LNG Unlimited

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Irish terminal in Cork may be first supplied by Texas Rio Grande plant

US CEO has some Irish connections as graduate of University of Notre Dame in state of Indiana

Our Europe editor

Graphic of how Rio Grande plant near Brownsville will look

US LNG development company NextDecade has signed an accord with the Port of Cork to eventually ship LNG cargoes from Texas to the Republic of Ireland for distribution in the European market.

The memorandum of understanding between the Irish port and NextDecade envisages a joint venture and deployment of a floating storage and regasification unit (FSRU) in Cork along with associated LNG import terminal infrastructure.

August 2 event

"NextDecade and the Port of Cork are planning a joint public event at the Port of Cork on August 2 to highlight the MOU and its potential benefits for Ireland and its regional partners," said NextDecade Chief Executive Kathleen Eisbrenner.

The US company's partner in the Irish venture will be the small Norwegian floating project player Flex LNG and its Chief Executive Jonathan Cook.

Under the terms of the accord, the potential development in Cork would receive LNG from NextDecade's planned Rio Grande LNG export venture in the port of Brownsville in South Texas.

"The development would provide competitively priced energy solutions to Ireland and its regional partners under long-term contracts," said NextDecade.

"If constructed, the project would substantially increase and diversify Ireland's supply of natural gas," the US company added.

"The MOU commits the parties to undertake exclusive negotiations to develop the LNG import project," it said.

NextDecade's Rio Grande project is located close to gas resources in the Permian Basin and Eagle Ford Shale.

The Rio Grande venture has an affiliated pipeline project also under development, originating in the Agua Dulce market area.

NextDecade believes the Port of Cork facility could support imports of up to 3 million tonnes per annum of Texas LNG.

The US company whose Chief Executive is Kathleen Eisbrenner, a former senior LNG executive at Royal Dutch Shell, signed a Heads of Agreement in December 2016 with FSRU provider Flex for the development of export-import joint ventures.

"NextDecade is in discussions with European energy companies to enter into long-term purchase contracts for delivery of LNG at the Port of Cork," it added.

NextDecade proposes to build its liquefaction plant on a 1,000-acre site for the Texas venture.

When completed the plant would process around 27 MTPA of LNG from six Trains, each with capacity for 4.5 MTPA.

The facility would also have four 180,000 cubic metres capacity full-containment storage tanks.

Known as one of the highest-profile woman operators in the LNG industry, Eisbrenner holds a bachelor of science degree in civil engineering from the University of Notre Dame in Indiana and is currently resident in Texas.

She previously worked as Executive Vice President at Shell, responsible for global LNG strategy at the Anglo-Dutch company.

Eisbrenner was also a founder of Houston-based Excelerate Energy, one of the market leaders in FLNG ventures. The CEO also formerly served as a board member of Chesapeake Energy Corp. ■

UNLIMITED AGENDA

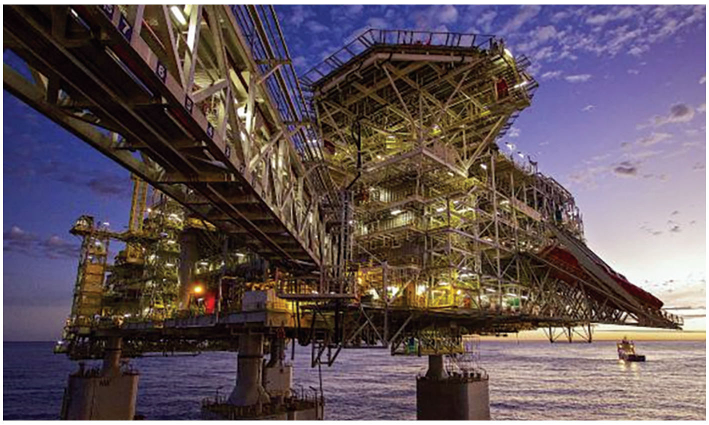
Woodside posts rise in LNG revenues ahead of stake in Wheatstone plant kicking in for earnings

Our Asia-Pacific editor

Woodside Petroleum, operator of the North West Shelf plant and Pluto facility in Western Australia, posted US$867 million in second-quarter revenue and said final commissioning of the Wheatstone LNG Train 1 was "well advanced" and nearing completion.

Woodside's revenue was 5.1 percent higher than the US$825M recorded in the second quarter of 2016.

Woodside is a shareholder in the Wheatstone venture operated by Chevron Corp. and located onshore the Pilbara region at the town of Onslow.



Australian company has global energy interests

Pluto plant

The Australian oil and gas company said its own Pluto LNG plant achieved record daily and weekly production, 3 percent higher than the previous record set in the third quarter of 2016 after successfully completing a de-bottlenecking process.

It said a production trial demonstrated additional capacity in the single-Train plant and would be considered in decision-making on expansion options for Pluto LNG.

Woodside said the NWS plant shipped 60 cargoes in the second-quarter, though production was lower due to two unplanned outages during the three months. The Pluto facility sent 16 cargoes to customer.

The company said its average LNG price from Karratha was higher at $6.60 per million British thermal units compared with $5.70 in the same three months of 2016.

Woodside also noted that during the quarter it entered into a long-term LNG sale and purchase agreement with Indonesian state-owned energy company Pertamina to supply up to 1.1 million tonnes per annum from 2019.

In other quarterly highlights, Woodside said NWS project participants agreed on a tolling proposal and have started talks with third-party resource owners for processing gas through the Karratha Gas Plant.

Woodside Chief Executive Peter Coleman said that the company continued to perform to plan as it progressed with activities across its portfolio.

"Pluto achieved a number of production records," said Coleman.

"Wheatstone has made significant progress with commissioning of LNG Train 1 in the final stages," he added.

"The North West Shelf Project participants achieved a major milestone by proposing non-binding key terms to process gas through the Karratha Gas Plant to other resource owners.

CEO of Adelaide-based player Santos enthused by debt paydown along with LNG and domestic gas outlooks

Australian energy company Santos, a stakeholder in three Asia-Pacific LNG export plants, said in its second-quarter earnings it was successfully tackling its debt issues helped by improving LNG prices as it also planned increases in domestic market volumes in the state of Queensland.

Santos Chief Executive Officer Kevin Gallagher said the company's latest results showed further progress on reducing costs, lowering net debt and improving free flow.

"Compared to the end of 2016, our net debt position is US$600 million lower at US$2.9 billion and our forecast free cash flow breakeven for 2017 now sits at US$33 per barrel of oil, well below the US$47 per barrel at the beginning of 2016," said Gallagher.

"These are strong outcomes that highlight Santos's ongoing transformation into a low-cost, reliable and high performance business with a robust asset portfolio," he added.

Santos is the operator of the Gladstone coal-seam-gas-to-LNG plant in the eastern Australian state of Queensland. Its partners are the French company Total, Petronas of Malaysia and Korea Gas Corp.

Santos also has stakes in the ConocoPhillips-operated Darwin plant in Australia's Northern Territory and in the ExxonMobil-run Papua New Guinea LNG export facility.

The company's second-quarter production of 14.7 million barrels of oil equivalent was in line with the previous quarter.

"Sales revenues were up 12 percent to US$769 million primarily due to higher LNG prices and the timing of liftings," said the Santos CEO.

"As a result of this solid operational performance, Santos has increased its production and sales volume guidance for 2017 to 57-60 mmboe and 75-80 mmboe respectively," he added.

Gallagher said more efficient and lower-cost operations had enabled Santos to increase drilling activity in both the Cooper Basin and across its Gladstone CSG acreage in Queensland.

"This has been achieved as a result of the significant improvements in drill and upstream cost performance over the last 18 months," said the Santos CEO.

"These additional wells will help boost production over the next few years so Santos can deliver increased gas supply for the domestic market," he added.

Santos said it executed a number of term gas sales into the east coast domestic market during the second quarter.

"As a long-standing supplier of gas to Australian customers in both the east and west coast, we understand the importance of well-functioning domestic markets," stated Gallagher.

"It is also pleasing to see our exploration and appraisal activity growing as part of our disciplined operating model, with successful outcomes in the Cooper Basin, as well as Muruk in Papua New Guinea and Barossa offshore Northern Australia," he added.

Santos said on July 4 it had started a strategic partnership with two Chinese companies and this will include upstream investment in natural gas in Australia and PNG.

Jordan tenders for 32 cargoes ahead of start of Israel contract

The Kingdom of Jordan is seeking the supply of more than 30 LNG cargoes in 2018 before the completion in 2019 of the Israeli Leviathan natural gas field that will send offshore pipeline gas to Israel's Arab neighbour amounting to 35 million tonnes of LNG over 15 years.

The National Electric Power Company of Jordan (Nepco) issued its tender seeking the supply of up to 32 cargoes to its quay-side import facility at the port of Aqaba.

Volumes would be delivered during 2018 on a delivered ex-ship (DES) basis whereby the seller supplies the carrier transportation, according to the tender document.

Jordan started importing LNG in May 2015 when the 160,000 cubic metres capacity "Golar Eskimo" floating storage and regasification unit (FSRU) arrived in the port of Aqaba.

The FSRU can receive 500 million standard cubic feet per day with a peaking capacity of 750 million per day.

"Interested tenderers can obtain the Tender documents for a non-refundable fee of 500 Jordanian dinars from the purchasing department in Nepco at al-Swefeah Zahran Street, Amman," the company said.

"Offers should be submitted to the secretary of the tendering committee at the above mentioned address. The last date for submission of the bids is 14:00 in the afternoon of Wednesday 2 August 2017," Nepco said.

Delek Group of Israel and Noble Energy of the US plan to supply pipeline gas to Jordan's Nepco by 2019 from its East Mediterranean Leviathan gas field project.

Norwegian project firm Hoegh LNG to cooperate with Nakilat on FSRUs

Our Europe editor

Hoegh and Nakilat executives at joint venture ceremony

Norwegian shipping company and import project developer Hoegh LNG has signed an agreement with Qatar Gas Transport Co., also known as Nakilat, to explore joint ventures in the floating storage and regasification unit (FSRU) business.

Both companies said FSRUs were now the leading technology in the LNG import market, providing a strategic solution for countries without LNG receiving terminal infrastructure, enabling better accessibility of clean energy.

Significant

"Among the significant benefits of FSRU are the ability to serve attractive markets which would otherwise not be able to utilize natural gas, pose lesser transportation risks and have the flexibility to be relocated or used as an LNG carrier," said Hoegh and Nakilat.

Nakilat's Managing Director Abdullah Al-Sulaiti said his company viewed the alliance with the Norwegians, who are leading owners and operators of FSRUs, as a huge step for further growth.

"This agreement paves the way for greater business opportunities to create substantial platforms for local players to get involved in the project, exposing them to innovative technologies and expertise that would be beneficial to their growth and the development of Qatar's energy and maritime industry," said Al-Sulaiti.

"Nakilat is always looking at opportunities of diversifying solutions to deliver clean energy worldwide, supporting the rising global demand of LNG," he added.

Nakilat is in the middle of the largest ever transition of LNG fleet operations. It involves 25 vessels previously operated for the Qataris by Royal Dutch Shell's shipping arm being handed back.

The Qatari fleet comprises the 266,000 cubic metres capacity Q-Max carriers and the 210,000 cubic metres capacity Q-Flex ships.

Shell had previously provided ship management for 14 Q-Max and 11 Q-Flex LNG carriers as well as Shell's shipping expertise.

When the transfer accord was signed in October 2016, Nakilat expressed its thanks to Shell for its professional management of the fleet over the previous eight years and was determined to uphold the same excellent standards for the vessels.

Hoegh President and Chief Executive Sveinung J.S. Stohle said he was pleased and proud to be a new partner of Nakilat.

US LNG data shows flow to UAE and how Poland paid less than the Dutch

Three US LNG cargoes were sent to both the United Arab Emirates and Mexico and two were sent to South Korea as a monthly record 18 LNG cargoes were shipped from the Sabine Pass plant in Louisiana, while the Poles paid much less for their LNG than the Dutch, according to the latest detailed data released by the Department of Energy.

Among the remainder of the 10 shipments, the purchasing nations were Argentina, Brazil, China, Japan, Jordan, Kuwait, the Netherlands, Poland, Portugal, and Taiwan.

Shipping data also showed that the cargoes were delivered by contract holders such as Royal Dutch Shell, Gas Natural Fenosa and the Cheniere marketing unit.

Among the interesting details in the US data for May was that the Dutch paid $2 per MMBtu more for a cargo lifted from Sabine pass than did Poland.

The Netherlands shipment to Gate LNG in Rotterdam by the "Arctic Discoverer" was priced at $6.10 per MMBtu while Poland's shipment delivered to the Baltic port of Swinoujscie on the carrier "Clean Ocean" cost $4.10 per MMBtu.

The Northwest Europe shipments for the Netherlands and Poland were lifted from Sabine Pass one day apart on May 21 and May 22 respectively.

Cheniere Energy's plant had sent out 15 cargoes the previous month and narrowed its monthly delivery count to seven different nations, with the majority going to South American and Latin American countries, according to the latest detailed data from the US Department of Energy.

Prices during May were lower in the $3.61 per MMBtu to $6.61 per MMBtu range versus the April prices of $3.65 per MMBtu to $6.65 per MMBtu.

Since Sabine Pass began its shipments in February 2016, the largest recipient of US LNG has been Mexico with 28 cargoes received followed by Chile with 14, China with 11 and Argentina with 10.

NEWS NUDGES

US-Mexico gas auction date

Cenagas, the Mexican public body entrusted with assigning capacity rights for pipelines that were previously owned by national energy company Petroleos Mexicamos (Pemex), plans to hold another public auction on August 10 for capacity on the five US cross-border natural gas pipelines assigned to the Mexican Federal Electricity Commission. In the first round for Pemex capacity a total of 24 local and international companies requested rights for 3.6 billion cubic feet per day, more than the 2.2 Bcf/d available.

LNG barge is approved

French classification society Bureau Veritas awarded the Chinese ship and platform builder Wison Offshore and Marine its approval in principle for a newly-developed floating storage regasification and power generation barge. Wison and BV said they had completed the validation for the specified design of the facility with 50 megawatts of capacity. “With the interest in small-scale, LNG-to-power growing, we are developing the building blocks for a lean and integrated supply chain,” said Maarten Spilker, Senior Solutions Director of Wison.

Annova LNG advances

The US Federal Energy Regulatory Commission said it was preparing a draft environmental impact statement for the Annova LNG Brownsville export project planned for the south bank of the Brownsville Ship Channel in Texas. The venture would include six small-scale liquefaction Trains producing a total of 6 million tonnes per year of LNG, an interconnected pipeline and marine export facilities.

US outlines new Trump energy policy including LNG, Canada and Mexico

Our North America editor in New York

US Energy Secretary Rick Perry said in a major policy speech in Washington that the nation was planning a “new North American energy strategy” with Mexico and Canada included as it shares the benefits with the world of its LNG export build-out and shale-gas production surge.

Perry was speaking at the National Press Club after taking part in an energy presentation with Fatih Birol, the Executive Director of the Paris-based International Energy Agency.

Perry spoke at National Press Club in Washington with the Executive Director of the International Energy Agency

Export focus

Perry, the former Governor of Texas, said the Administration of President Donald Trump was “pushing for increased exports of LNG and other energy sources” to global markets.

He said President Trump had offered a “comforting” message to energy companies seeking to export LNG from terminals in Texas, Louisiana and other US states, stating: “If you meet the rules, here's your permit.”

He said the prospect of turning North America into an energy powerhouse to rival the Middle East has been discussed previously and had now arrived.

Perry explained that since the advent of the shale boom, the US had emerged as the world's largest oil producer.

However, he noted that Canada was also the world's fourth-largest oil producer and Mexico, which had undertaken historic reforms to its energy sector under President Enrique Pena Nieto, is 11th in the list of oil nations.

“I'm excited they're our partner, and we look forward for many decades of economic prosperity for this region,” said Perry.

He said at the core of the discussions is the US, Canada and Mexico working together on increasing energy production and exports, while aiming to improve security on the countries' power grids, pipelines and energy systems.

The US policy also means not putting an over-reliance on renewable power projects such as wind and solar without proper proof of guaranteed capacity when needed.

Perry also pointed to the announcement last week of a billion-barrel crude oil discovery off the Mexican coast. He said: “Mexico is going to be a massive influence in the energy markets going forward.” ■

Chart Industries celebrates 25 years of pioneering ISO containers used for LNG

Chart Industries, the US maker of liquefied natural gas liquefaction and storage equipment, is celebrating 25 years since its pioneering of the ISO shipping containers that now carry LNG to small-scale users in the Caribbean, Europe and Asia.

“Some of those earliest items are still in service today and it is their reliability, durability and our continued technical innovation that ensures Chart products remain the industry benchmark,” said Chart.

“Originally developed for the safe, economical and convenient transport by road, rail and water, of atmospheric and technical gases for industry and leisure; the standard 20-feet and 40ft containers are also now widely used for LNG and are key components in Chart’s small-scale LNG solutions, facilitating the use of natural gas as a clean-burning, economical fuel alternative to diesel and other distillates,” the company explained.

Chart said ISO containers were integral to its skid-mounted Natural Gas Vehicle fueling stations, onboard ship-fueling systems, satellite stations and even feature as tender cars for natural gas-powered locomotives.

The US company noted that in 2016 Chart delivered an LNG solution enabling the power station on the Portuguese island of Madeira to burn natural gas, despite not being connected to the pipeline grid.

Chart is currently consolidating its core business of LNG and recently entered into an agreement to acquire its smaller US sector rival Hudson Products Corp. for $410 million in cash.

Hudson, based in Beasley, Texas, makes a range of heat-transfer equipment for the refining, petrochemical, natural gas and other industrial markets. ■

Inpex of Japan expects the FPSO for Australian Ichthys LNG project to arrive offshore mid-August

Our Asia-Pacific editor

'Ichthys Venturer' on one-month voyage from Okpo in Korea

Inpex Corp. of Japan said the Ichthys LNG export project it is developing in Australian is expecting the arrival in mid-August of the Floating Production Storage and Offloading (FPSO) facility to process resources for the venture.

The "Ichthys Venturer" sailed away on July 18 from waters near its construction site in Okpo, South Korea, enroute to the Ichthys gas and condensate field offshore Western Australia following the completion of shipyard commissioning and preparation work.

Long tow

"The FPSO is being towed to the Ichthys Field approximately 5,600 kilometres distant from South Korea over a period of about one month, after which it is scheduled to undergo hook-up," said Inpex.

"The facility, which is 336 metres long and 59 metres wide, will undertake the role of temporarily storing condensate separated and produced by the Central Processing Facility (CPF), the 'Ichthys Explorer', located offshore approximately 3.5 kilometres away and offloading the condensate to buyers' tankers," the Japanese company explained.

The CPF arrived at the Ichthys gas field on May 29 of 2017 following a 34-day towing operation, and having completed mooring, is currently undergoing hook-up and commissioning work.

Inpex Chief Executive Toshiaki Kitamura said recently he was strengthening Inpex as a company in the LNG sector.

This includes pushing for completion of the LNG liquefaction plant for the Ichthys project near Darwin being developed with French energy company Total and which has twice pushed back its completion date.

Kitamura has said that the Ichthys venture was also likely to be expanded with the building of additional liquefaction Trains near the Bladin Point plant site.

The Ichthys joint venture has long-term contracts to supply LNG shipments to the Japanese utilities Tokyo Gas, Osaka Gas, Kansai Electric Power, Toho Gas and Jera Co. Inc., the joint procurement venture between Tokyo Electric Power and Chubu Electric. ■

Timor Este has hopes raised for LNG and energy from latest data

Exploration surveys offshore Timor Este, the former Portuguese colony located north of Australia, have raised hopes of LNG and natural gas projects in the future as the Greater Sunshine project remains deadlocked.

"Preliminary evaluation of the 3D seismic survey off the south-east tip of Timor Leste indicates the presence of more than 30 individual closed seismic structures at three geological levels, which are frequently stacked vertically and seen in 17 geographically distinct locations," said the report.

The survey covered 2,780 square kilometres and was carried out by the "BGP Prospector" geophysical vessel over the PSC TL-SO-15-01 block some 50 km southeast of the eastern tip of Timor Este.

The block is midway between Timor and the Greater Sunrise gas and condensate fields and lies exclusively within Timor Este's maritime boundaries.

Timor Este and the Australian Government in January 2017 announced they would abandon a 10-year-old treaty on maritime borders.

The Australia-Timor treaty was an agreement that a freeze of 50 years be put on negotiations for a permanent maritime border in the Timor Sea.

Within the area is the large Greater Sunrise gas field, which straddles Australian and East Timor waters in a proportion of 80 percent to 20 percent.

Timor Este wants the field developed by bringing the gas to an onshore LNG liquefaction plant. However, potential partner Woodside Petroleum views that venture as uneconomic.

Timor Este's aim is to boost economic development and create new downstream resources to boost income for the nation ruled by Indonesia until 2002 and previously by Portugal.

Bangladesh signs first initial LNG supply agreement with the Qataris

Our Asia-Pacific editor

Bangladesh has signed its first initial LNG supply agreement with Qatar after recent progress on establishing the Asian nation's first import facility at an island in the Bay of Bengal.

Qatar and Bangladesh's state-owned energy company Petrobangla signed the preliminary accord prior to a sale and purchase agreement (SPA) to import 2.5 million tonnes per annum for a 15-year period.

Moheshkhali terminal will include an FSRU from Excelerate

Delegation

A delegation from Qatar has just negotiated the agreement in the Bangladeshi capital Dhaka, including the pricing of the shipments, which will be linked to crude oil.

Excelerate Energy, the US LNG terminal project company, and the World Bank in July 2017 arranged the debt financing for the first Bangladesh facility.

The World Bank's International Financing Corp., which offers advice and investment to the private sector in developing countries, and Excelerate will bring LNG infrastructure to the Asian nation for an initial investment of $179.5 million.

The floating storage and regasification unit (FSRU) and shore-based infrastructure will be put in place at Moheshkhali Island.

The construction of the terminal will commence in the fourth quarter of 2017 and is expected to be in service by mid-2018.

The Moheshkhali terminal will include an FSRU with 138,000 cubic metres of LNG storage capacity supplied by Excelerate, the installation of a subsea buoy system anchored offshore and the employment of port service vessels during operations.

The equity for the project had been tied up earlier with the IFC coming in with a contribution of $10.8M and Excelerate's equity amounting to $43.1M.

As lead arranger for the project, the IFC said it helped arrange the debt financing package of $125.7M for the venture.

Bangladesh's first LNG import terminal will enable state energy company PetroBangla to increase natural gas supply in the country by up to 20 percent, sufficient to support up to 3,000 megawatts of gas-fired power generation capacity.

Papua New Guinea firm Oil Search reports interest in new offtake deals

Oil Search, a stakeholder in the Papua New Guinea LNG export plant and its expansion project, reported record production at the plant northwest of Port Moresby and operated by partner ExxonMobil.

Oil Search said in its second-quarter production report that PNG LNG posted monthly average output that would equate to 8.65 million tonnes per annum following a compressor upgrade programme.

The company also reported "strong customer interest" in new LNG offtake agreements as ExxonMobil continued marketing up to 1.3 MTPA from the existing PNG plant.

The company's average realised LNG and gas price in PNG was US$7.93 per million British thermal units, 7 percent higher than the first-quarter average, while the average realised oil and condensate price decreased by 8 percent, to US$50.99/barrel.

Oil Search's total revenue for the period was US$332.5 million, taking total revenue for the half year to US$676.2 million, 16 percent higher than in the first half of 2016.

The project had operated during the previous month at an annualized rate of approximately 8.1 MTPA, though after scheduled maintenance in May it rose in June to the highest monthly rate achieved since start-up.

"Total production in the second quarter of 2017 was 7.24 million barrels of oil equivalent (mmboe), 4 percent lower than in the previous quarter," said Oil Search, listed on the Australian Securities Exchange and whose operations centre on PNG.

"This was due to planned maintenance activities at Oil Search's operated facilities, as well as at the PNG LNG plant.

"Total production for the first half of 2017 was 14.81 mmboe, similar to the 2016 first-half production and the company remains on track to deliver 2017 production within the 28.5-30.5 mmboe guidance range," it stated.

"First-half sales revenue was 16 percent higher than in 2016. Total hydrocarbon sales were 4 percent lower than in the first quarter, due to the maintenance shutdowns and timing of liftings, with three LNG cargoes on the water at the end of the quarter," said Oil Search.

Indian imports drop for a second month as costs over last quarter of this fiscal year rise by $400M

Our Asia editor

Indian LNG imports declined for a second month with government figures showing shipments in the current fiscal year had cost US$400 million more than in 2016 as volumes were received from nations such as Australia, Nigeria and Qatar.

LNG imports for the month of June amounted to 1.30 million tonnes of LNG (1.76 billion cubic metres of natural gas) compared with 1.44MT in the same month of 2016, a fall of 9.7 percent.

Expenditure

The 2017 fiscal year is now three months in and the data from the Ministry of Petroleum and Natural Gas showed that cumulative LNG imports amounted to 4.35MT of LNG (5.88 Bcm of gas) versus 4.61MT in 2016, a fall of 5.69 percent.

India said it spent around US$1.6 billion on LNG in the three months from April to June compared with US$1.2Bln in the same three months of 2016.

Indian shipments had dropped by 7.5 percent in May when they amounted to 1.46MT compared with 1.58MT in May 2016. LNG imports by India in April had increased by 1.90 percent to 1.65MT.

'Asia Vision' delivered Australian cargo to Dahej terminal

During June cargoes arrived in India mostly from Qatar and were delivered to its three main regasification terminals, Dahej, Dabhol and Hazira, all on the West Coast near Mumbai.

Among the June cargoes, the 160,000 cubic metres capacity vessel "Asia Vision" delivered an Australian shipment on June 9 to the Dahej import terminal, operated by Petronet. The cargo was lifted from the Gorgon export terminal in Western Australia.

The 153,500 cubic metres capacity, French-flagged carrier "Gaselys" delivered a shipment on June 28 to the Hazira terminal, operated by Shell, from the Ras Laffan plant in Qatar.

On the same day, the 148,300 cubic metres capacity "LNG Imo" unloaded a cargo at the Dahej terminal from the Bonny Island plant in Nigeria.

India will receive more US cargoes from the end of 2017 when the Cove Point plant in Maryland starts up and sends shipments to the tolling contract holder.

The Ministry also said that gross domestic production of natural gas for June 2017 rose about 6 percent to 2.75 Bcm and for the first three months to 8.05 Bcm, up 4 percent from 2016.

Cumulative LNG imports for the past fiscal year from April 2016 to March 2017 rose 15.5 percent higher to 18.20MT compared with 15.76MT in the previous fiscal year.

Shipments to India had risen 30 percent in the 2016 calendar year to 18.99MT from 14.60MT in 2015, led by Qatar with 11.37MT and countries such as Nigeria with 2.63MT, Equatorial Guinea with 1.33MT and Australia with 1.11MT.

India will receive more US cargoes from the end of 2017 when the Cove Point plant in Maryland starts up and sends shipments to the tolling contract holder, Gas Authority of India.

The government said recently it was planning the formation of a Gas Trading Hub to handle more LNG and natural gas supplies and pledged to improve the gas pipeline transmission infrastructure.

Proposals include the fast-tracked Urja Ganga project to boost city-gas pipeline connections in eastern India.

The pipeline expansion venture is led by Gas Authority of India (GAIL) and involves laying 2,540 kilometres of pipelines in five eastern states to provide gas for 40 districts and 2,600 towns and villages. ■

Japan's deliveries fall compared with 2016 as cargo costs soar and thermal coal shipments rise

Japanese liquefied natural gas imports declined amid a more than 20 percent jump in thermal coal shipments to replace LNG for power generation in Japan as LNG costs in June showed a surge of 44 percent compared with a year ago on similar volumes.

LNG shipments in June fell by 1.2 percent to 6.18 million tonnes compared with 6.26MT in the year-ago period.

The cargoes cost a total of 296.16 billion yen (2.64Bln) in June 2017, a 44 percent rise on the same month in 2016 when they cost 205.8Bln yen ($1.83Bln), according to the trade figures from the Japanese Finance Ministry.

The thermal coal imports amounted to 10.22 million tonnes last month versus 8.50MT in June 2016.

The nation's LNG imports had jumped 13 percent in May compared with the year before and the cost to Japan of the shipments was $1.13Bln more on a monthly basis.

The Ministry data on LNG imports showed that Asian shipments in June from nations such as Malaysia and Indonesia, Papua New Guinea and Brunei dropped 30.4 percent from a year ago to 1.62MT.

Imports from the Middle East region rose 4.0 percent compared with June 2016. The shipments from countries like Qatar, the United Arab Emirates and Oman totalled 1.43MT.

While there were no shipments from the US in June, the Japanese logged 143,000 tonnes of US LNG in May, the equivalent of two cargoes.

Monthly Russian shipments, mostly from the Sakhalin Island plant in the Far East, rose 2.1 percent to 470,000 tonnes.

The balance of June LNG imports from other nations in the preliminary figures edged higher to 2.66MT versus 2.62MT in May 2017, covering shipments from countries such as Australia and Nigeria, as well as from the spot market.

Japanese LNG imports for all of 2016 amounted to 83.34MT, a decline of 2 percent on the previous year. Those shipments cost the equivalent of $28.94Bln, a drop of 40.4 percent compared with 2015.

Government figures released on July 11 showed that the average delivered price of spot LNG arriving in Japan in June was $5.60 per million British thermal units, a rise of $1.10 per MMBtu versus the $4.50 per MMBtu price registered in June 2016. ■

ConocoPhillips plans full shut-down of export plant at Kenai in state of Alaska for lack of buyer

Our North America editor in New York

ConocoPhillips intends to fully shut down its small-scale liquefaction and export plant located in Nikiski on the Kenai Peninsula because of low global LNG prices and the US major's lack of progress in finding a suitable buyer for the plant.

ConocoPhillips said it was preparing to put the plant into long-term shutdown mode in the autumn.

Procedure

"The reduced operations will focus on continued preservation of the facilities for future LNG exports," the company said.

"How long the plant is moth-balled will depend on market conditions and right now there are about 30 people working at the LNG plant, 18 of whom are ConocoPhillips employees," it added.

Kenai location is still favoured by Alaska LNG project

The location had always been favoured by the new and larger Alaska LNG project and the purchase of the plant would give the venture a brownfield site to build on.

ConocoPhillips said in November 2016 it planned to sell the Kenai facility, which was the first US liquefaction and export plant to come on stream in 1969 and went on to export cargoes to Japan for 46 years.

Kenai LNG had been given a short reprieve after shutting down in 2013 and during 2014 and 2015 exported about 10 cargoes to Japan, mostly on a spot basis to Japanese utilities.

LNG from Kenai had previously been shipped under long-term contract to Tokyo Electric Power Co. and Tokyo Gas, though operations were gradually cut back at the ageing plant where the capacity is less than 900,000 tonnes per annum.

The volumes delivered from the two-Train Kenai plant were small compared with the eventual 27 million tonnes per annum for the first US Gulf Coast LNG export plant to come on stream, Sabine Pass in Louisiana.

The AGDC-led Alaska LNG project itself is planning to produce an initial 20 MTPA of LNG from its four planned processing Trains.

The original investors in the Kenai plant were Marathon Oil and the predecessor company of ConocoPhillips.

Its start-up in 1969 came four years after the first full-scale LNG export plant began commercial operations at Arzew in Algeria. ■