LNG Unlimited

LNG JOURNAL PUBLICATION 1 February 2022

Venture Global's Calcasieu Pass and Plaquemines LNG advance

Two Louisiana plants make progress on construction and the completion fronts

LNG News Editor

The Calcasieu Pass build has progressed during 2021 and early 2022 and commissioning is taking place

Venture Global has applied to regulators to increase activities at the Plaquemines liquefied natural gas export project on the west bank of the Mississippi in Louisiana, about 30 miles south of New Orleans, as commissioning activities continue at the Calcasieu Pass facility in Cameron Parish in Louisiana, south of the city of Lake Charles.

The company has asked the Federal energy Regulatory Commission to use existing additional dock space to bring in more materials and more parking for personnel at the Plaquemines project.

Request

"Venture Global Plaquemines LNG requests FERC approval to use an existing parking and docking area, called the B1 Area, which is located between Louisiana State Highway 23 (LA 23) and the Mississippi River, immediately downstream of the Plaquemines LNG Terminal Site, at river mile 54," said the filing.

"Plaquemines LNG proposes to use the existing B1 Area for transport of personnel, equipment and materials to vessels to support construction of the Material Offloading Facility and the marine components of the Terminal," explained Venture Global.

The company noted that vehicle access from LA 23 to the B1 Area will be via an existing driveway.

"Vehicle parking will occur in an upland area that has historically been used for parking. Crew members will transfer between their vehicles and crew boats via a temporary barge, which will be spudded adjacent to an existing dock," explained the filing.

"The barge will be moored or spudded in accordance with existing US Coast Guard rules and regulations for temporary mooring. A service crane barge will also be moored on the river side of the spudded barge," added Venture Global.

Venture Global had already raised $500 million of funding in transactions arranged by American and Japanese banks to finance construction activities at Plaquemines LNG.

The Arlington, Virginia-based company previously closed a term-loan involving JPMorgan Chase Bank, Morgan Stanley Senior Funding, Bank of America and Japan's third-largest banking group, Mizuho Bank.

"The transaction was upsized from $400M to $500M based on strong lender interest," said Venture Global at the time.

In total, Venture Global has about 70 million tonnes per annum of LNG export capacity under construction or development in Louisiana.

The Calcasieu Pass facility has been testing equipment in recent months as it moves closer to production from the 18 modular liquefaction Trains configured in nine blocks to have output of about 10 MTPA.

The other three projects are expected to each produce around 20 MTPA of LNG.

In addition to the Plaquemines development Venture Global is planning two other plants, Delta LNG on the Mississippi and CP2 LNG, which would be built on a 540-acre site in Cameron Parish, adjacent to the Calcasieu Pass facility.

The Calcasieu Pass plant has submitted another application to FERC for the introduction of hazardous fluids, described as feed gas, mixed refrigerant and LNG to liquefaction block 2 A/B.

This means that the Calcasieu Pass export plant in Louisiana is close to producing its first LNG followed by the volume build to make a shipment.

"Compressed natural gas will be used to provide methane to the Mixed Refrigerant (MR) system during this introduction and until boil-off gas is available for that purpose," said the plant operator in its latest FERC filing. ■

UNLIMITED AGENDA

US LNG pipeline feed-gas giant Kinder Morgan sees 'a long runway' for natural gas in America

LNG News Editor

Kinder Morgan Inc., the US pipeline giant transporting natural gas to LNG plants and to customers around America, gave a fourth-quarter conference call describing its performance with Executive Chairman Richard D. Kinder saying there was "a long runway for fossil fuels, especially natural gas" in the nation.

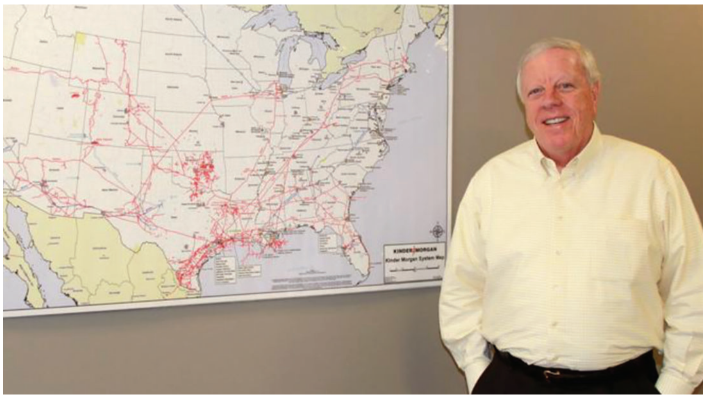
KMI had reported net income of $637 million compared with $607M in the same three months of 2020 with distributable cash flow of $1.09 billion compared with $1.25Bln in the fourth quarter of 2020.

Robust earnings

Adjusted earnings were $609M for the quarter versus $604M in the fourth quarter of 2020.

"Our assets once again generated robust adjusted earnings and strong coverage of this quarter's dividend," said KMI Executive Chairman Richard D. Kinder.

"The company provides our investors with dependable value grounded on stable cash flows and a time-honored corporate philosophy: fund our expansion capital opportunities internally, maintain a healthy balance sheet, and return excess cash to our shareholders through dividend increases and/or share repurchases," stated the Executive Chairman.


Richard Kinder, the founder and chairman of Kinder Morgan

"In short, there is a long runway for fossil fuels and especially natural gas. Investing in the energy sector has been very lucrative recently with the energy sector, the best-performing of the S&P 500 (top stocks) during 2021," Kinder explained.

"We expect that favorable view to continue in 2022, and the year has started out that way," he added.

"Within the energy segment, I would argue that midstream pipelines are a good way of playing this trend. They generally have less volatility and less commodity exposure than upstream and most have solid and growing cash flow underpinned by contracts to a large extent with their shippers. We believe KMI is a particularly good fit for investors," he declared.

"We paid down over $12Bln in debt since 2016 and 2022 marks the fifth consecutive year we have increased our dividend, growing it over those years from $0.50 per share to $1.11 per share," he told analysts in the conference call.

KMI Chief Executive Steve Kean stated in his contribution that he was especially proud of his more than 10,000 KMI co-workers who "remained laser-focused on safety, operational excellence, and customer service" the past three months.

"As we complete our 25th year, future prospects for the company look very bright. Our business model, predominantly take-or-pay and fee-based, long-term contracts with creditworthy customers, remains durable," explained the CEO.

"Our interconnected network of transportation and storage infrastructure is now recognized as even more valuable in the marketplace," stated Kean. ■

CEO of leading oil field services company says super-cycle may be underway for gas and oil

Schlumberger oil field services company Chief Executive Olivier Le Peuch said a super-cycle may be underway for natural gas and oil markets as the firm reported fourth-quarter revenue of $6.22 billion, an increase of 6 percent sequentially and 13 percent year-on-year.

The Houston, Texas-based company, listed on the New York Stock Exchange, said fourth-quarter cash flow from operations was $1.93Bln and full-year revenue was $22.9Bln.

Net income

The company reported net income of $587 million, an increase of 90 percent from the $309M reported in the same three months of 2020.

"The macro environment is increasingly supportive of a potential super-cycle with both onshore and offshore market growth well beyond 2022," Le Peuch told analysts during a conference call on the earnings statement.

He stated that Schlumberger expected oil demand to exceed pre-pandemic levels by the end of 2022, with growth in 2023 and beyond.

"Some characteristics of the cycle have accelerated and some have been accentuated in the recent months," added the CEO.

He explained that the first sign is the outlook of economic GDP growth and that concerning the oil intensity and energy intensity that will drive the oil demand beyond the previous peak.

"So the first is the macro demand situation is set to be favorable for the next few years. Secondly, I think the supply demand imbalance and the supply, I would almost call it tardiness that we are facing, is pointing not only to an uplift on to the commodity price, but also is pointing to the return to investment across the broad portfolio of our customers," said Le Peuch.

The CEO added that North America was still and would remain structurally smaller than in the previous cycle due to the capital discipline but also due to the crunch of supply, including on the services side.

"Secondly, I think the international underinvestment for the last few years, actually, the last down cycle, combined with the dip in the last two years is creating conditions for unnecessary injection of short-cycle capital and then long cycle capital investment to respond to the supply," stated Le Peuch.

"So we are seeing growth in North America, we are seeing a rebound - a visible rebound in short and long cycle investments, internationally," he explained.

"And I will insist on the long cycle because I believe that both oil capacity is being looked upon and by some OPEC member to secure future supply market share, but also the international and majors are investing into their advantaged offshore basins and we are seeing not only infill-drilling, but we are seeing FIDs for offshore that are accelerating going forward," added Le Peuch. ■

India LNG imports fall but at a slower rate

Indian liquefied natural gas imports dropped for a third month, though by a lesser amount that the previous two months as the costs of LNG shipments soared, though falling volumes were again offset by offshore domestic natural gas pipeline supplies on the East Coast.

Shipments to India's operating network of six regasification terminals, mostly concentrated on the West Coast, amounted to 1.93 million tonnes, or about 28 cargoes, versus 2.03MT, or 29 cargoes, in December 2020, a decline of 4.9 percent, according to preliminary monthly data from the Indian Ministry of Petroleum and Natural Gas.

The imports in November had come to 1.64MT, a drop of 20.8 percent on the 2.08MT received in November last year.

The costs of monthly LNG imports to the Indian terminals in December 2021 came to $900 million, or around 6,720 crore rupees, compared with about $700M in December 2020.

The shipments in the nine-month period from April to December cost $8.7 billion, or around 64,880 crore rupees, versus $5.4Bln in the same nine months of 2020.

LNG deliveries to Indian terminals come mainly from Qatar, which provides over one-third of volumes, as well as West Africa, the US, Asian nations, Australia and the spot market.

India's fiscal-year LNG import volumes are still on track to again be lower than in the previous fiscal year.

The imports for the nine months of the fiscal year so far from April to December came to 18.10MT compared with 18.63MT in the previous fiscal year, a decline of 2.8 percent.

Ecuador is LNG importer as the ISO container flows begin

LNG News Editor

US company Sycar said it would soon supply another liquefied natural gas shipment to the South American nation of Ecuador following the first LNG ISO container delivery earlier in January 2022.

Sycar, based in Miami in Florida, delivered the first shipment in two 40-foot ISO tanks to the Posorja deepwater port in Guayas province on January 11.

Two LNG containers arrived on the 'CMA CGM Arkansas'

French delivery

This was Ecuador's first shipment of LNG and arrived from Panama on board a containership, the "CMA CGM Arkansas", owned by French shipping line CMA CGM, which is also pioneering LNG-powered ships in the industry.

The government said that the deputy minister of hydrocarbons, María Cristina Cadena, attended the arrival of the cargo at Posorja port.

The Ecuadorean government has authorized Sycar as a trader in LNG and compressed natural gas in the nation's industrial and power markets. Sycar has said it had secured LNG supplies for its operations in Ecuador as it continued to work on the country's first import terminal development.

The firm signed a deal with Colon LNG Marketing, a joint venture between US company AES Corp and French major TotalEnergies, and the user of the Costa Norte LNG terminal in Panama.

Sycar loads the ISO tanks at the AES-owned LNG import terminal in Colon, which opened a truck loading station in January 2020.

The facilities in Panama perform LNG terminal services, including berthing of vessels, unloading, receiving, temporary storage and transfers of LNG to ISO containers.

Sycar's supply of LNG to Ecuador will continue in tandem with its development of the import terminal project.

This will include port facilities for the berthing of a floating storage and regasification unit.

Ecuador's northern neighbour Colombia is already an LNG importer while southern Pacific Coast neighbour Peru is an LNG exporter from the Pampa Melchorita liquefaction plant.

PX Group of UK appointed to operate Norwegian LNG plant

The PX Group, which operates the UK St. Fergus Gas Terminal and Teesside Gas Processing Plant, has been appointed by North Sea Midstream Partners (NSMP) to run its recently acquired small-scale Risavika LNG liquefaction plant in Norway.

PX Group, which specializes in providing services in the process, energy and chemical sectors, is currently responsible for processing around 30 percent of the UK's gas supply and operates many of the UK's key strategic sites on behalf of clients.

"The represents PX Group's first significant operations contract outside of the UK," said Chief Executive Geoff Holmes.

NSMP acquired the Risavika LNG plant, located in southwest Norway near Stavanger, in November 2021.

The Risavika facility has a capacity of 300,000 tonnes of LNG per annum and operates predominantly on electricity produced from renewable sources.

The plant was formerly owned by Gasum of Finland and uses feed gas from offshore Norway to supply the LNG maritime fuel and truck transportation markets.

The PX Group said it had set up a new operating entity in Norway, PX Norge AS.

NSMP closed the deal to buy the Risavika plant on November 16.

NSMP agreed with Gasum an extensive tolling agreement under which Gasum would continue to ensure deliveries of LNG and liquefied biogas (LBG) to its customers from the Risavika facility.

The separate bunkering solution, serving maritime customers, is not included in the scope of the NSMP-Gasum transaction and both parties agreed at the time not to disclose the transaction price.

PX Group CEO Holmes added that his company was delighted to be joining NSMP at Risavika.

"It is exciting for PX Group on a number of levels, not least because it represents PX Group's expanding international footprint. It's also our first major LNG site, which is in our capability sweet spot," stated Holmes.

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CoolCo LNG placement

Golar LNG has completed a share private placement for the formation of Cool Company Ltd along with Eastern Pacific Shipping. The Singapore-based shipping line and Golar LNG have agreed to join forces to run a Golar spin-off initially comprising eight tri-fuel, diesel-electric LNG carriers in a firm called CoolCo. The company successfully closed an upsized private placement of $275 million in new shares. Following the equity raise CoolCo will have an initial equity value of $400M. Eastern Pacific will be the largest shareholder with a 38 percent shareholding, Golar will own 31 percent and the public will hold 31 percent of CoolCo.

Stolt-Nielsen move

Niels G. Stolt-Nielsen has informed the board of London-based Stolt-Nielsen Ltd, a shareholder in the Avenir LNG joint venture, that he wished to step down from his role as Chief Executive and was now likely to become Chairman. “He will continue as CEO and as a director until the appointment process for a successor has been completed,” said a statement.

UK Feb cargoes

The UK’s first February LNG deliveries are heading for the South Hook import terminal at Milford Haven. The 174,100 cubic metres capacity carrier “Hellas Athina” is scheduled to arrive at South Hook on February 1 with a shipment from the US Corpus Christi plant in Texas. A second cargo will be delivered to the Welsh facility on February 3 from Qatar on the 206,000 cubic metres capacity Q-Flex vessel “Al Karaana”.

Turkish gas company BOTAS gives defence of strategy amid criticism on maintaining storage and supply

LNG News Editor

BOTAS has run Marmara Eregesli terminal since 1994

Turkey has defended its natural gas storage policies as it increases shipments of LNG from the US while also receiving gas supplies from Russian pipelines and from neighbouring Iran.

Turkey’s move up the US table of LNG recipients saw the US Department of Energy say in its most recent report in January 2022 covering November deliveries that Turkey was second overall in that month with 14 cargoes versus 15 sent to China and ahead of Japan and South Korea with 10 and eight respectively.

US cargoes

The Turks have now received over 120 US shipments at their three facilities since exports began from the Gulf Coast in February 2016.

Turkey’s state-owned Petroleum Pipeline Corporation (BOTAS), which dominates the natural gas sector although most of the market is open to competition, accounts for over 70 percent of natural gas imports.

BOTAS has just rejected criticism of its natural gas policies and speculation that it owned money to Iran for gas deliveries.

Iran provided 16 percent of Turkey's natural gas needs in the first 10 months of 2021, according to the latest official data.

BOTAS also rejected claims in a statement that natural gas storage in the country was below the planned amount amid gas usage being reduced in industrial zones.

The company said that it was a “completely false allegation” about gas debts to Iran.

The issues have been raised at a time when Turkey’s President Recep Tayyip Erdogan has been attempting to mediate in the Russian-Ukrainian dispute which has been spilling over into energy issues also relating to the Gazprom Nord Steam II pipeline to Germany.

“BOTAŞ does not have any outstanding debts to any of its suppliers, including Iran,” said the company.

“Natural gas storage rates may vary according to winter conditions,” added the BOTAS statement.

“In order to meet the natural gas demand in the current situation in winter conditions, our natural gas storage is used at the maximum level within the framework of our plans,” explained the company.

While the natural gas available in storage was 73 percent in January 2018, it is said it be at around 32 percent in January 2022 with demand now peaking.

“Turkey's summer natural gas demand is provided by pipe and LNG supply sources linked to our long-term natural gas purchase and sale agreements,” stated BOTAS.

“During the summer period, storage is carried out at our natural gas storage facilities, and this year, as every year, the maximum amount of natural gas has been stored in our storage facilities within the scope of our plans. When needed, gas is used from natural gas storages,” it added.

BOTAS builds and operates natural gas pipelines in Turkey and accounts for most of the wholesale market.

The company also runs the Marmara Eregesli LNG import terminal and cargoes have been received since 1994, first from Algeria and later countries like Qatar and Nigeria and then from the US as well.

Analysts noted that because of rapid demand growth, Turkey's annual natural gas consumption is approaching the annual capacity limits of the country's import and storage infrastructure for both pipeline and LNG.

However, Turkey's natural gas demand is not flat over the course of the year, but like in many nations peaks in the winter months when natural gas use for power generation and heating is highest.

Flows strategy

Additionally, Turkey has little natural gas storage capacity given its high usage and primarily relies on increased import flows to meet the winter season increase in demand.

The Gazprom BlueStream gas pipeline to Turkey is 1,213 kilometres (754 miles) in length and with design capacity of 16 billion cubic metre per annum, while the Russian TurkStream gas pipeline is about 930 kilometres long and with capacity of 31.5 Bcm.

LNG importer Kuwait makes first gas find as overseas operator offshore exporter Indonesia

LNG News Editor

LNG importer Kuwait has made its first natural gas discovery as an operator offshore during a drilling campaign in the waters of LNG exporting nation Indonesia.

Kuwait Foreign Petroleum Exploration Company (KUFPEC) announced the successful commercial discovery of gas in Indonesia's Anambas Block.

'Exciting discovery'

KUFPEC (Indonesia) made the discovery through the successful drilling of the Anambas-2X well.

Acting Chief Executive of KUFPEC, Sheikh Nawaf Saud Al-Sabah, stated that this "exciting discovery" marked the first operated offshore exploration discovery for KUFPEC.

"It demonstrates KUFPEC's growth and potential as an operator of offshore oil and gas projects," added Al-Sabah.

"I am especially proud of the professionalism of the KUFPEC team, which included Kuwaiti experts who led operations on the drilling platform," stated the Acting CEO.

The company said the well was drilled in 288 feet of water using a jack-up rig to reach a total depth of 10,509 feet.

Sheikh Nawaf Saud Al-Sabah: 'I am especially proud of the professionalism of the KUFPEC team in Indonesia'

Located in the Natuna Sea near an existing block in which KUFPEC is a partner, the Anambas Block was awarded to KUFPEC through a competitive bidding process in 2019.

As part of the drilling campaign, KUFPEC conducted two drill stem tests, one in the Lower Gabus formation and the other in the Intra Keras formation.

The company said its tests subsequently resulted in a stabilized combined flow rate of 7 million standard cubic feet per day of natural gas and 1,240 standard barrels per day of condensate from the two formations.

KUFPEC said it intended to conduct more tests on other formations within the same well.

The Block is fully operated by KUFPEC, which also holds the entire 100 percent participating interest. KUFPEC's production sharing contract has a licence term of 30 years, including a six-year exploration period.

KUFPEC is the international upstream company engaged in exploration, development and production of crude oil and natural gas outside the State of Kuwait and is a wholly owned subsidiary of Kuwait Petroleum Corp.

Al-Zour LNG

Kuwait in 2021 completed its first onshore LNG import terminal, the Al-Zour facility located about 90 kilometres southeast of Kuwait City and about 16km from Kuwait's border with Saudi Arabia.

It consists of a regasification facility capable of liquefying 130,000 cubic metres of gas per day and eight LNG storage tanks, with four in the first phase, and each with 225,000 cubic metres of capacity.

Al-Zour is the largest LNG import terminal in the Middle East and was constructed to provide fuel and power to the refining and petrochemicals industries.

Until recently, Kuwait had only imported LNG via a floating storage and regasification unit (FSRU) at the dockside of Kuwait's Mina Al-Ahmadi port. The FSRU has been in operation since 2009.

Oil exporter Kuwait is also focusing on ramping up its own natural gas production as part of its economic growth strategy through to 2040.

The use of LNG in the Middle East is forecast to expand by around 50 percent through 2025, with much of the increase coming from Kuwaiti demand.

Deltamarin signs deal with Höegh Autoliners

Deltamarin has signed an agreement with China Merchants Industry (Jiangsu) Co., Ltd. for the design and engineering of a new series of Höegh Autoliners Aurora-class Pure Car and Truck Carriers (PCTCs) with LNG fuel capability.

Deltamarin, based in Turku in Finland, provides ship design, offshore engineering and construction as well as consulting and has recently completed the conceptual design of the ships for Höegh Autoliners.

"The Aurora class ships will be the world's largest and most environmentally friendly car carriers ever built," stated Deltamarin.

"The engineering contract signed with the builder, CMI Jiangsu shipyard, is a direct continuation of the work and includes complete basic and detail design of the vessels," the firm added.

The ships will be powered by LNG and marine gas oil (MGO) and will be prepared for operating any zero-carbon fuels that eventually become widely available.

Several other features are also included in the design to minimise the environmental footprint of the ships.

"The project has combined economy of scale with optimised and future-proofed ship concept results with the lowest greenhouse-gas footprint per transported car in the industry," stated Deltamarin.

The new vessels will be built by the China Merchants Industry shipyard in Haimen, a district of Nantong in Jiangsu province.

China Merchants Group has been expanding its shipbuilding business over the past few years and is now within the three largest shipbuilding groups in China.

Avenir LNG acquires bunkering foothold in China and sells vessel

LNG News Editor

Avenir LNG, the Norwegian-listed small-scale LNG project developer and vessel owner, has entered into a long-term joint cooperation agreement (JCA) with Shanghai SIPG Energy Service Co.(SSES) a Chinese joint venture between Shanghai International Port Group and Shenergy Group.

The venture will be responsible for delivering LNG bunkering services to French containership line CMA CGM on behalf of Shanghai Ports.

China-built 'Avenir Allegiance' sold to Shanghai group

Cooperation

"Under the JCA, Avenir will be responsible for the global marketing of LNG bunkering services in Shanghai Port as well as supporting SSES with operational and technical services to ensure seamless LNG bunkering operations for the CMA CGM containerships and future customers," explained Avenir.

"In support of establishing Shanghai as a leading LNG bunkering hub, Avenir sold its first newbuild 20,000 cubic metres capacity 'Avenir Allegiance' to SSES," said the company without revealing the value of the transaction.

The "Avenir Allegiance" is the world's largest LNG bunker vessel and it will provide LNG to the biggest LNG bunker customer at the largest container port in the world.

Avenir is itself a joint venture owned by London-based Stolt-Nielsen and partners Höegh LNG and Golar LNG Ltd.

In addition to its growing small-scale LNG fleet Avenir has an 80 percent stake in Higas LNG import terminal on the Italian island of Sardinia.

Avenir said the Chinese deal to provide bunkering in Shanghai expands its network into the rapidly growing Chinese market adding another hub to its existing operations in the Mediterranean, North West Europe and Malaysia.

The "Avenir Allegiance" was launched in January 2021 at the Zhoushan Changhong Sinopacific Shipyard Co. in China's eastern Zheijang province.

First LNG bunkering project in West Med at Marseille Fos port

French major TotalEnergies has launched its first LNG bunkering operation for containerships at the West Mediterranean Port of Marseille Fos with an LNG-powered 15,000 twenty-foot units (TEU) containership re-fuelled.

The "CMA CGM Bali" operates on the Asia-to-South Europe route for Marseille-based shipping line CMA CGM.

"The containership was refuelled by the bunkering vessel 'Gas Vitality', which has 6,000 cubic metres of capacity operated a ship-to-ship transfer alongside the Eurofos container terminal, while the containership carried out cargo operations simultaneously," explained TotalEnergies. The "Gas Vitality" is the second LNG bunker vessel chartered by TotalEnergies from the owner, Japan's Mitsui OSK Lines.

"This entire operation underlines a solid collaborative teamwork across the French maritime industry including the involvement of local port authorities to enable the vessels' safe operatorship, and the commitments of all the parties to support the growing role of LNG," said Jérôme Leprince-Ringuet, Vice-President at TotalEnergies Marine Fuels.

"TotalEnergies is delighted to successfully complete Marseille's first LNG bunkering operation of a containership," added Leprince-Ringuet.

"Her deployment underscores the company's commitment to support the French port's ambition to be an LNG bunkering hub for the Mediterranean region," stated the executive.

TotalEnergies has actively invested in LNG infrastructure, critical to support its shipping customers' uptake of LNG as a marine fuel.

The company has been operating an even larger bunkering vessel, the 18,600 cubic metres capacity "Gas Agility" since November 2020 at the Dutch Port of Rotterdam.

Nord Stream II AG has set up subsidiary in Germany to compete more with EU LNG


Landfall at Lubmin in Germany for new Russian pipeline

Nord Stream II AG, the owner of the new Russian pipeline to bring supplies to Germany, said it registered a subsidiary for the German part of the pipeline to meet German regulatory requirements, though the certification for the project still remained suspended by the Bundesnetzagentur regulator based in the city of Bonn.

The Nord Stream II parent company based in Zug in Switzerland, said it had had set up a German subsidiary called Gas for Europe GmbH.

German firm

"The new company is to become the owner and operator of the 54-kilometre section of the Nord Stream II Pipeline located in the German territorial waters and the landfall facility in Lubmin, as an independent transmission operator in accordance with the German Energy Industry Act," stated Nord Stream II.

The company said that it had now abided by the ruling of the Bundesnetzagentur regulator that the setting up of a German-registered subsidiary would be the main pre-condition for the certification.

Nord Stream II said its Gas for Europe GmbH unit is headquartered in Schwerin, the state capital of Mecklenburg-Vorpommern in northern Germany.

The initial blocking of Nord Stream II led to a renewed jump in European natural gas benchmark prices that govern the Atlantic Basin LNG market.

While the Nord Stream II project was set to proceed under former Chancellor Angela Merkel, the new German government coalition is less friendly to hydrocarbons and includes the left-wing Social Democrats (SPD) and the more radical Green Party.

Further delays

While Nord Stream II has set up a German-based subsidiary other delays have been put in place as the Bundesnetzagentur insists on an examination procedure for a four-month period set out in law.

The German regulator will then produce a draft decision and deliver it to the European Commission for an opinion, as provided for in European Union legislation on the internal market.

Nord Stream II had previously faced resistance from the US and some EU nations such as Poland and from Ukraine as part of its territorial disputes with Russia.

The existing Nord Stream I is an international joint venture comprising Russia's Gazprom, German energy companies Wintershall Dea and E.ON, as well as Gasunie of the Netherlands and France's Engie.

Nord Steam II was developed to double current capacity and was scheduled to start commercial operations by the end of 2021.

Both Nord Stream twin pipelines run through the Baltic Sea for 1,224 kilometres (760 miles) from Portovaya Bay, near Vyborg on the Russian coast to near Lubmin.

They are the shortest connection between the vast Russian natural gas reserves and the energy markets of the EU.

Nord Steam II has cost €9.5 billion ($10.7Bln) to complete and its shareholders in addition to Gazprom include Shell plc of the UK as well as the German utility Uniper, Austrian energy company OMV and Nord Stream I shareholders Wintershall Dea and Engie.

Woodside pulls out of Myanmar gas project that would have competed with LNG in Thailand

Woodside Petroleum has joined to new politicised trend for energy companies to make political investment decisions after several years of intimidation by banks and environmental activists on climate change by shutting down a natural gas project in Myanmar citing reasons of human rights.

The action follows similar pull-outs from the southeast Asian nation with decisions taken earlier in January 2022 by TotalEnergies and a unit of Chevron Corp. over a separate Myanmar gas project.

Just over a year after announcing that the A-6 Development offshore Myanmar had moved from exploration and appraisal to the pre-front-end engineering design phase Woodside is now withdrawing.

The Woodside natural gas project in Myanmar had envisaged a new 240-kilometres offshore pipeline to connect with existing links to the Myanmar capital Rangoon and another to Thailand.

The new Myanmar pipeline supplies would have competed with Thai LNG imports.

Woodside's Myanmar development concept was for six wells in phase one in 2,300 metres water depth and a further four wells in phase two connected to the offshore Yadana platform complex.

The Block A-6 development within Woodside's Southern Hub was being progressed alongside joint venture participants MPRL Exploration and Production of Myanmar and TotalEnergies.

Decision time

Woodside had previously announced that it was placing all Myanmar business decisions under review following the state of emergency declared last year and the "deteriorating human rights situation" in the country.

The Woodside action comes just before the February 1 first anniversary of the February 2021 coup d'état in Myanmar when democratically elected members of the country's ruling party were deposed by the Myanmar military.

Analysts note that multinationals and energy companies can more easily withdraw from Myanmar, a nation of 55 million people, than from China or several countries in the Middle East or Europe, which have also been accused of human rights abuses by the same organizations like Amnesty International and similar groups now elbowing away climate activists and pulling the strings of jumpy corporations.

They add that if the political situation changes for the better in Myanmar in the future the foreign companies like Woodside or TotalEnergies won't be going back in and re-opening things because of the previous lost investments.