LNG Unlimited

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Pakistan opts for Russian help in boosting LNG import flows

Imran Khan's government expects the South-North pipeline to come on stream by 2023 at latest

LNG News Editor

A 12-person Russian delegation took part in the talks

Pakistan is preparing to fast-track work on the PakStream Gas Pipeline (PSGP) project that will be constructed by Russia to help deliver LNG imports received at Port Qasim near the south coast city of Karachi to the northern Pakistani province of Punjab.

A 12-person Russian delegation took part in the talks and signed a pact in Islamabad stipulating the terms for the PakStream project, which has become a South-North gas pipeline joint venture.

Port Qasim to Lahore

The pipeline will be 1,100 kilometres (684 miles) in length and enable Pakistan to more than double its current capacity to transport 1.2 billion cubic feet per day of regasified LNG from Port Qasim to Punjab, where there are insufficient supplies to meet high demand.

"After lengthy deliberations, the Governments of Pakistan and Russia have agreed upon and signed terms for construction of the PakStream Gas Pipeline," said Pakistani Energy Minister Hammad Azhar.

"This project has been suffering from delays since 2015 but effective progress has now been made," he added.

With Russian expertise being brough in, the Pakistani government is expecting the pipeline to come on stream by 2023.

The government led by Prime Minister Imran Khan is trying to build out natural gas infrastructure at a faster pace to meet future energy demand and has overruled requests that Pakistani companies should build the pipeline.

"Two new LNG terminals and underground storage at Port Qasim are planned to be added in the next three years, in addition to PakStream," said the government.

The other regasification terminals have been proposed by several companies, including Energas and Mitsubishi's Tabeer Energy.

Pakistan's LNG imports dropped by 8.5 percent to 7.42 million tonnes last year, about a quarter of what neighbour India receives.

The nation is still the sixth-largest Asian importer from just two facilities, the US Excelerate floating storage and regasification unit (FSRU) chartered by Engro and Vopak and a second FSRU known as the Pakistan GasPort.

Qatar is the main supplier of LNG cargoes to the Port Qasim terminals, though other shipments also come from producers such as the US.

Pakistan said it had also signed an outline of terms and a preliminary shareholder agreement on the new strategic South-North gas pipeline running to Kasur in Punjab, just south of the provincial capital Lahore. The pipeline project's cost has been estimated at US$2.5 billion.

"Russia will have a 26 percent share in the project but will have no sovereign guarantee from Pakistan on the rate of return," explained a Pakistani statement.

Executives

"Pakistan will have a 74 percent share in the project, which is why the Managing Director (MD) of the Special Purpose Company (SPC) will be appointed from the Pakistan side and the Chief Operating Officer will be from the Russian side," it added.

"The SPC will be responsible of running the PakStream project and the completed pipeline," the statement explained.

The pipeline capacity heading north will be to 2.5 Bcf per day.

The Pakistani and Russian sides have agreed to hold joint technical sessions by mid-August 2021 to exchange information on the project implementation status, set technical specifications and prepare a project roadmap after the signing of the final shareholder agreement. ■

UNLIMITED AGENDA

Tellurian discloses LNG project details including timings and stresses importance of own feed gas

LNG News Editor

Tellurian Executive Chairman Charif Souki, whose Driftwood LNG export venture in Louisiana has sold a combined 6 million tonnes per annum of cargoes to global commodities firms Vitol and Gunvor, has disclosed details of the timing of financing arrangements and the start of full construction.

Souki's latest declarations set a target of the end of the first quarter of 2022 for engineering, procurement and construction (EPC) contract holder Bechtel to have a notice to proceed with full building work.

Bankers

The Chairman added that Tellurian also expected to be able to announce the banking group that would finance the Driftwood plant by the end of 2021.

While the Driftwood project has permits to construction liquefaction Trains for up to 27.6 million tonnes per annum, the first phase was likely to be much less, between about 10 MTPA and 16 MTPA.

Souki noted that around 65 percent of the expected first-phase capacity had already been sold to Gunvor and Vitol.

He stated that Tellurian was continuing to work on securing more supply deals to cover the remaining capacity for the project's first phase.

Tellurian Chairman Charif Souki sets Driftwood targets

In May and June 2021 Tellurian signed 10-year agreements to sell 3 MTPA LNG each to both Vitol and Gunvor.

Tellurian's SPAs with Vitol and Gunvor are for volumes indexed to a combination of two indices, the Japan-Korea Marker price for spot cargoes and the European benchmark Dutch Title Transfer Facility (TTF), each netted back for transportation charges.

Tellurian said after the deals that at today's prices, each of the SPAs with Vitol and Gunvor are valued at around $12 billion in revenue over 10 years for the Gulf Coast venture.

The project also signed a long-term lease in June 2021 securing the site to build the plant on the west bank of the Calcasieu River, just south of Lake Charles.

Tellurian has also said that it wanted to produce all the feed gas needed for the plant and would not sanction the project until it had secured sufficient upstream reserves for the first phase.

Based on its current drilling programme in the Haynesville Shale in northern Louisiana, Tellurian expects to have production by the end of the year, which is three times the volume it was producing at the end of 2020.

Souki said that the company would need to have substantially more drilling, about 1.5 Bcf per day, to reach its goal.

Cheniere signs feed-gas supply deal for Corpus Christi plant expansion with Canada's Tourmaline

Cheniere Energy, the largest US liquefied natural gas exporter with the Sabine Pass plant in Louisiana and the Corpus Christi facility in Texas, said its Corpus Christi expansion project signed a feed-gas supply agreement with a Canadian company.

Cheniere said a Corpus Christi Liquefaction LLC unit signed the long-term accord with Tourmaline Oil Marketing Corp., one of Canada's largest natural gas producers.

Tourmaline has agreed to sell enough feed-gas for the Corpus Christi plant to produce 0.85 million tonnes per annum over 15 years, or a total of 140 million cubic feet per day.

Cheniere said it would pay Tourmaline an LNG-linked price for its gas, based on the Platts Japan-Korea Marker (JKM), after deductions for fixed LNG shipping costs and a fixed liquefaction fee.

The Canadian supplier's parent company Tourmaline Oil Corp. is acting as guarantor of the gas supply agreement on behalf of the Tourmaline Marketing arm.

Tourmaline has major positions in three of Canada's largest resources plays in the Western Canadian Sedimentary Basin, the Alberta Deep Basin, the Northeast British Columbia Montney and the Peace River Triassic Oil complex.

Tourmaline said it had secured long-term firm transportation with North American pipeline company TC Energy Corp. on existing pipeline systems to Texas for total tolls of US$0.86 per million British thermal units.

"This will allow Tourmaline's low-emission natural gas from the company's Alberta Deep Basin or BC Montney complexes to access Asian LNG market pricing while further diversifying Tourmaline's sales points for natural gas," added Calgary, Alberta-based Tourmaline.

Tourmaline has recently acquired more assets in Canada by buying Black Swan Energy and Paramount Resources Ltd, consolidating its position in the Montney Shale basin of northeast British Columbia.

This Integrated Production Marketing (IPM) transaction between Cheniere and Tourmaline will support the development of the Corpus Christi Stage III project.

The Corpus Christi plant currently has nameplate output of 13.5 million tonnes per annum from three Trains, each producing 4.5 MTPA. At the same time the Houston-based company is planning what it calls its Stage III expansion.

This comprises seven mid-scale liquefaction Trains adjacent to the Corpus Christi project, each with an expected nominal production capacity of around 1.4 MTPA of LNG.

The total expected minimum production capacity of the seven midscale Trains is 9.5 MTPA.

Supply breadth

"This latest IPM agreement with Canada's largest natural gas producer demonstrates the breadth of Cheniere's natural gas resource supply and the range of our commercial options," said Jack Fusco, Cheniere's President and Chief Executive.

Albanian project looks at pipeline and storage

Excelerate Energy, the US specialist in floating LNG import terminals, has signed an accord with two European grid and distribution firms on developing a pipeline and possibly storage to help serve the proposed Vlora import terminal in the Balkans state of Albania.

The project accord was signed between Excelerate, Italian grid operator Snam and Albanian utility Albgaz.

Excelerate in March 2021 signed an agreement with Albania to study the potential of LNG imports and backed by ExxonMobil Corp.

The Excelerate-ExxonMobil proposal was for a feasibility study on developing an LNG import terminal at the Port of Vlora in southern Albania.

Under that accord, Excelerate would conduct a study to explore the potential of an integrated LNG-for-power solution for the Albanians.

This would include developing an LNG import terminal, converting or expanding the existing Vlora thermal power plant and establishing small-scale LNG distribution in Albania and for the surrounding Balkans region.

Under this new memorandum of understanding, Excelerate, Snam, and Albgaz will examine various projects that could also potentially include underground gas storage in Albania.

"Leveraging our downstream capabilities and working alongside Albania to explore expanding their access to reliable energy, we are able to take an integral step towards energy security for the country," stated Steven Kobos, President and Chief Executive of Excelerate.

"Together with Snam and Albgaz, we recognize the potential impact this pipeline can have for the region," added Kobos. ■

Kinder Morgan posts loss over gas issues as LNG feed-gas rises

LNG News Editor

Kinder Morgan Inc., the US pipeline and terminals company and whose earnings measure the wellbeing of the US and oil and gas industry and the growing LNG sector, posted a wider net loss in the second quarter versus the same period of 2020 because of South Texas natural gas issues.

KMI posted a loss of $757 million for the three months compared with $637M in the second quarter of 2020 amid distributable cash flow of $1.025 billion compared with $1.001Bln in the second quarter of 2020.

KMI Executive Chairman and co-founder Richard D. Kinder

Impairment

The second-quarter net loss was primarily due to a $1.6Bln non-cash impairment related to anticipated lower volumes and rates on contract renewals on the South Texas natural gas processing and gathering assets.

Houston, Texas-based KMI said adjusted earnings, which do not include that impairment, amounted to $516M for the quarter.

"As the global economy continues to recover from the pandemic, our company generated substantial adjusted earnings and robust coverage of this quarter's dividend," stated KMI Executive Chairman Richard D. Kinder.

KMI Chief Executive Steve Kean said the diversified portfolio proved its worth with greater contributions relative to the second quarter of 2020 from the three business segments, Natural Gas Pipelines, Products Pipelines and Terminals.

"Our business segments are extremely well-positioned in markets throughout the United States, and our acquisition this quarter of the business of Stagecoach Gas Services will enable us to provide even greater levels of service to our natural gas customers," explained Kean.

"With our strong participation in the liquefied natural gas value chain, we will also increasingly benefit from growing global natural gas demand, as analysts project US LNG exports will double within the coming decade," added the CEO. ■

TotalEnergies and Technip Energies plan venture for cleaner facilities

Two market leaders in liquefied natural gas, French major TotalEnergies and LNG project engineer Technip Energies, have signed a cooperation agreement to jointly develop low-carbon solutions for liquefaction plants and offshore facilities.

As part of this agreement, both parties will explore new concepts and technologies to reduce the carbon footprints of existing facilities and greenfield projects in key areas.

"These include LNG production, cryogeny production and use of hydrogen for power generation, or processes for Carbon Capture, Utilization and Storage (CCUS)," they added.

"The qualification of new architectures and equipment that will be developed in these areas is also part of the agreement," said the companies.

While TotalEnergies has stakes in LNG plants around the world, Technip Energies, spun-off in February 2021 from TechnipFMC, has a significant LNG engineering project backlog to work on in the years ahead.

The backlog includes the Russian Arctic LNG II venture and the expansion of LNG production in Qatar in a contract award shared with Japanese company Chiyoda Corp.

TotalEnergies has stakes in Russia's Yamal LNG and Arctic LNG as well as the Ichthys LNG and Gladstone plants in Australia.

The oil and gas company also has long-standing LNG shareholdings in nations such as Nigeria and Angola and a supply deal with Algeria.

The main future project to boost volumes for TotalEnergies is the Mozambique onshore LNG joint venture in the Cabo Delgado province of the southeast Africa nation acquired from Occidental Petroleum on its takeover of US peer Anadarko.

However, violence in that region of Mozambique has halted construction and led TotalEnergies to delay the project for now.

A statement from Technic Energies and TotalEnergies said that the low-carbon technology arrangement was based on a common belief that cooperation across the industry is needed to achieve energy transition goals. ■

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Beach Energy, the owner with Japanese trading house Mitsui of the Waitsia natural gas field in the onshore Perth Basin of Western Australia, said development was on schedule along with marketing of future LNG volumes. "In the Perth Basin, along with our joint venture participant Mitsui E&P Australia, we are nearing commencement of construction of the gas facility for the Waitsia Gas Project Stage II, with contractor Clough on track to turn the first sod in the first half of 2022," said Beach Energy Chief Executive Matt Kay in the quarterly activities report.

EDF Trading hires gas head

EDF Trading, a wholly-owned subsidiary of French utility and energy company EDF S.A., has named Alex Watson as its new Head of Gas Trading. Watson took up the role on July 19 and reports to Marcello Romano, Head of Trading. "I'm delighted to welcome Alex to EDF Trading," said Marcello Romano. "He has extensive knowledge of the natural gas and LNG markets and will help us to expand our global gas footprint and the services we provide to the EDF Group and our third party customers," added Romano.

Azul carbon offseting

BP Gas Marketing delivered an LNG cargo with purchased carbon offsets to the Sempra Energy-controlled terminal at Costa Azul on the Pacific Coast of Mexico. The facility is currently undergoing work to be transformed into an export plant. "Sempra LNG continues to build a strong business portfolio focused on sustainability and the global energy transition," said Justin Bird, Chief Executive of Sempra LNG. ■

Australian LNG operator Santos sees revenues rise in midst of bid for PNG firm Oil Search

LNG News Editor

Santos, the Australian LNG plant operator pursuing the takeover of Oil Search and its Papua New Guinea LNG assets, reported record quarterly sales revenue of US$1.07 billion and record first-half income of US$2.04Bln, up 12 percent and 22 percent respectively.

Santos is operator of the Gladstone plant in Queensland and Darwin LNG in the Northern Territory and has tabled an offer for oil and gas company Oil Search, based in PNG where Santos already has a stake in the ExxonMobil-operated PNG LNG export facility.

Expansion

The Australian company is attracted to Oil Search by its stake in PNG LNG as well as in the Papua LNG expansion project in the Oceania nation.

Adelaide-based Santos said in its second-quarter report that the PNG LNG plant operated at an annualised rate of around 8.0 million tonnes per annum and shipped 27 cargoes in the three months.

"Sales gas, condensate and LNG production were lower than the first quarter due to planned maintenance activities at Hides Gas Conditioning Plant and the LNG plant, which lasted for approximately five weeks," explained Santos.

"Despite Covid-19 constraints, the maintenance activities were completed approximately one week ahead of schedule," added the company.

The Santos unsolicited offer for Oil Search valued the PNG-based company, which is listed on the Australian Securities Exchange, at A$8.8 billion (US$6.5Bln).

Papua New Guinea's oil and gas resources are onshore

Oil Search said that following the statement by Santos it rejected the offer, though was open to considering an improved bid.

Santos said it still wanted to pursue talks to create a group that would rival Australia's leading LNG company Woodside Petroleum, operator of the North West Shelf and Pluto LNG plants in Western Australia.

In its second-quarter activities report, Santos said there was continued growth in equity gas production from the Roma and Arcadia fields serving the Gladstone coal-seam-gas-to-LNG plan and this supported annualised production above 6.2 MTPA for 2021.

The Gladstone plant shipped 25 cargoes in the three months, one less than the previous quarter and as one Train in the two-Train facility was shut in May for scheduled maintenance.

In addition, 52 CSG wells were drilled and 60 connected across the Gladstone LNG acreage in the second quarter.

Santos said Darwin LNG dispatched 11 cargoes in the second three months of the year, one less than in the previous quarter.

The shareholding of Santos in the Bayu-Undan gas field in the Timor Sea and the Darwin LNG plant was reduced from 68.4 percent to 43.4 percent at the end of April 2021 following completion of the 25 percent sell-down in both assets to Barossa gas project partner SK E&S of South Korea.

Maintenance

"LNG production at Darwin LNG was lower than the prior quarter primarily due to a planned shutdown at Bayu-Undan and unplanned maintenance at Darwin LNG," said the company.

"Planning continues for the Darwin LNG life extension project and the tie-in of Barossa into Darwin," explained Santos in reference to the Barossa field development to provide new feedgas resources for the Darwin plant.

Santos and said it was continuing talks with the largest Japanese LNG buyer, JERA Co. Inc., on a sale and purchase agreement for JERA to acquire a 12.5 percent interest in the Barossa field. ■

> "Despite Covid-19 constraints, the maintenance activities were completed approximately one week ahead of schedule"
>
> *- Santos*

US LNG data shows Mexico overtaken by China and rising prices for cargoes from the six plants

LNG News Editor

The US Department of Energy has just published its latest liquefied natural gas export data with the average overall price for the six plants rising to $6.22 per million British thermal units and as China took third spot ahead of Mexico in the overall deliveries table.

The DoE data showed 103 cargoes were delivered in May 2021 versus 92 in April 2021 and 57 in May 2020.

Cargo values

US cargo prices in May increased to $6.22 per MMBtu from an average of $5.70 per MMBtu in the previous month.

The year-to-date average price at the export points came to $5.93 per MMBtu versus $5.70 per MMBtu in April, according to the DoE July 2021 LNG report.

The Sabine Pass plant remained the volume leader in May 2021 with its five Trains on stream and supplying 35 cargoes, followed by Freeport with 21, Corpus Christi 19, Cameron LNG 18, Cove Point seven and Elba Island three.

Shipments from the Cove Point plant in Maryland cost the most for May 2021 at $6.89 per MMBtu versus $6.88 in April 2021 and for the year-to-date the Chesapeake Bay shipments fetched $6.67 per MMBtu.

'Tristar Ruby' delivered US cargoes to Brazil and Argentina

The average prices for each of the five other plants (from the export point) from highest to lowest in May 2021 were: Cameron LNG (Louisiana) $6.60 per MMBtu ($5.86, April), Freeport LNG (Texas) $6.26 per MMBtu ($6.00, March); Corpus Christi (Texas) $6.03 per MMBtu ($5.58, April); Sabine Pass (Louisiana) $6.01 ($5.32, April) and Elba Island in Georgia $5.74 per MMBtu ($5.84, April).

Notable cargoes shipped from the facilities on the Gulf Coast, particularly Cheniere Energy's Sabine Pass, included three sent to South Korea on successive days in mid-May on the 148,776 cubic metres capacity "K Mugunwha", the 173,400 cubic metres capacity "GasLog Gibraltar" and the 173,400 cubic metres capacity "Oak Spirit LNG".

Sabine also dispatched a split cargo for Brazil and Argentina on May 16 onboard the 155,000 cubic metres capacity "Tristar Ruby".

Sempra Energy's Cameron LNG delivered the widest spread of cargoes to nations such as Croatia, Bangladesh, the UK, Taiwan, France, Brazil, Panama, Singapore, China, the Netherlands and Belgium.

Freeport LNG was partly South America-focused in May with seven shipments to Argentina and Brazil, including split cargoes.

The deliveries included one split cargo to Brazil and Argentina on board the 155,000 cubic metres capacity "Methane Lydon Volney" and one to Brazil alone on the 155,000 cubic metres capacity "GasLog Santiago".

The total number of cargoes delivered since February 2016 now amounts to 2,342 shipments, or 7,632.7 billion cubic feet of natural gas. The top five countries of destination, representing 51 percent of total US LNG exports in May 2021, were South Korea (46.6 Bcf - 15 cargoes), China (37.7 Bcf - 11 cargoes), India (28.3 Bcf - nine cargoes), the Netherlands (26.6 Bcf - eight cargoes) and Japan (25.1 bcf - seven cargoes).

The list of the Top 10 countries of destination overall since 2016 through May 2021 showed three Asian nations, South Korea, Japan and China filling to top three spots with the Chinese overtaking Mexico in May as a more favoured destination for US Gulf Coast and East Coast cargoes.

The Top 10 recipients of US LNG by numbers of cargoes at the end of May 2021 were: 1) South Korea 332 cargoes. 2) Japan 242. 3) China 170; 4) Mexico 160. 5) Spain 145. 6) UK 129. 7) India 119. 8) Brazil 112 9. Chile 104 and 10) France 97.

US LNG had been received in vessels by 39 different countries through May 2021.

The US also sends regular ISO containers by cargo ship to the Caribbean nations of Barbados, the Bahamas and Haiti.

In May 2021, a total of 22 containers were delivered versus 23 in the previous month. The recipients were Bahamas 15, Barbados four and Haiti three. ■

Indian imports drop after price rises

Indian liquefied natural gas imports last month dropped by more than 17 percent amid a 40 percent surge in cargo prices year-on-year, while domestic natural gas production more than offset the fall in imports.

LNG imports for the month of June amounted to 1.71 million tonnes, or 25 cargoes, a fall of 17.4 percent on the 2.07MT received in June 2020, according to preliminary monthly data from the Indian Ministry of Petroleum and Natural Gas.

Shipments in May 2021 had increased by 9.2 percent to 1.91MT, or 28 cargoes, compared with 1.75MT received in May 2020.

The cumulative imports of LNG to India for the first three months of the fiscal year so far increased by 8 percent to 5.59MT from 5.17MT in the April-June period of 2020.

However, India is having to pay much more for its LNG cargoes than it did a year ago.

The June imports cost around $700 million, an increase of 40 percent on the $500M total spent in June 2020.

The Ministry data also showed that domestic natural gas production for the month of June 2021 was 2.77 billion cubic metres, which was up 19.5 percent compared with the 2.32 Bcm logged in June 2020.

Domestic gas production for the first three months of the fiscal year amounted to 8.17 Bcm, a jump of 20.5 percent on the 6.78 Bcm of output in the April-to-June period of 2020.

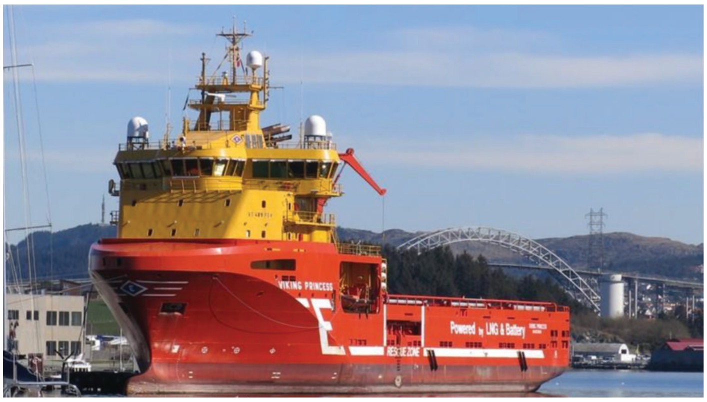
New gas production wells have recently come on stream in the Krishna-Godavari Basin in eastern India from projects involving the Indian group Reliance Industries and UK major BP.

Gasnor signs LNG fuel deal for supply vessels offshore Norway

LNG News Editor

Gasnor, the LNG and gas operator formerly owned by Royal Dutch Shell and sold to Molgas Energy Holdings, said it signed an agreement with German oil and gas company Wintershall Dea to supply LNG fuel to vessels serving exploration and production platforms on the Norwegian Continental Shelf.

The first ship to receive LNG fuel will be the offshore supply vessel (OSV) "Viking Princess" and the fuelling will take place at the bunkering terminal at Mongstad Base, one of Norway's main supply sites serving 23 fixed offshore installations and on average 3-6 rig operations annually in the northern North Sea.



The offshore supply vessel 'Viking Princess' in port

Dual-fuelled ship

The 90-metres long and 21m wide vessel "Viking Princess" is powered by dual-fuel engines that can use both MGO (Marine Gasoil) and LNG and also has a battery pack for further energy management.

"When using LNG-powered supply vessels, the emissions associated with the offshore supply services will be reduced by around 30 percent," said Gasnor.

Gasnor's sale to Madrid-based Molgas Energy by Shell was completed in April 2021. The value of that transaction was never disclosed.

Gasnor is now a well-established downstream LNG company with small-scale LNG production facilities and headquartered in Avaldsnes in Norway.

Shell had owned the firm since 2012 and one of its notable projects was to construct the LNG import facilities for the British overseas territory of Gibraltar when it turned to gas-fired power.

Spain's Molgas like Gasnor has pioneered the development of the small-scale LNG business in Europe.

Gasnor and Molgas plan to expand their LNG bunkering and clean fuel activities.

Molgas provides integrated LNG services to more than 100 off-grid industrial customers, owns and operates LNG filling stations for heavy-duty trucks and provides bunkering infrastructure at ports in Spain.

GTT wins order for tank designs for LNG-fuelled containerships

French maritime storage technology firm GTT has received an order from its partner, the South Korean shipyard Samsung Heavy Industries (SHI), for the fuel tank designs for five LNG-fuelled container vessels.

Each of the newbuilds will be able to carry 15,000 containers on behalf of the Asian ship-owner Seaspan Corp. the world's largest independent owner and operator of containerships and a subsidiary of New York-listed Atlas Corp.

The vessels will be operated under charter agreements by the Israeli shipping company ZIM.

The fuel tank of each vessel will offer a capacity of 12,000 cubic metres and will be fitted with the Mark III membrane containment system. "In addition to the engineering services and on-site technical assistance, GTT will assist Seaspan through every step of their first LNG-fuelled project, commissioning of the LNG tank, first LNG bunkering operations, as well as further specific LNG operations and maintenance of the vessels," explained GTT.

GTT said it would provide LNG training for the crews, supported by its proprietary G-Sim training simulator, which replicates the future LNG operations of the vessels.

Seaspan will also benefit for the availability of GTT's emergency response service called HEARS, providing 24/7 technical assistance.

"The vessels will also be fitted with GTT digital platform for monitoring and optimising their operational performance and their environmental footprint," added GTT.

Vessels deliveries are scheduled to occur between the third quarter of 2023 and the first quarter of 2024.

"We are particularly proud that leading shipbuilding and shipping companies recognise and choose GTT's innovative solutions," said Philippe Berterottière, Chairman and Chief Executive of GTT.

GTT said future ammonia compatibility of the ordered vessels offered flexibility.

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China moves closer to World No. 1 importer place as first-half 2021 demand stays high

LNG News Editor

Chinese liquefied natural gas imports surged just over 16 percent in the past month as natural gas demand for the nation’s economic growth showed no signs of slowing amid a gas infrastructure build-out.

LNG deliveries to China totaled 6.72 million tonnes in June, amounting to around 98 cargoes, compared with 5.79MT in June 2020, according to latest data from the General Administration of Customs.

Carrier unloads a cargo from Australia in Zhejiang province

Many suppliers

Shipments to China during the first six months of 2021 jumped to 39.78MT from 31.18MT in the prior-year period, an increase of around 27.6 percent.

China’s main LNG suppliers are Australia, Qatar, Malaysia, Indonesia, Russia and the US.

China had confirmed in January 2021 that 2020 LNG imports hit an annual record. Chinese imports totalled 67.13MT LNG in 2020, an increase of 11.5 percent.

If the current 2021 Chinese import trend continues the annual total would be just under 80MT, surpassing the current global No. 1 importer Japan.

Japanese imports of LNG are forecast for 2021 to be under the 75MT level.

Network

The Chinese energy majors still import most of the nation's LNG and own and operate almost the whole network terminals, though under market reforms third-party access should be available at most facilities.

In moves to cope with rising LNG demand at the heart of Chinese clean-energy policies and industrial development the import network is being expanded.

The leading Chinese LNG importer, China National Offshore Oil Corp., has recently increased the planned storage capacity from six tanks to 10 tanks for the Yancheng-Binhai Port import terminal now under construction in the eastern province of Jiangsu.

CNOOC said that the cost of the first six tanks would be around 6.1 billion yuan ($953 million) and the Binhai venture would have two gas-fired power plants adjacent.

The full project is scheduled to come on line by the end of 2023 with the 10 tanks operating, including six ultra-large tanks, each with a total volume of 270,000 cubic metres.

Jiangsu's Binhai terminal will have an annual LNG regasification capacity of 6MT a year, though will also have the largest LNG storage base in China with the 10 tanks.

CNOOC has described the Binhai project as an important asset in the industrial upgrade of the Yangtze River Economic Zone. ■

Japan’s imports jump for second month and for half year but outpaced by deliveries to China

Japan’s liquefied natural gas imports jumped for a second month and also rose for the first half of the year with higher volumes from the US and Russia, though shipments to Japanese terminals were well down on those to China.

The June 2021 LNG shipments amounted to 5.70 million tonnes, or around 83 cargoes, which was 8.5 percent higher than the 5.26MT received in June 2020, according to the preliminary trade figures from Japan's Ministry of Finance.

The May deliveries had amounted to 4.95MT, or around 73 cargoes, which was 8.2 percent higher than the 4.58MT received in May 2020.

Half-year LNG imports to Japan in the January to June period increased by 6.8 percent to 38.89MT versus 36.40MT in the January-June period of 2020.

Chinese imports during the same period surged 27.6 percent to 39.78MT. The June 2021 monthly deliveries to China amounted to 6.72MT, over 1MT more than shipments to Japan, and up 16 percent from June 2020.

Japan’s shipments in June 2021 cost 293.62 billion yen ($2.67Bln), a rise of 21.6 percent on the 241.39Bln ($2.19Bln) spent in June 2020 for fewer cargoes.

The cost of the January to June cargoes for Japan was 1.18 trillion yen ($16.57Bln), down by 3.3 percent compared with the same 2020 period.

LNG competes mainly with thermal coal for power generation in Japan.

Japan’s thermal coal imports in June 2021 came to 7.49MT, a drop of 8.2 percent versus June 2020.

Nuclear power generation in Japan is still much reduced with only five plants with nine reactors from a total of 16 plants with 50-plus reactors having gained the agreement of local residents to resume operations.

Just nine of these reactors are currently on line at six plants.

LNG cargo deliveries to Japan in June 2021 from nations such as Malaysia and Indonesia, Papua New Guinea and Brunei dropped by 13.4 percent to 1.28MT compared with June 2020.

Middle East shipments from countries like Qatar and Oman increased by 6.9 percent to 1.14MT.

Shipments from Russia last month, mostly from the Sakhalin Island plant in the Far East, jumped by 83.7 percent to 480,000 tonnes.

US cargo deliveries to Japan also increased year on year to 542,0000 tonnes, up by 162 percent, though the total was lower than the May 2021 deliveries of 545,000 tonnes.

The balance of imports in June 2021 came from Australia, African nations and the spot market.

That segment of the imports was higher at 2.25MT versus the 2.23MT received in June 2020, though lower than in the previous month when they amounted in May 2021 to 2.30MT.

Annual shipments of LNG to the Japanese import network of 37 facilities came to 74.46MT in 2020, down 3.7 percent compared with the 77.32MT received in 2019.

Imports by the world’s largest buyer of LNG have continued to drop in recent years. The 2019 total of 77.32MT was 6.7 percent lower than the 82.85MT logged in 2018. ■