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WaveCrest Energy starts market consultation for third UK LNG port

The Teesside Flexible Regas Port is aimed at improving UK energy security in northeast

LNG News Editor

WaveCrest Energy has announced the start of a market consultation process for a proposed Teesside Flexible Regas Port as the UK's third liquefied natural gas import destination in advance of a planned capacity auction to be launched in the third quarter of 2024.

The Teesside Flexible Regas Port is aimed at improving UK energy security in the northeast of England and be a balance on the two other LNG cargo import destinations at the Isle of Grain onshore terminal in Kent in southeast England and at Milford Haven in Wales in the southwest of the UK, where the South Hook and Dragon onshore LNG terminals are located.

Schedule

The market consultation process commenced on March 18 and will close on April 26, and will enable participants to provide feedback on various aspect of the project including design, operational characteristics and services offered.

WaveCrest Energy welcomes this input to allow for optimization of the Teesside Flexible Regas Port based on the experience and expertise of industry stakeholders, and to better align the project with market needs.

Wavecrest is headed by Rob Bryngelson, a former Chief Executive and founder of Excelerate Energy of the US, the world's leading developer of floating or quayside LNG import terminals.

The WaveCrest firm was established in 2021 with the backing of Australian investment bank Macquarie Capital. The Teesside Flexible Regas Port would revive a previous LNG import project on Teesside that stretches back almost 20 years.

Project revives previous gas import moves in Teesside region

Experience

"Our team has been involved with the successful design, construction and operation of 16 unique LNG regasification facilities worldwide," stated Bryngelson.

The Teesside Flexible Regas Port would provide "flexibility and energy security to the UK" with the potential to deliver up to 248.5 gigawatts per day, or 848,000 million British thermal units per day of natural gas, equivalent to around 17 percent of the country's natural gas demand.

Based on these numbers, in LNG cargo terms the Teesside facility would have annual peak capacity equivalent to more than 6 million tonnes per annum of LNG.

Wavecrest explained that the facility would be sited in the port of Teesport and would comprise onshore buffer storage and LNG regasification equipment connected to a dedicated marine jetty for the mooring and unloading of LNG carriers.

Regasified LNG will then be transported from the project site through a short segment of high-pressure natural gas pipeline for delivery into the UK National Transmission System.

"This streamlined and cost-effective design will allow for a rapid construction schedule of less than one year, with a planned commercial operation date of 2026," said Wavecrest.

WaveCrest said Teesport was selected for the project given the port's history in energy infrastructure and which continued with ongoing energy transition-related initiatives in the carbon capture and storage and biogas sectors.

Deep water access

In addition, Wavecrest noted that deep water access within the port and extensive marine assets would provide the necessary support to ensure safe and reliable operations.

"The WaveCrest Energy team has a long and successful history in working in Teesport dating back nearly 20 years when the port became home to the world's first dockside LNG regasification project," explained Wavecrest CEO Bryngelson.

UNLIMITED AGENDA

Pembina gets regulatory approval for buying Enbridge's Alliance and Aux Sable stakes

LNG News Editor

Pembina Pipeline Corp., the developer of the Cedar LNG project in British Columbia and the owner of North American pipelines and terminals, has received regulatory approval for a deal agreed with Canadian pipelines company peer, Enbridge Inc., to acquire stakes in pipeline and processing systems and power assets for C$3.1 billion (US$2.28Bln).

Pembina has entered into an agreement to acquire Enbridge's interests in the Alliance pipeline and Aux Sable facilities in Chicago as well as a stake in the NRGreen power partnership.

"Pembina has received a 'no-action letter' from the Canadian Competition Bureau confirming that the Commissioner of Competition does not intend to challenge the proposed acquisition by Pembina of Enbridge's interest in the Alliance, Aux Sable, and NRGreen joint ventures," said Calgary, Alberta-based Pembina.

Site of Cedar LNG in the traditional territory of the Haisla

"The receipt of the 'no-action letter' satisfies the last material regulatory condition necessary for completion of the transaction, which is expected to occur on April 1, 2024," Pembina added.

Cash and debt

The cash and debt deal was said by Pembina to be part of its strategy of providing access for end-markets to the world-class, long-life resources from the Western Canadian Sedimentary Basin and increasing its exposure to natural gas and natural gas liquids.

Pembina had earlier closed its previously announced offering of $1.8Bln of aggregate senior unsecured medium-term notes to help finance the Enbridge deal.

The Alliance pipeline is 3,848 kilometres (2,390 miles) in length and stretches southeast from BC to bring gas into Chicago's Aux Sable facilities, one of the largest natural gas liquids processing plants in North America.

Alliance connects northwest Alberta and northeast BC to Illinois in the Midwest by way of the Canadian province of Saskatchewan and the US states of Iowa, North Dakota and Minnesota.

Enbridge currently owns 50 percent of Alliance and 42.7 percent of Aux Sable, while Pembina Pipeline owns the remaining 50 percent of Alliance and 42.7 percent of Aux Sable.

As part of the transaction, Pembina, which is the current operator of Aux Sable, will become the sole operator of Alliance.

LNG FID

Pembina's newly agreed purchase of an additional stake in the Alliance pipeline delivers liquids rich natural gas sourced in Northeast BC.

The Enbridge deals near completion as Pembina and the Haisla Nation who live around Kitimat in BC are progressing with the floating export project with liquefaction capacity of 3 million tonnes per annum of LNG.

Pembina expects to make a final investment decision on Cedar FLNG by the middle of 2024 after previously expecting the FID by the end of March.

Canada's TC Energy gives pipeline boost to another First Nation-led LNG project in region

TC Energy Corp., the North American pipeline operator already supplying two LNG projects with feed-gas near Kitimat in British Columbia via the Coastal GasLink, has linked up with another First Nation-backed LNG project near Prince Rupert in BC with a potential feed-gas pipeline sale deal.

Calgary, Alberta-based TC Energy has entered into a binding letter agreement with the Nisga'a Nation and Western LNG (the buyers) regarding the purchase and sale of all outstanding shares in Prince Rupert Gas Transmission Holdings Ltd. and the limited partnership interests in Prince Rupert Gas Transmission (PRGT).

The Ksi Lisims LNG Partnership, a development joint venture of the Nisga'a Nation, Rockies LNG and Western LNG for a floating liquefaction and export plant near Prince Rupert.

This project has already signed a 20-year sale and purchase agreement with the Shell subsidiary, Shell Eastern Trading.

The FLNG project run by the Ksi Lisims LNG Partnership will be located at Wil Milit on the northern end of Pearse Island.

Shell and Asian partners are developing the LNG Canada plant near Kitimat while the Haisla Nation from Kitimat are developing the Cedar FLNG project, both to be served by TC Energy's now completed Coastal GasLink pipeline.

Prince Rupert Gas Transmission is a separate pipeline project owned by TC Energy and now in the process of being off-loaded to the Ksi Lisims LNG Partnership players.

Prince Rupert gas

"PRGT is a wholly owned subsidiary of TC Energy and the developer of a natural gas pipeline project in BC and a potential delivery corridor that would further unlock Canada as a secure, affordable and sustainable source of LNG," explained TC Energy.

The company said that this transaction demonstrates TC Energy's resolve to deliver its 2024 strategic priorities while facilitating the development of critical energy infrastructure.

"We are pleased to see this important project move forward while remaining firm on our commitment to our strategic priorities," said François Poirier, President and Chief Executive of TC Energy.

"This is an important agreement that will see Indigenous co-ownership and development of an integrated LNG project," stated Poirier who has also set limits and priorities on his company spending.

"Enabling LNG development in British Columbia is good for Indigenous communities, our customers, supports the long-term growth of the Western Canadian Sedimentary Basin (WCSB) and global emissions reduction through the export of responsibly produced Canadian natural gas," stated Poirier.

Inpex signs clean gas deal with utility

Inpex Corp., the Japanese operator of the Ichthys LNG plant in Australia and developer of the Abadi LNG project in Indonesia, has signed a natural gas and decarbonisation deal with Ashikaga City north of Tokyo known for its historic trees, flower beds and pristine water to supply gas from the next phase of cleaner LNG projects.

The Inpex agreement has been signed with Ashikaga Gas Co., the main utility in Ashikaga City, which is located in Tochigi Prefecture.

Inpex said it had signed the Ashikaga Gas accord to promote "regional revitalization" to promote decarbonization and "sustainable urban development" preserving Ashikaga City's natural environment.

"Ashikaga City, known for its abundant nature and pristine water, as well as rich cultural heritage, aims to ensure its abundant local resources are passed along to the next generation," said Inpex.

"The City will cooperate with Ashikaga Gas, which has long supplied energy to the region and Inpex to achieve the joint objectives of the agreement and pursue the creation of a sustainable city," the statement added.

Inpex noted that Ashikaga Gas, a city-gas company established in 1911, has been dedicated to ensuring a stable energy supply to the citizens.

One of the main future LNG supply projects for Japan will be the Abadi LNG joint venture in Indonesia comprising Inpex and the subsidiaries of the Indonesian and Malaysian state energy companies, Pertamina and Petronas.

Glenfarne's Texas LNG project signs accord to supply Gunvor

LNG News Editor

Texas LNG, the US export project being constructed in the Port of Brownsville in Texas as a subsidiary of New York-based Glenfarne Energy Transition, has signed a supply accord with the Singapore-based trading unit of global commodities firm Gunvor.

The Heads of Agreement is for a period of 20 years for volumes of 500,000 tonnes per annum.

The Texas LNG project aims to construct a medium-sized plant with 4 million tonnes per annum of output.

Glenfarne Energy Transition's executive projects team

Reliable

"We're thrilled to welcome Gunvor to our portfolio of customers, connecting Texas LNG, one of the lowest-emitting liquefaction facilities in the world, with global economies in need of reliable, sustainable energy," said Brendan Duval, Chief Executive and Founder of Glenfarne Energy Transition and Co-President of Texas LNG.

The Texas LNG-Gunvor deal was described as aligning with Glenfarne's plan to take a final investment decision on Texas LNG this year.

"We are pleased to have executed this agreement and become one of the foundation buyers of the Texas LNG project," said Kalpesh Patel, Co-Head of LNG Trading at Gunvor.

"Gunvor continues to support US LNG export projects, unlocking new supplies for the global energy market and providing energy security especially to our customers in Europe and Asia," Patel stated.

Texas LNG earlier in 2024 announced the signing of a deal with EQT Corp., the leading Appalachia shale-gas producer, for liquefaction tolling of 500,000 tonnes a year of feed gas.

Glenfarne said that the company was in advanced stages of negotiations for the remaining volumes from the Texas project.

Glenfarne is also the sole owner of a second project, Magnolia LNG, proposed for development at Lake Charles in Louisiana with plans to export 8.8 MTPA of LNG.

New Fortress Energy sells plants in Puerto Rico and wins gas contract

New Fortress Energy, the US integrated LNG and power company that owns, operates or provides natural gas to 30 facilities in five countries has been awarded a new gas supply contract in Puerto Rico.

NFE said the Puerto Rico gas contract more than doubles the volumes of gas it currently provides to power plants in the US territory in the Caribbean.

The New York-based company additionally sold two operating power plants to the Puerto Rico Electric Power Authority (PREPA).

NFE explained that it sold the emergency power plants it constructed on behalf of the US Army Corps of Engineers in San Juan and Palo Seco in Puerto Rico to PREPA for $373 million in cash, subject to certain items and conditions.

Power security

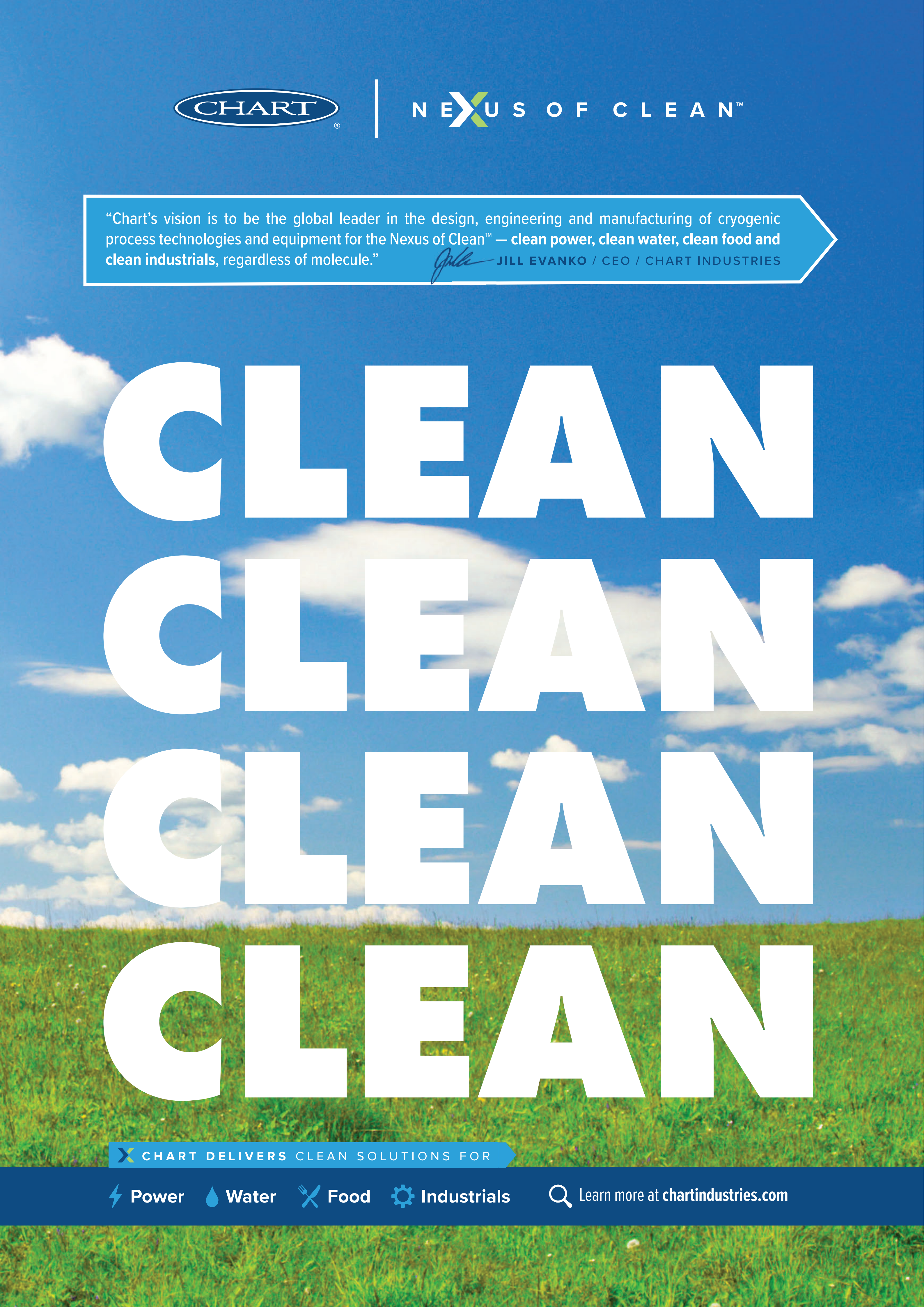
"These plants were developed by the company in 2023 in rapid response to a competitive bid by the US Army Corps of Engineers to provide emergency power in order to stabilize the power grid in Puerto Rico," explained NFE.

"They have become a cornerstone of Puerto Rico's energy portfolio, delivering critical baseload power to stabilize the grid in the aftermath of recent natural disasters, and as contemplated, their ownership has been transferred to PREPA," NFE added.

Following a competitive bid process, NFE was awarded and has entered into a new island-wide gas supply contract with PREPA, ensuring continued gas supply to these power plants for up to four years.

"The expanded volumes under the contract will enable conversion of other plants on the island from diesel to gas, providing lower cost, cleaner energy to Puerto Rico," NFE stated.

As a result of the early termination of the contracts that have governed the construction, operations and associated costs of the two power plants, NFE said that it expected to negotiate a mutually beneficial settlement of all outstanding obligations in the near future.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Renergen Italian deal

Renergen, South Africa's small-scale liquefied natural gas and liquefied helium production company, has completed an equity investment move by a unit of SOL SpA, the Italian industrial gas company. The Renergen LNG plant is part of the Virginia Gas project located about 250 kilometres southwest of Johannesburg. "The SOL group has a significant presence in the industrial gases market including helium across the world. SOL also brings significant liquefied natural gas experience to the table, complementing Renergen's overall offering," a statement said. Stefano Marani, Chief Executive of Renergen, explained that the two groups had been working closely on this transaction for some time. "It is pleasing to see the results of the detailed technical due diligence culminate in what promises to be a mutually beneficial transaction," stated the Renergen CEO.

Chart-GasLog project

Chart Industries, the LNG and industrial gas equipment-maker, said it had joined with fleet owner GasLog LNG Services to study the development of a commercial-scale liquid hydrogen (LH2) supply chain leveraging GasLog's latest development of a liquid hydrogen vessel and Chart's experience in cryogenics and large-scale liquefaction solutions. "This collaboration with Chart Industries is our commitment to explore and support the use of hydrogen, via liquid form, to benefit industries and users globally," explained GasLog Chief Executive Paolo Enoizi. "I have confidence that our combined experience from the cryogenic industries will ensure the safety and efficiency of novel liquid hydrogen supply chains across the world," added Enoizi. ■

Malaysia's Petronas posts profits fall as over 440 LNG cargoes sold amid Canada and Indonesia project boosts

LNG News Editor

The two Petronas FLNG plants shipped 38 cargoes

Petronas, the Malaysian state-owned energy company with oil and gas projects and onshore and offshore LNG production plants, reported quarterly net profits down by a third while expecting its cargo portfolio to increase after LNG Canada comes on stream and overall cargo sales and prices to improve.

Petronas reported a 21 percent fall in annual profits to 80.7 billion Malaysian ringgit ($17.1 billion) from 101.6Bln ringgit ($21.6Bln) in 2022 when LNG prices hit record highs and crude oil prices were also up.

In its quarterly results, the company's fourth-quarter net profits came to 16.6Bln ringgit ($3.5Bln) a fall of around 33 percent from the 24.4Bln ringgit ($5.2Bln) reported in the same three months of 2022.

LNG cargo count

Petronas said it delivered 403 cargoes from the Bintulu LNG complex on Sarawak during 2023 and 38 cargoes from its two floating LNG facilities, "PFLNG Satu" and "PFLNG Dua".

The Kuala Lumpur-based company posted revenues for the year of 343.6Bln ringgit ($73.6Bln), down by around 8 percent from 372.3Bln ($79.1Bln) in the previous year.

Petronas reported revenues of $91.7Bln ringgit ($19.5Bln) in the three months to the end of December 2023, a decline of 12 percent from the prior-year quarter when the income amounted to 104.2Bln ringgit ($22.1Bln).

"The was mainly due to lower average realised prices of LNG and processed gas partially offset by higher LNG sales volumes and the impact from foreign exchange," Petronas said.

Malaysian average gas sales volumes increased slightly by 74 million standard cubic feet per day, due to higher offtake from the power sector in Peninsular Malaysia.

The nation's average gas sales volumes decreased marginally by 60 million standard cubic feet per day because of lower offtake from the non-power sector offshore the Malaysian states of Sabah and Sarawak located on the island of Borneo.

"This includes Bintulu LNG on Sarawak. Gross LNG sales volumes decreased by 1.33 million tonnes mainly due to lower plant production and fewer trading opportunities compared with the last financial year," Petronas explained.

Daily production

Total daily production in the fourth quarter from Petronas oil and gas projects averaged 2.55 million barrels of oil equivalent per day, an increase of 64,000 barrels of oil equivalent per day due to higher natural gas production from offshore Malaysia.

Capital expenditure remained high for overseas projects such as recent investments in Block 20 offshore Angola in southwest Africa and the Masela Block in Indonesia that will underpin a new Malaysian investment in an onshore Indonesian LNG export plant to be operated by Japanese oil and gas company Inpex Corp.

"There were also higher domestic capital expenditures planned on the near-shore floating LNG project in Sabah and the Kasawari Gas Field (cavern) Development and CO2 sequestration facilities planned for Sarawak," Petronas added.

Petronas Group President and Chief Executive Tengku Muhammad Taufik said at a later briefing that 2023 had been a year marked by market volatility.

"Petronas delivered a resilient performance in 2023 amid a volatile operating environment. As we move forward, the group will continue to uphold prudent financial management and discipline," stated the CEO.

Portfolio growth

He explained that Petronas was aiming to produce 2.7 million barrels of oil a day and to have an LNG portfolio amounting to 55 million tonnes per annum (MTPA) by 2030.

This would include the company's equity share of the LNG Canada project in British Columbia and Indonesian LNG plans.

"Petronas continues to progress towards commissioning its LNG plant in Canada and intensifying value-accretive renewables elsewhere," the Petronas CEO added.

In its outlook for 2024, Petronas said that the global economy was still on a "weak footing" following softer than expected economic performances. ■

Japanese LNG imports fall for second month as milder weather and high storage cut needs

LNG News Editor

Japanese liquefied natural gas imports decreased for a second month in 2024 by almost 6 percent as milder winter weather and higher storage levels reduced cargo needs especially of more expensive spot shipments even at much lower prices.

Japan's network of 37 terminals received 6.02 million tonnes, or around 86 cargoes, in February 2024, down by 5.9 percent from the 6.40MT, or 94 shipments, imported in February 2023, according to provisional trade data from the Ministry of Finance.

The cargo deliveries in January 2024 had been 10.5 percent lower at 6.11MT versus 6.82MT in January 2023.

The Japanese paid 597.28 billion yen ($3.94Bln) in February for the LNG, which made Japan's import bill 21.1 percent lower than in February 2023 when the cargoes had cost 756.78Bln yen ($4.99Bln).

Japan's thermal coal imports dropped by 17.7 percent in February 2024 to 7.81MT and the cost of the coal was down 55.6 percent to 195.79Bln yen ($1.29Bln) versus the previous year's February coal deliveries.

Japan's LNG imports for all of 2023 had dropped to a 14-year low and China regained the No. 1 spot as the largest global importer of the fuel with a late surge of deliveries.

Japan's annual LNG imports dropped by 8.1 percent last year to 66.15MT compared with China's overall imports of 71.35MT.

JAPEX-owned Soma LNG import terminal in Fukushima

Main suppliers

Japan imported much of its cargoes from Australia and the spot market in February 2024.

However, the portion of LNG deliveries in February 2024 from Australia and the spot market amounted to a total of 2.51MT, well down from the record level of 3.95MT in February 2023.

This portion of Australian or spot deliveries had amounted to 2.62MT in January 2024, also well down on the 3.86MT received in January 2023.

The Ministry data for February 2024 showed that deliveries of LNG from Asian nations like Malaysia and Indonesia amounted to 1.66MT, down 7.8 percent.

Deliveries from countries in the Middle East like Qatar came to 714,000 tonnes in February, an increase of 44.3 percent on February 2023.

US deliveries to Japan increased by 44.3 percent year-over-year to 482,000 tonnes, while deliveries from Russia increased by 8.0 percent to 654,000 tonnes.

Japan continues to receive deliveries of LNG from the Russian Far East plant at Sakhalin even after the invasion of Ukraine in February 2022 and the imposition of sanctions, while Western and other Asian nations still take deliveries from the Yamal LNG plant in the Russian Arctic.

Nuclear plans

Together with increased solar and wind generation, a steady return to more nuclear power has allowed a further reduction in LNG imports, which had reached a peak of 88.5MT in 2014.

A total of 11 nuclear reactors are now back in operation in Japan compared with the 54 that were online in 2011 before the Fukushima disaster and which had supplied around 30 percent of Japan's energy needs.

The latest nuclear restart was the Takahama-1 plant owned by LNG importing utility Kansai Electric Power and brought to 11 the number of plants in operation from the 33 that are capable of re-starting.

The 11 restarted reactors so far are: Genkai-3 and Genkai-4, Ikata-3, Mihama-3, Ohi-3 and Ohi-4, Sendai-1 and Sendai-2 and Takahama-1, Takahama-3 and Takahama-4.

Japan's Nuclear Regulation Authority is examining the re-start proposals for 10 more nuclear plants.

Among them is Chugoku Electric Power's plans to restart the No. 2 reactor at its Shimane nuclear power station in August 2024.

Japan's Tohoku Electric Power has also said that it planned to restart reactor No. 2 at its Onagawa nuclear plant around September 2024 after additional safety construction works had delayed the process.

Tohoku's Onagawa plant was known as having been the closest among Japan's nuclear facilities to the epicentre of the magnitude-9 earthquake that struck the region on March 11, 2011. ■

> "Together with increased solar and wind generation, a steady return to more nuclear power has allowed a further reduction in LNG imports"

NEWS BRIEFS

Danish gas restored

French major TotalEnergies has restarted production from the Tyra hub in the Danish North Sea after the completion of a major redevelopment project. "At plateau, the Tyra hub will produce 5.7 million cubic metres of gas and 22,000 barrels of condensate per day, once again making Denmark self-sufficient and a net exporter of natural gas," said the Paris-based company. We are pleased to restart the Tyra hub, one of the most technologically advanced offshore gas installations in the world. The success of this major redevelopment project owes a lot to the commitment of our teams, our partners and our contractors," explained Nicolas Terraz, President of Exploration and Production at TotalEnergies. The French company holds a 42.2 percent stake in the hub, BlueNord owns 36.8 percent and Nordsøfonden has 20 percent. ■

GTT gets orders from S. Korea yards group

French liquefied natural gas storage technology firm Gaztranzport and Technigaz (GTT) said it received an order from the Korea Shipbuilding & Offshore Engineering (SOE) group for the tank design for two LNG carriers and a Very Large Ethane Carrier.

SOE is the holding company for Hyundai Heavy Industries (HHI), Hyundai Samho Heavy Industries (HSHI) and the Hyundai Mipo Dockyard (HMD) shipyards.

The two LNG carriers will be built by Hyundai Samho Heavy Industries for Qatari shipping firm, Qatar Gas Transport Company, also known as Nakilat.

Nakilat recently announced plans to expand its gas carrier fleet to 80 ships through 2027.

GTT said it would design the storage tanks for these two LNG vessels being constructed at the HSHI yard.

Each ship will have a total capacity of 174,000 cubic metres and incorporate the Mark III Flex membrane containment system developed by GTT.

"The deliveries of these LNGCs are scheduled in 2026 and 2027," said GTT.

The VLEC will be built by the Hyundai Heavy Industries yard on behalf of the UK shipowner Purus Maritime.

GTT will design the tanks for this VLEC, which will have a total capacity of 98,000 cubic metres and also incorporate the Mark III membrane containment system.

The delivery of the VLEC is scheduled for the first quarter of 2027.

Qatar is leading the largest current LNG carrier build-out through QatarEnergy to help deliver the future volumes from its three LNG expansion programmes.

Egyptians set up joint Saudi venture to attract more gas project investment

LNG News Editor

The Egyptian Natural Gas Holding Co. (EGAS), the government-run energy company with stakes in Egypt's two LNG export plants and other gas field assets, has established a subsidiary in Saudi Arabia to help attract more investment.

Egypt's Ministry of Petroleum said that the Saudi unit had been set up by EGAS with initial capital of 2 million Saudi riyals ($533,000).

The Egyptians said in their statement that EGAS would own 80 percent of the venture called "Modern Gas Saudi Arabia" and explained that it would be part of the Egypt's strategy for offshore expansion in the East Mediterranean in cooperation with other Arab nations such as the United Arab Emirates.

EGAS has various stakes, direct and indirect, in Egypt's expansive oil and gas assets and the two LNG export plants, Damietta and Idku, located east of the port city of Alexandria.

Egypt's Idku LNG terminal sited east of Alexandria

Abu Dhabi National Oil Company (ADNOC) and UK major BP said in Mid-February 2024 that they planned to form a joint venture in Egypt that would initially focus on natural gas and incorporate Egyptian concession stakes held by BP.

ADNOC-BP deal

That 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.

The BP-ADNOC Egyptian joint venture was originally planned to be the second phase of cooperation between the two companies in the East Med 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 now been officially suspended.

As part of the agreement for Egyptian expansion and energy investment by ADNOC, BP will contribute its interests in three development concessions, as well as exploration agreements in Egypt to the new joint venture.

NewMed Energy reports steady profits as gas volumes still flow

NewMed Energy, the Israeli company with stakes in the East Mediterranean gas fields of Tamar and Leviathan offshore Israel and with LNG export ambitions, has published its annual results showing pipeline gas continued to flow to the Israeli domestic market and to Egypt and Jordan even after the outbreak of war in Gaza in October 2023.

Despite the pressures on regional markets caused by the war and with rockets targeting Israel from Lebanon in the north and from Gaza, there was only a temporary shut-down of the Israeli Tamar gas field and NewMed's annual revenues were stable.

NewMed, which is a partnership involving the Delek group and various other Israeli companies and entities, reported net revenues for 2023 of US$935 million compared with $972M in 2022, a drop of just 4 percent.

Quanties and price

"The decrease mainly derived from the fall in the natural gas quantities sold from the Leviathan reservoir, from 11.4 billion cubic metres in 2022 to 11.0 Bcm in 2023," said NewMed.

"There was also a fall in natural gas prices from an average of $6.17 per million British thermal unit in 2022 to an average of $6.11 per MMBtu in 2023," the company added.

Fourth-quarter net revenue totalled $236M, down slightly from the previous year's total of $247M.

"Since the outbreak of the War, production from the Leviathan reservoir has continued as usual, such that the Partnership's revenues and profitability have not suffered a material adverse effect," said NewMed.

"However, as a result of the War, the operating expenses entailed by gas production have increased by an immaterial rate, mainly due to the difficulty experienced by foreign companies in sending work teams to the region," the company added.

At the same time, due to the War, the transmission of gas through the Eastern Mediterranean Gas (EMG) pipeline had been discontinued in October 2023 and was resumed on 14 November 2023.

Tellurian and Driftwood LNG project in spotlight at CERAWeek conference after being put on block

LNG News Editor

Tellurian Inc., the developer of the Driftwood LNG export project in Louisiana, has been the focus of attention at the CERAWeek energy conference in Houston, Texas, with executives being asked whether they would consider a bid for the firm now put on the block by investment bank Lazards.

Williams Companies, the North American pipeline natural gas and storage and gathering operator based in Tulsa, Oklahoma, admitted briefly considering a bid but deciding not to pursue this route.

Williams has already acquired in the past year 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 has also received Federal Energy Regulatory Commission certificates for key pipeline projects for Transco's Commonwealth Energy Connectors, the Southside Reliability Enhancement, the Southeast Energy Connector and the Texas-to-Louisiana Energy Pathway.

Chad Zamarin, Strategy Chief at Williams, speaking at last year's CERAWeek conference at Houston in Texas

A Williams executive said in a television interview in the midst of the five-day CERAWeek event that it had considered a bid but viewed such a move as ultimately too risky.

Williams questioned

Chad Zamarin, who is the Williams Executive Vice President of Strategy, said Williams was looking at opportunities to continue investing in LNG projects.

"There is the advantage of it being permitted," explained Zamarin in relation to Tellurian's regulatory clearances to produce 27 million tonnes per annum from the facility near Lake Charles in Louisiana.

"But it does have a speed to market that is interesting to us, but it does not have the commercial contracts on the demand side," said Zamarin.

The Williams executive said that his company would be interested LNG projects that are already well advanced and added that he considered that new-build projects like Driftwood are at a disadvantage compared with expansion ventures at existing plants.

Tellurian earlier in 2024 hired the bankers Lazard to explore a sale of its Haynesville gas production business in East Texas and Louisiana as part of efforts to raise new capital to continue the Driftwood project.

Driftwood on block

Tellurian then added that it would consider offers for the whole of Driftwood LNG after unsuccessfully pursuing long-term sales and purchase agreements to finance the development.

The Driftwood project as it currently stands involves constructing 20 mid-scale processing Trains, each with 1.38 MTPA of capacity and built as five blocks of Trains.

According to the regulator permits and building schedules the Phase One development would include the first two of these blocks for 11 MTPA of output and two of three planned 235,000 cubic metres storage tanks and the first of three planned loading berths for LNG carriers.

Tellurian has also earlier moved to agree an amendment to the terms of certain debts after a month of various key decisions. ■

TotalEnergies CEO sees tight global market to 2026 and reveals some acquisitions in the US

French major and leading European LNG sector participant TotalEnergies has signed an agreement to acquire 100 percent of US firm Talos Low Carbon and its carbon-capture and storage projects and has also bought some Texas shale-gas assets.

TotalEnergies Chairman Chief Executive Patrick Pouyanné disclosed the deals at the CERAweek conference in Houston.

Pouyanné also said at CERAweek that he believed the global LNG market would be tight until 2026.

After the completion of the transaction for Talos, TotalEnergies said it would own a 25 percent share in the Bayou Bend project in Texas. He added that the company had acquired some non-operated producing assets in the Eagle Ford shale basin in south Texas.

TotalEnergies has refinery stakes and LNG shareholdings and equity cargoes in projects such as the Cameron LNG plant in Louisiana and the Rio Grande LNG joint venture being constructed on the Brownsville Ship Channel and a global portfolio of 50 million tonnes of LNG per annum.

Under the Talos purchase agreement, the operator of Bayou Bend would still be Chevron Corp. with 50 percent and operator while Norwegian oil and gas company Equinor would own 25 percent alongside TotalEnergies.

CCS venture

The Bayou Bend project is a major carbon-dioxide storage project located along the Texas Gulf Coast, close to the French company's assets in the region.

TotalEnergies will also own a 65 percent operated interest in the Harvest Bend (Louisiana) project and a 50 percent interest in the Coastal Bend (Texas) venture.

"With Coastal Bend and Harvest Bend being located farther away from the company's other existing assets, TotalEnergies' intention is to divest its interest in these two projects after closing," explained the Paris-based company.

The Bayou Bend project is a carbon transportation and storage solution for industrial emitters located in the Houston Ship Channel and Beaumont-Port Arthur region, one of the largest industrial corridors in the United States.

"Comprising licenses dedicated to CO2 storage, offshore and onshore, covering about 600 square kilometres, it could enable the storage of several hundred million tons of CO2," said the French company. ■