LNG Unlimited

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Republic of Congo projects firmly establish Africa's FLNG leadership

Both the FLNG projects will use feed gas from the Marine XII offshore block of gas fields

LNG News Editor

The Republic of the Congo has formally launched two floating liquefied natural gas production projects that may make the West African nation an LNG exporter by as early as this year as African nations assume leadership of the FLNG sector to monetize their resources backed by Western oil majors.

The President of the Republic of Congo, Denis Sassou Nguesso, and the Chief Executive of Italian energy company Eni, Claudio Descalzi, have laid a foundation stone for the Congo LNG project.

President Sassou Nguesso opening Eni-backed facility on April 23 and later laid a stone for LNG project

Ceremonies

The ceremony took place on April 25 at the port and industrial city of Pointe-Noire, located 383 kilometres (238 miles) west of the capital Brazzaville, which is in the interior of the country.

Milan-based Eni said that the project was expected to reach an overall LNG production capacity of 3 million tonnes per annum from 2025.

Eni is also backing a Scientific Research and Technological Innovation Center and President Sassou Nguesso (see photo) opened the facility at Oyo in the north on April 23.

The project is supported by the United Nations Industrial Development Organization.

The Italian major is additionally developing agri-feedstock production initiatives destined for bio-refining and not in competition with the food supply chain.

The Congo is currently the third-largest oil-producing country in sub-Saharan Africa.

It has associated gas from its oil production, while both the FLNG projects are part of the Marine XII gas fields project.

The latest Congo projects firmly establish Africa in the leadership of global FLNG developments.

FLNG projects are already operating offshore Cameroon in West Africa and in Mozambique in southeast Africa. The Mozambican FLNG project also involves Eni as well as US major ExxonMobil.

Another FLNG venture is planned for Nigeria by local companies in a nation that is the continent's leading onshore LNG producer from the Bonny Island plant.

Two more FLNG facilities are being developed in joint projects for Senegal and Mauritania and involving UK major BP and Dallas, Texas-based Kosmos Energy.

Neighbour Angola

Congo's southern neighbour Angola is a leading oil and gas producer in Africa and has been a long-standing exporter of LNG from the Chevron-operated Soyo onshore export facility that processes associated gas. Another regional LNG producer is Equatorial Guinea from its onshore plant on Bioko Island.

"Congo LNG will exploit the huge gas resources of Marine XII block, fulfilling the country's power generation needs while also fuelling LNG exports, supplying new volumes of gas to international markets focusing on Europe," stated Eni.

"The project, made through an accelerated development schedule and a zero-flaring approach, will see the installation of two floating liquefaction plants at the Nenè and Litchendjili gas fields - already in production - and at other fields yet to be developed," Eni added.

The first FLNG hull, the former "Tango FLNG" that operated in Argentina, is currently undergoing some conversion work. It has capacity of 600,000 tonnes per year and Eni said in its statement that the barge would begin production in 2023.

The previous owner of the "Tango FLNG", the Belgian shipping company Exmar, sold the production barge in 2022 to Eni for $646 million.

Eni said at the time that it intended to use the "Tango FLNG" for the Congo FLNG project. ■

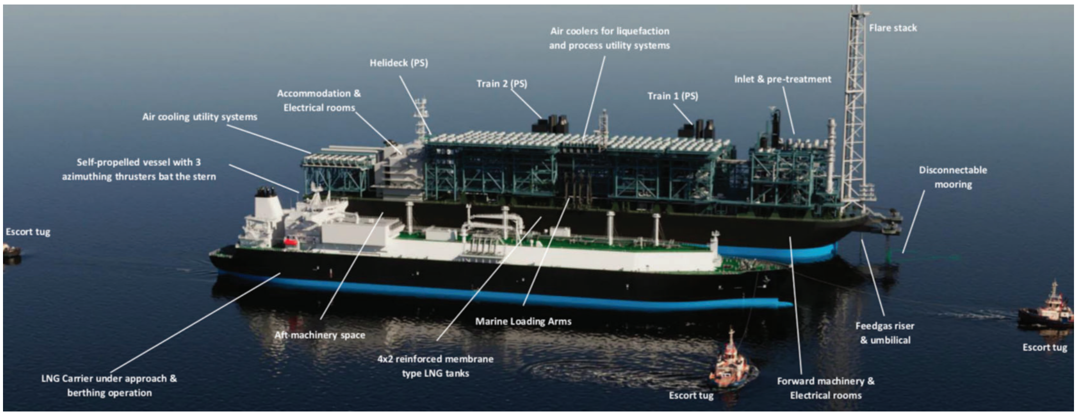
UNLIMITED AGENDA

US Delfin signs supply deal with commodities firm Hartree for Louisiana FLNG projects

LNG News Editor

Delfin Midstream, the US liquefied natural gas developer, has finalized a binding LNG sale and purchase agreement with a UK subsidiary of commodities and energy firm Hartree Partners.

Under the SPA, Delfin will supply 600,000 tonnes per annum of cargoes on a free on-board basis from the Delfin Deepwater Port to be located 40 nautical miles off the coast of Louisiana.



General design and arrangement of Delfin FLNG vessel

Indexed

The deal with Hartree is for a 20-year period and the volumes will be indexed to the US natural gas Henry Hub benchmark.

The Delfin floating LNG project is based on the deployment of vessel-borne liquefaction facilities with other moored production and storage vessels.

Delfin has said it would require minimal additional infrastructure investment to support up to four FLNG vessels producing around 13.3 million tonnes per annum.

Delfin also owns the UTOS pipeline, the largest natural gas pipeline in the Gulf of Mexico.

The Delfin developers have already been awarded a deepwater port licence by the US Maritime Administration (MARAD) and the project has been approved by the US Coast Guard.

Delfin is additionally seeking to construct, operate and maintain certain onshore metering, compression, and piping facilities located onshore in Cameron Parish in Louisiana.

"We are excited about partnering with Delfin LNG and to strengthen their progress toward reaching final investment decision and look forward to a successful and collaborative long-term relationship," said Stephen Hendel, a managing director of Hartree Partners.

"This deal will also support our wider strategy of delivering low cost, tailor-made and reliable LNG supply chain solutions that meet the specific requirements of our customers," added Hendel.

Delfin said the SPA with Hartree builds on the company's previously announced long-term agreements with strong, strategic counterparties.

Commitments

Delfin has now secured commitments for 3.1 MTPA of LNG sales which it said were sufficient to take a positive FID in mid-2023.

"The signing of this long-term SPA with Hartree signifies the beginning of a strong, mutually beneficial relationship with a world-class trading company," said Dudley Poston, Chief Executive of Delfin. ■

Glenfarne's Texas project plans mitigation measures and 2023 final investment decision

Texas LNG, the liquefied natural gas export plant to be constructed by New York-based Glenfarne Group in the Port of Brownsville, has been issued with two additional mitigation measures by regulators and said it was still on track to make a final investment decision in 2023.

Texas is owned by Texas LNG Brownsville LLC, an affiliate of the Glenfarne group's Glenfarne Energy Transition, and aims to construct a medium-sized plant with 4 million tonnes per annum of output.

Samsung Engineering Co. of South Korea owns a minority equity interest in Texas LNG and is involved in the delivery of the facility along with European engineering company Technip Energies.

Modifications

Glenfarne in May 2022 signed a contract for the Texas project to be built by a joint venture comprising Technip and Samsung Engineering.

The project involves fabricated LNG liquefaction modules that would then be transported to Brownsville for installation.

Glenfarne said the project had been issued with an "Order on Remand" by the Federal Energy Regulatory Commission after the completion of what was called "an additional social cost of carbon and environmental justice" analysis.

"The Order on Remand includes two modified mitigation requirements regarding air monitoring and emergency response communications that Texas LNG will incorporate into its execution plan," Glenfarne explained.

"Texas LNG expects to make a final investment decision this year and begin commercial operations in 2027," it added.

Glenfarne explained that Texas LNG's "Green by Design" approach was "strategically designed" to avoid emissions rather than minimizing or mitigating them.

The investment firm stated that by using renewable energy to power the entire facility and drive Texas LNG's electric motors, the project would eliminate most carbon-dioxide emissions "with less than half of a typical LNG export project, making it one of the lowest-emitting liquefaction facilities" in the world.

Brendan Duval, Chief Executive of Glenfarne Energy Transition, said the "environmental justice and the carbon footprint of our project are among the most important issues we regularly consider" as Texas LNG progressed to an FID.

"We thank the FERC commissioners and staff for bringing this matter to a thoughtful resolution," stated Duval.

Duval added that Texas LNG would bring more than 1,200 new construction jobs and over 100 new full-time jobs to the Rio Grande Valley of which a majority are intended to be hired from the local community. ■

GECF issues its April gas report

Latin American and Caribbean nations imported more LNG during the first quarter and there was also a surge in cargo reloads in Europe as well as quarterly and March exports from global liquefaction plants.

In March, the number of global LNG exported cargoes increased by 8 percent to 551 in total.

The number of LNG shipments for the first three months of 2023 reached 1,598, which was 3 percent more than the first quarter of 2022, according to the April Gas Report from the Gas Exporting Countries Forum (GECF), which is based in Doha, Qatar.

LNG imports rose by 4.4 percent, or 770,000 tonnes, to the smaller nations in the Latin American region like El Salvador and Jamaica and the US Territory of Puerto Rico, which offset a slump in imports by Brazil.

In El Salvador, LNG imports to the country continue to rise following the start-up of the Acajutla floating storage and regasification unit (FSRU) a year ago in April 2022.

“The increase in Jamaica’s LNG imports was driven by stronger imports from Trinidad and Tobago,” said the report.

“Since January 2023, Puerto Rico’s LNG imports have increased year-on-year with New Fortress Energy supplying several small-scale LNG cargoes reloaded from Jamaica,” the GECF added.

The report also noted that higher hydro-electric output led to a temporary slump in Brazil’s LNG imports.

LNG re-loads increased in March though levels were still relatively low with the global total being 530,000 tonnes versus 360,000 in March 2022. The cumulative global LNG reloads from January to March 2023 increased by 1MT to 1.84MT.

Spanish operator Enagás posts fall in profits amid EU strategic role

LNG News Editor

Enagás, the Spanish natural gas grid and LNG terminals operator, said first-quarter net profits excluding one-time items dropped by 21 percent and revenues also fell even as LNG and pipeline gas delivers rose and 43 percent of the LNG stored in Europe during the quarter was in the tanks of the six Spanish regasification terminals.

Enagás reported quarterly net profits of €54.6 million ($60M) compared with €69.3M in the same three months of 2022.

El Musel terminal in Gijón to reopen for EU strategic role

Mexico sale

The company’s first-quarter revenues fell by 5.7 percent to €220.6M from €233.9M in the first quarter of last year.

“This result does not include net capital gains of €40M derived from the sale of the Enagás stake in the Gasoducto de Morelos in Mexico after a closed transaction for an amount of €87M ($95M),” said the Madrid-based company.

Enagás said total demand for natural gas together with exports increased from the previous quarter but were down on the first three months of 2022 along with gas prices.

“The total transported demand for natural gas reached 112 terawatt hours (TWh) in the first three months of the year, 7 percent less than in the same period of the previous year, and 4.3 percent more than in the last quarter of 2022,” Enagás added.

The company noted that the Spanish Gas System had operated during the first quarter at 100 percent availability and “faces 2023 with maximum robustness” in pipelines and terminals.

However, demand for natural gas for Spanish electricity generation decreased by 26.3 percent in the first quarter versus the first quarter of 2022 due to an increase in the use and availability of renewables, mainly solar and hydro-electric.

Affiliates of Enagás recorded first-quarter earnings of €36.6M, though lower by 17.1 percent than the prior-year income of €44.2M.

One of these affiliates is the Trans-Adriatic Pipeline (TAP) running from Azerbaijan to the European Union and in which the Spanish company increased its stake from 16 percent to 20 percent in January 2023.

Vopak raises net profits amid LNG and overseas growth plans

Royal Vopak of the Netherlands, the world’s leading independent tank storage company and a leading liquefied natural gas terminals shareholder, posted higher first-quarter net profits and revenues as it continued to develop European Union LNG infrastructure and expanded energy joint ventures in Canada and India.

Vopak reported net profits of €103.1 million ($113.5M) in the quarter to the end of March 2023, an increase of more than 37 percent compared with the €74.7M logged in the same three months of 2022.

Positive

Revenues rose to €361.8M versus €355.3M in the previous quarter and €324.1M in the first quarter last year.

“The positive performance was driven by favorable storage demand, particularly a steady recovery in oil markets, contributions from growth projects and currency translation effects,” said the Rotterdam-based company.

In addition to its moves to develop Dutch LNG infrastructure by taking a stake with utility Gasunie in the Eemshaven LNG import hub, Vopak advanced with joint ventures for liquefied petroleum gas (LPG) and liquids in Canada and India.

“We continue to make good progress on our strategy to improve our financial and sustainability performance, to grow our base in industrial and gas terminals and to accelerate towards new energies and sustainable feedstocks,” Chief Executive Dick Richelle said.

Vopak also has a stake with Gasunie in the Gate LNG terminal in Rotterdam and said in the earnings statement that it successfully closed the open season for the 4th LNG storage tank.

“Gate will continue to develop this project, including financing with the aim to reach a final investment decision by September 2023,” Vopak said.

In Canada, Vopak and Canadian company AltaGas have formed a new joint venture to evaluate a large-scale LPG and bulk liquids export facility in Prince Rupert in British Columbia.

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NEWS BRIEFS

Nigeria FLNG accord

The Nigerian National Petroleum Company (NNPC) has signed a memorandum of understanding with Norwegian shipping company Golar LNG to deploy a floating liquefied natural gas production vessel offshore Nigeria. State-run NNPC said that the Golar LNG Chief Executive, Karl Fredrik Staubo, signed the accord in Abuja, the Nigerian federal capital. This would be Nigeria's second FLNG project after one being developed by UTM Offshore.

Woodside gas deal

Western Australian LNG plants operator Woodside Energy has finalised a 20-year domestic gas sale and purchase agreement with Perdaman Chemicals and Fertilisers after Perdaman's positive final investment decision to construct a production plant near Karratha in the state's Pilbara region. "Pipeline gas sold under the GSPA is for use at the plant, which will produce an important fertiliser feedstock in support of both domestic and international agricultural users," said Woodside. Gas will be supplied from Woodside's portfolio and from the Scarborough gas project, a source of feed gas for the Pluto LNG expansion.

Vitol Turkey move

Vitol Bunkers, the maritime fuel business of global commodities firm Vitol, said it was now working in close alignment with the fuel supply unit of Turkish energy group Petrol Ofisi to offer bunkering services at Turkish ports. Vitol Bunkers and Petrol Ofisi will offer re-fuelling for LNG carriers, containerships, oil tankers, car carriers and cruise liners. "With a fleet of 16 barges, Petrol Ofisi is the largest bunker supplier in Turkey, making more than 3,000 bunker deliveries each year," said Vitol.

Australian Government sets natural gas price cap until mid-2025 and will have more consultation until May 12

LNG News Editor

The Australian Government plans to extend a natural gas price cap through mid-2025 while seeking to relax its attitude towards LNG exporters who have already agreed to domestic gas supply commitments.

The Labor party-led Government of Prime Minister Anthony Albanese had provoked concerns in December 2022 over its price cap process for natural gas and LNG producers who supply Asia-Pacific markets as well as consumers in Western Australia and East Coast states like Queensland and New South Wales.

Minister for Resources and Northern Australia King

Cooperation

Analysts said that a joint statement on April 26 from four ministers on the price cap issue could be viewed as conciliatory.

The statement was signed by the Minister for Climate Change and Energy Chris Bowen, Treasurer Jim Chalmers, the Minister for Industry and Science Ed Husic and the Minister for Resources and Northern Australia Madeleine King.

The Government statement was part of its final consultation on the mandatory code of conduct (Gas Code) to secure more gas at "reasonable prices" for Australian consumers.

"Following significant consultation with gas producers and users over previous months, the Gas Code improves upon the approach to implementing reasonable pricing outlined in the December 2022 consultation paper," said the statement.

The four ministers noted that in December 2022 the Government had responded to "unprecedented power price rises" as a result of Russia's illegal invasion of Ukraine".

They also stated that their December 2022 action was in response to a "decade of energy policy chaos" under previous conservative governments.

"The Gas Code will ensure sufficient supply of Australian gas for Australian users at reasonable prices, give producers the certainty they need to invest in supply and ensure Australia remains a reliable trading partner by allowing LNG producers to meet their export commitments," the ministers explained.

Major Australian oil and gas companies such as Woodside Energy and Santos had protested the previous unilateral measures as lacking consultation.

They also pointed out that they had already made provisions for ample natural gas supplies for the domestic market while having to put up with energy regulators and others hindering progress on new natural gas production projects.

The Australian Gas Code consultation gives industry and interested parties the opportunity to provide technical feedback on the draft regulations before the Code is finalised for the new government financial year starting on July 1.

The consultation on the draft Gas Code runs from April 26 and will close for submissions on May 12.

"It will ensure domestic prices are reasonable by establishing a price anchor, or mechanism to drag prices down," added the ministers who outlined their proposals.

A price cap is to be set at A$12 per gigajoule, the equivalent of US$7.56 per million British thermal units, and the new price level would be reviewed by July 1, 2025.

There is also a process for qualifying for exemptions from the price cap on the basis of making satisfactory supply commitments to the Australian Competition and Consumer Commission (ACCC) and which would be court enforceable.

"Small producers of gas will be exempt from the price cap if they supply only the domestic market," the statement added.

The Government stated that the "Gas Code" would be supported by a "strong enforcement regime" delivered by the ACCC, with a review to be undertaken no later than two years after coming into effect and "to ensure the Gas Code remains effective and fit for purpose" for all concerned.

"The Government is seeking views from gas market participants on the Gas Code, including the merits of the approach to reasonable pricing relative to the original framework proposed in December 2022," the ministers explained.

They said they were seeking submissions from large natural gas providers on the supply and price commitments they would be prepared to make in the context of the proposed exemption framework.

France's Cedigaz reports surge in biogas with billions spent on acquisitions by oil majors

LNG News Editor

Cedigaz, the French international natural gas body, said the biogas industry, which can deliver gas made from waste as liquefied natural gas, as pipeline gas or as fuel for filling stations, experienced growth of 23 percent in 2022.

Cedigaz, based at Rueil-Malmaison in the western suburbs of Paris, said in a report that production of what the French call biomethane increased from 6 billion cubic metres per annum 2021 to 7.4 Bcm in 2022.

Expansion

"The market is poised for significant expansion over the next decade, with the potential to surpass 100 Bcm by 2030 if appropriate policies and regulations are implemented," Cedigaz said.

The report highlights "unprecedented investment" in the biogas sector, with deals in the billions of dollars.

European energy majors led the way with BP, Shell and TotalEnergies acquiring US Archaea ($4.1 billion), Danish Nature Energy ($2Bln) and Poland's Polska Grupa Biogazowa, respectively.

Shell acquired Danish Nature Energy biogas plant network

Funds created

Financial investors, such as US funds and asset managers, were also active, creating dedicated biogas business units.

Goldman Sachs launched Verdalia Bioenergy to invest $1Bln in European biogas projects.

Australia's Macquarie Capital, an investor in conventional LNG as well, launched Aerogy and US equity fund BlackRock acquired Vanguard Renewables for $700M.

"These investments underscore the recognition of biomethane's attributes, exponential growth and status as a key decarbonization method for the future," Cedigaz said.

The report provides insights on regional and national developments in the biogas industry.

Europe leads in global biogas production with 3.4 Bcm of output in 2021, and the European Union's natural gas and power policy to replace Russian pipeline gas aims to increase production to 35 Bcm by 2030.

Cedigaz noted that the US was set for huge growth in biogas, also called renewable natural gas (RNG). The Biden Administration's Inflation Reduction Act (IRA) provided fiscal support to biogas for all end-uses.

China plans

China additionally has plans to reach 20 Bcm per annum of RNG production by 2030 as part of its 14th Five-Year-Plan, which includes high targets for renewables.

Another nation with biogas development projects moving Forward is India which is building 5,000 bio-compressed natural gas (CNG) plants by 2023-24, representing 21 Bcm per annum of production.

"The transportation sector represented half of the global demand growth in 2021, with biogas being adopted by cities, corporations, industrial users and fleet owners," said Cedigaz.

The report said that European and North American energy utilities were investing heavily in biogas to support decarbonization policies and clean energy supplies. ■

Tellurian pipeline feed gas progress

The $1.5-billion US Driftwood Pipeline project comprising two feed-gas lines for the liquefied natural gas export plant in Louisiana has been formally approved by regulators.

Tellurian, the Driftwood project developer, said in a statement that the pipelines, known as Line 200 and Line 300, would be constructed in Beauregard Parish and Calcasieu Parish in the Gulf Coast state.

The Houston, Texas-based company, said the pipelines would be capable of delivering up to 5.5 billion cubic feet of natural gas per day.

Tellurian said the pipelines would have "virtually no emissions" due to the implementation of electric-powered Integrated Compressor Line (ICL) technology from US energy technology and services company Baker Hughes.

The company said the permits were awarded by the Federal Energy Regulatory Commission on April 21.

Leading US LNG engineering company Bechtel Energy has already been given limited notice to proceed with construction of Phase One of the Driftwood liquefaction plant.

The Tellurian project involves constructing 20 mid-scale processing Trains, each with 1.38 MTPA of capacity and built as five blocks of four Trains.

"Tellurian thanks the FERC for their thorough and collaborative review of our Driftwood Pipeline Project and we look forward to delivering natural gas in a cleaner and highly reliable way to Southwest Louisiana," said Tellurian President and Chief Executive Octávio Simões.

Reliance prepares for gas field boost to offset some Indian LNG needs

LNG News Editor

Indian group and BP have developed three offshore gas fields

Reliance Industries, the Indian conglomerate and a leading energy company supplying rising domestic gas volumes to supplement LNG imports, reported an increase in fiscal fourth-quarter earnings across its energy division and the start-up soon of a third gas field in the Krishna Godavari Basin KG-D6 block on the East Coast of India.

The two on-stream fields shared with BP of the UK are called the R-Cluster and the Satellite-Cluster and a third one is almost ready to start up and is called the MJ field.

Commissioning

Reliance said that the floating production storage and offloading unit (FPSO) and other subsea structure testing and commissioning activities are underway in the MJ field.

"As an essential part of the testing activities, one well has been opened to flow gas through the integrated production system," explained Reliance.

"The lower and upper completion campaign for MJ wells is progressing as per plan. Four wells have been completed and the balance of wells are expected to be completed by around September," added Reliance.

The company said an auction had been held on April 12 to sell 6 million standard cubic metres of gas per day.

Reliance added that the entire volume was sold and a gas sale and purchase agreement (GSPA) was under execution with the successful bidders.

Reliance said that the incremental gas production from the MJ field, along with ongoing production from R Cluster and Satellite Cluster fields, in Block KG D6 is expected to reach 30 million standard cubic metres per day by the end of March 2024.

Reliance said gas exploration and production division revenues jumped by 127 percent to 4,556 crore Indian rupees ($554 million) led by higher production and improved gas price realizations.

Gross earnings rose by 144 percent to 3,801 crore rupees ($463M).

Gas prices

Average realised prices for KG-D6 production during the quarter was $11.39 million British thermal units compared with $6.13 per MMBtu in the prior-year quarter.

Reliance also has gas assets in the Mahanadi Basin as well as two coal-bed methane (CMB) blocks, Sohagpur (East) and Sohagpur (West) in Madhya Pradesh state in central India south of New Delhi.

Leading LNG trader Mitsui confirms addition of Texas shale-gas assets

Mitsui & Co. of Japan, a leading liquefied natural gas market participant and trader, confirmed the acquisition of shale-gas assets in South Texas with access to LNG export plants on the US Gulf Coast.

Mitsui said it purchased a 92 percent working interest in the Eagle Ford basin assets from a subsidiary of Silver Hill Energy Partners, a private company based in Dallas, Texas.

Net acres

The assets comprise 8,500 net acres known as the Hawkville field and with easy reach of the region's LNG export cluster.

The confirmation statement from Mitsui on the acquisition did not include a value for the transaction.

"Additional gas production is expected from this asset with further development," said the company.

The Eagle Ford acreage will be managed by a company subsidiary, Mitsui E&P USA.

"The subsidiary will develop and operate the asset, aiming for stable gas production of over 200 million cubic feet per day from the field," Mitsui explained.

Mitsui stated that it was also promoting liquefaction and export of US natural gas to global markets and has methanol production businesses using natural gas as feedstock.

It has also increased its offtake from the Cameron LNG plant in Louisiana, operated by Sempra Infrastructure, and where the Japanese company has a 16.5 percent shareholding.

However, Mitsui's LNG assets are global with holdings in the Middle East at liquefaction plants in Qatar, Oman and the United Arab Emirates.

TotalEnergies profits hit by softening of energy prices but LNG activities increase in first quarter

LNG News Editor


Arrival in Germany of the chartered FSRU 'Neptune'

TotalEnergies, one of the leading global liquefied natural gas market participants and with plans to re-start the onshore Mozambique LNG export project and expand Papua New Guinea LNG, reported a 12 percent increase in first-quarter net profits compared with the 2022 quarter even amid a softening of oil and gas prices.

The company's first-quarter net profits came to $5.6 billion versus $4.9Bln in the same three months of last year and $3.3Bln in the final quarter of 2022.

Adjusted gross earnings for the quarter dropped by 19 percent to $14.16Bln from $17.42Bln in the prior-year quarter and 11 percent less than the $15.99Bln logged in the previous quarter.

Leveraged

"Integrated LNG delivered adjusted net operating income and cash flow of $2.1Bln, leveraging its integrated global portfolio, in an environment of European and Asian gas prices returning to levels close to Brent parity at $16-$17 per million British thermal units, given the mild winter and high inventories in Europe" explained Chairman and Chief Executive Patrick Pouyanné.

"The company launched this quarter the integrated engineering studies (FEED) on the Papua LNG project, which will contribute to the future growth of the LNG portfolio," noted Pouyanné.

First-quarter LNG sales by TotalEnergies amounted to 11 million tonnes, down by 17 percent from the 13.3MT sold in the year-ago quarter and 13 less than the previous quarter's 12.7MT.

"Overall LNG sales in the first quarter of 2023 were down mainly as a result of lower spot volumes, linked to lower demand for LNG in Europe due to the mild winter weather and high inventories," TotalEnergies said.

"Production of LNG was up 7 percent year-on-year (excluding Novatek-Russia), due to the restart of Snøhvit in Norway during the second quarter 2022," added the company.

TotalEnergies reported a plunge in first-quarter Japan-Korea Marker price realisations to $16.50 MMBtu, down 47 percent from last year's $31.10 per MMBtu.

The UK natural gas player also noted the 50 percent decline in the National Balancing Point UK gas price to $16.10 per MMBtu from $32.3 per MMBtu in the first quarter of 2022.

LNG highlights

During 2023 TotalEnergies listed other LNG market highlights in addition to the advance of the Papua New Guinea expansion project.

These included a production start-up on Block 10 in Oman and the signing of a long-term LNG contract for 800,000 tonnes per annum of Omani cargo volumes.

The Paris-based company also mentioned the delivery of the first LNG cargo to the Dhamra onshore LNG import terminal in the East Coast Indian state of Odishi in a joint venture with the Adani group. ■

Largest Appalachia shale-gas producer EQT posts strong earnings helped by prices and operations

EQT Corp., one of the leading US natural gas producers, reported a swing to first-quarter net profits as it reported improved average realised prices amid high cash flow from operations in the Appalachia shale-gas basins following the 2022 first-quarter losses that were caused by derivatives and tax impacts.

EQT, the main shale-gas producer in the Marcellus and Utica formations of western Pennsylvania, Ohio and West Virginia, reported first-quarter net income of $1.22 billion versus a loss of $1.51Bln in the same three months of 2022 because of the one-time items.

High cash flow

"The year got off to a very strong start across the board at EQT, highlighted by solid operational efficiency, capital spending that came in below the low end of our guidance range and stronger-than-expected price realizations driven by our advantaged firm transportation portfolio," said EQT President and Chief Executive Toby Z. Rice.

EQT said its average realised natural gas prices in the shale basins came to $4.11 per thousand foot equivalent (Mcfe) compared with $3.19 per Mcfe in the same quarter of 2022.

However, sales volumes dropped in the quarter to 459 billion cubic feet equivalent from 492 Bcfe in the prior-year quarter.

The company's first-quarter sales volumes of 459 Bcfe were still 2 percent above the mid-point of guidance range.

Net cash from operating activities of the tens of thousands of contractors working on EQT's well sites in the Appalachian hills amounted to $1.66Bln, up from $1.02Bln in the prior-year quarter.

EQT ended the first quarter to the end of March with a cash balance of more than $2.1Bln, an increase of more than $600M from the end of 2022.

"While the current natural gas macro-environment does present challenges, it also illuminates the relative advantages of EQT's corporate strategy, underpinned by large-scale combo-development, a disciplined M&A focus on low-cost assets, a risk-adjusted hedging strategy and opportunistic capital returns," added Rice.

The company noted that transmission expense had increased on a per Mcfe basis for the first quarter compared with the same period in 2022.

This was due primarily to additional capacity acquired in November 2022 and lower credits received from the Texas Eastern Transmission Pipeline from prior-year outages.

In a post-earnings presentation EQT forecast improved future pricing driven by "responsibly sourced" gas premiums as it accurately referenced carbon emissions in gas and with more LNG market exposure.

EQT's total of proved reserves was slightly higher year-on-year at 25 trillion cubic feet equivalent (Tcfe), highlighting consistency of well performance and a repeatable development program. ■