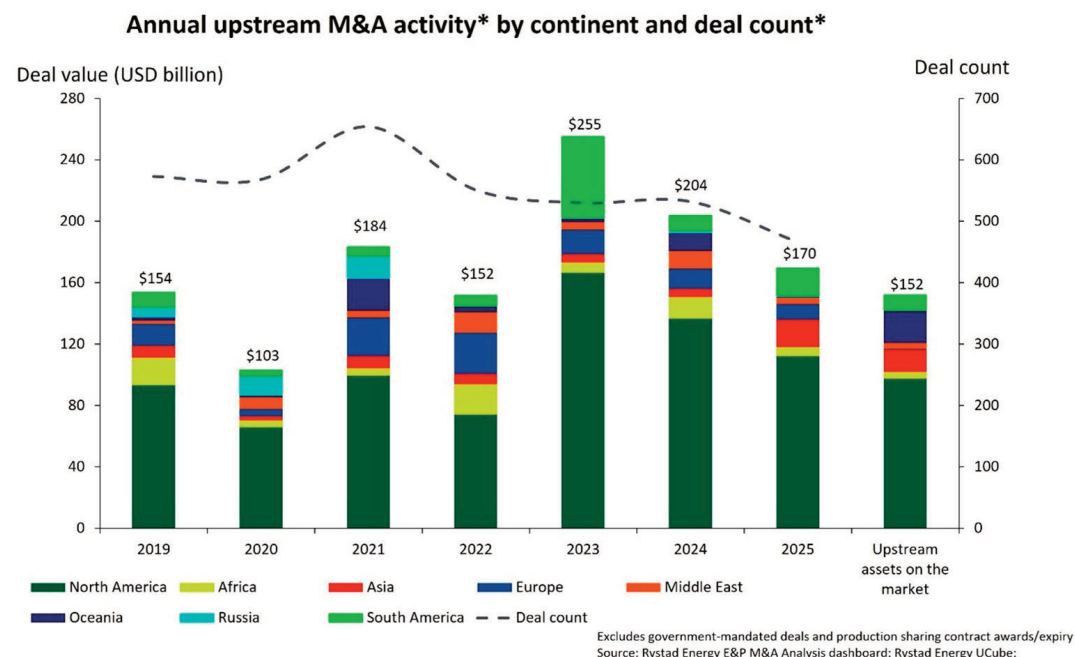


Asian private E&P capital on the lookout for US LNG-linked assets

Private capital from Asian exploration and production (E&P) investors is flocking to the North American market in search for LNG-linked assets. Deal flow is increasingly shaped by a 'merger of equals' as consolidation accelerates among Canada's Montney shale producers, and rising interest of Asian buyers in shale and LNG-linked assets.

As for M&A, the main deals were the SM Energy and Civitas' merger, Eni and Petronas merging certain assets in Indonesia and Malaysia, and TotalEnergies merging its UK operations with NeoNext Energy to form NeoNext+. North America led activity last year, accounting for more than \$112 billion – or 66 percent – of total deal value.

Going into 2026, analysts are



looking at Coterra Energy and Devon Energy evaluating a potential merger, while Mitsubishi just announced a \$7.5 billion acquisition of Aethon Energy.

Small number of high-value transactions

The international M&A outlook remains uneven: "While the pipeline of opportunities is sizeable, activ-

ity is concentrated around a small number of high-value and often complex transactions, limiting broader deal momentum," Atul Raina Rystad Energy's vice presi-

continued on page 2

Japanese buyers sign flexible LNG deals for winter supply

Japan's biggest power generator JERA as well as Hokkaido Gas have sealed long-term LNG sale and purchase agreements (SPA) with flexible delivery patterns, catering to seasonal demand swings.

JERA entered a five-year deal with Woodside Energy Trading Singapore to buy three LNG cargoes annually from 2027, securing winter supply of about 200,000 metric tons per year mainly sourced from Woodside's Scarborough project.

"Building on our partnership with Woodside, this agreement enhances our supply resilience and flexibility to respond to seasonal demand fluctuations," said Kosuke Tanaka, JERA executive officer and head of the LNG



JERA's Sodegaura thermal power station

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US LNG arbitrage to Asia falls as JKM-TTF spread narrows

The arbitrage for shipping US LNG cargoes to Northeast Asia has fallen to -\$0.2/MMBtu, the lowest level since February 2025 – even though Atlantic freight rates have declined by more than \$70,000 per day over the past month, a move that would typically bolster Asia-bound LNG shipping. The narrowing arbitrage for US LNG freight moving to Asia has largely been caused by a tighter JKM-TTF price spread, analysts at Spark Commodities pointed out.

Gas prices at the Dutch TTF, Europe's most liquid gas trading point, have risen while the JKM [Japan Korea Marker assessed by Platts] has lagged.

"This is pushing the USG to Asia arbitrage further out of the money," analysts commented. Spark Commodities hence lowered its Atlantic LNG rate assessment by \$2,500 per day today to \$44,500 per day. In contrast, the Pacific LNG rate assessment was increased marginally to \$44,250 per day.

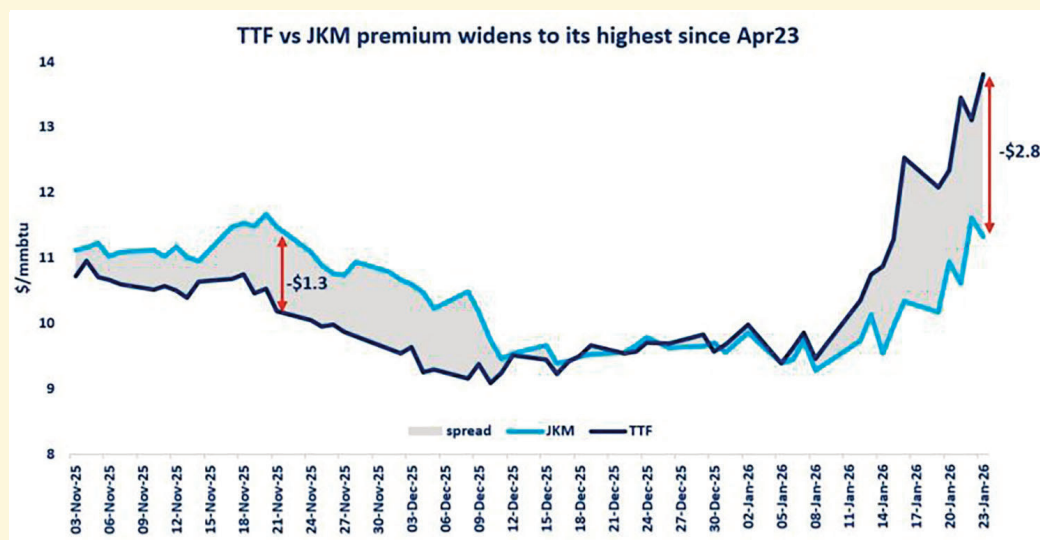
"Mind the spread," Greg Molnar, analysts at the International Energy Agency (IEA) said, referring to TTF's premium over JKM having widened to its highest level since April 2023, as an arctic cold spell together with slower nuclear power output boosted European gas demand by more than 8% while gas storage trending below average. JKM followed TTF although at a more tepid pace, climbing by around 20% since the beginning of the year.

Iran tensions trigger panic buying

Macro bullishness abounds in European gas and power markets after US President Trump threatened to levy 25 percent tariffs on anyone who keeps doing business with Iran. Markets overreacted, with one gas broker describing the "move up on spreads for September vs October as well as Q4 vs Q1" "completely panic driven."

Fundamentally, both LNG and pipeline gas supply coming into Europe are looking tight, while storage drawdown is running above average due to unseasonably cold weather across northern Europe. In fact, LNG import volumes to Europe have not dropped – they have plateaued with send-out being low relative to storage draws, shifting traders' focus to this imbalance.

But this sentiment may be short-lived: "Assuming Golden Pass starts up operations between February and March, this could refocus attention on LNG, and suddenly this summer looks loose again."



continued from page 1

dent oil and gas M&A commented.

National oil companies from the Middle East, Asia, and South America are more active and their "appetite for scale and international exposure" seem unbroken, he noted – while many international oil companies remain selective. "Low and volatile oil prices during 2025 had a lasting negative impact on the buyer-seller spread," he explained.

2026's global LNG M&A activity is expected to remain below last year's level, but it is still projected to be "robust." More than

\$8.6 billion-worth of LNG infrastructure assets are already available on the market, though this figure excludes the potential sale of Santos, after an ADNOC-led consortium withdrew its \$23.6 billion bid.

Some \$2.5 billion-worth of upstream assets that feed to LNG

plants are also up for grabs. Energy Transfer is reportedly exploring the divestment of an 80% stake in the pre-FID Lake Charles LNG project. In Argentina, YPF is reportedly seeking partners for its Argentina LNG project – some private Asian energy companies have signalled interest.

“ Low and volatile oil prices during 2025 had a lasting negative impact on the buyer-seller spread ”

– Atul Raina, vice president oil and gas M&A, Rystad Energy

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Santos' first LNG cargo from Barossa field heads to Japan

Australia's oil and gas giant Santos has shipped the first LNG cargo from its \$6.1 billion Barossa gas project in the Timor Sea. The cargo on the carrier 'Kool Blizzard' was scheduled to arrive at Japan's Sakai terminal on around February 2.

Santos CEO Kevin Gallagher said the first cargo represents "a major step forward" for the company's northern Australia portfolio and underscores its commitment to supplying reliable gas to Asia's key energy customers. The name of the buyer

was not disclosed, though the shipment was awarded in a tender that closed earlier this month.

Analysts expect the Barossa's start-up could ease supply tightness in Asia-Pacific spot markets, where prices stayed elevated as

cold winter weather persists across key LNG markets including Japan and South Korea.

Connection failures in two feeder pipelines to the Darwin LNG plant has caused a 2-month delay — but Santos confirmed those issues have now been fully repaired and commissioning has resumed. LNG production has started following completion of the Darwin LNG life extension project.

In its fourth quarter earnings report, Santos said natural gas sales volumes reached 24.8 million barrels of oil equivalent for the fourth quarter, up 15 per cent on the prior quarter. Production



JERA's Sakaide LNG import terminal

increased 22.3 million barrels of oil equivalent for the fourth quarter, a 5 percent rise quarter-on-quarter. Free cash flow from operations came in at around \$380 million, up 30 per cent on the prior quarter.

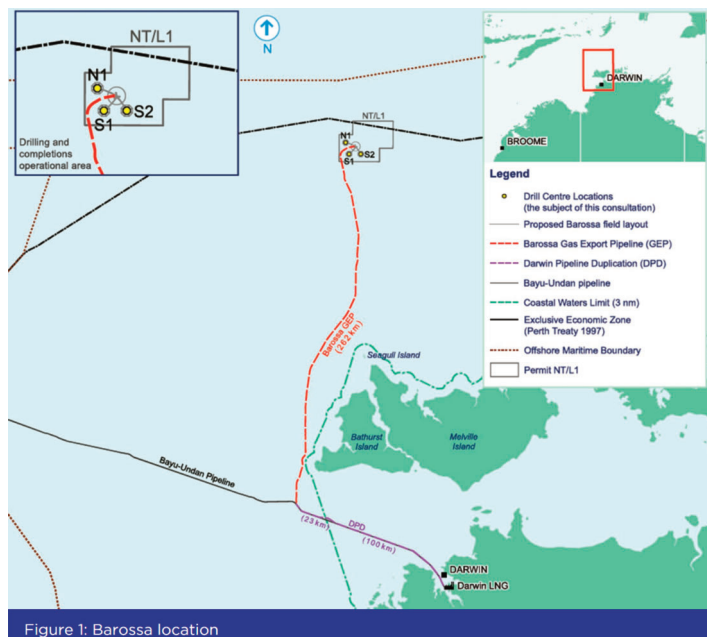


Figure 1: Barossa location
Barossa location

“Analysts expect the Barossa's start-up could ease supply tightness in Asia-Pacific spot markets, where prices stayed elevated as cold winter weather persists across key LNG markets including Japan and South Korea.”

continued from page 1

division. Japan relies heavily on LNG to maintain stable electricity supply as the contribution of inherently intermittent renewable generation rises and to balance seasonal demand swings widen.

In a similar move, Hokkaido Gas entered a 7-year SPA with JERA for two to cargoes per year — equivalent to roughly 130,000 to 200,000 metric tonnes of LNG. Deliveries will be scheduled flexibly to align with Hokkaido Gas' seasonal demand patterns. For JERA, the deal expands its downstream LNG sales portfolio while securing stable, long-term sales volumes in its Japanese home market. Volumes are understood to be competitively priced against prevailing market benchmarks.

Yet another Japanese city gas utility, Shizuoka Gas, also signed a

seven-year contract to import LNG starting April 2027 indexed at a 12% slope to Brent crude oil prices. Shizuoka is reportedly seeking to source five cargoes per year under the contract, concluded on a delivered ex-ship (DES) basis. The deal comes as the utility's existing offtake agreement for 330,000 million tons per annum (mtpa) with Malaysia's LNG Dua is set to expire in 2026. Other arrangements by Shizuoka for LNG offtake from JERA's global portfolio and from Shell's Prelude FLNG project — 330,000 mtpa — will end in 2027.

Nuclear rebound impacts LNG-burn

Looking at Japan's overall power generation mix, the nuclear rebound is eating into the market

share of LNG-fuelled power stations. Natural gas — covering currently 34 percent or 359 TWh of Japan's power mix in 2021 — has faced eroding baseload and ancillary roles as cost-competitive nuclear power increasingly caters to baseload power demand.

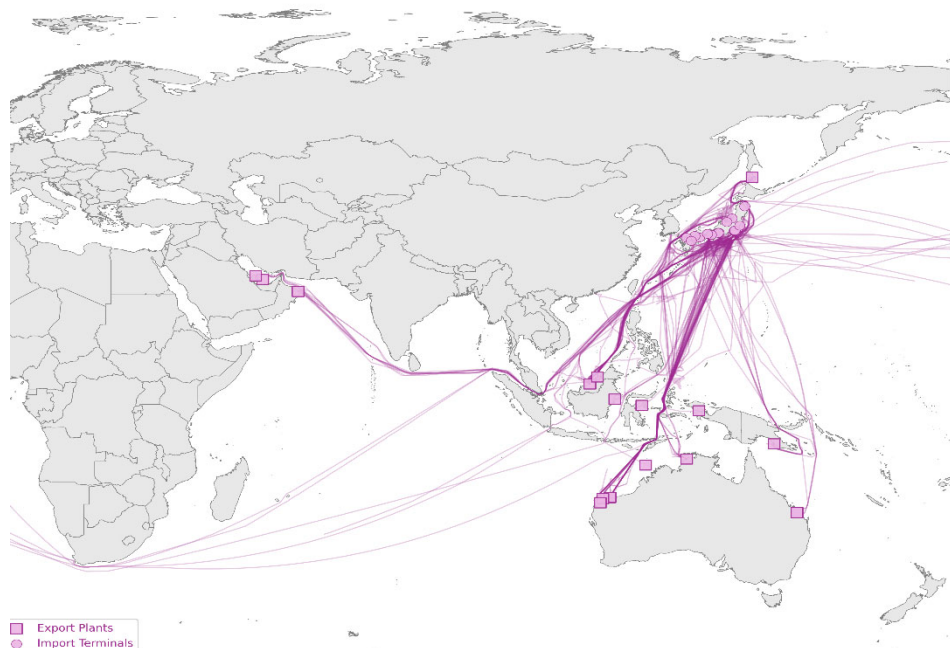
Comparatively high-priced LNG has been stifling the dispatch of gas-fired peaking plants, tilting Japan's power generation mix towards nuclear baseload power and renewables combined with energy storage. Moreover, Japan's electricity demand is forecast to fall 2.5 percent in 2026 as the country's economic slowdown continues.

Batteries are yet another rival energy source that eat into the market share of LNG-fuelled power stations. For frequency re-

sponse, large-scale batteries are technically capable to outpace gas peaking plants on milliseconds, slashing peaker revenues though gas-fired capacity retains value in extended lulls of wind and solar power.

The Japanese government is supporting the country's clean energy transition. At current trends, with clean energy growing 6% yearly, while fossil is shrinking 3%, zero-emission power sources could generate more than 50% of Japan's electricity needs by 2033. Solar power's contribution alone has risen 25-fold since 2010, with non-nuclear clean energy sources hitting records in eight of 10 recent years. This pivot is bolstering Japan's energy security but pressures exporters of fossil fuels — notably LNG.

Japan



Market Summary

Japan imported 12.20mmt of LNG during December 2025 to January 2026, receiving 192 cargoes from 13 supplier countries. Australia was the leading supplier with a 35 percent share, followed by Malaysia (17 percent) and the United States (9 percent).

Volumes rose 11 percent from the prior period (Oct-Nov 2025: 11.02mmt), consistent with seasonal winter demand for heating and power generation. December and January were evenly balanced at 6.22mmt (97 cargoes) and 5.98mmt (95 cargoes) respectively. However, year on year, imports fell 7 percent from 13.05mmt in December 2024-January 2025 – the latest in a sequence of progressively lower bimonthly totals compared with the prior year. The structural decline reflects accelerating nuclear restarts, the expansion of renewable generation, and the policy direction established in the 7th Strategic Energy Plan approved in February 2025, which targets a reduction in gas's share of the power mix from 33 percent to 20 percent by 2030.

Supply Concentration

The Herfindahl-Hirschman Index stood at 1,767, indicating a moderate level of supply concentration. This represents an improvement of 134 points from the prior period and a substantial improvement of 326 points year on year (Dec 2024-Jan 2025: 2,093). The year-on-year diversification gain is notable and reflects an expansion of supply sources across the Middle East, West Africa and now Canada, reducing Japan's historic dependence on Australia.

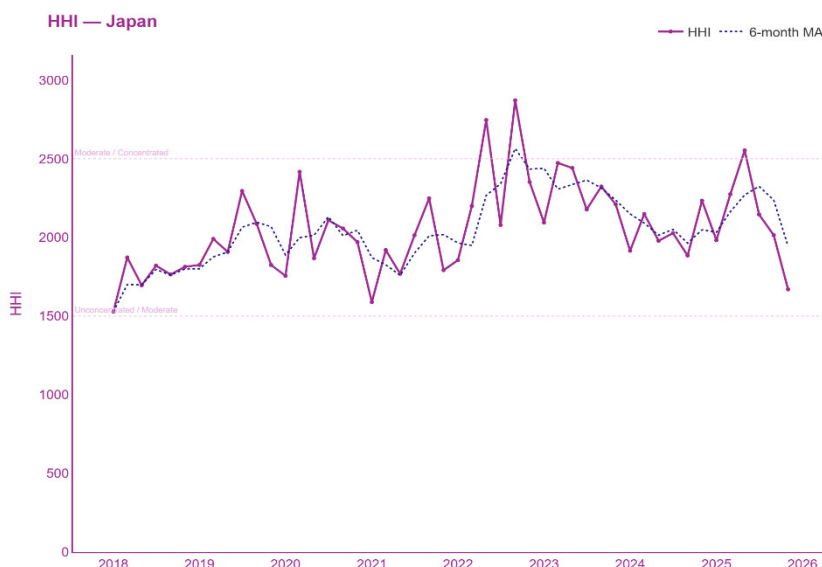
Market Highlights

TEPCO restarted Unit 6 at the Kashiwazaki-Kariwa nuclear power station on 21 January 2026. This is the first TEPCO reactor to come back online since the 2011 Fukushima disaster and the 15th Japanese reactor to restart under the post-Fukushima regulatory framework. The 1.36 GW unit, one of seven at the world's largest nuclear plant (8.2 GW total capacity), had received approval from the Niigata prefectural assembly in December 2025 after more than a decade of safety upgrades and public consultations. Unit 7 restart is expected to follow. The significance for LNG demand is material. TEPCO estimates the restart will boost earnings by JPY 100 billion per year, largely through reduced fuel costs. Combined with the policy shift in the 7th Strategic Energy

Plan – which removed the longstanding phrase about "reducing nuclear dependency as much as possible" and targets 20 percent nuclear by 2040 – the direction of travel is clear. Each reactor restart reduces baseload gas burn at JERA and other utility generators, translating directly into lower LNG import requirements. The Tomari-3 reactor (Hokkaido Electric) also received NRA safety approval in July 2025 and gubernatorial consent in December, though restart is pending seawall completion in 2027.

Sakhalin-2 supply

Russian supply totalled 0.97mmt (8 percent share), all from Sakhalin-2 LNG via 18 cargoes – broadly stable at a level that has persisted between 7 and 9 percent throughout 2025. Unlike China, Japan receives no cargoes from Arctic LNG 2 or other sanctioned Russian facilities. The geopolitical dynamics around Sakhalin-2, however, shifted significantly during the reporting period. In October, US Treasury Secretary Scott Bessent explicitly asked Tokyo to reduce LNG imports from Sakhalin-2. The existing US sanctions exemption for Sakhalin-2 transactions expired on 20 December but was extended to 18 June 2026, with the condition that Sakhalin LNG exports go solely to Japan. Japan welcomed the extension, with Chief Cabinet Secretary Kihara stating the government would "take all possible measures to ensure stable LNG supplies". JERA's Sakhalin-2 contract – 0.5 mtpa – expires in March 2026, and how it is handled will set the precedent for the remaining contracts that expire sequentially through 2033. Japan's Diplomatic Blue Book (2025 edition) described the Sakhalin projects as "important for energy security", and utilities have indicated they could replace the volumes if required, but doing so in a tight global LNG market would likely involve premium-priced spot cargoes or accelerated commitments to new supply projects. The US has been actively promoting the Alaska LNG project as a long-term replacement, though Japanese buyers remain cautious on its cost and feasibility. For now, the 18 Sakhalin-2 cargoes



received during the period were distributed across 13 terminals, reflecting the project's deep integration into Japan's gas distribution network.

LNG Canada reaches Japan

Three LNG Canada cargoes totalling 0.22mmt arrived during the period, delivered to Senboku, Sodegaura and Niigata terminals. Mitsubishi Corporation's 15 percent equity stake in LNG Canada provides a natural offtake channel into the Japanese market. Canada first appeared as a supplier to Japan in June-July 2025, and deliveries had already reached 0.47mmt (6 cargoes) in the prior period. The decline to 0.22mmt during the current period likely reflects cargo timing and ramp-up variability rather than a structural shift. As LNG Canada approaches full two-train capacity during 2026, volumes to Japan are expected to stabilise and could partially offset declining Sakhalin-2 flows, particularly given the similar Pacific Basin shipping economics.

Australia remains dominant supplier - for now

Australia retained the top supplier position with a 35 percent share, though this continues a year-on-year decline from 39 percent in December 2024-January 2025. Supply was well distributed across eight export facilities: Gorgon (0.97mmt), Ichthys (0.93mmt), Wheatstone (0.90mmt), NWS (0.89mmt), Pluto (0.28mmt), APLNG (0.12mmt), QCLNG (0.07mmt), and Prelude FLNG (0.06mmt). The dominance of Western Australian projects (Gorgon, Ichthys, Wheatstone, NWS and Pluto account for 94 percent of Australian volumes) reflects Japan's extensive legacy of equity participation and long-term contracts in these assets. The marginal East Coast volumes (APLNG and QCLNG) represent portfolio or spot trades rather than term commitments.

Malaysia and Southeast Asian supply

Malaysia was the second-largest supplier at 2.07mmt (17 percent), with the bulk from

Malaysia LNG at Bintulu (1.86mmt, 33 cargoes) and smaller contributions from the PFLNG 2 (0.16mmt) and PFLNG 1 (0.05mmt) floating facilities. Indonesia contributed 0.65mmt (5 percent) and Brunei 0.51mmt (4 percent), bringing the combined Southeast Asian share (including Malaysia) to 26 percent. This remains a stable and significant component of Japan's supply mix, underpinned by proximity, longstanding contracts and the short shipping distances that keep delivered costs competitive.

West African diversification

Nigeria appeared as a supplier for the first time versus the prior period, delivering 0.28mmt (2 percent share, 4 cargoes) from Nigeria LNG's Bonny Island facility. Equatorial Guinea also entered the supply mix with 0.15mmt (1 percent, 2 cargoes) from EG LNG. Combined, West African supply reached 4 percent of Japanese imports. While still modest, the appearance of these suppliers in a market traditionally dominated by Asia-Pacific and Middle Eastern sources is consistent with Japan's diversification objectives and the broader availability of Atlantic Basin cargoes flowing east.

Facility Highlights

Futtsu remained the single largest receiving terminal at 1.81mmt (27 cargoes, 10 source countries), posting a 16 percent increase from the prior period. Himeji recorded the largest absolute gain, rising 36 percent to 1.14mmt. Other notable increases included Ogishima (+27 percent to 0.80mmt), Hitachi LNG (+63 percent to 0.31mmt), Yokkaichi (+92 percent to 0.23mmt), and Oita (+71 percent to 0.24mmt). Mizushima recorded the steepest decline, falling 73 percent to 0.08mmt.

In total, 29 terminals recorded arrivals, highlighting the breadth and geographic

dispersion of Japan's import infrastructure. Futtsu drew from 10 source countries – the widest range of any terminal – while Senboku sourced from 8 countries. Sakhalin-2 cargoes were distributed across 13 separate terminals, from Niihama in Shikoku to Shin Sendai in northern Honshu, underscoring how deeply Russian LNG is embedded in Japan's downstream gas network.

Outlook

Japan's LNG import trajectory is now firmly downward, driven by the accelerating nuclear restart programme, the policy framework established in the 7th Strategic Energy Plan, and growing renewable capacity. The restart of Kashiwazaki-Kariwa Unit 6 on 21 January is both symbolic and material – the first TEPCO reactor since Fukushima and a clear signal that the political obstacles to nuclear restarts are being overcome. If Unit 7 follows as expected the impact on TEPCO's gas requirements will be substantial.

The Sakhalin-2 question looms over 2026. JERA's 0.5 mtpa contract expires in March 2026, and the US sanctions exemption runs only to June. A non-renewal or disruption would remove approximately 0.50mmt per bimonthly period from the supply mix and force reallocation to spot purchases or acceleration of new term contracts. The emergence of LNG Canada as a Pacific Basin alternative, alongside continued US Gulf Coast supply (which accounted for 9 percent of imports during the period), provides potential substitution pathways, though the pricing implications of replacing proximity-advantaged Sakhalin-2 cargoes with more distant supply merit careful analysis. Alaska LNG, while being actively promoted by Washington as a geopolitical solution, remains years from first gas and offers no near-term relief ♦

Supplier	Volume (MMt)	Share (pct)	vs Prior (pp)	vs YoY (pp)
Australia	4.22	34.60	-2.60	-4.30
Malaysia	2.07	17.00	1.40	-0.50
United States	1.08	8.90	-0.20	-1.00
Russia	0.97	8.00	0.10	-0.50
Oman	0.70	5.70	1.70	0.50
Qatar	0.66	5.40	0.90	0.90
Indonesia	0.65	5.30	0.30	1.30
Papua New Guinea	0.57	4.70	0.00	-0.50
Brunei	0.51	4.20	0.30	0.10
Nigeria	0.28	2.30	NEW	1.10
Canada	0.22	1.80	-2.50	NEW
Equatorial Guinea	0.15	1.20	NEW	NEW
UAE	0.12	1.00	0.50	0.50

China's coal-led rebound limits LNG imports; Kpler forecast

A rebound in coal-burn is limiting the Chinese power sector's pull for LNG imports to 20 million tons, prompting Kpler analysts to revise down earlier projections of 35 Mt. Weather risk poses upside risk to coal-burn, with hotter summer forecast to add 50 Terawatt-hours (TWh) to China's electricity demand.

LNG- and gas-burn, in contrast, is expected to stay rangebound as Chinese policymakers incentivise the use of domestic coal in the energy mix, alongside an accelerated renewables energy build-out, according to Kpler's 'China 2026 Power and Fossil Fuel Outlook'.

Solar and wind output has jumped 15 percent to 3,900 TWh, capturing 65 percent of net load growth and displacing 120 TWh of fossil generation, data by the French maritime and energy analytics firm shows.

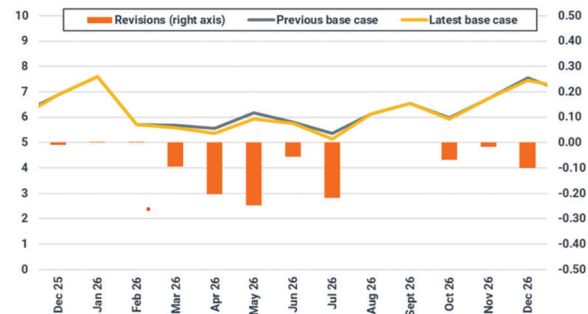
In 2026, China's electricity demand forecast to re-accelerate, lifting total consumption to around 11,000 TWh from 10,600 TWh in

the previous year. Data centres, AI infrastructure and electric vehicles are forecast to drive over 60 percent of incremental load growth, adding roughly 250 TWh, while residential and services sectors contribute another 150 TWh.

Rising demand for imported coal could lift global thermal prices at \$120-140 per tonne at a cost and freight basis, while analysts see very little upside potential for Chinese LNG imports – given that comparatively cheap thermal coal prices and a growing contribution of wind and solar power sources.

The outlook underscores re-

China monthly LNG demand latest forecast against previous forecast (mt)



Source: Kpler Insight

newables' structural dominance in Asia's largest power market as the Beijing favours low-cost energy

sources and steps short of incentivising gas use as a bridge fuel towards decarbonisation.

Gazprom-CNPC gas deal to cap China's demand

Gazprom's latest cooperation push with CNPC is accelerating the ramp-up of Russian pipeline gas exports to China, capping the country's LNG demand. Gazprom aims to increase exports via additional pipeline routes such as the Power of Siberia 2 pipeline.

Under the agreement, supplies via Power of Siberia will be increased from 38 bcm to 44 bcm per year, while deliveries via the Far Eastern route are intended to rise from 10 bcm to 12 bcm. In addition, Gazprom and CNPC signed a memorandum to build the 50 bcm per year Power of Siberia 2 Pipeline, anticipated to start up in the early 2030s – more than doubling Russia's current gas exports to China.

On the demand side, China's medium- to long-term gas consumption is forecast to reach 600-650 bcm between 2035 and 2040, reaching levels that cannot be met by pipeline gas imports alone.

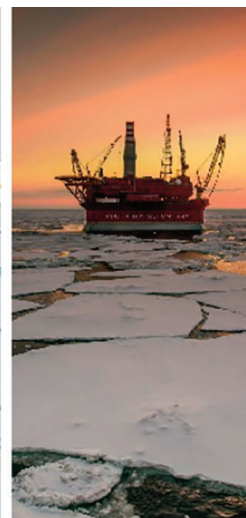
Though pipeline gas will take a larger share of this balance and reduce China's call on spot LNG, state buyers like CNPC, CNOOC, Sinopec and PetroChina will have to continue relying on LNG to meet China's rampant energy de-

mand, particularly in heavy-industrial coastal provinces.

Higher committed Russian pipeline gas offtake – priced significantly cheaper than imported LNG – will displace some incremental LNG demand growth. Chinese buyers hence have a keen interest for pipeline gas to replace the seasonal top up cargoes that would otherwise be sourced from the spot market.

Less Chinese buying appetite

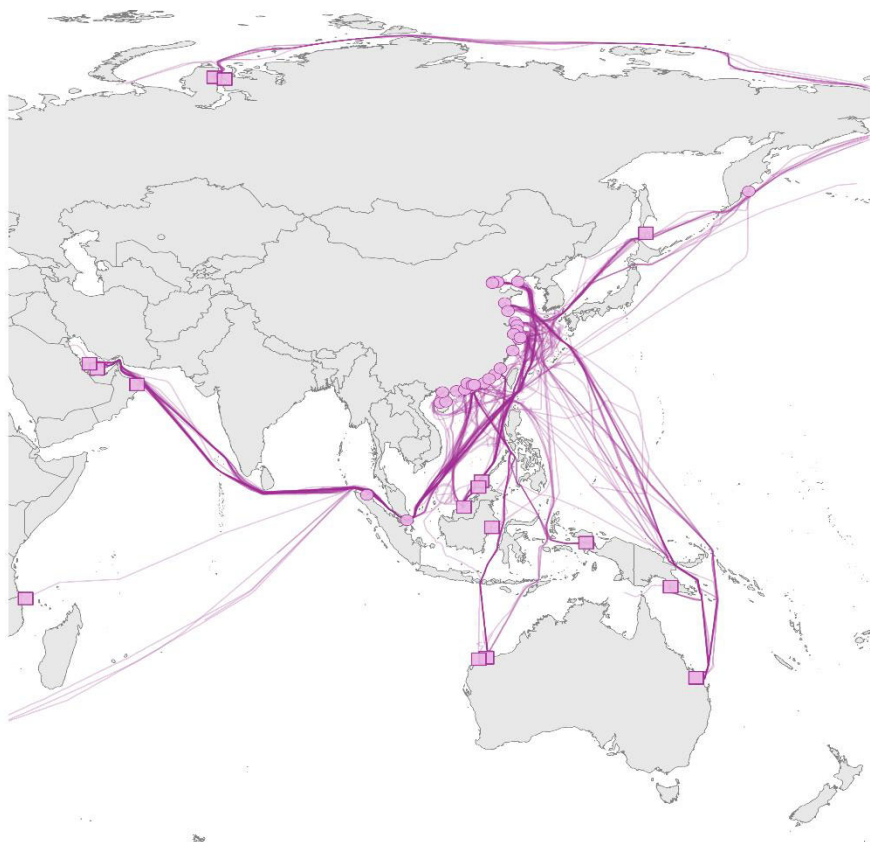
for spot LNG could, in turn, led to more moderate prices of the JKM (Japan Korea Marker), the leading benchmark price assessment for spot LNG cargoes delivered into Northeast Asia. Analysts cautioned, however, that long lead-times for the construction of Power of Siberia 2 and uncertainties over exact ramp up schedules mean that LNG is poised to remain essential for China's gas supply security well into the early 2030s.



Sinopec prepares merger with CNAF

Sinopec, one of China's largest LNG importers, and China National Aviation Fuel Group (CNAF) have embarked on a restructuring process to prepare a merger. The plan has been approved by the Chinese State Council and would marginally support Chinese LNG demand through higher jet fuel and SAF-linked gas use, while strengthening state control on long-term LNG contracting.

China



Market Summary

China imported 13.55mmt of LNG during December 2025 to January 2026, receiving 204 cargoes from 14 supplier countries. Australia was the leading supplier with a 28 per cent share, followed by Qatar (28 per cent) and Malaysia (11 per cent).

Volumes rose 19 per cent versus the prior period (Oct-Nov 2025: 11.39mmt), reflecting winter heating demand and pre-Lunar New Year inventory building. December was the heavier month at 7.34mmt (106 cargoes) versus 6.21mmt (98 cargoes) in January. Year on year, imports edged up 4 per cent from the Dec 2024-Jan 2025 level of 13.04mmt, suggesting that the prolonged softness in Chinese LNG demand through the first three quarters of 2025 may be stabilising. Rising domestic gas production and growing pipeline imports from Russia via Power of Siberia have continued to moderate seaborne import requirements but appear insufficient to fully displace LNG during peak winter consumption.

Supply Concentration

The Herfindahl-Hirschman Index (HHI) stood at 1,878, indicating a moderate level of supply concentration. This represents an improvement of 97 points versus the prior period and a more significant improvement of 158 points year on

year (Dec 2024-Jan 2025: 2,036). Supply diversification has improved despite the continued absence of US LNG, underscoring how effectively Chinese buyers have rebalanced procurement across alternative sources. Indeed, our indexing underscores diversification has accelerated.

Price Context

Landed LNG prices into China averaged approximately \$10/mmBtu during the reporting period, down 27 per cent year on year. Domestic

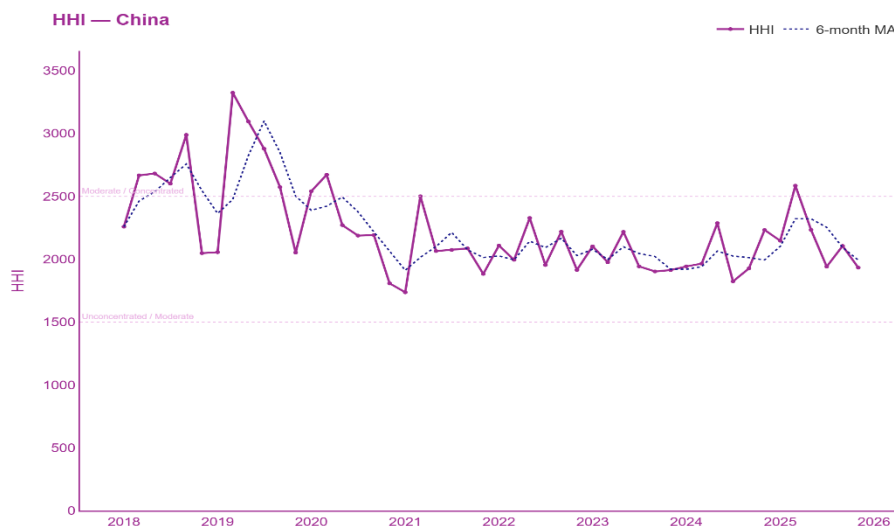
wholesale prices followed a similar trajectory, averaging around \$10.30/mmBtu. Notably, landed prices traded at a discount to domestic prices throughout much of the second half of 2025, a reversal from the premium observed earlier in the year. The traditional winter price premium was largely absent, consistent with the subdued demand growth observed through 2025. Landed prices firmed in late January ahead of the Lunar New Year holiday, rising approximately 18 per cent from early-month lows to around \$11.70/mmBtu.

Market Highlights

No US LNG cargo has reached China since 6 February 2025, following Beijing's imposition of a 15 per cent retaliatory tariff on US LNG on 10 February. Subsequent tariff escalations brought the combined rate to 25 per cent by mid-year. Notably, the broader US-China trade agreement reached in late October – which removed retaliatory tariffs on agricultural products from 10 November – explicitly excluded energy commodities. US LNG, crude oil and coal remain subject to 25 per cent, 20 per cent and 25 per cent tariffs respectively. Chinese buyers with long-term US offtake contracts have been redirecting cargoes to European markets, taking advantage of the destination flexibility that characterises most US LNG contracts. The hiatus now exceeds eleven months and is approaching the duration of the 13-month freeze during the 2018-19 trade war. With over 20mtpa of Chinese long-term contracts tied to US projects – several of which have yet to come online – the commercial and geopolitical implications of a prolonged decoupling extend well beyond the current reporting period.

LNG Canada ramps up

Canada appeared as a supplier to China in August 2025, following the first cargo departure from LNG Canada's Kitimat facility on 30 June. The 14mtpa facility (a Shell-led joint venture)



had shipped its 25th cargo by November. PetroChina's equity participation provides a natural channel for Canadian LNG into the Chinese market. During the reporting period, three LNG Canada cargoes delivered 0.23mmt, accounting for 2 per cent of Chinese imports. With Train 2 having commenced commissioning in October 2025, and the facility expected to reach full capacity during 2026, Canadian volumes into China are expected to grow further.

Sanctioned Russian LNG supply

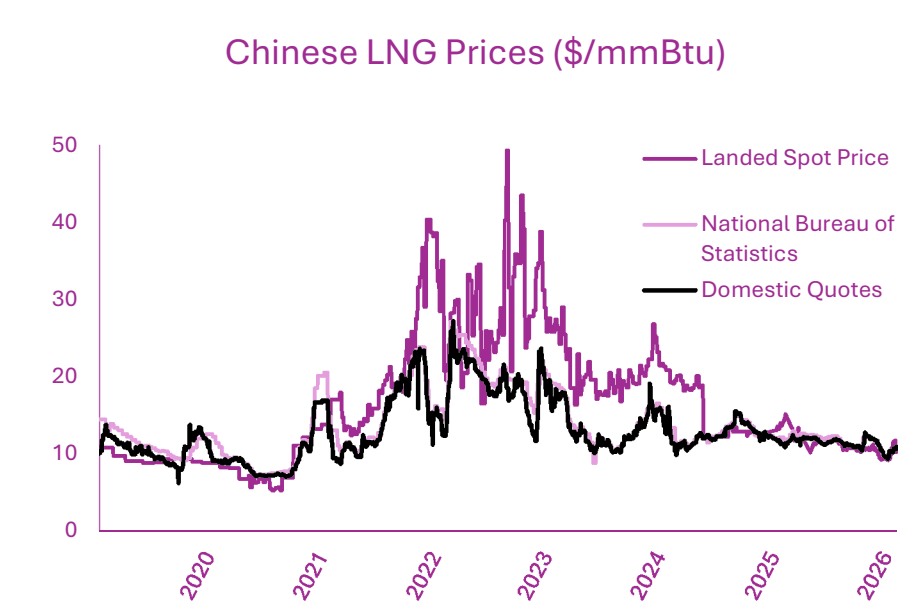
Russian supply totalled 1.36mmt (10 per cent share), drawn from five distinct loading points. Yamal LNG (0.65mmt, 9 cargoes) and Sakhalin-2 (0.32mmt, 6 cargoes) provided the bulk of volumes under established, non-sanctioned arrangements. However, our tracking data also identifies cargoes from the sanctioned Arctic LNG 2 project – loaded both at the facility directly (0.14mmt, 2 cargoes) and via floating storage at Kamchatka (0.11mmt, 3 cargoes) and Murmansk (0.07mmt, 1 cargo) – as well as a single cargo from Russia's Portovaya LNG plant (0.07mmt), which was sanctioned by the US in January 2025. These flows, totalling approximately 0.39mmt, are delivered exclusively to the Beihai LNG terminal in Guangxi province. China has in effect quarantined the Beihai terminal to handle sanctioned cargoes, having ceased Australian long-term contract deliveries there from July 2025. The US has warned of "significant sanctions risk" for entities doing business with Arctic LNG 2 but has not taken enforcement action. At least 23 Arctic LNG 2 shipments reached Beihai between late August 2025 and early January 2026. The volume remains modest relative to total Chinese imports, but the precedent is significant.

Australia holds top position, but long-term trend is downward

Australia reclaimed the leading supplier position during the period with a 28 per cent share (3.82mmt), narrowly ahead of Qatar (28 per cent). This reverses the prior period, when Qatar held the top spot. However, the longer-term trajectory remains downward: Australia's share has declined from 34 per cent in April-May 2025 to 28 per cent now, and from 31 per cent a year ago. East Coast projects dominated supply – Australia Pacific LNG (1.23mmt) and Queensland Curtis LNG (0.95mmt) together accounted for 57 per cent of Australian volumes – with NWS LNG (0.74mmt) and Gorgon (0.50mmt) contributing the balance. The trend likely reflects a combination of contract reconfigurations, increased Middle Eastern and West African procurement, and the loss of Beihai as a delivery point for Australian cargoes.

Nigeria establishes a regular presence

Nigerian supply rose to 0.69mmt (5 per cent share), up 4 percentage points from the prior



Source: SHPGX, CNBS, Domestic Traders, LNG Journal

period and 3 percentage points year on year. This continues a pattern that has developed through 2025, with Nigerian volumes appearing consistently from mid-year onward. Oman also posted a notable increase, rising to 0.58mmt (4 per cent share), up 2 percentage points from the prior period and 3 percentage points year on year.

Minor suppliers

Peru (0.15mmt), Brunei (0.06mmt) and Norway (0.05mmt) all appeared as new suppliers versus the prior period, contributing to the continued breadth of China's procurement base. Fourteen supplier countries delivered cargoes during the period, matching the year-ago level.

Facility Highlights

Shenzhen Diefu LNG posted the largest absolute gain, more than doubling to 1.09mmt (+0.58mmt, +114 per cent) and drawing from nine source countries – the widest range of any Chinese terminal. Jiangsu LNG rose 49 per cent to 1.58mmt to remain the single largest receiving terminal, while Caofeidian LNG (+64 per cent to 1.13mmt) and Shanghai Yangshan (+43 per cent to 1.10mmt) also recorded significant gains. Jiayang LNG surged 155 per cent to 0.56mmt. The northern cluster of terminals (Caofeidian, Tianjin complex, Qingdao, Dalian) collectively absorbed substantial winter volumes, consistent with heating-driven demand patterns.

Among the larger terminals recording month-on-month decreases, Guangdong Dapeng

fell 20 per cent to 0.96mmt and Qingdao eased back by 22 per cent to 0.82mmt. Beihai LNG received 0.55mmt across 9 cargoes, exclusively from Russian sources including sanctioned facilities.

In total, 29 terminals showed arrivals during the period, reflecting the breadth of China's import infrastructure.

Outlook

Chinese LNG imports appear to be stabilising after a prolonged period of softness through 2025, though the year-on-year increase of 4 per cent remains modest. Near-record low landed prices – down more than a quarter from a year ago – have provided favourable import economics, even as the price environment has offered little incentive for aggressive procurement beyond immediate requirements. The continued exclusion of energy products from the US-China trade normalisation means the absence of US LNG is likely to persist well into 2026, further cementing the shift in China's supplier mix toward the Middle East, Asia-Pacific and West Africa. LNG Canada's ongoing ramp-up will offer a growing Pacific Basin supply source, though volumes will be split across multiple Asian buyers. The handling of sanctioned Russian LNG at Beihai warrants close monitoring: the volume is currently marginal, but the precedent is significant, and a US policy response – or continued lack thereof – will shape the trajectory of both Arctic LNG 2 deliveries and broader sanctions enforcement ♦

Hanwha, KOSPO get closer to jointly procure US LNG

Korea Southern Power (KOSPO) and Hanwha Energy, Hanwha Aerospace are about to jointly procure US LNG, leveraging Hanwha's expanding LNG value chain and carrier fleet. By pooling procurement, the three companies aim to secure favourable contract terms and pricing structures.

Hanwha Energy operates LNG-to-power plants domestically and

abroad. The company will benefit from stable fuel supply to optimise generation economics. Hanwha Aerospace, through its energy and industrial solutions divisions, is expected to contribute technical expertise in LNG handling and infrastructure.

By aligning their LNG sourcing

strategy, Hanwha and KOSPO are positioning themselves to navigate a future where global LNG demand is expected to rise - driven in part by Asia's accelerating shift away from thermal coal.

For KOSPO, one of South Korea's largest power generators, LNG is a critical fuel to reduce coal-burn and meet the country's carbon reduction targets. LNG-fired plants provide dispatchable capacity that complements variable renewable power supply, ensuring grid stability during peak demand periods.



LNG carrier built by Hanwha Ocean

South Korea targets 18.8% share of LNG in power mix by 2030

South Korea's state-run utility KOGAS targets to raise the share of LNG in the power gen mix from 16.9 percent currently to 18.8 percent by 2030. US LNG imports to Korea already more than doubled year-on-year amid an ongoing Free Trade Agreements renegotiation, after the US Trump administration has voiced concerns about America's trade deficit with South Korea.

Threats have been raised to levy tariffs on export from Korea's energy-intensive industries, notably steel, automotive and semiconductors.

By boosting LNG imports from the United States via Korean state utilities, the government is aiming to achieve concessions in other industry sectors with a view to renegotiating and updating the US-South Korea free trade agreement KORUS FTA.

"While U.S. LNG imports may appear to offer a solution to bridge the trade deficit, declining domestic LNG demand and reduced targets for gas generation in the power mix suggest that increasing LNG imports may not be economically or environmentally viable for South Korea," said Michelle Kim, energy finance specialist at IEEFA.

In fact, South Korea's actual LNG demand is declining as utilities respond to rising prices for the imported fuel by building out wind and solar power sources. Falling

capital costs and zero operating costs, are making renewable energy sources increasingly attractive. The government recently finalized 11th Basic Plan for Long-Term Electricity Supply and Demand (BPLE)

aims to reduce the share of gas from 28 percent currently to 10.55 percent by 2038 to reach decarbonization goals.

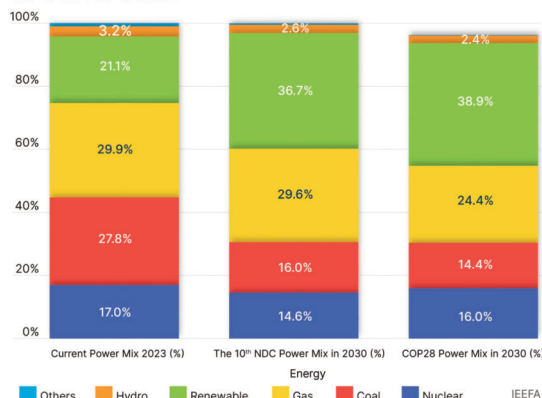
Shipments of US LNG from the Freeport terminal have been beset by frequent interruptions. Over the past years, disrupted gas deliveries frequently lowered the electricity output from South Korea's fleet of LNG-fired power plants.

SK E&S, an off-taker from the Freeport facility, had to reduce the operating rates of its LNG-fired

power plants from 79% in 2021 to 71% in 2022 due to the supply shortage. This prompted the company and KOGAS to purchase more expensive spot LNG to compensate for the losses.

The US LNG cargoes bought by South Korea were also costly as prices were 16% higher than cargoes sold to Japan in 2022. According to IEEFA analysis, "this illustrates the potential risks of increasing LNG imports from the United States to South Korea."

South Korea's Current and 2030 Target Power Mix vs COP28 Vows



LNG to power Korea's first AI data centre in Ulsan

Amazon Web Services will help SK Group build Korea's first AI hyperscale data centre in Ulsan, powered by LNG. All electricity needs of the data center will be met by Ulsan Gas Power Station (1,200 MW), capable to switch to LPG when LNG prices rise.

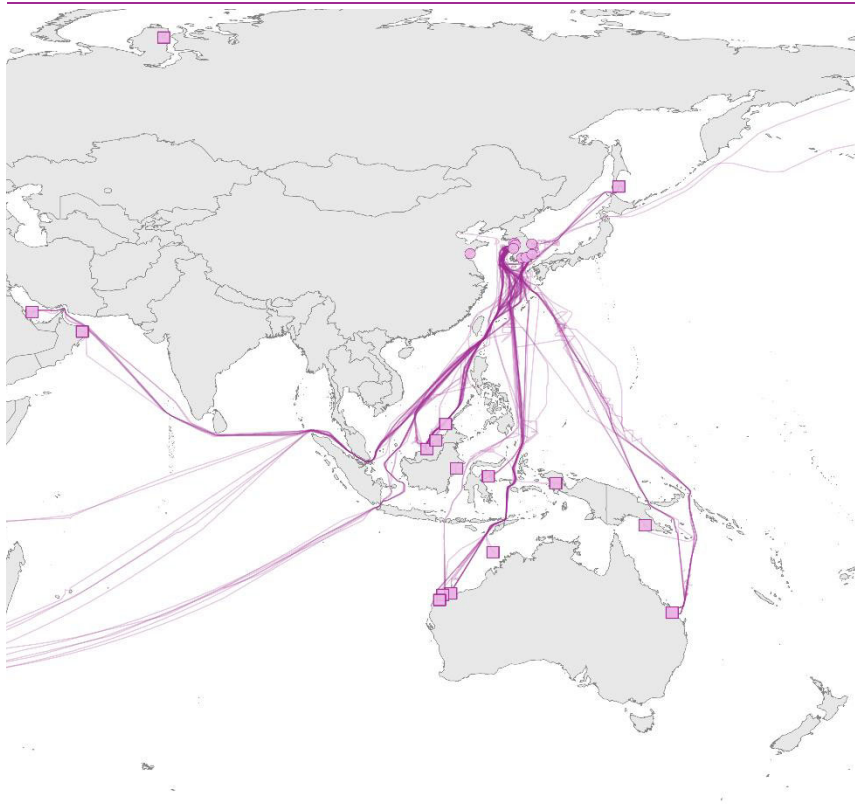
SK Gas, the owner and operator of the Ulsan Gas Power Station, already receives roughly 900,000 to 1,000,000 tonnes of LNG annually from the nearby Korea Energy Terminal.

Yoon Byung suk, CEO of SK Gas, recently dismissed Middle East LNG contracts as "rigid," where as US suppliers tend to offer more "market friendly terms," notably pricing and volume flexibility. His comment suggests an intent to sign shorter-term SPAs with Henry Hub linked pricing models, though exact contract terms or the status of negotiations with future LNG suppliers have not been disclosed.

The strategic location of Ulsan Gas Power Station near the data center allows for 'cold energy' from LNG to be used for direct cooling of the computing infrastructure, making its more energy efficient and sustainable. The data center will be built on SK Chemicals' site within the Mipo National Industrial Complex in Ulsan. Initially, it will have a capacity of 100 MW and is due operational by November 2027.



South Korea



Export Plants
Import Terminals

Source: LNG Journal

Market Summary

South Korea imported 8.88mmt of LNG during December 2025 to January 2026, receiving 132 cargoes from 16 supplier countries. Australia was the leading supplier with a 28 percent share, followed by Malaysia (18 percent) and Qatar (14 percent). Volumes rose 33 percent versus the prior period (Oct-Nov 2025: 6.67mmt), the sharpest bimonthly increase across the major Asian importers, and 8.88mmt represents the highest bimonthly total in the dataset. December and January were broadly balanced at 4.59mmt (68 cargoes) and 4.29mmt (64 cargoes) respectively. Year on year, imports edged up 3 percent from 8.60mmt in December 2024-January 2025. The period-on-period surge largely reflects seasonal restocking after a subdued autumn, while the year-on-year gain is notable given persistent expectations that nuclear expansion would erode gas demand. Full-year 2025 imports are estimated at approximately 46.7mtpa, a record high and a 1 percent increase year on year.

Supply Concentration

The Herfindahl-Hirschman Index stood at 1,516, indicating a moderate level of supply concentration. This represents an improvement of 202 points versus the prior period, driven by the broadest supplier base observed – 16 countries – in a market where KOGAS, the state monopoly buyer, controls procurement for five

of the seven active terminals. Year on year, however, the HHI edged up 32 points from 1,484, which had fallen within the Diversified range, indicating that while the current period shows healthy diversification, it has not matched the unusually broad supply base of a year ago.

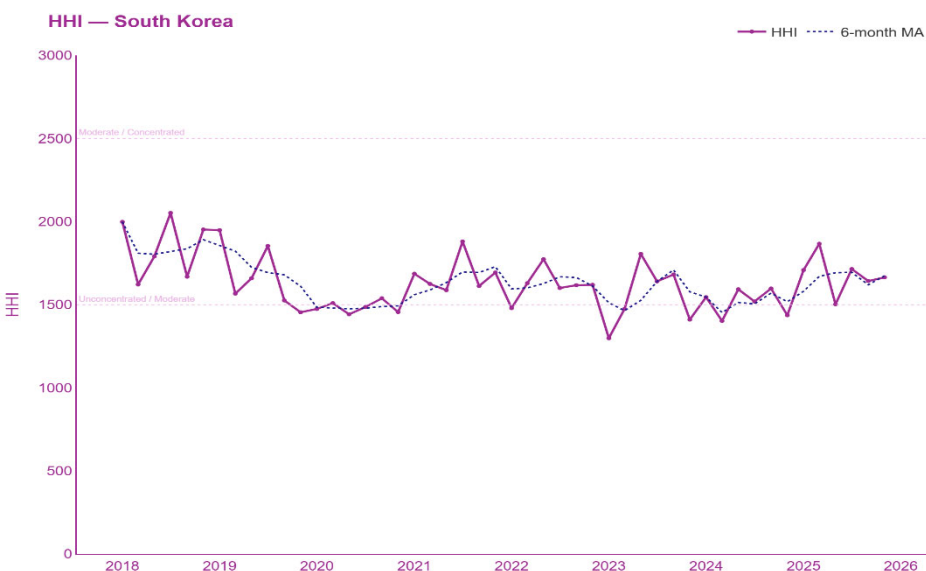
Market Highlights

South Korea's snap election on 3 June 2025 resulted in a change in government and energy policy. The previous government's 11th Basic

Plan for Long-term Electricity Supply and Demand (BPLe) in February 2025, targeted gas-fired generation falling from roughly 28 percent of the power mix to 11 percent by 2038, coupled with nuclear expansion to 35 percent. The new administration has signalled a different emphasis. National energy policy has pivoted to maintaining nuclear capacity without aggressive expansion, prioritising renewables, and pledging at COP30 to close more than 40 unabated coal plants by 2040. Under this framework, LNG is positioned as a complementary fuel for renewable intermittency rather than a baseload contributor. The 12th BPLe revision is yet to be completed, resulting in policy uncertainty for long-term LNG procurement decisions until the revised plan clarifies the trajectory of gas-fired generation.

US tariff agreement

On 31 July 2025, South Korea and the United States reached an agreement involving \$100 billion in US energy purchases over approximately 3 to 3.5 years, aimed at reducing the 25 percent tariff to 15 percent. IEEFA estimates this would require 7 to 10mtpa of additional US LNG, a 29 to 72 percent increase over 2024 levels. New deals have followed: Trafigura signed a long-term Henry Hub-indexed contract with KOGAS in August 2025, and TotalEnergies concluded a 1.0mtpa agreement in September for deliveries from 2028. However, South Korea's existing long-term portfolio of approximately 36mtpa – including roughly 6.5mtpa from US sources – already represents 72 percent of projected demand, above the historic 65 to 68 percent range. With 15.3mtpa in KOGAS contracts expiring between 2024 and 2028 (Oman 4.06mtpa, Qatar 7.02mtpa, Malaysia 2.0mtpa, Sakhalin 1.5mtpa, Indonesia 0.7mtpa), room for genuinely additional US volumes is limited until contract slots open. A senior South Korean official's comment that \$100 billion "is within our usual import volume" suggests compositional shift rather than incremental procurement.



Russian LNG supply

Russian supply totalled 0.35mmt (4 percent share), down sharply from 8 percent in the prior period. Five Sakhalin-2 cargoes (0.27mmt) went to Tongyeong and Samcheok, with a single Yamal LNG cargo (0.08mmt) completing the Russian tally. The KOGAS Sakhalin-2 contract (1.5mtpa) is among those scheduled to expire, and US diplomatic pressure – paralleling that applied to Japan, though less acute – adds further uncertainty to renewal.

LNG Canada enters via KOGAS equity

KOGAS received four cargoes (0.31mmt) from LNG Canada at Kitimat, distributed to Tongyeong (2 cargoes), Incheon (1) and Boryeong (1). KOGAS originally acquired a 20 percent stake, subsequently diluted to 5 percent under successive administrations, entitling approximately 0.70mtpa of offtake. First cargoes arrived in June-July 2025, and the December-January deliveries represent a meaningful step toward Pacific Basin supply diversification, reducing reliance on Atlantic and Middle Eastern sources with longer transit times and canal transit risk.

Qatar's share declining

Qatar supplied 14 percent (1.27mmt, all from Ras Laffan), continuing a persistent decline from 19 percent a year ago. The trajectory reflects the scheduled expiry of long-term KOGAS contracts and the absence of large-scale renewal at equivalent volumes.

Apparent spot market dynamics

December imports fell 17 percent year on year on warm weather and higher coal use, pushing the average import price to \$9.60/MMBtu – a four-year low. A late December cold snap disrupted the pattern, triggering diversions of five or more LNG carriers from Chinese to South Korean ports, including the Rex Tillerson to Gwangyang. Extended LNG tariff waivers helped stabilise domestic power prices. January volumes normalised at 4.29mmt.

Facility Highlights

All seven regasification terminals received cargoes. KOGAS operates five (Incheon, Pyeongtaek, Tongyeong, Boryeong, Samcheok); Korea Energy Terminal and Gwangyang are private (SK E&S and POSCO respectively). Pyeongtaek recorded the sharpest period-on-period gain, rising 57 percent to 2.47mmt (39 cargoes, 10 source countries). Incheon received 2.57mmt (36 cargoes, 12 source countries), up 44 percent. Tongyeong rose 42 percent to 1.50mmt (22 cargoes, 10 sources). These three KOGAS terminals accounted for 74 percent of total imports. Boryeong grew 28 percent to 1.05mmt, while Samcheok was flat at 0.53mmt. The two private terminals recorded modest declines: Gwangyang offtakes fell 13 percent to 0.45mmt and Korea Energy Terminal fell 21 percent to 0.31mmt – a divergence that may reflect KOGAS's preferential access to term contract volumes during the seasonal peak.

National terminal utilisation remains at approximately 31 percent of aggregate nameplate capacity, reinforcing the view that no infrastructure expansion is needed.

Outlook

South Korea's LNG market sits at an unusual juncture: record-high annual imports coexisting with a long-term policy trajectory that implies significant demand destruction. The 12th BPLE revision will be the key document to watch, as it will determine the pace and extent of gas-fired generation reduction. Until it is published, the tension between structural oversupply of terminal capacity and the need for supply security during a renewable transition will continue to complicate procurement strategy.

The US tariff deal adds a further constraint. Accommodating 7 to 10mtpa of additional US LNG within a potentially shrinking demand envelope will require either displacing other suppliers or accepting excess contractual commitments, with attendant stranded asset risk. The emerging pattern is one of compositional shift – more US, more Canada, less Qatar, uncertain Russia – rather than volume growth. KOGAS's contract expiry cycle over 2024 to 2028 creates the window for this rebalancing, but the margin for error is narrow in a market where terminal utilisation is already below a third and long-term demand may be heading lower ♦

Supplier	Volume (MMt)	Share (pct)	vs Prior (pp)	vs YoY (pp)
Australia	2.45	27.60	-1.50	1.80
Malaysia	1.59	17.90	-4.00	2.80
Qatar	1.27	14.30	-0.40	-4.30
United States	1.06	11.90	4.00	2.90
Oman	0.42	4.70	3.70	-4.60
Indonesia	0.36	4.10	0.30	-0.70
Russia	0.35	3.90	-4.20	0.00
Canada	0.31	3.50	1.10	NEW
Nigeria	0.24	2.70	1.80	-1.40
Mozambique	0.15	1.70	0.00	0.90
Peru	0.14	1.60	NEW	-1.80
Trinidad	0.13	1.50	-2.40	NEW
Brunei	0.12	1.40	-0.60	0.10
China (Re-export)	0.12	1.40	0.80	-0.70
UAE	0.11	1.20	NEW	NEW
Papua New Guinea	0.06	0.70	-1.40	-0.10

GAIL's 10-year LNG charter bolsters India's gas import logistics

GAIL India and Mitsui O.S.K Lines (MOL) have signed a 10-year time charter for the LNG carrier GAIL Bhuwan in a move expected to expand India's LNG shipping capacity, improve import logistics and support the country's growing gas demand.

The charter, signed during the India Energy Week in Goa, was sealed between GAIL and LNG Japonica Shipping, a joint venture 74% owned by MOL and 26% by GAIL. It extends a previous five-year charter that began in 2021.

The charter is the latest in a series of efforts by GAIL to expand its LNG shipping capacity. Currently, the 98,882 deadweight tons LNG carrier GAIL Bhuwan is the company's only equity-staked carrier among its six long-term LNG charters, with two more planned for next year.

Analysts view the charter as key to India's "Maritime Amrit Kaal Vision 2047," as it helps enhance the country's supply chain resilience as LNG demand grows to meet the nation's target of 15% gas in its energy mix by 2030.

For MOL, the charter allows the Japanese shipping company to participate in India's economic

boom and the surge of intra-basin trade in Asia Pacific. Both firms' net-zero pledges position the charter as a step toward low-carbon shipping amid global decarbonisation pressures.

India's LNG imports keep rising

Petronet LNG's managing director and CEO Akshay Kumar Singh anticipates India's growing energy needs will trigger a continuous rise in LNG imports - not least because domestic gas production can currently only meet half of India's gas needs.

"Everybody is looking towards India for LNG consumption," he said at a briefing during India En-

ergy Week (IEW). This year, India's LNG imports could rise to 29 million tonnes as the government aims to increase the share of gas in the country's primary energy mix to 15% by 2030.

On the infrastructure needed to provide natural gas to consumers, India is "moving quite nicely," Singh said, as India's LNG terminal capacity is expanding from the current 52.5 mill tonnes per year, but only around 50% is being utilised. In the next three to four years, India is expected to

add another 20 mill tonnes per year regas capacity, he said, enabling LNG utilisation at the import terminals to be increased.

The substantial LNG supply additions from the US and Qatar is hoped to make the super-chilled fuel more affordable and curb price volatility over the coming three to four years. "Volatility is not good for anybody, be it for producers, suppliers, or consumers. We expect that this [supply] addition is going to stabilise prices," he stressed. ■



LNG carrier berthing at GAIL's Dabhol regas terminal

ADNOC signs \$3bn term LNG supply deal with India's HPCL

ADNOC Gas has signed a 10-year LNG sales and purchase agreement with India's Hindustan Petroleum Corporation Ltd (HPCL) – valued at between \$2.5 billion and \$3 billion – to export 0.5 mtpa of LNG from ADNOC's Das Island terminal.

Fatema Al Nuaimi, ADNOC Gas CEO said the contracted LNG shipments will support s India's goal of raising the share of gas in its energy mix from about 6% to 15% by 2030.

India becomes UAE's largest LNG offtaker

The deal between HBCL and ADNOC converts a previously signed heads of agreement (HoA) into a binding sales and purchase

agreement (SPA). Over the past 24 months, ADNOC Gas has signed \$20 billion worth of LNG contracts with Indian buyers, making India the UAE's largest LNG customer.

By 2029, about one fifth all LNG operated by ADNOC Gas – or roughly 3.2 mtpa out of a projected 15.6 mtpa – will be supplied to Indian companies, including HPCL.

Das Island, one of the world's longest-running, has a capacity of

up to 6 mtpa. Since its inception, the terminal has delivered more than 3,500 cargoes, highlighting ADNOC long-term operational reliability.

Over the past three years, the company has concluded a series of LNG supply deals ranging from 0.4 to

1.2 mtpa, with terms extending up to 14 years. ■



LNG arm of ADNOC's Das Island

Pakistan starts re-selling excess LNG supply from January

Pakistan has begun to re-sell excess LNG, imported from Qatargas and Eni. Starting from January 1, the government is taking active steps to “sell this excess fuel to markets in Asia Pacific, while limiting the loss caused by it,” petroleum minister Ali Pervaiz Malik said.

He explained the government was trying to erase circular debt — caused by diverting excess LNG to domestic gas customers. This move had caused losses of around Rs1,000 billion (US\$3.55 million) in the Indian regulated gas sector since 2018-19.

Already in June 2025, the Pakistani government initiated the diversion of six LNG cargoes — delivered by Eni under a 15-year agreement — to the global spot market, bringing the total up to 11. But despite the diversion of one LNG cargo each month, there has been no respite in the line pack gas pressure. On the contrary, falling gas-burn for power generation — due to the fast adoption of hybrid solar power and energy storage solutions — has been exacerbating the gas oversupply.

Data from Pakistan’s National Electric Power Regulatory Authority shows LNG-fuelled power gen-

eration declined 4% to 17,847 gigawatt-hours (GWh) in the first ten months of fiscal 2025, down from 18,571 GWh a year earlier. The share of LNG in the country’s energy mix dropped to 17.7 percent from 18.4 percent, as the green energy transition progresses.

Over-contracted volumes

LNG volumes contracted by Pakistan under long-term sales and purchase agreements (SPAs) amount to 6.75 mtpa:

- Qatargas supplies 3.75 mtpa under a 15-year contract running through to 2031, priced at 13.37% of Brent oil, and there is contract for a further 3 mtpa running through 2032 for Qatari LNG, priced at 10.2% of Brent. Due to falling gas demand, five Qatari cargoes were deferred from 2025 to 2026 at no penalty.
- From Italy’s Eni, Pakistan imports 1 mtpa of LNG over 15-year



Pakistan GasPort

tenure, 12.14% indexed to the Brent oil price. An additional six Eni cargoes — due for delivery between July and December 2025 — will be diverted overseas by request of Sui Northern Gas

Pipelines.

The line-pack in Pakistan’s gas infrastructure is simply too high to accommodate any more natural gas. Domestic production has been downscaled as a consequence. ■

EWC erases debt to advance Pagbilao LNG & Power project

Energy World Corporation (EWC) has strengthened its balance sheet by converting \$434 million of debt into equity, erasing the group’s external debt to advance its 3 mtpa Pagbilao LNG regas terminal and integrated power project.

Throughout December, EWC advanced technical and financial preparations to prepare for a project-level debt raising. This included successful borescope

inspections of the Pagbilao turbines “with no major defects found,” the company said in a statement. These inspections are part of EWC’s preparatory work

toward financing and construction readiness.

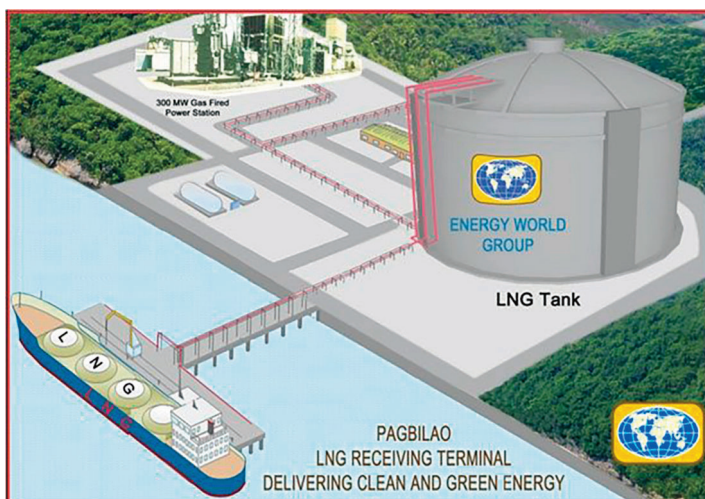
The Pagbilao LNG regas project is designed with 130,000 cbm LNG storage capacity, with space for expansion through a second tank. The throughput capacity of the regas terminal is envisaged to reach 3 million tons per year — enough to fuel power stations with a combined capacity of 3,000 MW in the Philippines broader gas network. The integrated Pagbilao power project, is planned as a 650 MW combined-cycle plant.

Manila-based consultants have been engaged to validate operational and financial models for the Pagbilao LNG & Power project, supporting plans for project

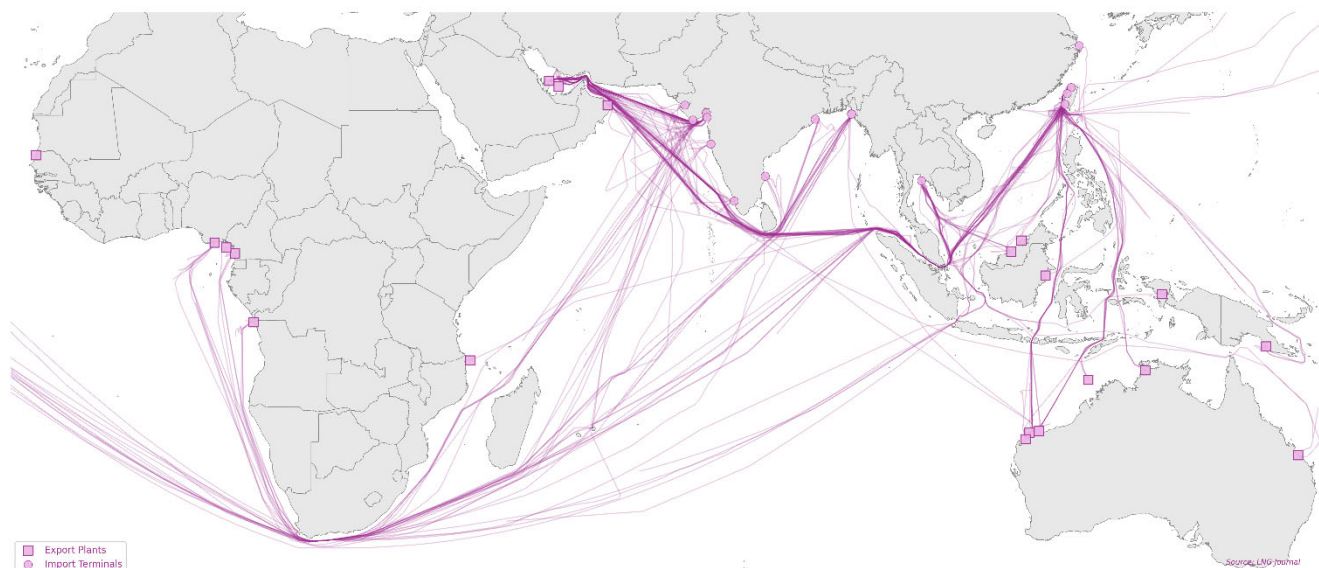
finance. As part of its asset strategy, EWC secured land for the project’s power transmission line and is in the process of selling non-core land in Australia.

EWC’s strategy is to develop and operate LNG and power generation infrastructure projects, with key assets in the Philippines, Indonesia and Australia. Emphasis increasingly lies on the on the Pagbilao power and LNG project in the Philippines which the company defines as “a core growth platform.”

An executive re-shuffle has also been completed, with a new CEO and CFO in place. The long-time executive Brian Allen, meanwhile, is moving to a non-executive director role. ■



Mid-scale Emerging Asia



Market Summary

India, Taiwan, Thailand and Bangladesh collectively imported 10.41mmt of LNG during December 2025 to January 2026, receiving 161 cargoes from 15 supplier countries. Qatar was the dominant supplier across this group with a 40.0 percent share, followed by Australia (17 percent) and the United States (12 percent). The combined Herfindahl-Hirschman Index (HHI) stood at 2,147, indicating a moderate level of supply concentration but approaching the concentrated threshold – largely reflecting Qatar's outsized role in both the Indian and Bangladeshi markets.

Combined volumes fell 10 percent versus the prior period (Oct-Nov 2025: 11.52mmt), driven primarily by seasonal demand patterns in Taiwan and Thailand and a pullback in Bangladeshi spot purchasing. Year on year, however, the picture is more encouraging: imports rose 11 percent from the Dec 2024-Jan 2025 level of 9.35mmt, consistent with the broader recovery in Asian LNG demand from the depressed levels that characterised much of 2025. Among notable shifts, Nigerian volumes rose sharply to a 7 percent combined share (up 6pp year on year), while UAE supply doubled its share to 6 percent on the back of increased term deliveries to India. Indonesian volumes declined markedly, falling to 1 percent from 5 percent a year ago.

India

Volumes were essentially flat compared to the prior report period (Oct-Nov 2025: 4.26mmt, +1 percent), suggesting that Indian LNG demand has stabilised after the weakness recorded through the first half of 2025 but has not yet entered the growth phase anticipated by the market. Year on year, the picture is more constructive: imports rose 19 percent from

3.61mmt, a rebound that likely reflects both the base effect of a particularly weak winter last year and a modest recovery in industrial gas demand. January was the heavier month at 2.32mmt (38 cargoes) versus 1.96mmt (30 cargoes) in December. Qatar led at 40 percent, followed by UAE (14 percent) and the United States (12 percent).

Petronet LNG has forecast total Indian LNG imports of 28-29mmt in 2026, up from approximately 25.5mmt in 2025, though India's acute price sensitivity, with buyers repeatedly citing a profitability threshold around \$7/mmBtu, continues to constrain uptake, particularly in the power sector where coal and renewables offer cheaper alternatives.

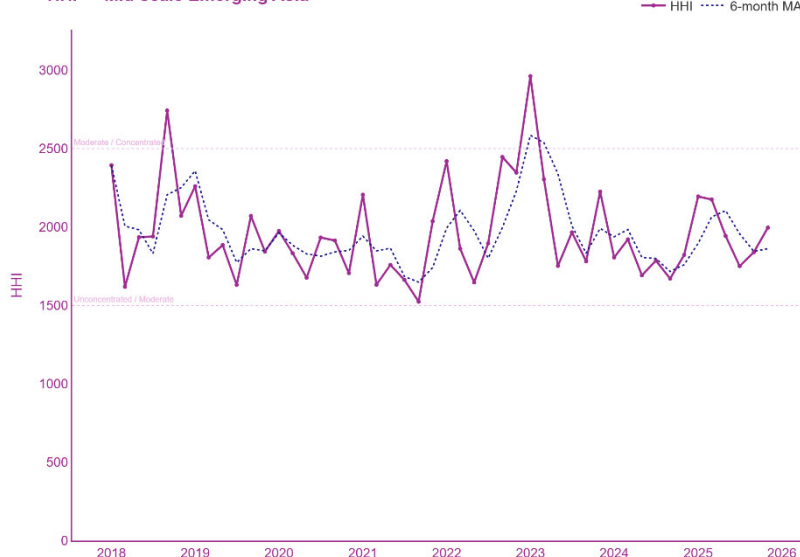
The HHI improved to 2,248 (down 195 points period on period, down 796 year-on-year from 3,044), marking the shift from concentrated to moderate territory. The improvement reflects the continued broadening of India's supplier base, with West African and a wider roster of Middle Eastern sources increasingly

supplementing the traditional Qatar-dominated mix.

The most significant development was the UAE's re-emergence at 14 percent (up 8pp), with all volumes delivered from Das Island to Dahej and Dabhol under what appear to be revived term arrangements, possibly linked to Petronas's long-term contract with ADNOC. This displaced Australia, which was entirely absent, a notable departure given that Australia had supplied 3 percent of Indian LNG as recently as Oct-Nov 2025.

West African diversification continued. Nigeria held steady as a source at 10 percent (up 7pp year on year), establishing a consistent presence. Angola rose to 9 percent (up from 4 percent year on year). These volumes were distributed across multiple terminals, Dahej, Hazira, Dhamra and Mundra, suggesting both spot and structured purchases rather than single-buyer arrangements. Mozambique, Equatorial Guinea and Trinidad also delivered cargoes, contributing to the widest supplier base India has recorded in recent periods.

HHI — Mid-scale Emerging Asia



Dahej received 2.93mmt across 47 cargoes, accounting for 68 percent of total Indian imports and drawing from six supplier countries, with throughput up 14 percent versus the prior period. Outside Dahej, volumes were notably dispersed across Dabhol, Ennore, Cochin, Hazira, Mundra, Dhamra and Chhara, though several smaller terminals recorded significant declines: Cochin fell 34 percent and Dhamra dropped 43 percent.

Despite India's structural need for imported gas, domestic production peaked in 2025 and is projected to decline at 9 percent annually through 2040 according to Wood Mackenzie, the price environment remains a binding constraint. Henry Hub-linked term contracts signed by Indian refiners in late 2024 and early 2025 are delivering LNG at \$12.80-13.40/mmBtu, well above the \$6-8/mmBtu range at which gas becomes competitive for power generation. The depreciation of the rupee to a record low of 90 against the dollar has compounded the cost burden. The government's long-signalled inclusion of natural gas in the GST framework, which would allow downstream users to claim input tax credits, has yet to materialise.

Taiwan

Volumes fell 16 percent versus the prior period, a steeper seasonal decline than typical, coinciding with milder winter temperatures. Year-on-year, imports edged up 6 percent. Australia led at 36 percent, followed by Qatar (34 percent) and the United States (14 percent).

The HHI deteriorated to 2,737 (up 399 points), pushing Taiwan into concentrated territory for the first time since mid-2024. The supplier base contracted sharply from eleven countries to six, with Canada, Russia, Brunei, Indonesia, Oman and Peru all absent. CPC appears to have consolidated procurement around core long-term partners at the expense of spot diversification during a period of lower demand.

Taiwan's post-nuclear transition continues to underpin structural LNG reliance. The Maanshan Unit 2 shutdown in May 2025 completed the island's nuclear phase-out, pushing gas-fired generation to approximately 47 percent of the power mix. A referendum on restarting Maanshan failed in August 2025, though the legislature passed amendments opening the door to future restarts. US LNG share held at 14 percent despite CPC's stated ambition to raise it to 30 percent in response to Washington's 32 percent tariff on Taiwanese exports, suggesting contractual arrangements are still being finalised.

Thailand

Volumes fell 17 percent versus the prior period but rose 13 percent year on year, consistent with typical seasonal patterns. Australia surged to a 30 percent share (up 18pp), overtaking Qatar (23 percent) as the leading supplier for the first time since early 2025.

The HHI deteriorated to 1,766 (up 572 points) from a diversified reading in the prior period, driven by Malaysia's complete absence and Australia's resurgence. Despite this, Thailand drew from ten supplier countries, the widest base in this group, reflecting PTT's aggressive spot procurement strategy.

Mozambique continued to build its presence at 10 percent (up from 5 percent year on year) as Coral FLNG production stabilises. Market liberalisation advanced, with seven companies now holding LNG shipper licences and Gulf LNG receiving cargoes under its ADNOC purchase agreement via the LMPT2 terminal. PTT plans to double regasification capacity to 30mtpa by decade's end, with the third Map Ta Phut terminal (8mtpa) targeted for first commercial operations in Q1 2029.

Bangladesh

Volumes fell 13 percent versus the prior period but edged up 2 percent year on year. Qatar dominated at 86 percent, with Mozambique (8 percent) and Nigeria (7 percent) the only other suppliers.

The HHI surged to 7,428 (up 3,342 points), reflecting the near-total collapse of spot procurement. In the prior period, the United States and Australia together provided 38 percent of volumes; both disappeared entirely. Despite Asian spot prices falling to \$9-10/mmBtu, Petrobangla failed to purchase cargoes in a timely manner, resulting in supply shortfalls that disrupted industrial production and fertiliser output during the Boro season.

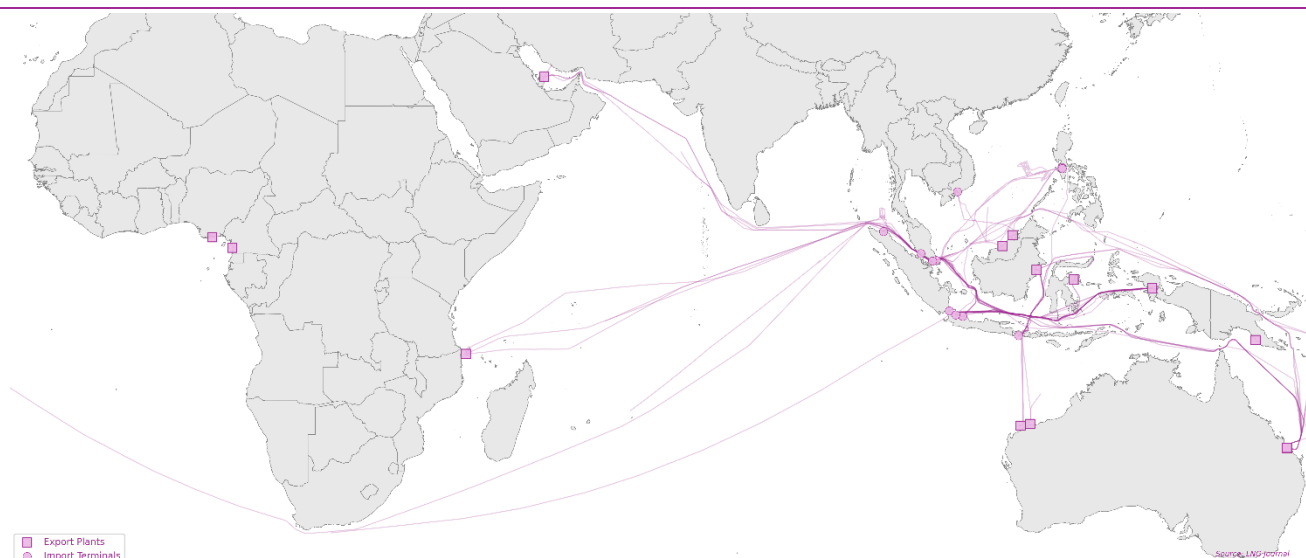
Bangladesh's gas shortfall has widened to approximately 1,200mmcf against domestic supply of 2,580mmcf. The two FSRUs off Maheshkhali Island are operating near capacity and plans for a land-based terminal have not advanced. The interim government has committed to importing 115 cargoes in 2025-26, but infrastructure bottlenecks and foreign exchange pressure remain binding constraints.

Outlook

Asia's mid-tier markets represent a combined 10.41mmt during the report period, roughly equivalent to Japan's winter intake. The trajectories diverge: India offers the most plausible growth story but remains price constrained. Taiwan's post-nuclear transition has structurally raised its LNG floor, though the push to increase US supply introduces a political dimension to procurement. Meanwhile, Thailand's market opening and infrastructure expansion support continued growth. Bangladesh remains the most vulnerable offtaker, with limited capacity and a procurement apparatus that has struggled to act with the commercial agility spot markets demand. All four are becoming more dependent on seaborne LNG as new global supply from the United States, Canada and Qatar's North Field East comes on stream through 2026-27 ♦

Plant	Export Basin			January	December	% Change m/m
	Atlantic	Middle East	Pacific			
Maheshkhali FSRUs	-	0.43	-	0.43	0.61	-30%
Cochin	0.08	-	-	0.08	0.13	-38%
Dabhol	0.14	-	-	0.14	0.16	-13%
Dahej	0.42	1.24	-	1.66	1.27	31%
Ennore LNG	0.07	0.06	-	0.13	0.12	8%
Hazira	-	-	-	-	0.20	-
Mundra LNG	0.07	0.04	-	0.11	0.08	38%
Dhamra LNG	0.12	0.04	-	0.16	-	-
Chhara LNG	-	0.04	-	0.04	-	-
Taichung	0.07	0.39	0.12	0.58	0.46	26%
Yung-An	0.18	0.29	0.61	1.08	1.12	-4%
Taoyuan (Guantang) LNG	-	0.10	-	0.10	0.16	-38%
Map Ta Phut LNG	0.21	0.25	0.38	0.84	0.75	12%

Smaller-scale Emerging Asia



Market Summary

Six smaller Asian import markets collectively received 2.70mmt of LNG during Dec 2025-Jan 2026, comprising 56 cargoes from 10 supplier countries. This represents a decline of 9 percent versus the prior period (Oct-Nov 2025), though volumes were up 27 percent year-on-year.

The aggregate decline masks divergent trends across the group. Indonesia and Malaysia both posted double-digit period-on-period gains, driven by structural growth in domestic gas requirements and sustained Australian contract deliveries respectively. Singapore, by contrast, saw a sharp pullback from elevated Oct-Nov levels, while the Philippines recorded its weakest two-month outturn since becoming an LNG importer. At the margins, Myanmar's return to LNG purchasing after a four-year hiatus added a new demand source, albeit at marginal volumes to date.

Across the group, Indonesia was the leading supplier with 36 percent of combined volumes (although most of these volumes remained in-country), followed by Australia (28 percent) and Qatar (16 percent). US supply, which accounted for 13 percent of the bloc's imports a year ago, fell sharply to just 3 percent, with cargoes limited to a single delivery to the Philippines. Nigeria, which supplied 4 percent a year earlier, was entirely absent from the supply mix.

The combined HHI for this bloc stood at 2,431, indicating a moderate level of supply concentration. This was broadly unchanged versus the prior report period (2,325) but improved from the concentrated reading (2,546) seen a year ago, reflecting a broader range of supply sources now reaching the region.

Indonesia

Indonesia imported 1.15mmt from five suppliers, led overwhelmingly by domestic production (85 percent). The country's LNG "imports" remain structurally distinct from other markets in this group: the vast majority of volumes are Indonesian cargoes from Tangguh and Bontang being redirected to domestic regasification terminals at Arun, West Java (Nusantara Regas Satu FSRU), Lampung and Jawa Satu. The 53 percent year-on-year increase reflects the accelerating tension between Indonesia's export commitments and surging domestic gas demand.

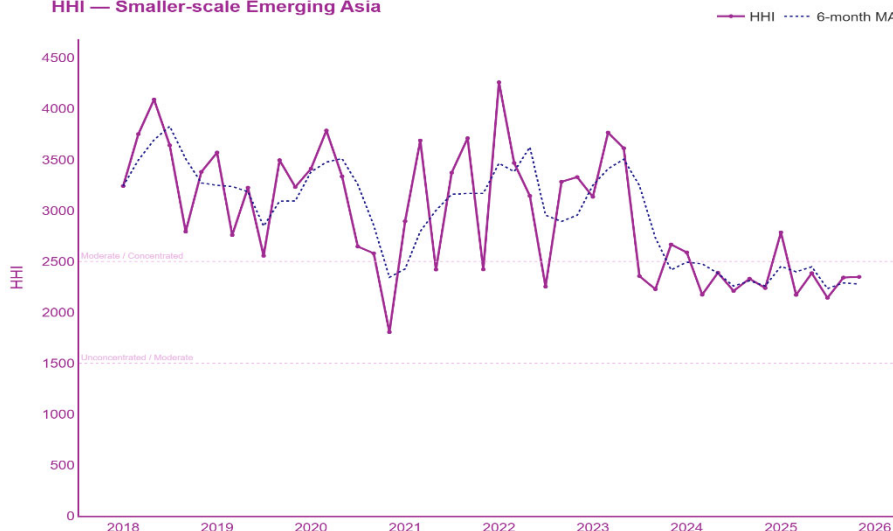
Indonesia's domestic LNG requirements are fragmented across multiple state entities, principally PLN (the power utility) and PGN (the gas distributor). PLN alone has secured 103 cargoes for 2026, up from approximately 90 in 2025, while PGN requires a further 19 cargoes. The combined contracted requirement of over 120 cargoes likely still understates actual

terminal arrivals for 2026, given that shipments totalled 137 in 2025, suggesting additional spot or commercial volumes flow outside these two principal state buyers. The government has been forced to reschedule planned exports as domestic shortfalls mounted, and PLN's long-term contract with BP covers only 62 of its 103-cargo requirement, leaving a gap of 41 cargoes that must be filled through government allocation from Bontang, Tangguh and potentially international purchases. Small but notable volumes from Australia, Cameroon and Singapore appeared alongside the dominant domestic supply.

Singapore

Singapore imported 0.80mmt from three suppliers. The period-on-period decline of 30 percent followed an elevated Oct-Nov performance and leaves volumes broadly flat year-on-year. Qatar has emerged as Singapore's leading supplier at 53 percent share, displacing Australia (30 percent), a shift that reflects the 1.8mtpa long-term contract with QatarEnergy that commenced in 2023. Mozambique

HHI — Smaller-scale Emerging Asia



accounted for the remainder at 18 percent. Notably, the supply base narrowed from six sources in the prior period to just three. Singapore's LNG market is poised for structural change: state-owned GasCo became operationally ready to procure LNG from 1 January 2026, and a second LNG terminal (5mmtpa capacity) is planned for completion by the end of the decade, which would enable Singapore to meet its entire power generation requirement from LNG if necessary.

Malaysia

Malaysia imported 0.47mmt from two suppliers, led by Australia (75 percent). This marks a notable improvement in portfolio diversification terms from the prior two periods, during which Australia was the sole supplier. Domestic Malaysian LNG (sourced from Petronas's operations) accounted for 26 percent, delivered to the Sungai Udang FSRU in Melaka. The Pengerang terminal in Johor handled the bulk of Australian receipts. Petronas has confirmed plans for a third regasification terminal in Peninsular Malaysia, recognising the future need for additional import capacity as domestic production from maturing fields declines.

The Philippines

The Philippines imported 0.18mmt from two suppliers (Australia 61 percent, the United States 39 percent), all through the PHLNG terminal at Batangas. The 46 percent period-on-period decline and 25 percent year-on-year drop partly reflects the seasonal and lumpy nature of procurement for a market that remains almost entirely spot-dependent. Progress toward more structured procurement continued during the period: Vitol signed a 10-year agreement for 0.80mmtpa of supply into

the terminal, the first long-term LNG supply deal in the Philippines. The country's Malampaya gas field continues to deplete, underpinning structural demand growth for LNG over the medium term.

Vietnam

Vietnam received a single cargo (0.07mmt) from Brunei at the Thi Vai terminal. Volumes remain modest as the market develops around the Nhon Trach 3 and 4 power plants, which commenced operation in early 2025 with a combined capacity of 1,624 MW. PV Gas signed its first multi-year LNG supply contract with Shell (approximately 0.40mmtpa for five years) in late 2025, marking the country's transition from ad hoc spot sourcing toward more structured procurement. A second terminal at Cai Mep (3.0mmtpa capacity) is under development and expected to operate by the end of the decade.

Myanmar

Myanmar received a single small-scale cargo (0.03mmt) from Malaysia's Bintulu terminal via the Dapeng Princess, a shallow-draft LNG carrier. This marked the resumption of LNG imports after a four-year hiatus caused by the February 2021 coup and subsequent foreign exchange shortages. The cargo reactivated the Thanlyin and Thaketa power plants near Yangon, which had been presumed idle since mid-2021. The consortium operating the facilities (CNTIC VPower and Everest Energy) was generating 150 MW by late December, according to the Ministry of Electric Power, with a target to reach the plants' combined 500 MW capacity during 2026.

Outlook

Our data highlights three structural aspects for this bloc. The aggregate 9 percent PoP decline is misleading at face value because it is driven almost entirely by Singapore's pullback from elevated Oct-Nov levels. Indonesia and Malaysia both posted strong gains, and the year-on-year picture (+27 percent) reflects genuine demand growth across the group.

First, Indonesia's self-supply dominance is the defining feature. At 85 percent of its own "imports", Indonesia is just redistributing domestic production. But the political economy around this could become increasingly consequential for Asia-wide LNG balances. The 103-cargo requirement for 2026, up from 90, combined with export deferrals through 2025, suggests Indonesia could transition from a net exporter to a net importer faster than many expect. That has implications for Japan and South Korea, who lift significant Indonesian volumes.

Qatar's growing share in Singapore (from 21 percent a year ago to 53 percent) is a notable shift, reflecting the QatarEnergy long-term contract. Combined with GasCo's launch on 1 January 2026, Singapore's procurement structure is undergoing a generational change.

Myanmar's return is mainly symbolic at this stage. The volumes remain marginal but the restart of the Thanlyin/Thaketa complex after four years signals a degree of financial and operational stabilisation in the LNG-to-power segment, potentially with Chinese state-backing. Whether the consortium can sustain the imports through 2026 given the country's persistent foreign exchange constraints remains to be seen ♦

Plant	Export Basin			January	December	% Change m/m
	Atlantic	Middle East	Pacific			
Benoa LNG	-	-	0.003	0.003	0.004	-25%
Lampung LNG	-	-	0.12	0.12	0.12	0%
West Java FSRU	-	-	0.16	0.16	0.21	-24%
Jawa Satu FSRU	-	-	0.05	0.05	0.06	-17%
Pengerang LNG	-	-	0.14	0.14	0.18	-22%
Sungai Udang FSRU	-	-	0.10	0.10	0.05	100%
Thanlyin LNG	-	-	0.03	0.03	-	-
Singapore LNG	-	0.07	0.11	0.18	0.62	-71%
PHLNG	0.07	-	0.05	0.12	0.06	100%
FGEN Batangas LNG	-	-	-	-	-	-
Thi Vai LNG	-	-	-	-	0.07	-
Hai Linh LNG	-	-	-	-	-	-

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