



## **GERMANY'S ENBW SEEKS TO TAP THE MARKET FOR CARRIER QUARTET**

Players have the option of offering in on one or more of four reserved yard berths in South Korea. German energy company EnBW has approached shipowners in search of up to four LNG carriers. Brokers said a tender has been circulated to market players for 174,000-cbm vessels that can be delivered from 2027.

### **Maran Gas Maritime inks pricey LNG newbuilding pair at DSME**

Those offering in are able to do so against one or more of four shipyard berths that have been reserved at Hyundai Heavy Industries in South Korea at pre-negotiated prices of \$257m per ship, TradeWinds has learned. One major shipbroker is believed to be involved in this process. Bidders are also free to submit offers using their own negotiated slots with yards and can put forward existing tonnage for the business. But they are being asked to provide a high level of assistance for the vessels, one source commented. The deadline for bids is 23 March with offers to remain valid through to 3 April. According to the tender timetable yard and time-charter negotiations are due to be wrapped up and the business awarded before 28 April. LNG sector watchers said the four vessels are required to ship the LNG volumes that the German company is buying from the US. Several are keenly watching the pricing for these 2027-delivery vessels.

### **High prices**

Brokers report that a few odd slots for LNG carriers remain for 2026 handover dates but, with Chinese yards largely full into 2028, their South Korean competitors are only slowly releasing 2027 LNG berths. Prices also remain high, with the last-done vessels concluded this quarter at levels above \$255m per ship. But other companies that have signed up to buy new US LNG volumes are also circling tonnage or are expected to enter the market for vessels shortly. EnBW declined to comment when contacted by TradeWinds for confirmation and further details about its LNG shipping requirement.

### **European LNG rise will not cover Russian pipeline gas cuts in 2023**

The German utility has been making a big push to invest in renewable energy, particularly wind and solar. The company said it is aiming to halve its CO<sub>2</sub> emissions by 2030 and wants to achieve “climate neutrality” by 2035. But EnBW has also been boosting its LNG supply as it transitions to cleaner energy. In October 2022, the organisation announced it was upping its LNG purchase agreement with fast-emerging US producer Venture Global LNG. EnBW signed a sale-and-purchase agreement with Venture Global in June 2022 to buy 2 million tonnes per annum of LNG. In October last year, the pair extended this to 2.5 mtpa, which will be sourced from Venture Global’s Plaquemines LNG and CP2 LNG projects. The agreement made EnBW a foundation customer for Venture Global’s next two liquefaction projects.

### **Excelerate Energy buys first LNG volumes in deal with US producer**

In October 2022, Georg Stamatelopoulos, chief operating officer for generation and trading at EnBW, said: “To become less dependent on Russian natural gas and to strengthen diversification and security of supply, EnBW is supporting the German government by increasing further access to LNG supplies. “For this reason, we have stepped up our procurement volumes from Venture Global. With the help of LNG, we can secure Germany’s gas supply to enable the energy transition, while not losing sight of our climate neutrality targets.” On 13 March, Venture Global, which started production from its first project — Calcasieu Pass LNG in January 2022 — announced it had taken a final investment decision on the \$7.8bn second phase of its 20-mtpa capacity Plaquemines LNG facility. Aside from EnBW, ExxonMobil, Chevron, New Fortress Energy, China Gas, Petronas and Excelerate Energy have all signed up to buy volumes from this project. Source : [www.tradewindsnews.com](http://www.tradewindsnews.com)

## **SINOKOR MOVES FORWARD WITH STEAM TURBINE CLEAR-OUT AS IT EDGES TOWARDS NEW TONNAGE**

Three LNG carriers have been sold for demolition in the first quarter of 2023 at strong prices as shipowners in the sector review some of their older tonnage for either recycling or secondhand sales. Brokers said Sinokor Merchant Marine’s sale of the 127,580-cbm Grace Energy (built 1989) to cash buyers — which was reported by TradeWinds on 13 March — was helped by a strong price of \$684 per ldt because of the vessel’s 2,700 tonnes of aluminium content. Sinokor finally sends 40-year-old LNG carrier for demolition. A final demolition destination has yet to emerge for the 34-year-old vessel — among the top 10 oldest LNG carriers in the world fleet — which this week was still being quoted on brokers’ position lists.

The Grace Energy, the former LNG Swift from the North West Shelf shipping fleet, was Sinokor's first secondhand LNG carrier buy. The media-shy South Korean shipowner bought the vessel in 2015 in a laid-up condition. It reactivated the vessel in 2018, first fixing it to Petronas. But it has sat idle off the east Malaysian coast. The ship is Sinokor's second LNG scrap sale this year. The company sold its 126,911-cbm Moss-type Adriatic Energy (ex-Echigo Maru, built 1983) to cash buyers for recycling in India or Bangladesh. Rumoured prices on the vessel ranged from \$660 to \$675 per ldt or between \$21.3m and \$21.8m on the 32,303-ltd ship. The sales leave Sinokor with six idle or laid-up LNG carriers and one trading vessel, with the company closing in on a secondhand LNG purchase from TotalEnergies and apparently moving forward with up to four newbuildings at Samsung Heavy Industries. Separately in February, the smaller 89,880-cbm Seapeak Arctic (ex-Arctic Spirit, built 1993) was sold for scrapping in India. Its 3,678 tonnes of aluminium content helped achieve a strong price of just over \$15.2m for the 23,667-ltd ship. LNG carrier scrap sales are pointing towards a strong start this year, compared with a single vessel recycled in the whole of 2022. Brokers said they expect further older vessels to hit the sales market but warn that some could be snapped up for project business as floating storage units or conversion to floating storage and regasification units, particularly with newbuilding prices so high and early delivery slots unavailable. source : [www.tradewindsnews.com](http://www.tradewindsnews.com)

## LNG NEWBUILD DEMAND DEBATE RAGES

Plenty of LNG carriers are set to hit the water in the coming years, but can the market absorb them all? The LNG carrier orderbook could be well short of the necessary capacity to move global demand — but it depends on where that demand is coming from. During the LNG carrier shipowner panel at Capital Link's International Shipping Forum, Capital Product Partners chief executive Jerry Kalogiratos said there were approximately 650 ships of 40,000 cbm or greater, with 306 on order. Dual-fuel methanol newbuilds cheaper than LNG but doubts remain, says BRS "If you look just at the projects that have taken [final investment decision] ... that will probably translate into demand for 240 ships, assuming half the cargoes end up in Europe and half in Asia," he said. "There are numerous other projects out there." Kalogiratos, whose company owns both LNG carriers and boxships, said rising demand could easily eclipse 400 ships. "That is of course without taking into account fleet attrition. We have at least 50 steamships that are going to be more than 25 years of age" in the coming years, he said. Gordon Shearer said much of that depended on where the demand was coming from and where the cargoes were going. He said production growth from the US and Qatar was "reasonably certain" and that if the demand comes from Europe, demand could match the rising ship supply. "The other big uncertainty is the long-haul trades out of the US and into Japan, [South] Korea, Taiwan is very much at a mature level. There is not a lot of sightlines of LNG growth demand from those countries," Shearer said. Countries like India, Bangladesh and Pakistan are price-sensitive markets, where buyers will look to source the cheapest form of energy. "That diversion of cargoes from China to Europe this winter was because some sellers in China are in a very price-sensitive market," he said. source : [www.tradewindsnews.com](http://www.tradewindsnews.com)

## LNG CARRIER MARKET TIGHTENS AMID HEATED COMPETITION FOR SUPPLIES

Competition between Europe and Asia for limited LNG supplies is set to keep supply and demand in the global market for the fuel finely poised this year, but an overlooked factor that could tighten balances even further is constrained vessel

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*“The LNG shipping market looks likely to move into a deficit as older tonnage will have to reduce speeds to comply with the IMO’s carbon intensity indicator and energy efficiency existing ship design index.”*

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availability after new international regulations on shipping emissions took effect. Shell’s latest *LNG Outlook* released in mid-February laid out a five-year future in which a “structural gap” in European gas supplies will drive LNG as a “core energy supply source” for the continent. The global configuration of the LNG market will shift as a consequence, with Europe moving from a role of peripheral buyer – or so-called “balancing market” – to a premium market. This is expected to remain the case going forward.

At the same time Asian demand looks set to return this year, supported mainly by recovering demand in post-pandemic China. The country’s LNG imports fell by 15mn metric tons or 19% year-on-year in 2022, marking the first annual decline since 2015 when they fell by 1%. The global LNG market has tightened significantly over the past year from the drop in Russian pipeline gas flows, which prompted unprecedented policy and regulatory intervention as governments in European capitals sought to bolster energy security and shield economies from high costs. But this structural shortfall will be worsened by new CO<sub>2</sub> emissions requirements for shipping introduced by the International Maritime Organization (IMO) that came into effect at the start of this year. These will restrict sailing speeds for vessels that use steam turbine and dual or tri-fuel diesel-electric engines due to their higher boil-off gas (BOG) rates compared with newer ships. As these three engine types power more than half of the global fleet, slower speeds will reduce the number of journeys that vessels will be able to make – leading to higher freight rates that are already sky-high after last year’s energy market disruptions. Charter rates for steam turbine vessels reached \$200,000/day towards the end of last year while daily costs for dual or tri-fuel diesel-electric ships climbed to \$350,000–400,000. LNG carrier availability already declined in 2022 after at least nine vessels exited the fleet to serve as floating storage and regasification (FSRU) terminals. Most recently the *Transgas Force* and *Transgas Power* carriers – each with a capacity of 173,000m<sup>3</sup> and owned by NYSE-listed Dynagas LNG Partners – stopped delivering shipments towards the end of last year in preparation for deployment as FSRUs in Germany. Germany, Europe’s biggest importer of Russian pipeline gas before the Ukraine war, intends to deploy at least six FSRUs across a minimum of four locations by the end of this year. FSRUs are also set to come online in Finland, France, Italy and possibly Albania and Cyprus. Shipping analysts expect a tighter balance this year. Preliminary forecasts from energy consultancies have tipped global LNG exports to grow by 16mn mt/yr to bring total traded volumes to 412mn mt. At the same time global LNG carrier capacity will edge up by just 2.5mn mt/yr to 426mn mt/yr, leaving a 3% surplus or approximately 20 vessels.

## New IMO regulations

But the LNG shipping market looks likely to move into a deficit as older tonnage will have to reduce speeds to comply with the IMO's carbon intensity indicator (CII) and energy efficiency existing ship design index (EEXI) that were introduced on 1 January. The EEXI and CII are the most important of several amendments adopted by the IMO in June 2021 to reduce the

Transgas Force is among the LNG carriers due to be used as an FSRU in Europe. Source: Vesselfinder



shipping sector's greenhouse gas emissions. The IMO is targeting a 40% reduction in the carbon intensity of the global fleet by 2030 compared with 2008 levels, rising to 70% by 2050. The EEXI is a one-off certification that applies to all ships built before this year and determines a vessel's standardised CO<sub>2</sub> emissions based on its tonnage and speed. Each ship will be given its own EEXI according to a formula defined by the IMO that accounts for different factors depending on the vessel type. For LNG carriers the formula

considers BOG and the additional auxiliary power needed for the reliquefaction system. Vessels that fail to meet the emission requirements will have to take action to achieve compliance, such as optimising propulsion systems, reducing shaft power, using alternative fuels or deploying energy-efficiency technologies. For LNG carriers with a deadweight tonnage exceeding 10,000, EEXI implies a 30% reduction in their CO<sub>2</sub> emissions/mt-mile relative to a baseline representing the average efficiency for ships built between 2000 and 2010. The CII meanwhile considers how much CO<sub>2</sub> is emitted by a vessel per deadweight-mile. Vessels will be given an annual energy efficiency rating ranging from the highest rating of A to the lowest of E, with C being the minimum required rating. Any vessel rated D or E for three consecutive years will have to submit an action plan that outlines how they will achieve the minimum C rating. For this year LNG carriers must reduce their emissions by 5% compared with 2019 levels, but this will become gradually tightened – tankers must emit 11% less CO<sub>2</sub> by 2026 than they did in 2019.

## Staying compliant

The most economical way for older tonnage to comply with the new regulations is to reduce engine power, which will in turn lower travelling speeds. Reducing the maximum sailing speeds of steam turbine and dual or tri-fuel diesel-electric vessels from 19 knots to 15 would be equivalent to removing the capacity of 21 vessels, assuming that the lower speed is maintained for 30% of the voyage. This would be enough to shift this year's LNG shipping market into a 1mn mt/yr capacity shortfall, leaving freight balances extremely tight. There is additional downside risk if more LNG carriers in the fleet are repurposed as FSRUs this year. The degree of implementation will mostly determine the impact of the EEXI and CII on shipping fundamentals. The IMO has not clearly spelled out penalties for non-compliance but when it comes to the EEXI, ports authorities could start requesting evidence of compliance starting from this month and deny entry to any vessels without a valid certificate. It is not clear if a carrier with a D or E rating under the CII will have to stop sailing until a corrective action

plan has been achieved. But high compliance with both regulations is likely – most banks and lenders already have strict requirements on engine-efficiency specifications as well as a carrier’s ability to comply with emissions regulations. Compliance with IMO regulations will likely be established as a key condition for access to financing. This means that going forward charterers will be increasingly reluctant to hire vessels that do not meet EEXI and CII standards.

### **Older tonnage most exposed**

There are an estimated 630 active LNG carriers in the global fleet, excluding floating facilities and LNG bunkering vessels. Among these are 222 steam turbine vessels and another 175 tankers using dual or tri-fuel diesel-electric propulsion. Those three categories of vessels burn BOG from cargo tanks and fuel oil, with steam turbine carriers having a daily boil-off rate of around 0.15%, while dual or tri-fuel diesel-electric vessels are slightly more efficient with an average daily boil-off rate of 0.1% on average. But their lower efficiency overall means steam turbine and dual or tri-fuel diesel-electric carriers are less competitive than vessels with newer propulsion systems when it comes to EEXI and CII compliance. While limiting engine power output is the most economical way for shipowners with older tonnage to comply with the new regulations, there are alternative options too. Shipowners could install energy-efficiency technologies, such as steam-to-hybrid conversion design, but retrofitting a vessel comes at a significant cost and the payback period may not last long given that regulations will become increasingly stringent over time. With slots at LNG shipyards in South Korea and China fully booked until 2026 and the construction time for an LNG carrier newbuild averaging around three years, relief for shipping balances will only come in 2024-2026, with a wave of vessels set to be delivered during that period – mostly on the back of large orders from QatarEnergy to accommodate the 49mn mt/yr North Field Expansion. Some 186 newbuilds are set to be completed in 2024-2026, but the majority of these vessels will enter the fleet with long-term charters attached – only 32 ships are currently uncommitted on the orderbook, suggesting that prompt LNG carrier availability will remain low in the medium term.

The capacity shortfall is looming just as the global LNG market is poised for another year of limited supply additions. Only two projects are scheduled to come online this year, namely the Tangguh LNG Train 3 expansion in Indonesia that will add 3.8mn mt/yr and the 2.3mn mt/yr Greater Tortue Ahmeyim floating LNG (FLNG) operation off the coasts of Mauritania and Senegal. Both projects, led by BP, will take time to ramp up – especially for the latter based on Shell’s experience with its Prelude FLNG facility offshore Australia. Source : [www.naturalgasworld.com](http://www.naturalgasworld.com)

## **EXCELERATE ENERGY SECURES US\$600M FOR MARAN GAS FSRU**

In June 2020, Excelerate took delivery of *Sequoia* from South Korea’s Daewoo Shipbuilding & Marine Engineering, expanding its fleet to 10 FSRUs – one of the largest in the world. *Sequoia*, with a storage capacity of 173,400 m<sup>3</sup>, is capable of operating as both an FSRU and a fully tradeable LNG carrier. Excelerate and Greece-headquartered Maran Gas Maritime later signed a five-year bareboat charter agreement for the FSRU with the option for Excelerate to purchase *Sequoia* during the charter. Excelerate floated an initial public offering (IPO) in April 2022 that saw it raise more than US\$400M in share value. Houston, Texas-headquartered Excelerate is controlled by American billionaire George

Kaiser, and the company said it would receive net proceeds of approximately US\$362M, excluding the additional share buying option. The loan facilities the company has arranged to purchase *Sequoia* both mature in March 2027. Excelerate said it intends to acquire the vessel by exercising the purchase option that it has with the vessel's owner and for the purchase to be completed in April 2023. The loan agreement will expire on May 1, 2023 if the acquisition of the FSRU *Sequoia* does not close by then, according to the company. "This amended credit facility enhances our financial flexibility and supports our future growth and development initiatives. We are excited to acquire the FSRU *Sequoia*, one of the most capable vessels in the industry, at an attractive price well below current market values," Excelerate CFO Dana Armstrong said. Source : [www.rivieramm.com](http://www.rivieramm.com)

## LNG SHIPPING POWERHOUSES JOIN EFFORT TO CUT METHANE EMISSIONS

Seven international LNG shipowners and operators, CoolCo, United Overseas Management, Capital Gas, Celsius Tankers, Global Meridian Holdings, Mitsui OSK Lines (MOL), and TMS Cardiff Gas, announced they have joined the Methane Abatement in Maritime Innovation Initiative (MAMII). The announcement was made 16 March at a Lloyd's Register LNG Forum event in Doha, Qatar. These shipowners join Maran Gas Maritime, Mediterranean Shipping Company, Carnival Corp & Plc, Seaspan Corp, Shell, Lloyd's Register and Knutsen Group in MAMII, which is led by LR's Safetytech Accelerator. Established in September 2022, MAMII aims to identify, accelerate and advocate technology solutions for the maritime industry to measure and manage methane emissions activity. In doing so, it aims to minimise the environmental impact of LNG in shipping, while aiding the transition to future fuel solutions. Compared with traditional marine fuels, LNG is widely understood to generate less CO<sub>2</sub>, and emit less nitrogen oxides, SO<sub>x</sub>, and particulate matter for the same propulsion power. This makes it a popular and widely used transition fuel. However, analysis has indicated the environmental benefits of using LNG could be partially negated by methane slip. Methane is a potent greenhouse gas, estimated to have a Global Warming Potential (GWP) of 27-30 over a 100-year timescale, while CO<sub>2</sub> has a GWP of 1 regardless of time period used. In its first six months, MAMII has already mapped the LNG fuel landscape from the well to the ship, identified key measurements required, and has identified a range of potential new technology for measurement on board ships. Increased collaboration among industry players through MAMII comes as efforts to reduce methane emissions are growing, such as the Green Ray project, which aims to cut methane slip from two- and four-stroke dual-fuel engines and recently won US\$7.4M in backing from the EU. MAMII is chaired by LR global gas director Panos Mitrou and directed by Safetytech Accelerator head of partnerships Steve Price. "We are looking forward to the next few months when we move from analysis and research into piloting new methane measurement technology on ships," said Mr Price, adding, "Measuring actual emissions is a critical step in the decarbonisation of the shipping journey". Weighing in, Mr Mitrou said, "The doubling of MAMII's membership in the six months since its launch is a sign of the maritime industry's commitment to addressing methane emissions. It also indicates the important role of technology in measuring and managing methane emissions activity. As the chairman of the MAMII initiative, I am delighted so many significant shipping leaders have joined the ranks." Source : [www.rivieramm.com](http://www.rivieramm.com)

## SHI, KONGSBERG TO DEVELOP AUTONOMOUS LNG CARRIER

SHI aims to optimise the latest remote autonomous navigation technology to develop a 174,000-m<sup>3</sup> LNG carrier and will handle the vessel design and systems integration. Kongsberg Maritime brings its experience in developing and fielding autonomous and remote navigation systems, notably its Hugin range of autonomous underwater vehicles. Kongsberg Maritime was a key player in designing the electric and self-propelled container ship *Yara Birkeland* which departed on its maiden voyage last year, transporting mineral fertiliser between two Norwegian ports. In 2020, SHI remotely monitored a tug sailing on autonomous navigation technology off the coast of Busan from a shore centre 241 km away. Last year, the company completed a sea trial of a 9,000-tonne training vessel from Mokpo to Dokdo in South Korea. The vessel *Segye-ro* was autonomously navigated about 950 km on the Mokpo West Sea and succeeded in avoiding 29 collision risk situations. SHI will also trial the application of its Samsung autonomous ship autonomous navigation systems on medium and large vessels belonging to shipowner and manager KLCSM. SHI head of technology development Jang Hae-ki said, “We will focus on technology development to ensure autonomous ships become the optimal solution for shipping companies to reduce operating costs and operational risks.” Other South Korean firms have also made progress on autonomous technology. DSME tested a small autonomous boat in November, and most notably, Hyundai Heavy Industries tested its HiNAS system aboard an LNG carrier and secured an AiP last month. Source : [www.rivieramm.com](http://www.rivieramm.com)

## VENTURE GLOBAL TAKES US\$8BN FID ON PLAQUEMINES LNG PHASE TWO

Venture Global LNG has taken a final investment decision (FID) and successfully closed US\$7.8Bn in project financing for the second phase of the Plaquemines LNG facility. Together, phase one and phase two represent approximately \$21 billion of investment, the largest project financing ever done. The proceeds of the debt and equity financing fully fund the balance of construction and commissioning of the second phase of the 20 mtpa nameplate capacity project. Today, the company also issued a full notice to proceed to KZJV [the joint venture building the facility] to continue construction on phase two of Plaquemines LNG,” a Venture Global release said. The investment decision came less than 10 months after the FID on phase one, according to Venture Global CEO Mike Sabel, and the lending came from roughly two dozen of the world’s largest banks. Plaquemines LNG has received all necessary permits, including FERC authorisation and non-FTA export authorisation from the US Department of Energy. Plaquemines LNG phase two customers include ExxonMobil, Chevron, EnBW, New Fortress Energy, China Gas, PETRONAS and Excelerate Energy. Marketing is actively underway for the company’s third facility, CP2 LNG, and SPAs have been signed by CP2 LNG with Exxon Mobil, Chevron, EnBW, INPEX, China Gas and New Fortress Energy, according to Venture Global. In June 2022, Venture global announced its LNG export project had secured the initial US\$13.2Bn in funding. Disclosed in May, the deal for the 13.33 mta American LNG export facility is the largest ever project financing raised in a single phase for a US liquefaction scheme. It is the first US LNG project finance transaction to reach financial close since Venture Global obtained US\$5.8Bn of funding for its 10-mta



Calcasieu Pass LNG project in August 2019. Calcasieu Pass LNG loaded its first LNG cargo on the Maran Gas-owned *Yiannis* under a charter with JERA earlier in 2022. “Calcasieu Pass now holds the global record for the fastest large-scale greenfield LNG facility to ever be built, moving from FID to LNG production in just 29 months. It is also one of the first greenfield LNG export projects to ever be constructed in the United States,” said Venture Global LNG in a press statement. Located in Cameron, Louisiana, the Calcasieu Pass LNG export facility is unusual because it was built with factory-constructed modules. The facility has 18 liquefaction trains, each with a capacity of 0.626 mta, configured in nine blocks. The export facility has two ship-loading berths and two 200,000-m<sup>3</sup> full containment LNG storage tanks. By year’s end, it is expected that Calcasieu Pass will be at full production capacity. Plaquemines LNG will use the same modular construction approach as Calcasieu Pass. “Although Calcasieu Pass saw cost overruns of close to US\$2Bn, if it had been a classic stick build, overruns could have been higher,”. The EPC contractors for phase one of Plaquemines LNG are KBR and Zachry Group. Phase two will take the project to 20 mta. McDermott’s CB&I unit is building two 200,000 m<sup>3</sup> storage tanks for phase one. Source : [www.rivieramm.com](http://www.rivieramm.com)

## **HUDONG-ZHONGHUA DELIVERS THIRD LNG CARRIER TO COSCO AND PETROCHINA**

Chinese shipbuilder Hudong-Zhonghua has delivered the third LNG carrier to compatriot Cosco Shipping Energy Transportation and PetroChina. Hudong-Zhonghua handed over the 174,000-cbm LNG carrier, Kun Lun, on Friday. The shipbuilder says this is the first delivery of a large LNG carrier in China this year. Prior to this vessel, Hudong-Zhonghua delivered the first 79,960-cbm mid-sized LNG carrier to compatriot city gas distributor Shenzhen Gas. Kun Lun is the third LNG carrier Hudong-Zhonghua built under the PCI project for Cosco and PetroChina and scheduled for delivery in 2022-2023. Hudong-Zhonghua delivered the first and the second LNG carrier in these series, Shaolin and Wu Dang, last year. Besides these vessels, Cosco and PetroChina ordered three additional sister LNG carriers in December 2021. Hudong-Zhonghua plans to deliver these vessels during 2024 and 2025. All of the six LNG vessels will feature WinGD X-DF dual-fuel engines and GTT’s NO96 L03+ containment system. The 295 meters long ships each have a price tag of about \$185 million and will serve PetroChina under charter contracts. Source : [www.lngprime.com](http://www.lngprime.com)

## **FLEX LNG WRAPS UP REFINANCING PROCESS**

Flex LNG, the owner of 13 liquefied natural gas carriers, has completed its refinancing process, boosting the company’s cash position by \$387 million. The shipping firm controlled by billionaire John Fredriksen said on Friday that it has finalized the balance sheet optimization program with the signing of the \$290 million loan agreement for the refinancing of LNG carriers Flex Freedom and Flex Vigilant. According to Flex LNG, the firm has completed the refinancing of Flex Aurora, Flex Artemis, and Flex Amber during February, while it has closed the lease for Flex Rainbow and the refinancing of Flex Freedom and Flex Vigilant in March. These financings will provide Flex LNG with \$204 million in net cash proceeds in the first quarter. At

year-end 2022, Flex LNG had a cash balance of \$332 million thus these re-financings further add to an already “substantial” cash balance, it said.

### **\$2 BILLION REFINANCING PROCESS**

“We are pleased to have completed our approximately \$2 billion refinancing process according to plan and on schedule despite the recent turmoil in the financial markets,” **Knut Traaholt**, CFO of Flex LNG, said in the statement. Traaholt said that Flex LNG has during the last 16 months refinanced all ships in its fleet, “not only significantly boosting our cash position in total by \$387 million, but also reduced interest margin significantly and stretched the repayment and maturity profiles with the first loan not due before 2028.” 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. The company expects its revenues to grow from \$348 million in 2022 to around \$370 million for 2023, driven by higher TCE earnings which the company expects to be around \$80,000 per day in 2023, an improvement from the \$72,800 per day delivered in 2022. Source : [www.lngprime.com](http://www.lngprime.com)

### **US WEEKLY LNG EXPORTS RISE TO 27 SHIPMENTS**

US liquefied natural gas (LNG) exports rose in the week ending March 22, while the Henry Hub spot price fell when compared to the week before, according to the Energy Information Administration. The EIA said in its weekly natural gas report that 27 LNG carriers departed the US plants between March 16 and March 22, five shipments more when compared to the week before. Also, the total capacity of LNG vessels carrying these cargoes is 100 Bcf, it said. Overall natural gas deliveries to US LNG export terminals decreased by 1.3 percent (0.2 Bcf/d) week over week to 13 Bcf/d, according to data from S&P Global Commodity Insights. Natural gas deliveries to terminals in South Louisiana decreased by 3.5 percent (0.3 Bcf/d) to 8.4 Bcf/d, while deliveries to South Texas terminals increased by 4.4 percent (0.1 Bcf/d) to 3.4 Bcf/d. The agency said that natural gas deliveries to terminals along the East Coast were essentially unchanged. Cheniere’s Sabine Pass plant shipped ten cargoes and its Corpus Christi facility sent four shipments during the week under review. Sempra’s Cameron LNG shipped five cargoes and the Freeport LNG plant sent four cargoes, the EIA said, citing shipping data by Bloomberg Finance. Venture Global’s Calcasieu Pass LNG plant and the Cove Point LNG facility each shipped two cargoes, while Elba Island did not ship any cargoes during the week under review, according to the data.

### **Freeport LNG**

Freeport LNG is currently working to reach full operations following an incident at the facility that took place on June 8 last year. The LNG terminal operator secured regulatory approval last month to launch commercial operations of two trains at its 15 mtpa liquefaction plant in Texas as part of the restart process. Earlier this month, Freeport LNG also won regulatory approval to restart operations of Train 1. Natural gas pipeline deliveries to the Freeport LNG terminal averaged about 655 million cubic feet per day (MMcf/d) this report week, 205 MMcf/d above last week’s average and 36 percent of the terminal’s full feed gas capacity, according to Gulf South Pipeline, the main delivery pipeline to the terminal.

### **Henry Hub down to \$2.04 per MMBtu**

This report week, the Henry Hub spot price dropped 40 cents from \$2.44 per million British thermal units (MMBtu) last Wednesday to \$2.04/MMBtu this Wednesday, the agency said. Moreover, the price of the April 2023 NYMEX contract decreased 26.8 cents, from \$2.439/MMBtu last Wednesday to \$2.171/MMBtu two days ago. The price of the 12-month strip averaging April 2023 through March 2024 futures contracts declined 13.3 cents to \$3.046/MMBtu, the EIA said.

**TTF down**

The agency said that international natural gas futures prices decreased this report week. Bloomberg Finance reported that weekly average front-month futures prices for LNG cargoes in East Asia fell 98 cents to a weekly average of \$13.24/MMBtu. Natural gas futures for delivery at the Dutch TTF fell \$1.43 to a weekly average of \$13.14/MMBtu, the agency said. In the same week last year (week ending March 23, 2022), the prices were \$34.83/MMBtu in East Asia and \$33.81/MMBtu at TTF, it said. Source : [www.lngprime.com](http://www.lngprime.com)

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LEVEL 45, CHEUNG KONG CENTER,  
2 QUEEN'S ROAD CENTRAL, HONG KONG  
[SANDP@CYGNUS-ENERGY.COM](mailto:SANDP@CYGNUS-ENERGY.COM) (SALE & PURCHASE)  
[GAS@CYGNUS-ENERGY.COM](mailto:GAS@CYGNUS-ENERGY.COM) (GAS PROJECTS)