LNG Unlimited

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Australia's Santos has other LNG plans after global output peaks

Adelaide-based firm made a presentation to investor showing its four leading LNG assets

LNG News Editor

Darwin LNG has approvals for two more Trains and 10 MTPA

Australian liquefied natural gas operator Santos said its share of LNG output from its stakes in Australian and Papua New Guinea would be increasing in the years ahead as it also gave key dates for final investment decisions and first gas while acknowledging obstructions to its offshore activities by Australian regulatory uncertainty.

The Adelaide-based company made a presentation to investor showing that its four world-class LNG assets, Gladstone LNG in Queensland, Darwin LNG in the Northern Territory as well as PNG LNG and the Papua LNG expansion venture would give the company a portfolio of around 7.7 million tonnes per annum as its share of offtake.

Darwin approvals

Santos had boosted its LNG portfolio at the end of 2021 when it completed the takeover of Port Moresby-based company Oil Search.

Santos noted in its presentation that it has approvals to add two more Trains to the Darwin LNG plant to take output to 10 MTPA from the current 3.7 MTPA.

Santos Chief Executive Kevin Gallagher said that front-end engineering was taking place on the Papua LNG project and a final investment decision was due in 2024.

The CEO added that the Barossa gas project to replace feed gas from the depleting Bayu-Undan field in the Timor Sea was expecting to start production in 2025, despite hold-ups by environmental disputes raised by regulators and protesters.

The company's Pikka oil venture in Alaska was also proceeding and first oil was expected in 2026.

Production

Gallagher said that the Santos 2023 production guidance was maintained at between 89 and 93 million barrels of oil equivalent (MMboe) and capital expenditure guidance was slightly lowered to US$1.1 billion dollars.

Major projects capital expenditure in 2023 was maintained at between US$1.5Bln and US$1.6Bln.

Production guidance for 2024 is in the range of 84 to 90 MMboe, influenced by the end of field life at Bayu-Undan and Western Australian offshore field declines.

The company's major project spending in 2024 would be approximately US$1.6Bln covering the Barossa gas field, Pikka oil Phase 1 in Alaska, Papua LNG and the Moomba carbon-capture and storage project in South Australia.

"Our tier one LNG portfolio is backed by long-term contracts with tier one buyers and flexible contract terms that allow us to manage LNG spot exposure to provide risked upside potential," said CEO Gallagher.

"Execution of our Alaska, Barossa and Moomba CCS projects continues. Alaska is now 29 percent complete. We have a highly capable team in place, supportive stakeholders and partners, including our Indigenous communities," stated the CEO.

"Alaska is a low-risk jurisdiction with world class environmental standards and values its resources sector," declared Gallagher.

Barossa and Moomba

"Barossa is 64 percent complete. Despite the challenging approvals, regulatory and third-party litigation environment in Australia, we continue to progress work on our FPSO with the hull having arrived in Singapore for topside installation," the CEO explained.

"Our Moomba CCS project is 75 percent complete with first CO_2 injection expected in the first half of 2024," Gallagher said.

The CEO also spoke out against delays caused to the Australian oil and gas industry by a regulatory regime that failed to provide reasonable upfront certainty on the rules required to obtain approvals.

"Industry must be able to rely on approvals given when they invest and when they commence activities," said the CEO in reference to the delayed Barossa project for Darwin LNG feed gas.

"Santos is working with industry participants and government to remove regulatory uncertainty. Australia must compete for capital in a portfolio that includes world-class assets in other low sovereign-risk jurisdictions," he pointed out. ■

UNLIMITED AGENDA

China puts on late surge though may not be enough to overtake Japan as No. 1 LNG buyer

LNG News Editor

Chinese liquefied natural gas imports increased by over 28 percent last month, though the recovery in cargo deliveries may not be enough to recapture the No. 1 global LNG importer position in 2023 that was ceded to Japan in 2022.

Deliveries of cargoes to China's regasification terminals in October came to 5.17 million tonnes, or 76 cargoes, an increase of 28.4 percent on the 4.03MT, or 59 cargoes, delivered in October 2022, according to data from the Chinese General Administration of Customs.

The nation's imports in September had amounted to 5.69MT, a drop of 2.8 percent on the 5.90MT received in September 2022.

10-month rise

The data showed that Chinese LNG imports during the first 10 months of 2023 amounted to 56.25MT, up 11.5 percent compared with the January-to-October period of 2022 when the total deliveries came to 50.50MT.

During the January-to-October period Japanese Finance Ministry figures showed that Japan has imported 58.32MT of LNG so far in 2023, keeping Japan over 2MT ahead with just two months to go.

China's main LNG suppliers to its network of 25 import terminals are Australia, Qatar, Malaysia, Indonesia and the Yamal plant in Arctic Russia.

The US no longer has China as a preferred destination for now with European countries taking more cargoes in 2023 since the ending of Nord Stream pipeline deliveries to Germany in 2022 and the European Union amid Western sanctions on Russia over Ukraine.

Most recently the Netherlands became the latest European country to overtake China in the overall list of recipients of US LNG.

China has now dropped to seventh place from third place last year and has been overtaken by the UK, Spain and France for US cargoes as well as the Netherlands.

The "Power of Siberia" pipeline from Russia continues to be an additional growing supplier of gas to the Chinese as will be the Russian Arctic LNG II project when it comes on stream.

Russian pipeline gas

The Russian gas pipeline from Siberia runs for 3,000km (1,865 miles) into northeast China and a "Power of Siberia II" pipeline is being planned to deliver gas to China via Mongolia.

Additional pipelines inside China carry the gas for a further 2,110km through eight Chinese provinces in the north to Shanghai in eastern China.

Chinese import total trails Japan's for the first 10 months

Indian LNG imports jump for third month as low prices bring in buyers amid high demand

Indian liquefied natural gas imports surged for a third straight month by over 18 percent, helped by lower prices and higher domestic natural gas demand and amid more competition from rising local output from offshore the Bay of Bengal.

LNG imports for the month of October increased by 18.2 percent to 1.73 million tonnes, or 26 cargoes, from 1.46MT, or 22 cargoes, in October 2022, according to provisional data from India's Ministry of Petroleum and Natural Gas.

Costs fall

LNG imports for the month of September had soared by 21 percent to 1.68MT from 1.39MT after rebounding in the month of August 2023 after prior monthly declines.

The nation's LNG imports for the first seven months of the current fiscal year from April to October amounted to 13.13MT. This was 13.4 percent higher than 11.58MT delivered in the same period last year.

The Ministry data showed that LNG cargo costs in October 2023 declined to 9,9972 crore Indian rupees ($1.20 billion) from the 11,663 crore rupees ($1.40Bln) paid in October 2022.

India paid 54,984 crore rupees ($6.60Bln) for seven months of LNG imports, which was less than the 78,311 crore rupees ($9.40Bln) paid in the prior-year fiscal period.

Deliveries of LNG to Indian terminals in 2023 have come from Qatar, which provides over one-third of volumes, as well as West Africa, the US, Asia-Pacific nations, the spot market and Russia.

The latest regional spot LNG indicator price, the West India Marker (WIM), declined for the front month to $15.854 per million British thermal units from $17.475 per MMBtu last month.

The WIM futures prices are for spot LNG cargoes delivered ex-ship (DES) into West Asia and the Arabian Gulf states.

The October increase in Indian LNG imports came as the country's seventh LNG import terminal at Dhamra in the East Coast state of Odisha was slowly ramping up deliveries.

The Dhamra terminal is the second on the East Coast and is a joint venture owned by France's TotalEnergies and India's Adani group.

The Ministry data showed that domestic natural gas production for the month of October came to 3.16 billion cubic metres, an increase of 9.3 percent from the 2.89 Bcm logged in October 2022.

Reliance Industries, a leading energy company as well as a conglomerate, started up a third gas field in the Krishna Godavari Basin KG-D6 block on the East Coast in a joint venture with BP of the UK.

India's own gas output for the seven-month period from April to October increased by 4.8 percent to 21.04 Bcm from 20.07 Bcm in the prior-year period.

The Ministry also gave average capacity utilization rates for the LNG terminals for the fiscal year so far from April to October. The total capacity of existing terminals has now risen to 47.7 MTPA from seven facilities.

Regasification

The largest Indian terminal at Dahej, located north of Mumbai and operated by Petronet LNG, has capacity of 17.5 MTPA and had the highest utilisation rate of 94.3 percent, close to the peak and the same as the previous month.

At the Hazira facility, operated by Shell India, the utilisation rate edged higher to 39.8 percent from 39.2 percent previously for 5.2 MTPA of capacity.

The GAIL (India) terminal at Dabhol, south of Mumbai, reported a decline to 29.0 percent in throughput from the 32.3 percent seven-month average previously for 5 MTPA.

China LNG firm makes name change for new era

China LNG Group Ltd., a Hong Kong-based company with assets along the value chain in mainland China, has formally changed its name to China HK Power Smart Energy Group Ltd to reflect better the company's business plans and demonstrate its commitment to future development.

The company has recently held an extraordinary shareholders' meeting to approve the new name and other changes.

The Group since 2014 had embarked on activities in the fields such as LNG fuel for vehicles, logistics and off-grid power supplies.

"The stock short names of the company for trading in the shares on the Stock Exchange of Hong Kong will be changed from November 23 from 'China LNG' to 'China HK Power' in the English and the Chinese forms," said a statement filed with the HK Exchange.

"The stock code of the company on the Hong Kong Stock Exchange remains unchanged as 931," added the company.

The web site of the company will also be changed from "chinalng.todayir.com" to "chinahkpower.todayir.com", with effect from November 23.

"In connection with the change of company name, the logo of the company will be changed too with effect from the date of this announcement, which will be printed on the relevant corporate documents and used on its web site," it added.

The former Chief Executive of China LNG Group, the billionaire Dr. Kan Che (Billy Albert) Kin, stepped down as CEO as part of the changes first revealed in October but remains Chairman of the new China HK Power Smart Energy Group. ■

South Korean LNG imports are steady as storage to increase

LNG News Editor

The South Korean government said that liquefied natural gas imports have remained steady and measures were being taken to boost storage for the winter because of continued global geopolitical uncertainties.

"There have been concerns over the supply of gas but the supply currently remains stable," said Ryu Peob-Min, the Director-General for Resource Policy at the Ministry of Trade, Industry and Energy, after a meeting with industry executives.

It was also noted that there was also now more competition in Asia for LNG with new projects coming on stream in the Philippines and in Vietnam.

Seven terminals

South Korea's seven import terminals handled 3.6 million tonnes of LNG in October 2023, according to shipping data, which was little changed from the previous month.

This is lower than the 5.17MT received last month by China and 5.42MT delivered to Japanese terminals.

Gwangyang import terminal operated by steelmaker POSCO

South Korea's LNG imports edged higher in 2022 to an annual 47.19MT, just 0.6 percent more than the previous year, and with the largest LNG suppliers being Qatar and Australia with around 11 MTPA of cargoes each followed by the US and Oman and volumes from the spot market.

South Korea remains the world's third-largest LNG importer after Taiwan and India. Those two countries last year imported 19.96MT and 19.90MT respectively.

The South Koreans are additionally the largest buyers of spot LNG volumes after China and Japan.

During the meeting with the government, the state-run gas utility Korea Gas Corp. (KOGAS) noted that the country was maintaining LNG reserves at maximum capacity and with the supply anticipated to remain stable through to the end of March 2024.

KOGAS controls or jointly controls five out of the nation's seven import terminals at Incheon, Pyeongtaek, Samcheok, Tong-Yeong and Jeju,

The other two terminals are at Gwangyang and Boryeong are used respectively by steelmaker POSCO and other utilities. ■

Japanese LNG imports rise for second month at lower prices

Japanese liquefied natural gas imports increased for a second month with more shipments being supplied by Asian nations and the US at much lower prices while deliveries declined of thermal coal for power generation.

Deliveries of LNG to the nation's regasification terminal network rose by 6.4 percent in October 2023 to 5.42 million tonnes, or 80 cargoes, from the 5.08MT, or 75 shipments, received in October 2022, according to preliminary trade data from the Japanese Finance Ministry.

Imports in the previous month of September had risen by 3.8 percent to 5.52MT from the 5.32MT received in September 2022.

The Ministry figures also showed that LNG cargoes cost 37.6 percent less in October2023 at 495.56 billion yen ($3.31Bln) compared with 794.76Bln yen ($5.30Bln) in October 2022.

Deliveries of thermal coal to Japanese ports dropped by 5.1 percent year-over-year to 8.61MT.

The Ministry data showed the imports of LNG last month from Asian nations like Malaysia, Indonesia and Brunei increased by 26.6 percent from October 2022 to 1.19MT.

Middle East shipments from countries such as Qatar increased by 12.2 percent year-over-year to 421,000 tonnes.

Deliveries from US liquefaction and export plant increased by 175 percent to 568,000 tonnes, though the total was less than the previous month's 707,000 tonnes.

Russian LNG deliveries to Japan fell by 4.6 percent to 506,000 tonnes.

The balance of deliveries to Japan from Australia and the spot market in October 2023 amounted to 2.73MT, which was less than the previous month's 2.89MT and the 2.92MT logged for this segment in October 2022.

Japan had regained the global No. 1 spot as an LNG importer from China in 2022 with its 72MT of volumes, though the pace of Chinese deliveries has increased in 2023.

Japan is also using more nuclear power and intends to bring other reactors on line over the next year or so as public opposition lessens with energy security taking priority. ■

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NEWS NUDGES

Poland gas dispute

The European Commission, the executive arm of the 27-nation European Union, said it was suing LNG and pipeline gas importer Poland over additional costs the Poles have imposed for cross-border natural gas trading. Poland is facing the lawsuit at the European Court of Justice for imposing "restrictive measures" under its national legislation on energy companies not using Polish storage. Polish natural gas trading laws exclude the EU trading principle of "use it or lose it". Instead, Poland requires gas importers and traders of gas stored outside Poland to ensure that they can deliver the total mandatory amounts of gas to the Polish national transmission or distribution network at all times, and to book firm transportation capacity into Poland just in case this may be needed. However, gas suppliers using Polish storage facilities are not subject to such restrictions and the Commission argues that this distorts the gas market.

Asian CCS project

JGC Holdings Corp., said it had agreed with Japan Petroleum Exploration Co. and Japanese shipping company Kawasaki Kisen Kaisha (K-Line) on the key principles for the commercialisation of a carbon-capture and storage (CCS) with Malaysian energy company Petronas by the end of 2028. "The target amount of CO_2 injection is to be at least 2 million tons per year at the beginning of the project, including that from Malaysia and Japan, and 5 million tons per year by 2030, with a view to increasing the amount to more than 10 million tons per year in the early 2030s," the companies said. ■

US LNG cargo and prices data shows split in volumes between Europe and Asia as prices remained moderate

LNG News Editor

The US Department of Energy published its latest LNG export data with the Netherlands, Italy, France and Spain along with South Korea and Japan being the main destinations while prices for that period remained moderate and averaged just over $6 per million British thermal units.

The DoE's November 2023 report just issued gives the prices, numbers and trends for September 2023.

Pricing data

It showed that the total number of US cargoes delivered worldwide since March 2016 now amounted to 5,262 shipments, or 16,747.3 billion cubic feet of natural gas, at the end of September 2023.

A further 1,518 ISO containers of LNG have been shipped to nations in the Caribbean and Latin America from ports in Florida and from Puerto Rico.

The seven operating US LNG export plants dispatched 107 full LNG cargoes in September 2023 versus 114 in the previous month of August and 98 shipments in September 2022.

The Sabine Pass plant in Louisiana remained the volume leader in September 2023 supplying 33 cargoes followed by the now combined Cameron Parish export point's 28 shipments from Louisiana.

These included 15 cargoes from Sempra's Cameron LNG facility in September and 13 from Venture Global's Calcasieu Pass plant, both now listed by the DoE under the Cameron export point.

Freeport LNG in Texas dispatched 18 September cargoes, the Corpus Christi facility in Texas shipped 17 cargoes, Elba Island in Georgia had six departures and Cove Point in Maryland reported five liftings.

In the DoE data, cargoes lifted from the Cameron facilities near Lake Charles cost the most and averaged $7.17 per million British thermal units in September 2023, which was higher than the combined Cameron price in the previous month of August of $7.10 per MMBtu.

The Cameron and Calcasieu Pass plants like the other exporters supplied a varied array of customers.

Sempra's 15 shipments in September from the Cameron plant at Hackberry included four for Japan, two for South Korea, two for Spain and single deliveries to various other nations like China, Taiwan, Brazil, the Dominican Republic, Germany, India and Kuwait.

The 13 liftings from Venture Global's Calcasieu Pass plant in September comprised three for Germany, three for Indonesia, two for Finland, one for China, one for Japan, one for the UK, one for Italy and one for Colombia.

The combined average price in September for all the seven plants was $6.32 per MMBtu, which was higher than the August average of $6.21 per MMBtu.

The average prices for each of the five other plants (from the export point) from highest to lowest in September 2023 were: Cove Point (Maryland) $6.80 per MMBtu ($6.64, August); Corpus Christi in Texas $6.47 per MMBtu ($6.22 August); Freeport LNG (Texas) $6.17 per MMBtu ($5.78, August); Elba Island (Georgia) $5.80 per MMBtu ($6.13 August); Sabine Pass (Louisiana) $5.63 per MMBtu ($5.71, August);

Leading buyers

The Top Five countries of destination, representing 42.2 percent of total US LNG exports in September 2023, were the Netherlands (39.7 Bcf, 12 cargoes), Japan (33.2 Bcf, 11 cargoes), France (28.7 Bcf, nine cargoes), South Korea (24.1 Bcf, nine cargoes) and Italy (22.1 Bcf, eight cargoes).

The list of the Top 10 countries of destination overall since 2016 through September 2023 showed Asia leading with South Korea and Japan, ahead of the UK, France, Spain and the Netherlands in the next four places.

Vessel 'MOL Hestia' delivers US volumes from the Gulf Coast

Most recently the Netherlands became the latest European country to overtake China in the overall list with the Chinese now dropping to seventh place.

The top 10 recipients of US LNG by overall numbers of cargoes at the end of September 2023 were: 1) South Korea 553 cargoes; 2) Japan 430; 3) the UK 398; 4) France 401; 5) Spain 398; 6) the Netherlands 351; 7) China 331; 8) India 221 9) Turkey 210; and 10) Brazil 229 – including many split cargoes.

The report also added that shipments to the US territory of Puerto Rico in September 2023 had cost an average of $7.69 per MMBtu, up from $7.64 per MMBtu in August.

ISO shipments

US LNG had been received in vessels by 44 different countries through September 2023. This also comprises ISO containers carried by conventional cargo ships.

The US has sent ISO containers to Caribbean and Latin American nations for several years, mostly from ports in Florida.

The main recipients have included the Bahamas, Barbados, Jamaica, Haiti and Antigua and Barbuda.

There were 39 containers delivered in September 2023. A total of 19 were sent to the Bahamas, eight to Antigua and Barbuda, five to Jamaica, four to Haiti and three to Barbados (from Puerto Rico). ■

Repsol completes first multi-truck-to-ship LNG bunkering operation at port of Malaga

LNG News Editor

Royal Caribbean's cruise ship 'Silver Nova' gets Med fuelling

Repsol, the leading Spanish energy company, said it successfully completed its first multi truck-to-ship quayside LNG bunkering operation at the port of Malaga on the southern coast of Spain.

The company said this was the first LNG bunkering operation in this port for a cruise ship and was made possible through the collaborative efforts of four parties.

They comprised Repsol, the Royal Caribbean Group, the Malaga Port Authority and the ESK truck company specialised in the transport and supply of LNG.

Repsol aid it performed the multi-truck re-fuelling operation and supplied four LNG trucks with simultaneous operations at the port to fuel Royal Caribbean's cruise ship "Silver Nova".

Multi-truck

"The successful multi-truck LNG bunkering operation, while conducting vessel operation at port, enables the multi-energy companies to offer more sustainable transportation solutions across a wider range of routes," Repsol explained.

Madrid-based Repsol said the quayside bunkerings highlighted the strong partnership between Repsol and Royal Caribbean as they work together to enhance the accessibility and availability of alternative marine fuel options for cruise ships.

During the summer of 2023, Repsol said it collaborated with and Royal Caribbean in a three-month trial to use a fuel formulated with 20 percent renewable fuel produced from used cooking oils on another one of Royal Caribbean's cruise ships, the "Symphony of the Seas".

"These collaborations align with Repsol's commitment to the decarbonization of marine transport with a multi-technological approach," stated Repsol.

Repsol is broadening its LNG bunkering activities and in June 2023 inaugurated its second supply terminal for LNG bunkering for ships arriving in the northwest Spanish port city of Santander, especially one of its main customers in the region Brittany Ferries.

The new facility has a cryogenic tank with a storage capacity of 1,000 cubic metres in addition to the terminal that Repsol already has in the nearby port of Bilbao.

Opening the Santander terminal was another step in Repsol's commitment to the energy transition.

Both the terminals in Northwest Spain are part of the collaboration agreement that Repsol signed with French shipping company Brittany Ferries in 2019 for the supply of LNG as maritime fuel for its operations in Spain to where it brings passengers and freight from ports in countries like the UK. ■

Denmark provides Nordic overview

The Danish Energy Agency said the nation's consumption of natural gas fell by 10.8 percent in the first nine months of 2023 while the share of bio-natural gas made from waste increased its share of the energy mix.

The Danish overview gives part of the picture of the changing Nordic regional energy market where Norway is an LNG exporter and Sweden and Finland are LNG importers, while the Norwegians and Swedes additionally supply power to Denmark and the Danes are a conduit for pipeline gas sent to Poland and the Baltic area.

"The lower consumption of Danish natural gas coincided with an increase in the market share of bio-natural gas in the pipeline gas system," said the Agency.

Natural gas consumption in Denmark amounted to around 1.7 billion cubic metres for all of last year, a decrease compared with the previous year. Natural gas use by the Danes peaked in 2006 at 5.3 Bcm per annum.

The United Kingdom by comparison has much larger natural gas consumption. UK gas use averaged around 7.4 Bcm per month during the past winter and 72 Bcm for all of 2022, down from almost 79 Bcm in the previous year.

"Deliveries of pipeline natural gas to Denmark from offshore in the first nine months consisted of 32.7 percent of energy consumption while bio-natural gas use rose by 26.8 percent from the same period in 2022," said the report.

"Gas in the Danish network was previously exclusively pipeline natural gas from offshore, but in recent years an increasingly large amount of Biogas has been fed into the gas network," said the report. ■

Saudis make two large natural gas field discoveries and shale progress

Saudi Energy Minister Prince Abdulaziz bin Salman said Saudi Arabian Oil Co., known as Saudi Aramco, has made two large natural gas field discoveries after recently also entering the LNG sector while additionally starting output in a Saudi shale gas basin called South Ghawar.

The Saudi Minister said the two Saudi natural gas field discoveries were made in the Eastern Province and the Empty Quarter regions respectively.

Flow rates

A statement issued by the Ministry of Energy stated that Saudi Aramco made the first discovery at the Hanifa reservoir where two flows were encountered.

It said the Al-Hiran-1 well at the new field was discovered after gas flowed at a rate of 30 million standard cubic feet per day from the reservoir, along with 1,600 barrels of condensate, while gas flowed at a rate of 3.1 MMscf per day from the Arab-C reservoir in the same field.

The second discovery was made at the Al-Mahakek-2 well where natural gas flowed at 0.85 MMscf per day.

The company added that more natural gas was also discovered in five other reservoirs in previously discovered fields which include the Jalla reservoir in the Assekra field where gas flowed at a rate of 46 MMscf per day.

Analysts said that the discovery of more natural gas reservoirs is expected to further Aramco's strategic plans to increase gas production by over 50 percent with the aim of meeting all domestic demand by 2030.

Unconventional tight gas, also known as shale gas, is typically found in reserves where hydrocarbons are tightly trapped within rock layers.

Extracting this gas demands specialized techniques like horizontal drilling and hydraulic fracturing for extraction.

The commissioned facilities at South Ghawar currently have a processing capacity of 300 MMscf per day of raw gas and 38,000 barrels per day for condensate.

"In response to growing demand for gas, the company will continue its work to more than double the overall processing capacity in order to achieve South Ghawar's strategic goal of delivering 750 MMscf per day of raw gas in the near future," said Aramco.

Successful production of tight sand gas at South Ghawar represents Aramco's second unconventional gas stream, after production commenced at the North Arabia field in 2018 with the delivery of 240 MMscf per day to customers in Wa'ad Al-Shamal. ■

Saudi is developing extensive conventional and shale gas assets

Philippines starts to increase tender activities for LNG cargo deliveries

The Philippines is gradually increasing its activities in the liquefied natural gas trading and tender market with the Singapore-based unit of commodities firm Trafigura winning the latest Filipino cargo tender.

First Gen Corp., a subsidiary of First Philippine Holdings Corp., said in a statement that its international tender had concluded with Trafigura being chosen to supply one LNG cargo of about 154,500 cubic metres within a delivery window of November 25 to December 25 to First Gen Singapore Pte. Ltd.

Second facility

"The cargo will be delivered by an LNG carrier which would be unloaded into the storage tanks of the 'BW Batangas' floating storage and regasification (FSRU) unit that is berthed at the First Gen Clean Energy Complex (FGCEC) at Batangas City," said First Gen.

The "BW Batangas" FSRU was formerly called the "BW Paris" and was deployed to the Philippines in July 2023.

This is the nation's second facility after a first floating terminal was commissioned in April 2023 to supply another power plant owned by San Miguel Global Power.

First Gen had announced in October that it was seeking bids for the supply of what was only the second ever cargo delivered to its LNG facility.

The company in July 2023 awarded a contract for the initial shipment for "BW Batangas" to Shell Eastern Trading following the first international tender.

First Gen said the second cargo to be delivered would supply some of the company's required for its four gas-fired power plants with a combined capacity of 2,017 megawatts.

The power plants had previously been supplied for many years with natural gas from the now depleting Malampaya gas field in northwest Palawan.

First Gen through FGEN LNG Corp. developed the interim FSRU terminal and executed a five-year time charter party for the "BW Batangas" to handle imports until a more permanent onshore terminal is developed.

"The FGEN LNG terminal will accelerate the ability to introduce LNG to the Philippines to serve the natural gas requirements of existing and future gas-fired power plants of third parties and FGEN's affiliates," the company explained. ■


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Golar LNG reports solid earnings as more projects like Cameroon and Senegal are contemplated

LNG News Editor

Golar LNG Ltd, the shipping company with a small but growing fleet of floating liquefied natural gas production and import project vessels including the "Hilli Episeyo" offshore Cameroon and the "FLNG Gimi" that sailed from Singapore to start a 20-year contract for BP offshore Mauritania and Senegal, posted a 35 percent fall in third-quarter profits on lower prices while revenues remained stable.

Golar reported net income to the end of September 2023 of $113.88 million, down from the $175.43M posted in the same three months of 2022.

Operating revenues were $67.25M in the quarter versus $68.43M in the prior-year quarter.

For the "FLNG Gimi" the journey to site was expected to take around 60 days inclusive of two refuelling stops so it was expected to arrive by around the end of January.

Readiness

"Subject to readiness of the overall project, we expect to receive daily commissioning payments subsequent to the connection date, or alternatively, provided Golar is ready, a standby day rate until commissioning starts," Golar explained.

"Commissioning is expected to take approximately six months from the commissioning start date with commercial operations expected thereafter," Golar added.

The "Gimi FLNG" will be stationed at a nearshore hub located on the Mauritania and Senegal maritime border. It is expected to begin production by around mid-2024 as part of the first phase of the Greater Tortue Ahmeyim project of BP and US partner Kosmos Energy.

The "Gimi FLNG" was converted from a 1975-built Moss-type LNG carrier with a storage capacity of 125,000 cubic metres and has liquefaction capacity of 2.7 million tonnes per annum.

Golar said that with the construction of the "FLNG Gimi" now complete and with it now headed for the deployment location the company was studying new vessel debt facilities.

'FLNG Gimi' sailing from Singapore to start contract for BP

In its overview of the FLNG production business, Golar said that there was continued progress being made on re-contracting the "FLNG Hilli" offshore Cameroon for the end of its current charter in July 2026 "with a number of counterparties and gas field owners" showing interest.

"We are now in detailed commercial discussions for three re-contracting opportunities with a 2024 commitment targeted," Golar explained.

FLNG growth

"We continue to progress the FLNG growth pipeline, including advancing commercial terms with gas resource owners, technical site-specific work and governmental interaction and approvals across several West African countries," Golar stated.

"We are also seeing increasing interest for our market-leading FLNG solution in other geographies, including the Americas," the company added.

Golar stated that most of the projects under discussion are structured whereby Golar either participates as an equal partner with the gas resource owner and upstream partner in a gas field development, or there are commercial structures whereby Golar is exposed to gas offtake prices.

"We continue to progress construction of long-lead item orders for a 3.5 MTPA FLNG project and expect to take delivery of the 'Fuji LNG' carrier intended for FLNG conversion during the first quarter of 2024," said Golar.

"Engineering and detailed design is fully developed and ready for project initiation. The complexity of offshore gas developments drives the timeline for these contemplated FLNG growth projects," Golar said.

Revenues

Golar said that its operating revenues and costs under corporate and other items is now comprised of two floating storage and regasification (FSRU) operate-and-maintain agreements in respect of the vessels the "LNG Croatia" and the "Tundra". ■

Seatrium of Singapore delivers LNG vessel to vessel Greater Tortue Ahmeyim venture for Africa

Seatrium Group of Singapore, formerly called Sembcorp Marine Ltd and renamed as Seatrium following its merger with Keppel Offshore & Marine, has successfully delivered the converted floating LNG production vessel for the BP-led FLNG project offshore Mauritania and Senegal.

The "Gimi FLNG" will be stationed at a nearshore hub located on the Mauritania and Senegal maritime border, and is expected to begin production next year as part of the first phase of the Greater Tortue Ahmeyim project of BP and US partner Kosmos Energy.

The "Gimi FLNG" was converted in a project in partnership with Norway's Golar LNG from a 1975-built Moss LNG carrier with a storage capacity of 125,000 cubic metres.

Second conversion

It is designed for 20 years of operations on-site without dry docking, with a liquefaction capacity of 2.7 million tonnes per annum and contracted to operate near shore in 30 metres of water depth.

"We are delighted to deliver the world's second FLNGV conversion in partnership with Golar LNG," said Chris Ong, Chief Executive of Seatrium.

"The 'Gimi FLNG' is a testament to the strong track record of the projects we have delivered to Golar over the years, and reflects their confidence in Seatrium as a partner in the development and conversion of high-quality, sustainable and robust production units," Ong explained.

"Leveraging our deep engineering expertise in complex offshore conversion projects, as well as our capabilities in executing LNG-related EPC (engineering, procurement, construction) projects, we offer innovative and reliable floating liquefaction solutions to meet the growing midstream needs of the LNG industry," Ong stated.

Karl Fredrik Staubo, CEO of Golar LNG, said his company was pleased to complete conversion of the FLNG vessel for Gimi's 20-year operation for BP and Kosmos offshore Mauritania and Senegal.

"We would like to thank Seatrium, Black and Veatch and other suppliers for another successful FLNG delivery. With Gimi soon on-site for start-up of operations Golar will double its operating fleet of FLNGs and bring total installed liquefaction capacity of up to 5.1 MTPA," Staubo said. ■