

LNG Unlimited

LNG JOURNAL PUBLICATION

28 June 2022

Global LNG operator Chevron signs deals for US Gulf cargoes

US major is increasing LNG trading role after accords with Cheniere and Venture Global
LNG News Editor

Australian and African LNG export plants operator, US major Chevron Corp., is increasing its LNG trading role after signing cargo supply agreements with the largest US exporter Cheniere Energy and newcomer Venture Global with one plant in operation in Louisiana and three others under development in the state.

Venture Global said Chevron had signed two long-term Sales and Purchase Agreements (SPAs) for the purchase of 2 million tonnes per annum for 20 years.

Buyer

Cheniere Energy confirmed that Chevron would also be buying another 2 MTPA from Cheniere units, Sabine Pass Liquefaction and Cheniere Marketing in two separate SPAs.

Chevron is one of the leading LNG exporters with the operatorships of the Gorgon and Wheatstone export facilities in Western Australia and the Angola LNG plant in southwest Africa.

Under the Venture Global accords for Louisiana LNG cargoes, Chevron will purchase 1 MTPA from the Plaquemines LNG facility being built on the banks of the Mississippi and a further 1 MTPA from the CP2 project planned for next to the existing Calcasieu Pass plant near Lake Charles.

Plaquemines LNG has been under full construction since August of 2021 and the construction of CP2 LNG is expected to commence in 2023.

"Venture Global is delighted to



One of Chevron's own Asia-class carriers (Chevron photo)

begin a long-term LNG agreement with Chevron, one of the world's premier integrated energy companies," said Venture Global CEO Michael Sabel.

"This is an outstanding addition to our growing customer portfolio at CP2. Our innovative and proven approach for the deployment of LNG Trains enables us to deliver energy to our customers faster and at the lowest cost," added Sabel.

Colin Parfitt, Chevron Vice President for Midstream, said the Venture Global deal allows Chevron to deliver affordable, reliable, and ever cleaner energy to meet long-term demand.

"This is part of Chevron's strategy to connect and strengthen relationships across the natural gas value chain - from natural gas production and lower carbon initiatives, to transportation, marketing and delivery," added Parfitt.

Venture Global is developing an additional 50 MTPA of production capacity in Louisiana from three plants, also including the Delta LNG project.

Cheniere said that its two SPAs with Chevron are for 1 MTPA on a free-on-board basis from Sabine Pass in Louisiana.

"Deliveries under the SPA will begin in 2026, reach the full 1.0 MTPA during 2027 and continue until

mid-2042," explained Cheniere.

"Under the second SPA, Chevron has agreed to purchase about 1.0 MTPA from Cheniere Marketing on an FOB basis with deliveries beginning in 2027 and continuing for around 15 years," added Cheniere.

Conditions

"The Cheniere Marketing SPA is subject to Cheniere making a positive final investment decision to construct additional liquefaction capacity at the Corpus Christi LNG export facility beyond the seven-Train Corpus Christi Stage III Project," explained Houston, Texas-based Cheniere.

Cheniere added that the purchase price for the LNG under the SPAs was indexed to the Henry Hub price, plus a fixed liquefaction fee.

"We are pleased to welcome Chevron, one of the world's premier integrated energy companies, as a valued long-term LNG offtaker," said Anatol Feygin, Cheniere's Executive Vice President and Chief Commercial Officer.

"These long-term SPAs underscore the growing demand for reliable, cleaner burning LNG supply beyond 2040 and further support investment in additional LNG capacity beyond our Corpus Christi Stage III Project," added Feygin.

UNLIMITED AGENDA

IMPORTS

UK chemicals firm and US Gulf Coast ethane buyer Ineos in Sempra LNG deal

2

SUPPLIES

GAIL India set to enter small-scale LNG for stations and later bunkering

3

EXPORTS

US LNG data has Europe favoured over Asia while Cameron cargoes cost the most

5

UPSTREAM

Elixir Energy gives update on operations in Mongolia quest for coal-seam gas sales

6

SHIPPING



First LNG carrier of the season leaves for Asian port by Northern Sea Route

7

UTILITIES

JERA success in bids at auction and will use two reprieved plants

9

UK chemicals company and US Gulf Coast ethane buyer Ineos signs first major LNG deal

LNG News Editor

Ineos Group, the UK multinational chemicals company with ethane trading links to the US Gulf Coast, has signed an accord with Sempra Infrastructure to secure future cargoes from the planned Port Arthur LNG export project in Texas or the expansion of the existing Cameron LNG plant at Hackberry in Louisiana.

Ineos said that building on its position exporting ethane from the US, it was now entering the LNG market.

Sempra accord

The London-headquartered company has signed a Heads of Agreement with Sempra, the California-based utility and LNG plants and projects owner in the US and Mexico.

The Sempra Infrastructure units will provide 1.4 million tonnes of per annum of LNG from the US Gulf Coast for 20 years.

"Ineos Energy Trading will market the LNG into global markets as well as supply its own industrial



Ineos group has refining, shipping and trading subsidiaries

needs in Europe," explained the company controlled by the UK energy and chemicals entrepreneur, Sir Jim Ratcliffe.

"The agreement comes at a critical time for energy markets and will provide much needed security of supply," added Ineos.

Under the agreement if it is finalized, the LNG will be delivered on a free-on-board basis from either the proposed Port Arthur plant or Cameron LNG.

The company said it regarded itself as a first mover among European corporates as it secures competitive sources of energy to meet its own needs and those of its customers throughout the energy

transition. "Ineos intends to build partnerships with other industrial users of energy in Europe to help them access the same competitive sources of energy. It is the first market entrant to operate in this way in many years," it declared.

Brian Gilvary, Chairman of the INEOS Energy unit, said the agreement represented a major step forward in the Ineos Energy strategy at a time of significant transformation in the energy industry.

"Our entry into the global LNG market opens new opportunities to supply affordable, clean and reliable energy to the market. Long-term supply from INEOS Energy will help alleviate the struc-

tural energy issues in Europe," he declared.

Sempra's Port Arthur LNG development envisages producing 13.5 MTPA of LNG and is a fully permitted venture to be located at a 3,000-acre site in Jefferson County in Texas.

In addition, Sempra Infrastructure has signed an HOA with the Cameron LNG partners for the development of the proposed 6.75-MTPA Cameron LNG Phase 2 expansion.

Strategic

David Bucknall, Chief Executive of Ineos Energy, said the company was delighted to begin a strategic relationship with Sempra Infrastructure.

"This agreement is an important part of our strategy as we build a network of liquefaction, shipping, and regasification capacity to deliver affordable, cleaner and reliable energy to our businesses and customers in Europe and around the world," added Bucknall.

Louisiana project developer Venture Global signs up German firm as seventh European LNG buyer

Venture Global LNG, owner of the newest US export plant at Calcasieu Pass in Louisiana and with three other projects in development, has signed two long-term supply agreements with a German utility with cargo deliveries starting in 2026.

The utility EnBW, based in Stuttgart and with 5.5 million customers, has signed Sales and Purchase Agreements (SPAs) for 1.5 million tonnes per annum LNG from two of Venture Global's projects, the Plaquemines venture on the Mississippi River and the CP2 project near the existing Calcasieu Pass plant.

EnBW has agreed to purchase 750,000 tonnes per annum from Plaquemines and the same vol-

umes from CP2 LNG for 20 years.

The German company is the seventh European buyer of Venture Global volumes after deals previously signed by the Polish Oil and Gas Company, BP of the UK, Shell, Repsol of Spain, Edison of Italy and Galp Energia of Portugal.

"Venture Global is thrilled to welcome EnBW as a long-term customer for both our Plaquemines and CP2 LNG facilities," said Michael Sabel, Chief Executive of Venture Global.

"This is the first direct binding offtake agreement for long-term US LNG signed by a German company, an important step that manifests Germany's strategy to diversify its energy mix," added Sabel.

Competitive

"Our company is honored to become a major provider of LNG to Germany, providing security of supply on a competitive, long-term basis," he stated.

Georg Stamatelopoulos, Chief Operating Officer for Generation and Trading at EnBW, said he looked forward to a long-term LNG partnership with Venture Global.

"We have expanded our LNG activities step by step in recent years. Liquefied natural gas plays a key role in the diversification of our fuels for electricity and heat generation. It opens up the possibility of new sources to secure Germany's gas supply," said Stamatelopoulos.

Venture Global has signed deals around the world for its intended 60 MTPA of capacity at the four plants and one of the latest was a 20-year agreement signed with an Asian buyer, Malaysian energy company Petronas.

The Arlington, Virginia-based US company will supply Petronas with 1 MTPA of LNG from Plaquemines, located south of New Orleans and which will have exports of 20 MTPA.

The Malaysian company is also a substantial exporter of LNG in its own right from the Bintulu onshore plant in Sarawak and from several floating LNG facilities deployed over gas fields in Malaysian waters.

Targa buys Delaware Basin gas assets base

Targa Resources Corp., one of the largest US independent midstream infrastructure companies, has agreed to acquire Lucid Energy, a natural gas gathering and processing services company in the Delaware Basin from US asset managers for \$3.55 billion in cash and the transaction will be completed in the third quarter.

Targa is buying the Delaware Basin assets from Riverstone Holdings and Goldman Sachs Asset Management and the deal is the latest in a stream of mergers and acquisitions activity for US shale and energy assets.

A statement said privately-held Lucid's Delaware Basin footprint overlays some of the most economic crude oil and natural gas producing acreage in North America.

Current rig activity supports over 20 years of drilling inventory on Lucid's more than 600,000 dedicated acres, which are further supplemented by significant volumes subject to minimum volume commitments.

"Lucid's assets are anchored by long-term, fixed-fee contracts and acreage dedications from a diverse set of high-quality customers. Approximately 70 percent of current system volumes are sourced from investment-grade producers," added the statement.

"Targa has available liquidity, including cash on hand, its existing \$2.75Bn revolving credit facility, and committed debt financing to fund the acquisition," explained the statement.

Lucid also has about 1.4 billion cubic feet per day of cryogenic natural gas processing capacity in service or under construction located primarily in Eddy and Lea counties of New Mexico.

GAIL India to enter small-scale LNG for stations and bunkering

LNG News Editor

Gas Authority of India (GAIL), plans to enter the small-scale LNG production market to cater for off-grid locations and the transportation and bunkering sectors with prospects of expansion while also seeking long-term LNG import agreements.

As a first step, GAIL said it had placed an order for two small-scale liquefaction skids capable of producing LNG on a pilot basis. It explained that liquefaction would be achieved through proprietary mobile liquefaction skids.

Aims

GAIL stated that these small-scale plants will help in the distribution of natural gas through liquefaction in new city-gas distribution areas, liquefaction of gas at isolated fields and will eventually when expanded support the setting-up of LNG fuelling stations and bunkering for ships.

"GAIL will be first in the country to introduce portable and scalable liquefaction units," said the



Dabhol terminal in Maharashtra state south of Mumbai

New Delhi-based company.

"The project is envisaged to provide a thrust to the Government of India's focused initiatives to increase the share of natural gas in the primary energy basket," stated GAIL.

"Further, GAIL is also having discussions on manufacturing liquefaction skids in India," it added.

Analysts note that India has huge potential for small-scale LNG growth in fuel and bunkering, given the intense shipping traffic along its coastline and the nationwide public transportation sector.

GAIL is the nation's main natu-

ral gas pipeline operator and a leading LNG importer with US volumes from Cove Point in Maryland and also contracted from Russia's Gazprom.

In his most recent earnings statement GAIL Chairman and Chief Executive Manoj Jain said he would like to increase the company's imported LNG volumes.

"We would like 1 million tonnes per annum of long-term supplies to begin with and we are looking at a 10-year deal with supplies from January 2023," stated CEO Jain.

China imports drop as volumes are partially offset by pipeline deliveries

Chinese liquefied natural gas imports last month dropped by more than 28 percent and the fall was partially offset by a 26 percent year-on-year increase in pipeline gas imports from nations such as Turkmenistan and Russia.

LNG deliveries to the Chinese network of 22 regasification terminals came to 4.93 million tonnes, or around 72 cargoes, down 28.1 percent from the 6.85MT, or 101 cargoes, received in May 2021, according to the General Administration of Customs.

Imports of cargoes had tumbled by 33.4 percent in April 2022 to their lowest monthly total in over two years of 4.34MT, down from the April 2021 total of 6.52MT.

LNG shipments during the first five months of the 2022 from January to May amounted to 26.49MT, a drop of 19.6 percent from the 32.75MT logged in the first five months of 2021.

The data showed that pipeline gas imports in May were 4.15MT, which was 26 percent higher than the 3.27MT reported in May 2021.

Imports of pipeline gas in the January to May period increased by 11.3 percent to 18.42MT.

Lockdowns in cities like Shanghai because of rising Covid-19 cases curbed economic and industrial activity as well as fuel demand, though China has been slowly ending all the measures.

The Chinese receive varying

volumes of pipeline gas through links from the former Asian republics of Turkmenistan, Kazakhstan and Uzbekistan, as well as from Russia as part of Gazprom's "Power of Siberia" project.

Uzbekistan has restarted gas exports to China after temporarily halting them at the beginning of 2022 to meet its own increasing domestic demand.

The Central Asia-China pipeline originates in Turkmenistan and passes through Uzbekistan and Kazakhstan.

Turkmenistan was China's largest supplier of gas by pipeline in the period from January to May.



CLEAN & SUSTAINABLE COOLER BY DESIGN®

Chart is at the forefront of the transition

to a low carbon future through technology, equipment and services delivering hydrogen, LNG and biogas for energy and transportation. Our carbon capture technology also removes harmful pollutants including SO_x, NO_x and mercury.

www.ChartIndustries.com
LNG@ChartIndustries.com

CHART
Cooler By Design.®

NEWS BRIEFS

Sener LNG contract

Spanish engineering company Sener has been contracted the owners of the Gate LNG import terminal in Rotterdam, Dutch utility Gasunie and global storage company Royal Vopak, to increase the facility's send-out capacity by an additional 1.5 billions of cubic metres per annum. This will bring terminal's handling capability to 13.5 Bcm. The scope of Sener's work is procurement and construction management of the send-out capacity expansion.

Australia plant sale

APA Group, the Australian energy infrastructure company, has agreed to sell the Orbost Gas Processing Plant in the southern Australian state of Victoria to Cooper Energy in a deal worth up to A\$330 million (US\$230M) via four instalments. The deal comes amid rising Australian natural gas prices. The spot gas price in Victoria, including the city of Melbourne, has risen from the equivalent of around US\$7.00 per million British thermal units in March 2022 to about US\$26.25 per MMBtu in June. The Orbost plant is close to Cooper Energy's offshore Gippsland Basin assets and connections into the Southeast Australian gas market and the Eastern Gas Pipeline.

Israeli gas drilling

Energean plc, the UK-listed company targeting 110 billion cubic metres of natural gas in a high-impact drilling programme offshore Israel and the East Med, has provided an update on the initial results of the Karish gas field KM-04 appraisal well. "Operations at the KM-04 appraisal well have been successfully completed ahead of schedule and below budget, meeting the primary objectives set pre-drill," said Energean.

US LNG data has Europe overshadowing Asian nations while Cameron plant shipped month's most expensive cargoes

LNG News Editor

The US Department of Energy published its latest LNG monthly export data with European nations solidifying their places in the top six while Sempra's Cameron LNG plant shipped the most expensive cargoes and Venture Global's Calcasieu Pass plant ramped up supplies to an array of countries.

The switch from supplying Asia resulted in only a handful of cargoes each being shipped to Japan and China.

Growth

The DoE data just published for April 2022 showed 107 US cargoes were delivered versus 114 in the previous month and 92 shipments in April 2021.

The total number of US cargoes delivered worldwide since March 2016 now amounts to 3,447 shipments, or 11,097.2 billion cubic feet of natural gas.

A further 1,008 ISO containers of LNG have been shipped to nations in the Caribbean and Latin America from ports in Florida.

The month of March had been a record one for ISO deliveries from Florida to the Caribbean because of a surge in containers sent to Jamaica, though ISO exports were slightly lower in April.

The average price at the export points of the six US export plants listed in the April data came to \$8.81 per million British thermal units versus \$8.06 per MMBtu in the previous month, according to the DoE March LNG report.

The Sabine Pass plant remained the volume leader in April 2022 with six Trains on stream and supplying 39 cargoes, followed by Cameron LNG 25, Corpus Christi 17, Freeport LNG 15, Cove Point eight and Elba Island three.

The Venture Global Calcasieu Pass plant is still ramping up and shipped seven cargoes in April, though no pricing data was released. There were four Calcasieu



Venture Global's Calcasieu Pass plant has ramped up supplies

Pass cargoes delivered to Europe, with one each for Italy, Spain, France and Poland.

Another Calcasieu Pass shipment went to Panama, another to Argentina and the final April cargo went to China.

Shipments from the Cameron LNG in Louisiana, operated by utility company Sempra, cost the most for April 2022.

Shipments from the Cameron facility averaged \$12.33 per MMBtu versus \$9.76 per MMBtu in March 2022 and for the 12 months-to-date the Louisiana plant's shipments fetched an average of \$8.62 per MMBtu from the point of export.

The average price at the export point for the six plants combined was \$9.94 per MMBtu for April versus \$8.81 per MMBtu for the previous month and \$8.42 per MMBtu for the year to date.

The average prices for each of the five other plants (from the export point) from highest to lowest in April 2022 were: Corpus Christi in Texas \$10.48 per MMBtu (\$9.81 March, 2022); Cove Point (Maryland) \$9.32 per MMBtu (\$8.57, March); Freeport LNG (Texas) \$9.07 per MMBtu (\$8.42, March); Sabine Pass (Louisiana) \$8.80 (\$7.92, March); and Elba Island \$7.93 per MMBtu (\$10.12, March).

Leading recipients

The top five countries of destination, representing 54.1 percent of total US LNG exports in April 2022, were France (56.3 Bcf - 21 car-

goes), Spain (40.3 Bcf - 13 cargoes), UK (36.3 - 10), the Netherlands (28.4 Bcf - seven cargoes) and Poland (17.3 Bcf - five cargoes).

The list of the Top 10 countries of destination overall since 2016 through April 2022 showed three Asian nations, South Korea, Japan and China still filling the top three spots.

The top 10 recipients of US LNG by overall numbers of cargoes at the end of April 2022 were: 1) South Korea 435 cargoes. 2) Japan 318. 3) China 263; 4) Spain 256. 5) UK 209. 6) Brazil 200 (includes split cargoes) 7) France 188; 8-equal) Mexico 162. 8-equal) India 162 and 10) Turkey 159.

Other vessel-borne delivery price data showed that imported shipments to the US territory of Puerto Rico cost an average of \$10.33 per MMBtu in April, up from \$9.59 per MMBtu in the previous month.

US LNG had been received in vessels by 42 different countries through March 2022. This includes ISO containers carried by cargo ships.

The US sends regular ISO containers to the Caribbean nations such as Jamaica, Barbados, the Bahamas, Haiti, Antigua and Barbuda and to Nicaragua in Latin America.

A total of 35 containers were delivered in April compared with 41 in the previous month. The recipients were the Bahamas 15, Jamaica 14, Haiti three, Antigua and Barbuda three and Barbados none.

Elixir Energy compares Mongolia operations favourably with CSG-to-LNG in Queensland

LNG News Editor

Australian company Elixir Energy, whose main asset is its 100 per cent-owned Nomgon IX coal-seam gas production sharing contract in the South Gobi region of Mongolia with possibilities for LNG production for fuel or pipeline supplies for power, has updated its operational plans.

The company said it had recently finished drilling the Bulag-Suuj-1S exploration well on the Nomgon region located near Mongolia's southern border with China.

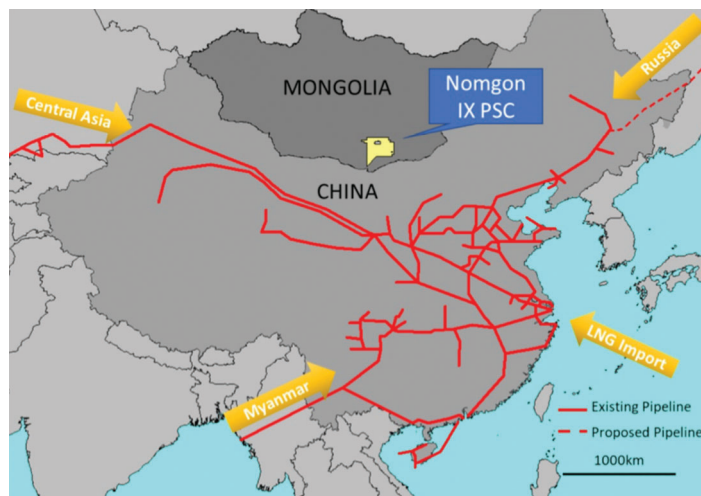
Potential

"This well logged 21 metres of coal. This discovery has opened up a potential new CSG bearing sub-basin in the PSC area," stated Elixir.

An appraisal well, Bulag-Suuj-2S, is now following up on this discovery well, at a location some four kilometres away and a second rig has now been deployed by drilling contractor Top Diamond Drilling LLC.

Elixir added that the 2022 2D seismic acquisition programme has been successfully completed, on time and on budget, with 322 kilometres acquired.

"The data obtained is currently



Elixir has Nomgon IX coal-seam gas production contract

being processed and interpreted and will feed into the Company's future drilling plans," said the company.

The company's extended pilot production programme is advancing in parallel to the exploration and appraisal drilling.

"Experienced Mongolian contractor Monbag LLC has been hired to construct the civil works and this will commence shortly," said Elixir.

"The spudding of the first of the two production wells by drilling sub-contractor Major Drilling is expected by around the end of August 2022," it added.

Elixir's Managing Director Neil

Young said that as the Mongolian summer advanced operational efforts were moving into top gear.

"We now have three rigs working in our PSC, pursuing a range of exploration and appraisal targets," said Young.

"A fourth rig will join the programme shortly as we move to start up our extended pilot production test," he explained.

Elixir commenced Mongolia's CSG exploration in 2019 and since then it says all the geological ingredients required for success have been confirmed.

"Exploration has been highly capital efficient, the indigenous

service sector has expanded and other small-cap operators have entered the market," it added in a recent presentation where it drew parallels with the Australian state of Queensland's emergence as a major LNG supplier to Asia.

Queensland history

The company believes the history of Queensland CSG-to-LNG experience could be repeated in Mongolia.

Elixir said the coal thickness was "exceptional in places" in Mongolia at 50-90 metres compared with a maximum of 30 metres in Queensland.

The company said it had a "highly experienced" CSG team which it has taken from Australia to Mongolia.

"Mongolia needs new pipeline infrastructure, but costing \$100 million not \$10 billion," it said.

It added that the gas content in the Mongolian CSG is 5 to 15 cubic metres versus 7-14 cubic metres in production areas in the Australian state.

Elixir noted that cost of capital was generally lower in Australia, but for Chinese national oil companies Mongolia is seen as a low sovereign risk.

LNG Journal Subscription Package

LNG Journal is a ten-in-one subscription product with end-to-end insight into liquefied natural gas. The LNG Journal platform includes:

LNG JOURNAL	Monthly Online + optional print magazine
LNG UNLIMITED	Online every Tuesday
GAS TO POWER JOURNAL	Online every Friday
LNG MARKET TRACKER	Online every Wednesday
LNG SHIPPING NEWS	Online every second Thursday
LNG MONTHLY MARKETS	Online Monthly
LNG CHINA	Online every second month
LNG NORTH AMERICA	Online every second month
LNG FUELLING	Online every quarter
DAILY UPDATES and Newsletters	

Subscription Contacts

For new subscriptions or general subscription queries, contact:

Stephan Venter | venter@lngjournal.com
+44 207 017 3407

To renew an existing subscription or to upgrade your package, contact:

Gabi Weck | gabi@lngjournal.com

Sign up now for an Online Subscription at only
US\$1095, €835 or £755

Discount options are available for multi-users.
Contact us for more information or to arrange a free trial

Samsung shipyard gets 14 LNG orders

South Korean shipyard Samsung Heavy Industries said it was awarded a contract worth 3.9 trillion South Korean won (\$3 billion) to build 14 liquefied natural gas carriers, apparently with 12 of the ships being for Qatar's expansion project.

SHI declined to say in a regulatory filing whether the bulk of the new orders were related to the mega-deal from QatarEnergy after multiple South Korean shipyard berths were reserved in 2020.

The shipbuilder received a separate order for two vessels and worth around \$430M from an unnamed client in Africa to deliver the two ships by the end of December 2024.

The latest orders brought SHI's total for 2022 to \$6.3Bln for 33 ships, including 24 LNG carriers.

With the latest orders, SHI said it had achieved 72 percent of its annual order target estimated at \$8.8Bln for 2022.

SHI's 12 newbuild carriers, destined to deliver Qatari volumes and which would be Bahamian-flagged, would each have capacity of 174,000 cubic metres.

SHI said this latest order marked the single largest LNG shipbuilding contract that a Korean shipyard had been awarded.

Daewoo Shipbuilding and Mane Engineering disclosed on June 8 2022 that it had received a \$850M order for four newbuilds from Qatar.

DSME, the world's No. 4 shipbuilder by order backlog, said it would build the Qatar project vessels with 174,000 cubic metres of capacity at the Okpo shipyard on the south coast and deliver them by the first half of 2025.

First LNG carrier of the season departs from Yamal for NSR

LNG News Editor

The first liquefied natural gas shipment of the season after the winter break has departed from the Russian Yamal LNG export plant on its way to the Far East via the Northern Sea Route.

Shipments of LNG on a small fleet of Arc-7 ice-class carriers from the Yamal facility in northern Siberia navigate along the NSR to North Asian destinations such as China and other Asian nations.

Sanctions

While Western countries and some allies have imposed sanctions on Russia after the invasion of Ukraine in February 2022, many non-aligned nations are continuing to trade in Russian oil and gas in particular.

Market analysis will be interested to see how many LNG cargoes are shipped to Asian LNG import terminals through November 2022 when the NSR formally closes for winter.

Shipping traffic is overseen by the Northern Sea Route Administration, which is run by the Russian



The 'Nikolay Yevgenov' left the Sabetta terminal for Asia

Federal Agency for Maritime and River Transport.

The NSR is officially defined by Russian legislation as lying east of Novaya Zemlya archipelago and specifically running along the Russian Arctic coast from the Kara Sea to the Bering Strait to enter the Northern Pacific Ocean.

The NSR shipping season in 2022 is expected to draw to a close in October for large carriers and tankers and in November for some other vessels.

The Bahamas-flagged LNG carrier "Nikolay Yevgenov" was the first vessel to leave after the winter break and departed on June 16 from the Sabetta loading terminal

of the Novatek-operated liquefaction and export plant.

"The vessel left at June 16 at 8 pm local time. A nuclear ice-breaker, the 'Sibir', escorted the ship on the way from Ob Bay to the Vilkitskiy Strait," said the statement.

"When the Strait was passed, the 'Nikolay Yevgenov' continued the voyage on its own," it added.

The laden vessel of 172,600 cubic metres capacity, which has ice-class Arc 7 notation, then moved into the Laptev Sea at a speed of 12 knots, though the designated port of arrival was not disclosed, according to shipping data.

Mozambique floating LNG unit receives Rovuma Basin feed gas

Italian energy company Eni said the "Coral-Sul FLNG" production vessel offshore Mozambique has started receiving hydrocarbons from the Rovuma Basin ahead of using liquefaction capacity for annual output of 3.4 million tonne per annum.

Eni, as upstream operator of the Area 4 licence resources in the Coral South reservoir, said the joint venture had safely achieved the introduction of hydrocarbons and was proceeding as planned.

The "Coral-Sul FLNG" vessel was constructed at Samsung Heavy Industries shipyard in Geoje in South Korea and is the first floating LNG facility ever deployed in the deep waters of East Africa.

The other partners of Eni in the FLNG project are US major Exxon-Mobil Corp., Chinese major China National Petroleum Corp., Galp Energia of Portugal, Korea Gas Corp. and Mozambique's Empresa Nacional de Hidrocarbonetos (ENH), the state energy company.

"Following the introduction of gas to the plant, the 'Coral Sul FLNG' will now be ready to achieve its first LNG cargo in the second half of 2022, adding Mozambique to the list of LNG-producing countries," stated Eni.

"The introduction of the first gas came after the safe and timely conclusion of the offshore commissioning activities," added Milan-

based Eni.

The FLNG arrived at the final operating site offshore Mozambique in early January 2022 and mooring and connections to six underwater production wells were finalized in March and May 2022.

"While performing the FLNG construction activities in Korea, several significant activities were undertaken in Mozambique, with support from the Mozambican authorities, including the ultra-deep waters (2,000 metres) drilling and completion and offshore installation campaigns involving the highest technological and operational skills," explained Eni.

Fast Solution for all your LNG Storage & Transport needs.



Factory-built 1,200+ m³ LNG Tanks



40' & 53' ISO Tank Containers



1,228 m³



Railroad Tank Wagons



Marine LNG Tanks

On-site / Factory-Built Storage Tanks, Intermodal ISO Tank-Containers, Tank Trailers, Ship / Barge Cargo Tanks, Railroad Tank Wagons, & more..

Corban Energy Group (CEG), based in New Jersey, USA, has been creating highly engineered products for the natural gas supply chain in the Americas, Europe, and Africa. With its global network of engineers and its manufacturing facilities optimized for building large tanks, CEG has provided unmatched quality and value in LNG equipment for producers, suppliers, and end-users.

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

www.CorbanEnergyGroup.com

CORBAN ENERGY GROUP

Your Solution for LNG/LPG



T. 201.509.8555 info@corbanenergygroup.com
418 Falmouth Avenue, Elmwood Park, NJ 07407, USA

JERA successfully bids in Japan auction to supply July and August power from reprieved plants

LNG News Editor

JERA Co. Inc, Japan's largest buyer of liquefied natural gas, has successfully bid in a public auction conducted by general electricity transmission and distribution companies to supply additional power to the nation for July and August, including from two reprieved gas-fired power stations built in the 1970s for regasified LNG.

The public auction was held to secure additional power supply capacity (kW) and electricity supply volume (kWh) as a measure to address summer supply and demand, based on discussions at the power and gas sub-committee of Japan's powerful Ministry of Economy, Trade, and Industry.

Tokyo auction

The Tokyo auction offered additional power supply capacity of 1.2 gigawatts for capacity action and an electricity supply volume of 1 terawatt hours for the kWh



Anegasaki power station uses regasified LNG deliveries

auction, for the period from July 1 through August 31 2022.

JERA was selected as a successful bidder in the kW auction for the power supply capacity of Anegasaki Thermal Power Station Unit 5 and Chita Thermal Power Station Unit 5, both of which are under long-term planned shutdown.

"Going forward, preparations will be made to resume operation of both units," stated JERA.

JERA is the largest corporate LNG buyer in the world with annual volumes of around 35 million

tonnes and controls a fleet of 20 LNG carriers.

Additionally, it is Japan's biggest fossil-fuel generator being owned jointly by Tokyo Electric Power Co. and Chubu Electric, the two largest power companies.

The company currently operates and provides fuel for a total of 26 power plants in Japan and imports LNG into 11 of Japan's network of 37 terminals.

Among the reprieved power stations fired by regasified LNG the Anegasaki Kaigan unit has

been in operation in Ichihara City in Chiba Prefecture since April 1977 and has been in long-term shutdown mode since March 2022.

The facility has a conventional gas system and 600 megawatts of output.

The second plant continuing to operate in July and August is the Kitahama-machi plant in Chita in Aichi Prefecture, which has been operating since 1978 and has a 700 MW gas-fired system.

The Chita facility has been in long-term planned shutdown since April 2022.

"JERA was selected as a successful bidder in the kWh auction for approximately 80 GWh of electricity supply and will strive to supply the electricity through the electricity market," said the company.

"JERA continues to make every effort to secure a stable supply of energy with the understanding and cooperation of local communities and other stakeholders," it stated.

Japan's LNG imports jump for second month amid costs rise and more Russian cargoes than from US

Japanese liquefied natural gas imports increased for a second successive month in May as they rose by 16.3 percent and Russian deliveries were twice as much as those from the US.

Shipments of LNG to Japan amounted to 5.76 million tonnes last month, or 85 cargoes, compared with 4.95MT, or 73 cargoes, in May 2021, according to the preliminary trade figures from the Japanese Ministry of Finance.

Japanese LNG deliveries to the network of 37 terminals around the main islands had been 5.57MT in April, or 82 cargoes, compared with 4.97MT, or 73 cargoes, in April 2021.

LNG costs for the nation last month surged year-on-year by 155 percent to 601.40Bln yen (\$4.47Bln) compared with 236.15

Bln yen (\$1.76Bln) in May 2021.

Yen plunge

The effect on the balance of payments was even more severe as the Japanese yen has dropped to a 24-year low against the dollar, meaning dollar-based commodities like energy are more expensive when converted back into yen.

The country lost the No. 1 LNG import position in 2021 to China, though in certain weeks in May and June Japan has been the biggest North Asia importer as China reduced shipments amid Covid-19 lockdowns.

Shipments to Chinese terminals in 2021 had amounted to 78.93MT which was 18.3 percent more than in 2020.

Japan's 2021 cargo deliveries were 74.31MT, down 0.2 percent

on 2020 and 4.62MT less than the Chinese total for 2021.

Thermal coal shipments also increased in May to 8.54MT at the nation's coal terminals, a rise of 7.1 percent year-on-year.

On a fiscal year basis, Japanese LNG imports had dropped in the April 2021 to March 2022 period by 6.4 percent to 71.46MT versus 76.35MT in the previous fiscal year, according to Ministry statistics.

Russian deliveries

During May 2022 shipments of LNG from Russia declined by 5.4 percent to 559,000 tonnes, though were higher than April's 396,000 tonnes of deliveries. The shipments come from the Gazprom-run Sakhalin plant in the Russian Far East.

They were also more than dou-

ble the amount of shipments imported from the US, which dropped by more than 51 percent to 267,000 tonnes.

Imports from the US had dropped in April by 12 percent to 344,000 tonnes as the Russian invasion caused Asia-bound shipments to be re-directed to Europe.

Middle East cargo deliveries from nations like Qatar were down by 16 percent last month to 545,000 tonnes.

Shipments of LNG to Japan in May from Asian countries surged by 56.7 percent to 1.36MT, though were down on the 1.49MT received in April 2022.

The balance of imports in May 2022 came from Australia, African nations and the spot market.



Gastech

Gastech Hydrogen

Co-Hosts

Baker Hughes

TELLURIAN

EXHIBITION & CONFERENCE

FIERA MILANO, ITALY 5-8 SEPTEMBER 2022

Delegate registration is now open!



As longstanding assumptions around the energy industry have been significantly shaken up, the Gastech 2022 strategic conference will analyse and debate our new energy future.

Reserve your place now to hear first-hand the views from Governments, CEOs and thought leaders at Gastech's globally renowned conference.

SCAN TO PURCHASE
DELEGATE PASS



gastechevent.com/conferences @gastechevent #Gastech [in](#) [@](#) [f](#) [t](#)

Under the patronage of



Supported by



Host Region



Host City



Host Venue



Organised by

