LNG Unlimited

LNG JOURNAL PUBLICATION 20 April 2021

Philippines makes progress on road to being next major LNG importer

AG&P orders first tanks for onshore terminal at Batangas for where FSRU has also been chartered

LNG News Editor

CB&I is competing with others in Southeast Asia build-out

The Philippines LNG project at Batangas Bay on the Filipino main island of Luzon has awarded storage tank contracts to the world's oldest tank erector, Chicago Bridge and Iron (CB&I).

CB&I Storage Solutions, owned by Houston-based McDermott International, will build the first two 60,000 cubic metres full containment steel LNG tanks.

Wide-ranging

The US company is competing in the Southeast Asia LNG build-out with other engineering firm like Saipem expanding the LNG terminal in Thailand (photo above).

Philippines LNG project owner, the Manila subsidiary of Atlantic Gulf and Pacific Company (AG&P) of Singapore, said that other parts of the contract include geotechnical investigation, soil improvement, foundations and a topside platform structure, as well as pre-commissioning and commissioning activities.

"We are confident we made the right choice to work in close cooperation with CB&I Storage Solutions on this technically advanced and challenging project," explained Roeland Uytdewilligen, Project Director of AG&P.

Cesar Canals, Senior Vice President of CB&I Storage Solutions, said mechanical completion of Philippines LNG was expected in the third quarter of 2023 with commissioning to follow.

"The design of this first-of-a-kind full containment steel LNG tank highlights our innovation and technology leadership in the LNG storage industry and positions CB&I to serve the growing small-scale LNG market in Asia and other regions with similar demands,"' explained the CB&I senior Vice President.

"We have an extensive history of executing world-class projects in the Philippines and are confident in our ability to deliver this tank safely, on time and within budget," stated Canals.

AG&P, a leading natural gas logistics and distribution company, was issued with a Notice to Proceed (NTP) by the Department of Energy in the Philippines in March 2021.

PLNG will have initial capacity to deliver up to 3.0 million tonnes per annum of LNG, 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.

FirstGen's Batangas project is developing a fast-track floating terminal to also bring LNG to the Philippines in the next 18 months using a floating storage and regasification unit (FSRU).

FirstGen in April 2021 chose BW LNG of Singapore to provide the FSRU for its Batangas project.

BW Gas was chosen over Höegh LNG after a tender for the five-year charter agreement.

The vessel expected to be chartered is the "BW Paris" with 162,500 cubic metres capacity of storage, according to company filings in Manila.

The FSRU also has a nominal and peak gas send-out capacity of 500 million standard cubic feet per day and 700 MMscf per day respectively.

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.

AG&P's PLNG venture for its part will also have scalable onshore regasification capacity of 420 million standard cubic feet per day.

The Filipino Government's approval of AG&P's project was in line with its aim of making the Philippines a regional LNG hub in Southeast Asia to rival Singapore. ■

UNLIMITED AGENDA

Brokers report 40 spot LNG carrier fixtures and 19 multi-month-plus fixtures in March recovery

LNG News Editor

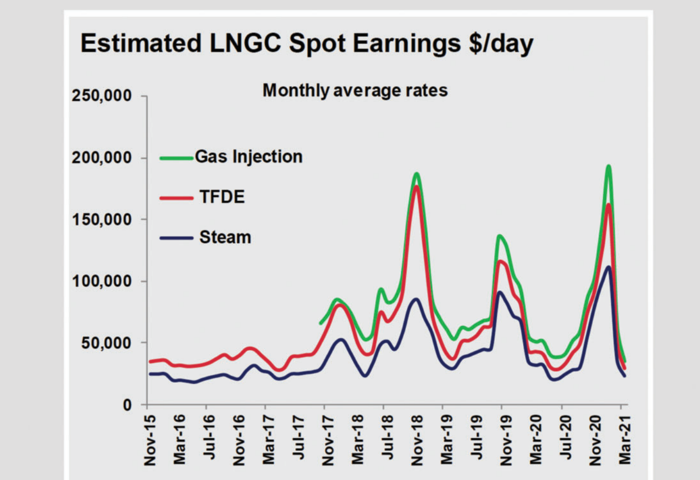
Shipping brokers in the London market reported 40 spot LNG carrier fixtures and 19 multi-month-plus fixtures in the month of March with a marked improvement in the second half amid the anticipated seasonal lull.

"The average rates for tri-fuel, diesel-electric (TFDE) vessel fixtures recorded in the first two weeks of March were in the mid-high $20s with ballast bonus to hub with the Pacific seeing fixtures even below that," said the monthly LNG charter market report from brokers Simpson, Spence and Young of London.

Decline

"These levels further pronounced the dramatic drop the market experienced from the dizzying highs of January and early February," added the report.

"Yet, amidst the weakening rates and economics, the market maintained a healthy level of activity with more than 40 spot and 19 multi-month-plus fixtures being recorded," stated Simpson, Spence and Young.



Average rates for tri-fuel, diesel-electric (TFDE) vessels

The report noted that towards the end of the month, Far East gas prices recovered on the back of early restocking efforts from regional buyers.

"This opened the arbitrage for April liftings selling into May and June JKM and therefore numerous prompt requirements surfaced," explained the report.

"This resulted in the last week of the month seeing owners capture round trip econs in the Atlantic and numerous vessels ballasting West in search of the premium market," it added.

"This in turn tightened the Pacific which also gradually saw improved rates and economics for owners," said the report.

With the 19 term fixtures recorded in March, the brokers stated that this was the busiest month in quite some time on the multi-month-multiyear front.

"From a structural perspective, many of these fixtures were for a firm period of one-year with an option for one more," said the report.

"Charterers were incentivised to fix at cycle lows for 1-3 year period while some of them await their newbuilding orders inked for delivery in 2022 and 2023," it added.

The report added that four new offtake contracts were signed in March. The first involved China's Shenergy Group and Russia's Novatek Gas & Power Asia for 3 million tonnes per annum over 15 years.

Novatek signed an additional firm contract with Spain's Repsol for the sale of LNG from the future Arctic LNG II project. The company intends to supply 1 MTPA over 15 years.

Qatar Petroleum signed a deal with Pakistan State Oil to provide up to 3 MTPA of LNG to Pakistan, commencing in 2022 and ending in 2031.

The Qataris also signed a supply deal with China's Sinopec for 10 years and with the supply of 2 MTPA from January 2022. ■

Golar LNG shares plunged after CEO quit as assets sell-off to New Fortress being completed

Golar LNG Ltd shares plunged almost 8 percent after Chief Executive Iain Ross resigned after nearly four years with the Norwegian-founded LNG shipping and projects company as it was completing the sell-off of assets to US LNG-for-power projects company New Fortress Energy.

"The New Fortress Energy transactions will simplify the Golar group structure, crystalize underlying value and strengthen the balance sheet," said the Golar LNG Ltd statement announcing the departure of CEO Ross.

"The majority of the closing conditions have been completed, including prepayment notices. Closing of the transactions is expected shortly," Golar added.

Golar LNG Ltd also said it would immediately start the search for a new CEO, adding that Ross's contractual termination period of six months can be prolonged or reduced upon mutual agreement.

Ross, who took over the helm of Golar LNG Ltd in September 2017, had been an executive with Australian-based global energy and LNG engineering company WorleyParsons before joining Golar.

Golar LNG Ltd shares were last down 7.66 percent on April 13 at $9.76 per share on the Nasdaq global stock exchange, a low for 2021.

Golar has now closed the sale of its 50 percent stake in Hygo Energy Transition, formerly known as Golar Power, and its 32 percent interest in its US affiliate Golar LNG Partners, both to New York-based New Fortress.

Hygo itself was a joint venture set up between Golar and US private equity firm Stonepeak Infrastructure Partners.

Golar LNG Ltd's shares last fell by a large amount, more than 30 percent, on 26th of September 2020 when it was caught up briefly in a Brazilian corruption investigation.

The Golar LNG Ltd shares then had plunged to $6.83 per share from $10.14 per share in the previous session after the news emerged of Hygo CEO Eduardo Antonello being involved in the probe into certain activities before he had joined Hygo.

It came at a time when Hygo was expanding its LNG-for-power projects in northeast Brazil, now purchased by New Fortress, led by its high-profile CEO Wes Edens.

Antonello later stepped down from Hygo over the controversy and was replaced by Paul Hanrahan.

The Golar assets sales deals involving New Fortress taking over Golar's US unit, Golar LNG Partners. and the Hygo stake, have since been approved by shareholders of Golar LNG Partners after first being revealed in mid-January 2021. ■

GTT wins storage tank order from China yard

Gaztransport and Technigaz (GTT), the French LNG storage technology company, has received another order for a China-built LNG carrier as its Chinese business links increase and broaden.

GTT said it received an order from the Shanghai-based Hudong-Zhonghua Shipbuilding Group for the storage tank design of a newbuild received on behalf of the Chinese shipowner ShenZhen Gas Corp.

GTT said it would design for the vessel offering a cargo capacity of 79,960 cubic metres and the ship will be fitted with the No. 96 L03-plus membrane containment system.

The vessel is scheduled to be delivered from the Chinese yard in January 2023.

The French technology firm has been increasing its activities worldwide, including in China in particular.

GTT and the Shanghai Merchant Ship Design and Research Institute (SDARI) in March 2021 received approval from the European classification society DNV for their project involving LNG-powered bulk carriers.

GTT designed the tank up to the supporting steel wall while the tank's integration into the vessel was studied by SDARI, a subsidiary of China State Shipbuilding Corp.

This Approval in Principle (AiP) confirmed that the membrane fuel tank complied with safety regulations and was technically feasible onboard the LNG-fuelled Newcastlemax bulk carriers.

The DNV approval statement noted that the design improvements offered increased autonomy and drastically reduces sulphur and greenhouse-gas emissions compared with a standard Newcastlemax design.

Qatar awards more offshore work to Saipem for LNG expansion

LNG News Editor

Qatargas Operating Company has awarded Italian energy and LNG engineering company Saipem additional work worth $350 million within the North Field Production offshore project in the Arab Gulf underpinning the Qatar LNG expansion.

The Qatargas offshore project is located about 80 kilometres (50 miles) northeast of the mainland of Qatar.

North Field project is located about 80 kilometres off the mainland of Qatar and will boost Ras Laffan supply

Scope

The activities to be carried out comprise the construction of two additional riser platforms, two additional connecting bridges with existing wellhead platforms.

Saipem said the scope also includes two corrosion resistant carbon steel cladded intra-field pipelines with a length of 13km overall and with the decommissioning of existing pipeline included.

"Works associated with the exercise of the options will be fully integrated with the project activities of two contract awards announced earlier this year," added Saipem.

"These are the North Field Production Sustainability Offshore and the North Field Production Sustainability Pipeline, which are both part of the strategic development of the North Field production plateau," stated Saipem.

"This commercial achievement is a further proof of trust in Saipem by its key client, Qatargas," said the Milan-based company.

"Saipem is already working actively on project engineering and site preparation activities and it's looking forward to progress further, by leveraging its competences, assets and technology," it added.

Qatar Petroleum, the parent company of Qatargas, in February 2021 took the final investment decision and signed onshore project engineering contracts with Japanese company Chiyoda Corp. and European-based Technip Energies for the LNG expansion.

The expansion will comprise the construction of four Trains for liquefaction to take the Arab Gulf state's output from 77 million tonnes per annum up to 110 MTPA.

US Rio Grande developer signs with Mitsubishi on carbon-capture plan

NextDecade Corp., the developer of the US Rio Grande LNG export project, has signed an agreement with Mitsubishi Heavy Industries of Japan to install post-combustion carbon-capture technology at the facility proposed for the Port of Brownsville in Texas.

Next Decade and the MHI US subsidiary have signed an engineering services agreement (ESA) for the design, license, and performance guarantee of the KM CDR Process.

The Japanese group has developed the KM CDR Process over three decades and the technology is owned by Mitsubishi Heavy Industries Engineering Ltd, part of the MHI group.

The CCS project at Rio Grande LNG is expected to enable the capture and permanent geologic storage of more than five million tonnes of carbon dioxide (CO2) per year.

"MHI Group has deployed 13 carbon-capture systems around the world, including the world's largest post-combustion carbon-capture facility that is comparable in size to the first phase of the carbon-capture project at Rio Grande LNG," explained Houston-based NextDecade.

The Rio Grande project will produce 27 million tonnes per annum of LNG from five liquefaction Trains when completed.

NextDecade, which has yet to make a final investment decision on the project, recently extended pricing in the construction contract with LNG engineer Bechtel Inc. until the end of December 2021.

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

"We are pleased to have executed an ESA with MHI Group, a widely recognized leader in commercial-scale carbon-capture technology," said Matt Schatzman, NextDecade's Chairman and Chief Executive.

"MHI Group's carbon-capture solution is an ideal complement to NextDecade's proprietary processes," added Schatzman.

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NEWS NUDGES

Total-Siemens tech plans

French major Total and Siemens Energy of Germany have signed a technical collaboration agreement to study sustainable solutions for reducing carbon-dioxide emissions at liquefied natural gas plants and associated power generation facilities. "Each partner will bring together their best-in-class technologies and combine their know-how to deliver industrial-stage solutions such as combustion of clean hydrogen in gas turbines, competitive all-electrical liquefaction, optimized power generation, the integration of renewable energy in liquefaction plants' power system," explained Total.

Gas for Chechnya

Russian natural gas company Gazprom has opened the Mozdok-Grozny gas trunkline to improve supplies to the Chechen Republic, part of Russia's North Caucasian District and which was the subject of two separatist wars from 1994 to 2009. The pipeline crosses under 13 roads and six bodies of water, including the Terek River. An affiliated gas distribution station with an hourly capacity of 247,000 cubic metres was created as part of the project in the North Caucasus region between the Black Sea and the Caspian Sea.

Charter rates rise

Shipping charter rates for LNG carriers in the spot market increased for West of Suez by around $13,500 per day to average between $55,000 per day and $51,000 per day for vessels of 155,000-165,000 cubic metres capacity. In the East of Suez charter market average rates rose by around $4,000 per day to between $43,000 per day and $39,000 per day, according to various brokers.

Largest LNG terminal in Europe near London plans life extension

LNG News Editor

National Grid Plc, the owner and operator of Europe's largest LNG import terminal at the Isle of Grain southeast of London and which came on line 16 years ago, has launched an engineering project to safely extend the life-span of the facility's assets.

The terminal, located on the Medway-Thames estuary, is presently able to provide up to 25 percent of the UK's gas demand with shipments from nations such as Qatar, Russia, Algeria and Trinidad.

Grain facility was commissioned on Kent coast in 2005

Services

In addition to regasification, Isle of Grain LNG offers add-on services including truck-loading bays, reloads, cool-downs and trans-shipments.

National Grid has hired Frazer-Nash, a systems, engineering and technology consultancy to complete the early engineering studies.

Frazer-Nash said it was examining the original design intent of the Kent-based facility and its current state of health, to identify the areas of the terminal that would require enhanced investment, overhaul or modifications.

"By assessing the plant's compliance with company specifications, industry standards, and health and safety regulations, Frazer-Nash has enabled Grain LNG to ensure it can manage its plant and equipment risk," said the consultancy firm.

The company has undertaken both on-site and off-site activities, including system workshops with site engineering and maintenance teams, and site-based asset reviews.

"The Grain LNG Phase 1 facility is a large, complex upper tier integrated site," said Philippa Jones of the Frazer-Nash team.

"As it was approaching the end of its current operating contract, and developing a business plan for future operations it wanted to understand potential future threats to its plant integrity, and asked us to undertake a systematic and detailed 'Basis of Design' review, as part of an overall life extension review," Jones explained.

Japanese spot LNG contracted cargo prices substantially cut

Japanese spot LNG prices for delivered cargoes in March dropped substantially from the previous month and the contracted prices almost halved, as well as being well down year on year.

Japanese spot LNG prices for delivered cargoes in March 2021 came to $9.30 per million British thermal units compared with $16.30 per MMBtu in February 2021.

The March 2021 contracted price for shipments to Japan averaged $6.60 per MMBtu versus $12.70 per MMBtu in February 2021 and $3.30 per MMBtu in March 2020, according to the data from the Japanese Ministry of Economy, Trade and Industry (METI).

The delivered spot price for Japan in March 2020 was not published as there had been too few deals registered.

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 in 2021.

It is currently at around $8.80 per MMBtu based on a North Sea Brent crude price of $63 per barrel.

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

The Ministry surveys spot LNG cargoes bought by Japanese utilities and other importers, but excludes cargo-by-cargo deals linked to benchmarks such as the US natural gas Henry Hub.

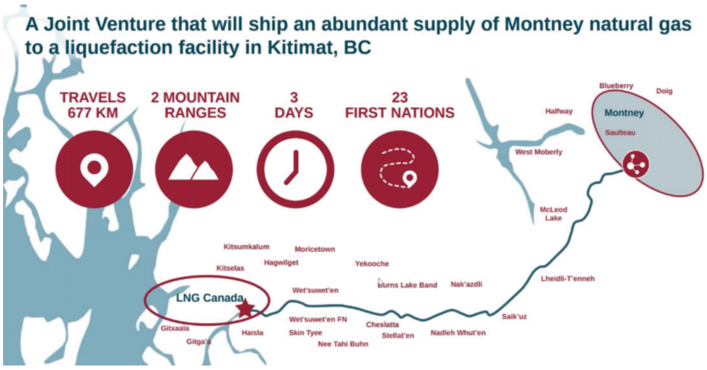
Overall Japanese LNG imports, including long-term contract volumes, had soared by more than 21 percent in February, the latest figures available, backed by a doubling of US supplies and more cargoes from Asia and Russia as stocks were rebuilt after the high winter season usage.

IGU event hears how support has surged for LNG Canada backed by First Nation economic roles

LNG News Editor

LNG Canada, the export project in British Columbia, has provided one of the greatest reconciliations ever between Canada and its indigenous peoples in terms of economic participation and is also helping to carry the province out of the Covid-19 slowdown.

The LNG Canada project, led by Royal Dutch Shell, is the largest private sector investment in Canada's history with spending of C$40 billion (US$30.2Bln) and the venture's Chief Executive Peter Zebedee has given an update on progress at a Web conference of the International Gas Union, the global body promoting LNG and pipeline gas use worldwide.



Kitimat support has jumped to 74 percent in British Columbia for venture using Montney resources

Committed

"We continue to advance work and we're reaching key and important milestones as we remain fully committed to delivering our first cargo by the middle of this decade," said Zebedee.

The CEO stated that since construction began three years ago the liquefaction and export site at Kitimat, 640 kilometres north of Vancouver, is now starting to take shape.

"As our activities across all work fronts progress, not surprisingly people are really starting to take notice," stated Zebedee.

Shell and its four partners, Mitsubishi Corp. of Japan, Malaysian energy company Petronas, Chinese major PetroChina and Korea Gas Corp., agreed in October 2018 to start construction at the brownfield site near Kitimat that had been an energy products terminal before being acquired by Shell in 2011.

The US$5-billion pipeline of 670 kilometres is being built by Canada's TC Energy to bring the feed-gas from the Montney natural gas basin to the Kitimat liquefaction and export facility on the Pacific Coast.

Ripple effect

The LNG Canada CEO explained that independent analysts had cited LNG Canada as having "a positive ripple effect" throughout the rest of the construction industry across the trades and crafts in BC and into the upstream in the Montney basin.

"One highly respected economist estimates that LNG Canada on its own will lift the British Columbia economy in 2021, adding up to a full half percent of all of the provinces gross domestic product," said Zebedee.

He also pointed out that support was soaring among the BC population for the joint venture and its aims of providing clean energy for Asia to replace polluting coal.

Support among Canadians in BC for the LNG Canada venture has surged from 66 percent to 74 percent, according to independent polling.

"As we build the plant there is more awareness about our project and more people now understand the importance to the local economy and to the provincial economy and now they tend to support the project," explained the CEO.

He added that the growing awareness and the favorable impression really hasn't happened by accident and Shell and its partners had worked hard to explain how the venture works with the help and full participation of indigenous communities, their businesses and with the consent of all First Nations in the region.

True reconciliation

"True reconciliation with our indigenous peoples includes economic reconciliation and that's access to jobs, to training, to education and ensuring that indigenous communities have sustainable long-term benefits from economic development projects such as ours," said the CEO.

"I'm really pleased to report that the value of our project's contracts and sub-contracts for indigenous and other local businesses here in British Columbia continues to grow and has now reached over C$3 billion (US$2.2Bln) for indigenous-owned businesses and local businesses," added Zebedee.

The CEO also declared that LNG Canada needed to demonstrate what the benefits of natural gas from northeast British Columbia will be for the rest of the world and for places that really need it.

"This is another key part of the LNG Canada story with our low-carbon emissions and electrification of our power, as well as upstream emissions controls along the pipeline," added Zebedee.

"Carbon-intensity for LNG Canada is going to be a full 35 percent better than the top-performing energy facilities anywhere else in the world and a full 60 percent better than the global weighted average," he said. ■

Aramco signs $12.4Bln deal with EIG on pipe network

The Saudi Arabian Oil Company, Saudi Aramco, has signed one of the world's largest ever energy infrastructure deals worth $12.4 billion with the Washington DC-based EIG Global Energy Partners fund as part of a program to secure private capital for more broad-based activities such as new energy projects.

Aramco, a future player in the LNG market and a developer of green energy such as hydrogen, reported record production during 2020 of natural gas as well as oil.

This is the first major deal by Aramco since its stock exchange listing in late 2019 when the Saudi government sold a minority stake in the firm for $29.4Bln in the world's biggest initial public offering.

The EIG group has now signed a lease and lease-back agreement with Aramco, acquiring a 49 percent equity stake in the newly formed Aramco Oil Pipelines Co., with rights to 25-years of tariff payments for oil transported through Aramco's crude oil pipeline network.

Aramco will still own a majority 51 percent stake in the new company. The deal comes at a time when the Saudis are aiming to boost domestic natural gas output and are looking at investments in the LNG market and green gases for clean energy supplies for Asia.

"The transaction reflects ongoing progress in Aramco's portfolio optimization program, which aims to unlock value and maximize shareholder returns," said Aramco.

"Significant injection of foreign capital reinforces Aramco's leading position in the international energy arena and Saudi Arabia's appeal to prominent institutional investors globally," added the Saudi company.

Novatek reports preliminary results for Yamal LNG plant and pipelines

LNG News Editor

Novatek, the Russian natural gas producer and LNG project operator and developer, reported first-quarter 2021 preliminary operating results showing that hydrocarbon production totalled 158.1 million barrels of oil equivalent.

This included 20.15 billion cubic metres of natural gas and 3,129,00 tons of liquids (gas condensate and crude oil), resulting in an increase in total hydrocarbons produced by 7.9 million barrels of oil equivalent, or 5.3 percent, compared with the first quarter of 2020.

Sales

"Preliminary natural gas volumes sold in the Russian Federation were 19.56 Bcm, representing an increase of 7.2 percent compared with the prior-year period, whereas LNG volumes sold on international markets amounted to 1.87 Bcm," said Novatek.

Novatek owns the largest share in the existing Yamal LNG export plant and is constructing the Arctic LNG II project on the nearby Gydan Peninsula.

Arctic LNG II will produce 19.8 million tonnes per annum of LNG as well as gas concentrate from the principal feed-gas resources, the Utrenneye gas fields, adding to the existing Yamal facility's annual output of 17.5 MTPA.

Yamal plant is fore-runner for more Arctic gas cargo exports

"The total natural gas sales volumes, including volumes of LNG sold, aggregated 21.43 Bcm, representing an increase of 3.6 percent compared with the first quarter of 2020," Novatek added.

"The decrease attributable to volumes sold on international markets was mainly due to the decrease of the Yamal LNG shareholders' share, including Novatek's share of LNG volumes sold on the spot market, and a corresponding increase in Yamal LNG direct sales under long-term contracts," the company explained. Novatek has offices in Moscow, though its corporate headquarters are in Tarko-Sale in the Yamal-Nenets Autonomous District in Western Siberia.

The company said it processed 3,127,000 tons of unstable gas condensate at the Purovsky Processing Plant, representing an increase of 10.8 percent versus the corresponding volumes processed in the prior reporting period.

Novatek also processed 1,772,000 tons of stable gas condensate at the Ust-Luga complex, west of St Petersburg, representing a decrease of 0.8 percent in volumes processed at that facility.

LNG player EDF Trading makes some executive changes in Europe

EDF Trading, a wholly-owned subsidiary of French utility EDF SA, has made several executive changes.

EDFT has named Valentino Scavardone as its new Head of Origination for Europe and appointment of Sylvie Billion as its new Chief Financial Officer.

Scavardone in his now role in Origination for Europe will report to Philipp Büssenschütt, EDF Trading's Chief Commercial Officer.

"The energy market landscape continues to evolve with new opportunities developing especially in the renewables markets and the European Gas markets through increasing LNG imports," explained Büssenschütt.

"Valentino and our Origination team will be working alongside our trading teams to develop new products, identify areas for expansion and continue to grow our customer flow business," stated Büssenschütt.

Scavardone said he was looking forward to growing the Origination business and supporting the EDF Group and its customers.

Valentino joined the previous EDF Trading (EDFT) entity in 2010 as a Senior Originator and was appointed Head of Southern Europe Origination in 2013.

Prior to joining EDFT, he was at the French-Belgian firm Electrabel-GDF Suez and E.ON of Germany.

EDF Trading named a new CFO in Sylvie Billion, who will report to Béatrice Bigois, Chief Executive, and will be a member of the company's Executive Committee.

"I'm delighted to welcome Sylvie to EDF Trading. She has extensive international experience of leading and working in financial risk and asset liability management," stated CEO Béatrice Bigois.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Australia's Woodside names former ExxonMobil senior executive Meg O'Neill as Acting CEO

LNG News Editor

Woodside Petroleum, the operator of the Northwest Shelf LNG export plant and Pluto LNG in Western Australia, has named Meg O'Neill as Acting Chief Executive on the agreed retirement of incumbent Peter Coleman from the Board on April 19 and the company on June 3.

Coleman had previous announced his intention to step down in December 2020 around mid-2021 by which time he would have served 10 years in the role of CEO.

O'Neill comes from Boulder, Colorado, and went to MIT

Board spot

Woodside has now said that the CEO would leave the Board on the 19th of April 2021, while continuing to work with Woodside until the start of June 2021.

Meg O'Neill, Woodside's Executive Vice President for Development and Marketing, will be appointed Acting CEO from the 20th of April 2021.

Woodside Chairman Richard Goyder reiterated the Board's thanks to Coleman for his leadership of Woodside.

"Peter has been an outstanding CEO, creating a resilient and future-focused organisation," stated Goyder.

"Throughout his time at the helm of Woodside, Peter has demonstrated a commitment to promoting inclusion and diversity, operational excellence, a safe workplace, prudent capital management and maintenance of a strong balance sheet," added Goyder.

"The Board is very pleased to announce the appointment of Meg O'Neill as Acting CEO. Meg has demonstrated that she is an extremely capable executive, underpinned by her extensive experience and track record in the global energy sector," the Chairman explained.

She is a US citizen and is originally from Boulder, Colorado. O'Neill is a graduate of the Massachusetts Institute of Technology, with degrees in Ocean and Chemical Engineering. "The Board's internal and external search for Woodside's next CEO is progressing," said the company.

Prior to joining Woodside, O'Neill held the position of Vice President for Africa for ExxonMobil Development Co., based in Houston, Texas, where she was responsible for ExxonMobil's major projects across Africa, including Angola, Nigeria and Mozambique.

In 2014 to 2015, she was Vice President, Asia Pacific for ExxonMobil Production Co., where she was responsible for ExxonMobil's production business in Malaysia, Australia, Indonesia and Papua New Guinea.

From 2012 to 2014, O'Neill was additionally Managing Director of the ExxonMobil and Esso companies in Norway, based in Stavanger, after previously being President of ExxonMobil Canada, based in St. John's, Newfoundland, in 2010 and 2012. ■

Adelaide-based Santos makes CEO one of nation's highest paid to fend off head-hunters

Australian LNG project operator Santos is on its way to making Chief Executive Keven Gallagher one of the highest paid executives in the country as he develops projects in five key natural gas basins in Australia.

The Board of Santos has decided to provide Gallagher, who has the titles of Managing Director and CEO, with a once-off growth projects incentive to ensure their CEO sees through the delivery of these major ventures through 2025.

The move comes at a time when other companies, inside and outside Australia, are looking for a resilience and successful energy CEO.

Santos said that since joining in February 2016, Gallagher has led "a significant turnaround" in the company. "Santos is now a sustainable and resilient business generating significant free cash flow," said Adelaide-based Santos.

The Santos share price has more than doubled during Gallagher's tenure, while he also fought off or blocked several takeover offers and enquiries.

Driller

Gallagher is a drilling and mechanical engineering by background and he began his tenure as CEO at Santos when he moved from engineering company Clough Ltd.

He had previously had an impressive career at Woodside Petroleum. He was CEO of the North West Shelf Venture, Australia's first LNG export project, which also underpinned a new domestic gas market and fuelled the mining sector and other industries in Western Australia.

Woodside's CEO Peter Coleman has already announced plans to step down and the Perth-based company is casting around for a top-tier replacement.

In announcing the bonus package, in addition to his current remuneration, Santos Chairman Keith Spence said Gallagher was well-recognised as one of Australia's leading CEOs with a proven track record of delivering value for shareholders.

"Kevin is critical to the successful delivery of the company's strategy, major growth projects and driving the energy transition over the next five years," stated Spence.

The growth projects incentive will be delivered in the form of Share Acquisition Rights (SARs) with a face value at grant of A$6 million (US$4.57M).

"Vesting of the SARs will be subject to strict performance hurdles related to the successful delivery of major growth projects, the energy transition strategy and continued employment," said Santos.

Privilege

Gallagher stated that it was a privilege to lead Santos and his job was not yet done.

"I am delighted to commit to continuing to drive the delivery of our growth strategy, the transition to a leading clean fuels business and to achieve our net-zero emissions targets," said the CEO. ■