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LNG NEWS WEEKLY 23TH JUNE '24

OWNERSHIP SHAKE-UP FOR ARC4 SHIPS BOUND FOR ARCTIC PASSAGE

Ice-strengthened vessels contracted by NYK and Sovcomflot move to Dubai-registered company. Four ice-strengthened LNG carriers originally contracted by NYK and Sovcomflot have been moved to the ownership of a Dubai-based entity as they are granted permits by Russian authorities to sail on the Northern Sea Route (NSR). Their apparent ownership shift and emergence on the NSR permitting site is creating waves in a market in which Western sanctions are being increasingly imposed on a variety of assets to block Russia's ability to develop planned LNG facilities and export cargoes. Shipping data shows that the 174,000-cbm sister ships North Air and North Mountain (both built 2023) and newbuildings North Sky (ex-North Star) and North Way (ex-North Wind) have been shifted to White Fox Ship Management, a company listed as based in a business park in Dubai. Ownership of each vessel is detailed as under the care of White Fox from their deliveries in October and December 2023 and February and March 2024, respectively. But management was transferred to the Dubai company on 7 and 8 April this year. The four Arc4 vessels were declassed by classification society DNV on 7 and 8 April and are now listed under the Indian Registry of Shipping. DNV said it does not give details for declassing vessels. The quartet has also been reflagged from Singapore to Panama. Clarksons' Shipping Intelligence Network lists the four ships as operated by Singapore-based Novatek Gas & Power Asia, a trading arm of Russian energy company Novatek. On 14 June, applications were made to

Russia's Northern Sea Route General Administration, which is controlled by Rosatom, for all four Arc4 vessels to sail on the waters of the NSR. Permission has since been granted. The LNG quartet was originally ordered at Samsung Heavy Industries in 2021 by Japan's NYK and Russia's Sovcomflot, which had previously worked together on other LNG shipping business. The ice-class 1A or Arc4 LNG carriers, priced at around $202m each, are contracted against long-term time charter contracts with Novatek Gas & Power Asia. In September 2022, TradeWinds reported that NYK was buying Sovcomflot's 50% stake in all four newbuildings. This is reflected in the history of the ships in the Clarksons database, which shows NYK taking ownership in 2022. The move came in the wake of Russia's invasion of Ukraine in February 2022. At the time, yards could not complete vessels in which Russian companies held interests, as some subcontractors for key parts on the ships are unable to work with and accept payments from them.

Sanction struggles

TradeWinds asked NYK for clarification on its ownership of the vessels. Clarksons' database says the four vessels transferred from NYK and Sovcomflot ownership to NYK on 8 August 2022. NYK has never confirmed this. But the shipowner said that although it is unable to disclose details of the transaction, it dissolved its shared ownership of four vessels with Sovcomflot in April 2024 and at present does not have any ownership in them. Post-February 2022, three LNG carriers ordered by Sovcomflot at Hyundai Samho Heavy Industries against long-term time charters with TotalEnergies were sold to Greece's Alpha Gas. Another trio at what was then Daewoo Shipbuilding & Marine Engineering — now Hanwha Ocean — was cancelled by the yard. Novatek deploys a fleet of 15 specialised Arc7 ice-breaking LNG carriers to export cargoes through the NSR. When ice allows and the Arctic passage opens up for summer sailings — usually from around June to July — Novatek has used lower ice-class or ice-strengthened tonnage. But the Russian energy company is also battling with the start-up of its second liquefaction project, Arctic LNG 2, amid sanctions that have limited its shipping capabilities and ability to complete its liquefaction trains on schedule. In particular, the US has imposed sanctions on three Arc7 LNG newbuildings now controlled by Hanwha Ocean; five similar vessels building at Russia's Zvezda Shipbuilding Complex; and two unfinished hulls at SHI, along with other yard, project and storage assets. Shipowners and brokers have also pointed to some recent LNG ship sales, which they believe could be linked to future Russian business. source : www.tradewindsnews.com

SHELL CONFIRMS ACQUISITION OF PAVILION

Four LNG carrier charters, a bunkering outfit, regas capacity and trading volumes included in the deal. Shell has signed its deal to buy Singapore's LNG business Pavilion Energy as the energy major grows its gas interests. It said on Tuesday that its subsidiary, Shell Eastern Trading, had reached an agreement with Carne Investments, a subsidiary of Singapore's sovereign wealth fund Temasek, to buy 100% of Pavilion's shares.It said Pavilion includes a global LNG trading business with a contracted supply volume of about 6.5m tonnes per annum, along with shipping, natural gas supply and marketing activities in Asia and

Europe. Shell plans to grow its LNG business by 20% to 30% by 2030, compared with 2022. The company said its purchased LNG volumes are planned to grow by 15% to 25%, relative to 2022. “This transaction is expected to help deliver these targets,” it said. Shell will also acquire Pavilion’s time charter contracts on three M-type, electronically controlled gas-injection LNG carriers, two tri-fuel diesel-electric vessels and an LNG bunkering business. Pavilion’s assets include a long-term regasification capacity of about 2 mtpa at the Grain LNG terminal in the UK and regas access in Singapore and Spain. Its pipeline gas business is not included as part of the transaction and will be transferred to Temasek before completion. Shell will also not acquire Pavilion’s 20% shareholding in blocks 1 and 4 in Tanzania. No details for the future of this stake were given. Shell integrated gas and upstream director Zoe Yujnovich said: “The acquisition of Pavilion Energy will strengthen Shell’s leadership position in LNG, bringing material volumes and additional flexibility into our global portfolio. “We will acquire Pavilion’s portfolio of LNG offtake and supply contracts, which includes additional access to strategic gas markets in Asia and Europe.” Shell said the deal is expected to be completed in the first quarter of 2025. It said the integration of portfolios will start after this, subject to regulatory approvals and fulfilment of other conditions. The company said the acquisition will be absorbed within its cash capital expenditure guidance, which remains unchanged. source : www.tradewindsnews.com

CHINA’S WISON WINS INDONESIAN FLNG GIG FROM GENTING

China’s Wison New Energies has secured a contract from a unit of Genting to build a floating LNG unit worth about $1 billion. Following completion in 2026, the 1.2 mtpa FLNG will be installed in Indonesia. Genting’s unit Genting Oil & Gas and and another 95 percent-owned indirect subsidiary Layar Nusantara Gas (PTLNG) have on Thursday entered into an engineering, procurement, construction, installation, and commissioning contract with Wison New Energies. According to a filling to the stock exchange by Malaysia’s Genting, the EPCIC deal is worth $962.8 million. The price would exceed $1 billion including reimbursable costs of up to $70 million.

Steel cut

In September last year, Genting Oil & Gas, via its indirect unit Layar Nusantara Gas, entered into a deal with Wison (Nantong) Heavy Industry, a unit of Wison New Energies, to secure long lead items for the floating LNG production project in West Papua, Indonesia. Genting purchased $43.04 million worth of equipment to ensure the project is completed in accordance with the planned schedule of achieving first drop of LNG in third quarter of 2026. The LNTP agreement has been extended further to cover the progress of the engineering work up to the date of signing of this EPCIC contract including hull steel-cutting on June 7, 2024, Genting said. To date, Genting’s unit PTLNG has committed to a total sum of $188 million under the LNTP agreement and this amount forms part of the EPCIC contract price of $962.8 million, Genting said. Also, the company said that the project will be funded by internally generated funds and project financing. Genting is in “advanced stage” of securing project financing from a group of Chinese and international lenders, it said.

FLNG expected to leave yard in Q2 2026.

Pursuant to the EPCIC contract, Wison will construct the FLNG facility at its shipyards located at Nantong and Zhoushan in China. After passing the yard performance test, the FLNG will be towed to its final destination located at Teluk Bintuni, West Papua, where the final commissioning test will be carried out, Genting said. The project duration is estimated to be 27 months from the execution of the contract followed by a 18-month warranty period. Genting said the target sail away date from the Zhoushan shipyard will be in the second quarter of 2026. Once ready for operations in Indonesia, the FLNG will receive feed gas from the Asap, Merah, and Kido structures within the concession area of the Kasuri block in West Papua, The block is operated by Genting Oil Kasuri (GOKPL), another 95 percent-owned indirect subsidiary of Genting. Also, the government of Indonesia has approved in February last year the revised first phase plan of development for the Asap, Merah, and Kido structures. This allows the supply of 230 million cubic feet per day of natural gas to the FLNG facility for 18 years, as well as another supply of 101 mmcfd of natural gas to an ammonia and urea plant to be built in West Papua, Indonesia for 17 years, Genting said.

Third FLNG for Wison

This is Wison's third FLNG contract, after contracts with Exmar and Eni. Also, this will be the first FLNG facility in Indonesia and the ninth FLNG in the world, Genting said. Wison won a contract from Italy's Eni in December 2022 to build a 380 meters long 2.4 mtpa FLNG and officially started work on the project in January last year. The company recently completed the installation of all SPB tanks on the FLNG, which will serve the Marine XII offshore FLNG project in Congo. This will be the second FLNG for the project as the Tango FLNG already works in Congo. The Italian firm purchased the 144 meters long Tango FLNG from Belgium's Exmar. The floating LNG producer, delivered in 2017 by Wison, has a liquefaction capacity of about 1 billion cubic meters per year of gas, or 0.6 mtpa, and a storage capacity of 16,100 cbm. source : www.lngprime.com

TOTALENERGIES, NNPC TAKE FID ON NEW GAS PROJECT TO SUPPLY NIGERIA LNG PLANT

France's TotalEnergies and Nigeria's NNPC have taken the final investment decision for the development of the Ubeta gas field to supply Nigeria LNG's Bonny Island plant. TotalEnergies, operator of OML 58 onshore license in Nigeria with a 40 percent interest, together with NNPC that holds 60 percent, announced the decision in a statement issued on Thursday.

The firm did not provide the financial details of the project. Located about 80 km northwest of Port Harcourt in Rivers state, the OML 58 license contains two fields currently in production, the Obagi oil field and the Ibewa gas and condensate field. OML58 gas production is processed in the Obite treatment center and supplied to both the Nigerian domestic gas market and to Nigeria LNG's plant. Also located in OML58, the Ubeta gas condensate field will be developed with a new 6-well cluster connected to the existing Obite facilities through a 11 km buried pipeline, TotalEnergies said. TotalEnergies said Ubeta is a "low-emission and low-cost development2, leveraging on OML58 existing gas processing facilities. The carbon intensity of the project will be further reduced through a 5 MW solar plant currently under construction at the Obite site and the electrification of the drilling rig.

2027

Production start-up is expected in 2027, with a plateau of 300 million cubic feet per day, about 70,000 barrels of oil equivalent per day including condensates, TotalEnergies said. TotalEnergies said gas from Ubeta will be supplied to NLNG's liquefaction plant located in Bonny Island with an on-going capacity expansion from 22 to 30 mtpa, in which TotalEnergies holds a 15 percent interest. The addition of around 8 mtpa of capacity to the Bonny Island facility will come from the NLNG Train 7 project, which is currently under construction. The project consists of the construction of one complete LNG train and one additional liquefaction unit. It also includes other associated utilities and infrastructures. Besides TotalEnergies, Nigeria LNG is owned by NNPC (49 percent), Shell (25.6 percent), and Eni (10.4 percent). Source : www.lngprime.com

DYNAGAS, CDB LEASING SEAL SALE AND LEASEBACK DEAL FOR LNG CARRIER QUARTET

LNG carrier owner Dynagas LNG Partners has signed a sale and leaseback deal with China Development Bank Financial Leasing (CDB Leasing) for its four liquefied natural gas carriers. The NYSE-listed limited partnership formed by Greek shipowner Dynagas said in March in its financial report it has signed a term sheet with a "major financial leasing operator in Asia" for the lease financing of four of its six LNG carriers worth up to $345 million. The firm said at the time the transaction is expected to close in the second quarter of 2024. According to a Hong Kong stock exchange filling by CDB Leasing, the company's four wholly-owned special purpose vehicles entered into a finance lease agreement on June 19 with four LNG carrier operating companies owned by Dynagas LNG Partners. These vessel owning subsidiaries are Pegasus Shipholding, Lance Shipping, Seacrown Maritime, and Fareastern Shipping. The four LNG carriers in question are the 2007-built 149,700-cbm, Clean Energy and Ob River, the 2008-built 149,700-cbm, Amur River, and the 2013-built 155,000-cbm, Arctic Aurora.

$477.5 million

CDB Leasing said it had purchased the vessels for an amount not exceeding $477.5 million, and it has agreed to lease the ships for a period between 60 months and 120 months. The firm said the total amount of lease interest for the lease period is about $130 million. Upon expiration of the lease period, Dynagas LNG Partners may purchase back the vessels from CDB Leasing at a consideration of not exceeding $95.5 million in nominal value, it said. Last month, CDB Leasing also signed a sale and leaseback deal with Norway-based shipping firm Awilco LNG for the latter's two 2013-built 156,000-cbm TFDE LNG carriers, WilForce and WilPride. CDB Leasing purchased the vessels from Awilco LNG for an amount not exceeding $200 million, and it has agreed to lease the ships for a period of 144 months. Source : www.lngprime.com

HYUNDAI GLOVIS, WOODSIDE NAME LNG CARRIER IN SOUTH KOREA

South Korea's Hyundai Samho hosted a naming ceremony for one 174,000-cbm LNG carrier it built for compatriot shipowner Hyundai Glovis and charterer Australia's Woodside. Woodside announced the naming ceremony for Woodside Scarlet Ibis in a social media post on Thursday. Named after the national bird of Trinidad and Tobago, the LNG carrier will make its first call at Woodside's Pluto LNG terminal in Western Australia, which is currently being expanded with a second train. Back in April 2022, Hyundai Glovis and Woodside signed a charter deal for one newbuild LNG carrier for a period of 10 years. The charter deal also includes an option for additional five years. Prior to the charter announcement, Hyundai Glovis ordered the vessel at Hyundai Samho for about $218 million. With this deal, the South Korean operator of a large PCTC fleet and the shipping unit of Hyundai Motor Group entered the LNG transportation business. Besides Woodside Scarlet Ibis, Woodside will also take delivery next year of two LNG carriers it chartered from Greece's GasLog. South Korea's Hanwha Ocean, previously known as DSME, is building these two 174,000-cbm MEGI LNG carriers. source : www.lngprime.com

EPS ORDERS MORE LNG-POWERED PCTCS IN CHINA

Singapore's Eastern Pacific Shipping has ordered more LNG dual-fuel pure car and truck carriers in China. According to a statement by Fujian Mawei Shipbuilding issued earlier this month, the shipbuilder and XSI, both part of Fujian Shipbuilding Industry Group, signed a contract with EPS for the construction of PCTCs and MR product tankers. Under the deal, the shipbuilder will build four LNG dual-fuel PCTCs with a capacity of 5,500 ceu and the contract also includes four optional vessels. Fujian Mawei did not provide the price tag or the delivery dates of the ships. They will be 190 meters long and 35.6 meters wide and will have a maximum draught of 9.5 meters. The SDARI-designed PCTCs will have 11 decks. Besides this order, EPS has reportedly ordered two more LNG-powered PCTCs from China Merchants Jinling Shipyard in Nanjing. These vessels will also have a capacity of 5,500 ceu and the contract includes two optional ships. According to data by VesselsValue, EPS is expected to take delivery of these six LNG-powered PCTCs in 2026 and to pay $80 million for each ship. Earlier this year, EPS ordered two more LNG-fueled PCTCs at CMJL (Nanjing). The shipbuilder revealed the new order for two 7,000-ceu LNG dual-fuel PCTCs in a statement, saying that the yard has 12 EPS PCTCs on order in total. Besides CMJL (Nanjing), EPS has more LNG dual-fuel PCTCs with a capacity of 7,000 ceu on order in China. China Merchants Jinling Shipyard in Weihai is building six LNG-powered PCTCs for EPS. In December, CMJL (Weihai) delivered the first LNG dual-fuel PCTC, CMA CGM Indianapolis, to EPS. This is also the first of four vessels CMA CGM's unit CEVA Logistics will use as part of a charter deal. EPS recently completed its 200th ship-to-ship LNG bunkering operation, as the company's fleet of LNG-fueled vessels continues to expand. The firm has a large fleet of LNG-powered vessels, including containerships, tankers, bulkers, and PCTCs. source : www.lngprime.com

CMA CGM TAKES DELIVERY OF NEW LNG-POWERED FEEDER VESSEL

French shipping giant CMA CGM has taken delivery of the fourth ship in a series of 10 new 2,000-teu containerships powered by LNG from South Korea's HD Hyundai Mipo. The firm announced on Wednesday in a social media post the naming and delivery ceremony for CMA CGM Tivoli. Also, the LNG-powered vessel departed the yard in Ulsan on June 15, according to CMA CGM. CMA CGM took delivery of the the first vessel in this batch, CMA CGM Mermaid, in February. Back in November 2021, CMA CGM ordered these 10 LNG-powered feeders for about $627 million or some $62.7 million per vessel. CMA CGM said the new generation of containerships were designed in close collaboration with France's Chantiers de l'Atlantique, while the Danish engineering firm Odense Marine Technique (OMT) further converted the concept into an industrial prototype. Moreover, French LNG giant GTT worked closely on the project for the design and conception of the gas chain and storage tank with total capacity of 1,053 cbm. LNG powers a 12-megawatt MAN dual-fuel engine. Delivered progressively between February 2024 and January 2025, the 10 new vessels will transport goods over short distances, mainly in Northern Europe and the Mediterranean. Between April and July, six of the series will join the Intra-Northern-Europe line to serve the Baltic and Scandinavian ports from the hubs of Hamburg and Bremerhaven. In addition, four other ships will join the Intra-Mediterranean line between the end of September and the end of November, according to CMA CGM. Capable of carrying 45' containers which can be loaded on trailers, these ships offer a "more energy-efficient alternative to road transport in Europe and the Mediterranean region," it said. These new containerships will join the CMA CGM fleet of around 620 vessels, including more than 30 already powered by LNG. source : www.lngprime.com

SHELL TO BOOST LNG PORTFOLIO WITH PAVILION ENERGY ACQUISITION

Shell is to acquire Singapore-based Pavilion Energy from Temasek, expanding global LNG portfolio. A Shell subsidiary has struck a deal to acquire 100% of the shares of Singapore-based Pavilion Energy, strengthening its presence in the global LNG market. The agreement between Shell Eastern Trading and Carne Investments, part of the Singapore government-owned global investment company Temasek, includes Pavilion Energy's LNG trading, shipping, natural gas supply and marketing activities in Asia and Europe. "The acquisition of Pavilion Energy will strengthen Shell's leadership position in LNG, bringing material volumes and additional flexibility into our global portfolio," said Shell integrated gas and upstream director Zoë Yujnovich. The deal covers Pavilion Energy's LNG trading business, which has a contracted supply volume comprising about 6.5M tonnes per annum (mta). Additionally, it includes long-term regasification capacity of approximately 2 mta at the Isle of Grain LNG terminal (UK), regasification access in Singapore and Spain, marine bunkering business and the time charter of three ME-GI-propelled LNG vessels, two tri-fuel diesel electric (TFDE) vessels, and one LNG bunkering vessel. The contract also include Iberdrola's LNG asset portfolio from Pavilion Energy's 2019 acquisition. Pavilion Energy has offtake contracts from US liquefaction facilities at Corpus Christi Liquefaction, Freeport LNG and Cameron LNG. "In the last 10 years, Pavilion Energy has grown from its Singapore beginnings into an international energy business marketing and trading LNG in key markets across Europe and Asia to help meet rising energy demand," said Temasek portfolio development group head and Singapore market head Juliet Teo. "We believe Shell is well positioned to grow Pavilion Energy's business and strengthen its global LNG hub in Singapore." The transaction is expected to complete by Q1 2025, subject to regulatory approvals. source : www.rivieramm.com

ANALYSING LNG TRADE DYNAMICS: Q1 2023 VERSUS Q1 2024

The latest IEA data of global LNG imports and exports showed notable shifts between Q1 2023 and Q1 2024, reflecting significant market dynamics. The latest IEA Monthly Gas Statistics report, covering January to March 2024, reveals intriguing shifts in the LNG landscape. Total gross imports of LNG by OECD countries Q1 2023 stood at approximately 93,700M cubic metres (m^3). By Q1 2024, this figure had dropped to about 82,733M m^3, marking a significant 12% decrease. However, not all regions followed this downward trend. OECD Americas bucked the trend with an impressive increase in LNG imports, rising from 658M m^3 in Q1 2023 to 853M m^3 in Q1 2024 – a robust 30% surge. This growth was largely fuelled by the United States, where domestic natural gas production ramped up to satisfy both local and international demands. Conversely, OECD Asia Oceania experienced a decrease in LNG imports, with volumes falling from 44,889M m^3 in Q1 2023 to 41,125M m^3 in Q1 2024, an 8% drop. In OECD Europe, LNG imports saw a notable decline, dropping from 48,152M m^3 in Q1 2023 to 40,755M m^3 in Q1 2024 – a 15% reduction. This decrease was influenced by ongoing geopolitical tensions and efforts to diversify energy sources away from Russian pipeline gas. Countries such as Germany and the Netherlands also saw reduced LNG import volumes, further impacted by the increased availability of renewable energy sources. Norway's LNG imports plummeted from 1,581M m^3 in Q1 2023 to 964M m^3 in Q1 2024, a significant decline attributed to increased domestic gas production and the recovery of Norwegian output following extended outages in 2023. Similarly, Qatar's LNG imports fell from 10,087M m^3 in Q1 2023 to 7,242M m^3 in Q1 2024, driven by high global LNG prices and strategic shifts in export focus. On the export front, OECD countries saw an overall increase. Total gross exports of LNG rose from approximately 62,361M m^3 in Q1 2023 to around 65,910M m^3 in Q1 2024, representing a 6% growth. In OECD Americas, exports increased from 29,186M m^3 in Q1 2023 to 31,886M m^3 in Q1 2024, marking a 9% rise. OECD Asia Oceania displayed a modest export growth, rising from 29,486M m^3 in Q1 2023 to 30,279M m^3 in Q1 2024, a 3% increase. Australia was a key player in this growth, leveraging its vast natural gas reserves to meet the rising demand from Asian markets. Meanwhile, OECD Europe saw a slight increase in LNG exports, climbing from 3,688M m^3 in Q1 2023 to 3,746M m^3 in Q1 2024, a 2% uptick. When comparing imports and exports, it is clear the LNG market experienced a reduction in imports coupled with a modest increase in exports. The economic and strategic implications of these trends are profound. For importers, the decreased LNG intake underscores a shift towards energy efficiency and the diversification of supply chains. For exporters, the rising volumes highlight opportunities to expand market reach and secure long-term supply agreements. The Q1 IEA data paints a complex picture of a market in flux, with significant regional variations and evolving strategies shaping the future of the global LNG trade. Source : www.rivieramm.com

FSRU TOSCANA BEGINS FINAL MAINTENANCE PHASE IN MARSEILLE

FSRU Toscana has arrived at Chantier Naval de Marseille for the final phase of its extraordinary maintenance, scheduled to complete by mid-September. OLT Offshore LNG Toscana reports the first phase of its extraordinary maintenance to FSRU Toscana in Genoa has been completed and the vessel has been towed to the Chantier Naval de Marseille for the second phase. The towing operation was supported by three tugs, ensuring safe transit to the Marseille shipyard, provided by Boluda France. At Chantier Naval de Marseille, FSRU Toscana will undergo maintenance activities to replace the bearing of its anchoring system. This facility, developed by San Giorgio del Porto, is a key site for ship repair and conversion in the Mediterranean, featuring the largest drydock in the region, enabling the handling of large-scale projects, enhancing the shipyard's capacity to serve diverse maritime needs. The maintenance is expected to be completed by mid-September, with OLT Offshore LNG Toscana expecting operations offshore Livorno to resume by the end of October 2024. source : www.rivieramm.com

TOYOFUJI SHIPPING RECEIVES NEW LNG DUAL-FUEL CARRIER

Toyofuji Shipping enhances its fleet with the eco-friendly LNG dual-fuel pure car truck carrier, Trans Harmony Green, reducing emissions and boosting efficiency. Japan-based Toyofuji Shipping has announced the first of two LNG dual-fuel pure car truck carriers on order, Trans Harmony Green, has been launched and christened by Mitsubishi Shipbuilding (MHI). Trans Harmony Green measures 195 m in length and 31 m in breadth, with a gross tonnage of 49,500 gt and a nominal capacity of 4,000 CEU. The LNG dual-fuel specification is said to achieve a 25% reduction in CO2 emissions compared with conventional vessels. Delivery from MHI is slated for late January 2025, when Trans Harmony Green will enter into service on routes across Asia. The launch of Trans Harmony Green is part of a broader trend in the maritime industry towards adopting LNG dual-fuel technology. In the first half of 2024, several other notable LNG-fuel vessels have been launched. These include large LNG carriers such as 174,000-m^3 Aktoras and 174,000-m^3 Energy Endurance, container vessels such as 16,000-TEU Alette Maersk and 23,660-TEU Busan Express, and gas carriers such as 87,119-m^3 Aquamarine Progress 2 and 91,000-m^3 Nile River. Mitsubishi Shipbuilding continues to play a significant role in this transition and the company has received an order for two additional units of its fuel gas supply system (FGSS) for high-pressure dual-fuel marine engines, to be delivered mid-2025. This follows previous orders for 18 FGSS units. Mitsubishi Shipbuilding FGSS units are installed on 2023-built, 7,027-CEU large car and truck carrier Sweet Pea Leader and 2024-built Daisy Leader. Source : www.rivieramm.com

SOUTH KOREA'S HANWHA TO INCREASE STAKE IN NEXTDECADE

South Korean conglomerate Hanwha has agreed to buy more shares in US LNG firm NextDecade to increase its stake in the developer of the Rio Grande LNG export terminal in Texas. According to a filling with the US SEC dated June 13, York Capital Management Global Advisors will sell to Hanwha Aerospace and Hanwha Ocean USA International, both units of Hanwha, up to 35,072,737 NextDecade shares. York Capital entered into secondary block trade agreements with the Hawnha units and the deals remain subject to customary closing conditions, including HSR clearance. Hanwha Aerospace said in a filling to the stock exchange that it will buy 17,536,368 shares in NextDecade for about 180.3 billion won ($130 million), securing a 6.83 percent stake in NextDecade. Also, shipbuilder Hanwha Ocean said in a separate stock exchange it will transfer in total 363.3 billion won, or about $260 million, to its unit Hanwha Ocean USA International to invest in paid-in capital increase to secure operating and investment resources. Combined, the Hanwha units will buy a 13.66 percent stake in NextDecade. Hanwha's subsidiary Hanwha Impact already has a 9.07 percent stake in NextDecade via its unit, HGC Next Inv. With these new deals, Hanwha will increase its stake in NextDecade to about 22.7 percent, making it the largest single shareholder in the US LNG firm. LNG Prime invited NextDecade to comment on the matter, but we did not receive a reply by the time this article was published.

Deals with Aramco, Adnoc

Last week, Saudi Arabia's energy behemoth Aramco signed a non-binding deal to buy LNG from NextDecade's Rio Grande LNG export terminal in Texas. Under the terms of heads of agreement, Aramco expects to buy 1.2 mtpa of LNG for 20 years from the fourth Rio Grande LNG train on a free on board basis, at a price indexed to Henry Hub. NextDecade also confirmed it is targeting FID for train 4 in the second half of 2024. This agreement with Aramco followed a deal with UAE's Adnoc announced on May 10. Adnoc purchased an 11.7 percent stake in the first phase of NextDecade's Rio Grande LNG export terminal from Global Infrastructure Partners. Adnoc and NextDecade also entered into a 20-year LNG offtake agreement for the fourth Rio Grande LNG train. The LNG offtake agreement is for 1.9 mtpa from train 4, on a FOB basis at a price indexed to Henry Hub. In July last year, NextDecade took the final investment decision on the first three Rio Grande trains and completed $18.4 billion project financing. It awarded the $12 billion EPC contract to Bechtel. The firm also closed a joint venture agreement for the first phase which included about $5.9 billion of financial commitments from Global Infrastructure Partners (GIP), GIC, Mubadala, and TotalEnergies. Phase 1, with nameplate liquefaction capacity of 17.6 mtpa, has 16.2 mtpa of long-term binding LNG sale and purchase agreements. These include deals with TotalEnergies, Shell, ENN, Engie, ExxonMobil, Guangdong Energy Group, China Gas Hongda Energy Trading, Galp, and also Itochu. Including trains 4 and 5, the Rio Grande LNG facility would have a capacity of 27 mtpa. source : www.lngprime.com

JAPAN BOOSTS LNG IMPORTS IN MAY

Japan's liquefied natural gas (LNG) imports rose in May for the second month in a row, according to the provisional data released by the country's Ministry of Finance. The country's LNG imports rose 5.6 percent year-on-year to 4.87 million tonnes last month, the data shows. LNG imports dropped compared to 5.28 million tonnes in April, which marked a rise of 16.7 percent year-on-year. Also, LNG imports in May decreased compared to 5.55 million tonnes in March, 6.02 million tonnes in February, and 6.1 million tonnes in January. During the fiscal year April 2023-March 2024, Japan's LNG imports decreased by 8 percent to 64.8 million tonnes, while coal imports for power generation dropped by 13.4 percent to 98.1 million tonnes. Japan's coal imports for power generation dropped in May compared to the last year. Coal imports were down by 1.5 percent to 6.09 million tonnes, and Japan paid about $0.92 billion for these imports, a drop of 28.8 percent compared to the last year, the data shows.

LNG import bill up

The May LNG import bill of about $2.84 billion increased by 9.1 percent compared to the same month last year. Last week, state-run Japan Oil, Gas and Metals National Corp (JOGMEC) published the monthly spot LNG prices for delivery to Japan in May. The average price of spot LNG cargoes for delivery to Japan contracted in May 2024 and scheduled to be delivered from the month onward (contract-based price) was $9.9/MMBtu, JOGMEC said in its preliminary report. The average price of spot LNG cargoes that were delivered in Japan within the month of May 2024 regardless of the month when the contracts were made (arrival-based price) was $9.5/MMBtu. Also, the confirmed figures for April 2024 were not changed from the preliminary figures, with the contract-based price at $9.6/MMBtu and the arrival-based price at $9.6/MMBtu, JOGMEC said.

LNG inventories

METI previously announced that Japan's LNG inventories for power generation as of May 5 stood at 2.01 million tonnes, up 0.08 million tonnes from the previous week. Inventories were at 2.12 million tonnes on May 12, 2.26 million tonnes on May 19, 2.06 million tonnes on May 26, 2.23 million tonnes on June 2, 2.10 million tonnes on June 9, and 2.14 million tonnes on June 16, according to METI.

Deliveries to Japan

As per LNG shipments going to Japan in May, deliveries from Asia rose by 27.4 percent to 1.50 million tonnes, the ministry's data shows. Middle East LNG shipments surged by 212.6 percent to 464,000 tonnes in May. Moreover, shipments from Russia decreased by 40.5 percent to 363,000 tonnes, while US deliveries jumped by 171.1 percent to 494,000 tonnes in May.

Second largest LNG importer

China has overtaken Japan to become the world's top importer of LNG last year. China's LNG imports rose 12.6 percent to about 71.32 million tonnes in the January-December period, and the country imported some 5.17 million tonnes of LNG more than Japan in 2023. During January-May this year, China imported 32.42 million tonnes of LNG, a rise of 18.1 percent year-on-year. Japan imported some 27.82 million tonnes of LNG during the same period, some 4.6 million tonnes less than China. In May, China took about 6.57 million tonnes of LNG, some 1.7 million tonnes more than Japan. source : www.lngprime.com

JAPAN'S CHIYODA PROVIDES GOLDEN PASS LNG UPDATE

Japan's engineer Chiyoda has released an update regarding the construction of the Golden Pass LNG export project in Texas, owned by QatarEnergy and ExxonMobil, after US construction company Zachry Holdings filed for bankruptcy. State-owned QatarEnergy owns a 70 percent stake in the three-train Golden Pass LNG project with a capacity of more than 18 mtpa and will offtake 70 percent of the capacity, while US energy firm ExxonMobil has a 30 percent share. A joint venture of Chiyoda, McDermott's CB&I, and Zachry won the contract to build the tree Golden Pass trains worth more than $10 billion next to the existing LNG import terminal. However, Zachry said on May 21 it has filed for bankruptcy, initiating a structured exit from the Golden Pass LNG export project due to "financial challenges" related to the construction of the facility. Chiyoda said in a statement released on Wednesday that Golden Pass LNG Terminal (GPX) has filed motions on June 18 requesting Zachry's withdrawal from the project and for lifting the automatic stay to resume construction work of the first train. The court will make a final decision regarding Zachry's withdrawal from the project after hearings, it said. Discussions about a short-term execution plan and a long-term execution plan of the project among Golden Pass LNG, CB&I, and Chiyoda's unit CIC have been continuing in preparation for Zachry's official withdrawal from the project, according to the firm. Chiyoda said that Golden Pass LNG has already been carrying forward payment procedures for safety-related tasks or infrastructure development tasks required for continuing local construction work as well as other tasks specific to CB&I and CIC. "No financial burden on such tasks has been imposed on CIC," the company said. Chiyoda did not provide further information.

75 percent complete

Golden Pass LNG previously told LNG Prime that work continues on the project with McDermott and Chiyoda, the other two parties to the EPC contract, with thousands of workers on site. "The project is already 75 percent progressed and we are committed to completing the project," it said. Golden Pass LNG said that it does not have updates at this time regarding the construction timeline of the project. According to a recent report by the US FERC, the anticipated in-service timing for the pipeline expansion project is expected "sometime in the first half of 2025". "The lead construction contractor for the export terminal project declared bankruptcy on May 21, 2024, which may impact completion timelines," it said. The regulator said in a previous report that the anticipated in-service timing for the pipeline expansion project "is expected sometime prior to the second half of 2024". The FERC did not provide the timing for the liquefaction trains in the newest report. ExxonMobil previously said that "train 1 mechanical completion is expected at the end of 2024 with first LNG in first half of 2025." LNG Prime previously also contacted Zachry to provide additional info regarding reports that it has laid off more than 4,000 Golden Pass LNG workers following the recent Chapter 11 process, but we did not receive a reply. According to a list of WARN notices with the Texas Workforce Commission, Zachry Industrial will lay off 4,410 workers. source : www.lngprime.com

REPSOL'S SAINT JOHN LNG TERMINAL TO GET GALILEO'S RELIQUEFACTION TECH

Repsol's Saint John LNG import facility in New Brunswick, Canada has selected Galileo Technologies to provide its boil-off gas compression and reliquefaction solutions. Galileo said in a statement issued on Tuesday that this project aims to address the challenge of boil-off gas (BOG), a part of normal operations in the LNG industry. Traditionally, BOG is compressed and sent back to the pipeline. Through the installation of Galileo's reliquefaction solution, Saint John LNG will be able to recover and store this resource to serve the market, especially during times of high demand, it said. The agreement includes the design, fabrication, and installation of 8 BOG compressors, 15 Cryobox units, and also associated utility packages, which will be provided from Galileo's manufacturing center in Middlesex, New Jersey. Galileo did not provide the price tag of the contract. The firm said that the impact of this project is "substantial", with the potential to reliquefy about 10 million standard cubic feet per day (mmscfd) of natural gas, equivalent to 120,000 gallons of LNG. By implementing compression and reliquefaction technologies, the new technology will enhance operational efficiency as well as improve service to local customers, Galileo said.

Saint John LNG

Last year, Spanish energy firm Repsol scrapped its plans to export LNG from its Saint John LNG import terminal in Canada. "Following a study carried out by the company, it was determined to not continue with the Saint John liquefaction project as the tolls associated to it made it uneconomical," Repsol said. Saint John LNG was proposing an expansion to its LNG facility by adding liquefaction capability of 2 mtpa. Repsol is the sole owner of Saint John LNG, previously known as Canaport LNG, after it purchased Irving Oil's stake in the plant in 2021. Launched in 2009, Canada's first receiving and regasification terminal has a maximum sendout capacity of 1.2 billion cubic feet or 28 million cubic meters of natural gas per day. In addition, it also has three storage tanks with each having a capacity of 3.3 billion cubic feet, according to its website. The 7.5 mtpa terminal is severely underutilized and rarely receives LNG cargoes. Repsol's 2023 annual report shows that the Saint John LNG terminal regasifed 8 TBtu in 2023 and 10 TBtu in 2022. source : www.lngprime.com

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