japanese LNG cargoes decline for a third month and also drop for fiscal year to March

LNG News Editor

Japanese liquefied natural gas imports decreased for a third straight month and were also 8 percent lower for the whole fiscal year to the end of March as storage was still high amid falling spot prices.

Japan's network of 37 terminals handled 5.55 million tonnes, or around 82 cargoes, in March 2024 and this was 3 percent lower than the 5.72MT received in March 2023.

The shipments cost 532.61 billion yen ($3.45Bln) in March 2024 versus 588.58Bln yen ($3.81Bln) in March 2023, which was 9 percent lower than in the same month of 2023.

Thermal coal imports in March 24 dropped by 10.4 percent to 7.74 million tonnes and cost 180.17Bln yen ($1.16Bln), down 50 percent from a year ago.

The data from the Finance Ministry for March 2024 showed that deliveries of LNG from Asian nations like Malaysia and Indonesia amounted to 1.32MT, down 17.6 percent.

Deliveries from countries in the Middle East like Qatar came to 622,000 tonnes in March, a fall of 5.7 percent on March 2023.

US and Russian rises

US deliveries to Japan in March increased by 44.3 percent year-over-year to 325,000 tonnes, up by 21.5 percent from a year ago, while deliveries from the Sakhalin plant in Russia increased by 35.7 percent to 577,000 tonnes.

The balance of the shipments in March came mainly from Australia and the spot market and amounted to 2.71MT during the month.

Japanese imports rose from Sakhalin plant in Russia

This portion of the deliveries had amounted to 2.51MT in the previous month of February 2024.

Japan's LNG deliveries for the full fiscal year to the end of March amounted to 63.88MT, which was 8 percent lower than the previous fiscal year.

The Ministry data showed that the cost of the shipments for Japan have dropped 31.7 percent fiscal year-over-fiscal year to 6.058 trillion yen ($39.20Bln).

Asia and Australia

Imports from the US during the fiscal year were up by 46.2 percent to 5.83MT while deliveries from Russia declined by 1.6 percent to 6.27MT.

Deliveries from the Middle East in the April 2023 to March 2024 period came to 6.07MT, down 4.2 percent.

Japan's imports from its Asian neighbours in the fiscal year came to 15.40MT, a drop of 15.2 percent from the previous fiscal year.

The balance of 30.3MT received came from the spot market, various African nations but mainly from Australia.

Japan's annual calendar year LNG imports dropped by 8.1 percent in 2023 to 66.15MT compared with China's overall imports of 71.35MT.

Japan is continuing with its nuclear plant re-start programme and a total of 11 nuclear reactors are now back in operation compared with the 54 that were online in 2011 before the Fukushima disaster and which had supplied around 30 percent of Japan's energy needs.

The 11th nuclear restart was the Takahama-1 plant owned by LNG importing utility Kansai Electric Power and this compares with 33 reactors that are capable of re-starting.

Nuclear restarts

The restarted reactors so far are: Genkai-3 and Genkai-4, Ikata-3, Mihama-3, Ohi-3 and Ohi-4, Sendai-1 and Sendai-2 and Takahama-1, Takahama-3 and Takahama-4.

Japan's Nuclear Regulation Authority is examining the re-start proposals for 10 more nuclear plants.

Among them is Chugoku Electric Power's plans to restart the No. 2 reactor at its Shimane nuclear power station in August 2024.

Japan's Tohoku Electric Power has also said that it planned to restart reactor No. 2 at its Onagawa nuclear plant around September 2024 after additional safety construction works had delayed the process.

NEWS BRIEFS

TechnipFMC Guyana win

TechnipFMC, the US oil and gas services company, has been awarded a large contract by ExxonMobil Corp. to supply subsea production systems for the Whiptail project in the Stabroek Block of the South American nation of Guyana. TechnipFMC said it would provide project management, engineering and manufacturing to deliver 48 subsea trees and associated tooling, as well as 12 manifolds and associated controls and tie-in equipment. "ExxonMobil Guyana will utilize our Subsea 2.0 systems and manifolds, which help provide schedule certainty," said Jonathan Landes, President of Subsea at TechnipFMC. "We have already delivered more than 100 subsea trees for ExxonMobil Guyana - the location of one of the world's fastest developing basins - and we look forward to deepening our relationship with them through Whiptail," Landes added. TechnipFMC stated that it currently employs around 140 Guyanese and expects to continue to hire and train additional local staff in support of this contract.

Chart gets slice of Cedar LNG contract

Chart Industries, the US LNG equipment-maker and industrial gases company, has received a key order from the Cedar floating LNG project being developed in the Canadian Pacific province of British Columbia.

Chart said it had been contracted to supply liquefaction equipment, including the natural gas liquefaction cold boxes and brazed aluminum heat-exchangers for the venture being built by Canadian company Pembina Pipeline Corp. and the Haisla Nation of native North Americans.

"The project is a key element of the Haisla Nation's economic and social development strategy and will further advance reconciliation by allowing the Haisla Nation, for the first time ever, to directly own and participate in a major industrial development in its territory," Chart explained.

"The Haisla people are centered on Kitamaat Village, home to approximately 700 of the 2,023+ Haisla membership," added Chart.

"The village sits at the head of the Douglas Channel," it noted where the FLNG unit and facilities will be located.

Chart received the order for its content from engineering, procurement and construction (EPC) company Black & Veatch, a leader in the FLNG projects and longstanding partner to Chart.

This is one of a series of big LNG, FLNG and small-scale LNG projects in recent quarters and years that Chart has won content.

Jill Evanko, Chart's Chief Executive and President, said the Atlanta, Georgia-based company was pleased to receive another order from Black and Veatch, headquartered near Kansas City in Missouri.

First Gen of Philippines awards LNG tender to the Chinese major CNOOC

LNG News Editor

First Gen Corp., the leading power company in the Philippines and a new liquefied natural gas importer, has awarded a cargo tender to Chinese major China National Offshore Oil.

"First Gen has awarded a contract to CNOOC Gas and Power Trading & Marketing Limited for an LNG cargo following a successful tender," the company said in a statement to the Philippines Stock Exchange signed by First Gen Vice President and Corporate Secretary Rachel Hernandez.

First Gen said the cargo would be delivered by the CNOOC unit at the end of May on a delivered-ex-ship (DES) basis whereby the Chinese provide the ship.

The cargo will be unloaded at the "BW Batangas", First Gen's floating storage and regasification unit (FSRU) in Batangas Bay.

First Gen's FSRU 'BW Batangas' deployed at Batangas Bay

Delivery date

First Gen issued the tender earlier in April and said it was seeking the cargo for delivery between May 25-31.

The Philippines has embarked on efforts to import more LNG to replace the depletion of domestic natural gas supplies from the Malampaya gas field, the country's only indigenous source of natural gas since the early 2000s.

Malampaya gas resources are forecast to be fully depleted by 2027, with supplies already dipping significantly.

According to the Philippines Energy Department (DoE), there is growing concern that the country could be left with a "considerable natural gas deficit" unless more action was taken with LNG import capacity being put in place alongside the development of more renewables.

President Ferdinand Marcos Jr. signed a service contract renewal agreement in 2023 allowing the Malampaya consortium to operate for another 15 years, or until February 2039, and requiring it to search for new gas deposits to augment the Malampaya field's depleting reserves.

The gas field, which covers 830 square kilometres offshore northwest Palawan, has been supplying natural gas to four First Gen power plants, Santa Rita, San Lorenzo, San Gabriel and Avion in the Batangas province.

Equinor agrees shale assets swap deal with US shale-gas giant EQT

Equinor, the Norwegian supplier of pipeline natural gas to Europe and LNG cargoes, has agreed a US deal with shale-gas giant EQT Corp. to swap Equinor's operated position in the Marcellus and Utica shale formations in Ohio for a stake in EQT's non-operated interest in the Northern Marcellus shale formation.

Under the transaction, Equinor will sell 100 percent interest in and operatorship of its onshore asset in the Appalachian Basin, located in southeast Ohio, in exchange for 40 percent of EQT's non-operated working interest in the North Marcellus shale in Pennsylvania.

Equinor said it would pay a cash consideration of $500 million to EQT to balance the overall transaction, swapping for resources that contribute to growing cash-flows and further reducing carbon-dioxide emissions intensity in the international portfolio.

Shale Gas No. 1

EQT is the largest producer of natural gas in the US with operations in Pennsylvania, West Virginia and Ohio.

Equinor is also the owner of the Hammerfest LNG export plant in northern Norway that came on stream in 2007 and it was initially developed to export LNG to the US before the extent of America's shale-gas resources became clear and the US later became the world's No. 1 LNG exporter.

Following the shale swap transaction, Equinor said it would increase its average working interest from 15.7 percent to 25.7 percent in certain Chesapeake Energy-operated Northern Marcellus gas units.

However, the strategy of the Norwegian company also involves moving out of all operated shale-gas interests in the main US basins.

"To cover pre-existing gas sales commitments, Equinor will enter a gas buy-back agreement with EQT," the Norwegian company explained.


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Colombian FLNG facility operates at full capacity to support grid as ‘El Niño’ affects hydro-electric

LNG News Editor

The floating LNG import terminal operating company in the South American nation of Colombia said LNG deliveries reached record levels to respond to the increase in demand for gas-fired power as drought conditions caused by the “El Niño” phenomenon reduced hydro-electric supplies.

The Sociedad Portuaria El Cayao (SPEC) company operates the only LNG import facility in Colombia with a floating storage and regasification unit (FSRU) deployed at the port of Cartagena since 2016.

“The regasified LNG at SPEC LNG during the most critical dry period of ‘El Niño’ has supported more than 70 percent of the country's gas-fired thermal generation and has represented more than 30 percent of the national gas demand, contributing to the reliability of the electric grid in Colombia,” said José María Castro, General Manager of SPEC LNG in a presentation to the Arpel Natural Gas Week conference held in Cartagena. Castro said in his presentation that the FSRU at Cartagena reached operating records in March 2024, receiving nine LNG carriers with nearly 500,000 cubic metres of LNG during the month, and delivering 400 million cubic feet per day of natural gas.

FSRU ‘Höegh Grace’ (left) unloads cargo at Cartagena

“We are operating at 100 percent of our current capacity to support the electrical energy generation system in this situation in which the lowest reservoir levels in the last 20 years were recorded in Colombia,” Castro explained.

For the past seven years, the FSRU “Höegh Grace” has delivered LNG storage and regasification services to SPEC.

Shipping company Höegh LNG also recently extended the charter of the “Höegh Grace” to the South American nation until at least 2031.

The imported LNG is unloaded at the FSRU, stored and regasified before being delivered into the transmission network for the Colombian market.

The terminal has a throughput capacity of 4 billion cubic metres per annum and imports of around 3 million tonnes of LNG a year.

The SPEC shareholders are local company Promigas with 51 percent and Royal Vopak of the Netherlands owns 49 percent of the terminal operator.

Hydro-reliant

Hydro-electric power traditionally accounts for around 70 percent of Colombia's electricity generation.

The country's domestic gas production and other generation sources are typically sufficient to cover the remaining power demand needs under normal weather conditions.

Castro said that the system that supports the generation of electricity is in the hands of Energy and Gas Regulatory Commission.

“The SPEC LNG regasification terminal has the role of Infrastructure Agent that provides its services to the three main thermal generators in the country, which can acquire backup LNG through the Marketing Agent that represents them,” added Castro. ■

Italian FLNG terminal for Tuscany is towed to yard in Genoa for start of major maintenance

Italian floating LNG terminal company, OLT Offshore LNG Toscana controlled by Italian natural gas grid and LNG terminals operator Societa Nazionale Metanodotti (SNAM), said the “FSRU Toscana” has been towed to a shipyard in Genoa for the first phase of a maintenance programme.

The “FSRU Toscana” will only re-enter full service in just over six months’ time in October.

“The vessel was towed by two tugs to the port of Genoa where it will remain at the dock for about a month to begin the first phase of the extraordinary maintenance intervention aimed at replacing the bearing of the anchoring system, a system designed and built to ensure the rotation of the terminal around the geostationary turret permanently anchored to the seabed,” explained the owner OLT Offshore.

OLT Toscana said that the work in Genoa was being carried out by San Giorgio del Porto SpA (SGdP), which won the contract tender.

Marseille work

“It is expected that in early June the ‘FSRU Toscana’ will then be towed to the French port of Marseille, once again at an SGdP-owned yard, where maintenance will be completed,” added OLT Toscana.

“Shipyard activities are expected to be completed by the middle of September, to be followed by operations to re-install the terminal in its previous deployment site offshore Livorno,” the company added.

“It is expected that ‘FSRU Toscana’ will resume operations from mid-October 2024,” stated OLT Toscana.

The vessel will be returned to its operational anchorage 22 kilometres (13.6 miles) off the Italian West Coast between the cities of Livorno and Pisa.

The ship is connected to the Italian gas grid through a 36.5-kilometres pipeline from the shore.

Five terminals

SNAM acquired 49 percent of the share capital of OLT in 2020 from Italian utility company, the Iren Group, and has joint control of the terminal along with Igneo Infrastructure Partners.

Since acquiring control of “FSRU Toscana” SNAM has become Italy’s dominant LNG importing company with several other FSRUs being put into operation.

The OLT Offshore facility, which has a regasification capacity of 5 billion cubic metres per annum, has traditionally provided national peak-shaving services to Italy with LNG cargoes.

SNAM is also currently moving towards developing a fifth LNG regasification facility for Italy at the Adriatic port of Ravenna.

The company has already started the construction of the associated facilities for the new FSRU in the form of the LNG vessel “BW Singapore”. ■