LNG Unlimited
LNG JOURNAL PUBLICATION 17 May 2022

India's Petronet LNG reports profit rise as prices offset fall in volumes

New Delhi-based company reported total consolidated revenue of $5.63Bln

LNG News Editor

Company has West Coast terminals at Dahej and Kochi

Petronet LNG, the owner of the largest Indian cargo import terminal at Dahej north of Mumbai, reported an 18 percent increase in net profits and a 58 percent surge in annual revenues even as India's LNG imports showed a year-on-year decline.

Net profits for the year to the end of March 2022 rose to 3,438 crore rupees ($445 million) versus 2,939 crore rupees ($380M) in the previous 12-month period.

Dividend

Petronet, based in New Delhi, reported total consolidated revenues of 43,466 crore rupees ($5.63 billion) for the fiscal year compared with 26,381 crore rupees ($3.42Bln) in the previous fiscal year.

Fourth-quarter net profits came to 791 crore rupees ($102.4M) versus 637 crore rupees ($82.5M) in the same three months of the previous year.

The Petronet Board recommended a final dividend of 4.50 rupees per share.

Most of India's LNG imports are handled at the Dahej import terminal followed by Hazira, owned by Shell India, and Dabhol, the terminal controlled by Gas Authority of India (GAIL).

Petronet's Dahej facility has capacity to handle 17.5 million tonnes per annum of LNG and with six storage tanks and two more planned.

The company also owns the Kochi terminal in the southwest state of Kerala and is additionally planning a third terminal and its first on the East Coast at the Port of Gopalpur in the state of Odisha.

Petronet added in its earnings statement that the company achieved a throughput of 847 trillion British thermal units in the fiscal year to the end of March compared with throughput of 896 TBTU in the previous year.

"The Dahej terminal processed 178 TBTU of LNG versus 196 TBTU during the previous quarter to the end of December and 204 TBTU processed during the same quarter of 2021," said Petronet.

The overall LNG volume processed by the company in the last quarter to the end of March was 190 TBTU compared with the LNG volumes processed in the previous and corresponding quarters, which stood at 208 TBTU and 218 TBTU respectively.

Petronet is listed on the Bombay Stock Exchange (BSE), the oldest in Asia.

Utilisation rates

The Dahej utilisation rate since April 2021 to the start of April 2022 was 88.5 percent. The Kochi facility had fiscal year usage averaging around 21 percent for its 5 MTPA of capacity as the southwest awaits more pipelines and associated infrastructure.

Indian LNG imports in the fiscal year declined by 3.4 percent, though still amounted to 350 cargoes even as costs jumped by 40 percent to almost $12Bln.

India has a network of six terminals, though the nation has been slow to expand on a geographical basis. They handled 23.61 million tonnes of LNG in the 12 months to the end of March 2022.

This was down on the 24.44MT received and regasified in the same 12 months of the previous fiscal year, according data from the Indian Ministry of Petroleum and Natural Gas.

The Ministry data showed that LNG imports for the month of March 2022 tumbled by12 percent, the seventh straight monthly fall, to 1.93MT, or 28 cargoes, versus the 2.20MT, or 32 cargoes, received in March 2021.

While LNG imports have declined every month since September 2021 more domestic pipeline natural gas has been coming ashore from the Bay of Bengal to satisfy an increasing amount of Indian demand.

Indian production of natural gas in the past fiscal year came to 34.024 billion cubic metres, marking a surge of 18.7 percent on the 28.673 Bcm logged in the 2020-2021 fiscal year. ■

UNLIMITED AGENDA

CORPORATE
Reliance boosts Krishna Godavari gas realisations as profits jump 2

EXPORTS
Kosmos Energy says first phase of FLNG for Mauritania and Senegal progresses 3

MARKETS

Enbridge's US LNG feed-gas portfolio grows amid new Canada pathways 5

TECHNOLOGY
LNG-equipment firm Burckhardt has unit in China chosen for Sinopec hydrogen 6

TERMINALS
German Terminal welcomes planning wave through for Elbe development 7

PROJECTS
Sempra reports LNG progress in Mexico amid boost for US utility businesses 9

Reliance Industries boosts Krishna Godavari natural gas price realisations as profits jump

LNG News Editor

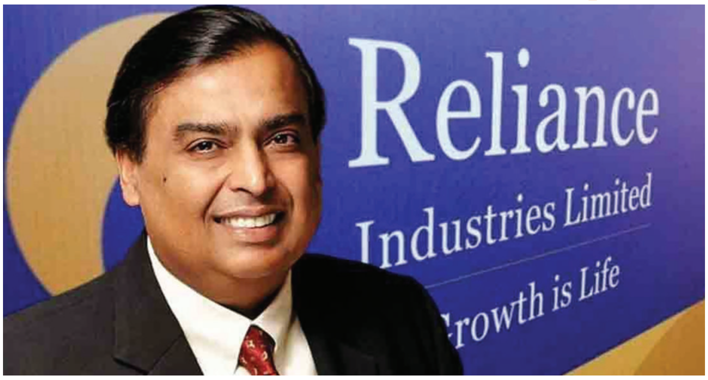
Reliance Industries, the Indian conglomerate and a leading oil, natural gas and chemicals company supplying rising gas volumes to supplement LNG imports, reported a jump in earnings from energy exploration and production amid higher gas prices for more Bay of Bengal volumes.

The main domestic exploration and production portfolio of Reliance comprises conventional oil and gas blocks in the Krishna Godavari Basin KG-D6 block on the East Coast of India and the Mahanadi Basin as well as two coal-seam gas (CSG) blocks, Sohagpur (East) and Sohagpur (West) in Madhya Pradesh state in central India south of New Delhi.

Onstream

The Reliance oil and gas exploration and production division reported revenues for the fiscal year to the end of March 2022 increased 3.5-fold to 7,492 crore Indian rupees ($973.2M) versus 2,140 crore rupees ($277.9M) in the previous year.

Reliance's KGD6 projects are in partnership with UK major BP.



Going forward: Reliance Chairman Mukesh D. Ambani

They have brought on stream two out of three development blocks.

The onstream fields are called R-Cluster and the Satellite-Cluster and the third, which is still to start up, is called the MJ field.

"MJ field development work is on track to commence production by the third quarter of fiscal 2023 (year-end 2022) with the commencement of the lower and upper well completion campaigns," Reliance explained.

The Floating Production Storage and Offloading (FPSO) platform construction activities are on schedule and the vessel is expected to arrive in India in the July-to-September quarter of 2022.

"The final offshore field installation campaign is in progress despite adverse weather conditions and unusual currents encountered during execution," stated Reliance.

Fourth-quarterly E&P revenues came to 2,008 crore rupees ($261M) compared with 848 crore rupees ($110M) in the prior-year quarter.

"This was primarily due to higher production from KGD6 post commencement of gas production from the R-Cluster and the Sat-Cluster field coupled with higher gas price realisation in KGD6 and coal-seam gas," said Reliance.

The company said the average price realization for KGD6 gas was $4.92 per million British thermal units in fiscal 2022 versus $3.96 per MMBtu in the previous fiscal year.

Reliance added that the current combined average production from these two fields was 18.0 million standard cubic metres per day.

Gas produced from KGD6 during the year amounted to 149.5 billion cubic feet.

Figures in the statement showed that CSG production in the year came to 10.2 Bcf, down from the previous year's 11.8 Bcf.

Reliance gas prices

Reliance said the average gas prices realised for KGD6 in the fourth quarter jumped to $6.13 per MMBtu from $3.99 per MMBtu in the same three months of fiscal 2021.

The company's gas prices realised for CSG in the quarter were higher at $7.64 per MMBtu.

The Government has also notified companies that the second-half 2022 natural gas price ceiling had been set at $9.92 per MMBtu for the KGD6 gas.

Reliance, based in Mumbai, is a conglomerate also involved in petrochemicals, textiles, retail, telecoms and media.

Its fiscal 2022 annual net profits came to a record 67,845 crore rupees ($8.8 billion), an increase of 26.2 percent. ■

Equinor sells assets to equity-fund backed buyer for $1Bln amid countdown to LNG re-start

Norway's Equinor has sold North Sea oil and natural gas asset to the private equity-backed player Sval Energi in a deal including a cash payment of US$1 billion and a contingent payment structure linked to realised oil and gas prices for both assets for 2022 and 2023.

Equinor and Sval Energi have entered into an agreement for the sale of Equinor's non-operated share in the Greater Ekofisk Area of the Norwegian sector of the North Sea and a minority 19 percent stake in the Martin Linge oil and gas field, also in the North Sea.

Sval Energi, the buyer of the Equinor assets, is a unit of the Norwegian-based private equity firm HitecVision which invests in European energy and other fields.

The North Sea assets sale came a week before the scheduled re-start of the Hammerfest LNG export plant on May 17 after a shutdown since the end of September 2020 for fire-damage repairs.

The Hammerfest facility receives its feed gas from the Snøhvit field in the Barents Sea off Norway.

Equinor said the agreement with Sval Energi included 7.604 percent of Ekofisk area licenses PL018, PL018B and PL275 (including the Ekofisk, Eldfisk and Embla fields, and 6.63922 percent in the Tor Unit).

"With this agreement, Equinor will no longer have any ownership interests in the Greater Ekofisk Area but will retain a 51 percent ownership share in Martin Linge and continue as the operator of the field," explained the Stavanger-based state-backed company.

The deal also includes the sale of Equinor's 18.5 percent interest in Norpipe Oil AS , part of the infrastructure transporting oil from the Greater Ekofisk Area to land.

"Ekofisk has played an important role in Norway and Equinor's oil and gas journey as the first producing field on the Norwegian Continental Shelf," said Rune Nedregaard, Senior Vice President for Exploration and Production in South Norway.

"The Greater Ekofisk is an area where Equinor has limited participation, and we have therefore decided to sell our position in the area during a period of high prices and to redirect capital to other core areas for the business," explained Nedregaard. ■

US LNG exports to hit record in summer

The United States Government forecasts that liquefied natural gas exports would hit an all-time high through the normally quieter Northern Hemisphere summer from May to August and even amid higher benchmark Henry Hub prices.

"In April, US LNG exports averaged 11.6 billion cubic feet per day , slightly below an all-time peak of almost 12.0 Bcf per day set in March," said the Energy Information Administration in its short-term energy outlook.

"We forecast that US LNG exports will average 12.1 Bcf/d from May through August, which is slightly lower than our previous forecast," added the EIA.

"This forecast reflects our assumption of slightly lower LNG demand in Asia and Europe this summer compared with our previous assumption, in part because of sustained high natural gas prices," explained the report.

The outlook forecasts that US LNG exports will average 12.0 Bcf per day for all of 2022, a 23 percent increase from 2021.

"Growth in LNG exports in recent years has been driven by capacity expansions," noted the report.

"However, we do not expect any new export facilities to come online in the forecast period, and as a result, forecast growth in LNG exports slows to 5 percent in 2023, with LNG exports averaging 12.6 Bcf per for the year," it said.

The EIA report said that the April Henry Hub natural gas spot price averaged $6.59 per million British thermal units , which was up from the March average of $4.90 per MMBtu and higher than the April 2021 average of $2.66 per MMBtu.

Kosmos Energy says first phase of Mauritania-Senegal FLNG advances

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, swung to a profit from a prior-year loss as more progress was made on the FLNG project.

Kosmos, a specialist in Atlantic Margin exploration and production and based in Dallas, Texas, reported a first-quarter net profit of $1.4 million compared with a loss of $90.76M in the first three months of 2021.

Revenues

Total revenues and other income soared to $659.06M versus $176.57M in the same quarter of last year.

Kosmos, which is developing FLNG with UK major BP offshore Mauritania and Senegal and centred on the Greater Tortue-Ahmeyim gas fields, said Phase One of the Greater Tortue LNG venture was about 75 percent complete at quarter-end. The FLNG hull commenced pipe rack outfitting and equipment installation and testing," said Kosmos of the LNG carrier, the "Gimi", being converted to an FLNG hull at Keppels in Singapore.

Carrier 'Gimi' being converted to FLNG hull in Singapore

The company's net production came to 72,600 barrels of oil equivalent per day and sales were 72,400 boe per day.

The first Mauritania-Senegal FLNG production facility is scheduled to have first gas in early 2023.

"With our low-cost, high margin oil assets that generate cash to pay down debt and invest in our deep portfolio of world-class gas assets, we believe we have the right portfolio at the right time," said Chairman and Chief Executive Andrew G. Inglis.

"We are well positioned for the energy transition and believe we will have an increasingly important role to play in providing energy security to countries looking to diversify from current supply sources with cost competitive and geographically advantaged LNG," stated Inglis.

ExxonMobil LNG marketing unit signs with Venture Global

ExxonMobil Corp. has signed up with US plants developer Venture Global for two long-term Sales and Purchase Agreements amounting to volumes of 2 million tonnes per annum from Louisiana LNG export plants.

Venture Global, based in Arlington, Virginia said ExxonMobil LNG Asia Pacific (EMLAP), which has an LNG trading licence in Singapore, will receive 1 MTPA from the Plaquemines export plant being developed on the banks of the Mississippi River.

A further 1 MTPA will be lifted for the ExxonMobil unit from the CP2 LNG project being designed and constructed alongside the existing Calcasieu Pass plant in Cameron Parish where several mid-scale Trains are already operating.

"This is the second supply agreement for CP2, which is expected to commence construction in 2023," said Venture Global.

This refers to a previous deal with New Fortress Energy, headquartered in New York, for 1 MTPA of LNG from the future CP2 plant. NFE is also taking 1 MTPA of LNG from Venture Global's Plaquemines facility and both deals are for free-on-board cargoes for a period of 20 years.

Venture Global said that both of its new export facilities will replicate the same design seen in operation at Calcasieu Pass, where speed of execution resulted in the production of first LNG only 29 months after the final investment decision.

The company is also developing a fourth plant on the Mississippi River called Delta LNG and would take its overall output to 60 MTPA.

"Venture Global is deeply honored that ExxonMobil has chosen to collaborate with our company across both of our next projects, Plaquemines and CP2," said Michael Sabel, Chief Executive of Venture Global LNG.

"As a global LNG leader, ExxonMobil's support for Venture Global's innovation and engineering execution is a defining moment for our combined teams and the wider LNG market," Sabel declared.

ExxonMobil is developing its own Golden Pass LNG export plant along the Gulf Coast at Texas in partnership with QatarEnergy on the Sabine-Neches Waterway.

FLNG & FSRU ASIA

MAXIMISING FLNG & FSRU OPPORTUNITIES TO MEET THE HEIGHTENED DEMAND FOR LNG

DAVID BAUTISTA
Business Development Upstream,
Crescent Petroleum

DR. AJAY KUMAR
Managing Director,
Fox Petroleum

HARUO KIKKAWA
Project Development Manager,
GasLog

KAUSHAL RAMESH
LNG and Power Markets Research,
Rystad Energy

12 SEPTEMBER 2022,
10 am - 3 pm
Happening alongside the FPSO World Congress 2022
fpsoworldcongress.com

SCAN TO DOWNLOAD THE EVENT BROCHURE

Keen to join? Contact info@fpsonetwork.com

NEWS BRIEFS

Chile LNG station

HAM Group of Spain, the developer of a growing European LNG filling station network, is also expanding into South America with a second LNG service station in Chile. HAM Chile will be in charge of the engineering process of the LNG station as part of a joint venture with regional operator Empresas Lipigas. The existing LNG station is located at the fuelling base of trucking company Transportes San Gabriel, in Linares, 300 kilometres south of the Chilean capital Santiago. HAM said the second station would be located in Tabolango in the Valparaíso region and about 10 kilometres from Concón, a coastal city in central Chile and will open in June.

Kyushu LNG trading

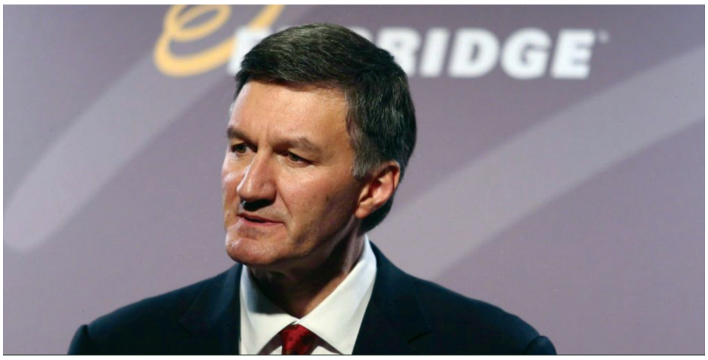
Kyushu Electric Power, a long-term LNG buyer with current long-term contracts with the Australian Gorgon LNG and Wheatstone LNG plants, has launched a new subsidiary for LNG trading. "Kyushu has launched a new subsidiary dedicated to supply to meet emerging demand," said the company.

Novatek GDRs

Novatek, the Russian natural gas company and operator of the Yamal LNG plant in northern Siberia and the Arctic LNG II project hit by sanctions over the Ukraine invasion, has issued a notice through the London Stock Exchange on continuing its Global Depository Receipt (GDR) trading. "The Russian Federation Government Commission on Monitoring Foreign Investment authorized Novatek not to terminate its Global Depository Receipt (GDR) program and to continue GDR circulation outside the Russian Federation," said the statement.

Enbridge sees fast-growing US LNG feed-gas portfolio and pathways to Gulf for Canada's heavy oil resources

LNG News Editor



Enbridge CEO Al Monaco gave oil and gas summation

Enbridge Inc., the Canada-based North American natural gas and oil pipeline company, said it was securing more US LNG feed-gas supply contracts but also expects Western Canada to help fill the Asian supply and for a smoother pathway to the Gulf Coast for the huge Canadian oil resources.

Enbridge Chief Executive Al Monaco commented extensively on US and Canadian LNG and oil during a conference call on Calgary, Alberta-based Enbridge's recent earnings report.

Provider

"LNG Canada is in construction, of course, and Woodfibre LNG is advancing early stage construction activity. We are the main hardwood of the Montney and Deep Basin. So all of this bodes well for upstream expansion on our BC pipeline system," explained Monaco.

He stated that Asian markets as well as Europe are currently seeking long-term supply, the biggest opportunity, in Enbridge's view, is natural gas exports with the potential for over 30 billion cubic feet per day.

"That's more than tripled last year and of course, crude oil exports are set to grow by 50 percent, " the CEO said.

"All of this is very positive for infrastructure pointed at tidewater," stated Monaco.

"Remember as well that the North American grid is integrated. So growing global demand and exports is upside to Canada and the US. What you see here is underpinned by strong energy demand," he added.

The Enbridge CEO said it was "not pretty" for US Northeast consumers having to pay natural gas prices at roughly five times the US benchmark Henry Hub.

"This situation screams for more infrastructure, especially given increased supply variability from offshore wind that's coming and more displacement of coal, of course," said Monaco.

"We put Phase 1 of our Appalachian-to-Market project into service last year and Phase 2 is in pre-construction," he added.

"Building greenfield is tough sledding, of course, these days, but these expansions are executable and cost-effective and there's more that we can do," Monaco told analysts.

"LNG exports is a big opportunity with momentum building across the US Gulf and now more so in Western Canada. Our Texas East system feeds LNG along the Gulf Coast," he noted.

He said Enbridge currently supplied four US LNG export plants with about 2 Bcf per day.

"We've locked up capacity agreements with three more LNG projects that could add up to 7 Bcf a day and over $2 billion of new investments," he explained.

"Plaquemines LNG is now fully contracted and likely going ahead, which will drive $400 million on our Venice extension project, not in the secured category yet, but we expect it to be shortly. Texas LNG and Rio Grande LNG are also progressing," said the CEO.

Shifting fundamentals

Shifting fundamentals are bringing Western Canada to the forefront once again.

"You've got a world-class liquids-rich resource base that rivals the Marcellus and the Haynesville," stated Monaco.

"And operators have done a every business a good job unlocking reserves. We could see production grow 50 percent for LNG exports here and regional demand growth," he added.

Canada's Trans Mountain Pipeline expansion (TMX) has reportedly reached a major landmark by passing its halfway mark to completion.

The project is intended to roughly triple the pipeline's capacity to 890,000 barrels per day on the 690-mile route across Alberta and British Columbia.

While pipeline hurdles increased along with costs it was noted the progress has been made.

The original line was completed in 32 months, from incorporation with a federal charter to its first delivery in 1953.

Since first approved in 2016, TMX costs have risen from C$7.4 billion ($5.9Bln) to C$21.4Bln ($17Bln) in 2022.

Commenting on getting the Western Canada Sedimentary Basin's vast oil and liquids reserves to market, CEO Monaco pointed to the TMX as a means of transportation.

"The fundamentals here for the oil sands basin and the basin generally in Western Canada are pretty positive," said Monaco.

LNG-equipment maker Burckhardt sees unit in China chosen by Sinopec for green hydrogen

LNG News Editor

Swiss company Burckhardt Compression, a specialist provider of LNG sector equipment and technology, said its Chinese subsidiary, Shenyang Yuanda Compressor Co., has signed a contract with China's Sinopec Guangzhou Engineering to supply three skid-mounted hydrogen compressors for a major project.

Burckhardt said the equipment was for the Sinopec Xinjiang KuChe green hydrogen project.

Shenyang Yuanda plant in China (Photo: Scanderbeg Sauer)

Investment

The Chinese say the green hydrogen project has a total investment of almost 3 billion Chinese yuan ($450M) and is the world's largest such project under construction to produce green hydrogen from solar photovoltaic power generation.

"It consists of five major parts: photovoltaic power generation, power transmission, hydrogen production from water electrolysis, hydrogen storage and hydrogen transmission," explained the Swiss company.

"The project will produce 20,000 tons of green hydrogen per year with a hydrogen purity of more than 99.9 percent," it added.

"The hydrogen produced by water electrolysis will be pressurized to 32 bar by compressors and transported via pipeline," stated Burckhardt. One of Burckhardt's key new products in the LNG shipping sector is its Laby GI Compressor type LP250, the world's first oil-free reciprocating high-pressure fuel-gas compressor in service.

Burckhardt's fuel-gas compressor system plays an important role on LNG carriers to help maximise fuel efficiency.

In addition to its Swiss operations, Winterthur-based Burckhardt has expanded in recent years to run businesses in the US, Japan and China and that's why it owns Shenyang Yuanda Compressor.

Burckhardt said its high performance skid-mounted compressors are ideally suited to large green hydrogen projects and are capable of boosting pipeline transfers.

"With highly efficient frame, the whole machine is half the size of a conventional low-speed reciprocating compressor with the same capacity," explained Burckhardt.

"Fully balanced moving parts eliminate compressor vibrations and improve operational reliability. The skid-mounted design enables easy on-site installation and shortens the project construction time," it stated.

Burckhardt explained that according to the process requirements, the compressor needs to withstand pressure variations of approximately seven times the inlet pressure while guaranteeing a stable outlet pressure.

"It also needs to be optimized in terms of energy consumption. This places high demands on the compressor and control logic design, which will rely on Burckhardt Compression's extensive technology and experience to provide customers with excellent solutions," it said.

Green hydrogen is hydrogen produced by splitting water by electrolysis. This produces only hydrogen and oxygen.

You can then use the hydrogen and vent the oxygen to the atmosphere with no negative impact. To achieve the electrolysis, however, you need electricity.

Hydrogen explained

The basic understanding of hydrogen is as an energy carrier and there are semantics behind its various names.

One has to make the distinction of hydrogen as a carrier and not an energy source.

What this means is that it needs a primary source of energy to be produced, either solar electricity as is the case in the Burckhardt project or hydro-power, nuclear power or gas-fired power to name just a few.

It should be noted that it is specifics of the production process, including the energy source it utilises, that determine whether hydrogen will be named green or blue.

Green hydrogen is hydrogen produced by splitting water by electrolysis as explained above.

Blue hydrogen is when natural gas is split into hydrogen and carbon-dioxide either by Steam Methane Reforming or Auto Thermal Reforming but the carbon-dioxide is captured and then stored.

Flex posts profits rise amid spot challenges

Flex LNG, the Norwegian shipping company with a fleet of 13 modern vessels and several chartered to the largest US exporter, reported an 18 percent jump in first-quarter net income even amid spot freight market challenges at the end of the three months as the LNG trade abruptly shifted towards Europe from Asia.

Flex's first-quarter net income jumped to $55.76 million from $47.22m in the prior-year quarter.

Vessel operating revenues were lower in the first three months of 2022 at $74.57M versus $81.26M in the same quarter of 2021 and much lower than the $114.59M logged in the final quarter of 2021.

Flex said average Time Charter Equivalent (TCE) rates were $62,627 per day for the first quarter of 2022 compared with $95,908 per day for the fourth quarter of 2021.

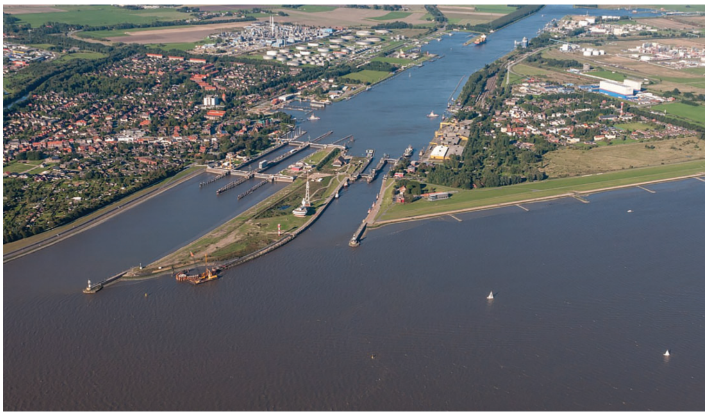
"The first quarter was a fantastic period to be a cargo owner with high demand and elevated prices for LNG given the global energy crunch," said Øystein M Kalleklev, Chief Executive of Flex LNG Management.

"For the spot freight market the first quarter was, however, challenging as the LNG trade abruptly shifted towards Europe resulting in lower sailing distances and thus higher availability of ships, depressing freight economics as liquidity in the spot market also dried up," explained the CEO.

"The sentiment in the freight market did, however, turn positive during the end of February and spot rates for modern tonnage have now recovered to above the seasonal average while the one-year and three-year Time Charter rates remain very strong," added Kalleklev.

German LNG Terminal GmbH welcomes planning wave through

LNG News Editor



Brunsbüttel terminal site at Kiel Canal, north of Hamburg

German LNG Terminal GmbH, the developer of the Brunsbüttel import terminal on the Kiel Canal north of Hamburg, welcomed the planning status accorded by the Federal Minister for Economic Affairs and Climate Action Robert Habeck for the development of energy import infrastructure across northern Germany.

"The rapid development of an LNG infrastructure is an essential and necessary contribution to the diversification of energy imports and thus to energy security in Germany," said German LNG Terminal Chief Executive Michael Kleemiss.

Infrastructure

"Both via temporary solutions for floating terminals (FSRUs) as well as future-proof, permanent import infrastructures, which are also being considered for the supply of increasingly climate-neutral energy sources," added Kleemiss.

"Our terminal therefore fits perfectly into the overall planning and will make a sustainable contribution," stated the CEO.

The Brunsbüttel import facility has already signed a preliminary accord with Shell to acquire cargo volumes.

The German Federal Government, though the state investment body Kreditanstalt für Wiederaufbau (KfW), has replaced Dutch storage company Royal Vopak in the shareholder line-up, though the dominant company is still the Dutch utility Gasunie.

The German utility RWE, based in Essen, has also signed a memorandum of understanding to join the Brunsbüttel project.

It will have two LNG storage tanks, each with a capacity of 165,000 cubic metres, allowing for flexible logistics for LNG storage and retrieval, as well as an LNG regasification system.

The terminal will have a throughput capacity of up to 8 billion cubic metres of natural gas per year and may be expanded to cope with 10 Bcm.

Dutch LNG FSRU cargo tender brings response from 15 firms

New Fortress Energy Inc., the US LNG-for-power company, saw its shares rise after it executed a binding agreement to charter a floating storage and regasification unit to Dutch utility Gasunie to serve as a second LNG import terminal for the Netherlands at the Port of Eemshaven.

NFE shares rose by 0.50 percent to $41.10 per share on the Nasdaq global exchange compared with the previous session and from a one-month low of $38.78 per share on April 29.

Five-year deal

The New York-based company signed a five-year charter deal starting from the third quarter of 2022 and will provide storage and regasification capacity for Gasunie's new LNG import terminal now comprising two vessels.

"We are pleased to be working with Gasunie, one of Europe's leading energy infrastructure companies, to add LNG import capacity and strengthen the energy security of the Netherlands and surrounding European countries," said Wes Edens, Chairman and Chief Executive of NFE.

"We look forward to a successful, long-term partnership with Gasunie and see other areas for collaboration to enhance energy security and accelerate the energy transition in Europe," added Edens.

According to Gasunie, more than 15 parties have so far registered their interest in using the terminal to deliver LNG cargoes, and demand is four times higher than supply needs.

"These parties now have until June 10 to convert their interest into a binding LNG supply contract," said Gasunie.

"Once the floating facilities from Exmar and NFE are moored in Eemshaven, they will be technically ready and connected to the existing gas network in Eemshaven," stated Gasunie.

From Eemshaven, Gasunie said it would continue to ensure the onward transport of gas in the Netherlands via the national gas pipeline network.

Sempra profits drop but revenue up for LNG and the utility businesses in Texas and California

LNG News Editor

Sempra, the energy company with LNG assets and projects in Louisiana and Mexico as well as power and gas businesses in California and Texas, reported a jump in first-quarter revenue to $3.82 billion from $3.25Bln, though net profits fell because of one-time items and amid continued investment.

The San Diego, California-based utility and energy player posted a drop in first-quarter net income attributable to shareholders to $612M versus $874M in the prior-year quarter, citing one-time impacts on earnings while the company continued to invest in LNG and energy transition assets.

Costa Azul terminal in Mexico will soon be LNG export plant

LNG expansion

One-time items included $66M quarterly costs for the Aliso Canyon natural gas storage litigation in California, $75M for foreign currency impacts and higher commodity derivatives expense of $51M.

"Our investments in North American energy networks are designed to improve the safety and reliability of our services for the benefit of our customers and the communities we serve," said Jeffrey W. Martin, Chairman and Chief Executive of Sempra.

Sempra said its Sempra Infrastructure Partners unit, which contains the LNG assets such as Cameron LNG at Hackberry and the Costa Azul plant in Mexico, was expanding the North American LNG network "uniquely positioned" to serve customers in both the Pacific and Atlantic markets.

"The company also is continuing to support growing integration of North American energy markets through its US-Mexico cross-border infrastructure business," added Sempra.

"To support its growth, the company took steps to advance the development of its Cameron LNG Phase 2 expansion project with its partners at the Cameron LNG joint venture," stated the company.

These include a non-binding Heads of Agreement, which provides the commercial framework for the expansion of the Louisiana facility by adding a fourth liquefaction Train and also increasing the production capacity of the existing three Trains through debottlenecking activities.

"Concurrent with these activities, Cameron LNG is also conducting a competitive front-end engineering and design process," explained Sempra.

"This development work is targeted to be completed in the summer of 2023 and the company expects to be in a position to make a final investment decision thereafter," it declared.

Sempra noted that in March, the company announced a non-binding memorandum of understanding with French major TotalEnergies for the company's second Mexican LNG project, the Vista Pacífico development.

"The referenced MOU for the Vista Pacífico project contemplates TotalEnergies contracting for approximately one-third of the long-term export production, as well as TotalEnergies' participation as a minority equity investor in the project," added Sempra.

Abu Dhabi stake

Sempra noted that it also expected to close the sale of a non-controlling 10 percent interest in Sempra Infrastructure Partners to a subsidiary of the Abu Dhabi Investment Authority (ADIA), the wealth fund in the United Arab Emirates, for $1.78Bln in cash in the second quarter. ■

Baker Hughes updates investors on multi-year growth in LNG and oil investment to meet demand

Baker Hughes, the liquefied natural gas equipment-maker and energy services company, has told investors it was well positioned to capitalize on multi-year growth in LNG and new energy projects.

The company, which has main offices in Houston and London and is led by Chairman and Chief Executive Lorenzo Simonelli said it had an "exciting portfolio" of emerging energy transition technologies and solutions.

In its most recent earnings, Baker Hughes recorded strong orders from its Turbomachinery and Process Solutions (TPS) division and said the LNG order cycle continued to unfold.

The company believes that the industry has entered another constructive LNG cycle, which is being expedited by the current geopolitical situation, particularly for US LNG projects and it forecast that global liquefaction capacity could be expected to almost double by 2040.

"We have compelling growth profile driven by range of energy transition initiatives," said Baker Hughes in a presentation to investors.

"Multiple areas could drive extended growth cycles over the next 5-10 years and beyond," stated Baker Hughes.

Baker Hughes was most recently awarded the contract for the LNG driver system for the first phase of US company Venture Global's Plaquemines LNG project, located south of New Orleans on the Mississippi River in Louisiana.

The company said it now had orders booked for 150 million tonnes per annum of LNG capacity.

Baker Hughes has four divisions and in addition to LNG equipment through the Turbomachinery and Process unit it also offers oil field services, oil field equipment and digital energy solutions.

New LNG wave

"Gas fundamentals, particularly in Europe and Asia have tightened significantly. The current backdrop supports a new wave of LNG projects being sanctioned to fill the liquefaction capacity supply-demand gap," it said.

"there has also been a significant increase in long-term contracting activity and this has helped projects secure funding and progress to final investment decisions," it noted.

In oil services, the company stated that sustained underinvestment had started to impact supply in the oil market.

"Capital discipline and the escalating focus on shareholder returns has restrained spending and ESG pressures have driven the strategies of major international oil companies away from fossil fuels," said Baker Hughes. ■