LNG Unlimited

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IEEFA slams EU's stance on LNG and CCS usage

The Institute for Energy Economics and Financial Analysis (IEEFA) has taken issue with the EU's Affordable Energy Action Plan launched last week over the use of LNG and carbon capture and storage (CCS).

However, measures to reduce electricity costs and decouple electricity bills from volatile gas prices were to be commended, it said.

Continued support for LNG and CCS will deny market trends and could ultimately cost Europe in competitiveness, jobs and climate leadership.

The new action plan is a positive step in the direction of better co-ordination of member states' energy security. However, investing in overseas LNG projects risks tying the EU to excessive contracted LNG volumes, and could negatively impact efforts to reduce energy prices.

Additional LNG volumes purchased through demand aggregation mechanisms could struggle to find final European buyers, where demand for the fuel will continue declining through 2030.

The EU will also struggle to find overseas buyers to re-export excess LNG volumes arriving at its ports, IEEFA claimed.

Good progress has been made in diversifying EU energy supplies over the last three years. EU gas consumption was flat in 2024 with its LNG imports dropping by 16%, while gas storage measures helped to absorb any supply shocks.

But an increase in EU LNG imports since 2022 has contributed to price volatility, high costs and vulnerability to global market fluctuations. Various member states' ambitions to become 'gas hubs' have exposed an unco-ordinated approach to LNG infrastructure buildout and the use of existing capacity.

"To maintain a secure and competitive energy market, the EU should prioritise diversifying energy sources and reducing gas demand, alongside improving co-ordination between member states for an efficient use of existing gas and LNG infrastructure," Ana Maria Jaller-Makarewicz, IEEFA's Lead Energy Analyst, Europe, said.

"Following the Japanese model is not a guarantee that the EU will be protected from high energy prices. According to Japan's Ministry of Economy, Trade and Industry, prices of LNG used for thermal power generation and domestic consumption have been increasing since 2021 and surged in 2022, following Russia's full-scale war against Ukraine," she added.

State aid measures

The European Commission (EC) has also published a framework of state aid measures to facilitate net zero through industrial de-carbonisation, renewable energy, and CCS support.

It highlighted that through a mixture of mechanisms - including funding for 30% of the direct investment, coupled with tax advantages through accelerated depreciation, loans or guarantees for 30-75% of the remaining costs, with additional EU and national-level support - up to 75% of project costs could be covered.

A recent IEEFA analysis of potential European projects highlighted that CCS is technically immature, saying that it will take a long time and likely won't work, while costing the taxpayer over €140 bill to support the current project development.

IEEFA's Ana Maria Jaller-Makarewicz

"Relying on CCS as a climate solution will force European governments to introduce eye-wateringly high subsidies to prop up a technology that has a history of failure," claimed Andrew Reid, IEEFA's Energy Finance Analyst, Europe.

To address the issue of expensive electricity caused by the unpredictability of natural gas (and other fossil fuel) prices, the EU Commission proposes to launch, among other measures, a pilot programme for corporate power purchase agreements with the European Investment Bank.

This could help solve energy price exposure and provide stable long-term energy costs for industrial consumers, IEEFA said.

"Investors are more likely to find renewable power assets more attractive when these assets are backed by long-term power purchase agreements. But they tend to favour large off-takers with strong credit profiles to reduce counterparty risks.

"In this case, European Investment Bank guarantees could level the playing field by ensuring affordability for smaller and industrial off-takers, while promoting investment attractiveness of renewable assets," explained Kevin Leung, IEEFA's Sustainable Finance Analyst, Debt Markets, Europe. ■

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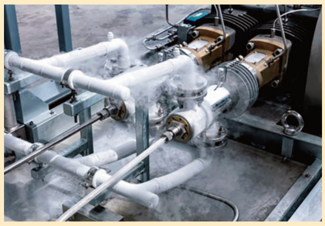


Trump's Executive Order impact on US LNG exports - a lawyer's view

In the Executive Order (EO) 'Unleashing American Energy,' dated 20th January, 2025, US President Trump instructed the Secretary of Energy to restart reviews of LNG export approval applications, as expeditiously as possible.

In addition, in assessing the 'public interest' to be advanced by any export, the Secretary was instructed to consider the economic and employment impacts to the US and the impact to the security of allies and partners that would result from granting an application.

In a separate, related note, released the same day, an EO directed the leaders of all federal departments and agencies to prioritise the development of Alaska's natural gas resources and LNG exports, including the sale and shipments of Alaskan LNG to other US regions and allied countries in the Pacific, while taking into account the associated economic and national security benefits.

US law firm, Mayer Brown looked at the implications of the EOs.

They followed the January, 2024 announcement by the US Department of Energy (DoE) under the Biden Administration of a temporary halt on taking decisions about LNG exports to countries without a free trade agreement (FTA) with the US.

At the time, the DoE believed that the analysis no longer adequately addressed factors, such as the potential rise in energy costs for US consumers and manufacturers, as well as the latest evaluation of greenhouse gas emissions.

Later in the year, the US District Court for the Western District of Louisiana granted a Motion for Preliminary Injunction at the request of Louisiana and other states, temporarily halting the Biden LNG Pause until the case was resolved.

This decision technically removed the legal obstacle preventing the DoE from considering new LNG export authorisations to non-FTA countries. However, the DoE remained cautious in issuing new non-FTA LNG export authorisations.

Evaluations resume

The January, 2025 EO instructed the DoE to promptly resume the review of LNG export applications. On 21st of that month, the DoE confirmed it had ended the pause on export approvals and returned to regular procedures, instructing the Office of Fossil Energy and Carbon Management to resume the evaluation of pending applications for LNG exports to non-FTA countries in accordance with the Natural Gas Act (NGA).

As a result, other moves undertaken this year include -

- The DoE has extended the deadline for public comments on its 2024 LNG Export Study examining the impact of LNG exports on the domestic economy - comments are now due by 20th March, 2025.
- On 5th February, 2025, the new DoE Secretary issued 'Unleash[ed] [a] Golden Era of American Energy Dominance', setting out its priorities, which included returning to regular order on LNG exports, and confirming that the DoE has resumed consideration of pending applications.
- On 14th February, 2025, the DoE issued a conditional authorisation for the export of LNG to Commonwealth LNG. This marked the first major US LNG export authorisation action to non- FTA countries after the pause's lifting.

The NGA outlines two standards for evaluating LNG export applications based on the destination countries: Applications to export LNG to FTA countries are automatically deemed in the 'public interest', while the DoE must assess if applications for exporting to non-FTA countries are in the 'public interest.'

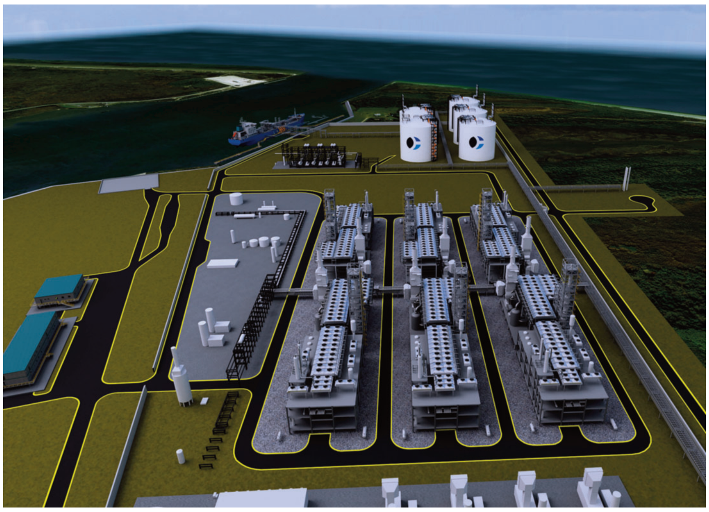
NGA section 3(a) does not define 'public interest' or identify criteria that must be considered in evaluating the 'public interest'.

Down the years, the DoE criteria for determining the 'public interest' in granting non-FTA LNG export permits have evolved.

Under the 'Unleashing American Energy' EO, the DoE's 'public interest' assessment criteria has undergone significant refinement. It now places emphasis on the economic and employment benefits of LNG projects, as well as their impact on the security of US allies and partners, moving the focus away from prioritising climate impact and other environmental concerns.

In conclusion, Mayer Brown said that the EO set a clear directive for DoE to prioritise LNG exports as a means to bolster the US economy, create jobs, and enhance the security of allies and partners.

By lifting the Biden LNG Pause and increasing focus on the economic and employment benefits related to LNG projects, the EO sought to position the US as a dominant player in the global energy market. ■



Commonwealth LNG is the only project to be awarded the go ahead following Biden's pause thus far

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LNG Canada expects commissioning cargo in April

LNG Canada's export plant development is to receive an LNG cargo in early April at its Kitimat marine terminal, British Columbia, for equipment testing and commissioning.

This delivery is critical to the safe start-up and commissioning process now underway, and to achieving the first export cargo by the middle of 2025.

Joint venture partner, PETRONAS has said that the first cargo will not be exported until July, as bad weather had caused delays.

LNG Canada is in the commissioning and start-up process and has not commenced operations or started producing LNG, the company explained.

Introducing LNG to the facility is required to cool down the LNG tank and operating equipment at cryogenic (low temperature) conditions in early testing.

LNG Canada also said that it did not anticipate that additional import LNG shipments would be required.

Explaining the arrival process, the company said that the LNGC will notify Canadian authorities (Transport Canada, Canada Border Services Agency and Canadian Coast Guard) 96 hours prior to its arrival at the Triple Island pilot station (Prince Rupert, BC).

LNG Canada's Kitimat site

On her arrival at the pilot station, a team of BC Coast pilots will board the vessel and guide her to the Kitimat terminal, a distance of 159 nautical miles. A HaiSea Marine tug will be at the pilot station to provide an escort during the transit.

LNG from the vessel will be delivered onshore via the LNG Canada loading line in phases to cool down pipe work and the LNG storage tank.

It is anticipated that the discharge may take three to four weeks to complete, the company said.

LNG Canada is a joint venture involving Shell, through its affiliate Shell Canada Energy (40%); PETRONAS, through its wholly-owned entity, North Montney LNG Limited Partnership (25%); PetroChina, through its subsidiary PetroChina Canada (15%); Mitsubishi Corp, through its subsidiary Diamond LNG Canada Partnership (15%); and Korea Gas Corp (KOGAS), through its wholly-owned subsidiary Kogas Canada LNG (5%). It is operated by LNG Canada Development Inc.

The plant will initially consist of two LNG processing trains and is a long-life asset with a 40-year export license, enabling the export up to 14 mill tonnes of LNG per annum. ■

Russia's January/February LNG exports down - China's imports fall

Russia's LNG exports fell by 7.3% in the first two months of this year from the same period in 2024 to 5.1 mill tonnes, according to LSEG data.

This drop comes amid sanctions and Sakhalin-2 project supply cuts.

Russia has been hit by US restrictions over the conflict in Ukraine. For example, its new Arctic LNG 2 plant has been effectively shut down, as it was unable to find buyers owing to Western sanctions.

In February alone, Russia's LNG exports fell by 8% to 2.36 mill tonnes from 2.57 mill in the same month a year ago, according to LSEG's data.

Russia's LNG exports to Europe in January/February fell 13% year-on-year to 2.7 mill tonnes, while supplies in February declined by 7% to 1.3 mill tonnes.

However, NOVATEK's Yamal LNG plant's total February exports rose 7% year-on-year to 1.5 mill tonnes.

Sakhalin-2, operated by Gazprom, exported 760,000 tonnes in February, down 21% from the same month a year earlier.

Gazprom's small-scale Baltic Portovaya LNG was sanctioned by the US in January, when its last cargo was delivered. It loaded some LNG cargoes last month, but they are still to be delivered.

Elsewhere, it has been reported that Russia shipped a record 21.86 mill tonnes of LNG along the Northern Sea Route (NSR) - an increase of 8.6% or 1.73 mill tonnes on the previous year.

China's imports falling

Meanwhile, China's LNG imports fell to a five year low last month on weak demand and Europe luring cargoes by offering higher prices.

Imports amounted to 4.5 mill tonnes, resulting in China lagging behind Japan as the largest importer for the second month in a row, according to data from Kpler.

The Chinese winter has been relatively warm and there were ample storage supplies, while industrial demand was described as fairly low.

Wei Xiong, Rystad Energy's head of China gas research told Bloomberg that the inventories were likely to continue to weigh on imports through the end of the heating season.

Some Chinese energy companies have been reselling LNG spot cargoes during the past few months to take advantage of the higher prices on offer.

For example, the Binhai LNG plant in Jiangsu Province, re-exported a cargo to South Korea's Boryeong last month, according to ship tracking data compiled by Bloomberg, following cargo exports in December and January.

This re-selling activity is expected to continue this year, following the 15% tariff imposed by China on US LNG in retaliation to the US tariffs implemented by the Trump administration, Xiong said.

However, last month, some 82% of US LNG exports, equivalent to 6.82 mill tonnes, were shipped to Europe, according to a Reuters report.

This follows the 7.25 mill tonnes of LNG shipped during the previous month, accounting for 86% of US exports.

Firm prices and persistent cold temperatures were said to be the cause of the increased demand.

The first two months of 2025 signals something of a reversal in European import patterns, as in 2024, US deliveries to the continent fell by 18%. ■

Rio Grande LNG's expansion plans outlined

Matt Schatzman NextDecade Corp's Chairman and CEO revealed Rio Grande LNG's expansion plans, during an update on development activities for the fourth quarter of 2024 and the early first quarter of this year.

"As we begin 2025, we are at an exciting time in NextDecade history. Our team is working diligently to capitalise on our outsized growth opportunities, while continuing to construct Trains 1 through 3 (Phase 1) at the Rio Grande LNG facility safely, on schedule, and on budget.

"We are working with multiple potential commercial counterparties to progress Trains 4 and 5 toward positive final investment decisions (FIDs), and we believe we are well positioned to secure commercial support for both trains.

"(Today), we are also pleased to announce development plans for expansion capacity at the Rio Grande LNG facility site beyond Trains 1 through 5.

"We are currently developing and preparing to start the permitting process for Train 6 and starting the development of Trains 7 and 8.

"Train 6 is being developed inside the existing levee at the site, which is expected to provide advantages in site preparation and expected economics. We plan to pre-file an application with the (US) Federal Regulatory Energy Commission (FERC) for Train 6 this year. Trains 7 and 8 are being developed on the site outside of the existing levee.

"Additionally, we expect to explore options for the development of up to two additional trains at our site beyond Train 8," he revealed.

Significant recent developments include - under the EPC contracts with Bechtel Energy, Phase 1 progress was tracked for Train 1, Train 2, and the common facilities on a combined basis and Train 3 on a separate basis.

As of January, 2025, the overall project completion percentage for Trains 1 and 2 and the common facilities at Rio Grande LNG was 38.1%, which was in line with the schedule under the contract. Engineering completion was 84.9%, procurement was 69.2% complete, and construction was 10.6% complete.

Train 3's overall project completion percentage was 15.3%, which was also in line under the contract's schedule. Engineering was 33.5% complete, procurement was 32.8% complete, and construction was 0.4% complete.

Additional trains

More information was also provided regarding its development of additional liquefaction capacity at Rio Grande LNG beyond the current trains.

NextDecade's Trains 6 through 8 are expected to increase the company's total liquefaction capacity by around 18 mill tonnes per annum, once coming into operation.

Train 6, with expected LNG production capacity of about 6 mill tonnes, is being developed inside the existing levee at the site and adjacent to Trains 1 through 5. A pre-filing application with FERC is expected this year, and a full FERC application is forecast for early 2026.

Trains 7 and 8, with a total expected LNG production capacity of about 12 mill tonnes, are being developed on the site outside of the levee.

In December, 2024, the company's wholly-owned subsidiary, Rio Grande LNG Super Holdings, signed a credit agreement, which provided for a $175 mill senior secured loan.

Proceeds from the loan were disbursed at closing on 31st December, 2024, and net proceeds were used to repay outstanding borrowings under the existing $50 mill revolving credit facility and $12.5 mill interest term loan.

It will also be used to fund working capital and general corporate purposes, including development expenses for expansion trains at Rio Grande LNG. This senior secured loan matures six years from the closing date.

Next Decade's head Matt Schatzman

NextDecade also said it expected to take all available legal and regulatory actions, including appellate actions, to ensure that Phase 1's construction would continue and that all the necessary regulatory approvals will be maintained to enable a positive FID on Trains 4 and 5.

Rio Grande has received necessary approvals and authorisations required for the construction of up to five liquefaction trains and the export of up to 27 mill tonnes per annum of LNG, including approval from FERC and FTA and non-FTA authorisations from the US Department of Energy, the company added. ■

NEWS BRIEFS

South Korean LNG trading business to be launched

SK Innovation E&S (SKI E&S), the natural gas business unit of South Korea's SK Innovation, is to start a full scale LNG trading business.

This will be achieved by securing 10 mill tonnes of natural gas annually from the Barossa gas field off Australia.

During a recent tour of the Barossa gas field with South Korean brokerage analysts, SKI E&S executives unveiled the company's LNG business road map.

"With the business operation of the Barossa gas field in the third quarter, our total LNG trading volume will rise to 6.3 mill tonnes this year, up 19% from last year," said a company executive to the South Korean media.

"By 2030, we expect our LNG trading volume, including gas from Barossa, to reach 10 mill tonnes," the executive said.

Formerly SK E&S, SKI E&S was created through a merger with SK Innovation, the parent of the country's largest oil refiner, SK Energy and battery maker SK On last November.

SKI E&S, one of South Korea's leading city gas suppliers, is primarily engaged in the LNG business, as well as renewable energy sources, such as solar, wind power and hydrogen.

Osaka Gas to offtake Ruwais LNG

ADNOC Gas has signed a sales and purchase agreement (SPA) with Japanese utility, Osaka Gas, for the supply of up to 0.8 mill tonnes per annum of LNG.

The LNG will be supplied by ADNOC's lower-carbon Ruwais LNG project currently under development.

This 15-year SPA converts a previous heads of agreement (HoA) into a definitive contract and marks the first long-term LNG sales agreement between ADNOC Gas and Osaka Gas.

Ruwais LNG is scheduled to start commercial operations in 2028.

Osaka Gas' SPA is the fourth signed for Ruwais LNG. To date, up to 8 mill tonnes per annum of the project's 9.6 mill tonnes production capacity has been committed to international buyers across Asia and Europe through long-term arrangements. ■

Pouring cold water on any US/Japan LNG deal

As well as critising the latest EU stance on energy (see page 1), the Institute for Energy Economics and Financial Analysis (IEEFA) has taken aim at the announcements regarding more US LNG exports to Japan.

Following the first summit between Japanese Prime Minister, Ishiba Shigeru and PresidentTrump early last month, both leaders announced the intention to increase exports of US LNG to Japan.

President Trump claimed that Japan would start importing US LNG "immediately" and in "record numbers."

However, these announcements mask important realities about the US/Japan LNG trading relationship that are cause for skepticism, IEEFA said.

First, recent political announcements have not been accompanied by commercial deals between private LNG buyers and sellers. Second, the economics of key US projects, like Alaska LNG, remain questionable, and Asian buyers have resisted signing into the project for years. Third, Japan's LNG demand has fallen sharply over the past decade, and the country is now reselling more LNG than before.

President Trump said that Japan would form a joint venture with the US to support the proposed Alaska LNG project located near Anchorage, a $44 bill facility that also involves the construction of an 800 mile pipeline from the North Slope.

The Japan Gas Association has stressed that private companies, not political leaders, procure LNG. Japan's investment in the project depends on whether private companies see a viable business case, IEEFA added.

However, the Alaska LNG project has remained almost dormant for nearly two decades. To date, no buyers have finalised long-term purchase commitments from the facility. LNG export projects typically require 80% or more of their capacity to be covered by these contracts to secure financing.

Japan's Mitsui Co is reportedly evaluating the project, due to its proximity to Asia but will only consider cost competitive proposals. The project's remote location and expensive construction costs, including for lengthy permafrost-resistant pipes make this unlikely, and potential buyers have expressed strong doubts about its economic feasibility.

In addition, Japan Petroleum Exploration (JAPEX) recently described Alaska LNG as an unrealistic investment proposition.

No agreements signed

Other US projects could meet Japanese buyers' feasibility criteria. However, Japan has not followed this up with tangible commercial agreements thus far, IEEFA said.

The most recent sales and purchase agreement (SPA) between a Japanese and US company was signed in April, 2023, when JERA agreed to buy 1 mill tonnes per annum from Venture Global's CP2 project.

This deal, plus a couple of earlier ones, are expected to begin in 2028, provided the projects are built according to schedule.

However, since building LNG export facilities takes roughly four years, neither may be completed during President Trump's second term. For example, both the CP2 and Rio Grande LNG projects are facing legal hurdles.

Furthermore, Venture Global is reportedly renegotiating its existing contracts with CP2 buyers, aiming to secure higher prices, which could further derail the project.

Japan's draft strategic energy plan envisioned the role of thermal energy (coal, LNG, among others) falling sharply over the next two decades - from nearly 70% of the power mix to between 30-40% by 2040.

Given this uncertainty, the flexible nature typical of US LNG contracts may fit well with Japan's strategy. Flexible contracts without destination restrictions allow cargo resales to other countries, which Japanese companies have become proficient at, as the country's LNG demand fell.

In contrast, agreements with other countries, such as Qatar, may come with destination restrictions that prevent any resales.

Consequently, due to Japan's falling LNG demand and need for flexible contracts, deals between Japanese and US companies would not necessarily guarantee increased US LNG imports.

US LNG only comprises 10% of current Japanese imports because it is relatively expensive, due mainly to longer shipping distances.

Tariffs on China and steel will raise the costs of producing natural gas and constructing liquefaction terminals, while growth in gas exports and domestic demand for powering data centres could increase Henry Hub prices, IEEFA said. ■

Sempra announces earnings drop

US engineering firm, Sempra has reported full year 2024 earnings of $2.82 bill or $4.42 per diluted share, compared to 2023 earnings of $3.03 bill or $4.79 per diluted share.

On an adjusted basis, the company's 2024 earnings were $2.97 bill or $4.65 per diluted share, compared to $2.92 bill or $4.61 per diluted share for the previous year.

"With the reset of our guidance in 2025, we are setting a new foundation for a decisive decade of growth," said Jeffrey Martin, Sempra Chairman and CEO. "We are also announcing a record five year capital plan of $56 bill and raising the company's long-term EPS growth rate to 7%-9%.

"Over half of planned capital expenditures are earmarked for Texas, where significant new investments are needed to expand and modernise the energy grid. This is consistent with Sempra's 2030 aspirations of producing over 50% of its earnings from the State of Texas," he said.

Sempra also reported fourth quarter 2024 GAAP earnings of $665 mill or $1.04 per diluted share, compared to 4Q23 GAAP earnings of $737 mill or $1.16 per diluted share.

On an adjusted basis, the 4Q24 earnings were $960 mill or $1.50 per diluted share, compared to $719 mill or $1.13 per diluted share in 4Q23. ■

NEWS BRIEFS

Shell announces top management changes

Shell's Director of Integrated Gas and Upstream, Zoe Yujnovich, is to step down after over a decade with the UK-based energy major. Cederic Cremers has been appointed President, Integrated Gas, and Peter Costello as President of Upstream to replace her.

Cremers has been with Shell since 2002 and Costello has been with the major since 2016.

The changes come as Shell said on Tuesday that it planned to simplify its senior leadership structure.

From 1st April, executive committee leaders representing Integrated Gas, Upstream, Downstream, Renewables and Energy Solutions, Trading and Supply, and Projects and Technology will adopt the title of 'President' of their respective departments, replacing the title of 'Director'. ■

Woodside - a highly cash generative business

Last month, Australian oil and gas developer, Woodside reported a record production of 193.9 mill barrels of oil equivalent (Boe) for 2024.

This result was underpinned by outstanding early production performance at Sangomar and world-class reliability at operated LNG assets, the company said.

Net profit after tax (NPAT) was 115% higher year-on-year at $3,573 mill. Underlying NPAT decreased 13% from the previous year to $2,880 mill, primarily due to lower realised oil and gas prices.

The Directors have announced a final dividend of 53 cents per share, which brings the full year fully franked dividend to US122 cps, which maintained payout ratio at the top of the target range at 80%.

Cash generative

Woodside CEO, Meg O'Neill claimed that the company is to become a highly cash generative business.

"Our proven track record of operational excellence, disciplined investment decisions and world-class project execution is delivering near-term rewards for our shareholders while laying the foundations for a new chapter of value creation.

"In 2024, the record annual production was at the top end of the full-year guidance range, underpinned by consistently strong 98% reliability at our operated LNG facilities.

"Unit production cost of $8.1 per boe was down 2% from 2023, underlining operational discipline and the resilience of the base business in a period of inflationary pressures.

"Woodside's operating cash flow was strong at $5.8 bill and the cash margin was 82%, up from 80% in 2023.

"Sangomar ramped up to nameplate capacity within nine weeks of its June, 2024 startup, achieving 94% reliability in the fourth quarter. Sangomar's contribution of 12.9 mill boe of sales generated around $950 mill in revenue, demonstrating the project's value.

"Excellent progress was made on Woodside's major growth projects, with the Scarborough energy project now 80% complete and on track for first LNG cargo in 2026.

"LNG Japan acquired a 10% non-operating participating interest in the Scarborough joint venture (SJV) for $910 mill and JERA acquired a 15.1% non-operating participating interest in the SJV for $1.4 bill.

"These transactions reflect the long-term value that premium LNG customers in Japan are placing on energy security.

"During the year, Woodside signed three agreements for the long term sale of LNG to customers in Japan, (South) Korea and Taiwan. These agreements demonstrate the value that regional energy customers place on non-IFRS financial measure.

"Woodside simplified its Australian portfolio and consolidated its focus on operated LNG assets by entering into an asset swap agreement with Chevron. The asset swap provides Woodside with the opportunity to realign its Australian interests to provide greater commercial certainty and enhance development prospects.

"In Mexico, the Trion Project is more than 20% complete and targeted for first oil in 2028.

"In 2024 we made two acquisitions that will deliver long-term profitability and cash flow for Woodside, with investments in Louisiana LNG and Beaumont New Ammonia.

"Louisiana LNG (formerly Driftwood) is an advantaged US Gulf Coast project, fully permitted for 27.6 mill tonnes per annum of LNG production, with a competitively priced EPC contract with Bechtel and with civil works largely de-risked.

"This compelling opportunity is attracting interest from high-quality partners, and we are progressing towards readiness for a final investment decision (FID) from the first quarter of 2025.

Woodside's Meg O'Neill sees a cash generative business

"The Beaumont acquisition also represents material progress towards achieving our Scope 3 targets, with the potential to abate up to 1.6 mill tonnes per annum carbon dioxide equivalent of customer emissions when CCS is online.

"This year Woodside further reduced net equity Scope 1 and 2 greenhouse gas emissions to 14% below our starting base and we remain on track to meet 2025 and 2030 targets.

"Woodside begins 2025 with a strong balance sheet, a resilient and high-performing base business and an attractive portfolio of projects which position us to deliver value-accretive growth and shareholder returns," she concluded. ■

NEWS BRIEFS

Three LNGCs financed

China's Bank of Communications Financial Leasing (BoCom Leasing), together with BRICS' New Development Bank (NDB), have signed a RMB1.069 bill ($150 mill) loan agreement to finance the building of three 174,000 cu m LNGCs.

NDB's involvement marks its first financial dealing with a Chinese non-bank institution to fund LNGC construction.

The three LNGCs, being built by Shanghai Hudong Heavy Industries (SHHI), will utilise 2-stroke dual-fuel technology to reduce emissions by up to 30%, compared with conventional fuelled LNGCs.

This partnership sets a precedent for future co-financing in renewable energy and sustainable infrastructure, the finance houses claimed.

The investment directly supports China's shipbuilding industry, which accounted for 40% of the world's LNGC orders last year.

"This collaboration reflects BoCom Leasing's deep commitment to green leasing and aligns with the NDB's mission to advance sustainable development across BRICS nations," said Xu Bin, Chairman BoCom Leasing.

"The three LNG vessels will not only reduce emissions but also strengthen energy security for member countries," added Vladimir Kazbekov, NDB's Deputy Governor.

China's dominance in LNGC orders continued this year, with companies like SHHI securing over 50 newbuildings, reported China's Xinde News.

Established in 2015 by BRICS' member countries, NDB is a multilateral development bank aimed at mobilising resources for infrastructure and sustainable development projects in BRICS and other emerging markets and developing countries (EMDCs). ■

Debt refinancing hits NFE's bottom line

US-based LNG developer, New Fortress Energy (NFE) suffered a net loss of $224 mill in the fourth quarter of 2024 and $242 mill for the full year.

This was mainly caused by costs incurred with refinancing debt including a 4Q24 loss on extinguishment of debt totalling $260 mill.

The company also reported an adjusted EBITDA of $313 mill for 4Q24 and $950 mill for the 12 month period.

Adjusted net income was $29 mill in 4Q24 and $101 mill for the full year.

In addition, adjusted EPS was $0.13 on a fully diluted basis and $0.46 for the two periods, respectively.

At the end of last year, the total cash balance was $966 mill, of which $493 mill was unrestricted.

CEO Wes Edens claimed: "This has been a strong fourth quarter for the company as we achieved adjusted EBITDA of $313 mill, surpassing our guidance of $200-$220 mill. Earnings for the year also held strong, as we achieved adjusted EBITDA of $950 mill, surpassing our guidance of $835-$855 mill.

"Our results have benefited from the recognition of income from optimising our current LNG portfolio. Our Fast LNG asset has been completed and was placed into service for accounting purposes in December, 2024.

"The liquefier has been operating smoothly and has been routinely producing above nameplate capacity since the start of the year. This significant milestone concludes the development of a cornerstone asset that secures NFE's LNG supply and enhances the energy security of our downstream customers across the globe.

"While the asset is in service from an accounting perspective, we will continue to commission the asset, and such costs that enhance the asset will be capitalised on our balance sheet.

"We also recently announced the extension of our 80 TBtu island-wide gas supply contract in Puerto Rico, and an adjustment to our incentive structure on the operation and maintenance agreement between NFE subsidiary Genera & PREPA in exchange for a $110 mill payment.

"These agreements provide significant opportunity to generate substantial cost savings and significantly reduce emissions by converting existing plants from diesel to LNG, and also reinforce NFE's longstanding commitment to delivering reliable and clean power to Puerto Ricans at the lowest cost possible.

"In Brazil, we have continued to make great progress on our power plant developments, with our 624 MW CELBA plant in particular nearly 88% complete. We also believe that NFE should be in prime position to take advantage of the recently announced Brazil power auctions expected to occur in June this year, which will provide a significant opportunity for both brownfield & greenfield gas to power plants that can either be developed by NFE or supplied via our LNG terminals.

"In Q4 2024, NFE also completed the $2.7 bill issuance of new senior secured notes, due 2029, that was used to refinance our 2025 bonds and more than two-thirds of our outstanding 2026 and 2029 bonds, which resulted in approximately $300 mill in additional liquidity for the company.

"This transaction, combined with the $400 mill common equity offering completed in October, 2024, marked an important step forward in strengthening the company's balance sheet and positions the Company for future sustained growth.

"In February, 2025, we issued additional notes in Brazil raising $350 mill that will be utilised to repay existing debt in Brazil and to add additional liquidity to our balance sheet. In March 2025, we upsized our Term Loan B by an additional $425 mill," he concluded. ■

Vanzetti gears up for the future

By announcing revenues of around €45 mill in fiscal year 2024 and an annual growth rate (CAGR) of 30%, Vanzetti Engineering is increasingly becoming the cryogenic pump OEM benchmark at an international level, the company claimed.

In 2024, 70% of the company's business was concentrated in the Asian market and the remaining 30% in Europe, with a specific focus on the marine and biogas sectors.

Marine fuel gas system (FGSS) solutions achieved greater success on the market in 2024, in particular the ARTIKA series of submerged cryogenic pumps and the VT-3 duplex high-pressure reciprocating pumps.

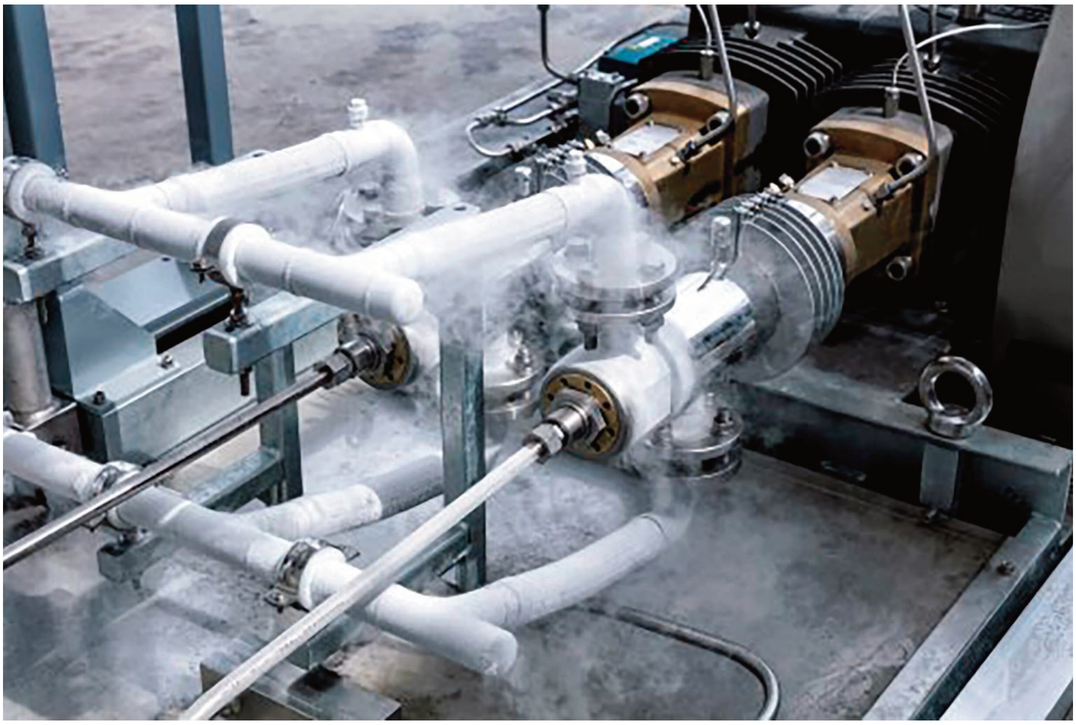
"I am delighted to confirm that in 2024 we have again achieved all our major corporate goals. This new milestone was possible thanks to the development of the marine market, supported by long-term partnerships and solid relations with all Asian and European stakeholders, thus strengthening our international presence as a cryogenic pump OEM in diversified sectors," said Valeria Vanzetti Ghio, sole Director of Vanzetti Engineering.

"The company is investing significant resources in the development of sustainable technologies for the future, in line with its mission, in expanding design and production capabilities, as well as enhancing organisation to meet future challenges, providing customers and end users with quality and reliability throughout the product lifecycle," she said.

Despite the downturn in the automotive LNG market in Europe, which is temporarily held back by the LNG price, due to the current geopolitical situation and the incentive policies for electric vehicles (EVs), Vanzetti Engineering said it is confidently looking ahead to new projects in the pipeline this year.

Among these are the design of a new family of retractable pumps, which places the company in a position to seize emerging opportunities in the small-scale LNG terminal market, as well as access to new segments of the marine dual fuel market through the strengthening of its high and low pressure pump range.

On the operational side, 2024 saw the completion of production capacity expansion and the start-up design of new test benches for the company's product range future developments. ■



Vanzetti's VT-3 duplex high-pressure reciprocating pumps

LNG evaporation gas recycling tests begin

South Korea's HD Hyundai Heavy Industries (HHI) plans to conduct a demonstration project in April to recover the evaporation gas from an under construction 7,900 TEU LNG-powered containership and use it as an energy source within its business site.

LNG utilised for the test run of an LNG powered ship naturally vaporises and evaporates within the fuel tank. This evaporation increases the pressure of the fuel tank.

While ships in operation can recover the evaporation gas and use it as fuel, ships under construction must periodically discharge it into the atmosphere to manage the pressure in the fuel tank. However, this gas is methane, one of the major greenhouse gases.

In order to reduce greenhouse gas emissions, HD Korea Shipbuilding & Offshore Engineering (HD KSOE) and HHI established the 'Greenhouse Gas Emission Reduction Plan during Construction of LNG-fuelled Ships' as a South Korean Ministry of Trade, Industry and Energy national project in 2023.

KSOE came up with the concept of recycling LNG-fueled ship evaporation gas into onshore city gas, and HHI created an environment whereby this gas can be recovered and consumed as city gas.

However, due to the absence of related laws and standards for self-consumption of evaporation gas under the 'City Gas Business Act', the company applied for special permission to carry out the project, and received conditional approval on 23rd October, 2024.

This demonstration special case period is valid for two years from 31st March, 2025 to 30th March, 2027.

HHI has consulted with the Korea Gas Safety Corp, a domestic city gas inspection agency, and derived the 'Demonstration Special Case Safety Standard' to secure stability during the test, and met the conditions for its commencement taking out gas accident compensation liability insurance. ■

> "KSOE came up with the concept of recycling LNG-fueled ship evaporation gas into onshore city gas, and HHI created an environment whereby this gas can be recovered and consumed as city gas."