LNG Unlimited

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Jera Co Inc. power stakes seen underpinning its LNG strategy

US rating agency gives view on the Japanese buyer's proposals for upstream LNG activities

LNG Journal editor

A Jera cargo arrives at the Futtsu import facility near Tokyo

Jera Co Inc. of Japan, already the nation's largest LNG importer, will become Japan's biggest power generation company when it assumes the domestic power businesses of Tokyo Electric Power Co. and Chubu Electric Power Co. in April 2019, giving it control of about half of Japan's power market.

US rating agency Standard & Poor's Financial Services is relatively optimistic about its prospects and assigned its "A-minus" long-term issuer credit rating to Jera.

Steady profits

S&P pointed out in its ratings report that Jera's profits will remain steady after it takes over the thermal power generation businesses of both groups, thanks to its long-term electricity sales contracts with the two companies and near-monopoly in its supply areas.

"However, certain key financial metrics for Jera are likely to stay slightly weak relative to our rating because Jera will step up investments in power generation facilities and expand its overseas business," said the report.

"We regard TEPCO Holdings, Chubu and Jera as a virtual group, and we view Jera as somewhat insulated from the group," it added.

The report said that one area of concern was Jera's plans to invest in upstream LNG projects and said that because of this strategy it was unlikely to upgrade the current credit rating.

"Jera's fuel business, which mainly handles LNG and coal, generates most of its sales from the parent companies' power generation operations," said the report.

Jera said imports around 35 million tonnes per annum, almost half of Japan's requirement, and is aiming to invest in upstream LNG ventures to further lower costs.

It also imports about 35 MTPA of coal, a competitor to LNG.

The Japanese company also controls around 16 vessels for its LNG shipments and has recently started receiving additional cargoes from Australian projects such as the Inpex Corp-run Ichthys LNG plant and the Chevron-operated Wheatstone LNG plant.

"Given that a majority of Jera's profit will flow substantively from Japan's regulated power generation industry, we expect its overall profit to stabilize after a jump in fiscal 2019, when it succeeds its parents' domestic thermal power generation businesses," it added.

"The stable outlook reflects our view that Jera will generate stable operating cash flow from its domestic thermal power generation business," said S&P.

The outlook on the credit rating is stable and the agency estimates Jera's outstanding debt as of the end of fiscal 2018 will roughly equal its total cash and deposits.

"Upon assuming its parents' domestic thermal power generation businesses in fiscal 2019, its operating cash flow is likely to benefit from highly transparent pricing mechanisms and long-term contracts to sell power to its parents," stated the report.

S&P said it might consider downgrading Jera if it changed its assumptions as a result of, for example, a substantial delay in a takeover of its parents' domestic thermal power generation businesses.

Upgrade issue

"Conversely, an upgrade is unlikely for now, in our view. This is because consolidation of the domestic thermal power generation businesses it succeeds from its parents will take time," said S&P report.

"Also, in the next two to three years Jera plans to invest in upstream LNG concessions, which we think attract high business risk, and gradually expand overseas power generation, which is an unregulated business," it stated. ■

UNLIMITED AGENDA

Nebraska-based firm Kiewit wins contract to build Calcasieu Pass plant targeting European buyers

LNG Journal editor

US company Kiewit Corp. was awarded the engineering, procurement, and construction contract for the Calcasieu Pass LNG export project being developed by Arlington, Virginia-based Venture Global with European offtake buyers in place.

Under the terms of the turnkey EPC contract, the Kiewit company of Omaha, Nebraska will design, engineer, construct, commission, test and guarantee the facility with a 10 million tonnes per annum nameplate capacity.

Schedule

The start-up of the planned Calcasieu Pass plant, located at the intersection of the Calcasieu Ship Channel and the Gulf of Mexico, is expected in 2022.

The Venture Global plant is proposed for a 1,000-acre site along with associated facilities, including the TransCameron Pipeline.

The project's pipeline will be 23.4 miles long and be linked-up to other intra-state and inter-state natural gas connections.

Venture Global model of LNG plant on Calcasieu Channel

Other facilities will include two full-containment LNG above-ground storage tanks, each with capacity of around 200,000 cubic metres.

A 720 megawatts electric generating plant would provide power and the largest LNG carriers would be received at the planned marine terminal consisting of a turning basin and ship berths.

Venture Global, owned by former investment banker Michael Sabel and lawyer Robert Pender who act as joint chief executives, is also constructing a second plant at Plaquemines near river mile-marker 55 on the west side of the Mississippi River, 30 miles south of New Orleans.

The Mississippi River project will produce 20 MTPA of LNG and will also include small-scale liquefaction Trains, four LNG storage tanks and three marine loading berths.

Venture Global has already signed up half-a-dozen European buyers for its volumes from both projects.

They are BP of the UK, Royal Dutch Shell, Repsol of Spain, Galp Energia of Portugal, Edison SpA of Italy and the Polish Oil & Gas Company.

"We are thrilled to partner with one of North America's leading contractors for our Calcasieu Pass project," said Co-CEO Pender.

"The Kiewit team brings decades of construction experience, an unparalleled safety record, and on-time, on-budget execution of major infrastructure projects, including the Cove Point LNG export project in Lusby, Maryland," added Pender.

Bruce Grewcock, Chairman and CEO of Kiewit, said the Calcasieu Pass project was very important for the Omaha, Nebraska-based company.

"This project will be a model for supplying low-cost, clean and reliable energy to the global market," said the Kiewit CEO.

"It's exciting to be asked to bring our extensive industry experience and capabilities to help Venture Global LNG deliver the Calcasieu Pass LNG export project safely, on-schedule and on budget," he added.

Construction activities are expected to start in early 2019 following the receipt of all required permits from the Federal Energy Regulatory Commission, currently scheduled to be issued no later than January 22, 2019. ■

Baker Hughes-GE and McDermott are awarded Australian contract for Equus LNG feed-gas

US LNG and energy engineering company McDermott International and Baker Hughes-GE have signed an accord with Western Gas Corp. in Western Australia for its Equus natural gas project to provide volumes for LNG production and the domestic market.

The two US companies were also awarded a contract to support the planning phases of the project.

The Equus gas project involves the development of 11 gas and condensate fields located in the Carnarvon Basin, about 200 kilometres offshore from the town of Onslow, near where the Chevron-operated Wheatstone LNG plant is located.

Western Gas acquired the Equus project from the New York-based US energy company Hess in November 2017.

Hess had previously considered seeking a third-party LNG production arrangement with Woodside Petroleum, operator of the North West Shelf LNG plant for its offshore natural gas assets in Western Australia.

As part of this initial contract, McDermott and BHGE said they would work with Western Gas to advance the pre-front end engineering design and front-end engineering design until the final investment decision.

McDermott and BHGE's joint venture will provide the pre-FEED support to deliver a "technically robust and cost-efficient development" plan. The value of the contract was not disclosed.

Pre-FEED work will commence immediately and is estimated to be complete by the second quarter of 2019. McDermott and BHGE will continue with FEED work thereafter.

"This project underscores the value of McDermott's vertically-integrated capabilities and our collaboration with BHGE, who will leverage their broad portfolio to support the project," said Ian Prescott, McDermott's Senior Vice President for the Asia Pacific region.

"In close collaboration with BHGE, we are taking a holistic approach to field development from drilling, subsea, production facilities and an export pipeline to an LNG facility and onshore gas connection," added Prescott.

"By more closely connecting each stage of the project, we aim to drive significant efficiencies and cost savings for Western Gas through the full life of the field," he stated. ■

Singapore's seeks interest in fifth Jurong storage tank

Singapore LNG Corp., operator of the city-state's import terminal on Jurong Island, said it was seeking non-binding expressions of interest for the use of a proposed fifth LNG storage tank.

The move is linked to Singapore's efforts to be one of the leading LNG hubs in Asia with supplies of volumes, shipping services and LNG as a fuel made available through bunkering in the port.

"As part of continuing efforts to develop Singapore as an LNG trading hub, SLNG will be able to construct another LNG storage tank at the Terminal and is keen to explore interest in the market to underpin this facility," said the company.

"SLNG is thus seeking non-binding Expressions of Interest (EOI) from interested parties for the use of this new tank to assess the market demand for such additional infrastructure," it added.

SLNG explained that candidate companies wishing to express an interest are requested to apply before 28 February 2019 with supporting information relevant to their track records and most recent financial standing.

"The EOI should contain an indicative price offer (in US dollars) and a proposal for how the tank could be used, and SLNG's preferred terms will form the key basis for considering any proposal," it explained.

The fourth tank was put in service in 2018 and has an even larger capacity than the other three at 260,000 cubic metres and offers LNG traders more options and flexibility.

The SLNG facility's three other storage tanks each have a capacity of 188,000 cubic metres and 540,000 cubic metres in total.

Tokyo Gas is planning a large Philippines LNG hub in Batangas

LNG Journal editor

Tokyo Gas has confirmed the signing of an agreement with Philippines power company First Gen Corp. to jointly develop a liquefied natural gas import terminal hub project in Batangas province to meet the gas-fired power needs of the capital Manila and the surrounding region.

The only other regasification facility in the Philippines is at Pagbilao in Quezon province where Australia-listed Energy World Corp. has a facility linked to a power project that has not yet begun imports.

Volumes

However, the Tokyo Gas-First Gen joint venture is on a large scale as First Gen operates four of the country's five gas-fired power plants with total capacity of about 2,000 megawatts, all of them in Batangas province.

The Philippines is preparing to start importing LNG to feed its gas-fired power plants as domestic gas supply from its Malampaya field is set to run out in 2024.

Hub location on Batangas Bay has several brownfield sites

State-run Philippine National Oil Co. had been seeking a joint venture partner to build and run an LNG hub in Batangas Bay.

Tokyo Gas, Japan's second-largest LNG importer after Jera Co. Inc. that imports for Tokyo Electric Power Co. and Chubu Electric, said its agreement with First Gen is its first energy infrastructure activity in the Philippines.

"The project aims to construct and operate the first LNG receiving terminal in the Philippines jointly by Tokyo Gas and First Gen to introduce LNG as an alternative source to the indigenous gas field which is expected to decrease in production and to be depleted in the near future," said Tokyo Gas in reference to the Malampaya gas field.

Tokyo Gas for its part has its own network of import facilities in Japan and long-term contracts with the world's largest LNG producers.

It has volumes booked from the newest US LNG plant, Cove Point in Maryland, and also imported LNG in 1969 from America's very first LNG export plant in Alaska.

The Japanese company's Negishi import terminal in Yokohama received the first Tokyo Gas cargo from Cove Point in October 2018.

Tokyo Gas said it would have a 20 percent stake in the project and First Gen, a subsidiary of the Filipino conglomerate, the Lopez Group, would benefit from the Japanese company's unique experience in the LNG business.

Japanese spot prices jumped to $11.50 per MMBtu in November

Japanese spot LNG delivered cargo prices surged to an average of $11.50 per million British thermal units in November, a rise of $4.40 per MMBtu compared with the price a year ago of $7.10 per MMBtu.

The price of a delivered shipment was also $0.80 per MMBtu higher than the $10.60 per MMBtu logged in October 2018.

Contracted spot LNG prices were up to $10.80 per MMBtu in November 2018 versus $9.00 per MMBtu in the same month of 2017 and $10.70 in October 2018.

Japanese spot LNG prices have been driven higher by more competition for shipments in the North Asian region, particularly from China and South Korea.

The North Sea Brent crude oil price that influences Japanese long-term contract prices also impacts spot LNG and other energy markets.

It was at $86 per barrel in early October before dropping by more than $25 per barrel in November and December to be around $60 per barrel.

The spot cargo numbers come from the commerce division of the Japanese Ministry of Economy, Trade and Industry and are only issued if a minimum number of two trades are recorded.

The Ministry emphasizes that "spot LNG" refers to fuel traded on a cargo-to-cargo basis and does not mean shipments under contracts on a short-term, medium-term or long-term basis. The statistical accounting of the spot prices started in March 2014.

Overall Japanese LNG imports in October increased by 6.5 percent as shipments from the Middle East and Australia offset a drop in Asian cargoes as the nation's monthly LNG costs also jumped more than 49 percent year-on-year on higher prices and volumes.

The October cargo imports of mostly long-term contracted shipments amounted to 6.53 million tonnes compared with 6.13MT in the same month a year ago.

Shipments of LNG had amounted to 6.27MT in September 2018 versus 5.82MT in the same month of 2017.

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NEWS NUDGES

LNG permits for Rio Grande

NextDecade Corp., the developer of the Rio Grande LNG export plant proposed for near the port of Brownsville, said the Texas Commission on Environmental Quality voted to issue a series of air permits to the venture with plans to produce 27 million tonnes per annum of LNG. "We appreciate the TCEQ's commitment to the review of our project to deliver a safe and reliable LNG facility," said Matt Schatzman, NextDecade's President and Chief Executive. The US Federal Energy Regulatory Commission plans to issue a final Environmental Impact Statement for Rio Grande LNG by the end of April 2019. NextDecade anticipates making a final investment decision in the third quarter of 2019.

LNG boost for shipyard

South Korean shipbuilder Daewoo Shipbuilding and Marine Engineering said it received an order to build an LNG carrier for Maran Gas Maritime of Greece, the LNG unit of the Angelicoussis Shipping Group. The vessel is scheduled for delivery in the first half of 2021. Daewoo noted that the Angelicoussis group had placed a total of 101 ship orders with Daewoo since 1994, with 85 of them delivered and 16 under construction in South Korea.

NYK Line contracts

NYK Line, the Japanese shipping company, said it signed long-term contracts with a subsidiary of Mitsubishi Corp. to charter three LNG carrier newbuilds for North American deliveries. The vessels will be chartered to Singapore-based Mitsubishi fuel subsidiary, Diamond Gas International. ■

Shell and European truck-makers plan more LNG autoroute stations

LNG Journal editor

A European joint venture to promote LNG fuel for road transport, including companies such as Royal Dutch Shell and truck-makers Scania and Iveco, said it plans to expand the network of filling stations.

The announcement was made at the climate conference on global warming taking place in the Polish industrial city of Katowice.

Shell has LNG station networks in Europe and the US

Consortium

The consortium also includes Italian group CNH Industrial Capital Europe and is co-funded by the European Union.

Almost 40 new LNG filling stations will be opened and 2,000 more LNG-powered trucks will take to the roads.

A BioLNG production plant to make fuel from waste is also proposed and will be located in the Netherlands.

The LNG retail stations will form part of a pan-European network and be built in Belgium, France, Germany the Netherlands, Poland and Spain.

The stations will be located approximately every 400 kilometres along core road network corridors from Spain to eastern Poland.

"LNG is an increasingly affordable fuel for heavy goods vehicles which will make it an important energy source as the transport sector evolves," said Istvan Kapitany, Executive Vice President of Shell Retail.

"Shell is committed to offering our customers more lower carbon energy and the new LNG retail stations are a vital piece of the puzzle," he added.

"I look forward to seeing this important network of stations welcome European customers in the years to come," stated the Shell executive.

Jonas Nordh, Director of Sustainable Transport Solutions at Swedish truck-maker Scania said the latest programme covered filling stations, biofuel production and subsidies which are all necessary for customers to invest in the trucks.

"Whilst LNG, which reduces CO2 emissions by up to 20 percent, is more broadly available today, biogas, which reduces CO2 emissions by over 90 percent, will increasingly be blended in with the natural gas and production of biogas ramped up," explained Nordh. ■

Tellurian signs up Vitol for future LNG volumes from Driftwood LNG

Tellurian Inc., the US liquefied natural gas development company founded by former Cheniere Chief Executive Charif Souki, has signed a preliminary accord with Swiss-based international commodities firm Vitol to supply 1.5 million tonnes per annum of LNG cargoes for 15 years.

The Tellurian-Vitol memorandum of understanding is for volumes from the Driftwood liquefaction plant proposed for the Gulf Coast of Louisiana.

The transaction price is based on the Japan Korea Marker (JKM) price and on a free-on-board (FOB) basis whereby Vitol provides its own shipping. Under the MOU, Tellurian and Vitol have agreed to negotiate a future LNG sale and purchase agreement (SPA) subject to Tellurian's receipt of approvals from the Federal Energy Regulatory Commission and a final investment decision to construct the Driftwood plant.

Tellurian is developing a portfolio of natural gas production, LNG trading and infrastructure that includes the Driftwood facility with 27 million tonnes per annum of capacity and an associated pipeline.

Construction is scheduled to start in 2019 and commercial operations at the Driftwood plant are expected to begin in 2023.

"The LNG business is evolving into a true commodity market, which includes LNG purchases and sales based on actual LNG prices rather than indexing to other energy products," said Tellurian President and CEO Meg Gentle.

"The JKM has emerged as the most liquid and transparent pricing mechanism for LNG. Tellurian is proud to work with Vitol, who have long been known for innovation and creativity in the energy commodity markets," added Gentle. ■

US to be No. 3 LNG exporter by the end of 2019 after Australia and Qatar as plants come online

LNG Journal editor

US LNG exports are expected to amount to 60 million tonnes per annum by the end of 2019, making the Americans the world's third-largest exporters as more projects come on stream and are ramped up on the US Gulf Coast, including Cameron LNG in Louisiana and Freeport and Corpus Christi plants in Texas.

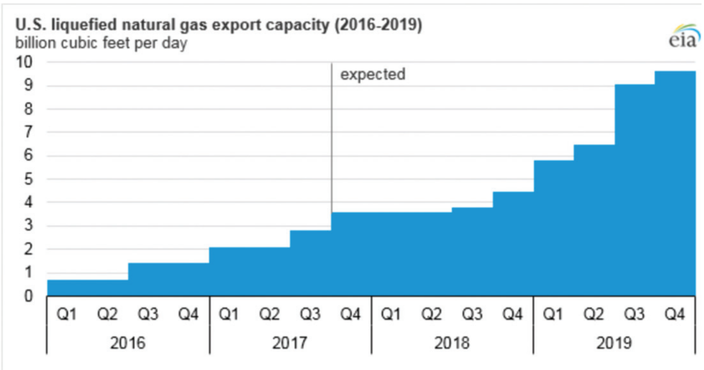
The actual total of US production by the end of 2019 will be 59.36 MTPA, comprising the partial output of new projects, including 9.96 MTPA from two completed processing Trains at Cameron LNG, 10.2 MTPA from two Trains at Freeport LNG and 9 MTPA from two Trains at Corpus Christi LNG.

Production

These are added to existing output from Cheniere Energy's Sabine Pas plant with five Trains and 22.5 MTPA of cargoes, 5.2 MTPA from Dominion Energy's Cove Point plant in Maryland and 2.5 MTPA from the mid-scale Elba Island facility in the state of Georgia.

The US Energy Information Administration has claimed the world No. 3 slot in a report on the development of LNG export plants through 2019.

US LNG production will more than triple by 2019 as exports boom – EIA



Actual US production next year to reach around 60 MTPA

"US LNG export capacity will reach 8.9 billion cubic feet per day by the end of 2019, making it the third-largest in the world behind Australia and Qatar," said the EIA.

The fourth-biggest LNG exporter is Malaysia with around 30 MTPA followed by Russia with 28 MTPA from its Yamal and Sakhalin plants and Nigeria in West Africa will be sixth-largest with just over 20 MTPA.

"Currently, US LNG export capacity stands at 3.6 Bcf/d, and it is expected to end the year at 4.9 Bcf/d as two new liquefaction units become operational," added the report.

The report noted that the US began exporting LNG from the Lower 48 states in February 2016, when the Sabine Pass liquefaction plant in Louisiana shipped its first cargo.

Since then Sabine Pass has expanded from one to five operating Trains, the Cove Point facility has come on stream on Chesapeake Bay on the East Coast and the Corpus Christi plant is on stream.

"Two more LNG export facilities, Cameron LNG in Louisiana and Freeport LNG in Texas, are currently being commissioned," said the EIA.

"The first LNG production from these facilities is expected in the first half of 2019," it added.

"The developers of these projects expect all three Trains at Cameron LNG and two Trains at Freeport LNG to be placed in service in 2019," stated the EIA.

The Elba Island LNG facility near Savannah, Georgia, is also scheduled to become fully operational by the end of 2019.

Elba Island LNG consists of 10 small modular liquefaction units with a combined capacity of 0.33 Bcf/d.

Project developers expect LNG production from the first Train to begin early next year and from the remaining nine trains to commence sequentially through the rest of 2019, adding 2.5 MTPA to the total.

The EIA said that it expected the next wave of LNG exports to include four additional plants that are on the verge of taking final investment decisions.

They were named as three Louisiana projects, Magnolia LNG, Delfin LNG and the Lake Charles project, as well as the Golden Pass in Texas. Added to this total will be a sixth Train at Sabine Pass.

"They are expected to make final investment decisions in the coming months. These proposed projects represent a combined additional LNG export capacity of 7.6 Bcf/d," said the EIA. ■

Canadian Energy Board plans hearings on pipelines

The Canadian National Energy Board said it was scheduling hearings over the next three months to consider a jurisdictional challenge of the approval of a pipeline needed to supply feed-gas to the LNG Canada project led by Royal Dutch Shell.

However, planning for construction of the US$5-billion Coastal GasLink pipeline to begin early in 2019 is to continue because it already has its provincial approvals and permits.

The pipeline is being developed by TransCanada to bring feed-gas from the Montney shale basin in northeast BC to the liquefaction and export plant proposed for the LNG Canada venture at Kitimat on the Pacific Coast.

The jurisdiction claim being heard by the Energy Board in Ottawa has been brought by a leading Canadian environmental activist Mike Sawyer.

His claim is based on the fact that TransCanada will own and operate both the proposed Coastal GasLink pipeline of 670 kilometres and its connected Nova Gas Transmission Ltd. system.

It is argued that the pipelines jointly form a single system that crosses the boundary between the provinces of BC and Alberta and therefore must be regulated by the federal government.

The Board said the hearings would consider only the question of whether the provincial BC Oil and Gas Commission had jurisdiction to issue approvals for the pipeline.

"If the board decides the Coastal GasLink is to be federally regulated, then the board will need to address transition from provincial to federal jurisdiction," said a statement.

Small Ichthys LNG project stake cashed in by Total for US$1.6Bln

LNG Journal editor

French energy major Total said it signed an agreement to sell 4 percent of its stake in the Australian Ichthys LNG export project in the Northern Territory for US$1.6 billion to operator Inpex Corp. of Japan.

Total said the transaction, which is subject to Australian regulatory approvals, reduces the company's interest in the asset, comprising the onshore plant near Darwin and the resources offshore northwest Australia, to 26 percent.

First Ichthys LNG cargo was shipped to Japan in October

Portfolio

"This transaction is part of our constant portfolio review to optimize our capital allocation. Ichthys is part of a wave of Australian LNG projects, which have unfortunately experienced major cost overruns and delays during their construction phase," said Total.

Arnaud Breuillac, President of Total's Exploration & Production division, said the final capital expenditure for project construction provided by its venture partner Inpex was around US$45 billion versus estimates given in 2017 of US$45bln.

"In line with our capital discipline policy, we have therefore decided to control our capital employed in Ichthys by monetizing a 4 percent stake after the project start-up and de-risking," explained Breuillac.

"We are of course committed to the Ichthys project with our remaining 26 percent interest contributing to our growth both in production and cash flow from 2019 and beyond," he said.

"LNG is a core area for Total, the world second-largest privately owned player with a strong pipeline of low breakeven pre-FID projects in our portfolio," stated the executive.

The first LNG cargo was exported to Japan on October 22 and the two LNG Trains are now fully operational.

At full capacity, the Ichthys offshore facilities and onshore liquefaction plant will supply 8.9 million tonnes per annum of LNG, 1.65 MTPA of liquefied petroleum gas and 100,000 barrels of condensate per day.

LNG operator Woodside to supply aluminium firm with new output

Woodside, the operator of the North West Shelf and Pluto LNG export plant in Western Australia, has entered into a long-term domestic natural gas sales agreement with bauxite mining and aluminium company Alcoa Australia Ltd as Woodside expands its production activities.

Woodside said Alcoa had signed up for the supply of up to 36.4 petajoules of pipeline gas, the equivalent of 0.86 billion cubic metres.

Supply will commence in 2020 from Woodside's portfolio of domestic gas facilities, including the North West Shelf, Pluto and Wheatstone.

In addition to producing LNG, the liquefaction plant operators in Western Australia, such as Woodside and US major Chevron Corp., are committed to meeting domestic gas market needs.

Alcoa is involved in Western Australia bauxite mining as well as alumina refining and aluminium smelting activities.

Woodside Chief Executive Peter Coleman welcomed the finalisation of the agreement and said it further demonstrated the company's commitment to delivering domestic gas to Western Australian consumers.

"In addition to our foundation domestic gas business which supplies from the North West Shelf, Woodside will be able in coming months to deliver domestic gas from our Pluto facility and from Wheatstone," explained Coleman.

"These new sources of gas will provide local energy consumers with even more choice in what is already a robust and well-supplied market," stated the CEO.

"Alcoa is Western Australia's largest user of natural gas and its three alumina refineries provide jobs and opportunities for thousands of people and businesses in the state's south west," added Coleman.

"This agreement is not only testament to the competitiveness of Woodside's domestic gas supply portfolio, but to the commitment and contribution that both companies are making to the local communities where they operate," he said.

Qatar Petroleum purchases stakes in ExxonMobil blocks offshore LNG developer Mozambique

LNG Journal editor

Qatar Petroleum said it signed an agreement with US major ExxonMobil, its main partner in the Qatari Ras Laffan LNG production complex, to acquire a 10 percent participating interest in three exploration blocks offshore the southeast African nation of Mozambique, one of the newest LNG developers.

The Qatari stake will be in blocks in the Angoche and Zambezi basins in which ExxonMobil will now hold 50 percent and Mozambique's state energy company ENH and Russian oil company Rosneft will each own 20 percent.

The ExxonMobil blocks were awarded earlier in 2018 in Mozambique's fifth international oil and gas tender that focused on 11 sea areas covering a total of 74,259 square kilometres. The Qatar Petroleum buy-in is outside the prolific Rovuma Basin from where discoveries by Eni of Italy and Anadarko Petroleum of the US and their licence partners are helping the development of several LNG onshore and floating projects.

Chief Executive Al-Kaabi secures frontier exploration role

"We are pleased to sign this agreement, with our long-time partner ExxonMobil to participate in exploring these frontier offshore basins in the Republic of Mozambique," said Qatar Petroleum Chairman and Chief Executive Saad Sherida Al-Kaabi.

"We hope that the exploration efforts, which will commence soon, will be successful, and we look forward to collaborating with ExxonMobil, Rosneft and ENH on this opportunity," added Al-Kaabi.

"This signing is very much in line with our growth strategy in Qatar Petroleum with a new country entry to prospective frontier basins with significant hydrocarbon resource potential," stated the CEO.

That's as the Gulf nation's LNG producer Qatargas has held a gathering of employees at the Qatar National Convention Centre to assess the success of the integration of Ras Laffan Liquefied Natural Gas Co. (RasGas) a year after it was merged with Qatargas.

ExxonMobil to invest in Australian Barracouta natural gas field joint venture in the Bass Strait

ExxonMobil, whose main Australian LNG stake is in Gorgon LNG in Western Australia, said it was planning to increase its presence in the domestic market by developing the West Barracouta natural gas field in the Bass Strait between the southern Australian states of Victoria and Tasmania.

The US major said the project, located in the VIC-L1 block offshore Victoria, is part of the company's continuing investment in the Gippsland Basin.

Australian states such as Victoria and New South Wales are the locations of new LNG import projects because of concerns over domestic shortages away from the main gas producing states of Western Australia and Queensland.

ExxonMobil said it recently completed front-end engineering design work for the Barracouta project, which is part of the Gippsland Basin joint venture with Australia's BHP Billiton.

It awarded contracts to UK-based subsea engineers Subsea 7 and OneSubsea, owned by Houston, Texas-based Schlumberger.

The project will be tied back to the existing Barracouta infrastructure offshore in the Bass Strait and which was the first offshore field ever discovered in Australia in 1965.

"We continue to use advanced technology, along with our extensive, decades-long understanding of the Gippsland Basin, to ensure full potential of the resource can be realized," said Neil W. Duffin, president of ExxonMobil Production Company.

"Our objective is to produce West Barracouta gas for the Australian domestic gas market by 2021," added Duffin.

ExxonMobil pointed out that the Gippsland Basin joint venture continued to supply about 40 percent of east coast Australian domestic gas demand.

The new project builds on more than US$4 billion invested by the Gippsland Basin joint venture in other recent projects in Victoria to supply Australian domestic gas demand, including the Kipper Tuna Turrum offshore project and the Longford gas conditioning plant.

"The Gippsland Basin joint Venture has 50 years of experience in the Bass Strait," said Richard Owen, chairman of ExxonMobil Australia.

"Since the first Bass Strait well was drilled in 1965, about four billion barrels of crude oil and eight trillion cubic feet of natural gas have been produced," he stated.

ExxonMobil subsidiary Esso Australia operates the Gippsland Basin venture on behalf of the 50-50 partnership with BHP Billiton's petroleum unit.

ExxonMobil, whose main Australian LNG stake is in Gorgon LNG in Western Australia, said it was planning to increase its presence in the domestic market by developing the West Barracouta natural gas field in the Bass Strait between the southern Australian states of Victoria and Tasmania.

The US major said the project, located in the VIC-L1 block offshore Victoria, is part of the company's continuing investment in the Gippsland Basin.

Australian states such as Victoria and New South Wales are the locations of new LNG import projects because of concerns over domestic shortages away from the main gas producing states of Western Australia and Queensland.

ExxonMobil said it recently completed front-end engineering design work for the Barracouta project, which is part of the Gippsland Basin joint venture with Australia's BHP Billiton.

It awarded contracts to UK-based subsea engineers Subsea 7 and OneSubsea, owned by Houston, Texas-based Schlumberger.