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South Africa LNG and helium project company Renergen awards contract

Saipem's contract encompasses design of facilities as well as LNG and helium output

LNG News Editor

Free State Virginia Gas project earlier held on-site ceremony (Photo: 'Bloemfontein Courant')

Renergen, the emerging South African domestic natural gas and helium producer with LNG production plans, has awarded the front-end engineering and design work to Italian energy contractor Saipem for the downstream development of the Virginia Gas project in the Free State.

Saipem's contract encompasses the design of the facilities that will allow the production of LNG and liquefied helium.

Technology

"Saipem will design the natural gas purification section, the gas liquefaction section using its proprietary technology LiqueflexTM-N2, the products storages and off-loading, and the associated utilities," said the Italian company in explaining the contract scope.

The Virginia Gas Project comprises exploration and production rights of 187,000 hectares of gas fields across the areas and towns of Welkom, Virginia, and Theunissen in the Free State.

The fields contain one of the richest helium concentrations logged internationally.

The liquid helium when produced will be exported while the LNG will be used in South Africa, providing a competitive and cleaner energy source to the country.

"Through this contract Saipem further extends its presence in South Africa and is involved in an exciting, world-class development project," said Eric Zielinski, Upstream and LNG Product Manager of Saipem's dedicated project engineering services division.

Zielinski added that the FEED contract specifications for the Virginia Gas project fully fit within Saipem's strategy of diversification and supporting innovative ideas for new energy.

"The technologies developed by Saipem for small to mid-scale natural gas liquefaction plants fully fit for this application, thanks to their flexibility and robustness," stated the Saipem executive.

The Virginia Gas Project is located about 250 kilometres southwest of Johannesburg, South Africa's largest city, and holds the nation's only onshore petroleum production rights.

Renergen is listed on both the Johnnesburg Stock Exchange and the Australian Securities Exchange.

The LNG from the project will be used for vehicle fuel in a joint venture with European energy major Total.

Renergen intends to be the first South African-based company to supply LNG and from domestic supply as opposed to imported sources.

The company anticipates that Phase 2 project awarded to Saipem would be completed by around 2023.

Gas source

The source of the Virginia Gas Project's natural gas is primarily microbial.

It originates from deep within the Witwatersrand Supergroup, via groundwater circulating through large faults.

The natural gas was first discovered in the Virginia gold mine in 1947 and the mine has been emitting combustible gas ever since.

This gas, with affiliated helium, comes to the surface via drillholes, faults and cracks in all the mines of the goldfield.

Renergen maintains that the natural gas contains one of the richest helium concentrations recorded globally.

In its LNG fuel distribution agreement with Total, Renergen said its customers would be predominantly logistics companies operating trucks along the main highway routes of South Africa.

The first route targeted under the Renergen-Total LNG fuel agreement will be the N3 between Johannesburg and the Indian Ocean coastal city of Durban.

UNLIMITED AGENDA

Cosco Shipping Energy Transportation LNG order for Arctic LNG goes to Korea's DSME

LNG News Editor

Cosco Shipping Energy Transportation, the biggest Chinese owner and operator of oil and gas vessels and with a growing number of over 40 liquefied natural gas carriers in its fleet, has approved an investment in three LNG carriers for the Russian Arctic LNG II project of Novatek and its partners.

Cosco Shipping said it would invest $923 million for the construction of the vessels in a joint venture with Mitsui OSK Line of Japan.

Part of growing Chinese fleet is the vessel 'LNG Merak'

Japan investment

The Japanese are prominent investors in Arctic LNG II companies through Mitsui & Co. and the government institution, the Japan Oil, Gas and Metals National Corp.

China National Petroleum Corp. and units of China National Offshore Oil Corp. are also shareholders in the newest Russian Arctic project to produce over 20 million tonnes per annum of LNG.

A joint venture company of Cosco Shipping and MOL has signed shipbuilding contracts with the South Korean shipyard Daewoo Shipbuilding and Marine Engineering for the three newbuilds, each with 172,500 cubic metres of capacity.

Cosco Shipping currently has a total of 41 jointly-owned LNG vessels, including 38 LNG carriers in operation with aggregate capacity of 6.42 million cubic metres and three LNG vessels under construction with combined capacity of 522,000 cubic metres.

The Chinese shipping line currently has stakes in ships such as the 172,600 cubic metres capacity "Boris Brusilov", the 172,600 cubic metres capacity "Rudolph Samoylovich" and the 174.100 cubic metres capacity "Cesi Wenshou".

Others in the line are the 174,000 cubic metres capacity vessels, "LNG Dubhe", the "Pan Europe", the Pan Africa" and the "LNG Merak".

The Cosco Shipping company owns 50 percent each of two other subsidiaries Cosco Shipping LNG Investment (Shanghai) Co. and China LNG Shipping (Holdings) Limited (CLNG).

Cosco Shipping and the huge Chinese equity firm, the Silk Road Fund, entered into an agreement with Russian shipping line Sovcomflot and gas project developer Novatek to establish the joint venture, Maritime Arctic Transport, to manage an icebreaking fleet of Arctic ice-class vessels to serve Novatek's Yamal LNG, Arctic LNG II and other potential projects.

Cosco Shipping was set up in Shanghai in 2016 with the aim of leading China's seaborne energy transportation.

The parent company is China Cosco Shipping Corp. Ltd, a merged entity from the energy transportation arms of China Ocean Shipping Co. and China Shipping Co.

Another 15 ice-breaking LNG carriers have been ordered by Sovcomflot from Zvezda Shipbuilding in the Russian Far East and will also serve the Arctic LNG II project.

The Zvezda complex is located at Bolshoi Kamen on the coast of the Sea of Japan and about 12 miles northeast of the city of Vladivostok.

The first LNG carrier of the series was ordered directly by Sovcomflot, while the other 14 vessels were ordered by Smart LNG, a joint venture of Sovcomflot and Novatek. ■

Panama Canal sees transit congestion easing as Authority also sets up Covid-19 vaccine hub

The Panama Canal Authority said there were fewer ongoing constraints for reserved shipping transits amid continued high demand from LNG carriers and other tankers during the peak Northern Hemisphere winter season, while the Canal was also set to serve as a hub for the shipment and storage of Covid-19 vaccines

"LNG vessels that arrive with reservations transit the Canal promptly," said the Canal Authority.

"For those without reservations, the average wait time as of January 22 was 11 days for vessels headed northbound to the Atlantic and 10 days for vessels headed southbound to the Pacific," it explained.

The latest transit delays compared with average wait times during the same week of December of four days for LNG vessels heading for the Atlantic and 13 days for vessels transiting to the Pacific.

"As of January 21, three non-booked LNG vessels were waiting for transit, along with four booked LNG vessels that arrived early and were expected to transit on their reserved date," added a Canal Authority statement.

The Canal transit is the shortest shipping route from the LNG export plants on the Gulf Coast of Louisiana and Texas to customers in Japan, China and South Korea.

At the same time, the Canal Authority said it was also focusing on being a hub for Covid-19 vaccine distributions in Latin America and this would have a priority.

"The Panama Canal has signed memoranda of understanding with the Panama Ports Company (PPC) and the Panama International Terminal (PSA Panama) to help optimize supply routes for the distribution of the Covid-19 vaccines and supplies to Latin America," said a statement.

Panama's logistics capabilities and strategic location at the crossroads of the Americas make it well positioned to assist in meeting the demand imposed on supply chains by the pandemic.

As part of the agreement, the Panama Canal, PPC and PSA Panama have agreed to undertake joint initiatives to establish an alliance of cooperation, forming a logistics hub on the Pacific side of the Canal for the storage and distribution of the vaccine and supplies for the region.

"By forging this partnership, we aim to affirm Panama's contributions to overcoming this global challenge," said Panama Canal Administrator Ricaurte Vásquez Morales. ■

Burckhardt signs contract to acquire China firm

Burckhardt Compression, the Swiss manufacturer of compressor systems and a service provider for LNG and other markets, has continued its global expansion by signing a final contract agreeing to acquire the 40 percent of Chinese company Shenyang Yuanda Compressor it didn't already own.

The contract to own all of Shenyang Yuanda Compressor, based in Shenyang in the northeast Liaoning Province of China, was signed on January 25, 2021 and closing was expected in early February.

Burckhardt had announced the signing of a memorandum of understanding on buying the remaining shares back in September 2020.

The company, based in Winterthur, central Switzerland, had owned 60 percent of Shenyang Yuanda Compressor since May 2016.

Burckhardt has been expanding in. the sector and had previously taken over US and Japanese companies. US subsidiary Arkos Field Services was fully acquired in November 2019.

Burckhardt also in April 2020 completed a deal to acquire the global compressor business of Japan Steel Works Ltd.

The company now offers a wider variety of solutions for fuel gas compression.

Shenyang Yuanda employs around 650 employees in China and generated sales of about 100 million Swiss francs ($112.6M) in 2019.

"Compressors manufactured by Shenyang Yuanda have been available in selected export markets through the international distribution and sales channels of Burckhardt since 2019," it added.

US LNG distribution companies in South Dakota and Nebraska merge

LNG News Editor

Coaxis Energy Company of South Dakota has acquired the liquefied natural gas assets and interests of Kalm Energy, an LNG and compressed natural gas sales and service provider from Nebraska, as the fuel sector expands in North America.

Based out of Sioux Falls, South Dakota, Coaxis is a provider of LNG and CNG to the growing small-scale and medium-scale fuel markets.

Coaxis aims to supply fuel to the rural areas of America

Growth

The customers of Coaxis are transportation and trucking companies, commercial utilities and industrial end-users.

The LNG and CNG fuel sector is growing rapidly in the US and Canada with companies like California-based Clean Energy Fuels Corp. establishing a network of several hundred filling stations on the West Coast and a huge portfolio of fuel customers in municipal transportation, trucking and serving ports and airports.

With this transaction, Coaxis said it had increased its equipment and personnel portfolio that enables the company to serve larger markets and increase its geographic footprint.

Coaxis added that it now has the fleet of equipment and personnel to supply more LNG and services from the Canadian border to Arkansas and Oklahoma.

"Kalm Energy was well-established in the LNG industry and had been awarded incentives on numerous projects through the Colorado Energy Office, Nebraska Environmental Trust and Colorado Regional Air Quality Committee," explained Coaxis.

"This acquisition will help us enhance energy supply and natural gas capacity through the utilization of LNG in under-served areas with supply constraints and especially where necessary in rural areas of America," said Coaxis President Scott Stern.

"We look forward to continuing to provide great service to all current and future customers," stated Stern.

Stern and his companies have a 43-year history of providing energy and industrial products across a five-state region in the Northern Plains.

MAN Energy wins LNG propulsion orders from Germany's Hapag-Lloyd

MAN Energy Solutions has won an order from German shipping company Hapag-Lloyd for engines with LNG-powered capability and equipment for six ultra-large container vessels to be built in South Korea.

Hapag-Lloyd has 234 modern container ships and is joining other global shipping lines in having LNG fuel capacity for its new vessels.

The engines will operate on LNG, but have sufficient tank capacity to operate alternatively on conventional fuel.

MAN Energy Solutions, based in Copenhagen, said the Hapag-Lloyd order comprises six MAN B&W 11G95ME-GI Mk10.5 main engines for the six ULCVs with 23,500 twenty-foot equivalent units.

The Korean shipyard, Daewoo Shipbuilding & Marine Engineering, will construct the vessels with delivery expected from April through December 2023.

"The engines will also be built in Korea and will offer the option of operating on LNG or conventional fuel, meeting Tier III emission standards through SCR (Selective Catalytic Reduction)," said Man Energy.

The first engine delivery for Hapag-Lloyd newbuild is scheduled for May 2022.

"With the investment in six ultra large container vessels we will not only be able to reduce slot costs and improve our competitiveness on the Europe-Far East trade, but also take a significant step forward in modernizing our fleet. Additionally we will further reduce our environmental impact," said Rolf Habben Jansen, Chief Executive of Hapag-Lloyd.

The newbuilds will be deployed on the Europe-Far East routes as part of The Alliance and will significantly increase Hapag-Lloyd´s competitiveness in this trade.

Bjarne Foldager, Senior Vice President and Head of Two-Stroke Business at MAN Energy, said the newbuilds would be fitted with the tried and tested M-Type Electronically Controlled-Gas Injection (ME-GI) technology, which continues to accumulate positive references across multiple segments.


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NEWS NUDGES

Cryo Shipping Asia feat

Cryo Shipping, the Norwegian company, said it had conducted an LNG bunkering operation on the shuttle tanker "Altera Wave" in Malaysian waters in the Singapore Strait. "The LNG bunkering of the Norwegian-registered 103,500 deadweight tons ship is the largest LNG-powered merchant ship to be supplied with LNG from a bunker vessel in Asia," said Cryo Shipping. "The Norwegian-registered shuttle tanker is part of a series of highly innovative newbuildings developed by the forward-looking shipping company, Altera Infrastructure," said Cryo Shipping.

Santos in recovery

Australia's Santos, which has stakes in Darwin LNG, the Gladstone plant in Queensland and at the Papua New Guinea plant operated by ExxonMobil, said in its fourth-quarter report that revenues rose 16 percent to US$922 million, primarily due to stronger LNG sales volumes. The average realised LNG price in the three months to the end of December was US$5.34 per million British thermal units versus US$4.27 per MMBtu in the previous three-month period and US$9.07 per MMBtu in the prior-year quarter.

Charter rates decline

Shipping charter rates for LNG carriers in the spot market have dropped for a second week by up to $30,000 dollars per day. Rates were quoted at an average of between $108,000 per day and $112,0000 per day for vessels of between 155,000-165,000 cubic metres capacity in both the West of Suez market and for East of Suez charters, according to various brokers. One-year time charters for the most modern vessels and ships were available for around $49,000 per day.

Indian LNG imports remain on path of growth during 2020 with more regas capacity and pipeline projects

LNG News Editor

Pipeline capacity is gradually being expanded across India

India hit a landmark annual total in liquefied natural gas imports in 2020 as the economy continued to grow along with pipeline and terminal infrastructure, even amid the challenges of the Covid-19 pandemic and with several months of shipments under the 2019 level.

LNG imports to its growing network of regasification facilities for the month of December 2020 came to 2.06 million tonnes, around 30 cargoes, compared with 2.4MT in December 2019, a declined of 0.9 percent.

Target surpassed

However, this total meant India cargo receipts for the calendar year came to 25.29 million, around 370 cargoes in total.

The was about 5.5 percent higher than in 2019 when the total was 23.98MT, after rising 7.1 percent from the total of 22.42MT r eceived in 2018.

LNG deliveries to India come mainly from Qatar, which provides over one-third of volumes, as well as West Africa, the US, Australia and the spot market.

India easily maintains its position as the fourth-largest LNG importer after Japan, China and South Korea, though the Indians would have to add an additional 15 MTPA to their receipts to overtake the Koreans into third spot.

Indian LNG imports for the month of November had come to 2.14MT, or around 32 cargoes, an increase of 11.8 percent on the 1.91MT received in November 2019.

Analysts said that the economic slowdown caused by Covid-19 has had some effect on LNG shipments, but overall gas demand and additional import terminal capacity have been supporting the market.

The cumulative imports for the nine months of the fiscal year to date from April to December came to 18.32MT compared 18.20MT in the same period of 2019, a rise of 0.7 percent, according to the data from the Indian Ministry of Petroleum and Natural Gas.

Added to the nine-month fiscal year total are the volumes for January to March 2020, of 2.05MT, 2.55MT and 2.37MT, giving the calendar-year total of 25.29MT.

The Ministry said that gross production of natural gas for the month of December 2020 was 2.425 billion cubic metres, which was lower by 7.1 percent compared with the 2.610 Bcm logged in December 2019.

Domestic production from April to December 2020 amounted to 21.129 Bcm compared with 23.820 Bcm of output in the 2019 period, a drop of 11.3 percent.

Ministry data also showed that the costs of importing cargoes December 2020 were $700M versus $800 in the same month of 2019.

The April to December costs were given as $5.1Bln compared with $7.1Bln in the same fiscal-year period in 2019.

India's seventh import facility is also scheduled to start up in the months ahead in the Western state of Maharashtra.

This follows the 2020 opening of the sixth facility at Mundra in Gujarat state, co-owned by Gujarat State Petroleum Corp. and the Adani Group.

The main operating terminals on India's West Coast are at Dahej, Hazira and Dabhol, near Mumbai, and at Mundra, north of Mumbai.

The newest terminal at Mundra is receiving more shipments as its regasification throughput rises.

There is additionally the Kochi facility in the southwest state of Kerala and one East Coast terminal at Kamarajar, 25 kilometres north of Chennai Port in Tamil Nadu, and also known as Ennore.

Imports to the Kochi terminal are set to increase after the inauguration of the 450-kilometres Kochi-Koottanad-Mangalore natural gas pipeline to transport volumes to industrial customers further north.

The Mundra import facility is co-owned by Gujarat State Petroleum Corp. and the Adani Group and is designed with two storage tanks.

With the opening of the Mundra terminal, India now has 42.5 million tonnes per annum of regasification capacity.

India's seventh import facility is on track for start-up in early 2021 at Jaigarh Port, south of Mumbai in Maharashtra.

Norwegian company Hoegh said recently that it had entered into a binding commitment to supply H-Energy, part of the Indian Hiranandani Group, with a floating storage and regasification unit at Jaigarh from the first quarter of 2021.

Mongolia pipeline project advanced by Gazprom as 'Power of Siberia II' in competition to LNG

LNG News Editor

Russian natural gas giant Gazprom has set up a subsidiary to develop a pipeline across the land-locked Asian country of Mongolia as Russia's second "Power of Siberia" supply line to China in competition to LNG and with capacity of one-third more than the existing pipeline.

Gazprom said it had registered a subsidiary company in Mongolia called Gazoprovod Soyuz Vostok.

Gazprom Chairman Miller with Mongolian PM Khurelsukh

Purpose

"The company was established with the purpose of performing design and survey works and conducting a feasibility study regarding the construction project for a gas trunkline to supply Russian gas across Mongolia to China," explained Gazprom.

The overall "Power of Siberia" contract with China National Petroleum Corp. is for 38 Bcm per annum and came on stream in December 2019.

However, the line into north-east China delivered less that the expected 5 billion cubic metres per annum in the first year, the equivalent to 3.7 million tonnes of LNG, and was being ramped up only slowly over a period of five years as other infrastructure is still being put in place.

"With the Soyuz Vostok gas pipeline, Russia's 'Power of Siberia II' gas pipeline will extend through Mongolia, and its export capacity might become more than 1.3 times higher than that of 'Power of Siberia," said Gazprom Chairman Alexey Miller.

"This will allow us to export large amounts of gas from Western Siberia not only westward but also eastward," stated Miller.

Gazprom and the Government of Mongolia signed a memorandum of understanding on the project in December 2019.

The document provides for a joint assessment of the feasibility of the project to supply China with pipeline gas supplies from Russia Mongolia.

Gazprom noted that in August 2020, a memorandum of intent was signed to set up a special-purpose vehicle in Mongolia.

Gazprom and CNPC have held regular talks on the increasing deliveries of pipeline natural gas to Northern China under the "Power of Siberia" project, with the Chinese asking for higher daily volumes.

In line with the CNPC Sales and Purchase Agreement, Gazprom said it was preparing to further ramp up the gas supplies in 2021 which officially amounted to just 5 Bcm, though fell short of that volume.

Gazprom has also been discussing with CNPC the "Power of Siberia II" gas pipeline across Mongolia, via the western route and from Russia's Far East resources.

"Stable and flexible gas supplies are essential to achieving China's environmental goals that call for reduced use of coal by industrial and residential consumers," the two sides have noted in their talks. ■

Bulgaria joins FLNG project sited off Greece

The natural gas transmission network of Bulgaria has completed its share participation transaction in the Alexandroupolis floating LNG import terminal proposed to supply the Balkans region with regasified volumes from offshore northeast Greece.

The deal with joint venture developer Gastrade of Greece gives the grid company, Bulgartransgaz, a 20 percent stake in the Greek company and its LNG project.

The participation of Bulgartransgaz in the project was applauded by Greek Prime Minister Kyriakos Mitsotakis and his Bulgarian counterpart Boyko Borisov during a ceremony held in Athens.

"The Alexandroupolis project is regarded as important for the region as it materially contributes to the diversification of energy sources and routes for the entire Southeast Europe, enhances energy security and competition in the region, and supports the creation of a regional Natural Gas Hub," said Gastrade.

The project is strategically located at the crossroads of the Southern and Vertical Gas Corridor and offers access for LNG to the markets of Greece, Bulgaria, Serbia, Romania, Northern Macedonia and nations further away like Moldova and Ukraine.

The FLNG terminal is expected to commence operations and deliver gas into the regional systems in 2023.

Gastrade explained that the terminal would be fully complementary to the Greece-Bulgaria interconnector (IGB) by supporting its viability while operating in harmony with existing and new strategic energy infrastructures in the region such as the Trans-Adriatic Pipeline.

Egypt to reopen Damietta plant in weeks to boost East Med cargoes

LNG News Editor

Egypt said it expected to reopen the Damietta liquefied natural gas export plant east of the Port of Alexandria by the end of February 2021 after an eight-year closure caused by the Arab nation's previous gas supply crunch.

"With Damietta back on stream with its 5.5 million tonnes per annum of output, Egyptian export volumes would total around 13 MTPA," said Oil and Gas Ministry in a statement.

The plant near Alexandria has been idle since November 2012 because of domestic shortages now resolved

Resolved

The move forward for Damietta comes in the resolution during the Latter part of 2020 of a longstanding dispute between the shareholders over contracts.

Naturgy, the Spain-based European utility, agreed to sell its stake in the Damietta plant and to rescind its Egyptian gas contracts on departing from Unión Fenosa Gas (UFG) joint venture.

Naturgy's UFG partners, Italian energy major Eni and the Egyptian Natural Gas Holding Company (Egas) reached the agreement under which Naturgy would receive a series of payments adding up to US$600 million.

The utility will also receive most of UFG's assets outside of Egypt as well as being released from 3.5 billion cubic metres annual gas procurement contract to supply its gas-fired power stations in Spain which was due to end 2029.

Under the settlement deal, these Spanish interests would be taken over by Eni.

The LNG plant has been idle since November 2012 when Egypt suffered natural gas shortages.

In addition to Damietta LNG, Egypt has a second export plant, the Idku facility operated by Royal Dutch Shell and which has been back in commercial operation since 2017.

As regards Damietta plant shareholdings, the Naturgy 80 percent in Damietta liquefaction was transferred with Eni receiving 50 percent and 30 percent going to EGAS.

The resulting shareholding of the Damietta holding company, Segas, sees Eni holding 50 percent, EGAS 40 percent and Egyptian General Petroleum Corp. 10 percent.

Italian energy company Eni buys Spanish utility to expand in Spain

Italian energy company Eni, one of the leading LNG market participants, has completed an acquisition enabling it to enter the utility market in the Iberian Peninsula of Spain and Portugal.

Eni said its subsidiary, Eni Gas and Electricity. completed the purchase on January 25th of utility company Aldro Energía operating in Cantabria, a region in Spain's northwest coast on the Bay of Biscay and whose capital is Santander.

Eni has LNG stakes in nations such as Angola, Nigeria, and with a projects under development and pending in Mozambique and Egypt, where its Zohr gas field is allowing the relaunch in several weeks of exports from the Damietta plant.

Aldro Energía, based in the municipality of Torrelavega, operates in the gas and electricity markets for residential customers, small and medium-sized businesses and big companies. The acquisition agreement also includes the affiliated back-office company, Instalaciones Martìnez Dìaz SLU.

"This acquisition allows Eni to expand its presence in the European market, which will be central to the strategy of development of its activities," said Alberto Chiarini, Chief Executive of the Eni Gas and Electricity, whose corporate name in Italian is "Eni gas e luce".

"We aim to reach 11 million customers in 2023 to offer not only gas and electricity but the entire range of services related to home and energy," added Chiarini on Eni's European utility expansion plans.

Aldro Energía currently provides energy to 250,000 customers located in Spain and Portugal, with an important focus on the small and medium-sized enterprises segment.

Through other subsidiaries, the Italian company already operates in France with Eni Gas & Power, in Greece with Zenith and in Slovenia with Adriaplin.

European energy class society and risk firm DNV GL announces overhaul and US purchase

LNG News Editor

European classification society and risk management firm DNV GL will combine its current oil and gas, power and renewables businesses into one new business division called Energy Systems from February while changing its name to simply DNV from March amid a takeover of US firm.

DNV GL's overhaul comes after a strategic review and named its US acquisition as engineering consultancy Energy and Resource Solutions Inc. (ERS), which DNV GL said would increase energy management capabilities.

DNV GLN President and CEO Eriksen making big changes

Energy Systems

"Energy Systems, which will start operating from February 01, 2021, will provide certification, advisory and digital monitoring services to the entire energy value chain," stated DNV GL. The firm's Maritime division deals with most LNG issues.

Ditlev Engel, Chief Executive of the current Energy business area since 2016, will lead the new business division, which will consist of approximately 4 000 "energy experts", making it the world's leading resource for independent certifications.

DNV GL said its move would better reflect the emerging energy future and the energy mix.

"The creation of Energy Systems is our response to a rapidly changing energy market in search for deeper decarbonization," said Remi Eriksen, Group President and CEO of DNV GL.

"We want to enable our customers to tackle the energy transition - faster. By combining our expertise, we will better serve customers operating in, and entering the energy market. This new structure will help us serve all players in the energy market," added Eriksen.

Eriksen also stated that while renewable energy was increasing market share, DNV GL would continue to work with the oil and gas sector as it refocuses on decarbonization.

On its acquisition of US-based consultancy ERS, DNV GL was bring onboard "80 experts" and they will be an integrated part of DNV GL.

"Given the speed of the energy transition, it is natural that we look outside our own organization for acquisition opportunities," said Eriksen.

"The domain expertise and digital first approach demonstrated by ERS is aligned with our vision and services, and I am sure our customers in North America and beyond will be delighted we have even more experts in our ranks," stated the Group CEO.

DNV GL still expects natural gas to become the single largest energy source by the middle of the decade, while hydrogen, ammonia and carbon capture and storage will be important tools in the low carbon toolkit.

DNV GL's Energy Systems CEO Engel said joining forces gives the class society the size to work with the key industry players to help scale green energy technology and optimize safety from production to consumption. ■

Korean shipbuilder Hyundai along with France's Total and Sovcomflot hold LNG signing event

French energy company Total along with South Korean shipbuilder Hyundai Heavy Industries and Russian fleet operator Sovcomflot have concluded a deal with options as the build-out continues on the next generation of LNG vessels.

As part of the global fleet expansion, Sovcomflot and Total have concluded a time-charter agreement for up to seven years for a newbuilding LNG carrier with capacity of 174,000 cubic metres to be owned and operated by Sovcomflot, with options for up to two additional vessels.

A Web conference was held to mark the event attended by Igor Tonkovidov, President and Chief Executive Sovcomflot, Thomas Maurisse, Senior Vice President for LNG at Total and Seong-Yong Park, Senior Executive Vice President and Chief Operating Officer at HHI.

The new vessel will be the latest in a series of SCF's new-generation conventional Atlanticmax LNG carriers, with three sister ships already in operation, the "SCF La Perouse", the "SCF Barents" and the "SCF Timmerman".

"The vessel will be fitted with an X-DF propulsion system, operated by a slow-speed diesel engine with a direct drive to the propellers, which will enable a substantial reduction in the vessel's fuel consumption when compared with previous generations of LNG carriers," the companies explained.

"The new carrier will also be fitted with a hull air lubrication system which, combined with two shaft power generators with frequency-to-current converters, is expected to deliver a further significant decrease in fuel consumption and greenhouse-gas emissions," they added.

Another environmental feature of this series of new-generation LNG vessels is a partial re-liquefaction system, which allows cargo boil-off gas to be returned to the tanks.

Delivery of the carrier to the charterer is scheduled for the third quarter of 2023.

"We are pleased that SCF Group's shipbuilding programme will be supplemented with a new gas carrier that meets all the current international standards regarding environmental protection, as well as the Charterer's requirements for energy efficiency, quality and navigational safety," said Sovcomflot's Tonkovidov.

"We are grateful to our valued partners at Total for the opportunity to participate in this interesting project which extends further our cooperation in LNG transportation with one of the world's leading international energy companies," added Tonkovidov.

"The success in Total's project tender once again demonstrates SCF's high standards and capabilities in LNG shipping as well as with other types of energy," stated the Russian company's CEO.

He added that the continued development of energy transportation services that serve long-term projects provide a fixed return element to the shipping line's business model. ■