LNG Unlimited
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TotalEnergies posts fall in profits but LNG sales stay at high levels

French major reports progress on projects for oil and output and sells 44MT of LNG

LNG News Editor

TotalEnergies reported declines in annual and quarterly net profits as commodity prices plummeted compared with the previous year while the French major sold over 44 million tonnes of liquefied natural gas and opened the Le Havre floating LNG regasification terminal in France while being further boosted by progress in other oil and gas projects.

TotalEnergies posted a 35 percent drop in adjusted net operating income for all of 2023 to $25.10 billion from $38.47Bln in 2022.

"In an uncertain environment, the balanced transition strategy of TotalEnergies, which combines growth in Oil & Gas and in particular in LNG and Integrated Power, delivered strong results in 2023 in line with its objectives," said Chairman and Chief Executive Patrick Pouyanné.

Le Havre floating LNG import terminal is key French asset

Cash flow

"During the fourth quarter, TotalEnergies generated adjusted net income of $5.2Bln and cash flow of $8.5Bln and International Financial Reporting Standards (IFRS) net income was $5.1Bln," stated Pouyanné.

For all of 2023 TotalEnergies reported adjusted net income of $23.2Bln and cash flow of $35.9Bln and 2023 IFRS net income was $21.4Bln (€19.8Bln), up 4 percent year-on-year.

"This year the company once again achieved top tier 20 percent return on equity and 19 percent return on average capital employed," said CEO Pouyanné.

TotalEnergies said it invested $16.8Bln, including 35 percent on low-carbon energies and mainly in power.

The company said that its ordinary dividends increased by 7.1 percent and the company completed $9Bln in share buy-backs of which $1.5Bln was linked to the Canadian asset disposals.

Integrated LNG

In the company's Integrated LNG division income declined 44 percent on an annual basis to $6.20Bln from $11.17Bln in the previous year.

Overall LNG sales fell by 8 percent to 44.3 million tonnes from 48.1MT in 2022 and on a quarterly basis declined by 6 percent to $11.8MT from 12.7MT, but were higher than the 10.5MT logged in the previous 2023 quarter to September.

"Hydrocarbon production for LNG (excluding Novatek in Russia) was up 7 percent quarter-to-quarter, reflecting lower unplanned shutdowns," said the company.

For full-year 2023, hydrocarbon production for LNG (excluding Novatek) was up 9 percent compared with 2022 due to increased supply to Nigeria LNG in West Africa, higher availability of Ichthys LNG in the Northern Territory of Australia and Snøvhit in Norway.

"In the fourth quarter 2023, LNG sales increased 13 percent quarter-to-quarter, mainly due to higher production and higher spot volumes," said TotalEnergies.

"For full-year 2023, LNG sales were down mainly due to lower spot volumes related to lower demand in Europe as a result of milder winter weather and high inventories," explained the company.

Fourth-quarter earnings for the company's Integrated LNG fell 40 percent to $1.45Bln versus $2.40Bln in the same three months of 2022, though were higher than the $1.34Bln reported in the previous 2023 quarter to September.

Realised prices

The company's natural gas price realisations dipped significantly from the previous year to $2.70 per million British thermal units in 2023 from $6.50 per MMBtu for the US benchmark Henry Hub.

TotalEnergies' Japan-Korea Marker price for spot LNG cargoes crashed to $13.8 per MMBtu from $33.80 per MMBtu in 2022. ■

UNLIMITED AGENDA

ExxonMobil and Chevron return second-best performances in 10 years boosted by Permian

LNG News Editor

US majors ExxonMobil Corp. and Chevron Corp. recorded their second-largest annual profits in 10 years as oil and natural gas production increased and Chevron shipped record LNG cargoes from Australia even amid work stoppages.

Exxon reported full-year net income of $36.01 billion, down from $55.74Bln in 2022 when commodity prices were higher due to the effects of the Ukraine invasion, though this was still the best performance by Texas-based ExxonMobil since 2012.

For the fourth-quarter ExxonMobil's net income dropped to $7.63Bln compared with $12.75Bln in the same three months of the prior year.

Barrow Island exports facility for Gorgon LNG and products

California issues

"Fourth-quarter results included unfavorable identified items of $2.3Bln including a $2Bln impairment as a result of regulatory obstacles in California that have prevented production and distribution assets from coming back online," ExxonMobil explained.

Chevron's fourth-quarter net profits declined to $2.26Bln from $6.35Bln in the same quarter of 2022.

San Ramon, California-based Chevron reported annual net profits of $21.41Bln, down from $35.60Bln in the previous year, though apart from 2022 the Chevron performance was the strongest since 2013.

Chevron's listed among its highlights as achieving first natural gas production from the Gorgon Stage 2 development in Western Australia where its operates both the Gorgon LNG and Wheatstone LNG plants.

Chevron also reached a final investment decision with partners to construct a third gathering pipeline that is expected to increase natural gas production capacity at the Leviathan gas field and future LNG hub in the East Mediterranean offshore Israel.

The company additionally expanded the Bayou Bend carbon-capture and sequestration project on the US Gulf Coast through an acquisition of nearly 100,000 acres.

Permian boost

However, US oil and gas from the Permian Basin in Texas and New Mexico helped the most to underpin the earnings of both ExxonMobil and Chevron.

ExxonMobil said combined 2023 output in the Permian and the south American nation of Guyana, where it has a stake in the biggest oil discovery of the past decade, was up 18 percent and overall US oil output increased to 851,000 barrels a day during the fourth quarter to December, up from 789,000 barrels per day in the same quarter of 2022.

"Our consistent strategy and execution excellence across the business delivered industry-leading earnings and enabled us to return more cash to shareholders than our peers in 20231," said Darren Woods, ExxonMobil Chairman and Chief Executive.

"These results demonstrate the fundamental improvements we've made to our business, reflecting our progress in high-grading our portfolio through investments in advantaged projects and select divestments, while at the same time driving a higher level of efficiency and effectiveness throughout the business," Woods added.

ExxonMobil remains a dominant player in the LNG sector from its strategic partnership with QatarEnergy in the Arabian Gulf and their joint venture development of the Golden Pass LNG export plant in Texas.

US natural gas distributor Atmos Energy increases profits from southern activities

Atmos Energy Corp., the US natural gas distribution company serving more than 1,400 communities across eight mostly southern states, reported a rise in first-quarter profit as lower costs helped offset the impact of lower demand caused by milder weather.

The Dallas-based company posted net income for the three months to December, which is the Atmos fiscal first quarter, of $311 million versus $272M in the same three months of 2022.

Atmos said the earnings per share came to $2.08 per share compared with $1.91 per share in the prior-year quarter.

The company is active in the states of Colorado, Kansas, Kentucky, Louisiana, Mississippi, Tennessee, Texas and Virginia.

Customers

It provides natural gas, for example, to more than 184,500 customers in Kentucky communities such as Owensboro, Paducah, Hopkinsville, Lawrenceburg, Danville, Princeton and Campbellsville.

Atmos also has industrial customers in the states it serves and in Tennessee the distributor supplies natural gas to Bell Helicopter, the Jack Daniels whiskey distillery, General Motors and the Middle and East Tennessee State Universities.

The company reported that total capital expenditure in the quarter was $769.7M, slightly lower than the 2022 quarter.

Spending was focused on the repair and replacement of transmission and distribution pipelines as well as on gas fortifications and installing and replacing measurement and regulating equipment.

Atmos also issued $900M of long-term debt financing with $500M of 6.20-percent, 30-year senior notes issued in October 2023.

This was followed shortly afterwards by $400M of 5.90-percent, 10-year senior notes.

In its financial guidance for all of fiscal 2024, Atmos forecasts net profits of between $985M and $1.05 billion compared with $882M in the previous fiscal year.

In the coming fiscal year Atmos expects up to $665M in profits from the distribution business and up to $350M from pipelines and storage.

The board increased the quarterly dividend by 8.8 percent to $0.805 per common share.

The indicated annual dividend for fiscal 2024 was $3.22 per share.

Tokyo Gas proceeds with LNG near Hanoi

Tokyo Gas, one of the largest and longest-standing liquefied natural gas importers, has formed a joint stock company to proceed with an LNG import and power project in Vietnam at Thai Binh in the north.

Thai Binh is a port complex located on the Tra Ly River about 53 miles (85 kilometres) southeast of the capital Hanoi.

The main aim of the company called Thai Binh LNG Power is to construct and operate an LNG receiving terminal and natural gas-fired power plant to serve the inland region near the Vietnamese capital.

Partners of Tokyo Gas in the project are the Vietnamese company Truong Thanh Viet Nam Group, led by Chairman Dang Trung Kien and the Japanese Independent Power Producer (IPP) group, Kyuden International Corp.

The Vietnamese partner, the Truong Thanh Viet Nam Group, is based in Hanoi and is involved in the Southeast Asian nation's energy and real estate development sectors.

The Japanese IPP Kyuden International is a wholly owned subsidiary of a leading utility and LNG importer in Japan, Kyushu Electric Power Co.

"Thai Binh LNG Power will initially conduct a feasibility study for the LNG-for-power project in the Thai Thuy District of the province," said Tokyo Gas.

"The joint venture will includes development of an offshore LNG receiving terminal and a gas-fired power plant with 1.5 gigawatts of capacity," the Japanese utility explained. ■

Italian FLNG ship 'FSRU Toscana' to be offline for maintenance work

LNG News Editor

Italian floating LNG terminal company, OLT Offshore LNG Toscana controlled by Italian natural gas grid and LNG terminals operator Societa Nazionale Metanodotti (SNAM), said the "FSRU Toscana" vessel would be undergoing long-term maintenance at a shipyard and would be offline for six months.

OLT Offshore said that the "FSRU Toscana" would be offline from April until the end of October 2024.

"Specifically, as a result of ongoing technical monitoring activities, the company decided to carry-out an intervention aimed at replacing the bearing of the anchoring system of the terminal," explained OLT Offshore.

Italy's 'FSRU Toscana' to get maintenance work

Anchoring

The anchoring system is designed and built to ensure the rotation of the FLNG terminal around the geostationary turret permanently anchored to the seabed.

The vessel "FSRU Toscana" is currently moored 22 kilometres (13.6 miles) off the Italian West Coast between the cities of Livorno and Pisa.

The ship is connected to the Italian gas grid through a 36.5-kilometres pipeline from the shore.

SNAM acquired 49 percent of the share capital of OLT in 2020 from Italian utility company, the Iren Group, and has joint control of the terminal along with Igneo Infrastructure Partners.

Since acquiring control of "FSRU Toscana" SNAM has become Italy's dominant LNG importing company with several other FSRUs being put into operation.

The OLT Offshore facility, which has a regasification capacity of 5 billion cubic metres per annum, has traditionally provided national peak-shaving services to Italy with LNG cargoes.

Fifth terminal

SNAM is also currently moving towards developing a fifth LNG regasification facility for Italy at the Adriatic port of Ravenna.

The company has already started the construction of the associated facilities for the new FSRU in the form of the LNG vessel "BW Singapore". ■

Excelerate Energy signs second LNG supply deal for Bangladesh

Excelerate Energy, the leading US provider of floating storage and regasification units (FSRUs) and an LNG trader with increased demand from Europe and Asia, has now completed two long-term LNG supply accords focused on delivering more cargoes to Bangladesh and to integrate its business in the South Asian nation.

Excelerate has just signed a 15-year Sales and Purchase Agreement (SPA) with QatarEnergy after signing a similar SPA in late 2023 with Bangladesh's national energy company PetroBangla as the customer this time.

Excelerate said that under the QatarEnergy deal the Texas-based company would purchase up to 1 million tonnes per annum of LNG from Qatar on a delivered ex-ship basis in Bangladesh and beginning in January 2026.

The US company will purchase 850,000 tonnes per annum in 2026 and 2027 and 1.0 MTPA from 2028 to 2040.

"This inaugural long-term supply agreement with the world's largest LNG supplier marks a new milestone in our collaboration with QatarEnergy," said Steven Kobos, President and Chief Executive of Excelerate.

"Qatar delivers approximately 10 percent of its current annual LNG production through Excelerate FSRUs and we are pleased to unlock further new demand in the markets where we operate," Kobos explained. "This agreement highlights our ability to secure critical and affordable LNG volumes for our customers with increasing natural gas demand, while driving stable, long-term economic uplift on our existing infrastructure," he stated.

QatarEnergy President and CEO Saad Sherida Al-Kaabi said he was pleased to sign the Excelerate agreement focused on Bangladesh.

"This new agreement will further strengthen our relationship with Excelerate while also supporting the energy requirements of the People's Republic of Bangladesh and its stride towards greater economic development," added Al-Kaabi. ■

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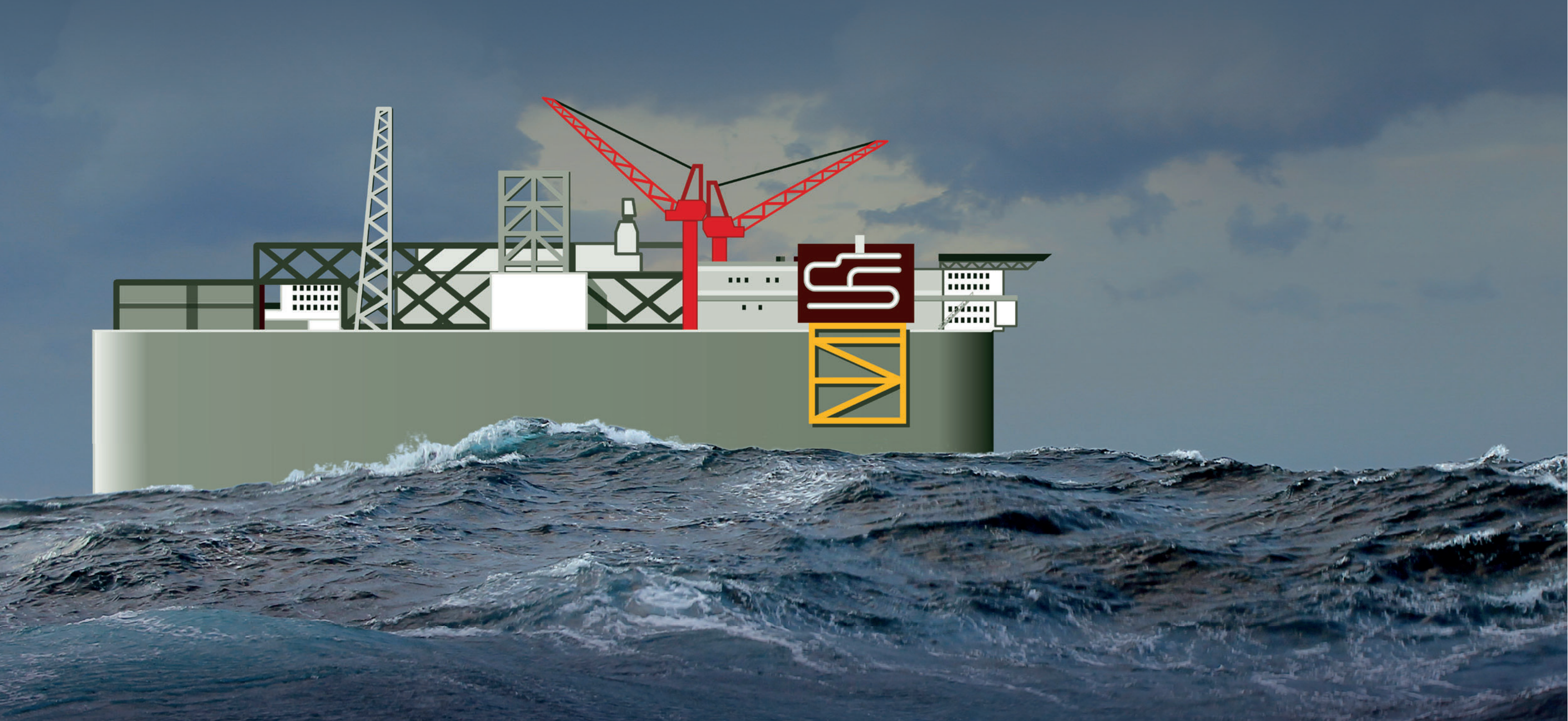

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NEWS BRIEFS

UK's Repsol LNG deal

UK company Centrica Plc and Spanish oil and gas major Repsol have signed an agreement for Centrica to purchase 1 million tonnes of LNG shipments between 2025 and 2027. Centrica said that all of these cargoes were expected to be delivered to the UK Grain LNG import terminal in Kent. "The deal marks an additional move by Centrica to build further resilience in the UK's energy security," said Centrica Energy, the UK company's trading unit. "It follows a 15-year, $8Bln LNG deal with Delfin Midstream in July 2023, a three-year (pipelines) supply agreement with Equinor through to 2024 and the reopening and expansion of the UK's Rough gas storage facility," said Centrica. Cassim Mangerah, the managing director of Centrica Energy, said he was delighted to have closed this deal.

Optimism for Namibia block

Africa Oil Corp., the Canadian company listed on the Toronto Exchange and the Nasdaq in Stockholm, has given an update on an offshore block in Namibia in southwest Africa. French major TotalEnergies is the operator of Block 2913B and QatarEnergy is a shareholder in the prospect off Namibia while Africa Oil has an interest in this block through its 31.1 percent shareholding in Impact Oil & Gas with its 9.5 percent carried interest in Block 2913B. "The Mangetti-1X exploration well has intersected hydrocarbon-bearing intervals in the Mangetti fan prospect, a separate system to the Venus oil discovery," said Africa Oil in its Block 2913B update. "Mangetti-1X also achieved its secondary objective of successfully intersecting and appraising the northern area of the Venus accumulation.

US forecasts low Henry Hub natural gas spot price through March and decline in LNG exports for month of February

LNG News Editor

Freeport LNG facility is important part of US export assets

The US Government forecasts that the average Henry Hub natural gas spot price would be low through March and LNG exports would decline in February, while record amounts of natural gas were consumed by the nation in January, driven by the gas-fired electric power sector.

The Henry Hub price forecast was for an average near $2.40 per million British thermal units for the remainder of the first quarter until the end of March because of mild weather, according to the February Short-Term Outlook of the US Energy Information Administration.

"But volatility could return if severely cold weather emerges, even for a short period," the EIA warned.

The Henry Hub spot price averaged $3.18 per MMBtu in January. while spot prices were volatile, rising sharply to $13.20 per MMBtu on January 12 in anticipation of severely cold weather.

"After that weekend, prices quickly fell and continued to decrease until January 23, when the price hit the monthly low of $2.15 per MMBtu," the report recalled.

Plant issues

In addition, the EIA noted that natural gas exports are likely to decrease in February compared with January.

"This was due to a partial outage at the Freeport LNG facility that began towards the end of January and that Freeport expects will last about a month," said the report.

"In February and March 2024, we forecast less natural gas consumption than average as a result of milder weather represented by 4 percent fewer heating degree days (HDDs) than the prior 10-year (2014-2023) average for those two months," the agency stated.

US Natural gas production underpinned January record demand with more than 118 billion cubic feet per day of natural gas consumed, a new monthly record.

"Although our forecast assumes that the United States will see milder weather with fewer heating degree days than is typical during February and March, we forecast that US natural gas consumption will increase by 5 percent in the first quarter of 2024 compared with first quarter of 2023, which was one of the warmest first quarters on record," the report added.

The EIA estimates that because of disruptions in mid-January related to cold weather across the central US, dry natural gas production fell from a monthly record of 106 Bcf per day in December to 102 Bcf per day in January.

"We forecast that US natural gas production will increase in February and reach 105 Bcf per day by March as the weather-related disruptions subside and will stay close to that level for the rest of the year," the agency stated.

Dry natural gas production is forecast to averages 104 Bcf per day for all of 2024 in the EIA Outlook, almost 1 Bcf per day less than its forecast last month.

"We expect production will increase in 2025 to average more than 106 Bcf per day," it added.

Natural gas storage

On the natural gas storage front, increased natural gas consumption and reduced production resulted in a withdrawal of almost 920 Bcf from storage for January, the third-highest ever.

"However, because January began with 13 percent more natural gas in storage than average over the past five years, inventories remain above the five-year (2019-2023) average," the EIA explained.

"We expect US natural gas inventories in February and March will fall by less than the five-year average because of milder-than-normal weather," said the report.

"We forecast inventories will end this winter heating season (November-March) at about 1,910 Bcf, which would be 15 percent more than the five-year average," it added.

On oil markets, US crude oil production is estimated to have reached an all-time high in December of more than 13.3 million barrels per day.

"However, production fell to 12.6 million b/d in January because of shut-ins related to cold weather. We forecast production will return to almost 13.3 million b/d in February but then decrease slightly through the middle of 2024 and will not exceed the December 2023 record until February 2025," said the report.

Looking at global oil prices and inventories, the EIA said that Brent crude oil spot price averaged $80 per barrel in January, an increase of $2 per barrel from December, the first monthly increase in the crude oil price since September 2023.

Air Products keeps leadership in technology for LNG and posts higher sales and net profits

LNG News Editor

Air Products, the leading global supplier of LNG equipment and a global player in industrial gases and large-scale green fuel and power projects, reported an increase in fiscal first-quarter net income even as revenues slipped.

Air Products said that fiscal first-quarter net income amounted to $621.6 million to the end of December, up from $583.8M in the same three months last year.

The company remains the leading supplier of LNG equipment for the majority of plants operating worldwide.

Basic earnings per share for the Allentown, Pennsylvania-based company amounted to $2.74 per share compared with $2.58 per share in the prior-year quarter.

Sales slip

Air Products posted sales that were about 6 percent lower in the quarter at $2.99 billion, down from $3.17Bln in the same period of 2022.

During the past year the company has taken major LNG technology orders including for the Petronas LNG Complex in Bintulu, Malaysia, for the QatarEnergy's North Field South project in Ras Laffan and for NextDecade's Rio Grande LNG Phase I project in the Port of Brownsville in Texas.

LNG equipment leaving the Air Products factory in Florida

The company said that the favourable currency changes were more than offset by 11 percent lower energy cost pass throughs, which negatively affected sales but had no impact on net income.

"Despite significant geopolitical and economic headwinds, the team at Air Products performed well, increasing our adjusted EPS by seven percent over last year," said Air Products' Chairman, President and Chief Executive Seifi Ghasemi.

"Our reported results were lower than our expectations, mainly due to a slowdown in manufacturing in Asia, particularly in China; lower helium demand; cost headwinds from a sale of equipment for projects; and currency devaluation in Argentina," Ghasemi explained.

Ambitious strategy

"We are moving forward to successfully implement our ambitious, long-term growth strategy through our core industrial gases business and as a leader in low-carbon intensity hydrogen to generate a cleaner future for the world," the Chairman stated.

The company also has among its key projects the $12Bln gasification and power joint venture with Saudi Aramco, ACWA Power and the US firm's Saudi unit, Air Products Qudra, in the Jazan Economic City in Saudi Arabia.

Air Products is also awaiting more progress on the TotalEnergies-led Mozambique onshore LNG export project in Cabo Delgado province where it is expected to be an equipment supplier.

NEWS BRIEFS

Venture Global LNG accord

Europe's largest liquefied natural gas import terminal, the UK's Isle of Grain facility on the Medway River near London, has followed up its capacity agreement with the Algerian energy company Sonatrach by signing a second deal with US company Venture Global with its Calcasieu Pass export plant in Louisiana and three other facilities being developed. "The Grain LNG terminal is an important gateway to the broader European market, and we look forward to supplying the region through this new access point for years to come," said Michael Sabel, Chief Executive of Venture Global. Grain LNG, owned by a subsidiary of National Grid Plc, said a 16-year agreement was signed with Venture Global for around 3 million tonnes per annum of capacity from 2029 as a result of Grain LNG's competitive auction process which was launched in September 2023. "I'm delighted that we are able to announce the second result from our September auction, commencing a long-term partnership with Venture Global," said Katie Jackson President of National Grid Ventures, the UK grid operator's subsidiary that owns the LNG terminal.

Shanghai doubles bonded LNG sales

Shanghai International Port Group (SIPG), the first Chinese port to launch LNG bunkering services two years ago, said it registered bonded LNG fuelling of 260,000 cubic metres in 2023, double the total of the previous year as the fuel market continued to expand.

Shanghai, which is also the world's largest port for containerships, was China's first and the world's third port to provide ship-to-ship bonded LNG bunkering with Simultaneous Operations (SIMOPS) operations.

The Chinese port currently offers a range of bunkering services on a regular basis.

International shipping companies with growing fleets capable of using LNG, including the French containers shipping group, CMA CGM Group and ZIM Integrated Shipping Services, have chosen Shanghai Port as an Asian refuel depot for the vessels.

The Shanghai Port noted that it implemented a flexible customs declaration system after launching its service in March 2022 to ensure timely refuelling and customs clearance when the service was provided.

The Port's LNG bunkering tanker, the "Hai Gang Wei Lai", conducted its latest ship-to-ship fuelling of a vessel this week that was a landmark operation.

Eastern Pacific Shipping (EPS) said that its 150th LNG bunkering took place at Yangshan-Shanghai, with the EPS-managed "CMA CGM Bali" receiving 9,498 cubic metres of LNG from the SIPG bunker vessel, the "Hai Gang Wei Lai".

Flex LNG reports halving of profits and freight challenges in the future

LNG News Editor

Norwegian operator proceeded with ship drydockings

Flex LNG, the Norwegian shipping company with a fleet of 13 vessels and several chartered to some of the largest market players, reported a halving of fourth-quarter net profits and forecast a challenging next two years for the sector with more ships in the global fleet.

"We see a somewhat more challenging freight market as there are more ships for delivery compared to the expected new export volumes," said Øystein Kalleklev, Chief Executive of Flex LNG Management whose charterers include Cheniere of the US and UK major BP.

"Hence, we think Flex LNG is very well positioned as we have 94 percent charter coverage for 2024 and 50 years minimum firm charter backlog, which may increase to 71 years if all charterer's options are extended," Kalleklev explained.

Fuel savings

"Additionally, our fleet consists entirely of large LNG carriers fitted with the most modern two-stroke propulsion system resulting in significant fuel savings compared to older generation tonnage," the CEO added.

Flex earnings showed a halving of fourth-quarter net income to $19.39 million from $41.47M in the same three months of 2022.

Annual net profits dropped to $120.04M from $188.04M in the 2022. Vessel operating revenues in 2023 came to $371.02M versus $347.91M in the previous year.

"The increase is due to a higher proportion of our fleet on improved longer term fixed-rate contracts as well as a relatively stronger spot market compared to 2022," said Kalleklev.

"This is offset by scheduled dry-dockings of the vessels 'Flex Enterprise', 'Flex Endeavour,' 'Flex Ranger' and 'Flex Rainbow' in 2023, resulting in 77 off-hire days," the CEO said.

Vessel expenses for the fourth quarter came to $97.2M compared with $94.6M for the third quarter 2023.

Average Time Charter Equivalent (TCE) rates amounted to $81,114 per day for the fourth quarter versus $79,207 per day for the third quarter 2023.

NYK Line reports profit plunge on economic and trade problems

Japanese shipping company Nippon Yusen Kabushiki Kaisha (NYK Line), with almost 80 LNG carriers and a fleet of over 700 vessels covering all sectors, has given an overview of shipping difficulties such as Panama Canal congestion and trading route problems, China's economic slowdown and lower global oil output for its tankers to handle.

NYK Line said that the LNG fleet had stable earnings because of contract conditions though other segments such as oil tankers, car-carriers, containerships and other vessels had mixed earnings as the company's fiscal nine-month revenues declined and the profits plunged.

The company, headquartered in Tokyo, reported revenues in the first nine months of the fiscal year to December of 1.79 trillion yen ($12.05 billion), down from 2.05 trillion yen ($13.81Bln).

The profits for the nine months attributable to the parent company plummeted to 153.57 billion yen ($1.03Bln) from 920.37Bln yen ($6.20Bln) in the same period of 2022.

NYK Line's huge owned, chartered and operated fleet comprises 79 LNG carriers, 68 tankers and multi-purpose fuel carriers, 120 car carriers and 55 containerships as well as 270 assorted Capsize and Panamax bulkers and several hundred other assorted vessels.

"In the LNG carrier segment, the results were steady on support from the long-term contracts that generate stable earnings," said NYK.

"Also, in the offshore business, FPSO (Floating, Production, Storage and Offloading), drill ships and shuttle tankers were steady," it added.

However, in the petrochemical tanker market, NYK said that the trade patterns changed due to the impact of the ongoing situation in Russia and Ukraine and the longer shipping distances affecting the market.

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India's Petronet LNG signs supply agreement with QatarEnergy amid planned East Coast terminal

LNG News Editor

QatarEnergy has signed an agreement for the supply of 7.5 million tonnes per annum of LNG to Petronet of India on a delivered ex-ship (DES) basis for a period of 20 years.

Under the deal, the contracted LNG volumes from Qatar will be delivered to terminals across India onboard Qatari LNG carriers starting in May 2028.

The signing of the accord came at a ceremony held at an event in Goa in southern India between Sherida Al-Kaabi, the Chief Executive QatarEnergy, and Hardeep Singh Puri, the Indian Minister of Petroleum, Natural Gas, Housing and Urban Affairs.

The signing was attended by senior executives of the shareholders in state-backed Petronet including Petronet Chairman Sandeep Kumar Gupta, as well as the Chairman and Managing Director of GAIL (India) Shrikant Madhav Vaidya, the head of Indian Oil Corp. Krishnakumar Gopalan and the Chairman and Managing Director of Bharat Petroleum Corp.

Signing of the Qatar-India LNG accord at Goa in south India

Energy mix

"We believe that this new agreement, with our valued customers Petronet LNG and its esteemed shareholder companies, will further strengthen the relationship with India and support its vision to increase the contribution of natural gas in its energy mix," stated Al-Kaabi.

Petronet first entered into an agreement for the supply of LNG from Qatar in 1999 for the delivery of 7.5 MTPA.

The Indian company recently confirmed in its latest earnings that it was going ahead with a third import facility at Gopalpur, giving the East Coast of India a third 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 and take the nation's regasification capacity over 50 MTPA.

Earnings

Petronet recently reported record quarterly earnings before tax while revenues plunged from a year ago as prices fell.

The company explained that for the first nine months of the fiscal year to the end of December, Petronet's revenues plunged to 39,995.21 crore Indian rupees ($4.80 billion), a drop of 34 percent from 60,472.97 ($7.27Bln) posted in the first nine months of the previous fiscal year.

Petronet reported net profits to the end of December of 1,190.67 crore rupees ($143.19 million) compared with 1,180.54 crore rupees ($142.10M) in the fiscal third quarter of 2022 and 818.10 crore rupees ($98.24M) in the previous quarter to the end of September 2023.

Woodside says merger discussions cease with Santos on creating US$58Bln LNG mega-group

Australia's largest liquefied natural gas companies Woodside Energy and Santos have ended their merger discussions after failing to agree terms for creating a A$88 billion (US$58Bln) LNG mega-company in the Southern Hemisphere.

"Woodside has ceased discussions regarding a potential merger with Santos Ltd," said the Perth-based company in a statement to the Australian Securities Exchange.

"As a global energy company, Woodside continuously assesses a range of organic and inorganic growth opportunities," Woodside added.

Woodside Chief Executive Meg O'Neill said that for every opportunity Woodside assesses, it conducts thorough due diligence and will only pursue a transaction that is "value accretive" for its shareholders.

"We continue to be disciplined in our approach to mergers and acquisitions and capital management to create and deliver value for shareholders," O'Neill added.

"While the discussions with Santos did not result in a transaction, Woodside considers that the global LNG sector provides significant potential for value creation," the CEO stated.

Portfolios

"Woodside's world-class global portfolio, growth pipeline and strong balance sheet underpin our attractive investment proposition for Australian and global investors," O'Neill added.

Woodside and Santos have long-term supply contracts with the leading LNG buyers of Japan, China and South Korea.

The combination if it had gone ahead would have brought together the North West Shelf LNG operatorship and Pluto LNG in Western Australia with the Santos portfolio of Gladstone LNG in Queensland, the Darwin LNG plant in the Northern Territory and its large stakes in the Papua New Guinea plant and its expansions.

Woodside had been often named in the past as a possible target for Shell since the Australian government refused a previous approach by the largest European energy major.

If the Woodside-Santos deal had gone ahead Woodside would have been taking over Santos, which is based in Adelaide.

Woodside's valuation was A$59.80 (US$39.30Bln) and Santos was worth A$27.73 (US$18.22Bln), based on the closing prices of the shares after the merger talks were first announced on December 7, 2023.

Woodside previously acquired in 2022 the spun-off oil and gas business of Anglo-Australian commodities company BHP.

The combined oil and gas portfolio of BHP's petroleum unit transformed Woodside by doubling production, diversifying the portfolio and offering multiple growth opportunities.

BHP's petroleum unit also owned a stake in the Scarborough gas field that passed to Woodside and enabled a smoother path to the Pluto LNG expansion through the building of a second Train.