LNG Asia
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Soft Chinese demand helps buffer suspended Qatari LNG

China emerges as source of flexibility for suspended Qatari LNG, which creates a shortfall and undermines a three-year consensus that a wave of new capacity would tip the market into oversupply before 2030.

Around 7 million tons of Gulf LNG — mostly Qatari — has been removed from the market each month while the Strait of Hormuz remains shut, equivalent to roughly 18% of global supply. The shortfall, however, recurs at a steady rate and is being absorbed through incremental non-Persian Gulf supply and fuel switching in Asia, particularly to coal, limiting the immediate impact on Europe.

"These days Chinese LNG demand is so week [that] they are really seeming to absorb the lost [Qatari] cargoes quite well," CERA LNG analyst Ross Wyeno commented. This buffer remains fragile, though.

A hot Asian summer or accelerated European restocking could sharply increase volatility. Storage dynamics are tightening: Wood Mackenzie expects Europe to enter winter 2027 around 13 percentage points below the five-year average, marking its lowest projected end-of-season level on record and leaving a tangible risk of shortages if disruption persists into year-end.

Looking ahead, traders and analysts have no shared sense of where the global gas market is heading. WoodMac's head of gas analysis Massimo Di Odoardo, set out the split directly:

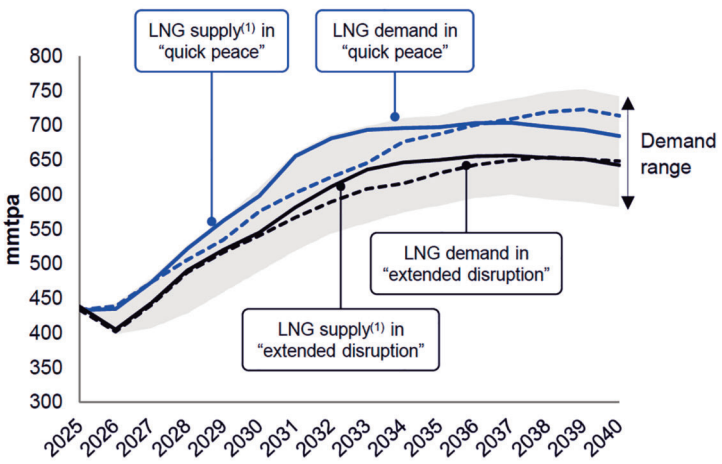
- Bears read the crisis as a tipping point from where diversification away from gas will accelerate, with renewables momentum building and gas demand-growth expectations starting to look unrealistic.
- Bulls read the same events the other way: with the Strait likely to stay shut and the conflict prone to reignite, the oversupply narrative is over, and the market needs more supply from elsewhere to hedge Gulf risk, Di Odoardo explained at the Gas, LNG and the Future of Energy 2026 conference this June.

Rather than adjudicate, Wood Mackenzie framed the uncertainty through three scenarios, set apart by how soon the Strait reopens, how far the conflict escalates, and how much demand diversifies away from gas.

- Under "quick peace", Gulf LNG returns from August and projects currently under construction slip by 6-8 months.
- A middle "summer settlement"

continued on page 2

LNG supply(1)-demand balance scenarios: Quick Peace vs Extended Disruption



Wood Mackenzie Lens Gas and LNG;
1. Onstream and under construction and expected FIDs over the next two years

Asian offtake gets Alaska LNG closer to FID

Asia's key LNG buyers have made preliminary Alaska LNG offtake commitments, with Thailand's PTT signing for 2 mtpa and Japan's Tokyo Gas for 1 mtpa, while JERA, South Korea's POSCO and Taiwan's CPC also agreed tentative offtake – taking total volumes to 11 mtpa of the 16 mtpa Glenfarne aims to secure ahead of FID.

For prospective buyers in Asia, the project offers geographic diversification and shorter shipping distances to North Asia compared with US Gulf Coast supplies. However, these advantages are weighed against relatively high capital intensity — estimated at more than $600 per tonne — and a projected payback period of 10-12 years.

Glenfarne Group recently signed a preliminary 30-year gas supply agreement with ConocoPhillips, adding to commitments from ExxonMobil, Hilcorp Alaska, and Great Bear Pantheon, part of Pantheon Resources. These agreements underpin feedgas availability for Phase 1 and signal that upstream alignment — long seen as a major hurdle — has largely been achieved.

Kenai LNG terminal in Alaska

"All major North Slope producers have now committed enough natural gas to support a Phase One

continued page 2

AGENDA

continued from page 1, top story

sees the Strait reopen later amid tension that stops short of escalation, with moderate diversification.

- Under "extended disruption", supply returns in mid-2027 at reduced capacity, projects slip years, and Middle East exports fall by 50-70 mtpa. Even so, with more than 150 mtpa under construction outside the Persian Gulf, Wood Mackenzie thinks global LNG supply could resume growth from 2028.

The Middle East conflict has made everything harder to price. It has not changed the direction of travel.

US cargoes diverted last minute

China wants to buy more American oil and may lift its 25% tariff on US LNG imports as "energy is the one thing they really need," President Donald Trump touted. Yet, the four US LNG cargoes were diverted last minute.

Direct US LNG imports to China were hoped to break a yearlong freeze in direct shipments and potentially herald a removal of Beijing's 15 percent retaliatory tariff on US-origin LNG, which effectively priced deliveries out-of-the-money. The benefits of a trade thaw for project developers would have been massive since Chinese imports of American oil and LNG were worth an estimated $8.4 billion in 2024 — the year before President Donald Trump began his second term.

Though resumed US LNG imports would be political game-changer, it would not matter much in terms of volume. According to CERA data, contracted US LNG deliveries in 2026 cover some 6.4 million tons — a far cry from the 19.9 million tons of Qatari contracted volumes. Further out, the ratio is bound to change considering Chinese companies hold about 21 mtpa of US term LNG contracts, of which 5.4 mtpa already began delivery, and another 8.7 mtpa are due to start shipments between July and October. ■

LNG price volatility forces contract overhauls

Prolonged price volatility in LNG markets is upending sales and purchase agreements (SPAs) as traders sound alarm over JCC/Henry Hub swings eroding fixed-price economics. "As US LNG exports surge to dent Asian demand and bridge the gap in Qatari supply, contracts must harden or fail," analysts noted.

In SPAs, contract parties now demand indexation, take-or-pay flex, diversion rights and reopeners to avert margins getting eroded or wiped out. The strain hits counterparty risk hardest, considering large infrastructure are built on bankability to which liquidity and margin squeezes are detrimental.

Lenders are reducing acceptable debt ratios, demanding offtake backstops and stalling FIDs as cash-flow fragility bites. "For a new LNG project, banks are expected to commit $15-20 billion in capital. At that scale, lenders need certainty about security of supply — and confidence that commercial contracts cover debt and equity returns," said Jonathan Bass, Argent LNG chairman and CEO.

Though a substantial 77 mtpa of liquefaction capacity reached a Final Investment Decision (FID) last year, only a fraction of that raised full financing to proceed to construction. "The rest struggled," Bass noted, "because long-term SPAs didn't provide sufficient margin to cover the Debt Service Coverage Ratio."

Geopolitics cements the crisis as contractual bedrock. "Sanctions, blockades and attacks aren't exceptions — they're routine," advised Kennedy's Law on future-proofing LNG offtake agreements, highlighting Qatar's *force majeure* as a wake-up call for hardship clauses and geopolitical carveouts.

"Project finance pipelines are narrowing fast," added ION Analytics, hence developers should be tying LNG deals to tighter equity requirements amid persistent instability. Offtakers respond with shorter tenors, embedded derivatives and explicit sanctions on forgoing contractual clauses.

Term charters back in favour

Long-term LNG charters — not spot cargoes — are buyers' favourite, once again, as they provide greater protection against freight rate spikes and shipping disruptions. This trend is a departure from the spot-market-heavy approach that dominated 2024-2025, and could squeeze carrier availability for years to come.

Tighter charter markets have inflated shipping costs and delivery times, compressing the window in which exporters can re optimize slot allocations and re-align with existing long term contracts. For QatarEnergies, this poses a major obstacle as several buyers are waiting to get their contracted LNG shipments reinstated.

Risk-averse Asian buyers will think twice before entering new long-term offtake agreements for LNG sourced from the Persian Gulf, be it Qatar or the United Arab Emirates (UAE). ■

continued from page 1

final investment decision," said Adam Prestidge, president of Glenfarne Alaska LNG.

For Asian LNG buyers, the upstream progress is a necessary but not sufficient condition for engagement. Market participants in Japan, South Korea, and Taiwan are closely watching whether the project can convert these gas supply agreements into bankable LNG offtake contracts and structured equity opportunities.

Alaska LNG is being developed in two financially independent phases. Phase 1 centres on a 739-mile pipeline with capacity of approximately 3.3 Bcf/d, designed primarily to meet rising in-state demand through 2031 and beyond. Phase 2, the liquefaction plant, targeting Asian markets, remains contingent on securing long-term sales and purchase agreements (SPAs). Glenfarne signed a non-binding letter of intent with TotalEnergies in February, but letters of intent (LoIs) from Tokyo Gas, JERC, Posco and CPC have yet to be converted into binding offtake agreements.

Traders indicate that Asian buyers are seeking both competitive pricing and potential equity stakes before committing to long-term volumes. Until firm SPAs and equity commitments emerge, however, Alaska LNG will remain in competition with lower-cost and more advanced export projects, particularly along the US Gulf Coast.

Financial close for the Phase 1 pipeline is targeted later this year, which would allow construction to begin shortly thereafter. A final investment decision on the liquefaction terminal is currently envisaged in early 2027, with first LNG potentially flowing in the early 2030s. ■

LNG Asia

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Chevron: Australia lacks capacity to meet Japan's LNG needs

Australian LNG exporter are falling short on meeting Asian demand due to a lack of capacity that partially stems from an uncertain investment environment. Demand is outstripping supply, especially from Japanese buyers. "If we are able to sell more, people would absolutely like to buy it," said Chevron Australia's managing director Balaji Krishnamurthy.

"The first question from buyers always is, can you do more? And right now, we are facility constrained," Krishnamurthy told the Committee for Economic Development of Australia's Climate and Energy Summit. He is urging the government to provide stable fiscal and tax regimes to underpin long-term projects and capacity expansions.

Prime Minister Anthony Albanese countered public pressure for tax increases this week, vowing not to "undermine" LNG shipments during the energy crunch caused by the Middle East crisis.

Santos singles out Australia's LNG edge

Chevron's rival Santos, Australia's second largest oil and gas producer, underscored the "strategic advantage" of LNG from Down Under as the fallout from Hormuz shipping disruptions could last for years. Both Santos and Woodside are striving to step up "safe" LNG supplies to Asian offtakers.

Santos chair Keith Spence said the impact of the Middle East conflict on global energy markets will persist for years, while shipping routes for Australian LNG remain unaffected by the Iran-related war and wider regional conflict. This safety aspect cements the strategic advantage of Australian LNG for offtakers in Asia-Pacific. ■


Chevron's Gorgon LNG trains in Australia

Japan's call on cross-basin LNG cargo lifts JKM-TTF spreads

Fast-growing Japanese and wider Asian demand for cross-basin LNG cargoes has widened price spreads between the Japan Korea Marker (JKM) and the Dutch TTF for the July-September period. An uneven recovery in Hormuz carrier transits risks delaying a return to "normal" exports until October.

Across the peak summer months, both JKM-TTF market spreads and Energy Aspects' forecasts above US shipping differentials via the Panama Canal — but below those via the Cape of Good Hope.

Updated assumptions for LNG supply from the Persian Gulf are a key driver for Asian demand on cross-basin cargoes. A slight upward revision of 0.7 million tons to Energy Aspects' forecast for Qatari LNG exports in the second quarter of 2026 contrast sharply with a 2.2 million tons cut its third quarter forecast.

"We now assume phased Qatari restarts and a slower, uneven recovery in Hormuz transit, postponing normal exports until October," analysts commented. Having refined assumptions, Energy Aspects now expects Strait of Hormuz traffic to recover to only around 50% of normal levels by end-May and roughly 75% by end-June — slower than previously thought.

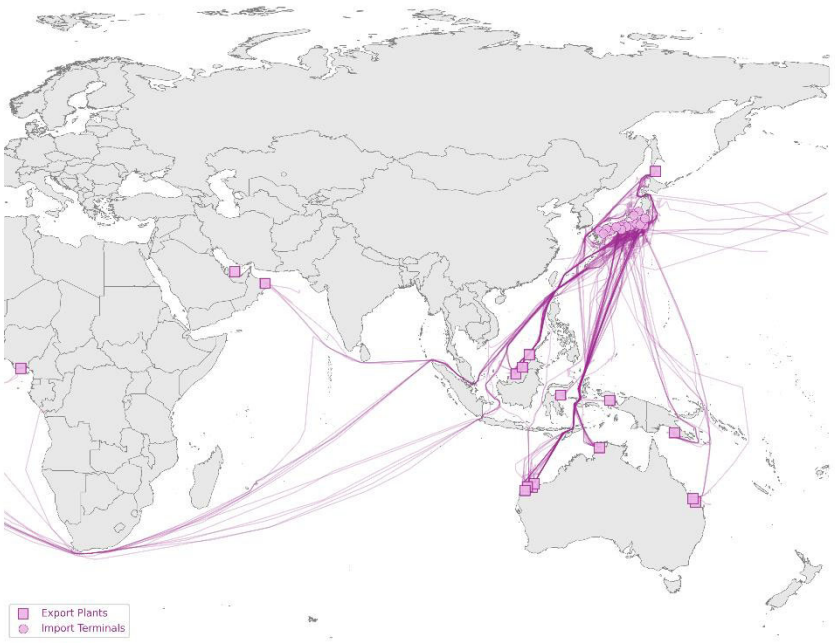
In a staggered restart, QatarEnergies is expected to prioritise some North Field trains. Judging from thermal signatures, analysts believe North Trains 6 and 7 have remained in standby mode since the 18-19 March attacks and have continued producing LNG through April. By contrast, North Trains 1-3 seem to have been restarted on 9-10 April and analysts assume Qatar will then move to restart the undamaged trains in the South.

Exports from the undamaged trains at Ras Laffan could return to normal around October — later than the previously assumed August — hence the arbitrage for shipping US LNG to Asia needs to stay over the balance of summer.

Bullishness abounds for JKM-TTF winter 2026/27 spreads as Asian LNG demand could rise by 7.3 million tons year-on-year in the event of a closer winter and a return in structural demand growth.

"Our forecasts indicate an open arbitrage for US cargoes heading to Asia over the peak heating months of December 2026 and January 2027, while market spreads average even below West African shipping differentials throughout the winter," analysts concluded. ■

Japan



Source: LNG Journal

Market Summary

Japanese LNG imports were 8.26 MMt across 140 cargoes from 12 suppliers in April-May 2026, down 20pct on the prior period and 13pct year on year. Part of the sequential fall is seasonal, Feb-Mar being the winter heating peak, but the year-on-year decline strips that out and points to genuine demand softening. Australia led with 3.24 MMt (39.2pct), followed by Malaysia at 1.34 MMt and the United States at 0.94 MMt.

Supply Concentration

The HHI stood at 2,132 for the period, in the moderate band, down 350 points on the prior period and 303 below the year-earlier 2,435. Concentration eased on both pooled comparisons as Australia's period share contracted and mid-tier origins gained. The monthly path was less smooth: at Japan's cargo count single-month readings are volatile, and a soft April (1,813) gave way to a May reading of 2,625 in the concentrated band as Qatar stayed absent and volume bunched into Australia and the US. The six-month average, near 2,190 and flat-to-down, remains the reliable signal and is consistent with the period easing rather than the monthly endpoint.

Price Context

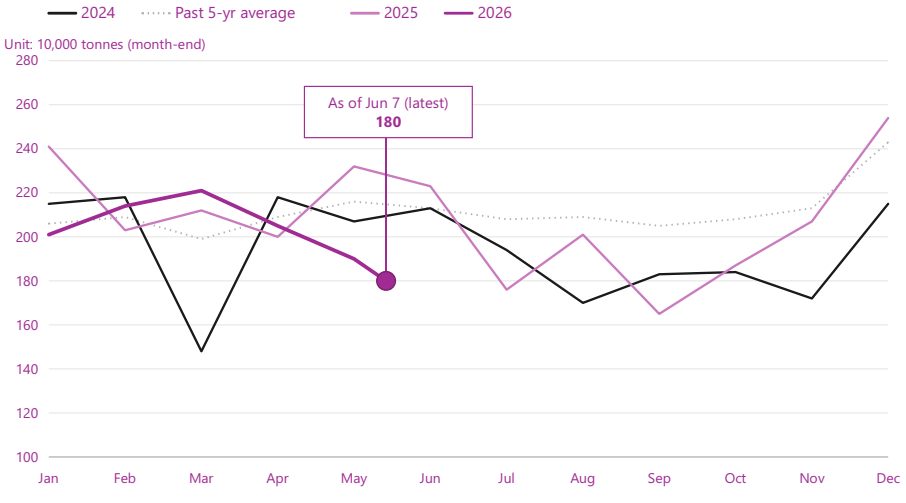
There was no physical shortage; cargoes kept arriving and supply security held. The spot market repriced hard, but much of Japan's volume does not price off spot, so the disruption reached the country by two slower channels rather than the headline marker: a lagged pass-through via oil-indexed contracts, and a drawdown of stored gas across the period itself.

Northeast Asian spot prices climbed steeply. The EIA put the front-month Japan-Korea Marker up 51pct from its late-February level to USD 16.02/MMBtu in the week to 24 April, while European TTF rose 35pct and US Henry Hub fell 9pct, the loss of Gulf supply lifting the two import basins while ample domestic wellhead gas supply held the US benchmark down. The marker firmed into the low USD 18s by end-April and traded near USD 18.9/MMBtu in early June, around 52pct above a year earlier, holding in the high teens through May, a path echoed at the SHPGX landed marker in China.

Japan's shielding from that spike was only partial. Much of the legacy long-term book still prices off the Japan Crude Cocktail rather than JKM, and the newer US volume off Henry Hub, so the spot move largely bypassed both. That is insulation from the spot market, not from the crisis: the cocktail is itself overwhelmingly Middle Eastern crude and has climbed with it, reaching USD 101.2/bbl in April on Ministry of Finance data, a record in yen terms given the weak currency. That landed crude cost feeds into the oil-indexed portion of the book with a further contract lag, while the growing Henry Hub-linked share is exposed instead to a US benchmark that fell during the episode, so the oil-channel increase reaches Japan's bill later and across a shrinking part of the portfolio. A separate, immediate factor lifted household bills from the start of April, independent of wholesale pricing: the government's January-to-March electricity and gas subsidy lapsed.

Through the period the adjustment showed up in inventory rather than in arrivals. Cargo deliveries fell about as much as in a normal spring, the second-steepest drop of the past four years but within the seasonal range, so the disruption barely registers in the cargo count. It registers in the stock path. Spring is when utilities normally rebuild ahead of summer; in 2026 they drew down instead. On METI's weekly monitoring, weekend power-sector LNG stocks fell from 2.28 MMt in mid-April to 1.90 MMt at end-May and 1.80 MMt by 7 June, slipping from above both the prior-year and five-year-average benchmarks to roughly 0.27 MMt below the 2021-to-2025 average and 0.42 MMt below a year earlier, when stocks had been building. Ongoing nuclear restarts and probably additional coal-fired output, after METI suspended the utilisation cap on inefficient coal plants for FY2026, lowered baseload LNG demand; our read is that the same substitution also widened the room to draw stocks down rather than chase cargoes at the elevated marker. Declining to restock, and deferring or trimming flexible scheduled volume where contracts allowed, are not separable in the arrivals data, but their combined footprint is a buffer run down rather than replenished. The

Japan's LNG Inventory for Power Generation



Source: METI

period's distinctive cost is therefore a thinner cushion carried toward summer.

Market Highlights

What the year-on-year decline reflects is largely a single development. TEPCO's Kashiwazaki-Kariwa Unit 6 in Niigata reached commercial operation in April, with government estimates putting its displacement at roughly 1.3 MMt of LNG a year once fully online, and the restart sits within Prime Minister Takaichi's stated push to lean on nuclear and coal to cut LNG dependence and harden energy security. It is the arithmetic of a smaller national requirement, not any single supplier decision, that drives most of the supplier-level movement below.

The Gulf recedes further

Japan's physical LNG exposure to the Strait of Hormuz is modest at approximately 4 per cent of imports, essentially limited to Qatar. Oman's Qalhat export terminal sits outside the strait on the Gulf of Oman coast. This stands in sharp contrast to crude oil, where 94 per cent originates in the Middle East.

Qatar delivered nothing this period, as it has in effect since QatarEnergy's March force majeure and the closure of the Strait of Hormuz. The closure removed something over a fifth of global LNG supply, the bulk of it Qatari volume from Ras Laffan. The strait keeps Qatari supply out rather than having newly removed it; the zero reading is the continuation of that constraint. The one exception was a single UAE cargo from Das Island (0.05 MMt), consistent with passage being possible only in limited circumstances. Oman, whose Qalhat terminal sits outside both the Persian Gulf and the strait, continued to export and delivered 0.19 MMt across three cargoes. Hormuz-transit supply, Qatar plus the UAE, accordingly fell from 5.2pct of intake in Feb-Mar to 0.6pct, while non-Hormuz Omani volume persisted.

Oil versus LNG exposure

The episode underscores an asymmetry between Japan's two main hydrocarbon imports. Its LNG reliance on the Middle East had already fallen to about 11pct in 2025, from 29pct a decade earlier, whereas the region still supplied roughly 94pct of Japanese crude, led by the UAE and Saudi Arabia and almost all of it through Hormuz. The LNG consequence is the indirect, oil-indexed cost already described; the crude consequence is direct and physical, and on that side Tokyo leant on a strategic-reserve release through April and May, a buffer LNG cannot replicate at comparable scale

Australia eases but still anchors

Australia remained the largest source but shed 6.5pp of share and 31pct of volume, the period's largest tonnage move. The decline is largely mechanical: a baseload supplier on contracted, equity-linked terms absorbs the bulk of any cut in total intake. Western Australian projects dominated as usual, led by Gorgon (0.94 MMt), Ichthys (0.80 MMt) and Wheatstone (0.63 MMt).

United States the largest gainer

US supply rose to 0.94 MMt from 0.18 MMt in Feb-Mar and 0.69 MMt a year earlier, a 9.6pp share gain and the period's largest increase, spread across Cameron, Freeport, Sabine Pass and Cove Point. Brunei (+3.5pp) and Malaysia (+2.0pp) also gained, while Congo (Rep.) and Nigeria entered as small new origins as Peru, Mozambique, China and Trinidad fell away.

LNG Canada as a standing thread

Canadian volume was flat at 0.28 MMt over five cargoes, but the cumulative picture is the point: our tracking records 22 cargoes totalling 1.54 MMt delivered to Japanese terminals since the first arrival in late July 2025, all from LNG Canada, in which Mitsubishi Corporation holds an equity stake. As the project ramps toward full capacity, this chokepoint-free Pacific supply is positioned to offset future erosion in other Pacific Basin sources.

Facility Highlights

Twenty-eight terminals recorded arrivals. Thirty terminals recorded arrivals. Futtsu remained the single largest node at 1.33 MMt across 21 cargoes drawn from eight source countries, down 17pct on the prior period, with the five busiest terminals together handling about half of national intake. The contraction was broad: Chita fell 28pct, Joetsu LNG 38pct and Himeji 20pct, partly offset by Senboku, up 30pct. Russian Sakhalin-2 volume, at 0.82 MMt over 17 cargoes, was distributed across ten terminals, underlining how embedded that source remains in the distribution network despite its modest headline share.

Outlook

The structural direction is set at home: continued nuclear restarts and the Takaichi government's energy-security tilt point to a lower import requirement whatever happens in the Gulf, with Hormuz keeping Qatari and broader Gulf tonnage out while it persists rather than altering that path. The forward risk is one of timing. The cost deferred through the spring, the oil-indexed pass-through still to land, the flexible volume put off rather than cancelled, and a buffer already below the seasonal norm all converge on the summer cooling peak, when demand rises and Gulf supply is still absent. The nearest-term swing factor is Russian: the OFAC licence covering Sakhalin-2 lapses on 18 June 2026, with Tokyo reported to be finalising a further extension it regards as indispensable to supply security. If that volume holds, the Pacific and US Gulf sources that gained this period can carry any incremental need; if it does not, the call falls on those same chokepoint-free suppliers at the moment the buffer is thinnest ◆

Supplier	Volume (MMt)	Share (pct)	vs Prior (pp)	vs YoY (pp)
Australia	3.24	39.2	-6.5	-6.3
Malaysia	1.34	16.2	2	4.6
United States	0.94	11.4	9.6	4.1
Russia	0.82	9.9	1.4	1.9
Papua New Guinea	0.51	6.2	-0.3	0.7
Brunei	0.48	5.8	3.5	3.8
Indonesia	0.28	3.4	-1.2	-2.1
Canada	0.28	3.4	0.7	-
Oman	0.19	2.3	-1.8	-2.4
Congo (Rep.)	0.07	0.8	-	-
Nigeria	0.06	0.7	-	-0.8
UAE	0.05	0.6	-0.6	-1.2

Source: LNG Journal

Russian Arctic LNG 2 cargo heads eastbound to China

Ice-class carrier *Christophe de Margerie* is attempting a seasonally early eastbound transit from Novatek's Arctic LNG 2 terminal via the Northern Sea Route to Asia, underscoring the Russian company's efforts to sustain exports to predominantly Chinese buyers.

The Arc7 carrier was heading east in the Kara Sea, according to ship tracking data, after loading at the Arctic LNG 2 terminal on May 26. If completed, the voyage would rank among the earliest eastbound LNG transits ever recorded via the North Sea Route, said Malte Humpert, founder of the Arctic Institute. The route is typically blocked by thick Arctic ice and commercial shipping usually begins no earlier than mid-June.

Very few May transits by Arc7 carriers can be found on ship tracking records. *Christophe de Margerie* itself completed a similar voyage in 2020, delivering a cargo from Gazprom's Yamal terminal to China.

The current voyage indicates sea ice in the Russian Arctic has retreated sufficiently at this time of the year to allow earlier navigation. However, the early-season attempt also highlights mounting logistical pressure on Novatek, the majority owner of Arctic LNG 2, as looming western sanctions on Russian LNG import from 2027 and vessel shortages complicate exports from the terminal.

'Christophe de Margerie' LNG tanker

A fire aboard the Arc7 carrier *Arctic Metagaz* in the Mediterranean on March 3 — possibly caused by a Ukrainian drone attack — has led Russian exporters to avoid the Suez route for Arctic LNG shipments to Asia. This adds pressure on Novatek to maximise transits via the Northern Sea route, despite the heightened risks to vessels and crew from unseasonably early transits. ■

Taiwan tops Asia's spot LNG purchases

Taiwan's state-owned CPC Corp has emerged as Northeast Asia's most active spot LNG buyer since the escalation of Middle East conflict, since its heavy exposure to Qatari LNG forced the island to rapidly rebalance its procurement strategy.

Roughly 40% of Taiwan's long-term contracted supply is tied to the Persian Gulf producer, according to CERA data, leaving CPC Corp vulnerable to transit disruption through the Strait of Hormuz.

"Taiwan needs to buy about seven cargoes a month to substitute for Qatari cargoes," a North Asia-based LNG trader told Platts, a figure broadly consistent with Taiwan's historical intake patterns and current supply gap.

Tender for up to 3 cargoes

CPC has stepped up spot market activity since the onset of the Iran war in late February, regularly issuing tenders for multiple cargoes. Its latest tender, closing on May 26, sought three cargoes for August and September delivery.

Taking bold strides, CPC has frequently entered the market seeking up to three cargoes at a time which underscores "the urgency of replenishment," traders noted. Alongside tenders, CPC has increasingly relied on bilateral transactions, looking at every avenue to source LNG supply.

Traders estimate the company has secured one to two spot cargoes per week since the conflict began, implying total purchases of roughly 12-24 cargoes for March through September delivery. This aligns with earlier government assurances that Taiwan has secured sufficient gas supply through the end of the third quarter.

CPC receives delivery of an LNG tanker

While tenders allow buyers to reach a wide pool of sellers quickly, they also signal demand to the broader market which can be counterproductive. Public tenders can reinforce bullish sentiment and contribute to price escalation, market observers noted. As a result, bilateral deals have gained traction as buyers prioritize discretion and execution speed.

U-turn in sourcing strategy

The pivot in Taiwan's sourcing strategy is evident in trade flows. According to Energy CERA data, Taiwan imported 1.81 million tonnes of LNG from Qatar between January and March.

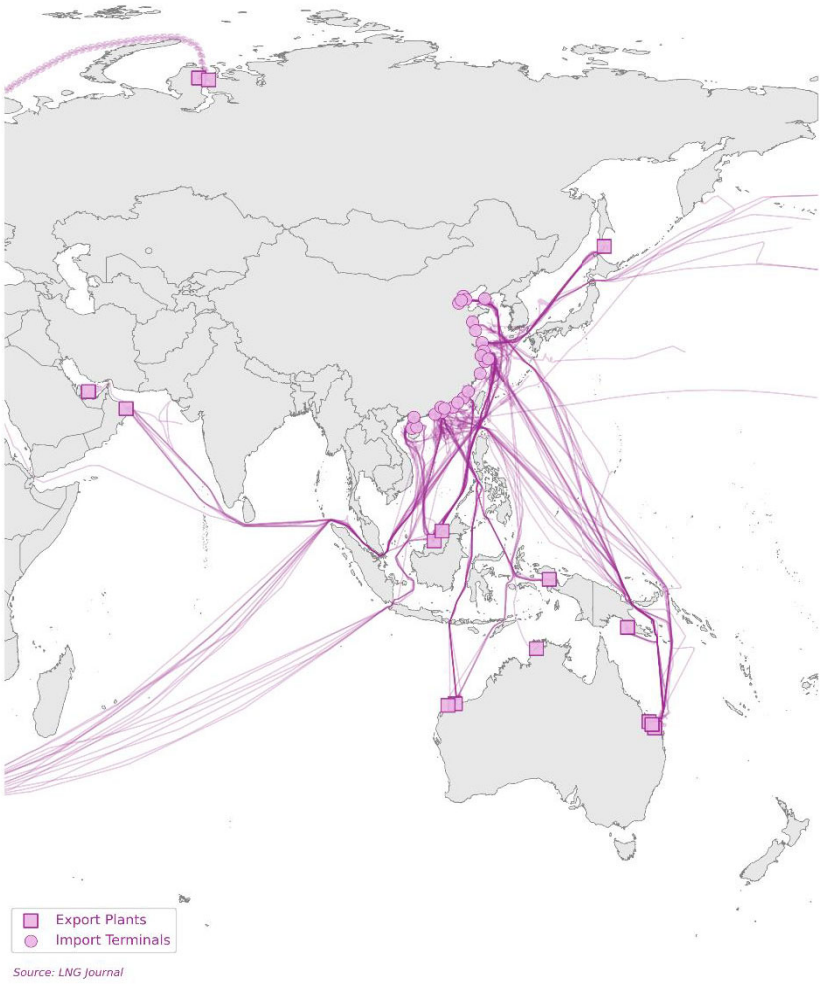
No Qatari cargoes were delivered in April or May.

American LNG exporters have been the primary beneficiaries, with imported US LNG to Taiwan more than tripling in March-May to around 1.33 million tonnes, up from 0.44 million tonnes in the same period last year. The increase coincides with deepening energy trade ties between Taipei and Washington, including a reciprocal agreement committing Taiwan to purchase $44.4 billion worth of US LNG and crude between 2025 and 2029.

Expanding its supplier base beyond the US, Taiwan received an LNG cargo from Cameroon in April while Canada emerged as an attractive source of Pacific-facing supply from North America, following the start-up of LNG Canada's first Train in Kitimat, B.C. Between February and May, Taiwan imported around 0.36 million tonnes of Canadian LNG, according to CERA data.

In contrast to Taiwan's aggressive spot buying, other Northeast Asian importers have shown more restrained activity. In China, ample pipeline gas supply and weaker demand have limited the need for additional LNG purchases despite the same geopolitical risks. A second-tier Chinese buyer underlined there is "sufficient pipeline gas supply" hence Chinese importers are cautious about committing to cargoes at elevated outright prices. ■

China

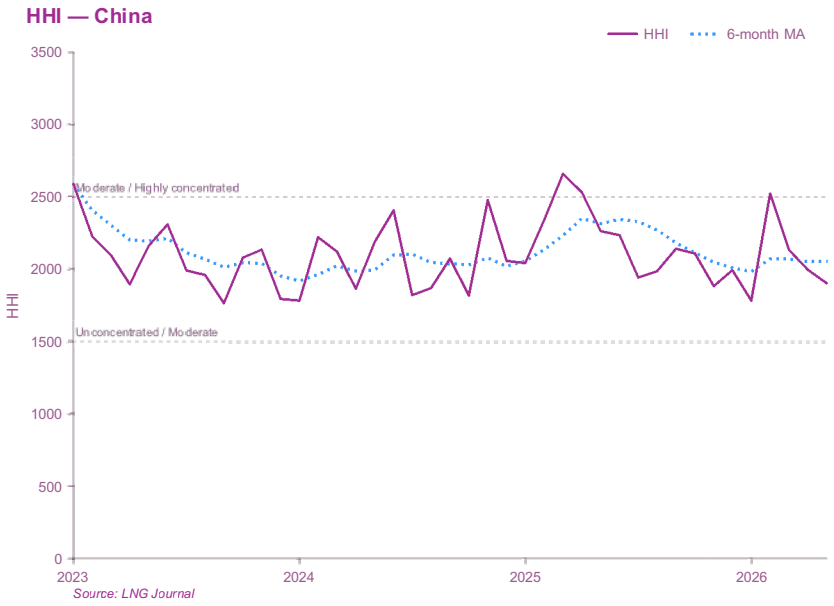


Market Summary

China imported 8.14 MMt across 142 cargoes from 13 suppliers in April-May 2026, up 14pct on the prior period of February-March. Australia led with 2.85 MMt (35pct, +4pp), ahead of Russia on 1.43 MMt (18pct, +11pp) and Malaysia on 1.24 MMt (15pct, +3pp). The growth was concentrated in May: April marked the cycle low at 3.39 MMt before May surged 40pct to 4.75 MMt. It came against a rising price, the landed cost climbing from around $14/MMBtu in February-March to roughly $17/MMBtu across the period and on to $18.40 by early June, according to Chinese SHPGX data. China was paying more and taking more as the period closed, a restock in train rather than a demand recovery off cheap cargo.

Supply Concentration

The HHI fell 346 points to 1,917, holding in the moderate band. The reduction reflects a broader supplier base rather than any easing at the top, where the leading three still held close to two-thirds of volume. Five new origins – Brunei, Peru, Equatorial Guinea, Trinidad and the UAE – entered the mix while the Qatari volume lost to the Hormuz closure spread across both the widened Pacific field and Russia. The fall in the index is therefore a measure of forced diversification away from a lost Gulf anchor, not of a looser market.



Price Context

Landed prices ran far above the prior year throughout, the May average near $17.40/MMBtu against about $11.60 a year earlier, a rise of roughly 50pct that marks the repricing of the Asian market since the Hormuz closure removed a large slice of global supply. The more revealing movement was domestic. In February-March the landed cost sat well above the Chinese domestic quote, around $14 against $11, leaving imported spot cargo uncompetitive and helping to explain the April low, since with domestic gas the cheaper option there was little pull to buy in. Through April and May the domestic quote climbed to meet it, reaching close to $18 in May, just above the landed cost, and that convergence is what reopened the economics of importing. The May restock was not simply demand paying up regardless of price; the domestic market had risen far enough to clear the costlier imported molecule.

Market Highlights

Qatar has been effectively absent since QatarEnergy declared force majeure in March, with the Strait of Hormuz blocked and transits possible only in very limited circumstances. This is not a fresh shock but a perpetuating one. The prior period still carried 2.33 MMt of pre-closure Qatari volume, so April-May, the first full period under the closure, shows Qatar at zero and a 33pp swing out of the mix. Of the Persian Gulf producers that depend on Hormuz passage, only a single residual UAE cargo of 0.05 MMt from Das

Island reached China. An attempt by Qatar to push a similar China-bound cargo aboard the Al Sahla ostensibly failed in May. The only current visible Persian Gulf LNG export en route to China is the Ras Laffan-sailed Al Daayen, but it is not due for arrival before mid-June.

Oman's 0.37 MMt across seven cargoes and +4pp gain is the unaffected producer picking up share to the extent its liquefaction capacity allows. Oman LNG's Qalhat terminal sits on the Gulf of Oman, outside both the Persian Gulf and the strait, which is precisely why it can still export, its cargoes routing to China via the Malacca Strait.

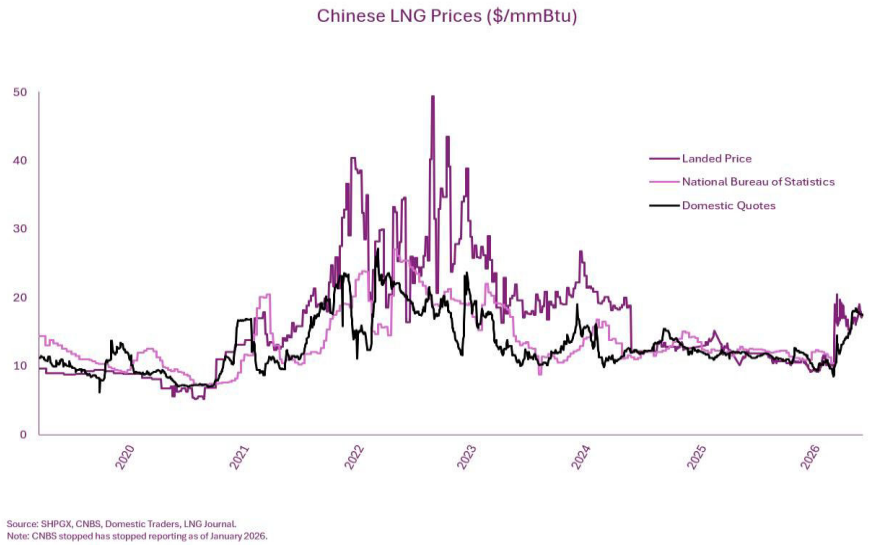
A price-resilient restock

The May surge rested on a narrow geographic base. The Pacific basin supplied roughly two-thirds of delivered volume, led by Australia, with Australia Pacific LNG the single largest source, ahead of Malaysia, Papua New Guinea, Indonesia and a scaling LNG Canada contribution. The build was progressive throughout the month rather than a single spike, consistent with summer power demand pulling cargoes in, and it held as landed prices climbed through the period. Almost the entire restock came from supply that already sits east of Suez or is locked out of Europe by sanctions. China is rebuilding stock on captive Pacific supply rather than competing head-to-head for the cargo Europe needs.

Russia and the shadow fleet

Russia was the period's largest single gainer, up 11pp to 1.43 MMt across 24 cargoes. Delivered volume remains Sakhalin-2 led, 0.75 MMt over 13 cargoes on the short Pacific run, but the northern complex is now substantial: Arctic LNG 2 contributed 0.42 MMt over seven cargoes, Yamal 0.14 MMt and Portovaya 0.12 MMt, with around eight Russian cargoes routed the long way round via the Cape of Good Hope. That delivered split understates where the flow is heading.

On an en-route basis the shadow fleet, vessels operating outside the conventional insurance, flagging and tracking framework, now carries the majority of Russian gas in motion towards China, some 61pct at end-May, the bulk of it Arctic LNG 2 on scrap-age steam-turbine carriers that round the Cape to stay clear of EU jurisdiction and sulphur control areas. Under US blocking sanctions Arctic LNG 2 can move no other way, and the long Cape haul means more of it is in transit at any moment than has yet arrived. The build-out is being driven ahead of a cluster of phased-in Western measures converging on 1 January 2027, when the EU ban on long-term Russian LNG takes effect alongside the expiry of the UK licence covering Yamal carriage. Yamal is the open question, though the likelier path is continuity: absent a US blocking designation, which on current evidence is neither signalled nor decided, it can keep redirecting to Asia openly on conventional carriers. Only a marked escalation would push it onto the covert channel already proven on Arctic LNG 2.



Source: SHPGX, CNBS, Domestic Traders, LNG Journal.
Note: CNBS stopped has stopped reporting as of January 2026.

Facility Highlights

Receiving capacity in the southern and eastern demand centres ran hot. Zhuhai LNG, Fujian LNG and Zhejiang LNG each took more than their nominal share for the period, above nameplate in utilisation terms, with Beihai close behind. Jiangsu LNG and Guangdong Dapeng led on absolute volume at 1.00 MMt and 0.81 MMt while running at around three-fifths of capacity, reflecting their larger nameplate. By contrast the big northern terminals were soft: Tianjin-Nangang and Zhoushan ran below a fifth of capacity, consistent with a restock weighted towards the south and east rather than evenly spread across the coast.

Outlook

China's average landed price ran above the European hub in May, $17.37/MMBtu against a TTF-equivalent of roughly $16, the kind of inversion that in open competition would pull cargo east. The signal is worth marking, but it is not evidence of large-scale direct competition. That average is dominated by supply Europe was never going to receive: contracted Pacific volume from Australia and Malaysia, and sanctioned Arctic LNG 2 that can move only to non-sanctioning buyers. The genuinely contestable slice was small, on the order of 0.60 MMt, and the higher freight to Asia absorbs most of the headline arb, leaving the marginal cargo nearer netback parity than the gap implies.

China rarely sets the marginal European price and did not broadly do so in May; what the differential shows is a market tight enough that the contestable margin is approaching the point where diversion begins to pay.

The forward question is whether that margin widens. The transmission to Europe is not direct: China takes no US cargo at all, walled off by a compound tariff of around 25pct on US molecules, and bought none across April-May, when the same US volume instead landed with Taiwan, India, Japan and South Korea. The pressure runs one step removed. A sustained Pacific restock binds the available supply pool and forces those peers, Japan and South Korea foremost, to lean harder on the Atlantic for flexible US and West African cargo, the same contestable supply on which European refill depends; South Korea already draws close to a fifth of its imports from the Atlantic basin and is the swing buyer that carries Pacific tightness into the European market. The pressure point is the contestable margin set by the JKM-TTF spread. Should a third-quarter Asian heatwave widen it just as European injection accelerates towards its November storage target, the squeeze that has so far been indirect could sharpen.

On the supply side, the Russian channel is the structural watch item, but the tightening runs through Europe, not the Pacific. The EU's ban on Russian LNG, phased in across 2026 and complete from 1 January 2027, strips Yamal of its European market, and the volume Europe loses it must replace from the Atlantic, joining Japan and South Korea in bidding for the same contestable US and West African cargo. Redirected Yamal does add nominally to Pacific supply, but only as a thin stream, 0.14 MMt this period, limited by the shadow and licensed tonnage available on the long northern and Cape routes, so the relief to China is slight beside the demand it adds in the Atlantic. A US blocking designation of Yamal, which on current evidence is neither signalled nor decided, would constrain that shipping further, but the European replacement effect does not depend on it. For now the more immediate read is regional: the cost of refilling will be set less by Chinese demand alone than by where displaced Pacific buyers are forced to source ♦

World's first three-tank LNG carriers ordered at Korean shipyards

Two shipping majors – TMS Cardiff Gas and BW Group and – have placed LNG carrier orders at South Korean shipyards, including the word-first three-tank carrier order. Expansion in the gas carrier segment is driven by rising ton-mile demand as Asian buyers replace curtailed Qatari volumes with cargoes from North America.

BW LNG confirmed it ordered two carriers at HD Hyundai Samho due for delivery in the second and third quarter of 2029. The South Korean shipbuilder announced an order win for two LNG carriers with similar delivery schedules, valued at about US$508M, but fell short of disclosing the buyer.

The newly ordered vessels will be designed with three large LNG tanks — an industry-first.

The higher cargo capacity of these vessels is poised to deliver highly competitive unit freight costs and greater operational flexibility, the owner said. GTT and HD Hyundai Heavy Industries helped BW LNG to develop this novel design.

On a separate not, TMS Cardiff Gas is understood to have ordered two LNG carriers at Samsung Heavy Industries. The Korean shipyard confirmed a contract win for a pair of LNG carriers worth US$505 million, with deliveries targeted through June 2029. It indicated the counterparty would be and Oceania-based company, but shipbrokers have associated TMS to the deal.

George Economou-led TMS Cardiff Gas is aggressively pursuing its gas expansion strategy, having just ordered two very large gas carriers (VLGCs) at HD Hyundal while earlier this year contracting CSSC Hudong-Zhonghua Shipbuilding for up to six LNG carriers.

Samsung Heavy Industries already received orders for 19 vessels this year, including nine LNG carriers and an order for a floating storage and regas unit (FSRU). A company executive told Korean media there is "strong momentum" in the gas carrier segment, driven by rising ton-mile demand as Asian buyers increasingly substitute curtailed Qatari volumes with cargoes from North America, which require significantly longer voyage distances and therefore more shipping capacity. ■

Hanwah Ocean's Geoje shipyard in South Korea

Korea turns to Oman to replace Qatari cargoes

South Korea's Foreign Minister, Cho Hyun has pleaded his Omani counterpart Badr Albusaidi to supply LNG and crude oil. KOGAS, meanwhile, vowed to bring the entire LNG equity volumes from its projects in Australia and Canada to its Korean home market to mitigate the risk of fuel shortages.

KOGAS has secured 360,000 tonnes of LNG annually through its 10 percent stake in Australia's 'Prelude' project. Its 5 percent equity investment in LNG Canada allows it to offtake an annual equity volume of 700,000 tonnes, which is the equivalent of 11 LNG carriers.

Equity volumes are the amounts of LNG that KOGAS is allowed to import, based on contracts that permit taking a share of production equivalent to its investment stake in a project. Looking ahead, KOGAS' is expected to further increase.

When production begins at Mozambique's 'Coral Norte' FLNG in 2029, the equity volume will rise by 320,000 tonnes. If the Mozambique Rovuma project and the LNG Canada Phase 2 project, both currently under review by KOGAS, are realised, the company could secure an annual equity volume of 3.88 million tonnes by 2031. "What is important now is not simply securing a large amount of LNG, but how much volume we can bring in stably even amidst a crisis," KOGAS chief executive Choi Yeon-hye said, stressing the company will act as a "steadfast guardian" responsible for Korean's energy security. ■

Oman LNG plans to add a third train at its Qalhat complex by 2029

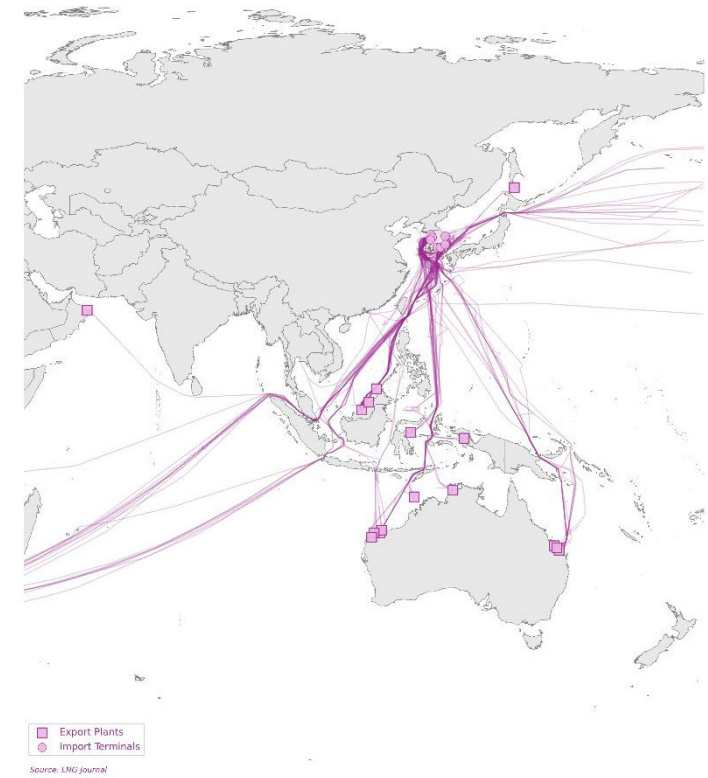
NEWS NUDGE

Korean gov' mulls investment in US LNG

The South Korean government is reviewing a project to build an LNG export terminal in Louisiana. Consultants Samil and Kim & Chang were reportedly assessing the project's feasibility.

If the project's feasibility is confirmed, it will be finalised through talks with the US and then proceed to final approval by President Trump. The South Korean Government will cover part of the project cost using a South Korea to US investment fund. The US was said to have requested investment from South Korea from the outset. ■

South Korea



Market Summary

South Korea imported 6.07mmt of LNG over April to May 2026 from twelve supplier countries, down 22.5 pct on the 7.83mmt received in February to March. The contraction was broadly seasonal, the shoulder period following the winter heating peak, but it was reinforced this year by a deliberate move away from gas-fired generation as Seoul managed the loss of Qatari supply. Australia remained the single largest source at 28.2 pct, although its lead narrowed sharply as Malaysia rose to 22.4 pct and, taken together, Canada and the United States supplied close to a third of the total. The period is most clearly defined by the absence of Qatar, which delivered no cargoes after declaring force majeure on its long-term contracts in March, and by the speed with which North American and Pacific volumes filled the gap.

Supply Concentration

The Herfindahl-Hirschman Index stood at 1,876 for the report period, within the moderate band, but the composition beneath that figure shifted materially. Four suppliers, Australia, Malaysia, Canada and the United States, together accounted for 82.9 pct of the total, a markedly narrower core than in recent periods. The concentration reflects two reinforcing developments: the exit of Qatar under force majeure, a supplier the Ministry of Trade, Industry and Energy put at around 14 pct of 2026 imports, and the rapid scaling of Canadian deliveries. Year on year, Australia's share fell 9pp and Malaysia's rose 11.6pp, while Canada entered the table from a standing start. The supply base is therefore numerically narrower but geographically reoriented toward the Pacific and North America, and away from the Gulf.

Market Highlights

The defining event of the period originated outside Asia. Following US and Israeli strikes on Iran in late February, Iranian attacks on Qatar's Ras Laffan complex in early March, then missile strikes on two liquefaction trains and a gas-to-liquids unit in mid-March, removed an estimated 17 pct of Qatari LNG export capacity, with repairs put at three to five years. QatarEnergy declared force majeure on long-term contracts to buyers including South Korea, and traffic through the Strait of Hormuz, through which Qatari and Emirati cargoes must pass, was halted from late February. The Ministry of Trade, Industry and Energy stated that Qatar's relatively low share and the availability of alternative sources meant no supply or demand shortfall was expected, while KOGAS confirmed inventories above mandatory reserve levels. The data bear this out: deliveries continued from a reordered supplier set, with Korea's exposure cushioned by its diversified term portfolio and by the shoulder-season timing of the disruption.

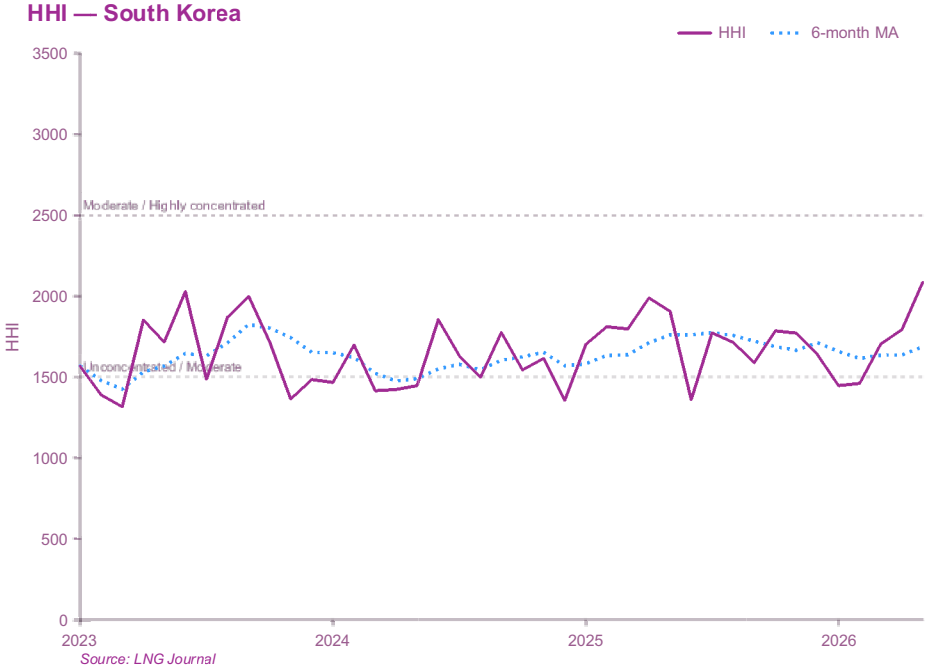
Demand management and fuel switching

Alongside the seasonal effect, the period-on-period decline coincided with active demand-side measures. To conserve gas during the disruption, the government moved to lift caps on coal-fired output and to bring forward maintenance completion at several nuclear reactors, raising nuclear availability, with a further reactor due online in the second half of the year. Gas-fired plant, which supplied around 27 pct of electricity in 2025, was positioned as the swing fuel to be displaced. Both the warmer shoulder-season load and the deliberate substitution toward coal and nuclear contributed to the lower call on imported LNG.

Canadian supply steps up

Canada was the period's structural story, rising to 17.3 pct (1.05mmt) from a negligible base a year earlier and 9.3pp above the prior period. LNG Canada's Kitimat terminal, in which

HHI — South Korea



KOGAS holds a 5 pct equity stake alongside Shell, Petronas, PetroChina and Mitsubishi, continued to ramp toward its 14mtpa Phase 1 nameplate after starting up in mid-2025, and South Korea has been the largest single destination for its cargoes. The Pacific routing is the salient point: at roughly ten days' sail to north Asia against about twenty via the US Gulf and the Panama Canal, and with no Middle East chokepoint exposure, Kitimat volumes were well placed to substitute for disrupted Gulf supply. Korean offtake ran well in excess of KOGAS's roughly 0.7mtpa equity entitlement, implying that portfolio and spot volumes from other shareholders also reached Korean terminals.

United States volumes and the contracting pipeline

US supply rose to 15.0 pct (0.91mmt), up 10.9pp on the prior period. Most of this increment reflects spot and existing-contract cargoes rather than the larger volumes contracted under the 2025 trade understanding, the bulk of which begin in 2027 and 2028. KOGAS's heads of agreement with TotalEnergies for 1mtpa from end-2027, partly sourced from US production, and its ten-year Trafigura arrangement, together with the Hanwha-Venture Global and POSCO-Alaska agreements, point to a rising US share over the medium term. Seoul has for now declined an equity role in the Alaska LNG project, the trade and industry minister citing the absence of a commercial rationale and a preference for procurement over project participation.

Malaysia and Australia

Malaysia's 22.4 pct (1.36mmt), up 11.6pp year on year, made it the period's second supplier and the clearest beneficiary among established Pacific producers of the move toward Hormuz-free sources. Australia, though still the largest single source, saw its share fall 9pp year on year as new entrants crowded in; its absolute volumes declined broadly in line with the seasonal contraction.

Middle East and Russia

Beyond Qatar's absence, Oman fell to 1.0 pct (0.06mmt), down 3.4pp on the prior period. Oman's decline should not be read as part of the Hormuz disruption: the Qalhat terminal lies on the Gulf of Oman, outside the strait, and its cargoes were not subject to the transit halt that affected Qatari and Emirati supply. The reduction is more consistent with the maturing of legacy contract volumes. Russian supply was marginal at 2.0 pct (0.12mmt), continuing its downward drift.

Facility Highlights

All seven active terminals received cargoes. Pyeongtaek, the largest, took 1.65mmt, down 22.5 pct on the prior period, with Incheon (1.28mmt, down 38.8 pct) recording the steepest fall among the major terminals and Tongyeong (1.18mmt) down 16.3 pct. These three KOGAS terminals again handled the majority of national throughput. Against the broadly declining trend, Boryeong, the GS-SK joint-venture terminal, was the sole riser, up 36.7 pct to 0.82mmt; the data do not disclose a reason, though the rise coincided with the redirection of cargoes during the supply disruption. Samcheok eased to 0.60mmt. Among the non-KOGAS terminals, POSCO's Gwangyang fell 22.4 pct to 0.38mmt and Korea Energy Terminal halved to 0.16mmt from a small base.

Aggregate throughput equated to roughly 48 pct of the seven terminals' combined 75.7mtpa nameplate on a period-equivalent basis. Even at the winter peak the national system runs well below capacity, reinforcing the view that no import-infrastructure expansion is warranted on volume grounds.

Outlook

The near-term question is the pace of Qatari recovery. With two trains restarted but damaged capacity out for years and Hormuz transit intermittent through the period, a full return of Qatari volumes to Korea is unlikely in the short term, and the reordered supplier set is therefore likely to persist at least into the summer. The disruption has, in effect, accelerated a reorientation already under way: away from Gulf supply with chokepoint exposure and toward Pacific and North American sources on shorter, more secure routes. We expect Canadian volumes to continue to climb as Kitimat approaches full Phase 1 run-rate, and the contracted US volumes from 2027 will deepen the North American share further. The principal uncertainty is demand: with gas-fired generation cast as the swing fuel during the crisis and longer-term policy still pointing to a diminished role for gas in the power mix, the tension between ample import capacity and a possibly shrinking demand envelope remains unresolved ♦

Supplier	Volume (MMt)	Share (pct)	vs Prior (pp)	vs YoY (pp)
Australia	1.71	28.2	-1.7	-9.0
Malaysia	1.36	22.4	5.5	11.6
Canada	1.05	17.3	9.3	-
United States	0.91	15.0	10.9	4.2
Indonesia	0.34	5.6	-2.8	0.2
Nigeria	0.18	3.0	1.2	2.2
Trinidad	0.14	2.3	-	0.5
Russia	0.12	2.0	-2.6	-2.4
Mozambique	0.07	1.2	-	-0.4
Equatorial Guinea	0.07	1.2	-	0.3
Brunei	0.06	1.0	-1.3	-0.7
Oman	0.06	1.0	-3.4	-2.6

Source: LNG Journal

Canadian PM seeks free trade deal with India, eyes LNG exports

Canada's Prime Minister Mike Carney is pushing to advance a free trade agreement with India that would open a strategic outlet for LNG, agri-food and technology exports. The move reflects Canada's effort to fast-track Pacific facing LNG infrastructure and lock in long-term offtake.

Carney met India's Commerce and Industry Minister Piyush Goyal in Ottawa recently to map out sectors where both countries see the biggest mutual trade opportunities.

With the US Trump administrating levying tariffs on Canadian energy and agricultural exports, Carney seeks to foster trade with alternative partners, notably major energy offtakers in Asia Pacific. India, with rising energy consumption from a population of 1.4 billion and an expanding middle class, is the kind of alternative that would suit politically and economically.

"The talks are about building durable commercial ties that support jobs at home while helping India meet its energy transition and food security needs," a Canadian official said. The Prime Minister's pitch places particular emphasis on LNG as a near term export that can help meet India's growing electricity and industrial fuel needs while providing Canadian LNG producer with steady, long-term counterparties.

Chhara LNG terminal in India

Developers behind LNG Canada's proposed Phase 2 and smaller rivals need to secure firm offtake agreements to reach financial close. A free trade pact that includes energy clauses or investment protections could make Asian offtakers — including Indian utilities and trading houses — more willing to sign multi-decade supply contracts, analysts suggested. ■

India turns down sanctioned Russian LNG

India has rejected a cargo of Russian LNG from the US-sanctioned terminal despite domestic supply shortages amid Middle East tensions – effectively stranding a 138,200-cbm tanker near Singapore, according to ship-tracking data.

The carrier *Kunpeng*, loaded at Russia's Portovaya LNG plant on the Baltic Sea, was initially en route to India's Dahej import terminal in mid-April, as per LSEG shipping data.

The Indian government, however, declined the shipment in a move to avoid importing LNG cargoes from US-sanctioned destinations. Cargoes from both Portovaya and Arctic LNG 2 are on the US sanctions list over Russia's war in Ukraine, complicating spot LNG deliveries.

"The vessel was tracked even though documentation claimed the cargo was non-Russian," one source told Reuters, highlighting LNG's traceability via specialized tankers and satellite monitoring.

India — the top buyer for Russian crude oil under a US waiver tied to the US-Iran conflict since February 28 — prioritizes compliance with LNG sanctions given that shipping movements of LNG carriers are easier to trace, than oil ship-to-ship disguises.

Current AIS data places the Kunpeng LNG carrier in Singapore Strait or nearby waters, at anchor with no declared destination, as reported by MarineTraffic and VesselFinder.

China remains a key buyer of both sanctioned and compliant Russian LNG, including Portovaya cargoes to the Beihai terminal. Market observers note the *Kunpeng* carrier might ultimately find a home there. ■

Petronet's Dahej LNG terminal

Das Island LNG terminal

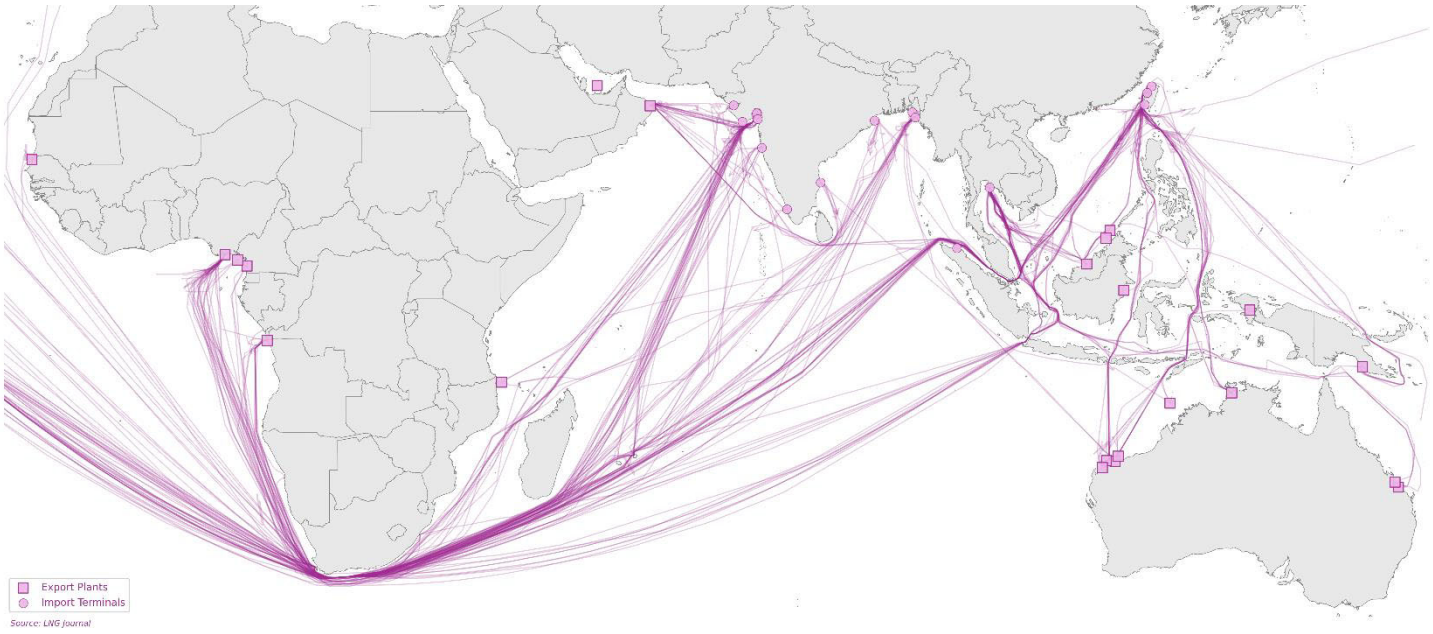
ADNOC cargo awaited mid-June

An LNG tanker loaded at ADNOC's Das Island terminal exited the Strait of Hormuz in May and is now on route to India. The most likely buyer is Indian Oil Corp, the counterparty to ADNOC's latest long-term supply agreement. VesselFinder's AIS log lists the *Al Hamra* at the Indian Coast, en route to Dahej with an estimated arrival on June 17.

India is among the hardest-hit countries from QatarEnergy's *force majeure* on shipments from Ras Laffan, with LNG deliveries down 14%, compared with the same time last year on a 30-day moving average, shipping data showed.

Desperate buyers sought to secure cargoes from the spot market, instead. Bharat Petroleum Corp, Gail India and Gujarat State Petroleum Corp bought shipments for delivery between April and June at below $16 per MMBtu, according to traders talking with local media. This mark a buying strategy shift, after Indian buyers had earlier limited spot purchases and cancelled tenders as the offers were deemed too expensive. ■

Mid-scale Emerging Asia



Market Summary

India, Taiwan, Thailand and Bangladesh together imported 10.89mmt of LNG over April-May 2026, taking 171 cargoes from 18 supplier countries. Combined intake rose 10pct on the prior period (Feb-Mar 2026: 9.90mmt) but was 2pct below the year-earlier level (Apr-May 2025: 11.15mmt). The defining feature of the period was the disappearance of Qatari supply: having provided 28pct of the bloc's tonnage in Feb-Mar and 37pct a year earlier, Qatar delivered no cargoes at all. The United States moved into the lead at 32pct (3.44mmt, up 22pp), ahead of Australia at 19pct and Nigeria at 13pct.

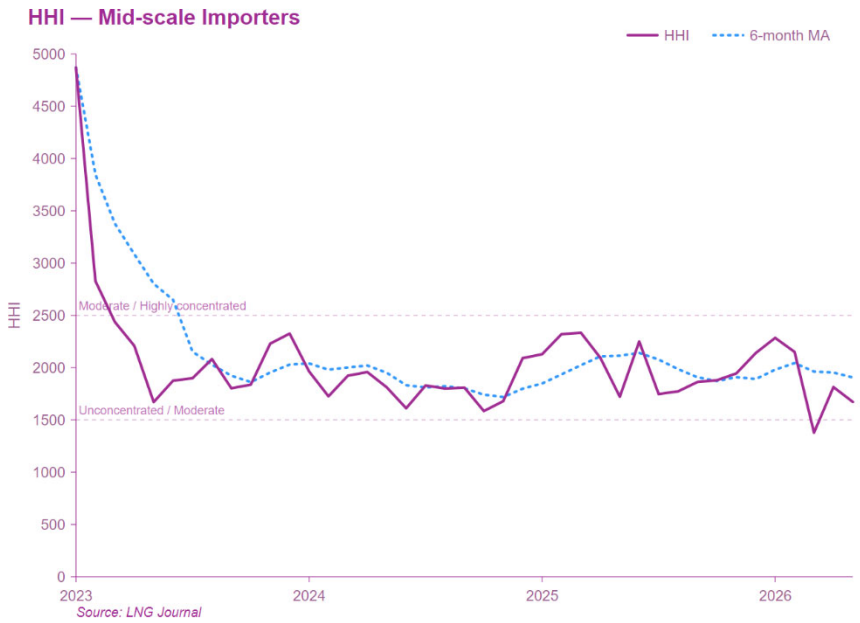
The cause lay outside the importers' commercial control. Qatar was effectively removed from the Asian market for the period through the persistent effective closure of the Strait of Hormuz to its cargoes; the UAE, which also loads inside the Gulf, fell to a single cargo. The bloc's supply consequently swung between basins rather than shrinking. Atlantic-sourced tonnage tripled to 6.37mmt, from 2.15mmt; Middle East supply fell to 1.10mmt, from 4.22mmt; and Pacific supply held at 3.42mmt. The residual Middle East volume was almost entirely Omani: Oman ships from Qalhat on the Gulf of Oman, outside Hormuz, and its deliveries were steady at 1.04mmt.

The combined HHI rose slightly to 1,703, from a diversified 1,456 in Feb-Mar, and sits within the moderate band. The United States simply replaced Qatar as the single largest source at a comparable share, so the bloc's degree of concentration changed little even as its geographic character inverted from Gulf to Atlantic. Beneath the headline the per-market picture diverged sharply, from Bangladesh, where concentration collapsed, to Taiwan, where it rose.

India

India was the largest demand centre of the group at 3.75mmt across 62 cargoes, up 16pct on Feb-Mar but 6pct below a year earlier. Qatar, which had supplied 24pct in the prior period and close to half of Indian intake a year ago, was absent: Petronet LNG received a force majeure notice on 3 March. The gap was met from three directions. The United States led at 30pct (1.12mmt), Nigeria rose to 23pct (0.86mmt) and Angola to 14pct (0.51mmt), while Oman, producing at capacity, held at 21pct (0.78mmt). The sole Gulf cargo to clear Hormuz in the period was a late-May ADNOC delivery from Das Island into Dahej.

Volumes held up despite the loss of contracted Qatari supply, helped by domestic management of the shortfall. The government had trimmed gas allocations to fertiliser producers to around 70pct of normal during the closure and restored them towards full by May ahead of the Kharif planting season, while buyers took additional spot cargoes as prices eased. Petronet's chief executive said on 4 May that the company expected full contracted Qatari volumes to resume once the regional situation stabilised, though it had not been receiving cargoes from the two damaged trains; Qatar has indicated repairs will sideline 12.8mtpa for three to five years. India's HHI rose to 2,059, from 1,639, remaining moderate. Dahej handled 2.20mmt across 36 cargoes, two-thirds of national intake, with the remainder spread across Dabhol, Dhamra, Hazira, Ennore, Mundra, Cochin and Chhara.



Taiwan

Taiwan imported 3.66mmt over 55 cargoes, up 6pct on the prior period and 4pct below a year earlier. As across the rest of the bloc no Qatari cargoes arrived, against a 25pct Qatari share in Feb-Mar. CPC met the shortfall by consolidating around its Pacific-basin partners and accelerating US purchases. Australia led at 39pct (1.43mmt) and the United States rose to 31pct (1.14mmt), the first month in which the United States has been Taiwan's largest single supplier. The US increase reflects both contracted volumes under CPC's Cheniere agreement, which began delivering in 2026, and additional spot purchases, CPC having been among the region's most active spot buyers through the disruption. Papua New Guinea supplied 10pct.

Because Taiwan leaned on Australian and American supply rather than a wide spot scramble, its supply concentration increased. The HHI increased to 2,658, from 1,919, moving into concentrated territory. The structural backdrop is unchanged, with gas-fired generation underpinning demand following the completion of the island's nuclear phase-out, and CPC continuing to target a higher US share over the medium term in the context of trade negotiations with Washington. Yung-an handled 2.08mmt and Taichung 1.32mmt, with Taoyuan taking 0.26mmt.

Thailand

Volumes fell 17 percent versus the prior Thailand took 2.26mmt across 36 cargoes, broadly flat on the prior period at plus 2pct and 4pct above a year earlier. The United States surged to 33pct (0.75mmt, up 30pp) to become the leading supplier, displacing both Qatar, which had held 16pct, and Chinese reloads, which had provided 14pct in Feb-Mar and ceased as Chinese buyers retained cargoes during the disruption. Australia (20pct) and Malaysia (19pct) followed. The US gain is in part structural: PTT began receiving contracted volumes from Cheniere's Corpus Christi plant in 2026, and Thailand committed to additional US LNG purchases under the energy package agreed with Washington in late 2025. All Thai cargoes discharged at Map Ta Phut. Thailand's HHI rose to 2,022, from 1,659, within the moderate band.

Bangladesh

Bangladesh recorded the period's most pronounced restructuring. Intake rose 23pct to 1.22mmt across 18 cargoes, but the supplier mix was transformed. Qatar, which had supplied three-quarters of Bangladeshi LNG in Feb-Mar, delivered nothing. Petrobangla replaced it with the widest spread of sources the market has shown, led by the United States at 35pct (0.43mmt) and followed by Mozambique, Australia, Angola and Nigeria, with smaller volumes from Trinidad, Oman, Senegal and Indonesia. Concentration fell precipitously: the country's HHI dropped to 1,840, from an extreme 5,849, the first recent period in which no single supplier dominated. The shift rested on costly spot procurement, and the World Bank approved $350mln of additional financing for Petrobangla on 15 May, explicitly to underwrite LNG import payments and ease the move from spot purchases towards longer-term contracts amid the price volatility caused by the Middle East conflict. Both Maheshkhali floating terminals ran harder than in the prior period, the Summit FSRU taking in 0.67mmt and the Excellence FSRU 0.55mmt.

Outlook

The period showed the mid-scale bloc absorbing a near-complete loss of Gulf supply without a fall in volume, a resilience the larger North Asian buyers did not match over the same months. That outcome rested on three supports that may not all persist: active state-backed procurement in India and Bangladesh, a convenient ramp in contracted US deliveries to Taiwan and Thailand, and ample Atlantic spot availability. Qatari supply will eventually return, but damage to two Ras Laffan trains points to a multi-year capacity gap rather than a quick restoration, and the shape of any return will depend on the security of Hormuz transit. The bloc has shown that its Atlantic and Pacific options are deep enough to cover a Gulf outage; the open questions are the cost at which it has done so, and whether the financing and contracting arrangements struck during the disruption harden into a lasting reorientation away from Qatar ◆

Plant	Atlantic	Middle East	Pacific	Apr-May 2026	Feb-Mar 2026	% Change p/p
Map Ta Phut LNG	1.2	0.12	0.94	2.26	2.22	1.8
Dahej	1.77	0.43	-	2.2	2.15	2.3
Yung-an	0.48	0.07	1.53	2.08	2.05	1.5
Taichung	0.74	-	0.58	1.32	1.16	13.8
Maheshkhali FSRU Summit	0.48	-	0.19	0.67	0.45	48.9
Maheshkhali FSRU Excellence	0.48	0.07	-	0.55	0.42	31
Dabhol	0.38		-	0.38	0.18	111.1
Dhamra LNG	0.18	0.06	0.06	0.3	0.15	100
Hazira	0.19	0.09		0.28	0.2	40
Taoyuan (Guantang) LNG	0.19	-	0.07	0.26	0.24	8.3
Ennore LNG	0.16	-	0.05	0.21	0.16	31.3
Mundra LNG	0.06	0.14	-	0.2	0.11	81.8
Cochin	0.06	0.07	-	0.13	0.29	-55.2
Chhara LNG	-	0.05	-	0.05	-	-

Source: LNG Journal

Venture Global, Thailand's PTT near binding LNG deal

Venture Global and Thailand's state-controlled energy giant PTT PCL are in advanced talks for binding LNG offtake, supposedly from the Plaquemines or CP2 export facilities in Louisiana. If finalized, the deal would help diversify Thailand's LNG supply away from Middle Eastern sources.

The negotiations have intensified amid disruptions to contractual Qatari LNG imports which left Thailand at the brink of gas shortages as the peak summer season approaches. Talks center on a binding offtake agreement for PTT PCL from one of Venture Global's US liquefaction terminals, sources told Reuters.

Plaquemines LNG, Venture Global's flagship project in St. Bernard Parish, Louisiana, is designed for a total capacity of 20 mpta across two phases. The first phase, Plaquemines LNG Phase 1, is rated at 10 mtpa and is currently under construction, with first cargo expected in the late 2020s. Once Phase 2 is in place, the full 20 mtpa terminal would become one of the largest LNG export terminals in the United States.

PTT's regas terminal in Map Ta Phut, Rayong

CP2, Venture Global's second export project in Louisiana, is planned for approximately 12.5 mtpa of annual LNG capacity. The project is in earlier development stages than Plaquemines, with a final investment decision (FID) expected later this decade depending on contract execution.

A firm offtake from Thailand's PTT PCL would advance the economics of CP2 and bring the project nearer to financial close.

Thailand has been actively diversifying its LNG offtake to reduce dependence on Middle Eastern suppliers and secure more 'safe', stable deliveries. Trade talks between the Trump administration and Thailand resulted in a statement, indicating that Thai firms would acquire approximately $5.4 billion annually in US energy products, including LNG, crude oil, and ethane. ■

Eni locks in 2 mtpa LNG offtake from Indonesia

Eni has secured about 2 million tonnes per annum (mtpa) of LNG from its South Hub and North Hub projects in Indonesia, supplied via the Bontang terminal in East Kalimantan. The additional supply will help Eni reach its target of more than 20 mtpa of contracted LNG supply by 2030.

The offtake from Bontang LNG was arranged through three long-term sales and purchase agreements (SPAs) and relates to gas development in the Kutei Basin.

Company sources cited the deal as a "volumes-and-offtake arrangement" rather than a "price announcement."

The SPAs follow Eni's final investment decision on the North Hub and South Hub developments, in which the Italian utility holds an average participating interest of more than 80%.

The Italian utility specified in March the two hubs were designed to add up to 2 billion cubic feet per day (bcf/d) of gas and 90,000 barrels per day (bbl/d) of condensate to its production capacity. First gas is envisaged in 2028.

Feed gas will be delivered to Bontang for liquefaction, which includes the reactivation of a production train that has been idle for several years. By using existing infrastructure, Eni aims for a faster commercialization route for the new gas output. ■

The 22.5 mtpa Bontang LNG terminal is one of the world's largest liquefaction plants

AG&P takes full control of Cai Mep LNG

AG&P is raising its stake in Vietnam's Cai Mep LNG terminal to 100%, taking full control of the 3 mtpa terminal as Hai Linh Company divests its interest. Singapore-based AG&P, majority owned by the US investment firm Nebula Energy, previously held 49% of the terminal after its 2024 investment. The full takeover would allow AG&P to position the Cai Mep terminal into its LNG supply, shipping and downstream supply chain.

Situated in Vung Tau province in southern Vietnam, Cai Mep LNG was commissioned in 2025 and began commercial operations in the third quarter of that year.

AG&P LNG and local partner Hai Linh had jointly ramped up the terminal over the past 12 months with a view to supply downstream customers in southern Vietnam. Initial design capacity of Cap Mep LNG is 3 mtpa, with potential expansion to 6 mtpa.

Regasified LNG at Cai Mep connects to the nearby Phu My industrial zone and has direct pipeline access to the Phu My gas-fired power complex, with 3.9 GW of generating capacity. The terminal contains three 220,000 cubic metres storage tanks, break-bulk capability and 14 truck-loading bays to transport natural gas via highways to demand centers in the Mekong Delta and southern Vietnam, facilitating the country's build-out of decentralised LNG-to-power projects. ■

Smaller-scale Emerging Asia

Market Summary

The six smaller-scale Asian import markets took a combined 3.00mmt of LNG across 67 cargoes during Apr-May 2026, a rise of 13pct on the prior period (Feb-Mar 2026). The bloc therefore expanded even as the two largest established North Asian buyers, Japan and South Korea, contracted, with Japanese imports down around a fifth and South Korean imports down by nearly a quarter, and Asia-wide intake running at multi-year lows on the Middle East crisis. The divergence has a structural explanation: the bloc carries almost no Gulf exposure. Only a single 0.02mmt cargo, delivered to Pengerang, originated in the Middle East this period, leaving the smaller-scale markets largely insulated from the Hormuz disruption that displaced Qatari and Emirati supply across the rest of the region.

Indonesia (1.14mmt) and Singapore (0.66mmt) again accounted for the bulk of the group, but the strongest momentum lay further down the table, in Vietnam and the Philippines, where declining domestic gas and rising power-sector demand drove sharp period-on-period gains. Singapore and Malaysia, the bloc's most price-sensitive merchant buyers, moved the other way.

Indonesia led the supplier mix at 36pct, almost all of it the country's own production redirected to domestic terminals, followed by Australia at 35pct and Malaysia at 14pct. Qatar, which supplied 16pct of the bloc a period earlier, was effectively absent. The combined HHI rose to 2739, a concentrated reading and higher than the prior period, as supply narrowed onto Indonesian and Australian volumes in the wake of the Gulf shut-in.

Indonesia

Indonesia took 1.14mmt across 30 cargoes, up 23pct on the prior period and once again sourced overwhelmingly (95pct) from domestic production. The country's "imports" remain structurally distinct from the rest of the bloc: the volumes are Indonesian cargoes from Bontang and Tangguh redirected to domestic regasification terminals, principally Nusantara Regas Satu (West Java), Lampung, Arun and Jawa Satu, contracted by the state utility PLN and the gas distributor PGN. Receipts rose across most terminals, led by Nusantara Regas Satu (+21pct) and Jawa Satu (+25pct), with a first cargo into the Amman Nusantara Regas facility. The increase reflects the continuing tension between Indonesia's export obligations and its growing domestic gas requirement rather than any change in sourcing.

HHI — Smaller-scale Importers

The structural picture firmed further out. At the Indonesian Petroleum Association convention near Jakarta on 20 May, Inpex reached agreements in principle with bp, PGN, PLN Energi Primer and Shell Eastern Trading on LNG offtake from the 9.5mtpa Abadi project in the Masela block, alongside a pipeline-gas understanding with Pupuk Indonesia. Abadi is an export-scale development still advancing towards a final investment decision, with first volumes years away; its near-term relevance is as confirmation of the resource base underpinning Indonesia's dual role as exporter and a steadily growing domestic consumer.

Singapore

Singapore imported 0.66mmt across 13 cargoes, down 14pct on the prior period. The decline coincided with the disappearance of its Qatari supply: the Middle East cargoes that had

driven Singapore's growth in recent periods, delivered under the QatarEnergy term contract, did not arrive, and Atlantic-basin and Pacific volumes, led by Australia at 64pct, only partly filled the gap. Singapore is the bloc's clearest case of direct Gulf exposure, and the shortfall illustrates the cost of that dependence when Hormuz transit is interrupted. The structural backdrop is unchanged: state buyer GasCo has been operationally able to procure LNG since 1 January, and a second import terminal remains planned for later in the decade.

Malaysia

Malaysia took 0.53mmt across 10 cargoes, down 9pct, with Australia again the leading supplier at 72pct into the Pengerang terminal in Johor. Domestic Petronas volumes continued to feed the Sungai Udang FSRU in Melaka, which edged higher. The single 0.02mmt Middle East cargo recorded for the entire bloc this period arrived at Pengerang. Malaysia's position is unusual in that it both exports LNG from Sarawak and imports into the peninsula to balance maturing domestic fields; the modest pullback is consistent with the discretionary, price-sensitive character of that peninsular intake against a sharply higher international market.

The Philippines

The Philippines imported 0.37mmt across six cargoes, up 76pct on the prior period and the bloc's second-fastest growth after Vietnam. The bulk arrived at PHLNG in Batangas (+48pct), with a first cargo into the FGEN Batangas terminal. The increase tracks the structural displacement of indigenous gas: the Malampaya field, historically as much as two-fifths of Luzon's power, is in sustained decline, with a planned expansion phase not due until late 2026. The integrated Ilijan power complex drawing on PHLNG, together with a long-term supply contract into the complex stepping up from 2026, is converting that decline directly into LNG demand. Procurement remains largely spot-dependent, leaving Philippine volumes exposed to the elevated price environment, but the underlying demand trajectory is firmly upward.

Vietnam

Vietnam received 0.24mmt across six cargoes, more than tripling its prior-period intake and the strongest proportional gain in the bloc. All volumes passed through the Thi Vai terminal, which supplies the Nhon Trach 3 and 4 power plants near Ho Chi Minh City, with Australia the largest single supplier at 46pct alongside cargoes from Malaysia and Brunei. PV Gas said in April that it would step up imports through the rest of the year, citing declining domestic gas supply against rising power-generation demand during the dry season, and raised Thi Vai's regasification capacity accordingly; the intake also coincided with forecasts of above-average temperatures into the early summer. The buying came at elevated prices, a reminder that Vietnam's developing market is taking on price exposure as it scales. The longer-term direction is set by downstream build-out, including the start of construction on the 1.5 GW Quynh Lap project and PV Gas's five-year supply agreement with Shell from 2027.

Myanmar

Myanmar received 0.06mmt across two cargoes from Malaysia, into the Thanlyin terminal near Yangon, down a third on the prior report period. Volumes remain marginal and lumpy, sustaining the Thanlyin and Thaketa power plants rather than signalling any broader demand growth. The market continues to operate under the foreign-exchange and operational constraints that have characterised it since imports resumed, and its contribution to the bloc is marginal.

Outlook

Our data points to a bloc whose resilience this period was a function of what it does not buy. With negligible Gulf supply and an anchor of Indonesian self-supply, the smaller-scale markets grew while the Hormuz disruption fell hardest on the larger, Qatar-linked North Asian buyers. However, the insulation had limits: the non-Indonesian members lean heavily on Australia, which supplied the majority of imports into Singapore, Malaysia, the Philippines and Vietnam. Concentration on a single external source is now the bloc's principal supply-side vulnerability, and any sustained interruption to Australian loadings would be felt quickly across four of the six markets.

The demand signal is clearest in Vietnam and the Philippines, where depleting domestic gas and growing gas-fired generation are translating into structural LNG growth, albeit from a low base and at the cost of rising exposure to spot prices. Indonesia remains the swing factor for the wider region: its widening gap between export commitments and domestic demand, rather than its headline import figure, is what bears watching, given the volumes that Japan and South Korea lift from it. Singapore's loss of Qatari supply this period is a pointed illustration of how even a well-contracted buyer can be left short when a single corridor closes ◆

Plant	Atlantic	Middle East	Pacific	Apr-May 2026	Feb-Mar 2026	% Change p/p
Singapore LNG	0.23	-	0.43	0.66	0.77	-14.3
Nusantara Regas Satu	-	-	0.40	0.40	0.33	21.2
PHLNG	-		0.31	0.31	0.21	47.6
Pengerang LNG	-	0.02	0.28	0.30	0.36	-16.7
Lampung LNG		-	0.26	0.26	0.22	18.2
Arun Conversion	0.06	-	0.18	0.24	0.23	4.3
Thi Vai LNG	-		0.24	0.24	0.07	242.9
Sungai Udang FSRU	-	-	0.23	0.23	0.22	4.5
Jawa Satu FSRU	-	-	0.15	0.15	0.12	25.0
Amman Nusantara Regas	-	-	0.06	0.06	-	-
FGEN Batangas LNG	-	-	0.06	0.06	-	-
Thanlyin LNG	-	-	0.06	0.06	0.09	-33.3
Gorontalo FSRU	-	-	0.02	0.02	0.02	0.0
Benoa LNG	-	-	0.01	0.01	0.01	20.0

Source: LNG Journal

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