

LNG Unlimited

LNG JOURNAL PUBLICATION

14 November 2024

Trump and LNG

As evidence from his first term as President showed, a second Trump presidency would most likely continue to invest in fossil fuels, while taking a sceptical view of the green policies initiated under the Biden administration.

Trump could encourage more energy production on federal lands, which would improve sentiment in the industry and could increase long-term production prospects.

However, this will have little effect on US oil or gas production, as most new US production is in the Permian basin in western Texas, of which the majority, if not all, is governed by state law. This means the President cannot touch it by introducing policies, according to a report from the International Commodities Intelligence Services (ICIS).

US LNG plants produced more than 80 mill tonnes in 2023, edging out Qatar and Australia as the world's top exporter, with expectations for another strong year in 2024.

The US will likely retain its position of dominant producer over the long term with capacity set to double by the end of the decade.

Currently, the market expects the permitting 'pause' to be lifted in early 2025, following the start of Trump's presidential term in January.

In January of this year, the US Department of Energy (DoE) stopped approvals for new pro-

jects to export LNG to countries without a free-trade agreement (FTA), until it updated the process for how it evaluates the economic and environmental impacts.

However, in July, a judge ruled that the DoE should begin approving licenses again, the result of a lawsuit filed by 16 Republican-controlled US states, including Texas and Louisiana.

The DoE has appealed the decision and the impact of the ruling has been minimal thus far, as approvals have not resumed apart from one export license issued for New Fortress Energy's Fast Altamira LNG floating project that had already begun operations.

Slow progress

Commercial progress for the next-wave US LNG projects has slowed since the 'pause', but momentum had already been lost beforehand, as rising project costs and expectations of a supply glut later in the decade affected negotiations, the ICIS said.

It should also be noted that the current ban on new approvals does not impact the more than 75 mill tonnes per annum of US LNG supply projects already under construction.



US President-elect Donald Trump

Trump has said while campaigning that he will lift the 'pause' immediately upon taking office in January.

However, US oil and gas production will more likely be driven by market prices and technological advances than policies.

For example, earlier this year, producers, such as EQT, chose to cut natural gas production, due to the low-price environment, not due to existing regulations.

Without any additional FIDs, North American production - which includes Canada and Mexico - will still more than double by 2030 to 180 mill tonnes per annum, a rapid build-out that will likely trigger oversupply and a lower-priced global market.

In addition, as these LNG projects ramp up, an expected increase in feedgas demand will support higher US Henry Hub natural gas prices, the ICIS added.

Henry Hub is expected to average more than 35% higher in 2025 above the September spot price average of \$2.28 per MMBtu, according to the October short-term energy outlook from the US Energy Information Administration (EIA).

LNG feedgas demand will rise by nearly 15% next year, while overall domestic natural gas consumption is forecast to fall by 1 bill cu ft per day from 2024, according to the EIA.

UNLIMITED AGENDA

MARKETING

Trump effect **1**



EU stance **2**

Winter worries **3**

BUSINESS

Aramco invests **3**



Qatar's exports **5**

Rio Grande update **6**

FINANCE

Higher sales **6**

Solid performance **8**



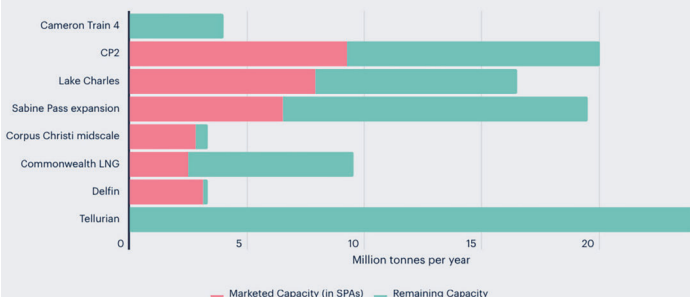
Capital increase **9**

Ruwais LNG stake **11**

TECHNOLOGY

Qalhat FEED **11**

Next-wave US LNG projects seek to grow contracted volumes



Source: ICIS, chart includes announced project SPAs

Replace Russian LNG with US supplies - Ursula von der Leyen

European Commission President, Ursula von der Leyen revealed last Friday that in phone call with US President-elect Donald Trump, the bloc could discuss importing more US LNG to replace Russian gas supplies.

LNG "is one topic that we touched upon", she said, adding; "We still get a whole lot of LNG via Russia, from Russia. And why not replace it with American LNG, which is cheaper and brings down our energy prices."

The US is already Europe's largest supplier of LNG, but Russian imports have maintained second place. EU members are seeking to curb Russian imports as the Ukraine war continues, even though Russian pipeline gas and LNG are outside the reach of sanctions.

She was careful to point out that the conversation with Trump didn't go into any details about LNG. "That is something where we can get into a discussion," von der Leyen said.

This year, western Europe has already purchased more LNG from Russia than the whole of 2023, according to ship tracking data compiled by Bloomberg.

While western sanctions were believed to have hit Russia's latest project - Arctic LNG 2 - no restrictions apply to Yamal LNG, except a ban coming in next year on transshipments of Russian LNG in EU member states' ports, which will mainly affect France, Spain and Belgium.

Much of Europe's Russian LNG supply was negotiated on long term contracts.

Meanwhile, the European Union

(EU) must accelerate its plan to phase out Russian fossil fuels, currently scheduled for 2027, said EU Commissioner-designate for Energy, Dan Jørgensen recently.

Russian gas now accounts for 18% of the EU's supply, he confirmed.

"In my first 100 days, I will present a plan on how to speed up ending our reliance on Russian gas before 2027," he said during hearings in the European Parliament.

von der Leyen had tasked Jørgensen with lowering energy prices to help restore Europe's industrial competitiveness, de-carbonise the economy, and end the import of energy resources still emanating from Russia into the EU.

"We do have a challenge, our industry is suffering. They are paying two or three times as much for energy as in the US and China... ordinary people are struggling to pay their bills," Jørgensen said, explaining that this was largely tied to Russia's war against Ukraine.

He said that the EU needs to use renewable energy sources more actively, which will require expanding networks, accelerating digitalisation, implementing new storage technologies, and speeding up the permitting process.

Nuclear in the mix

Jørgensen also emphasised that nuclear energy was also crucial for supporting de-carbonisation.

However, the expansion of nuclear energy has become a point of division within the bloc, with two opposing camps: one supporting it, backed by France, and the other led by Germany.



The EC's Ursula von der Leyen

The EU had set a non-binding target to stop importing Russian gas by 2027 after it launched a full-scale invasion of Ukraine in 2022.

Some member states have not made significant efforts to diversify, and imports of Russian gas increased last year, the EU communique said.

"We used to get 45% of our gas from Russia, now we are down to 18% but 18% is still too much, we need to be 100% independent of Russian fuel," Jørgensen stressed.

The EU banned imports of Russian oil with some exceptions in 2022, but refrained from imposing any restrictions on gas. In June, the member countries took the first step by banning the transshipment of Russian LNG in European ports.

While some member states are pushing for stricter measures, Russia-friendly Hungary is negotiating with Gazprom to increase supplies via the Turkish Stream pipeline in 2025.

European Commissioner for Energy, Kadri Simson, has repeatedly stated that the EU is prepared to completely cut off gas supplies from Moscow. ■

NEWS BRIEFS

Russia looks to India

Russia is aiming to ramp up LNG exports to India, particularly from projects, such as the gas-processing complex under construction in the Leningrad Region, First Deputy Prime Minister Denis Manturov told reporters recently.

"We see prospects for expanding collaboration between Russia and India in the LNG sector. A gas-processing complex with capacity of up to 13 mill tonnes of LNG per year is under construction in the Leningrad Region [in Ust-Luga].

"Russian companies are interested in establishing long-term exports of LNG to India," Manturov said.

Gazprom and RusGazDobycha, which operates the RusChemAlliance joint venture, are developing the project on an equal basis to construct a gas-processing and liquefaction plant near Ust-Luga port, Interfax reported. ■

LNG Shipping News

2 Prospect Road
St Albans AL1 2AX
United Kingdom
www.lngjournal.com
Tel: +44 (0)20 7253 2700

Publisher

Stuart Fryer

Editor

Ian Cochran
+44 (0)7748 144265
lancochran74@gmail.com

Ad sales enquiries

Narges Jodeyri
+44 (0) 20 7017 3406
narges@lngjournal.com

Subscriptions

Stephan Venter
Tel: +44 (0) 20 7253 2700
venter@lngjournal.com

Production

Vivian Chee
Tel: +44 (0) 20 8995 5540
chee@thedigitalship.com

No part of this publication may be reproduced or stored in any form by any mechanical, electronic, photocopying, recording or any other means without the prior written consent of the publisher. Whilst the information and articles in LNG Shipping News are published in good faith and every effort is made to check accuracy, readers should verify facts and statements direct with official sources before acting on them as the publisher can accept no responsibility in this respect. Any opinions expressed in this publication should not be construed as those of the publisher."

LNG - A volatile winter?

As Europe enters the winter season, the global gas and LNG markets face heightened volatility, influenced by fluctuating demand, geopolitical tensions and unpredictable supply.

In an insight report, the LSEG delved into the key factors shaping the outlook and examine how Europe's energy future may unfold in the coming months.

- **Mixed demand and supply dynamics:** European gas demand remains steady, but regional supply constraints, along with reduced LNG imports, heighten concerns.
- **Geopolitical uncertainty and market volatility:** Ongoing geopolitical risks play a crucial role in price fluctuations and create a fragile market environment.
- **LNG's critical role in winter 2024:** Despite increased US and Qatari supply, winter shortages remain a risk, particularly if weather conditions worsen or geopolitical events disrupt gas flows.

This summer, European gas demand remained relatively stable, with slight increases in some areas like local distribution zones (LDZ), due to a colder spring. However, a reduction in gas usage for power generation balanced out the increased residential demand.

On the supply side, Norwegian gas production increased, offsetting production declines in the

UK and the Netherlands that slowed, due to natural gas field maturation.

Summer TTF gas prices stayed within a similar range to last year, but the market has experienced price fluctuations driven by external shocks. These included geopolitical tensions, such as conflicts in the Middle East and the ongoing war between Russia and Ukraine, as well as natural events like US hurricanes, which disrupted LNG supplies.

Events, such as Norwegian gas field maintenance or further geopolitical developments, could result in sudden price spikes. Currently, prices are trading within a tight range of €37/€42 per MWh, but further volatility is expected as winter progresses.

Investment activities are also playing a role in the fluctuating market. Hedge funds have reduced their long positions, while commercial players have increased theirs, reflecting diverging views on the market's trajectory. This divergence has added to the volatility, as different players hedge against geopolitical risks and market imbalances.

Projections

Looking ahead, market expectations remain cautious. While prices are projected to stay within

the stated range this winter, various external factors could cause significant fluctuations. A colder than expected winter, further geopolitical unrest or supply disruptions, could push prices higher. On the other hand, a mild winter could ease pressure on gas stocks, thus stabilising prices.

While Europe has relied heavily on LNG imports over the past two years, the dynamics have shifted, as comfortable gas storage levels and improved Norwegian supplies allowed Europe to reduce LNG imports by 25%.

The LNG market remains sensitive to risks, including potential supply disruptions in major exporting countries like Australia, the US and Russia. Furthermore, Egypt's shift from an LNG exporter to an importer, due to domestic production challenges, has added to market concerns.

LSEG has developed a model to forecast gas demand across three key sectors - residential (LDZ), industrial and gas for power. This approach integrates sector-specific drivers, regression models and scenario planning to predict demand trends accurately.

- **Residential (LDZ):** Demand is expected to rise by 2%, driven by colder weather conditions, despite structural adjustments in the market.
- **Industrial:** Although the sector

saw peak demand destruction of around 25% during the energy crisis, recovery is anticipated over the next year, with Germany's chemical industry showing early signs of growth.

- **Gas for power:** With gas prices expected to align closer to global benchmarks, demand for gas in power generation is likely to increase.

Supply risks

Although the global LNG market is set to grow by around 5 billion m³ this winter, largely due to increased supplies from North America, Europe faces significant supply risks. Any unexpected outages in key LNG exporters like the US or Australia could strain Europe's gas supplies.

Europe's winter outlook remains uncertain, with gas storage levels expected to be a critical factor. A mild winter could leave storage at just below 50% capacity by spring 2025, but a colder season may lead to serious supply shortages, causing prices to surge.

As winter approaches, Europe's gas and LNG markets face a delicate balance of supply, demand and external risks. Geopolitical tensions, weather patterns and investment fund activities are all poised to impact the market, the LSEG said. ■

Aramco to invest in LNG

Saudi Arabian energy giant, Aramco has confirmed that it is to create an LNG business that is tied to trading and can fully realise offtake value.

Speaking to the media following the release of the third quarter results, in which Aramco reported \$27.6 billion net income (down from \$32.6 billion on 3Q23), Ziad Al-Murshed, Executive Vice-President and CFO, said, "We are ramping up LNG trading capability to be able to capture this value from the portfolio.

"We do look at it as one business.

We've earmarked a considerable volume of gas that's coming out of production for blue ammonia and blue hydrogen, and that will only proceed if we get commercial long term offtakes.

"We continue to work on discussions with potential offtakers for blue ammonia - unless this is tied to long term commercial offtake we're not able to proceed with these projects. We will have a much better view towards the end of the year," he said.

Aramco confirmed it had made

a further investment in MidOcean Energy to fund its acquisition of an additional 15% interest in Peru LNG (PLNG), increasing MidOcean's stake in PLNG from 20% to 35%.

In June, Aramco and Semptra, through their respective subsidiaries, executed a non-binding heads of agreement (HoA) for a 20-year sale and purchase agreement (SPA) for LNG offtake of 5 million tonnes per annum from the Port Arthur LNG Phase 2 expansion project.

Through its group capability

and knowhow, natural gas feedstock for ammonia, and carbon capture sequestration expertise, Aramco is in a sweet spot with blue ammonia and blue hydrogen, he claimed.

On renewables, Aramco has a pipeline of projects totalling 12 GW by 2030, with 5.5 GW reaching financial close.

"We are more than a third of the way of meeting our 2030 target. We're looking to take renewable credits and utilise those towards our ambition of Net Zero by 2050," he said. ■



 **Climatetech & AI** |  **Hydrogen**

EXHIBITION & CONFERENCE
FIERA MILANO | MILAN | 9-12 SEPTEMBER 2025

Transforming energy through vision, innovation, and action

The world's largest event for natural gas, LNG, hydrogen, climate technologies, AI and low carbon solutions.



BOOK A STAND
Find out about the
benefits of exhibiting



50,000
Attendees

1,000
Exhibitors

1,000
Speakers

7,000
Delegates

150
Countries represented

gastchevent.com @gastchevent #Gastech [in](#) [@](#) [f](#) [X](#)

Organised by: **dmg::events**

Asian spot prices fall

Last week, the average LNG price for December delivery into north-east Asia LNG-AS fell to \$13.40 per MMBtu, down from \$13.80 per MMBtu on the previous week, industry sources estimated.

"Spot demand has been slow to emerge in northeast Asia," Samuel Good, head of LNG pricing at commodity pricing agency Argus told Reuters.

Good added that temperatures in both Seoul and Shanghai were forecast to remain above average through late December, which could weigh on gas demand.

October's Chinese LNG imports were the highest on record, at around 6.5 mill tonnes, which could be down to more stocking up ahead of winter than a sign of a longer-term bullish trend, said Alex Frole, ICIS' senior LNG analyst.

The LNG market has generally shrugged off Trump's return to the White House but the market is closely monitoring his stance, particularly towards Joe Biden's 'pause' on approvals to export LNG from new projects, as well as on the Middle East, China and Russia.

"It will take a while to see the full impacts of Trump's victory in the US elections. In broad terms, the environment for gas and LNG producers will be more favourable than it would have been under a Democrat President," Frole said.

"But there could also be new tariffs imposed on global trade as well as potential major foreign policy shifts that it's hard to fully judge as yet, beyond expecting volatility to continue," he added.

In Europe, gas inventories have started to decline, due to colder

weather and a few days of no wind and solar output, triggering some upward price pressure for the Dutch TTF hub levels, said Hans Van Cleef, chief energy economist at PZ - Energy Research & Strategy.

Summer 2025 TTF contract prices are higher than those of Winter 2025, in what is known as backwardation.

"Europe will likely end this winter with lower stocks compared to the last winter, meaning its LNG demand requirements will rise next year and the region will have to outbid price-sensitive buyers in Asia, which is creating support for summer prices already," said Florence Schmit, energy strategist at Rabobank London.

S&P Global Commodity Insights assessed its daily North West Europe LNG Marker (NWM) price benchmark

for cargoes delivered in December on an ex-ship (DES) basis at \$12.82 per MMBtu on 7th November, a \$0.22 per MMBtu discount to the December gas price at the Dutch TTF hub.

Argus assessed the price at \$12.820 per MMBtu, while Spark Commodities assessed it at \$12.879 per MMBtu.

The US arbitrage to northeast Asia for December is currently pricing in at \$-0.23 per MMBtu, meaning prompt month US cargoes were incentivised to head to northwest Europe for a seventh straight week, said Spark Commodities analyst, Qasim Afghan.

Meanwhile, Atlantic LNGC rates rose for the first time in seven weeks to \$20,500 per day last Friday, while Pacific rates continued to decline for a 13th straight week to \$38,250 per day, he added. ■

Increased LNG exports to boost Qatar's stability

In an analysis of Qatar, S&P Global Ratings maintained its stable outlook.

The ratings agency said that in its view, Qatar's fiscal and external buffers should continue to benefit from the country's position as one of the world's largest exporters of LNG over the next two years, further boosted by production increases through the North Field East (NFE) project between 2026/2030.

Qatar plans to increase its LNG production capacity to 126 mill tonnes per year by 2027 from 77 mill tonnes currently and further

to 142 mill tonnes before 2030, an almost 85% increase above the current capacity.

In S&P's forecast, it is assumed that actual LNG production will be largely flat until 2025 but increase by about 35% from current levels by 2027. The pivot away from Russian gas, particularly by European economies, suggested there will be demand for additional exports from Qatar.

At the same time, Qatar could be vulnerable to geopolitical developments in the Middle East, including the rising confrontation between Israel and Iran through-

out this year. S&P viewed the likelihood of a protracted, direct conflict between Iran and Israel/the US as limited, but the agency thought that additional transmission channels, such as trade routes, population displacement or movements, and tourism flows were potentially more vulnerable.

Almost all of Qatar's exports currently pass through the Strait of Hormuz and more than 70% of Qatar's LNG exports go to Asia. This is expected to remain broadly unaffected by the current geopolitical tensions, including the widening war between Israel, Hamas, and Hezbollah, and the incidents in the Red Sea. Disruptions have not prevented delivery of Qatar's LNG, as shipments going north to Europe have been rerouted around the Cape of Good Hope.

Qatar exports about 20% of world's LNG and sustained disruptions to trade routes, including the Strait of Hormuz and Bab Al-Mandeb (Red Sea), could have a significant negative impact on those exports. However, S&P expected Qatar's fiscal and external inflows

to remain supported by uninterrupted export flows, given that the country predominantly exports LNG to Asian buyers and cargoes have remained unaffected by the ongoing disruption of the Red Sea route.

S&P also forecast GDP per capita should increase above \$80,000, once the NFE project boosts LNG production after 2026 and assumed that LNG demand is likely to peak in the mid-2030s, with increasing use of renewables in the energy market. Nevertheless, as a low-cost supplier, Qatar should remain in a strong competitive position even after 2030.

Qatar derives about 40% of its GDP, 80% of government revenue, and 90% of exports from the hydrocarbon sector. As a result, Qatar's strong fiscal and current account surpluses will persist in 2024/2027, based on S&P's Brent oil price assumption of \$81 per barrel in 2024 and \$75 per barrel in 2025/2027, together with expected increases in LNG production capacity by 2027.

In addition, NFE investment costs will be largely borne by QatarEnergy. ■



Qatar's increased LNG exports will lead to a stable rating

Rio Grande LNG progress update

Last week, NextDecade Corp provided an update on developmental and strategic activities for the third quarter and early fourth quarter 2024.

“We continued to make excellent progress on the construction of Phase 1 at the Rio Grande Facility during the third quarter,” explained Matt Schatzman, NextDecade’s Chairman and CEO. “The facility continues to progress safely, in line with schedule, and on budget, and the site has significantly advanced in the past few months.

“The Bechtel team has done exemplary work, including continued pipe work for Train 1, completing the first foundation pour for Train 2, and preparing to begin deep soil mixing for Train 3. Bechtel has also laid feed gas piping and begun constructing walls for both storage tanks. We remain committed to working with Bechtel to prioritise safety and risk management as Phase 1 construction continues.

“We have been managing the DC Circuit Court’s August decision to vacate the reauthorisation of the Rio Grande LNG facility with our partners and stakeholders, and we would like to thank the local Rio Grande Valley community, numerous local and federal elected officials, our LNG customers, our lenders, our equity partners, the Brownsville Navigation District,

Bechtel, our suppliers, many industry participants and groups, and all other stakeholders for their widespread support of the Rio Grande LNG project and the company.

“In October, we filed a petition for rehearing and rehearing en banc with the Court. The Court’s decision will not become effective while the appeals process is ongoing, and we remain committed to taking any and all available legal and regulatory actions to ensure that Phase 1 will be delivered on time and on budget and that FID on Trains 4 and 5 will not be unduly delayed,” he said.

Recent developments included:

- Under the EPC contracts with Bechtel Energy), Phase 1 progress is tracked for Train 1, Train 2, and the common facilities on a combined basis and Train 3 on a separate basis.

As of September, 2024:

- The overall project completion percentage for Trains 1 and 2 and the common facilities of the Rio Grande LNG Facility was 30.5%, which is in line with the schedule under the EPC contract. Within this project completion percentage, engineering was 76.1% complete, procurement was 57.6% complete, and construction was 5.5% complete.
- The overall project completion percentage for Train 3 of the Rio Grande LNG Facility was 9.8%,



Rio Grande LNG project remains on track

which is also in line with the schedule under the EPC contract. Within this project completion percentage, engineering was 17.0% complete, procurement was 21.9% complete, and construction was 0.1% complete.

- In July, 2024, the company appointed Tarik Skeik as COO. He has over 20 years of experience delivering complex global mega projects in LNG, oil, and petrochemicals across North America, the Middle East, and Asia.
- In August, 2024, the company entered into an EPC contract with Bechtel for Train 4 and related infrastructure. Price validity under the EPC contract for Train 4 and related infrastructure extends through 31st December, 2024.
- Also in August, 2024, the US Court of Appeals for the DC Circuit issued a decision vacating the Federal Energy Regulatory Commission (FERC) reauthorisation of the Rio

Grande LNG facility on the grounds that FERC should have issued a supplemental Environmental Impact Statement (EIS) during its reauthorisation process. On 21st October, 2024, NextDecade filed a petition for rehearing and rehearing en banc with the Court.

- The Court’s decision will not be effective until the it has issued its mandate, which is not expected to occur until after the appeals process has been completed.

- At this time, construction continues on Phase 1 at the Rio Grande LNG Facility.
- The company expects to take all available legal and regulatory actions, including but not limited to appellate actions and other strategies, to ensure that construction on Phase 1 will continue and that necessary regulatory approvals will be maintained to enable a positive final investment decision (FID) on Trains 4 and 5. ■

APLNG benefits from higher sales volume

In its third quarter 2024 report, Origin Energy said that Australia Pacific LNG’s (APLNG) revenue was 1% higher than the previous quarter, at \$2,638 mill, driven primarily by higher LNG sales volumes.

However, the quarter’s production was slightly down on 2Q24.

The end September quarter realised average LNG price was \$11.95 per MMBtu (contracted and spot) and the average domestic price was \$9.59 per GJ (legacy and short-term).

Origin’s electricity sales vol-

umes increased 3% from 3Q23, reflecting growth in retail customers and higher demand.

Gas volumes were steady compared to the 2023 quarter, as higher retail sales and gas to generation were offset by a decrease in business volumes.

Origin CEO, Frank Calabria, said, “Continued good operational performance at Australia Pacific LNG enabled steady production, while sales volumes and revenue increased compared with prior year to date.

“Australia Pacific LNG contin-

ues to provide material volumes of gas to the domestic market, supporting the needs of manufacturers.

“Energy markets electricity sales volumes increased in the September quarter, driven by growth in customer numbers and higher demand, while natural gas sales volumes remained steady.

“There has been a step change in Origin’s investment in renewables and storage, with construction progressing on large-scale batteries at Eraring and Mortlake, and we continue to progress the

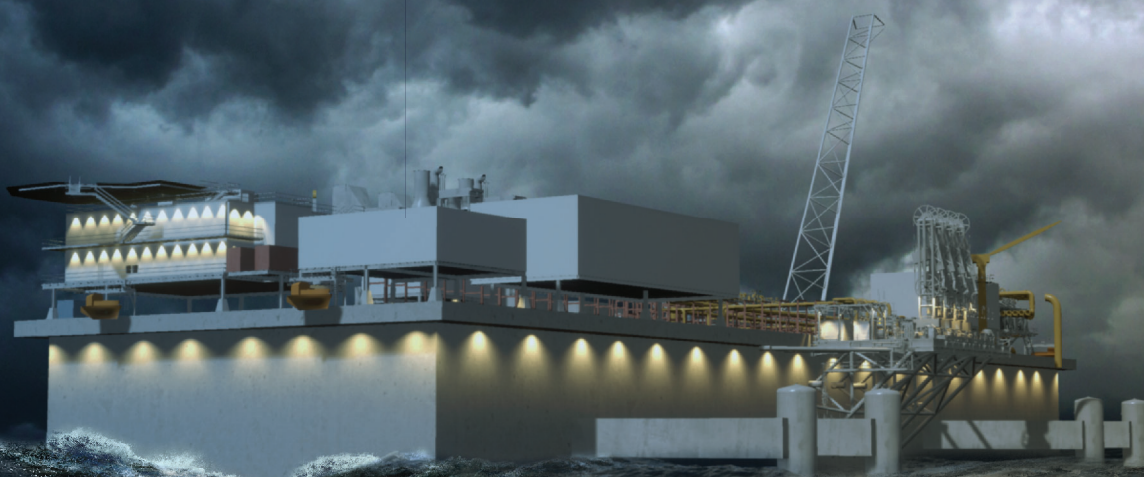
Yanco Delta Wind Farm development project in New South Wales, while also assessing a range of other earlier stage renewable development opportunities.

“Octopus Energy continued its strong growth, lifting both UK and international retail customers, while customer accounts contracted to the Kraken platform increased to 62 mill.

“Octopus continues to demonstrate it is one of the most disruptive energy and technology companies globally,” Calabria concluded. ■

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



Licensed capacity
7.2 MTPA

Capacity under permitting
5.0 MTPA

Future capacity
+15.0 MTPA

Excelerate produces solid financial performance

US FSRU operator, Excelerate Energy has reported net income of \$45.5 mill for the third quarter of this year and adjusted EBITDA was \$92.3 mill.

As a result, the company declared a quarterly cash dividend of \$0.06 per share, or \$0.24 per share on an annualised basis, representing a 140% increase from the previous quarter, payable on 5th December, 2024.

"Excelerate delivered another quarter of solid financial and operational performance. Our ability to deliver consistent results and generate strong cash flow is driven by the high quality of our FSRU and terminals business," said Steven Kobos, Excelerate's President and CEO. "Our core regasification business provides us with the financial foundation necessary to execute our growth strategy."

"As a US LNG company with a global presence, we are focused on expanding our reach in both new and existing markets around

the world. We continue to execute a disciplined capital allocation plan with the aim of driving value creation for our shareholders," he added.

Third quarter net income increased sequentially from 2Q24, primarily due to lower operating costs across several regasification projects, higher gas sales margins and lower depreciation expense. Adjusted EBITDA also increased sequentially, mainly due to the lower operating costs and higher gas sales margins.

However, the figures were lower than the 3Q23 results, mainly due to the transition of the FSRU 'Sequoia' to a timecharter party agreement in 1Q24, increased costs related to business development activities, and a decrease in other gas sales opportunities, partially offset by higher interest income.

In 3Q24, Excelerate signed medium-term agreements for LNG purchases and sales in one of the Atlantic Basin regions. Under the

terms of these agreements, Excelerate will purchase and sell around 0.65 mill tonnes of LNG, the pricing of which will be based on a major European natural gas index. The first purchase is expected during 4Q24.

In September, 2024, Excelerate and PetroVietnam Technical Services Corp (PTSC) signed a partnership agreement to jointly study FSRU-based technical solutions for LNG imports into Vietnam.

PTSC is a subsidiary of Vietnam Oil and Gas Group (PetroVietnam) and the leading provider of oil, gas and industrial services in the country. Excelerate said that the partnership with PTSC was an important next step in the company's broader strategy to invest in the rapidly growing Vietnamese LNG market.

As of 30th September, 2024, Excelerate had \$608.4 mill in cash and cash equivalents and it had issued \$0.1 mill in letters of credit under its revolver. All of the



Excelerate head Stephen Kobos

\$349.9 mill of undrawn capacity under the revolver was available for additional borrowings.

Excelerate has raised and narrowed its full year guidance for adjusted EBITDA and now expects it to range between \$335 mill and \$345 mill for the full year. Committed growth capital is expected to range between \$70 mill and \$80 mill, while maintenance Capex is expected to range between \$40 mill and \$50 mill this year. ■

Sapphire gains DoE approval to export LNG

Late last month, Sapphire Gas Solutions revealed that it has received approval from the US Department of Energy (DoE) to export domestically produced LNG under a long-term, multi-contract authorisation through 2050.

This approval allows Sapphire to export up to 51.75 bill cu ft, the equivalent of 626 mill gallons or 1.7 mill gallons per day of LNG annually to Free Trade Agreement (FTA) and non-Free Trade Agreement (non-FTA) countries, enabling the company to support energy demand worldwide, particularly in regions facing increasing supply restrictions.

"We are excited to receive this authorisation from the DoE," said Sam Thigpen, Sapphire Gas Solutions CEO. "This approval not only strengthens our commitment to expanding the global reach of US-produced LNG but also underscores our ability to deliver innovative energy solutions that contribute to reducing carbon emissions and promoting en-

ergy security around the world."

Traditionally, LNG cargo must be offloaded at onshore tanks and then transported to its final destination by truck. However, Sapphire's use of ISO containers allows the company to bypass this complex process, the company explained.

LNG will be shipped in containers similar to other cargoes, enabling Sapphire to deliver energy faster and more efficiently to countries in need. This capability allows Sapphire to provide immediate energy solutions to regions experiencing disruptions in their energy supply.

As countries in Europe and Asia confront growing energy restrictions and limited access to natural gas, Sapphire is positioned to deliver critical energy supplies. The ongoing situation in countries like Ukraine and Israel, where infrastructure has been severely damaged, has further intensified demand for reliable energy solutions, Sapphire said.

The company's unique ap-

proach allows for rapid deployment of LNG, providing quick and accessible power generation to areas in crisis, whether for short-term relief or long-term recovery.

"Sapphire Gas Solutions is stepping up to meet the urgent energy needs of regions hit hardest by war, natural disasters, and supply shortages both here in the US and now globally," Thigpen added. "By offering a turnkey solution that can be rapidly deployed, we're able to deliver energy where it's needed most, helping support disaster recovery and critical infrastructure restoration."

Despite a moratorium on large-scale natural gas exports impacting the US natural gas industry, Sapphire is able to operate under a small-scale exemption in the current regulations. This exemption opens the door for Texas-based natural gas production to reach global markets, ensuring the industry continues to thrive amid export restrictions.

"Our ability to operate under the small-scale exemption is a game changer for Texas and US natural gas," said Thigpen. "While the industry has been constrained by the current moratorium, this approval enables us to expand our proven business model globally, providing clean, reliable energy to regions in need while supporting US natural gas production."

Sapphire's authorisation extends through 31st December, 2050, with flexibility to operate under both long-term and short-term contracts. The company's operations will draw from multiple natural gas facilities across the US, leveraging the country's vast natural gas pipeline network.

As Sapphire continues to expand its LNG export capabilities, this DoE approval positions it to meet growing global energy demands while maintaining a focus on sustainability and environmental stewardship, the company concluded. ■

Capital enjoys increased income

Recently incorporated LNGC player, Capital Clean Energy Carriers (CCEC), has reported an increase in net income for the third quarter of 2024 to \$15.8 mill from \$5 mill recorded for 3Q23.

Upon conversion from a Marshall Islands limited partnership to a Marshall Islands corporation, the 348,570 general partner units and all the incentive distribution rights, were exchanged for a total of 3.5 mill common shares.

Some \$46.2 mill, representing the difference between the book value of the general partner units and the fair value of the common shares, was presented as a deemed dividend to the General Partner.

As a result, net loss from continuing operations per share for 3Q24, was \$0.54. After adjusting for the deemed dividend to the General Partner, the adjusted net income for the quarter, was \$0.28. This compares to a net income from continuing operations per common unit of \$0.25 for 3Q23.

Total revenue was \$106 mill, compared to \$63.9 mill during the third quarter of 2023. The rise was attributable to the five newbuilding LNGCs acquired by the company, which increased the average number of vessels from 11 to 15, compared to the same quarter last year.

In November, 2023, Capital decided to focus on the transport of various forms of gas to industrial

customers, including LNG and new commodities emerging, due to the energy transition.

More LNGCs

The company agreed to acquire 11 newbuilding LNGCs and in June, 2024, Capital invested in another 10 gas carriers, including four LCO2/multi gas and six LPG-ammonia carriers. Since December, 2023, the company has also completed or entered into agreements for the sale of 12 containerships.

Jerry Kalogiratos, CCEC CEO, commented: "I am pleased to see our company, under its new name of Capital Clean Energy Carriers Corp, advancing steadily in line with our chosen strategy.

"The recent name change and our conversion to a corporation with enhanced standards of corporate governance is an important step in reinforcing our platform further and expanding the company to a broader investor base.

"The accretive sale of our five Neo Panamax container vessels, agreed upon during the quarter, reflects management's commitment to deliver on our objective of positioning the company as premier carrier of gas, including emerging trades from the energy transition.

"Since February, 2024, our group has taken advantage of positive container market dynamics and in total sold or agreed to sell 12 container vessels raising ap-

proximately \$472 mill in net proceeds, thereby further strengthening our financial position.

"We believe that with a robust gas-focused platform, CCEC is well placed to grow over the next two years, as we bring an additional 16 state-of-the-art new vessels in operation.

"This growth is further supported by a current contracted revenue backlog of more than \$2.6 bill. The board and management look forward to enhancing the company's profile and reach a broader and more diversified investor base in the current quarter and beyond," he said.

As of 30th September, 2024, total cash amounted to \$183.1 mill, which including restricted cash of \$18.3 mill, and represented the minimum liquidity requirement under CCEC's financing arrangements.

CCEC's total debt (including debt classified within discontinued operations) was \$2,698.1 mill before financing fees, reflecting an increase of \$910.3 mill, compared to \$1,787.8 mill as of 31st December, 2023.

On 30th October, 2024, CCEC's Board declared a cash dividend per share of \$0.15 for 3Q24 payable on 15th November, 2024, to shareholders of record on 11th November, 2024.

Looking at the market, CCEC said that LNGC 2-stroke spot rates averaged \$73,404 per day in 3Q24, compared to \$160,308 per day for the same period last year.

Spot rates weakened further into the fourth quarter, despite the typical seasonal patterns, and as a result charter rates are expected to be significantly weaker this year, compared to previous years amidst firm fleet growth and delayed project start-ups.

Overall, while Red Sea disruption and US/Asia volumes have driven a stronger LNGC tonne/mile trade year-to-date, market conditions remain subdued, due to the increased fleet capacity growth, expected at 7.6% this year and 10.9% in 2025. ■

NEWS BRIEFS

Trafigura signs long term gas deal

Global commodities trader, Trafigura, has signed a long-term natural gas agreement with NuVista Energy, a producer of condensate-rich natural gas in the Montney formation in Canada's Alberta Deep Basin.

Under the agreement, NuVista will supply 21,000 MMBtu per day of natural gas to Trafigura with the purchase price indexed to JKM for up to 13 years beginning 1st January, 2027.

Jonathan Wright, NuVista CEO said: "For over a decade of growth, we have prioritised ensuring significant diversity in our North American natural gas sales locations to maximise returns on our condensate-rich natural gas.

"We are extremely pleased to now make our first entry to the world LNG markets with this long-term agreement with Trafigura, one of the world's leading LNG, energy and commodities groups," he said.

Igor Marin, Trafigura's Global Head of Gas, Power and Renewables, added: "We're delighted to be entering into a long-term offtake agreement with NuVista which has become a leading E&P producer in the Alberta Deep Basin.

"Canada's gas producers are now creating an important new connection to global LNG markets. The signing of our first agreement with NuVista reinforces our dedication to these markets and to the growth of our long-term portfolio.

"It also showcases our capability to supply customers globally, helping them to navigate market fluctuations and ensuring reliability, adaptability and energy stability," he said. ■



Capital is setting its stall out to be a major LNGC player.
Picture credit - Wärtsilä



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."

A handwritten signature in black ink, likely belonging to Jill Evanko.

JILL EVANKO / CEO / CHART INDUSTRIES

CLEAN CLEAN CLEAN CLEAN

 CHART DELIVERS CLEAN SOLUTIONS FOR



Power



Water



Food



Industrials



Learn more at chartindustries.com

ADNOC Gas to acquire majority stake in Ruwais LNG

ADNOC Gas expects to acquire its parent ADNOC's 60% stake in the Ruwais LNG plant in the second half of 2028 at cost, estimated to be \$5 bill, the company revealed.

On behalf of the ADNOC Group, ADNOC Gas is managing the plant's construction and design, as well as leading the marketing of LNG volumes. Over 7 mill tonnes per annum of the project's total production capacity of 9.6 mill tonnes has already been committed to international customers.

Dr Ahmed Mohamed Alebri,

ADNOC Gas CEO, said: "It has always been our intention to acquire ADNOC's 60% stake in Ruwais LNG.

"This investment is a central component of our ambitious international growth plans and will strengthen ADNOC Gas' position as a powerhouse in the global LNG market.

"Over the next five years we plan to invest \$15 bill in CAPEX in projects, which will enable us to capture opportunities from the forecast increase in domestic and global demand for the lower carbon gases we produce," he

explained.

Ruwais LNG will more than double ADNOC Gas' current gross 6 mill tonnes per annum LNG capacity operated from Das Island to reach more than 15 mill tonnes; it will have two electrically powered liquefaction trains, each with a processing capacity of 4.8 mill tonnes per annum, a first in the Middle East and North Africa (MENA) region. When completed, Ruwais LNG will be one of the lowest-carbon intensity LNG plants in the world.

The first of the plant's two trains is expected to come on

stream in the second half of 2028 and the second in early 2029. The facility will also leverage AI and other advanced digital technologies to enhance safety, minimise emissions and drive efficiency, the company said.

In June, ADNOC announced a final investment decision (FID) on the Ruwais LNG project and an engineering, procurement, and construction (EPC) contract, valued at over \$5.5 bill.

A month later, it welcomed Mitsui & Co, Shell, bp, and Total-Energies as equity partners, each taking a 10% stake. ■

KBR wins Qalhat project FEED contract

US engineering company, KBR has been awarded a front-end engineering design (FEED) contract for the Qalhat LNG expansion project in Sur, Oman.

This project represents a significant step in Oman's efforts to meet rising global energy demands, while prioritising sustain-

able and efficient operations, the company said.

Under the FEED contract, KBR will provide engineering services for the complex's fourth LNG train, which will have a capacity of 3.8 mill tonnes per annum. It will involve the addition or expansion of utilities, an LNG tank, the jetty,

and associated infrastructure.

"LNG will play an increasingly vital role in the global energy mix, and we are honoured to continue our collaboration with Oman on this critical project," said Jay Ibrahim, KBR President, Sustainable Technology Solutions. "By addressing the energy trilemma of

security, sustainability and affordability, this project is expected to significantly contribute to Oman's energy security and sustainability goals."

KBR has designed and constructed numerous LNG production facilities worldwide, the company explained. ■

NEWS BRIEFS

EC gives nod to Adriatic LNG deal

Italian energy company Snam's CEO has welcomed the European Commission's green light for a deal involving Italy's largest LNG terminal - Adriatic LNG.

Earlier this year energy storage group VTTI agreed to buy a 70% stake in Adriatic LNG, with grid operator Snam increasing its share to 30%, as ExxonMobil and QatarEnergy sold their interests.

The LNG terminal is located about 15 km off the Veneto coast and has a regasification capacity of 9 bill cu m of gas per year.

It is considered to be a key component of Italy's energy security after the import of LNG

increased significantly to replace the Russian pipeline gas flows before Moscow's invasion of Ukraine.

The Commission said last week that it had approved the acquisition of the joint control by Snam and VTTI, saying the deal would not raise competition concerns.

Snam CEO, Stefano Venier said in a statement that the closing of the transaction was expected at the beginning of December.

Petronas lifts LNG production force majeure

PETRONAS has lifted the *force majeure* (FM) on gas supplies to MLNG 'Dua', effective 1st

November, 2024.

This decision follows the successful commissioning of Jerun and Kasawari earlier this year, two new gas fields in Sarawak now providing a reliable source of feedgas to the unit.

Looking ahead, PETRONAS reaffirmed its commitment to meeting its contractual obligations, ensuring a stable and reliable supply of LNG to meet the energy needs of its customers, the Malaysian energy conglomerate said.

Dahej to have third jetty

Toyo Engineering India, a wholly owned subsidiary of Japan's Toyo Engineering Corp, has been awarded an engineering, pro-

curement and construction (EPC) contract for third berth at the Dahej, Gujarat LNG terminal by Petronet LNG.

The EPC contract is scheduled to be completed by the first quarter of 2027.

Petronet LNG is one of the fastest growing public limited companies in the Indian energy sector.

Since 2000, Toyo India has been co-operating with Petronet LNG, and this new contract has further strengthened this relationship.

This contract further demonstrates and consolidates Toyo-I's capabilities in EPC projects execution in LNG sector, the company claimed. ■