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Rising costs hitting US LNG plant developers

Several US LNG producers are trying to renegotiate higher prices with buyers, due to rising construction, labour and borrowing costs.

US LNG projects are facing major cost problems

However, higher prices would eat into US LNG's competitive advantage on the global supply market, at a time when President Donald Trump is seeking to expand the sector - already the world's largest.

"The competitiveness of US LNG could face a double whammy," said Alex Munton, Director of Global Gas and LNG Research at consulting firm Rapidan Energy Group, talking with S&P Global.

Rising liquefaction costs, a tighter domestic gas market, and rivals' falling prices indexed to oil could all impact US LNG competitiveness, Munton added.

Renegotiating SPAs

Other sources claimed that Mexico Pacific and Venture Global were seeking to renegotiate their supply purchase agreements with buyers, while Energy Transfer's co-CEO told a recent earnings call that negotiations were underway.

Mexico Pacific, which is developing a 15 mill tonnes per annum facility in Western Mexico to market US natural gas, has been trying to renegotiate higher liquefaction fees with Chinese buyers Zhejiang Energy and Guangzhou Gas, according to two Chinese industry officials.

The company wanted to renegotiate prices because US engineering firm Bechtel, which is building the plant, has quoted a construction price that has made the project too expensive, the sources said.

Zhejiang and Guangzhou have so far rejected Mexico Pacific's proposal, the sources added without providing details of liquefaction costs.

Meanwhile, Guangzhou has asked for a drop in its offtake from the project from 1 mill tonnes per annum to 700,000 tonnes, a source told newswires.

Venture Global, the second-largest US LNG exporter, has also been trying to renegotiate higher prices for supply and purchase agreements for its CP2 project in Louisiana, even though plant construction is yet to start and the project has not received the financial go-ahead, according to two other sources.

In January, the firm told investors that liquefaction fees could rise to above $4 per MMBtu from around $2.25.

Energy Transfer, which is also developing a 16.5 mill tonnes per annum LNG export facility in Louisiana, said at last month's earnings call that it has also been renegotiating liquefaction fees with customers, as the company tries to align higher construction costs with offtake agreements.

"Everybody understands how costs have risen. And we are in continued negotiations with those to renegotiate their fees," said Marshall McCrea, Energy Transfer's Co-CEO.

McCrea claimed that customers had stuck with the project, despite the demand for higher fees.

US LNG exporter, Cheniere Energy said in February that it was not increasing fees, as its prices are already linked to inflation and its projects are built on brownfield sites that have cost advantages.

Baker Hughes, one of the largest engineering companies involved in the US LNG construction sector, has been able to contain its cost inflation but there have been increases for LNG developers, said Lorenzo Simonelli, the company's CEO.

"It's the EPCs that we see that more, it's the labour content that we see that more," Simonelli said, referring to engineers, procurement, and construction (EPC) firms. "If we look at the external environment, we would say there is some inflation taking place."

Overall, liquefaction fees for US LNG projects are on track to rise above $2.50 per MMBtu, due to a tight labour market, rising construction costs and stubbornly elevated interest rates, brokerage Poten and Partners said in a recent report to clients.

Higher liquefaction fees could hurt the cost-competitiveness of US LNG projects, especially if coupled with an increase in US natural gas prices and or a drop in Brent crude oil prices.

On top of a labour shortage, inflation is driving up the price of equipment and materials, Poten said. ■

UNLIMITED AGENDA

IEEFA takes a swipe at Shell's LNG forecast

Last month, UK oil and gas major Shell' annual LNG forecast, made a bullish case for market growth over the next 15 years.

For this year, demand expectations were increased to between 630 and 718 mill tonnes per annum by 2040, 1-5% higher than last year's projection.

However, the latest outlook is heavy on investor optimism but light on details, the Institute for Energy Economics and Financial Analysis (IEEFA) claimed in a review.

Shell's underlying rationale for rapid LNG demand growth appeared to be increasingly fragile. While higher projections justify the company's sizable LNG portfolio, they mask fundamental flaws in the LNG growth thesis and financial risks for investors.

Shell forecast that LNG trade will grow rapidly for the remainder of the decade, followed by slower growth in the 2030s. Last year, the company anticipated global demand peaking in the 2040s, but its latest high-demand scenario now suggests a peak in 2039.

The energy giant believed that LNG will provide the largest share of global natural gas demand growth through 2040. However, over the last 20 years, the majority of incremental demand has been met by gas that is domestically produced, not traded.

With the exception of China, natural gas consumption has grown primarily in countries that produce enough gas to either be self-sufficient or net exporters, like the US.

In contrast, gas demand has tended to fall in markets that require large import volumes, like Europe and Japan. By betting on LNG as the largest growth driver, Shell expected the natural gas trade to break a trend that has existed for over two decades.

Paradoxical

A second issue is that under Shell's high-growth scenarios, demand exceeds supply through 2040, implying that tight markets could maintain upward pressure on global prices. This is paradoxical, as high prices hinder LNG's ability to compete with other fuels, like coal and renewables, thus limiting its demand, IEEFA said.

While lower prices will be necessary to stimulate growth, particularly in emerging economies, they would also result in smaller returns for LNG companies and their shareholders - a point conspicuously overlooked.

Finally, Shell's latest outlook departs from previous arguments about the key drivers of incremental LNG demand. It downplays LNG's role in the power sector and no longer emphasises claims that LNG can displace coal in Asia.

Instead, the energy giant now argued that data centres and artificial intelligence (AI) will drive long-term LNG demand without providing any evidence.

The forecast also bypasses LNG growth in southeast Asia, instead highlighting LNG infrastructure investments and potential LNG use for transport in India and China.

However, China's domestic gas production and pipeline imports are growing faster than LNG, due to lower costs. Domestic production accounted for almost half of the country's natural gas demand growth last year.

China's LNG imports increased in 2024 but fell to five-year lows in February, 2025.

Shell suggested that China and India will see higher LNG demand for trucking. China's LNG truck fleet has nearly tripled since 2019, but government data indicated that the country liquefies enough of its own natural gas to meet trucking demand without importing LNG.

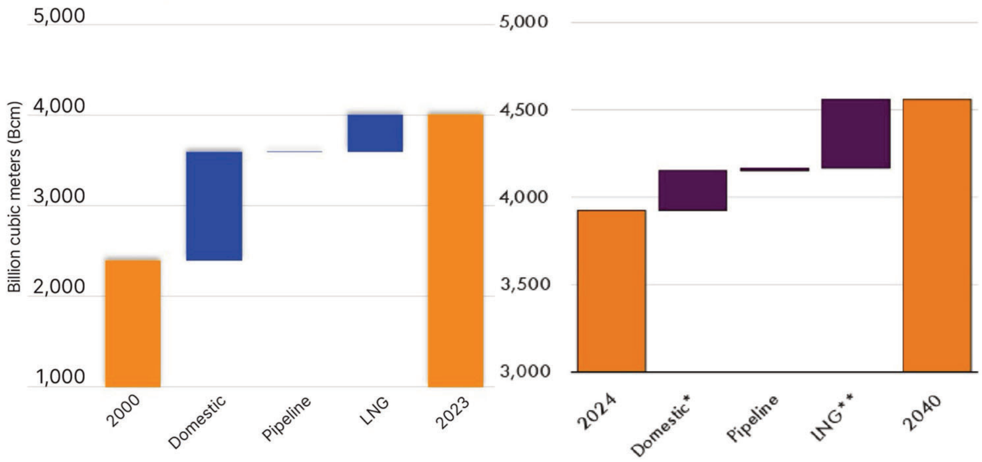
Wood Mackenzie recently concluded that China's "surge in LNG trucks will not last", due to the growth of battery driven electric trucks. India is significantly further behind in adopting LNG trucks, and scalability remains a persistent challenge.

The affordability of LNG also remains highly questionable in India. Between 2016 and 2024, LNG demand has remained limited in sectors that do not receive fiscal support. For example, global LNG prices would have to fall by half to compete in power generation, where gas provides less than 2% of the electricity mix.

Emerging Asian markets' LNG demand has vastly underperformed. For example, in 2019, some expected combined imports from Thailand, Vietnam, the Philippines, Bangladesh, and Pakistan to reach 56 mill tonnes per year in 2025 and 83 mill by 2030. In 2024, imports to those countries were just 27 mill tonnes per annum.

Rather than acknowledge fundamental issues or downside risks to its core LNG thesis, Shell seemed to be selectively grasping at straws to validate its long-term LNG gamble, IEEFA concluded. ■

Historical global natural gas supply growth (left) vs. Shell 2040 forecast (right)



Source: Energy Institute, "Statistical Review of World Energy 2024"; IEEFA (left); Shell LNG Outlook 2025 (right)

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Iraq looking at LNG imports and terminals

Iraq is looking to join the LNG importers' club, as it faces uncertainty over Iranian pipeline gas supplies, which could result in electricity shortages.

The country was said to be in talks to secure a vessel to use as an FLNG import terminal, according to a Bloomberg report.

A plan is being discussed with an undisclosed UAE-based firm to import LNG and procure the floating terminal, Hamza Abdul Baqi, Director General of Iraq's South Gas Co, confirmed in an interview last week.

Iraq's first foray into buying LNG comes as the US ended a sanction waiver for electricity imports from Iran, as part of President Donald Trump's plan to put pressure on Tehran.

However, to contract a floating import unit before demand rises in the summer could be difficult, as the units normally take over a year to deploy and their availability is currently scarce.

Iranian power purchases make up a small share of Iraq's total electricity consumption. Yet Iraq is dependent on Iranian gas to run its generating plants. But supplies have been haphazard, due to technical and payment issues.

The US move also complicates gas purchases from Iran, and a decline would likely result in more blackouts during the very hot summer.

Pipeline flows had already stopped to power plants in Baghdad and the central Euphrates region for the past two months, electricity ministry spokesman Ahmed Moussa told Iraq news agency INA early last week.

Supply to power plants in southern Iraq has also been unstable, he added.

Iraq has been working on plans to secure fuel from other sources, including the mooring of FSRUs at its ports to import as much as 500 mill standard cu ft per day of LNG.

The country had said it expected to make this operational before this summer.

An FLNG import terminal, once installed, could make up about 50% of the gas that Iraq's was receiving from Iran, Abdul Baqi added.

However, FSRUs can take more than a year to install and the rapid deployment of several units in Europe, primarily Germany, after the 2022 Russian invasion of Ukraine, took months to become operational, which has caused a unit shortage. ■

Excelerate in talks with Egypt and Vietnam

Egypt's Minister of Petroleum and Mineral Resources, Karim Badawi, held a meeting with Excelerate Energy CEO, Steven Kobos, to explore co-operation in LNG technology and expertise transfer at last week's CERAweek, it has been revealed.

This comes in light of the company's extensive experience in this field and the availability of infrastructure represented by the liquefaction plants in Idku and Damietta, newswires reported.

At the meeting, the possibility of providing FSRUs, which would support the Ministry's goals of securing natural gas supplies for the local market, was explored.

Kobos reportedly expressed an interest in providing FSRUs to Egypt, in addition to co-operating with the country's petroleum sector in LNG trading and commercial projects.

He pointed out the important role of Egyptian liquefaction plants in transporting the region's gas to European markets, which would enhance the country's role as a regional hub for energy trading.

Also at CERAweek, it was said that Egypt was interested in chartering an FSRU, which was recently operating at Mukran, Germany for Deutsche ReGas.

An Egyptian delegation was due in Germany to conclude the deal by the end of this month, it was said.

It was believed that the FSRU 'Energos Power' which is anchored off the Skaw, recently came off a Deutsche ReGas charter.

PV Gas MoU

Excelerate has also signed a memorandum of understanding (MoU) with PetroVietnam Gas Joint Stock Corp (PV) to secure LNG supplies from the US, possibly starting next year.

Under the MoU, the two parties will also evaluate PV Gas' supply needs and put together a plan to source US LNG.

"We are pleased to partner with PV Gas on this significant opportunity," said Oliver Simpson, Excelerate's Executive Vice President and CCO.

"This collaboration underscores our commitment to helping Vietnam meet its growing needs, while also providing a downstream market for US energy supply.

"Together, we look forward to contributing to a sustainable and secure energy future for Vietnam," he said.

An Excelerate executive has also confirmed that Argentina has not requested another FSRU for next winter, as the country planned lower LNG imports this year.

Derek Wong, Excelerate's Vice President of Government Relations, told Reuters on the sidelines of CERAWeek that the FSRU currently operating in Argentina, the only import facility in the country, might be enough to meet demand again this year, depending on the weather.

Costly LNG imports have been a problem for Argentina in the past, but increasing domestic natural gas production has resulted in lower pipeline gas imports from Bolivia and also of LNG cargoes in recent years.

Argentina's Economy Vice Minister and Head of Energy, Daniel Gonzalez said last week at the conference that this year the country would import fewer LNG cargoes than before, but declined to give details.

Cold winters in the Southern Hemisphere typically increase gas consumption in Argentina, sometimes creating the need to put another FSRU into service.

Excelerate head Steven Kobos

Last year, only one FSRU was needed to import 30 LNG cargoes during the winter, while in the two previous years, between 41 and 44 cargoes were imported through FSRUs at Bahia Blanca and Escobar.

Following President Javier Milei's economic reforms, last year, Argentina had a $5.7 bill surplus in its energy trade balance, a big achievement for a country that had struggled to cover the cost of energy imports in previous years, the newswire reported. ■

Brazil seeks long term LNG deals

Brazil's state-run oil company Petrobras is in talks with US LNG suppliers for a long-term import deal, an executive has revealed.

Latin America's largest oil producer consumes more gas than it produces and relies on imports to fill the gap, buying pipeline gas from Bolivia and importing LNG cargoes to meet domestic demand.

"We continue to import on the spot market, but we are going to the long-term market," said Petrobras' Director of Energy Transition and Sustainability, Mauricio Tolmasquim, in an interview with Reuters at Houston's CERAweek.

Last month, Petrobras and UK energy supplier Centrica announced a deal whereby the Brazilian company will buy 0.8 mill tonnes per annum of LNG for 15 years, starting in 2027.

This was Brazil's first long-term LNG supply agreement.

Long-term LNG contracts give Petrobras reliable supplies, compared with purchases on the spot market, sources said.

Brazil is also looking to boost its own production and is also negotiating to import gas from Argentina through Bolivian pipelines.

"(We) want to buy from Argentina, yes, but as in any business, you have to see other supplies (including) LNG, domestic gas, so we have to compare," Tolmasquim said.

Companies and the Brazilian, Argentinian and Bolivian governments have been talking in recent years about taking advantage of existing regional transport infrastructure to reverse the flow of gas to enable supplies from Argentina's huge Vaca Muerta shale field to reach Brazilian customers, including Petrobras.

"We continue to talk. I think that there is real possibility to make some deal," Tolmasquim said, adding that price negotiations have progressed since last year on a tolling fee to be charged by Bolivia to let Argentina's gas pass through a part of its infrastructure en route to Brazil.

"We are talking about what price we need that can be accepted by most parties," he explained.

The reshuffle of the gas flows could ultimately benefit Bolivia, a traditional gas supplier for the region, as its own output dwindles to volumes barely meeting domestic demand, Tolmasquim added. ■

More offtake deals reported

Canadian gas developer, ARC Resources has entered into a long-term LNG sale and purchase agreement (SPA) with ExxonMobil LNG Asia Pacific (EMLAP), an ExxonMobil affiliate.

Under the agreement, EMLAP will purchase all of ARC's LNG offtake from the Cedar LNG project - around 1.5 mill tonnes per annum - at international LNG pricing.

The agreement will commence when Cedar LNG facility's commercial operations come online, expected in late 2028, and continues for the period of ARC's liquefaction tolling services agreement with Cedar LNG Partners.

"(Today), we have reached a significant milestone in our strategy to diversify and expand margins through participation in the global LNG market.

"Through this agreement, we have achieved our target of linking about 25% of our future natural gas production to international pricing," said Terry Anderson, Arc Resources' President and CEO.

"We are proud to partner with ExxonMobil - a global energy leader - and demonstrate the critical role that low-cost Canadian natural gas has to play in meeting the world's growing energy demand," he said.

"This agreement provides ExxonMobil with advantaged access to Asian LNG markets by establishing ExxonMobil's first long-term offtake position on Canada's Pacific Coast.

"We look forward to working with ARC Resources, one of Canada's largest and most experienced natural gas producers, as we continue to expand and diversify ExxonMobil's LNG portfolio and provide the lower-emissions energy the world needs," Andrew Barry, Vice President Global LNG Marketing, ExxonMobil Asia Pacific, added.

During the past three years, ARC has entered into three long-term agreements that will provide the company with exposure to international LNG pricing.

In 2022, ARC signed an agreement to supply 140,000 MMBtu per day of natural gas to Cheniere's Corpus Christi Stage III expansion with pricing linked to Platts JKM (Japan Korea Marker).

In 2023, the company announced its second agreement with Cheniere to supply 140,000 MMBtu per day to its SPL expansion project with pricing linked to the Dutch Title Transfer Facility (TTF).

This SPA followed ARC's recent long-term liquefaction tolling services agreement with Cedar LNG - a partnership between the Haisla Nation and Pembina Pipeline Corp - where ARC will deliver around 200 mill cu ft per day of natural gas to the Cedar LNG project for liquefaction.

Woodside SPA

Australian oil and gas developer, Woodside has signed a long-term sale and purchase agreement (SPA) with China Resources Gas International for the supply of around 0.6 mill tonnes of LNG per year over 15 years on a delivered basis, commencing in 2027.

Woodside Executive Vice President & CCO, Mark Abbotsford, said: "We are very pleased to have launched our relationship with China Resources, the country's leading gas utility.

"This marks the first time Woodside on a standalone basis has signed a long-term sale agreement with a customer in China, Asia's largest consuming market for LNG. And it is the first time China Resources has signed an agreement to procure LNG over a period of 15 years.

"The agreement again demonstrates the depth and length of demand for LNG in Asian markets as nations in the region seek to guarantee energy supplies," he said.

China Resources Gas Group Chairman, Yang Ping, added: "We are delighted to sign our first-long term SPA with Woodside Energy, a leading supplier of LNG globally. Woodside's growing global LNG portfolio and its proven track record as an operator have created a solid foundation for the agreement.

"The signing of this SPA will also open up the potential for future co-operation between the two companies globally," he said.

Elsewhere, Sembcorp Industries has provided an update on the gas sales agreement (GSA) signed by its wholly-owned subsidiary, Sembcorp Gas, with West Natuna Exploration, Empyrean Energy and Coro Energy Duyung (Singapore).

The GSA was subject to regulatory approvals and as Indonesian regulatory approval was not obtained, the GSA will accordingly be terminated.

This will not affect Sembcorp's energy costs or its ability to meet gas supply requirements in Singapore, the company said, adding that will continue to leverage its network of natural gas sources, including LNG, to fulfill demand. ■


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CC3's Train 1 substantially complete

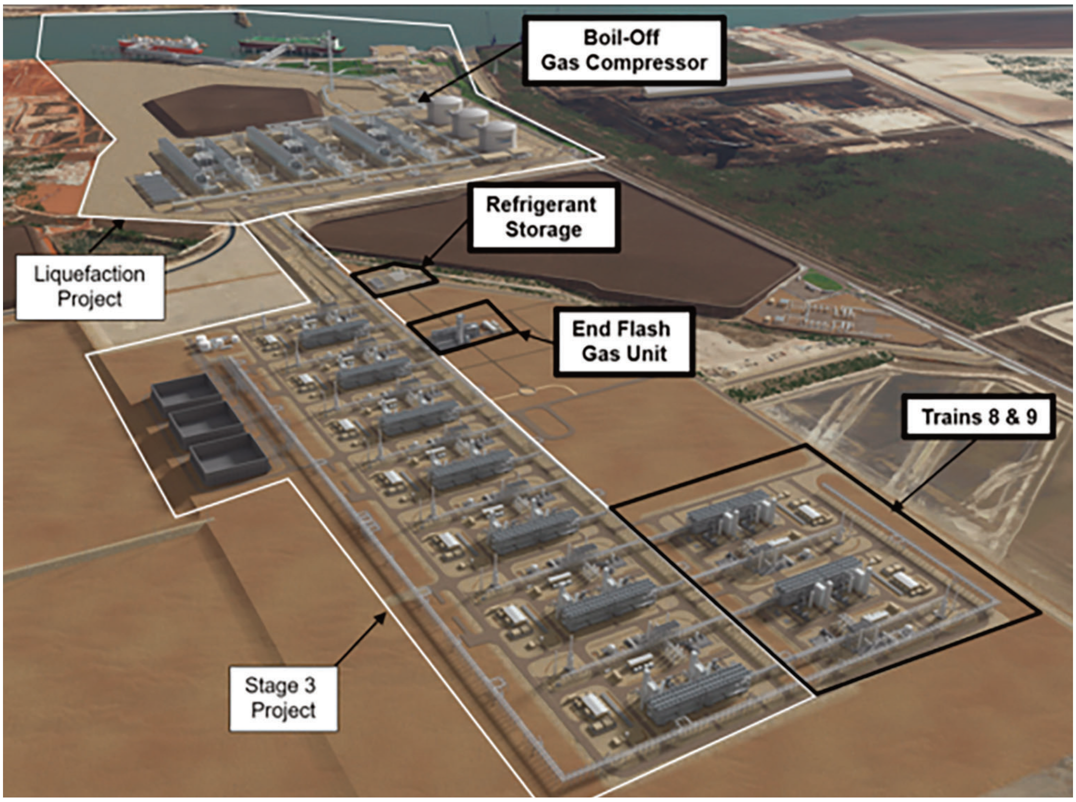
Cheniere Energy has announced that substantial completion of Train 1 at the Corpus Christi Stage 3 liquefaction project (CCL3) was achieved on 16th March, 2025.

Commissioning is complete and Cheniere's engineering, procurement and construction (EPC) partner, Bechtel Energy has turned over care, custody, and control of Train 1 and associated systems to Cheniere.

With this achievement, financial results from LNG sales from Train 1 going forward will be reflected in the statement of operations of Cheniere and its applicable affiliates.

"The substantial completion of the first train of CCL Stage 3 - ahead of schedule and on budget - marks another important milestone for Cheniere and further builds upon the track record of excellence in execution consistently delivered by the Cheniere and Bechtel teams," said Jack Fusco, Cheniere's President and CEO.

"We remain focused on safely and efficiently bringing the remaining CCL Stage 3 trains online ahead of schedule, providing much-needed new LNG supply to the global market, and creating long-term value for our stakeholders by growing the Corpus Christi platform with disciplined, brownfield growth," he said.



CC3's proposed Trains 8 and 9

Full notice to proceed on CCL3 was issued to Bechtel by Cheniere in June, 2022, with first LNG production from Train 1 achieved in December, 2024 and the first cargo loaded in February, 2025.

CCL3 consists of seven mid-scale trains, with an expected total production capacity of over 10 mill tonnes per annum of LNG.

As of 31st January, 2025, overall CCL3 project completion was 78.3%, which reflects engineering 97.6% complete, procurement 97.2% complete, sub-contract work 88.8% complete and construction 45.5% complete.

Upon substantial completion of all seven trains of the project, the expected total production capacity of the Corpus Christi liquefaction facility will be over 25 mill tonnes per annum, Cheniere said. ■

NEWS BRIEFS

Capricorn clears up Egyptian gas deal reports

Countering reports of an Egyptian gas deal, UK listed gas developer, Capricorn Energy, said that an initial agreement had been reached with Egyptian General Petroleum Corp (EGPC).

This outlined the terms to promote increased investment and production, including an improved gas price for incremental production and new discoveries alongside modernised commercial terms.

Capricorn confirmed that it was in advanced discussions with EGPC, but any agreement was still subject to Main Board approval.

Recent press reports said that Capricorn had agreed an improved gas price with EGPC with respect to the Western Desert Egyptian concession agreements in which the Edinburgh based company and its operating partner, Cheiron Energy, each hold a 50% participating interest.

Four LNG tanks to be built for Kaohsiung LNG terminal

Taiwan's engineering, procurement, and construction (EPC) services provider, CTCI Corp has won an NT$26.6 bill EPC bid together with Japan's IHI Plant Services Corp (IPC) to build four above-ground, double-domed LNG tanks.

Each cryogenic tank will have a storage capacity of 180,000 kiloliters.

They were ordered by state-owned CPC Corp, to be located at its Kaohsiung Intercontinental LNG terminal.

"We thank CPC for entrusting this project to us," said Michael Yang, CTCI Corp Chairman. "CTCI's partnership with IHI Corp has spanned over two decades.

"With an extensive track record and project management experience, we're confident that this project will become another success.

"The tank storage project will serve as another example of CTCI's commitment to safeguarding the Earth's sustainability, as we choose to adopt environmentally-friendly 'Green Engineering' technologies and intelligent technologies to expedite greenhouse gas emissions reduction and energy saving," he said.

The LNG storage tanks are a key part of CPC's investment in setting up a storage and transport terminal for its petrochemical and refinery products at Kaohsiung.

Due to be completed by late 2030, the tanks will enhance CPC's LNG storage capacity, ensure stable gas supply in the southern region, and be ready to redistribute gas across the island through land and sea networks when needed. ■

Asyad lists on Muscat Stock Exchange

Diversified shipowner with LNGC interests, Asyad Shipping Co, has listed on the Muscat Stock Exchange (MSX), following the completion of an IPO.

The company raised around OMR128.1 mill (about $332.8 mill) from both domestic and international investors.

A total of 1,041,748,856 ordinary shares were offered to investors, representing 20% of Asyad's total issued share capital.

The offer price was set at 123 baizas per share, with Asyad Shipping's market capitalisation at around OMR641 mill (around $1.66 bill).

Asyad also said it had established a robust dividend policy, demonstrating its commitment to shareholder returns. The company intends to declare a dividend of $58 mill (around OMR22.3 mill) payable this month and a dividend of $75 mill (about OMR29 mill) payable in September.

Looking ahead, based on forecasts for the year ending 31st December, 2025, the company expects to declare a dividend of $75 mill (about OMR29 mill) payable in March, 2026.

For next year, the company predicted a fixed annual dividend of $150 mill (around OMR58 mill), 50% of which, amounting to $75 mill (circa OMR29 mill), is expected to be paid in September, 2026 on the basis of Asyad's performance for the six months ending 30th June, 2026, while the remaining 50% is expected to be paid in March, 2027 on the basis of the company's performance to the end of 2026.

Asyad Shipping's LNGC 'Ibri LNG' which was recently sold

2027 dividend

In 2027, the company said it expected to declare a dividend based on 95% of the audited net income for the year ending 31st December.

Dr Ibrahim bin Bakhit Al Nadhairi, Asyad Shipping CEO, said: "I am incredibly proud to see Asyad Shipping list on Muscat Stock Exchange.

"Since our establishment in 2003, our journey has been marked by sustainable growth and global expansion and we have successfully built one of the world's largest diversified shipping companies, leveraging Asyad Group's advanced infrastructure.

"As we look towards the future as a public company, we remain committed to supporting Oman's economic development, expanding our global operations, and creating value for our investors and partners by continuously seeking out new growth opportunities," he said.

Haitham Salim Al Salmi, CEO of Muscat Stock Exchange, added: "The listing of Asyad Shipping, a subsidiary of Asyad Group, on the Muscat Stock Exchange is an important step towards reinforcing the Exchange's position and opens new investment opportunities in the diversified maritime transport and shipping industry.

"Asyad Shipping is the first company that lists on the MSX this year, a valuable addition to the logistics sector on the Exchange.

"This listing elevates the market capitalisation of the Exchange to approximately OMR27,831,000,000, and the company will be one of the 10 largest listed companies on the Exchange.

"Asyad Shipping's listing is aligned with the Oman Investment Authority's strategy to divest from some government assets, to support the economic diversification efforts and achieve the objectives of Oman Vision 2040," he concluded. ■

Mozambique LNG gets US funding

In a boost to the beleaguered Mozambique LNG project, the US has provided almost $5 bill in funding.

The US Export-Import Bank (Exim) has re-approved a $4.7 bill loan for the project, Estevao Pale, Mozambique's Minister for Energy told the UK's Financial Times last week.

Developer TotalEnergies is waiting for loan re-approvals from the US, UK, and Dutch export credit agencies before lifting a *force majeure* on the project that has been in place since 2021.

The French energy giant declared *force majeure* on the $20 bill project in April, 2021 after Islamic State-linked fighters overran the town of Palma, adjacent to its facilities in Mozambique's northern Cabo Delgado province.

Minister Pale told the FT that he expected the UK and Netherlands to reconfirm their support.

Last month, TotalEnergies CEO, Patrick Pouyanne said that financing for the $20 bill LNG project was expected to be approved in the coming weeks. ■

NEWS BRIEFS

ConocoPhillips' Lance calls for methane problems co-ordination

ConocoPhillips CEO Ryan Lance said last week that the US and Europe should co-ordinate their regulations on methane.

"We can't have the European Union and the US trying to do something different, because they're interpreting the rules completely different," he said at the CERAWeek energy conference in Houston.

"Europe's trying to drive a different end game than what the US is trying to drive. So that creates a lot of problems," he warned.

Both the US and Europe have developed regulations intended to force oil and gas producers to slash methane emissions, the most prevalent greenhouse gas after carbon dioxide that tends to leak into the atmosphere undetected from drilling sites, gas pipelines and other oil and gas infrastructure.

Co-ordinating the regulations is important in part because the US has become a large supplier of LNG to Europe.

Last month, the US Senate voted on a resolution that would overturn a proposed fee on methane emissions developed by former President Joe Biden's administration, and there is a chance the Trump administration will seek to reverse other aspects of the Biden-era US methane regulations. ■

Baker Hughes signs Rio Grande LNG framework agreement

Baker Hughes is to supply equipment for Rio Grande LNG

US engineering giant, Baker Hughes has signed a framework agreement with NextDecade Corp whereby the latter plans to utilise Baker Hughes' equipment for Rio Grande LNG.

NextDecade will take delivery of Baker Hughes' gas turbine and refrigerant compressor technology and will also agree a contractual services agreements for maintenance work on the equipment for Trains 4 through 8 at the Rio Grande LNG.

"Utilising Baker Hughes' industry-leading rotating equipment and their maintenance services is critical to ensuring the Rio Grande LNG Facility operates efficiently and reliably," explained Matt Schatzman, NextDecade Chairman and CEO.

"We look forward to continuing our collaboration with Baker Hughes, as we progress our plans to make the Rio Grande LNG Facility one of the largest LNG production and export facilities in the world," he said.

"Baker Hughes is proud to continue our long-standing relationship with NextDecade, providing advanced gas technology solutions that enhance the efficiency and reliability of their LNG operations," added Lorenzo Simonelli, Chairman and CEO of Baker Hughes. "This agreement is a further example of our commitment to delivering innovative solutions in support of increasing energy demand."

NextDecade claimed to be making excellent progress on commercialising Rio Grande LNG Trains 4 and 5 and expects to make positive final investment decisions (FIDs) and commence construction on Trains 4 and 5 and related infrastructure at Rio Grande LNG, subject to, among other things, maintaining the required governmental approvals, finalising and entering into EPC contracts, entering into appropriate commercial arrangements, and obtaining adequate financing to construct each train and its related infrastructure.

NextDecade is developing and starting the permitting process for Trains 6 through 8, which are wholly owned by the company and are cumulatively expected to increase its total liquefaction capacity by around 18 mill tonnes per annum once coming online.

Baker Hughes also said that it expected orders, in relation to this agreement, as Rio Grande progresses. ■

NEWS BRIEFS

FSRU 'Toscana' to operate through 2044

OLT Offshore LNG Toscana's FSRU 'Toscana' will be in operation until the end of 2044, as a result of the recently completed terminal's life extension project, the operator has announced.

In 2024, while the FSRU was in a shipyard undergoing maintenance, OLT also carried out work aimed at extending its useful life, after which class society RINA certified the extension for another 20 years.

Capacity is now available for the annual and multi-year allocation process from Gas Year 2027/2028 to Gas Year 2044/2045.

For the current Gas Year, and until Gas Year 2026/2027, the capacity has already been fully allocated.

The capacity, offered in slots of 165,000 cu m, is equal to:

- 29 slots in Gas Years 2027/2028 and 2028/2029;
- 31 slots from Gas Year 2029/2030 to Gas Year 2043/2044;
- Seven slots in Gas Year 2044/2045.

OLT also said that from 2026, users to whom capacity has already been allocated in Gas Years 2032/2033 and 2033/2034 can request capacity allocation in the following Gas Years for the same number of slots, at the same allocation price.

Expressions of interest need to be submitted by 1st April, 2025. ■