



WORK ROLLS ON FOR \$4.2BN WORTH OF RUSSIAN LNG NEWBUILDINGS

Bulk of vessels are scheduled for 2023 deliveries with industry eyes now trained on their handovers. Over \$4.2bn worth of LNG carriers and floating storage units for Russian LNG business remain under construction at shipyards despite wide-ranging international sanctions that have stopped construction on other LNG-related units for Russia. The vessels comprise 19 LNG carriers, the hulls of three of which have been delivered to Russia's Zvezda Shipbuilding Group, and two supersize FSUs. The LNG ships are being built to serve the Novatek-led Arctic LNG 2 project which was originally due to start-up in 2023 but has been delayed by one year. Twelve of the ships, including the two FSUs are under construction at Daewoo Shipbuilding & Marine Engineering with Samsung Heavy Industries named as the builder of the remaining nine — after constructing the hull blocks of the three ships already delivered to Russia. The bulk of the vessels are due to delivered in 2023. Eagle industry eyes are watching three Arc7 LNG carrier newbuildings originally ordered by Sovcomflot at DSME at the same time as MOL booked a similar trio. All six vessels were booked against long-term charters with Russia's Novatek, through its Singapore-based chartering arm Novatek Asia. While MOL is continuing to build its three Arc7 vessels, one-by-

one DSME cancelled all three of the Sovcomflot ships during 2022. At the time it was said key equipment suppliers for the LNG newbuildings were unable to supply kit and materials for the ships under the sanctions imposed on Russia following its invasion of Ukraine. But DSME, which is in the process of being taken over by Hanwha Group, has taken over the construction of the specialised ice-breaking LNG carriers and is completing them for its own account. There is speculation in the industry that a buyer with links to Novatek may already have been lined up for these ships when they are completed this year. Industry watchers are also awaiting the delivery of two giant, 361,600-cbm FSUs from DSME. The two 361,600-cbm FSUs were ordered by Moscow-based State Transport Leasing Company (GTLK) for deployment on the Northern Sea Route. They are delayed after originally being scheduled for handover in 2022. A first FSU is expected to emerge this quarter but will require towage to either Murmansk or Kamchatka. Attention has also been focused on the 15 vessels that Russia's Zvezda yard is building with assistance from SHI. Sources following the business told TradeWinds that three hulls have been delivered from SHI to date. The first of these, for the Sovcomflot-owned, pilot vessel the 172,600-cbm Aleksey Kosygin, arrived in October 2021. It was originally scheduled for delivery in February 2023. Two more hulls for the Novatek-Sovcomflot joint venture Smart LNG's first two vessels, the Pyotr Stolypin and Sergei Witte, have also arrived at the Bolshoi Kamen-based yard in Russia's Far East. A fourth hull remains in SHI's Geoje shipyard. This publication understands that SHI may complete the fifth LNG carrier in South Korea. But the future of the contracts for the remaining 10 hulls remains unclear, with sources indicating that the hulls are unlikely to be built by the Korean yard.

In January French LNG cargo containment system design specialist GTT announced that it is pulling out of Russian business after an in-depth analysis of European sanction packages No 8 and 9 which prohibit engineering services with Russian companies. GTT told TradeWinds that it consulted specialised lawyers and took French government advice on the sanctions before making its decision. But the company maintains a skeleton presence in Zvezda to oversee the safety of its tank design construction on the three Arc7 vessels. Of the other Russian business-related LNG newbuildings, two Japanese owners contracted 11 of the vessels with Mitsui OSK Lines ordering seven of the LNG carriers and NYK, originally in partnership with Russian owner Sovcomflot (SCF Group), four ships. These vessels are scheduled to be delivered to Singapore-based Novatek Asia and construction is said to be ongoing with all the ships. MOL chief executive Takeshi Hashimoto said in his New Year message that MOL would continue shipping LNG, from Russia, "as long as we can". Hashimoto has said previously that Japan has no option but to keep importing Russian LNG, due to the lack of viable alternatives for the country. "Some companies decided to withdraw from Russia-related business, but our group will continue to offer stable transport services, placing the highest priority on securing the safety of crewmembers, cargo, and vessels," he said. In August TradeWinds reported that NYK had, or is in the process of, taking over the ownership of the four Arc4 LNG carriers it originally contracted with Sovcomflot from the Russian owner.

UNDER CONSTRUCTION LNG CARRIER NEWBUILDINGS AND FLOATING STORAGE UNITS FOR RUSSIAN BUSINESS

<i>Shipowner</i>	<i>No. of ships</i>	<i>Capacity (cbm)</i>	<i>Ice class/Ship type</i>	<i>Deliveries</i>	<i>Yard</i>	<i>Price</i>	<i>Charterer</i>
MOL	3	172,600	Arc7/LNG carrier	2023	DSME	\$290.7m	Arctic LNG 2
DSME	3	172,600	Arc7/LNG carrier	2023	DSME	\$290.7m	Arctic LNG 2
MOL	4	174,000	Arc4/LNG carrier	2024	DSME	\$211.5m	Novatek Asia
NYK	4	174,000	Arc4/LNG carrier	2023/4	SHI	\$202.9m	Novatek Asia
GTLK	2	361,600	FSUs	2023	DSME	\$376m	Novatek
Sovcomflot	1	174,000	Arc7/LNG	2023	Zvezda	\$303m	Arctic LNG 2
Smart LNG	2	174,000	Arc7/LNG	2023	Zvezda	\$303m	Arctic LNG 2
Smart LNG	2	174,000	Arc7/LNG	2023	SHI	\$303m	Arctic LNG2

Source : www.tradewindsnews.com

CAPITAL GAS POISED TO CHARTER OUT NEWBUILD PAIR TO NIGERIA LNG

Rumoured deal would leave owner with three open under-construction vessels. Capital Gas is close to concluding a deal to bareboat charter two of its five open LNG carrier newbuildings to Nigeria LNG. Those following Evangelos Marinakis-controlled Capital closely said the pair of 174,000-cbm newbuildings, scheduled to deliver in mid-2024, have been fixed on subjects to the West African producer for seven years.

Capital Gas locks away LNG newbuilding on 10-year deal

The bareboat rate for the vessels, which are due to be named Apostolos and Aktoras, is said to be around \$100,000 per day, which equates to a time charter equivalent of close to \$120,000 per day. The charters are believed to include optional periods to extend the hire. Senior officials at Capital Gas refused to comment on the market talk. Nigeria LNG is trying to renew its 23-ship LNG fleet, which it operates under shipping arm Bonny Gas Transport. The company owns 13 of these — seven steam-turbine vessels and six dual-fuel diesel-electric ships — and in 2022 floated three of the 20- and 21-year-old ships for sale while seeking offers on modern tonnage to charter in. Spot rates for LNG carriers continue their downward trajectory from record highs in the fourth quarter of 2022 on the back of a mild winter in Europe and well-stocked inventories.

Nigeria LNG veteran steam-turbine trio circulated for sale as carbon rules loom

In contrast, period enquiry and fixtures remain strong. Brokers peg three-year rates for 174,000-cbm, two-stroke tonnage at close to \$170,000 per day. Capital stacked up a raft of speculatively ordered tonnage that it has been fixing out in a strong period market for LNG carriers in recent months. In December, it emerged that the owner had locked in one of its three 2024-delivering newbuildings to Japanese utility Tokyo Gas Co in a 10-year charter deal at a rate in the mid-\$90,000s per day. Also in the fourth quarter, TradeWinds reported that Capital had secured a three-year charter with QatarEnergy Trading on its 2023-delivering newbuilding, the 174,000-cbm Amore Mio 1. A rate of around \$180,000 per day was quoted on the deal. This vessel is due for handover in October this year. If confirmed later this month, the fixtures to Nigeria LNG will leave Capital with three unfixed newbuildings.

Capital Gas stacks up tempting array of open LNG newbuildings

One, the 174,000-cbm Axios II, is due to be delivered from HD Hyundai in December. Brokers have said it is one of only two open under-construction LNG carrier newbuildings delivering this year. The remaining as-yet-unnamed pair are scheduled for handover in 2026. Shipbuilding sources said Capital Gas is sitting on optional LNG carrier berths at HD Hyundai and may extend its fleet position further. It has built up a 15-ship LNG fleet with a diverse range of charterers including BP, Cheniere Energy and Engie. The company, which acquired its first secondhand LNG carrier in late 2022, now

has seven vessels in operation, with an eighth due to be handed over to charterer Hartree Partners this month. Source :www.tradewindsnews.com

SEAPEAK LNG CARRIER OFFERED FOR DEMOLITION SALE

Fleet renewal looks set to take hold in LNG shipping fleets in the coming year as older vessels start to be weeded out. A 30-year-old midsize LNG carrier is being circulated for scrap sale as fleet-renewal moves start to take hold among shipowners and operators in the sector.

Single LNG carrier scrapped in 2022 with slim pickings forecast ahead

Demolition specialists told TradeWinds that the 89,880-cbm Seapeak Arctic (ex-Arctic Spirit, built 1993) is being offered for recycling. One said the 24,000-ldt vessel is currently idle and out of class. It is available on an “as is” basis off Malaysia. Demolition brokers said cash buyers, which were starved of tonnage in 2022, would likely pay levels in the mid-\$500-per-ldt range for LNG tonnage. But one broker added that high-value materials could push the price to more than \$600 per ldt depending on the quantity. This would equate to a total price of more than \$13m and possibly over \$14.5m if onboard materials prompt premium offers. Seapeak declined to comment on the market talk when contacted by TradeWinds. The Seapeak Arctic and its sistership — the Seapeak Polar — represent a pair of relative outliers in the world’s LNG fleet. The two vessels demonstrate some of the earliest Medmax-size ships built at a time when the LNG carriers being constructed were predominantly of around 120,000-cbm to 130,000-cbm capacities. The vessels — originally the Arctic Sun and Polar Eagle — were built to replace two smaller, 1960s-built LNG carriers constructed to serve the Kenai LNG plant in Alaska and ship cargoes to Japan. But in a ground-breaking move, the ships, which were built in Japan, were constructed with self-supporting prismatic type-B cargo tanks. These were designed to accommodate all levels of tank filling and so rule out damage from cargo sloshing. This would make them attractive for ship-to-ship operations where parcels of LNG were being transferred. In recent years, the Arctic Spirit has been used by Malaysia’s Petronas and Chinese trader Jovo Group for breakbulk shipping of LNG cargoes.

Seapeak completes \$700m takeover of Evergas

Just one LNG carrier was sent for demolition last year, compared with a record seven in 2021. The global LNG fleet boasts 45 vessels that are aged 25 years or more, with 17 of those listed as being 30 years old or above. Sector observers expect more of the older and smaller vessels in the LNG fleet to either be scrapped or repurposed in conversion projects as shipowners move to renew and upgrade their fleets to comply with new emissions regulations. Source : www.tradewindsnews.com

LNG BUNKER VESSEL SUPPLY CRUNCH LOOMS AS NEWBUILDINGS MULTIPLY

Pressing demand could bring the need for closer cooperation between fuel buyers and sellers on specialised supply ships. Up to 30 additional LNG bunker vessels (LNGBVs) will be needed to supply the large numbers of LNG dual-fuelled newbuildings, according to energy advisor LansdowneMoritz.

March of LNG and methanol fuelling uptake set to roll on in 2023, DNV says

Senior advisor Arjan Stavast said LansdowneMoritz has looked at the LNG bunker demand from the ships — the company is forecasting 11 million to 14 million tonnes per annum by 2026 — and the current LNGBV fleet to see how much it could realistically supply. “We see a gap emerging as soon as 2026, or even before that,” he said. “We believe at least another 20 to 30 bunker vessels will be needed to be able to supply all the demand out there.” Stavast, a former Shell LNG bunker specialist, added that as newbuilding orders for LNG-fuelled tonnage continue, demand for LNGBVs may increase beyond these numbers. He described the market for LNG-fuelled tonnage as growing “quite spectacularly” despite high LNG prices. But he pointed out that most recent newbuilding orders are for large container ships and car carriers that are much bigger than most of the existing ships on the water that can bunker LNG. To fulfil the demand for these bigger bunker stem vessels, LNGBVs of 12,000 cbm and larger will most likely be the best fit to serve the growing fleet, he said. Managing consultant Gary Regan said Lansdowne Moritz sees 2026 as the year in which LNG prices are likely to fall because there will be more product coming to market. “We see very high LNG [bunker] demand in the market in 2026,” he said, with the extent being determined by when LNG prices normalise and the rate at which LNG-fuelled vessels are built in the next two years. “We see that year being the real crunch.” Regan likened the likely scenario for 2026 to that for LNG regasification capacity in Europe today. “Anyone looking to support secure spot volumes of LNG in that year is going to really struggle,” he said, adding that they will pay very high prices to book bunker vessel capacity, as it is difficult to see those missing 20 to 30 LNGBVs being ordered. The Landsdowne Moritz team acknowledges that it is a complex message for owners and those seeking funds to build LNGBVs. Record gas prices mean few have been bunkering LNG for the past 18 months, with many opting for cheaper very low sulphur fuel oil instead. There is excess capacity today, with the LNGBV fleet not fully utilised, or used for trading.

Gas price prompts Fjord Line to convert LNG ships to dual-fuel

Stavast believes industry players see the need to invest in LNGBVs, although they face a conundrum of deciding on when and where to order and what size to opt for. But he admitted it is hard to justify investment funds if cash is still being lost on a first generation of vessels. “I think that is exactly the reason why we see that deficit in supply capacity emerging,” he said. “It is a difficult story at the moment.” Regan said it could be seen as a “standoff” situation in which LNG bunker suppliers are waiting for owners to sign five-year contracts that would allow them to procure LNGBV tonnage with shipowners. But owners are proving reluctant to buy LNG in a high-price environment. Stavast said a shortage of vessels is “completely unheard of” in the conventional fuel oil bunkering sector. For LNG, he believes cooperation between buyers and sellers is potentially “very valuable”. He and Regan suggest a contract is needed in which buyers can reserve capacity on a bunker vessel

without committing to buying the molecules, and they hint that these conversations are already taking place. “It requires a slightly different mindset,” Stavast said. “It’s not just about ‘give me the lowest price and I’ll sign’. Both the buyers and the sellers face different challenges and will need to work together creatively to find a solution.”

So will shipowners or sellers order the missing LNGBV tonnage?

The LandsdowneMoritz duo — who are also working on projects involving other alternative fuels, including methanol — said it takes 18 to 20 months to build a large container ship but 27 months to construct an LNGBV, due to the long lead items and the complexity of the vessel. But yards in China, South Korea and Europe see it as a growing sector. Regan acknowledges that there is caution from those who have seen vessels underutilised and said it is difficult to do on speculation, as it is such as illiquid market. But as LNG prices come down and customers begin buying, he believes there will be a supply shortage and a push to secure bunker capacity that will underwrite orders. “I think this market is going to turn in the next couple of years and we’ll see a huge wave of bunker vessels ordered,” he said. Source : www.tradewindsnews.com

LNG SPOT RATES DROP BELOW US\$100,000 IN ATLANTIC

A volatile period for freight rates has seen highs over US\$400,000 as recently as October 2022. Rates to transport LNG into Europe have declined precipitously after reaching record highs in mid-October 2022, as the continent rushed to replace Russian pipeline gas volumes with LNG. Commodity trading analysts Spark Commodities has launched its own rates tracking service as well as futures trading vehicles on the London-based ICE Markets futures trading platform. In a recent series of posts on LinkedIn, Spark said, “LNG freight spot rates continue to move sharply lower, with the Atlantic Spark30S [route] now falling below US\$100,000/day, and down over US\$50,000 in the last two weeks”. Spark bases its figures on round-trip voyages between the US Gulf Coast and North West Europe (the Spark30 assessment) in the Atlantic and Australia and Japan, South Korea, Taiwan and China (Spark25 assessment) in the Pacific. The numbers in the contract names indicate the number of days it takes an LNG vessel to complete a return voyage on the respective routes, with the settlement of the contracts based on the Spark30S (Atlantic) and Spark25S (Pacific) LNG freight spot price assessments, according to ICE. On its Twitter feed in December, Spark reported “rates continue their rapid decline across both basins to under US\$200,000/day, with the Spark 30S having halved in the last two weeks. At current levels, rates are now lower than this time last year”. In a similar Twitter post in October, Spark also showed a comparison of LNG spot charter rates over four years, with the service showing LNG freight rates at around US\$375,000 per day on 10 October – compared with US\$90,000 per day on the same route and same day in 2021 – and Atlantic charter rates approaching US\$400,000 the following day. source : www.rivieramm.com

GTT COMPLETES TWO LNG TANKS OF TIANJIN NANGANG TERMINAL

China Huanqiu Contracting & Engineering Co. has completed the construction of two LNG onshore storage tanks, which use GTT's GST membrane containment technology, as part of Beijing Gas Group's (BGG) Tianjin Nangang LNG terminal, GTT said on January 12. These very large onshore LNG tanks are part of the agreement signed in November 2019 between GTT and the Chinese state-owned company Beijing Enterprises Group (BEG), relating to the construction of eight onshore tanks using GST technology, at the BGG Tianjin Nangang LNG terminal. The two onshore tanks are now entering the commissioning phase and will be operational in the first half of 2023, GTT said. The French firm said that GST technology offers many advantages compared to a traditional onshore LNG tank: safer storage management through integrated monitoring, greater storage capacity for the same footprint and greater respect for the environment. BGG, HQCEC and GTT organized a delivery ceremony in the presence of Laurent Bili, ambassador of France in China, Jean-Marc Fenet, minister counselor, representatives of the governments of Beijing & Tianjin, Yalan Li, chairwoman of BGG, Shaoguang Song, chairman of HQCEC, and Adnan Ezzarhouni, general manager of GTT China. Tianjin Nangang LNG terminal, located in Binhai District, Tianjin, China, will have a capacity of 5mn metric tons/year in the first phase. source : www.naturalgasworld.com

SHELL LEADS GLOBAL LONG-TERM LNG CONTRACTED CAPACITY SIGNED IN 2022

Shell dominated the global long-term LNG import contract volumes signed by key purchasing companies in 2022, with a contracted capacity of 6.7mn metric tons/year, GlobalData, a data and analytics company, said on January 11. GlobalData's report, "Long-Term LNG Contracts Review Analytics by Region, Contracts and Companies, 2022," reveals that the biggest long-term contract signed by Shell in 2022 was with Mexico Pacific to procure 2.6mn mt/yr of LNG. China's ENN Group occupied second place by signing contracts for a capacity of 3.3mn mt/yr, while Chevron and ExxonMobil entered into contracts to import 3mn mt/yr of LNG each. Himani Pant Pandey, oil and gas analyst at GlobalData, said: "Energy companies are bullish about long-term LNG demand due to decarbonization efforts and the role of natural gas as a bridge fuel for the energy transition. The signing of long-term contracts also helps companies to hedge against volatile LNG prices and ensures guaranteed supply." Among the seller companies, Venture Global LNG signed the highest long-term LNG contract volumes with a total of 11mn mt/yr. Energy Transfer Partners and NextDecade Corporation follow with 7.9mn mt/yr and 6.3mn mt/yr, respectively. "Companies from the US such as the Venture Global LNG have led the signing of the long-term LNG contracts in 2022, as the country is witnessing significant liquefaction capacity additions creating ample opportunities for exports," Pandey said. source : www.naturalgasworld.com

JAPAN SPOT LNG CONTRACT PRICE WAS \$30.80/MMBTU LAST MONTH

The average contract price for spot liquefied natural gas (LNG) cargoes for shipment to Japan last month was \$30.80 per million British thermal units (mmBtu), data from the state-owned Japan Oil, Gas and Metals National Corporation (JOGMEC) showed. It did not disclose the average price of spot LNG cargoes that were contracted for and which arrived in Japan last month. JOGMEC surveys spot LNG cargoes bought by Japanese utilities and other importers but excludes cargo-by-cargo deals linked to benchmarks such as the U.S. natural gas Henry Hub index. It only publishes a price if buyers report a minimum of two eligible cargoes. source : www.naturalgasworld.com

TOTALENERGIES ANNOUNCES COMMISSIONING OF FSRU IN GERMANY

TotalEnergies on January 13 announced the start-up of the Deutsche Ostsee LNG import terminal in Germany. The French company is contributing a floating storage and regasification unit (FSRU) and supplying LNG to the project. Operated by Deutsche ReGas and located in Lubmin on the German Baltic Sea coast, the site's official inauguration will take place on January 14. This project will make TotalEnergies one of Germany's main LNG suppliers, the company said. In December 2022, TotalEnergies delivered the Neptune - one of the company's two FSRUs - to Deutsche ReGas. The vessel has an annual regasification capacity of 5bn m³ of gas, enough to cover about 5% of German demand, the company said. TotalEnergies also contracted regasification capacity of 2.6bn m³/year and began to deliver LNG from its global integrated portfolio to the Lubmin terminal. source : www.naturalgasworld.com

INPEX TO ACCELERATE EXPANSION OF LNG PRODUCTION AND SALES -CEO

Inpex Corp, Japan's biggest oil and natural gas explorer, aims to accelerate its expansion of production and sales of liquefied natural gas (LNG) on the premise that LNG market will remain tight in the mid-term, its CEO said on Thursday. "Global LNG market is expected to remain tight in the mid-term due to the structural change of the global natural gas market, especially LNG, since Russian invasion of Ukraine," Inpex CEO Takayuki Ueda told Reuters in an interview. The global gas supply chains have changed, with European countries seeking to import more LNG to replace Russia's pipeline gas and the United States boosting export of the super-chilled fuel, while Russia is looking at providing more gas to India and China, possibly through pipelines, he said. source : www.naturalgasworld.com

CHINA'S GAS IMPORTS DROP 10% IN 2022

China's natural gas imports via pipeline and in the form of LNG in 2022 dropped 9.9% year/year, the country's customs department said on January 13. Asia's biggest economy imported 109.24mn metric tons of gas last year compared with 121.26mn mt in 2021. The cost of imports rose almost 26% yr/yr to over \$70bn, driven by surging global gas prices. The imports in December 2022 came in at 10.28mn mt, the customs department said. source : www.naturalgasworld.com

GLOBAL LNG VOLUMES HIT RECORD HIGH AS EUROPE CROWDS OUT POORER ASIA

The world imported more liquefied natural gas (LNG) in 2022 than ever before, but the war in Ukraine has meant that the growth was concentrated in wealthy European countries and away from poorer Asian countries. Total global LNG imports rose to 409 million tonnes last year from 386.5 million tonnes in 2021, according to data from Refinitiv, while figures from commodity analysts Kpler showed a slightly lower 400.5 million tonnes, up from 379.6 million tonnes. The record volumes were to be expected given the commissioning of new supply trains as well as increased demand for the super-chilled fuel, especially from Europe as it turned away from Russian piped natural gas in the wake of Moscow's Feb. 24 invasion of Ukraine. But 2022 also reversed the dynamic where growth in LNG demand came from developing nations in Asia, with China giving its crown as the top importer back to Japan. China imported 64.44 million tonnes of LNG in 2022, down 19.4% from the previous year, according to Kpler data. Japan's imports also slipped, dropping to 73.61 million tonnes in 2022 from 75.35 million tonnes in 2021, but this was still enough to overtake China. The main dynamic driving lower Chinese imports was that buyers in the world's second-biggest economy largely stayed out of the spot market, instead taking only cargoes under long- and medium-term contracts. This was driven by surging spot prices, with the weekly Asian assessment <LNG-AS> hitting a record high of \$70.50 per million British thermal units (mmBtu) on Aug. 26, which was three times the low of \$23 reached in the week to Jan. 21 as winter demand eased. The spot price has eased since its record high, ending at \$25 per mmBtu in the week Jan. 6 as inventory levels remained ample and a mild winter limited demand. Nonetheless, it remains high by historical standards, with the spot price never having exceeded \$20.50 per mmBtu prior to 2021, and dropping to as low as \$2 in mid-2020 at the height of lockdowns during the initial outbreak of COVID-19. The high prices have taken their toll not only in China, which is arguably better placed than many developing Asian economies to cope with the increased cost. India's imports dropped for a second year in 2022, falling to 20.03 million tonnes from 24.01 million tonnes in 2021, according to Kpler. It was the weakest outcome since 2017, underscoring how much Asia's fourth-largest LNG importer struggled to handle high prices. Other Asian nations such as Pakistan and Bangladesh also saw lower LNG imports in 2022, and overall the continent's imports slipped to 263.76 million tonnes from 282.08 million tonnes the prior year.

EUROPE RECORD

The LNG that didn't go to Asia was snapped up by Europe, with the continent's imports surging 59% to 124.93 million tonnes in 2022 from 78.55 million tonnes the prior year. Much of the increase was met by supply from the United States, with imports rising to 52.06 million tonnes from 21.5 million tonnes in 2021. However, it's worth noting that Europe's imports of Russian LNG hit a record high of 15.95 million tonnes in 2022, up from 13.46 million tonnes in 2021. While European nations have moved to ban imports of Russian crude oil, refined fuels and coal, only Britain and the Baltic states of

Lithuania, Estonia and Latvia have halted LNG imports from Russia. Given Europe's increasing dependence on LNG as Russian pipeline gas supplies are curbed, it may prove challenging for the continent to halt, or even cut back, on Russian LNG. A lack of alternatives is also a likely factor, as well as the challenge of re-routing global trade flows to put more Russian LNG into Asia, while suppliers such as Qatar would have to shift more cargoes to Europe. Overall, the dynamics established in 2022 are likely to persist in 2023, with Europe maintaining high levels of LNG imports, which will keep spot prices high, while developing Asian nations struggle to compete and turn more toward coal for power generation. The wildcard is China, where the country's re-opening from COVID-19 may boost demand, especially in the second half of the year, but only if prices don't rise to levels that render LNG uncompetitive in its domestic market. source : www.naturalgasworld.com

GERMAN GREEN GROUP FILES COMPLAINT AGAINST NEW FLOATING LNG TERMINAL

A German environmental group has lodged a complaint against the operating licence of a new floating liquefied natural gas (LNG) terminal at Wilhelmshaven, arguing the discharge of chlorine was harmful and German climate targets could be put at risk. In the latest hurdle to the government's efforts to reduce German reliance on Russian energy, Deutsche Umwelthilfe (DUH) said in a complaint to the commercial regulator in the state of Lower Saxony that the licence should end in 2032, not 2042. The DUH objects to the discharge of large quantities of environmentally harmful chlorine, used for cleaning on the terminal vessel Hoegh Esperanza, operated by Uniper. The so-called Floating Storage and Regasification Unit (FSRU), put into operation in the North Sea port in December, carries around 165,000 cubic metres of LNG. It was chartered by the German government as it seeks to replace Russian natural gas volumes, which came to a halt at the end of the summer. The complaint, which comes as police started clearing protesters opposed to the expansion of an opencast lignite mine, underscores growing tensions over Berlin's climate policy. Environmentalists say climate goals are being neglected during an energy crisis caused by Russia's invasion of Ukraine last year, forcing a return to dirtier fuels. "There must be no environmental discounts when approving plants for liquefied natural gas," said DUH Managing Director Sascha Mueller-Kraenner, adding that numerous permanent licences for fossil fuel projects would jeopardise German climate goals. "It must be clear that compliance with the Paris climate agreement is non-negotiable. The lifespan of the LNG terminal must be limited to a maximum of ten years." source : www.naturalgasworld.com

FREEPORT LNG MAY EXTEND TEXAS PLANT RESTART TO FEBRUARY

Top U.S. gas exporter, Freeport LNG, is expected to further extend the seven-month-long outage of its liquefied natural gas (LNG) export plant in Texas to February, as it awaits regulatory approvals, three sources told Reuters on Wednesday. Accounting for 20% of U.S. LNG exports, resumption of the facility is important to ease the squeeze of global LNG supplies, especially as Europe is rebuilding its gas storage after Russia cut gas exports following Moscow's invasion of Ukraine.



"There has been no official messaging, but nobody expects any cargoes until end-February at the earliest," one of the sources said. "Second half of January is now out of sight," another source said. Freeport LNG spokeswoman said the restart timeline still stands and the company was still targeting the second half of this month for the safe, initial restart of its liquefaction facility, pending regulatory approvals. The facility was initially expected to restart in October, but pushed back that target several times since the plant first closed on June 8 following a fire that a consultants' report determined was due to inadequate operating and testing procedures, and human error and fatigue. In late December, the company said reconstruction work was substantially complete but regulators need to approve the restart, adding it did not anticipate the initial restart of its liquefaction facility to begin until the second half of January 2023. The delays have forced big customers including JERA and Osaka Gas to book hundreds of millions of dollars of losses. Its other big offtakers include BP, TotalEnergies and SK E&S. U.S. LNG exports have been steadily increasing for years and in 2022, the United States became the top supplier of LNG to Europe, where demand soared following Moscow's decision to largely cut off piped gas supply. Both the U.S. Federal Energy Regulatory Commission (FERC) and the Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA) need to approve Freeport's return to service. Many analysts do not expect the plant to return until the first or second quarter because the company still has a lot of work to do to satisfy regulators. source : www.naturalgasworld.com

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