LNG Unlimited

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JKM outshines other non-Asian indices

Risk management experts have claimed that Platts' JKM benchmark has a lower basis risk, compared with the deeper liquidity but higher basis risk of non-Asian gas indices.

With traded volumes and end-month open interest for the JKM derivatives reaching record highs in the first quarter of this year, market participants said there is sufficient liquidity in the next 24 months to hedge a cargo equivalent volume.

Typically a cargo is 3.4 TBtu, with the lot size on ICE at 10,000 MMBtu implying 340 lots equal to the volume of a cargo.

So far in 2025, 352,490 JKM derivative lots have traded on ICE, CME and TOCOM, which is the equivalent of 1,036 LNG cargoes.

The benchmark is also used by companies in southeast Asia to purchase cargoes for delivery in the spot market and as part of medium-term contracts.

One of the major reasons companies prefer using JKM for their Asian transactions is because of the lower basis risk when using JKM, compared to other pricing options.

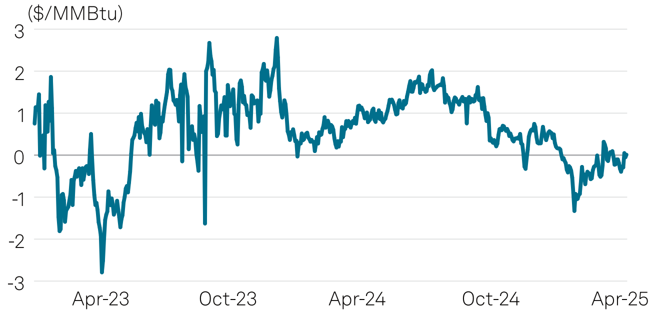
The cash differential between JKM derivatives and the physical assessment for JKTC is typically low, with the average cash differential for JKM against JKM Balance Month Next Day at 1 cent per MMBtu between January 2024 and 8th April, 2025.

The basis risk is also low for companies in southeast Asia, which prefer using JKM or flat prices in their spot tenders. Companies such as Thailand's EGAT, PTT and Gulf Energy, plus Sam Miguel in the Philippines, use JKM as a pricing basis for LNG cargo procurement.

Since 2024, the average spread between JKM and the Southeast Asia Marker was 21.5 cents per MMBtu, according to Platts data.

Currently, the southeast Asia marker does not have a derivative that settles against the price.

JKM vs front-month TTF contract



Source: S&P Global Commodity Insights

India key

Elsewhere in South Asia, JKM would be a strong candidate when Indian companies eventually turn toward a floating price index for their cargo purchases, Indian sources said.

This is because there is still limited liquidity in the WIM derivatives listed on exchanges, such as the Intercontinental Exchange and the Indian Gas Exchange.

Some Indian natural gas traders and end-users already hedge their exposures on a JKM basis. The domestic gas tenders that are linked to LNG prices in India use either JKM or WIM. Some traders use WIM for their sales to end-users as well.

Most recently, a natural gas deal for three months for a volume of 322,000 MMBtu was concluded on IGX linked to WIM.

"The degree of correlation [for WIM in India] with JKM is high, the basis risk is much lower and has liquidity for our purposes," an Indian trader said.

One of the main reasons companies consider using JKM instead of a non-Asian gas hub price, such as TTF, is that JKM reflects the fundamentals of the Asian LNG market, while TTF reflects the fundamentals of European gas markets.

The Dutch TTF price is influenced by European policies, higher dependence on using LNG to replace gas and European weather factors, whereas JKM is more reflective of demand, weather, and LNG quality conditions in the region.

Nevertheless, some market participants consider using TTF for LNG indexation globally because of the deep liquidity in its cash-settled futures that are listed on ICE.

The average daily traded volume in March for TTF futures is nearly 500,000 lots, ICE data showed. As a result, market participants consider the possibility of slippage to be low when they consider hedging by using TTF futures.

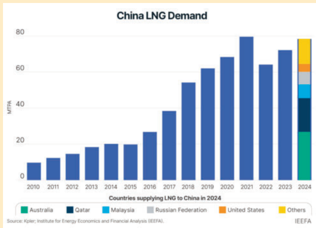
For January/September, 2024, the JKM/TTF spread was on average nearly $1.03 per MMBtu. However, since January, 2025, the average JKM/TTF was at minus 29.6 cents per MMBtu.

Looking ahead, the impact of the prevailing trade tariff war on global gas demand remains uncertain. However, a key factor remains: Europe needs to replenish its gas storages before the winter of 2025.

As a result, the outlook on the JKM/TTF spread remains shrouded in uncertainty.

As of late March, end-of-month open interest for ICE JKM front-month futures had a notional value of $1.938 bill, 54% of ICE TTF's at $3.566 bill, according to calculations by S&P Global Commodity Insights.■

UNLIMITED AGENDA



Asian spot LNG prices fall to near 12-month low

Asian spot LNG prices fell to their lowest levels in nearly a year last week.

This was down to weak demand, high stocks and concerns of a global recession triggered by US President Trump's implementation of worldwide tariffs.

The average LNG price for May delivery into northeast Asia was $11.80 per MMBtu, the lowest level since mid-May, industry sources estimated at the end of last week, while the June delivery price was estimated at $11.30 per MMBtu.

"Asian LNG prices are under pressure amid weak seasonal demand, high inventories and recession concerns tied to elevated US/China trade tensions," said Kpler analyst, Go Katayama, referring to stockpiles in Japan and South Korea, talking with Reuters.

While the US 90-day tariff pause has sparked optimism, it is limited, and the continuation of tariffs on Chinese goods keeps market sentiment cautious, he added.

"Restocking in northeast Asia remains subdued and is unlikely to pick up unless prices drop below $12 per MMBtu, or weather forecasts shift hotter," Katayama said.

Trump's sweeping tariffs on dozens of countries spooked global markets last week, causing concerns of a recession and an escalating trade war between China and the US.

Re-selling cargoes

Chinese LNG importers, the world's top buyer, are re-selling US-sourced cargoes as tit-for-tat tariffs drive up import costs.

China's halt in US LNG imports is likely to continue, while muted gas demand growth will curb incremental LNG demand, said Rystad analyst, Wei Xiong.

"The ongoing trade tensions and higher tariffs may heighten the downside that the industrial sector has been facing, as the export economy is likely to slow," she said.

In Europe, S&P Global Commodity Insights assessed its daily North West Europe LNG Marker (NWM) price benchmark for cargoes delivered in May on an ex-ship (DES) basis at $10.127 per MMBtu on 10th April, a $0.805 per MMBtu discount to the May gas price at the Dutch TTF hub.

"European demand has still held strong relative to Asian demand during the price fall this week, with the west African inter-basin arbitrage holding closed, as Angola LNG sold a spot cargo to France instead of Asia," said Martin Senior, head of LNG pricing at commodities pricing agency Argus.

Meanwhile, the US front month arbitrage to northeast Asia via the Cape of Good Hope briefly reached breakeven levels on 7th April amid the US tariff announcements, before closing out and pointing to Europe again, said Spark Commodities analyst, Qasim Afghan.

He added that in the LNGC freight markets, Atlantic rates dropped for a third week to $22,500 per day on Friday, while Pacific rates fell to $24,750 per day. ■

US natgas futures post small rise

Record flows to LNG export plants and forecasts of higher gas demand this week than previously expected, resulted in US natural gas futures rising by 1% on Monday.

Gas futures for May delivery on the New York Mercantile Exchange (NYMEX) rose 3.5 cents, or 1%, to $3.562 per MMBtu.

This small increase came despite record output over the weekend and forecasts for less demand next week than expected, newswires reported.

Gas stockpiles were currently about 4% below normal levels for this time of year, after cold weather in January and February forced energy firms to pull large amounts of gas out of storage, especially in January, which saw record amounts withdrawn.

Financial analyst LSEG said average gas output in the Lower 48 US states rose to 106.3 bill cu ft per day thus far in April, up from a monthly record of 106.2 bill cu ft in March.

Output record

On a daily basis, output hit a record 107.4 bill cu ft on Saturday and Sunday, topping the previous all-time high of 107.3 bill cu ft per day on 24th March.

Looking forward, analysts said energy firms could cut back on oil drilling in the coming weeks, due to the around 13% drop in US crude futures this month.

The crude price drop was related in part to uncertainty tied to US President Trump's on-off trade tariffs.

Any reduction in oil drilling in the shale basins, such as the Permian in Texas and New Mexico and the Bakken in North Dakota, could boost gas prices by cutting gas output associated with the production.

Meteorologists projected temperatures in the Lower 48 states would remain mostly warmer than normal through 29th April.

With seasonally milder weather coming, LSEG forecast average gas demand in the Lower 48, including exports, will fall from 101 bill cu ft per day this week to 97.2 bill next week.

The average amount of gas flowing to the eight large US LNG export plants climbed from a monthly record of 15.8 bill cu ft per day in March to 16.3 bill cu ft thus far in April, on rising flows to Venture Global's 3.2 bill cu ft per day Plaquemines export plant under construction in Louisiana.

This week, gas was trading at a near six-month low of around $11 per MMBtu at the Dutch Title Transfer Facility (TTF) benchmark in Europe and at an eight-month low of around $13 per MMBtu at the Asian Japan Korea Marker (JKM) benchmark. ■

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European LNG imports to rise by a quarter

Europe's LNG imports are set to increase by 25% this year.

This will be due to the continent needing to offset lower pipeline gas supplies amid a weather-driven rise in demand, the International Energy Agency (IEA) said in a report last Friday.

Over the whole of 2025, European LNG imports are expected to increase by 25%, or about 33 bill cu m, the IEA said in its quarterly gas market update, adding this would bring the imports up to near all-time highs.

Fluxys could benefit from an European LNG import rise

This increase will be driven by lower pipeline supply from Russia, higher domestic demand and storage injection needs, and greater exports toward Ukraine, the IEA added.

Over the first three months of the year, European LNG imports grew by 23%, or more than 9 bill cu m.

This contrasted sharply with the nearly 30 bill cu m year-on-year drop in European LNG imports in 2024, illustrating the rapidly changing state of the global gas market, the report said.

EU gas storage ended the winter with only 35 bill cu m of gas in storage, equivalent to a 34% fill level, which it will need to refill to 90% ahead of next winter.

Compared to last year, this meant the EU market faced an incremental injection requirement of close to 20 bill cu m, or 50% more than last year, by 1st November, the IEA forecast.

European gas needs are set to increase by 1.5%, compared to 2024, due rising demand in the residential and commercial sectors.

However, gas-to-power demand is expected to drop by 10% year-on-year, due to the continued renewables' expansion.

Industrial gas use should decline through the remainder of this year, as higher gas prices are expected to weigh on gas- and energy-intensive industries, the IEA reported. ■

Taiwan could buy $200 bill more US LNG

Taiwan state-backed energy companies could buy an extra $200 bill of US LNG in 10 years.

This would bump up the percentage of US LNG the country receives by a third to help narrow the trade deficit, Taiwan's economy minister said last week.

Taiwan President, Lai Ching-te has pledged to seek a zero-tariff regime with the US and buy more from and invest more in the country, and said that Taipei would not retaliate in response to the tariffs - now put on a 90-day pause by President Trump.

Taiwan had been due to be hit with a 32% tariff, sending its stock market plummeting, though the key semi-conductor industry was excluded and the tariffs have since been put on a 90-day hold.

Taking lawmakers' questions in parliament about the Government's response to the original tariffs, Economy Minister, Kuo Jyh-huei, said the plan being discussed was around $200 bill in purchases over the coming decade by the government and state-run companies.

This amount did not include purchases by private companies, he added.

When asked about raising the proportion of Taiwan's US LNG imports from 10% to 30% of the total, Kuo said that was the 'direction' being eyed.

Most of Taiwan's LNG now comes from Australia or Qatar.

Breathing space

Speaking to reporters, Taiwan Foreign Minister, Lin Chia-lung, said there was now breathing space to have more detailed and in-depth talks with the US.

"We hope to take advantage of the huge US market, their excellent technology capital and talent, to form a Taiwan/US coalition, a joint fleet approach," he explained.

In addition, state-owned CPC Corp said it planned to boost its procurement of US energy products — including LNG and crude oil — in response to the tariff on Taiwanese exports, sources told newswires.

Taiwan's Ministry of Economic Affairs recently said it aimed for US-sourced LNG to account for 30% of the country's total LNG imports.

Last year, US LNG made up 10% of CPC's imports, sourced from 14 different countries, the Ministry said.

CPC sources said the target could be met by ramping up existing LNG imports from the US or seeking new supply channels, such as from Alaska.

The company claimed it had signed a term sheet with US suppliers to import LNG from Alaska, although the project could take five to seven years to come online.

CPC confirmed it would significantly increase US LNG imports over the next four years. ■

NEWS BRIEFS

CoolCo repurchases shares

LNGC owner, Cool Company (CoolCo) initiated a share repurchase programme on 27th March, 2025 to repurchase up to 7,000,000 shares for a total of up to $40 mill between 1st April, 2025 until no later than 31st December, 2026.

This was pursuant to an agreement with DNB Markets.

From 7th April to 11th April, 2025, CoolCo purchased 206,352 shares at an average price of $4.90 per share.

The transactions carried out through the agreement with DNB comprise all the share repurchase transactions conducted by or on behalf of the company during the period.

Following the completion of the transactions, CoolCo owns 206,352 of its own shares, corresponding to 0.384% of the company's share capital, it said. ■

China at the crossroads

Following Russia's invasion of Ukraine, Chinese companies signed a flurry of LNG deals, while European buyer hesitated to commit to long-term contracts, the Institute for Energy Economics and Financial Analysis (IEEFA) said in a report.

Gas exporters also marketed LNG's potential to replace coal and thus reduce Chinese emissions. A US gas producer recently suggested that since China's electricity mix 'mirrors' that of Ohio and Pennsylvania in 2005, China might use LNG to pursue a similar coal-to-gas switching model.

When viewed as a simple substitute for coal, China's LNG demand appears limitless.

However, the role of LNG can only be understood in relation to its alternatives. The fuel faces intense competition from coal, renewables, and other gas sources in terms of both cost and energy security.

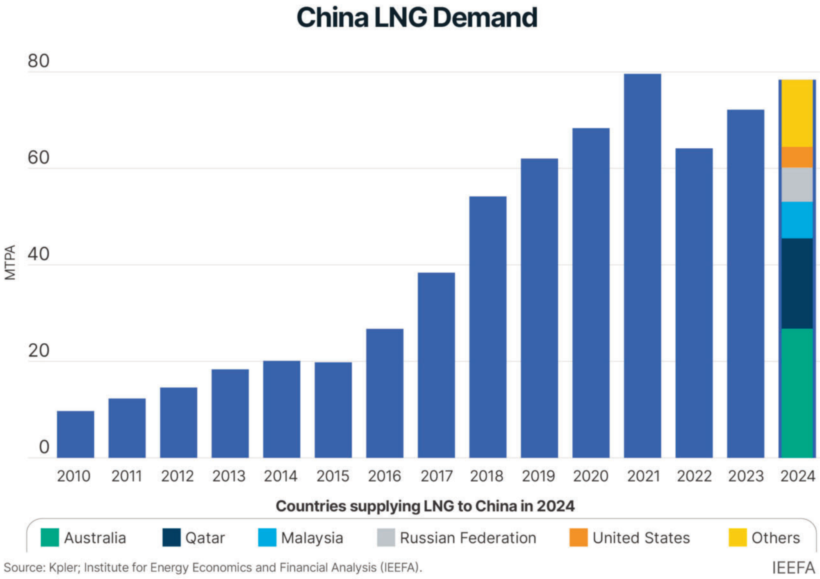
In the power sector, for example, LNG has yet to make a dent in China's coal usage, due to high costs and the rapid growth of cheaper renewables. As a result, many expected that the rate of China's gas demand growth to slow, curtailing the need for LNG.

If the country's demand stagnates and remains price-responsive, Chinese companies may increasingly look to resell contracted LNG abroad, exacerbating global market oversupply thought set to emerge later this decade.

Despite the year-on-year increase in 2024, China's LNG imports fell 2% lower than the record purchases seen in 2021 and grew at a slower pace than in 2023.

Lower imports compared to three years earlier reflected the country's slower economic growth, COVID-19 lockdowns, and unaffordable LNG prices, exacerbated by Russia's invasion of Ukraine.

As prices started to rise in late 2021, Chinese buyers were forced to withdraw from the spot markets entirely, while in 2022, Chinese LNG demand plummeted 19%.



long-term contracts

At the same time, Chinese companies signed long-term contracts to reduce their exposure to the spot market. In 2021 and 2022, China signed a combined 44 mill tonnes of LNG contracts, four times the volume signed in the previous two years.

Most of those contracts were signed with the US, followed by Qatar. The US share was due to begin delivering in 2026.

China may have sufficient LNG purchase agreements to satisfy LNG demand through 2030, which means Chinese buyers will likely sign fewer contracts in the future.

However, contracted volumes will not necessarily be delivered to China. Since the majority of contracts are with US suppliers offering flexible destination terms, Chinese companies, many of which are active LNG traders, can resell volumes abroad, if fundamentals at home favour other energy resources.

China has also met a growing share of its overall natural gas demand from cheaper, more reliable gas sources, namely domestic production and pipeline imports.

Preliminary figures indicated that China's overall gas consumption increased by 30.7 bill cu m, reaching 428 bill cu m in 2024. Since 2017, China's apparent gas demand - production plus imports - has increased at an average rate of 8% per annum.

Domestic gas production contributed nearly half of China's incremental demand in 2024. In addition, higher pipeline imports from Russia and Central Asia also contributed to a large share of incremental demand.

LNG faces serious economic competition from various alternative fuels, but its implications for China's energy security may be even more important.

China has delicate trading relationships with some of the largest global producers of LNG - namely the US and Australia - adding incentives to develop domestic energy resources and trade with nearby allies.

The recent US/China trade war reflects these geopolitical realities and may cause Chinese companies to resell US cargoes overseas rather than absorb them at home.

This does not bode well for the global LNG industry. Demand from key regions like Europe and northeast Asia is falling, so exporters and traders will compete to secure emerging market buyers amidst a record increase in LNG supply this decade.

Ultimately, slower LNG demand in China and more aggressive reselling by Chinese traders may only exacerbate oversupply and margin erosion for LNG investors, IEEFA said. ■

NEWS BRIEFS

SEA-LNG congratulates IMO

LNG as at fuel lobbyist, SEA-LNG has congratulated the IMO and its delegates on reaching the agreement on a regulatory framework for GHG emissions reductions last Friday.

SEA-LNG said it was pleased to see that the IMO has held firm to its principles of goal-based, technology neutral regulation.

While many details need to be decided this provides a clear decarbonisation framework for the global shipping industry and will enable all fuel pathways, be they methane (LNG), methanol or ammonia, to compete on a level playing field.

The framework, assuming it is adopted in October, means that shipowners can confidently continue to invest in LNG-dual fuel engine technologies, secure in the knowledge that the LNG, or more accurately, methane pathway to de-carbonisation is recognised by the IMO - a pathway that is practical, realistic, scalable and low cost, compared with those offered by other alternative marine fuels.

Critically, on the supply side, the proposed regulations will further incentivise the growth underway in liquefied biomethane bunkering and catalyse additional investments in e-methane, the NGO said. ■

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Russian LNG exports to ramp up

Russia's LNG exports under the Government's approved Energy Strategy through 2050 will reach 142 bill cu m in 2030 and 241 bill in 2050, Russian newswire Interfax reported.

By comparison, Russia's LNG exports totalled 45 bill cu m in 2023.

The strategy's key performance indicators (KPIs) included increasing LNG production from 32.34 mill tonnes in 2023 to 90-105 mill tonnes by 2030, 110-130 mill tonnes by 2036, and 110-175 mill tonnes by 2050.

Specifically, to achieve the production target of 100 mill tonnes by 2030 involved the completion of Arctic LNG 2 (19.8 mill tonnes) and the Ust-Luga project (13.2 mill tonnes), while constructing the Obsky LNG (4.8 mill tonnes), Murmansk LNG (20.4 mill tonnes) and Arctic LNG 1 (19.8 mill tonnes) in addition to the existing projects, such as Sakhalin 2 (9.6 mill tonnes) and Yamal LNG (17.4 mill tonnes).

'LNG will play a significant role in global gas trade, due to its flexible logistics. By 2050, the total capacity of proposed LNG plants could approach 1 bill tonnes, more than doubling current levels.

'Consequently, competition in the global LNG market will only intensify,' the Russian Government's strategy document said, Interfax reported.

Elsewhere, Russian energy giant, NOVATEK's total hydrocarbon production was 169.1 mill barrels of oil equivalent for the first quarter of this year.

This includes 21.35 bill cu m of natural gas and 3.48 mill tonnes of liquid hydrocarbons (gas condensate and crude oil), which was an increase of 1% or 1.7 mill barrels of oil equivalent, compared to 1Q24.

Preliminary total natural gas sales volumes, including LNG, was 21.48 bill cu m, an increase of 0.1%, compared with the same period in 2024.

NOVATEK also processed 3.4 mill tonnes of unstable gas condensate, which was 1.9% higher, compared to corresponding volumes processed in 1Q24. In addition, the company processed 2.2 mill tonnes of stable gas condensate, representing an increase of 59.9%, compared with the previous period.

Preliminary liquid hydrocarbons total sales volumes totalled 4.5 mill tonnes, which was 5.4% higher than in 1Q24.

As of 31st March, 2025, NOVATEK had 0.2 bill cu m of natural gas, including LNG, and 1.7 mill tonnes of stable gas condensate and petroleum products in storage or transit and recognised as an inventory. ■

Eni joins YPF's Argentina LNG project

Argentine energy company, YPF and Italian giant, Eni signed a Memorandum of Understanding (MoU) yesterday to study the development of the Argentina LNG integrated project's phase.

This included all the stages, from gas production in Vaca Muerta, transportation, liquefaction to exports.

In particular, the phase covered by the MoU related to the development of upstream, transportation and gas liquefaction facilities utilising two FLNG units of 6 mill tonnes per annum each.

In addition, both companies will seek opportunities for offshore exploration in the Atlantic together.

"We are very pleased to sign this agreement with Eni, which would allow us to accelerate the timeline for the Argentina LNG project. We see great interest worldwide, both from large production companies and from countries seeking to purchase gas from Vaca Muerta," said YPF President and CEO, Horacio Marín.

"YPF's choice of Eni as a strategic partner reflects the specific and distinctive knowhow we have developed in FLNG projects in Congo and Mozambique, and the recognition of our global leadership in the execution of projects using this technology," added Eni CEO, Claudio Descalzi.

YPF is developing the Argentina LNG project, which seeks to monetise the Vaca Muerta gas resources and transform the country into a reliable energy exporter worldwide, with the goal of generating exports worth $30 bill by 2030.

5-year plan

Late last week, Marín presented a strategic plan for the next five years at the New York Stock Exchange (NYSE).

"We are going to make YPF a 1 mill barrel equivalent company by 2030," Marín said.

The five-year plan will see YPF reach an estimated production of 1 mill barrels of oil equivalent per day.

In production with its partners, the company will operate at 2 mill BOE per day by 2030.

Investment would be around $7 bill, and EBITDA would reach $11 bill with crude oil prices at $70, he said.

However, the YPF President also advised; "the company is resilient to low crude oil prices. With a barrel at $45, we will be able to develop the entire plan and enhance the value of Vaca Muerta."

A focus on efficiency and continuous improvement will allow the company to develop Vaca Muerta at $5 per barrel, which places YPF very competitive globally.

"We will be one of the top 10 shale producers in the world and the leading exporter in Argentina," Marín concluded.

This year, YPF plans to invest $5 bill, of which 65% will be allocated to the development of Vaca Muerta. The goal is to reach production of 190,000 barrels by the end of the year.

"We are going to achieve extraordinary growth in two years. We are very proud of what we are doing at YPF," Marín said.

EBITDA is expected to be around $5 bill, depending on the volatility of crude oil on the global market. Furthermore, the need for debt financing this year and exposure to the international market was reduced.

With the 5-year plan, YPF aimed to be among the world's 10 largest unconventional energy companies, a leader in the fuel refining and the production sector, the country's leading exporter, and with a sustainable financial position that allows it to generate value for the country and its shareholders, Marin said.

He also said at another event that more energy majors would join Argentina LNG, following talks. ■

Seen at the signing ceremony - YPF's head Horacio Marin (left) and Eni's CEO Claudio Descalzi

TotalEnergies signs two LNG agreements

TotalEnergies has exercised an LNG purchase option on Train 4 of NextDecade's Rio Grande LNG facility and agreed to sell LNG to the Dominican Republic.

In the Rio Grande agreement, subsidiaries of both companies executed a long-term LNG sale and purchase agreement (SPA) for offtake from Train 4.

Under the terms of the SPA, TotalEnergies Gas & Power North America will purchase 1.5 mill tonnes per annum of LNG for 20 years on a free-on-board (FOB) basis at a price indexed to Henry Hub, subject to Train 4's positive final Investment decision (FID).

"TotalEnergies has been a key contributor to the success of Rio Grande LNG Phase 1, and we are pleased to be expanding our strategic partnership with TotalEnergies with the execution of this Train 4 SPA," said Matt Schatzman, NextDecade's Chairman and CEO. "This SPA completes the commercial support we need for Rio Grande LNG Train 4, and we are now focused on progressing Train 4 toward a positive FID."

NextDecade has now contracted a total of 4.6 mill tonnes per annum of LNG from Train 4 on a long-term basis and expects existing long-term commercial agreements to be sufficient to support a positive FID, it said.

Achieving a positive FID on Train 4 will be subject to, among other things, obtaining adequate financing for its construction, including its related infrastructure, the company added.

Dominican Republic

As for the Dominican Republic deal, TotalEnergies has signed a heads of agreement (HoA) with Energia Natural Dominicana (ENADOM), a joint venture involving AES Dominicana and Energas, to deliver 400,000 tonnes of LNG per year.

Subject to the finalisation of the SPAs, this agreement is due to start in mid-2027, and last for 15 years, with the price indexed to Henry Hub.

TotalEnergies LNG will enable ENADOM to supply natural gas to the 470 MW combined-cycle power plant, currently under construction, which will increase the country's electricity generation capacity.

The plant will contribute to the Dominican Republic's energy transition by reducing its dependence on coal and fuel oil through the use of a less carbon-intensive energy source - natural gas, the French energy giant said.

"We are pleased to have signed this agreement to answer, alongside AES and its partners, the energy needs of the Dominican Republic.

"This new contract underscores TotalEnergies' leadership in the LNG sector and our commitment to supporting the island's energy transition. It will be a natural outlet for our US LNG supply which will progressively increase," said Gregory Joffroy, Senior Vice President LNG at TotalEnergies.

TotalEnergies has agreed to offtake LNG from Rio Grande LNG Train 4

"This agreement with TotalEnergies, is the result of the confidence placed in the Dominican Republic's energy sector and, specifically, in ENADOM and AES.

"This partnership, alongside ENADOM's has demonstrated investment capabilities in providing natural gas to the Dominican electricity market by ensuring a reliable, competitive, and environmentally responsible energy supply.

"ENADOM is proud to play a pivotal role in the expansion and strengthening of the nation's energy matrix in the Dominican Republic," added Edwin De los Santos, ENADOM's CEO.

The French energy giant has also revealed that it boosted production and benefited from better gas sales in the first three months of 2025, although its refining segment was still recovering from an industry-wide drop in profitability, it said in a trading update on Tuesday.

It is due to report first quarter results on 30th April.

Oddo BHF analyst, Ahmed Ben Salem said that among energy firms TotalEnergies "is the most resilient in a weaker macro environment, supported by the diversification to [liquefied natural gas] and renewables," he said talking with S&P Global.

TotalEnergies said it was also able to benefit from a slight recovery in refining margins by producing more fuels.

The company's integrated power branch will bring in between $450 mill and $500 mill, slightly down from a year ago, it said. It did not sell any minority stakes in its renewables assets this quarter, a practice which normally boosted its returns.

Working capital will increase by between $4 bill and $5 bill, which TotalEnergies described as a seasonal effect.

NEWS BRIEFS

Sidara reopens talks with John Wood Group

Troubled UK offshore engineering firm, John Wood Group has received a another takeover bid from Dubai-based suitor Sidara.

Aberdeen-based Wood Group said Sidara – a privately held network of engineering and design companies operated from the United Arab Emirates – has initiated a non-binding conditional offer of 35 pence per share.

The offer, which would also include a possible $450 mill cash injection into the company, would value Wood at around £242 mill.

This comes almost a year after talks surrounding a previous £1.56 bill Sidara takeover approach collapsed.

However, the firm's share value has tumbled in the months since, particularly after recent updates highlighted potential governance failings and need for Wood to restate its accounts, newswires said.

The Scottish firm's management said they would "be minded to recommend" the latest takeover deal.

Wood also said it continued to assess other potential refinancing options alongside holding talks with Sidara regarding the potential takeover.

On Monday, the company said: "The board of Wood believes that the company needs to have a more sustainable capital structure, and this requires substantial new capital in order to diversify Wood's financing sources and reduce its indebtedness over time.

"Work continues on a range of alternative refinancing options.

"However, having carefully considered the viability of these options together with its financial advisers, the board of Wood currently believes that the possible offer represents the better option for Wood's shareholders, creditors and other stakeholders," the company said in a statement.

GAIL floats tender to buy US project stake

State-owned GAIL India has issued a tender to acquire up to a 26% stake in a US LNG project, together with a 15-year gas import agreement for 1 mill tonnes per year, starting by 2029/2030.

This move was thought to be made to support India's efforts to reduce its trade surplus with the US.

Late last week, India was attempting to become one of the first to agree a trade deal with the US, as President Donald Trump's announcement of sweeping tariffs has triggered a trade war with China and efforts by other countries to negotiate.

India's largest gas distributor has invited initial bids from companies, as it seeks to buy equity in an existing LNG liquefication project or a new project that would be commissioned by 2030 at the latest, a document published on its website said.

No US projects have been named as potential candidates thus far. ■

South Korea and US close on Alaska LNG co-operation

South Korea and the US are expected to hold a video conference "in the next one or two days" to discuss co-operation on an LNG project in Alaska, acting President, Han Duck-soo, said on Monday.

"The two countries would establish a negotiation system for all sectors and begin negotiations to produce specific content at an early date," he said, speaking at an economic security meeting attended by several South Korean ministers.

Han, who is also serving as the country's Prime Minister, also said that the two countries have agreed to strengthen co-operation in three main areas - shipbuilding, LNG and trade imbalances.

"Since the two countries have created positive momentum to continue discussions, we will make efforts to minimise the burden of tariffs by prioritising trade negotiations with the US," he said.

The acting president added that President Trump appeared to have instructed his administration to conduct - immediate tariff negotiations with South Korea, Japan and India, noting that Seoul would be fully ready for talks with the US.

"I believe President Trump agreed with our determination to faithfully conduct win-win negotiations," Han said, referring to his phone call with Trump earlier this month.

Meanwhile, the state-run think tank Korea Institute for International Economic Policy (KIEP) has called for South Korea to increase its imports of LNG from the US to help address trade imbalances and ease tariff pressures from Trump.

If South Korea purchases an additional 7 mill tonnes per year of US LNG by replacing several term contracts with Qatar, the US reciprocal tariffs could be reduced to 23.6% from the current 25%, KIEP said in a report published last week.

State-run Korea Gas Corp's (KOGAS) term contract with RasGas for 4.92 mill tonnes per year year of LNG, which began in 1999, expired in 2024. In addition, KOGAS' other term contract with RasGas for 2.1 mill per year of LNG, which began in 2007, will expire in 2026, according to the energy company.

"This means KOGAS needs new term contracts for 7.02 mill tonnes per year to replace the Qatari volume, and American LNG could be an option, which may help address trade imbalances with the US," the report said.

South Korea imported 5.636 mill tonnes of LNG from the US in 2024, up 10.2% year-on-year and accounting for 12.2% of the country's total imports of 46.318 mill tonnes, according to data from the Korea Customs Service.

The US is South Korea's fourth largest LNG supplier, after Australia, Qatar and Malaysia.

The 20 mill tonnes per year Alaska LNG project had struggled to gain traction for many years amid long-running challenges, including high project costs and difficulty securing customers. This has led Alaska to move its efforts toward turning the project over to private interests.

US-based Glenfarne, which signed a deal with the Alaskan government entity managing the proposed Alaska LNG export project, said on 28th March that it expects to reach a final investment decision (FID) this year on part of an 800 mile pipeline that would connect Alaska North Slope supplies to the export terminal in Nikiski, located on the Kenai Peninsula in the southern part of the state.

Alaska Governor, Mike Dunleavy, also speaking last month at S&P Global's CERAWeek energy conference in Houston, said he expected the LNG project to start up within five years, with interest coming from Japan, South Korea and Taiwan. ■

NEWS BRIEFS

Krk expansion project nears fruition

"We hope to have the capacity expansion of Krk LNG Terminal ready for the start of the next gas year, " said Ivan Fugaš, LNG Croatia Managing Director, during a panel discussion at the Budapest LNG Summit on Tuesday.

He added this would be 0.75 bill cu m annually for the next 15 years, with an auction likely to take place next month.

Some of the pipeline work is ready, while the regasification unit is currently installed on the FRSU, Fugaš said.

During the discussion, he emphasised that it was better to have an LNG terminal, which does not operate at full capacity than to manage emergency situations without a terminal. ■