

LNG *North America*

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Alaskan LNG would be 65% cheaper than US Gulf Coast LNG, Glenfarne says

Glenfarne, lead developer of the Alaska LNG project, claims that liquefying Alaska's North Slope gas and shipping it to Asia would be at least 65% cheaper than shipping LNG from the US Gulf Coast. Brushing aside criticism over the project's high cost, Glenfarne insisted the Alaska LNG project itself entails some \$1.4 billion per mtpa in delivery costs. The project is currently making the headlines over potential South Korean investment.

The big issue is how to cover costs for delivering North Slope gas down to Nikiski on the Kenai



Peninsula, for liquefaction. Glenfarne said its calculated delivery costs of \$1.4 billion per mtpa excludes costs for the gas pipeline and treatment infrastructure needed to bring stranded gas from the North Slope down to Nikiski in southcentral Alaska.

Critics argue the projects overall cost could amount to anything between \$44.5 billion to \$54.5 billion, which would translate to \$2.2-2.7 billion per mtpa in cost of delivered LNG. Factoring in this midstream infrastructure, the cost of Alaskan LNG clearly surmounts



Render of Alaska LNG project

the cost of rival US Gulf coast projects. Still, Glenfarne maintains the project's competitiveness should be measured by delivered LNG cost at the Nikiski terminal alone.

According to Glenfarne's communications director Tim Fitz-

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Venture Global seeks FERC approval to start Plaquemines Phase 1

Venture Global has filed with the U.S. Federal Energy Regulatory Commission (FERC), seeking authorization to place its Phase 1 Plaquemines LNG export terminal into service, the final regulatory hurdle before commercial start-up. If approved, Venture Global could meet its targeted Q4-2026 commercial operation date.

Once FERC grants permission to place facilities "in service" in the commercial and financing sense, Venture Global can begin loading cargoes under long-term sale and purchase agreements (SPAs).

The developer has already exported commissioning cargoes from Plaquemines since December 2024 and expects to ship 351-364 cargoes from the project in fiscal 2026, ramping to full Phase 1 throughput of 13.33 mtpa following start of commercial operations before year-end.



Render of Venture Global's Plaquemines Phase 1 project

Long-lead equipment, including power modules and liquefaction trains from Baker Hughes, is

already on order under a pre-filing waiver, minimising the risk of delay between authorisation

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patrick, the company so far has identified offtake customers for 13 mtpa of LNG, out of the total 16 mtpa needed to underpin project financing.

South Korean offtakers are being heavily courted. US President Trump claimed on Friday that Seoul was ready to help finance the Alaska LNG venture as part of a promised \$200 billion investment package in US energy projects. But Seoul was quick to rebuke that assertion.

Courting Korean and Japanese investors

With potential Korean involvement, the Alaska project — designed to move US Arctic gas to Asian markets — has returned to the spotlight after years of concerns over cost and commercial viability. The Trump administration had already been pressing Japan and South Korea in 2025 to support the Alaska LNG project.

On September 30, US President Donald Trump claimed South Korea would invest up to \$54 billion in the Alaska LNG project, part of a broader \$200 billion investment package agreed during recent talks on the sidelines of the UN General Assembly in New York. Lead developer Glenfarne Group also pegged the South Korean investment at over \$50 billion.

Glenfarne and Alaska Gasline Development Corp are working to



The Alaska LNG project will commence 'working' on the condition that its commercial viability is confirmed and it complies with South Korean legal procedures



— Korean President Lee Jae-Myung

transform Letters of Intent (LoI) from JERA and TotalEnergies of France into firm, financeable offtake contracts, a critical step toward a final investment decision (FID) on the long-mooted \$54 billion venture. Developers need to secure long-term sales covering roughly 80% of Alaska LNG's planned 20 mtpa capacity to underpin project financing. To date, developers reported 13 mtpa accounted for under preliminary agreements with buyers including TotalEnergies (2 mtpa LoI), JERA, Tokyo Gas, CPC, PTT and POSCO International, which signed a heads of agreement (HoA) for 1 mtpa.

Seoul rebukes US claim of committed Alaska LNG investment

The Korean President Lee Jae-Myung has firmly rejected US assertions that South Korea had committed to investing up to \$54 billion in the proposed 20 mtpa Alaska LNG project. He insisted that the South Korean government had only agreed to begin "working

on" Alaska LNG, with any investment remaining conditional on the project's commercial viability.

"The Alaska LNG project will commence 'working' on the condition that its commercial viability is confirmed and it complies with South Korean legal procedures," Lee wrote on X, underscoring that the term "working" refers to preliminary feasibility reviews and that the investment has not been finalised.

Washington and Seoul have agreed to being cooperating on the Alaska LNG project, "subject to meeting commercial reasonableness," specified the South Korea's Trade and Industry Minister Kim Jung-Kwan, who led the negotiations. So, once the project gets underway in earnest, the US government will "facilitate the favourable involvement of Korean vendors and suppliers [and] "provide assurances, to the extent possible, regarding offtake agree-



President Lee Jae Myung. Source: Wikipedia

ments at economically viable prices granting Korea priority access to the Alaska LNG produced by this project."

A White House statement, in contrast, had specified the prospective size of South Korea's investment and suggested the country's participation was effectively confirmed. Kim underlined this went "beyond what the countries had agreed."

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and first commercial LNG, Venture Global management said during its second-quarter earnings call.

Committed offtake and Capex

Venture Global told investors in early March it expected Plaquemines' total project cost to rise by about \$2 billion, to a range of \$23.3-23.8 billion, up from an earlier \$21-22 billion estimate, due to inflation, schedule pressures and tariffs.

Plaquemines LNG Phase 1 is backed by 19.7 mtpa of firm sales

and purchase agreements (SPAs), stretching over a 20-year tenure, with additional medium-term contracts layered on top as the developer markets surplus capacity.

Recent contracting activity includes a 1 mtpa, 20-year deal with ConocoPhillips announced October 1, and incremental agreements with TotalEnergies, Vitol, EnBW and Atlantic-SEE that added more than 2 mtpa in the second quarter alone. China Gas has also raised its portfolio commitment to 2.5 mtpa across Venture Global's Louisiana assets, including 1 mtpa from Plaquemines.

In total, Venture Global stated that approximately 53 mtpa of the 85 mtpa total capacity it expects to be operational by 2029 is already contracted under long- and medium-term deals. Moreover, 100 % nameplate capacity across its first three projects — Calcasieu Pass, Plaquemines and CP2 Phase 1 — already covered, which improves bankability of the company's future projects. The Arlington-based company has over 100 mtpa of capacity in production, construction, or development making it one of the largest US LNG exporters.

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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.

Bonded, but not imported

On July 23, 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.

For now, the Al Fat'h is nothing more than a single cargo, albeit a significant one. It went into bonded storage at the Yanpu terminal and was later resold.

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.

As long as the tariffs do not move, direct US LNG import into China remain uneconomic. As of today, Beijing's 15% levy on US LNG remains, on top of a 10% base rate. Trade talks held in Washington today may change it, potentially altering global LNG trade flows between the world's two largest economies. ■



US arbitrage points to Europe, affects LNG 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 increas-

ing 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. ■



Source: Adobe Stock

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, with commercial operations expected to begin in the early 2030s.

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.

Most cargoes headed to Korea

More than a year has passed of LNG exports from the Phase 1 project. Across the 110 loadings since the first sailing from LNG Canada

since last June, South Korea took the largest single share, roughly one cargo in three, ahead of Japan at a quarter and China at just over a fifth. The behaviour behind that split sits with the partners – and especially the two 15 percent holders diverge sharply, according to LNG Journal's tracker.

PetroChina sent the clear ma-

jority of its tracked liftings into China, its home market. Mitsubishi, whose stated role in the past has been to serve Asia "mainly in Japan", sent only about a third of its cargoes home, spreading the rest across China, Taiwan and Korea. Petronas, with no domestic market to feed, cleared its largest share into Korea. ■



Shell-led LNG Canada project in Kitimat, BC

Centrica deal brings Ksi Lisims LNG closer to FID

British gas company Centrica has tentatively agreed to buy 1 mtpa of LNG from Canada's Ksi Lisims LNG export project, strengthening the developer's progress toward securing firm offtake and taking a final investment decision. The non-binding Heads of Agreement (HoA) is for 20 years of supply on a free-on-board (FOB) basis.

The effectiveness of the deal remains subject to the completion of a definitive sale and purchase agreement (SPA). The accord stipulates for LNG deliveries to begin in the early 2030s.

By now, Ksi Lisims has now secured long-term sales agreements or preliminary commitments covering 9 mtpa of its planned 12 mtpa capacity. The HoA with Centrica is yet another step for Ksi

Lisims to secure firm offtake and make the project bankable.

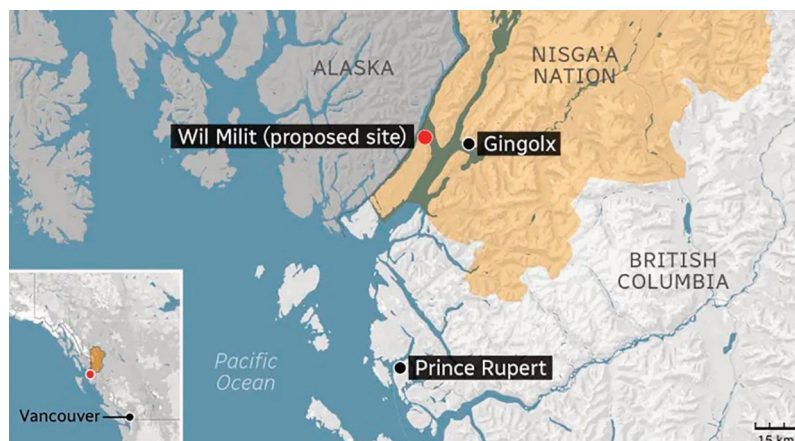
Lenders require 70-80% contracted volumes for the C\$9.9-11.8 billion Capex project, per industry standards.

In late September, Ksi Lisims signed a HoA with Australia's Santos for the supply of 1 mtpa for up to 20 years, also delivered on an FOB basis. Contracted volumes include agreements with Shell, TotalEnergies of France and the German utility Uniper.

Ksi Lisims LNG, developed by the Nisga'a Nation, Rockies LNG and Western LNG, is planned as

a 12 mtpa floating LNG export project powered by low-emission hydroelectricity, with the partners targeting "net-zero readiness" early in the project's life. The facility will be supplied via the Prince Rupert Gas Transmission pipeline from gas fields in northern British Columbia, positioning the project as a new outlet for Western Canadian gas into the Pacific basin and, through FOB sales, to Atlantic basin markets.

Developed at a cost of \$25-30 billion, Ksi Lisims FLNG received federal and provincial environmental approvals in September 2025 and an LNG facility permit from British Columbia, with construction targeted to begin by 2027. ■





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Aphrodite deal vital for unlocking Trinidad LNG feedgas

British energy major Shell and Trinidad and Tobago's National Gas Company (NGC) have agreed commercial terms for gas supplies from Shell's offshore Aphrodite field, ending a pricing dispute that had stalled the Trinidad LNG export project. The accord clears the way for development of the Aphrodite field, with first production now expected in the second quarter of 2027.

The breakthrough comes after months of negotiations between Shell and NGC over the price of gas from the offshore development, that previously led to Shell release a jack-up drilling rig that had initially been earmarked for Aphrodite wells, when negotiations failed in August.

The revised agreement now "significantly improved the economics for NGC" compared with earlier proposals. "The concluded terms of these negotiations brought 400% more value to the NGC," he told Reuters, without disclosing specific pricing formulae.

NGC purchases gas from international producers and supplies it to downstream customers, including Trinidad's petrochemical industry and the Atlantic LNG export terminal, in which Shell holds a 45% stake.



Tanker berths at Atlantic LNG's Point Fortin facility in Trinidad

As Trinidad's gas aggregator NGC will use Aphrodite volumes to help offset years of declining domestic output that have squeezed

LNG exports and ammonia/methanol operations. Shell owns a 45% stake in the terminal and has been keen on securing additional

feedgas sources, including from Venezuela's Dragon field, to keep Trinidad's liquefaction trains running at a higher utilisation rate. ■

Baker Hughes, PDVSA team up to tap Venezuela's gas infrastructure

Baker Hughes has teamed up with Venezuela's state oil company PDVSA, engineering firm Lindsayca and LNG developer Fulcrum LNG to revitalise and expand the country's natural gas infrastructure and set up a pathway to LNG exports.

Under a strategic alliance agreement, the partners want to revive the development of Venezuela's substantial upstream

resources, link them with mid-stream gas processing infrastructure and find ways to monetise the gas. The initiative could eventually support Venezuela's first LNG exports, although no specific project, capacity, investment amount or start-up date was announced.

Under the agreement, Baker Hughes will contribute its expertise in oil and gas development,

energy infrastructure and LNG solutions. Lindsayca will provide engineering, procurement and construction, as well as operating capabilities, while Fulcrum LNG will contribute experience in LNG project development, financing and market access.

Project partners stressed the alliance is a "cooperation framework," meaning any specific projects will be subject to separate definitive agreements, internal approvals and applicable U.S. sanctions and export control requirements. This includes authorisations from the U.S. Treasury's Office of Foreign Assets Control.

Baker Hughes said it has supported Venezuela's energy sector for more than 60 years. The partnership with PDVSA will leverage Baker Hughes' portfolio of subsurface, drilling, production, processing, digital, emissions abatement, power

generation, oil and gas monetization, and LNG technologies with a view to maximising output and return on investment.

The alliance is one of two agreements Baker Hughes announced in relation to Venezuela on Monday. The company also signed a memorandum of understanding with New Stratus Energy to support potential oil and gas projects in the country.

All accords are tailored towards oil and gas monetization and export, although they represent an initial framework for cooperation rather than a firm LNG development plan. Market participants and LNG traders will closely observe if PDVSA and its partners will manage to translate the agreement into project-specific contracts and restore sufficient gas production and infrastructure to support exports. ■



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