LNG Unlimited

LNG JOURNAL PUBLICATION 23 January 2025

Trump lifts LNG export permit applications

As predicted, on day one of his presidency, Donald Trump issued an order to allow the US to resume processing export permit applications for new LNG projects.

This was seen as part of an initiative to raise US energy output and dismantle former President, Joe Biden's climate policies.

The order effectively reverses the pause on permits for new projects that the Biden administration put in place in early 2024.

At that time, approvals were halted to enable US national laboratories to study the environmental and economic effects of the booming LNG export industry.

US LNG shipments reached a record high in 2023 and the country is now the world's largest exporter. In addition, exports are expected to double by the end of this decade and could double again under existing authorisations, the US Energy Department (DoE) has said.

The pause in new export permits created uncertainty for many planned projects. For example, facilities in Louisiana awaiting approvals included Commonwealth LNG, Venture Global's CP2, Cheniere Energy's expansion of its Sabine Pass plant and Energy Transfer's Lake Charles terminal. In Texas, the second phase of Sempra's Port Arthur LNG project also awaits approval.

Trump's new energy team includes Chris Wright, who will head up the DoE, which would issue the LNG export permits.

He led oilfield service company, Liberty Energy and told senators in his nomination hearing last week that his first priority is to expand domestic energy production, including LNG and nuclear power.

Doug Burgum, former Governor of oil producing state North Dakota and now Trump's Interior Secretary, is also expected to clear the way for more oil and gas leasing on federal territory.

He will head a national energy council to find ways to boost energy output, Reuters reported.

Project announcements

Brian Kessens, senior Portfolio Manager at Tortoise Capital has commented that oil and gas industry activity has picked up from a project announcement perspective.

A decade ago, a lot of the contracts that were signed were what he termed as supply push projects, as the US had a lot of visibility to growth in all the major shale basins.

"Now, what we have are more demand-pull types of projects. I think the nature of the types of contracts that are in pipeline, expansions that are likely to take place, are to help meet these full-time customers, which could be the data centres, the hyperscalers themselves or utilities, anyone that's an end user demand for this power," he said.

"We're adding five bill cu ft per day of natural gas capacity. To get this natural gas and be able to supply power generation costs a little over $7 bill, but I would say that a lot of the returns associated with these types of projects are going to be very attractive with +15% because in some cases we're just adding some compression.

"On nearly every earnings call that we've had recently, companies have said that there are more types of these types of projects that are forthcoming, as companies are talking to data centres to help them meet their power demand needs. We're excited about the opportunity and expect to see more of these projects announced during fourth quarter earnings.

"Traditional oil and gas companies are looking to enter the power or the electricity business, I think because natural gas is needed to power data centres, and it's even hard for natural gas to do that. Seemingly every energy company that has any sort of expertise, whether that's operational or engineering, or they have complementary assets like land, or they have natural gas supply or relationships, is looking to help meet this growing power demand by supplying natural gas.

"Arguably, natural gas is going to be the lion's share of energy's dominance from the US perspective at least over the next four years," he concluded.

New US President, Donald Trump, has already repealed Joe Biden's LNG project pause

UNLIMITED AGENDA

US natural gas demand set to overtake supply- EIA

Over the next two years, US natural gas demand is set to grow by more than the supply.

In its January short term forecast, the US Energy Information Administration (EIA) said natural gas supplies, including both production and imports, will rise by 1.4 bill cu ft per day this year, while demand, including domestic consumption and exports, will increase by 3.2 bill cu ft.

Exports lead the demand growth pattern in EIA's forecast, as exports of natural gas by pipeline and as LNG are forecast to increase by 2.9 bill cu ft per day in 2025, with most of the rise coming from LNG exports.

Two new LNG export facilities – Plaquemines LNG and Corpus Christi LNG Stage 3 – started producing LNG in December, 2024, with Plaquemines loading and shipping its first LNG cargo on 26th December.

The EIA said that it also expected consumption in the residential and commercial sectors to increase, because colder weather is forecast, compared to last year.

However, a decrease in consumption in the electric power sector this year is predicted, as natural gas prices rise and more renewables and coal are used to generate electricity, displacing some natural gas-fired generation capacity.

More storage

The US began 2025 with 6% extra natural gas in storage than the previous five-year average. With demand growth outpacing supply growth this year, inventories are expected to be drawn down to 4% below the five-year average by the end of this year.

As the storage surplus of the last two years diminishes, some upward pressure on prices is expected.

In 2026, natural gas supply will grow by about the same amount as demand, the EIA said. Storage inventories will remain close to or below the five-year average much of the year, leading to additional price increases.

Demand for natural gas will again be driven mostly by growth in LNG exports, as additional capacity from Golden Pass comes online in the middle of the year. LNG exports will grow by 2.1 bill cu ft per day in 2026 to reach an average of 16.2 bill cu ft.

Additional demand growth in 2026 will come from pipeline exports, while consumption of natural gas in the residential, commercial, and electric power sectors decline slightly.

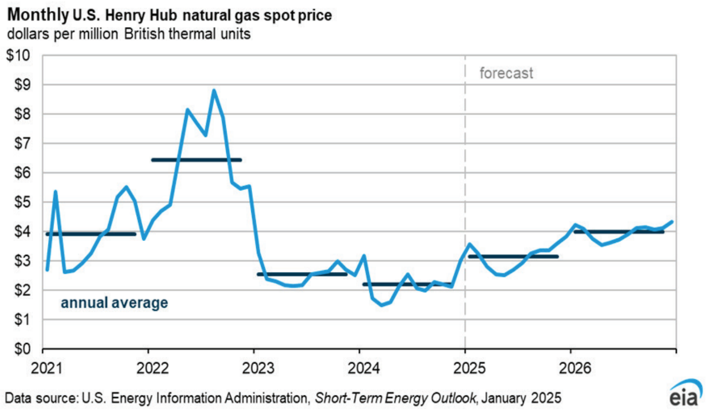
Supply growth in 2026 will be driven by an increase in dry natural gas production of 2.7 bill cu ft per day.

As for prices, the EIA said that the annual US benchmark Henry Hub spot price will average $3.10 per MMBtu in 2025, rising to almost $4 per MMBtu in 2026.

The monthly Henry Hub spot price in the forecast remains between $2.50 per MMBtu and $3.90 per MMBtu in 2025 and between $3.50 per MMBtu and $4.40 per MMBtu in 2026, as LNG exports increase.

However, the potential exists for prices to increase less than forecast, particularly if the ramp-up of new LNG production is slower than expected or the start-up of the Golden Pass plant is delayed, the EIA said.

In addition, the weather presents a significant risk to the Henry Hub price forecast, particularly in the winter months. ■



Australia's LNG shipments set a new tonnage record

Last year's Australian LNG shipments set a new record of 82 mill tonnes per annum, compared to 81.1 mill tonnes in 2023, and the previous record of 81.3 mill tonnes shipped during 2022, according to figures produced by EnergyQuest.

However, the 2024 revenue of $67.7 bill was less than the record of $90.3 bill set in 2022, and $74.3 bill a year later, primarily due to lower LNG prices, which was countered somewhat by a falling Australian dollar, compared to its US counterpart.

Australia's December, 2024 shipments, which represented 97.3% of nameplate capacity, totalled 85.7 mill tonnes on an annualised basis, compared to 80.9 mill tonnes in the previous month.

EnergyQuest estimated that Australian LNG export revenue in December was $6.68 bill, higher than the $5.76 bill in November, and reflecting only a 0.6% decrease compared to December, 2023, when revenue was $6.42 bill.

Western Australian projects earned export revenue of $3.60 bill,

Darwin has benefited from the growth of Australia's LNG exports

while Queensland projects brought in $2.06 bill, and New Territories' projects earned $0.72 bill.

Western Australia shipments were higher at 4.11 mill tonnes last month, up from 3.83 mill tonnes in November. There were 58 cargoes shipped in December, compared to 55 in the previous month.

Northern Territory (Ichthys) recorded 11 shipments in December amounting to 0.82 mill tonnes, compared to November's eight cargoes of 0.60 mill tonnes. ■

LNG Shipping News
2 Prospect Road
St Albans AL1 2AX
United Kingdom
www.lngjournal.com
Tel: +44 (0)20 7253 2700

Publisher
Stuart Fryer

Editor
Ian Cochran
+44 (0)7748 144265
iancochran74@gmail.com

Ad sales enquiries
Narges Jodeyri
+44 (0) 20 7017 3406
narges@lngjournal.com

Subscriptions
Stephan Venter
Tel: +44 (0) 20 7253 2700
venter@lngjournal.com

Production
Vivian Chee
Tel: +44 (0) 20 8995 5540
chee@thedigitalship.com

EU records gas consumption increase

Last month, the EU recorded its fourth consecutive year-on-year increase in gas consumption, rising by 9% to 40 bill cu m.

This came after seven months of continuous decline, reported the UAE-based Gas Exporting Countries' Forum (GECF).

The rise was mainly driven by the residential and electricity sectors, influenced by a cold spell and notably lower wind power output.

Similarly, US gas consumption saw a significant y-o-y increase of 5.1%, reaching 93 bill cu m.

In November, 2024, China's apparent gas demand rose by 1.7% y-o-y to 35.6 bill cu m, driven by increased LNG fuel demand for trucks and higher gas fired power generation.

As for gas production, in December, 2024, the US continued its declining trend to stand at 88.6 bill cu m, representing a 4.1% y-o-y reduction.

This drop reflected the combined effect of the Hurricane season on Gulf of Mexico operations and production cuts in response to low Henry Hub prices.

In November, 2024, Europe's gas production fell by 2.1% y-o-y to reach 15.9 bill cu m, primarily due to reduced output from Norway and extended maintenance periods.

Gas production in the Asia/Pacific region was estimated to have decreased by 0.2% y-o-y, driven by a slower growth rate in Chinese production (3.7% y-o-y) and a reduction in output from several other major Asian gas producers.

In the upstream sector, GECF members, Mauritania and Senegal, began gas production from their joint Greater Tortue Ahmeyim (GTA) offshore project.

Global LNG imports fall

Looking at gas trades, in December, 2024, global LNG imports fell for the second consecutive month, declining by 0.3% y-o-y to 38.2 mill tonnes.

The decrease was driven by reduced imports in Asia/Pacific and Europe, partly offset by stronger inflows into the LAC and MENA regions.

Asia/Pacific LNG imports saw their only monthly y-o-y drop last year, attributed to mild winter weather, ample storage levels, and higher spot LNG prices.

Europe's LNG imports, although down y-o-y, reached their highest level since January, 2024, while PNG imports slightly increased to reach 13.7 bill cu m.

In terms of infrastructure development, the US Plaquemines LNG facility marked a milestone by exporting its first LNG cargo last month.

Gas stocks were falling in the northern hemisphere regions, driven by increasing heating demand.

The EU recorded a particularly large withdrawal, with the monthly average volume of gas in storage decreasing to 82 bill cu m (79% of the regional capacity), compared with 93 bill cu m a year ago.

Net US withdrawals started by the middle of November, bringing the average gas storage level down to 101 bill cu m (76% of the country's capacity), almost the same level as a year ago.

In Asia, the combined volume of LNG in storage in Japan and South Korea decreased to 13.8 bill cu m, which is less than the 14.9 bill cu m in storage at the same stage last year.

European gas and LNG spot prices held steady compared to the previous month, while Asian LNG prices experienced a slight increase in December, 2024.

The TTF spot price averaged $13.82 per MMBtu, while the average NEA spot LNG price averaged $14.21 per MMBtu, up by 1% month-on-month. In the US, the Henry Hub spot price averaged $3.01 per MMBtu, increasing significantly by 38% m-o-m.

Looking ahead, weather conditions are expected to remain a critical factor influencing spot prices, with any cold snaps likely to exert additional upward pressure, the GECF concluded. ■

Southern African LNG supply chain agreed

Australia's Botala Energy has signed a non-binding Memorandum of Understanding (MoU) with NOVO Energy, a Southern African gas distributor, to jointly develop an LNG supply chain.

The MoU seeks to address the region's increasing demand for natural gas by utilising Botala's coal bed methane (CBM) resources in Botswana and NOVO's established infrastructure and distribution network in South Africa.

The agreement also aims to provide a quick-to-market solution to Southern Africa's gas requirements, particularly South Africa's anticipated gas shortage from mid-2027.

Under the terms of the MoU, NOVO will act as a key offtaker and distributor of LNG from Botala's Serowe Wellfield and related LNG production facilities.

The MoU also outlines the potential for expanding LNG pro-

Botala head Kris Martinick

duction to meet growing demand and develop additional gas markets across Southern Africa.

Kris Martinick, Botala CEO, said: "This partnership with NOVO Energy is a game changer for Botala and for the entire Southern African energy landscape. The anticipated 'gas cliff' in 2027, as highlighted by SASOL, has sparked overwhelming interest from gas offtakers across the region.

"With many industries seeking alternative gas sources to mitigate the looming supply gap, this MoU positions Botala at the forefront of providing a solution.

"NOVO's significant expertise in gas distribution and established customer base, combined with our Serowe CBM resources, will allow us to rapidly scale LNG production and deliver clean, reliable energy to key markets in Botswana and Southern Africa.

"This is more than just a supply agreement – it's about creating a sustainable energy future and providing a vital energy lifeline to industries desperate for solutions. We're incredibly excited by the offtake discussions we've had. It's clear that there's an urgent need for LNG, and we're committed to working with NOVO to deliver a reliable and scalable supply chain to meet that demand," he said.

Key elements

The MoU's key elements include:

- Initial Production Target: 1-2 petajoules per annum (PJ/a) of LNG, with the potential to scale up rapidly to meet market demand.
- Binding Gas Sale Agreement (GSA) between Botala and NOVO will be finalised within 90 days of signing of the MoU, covering pricing mechanisms, production timelines and logistics.

Under the terms of the MoU, Botala will be responsible for the development of the Serowe Wellfield, gas processing to LNG and in-country logistics in Botswana, whilst NOVO will handle LNG offtake, storage, distribution and customer sales in South Africa. ■


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

NEWS BRIEFS

NOVATEK's gas sales decline

Last year, large Russian oil and gas developer, PAO NOVATEK's hydrocarbon production totalled 667 mill barrels of oil equivalent (mmboe), the company reported.

This included 84.08 bill cu m of natural gas and 13.8 mill tonnes of liquid hydrocarbons (gas condensate and crude oil), resulting in an increase in total hydrocarbons produced of 21.6 mmboe, or by 3.3%, compared with 2023.

Preliminary 2024 total natural gas sales volumes, including volumes of LNG sold, totalled 77.76 bill cu m, a drop of 1.1%, compared to the previous year.

In addition, NOVATEK processed 13.2 mill tonnes of unstable gas condensate, which was 1.3% lower, compared with volumes processed in 2023.

NOVATEK also processed 7.4 mill tonnes of stable gas condensate, representing an increase of 5.6%, compared to the previous year.

At of 31st December, 2024, NOVATEK had 1.3 bill cu m of natural gas, including LNG, and 2 mill tonnes of stable gas condensate and petroleum products in storage or transit and recognised as an inventory, the company said.

DET short term regas slots

German state-owned Deutsche Energy Terminal (DET) is marketing short-term 2025 regasification slots at the Wilhelmshaven and Brunsbüttel LNG receiving terminals.

Auctions of 'obligation to deliver' (OTD) slots in both terminals will be held on 4th February, 2025

'No obligation to deliver' (NOTD) slots will be on the 5th (Wilhelmshaven) and 6th (Brunsbüttel) February, 2025, respectively.

The slots cover services for regasification, LNG storage, and send-out to the gas grid.

The auctions start at €0.60 per MMBtu for OTD and at €0.71 per MMBtu for the NOTD. ■

India's LNG imports to rise

India's LNG imports are set to rise this year in the range of between 4% to 10%.

This forecast reflected robust local consumption, resilient economic growth and policy development, although tempered by international fuel prices amid supportive global demand-supply fundamentals, industry sources and analysts said.

A gradual rise in offshore gas production, strengthening pipeline infrastructure and increased regasification capacity were positives for natural gas consumption, as India targets a 15% share of the fuel in its overall primary energy mix by 2030, up from the current 6%-7%, S&P Global Commodity Insights said in a report.

India's 2023 LNG imports were around 22.6 mill tonnes per year, with 2024 imports projected to grow to about 27 mill tonnes per year, surpassing the record of 26 mill tonnes in 2020, according to Commodity Insights' data.

"The [global] LNG market in 2025 remains tight, which will leave prices volatile and subject to movements following supply or demand shocks," James Taverner, senior director at Commodity Insights, said.

"We forecast the Platts JKM price to average about $14.3 per MMBtu in 2025, up from $11.8 per MMBtu in 2024," Taverner added.

The anticipated increase in 2025 spot LNG prices can be attributed to Europe seeking more LNG following the cessation of Russian pipeline flows via Ukraine and delays in new supplies that were expected to come online in 2024, according to Ayush Agarwal, LNG analyst at Commodity Insights.

Agarwal's forecast for India's 2025 LNG imports hovers around the lower end of the range. He predicted that, as a price-sensitive buyer, the country's imports will reach about 28 mill tonnes per year year, due to tight international markets, supported spot prices and a rise in domestic natural gas production.

"When it comes to domestic gas production, we are expecting some additional volumes from ONGC in Q1 2025," said Indian Gas Exchange Managing Director and CEO Rajesh Kumar Mediratta. However, he thought that LNG imports would remain strong to fill the demand/supply gap, forecasting a 10% year-on-year growth in 2025.

Among gas-using sectors, the fertilizer segment is likely to drive only marginal incremental demand in 2025, while the city gas distribution (CGD) segment is poised for a 10% year-over-year growth, Mediratta said. The CGD sector currently consumes about 40 mill standard cu m per day of gas, he added.

The pipeline network expansion in 2025, including the expected commissioning of the Urja Ganga Gas Pipeline project and the partial development of the Indradhanush Gas Grid project (in the northeastern region), will cater to the needs of a few refineries, large industries, CGDs and fertiliser plants not connected to the grid, stimulating additional gas demand, Mediratta said.

Regas capacity

Meanwhile, India's LNG regasification capacity is anticipated to rise, which is positive for LNG prospects. A recent HSBC Global Research report forecast at least a 25% year-on-year increase in the country's LNG regasification capacity.

"The power sector will face more peak shortages and continue to take on more [gas] next year," Mediratta said.

The Central Electricity Authority expects power demand in India, the world's third-largest electricity market, to grow at a compound annual growth rate of about 7% in the coming years.

Currently, the share of natural gas in India's electricity generation mix is less than 2%, while over 70% of the electricity mix is coal-based.

For a successful coal-to-gas switch, the key lies not only in pricing but also in harnessing structural reforms, according to Essar Exploration and Production CEO, Pankaj Kalra.

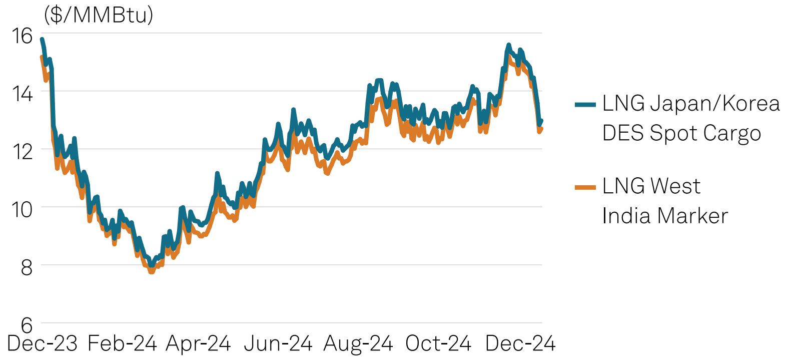
"With indigenous coal priced at $3-$5 per MMBtu and imported coal around $4.5-$6 per MMBtu, LNG pricing needs to fall within the $6-$8 per MMBtu range for gas to become competitive for power generation," Kalra said.

Large-scale battery storage can work synergistically with gas-based power generation, he added.

One highly anticipated reform in 2025 is the inclusion of natural gas in the Indian goods and services tax framework (GST).

Bringing natural gas within the GST will allow all stakeholders, including E&P companies, consumers and CGD entities, to avail themselves of input tax credits, making gas prices more competitive with alternative fuels. ■

Asian spot LNG prices stay supported



Source: Platts, part of S&P Global Commodity Insights

SEFE and GAIL settle LNG cargo dispute

SEFE Marketing & Trading Singapore (SM&TS) has reached a settlement with Indian state-owned GAIL (India) regarding the arbitration proceedings initiated by GAIL alleging the non-supply of LNG cargoes during 2022/2023.

Deliveries to GAIL were restored in March, 2023.

This settlement included a payment of $285 mill by SM&TS to GAIL and the withdrawal of the arbitration proceedings.

Both parties are committed to moving forward with their long-term relationship, SEFE said in a statement.

In December, 2023, Gail filed an arbitration claim seeking $1.8 bill for the non-supply of LNG cargoes under a long-term contract. The claim also included compensation for non-supplied volumes and associated losses.

According to Indian media, this dispute originated from supply disruptions by Russian energy giant Gazprom.

In 2012, Gazprom Marketing and Trading Singapore (GMTS), now SEFE, signed a 20-year agreement to supply Gail with 2.85 mill tonnes of LNG per annum.

Supplies began in 2018, with full volumes expected by 2023.

However, in 2022, GMTS was brought under control of Gazprom's German operation, Gazprom Germania, after which the Russian energy major relinquished ownership.

Due to the Ukraine conflict, Germany seized control of Gazprom Germania in April, 2022.

Germany's federal energy regulator, the Federal Networks Agency, assumed temporary control of the company and renamed it SEFE, which resulted in the company being banned from loading Russian cargoes, leading to the dispute with GAIL.

MET opens Czech Republic base

Swiss-based energy trading company, MET Group has opened a Czech Republic subsidiary.

Prague-based MET Česká Republika will initially focus on supporting Czech wholesale energy market participants, such as large energy intensive industrial companies as well as utilities - with the aim of offering its services to smaller customers and households at a later stage.

The Czech company has received all the necessary licenses for power and gas trading.

MET is already active in the country. As part of its international operations, the Group recently delivered regasified LNG to the Czech market utilising its import capacities through Germany.

In the Czech Republic, the coal-to-gas switch will be of great importance in the coming years in order to reduce emissions, MET said, adding that it plays an active role in the European green transition and the diversification of energy sources, especially in the natural gas area.

MET recently secured long-term US LNG supply agreements and claimed to have one of the most diversified LNG import structures from a geographical perspective in Europe.

MET Czech Republic CEO, Pavel Balada. commented: "We are entering the Czech market as a full-fledged partner - our aim is to bring security of supply and stability to the market, and support the country in its energy transition.

"Being part of an integrated energy company, such as MET Group, makes us a reliable partner for our Czech customers. With our expertise, we want to support the Czech Republic in the ongoing decarbonisation of the economy," he said.

NEWS BRIEFS

GTT to co-operate with Chinese offshore concern

Last week, French engineering company, GTT signed a co-operation agreement with China Offshore Engineering & Technology, in Shanghai.

This marked a significant milestone in advancing solutions for FLNG and FSRU units, the company said.

The two companies will jointly explore the application of GTT's membrane technologies, develop innovative solutions, and provide value-added services.

NEWS BRIEFS

Gasunie's new interim CFO

Gasunie has appointed Jan Boekelman interim CFO with effect from 11th February, 2025.

Boekelman, who was previously CFO at Energie Beheer Nederland (EBN) and development organisation SNV, will take over from Janneke Hermes, who is joining Koninklijke Wagenborg after 23 years' employment at Gasunie.

However, Boekelman will start working at Gasunie with immediate effect, so that a thorough handover can be assured, as well as continuity.

He started his career at Shell, where he spent 15 years in various domestic and international financial roles. He was then Planning & Control director for seven years at Nuon (now Vattenfall), before being appointed CFO and HR Chief at development organisation SNV.

From 2011 to 2019, Boekelman was CFO at Energie Beheer Nederland (EBN).

His appointment as interim CFO will ensure continuity in Gasunie's financial governance during the process of recruiting a new CFO. This process is currently underway, the Dutch energy company said. ■

Equinor gets more oil and gas licenses

The Norwegian Ministry of Energy has awarded energy major, Equinor, 27 new production licenses in this year's Awards in Predefined Areas (APA).

Equinor was awarded 20 licenses in the North Sea, six in the Norwegian Sea and one in the Barents sea. The oil and gas major will be the operator of seven of the licenses and a partner in 20.

"There are still substantial resources on the Norwegian continental shelf (NCS). Together with our partners, we need to explore more to contribute to European energy security and maintain our position as a reliable supplier of oil and gas," said Jez Averty, Equinor's Senior Vice President for Subsurface, the Norwegian continental shelf. ■

Russia to supply oil and LNG to Vietnam

Russia is ready to supply Vietnam with oil and LNG, according to a joint Russian/Vietnamese communique adopted following the visit of Russian Prime Minister, Mikhail Mishustin, to Hanoi.

'The parties noted the readiness of the Russian Federation to supply oil, liquefied natural gas and its processed products to Vietnam, to develop new energy projects, including in the field of renewable energy, which is a promising area of co-operation,' the communique said.

It also said that Russia and Vietnam intend to 'continue to create favourable conditions for the implementation of joint oil and gas projects on the territory of the Russian Federation and on the continental shelf of Vietnam in accordance with the legislation of the two countries and international law, including the 1982 UN Convention on the Law of the Sea.'

The Vietsovpetro joint venture, based in the southern Vietnamese city of Vung Tau, remains the flagship of Russian/Vietnamese co-operation in the fuel and energy sector.

Established in 1981, the JV marked the production of its 250 mill tonnes of oil in 2024. Its counterpart – Rusvietpetro Joint Company – operates out of the Russian Nenets Autonomous District. ■

Western LNG raises Ksi Lisims project cash

Western LNG, one of the partners in the Canadian Nisga'a Nation-backed Ksi Lisims $9 bill project to be located near Prince Rupert (BC), has secured $150 mill.

The money will advance the LNG and associated natural gas pipeline project towards a final investment decision (FID), expected later this year, the company said.

This private placement was led by Blackstone Energy Transition Partners, along with affiliates of Jefferies Financial Group, Transition Equity Partners, and others.

Together with previous private placements, the total investment in support of these projects has reached more than $265 mill, which is above the investments in PRGT made by its previous owner.

The three partners in the Ksi Lisims project are Western LNG, the Nisga'a Nation and Rockies LNG. The project includes a 12 mill tonne per annum FLNG facility on Pearse Island, north of Prince Rupert on Nisga'a owned land, and a new natural gas pipeline.

At present, the project is still with the BC Environmental Review process.

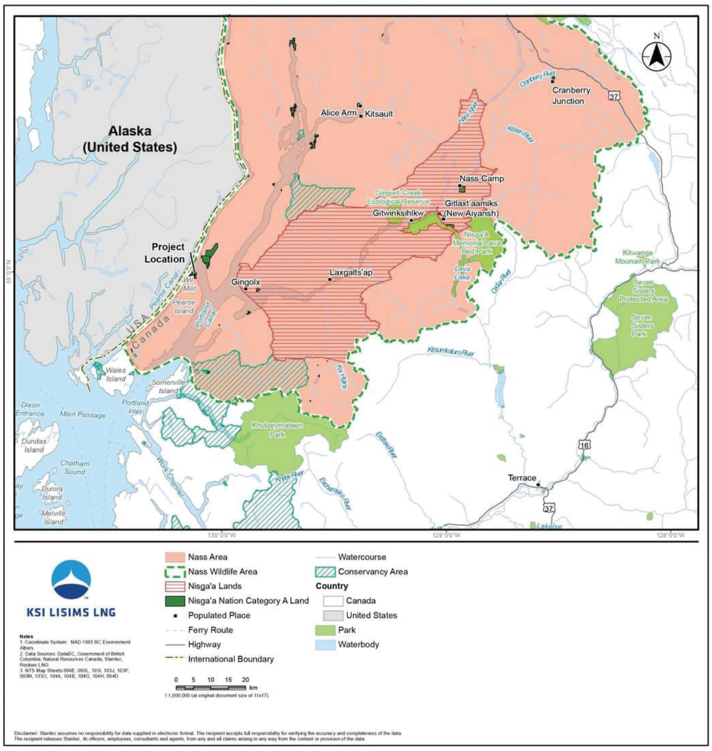
"Blackstone's anchor investment in this private placement demonstrates its confidence in the Ksi Lisims LNG and PRGT projects and confirms that our approach to delivering responsible, net-zero-ready energy infrastructure is aligned with market demand," said Western LNG CEO, Davis Thames.

"Global demand for affordable, reliable and more sustainable energy is increasing, and the development and construction of critical energy infrastructure is struggling to keep up," said David Foley, global head of Blackstone Energy Transition Partners. "Western is ideally located to connect Canada's immense low-cost natural gas reserves with Asia, the world's largest and most rapidly growing market for liquefied natural gas."

The private placement will be used to advance the project towards FID, which includes completing the environmental review and permitting process and completing front-end engineering (FEED) for both Ksi Lisims LNG and the pipeline.

This funding also allows Western to substantially increase staffing levels for both projects this year, the company added.

It's expected that an EAO assessment report will be sent to Canadian Federal and Provincial Ministers for a decision this spring. ■



Ksi Limis' gas project, near Prince Rupert (BC)