

LNG Unlimited

LNG JOURNAL PUBLICATION

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Höegh LNG and Wall St bidder face March 30 vote in Bermuda

Höegh family-owned firm and its new bank partner plan to delist company from the Oslo Exchange
LNG News Editor

Höegh LNG, the Norwegian LNG fleet owner and floating terminal projects company with vessel contracts for China and India, is on the road to merging with a fund managed by US investment bank Morgan Stanley in the latest carrier shipping fleet to be targeted by Wall Street banking interests.

The Höegh family-owned firm Leif Höegh & Co. (LHC) has formed a joint venture with Morgan Stanley Infrastructure Partners to make a 23.5 Norwegian crowns (\$2.73) offer per share to make Höegh LNG a private company.

Premium

The offer price carried a premium of around 36 percent on the closing price of the shares listed on the Oslo Stock Exchange.

Höegh LNG owns 12 LNG carriers and floating storage and regasification units on long-term contracts or currently part of tender offers for worldwide import projects.

Höegh LNG will hold a special meeting on March 30 in Bermuda when the deal will be voted on.

The company has called for shareholders to provide proxy votes and attendance slips by March 26.

The company will hold a bondholders meeting on March 22.

The offer is for around 50.4 percent of Höegh LNG's shares, with the remainder already held by LHC.

"The offer price values the total share capital of the company at approximately 1.81 billion crowns (\$212.2M)," said Höegh.

Höegh LNG rival GasLog Ltd,



'Höegh Esperanza' operates at China's main LNG port

the Greek-based LNG shipping fleet owner with 35 vessels currently operating, has agreed a merger with a unit of US fund giant BlackRock.

GasLog said it had entered into an agreement and plan of merger with BlackRock's Global Energy & Power Infrastructure (GEPIF), part of the New York-based firm focused on long-term infrastructure investments in the energy and power sectors.

The deal involves the acquisition of around 45 percent of GasLog Ltd's outstanding common shares by BlackRock.

Analysts said that one major drawback from these LNG shipping-Wall St deals is a future lack of transparency through stock exchange regulation as the acquired companies will be delisted and their activities, previously open to public scrutiny with quarterly reports, will disappear behind closed doors.

Morgan Stanley aims in the full transaction to acquire all outstanding shares of Höegh LNG Holdings Ltd. by way of amalgamation.

Leif Höegh & Co is an industrial holding company owned by the Höegh family.

LHC and its predecessors were pioneers in the international shipping industry since 1927, taking delivery of their first LNG carrier

in 1973 and their first floating storage and regasification unit (FSRU) in 2009.

"Now in the third generation of family leadership, LHC continues to focus on long-term value creation and innovation in the shipping sector," said Höegh.

The transaction details mean that all Höegh LNG shares (other than those owned by LHC and its affiliates) will be cancelled for a consideration in cash of the 23.50 crowns per share.

The amalgamated Morgan Stanley-Höegh LNG would immediately delist from the Oslo exchange.

The bidders and Höegh LNG also declared the common and preference units of Höegh LNG Partners LP would remain outstanding and continue to trade on the New York Stock Exchange.

Höegh's revenue also includes a contribution from the "Höegh Esperanza" with a contract to operate in the winter seasons in FSRU mode at the Tianjin port in northeast China.

Höegh LNG recently returned to profit in the fourth quarter as it prepared to deploy an FSRU as India's latest, and seventh import terminal overall, in the West Coast port of Jaigarh in the state of Maharashtra.

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Avenir LNG small-scale joint venture takes delivery of another vessel to operate in Brazil

LNG News Editor

The Norwegian small-scale LNG business of Stolt-Nielsen and partners Høegh LNG and Golar LNG has taken delivery of another gas supply and bunkering vessel (LBV) from the Keppel Offshore and Marine shipyard in the Chinese port of Nantong.

The Nordic joint venture called Avenir LNG has named its second 7,500 cubic metres capacity dual-purpose LBV, the “Avenir Accolade”, and it is now available.

Charter

The company said the “Avenir Accolade” would enter a three-year bareboat charter to LNG Power Limited, a subsidiary of Hygo Energy Transition to support Hygo’s developments in northeast Brazil.

This is the Avenir joint venture’s first entry into the Latin American LNG market.

Stolt-Nielsen, whose headquarters are in London, started up the small-scale LNG sector firm Avenir



The ‘Avenir Accolade’ was built China shipyard in Nantong

in 2015 and its two main investors, Golar and Høegh, each have 22.5 percent of Avenir.

The company said that the “Avenir Accolade” would soon be delivering LNG to Hygo’s customers along the Brazilian coastline.

“Fitted with specialised LNG handling equipment, she will be capable of unloading LNG directly into trucks for onward distribution across Brazil,” said Avenir.

The Hygo company was formerly known as Golar Power and is being acquired by New York-Based New Fortress Energy.

In addition to the growing small-scale LNG fleet, Avenir has an 80 percent stake in a small-scale LNG import project on the Italian island of Sardinia and set to start up soon.

Peter Mackey, Chief Executive of Avenir, said the company strategy was progressing on schedule.

“This is a transformational year for Avenir LNG as we commission our onshore LNG terminal in Sardinia in the coming weeks and continue to expand our fleet with the addition of four more new-build vessels by year-end,” Mackey explained.

Avenir’s largest bunkering vessel, the “Avenir Allegiance” with 20,000 cubic metres capacity, entered the water in January 2021 at the Zhoushan Changhong Sinopacific shipyard in China’s eastern Zhejiang province.

That vessel is scheduled to be delivered from the yard in the third quarter of 2021 and will join the Avenir fleet as the world’s largest LNG bunkering vessel.

Avenir’s first newbuild delivery, the “Avenir Advantage”, took place in October 2020 and has now been followed by the “Avenir Accolade” with other newbuilds, including one named the “Avenir Allegiance”, lined up for delivery during 2021.

Shell signs agreement to charter 10 crude oil tankers powered by LNG being built in Korea

Royal Dutch Shell said it signed agreements to charter 10 new crude oil tankers powered by dual-fuel liquefied natural gas engines and under construction in South Korea.

Four of the very large crude carriers (VLCCs) have been chartered from Switzerland-based Advantage Tankers, three from Malaysian-owned AET and three from US-headquartered International Seaways.

All 10 ships will be built in South Korea by Daewoo Shipbuilding and Marine Engineering and the first vessel will be operational from 2022 and be on charter to Shell for seven years.

“The main engines and vessel design chosen for the ships will

mean these tankers have the lowest possible methane slip and highest fuel efficiency including on average 20 percent less fuel consumption compared to eco-VLCC vessels on the water,” said Shell.

Shell stated that it continued to significantly invest in LNG for its long-term charter fleet with 14 in service by the end of 2021.

“This order is expected to bring the total global dual-fuel LNG fleet to 475, marking yet another important step on the predicted doubling of LNG-fuelled vessels on the water by 2023, as ship owners respond to customer calls to choose the cleanest technologies available,” explained the Anglo-Dutch company.

Grahaeme Henderson, Global Head of Shell Shipping & Maritime, said it was imperative that the shipping sector immediately employs the cleanest fuels available.

“This significant commitment will see Shell hit a new milestone for our fleet decarbonisation with an average of 50 percent of our crude tankers on time charter powered by dual-fuel LNG engines once in service,” said Henderson.

Shell is also rapidly making LNG available on global trading routes at major ports in Europe, Asia and North America to meet customer demand with tankers and the bulk and liner segments continuing to grow.

“By 2023, marine LNG demand is expected to reach around 3.6

million tonnes with 45 bunker vessels expected to be in service,” added Shell.

South Korean shipbuilder DSME said the newbuilds would have significantly lower emissions.

“The vessels have been designed with state-of-the-art technologies and not only achieve a huge reduction in greenhouse-gas emissions but are also economically viable,” stated Sung Geun Lee, President and Chief Executive of DSME.

“They have a low fuel consumption with their dual-fuel LNG engines and will bring significant benefits to both the charterer and the ship owners over the long-term,” he added.

Japan's spot cargoes still have price momentum

Japanese spot LNG prices for delivered cargoes in February soared to as high as \$16.30 per million British thermal units, a total of \$10.80 per MMBtu more than in the same month last year.

The delivered cargo prices for February 2020 had averaged \$5.50 per MMBtu and in January 2021 had cost \$15.50 per MMBtu, just \$0.80 per MMBtu less than in February 2021.

The February 2021 contracted shipments to Japan cost an average \$12.70 per MMBtu versus \$3.40 per MMBtu in February 2020 and \$18.50 per MMBtu in January 2021, according to the data from the Japanese Ministry of Economy, Trade and Industry (METI).

The monthly spot cargo numbers come from the Ministry's commerce division and are only issued if a minimum number of two trades are recorded. These prices have been published by Japan since 2014 to bring more transparency to the market.

However, most Japanese LNG cargoes are still delivered on a long-term contract basis linked to crude oil and this price has increased rapidly in 2021.

It is currently at around \$9.85 per MMBtu based on a North Sea Brent crude price of \$68 per barrel.

"Delivery conditions of prices (prior to averaging) are all converted into the equivalent delivery ex-ship (DES) basis," said the METI division.

"Prices are the simple average (rounded to the first decimal place) of all contract-based (or arrival-based) prices of spot LNG in Japan (not weighted averages)," it explained.

Tokyo Gas completes gas pipeline terminals link-up and adds storage

LNG News Editor

Tokyo Gas, the second-largest Japanese liquefied natural gas importer, has completed construction of a high-pressure pipeline called the Ibaraki Line to complete the mutual back-up system between four LNG import terminals as the Hitachi facility has also expanded storage.

The utility and city-gas company said the link between the cities of Hitachi and Kamisu in Ibaraki Prefecture has now been completed and has just commenced services.

Second tank

Tokyo Gas has also completed the construction of LNG Tank No. 2 at the Hitachi LNG import terminal and it began commercial operations on March 10.

The new LNG storage tank at the Hitachi terminal has capacity of 230,000 cubic metres, the same as the other tank at the terminal.

There is also a third storage tank for liquefied petroleum gas (LPG) at the facility.



New Hitachi terminal tank is now in commercial operation

The terminal has five LNG vaporizers and berths for domestic vessel off-loading of LNG and LPG. Other facilities at Hitachi LNG include 10 loading lanes for LNG trucks.

"By connecting a loop of high-pressure gas pipelines and increasing the capacity of LNG tanks in the North Kanto area in addition to the Tokyo area, Tokyo Gas has achieved improved supply stability and enhanced gas transmission capacity through a mutual backup system of four LNG terminals," stated Tokyo Gas.

The Japanese LNG terminals

now linked up by Tokyo Gas are the Negishi and the Ohgishima terminals in Yokohama, the Sodegaura facility in Chiba Prefecture, and the Hitachi terminal in Ibaraki.

Tokyo Gas, one of the nation's LNG pioneers, is the second-largest LNG importer after Jera Co. Inc., the joint venture combining Tokyo Electric Power Co. and Chubu Electric assets.

Tokyo Gas has contracts with the world's largest LNG producers in Australia, Asia and in the US where it has a tolling contract at the US Cove Point plant in Maryland.

Alliance of corporate Japan plans to promote carbon-neutral LNG

Fifteen Japanese companies led by the utility Tokyo Gas have launched a group called the Carbon Neutral LNG Buyers Alliance to promote the use of cleaner LNG as a penance for using such huge amounts of thermal coal.

The group comprises several downstream industries that consume natural gas, and is the most concerted effort yet among corporations aimed at boosting the use of carbon-neutral LNG (CNL), which is LNG supplied after its carbon footprint has been fully, or partially offset using tools like carbon certificates.

The only energy company or utility among the 15 is Tokyo Gas itself.

As the world's largest LNG im-

porter, Japan received 74.46 million tonnes of LNG in 2020, down 3.7 percent from the previous year.

However, the nation also imported more thermal coal for power generation than LNG at 105.17 million tonnes.

Japan is working on a long-term plan for decarbonizing its energy supply by 2050 and part of its strategy is to continue using fossil fuels whose carbon footprint has been mitigated.

In recent months, Japan, Taiwan and China have imported spot cargoes of carbon-neutral LNG.

Tokyo Gas began importing carbon-neutral LNG in 2019 and became the first company in Japan to supply it to customers

as carbon-neutral city gas. The companies in the Carbon Neutral LNG Buyers Alliance are: Tokyo Gas; Asahi Group; Isuzu Motors; Olympus Corp; Sakai Chemical Industry; Duskin Co; Tamagawa Academy & University; Toshiba Corp; Toho Titanium; New Otani Co; Marunouchi Heat Supply; and Sumitomo Mitsui Trust Bank Ltd.

"The Alliance was established through the concerted efforts of Tokyo Gas, which procures and supplies CNL, and the remaining companies, which purchase CNL, with the aim of spreading the use of CNL and increasing its utility value towards the achievement of a sustainable society," explained Tokyo Gas.



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NEWS NUDGES

New carrier designs

Qatar Petroleum, along with several leading international LNG players, have signed a multi-party agreement with LNT Marine, the American Bureau of Shipping (ABS), and Shanghai Waigaoqiao Shipbuilding of China to collaborate on the development of new medium and large LNG carrier designs. The Qataris said the agreement paved the way for the establishment of a Joint Industry Project (JIP) targeting the development of new LNG carrier designs using the LNT A-BOX LNG cargo containment system.

Total LNG change

French energy major Total has named a new head of its LNG division. Total said Stéphane Michel is the new President of Gas, Renewables & Power, a position previously held by Philippe Sauquet, who is retiring. Since January 2014, Michel had been Senior Vice President of the Middle East and North Africa Exploration and Production division. He now also joins the Total Executive Committee. "We are very pleased to welcome Stéphane Michel to the Executive Committee," said Patrick Pouyanné, Chairman and Chief Executive of Total.

Spot charters rates stay flat

Shipping charter rates for LNG carriers in the spot market were mixed with West of Suez rates gaining around \$4,000 per week to average between \$36,000 per day and \$30,000 per day for vessels of between 155,000-165,000 cubic capacity. In the East of Suez charter market average rates were unchanged from last week at between \$32,000 per day and \$28,000 per day, according to various brokers.

Italian LNG terminal and gas network operator teams up with gases group to develop small liquefaction projects

LNG News Editor

Italian natural gas network and LNG terminal operator Snam said it was exploring opportunities to expand into the small-scale and mid-scale liquefaction plant sector and had signed an agreement on technological collaboration.

Snam, whose name comes from Società Nazionale Metanodotti (National Pipeline Company), operates the Italian gas grid and two LNG import terminals, the "FSRU Toscana" moored offshore the West Coast of Italy and the on-shore Panigaglia facility near the port of Genoa.

Technology

Snam said it had signed an agreement with the Italian SIAD group, a producer and supplier of industrial gases, to foster the use of small-scale LNG and Bio-LNG as alternative fuels and for off-grid customers.

The agreement, signed by the Snam Chief Executive Marco Alverà, and the Chairman of SIAD, Roberto Sestini, has as its goal the building of small-scale and medium-sized plants for the liquefaction of natural gas and biomethane on a global scale, on behalf of third-party customers.

The plants proposed by Snam and SIAD will be modular and standardised, with capacities ranging from 50,000 to 100,000 tonnes per annum in the case of small-scale plants and from 200,000 tonnes per annum for the medium-sized facilities.

"With this agreement, Snam is entering the liquefaction infrastructure sector, which will be key to enable sustainable mobility by road, rail and potentially sea, as well as decarbonising other energy uses," said Snam CEO Alverà.

"LNG, especially in its 'bio' version, makes it possible to reduce both polluting and CO2 emis-



Snam has LNG terminals and partner can produce gases

sions. Thanks to this collaboration with SIAD, we will make an innovative energy transition solution available to both Italy and other countries," he added.

SIAD Chairman Sestini said the agreement reached with Snam for the development of methane and biomethane liquefaction plants would be made possible by the expertise and technical experience of his group.

"More than 500 plants have been built and installed in different parts of the world for the production of oxygen, nitrogen and argon, which all require the liquefaction of air," he explained.

"Based on this technological knowledge, it has been possible to design different sizes of methane liquefaction plants with efficient energy consumption and cost savings," stated Sestini.

As part of the collaboration between Snam and SIAD, the companies are already developing their first small-scale plant at Campania in southwest Italy.

The facility will have a capacity of 50,000 tonnes per annum and which has already received funding from the European Union.

Snam has also recently opened new LNG and compressed natural gas (CNG) fillings stations in Rome through subsidiary Snam4Mobility

in partnership with two fuel distribution operators.

They are located at via di Torre Spaccata and in via di Tor Cervara and Snam said they strengthened the growing supply of natural gas as a preferred and cleaner alternative fuel for vehicles.

"Snam's 2020-2024 strategic plan envisages the construction of 150 new natural gas and biomethane refuelling stations and the launch of the first five hydrogen refuelling stations," said the Italian company.

The station in via di Torre Spaccata is already equipped to supply Bio-LNG, liquefied biomethane obtained from organic waste, and now has conventional LNG.

"The refuelling station in via di Torre Spaccata is managed by Goldengas, a company that has been active for over 50 years in the supply of fuel, and the facility is the fifth in the Lazio area of Rome to supply LNG for heavy vehicles," said Snam.

The distribution point in via di Tor Cervara is managed by Enerpetroli, a company active for 30 years in the distribution of fuels in four regions of Central Italy, with 130 own-brand and Esso-branded stations.

Finnish LNG fuel supplier Gasum to move into French ports with latest licence for bunkering

LNG News Editor

Gasum, the Finnish state-owned LNG distribution company and re-gasification and liquefaction infrastructure owner in the Nordic region, is expanding its geographic reach to France after already entering the Antwerp, Amsterdam and Rotterdam region, also known as the ARA area.

"As part of this strategy, Gasum has now obtained a licence to deliver maritime LNG in France, allowing it to add French ports and waters to its supply network," said Gasum.

Delivery

The new LNG distribution licence will allow Gasum to deliver to maritime customers in France and to offer LNG, a cleaner shipping fuel, to a larger number of customers.

In addition, the licence will improve the geographic availability of LNG to more European ports.

"Obtaining this licence marks another milestone in our quest



Import and regasification terminal at Alesund in Norway

to increase the outreach of our maritime LNG deliveries," said Jacob Granqvist, Vice President at Gasum.

"It underlines Gasum's commitment to act as a reliable European maritime LNG supplier," added Granqvist.

At the end of 2020, Gasum extended its bunkering activities to include the ARA area.

The expansion is possible due to a new agreement with Norwegian oil and gas major Equinor for the ARA, an important trading hub in the rivers and canals and ports network where barges and small

ships and tankers conduct trading and supply operations.

Gasum is now delivering LNG bunkering supplies to Equinor in the ARA. Gasum and Equinor have been co-operating on various projects and LNG supply chain development for Equinor's vessels since 2011.

The Finnish company has been fuelling Equinor's oil tankers that are shipping crude oil from North Sea to Swedish and Baltic ports.

The bunkering is mainly performed by Gasum's small-scale bunkering vessels such as the "Coralus" and the "Kairos".

Gasum owns a network of LNG import terminals, a small-scale liquefaction plant and an expanding chain of LNG fuel stations for vehicles in the Nordic region.

Its terminals include Sweden's Nynashamn small-scale facility with 20,000 cubic metres capacity of storage and purchased in April 2020 by Gasum from Germany's Linde AG.

The Finnish company also has a small-scale liquefaction plant in Risavika, near Stavanger in Norway, in addition to owning and operating other small regasification and import terminals in Ora and Alesund in Norway and Lysekil in Sweden.

It also partly owns the Pori LNG import terminal in Finland and has a stake in the Finnish Tornio Magna regasification facility.

The Tornio terminal in Northern Finland is the largest in the Nordic region.

It is located on the Swedish border which allows it to serve Gasum's customers in Finland, Sweden and Norway.

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The Baltic Exchange starts LNG fuel indices

The London-based Baltic Exchange is starting its first full week of issuing independent indices for liquified natural gas propulsion fuel, based on vessels burning LNG rather than marine fuel oil or marine gas oil as their primary fuel.

The Baltic Exchange, owned by the Singapore Exchange, makes its latest offering following benchmarking that also covers other aspects of the LNG shipping industry.

Published twice weekly, the new indices have been given the acronym (BLNGg) and will be published alongside the current LNG indices which are based on LNG carriers burning Very Low Sulphur Fuel Oil (VLSFO).

Historical data for the new indices will be available dating back to 1 January 2020.

The standard Baltic vessel has the following speed and consumption specification when burning LNG as a fuel: 17 knots on 210 cbm LNG/day laden; 16 knots on 190 cbm LNG/day ballast 0.1 percent boil off; Port consumption 42 cbm LNG/day idle; Port consumption 85 cbm LNG/day working.

US dollar per day assessments are also available on the following routes: BLNG1g Australia to Japan return voyage (RV); BLNG2g US Gulf to Continent RV; BLNG3g US Gulf to Japan RV.

US derivatives trading platform company, Chicago-based CME Group, plans to launch three new futures contracts based on the new Baltic Exchange indices on 22 March, 2021, pending regulatory review.

"As LNG markets continue to evolve globally, demand for new tools to manage the risk around its transportation is also growing rapidly," said Peter Keavey, Global Head of Energy at CME.

Philippines issues notice to proceed for another LNG import terminal

LNG News Editor

Atlantic Gulf and Pacific Company, the Singapore-based LNG and natural gas logistics and distribution company, has been issued with a Notice to Proceed (NTP) by the Department of Energy in the Philippines for the development of its own LNG import and regasification terminal in Batangas Bay on the Filipino main island of Luzon.

The project is called Philipines LNG and will store and dispatch LNG to power plants, industrial and commercial customers and other consumers.

Scope

PLNG will have initial capacity to deliver up to 3.0 million tonnes per annum of LNG by 2022, with additional capacity for distribution in the liquid fuel market.

The PLNG venture is a rival project to another being developed in Batangas Bay by First Gen Corp., the largest provider of gas-fired power in the Philippines.

First Gen's Batangas project is developing a fast-track terminal to also bring LNG to the Philippines by 2022 at Batangas City.



LNG terminals welcomed in Batangas area for power needs

Analysts note that the need for the Philippines to import LNG to the Batangas region and elsewhere has stemmed from efforts to shore up the country's energy security for the capital Manila with the expected depletion of the Malampaya gas field, currently the sole provider of domestic supplies for Luzon.

PLNG will also have scalable on-shore regasification capacity of 420 million standard cubic feet per day and almost 200,000 cubic metres capacity of storage that will ensure high availability and reliability of natural gas for its customers.

AG&P has already completed its pre-development work for PLNG, which is expected to be commissioned by mid-2022.

"We are excited about this critical step in bringing AG&P's Philippines LNG import terminal online," said Karthik Sathyamoorthy, President of LNG Terminals and Logistics at AG&P.

"AG&P is working to bring this safe, environmentally-friendly, competitive fuel to our customers by the summer of 2022 and hope that the wide availability of natural gas will spur manufacturing and jobs in the Philippines," added Sathyamoorthy.

The government's approval of AG&P's application is in line with its aim of making the Philippines a regional LNG hub in Southeast Asia to rival Singapore.

Gazoduc project linked to Québec LNG plant now shows signs of life

The Canadian Gazoduc project as well as Energie Saguenay, the natural gas liquefaction plant proposed by GNL Québec, have received investments from business people and entrepreneurs in the French-speaking province as a demonstration of confidence.

The Gazoduc project to provide LNG feed gas by pipeline said the investments had come from the Saguenay-Lac-Saint-Jean and Abitibi-Témiscamingue regions of Québec.

The Gazoduc team said it saluted the investment decisions by these entrepreneurs.

"This is a strong symbolic ges-

ture, which concretely demonstrates the support of business people in these two regions for major infrastructure projects like ours," said the development company.

"It is also an important positive signal that is being sent to major national and international investors," it added.

"Our project, like Énergie Saguenay, rests on solid fundamentals, attracting credible regional leaders who have a real and concrete interest in seeing these projects come to fruition in their region," stated Gazoduc.

Gazoduc latest investment

adds to the C\$2M in financial support that the company recently obtained from Emissions Reduction Alberta (ERA).

In addition, the limited partnership sponsoring the Gazoduc and GNL Québec projects have changed their name to the Symbio Infrastructure Limited Partnership.

"The name change was made in early February to ease the confusion that persisted between the GNL Québec Limited Partnership and GNL Québec Inc., which is based in the Saguenay region," added Gazoduc.

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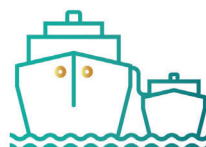
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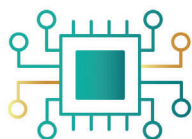
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Rio Grande LNG project developer extends engineering contract with Bechtel to mid-2022

LNG News Editor

The developer of the Rio Grande liquefied natural LNG export project in Texas and US LNG engineers Bechtel Inc. have completed a “pricing refresh” exercise on the lump-sum turnkey engineering, procurement, and construction agreement for the first three Trains for the facility to be located on the Brownsville Ship Channel.

The Rio Grande project, owned by Houston, Texas-based NextDecade Corp, will produce 27 million tonnes per annum from five liquefaction Trains when completed.

Stable price

NextDecade said the new accord with Bechtel resulted in no impact to the overall cost of the project.

The pricing in the EPC agreement is now valid until the end of December 2021.

Additionally, NextDecade said it had agreed with Bechtel to extend the validity of the EPC agreement until July 31, 2022.



Five-Train facility to be sited on Brownsville Ship Channel

“We value our strong partnership with Bechtel, the world’s leading LNG EPC contractor,” said Matt Schatzman, NextDecade’s Chairman and Chief Executive.

“Our global LNG customers, feed gas suppliers, and other stakeholders can have the utmost confidence in the on-time and on-budget delivery of our Rio Grande LNG project,” added Schatzman.

“We are pleased to continue to progress our engineering and procurement activities under limited notices to proceed, and we look forward to providing Bechtel with a full notice to proceed with the

development of this world-class project immediately following the final investment decision, stated the NextDecade CEO.

NextDecade recently decided not to proceed with another venture called Galveston Bay LNG because part of the project area in Texas was under federal law.

The Nasdaq-listed company said it had been advised that the site near Texas City was not suitable for development of an LNG facility and related infrastructure and utilities.

The US Army Corps of Engineers (USACE), Galveston District, had

advised that a portion of the Galveston Bay LNG site is under Federal Navigation Servitude and serves as an active Dredged Material Placement Area (DMPA) for the Texas City Ship Channel Federal Project.

Federal navigational servitude is an aspect of the sovereignty of the United States, grounded in the right of the Federal Government to regulate commerce, entitling the government to exert a dominance in all lands below the ordinary high water mark of navigable waters.

The company emphasized at the time that the circumstances of Galveston Bay LNG being cancelled would have no impact on the Rio Grande project.

The Rio Grande plant, which is close to two other facilities in the Brownsville Ship Channel area, is awaiting an FID in 2021.

Rio Grande LNG is close to the Texas LNG development, owned by New York-based Glenfarne Group, and Annova LNG whose backers include Exelon Corp., the utility headquartered in Chicago.

Engineering firm McDermott takes stake in previously sold subsidiary Lummus Technology

McDermott International, the leading LNG and energy project engineering company, has decided to invest in Lummus Technology Holdings, the company it sold as part of its restructuring to help emerge from financial difficulties over the last several years.

Under the terms of the asset purchase agreement for the sale of Lummus Technology, entered into with a joint partnership between Haldia Petrochemicals Ltd., a flagship company of The Chatterjee Group, and Rhône Capital, in January 2020, McDermott was provided the option to purchase a minority common equity ownership interest.

The Houston, Texas-based company said it had now exercised this option.

Lummus is a leading licensor of proprietary petrochemical, refining, gasification and gas processing technologies, and a supplier of catalysts, other equipment and related engineering services.

It became part of McDermott after the ill-timed takeover of CB&I, which itself had acquired Lummus for \$950 million in 2007 from Swiss-Swedish power and automation company ABB.

“This agreement not only reinforces our already-robust and active relationship, but also reflects our support of, and belief in the Lummus long-term strategic plan,” said David Dickson, President and Chief Executive of McDermott.

“Together, we will continue to combine McDermott’s iEPC delivery

with Lummus’s innovative technology solutions to our customers across the globe,” added Dickson.

The sale of Lummus was part of McDermott’s comprehensive restructuring process, which McDermott successfully completed on June 30 in 2020 to help it emerge from Chapter 11 bankruptcy protection.

Since the sale, McDermott and Lummus have continued to work together through their strategic agreement to connect customers to technology solutions.

McDermott is involved in some of the world’s leading LNG construction projects, including on the US Gulf Coast and the North Field Expansion in Qatar.

McDermott has additionally been engaged as a contractor on

the Golden Pass LNG export project for Qatar Petroleum and ExxonMobil.

Qatar Petroleum announced in January 2021 that its North Field South (NFS) project front-end engineering and design contract had been awarded to McDermott.

McDermott has executed projects in Qatar’s North Field for more than 30 years and said it would leverage its experience and resources for this contract.

The contract scope includes the replication of five offshore wellhead platforms.

The FEED contract will be executed from McDermott’s office in the Qatari capital Doha and work would begin immediately.