LNG Unlimited

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UK sanctions Russia's LNG assets

Last week, the UK Government announced it had sanctioned five LNGCs and two entities allegedly operating in the Russian LNG sector.

A major Arctic LNG 2 module arrives on site

It is believed to be the first time the UK has used its new ship specification power to target LNGCs directly.

This move boosts the efforts of allies to try to stop Russia's attempts to bolster its future energy revenues - the most critical source of funding for Putin's war in Ukraine, the UK's Foreign, Commonwealth and Development Office (FO) said.

Russia has plans to expand its LNG revenues by aiming to grow its global LNG market share from 8% to 20%.

Earlier this year, the UK sanctioned the Arctic LNG 2 project, alongside the US and EU. Since then, the production facility has been forced to slash production.

The UK has now sanctioned 15 vessels and entities involved in the Russian LNG sector, the Government said.

The LNGCs sanctioned were: 'Pioneer' (IMO 9256602); 'Asya Energy' (IMO 9216298); 'Nova Energy' (IMO 9324277); 'North Sky' (IMO 9953523) and the 'SCF La Perouse' (IMO 9849887).

Associated with the vessels, the following entities were also sanctioned: Ocean Speedstar Solutions OPC – the operator and manager of 'Pioneer' and 'Asya Energy' and White Fox Ship Management – the operator and manager of 'North Sky'.

The FO explained that ships specified under the Russia (Sanctions) (EU Exit) Regulations 2019 are prohibited from entering a UK port, may be given a movement or a port entry direction, can be detained, and will be refused permission to join the UK Ship Register, or have its existing registration terminated, as necessary.

Russian development continues

Meanwhile, Russia is to continue to develop the infrastructure to transport LNG, specifically boosting capacity at Arctic ports and delivering the necessary gas carriers for the projects, President Putin stressed during a plenary session of Russia's recent Energy Week.

"LNG from Russia's Arctic has become one of the anchor cargoes of the Northern Sea Route (NSR). We will definitely continue to develop our own services and technologies in the LNG sector, as well as create centres for transhipment, storage, and trade of LNG.

"We will deliver gas carriers to projects and of course boost capacity at our Arctic and eastern seaports, as well as strengthen communications and infrastructure of the NSR," Putin said.

He also admitted that there were many problems that will delay LNG projects' implementation, although despite this, they will be developed, Interfax reported.

Russian LNG exports are forecast to total 35 mill tonnes this year, Russian Deputy Prime Minister Alexander Novak told reporters on the sidelines of the Russian Energy Week.

The country produced 32.9 mill tonnes of LNG in 2023, so the figure could increase by 6.4% this year.

However, the medium-term macroeconomic forecast projected that Russia would produce 38 mill tonnes of LNG in 2024, Interfax said.

In another move, Indian Oil Secretary, Pankaj Jain said late last week that India will not buy LNG produced by Russia's Arctic LNG 2 project, which has been sanctioned by Western countries.

"We will not buy (supply from) Arctic LNG 2. We are not buying any sanctioned commodity. Something which has broad-based sanctions, we are not touching it," Jain told local media. ■

UNLIMITED AGENDA

POLITICS

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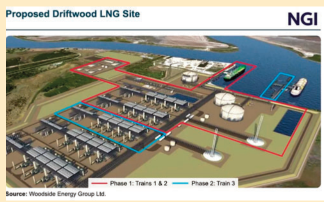

ENVIRONMENT

BUSINESS

South Africa to ramp up LNG projects

South Africa's state-owned Transnet National Ports Authority (TNPA) has asked interested parties to submit proposals for the planned LNG terminal at Ngqura.

In collaboration with Infrastructure South Africa (ISA) and the Industrial Development Corp (IDC), TNPA has approached the market for an environmental impact assessment (EIA).

The request for proposals (RFP) process will result in the appointment of a service provider contracted to assess the environmental compliance and sustainability of the planned terminal.

Once a contractor has been appointed, a detailed analysis of ecological and local regulations will be undertaken to determine critical environmental authorisations. It will include a seismic survey, marine ecology, climate change impact assessment and socio-economic assessment.

The EIA process will be carried out in tandem with negotiations for a terminal operator agreement (TOA) between the TNPA and the South African Strategic Fuel Fund (SFF), to build and operate an onshore LNG regasification facility at Ngqura for 30 years.

"This milestone is a critical step towards the development of the LNG terminal at the Port of Ngqura. Through its commercial seaports, TNPA is at the forefront of enabling the gas-to-power project pipeline whilst ensuring the security of supply and unlocking global opportunities for sustainable impact," said acting TNPA CEO, Phyllis Difeto.

The Ngqura LNG terminal is one of 12 priority infrastructure projects announced in March, 2024 that were designated as Strategic Integrated Project (SIP) status.

The partnership is fast tracking the EAI, with the RFP closing on 30th October, 2024. An RFP for pre-feasibility studies should have been issued by the end of last month.

Mameetse Masemola, the acting Head of Infrastructure South Africa, said: "ISA is established to provide strategic, technical and financial advisory support to project sponsors for the planning, preparation, development and implementation of national pipeline projects and strategic integrated projects.

"This project is one of the flagship projects, which we are proud to support and excited that progress is moving at pace," she said.

The Port of Ngqura, also known as Coega, became operational in 2009 and is now one of the fastest growing ports on the African continent.

It offers a water depth of 18 m and it is located about 20 km northeast of Port Elizabeth at the mouth of the Coega River in Nelson Mandela Bay (Algoa Bay).

LNG requirements' research

This move comes just a few days after South African energy companies, privately owned Eskom and publicly backed Sasol, signed a memorandum of understanding (MoU) to jointly explore and research potential LNG requirements.

This project will also enable the country to find a solution for gas users who require longer term certainty of supply beyond this decade.

The ISA's Mameetse Masemola

The two companies will determine the potential volumes that South Africa requires to establish a viable LNG import market along with the infrastructure needed. This will be facilitated by government-to-government relations where necessary.

It will focus on using gas for power generation to provide essential base load electricity and position gas as a key enabler of re-industrialisation, while also ensuring continued supply to the market by unlocking global LNG resources.

Furthermore, the joint venture will contribute to enhancing South Africa's energy mix and enable the country's energy transition and de-carbonisation.

The MOU was signed with the full support of South Africa's Minister of Electricity and Energy, Dr Kgosientsho Ramokgopa.

"We have made it clear that we are serious about LNG solutions for the country, and that our demand for gas across both industrial and energy frontiers will unlock these solutions," he said.

"This collaboration between our two energy champions – one public, one private – will provide a data-driven and commercially sound basis for gas-fed industrialisation and for us to explore the well-worn path to lower carbon energy that the global north has already taken by scaling gas to power.

"Gas has emerged as the second-largest contributor to global electricity production, experiencing rapid growth as many countries shift from coal to gas in their energy mix to enable positive implications for climate change, as gas typically emits less CO2 per unit of energy," he said.

Aligned to a gas master plan, the MoU will explore sourcing gas within South Africa, the Southern African Development Community (SADC) region, and other parts of the African continent, in addition to evaluating long-term LNG contracting. ■

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US election - what next for the energy sector

Commenting on the forthcoming US Presidential election on what it would mean for the US energy sector, US financial analyst, Tortoise's Managing Partner, Rob Thummel came up with a few bullet points.

- US GDP growth and US energy production growth have been slightly higher under a unified Republican Government, but generally only an average of between 2-3% per year. Total US exports have significantly increased over the past 20 years, rising between eight and 14% annually, primarily driven by shale technology with minimal influence from political factors.
- A common theme across all presidential terms is that fossil fuels provided over 80% of the US energy supply. People are surprised that oil is still the largest market share not only in the US, but also in the world in terms of the percentage of energy supply.
- We're in a history-making era for the US energy sector, due to the opportunity for hydraulic fracturing. Shale technology is here to stay, and it's going to continue over time.
- Horizontal drilling of shale wells today extends to as much as 22,000 ft, which is almost four miles. The improvements in the technology and what that's done is significant. Today, 64% of all US oil production comes from shale technology, which is around 8 mill barrels per day.
- Fracking has become much more accepted. Both political parties seem aligned on the importance of fracking because of the economic and geopolitical advantages that it offers.
- Fracking has provided energy security to the US, lowered energy costs in the US, as well as globally and enhanced energy independence. To be elected, politicians want the economy to grow and gasoline prices to be low, and fracking plays an important role in accomplishing both.
- Oil is an important commodity for the global economy, and oil supply growth needs to keep pace with oil demand growth to prevent oil price spikes. Without shale oil, it would've been difficult for Russia and Saudi Arabia to meet the rising global demand for crude oil. We also think that oil prices would be significantly higher without shale.
- The $391 bill of energy and climate tax incentives that are included in the IRA, will most likely be implemented under a divided government. Under a Republican sweep, the result could be a 40% to 50% reduction in the IRA incentives, and under a Democratic sweep, the potential for the IRA bill could be expanded.
- In most scenarios, the pause on LNG export approvals will likely be lifted. While a Democratic sweep could see an extension of the LNG pause, US exports of LNG are still projected to double by 2030.
- Geopolitical risks will likely remain elevated in all scenarios. A Republican sweep could mean a tougher stance on Iran, but either way, the odds of current conflicts de-escalating seems low right now.
- Regardless of the outcome of the election, we're confident that economic fundamentals will prevail, and fossil fuels will remain the most cost-effective, efficient and reliable energy source for the foreseeable future, Thummel concluded. ■

Oil and gas industry slows energy transition

The oil and gas industry has pursued energy transition avenues to de-carbonise its operations in the face of environmental concerns.

However, heightened energy security fears amid the Ukraine war have re-established the focus on fossil fuels, which has led companies to scale down their energy transition pursuit.

This will likely continue this year, but the switch towards low-carbon energy is expected to proceed, albeit at a slower pace, claimed data and analyst company, GlobalData.

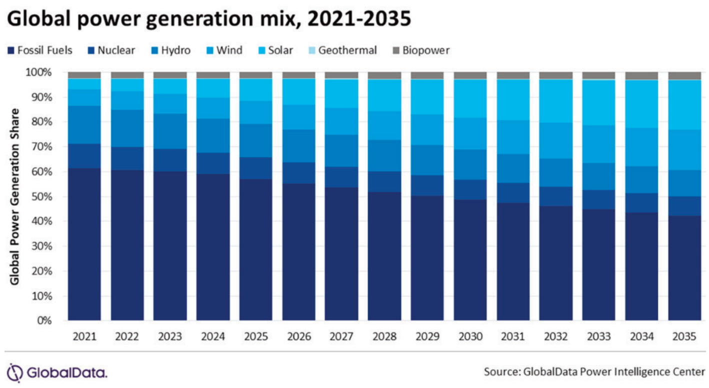
GlobalData's thematic report, 'Energy Transition in Oil and Gas,' highlighted the energy transition related developments in the oil and gas industry.

Companies are switching towards renewable power and other low-carbon options in their energy transition efforts. Most leading industry companies have adopted 2050 as the long-term goal for net-zero carbon emissions.

However, a lot of promises hinge on the successful implementation of their respective interim targets for 2030.

Ravindra Puranik, Oil and Gas Analyst at GlobalData, commented: "Energy security has been a concern for most countries following the outbreak of the Russia/Ukraine war.

"The resultant supply chain disruption drove countries towards the readily available fossil fuels, thereby boosting oil and gas demand. On the other hand, the push for energy self-reliance and high inflation have somewhat derailed the clean energy adoption," she said.



Renewables

Leading oil and gas companies have set themselves de-carbonisation targets for both the medium and long-term, relying on the existing and emerging technologies. At first. companies are increasingly investing in renewable power generation, with wind and solar power being a particular area of focus.

Puranik continued: "In 2020, several oil and gas companies announced ambitious energy transition targets. However, the hype around energy transition has somewhat subsided going into 2024. Profitability issues and inflation, along with high interest rates are causing uncertainties in undertaking renewable projects.

"The share of fossil fuels in global power generation mix is dwindling by the year. This space is increasingly being occupied by the renewable energy sources, especially solar and wind energy. Oil and gas companies are venturing in renewable power generation as part of their energy transition endeavour.

"Efforts like carbon capture predominantly work to mitigate emissions, while hydrogen production, renewable power, and low-carbon fuels offer end-consumers alternatives to fossil fuels. Energy storage, mostly in the form of batteries, is another transition avenue being explored by the oil and gas industry.

"The oil and gas industry's energy transition requires long-term planning to reduce or eliminate carbon emissions. In the short to medium-term, companies must incorporate transition fuels, as well as low-carbon and zero-carbon energy sources in their portfolios.

"Despite periodic slowdowns, energy transition in oil and gas industry will take place and pave way for new global energy mix in the future," she concluded. ■

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Ulato Avei

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Katrien Verlinden

President and CEO, Saipem America

Please join us in celebrating our 2024 winners!
We look forward to building off of this momentum in 2025.

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Woodside looks for Driftwood equity partners

Woodside Energy's CEO Meg O'Neill outlined the company's stance on the Driftwood LNG project in a wide ranging interview with newswires at Gastech last month.

She said that Woodside was focused on securing potential equity partners to support the Driftwood LNG export project, instead of signing long-term supply contracts to finance it.

O'Neill also said that she was targeting a final investment decision (FID) on the plant in early 2025.

The company, which expects to close its acquisition of project developer Tellurian this month, is already in talks with potential counterparties, O'Neill told reporters on the sidelines of the Gastech conference.

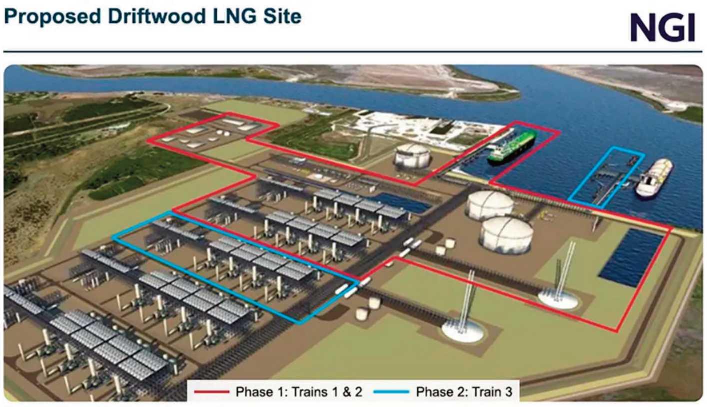
However, Woodside does not intend to set firm targets for the offtake contracts necessary for commercially sanctioning of Driftwood, claiming that the company's financial muscle is enough to be able to advance the export facility without relying on project financing.

"One of the ways we're different from many of the US LNG players is that we have the balance sheet to finance it ourselves, and we have the ability to take the LNG into our own portfolio," O'Neill said. "So we're not focused on LNG offtake agreements. We're much more focused on getting the right equity partners and bringing the dream team together."

She also said that Woodside was still determining how much of the project's equity it would sell but the company aimed to retain at least 50%.

Woodside agreed to acquire Tellurian in July for an implied enterprise value of about $1.2 bill.

Proposed Driftwood LNG Site



Source: Woodside Energy Group Ltd.

FID struggle

Driftwood, with a total permitted capacity of 27.6 mill tonnes per year, has struggled to reach a FID since Tellurian was founded in 2016.

However, Woodside will target a FID on the first 11 mill tonnes per annum phase of the project in the first quarter of 2025.

O'Neill described three types of potential partners interested in the project. These included US gas producers, infrastructure players, such as US pipeline companies, and strategic partners with existing relationships with Woodside.

Woodside had announced the signing of a supply deal with Japan's JERA on the same day as the inteview. Under the sale and purchase (SPA) agreement, which finalised a preliminary deal announced in February, JERA will buy 400,000 tonnes per annum of LNG from Woodside's global portfolio, to be delivered ex-ship (DES) for a period of 10 years.

O'Neill also revealed that before Woodside formally invites partners to join a joint venture, the company planned to revise the price of the engineering, procurement and construction (EPC) contract with Bechtel.

She described the lack of any binding supply deals tied to Driftwood as one of the features that attracted Woodside to the project, as well as Tellurian's work in securing the necessary permits for the facility and its efforts to derisk the site by starting early construction in March, 2022.

"We're not burdened by offtake commitments to third parties," O'Neill said.

Acquiring Driftwood is part of the company's efforts to build out its global LNG portfolio, O'Neill said, adding that would open the door for a variety of contracting structures around different price indices.

"We would expect to keep a significant portion of the LNG - probably our equity stake - in our own portfolio and then look to place the volumes with end users," she said.

She contrasted Woodside's strategy with the approach of many other US LNG developers marketing LNG volumes on a free-on-board (FOB) basis to offtakers who will get the opportunity to make money from selling the fuel to downstream customers.

"We want the ability to access those end markets," O'Neill said. ■

Texan Senators introduce new Act to protect LNG plants

Last week, US Texan Republican Senators Ted Cruz and John Cornyn introduced the Protect LNG Act.

This legislation is aimed to ensure that a US court cannot vacate a previously authorised LNG permit, clarifies the venue for LNG lawsuits before federal courts, and mandates that courts grant expedited decisions in relevant cases.

Senator Cruz said, "Texas energy producers have made the US the largest exporter of LNG in the world and have created jobs for thousands of Texans.

"However, fringe environmental groups and politicised courts are threatening those successes, and in the process endangering the development of energy projects across the US.

"The Protect LNG Act protects energy producers from these attacks," he claimed.

Senator Cornyn added, "As the leading producer of oil and natural gas in the nation, Texas plays a key role in supporting thousands of well-paying jobs at home and keeping the lights on across the country.

"This legislation will help crack down on frivolous lawsuits by left wing climate activists who seek to weaponise our courts and threaten American energy, and I'm glad to join Senator Cruz in halting this effort and maintaining Texas' energy dominance," he said.

They introduced this Act, due to August's US Court of Appeals for the DC Circuit vacating reauthorisations for the Rio Grande LNG and Texas LNG projects, threatening 7,000 jobs and undermining $24 bill in investments in the Rio Grande Valley.

On 25th September, 2024, Senator Cruz sent a letter to the Chairman of the US Federal Energy Regulatory Commission (FERC) urging him to appeal this decision. ■

Senator Ted Cruz

Fusco champions Cheniere measuring LNG's environmental impact

Cheniere Energy's head Jack Fusco has called for his company to be allowed to set the rules to measure LNG's environmental impact.

This will be accomplished by using methane tracking technologies and the company's power.

Cheniere, the US' largest LNG exporter, currently collates data using satellite imagery, helicopters, drones, fixed sensors and emissions tracking from lidar, or light detection and ranging, Fusco said in an interview with Bloomberg at Gastech.

In 2022, the company began listing emissions data associated with each contractual loading from its two export plants in Louisiana and Texas.

"Society wants a cleaner fuel source. And our challenge is to make sure not only that we keep up but (also) that we lead," Fusco said.

Tracking emissions from US produced LNG is key to meeting demand from European buyers, as the European Union is working on regulations to curb methane - the main component of natural gas - via imported energy supplies.

Cheniere claimed that it already adheres to a United Nations-led programme to measure methane, which the European Commission has cited in its proposed regulations.

Those involved said by establishing methods for tracking LNG emissions, this will eventually determine how to standardise a system, which will have ripple effects on global LNG buyers and sellers.

But environmental organisations and researchers have pushed back on these methods used to track methane. Cornell University professor, Robert Howarth authored a study released in late 2023 that rekindled the fight over just how much LNG contributes to global emissions, saying natural gas 'isn't any better for the climate than coal.'

The Biden administration continues to study environmental impacts of LNG and paused permitting for new projects in January of this year.

As the US is due to double its LNG export capacity through the end of the decade, Cheniere said it expected to be ahead of other LNG exporters who aren't tracking emissions and aimed to use its leverage as the nation's top gas consumer to set global standards.

Fusco compared Cheniere's methane tracking position with US retailer Whole Foods, pointing to the fact that it was the first to national retailer to certify organic food retailer and thus setting industry standards.

"They put the rules of the road and then they used the purchasing power to make sure people complied with it," Fusco said. "We're getting there. But as you know, we buy a lot of gas." ■

India's LNG deal with ADNOC at a lower price

The recently announced Indian Oil Corp's (IOC) deal with ADNOC for the supply of 1 mill tonnes per annum for 15 years was probably priced at around 12.4% slope to crude oil, sources told S&P Global Commodity Insights.

The gas will be supplied from the Ruwais LNG project. Deliveries are expected to start in 2028 when the project is due to come online.

Discussions had taken place since earlier this year, and was officially announced as part of Abu Dhabi Crown Prince, Sheikh Khaled bin Mohamed bin Zayed Al Nahyan's visit to India on 9th September.

This represents the third long-term contract signed by IOC in just over a year.

In July, 2023, IOC signed a 14-year deal for 1.2 mill tonnes per annum with ADNOC and another 0.8 mill tonnes with TotalEnergies. These supplies are expected to begin in 2026 with the price around 12.6% slope to crude oil.

The latest deal indicates that the pricing expected for DES India is expected to be lower for 2028 onwards versus 2026 and it also seemed to be at a lower price than other deals signed by ADNOC for Ruwais LNG.

Most of the previous deals were signed near a slope of around 12.6%, while others were in the range of 12.7%-12.8% with buyers' operational flexibilities, adding a premium for the purchaser.

Exempt customs duty

As per a free trade agreement between India and UAE, buyers of ADNOC cargoes do not have to pay a 2.75% customs duty, which indicates a saving of nearly 27 cents on a $10 per MMBtu cargo.

Other countries exporting LNG to India also have a free trade agreement, including Australia and Malaysia but currently not Qatar, US or Oman.

Indian market sources said that a deal priced around 12.4% slope to crude oil was high given that there were portfolio companies and trading houses willing to offer lower prices, although there could be other considerations.

A fixed formula of 12.4% to the Dated Brent price of $73.995 per MMBtu would imply a price of $9.175 per MMBtu, Platts, part of Commodity Insights said.

This compared with the Platts WIM calendar year 2027 derivative assessment of $9.325 per MMBtu at the Singapore close on 13th September.

Meanwhile, Shell's deal with Arcelor Mittal Nippon Steel was priced at 11.5% slope to crude oil, partly due to flexibilities that the UK energy major can exercise. This deal calls for 500,000 tonnes to be supplied per annum beginning in 2027.

Torrent Power is also seeking 500,000 tonnes per annum from 2027 and has received offers around 12% slope to crude oil, market sources told S&P Global. The company had sought price offers linked to crude oil and Henry Hub.

Market participants said that the prices linked to Henry Hub offered to Indian buyers were near 120% slope to Henry Hub, plus a constant of around $4.2 per MMBtu.

Indian refineries are expected to ramp up their natural gas demand by the end of this decade. ■

NEWS BRIEFS

Oman's Marsa LNG terminal to receive financing

The joint venture partners developing Oman's Marsa LNG bunker terminal, are aiming to complete the financing before the end of the third quarter of this year.

To be located at Sohar, construction work is still to start.

Marsa LNG – a joint venture between TotalEnergies (80% working interest) and Omani integrated energy group OQ (20% working interest) – is overseeing the development of the 1 mill tonnes per annum capacity plant.

LNG from the facility will be supplied to ships as a fuel.

According to Omani state-owned OQ, the construction of the LNG plant will be financed through a subordinated loan from the joint venture partners and a drawdown under a $500 mill bank loan to be provided by a syndicate of Omani, regional and international banks, local media reported. ■

Two more companies join the US Gulf LNG export bandwagon

Despite the US pause in granting permits for LNG export plants, another two companies have bid to join the growing list of developers active in the US Gulf.

First, engineering conglomerate, ABB has signed a Memorandum of Understanding (MoU) with US-based Argent LNG to supply automation and electrical solutions for a planned liquefaction facility at Port Fourchon in Louisiana.

Once operational, by 2030, it will enhance US LNG export capabilities, support global energy security and reinforce the role of LNG as a transition fuel, Argent said.

Under the terms of the MoU, both companies will explore ABB's plans to deliver an integrated automation and electrical infrastructure, as well as digital solutions, including cyber security and data collection.

The companies will collaborate from an early stage to design the system architecture to maximise operational performance and efficiency, to enable Argent LNG to adhere to emissions regulations.

Argent will employ modular liquefaction technology, which focuses on emission reduction and reliability. ABB will support this approach with its patented Ability System 800xA® integrated controls platform, prefabricated eHouse design and analyser system solutions, it said.

Access to established pipelines will also mean that transport costs and logistics' complexities will be reduced to ensure efficient operations and the delivery of natural gas feedstock to the facility.

A smaller-scale plant will also be built to supply fuel for LNG-powered offshore supply vessels (OSVs) in the Gulf of Mexico.

Second, Oslo-based Crown, a specialist designer of offshore plants to operate in harsh conditions, also plans to start a new US LNG export project, CEO Swapan Kataria revealed last month.

This project is still at the conceptual stage.

Crown is currently working on plans to develop LNG plants in Scotland and India.

Kataria claimed that Crown's concept is unique because the project would be directly tied to the planned Indian and Scottish import terminals, both of which are at the feasibility stage.

A location for the US project has not been finalised thus far, and permitting hasn't yet been filed.

Kataria said it could cost just under $10 bill for two production units (trains) that would each have up to 5 mill tonnes per year capacity. ■

Mitsubishi extends investments in PETRONAS' LNG projects

Malaysian energy giant, PETRONAS and Japanese trading house Mitsubishi Corp have signed new investment agreements for Malaysia LNG's 'Dua' and 'Tiga' lasting for the next decade.

Mitsubishi Corp extended its 10% equity shareholding in MLNG 'Dua', and reinvested 10% cent equity shareholding in MLNG 'Tiga'.

The agreements mark the continued participation of Mitsubishi in the two ventures, along with associated marketing activities and LNG deliveries from Bintulu to Japan.

This strategic partnership highlights Malaysia's robust economic landscape, particularly in Sarawak, as an attractive destination for foreign direct investment, the energy company said..

PETRONAS head, Tan Sri Tengku Muhammad Taufik, said: "PETRONAS is honoured to mark a new chapter in our long-standing relationship with Mitsubishi Corp.

"With our strengthened synergy, we look forward to the continued successes of MLNG 'Dua' and MLNG 'Tiga', which have proven mutually beneficial for over 45 years.

"Together with Mitsubishi Corp and the support of the Sarawak State Government, PETRONAS remains fully committed to ensuring the safe and reliable supply of LNG to fuel the economies of Malaysia, Japan and our customers around the globe towards a sustainable, lower-carbon future," he said.

Mitsubishi President, Katsuya Nakanishi added, "Mitsubishi Corp looks forward to providing continuous support in growing and nurturing access to global LNG market for PETRONAS' future volumes with LNG being the fuel of choice in the age of energy transition.

"At the same time, we are excited to unlock further value through our collaboration with PETRONAS, as well as with the Sarawak State Government, with whom we have achieved many historical milestones in Malaysia," he said.

PETRONAS' LNG complex, through partnerships and alongside Mitsubishi Corp, commenced LNG supply to long-term Japanese buyers in 1983.

The complex comprises four joint ventures: MLNG, MLNG 'Dua', MLNG 'Tiga' and PETRONAS LNG 9 with a combined production capacity of 29.3 mill tonnes per annum, making it one of the world's largest LNG facilities in a single location.

Besides its main natural gas business in Malaysia, Mitsubishi Corp has also participated in 10 gas upstream blocks in Sarawak and expanded its areas of investment in the country to automobile, food, petrochemicals, metal and steel, bringing the company's total investment In Malaysia to around RM5bill last year. ■

PETRONAS' exports have been boosted by Mitsubishi Corp involvement

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Condor receives second Kazakh gas allocation

Canadian energy developer, Condor Energies has received its second natural gas allocation from the Kazakhstan State authority responsible for gas distribution.

This gas allocation will be used as feed gas for the company's planned second modular LNG 'low carbon fuel' production facility near Kuryk Port on the Caspian Sea.

Under the new agreement, gas will be supplied to the company's planned Kuryk LNG facility, which will produce the energy-equivalent volume of 565,000 liters of diesel fuel per day.

When combined with the first gas allocation for the Alga LNG facility, the total LNG fuel produced will have an energy-equivalent volume of over 1 mill liters of diesel daily, while also reducing CO2 emissions equivalent to removing more than 58,000 cars from the road annually.

Land acquired

The second allocation will be obtained from the country's existing pipeline near Kuryk, where Condor has already acquired 16 hectares of industrial land for the LNG facility. The company has also secured a 5 MWh electricity allocation that will provide power from the nearby electrical grid.

As Central Asia's hub for transport and logistics, Kazakhstan is rapidly expanding given it has the most direct overland freight transit route linking China and Europe.

Kazakhstan's transport sector is expected to drive near term economic growth and the country is investing billions of US dollars to modernise and expand roads, railways, ports, and airports.

Condor's Kuryk LNG facility will generate domestically produced low carbon fuel for rail locomotives and freight trucks operating between China and the Caspian Sea, and ships used to move cargo across the Caspian Sea between Kazakhstan and Azerbaijan.

Don Streu, Condor's President and CEO, commented: "We are very excited and appreciative to receive our second gas allocation in Kazakhstan and would like to express our deep gratitude to the various government authorities.

"This allocation further enhances our first-mover strategy of providing Kazakhstan with a long-term, sustainable domestic supply of LNG to fuel the country's vast and expanding transportation sector.

"Condor has actively invested in Kazakhstan for more than 17 years and will utilise its knowledge, experience and implement proven technologies to build-up the country's LNG customer base, while also reducing their emissions, operating costs and transportation times.

"The second gas allocation is significant as it enables Condor to generate additional LNG for the national railway, as well as Kazakhstan's Caspian Sea marine fleet, which is also rapidly expanding to meet the country's transportation growth.

"We are very proud to be materially contributing to the success of Kazakhstan's infrastructure expansion projects by introducing a low carbon fuel solution," he concluded. ■

NEWS BRIEFS

Gate terminal selects contractors to design and build LNG tank

Rotterdam's LNG receiving plant, Gate Terminal, a joint venture between Vopak and Gasunie, has chosen -VINCI Construction Grands Projets - Entrepose Contracting (tank), Sener (balance of plant) and Sacyr Proyecta (engineering services) to expand the terminal's regas capacity.

Italian engineering company, VINCI is to build a new 180,000 cu m capacity tank, while Sener and Sacyr will design and engineer the regas capacity addition to give the terminal an extra 4 bill cu m per year.

The LNG storage tank will be constructed with a nickel steel inner tank and a post-tensioned concrete outer container. This contract, worth €160 mill, is scheduled for completion by the second half of 2026.

Between 2007 and 2011, VINCI built three 180,000 cu m LNG storage tanks for Gate, each under a design and build contract.

VINCI has built around 15 LNG tanks worldwide during the last decade, including a project still underway in the UK (190,000 cu m) and another in Canada (225,000 cu m).

TotalEnergies buys second Eagle Ford basin stake

French energy giant, TotalEnergies has signed an agreement with Lewis Energy Group to acquire a 45% interest in dry gas producing assets owned and operated by the Group in the Eagle Ford basin in Texas.

The acquisition of these low cost and long plateau assets further strengthens TotalEnergies' integration across the gas value chain in the US, the company said.

Located in Southwest Texas, the assets have the potential to be developed to reach a sustainable gross production of around 400 mill cu ft per day by 2028.

This is the second acquisition of non-operated shale gas assets this year after the purchase of a non-operating interest in the Dorado asset, also located in the Eagle Ford basin and which was purchased from Lewis Energy Group earlier this year.

With over 10 mill tonnes exported in 2023, TotalEnergies is the largest exporter of US LNG, thanks to its 16.6% stake in the Cameron LNG plant in Louisiana and several long-term purchasing agreements.

The company's US LNG export capacity is expected to reach 15 mill tonnes per annum by 2030.

"This acquisition further strengthens our upstream gas position in the US and contributes to our integrated LNG position with a low cost upstream gas supply," said Nicolas Terraz, President, Exploration & Production at TotalEnergies. "We are delighted to partner with Lewis Energy Group, a well-renowned and highly efficient gas operator with an historical footprint in South Texas."

Green corridor welcomes LNG stakeholders

The Singapore-Rotterdam Green and Digital Shipping Corridor (GDSC) has expanded its membership by welcoming LNG players, Singapore LNG Corp (SLNG) and Rotterdam-based Gate Terminal, as its latest partners.

These additions bring the total number of consortium members to 28, marking a significant milestone for the GDSC on its second anniversary, the Maritime & Port Authority of Singapore (MPA) said.

Coinciding with this growth, the GDSC has released a joint publication highlighting the potential demand for green fuels, which could grow to be around 5 mill tonnes by 2028.

This forecast underscores the urgent need for action to meet the growing demand for sustainable fuels in the maritime sector.

A recent bi-annual stakeholder workshop, co-hosted by the MPA and the Port of Rotterdam, focused on implementing net-zero fuel pilots and projects to address this demand.

Key discussion points included:

- Developing mechanisms to close the cost gap.
- Creating harmonised bunkering and safety standards.
- Strengthening sustainability certification and GHG emissions monitoring.

These efforts aim to align with the corridor's emissions reduction targets and support the transition to greener shipping practices, the MPA said. ■

Pipeline gas flows to coincide with Alexandroupolis FSRU startup

ICGB, the operator of the gas interconnector between Greece and Bulgaria, has signed an agreement with Greek grid operator DESFA for gas flows at the Komotini interconnection point.

The interconnector, which allows gas from Azerbaijan and regasified LNG from terminals in Greece and Turkey to be shipped northward to Bulgaria and the wider southeast European region, began operating in October, 2022.

This new agreement will allow a secure, safe, reliable, and effective interoperability at the interconnection point once it begins commercial operation, ICGB said.

ICGB is co-owned by Bulgaria's BEH and a joint venture between Greece's DEPA and Italy's Edison.

The startup was due to commence in tandem with the 1st October commercial operations of the new FSRU Alexandroupolis LNG terminal in northern Greece.

"This is a key step in ensuring the pipeline facilitates the transportation of gas after the commercial launch of the LNG terminal in Alexandroupolis," ICGB's executive officers, Teodora Georgieva and George Satlas, said.

"The two infrastructures are in great synergy, and we expect that the commissioning of the FSRU could significantly increase market interest in existing and planned capacity," they said.

Successful test

The connection has already been successfully tested with gas to ensure its safe operations.

This will also allow interested parties with booked capacity at the FSRU to transport gas via the Greece/Bulgaria pipeline, thus establishing a new route for gas deliveries to Southeast and Central Europe.

A month or so ago, ICGB said it would continue with plans to expand the pipeline's capacity from the current 3 bill cu m per year to 5 bill cu m, despite a lack of market interest in booking additional capacity.

Following a successful non-binding market test for the expanded capacity in 2023, ICGB held a binding capacity process in July, with significantly different results.

"These results will not affect the company's drive to implement the interconnector capacity expansion project from 3 bill cu m per year to five bill cu m per year," an ICGB spokesperson said on 7th August. "We believe that this is of great national and international interest and the company remains fully committed to this task."

The pipeline shipped more than 1.5 bill cu m of gas in 2023.

Some 1.57 bill cu m per year of long-term capacity was booked under 25-year contracts, with spare capacity offered in regular auctions.

The reasons for the reduced interest are being analysed, ICGB said, however, the delay in the commercial operation of the FSRU LNG terminal was thought to be the leading factor.

Greece's GASTRADE - the operator of the Alexandroupolis terminal - expects the FSRU to begin operations at the start of October.

The 5.5 bill cu m per year FSRU - Greece's second LNG import facility - received a commissioning cargo in mid-February and had been expected to begin commercial operations at the end of April.

However, this date was pushed back a number of times, due to unexpected technical issues faced during the commissioning process. ■

Delays have hindered the Alexandroupolis FSRU startup

NEWS BRIEFS

Guangdong's new receiving terminal to start up this week

Guangdong Energy's $1 bill LNG receiving terminal, located at Huizhou, is due to come online this week.

US energy giant, ExxonMobil is to use the LNG import terminal for 20 years.

It will have the capacity to handle 4 mill tonnes of LNG per annum. It has been reported that a commissioning cargo was received from the UAE last month.

A China-based ExxonMobil representative had confirmed to newswires the 20-year deal in December last year.

According to Chinese sources, ExxonMobil will use the terminal to handle 1.8 mill tonnes of LNG per annum, however, it is not believed that the US giant had taken an equity stake in the project. ■