LNG Asia
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Asia outbids Europe in LNG quest – or switches to coal

Asian LNG buyers are outcompeting European rivals in a scramble for spot cargoes, as the Strait of Hormuz closure reverted the price-setting power to Asia Pacific. Most utility buyers simply switch to coal, especially in Southeast Asia where cash-strapped importers "cannot compete aggressively for alternative volumes.

"South Asia is likely to curtail whatever demand cannot switch. Whoever has spare coal capacity is likely to fire that up, so we expect an increase in coal prices," Kaushal Ramesh, Vice President, Gas & LNG Research, Rystad Energy told *LNG Journal*.

Europe, on the contrary, will need more time during spring and summer 2026 to rebuild inventories and will depend on additional US LNG.

Australia can't come to rescue

Asked how much spare capacity Australian LNG exporters have to backfill volumes lost from Qatari shipments, he said there would be "almost none." Australian LNG exports can reap a geostrategic premium for future volumes given the stability and proximity of supply to Asian markets.

"Australian output — the world's third major LNG exporter — remains largely stagnant, while other exporting regions lack sufficient spare capacity — except for the ramp up of US LNG exports," the Greek shipbroker, Intermodal's Senior Analyst, Nikos Tagoulis finds. "Under these conditions, importers are adapting to a structurally tighter environment," he noted, stressing the Indian subcontinent faces the most immediate pressure, due to its high dependency on Qatari volumes.

Large portfolio players in North Asia like Japan's JERA are reserving spare volumes for own use, rather than selling them on, exacerbating the supply shortage and spiralling prices. Disruptions to Qatari LNG exports are damaging but temporary, in contrast to the EU's permanent loss of Russian pipeline gas.

"The market has been expecting something like this, albeit of lower magnitude for over two years now," Rystad's Ramesh commented. But unlike 2022, the key exposed market is Asia and the TTF-JKM spread is starting to indi-

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Middle Eastern LNG hoped to return in Q3-2026

Shipping disruptions through the Strait of Hormuz are hoped to ease by end April, by when Energy Aspects reckons more Middle Eastern LNG supply will start reaching international buyers. If the Hormuz transit disruption lasts to end-July or beyond, however, prices for imported LNG would need to rise to well above 2022-levels for Europe to stock up for winter – in stark competition with utility buyers in North Asia.

Bearish sentiment returns for TTF balance-2026 gas price curve as demand destruction and fuel switching across Asian markets leave Europe less exposed to Hormuz LNG transit risks, as 15 laden Qatari cargoes are tracked in the Persian Gulf.

Energy Aspect's cargo tracker shows that Qatar has loaded 12 cargoes since the start of the conflict. However, Iran is understood to make shippers pay for transiting the Strait of Hormuz. Naval traffic is still far and few between, with analysts predicting the Hormuz disruption will last through the end of April.

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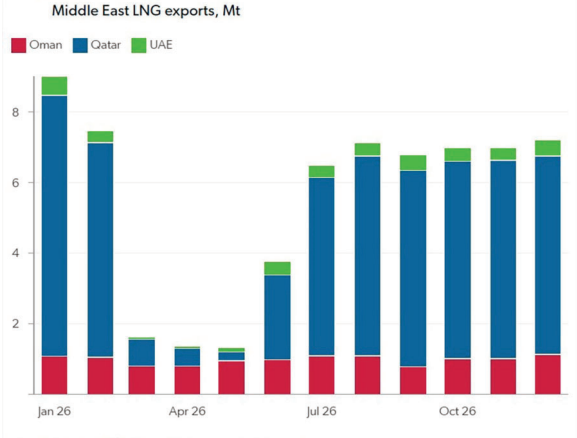

Source: GTT, EA LNG Cargo Tracking, Energy Aspects

AGENDA

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cate willingness to buy in Asia. "The Strait of Hormuz closure is reverting price making power to Asia after more than two years," he said, noting the last time there was a similar structurally squeeze was the threat of strikes in Australian LNG plants.

QatarEnergies has been offering 10 LNG carriers for lease in a bid to monetise idle shipping capacity, following the suspension of output at its 77 mtpa liquefaction facility on March 5 in the wake of an Iranian drone attack. The 10 LNG carrier on offer for charter, include large Q Flex vessels and modern dual fuel ships. Some of them have already been fixed on the spot and short-term charter market.

Energy inflation accelerates RES buildout

Energy think tanks in Asia have long urged governments to accelerate the renewables build-out to reduce import dependency and hedge against volatile oil and gas prices. Now, policymakers have to step in and find shot-term solutions:

"Depending on the duration of the current crisis, we are likely to see short-term fiscal measures — price caps, tax cuts, subsidies and other utility support measures — across many Asian markets to mitigate inflationary energy shocks," said IEEFA lead researcher Sam Reynolds. "We are already seeing such measures in Thailand and the Philippines."

The Norwegian classification society DNV expects the long-term result of the Iran war will be a boost for renewables and nuclear energy, though the transition is not cost-free. Higher interest rates will raise capital costs, and diversification takes time, but energy security concerns are likely to accelerate the green energy built-out in countries with low oil and gas stocks in Asia and a weak ability to pay high spot LNG prices, such as Pakistan, Bangladesh, and Sri-Lanka.

Sverre Alvik, DNV's Energy Transition Outlook Director, concluded by saying the Iran war has unleashed the biggest fossil supply shock in decades and the incompatibility of oil and gas dependency with energy security is now "beyond dispute." ■

Australia mulls windfall tax on energy majors as LNG prices soar

Australia's Prime Minister Anthony Albanese is considering a 25 percent windfall tax on gas producers as LNG prices surge, asking to model new levy options for the gas industry. Government data showing LNG exports worth about A$65.4 billion and volumes of 79.8 million tonnes in the 12 months to April 2025.

A surtax in the form of a temporary additional charge on windfall profits is being examined as a targeted way to the industry's gains, related to the Middle East oil and gas crisis — without impacting industry's normal returns.

The Cabinet and Department of the PM have reportedly already set up a document for 'new levy options' on natural gas, LNG and thermal coal industries. "Energy producers should not benefit from high international [commodity] prices at the expense of domestic customers," the document reads.

Reforms to the Petroleum Resources Rent Tax seem the most likely option, given that the Australian government has explicitly asked Treasury to suggest further PRRT changes such as tightening uplift rules or limiting deductions so LNG projects pay more rent tax earlier in their life.

Woodside's Pluto LNG terminal near Karratha, Western Australia

A flat-rate levy on the value of LNG exports — as proposed by the Greens — is facing fierce opposition within the industry, especially since the proposals include a 25 percent export levy which would severely impact profit margins along the gas value chain. ■

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Two laden vessels, *Al Daayeen* and *Rasheeda*, reportedly attempted to transit the critical waterway but have since turned around and remain stuck. The *Sohhar* LNG tanker, which was in ballast, was permitted to cross the strait following negotiations with Omani mediators. "This indicates that cargoes loaded with LNG following the start of the conflict are unlikely to receive approval for safe passage from Iran," Energy Aspects commented.

Forward price at the Dutch TTF, Europe's benchmark gas trading hub, are softening regardless as demand destruction in Asia could allow Europe to restock faster. Asian utility buyers switch to coal and curtail costly LNG imports and this, in turn, allows European storage sites to fill nearer to 90 percent by end-October as more LNG remains available in the global markets over the injection season. Europe's end-October storage carryout is now pegged around 94 bcm, or 86 percent full — higher than Energy Aspects' pre-conflict base case of 88-90 bcm.

"Most of the demand destruction has been focused in Asia, with LNG demand around 17 bcm lower over March-October versus our pre-conflict forecast," analysts commented, "but our balances also factor in some demand curtailments in Europe."

Gas-to-coal switching in the Western European power sector, a narrower thermal gap and higher renewables contribution, slashed gas demand by 7.2 bcm. Unseasonably mild weather reduced gas demand for heating, resulting in Europe exiting winter with 30 bcm in storage, fairly comfortable considering the global supply squeeze. ■

LNG Asia

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India faces LNG crunch as Qatari supply dwindles

India's energy security is under strain due to loss of Qatari LNG deliveries, prompting Petronet to activate emergency clauses in other import agreements and scrambles for spot cargoes from Australia and the US to offset the shortfall.

India imports more than 27 million metric tons of LNG to fuel power plants, fertilizers, and city gas networks, with Qatar providing 11.2 million tons in 2024/25, about 41 percent of total imports, per government data. But Qatari LNG shipments have been suspended after Iranian strikes caused extensive damage at Qatari LNG facilities at Ras Laffan, which could idle 17 percent, or roughly 12.8 mtpa of Qatari export capacity for three to five years.

Petronet sources 7.5 mtpa from Qatar under a 20-year deal and now scrambles with delivery shortfalls, prompting it to invoke diversion options from GAIL and Shell contracts. Diversion options are contractual flexibilities that allow Petronet to tap and redirect contractual cargoes for backup volumes.

Considering soaring prompt LNG prices, Petronet is trying to over the Qatar shortfall by leaning on alternative contracted supplies from GAIL and Shell instead of buying everything on the spot market.

LNG shipments fall to six-year low

The 30-day moving average of LNG shipments to Asia has fallen below 600,000 metric tons over the weekend of April 11-12 — the weakest pace of arrivals in nearly six years, Bloomberg ship-tracking data shows. The decline reflects constrained vessel movements through the Strait of Hormuz and higher freight costs.

Importers in Japan, South Korea, and parts of Southeast Asia are drawing on gas inventories while delaying new LNG tenders until supply conditions stabilize.

To offset the Qatari shortfall, which accounts for over 80 percent of LNG shpments to Asia, importers are turning to the US as the top alternative, alongside Norway and Russia for arbitrage cargoes re-routed from Europe. India's Petronet has sought to buy spot cargoes, or try to secure medium-term strips of cargoes, for security of supply reasons — despite highly volatile prices.

"Two-to-five years LNG cargo strips are hard to price, and it might even be unwise to try at this point in time, but the big buyers are trying anyway for security reasons," said Poten & Partners' senior LNG analysts Irwin Yeo.

Chhara LNG terminal in India

Back in February, the CEO of Petronet LNG, AK Singh, was seeking to sign sales and purchase agreements (SPAs) with US LNG exporters at the Indian Energy Week in Goa. At the time, Mr Singh sought to press US LNG exporters for lower prices and more flexible deals, seeking to secure attractive shipments to a new regasification terminal under development on India's east coast. Nowadays, his quest feels like coming from a different age. ■

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 percent to 15 percent 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. ■

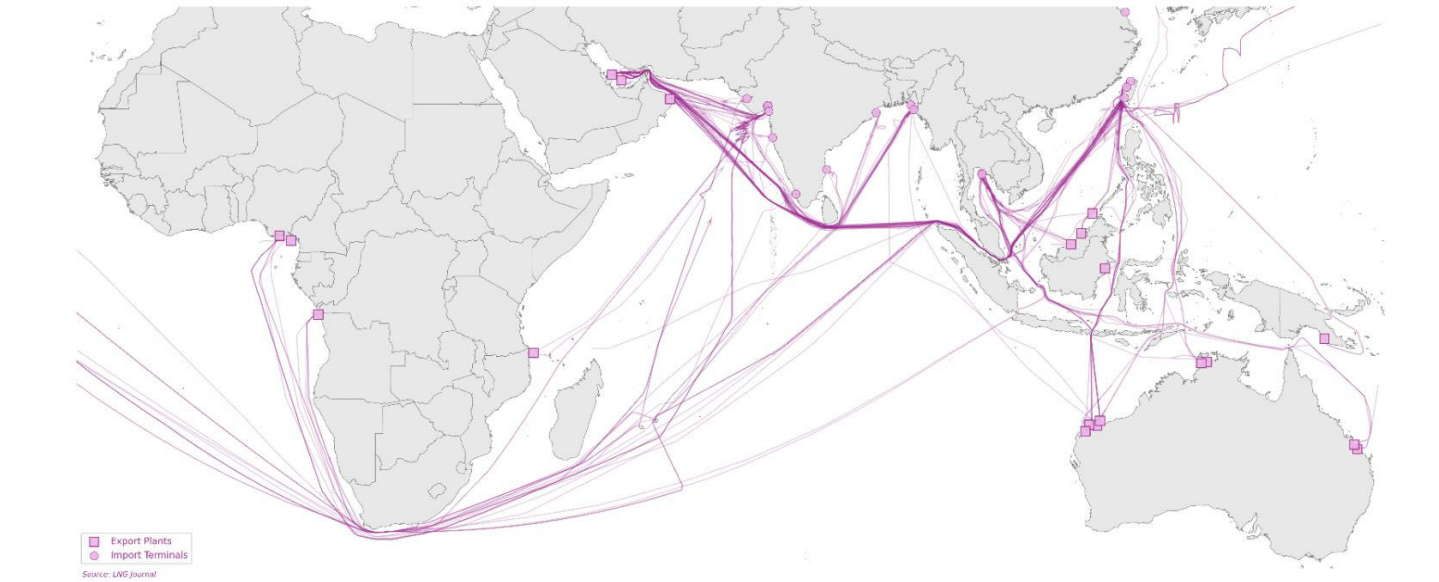
ADNOC's DAS Island LNG terminal

Dahej LNG expansion comes online

India's state-owned oil and gas importer, Petronet, has commissioned the Dahej terminal's latest expansion project. With the expansion, Dahej's total capacity will rise to 22.5 mtpa from 17.5 mtpa, the company said in a regulatory filing in early April.

Situated in Gujarat, Dahej was Southeast Asia's first LNG receiving and regasification facility, originally built with a capacity of 5 mpta but is now India's largest LNG import terminal. The terminal started operations in 2004 and subsequently expanded to 17.5 million tonnes by 2019. The facility includes eight LNG storage tanks, two jetties (one for Q-Max LNGCs), and truck loading bays for small-scale LNG supply. ■

Mid-scale Emerging Asia



Market Summary

Taiwan, India, Thailand and Bangladesh collectively imported 9.76mmt of LNG during February to March 2026, receiving 154 cargoes from a combined 16 supplier countries. Qatar was the leading supplier across this group with a 28 percent share of combined volumes, followed by Australia (19 percent) and Oman (11 percent). The combined Herfindahl-Hirschman Index for the group stood at 1,466, still in the 'diversified' range, reflecting the breadth of supply sources reaching this bloc.

The period-on-period picture is mixed. India suffered the sharpest supply decline, falling 24 percent to 3.24mmt from the prior period's 4.28mmt, driven by the Hormuz disruption and price-induced demand destruction. Bangladeshi imports fell 5 percent, and Taiwanese offtakes eased 3 percent. Thailand, by contrast, surged 35 percent to 2.15mmt from a subdued 1.59mmt in the prior period, reflecting the broadest supplier base (11 countries) in the group and continued expansion of PTT's procurement activity. Year on year, however, India fell 18 percent and Bangladesh 8 percent, while Taiwan and Thailand were broadly flat.

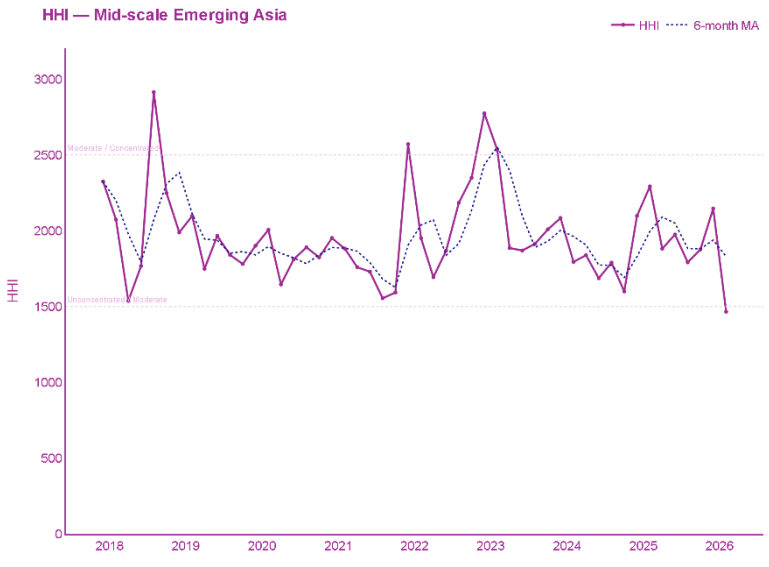
The Hormuz crisis has hit this group harder than the major Northeast Asian importers. Qatar and the UAE together accounted for over 50 percent of Indian and 75 percent of Bangladeshi pre-crisis imports. Taiwan, with only 11 days of LNG safety stock and approximately one quarter of its supply from Qatar, faces what Wood Mackenzie has described as the "greatest supply pressure globally" from the disruption. Bangladesh, with reserves estimated at 9 to 14 days, is the most acutely vulnerable market in Asia.

India

India imported 3.24mmt from 9 suppliers. The 24 percent drop versus the prior period and 18 percent year-on-year fall reflect the compound impact of the Hormuz closure, the QatarEnergy force majeure, and price-driven demand destruction. Qatar remained the leading supplier at 24 percent (0.78mmt) – almost entirely based on February flows – but Oman surged to second place at 23 percent (0.74mmt, 11 cargoes), benefiting from its position outside the Strait of Hormuz. Omani cargoes arrived steadily throughout the period, from 6 February to 27 March, making Qalhat the de facto (partial) stop-gap source as Qatari volumes collapsed. Nigeria (14 percent), the United States (12 percent) and the UAE (10 percent) rounded out India's top five sources. Australia was present at just 2 percent.

Petronet LNG issued a force majeure notice to QatarEnergy and its offtakers, including GAIL, Indian Oil and BPCL, on 3 March. GAIL subsequently warned of potential supply curtailments to downstream customers. The government issued a Natural Gas Control Order on 9 March under the Essential Commodities Act, prioritising domestic piped natural gas (PNG) and compressed natural gas (CNG) for households and vehicles, while signalling controlled reductions for industrial users. Reported fuel availability by some Indian industrial clusters amounted to only 10-15 days. Three urea plants reduced production as LNG supply tightened.

India's Hormuz exposure is severe: more than half of LNG imports transit the strait, with Qatar alone at approximately 45 percent historically. Unlike crude oil, where India has diversified substantially (importing from approximately 40 countries by March 2026 and increasing Russian oil purchases by 90 percent month on month), LNG replacement options are constrained by limited global spot availability and longer shipping times from the US and Australia. On an annual basis, Qatar and the UAE together accounted for 56 percent of Indian LNG imports in 2025. Qatari deliveries collapsed from 0.73mmt in February to 0.05mmt in March, only partially offset by increased volumes from the US, Oman and Australia.



India's structural need for imported gas is growing as domestic production, which peaked in 2025, is projected to decline continuously through 2040. Yet the price environment remains a binding constraint: Henry Hub-linked term contracts are delivering LNG at $12.80 to $13.40/mmBtu, well above the $6 to $8/mmBtu range at which gas becomes competitive for Indian power generation.

Taiwan

Taiwan imported 3.38mmt from 9 suppliers, led by Australia (29 percent, 0.97mmt) followed by Qatar (25 percent, 0.86mmt) and the United States (14 percent, 0.48mmt). Canada (8 percent) and Oman (8 percent) provided further diversification. Volumes fell 3 percent from the prior period and 4 percent year on year, a modest seasonal decline. The post-nuclear transition that completed with the Maanshan Unit 2 shutdown in May 2025 has structurally raised Taiwan's LNG floor, with gas-fired generation now accounting for approximately 48 percent of the power mix.

Taiwan's vulnerability to the Hormuz crisis is acute despite the diversified supplier count. Approximately one quarter of Taiwan's LNG arrives from Qatar, and the island holds only 11 days of LNG safety stock, the lowest buffer among the major East Asian importers. The Ministry of Economic Affairs stated it had secured sufficient alternative shipments through April and publicly ruled out a natural gas shortage, but the Atlantic Council has warned that if the crisis extends into the summer demand surge, large energy price spikes or even power rationing are possible (in addition to other gas shortages, e.g. helium), with potential consequences for semiconductor manufacturing and global supply chains.

Thailand

Thailand imported 2.15mmt from 11 supplier countries, the widest base in this group. Australia led at 31 percent (0.67mmt), followed by Qatar (16 percent), Malaysia (15 percent) and China re-exports (11 percent). The 35 percent increase from the prior period's 1.59mmt is striking and runs counter to the broader Asian pattern of post-winter decline. Year on year, volumes were broadly flat at +3 percent, suggesting the prior period (Dec-Jan) had been anomalously weak rather than the current period being anomalously strong. The 11-country supplier base reflects PTT's aggressive diversification strategy, with Canada, Trinidad, and the UAE all appearing alongside traditional sources.

However, on closer inspection that supplier breadth in February-March a signature of heavy spot procurement rather than contractual security. Our tracking shows only five suppliers (Qatar, Australia, Mozambique, Oman and the United States) delivered in every bimonthly period over the past year; the remaining sources appear intermittently, consistent with opportunistic spot purchasing by PTT. In a market where JKM has doubled, that spot exposure translates directly to higher costs. Natural gas accounts for approximately 66 percent of Thailand's power generation, with LNG comprising 27 percent of total gas supply.

PTT's plan 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, is now suffering greater cost uncertainty.

Bangladesh

Bangladesh imported 0.99mmt from 4 suppliers, with Qatar dominant at 75 percent (0.74mmt). Australia (14 percent), Angola (6 percent) and Indonesia (5 percent) provided marginal diversification. Volumes fell 5 percent from the prior period and 8 percent year on year. Bangladesh is the most exposed market in this group as Qatar is now under force majeure. Unlike Taiwan, which has nine supplier countries and access to competitive spot procurement through CPC, Petrobangla has repeatedly failed to purchase cargoes even when prices were favourable. The two FSRUs off Maheshkhali Island are operating near capacity with no land-based terminal in prospect. Reported reserves of 9 to 14 days provide minimal buffer.

The force majeure on Qatari contracts, combined with the near-total dependence on a single supplier, means Bangladesh faces the highest probability of actual supply interruption in Asia. The government has signalled increased coal usage as an emergency measure, but this only partially addresses power generation shortfalls and does nothing for the fertiliser production that depends directly on natural gas.

Outlook

The Hormuz crisis has exposed a fundamental asymmetry across Asia's mid-tier LNG markets. Taiwan and Thailand have diversified supplier bases but limited inventory depth. India has growing structural demand but binding price sensitivity and severe Hormuz exposure. Bangladesh has critical dependence on a single, now-disrupted supplier.

Wood Mackenzie projects that the supply shock will force 4 to 5 million tonnes of demand destruction across Northeast and Southeast Asia through Q3 2026 if disruptions last two months. For this group, the destruction will be concentrated in price-sensitive industrial demand in India and power generation flexibility in Thailand, while Taiwan and Bangladesh face more binary supply-adequacy risks. The common thread is that every market in this group is becoming more dependent on seaborne LNG at precisely the moment when the risks of that dependence have been most dramatically demonstrated ♦

Plant	Atlantic	Middle East	Pacific	Feb-Mar 2026	Dec-Jan 2025-26	% Change p/p
Dahej	0.81	1.34		2.15	2.93	-26.6
Map Ta Phut LNG	0.28	0.52	1.35	2.15	1.59	35.2
Yung-an	0.22	0.48	1.35	2.05	2.2	-6.8
Taichung	0.33	0.4	0.36	1.09	1.04	4.8
Maheshkhali FSRU Summit	0.06	0.32	0.07	0.45	0.43	4.7
Maheshkhali FSRU Excellence		0.3	0.12	0.42	0.61	-31.1
Cochin	0.08	0.13	0.08	0.29	0.21	38.1
Taoyuan (Guantang) LNG		0.24		0.24	0.26	-7.7
Hazira	0.13	0.07		0.2	0.2	0
Dabhol	0.06	0.06	0.06	0.18	0.3	-40
Ennore LNG	0.11	0.05		0.16	0.25	-36
Dhamra LNG	0.07	0.08		0.15	0.16	-6.2
Maheshkhali FSRU (Signal loss)		0.12		0.12	0	0
Mundra LNG		0.11		0.11	0.19	-42.1
Chhara LNG				0	0.04	-100

Diversification helps China weather LNG price shocks

While China is by far the largest single destination for Middle East oil and LNG shipments, it may well be better positioned than its Asian neighbours to weather short-term price shocks.

Lu Xiao, research director for China Gas and LNG at S&P Global Commodity Insights, said short-term impacts on Chinese buyers may be limited due to seasonal demand declines and incoming shipments. Any prolonged disruption could force a strategic rethink of China's long-term energy security plans, he noted, considering that the Peoples' Republic in 2025 sourced roughly 30 percent of its LNG imports from Qatar and the UAE.

Domestic LNG producers have raised ex-plant prices by 100-260 Chinese Yuan per million ton across key regions, while state-owned importers including CNOOC lifted posted prices by CNY100-200/mt in coastal markets, data from local information providers show.

Hard-nosed Chinese buyers remain wary of spot purchases given elevated price levels, trade sources at state-owned energy companies told Platts. Supply is currently manageable, they said, but companies are evaluating measures to mitigate potential shortfalls should the disruption persist — including adjusting sales prices, increasing domestic gas production, boosting pipeline imports, and drawing on coal-fired power and renewables.

LNG carrier berthing at GAIL's Dabhol regas terminal

"We are not considering spot purchases for now due to weak economics," a source at one state-owned energy firm said, adding spot LNG acquisition might become the last resort - if supply security concerns deepen. ■

China attempts to mediate over Strait closure

China's huge reliance on energy imports from the Middle East and its position as one of Iran's few remaining international partners makes its response to the crisis especially consequential, said the Washington (DC) based Center for Strategic and International Studies (CSIS) in a paper*.

Despite Beijing's efforts to keep the strait open to international trade, ship tracking data showed that Chinese ships have all but ceased transits since the conflict began, leaving dozens of the country's ships of all types trapped in the Persian Gulf. China imports about 40 percent of its oil and 30 percent of its LNG from the Gulf states.

Traffic estimates based on the ship tracking data indicated that Iran has so far been largely successful in shutting down Strait of Hormuz transits. AIS data from Starboard Maritime Intelligence showed that the strait was averaging more than 153 vessel transits per day in the weeks leading up to the conflict. However, since 1st March, only 78 vessels have been detected passing through the strait — a daily average of 13 up to 4th May.

Harrison Prétat, Deputy Director, CSIS

Privileged access through the strait

It was thought that Chinese-flagged or -owned vessels might enjoy privileged access through the strait, owing to Beijing and Tehran's increasing diplomatic ties. Curiously, while almost all China-flagged vessels have not attempted a transit, a Marshall Islands registered bulker, 'Iron Maiden', took on Chinese identity in an apparent effort to get through the strait unscathed. According to a Bloomberg report, the ship changed her AIS destination to read "CHINA OWNER" just before it passed through the strait in the early morning of 5th March.

It's possible that the Iranians could consider quietly granting Chinese ships the go ahead to continue operating through the strait, particularly if the conflict drags on for weeks or months. Such assurances could even be used as a bargaining chip to encourage China to take more concrete action to support the Iranian regime, CSIS said.

*This article was abridged from a paper written by Harrison Prétat, Deputy Director and Fellow with CSIS' Asia Maritime Transparency Initiative (AMTI); Monica Michiko Sato, an AMTI research associate; Aidan Powers-Riggs, an associate fellow for China Studies with the iDeas Lab at CSIS; Matthew Funaiole, Vice President of the iDeas Lab and, Andreas Dracopoulos Chair in Innovation, and senior fellow in CSIS' China Power Project. ■

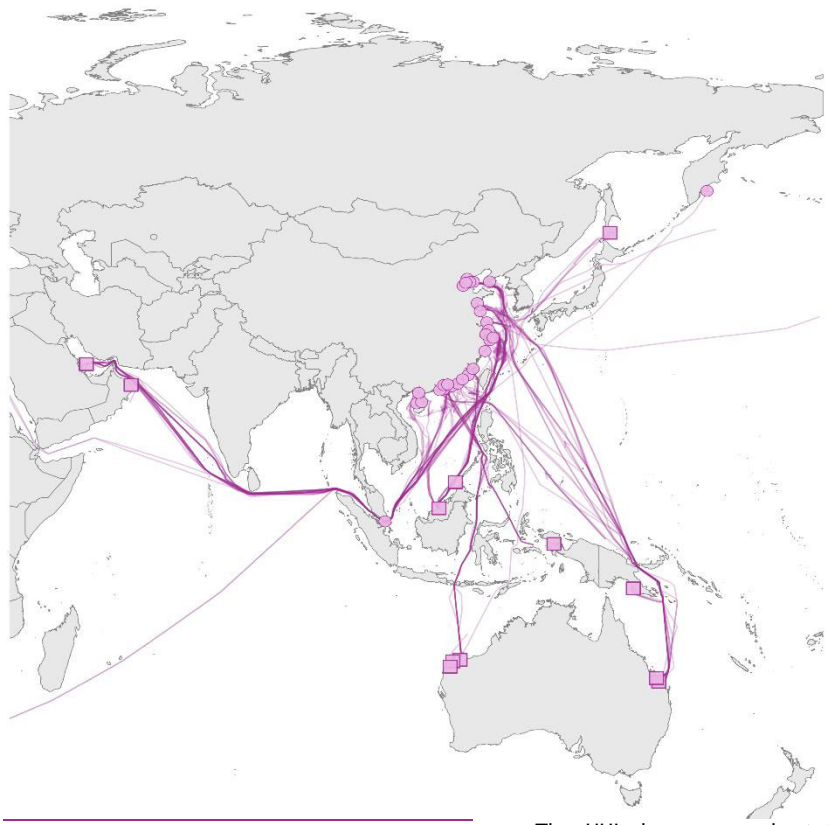
China-linked vessels transit Strait of Hormuz

Chinese-flagged ships have been using their identity to transit the Strait of Hormuz on March 1-8, Lloyd's List Intelligence data shows. Notably, none of the six vessels were oil or LNG tankers.

"Iran is effectively using the Strait of Hormuz as a tool of political alignment, granting passage based on allegiance rather than international maritime law," said Philipp Polmann, senior marine underwriter at Sompo. In his view, there is a clear tendency that the waterway will become "a two-strait, open to China and Russia, closed to the West."

Lloyds List cautioned, however, that many Chinese leasing companies are only nominal owners, with ships controlled by borrowers under sale-and-leaseback arrangements which leaves them still at risk of Iranian or Houthi attack — if operated by foreign charterers. ■

China



Market Summary

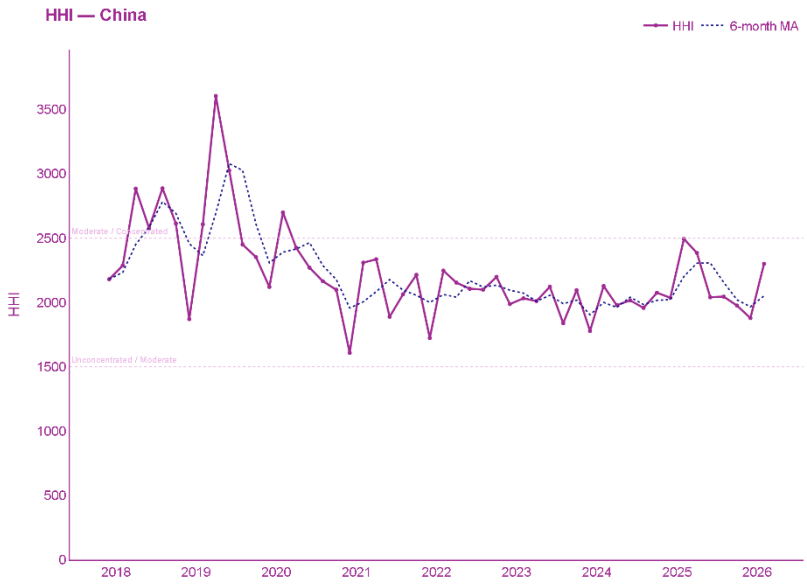
China imported 7.07mmt of LNG during February to March 2026, receiving 113 cargoes from 10 supplier countries. Qatar was the leading supplier with a 33 percent share, followed by Australia (31 percent) and Malaysia (12 percent).

Volumes fell 48 percent versus the prior period (Dec 2025-Jan 2026: 13.55mmt) and 28 percent year on year (Feb-Mar 2025: 9.82mmt). The decline was concentrated in March (3.43mmt, down 34 percent year on year) as the Hormuz closure and price spike compounded the post-Lunar New Year demand trough. February (3.64mmt, down 21 percent year on year) reflected the slow post-holiday restart, with many factories not resuming until after the Lantern Festival on 3 March. March is thus the lowest monthly import level since the 2022 price spike.

Supply Concentration

The Herfindahl-Hirschman Index stood at 2,300, indicating a moderate level of supply concentration. This represents a deterioration of 422 points versus the previous December-January period. The supplier count contracted from 14 to 10 countries. Qatar and Australia together accounted for 64 percent of imports, up from 56 percent.

The HHI, however, understates the true concentration risk. The index measures supplier-country diversification but does not capture geographic chokepoint exposure. Qatar, Oman and the UAE collectively accounted for more than 35 percent of China's LNG imports over the past year, all dependent or at risk from further escalation in the Persian Gulf region. The crisis has exposed this gap in concentration metrics.



Price Context

Landed spot prices averaged $10.25/mmBtu through February. The 28 February strikes on Iran transformed the market: JKM surged to over $25/mmBtu within days. For China, the immediate impact was buffered by timing. Cargoes already en route continued to arrive through the first half of March, meaning Chinese buyers were somewhat insulated and landed spot prices averaged $17.69/mmBtu in March. The post-winter seasonal demand decline provided a further cushion, as did pipeline gas from Russia and Central Asia and the continued expansion of domestic production.

Still, the effect of hampered shipping as war risk insurance for Gulf transits collapsed, was felt domestically. Trucked LNG prices from coastal terminals jumped alongside landed spot prices. If sustained, this could push landed costs well above the threshold at which Chinese industrial and power sector buyers curtail procurement, accelerating demand destruction in the price-sensitive segments that account for the bulk of marginal LNG consumption.

Market Highlights

When Iranian missiles struck Ras Laffan Industrial City, they damaged two of Qatar's 14 LNG trains and one of its two gas-to-liquids facilities, knocking out 12.8mtpa of capacity. This is roughly equivalent to 17 percent of Qatar's total LNG exports. Repairs are expected to take three to five years. QatarEnergy declared force majeure on its entire LNG output and subsequently confirmed long-term force majeure on contracts affecting China, South Korea, Italy and Belgium.

Qatar's 33 percent share of Chinese imports during this reporting period therefore

represents a legacy of cargoes loaded and dispatched before the conflict. That share is bound to decline sharply. Qatar and the UAE together accounted for roughly 6 percent of China's total gas supply through 2025. The loss is manageable in absolute terms but the replacement cost, at prevailing spot prices, is a bitter pill to swallow.

Nigeria redirects

The difficulty of replacement is compounded by the pull of European demand on Atlantic Basin supply. Nigerian volumes to China fell sharply to 0.25mmt during the period as cargoes swung toward Europe, where proximity to Bonny Island and surging TTF prices offered better netbacks. Our tracking data shows several cargoes originally destined for Chinese terminals diverted en route. Across the broader Nigerian export programme, European deliveries nearly doubled while Asian shipments halved. For China, the implication is clear: the loss of Gulf supply cannot simply be offset by competing for West African cargoes when Europe is closer and bidding aggressively.

LNG Canada accelerates

Canada supplied 0.22mmt (3.1 percent). Our data shows 10 LNG Canada cargoes totalling 0.77mmt delivered to Chinese terminals since July 2025, of which three arrived during the February-March period. With Phase 1 approaching full capacity and Phase 2 FID expected during 2026, Canadian Pacific-facing supply acquires heightened strategic significance: cargoes from Kitimat reach Chinese terminals in approximately 10 days and transit no contested strait. PetroChina's 15 percent equity stake provides a natural offtake channel.

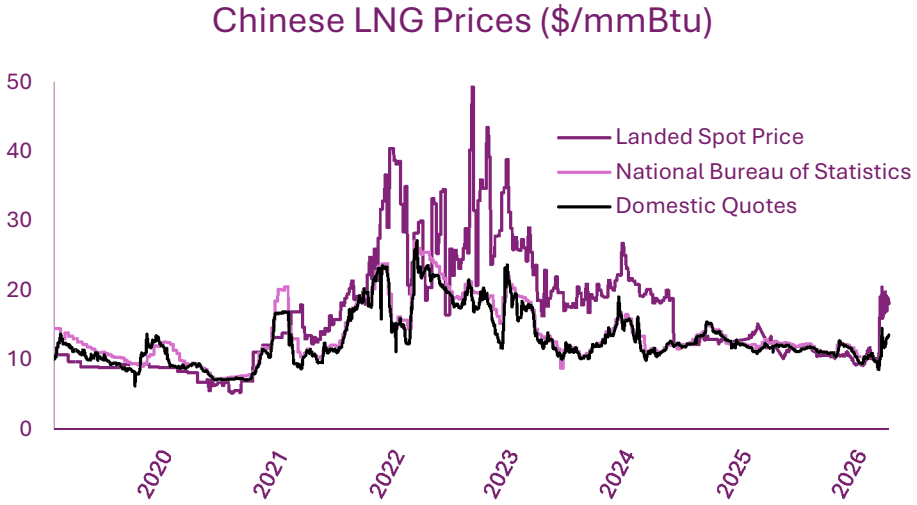
Russian gas supply

Russian supply totalled 0.48mmt (6.8 percent), down from 10 percent in December-January. The decrease reflects seasonal constraints on the Northern Sea Route, forcing Arctic LNG 2 cargoes onto the longer Suez Canal route via Murmansk. The Beihai terminal quarantine remains in place, with all sanctioned cargoes from Arctic LNG 2 and Portovaya LNG received exclusively at the PipeChina-operated facility in Guangxi.

In the Hormuz crisis context, Russian overland supply has acquired heightened strategic importance. Power of Siberia 1 delivered over 38bcm in 2025, approaching full capacity, Chinese customs data suggests. Meanwhile, the announced increase to 44bcm per year provides modest additional headroom. The broader Beijing-Moscow energy relationship, including the Power of Siberia 2 agreement reached in September 2025, positions pipeline gas as a strategic counterweight to seaborne supply vulnerability.

Australia steady

Australia supplied 2.19mmt (31 percent) to China and thus represented broadly stable flows. The longer-term trajectory remains gently downward, and the loss of Beihai as a delivery point from July 2025 has removed a structural node for Australian volumes. Naturally, in the Hormuz context, Australia's chokepoint-free Pacific Basin routing and the legacy of Chinese equity participation in Western Australian projects become more valuable. However, as we have indicated in past reports, Australia currently has relatively little spare capacity for sustained production growth.



Source: SHPGX, CNBS, Domestic Traders, LNG Journal

Minor suppliers

Oman reverted to its historical baseline at 0.06mmt (one cargo) after an anomalously high 0.58mmt in December-January. Brunei, Mozambique, Norway, Peru and the UAE all rotated out of the supply mix, narrowing the supplier count from 14 to 10.

China's swing supply

Despite the 48 per cent import decline, China was not merely absorbing the shock but actively trading through it. Chinese terminals re-exported 10 cargoes totalling 0.69mmt during the period, roughly triple the normal rate. South Korea received four cargoes (from Yancheng, Zhoushan and Zhejiang), Thailand four (from Yancheng, Dalian and Tianjin-Binhai), with single cargoes reaching Japan and India. The combination of comfortable storage levels, pipeline gas near capacity, strong domestic production and subdued industrial demand left Chinese traders holding surplus LNG at a moment when their neighbours were scrambling. Net of re-exports, China's effective import retention was closer to 6.40mmt. The pattern underscores a structural shift: China is no longer simply a price-sensitive buyer at the margin of the global LNG market but an intermediary capable of redistributing supply across Asia when conditions allow.

Facility Highlights

Twenty-seven terminals recorded arrivals, down from 29 in the prior period. The volume decline was broadly distributed but several large terminals posted severe falls. Shenzhen Diefu, which had more than doubled to 1.09mmt in December-January, collapsed 82 percent to 0.20mmt. Jiangsu LNG fell 53 percent to 0.74mmt, Caofeidian 58 percent to 0.48mmt, and Shanghai Yangshan 49 percent to 0.56mmt. Tianjin Nangang slumped 69 percent to 0.22mmt. Among the few terminals showing gains, Yancheng rose 34 percent and Dalian 82 percent, though on modest absolute volumes. Guangdong Dapeng, the largest terminal in the south, was essentially flat at 0.95mmt, suggesting its long-term contract base provided insulation from the spot market disruption. Beihai received 0.17mmt across three cargoes, all from Russia, continuing the quarantine arrangement, though at roughly a third of the prior period's 0.55mmt.

Outlook

China enters this crisis with meaningful buffers. LNG storage was at approximately 51 percent of capacity at end-March. Domestic gas production reached 263bcm in 2025 and is forecast to rise to 278.5bcm in 2026. Power of Siberia 1 is at or near full capacity. LNG accounts for only about 15 percent of total gas supply, limiting the systemic impact.

Nevertheless, the crisis exposes a structural vulnerability. The HHI improvements tracked in successive editions reflected supplier-country diversification, a genuine achievement. But the geographic concentration of supply through the Strait of Hormuz represented a separate, largely unpriced risk. The simultaneous loss of Qatar (force majeure, physical damage) and the UAE (Hormuz closure) – with Oman unable to pick up the slack due to capacity limitations – removes approximately a third of China's recent LNG supply base.

The market forecasts of a modest 2026 import rebound to 70 to 75 million tonnes, issued before the conflict, are now likely obsolete. The trajectory depends on how long the Hormuz closure persists and the extent to which the price spike induces demand destruction. The temporary ceasefire agreed on 8 April offered a glimmer of resolution at the time of writing, but the crisis remains current ◆

Japan looks to Australia to fill LNG shortfall

Japan's industry minister Ryosei Akazawa has urged Australia, the country's largest LNG supplier, to ramp up output as the Middle East turmoil disrupt regional shipments and unravels trade flows.

Inpex's $60 billion Ichthys LNG project is Japan's biggest single investment in Australia

The Land of the Rising Sun relies on the Middle East for 11 percent of its LNG imports, with 6 percent shipped via the Strait of Hormuz, which is effectively closed, due to the US/Israeli war on Iran. Japan also depends on the region for roughly 95 percent of its crude oil supply.

"For this unprecedented situation, the affordable and stable LNG supply from Australia is the lifeline of energy security in Japan and this region," Japan's Minister of Economy, Trade and Industry, Ryosei Akazawa, told Australian Resources Minister, Madeleine King, during a meeting. "We would like to sincerely ask for your continued contribution to stable supply, including the possibility of increasing production as much as possible."

Energy deliveries could take months to normalize, Qatari Energy Minister Saad al-Kaabi warned — hence LNG-dependent Asian economies are struggling to source alternative supplies.

Australia accounts for around 40 percent of Japan's LNG imports, shipping close to 29 million tonnes annually from major terminals in Western Australia and Queensland.

Eager to ease supply concerns, Australian Resources Minister Madeline King pointed at "new output from the Scarborough and Barossa gas fields, which is due to come online in 2026-27. This is hoped to add several million tonnes per year to LNG export capacity from Down Under. ■

Nuclear restart in Japan displaces LNG-fuelled power

TEPCO has been rushing to restart of Unit 6 Japan's largest nuclear power station to displace LNG-fuelled power at a time of escalating gas prices. With 1,356 MW installed capacity, Kashiwazaki-Kariwa Unit 6, is could help avoid combustion of 1.3 million tons of imported LNG, based on Japanese government estimates of fuel substitution.

The timeline of the nuclear ramp-up is being accelerated, as the operator Tokyo Electric Power Company (TEPCO) seeks to maximise the availability and dispatch of nuclear baseload power amid soaring crude oil and LNG prices following the escalating Iran conflict. Brent crude prices jumped to $82 per barrel at the start of the conflict and frequently exceed $100 per barrel since.

Regasified LNG accounted for one-third of Japan's power generation in 2024, but rising fuel prices and supportive government policies are making utilities rush to get nuclear power units back into service. Kashiwazaki-Kariwa Unit 6 is TEPCO's first reactor to resume operations after all units were shut down for mandatory safety inspections and safety upgrades following the 2011 tsunami and Fukushima nuclear accident.

Kashiwazaki Kariwa is the world's largest nuclear power station by capacity.

Analysts estimate that Unit 6 will produce 9,500 gigawatt-hours (GWh) of electricity annually once fully operational. However, high retrofit costs have led TEPCO to delay the restart of Kashiwazaki-Kariwa Unit 7 until 2029 or early 2030.

With the latest nuclear restart, Japanese utilities have 15 reactors in operation with a combined capacity of 33 Gigawatts (GW). Dispatch of LNG-fuelled power units is decreasing accordingly. Japanese companies are expected to import 9 billion cubic feet per day (Bcf/d) in 2025, compared to 11 Bcf/d in 2018. Yet, analysts underlined Japan is still importing the second most volume of LNG after China. ■

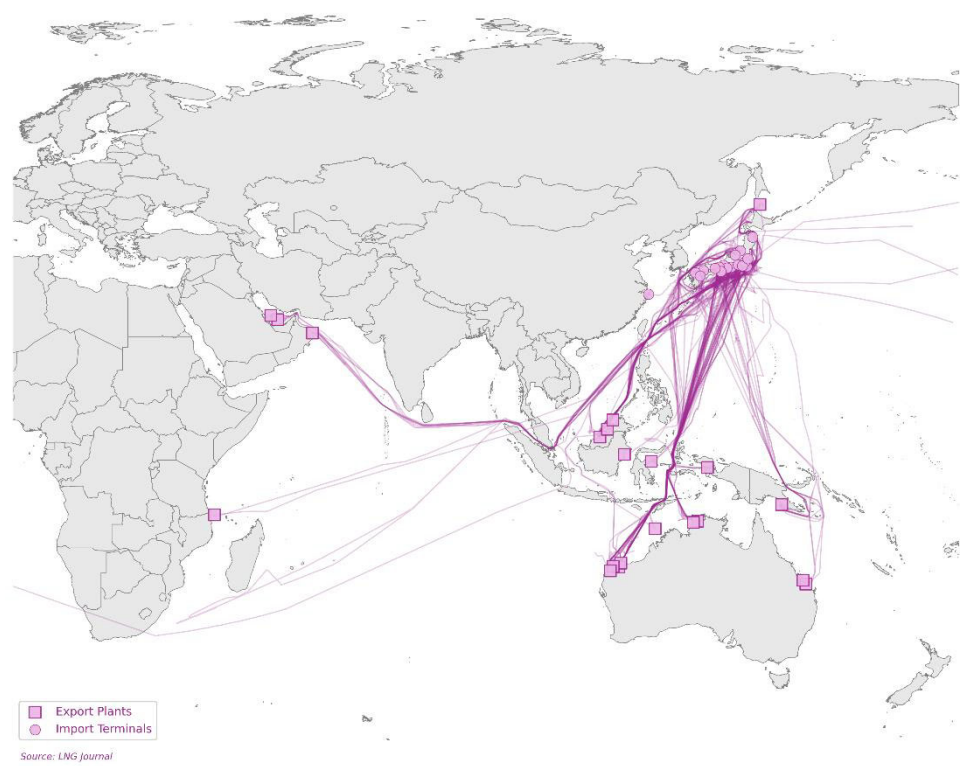
Idemitsu Kosan commits $500m to MidOcean in LNG push

Japan's second largest oil refiner Idemitsu Kosan has announced a $500 million investment in MidOcean Energy in a bid to enter the global LNG business. Idemitsu's equity raise in MidOcean forms part of a $1.2 billion equity raise, with funds targeted at expanding LNG projects in Australia, Canada, South America.

MidOcean has stakes in the Gorgon and Pluto LNG projects in Australia, and has also exposure in Canadian developments like LNG Canada, and South American assets such as Peru LNG. The fresh funding is aimed at scaling up production, and secure new offtake deals in a market where buyers are lined up to sign stable, long-term supply from other regions than the Middle East.

Idemitsu strategy is to position LNG as a medium- to long-term growth pillar, and as a bridge fuel in the power sector. Combusting regasified LNG emits substantially less CO2 than oil or thermal coal. Taking an equity share in MidOcean Energy hence helps bolster Japan's energy security, where LNG accounts for nearly a third of power generation. ■

Japan



Market Summary

Japan imported 10.28mmt of LNG during February to March 2026, receiving 174 cargoes from 15 supplier countries. Australia was the leading supplier with a 45.7 percent share, followed by Malaysia (14.2 percent) and Russia (8.5 percent).

Volumes fell 16 percent versus the prior period (Dec 2025-Jan 2026: 12.27mmt) and 9 percent year on year (Feb-Mar 2025: 11.33mmt). The decline was concentrated in March (4.87mmt, down 16 percent year on year) while February (5.41mmt) was broadly flat against the prior year. The year-on-year trajectory is consistent with the accelerating nuclear restart programme and the 7th Strategic Energy Plan's target of reducing gas from 33 to 20 percent of the power mix by 2030. Most of the volume was loaded and dispatched before the 28 February strikes on Iran.

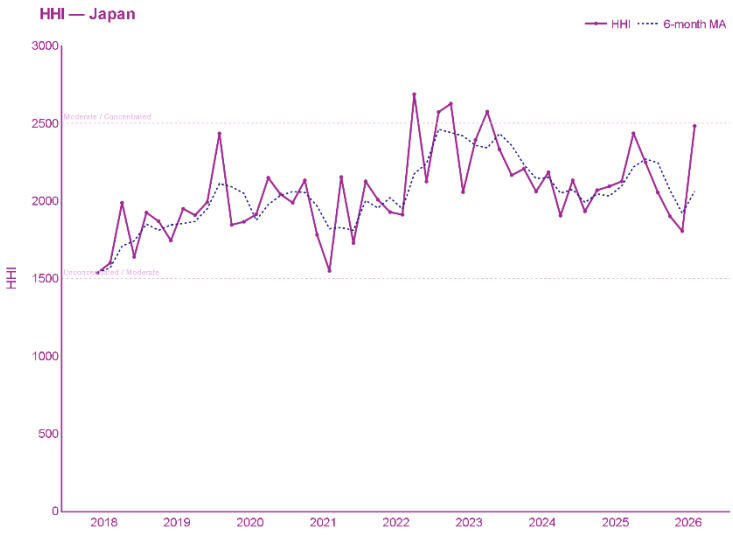
Supply Concentration

The Herfindahl-Hirschman Index stood at 2,482, indicating a moderate level of supply concentration but approaching the concentrated threshold. This represents a deterioration of 678 points versus the prior period, an unusually sharp increase driven by Australia's share surging 10.3 percentage points to 45.7 percent. A single supplier accounting for nearly half of total imports pushes the HHI toward levels last seen during the energy crisis of 2022.

The concentration increase is paradoxical in context. Japan drew from 15 supplier countries during the period, up from 13, with Peru, Mozambique, China (re-exports) and Trinidad all present. Yet diversification at the tail could not offset dominance at the head. The HHI captures this correctly: breadth of sources means little if the top supplier's share continues to rise. With the Hormuz crisis and its aftermath set to compress regional supply in coming periods, Australian dominance may entrench further before it moderates.

Price Context

Landed prices were benign through most of February at $10 to $11/mmBtu. The 28 February strikes sent JKM above $25/mmBtu within days. Japan's long-term contracts are heavily weighted toward JCC-indexed pricing, providing partial insulation from spot volatility, but the JCC itself is rising as crude surges. The pass-through to wholesale power markets is direct: after the 2022 Russia-Ukraine crisis, Japan's LNG import bill rose approximately 65 percent in dollar terms despite flat volumes. A similar dynamic is emerging. The government's electricity and gas subsidy programme expired on 1 April, and several utilities have signalled tariff increases of 10 to 30 percent. The government has capped gasoline at JPY 170 per litre, funded by a subsidy reserve of over JPY 1 trillion, though at a reported burn rate of approximately JPY 600 billion per month, the fund may be exhausted within two to three months without additional appropriation



Market Highlights

TEPCO's Kashiwazaki-Kariwa Unit 6 (1.35 GW) restarted on 21 January, experienced an electrical glitch requiring a brief shutdown, restarted on 9 February, and began transmitting power to the Tokyo metropolitan area on 17 February for the first time in approximately 14 years. Commercial operation was targeted for 18 March pending final inspection by the Nuclear Regulation Authority. Unit 7 has regulatory approval but is not expected until 2030. Each reactor that returns to service directly reduces baseload gas burn, and with 15 reactors now restarted under the post-Fukushima framework, the cumulative impact on LNG demand is material.

Asymmetric Hormuz exposure

Japan's physical LNG exposure to the Strait of Hormuz is modest at approximately 4 percent of imports, essentially limited to Qatar. Oman's Qalhat export terminal sits outside the strait on the Gulf of Oman coast. This stands in sharp contrast to crude oil, where 94 percent originates in the Middle East. Qatar's share fell

to 4.0 percent during the period, while Oman held at 4.1 percent. The broader Gulf producers, including the UAE (1.2 percent), thus accounted for approximately 9 percent of Japanese LNG, though only the Qatari and Emirati portions are directly Hormuz-dependent.

However, Japan cannot insulate itself from the price effects. In a globalised market, the loss of Qatari and Gulf production reprices every cargo regardless of origin. The government released 45 days of strategic petroleum reserves in March, the largest single drawdown in history. LNG reserves are more limited, sufficient for roughly two to four weeks, and unlike oil cannot be stored indefinitely in comparable quantities. If the blockade persists through the summer restocking season, the buffer will deplete.

Sakhalin-2: JERA contract expires

JERA's 0.5mtpa Sakhalin-2 contract expired in March 2026. Russian supply totalled 0.87mmt (8.5 percent), all from Sakhalin-2, broadly stable. The 17 cargoes were distributed across 13 terminals, underscoring how deeply Sakhalin-2 remains embedded in Japan's gas distribution network. The US sanctions exemption was extended in December to 18 June 2026, with the condition that exports go solely to Japan.

The Hormuz crisis has complicated the Sakhalin-2 calculus. US pressure to reduce Russian dependence continues, with Treasury Secretary Bessent promoting the Alaska LNG project as a long-term replacement. But the simultaneous loss of Gulf supply makes the case for maintaining proximate, chokepoint-free Sakhalin-2 volumes more compelling on energy security grounds.

Separately, ERA terminated its 1mtpa purchase agreement with pre-FID Commonwealth LNG on 3 March. The project has since backfilled the volumes with other offtakers and continues toward FID. Commonwealth had faced repeated delays. JERA had separately signed a 3mtpa agreement with QatarEnergy on 3 February, less than a month before the crisis. The government has also relaxed coal-fired generation restrictions to conserve LNG stockpiles during the price spike.

Australia's dominance intensifies

Australia's 45.7 percent share is the highest in recent years and reflects several converging factors. Wheatstone (1.22mmt), Gorgon (1.10mmt) and Ichthys (1.01mmt) each delivered over a million tonnes, with NWS (0.53mmt) and Pluto (0.35mmt) contributing further. Western Australian projects accounted for approximately 94 percent of Australian volumes, reflecting decades of Japanese equity participation and long-term contracts in these assets.

The surge in share is partly mechanical: as Gulf volumes contracted and seasonal demand fell, contracted Australian supply held firm, increasing its proportional share. But the trend also reflects genuine competitive advantage: no contested chokepoint, short shipping times, and contractual architecture built on equity participation and oil-indexed pricing. As we note in the outlook, concentration risk does not diminish simply because the dominant supplier is geopolitically friendly.

LNG Canada gain significance

Four cargoes totalling 0.28mmt arrived during the report period, up from three cargoes (0.22mmt) in December-January. Our tracking records 14 LNG Canada cargoes totalling 1.05mmt delivered to Japanese terminals since July 2025, underpinned by Mitsubishi Corporation's 15 percent equity stake. As LNG Canada approaches full capacity during 2026, volumes should stabilise and could partially offset any decline in Sakhalin-2 flows.

Mozambique (0.14mmt, 1.4 percent) was the sole West African supplier during the period, with Nigeria and Equatorial Guinea both absent from the supply mix. Nigerian volumes, which had totalled 0.28mmt in the prior period, appear to have been redirected toward Europe, consistent with the pull effect observed in Nigeria's broader export programme and documented in our China section.

Supplier	Volume (MMt)	Share (pct)	vs Prior (pp)	vs YoY (pp)
Australia	4.7	45.7	10.3	5.6
Malaysia	1.46	14.2	-2.1	-2.3
Russia	0.87	8.5	0.5	-0.7
Papua New Guinea	0.67	6.5	1.9	-0.7
Indonesia	0.47	4.6	-0.7	-1
Oman	0.42	4.1	-1.6	0.2
Qatar	0.41	4	-1.4	-0.6
Canada	0.28	2.7	0.9	-
Brunei	0.24	2.3	-1.8	-2.3
United States	0.18	1.8	-7.1	-2
Mozambique	0.14	1.4	0	0
Peru	0.14	1.4	0	0.1
China	0.13	1.3	0	-0.4
UAE	0.12	1.2	0.2	-0.4
Trinidad	0.05	0.5	0	0

Facility Highlights

Twenty-eight terminals recorded arrivals. Futtsu remained the single largest at 1.61mmt (25 cargoes, 12 source countries), down 11 percent from the prior period. Ogishima recorded the steepest decline among major terminals, falling 44 percent to 0.45mmt. Senboku fell 31 percent and Kawagoe 30 percent. Chita was essentially flat at 0.96mmt and Joetsu LNG unchanged at 0.52mmt. The breadth of supply diversity at individual terminals remained notable: Futtsu drew from 12 countries, Chita from 7, and Himeji from 7.

Outlook

Japan's LNG trajectory was already firmly downward before the Iran war. The nuclear restart programme and growing renewable capacity ensure structurally lower import requirements. Kashiwazaki-Kariwa Unit 6 entering commercial operation during this reporting period is both symbolic and material. The Hormuz crisis has not changed that direction but has reframed the debate: the price transmission is unavoidable even where physical supply is secure.

Three issues will dominate going forward. First, whether the Hormuz closure persists through the summer, forcing competition with Europe for Atlantic Basin cargoes during pre-winter restocking. Second, how the Sakhalin-2 question is handled once the June sanctions exemption deadline approaches, as the pressure to reduce Russian dependence now collides with the practical need to maintain every non-Gulf supply source. Third, whether the crisis accelerates investment decisions on new Pacific Basin supply, including LNG Canada Phase 2 and the Alaska LNG project, the latter remaining years from first gas despite active US promotion.

Australia's 45.7 percent share, while partly a statistical artefact of compressed total volumes, is a warning. Concentration risk does not diminish simply because the dominant supplier is geopolitically friendly. Contract expiries, domestic reservation policies, and maintenance schedules at ageing Western Australian facilities all represent vulnerabilities that Japan's procurement strategy must address, even as the immediate crisis centres on the Middle East ♦

South Korea turns to Oman in attempt to backfill lost Qatari LNG

Alarmed by oil and LNG supply disruptions, South Korea's Foreign Minister, Cho Hyun has pleaded his Omani counterpart Badr Albusaidi to supply LNG and crude oil. KOGAS, meanwhile, vowed to bring the entire LNG equity volumes from its projects in Australia and Canada to its Korean home market to mitigate the risk of fuel shortages.

Equity volumes are the amounts of LNG that KOGAS is allowed to import, based on contracts that permit taking a share of production equivalent to its investment stake in a project. KOGAS has secured 360,000 tonnes of LNG annually through its 10 percent stake in Australia's 'Prelude' project. Its 5 percent equity investment in LNG Canada allows it to bring in an annual equity volume of 700,000 tonnes, which is the equivalent of 11 LNGCs, local sources reported.

The energy major's equity volume is set to further increase. When production begins at Mozambique's 'Coral Norte' FLNG in 2029, the equity volume will rise by 320,000 tonnes. If the Mozambique Rovuma project and the LNG Canada Phase 2 project, both currently under review by KOGAS, are realised, the company could secure an annual equity volume of 3.88 million tonnes by 2031, local sources said.

Oman LNG plans to add a third train at its Qalhat complex by 2029

Since the war between Russia and Ukraine, KOGAS has diversified its LNG import sources from being centred on the Middle East to include Oceania, Canada, and the US. As a result, the import share of Middle Eastern LNG, which accounted for around a third of South Korea's total import volume in 2024, was predicted to drop to less than 20 percent by the end of 2025. In particular, Qatari volumes fell to 14 percent.

Choi Yeon-hye, KOGAS CEO, said, "What is important now is not simply securing a large amount of LNG, but how much volume we can bring in stably even amidst a crisis.

"KOGAS will continue to fulfil its role as a steadfast guardian responsible for the Republic of Korea's energy security through agile responses and strategic supply stabilisation," she said according to *Business Korea*. ■

Cap on coal-burn lifted to curb Korea's LNG reliance

South Korea's ruling Democratic Party has announced the abolition of spring caps limiting coal-fired plants to 80 percent capacity, alongside boosting nuclear utilization to over 80 percent from late-60s levels. "We aim to lift coal power caps to ease reliance on LNG for electricity generation," an official from the Ministry of Trade, Industry and Resources said, pointing at government strategy to stabilize baseload power.

Figures released by KEPCO, one of the country's leading power generators, show that LNG burn exceed coal by 1 to 2 Gigawatts months, driving up imports despite steady gains of nuclear power supply.

Between January and March 2026, LNG-fired generation contributed a record of up to 25 Gigawatt of electricity during coal weather period, versus coal-fired generation at 24 GW.

Analysts see the latest operational cooperation between JERA and KOGAS as a buffer against future supply disruption, complementing Korea's fuel-switch policies to coal and nuclear. Over the weekend, the two companies signed a memorandum, to deepen coordination in LNG operations by optimizing LNG shipping schedules and terminal utilization.

The two Asian LNG buyers will share insights on supply-demand trends and exploring cargo swaps to enhance portfolio flexibility and logistical efficiency their extensive supply networks.

"This operational sync reduces bilateral risks in a tight market," an energy trader commented. ■

Coal gets shipped to South Korea from mines in Australia, Siberia and South Africa

South Korea

Market Summary

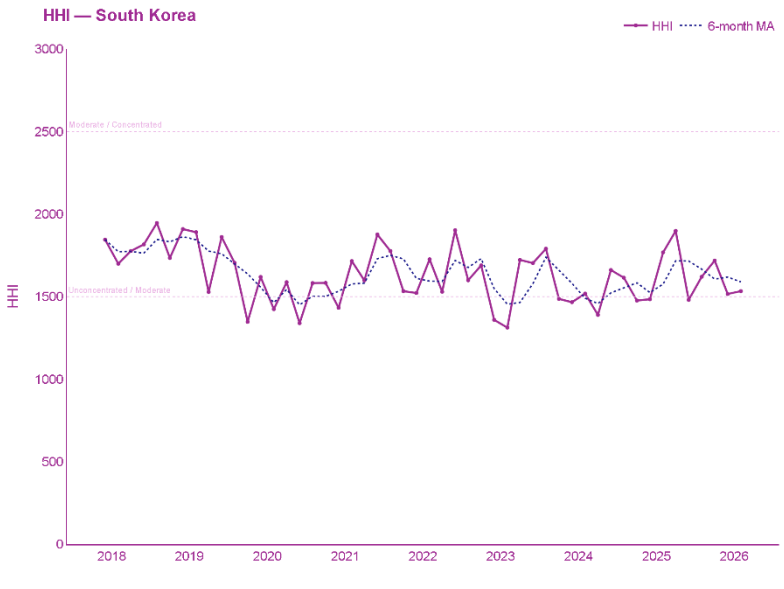
South Korea imported 7.76mmt of LNG during February to March 2026, receiving 120 cargoes from 13 supplier countries. Australia was the leading supplier with a 30.2 percent share, followed by Malaysia (17.0 percent) and Qatar (9.7 percent).

Volumes fell 12.6 percent versus the prior period (Dec 2025-Jan 2026: 8.88mmt), a seasonal decline from the record bimonthly total that had marked the winter peak. The current reading represents a normalisation from that elevated baseline rather than a sign of weakness, and at 7.76mmt remains above the subdued autumn levels of 2025. Year on year comparisons will be distorted by the conflict-driven supply disruption in the second half of March, though the pre-conflict portion of the period showed demand broadly in line with seasonal expectations. KOGAS accounted for approximately 90 percent of imports, with private terminals (SK E&S at Korea Energy Terminal, POSCO at Gwangyang) handling the remainder.

Supply Concentration

The Herfindahl-Hirschman Index stood at 1,533, indicating a moderate level of supply concentration. The index was broadly stable versus the prior period's 1,516, despite the supplier count falling from 16 to 13 countries. The stability reflects a relatively balanced distribution among Australia, Malaysia, Qatar, Indonesia, Canada and the United States, none of which dominated the period as dramatically as Australia did in Japan.

QatarEnergy's declared force majeure on long-term contracts include three KOGAS term contracts totalling 6.1mtpa, of which 2.1mtpa under the 2007 to 2026 RasGas agreement is now expiring. The more recent 2.0mtpa contract (2025 to 2044) will be directly affected. The Ministry of Trade, Industry and Energy stated on 5 March that the country had "sufficient LNG reserves for a considerable period, even if imports from Qatar are completely halted" and had prepared emergency measures to secure alternative supply from Southeast Asia, Australia and North America. Spring seasonal demand decline should provide additional buffer.



The more significant concern, articulated by ministry officials, is heightened competition for alternative spot cargoes should the Persian Gulf crisis persist in a market where JKM had swiftly doubled, and European buyers are simultaneously seeking Atlantic Basin replacement volumes.

Market Highlights

The US Supreme Court's 6-3 ruling on 20 February, in Learning Resources v. Trump, struck down tariffs imposed under the International Emergency Economic Powers Act as exceeding presidential authority. The decision immediately nullified the reciprocal tariffs that had been the basis of the July 2025 US-Korea trade agreement, under which Seoul had committed to $100 billion in US energy purchases in exchange for a tariff reduction from 25 to 15 percent. The White House responded the same day by reimposing tariffs at 15 percent under Section 122 of the Trade Act, which permits temporary duties for up to 150 days. South Korea indicated the broader trade agreement remained intact, though the legal uncertainty surrounding the tariff architecture introduces new risk into the energy procurement commitments.

The $100 billion commitment covers all US energy purchases over approximately three to three and a half years; the split between crude oil and LNG was not publicly specified. Since the deal was struck in July 2025, new LNG commitments have followed, including Trafigura-KOGAS (3.3mtpa), TotalEnergies-KOGAS (1.0mtpa) and Hanwha Aerospace-Venture Global (1.5mtpa), adding to the pre-existing Cheniere-KOGAS and Freeport-SK E&S arrangements. South Korean buyers now hold approximately 36mtpa of long-term contracts including roughly 6.5mtpa from US sources, representing 72 percent of projected national

demand, above the historic 65 to 68 percent range.

Yet the data for this period tells a different story on actual flows. US supply fell sharply to 4.1 percent (0.32mmt), down 7.8 percentage points from the prior period's 11.9 percent. This decline coincided with Canada's rise to 8.1 percent (0.63mmt), up 4.6 percentage points, as LNG Canada cargoes continued to flow to KOGAS terminals via the corporation's 5 percent equity stake. The compositional shift, less US Gulf Coast, more Canadian Pacific, is consistent with the pattern observed in our previous edition and has been reinforced by the Hormuz crisis, which has made Pacific Basin supply routes more attractive on a risk-adjusted basis.

KOGAS-private terminal divergence

The crisis exposed a notable divergence between state and private procurement. KOGAS's five terminals collectively fell 14 percent to 6.95mmt (107 cargoes), with Boryeong recording the sharpest decline at 43 percent. Incheon fell 21 percent and Pyeongtaek 14 percent. Only Samcheok bucked the trend, surging 49 percent to 0.79mmt across 13 cargoes from five source countries.

The two private terminals, by contrast, grew modestly in aggregate. Gwangyang (POSCO) rose 9 percent to 0.49mmt and Korea Energy Terminal (SK E&S) was flat at 0.32mmt. In a period where procurement agility matters, the private terminals outperformed the state monopoly. KOGAS bore the brunt of both the seasonal decline and the Qatar contract exposure, while SK E&S and POSCO, with more flexible procurement mandates and no direct Qatari contractual obligation, maintained their supply levels.

Indonesia's re-emergence

Indonesia's share rose sharply to 8.5 percent (0.66mmt), up 4.5 percentage points. This is notable given the country's own mounting domestic supply challenges, with PLN having secured 103 cargo commitments for 2026, up from approximately 90 in 2025, and the government having been forced to reschedule planned exports as domestic shortfalls mounted. The volumes reaching South Korea mainly reflect term contract fulfilment from Tangguh, Donggi-Senoro and Bontang, but the sustainability of Indonesian supply at this level is uncertain given the competing pressures documented in our smaller-scale emerging Asia section.

Facility Highlights

All seven regasification terminals received cargoes. Pyeongtaek was the largest receiver at 2.13mmt (34 cargoes, 11 source countries), followed by Incheon at 2.02mmt (29 cargoes, 10 sources) and Tongyeong at 1.41mmt (22 cargoes, 9 sources). Samcheok recorded the strongest growth, surging 49 percent to 0.79mmt across 13 cargoes from five source countries. Boryeong recorded the steepest decline among major terminals, falling 43 percent to 0.60mmt. Incheon fell 21 percent, Pyeongtaek 14 percent, and Tongyeong 6 percent. The two private terminals diverged modestly from the KOGAS trend: Gwangyang (POSCO) rose 9 percent to 0.49mmt and Korea Energy Terminal (SK E&S) was broadly flat at 0.32mmt. 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 enters the Hormuz crisis from a position of relative resilience. Inventories are adequate for the seasonal demand trough, the supplier base remains among the broadest in Asia, and a modest contraction of the number of suppliers has not shifted the HHI significantly. The immediate physical disruption from the loss of Qatari supply is manageable, particularly with the 2.1mtpa RasGas contract already expiring.

The medium-term challenges are more consequential. The force majeure on QatarEnergy's continuing 2.0mtpa contract with KOGAS introduces contractual uncertainty that may persist for three to five years if the Ras Laffan damage assessment holds. The $100 billion US energy purchase commitment faces a new reality: the legal basis for the reciprocal tariff deal has been invalidated by the Supreme Court, the Section 122 fallback tariffs are temporary, and the global LNG supply glut that was expected to make additional US procurement unattractive has been upended by the loss of Qatari capacity. Whether the crisis creates genuine commercial logic for additional US LNG procurement, or merely political pressure to sign contracts that lock Korea into long-term fossil fuel commitments at odds with its decarbonisation targets, will be a defining question for the 12th Basic Plan for Long-term Electricity Supply and Demand (BPLE) revision.

That revision remains the key document to watch. The previous government's 11th BPLE targeted gas-fired generation falling from 28 percent to 11 percent by 2038. The current administration under President Lee Jae-myung has signalled a different emphasis, prioritising renewables and pledging coal plant closures, but has not yet published the revised plan. Until it does, the tension between structural oversupply of terminal capacity, record-high contracted volumes, US political pressure for additional procurement, and a long-term policy trajectory that implies significant demand destruction will continue to define South Korea's LNG procurement calculus. The Hormuz crisis has thrown these questions into sharp relief ◆

Supplier	Volume (MMt)	Share (pct)	vs Prior (pp)	vs YoY (pp)
Australia	2.34	30.2	2.6	-2.6
Malaysia	1.32	17	-0.9	0.1
Qatar	0.75	9.7	-4.6	-6.7
Indonesia	0.66	8.5	4.5	5.5
Canada	0.63	8.1	4.6	0
Russia	0.36	4.6	0.7	-0.1
Oman	0.34	4.4	-0.3	-1.5
Peru	0.34	4.4	2.8	-0.7
United States	0.32	4.1	-7.8	-1.2
China	0.31	4	2.6	0
Brunei	0.18	2.3	1	0.6
Nigeria	0.14	1.8	-0.9	0.2
Papua New Guinea	0.07	0.9	0.2	0

Southeast Asia braces for LNG crunch in power sector

Rising LNG prices are feeding through to wholesale electricity markets. To mitigate exposure, utilities in Thailand and Vietnam are shifting from purely index linked LNG contracts toward structures with price caps and multi year tenures, covering up to 80 percent of their projected LNG-fired power plant needs.

Thailand plans to bring online more than 2 GW of LNG to power capacity by 2028, while Vietnam is pencilling in roughly 4-5 GW of additional LNG fired generation by 2030, contingent on final investment decisions (FIDs) and port infrastructure readiness.

However, Southeast Asia's move towards LNG-fuelled power generation has taken a blow by supply shortages and the substantial rise in LNG prices in the Pacific basin due to Qatar's *force majeure* on shipments from Ras Laffan.

With the Middle East crisis reminding policymakers that long haul LNG routes carry geopolitical risk, governments are also exploring cross border gas pipelines and regional LNG hubs to reduce single source dependence.

Map Ta Phut LNG terminal in Thailand

Risk of demand destruction

The biggest risk of supply shortages and soaring LNG prices is that utilities will stop using the super-chilled gas for power generation. Governments in Bangladesh and Pakistan have already curtailed the use of electricity by closing schools and universities, while most countries in Southeast Asia are pivoting to thermal coal to cover their energy needs.

"We're going to see demand destruction," said Mark Abbotsford, chief commercial officer at Australia LNG exporter Woodside Energy, warned attendees at the CERA Energy Week, taking place in Houston, Texas.

If LNG prices are perceived as too volatile and uncompetitively high, utility buyers will shift back to thermal coal. In an industry built on long-term contract and stable deliveries, incidents like *force majeure* on Qatar's Ras Laffan mega trains is undermining trust — jeopardising Asia's tepid move towards cleaner-burning gas generation. ■

Pakistan leans on local fuel sources to mitigate LNG supply risk

Pakistan's diverse domestic energy mix — nuclear, coal and hydropower — is cushioning the country from the global energy price shock due to the Iran war. With nearly three-quarters of its electricity generated from local sources, Pakistan managed to mitigate the immediate fallout of halt in its contracted long-term LNG deliveries from QatarEnergies.

Qatargas used to supply 3.75 mtpa to Pakistan under a 15-year contract running through to 2031, priced at 13.37 percent of Brent oil, and another 3 mtpa through 2032 at 10.2 percent of Brent. In addition, Eni delivers 1 mtpa of LNG under a 15-year deal indexed at 12.14 percent of Brent.

Lower gas demand in summer 2025 — aided by coal switching, new nuclear capacity, and rapid solar and storage uptake — allowed Pakistan to defer five Qatari cargoes to 2026 without penalty. That flexibility of power sources is starting to pay off: The government in Islamabad, which only months ago was considering reselling surplus LNG on the spot market, is now counting itself luck to have stored regasified LNG and coal reserves to maintain grid stability after the Qatar disruption.

Diversification of energy sources has proven critical in navigating the latest global supply shock triggered by the Iran conflict. ■

LNG terminal in Pakistan

Beware 'panic buying'

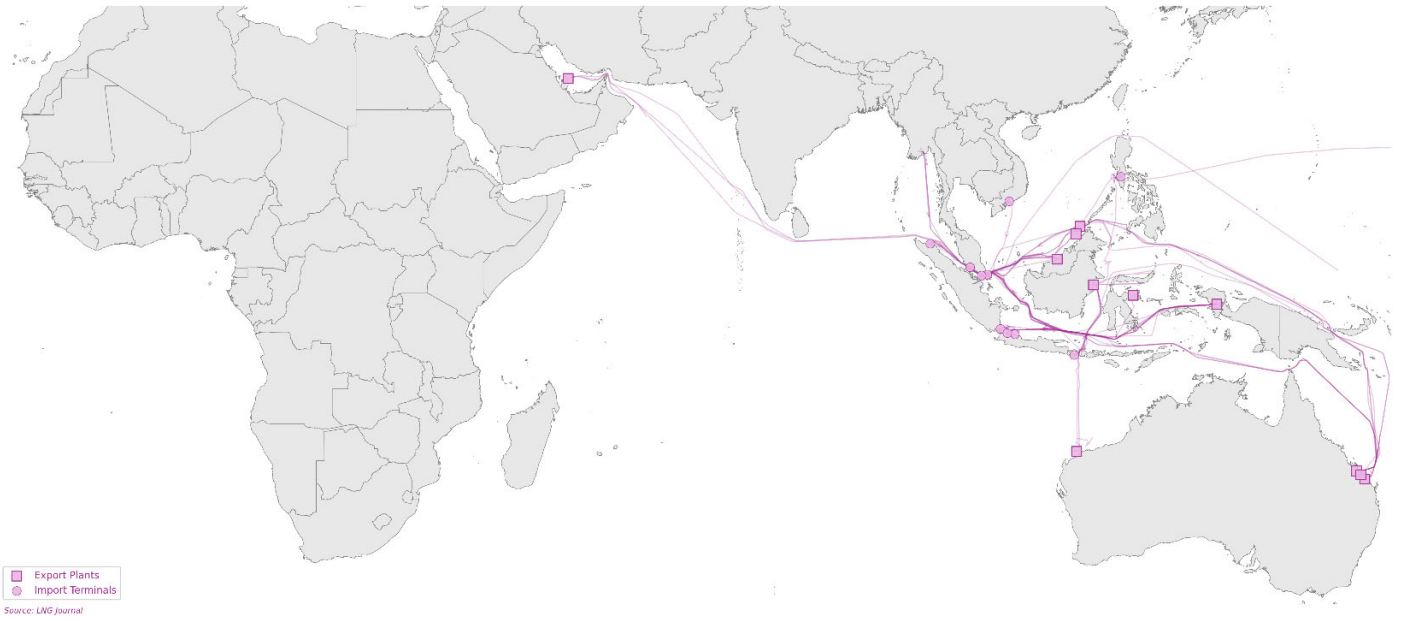
Southeast Asian countries with historically low gas storage levels have resorted to panic buying in a rush to replenish reserves ahead of the next winter. A "vicious feedback loop" could weakening the domestic purchasing power.

"Not only do you have higher priced energy imports, you also have weaker local currencies. Which means that those imports become more expensive in local currency terms and importantly, those currency devaluations can outlast the high cost of energy imports," says Sam Reynolds, research lead at the Institute for Energy Economics and Financial Analysis (IEEFA),

LNG has been promoted as a means to provide energy security through diversifying supply routes beyond fixed natural gas pipelines. "But we've seen that this has not been the case with all the cards held by a few LNG suppliers," said Amy Kong, energy transition researcher from Zero Carbon Analytics (ZCA) in a media briefing, pointing at the vulnerability of many Asian countries in the face of the consolidation of global oil and gas exporters.

"Bangladesh has contracts to procure oil and LNG on the spot market from Australia, Malaysia, Saudi Arabia, Singapore and the US — but everybody is now looking at those options too," said Khondaker Golam Moazzem, research director at the Centre for Policy Dialogue, warning of spiralling prices. ■

Smaller-scale Emerging Asia



Market Summary

Six smaller Asian import markets collectively received 2.65mmt of LNG during February to March 2026, comprising 52 cargoes from 5 supplier countries. Indonesia was the leading supplier with 38 percent of combined volumes (though most of these volumes remained in-country), followed by Australia (36 percent) and Malaysia (15 percent).

The combined HHI for this bloc jumped to 3,060, indicating a high level of supply concentration, driven by Indonesia's self-supply dominance and the limited number of external suppliers reaching the remaining markets. The Hormuz crisis has a differentiated impact on this group: Indonesia and Malaysia are largely insulated as Pacific Basin producers and importers, Singapore's hub holds comfortable inventory and diversified supply, while the Philippines faces acute vulnerability and Vietnamese demand remains marginal

Indonesia

Indonesia imported 0.93mmt from a single supplier: itself. The 100 percent domestic supply share reflects the structural reality flagged in successive editions: Indonesia's LNG "imports" are almost entirely domestic cargoes from Tangguh and Bontang being redirected to regasification terminals at Arun, West Java (Nusantara Regas Satu FSRU), Lampung and Jawa Satu. The small volumes from Australia, Cameroon and Singapore that appeared in the prior report period are absent.

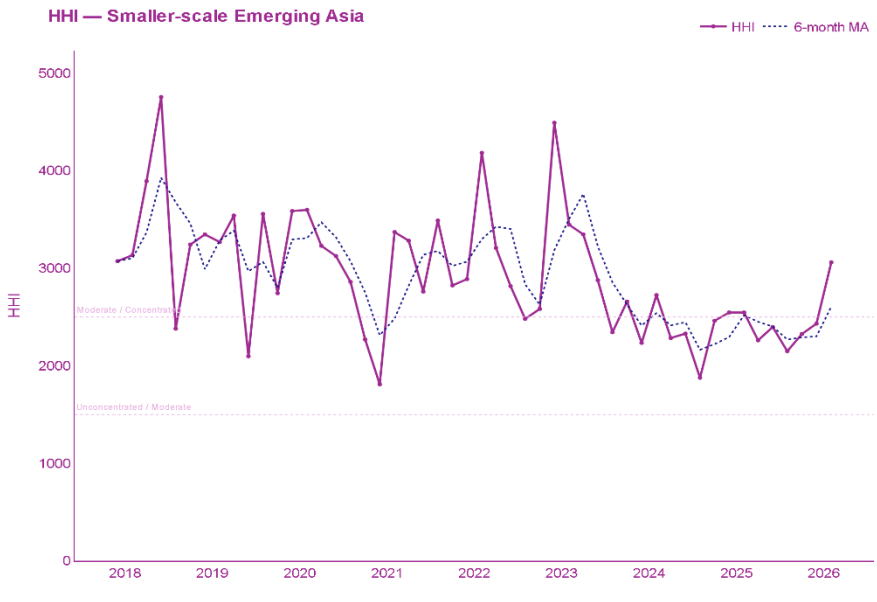
The domestic tension between export commitments and surging internal demand has continued to intensify. PLN has secured 103 cargo commitments for 2026, with PGN requiring a further 19, and the combined requirement of over 120 cargoes potentially understates actual terminal arrivals. Last year, the government had to defer export obligations as domestic shortfalls mounted. Our tracking shows Indonesia's domestic allocation has risen from 27 percent of total production a year ago to 36 percent in the current report period, with exports sliding from 1.84mmt to 1.68mmt. The trend is consistent with the government's stated priority of domestic supply over exports. The transition from net exporter to net importer persists, with implications for Japan and South Korea, which lift significant Indonesian volumes under term contracts. The Hormuz crisis adds urgency: if Asian buyers scramble for replacement cargoes, Indonesia's export volumes may face competing claims from both domestic allocation and premium-paying international buyer.

Singapore

Singapore imported 0.77mmt from 2 suppliers, led by Australia at 82 percent (0.63mmt) with Qatar providing the remainder at 18 percent (0.14mmt). Volumes were broadly stable versus the prior period's 0.80mmt, though the supplier base narrowed from three to two with Mozambique absent.

The shift toward Australian dominance is notable. In the prior period, Qatar had been Singapore's leading supplier at 53 percent, reflecting the 1.8mmtpa long-term contract with QatarEnergy that commenced in 2023. The reversal to 18 percent in the current period likely reflects the impact of the Hormuz closure on late-March deliveries, with Australian cargoes filling the gap. The QatarEnergy force majeure directly affects Singapore's contracted supply, and the island's heavy reliance on LNG for power generation makes it structurally exposed if the disruption persists.

State-owned GasCo became operationally ready to procure LNG from 1 January 2026,



marking a generational change in Singapore's procurement structure. A second LNG terminal (5mmtpa capacity) is planned for completion by decade's end. Singapore's role as a regional refining hub is also under pressure, with its refineries processing up to 1.5 million barrels of crude per day, much of it sourced from the Middle East. The government has stated that refineries are maintaining stable operations and drawing on diverse crude supplies, and Singapore and Australia have agreed to keep bilateral energy trade flowing.

Malaysia

Malaysia imported 0.58mmt from 2 suppliers, led by Australia (57 percent, 0.33mmt) with domestic Malaysian LNG from Petronas operations accounting for 43 percent (0.25mmt). As a net energy exporter, Malaysia is a relative beneficiary of the current price environment, though its import-dependent peninsular market (served by the Sungai Udang FSRU in Melaka and the Pengerang terminal in Johor) remains exposed to elevated spot costs.

Petronas has confirmed plans for a third regasification terminal in Peninsular Malaysia, recognising the growing disconnect between the country's export-oriented production base in Sarawak and rising domestic demand on the peninsula. The broader crisis context may accelerate the investment case.

The Philippines

The Philippines imported 0.21mmt from 3 suppliers: Indonesia (38 percent), Peru (33 percent) and Malaysia (29 percent), all through the PHLNG terminal at Batangas. The modest volume continues the pattern of lumpy, spot-dependent procurement, though the supplier mix is notable for the complete absence of both US and Australian cargoes.

The Philippines has been among the hardest-hit countries globally by the Hormuz crisis, though the impact is overwhelmingly through oil rather than LNG. The country imports 98 percent of its crude from the Middle East, and on 24 March President Marcos declared a state of national energy emergency, the first country in the world to do so following the Iran war. Fuel reserves were estimated at 45 days and declining. The Department of Budget and Management released PHP 20 billion from the Malampaya gas fund for emergency fuel procurement, and Petron Corporation ordered 700,000 barrels of Russian oil under the US Treasury's 30-day waiver on sanctioned petroleum products already at sea. Government offices moved to a four-day work week. Transport strikes erupted across the country as diesel exceeded PHP 130 per litre.

For LNG specifically, the disruption is less acute given the Philippines' limited import volumes and the availability of Indonesian and Malaysian supply that does not transit Hormuz. But the broader energy emergency underscores the precariousness of a market that remains almost entirely reliant on imported fossil fuels, with the Malampaya gas field continuing to deplete and no alternative domestic gas production in prospect.

Vietnam

Vietnam received a single cargo (0.07mmt) from Qatar at the Thi Vai terminal. Volumes remain marginal as the market develops around the Nhon Trach 3 and 4 power plants. The PV Gas-Shell multi-year supply contract (approximately 0.40mtpa for five years), signed in late 2025, provides a framework for more regular procurement, but the Hormuz crisis and the QatarEnergy force majeure may disrupt planned deliveries if Qatar was the intended source.

Myanmar

Myanmar received three cargoes totalling 0.09mmt, all from Malaysia's Bintulu terminal. This represents a threefold increase from the single 0.03mmt cargo received in December-January and confirms that the Thanlyin and Thaketa power plant restart reported in our previous edition has been sustained. The consortium (CNTIC VPower and Everest Energy) appears to have maintained a regular, if modest, procurement cadence using a shallow draft LNG carrier. Whether the operation can survive the elevated global price environment remains uncertain given Myanmar's persistent foreign exchange constraints, but three consecutive cargoes suggest a degree of operational and financial stabilisation that was not evident six months ago.

Outlook

This bloc's exposure to the Hormuz crisis is bifurcated. Indonesia and Malaysia, as producers and Pacific Basin importers, face limited direct supply disruption, though both will feel the indirect effects of elevated global LNG prices. Singapore has comfortable inventory and diversified supply but is directly exposed to the QatarEnergy force majeure on its long-term contract. The Philippines faces compound vulnerability through oil rather than LNG. Myanmar and Vietnam remain too marginal to move market dynamics but are acutely price-sensitive.

The crisis reinforces a structural observation from our previous editions: the smaller Asian LNG markets lack the inventory depth, procurement sophistication and fiscal capacity to compete for scarce cargoes in a disrupted market. When the global supply surplus that was widely anticipated for 2026 materialises, if it materialises, these markets will benefit disproportionately. Until then, they are the most vulnerable offtakers in the Asian LNG complex ◆

Plant	Atlantic	Middle East	Pacific	Feb-Mar 2026	Dec-Jan 2025-26	% Change p/p
Singapore LNG		0.14	0.63	0.77	0.8	-3.8
Pengerang LNG			0.36	0.36	0.32	12.5
Nusantara Regas Satu			0.33	0.33	0.37	-10.8
Arun Conversion			0.23	0.23	0.38	-39.5
Lampung LNG			0.22	0.22	0.24	-8.3
Sungai Udang FSRU			0.22	0.22	0.15	46.7
PHLNG			0.21	0.21	0.18	16.7
Jawa Satu FSRU			0.12	0.12	0.11	9.1
Thanlyin LNG			0.09	0.09	0.03	200
Thi Vai LNG		0.07		0.07	0.07	0
Gorontalo FSRU			0.02	0.02	0	400
Benoa LNG			0.01	0.01	0.01	-28.6
Amman Nusantara Gas				0	0.04	-100

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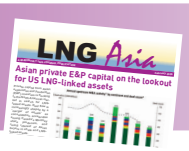

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