LNG Unlimited

LNG JOURNAL PUBLICATION 14 May 2024

US LNG FSRU specialist Excelerate outlines strategy after more deals

CEO Steven Kobos, was upbeat about latest results and the future prospects.

LNG News Editor

Excelerate has five-year FSRU charter with Germany

Excelerate Energy Inc., the specialist US company for LNG floating storage and regasification projects from South America to the Nordic region and South Asia, reported steady earnings after a quarter marked by further deals in Qatar and Brazil.

The Texas-based company reported first-quarter net income of $28.1 million, slightly down from $30.7M in the same three months of 2023.

Excelerate's revenues edged lower to $200.1M in quarter compared with $211.1M in the prior-year quarter.

However, Steven Kobos, President and Chief Executive of Excelerate, was upbeat about the results and the company's future prospects.

"Our performance during the quarter reflects the fundamental earnings power of Excelerate's core regasification business that provides us with the financial strength and flexibility to pursue new opportunities around the world," explained Kobos.

More projects

"As a global energy company and a leading provider of integrated LNG solutions, Excelerate Energy is committed to advancing our powerful growth story," he added.

The company said that net income and adjusted gross earnings for the first quarter decreased primarily due to the drydocking of the FSRU "Summit LNG", and a decrease in Brazilian gas sales as the FSRU "Sequoia" transitioned to a time-charter party agreement in Brazil.

These events were partially offset by a full quarter of the Excelerate five-year charter with Germany for the vessel "Excelsior" with LNG storage capacity of 138,000 cubic metres.

The vessel with send-out of 5 billion cubic metres per annum of regasified LNG will supposedly be deployed eventually at the North Sea port of Wilhelmshaven.

Kobos stated that in the first half of the year the company had made "good progress" towards its plan to drive meaningful value creation for its shareholders.

"We are in advanced discussions with several counterparties for LNG infrastructure investments and strategic partnerships that would expand our global presence and could serve as catalysts to build on our expected earnings growth," stated the CEO.

The company's quarterly highlights included the start of 10-year charter with Brazil's national oil and gas company Petrobras for the floating storage and regasification unit (FSRU) "Sequoia" in January.

Excelerate deployed the "Sequoia" to provide regasification services in Brazil, primarily at Salvador in the northeast state of Bahia.

Strategy

Excelerate additionally signed a long-term contract to purchase between 850,000 tonnes and 1 million tonnes per annum of LNG from QatarEnergy on a delivered ex-ship basis in Bangladesh for 15 years, beginning in January 2026.

Excelerate said in the post-earnings presentation that it was aligning the company to key areas of the LNG sector such as FSRU operations, terminal ownership, natural gas marketing and LNG supply.

"Excelerate is investing strategically across the LNG value chain to drive demand for future vessel deployments and gas sales opportunities," the company said.

Excelerate said its core future business would be led by investment "to protect and enhance long-term contract revenue and margins" while growing the fleet through selective acquisitions and the construction of new vessels. ■

UNLIMITED AGENDA

Sempra advances in Gulf Coast and Mexican LNG projects amid gas and power challenges

LNG News Editor

Sempra, the US utility company with power and natural gas services centred on California and Texas and LNG developments in the US and Mexico through the Sempra Infrastructure subsidiary, reported a 25 percent drop in first-quarter profits as commodity prices fell along with revenues.

The San Diego, California-based company posted first-quarter 2024 net profits of $881 million, a sharp decline from the $1.17 billion posted in the same three months of 2023.

Quarterly revenues plunged to $3.64 billion from $6.56Bln in the same quarter of 2023 as income from natural gas more the halved to $2.11Bln from $4.41Bln in the prior-year quarter.

LNG progress

Sempra, which operates the Cameron LNG export plant in Louisiana and whose other projects include the Port Arthur LNG joint venture in Texas and the Costa Azul LNG venture on the Pacific Coast of Mexico, gave a positive update on the various ventures.

Sempra's Cameron LNG has been operating success

"Construction of Energía Costa Azul LNG Phase 1 and Port Arthur LNG Phase 1 remain on schedule," said Sempra.

"Energía Costa Azul LNG Phase 1 construction is now over 80 percent complete and remains on track to commence commercial operations in summer 2025," the company added.

Sempra stated that earnings per share dropped to $1.26 per share from $1.53 per share.

"We are seeing strong economic growth in our core markets with increased interest in renewables, electric vehicles, digital infrastructure and the continued electrification of the economy," explained Jeffrey W. Martin, Chairman and Chief Executive of Sempra.

"Our infrastructure-centered strategy has us well positioned to continue modernizing and expanding the energy grid to help meet the needs of our customers," Martin added.

Sempra's California utility businesses are San Diego Gas & Electric Co. (SDGE) and Southern California Gas Co. (SoCalGas).

Natural Gas blending

The company noted that in March 2024, Sempra California joined its peers in filing an application with the California Public Utilities Commission (CPUC) to develop a series of projects to demonstrate hydrogen blending in the natural gas system.

"Hydrogen blending has been identified by California as a key component of its efforts to achieve the state's decarbonization goals," Sempra said.

"This application is an important step toward development of a state-wide standard for hydrogen blending with a view toward accelerating the expansion of a cleaner, more resilient grid," the company claimed.

Sempra said that San Diego Gas & Electric Co. recently celebrated the installation of charging infrastructure for electric vehicles. ■

TC Energy reports advances in LNG projects in British Columbia and surge in US gas flows

TC Energy, the leading North American natural gas pipelines operator, is moving to complete final works surrounding the link to the LNG Canada project in British Columbia while selling a pipeline gas connection to a First Nation-run venture amid an increase in US natural gas flows.

The Calgary, Alberta-based company said that following completion of the Coastal GasLink (CGL) for the Shell-led LNG project at Kitimat post-construction reclamation activities were currently underway and were expected to continue through 2024.

"Commercial in-service of CGL will occur after completion of plant commissioning activities at the LNG Canada facility and upon receiving notice from LNG Canada," TC Energy added.

The company said it was progressing towards a C$7 billion of projects that are expected to be placed into service in 2024.

These included within the US the US$300M Gillis Access project.

Gillis hub

This is a 68-kilometre (42 mile) greenfield pipeline system that connects natural gas production sourced from the Gillis hub to downstream markets in southeast Louisiana.

TC Energy also advanced with its C$3Bln asset divestiture programme.

It sold the Prince Rupert Gas Transmission (PRGT) in BC to the Nisga'a Nation and the Western LNG company. TC Energy additionally agreed to sell the Portland Natural Gas Transmission System (PNGTS) for expected pretax proceeds of around US$800M, including the assumption by the purchaser of US$250M of debts.

That's as TC Energy reported lower first-quarter net income of C$1.20 billion (US$877M) compared with C$1.31Bln in the same three months of 2023.

Basic earnings per share fell to C$1.16 per share from C$1.29 per share in the 2023 quarter.

Funds generated from operations during the quarter increased to C$2.43Bln from C$2.06Bln in the prior-year quarter.

"During the first three months of 2024, we delivered 11 percent year-over-year growth in comparable EBITDA and approximately 4 percent growth in segmented earnings, which was underpinned by the continued reliability, availability, and exceptional performance of our assets," declared President and Chief Executive François Poirier.

US gas flows

Among its assets, TC Energy reported US Natural Gas Pipelines (USNG) had daily average flows in the first three months of 2024 of 30 billion cubic feet per day, up by over 5 percent compared with the first quarter 2023. ■

Botas of Turkey in deal with ExxonMobil

The Turkish Petroleum Pipeline Corporation (BOTAŞ), the nation's main natural gas wholesaler and assets operator, and US energy major ExxonMobil Corp have signed a cooperation deal on liquefied natural gas trading.

The Turkish Minister of Energy and Natural Resources, Alparslan Bayraktar, who was in the US for talks, confirmed the accord in a statement after several months of negotiations.

"With this agreement, which is planned to be long-term, we will take another step in diversifying our resources," stated Bayraktar.

"We are among the few countries in the world with ample LNG regasification capacity and we will continue to contribute to the energy supply security of both our country and our region," the minister declared.

Minister Bayraktar had also mentioned last month in an interview that Turkey was in talks with ExxonMobil on a supply agreement worth more than $1 billion.

Bayraktar had said at the time that negotiations were ongoing with ExxonMobil for 2.5 million tonnes of LNG, valued at around $1.1Bln and lasting up to 10 years.

Turkey has varied LNG supply sources and has half a dozen natural gas pipelines bringing in Turkish supplies and traversing its territory to deliver volumes to other nations.

Russia is a big supplier of pipeline gas to Turkey, accounting for more than 40 percent of its consumption in 2023.

Turkey is additionally the main transit nation for the Trans-Adriatic Pipeline, the final leg of the 3,500km Southern Gas Corridor pipeline network for Azerbaijan gas, which came on stream in 2020 and supplies Greece, the Balkans and Italy.

New Fortress Energy increases revenue as first Mexican cargoes set for June

LNG News Editor

New Fortress Energy, the US integrated LNG and power company that owns, operates or provides natural gas to 30 facilities in five countries, reported a rise of over 20 percent in revenues and progress on key projects, including the Mexican floating production plant.

NFE reported a rise in revenues in the first three months of 2024 to $698.3 million compared with $579.1M in the same quarter of 2023.

The New York-based company's net income slipped to $56.7 million from $151.6M in the prior-year quarter.

Adjusted quarterly net income came to $134.4M versus $187.3M. Earnings per share on an adjusted basis amounted to $0.67 per share, down from $0.90 per share in the 2023 quarter.

FLNG facility located in Mexican waters offshore Altamira

Dividend

NFE's Board approved a dividend of $0.10 per share, with a record date of June 15, 2024 and a payment date of June 27, 2024.

"This has been a tremendous quarter for the company with a number of significant milestones," said Wes Edens, NFE's Chairman and Chief Executive.

"We have completed the construction of our first FLNG unit and are currently commissioning the asset, with first LNG is expected later this month and first full cargo expected in June," stated Edens.

The FLNG facility is located in Mexican waters of the Gulf of Mexico offshore Altamira.

The US Customs and Border Protection agency has issued a ruling confirming that the transportation of LNG produced at NFE's FLNG unit can transport cargoes on non-US Jones Act qualified vessels.

US cargoes

As a result of this ruling, NFE will be able to sell and deliver LNG produced at its FLNG facility offshore Mexico to US locations, including Puerto Rico.

The CEO noted that NFE, which is listed on the Nasdaq global exchange, also commenced operations in Brazil at both of its LNG imports terminals and has 2.2 gigawatts of power under construction.

Deutsche Regas makes more progress on meeting Mukran terminal standards

Deutsche Regas GmbH, the operator of the floating liquefied natural gas import terminal at the Baltic Sea port of Lubmin, is now making more progress on meeting operational standards at the company's second German Baltic regasification terminal, located at the port of Mukran on Germany's largest island of Rügen.

The floating storage and regasification unit (FSRU) "Energos Power" docked at Mukran on the tourist island of Rügen on February 24.

The second German Baltic Sea received the emission control and water law permits on April 10 for the operation of the terminal under the jurisdiction of the state of Mecklenburg-Vorpommern.

Targets

"We have now been able to install all of the currently planned expansion stages for further noise-reducing measures on the 'FSRU Energos Power' vessel," explained Deutsche Regas.

"They make a noticeable contribution to further reducing noise emissions from the FSRU," stated Deutsche Regas.

The company noted that an independent assessor's office continues to measure and ongoing noise emissions in the area of the Mukran industrial port.

"These measurements are determining the comprehensive effectiveness of the noise reduction," added Deutsche Regas.

"They also confirm that all legal limit values were adhered to at all times and throughout the entire trial operation," the company said.

"By installing the noise-reducing measures, we would like to keep possible exposure for all residents, for all our neighbours and our neighbours in the area of the Mukran industrial port as low as possible," stated Deutsche Regas.

OFFSHORE
LNG

Advancing Offshore LNG Projects to Meet Rising Demand

11 September 2024 l Singapore EXPO

Key Themes:

TECH UPGRADE

Infrastructure for Offshore LNG Bunkering

SUSTAINABILITY

LNG Transportation, Safety & Sustainability

EFFICIENCY BOOST

Investments in LNG Projects Development

LEARN MORE

NEWS BRIEFS

Chiyoda CCS licence

Two Japanese and global LNG market participants, energy engineering company Chiyoda Corp. and one of Japan's main trading houses, Mitsubishi Corp., have concluded a general licence agreement on developing carbon-capture, utilisation and storage (CCUS) technologies. The accord is a strategic collaboration agreement granting Chiyoda the licence of the trade-marked "KM CDR Process" and the "Advanced KM CDR Process", a CO2 capture technology jointly developed by Mitsubishi Heavy Industries and Japanese utility Kansai Electric Power Co., and to be applied to CO2 capture projects in Japan. "The partnership with MHI aims to build on our engineering, procurement and construction (EPC) activity, further strengthening Chiyoda's CCUS project capabilities in the Japanese market," said Chiyoda.

Trafigura biofuels expansion

Trafigura Group, a market leader in the global commodities industry including LNG, petroleum and other products, has expanded its proposed acquisition of biofuels firm Greenergy from Brookfield Asset Management to include Greenergy's Canadian supply operations as well as those in Europe. Trafigura said the acquisitions are subject to customary closing conditions and regulatory approvals. Greenergy is one of Europe's largest suppliers of biofuels with manufacturing plants in the UK and the Netherlands and is a leading distributor of road fuels in the UK. Greenergy entered the Canadian market in 2013 and supplies commercial and wholesale customers in Ontario and British Columbia. ■

US energy report forecasts falling natural gas production during the first half of 2024 before 2025 record surge led by LNG demand

LNG News Editor

The US government's short-term energy report for May forecasts falling first-half 2024 dry natural gas production while liquefied natural gas exports are set to rise in 2025, along with the benchmark Henry Hub gas price.

US dry natural gas production is forecast to fall by 2 percent from the first quarter of 2024 to the second quarter of the year through June 2024 as a result of low natural gas prices, according to the May Short-Term Outlook from the Energy Information Administration.

US gross LNG exports are then set to rise from 12 billion cubic feet per day in 2024 to 14 Bcm per day in 2025 as new capacity comes on stream.

LNG exports to grow as new Gulf Coast capacity starts up

Rebound

"We expect 1 percent less natural gas will be produced in the United States in 2024 than last year before production increases by 2 percent in 2025 to a record of almost 105 billion cubic feet per day," stated the EIA.

The Henry Hub benchmark spot natural gas price is forecast in the May Outlook to average $2.20 per million British thermal units in 2024 before increasing to $3.10 per MMBtu in 2025.

"In May 2024, we forecast natural gas consumption to average 72 Bcf per day, 3 percent less than in May 2023," the report said.

"The decrease from May 2023 mostly reflects our expectation of less natural gas used to generate electricity because of cooler temperatures and more generation from renewables," the EIA added.

"Less natural gas is typically consumed in May in the United States than in other months of the year because demand for space heating declines and demand for air conditioning brought on by warmer weather has yet to increase," the report explained.

"We forecast that US natural gas consumption will average 88 Bcf per day in the second half of 2024, about 1 percent more than in 2H23. The increase comes mostly from the residential and commercial sectors," it added.

The EIA said the it expected the sectors to consume 7 percent more natural gas because the forecast assumes that it will be colder this fourth quarter of 2024 than last year.

Warmer summer

However, overall the EIA said the US would experience a warmer summer (May-September) in 2024 than in 2023, averaging almost 440 cooling degree days (CDDs) in the second quarter of 2024, 21 percent more CDDs than in same period last year.

"As a result, we expect 2024 to be hotter than it was last year with around 1,550 CCDs (5 percent more than in 2023)," it added.

"However, we expect next winter to be slightly cooler than last winter with the United States averaging 3,440 heating degree days in 4Q24 through 1Q25, 6 percent more than in the same period last winter," the EIA said.

The May report data showed natural gas still dominating US electricity generation in 2024 with 42 percent of the total, falling to 41 percent in 2025 while the other generating sources next year would include renewables 25 percent, nuclear 19 percent and coal 14 percent.

US crude oil spot price forecasts by the EIA in May are $88 a barrel in 2024 and $85 a barrel in 2025.

OPEC cuts

The EIA also said that is was publishing streamlined global oil data tables starting in May to "provide a more complete breakout of OPEC+ production data" and provide a new breakout of world crude oil and other liquid fuels production.

"We expect voluntary OPEC+ crude oil production cuts and ongoing geopolitical risks will keep the Brent crude oil spot price near $90 per barrel (b) for the remainder of 2024 before falling to an average of $85/b in 2025 as global oil production growth picks up," said the report.

The EIA added that retail gasoline prices in the US would average near $3.70 a gallon in the May-to-September period, though would average $3.50 per gallon for all of both 2024 and 2025.

At the end of April, US commercial crude oil inventories were 461 million barrels and they are forecast to fall below 430 million barrels in August, near the previous five-year low for that month.

"The decline in commercial crude oil inventories reflects our expectation of increasing US refinery runs in the coming months," said the EIA. ■

Turkey's Karpowership and Brazil's Petrobras sign accord for South American LNG ventures

LNG News Editor

Petróleo Brasileiro S.A., the Brazilian major known as Petrobras, has signed an accord with Turkey's Karpowership to combine their expertise to expand projects in Brazil in the floating liquefied natural gas, regasification and liquefaction sectors.

Karpowership and Petrobras said they signed a memorandum of intent (MoI) to combine their respective expertise in the natural gas and power sectors.

"This includes liquefaction for both floating and onshore natural gas, storage of natural gas and LNG, as well as regasification programs, to guarantee supply and meet the demand of the energy industry across the Americas," said a statement.

Karpowership has been active in Brazil since 2022 and already operates four floating plants, known as Powerships, with 560 megawatts of contracted capacity.

This is in addition to two solar energy generation projects in the state of Rio de Janeiro.

The Turkish company said that representatives of both Petrobras and Karpowership were in attendance at the accord signing at the Petrobras headquarters in Rio de Janeiro.

Karpowership is expanding LNG sector presence worldwide

Commitment

"This agreement with Petrobras reinforces our long-term commitment to Brazil, our investment hub in South America," said Beyza Özdemir, Regional Director of Commercial Operations for South America at Karpowership.

"It will be an opportunity for us to work together on new business strategies with one of the world's largest energy companies, and potentially expand our offerings to Brazilian society and the Americas," stated Özdemir.

Karpowership, a subsidiary of Turkey's Karadeniz Energy Group, has established itself as a leading provider of flexible power and gas solutions in projects around the world.

The Turks currently have a global installed capacity up to 7,000 MW, spanning the company's Powerships fleet and onshore plants, alongside a fleet of floating LNG assets including LNG carriers and floating storage and regasification units.

Conversions

Singapore's Seatrium shipyards are carrying out FSRU conversions involves three LNG carriers on behalf Karpowership with an option for a fourth project.

This work involves the vessels "Karmol LNGT Powership Africa", "Karmol LNGT Powership Asia" and "Karmol LNGT Powership Europe".

Karpowership has a strategic alliance called Karmol with Mitsui Osk Lines (MOL), the Japanese shipping line and LNG sector participant with a large LNG fleet, for several global projects.

Karpowership and MOL reached a deal last year with Japan Bank for International Cooperation (JBIC) and one of Japan's largest banks, Mitsubishi UFJ Financial Group, to finance an FSRU and power project in Senegal, West Africa. ■

NEWS BRIEFS

GTT China agreement

French maritime and onshore LNG technology company GTT has signed a licence agreement with the Chinese company PipeChina Innovation. GTT said that the two companies were committed to jointly pursue commercial onshore LNG storage projects in China using the French firm's membrane containment technology. Sang Guangshi, General Manager of PipeChina Innovation, and Adnan Ezzarhouni, General Manager of GTT China, signed the agreement at GTT's headquarters. ■

Nakilat to boost Q-Max numbers

Qatar Gas Transport Company, known as Nakilat, as signed long-term agreement to charter and operate nine Q-Max class LNG vessels as part of QatarEnergy's programme to expand its fleet of LNG carriers.

The agreement was signed on May 8 at the QatarEnergy headquarters in Doha day Saad Sherida Al-Kaabi, the President and Chief Executive of QatarEnergy, and Abdullah bin Fadhalah Al-Sulaiti, the CEO of Nakilat.

"We are very proud to have Qatar's flagship LNG shipping and maritime champion join a list of world-class shipowners to operate our state-of-the-art Q-Max LNG vessels - the largest ever built," stated Al-Kaabi.

"There is no doubt that this is another testament to Nakilat's significant capabilities," he added.

Nakilat CEO Al-Sulaiti said the shipping company was proud of its partnership with QatarEnergy as a partner in ~its "historic fleet expansion" project.

"With this partnership, we aim to enhance value in the LNG transportation market as active enablers in meeting the requirements of the North Field expansion projects," explained Al-Suaiti.

"We are fully committed to adopting the latest technologies and expertise to ensure that these vessels are operated according to the highest standards of safety, environmental sustainability and reliability," the Nakilat CEO declared.

The nine Q-Max vessels will each have capacity of 271,000 cubic metres and will be 100-percent owned and operated by Nakilat and chartered to affiliates of QatarEnergy.

Höegh LNG signs accord to deploy FSRU to Egyptian Gulf of Suez port

LNG News Editor

'Höegh Galleon' headed for Egypt instead of Australia

Höegh LNG Holdings, the owner and operator of 13 LNG vessels including floating storage and regasification (FSRU) units, said an FSRU chartered to Australia will be deployed beforehand to Egypt to improve the Arab nation's energy security.

The "Höegh Galleon", which is under contract to Australian Industrial Energy (AIE), will be sub-chartered to Egyptian Natural Gas Holding Company (EGAS) for service in Egypt at the Gulf of Suez port of Ain Sokhna.

Import era

"The 'Höegh Galleon' will be located in Ain Sokhna, Egypt for a likely period of 19-20 months, after which it is expected to be deployed to AIE's LNG terminal currently under construction in Australia," Höegh said in a statement.

The "Höegh Galleon" is supposedly still destined for the Australia's Port Kembla in the Illawarra region of New South Wales as the nation's first regasification facility.

Egypt previously imported LNG during the era of natural gas shortages starting in 2015 before the Zohr gas field and other discoveries were made in Egyptian waters of the Eastern Mediterranean and the Nile Basin.

"Together with AIE and EGAS, we are pleased to provide Egypt with flexible infrastructure in support of energy security," said Erik Nyheim, President and Chief Executive of Höegh LNG.

"Höegh LNG is the industry leader in the rapid deployment of FSRUs, and we are pleased that we can provide this solution for EGAS together with AIE while continuing to develop our strong partnership," stated Nyheim.

Höegh and AIE announced a 15-year FSRU charter agreement for the "Höegh Galleon" in June 2022.

The new agreement with EGAS is for an interim period between June 2024 to February 2026.

Export phase

Before the bringing on stream of the Zohr field in the East Med in 2017, Egypt had been forced to import LNG from 2015 in two floating storage and regasification units deployed at Ain Sokhna.

The Egyptians formally halted LNG imports over five years ago in 2018 after re-starting regular exports of LNG from their two liquefaction facilities at Idku and Damietta, located east of the port of Alexandria.

McDermott subsidiary prepares for Oman bunker port project

A wholly owned subsidiary of US energy engineers McDermott has been awarded a significant contract by the Marsa liquefied natural gas project in the Sultanate of Oman on the Arabian Peninsula for storage and associated piping.

McDermott, based in Houston, Texas, has confirmed that its subsidiary CB&I will build a full containment concrete LNG storage tank at the Marsa project site at Oman's Port of Sohar.

Contracts

French major TotalEnergies is going ahead with a large investment in the Marsa LNG project to serve as the first LNG bunkering hub in the Middle East.

The joint venture between TotalEnergies and Oman National Oil Company will build a liquefaction plant with 1 million tonnes per annum of output.

Feed-gas will come from Oman's Mabrouk North-East field in the onshore Block 10 area.

The main engineering, procurement and construction contracts have been awarded to France's Technip Energies for the LNG plant and to CB&I for the 165,000 cubic metres capacity LNG storage tank.

The LNG is primarily intended to serve the marine fuel market in the Arabian Gulf region while LNG quantities not sold as bunker fuel will be off-taken by TotalEnergies and the Omani partner.

In addition to the storage tanks contract start later this year, CB&I will provide turnkey EPC services for the tank and associated piping.

Project delivery will be executed in Oman, where CB&I has been continually present since 1968, with support from CB&I's Dubai office.

"Through this project, CB&I will contribute to the construction of one of the lowest GHG emissions intensity LNG plants ever built," said Cesar Canals, President and Chief Executive of CB&I.

Air Products says FLNG plant off Mozambique successfully passes capacity and other key tests

LNG News Editor

Air Products, the leader in supplying US liquefied natural gas technology and equipment to the world, has successfully passed the processing capacity test for the floating LNG plant offshore Mozambique that turned the southeast African nation into an energy exporter.

The Pennsylvania-based equipment and industrial gases company said the AP dual mixed refrigerant LNG Process technology (AP-DMR) and equipment, which were deployed at the "Coral Sul FLNG" off Mozambique, passed its performance test to achieve LNG production above 3.4 million tonnes per annum.

The "Coral-Sul FLNG" production vessel deployed offshore Mozambique shipped its first cargo from the Rovuma Basin back in November 2022 to launch the southeast African nation as an LNG exporter, though it has taken consist testing since then to meet the US company's high quality threshold.

'Coral-Sul FLNG' hull operating in the prolific Rovuma Basin

Korean-built

The "Coral-Sul FLNG" vessel was constructed at Samsung Heavy Industries shipyard in Geoje in South Korea and is the first floating LNG facility ever deployed in the deep waters of East Africa.

The other partners of Eni in the FLNG project are US major ExxonMobil Corp., Chinese major China National Petroleum Corp., Galp Energia of Portugal, Korea Gas Corp. and Mozambique's Empresa Nacional de Hidrocarbonetos (ENH), the state energy company.

Eni of Italy is the upstream operator of the Area 4 licence resources in the Coral South reservoir and the FLNG plant now formally has nameplate capacity of 3.4 MTPA.

While the FLNG hull has relatively small output, Mozambique's prolific natural gas reserves in the offshore Rovuma Basin will transform the economy once planned onshore projects come on stream from as early as 2028 with up to and eventual 50 MPTA of output in joint ventures involving French major TotalEnergies and ExxonMobil Corp.

Process qualities

"The Air Products proprietary AP-DMR LNG process was selected because of its high efficiency, reliable operation, and compact footprint," explained the US company.

"AP-DMR's superior process efficiency combined with the use of aeroderivative machinery translates to a lower carbon intensity than all other LNG processes in floating service" Air Products added.

The company explained that the involvement of Air Products with this the Mozambique FLNG joint ventures dates back to 2013 with conceptual work, resulting in the selection of the AP-DMR LNG process technology and equipment.

This included the supply of two proprietary coil-wound main cryogenic heat exchangers (CWHEs), one for pre-cooling and one for liquefaction within the facility. ■

US equipment-maker and industrial gases company Chart Industries hits record backlog as LNG orders flow

Chart Industries, the US equipment-maker for liquefied natural gas and other clean energy and industrial gases markets, reported a record backlog of more than $4.3 billion as LNG orders continued to flow from North America to China.

"LNG activity continues, regardless of the US LNG pause," said Chart.

"We received orders for 51 LNG trailers in China in the first quarter 2024; this compares to 25 for the full year 2023 and 15 for the full year 2022m, " the company explained.

"HLNG vehicle tank orders were over $10 million in the first quarter 2024, the first time in nine quarters, and that trend continued in April 2024," Chart added. The company also logged a liquefaction equipment order for the Canadian Cedar LNG project being developed in the Douglas Channel in British Columbia.

Chart reported a drop in first-quarter net income to $14.6 million from $53.4M in the same quarter of 2023.

Sales

The Atlanta, Georgia-based company also said that first-quarter sales declined slightly to $950M versus $1.01Bln in the prior-year quarter.

However, Chart's backlog reached a record level of $4.33Bln in the first quarter of 2024 compared with $3.85Bln in the previous quarter and $4.27Bln in the prior-year quarter.

"With numerous first-quarter records, including adjusted operating income and operating margin of 18.0 percent, reflecting the benefits of our synergy program, full-solution offering and 14 percent sales growth in aftermarket, we are reiterating our full-year outlook," stated Jill Evanko, Chart's Chief Executive and President.

"We started the second quarter of 2024 with strong cash collections, and the timing of progress payments in the year supports our progress to our target net leverage ratio range of 2.0 to 2.5," Evanko added.

Chart gave first-quarter earnings data for its four divisions with Cryo Tank Solutions (CTS) orders amounting to $159.3M, down 4.5 percent when compared with the first quarter 2023, which had been driven by a large rail car order.

Divisional earnings

Heat Transfer Systems (HTS) sales of $253.6M increased 33.9 percent when compared with the first quarter 2023 orders.

"The HTS backlog of $1.69Bln does not include the IPSMR BigLNG award that we expect to book in early 2025," said Chart.

Specialty Products orders amounted to $391.3M, an increase of 39.2 percent when compared with the prior-year quarter. ■

CHART®

NEXUS OF CLEAN™

"Chart's vision is to be the global leader in the design, engineering and manufacturing of cryogenic process technologies and equipment for the Nexus of Clean™ — **clean power, clean water, clean food and clean industrials**, regardless of molecule."

JILL EVANKO / CEO / CHART INDUSTRIES

CLEAN
CLEAN
CLEAN
CLEAN

CHART DELIVERS CLEAN SOLUTIONS FOR

Power **Water** **Food** **Industrials**

Learn more at **chartindustries.com**