LNG Unlimited

LNG JOURNAL PUBLICATION

17 November 2020

French shipping line CMA CGM begins new era for European LNG bunkering

Marseille-based firm starts fuel operations in Rotterdam for its growing LNG-fueled fleet

LNG News Editor

Dutch port will be main provider of LNG for container-

The bunkering programme has started in the port of Rotterdam for France-based container group CMA CGM with its first vessel, one of 26 the Marseilles shipping line has ordered, being refuelled after arriving on its maiden voyage from Asia.

The CMA CGM group programme to operate a new class of LNG-powered vessels is now well underway with the "CMA CGM Jacques Saade" receiving fuel on November 12.

Key role

The Port of Rotterdam will play a key role in refuelling the LNG-powered fleet, which will operate regular services between Asia and Europe.

Following a record order for nine 23,000 twenty-foot equivalent unit containerships, including the "CMA CGM Jacques Saade" and the recently delivered "CMA CGM Champs Elysees", the group now operates seven LNG-powered containerships and will have a fleet of 26 containerships of various sizes by 2022.

"The energy transition has well and truly started at CMA CGM," said Rodolphe Saadé, Chairman and Chief Executive of the shipping line.

“”Our flagship is powered using liquefied natural gas and by 2022, our LNG-powered fleet will be 26 strong," he added.

"Through this initiative we are directly addressing the environmental challenges we are faced with," explained Saadé, son of the late head of CMA CGM after whom the newly-bunkered vessel is named.

"As well as being reliable, LNG is the best available technology for significantly improving air quality and contributing towards tackling global warming," added Saadé.

In November 2017, CMA CGM made the decision to order the first nine Ultra Large containerships with an LNG power supply, a first in the history of the shipping industry for vessels of this size.

"This pioneering fleet is the product of seven years of research and development efforts. It will operate on the Group's iconic French Asia Line connecting Asia with Europe," said CMA CGM.

"The line provides a weekly service comprising 13 calls over 84 days. These nine vessels will be registered on the International French Register (RIF)," it added.

The vessels of the 23,000 TEU first series are 400 metres in length, 61m wide, 78m tall and with a 16m draught.

"The LNG tank is a key part of these vessels. Its 18,600 cubic metres of stainless steel evokes a truly industrial cathedral with exceptional volumes," said CMA CGM.

The bunkering vessel in the Rotterdam operation, the "Gas Agility", is currently the largest in the LNG fuel sector. CMA CGM has a contract with French energy major Total for LNG bunkering for its container fleet.

The "Gas Agility" is owned by Japanese shipping company Mitsui OSK Lines and chartered to Total.

The "Gas Agility" has a capacity of 18,600 cubic metres and is equipped with a GTT Mark III Flex membrane tank.

The Japanese shipping line has chartered the ship to Total's affiliate, Total Marine Fuels Global Solutions.

The Total unit and MOL signed the Charter Party for the "Gas Agility" before construction began in November 2018 at Hudong-Zhonghua Shipbuilding's yard near Shanghai in China.

The bunkering ship was delivered in April 2020 and meets the highest technical and environmental standards, using LNG herself as propulsion fuel, and integrating a complete re-liquefaction of the boil-off gas.

The ship will serve in the northwest Europe market for ship-to-ship LNG bunkering. ■

UNLIMITED AGENDA

Japanese engineer JGC reports LNG Canada progress and hopeful of work in Qatar and Oman

LNG News Editor

JGC Holdings Corp. of Japan, one of the leading global LNG engineering companies, reported a 12 percent drop in quarterly profits because of market challenges, though reported good progress on the LNG Canada project in British Columbia and was hopeful of new contracts in Qatar and Oman.

JGC reported fiscal second-quarter profits of 3.9 billion yen ($36.16 million) compared with $4.4Bln yen in the same three months a year ago.

Leader

The company, based in Yokohama, has been an industry leader in the construction of LNG production plants in countries such as Australia, Malaysia, Qatar and Russia.

JGC's quarterly net sales also declined to 199.4Bln yen ($1.89Bln) from 218.3Bln yen in the prior-year period.

JGC noted that the slowdown in the industry caused by Covid-19 and the oil prices slump had led to delays in final investment decisions.

Its outstanding LNG contracts in progress amounted to 555.5Bln yen ($5.28Bln) and included LNG Canada for Royal Dutch Shell and its Asian partners. JGC's joint venture engineering partner is Fluor Corp of the US.

LNG Canada's main camp for site workers at Kitimat

> **"Our progress included the insertion of piling and the completion of the shipment to the site near Kitimat of major equipment"**
>
> *- JGC*

"Our progress included the insertion of piling and the completion of the shipment to the site near Kitimat of major equipment," said JGC.

The company's other ongoing project is the Coral Floating LNG contract offshore Mozambique for Italian energy company Eni.

JGC said it was still hopeful for contract awards in the months ahead for the Qatar LNG expansion and the LNG bunkering project in the Sultanate of Oman in the Arabian Peninsula.

Non-LNG work includes a gas separation plant contract in Saudi Arabia and a new oil refinery modernization in Iraq.

"The operating results are in line with the full-year forecast. We have an unchanged outlook concerning the impact of Covid-19 on construction profitability," said JGC.

"Our strong financial base is maintained," it added.

In its outlook for the rest of the fiscal year, JGC said the market environment remained uncertain.

"We will focus on projects likely to proceed and aim for further growth. Several expected projects have been postponed to next fiscal year," said the company.

"It will be difficult to attain the target. To lay the groundwork for the future, we will focus on securing FEED orders for projects materializing in the next fiscal year onward," it stated.

JGC Holdings said in September 2020 that it had brought in structural reforms and is seeking to enhance competitiveness of its overseas engineering operations by streamlining project execution. ■

Chiyoda Corp boosts profits amid advances in Tangguh expansion and Golden Pass LNG

Chiyoda Corp., the leading Japanese energy and liquefied natural gas engineering company, said revenues fell while profits rose as it completed its work on the US Cameron LNG plant in Louisiana, while proceeding with two other projects, Golden Pass in Texas and the Tangguh LNG expansion in Indonesia.

Fiscal second-quarter revenues fell to 161.5 billion yen ($1.54Bln) from 174.9Bln yen in the same three months of 2019.

Profits in the quarter rose to 5.8Bln yen ($55.5 million) from 4.8Bln in the year-ago period.

"Cameron LNG's third and final Train was completed in July 2020, and the project was successfully handed over to the customer," said Chiyoda.

The Japanese company said it expected final investment decisions for large-scale overseas projects in the second half of this fiscal year.

Chiyoda forecast full year-end revenues of 280Bln yen, up 58 percent and profits rising 83 percent to 7Bln yen compared with the previous fiscal year.

Chiyoda noted that it was currently involved in two ongoing LNG export ventures. This first is the Tangguh LNG expansion in the BP-operated Indonesian liquefaction plant, where Chiyoda is working with two partners, Saipem of Italy and local firm Tripatra.

The Tangguh venture, including the building of a third Train, was 88 percent complete.

Offshore gas production facilities in the Papua Barat Province of Indonesia are also being modified and a Train with liquefaction capacity of 3.8 million tonnes per annum is under construction.

"The scheduled completion date for Tangguh is the third quarter of 2021," said Chiyoda.

Chiyoda is also part of the consortium transforming the existing Golden Pass LNG import terminal in Texas into an export plant for Qatar Petroleum and ExxonMobil.

It estimated that Golden Pass was 19 percent complete as engineering, procurement and site construction continued.

Its engineering partners are US companies Zachry Group and McDermott International and the three expect to complete the plant by 2025. ■

Petronet LNG names Kumar Singh to be the new CEO

Petronet LNG, the largest Indian importer and owner of two regasification terminals on the West Coast, has named Indian Oil Corp. director of pipelines Akshay Kumar Singh as its new Chief Executive as the nation expands its LNG and natural gas pipeline infrastructure.

"The board of directors of PLL has selected Shri Akshay Kumar Singh for the post of MD and CEO at its board meeting held on 4th of November 2020," said a brief Petronet statement.

Akshay Kumar Singh replaces Prabhat Singh who completed his five-year term on September 13, 2020.

The new CEO was an executive director at state-owned gas utility former Gas Authority of India (GAIL) before joining the Indian Oil board in 2018.

Indian Oil developed the nation's first East Coast import terminal at Kamarajar Port in Tamil Nadu, previously called Ennore, and located about 25 kilometres north of Chennai.

The Kamarajar LNG facility was built to supply chemical and fertilizer plants and was inaugurated in March 2019 by Indian Prime Minister Narendra Modi.

New Petronet CEO Kumar Singh is a mechanical engineer by training.

He graduated from Muzaffarpur Institute of Technology, a public and co-educational engineering college in Muzaffarpur in East India's Bihar state.

He also earned a post-graduate degree from South Gujarat University and has 34 years of experience in the oil and gas industry.

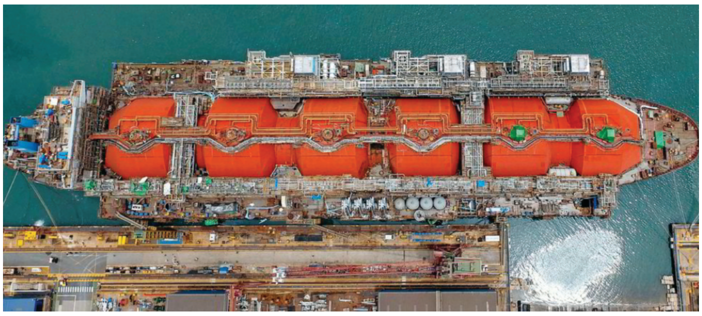
The selection of Singh from a list of around 10 candidates puts him at the forefront of the sector at a time of planned expansion.

Kosmos says the Mauritania-Senegal project is advancing amid output boost

LNG News Editor

Kosmos Energy, the US shareholder in the floating LNG projects offshore the West African nations of Mauritania and Senegal, said in its third-quarter earnings that the ventures were making good progress, while the company posted a net loss.

Kosmos is developing FLNG production under the Greater Tortue Ahmeyim project with UK major BP and in the three months to the end of September 2020, the Dallas, Texas-based company generated a net loss of $37 million versus a $16.06M profit in the year-ago quarter.



The FLNG hull 'Gimi' is being converted in Singapore

Revenues

The Kosmos nine-month losses rose to $419.54M compared with a loss of $20M in the same period of 2019. Its third-quarter revenues were $225M, or $41.05 per barrel of oil equivalent, and production expenses came to $84M, or $15.39 per boe.

"In Mauritania and Senegal, the partnership continues to make good progress with Phase 1 of the Tortue project expected to be around 50 percent complete by year-end," explained Chairman and Chief Executive Andrew G. Inglis.

"The operator (BP) has put significant effort into optimizing Phase 2, which we believe is now the most competitive brownfield LNG expansion globally," said Inglis.

"With the prospect of enhanced future returns, now is not the optimal time to reduce our interest in the project and we have established a financing path which funds Kosmos's capital obligations to first gas," he revealed.

"This enables Kosmos to retain its current equity stake through to production. With lower costs and an improving LNG market backdrop, the Tortue project is expected to provide an excellent return on investment for Kosmos," stated the CEO.

Kosmos added that by targeting expansion to 5 million tonnes per annum of LNG output and leveraging all the major infrastructure from Phase 1, capital costs for Phase 2 have been reduced and the expected returns from the project enhanced.

To fund its current Mauritania-Senegal FLNG interests, Kosmos has established a financing path for its capital obligations to first gas.

"Kosmos and BP are engaged in the sale of the floating production storage and offloading (FPSO) unit to a Special Purpose Vehicle (SPV) which we plan to close in the first quarter of 2021 for the capital costs paid so far, which total approximately $160M net, and with the FPSO leased back to the project," said Kosmos.

Woodside-BHP moves on Scarborough gas licences and investment decision date

Woodside Petroleum, the Australian LNG plant operator and international commodities company BHP, are advancing with their Scarborough gas field project to underpin the Burrup Gas Hub planned for Western Australia.

Wood said the Scarborough Joint Venture had received offers for the granting of petroleum production licences in respect of the WA-1-R (Scarborough) and WA-62-R (North Scarborough) titles from the Commonwealth and Western Australian Joint Authority.

This follows an agreement reached between Woodside and BHP in February 2020 to align their participating interests across the WA-1-R and WA-62-R titles resulting in Woodside holding a 73.5 percent interest and BHP holding a 26.5 percent interest in each title.

Woodside Chief Executive Peter Coleman said the Scarborough Joint Venture intends to accept the production licences, demonstrating the "strong commitment" from both partners and the State and Federal Governments to take the project forward.

The Scarborough gas field contains an estimated contingent resource (2C) dry gas volume of 11.1 trillion cubic feet.

Scarborough gas will be used for Woodside's Pluto LNG plant's second Train with 5 million tonnes per annum of output. The overall Burrup Gas Hub also involves bringing Browse Basin gas to the Woodside-operated North West Shelf liquefaction facility, expanding the lifespan of its five Trains, helped by feed-gas flows on the Pluto LNG-Karratha Gas Plant Interconnector.

"The impacts of Covid-19 and the ensuing volatility in market and investment conditions have provided us with an opportunity to review options for the Scarborough development, allowing us to improve execution certainty and increase the value of this world-class resource," explained Coleman.

On-site or Factory Built Storage Tanks, Intermodal ISO Tank-Containers, Railroad Tank Wagons, & more..

Corban Energy Group (CEG) has been creating highly engineered products required by the natural gas supply chain, from upstream to downstream. CEG has established natural gas terminals throughout the world, provided quality LNG/CNG equipment for the American market, and built storage tanks as large as 200,000 CM in capacity, with its worldwide network of engineering & manufacturing partners.

Call or e-mail us to find out how your company can benefit from our comprehensive natural gas products and services today.

www.CorbanEnergyGroup.com

CORBAN ENERGY GROUP

Your Solution for LNG/LPG

T. 201.509.8555 info@corbanenergygroup.com

418 Falmouth Avenue, Elmwood Park, NJ 07407, USA

NEWS NUDGES

US plant progress

Venture Global said the first two liquefaction Trains for the company's Calcasieu Pass LNG export facility in Cameron Parish in Louisiana had arrived. The optimized Trains, each with 600,000 tonnes of capacity, were less than 15 months after the project's final investment decision. The Trains and mixed-refrigerant compressor skids were shipped to Louisiana from the Baker Hughes fabrication site in Avenza, Italy. Each Train, delivered complete and ready to install, was successfully unloaded, transported onto the Calcasieu Pass site and positioned on its foundations.

Korea LNG launch

The South Korean energy subsidiary of steelmaking conglomerate Posco has begun operating its new liquefied natural gas supply business. The event was marked by a ceremony at the company's Kwangyang LNG import terminal in Jeolla province. The terminal has previously supplied LNG only to the parent steelmaking company since 2005 when a commissioning cargo was shipped from Oman.

China shale gas boost

China Petroleum and Chemical Corp. (Sinopec), a shareholder in the Australia-Pacific LNG plant in Queensland operated by ConocoPhillips, said it added 83 billion cubic metres of newly proven domestic natural gas reserves at the Chuanxi field in China's onshore Sichuan Shale basin. "The reserves, certified by the Chinese Ministry of Natural Resources, raise the field's total proven resources to 114 Bcm.

US LNG equipment-maker Air Products reports rise in fiscal full-year profits and notes major contract awards in 2020

LNG News Editor


Sonatrach's LNG facility at Arzew on Mediterranean coast

US LNG equipment-maker and provider Air Products posted a rise of 7 percent in fiscal full-year net income to $1.93 billion as it was awarded three major LNG contracts for plants in Mozambique in southeast Africa, Qatar and Algeria.

The company fiscal fourth-quarter sales amounted to $2.3 billion, increasing 2 percent, though full-year sales were down 1 percent to $8.9 billion.

Ventures

During the Air Products fiscal fourth quarter net income declined by 5 percent to $495 million compared with $518.7M in the same quarter of 2019.

The LeHigh Valley, Pennsylvania-based company said that among its earnings highlights were its big LNG contract wins.

Among them, Air Products was selected to supply the LNG process technology and equipment for Mozambique's first onshore LNG production plant at Pemba in the nation's northeast Cabo Delgado province.

It was also chosen by Qatargas for the massive LNG production expansion project at Ras Laffan and by Algerian energy company Sonatrach to supply equipment to its GL1Z LNG facility in Arzew on the Mediterranean coast.

Air Products also began construction for Dutch utility Gasunie of three nitrogen plants to condition imported natural gas for its national energy project.

The company additionally won on-site supply contracts with next-generation electronics manufacturers in China and Malaysia.

During the quarter Air Products executed a successful debt offering of in two tranches for $5 billion, supporting significant opportunities to invest in high-return industrial gas projects.

"Despite the challenging Covid-19 environment, the Air Products team around the world demonstrated its commitment by keeping our plants running, supplying customers with essential products and improving our profitability," said Chairman, President and Chief Executive Seifi Ghasemi.

"I would like to thank all of our more than 19,000 employees for their unwavering commitment to keep Air Products operating successfully during these difficult times, which we expect to continue during 2021," added Ghasemi.

"We were proud to announce landmark gasification and hydrogen for mobility megaprojects to meet the world's increasing energy needs and move us all towards a better future," he stated.

The Industrial Gases-Americas division saw fiscal fourth-quarter sales of $912M, down 3 percent from the prior-year period.

Industrial Gases sales for Europe, the Middle East and Africa in the quarter amounted to $505M, up 3 percent year-on-year.

The quarterly sales of the Industrial Gases-Asia division came to $714M, down 2 percent from the same three months in 2019.

Air Products also noted that it had announced the $7-billion Neom project, which will enable Air Products to supply carbon-free hydrogen to power buses and trucks around the world by 2025.

This concerns a deal signed in conjunction with ACWA Power of Saudi Arabia and a new smart city planned in the Kingdom for the world-scale green hydrogen-based ammonia production facility powered by renewable energy.

The smart-city project was first announced in 2017 and takes its name from the location Neom, a proposed cross-border city in the Tabuk Province of northwest Saudi Arabia.

It is planned to incorporate smart-city technologies and also function as a tourist destination. The site is near the Red Sea and the borders of Egypt and Jordan.

Air Products will build and operate the ammonia plant as part of the Neom city project.

This Saudi technology hub also aims to attract other foreign investors to the area. As part of this, it will use a different legal and tax system to the rest of the country.

Air Products will jointly own the plant with the Neom project and ACWA Power. It plans to commission the facility in 2025.

The joint venture project is the first partnership for Neom with leading international and national partners in the renewable energy field and Air Products has said it would be a cornerstone for its strategy to become a major player in the global hydrogen market.

McDermott of US wins engineering contract for Inpex-operated Ichthys project offshore work

LNG News Editor

Inpex processing facility in offshore Ichthys gas field

US engineering company McDermott International was awarded a contract to provide front-end engineering and design services for the Ichthys liquified natural gas field development of Japanese energy firm Inpex Corp. offshore Western Australia.

The Houston, Texas-based company said the award was for a booster compression module with optional engineering, procurement and construction (EPC) for the project.

Compression

The booster compression module will be added to the Ichthys LNG central processing facility, located offshore the northwest coast of Western Australia.

"This award illustrates McDermott's continuing expertise in complex offshore EPCI," said Ian Prescott, McDermott's Senior Vice President, Asia Pacific.

"Our work to date demonstrates our qualifications to deliver smart solutions in challenging environments - and to the highest safety and technical standards," stated Prescott.

McDermott has been a long-standing operator in the Asia-Pacific energy market as well as being involved in the US Gulf Coast LNG export plant build-out.

McDermott is also undertaking subsea umbilicals, risers and flowlines (URF) as part of an expansion of the existing Ichthys LNG facilities.

Engineering will be completed in McDermott's Asia-Pacific headquarters in Kuala Lumpur, Malaysia, and was already underway.

Inpex is operator of the onshore Ichthys plant at Bladin Point near Darwin in Australia's Northern Territory.

The company also has a stake in Royal Dutch Shell's Prelude FLNG project offshore northwest Australia, as well as the planned development of an onshore plant in Indonesia.

The Australian Ichthys plant came on stream in 2018 and produces almost 9 million tonnes per annum of LNG from two processing Trains.

Shares in Ichthys LNG held by Inpex amount to around 66 percent of equity, while French major Total has 26 percent.

Micro-stakes are additionally held by customers CPC Corp. of Taiwan and Japan's main utilities and LNG buyers, JERA Co. Inc., Tokyo Gas, Osaka Gas, Kansai Electric and Toho Gas. ■

Snam of Italy reports higher earnings and lower demand

Italian natural gas network operator Snam, one of Europe's leading energy infrastructure companies and operator of two LNG import terminals, reported an almost 4 percent rise in nine-month revenues to €2.03 billion ($2.40Bln) even as natural gas demand dropped because of Covid-19 lockdowns.

Snam, whose name comes from Societa Nazionale Metanodotti (National Pipeline Company), operates the gas grid and two Italian LNG import terminals, the "FSRU Toscana", moored 22 kilometres off the Italian coast between the cities of Livorno and Pisa, and the onshore Panigaglia facility in the northwest near Genoa.

The company said its terminals handled 51 LNG carrier deliveries in the first nine months versus 49 shipments in the same period of 2019.

Snam, which additionally has growing investments in other European Union grids and overseas, reported adjusted nine-month gross earnings of €1.67Bln, up 0.5 percent from 2019.

Adjusted net profit was reported as €873 million, a 0.7 percent increase on the 2019 figure of €867M.

The company praised its staff for dealing with the Covid-19 crisis and retaining nationwide energy security.

"From the very early days, Snam secured its control rooms, plants and territorial offices to guarantee the country's normal operations and energy security," said the company.

Snam stated that in the first nine months of the year, demand for natural gas in Italy totalled 49.77 billion cubic metres, which was 8.5 percent (4.59 Bcm) less than in the same period last year.

LNG exporter Cheniere Energy reports loss but expects rebound

LNG News Editor

Cheniere Energy, owner of the Sabine Pass LNG export plant in Louisiana and the Corpus Christi facility in Texas, reported a third-quarter net loss of $463 million and 33 percent lower revenues of $1.46 billion while shipping half as many cargoes as in the prior-year quarter.

Cheniere despatched 55 cargoes in the third quarter versus 108 shipments in the same three months of 2019 as cargoes were cancelled because of the economic slowdown caused by the Covid-19 pandemic and hurricane disruptions.

CEO Fusco said revenues held up against hurricane and other challenges and he expects market to rebalance

Volumes

For the first nine months of 2020, Cheniere's cargo numbers fell 13 percent to 261 shipments compared with 299 cargoes in the same period last year.

The Houston, Texas-based company said that since Sabine Pass began operations in February 2016 it had sent out more than 1,250 LNG cargoes as of the end of October 2020.

"These shipments amounted to more than 85 million tonnes of LNG produced, loaded and exported from our liquefaction projects," said the company.

"In August and September 2020, we coordinated across our liquefaction facilities and with our counter-parties to fulfil all of our commercial obligations despite the operational impacts of Hurricane Laura, which included a temporary suspension of operations at the Sabine Pass plant," it added.

After the earnings report period, in October 2020, Cheniere said that as part of the commissioning process feed-gas was introduced to Train 3 at the Corpus Christi plant.

For the nine months to the end of September, Cheniere reported net income of $109 million and consolidated adjusted gross earnings of around $2.9 billion.

"During the three and nine months ended September we recognized $171M and $932 million, respectively, in revenues associated with LNG cargoes for which customers notified us that they would not take delivery, of which $47M would have otherwise been recognized subsequent to September 2020, if the cargoes were lifted pursuant to the schedules with the customers," explained Cheniere.

Tellurian says market brightening and quarterly losses are narrowing

Tellurian Inc., the developer of a Gulf Coast plant in Louisiana with an associated pipeline and offering partners cargoes at $3.50 per million British thermal units, said the Asian market was rebounding as its own third-quarter losses narrowed.

Tellurian's third-quarter net loss narrowed to $29.46 million from $39.60M in the same three months of 2019.

However, nine-month losses widened to $119.04M compared with $114.22M in the same period last year.

Tellurian said the value of its assets had dropped to $293 million at the end of September 2020 from $382.32M at the end of 2019.

Tellurian is developing a portfolio of natural gas production, LNG trading, and infrastructure that includes the Driftwood LNG export plant near Lake Charles with around 27 million tonnes per annum of output.

The company, listed on the Nasdaq global exchange, was upbeat about the recovery of the LNG global market.

"China and India LNG imports up 10 percent and 15 percent respectively through October year-on-year and the Japan-Korea-Marker prices proves the market rebound, with LNG imports back above 2019 levels in September-October," said Tellurian in its November presentation to accompany the earnings statement.

The Houston, Texas-based company currently has Haynesville shale gas assets of 1.2 trillion cubic feet of resources and 46 million cubic feet per day of output.

Tellurian explained in the briefing that it holds 10,067 net acres in the Haynesville Shale.

AN UNRIVALLED VIRTUAL GATHERING OF THE WORLD'S LNG LEADERS

Produced By:
dmg::events

WORLD LNG VIRTUAL SUMMIT & AWARDS

1 - 4 DECEMBER 2020

2020 VIRTUAL SPEAKERS INCLUDE:

Kunio Nohata
Member of the Board, Senior Managing Executive Officer & Chief Executive of Global Business Division
Tokyo Gas Co., Ltd.

Jane Liao
CEO
Natural Gas Business
CPC

Steve Hill
Executive Vice President
Shell Energy

Meg Gentle
President & CEO
Tellurian

Sveinung Støhle
President & CEO
Höegh LNG

Phaedra Deckart
CEO
Tas Gas

Jon Russell
Executive Vice President & Chief Commercial Officer
First Gen Corporation

Yunus Emre Icik
Deputy Head, Natural Gas Supply & Export Department
BOTAŞ

PLATINUM SPONSOR
CHENIERE

GOLD SPONSOR
VENTURE GLOBAL LNG

SILVER SPONSORS
TELLURIAN
Nigeria LNG Limited

BRONZE SPONSORS
Sempra LNG
hanas 哈纳斯
POTEN & PARTNERS
BRG | ENERGY & CLIMATE
GTT Expert in LNG
BAKER BOTTS

CWCLNG.COM/WORLDLNG

#WLNGVIRTUAL

For more information on the virtual summit please contact the team on **WorldLNG@dmgevents.com** or call **Tyler Forbes** on **+44 20 80 780 796** or **Elliott McGinn** on **+971 50 665 9505**

United Arab Emirates LNG plant in Abu Dhabi signs supply agreements with Vitol and Total

LNG News Editor

Abu Dhabi National Oil Company's LNG unit has signed a supply agreement with global commodities company Vitol for the sale of 1.8 million tonnes per annum of cargoes for six years and another two-year deal with French major Total for 750,000 tonnes.

"We are proud to conclude another significant milestone with Adnoc, an important partner across key business areas," said Pablo Galante Escobar, Vitol's Head of LNG.

Secure volumes

"For Vitol LNG, this most recent development strengthens our ability to ensure diverse and secure supply to our customers around the world," he stated.

Vitol's volumes will be supplied post-2022 and Total's two-year deal will cover 2021 and 2022 LNG volumes.

The deals coincided with the Abu Dhabi International Petroleum Exhibition and Convention (ADIPEC) taking place in the United Arab Emirates.

Adnoc's Das Island plant shipped its first cargo in 1977

Adnoc LNG produces about 6 MTPA of LNG from its liquefaction plant on Das Island off the coast of Abu Dhabi.

Adnoc's stake in the liquefaction company is 70 percent while Japan's Mitsui & Co owns 15 percent, BP of the UK 10 percent and Total 5 percent.

"This new supply agreement contributes to the growth and flexibility of Total's LNG portfolio and strengthens our long-standing relationship with Adnoc LNG," said Thomas Maurisse, Total's Senior Vice President for LNG.

The UAE is the longest-standing LNG exporter in the Middle East and shipped its first cargo in 1977.

Since 2019, Adnoc LNG has been adopting a multi-customer strategy after previously sending 90 percent of its volumes to Japan.

This has been reversed as long-term contracts expired and only 10 percent of output is now shipped to Japan and 90 percent is supplied to a range of customers in about eight countries in Asia.

Fatema Al Nuaimi, Chief Executive of Adnoc LNG, said her company was pleased to partner with both Vitol and Total on these major deals as they would create reliable, long-term benefits for Adnoc and the shareholders.

"Through collaboration and by adopting a partnership approach, we are driving new growth opportunities for Adnoc and are maximizing the value of our nation's resources," she stated.

"These agreements demonstrate the success of our commercial strategy in unprecedented times and confirm the market's growing confidence in demand for natural gas," explained Al Nuaimi.

"LNG is a fuel that can support the transition to clean energy, especially in many Asian markets where switching to gas will result in significant environmental gains," she said.

Chinese natural gas distribution company Foran Energy signs US LNG supply deal with Cheniere

Foran Energy Group, the Chinese natural gas distribution company in the south of the country, has signed a framework liquefied natural gas supply agreement with US exporter Cheniere Energy, owner of the Sabine Pass plant in Louisiana and Corpus Christi facility in Texas.

Under the agreement, Foran Energy said it would purchase up to 26 cargoes between 2021 and 2025. The deal was concluded during the third annual trade fair in Shanghai, which was started by President Xi Jinping to showcase Chinese industry and give opportunities for foreign exporters to find customers.

Foran Energy, whose operations are centred in Guangdong Province, said the prices of the shipments from Cheniere would be linked to the US natural gas benchmark Henry Hub price.

This is the first formal US-China LNG supply agreement since trade disputes broke out between the two nations.

Initial talks had previously taken place between Cheniere and China Petroleum & Chemical Corp, known as Sinopec, on LNG supplies but an agreement was never signed.

Cheniere Executive Vice President and Chief Commercial Officer Anatol Feygin confirmed the China supply deal during the Houston, Texas-based company's third-quarter earnings conference call with analysts.

"It's in a great market in South China that we can access and continue to support," Feygin said.

"We do not see this as a one-off. We think this as a whole cadre of companies that we can engage with for years and look forward to continued success and continued traction there," stated the Cheniere executive.

The Cheniere CCO also spoke about the challenges caused to the sector as a whole by Covid-19 and the oil price slump.

"The LNG industry has faced some exceptional circumstances in 2020 and has responded with flexibility and resilience," he said.

"These factors continued to unfold in the third quarter, reinforcing the message and validating the ability of our industry to respond to market conditions in an orderly systematic manner, thanks in large part to the flexibility of US LNG," he explained.

"As we move through this challenging period in the market and look forward, we continue to be bullish about the way the market is rebalancing the strength of LNG demand recovery and the longer-term prospects for natural gas and LNG as key parts of the global energy transition," Feygin declared.

The Cheniere executive said global LNG supplies were at their highest in 2020 in the first quarter with production falling over the course of the summer to below year-ago levels by the third quarter.

"In Europe, lower volumes of Russian pipeline gas was the biggest factor helping the region rebalance during the third quarter as pipeline exports to Europe decreased by over 2 billion cubic feet a day year-on-year," said Feygin.

Learn more at www.ChartLNG.com
LNG@ChartIndustries.com

CHART®
Cooler By Design.™