LNG Unlimited

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NewMed Energy of Israel outlines LNG plans amid East Med gas surge

Leviathan field and Cypriot resources present some new project possibilities

LNG News Editor

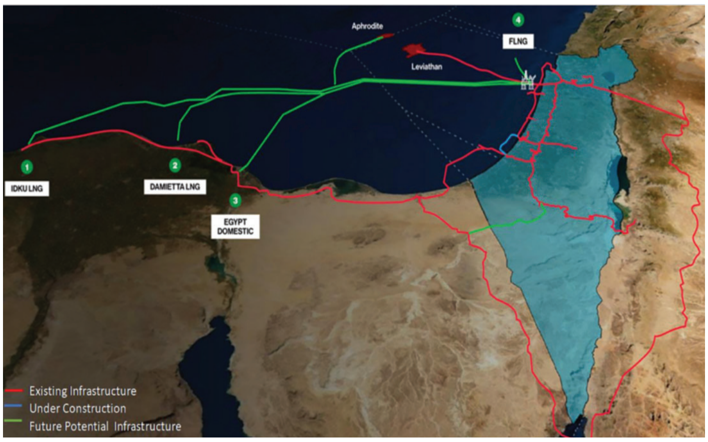
NewMed Energy, the Israel company formally known as Delek Drilling, said it was considering a floating liquefied national gas plant to further develop the Leviathan gas field offshore Israel in the East Mediterranean amid other gas developments in the region.

NewMed said it had two options, an FLNG facility or a pipeline connections to Egyptian liquefaction plants located east of Alexandria.

Among its assets, NewMed Energy holds the rights to 45 percent of the Leviathan offshore gas field with the other major shareholder in the field being US major Chevron Corp. A smaller stake is held by Israel's Avner.

NewMed, which announced its name change from Delek in February 2022, also has its stake in the Aphrodite gas field in Cyprus's offshore economic zone waters, making it one of the biggest players in the East Med.

“Regarding the scheduled work plan in the Aphrodite reservoir in the area of Block 12, in the exclusive economic zone (EEZ) of the Cypriot Republic, the partners in the Aphrodite Reservoir adopted a decision on September 15, 2022, for approval of a budget to drill the A-3 well in Block 12 ,” said NewMed.



East Mediterranean natural gas pipelines and infrastructure and LNG plans (Graphic courtesy of NewMed Energy)

Uniper accord

NewMed noted that on November 8 after the earnings period the Leviathan partners also signed a non-binding MOU to examine the possibility of a collaboration for the supply of LNG to Europe together with German utility company Uniper. “According to the said MOU, the parties will examine, inter alia, the supply of natural gas from the Leviathan project to Germany, with the natural gas liquefaction being performed through one of the existing liquefaction facilities in Egypt or through the construction of an independent floating liquefaction facility (FLNG) off Israel,” explained NewMed.

The Israel company reported net income of $123 million in the July-to-September quarter compared with a $50M loss in the same quarter of 2021.

Quarterly revenues rose to $264.8M from $206.6M in the prior-year quarter.

In the first three quarters of 2022, NewMed said that the Leviathan partners sold about 8.5 billion cubic metres of gas.

The Leviathan field in addition to supplying the Israeli domestic market also supplies Egypt and Jordan with pipeline gas.

Based on this figure, as well as the quantities sold since September the Leviathan partners estimate that the amount of natural gas to be sold in 2022 as a whole is expected to reach 11.2 Bcm versus 10.65 Bcm in 2021.

The East Med gas basin is additionally facing less geopolitical risks in the future after the October 27, 2022, signing of the maritime agreement between Israel and Lebanon.

Lebanon deal

The agreement was signed by the Prime Minister of Israel and the President of Lebanon and determines, inter alia, the maritime border between the countries.

This will allow Lebanon through the French energy company TotalEnergies and the Italy’s Eni to develop Block 9 offshore Lebanon, while any potential reservoir between the countries is not developed without preserving Israel's economic rights.

The area of the potential reservoir is partially included in the area of the Alon-D licence that was previously held by the Leviathan partners.

NewMed Energy is also continuing with the process of being listed on the London Stock Exchange through a reverse takeover of UK company Capricorn Energy. ■

UNLIMITED AGENDA

ConocoPhillips and QatarEnergy combine for LNG deal for German import terminal project

LNG News Editor

US major ConocoPhillips and QatarEnergy will combine to provide 2 million tonnes per annum of LNG to Germany's new onshore import terminal under development at Brunsbüttel on the Elbe River.

The Qataris and ConocoPhillips have signed two long-term LNG sale and purchase agreements (SPAs) for the LNG cargo volumes from Qatar.

Quantities

The deals will see ConocoPhillips purchasing the agreed quantities from Qatar to be delivered ex-ship to the German onshore terminal currently under development in Brunsbüttel north of Hamburg.

"The LNG volumes will be sourced from the two joint ventures between QatarEnergy and ConocoPhillips that hold interests in Qatar's North Field East (NFE) and North Field South (NFS) expansion projects," said a statement.

The SPAs were signed by Saad Sherida Al-Kaabi, the President and Chief Executive of QatarEnergy, and Ryan Lance, the Chairman and CEO of ConocoPhillips, at a special event held in the Qatari capital Doha.

Ryan Lance, Chairman and CEO of ConocoPhillips and QatarEnergy counterpart Saad Sherida Al-Kaabi at the signing event for German deal in the Qatari capital Doha

"QatarEnergy and ConocoPhillips are excited for the opportunity to responsibly and securely supply world markets with LNG from the Qatari expansion projects," said Lance.

"These agreements will provide an attractive LNG offtake solution for our new (expansion) joint ventures with QatarEnergy and position the joint ventures as reliable sources of LNG supply into Europe," added Lance.

ConocoPhillips has a partnership deal in Qatar's North Field LNG expansion projects made up of a 3.125 percent share in the NFE project and a 6.25 percent stake in the NFS project, which are planned to commence production in 2026 and 2027 respectively.

Earliest German project

German LNG Terminal GmbH is the development company of the Brunsbüttel terminal and ConocoPhillips is one of three companies with regasification capacity there with the other two being European chemicals company INEOS and German utility RWE Supply & Trading.

The Brunsbüttel terminal is aiming to help the power and industrial needs of the northern German state of Schleswig by importing 8 billion cubic metres of natural gas, later expanding to 10 Bcm.

The Brunsbüttel terminal company is owned by a joint venture comprising 50 percent of shares held by the German Federal Government's financial institution, Kreditanstalt für Wiederaufbau (KfW), 40 percent by Dutch utility Gasunie and 10 percent by Essen-based RWE.

Gasunie, which is also a stakeholder in the Gate LNG terminal in Rotterdam, will be the operator of the Brunsbüttel terminal.

The Brunsbüttel terminal project was one of only a couple of LNG import facilities that were under development long before the Russian invasion of Ukraine, though they had been blocked by opponents linked to the German Green Party, which is now in Government after the September 2021 German election.

Speaking at the signing ceremony, QatarEnergy's Al-Kaabi said the deals were important for several reasons. ■

Shenzhen Energy signs second big Chinese LNG deal of November after Qatar-Sinopec

Shenzhen Energy, the Chinese natural gas and power company, said it signed a long-term LNG supply agreement with UK major BP for volumes to fuel gas-fired power plants in what is the second large contract signed by a Chinese company in November 2022.

Shenzhen Energy said the agreement was its first long-term international LNG contract and the signatory was BP's trading unit in Singapore.

Short on detail

The Shenzhen Energy statement did not specify another details about the agreement, nor the duration of the contract.

BP has been involved in importing LNG into China since 2006 when it brought shipments from Australia for the longest-standing Chinese LNG importer, China National Offshore Oil Corp.

The first BP cargoes were unloaded at the Dapeng Guangdong terminal, located on the Pearl River Delta near Shenzhen City.

"To meet the demand of Guangdong province and Shenzhen city for energy security and stability, Shenzhen Energy is making efforts to promote the construction of gas power plants," explained the Chinese company.

"It is estimated that around 2024, as the gas power plants go into operation, the group's total demand for natural gas will significantly increase," added Shenzhen Energy.

Sinopec

This is the second major LNG supply deal with a Chinese company after QatarEnergy signed a 27-year sale and purchase agreement (SPA) on November 21 with China Petroleum & Chemical Corp. (Sinopec) for the supply of 4 million tonnes per annum.

Under the terms of the SPA, the contracted LNG volumes will be supplied from QatarEnergy's North Field East (NFE) LNG expansion project and will be delivered to Sinopec's receiving terminals in China.

Saad Sherida Al-Kaabi, the Minister of State for Energy Affairs in Qatar and President and CEO of QatarEnergy, said at the time that the Sinopec deal would "further solidify the excellent bilateral relations" between China and Qatar.

China has been the world's largest buyer of spot LNG cargoes in recent years along with Japan and South Korea. The shipments are priced on the Japan-Korea Marker currently at more than $30 per million British thermal units. ■

LNG plans yield solar deal for Aboriginals

Woodside Energy and the Ngarluma Aboriginal Corporation (NAC) have entered into a bilateral Indigenous Land Use Agreement and a modern benefits-sharing and relationship agreement relating to lands being investigated for the proposed Woodside Power Project in the Pilbara region of Western Australia.

The lands are within part of the Ngarluma people's native title determined area located in Maitland, about 15 kilometres southwest of Karratha, the site of the Woodside LNG export and domestic gas plant.

Woodside said that the "power opportunity" would pave the way for the long-term supply of solar energy to local industrial customers.

The agreements set out a framework for the delivery of social and economic benefits to NAC and Ngarluma people in connection with the solar power project.

These agreements also outline how Woodside and NAC will work together to develop partnership, including the management of cultural heritage.

Woodside said that early engagement with NAC has ensured the project will be designed to avoid heritage impacts.

The framework is consistent with Woodside's objectives for the integration of renewable energy into Woodside-operated facilities and achieving positive outcomes for the Indigenous communities.

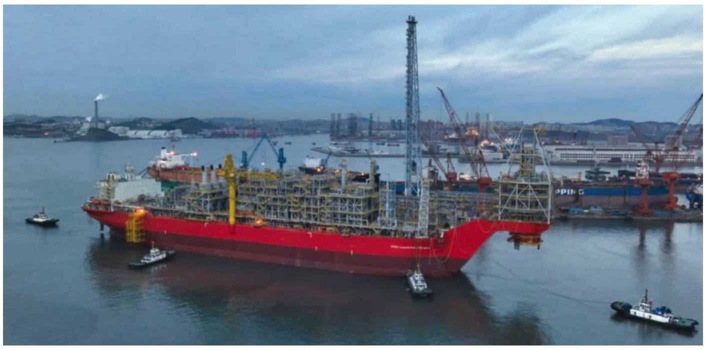
"Woodside acknowledges the Ngarluma people, the Traditional Owners and native title holders of the land on which the power opportunity would be located and we thank NAC and the Ngarluma people for working together with us to finalise the agreements needed to progress," said Woodside Chief Executive Meg O'Neill.

Woodside gives LNG turnaround date and advances Senegal plan

LNG News Editor

Woodside Energy, the operator of the North West Shelf and Pluto LNG plants in Western Australia, has issued its 2023 guidance including a maintenance shutdown at the Pluto facility and marked progress on the Sangomar field development offshore Senegal in West Africa.

Woodside also updated expected investments as well as production and sales forecasts.



The FPSO 'Léopold Sédar Senghor' leaving the quayside at COSCO Shipyard in Dalian, China, before being towed to Keppel Shipyard in Singapore for preparations for its deployment offshore the West African nation of Senegal (Photo courtesy of Woodside)

Capital

The Perth-based company said full-year 2023 capital expenditure would be around US$6.0 billion to US$6.5Bln, assuming no change to current participating interests.

The approximate split by activity areas would see about 50 percent spent on the Scarborough natural gas field offshore Western Australia to serve the Pluto Train 2 expansion.

Woodside's full-year 2023 production guidance is 180-190 million barrels of oil equivalent (MMboe) and key events include a major turnaround at Pluto LNG in the second quarter of 2023 with an expected duration of about four weeks.

The Sangomar Field Development Phase 1 is also targeting first oil in late 2023.

Senegal production

Woodside also explained that it had reached an important point in the Sangomar development with the completion of the construction phase for the floating production storage and offloading (FPSO) facility which will be deployed at the oil field. The hull and marine works, external turret and topsides module installation and conversion work on the vessel were completed by COSCO Shipping Heavy Industry (Dalian) Co. in China.

"The Chinese yards achieved excellent safety performance throughout this phase of construction, logging more than 16 million hours of complex construction work," said Woodside Chief Executive Meg O'Neil.

Woodside ships first cargo to Holland for Uniper utility

Woodside Energy, the operator of two LNG export plants in Western Australia, has shipped an LNG cargo to the Dutch Gate import terminal in Rotterdam on behalf of Germany's Uniper Global Commodities.

The cargo was delivered by the 173,400 cubic metres capacity vessel, the "Woodside Rees Withers", after it was lifted from the North West Shelf plant at Karratha in the Australian state.

Dual role

Woodside also operates the Pluto LNG plant where it is the main shareholder while at the NWS facility it is one of six companies who own the project, including energy majors, ExxonMobil, Shell, BP as well as Japanese trading houses Mitsubishi and Mitsui.

Woodside Executive Vice President for Marketing & Trading, Mark Abbotsford, said the company was pleased to have concluded the trade with Uniper at a time when Europe is in urgent need of alternative sources of gas to replace Russian pipeline supplies.

"Events over the course of 2022 have shown that the world cannot take reliable and affordable supplies of energy for granted," said Abbotsford.

"Our relationship with Uniper is an example of such cooperation. The delivery of a North West Shelf LNG cargo to Europe also highlights the role that Australian LNG can play in supporting global energy security," he stated.

Woodside has two supply agreements with Germany utilities linked to the Pluto LNG plant expansion and the construction of Train II as well as its trading unit's portfolio operated from Singapore.

Uniper Global Commodities signed a deal in January 2021 to double the supply of LNG cargoes under a previous agreement signed between Woodside and the Düsseldorf-based energy and power company.

Woodside amended a binding long-term sale and purchase agreement (SPA) from December 2019 to slowly increase the supply of LNG from 2021 from 1 million tonnes per annum to 2 MTPA by 2026.

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NEWS BRIEFS

Australia gas leak

Santos, the Australian energy company with LNG interests in Australia and Papua New Guinea, has shut down the main natural gas trunkline from the John Brookes platform in the Carnarvon Basin offshore Western Australia to the Varanus Island gas processing facilities after a gas leak was discovered. Santos said a return to full production would take four to six weeks after repairs are carried out. "The observation of the leak occurred during routine activities on the normally unstaffed facility.

Gazprom output drop

Russian natural gas company Gazprom's pipeline natural gas exports to regions such as the European Union tumbled by 44.5 percent, or by 76.3 billion cubic metres, to 95.2 Bcm in the first 11 months of 2022. The average daily export by Gazprom also dropped in November alone by 3.9 percent from the previous month of October. Gazprom added that its overall gas production had declined by 19.4 percent year-on-year to 376.9Bcm.

Mitsui cruise plan

Mitsui OSK Lines President and Chief Executive Takeshi Hashimoto said that his shipping company planned to order up to four LNG-powered cruise liners to expand into that market, where it only has one ageing and conventionally-fuelled ship. "We will build two ships at first, and if things go well, we are thinking of expanding to four," said Hashimoto. MOL has an LNG carrier fleet and is a global leader in containerships through Ocean Network Express, owned jointly with Nippon Yusen Kaisha (NYK) Line and K-Line and has been enjoying healthy profits.

Leading North American pipeline operator TC Energy updates on LNG feed-gas plans for US-Canada

LNG News Editor

Coastal GasLink to LNG Canada plant at Kitimat to be mechanically completed in 2023 but costs are still increasing

TC Energy Corp., the North American pipeline and resources company with large-scale natural gas connections for the LNG sector in the US and Canada, has held its annual Investor Day with project and earnings forecast updates.

"We are reaffirming our long-term comparable EBITDA growth outlook of 6 percent by 2026 and a 3 to 5 percent annual dividend growth rate," said TC Energy.

GasLink cost

François Poirier, TC Energy's President and Chief Executive said the company was confident moving forward.

"We have an industry-leading $34 billion-worth of fully sanctioned, secured capital projects and an unparalleled opportunity that will continue to differentiate TC Energy as a leader in energy infrastructure," explained Poirier.

"We are leveraging our extensive North American footprint to expand and extend the reach of our services that will also align with the evolving energy mix and needs of our customers," he added.

One of TC Energy's main projects is the Coastal GasLink from northeast British Columbia to the LNG Canada export project under construction and about 80 percent at Kitimat.

The plant when completed will be operated by Shell on behalf of its Asian partners from Japan, South Korea, Malaysia and China.

Coastal GasLink had previously executed definitive agreements with LNG Canada that addressed and resolved disputes over certain incurred and anticipated costs of the Coastal GasLink.

The revised project agreements incorporate a new cost estimate for the project of $11.2Bln, which reflects an increase from the original project cost estimate due to scope increases and the impacts of Covid-19, weather and other events outside.

"With respect to the Coastal GasLink Project, we continue to face significant cost pressures in Western Canada relating to labour costs and shortages of skilled labour, along with contractor underperformance and disputes," TC Energy told participants at the Investor Day.

"The project has also been impacted by other unexpected events including drought conditions, and erosion and sediment control challenges," explained the Calgary, Alberta-based company.

"As a result, we now expect a material increase in project costs and TC Energy's corresponding funding requirements," it stated.

"We are actively pursuing cost mitigants and potential recoveries from contractors to offset a portion of these costs, some of which may not be conclusively determined until after project completion," added TC Energy.

"We expect to provide an updated capital cost estimate in early-2023 that will incorporate the scope of recent developments," it stated.

The Coastal GasLink is heading for mechanical completion by year-end 2023.

"We continue to see long-term value in the Coastal GasLink Project for the WCSB, our customers and the communities across the project route," declared CEO Poirier.

Louisiana feed gas

TC Energy also previously noted that its Louisiana XPress pipeline, a Columbia Gulf project, was phased into service during the third quarter of 2022 and has increased market share from 25 percent to about 30 percent of volumes destined for export from third-party US LNG facilities.

TC Energy added that after the third quarter, in November 2022, the Gillis Access Project was sanctioned for development.

This is a 1.5 Bcf per day greenfield pipeline system that will connect supplies from the Haynesville basin at Gillis to markets elsewhere in Louisiana.

The 42-mile Louisiana header system will also enable the rapidly growing Louisiana LNG export market to access Haynesville-sourced gas production as well as create a platform for further growth into the southeast Louisiana markets.

TC Energy said the Gillis project had an anticipated in-service date in 2024 and a total estimated cost of US$400M.

UK major BP delivers first gas from Cassia field to help Point Fortin LNG export plant

LNG News Editor

UK major BP said the Cassia C natural gas development in the Caribbean nation of Trinidad & Tobago had safely delivered first gas and given a boost to feed-gas resources for the Point Fortin export plant in Trinidad.

The Cassia C project is BP's first offshore compression platform and its biggest offshore facility.

Enabling

BP said the project would enable the production of low-pressure gas resources from the Greater Cassia Area.

The platform is BP's 16th offshore facility and is connected to the existing Cassia hub which lies about 35 miles off Trinidad's southeast coast.

"Cassia C is expected to produce, at peak, about 200-300 million standard cubic feet a day of gas," said the UK company.

"Production will go towards meeting the BP Trinidad & Tobago unit's gas supply commitments and will be important to sustaining LNG and petrochemical industries," said BP.

BP's Cassia C platform is 35 miles off southeast Trinidad

David Campbell, the President of BP's Trinidad unit said the first gas from Cassia C was important for the nation's resource availability.

Unlocking resources

"This first offshore compression facility will allow us to unlock new resources and bring much-needed gas to market," explained Campbell.

"I am immensely proud of the teams which have been working hard to bring this facility online," he stated.

Ewan Drummond, BP senior vice president for projects, production, and operations said it was a great achievement to deliver the project.

"Cassia C is a great example of BP's resilient hydrocarbons strategy in action - providing the energy the world needs now and helping us invest in the energy transition," added Drummond.

BP said that the Cassia C platform's jacket - its legs and supporting frame - was built at Trinidad Offshore Fabricators (TOFCO) and installed in 2020.

Its topside structure was built in the McDermott fabrication yard at Altamira in Mexico and was installed in 2021.

BP added that the Cassia C project was an important step in the nation's Area Development Plan, which includes a combination of exploration, development projects and activities focused on maximizing production from the available acreage.

"First gas from Cassia C follows the recent sanction of the Cypre development and the execution of the gas supply agreement with the National Gas Company," explained BP.

BP operates projects in about 680,000 acres off Trinidad's East Coast and its Caribbean subsidiary now has 16 offshore platforms and two onshore processing facilities. ■

Gas crisis in Europe forecast to be long

The European energy crisis is expected to last for several years and in addition to limits on global liquefied natural gas supplies there has also been less than adequate investment in regasification facilities.

Recent analyses from energy consulting firms and commodities traders assume that the majority of Russian pipeline natural gas flows to Europe will remain cut off.

This followed the ending of the Nord Stream pipelines across the Baltic Sea from Russia to Northern Germany.

The various reports have concluded that the European Union and the UK will face infrastructure constraints because of over a decade of under-investment in hydrocarbon-related projects.

European natural gas prices have averaged the equivalent of $32.90 per million British thermal units during 2022.

The under-investment was highlighted in 2021 when European natural gas prices were similar to current levels from the start of the winter season and more than five months before the war in Ukraine.

FTI Consulting has calculated that should the EU replace all of Russian gas with LNG, there was still a supply gap of 40 billion cubic metres in shipments to Europe.

The report added that this gas supply gap could increase to 60 Bcm per annum if freezing weather hit the Continent.

While LNG importing countries like Spain have nationwide networks of LNG terminals, they have limited pipeline connections to the rest of Europe. ■

Egypt aims to maximise LNG output from East Med plants

LNG News Editor

Egypt's Petroleum and Mineral Resources Minister Tareq El-Molla has said that Egypt was ready to meet more of the increased demand for natural gas in Europe as its LNG exports have increased to 8 million tonnes per annum in 2022 and the capacity is there for growth in 2023.

"Efforts exerted over the past years have made of Egypt one of the solutions to the ongoing energy problem," said the Minister in a keynote speech to the eighth Egypt Oil and Gas Convention on November 27 in Cairo.

Minister Tarek El Molla speaking at Cairo conference

Expansion

The convention took place at the Dusit Thani Lakeview Hotel in the Egyptian capital through November 29.

El-Molla noted that Egypt had the capacity to export up to 12 MTPA of LNG annually from the two plants located east of the Mediterranean city of Alexandria.

He said that out of the total of LNG cargo exports from the Idku LNG plant and the Damietta facility about 90 percent were delivered to Europe.

He noted that the successes of the petroleum sector in Egypt was due to the integrated strategy of partnerships between the public and private sectors and was fully supported by the government of President Abdel Fattah El-Sisi.

"The petroleum sector is also seeking mechanisms of action that would maximize cooperation with international partners to be able to make optimal use of our natural resources," said the Minister.

The Minister said that the strategy rested on increasing and sustaining oil and natural gas production while also reducing carbon emissions. Egypt is set to increase LNG supplies by almost 30 percent this year compared with the 6.1MT shipped in 2021 as feed-gas supplies have stabilised.

The Minister added that Egypt's revenues from the exports of LNG, petrochemicals and petroleum products would amount in 2022 to $19 billion.

He said that Egypt was working towards developing energy sources of all kinds simultaneously, be they traditional energy sources, especially natural gas, or renewable sources like solar energy and wind. ■

Italy's Eni believes nation needs to have seven LNG import terminals

Italian energy company Eni said Italy needed to significantly increase its LNG import capacity as in 2023 Russian natural gas imports will be in single digits compared with a year-ago and the amounts could be down to zero.

Eni Chief Executive Claudio Descalzi said at a business event in Milan that for security of supplies Italy would need four LNG import facilities rather than the three currently operating.

Operators

"The change in the flow of natural gas from Russia means Italy must expand its energy infrastructure in the South to eliminate bottlenecks in the gas grid and to enlarge its storage system," explained Descalzi.

The Eni CEO noted that natural gas flows from Russian sources had fallen from around 38 percent of Italy's total consumption to around 10 percent in recent months.

"Next year, we expect Russian natural gas be around 6 percent to 7 percent of the total, if even that," he added.

The country currently has three LNG terminals, which have a capacity of around 17 billion cubic metres of gas.

SNAM, the gas gride operator whose name comes from Societa Nazionale Metanodotti (National Pipeline Company), operates the onshore Panigaglia LNG facility as well as having a controlling stake in the LNG facility, the "FSRU Toscana", the floating storage and regasification unit moored off the Italian port of Livorno.

In addition to these two terminals, there is also the offshore Adriatic LNG facility owned by units of QatarEnergy and ExxonMobil and receiving cargoes from Qatar and other sources.

SNAM has also agreed to purchase two FSRUs for deployment on the East and West coasts of Italy, though Eni believes a further two terminals are needed to give the country a total of seven LNG facilities. ■

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Argentina prepares legislation to encourage and safeguard huge investments in LNG export plants

LNG News Editor

Argentina said it was prepared to follow through with a pledge to remove investment uncertainties for foreign energy companies, especially in the construction of liquefaction natural gas export plants as the South American nation moves to develop its huge shale-gas reserves.

International companies including US majors see huge potential for Argentina from feed-gas brought to the coast from the huge Vaca Muerta shale basin containing one of the world's largest unconventional gas reserve.

Economy Minister Massa addressing business leaders

LNG funding

Economy Minister Sergio Massa said in a speech to business leaders that the Government in Buenos Aires was preparing an LNG investment bill to send to Congress.

The Minister was accompanied at the event by the Secretary of Industry and Productive Development José de Mendiguren and the Secretary of Energy Flavia Royon.

Also present was Pablo González, President of Argentine state energy company Yacimientos Petroliferos Fiscales (YPF), which has various LNG development and shale gas and oil projects planned and had previously overseen the nation's small-scale trial in LNG exports.

"If one looks at the reports of the most prestigious analysts in the energy sector, they envisage that in the next few years we are not only going to stop being importers of our energy, we are going to be a big player with our product," declared Minister Massa.

Massa said he hoped Congress would discuss the LNG Bill in the coming sessions. He stated that the Bill on investments in LNG plants was necessary to help the nation monetize its huge reserves and become a net energy exporter as import costs rise.

The Minister admitted that the consequences of the war in Ukraine had been having a big impact on Argentina's energy import costs for all fuels and fertilizers.

"This final result of the year on the impact of the war shows us a negative balance of between US$3.70billion according to the IMF and US$5.20Bln, according to Argentina," said Massa.

He said that Argentina must honour its commercial commitments just as the counter-parties must honour theirs.

Argentina has previously had the "Tango FLNG" production vessel at the Bahai Blanca port in Argentina to briefly be an LNG exporter.

The "FLNG Tango" vessel formally started its operations in Argentina in mid-2019 and a 10-year charter term began in September 2019 with Belgian shipping company Exmar.

The winter season then started in the Southern Hemisphere and liquefaction activities were stopped by YPF in May 2020.

Exmar first announced a YPF "force majeure" for the vessel on June 25, 2020, amid a dispute over various issues and the vessel departed.

National accord

"We need a great national agreement which in the next 30 years would bring core values such as fiscal balance, competitiveness, accumulation of reserves and economic development with inclusion," stated Massa.

The minister highlighted various possibilities whereby citizens and businesses had to advance with new measures that have "a full impact on the energy field and the knowledge economy" in Argentina. ■

Korean LNG shipyard Daewoo confirms Russian project orders cancelled amid newbuild surge

South Korean LNG shipbuilder, Daewoo Shipbuilding and Marine Engineering (DSME), said it cancelled the last of three LNG carrier orders from 2020 to serve the Yamal LNG export facility in Arctic Russia, operated by natural gas company Novatek.

DSME said it had now cancelled all three contracts on the vessels ordered two years ago as the client had failed to meet the pre-payment schedules for the ships on time as Western-led sanctions led to financial and other restrictions on Russia after the Ukraine invasion.

Novatek and its partners in Yamal LNG as well as the Arctic LNG II project have placed large previous orders for icebreaking LNG carriers with South Korean shipbuilders.

Newbuild berths

DSME signed the newbuilding contract in October 2020 for Yamal LNG vessels that amounted to $760 million for the three ships.

The cancellations come amid a global scramble for newbuild LNG shipbuilding berths at yards in South Korea, China and Japan.

Seapeak LLC, the re-branded Teekay LNG following its January 2022 acquisition by New York-based equity fund Stonepeak for $5.3Bln, confirmed that it had ordered five 174,000 cubic metres capacity vessels from another South Korea shipyard, Samsung Heavy Industries (SHI).

The ships will cost around $1.1Bln and are scheduled for delivery in 2027.

SHI said in a recent regulatory filings that it had obtained $9.2Bln worth of orders so far this year, surpassing its yearly order target of $8.8Bln.

It marked the second year of SHI beating contract targets in the booming LNG shipping sector.

SHI explained that from its 45 vessel orders this year a total of 35 were for LNG carriers.

Overall orders

Clarkson Research Service a shipping consultancy and data collector has revised its newbuild forecast for LNG.

The firm said that a total of $56Bln of orders had been received by the third quarter of 2022 with LNG newbuilds comprising 94 ships with 16 million cubic metres capacity and amounting to $19.7Bln of the global order total. ■