



### **QATAR WRAPS UP PHASE 2 YARD TALKS FOR MORE THAN 40 VESSELS**

Prices said to have been inched up in face of yawning gap between pre-reserved berths and current prices. Middle East producer QatarEnergy has been finalising its talks with shipbuilders on its next tranche of more than 40 LNG carrier newbuildings worth more than \$9bn that it plans to firm up for Phase 2 of its huge ship-acquisition project.

#### ***QatarEnergy embarks on round two of huge LNG carrier newbuilding plan***

Key representatives handling the business were due in London this week to complete discussions with yards after earlier visits to South Korea's top three shipbuilders. Market players have indicated that discussions have taken place on raising the price of Qatari vessels. This would likely mark a second price rise for the ships. When QatarEnergy first reserved the slots in 2020, LNG newbuilding prices were well below \$200m. Prolonged discussions saw levels raised to around \$215m per vessel for the ships contracted in 2022. But now this level sits painfully for yards against the \$260m-plus they are asking for LNG newbuildings today. Brokers have detailed that currently Samsung Heavy Industries is holding 16 pre-reserved berths for the Qatari business, Daewoo Shipbuilding & Marine Engineering 12, Hyundai Heavy Industries 10. There is talk that a further six to eight berths have been secured in China, where Hudong-Zhonghua Shipbuilding (Group) has been the recipient of Phase 1 orders. But it is unclear which yard might build these vessels, as Hudong-Zhonghua's LNG orderbook already stretches into 2008.

### Awaiting full tender

QatarEnergy is expected to turn its attention to the shipowners that it will select to build these next newbuildings against the long-term charters it is offering. Sources detailed that owners received initial requests for expressions of interest in March.

### QatarEnergy in talks for the next generation of Q-Max LNG giants

They are now awaiting the issue of the full tender package on the next tranche of newbuildings. Initial timetabling suggested that this is due to arrive during the second quarter of this year, possibly by the end of this month. QatarEnergy, which is using Qatargas to progress the tender, has indicated that commercial bids will be invited in the third quarter of this year. Final awards where shipowners are married up with yards are expected in the third or fourth quarters of 2023. There has been considerable market speculation about how QatarEnergy might approach its choice of owners on this second approach to the market. Qatari LNG shipowning giant Nakilat was noticeable by its absence from the line-up of 14 owners, some of them working in consortia, for the 66 LNG newbuildings firmed up for QatarEnergy charters in 2022.

### Flex LNG upbeat on competing with pricey 2027-delivering newbuildings

Some suggest Nakilat may be earmarked to take on some of the vessels in this second phase of ordering. Others said QatarEnergy has already reached out to those shipowners who signed up to LNG newbuildings and charters in its first phase to ascertain if they want to extend their positions with more ships. In March, TradeWinds reported that QatarEnergy is also weighing up whether to upsize some of its reserved slots to an updated version of its 263,000-cbm to 265,000-cbm Q-Max vessels. To date, the orders have been for 174,000-cbm ships. The company is understood to have asked shipbuilders for design proposals. But yards are said to be reluctant as the larger ships will absorb more dry-dock space in what is an already tight market for LNG carrier berths. Source : [www.tradewindsnews.com](http://www.tradewindsnews.com)

## **CAPITAL GAS LOCKS AWAY NEWBUILDINGS TO JERA**

Greek shipowner adds a new name to its growing list of customers for its LNG carrier fleet. Evangelos Marinakis-controlled Capital Gas has tied up at least two of its on-order raft of LNG carrier newbuildings to Japanese trading giant JERA. Sources following the company named JERA as having booked more than one vessel for periods of between 10 and 13 years.

### Capital Gas linked to pair of LNG carrier newbuildings

The charter rate on the ships is said to be in the region of \$105,000 per day. The vessels are due for delivery dates between 2024 and 2026. JERA adds a new name to Capital Gas' rapidly growing list of charterers for its now 20-strong LNG carrier fleet. To date, Capital Gas has notched up charters for its vessels with companies including BP, Cheniere Energy, Engie, QatarEnergy, Hartree Partners and Tokyo Gas.

### JERA has been upping its LNG purchases.

In April, the company inked a deal with US producer Venture Global LNG to buy one million tonnes per annum of destination-free product from its upcoming CP2 LNG project over a 20-year period. In 2022, JERA also signed up to buy volumes from Oman LNG and the new operator of Russia's Sakhalin-2 project. In March, it emerged that Capital Gas had hit the 20-ship mark for its LNG fleet by adding two more newbuildings to its growing stash of vessels at Hyundai Group yards.

The company paid about \$259.5m each for the vessels, which are due for delivery from Hyundai Samho Heavy Industries by March 2027. They were inked just two months after the Greek owner firmed up two earlier options at Hyundai Heavy Industries in January on LNG newbuildings priced at around \$250m each. The new orders placed this year boosted Capital Gas' on-order newbuildings to 11 ships plus its nine existing trading vessels. TradeWinds reported in April that seven of the newbuildings were believed to be open.

#### **Chevron targets single South Korean shipyard for LNG carriers**

But the unspecified number of ships fixed by JERA and ongoing discussions with West African producer Nigeria LNG over another two newbuildings make the picture more blurry now. In the first quarter of 2023, Capital Gas took delivery of the 174,000-cbm LNG newbuilding Asterix 1, which started its term charter with Hartree Partners. Of Capital Gas' under-construction vessels, the 174,000-cbm Axios II is scheduled for handover at the end of 2023 and currently is shown as charter-free. Four more vessels are due for delivery in 2024, another quartet in 2026, with the most recent pair to follow by March 2027. In a results statement in May, Marinakis' US-listed company Capital Product Partners expressed optimism about the LNG sector. "Looking ahead, the outlook for the LNG carrier sector appears to be positive throughout 2023," it said. Source : [www.tradewindsnews.com](http://www.tradewindsnews.com)

#### **TRICOIRE EYES RISE IN SPOT ENQUIRY FOR LNG BUNKERS**

New head of TotalEnergies Marine Fuels says LNG 'is not a perfect product' but it has a 'great future'. TotalEnergies Marine Fuels new vice president Louise Tricoire has spotted something fresh in the LNG bunkering sector.

#### **Engineer Louise Tricoire embarks on her next voyage of discovery**

"There is a change. We see a lot more spot transactions coming in the market, which was not the case in 2022," she told TradeWinds. Last year was a tough call for LNG fuelling as gas prices soared to record highs. While prices have since dropped back, making LNG cheaper than marine gasoil, it is still not yet on par with very low-sulphur fuel oil, Tricoire said. The price spread to VLSFO is, however, much smaller than it was last year, so the company is starting to see customers coming for spot deliveries, she added. Tricoire, who stepped into the top slot at TMF just nine months ago, is quick to point out that enquiry for term LNG bunker supply is still ongoing. She said today the major sees the nominal market for almost 400 LNG dual-fuelled trading vessels as about five million tonnes per annum. But with the high price of LNG, this has not been realised so the effective market has been between an estimated 1 mtpa and 2 mtpa. The current newbuilding orderbook brings the LNG dual-fuelled fleet close to 900 vessels by 2026 and a nominal demand of 10 mtpa, Tricoire said. She acknowledges the pick-up in methanol-fuelling interest but with more LNG dual-fuelled vessels ordered this year, she said this market is "continuing to grow".

#### **TotalEnergies Marine Fuels names Louise Tricoire as new VP**

Tricoire said the company's focus is on being operational now with its supply, as emissions regulations are already here. This means the priority for TMF's teams is to settle its biofuel supply chains so they can be offered to customers and build out its LNG positions. On LNG bunkering, TMF is looking at other potential hubs on the US west coast together with its production at Oman LNG. The company is also weighing up LNG bunker vessel (LNGBV) projects. Tricoire said the global LNGBV fleet will offer a combined 7 mtpa of capacity, meaning it will likely be short when set against the nominal demand figure for the sector. TMF already operates two of the world's

largest LNGBVs — the 18,600-cbm Gas Agility (built 2020) and Gas Vitality (built 2021) in Rotterdam and Marseille — which served customer CMA CGM during 2022. The pair have now conducted 110 LNG bunkering operations between them. The company has also put the 12,000-cbm LNGBV newbuilding Brassavola, which it shares with Pavilion Energy, into operation in Singapore. But Tricoire is already looking ahead at the new LNG production capacity due onstream in 2025 and 2026. She sees “a tension in the market” until this emerges. “We are going to suffer during the winter, especially in Europe,” the VP added. But then Tricoire believes the LNG price will “normalise”, making it “more interesting than VLSFO”, especially with the incoming regulations.

**Capital Maritime and Maran Tankers opt for LNG dual-fuelled suezmaxes in huge newbuilding haul**

“Our vision is that by 2025 or 2026, there is no reason why those dual-fuelled vessels should not shift back completely to LNG.” TMF is also working with its parent on building up its bio-methane and bio-LNG to use a blend to ensure LNG bunkers are compliant post-2035. Tricoire said the small-scale, dispersed production of bio-methane means liquefaction does not stack up cost-wise. Instead, the company believes volumes should go to the grid and customers should be able to use guarantees of origin certificates to show they have purchased supply — something she hopes will soon be recognised by regulators. Customers are also approaching TMF for methanol supply. Tricoire said TotalEnergies’ refining arm produces around 700,000 tonnes per annum of methanol, some of which could be converted to green methanol which TMF could access. She revealed that TMF plans to do a trial supply of methanol bunkers — which would not necessarily be the grey variety. The VP said TMF is also working on ammonia but does not see it emerging as a bunker fuel earlier than 2030.

**Shift to tanker and bulker orders may see alternative fuelling choices fall**

Tricoire said 2023 is going to be a “crucial year” on bunker fuel choice. She listed the benefits of methanol but flagged up its lack of energy density compared to VLSFO and said it is also “very expensive”. “LNG is not a perfect product but it has very good advantages and when blended with bio-methane then little by little it is able to continue being compliant with the regulations in the long term,” she said, flagging up the work being done on reducing methane emissions. “We think LNG has a great future.” Looking ahead, TMF foresees a market with at least 50% e-fuels. “We also believe in e-methanol and e-ammonia and we invest in developing those solutions,” Tricoire said. “It is just a matter of the time frame.” Source : [www.tradewindsnews.com](http://www.tradewindsnews.com)

**KOGAS LOGS LOWER SALES IN APRIL**

South Korean LNG importing giant Kogas reported lower gas sales in April when compared to the same month last year. Kogas sold 2.49 million mt last month, a drop of 8.2 percent when compared to 2.71 million mt in April last year, according to a stock exchange filing. April sales dropped by 20.8 percent when compared to the previous month’s 3.14 million mt. Purchases by power firms decreased by 6.3 percent year-on-year to 1.22 million mt in April. These purchases were down by 15.1 percent when compared to the previous month. Moreover, Kogas said its city gas sales decreased by 10 percent year-on-year to 1.27 million mt, while they dropped by 25.5 percent when compared to the month before. During January-April this year, South Korean LNG imports rose to 17.06 million mt from 16.86 million mt last year, the data shows. The costs of these imports rose 10.4 percent when compared to the year before. Australia was the biggest supplier to South Korea during the period under review with 3.84 million mt, followed by Qatar with 3.19 million mt, Malaysia with 2.25 million mt, and Oman with 2.14 million mt, the data shows.

### Kogas says Q1 operating profit down, revenue up

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. Also, the firm is building a large terminal in Dangjin. The company reported a 35.5 percent decline in its operating profit for the first quarter of this year to 588.4 billion won (\$440.2 million) and a drop in net income of 81.1 percent to 139.4 billion won. However, the company's revenue rose 28.3 percent to 17.92 trillion won due to increase in sales price even though sales volume decreased, it said. Kogas reported a decline of 7.8 percent in its sales during January-March to 11.71 million mt. The firm said city gas sales decreased by 11.8 percent during the period due to a lower average temperature and decreased industrial demand due to the decline in price competitiveness compared to LPG. Also, sales to power firms decreased by 2 percent. Kogas said total power generation decreased due to the economic recession.

Source : [www.lngprime.com](http://www.lngprime.com)

### **JAPAN'S LNG IMPORTS DOWN 18.7 PERCENT IN APRIL**

Japan, the world's top liquefied natural gas importer, reported lower LNG imports in April when compared to the same month last year. According to the provisional data released by the country's Ministry of Finance, Japan's LNG imports dropped by 18.7 percent year-on-year in April to about 4.53 million tonnes. LNG imports also dropped when compared to 5.72 million tonnes in the previous month, which also marked a drop when compared to the previous year. Japan's coal imports for power generation also decreased in April when compared to the last year. Coal imports were down by 10.8 percent to 7.28 million tonnes, and Japan paid about \$2.06 billion for these imports, a rise of 10.4 percent when compared to the last year, the data shows.

### LNG import bill down

According to the preliminary data, the April LNG import bill of about \$3.06 billion decreased by 24.8 percent when compared to the same month last year. State-run Japan Oil, Gas and Metals National Corp (JOGMEC) did not publish both the contract-based and the arrival-based spot LNG price in January, February, March, and April as there were less than two companies that imported spot LNG. The average price of spot LNG cargoes for delivery to Japan contracted in December was \$30.8 per mmBtu. However, spot LNG prices dropped considerably this year. JOGMEC said in a report earlier this week that the "Northeast Asian assessed spot LNG price JKM for the previous week (8 May - 12 May) rose for three consecutive days from the high \$9s of the previous week to low \$10s" due to the demand from Thailand and Taiwan. JKM then hovered around \$10 per MMBtu until May 12 amid mild weather and high inventories, it said. According to METI, Japan's LNG inventories for power generation totaled 2.25 million tonnes as of May 7, down 0.19 million tonnes from the previous week, up 0.14 million tonnes from the end of the same month of last year, and up 0.24 million tonnes from the average of the past five years.

### LNG deliveries

As per LNG shipments going to Japan in April, deliveries from Asia from countries such as Malaysia and Indonesia decreased by 21.7 percent to 1.17 million tonnes, the ministry's data shows. Middle East LNG shipments from countries such as Qatar dropped by 47.9 percent to 200,000 tonnes. Moreover, shipments from Russia decreased by 10.6 percent to 354,000 tonnes, while US deliveries dropped by 8.5 percent to 315,000 tonnes.

### World's largest LNG importer

Japan was the world's top LNG importer in 2022, overtaking China, but both of the countries took fewer volumes when compared to the year before. During January–April, Japan imported some 23.47 million tonnes of LNG. China has not yet published official data for LNG imports in April. The country imported 16.43 million tonnes of LNG during the first quarter of this year, some 2.51 million tonnes of LNG less than Japan during the first three months of this year. Source : [www.lngprime.com](http://www.lngprime.com)

### **COOLCO SECURES LNG CARRIER CHARTER DEAL**

LNG carrier operator CoolCo has entered into a new time charter agreement for one of its TFDE vessels. According to a statement by CoolCo, the multiyear charter is with an “energy major” and starts early next year upon redelivery from the vessel's current charter. CoolCo said this charter will add backlog through to 2027. “We are delighted to have secured this attractive time charter, locking in cover at a rate that reflects the continued strength of the LNG carrier market,” CoolCo's CEO Richard Tyrrell said in the statement. He said that the forward nature of this contract demonstrates the “desire of LNG producers, offtakers, and portfolio players to secure modern tonnage to transport the dramatically increasing volumes of LNG coming online through the middle and latter parts of the decade.” “With vessel availability coinciding with seasonal peaks for chartering, CoolCo stands to benefit from the ongoing LNG carrier re-pricing cycle,” Tyrrell said. Golar LNG and Eastern Pacific Shipping completed the formation of CoolCo last year. In February, EPS bought all of the shares from Golar LNG and now owns 58.2 percent in CoolCo, while public investors hold the rest. CoolCo's shares recently started trading on the New York Stock Exchange in March and they now trade on both the NYSE and Euronext Growth Oslo under the ticker code “CLCO” Source : [www.lngprime.com](http://www.lngprime.com)

### **QATARENERGY AWARDS \$10 BILLION NFS LNG CONTRACT**

State-owned LNG giant QatarEnergy has awarded the engineering, procurement, and construction contract for the North Field South (NFS) project to a joint venture of Technip Energies and Consolidated Contractors Company. According to a statement by QatarEnergy, the EPC contract's value is around \$10 billion, and its scope covers the construction of two “mega LNG trains” with a capacity of 8 million tons per annum each. In addition, the contract includes associated facilities for gas treatment, natural gas liquids recovery, as well as helium extraction and refining within Ras Laffan Industrial City. Technip and Chiyoda previously won the EPC award for QatarEnergy's North Field East project which includes building four “mega trains” with a capacity of 8 Mtpa in the Ras Laffan complex. This first phase of the expansion project will increase Qatar's LNG production capacity from 77 to 110 Mtpa, while the second phase will further boost capacity to total 126 Mtpa. QatarEnergy holds a 75 percent interest in the NFS project and has already signed partnership agreements with TotalEnergies, Shell, and ConocoPhillips for the remaining 25 percent.

### CARBON CAPTURE AND SOLAR POWER

Qatar's energy minister and chief executive of QatarEnergy, Saad Sherida Al-Kaabi, signed the EPC contract with Arnaud Pieton, president of Technip Energies, and Oussama El Jerbi, CCC managing director for Qatar, during a ceremony in Doha. “QatarEnergy is proud to announce yet another significant milestone in the world's largest LNG project, reinforcing our commitment to meeting the global demand for natural gas,” Al-Kaabi said. He said that the NFS project is a “unique development” that minimizes its environmental footprint by design. “It includes one of the largest CO2 capture and sequestration facilities and constitutes an important step towards achieving QatarEnergy's target of more than 11 Mtpa of CO2 capture and sequestration by 2035,” Al-Kaabi said. In addition to the carbon capture and sequestration facilities, the environmental attributes of the NFS project also include importing a significant portion of

the project's electrical power requirements from the grid in the form of renewable solar power, according to QatarEnergy. This power will be generated at QatarEnergy's solar power facilities currently under construction in Ras Laffan. The project also includes a 'jetty boil-off gas' recovery system, which will help reduce greenhouse gas emissions. Moreover, the project will also conserve five million cubic meters of water per year by recovering 75 percent of the plant's tertiary water, QatarEnergy said. Source : [www.lngprime.com](http://www.lngprime.com)

## **SOUTH KOREA'S KOSPO TO BUY LNG FROM CHENIERE**

South Korea's KOSPO is the Asian buyer behind a long-term LNG deal Cheniere revealed earlier this month. Cheniere's CEO Jack Fusco announced on May 2 during the company's first-quarter earnings call that its unit Cheniere Marketing had signed the long-term LNG sales and purchase agreement with an Asian firm and related to the planned expansion of its Sabine Pass facility in Louisiana. Fusco did not reveal the name of the buyer but said that Cheniere will supply about 0.4 million tonnes per year under the deal for over 20 years. In a statement issued on Tuesday, the US LNG exporting giant said that Korea Southern Power, or KOSPO, has agreed to buy 0.4 mtpa of LNG from Cheniere Marketing on a delivered ex-ship (DES) basis from 2027 through 2046, with a smaller annual quantity to be delivered starting in 2024. Cheniere said the purchase price for LNG to be delivered under the SPA prior to 2027 will be a market-based price, after which the purchase price will be indexed to the Henry Hub price, plus a fee.

### **Sabine Pass expansion**

The firm said that the volumes associated with the SPA from 2028 through 2046 are subject to a positive final investment decision with respect to the first train of the Sabine Pass liquefaction expansion project. Sabine Pass currently has a capacity of about 30 mtpa following the launch of the sixth train in February last year, while Cheniere's three-train Corpus Christi plant in Texas can produce about 15 mtpa of LNG and is already undergoing expansion. In February this year, Cheniere initiated the pre-filing review process with the US FERC for the proposed Sabine Pass Stage 5 expansion project. The project will include up to three large-scale liquefaction trains, each with a production capacity of about 6.5 mtpa of LNG, a boil-off-gas (BOG) re-liquefaction unit with a production capacity of 0.75 mtpa of LNG, and two 220,000-cbm LNG storage tanks. "We are pleased to enter into this long-term LNG contract with KOSPO, the leading power generation company in Korea, in support of KOSPO's growing natural-gas fired power generation capacity," Fusco said. "This SPA is expected to support the SPL expansion project, and we are excited to build commercial momentum as the project's development progresses," he said. Source : [www.lngprime.com](http://www.lngprime.com)

## **UK REMAINS TOP DESTINATION FOR US LNG SHIPMENTS**

The UK was the top destination for US liquefied natural gas supplies for the fifth month in a row in March, while Germany is also becoming a big importer of LNG from US terminals. According to the Department of Energy's newest LNG monthly report, US terminals shipped 70.5 Bcf of LNG to the UK in March, 61 Bcf to the Netherlands, 38.1 Bcf to Spain, 28.6 Bcf to France, and 24.8 Bcf to Germany. These five countries took 60.9 percent of total US LNG exports in March. US terminals sent 71.7 Bcf of LNG to the UK in February, 63 Bcf of LNG in January, 69.3 Bcf of LNG in December, and 82.8 Bcf of LNG in November.

### **German LNG imports**

This is the first time for Germany to be in the top five receiving countries for US LNG supplies. Germany's first FSRU-based import facility in Wilhelmshaven received its first LNG tanker from the US in early January. The launch of the Wilhelmshaven

facility was followed by the opening of the FSRU-based terminals in Lubmin and Brunsbüttel. The Elbehafen FSRU-based LNG import terminal in Brunsbüttel recently received an LNG cargo from the US and launched commercial operations.

### US LNG exports slightly up

The US exported in total 366.3 Bcf of LNG in March, up by 0.7 percent compared to the same month last year and a rise of 12.4 percent from the prior month, the DOE report shows. US terminals shipped 121 LNG cargoes in March, compared to 100 cargoes in February and 114 in March 2022, according to the report. Cheniere's Sabine Pass plant sent 41 cargoes, while its Corpus Christi terminal shipped 19 cargoes in February. In addition, Cameron LNG dispatched 36 shipments, Freeport LNG sent 12 cargoes, Cove Point LNG sent 8 cargoes, and Elba Island LNG dispatched 5 shipments. In February this year, Freeport LNG started shipping cargoes again from its LNG export plant in Texas since the shutdown in June 2021.

### 4579 LNG cargoes

According to DOE's report, the weighted average price by export terminal reached 7.67/MMBtu in March. Moreover, the report said that in the period from February 2016 through March 2023, the US exported 4579 cargoes or 14,629.7 Bcf to 44 countries. South Korea remains the top destination for US LNG with 513 cargoes, followed by Japan with 380 cargoes, the UK with 361 cargoes, Spain with 363 cargoes, and France with 330 cargoes. Spain took more cargoes but less volumes than the UK, the data shows. Besides these five countries, China, the Netherlands, India, Turkey, and Brazil are in the top ten as well. Source : [www.lngprime.com](http://www.lngprime.com)

## **HUDONG-ZHONGHUA LAUNCHES LNG-POWERED CMA CGM BAHIA**

Chinese shipbuilder Hudong-Zhonghua has launched the 13,000-teu LNG-powered containership, CMA CGM Bahia. This is the first of six 13,000-teu LNG-powered containerships Hudong-Zhonghua is building for French shipping giant CMA CGM. The shipbuilder and Jiangnan Shipyard are each building six LNG-powered ships for CMA CGM as part of a deal revealed in April 2021, but the six vessels at Jiangnan have a capacity of 15,000 units. Moreover, the new LNG-powered vessels feature GTT's Mark III containment system and WinGD's dual-fuel propulsion, such as the nine LNG-powered ULCVs already built at the two yards. The vessel's LNG tanks have a capacity of 14,000 cbm. Besides these vessels, Hudong-Zhonghua recently also secured a contract from CMA CGM to build four additional ultra-large LNG-powered containerships. These giant ships will have a capacity of 23,000 units. Source : [www.lngprime.com](http://www.lngprime.com)

## **SINGAPORE'S PAVILION SAYS RECEIVES ITS FIRST EMISSIONS-CERTIFIED LNG CARGO**

Singapore's Pavilion Energy, a unit of Temasek, said it had taken delivery of its first liquefied natural gas (LNG) cargo paired with a statement of greenhouse gas emissions. The 2015-built 159,800-cbm, Maran Gas Troy, delivered the LNG shipment to the Singapore LNG terminal on Jurong Island, while QatarEnergy supplied the shipment, according to a statement by Pavilion Energy. The statement of greenhouse gas emissions (SGE) verifies GHG emissions associated with producing and delivering an LNG cargo from wellhead to discharge terminal, it said. Pavilion Energy jointly developed the methodology with QatarEnergy and also Chevron. The LNG firm said the methodology seeks to become a common standard to measure, report and verify GHG emissions along the LNG value chain to drive greater transparency and enable stronger action on GHG reduction measures. Also, intended for wide adoption, it paves the way for enhanced strategies towards a lower carbon



future, the company said. Since its publication in 2021, the partners have applied the SGE methodology on six delivered LNG cargoes, Pavilion Energy said. **Alan Heng**, group CEO of Pavilion Energy expects natural gas to “continue playing a key role in helping economies transit to a low carbon future for years to come.” “With the SGE methodology, we see it as a way to be accountable for the carbon emissions of LNG cargoes delivered and are elated to receive our first SGE methodology-certified cargo in Singapore,” he said. Source : [www.lngprime.com](http://www.lngprime.com)

#### **NYK CONFIRMS LNG CARRIER CHARTER DEAL WITH GERMANY’S ENBW**

Japan’s shipping giant NYK has signed a charter deal with German energy firm EnBW for four 174,000-cbm LNG carriers. LNG Prime reported on May 2, citing brokers, that NYK has ordered four LNG carriers at South Korea’s HD Hyundai Heavy Industries and chartered the vessels to EnBW. These four vessels have a price tag of 1.408 trillion won (\$1.05 billion) or some \$262 million per ship. NYK confirmed the long-term charter contracts in a statement released on Tuesday. However, NYK did not reveal further information regarding the charter contracts. Hyundai Heavy will deliver these LNG carriers in sequence during 2027. NYK said the membrane-type tanks will be made of advanced insulating materials that reduce the vaporization rate, while the vessels will be propelled by fuel efficient dual-fuel slow-speed two-stroke marine engines. Also, the LNG carriers will feature a shaft generator and air lubrication system (ALS), making the ships “more environmentally friendly” than conventional LNG carriers, NYK said. The French-flagged ships will have about 289.9 meters in length and 46.1 meters in breadth. In April this year, EnBW booked more long-term capacity at Hanseatic Energy Hub’s planned Stade LNG import terminal in Germany. HEH expects this facility to go online in 2027. Also, EnBW signed two long-term deals last year to buy LNG from US LNG exporter Venture Global LNG. Under the 20-year sales and purchase agreements, Venture Global will supply about 1.5 million tonnes per annum from its Plaquemines and CP2 facilities, starting in 2026. Source : [www.lngprime.com](http://www.lngprime.com)

#### **PETROCHINA SUPPLIES COMMISSIONING CARGO TO HONG KONG’S FIRST LNG TERMINAL**

A unit of China’s state-owned energy giant PetroChina said it had supplied the commissioning cargo to Hong Kong’s first FSRU-based LNG import facility, owned by a joint venture of CLP Power and HK Electric. According to a statement by PetroChina International issued on Tuesday, the chartered LNG carrier, Maran Gas Coronis, completed the LNG delivery to MOL’s 263,000-cbm MOL FSRU Challenger on May 14. This is the first-ever LNG cargo for Hong Kong, opening a new channel for PetroChina to supply energy to Hong Kong, the company noted in the statement. PetroChina International did not provide any additional information. CLP Power and HK Electric said in March that they have issued a tender to buy the commissioning cargo for Hong Kong’s first LNG import terminal. A spokeswoman for HK Electric told LNG Prime on May 5 that the 2007-built 145,700-cbm, Maran Gas Coronis, owned by Qatar’s Nakilat and Greece’s Maran Gas, arrived offshore Hong Kong to support the commissioning work for the offshore LNG terminal. Contractor China Offshore Oil

Engineering (COOEC), a unit of CNOOC, also confirmed in a separate statement that, following the arrival of the first LNG cargo, the commissioning operations have started on May 14.

**World's largest FSRU arrived in Hong Kong in April**

Hong Kong LNG Terminal is a joint venture consisting of HK Electric and Castle Peak Power, in which CLP Power Hong Kong holds 70 percent, while China Southern Power Grid International has 30 percent. The LNG import terminal project forms part of Hong Kong's initiative to reduce emissions as the city and special administrative region of China is working to increase the use of natural gas to fuel its power plants. The world's largest FSRU, which will be renamed Bauhinia Spirit, has a nominal capacity of 600 million cubic feet per day with a maximum capacity of 800 million cubic feet per day. MOL's FSRU arrived in Hong Kong from Singapore on April 13. After that, it berthed at the new double berth jetty in Hong Kong waters to start serving Hong Kong's first LNG import facility under a charter deal on April 18. Regasified LNG coming from the FSRU will supply two power plants and these include the Black Point power station located in the New Territories and Lamma power station located at Lamma Island. CLP confirmed in its quarterly report this week that the facility is due to go into operation in mid-2023 and will enable Hong Kong to access "competitively priced natural gas" from international markets. Source : [www.lngprime.com](http://www.lngprime.com)

**FLEX LNG'S Q1 REVENUE UP, NET INCOME DOWN NORWEGIAN SHIPPING FIRM FLEX LNG**

The owner of 13 liquefied natural gas carriers, reported higher revenue in the first quarter, while its net income dropped when compared to the same period last year. Vessel operating revenues were \$92.5 million for the January-March period, up from \$74.6 million in the first quarter last year. However, vessel operating revenues dropped when compared to \$97.9 million in the prior quarter, the shipping firm controlled by billionaire John Fredriksen said on Tuesday. The company's first-quarter net income of \$16.5 million dropped when compared to \$55.8 million in the same quarter last year and also compared to \$41.4 million in the prior quarter. Average time charter equivalent (TCE) rate was \$80,175 per day in the first quarter of 2023, compared to \$81,699 per day for the fourth quarter 2022. Flex LNG declared a dividend for the first quarter of \$0.75 per share.

**Revenue to rise in second half**

Flex LNG has 12 LNG carriers on fixed hire time charters, including to US LNG exporter Cheniere, and one ship, Flex Artemis, on a variable time charter. In March, Flex LNG completed its refinancing process, boosting the company's cash position by \$382.4 million. "As we completed the balance sheet optimization program during the first quarter, we had some additional financing costs in our accounts for the first quarter. However, we have now put in place new attractive long-term financing for all our thirteen ships boosting our cash balance to \$475 million at quarter-end or about \$9 per share," Flex LNG CEO Øystein Kalleklev said in the report. During the quarter, Flex LNG's Flex Enterprise left Sembcorp Marine's Sembawang yard in Singapore after completing its first five-year special survey. This was also the case with Flex Endeavour and the LNG carrier completed its drydocking in April. Kalleklev said that that these surveys have been carried out according

to both time and costs, while minimizing off-hire periods. During the second quarter, Flex Rainbow and Flex Ranger will undergo special surveys as well. “Revenues are therefore expected to pick up in the second half of the year when the drydocking program for the year is expected to be completed by end of June,” Kalleklev said. In addition, Flex LNG also reaffirmed its guidance for the year. “Despite off-hire in connection with four ships carrying out dry-docking, we do expect revenues to increase from \$348 million in 2022 to about \$370 million for 2023,” he said.

#### ***“Positive” long-term view***

“While the spot market right now is at a seasonable low, we maintain a positive long-term view,” Kalleklev said. He noted that the company’s exposure to the spot market is limited to one of the thirteen ships which is on a variable time charter where earnings are typically higher in the winter season. “Our first fully open ships are not open before 2027 and with newbuilding prices are now exceeding \$260 million for ships with deliveries in 2027 this is putting upward pressure on charter rates,” he said. “Hence, we believe Flex LNG continues to be very well positioned for opportunities to re-contract our ships for longer periods at higher rates in the near future, like we have evidenced in the past,” Kalleklev said. Source :

[www.lngprime.com](http://www.lngprime.com)

#### **JERA GLOBAL MARKETS BOOSTS CHARTERED LNG CARRIER FLEET**

Jera Global Markets, a joint venture of Japan’s Jera and France’s EDF, has boosted the size of its chartered fleet of LNG carriers with the addition of a newbuild vessel owned by Greece’s Alpha Gas. Singapore-based Jera Global Markets announced via social media on Tuesday that it has welcomed the 174,000-cbm LNG carrier, Energy Fidelity, to its global fleet of LNG carriers on charter. “Our fleet size of 17 carriers supports our global trading operations and strategy to connect markets and supplies across the world,” it said. Jera Global Markets, or Jeragm, did not disclose the duration of the charter. Last month, Greece’s Alpha Gas took delivery of this LNG carrier from South Korea’s Hyundai Samho Heavy Industries. Alpha Gas said the vessel was delivered from the yard straight into a medium-term charter with a “world-class Far East-based charterer”. The vessel features X-DF propulsion, a reliquefaction plant, air lubrication system, two shaft generators, and air resistance shield. Jera, a joint venture of Tepco and Chubu Electric, owns 66.67 percent of Jeragm, while EDF Trading, a unit of French state-controlled utility EDF, holds the rest. In April 2019, Jera and EDF Trading merged their LNG trading and optimization activities. According to its website, Jeragm’s LNG team manages the flexibility of over 35 million tonnes of supply each year, with structural access to both the European and North American gas markets. Source :

[www.lngprime.com](http://www.lngprime.com)

#### **EQUINOR’S HAMMERFEST LNG PLANT TO REMAIN OFFLINE UNTIL MAY 27**

Equinor’s 4.3 mtpa Hammerfest LNG export plant in Norway is now expected to be offline until May 27 due to a compressor failure, according to data by Gassco. LNG Prime reported on May 5, citing data from Gassco, that the event has started on May 4 with an expected restart date of May 19. However, Gassco’s data now shows that the outage has been extended for six more days. It said that all of the 18.4 mcm/day (6.5 bcm/year) capacity will not be available during the period until May 27. Equinor started again shipping LNG from the Hammerfest terminal in June last year since a fire that broke out at the

facility in September 2020. Hammerfest LNG liquefies natural gas coming from the Snohvit field in the Barents Sea. Gas reaches Hammerfest LNG via a 160-kilometer gas pipeline which became operational in the autumn of 2007. The firm and its partners are also upgrading the plant. Equinor is the operator of both the Snohvit field and Hammerfest LNG with a 36.8 percent stake. Other license owners of Snohvit are Petoro (30 percent), TotalEnergies EP Norge (18.4 percent), Neptune Energy Norge (12 percent), and Wintershall Dea Norge (2.81 percent). Source : [www.lngprime.com](http://www.lngprime.com)

### **DSIC STARTS BUILDING MSC'S LNG-FUELED CONTAINERSHIP**

China's Dalian Shipbuilding Industry (DSIC) has kicked off the construction of an LNG-powered containership for compatriot Minsheng Financial Leasing and Switzerland-based shipping giant MSC. According to a statement by DSIC, the shipbuilder held a steel-cutting ceremony on May 15 for the LNG dual-fuel 16,000-teu containership with a working name C16K-9. DSIC said it is building the vessel for Minsheng Financial Leasing (MSFL) and MSC. MSC will probably take this containership on charter. This newbuild will have a length of 366 meters and width of 51 meters, and can carry 16,196 standard containers. The main WinGD engine has the iCER diesel energy-saving tech and can use low sulphur fuel oil and LNG, DSIC said. Also, the containership will feature a type B LNG tank independently designed and built by DSIC, and a variety of energy-saving equipment such as air lubrication drag reduction system and shaft generator.

#### ***Eight LNG dual-fuel vessels***

Prior to this ship, DSIC started building for MSC the 16,000-teu LNG dual-fuel containership with a working name C16K-10. The shipbuilder also recently started building what it says is the world's largest 13,000-cbm type B LNG cargo tank and will install the tank in this vessel. Designed by DSIC Design Institute, the design pressure is 0.7 Bar, the main shell material is NV9Ni/a steel, and the internal pipeline is 316L steel, according to DSIC. Moreover, compared with the traditional type C tank, the type B tank has the advantages of high capacity utilization, flexible, and diverse design, DSIC claims. DSIC said it will build eight such tanks for MSC's eight LNG dual-fuel containerships with a capacity of 16,000 units. LNG Prime reported in January last year, citing shipbuilding sources, that MSC ordered six LNG-powered container vessels at CSSC's DSIC and this containership (C16K-10) is part of that order. Source : [lngprime.com](http://lngprime.com)

### **NOVATEK HITS YAMAL LNG MILESTONE**

Russia's LNG exporter Novatek said that its Yamal LNG project has produced its billionth cubic meter of gas from the South-Tambeyskoye gas and condensate field's Jurassic reservoirs since the start of production in 2020. According to a statement by Novatek issued on Tuesday, the Jurassic program is one of a kind for Russia and covers commercial production of tight gas from Yamal's Jurassic deposits with extremely low permeability and overpressure. The firm said that the program opens up opportunities for expanding the resource base of its LNG projects in the Arctic. Found at depths of 3,400 to 3,800 meters, Jurassic gas and condensate reservoirs have a high condensate content of about 250 g/m<sup>3</sup>, Novatek said. Also, their high heterogeneity, varying lithology, and low permeability necessitate the use of advanced technology for horizontal drilling with horizontal section lengths of up to 1,500 meters coupled with multistage hydraulic fracturing, it said. With

environmental and industrial safety being a special area of focus, Jurassic wells are drilled using the tubing made from chromium-alloyed steel enabling high corrosion resistance, better reliability of the wells, and extended production life, the firm said.

### **Yamal LNG and Arctic LNG 2**

The Yamal LNG plant in Sabetta has three 5.5 mtpa liquefaction trains and one smaller unit with a capacity of about 900,000 tons per year. Besides Novatek that holds 50.1 percent in Yamal LNG, other shareholders include France's TotalEnergies and China's CNPC with a 20 percent stake, each, and the Silk Road Fund that owns a 9.9 percent share. Last year, TotalEnergies decided to write-down its 19.4 percent stake in Novatek and to withdraw the representatives of the company from Novatek's board. The French firm also said it will not provide capital for Novatek's second Arctic LNG project, and booked a \$4.1 billion impairment charge on Arctic LNG 2. The LNG project located on the Gydan peninsula includes the construction of three LNG trains with a capacity of 6.6 mtpa, each, using gravity-based structure platforms. Novatek expects to launch the first Arctic LNG 2 GBS in late 2023 despite Western sanctions on Russian firms. It also recently upgraded its Arctic liquefaction tech which it uses at the fourth Yamal LNG train. Source : [www.lngprime.com](http://www.lngprime.com)

### **SHELL RESUMES SHIPMENTS FROM PRELUDE FLNG OFF WESTERN AUSTRALIA**

LNG giant Shell has resumed shipping liquefied natural gas from its 3.6 mtpa Prelude floating LNG producer offshore Western Australia following an unplanned two-day shutdown. Shell temporarily suspended production on the giant FLNG on Wednesday, May 10, due to a trip. "I can confirm that following the restart of Prelude, cargoes resumed on Friday, and we continue to focus on safe and reliable production," a Shell spokesperson told LNG Prime on Monday. The spokesperson did not provide any additional information. In January, Shell resumed LNG shipments from the giant floating LNG producer following a fire in December. Prior to that, production was affected due to protected industrial action which started in June 2022. In September, Shell resumed cargo loading operations at Prelude after it reached an agreement with unions representing Prelude FLNG workers to end the long strike. Prelude shipped its first cargo in June 2019 after several start-up delays. The FLNG has the capacity to produce 3.6 mtpa of LNG, 1.3 mtpa of condensate, and 0.4 mtpa of LPG. Shell operates the floating facility with a 67.5 percent stake. Japan's Inpex holds a 17.5 percent stake, South Korea's Kogas has 10 percent, and Taiwan's CPC holds 5 percent. Source : [www.lngprime.com](http://www.lngprime.com)

### **K LINE SEALS LNG CARRIER CHARTER DEAL WITH MITSUBISHI'S DIAMOND GAS**

Japan's shipping giant K Line has signed a long-term deal to charter a newbuild LNG carrier to Mitsubishi Corporation's unit Diamond Gas International. K Line said in a statement on Monday that the 15-year long charter contract has an option for up to 10 additional years. According to K Line, it has also concluded a shipbuilding contract with South Korea's Samsung Heavy Industries on May 12 for a 174,000-cbm LNG carrier. The firm will take delivery of the 290 meters long ME-GA LNG carrier in the second half of 2026. This is the first long-term time charter contract between Diamond Gas and K Line involving a

newly built vessel. LNG Prime reported in April, citing shipbuilding sources, that K Line has ordered two LNG carriers at Samsung Heavy. These two vessels are scheduled for delivery by November 2026. In its medium-term management plan published in May 2022, K Line has positioned the LNG business as one of its top priority areas for future investment. According to its website, K line is operating a fleet of 44 LNG carriers but the shipping firm also aims to have about 40 LNG-powered vessels in its fleet by 2030 as part of the company's plans to slash emissions. The firm said in the statement it will continue to expand its long-term contracts and accommodate the growing demand for energy by responding to the diverse needs of its customers. Source : [www.lngprime.com](http://www.lngprime.com)

## **CNOOC'S BINHAI LNG IMPORT TERMINAL HITS MILESTONE**

China National Offshore Oil Company (CNOOC) has received more than 1 million tons of liquefied natural gas at its Jiangsu-Binhai LNG import terminal since September last year. According to a statement by CNOOC Gas & Power, a unit of CNOOC, the 2018-built 173,400-cbm, British Achiever, unloaded the 15th LNG cargo to the terminal in Yancheng Binhai Port Industrial Park on May 8. With this cargo, the facility has since September last year received 1,034,000 tons of LNG, which is equivalent to about 1.42 billion cubic meters of natural gas, according to the firm. Based on the daily gas consumption of residents in Jiangsu province, this is enough to supply gas to the people of the province for about 4.7 months, CNOOC Gas & Power said. CNOOC's unit added that the LNG terminal is currently receiving about one LNG carrier per week. LNG producer Qatargas, a unit of QatarEnergy, delivered the first LNG cargo to CNOOC's Jiangsu-Binhai LNG terminal on September 26, 2022. The terminal currently has a nominal capacity of three million tons of LNG per annum and can receive vessels with a capacity of between 80,000 cubic meters and 266,000 cubic meters. It has four 220,000-cbm LNG storage tanks, while CNOOC is adding six giant 270,000-cbm LNG storage tanks as well. These are the world's largest LNG storage tanks, according to CNOOC. Combined, these ten tanks will have a total capacity of 2.5 million cubic meters, forming the largest LNG storage base in China, CNOOC previously said. Source : [www.lngprime.com](http://www.lngprime.com)

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