LNG Unlimited

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UK Court rejects 'green' block on Mozambique LNG funding

Three judges clear way for $1.15Bln and see overreach of Paris Agreement

LNG News Editor

TotalEnergies LNG project site located on Afungi Peninsula

The UK Court of Appeal has found in favour of a UK government export finance investment of $1.15 billion in the Mozambique onshore liquefied natural gas project being developed by French oil and gas major TotalEnergies.

The verdict in the case before three judges in the UK's highest court was handed down by Sir Geoffrey Vos, who dismissed a challenge against the UK Export Finance (UKEF) government agency's support for Mozambique's LNG project. The other two judges on the case were Sir David Bean (Lord Justice Bean) and Sir Keith Lindblom.

'Climate law' exposed

The environmental campaign group, Friends of the Earth, had launched a legal challenge in 2021 against the UK's financial backing for Mozambique's LNG project.

The judges unanimously dismissed the appeal by Friends of the Earth against an earlier judgment with the environmental group citing the importance of the Paris Agreement on climate change and that this Agreement merited having the grant to Mozambique terminated.

However, the Court found that the Paris Agreement, signed in 2015 and designed to limit global warming to under 1.5 degrees Celsius below pre-industrial levels, was an "unincorporated treaty".

"The respondents (UKEF) argued that there was no jurisprudence as to the precise legal meaning of the Paris Agreement. Questions as to the interpretation of an unincorporated treaty were for the executive to determine," the Court ruled.

The judges stated that their conclusion on the Paris Agreement was that it was "pre-eminently an unincorporated international treaty that does not give rise to domestic legal obligations" for the UK.

The UK Export Finance agency was found by the judges to have given "sufficient regard" to the Paris Agreement when approving the investment in the Mozambican project.

"The interested parties focused their submissions on the inequality between developed countries and the least developed countries, of which Mozambique was a prime example," said the court in its judgment.

Transformative

"They argued that the project would be economically transformative for Mozambique, and that Friends of the Earth's attack would deny those benefits to its population," the court noted.

"Export finance from developed nations would help increase Mozambique's gross domestic product by a projected $67.1 billion. These resources would allow Mozambique to alleviate poverty, improve food security, invest in green energy and to become climate-change resilient," they said in the summing up.

"The Paris Agreement itself invoked the equitable principle that least developed countries should be permitted to address their high levels of poverty and low economic growth by exploiting their natural resources," said the judges.

"In taking the decision, as part of its due diligence, UKEF decided to have regard to the extent to which that decision would be consistent with the UK's international law obligations under the Paris Agreement," they added.

"UKEF judged that the decision was consistent with those obligations and concluded that, whilst the project will have a significant climate change impact by increasing global greenhouse-gas emissions, liquified natural gas can act as a 'transition fuel' by displacing the use of more polluting fuels such as coal and oil," they found.

"The LNG project will also have transformational economic benefits for the Mozambican economy and has the potential to lift millions of Mozambicans out of poverty," stated the UK judges. ■

UNLIMITED AGENDA

Spanish grid and LNG terminals firm Enagás buys stake in pipeline linking UK and Holland

LNG News Editor

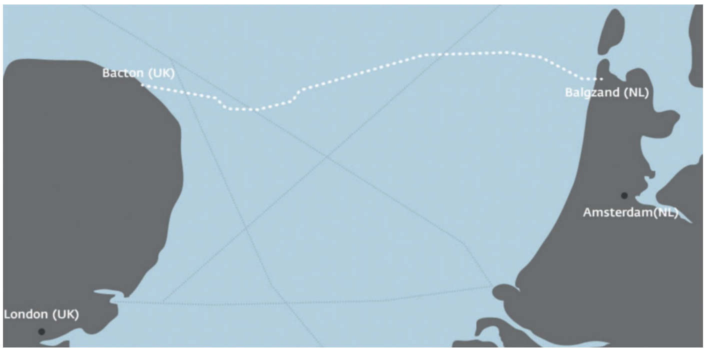
Enagás, the Spanish natural gas grid and LNG network owner, has reached an agreement with the German utility Uniper for the acquisition of a 20 percent stake in the Dutch BBL Company, owner of a 235-kilometre (146 miles) gas interconnection linking the UK and the Netherlands.

The subsea gas pipeline has a maximum capacity of 15 billion cubic metres per annum of direct flow between Balgzand in the Netherlands and Bacton on the English East Coast in the county of Norfolk.

Capacity

The BBL-owned pipeline also has 5 Bcm of capacity a year in the reverse direction to the Dutch coast.

Enagás said it would pay around €75 million ($81.23M) for the stake and the deal was subject to compliance with regulatory conditions.



Dutch BBL Company's UK-Holland interconnection

After the completion of the transaction the shareholder line-up in the BBL pipeline will be Dutch utility Gasunie 60 percent, Belgian grid operator Fluxys with 20 percent and Enagás with its new 20 percent stake.

Gasunie is a stakeholder in the Dutch Gate LNG import terminal in Rotterdam as well as in the planned German LNG import facility at Brunsbüttel, north of Hamburg. Fluxys is the owner of the Belgium's Zeebrugge LNG terminal.

"Following the closing of the acquisition, three Transmission System Operators (TSOs) will own this key infrastructure in Europe's security of supply," said Enagás.

"The agreement allows Enagás to advance in its position as one of the main operators to reinforce the security of energy supply in Europe," it added.

"In addition to the usual conditions precedent regarding regulatory approvals, the transaction is subject to a pre-emptive rights of the other existing co-owners of BBL," stated the Spanish company.

Enagás has capacity at six LNG regasification terminals in Spain.

It owns five terminals at Barcelona in the northeast, at Cartagena in the southeast, at Sagunto in the east of Spain, at Huelva in the southwest and the El Musel terminal in the northwest that is now being reactivated for trans-shipments to the European Union.

In addition controlling the El Musel terminal and its new role, Enagás is also overseeing the overhaul of the jetty at the Barcelona terminal to increase its ship handling capacity and to enable trans-shipments from Barcelona to other EU terminals.

■

Australian LNG operator Santos doubles LNG sales and advances with projects

Australian LNG operator Santos delivered a doubling of annual LNG sales revenues while advancing expansion plans in Australia and Papua New Guinea as prices rose with increasing demand even amid an Asia-Pacific economic slowdown.

Santos operates the Darwin LNG plant in the Northern Territory as well as the Gladstone coal-seam-gas-to-LNG facility in Queensland while also having a large stake in Papua New Guinea LNG and the Oceania nation's expansion project

Income

The company said fourth-quarter LNG sales revenues came to US$1.27Bln compared with US$791 million in the prior-year period.

Annual LNG sales income more than doubled for 2022 to US$4.77Bln from US$2.21Bln in 2021.

Santos said its three LNG projects shipped 60 cargoes in the fourth quarter, though only six were sold linked to the Japan-Korea Marker spot cargo price, three from Darwin LNG and three from PNG LNG.

Overall fourth-quarter sales revenues came to US$1.9Bln, bringing 2022 sales revenue for all oil and gas and energy divisions to a record US$7.8Bln, up 65 percent on the previous year.

Santos said its average realised LNG price for the quarter was US$16.92 per MMBtu compared with US$13.64 per MMBtu in the prior-year quarter.

On an annual basis the LNG price was US$15.51 per MMBtu versus US$9.25 per MMBtu in 2021.

"Our increased LNG position in Papua New Guinea following the Oil Search merger has driven our record performance," said Santos Chief Executive Kevin Gallagher.

"The LNG business is expected to remain strong with energy security being a top priority for our trading partners in the region," said the CEO of the Adelaide-based company.

Santos like other Australian energy companies has been defending its corner against government moves to curb natural gas and electricity prices.

"We remain committed to supplying the domestic market at reasonable prices," stated Gallagher.

"The average realised price for East Coast domestic gas for the quarter was US$7.74 per gigajoule (US$7.33 per MMBtu), less than half the average realised price for LNG," explained the CEO.

Santos is also coping with bringing onstream backfill feedgas for Darwin LNG from the Barossa gas field in the Timor Sea.

The company expected the existing Bayu-Undan production for the Darwin plant to end in the weeks ahead.

"Bayu-Undan production was steady compared to the third quarter, however, it is expected to continue to decline and is anticipated to cease in early 2023," said Santos.

Barossa held up

"The Barossa project is 55 percent complete but drilling activities are currently suspended awaiting resubmission of the drilling activity environment plan," the company added.

The Santos overall production levels in the fourth quarter were 2 percent lower than the third quarter, primarily due to lower domestic gas volumes after the temporary shutdown of the John Brookes platform in Western Australia and two weeks of unplanned maintenance at the PNG operated assets.

■

Novatek boosts LNG sales with European Union market's rise

LNG News Editor

Novatek, the Russian natural gas company and operator of the Yamal LNG export plant and developer of Arctic LNG II currently under threat from Western sanctions imposed because of the Ukraine invasion, has reported operating data for all of 2022 as it continued to supply cargoes to the European Union and dispatched 125 shipments last year.

Novatek's 2022 total natural gas sales volumes, including LNG, aggregated to 76.55 billion cubic metres, represented an increase of 1.0 percent compared with the volumes sold in 2021.

The 'Georgiy Ushakov' delivers LNG to EU terminals

EU customers

Cargoes from the Yamal plant in the Russian Arctic are still being unloaded in EU nations such as Belgium and the Netherlands and with the UK being the only country in northwest Europe to formally ban LNG from Russia.

Novatek's Yamal plant delivered its most recent cargo to the Dutch Gate terminal in Rotterdam on January 15 on board the 173,000 cubic metres capacity vessel "Nikolay Zubov", according to shipping data.

The cargo delivered to the Netherlands was lifted from Novatek's Sabetta loading terminal on January 8.

The Zeebrugge LNG import terminal in Belgium was scheduled to receive two more Yamal LNG cargoes in late January, with the first for this period being on board the 173,000 carrier "Georgiy Brusilov", data showed.

This shipment was lifted in Russia on January 12 and was scheduled for delivery to the Belgian facility.

Another Russian delivery was due at Zeebrugge on January 23 on board the 172,600 cubic metres capacity carrier "Georgiy Ushakov".

Novatek said its overall hydrocarbon production totaled 638.9 million barrels of oil equivalent (boe) last year, including 82.14 billion cubic metres of natural gas and 11.9 million tons of liquids (gas condensate and crude oil), resulting in an increase in total hydrocarbons produced by 12.6 million boe, or by 2.0 percent. ■

WhiteHawk acquires position in Haynesville for LNG feed gas

WhiteHawk Energy, the US company with royalty and field assets covering 475,000 gross acres in the Marcellus Shale, has agreed to acquire natural gas assets primarily located in the Haynesville Shale from where more feed gas will flow to US Gulf Coast LNG plants.

Whitehawk's main Marcellus production and cash flow is linked to natural gas operators EQT Corp., Range Resources and CNX Resources. Royalties are provided as a percentage of the resource sales of producers.

The company, based in Philadelphia, said it signed a definitive agreement to acquire up to $105 million of natural gas assets primarily located in the northwest Louisiana area of Haynesville Shale.

"The Haynesville 'Royalties' are focused in the core of the basin, representing some of the highest quality natural gas reserves in the United States," said WhiteHawk.

Its position will cover 375,000 gross acres in the Haynesville Shale.

The Haynesville assets are being actively developed by natural gas operators Southwestern Energy, Chesapeake Energy, Aethon Energy Management and Comstock Resources.

"WhiteHawk's management expects the Haynesville royalties to be a strong complement to the company's existing high-quality natural gas assets," the company explained.

"During 2022, WhiteHawk acquired natural gas royalty assets covering 475,000 gross acres in the Marcellus Shale focused in Greene and Washington Counties in Pennsylvania," it added.

With this acquisition WhiteHawk said it would have interests in over 2,300 producing horizontal wells across the two pre-eminent natural gas basins in North America.

The company said that the "diversified position" would benefit from sales points in both the Northeast and Gulf Coast regions.

"The acquisition of the Haynesville royalties is an excellent next step for WhiteHawk," said Daniel C. Herz, Chief Executive of WhiteHawk. ■

Oman takes deals to six after signing up two more

Oman LNG, the expanding producer on the Arabian Peninsula, has signed two more supply agreements with TotalEnergies and Thailand's oil and gas firm PTT for a combined 1.6 million tonnes per annum of cargoes after also signing similar deals recently with three Japanese companies and Shell.

The company said it signed separate deals to supply the Thais and TotalEnergies each with 800,000 tonnes of LNG from 2025.

A statement said the binding term-sheet deals were signed by the Chief Executive of Oman LNG, Hamed Al-Naamany, with the Managing Director of PTT Global LNG, Ratchada Lertwanichwatanam, and with the TotalEnergies Senior Vice President of LNG Thomas Maurisse.

"The signing of the term-sheet agreements with PTT Global LNG and TotalEnergies enhance our efforts to further grow and strengthen our market positions including new business opportunities," said Oman LNG's Al-Naamany.

"Such a step complements our mission to add value to the local economy through increasing capacity, and strengthening collaborations with international firms," he added.

The 10-year supply deal with TotalEnergies is scheduled to begin in 2025, while Thailand's shipments begin a year later in 2026.

Oman LNG last month signed similar deals with top Japanese electricity generator JERA, and trading houses Mitsui & Co and Itochu Corp, to supply a combined 2.35 million tonnes per year, starting in 2025, for up to 10 years. ■

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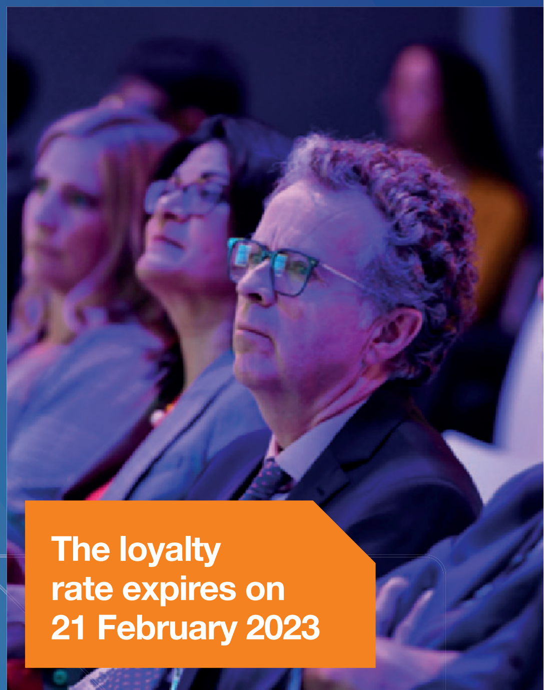

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NEWS BRIEFS

Höegh LNG charter

Höegh LNG Holdings has signed a second binding 10-year charter deal with the German Federal Government for a floating storage and regasification unit (FSRU) and has allocated the vessel "Hoegh Gannet" to the contract. "The vessel 'Hoegh Gannet' will be deployed for the Elbehafen LNG project in Brunsbüttel and operated by Deutsche Energy Terminal GmbH," said Höegh. The Elbehafen LNG import project is being developed by Germany utility RWE. Another of the company's vessels, the "Höegh Esperanza", was allocated to the project at the North Sea port of Wilhelmshaven being operated by German utility Uniper.

Italy gas spending

Italy's Societa Nazionale Metanodotti (National Pipeline Company), also known as SNAM, plans to invest €10 billion ($10.8Bln) in natural gas pipelines and LNG facilities in its revised budget through to 2026. SNAM said €6.3Bln would go on pipelines, including upgrading the Adriatic Line. A further €1.4Bln would be spent on two LNG floating storage and regasification units (FSRUs) and €1.3Bln would go on expanding and upgrading gas storage sites.

Norwegian gas find

Equinor, the Norwegian LNG and pipeline natural gas supplier for Europe, has made a commercial gas discovery in the Norwegian Sea with between 2 billion cubic metres and 11 Bcm of recoverable gas, or about 12.6-69.2 million barrels of oil equivalent. Exploration wells in the Norwegian Sea were drilled by the "Deepsea Stavanger" drilling rig about 23 kilometres (14 miles) south of the previous Irpa gas discovery. ■

Europe filling top spots for US LNG with Japan while Louisiana plant still shipping the most costly cargoes

LNG News Editor

LNG carrier 'Qogir' delivered a US cargo to the UK

The US Department of Energy has published its latest LNG monthly export data showing the UK, France, Turkey, Japan and the Netherlands receiving the most cargoes and the most expensive shipments departing from a Louisiana plant.

The DoE data just issued on January 17 and giving the prices, numbers and trends through November 2022 showed that the total number of US cargoes delivered worldwide since March 2016 now amounted to 4,144 shipments, or 13,255.7 billion cubic feet of natural gas.

German ISO

A further 1,246 ISO containers of LNG have been shipped to nations in the Caribbean and Latin America from ports in Florida. In November, one ISO was even shipped to Germany.

The US dispatched 94 full LNG cargoes in November 2022 compared with 96 cargoes in October 2022 and 99 shipments in November 2021.

Shipments from the Cameron LNG plant in Louisiana, operated by the California-based utility Sempra through its LNG projects unit Sempra Infrastructure, cost the most for an eighth straight month through November 2022.

Cargoes lifted from the Cameron facility cost an average of $14.82 per million British thermal units in November, which was lower than the Cameron price in the previous month of $18.38 per MMBtu.

The Cameron price in September 2022 was a record US high from the export point of $19.89 per MMBtu.

The combined average price at the export point including the four other plants, with Freeport off stream and Calcasieu Pass not yet in the full data stream, was $11.27 per MMBtu for November versus $13.78 per MMBtu for the previous month. The year-to-date price from the export points for all six plants combined was $11.53 per MMBtu.

The average prices for each of the four other included plants (from the export point) from highest to lowest in November 2022 were: Corpus Christi in Texas $10.36 per MMBtu ($12.42 October, 2022); Cove Point (Maryland) $10.10 per MMBtu (no October cargoes); Elba Island (Georgia) $9.62 per MMBtu ($12.53, October); and Sabine Pass (Louisiana) $9.26 per MMBtu ($10.50, October).

The Sabine Pass plant remained the volume leader in November 2022 with six Trains on stream and supplying 35 cargoes followed by Cameron 33, Corpus Christi with 16, Cove Point 6 and Elba Island 4.

Calcasieu Pass data

The Venture Global Calcasieu Pass plant on the Gulf Coast of Louisiana was still yet integrated into the DoE pricing data system.

However, of the 11 cargoes that departed from Calcasieu Pass in November, five went to the UK, three to France, one to the Netherlands, one to Poland and one to China.

The top five countries of destination, representing 55.9 percent of total US LNG exports in November 2022 were the United Kingdom (82.8 Bcf), France (50.7 Bcf), Turkey (31.4 Bcf), Japan (24.4 Bcf) and the Netherlands (20.6 Bcf).

The list of the Top 10 countries of destination overall since 2016 through November 2022 showed two Asian nations, South Korea and Japan leading and with Spain consolidating its third place position while France moved up to tie with China for fourth place.

The top 10 recipients of US LNG by overall numbers of cargoes at the end of November 2022 were: 1) South Korea 487 cargoes. 2) Japan 354. 3) Spain 322; 4-equal) China and France 287; 6) UK 279; 7) Brazil 217 (includes split cargoes) 8) The Netherlands 209; 9) India 182 and 10) Turkey 179.

Puerto Rico price

Vessel-borne delivery prices are also given for the US territory of Puerto Rico.

Shipments to Puerto Rico in November had cost an average of $9.38 per MMBtu, down from $10.71 per MMBtu in October.

US LNG had been received in vessels by 43 different countries through November 2022. This includes ISO containers carried by cargo ships.

The US has sent ISO containers to Caribbean and Latin American nations such as Barbados, the Bahamas, Jamaica, Haiti, Antigua and Barbuda and to Nicaragua.

A total of 28 containers were delivered in November with the recipients being the Bahamas 16, Jamaica eight, Antigua and Barbuda two and one was sent to Barbados. ■

Japan retakes World No. 1 LNG importer position from China with Australian surge

LNG News Editor

Japan has formally retaken from China its position as the World No. 1 LNG importer with more volumes coming from Australia, Russia and its Asian neighbours even as overall deliveries to Japanese terminals fell in 2022 and slumped in December.

While China's estimated LNG imports dropped by 18.8 percent to 64.15 million tonnes, the official Japanese LNG import volumes for 2022 came to 71.99MT compared with 74.31MT in 2021, showing a fall of 3.1 percent, according to preliminary trade data from Japan's Finance Ministry.

Slowdowns

China had overtaken Japan in 2021 to become the world's largest LNG importer with 78.93MT of imports, though has now slipped back because of the economic slowdown and Covid-19 restrictions affecting energy demand.

Japanese LNG carrier 'Senshu Maru' unloading a shipment

Japanese monthly LNG imports for December 2022 fell by 13.8 percent to 6.06MT from 7.03MT in the same month of 2021.

The November 2022 LNG shipments to Japan's network of 37 terminals had also dropped to 5.55MT from 5.86MT in November 2021.

The costs of Japan's December LNG cargoes increased by 36.8 percent to 817.52 billion yen ($6.32Bln) compared with 597.53Bln yen ($4.62Bln) in December 2021, the Ministry data showed.

Japan's annual LNG costs jumped by 97.5 percent to 8.55 trillion yen ($64.34Bln) in 2022.

The Finance Ministry data showed that shipments of LNG increased from Australia, Asian countries and from Russia.

Russian imports

Imports from Russia increased by 4.6 percent on the year to 6.87MT from 6.56MT in 2021. The Russian deliveries cost 82.4 percent more than in the previous year with the 2022 bill from the Russians amounting to 677.5Bln yen ($5.24Bln).

Japan continued its deliveries of LNG from the Russian Far East export plant at Sakhalin Island even after the Russian invasion of Ukraine in February 2022 as energy security outweighed the Western-led imposition of sanctions against Russia on the energy and financial fronts.

Deliveries from Asian countries like Malaysia, Indonesia and Brunei increased by 9.2 percent to 17.93MT for the year.

Middle East cargo numbers for the year tumbled by 41.5 percent to 6.74MT from 12.20MT in the previous year.

LNG imports from the US dropped by 41.5 percent to 4.13MT compared with 7.07MT in 2021 when they had overtaken Russian delivery numbers for the first time.

The balance of Japan's LNG imports in 2022 came mainly from Australia and the spot market and with small volumes from Africa included. This delivery segment increased by more than 13 percent and amounted to 36.32MT versus 32.06MT in 2021.

While Japan's annual LNG imports declined, shipments of thermal coal during the year increased by 2.5 percent to 115.3MT.

Nuclear

In its energy mix in 2022, Japan has also lagged in increasing nuclear power as previously planned.

Since the Fukushima disaster, only 10 reactors have been given the go-ahead to go back into operation compared with the 54 that were online in 2011 and which supplied around 30 percent of Japan's energy needs.

A further 21 reactors have been decommissioned since 2011 and will never be re-started. ■

Technip heads winners of gas project in Abu Dhabi

Technip Energies, the leading LNG and energy project company, said a consortium which it heads has been awarded a pre-construction services agreement (PCSA) related to the onshore facilities for the Hail and Ghasha Gas Development Project in Abu Dhabi in the United Arab Emirates.

Technip's partners in the contract are South Korea's Samsung Engineering and Italian firm Tecnimont SpA.

Hail & Ghasha is a conventional gas development located in shallow water in the emirate of Abu Dhabi and is operated by Abu Dhabi National Oil Company (ADNOC).

The fields lie in the Ghasha Concession block in water depth of around 328 feet and are expected to start commercial production in 2025.

"The PCSA phase follows the successful completion of an updated front-end engineering and design (FEED) for the entire development, executed by Technip Energies," said Technip.

"This next phase covers early project activities for onshore facilities, such as initial detailed engineering and procurement services of critical long lead items," explained Technip.

The PCSA scope of work also includes the preparation of "an open book cost estimate" for the project delivery of the onshore scope, which will be considered as part of the final investment decision-making process.

"We are honoured to be trusted by ADNOC to continue from the successful FEED execution to the initial activities for the onshore facilities for this important gas growth project and to prepare an open-book cost estimate for project delivery," said Arnaud Pieton, Chief Executive of Technip Energies.

Indonesia clears plans for more feed-gas supplies at Bontang

LNG News Editor

Indonesia has approved a revised plan of development costing $3.35 billion for the Merakes and Merakes East natural gas fields to serve the nation's main LNG export plant through to at least 2032.

The project fields are operated by Italian energy company Eni and one is already a supplier since April 2021 for the onshore Indonesian Bontang LNG plant in East Kalimantan province.

Liquefaction and export plant in East Kalimantan province

More reserves

The Bontang plant has a nameplate capacity of 11.5 million tonnes per annum.

"The development of this field will provide additional reserves to ensure supply to the East Kalimantan system so that the Bontang LNG facility can operate at an optimal level," said Dwi Soetjipto, the Chairman of the nation's Upstream Regulator SKK Migas.

Investment for the Merakes fields was initially set at $1.3 billion with peak production at 368 million standard cubic feet per day.

Indonesia has two other onshore LNG facilities, the Tangguh plant with 7.6 MTPA and the Donggi-Senoro plant with 2.0 MTPA of output.

The Tangguh plant is operated by UK major BP and is currently undergoing an expansion with the construction of a third Train.

Tangguh began operations in West Papua province in 2009 and has delivered about 1,500 LNG cargoes to global markets.

Another Indonesian LNG project is expected to move forward soon with Japanese energy company Inpex Corp. finalizing its revised development plan for the Abadi project.

Inpex is planning to build an Asia-focused LNG export plant on Yamdena Island in the Tanimbar chain in a joint venture with Shell Plc using feed-gas from the Abadi gas field in the Masela Block of Indonesia's Arafura Sea.

Inpex has already completed preliminary front-end engineering and design for a facility with projected annual initial capacity of 10.5 MTPA.

UK concludes offshore bidding round with 115 bids from 76 firms

The UK's North Sea Transition Authority (NSTA) has concluded its offshore bidding round for oil and gas exploration and production licences as the nation reaches a crisis point in securing future energy needs amid rising deliveries of imported LNG as well as pipeline gas volumes from Norway.

The round which closed last week attracted a total of 115 bids across 258 blocks and part-blocks from a total of 76 companies

Blocks

This was the UK's 33rd offshore oil and gas licensing round and the previous 32nd bidding round was held in 2019 and received 104 applications covering 245 blocks and part-blocks. Analysts said that the latest round included four priority areas with known oil and gas reserves, though many others are less certain.

The NSTA will spend the next three months analysing the applications and will announce the awarding of licences from April 2023 when more details will be released.

A part revival of the oil and natural gas industry is essential for the UK's struggling economy and to turn around the country's diminished energy security.

The industry support group, Offshore Energies UK, said that the nation consumed 76 billion cubic metres of natural gas in 2021, equivalent to 1,100 cubic metres per person.

About 32 Bcm of the UK's gas came from main pipeline gas supplier Norway while 29 Bcm came from the UK Continental Shelf.

Most of the rest was imported as LNG from a mix of countries such as Qatar, the US, Algeria, Trinidad, Peru and Angola.

Oil is the second-largest UK energy source at 32 percent of total energy and the UK's production of oil also fell sharply in 2021.

Oil production was 45 million tonnes while gas output at 29 Bcm represented a 17 percent decline on 2020 and a 20 percent fall from 2019.

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Sembcorp Marine holds ceremony for LNG-hybrid tug for service in yards and Port of Singapore

LNG News Editor

Sembcorp Marine Ltd, together with its subsidiaries, have celebrated the naming of its first of a series of LNG-hybrid tugs specially designed for domestic service in the Port of Singapore.

The Singapore-flagged vessel was christened "JMS Sunshine" by a Lady Sponsor, Ms Wong Lee Lin, former Executive Director of Sembawang Shipyard, a wholly-owned subsidiary of Sembcorp Marine (Sembmarine) and former Head of Repairs & Upgrade at Sembcorp Marine.

Fleet renewal

As part of the company's maritime fleet renewal with green propulsion vessels, Sembcorp commissioned the design and build of the world's first LNG-hybrid tug in 2018.

Sembmarine plans to build a fleet of tugs to progressively replace the existing diesel-powered fleet operated by Jurong Marine Services (JMS), a wholly owned subsidiary of Sembmarine and a licensed operator of the Maritime and Port Authority of Singapore.

Christening of 'JMS Sunshine' by Lady Sponsor Ms Wong Lee Lin with Wong Weng Sun, Sembcorp Marine, President & CEO (sixth from left), Gordon Ng, JMS, Assistant General Manager (sixth from right) and the management team (Photo: Sembcorp Marine)

The "JMS Sunshine" was designed by LMG Marin AS, also a wholly-owned unit of Sembmarine.

"The tug is classed by the America Bureau of Shipping and has a Cyber Secure 1 notation to safeguard the asset from growing cyber threats faced by the marine and offshore industry," said the company.

The first of its kind, "JMS Sunshine" runs on LNG with a sizable energy storage system based on a Lithium ion battery.

Sembmarine said this system allows emission-free operation of the tug during idling and low-speed transit.

"It is capable of taking over the energy needs if a spike in power is warranted, and comes equipped with a 'take-me-home' reserve capacity to ensure safe return of the tug in the event of engine failure," added Sembmarine.

The "JMS Sunshine" will be deployed in Sembmarine's yards for ship manoeuvring, mooring and unmooring operations.

It can also be deployed by ship operators to escort vessels within Singapore port limits.

"We are thrilled to be part of the team bringing green solutions to Singapore waters. The 'JMS Sunshine' is the first LNG-hybrid tug that we have worked on and we look forward to conversions of the rest of our tug fleet," said Gordon Ng, JMS Assistant General Manager.

Simon Kuik, Sembmarine's head of research and development, noted that emission regulations for marine vessels were getting more stringent every year.

Ultimate goal

"The ultimate goal is to cut the Group's greenhouse-gas (GHG) emissions by at least 5 percent by 2050 compared with 2008. To stay ahead of the curve, we invest selectively in innovative design solutions," explained Kuik.

Wong Weng Sun, Sembmarine President and Chief Executive said the company was delighted to play its part in leading the way towards decarbonisation in Singapore. ■

Europe's biggest LNG import terminal breaks records for cargoes supplies to the UK and EU

The UK Isle of Grain LNG import terminal, the largest in Europe and located on the Medway River in the southeast English county of Kent, reported a 60 percent surge in cargo deliveries in the past year and when more gas was supplied to the UK and the European Union.

The terminal owned by National Grid Plc saw 91 LNG carriers berthing at the facility from nations such as Algeria, Angola, Nigeria, Peru, Trinidad and the US.

"At times the Grain terminal was able to supply one fifth of UK natural gas demand," said the company.

The terminal also broke its own unloading record for the final quarter of 2022 with 37 vessels discharging cargoes. The Grain terminal's previous record of cargo handling had been set in 2011 when 66 ships berthed.

Once offloaded at Grain, the LNG is converted to gas and can then be sent out into the National Transmission System (NTS) throughout the UK or exported into Europe to support neighbouring countries.

Key supplier

"Grain LNG sent over 82 terawatt hours (TWh) into the UK's NTS, compared with 59 TWh in 2021, an almost 40 per cent increase," said the company.

"During the recent cold spell, the facility broke a series of records, reaching over 90 percent of its capacity, pushing out 600 GWh of gas into the UK's network over the month, compared to between 200 and 400 GWh in a typical December," explained Grain LNG.

The UK, which represents around 20 percent of Europe's total LNG import capacity, has also been instrumental in the restocking of European gas reserves which are in the region of 100 billion cubic metres.

"In fact the UK was responsible for filling around 16 percent of Europe's gas reserves this winter," said the company.

Supply patterns

"Where global supply patterns have shifted from a reliance on Russian gas, LNG has filled the hole and become a key enabler for Europe to reach its 90 percent storage target," it added.

National Grid owns the terminal, infrastructure and storage tanks, and works with a range of customers who use the terminal to import gas from around the world.

Before the start of the Russia-Ukraine conflict, the UK received around 30 percent of LNG from Russia.

However, due to the events of the last 12 months and the invasion of Ukraine this has changed with around a third of the ships coming into the terminal from the US. ■


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