LNG Unlimited

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US and Mexican LNG projects make progress on sales and partnerships

Sempra Infrastructure and NextDecade are companies with sales and joint venture moves

LNG News Editor

Export projects are advancing on the US Gulf Coast with projects involving Sempra Infrastructure and NextDecade Corp. finding partners and customers as they near final investment decisions.

Sempra of the US and TotalEnergies have signed an accord on the Mexican Vista Pacífico LNG export plant joint venture.

Vista Pacifico LNG project site at Topolobampo in Sinaloa

Alliance

TotalEnergies and North American plant owner and developer Sempra expanded their existing strategic alliance with the signing of the agreement on the Vista Pacífico venture.

The Vista Pacífico LNG project is planned to be a mid-scale facility on Mexico's West Coast with cargoes pointing at the high-demand markets such as Asia and South America.

California-based Sempra, the main owner and operator of the Cameron LNG plant in Louisiana, has already signed a non-binding agreement with Mexico's state-owned utility company, the Comisión Federal de Electricidad, for the potential joint development of this project.

Sempra said the accord signed with TotalEnergies was in the form of a memorandum of understanding (MoU) for the French oil and gas company to offtake one-third of future LNG production at Vista Pacífico LNG and to become a shareholder in the project with a minimum stake of 16.6 percent.

Sempra's development of Vista Pacífico LNG is in addition to its Energía Costa Azul LNG export project, which is transforming an existing import terminal into an export plant.

TotalEnergies and Sempra are already partners in the Cameron LNG plant in Hackberry, Louisiana and in the Cosa Azul project.

Houston-based NextDecade Corp., the developer of the Rio Grande LNG export project on the Brownsville Ship Channel, is also making progress with the signing of a second cargo supply accord in a month with a Chinese company.

NextDecade signed a 20-year Sale and Purchase Agreement with the Singapore trading arm of ENN Group of China after previously signing a binding Heads of Agreement with China's Guangdong Energy Group Natural Gas Co., for the supply of LNG cargoes, also for a 20-year term.

The Houston-based company has ultimate plans and permits to produce up to 27 million tonnes per annum of LNG from five liquefaction Trains at the Rio Grande facility.

Under the SPA with ENN, the Chinese company will purchase 1.5 MTPA of LNG indexed to Henry Hub on a free-on-board basis.

The LNG supply will be from the first two Trains at Rio Grande with the first Train expected to start commercial operations as early as 2026.

NextDecade said at the end of March 2022 that it proposed to supply Guangdong Energy with up to 1.5 MTPA of LNG, also indexed to the US benchmark natural gas price.

Relationship

"We are pleased to announce this long-term LNG SPA with ENN, a premier Chinese energy company," said Matt Schatzman, NextDecade's Chairman and Chief Executive.

"As one of China's largest private companies, ENN is a major participant in China's energy market, and we look forward to a successful, long-term relationship with ENN," added Schatzman.

Zheng Hongtao, President of ENN Natural Gas Co., said, the agreement with NextDecade secured additional volumes for the company's growing LNG portfolio.

"The signing of this SPA reflects ENN's goal of promoting the global energy transition and is of significance given RGLNG's low greenhouse-gas emissions profile relative to other LNG supply sources," added Zheng. ■

UNLIMITED AGENDA

Sempra proceeds with Cameron LNG expansion and debottlenecking plans amid EPC competition

LNG News Editor

Sempra Infrastructure, the liquefaction and LNG export affiliate of California utility Sempra, has signed an agreement with French and Japanese partners to develop the expansion project of the Cameron LNG export plant in Hackberry in Louisiana.

The heads of agreement have been signed with Japanese trading house Mitsui & Co., French oil and gas major TotalEnergies, and Japan LNG Investment, a joint venture comprising Mitsubishi Corp. and Nippon Yusen Kabushiki Kaisha (NYK Line), the shipping company.

Sempra's majority-owned Cameron facility in Hackberry

Excited

"We are excited to continue advancing Cameron LNG Phase 2 with our partners," said Justin Bird, Chief Executive of Sempra Infrastructure.

"The announcement represents the shared focus of the Cameron LNG partners to increase the supply of cleaner US natural gas to global markets, while also facilitating the energy security of our allies," added Bird. The HOA provides the commercial framework for the expansion of the Cameron LNG facility by adding a fourth liquefaction Train and increasing the production capacity of the existing three Trains through debottlenecking.

The expansion project is slightly reduced in capacity. Instead of the authorized two Trains at 4.98 MTPA each, Sempra has opted for one Train with over 6 MTPA of output.

The Cameron facility has three operating trains with a nameplate capacity 13.5 MTPA.

Shareholdings

Under the deal, Sempra Infrastructure will be allocated 50.2 percent of the projected fourth Train production capacity and 25 percent of projected debottlenecking capacity under tolling agreements, with the remaining capacity being allocated equally to the existing Cameron LNG Phase 1 customers.

"Sempra Infrastructure plans to sell the LNG corresponding to its capacity under long-term sale and purchase agreements prior to taking a final investment decision," it stated.

Additionally, Sempra Infrastructure announced that Cameron LNG had awarded two front-end engineering and design (FEED) contracts to Bechtel Energy Inc. and a joint venture between an affiliate of JGC Corp. of Japan and US construction firm Zachry Industrial Inc.

"At the conclusion of this competitive FEED process, one contractor is expected to be selected to be the engineering, procurement and construction (EPC) contractor for the project," explained Sempra.

The proposed Cameron LNG Phase 2 project will include a single LNG Train with a maximum production capacity of 6.75 MTPA of LNG.

"The project is expected to include certain design enhancements resulting in a more cost-effective and efficient facility, while also reducing overall greenhouse-gas emissions," added Sempra. ■

Australia's Woodside clears final hurdles to start Scarborough Gas field and Pluto LNG expansion

Woodside Petroleum, the Australian oil and gas company and LNG operator, has received final approvals for the pipeline to shore and for the field development plan Scarborough Gas project to underpin the Pluto LNG expansion in Western Australia.

The Commonwealth-Western Australian Joint Authority has offered Woodside the pipeline licence to construct and operate the infrastructure and fully approved the Scarborough Field Development Plan (FDP).

This will enable Woodside to commence petroleum recovery operations from Petroleum Production Licences WA-61-L and WA-62-L offshore.

The Scarborough field is located about 375 kilometres (233 miles) off the coast of Western Australia and is estimated to contain 11.1 trillion cubic feet of dry gas.

The gas will be transported to Pluto LNG through a new approximately 430km trunkline.

The Scarborough Gas joint venture and the associated Pluto LNG Train 2 project were the subject of US$12.0 billion final investment decisions in November 2021 with Woodside's share amounting to US$6.9Bln.

The Scarborough joint venture comprises Woodside with a majority stake and BHP Petroleum holding 26.5 percent.

The Scarborough gas project and Pluto LNG Train 2 are schedule to come on stream for 2026 to supply customers in North Asia.

Reservoir

"Developing Scarborough delivers value for Woodside shareholders and significant long-term benefits locally and nationally, including thousands of jobs, taxation revenue and energy security here and abroad," said Woodside CEO Meg O'Neill.

"The Scarborough reservoir contains only 0.1 percent carbon dioxide, and Scarborough gas processed through the efficient and expanded Pluto LNG facility supports the decarbonisation goals of our customers in Asia," said the CEO.

The key offshore contractors on the project include Saipem of Italy, Europe's Subsea Integration Alliance, comprising Europe's One-Subsea and US firm Subsea 7, as well as US engineers McDermott International.

US engineers Bechtel have been selected as the engineering, procurement and construction contractor for Pluto Train 2 and for the integration process for the existing Pluto LNG facilities.

The Pluto Train 1 Joint Venture (including the Pluto foundation assets) comprises Woodside (90 percent), Japan's Kansai Electric Power (5 percent) and Tokyo Gas (5 percent). ■

DNV reports more orders for ships with LNG fuel

European maritime classification society DNV said that ship owners placed orders for 14 liquefied natural gas-powered vessels in March 2022, mostly for containerships and car carriers even as LNG bunkering fuel prices continued to increase.

DNV said that the March new orders took the total count for the first quarter to 70 vessels, the second-highest quarter on record.

The class society stated that there were now currently 724 confirmed LNG-fuelled ships in operation or on order and 222 additional LNG-ready ships.

"The continued growth in the number of LNG-fuelled vessels ordered could easily have been much higher this month, and for the quarter, due to a couple of record-breaking newbuild orders reported to be imminent," said Martin Wold, principal consultant in DNV's Maritime division.

"So things don't seem to be slowing down just yet, with many tens of vessels in the pipeline," he added.

"However, yard capacity is growing scarce and newbuild prices are climbing, so we could soon see overall newbuild numbers slackening off," stated Wold.

"This would also impact the further growth in orders of LNG fuelled ships," he said.

According to DNV, there are now 164 LNG-powered containerships in operation or on order, followed by 87 crude oil tankers, 70 oil-chemical tankers and 63 bulk carriers.

Among other classes of LNG-fuelled ships in operation or on order, there were 67 pure car and truck carriers, 53 car or passenger ferries, 35 cruise liners, 38 tugs, 37 offshore supply vessels, 33 roll-on and roll-off ships and smaller number of general cargo ships and fishing vessels.

Commonwealth LNG in Louisiana names Farhad Ahrabi as CEO

LNG News Editor

Ahrabi is a BG Group veteran with wealth of experience

Commonwealth LNG, the export venture proposed for Cameron Parish in the US Gulf Coast state of Louisiana, has overhauled its management and named the former Chief Executive of Sempra's Cameron LNG project, Farhad Ahrabi, to serve as Commonwealth's new President and CEO.

Ahrabi joins Commonwealth following a seven-year tenure at Cameron during which he oversaw the development, construction and subsequent operations of a 14.5-million tonnes per annum liquefaction and export facility at Hackberry in Louisiana.

Capacity

Commonwealth's plan is for an export plant consisting of six liquefaction Trains, each with a nominal production capacity of 1.4 MTPA and totalling 8.4 MTPA.

The project is also proposing to construct six LNG storage tanks, each with capacity of 50,000 cubic metres and one marine berth capable of accommodating vessels of up to 216,000 cubic metres capacity.

The liquefaction plant requires about 182 acres to construct and would occupy about 107 acres during operations.

The Commonwealth project's founder and Chairman, Paul Varello, said he was delighted to recruit Ahrabi to head the team.

"The depth of Farhad's leadership experience, both at Cameron and the preceding 28 years with BG Group, will be of immeasurable value to our team as we move through the final stages of development and into construction and operation," said Varello.

"Projects of this magnitude involve a complex convergence of technical, financial, political and community support elements that require the kind of high-level thinking and pragmatic solutions that Farhad can bring," Varello added.

Ahrabi said he was particularly attracted to the Commonwealth opportunity because of the company's engineering-focused approach.

The new CEO said that Commonwealth's advantage is that it will keep liquefaction costs low and ultra-competitive in the global market at a time when there is a growing demand for US-sourced gas.

Cheniere brings forward Flex ship charters on expected rise in volumes

Flex LNG, the Norwegian shipping company with a fleet of 13 carriers, said that Cheniere Marketing, a unit of the operator of the Sabine Pass and Corpus Christi export plants on the US Gulf Coast, has declared its option to employ a fifth LNG carrier under existing time charter agreements.

Cheniere and Flex LNG have also agreed that the 174,100 cubic metres capacity "Flex Volunteer" will be the fourth ship under the agreement and that this vessel will be delivered to Cheniere in mid-April 2022.

The delivery is ahead of the original schedule of the third quarter of 2022.

"The 'Flex Volunteer' charter with for a duration of 3.5 years has therefore been extended by about 2.5 months to facilitate early delivery of the ship to Cheniere," said Flex LNG.

"The 'Flex Aurora' will be the fifth ship to be delivered to Cheniere, and she will commence her 3.5-year time charter during the third quarter of 2022 according to the original agreement," added the company.

The fleet owner, which is listed on the New York Stock Exchange and the Oslo Børs in Norway and headquartered in Hamilton, Bermuda, noted that Cheniere took delivery in 2021 of the 'Flex Vigilant', the 'Flex Endeavour' and the 'Flex Ranger'.

These ships were supplied under time charters with a minimum duration of between 3 and 3.8 years.

All existing Flex LNG ships are large LNG carriers with a cargo capacity of between 173,400 to 174,000 cubic metres and are fitted with efficient dual-fuel, two-stroke propulsion (ME-GI/XDF).

"This makes the ships particularly ideal for large parcel, long haul transportation with the industry's lowest carbon footprint and unit transportation cost," said Flex LNG.

NEWS BRIEFS

Golar sells NFE shares

Golar LNG Ltd said it sold about one third of the 18.6 million New Fortress Energy Inc. shares received upon completion of the sale of Hygo Energy Transition to NFE in April 2021. The sale is expected to raise net proceeds of approximately $250 million which Golar said it would seek to deploy to floating LNG growth projects. "Golar is excited about new FLNG growth prospects, including those being pursued by NFE and plans to remain a supportive shareholder for the foreseeable future," stated Golar Chief Executive Karl Fredrik Staubo in regards to the sale.

Deltamarin approval

French LNG storage tank designer GTT and its partner, the Finnish ship designer Deltamarin, have been awarded an Approval in Principle from the Norwegian classification society DNV for an innovative LNG-fuelled Pure Car and Truck Carrier (PCTC) design. The AiP was presented to Philippe Berterottière, Chairman and Chief Executive of GTT and Kristian Knaapi, Sales Manager at Deltamarin, by Knut Ørbeck-Nilssen, CEO of DNV Maritime at the classification society's headquarter in Oslo.

ExxonMobil Guyana move

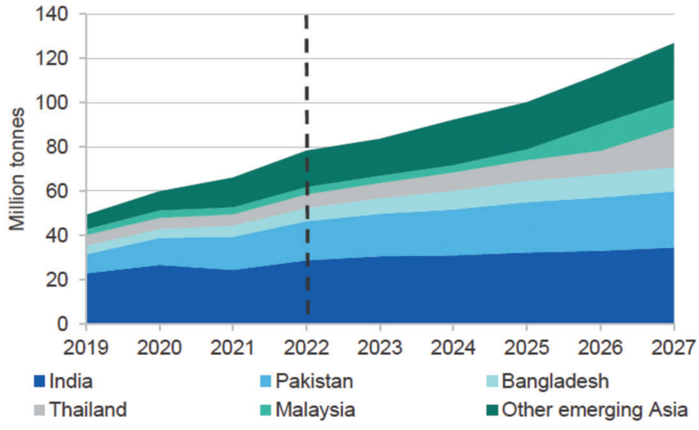
Leading LNG producer ExxonMobil Corp. is continuing apace with its oil and natural gas ventures and has made a final investment decision for the multi-billion-dollar Yellowtail development offshore the South American nation of Guyana after receiving government and regulatory approvals. The company's fourth, and largest, project in the Stabroek Block is expected to produce about 250,000 barrels of oil per day starting in 2025. ■

Australia sees sustained Chinese demand even amid ramp-up of pipeline gas to China from Russia's 'Power of Siberia'

LNG News Editor

The Australian Government says that Asian liquefied natural gas spot prices and oil-linked LNG contract prices are expected to remain high throughout 2022 and 2023 and would only decline back to non-crisis levels around 2027, depending on geopolitical events.

The Australians, who supply almost 40 percent of Chinese's LNG, said that natural gas demand growth was expected to moderate in 2022,as extreme weather events normalise and economic growth slows.



Asia-Pacific LNG import growth rate through 2027

Review

"In addition, there is expected to be a ramp-up of pipeline gas imports as the 'Power of Siberia' pipeline between Russia and China takes increased volumes," said the Resources and Energy Quarterly report published by the Australian Government's Chief Economist's Office.

China was seen importing 86 million tonnes of LNG in 2022, a slower rate of growth but still the largest import increase globally.

Australia's LNG exports earnings are forecast to rise from $30 billion last year to $70Bln this year before jumping to $82Bln in 2022-2023 as oil price-linked contract prices surge.

The report also analysed other developments in Chinese natural gas and LNG needs from its new position as the World's No. 1 LNG importer.

It noted that China's LNG imports were higher in the December quarter of 2021, up 4.6 percent year-on-year as consumption recovered from a marked slowdown in the September quarter, when high gas prices led to demand destruction in some sectors.

"Coal shortages and a cold start to winter boosted consumption in the December quarter," said the report.

In 2021, Australia accounted for the largest share of China's LNG imports, at around 39 percent, down slightly on 2020 in percentage terms, but up in terms of absolute volumes.

"Throughout 2021, China has sought to diversify its LNG sources, signing new supply contracts with the US and Qatar, and seeking other suppliers on the spot market," the report explained.

China's demand for gas is expected to increase by around 41 percent in total over the outlook period to 2027, driven by the industrial and residential sectors and ongoing coal-to-gas switching.

LNG demand growth in China is expected to average 5 percent between 2022 and 2027.

The Australian report also asserted that "regardless of the extent of the conflict between Russia and the Ukraine" Europe would still need to restock their heavily depleted storage.

"There will also be increasing pressure to diversify gas supplies, as they seek firmer guarantees of energy security amidst declining domestic production," it added in reference to the European Union and nations like the UK.

Australia's best LNG customer after China is Japan and the nation imported 73.9MT of LNG in 2021.

"LNG demand in Japan generally remains on a downward trend," added the report.

"Japan's LNG imports are forecast to decline further to 72MT in 2022, as the country moves toward the implementation of its energy plan," it said.

The Australians forecast that LNG imports by Japan are expected to fall to 70MT or lower by 2027.

The report said that South Asian and Southeast Asian economies were a major source of demand growth in 2021.

"Unlike India, both Bangladesh and Pakistan's LNG imports have been resilient to high prices and Covid-19 disruptions this year," said the report.

"Pakistan's LNG imports are estimated to have grown by 14 percent in 2021, compensating for domestic gas decline and growing industrial demand in the wake of the recovery," it added.

Growth

Bangladesh's LNG imports are estimated to have grown by 22 percent in 2021, led by the industrial and energy sectors.

"Over the outlook period to 2027, imports by emerging Asian economies are expected to increase, due to declining domestic gas production, the expansion of gas-fired power generation and new LNG infrastructure developments," stated the report. ■

French LNG player Air Liquide and shipping line Sogestran plan wide-reaching EU carbon capture

LNG News Editor

France's Air Liquide, world leader in industrial gases and LNG technologies, has signed an agreement with French ship and transport firm Sogestran to ship liquid carbon-dioxide around European waterways by barge and ship for carbon capture and sequestration (CCS) projects in the European Union.

"This joint venture will strengthen Air Liquide's position in the carbon management value chain, which includes the capture, centralization, treatment, and transport to permanent CO2 sequestration sites," said Paris-based Air Liquide.

LNG expertise

Analysts noted that Air Liquide's LNG background will be helpful. It has an LNG subsidiary and has proprietary technology in logistics, on-shore bunkering stations, service stations and boil-off management.

"CCS technologies represent one of the fundamental levers for the decarbonization of the most carbon-emitting industrial sectors," said Air Liquide.

Sogestran has fleet of 160 barges and vessels on EU rivers

"In this perspective, maritime transport will be essential to transport CO2 from industrial installations with high CO2 emissions, where the carbon is captured, to sequestration sites, where it will be permanently stored," it added.

Air Liquid's partner, the Sogestran Group, was founded in the Port of Le Havre in 1948 and is organized into several businesses.

Sogestran's river transport division has more than 160 barges and small vessels units operating on the EU's major rovers, the Rhône, the Seine, the Loire, the Danube and the Rhine.

Maritime transport has a 35 vessel fleet operating in Europe, the Indian Ocean, West Africa, French Guiana, Polynesia and the Pacific Ocean.

It also has a multimodal logistics subsidiary with regular container transport services in France, Belgium, Holland, Germany and Switzerland, by barges, trains and trucks.

"Combining Air Liquide's expertise in CO2 with Sogestran's experience in high value-added transportation of goods, the joint venture will transport CO2 in its liquid form thanks to newly-designed shipping and barging solutions, invested and operated through this collaboration," stated both companies.

Emilie Mouren-Renouard, a member of the Air Liquide's board, said the company was pleased to partner with Sogestran to offer innovative solutions in the new market of large volume CO2 transportation.

"This initiative complements our carbon management technologies to support our industrial customers in their decarbonization strategies and illustrates Air Liquide's commitment to actively contribute to the emergence of a low carbon society," added Mouren-Renouard.

Ships and barges

Pascal Girardet, Sogestran's Chief Executive, said Air Liquide and Sogestran have built a strong relationship over the past few years.

"Our teams have worked hand-in-hand to design ships and barges able to safely and efficiently transport liquid CO2," explained Girardet.

"This joint venture will be in a great position to offer the market solutions that will make a significant positive impact on the environment," he added. ■

Shell outlook changed by Russia-linked impairments

Shell plc, the leading LNG trader and oil and gas major, has issued a profits warnings saying that first-quarter 2022 results would include the post-tax impact of between $4 billion and $5 billion from impairments of non-current assets and additional charges relating to Russia activities.

Shell said that because of events in Ukraine it had updated its earnings outlook, citing the prevailing volatility in commodity prices and is also overhauling the company divisional structure for reporting purposes.

London-based Shell noted that it was decoupling the Renewables and Energy Solutions business from the Integrated Gas unit. Additionally, Shell's shale assets in Canada will be reported as part of the Integrated Gas segment instead of the Upstream division.

"These charges are expected to be identified and therefore will not impact Adjusted Earnings," explained Shell.

"Details of the accounting treatment and impact of ongoing developments will be provided in the results (May 5) announcement," added the company.

The Integrated Gas division (including Renewables and Energy Solutions) production is expected to be between 860,000 and 910,000 barrels of oil equivalent per day driven by maintenance activities, including the planned turnaround of one of the Trains at Pearl GTL in the Middle East.

The outlook includes 50,000 barrels of oil equivalent per day for the Canadian Shales assets.

Shell's LNG liquefaction volumes are expected to be between 7.7 million tonnes and 8.3MT. Shell's global trading volumes in 2021 had amounted to 64MT of sales.

Osaka Gas of Japan sees unit win contract for Taiwan terminal

LNG News Editor

Osaka Gas, the Japanese utility and one of the nation's top six LNG importers, said its engineering subsidiary was awarded a contract for the large expansion project at the Tai-Chung LNG import terminal in Taiwan.

The utility said the Daigas Gas and Power Solutions (DGPS), a fully-owned unit of Osaka Gas, was awarded the front-end engineering and design and technical consulting contract for the Phase-4 Expansion of Tai-Chung LNG, owned and operated by the Taiwanese energy company CPC Corp.

Osaka Gas engineering unit awarded contract for Tai-Chung

Top buyer

Taiwan is still Asia's fifth-largest LNG importer after North Asia's top three of Japan, China and South Korea and with India in fourth place.

It has two existing terminal, Tai-Chung completed in built in 2009 and the earlier Yung-An facility in operation since 1990.

The Taiwanese are also constructing a third LNG terminal to meet increasing demand after imports rose 6 percent last year to 17.75 million tonnes.

"The Taiwanese government has been pursuing an energy policy which targets nuclear power phase-out and reduction of greenhouse gas emission," said Osaka Gas's DGPS.

"Under this energy policy, the government is planning to increase the share of natural gas in power generation to 50 percent by 2025 and CPC is expanding its LNG regasification and storage capacity in tandem with the plan," it added.

The Phase-4 expansion includes building four LNG storage tanks each with 180,000 cubic metres of storage capacity, regasification facilities and a jetty for LNG tankers.

"After the completion of this project scheduled in 2029, LNG handling capacity of Tai-Chung LNG Receiving Terminal will increase to 13 million tonnes per annum," said the utility.

The first phase of the new Taoyuan terminal construction should be completed by 2023 and a second expansion has already been proposed.

Italy's Saipem of Italy awarded 'Coral-Sul FLNG' hull contract

Italian energy engineering company Saipem has been awarded an additional $150 million Mozambique LNG contract relating to the "Coral-Sul FLNG" vessel, a production hull set to be onstream later in 2022 in the offshore Rovuma Basin.

Saipem said it won a maintenance contract from operating company Coral FLNG SA.

"The contract will cover a period of around nine years with one optional year," said Saipem.

The "Coral-Sul FLNG" vessel was constructed at Samsung Heavy Industries shipyard in Geoje in South Korea.

Italian energy company Eni is the operator of the Mozambique Rovuma Basin Area 4 licence where the vessel has been deployed.

The other partners in the FLNG project are ExxonMobil Corp., China National Petroleum Corp., Galp of Portugal, Korea Gas Corp. and Mozambique's Empresa Nacional de Hidrocarbonetos (ENH), the state energy company.

Saipem said the scope of the maintenance contract covers the entire FLNG facility and onboard supervision as well as the creation of an onshore logistical base.

"The award of this new service contract confirms Saipem's presence in the liquefied natural gas segment, within the scope of the diversification of the project portfolio and strengthens its positioning in a strategic country such as Mozambique," said Milan-based Saipem.

"The 'Coral Sul FLNG' is an innovative and sustainable LNG floating facility constructed to produce natural gas from the Rovuma Basin, located approximately 250 kilometres Northeast of Pemba and 50km from the Mozambique coast," explained Saipem.

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Algerian leaders and Sonatrach's CEO meet Eni for talks centred on Trans-Mediterranean Pipeline

LNG News Editor

Sonatrach's CEO Toufik Hakkar met Eni counterpart

Discussions have taken place in the Algerian capital Algiers between the Chief Executive of Italian oil and gas company, Claudio Descalzi and Algeria's Prime Minister Aymen Benabderrahmane, the country's Energy Minister Mohamed Arkab and Algerian energy company Sonatrach's CEO Toufik Hakkar.

"The meetings are part of the initiatives to strengthen the partnership between Sonatrach and Eni," said the Milan-based company.

Main issue

Eni said the main issues addressed were the production of natural gas in LNG exporter Algeria and gas exports through the Trans-Mediterranean Pipeline.

The Trans-Med Pipeline linking Algeria and Tunisia to Sicily and then onwards to the Italian mainland could be a source of increase gas supplies for the European Union to offset any reductions in flows from Russia.

"The historic partnership between Sonatrach and Eni is already working to define further opportunities for supplying gas to Italy," explained Eni.

"The parties discussed the issue of gas supply and reviewed the short- and medium-term initiatives underway to increase supplies through the TransMed/Enrico Mattei gas pipeline," added Eni.

The name Enrico Mattei attached to the TransMed link is in honour of an Italian public administrator who after World War II restructured Italian energy assets and founded Eni to run them.

"The meetings were an opportunity to confirm the will to accelerate the development of new oil and gas projects in the area of the Berkine South contract, which entered into force on 6 March," added Eni.

The project includes the fast-track construction of a new oil and gas development hub in the region by leveraging synergies with the existing MLE-CAFC assets (Block 405b).

Eni's and Sonatrach said their commitment was based on the shared strategy of an accelerated time to market and on the availability and capacity of the Sonatrach group contracting companies which will carry out the work.

"The planned activities will allow a significant increase in national production already this year, with the first production expected in July, just three months after the agreement entering into force," they added.

Eni agreed in 2021 to sell a minority stake in two pipelines involved in transporting natural gas from Algeria to Italy for €385 million ($435M) to Italian LNG terminal and gas grid operator Snam.

The transaction came just after Algeria's shutdown at the end of October 2021 of the Maghreb-Europe Gas Pipeline from the Hassi R'mel gas field through Morocco to Cordoba in Spain, one of two pipelines from Algeria to Spain. ■

New Fortress Energy files for permits to deploy 'Fast LNG' production system in US GoM

New Fortress Energy has filed applications with three US regulatory agencies to deploy its "Fast LNG" production system in the US Gulf of Mexico offshore Louisiana with start-up planned by 2023.

NFE said it applied to the US Maritime Administration, the US Coast Guard and US Department of Energy for all necessary permits and regulatory approvals to site, construct and operate a new LNG liquefaction and export plant off the coast of Louisiana.

The initial NFE system would have a capacity for exporting around 145 billion cubic feet of natural gas per annum, the equivalent of about 2.8 million tonnes a year of LNG.

The "Fast LNG" project will be located in Federal waters about 16 miles (26 kilometres) off the southeast coast of Grand Isle, Louisiana, and will access abundant US gas supply by leveraging existing infrastructure.

"Procurement of all long-lead materials is complete and modular assembly of equipment is underway," said NFE.

"Subject to the receipt of all required permits and approvals, NFE targets beginning operations in the first quarter of 2023," it added.

The NFE "Fast LNG" design pairs modular, midsize liquefaction technology with jack-up rigs or similar floating infrastructure to enable a much lower cost and faster deployment schedule than floating liquefaction vessels.

How it works

Under the NFE system, a permanently moored floating storage units (FSUs) can serve as an LNG storage facility alongside floating liquefaction infrastructure, which can be deployed anywhere where there is abundant or stranded natural gas.

New York-based NFE has so far concentrated on being a supplier of LNG for power to Latin America and Asia and arranging imports in nations such as Mexico, Nicaragua and Brazil and also has a venture pending in Sri Lanka in West Asia.

However, since the start of 2022 it has started arranging the development of "Fast LNG" projects.

"This announcement demonstrates the flexibility, efficiency and significance of our innovative Fast LNG solution to bring more affordable, reliable and cleaner fuels to customers around the world," said Wes Edens, Chairman and Chief Executive of NFE.

"This is a big step in the growth of our 'Fast LNG' portfolio, which will include both tolling liquefaction for high credit worthy partners like ENI (Italian major) as well as market volumes from our merchant assets like these," explained Edens.

"With rapid deployment, this project can play a significant role in supporting our nation's commitment to our European allies and their energy security as well as support our efforts to reduce emissions and energy poverty around the world," stated the CEO.

NFE concluded that with the recent moves by the US and the European Commission to ensure additional LNG volumes for the European Union, LNG production off the coast of Louisiana can support the EU's goal to end its dependence on Russian fossil fuels. ■


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