



Pakistan seeks four Qatari LNG cargoes to avert power crunch

Pakistan and Qatar are in advanced talks to get at least four LNG cargoes routed through the Strait of Hormuz, as Pakistan faces an acute LNG crunch of about 400 million cubic feet per day (mmcf/d). That supply gap already caused electricity shortages and load-shedding.

Prime Minister Shebaz Sharif just returned from a trinations tour in the Middle East, including Qatar, as part of diplomatic efforts to deescalate the war between the US and Iran. The PM pleaded Qatar to provide four of the 25-30 loaded petroleum and fuel oil cargoes that are understood to be currently stranded between processing stations and Hormuz.

Pakistani-flagged ships are hoped to be granted safe passage through the Strait of Hormuz, given that the country is the key diplomatic mediator in the regional conflict.

Officials specified the shortage of 400 mmcf/d of LNG supply translates into an electricity shortfall of between 3,400 MW and



4,500 MW – large enough to brood power outages. Six to seven hours of load-shedding are reported in some areas, with central Punjab and Khyber Pakhtunkhwa among the hardest hit.

Without imminent LNG or fuel oil deliveries, it would be next to impossible for Pakistani utilities to stabilise the grid – particularly in the Punjab are where over 6000 MW of power gen capacity is running on LNG.

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German 'industry electricity price' to curb cost by less than 10%

Germany is freeing up €3.8 billion in state support to subsidise a new 'industry electricity price' – but the Chemical Industry Association (VCI) claims the scheme would lower electricity costs by less than 10% for most companies, as taxes, levies and fees remain payable in full.

An industrial gas producer with an annual consumption of 550 Gigawatt-hours, for example, could receive about €11 million from the state, economy minister Katherina Reiche said. She hailed the EU's consent as a "huge success" and as an "an important signal for Germany as an industrial location."

Industry acknowledged the industry electricity price could be "a first step" towards lowering energy



German chemical industry, among others, want cheaper electricity

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The electricity shortfall is bound to increase as the summer heat approaches, adding power demand for air conditioning. If the LNG shortfall persists, utilities will have to resort to combusting diesel and even furnace oil, though the latter's high fuel costs would substantially raise electricity prices, exacerbating inflation.

Fuel oil to backfill LNG shortfall

Pakistan is running its furnace oil-fired

power plants at full capacity and has delayed scheduled nuclear-plant maintenance after LNG supply disruptions slashed gas-fired generation to roughly 500 MW, down from 6000 MW installed capacity.

Energy minister Awaiz Leghari said the country has taken emergency measure to avert the risk of blackouts. "We are arranging additional fuel supplies and have delayed nuclear plant maintenance to sustain generation," he explained. Analysts warned

the shortfall has deepened an already strained power system, with the country facing a shortage of around 3,400 MW in total.

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

Middle East LNG shock could develop into a food crisis, Vitol warns

Vitol's head of LNG, Pablo Galante Escobar, has warned the halt in Middle Eastern supply could develop into a food crisis, unless transits through the Strait of Hormuz resume. Longer term, the Gulf market could lose 20 mtpa of LNG supply growth in 2027 and 2028, because of damage to Qatari capacity and delays to new regional projects

Ripple effects go beyond energy: "We are on borrowed time... This is not sustainable, or the energy crisis will become a food crisis. Only gas can supply the feed for fertilizers. We are building a problem for the future," Escobar said at the FT Commodities Summit. He estimates it will take 3-5 months for full recovery once Hormuz reopens.

No LNG carriers transited Hormuz in March and April to date, trapping cargoes and lifting Asian and European spot prices up to 65% since late February. Vitol's fore-

cast supply losses imply near-zero Hormuz transits will persist until the second quarter of 2026.

Attacks on the QatarEnergy's Ras Laffan LNG facility halted production, slashing expected Middle East exports from 8.1 million tonnes in March to just 2.3 mt — a 70% drop equivalent to 14% of global supply. Damage to two liquefaction trains will sideline 12.8 mtpa, or about 1.7 billion cubic feet per day (bcf/d) for 3-5 years — equal to 17% of Qatar's LNG

export capacity.

Pre-war forecasts anticipated a massive LNG oversupply as more than 50% additional capacity was envisaged to come onstream through 2030. Vitol's Escobar had highlighted this risk in February, suggesting projects like Qatar's North Field Expansion and U.S. Golden Pass would flood the market. But the Middle East war flipped this forecast and traders now expect a 4% global supply shortfall in 2026. ■



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costs. Yet, "this alone will not solve our energy cost problem," VCI energy expert Matthias Belitz said, adding that combining the industry electricity price with the carbon price compensation scheme should be made possible.

The latest scheme, approved by the EU, will grant companies support for up to 50% of the reference wholesale electricity price set at 5 ct/kWh. Industries can get support payment for half of their electricity consumption.

Eligible are companies from 91 sectors, notably producers of plastics, chemicals, glass or cement. The state aid scheme runs from now until 2028.

The caveat is that companies must invest half of the state support in decarbonisation measures within 48 months of receiving the funds. This prerequisite is meant to help accelerate industry's uptake of decentralised power generation from renewable installations, combined with battery-based energy storage. ■

Global gas demand slows markedly, amid high spot

Weaker industrial activity and high LNG prices have slowed global gas demand markedly in 2025, the International Energy Agency (IEA) finds. Gas demand in the power sector grew by less than 1%, due to high spot LNG prices, improved nuclear availability in Asia and continued renewables growth.

In the United States, higher domestic gas prices supported gas-to-coal switching for electricity generation – similarly to Asia Pacific, where high LNG prices in the first half of the year disincentivise gas-burn.

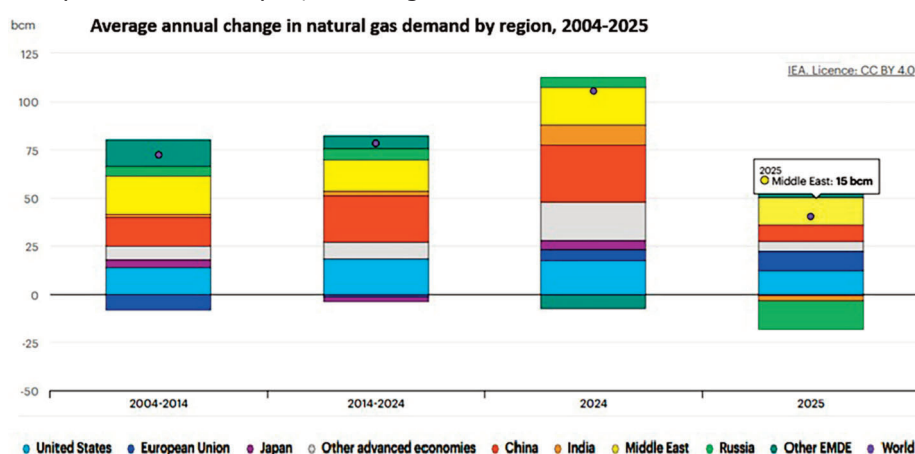
Henry Hub spot prices rose by 60% in 2025 compared with their previous year's levels, weakening the competitive edge of gas-burn for power generation against coal combustion. Yet, feedgas demand for US LNG exports partly compensated for the reduced gas demand from the power sector.

In China, gas demand grew by just 2% – a clear slow slowdown compared with the 7% increase it saw in 2024, as weaker industrial activity limited growth. In Japan, natural gas demand declined by almost 1%, partly due to lower gas use in the power sector amid a continued recovery in nuclear power generation. India's natural gas use declined by 3.5% in 2025, with gas demand for power generation falling by almost 10% in 2025 amid strong renewables growth and milder weather.

In the Middle East, in contrast, continued oil-to-gas switching supported strong demand growth along with the region's expanding gas-intensive industries. Saudi Arabia was the largest growth driver, growth, with the country's gas consumption rising by around 6% amid stronger gas-burn in the power sector.

Natural gas use in the European Union rose by around 3% last year, its strongest

increase since 2021. Higher gas burn drove most of the rise, as gas-fired power plants had to compensate for lower power output from wind and hydro. High fuel prices, however, weighs on gas use in industry. Many energy-intensive companies in the EU are struggling to stay afloat due to high wholesale gas and power prices, compounding the trend of offshoring and de-industrialisation.



VNG calls on Germany to intervene and help refill storage

German gas importer VNG is pressing the government to help refill gas storage before next winter, warning that current market conditions make injections uneconomic.

Germany's gas stocks ended the winter about 22% full, the lowest level in seven years, while European storage remains below 30% in mid-April, leaving the region reliant on a strong summer LNG buying campaign.

"If not enough gas is injected, "the solution might be national intervention for the

countries with fiscal bandwidth," said Anne-Sophie Corbeau, research scholar at the Center on Global Energy Policy. She was referring to the German gas importer VNG urging the government to step in and financially support the storage refill.

ENTSOG estimates the EU27 would need an optimal LNG supply equivalent to 86 bcm over six months, underlining how much fuel Europe must secure before the heating season.

Injectors are not moving fast enough in the face of high prices due to a halt in Qatari LNG shipments. Unless gas demand is lower, e.g. due to sluggish economic growth or a gas-to-coal switch in the power sector, LNG imports need to accelerate this summer.



Europe's largest gas storage in Rehden, northern Germany

Singapore buys additional LNG from outside the Middle East

Singapore's state-backed gas buyer GasCo is stepping in to secure additional LNG cargoes as several Qatari shipments were disrupted by the regional conflict. Natural gas is Singapore's main source of electricity, with about 60% of supply imported via seaborne LNG.

No contracted Qatari LNG deliveries have reached Singapore since the start of the Iran war, prompting the Energy Market Authority (EMA) to mandate GasCo to procure spot LNG cargoes.

The city-state relies heavily on LNG in its energy mix and has also mandated electric power producers to maintain diesel backup reserves to bolster resilience.

"As part of measures to strengthen our energy resilience, we require every power generation company to maintain diesel reserves as backup fuel," EMA said. The regulator has already instructed utilities to switch from gas to diesel, when necessary.

Vulcan selects Siemens to help scale Lionheart Project

Vulcan Energy has selected Siemens as the preferred supplier of automation and digitalization technology for its Lionheart lithium and renewable energy project in Germany's Upper Rhine Valley. The flagship project targets to produce 24,000 tonnes of lithium hydroxide monohydrate (LHM) per year- sufficient for around 500,000 electric vehicle batteries.

Lionheart will also deliver 275 GWh of renewable power and 560 GWh of heat per year to local consumers, with an estimated 30-year project life.

The project framework agreement with Siemens AG, valued at €40 million, singles out Siemens as a preferred supplier until 31 December 2035, both for Lionheart and future phases of development. To support project finance, Siemens Financial Services agreed to invest €67 million as part of Vulcan's €2.2 billion (\$3.9bn) financing package secured in December last year.

Construction underway

Siemens will act as the Main Automation Contractor (MAC) for Vulcan's upstream commercial Lithium Extraction Plant in Landau, already under construction,

downstream Central Lithium Plant at Industrial Park Höchst, Frankfurt, and production well sites. This will include engineering and delivery of the distributed control system, industrial network and cybersecurity infrastructure, building automation, safety systems, and associated design and lifecycle services.

"With construction under way, the stage



Render of Lionheart Project

is set for Vulcan and our key partners to deliver our flagship Lionheart Project, which will deliver Europe's first fully domestic and sustainable lithium supply chain," said Vulcan Energy's Managing Director and CEO, Cris Moreno. ■

Ocean-Power advances data center decarbonisation with CCS

Ocean-Power has secured PPAs for floating gas-fuelled power plants with post-combustion carbon capture and storage (CCS) in the United States' data hub states like Virginia and Northern California.

"Data centers have really come into their own. They are keen to secure power supplies. They have big plans and ambitions, and they don't have many alternatives," Ocean-Power CEO Erling Ronglan said.

Floating units with 200–250 MW power packs are generating electricity in combined-cycle mode with the captured CO₂ injected into a nearby geological formation, or liquefied for industrial use elsewhere. With these power packs, Ocean-Power addresses data center's need for continuous, dispatchable power supply while adhering to investors' and regulators' increasingly strict emission targets.

Technology partners include firms like Techouse, known for integrated power and post-combustion CO₂ capture system solutions. That CCS technology aims to capture up to 90% or more of CO₂ emissions from the power generation process. ■



Ocean Power concept

ACWA, Saudi Energy sign \$3.1 billion Rabigh 2 gas power PPA

ACWA Power and Saudi Energy have signed a 31-year power purchase agreement (PPA) for the Rabigh 2 IPP expansion project, under a contract valued at 11.5 billion Saudi-Riyal (\$3.07 billion).

The Phase 2 project involves the development, financing, construction, ownership and operation of a 2,313.5-MW combined-cycle gas turbine plant in Makkah province, some 130 km north of Jeddah. The CCGT is designed to support carbon capture readiness, in line with Saudi Arabia's Vision 2030 targets that envisage Net Zero by 2060.

ACWA and Saudi Energy will each hold

a 40% effective stake in the project, with the remainder held by an unnamed domestic institutional investor.

Financial impact from the CCGT's operations will be disclosed once the Rabigh 2 IPP expansion will reach financial close, the project partners aid. In December, ACWA already completed the refinancing of its Rabigh 3 water desalination project. ■



Render of Rabigh 2 IPP

China revives coal-to-gas project in energy security

China Datang has restarted construction on its long-stalled Fuxin coal-to-gasification plant in Liaoning province, aligned with policies to bolster domestic gas supplies. The project, dormant for a decade due to cost constraints, aims to convert low-quality coal into pipeline-grade natural gas, reducing reliance on LNG imports.

Construction on the Fuxin coal-to-gas plant began back in 2011 but progress stalled over air pollution concerns and escalating costs. Yet, a key equipment lift of a major gasifier vessel in October 2025 unlocked fresh funding and site mobilisation, targeting project completion by end-2026.

Once commissioned, the Fuxin plant will process 7.5 million tons of low-quality coal yearly to yield 1.33 billion cubic meters of

substitute natural gas (SNG), enough to supply cities like Shenyang, Fuxin, Tieling, Fushun, and Benxi – serving 16 million people. The gas will feed into the national pipeline network in Northern China.

Phase 1 of the project is expected to generate more than 4 billion Yuan (\$550 million) in annual value, helping to accelerate Beijing's policy pivot towards coal-to-gas after the escalating Middle East conflict disrupted LNG deliveries from Qatar.



Fuxin coal-to-gas plant

Cheap domestic coal offers a hedge against import and price volatility of natural – even as China scales up renewables. ■

Coal gasification – a panacea to clean up a dirty fuel?

Coal gasification helps curb air pollution in China's mega-cities given that the emissions-intensive thermal fuel accounts for nearly 70 percent of China's power generation mix. Siemens recently built a 5×500 MW coal gasification plant for the Shenhua Ninxia coal mining group near China's border with Mongolia.

Although coal's share of China's energy budget is supposed to drop to 52 percent by 2030 in favour of renewables, nuclear power, and natural gas, the amount of coal burned – not only for electricity generation, but also for the production of raw materials for industry – is expected to continue increasing, according to Siemens projections.

Gasifying powdered coal with heat

As a leader in efficient, low-emission technologies, Siemens helps to develop and commercialise coal gasification. It is an established technology based on a simple principle: powdered coal – in other words, almost pure carbon – is gasified at a high temperature together with oxygen. The result is a synthesis gas of hydrogen and carbon monoxide. Using water, the carbon monoxide is converted into carbon dioxide and hydrogen.

Integrated gasification combined-cycle (IGCC) plants use this process to supply high-purity hydrogen that can be mixed with natural gas in a gas turbine to produce elec-

tricity. "Here, CO₂ has already been separated out, and rather than being released into the atmosphere, it could be injected into an oil field to increase its yield, for example," a Siemens engineer said, explaining:

"Electricity generation would then be almost entirely CO₂-free – a goal that will be achieved by an IGCC plant under development in the USA: the Texas Clean Energy Project." That plant is expected to produce electricity and fertiliser with gas turbines supplied by Siemens, while the CO₂ is injected into an oil field.

Producing power and chemicals

Power generation is one way to use the IGCC project, but it can also be used to produce chemicals for industrial purposes.

"It is the ideal way to use different carbon-containing fuels like coal, refinery waste, and even organic waste to produce many different materials – "basically, anything that contains carbon," said Frank Hannemann, head of Technology and Innovation at Siemens Fuel Gasification Technology GmbH in Freiberg, Germany.

"Plastics, methane (natural gas), methanol, diesel, fertilizer – there are almost no technical or chemical limits to what can be produced from coal," he suggested.

5×500 MW coal gasifier built in Ninxia

In China, most coal reserves are located in remote regions like the northern Chinese steppe where there are very few customers for electricity. Together with coal-mining company Shenhua Ninxia Coal Group, Siemens has built a

coal gasification plant near the Mongolian border. The plant has an output of 5 times 500 megawatts.

For the five fuel gasifiers at the plant, Siemens is using an advanced design with a pneumatic coal conveyance system and full quench design which require less high-pressure steam to convert the carbon monoxide it generates into hydrogen, he explained, stressing "all of these features result in greater efficiency and lower CO₂ emissions."

The team of Dehui Wang, Technical Manager at Siemens Corporate Technology in Beijing, supports Mr Hannemann R&G group. Using an experimental plant to study the chemical reactions that occur when hot synthesis gas is cooled, Ms Wang's team has contributed to a new type of shift process that uses water to convert carbon monoxide into carbon dioxide and hydrogen.

Developing 2-step CO-shift in China

Based on Clariant's catalyst, a two-step CO-shift process is being used, with an inhibiting catalyst in the first step. The catalyst slows down the reaction, causing only a small portion of the gas to be converted in the first step. The complete reaction takes place in a second step using a state-of-the-art catalyst.

"What gives this solution an edge over other approaches is that, because the process is slowed down, it requires less steam for cooling the hot gas (which has a temperature of up to 1,400 degrees Celsius), and that makes it more efficient overall," Ms Wang pointed out.

Together with Siemens' Fuel Gasification Business Unit, she is now looking for a customer in China to demonstrate this new technology. ■



Coal gasifier built for Shenhua Ninxia in northern China

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