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Shell eyes Venezuelan gas field

Following the ousting of Venezuela's President, Nicolás Maduro by US forces, UK energy giant Shell was said to be poised to capitalise on a substantial energy opportunity.

This development has reportedly paved the way for Shell to explore and exploit significant natural gas reserves and also has the potential to significantly change its financial standing, driven by projected revenues.

President Trump's recent statements on US' vision for Venezuela's oil reserves have renewed interest in the region's untapped energy resources.

Shell had previously shown interest in the Dragon gas field, located on the border between Venezuela and Trinidad and Tobago. This project, which was delayed for years, due to geopolitical tensions, may now move forward.

Dragon holds an estimated 120 billion cu m of natural gas, equivalent to three times the UK's annual consumption. According to reports, the development could yield up to £370 mill (\$500 mill) in annual revenue over three decades, Reuters reported.

Shell completed a marine survey of the area in the second quarter of 2025 to assess drilling sites, signalling its intent.

A US license granted in October, 2025 allowed Shell and Trinidad to negotiate with Venezuela's state oil company, PDVSA until April, 2026. This includes US companies' mandatory involvement, paving the way for joint ventures.

Reuters reported that the deal sets the stage for regional energy co-operation, with Shell aiming to fast-track production this year.

bp license

The other UK major, bp, is also lobbying to reinstate its 2024 license for the nearby Manakin-Cocuina field, revoked last April.

Analysts suggested that these opportunities could bolster UK energy security amid Europe's push for diversified supplies.

Trump's strategy involves US firms leading the charge in the country's huge oil sector.

Chevron, already operating in Venezuela under supervision, stands to benefit the most. The US President has called for billions in investments to rebuild infrastructure, with companies, such as ExxonMobil and ConocoPhillips potentially reclaiming assets nationalised under previous Venezuelan regimes.

Ashley Kelty, an analyst at investment bank Panmure Liberum, said: "The big winners are going to be the US majors, Chevron in particular, because it is already active in Venezuela." He added that European firms like Shell and bp would likely enter through risk-sharing partnerships, as reported by the UK's *The Telegraph*.

Forbes said that Trump's approach could help US companies recover billions owed from past



President Trump's actions in Venezuela has opened the door for energy majors

nationalisations.

This shift comes as Venezuela, boasting the world's largest oil reserves, ranks only 20th in production, due to years of underinvestment and sanctions.

Commodity data analyst and consultant, ICIS commented that uncertainty around Venezuelan sanctions and licensing is creating knock-on risks for Caribbean gas markets.

Trinidad's access to Venezuelan gas from the Dragon field was at the time of writing unclear, with its current US Treasury licence set to expire in April, 2026.

Any delay will threaten feedgas supply to the Atlantic LNG plant, while future Venezuelan gas exports or LNG developments could add to an already emerging global LNG supply glut.

UNLIMITED AGENDA

VENEZUELA

Shell to cash in **1**

EXPORTS

US record **2**

SUPPLIES



Increasing volumes **3**

More SPAs **4**

Korean boost **4**

PRODUCTION



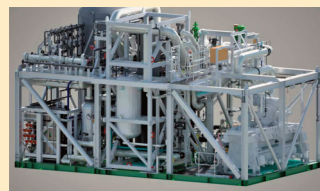
Russia falls **6**

PRICES

Gas to fall **2**

Flat spot levels **7**

TECHNOLOGY



BOG upgrade **8**

“The big winners are going to be the US majors, Chevron in particular, because it is already active in Venezuela”

- Ashley Kelty, analyst, Panmure Liberum

US exceeds export milestone

Last year, the US became the first LNG exporter to exceed 100 mill tonnes in a 12 month period, accounting for roughly 25% of global LNG exports.

This was driven by the startup of production from new plants, preliminary data from LSEG showed, Reuters reported.

In 2025, US exports totalled 111 mill tonnes, almost 20 mill tonnes more than its nearest rival Qatar and nearly 23 mill tonnes more than the country exported in 2024, according to the data.

An example of new plant startups was Venture Global's Plaquemines plant - the country's second-largest export facility - which delivered 16.4 mill tonnes last year, following the export of its first cargo in December, 2024.

Alex Munton, director of global gas and LNG at research firm, Rapidan Energy Group, said the 24% year-on-year growth was due

to high utilisation across onstream export terminals and a rapid ramp up of the new facilities.

The US achieved a monthly milestone in December when 11.5 mill tonnes of LNG was exported, a record for a single month, according to the data. Last year, the US also set five monthly production records.

"It is remarkable that in nine years the US has gone from zero LNG exports to over 100 mill tonnes, and the success validates the US approach of selling free-on-board (FOB) and pulling gas off the grid and the reliability of US supplies," Jason Feer, Poten & Partners' head of business intelligence, said.

European imports

Europe remained the main destination for US LNG, with 9 mill tonnes committed to the region in December, as the Northern Hemisphere winter set in and Europe

reduced its Russian gas purchases, LSEG ship tracking data showed.

Turkey, which supplies Europe with some Russian gas, stepped up its purchases of US LNG in the same month, buying 1.45 mill tonnes.

As for Asia, the US sold 1.23 mill tonnes in December, down from November's 1.75 mill tonnes, according to the data.

Egypt continued to buy significant amounts of US LNG cargoes, due to its natural gas shortages, buying 0.78 mill tonnes in December, while the Americas region took 0.42 mill tonnes.

With Plaquemines targeting full



Venture Global's Plaquemines export facility has helped the US to reach record export volumes

capacity this year, Cheniere's smaller modular plants expected to either be at full volume or ramping up, and the first train at Golden Pass LNG - a joint venture between QatarEnergy and Exxon-Mobil - set to begin production in the first quarter of this year, Feer believed that the US could increase its annual production in 2026 by another 20 mill tonnes. ■

Falling gas prices forecast

At the end of last year, European natural gas prices were heading for a sharp annual drop, despite unusually low inventories.

This was a sign of how dramatically the market has changed since the energy crisis, as a wave of LNG reshapes supply expectations, sources told newswires.

Prices were on track to finish 2025 at roughly half the levels reached earlier in the year, reversing concerns that Europe could face a tight winter with reserves well below recent norms.

Traders have taken comfort in the sheer volume of gas available on the global market, the sources said.

This shift reflected how Eu-

rope's energy safety net has evolved since the crisis triggered by Russia's invasion of Ukraine.

Pipeline flows that once dominated the market gave way to an intense focus on building up stocks. However, in 2025, attention increasingly turned to seaborne supplies of LNG.

As a result, storage levels - around 63% at the end of last year, compared with a five-year seasonal average of about 74% - did little to spook the market this winter.

Steady flows from the US and elsewhere gave buyers flexibility that had barely existed in recent years, and a relatively mild start to the heating season and reliable

pipeline supplies from Norway further eased the pressure.

However, the shift to LNG leaves Europe more exposed to global geopolitical events and worldwide production issues. In the European Union, LNG accounted for 45% of gas imports at the start of last year, compared with about 20% before the Russia/Ukraine war.

Looking ahead, the supply picture pointed to even looser conditions, analysts said. A wave of new LNG export capacity is due to come online globally over the next few years, raising the prospect of a prolonged glut that could allow Europe to secure cargoes even in periods of higher demand. ■

NEWS BRIEF

Deutsche ReGas claims highest German terminal feed

Independent German LNG terminal operator, Deutsche ReGas has claimed the highest feed in the country for the fourth quarter of 2025.

Deutsche ReGas said it provided around two thirds of the injection capacity of the other four German floating LNG terminals put together during the three months.

Some 12.53 TWh, around 15% of the average quarterly gas consumption of all German households and commercial customers, was fed into the grid in Mukran during the period with 4.24 TWh being fed in December. ■

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LNG supply to rapidly increase from 2027

Global LNG supply will surge from 2027, due to major expansions in the US, Qatar and new projects in Algeria and Morocco.

This could create a potential oversupply by 2030 with about 15-63 mill tonnes excess supply expected, shifting the market from scarcity to surplus, prompting questions about demand absorption in Asia/Africa and impacting prices, a new report from Bloomberg forecast.

The key drivers will be the US with significant capacity growth from existing projects and new developments. Qatar is also expanding its huge North Field production project and will become a dominant supplier.

In Africa, new capacity from Algeria and Morocco will also contribute to the global increase.

This massive new supply is expected to outpace demand from 2027, according to the BloombergNEF analyses.

However, the surplus could

drive down gas prices in Asia and Europe - potentially below \$10 per MMBtu by late 2026.

Lower prices could unlock demand in price-sensitive markets in South Asia and Africa, although infrastructure development will remain a problem.

While the market tightens, the major supply wave from 2027 onwards suggests a significant shift towards a buyer's market, impacting profitability for exporters, Bloomberg said.

Recent US tariffs have led to a halt in direct US LNG sales to China, forcing the country's buyers to reroute cargoes to Europe and source LNG from alternative suppliers, such as Qatar and Australia.

These moves are creating significant changes in global trade patterns and potentially dampening investment in future US LNG projects.

For example, US LNG supply has inadvertently switched to Europe, putting downward pres-

sure on European spot prices, Bloomberg said.

The switch from long-haul US/China voyages (which currently go via the Cape of Good Hope) to shorter routes from Qatar or Australia, or to longer US/Europe routes, is expected to reduce overall LNGC tonne-mile demand, potentially worsening the oversupply conditions in the shipping market.

Regulatory uncertainty surrounding tariffs is also causing businesses to delay long-term decisions and forcing a re-evaluation and diversification of supply chains to manage risks and avoid increased costs, according to the report.

Trade tensions and uncertainty is also deterring Chinese companies from signing new long-term US LNG contracts, which are crucial for US developers to secure financing for their new export facilities, which could slow down the pace of future US LNG capacity expansion.

The US is currently addressing this situation by encouraging other trading partners, such as Taiwan, South Korea, and Japan, to invest in its energy infrastructure and sign long-term deals, as a way to build alternative, politically secure supply chains, Bloomberg said.

Exports jump

Meanwhile, last year, global LNG exports will have likely seen the largest jump in three years, as new North American supply came online.

Exports were estimated to have

risen 4% from 2024 to 429 mill tonnes, according to Kpler, which tracks shipping data, analysed by Bloomberg, the largest annual increase recorded since 2022, when exports climbed 4.5% from the year before.

The US is expected to continue adding supply, doubling output by the end of this decade and in turn boosting exports.

This will likely result in Asian and European gas prices falling. Already, Asian prices are near their lowest in a year, while European futures have fallen more than 40% from the start of 2025.

The additional output could also further tighten demand for vessels to ship the cargoes. Last month, Atlantic freight rates reached the highest in almost two years, as a surge in supply boosted demand for LNGCs, although rates have since eased.

China and Japan remain the world's biggest buyers, tied for first place, although total 2025 Chinese imports are about 15% lower than in 2024, the data showed.

Egypt's imports continued to grow after the country became a net importer last year. The country will have bought about 8.9 mill tonnes of LNG last year, a rise of more than three times compared to 2024.

Globally, trading volumes of LNG are expected to continue growing 7.5%-8% this year, driven by a wave of new supply and lower prices that should stimulate demand, Bloomberg Intelligence added in a note. ■



More LNG volumes are expected from LNG Canada

NEWS BRIEF

First Bulgarian US LNG cargo received

Greek energy and metals group METLEN's International Energy Supply & Trading division, has received the first US LNG cargo destined for Bulgaria at the Alexandroupolis FSRU terminal.

Claiming to be the largest private natural gas consumer and

trader in the region, and one of Greece's leading LNG importers, METLEN said it ensured critical supply routes across the Balkans — from Bulgaria and Romania — to neighbouring markets.

METLEN's collaboration with Bulgaria's state-owned company Bulgargaz is among the region's most stable and long-term cross-border energy partnerships. The co-operation began in 2018,

when gas flows from Greece to Bulgaria were started on behalf of Bulgargaz, opening a new energy corridor in Southeastern Europe.

Since then, the group has become a supplier of LNG, natural gas, and integrated energy services to the Bulgarian market, playing a decisive role in ensuring the country's supply security, the company claimed.

METLEN covers around 35% of Greek and Bulgarian total demand, while accounting for nearly 50% of Greece's total LNG imports via the Revythoussa terminal.

The company also supplies LNG and natural gas to third parties in markets across the Atlantic Basin, Northwestern Europe, and the Mediterranean region. ■

South Korea looks to LNG imports over coal

At last month's United Nations climate talks, South Korea's new Ministry of Climate, Energy and Environment announced plans to close most of the country's coal-fired power plants by 2040 and to at least halve its carbon emissions by 2035.

South Korea, has one of the world's largest number of coal driven plants and has said it wants

to speed up its renewable energy transition.

As part of trade deals with President Donald Trump, the country will probably increase imports of US LNG. Talks are still ongoing for South Korea to invest \$350 bill in US projects and purchase up to \$100 bill worth of US energy products, including LNG. However, a firm deal is yet to be announced.

South Korea's overall LNG imports may not increase if it offsets purchases of more US gas by reducing imports from other sources, such as Australia and the Middle East, industry experts said.

Once signed, an agreement could last between three to 10 years, according to industry analysts and US federal documents.

Depending on its duration, South Korea may import between 3 mill to 9 mill tonnes of US LNG per year.

LNG contributed almost a fifth of South Korea's total energy supply in 2024, according to the International Energy Agency (IEA). The government's target was to cut this to 10.6% by 2038.

"As the global temperature rises, we all need to responsibly take climate action and (South) Korea will have a stronger sense of responsibility in tackling the climate crisis," Kim Sung-hwan, the inaugural Minister of Climate, En-

ergy and Environment, said in a recent interview with The Associated Press (AP).

However, South Korea's goal to cut carbon emissions by 53% to 61% of its 2018 level, fell short of climate activists' expectations. Business lobbies representing major manufacturers had proposed a 48% emissions reduction target.

"This range presents an effort by the government to accommodate two very different ways of thinking about the economic and climate future of the nation," said Joojin Kim of Seoul-based advocacy group, Solutions for Our Climate.

Minister Kim added in the interview: "We will transition into a new energy system that focuses on renewables and nuclear, while phasing out coal," He also said South Korea will use LNG as a "complementary or emergency energy source" to make up for irregularities in renewable energy supplies. ■



POSCO could gain from South Korea's LNG import thrust

More SPAs agreed

More LNG sales and purchase agreements (SPAs) have come to light recently.

For example, Malaysia's PETRONAS' subsidiary, PETRONAS LNG, signed an SPA with CNOOC Gas and Power Singapore Trading & Marketing for the supply of 1 mill tonnes per annum of LNG.

This agreement builds on the long-standing working relationship between PETRONAS and CNOOC, strengthening co-operation in LNG supply, while supporting China's economic growth, and national clean energy agenda, including the 'Dual Carbon' aspirations of peaking emissions before 2030 and achieving carbon neutrality by 2060, the Malaysian energy major said.

Shamsairi M Ibrahim, PETRONAS LNG's Marketing and Trading Vice President, said: "This agreement marks an elevation of our relationship with CNOOC, advancing our shared commitment to energy security and a lower carbon future.

"Beyond supplying LNG, it re-

flects the continued development of our long-term partnership. PETRONAS remains committed to delivering reliable and cleaner LNG solutions, working with partners to advance shared energy transition goals," he said.

With Asia's rising demand for lower-carbon fuels, PETRONAS said it will continue to deliver LNG from its portfolio to support customers' evolving energy needs across the region.

Australian oil and gas developer, Woodside Energy also signed an SPA with Türkiye's state-owned energy company, BOTAŞ to supply LNG long-term.

Under the agreement, Woodside will supply around 5.8 bill cu m natural gas equivalent, or 0.5 mill tonnes per annum of LNG, for up to nine years starting in 2030.

This SPA follows a non-binding heads of agreement (HoA) signed by Woodside with BOTAŞ last September.

The LNG will be supplied pri-

marily from the under-construction US Louisiana LNG project, as well as from Woodside's wider portfolio.

Woodside Executive Vice President and CCO, Mark Abbottsford, said: "This supply agreement with BOTAŞ represents a strategic milestone for Woodside given it is our first long-term LNG supply arrangement with the Turkish market.

"It is yet another demonstration of the strength and flexibility of Woodside's diversified portfolio and ability to deliver on our global ambitions.

"Woodside also appreciates the support shown by the Turkish and US governments, following the announcement of the HOA earlier this year," he said.

The agreement reflects the strengthened Turkish/US relationship and paves the way for Woodside to build a larger strategic relationship with BOTAŞ that supports energy security and economic growth for Türkiye and the US, the company claimed. ■

NEWS BRIEF

LNG Croatia offers more regas capacity

FSRU terminal operator, LNG Croatia is to offer additional regasification capacities for the years 2026/2027, 2029/2030 and 2037/2038, 2039/2040, on 2nd February, 2026.

This will be accomplished through an auction organised in co-operation with the auction platform for contracting European gas infrastructure capacities - PRISMA European Capacity Platform.

To take part in the auction, participants will need to sign a registration agreement with LNG Croatia and submit a guarantee of €1 mill by 16th January, 2026, the Croatian state-owned LNG terminal operator said. ■

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Russian LNG production target ditched

Russia has postponed its annual target of 100 mill tonnes LNG production for several years.

This was revealed by Deputy Prime Minister, Alexander Novak in a recent interview with the Rossiya 24 TV channel, Interfax reported.

"We will continue to develop the production of liquefied natural gas as well. Our goal was to reach 100 mill tonnes [per year by 2030]. It is clear that due to sanctions restrictions, this will now be postponed by several years," he said, during the interview.

LNG production plants' construction will continue, as the government still considered LNG to be "one of the main sectors and drivers of development for the energy industry," Novak confirmed.

Last year, Russian LNG production was expected to total 33 mill tonnes, compared to 2024's 34.7 mill tonnes.

The main reason for the drop was more extensive plant planned maintenance during the summer period.

Large scale Russian LNG is produced by Sakhalin plants (co-owners – Gazprom, Japan's Mitsui and Mitsubishi), Yamal LNG (participants – NOVATEK, TotalEnergies, China's CNPC and SRF), Cryogas' Vysotsk, and Gazprom's LNG Portovaya, Interfax said.

Meanwhile, China is becoming an increasing market for sanc-

tioned Russian LNG.

For example, NOVATEK exported around 21 LNG cargoes to China from the sanctioned Arctic LNG 2 facility last year, data from Kpler analysed by Reuters showed.

China's CNPC and CNOOC are shareholders in Arctic LNG 2, holding a 10% stake each.

Another LNG cargo went to China from Gazprom's Portovaya facility, also under Western sanctions.

Chinese record

In 2024, Russia's total LNG exports to China were a record despite the sanctions, with, for example, September flows doubling from a year earlier, to 1.6 mill tonnes from 751,000 tonnes.

NOVATEK was estimated to have sold more than 1 mill tonnes of LNG from Arctic LNG 2 to China between June and November last year.

In November, Chinese LNG imports rose by 13.6% year-on-year to 6.94 mill tonnes, and early data from Kpler suggested flows were even higher in December, hitting 7.17 mill tonnes.

The November and December hikes followed 12 months of LNG imports' decline.

Among the reasons given for the drop, in addition to softer demand, was a substantial rise in domestic natural gas production and

higher pipeline gas imports, especially from Russia, via the Power of Siberia pipeline.

Elsewhere, Gazprom's Board has rubber stamped 2026 investments and the budget.

The investment programme was set at RUB1.1 trill (around \$11 bill), a decrease from RUB1.52 trill (almost \$15.22 bill) earmarked for this year and the spending of RUB1.64 trill (nearly \$16.43 bill) in 2024.

Investments will be utilised for further development of the gas production centres in eastern Russia and the Yamal Peninsula, gas infrastructure expansion in Russian regions, the Power of Siberia gas trunkline capacity expansion, development of the gas processing complex, as well as the implementation of the Eastern Gas Supply System gas trunkline project and other projects to secure gas balance in peak periods, Gazprom said.

This comes after Gazprom and China's CNPC decided to increase their co-operation, following a meeting.

Gazprom regularly provided gas supplies to China over the daily contractual volumes in 2025, the company claimed.

Both companies will continue their joint R&D work, underground gas storage, personnel training, and standardisation. ■



Russian Deputy Prime Minister, Alexander Novak

Suriname gas FID close

Malaysia's state-owned energy company, PETRONAS is aiming to reach a final investment decision (FID) on its new gas project in Suriname this year.

The Suriname regulator, Staatsolie, confirmed to local media that the commercial viability of PETRONAS' Sloanea-1 gas discovery, had helped pave the way towards a FID in 2026 and first gas by 2030 at the earliest.

Staatsolie said that the energy major now needs to submit a development plan for approval from the government in order for the project to move forward.

Last November, it was announced that a new gas discovery was made in the PETRONAS-operated Block 52 offshore Suriname. The Block is majority owned by the Malaysian energy major, while Staatsolie holds the remaining 20%.

PETRONAS aims to construct gas development wells, subsea infrastructure, and provide an FLNG. It had previously been reported that the developer was conducting studies to evaluate the viability of deploying the FLNG about 120 km offshore in water depths of 450 m.

The Malaysian giant took over the Block's development in 2024 upon the withdrawal of ExxonMobil. ■

Egypt MoU strengthens LNG ties with Qatar

Egypt has signed a memorandum of understanding (MoU) with Qatar to strengthen co-operation in the energy sector, particularly in the sales and import of LNG, as well as in other energy areas.

The MoU was signed by Egypt's Minister of Petroleum and Mineral Resources, Karim Badawi, and Qatar's Minister of State for Energy Affairs and President and CEO of QatarEnergy, Saad bin Sherida Al Kaabi in Doha.

According to the official government statements, the agreement represents a key step

towards diversifying Egypt's natural gas supply sources and expanding frameworks for co-operation in securing LNG shipments.

It also aligns with Egypt's broader strategy to safeguard energy security by diversifying supply sources in parallel with efforts to boost domestic production, maximise added value, and reinforce the country's role as a regional hub for gas trading, the governments said.

QatarEnergy's activities in Egypt are currently focused in the Mediterranean region, where the

company operates in six offshore exploration blocks. The Qatari energy giant also plans to invest over the next five years and drill a number of exploratory wells in co-operation with several major international energy companies.

In another move, Egypt's state-owned energy company, EGAS and QatarEnergy signed the terms of an executive mechanism governing the supply of a number of Qatari LNG cargoes to Egypt.

The shipments are scheduled for delivery to the Ain Sokhna and Damietta import terminals. ■

LNG spot prices flat

Asian spot LNG prices started 2026 on a steady note, as muted regional demand and ample supply kept the market flat following a 34% slump last year.

The average LNG price for February delivery into northeast Asia was estimated at \$9.60 per MMBtu, unchanged from the previous week, industry sources said.

"Market conditions remain relatively calm and are largely dominated by bearish sentiment," said Siamak Adibi, director for gas and LNG supply analytics at consultancy FGE.

He added that December's LNG supply was likely to reach new record levels of 42 mill tonnes, despite outages at LNG Canada and US Freeport LNG.

"Weak Asian demand has al-

lowed Europe to absorb spot cargoes more comfortably," he said.

The year-end holiday season also curbed trading activity, with warmer than average forecasts in many Asian and North American cities keeping a bearish sentiment on gas and LNG price outlooks for early January, said Masanori Odaka, Rystad Energy's senior analyst.

"The arbitrage for US origin LNG to Asia is deeply shut, meaning Europe will likely continue to receive US origin LNG for most of the first quarter of 2026," he said. "LNG spot prices in Asia will have to rise by more than \$1 per MMBtu relative to LNG prices into Europe for this situation to change."

S&P Global Energy assessed its daily Northwest Europe LNG

Marker (NWM) price benchmark for cargoes delivered in February on a delivered ex-ship (DES) basis at \$9.112 per MMBtu on 31st December, a \$0.535 per MMBtu discount to the TTF hub price.

While milder temperature forecasts and a slower rate of December withdrawals eased immediate pressure, Europe entered the winter period with lower storage levels than in recent years and needs to import significant LNG volumes through January and February to stay balanced, said Aly Blakeway, manager of Atlantic LNG at S&P Global Energy.

Europe's reliance on LNG is set to increase, as Russian pipeline gas and LNG are phased out and regasification capacity continues to expand, he added.

"With a wave of uncontracted LNG supply expected to hit the market from 2026 and competition intensifying for European regasification slots, LNG/TTF spreads could widen further, as Europe cements its position as the sink for surplus global LNG," he said.

As for freight rates, Atlantic levels fell further to \$71,750 per day, while Pacific rates slipped to \$55,000 per day, said Spark Commodities analyst, Qasim Afghan.

He added that the US front month arbitrage to northeast Asia via the Cape of Good Hope, closed out further last week, pointing more strongly to Europe, while the arbitrage via Panama had also closed out and pointed once more to Europe. ■

Rising Indian natural gas consumption

India's domestic natural gas consumption is expected to grow by 3-4% year-on-year in FY2027, following a period of near-term moderation in FY2026, according to a report by industry researcher, ICRA, Moody's Indian affiliate.

The gas consumption recovery will be driven by a rise in industrial offtake and the continued expansion of the country's city gas distribution (CGD) network.

ICRA claimed that higher gas usage from key consuming sectors, such as refining, fertilisers and CGD will support the growth.

The report revealed that during the first seven months of FY2026, gas consumption declined by 4.5% year-on-year mainly due to lower offtake from major consuming sectors, including fertiliser plants, power generation and refineries.

While the CGD segment has continued to record healthy growth and remains a key demand driver, total gas consumption for the whole of FY2026 is expected to remain flat or see a low single-digit increase.

ICRA also pointed out that domestic gas production remained

stagnant, with any incremental output likely to be offset by the natural decline from existing gas fields, contributing to the near-term subdued consumption trend.

Looking ahead, ICRA said the broader energy environment is expected to be supportive of gas. Crude oil prices are projected to average between \$60-70 per barrel in FY2027, due to muted global demand growth amid rising supplies - figures produced before the US venture into Venezuela.

As for LNG, global prices eased, due to expectations of warmer winters in key regions and healthy inventory levels. In addition, significant planned LNG capacity additions are expected to lead to a drop in LNG prices from calendar year 2027.

Indian domestic gas prices are also expected to soften in line with lower crude oil prices, the report said.

Meanwhile, another report claimed that the country could save \$1 bill in crude oil imports annually if it switched 10% of its diesel usage in the transport sector to LNG.

According to a case study released by the Indian Petroleum and Natural Gas Regulatory Board (PNGRB), drawing a strong case for boosting LNG usage in heavy-haul transport, the study said that this sector could switch 30-40% of diesel vehicles to LNG in the next five to seven years by replacing intra-city or inter-city buses, heavy-haul mining machinery, and haul trucks.

India consumed 91.4 mill tonnes of diesel during 2024-25 (FY25), of which 62 mill tonnes was consumed in the transport sector.

LNG fuelled trucks

"If we consider a case of 10% of diesel-fuelled vehicles being converted to LNG, 6.2 mill tonnes diesel, which is equivalent to 5.9 mill tonnes of LNG, would be displaced by the latter, which at current prices of Brent, at a rate of \$60 per barrel-linked LNG contracts, would cost close to \$2.5 bill. So, considering savings of 22-30%, the savings in crude import bill would be to the tune of \$1 bill per annum," PNGRB's

study claimed.

Switching 10% of vehicles from diesel to LNG would yield savings of about ₹528 per MMBtu, which translates to ₹14,000 crore annual savings for end consumers, it was explained.

Currently, LNG consumption in this sector is close to 50,000 tonnes per annum. However, it has the potential to achieve a sizeable market of around 6 mill tonnes per annum by 2030, PNGRB said.

Rapid expansion of Indian gas infrastructure during the past few years has strengthened the case for LNG as a transport fuel. Reducing liquid fuel demand would also lower exposure to global oil price shocks, as India remains heavily dependent on imported crude oil.

In November, Indian gas output fell by 2.4%, while LNG imports rose by 3.7%, government figures showed. Leading the gas consumption was the fertiliser sector, followed by CGD.

Total consumption during April/November 2025 saw a 3.8% decline, primarily from the power and refinery sectors. ■

Babcock LGE enhances boil-off gas technology

Engineering giant Babcock's LGE business has announced improved performance guarantee and new ecoSMRT® technology.

The LGE subsidiary has claimed a 12% performance upgrade to its ecoSMRT® LNG reliquefaction technology, delivering greater

efficiency and sustainability for LNGCs, the company said.

Effective immediately, the guaranteed capacity for ecoSMRT® systems from model 22-01 onwards has increased from 1.7 tonnes per hour to 1.9 tonnes per hour of natural boil-off gas (NBOG)

based on pure methane.

By increasing guaranteed capacity, LNGC operators can ensure larger quantities of cargo are delivered without increasing fuel costs or environmental impact, the company claimed.

This latest increase builds on previous enhancements, with the original guarantee of 1.5 tonnes per hour raised to 1.7 tonnes per hour in 2023, now reaching 1.9 tonnes per hour.

LGE has continued to develop its ecoSMRT® system and, following more than 750,000 operating hours and feedback from about 90 operational vessels, it has incorporated a number of design improvements, which have resulted in its increased guarantee capacity.

ecoSMRT® is designed to minimise energy consumption and reduce greenhouse gas emissions by efficiently managing BOG during voyages and while at anchor.

Responding to growing demand for higher capacity driven by

evolving vessel performance requirements and environmental legislation, LGE has also developed ecoSMRT® 2.5 – a reliquefaction solution capable of guaranteeing up to 2.5 tonnes per hour of NBOG based on pure methane.

This new technology represents an increase of more than 30% in capacity.

Babcock's LGE's Managing Director, Neale Campbell, said: "This latest performance enhancement underscores our commitment to continuous improvement and sustainability.

"By delivering higher efficiency without additional modifications, we help our customers reduce operational costs and environmental footprint, while maintaining the highest standards of reliability – and this is just the beginning as we introduce ecoSMRT® 2.5, setting a new benchmark for LNG reliquefaction technology," he claimed.



Babcock LGE's patented ecoSMRT has been upgraded

NEWS BRIEFS

Egypt to receive Israeli natural gas

A multi-billion dollar agreement to export Israeli natural gas to Egypt has been agreed, following the green light received from the Israeli government.

Israel's energy company, NewMed Energy (45.3% working interest), Chevron (operator at 39.7%) and Ratio (15%) received Israeli government approval for their giant Leviathan project to export around 130 bill cu m of natural gas, firming up an agreement signed in August, 2025 with Egypt's Blue Ocean Energy (BOE), valued at about \$35 bill.

Israel's Petroleum Commissioner at the Ministry of Energy and Infrastructures recently gave the go ahead for export of the additional quantities to the buyer under the agreement.

Leviathan is claimed to be the largest gas reservoir in the Mediterranean, with the pro-

duced gas serving as a key source of energy for Israel and neighbouring countries.

ADNOC's gas production project finance agreed

Abu Dhabi National Oil Co (ADNOC), in partnership with Eni and PTT Exploration and Production Public Co (PTTEP), has signed a structured financing agreement for up to \$11 bill (AED40.4 bill).

This will be used to help monetise Hail and Ghasha's midstream future gas production.

Hail and Ghasha is part of the larger Ghasha concession, located offshore Abu Dhabi, which is expected to produce 1.8 bill standard cu ft per day of gas.

It is also claimed to be the world's first offshore gas project of its type to aim to operate with net zero emissions, capturing 1.5 mill tonnes of CO2 per year.

The non-recourse financing

transaction, said to be unique for an energy project of this scale and complexity, will enable ADNOC to realise upfront value for its products at competitive rates, the company said.

In addition to providing immediate access to capital, the financing method introduces a commercial model that ring-fences midstream processing facilities and operations, which enables ADNOC and its partners to raise low-cost funding, while retaining operational control of their assets.

This structure also offers a model, which can be replicated for other large-scale greenfield projects.

Petrobras takes FID on oil and gas field

Petrobras has approved the final investment decision (FID) for the development of the Sergipe deepwater module 2 (SEAP II) project, to be located in the Sergipe-Alagoas Basin.

The Brazilian energy major said that this project is vital in the expansion of the availability of national gas, in addition to opening a new production frontier in the Northeast region of the country.

In addition to SEAP II, Petrobras operates the SEAP I project, which covers the deposits belonging to the Agulhinha, Agulhinha Oeste, Cavala and Palombeta fields.

With a substantial volume of gas, potentially offering up to 18 mill cu m per day, both projects open new investment horizons, bringing a series of opportunities to the sector and to the states of Sergipe and Alagoas, Petrobras said.

In addition, it will enable new technology to be introduced in the country: the implementation of a production project in water depth over 2,500 meters (reaching up to 3,000 m), incorporating new innovations, Petrobras claimed.