LNG Unlimited

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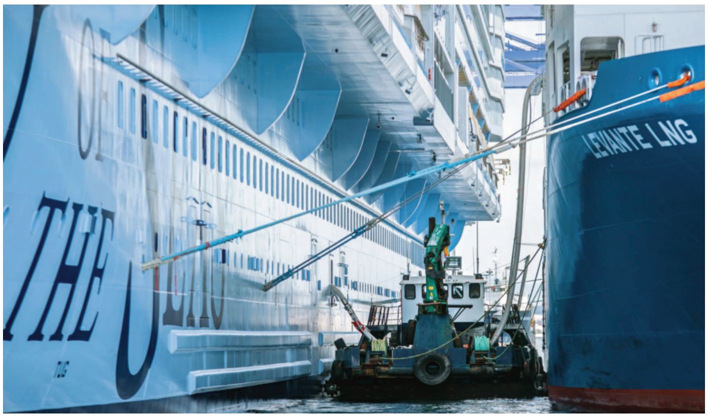
Peninsula and Port of Algeciras in Spain enable bunkering growth

Spanish ports and Gibraltar can cooperate to be regional leaders in LNG fuel market

LNG News Editor



The cruise ship 'Icon of the Seas' receiving LNG in Algeciras

Peninsula, the leading independent global supplier of marine energy, has commenced LNG bunkering services at the Spanish Port of Algeciras with its new and purpose-built vessel, the "Levante LNG", and the regional cooperation exemplifies a growing market for clean fuel across the shipping industry.

This latest operation marked a key moment for both Peninsula and the Autoridad Portuaria de la Bahia de Algeciras (APBA) in Spain.

The receiving vessel was the Royal Caribbean Group's cruise vessel, the "Icon of the Seas".

"Having already undertaken numerous LNG bunkering operations in other ports across the globe, the addition of the Port of Algeciras will help Peninsula provide lower carbon solutions to the growing number of LNG-powered vessels joining the global fleet," said Peninsula.

There are currently 988 LNG-fuelled vessels on order or in operation worldwide.

This list comprises 528 ships to be delivered through 2028 and 460 LNG-powered ships on the water.

About 198 of these newbuild orders are for LNG-powered containerships and a further 139 vessels are Pure Car and Truck Carriers (PCTCs), while oil and chemical tankers are in third with 48 orders and the fourth-highest segment is for crude oil tankers with 36 orders.

There are also 24 cruise ships and 18 tugs in the order book along with 11 RoPax vessels as well as single-figure numbers for car and passenger ferries, general cargo ships, offshore supply ships and fishing vessels.

Nacho de Miguel, Peninsula's Head of Alternative Fuels & Sustainability said that as the only traditional independent bunker supplier that has developed an LNG bunker business, Peninsula was already providing customers with LNG solutions to help them immediately decarbonise operations.

"We want to thank the Port Authority of Algeciras for their support in developing a state-of-the art LNG bunker service at their Port," De Miguel explained.

"Working with forward-thinking and dynamic port authorities, like the APBA, is vital in enabling Peninsula to expand its low carbon product offerings across the world's main bunkering hubs," he stated.

Peninsula was founded to fill a gap in the Gibraltar market for bunkering services and also recently successfully completed the supply of LNG to a crude oil tanker owned by Singapore-based Eastern Pacific Shipping.

That delivery took place at the Gibraltar Port's Western Anchorage.

Peninsula's "Levante LNG", which has 12,500 cubic metres capacity, supplied the EPS Suezmax crude oil tanker, the "Starway", with around 3,500 cubic metres of LNG.

EPS vessels like the "Starway" and her sister, the "Greenway", the world's first LNG fuelled Suezmax tanker, are paving the way for a lower carbon future in the industry.

The EPS General Manager of Operations, Captain Suraj Sundaresan, said Gibraltar was one of those ports that was making efforts to cater for vessels seeking alternative fuels like LNG.

"As the demand for alternative fuels towards decarbonisation increases, we rely on suppliers like Peninsula to help keep our state-of-the-art alternative-fuelled ships moving," Sundaresan declared.

Peninsula's "Levante LNG" bunker ship arrived at her Mediterranean home at the end of September 2023 and is now fully operational in the Strait of Gibraltar and the ports of the Western Mediterranean.

The bunkering company is also building its cruise ship portfolio after successfully supplying Royal Caribbean's cruise liner "Silver Nova" with LNG fuel in another operation in Gibraltar in November 2023. ■

UNLIMITED AGENDA

India's Petronet is close to extending supply agreements with Qatar amid East Coast plans

LNG News Editor

Petronet LNG, the state-backed owner of the largest Indian import terminal at Dahej in the West Coast state of Gujarat and a smaller facility at Kochi terminal in the southwest state of Kerala and with plans for a third terminal, is set to sign new long-term supply agreements with Qatar.

Petronet currently has three agreements it is renegotiating with QatarEnergy to extend beyond 2028 for 20 years or more.

Shareholders

Shareholders in Petronet, which began operations in 2004, have one agreement with Qatar to supply 5 million tonnes per annum, a second from 2009 for 2.5 MTPA and a third from 2016 for 1 MTPA.

The third deal is with the actual shareholders in Petronet - rather than the Petronet entity. These shareholders comprise the biggest Indian energy players GAIL India, Indian Oil, Bharat Petroleum Corp. and Oil and Natural Gas Corp.

India's largest import terminal at Dahej in Gujarat state

The new deals are expected to be consolidated into two agreements instead of three. They would be for Qatari volumes in one deal of 7.5 MTPA and a second for 1 MTPA of cargoes.

"We are pretty close to signing the deals," said Indian Oil Secretary Pankaj Jain in a statement.

Petronet also confirmed at the end of December 2023 that it was going ahead with a third import facility and its first on the East Coast at the Port of Gopalpur in the state of Odisha.

The company has proposed having a floating LNG facility at Gopalpur before converting to an onshore terminal.

The total capacity of existing terminals in India rose in 2023 to 47.7 MTPA with the addition of the Dhamra terminal in Odisha owned by French major TotalEnergies and the Indian Adani group.

The new Petronet facility at Gopalpur would be India's eighth, though would be only be the third located on the East Coast and the second in Odisha.

"Petronet LNG Ltd (PLL) has executed binding transaction documents and sub-lease deed and a Port Service Agreement with Gopalpur Ports Limited on December 27, 2023 for setting up of floating storage regasification unit (FSRU) with capacity of 4 MTPA (Phase-1), with provision for converting to 5 MTPA land-based terminal at Gopalpur Port," said the company in its end-of-December statement.

Out of the seven Indian terminals operating the largest is Petronet's onshore terminal at Dahej, located north of Mumbai and with capacity of 17.5 MTPA.

Petronet's Kochi facility in the southwest state of Kerala has capacity of 5 MTPA, though is underutilised because of a shortage of pipeline connections to markets.

Earnings

Petronet reported consolidated net profits at the end of October 2023 of 818.10 crore Indian rupees ($98.24 million) for the second quarter of the fiscal year compared with 744.25 crore rupees ($89.37M) in the second quarter of 2022 and 789.85 crore rupees ($94.85M) in the previous 2023 quarter to the end of June.

European natural gas supplier Equinor sells its energy interests in Republic of Azerbaijan

Equinor, the leading supplier of pipeline natural gas to Europe, and the State Oil Company of Azerbaijan Republic (SOCAR) in Central Asia have signed an agreement whereby Equinor will divest all its remaining assets in Azerbaijan to SOCAR.

The assets comprise a 7.27 percent of non-operated interests in the Azeri Chirag Gunashli (ACG) oil fields in the Azerbaijan sector of the Caspian Sea, an 8.71 percent interest in the Baku-Tbilisi-Ceyhan (BTC) pipeline and a 50 percent in the Karabagh field.

SOCAR already holds a 25 percent stake in ACG, a 25 percent stake in BTC via Azerbaijan BTC Limited and a 50 percent holding in Karabagh.

The value of the transactions has not yet been disclosed. Equinor said the closing of deals was subject to the satisfaction of certain conditions including all regulatory and contractual approvals.

Replacing Russia

Norway's national energy company has been an increasingly important pipeline natural gas and LNG supplier to Europe as well as being a prominent trader since supplies from Russia's Gazprom gradually ended in 2022 after the Ukraine invasion.

Azerbaijan itself is also a supplier of natural gas to Southern Europe on the Trans-Adriatic Pipeline (TAP) to Greece, the Balkans and Italy.

The TPA link is the final leg of the 3,500-kilometre (2,175 mile) Southern Gas Corridor pipeline network for Azerbaijan gas.

Equinor noted that it had said it had been present in Azerbaijan since 1992. ACG, operated by UK major BP, is the largest oilfield in the Azerbaijan sector of the Caspian Basin and the BTC pipeline is used to transfer crude oil to the Turkish Mediterranean coast.

"Azerbaijan has been an important part of Equinor's international portfolio over the past 30 years," said Philippe Mathieu, Equinor's Executive Vice President for International Exploration and Production.

Partners

"Together with SOCAR and the other partners in ACG, we have created significant value for the partnership and for Azerbaijani society," he added.

"SOCAR is well positioned to create further value from the assets for the longer-term and we have appreciated the close collaboration over the years," Mathieu stated.

Mathieu explained that Equinor was in the process of re-shaping its international oil and gas business and the divestments in Azerbaijan are in line with our strategy to focus our international portfolio.

Equinor and SOCAR also signed a memorandum of understanding to share experience and best practice on low carbon solutions, reducing greenhouse gas emissions and carbon management.

AES in sell-downs of assets in Panama

AES Corp. of the US has closed sell-downs of minority stakes in its liquefied natural gas and power businesses in the Dominican Republic and at its AES Colón business in Panama for proceeds of $338 million.

"This includes the transactions announced in September for proceeds of $179M after purchase price adjustments at closing, as well as sell-downs of additional stakes in the businesses through the expansion of existing partnerships with Grupo Estrella and Grupo Popular's subsidiary, AFI Popular, through one of its closed-end funds for $159M," said a statement.

Under these deals AES sold 20 percent of its businesses in the Dominican Republic and 35 percent of AES Colón in Panama.

The AES assets in the Dominican Republic include an LNG regasification terminal with a 160,000 cubic metres capacity storage tank.

They also include the AES Andres 319 megawatts combined-cycle gas-fired power plant, the DPP 328 MW CCGT power plant as well as an additional 150 MW of solar and wind power plants.

The AES Colón assets comprise a 381MW CCGT plant with an adjacent regasification facility that has an LNG storage tank with capacity of 180,000 cubic metres.

AES, which is based in Arlington, Virginia, and is listed on the New York Stock Exchange, said it would continue operating its businesses in the Dominican Republic and Panama with remaining ownership interests of 65 percent in each business.

Korean shipbuilders move further ahead of China for LNG newbuilds

LNG News Editor

LNG carrier made in South Korea at yard run by KSOE

South Korean shipbuilders, the global leaders in the construction of liquefied natural gas carriers, ranked second in 2023 in terms of new global orders for all types of vessels for a third straight year, though increased their share of the LNG newbuilds market.

South Korea's main yards secured a combined 10.01 million compensated gross tons (CGTs) in new orders in the past year, accounting for 24 percent of the 41.49 million global total, according to data provided by global shipping market analysts Clarkson Research Service.

Overall total down

The South Korean industry's total was down 37.6 percent from a year earlier. The global tally was also lower by 18.7 percent from 2022.

Chinese shipyards still led South Korea's shipbuilders in 2023, securing 24.46 million CGTs in new orders, or 59 percent of the world total.

The main Korean yards such as Korea Shipbuilding & Offshore Engineering (KSOE), various units of Hyundai Heavy Industries, as well as the other yards like Samsung Heavy Industries and Daewoo Shipbuilding & Marine Engineering collectively have the largest market share in LNG shipping.

In recent years, the increase in long-term LNG supply contracts resulted in new LNG ship orders that pushed yard capacity in South Korea to its limit, opening the door for Chinese yards to expand their presence.

South Korea previously retained the world's No. 1 spot in new shipbuilding orders for three straight years before falling behind China since 2021.

However, Korean yards still managed to keep ahead of Chinese shipbuilders in terms of orders for LNG carriers in 2023.

The Clarkson report said that the Koreans obtained 4.41 million CGTs worth of LNG carrier orders this year, taking up 80 percent of the 5.54 million global total, while Chinese shipyards took the remaining 20 percent, or 1.13 million CGTs worth of orders.

Korea's percentage was up from 70 percent in 2022, while China's proportion went down from 30 percent last year.

Eni starts introducing feed gas at Congo FLNG ahead of first cargo

Italian major Eni said it had begun to introduce feed gas into the "Tango FLNG" floating production plant ahead of the shipping of the first cargo in a project located offshore the Republic of Congo in West Africa.

The "Tango FLNG" facility has a liquefaction capacity of about 1 billion cubic metres per annum and is moored alongside the "Excalibur" floating storage unit (FSU) to use a production and loading configuration called "split mooring" and implemented for the first time in this FLNG project.

Record

"Gas introduction has been achieved in record time in only 12 months after the final investment decision," stated Eni.

"The Congo LNG project encompasses the adoption of new technologies and a strong synergy with existing producing assets," Eni explained.

"Following completion of the commissioning phase, the 'Tango FLNG' barge will produce its first cargo by the first quarter of 2024 and place the Republic of Congo on the list of LNG-producing countries," stated Milan-based Eni.

The Congo LNG project leverages Marine XII gas field resources and existing production facilities in a new, phased approach that will be allowed to reach around 4.5 BCom a year of gas liquefaction capacity at plateau as well as zero routine gas flaring.

Eni has said that a second FLNG vessel with a capacity of about 3.5 BCom of gas was under construction and would be deployed in 2025.

When Congo FLNG ships its first cargo in early 2024 it will be the third project operating in Africa after Cameroon FLNG, Mozambique FLNG and with other ventures being developed in nations like Nigeria.

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

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NEWS BRIEFS

Williams $2.1Bln Notes

Williams, a leading US natural gas pipelines operator with projects aimed at boosting feed-gas supplies for Gulf Coast LNG plants, has priced a public offering of 2.1 billion in Senior Notes, a type of bond that takes precedence over other debts. The offering of $1.1Bln of its 4.900 percent Senior Notes due 2029 was at a price of 99.839 percent of par and $1.0 Bln of its 5.150 percent Senior Notes due in 2034 were priced at 99.975 percent of par. "The expected settlement date for the offering is January 5, 2024, subject to the satisfaction of customary closing conditions," said Williams, which is based in Tulsa, Oklahoma. "Williams intends to use the net proceeds of the offering for general corporate purposes, which may include the repayment of our outstanding commercial paper notes or other near-term debt maturities," it added.

Brazil pipeline deal

Engie Brasil, formerly known as Tractebel Energia and a Brazilian subsidiary of France-based European utility group Engie, has reached an agreement to sell a 15 percent stake in natural gas pipeline firm Transportadora Associada de Gas (TAG) to the Canadian pension fund, Caisse de dépôt et placement du Québec (CDPQ) for 3.1 billion Brazilian reais (US$640 million). TAG owns and operates a large part of Brazil's natural gas pipeline network with some 4,500 kilometres (2,800 miles) across 10 Brazilian states. The transaction when completed will increase CDPQ's stake in TAG to 50 percent. Engie Brasil will own 17.5 percent and its French parent company will hold the rest, giving Engie units a 50 percent shareholding. ■

US in No. 1 spot for LNG with Australia lagging over various issues as Qatar advances cargo and shipbuilding surge

LNG News Editor

The US finished 2023 at the top of the liquefied natural gas exports league as shipments to Europe were ramped up to replace Russian volumes while Australia finished second because of maintenance, strikes and regulatory obstructions for future ventures and Qatar was in third place ahead of its massive expansion plans.

The US LNG export total increased by around 15 percent compared with the previous year while there was little change in the totals from Australia and Qatar.

A full return of output at Freeport in Texas helped US win

Totals

The US managed to ship around 89 million tonnes in the past year, ahead of Australia with 79.5MT and Qatar at 78MT, which was just ahead of the Qatari nameplate capacity, according to shipping data.

The US managed to log record LNG output at its liquefaction plants, mostly grouped on the Gulf Coast. The exports total benefited from a full return of output at Freeport LNG in Texas and higher than expected shipments from Venture Global LNG's Calcasieu Pass plant in Louisiana.

The export surge from the seven US liquefaction facilities pushed volumes ahead of the cargoes registered in 2022.

Data for December 2023 showed that an average of around 65 percent of US deliveries were to Europe while Asian terminals received 29 percent of cargoes and the balance of around 6 percent was delivered to South America, Central America and the Caribbean.

Australian LNG exports from ts 10 plants were mainly affected by a four-month maintenance turnaround of the Shell "Prelude FLNG" production vessel that operates off the northwest coast of Australia and which had suffered shutdowns over the last few years because of technical issues as well as industrial unrest among workers.

The FLNG vessel is moored 400 kilometres (250 miles) north of the town of Broome on Western Australia's Kimberley coast and has 3.6 MTPA of production capacity.

Industrial unrest also occurred during 2023 at the Gorgon and Wheatstone LNG export plants in Western Australia operated by Chevron Corp., though the impact on cargo deliveries to Asia were unclear.

Australian problems

Australian regulators and courts have also hampered progress on various LNG projects for future exports, including Woodside Energy's Pluto LNG venture tied to the Scarborough Gas development offshore Western Australia.

There have also been hold-ups in plans to replace depleted feed-gas resources for the Santos-operated Darwin LNG plant in Australia's Northern Territory.

The Santos Barossa gas project aims to bring onstream backfill feed-gas for the Darwin LNG plant from the Barossa gas field in the Timor Sea.

Barossa gas shareholders include South Korean and Japanese investors. The Bayu-Undan gas field production for the Darwin plant is now depleted and the new feed-gas resources for the plant are urgently required.

However, the Federal Court of Australia sided with opponents of the Darwin LNG life extension project.

Opponents managed to delay the start of construction of the Barossa Gas Export Pipeline in November 2023 with an interim injunction.

This called on Santos to revise and resubmit the Environment Plan previously accepted in March 2020 by the regulator, the National Offshore Petroleum Safety and Environmental Management Authority.

Qatar surge

Qatar finished in the No. 3 spot in 2023 but was expected to surge ahead in the coming few years with QatarEnergy's huge investments in the North Field East and North Field South expansion projects to increase Qatar's LNG nameplate production capacity from 77MT to 126 MTPA through 2026 and 2027.

Qatar is also ahead of the US and Australia in terms of securing adequate and timely shipping capacity.

QatarEnergy has signed several agreements to increase the size of the Qatari fleet of LNG carriers by building 100 more vessels, mostly at South Korean shipyards, for a total estimated cost of around $20 billion. ■

Russian LNG exports to Europe and Asia decline slightly as Russia's oil in demand

LNG News Editor

Exports of Russian liquefied natural gas cargoes from the Yamal plant in northern Siberia and the Sakhalin plant in Russia's Far East declined only slightly in the past year as Moscow also adapted its oil export policies under the OPEC+ regime as well as to cope with Western sanctions over Ukraine.

According to shipping data, Russian exports of LNG amounted to about 31 million tonnes in 2023, a decline of just around 2 percent compared with 2022.

Russian carriers lifting cargoes from Arctic Yamal LNG plant

Split destinations

The LNG cargo deliveries were split about 50-50 between Europe and Asian buyers from the Yamal plant at Sabetta and the Gazprom-operated Sakhalin facility on Sakhalin Island, the shipping data showed.

Output from the Yamal plant operated by Novatek came to around 19 million tonnes per annum with the balance of about 11 MTPA coming from Sakhalin.

A third small-scale Russian liquefaction plant called LNG Portovaya on the Baltic Coast is also operated by Gazprom and exported around 1.4MT in 2023 with three cargoes going to China by the Northern Sea Route and the balance to Turkey, the data showed.

Russia is still very active as a leading global oil trader and will be attending the February 1 meeting of the Organisation of Petroleum Exporting Countries led by Saudi Arabia and its allies, led by the Russians, and collectively known as OPEC+. The meeting of the OPEC Joint Ministerial Monitoring Committee will be an online gathering to discuss output curbs to support prices.

Analysts note that the instability and conflict in the Middle East and attacks on shipping in the Red Sea by Iranian-backed terror groups have failed to impact oil prices while a glut of natural gas supplies in Europe caused by record storage and milder winter weather has driven down prices.

Brent crude prices were last at $75.90 on January 3 and the US benchmark West Texas Intermediate was at $70.35 per barrel.

At current Brent prices, the long-term, oil-linked LNG contract cargo price was lower at $9.850 per million British thermal units.

Data also showed that Russia's crude oils exports ended 2023 on a high with four-week average crude seaborne and pipeline shipments being around 3.56 million barrels per day.

This total is about 120,000 barrels a day below the May-June 2023 average of 3.68M barrels a day, which is a baseline used by the Russians for the reduction in combined crude and petroleum product exports it has promised as a partner in the OPEC+ cartel.

Russia has also said it would deepen its oil export cuts to 500,000 barrels a day below the May-June average during the first quarter of 2024, while Saudi Arabia has said it would prolong its unilateral reductions of 1M barrels a day.

Russian pricing

Russia's benchmark Urals crude oil prices was at last at $59.62 per barrel, below the $60 a barrel sanctions limit.

Shipments of Russia's Sokol crude bought by countries like India were last quoted at around $73.36 per barrel while a price of $74.25 per barrel was quoted on Russia's Eastern Siberia-Pacific Ocean oil pipeline for countries like China and Korea. ■

NEWS BRIEFS

Tellurian stake rises

Chatterjee Fund Management (CFM), the private equity firm with offices in New York, has increased shareholdings in US LNG plant developer Tellurian Inc. and its proposed Driftwood LNG plant in Louisiana. A filing by Tellurian with the US Securities and Exchange Commission showed that Chatterjee raised its stake to 7.3 percent from 5.2 percent previously. Tellurian's shares on the American list of the New York Stock Exchange rose by 7.55 percent after the announcement to $0.95 per share. ■

Woodside's FPSO for Sangomar sails off

Woodside Energy, the operator of the Northwest Shelf and Pluto LNG plants in Western Australia, has received a boost for one of its main overseas ventures, the Sangomar project offshore Senegal in West Africa, with the sail-away from Singapore of the "Léopold Sédar Senghor" floating production storage and offloading (FPSO) facility.

The FPSO, named after Senegal's first president, is travelling 12,000 nautical miles from Singapore to its final destination.

The vessel will be deployed about 100 kilometres (62 miles) offshore Senegal's capital Dakar.

Modec Inc, the Japanese builder of offshore floating production and storage platforms, had been awarded the FPSO contact.

The FPSO was previously a Very Large Crude Carrier (VLCC) and was converted by Modec into an FPSO suitable for the Sangomar field in accordance with agreed specifications under an FPSO purchase contract with Woodside.

The FPSO purchase contract was signed between Woodside and Modec in January 2020 with respect to the supply of the FPSO.

Modec will also be responsible for the operations and maintenance of the FPSO.

The Sangomar project is Senegal's first offshore oil development in the increasingly prolific Atlantic Margin exploration and production area.

The African nation is also currently developing floating LNG and gas field projects with neighbour Mauritania and international energy company partners, BP of the UK and Kosmos Energy of the US.

Chart Industries wins multiple orders including for Morocco regas unit

LNG News Editor

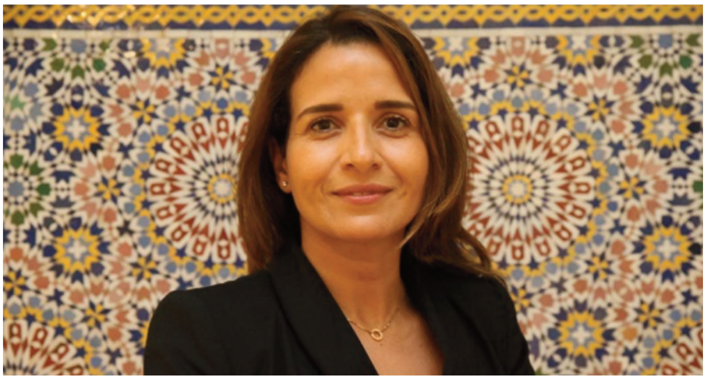
Chart Industries Inc., the US equipment-maker for the liquefied natural gas and other clean energy and industrial gas markets, said it and recently received a series of LNG orders from the US and overseas.

The orders include one for Chart's Integrated Pre-Cooled Single Mixed Refrigerant (IPSMR)® liquefaction technology for two modular Trains of a multi-Train international project not previously mentioned in the order list of the Atlanta-based company.

A second order was awarded for IPSMR liquefaction technology for a mid-scale plant in the Asia-Pacific region and a third was for a North American small-scale LNG venture including nitrogen-cycle technology and associated equipment.

Fuel stations

"There were various other LNG infrastructure-related orders, including tanks, fuelling stations in Europe and for Morocco's first LNG regasification units," Chart explained.



Morocco's Energy Minister Leila Benali has LNG import plans

The company was additionally awarded repair and service work at a Middle East LNG project.

"As anticipated, we continue to see strong market and award activity across the four pillars of our LNG strategy, including 'Big LNG', small-scale and floating LNG, infrastructure and service & repair," stated Jill Evanko, Chart's Chief Executive and President.

"Not only do our recent orders cover all four LNG categories, but they include commercial synergy wins with both Chart and Howden content," said the Chart CEO in reference to its UK acquisition completed in 2022.

"Further, our LNG commercial pipeline remains strong as we see a clear shift in customers' preference for our modular solution which drives multiple awards across many years as projects are developed," Evanko added.

Chart recently posted solid third-quarter results including record operating income and backlog of orders.

The company's earnings performance was also helped by its acquisition of UK engineering group Howden for cash and shares at a purchase price of $4.4 billion a year ago.

Williams continues on acquisitions path with deal for Gulf Coast storage

Williams Companies, a leading US natural gas pipelines operator with projects aimed at boosting feed-gas supplies for Gulf Coast LNG export plants, has reached an agreement to acquire a portfolio of natural gas storage assets from an affiliate of Hartree Partners LP for $1.95 billion.

The acquisition by Tulsa, Oklahoma-based Williams is part of its strategy to more than double LNG export feed-gas volumes along the Transcontinental (Transco) Gas Pipe Line, the nation's largest natural gas transmission pipeline, through 2032.

Williams said that its purchase of the assets from the Hartree unit includes six underground natural gas storage facilities located in Louisiana and Mississippi with total capacity of 115 billion cubic feet.

The deal additionally includes 230 miles of gas transmission pipelines and 30 pipeline interconnects to attractive markets, including LNG markets, and connections to Transco.

The acquisition price represents an approximate 10 x estimated 2024 gross earnings (EBITDA) multiple.

Storage platform

"This premier natural gas storage platform on the Gulf Coast fits squarely within our strategy to own and operate the best assets connected to the best markets to serve growing demand driven by LNG exports and power generation," said Williams President and Chief Executive Alan Armstrong.

"These assets better position Williams' natural gas storage operations to serve Gulf Coast LNG demand and growing electrification loads from data centers along the Transco corridor," Armstrong explained.

"Importantly, this storage will also allow us to provide value to customers in markets with growing renewables adoption as daily peaks for natural gas increases the need for storage," stated the CEO.

Williams noted that since 2010, US demand for natural gas has grown by 56 percent while gas storage capacity has only increased 12 percent.

Seatrium of Singapore awarded Shell contract for floating production unit for off Gulf of Mexico

LNG News Editor

Seatrium of Singapore, a leader in LNG project and ship conversions as well as platforms for conventional oil and gas ventures, was awarded a contract by Shell Offshore to construct and integrate the hull, topsides and living quarters of the Sparta semi-submersible floating production unit (FPU) to be deployed in the US Gulf of Mexico.

Seatrium's Shell contract includes the installation of Shell-furnished equipment and follows a letter of intent signed by both parties in August 2023.

The Sparta FPU will be situated in the Garden Banks area of the US Gulf of Mexico, about 275 kilometres (171 miles) off the coast of Louisiana.

Seatrium said the platform would feature a single topside bolstered by a four-column, semi-submersible floating hull and would be designed to produce 90,000 barrels of oil equivalent per day.

Seatrium works on conversions from Asian yards

LNG record

Seatrium, formerly called Sembcorp Marine Ltd and renamed as Seatrium following its merger with Keppel Offshore & Marine, had previously in November 2023 successfully delivered the Greek "FSRU Alexandroupolis" to be deployed offshore northeast Greece as part of a Balkans LNG supply hub.

The Singaporean company also in November handed over the LNG production unit for the BP-led FLNG project offshore Senegal and Mauritanian in West Africa and also involving Dallas-based Kosmos Energy.

Analysts note that the combined Seatrium group is becoming better known in marketing terms as a single unit and provider of engineering solutions to the marine, offshore and energy sectors, particularly in assembling topsides safely and efficiently at ground level.

Seatrium said that the two-level topside for Sparta would be integrated and lifted to the hull using Seatrium's Goliath twin cranes capable of lifting up to 30,000 tonnes.

"We are deeply honoured that Shell has awarded Sparta, the third FPU newbuild, to Seatrium, following the successful deliveries of the Vito and Whale FPUs," said William Gu, Executive Vice President and Head of Oil & Gas International at Seatrium.

"It is a strong affirmation of our team's capabilities and the long-standing partnership between both parties. We are fully committed to executing the project well, including the single lift operation and fabrication of the FPU to meet its 20,000-psi design for use in harsh weather conditions, and delivering the unit to Shell safely and efficiently," Gu explained.

Seatrium added that the Sparta FPU was conceived as a replicable project between Shell and Seatrium to leverage the group's topsides single lift integration methodology, following the Vito and Whale newbuilds.

"With an extensive experience in complex offshore projects, Seatrium is well-positioned and equipped with cutting-edge technology to deliver high-quality engineering, procurement, installation and commissioning (EPIC) services for fixed and floating production platforms and subsea developments," the company stated. ■

TotalEnergies joins with Shell and Chinese majors to start next-phase output from Brazil's Mero field

TotalEnergies, the leading European oil and gas major, has joined with Shell, Brazilian state company Petrobras as well as two Chinese majors to start production from a second development phase of the Mero field offshore Brazil.

The Paris-based company's partners in the development in the pre-salt area of the Santos Basin, located in the Libra block about 180 kilometres (112 miles) off the coast of Rio de Janeiro in Brazil, include China National Petroleum Corp. and China National Offshore Oil Corp.

The TotalEnergies portfolio for the exploration and production division in Brazil comprises 11 licences of which four are operated.

The company's average production in the country in 2023 reached around 140,000 barrels of oil equivalent per day.

FPSO

"The Mero field development was sanctioned in June 2019 and this second development phase Mero-2 includes the Sepetiba floating production storage and offloading unit (FPSO) with a production capacity of 180,000 barrels of oil per day," said TotalEnergies.

"The FPSO has been designed for zero routine flaring to minimize greenhouse-gas emissions and with the associated gas reinjected into the reservoir," the French company explained.

"Thanks to Mero-2, the Mero field will reach a production capacity of 410,000 per day," added TotalEnergies.

Two additional development phases of 180,000 barrels per day each, Mero-3 and Mero-4, are currently under construction, with start-ups expected by 2025.

TotalEnergies said that at full capacity, production from the Mero field was expected to amount to be more than 100,000 per day just for the share owned by TotalEnergies.

"The production start-up of Mero-2 is a new milestone for TotalEnergies in Brazil, a key growth area for the company," explained the Chairman and Chief Executive of TotalEnergies, Patrick Pouyanné.

"With its vast resources and world-class productivity, the Mero development delivers low-cost and low-emission oil production, in line with the strategy of our company," Pouyanné added. ■