

LNG Unlimited

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Japanese companies follow West's moves on sensitive area of energy

Tokyo gives direction for imposing sanctions on neighbour Russia over Ukraine invasion
LNG News Editor

Japanese companies have begun moving towards imposing sanctions together with the US, the European Union members and other nations and targeting the sensitive areas for Japan of oil and liquefied natural gas imports after the invasion of Ukraine by its neighbour Russia.

Japan, which has only meagre domestic energy resources, would have to make up its LNG volumes and oil shipments from other nations in taking steps to block LNG and oil imports to stay in line with the sanctions programmes of Western nations.

Russian supplies

Russia accounted for 9 percent of Japan's total LNG imports of 74.32 million tonnes in 2021 and 4 percent of total crude imports of 2.48 million barrels per day, according to data from the Ministry of Finance.

Imports of Russian LNG will be included in newly imposed sanctions on Russia because of aggression in Ukraine, suggesting that there could be long-term repercussions on Japan's LNG supply-demand dynamics even if any short-term impact resulting from such curbs will likely be minimal.

A recent increase in Japan's LNG inventories and expectations of milder weather in North Asia in the coming weeks could limit the short-term impact of any potential halt in LNG supplies from Russia from Sakhalin Island, located just north of the Japanese mainland in the Russian Far East or from the Yamal plant in northern Siberia.

Analysts said that Japan may



Japan began importing from Sakhalin LNG plant in 2009

have to turn to spot LNG cargo imports to make up any shortfalls, while the country has been keen to invest in Russian LNG, particularly the new Arctic LNG II project, and will likely have to end its participation.

The Japanese Minister of Economy, Trade and Industry, Koichi Hagiuda, said that the country's decisions would be based on understandings reached in discussions with G7 nations and other governments over how to respond to Russia's invasion of Ukraine.

Hagiuda said the nation would take appropriate action on the energy projects in Russia in which the state-backed Japan Oil, Gas and Metals National Corp. (Jogmec) was involved or those backed by Nippon Export and Investment Insurance.

Japanese trading houses, Mitsui & Co. and Mitsubishi Corp., which own stakes of 12.5 percent and 10 percent respectively in the Sakhalin II LNG export project, said that they were examining their positions.

This followed Shell's decision to pull out of the plant where Russia's Gazprom is the majority stakeholder and the UK company has a 27.5 percent shareholding.

They said they were in discussions with the Japanese government and partners for the project

without providing further details.

Japan began importing LNG from Russia with the start of operations at the Sakhalin II LNG plant in 2009.

The two-Train facility has production of almost 10 million tonnes per annum and most of the shipments go to Japanese terminals.

Arctic LNG II

Japanese energy importers also receive volumes from the LNG plant on the Yamal Peninsula in northern Siberia, operated by Russian company Novatek, and are significant shareholders in the Novatek-led Arctic LNG II project under construction on the adjacent Gydan Peninsula.

The Japanese participants in the Arctic LNG II consortium made up of Jogmec and Mitsui amounts to 10 percent of the equity in the new LNG plant with production of over 20 MTPA.

The first Arctic LNG II Train is scheduled to come on stream in the second half of 2023.

Impairments

US and European oil and gas companies involved in Russian ventures have quit the country and will be taking hits in their next series of earnings with one-off items and financial impairments.

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Japan's newest regasification terminal Niihama LNG starts up at Sumitomo Chemical facility

LNG News Editor

Tokyo Gas, a leading liquefied natural gas importer and city-gas and power supplier, said Japan's newest regasification facility, the Niihama LNG import terminal on Shikoku Island, has started operations.

The utility and four Japanese partners formed a joint venture to build and operate the Niihama LNG terminal with 1 million tonnes per annum of capacity at Sumitomo Chemical's plant in Ehime Prefecture in Western Japan.

Truck loading

The facility, which is the 37th separate LNG import facility constructed in Japan has one LNG storage tank with a capacity of 230,000 cubic metres capacity and one jetty as well as truck-loading facilities.

The other partners are Sumit-



Facility will have several customers in Western Japan

omo group members including Sumitomo Chemical and Sumitomo Electric Power, as well as Shikoku Electric Power and Shikoku Gas.

The project also includes the 150-megawatt Niihama gas-fired power plant.

"The joint venture company Niihama LNG has completed the construction and trial operations at the Sumitomo Chemical Ehime

Plant in Niihama City in Ehime Prefecture and has begun supplying gas to the plant," said Tokyo Gas.

"We also plan to start supplying gas to industries in neighbouring areas," it added.

Tokyo Gas Engineering Solutions, a subsidiary of Tokyo Gas, holds the company's 50.1 percent share in the Niihama LNG venture.

Tokyo Gas, which imports

around 13 MTPA of LNG, offered a corporate bond to investors, and which it called Japan's first "energy transition bond", to help finance the Niihama LNG venture.

Tokyo Gas explained that besides the Ehime plant, the new terminal will supply regasified LNG to the new 150 megawatts gas-fired Niihama Kita power plant.

"The Niihama Kita Thermal Power Station, scheduled to start operation in 2022 and being built by Sumitomo Electric Power, will also use LNG as fuel," stated Tokyo Gas.

"Niihama LNG and jointly invested companies will contribute to the promotion of carbon neutrality through the spread and expansion of environmentally friendly natural gas and the stable and efficient use of energy," Tokyo Gas concluded.

Pemex proposes to invest more in natural gas after latest losses amid US-led LNG export plans

Petróleos Mexicanos (Pemex), the Mexican oil and gas company, is currently struggling to emerge from the economic slowdown amid widening losses at a time when several LNG export projects are moving forward in the country.

Pemex executives took part in a conference call following the latest dire earnings that showed the company posting a 124 billion Mexican pesos (\$6.05 billion) fourth-quarter loss compared with a profit of 102.6Bln pesos (\$5Bln) in the same three months of 2020 because of a plunging currency and higher taxes.

Peso's drop

The Mexican peso has dropped from 18.80 pesos to the dollar at the start of 2020 to 20.50 pesos to the dollar at the start of 2022.

Pemex said it was working to boost natural gas output partly

through improving gas capture rates.

Natural gas production in the fourth quarter was 3.72 billion cubic feet per day, an increase of 2.3 percent compared with the same period in 2020. Non-associated gas production was up 9.1 percent.

Gas production growth was led by the Ixachi field in the eastern state of Veracruz, which grew 106 million cubic feet per day from a year earlier.

Natural gas capture showed a slight improvement and reached 88.1 percent in the fourth quarter.

Executives blamed the figure on high levels of nitrogen in the Ku-Maloob-Zaap asset along with processing infrastructure issues and other problems at the Ixachi and Quesqui gas fields.

Pemex flared 620 million cubic feet per day of natural gas in 2021, which amounts to around

17 percent of total production.

Chief Financial Officer Alberto Velázquez told analysts that capital expenditure for 2022, including more spending on exploration and production, is expected to be about 200 billion pesos (\$9.7Bln), which is more than the 2021 expenditure of 161 billion pesos and the 122Bln pesos spent in 2020.

Production will be led by the Ixachi, Quesqui and Mulach fields with 18 wells expected to be completed in the first quarter of 2022.

Pemex is aiming for production of 1.903 million barrels per day in 2022, 1.971 million barrels a day in 2023 and 2.063 million barrels a day in 2024.

The company said its crude oil and condensate production for the last three months of 2021 averaged 1.75 million barrels per day, up 4.5 percent compared with the same quarter in 2020.

The state-run company also re-

ported that its debts fell slightly by 0.7 percent to \$109Bln, though it remains the world's most indebted state energy company.

Mexican President Andres Manuel Lopez Obrador has pledged to revive Pemex and has provided billions of dollars in financial support to the company to try to achieve a turnaround.

Pemex said in December it would continue to cut crude exports this year and could suspend them altogether in 2023 as it works to meet the government's target of refining all of its oil domestically.

Analysts said the national oil and gas company needs to be weaned off of state aid to improve its corporate prospects.

The woes of Pemex continue as LNG export projects move forward, though involving US and non-state companies.

Calcasieu Pass LNG plant ships first cargo

A Greek-owned carrier departed the Calcasieu Pass LNG plant in Louisiana with the inaugural first cargo and headed for Japan as America's seventh and newest large-scale export facility opened for business to meet growing demand for natural gas around the world.

The 174,100 cubic metres capacity LNG carrier "Yiannis" had arrived at Venture Global's LNG export plant at the start of February and waited for the first production to make up a full cargo for delivery to Japan.

The "Yiannis", owned by Maran Gas Maritime, was chartered by the world's largest LNG buyer, JERA Co. Co. Inc, the joint venture power giant and fuel procurement company formed by Tokyo Electric Power Co. and Chubu Electric.

When Calcasieu Pass is fully operational later in 2022 with all processing Trains on stream, the US will become the world's No. 1 exporter, given that Cheniere Energy Trains 6 has also been completed.

"Venture Global is honored to partner with JERA, one of the world's largest buyers of LNG, on the inaugural commissioning cargo from Calcasieu Pass," said Venture Global Chief Executive Michael Sabel.

"This historic and proud moment for our company represents the culmination of many years of relentless efforts by our team to innovate, design, construct and now deliver low-cost, clean LNG to our customers," added the CEO.

Venture Global has three other ventures, including two near river mile-marker 55 on the banks of the Mississippi River, Plaquemines and Delta, and CP2 LNG adjacent to the Calcasieu Pass facility.

Chart Industries gets full notice to proceed for Plaquemines LNG

LNG News Editor

Chart Industries, the US maker of equipment for LNG and industrial gases facilities, has received a full notice to proceed (FNTF) for the production of cold boxes and brazed aluminum heat exchangers for Venture Global's Plaquemines LNG export plant on west bank of the Mississippi River.

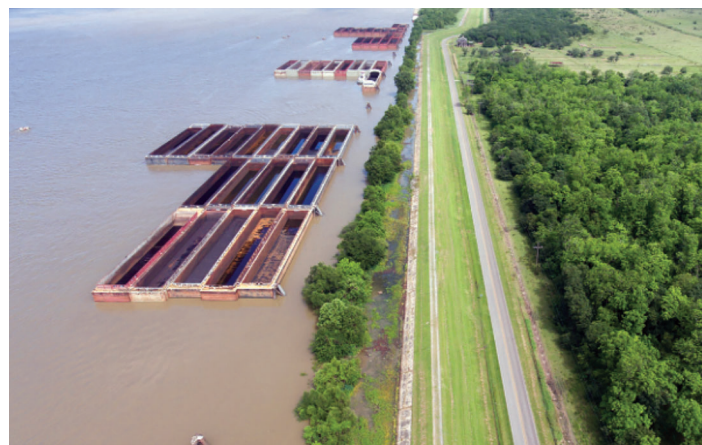
The Chart equipment will be for the first phase of the venture with production of 10 million tonnes per annum.

Order value

"In conjunction with the FNTF, Chart booked the full equipment order of \$136 million for the Plaquemines project from Baker Hughes," said Chart.

"Chart will begin recognizing revenue on this project in 2022 with a multi-year staggered delivery schedule," explained Atlanta, Georgia-based Chart.

Chart is benefiting from the LNG boom on the US Gulf Coast and after supplying equipment for the Plaquemines plant, it has also



Mile-marker 55 on Mississippi near Plaquemines LNG site

been contracted as a supplier for Cheniere Energy's Corpus Christi plant expansion and for Tellurian's Driftwood LNG project.

The Plaquemines project is under preliminary site preparation on the river bank 30 miles south of New Orleans.

First phase production will comprise nine modular blocks with the 10 MTPA of output eventually followed by nine additional block for 20 MTPA in total.

Venture Global had already raised \$500 million of funding in

transactions arranged by American and Japanese banks to finance construction activities at Plaquemines.

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.

Venture Global is currently developing 70 MTPA in four projects in Louisiana.

LNG developer Pembina Pipeline to merge some assets with US fund

Pembina Pipeline Corp., the Canadian pipelines company and joint owner of the Cedar floating liquefied natural gas project, has entered into definitive agreements valued at around US\$9 billion with US investment giant Kohlberg Kravis Roberts (KKR) to combine their respective Western Canada natural gas processing assets into a single joint venture entity.

The Pembina-KKR firm will be owned 60 percent by Pembina and 40 percent by KKR's global infrastructure funds.

KKR has been expanding its energy assets and has a stake in the Sempra Infrastructure unit controlling LNG projects and pipelines in the US and Mexico.

Pembina will serve as the operator and manager of the as yet unnamed new company jointly owned with KKR.

Pembina and the Haisla First Nation have a 50-50 partnership joint venture to develop a floating LNG export plant near Kitimat in British Columbia.

The FLNG project will be located in the Douglas Channel and is expected have a liquefaction capacity of up to 4 million tonnes per annum of LNG.

Included in the transaction are Pembina's field-based natural gas processing assets, the Veresen Midstream business, currently owned 55 percent by funds managed by KKR and 45 percent by Pembina

and the business currently carried on by Energy Transfer Canada.

"The transactions bring together three complementary platforms to create a premier, highly competitive Western Canadian gas processing entity with the ability to serve customers throughout the Montney and Duvernay trends from north central Alberta to northeast British Columbia (NEBC)," said Pembina.

"The agreements increase Pembina's ownership in Veresen Midstream and exposure to increasing LNG-driven volume growth in NEBC in a capital efficient manner," added Calgary, Alberta-based Pembina.



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NEWS BRIEFS

Nigeria LNG accord

Nigerian Minister of State for Petroleum Resources Timipre Sylva signed an agreement with his counterpart from Equatorial Guinea, Gabriel Mbaga Obiang Lima, in the Nigerian administrative capital Abuja to cooperate on LNG. A statement from the Nigerian ministry said the memorandum of understanding is part of the West African nation's strategy to prepare for the "decade of gas" by increasing export infrastructure. The accord could lead to an agreement whereby Nigerian feed gas could be liquefied and exported from the Equatorial Guinea LNG plant on Bioko Island.

LNG fuel for VLCC

TotalEnergies has chartered its first newbuilt LNG-powered Very Large Crude Carrier (VLCC), the "Eagle Valence", under a long-term chartering agreement with ship-owner AET. "She is joining TotalEnergies time charter fleet and her sister ship currently under construction is expected to be delivered in the second quarter of this year," said the French major. Luc Gillet, Senior Vice President of Shipping at TotalEnergies, said the company was pleased to welcome the "Eagle Valence" to TotalEnergies' time-chartered fleet.

Chart's order records

Chart Industries, the US maker of LNG and industrial gases equipment for the energy transition, reported record fourth-quarter and annual orders. "We continue to see broad-based demand across our product categories and geographies, reflected in three out of the four quarters of 2021 setting new historical order records," stated Chart.

Intercontinental Exchange notes first expiry of Permian Basin Midland WTI American Gulf Coast futures

LNG News Editor

Intercontinental Exchange, the leading global provider of trading platforms and clearing, is pushing ahead with development of derivatives and products to allow the hedging of risk in the natural gas, LNG and oil complexes with the latest being a successful Permian Basin product launch.

The company said that its ICE Midland WTI American Gulf Coast futures went to its first expiry on February 23, with 1,395 contracts going to expiry, equivalent to 1.4 million barrels, for delivery in March.

Initial success

The initial success of ICE's WTI American Gulf Coast oil product came after record activity during 2021 in two key LNG trading derivatives, the European benchmark Dutch Title Transfer Facility (TTF) and the Japan-Korea Marker for North Asian spot cargoes.

Since the Midland WTI contract began trading on January 24, over 12,000 ICE Midland WTI AGC futures have traded, equivalent to 12 million barrels of Permian Basin-originated WTI crude oil.

Open interest is 3,576 contracts and goes out to January 2023.

Analysts note that contract is named after the Texas city of Midland which sits on the Permian Basin, a centre of oil drilling and future abundant supplies of associated natural gas for the expanding LNG sector on the Gulf Coast of Texas and Louisiana.

However, the contract code itself carries the initials (HOU)



ICE is developing wider portfolio to cope with energy risk

of the other Texan energy city, Houston.

"It's early days still but HOU is off to a great start," said Jeff Barbuto, Global Head of Oil Markets at ICE.

"We've seen some encouraging developments in the physical space, with cargoes being offered based on HOU pricing, EFPs taking Midland WTI to the water, and general market engagement in exploring different ways to use HOU for pricing exposure, exporting, and managing risk around Midland WTI," explained Barbuto.

The Exchange for Physical (EFP) mechanism allows participants to exchange a HOU futures position for the equivalent number of underlying physical Midland WTI barrels.

The contract is deliverable at both Magellan Midstream Partners' Magellan East Houston (MEH) terminal and Enterprise Products Partners L.P.'s Enterprise Crude Houston (ECHO) terminal.

ICE explained that to further facilitate trading between the MEH and ECHO terminals to create one large liquidity pool,

Magellan and Enterprise will transfer Midland WTI barrels between the terminals for no charge during the first year if the barrels are not delivered to the buyer's preferred terminal, and at 10 cents per barrel for all other WTI transfers meeting HOU quality specifications.

UAE futures

In addition to North Sea Brent crude and WTI Oil, ICE has also pioneered the Murban oil grade trading in the United Arab Emirates.

The ICE Futures Abu Dhabi (IFAD) exchange is underpinned by the Murban oil market since it was launched at the end of March 2021.

Some long-term LNG supply contracts for nations like Japan are also linked to the oil price.

TTF and JKM futures and options form part of ICE's global natural gas complex alongside the UK National Balancing Point, Henry Hub, the West India Marker (WIM) LNG (Platts) and the Spark LNG Freight Futures contracts.

“It's early days still but HOU is off to a great start ... We've seen some encouraging developments in the physical space with cargoes being offered based on HOU pricing...”

- Jeff Barbuto, Global Head of Oil Markets at ICE.

TotalEnergies makes significant discovery off coast of Namibia as oil and LNG resources grow

LNG News Editor

TotalEnergies has made a significant discovery of light oil with associated natural gas in the Orange Basin offshore the southwest African nation of Namibia, boosting its project possibilities in the region.

The French major said the discovery was made on the Venus prospect, located in block 2913B and the Venus 1-X well encountered about 84 metres of net oil pay.

'Very promising'

"This discovery offshore Namibia and the very promising initial results prove the potential of this play in the Orange Basin, on which TotalEnergies owns an important position both in Namibia and South Africa" said Kevin McLachlan, Senior Vice President Exploration at TotalEnergies.

"A comprehensive coring and logging program has been completed. This will enable the preparation of appraisal operations designed to assess the commerciality of this discovery," added.

Block 2913B covers about 8,215 square kilometres in deep offshore Namibia.

TotalEnergies is the operator with a 40 percent working interest, alongside QatarEnergy with 30 percent, UK-based Impact Oil and Gas with 20 percent, while the National Petroleum Corporation of Namibia has 10 percent.

Major LNG producer QatarEn-



Orange Basin is in waters off South Africa and Namibia

ergy was delighted by the Namibia oil and gas success.

"We are pleased with this new discovery, which is our second in Namibia in a month, and we are encouraged by the promising results of the discovery well. I would like to congratulate our partners as well as the government of Namibia," declared QatarEnergy's President and Chief Executive Saad Sherida Al-Kaabi.

QatarEnergy holds interests in four blocks offshore Namibia, namely blocks 2912, 2913B, 2914B, and 2913A.

The latest discoveries are in water depths of 2,500 metres to 3,250 metres (8,202-10,663ft) adjacent to the South Africa maritime boundary.

The licence areas within the Orange River basin are shared between Namibia and its neighbour South Africa.

The Namibian success gives another southern African country ac-

cess to oil and gas and amid existing LNG production plans and projects involving TotalEnergies.

Northern neighbour Angola is the second-largest oil producer in Sub-Saharan Africa and uses associated gas to produce LNG as a clean energy source at its liquefaction plant, operated by the main shareholder, the US major Chevron Corp.

The LNG plant is just south of the Congo River delta at Soyo and TotalEnergies is also a shareholder in Angola LNG along with Italy's Eni, UK major BP and Angolan state energy company Sonangol.

The Angola LNG plant is located 350 kilometres north of the capital Luanda and is one of the world's most modern LNG processing facilities.

A pipeline network of over 500 kilometres delivers gas from offshore oil fields to the Soyo plant designed to process 1.1 billion cubic feet of natural gas per day

and produce 5.2 million tonnes per annum of LNG.

In southeast Africa, TotalEnergies is leading a project to produce LNG in Mozambique from Rovuma Basin resources, delayed for two years by security issues.

However, the French major is hoping to re-start work soon on the Mozambican LNG project.

TotalEnergies has initially planned to build two liquefaction Trains at the onshore plant in Cabo Delgado, each with capacity of 6.45 million tonnes power annum, and with the possibility of up to two additional Trains and overall output of 25 MTPA.

The Rovuma Basin Area 1 licence has estimated resources of more than 60 trillion cubic feet of gas of which 36 Tcf could be developed for the onshore plant.

Shareholders

The Area 1 shareholders in addition to TotalEnergies include Mozambican state-owned energy company ENH with 15 percent, Japan's Mitsui & Co, three Indian companies and Thailand's PTTEP.

Mitsui has a 20 percent stake, the three Indian companies, ONGC Videsh, Bharat PetroResources and Beas Rovuma Energy each hold 10 percent and PTTEP has 8.5 percent.

Another Indian company Oil India Ltd is also involved in the Area 1 Block through its 40 percent shareholding in Beas Rovuma Energy.

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Teekay LNG now Seapeak and makes changes

Seapeak LLC, formerly known as Teekay LNG Partners and with interests in 47 LNG carriers, 20 mid-size liquefied petroleum gas carriers and seven multi-gas vessels, has formally taken the name of Seapeak and implemented several corporate changes.

The Teekay partnership in January 2022 officially became part of the US investment fund firm, Stonepeak Infrastructure Partners, and the renaming process to Seapeak began.

Seapeak's ownership interests in these 74 vessels range from 20 percent to 100 percent and the company also owns a 30 percent interest in the Bahrain LNG regasification terminal in the Arabian Gulf.

The company said that effective from February 25 Teekay was converted from a limited partnership formed under the laws of the Republic of the Marshall Islands into a Marshall Island limited liability company.

"Accordingly, all of the rights and liabilities of Teekay LNG in its prior partnership form are automatically vested in Seapeak," said a statement.

"Concurrent with the conversion, Teekay has changed its name from Teekay LNG Partners LP to Seapeak," it added.

The changes extend to the stock exchange ticker symbols and those for outstanding securities.

Teekay's New York Stock Exchange preferred units ticker changes from TGP to SEAL.

Effective from March 1, 2022, the ticker symbols for Seapeak's Norwegian Kroner-denominated bonds listed on the Oslo Børs will be changed from TKLNG05, TKLNG06 and TKLNG07 to SPK05, SPK06 and SPK07 respectively.

Australian court dismisses environment challenge to Woodside's Pluto LNG

LNG News Editor

The Supreme Court of Western Australia has dismissed two proceedings brought against the Chairman of the state's Environmental Protection Authority challenging the Pluto LNG and Karratha Gas Plant environmental approvals made in 2019.

The proceedings were commenced by the Conservation Council of Western Australia (CCWA).

Welcomed

"Woodside welcomes the Court's decisions and continues to progress the Scarborough and Pluto Train 2 projects and the start-up of the Pluto-KGP Interconnector," said the Perth-based company.

Woodside notes that the CCWA had commenced separate Supreme Court proceedings in November 2021 challenging the Pluto Train 2 project works approval.

"A hearing date is yet to be set," said Woodside, which took a positive final investment decision on the 22nd of November 2021 on the overall Scarborough-Pluto



Pluto LNG is near Karratha in Western Australia

project set to cost around US\$12-billion.

The Pluto LNG onshore processing facility is located near Karratha in the northwest of Western Australia and the first cargo from the single-Train facility was delivered in 2012.

Woodside's Pluto feed-gas supplies come from the Pluto and Xena gas fields. The Scarborough field is enabling the development of the second liquefaction Train at the Pluto facility.

The second Train will have 5 million tonnes per annum of output, and take total nameplate

capacity to 9.2 MTPA.

The Scarborough field is located about 375 kilometres off the coast of Western Australia and is estimated to contain 11.1 trillion cubic feet of dry gas.

Development of Scarborough will include the installation of a floating production unit (FPU) with eight wells drilled in the initial phase and 13 wells drilled over the life of the Scarborough field.

The gas will be transported to Pluto LNG through a new trunkline of 430km.

Energy World Corp. gets back on track in Indonesian and Philippines

Energy World Corp., the owner and developer of LNG import terminals, liquefaction facilities and power plants in Indonesia, the Philippines and Australia, reported lower fourth-quarter net income after disposing of Indonesian assets.

Net profit decreased from \$10.2 million to \$8.1M during the period.

"The reduction in net profit is mostly due to the Group having disposed of a 49 percent participating interest in Sengkang Production Sharing agreement in March 2021 along with movements in deferred taxes," said EWC.

Revenue for the consolidated

group for the fiscal half-year rose slightly to \$73.5 million versus \$73M in the previous six months.

EWC still retains an array of assets in Indonesia and the Philippines, including a 95 percent interest in the Sengkang gas-fired power plant (Block 1 and Block 2) in Indonesia.

It also has a 51 percent interest in the Sengkang gas field in Indonesia and is outright owner of the Philippines LNG Hub in Pagbilao in Quezon province and in the adjacent Pagbilao power plant.

"The ongoing lockdown of Luzon as a result of Covid-19 restrictions affected our ability to carry out normal site operations at

our Pagbilao LNG Hub terminal and power plant, nevertheless, in addition to maintaining the security, safety and environment of the site, there has been some progress achieved in such general and peripheral areas as the roadway, drainage, slope protection, revetment and the preparation for the remobilisation and commencement of work," explained EWC.

EWC said its land acquisition programme for the right of way has continued, and where this has been completed soil investigation engineering studies have also been completed for initial transmission towers.

Kosmos Energy boosts profits and reports FLNG 70 percent completed for Mauritania-Senegal

LNG News Editor

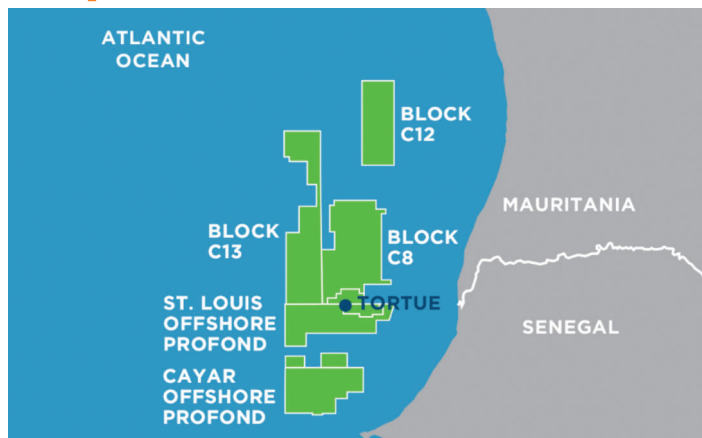
Kosmos Energy, the US-based shareholder in the floating liquefied natural gas joint venture offshore the West African nations of Mauritania and Senegal, posted higher fourth-quarter net profits and reported the FLNG venture 70 percent completed amid asset acquisitions in Ghana.

Kosmos is part of a joint venture for the FLNG project being developed with UK major BP underpinned by the Greater Tortue-Ahmeyim gas fields in the waters of Mauritania and Senegal with first gas scheduled for 2023.

'Steady progress'

"The Greater Tortue-Ahmeyim LNG project has made steady progress in 2021," said Dallas, Texas-based Kosmos.

"All eight process modules have been lifted onto the deck (of the FPSO) and mechanical completion of the process sub-systems is underway," the company explained.



Tortue Basin will underpin a near-shore floating LNG plant

"Construction was completed of the 21st (and final) caisson of the breakwater and the subsea pipe-laying vessel completed its nautical trials in preparation for the offshore installation campaign in the second quarter of 2022," added Kosmos.

Kosmos said that the FLNG hull had all four mixed-refrigerant compressors lifted onboard and pipe-rack installation operations had commenced.

In its earnings, Kosmos reported net income in the fourth quarter of

\$98.7 million compared with \$7.9M in the same three months of 2020.

Annual losses narrowed to \$77.8M versus \$411.5M of losses reported in 2020.

The company noted that it had rebuilt operational momentum and improved the balance sheet with a "strong" fourth quarter.

"Kosmos has a differentiated portfolio that is fit for the future with high-quality, low-cost oil assets funding our growth in natural gas and LNG," said the Kosmos

Chairman and Chief Executive Andrew G. Inglis. "Our record 2P reserves are balanced between oil and gas with a reserve life of over 20 years," added Inglis.

"With our existing assets and sanctioned projects, production is expected to grow around 50 percent in the next two years and we plan to do that while further deleveraging the balance sheet," stated the CEO.

"Our goal is to develop our portfolio in a responsible way, helping our host nations in Africa to expand access to affordable and reliable energy," he declared.

Ghana assets

Kosmos, a specialist in Atlantic Margin exploration and production, acquired an additional interests in the Jubilee field and in the Tweneboa, Enyenra and Ntomme (TEN) oil and gas fields offshore of Ghana in October 2021 from Occidental Petroleum of the US for around \$550M.

New Fortress Energy signs deal to deploy LNG production units offshore Republic of Congo

New Fortress Energy Inc., the New York-based supplier of LNG for power to Latin America and Asia, has signed an accord with a subsidiary of Italy's Eni in the Republic of Congo for the deployment of LNG production equipment off the coast of the West African nation for a period of 20 years.

NFE said it would set up its "Fast LNG" facility to produce up to 1.4 million tonnes per annum of LNG in the associated gas fields off the Congo.

Framework

The deal in the form of a preliminary Heads of Agreement provides a framework for negotiating a long-term tolling agreement between NFE and Eni.

NFE said that this would be for

the full capacity of the facility and for the purchase by NFE of around 1.2 million gallons of LNG per day pursuant to a 20-year free-on-board (FOB) sales and purchase agreement.

The Republic of Congo associated gas from oil production was expected to start in the second quarter of 2023.

"This landmark partnership is a major milestone for our 'Fast LNG' business. Eni is a world-class organization and the perfect partner for the first 'Fast LNG' unit," said Wes Edens, Chairman and Chief Executive of NFE.

"With production beginning next year, we believe that this is just the first of many deployments of this game-changing technology around the world," stated Edens.

"The customers at our downstream terminals need access to affordable, clean and reliable energy. Our portfolio of 'Fast LNG' facilities allows us to deploy offshore infrastructure more quickly and affordably, adds low-cost LNG to our existing portfolio and diversifies our business," Edens explained.

NFE had previously signed a first African deal with the north-west African nation of Mauritania.

That NFE agreement was for the development of an energy hub, including natural gas, power and LNG, utilizing existing offshore gas reserves owned by Mauritania as well as neighbouring Senegal.

The NFE "Fast LNG" design pairs modular, midsize liquefaction technology with jack-up rigs or similar floating infrastructure

to enable a much lower cost and faster deployment schedule than floating liquefaction vessels.

Under the NFE plan, a permanently moored floating storage unit (FSU) would serve as an LNG storage facility alongside the floating liquefaction infrastructure, which can be deployed anywhere where there is abundant and stranded natural gas.

NFE said the HOA with Congo is subject to the finalization and execution of definitive agreements and a set of conditions expected to be completed and satisfied by the end of March 2022.

The company is also in advanced discussions for the deployment of this technology in several other markets around the world, including offshore the US.