LNG Unlimited

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Intercontinental Exchange benefits from giving others options in slump

Atlanta-based firm recorded multiple records across oil, natural gas and fuel

LNG Journal editor

ICE experienced the strongest quarter in company's history

Intercontinental Exchange Inc., the US-based operator of regulated trading platforms for commodity and financial markets, reported multiple records in oil and natural gas futures trading as well as in its corporate earnings, giving it the "strongest quarter in the company's history."

ICE reported record revenues as daily volumes trading in energy futures and options surged during March in contracts such as the US benchmark West Texas Intermediate crude oil, North Sea Brent and natural gas.

Volume surge

The Atlanta, Georgia-based company recorded multiple records across the crude oil, natural gas and fuel product futures markets.

These derivatives are purchased and sold by parties such traders, oil and gas companies and utilities as hedges against rises and falls in physical resource prices.

Platform operator ICE reported that there were record futures and options trading across all types of financial derivatives.

Futures and options trading in the first quarter was up 45 percent year-on-year, driven by record volumes across all asset classes with average daily volume (ADV) records broken and energy trading up 54 percent, agri and metals up 31 percent and interest-rates instruments 28 percent higher.

The high volumes continued into April with energy open interest (OI) contracts still 23 percent higher versus 2019, including Brent crude up 27 percent, natural gas up 28 percent and other crude and refined products up 33 percent.

Despite the turmoil, ICE said that the New York Stock Exchange listed 15 initial public offerings during the first quarter, helping its customers raise over $7 billion in IPO proceeds.

For the quarter ended March 31, ICE said its consolidated net income was $650 million on $1.6 billion of revenues, less transaction-based expenses.

The revenues were 23 percent higher than in the first quarter of 2019.

"Amidst these highly uncertain times, we are grateful for both our customers' business and their trust," said Jeffrey C. Sprecher, ICE Chairman and Chief Executive.

"The dedication of our employees and our focus on leading technology is what provides the foundation for our global markets to operate smoothly in times of stress," added the CEO.

"This combination enabled us to generate the strongest quarter in our company's history, reporting record revenues and double-digit earnings per share growth," explained Sprecher.

"As we look to the balance of the year, our focus remains on the safety of our employees, while also continuing to ensure that our markets, clearinghouses and related data services perform to the highest possible standards," stated Sprecher.

Scott A. Hill, ICE Chief Financial Officer, said that in the first quarter the company recorded mutiple records, which enabled the firm to return over $850 to stockholders through its dividend and stock buyback program.

ICE's data and listings revenues in the quarter were $676M and trading and clearing net revenues were $883M.

"This performance also enabled us to continue to invest in our business, ensuring we can continue to provide our customers with critical risk management tools while also creating value for our stockholders," stated Hill.

CME trading

CME Group, formerly the Chicago Mercantile Exchange, said its derivatives platforms experienced record levels of energy futures trading in April

CME's monthly statistics showed an average daily volume (ADV) of 17.8 million contracts during the month.

UNLIMITED AGENDA

Three North American LNG projects postpone investment decisions and construction starts

LNG Journal editor

Two of the main US export projects on Gulf Coast of Texas, Rio Grande LNG and Port Arthur LNG, as well as the Costa Azul venture in Mexico, are heading for delays of at least a year.

Sempra Energy, owner of the Cameron LNG plant and developer of Port Arthur with Saudi Aramco as a possible investor, announced the delays in Port Arthur and Costa Azul in its latest earnings.

Costa Azul in Mexico will be exporter later than planned

Options

Houston-based NextDecade Corp. announced new delay options for Rio Grande LNG in a stock exchange filing about its site lease.

While noting that Port Arthur LNG had signed a fixed-price engineering, procurement and construction contract in March 2020 with US engineers Bechtel, Sempra said it was heading for a delay.

"Given current market dynamics, a final investment decision is now expected for the project in 2021," said Sempra.

The Port Arthur plant would have an initial two Trains, the largest on the Gulf Coast with 6.75 million tonnes per annum capacity each, for combined output of 13.5 MTPA.

Sempra, based in San Diego, California, is proposing to sell 5 million tonnes per annum of Port Arthur LNG to a unit of Saudi Aramco and take a 25 percent investment from the Saudis, while 2 MTPA has also been sold to the Polish Oil & Gas Company.

Sempra also owns the Costa Azul import terminal on the Pacific Coast of Mexico through its Mexican subsidiary IEnova and is transforming the facility into a medium-scale liquefaction and export plant.

"IEnova continues to develop infrastructure projects that provide consumers in Mexico access to cleaner, more reliable energy," said Sempra.

"IEnova is actively monitoring the current situation but as a result of the current pandemic, it is reasonable to expect that some of the construction capital will be deferred from 2020 to 2021," said Sempra.

The Costa Azul LNG project has signed 20-year agreements with French major Total and Mitsui & Co of Japan for about 2.5 MTPA.

In the third project delay, NextDecade is taking options to push back its Rio Grande venture in the Port of Brownsville with production capacity 27 MTPA.

NextDecade has now extended the start limit of its site lease agreement by up to two years.

This comes after NextDecade's Rio Grande venture had extended the validity dates to July 2020 for the fixed-price EPC contract with Bechtel for the first three liquefaction Trains.

The Rio Grande project signed the lease on March 6, 2019, with the Brownsville Navigation District of Cameron County in Texas for a site with 984 acres of land for building a liquefaction plant and associated facilities.

NextDecade, listed on the Nasdaq, said in an exchange filing that on April 30, 2020, RGLNG and Brownsville Navigation District amended the lease to extend the outside effective date for commencing to May 6, 2021. ■

US Jordan Cove LNG export project files petition to make official local Oregon body's apparent waiver

The Jordan Cove LNG export project in the northwest US state of Oregon and its Pacific Connector Gas Pipeline have filed a petition finding that the Oregon Department of Environmental Quality had waived its authority to issue certification for the project and they can now move forward.

The Federal Energy Regulatory Commission said that any person wishing to comment on Jordan Cove and Pacific Connector's petition may do so and the deadline for filing comments is 30 days from the May 5 issuing of the notice in the Federal Register.

The FERC had voted 2-1 in favour of the project proposed by Canadian company Pembina Pipeline Corp. at a meeting in Washington in March 2020, despite the Oregon Department of Environmental Quality denying a water quality certification.

The ODEQ hold-out over Jordan Cove LNG provoked anger among Oregon's environmental who believed that was enough to block the project.

Jordan Cove is the first ever US West Coast natural gas export facility to be approved by the FERC.

Pembina acquired Jordan Cove in late 2017 in its takeover of another Canadian company, Veresen Inc., and worked towards obtaining extensive local, state and federal regulatory approvals despite huge opposition from Oregon's well organized environmental lobbyists.

The project includes a 230-mile pipeline which would traverse four counties in Southern Oregon on the route to the liquefaction plant.

The plant and other facilities are planned for a 200-acre site and comprise five small-scale Trains each with 1.5 million tonnes per annum of output for a total of 7.8 MTPA.

The other facilities would include two full-containment LNG storage tanks with total capacity of 320,000 cubic metres, gas treating facilities, an export jetty and access to more than 25 billion cubic feet per day of gas supply from Western Canada and the US Rockies.

The US Coast Guard had already issued a Letter of Recommendation stating that the Coos Bay Federal Navigation Channel would be considered suitable for the LNG marine traffic associated with the project.

The plant would be visited by about 120 LNG carriers per year and Pembina has confirmed that it had signed preliminary accords with Jera Co. Inc. and Itochu Corp. of Japan for the supply of LNG.

The project's affiliated Pacific Connector pipeline will have a 36-inch diameter with capacity to transport up to 1.2 billion cubic feet of natural gas per day. ■

Shell offloads US positions in Utica and Marcellus

Royal Dutch Shell has sold its shale-gas assets in the Appalachian Basin of Pennsylvania for $541 million as it moved to reorganize its global business as it prepares for the recovery from the oil price slump.

Shell said it reached an agreement with the New York Stock Exchange-listed US energy company National Fuel Gas Company and its subsidiaries, Seneca Resources, National Fuel Gas Midstream and NFG Midstream Covington, to sell its acreage.

The transaction includes the transfer of 450,000 net leasehold acres across Pennsylvania, with around 350 producing Marcellus and Utica wells in Tioga County and associated facilities.

The current net production is 250 million standard cubic feet of natural gas per day.

The transaction also includes the transfer of the Shell-owned and operated midstream infrastructure.

The sale is subject to regulatory approvals and expected to close by end of July 2020.

Shell said it was still interested in shale resource investment, though was seeking more profitable assets.

The Anglo-Dutch company explained that the NFG Marcellus and Utica shale transaction was part of divesting non-core assets and in line with Shell's Shales strategy which focusses on development of higher margin, light tight oil assets.

"Divesting our Appalachia position is consistent with our desire to focus our Shales portfolio," said Wael Sawan, Upstream Director at Shell.

Ramp-up goes on for Shell system at US Elba Island plant in Georgia

LNG Journal editor

Commissioning starting on the eighth small-scale LNG liquefaction Train at the plant near Savannah

Elba Island LNG, the small US export facility near Savannah in Georgia, has been given permission by regulators to begin commissioning the eighth processing Train of its Moveable Modular Liquefaction System pioneered by Royal Dutch Shell.

The Federal Energy Regulatory Commission granted a request by US subsidiaries of US pipeline company Kinder Morgan to begin start-up of Train 8 of the 10 small-scale Trains.

Granted

"I grant your May 6, 2020, request for Elba Liquefaction Company and Southern LNG Company to introduce mixed refrigerant to Moveable Modular Liquefaction System No. 8," said a notice sent by the FERC to the owners.

"This approval is based on FERC staff inspections of the applicable facilities, review of the information filed on April 28 and May 6, 2020, and subsequent discussions," it added.

Elba Island has nameplate output of 2.5 million tonnes per annum and is the smallest of the six US export plants currently on stream.

The fifth export plant at Cove Point in Maryland, owned by Dominion Energy, and like the Georgia plant located on the Atlantic Coast, is the next smallest with 5.2 MTPA of output.

The other four liquefaction facilities are on the Gulf Coast and are on a larger commercial scale of up to 27 MTPA. Two are owned by Cheniere Energy at Sabine Pass in Louisiana and Corpus Christi in Texas.

There is also the Sempra Energy-owned Cameron plant in Louisiana and the Freeport plant at Quintana Island in Texas.

Kinder Morgan had initially expected the first Train at Elba Island to come on stream by the end of March 2019 and the remaining Trains following during the year.

However, the project was hit by construction delays as well as a slow ramp-up process that has limited commercial cargo shipments, even given its small production capacity.

Only four cargoes have been shipped since December 2019 and the last two were lifted in the final week of January 2020.

Texas LNG Brownsville boosted by granting of clean air permit

Texas LNG Brownsville, the mid-scale export plant proposed by industry veterans Vivek Chandra and Langtry Meyer, has been handed a ruling by the Texas Commission on Environmental Quality that it would issue an air permit allowing the construction and operation of the liquefaction facility.

The project is one of three being developed around the South Texas port and will be built on a 625-acre site located on the Port of Brownsville's deepwater ship channel near plentiful natural gas supplies and pipelines.

Texas LNG plans to ship 4 million tonnes per annum of cargoes to established and emerging markets.

"We appreciate the hard work and effort from TCEQ and are pleased to have reached this important achievement that paves the way for a 2021 final investment decision and construction of an LNG facility consistent with all air emission regulations," said the project's joint founder Chandra who is Chief Executive.

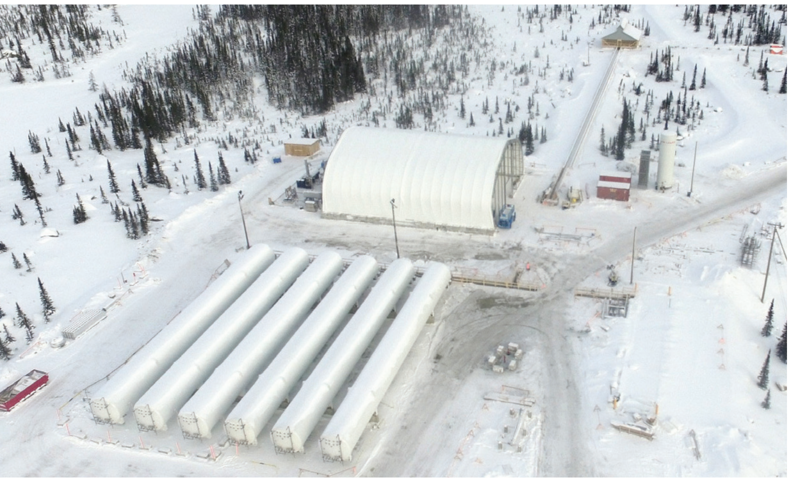
"Though current LNG markets are unusual in terms of pricing and supply dynamics, Texas LNG is confident that its low-cost, flexible commercial model, and realistically-sized production volumes will be key differentiators, ideally suited for global customers when operations begin in 2025," explained the CEO.

The other two projects planned for the Brownsville Ship Channel area are Rio Grande LNG run by Houston-based NextDecade Corp. and Annova LNG whose backers include Chicago-based power company Exelon Corp.

The Rio Grande venture plans to produce 27 MTPA while Annova is aiming for 6.95 MTPA.

Langtry Meyer, the other co-founder of Texas LNG Brownsville and who is Chief Operating Officer said his company was committed to operating in an environmentally responsible manner.

Powering the Future Through LNG



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NEWS NUDGES

Baltic Gas contract

Saipem, the Italian engineering company, has been awarded a contract by Gaz-System SA of Poland for the installation of a natural gas pipeline between Denmark and Poland in the Baltic Sea as a competitor to both LNG and Russian gas. The contract was signed by Saipem's subsidiary UK Saipem Ltd and is worth around €280 million. "The Baltic Pipe Project is a strategic infrastructure project developed by a joint venture between Gaz-System S.A. and Energinet.dk of Denmark and is co-financed by the European Union to create a new inter-European gas corridor that will supply gas directly from Norway to the markets in Poland, Denmark and neighbouring countries," said Saipem.

Freeport CEO is pleased

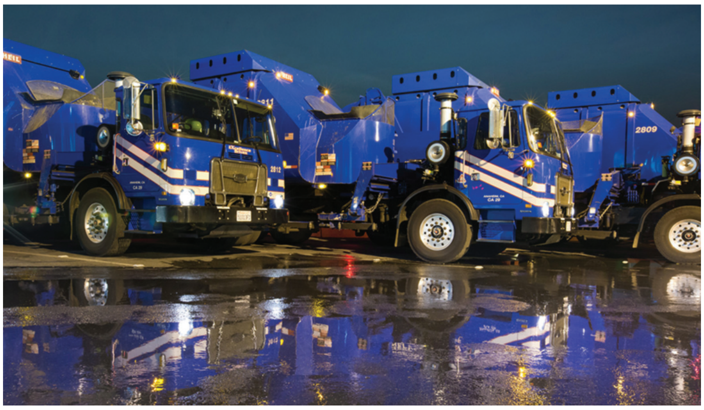
Freeport LNG in Texas said it began commercial operations for its third liquefaction Train with the commencement of liquefaction services for French major Total and South Korean utility and energy company SK E&S under their tolling agreements. "The start of commercial operations for Freeport LNG's Train 3 marks the full commercial operation of our $13.5 billion, three-Train facility," said Michael Smith, Freeport's founder, Chairman and Chief Executive.

Hammerfest LNG pause

Equinor of Norway will close Europe's only baseload LNG export plant at Hammerfest from mid-May for two weeks of scheduled maintenance. Equinor said the liquefaction plant shut-down would reduce natural gas production by 18 million cubic metres per day from the Snohvit feed-gas field. ■

US LNG and gas fuel company Clean Energy builds volumes and keeps all 550 stations open

LNG Journal editor


The company supplies trucks, buses and waste-truck fleets

Clean Energy Fuels Corp., the LNG and compressed natural gas filling station company with a network of 550 stations across the US and Canada and partly owned by French major Total, has signed multiple station expansion and supply contracts to accommodate demand for ultra-low carbon fuel for trucks and buses.

In addition to LNG and CNG, Clean Energy sells methane fuel produced from organic waste under the brand name Redeem.

Operational

"All Clean Energy stations have remained fully operational during the Covid-19 crisis and continue to provide access to customers supplying essential services," said the company.

"With the largest technician base in North America, Clean Energy is committed to serving fleet operators while protecting the health and safety of both its employees and customers," it added.

The company which is 25-percent owned by Total and has a long-term supply agreement with the US unit of BP for its Redeem gas, owns fuel stations open to the public and others provided along with fuel to private transportation companies as will to city-owned buses and waste-truck fleets.

"Despite this unprecedented challenging time that the country is experiencing with Covid-19, Clean Energy continues to expand the use of a clean, ultra-low carbon fuel to fleets," said Chad Lindholm, Vice President of Clean Energy.

"Many of our customers including heavy-duty trucking, refuse and transit agencies are performing heroic duty by continuing to operate under extreme difficult circumstances," added Lindholm.

Clean Energy's fuel comes from its own natural gas liquefaction facilities in California and Texas, while it also transports bulk LNG and CNG to non-transportation customers around the US.

In its expansion work, Clean Energy has completed an upgrade for the City of Chesapeake station in Virginia which recently obtained 12 new natural gas-powered refuse trucks, taking the total filled regularly to 60 vehicles.

The contract calls for an about 2.5 million gallons over five years and includes operations and maintenance.

Clean Energy also completed construction of its fourth station for USA Hauling at their Waterbury yard in the state of Connecticut.

The 30-truck private station will dispense an estimated 1.8 million gallons over the five-year contract, with operations and maintenance included.

Clean Energy is also upgrading its operation in the City of Long Beach in California where it has a long-term contracts.

The company will build, operate and maintain a natural gas station to fuel more public and City vehicles.

In the first year of operation the site dispensed 180,000 gallons. By 2017, station sales had reached over 700,000 gallons and the City looked to increase capacity with an updated and more robust station.

The new station will provide three dispensers and two 400hp compressors.

"These compressors will allow drivers to fuel nearly three times faster than the current station," said Clean Energy.

"The new station will be constructed while the existing station remains in operation, which will minimize downtime and ensure continuous and reliable fueling for existing fleet customers," it added.

Clean Energy has additionally completed construction of its fifth station with South Jersey Gas at the Cape May County Municipal Utilities Authority Transfer Station.

The public access fast-fill facility will initially fuel approximately 100,000 gallons per year for utility vehicles, transfer trucks and shuttle buses with volumes anticipated to increase annually as additional CNG vehicles are procured.

Among the many other contracts, the company has signed up Republic Services waste collection in Las Vegas, Nevada, to upgrade station equipment and add 92 fueling spots which in total will provide about 3.7 million gallons of Redeem fuel per year.

In Chula Vista, outside San Diego in California, Clean Energy signed an agreement with Republic Services for a station upgrade that will add 35 fueling spots and total an estimated 612,000 gallons per year.

The County of Sacramento, it renewed its agreement with Clean Energy to provide maintenance services at the County's CNG and LNG station. ■

Leading South Korean shipbuilders look to LNG orders to pull them out of current newbuild slump

LNG Journal editor

South Korea's three main shipyards, the leading builders of LNG carriers, have received only half the orders they brought in a year ago because of the worldwide lockdowns as China moved ahead in terms of shipbuilding orders for a second straight month.

The country's three largest shipbuilders, Korea Shipbuilding & Offshore Engineering (formerly Hyundai Heavy Industries), Samsung Heavy Industries and Daewoo Shipbuilding & Marine Engineering. received a combined $2.1 billion of new vessel orders in the January-March quarter of 2020.

Income down

In cash terms, KSOE landed contracts worth $1.2 billion, Samsung Heavy $500 million and DSME $400 million.

The amount is about 6 percent of the annual target, more than halved from 13 percent achieved a year ago.

The thinning in the order book has been caused by the coronavirus that has made demand crash, particularly from buyers of LNG carriers in Europe and for new liquefaction projects where final investment decisions have stalled.

All the shipyards including Daewoo's are having lean time

Korean shipyards have been preparing to compete for large LNG vessel orders in the second quarter, including 40 to 80 LNG carriers from Qatar, 16 LNG carriers in Mozambique, and 10 LNG vessels from Russia.

Qatar Petroleum has already directed a huge order to the Chinese Hudong-Zhonghua yard in April, reserving LNG ship construction capacity to support expansion projects and to replace older vessels.

The Qataris say the China LNG reservations will be worth around $3 billion for 16 LNG carriers.

The combined value of the 106 LNG carriers from the three projects is estimated to be worth $21.2Bln.

The Korean yards, KSOE, Samsung Heavy and DSME won orders in April 2020 totaling 230,000 compensated gross tons (CGTs) to build eight ships, trailing far behind Chinese shipbuilders who were awarded 730,000 CGTs in orders to build 38 vessels, according to London-based Clarkson Research Services Ltd.

Russia was the No. 3 shipbuilding nation after its shipbuilders secured 65,000 CGTs in orders in April to build seven vessels, followed by Japan with 55,000 CGTs in orders for two vessels.

China has been the dominant force for newbuilds this year, taking up 61 percent of shipbuilding orders placed around the globe in the first four months of 2020 and South Korea was second with 17 percent.

Even amid the Covid-19 virus and economic shutdowns, global shipbuilding orders increased worldwide for a second straight month to 1.14 million CGTs in April, up from 890,000 CGTs in March.

In terms of order backlog, China is leading the list with 26.3 million CGTs, or 36 percent of the market, followed by South Korea with 20.77 million CGTs and Japan with 10.48 million CGTs.

LNG Ltd at end of the road as cash runs out

The Australian-listed developer of the US Magnolia LNG plant in Louisiana with an export accord to supply cargoes for Vietnam has run out of money and time after a takeover by a private firm from Singapore fell through, along with short-term financing arrangements.

The company, Liquefied Natural Gas Ltd., has appointed administrators Pricewaterhouse-Coopers Australia.

"The Voluntary Administrators are reviewing the company's business and assets and will be in contact with creditors shortly," said a statement to the Australian Securities Exchange.

LNG Ltd also announced that all its directors had resigned as had Chairman and former Managing Direcor Gregory Vesey.

The company, which was also developing the Bear Head LNG project in the Canadian province of Nova Scotia, had in April 2020 failed to secure a takeover by the Singapore firm, LNG-9 PTE Ltd.

LNGL's proposed Magnolia plant near Lake Charles has an accord to supply a $4-billion power project on the Mekong Delta in Vietnam.

It had also failed to agree extra funding from First Wall Street Capital Corp. in the form of a Secured Convertible Note.

LNGL's Magnolia project signed a supply agreement with the Vietnamese Bac Lieu import terminal from 2023.

The company said at the time that it believed that the Singapore firm was still interested in acquiring all or a material part of LNGL's assets.

The Singapore-based bidder had previously told LNGL that it intended to work with the company to provide or arrange new sources of funding to sustain its operations for a short time.

German port set for first terminal gains more bunkering experience

LNG Journal editor

LNG supplier Nauticor, a subsidiary of the Nordic energy company Gasum, has conducted the first ship-to-ship LNG bunkering operation for an LNG-powered product tanker in Germany near the proposed site of the nation's first LNG import terminal project.

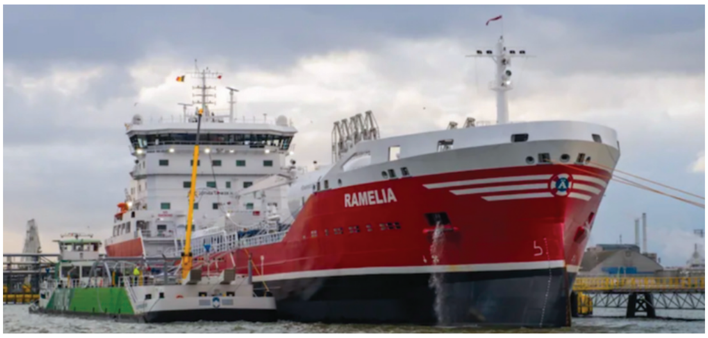
The bunkering operation for the product tanker "Ramelia" was conducted in the port of Brunsbuettel at the river Elbe, where on onshore regasification facility is being developed.

New owner

The fuelling of the tanker was the first conducted by Hamburg-based Nauticor since Finland's Gasum acquired it from Germany Linde AG.

The receiving vessel "Ramelia" is owned by Sweden-based shipowner Alvtank and is managed by the tanker pool of the Nordic Gothia Tanker Alliance.

"Like several LNG bunkering operations before, the operation was conducted under the LNG supply agreement, which was signed by Furetank Rederi, a member of the Gothia Tanker Alliance, and Nauticor in 2018," Gasum explained.



The product tanker 'Ramelia' received LNG from ship

Christian Nilsson, Managing Director of Alvtank, said that by using LNG as fuel his company was working on reducing the environmental impact through lower emissions and less noise.

"Having access to a comprehensive LNG supply network is a prerequisite to do so and we are glad that thanks to the efforts of Nauticor and Gasum the availability of LNG is secured in a growing number of place in Northwest Europe," added Nilsson.

Together with the purchase of Linde's LNG and biogas business in Scandinavia, the deal to acquire the marine bunkering business of Nauticor was completed by Gasum and the German firm on April 30.

"The acquisition of Nauticor is an important step in Gasum's growth strategy and the successful bunkering of 'Ramelia' underlines our commitment to develop the clean marine bunkering business in Northwest Europe, adding Germany to the list of countries we are active in to ensure the availability of environmentally-friendly LNG for our customers," said Jacob Granqvist, a director for maritime activities at Gasum.

The bunkering operation at Brunsbuettel was the second at the Elbe river port after a previous one carried out by Nauticor's bunkering vessel "Kairos in 2019.

Frank Schnabel, Managing Director at Brunsbuettel Port, said the operation was a further step in making Brunsbuettel a leading LNG hub for German North Sea coastal shipping.

Australia to issue a ship-to-ship bunkering licences to Woodside

The LNG Marine Fuel Institute formed in Australia to help improve access to bunkering has praised the first move by the Pilbara Port Authority in Western Australia.

LNG MFI Chief Executive Margot Matthews said Pilbara Port and Woodside had executed non-exclusive licences to provide ship-to-ship LNG bunkering services at the ports of Port Hedland and Dampier, the first licences of their type issued in Australia.

"Since 2017 LNG MFI has worked to bring together key players to develop a cleaner marine fuel industry in Australia as we lower emissions for a better future and it's exciting to see this now moving full steam ahead," Matthews explained.

LNG MFI is an independent not for profit organisation established to enable LNG, the cleanest alternative available, to be a primary fuel for marine transportation.

The body is also supporting the plans by commodities giant BHP to use LNG as fuel for future iron ore carriers on the Australia-Asia trade route.

LNG MFI's position is that Australia can meet and exceed the new International Maritime Organization 2020 regulations by establishing early adoption of LNG as a transition marine fuel and providing the Australasian maritime industry with a superior and cost effective fuel source.

Pilbara Ports Authority's General Manager Development & Trade, Lyle Banks, said the Authority has issued three licences for LNG bunkering operations in the Pilbara.

"In addition to Woodside's ship-to-ship licences, a truck-to-ship LNG bunkering licence was issued to Evol LNG in early 2017," added Banks.

ExxonMobil CEO Woods explains further Mozambique delay but says LNG sector fundamentals are good

LNG Journal editor

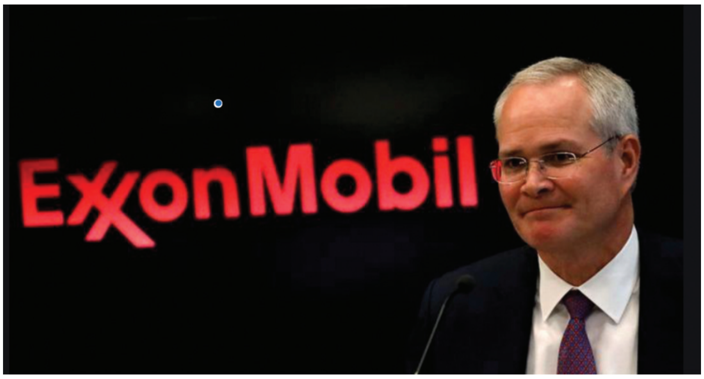
ExxonMobil Chairman and Chief Executive Darren W. Woods said the US major was still committed to its Mozambique liquefied natural gas project as well as to other ventures amid further delays, while cutting back immediately in US Permian Basin production.

"LNG and gas continues to be a fast growing product and demand for LNG continues to grow," said Woods at a post-earnings briefing for analysts after the company had posted a first-quarter loss of $600 million with one-time charges.

Key role

Woods said that he believed that LNG would continue to play a key role for the company, which is developing the Area 4 reserves in the Rovuma Basin offshore Mozambique with Italian company Eni and PetroChina.

The US major and its partners have already postponed a final investment decision on Mozambique LNG and Woods set no firm date for the venture to advance.



Woods is 'pushing out' development of Rovuma LNG

"I think if you look at the capital projects that were sanctioned and moving forward, many of those have slowed down, some have been canceled," said Woods.

"So I think as we go through this year, there's going to be some things changing around which projects get sanctioned and move forward, what the time frame of those projects are, and then of course the demand will pick back up and we'll see gas continue to grow," he added.

"So my suspicion is, we'll see some shifting around in the schedules. But again, the fundamentals are going to require additional LNG. And so I would expect to see that continue to be represented to a fairly large extent in our portfolio," stated the CEO.

"We're reducing small capital projects at most of our sites, slowing the pace of some Downstream and Chemical projects and pushing out the development of Mozambique LNG," stated Woods.

ExxonMobil is also transforming the Golden Pass import terminal in Texas into an export plant with majority project partner Qatar Petroleum. It will have 16 million tonnes per annum of output.

"As you move around the world, there are different dynamics and challenges and risk associated with different LNG projects, and what we look to do is to make sure that the returns of the specific projects meet our criteria," explained Woods.

"And so that's I think how we look at it and you got to kind of separate each one individually and look at it. We've got pretty high standards to make sure that we maintain the returns that we need to as a corporation," he said.

In the overall business, Woods said he has noticed a resurgence of ExxonMobil's units in China.

"I hope we're surprised with a quick recovery which we have not ruled out, particularly given our ongoing experience in China," said Woods.

"While it's still early days, there are some reasons to be cautiously optimistic as signs of demand and economic activity are beginning to pick up in China, with April sales in three of our key businesses back in line with and slightly above the same period last year," he said.

TC Energy advances Coastal GasLink LNG feed-gas project finance and stakes for 20 First Nations

TC Energy will close the sale of a majority stake in the Coastal GasLink Pipeline to two equity funds by June and will also offer 20 Canadian First Nations a 10 percent share of the project to bring feed-gas for LNG processing on the Pacific Coast of British Columbia.

TC Energy, one of the leading North American pipeline companies, signed an equity purchase agreement to sell a 65 percent interest in Coastal GasLink to KKR-Keats Pipeline Investors II (Canada) Ltd. (KKR) and a subsidiary of Alberta Investment Management Corp. (AIMCo).

"The sale is expected to close in the second quarter of 2020 subject to customary regulatory approvals and consents," said TC Energy in its latest earnings.

"As part of the transaction, we will be contracted by the Coastal GasLink Pipeline Limited Partnership to construct and operate the pipeline," explained TC Energy.

TC Energy explained that it was also committed to working with the 20 First Nations that have executed agreements with the Coastal GasLink to provide them with an opportunity to invest in the project.

"As a result, in conjunction with the equity purchase agreement, we will provide an option to the 20 First Nations to acquire a 10 percent equity interest in Coastal GasLink on similar terms to what has been agreed with KKR and AIMCo," said the Calgary, Alberta-based company.

TC Energy said construction activities continue along the Coastal GasLink pipeline route with about 75 percent of clearing completed and approximately 35 percent of pipe stockpiled.

"Major work is now complete for the winter season with crews waiting to remobilize following spring breakup," said the company.

TC Energy is developing the 670-kilometre (416-mile) Coastal GasLink pipeline to deliver natural gas across northern British Columbia.

The pipeline will supply feed-gas from the Dawson Creek area to a facility near Kitimat, where the Royal Dutch Shell-led LNG Canada venture currently under construction will prepare it for export to global markets.

Other future LNG projects could also benefit from the pipeline supplies.

TC Energy additionally disclosed that on April 28, 2020, Coastal GasLink Pipeline Limited Partnership (including KKR and AIMCo) executed a credit agreement with a syndicate of banks extending non-recourse project-level financing to fund the majority of the construction costs of the Coastal GasLink.

"The credit facilities under this agreement will be available to be drawn once conditions precedent have been met, including the closing of the equity purchase agreement with KKR and AIMCo," said TC Energy.