LNG Unlimited

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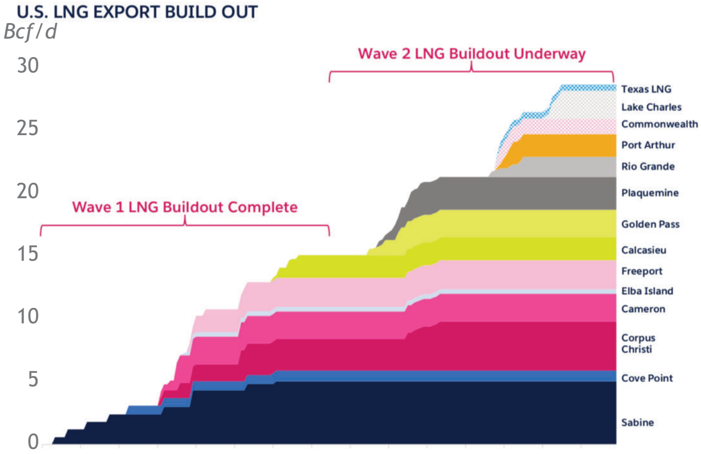
EQT reports solid earnings amid US Gulf Coast LNG tolling accords

Pittsburgh-based company has gas dominance in the Marcellus Shale

LNG News Editor



Current and future US LNG projects and expansions

EQT Corp., the leading US natural gas producer in the Appalachian shale basins, reported solid annual net income even as earnings dropped for the fourth quarter and has now signed three LNG tolling agreements on the Gulf Coast and was pursuing sales contracts.

EGT said that net income for the year to December 2023 came to $1.73 billion versus $1.78Bln in the previous year.

Diluted annual earnings per share amounted to $4.22 per share compared with $4.38 per share in 2022.

Annual net cash provided by operational activities came to $3.18Bln for 2023 versus $3.46Bln in the previous year.

Operations

The Pittsburgh-based company with shale-gas operations in the Marcellus and Utica formations of western Pennsylvania, Ohio and West Virginia, said net income for the last three months of the year declined to $501 million from $1.71Bln in the same prior year period.

However, EQT said that fourth-quarter production of 564 billion cubic feet equivalent (Bcfe) was towards the high-end of guidance "driven by continued operational efficiency gains and strong well performance" in the period.

On LNG strategy, EQT said its contractual pipeline capacity will deliver 1.2 billion cubic feet per day, or 20 percent of EQT's production, to the Gulf Coast, where it can be sold into international markets through new LNG export facilities.

EQT has signed Heads of Agreements (HOAs) with the developers of the Lake Charles LNG, Commonwealth LNG and Texas LNG projects and negotiations towards finalising "definitive tolling agreements" were ongoing.

The company said it was also pursuing Sales and Purchase Agreements (SPAs) for its current total of 2.5 million tonnes per annum of LNG production with prospective international buyers and was additionally exploring more future tolling opportunities.

In the earnings report, EQT said that net cash provided by operating activities in the final three months of the year came to $624M.

The company also retired all of its outstanding convertible notes, eliminating more than $400m of debt and simplifying capital structure.

In the earnings presentation, EQT descried itself as a "pure-play Appalachian producer" with 1.1 million core net acres, a 30-year de-risked inventory and with wells at 4,000 locations.

The average realised price in the fourth quarter was $2.75 per thousand feet equivalent (Mcfe) and $2.79 per Mcfe for all of 2023. Total operating costs amounted to $1.27 per Mcfe versus $1.33 Mcfe for the whole of the past year.

EQT also signed two of the largest, long-term physical supply deals linked to the Mountain Valley Pipeline being constructed from northwestern West Virginia to southern Virginia.

The MVP will be over 300 miles in length and there is also a proposed Southgate Extension which would run 75 miles from Virginia into North Carolina.

EQT said that MVP volumes were locked in at premium pricing while providing supply security to customers.

"EQT restructured previous 525 MMcf per day capacity release into a new 10-year, 800 MMcf per day firm sales contract beginning in 2027," it said.

"It also signed new 10-year, 400 MMcf per day firm sales contract with separate investment-grade utility beginning in 2027," said EQT.

■

Diamondback merges with Endeavor in deal worth $26Bln to create huge Permian player

LNG News Editor

Diamondback Energy, the Texas-based company listed on the Nasdaq global exchange, has agreed to acquire privately-held Endeavor Energy Resources in a transaction valued at $26 billion to create a premier operator in oil and associated natural gas in the Permian Basin of West Texas and New Mexico.

The two companies are headquartered across the street from each other in the Texas town of Midland, the exploration capital of the Permian and the combination will now produce the equivalent of 816,000 barrels a day.

The Diamondback-Endeavor deal is the latest in a dozen mergers and acquisitions in the US energy sector over the past year as companies seek more scale in production and financial heft.

Travis Stice, CEO of Diamondback Energy of Texas

Transaction terms

The terms of the transaction will consist of about 117.3 million shares of Diamondback common stock and $8 billion of cash, subject to customary adjustments.

The cash portion of the consideration is expected to be funded through a combination of cash on hand, borrowings under the company's credit facility and proceeds from term loans and senior note offerings.

"As result of the transaction, Diamondback's existing stockholders are expected to own approximately 60.5 percent of the combined company and Endeavor's equity holders are expected to own 39.5 percent," said a statement.

The transaction was unanimously approved by the Diamondback board and has all necessary Endeavor approvals.

"I am grateful to the Endeavor team and proud of what we have built since 1979," said Autry C. Stephens, Founder and Chairman of Endeavor.

"We believe Diamondback is the right partner for Endeavor, our employees, families and communities. Together we will create value for shareholders and our other stakeholders," Stephens stated.

Travis Stice, Chairman and Chief Executive of Diamondback, said that the combination of two strong, established companies are merging to create a key North American independent oil company.

Inventory

"The combined company's inventory will have industry-leading depth and quality that will be converted into cash flow with the industry's lowest cost structure, creating a differentiated value proposition for our stockholders," Stice added.

"Over the past 45 years, Mr. Stephens and his team at Endeavor have built the highest quality private oil company in the United States," stated Stice.

"Our companies share a similar culture and operating philosophy and are headquartered across the street from one another, which should allow for a seamless integration of our two teams," Stice said.

"As a result, we look forward to continuing to deliver best-in-class results with a combined employee base headquartered in Midland, assuring Midland's relevance in the global oil market for the next generation," he declared. ■

Japan's JERA signs accord with unit of Indonesia's state power company PT PLN to help open up LNG value chain

JERA Co. Inc, Japan's biggest liquefied natural gas importer and utility company, has signed an accord with a unit of Indonesia's state-owned power supplier PT PLN (Persero) to cooperate on LNG supplies for Indonesian domestic use.

JERA's accord on joint participation in the LNG value chain is with PT PLN Energi Primer Indonesia (PLN EPI), the fuel procurement and transportation operator for the PLN power company.

"Indonesia is expected to see continued increases in its demand for electricity due to its robust economic growth," said JERA.

"On the other hand, the country is highly dependent on coal-fired power generation, and there is concern about the increase in greenhouse-gas emissions that will accompany the increase in electricity demand and accordingly the importance of LNG as an energy transition fuel is increasing," JERA explained.

LNG supplies

"Collaboration to establish a value chain for LNG is expected to help Indonesia achieve both a stable supply of electricity and will contribute to achieving net zero emissions by 2060," the Japanese company added.

JERA buys around 35 million tonnes per annum of LNG and is Japan's biggest fossil-fuel electricity generator, being owned jointly by Tokyo Electric Power and Chubu Electric, the two largest power companies.

JERA currently oversees the operations and provides fuel for a total of 26 power plants in Japan and imports LNG into 11 of Japan's network of 37 terminals.

Indonesia's power giant PLN has always been at the centre of Indonesia's LNG project development.

The Asian nation comprising a huge chain of Islands has always been both an LNG exporter from its main export plant at Bontang in East Kalimantan as well as an importer.

Indonesia was the first in the region to use floating storage and regasification units (FSRUs) for delivery of domestic LNG for power.

UK major BP shipped the first cargo in October 2023 from the third Train expansion at Indonesia's Tangguh LNG plant to PLN for domestic consumption.

The start-up of Tangguh Train 3 added 3.8 MTPA of LNG production capacity to the existing two-Train facility, bringing total plant capacity to 11.4 MTPA.

Power sector

The first cargo of LNG produced by the new Tangguh Train was delivered to PLN's regasification facility in Arun in Indonesia's Aceh Darussalam province. ■

S&P Global has most units with profit rise

S&P Global, the US ratings agency and provider of commodity market reports and energy prices such as the Japan-Korea Marker (JKM) price for Asian spot LNG cargoes and other oil and gas pricing and stock indices, reported increased fourth-quarter and annual profits, though the firm's Market Intelligence unit posted a drop in operating profits.

The New York-based company reported fourth-quarter 2023 revenue of $3.15Bln, an increase of 7 percent compared with the $2.93Bln reported in the same three months of 2022.

S&P Global's annual revenues jumped by 12 percent to $12.49Bln in 2023 versus $11.18Bln in the previous year.

Fourth-quarter net income soared by 34 percent to $579 million from $433M in the prior-year quarter.

The Ratings and pricing firm had acquired a company called Engineering Solutions that affected profits following the S&P Global merger in 2023 with the IHS Markit firm.

The Market Intelligence unit's operating profits in the fourth quarter dropped by 5 percent to $115M from $122M in the same three months of 2022.

Credit Ratings were the biggest earner with quarterly operating profits up 38 percent to $442M from $320M in the prior-year quarter.

The Commodity Insights division posted an 18 percent increase in operating profits to $177M versus $150M a year ago.

The best-known S&P benchmark price for LNG in the Commodity Insights division is the Platts JKM price assessment for spot physical cargoes.

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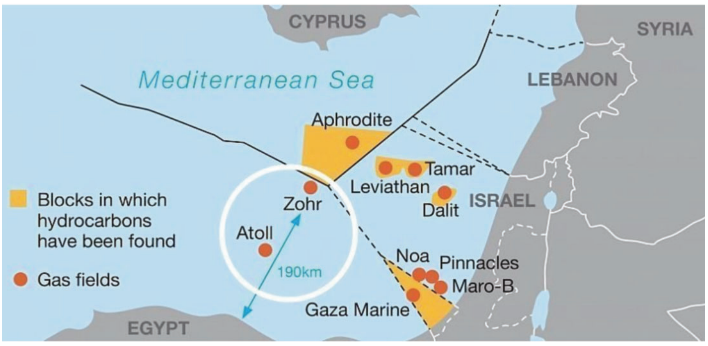
BP and UAE-based ADNOC form venture focused LNG nation Egypt

LNG News Editor



Zohr field is in Shorouk gas block north of Port Said

UK major BP and state-owned Abu Dhabi National Oil Company (ADNOC) in the United Arab Emirates plan to form a joint venture in Egypt that will initially focus on natural gas and will incorporate Egyptian concession stakes held by BP.

The joint venture is expected to be formed in the second half of 2024 and will be 51 percent owned by BP and 49 percent by ADNOC.

East Med assets

The BP-ADNOC Egyptian joint venture was originally planned to be the second phase of cooperation between the two companies in the Eastern Mediterranean gas and LNG province after the planned acquisition of a 50 percent stake in Israeli gas producer NewMed Energy.

Negotiations on the proposed NewMed agreement for BP and ADNOC started in March 2023, though have been stalled since the start of Israel's war against Hamas terrorists started in October.

"As part of the agreement, BP will contribute its interests in three development concessions, as well as exploration agreements in Egypt to the new joint venture," said a statement.

"ADNOC will make a proportionate cash contribution which can be used for future growth opportunities," they added.

This is the first major natural gas deal for BP under new Chief Executive Murray Auchincloss.

"The announcement with BP represents a significant step forward as ADNOC builds its international natural gas portfolio," said Musabbeh Al Kaabi, ADNOC executive director for low carbon solutions and international growth.

"This progressive joint venture partnership will enhance Egyptian energy security and the economic potential of the region's most populous Arab country," Al-Kaabi explained.

"Building on our long-standing strategic partnership with BP, ADNOC looks forward to continue exploring other opportunities," he added.

William Lin, BP's executive vice president of regions, corporates and solutions, said that the "dynamic joint venture" offered a platform for international growth.

■

American Bureau of Shipping has Global LNG Academy in Qatar

The American Bureau of Shipping, the US maritime classification society, has inaugurated an ABS Global LNG Academy in the Qatari capital Doha and dedicated to training and educating mariners in modern LNG vessel operations.

The Doha-based academy is supported by QatarEnergy and is coordinating efforts with industry partners to have more knowledgeable crews operating the new LNG carriers under construction.

Training and support

"Establishing the training center is also a key part of ABS's support of Qatar's National Vision 2030 and the Tawteen Program, which focuses on education and quality employment for Qatari nationals," ABS added.

"This academy will not just act as a crucial LNG training center, but will also be part of QatarEnergy's Localization Program for Services and Industries in the Energy Sector and an LNG Centre of Excellence in Qatar," the US class society stated.

ABS itself has its global headquarters in the Texas town of Spring.

Christopher J. Wiernicki, ABS Chairman and Chief Executive said that Qatar offered an ideal location for the establishment of a global LNG Academy.

"It allows the combination of Qatar's LNG operational leadership with ABS's record of safety leadership and technical and regulatory LNG knowledge," Wiernicki added.

"The state-of-the-art facility offers a unique learning experience both on board and through immersive classroom simulation training," stated the ABS CEO.

The establishment will be designed to offer theoretical and practical training to support safety in the various aspects of LNG carriage and the safe-handling of LNG as a marine fuel.

"The training facility goes beyond the average training experience, offering innovative online, virtual and classroom options for interactive and continuous learning," explained the statement.

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NEWS BRIEFS

Vopak earnings boosted

Royal Vopak, the Dutch global storage company, reported higher annual and fourth-quarter net profits and revenues amid progress on liquefied natural gas projects. Vopak posted revenues for 2023 of €1.42 billion ($1.57Bln) compared with €1.36Bln in 2022. “We expanded our open-access LNG capacity in the Netherlands to support energy security, strengthened our leading position in India and solidified our leading industrial terminal position with investments,” Vopak said. Excluding exceptional items, Vopak reported annual net profits of €412.9 million compared with €294.4M in the previous year and fourth-quarter net profits came to €105 million versus €88.5M in the same three months of 2022. “Growth across most of the business units led to a healthy proportional occupancy of 91 percent and Ebitda of €964M which is a record result for Vopak leading to a 9 percent year-on-year increase,” said Chairman and Chief Executive Dick Richelle. “We successfully completed the divestment of three chemical terminals in Rotterdam and a chemical distribution terminal in Savannah in the United States.

Renergen LNG re-start

Renergen, South Africa’s small-scale liquefied natural gas and liquefied helium production company, has re-started LNG deliveries after a maintenance outage. The LNG plant is part of the Virginia Gas project located about 250 kilometres southwest of Johannesburg. “The delays suffered during the planned maintenance outage were primarily as a result of the scheduled maintenance period being brought forward to coincide with a helium coldbox repair,” said Renergen. ■

Fortum power company at centre of EU natural gas upheavals over Ukraine returns to profits and gives price roundup

LNG News Editor

Fortum, the Finnish energy and power company with European Union-wide operations and that was forced to give up the German natural gas and energy supplier Uniper which had relied on Russian pipeline supplies from Gazprom, has returned to profits and gave an overview of current EU energy markets and prices.

Fortum had owned 75 percent of Uniper and formally filed on July 2022 for German government financial support under newly adopted energy legislation in Germany at the time to cope with the Nord Stream pipeline gas crisis.

Fortum lost control of Uniper on the signing of an agreement to offload the shares in Uniper to the German Federal Government in September 2022 and Uniper was deconsolidated from the Finnish group.

The company added in its latest earnings that it had also lost control of its Russian operations in 2023 following a Russian decree to seize assets and these were now classified as “discontinued”.

Net profits

Fortum has just reported annual net profits of €1.18 billion for 2023 compared with losses of €988 million in 2022.

The company also posted a 14 percent drop in 2023 sales to €6.71 billion from €7.77Bln in 2022 as demand declined along with prices as the winter season was warmer.

“The year was characterised by a downward trend for gas and power prices in Europe,” said the Finnish company’s President and Chief Executive Markus Rauramo.

“In the autumn, the Nordic weather was milder than normal, though turned cold and dry in the fourth quarter,” he added.

“The cold breeze, together with below-normal wind conditions, led to a rapidly decreasing water reservoir balance and consequently Nordic spot (power) prices recovered by the end of the year from the lower levels seen in the previous quarter,” he explained.

The Fortum CEO stated that with an “all-time high” comparable operating profit of €1.68Bln Fortum had achieved a power price of €63.1 per megawatt hours for the full year.

“During 2023, we successfully regained our financial strength, driven by solid earnings and cash flow,” he said.

Liquidity

Rauramo noted that following the crises of the previous year caused by the Russian invasion of Ukraine Fortum still had undrawn credit facilities and liquid funds of €7.5Bln.

“In May 2023, we successfully returned to the fixed income market by issuing two bonds totalling €1.15Bln,” he added.

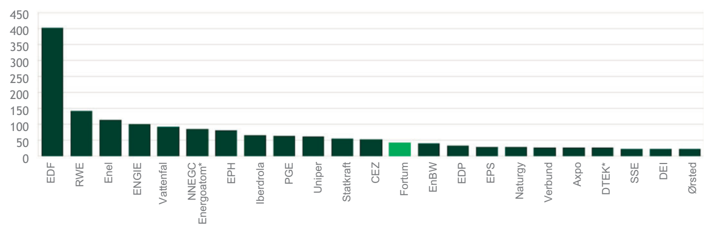
Fortum’s Hydro-Electric Generation business unit is now responsible for operating, maintaining and developing Fortum’s 4.7 gigawatts (GW) hydropower assets.

The unit’s key value drivers include safe operations and the ability to optimise and increase their “flexibility” and availability.

The Nuclear Generation business unit operates, maintains and develops Fortum’s fully-owned 1.0 GW Loviisa nuclear power plant and it manages Fortum’s ownership in the co-owned nuclear assets in Finland and Sweden with a share of 2.2 GW.

“The business has significant in-house engineering competencies and it also offers expert services that cover the whole lifecycle of nuclear power plants, from newbuilds to decommissioning and final disposal of nuclear waste” Fortum explained.

Largest power generators in Europe, TWh



Source: Company information, Fortum analyses, 2022 figures pro forma.
*2021 figures for Ukrainian companies.
Fortum continuing operations. EPH incl. LEAG.

Finnish company gives insight into EU power and prices

EU market statistics

In a EU commodity markets roundup, Fortum said that natural gas demand in Central Western Europe was 1,715 TWh, down from 1,867 TWh in 2023.

The Central Western European gas storage levels increased from 532 TWh at the beginning of 2023 to 559 TWh at the end of the year, which was 27 TWh higher than one year ago and 101 TWh higher than the five-year average (2018-2022).

The average natural gas front-month Dutch Title Transfer Facility (TTF) price for 2023 was €41 per MWh, down from €133 per MWh.

The 2024 forward price decreased from €78 per MWh at the beginning of the year to €34 per MWh at the end of the year.

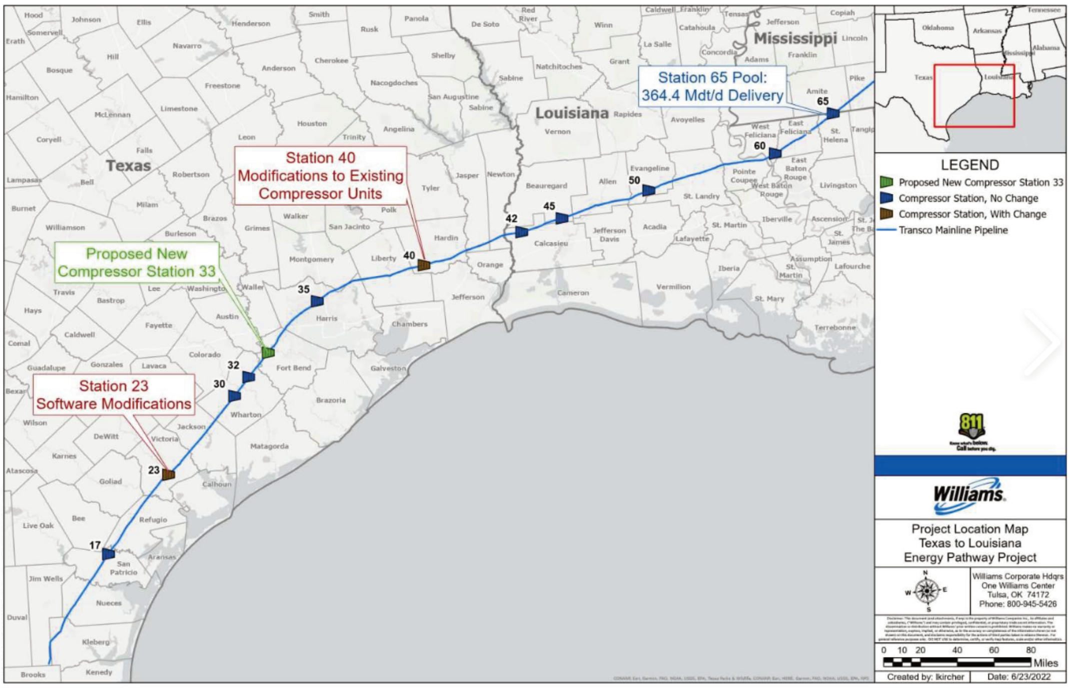
The EUA (EU Emissions Allowance) price decreased from €86 per tonne at the beginning of the year to €80 per tonne at the end of the year. The average EUA price for the full-year of 2023 was €85 per tonne.

One EUA entitles the holder to emit one ton of carbon dioxide or carbon-equivalent greenhouse gas.

The forward quotation for coal (ICE Rotterdam) for 2024 decreased from €173 per tonne at the beginning of the year to €98 per tonne at the end of the year. ■

US pipelines company and LNG feed-gas provider Williams reports increase in profits

LNG News Editor



A Williams map of Texas-to-Louisiana Energy Pathway project

Williams Companies, the North American pipeline natural gas and storage and gathering operator, increased quarterly and annual earnings as it also pledged to supply additional feed-gas for LNG exports with multiple projects making regulatory progress.

The Tulsa, Oklahoma-based company reported fourth-quarter net profits of $1.14 billion compared with $668 million in the same three months of 2022.

Full-year net income surged to $3.27Bln from $2.04Bln in the previous year.

"In addition to outstanding financial results in 2023, we acquired strategic natural gas transmission, gathering and storage assets in the Rockies and on the Gulf Coast, enhancing our footprint in key areas and adding highly contracted take-or-pay transmission and fee-based storage assets to our business," explained President and Chief Executive Alan Armstrong.

Multiple projects

"We also continue to expand our existing infrastructure with 18 high-return projects in execution, including approximately 3.1 Bcf per day of expansions on Transco coming online over the next few years," added the CEO.

"With the build-out of electrification and renewables, as well as previously permitted LNG export growth, Williams will be there to provide additional natural gas baseload to ensure reliability," stated Armstrong.

Williams, which has 33,000 miles of pipelines to move about one third of the nation's natural gas, reported steady annual revenues of $10.90Bln versus $10.96Bln in 2022.

"Net income in the fourth-quarter increased by $478m compared to the prior year driven by a $534M gain related to the net cash received from the favorable resolution of litigation with Energy Transfer," said Williams.

"The improvement also reflects a favorable change of $147M in net unrealized gains-losses on commodity derivatives and higher service revenues driven by recent acquisitions and expansion projects," the company stated.

Cash flow from operations (CFFO) jumped by 24 percent to $6.05Bln compared with 2022.

Strategic storage

The company said that transmission projects would drive business growth in 2024-2025 after strategic acquisitions added "highly contracted take-or-pay transmission and fee-based" storage assets on the Gulf Coast.

Williams acquired a portfolio of 115 billion cubic feet of natural gas storage, positioning the company as the largest storage owner on the Gulf Coast as storage needs rise and natural gas volatility continues.

Williams confirmed that it had received Federal Energy Regulatory Commission certificates for Transco's Commonwealth Energy Connectors, the Southside Reliability Enhancement, the Southeast Energy Connector and the Texas-to-Louisiana Energy Pathway.

"Full-year net income increased $1.2Bln compared to the prior year reflecting a favorable change of $909M in net unrealized gains/losses on commodity derivatives, the previously described $534M net litigation gain, and higher service revenues driven by recent acquisitions, expansion projects and increased Northeast gathering and processing (G&P) business volumes and rates," the company explained.

The improvement also included a $129M gain on the sale of the Bayou Ethane system in 2023.

Williams has operations in four main business segments, Transmission & Gulf of Mexico, Northeast G&P, West operations and Gas & Natural Gas Liquids Marketing Services.

The annual adjusted gross earnings for each division all increased on an annual basis.

The gross earnings amounted to $2.98Bln for Transmission & GoM, $1.95Bln for Northeast G&P, $1.23Bln for the West earnings and $300M for Gas and NGL Marketing. ■

NEWS BRIEFS

Fall in Inpex profits

Inpex Corp., the Japanese oil and gas company with LNG assets in Australia and Indonesia, reported a 6.8 percent decline in annual consolidated net sales to 2.16 trillion yen ($14.5 billion) from 2.32 trillion yen ($15.57Bln) in 2022 due to a fall in the price of crude oil. Inpex reported a 19.4 percent drop in annual net profits to 371.53 billion yen ($2.49Bln) from 461.06Bln yen ($3.09Bln) in 2022. Net sales of crude oil fell by 9.5 percent to 1.61 trillion yen ($10.78Bln) from the previous year while net sales of natural gas increased by 2 percent to 535.7 billion yen ($3.59Bln). "The average sales price of overseas natural gas decreased by $1.27, or 18.4 percent, to $5.62 per thousand feet. The average sales price of domestic natural gas in Japan increased by 9.9 percent to 90.08 yen ($0.605) per cubic metre," said Inpex. ■

FPSO now off Senegal for oil and LNG plans

Woodside Energy, the leading liquefied natural gas operator in Western Australia, said the "Léopold Sédar Senghor" floating production, storage and offloading (FPSO) unit had safely arrived off the West African state of Senegal for a key oil project.

"This is a significant step toward achieving first production from the Sangomar oil field which is targeted for mid-2024," said Woodside.

The FPSO's delivery for the Sangomar oil venture follows the arrival of an FLNG production vessel in November 2023 for a separate project run by UK major BP that will also benefit Senegal as well as its neighbour Mauritania.

The Perth-based company said that the arrival of the FPSO, named after the first President of Senegal, from Singapore to its final destination, located 100 kilometres (62 miles) offshore the Senegalese capital Dakar, marked the start of the next phase of the project.

Woodside will now help oversee the commissioning of the FPSO and the hooking up to the 23 production, gas and water injection wells that make up the Sangomar Field Development Phase 1.

Woodside Chief Executive Meg O'Neill said the Sangomar project was advancing to the company's satisfaction.

"The FPSO arrival brings us closer to first production," said O'Neill.

"We are proud to be Senegal's first offshore oil project operator and firmly believe that this project will prove to be important to Senegal's future development and prosperity," O'Neill stated.

GTT receives tanks order for eight large LNG carriers from China yard

LNG News Editor

Gaztransport and Technigaz (GTT), the French maritime LNG storage technology company, has confirmed an order from China for the storage tank designs for eight very large liquefied natural gas carriers, which will be part of QatarEnergy's "Hundred Ships Programme" to handle the deliveries from the North Field production expansion in the Arabian Gulf.

GTT said that the designs of the eight Qatari LNG carriers would each offer five tanks with a total capacity of 271,000 cubic metres.

"The tanks will be fitted with the No. 96 Super+ membrane containment system developed by GTT," said the Paris-based company.

Hudong Zhonghua shipyard's graphic of super Q-Max

Delivery dates

"Delivery is scheduled between the second quarter of 2028 and the fourth quarter of 2029," GTT added.

GTT has already signed a "strategic cooperation agreement" with China State Shipbuilding Corp. (CSSC), the leading Chinese shipbuilding group.

The orders for the eight ships are valued at more than $2.4 billion and they will be the largest conventional vessels delivering to global LNG import terminals.

The shipbuilding deal was finalised in January 2024 as part of the programme to construct 15 Q-Max ultra-large LNG vessels at Chinese and South Korean shipyards.

Of these, the eight newbuilds just confirmed by GTT for the tanks designs will be constructed a the Hudong Zhonghua shipyard in Shanghai. All the orders are timed to coincide with Qatar's expansion with the further development of the gas resources in Gulf's North Field.

QatarEnergy is in the middle of developing the North Field East (NFE) and North Field South (NFS) LNG expansion projects.

The NFE joint venture will ramp up Qatar's liquefaction capacity from 77 million tonnes per annum to 110 MTPA by 2027.

The second phase, called the NFS project, will further increase the LNG output capacity from 110 MTPA to 126 MTPA.

Seatrium renews contract to service LNG carriers for GasLog and Shell

Seatrium of Singapore has renewed a long-term favoured customer contract with the liquefied natural gas fleets of Greek shipping line GasLog and for the LNG carriers operated by UK-based major Shell.

Seatrium said the accords with Gaslog and Shell International Trading and Shipping Co. (STASCO) provide for ship repairs, refurbishment and upgrading of LNG vessels from 2024 to 2029 with an option for a further renewal.

"This contract marks a collaborative partnership between Seatrium and these two leading maritime companies with whom the Group has established a long history of collaboration," said a statement from Seatrium.

The Singaporean Seatrium Group was formerly called Sembcorp Marine Ltd and renamed as Seatrium following its merger with Keppel Offshore & Marine.

"The GasLog and Shell contracts involve the repairs, refurbishment and upgrading of a combined fleet of 43 LNG carriers docking at Seatrium Repairs and Upgrades, a wholly-owned subsidiary of Seatrium," noted the shipyards company.

"It also supports joint planning, information and experience sharing and leveraging complementary resources of the Group to achieve sustainable targets in health and safety and environmental quality, cost efficiency and timely deliveries," the group added.

Kostas Karathanos, Chief Operating Officer of GasLog LNG Services, said that he was pleased with the contract renewal.

"We are delighted to renew our favoured customer agreement for another five years," explained Karathanos.

"We have enjoyed many years of partnership to refit the majority of our fleet here and trusted Seatrium in the conversion of our floating storage regasification unit (FSRU)," Karathanos added in reference to the FSRU deployed off Alexandroupolis in northeast Greece.

Australian LNG operator Woodside gives update on earnings with impairment for GoM Shenzi field

LNG News Editor

Woodside Energy, the Western Australian LNG plant operator with global oil and gas interests, expects to recognise non-cash, post-tax asset impairments amounting to around US$1.50 billion with US$1.20Bln related to the Shenzi asset, the deepwater oil and gas fields in the US Gulf of Mexico, and the remainder for Wheatstone LNG.

Shenzi is located off the coast of Louisiana and was acquired as part of the merger with BHP Petroleum.

"This is primarily related to goodwill and a portion of the purchase price assigned to Shenzi on completion of the merger with BHP Petroleum," said Woodside.

The Perth-based company is also expected to recognise a non-cash, post-tax impairment of $300 million for Wheatstone LNG, mainly related to short-term pricing.

Woodside's financial update came in its annual statement of reserves and resources.

Shenzi field acquired as part of BHP Petroleum merger deal

"The strategic merger with BHP Petroleum delivered high-quality resources and record production in 2023, Woodside emphasized.

Reserves statement

The company additionally said it had added 266 million barrels of oil equivalent of proved oil and gas reserves in 2023, replacing 132 percent of production, and 318 million barrels of proved plus probable reserves in 2023, replacing 158 percent of production.

As of the year-end Woodside's remaining proved reserves were 2,450.1 MMboe, proved plus probable (2P) reserves remaining were 3,757.1 MMboe.

Its best estimate (2C) contingent resources remaining were 5,902.0 MMboe.

"The first-time booking of reserves at Trion in Mexico and Mad Dog Southwest in the US Gulf of Mexico increased proved reserves by 204.1 MMboe and proved plus probable reserves by 300.0 MMboe," the company noted.

Woodside said that there was an improved performance and technical updates at the North West Shelf and Pluto LNG plants which were offset by a 13.4 MMboe proved reserve, and a 30.2 MMboe proved plus probable reserve, reduction at Shenzi.

Quality portfolio

Woodside Chief Executive Meg O'Neill said the reserves update reflected "the quality of the larger portfolio" following the merger with BHP's petroleum assets and establishes a continued platform for delivering strong shareholder returns.

"Woodside has delivered strong operational performance over the past 12 months," O'Neill explained.

"We achieved record production in 2023, while progressing a world-class funnel of development opportunities, which have us well positioned for growth and returns," she added.

"We continued to see strong performance from our core assets in 2023," O'Neill said.

Previous take-over target Santos shows extent of Asia-Pacific assets with gas at 84 percent

Santos, the Asia-Pacific LNG operator with assets in Australia and Papua New Guinea and that recently held unsuccessful merger talks with Australian peer Woodside, has issued its annual reserves statement showing resources comprising 84 percent natural gas and 16 percent liquids.

Santos said proved plus probable (2P) reserves amounted to 1,661 million barrels of oil equivalent (mmboe) at the end of 2023, an increase of 8 million barrels before production.

LNG plant operator Santos, which has stakes in Gladstone LNG in Queensland as well as in Darwin LNG in the Northern Territory and in the PNG plant and its expansion project is additionally present in other Australian oil and gas fields and in Alaska oil after its takeover three years ago of the company Oil Search.

Santos, headquartered in Adelaide, said that highlights of the reserve statement also included a 2P reserves replacement ratio (RRR) of 9 percent and the three-year RRR was 354 percent.

Overseas holdings

The company said that 2P reserves held in international assets like those in PNG and the Pikka oil project in Alaska comprised 42 percent of the Santos total 2P reserves.

Santos, as operator of the Alaskan Pikka joint venture, took a final investment decision in August 2022.

Santos said at the time it was set to spend US$2.6 billion gross (US$1.3 billion Santos-share) on the Pikka Phase 1 oil project located on the North Slope of Alaska.

Pikka Phase 1 is expected to produce 80,000 barrels a day of oil gross with first oil anticipated in 2026.

The 2C contingent resources increased to 3,325 mmboe at the end of 2023 with a positive revision to the Tanumbirini field in the Beetaloo shale basin of the Northern Territory of 108 mmboe.

Santos Chief Executive Kevin Gallagher said that the company was pleased to release its reserves statement, highlighting strong overall reserves replacement.

"The statement is the result of Santos' disciplined annual reserves review and accounting processes, which include external audit of approximately 99 percent of total 2P reserves," Gallagher stated.

The CEO also noted that there was a large increase in its carbon-dioxide storage capacity by 40 million tonnes to 131MT through the Moomba project being developed in the Cooper Basin of South Australia.