LNG Unlimited

LNG JOURNAL PUBLICATION 18 June 2024

Abu Dhabi $5.5Bln LNG project sealed and with nuclear power

ADNOC awards EPC contract for UAE LNG expansion with low-carbon power

LNG News Editor

Khaled bin Mohamed bin Zayed Al Nahyan, Crown Prince of Abu Dhabi, presiding over LNG and contract decisions

Abu Dhabi National Oil Co. (ADNOC), the main oil and gas company of the United Arab Emirates, has as expected made a final investment decision to build a second LNG export plant sited in the industrial city of Ruwais and has also awarded engineering contracts.

ADNOC awarded $5.5 billion of engineering, procurement and construction contract to a consortium for the facility with capacity of 9.6 million tonnes per annum of LNG.

The EPC contract was awarded to a joint venture including France's Technip Energies, JGC Corp. of Japan and local construction firm NMDC Energy.

Liquefaction

The Ruwais LNG project will consist of two 4.8 LNG liquefaction Trains, more than doubling ADNOC's existing UAE LNG production capacity to around 15 MTPA.

It will also be an LNG production plant powered by the low-carbon nuclear energy from the UAE's new plant located not far from the LNG production venture.

When completed the Al Ruwais plant will be handed over to ADNOC Gas, the natural gas and LNG producer in Abu Dhabi.

ADNOC Gas was spun-off in March 2023 from the ADNOC parent to become a separate company.

The existing ADNOC Gas LNG operation is the Das Island plant in Abu Dhabi with three liquefaction Trains and 6 MTPA of output.

The Das Island facility has operated since 1977 and was the first export plant established in the Arabian Gulf.

The Ruwais LNG FID and the award of the engineering contracts were announced by Sheikh Khaled bin Mohamed bin Zayed Al Nahyan, the Crown Prince of Abu Dhabi and Chairman of the Abu Dhabi Executive Council.

During a meeting of the Council, Sheikh Zayed Al Nahyan endorsed the FID and the EPC contracts.

The new LNG plant is in the Al Dhafra region of Abu Dhabi emirate.

"The project will reinforce ADNOC's position as a reliable global natural gas supplier and accelerate the development of Al Ruwais Industrial City by attracting investments and boosting the local industrial ecosystem," he explained.

"The project will procure highly specialized equipment and materials and will see 55 percent of the EPC award value flow back into the UAE's economy under ADNOC's In-Country Value (ICV) programme, stimulating economic and industrial growth and skilled private-sector jobs for Emiratis," the Sheikh stated.

During the meeting, he also commended ADNOC's recent strategic acquisitions of LNG projects in the United States and in Mozambique.

Ahmed Al Dhaheri, CEO of Abu Dhabi-based NMDC Energy, said the contract would strengthen its position in the UAE's energy landscape.

"Utilizing nuclear energy for LNG production not only sets a new international standard for low-emission energy, but also aligns with the UAE's strategy for a sustainable future," he added.

Nuclear project

The Barakah Nuclear Energy Plant is located in Al Dhafra in Abu Dhabi emirate, about 53 kilometres (33 miles) west-southwest of the city of Ruwais.

When all four units of the nuclear plant start operating commercially it will provide up to 25 percent of the UAE electricity requirements.

JGC's President Farhan Mujib said the Japanese company was "highly honored" to have been awarded the LNG contract.

"We commit to leveraging our capabilities and experience for the lower-carbon Ruwais LNG project, bringing our proven track record in the LNG field. We are convinced this will contribute to the success of the project and enhance economic growth in the UAE," added Mujib. ■

UNLIMITED AGENDA

Panama Canal raises draft limit and hopes for more transits from LNG and energy carriers

LNG News Editor

The Panama Canal Authority, which is trying to increase transits by liquefied natural gas carriers and other energy vessels and containerships, said it would again increase the number of ships that transit the waterway daily as water levels start to recover on the Canal after a prolonged drought blamed on the "El Niño" weather effects.

The ACP, as it is known from its Spanish name Autoridad del Canal de Panamá, said it was gradually approaching the volume of ships it handled before 2023 when the drought crisis hit hardest.

The ACP has notified shipping companies that starting on July 22, up to 34 ships a day will be able to pass through the Panamanian route, about five ships more than the average before the drought restrictions were imposed.

"With these progressive increases, by July 22 the Canal will have added two transits to the current schedule: one to the Panamax locks (raising the daily transits to 25), and one to the Neopanamax locks (increasing daily transits to 9)," said a statement.

Atlantic Basin-Pacific Basin transits pass through locks

Draft increase

Additionally, an increase in draft from 45 to 46 feet was announced and became effective on Saturday, June 15.

In metres, ships with a draft of up to 14 metres would be able to use the route.

This is an increase from the previous draft limit of 13.4 metres and is moving closer to the pre-crisis maximum draft of 15.2 metres that applied before the drought crisis hit the interoceanic waterway.

The Panama Canal, through which 6 percent of world maritime trade passes, is recovering after suffering a sharp reduction in water levels in 2023 due to the lack of rain caused by the El Niño phenomenon.

From an average of 39 ships per day, the figure was reduced to 22 at the worst moment of the crisis in 2023.

"The Panama Canal continues to monitor weather conditions on a daily basis in order to implement the necessary operational actions in the event of increased rainfall in its watershed," it added.

Lifted

During the Atlantic Basin-Pacific Basin transits the ships are lifted from sea level in locks up to the Panama Canal's Gatun Lake where the water levels had dropped substantially and where the levels have risen again.

LNG carrier transits are set to increase compared with the early months of 2024 when many LNG carriers looking to reach Asia from the US Gulf Coast liquefaction plants were continuing to choose the longer trans-Atlantic route around South Africa.

During the start of 2024 through May up to 30 LNG carriers per month left US LNG plants with Asian cargoes and headed for the longer route to Asia rather than use the Panama Canal. ■

French LNG storage tech company GTT has tank passed by Lloyd's Register and BV body

Gaztransport and Technigaz (GTT), the French LNG storage technology company, has received design approval from two European classification societies for the latest containment system.

GTT said Design Approval (DA) has been received from French classification society Bureau Veritas and a General Approval for Ship Application (GASA) has been awarded by UK class society Lloyd's Register for the GTT NEXT1 LNG cargo containment system.

These two approvals, officially granted at the Posidonia 2024 maritime show in Athens, mark a major advance in bringing the GTT's NEXT1 technology into use.

GTT noted that with these approvals Bureau Veritas and Lloyd's Register confirm that the technology complies with all applicable rules and regulations, including the International Maritime Organisation's International Gas Carrier Code (IMO IGC Code).

Commercial deployment

The Paris-based firm stated that with these two approvals, GTT NEXT1 technology was now ready for commercial deployment.

The company explained that the GTT NEXT1 technology aims to offer a thermal level of performance equivalent to that of current main tanks, the Mark III Flex+ technology, while using two metallic barriers.

GTT said that the use of prefabricated reinforced polyurethane foam panels to support the two membranes provides the best compromise between thermal and mechanical performance.

The secondary barrier is made of Invar, and the design of the first barrier is based on the existing corrugated stainless steel concept, similar to that of the Mark series of technologies.

GTT added that be activating these design levers, it was possible to "deliver significant performance improvements" while using proven materials and components.

Commitment

"The approvals from Bureau Veritas and Lloyd's Register for our GTT NEXT1 LNG cargo containment system demonstrate our unwavering commitment to innovation and technological excellence," declared Philippe Berterottière, Chairman and Chief Executive of GTT.

"We are proud to present this cutting-edge solution, which combines the best of our proven technologies with new advancements, ensuring optimal performance and improved reliability for the transportation of liquefied natural gas," Berterottière added.

Panos Mitrou, Gas Segment Director at Lloyd's Register, said that the GTT NEXT1 LNG cargo containment system combines the strengths of Mark III and No. 96 technology, creating a membrane system that sets a new standard in efficiency and reliability. ■

Woodside brings Sangomar on stream

Woodside Energy, the leading Western Australian liquefied natural gas plant operator with North West Shelf and Pluto LNG, has boosted the economic prospects of the West African nation of Senegal by achieving first oil from the Sangomar field, Senegal's first offshore oil project.

The Sangomar Field Development Phase 1 is a deepwater project including a stand-alone floating production storage and offloading (FPSO) facility with a nameplate capacity of 100,000 barrels per day and subsea infrastructure that is designed to allow subsequent development phases.

Sangomar has entered oil production before Senegal becomes an LNG exporter with an entirely separate project called the Greater Tortue Ahmeyim (GTA) offshore floating LNG project on the maritime border of Mauritania and Senegal being developed by UK major BP and Texas-based Kosmos Energy.

The Sangomar oil project features the "Léopold Sédar Senghor" FPSO, named after the first President of Senegal.

The FPSO is moored about 100 kilometres offshore Senegal and has a storage capacity of 1.3 million barrels.

Woodside said that the Phase 1 development includes 23 wells comprising 11 production wells, 10 water injection wells and two gas injection wells.

The project is in partnership with Societé des Petroles du Sénégal, the Senegalese national oil and gas company known as Petrosen.

Thierno Seydou Ly, the General Manager of Petrosen, said Senegal was proud to have entered a new era. ■

Golar LNG signs floating plant accord with Nigerian state firm

LNG News Editor

Golar LNG Ltd, the shipping company with a small but growing fleet of floating liquefied natural gas production and project vessels including the "Hilli Episeyo" offshore Cameroon and the "FLNG Gimi" for offshore Mauritania and Senegal, has signed another FLNG accord, this time with Nigeria.

The Golar LNG team that signed the Nigerian deal was led by Chief Executive Karl Fredrik Staubo.

Nigerian National Petroleum Corp (NNPC) has signed a project development agreement (PDA) with Golar LNG for the deployment of one floating LNG production unit to be sited offshore Nigeria.

Under the accord the partners will study how NNPC can proceed with an LNG export project from the proven gas reserves in shallow waters in the Niger Delta region.

NNPC's Executive Vice President for Upstream, Mrs Oritsemeyiwa Eyesan, Chief Financial Officer Umar Ajiya, Executive Vice President for Gas, Power and New Energy Olalekan Ogunleye with Golar LNG CEO Karl Fredrik Staubo and two other Golar executives at signing ceremony

Nigerian problems

Analysts noted that NNPC's Nigerian LNG plant at Bonny Island has not been the most efficient in recent years and expansion projects at Nigeria LNG have been slow to proceed as has another proposed Nigerian FLNG venture.

Nigeria holds West Africa's largest gas reserves of more than 200 million trillion cubic feet and is seeking investments to boost LNG output.

NNPC said the accord with Golar would build on a 2023 framework agreement to identify FLNG opportunities in Nigerian waters.

The FLNG signing ceremony was attended by Golar executives and NNPC's Chief Financial Officer, Umar Ajiya, the company's Executive Vice President for Gas Power and New Energy Olalekan Ogunleye and the Executive Vice President for Upstream operations, Mrs Oritsemeyiwa Eyesan.

NNPC and Golar plan to achieve a final investment decision (FID) before the end of the fourth quarter of 2024 and to achieve first gas in 2027.

Golar's most high profile project at present is the deployment of the "Gimi FLNG" vessel at a nearshore hub on the maritime border between two of Nigeria's more northern regional neighbours Senegal and Mauritania. ■

Saudi Aramco benefits from switch to natural gas and quest for LNG

Saudi Arabian Oil Company (Saudi Aramco), the largest oil exporter, is benefiting from the decision to switch to more natural gas as Aramco shares rose after the June share offering and gas plans were advanced by the award of an engineering contract to a unit of Chinese major Sinopec.

Sinopec International Petroleum Services Corp. said in a statement it signed a contract worth US$1.30 billion to build natural gas pipelines for Saudi Aramco.

The contract is for the procurement and construction of parts of the third phase of the Master Gas System in Saudi Arabia.

Sinopec will build parts of the pipeline grid that includes trunk lines with a total length of 2,630 kilometres (1,635 miles) and 1,340km of branch lines, part of Aramco's plan to expand gas distributions across the Kingdom.

Huge gas field

The Dhahran-based company's plans are centred on the Jafurah unconventional gas production project.

The Jafurah Gas field contains an estimated 200 trillion standard cubic feet of natural gas, making it the largest unconventional gas discovery in the Middle East.

While Aramco switches to using more natural gas and considering more participation in overseas liquefied natural gas projects and LNG asset acquisitions the company's shares have increased on the Saudi stock exchange as Aramco has also issued a run-down on shareholdings after the June 2024 secondary share offering.

The Dhahran-based company's shares on the Saudi Tadawul stock exchange increased on June 10 by over 1 percent from the previous close to 28.60 Saudi Riyals ($7.62).

The latest share offering brought most response from the most prominent overseas institutional investors who showed that they still have a taste for oil and gas holdings. ■

Power Play AWARDS

Presented by ExxonMobil

THE 2024 POWER PLAY AWARDS ARE HERE!

This year's awards program continues building on the mission of shining a light on the accomplishments of remarkable women and men who uphold the importance of supporting and empowering others in the workplace. We've added a brand-new award category that focuses on those making significant contributions by leveraging innovation and collaboration to accelerate society's path to net zero!

Let's bring well-deserved recognition to those shaping the present and future of LNG and decarbonization by nominating yourself and/or the individuals that you believe are worthy of a Power Play Award.

The Low Carbon Accelerator ***NEW***

Outstanding Collaboration and Innovation

The Pioneer

Outstanding Business, Innovation and/or Technology Contribution

The Rising Star

Outstanding Young Professional

The Ambassador

Outstanding Leadership

An independent panel will judge all nominations, and winners will be announced at Gastech, Houston in September.

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

LEARN MORE

ExxonMobil

NEWS BRIEFS

Beach Energy gas flows

Beach Energy, the Australian exploration and production company and recent LNG player, has successfully connected the Enterprise natural gas field located just offshore Port Campbell in the state of Victoria to the Otway Gas Plant, with first sales gas delivered on June 12, 2024. Beach signed a Gas Sales Agreement (GSA) to supply utility company Origin Energy with gas from the Enterprise field until the end of 2026. "First gas from the Enterprise field is a significant milestone in Beach's target of delivering a material increase in production and free cash flow over the next 12 months," said Chief Executive Brett Woods, whose company also has a stake in the gas and LNG project onshore the Perth Basin in Western Australia.

Wood to boost Iraq gas

The UK Wood Group plc, a global leader in energy consulting and engineering, has been awarded a new three-year contract worth $46 million by French major TotalEnergies to boost natural gas availability in southern Iraq. Wood will provide front-end engineering and design, detailed design, procurement support and construction and commissioning assistance for the first phase of the Associated Gas Upstream Project, part of the Gas Growth Integrated Project (GGIP) venture. "The GGIP includes the recovery of gas currently flared in the Basra region to supply power generation plants, along with the construction of a seawater treatment unit and a 1 gigawatts solar power plant," said Wood. The contract will be delivered by Wood's teams in Basra and Dubai, creating 100 new positions. Wood currently employs over 1,300 people in Iraq and the United Arab Emirates. ■

US energy report forecasts drop in shale gas output at Haynesville and Appalachia but US oil production forecast to hit records

LNG News Editor

The US government's short-term energy report for June forecasts declines in natural gas production in the Haynesville and Appalachia shale basins before a rebound in 2025 backed by higher benchmark Henry Hub gas prices, while also forecasting annual record production in 2024 and 2025 for US crude oil.

"Marketed natural gas production in the Haynesville region in our forecast falls by 9 percent this year and production in the Appalachia region falls by 4 percent," said the US Energy Information Administration in its June Short-Term Outlook.

"The forecast declines are partly offset by growth of 4 percent in the Permian region, largely because most of the natural gas produced in the Permian is associated with oil production," explained the EIA Outlook.

"We forecast US marketed natural gas production will increase by 2 percent next year, with growth in all three of these regions, as natural gas prices rise in our forecast," stated the report.

Henry Hub pressure

The EIA expected the drop in US natural gas production in 2024 would continue to put upward pressure on the Henry Hub natural gas spot price.

"We expect that the Henry Hub spot price will average $2.50 per million British thermal units (MMBtu) this year, 13 percent higher than we expected last month, with prices rising from $2.12/MMBtu in May to $3.30/MMBtu in December 2024," the report explained.

The EIA also pointed out that the June Outlook had new natural gas production data tables, providing more data and analysis for US marketed natural gas production by region in the Lower 48 states.

The data includes historical and forecast production for the Appalachia, Bakken, Eagle Ford, Haynesville, and Permian regions.

The EIA estimated US marketed natural gas production averaged 110 billion cubic feet per day in May, a 3 percent decrease from the first quarter of 2024.

"Production in the Haynesville and Appalachia regions is driven by natural gas prices, which reached record lows in early 2024," said the EIA.

Permian gas flat

"Low natural gas prices encouraged producers in the Appalachia and Haynesville regions, in particular, to curtail production until market conditions changed," it added.

The report said that unlike regions that focus more on natural gas production not associated with oil wells, natural gas production in the Permian region remained almost flat in May compared with the first quarter of 2024 as crude oil production in the Permian continued to grow.

The Outlook focused on US storage inventories as well to build its pricing forecasts.

"We are starting the summer with more natural gas than usual. Although we forecast an increase in natural gas prices for the summer months as storage inventories rise by less than the five-year average, we expect inventories will remain above the five-year average and keep prices below $3.00/MMBtu on average in the third quarter of 2024, similar to the $2.59/MMBtu average in third quarter of 2023," said the report.

Natural gas storage inventories were 24 percent above the five-year average at the end of May, and the EIA forecasts storage inventories to end the summer injection season on October 31 at 6 percent above the five-year average.

"If US natural gas production is lower than our forecast and consumption in the electric power sector to meet air-conditioning demand increases more than we expect, natural gas prices could be higher than forecast," the Outlook noted.

Looking at the crude oil market, US crude production is forecast to grow by 2 percent in 2024 and average 13.2 million barrels per day for the year and a further 4 percent in 2025.

"If our forecast is realized, US crude oil production would set new annual records in both 2024 and 2025," stated the Outlook.

Texas oil surge

"Comparing the regions, we forecast the Permian region, mostly in Texas, will contribute almost two-thirds of all US crude oil production growth through December 2025," the Outlook explained. ■

Overview

U.S. energy market indicators	2023	2024	2025
Brent crude oil spot price (dollars per barrel)	$82	$84	$85
Retail gasoline price (dollars per gallon)	$3.50	$3.40	$3.50
U.S. crude oil production (million barrels per day)	12.9	13.2	13.7
Natural gas price at Henry Hub (dollars per million British thermal units)	$2.50	$2.50	$3.20
U.S. liquefied natural gas gross exports (billion cubic feet per day)	12	12	14
Shares of U.S. electricity generation			
Natural gas	42%	42%	41%
Coal	17%	16%	15%
Renewables	21%	23%	25%
Nuclear	19%	19%	19%
U.S. GDP (percentage change)	2.5%	2.5%	1.6%
U.S. CO_2 emissions (billion metric tons)	4.8	4.8	4.8

Data source: U.S. Energy Information Administration, *Short-Term Energy Outlook*, June 2024

Forecasts for all sectors issued by EIA in latest Outlook

Matador Resources seals $1.9Bln deal for Delaware Basin assets from EnCap portfolio

LNG News Editor

Matador Resources Company, the oil and natural gas independent in the southwest United States, has entered into an agreement to acquire shale assets in the Delaware Basin of West Texas and New Mexico for $1.905 billion in cash as the current US mergers and acquisitions wheel continues to turn.

Matador has agreed to buy a subsidiary of Ameredev II Parent LLC including certain oil and natural gas producing properties and undeveloped acreage located in Lea County in New Mexico and Loving and Winkler counties in Texas.

The Ameredev acquisition also includes a 19 percent stake in Piñon Midstream, which has midstream assets in southern Lea County in New Mexico.

Matador's acquired Amerdev unit is a portfolio company of EnCap Investments LP.

Existing assets

The Dallas, Texas-based company's own current operations are focused primarily on the oil and liquids-rich portion of the Wolfcamp and Bone Spring plays in the Delaware.

Matador also operates in the Eagle Ford shale play in South Texas and the Haynesville shale and Cotton Valley plays in Northwest Louisiana.

"Matador is very excited to work with EnCap again on this strategic bolt-on opportunity," said Joseph Wm. Foran, Matador's founder, Chairman and Chief Executive.

"As with the successful Advance Energy deal we completed in April of 2023, we view the Ameredev transaction as another unique opportunity to work with EnCap and another value-creating opportunity for Matador and its shareholders," stated Foran.

US shale oil and gas assets in key basins are in demand

"We evaluated this opportunity based on the high rock quality, the strong existing production and cash-flow profile, the significant reserves additions, the high-quality inventory, the strategic fit within our existing portfolio of properties and the expansion of our midstream footprint with an ownership interest in Piñon," Foran explained.

Financing

Matador said it would finance the acquisition with equity and debt securities offerings and a revolving credit facility amendment it completed earlier this year, together with its "historical balance sheet conservatism".

Additionally, Matador conducts midstream operations in support of its E&P work and provides natural gas processing, oil transportation services, water gathering services and produced water disposal services to third parties.

On a "pro forma' basis following the closing of the acquisition, Matador expects to have over 190,000 net acres in the Delaware Basin at around 2,000 net locations, production of over 180,000 barrels of oil and natural gas equivalent per day, proved oil and natural gas reserves of over 580 million BOE and an enterprise value in excess of $10 billion.

Earnings boost

Matador expects to generate forward one-year adjusted gross earnings of around $425 million to $475 million at strip prices as of late May 2024.

"This represents an attractive purchase price multiple of 4.2x for the upstream assets with strip prices for the remainder of 2024 averaging $77 per barrel of oil and $2.76 per million British thermal units for natural gas," the statement added.

Matador said that the estimated production of the acquired assets in the third quarter of 2024 would be between 25,000 Boe 26,000 Boe per day with 65 percent oil.

It noted that there were about 33,500 highly contiguous net acres comprising 82 percent held by production and 99 percent operated in the northern Delaware Basin, most of which is located in Matador's Antelope Ridge asset area in southern Lea County, New Mexico and Matador's West Texas asset area in Loving and Winkler Counties, Texas.

The deal adds 431 gross (371 net) operated locations with 86 percent working interest identified for future drilling, including prospective targets throughout the Wolfcamp and Bone Spring formations.

Baker Botts LLP served as legal advisor to Matador for the transaction. Vinson & Elkins LLP served as legal advisor and JP Morgan served as financial advisor to Ameredev and EnCap. ■

> **"As with the successful Advance Energy deal we completed in April of 2023, we view the Ameredev transaction as another unique opportunity to work with EnCap and another value-creating opportunity for Matador and its shareholders"**
>
> *Joseph Wm. Foran, founder, Chairman and Chief Executive, Matador*

NEWS BRIEFS

Spanish gas totals

Enagás, the Spanish natural gas grid and LNG terminals operator, recorded a drop of 18.6 percent in May natural gas imports compared with May 2023 with Russian and Nigerian LNG imports declining. Data from Enagás showed that Spain imported the equivalent of 28,264 gigawatt hours in May, the equivalent of 2.89 billion cubic metres of natural gas. This included regasified LNG as well as pipeline gas from Algeria and France, compared with 34,709 GWh, or 3.55 Bcm of gas, in the same month last year. Russia was the largest LNG supplier to Spain with 6,416 GWh, or 511,450 tonnes of LNG, down from 9,663 GWh in May 2023. The US was the second-largest LNG supplier with 3,893 GWh followed by Nigeria with 2,932 GWh, down from 6,813 GWh in 2023. Qatar supplied 1,742 GWh of the LNG total and Algeria delivered 1,477 GWh of LNG and 8,791 GWh of pipeline gas. ■

Naturgy no longer targeted from UAE

Naturgy Energy, the power company with LNG operations from Puerto Rico to Europe and pipeline gas networks from Algeria to South America, is no longer being targeted for a takeover by a company from Abu Dhabi in the United Arab Emirates.

TAQA, a power and water utility founded in 2005, had been in negotiations to acquire Spain's largest gas company, together with contracts with Algeria and also a long-term contract to import some 2.25 million tonnes per annum Russian LNG.

Under its formal name, Abu Dhabi National Energy Company (TAQA), the UAE company was aiming to acquire the stakes of equity funds that own a large proportion of Naturgy shares.

The UAE company, which is itself listed on Abu Dhabi Securities Exchange (ADX), is an international energy and water operator with a presence in 11 countries.

However, the board of Abu Dhabi's TAQA has decided to withdraw from negotiations that would have launched a joint takeover bid for Naturgy along with Spanish holding company Criteria Caixa.

TAQA's decision to drop the joint bid with Spain's Criteria Caixa was final, according to investment banks involved in the talks.

TAQA had initially said it was also in talks with two private equity firms CVC and GIP, each owning more than 20 percent of Naturgy, to acquire their stakes.

The Abu Dhabi company's talks with Criteria Caixa involved its ownership of a 26.7 percent stake in Naturgy and a possible partnership agreement between TAQA and Criteria Caixa.

■

US Mountain Valley Pipeline for gas transport in Appalachia goes ahead

LNG News Editor

US energy regulators have confirmed the permit for the entry into service of the $7 billion Mountain Valley Pipeline in Virginia and West Virginia whose operator is Equitrans Midstream, a company currently the subject of a merger deal with LNG player EQT Corp., the largest shale-gas operator in the US Appalachian Basin.

The Mountain Valley pipeline at Brush Mountain in Virginia

EQT announced in March 2024 that it had entered into a definitive merger agreement creating a premier vertically integrated natural gas business, with an initial combined enterprise value over $35 billion.

The EQT-Equitrans transaction is expected to close during the fourth quarter of 2024, subject to required regulatory approvals and clearances.

The transaction closing is contingent on the Federal Energy Regulatory Commission authorizing the Mountain Valley Pipeline to enter service.

Pittsburgh-based EQT has existing shale-gas operations in the Marcellus and Utica formations of western Pennsylvania, Ohio and West Virginia.

EQT has also signed LNG accords including with the Texas LNG project at the Port of Brownsville owned by the leading infrastructure developer Glenfarne Energy Transition.

The FERC has now been asked to finally confirm that operator Equitrans can put the Mountain Valley Pipeline into service this week from June 11, 2024.

“Multiple shippers have executed agreements to commence transporting volumes using the project facilities beginning the day after the project declares in-service, which further heightens the need for prompt authorization to meet market demands,” said Equitrans in its last FERC filing.

Biden deal

Construction of the pipeline had been severely slowed by court challenges until a congressional spending deal was achieved in 2023 by Senator Joe Manchin, a conservative Democrat from West Virginia who supports the project and who gained the consent for the pipeline from the Biden Administration.

■

Gazprom signs accords with three Central Asian states and Turkey

Gazprom, the Russian natural gas company impacted by sanctions after the invasion of Ukraine in 2022, is trying to rebuild its business by signing deals for gas transportation exits via the three Central Asian former Soviet states of Kazakhstan, Uzbekistan and Kyrgyzstan as well as its neighbour across the Black Sea, Turkey.

Gazprom has just signed contracts with Kazakhstan for gas transit to Uzbekistan and Kyrgyzstan.

The documents were signed at the St. Petersburg International Economic Forum held by the Russians.

Gazprom has ambitious plans to ramp up gas supplies to Central Asia and Turkey.

The company aims to deliver significantly larger volumes via the Central Asia-China Pipeline for 15 years starting in 2025.

The Central Asia-China pipeline is a network of natural gas pipelines that transport natural gas from Turkmenistan, Kazakhstan, and Uzbekistan into China.

With a 55 billion cubic metres capacity, the same as the now defunct Nord Stream 1 pipeline from Russia to Germany, the 1,833-kilometres (1,140 miles) Central Asia-China Pipeline presently comprises three sections (Lines A, B, and C), running from Turkmenistan through Uzbekistan and Kazakhstan to China’s Uygur Xinjiang Autonomous Region.

From there, the pipeline links up with the West-to-East Gas Pipeline in China, underscoring its significance in regional energy dynamics.

BOTAŞ venture

Turkish Energy Minister Alparslan Bayraktar was also at the Russian Forum and said the Turkish Petroleum Pipeline Corporation (BOTAŞ) planned to set up a joint venture company with Gazprom as part of a plan to establish a hub in Turkey for selling natural gas.

■

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

New Zealand reverses ban on oil and gas activities and will match rules of LNG nations like Australia

LNG News Editor

New Zealand has reversed a ban on oil and gas exploration introduced by the previous government and will offer incentives for energy and mining company investments similar to those in other pro-fossil fuel energy nations.

New Zealand, whose nearest neighbours include the big oil and gas and LNG producers Australia and Papua New Guinea, currently only allows hydrocarbon production in limited areas of the existing Taranaki Basin.

The country's Minister for Resources Shane Jones has confirmed that because natural gas reserves were declining and sustainable sources like wind, solar and hydro-electric were too inconsistent oil and gas exploration and production were being re-launched.

Operators

Australia's Beach Energy is one of the few companies that operate in the sole permitted New Zealand production area, the Karanaki Basin.

Beach produces natural gas from previous discoveries at the Kupe gas developments, situated 30 kilometres (18.6 miles) off the New Zealand North Island coast in licence PML 38146.

Kupe gas field off North Island coast of New Zealand

Gas from the Kupe field is piped to the onshore Kupe Gas Plant.

Beach's New Zealand operations comprise the offshore Kupe field in which it holds a 50 percent stake and operates. The Genesis company holds 46 percent and New Zealand Oil and Gas (NZOG) owns 4 percent of the field.

Now the New Zealand government is expanding the oil and gas and mineral mining regions for reasons of energy security and economic necessity.

"Natural gas is critical to keeping our lights on and our economy running, especially during peak electricity demand and when generation dips because of more intermittent sources like wind, solar and hydro," explained Minister Jones in his statement.

Banned in 2018

Petroleum exploration was banned by the left-wing Labour-led government in 2018.

"When the exploration ban was introduced by the previous government in 2018, it not only halted the exploration needed to identify new sources, but it also shrank investment in further developing our known gas fields which sustain our current levels of use," Jones explained.

"Without this investment, we are now in a situation where our annual natural gas production is expected to peak this year and undergo a sustained decline, meaning we have a security of supply issue barrelling towards us," Jones warned.

The exploration ban and restrictions on investment were introduced by former Prime Minister Jacinda Ardern, who resigned in 2023.

In a subsequent election her left-wing party was thrown out of office and replaced by a centre-right coalition.

Analysts noted that the anti-oil and gas policy had driven investors away, destroyed jobs and created an energy crisis as happens when a country cuts off its own supplies and pushes up prices for its own citizens. ■

Chinese major CNOOC discloses 'exploration breakthrough' with gas play in South China Sea

China National Offshore Oil Corp., the Chinese energy major and with international and domestic LNG interests, has claimed a "major exploration breakthrough" with a natural gas play in ultra-deep waters of the South China Sea.

The Lingshui 36-1 gas field is located in the western South China Sea with an average water depth of around 1,500 metres.

The main gas-bearing play is the Ledong formation with an average burial depth of 210 metres.

CNOOC said the field has been tested to produce over 10 million cubic metres per day of open flow natural gas. "The exploration in ultra-deep water ultra-shallow gas plays in the South China Sea is faced with world-class engineering and technical challenges," the company explained.

Success

CNOOC Chief Executive and President Zhou Xinhuai said the successful testing of Lingshui 36-1 was a breakthrough for the exploration in such plays.

"The company will continue to tackle the challenges on the exploration and development of the resources in such plays, to expedite the utilization of natural gas in deep waters," he added.

"The successful testing of Lingshui 36-1 further expands the resource base for the development of a trillion-cubic-metres gas region in the South China Sea," stated Zhou.

CNOOC said in May 2024 that production started at its largest natural gas field in the central Bohai Sea offshore China.

CNOOC said start-up was at the Bozhong 19-6 Gas Field in Block 5.

The Bozhong 19-6 natural gas and condensate field phase I development project is the first 100 Bcm field in Bohai Bay to be put into production.

CNOOC said the field would provide the Beijing-Tianjin-Hebei and Bohai Rim regions with "a more stable and reliable" supply of clean energy.

The company is also using the development to promote the green and low-carbon aims of China.

The main production facilities include a wellhead platform with 10 development wells planned to be commissioned and full production reached by 2026.

CNOOC holds 100 percent interest in the Bozhong 19-6 project and acts as the operator. ■

CROWN LNG

LNG infrastructure for harsh weather conditions

Crown LNG's vision is to enhance energy security & support a responsible green energy transition.

The Crown LNG value chain

To find out more visit **www.crownlng.com**

Drammensveien 145-147
0277 Oslo NORWAY

(+47) 980 25 359 | info@crownlng.com
www.crownlng.com