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LNG NEWS WEEKLY 14TH JULY '24

MISC LINES UP FRESH ORDER FOR LNG CARRIER NEWBUILDS IN SOUTH KOREA

Owner signs letter of intent with Samsung Heavy Industries. Malaysian gas shipping giant MISC is poised to make a move on LNG carrier newbuilding's and has set aside berths for tonnage. TradeWinds understands that MISC has signed a letter of intent at Samsung Heavy Industries for two ships. Details remain sparse on the booking, which industry sources said could mark a return to LNG ordering for the interests of Petronas, rather than for project business. Asked about the order, an MISC spokesperson said: "MISC explores strategic opportunities that align with our long-term goals, as a normal course of business. "MISC will certainly communicate with relevant stakeholders if and when there is material development on the opportunities we explore." The shipowner has been a regular at shipyards for LNG tonnage over the years and has moved through different technical preferences on ship specifications. It has two LNG carrier newbuilding's ordered at Hanwha Ocean in South Korea, but these are part of Qatar Energy's huge 122-vessel newbuilding programme and are contracted against berths pre-reserved by the Qatari giant. In addition, MISC is a partner in a consortium that includes NYK, K Line and China LNG Shipping that is building a series of LNG carriers that will be chartered to Qatar Energy. MISC is listed on Clarkson's' Shipping Intelligence Network database as having 30 existing LNG carriers, including two that serve as floating storage units for a jetty-based import

terminal. Four of its LNG carriers are listed as idle, while a fifth — the 137,100-cbm Puteri Delima Satu (built 2002) — is listed as laid up. Kpler data shows the steam turbine vessel as in ballast off South Korea, where it appears to have been since the beginning of this year. Last October, MISC said it had signed an agreement with Petronas Gas subsidiary Pengerang LNG (Two) to convert the steamship into a floating storage unit to be deployed at the Petronas LNG Regasification Terminal Pengerang in Johor. It is due to be in operation by mid-2025.There is speculation that MISC's planned newbuilding's could be a sign that it is moving on fleet renewal. The company has also spoken in a results briefing about fleet growth to meet expected demand from liquefaction growth. The shipowner has been selling off some of its older tonnage. It offloaded two midsize steam turbine sister ships, the 65,000-cbm Portovenere (built 1997) and Lerici (built 1998), earlier this year to Turkey's Karpowership for $9m each. Both appeared idle at the time of sale. In September 2023, MISC sold two unnamed vessels to Japanese shipowner Nissen Kaiun in a first sale-and-leaseback deal for the Malaysian owner in the LNG sector. Earlier in 2023, MISC offloaded its 137,489-cbm Puteri Intan Satu (renamed Trader III, built 2002) to Capital Gas for about $35m.Petronas will probably be instrumental in any MISC fleet renewal moves. Petronas has been moving to grow its LNG carrier trading operations globally and will most likely be keen to gain access to larger, modern and more efficient tonnage than some of older, smaller steam turbine and diesel-electric vessels in the current MISC fleet. Source: www.tradewindsnews.com

SPANISH OWNER WINS TOTALENERGIES BUNKER VESSEL

Energy major pencils in up to two more specialised ships at the Chinese yard. TotalEnergies has plumped for Spain's Grupo Ibaizabal to build at least one LNG bunker vessel for the company following a tender.Those following the process said it is expected to be of a similar size to the 18,600-cbm vessels previously ordered for use by its fuelling arm, TotalEnergies Marine Fuels, by Mitsui OSK Lines. Like them, the latest newbuilding will be ordered at Hudong-Zhonghua Shipbuilding (Group) in China and fitted with membrane-type cargo tanks. It is to be delivered by 2027 and chartered out to TotalEnergies for up to seven years. It is expected to be sited in the Port of Long Beach, California. TradeWinds understands that at least one optional LNGBV has been negotiated with the shipyard. TotalEnergies has been contacted about the upcoming order. Grupo Ibaizabal has not been among the more prominent names in LNG bunkering to date but does have experience in the sector since a first pilot operation in 2018. It controls the 600-cbm LNG and oil bunkering vessel Oizmendi (built 2009). The selection of Grupo Ibaizabal means German owner Bernhard Schulte missed out on the job after making it to the final two shortlisted companies fighting it out for the business. Rising demand Earlier, Dutch shipowner Anthony Veder, Avenir LNG and MOL had also been competing for the vessel. TotalEnergies' new marine and aviation fuelling senior vice president, Louise Tricoire, told TradeWinds in May that the company plans to site a new LNGBV on the US west coast by 2027 and a second at its recently approved Marsa LNG project in the Port of Sohar in Oman a year later.The company has access to three large LNGBVs and forecasts LNG bunker demand will rise to a nominal 22m tonnes per annum by the end of the decade — depending on which fuel ships

sail on — which will require between 35 and 40 additional vessels. The looming supply gap is attracting new entrants. Last week, trader Vitol confirmed a decisive move into the sector with three LNGBVs, as first reported by TradeWinds on 5 June.Vitol International Shipping took one 20,000-cbm vessel already booked by Avenir LNG on time charter for up to 10 years from delivery in 2026. It also ordered one 20,000-cbm and one 12,500-cbm LNGBV at CIMC Sinopacific Offshore & Engineering Co in China for delivery in 2027 and 2026, respectively. Fifty-one LNGBVs are in operation globally, with up to 12 more due to come on line in the next two years. source : www.tradewindsnews.com

WOODSIDE, CPC SEAL LONG-TERM LNG SUPPLY DEAL

Australian LNG player Woodside has signed a long-term LNG supply deal with Taiwan's CPC. Under the sales and purchase deal, Woodside will supply about 6 million tonnes of LNG on a delivered basis over 10 years, starting in July 2024, according to s statement by Woodside. Woodside may also deliver about 8.4 million tonnes of LNG to CPC for a further 10 years, from 2034 to 2043, subject to conditions and agreement on terms for this period, it said. LNG delivered to CPC under the SPA will be sourced from volumes across Woodside's global portfolio. Woodside CEO Meg O'Neill said the SPA represents the company's first long-term agreement for sales to Taiwan. "This agreement with CPC for long-term supply to Taiwan is a first for Woodside and another demonstration of the ongoing demand for Australian LNG in Asian markets," she said "It also reinforces the value our customers place on Woodside's ability to maintain safe and reliable supply of energy into the 2030s," Meg O'Neill said. Earlier this year, Woodside also signed a long-term deal with South Korea's Kogas to supply the latte with about 0.5 million tonnes per annum of LNG for a period of 10.5 years on a delivered basis, starting in 2026.LNG delivered to Kogas under this SPA will come from uncommitted volumes across Woodside's global portfolio, including the Scarborough energy project which is targeting first LNG cargo in 2026. In November 2021, Woodside took a final investment decision on the Scarborough and Pluto LNG Train 2 developments worth about $12 billion. Pluto Train 2 will get gas from the Scarborough gas field, located about 375 km off the coast of Western Australia, through a new trunkline long about 430 km. On the other hand, CPC signed in May a 27-year deal to buy LNG from from Qatar Energy's North Field East (NFE) expansion project. Qatar Energy will deliver four 4 million tonnes of LNG per year from the NFE project to CPC, while the latter will also take a stake in the NFE project. CPC currently operates the Yung-An and Taichung LNG import terminals and is working on the Guantang LNG terminal and the Zhouji LNG terminal. source:www.lngprime.com

AG&P LNG INKS DEAL WITH BKLS TO DELIVER SPOT LNG CARGO TO CHINA

Nebula Energy's AG&P LNG has signed a deal with Singapore-based BK LNG Solution (BKLS) to deliver one spot liquefied natural gas cargo to China. According to a statement by AG&P LNG, the deal was signed on Thursday by Henry Kim, president of BKLS, and Karthik Sathyamoorthy, CEO of AG&P LNG. AG&P LNG said the spot cargo will be delivered by the end of

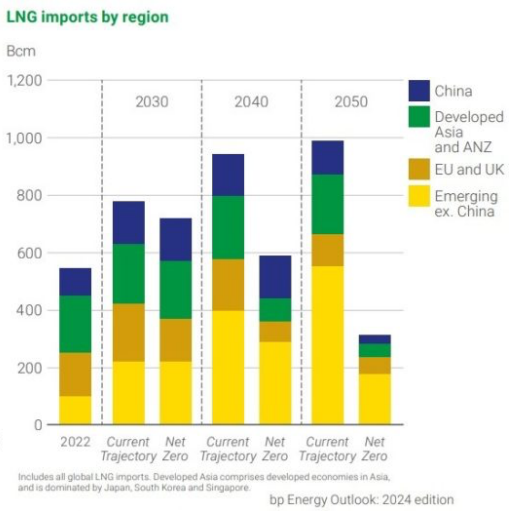
August, but it did not provide any additional information. In addition to the spot cargo transaction, AG&P LNG and BKLS agreed to collaborate on small-scale LNG initiatives, utilizing the terminal at Cai Mep, Vietnam for breakbulk into China using small LNG carriers and ISO containers. AG&P LNG and its partner Hai Linh plan to launch commercial operations of the 3 mtpa Cai Mep LNG terminal in September this year. According AG&P LNG, this initiative with BKLS "underscores their commitment to expanding LNG distribution capabilities and enhancing market responsiveness across China". BKLS said in a statement issued in April that it has joined forces with Singapore-based Huaying International Energy Trading, a unit of China's Huaying Natural Gas, to collaborate on securing LNG. According to the statement, Huaying International is seeking "multiple" spot LNG cargoes and BKLS will "bring its LNG expertise" to collaborate with the company to close LNG deals. In May, privately-owned Huaying Natural Gas and China's state-controlled energy giant Sinopec secured a port operation license for the jetty at their LNG import terminal in the port city of Chaozhou in the Guangdong province. The two firms each own 50 percent in the LNG import terminal with a capacity of 6 mtpa.

AG&P LNG's expansion

In January, US investment and asset management firm, Nebula Energy, purchased an 80 percent stake in AG&P LNG from Singapore-based AG&P. With operational headquarters in the UAE, AG&P LNG now operates as an independent subsidiary of Nebula with key offices in UAE, Singapore, India, Vietnam, and Indonesia. AG&P LNG has a "substantial growth pipeline" with a total of six LNG terminals in development with proposed capacity of 25 mtpa across several international growth projects, it previously said. Of its LNG terminal project portfolio, AG&P LNG last year launched the first LNG import and regasification terminal in the Philippines, called the Philippines LNG (PHLNG) import terminal located in Batangas Bay. In May 2023, AG&P LNG commissioned the import terminal in the Philippines following the arrival of the 137,500-cbm FSU Ish at the terminal's jetty in Batangas Bay. Moreover, AG&P LNG and its consortium members won in March a large-scale 20-year contract for LNG infrastructure development from a unit of Indonesia's state power company PLN. This infrastructure includes an LNG carrier, floating storage and regasification unit (FSRU), and multiple onshore regasification sites, AG&P LNG said. Besides this deal, Venice Energy, the developer of the Outer Harbor LNG import project in the Port of Adelaide, signed a deal earlier this year with AG&P LNG to secure a converted FSRU for its planned project in South Australia. Venice Energy expects to take a final investment decision on the project by August. source:www.lngprime.com

BP EXPECTS LNG DEMAND TO GROW UP TO 40 PERCENT BY 2030

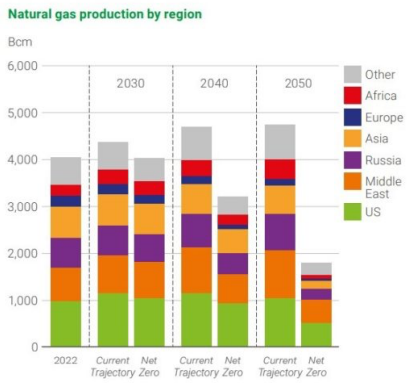
UK-based energy giant BP expects global demand for liquefied natural gas (LNG) to rise up to 40 percent by 2030 compared to 2022 levels. BP revealed this in its 2024 energy outlook released on Wednesday. The outlook focuses on two scenarios, current trajectory and net zero. Current trajectory is designed to capture the broad pathway along which the global energy system is currently travelling, while net zero explores how different elements of the energy system might change in order to achieve a substantial reduction in carbon emissions. BP expects LNG demand to increase "rapidly" in the near term, but the

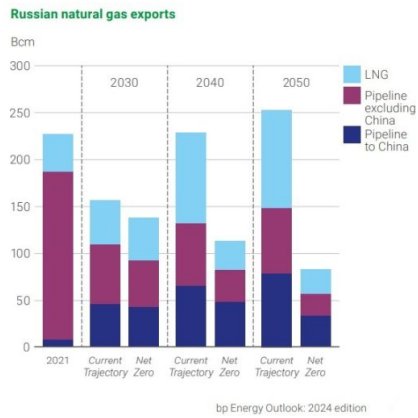


outlook post-2030 becomes increasingly dependent on the pace of the transition, especially in Europe and Asia, which rely on LNG imports to meet their incremental natural gas demand. LNG demand grows "robustly" in the first part of the outlook, driven by increasing demand in emerging economies including China, as the increasing use of natural gas in these economies is largely met by imported LNG, BP said.By 2030, LNG demand is 40 percent and 30 percent above 2022 levels in current trajectory and net zero respectively. BP said the main difference between the two scenarios out to 2030 reflects contrasting trends in the EU and UK. In current trajectory, LNG demand in the EU and UK increases out to 2030 as they continue to adjust to the loss of Russian pipeline imports. In contrast, in net zero a greater shift to alternative energy sources combined with faster gains in energy efficiency means that by 2030, EU and UK LNG demand is below 2022 levels, although still above levels in 2021 prior to the war in Ukraine, BP said.

LNG demand after 2030

BP said the range of outcomes for LNG trade widens post-2030.In current trajectory, LNG demand increases by more than 25 percent over the subsequent 20 years. This demand growth requires 300 Bcma of additional liquefaction capacity to come online post2030, according to BP. In contrast, the gains in LNG demand out to 2030 in net zero are reversed over the following decade, and by 2050 global trade in LNG is around 40 percent below its 2022 level, implying that no additional liquefaction capacity beyond that already under construction is required, it said. BP said this widening range of outcomes adds to the uncertainty associated with investments in LNG facilities, which typically have an economic life of 15-20 years. The growth of LNG demand after 2030 in current trajectory is driven entirely by continuing strong growth in emerging economies (excluding China), with India accounting for a third of this increase. BP said the overall growth in global LNG trade is tempered by falling demand in Europe as the region transitions away from natural gas, and in China where growth in pipeline supplies from Russia reduces





the need for LNG imports. LNG demand in emerging economies in net zero also continues to grow during the 2030s before peaking towards the end of the decade, but this growth is more than offset by sharp falls across the main demand centers in Europe and developed Asian economies, as the use of gas in these economies is crowded out by increasing electrification and a shift towards lower carbon energy sources, BP said. source:www.lngprime.com

CNOOC'S NEW LNG BUNKERING VESSEL WRAPS UP FIRST OP

CNOOC's new LNG bunkering vessel, Hai Yang Shi You 302, has completed its first operation in China's Ningbo-Zhoushan port. According to a statement by CNOOC, China's first river-sea LNG bunkering vessel completed its maiden bunkering operation at the Meishan port area of the Ningbo-Zhoushan port on July 1.During the operation, the 12,000-cbm Hai Yang Shi You 302 delivered LNG to Matson Navigation's LNG-powered containership, Daniel K. Inouye. In April this year, China's Nantong CIMC Sinopacific Offshore & Engineering delivered this LNG bunkering vessel to CNOOC.CCS-classed Hai Yang Shi You 302 is 132.9 meters long and 22 meters wide and has a draft of 11.8 meters. The vessel features an electric power system and two type C tanks each with a capacity of some 6,000 cbm, and can work on rivers and seas. It is part of the strategy for the "gasification of the Yangtze River". CNOOC now has two operational LNG bunkering vessels. In January this year, CNOOC completed another bunkering operation with the 30,000-cbm, Hai Yang Shi You 301, to Matson's Daniel K. Inouye in Ningbo. CNOOC claims this is the world's largest LNG bunkering vessel and it completed the first operation with this vessel in January last year. In November 2022, CSSC's Guangzhou Shipyard International (GSI) converted this 184.7 meters long LNG carrier with Wartsila DF engines and TGE Marine type C tanks to enable it to perform ship-to-ship LNG bunkering operations. The converted vessel has a capacity to deliver up to 1650 cbm of LNG per hour during an STS operation, while Hai Yang Shi You 302 can deliver up to 2,000 cbm of LNG per hour. source:www.lngprime.com

DYNAGAS LNG CARRIER RESCUES TWO PEOPLE IN FLORIDA STRAITS

A newbuild LNG carrier, owned by Dynagas and chartered by Cheniere, recently rescued two persons in the Florida Straits. Greek LNG carrier owner Dynagas said in a social media post on Wednesday the rescue operation was carried out by the 200,000-cbm LNG carrier, Clean Vitality, while transiting the Straits of Florida on July 3.The strait is located between the Florida Keys and Cuba. "The crew received a distress call on VHF from a pleasure craft seven nautical miles away and initiated a rescue operation, resulting in the successful rescue of two survivors," Dynagas said. "Our crew provided them with necessary care, clothing, water, and food until the USCG cutter approached the vessel where they safely disembarked," the company said. Dynagas did not provide further information. According to its AIS data provided by Vessels Value, Clean Destiny is loaded with a cargo from Cheniere's Sabine Pass LNG plant Louisiana. The vessel was located on Thursday offshore Brazil and it appears to be heading to Asia to deliver its cargo.

Newbuild LNG carrier

Earlier this year, Dynagas took delivery of Clean Vitality from South Korea's HD Hyundai Heavy. Clean Vitality serves a 10-year charter with US LNG exporting giant Cheniere. Back in June 2021, Dynagas ordered four 200,000-cbm LNG carriers each worth about $199 million and this LNG carrier is third in that batch. Dynagas took delivery of Clean Resolution from Hyundai Heavy, the first vessel in this batch, in September 2023, and this vessel serves Cheniere as well. This is also the case with Clean Destiny, which joined the fleet in December. After this order in 2021, Dynagas ordered three more LNG carriers of the same size at Hyundai Heavy in 2022, as well as three vessels in January last year and two vessels in May last year. The ships feature GTT's Mark III Flex+ membrane containment system and are 299.8 meters long and 48.9 meters wide. Dynagas is expected to take delivery of all of these vessels by the end of 2027. source:www.lngprime.com

BP, MITSUI, SHELL, AND TOTALENERGIES TO INVEST IN ADNOC'S RUWAIS LNG PROJECT

BP, Mitsui & Co., Shell, and TotalEnergies each agreed to buy a 10 percent equity stake in Adnoc's LNG export terminal in UAE's Al Ruwais. Adnoc will retain a 60 percent majority stake. Adnoc revealed this in a statement issued on Wednesday. The participation of the four firms in the LNG project is subject to customary regulatory clearances, Adnoc said. Last month, the state-owned firm took a final investment decision to build the LNG export terminal in Al Ruwais. Adnoc also awarded the $5.5 billion EPC deal to a joint venture led by France's Technip Energies. The LNG project will consist of two 4.8 mtpa trains with a total capacity of 9.6 mtpa, more than doubling Adnoc's existing UAE LNG production capacity to around 15 mtpa, as the company builds its international LNG portfolio. Adnoc currently owns a 70 percent stake in Adnoc LNG, that currently produces about 6 mtpa of LNG from its facilities on Das Island. Mitsui holds 15 percent, BP owns 10 percent, and TotalEnergies holds 5 percent in the Das Island facility.

LNG supply deals

In addition to the stake deals, Adnoc has signed "several" new long-term LNG sales commitments with international partners, the company said in the statement. These deals include the delivery of 1 million tonnes per annum (mtpa) with Shell and 0.6 mtpa with Mitsui, taking the committed Ruwais LNG production capacity to 70 percent, Adnoc said. In May this year, Adnoc signed a heads of agreement with Germany's EnBW to supply the latter with LNG from its LNG terminal in Al Ruwais. Under the deal, EnBW will buy 0.6 mtpa of LNG for a period of 15 years. The deliveries, which will be primarily sourced from the Ruwais LNG plant, are expected to start in 2028, upon commencement of the facility's commercial operations. This deal with EnBW was the third long-term LNG supply agreement from the Ruwais LNG project, following the 15-year agreement with Germany's SEFE signed in March this year and the 15-year agreement with China's ENN Natural Gas signed in December 2023.The deals with SEFE and ENN are each for 1 mtpa. source:www.lngprime.com

SPANISH LNG IMPORTS DOWN, RELOADS JUMP IN JUNE

Spanish liquefied natural gas (LNG) imports decreased in June, while reloads rose more than four times compared to the same month in the year before, according to Enagas. LNG imports decreased by 24.4 percent year-on-year to about 16.1 TWh in June and accounted for 60 percent of the total gas imports. Spanish LNG imports decreased by 30.6 percent year-on-year to about 17.1 TWh in May. In April, LNG imports reached some 16.1 TWh and some 18.1 TWh in March, while in February LNG imports reached about 18.4 TWh and in January imports reached some 20 TWh. Including pipeline imports from Algeria (8.64 TWh), France, and Portugal, gas imports to Spain reached about 28.59 TWh last month, a slight drop from some 28.66 TWh in June last year, according to the monthly report by Enagas. Moreover, national gas demand in June decreased by 19.8 percent year-on-year to some 20.9 TWh. Demand for power generation dipped by 52.7 percent year-on-year to about 4.49 TWh last month, while conventional demand increased by 1 percent to 16.4 TWh, the LNG terminal operator said. Storage facilities were were 95 percent full in June, compared to 95 percent in the same month last year and 93 percent in the prior month, according to Enagas. Enagas operates a large network of gas pipelines in Spain and has three wholly owned LNG import plants in Barcelona, Huelva, and Cartagena. It also owns 75 percent in the Musel LNG facility, 50 percent in the BBG regasification plant in Bilbao, and 72.5 percent of the Sagunto plant, while Reganosa operates the Mugardos plant. In August last year, Spanish power group Endesa delivered the first commercial cargo to the El Musel LNG terminal in Gijon. Endesa completed in April this year the first reloading operation at the facility. There were no ship unloading or loading operations at the facility during June.

Russia and Algeria biggest LNG suppliers

The seven operational Spanish LNG regasification terminals unloaded 21 cargoes last month, down by 2 cargoes compared to June last year, the data shows. Russia was the biggest LNG supplier to Spain in June with about 5.68 TWh, down from 7.67 TWh last year, and the country was followed by Algeria and the US with 4.29 TWh and 3.27 TWh. Algerian volumes jumped from just 0.98 TWh last year and US volumes increased from 5.29 TWh last year. During June, Spain also received 1.13 TWh from Peru, 0.95 TWh from Nigeria, 0.93 TWh from Norway, and 0.87 TWh from Congo. The cargo from Congo is the second LNG shipment from Eni's Tango FLNG in Congo. Russia was also the biggest LNG supplier to Spain in April and May, while the US was the biggest supplier in January and February. Also, Russia was the biggest LNG supplier in December last year and the US was the biggest supplier to Spain in October and November.

LNG reloads highest this year

Spanish LNG terminals loaded about 1.81 TWh in June, the highest monthly figure this year. Reloads jumped by 351 percent compared to some 0.4 TWh in the same month last year and they also rose compared to 1.19 TWh in May. The LNG terminals loaded about 0.45 TWh in April, 0.56 TWh in March, 1.07 TWh in February, and 0.92 TWh in January. During June, the Sagunto LNG terminal reloaded about 1.07 TWh of LNG, the Barcelona terminal reloaded about 0.31 TWh, the Huelva terminal reloaded some 0.21 TWh, and the Mugardos terminal reloaded about 0.2 TWh. Moreover, the number of truck loads at the

LNG terminals decreased by 3.8 percent year-on-year to 902. The Huelva LNG terminal completed 185 truckloads in June, while the Barcelona terminal completed 178 truckloads and the Sagunto terminal completed 174 truckloads, the data shows. source:www.lngprime.com

MEYER WERFT TO BUILD LNG-POWERED CRUISE SHIP FOR JAPANESE MARKET

German shipbuilder Meyer Werft has secured a contract from Japan's Oriental Land Company (OLC) to build a Disney Wish-class cruise ship powered by LNG for the Japanese market. Meyer Werft said in a statement on Tuesday that the the two firms have signed the contract in Tokyo and it expects to deliver the ship in 2028. The shipbuilder did not reveal the price tag of the contract or any details regarding the vessel's propulsion in the statement. A spokesperson for Meyer Werft confirmed to LNG Prime that the new ship will also run on LNG, such as the previous vessels in the Disney Wish-class series. In June 2022, Meyer Werft delivered the first LNG-powered cruise vessel in this series, Disney Wish, to Disney Cruise Line, a unit of the US-based Walt Disney Company. Meyer Weft is also building the LNG-powered Disney Treasure and Disney Destiny and these vessels will join the fleet in 2024 and 2025. According to Meyer Werft, OLC, which operates the Disney theme parks in Japan, is expected to start operation of the new LNG-powered ship by early 2029. OLC reached a decision to enter into the cruise business in Japan, and has concluded an agreement with Disney to "bring the magic of Disney cruise to the Japanese market for the first time," it said. The Japanese company is as a new customer for Meyer Werft. In March this year, Meyer Werft has won an order to build another LNG-fueled vessel for Miami-based Carnival Cruise Line, a unit of Carnival. This is the fifth Excel class cruise ship for Carnival's unit Carnival Cruise Line. source:www.lngprime.com

HD HYUNDAI SAMHO EXPANDS BERTHING CAPACITY TO ADDRESS RISE IN SHIP ORDERS

South Korean shipbuilder HD Hyundai Samho has expanded its berthing facilities to address the increase in orders for ships, including LNG carriers. HD Hyundai Samho held on July 10 the completion ceremony for the second dolphin berth, attended by over 100 people, including from its parent HD Hyundai, the shipbuilder said in a statement. A dolphin berth is a facility where sturdy pillars are installed in the sea to a pathway, allowing ships to berth on both sides, the shipbuilder said. The newly completed dolphin berth spans 530 meters and is equipped with two large cranes to support shipbuilding operations. Also, it can accommodate up to four ultra-large vessels, two on each side. HD Hyundai Samho completed the construction of the second dolphin berth in just one year after its groundbreaking last July, the shipbuilder said. With this addition, the total length of HD Hyundai Samho's berths is now 3.6 kilometers, enabling simultaneous berthing for up to 18 vessels.

Increasing orders

HD Hyundai Samho said this investment is aimed at "effectively responding to the increasing orders for eco-friendly ships". Generally, "eco-friendly" ships require berthing times up to twice as long as standard ships, depending on the type. "Through

this investment, HD Hyundai Samho has secured berthing facilities on par with industry standards, alleviating process bottlenecks and enhancing its capabilities in building eco-friendly ships," it said. Additionally, the company can now reduce the cost burden of leasing nearby ports due to berth shortages. The working conditions for employees have also "significantly improved, providing a wider and safer workspace," it said. In January, Qatari LNG shipping giant Nakilat has placed orders worth about $955 million with HD Hyundai Samho for the construction of two LNG tankers and four LPG carriers. HD Hyundai Samho also secured in February an order worth about $1.08 billion to build four LNG carriers tied to Evangelos Marinakis-led Capital. According to data by HD KSOE, HD Hyundai Samho had 46 LNG carriers on order as of the end of June 2024. source:www.lngprime.com

MET, SHELL INK 10-YEAR US LNG SUPPLY DEAL

Switzerland-based energy trader MET Group has entered into a 10-year deal to buy US LNG volumes from LNG giant Shell. According to MET, the company's primary objective is to supply its European customers with US LNG. MET said on Tuesday the long-term free on board (FOB) deal will further diversify its LNG supply portfolio, helping to ensure security of supply for its customers across Europe, ranging from its own gas-fired power plant demand to energy-intensive industrial companies and SMEs and households. The trader did not provide further details regarding the deal. Prior to this contract, MET entered in September last year into a 20-year non-binding deal with US LNG terminal developer Commonwealth LNG to buy 1 mtpa of LNG from the proposed 9.3 mtpa plant in Cameron, Louisiana. Alongside bolstering security of supply for MET's European portfolio, this new "flexible" LNG supply enables its diversification ambitions, allowing the company to extend its geographical scope to new regions such as Asia, MET said. Last year, MET set up an office in Singapore as it works to expand its LNG business beyond Europe. The company has long-term regasification capacity bookings in Germany, Croatia and Spain, and has imported into eight different countries in recent years. This includes countries around the Mediterranean (Greece, Italy, Croatia, Spain), Northwest Europe (UK, Belgium, Germany), and the Nordic region (Finland), MET said. In 2023, MET delivered more than 30 cargoes of LNG to Europe. The company has capacity rights at the Croatian FSRU-based terminal and received the first LNG cargo via the Krk facility in the northern Adriatic Sea in April 2021. In addition, MET booked regasification capacities at the FSRU-based LNG import terminal in Germany's Lubmin, owned by Deutsche ReGas. This FSRU is now part of the Mukran LNG import facility which includes two units. source:www.lngprime.com

GLENCORE SEALS LONG-TERM LNG SUPPLY DEAL WITH CHINA'S SHENZHEN ENERGY

China's power generation firm Shenzhen Energy has signed a long-term deal to buy liquefied natural gas (LNG) from a unit of Switzerland-based energy trader Glencore. Shenzhen Energy's unit SE Gas Holding signed the purchase and supply deal with Glencore Singapore on July 2, according to a statement by Shenzhen Energy issued on Monday. The Chinese company

did not reveal any details regarding the LNG supply deal. Back in November 2022, Shenzhen Energy also signed a long-term deal to buy LNG from UK-based energy giant BP. This SPA is the first long-term contract between the two firms and Shenzhen Energy's first long-term international LNG purchase agreement, according to Shenzhen Energy. Prior to that, BP and the power firm were already cooperating via the Guangdong Dapeng LNG terminal in Shenzhen. Shenzhen Energy said at the time it is promoting the construction of new gas-fired power plants to meet the demand of the Guangdong province and Shenzhen city. The company said it expects its natural gas demand to rise "significantly" once these gas-fired power plants come online in 2024. According to Shenzhen Energy's website, the company's gas unit has stakes in three LNG terminals. GIIGNL's data shows that Shenzhen Energy has a 30 percent stake in the Diefu LNG import terminal in Shenzhen, operated by PipeChina. Glencore's annual reports also show that the trader has previously invested in Shenzhen Energy Gas Investment Holding. The company had a 7.8 percent stake in Shenzhen Energy's unit in 2023, Glencore's 2023 annual report shows. LNG Prime invited Glencore to comment on the new LNG supply deal. A spokesperson for Glencore declined to comment.

source:www.lngprime.com

SOUTH KOREA'S POSCO COMPLETES FIRST GWANGYANG LNG TERMINAL

South Korea's Posco International, a unit of steel giant Posco, has added the sixth liquefied natural gas tank at its first Gwangyang LNG import terminal. With this, Posco International, which merged with Posco Energy last year, has wrapped up the construction of the first Gwangyang LNG terminal in South Jeolla province, it said in a statement on Tuesday. Back in January 2021, Posco Energy started work on the sixth LNG storage tank with a capacity of 200,000 cbm and worth about 143.7 billion won. The first Gwangyang LNG terminal now has a total storage capacity of 930,000 cbm in six tanks. According to Posco International, the first and the second tanks started operation in 2005 followed by the third in October 2010 and the fourth in May 2013. The fifth tank started commercial operations in December 2019.The fifth and the sixth LNG tank feature Posco's high manganese steel. Besides LNG tanks, the terminal also features an LPG tank, a jetty, and other regasification and additional facilities. Posco International said the construction of the first Gwangyang LNG terminal took 20 years and costed 1.45 trillion won ($1.05 billion).The terminal supplies natural gas for power generation and industrial processes, and it also provides services for LNG imported by companies such as Posco, S-Oil, and SK E&S. In addition to these six LNG tanks, Posco International started building last year two new LNG tanks for the second Gwangyang LNG terminal. The project includes the construction of two LNG storage tanks with a capacity of 200,000 cbm on a site near the first Gwangyang LNG terminal. Following completion of this project, Posco International said it will have a total LNG storage capacity of 1,330,000 cbm by 2026.This is enough to supply heating gas for the entire county for 40 days, the firm said. The Gwangyang LNG terminal is South Korea's first private LNG terminal besides the Kogas-owned facilities. Kogas operates 77 LNG storage tanks at five LNG import terminals in South Korea. The large terminals include Incheon, Pyeongtaek, Tongyeong, and Samcheok,

while the firm has a small-scale regasification terminal at the Aewol port on Jeju island as well. In addition to these facilities, the firm is building a large terminal in the western port city of Dangjin and expects to launch the first phase in 2025.In May, Kogas completed lifting the roof on the first 270,000-cbm tank at its Dangjin LNG import facility. source:www.lngprime.com

SLOVAKIA'S ZSE, POLAND'S ORLEN INK LNG SUPPLY DEAL

Slovakia's gas and power firm SZE has signed a deal with Poland's energy firm and LNG importer Orlen to buy liquefied natural gas from the latter. These LNG supplies will be delivered mainly from the US to the FSRU-based terminal in Lithuania's Klaipeda. The group, which has two subsidiaries ZSE Energia and Zapadoslovenska distribucna, revealed the supply deal in a statement issued on Monday. ZSE said the contracted volumes will cover about 30 percent of ZSE Energia's demand during the year, but it did not provide further details. The company is the second largest gas supplier in Slovakia. ZSE said the deliveries to the 170,000-cbm FSRU Independence in Klaipeda will take place during 2025. The company added that regasified LNG from Klalipeda will be delivered to Slovakia via Poland. The gas supplies will be transported via the Gas Interconnection Poland-Lithuania (GIPL) to the Polish gas system and then sent to Slovakia via the Vyrava interconnector.

Diversifying supplies

Orlen said in a separate statement the contract is an example of growing cooperation between companies from Central and Eastern Europe aimed at diversifying supplies and strengthening gas security in the region. This will be the first time that a Slovak company will import natural gas from the north, according to Orlen. Orlen said the gas price under the contract will be set in a commercial manner. Orlen signed the deal via its unit PGNiG. In November 2022, PKN Orlen completed its merger with Poland's dominant gas firm, PGNiG, which is in charge for all of the LNG supplies coming to the Swinoujscie facility in Poland and to the Klaipeda LNG terminal. Since May 2022, Orlen has been using the Klaipeda terminal where it has received more than 10 shipments. Last month, the FSRU-based terminal operated by KN Energies restarted operations after spending some time in a Danish yard for maintenance works.

Orlen's LNG purchases

Orlen's PGNiG mainly receives contracted volumes from the US and Qatar, but also from the spot market. The company has contracts with Cheniere and Venture Global LNG. However, the latter has still not declared commercial operations at its Calcasieu Pass facility. Orlen previously said that 41 ships arrived in 2023 from the US to Swinoujscie as part of long-term and spot purchases. Qatar was the second-largest supplier with 19 shipments, while one shipment each arrived from Trinidad and Tobago and Equatorial Guinea. In 2022, 36 deliveries came from the US, and 18 ships arrived from Qatar. source:www.lngprime.com

MALAYSIA'S PETRONAS ADDS NEW VESSELS TO ITS FLEET AS LNG CANADA LAUNCH NEARS

Malaysian energy giant Petronas has added three new liquefied natural gas (LNG) carriers to its fleet as it prepares for the launch of the Shell-led LNG Canada terminal in Kitimat, British Columbia. According to a statement by Petronas released on Monday, the three vessels Puteri Sejinjang, Puteri Mahsuri, and Puteri Mayang were recently named at the HD Hyundai Heavy yard in Ulsan, South Korea. Malaysian embassy in South Korea said in a separate statement that the naming ceremony took place on July 1. Back in 2021, Petronas signed long-term charter deals for these LNG carriers with Hyundai LNG Shipping. These ships were preceded by the delivery and naming of the first three vessels, Puteri Saadong, Puteri Ledang, and Puteri Santubong, in January 2024, Petronas said in the statement. Petronas said each of the vessels has a cargo capacity of 174,000 cbm. Also, the total number of LNG vessels dedicated to Petronas' operations in North America now stands at six ships. The state-owned company has a 25 percent stake in the giant LNG Canada project. According to Petronas, the facility is slated for start-up in the latter part of 2024.

LNG Canada commissioning

Earlier this year, Shell's CEO, Wael Sawan, said that the LNG Canada terminal is more than 90 percent complete and the project is preparing to launch commissioning activities later this year. This is the first large LNG export terminal in Canada. Contractor JGC Fluor is constructing the first phase of the giant LNG Canada project that includes two liquefaction trains with a capacity of 14 mtpa in Kitimat, while the project partners are also considering a second phase. Last year, TC Energy's Coastal GasLink pipeline, which will supply natural gas to the LNG Canada terminal, was mechanically completed. Besides operator Shell and Petronas, other partners in the project include PetroChina, Japan's Mitsubishi Corporation, and South Korea's Kogas. LNG Canada said in the December 2023 update that that it expects start-up activities to last more than a year. source:www.lngprime.com

OCEAN YIELD TO BUY CVC DIF'S STAKE IN FRANCE LNG SHIPPING

Infrastructure fund CVC DIF has agreed to sell a stake in LNG carrier owner France LNG Shipping to KKR-backed Ocean Yield. France LNG Shipping (FLS) is a 50/50 joint venture between Japan's NYK and France's Geogas LNG, a firm jointly owned by CVC DIF, Access Capital Partners, and Geogas Maritime. According to a statement by CVC DIF, the company will sell a 29 percent economic interest in FLS, held through its CIF I and CIF II funds, to Norway's Ocean Yield. CVC DIF did not reveal the price tag of the deal. In November 2019, the CIF I fund closed an investment to finance an initial batch of five newbuild LNG vessels through FLS. In 2021 and 2022, the CIF II fund also invested in FLS to finance the acquisition of Gazocean, a French ship management company which has operated LNG vessels for more than 60 years, and the addition of three more vessels, it said. Closing of the transaction is subject to conditions and is expected to take place in the second half of 2024, CVC DIF said.

Ocean Yield enters LNG shipping

Ocean Yield said in a separate statement it had agreed to purchase infrastructure fund CVC DIF's share in Geogas LNG, providing an indirect economic interest of up to 34 percent in France LNG Shipping. This marks the company's first transaction in the LNG segment. Ocean Yield also did not reveal financial details of the deal. Back in 2021, the Oslo-listed firm also took a stake in one LNG-powered containership. Ocean Yield's fleet consisted of 64 vessels at the end of the first quarter this year, including wholly and partly owned vessels and also vessels under construction, its quarterly result shows. The company said six FLS LNG carriers are currently on the water with an average age of three years, with further two being delivered in 2024 and 2025. Four additional newbuilds are expected to be novated to FLS at or around closing of the transaction and will be delivered in 2027, Ocean Yield said. All vessels are employed on long-term charters to "tier-one investment grade-rated European energy companies", with an average contract duration of 10 years, or 14 years including extension options, it said. Based on an indirect economic interest of 34 percent, the transaction will add about $840 million to Ocean Yield's Ebitda backlog, it said.

FLS LNG carriers

The 174,000-cbm LNG carriers owned by FLS include the 2020-built, Elisa Larus, and the 2022-built, Elisa Aquila, both chartered by units of French state-owned utility EDF. EDF will also take on charter two LNG newbuilds scheduled for delivery in 2025. On the other hand, French energy giant TotalEnergies took on charter four 2021-built vessels and these include LNG Adventure, LNG Endeavour, LNG Endurance, and LNG Enterprise. source:www.lngprime.com

SHELL IN FOR 10% ON ADNOC'S RUWAIS LNG PROJECT

Abu Dhabi project will consist of two 4.8M tonnes per annum (mta) LNG liquefaction trains with a total capacity of 9.6 mta.Shell

has inked a deal with Abu Dhabi National Oil Co (ADNOC) that will see the British-based oil and gas major take a 10% stake in ADNOC's Ruwais LNG project, which is expected to more than double ADNOC's LNG production capacity, from 6 mta to around 15 mta. Shell, through its Shell International Trading Middle East subsidiary, has also signed an offtake agreement for 1 mta of the LNG from the project, totalling around a 10th of the project's expected output. According to Shell, the Ruwais LNG facility is set to have an

electric-powered liquefaction system and will utilise access to a renewable power supply to lower operational emissions compared with gas-powered LNG facilities. “This investment decision builds on our long-standing partnership with ADNOC," said Shell chief executive Wael Sawan. "We are investing in additional LNG capacity and further growing our world-leading LNG portfolio. "Shell's LNG Outlook 2024 report posited that China's switch from coal to gas for industry and growing economies in south Asia and southeast Asia will drive LNG demand growth to 2040 and beyond. Shell has reached record profits in recent years and reported US$28Bn in annual profits in 2023, a result that was down some 30% from its all-time record-setting profits in 2022, as Europe struggled to control a surge in gas prices that resulted from Russia's war in Ukraine and the Western sanctions that followed. Shell saw a new chief executive take charge of the company in January 2023 who has promised to shift the company's strategic focus to high-margin, oil and natural gas production projects. Shell has recently cut staff and spending, including in the company's renewables and low-carbon solutions-related divisions. ADNOC will hold a majority 60% share in the project and serve as the lead developer and operator of the facility, while Shell, BP, Mitsui and TotalEnergies will each hold 10%. ADNOC has previously awarded an engineering, procurement and construction contract to a Technip-led joint venture and has said it will soon start construction on the project in Al Ruwais Industrial City, Abu Dhabi. Ruwais LNG deliveries are expected to begin in 2028. The site, located in Abu Dhabi's Al Dhafrah region, will serve as an operations hub for ADNOC and its companies. The 9.6-mta Al Ruwais plant is part of ADNOC's LNG growth project, as it intends to more than double its LNG production capacity to meet increased global demand for natural gas. The plant, which is designed with electric-powered processing facilities, will run on renewable and nuclear grid power with the intent of reducing carbon intensity. The Emirate of Fujairah was mooted as a potential location, but ADNOC settled on Ruwais, saying the selected location offers “significant synergies and existing infrastructure that will be leveraged to deliver project efficiencies,” unlocking additional value for ADNOC, its partners and the UAE. The state-owned firm already operates a 6-mta LNG facility on Das Island, off the coast of the capital Abu Dhabi. source:www.rivieramm.com

ANGELICOUSSIS GROUP INKS EXTENSIVE RETROFIT DEAL FOR LNG, TANKER AND BULK FLEETS

A favoured customer contract covers the refit of as many as 45 LNG carriers, tankers and bulk carriers.The Angelicoussis Group has signed a two-year favoured customer contract (FCC) with a one-year renewal option for the refit of 10 to 15 vessels per year at Singapore's Seatrium shipyard. The strategic partnership agreement was formalised in Greece by Maran Gas executive vice president and technical director Andreas Spertos on behalf of Angelicoussis Group, and Seatrium executive vice president for repairs and upgrades, Alvin Gan. Mr Spertos remarked, “This strategic partnership marks a significant milestone for us. Seatrium was selected to be our partner as it has demonstrated a strong track record, and delivered over 70 successful retrofits including 20 of our LNG carriers and a series of scrubber installations for our tanker fleet since 2012.” Mr Gan added, “The favoured customer contract not only affirms our leadership in the global ship repair market, but also our commitment to

embarking on a shared journey of growth, trust and mutual success with our new partner. With the global focus on maritime decarbonisation, Seatrium is well-positioned to provide our esteemed customers with a broad range of energy-saving retrofits." The Angelicoussis Group is the latest major owner to sign an FCC with the Singaporean shipyard. Hyundai recently signed a long-term strategic partnership with Seatrium for the repairs and upgrades of its LNG carriers. The first vessel to head to Seatrium's Admiralty yard under the agreement was Hyundai Utopia which is currently undergoing a refit. Greece-based Angelicoussis Group owns one of the largest privately owned fleets, with 141 ships operating under companies Maran Gas, Maran Tankers and Maran Dry. source:www.rivieramm.com

GOLAR LNG LANDS 20-YEAR FLNG DEPLOYMENT DEAL IN ARGENTINA

Tor Olav Trøim's Golar LNG has entered an agreement with Pan American Energy for the 20-year deployment of a floating liquefied natural gas (FLNG) vessel in Argentina.The project aims to utilise Golar's FLNG Hilli, with a nameplate capacity of 2.45M tonnes per annum (mta), providing an equivalent net tariff of US$2.6/mmBtu based on 90% capacity utilisation, with an additional commodity-linked pricing element. Golar has the flexibility to consider a swap alternative for another suitable Golar FLNG unit. As part of the agreements, Golar LNG will hold a 10% stake in Southern Energy SA, a joint venture with Pan American Energy, responsible for purchasing domestic natural gas, operations, and sale and marketing of LNG volumes from Argentina. The FLNG specialist believes the project will monetise Argentina's gas, tapping into the vast resources from the Vaca Muerta shale formation in the Neuquina Basin, the world's second-largest shale gas resources. The project is expected to start exporting LNG by 2027, which will establish Argentina as a significant exporter of natural gas. This initiative is envisaged to be the first phase of a potential multi-vessel project it is anticipated other large natural gas producers in Argentina will join. Golar LNG chief executive Karl Fredrik Staubo said, "We are excited to enter a partnership with Pan American Energy, one of the leading energy companies in Latin America. The project will provide an international outlet for Argentina's vast and attractive natural gas reserves, creating value to Argentina and its gas stakeholders. The project expands Golar's global footprint, with further growth potential."Golar owns the world's largest fleet of FLNG units by annual liquefaction capacity. Pan American holds interests across the whole hydrocarbon value chain across Latin America, producing 250,000 boed, with more than 2,300M boe of net 2P reserves, and an energy transition agenda that involves renewable power, LNG, lithium and biofuels. source:www.rivieramm.com

US LNG OUTPUT DIPS IN JUNE ON SHORTER MONTH, PLANT MAINTENANCE

U.S exports of liquefied natural gas (LNG) fell slightly in June to 7.11 million metric tons (MT) from 7.60 MT in May, as several plants embarked on maintenance activity, preliminary data from LSEG showed. U.S exporters boosted exports to Asia, where prices were higher, putting shipments of the super-chilled gas to that continent at parity with Europe. The U.S. is the world's

largest exporter of LNG and a key supplier to Europe since Russia's invasion of Ukraine, but overall exports declined for four consecutive months this year, according to LSEG data. They rebounded in May before falling again in June, the LSEG data showed. Several U.S. LNG plants, including Freeport LNG and Cheniere Energy's Corpus Christi facility, as well as pipelines, underwent maintenance in June, prompting a drop in supplies. Cameron LNG, Cheniere's Sabine Pass and Venture Global's Calcasieu Pass in Louisiana were also undergoing work. The outages hit demand for natural gas to feed LNG plants, with June gas flows at 12.3 billion cubic feet per day (bcfpd), or 84% of estimated utilization capacity, analysts for financial firm Tudor, Pickering, Holt & Co wrote in a note last week. "Multiple LNG projects saw decreases in flows with notable ones being Calcasieu Pass (-150mmcf), Sabine Pass (-160mmcf) and Cameron (-100mmcf)," TPH analysts wrote. A slightly larger share of US LNG exports went to Asia in June compared to May. Some 2.98 MT, or 42% of June exports, went to Asia, compared to 41% of total US exports in May, the LSEG data showed. "Asia remains the preferred destination for US free-on-board (FOB) LNG cargoes as the arbitrage remains open in June for August and September delivery," said Rystad Energy's senior analyst, Masanori Odaka in an update to client late last month. Most of the US exports to Asia continued to take the longer route past the Cape of Good Hope. Yet there was least one shipment that went to Asia via the Suez Canal, LSEG ship tracking data showed. Europe, a top destination for US LNG exports, took 2.99 MT, or 42%, of total June exports, in line with levels from the previous month, according to LSEG data. US exports to Latin America held steady at 870,000 MT, or just over 12% of total exports. The Middle East took three cargoes carrying 210,000 tons of LNG in total, LSEG data showed. source: www.naturalgasworld.com

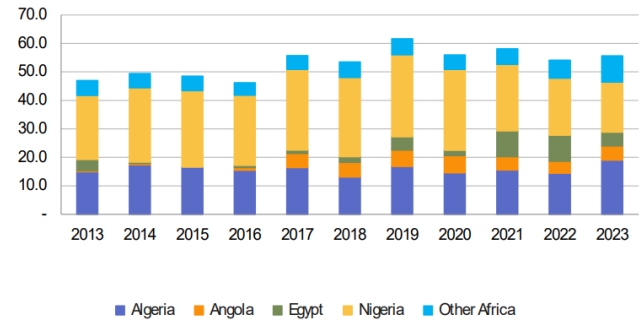
AFRICA IS MISSING THE LNG BOAT [GAS IN TRANSITION]

At 55.6bn m3, African LNG exports were lower in 2023 than the peak of 61.6bn m3 in 2019, just before the onset of the COVID-19 pandemic (see figure 1). In 2022, African LNG producers, like others, reaped record high export prices as Russian pipeline gas exports to Europe fell and European LNG demand boomed, but the lack of planned expansion in this period represents a missed opportunity. That opportunity was not to supply Europe with more LNG, but the chance to build capacity on the back of Europe's gas crisis to position African LNG to meet future Asian demand. Both India and China, the two most populous countries in the world, have stated plans to increase the use of gas in their primary energy mixes and both lack sufficient domestic resources to do so without increased imports. While European LNG demand has likely plateaued, it is the US and Qatar which will fulfil most of the additional demand from Asia, while Africa will miss out.

Reacting to the European gas crisis.

At the onset of the Ukraine war, Europe launched a charm offensive in Africa in an attempt to shore up future gas supplies, but the gap between short-term need and the long gestation period required for LNG projects was never realistically going to be bridged. Additions to LNG production capacity have come from projects already under construction. While Europe put in place new LNG import capacity with extraordinary rapidity, it is not so easy to expand gas supply and liquefaction capacity.

FIGURE 1 African LNG exports (bn m3) Source: IGU, NGW

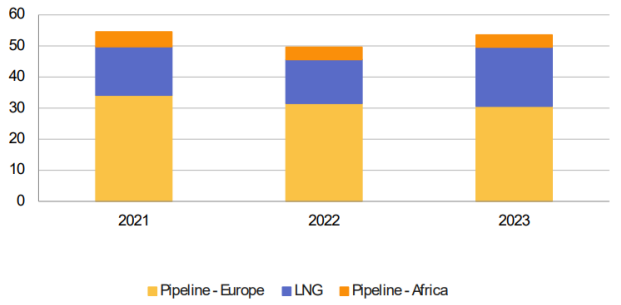


And it is even harder to do so in countries with no former LNG experience, and which carry high levels of investment risk. Investing in North America, or buying into a portion of Qatar's expansion plans, was always going to be a more certain path to increased LNG production in the mid-2020s, and the scale of those opportunities has, to a large extent, crowded out more risky propositions

Short-term response

The short-term response had to come from existing producers. However, contending with strong demand growth amid limited upstream investment, Algerian gas exports were lower in 2023 and 2022 than in 2021 (see figure 2). While LNG exports jumped in 2023, they have come at the expense of lower pipeline exports to Europe and, to a lesser degree, to African customers.Similarly, while Egypt managed to boost LNG exports in 2021 and 2022, increased domestic demand and declining output from the giant Zohr field saw them almost half in 2023. The country this year has returned to LNG imports via Jordan to meet domestic demand and maintain power supplies. In sub-Saharan Africa, the performance of existing producers has been lacklustre. Angola LNG exported at a lower level each year in the period 2021-2023 than it did from 2017-2021. Nigerian LNG production has fallen each year since 2017, dropping from 28.8bn m3 to just 17.5bn m3 in 2023. Nigeria LNG's (NLNG) behind-schedule Train 7, which saw a final investment decision in 2019, was reported to be only 60% complete in February and start-up looks unlikely until 2026. Whether it will then work at full capacity, or take feedstock from the existing trains, is an open question, given that NLNG appears increasingly unable to source sufficient feedstock gas. NLNG's problem has long been not new capacity but increasing the reliability of its feedstock supplies.

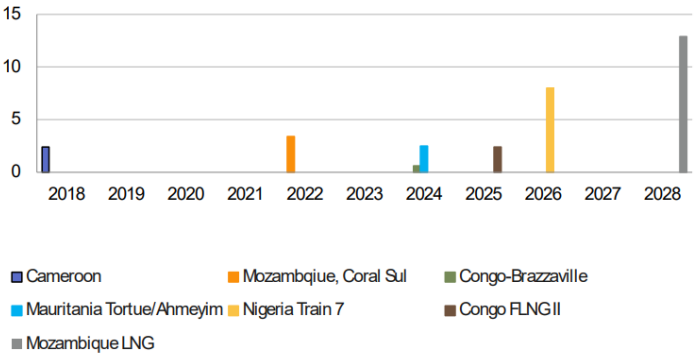
FIGURE 2 Algerian gas exports (bn m3) Source: IGU, NGW



The green fields of East Africa

Large-scale greenfield projects have also fared poorly (see figure 3). Crisis in Europe did nothing to remove the challenges posed by LNG development in East Africa, and with Europe unable to guarantee long-term demand, East African LNG development is, in any case, more about Asia than Europe.TotalEnergies said earlier in the year that it hoped to restart construction by mid-2024 on its $20bn Mozambique LNG project, which has been stalled since April 2021. It said that it had talked through contracts with suppliers and was re-engaging with financial institutions. US major ExxonMobil, meanwhile, has said it could take a decision on its now 18mn-t/yr Rovuma LNG project in Mozambique by the end of 2025. However, a surge in militant attacks this year in the Cabo Delgado province, in which both projects are located, shows that the security situation remains volatile. Crisis24 reports that the militant threat remains elevated and that the first attack in over a year took place in neighbouring Nampula province in April, a worrying sign.Meanwhile, Tanzania's LNG prospects brightened considerably last year with the signing of an agreement between the government and project leaders Equinor and Shell in May. However, the government has since reported to have proposed changes, leading to delays in finalising the agreement and pushing back a final investment decision. At an estimated $42bn, the Tanzania LNG project represents a massive investment. Its prospects improved when Samia Suluhu Hassan assumed the presidency on the death of president John Magufuli in March 2021. New presidential elections are due to take place by October next year. It remains uncertain how fair they will be and what support opposition parties may garner. Hassan has reversed some of the repressive policies of Magufuli. However, the changes to the LNG investment agreement were made by deputy prime minister and energy minister Doto Biteko, a Magufuli ally, who Hassan recently brought back into the cabinet in an attempt to win back the support of Magufuli loyalists ahead of the election. With Biteko apparently revisiting Magufuli's hardline resource nationalism, investors in Tanzania LNG may well decide to see how the electoral dust settles before moving ahead. East Africa's greenfield LNG developments increasingly look like creatures of the 2030s rather than the 2020s.

FIGURE 3 Africa LNG capacity additions from 2018 (mn t/yr) Source: IGU, NGW



'Other Africa'

LNG exports from newer producers rose from 5.1bn m3 in 2020 to 9.2bn m3 in 2023. However, this was primarily due to the start-up of Eni's offshore FLNG Corul Sul project in Mozambique in 2022, the timing of which was fortuitous, but reflected an investment decision prior to the European gas crisis. In Mauritania, Tortue/Ahmeyim LNG will start up this year, but again this

project has been long in gestation. The Floating, Production, Storage and Offloading vessel, the 2.5mn t/yr FLNG Gimi, took three and a half years to complete, despite being a conversion from a 1976-built Moss-type LNG Carrier rather than a newbuild. It arrived on-site in January, but project operator BP in February put back the date of likely first gas until the fourth quarter of this year. Meanwhile, 'Fast LNG', a term coined by US company New Fortress Energy (NFE), has not proved quite as fast or productive as had been hoped. NFE has scaled back its Fast LNG plans considerably and proposed projects offshore Africa were the first to go. NFE had projects for Congo and offshore Mauritania on the planning board, but from a projected five new Fast LNG units expected to be operating from mid-2023 to 2025, only one is now expected to be in operation and it is located off Mexico's Gulf coast. Last year, NFE sold its share in the FLNG Hilli, which operates off Cameroon, and its current plans focus on Mexico and offshore Louisiana rather than offshore Africa. The only clearly successful fast-track LNG project in Africa is Eni's Tango FLNG, offshore Congo-Brazzaville. This came on stream in February 2024, just one year after the final investment decision was taken, but capacity is small - just 0.6mn t/yr. It could nonetheless be the harbinger of better things. According to Eni, a second FLNG facility is under construction with a capacity of 2.6mn t/yr, which is expected to come into operation as early as next year. Subtract projects already under construction at the start of the war in Ukraine and the list of under construction LNG projects in Africa is minor. While there was never any hope beyond a few small-scale offshore FLNG projects of quickly monetising Africa's unexploited gas resources, the sudden surge in European demand could have been leveraged to underpin investment in capacity that would ultimately target Asian markets. The harsh reality is that most of Africa still has a high level of both operational and political risk. There are safer jurisdictions with ample gas reserves, in which the rules governing investment are more secure and likely to be respected. Unless the projects are small, or very large, and therefore potentially worth the risk, Africa will struggle to compete with the Middle East or North America, where it is simply much easier to build LNG facilities because the surrounding infrastructure and supplier ecosystem is well developed and competitive. Compare this to the greenfield projects of East Africa and it is clear that only the biggest and most experienced oil and gas companies are likely to take the plunge. Even then, they will not do so quickly, but very carefully, because of the huge investment sums at risk. source: www.naturalgasworld.com

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