

LNG Unlimited

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China urges LNG buyers to curb resales ahead of winter

China's National Energy Administration (NEA) has urged state LNG buyers – CNOOC, CNPC, Sinopec and PetroChina – to stop LNG resales through the remainder of 2026 and into early 2027, as Beijing seeks to strengthen domestic gas availability during the winter heating season.

The instruction could herald a shift in China's role in global LNG markets. In recent months, state-owned energy buyers used flexible LNG contracts to redirect cargoes and resell them – often at a premium price – to buyers in Europe and Asia.

Surplus volumes used for trading

Analysis by the Institute for Energy Economics and Financial Analysis (IEEFA) highlighted the scale of that trade: China is estimated to have resold 17-19 million tonnes of LNG in 2025, while Chinese-chartered vessels carried 8.4 mil-



LNG tanker berthing at CNOOC's Tianjin regas terminal

lion tonnes.

"China has transformed from the world's largest LNG buyer into a major global reseller," IEEFA analysts said, attributing the change

to plateauing domestic demand, a large portfolio of long-term contracts and growing LNG trading activity by state-owned enterprises.

By 2028, analysts expect

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INPEX snaps up JERA's Ichthys stake, blocks MidOcean

Japan's INPEX has exercised its pre-emptive rights to buy JERA's stake in the Ichthys LNG project in Australia, blocking JERA's deal with MidOcean Energy to keep control of its flagship LNG asset.

Situated off Western Australia, Ichthys LNG is a cornerstone asset for Japan's energy security and INPEX's earnings, producing roughly 9.3 million tonnes per year of LNG, about 1.65 mtpa of LPG and up to 100,000 barrels per day of condensate at peak with output shipped mainly to Japanese buyers.

INPEX announced over the weekend its Australian subsidiaries agreed with JERA to acquire the 0.735% participating interest in blocks WA-50-L and WA-51-L,

which include the Ichthys gas-condensate field, as well as shares in Ichthys LNG Pty, which owns the export pipeline and liquefaction facilities.

The deal lifts INPEX's share in the overall project to 68.555%.

JERA, Japan's largest LNG trader and power generation company, had initially agreed to divest its Australian project subsidiary –

holding the Ichthys stake and a separate 0.417% interest in Gorgon LNG – to MidOcean Energy, an investment vehicle backed by EIG Global Energy Partners.

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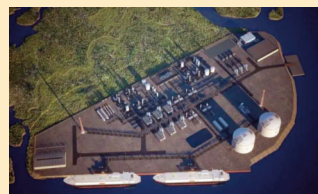
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China's LNG contract volumes will reach 114 million tonnes which would leave the country with substantial surplus volumes available for trading. A lucrative business: Chinese energy companies — especially CNOOC, CNPC, Sinopec and PetroChina — earned an estimated \$4.6 billion from reselling US and Australian LNG between 2021 and June this year.

NEA seeks to ensure stable energy prices

At the same time, Chinese authorities are taking precautions for the 2026/27 heating season.

“Supply of natural gas during the heating season is a matter of vital interest to the people,” NEA said in a meeting on September 21, stressing its main objective is to ensure gas supply remain broadly adequate in volume and stable in price during the winter peak.

Officials from relevant NEA departments, China Meteorological Administration attended the meeting alongside executives from China National Petroleum Corp (CNPC), China Petroleum & Chemical Corp (Sinopec), China National Offshore Oil Corp (CNOOC), and China Pipeline

Group attended the meeting.

The companies were instructed to strengthen domestic production, accelerate storage injections and ensure LNG storage tanks enter winter at high inventory levels.

US-China trade truce extension delays LNG tariff risk

The United States and China have extended a bilateral trade truce — the so-called Busan Agreement — until January 10. The accord reduces the risk of renewed tariff escalation between the world's

two largest economies, but does not include a commitment that China will buy US LNG.

The Busan Agreement had been due to expire on November 10. Its extension preserves a temporary easing of trade tensions, while Washington and Beijing are working on a wider deal that includes energy, rare earth and AI-related sectors.

For LNG markets, the key issue is whether U.S. cargoes can continue to compete in China without facing punitive tariffs or other trade restrictions. This may facilitate direct imports. ■

Intercontinental Exchange adds LNG, power derivatives

The Intercontinental Exchange (ICE) has launched new options on the Japan-Korea Marker (JKM) liquefied natural gas benchmark, LNG balance-of-month freight futures and UK base electricity options. The contracts give energy companies, traders and utilities

more targeted tools to manage price and freight exposure as LNG and electricity markets become increasingly interconnected.

ICE's new JKM LNG (Platts) options will allow customers to hedge Asian gas price risk at a specific point in time, complementing existing average-price options that cover exposure accumulated over an entire month, the exchange said in a statement.

LNG balance-of-month, or Balmo,

freight futures have also been launched. These contracts settle against the average freight price for the remaining days of the month, allowing users to hedge shipping costs closer to the date of a physical LNG movement.

The Baltic Exchange, which publishes independent LNG freight assessments based on input from leading shipbrokers, describes its LNG service as covering “the LNG and LPG spot freight markets” across six routes. Its published LNG assessments include the BLNG1 Australia-to-Japan round voyage, BLNG2 US Gulf-to-Continent round voyage and BLNG3 US

Gulf-to-Japan round voyage.

The Baltic Exchange says its gas assessments are made “on a time charter basis for LNG and a dollar per tonne voyage basis for LPG.” ICE's freight products therefore add derivatives based on specific LNG trading routes to a broader market of physical and forward freight assessments.

The London-based exchange also introduced new UK base electricity options. The options are based on the UK Base Electricity Futures contract and exercise into the corresponding futures contract, covering monthly, seasonal and other consecutive contract periods. ■



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Buy-out to help INPEX maximise cash flow

For MidOcean, the blocked Ichthys piece trims its planned entry into Australian LNG but leaves the Gorgon acquisition intact. For INPEX, the buyout consolidates control over

Ichthys at a time when major LNG exporters are under pressure to maximize cash flow and manage operational risk from its Australian assets.

The deal exemplifies how pre-emptive rights in LNG joint ventures can be used defensively

by operators to keep control. This is of particular interest in mature, cash-generating assets where even small stakes can have an outsized influence over governance and cargo shipments.

Upon completion of the deal,

JERA will exit the project entirely. The stakes of the other partners remain unchanged, with TotalEnergies holding 26%, CPC Corp of Taiwan 2.625%, Osaka Gas and Kansai Electric Power 1.2% each, and Toho Gas 0.42%. ■

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New Caspian gas supply from 2029 to ease Turkey's LNG dependence

TotalEnergies, SOCAR and Abu Dhabi's XRG have taken a final investment decision on the full development of Azerbaijan's offshore Absheron field, securing up to 6 bcm/y of new Caspian gas from 2029.

The additional volumes, destined mostly for Turkey via the TANAP pipeline, will help Ankara reduce reliance on spot LNG.

Absheron, situated about 100 km southeast of Baku in the Caspian Sea, holds roughly 140 billion cubic metres (5 tcf) of recoverable gas. An early-production phase came on stream in 2023 at 1.5 bcm/y of gas and 12,000 barrels per day (bpd) of condensate.

The full-field development will raise total field output to 6 bcm/y of gas and 47,000 bpd of condensate, with start-up expected in

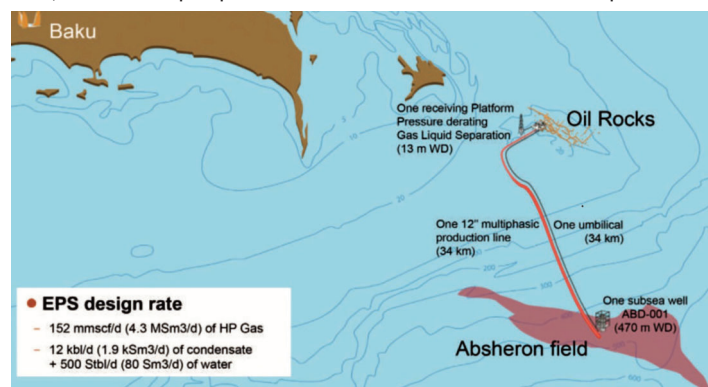
2029. At peak, the second phase alone is projected to deliver up to 12.7 million cubic metres per day (around 4.5 bcm/y) and 37,000 bpd of condensate, according to SOCAR, who holds a 35 stake in the field, on par with the operator TotalEnergies, while Abu Dhabi's investment fund XRG holds the remaining 30%.

Gas and condensate will flow via a 140-km pipeline to Baku for separation and processing. Under the development plan, Absheron gas will supply both Azerbaijan's domestic market and exports to

Turkey, the operators said. In practice, this means injection into the Southern Gas Corridor — the Shah Deniz-TANAP-TAP chain that already ships Caspian gas across Turkey to Greece, Albania and Italy.

Turkey's gas import profile underscores the strategic value of additional firm Caspian volumes. In 2025, Turkey imported a record 12.38 million tonnes of LNG, equalling around 17 bcm, up 35% year on year, and LNG imports have continued to grow in 2026, with 6.9 million tonnes, or roughly 9-10 bcm, recorded in the first five months alone.

Azerbaijan already supplies about 6 bcm/y of pipeline gas to Turkey, under long-term contracts, with monthly data showing Azerbaijan as Turkey's second-largest pipeline supplier behind Russia. Additional Caspian volumes will help BOTAS, Turkey's state gas importer to diversify away from spot LNG exposure. ■



Total sees LNG sales rise 50%, confirms oil & gas production target

French major TotalEnergies on Monday confirmed its target to grow oil and gas production by around 3% a year through 2030, predominantly driven by LNG. Projects in Namibia, Nigeria, Libya, Malaysia, Mozambique and Papua New Guinea are meant to support the production plateau, while further growth of 2%-3% a year is planned between 2030 and 2035.

TotalEnergies expects LNG sales to increase by 50% between 2025 and 2030, supported by projects including Rio Grande LNG in the United States and the North Field East and North Field South projects in Qatar. The company has previously said LNG sales could reach about 60 million tonnes per year (mtpa) by 2030.

Electricity generation is forecast to grow by more than 20% a year through 2030, but despite the expansion in power, TotalEnergies says focussed on its traditional business model: New oil and gas production is targeted to increase free cash flow by around \$10 billion between 2025 and 2030, equivalent to more than \$4 per share.

The French major plans net investment of \$14 billion-\$17 billion a year between 2027 and 2032 to support its longer-term growth ambitions. It also reiterated its emissions targets, including a 50% reduction in Scope 1 and 2 emissions from its oil and gas activities by 2030 from 2015-levels, and an 80% reduction in methane emissions from 2020-levels by 2030 or earlier. ■



Edison will not receive Qatari LNG until early December

Italian utility Edison has confirmed that QatarEnergy will not deliver LNG cargoes to its Adriatic regasification terminal until the beginning of December 2026.

The Qatari state company extended *force majeure*, saying it would not be able to deliver another six cargoes.

Edison received a new notice from QatarEnergy on Monday indi-

cating "the continuation of the *force majeure* event which prevents the seller from fulfilling its contractual obligations for gas deliveries in Italy." The note extends the overall *force majeure* period

from early April to early December 2026.

"As a result, a total of 35 LNG cargoes is now subject to *force majeure* over this period, representing a combined

volume of approximately 4.6 billion cubic metres (bcm) of natural gas," Edison said in a statement.

The company specified that, as of September 28, it had replaced 23 cargoes at the Adriatic terminal, equivalent to about 2.3 billion cubic metres, mainly by sourcing alternative volumes from U.S. suppliers.

Edison, part of France's EDF Group, is one of QatarEnergy's largest European customers. A 25-year long-term contract, signed in 2009, stipulates annual supplies of 6.4 bcm of gas to Italy, roughly 10% of the country's total consumption. ■



US LNG arbitrage points to Europe, affects vessel availability

The arbitrage for U.S. LNG cargoes is now favouring deliveries to Europe over northeast Asia, according to Spark Commodities, as shipping costs and regional price spreads render Atlantic-to-Pacific deliveries uneconomic for the remainder of 2026.

For spot or prompt US LNG shipment, the arbitrage to northeast Asia is closed via both the Panama Canal and the Cape of Good Hope. That is encouraging flexible U.S. cargoes to discharge in northwest Europe instead, shortening average voyage distances and increasing vessel availability in the Atlantic basin.

Fourth quarter LNG freight rates were last seen about \$53,000/day, the second-lowest Q4 level on record. Spark Commodities cautioned, however, the

figure remains a forward-market indication rather than a fixed charter rate and can change as LNG prices, freight availability and route economics shift.

Europe-facing arbitrage is bearish for Atlantic freight because US cargoes delivered into Europe require fewer vessel-days than shipments to Asia. Reduced tonne-mile demand leaves more vessels available in the Atlantic and put downward pressure on spot rates as well as forward freight rates.

Global gas and LNG markets,

however, stay vulnerable to a rapid change in sentiment or even an outright reversal, analyst cautioned.

A widening of the Japan-Korea Marker premium over the European TTF benchmark, e.g. due to long cold spell in Northeast Asia this, could reopen the Asian arbitrage - particularly if freight rates fall further. This, in turn, would raise demand for longer-haul Atlantic-to-Pacific voyages, which could tighten vessel availability and push up charter rates. ■



LNG helps EU power sector hit 80% zero-carbon by 2030

Europe's power sector will cross the 80% zero-carbon generation threshold by 2030 but slower offshore wind deployment will keep gas-fired generation higher than previously forecast, creating a need for LNG imports.

Natural gas generation across 35 European markets is expected to average 6% above Wood Mackenzie's previous forecast between 2026 and 2040.

Gas-fired capacity will rise 5% to 273 GW by 2030, even as utilisation falls from 27% to 22%, reflecting a shift towards flexible generation rather than baseload supply.

Smaller, more flexible demand base

European gas and LNG markets will have to come to terms with a more flexible but structurally smaller power-sector demand base. Imported LNG has become vital for Europe's gas balance as pipeline supplies decline: LNG accounted for 45% of EU gas imports in 2025, according to the Euro-

pean Commission.

The contribution of gas generation averages 6% higher between 2026 and 2040 than in Wood Mackenzie's prior forecast, as downgraded offshore wind plans create a supply gap that gas fills. Gas power capacity rises 5% to 273 GW by 2030, even as fleet utilisation falls from 27% to 22%, reflecting a shift from baseload to flexibility. ■

US arbitrage reverses

As of the final week of September, the arbitrage for US LNG cargoes has effectively reversed, favouring deliveries to Europe over northeast Asia. Shippers have to pay record fees for Panama Canal transits, which is encouraging flexible cargoes from the US Gulf Coast to discharge in northwest Europe instead of Asia, shortening average voyage distances and increasing vessel availability in the Atlantic basin.

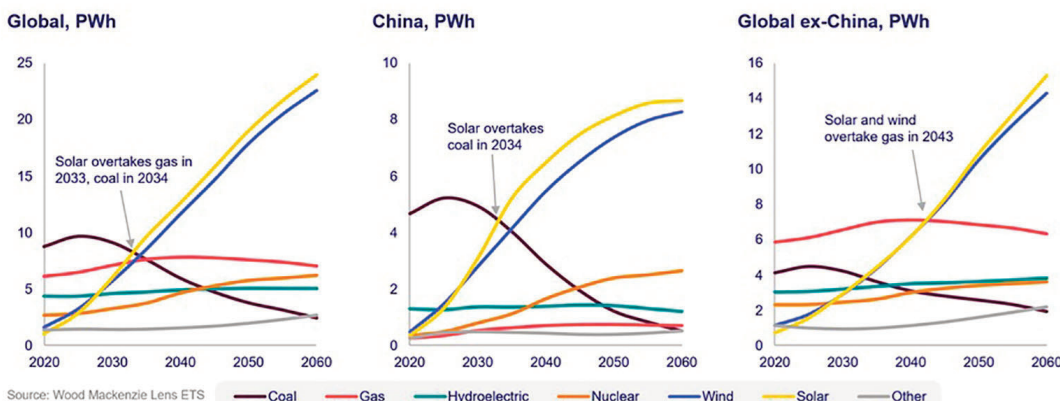
Reduced tonne-mile demand, in turn, puts downward pressure on spot rates as well as forward freight rates. Fourth-quarter LNG freight rates were last seen about \$53,000/day, the second-lowest Q4-level on record.

The US Gulf to European Continent freight rate at the Baltic Exchange (BLNG2), defined as a delivery from Sabine Pass to the UK-Continent/Isle of Grain, increased from \$24,700/day to \$32,400/day.

By comparison, the BLNG3 rate for US Gulf Coast deliveries to Japan climbed from \$51,900/day to \$66,000/day as per market close on September 25. ■

Global solar doubles by 2030, overtaking gas in 2033 and coal in 2034

Dispatchable gas generation peaks in 2041, the same year variable renewables generate half of global power



Shell, partners approve LNG Canada Phase 2

Shell – and its partners PETRONAS, PetroChina, Mitsubishi and KOGAS – have taken a final investment decision (FID) on the second phase of LNG Canada, approving a C\$33 billion expansion that will double the British Columbia export terminal's production capacity to 28 mtpa.

The project will add two liquefaction trains at the Kitimat facility, raising total capacity from 14 mtpa. Commercial operations are expected to begin in the early 2030s, Shell announced today.

FID on the second phase of LNG Canada marks a major expansion of the country's LNG industry, with the Shell-led project being the country's first large-scale LNG export project - positioned on the Pacific coast to supply customers in Asia.

Shell owns 40% of LNG Canada and expects to receive nearly 6 mtpa of additional LNG from

Phase 2. The other partners are Malaysia's Petronas, with a 25% stake; PetroChina, with 15%; Japan's Mitsubishi Corporation, with 15%; and Korea Gas Corporation, with 5%.

Project partners' approval comes as LNG producers and buyers prepare for a period of strong growth in global liquefaction capacity. New projects in North America and elsewhere are expected to add substantial supply during the late 2020s and early 2030s.

LNG Canada's first phase comprises two trains with combined

capacity of 14 mtpa. The facility began operations in 2025 and has since shipped more than 100 cargoes. Phase 2 will use existing infrastructure and site layouts designed to accommodate the additional trains. The expansion will include an additional LNG storage tank, a condensate tank and loading berth, as well as expanded utility and process systems.

To secure a stable flow of feedgas, LNG Canada partners also agreed to work with Coastal GasLink to expand the existing 670-kilometre pipeline through the addition of five compressor stations ■

CLdN orders LNG-fuelled vessels from Hyundai HI

Luxembourg-based shortsea operator CLdN has ordered two LNG-fuelled RoRo vessels from the South Korean shipyard Hyundai Heavy Industries, with delivery scheduled for mid-2029.

The contract is valued at approximately 336.2 billion Korean Won, equalling about US\$248 million.

The two trailer-focused RoRos will be capable of running on liquefied natural gas or conventional marine diesel, aligning with CLdN decarbonisation strategy. The ships will also have space reserved for installing electric shaft generators and batteries at some point in the future, as the technology matures.

Construction is set to begin in early 2028.

By locking in dual-fuel tonnage for 2029, CLdN is positioning itself to meet tightening EU and IMO emissions rules while hedging against future fuel-price volatility and potential carbon costs.

CLdN says the new 6,700 metre design will achieve roughly the same absolute fuel consumption as its current 5,000 lane-metre vessels while carrying significantly more cargo, translating into an estimated 30-40% improvement in fuel efficiency per tonne-kilometre. ■

Tecnimont signs FEED contract for Argent LNG

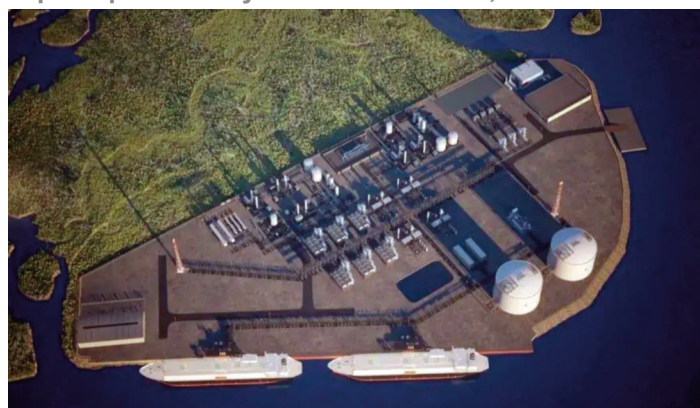
Tecnimont USA has signed a Front-End Engineering Design (FEED) contract with Argent LNG for the developer's 25 mtpa export facility at Port Fourchon, Louisiana. First cargo is targeted for 2030.

Jonathan Bass, chairman and CEO of Argent LNG, said the FEED award moves the project "from vision to execution," adding that Tecnimont's engineering depth and modular expertise would help deliver a "bankable, buildable" scheme for international buyers.

He reiterated Argent's aim to supply Europe and other allied markets, with first cargo targeted for 2030.

The FEED agreement, signed on Monday, follows a January 2026 co-operation deal with Tecnimont, the engineering arm of Italy's MAIRE group. The timing of the contract signing comes as US LNG developers race to secure permits, offtake and financing against a backdrop of strong Atlantic Basin demand.

The FEED phase will specify Argent LNG technical definition and improve bankability ahead of a final investment decision (FID). To that end, Tecnimont's scope of work will cover project execution planning, schedule and cost estimation, safety and reliability studies, and integration of the facility's core technology packages, includ-



Rendering of Argent LNG terminal

ing gas-pressure treatment and modular design elements.

Hurricane-resilient energy hub

Port Fourchon, situated just south of New Orleans, has become a focal point for new US LNG export capacity given its deep-water access and existing pipeline interconnections.

The facility, which will be located in one of the United States' "hurricane-resilient energy hubs", will have an initial capacity of 12 mtpa from the first set of modular liquefaction trains, and an explicit option to expand to the full 25

mtpa in a second phase.

In July, the US Department of Energy authorised Argent LNG to export LNG from its proposed Port Fourchon, Louisiana, terminal to countries that have free-trade agreements with the United States.

Deliveries to Albania

Argent has agreements in place with Ukraine and Romania for the supply of LNG.

The developer also signed a memorandum with Albania's government to evaluate development of an onshore LNG storage and regasification terminal with capacity of

up to 5 million tonnes per annum. The terminal is intended connect with the Trans Adriatic Pipeline, proposed Ionian Adriatic Pipeline and Fier/Vlore gas corridor.

Project financing could involve the US Trade and Development Agency, US International Development Finance Corp and US Export-Import Bank. ■

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