LNG Unlimited

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ICIS addresses future LNG demand

The Independent Commodity Intelligence Services (ICIS) has attempted to answer the question - What to expect from European energy markets in H2 2025?

In a report, authors Matthew Jones (Head of Power Analytics), Andreas Schroeder (Head of Gas Analytics), Ed Cox (Editor - Global LNG markets) and Lewis Unstead (Senior Carbon Analyst) commented on the state of play.

Jones explained that the ICIS Power demand Index data showed that demand recovery had slowed and then stalled thus far in 2025, with adjusted growth of just 0.6% in the first five months of this year. Schroeder added, for West & Central Europe, a recovery of gas demand by a modest 1.9% in 2025 versus 2024 was forecast.

Unstead said that the Trump tariff saga had already contributed to significant macro-driven price volatility across European energy markets this year.

Tariff-related uncertainty will be return into focus for the European energy market this month.

Schroeder said that the market situation for European LNG gas storage was challenging. Seasonal price spreads were negative for a large part of 2025 and turned moderately positive only during April when plans to relax storage obligations became firmer.

The market was still awaiting more clarity from EU lawmakers on what to expect for the November, 2025 storage filling obligations. He said that ICIS believed that a reduction from 90% to around 83% was the most likely outcome.

Large EU member states like Germany have already reduced the 90% obligation to 70%, while the Netherlands used a derogation to apply a 75% rate.

Addressing the worldwide LNG supply and demand situation and its likely impact on European prices in 2H25, Cox said that there was limited scope for optimism for buyers for the rest of this year.

Category	Risk factor	Likelihood	Market impact
Gas/power	Demand recovery slowdown	High	Bearish
	Unexpected LNG outage	Moderate	Bullish
	Energy infrastructure attack/failure	Low	Bullish
	Gas storage obligations flexibility	High	Bearish (summer) Bullish (winter)
	Tight LNG market	Moderate	Bullish
	Continuing low wind speeds	Moderate	Bullish
	Asian demand competition	Moderate	Bullish
Carbon	Speculator activity	High	Bullish
	EUA policy intervention	Low	Bearish
Geopolitics	Return of Russian gas	Very low	Bearish
	Israeli strike on Iranian nuclear facilities	Low	Bullish

State of play. Source: ICIS

ICIS forecast a rise in 2025 global LNG production of 23-24 mill tonnes, and of 40 mill tonnes next year.

North America will dominate the LNG supply growth. All 36 liquefactions trains are expected to be operational in 2025 at Venture Global's 20 mill tonnes per annum Plaquemines LNG, although full commissioning will not come until 2026/2027.

The overwhelming majority of US supply has thus far come to Europe given advantageous price spreads, compared to Asian markets.

First LNG loadings are expected from Shell's 14 mill tonnes per annum LNG Canada this summer, while bp's 2.3 mill tonnes per annum Greater Tortue Ahmeyim project off Mauritania and Senegal loaded its first cargo in mid-April.

Gas storage

The market will turn longer, providing new production ramps up into 2026 and 2027. A reduction in Europe's mandated gas storage volume could make injections more economically viable, if the summer gas price falls in relation to the coming winter. In turn, this would support Europe's LNG demand for injections.

With a pivot to LNG, Asian demand has become a major trend to watch. Cox said that ICIS expects the price correlation between the ICIS TTF and the Asian spot LNG market to remain strong for the rest of this year, as there will be limited spare LNG supply in the market and both regions will need to stay competitive to import the required cargoes.

Higher summer weather-driven demand could lead to some prompt demand from East Asian buyers, lifting prompt spot prices, although ICIS forecast a year-on-year reduction in LNG imports from China, Japan and South Korea this year.

China's LNG demand is predicted to fall, compared to 2024 with US tariffs hitting its economy, although a policy response could limit the impact.

The uncertainty around US tariffs remained a flag for downstream Chinese demand, Cox said, adding that energy consumption was closely linked to economic performance.

Japanese and South Korean gas fired power demand will remain firm, at least in the short term. The outlook for Indian LNG demand is healthier but was also curtailed by strong coal-fired generation.

Any spot price movement towards $10 per MMBtu or below would see a strong response from Asian buyers but such opportunities may be limited for the rest of this year, in part due to Europe's strong summer demand for LNG to replenish its gas stocks. ■

UNLIMITED AGENDA

USTR changes tack on LNG exports

In another twist to what is turning out to be a never ending saga, the US Trade Representative (USTR) said it might remove the threat of revoking LNG terminal export licenses under the new rules governing LNG exports.

The planned rules announced in April said that a certain number of US LNG exports should be shipped on US LNGCs, rising from 1% in 2028 to 15% in 2047.

However, currently. the US does not have the facilities to build LNGCs, which cast doubt over the proposals.

Under the April plan, compliance with the rules was to be enforced by the threat of revoking LNG terminal export licenses, meaning that LNG terminal operators had the responsibility to ensure compliance with the new rules, as opposed to shippers.

Last Friday, the USTR suggested moving the responsibility for meeting the targets to the shipper, as the amendments stated that the shippers must now report the amount of LNG exports transported on US LNGCs, and the volume exported on non-US-built vessels.

This would be more in line with the proposed rules on port fees for other vessel types, where the fees will be paid by the shipper, not the terminal operator.

Monitoring question

However, the USTR did not say how it would monitor the percentage of US LNG that will be exported on US LNGCs, as it did not stipulate a port fee or tariff system, as was laid down for other vessel types. Various other missing anomalies also worried LNGC operators.

> “Certainty is vital for the US LNG industry and this update ... helps provide more clarity”
>
> *- Charlie Riedl, Executive Director, CLNG*

The last LNGC delivered by a US shipyard was in 1980 and the vessel was scrapped in 2021. The shipyard closed in 1986.

The Center for LNG’s (CLNG) Executive Director, Charlie Riedl, commented: “US LNG is key to energy dominance, and we support the administration’s goal of reducing unfair trade practices and are appreciative of their work to grow US LNG exports.

“Certainty is vital for the US LNG industry and this update to the USTR’s Section 301 Remedies for China’s Targeting of the Maritime, Logistics, and Shipbuilding Sectors, helps provide more clarity for project developers and buyers.

“The removal of Subpart J of Annex IV is a welcome step in the right direction, providing certainty to the global market. CLNG also advocates that US LNG exports be treated on par with other vessels arriving in ballast, which would enhance our competitiveness in the global market.

Centre for LNG's Charlie Riedl

“US LNG has and will continue to drive economic growth and support thousands of American jobs.

“This update provides more certainty for project developers to continue to expand the many benefits of US LNG exports and we look forward to working with the administration to further grow the role US. LNG plays in the global energy system,” he said. ■

India’s oil & gas sector - steady growth forecast

India’s oil and gas sector is forecast to maintain robust growth through FY26 and FY27, despite recent market turbulence, according to a research note by brokerage Systematix Institutional Equities.

Systematix said that India's oil and gas companies were likely to post average sales growth of 6% in FY26 and 7.8% in FY27, with EBITDA rising by 12.9% and 9%, and PAT increasing by 13.3% and 10.1% year-on-year, respectively.

The brokerage’s top investment tips included Reliance Industries (RIL), GAIL India (GAIL), Mahanagar Gas (MGL) and Gulf Oil Lubricants India (GOLI).

The oil market witnessed high volatility last month. Brent crude prices dropped 22.9% year-on-year and 3.8% month-on-month, driven by higher OPEC output from Saudi Arabia and the UAE.

This price decline also led to a fall in US rig counts, indicating a caution in upstream investment.

However, refining margins rebounded sharply, with the benchmark Gross Refining Margin (GRM) increasing 85% month-on-month and 121% year-on-year to $6.4 per barrel.

The surge was attributed to lower crude costs and stronger cracks in gasoline, gasoil, jet fuel, kerosene, and naphtha.

Natural gas markets showed divergent trends. While US Henry Hub prices have fallen by 31.8% since January, 2025, due to oversupply and mild weather, Asian spot LNG (Japan Korea Marker) rose by 6.7% year-on-year to $11.9 per MMbtu, buoyed by regional demand.

In the final quarter of FY25, the oil and gas sector saw flat year-on-year earnings but sequential improvement, especially among gas and India’s city gas distribution (CGD) companies. While EBITDA per standard cu m declined on a yearly basis, it recovered sequentially, supported by price increases and favourable gas sourcing, the report said. ■

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Three largest exporters account for 60% of supply

Qatar's 18.8% share of global LNG exports brought the total LNG exports of the three largest suppliers to 60% last year, said the International Gas Union (IGU) in its latest report.

The country's exports fell by 0.99 mill tonnes to a total of 77.23 mill tonnes last year, largely on par with the market's nameplate capacity of 77.1 mill tonnes, IGU said in its 'World LNG Report 2025'.

Currently, Qatar is the third largest global LNG exporter behind the US and Australia.

Despite delays in new projects, the US maintained its position as the world's largest LNG exporter in 2024, exporting 88.42 mill tonnes, equal to 21.5% of global LNG output and up 3.89 mill tonnes on 2023's total.

Australia maintained its position in second place with a volume of 81.04 mill tonnes shipped in 2024, up 1.48 mill tonnes from the previous year, comprising 19.7% of global exports.

Global LNG liquefaction capacity grew by 6.5 mill tonnes per year in 2024 to total 494.4 mill tonnes per year by year-end.

Despite capacity growth, the global average utilisation rate decreased slightly to 86.7% from 88.7% in 2023, due to maintenance, power disruptions, and a series of mechanical outages across various facilities.

Liquefaction capacity

In terms of liquefaction capacity, as of the end of 2024, there were 22 markets operating LNG export facilities. The US remained the largest operational liquefaction capacity offerings, at around 97.5 mill tonnes per year, an increase of 4.5 mill tonnes, compared to 2023.

Australia and Qatar ranked second and third with 87.6 mill and 77.1 mill tonnes, respectively, maintaining the same capacity as seen in the previous year.

As at the end of last year, there was 1,121.9 mill tonnes per annum of potential liquefaction capacity in the pre-FID stage, an increase of 75.3 mill tonnes, compared to 2023.

With the Russia/Ukraine conflict still ongoing and a huge decline in Russian piped gas volumes, a wave of proposed liquefaction projects has emerged to offset the loss of Russian supplies.

Some projects have also been fast-tracked to help meet demand. However, only some of the pre-FID projects are going to see the light of day.

According to IGU, global LNG demand is projected to stay on a long-term growth trajectory on the back of a strong increase in demand from Asia/Pacific markets.

Although LNG contributes to global de-carbonisation efforts by serving as a substitute for coal in power generation or for fuel oil in shipping, the LNG industry also needs to address emissions from its own supply chain.

Cost inflation notwithstanding, these ongoing de-carbonisation efforts continued to manifest themselves in an ever more efficient LNG fleet and innovative emission reduction measures undertaken by LNG projects worldwide, the report said. ■

Asian spot LNG prices softer

Asian spot LNG prices eased slightly last week, softening for the first time in five weeks, due to weak demand in the region, which affected prices.

The average LNG price for July delivery into northeast Asia was at $12.30 per MMBtu, down from $12.40 per MMBtu in the previous week, industry sources estimated.

"LNG demand in Asia has remained weak. There have been no signs of strong appetite from major consumers like China and India," said Siamak Adibi, FGE's Director for Gas and LNG Supply Analytics.

"Aside from some organic growth in newer markets, demand in Southeast Asia has also been muted," he said, adding that scheduled maintenance work at Sabine Pass in the US and Australian projects in the coming weeks will, however constrain supply.

While temperatures are set to rise above seasonal averages in South Korea and Japan in the coming weeks, buyers from both countries have strong stocks and have yet to seek additional spot market volume, said Martin Senior, Argus head of LNG pricing, plus Indian demand had been particularly weak, due to the monsoon season.

"GAIL is grappling with tank-top issues, prompting two mid-voyage diversions away from India this week. And other Indian buyers are largely out of the market as prices have consolidated above $12 per MMBtu, which has weighed on price sensitive demand from these buyers," he said.

LNG stockpiles held by major Japanese electric utilities were at 2.26 mill tonnes as of 1st June, above the 2.07 mill tonnes in storage at the same time last year and the five-year average of 2.18 mill tonnes, Ministry data showed.

In Europe, SP Global Commodity Insights assessed its daily North West Europe LNG Marker price benchmark for cargoes delivered in July on an ex-ship (DES) basis at $11.774 per MMBtu on 5th June, a $0.465 per MMBtu discount to the July gas price at the Dutch TTF hub.

European Union natural gas inventories have started to build, said Hans Van Cleef, Chief Energy Economist at PZ-Energy.

"The level of filling is similar to other years, despite the fact that the forward curve is not providing too much of an incentive, as the price difference between summer and winter is still relatively small," he said.

"But since energy companies need to deliver during the upcoming winter, they have started to buy gas as they normally do," he added.

Meanwhile, the US arbitrage to northeast Asia via the Cape of Good Hope fell last week and was still pointing towards Europe, but the arbitrage via Panama marginally pointed towards Asia, said Spark Commodities analyst, Max Glen-Doepel.

In the LNGC freight market, Atlantic and Pacific rates eased slightly to $29,000 per day and $20,000 per day, respectively, he revealed. ■

NEWS BRIEFS

Snam extends natural gas supply MoU with SPP

Italian energy company, Snam has extended its memorandum of understanding (MoU) with Slovakian energy company, SPP.

This MoU was originally signed in April, 2023 with the aim of assessing potential co-operation on natural gas supply security.

The main areas of co-operation concern access to Italian LNG regasification and storage capacity, as well as transport capacity from Italy to Slovakia via Austria through the Tarvisio exit point.

The latest extension was signed in Rome by Gaetano Mazzitelli, SNAM's Chief Commercial & Regulatory Officer and Vojtech Ferencz, SPP CEO, on the back of a visit by the Slovak Republic President, Robert Fico to Italy. ■

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EC's Russian LNG import ban - France and Belgium object

France and Belgium, the two largest buyers of Russian produced LNG, have refused to support the European Commission's (EC) plan to ban gas supplies from the country.

According to the European edition of Pravda, citing Politico, France, which buys the most Russian LNG, said it preferred a strategy of seeking alternative supplies, while Belgium, which ranks second, wants to see a report detailing the economic consequences before making any decision.

"What we're defending is a European strategy of diversification … which is already on the table," French Energy Minister, Marc Ferracci said in an interview with Politico, referring to France's plan to replace Russian supplies with Qatar LNG.

He also raised the issue of the "legal certainty" of Brussels' proposal, fearing that private companies could face Russian lawsuits over unfulfilled contracts.

For example, France's TotalEnergies, is currently bound by a supply contract with Russia's NOVATEK until 2032 and also owns a 20% stake in the Yamal project.

Belgium, which intends to continue receiving and storing Russian LNG until 2035, also wants the EC to allay its concerns.

Before the EU presents its proposals, "we ask the Commission to present an in-depth impact assessment" of these measures, said Belgian Energy Minister, Mathieu Bihet.

He added that the country would hold technical talks on the measures' impact on Belgium's LNG infrastructure, Politico said.

However, both Spain and the Netherlands, other major EU importers of Russian LNG have said they are ready to support the plan.

According to data from the Kpler commodity platform, the four countries imported 16.77 mill tonnes of Russian LNG last year, accounting for 97% of total EU imports and more than half of Russia's global exports.

Belgium has rebelled against EC's Russian LNG import ban

Support from all four countries will be crucial for the EC, as Hungary and Slovakia are likely to try to block the ban to enable them to continue purchasing Russian gas.

In addition, many EU politicians and industry representatives are calling for a return to Russian energy supplies after the end of Russia's war against Ukraine, complaining about high electricity prices in Europe, Politico said.

EU countries are considering conducting an economic and legal analysis across the membership. One EU member revealed that the EC is preparing "a document that will analyse the impact" of these measures. ■

British Columbia's government approves new LNG pipeline

Construction of the Canadian Ksi Lisims LNG facility could begin this year if it receives approval.

The proposed site is located at Wil Milit, around 15 km northwest of Gingolx, a British Columbia coastal community about 80 km north of Prince Rupert.

It would be supplied by the Prince Rupert gas transmission pipeline (PRGTP).

The British Columbia state. government has approved the continued construction of a pipeline project that could supply natural gas to a proposed FSRU export terminal off the North Coast, according to CBC News.

PRGTP is a joint venture between the Nisga'a Nation and Texas-based, Western LNG.

The around 900 km natural gas pipeline was originally planned to run from Hudson's Hope in northeastern British Columbia to Lelu Island, near Prince Rupert, although in updated applications would see the pipeline start in Chetwynd in order to avoid caribou habitat, as well as an alternative terminal at Wil Milit on Pearse Island, about 82 km north of the Port of Prince Rupert and closer to the proposed Ksi Lisims LNG export facility.

The Nisga'a Nation and Western LNG have said that the Ksi Lisims project would be a floating production facility capable of producing 12 mill tonnes of LNG per year.

A pipeline was first approved in 2015 under the ownership of Calgary-based, TC Energy Corp, when it was meant to supply the now-cancelled Pacific NorthWest LNG terminal spearheaded by Malaysian energy giant, Petronas.

It was purchased by the Nisga'a Nation and Western LNG in 2024 under their revised plan for the Ksi Lisims facility.

However, given the long delays, the partners had to prove they had 'substantially started' the pipeline's construction by the end of November, 2024 or the permits would expire and the entire project would have be restarted, CBC said.

Construction started last year, and the application was submitted to British Columbia's Environmental Assessment Office on 19th November, last year - which the office has now approved.

Currently, the LNG Canada facility in Kitimat, BC, is preparing for its first export cargoes, and there are at least five other projects, including Ksi Lisims, at various stages of approval throughout the province, the Canadian broadcaster added. ■

NEWS BRIEFS

Basalt's Vanadis platform gains another LNGC

Basalt Infrastructure Partners has acquired the 180,000 cu m 'Celsius Galapagos' for its Vanadis' investment portfolio.

The addition of 'Celsius Galapagos' brings the Vanadis platform to four vessels, and 11 in total across Basalt's two LNG portfolios, Vanadis and Freyja, demonstrating the continued delivery of Basalt's strategy to add further scale to its fleet, the company said on a social media post.

She was delivered in May, 2025 from Samsung Heavy Industries and is employed on a long-term, fixed timecharter to a leading, investment grade counterparty active within the production, sale and distribution of LNG.

This investment brings together existing operating partners and counterparties with an exceptional track record of delivery, the company added. ■

Eni partners with YPF to develop Argentine LNG exports

Italian energy company Eni and its Argentine counterpart, YPF, have signed an agreement to co-operate in the Argentina LNG (ARGLNG) project.

It was signed during a meeting between the Argentina's President, Javier Milei, and the Italian Prime Minister, Giorgia Meloni.

This agreement outlines the steps needed to reach the final investment decision (FID) for the phase of the project that includes the production, treatment, transport and liquefaction gas installations through floating units, to attain a total capacity of 12 mill tonnes of LNG per year.

ARGLNG is a large-scale integrated, upstream and midstream gas development project designed to develop the resources of the giant onshore Vaca Muerta field and to serve international markets.

In a phased approach, the development will export up to 30 mill tonnes per year of LNG by 2030.

Eni was selected as a strategic partner for the project, due to its specific and distinctive know-how developed during its FLNG projects in Congo and Mozambique and its expertise in the construction of projects with similar technological requirements.

Eni was also chosen for its renowned execution capabilities and recognised time-to-market delivery, the company claimed.

This agreement, which follows a MoU signed on 14th April, 2025, represents a further step forward towards the development of ARGLNG, in line with Eni's strategy to promote the energy transition through the development of gas production and achieve carbon neutrality by 2050, whilst enabling the security and competitiveness of global energy supplies, the Italian company said.

A rendering of the ARGLNG project

IEA launches liquefaction capacity data tracker

The International Energy Agency (IEA) has launched an online resource that makes key LNG data publicly available, providing detailed information on a rapidly evolving market for the first time.

To be updated regularly, IEA's 'Global LNG Capacity Tracker' monitors final investment decisions (FIDs) for new LNG export projects and provides data on liquefaction capacity additions through 2030, based on projects that are currently under construction and the latest ramp-up schedules.

Following a period of crisis, tight supply conditions and heightened price volatility, the global natural gas market is expected to transition to a period of abundant supply in the coming years - largely due to an increase in capacity to produce and export LNG.

The world currently has about 670 bill cu m per year of LNG liquefaction capacity. However, slower than average capacity growth in recent years has led to higher prices amid robust demand. But capacity is set to rise strongly through the end of the decade, with significant implications for global gas markets, the IEA explained.

Between 2025 and 2030, a total of almost 290 bill cu m per year of new LNG export capacity is expected to come online from projects that have already reached a FID and are under construction, according to the tracker's data.

Supply capacity's expansion pace and scale is uncertain and may shift over time. Given this, the IEA's tracker aims to reflect the latest developments, providing insights for governments, industry and other stakeholders.

The agency closely monitors developments in natural gas markets and building on its long standing work on gas supply security, last year, the IEA formed a permanent Working Party on Natural Gas and Sustainable Gases Security (GWP), which facilitates information exchange and promotes dialogue between producers and consumers.

It also began a two-year work programme with Japan's Ministry of Energy, Trade and Industry, focused on gas security.

NEWS BRIEFS

Brazil's GNLink gets green light to start LNG production

Brazilian utility, GNLink has received authorisation from the National Agency of Petroleum, Natural Gas, and Biofuels (ANP) to start operations at its first natural gas liquefaction unit to be located in the Northeast of the country.

Located in Itabuna, Bahia, the project is part of the company's investments in making LNG available in areas of Brazil where there is no natural gas supply through pipelines.

This was the second GNLink natural gas liquefaction unit to come into operation.

A third liquefaction unit is under construction in the state of Rio Grande do Norte, and is expected to start operating later this year.

With this, the company will complete the first investment cycle with a total production capacity of around 292,000 cu m per day.


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Australia's LNG exports to remain steady - EnergyQuest

Australia's 2025 LNG exports are expected to remain steady year-on-year.

No new domestic projects are due to start this year. The next major development, the Scarborough project, is due to deliver first LNG in 2026, according to EnergyQuest's CEO, Rick Wilkinson.

"There is simply no oversupply in the country presently that is looking for a new market," Wilkinson told Platts, part of S&P Global Commodity Insights.

"Control mechanisms are in place, with the federal government allowed to control exports of the fuel under the Australian constitution. So, that is ultimately a big stick that they wield," he added.

Australia's LNG shipments reached 82 mill tonnes in 2024, surpassing the 81.1 mill tonnes recorded in 2023 and the previous record of 81.3 mill tonnes in 2022, according to consultancy EnergyQuest's data.

While exports have risen slightly, significant growth has been constrained by unfavourable gas policies and domestic interventions, such as DomGas and the Australian Domestic Gas Security Mechanism.

Australia could become an LNG importer in the future, though it is expected to remain a net exporter, Wilkinson said, adding that some states may source supplies from Western Australia rather than overseas.

"LNG is just a way to ship gas long distances, typically more than 1,500 to 2,000 km. Once you go past that, gas is cheaper to move as LNG as opposed to pipeline gas when you have a marine option.

"So, in the middle of winter, when you get consumption spikes and you don't have as much solar, or if hydro runs short of water, then you don't have many options to meet peak demands; LNG imports can serve as a great peaking gas," he said.

Some states are already taking steps to clear hurdles for gas imports as potential shortages loom.

On 29th May, the Victorian Government issued a positive assessment of the Environment Effects Statement for Viva Energy's Geelong LNG terminal.

This project would have the capacity to supply more than 120 Pj per year of gas and introduce significant new supplies. It is aimed at addressing "structural gas shortfalls forecast to impact Victoria from 2028 onward," Viva Energy had claimed.

Long term contracts

Meanwhile, Australia is unlikely to be directly affected by global market volatility driven by geopolitical risks or tariff uncertainty, as more than 90% of its overseas LNG supplies are tied to long-term contracts, Wilkinson explained.

"We are always concerned about the difference between what is announced and what is delivered. So, we will watch that very closely," Wilkinson said.

"I think, generally, the intervention was seen as unsuccessful because the price movements that we saw in Australia were also like those in Europe, although the latter did not pursue the same intervention that was here in Australia," he added.

In addition, the intervention signals to investors that the Australian government is willing to step in at a certain gas price, which effectively limits the upside for price increases.

An intervention would also dampen storage infrastructure expansion projects investment, which is crucial for managing constraints and peak demand in the domestic market, Wilkinson said.

EnergyQuest's Rick Wilkinson

This is especially important in southern Australia, where the domestic gas market can swing sharply. In Victoria, for example, demand can rise from 300 Tj per day to over 900 Tj heading into winter, with residential use accounting for a significant portion, he said.

Regulatory certainty is also vital, and once environmental and exploration permits are issued, they should not be subject to further negotiation or changes.

"If you are trying to stop a project, or you are against the project, the best thing you can do to mess it around is to challenge it late in the day because then the supplier not only ends up incurring substantial costs but also risks the various offtake agreements and commercial arrangements," Wilkinson said.

Gas market intervention also does not bode well for overseas equity investors, who are concerned about accessing their equity through gas and LNG supplies - the very basis of their investment, he stressed.

"So, it is a complicated political path that needs to be negotiated," Wilkinson said. ■

> **We are always concerned about the difference between what is announced and what is delivered. So, we will watch that very closely.**
>
> *- Rick Wilkinson, CEO, EnergyQuest*

NEWS BRIEFS

Dabhol receives commissioning cargo

Indian state owned GAIL India's Dabhol LNG terminal received its first LNG cargo during the monsoon season, aided by the commissioning of a protective breakwater.

With the commissioning of the breakwater, the terminal was designated as an all-weather port. It ensures safe and reliable LNG operations even during the Southwest monsoon, which is traditionally a challenging period for marine operations on India's West coast, GAIL said.

The LNGC 'GAIL Bhuwan', arrived at Dabhol on 2nd June marking the start of uninterrupted, round-the-year operations at the terminal, the natural gas transmission and marketing company said.

In addition, it has been reported that GAIL has re-sold one LNG cargo last week, three market sources told Reuters last Friday.

GAIL's storage tanks were said to be full amid weak power demand in India.

Fewer LNG imports by GAIL, the country's largest gas distributor, could reduce India's overall appetite for LNG.

India is currently the world's fourth largest LNG buyer, importing about 26 mill tonnes last year, as it goes through rapid urbanisation and industrialisation, thus needed to meet growing power demand.

However, GAIL's LNG tanks were said to be full, as power demand slumped, due to cooler weather from the monsoon season, resulting in the company selling the LNG cargo, two of the sources said. ■