CEDIGAZ
News Report

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LNG

SUPPLIES - IMPORTS - EXPORTS

ESTONIA:

Estonia’s Eesti Gaas to get 16 LNG cargoes this year.

Eesti Gas, a unit of Estonian investment firm Infortar, said it will receive 16 shipments of liquefied natural gas this year, 11 more cargoes compared to 2022.

The firm, which is branded internationally as Elenger, said in May that it has “committed to bring 14 LNG cargoes from different suppliers to its customers by the fall and plans to add some more in the fourth quarter.”

This means that Eesti Gas purchased two more LNG shipments in the meantime.

The firm said in a statement on Wednesday that it has received four shipments via Lithuania’s FSRU-based Klaipeda LNG import facility and eight shipments via Finland’s Inkoo FSRU-based terminal this year.

“Until the end of the year, one more cargo to Klaipeda and three to Inkoo have been agreed,” it said.

The company’s major supply partners are energy trader Vitol and energy giants TotalEnergies and Equinor, it said.

Prices down

“One third of the LNG imports to the Baltic region and Finland come through Eesti Gaas – large volumes and direct contracts with the leading LNG suppliers allow us to offer our customers reliable and affordable supplies and increase our market share,” Margus Kaasik, chairman of the managment board of Eesti Gaas, said in the statement.

“In less than a year, we made a complete turnaround to LNG of Western origin, the new supply routes from Norway and the United States were established and work well today, this has given the regional gas market more security and also helped bring down the price,“ Kaasik noted.

From last autumn’s peak price of 2.85 euros/m3, the price for Eesti Gaas’ household customers has fallen by more than 84 percent to 0.46 euros/m3 today, the firm said.

Larger gas price reductions took place in December of last year and in February of this year, when Eesti Gaas reduced the price of natural gas by 35 and 50 percent, respectively, according to Eesti Gas.

“Heading towards the new heating season, our gas consumers can have peace of mind – European gas storages are full and there will be enough gas,” Kaasik said.

“Towards winter, the price of gas is expected to rise somewhat, but according to all assumptions, the upcoming winter will be easier for consumers than the previous one,” Kaasik said. (August 17, 2023)

18/08/2023

UNITED ARAB EMIRATES - JAPAN:

Abu Dhabi's ADNOC Gas signs 5-yr LNG supply deal with Japex.

Abu Dhabi's ADNOC Gas said on Thursday it has signed a five-year deal to supply liquefied natural gas to Japan Petroleum Exploration Co.

The deal is valued at between $450 million to $550 million, ADNOC Gas said, without providing LNG volumes or timing for the shipments start.

The deal follows Japanese Prime Minister Fumio Kishida's visit to the UAE and other Gulf states in July, which focused on securing energy supplies for Japan, which remains highly dependent on oil and gas imports.

ADNOC has previously said that Japan imports approximately 25% of its crude oil from the UAE, making it ADNOC's largest international importer of oil and gas products. (August 17, 2023)

18/08/2023

RUSSIA:

Novatek installs Arctic LNG 2 GBS.

Russian LNG exporter Novatek has completed the installation of the first gravity-based structure platform which will serve its Arctic LNG 2 project located on the Gydan peninsula.

Novatek announced on Wednesday that the first GBS, or LNG train, was installed on the underbase foundation on the seabed at the Utrenniy terminal on Gydan.

According to the firm, the LNG train will now be hooked up to onshore upstream facilities to complete the commissioning activities and start liquefaction operations.

The 6.6 mtpa process train recently arrived at the Arctic LNG 2 site under tow from Novatek's yard near Murmansk.

Moreover, the 330 meters long, 152 meters wide, and 90 meters high platform weighs 640,000 tonnes and is the heaviest object ever moved in the history of the global LNG industry, Novatek claims.

The train consists of topside modules with the equipment to produce and offload LNG and stable gas condensate, installed on a concrete gravity-based structure, which accommodates LNG and condensate storage tanks, it said.

Second train at "advanced stage"

"We passed an important milestone in the Arctic LNG 2 project having completed the marine towing of the LNG train, fully assembled at the LNG construction center, and its installation at the Utrenniy terminal", Novatek's chief Leonid Mikhelson said in the statement.

Mikhelson also said the innovative GBS-based construction concept allows the firm to put new LNG facilities into operation faster and with lower capital expenditures.

"Our LNG construction center in the Murmansk region offers a unique advantage of serial LNG trains fabrication: we are now at an advanced stage of building the Arctic LNG 2 project's second train, and we are also starting the work on the third train's GBS," he said.

Novatek expects to launch production from the first unit by the end of this year and to reach its full capacity of 6.6 mtpa during the first quarter in 2024.

The resource base of the Arctic LNG 2 project is the Utrenneye field located on the Gydan Peninsula in the YaNAO, about 70 km from the Yamal LNG project across the Gulf of Ob.

Novatek is the LNG project's operator with a 60 percent stake, France's TotalEnergies owns 10 percent, while CNPC and CNOOC of China have 10 percent, each.

Japan Arctic LNG, a consortium of Mitsui & Co and Jogmec, owns a 10 percent stake in the project as well. (August 16, 2023)

17/08/2023

CHINA:

Maran Gas Coronis delivers first cargo to China's Nansha LNG terminal.

The 2007-built LNG carrier Maran Gas Coronis, owned by a joint venture of Greece's Maran Gas and Qatar's Nakilat, has delivered the first cargo to Guangzhou Gas' Nansha Guangzhou LNG import terminal in China.

According to a social media post by Angelicoussis, the parent of Maran Gas, the 145,700-cbm vessel was berthed at the newly built terminal on August 8.

"During the week-long operation, she undertook the cooling down of the terminal's systems and tanks, followed by a discharge of her cargo, which was 117,864 cbm," the company said.

Located on the southern coast of China, the Nansha Guangzhou terminal is the second LNG terminal in China commissioned by Maran Gas this year, following the commissioning of the Hong Kong offshore LNG terminal, also undertaken by Maran Gas Coronis in May, Angelicoussis said.

Guangzhou Gas, a unit of state-owned Guangzhou Development Group, said in a separate statement that is also the first LNG carrier to arrive at the Guangzhou port.

Moreover, the Nansha Guangzhou LNG emergency peak-shaving reserve project consists of two phases.

The first phase with a capacity of 1 mtpa included building two 160,000-cbm LNG tanks and a jetty able to receive vessels with a capacity of 30,000 cbm to 175,000 cbm of LNG, Guangzhou Gas said.

According to the firm, the second stage will include adding two more LNG storage tanks. (August 16, 2023)

17/08/2023

GUYANA - SURINAME:

APA in talks about floating LNG site offshore Guyana-Suriname.

APA Corp, which has made several oil discoveries offshore Suriname, is in discussions about the possibility to install an LNG platform offshore Suriname and neighboring Guyana, APA Vice President Gary Clark said at an energy conference this week.

APA seeks to re-inject the natural gas, the byproduct of oil offshore Suriname, under the surface in the medium term, and could look to export it as LNG in the long term, Clark said at the conference in Denver, as carried by Bloomberg.

APA Corp. partners with French supermajor TotalEnergies in Suriname, with a 50:50 split of the stakes in the Block 58 exploration project. So far, the two have drilled two appraisal wells and another two are scheduled for drilling in the block that the two companies are exploring.

While drilling offshore Suriname holds the potential for some major new discoveries nothing is guaranteed. Last year APA ended drilling at another part of Block 58, which it explores with TotalEnergies because it had failed to find any commercial oil.

According to the U.S. Geological Survey, the Guyana-Suriname Basin could hold up to 32.6 billion barrels of undiscovered oil resources, underscoring the tremendous hydrocarbon potential that the countries share. It is estimated that Suriname's offshore oil discoveries held recoverable oil resources of nearly 2 billion barrels as of the end of 2021.

APA Corp. and TotalEnergies have so far announced five discoveries in the block, prompting predictions that the South American nation could soon start commercial production of crude and reach a daily output rate of 650,000 barrels by 2030.

Neighboring Guyana, for its part, has become a hotspot for exploration and development in recent years after Exxon and Hess found more than 11 billion barrels of oil equivalent offshore the South American country.

Currently, Guyana produces around 360,000 bpd of crude, all from Exxon-operated wells, and could hit 1 million bpd production by 2027. (August 15, 2023)

17/08/2023

RUSSIA - SOUTH AFRICA:

Russia and South Africa discuss construction of gas generation and LNG shipments.

Russian Deputy Energy Minister Sergey Mochalnikov discussed with South African Ambassador to Russia Mzuvukile Jeff Maqetuka cooperation between the two countries within BRICS on the eve of the ministerial meeting on energy, which will be held in Johannesburg on August 18.

They discussed issues of current cooperation in the field of trading oil and petroleum products, the Russian ministry said. It was noted that cooperation in the standardization and conformity assessment of oil and gas equipment could become a new promising area.

In addition, during the meeting, the issue of consumption growth in South Africa was raised, which requires the development of generating capacities.

"Our countries are interested in developing mutually beneficial cooperation in the energy sector. Today, we are working with our South African partners on the possibility of building a gas power plant. We are already discussing the supply of equipment, and considering the possibility of organizing the supply of Russian liquefied natural gas for the effective operation of new generating capacities," Mochalnikov said.

The parties also discussed the prospects for further cooperation in the field of electric power. Thus, it was noted that the implementation of renewable energy projects by Russian companies in South Africa is proceeding to plan. Issues related to the operation of coal-fired power plants in South Africa, which are currently loaded at half-capacity, were also discussed.

Russian companies are ready to assist in the repair and renovation of coal-fired energy facilities in South Africa through concession agreements that can be secured at the intergovernmental level, the deputy minister said. (August 15, 2023)

17/08/2023

BRAZIL:

NFE expects to launch Barcarena FSRU terminal in Q4.

US LNG player New Fortress Energy is expecting to launch its Barcarena FSRU-based facility in Brazil in the fourth quarter of this year.

Besides an FSRU, the terminal located at the mouth of the Amazon River in Para includes a jetty, a three kilometers long pipeline, and a gas conditioning station that will initially serve Norsk Hydro.

In December 2021, NFE and Norsk Hydro finalized a 15-year deal to supply regasified LNG to the Alunorte alumina refinery in Brazil.

NFE is also also building the 605 MW Barcarena power plant and this facility will also receive regasified LNG from the Barcarena terminal and deliver power under 25-year power purchase agreements linked to JKM.

According to NFE, the firm has completed the 3 mtpa Bararena terminal worth about $700 million and the firm plans to ship first gas supplies to Norsk Hydro at the end of this year.

“Barcarena is mechanically complete. We will COD in Q4 of this year and we’ll immediately start up a contract with Norsk Hydro,” Chris Guinta, NFE’s finance chief said during the company’s second-quarter earnings call last week.

“We see some material expansion opportunities right at the port, which will actually be very accretive to the Ebitda and operating margin of the terminal. There’s four other customers, a little bit smaller than Norsk Hydro, but still meaningful for us, that can connect to our pipeline. We hope to sign agreements with those guys over the next few months,” he said.

“Beyond that, we would obviously hope to expand our volumes to Norsk Hydro over time, and that’s still the biggest alumina refinery in the world,” Guinta said.

“We’re obviously providing volumes for their alumina refining process, so calcination and to fire their boilers, but there’s a lot more growth we can do with them, both on the sort of process side, as well as on the power side,” he said.

Converted FSRU to arrive in Q4

Guinta also said that the company has reached 20 percent completion at its 600 MW combined cycle power plant, while the company has “another parcel of land there, which effectively could accommodate another over 600 MW.”

He said there is some “exciting power options coming up in Brazil, kind of various flavors, some that are more capacity-based, some that are more energy-based, but they’re all kind of interesting for that site.”

Guinta said that the LNG carrier Celsius “is in the yard, being converted into an FSRU now”, but he did not provide more details.

He said that the company expects the vessel to arrive at the Barcarena commissioned terminal in the fourth quarter.

According to its AIS data provided by VesselsValue, the 2013-built 160,000-cbm, Energos Celsius, previously known as Golar Celsius, was on Tuesday located at the Seatrium yard in Singapore.

NFE sold this LNG carrier and ten other vessels last year to a joint venture it formed with compatriot asset manager Apollo.

Apollo owns 80 percent in Energos Infrastructure and NFE holds the rest.

CoolCo is managing this LNG carrier. (August 15, 2023)

16/08/2023

UNITED STATES:

Commonwealth LNG closes on investment and agrees to terms for strategic partnership.

Commonwealth LNG announced today that it has closed an investment of development capital from private funds managed by Kimmeridge Energy Management Company, LLC (Kimmeridge), an alternative asset management firm focused on the energy sector. This investment completes the development funding required for Commonwealth LNG to reach final investment decision on its 9.3 million tons per annum LNG export facility in Cameron, Louisiana.

Commonwealth LNG and Kimmeridge have also agreed in principle on terms for a 20-year, 2 mtpa LNG offtake commitment from the facility along with the associated gas supply. The agreement also includes key terms for Kimmeridge's participation to provide further equity in Commonwealth LNG to support construction of the facility.

"We are delighted to partner with Kimmeridge, a company that is committed to the transition toward a lower carbon future," said Paul Varello, Executive Chairman and Founder of Commonwealth LNG. "This agreement signifies another major milestone in the project's development and an alignment with a strategic partner who shares our vision about the future of global energy security."

Ben Dell, Managing Partner of Kimmeridge, said, "Our transaction with Commonwealth LNG gives Kimmeridge the opportunity to be vertically integrated from wellhead to water, enabling us to provide reliable, secure, and clean energy to global markets." He added, "We have been impressed with the strong management team Commonwealth LNG has assembled and their commitment to successfully sanction and construct the project."

Commonwealth LNG President and CEO Farhad Ahrabi said, "This deal brings an additional 2 mtpa of offtake to the project from a customer who is willing and able to stand behind their commitment. The recent LNG marketing progress, the completion of FEED, and the conclusion of the EPC contract with Technip Energies ensures Commonwealth commences delivering LNG to our customers in early 2027."

"Commonwealth LNG brings a differentiated offering to the LNG market through our modular design that lowers cost, speeds time-to-market, and avoids contractor concentration risk," Ahrabi added.

Moelis acted as exclusive placement agent to Commonwealth LNG on the transaction. (August 14, 2023)

16/08/2023

GERMANY - OMAN :

Oman LNG seals supply deal with Germany’s SEFE.

State-owned producer Oman LNG has signed a deal to supply liquefied natural gas to German gas importer Securing Energy for Europe.

Under the binding deal, Oman LNG will supply about 400,000 million tonnes of LNG to SEFE, starting in 2026, according to Oman’s energy ministry.

This is Oman LNG’s first deal with a German firm and the contract is for a period of four years.

SEFE boosting LNG volumes

Earlier this year, SEFE signed a 20-year deal to buy 2.25 million tonnes per annum of LNG from US exporter Venture Global LNG.

State-owned SEFE previously booked long-term capacity at Hanseatic Energy Hub’s planned Stade LNG import terminal in Germany.

Starting in 2027, SEFE, previously known as Gazprom Germania, plans to import at least 4 bcm per year of LNG via the terminal.

SEFE booked the capacity for 20 years and with future flexibility to switch to ammonia.

The firm also reportedly booked 3.5 bcm of regasification capacity at the Dunkirk LNG terminal in France.

In addition, commodity trader Trafigura said in December it would supply US LNG to SEFE.

9th supply deal for Oman LNG

This deal with SEFE is the 9th contract Oman LNG signed since December last year and follows the deal with China’s Unipec, a unit of state-owned energy giant Sinopec.

Oman LNG, in which the government of Oman holds 51 percent, also signed term sheets with Turkey’s Botas and its shareholders TotalEnergies, PTT, and Shell.

Also, Oman LNG signed key term sheets in December to supply LNG to Japan’s Jera, Mitsui, and Itochu.

The firm operates three LNG trains in Qalhat with a nameplate capacity of 10.4 mtpa sourcing gas from the central Oman gas field complex.

Due to debottlenecking, the company’s complex now has a production capacity of around 11.4 mtpa. (August 14, 2023)

16/08/2023

CROATIA:

Croatian FSRU receives 70th LNG cargo.

Croatia's FSRU-based Krk terminal has received its 70th liquefied natural gas (LNG) cargo since the launch of operations in January 2021.

According to a short statement by state-owned LNG Croatia, the 2017-built 174,000-cbm, Maran Gas Ulysses, arrived at the 140,000-cbm FSRU on August 13.

The LNG terminal operator said the vessel has delivered the 70th LNG cargo to the FSRU since it started operations in January 2021 and it will leave the Krk facility on August 15.

According to its AIS data provided by VesselsValue, the LNG carrier, owned by Greece's Maran Gas, delivered the cargo to the FSRU from Cheniere's Sabine Pass LNG terminal in the US.

The FSRU mainly receives shipments from the US, but it also received cargoes from Qatar, Nigeria, Egypt, Trinidad, Indonesia, and reloads from European terminals.

Hungary's MFGK and a unit of Switzerland-based trading firm MET Group are some of the users of the facility.

From the start of commercial operations, the LNG terminal has regasified more than 9.4 million cubic meters of LNG and shipped more than 5.6 billion cubic meters of natural gas into the Croatian system, according to LNG Croatia's website.

LNG truck loading milestone

Last month, LNG Croatia also reached a milestone of 200 truck loading operations, it said in a separate statement.

The LNG terminal operator started offering LNG reloading services directly from the vessel to trucks in April last year.

Since then, it completed in total 218 such operations, its website shows.

LNG Croatia said it will continue to provide this service due to the "great interest of users".

In addition, LNG Croatia will boost the regasification capacity of the FSRU.

In April, Finland's Wartsila secured a contract to supply one regasification module for the FSRU LNG Croatia as part of Croatia's plans to boost the capacity of the Krk LNG terminal.

The contract is worth about 22.9 million euros ($25 million) and the the regas module will have a maximum capacity of 250,000 m3/h.

The current three LNG regasification units have a maximum regasification rate of 451,840 m3/h.

Following the upgrade, the FSRU-based facility will have a capacity of about 6.1 bcm per year.

LNG Croatia expects to offer additional capacities to the market from the gas year starting on October 1, 2025. (August 14, 2023)

15/08/2023

CYPRUS:

Vassiliko Bay LNG project completion put back.

According to local media reports, the Chinese consortium involved in construction of Cyprus' Vassiliko Bay LNG terminal has said that it won't be ready until late July, 2024.

The last startup date declared was October this year. This has now been put back 10 months.

Sources talking with the Cyprus Mail said that the new timetable was the most realistic thus far.

The terminal will consist of an FSRU, nearing completion in COSCO's Shanghai shipyard; a mooring jetty, gas pipeline and related infrastructure.

According to the news outlet, the total cost is estimated at €300 mill, of which a grant was received from the EU under the Connecting Europe Facility with the reaminder coming fom the European Investment Bank and the European Bank for Reconstruction and Development. (August 11, 2023)

15/08/2023

SPAIN:

Spain’s El Musel LNG terminal gets first commercial cargo.

Spanish power group Endesa has delivered the first commercial liquefied natural gas cargo to the El Musel LNG terminal in Gijon, according to Enagas.

The 2019-built 180,000-cbm, GasLog Warsaw, owned by Greece’s GasLog, arrived at the facility with the cargo on Friday following the final technical tests required before the plant’s commercial commissioning, Enagas said in a statement.

GasLog Warsaw’s AIS data provided by VesselsValue shows that the vessel previously loaded the shipment at Cheniere’s Corpus Christi plant in the US.

In July, Enagas said that Endesa is the winner of a capacity allocation process for logistics services at the El Musel LNG terminal in Gijon.

Endesa began operations under the contract for the terminal’s logistics services on July 31, Enagas said.

The terminal also received two ships in July as a necessary technical precursor to the commercial commissioning of the facility.

These include the 174,000-cbm, Cool Racer, and Dorado LNG with the same capacity.

The logistics services offered for this infrastructure incude LNG unloading, storage, and loading operations.

Under the regulated access regime, the El Musel terminal will only offer minimal regasification service for the proper management of the terminal, as well as the truck loading service, Enagas said.

Europe’s energy security

For Endesa, the allocation of the logistics services offered by this infrastructure is an “important milestone”, Enagas said.

El Musel will offer Endesa flexibility at a time when European terminals are overloaded, it said.

Furthermore, the LNG tanks provide storage capacity and the exclusive use of the terminal opens up new business opportunities, all of which will contribute to strengthening Europe’s energy security, the firm said.

In addition, Endesa will provide the supply necessary for the optimal operation of the terminal, as well as truck loading and injection into the transmission network.

According to Enagas, the facility could contribute up to 8 bcm of LNG capacity per year to Europe’s security of energy supply.

It will allow the berthing of vessels with a capacity of between 50,000 cbm and 266,000 cbm.

Also, the LNG terminal has two tanks each with a capacity of 150,000 cbm and two tanker loading bays with a capacity to load a maximum of 9 GWh/d, and a maximum emission capacity of 800,000 Nm3/h.

Earlier this year, Enagas also entered into a deal to sell a 25 percent stake in the LNG terminal to compatriot Reganosa for 95 million euros ($103.7 million).

Enagas expects to complete this transaction in the second half of this year. (August 14, 2023)

15/08/2023

WORLDWIDE:

Excelerate looks for more FSRUs.

Excelerate Energy is planning to purchase LNGCs for conversion to FSRUs, due to the strong charter market.

The company also revealed in its second quarter 2023 results presentation that it was seeing a steady performance in its core regasification business.

Second quarter net income was $29.6 mill and adjusted EBITDA came in at $88.6 mill.

During the period, Excelerate won contracts to sell four spot LNG cargoes to Bangladesh this year, two of which were delivered in the second quarter.

In May, seasonal regasification services were restarted at the Bahia Blanca GasPort in Argentina, utilising the FSRU 'Excelsior'.

The 'Excelsior' will return to her original Germany charter in the third quarter of this year.

Due to the strong results, the company declared a quarterly dividend of $0.025 per share, payable on 7th September, 2023.

President and CEO, Steven Kobos, commented: "The strong financial results we delivered in the second quarter of 2023 are a testament to the steady performance of our core regasification business and the demand for FSRUs around the world. With global markets continuing to emphasise the need for energy security, the value of our services has never been greater.

"I am proud of the great work the Excelerate team is doing every day to provide essential regasification services and develop integrated LNG solutions for customers across our global footprint.

"We remain committed to building a company that is known for generating predictable earnings and cash flows, while providing opportunistic upside from LNG and gas sales. We are confident this balanced approach is the right strategy to drive growth and maximise value for our shareholders," he said.

Second quarter 2023 net income and adjusted EBITDA increased compared with the previous year, primarily due to higher rates on charters in Finland and Argentina, a contract extension at a higher rate in the UAE, and lower operating lease expense resulting from the acquisition of the FSRU 'Sequoia'.

Net income increase was also driven by the early payment of the FSRU 'Excellence' finance lease liability, as part of the vessel's acquisition last year.

Adjusted EBITDA increased sequentially, mainly due to a full quarter of operations with the FSRU 'Excelsior', following the completion of her scheduled drydocking in 1Q23, lower operating lease expense for the 'Sequoia', and the two spot Bangladesh LNG cargo sales.

The third and fourth cargoes are expected to be delivered in the third quarter of 2023.

As of 30th June, 2023, Excelerate had $462 mill in cash and cash equivalents, $80.9 mill of letters of credit issued and no outstanding borrowings under its $350 mill revolving credit facility.

The company also narrowed its full year 2023 guidance range. Adjusted EBITDA is now expected to range between $325 mill and $335 mill for the full year 2023. Maintenance capex for 2023 is expected to range between $20 mill and $30 mill. (August 11, 2023)

15/08/2023

UNITED STATES:

Venture Global welcomes first modules for Plaquemines LNG.

First liquefaction modules for Plaquemines LNG, an LNG export facility being built by Venture Global LNG in Plaquemines Parish, Louisiana, have arrived at the construction site.

On 10 August, Venture Global posted a short social media update, sharing this construction milestone.

Earlier this year, the company completed roof raising on two LNG storage tanks. When fully developed, the facility will have four storage tanks and an export capacity of up to 20 million metric tonnes per year.

On 13 March 2023, Venture Global announced the final investment decision and successful closing of the $7.8 billion project financing for the second phase of the Plaquemines LNG. The FID for the first phase was taken in May 2022.

Together, phase one and phase two represent approximately $21 billion of investment, which is said to be the largest project financing ever done.

Venture Global has already lined up several long-term LNG sale and purchase agreements (SPAs) for the Plaquemines project, including those with ExxonMobil, Chevron, EnBW, New Fortress Energy, China Gas, PETRONAS and Excelerate Energy.

In addition, marketing is actively underway for the company's third facility, CP2 LNG, and SPAs have been signed by CP2 LNG with ExxonMobil, Chevron, EnBW, INPEX, China Gas and New Fortress Energy. (August 11, 2023)

14/08/2023

ITALY:

Golar mulls options as Italian FSRU deal falls through.

Tor Olav Trøim's Golar LNG is looking into options for the 2003-built steam turbine carrier Golar Arctic after its conversion plans with Italian energy company Snam did not materialise in time.

In May last year, Snam signed up to convert the vessel into a 140,000 cu m floating storage and regasification unit for an energy supply project in the port area of Portovesme, on the island of Sardinia.

The deal, worth €269m ($283m at the time), was subject to Snam giving the green light for the conversion, which would have taken about two years to complete.

However, in its quarterly earnings report, Golar said that Snam's deadline for issuing a notice to proceed with the FSRU conversion expired during the quarter.

"This option lapsed in July and we are now reviewing alternatives for her, including long-term charter or asset sale," the company's chief executive Karl Fredrik Staubo told investors during the Q2 earnings call.

Golar had been exploring alternatives for the vessel even before the agreement with Snam, which would have ultimately been sold to the state-controlled gas grid operator. In June last year, Snam bought Golar's 2015-built FSRU Golar Tundra for $350m which is serving as an import terminal in the Italian port of Piombino. (August 11, 2023)

14/08/2023

NETHERLANDS:

Gasunie: Eemshaven LNG terminal gets 50th cargo.

Dutch gas grid and LNG terminal operator, Gasunie, said that the FSRU-based LNG import facility in the port of Eemshaven has received its 50th shipment since September last year.

A spokesperson for Gasunie told LNG Prime on Wednesday that "cargo 50 is docked at the terminal."

According to its AIS data provided by VesselsValue, Awilco LNG's 155,900-cbm WilPride delivered the cargo to the 170,000-cbm FSRU Energos Igloo from Cheniere's Corpus Christi terminal.

Besides Energos Igloo, the LNG hub operated by EemsEnergyTerminal also includes the 26,000-cbm barge-based FSRU Eemshaven LNG.

The terminal has a capacity of 8 billion cubic meters and supplies natural gas to capacity holders UK-based Shell, Czech utility CEZ, and France's Engie.

Shell booked 4 bcm per year of the capacity, CEZ reserved 3 bcm per year, and Engie booked the rest.

In September last year, the terminal received its first LNG cargo from the US onboard the Shell-chartered 173,000-cbm Murex LNG carrier.

The terminal started delivering regasified LNG to the Dutch grid in a record time during the same month, but the facility did not deliver gas to the grid during two periods since the launch due to maintenance and the unavailability of the heat connection.

Gasunie said in March this year it completed all the planned work at the terminal and signed a deal in April with compatriot storage firm Vopak to sell 50 percent of the LNG hub.

The company's spokesperson said that the Eemshaven LNG terminal received in total 39 cargoes so far this year and 11 cargoes in 2022.

The spokesperson also confirmed that Gasunie's ambition is to be able to handle 9 bcm of natural gas before the end of this year at the LNG hub, and then to grow to 10 bcm.

Gasunie aims to achieve this by 'technical optimization' of the existing installations, including debottlenecking.

Czech LNG cargoes

CEZ said in a recent statement that the Eemshaven terminal took 12 LNG cargoes destined for the Czech Republic during the first half of this year.

The firm has purchased capacity at the Dutch terminal for five years until September 2027.

CEZ said that the contracts for the supply of LNG to the Eemshaven terminal include a condition that no imported gas comes from Russia and the majority of the shipments heading to the Czech Republic were ships from the US.

These 12 LNG cargoes equal to over 1 bcm of gas, roughly equivalent to 15 percent of Czech annual consumption, which reached 7.5 billion cubic meters last year, according to CEZ.

CEZ said the gas storage facilities in the Czech Republic are now more than 89 percent full, even though no gas is currently flowing from Russia.

"The terminal was put into operation last year in the record time of only a few months, and we are very satisfied with its operation so far," Daniel Benes, CEZ CEO, said in the statement.

"During this summer, together with our partners, we want to focus on preparing for the next heating season and insuring the security of our supplies. This will include, for example, an alternative source of heat for the winter, with new gas boilers installed as a backup for supplies from the nearby heating plant," Benes said. (August 10, 2023)

14/08/2023

BANGLADESH:

Excelerate to supply two more spot LNG cargoes to Bangladesh.

US FSRU player Excelerate Energy will deliver two more spot liquefied natural gas (LNG) cargoes to Bangladesh in the third quarter of this year.

Earlier this year, Excelerate won tenders for two spot LNG deliveries to Bangladesh.

The firm said in its second-quarter report issued late on Wednesday that it delivered two spot cargoes during the quarter to the country.

“Year-to-date, Excelerate has secured four Bangladesh spot LNG cargo tenders, equating to approximately 250,000 tons of LNG,” Excelerate said.

The third and fourth cargos are expected to be delivered in the third quarter of 2023, the firm said without providing any additional information.

Excelerate sold four spot LNG cargoes to Bangladesh in 2021, and all of these shipments were sourced from the US.

Bangladesh returned to buying spot LNG in February this year since a government decision in July 2022 to halt purchases due to high prices.

Spot prices dropped significantly when compared to the last year. The JKM LNG price for September settled at $11.030 per MMBtu on Wednesday.

LNG supply deal

Bangladesh currently imports LNG via its first LNG import facility, Moheshkhali Floating LNG or MLNG, operated by Petrobangla, and via Summit Group’s FSRU-based terminal.

Both of these facilities feature Excelerate’s FSRUs.

In addition to these facilities, Excelerate is also working on another FSRU-based facility in Bangladesh.

The proposed scope of the Payra LNG project, which is located in the southwestern part of the country, involves the development of an offshore FSRU import terminal and an onshore pipeline to the city of Khulna.

As part of the project, Excelerate is also negotiating a long-term LNG supply agreement with Petrobangla.

The company said in its quarterly presentation that it is “awaiting for final approval” for the Petrobangla SPA.

Recent local media reports in Bangladesh suggest that Excelerate would sign a 15-year deal with Bangladesh for 1 to 1.5 million tonnes of LNG per year staring in 2026.

Earlier this year, Excelerate signed a 20-year deal to buy 0.7 mtpa of LNG on a free on board basis from Venture Global’s Plaquemines LNG facility in Plaquemines Parish, Louisiana.

Higher FSRU rates boost earnings

Excelerate reported a net income of $29.6 million for the second quarter. This compares to a loss of $4 million in the same quarter last year and a net income of $30.7 million in the prior quarter.

The company’s revenue dropped to $432.4 million compared to $622.9 million last year but it rose compared to $211.1 million in the prior quarter.

Adjusted Ebitda reached $88.6 million a rise from both $66.5 million in the same quarter last year and from $79.9 million in the prior quarter.

Excelreate said its net income and adjusted Ebitda increased over the prior year primarily due to higher rates on charters in Finland and Argentina, a contract extension at a higher rate in the UAE, and lower operating lease expense resulting from the acquisition of the FSRU Sequoia.

The increase in the company’s net income was also driven by the early extinguishment of the FSRU Excellence finance lease liability as part of the vessel acquisition in 2022, it said.

In May, the FSRU Excelsior started seasonal regasification services at the Bahia Blanca GasPort terminal in Argentina.

The unit is expected to provide regasification services for the duration of the Argentine winter season and will return to the Germany charter in the third quarter of 2023.

“Strong” results

Excelerate now expects adjusted Ebitda to range between $325 million and $335 million for the full year 2023.

Maintenance capex for 2023 is expected to range between $20 million and $30 million.

“The strong financial results we delivered in the second quarter of 2023 are a testament to the steady performance of our core regasification business and the demand for FSRUs around the world,” president and CEO Steven Kobos, said.

“With global markets continuing to emphasize the need for energy security, the value of our services has never been greater,” he said. (August 10, 2023)

14/08/2023

NIGERIA:

Golar progresses Nigerian FLNG plans, Gimi to leave yard in September.

Golar has signed a heads of terms with Nigeria's NNPC for joint development of gas fields using floating LNG producers, expanding on their deal signed in April this year. The firm is also expecting its Gimi FLNG to leave the yard in Singapore next month.

State-run Nigerian National Petroleum Corp announced in April it is joining forces with Golar for FLNG developments.

After that, Golar said in May that the memorandum has a 5-year duration, with both parties' ambition to explore potential for multiple FLNG projects to be deployed on proven stranded and associated gas fields in Nigeria, it said.

Nigeria's gas specifications and met-ocean conditions are ideally suited to Golar's FLNG solutions, the firm said.

According to Golar's second-quarter results report issued on Thursday, the firm and NNPC signed a head of terms on August 1, expanding on the deal signed in April.

Golar and NNPC have agreed an integrated contractual framework for the joint development of specific gas fields towards potential FLNG projects, the firm said.

The relevant fields could fully utilize FLNG Hilli following the end of its current contract in mid-2026, or utilize a MKII FLNG, Golar said.

Gimi FLNG 97 percent complete

Golar owns the 2.4 mtpa Hilli FLNG located in Cameroon and the 2.5 mtpa Gimi FLNG currently under conversion at Singapore's Keppel Shipyard.

The LNG firm led by Tor Olav Trøim said in the report that Gimi conversion works are 97 percent complete and the unit is scheduled to leave the yard in September 2023.

"Final checks, storing up and sea trials will then take place in Singapore ahead of her voyage to Mauritania and Senegal, expected to commence around the end of September/early October," it said.

Gimi will serve BP's Tortue FLNG project offshore Mauritania and Senegal under a 20-year charter deal.

UK-based energy giant BP recently pushed back the launch of the first phase of its Greater Tortue Ahmeyim FLNG project to the first quarter of 2024.

Project partner Kosnos Energy said this is due to a delay in the subsea workstream.

Converted Fuji FLNG to cost $2 billion

Golar said in the quarterly report that development of commercial opportunities also continues outside Nigeria for Hilli FLNG and its prospective MKII FLNG, including commercial term negotiations with gas resource owners and government interaction in potential countries of operation.

The complexity of offshore gas developments drives the timeline for potential announcements of binding terms for incremental FLNG work, according to the firm.

Golar said it continues to develop its potential MKII FLNG project with an annual capacity of 3.5 mtpa.

It said that the cost of a converted Fuji FLNG is expected to be around $2 billion, equivalent to approximately $570 per ton.

"Financing proposals for between $1.2 to $1.5 billion, that are not contingent on an employment contract are being discussed," it said.

Earlier this year, Golar exercised its option its option to acquire the 148,000-cbm Moss-type carrier, Fuji LNG, which it aims to convert to a floating LNG producer.

Greece-based shipping firm TMS Cardiff Gas previously owned this LNG carrier.

Golar also sold its 1977-built LNG carrier, Golar Gandria.

Results

Golar reported a net income of $7 million in the second quarter, and adjusted Ebitda of $83 million, inclusive of $72 million of non-cash items.

During the quarter, 1.4 million shares were repurchased and cancelled at an average cost of $21.06 per share, leaving 106 million shares issued and outstanding as of June 30, 2023.

Golar's board of directors approved a total second-quarter dividend of $0.25 per share to be paid on or around August 29, 2023. (August 10, 2023)

14/08/2023

GERMANY:

Deutsche ReGas says Mukran LNG capacity booked.

LNG terminal operator Deutsche ReGas said companies have booked all of the offered regasification capacities at the planned FSRU-based LNG import terminal in the German port of Mukran.

This follows the conclusion of the binding open season as part of the second phase of the "Deutsche Ostsee" LNG terminal at the port of Mukran on the island of Rügen.

Deutsche ReGas offered in total 4 bcm of capacity per year for a period of at least 10 years.

The German firm led by Ingo Wagner and Stephan Knabe said in a statement issued on Wednesday it has awarded all the offered long-term regasification capacities for the second phase of the terminal.

Deutsche ReGas said it also plans to offer remaining volumes at a later date. This is in particular for capacities which can be booked at short notice.

Knabe said in the statement that the "strong" interest received from customers in Germany and in neighboring countries in Eastern Europe shows that the infrastructure of the energy terminal in Mukran and the OPAL/EUGAL pipelines can guarantee security of supply.

With these and the already existing capacities, the majority of the capacities for the planned "Deutsche Ostsee" LNG terminal have been booked, he said.

Two FSRUs

Deutsche ReGas officially launched its Lubmin FSRU-based LNG import terminal in January this year.

The 5.2 bcm facility is the first private LNG terminal in Germany besides the government-backed facilities.

Deutsche ReGas chartered the 2009-built 145,000-cbm, FSRU Neptune, from French energy giant TotalEnergies for this project.

The company also recently confirmed that it plans to install the 174,000-cbm FSRU Transgas Power, owned by Dynagas, to serve the LNG import terminal in the port of Mukran.

This FSRU will work along FSRU Neptune in Mukran as part of the second phase of the LNG terminal.

Deutsche Regas will move FSRU Neptune from Lubmin to the Mukran port later this year.

Moreover, the FSRU-based terminal will connect to the gas transmission network via a new Mukran-Lubmin connecting pipeline.

Germany's Gascade, which built the Lubmin LNG pipeline, is in charge for this pipeline as well.

The second phase of the terminal will have a capacity of up to 13.5 bcm per year, Deutsche ReGas said.

This terminal has faced strong opposition from environmental groups in Germany. (August 9, 2023)

11/08/2023

GREECE:

Saipem lays gas pipeline for Greece's first offshore LNG terminal.

Pipelaying activity for Gastrade's Alexandroupolis LNG terminal, the first offshore LNG project in Greece, has been completed.

On 8 August, oilfield services provider Saipem shared an update on social media stating its pipelay vessel Castoro 10 had completed the activity in the North-East of Greece, off the coast of Alexandroupolis, where it laid a 24-kilometre-long pipeline from shore up to 40-metre water depth, to connect the floating storage and regasification unit to the Greek National Natural Gas Transmission System.

The pipeline was delivered earlier this year by Corinth Pipeworks, a steel pipes segment of Cenergy Holdings, under the contract from September 2022.

The pipelaying activity is part of a larger project, awarded by Gastrade, which encompasses pipeline and manifold, mooring lines and a high-pressure natural gas transfer system, transmitting the gas through a flexible riser to the pipeline end manifold, on the seabed, where the gas transmission pipeline is connected.

The Alexandroupolis FSRU project was officially launched on 3 May 2022 and is expected to start operating on 1 January 2024. Its contracted regasification capacity already reached up to 60% of its technical capacity of 5.5 billion cbm per year.

The Alexandroupolis, the former 153,500-cubic-metre LNG Carrier GasLog Chelsea built in 2010, is the first FSRU conversion project under the Greek flag for operation in the Aegean Sea. Owned by GasLog, a partner in the Gastrade consortium, the vessel entered Keppel Shipyard in Singapore in early February 2023 for the regasification equipment to be installed, much of which was assembled in advance, and is scheduled to exit the yard on 8 November.

Svitzer, a global towage provider and part of A.P. Moller-Maersk, has signed a 15-year agreement to set up towage services and support for advanced LNG operations at the new import terminal. (August 9, 2023)

11/08/2023

SPAIN:

Spanish LNG imports, reloads down in July.

Spanish liquefied natural gas imports and reloads declined in July compared to the same month last year, according to Enagas.

LNG imports dropped by 22.4 percent to about 20.5 TWh in July and accounted for 64.7 percent of the total gas imports. In June LNG imports reached some 21.3 TWh.

Including pipeline imports from Algeria, France, and Portugal, gas imports to Spain reached about 31.7 TWh last month, a drop from some 36.7 TWh in July last year, Enagas said in its monthly report.

Moreover, national gas demand in July dropped by 15.9 percent year-on-year to 26.1 TWh.

Demand for power generation declined by 39.4 percent year-on-year to about 10.4 TWh last month, while conventional demand rose by 13 percent to 15.7 TWh, the LNG terminal operator said.

Enagas operates a large network of gas pipelines and has four LNG import plants in Barcelona, Huelva, Cartagena, and Gijon.

It also owns 50 percent of the BBG regasification plant in Bilbao and 72.5 percent of the Sagunto plant, while Reganosa operates the Mugardos plant.

Enagas recently received the commissioning cargo at its El Musel terminal in Gijon and awarded the logistics services contract to Endesa.

Russia biggest LNG supplier, US volumes dip

The seven operational Spanish LNG regasification terminals, including El Musel, unloaded 21 cargoes last month, 6 cargoes less when compared to July 2022, according to Enagas.

Russia was the biggest supplier of LNG to Spain for the third month in a row in July with 8.76 TWh, a rise from 5.31 TWh last year. Russian volumes accounted for 27.6 percent of all of the Spanish gas imports in July, the data shows.

US LNG volumes to Spain halved from about 8.53 TWh in July 2022 to 3.94 TWh last month.

The Point Fortin LNG plant in Trinidad and Tobago supplied some 2.71 TWh to Spain last month, up from 1.54 TWh in July 2022, while the Bonny LNG plant in Nigeria supplied some 2.67 TWh to Spain, down from 5.88 TWh last year.

Other LNG sources in July include Angola and Qatar, the data shows.

LNG reloads down

Spanish LNG terminals loaded about 0.38 TWh in July, down 57 percent compared to some 0.90 TWh in July 2022, and almost the same compared to 0.39 TWh in June.

The Barcelona LNG terminal reloaded about 0.21 TWh of LNG, followed by Huelva with about 0.10 TWh.

On the other hand, the number of truck loads at the LNG terminals rose by 21 percent year-on-year to 902, the data shows.

The Huelva LNG terminal completed 221 truck loads in July, followed by Barcelona with 170 truck loads, and Sagunto with 159 truck loads. (August 9, 2023)

11/08/2023

AUSTRALIA:

Inpex shipped 65 Ichthys LNG cargoes in H1.

Japan's Inpex has shipped 65 LNG cargoes from its Ichthys export plant in Australia during the first half of this year, up by one cargo compared to the same period last year.

A spokesman for Inpex told LNG Prime on Wednesday that the Ichthys project also sent 11 plant condensate cargoes, 15 offshore condensate cargoes, and 17 LPG cargoes during the first half.

This compares to 64 LNG cargoes, 12 plant condensate cargoes, 17 offshore condensate cargoes, and 17 LPG cargoes during the first half in 2022.

The Ichthys LNG terminal shipped 34 LNG cargoes in the first quarter of this year.

To remind, the Japanese firm said in February that it plans to ship record 132 cargoes of LNG, or 11 per month, from the Ichthys plant in 2023.

The facility at Bladin Point near Darwin has two trains and a nameplate capacity of 8.9 mtpa but it is expected to reach a production of about 9.3 mtpa this year due to debottlenecking.

According to the Inpex Australia website, the firm aims to close the LNG plant for maintenance during September 8-16, 2023.

Ichthys LNG is a joint venture between operator Inpex and major partner TotalEnergies.

Also, other partners include Australian units of CPC, Tokyo Gas, Osaka Gas, Kansai Electric Power, Jera, and Toho Gas.

Natural gas arrives to the LNG plant at Bladin Point from the giant Ichthys field offshore Western Australia via an 890 kilometers long export pipeline.

Earlier this year, Inpex sent the 500th cargo of LNG from its Ichthys terminal in Australia since the start of operations in 2018. (August 9, 2023)

11/08/2023

UNITED STATES:

Tellurian says Gunvor LNG supply deal terminated.

US LNG firm Tellurian, the developer of the Driftwood LNG export project in Louisiana, said that its LNG supply deal with trader Gunvor was terminated.

This was the only LNG supply deal Tellurian had for the planned Driftwood LNG project after both of its LNG supply deals with Shell and Vitol fell through.

Back in May 2021, Tellurian agreed to supply 3 million tonnes per annum on a free on board basis to Gunvor Singapore for a period of 10 years.

Tellurian and Gunvor entered into an amendment to the original deal on December 30, 2022 and after that agreed to extend the conditions precedent deadline for at least two times.

On August 1, 2023, the LNG sale and purchase agreement, dated as of May 27, 2021, as amended, between Driftwood LNG, a unit of Tellurian, and Gunvor Singapore was terminated, Tellurian said in a filling with the US SEC.

“The parties were unable to reach agreement on the commercial terms of an amendment to the agreement,” it said.

Tellurian added that the company’s “focus continues being on investment-grade counterparties”.

Driftwood LNG construction progressing

This week, Tellurian reported a wider net loss in the second quarter, while its gas production almost doubled compared to the same period in 2022.

Tellurian also said that Bechtel is “progressing very well” on Driftwood LNG construction, having driven over 9,000 piles and poured over 10,000 cubic feet of concrete for plant one and the storage tanks.

The US LNG firm issued a limited notice to proceed to compatriot engineering and construction giant Bechtel in March last year.

Tellurian’s shareholders recently approved doubling the number of its common shares, as the US LNG firm continues to work on financing the first phase of its Driftwood LNG export plant and signing deals with equity partners.

The LNG terminal developer is expecting the development costs for the first phase of its Driftwood LNG export plant in Louisiana to reach $14.5 billion.

Under the first phase, Tellurian aims to build two LNG plants near Lake Charles with an export capacity of up to 11 mtpa.

As part of its financing startegy, Tellurian entered last month into a binding commitment letter with a fund of Blue Owl Real Estate Capital regarding the sale and leaseback of Driftwood land. (August 8, 2023)

10/08/2023

UNITED STATES:

NFE expects to launch Altamira FLNG project in September.

US LNG firm New Fortress Energy is expecting to launch its first FLNG project off Altamira in September this year.

NFE's utilities and accommodation rig, Pioneer III, recently arrived in Mexico from the Kiewit Offshore Services shipyard in Ingleside, near Corpus Christi, Texas.

In early June, the US LNG firm received an export permit for its Altamira Fast LNG facility from Mexico's Ministry of Energy.

Under the permit, NFE is authorized to export up to 7.8 million metric tons through April, 2028, providing ample capacity to support the operations of the 1.4 million tons per annum Fast LNG facility through the permitted period, it said.

Chris Guinta, NFE's finance chief said during the company's second-quarter earnings that each of the rigs which will serve the company's first FLNG project have achieved mechanical completion.

The $1.3 billion FLNG project consists of three rigs, including the liquefaction platform and also the gas treatment platform, and they are named Pioneer I, II, and III.

Pioneer I is the gas processing module and this unit is expected to be mobilized and installed around August 23, while the liquefaction module, Pioneer II, is expected to be mobilized and installed around August 28, according to Guinta.

He said that the Pioneer III rig has already been installed offshore Altamira.

First LNG cargo in October

Guinta also said that the 160,000-cbm Penguin FSU, which will serve the project as a floating storage unit, is on its way to Altamira.

Moreover, Guinta said that NFE is expecting to introduce first gas in September and sell the first LNG cargo in October this year.

NFE is currently working on up to five floating LNG production units using its "Fast LNG" liquefaction design that incorporates modular, midsize liquefaction technology with jack up rigs or similar offshore infrastructure.

Last year, NFE signed separate deals with CFE and Pemex aimed at installing LNG production units off Mexico.

Under the deal with CFE, the firm agreed to create a new FLNG hub off the coast of Altamira, Tamaulipas.

FLNG 2 and 3

Earlier this year, NFE also signed a letter of intent with CFE to install units 2 and 3 onshore at the existing Altamira terminal.

The LNG import terminal built in 2006 is currently underutilized and transforming it into an export facility follows the legacy of Sabine Pass nearly 10 years ago, the firm said.

According to NFE, the 1.4 mtpa units are each worth about $900 million.

Given that NFE has already completed all the engineering and design, Guinta said that NFE now believes that future modules "will be completed in around 18 months."

"This will allow us to deploy FLNG 2 and 3 modules in the second half of next year," he said. (August 8, 2023)

10/08/2023

NORWAY:

Norway approves connection of Western Europe's largest LNG plant to grid.

Norway has approved a plan to connect Equinor's Hammerfest liquefied natural gas plant to the national power grid in a bid to cut greenhouse gas emissions, despite local opposition, the government said on Tuesday.

The plan includes shutting down a gas power plant, Norway's largest single source of carbon dioxide, by 2030 and replacing it with power supply from the grid where renewable energy dominates.

"This is an important day for building industry and creating jobs in northern Norway, and for the climate," Norway's Prime Minister Jonas Gahr Stoere told a news conference held in front of the LNG plant in Arctic Norway.

Equinor estimates the measure at Western Europe's largest LNG plant could save around 850,000 tonnes of CO2 emissions per year, or about 2% of Norway's total annual emissions.

The plan, however, has been contentious with locals due to its perceived clash with green industry development, rising power prices as well as the rights of Indigenous Sami reindeer herders.

To ease voters' concerns ahead of local elections in September, the centre-left government has pledged to support the development of new renewable power sources in its northernmost region and the building of new power lines to offer more grid connections.

The planned power switch at the Hammerfest plant would also have to take place in 2030, two years later than previously planned, the government said.

Norway's parliament has previously asked the government to consider an alternative way to cut carbon emissions, such as capturing CO2 at the gas plant and injecting it underground for permanent storage.

Equinor and its partners plan to invest a total of 13.2 billion crowns ($1.30 billion) to electrify and otherwise upgrade the plant, extending its operations by about 10 years.

Hammerfest LNG, also known as Melkoeya, can deliver 6.5 billion cubic metres of gas per year, enough to cover energy demand for about 6.5 million European homes.

Equinor has a 36.79% stake, while state-owned Petoro has 30%, French TotalEnergies has 18.40%, Neptune Energy has 12% and Wintershall Dea has 2.81%. (August 8, 2023)

10/08/2023

CHINA:

China's Zhejiang Energy receives first LNG cargo at new Wenzhou terminal.

China's Zhejiang provincial government-controlled Zhejiang Energy Group received the first LNG cargo at its newly built 3 million mt/year Wenzhou LNG terminal in Wenzhou city on the eastern coast Aug. 7, an official with the company told S&P Global Commodity Insights Aug. 8.

The LNG carrier YARI LNG carrying about 68,047 mt or 154,000 cubic meters of LNG from Indonesia, arrived at Zhejiang Energy's Wenzhou LNG terminal at noon on Aug. 7, marking the start of operation of this newly built LNG terminal, the Zhejiang Port and Shipping Management Center, a governmental institution, said.

This LNG terminal is the second one to be put into operation in China in 2023, and the 26th LNG receiving terminal in the country. Prior to this, China's Suntien Green Energy started operating its 5 million mt/year Caofeidian LNG terminal phase 1 in Tangshan city, northern China's Hebei province, on June 18, S&P Global reported previously.

The start-up of the Wenzhou LNG terminal was delayed due to some government formalities and typhoons, the company official said. Zhejiang Energy originally planned to start operation of the Wenzhou LNG terminal in early July.

Several typhoons have affected China since July. Typhoon Talim made landfall in southern China's Guangdong province July 17, then Typhoon Doksuri slammed into southeast China's Fujian province on July 28, weather reports showed. After that, shipping terminal services in eastern China were disrupted again due to Typhoon Kanu last week, according to market sources.

The LNG cargo for commissioning was supplied by state-owned PetroChina, and the vessel had arrived in the waters near Wenzhou for some time, market sources said. "The LNG cargo was swapped from PetroChina, and we will return them with our term contract LNG cargo," another company source said.

Zhejiang Energy and ExxonMobil signed a long-term LNG sales and purchase agreement in April 2019 for the supply of 1 million mt/year of LNG over a period of 20 years.

Delivery of the term contract started since October 2022, at around one cargo a month, and Zhejiang Energy mainly received its term contract volumes via ENN's Zhoushan LNG terminal and CNOOC's Ningbo LNG terminal previously, according to the source.

"Wenzhou LNG terminal will enter the trial operation stage after receiving the first LNG cargo, and we will formulate our LNG procurement and import plans according to the actual market conditions," the source noted.

Apart from the term contract signed with ExxonMobil, Zhejiang Energy's subsidiary Zhejiang Energy Natural Gas and Novatek Gas & Power Asia also signed a 15-year LNG long-term contract for buying up to 1 million mt/year LNG from Arctic LNG 2 on a DES basis in January 2022.

The LNG cargoes under this contract are expected to start delivery from Q3 this year, further increasing Zhejiang Energy's natural gas supply capacity, the source added.

As the fourth LNG terminal in Zhejiang province, the Wenzhou LNG terminal started construction on Sept. 18, 2021, completed on Feb. 20, 2023, and passed the inspection on April 13, according to the Zhejiang Port and Shipping Management Center.

The Wenzhou LNG terminal project is jointly invested by Zhejiang Energy (51%), state-owned Sinopec (41%) and a local company Wenzhou Xiaomen Island Investment Development Co., (8%), but only Zhejiang Energy has the operation right, according to a source with Sinopec.

The project has a designed LNG receiving capacity of 3 million mt/year and a LNG storage capacity of 1.08 Bcm, comprising a dock capable of receiving LNG carriers of 30,000-266,000 cu m and four LNG storage tanks with a capacity of 200,000 cu m each, data from Zhejiang provincial government showed earlier.

Zhejiang Energy is a major energy supplier in Zhejiang province, which is mainly engaged in power construction, natural gas development and utilization, coal circulation, and energy services, according to information posted on the company's official website.

Zhejiang Energy has a provincial-level natural gas pipeline network of over 1,800 kilometers, 72 provincial-level natural gas stations, and 27 city gas companies, which supply more than 11 Bcm/year of natural gas, accounting for more than 81% of the total natural gas consumption in Zhejiang province, the company said. (August 8, 2023)

10/08/2023

AUSTRALIA:

Australia's Woodside to sell 10% stake in Scarborough to LNG Japan for $500 mln.

Woodside Energy Group said on Tuesday it had entered a deal with LNG Japan to sell a 10% participating interest in its $12 billion Scarborough liquefied natural gas project in Australia for $500 million.

Australia's No.1 independent oil and gas producer, which owns 100% of the project since merging with BHP in 2022, has long flagged its interest to sell down its stake in the venture.

Woodside will hold a 90% interest in the venture and remain its operator after the deal's completion, which is expected in the first quarter of 2024.

"The support of LNG Japan is testament to the quality of the Scarborough project. It also underscores the ongoing demand from Japanese buyers for new supplies of gas and the role of gas in supporting Japan's energy security," Woodside CEO Meg O'Neill said.

Gas from Scarborough will feed Woodside's Pluto LNG plant, and the first LNG cargo is targeted for 2026. The Scarborough gas field development and Pluto LNG plant expansion together make up Woodside's biggest growth project.

The Scarborough development was 38% complete at June-end, with Pluto Train 2 module fabrication ramping up, according to Woodside.

Woodside and LNG Japan also entered an agreement for the sale and purchase of 12 LNG cargoes per year for 10 years starting 2026. LNG Japan is a 50:50 joint venture between Sumitomo Corp and Sojitz Corp.

Woodside also entered into deals with Sumitomo and Sojitz to collaborate on global opportunities in new energy, which could include ammonia, hydrogen, carbon capture and storage.

"We view this as a positive announcement because the consideration is at a premium to our valuation," analysts at RBC said in a note.

"We also like the fact this helps to de-risk Woodside's exposure to its high level of equity in Scarborough by reducing future development expenditure and technical risk."

Woodside shares were up 0.7% at 0420 GMT, while the broader market was 0.1% higher. (August 8, 2023)

10/08/2023

CANADA:

Canada’s Woodfibre to start work on $5.1 billion LNG export plant in September.

Canada’s Woodfibre LNG, a unit of Pacific Energy, confirmed that it plans to start construction work next month on its $5.1 billion LNG export facility near Squamish, British Columbia.

“We expect to begin construction in September of this year,” Woodfibre LNG’s communications director, Sean Beardow, told LNG Prime late on Friday.

The company expects to launch operations at this onshore gas processing and liquefaction facility with floating storage of about 250,000 cbm in 2027.

In November 2021, Woodfibre LNG awarded the engineering, procurement, fabrication, and construction contract to McDermott.

After that, the LNG terminal developer issued a notice to proceed to McDermott in April last year to start work on its 2.1 mtpa LNG terminal.

Woodfibre LNG did not announce a final investment decision on the project.

However, as a privately-owned project, Woodfibre LNG “does not use the same terminology as public companies such as Shell and the LNG Canada project,” Beardow said.

“Notice to proceed is similar to an FID in that it’s a final go-ahead to move into construction,” he said.

19 modules to be built in China

Qingdao McDermott Wuchuan (QMW), a joint venture consisting of US contractor McDermott and China State Shipbuilding Corporation, recently started building the first module for Woodfibre LNG.

QMW will build 19 modules for Woodfibre LNG and plans to complete the project in the third quarter of 2025.

The scope of work includes module fabrication design, bulk material procurement, modules construction, mechanical completion and pre-commissioning, weighing, loading-out, and also sea-fastening.

Beardow said that QMW is a direct subcontractor to McDermott and the final cost of this contract “will be paid using a formula related to module weight prior to actual loadout at QMW based on a cost per metric tonne.”

According to Beardow, the contract includes inlet and treatment module, liquefaction module, BOG module, utility module, flare drum and pipe rack, marine trestles, powerhouse module, and several pipe racks.

Besides McDermott, Woodfibre LNG previously also awarded a contract to Siemens Energy to work on the all-electric plant.

The scope includes all equipment associated with the main refrigeration trains including compressors, synchronous motors, variable speed drives, converter transformers, harmonic filters, and numerous powerhouses.

The electric compressors will use renewable hydroelectricity from BC Hydro.

Last year, it also awarded a contract to Canadian firm Graham Construction to conduct onshore work, which involves the final stages of cleaning up the previous pulp and paper mill at the Woodfibre site.

Following completion of a deal last year, Canadian pipeline operator Enbridge also now owns 30 percent stake in Woodfibre LNG.

As per offtakers, the project has two long-term offtake agreements with BP Gas Marketing for 15 years representing 70 percent of the capacity. (August 7, 2023)

09/08/2023

UNITED STATES:

Cheniere expects to complete Corpus Christi LNG expansion ahead of schedule.

US LNG exporting giant Cheniere is expecting to complete the expansion phase at its Corpus Christi plant in Texas ahead of schedule, according to the company's CEO Jack Fusco.

Cheniere's Corpus Christi liquefaction plant now consists of three operational trains with each having a capacity of about 5 mtpa.

In June last year, Cheniere took a final investment decision on the Corpus Christi Stage 3 expansion project worth about $8 billion and Bechtel officially started construction on the project in October.

The project includes building seven midscale trains, each with an expected liquefaction capacity of about 1.49 mtpa.

Deliveries are expected to begin in 2025 with full production in 2027.

Fusco told analysts during Cheniere's second-quarter earnings call last week that Bechtel "continues to progress Corpus Christi Stage 3 well ahead of schedule, increasing my optimism for that project being completed ahead of the guaranteed date."

"Certain construction activities on Stage 3 are taking place ahead of plan, and I remain optimistic on schedule outperformance and potentially having more LNG volumes in 2025, and possibly the entire seven-train project complete by the end of 2026," the CEO said.

Moreover, Fusco said that construction activities continue to ramp up and the project is 38.1 percent complete and there are now 1,000 personnel on site.

"In fact, during the second quarter, the first steel structure was erected, an important milestone for Stage 3," he said.

He told analysts that on Cheniere's next quarterly call, the company will provide "a much more fulfilling update on the schedule." (August 7, 2023)

09/08/2023

UNITED STATES:

Sempra eyes two LNG expansion FIDs in 2024.

US LNG exporter Sempra Infrastructure, a unit of Sempra, expects to take final investment decisions next year to expand two LNG export plants.

In March this year, Sempra Infrastructure and its partners TotalEnergies, Mitsui & Co, and Japan LNG Investment, a company held by Mitsubishi Corp and NYK, secured approval from the US FERC for the revised expansion plans for the Cameron LNG export plant in Lousiana.

Cameron LNG operates the existing three-train 12 mtpa liquefaction facility and the expansion project includes building the fourth train with a capacity of about 6.75 mtpa.

Cameron LNG previously awarded two front-end engineering design contracts to Bechtel and a joint venture between JGC America and Zachry Industrial.

Bechtel to perform work

Justin Bird, CEO of Sempra infrastructure, said during Sempra's second-quarter earnings call last week that the partners have selected Bechtel for the Cameron Phase 2.

"We are at a stage in the competitive feed process where we have selected Bechtel to move forward to complete the remaining work," he said.

"We are aligned with our partners to invest additional time upfront to reduce construction risks and project costs," Bird said.

According to the CEO, the company expects this process to continue through the fall "positioning us to take FID next year after satisfactorily finalizing the additional feed work securing project financing and any required regulatory approvals."

Port Arthur LNG expansion FID

Bird said that the selection of Bechtel is a "significant milestone" and the company is implementing a strategy similar to what Sempra Infrastructure did at its Port Arthur LNG export project in Texas to reduce overall costs and risk.

In March, Sempra Infrastructure took a final investment decision for the first phase of its Port Arthur LNG export project worth about $13 billion.

Bechtel is also building this LNG export plant with a total capacity of about 13 mtpa.

Bird said during the call that Sempra Infrastructure is working to finalize its project level ownership stake in Port Arthur LNG Phase 1 at 28 percent.

"This is within the previously shared target range of 20 percent to 30 percent, and we expect the transaction with KKR to close in the third quarter," he said.

In addition to the first phase, Sempra Infrastructure is also working to double the capacity of the plant as part of the project's second phase.

Bird said that Sempra Infrastructure is "very optimistic" regarding the Port Arthur Phase 2.

"We continue to advance commercial discussions with potential customers, importantly many of whom are also interested in project equity," he said.

"And at the same time, we're advancing engineering construction with Bechtel, regulatory, and financing," the CEO sad.

Bird said that the company has made "significant progress" on its LNG strategy and "are very bullish on both Port Arthur Phase 2 and Cameron Phase 2 moving forward next year." (August 7, 2023)

09/08/2023

KUWAIT:

Kuwait procures six LNG cargoes to meet peak summer requirements.

Heat wave and extremely high temperatures have prompted Kuwait Petroleum Corporation to float and award a flurry of LNG spot purchase tenders recently, according to multiple market sources.

Since July 6, the Kuwait-based importer has purchased six LNG cargoes from the spot market to meet fuel requirements in the extreme heat for electricity production.

On Aug. 2, KPC awarded tender and purchased two LNG cargoes for September delivery at $10.2-$10.3/MMBtu. A market source aware of the development said that one cargo could be delivered in the second half of September and the other cargo could be rolled over into early October delivery.

The cargoes were heard awarded to a producer.

In another tender that closed on July 18, KPC awarded two cargoes for delivery window of Aug. 25-Sept. 30 at a price slightly higher than $10/MMBtu to a producer and a portfolio company.

A market source based in the Middle East said that the requirement by KPC is based on the comparison of LNG prices and fuel oil and not comparable to other benchmarks.

The source added that the timing of tenders being floated was also to get a competitive price offer.

KPC began its spot procurement for the summer when it closed its tender for July 6 and purchased two cargoes around a price of $11.1-$11.3/MMBtu.

The Middle East marker was assessed at $10.55/MMBtu on Aug. 4 and the LNG benchmark JKM was assessed at $10.99/MMBtu, according to data by S&P Global Commodity Insights.

Kuwait imported 6.45 million mt LNG in 2022, according to data by S&P Global. In January-July, Kuwait imported 3.46 million mt LNG, the data showed.

Summer demand

Market sources said that mostly spot procurement by KPC is done to meet power requirements in the peak summer period.

The average maximum temperature in July in Kuwait was nearly 47 degrees Celsius and it jumped to nearly 52 degrees Celsius Aug. 2, according to data by Meteorological Department of Kuwait.

A heatwave in Egypt has also prompted the government to schedule power cuts in most of its provinces, market sources said.

Iran declared a two-day public holiday on Aug. 1 because of an unprecedented heatwave with temperatures expected to touch 50 degrees Celsius. (August 7, 2023)

09/08/2023

UNITED STATES:

McDermott officially starts construction of Woodfibre LNG project.

Construction of the Woodfibre LNG, a project being developed by Pacific Energy and Enbridge, has officially begun as Qingdao McDermott Wuchuan fabrication yard, a joint venture of McDermott and China State Shipbuilding Corporation, started building the first module for the project.

QMW announced the official commencement of the project construction on 31 July with the initial steel cut at the yard.

QMW's scope of work covers building 18 modules totalling 34,359 MT, including module fabrication design, bulk material procurement, modules construction, mechanical completion and pre-commissioning, weighing, loading-out and sea-fastening.

The project is scheduled for delivery in the third quarter of 2025.

To remind, Woodfibre LNG awarded an engineering, procurement, fabrication, and construction contract to McDermott back in November 2021. A notice to proceed, i.e. an instruction from Woodfibre LNG to McDermott to start the work in order to move the project toward major construction start, was issued in April 2022.

Siemens Energy was also contracted to deliver all equipment associated with the main refrigeration trains including compressors, synchronous motors, variable speed drives, converter transformers, harmonic filters, and numerous powerhouses.

As of November 2022, Enbridge owns a 30% ownership stake in the Woodfibre LNG project while Pacific Energy retains the remaining 70% stake in the project.

The Woodfibre LNG project is a 2.1 million tonnes per annum LNG export facility with 250,000 cubic metres of floating storage capacity.

The project is being built near Squamish, British Columbia, Canada. It is underpinned by two long-term offtake agreements with BP Gas Marketing for 15 years representing 70% of the capacity, with additional commitments in development for up to 90%.

According to developers, it was designed to be among the lowest carbon-intensive LNG export facilities in the world, with an annual emissions profile of 83,374 tonnes of CO_2e annually, and a carbon intensity of 0.04 (tonne of carbon dioxide equivalent per tonne of LNG), which is well below the Provincial benchmark of 0.16.

Earlier this year, the project revealed its target to achieve net-zero emissions by the time operations start in 2027, or 23 years ahead of government regulation. (August 4, 2023)

08/08/2023

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CANADA:

Canada’s Pembina targets Cedar LNG FID in Q4 2023.

Canada’s Pembina Pipeline and the Haisla Nation are now expecting to take a final investment decision on the Cedar LNG export project in the fourth quarter of 2023.

Pembina said earlier this year that the company and the Haisla Nation planned to take the FID by the third quarter of 2023.

“A final investment decision is now expected in the fourth quarter of 2023,” Pembina said in its second-quarter results report on Thursday.

Pembina and the Haisla Nation each own 50 percent in the Cedar LNG project.

In February last year, US-based engineer Black & Veatch and South Korean shipbuilder Samsung Heavy Industries won a front-end engineering and design contract for the project’s proposed floating liquefaction, storage and offloading unit.

The $2.4 billion FLNG project will have a capacity of about 3 mtpa and will source natural gas from the prolific Montney resource play in northeast British Columbia.

Cedar LNG plans to receive feed gas from the Coastal GasLink pipeline, which will supply the giant Shell-led LNG Canada export plant near Kitimat.

The floating LNG facility will also be located near the LNG Canada plant and will be powered by renewable electricity from BC Hydro.

Fully subscribed

In March this year, Cedar LNG received its environmental assessment certificate (EAC) from the B.C. Environmental Assessment Office, and has signed a memorandum of understanding with Canada’s ARC Resources for a long-term liquefaction services agreement.

Cedar LNG also received on July 6 its LNG facility permit from the BC energy regulator.

In addition to the previously disclosed memorandum with ARC Resources, Cedar LNG has “signed incremental non-binding MOUs with investment grade counterparties for long-term liquefaction services and is fully subscribed in relation to the project’s total capacity,” Pembina said in the quarterly report.

“Work towards the signing of definitive commercial agreements is ongoing,” the firm said.

Pembina noted that Cedar LNG elected to progress a second FEED process for the floating LNG vessel in late 2022 and has been waiting for that work to progress to the same stage as the original FEED.

“In conjunction with detailed commercial discussions and ongoing negotiations between LNG Canada and Coastal GasLink, this has resulted in the anticipated final investment decision being revised to the fourth quarter of 2023,” the firm said. (August 4, 2023)

07/08/2023

AUSTRALIA:

Woodside Energy set to log strong first-half profit on resilient LNG prices.

Woodside Energy, Australia's no.1 independent oil and gas producer, is likely to post a strong first-half profit growth, underpinned by resilient liquefied natural gas spot market prices and upbeat production levels.

Oil and natural gas prices, which rose to record highs last year in the wake of the Russia-Ukraine war, slipped in the first half but stayed above long-term average levels despite a slower-than-expected recovery in key consumer China weighing on demand.

A Visible Alpha consensus anticipates Woodside's first-half core net profit after tax (NPAT) at $2.02 billion, above last year's $1.82 billion, with strong output providing a boost.

However, smaller peer Santos' first-half core net profit is expected at $804 million, according to Visible Alpha, taking a hit from weaker realised prices and a drop in output.

The two oil and gas giants are expected to report their results early next week.

Uncertainties from threatened worker strikes over pay and conditions at Woodside's North West Shelf LNG plant and Chevron's Wheatstone and Gorgon LNG facilities also threaten around 11% of global supply, resulting in prices soaring.

"For investors, the bottom-line is that in a downside outcome of 90 days of outages at both plants, the earnings impact from foregone production is partially offset by tightening spot LNG markets," Citi said in a note.

To add to the sombre mood, a slower-than-expected economic growth in China and concerns about global economic prospects could dampen outlook for fuel demand.

"There is a struggling Chinese economy and that's impacting demand (where) other places such as India might be able to fill the void to large extent and that's going to shore up energy demand in the second half of this year and also in 2024," said Tim Waterer, chief market analyst at KCM trade.

Shares of Woodside have gained 9% so far this year, while those of Santos are up 10.8%. The energy sub-index has climbed 8.2% during the same period. (August 16, 2023)

17/08/2023

USE AS MARINE FUEL

SOUTH KOREA:

South Korea’s SK Gas seals Ulsan LNG bunkering pact.

SK Gas, a unit of South Korean conglomerate SK Group, is joining forces with compatriot shipping firm H-Line and the Ulsan Port Authority to develop a liquefied natural gas (LNG) bunkering project.

In that regard, the trio signed a memorandum of understanding for a public-private joint project, according to a statement by SK Gas.

SK Gas, H-Line Shipping, and UPA will now work to create a joint venture for the project in the first half of 2024.

Following the formation of the new firm, the partners plan to build a new LNG bunkering vessel, the statement said.

With this move, SK Gas will enter the LNG bunkering business.

SK Gas is a partner in Korea Energy Terminal along Korea National Oil Corporation.

Back in 2020, Daewoo E&C won a contract for the first phase of this project in the port of Ulsan which includes the construction of a 215,000-cbm LNG tank and additional regas facilities with about 1 mtpa capacity. It also won a contract for the second phase with the same scope the same year.

Last year, a consortium led by Daewoo E&C also won the contract for the third phase as well and the full project will have three LNG tanks with a total capacity of 645,000 cbm.

The terminal also includes a berth for LNG bunkering vessels.

KET plans to launch commercial operations of the first and second phase in 2024. (August 17, 2023)

18/08/2023

EUROPE:

Axpo hires LNG bunker ship which could also transport ammonia in future.

Swiss renewable energy producer Axpo has inked a ten-year charter deal for a liqufied natural gas bunkering vessel, which could also transport bio-LNG and ammonia.

As informed, the agreement was signed with Italy’s Gas and Heat SpA and the San Giorgio del Porto shipyard, both leaders in cryogenic storage and vessel conversions. The vessel will be built in the San Giorgio’s shipyard in Piombino, Italy, with a capacity of up to 7,500 cubic metres.

The ship is expected to begin operations in 2025. In the future, it could transport bio-LNG and ammonia. According to an analysis of the green LNG bunkering market published by SEA-LNG, bio-LNG is available in almost seventy ports worldwide, including in Singapore, Rotterdam, and the US east coast.

The project will be implemented in Italy and will see – for the first time in Europe – the deployment of an innovative and sustainable technology for continuous ship-to-truck operations, according to the company.

Active off the coast of Naples, the vessel will provide ship-to-ship and ship-to-truck services. The former, also known as ship-to-ship bunkering, is the transfer of bunker fuel used by the receiving vessel (in this case, LNG) from one ship to another and is typically carried for ocean-going vessels.

The latter entails the transfer of LNG to tanker trucks onshore, which then transport and distribute the LNG by road to final users.

The Italian vessel will feature a flexible multi-truck bunkering skid mounted onboard to enable the loading of several trucks simultaneously, significantly reducing bunkering time.

“The demand for sustainable solutions in the maritime industry continues to increase significantly, in line with the International Maritime Organisation strategy of reducing greenhouse gas emissions from international shipping. With the industry expected to achieve a reduction of up to 40% in the carbon intensity of shipping by 2030, the LNG bunkering solution will provide a cleaner marine fuel in the mid-term and beyond,’ Axpo Head of Continental Europe Merchant Trading Marco Saalfrank said.

“Together with Axpo Italia, we are pleased to be part of an important initiative that will help enable the transition to carbon neutrality and, for the first time in Europe, employ this new bunkering technology to supply markets with cleaner fuel,” Axpo Small Scale LNG Manager Daniele Corti added.

LNG bunkering vessels support the increasing use of LNG as a marine fuel, which plays an important role in decarbonisation and the transition to a more sustainable energy mix.

The flagship project was set up in collaboration with the Italian government’s infrastructure and transport ministry, MIT, and the Central Tyrrhenian Sea and Naples port authorities. (August 9, 2023)

11/08/2023

SINGAPORE:

First bio-LNG bunkering operation completed in Port of Singapore.

Maersk and Hong Lam Marine Pte Ltd have successfully conducted the world's first ship-to-containership methanol bunkering operation of a Maersk container vessel, on 27 July 2023, at the Raffles Reserved Anchorage in Singapore, with the support of the Maritime and Port Authority of Singapore (MPA), government agencies, and research institutes. This is also Singapore's first methanol bunkering operation.

Maersk's container vessel – the world's first container vessel sailing on green methanol – was successfully refuelled with approximately 300 t of bio-LNG via Hong Lam Marine's Singapore-registered tanker, MT Agility, for its onward maiden passage to Copenhagen. MT Agility had earlier taken bio-LNG stored at Vopak terminals. The container vessel will be named in a ceremony in Copenhagen in September 2023.

In preparation for the methanol bunkering operation in Singapore, MPA worked with over 28 agencies, partners, and institutes to organise table-top exercises and workshops, before carrying out a ground deployment exercise. The first TTX was held during Singapore Maritime Week 2023 to identify safety measures and clarify roles and responsibilities for a coordinated cross-agency response to a methanol incident at sea. A separate hazard identification and hazard and operability study workshop was conducted to identify potential risks and develop corresponding prevention, control, and mitigation methods. These were further evaluated during a second TTX and a GDX at sea in July 2023, with various stakeholders and government agencies. Customised methanol firefighting programme was also conducted by the co-operation of SCDF Employees Ltd for MPA staff and Hong Lam Marine crew members as part of the preparations for the bunkering operation.

As part of the risk and environmental impact assessment for the methanol bunkering operation, MPA reviewed methanol-related incidents globally and worked with the Meteorological Service of Singapore to provide advance lightning risk warning if required. A methanol plume model was jointly developed by the Institute of High Performance Computing, A*STAR, Tropical Marine Science Institute (TMSI), National University of Singapore, and the Technology Centre for Offshore and Marine, Singapore, to forecast the dispersion path of the methanol plume in an event of an accidental methanol release and guide operations. The model is a combination of dispersion in the air layer using computational fluid dynamics by IHPC, weather forecast and air quality modelling by TMSI, and plume dispersion in the sea via metocean modelling and prediction by TCOMS. During the methanol bunkering operation, researchers from the Cambridge Centre for Advanced Research and Education in Singapore flew drones equipped with methanol detector with plume modelling capabilities and infrared camera from MPA's patrol craft MPA Guardian to augment the detection of potential methanol leaks into the atmosphere and methanol flames in an event of an accidental leak. These novel capabilities will be further enhanced to support the review of responses to maritime incidents and raise the preparedness of seafarers, marine professionals, and the port ecosystem in Singapore as new marine fuels, such as methanol, are introduced.

A Technical Reference for methanol bunkering is being developed by MPA in consultation with the Standards Development Organisation at Singapore Chemical Industry Council. The TR will cover the refuelling requirements, operational and safety requirements for delivery of methanol from a bunker tanker to receiving vessels, crew training and competency. Best practices learnt from this bunkering operation will also inform the development of specialised bunker vessels, mass flow meters, digital bunkering and other standards.

Aside from the development of the Technical Reference, MPA will continue to develop other operational and safety protocols, licensing requirements, training of seafarers and professionals, and study infrastructure needs such as terminal facilities and methanol carrying bunker tankers, to fully operationalise methanol bunkering. Learnings from the bunkering operation will also be presented to partners and international bodies such as the International Maritime Organization later this year to support the safe adoption of methanol as a marine fuel.

Teo Eng Dih, Chief Executive, MPA, said: "The success of the methanol bunkering operation is a result of nearly a year's preparations with various government agencies, research institutes, international collaborators, and industry to develop rigorous safety procedures through in-depth operational and risk assessments, modelling, and validation. This operation will help inform the development of the various standards, including the Technical Reference for methanol bunkering operations in Singapore, and guide our approach for future pilots and trials of new marine fuels. We thank A.P. Moller-Maersk, Hong Lam Marine, American Bureau of Shipping (ABS), Mitsui & Co., OCI Global, Stellar Shipmanagement and Vopak for their joint efforts with Singapore-based agencies in operationalising methanol bunkering capability and we welcome partners to work with us to accelerate maritime decarbonisation."

Morten Bo Christensen, Head of Energy Transition at A.P. Moller – Maersk, commented: "A.P. Moller-Maersk is excited to collaborate with the Maritime and Port Authority of Singapore, Mitsui & Co., ABS, and Hong Lam Marine on the maiden voyage of the world's first container vessel sailing on green methanol. This journey is an important step in our efforts to reach net zero greenhouse gas emissions by 2040, as it will allow us to gain the necessary operational experience to operate the new engines and the fuel provided by OCI Global ahead of the arrival of our larger methanol-enabled vessels in the coming years."

Lim Teck Cheng, Executive Chairman, Hong Lam Marine, added: "We are deeply honoured to be a part of Singapore's first STS methanol bunkering. This goes with our absolute commitment to provide a safe and environmentally friendly option to decarbonise the marine industry in line with IMO's GHG emissions targets. This remarkable achievement marks a milestone and demonstrates our commitment to sustainability and environmental responsibility, and we believe this will be a significant step in accelerating the development of methanol bunkering in Singapore. We would like to express our gratitude to our partners Maersk Oil Trading and the MPA for their collaboration and support in this endeavour. Together, we can make a positive difference for planet earth and a more sustainable future."

Panos Koutsourakis, Vice President, Global Sustainability, ABS, stated: “We are proud to have collaborated with Maersk, Mitsui, Hong Lam Marine, and the MPA to develop the methanol bunkering safety procedures and checklists. This is an important advance on our industry’s sustainability journey, with a laser focus on safety. Green methanol holds significant promise to contribute to the decarbonisation of our industry and ABS has been leading the way by supporting its adoption. This vessel and her successors now on order are a vital step in creating more sustainable global supply chains.”

Takuya Shirai, the Chief Operating Officer of Mobility Business Unit II of Mitsui & Co. Ltd., said: “We are extremely proud to be part of this epoch-making project from the very beginning. We believe that the success of this ship-to-ship methanol bunkering operation in the port of Singapore is only possible with the close collaborating partnership among A.P. Moller-Maersk, ABS, Hong Lam Marine, the MPA, and relevant supporters in this project. It represents a remarkable milestone to the journey towards the decarbonisation of global shipping. Through this project and other GHG reduction initiatives, Mitsui is committed to the realisation of a carbon neutral society.”

Bashir Lebada, Chief Executive Officer, OCI Methanol/OCI HyFuels, added: “We are very proud to be the vessel’s fuel partner, making the world’s first green methanol-fuelled container ship journey a reality. The successful bunkering operation in Singapore is a testament to the hard work of the MPA and all the involved parties, and this maiden voyage proves that we can achieve the marine industry’s global greenhouse gas emissions reduction targets using green methanol. Singapore will be an essential hub for us as we scale our green methanol and ammonia bunker business, and we look forward to working with our local partners there to accelerate the shift to cleaner fuels in shipping.”

Kelvin Kang, General Manager, Stellar Shipmanagement, exclaimed: “Stellar Shipmanagement is delighted to be part of this HAZID/HAZOP and TTX discussion group for the methanol bunkering operation. These discussions are very important and helpful to our newbuilding methanol bunker tankers under construction currently, including layout, cargo handling, safety features as well as safe operation procedures. On behalf of our parent company Global Energy Group, we appreciate MPA’s continuous support to the bunkering industry in Singapore and the quest to make Singapore as the front runner in the development of the methanol bunkering.”

Rob Boudestijn, President, Business Unit Singapore, Vopak, concluded: “We congratulate Singapore on this important milestone and are proud to be a partner in completing this methanol bunkering operation safely. As a reliable infrastructure provider for maritime bunkering over the past 40 years, we look forward to playing a leading role in enabling Singapore’s maritime decarbonisation journey in the multi-fuelled future.” (August 4, 2023)

08/08/2023

CHINA:

World’s largest LNG bunkering vessel refuels first VLCC in milestone operation.

The world’s largest LNG bunkering ship Hai Yang Shi You 301 has completed its first ship-to-ship bunkering operation involving a very large crude carrier at the anchorage of Guangzhou Port.

The 8.5-hour operation saw Offshore Oil 301 provide the 320,000-ton dual-fuel tanker Maran Dione with approximately 6,500 cubic meters of liquefied natural gas.

The refueling allows the tanker to achieve uninterrupted voyages spanning more than 10,000 nautical miles, covering the round-trip journey from Guangzhou to Europe.

The operation marks China’s debut in anchorage bunkering for very large oil tankers, a process that demands a more complex operational environment and heightened safety management requirements when compared to traditional dock bunkering.

Anchorage bunkering can be more challenging as ships are subject to tidal and weather conditions, requiring careful coordination and maneuvering between the bunkering vessel and the ship being fueled.

The 30,000 cbm Offshore Oil 301 is the first LNG transportation and bunkering ship independently designed, built, and operated by China.

The bunkering vessel was delivered to China National Offshore Oil Corporation in November 2022 following a conversion project at China State Shipbuilding Corporation’s subsidiary Guangzhou Shipbuilding International (GSI). The vessel has been described as the world’s largest LNG bunker vessel based on its capacity.

CNOOC is China’s largest and the world’s second-largest LNG importer. The company has been investing heavily in the development of the LNG bunkering infrastructure and now disposes of three international LNG bunkering centers and thirteen ship LNG refueling stations.

Its first LNG bunkering operation was completed in February this year when Offshore Oil 301) refueled CMA CGM’s 23,000TEU dual-fuel container ship CMA CGM Concorde at Yantian Port, Shenzhen.

In recent years, the global market for LNG-powered transport ships has seen rapid growth in response to the need for emission reduction in the shipping industry. The appeal of LNG lies in its status as a low-carbon fossil fuel, enabling zero emissions of sulfur oxides, a 90% reduction in nitrogen oxide emissions, and a 25% reduction in carbon dioxide emissions when compared to traditional marine fuel oil.

Additionally, it offers a considerable 30% reduction in annual fuel costs, making it a highly sought-after solution, particularly for large-capacity and long-distance international ocean-going vessels. Consequently, the demand for liquefied natural gas bunkering for such ships has fueled the vibrant development of the LNG ship bunkering industry on a global scale.

With global LNG demand predicted to exceed 10 million tons by 2025 and 30-45 million tons by 2030, China is accelerating the construction of international ship LNG filling centers in key ports like Tianjin, Xiamen, and Hainan during the “14th Five-Year Plan.”

These efforts are aimed at enhancing the inland river LNG filling chain and promoting regional LNG fuel applications. (August 4, 2023)

07/08/2023

USE AS AUTOMOTIVE FUEL

CZECH REPUBLIC:

GasNet opens new Czech LNG fueling station.

Natural gas distributor GasNet has launched a new LNG fueling station for trucks in the Czech Republic.

The LNG station is located in Jazlovice, near the Czech capital Prague, according to GasNet.

Besides this station, GasNet has LNG fueling stations in Nyrany, Mlada Boleslav, Klecany, as well as the LNG station located in the South Bohemian town of Kaplice.

The firm operates five LNG fueling stations in the Czech Republic and plans to build more due to growing demand for LNG as fuel in the transport sector.

Compared to conventional options, LNG “boasts a remarkable 20 percent reduction in CO2 emissions and a staggering 70 percent drop in NOx emissions,” GasNet said.

The firm said its network is “fully primed for the future of sustainable energy with liquefied biomethane, or bio-LNG, boasting a game-changing 95 percent reduction in emissions when measured against diesel.”

According to data by Gmobility, there are currently 8 LNG stations in the Czech Republic and 692 stations in Europe.

Germany continues to host the highest amount of LNG stations for trucks with 179 stations, followed by Italy with 142 stations. (August 16, 2023)

18/08/2023

WORLDWIDE:

Crown LNG to go public via Catcha deal, working on FIDs for two terminals.

Norway's Crown LNG and Catcha Investment signed a definitive agreement for a business combination that would result in Crown becoming a US publicly listed company.

Crown LNG develops offshore liquefaction and LNG regasification terminal infrastructure solutions for harsh weather locations and is working on projects in India and Scotland.

On the other hand, Catcha Investment is a special purpose acquisition company backed by the investment firm of Patrick Grove and Luke Elliott.

According to a joint statement, the combined company, named Crown LNG Holdings Limited, intends to apply to list its shares on the New York Stock Exchange under the new ticker symbol "CGBS".

Catcha has agreed to combine with Crown through Crown LNG Holdings Limited based on a pre-money valuation of Crown at about $600 million.

The transaction will provide $50 million of capital, with net proceeds going to fund both the Kakinada and Grangemouth projects to final investment decision, the statement said.

The partners expects the implied pro forma enterprise valuation of the public company to be about $685 million.

Also, completion of the proposed transaction remains subject to customary closing conditions, and the partners expect this to occur in the fourth quarter of 2023.

"Transformative step"

Swapan Kataria, CEO of Crown, said in the statement that this business combination with Catcha is a "transformative step" for accelerating Crown's growth, with the aim to provide its investors with a stable, long-term return on their investment.

"Our targeted blue-chip potential customer base will reflect the strong and growing global demand for harsh weather LNG infrastructure allowing for year-round operation to enable the global energy transition and ensure energy security by facilitating access to reliable natural gas supplies, as well as hydrogen, ammonia and power," Kataria said.

He added that the capital raised in this transaction will further strengthen the company's ability to execute on its diversified project pipeline in India, the UK, Vietnam, Canada, and other global markets.

Catcha's Patrick Grove said that the LNG market is being driven by "strong market tailwinds, including rising energy security concerns and the increasing use of natural gas as a transition fuel with a tenth of the emissions of coal fired plants."

He said that Crown will help to enable LNG access for under-served markets and at the same time "benefit everyone in the ecosystem customers, governments, producers, and investors."

FIDs in 2024 and 2025

Currently, Crown is advancing development of two projects toward FID – Kakinada, on the east coast of India, and Grangemouth, in Scotland.

The Grangemouth FSRU project will have a capacity of 5 mpta and will cost about $533 million.

It will supply a natural gas-fired power plant.

The Grangemouth facility has secured support from the Department for Energy Security and Net Zero, as well as access to existing gas and power infrastructure in partnership with GBTron, Kataria said during an investor conference call on Thursday.

"We expect FID in Q3 of 2024 and have invested approximately $4.6 million in the project already," he said.

As per the Kakinada project in India, this terminal will utilize GBS facilities and will have a capacity of 7.2 mtpa.

This project will cost about $1billion.

Moreover, the Kakinada project's GBS terminal has already received a license to operate for 365 days given its more robust characteristics and foul weather capabilities, Kataria said.

"Crown LNG expects FID on the Kakinada project in Q3 of 2025, with invested capital of over $45 million to date in the project," he said. (August 4, 2023)

07/08/2023

LPG

SUPPLIES - IMPORTS - EXPORTS

VIETNAM:

PV GAS signs deal with Japan Cooperation Centre Petroleum.

PV GAS Corporation and its subsidiary PV GAS LPG JSC have signed a cooperation agreement with Japan Cooperation Centre Petroleum on improving the management capacity of LPG cylinders distribution by barcode in Vietnam.

The signing marked an important step in strengthening cooperation between PV GAS and its partners to improve the company's management capacity and advance its position in the LPG market.

To accomplish the retail LPG strategy for the period of 2021-2025, which was approved last year, PV GAS and PV GAS LPG are striving to expand their retail network and distribution channels as well as enhance business efficiency. During that process, PV GAS and PV GAS LPG worked with JCCP and Hagio Company to conduct research and test the tracking of LPG cylinders by barcode using the Japanese technology.

Barcode technology has been proven effective through long-term use in Japan. This advanced distribution management system will contribute to supporting PV GAS and PV GAS LPG to improve management capacity and optimise the delivery and receipt of LPG cylinders, reduce operating costs. (August 11, 2023)

15/08/2023

NATURAL GAS

EXPLORATION

BOLIVIA:

YPFB finds new gas reservoir.

Bolivian authorities have reported that the state-run oil company Yacimientos Petrolíferos Fiscales Bolivianos had discovered a new gas field in the Okinawa area after recent studies in the Remanso-X1 well. The new reservoir will generate approximately US$ 5 billion in gas, it was explained. It will also contribute to savings in fuel purchases of US$1 billion, according to YPFB.

”The well is in condensate production tests (of 48° API). These results will allow us to classify it as the discoverer of a new hydrocarbon field with estimated resources of 0.7 trillion cubic feet of gas and 52 million barrels of liquids,“ President Luis Arce Catacora said Sunday during his message marking the 198th anniversary of the foundation of Bolivia. ”The Yarará-X2 well, currently in production tests, will increase oil production in the field by more than 700 barrels per day for the country thanks to the Yarará field,“ Arce added.

”We would be in the presence of a new field in Bolivia, this discovery opens a new development horizon in the short and medium term, which will make it possible to incorporate reserves and increase liquids production and thus reduce fuel imports under the line of import substitution,” said YPFB's President Armin Dorgathen Tapia aboout the discovery in the Remanso geological structure in the Chaco-Benian Plain. The hydrocarbon resources in the Remanso area are estimated at 0.7 trillion cubic feet of gas and 52 million barrels of liquids.

On July 7, 2023, operations began in the Okinawa contract area, located in the Warnes province of the department of Santa Cruz. The activities included the maintenance of roads to enter the plateau and access to the RMS-X1 well, in addition to the habilitation of the production head and the taking of logs in order to evaluate the integrity of the well.

YPFB technicians found positive indications of the presence of hydrocarbons with original conditions. In this scenario, teams were deployed to evaluate the productive potential of the RMS-X1 well. Since August 1, production tests have been carried out with positive results, registering a condensate production of 45 barrels per day in the sandstones of the Los Monos formation.

The RMS-X1 well was first drilled in 1984 but was later closed. As part of the Upstream Reactivation Plan, operations were resumed under the current management, in a move to reduce the deficit in liquid imports, in line with the Fuel Substitution Plan. (August 7, 2023)

09/08/2023

THAILAND:

PTTEP to boost gas production to avoid new price shock.

Thailand’s largest natural gas producer is ramping up output to avoid a renewed power crisis. State-controlled PTT Exploration and Production Public Company Limited plans to double gas production at Erawan, its biggest field, to 800 million cubic feet a day in early 2024, said Chief Executive Officer Montri Rawanchaikul.

Output at Bongkok, its second-largest, will be raised by about 10% next year, he said.

That comes after PTTEP was among companies criticised for last year’s jump in domestic electricity bills by failing to sufficiently boost domestic gas extraction. Production from Erawan plummeted by 64% in 2022 after the company, the exploration unit of PTT Public Company Limited, took over the field from US energy major Chevron Corp and power producers were forced to buy more expensive LNG on international markets.

Thailand gets more than 60% of its power from natural gas and has been increasing imports to meet demand. A 40% spike in the European benchmark on Wednesday — the biggest jump since global markets were upended in the wake of Russia’s invasion of Ukraine — has renewed concern about containing politically sensitive electricity rates.

"The recent surge in LNG prices has caused my deepest fear for another repeat of the gas and power crisis," Mr Montri said Thursday in an interview at his office. "Our main priority is to expand reserves and production at domestic gas fields to boost the country’s energy security."

Thailand's increasing LNG imports

Caretaker Prime Minister Prayut Chan-o-cha spent several billion dollars on subsidies to cap electricity costs ahead of the May 14 general election. Move Forward Party leader Pita Limjaroenrat surprisingly won the most seats in that vote, partly on a platform to cut power bills, although there has been a political stalemate since.

Imported LNG accounted for about 29% of the gas used in power generation in 2022, more than double the share in 2018, according to data from the Energy Regulatory Commission, the industry’s regulator. That has been a huge financial burden, with the state-owned power utility — Electricity Generating Authority of Thailand — racking up about 135 billion baht (US$3.8 billion) of debt to help subsidise the imports.

The power price increases have also boosted the country's ambitions to increase renewable generation.

Meanwhile, PTTEP is focusing on investments in Southeast Asia, Oman, the United Arab Emirates and Algeria after expansion in regions including Canada and Australia failed, Montri said. The company has built up about $3 billion of cash and other liquid assets but potential targets have demanded much higher prices after oil’s recent rally, he said. (August 15, 2023)

16/08/2023

IRAQ:

Chief Advisor expects 150 million cubic feet of gas extraction from Bin Omar project.

Munir Bouaziz, the chief advisor of the Bin Omar gas project in Basra Governorate, southern Iraq, anticipates a significant milestone in the project's initial phase, forecasting a daily gas extraction volume of 150 million cubic feet.

Speaking to Shafaq News Agency, Bouaziz emphasized that harnessing local expertise and resources could propel Iraq towards self-sufficiency in gas imports and solve the persistent electricity crisis.

Bouaziz highlighted the multifaceted challenges faced by Iraq's post-2003 governments, citing the intricate electricity dilemma stemming from administrative and financial corruption, mismanagement, and planning deficiencies.

The reliance on expensive gas imports from neighboring countries to fuel power stations further compounded the crisis. He explained.

Bouaziz underlined the imperative to capitalize on associated gas resources instead of wasteful burning, noting that Iraq can achieve energy self-sufficiency, diversify fuel sources, and ensure the uninterrupted operation of generation facilities.

Prime Minister Muhammad Shia'a Al-Sudani's initiatives to address the electricity crisis, including station repairs, maintenance, and private sector involvement, were cited as potential remedies by Bouaziz. Notably, local enterprises like Raban Al-Safina company are pivotal in these endeavors.

Bouaziz's projections for the first phase indicate a substantial gas extraction capacity of 150 million cubic feet per day. Leveraging domestic companies for associated gas investment is envisioned to achieve self-reliance in gas imports, alleviating the electricity challenge that has hindered successive governments in delivering essential services to citizens.

This strategic approach holds promise in curtailing associated gas deficits and curtailing overseas imports while concurrently empowering the Iraqi labor force and enterprises. The resulting synergy is poised to invigorate the country's energy landscape and encourage further local investment in similar projects.

The Bin Omar field in Basra Governorate near the Shatt al-Arab has emerged as a significant Iraqi oil and gas asset.

Discovered in 1948, the field's hydrocarbon resources include substantial natural gas associated with crude oil. Production commenced in 2008, with the Bin Omar field holding impressive reserves of one billion barrels of oil and 780 billion cubic meters of gas. The strategic positioning of the field, a mere 25 kilometers north of Basra, further augments its potential impact on Iraq's energy sector. (August 5, 2023)

08/08/2023

OMAN:

Oman's natural gas production rises 2.3%.

The total domestic production of natural gas amounted to 26.19 billion cubic metres until the end of June 2023, an increase of 2.3 percent compared to the same period in 2022, when the total amounted to 25.60 billion cubic metres.

Statistics issued by the National Centre for Statistics and Information showed that industrial projects accounted for 58.7 percent of the natural gas uses in the Sultanate of Oman at 15.39 billion cubic metres until the end of June 2023.

The total use of natural gas for oil fields amounted to 6.76 billion cubic meters, power plants at 3.89 billion cubic metres and industrial areas at 131.50 million cubic metres.

It is noteworthy that the non-associated production of natural gas, including imports, amounted to 20.89 billion cubic metres, while the associated production of natural gas amounted to 5.30 billion cubic metres. (August 5, 2023)

08/08/2023

SUPPLIES - IMPORTS - EXPORTS

IRAN - ARMENIA:

Iran extends gas-for-electricity swap deal with Armenia.

The National Iranian Gas Company has renewed and revised a contract with Armenia to increase the volume of natural gas exports to the landlocked neighboring country until 2030, Shana reported.

The terms of the contract, under which Iran exports natural gas to Armenia in exchange for electricity, have been revised so that the energy exchange ratio is significantly improved in favor of the NIGC.

The contract was finalized this week during a ceremony in Yerevan attended by senior officials from both countries, including NIGC Head Majid Chegeni, Iran's ambassador to Armenia Mehdi Sobhani, and Aram Ghazaryan, the CEO of the Yerevan Thermal Power Plant.

The preliminary agreement to extend the gas-for-electricity swap deal was worked out during Armenian Prime Minister Nikol Pashinyan's visit to Tehran in November last year.

Officials say the Iran-Armenia gas pipeline has the capacity to transfer over one billion cubic meters of natural gas to Armenia every year. (August 16, 2023)

18/08/2023

IRAN:

Natural gas storage capacity to rise to 100mcm by March 2027.

The capacity of natural gas storage in Iran will rise to 100 million cubic meters (mcm) by the Iranian calendar year 1406 (March 2027), the managing director of Iranian Gas Engineering and Development Company announced.

Referring to the advancement of natural gas storage projects and paying special attention to this issue in the current government, Reza Noshadi said: “In the last two years, we have been able to address the issue of gas storage, which had been forgotten for years, at the level of the National Iranian Gas Company, and the Oil Ministry, because this action is one of the tools for managing gas consumption during peak consumption in the country.”

Referring to the seven projects being implemented and followed up in this area, he stated that the activities of Iranian Gas Engineering and Development Company have now started in five gas fields, adding that the starting point of the development work was the second phase of Shourijeh field.

The managing director of Iranian Gas Engineering and Development Company further stated that the development of the Sarajeh gas field in Qom is one of the most desirable projects in the field of gas storage and the activities in this field have also started.

Iran has two major natural gas storage facilities in Sarajeh and Shourijeh, in which every year the National Iranian Gas Company stores the gas received from gas refineries all over the country to be used in the colder months of the year.

As one of the world’s top gas producers, Iran has been following a plan to expand its underground natural gas storage capacity to ensure that enough natural gas is available during peak demand periods to avoid electricity supply shortfalls in the future.

According to the National Iranian Gas Company’s plans, the capacity of the two storage facilities, Sarajeh and Shourijeh, is planned to increase to over seven billion cubic meters in the near future. (August 15, 2023)

16/08/2023

UKRAINE:

Ukrainian underground storage facilities contain 12.4 bcm of gas – Naftogaz.

Ukrainian underground storage facilities contained 12.4 billion cubic meters of gas as of August 2, Ukrainian media quoted Alexei Chernyshov, the Naftogaz CEO, as saying during a meeting of the working group for monitoring the fulfillment of the Law on the Natural Gas Market.

He said the gas stocks should rise to 13.8 bcm by September 1.

A total of 1.358 bcm was stored in July 2023, compared with 1.065 bcm in July 2022.

Chernyshov drew attention to an increase in gas consumption in July by almost 50% or 252 million cubic meters compared to July last year, to 803 mcm, due mainly to the increased use of gas by thermal power plants.

Thermal power plants consumed 0.7 bcm of gas to generate electricity within the special public obligations framework of in January-April this year and about 0.5 bcm in May-July. Anticipated consumption for these purposes in August-December is 1.2 bcm.

Chernyshov also said Naftogaz had bought 0.7 bcm of gas from privately owned producers on the Ukrainian Energy Exchange since the end of April.

Ukraine has 12 underground storage facilities with overall capacity of around 31 billion cubic meters. The country plans to begin the 2023-2024 heating season with inventory of 14.7 bcm of gas. (August 3, 2023)

07/08/2023

AZERBAIJAN:

TotalEnergies, SOCAR sell part of their interest in Azerbaijan's Absheron gas field.

TotalEnergies and its partner SOCAR have signed an agreement to sell a 15% participating interest each in the Absheron gas field to ADNOC, Trend reports.

After completion of this transaction, which is subject to the approval by the relevant authorities, TotalEnergies will own a 35% interest in Absheron gas field, alongside SOCAR (35%) and ADNOC (30%).

Absheron gas and condensate field is located in the Caspian Sea and operated by JOCAP (Joint Operating Company of Absheron Petroleum).

“TotalEnergies is pleased to welcome ADNOC, one of its strategic partners, into the Absheron gas field, where production of the first phase started in early July, and which offers a significant further development potential to meet the growing gas demand”, said Nicolas Terraz, President, Exploration & Production at TotalEnergies.

TotalEnergies has been present in Azerbaijan since 1996, where it is a 50% partner of SOCAR in the Absheron gas and condensate field and holds a 5% stake in the Baku-Tbilisi-Ceyhan pipeline.

TotalEnergies and its partner SOCAR (State Oil Company of the Republic of Azerbaijan) have recently announced the start of production of the first phase of development of the Absheron gas and condensate field in the Caspian Sea, around 100 km south-east of Baku.

This first phase connects a subsea production well to a new gas processing platform, itself linked to SOCAR’s existing facilities in Oil Rocks. It has production capacity of 4 million cubic meters of gas per day and 12,000 barrels a day of condensate. (August 4, 2023)

07/08/2023

GREENH2

PRODUCTION

GERMANY:

Green iron production pilot opens at RWE power plant in Germany.

A direct reduction plant for the production of iron using green hydrogen has been launched at the site of RWE AG's power plant in Lingen, Lower Saxony province.

As part of the "GEiSt: Green iron for the steel industry" project, more than a tonne of green iron per hour is to be produced with the help of green hydrogen. Instead of conventional energy sources such as coking coal or natural gas, green hydrogen is used to reduce iron ore and produce sponge iron, also known as direct reduced iron. Thus, the only by-product of iron production is water vapour which is collected and reused during the electrolysis process in green hydrogen production. Sponge iron is then further processed to make steel.

The green hydrogen is produced in an electrolyser on the site and fed into the DRI plant.

The steel industry is the sector with the highest share of greenhouse gas emissions in the German industry, accounting for about 30% of industrial emissions. Therefore, decarbonising iron ore production plays a key role, as it holds the greatest potential for reducing emissions, commented Lower Saxony's energy minister Christian Meyer at the opening of the DRI pilot plant.

In addition to RWE, the demonstration project involves also start-up company CO2GRAB, LSF and steel maker BENTELER Steel/Tube. It is worth EUR 5 million (USD 5.5m) and the Lower Saxony Environment Ministry is funding the project with EUR 3 million. (August 14, 2023)

17/08/2023

NAMIBIA:

Hyphen picks engineering consultant for USD-10bn green H2 project.

Hyphen Hydrogen Energy has hired Austria-based ILF Consulting Engineers to provide project management and technical services for its flagship USD-10-billion (EUR 9.1bn) green hydrogen and ammonia project in Namibia.

Hyphen, a joint venture between Nicholas Holdings Ltd and German renewables developer Enertrag SE, said on Monday that the partnership agreement with ILF will back the delivery of the ambitious project. In addition to engineering and project management consultancy, the Austrian firm will deliver procurement and contract advice and support Hyphen during the implementation phase.

Hyphen’s flagship project envisages the installation of around 3 GW of electrolysis capacity powered by electricity from about 7 GW of renewables. The huge complex will be able to produce one million tonnes of green ammonia per year by 2027 and by 2029, its output is planned to reach 2 million tonnes annually for regional and global markets.

When operating at full scale, the hub will produce 350,000 tonnes of green hydrogen a year.

Hyphen was selected in 2021 as the preferred bidder to develop and operate the hub in the Tsau //Khaeb national park. In June, the government of Namibia decided to exercise its right to take up a 24% stake in the scheme. (August 14, 2023)

15/08/2023

EGYPT:

Egypt's PM discusses proposal for huge green hydrogen plant.

Egypt's prime minister Mostafa Madbouly has held a meeting to discuss a proposal submitted by a major foreign company to build a green hydrogen plant in the North African country with an expected output of 400,000 tonnes per year.

The meeting was attended by electricity minister Mohamed Shaker and other government officials from the Ministry of Electricity and Renewable Energy, the Ministry of Petroleum and Mineral Resources and the Ministry of State for Military Production, according to a statement by the Cabinet.

The proposal calls for the construction of a hydrogen production plant powered by 15 GW of solar. Madbouly did not reveal details about the foreign developer behind the proposal. However, he noted that the entire output of the site is planned to be exported to Europe, which is expected to generate revenues of about USD 1 billion (EUR 912m).

The prime minister added that a feasibility study for the project will be launched and that a site has been already selected for this project. (August 10, 2023)

14/08/2023

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NETHERLANDS:

Thyssenkrupp unit joins Dutch floating green H2, ammonia project.

German engineering company Thyssenkrupp Uhde has joined a project for an industrial-scale floating green hydrogen and ammonia production facility in the North Sea which is being developed by a consortium led by Dutch-based SwitcH2 BV.

The German company has provided a technical concept study for the ammonia plant based on its ammonia synthesis technologies. It was part of the development of the topside arrangement, hull and mooring system design for the floating production and offloading vessel which was done by floating production specialist BW Offshore Ltd.

The project, dubbed OFFSET, is planned to be connected to an adjacent wind farm by 2027. The hydrogen produced by the floating facility can be transported to shore through existing oil and gas pipelines or newly installed thermoplastic composite pipe, while the ammonia can be transported to end-users by shuttle tankers.

Earlier this year, the project received a EUR-3-million (USD 3.28m) grant from the Dutch government under the Mission driven Research and Development scheme.

Apart from SwitcH2 and BWO, the consortium working on the project also includes Maritime Research Institute Netherlands, the Dutch public technical university TU Delft and local hydrogen pipeline company Strohm. The group will seek to involve stakeholders from different sectors, such as energy companies, wind farm operators and developers, as well as energy-intensive industry sectors as potential future off-takers, according to an earlier statement. (August 7, 2023)

10/08/2023

CHILE:

Verano Energy plans a green hydrogen giga project in Chile.

Latin America-focused renewables firm Verano Energy, best known for developing and building solar photovoltaic farms in the region, has announced a multi-phase 25-GW green hydrogen development in Chile.

The firm said that the new giga project -- Los Amigos del Verano -- will entail an initial investment of USD 2.9 billion (EUR 2.64bn). The plan is to build two 2.5-GW electrolysis-based hydrogen plants during each of the first three phases, and a set of four 2.5-GW plants in phase four.

The hydrogen production complex will be located in the Taltal commune in Chile’s northern region of Antofagasta. It will also feature a desalination plant to secure the water needed for the electrolysis process. Verano Energy said that the resulting hydrogen and ammonia would be transported by a 100-km (62.1 miles) pipeline to the coast to a marine storage and distribution facility.

It is unclear what renewable energy source will be used to power the electrolysers. Verano Energy CEO Dylan Rudney said that the project is strategically located in the Atacama Desert, highlighting the area's wind and solar resources availability which can translate into "the world's lowest" levelised cost of ammonia.

Construction is expected to commence in 2025. Phase one would come into operation in 2027 and phase four in 2033, the announcement reads.

Verano Energy also announced a mutual collaboration agreement with German technology expert Siemens AG for the development of green hydrogen projects. (August 7, 2023)

09/08/2023

SUPPLIES - IMPORTS - EXPORTS

GERMANY:

German steel plant to switch to hydrogen in 2027.

German mining and metals company Stahlwerk Thueringen GmbH and gas network operator Ferngas Netzgesellschaft mbH will partner to connect a steel plant in the federal state of Thuringia to Germany's planned hydrogen network in 2027.

Ferngas will establish the necessary infrastructure to transport hydrogen to the steel plant, Stahlwerk Thueringen has announced. This includes, among other things, the conversion of an existing natural gas pipeline of some 70 kilometres (43.5 miles) from the city of Erfurt to Unterwellenborn where the steel plant is located.

The next steps for planning and technical preparation of the hydrogen connection to the network will be developed shortly.

The decision to source green hydrogen through the network infrastructure in the future is another step in the decarbonisation of steel production for the Thuringian plant which already uses renewable electricity in its processes. The green hydrogen supplied via pipeline will gradually replace the natural gas used in production. Initially, hydrogen is expected to account for more than half of the natural gas volume, with the hydrogen proportion gradually growing.

"Connecting to the hydrogen network will preserve our competitiveness and strengthen Stahlwerk Thueringen as a hub for low-emission steel production", said the steel company's head of procurement Alexander Stolze.

Stahlwerk Thueringen has been part of Brazil's CSN Group since February 2012. (August 14, 2023)

16/08/2023

CANADA:

EverWind to create green H2 transshipment corridor in Canada.

Canadian maritime services company Miawpukek Horizon Maritime Services has joined forces with compatriot EverWind Fuels Company to create a green fuel transshipment corridor in their home country.

The duo has signed a Memorandum of Understanding that will pave the way for the shipment of green hydrogen and ammonia from EverWind’s proposed project on the Burin Peninsula in the province of Newfoundland and Labrador to its Point Tupper transshipment facility in Cape Breton, Nova Scotia.

Specifically, EverWind and Miawpukek Horizon will work to obtain access to a coastal LPG tanker that will potentially carry the green fuel. The vessel will be managed and crewed by Miawpukek Horizon, which will aim to recruit mostly Indigenous mariners for the job. Additionally, the partners plan to develop specific operating procedures for green fuel handling.

“This marks an important step in the development of an Atlantic Canadian green energy hub, with jobs being created here in Newfoundland and Labrador," said EverWind CEO’s Trent Vichie.

EverWind’s project on Burin Peninsula calls for the installation of a wind farm with a total capacity of more than 2 GW, which will generate electricity for the production of green hydrogen and ammonia. The scheme was shortlisted in a call for wind-hydrogen developments in July. (August 4, 2023)

08/08/2023

UNITED KINGDOM:

Renantis seeks offtakers for 2.5-MW off-grid hydrogen project in UK

Italy’s Renantis, previously Falck Renewables, on Thursday invited customers to buy hydrogen from a 2.5-MW hydrogen project in the UK.

Described as the UK’s first off-grid green hydrogen site, the project is located in Knockshinnoch near New Cumnock in Ayrshire. It will use onsite wind energy to produce green hydrogen, potentially starting in the summer of 2025.

Renantis is developing the project together with hydrogen energy systems provider Logan Energy and hydrogen project developer Hive Hydrogen. The scheme was awarded a UK government grant through the Net Zero Hydrogen Fund earlier in 2023.

Potential customers could be UK transport firms and local authorities to fuel hydrogen trucks and buses.

“The sector is still in its infancy and there are many challenges to be overcome, but this project is at the vanguard of how green hydrogen could be produced and used locally without the need for a grid connection," said Stefano Socci, hydrogen lead at Renantis. (August 4, 2023)

07/08/2023

USE AS AUTOMOTIVE FUEL

CHILE:

Walmart Chile opens green H2 plant at Santiago distribution centre.

Supermarket chain operator Walmart Chile has inaugurated a green hydrogen system at its distribution centre in the Santiago neighbourhood of Quilicura to be able to operate fuel-cell vehicles in the facility.

The project has been touted as the “first industrial green hydrogen plant in Latin America”, requiring an investment of USD 15 million (EUR 13.7m). Chilean power producer Engie Chile, of France’s Engie SA, developed the project alongside Walmart, the retailer said.

The new plant will enable Walmart Chile to replace lead-acid batteries in 200 forklifts with hydrogen energy cells in an initial phase, helping it avoid the generation of 250 tonnes of toxic waste per year, according to the announcement.

CEO of Walmart Inc Doug McMillon said the company first started using hydrogen fuel in 2012 in a fleet of 50 vehicles and forklifts in the US, eventually increasing the size of the fleet to over 9,500.

“Now, with over a decade of experience and progress, we are well-positioned to invest in Chile's potential as a producer of clean energy, including green hydrogen,” McMillon added.

In Chile, the company aims to bring the technology to the rest of the distribution centres throughout the country and operate 100% on green hydrogen, added Walmart Chile president and CEO Cristian Barrientos. (August 15, 2023)

18/08/2023

GENERAL INFORMATION

NAMIBIA:

Hyphen, Itochu ink MoU to talk about Namibia's green H2 giga-project.

Hyphen Hydrogen Energy has entered into a memorandum of understanding with Japanese trader Itochu Corp to explore areas for potential collaboration on Hyphen's flagship green hydrogen and ammonia project in Namibia, according to an announcement on Tuesday.

Hyphen, a joint venture between Nicholas Holdings Ltd and German renewables developer Enertrag SE, secured the rights in a tender to develop a hub capable of producing 2 million tonnes of green ammonia annually once at full capacity. The project will witness the installation of roughly 3 GW of electrolysers powered by some 7 GW of renewable energy.

Commenting on the MoU ahead of further talks, Hyphen's CEO Marco Raffinetti said: "Hyphen expects Japan to emerge as one of the key demand centres for green ammonia globally and we are delighted to have the opportunity to explore areas for collaboration with ITOCHU to unlock supply into this critical market."

"I firmly believe that Namibia has the potential to become a long-term strategic partner to Japan for the supply of green hydrogen, well beyond the scale of Hyphen's project, given Namibia's unique competitive advantages in green hydrogen production," added Raffinetti.

"With this collaborative development of green ammonia in Namibia, ITOCHU will aim to create a wide range of ammonia value chains in various existing industrial applications as well as for future energy use, and will support our clients and industries in achieving low carbonization goals focusing on Japan, Asia and its surrounding markets," commented Shinya Ishizuka, CEO of Africa Bloc at Itochu.

The latest agreement follows a series of MoUs that Hyphen signed to support the project, forging relationships with Namibian, Dutch and German entities. Earlier this year, Hyphen signed a non-binding green off-take agreement with South Korean hydrogen producer Approtium, potentially adding a route to a new market. (August 8, 2023)

11/08/2023

BIOMETHANE

SUPPLIES - IMPORTS - EXPORTS

SWEDEN:

Hysytech to build large-scale Bio-LNG plant in Sweden.

Engineering firm Hysytech has announced that it will construct a biogas upgrading and biomethane liquefaction plant for the production of Bio-liquefied natural gas for renewable energy company.

To be produced from household organic waste collected in the city of Ostersund and the wider Jamtland region, the Bio-LNG will be used as a renewable fuel in the decarbonisation of the transport sector.

Expected to start up in the early 2025, the plant will produce up to seven tonnes per day of Bio-LNG at a flow rate of up to 700 Nm3/h (normal cubic metres per hour).

Having been awarded the full turn-key scope of the project, Hysytech will handle the process equipment used to upgrade biogas to biomethane.

The waste used as feedstock for the biogas will be supplied from a greenfield site operated by BIOGAS.

Following a successful application for financial support from the EU, the project receive SEK 143m ($13.5m) to finance the entire project via Naturvardsverket, Klimatklivet Next Generation.

Commenting on the win, Massimiliano Antonini, Managing Director of Hysytech, said, “The awarding of such an important tender demonstrates the trust that a demanding and mature market like the Swedish one.”

The company also signed a partnership with another Swedish company, VafabMiljo kommunalforbund, two years ago.

“Today we are glad to announce the contract with BIOGAS I JÄMTLAND-HÄRJEDALEN. It is a confirmation of the growth path. We are convinced more projects will follow in the near future; it is part of our commitment to positioning ourselves as a key industrial player for Bio-LNG technology,” added Antonini. (August 4, 2023)

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