LNG Unlimited

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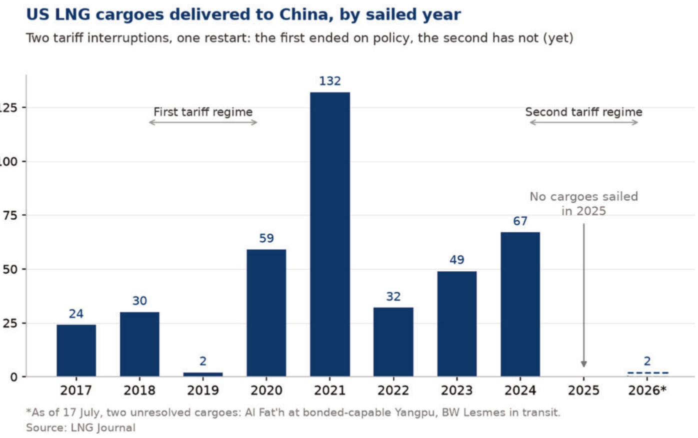
First US LNG cargo bonded in China, not (yet) imported

China has received its first US LNG cargo in nearly 1.5 years, with the Al Fat'h carrier – loaded at Plaquemines in early June – berthing and discharging at Yangpu LNG terminal in Hainan, southern China. Al Fat'h's charterer is reportedly QatarEnergy LNG, which has a 3 mtpa supply obligation with PetroChina.

"Qatar is probably losing a lot of money on this cargo," the London-based LNG trading strategist Christos A. commented.

The Yangpu LNG regas terminal has so-called "bonded status," meaning it is not affected by Chinese import tariffs on US LNG. That is why the terminal has been used for re-exports, and some market observers doubt the cargo is a genuine import.

The US LNG delivered from Venture Global's Plaquemines terminal "is unlikely to enter the Mainland China pipeline system," Christos A suggested, while Anne-Sophie Corbeau, BP's former head of gas analysis, noted Chinese importers have quite few LNG contracts with US exporters. "Instead



of going to Europe, these volumes may end up in China if they need them," she noted.

For now, the Al Fat'h is nothing more than a single cargo, albeit a significant one. A second one is en route to China from Cheniere's Sabine Pas terminal, supposedly shipped under a long-term supply obligation. Yet, these volumes are dwarfed by the more than 5 bcm of Russian LNG that China has imported so far this year.

China's LNG imports in June

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Pakistan LNG pays dearly for late July cargo

State-owned Pakistan LNG has purchased a cargo for late July delivery at nearly $21.88 per million British thermal units on Monday, its highest price since 2022, Bloomberg reported. In August, Pakistan seeks to buy more cargoes.

The tender for the July LNG cargo requested shipment between July 29 and July 30 on a delivered ex-ship (DES) basis to the Pakistan's Port Qasim terminal.

In parallel, Pakistan LNG is preparing a broader procurement strategy for August, with plans to secure up to six LNG cargoes. The strategy is still being finalized and could involve a mix of spot tenders and negotiated purchases, depending on market conditions and pricing.

Both Bangladesh and Pakistan are prepared to pay record prices for spot LNG in a quest to alleviate the risk of crippling power shortages and rolling blackouts. Both countries have been heavily dependent on Qatari LNG, but the Persian Gulf producers had to postpone the restart of contracted deliveries due to the flare-up of military attacks around the Strait of Hormuz.

Pakistan's LNG import terminal at Port Qasim, Karachi

For Pakistan, which faces chronic energy shortfalls and fiscal constraints, the balance between securing supply and managing import costs is becoming almost unfeasible. ■

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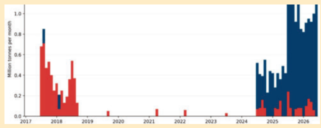

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edged up slightly to around 5.29 million tonnes, up from rom May imports of 4.9 million tonnes, according to Kpler data, as demand strengthens ahead of peak summer cooling, driven by higher air-conditioning use.

Al Fat'h's route changed midway

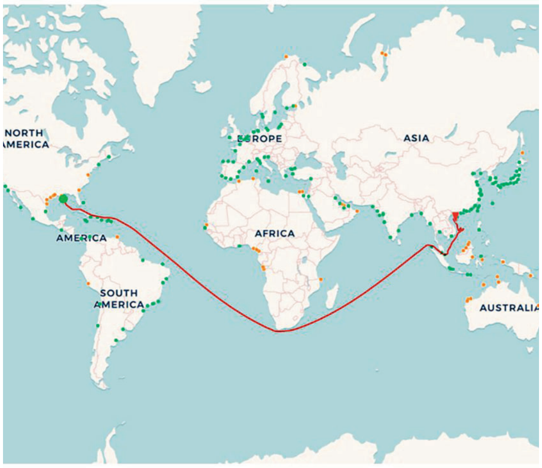
The Al Fat'h loaded at Venture Global's Plaquemines LNG on 3 June and arrived at Hainan LNG on 16 July. Yet the Al Fat'h did not steer for Hainan from the start. It was diverted off Huizhou LNG in Guangdong, a conventional import berth. The track shows roughly 600 nautical miles of loitering off Tuy Hoa, Vietnam. That water is the last stretch where the routes to Huizhou and Yangpu are still one route. A laden vessel holding there is a cargo waiting on orders. At Huizhou, a discharge would have been an ordinary import into China, and duty falls due with it. The Hainan terminal sits at Yangpu, inside the Hainan Free Trade Port.

Yangpu holds China's first bonded LNG tanks. A cargo discharged into bond has not legally entered China. It can be reloaded and shipped out without duty ever falling due. Whether this cargo went into bond is not something our AIS can show. However, our record contains 25 outbound cargoes from Yangpu since 2019, the latest to Thailand on 25 March this year.

Tariffs undermine the arbitrage

The tariffs have not moved: Beijing's 15pct levy on US LNG remains, on top of a 10pct base rate. The wide Pacific arbitrage does not decide whether the cargo clears Chinese customs or reloads. JKM closed the expiring August contract at $16.808/MMBtu on 15 July. The September front month printed $19.925 on 16 July, the day the Al Fat'h berthed. Henry Hub sits near $2.9/MMBtu. A cargo that clears customs captures that spread.

A cargo that reloads at Yangpu captures it too, less the cost of the reload. Clearing customs adds duty and closes the position. Therefore, duty is worth paying only if Chinese buyers pay enough of a premium over the rest of Asia to cover it. Nothing close is currently on offer. SHPGX's landed assessment printed $19.076 on 16 July. The JKM front month printed $19.925 the same day. The assessment excludes duties and VAT. Landed China stood at a discount to JKM, not a premium. ■



Al Fat'h vessel track, 3 June – 16 July. Source: LNG Journal.

Nakilat H1-2026 profits rangebound despite Middle East conflict

Qatar Gas Transport Company, better known as Nakilat, has kept first-half net profit broadly flat at 857 million Qatari Riyals, even as its Marine Services segment was "significantly affected" by the military conflict in the region.

"Ship repair, shipping agency, and towage services experiencing a noticeable decline," Nakilat CEO Abdullah Al-Sulaiti said.

"Despite these challenges, we continued to fulfil our strategic role in providing LNG shipping services to our customers and took decisive cost-control measures to stabilise our core operations while ensuring the highest levels of fleet reliability," he added, stressing the company's steadfastness in serving customers "under all circumstances."

Net profits for the six months ended June 30, 2025, came in at QAR 857 million compared with QAR 860 million a year earlier.

Despite severe shipping constraints through the Strait of Hormuz, and recent attacks on crude and LNG carriers, Nakilat is pressing ahead with fleet expansion, with 40 newbuild vessels under construction at shipyards in South Korea and China.

First newbuild deliveries are "on track to commence later in 2026," the Doha-based company said, pointing to several key construction milestones reached in the first half of this year at Korean shipyards, including steel-cutting, keel-laying, and vessel-launching events for both conventional LNG carriers and LPG/ammonia carriers.

For the financing of 25 LNG carriers, Nakilat Conventional Inc. received the East Export Credit Deal of the Year by Marine Money. ■

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Egypt close to sealing term LNG supply deal worth up to $11 billion

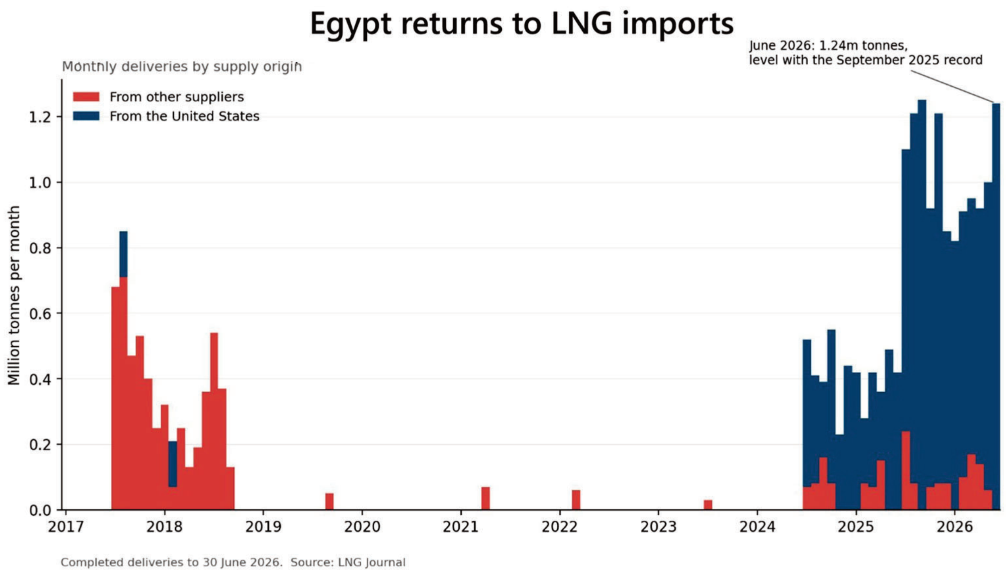
Egypt is close to sealing a multi-year LNG supply deal that could lock in 15 to 18 cargoes a month for at least three years. Reuters calculations put the deal value at $8-11 billion a year, depending on pricing and volume, with final terms still under negotiation.

The prospective contract would deepen Egypt's reliance on imported LNG as the Arab world's most populous state struggles to stabilise electricity supply and prices. Import costs nearly tripled to $1.65 billion in March for unchanged volumes, underscoring how quickly Egypt's fuel bill has escalated in the wake of Hormuz transit disruptions.

The deal's pricing structure is not yet public, the package may well be modelled on recent contracts priced at a premium of about $1.5 per million British thermal units above the Dutch TTF benchmark. Analysts noted that would make the agreement expensive, but still preferable to chasing spot cargoes in a volatile market.

On the sellers' side, negotiations involve Shell, TotalEnergies, BP and Hartree Partners, while the contracting counterparty will likely be Egypt's state buyer EGAS or the state oil company EGPC.

There is "a strong will to work with Americans," a source told Reuters, suggesting cargoes from the US Gulf Coast could once again dominate Egypt's LNG supply mix. That fits a familiar pattern: in April, the U.S. Export-Import Bank approved more than $2 billion in credit guarantees to support LNG shipments to Egypt through 2026 and 2027 under Hartree's contracts with EGPC.



Already in 2025, the United States was instrumental in meeting Egypt's LNG needs. According to Kpler data, 90 percent of all LNG cargoes delivered into Egypt that year – 93 out of 103 shipments – originated from the U.S. Counted on arrival, deliveries into Egypt reached 1.24 MMt across eighteen cargoes in June, level with the record set last September, according to *LNG Journal* data.

The longer arc gives the moment its weight. Egypt imported 3.2 MMt of LNG in 2017, then all but left the import market as Zohr production ramped up. The country took in almost nothing between 2019 and 2023. Declining domestic output brought it back: 2.5 MMt in 2024, 8.9 MMt in 2025, and 5.8 MMt in 1H 2026, more than double the same period last year. Egypt has also expanded its import capacity substantially. EGAS chartered additional FSRUs for Ain Sokhna and Damietta on terms of five and ten years. In the redistribution of Atlantic supply, Egypt is no longer a rounding error. It has become a structural buyer, and it is being fed almost entirely from the US Gulf. ■

Persian Gulf LNG exports slump after attack on Qatari cargo

Laden LNG transits through the Strait of Hormuz have dropped sharply, down from roughly 0.8 cargoes per day in late June to just 0.2 cargoes per day by July 15, as shipowners grow increasingly cautious after first direct attack on QatarEnergy LNG's Al Rekayyat LNG carrier on July 7.

Only one LNG cargo is known to have transited the Strait of Hormuz in the past week, according to S&P Global Energy's vessel-tracking data, while a growing number of LNG stored aboard tankers waiting inside the Persian Gulf for safer passage.

Production ramp-up

In contrast to the slowdown in outbound shipments, activity at liquefaction plants remains comparatively resilient. Production and vessel loadings at QatarEnergy LNG and the UAE's ADNOC LNG have continued at a relatively robust pace, resulting in built-up of laden LNG carriers lined up in waiting for a political resolution between the U.S. and Iran that facilitates risk-free transits and allows for global oil and gas trade flows in the Middle East to resume.

Seven laden Qatari LNG carriers alone were estimated to be holding around 0.57 million metric tons of LNG as of mid-July, S&P Global Energy said. In total, it estimates that nearly 1.9 million metric tons of LNG tanker capacity is currently positioned within the Persian Gulf, equivalent to roughly eight days of typical pre-war peak export volumes from QatarEnergy LNG and ADNOC LNG combined.

Floating inventory

This floating inventory could enable a rapid acceleration in exports if access through the Strait of Hormuz improves. "Should the effective blockage of the Strait of Hormuz ease in the coming weeks, these vessels could enable a relatively quick rebound in outbound flows, releasing LNG that has already been produced and loaded," analysts at S&P Global Energy said.

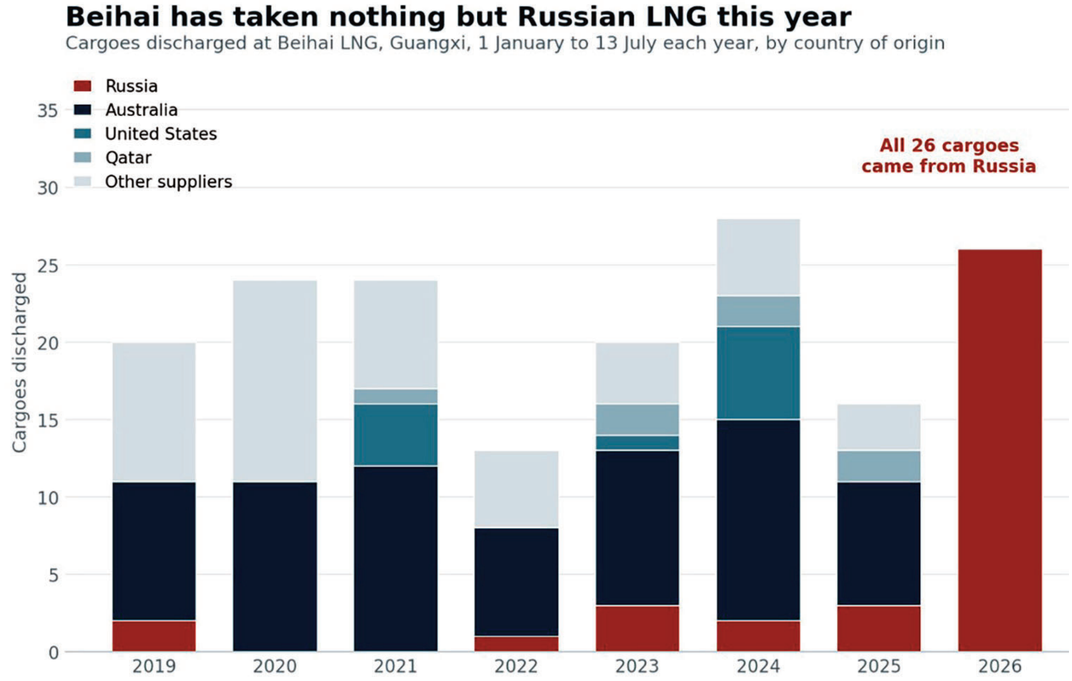
Intermittent disruptions to transit routes are expected to persist as long as the conflicts keeps flaring up. Analysts noted the current pattern of stop start movements suggests that risk premia and operational uncertainty will continue to weigh on Persian Gulf LNG exports in the near term. ■

Arctic LNG 2 passes its 2025 total in 1H 2026, the long way round

Sanctioned Arctic LNG 2 has already despatched more LNG to China this year than in the whole of 2025. *LNG Journal's* own research shows 24 cargoes totalling 1.49 MMt sailed for China by 16 July on a sailed-date basis, against 17 cargoes and 1.05 MMt across all of last year, a total passed as early as 19 May.

More striking is the route. Not one of those cargoes loaded at the Gydan plant and sailed straight for China. Every lifting from the terminal this year has gone first to floating storage, almost all of it at Murmansk, from which a shuttle fleet reloads for the one terminal the trade has used since its first delivery in August 2025, PipeChina's Beihai in Guangxi. Every identified discharge this year has been at Beihai.

The Murmansk shuttles have also lengthened their stride. The first five departures of the year, one in January and four in February, transited Suez on passages of around a month. From March the fleet abandoned the canal for the Cape of Good Hope, with the fourteen voyages completed since averaging 40 days.



Source: LNG Journal
Cargoes counted on an arrival-date basis. 2026 covers arrivals to 13 July.
Of the 26 Russian cargoes discharged in 2026, 22 originated at Arctic LNG 2 and were lifted from floating storage at Murmansk or Finval, 3 at Portovaya LNG and 1 at Yamal LNG.

The two-leg model echoes Yamal LNG's winter trans-shipment scheme, rebuilt in Russian waters for a sanctioned trade. With the Northern Sea Route season opening, the first eastbound cargo of the summer has already made the passage, reaching the project's Far East storage on 10 July. ■

HPCL opens LNG supply hunt

India's Hindustan Petroleum Corp is calling on LNG suppliers, producers and traders to register interest in supplying spot cargoes and term deliveries. The state-run refiner is understood to look for up to 1 mtpa of LNG under contracts stretching 10-15 years.

With this move, the Indian state-run refiner is seeking to widen its LNG procurement base and lock in longer-term deliveries supply in the face of volatile global LNG markets. By inviting bids for both flexible spot supply and contracted volumes, HPCL can balance near-term price swings with longer-term security of supply.

HPCL already has a long-term LNG supply agreement with Abu Dhabi National Oil Co. for 500,000 tons annually starting in 2028.

The HPCL tender looks more like a signal than a material step-change in India's LNG demand outlook: it adds visibility to future buying, but it does not by itself meaningfully alter national projections.

India's LNG demand keeps growing, though the pace hinges heavily on pricing and sectoral consumption. Petronet LNG projects imports of 28 million to 29 million metric tons in 2026, up from about 25.5 Mt in 2025. Wood Mackenzie also projects India's LNG demand at 52 bcm by 2030, rising beyond 100 bcm later, which shows the structural upward trend remains intact. ■

Bidders line up for Adriatic LNG's 2026 open season

Italy-based Adriatic LNG has launched the accreditation phase for its Open Season 2026, offering medium- to long-term regasification capacity from January 2029 through December 2051. Accreditation is open through September 14 and the bidding phase will run from September 17-30.

The offer is split into two product types. For the 2029-2034 period, Adriatic LNG is making available 37 unloading slots of 175,000 liquid cubic metres each. For the later years, from 2035 to 2051, the company is offering regasification capacity through annual volumes linked to fixed-duration periods of 17 or 10 consecutive years beginning in 2035.

For those later sessions, interested parties must request at least 2.6 billion cubic metres per year (bcm/y) over the offered period, according to the company. Adriatic LNG said the structure is designed to provide flexibility while ensuring sufficient long-term commitment from bidders.

The terminal, located in the Northern Adriatic Sea, has an authorised maximum regasification capacity of 10.4 bcm/y. Adriatic LNG said its regasification reliability rate stood at 99.4 percent as of May 2026, underscoring the facility's role in Italy's gas balance and broader European supply security.

Adriatic LNG said the terminal is a strategic asset for the Italian and European energy system, especially as gas buyers seek longer-term access to LNG import infrastructure. The company has previously allocated all regasification capacity available until December 2028 in earlier open season rounds, according to its market materials. ■

Insurance costs reshape LNG shipping economics

Security costs rather than freight fundamentals are increasingly determining LNG shipping economics. Owners face "between 6 and 10 million dollars for every single shipment" simply to secure additional insurance cover, said Tom Beney, Senior Vice President of Ocean Freight at StoneX.

From a risk-management perspective, there's a massive difference between carrying LNG on a tanker versus carrying crude oil. Damage to an LNG cargo tank could create severe fire hazards – a “a very, very dangerous thing for a crew on board a ship,” warned Beney, who leads a team of advisors on ocean freight, logistics and risk management.

Attacks on LNG carriers are potentially more dangerous than attacks on crude oil tankers. Shipping companies must hence weigh not only the probability of an attack but also the potentially severe consequences of carrying liquefied natural gas through contested waters.

Repeated Iranian drone strikes on merchant vessel near the Strait of Hormuz have been testing a fragile U.S.–Iran framework agreement to restore shipping flows through one of the world’s most critical energy corridors. These disruptions come at a sensitive moment for global LNG markets, as the Strait of Hormuz handles roughly 20% of global LNG trade, primarily exports from Qatar and the UAE.

War-risk insurance premiums have risen sharply, increasing the cost of transport through the beleaguered waterway.

Any renewed security concerns risk tightening vessel availability, increasing freight rates, and delaying cargo deliveries to key Asian and European buyers, already hard-pressed for supply. ■

Fayard shipyard urged to stop servicing Russia’s Arc7 LNG tankers

Danish shipyard Fayard and CEO Thomas Andersen has been urged to halt all repair and maintenance work on Russia’s ice-class Arc7 LNG carriers, as servicing carried out in 2026 risks extending the vessels’ operational lifespan beyond the EU’s sanctions deadline.

In an open letter, three Vice-Presidents of the European Parliament — the Danish MEP Christel Schaldemose, Roberts Zīle and Nicolae Ştefănuță — along with representatives of six European Parliament political groups warn that Fayard’s maintenance work is preparing the Arc7 vessels for operations after the EU embargo takes effect on January 1, 2027.

“This is not only a commercial matter. It is a question of Europe’s security, Denmark’s credibility and solidarity with Ukraine,” the signatories underlining, urging Fayard to refuse all further repair and maintenance work on Arc7 LNG tankers and other vessels serving Russian Arctic LNG exports, and to publicly confirm that no such further vessels will be accepted in 2026.

The appeal follows the arrival of the Arc7 tanker Rudolf Samoylovich at Fayard on June 30, the first of up to six vessels identified by NGOs Urgewald, B4Ukraine and Razom We Stand as likely to require maintenance this summer. According to the groups, Fayard is now the last EU shipyard still servicing the Arc7 fleet after Damen Shiprepair Brest ceased accepting such vessels in August 2024.

View of Fayard shipyard in Munkebo, Denmark

Arc7 carriers are ice-class LNG tankers designed for Arctic conditions and are central to Russia’s ability to export LNG year-round from projects such as Yamal LNG via the Northern Sea Route and trans-shipment hubs.

Analysis by the NGOs shows that each of the six vessels identified for potential servicing has transported an average of 5.3 million tonnes of Russian LNG since the start of Russia’s full-scale invasion of Ukraine in 2022, equivalent to around €4 billion in cargo value per vessel.

Under the EU’s 20th sanctions package, the provision of maintenance and other services to LNG tankers operating in Russia will be prohibited from 2027. However, lawmakers warned that servicing vessels before the measures take effect risks diluting their impact by enabling continued operations. ■

Greece warns EU ban on Russian LNG cedes market share to rivals

Greece has warned EU sanctions against the transhipment of Russian LNG to third countries could surrender market share to non-European rivals, as EU envoys postponed talks on the bloc’s 21st sanctions against Russia to July 23.

“Sanctions should erode Russia's economic capacity — not create strategic windfalls for others at Europe's expense,” a Greek government official told Reuters.

Greek shipowners are a dominant force in the LNG carrier markets and compete heads-to-head with large players in China, Japan and the United States. Athens has therefore issued a stark warning that overly restrictive measures against transhipping Russian gas might result in “surrendering entire sectors of economic activity or market share to non-EU players.”

Policymakers in Brussels have proposed sanctions targeting vessels that provide support services to Russia’s so-called ‘shadow’ fleet, including bunkering, logistics and other operational assistance. A further 30 vessels could be added to a list that already includes over 600 ships. These measures have, however, not been approved by member states yet, leaving plenty of room for lobbying from shipowners and the LNG industry alike. ■

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