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LNG NEWS WEEKLY 20TH MAY 2023

OVER 35 LARGE LNGBVS NEEDED BY 2030

TotalEnergies urges cooperation between stakeholders as yawning infrastructure supply gap looms. More than 35 large LNG bunker vessels (LNGBVs) will be needed by 2030 to be able to supply the existing and incoming dual-fuelled global fleet. Speaking at IQPC's 10th LNG Bunkering & Future Fuel Global Summit 2023, TotalEnergies LNG bunkering general manager Dahlia Rifai said there is overcapacity in the LNGBV sector as of today.

Zim fills up first dual-fuelled container ship with LNG in Shanghai

But Rifai said a shortage becomes evident from 2026 if no additional LNGBVs are ordered. She said this shortage represents around 13 million tonnes per annum of capacity, which equates to 35 large LNGBVs of between 12,000 cbm and 18,000 cbm in size. Rifai said there is a need to have cooperation between bunker suppliers and customers. "As of today, there are tenders that are launched and requests for location but no preliminary discussions among the parties to try to build this model and try to develop LNGBV when they will be needed," she said. "To move faster, there is really a need for collaboration and mature commitment. This will really make it faster." Rifai said TotalEnergies, which operates LNGBVs out of Rotterdam and Fos-sur-Mer in the south of France and will add a vessel in Singapore soon, is looking "very seriously" at the US west coast for LNG bunkering infrastructure. She said LNG demand for marine fuelling remains strong, driven by the growing number of newbuildings. Rifai added that the nominal LNG bunker demand is expected to reach nine million tonnes in 2025, with more than 830 vessels trading. Of these, container ships will account for around 50% of the demand, with this focused on boxships of 13,000-teu to 15,000-teu and 7,000-teu to 8,000-teu capacities. These will be followed by vessels in the cruise and ferry sector and car carriers.

LNG bunker vessel supply crunch looms as newbuildings multiply

Rifai raised the question of whether this nominal demand will be translated into reality as the dual-fuelled vessels also have the capability to burn very low-sulphur fuel oil (VLSFO). She gave some estimates about how regulations may affect the price of the two fuels in the next few years, which could give LNG some headroom to be competitive with VLSFO even if its price is slightly higher. Rifai said LNG sustainability will come together with the addition of bio-methane addition as a drop-in fuel, adding that Total Energies sees huge opportunities for biogas production. Source : www.tradewindsnews.com

GOLAR LNG SELLS OFF AGEING FLNG 'CONVERSION CANDIDATE' FOR SCRAP

Elderly LNG carrier set to become fourth to be sold for demolition in 2023. Floating LNG production-focused Golar LNG is in the process of selling for scrap one of the vessels it had lined up as a potential conversion candidate for an FLNG unit. Demolition brokers said the 126,000-cbm Golar Gandria (built 1977) has been sold on an "as is" basis in Labuan, in east Malaysia where the ship has been laid up.

Golar LNG eyes up Moss-type LNG carriers as FLNG conversion candidates

A price of $447 per lightweight tonnage (lwt) has been quoted on the 34,131-lwt vessel, equating a total of around $15.3m on the 46-year-old steam turbine ship. The vessel is being reported as negotiated for sale under strict green recycling terms. Brokers said the price also reflects the need to tow the ship from Labuan. The ship will reportedly be delivered to a recycling facility after the monsoon season, which ordinarily lasts until September. The company has been contacted for confirmation and comment about the reports. The company lists the Golar Gandria as a "candidate for future FLNG projects" on its website. In November, Golar chief executive Karl Fredrik Staubo told analysts on a results call that the company had the option to use its existing vessel, the Golar Gandria, as a candidate for conversion into an FLNG unit. But Staubo also said Golar wanted to buy a vessel with a higher storage capacity and had been inspecting Moss-type ships. In February, the CEO revealed Golar had paid a $5m deposit on a 19-year-old, Japanese-built, Moss-type LNG carrier, for a total purchase price of $77.5m. This has been identified as TMS Cardiff Gas' 149,172-cbm Fuji LNG (built 2004).

Full details emerge for third LNG carrier scrap sale of 2023

The Golar Gandria is one of two 1977-built LNG carriers which together rank as the oldest vessels in this sector's existing fleet. The vessel was ordered on speculation in 1977 and spent most of its early life in lay-up until the start of its charter to

Indonesia's state energy giant Pertamina in 1986. In 2006, the LNG carrier experienced an engine-room flood while at anchor off Singapore. Golar bought the ship two years later in a joint venture while in pursuit of a vessel to convert into a floating storage and regasification unit for South Africa. The company laid up the vessel in Labuan in the same year.

In 2017, the ship became embroiled in a tug-of-war with its then lay-up provider, with Golar keen to put the ship into a Singapore yard for conversion into an FLNG unit for Equatorial Guinea. But these plans did not materialise. The Golar Gandria now looks set to rank as the fourth LNG carrier sold for demolition in 2023. The year is turning out to be a busy one for scrap sales to date, with Seapeak and Sinokor Merchant Marine both opting to send ships to the breakers in the first quarter. Source : www.tradewindsnews.com

COOLCO RUNS NUMBERS ON REPLACING STEAMSHIPS

Chief executive Richard Tyrrell names incoming resales and says company 'fully expects' to exercise its options to buy them Cool Company (CoolCo) calculates that the retirement of old steam turbine LNG carriers is set to create an additional demand for up to 20 vessels per year. Speaking on a first-quarter results call, CoolCo chief executive Richard Tyrrell said the new LNG supply due to come onstream from the Americas and the retirement of the steamships are two factors that will drive LNG shipping demand.

CoolCo talking with 'multiple' charterers on 2024-delivering LNG carriers

Tyrrell said it is difficult to assess when the steamers will leave the fleet due to the many factors involved. But he said the best way is to assess the number of cubic metres that ships reaching 20 years old represent. He said this gives an incremental demand for shipping of between 12 and 20 LNG carriers per year over the forthcoming period. Tyrrell said he is receiving many questions about the large size of the LNG carrier orderbook, which now stands at about 50% of the fleet despite newbuilding prices rising to around $260m — up from about $190m in 2021. He said today's prices set the benchmark for other vessels in the sector and compares with the option to buy two on-order, 2024-delivering newbuildings at $234m each from its parent company, Eastern Pacific Shipping. Tyrrell, who named these two vessels as the Kool Tiger and Kool Panther, said: "I fully expect these will be exercised by the deadline for doing so at the end of June this year." He said CoolCo experienced "some negative impact" from its two spot-linked LNG carriers during the first quarter.

Idan Ofer sees potential to double CoolCo's LNG fleet

He described the charter market's start to 2023 as "miserable" due to the winter season finishing early and many sublet LNG carriers becoming available. But he said the company is more focused on the term market, which has been "holding firm" and is set to be supported by a combination of seasonal storage and the reopening of price-sensitive markets such as China, India and Pakistan. Tyrrell said he is "excited" about the upgrades that are being planned for CoolCo's tri-fuel dieselelectric vessels to what the company is dubbing "LNGe" ships. He said that aside from electric, the "e" can stand for emissions, environment, efficient, economics and life extension. CoolCo detailed LNGe upgrade dry-docking guidance costs of $15m per ship for five vessels during the period from the third quarter of 2024 to mid-2025.

Golar LNG opts to scrap 46-year-old FLNG 'conversion candidate'

He said the upgrades will allow charterers to save up to $10,000 per day over the course of the year, depending on how the vessel is operated. Tyrrell said CoolCo will look to be paid for that by the charterers, which will make the return on the investment "well above 10%". CoolCo listed on the New York Stock Exchange on 17 March. Chief financial officer John Boots said that following this move, 63% of all the company's shares are listed in the US, with the rest in Norway. Source : www.tradewindsnews.com

PETROVIETNAM GAS TO BUY 1ST LNG CARGO FROM SHELL

PetroVietnam Gas (PV Gas), a unit of state-owned energy company PetroVietnam, has signed an agreement with Shell for the delivery of the first LNG cargo to Vietnam, the company announced on May 24. The cargo will be used to commission PV Gas' Thi Vai LNG import terminal. Reuters last month reported that PV Gas issued a tender seeking to buy Vietnam's first cargo. The tender attracted "significant attention" from global LNG suppliers, the company said. The terminal will have a capacity of 1mn metric tons/year in the first phase. In phase two the capacity will increase to 3mn mt/year. PV Gas on May 5 got approval from the government to import LNG.The phase one components of the Thi Vai terminal include LNG tanks with a capacity of 180,000 m3. PV Gas said that the terminal will play "a pivotal role" in augmenting gas supply by providing gas to consumers, including the Nhon Trach 3 and 4 power plants, and industrial customers, and addressing the country's gas shortage beyond 2023. "Together with the forthcoming Son My LNG import terminal, with an anticipated capacity of up to 10mn mt/yr of LNG upon completion, PV Gas' LNG infrastructure will effectively meet the energy demands of the southern region in the future," the company said. PV Gas has signed a joint venture agreement with US-based AES Corp regarding the operation of the Son My LNG import terminal. The project will have a capacity of 3.6mn metric tons/year in the first phase and will go up to 9mn mt/yr in the subsequent phase. Source : www.naturalgasworld.com

LNG CARRIERS LAUNCHED WITH FILTERLESS BWTS

Knutsen Group is a large Norwegian shipping conglomerate owning and operating a wide range of oil and gas energy vessels. It has developed its own ballast water treatment system, KBAL BWTS, which is also available to third parties. KBAL is a ballast water treatment system suitable for the marine environment and compliant with the IMO and USCG D2 discharge standard. It was developed by Knutsen in 2009 and is believed to be the first of its kind to use neither filters nor chemicals. The manufacturer reports the KBAL is capable of treating water with an ultraviolet transmittance (UVT) as low as 26%, a benefit when operating at ports with tidal changes and consequent reductions in UVT during cargo operation. In one of the latest installations, the KBAL BWTS was successfully commissioned and approved by class and owner in February 2023, on board the newbuild LNG carrier Grażyna Gęsicka at Hyundai Heavy Industries (HHI) in Ulsan, South Korea. This vessel is installed with two KBAL3000 BWTS and follows the commissioning of 174,000-m3 LNG carrier Lech Kaczyński, the first vessel in the series. Lech Kaczyński was delivered December 2022 by HHI, and is bareboat chartered to an affiliate of Norway's Knutsen Group and time-chartered to Polish Oil Mining and Gas Extraction (PGNiG), which is a Polish state-controlled oil and gas company. One of the first cargoes lifted by Lech Kaczyński was from Cheniere's Sabine Pass LNG export facility in the US in February 2023. PGNiG has chartered Lech Kaczyński to transport cargoes from the US to Poland for 10 years. Poland had relied on importing natural from Russia, and following the invasion of Ukraine, it has radically switched to pipeline and vessel imports, with the expectation that 2023 will be the first year of zero imports of natural gas from Russia. Source : www.rivieramm.com

PUTIN SAYS ENERGY PRICES APPROACHING 'ECONOMICALLY JUSTIFIED' LEVELS

Russian President Vladimir Putin said on Wednesday that energy prices were approaching "economically justified" levels, and that Russia was continuing to meet its commitments on energy supplies. Speaking at a conference of the Russian-led Eurasian Economic Union in Moscow, Putin also raised the issue of energy shortages in Europe. "Now, thank God, energy prices are approaching an economically justified level, but who is to blame for what had happened?" he said, speaking in front of the leaders of Belarus, Kazakhstan and Kyrgyzstan. "They blew up Nord Stream 1, didn't start Nord Stream 2," he said, referring to the twin gas pipelines from Russia across the Baltic Sea to Germany that were severely damaged by explosions last September. Russia, without providing evidence, has repeatedly said the West was behind the blasts. Investigators from Sweden and Denmark - in whose exclusive economic zones the explosions occurred - have said the ruptures were a result of sabotage, but have not said who they believe was responsible. Source : www.naturalgasworld.com

BP, PETROCHINA BOOK CAPACITY AT DUTCH GATE LNG TERMINAL

BP and a unit of PetroChina have agreed to book long-term capacity at the Dutch Gate LNG import terminal, owned by Gasunie and Vopak, in the port of Rotterdam. According to a statement by Gate issued on Thursday, BP and PetroChina International London will each acquire 2 Bcm per year of regasification and also corresponding storage capacity for a period of 20 years. At the end of 2022, Gate terminal organized an open season to gauge market interest in new storage capacity of 180,000 cubic meters of LNG as well as a regasification capacity increase of 4 Bcm per year. Gate now has three LNG tanks and with the fourth tank it will have 720,000 cbm of storage capacity, while its regasification capacity will rise to 20 Bcm per year. The LNG terminal operator said this expansion allows it to better contribute to the supply and availability of gas in the Netherlands and its neighboring countries.

FID by September

In March, Gate's commercial manager, Stefaan Adriaens, told LNG Prime that Gate expects to take the final investment decision to build the fourth tank by September 1 this year. Gate said in the new statement that it will continue to closely cooperate with BP and PetroChina with a target of achieving FID, depending on financing and also receiving an exemption amongst other matters, by September 2023 and a start of commercial operations by the third quarter of 2026. "As BP aims for an LNG portfolio of 30 million tonnes by 2030, this award provides additional regasification capacity in a key location to support security of supply for our European customers", Jonty Shepard, VP global LNG trading and origination at BP, said in the statement. As per PetroChina International, the firm is establishing and gradually expanding its global LNG portfolio. Also, through the company's long-term commitments and investments, it is bringing "significant and reliable" LNG supplies to the global market from its portfolio sources, it said in the statement. "In the context of China's ambition to achieve carbon neutrality by 2060, PetroChina International London and our parent company welcome the responsible policies taken by the EU to support the energy transition. We are pleased to enhance cooperation with European partners in green energy supply in the future," the firm said. Source : www.lngprime.com

GSI LAUNCHES SFL'S LNG-POWERED PCTC, VISTA SHIPPING'S TANKER

China's Guangzhou Shipyard International (GSI) has launched the second LNG-powered pure car and truck carrier it is building for Norway's SFL Corporation. According to statement by GSI, the LNG dual-fuel vessel with a capacity of 7,000 units was launched on May 23. SFL ordered in total four LNG-powered PCTCs with a capacity of 7,000 units at GSI. GSI launched the first vessel in this batch earlier this year. John Fredriksen-controlled SFL said in its recent quarterly report it expects to take delivery of car carriers Emden and Wolfsburg in the third and the fourth quarters of this year. Following delivery, these vessels will go on a long-term charter to German giant Volkswagen Group. In addition, the other two vessels, Thor Highway and Odin Highway, will work for Japan's K Line under charter deals, starting in 2024. Each vessel will be powered by MAN ME-GI two-stroke main engine and feature two 1.675-cbm LNG storage tanks provided by MAN Cryo, a unit of Germany's MAN Energy Solutions.

New tanker for Hafnia, CSSC Shipping

Besides the PCTC, GSI also launched the 110,000-dwt LNG-dual fuel crude oil and product tanker, Hafnia Larvik. This is Vista Shipping's third LNG-powered LR2 tanker. GSI recently hosted a naming ceremony for the second LNG-powered LR2 tanker for the joint venture of Singapore's Hafnia and CSSC Shipping. Naming of Hafnia Loire follows the delivery of the first LNG-powered tanker, Hafnia Languedoc. Both of these tankers will serve France's TotalEnergies under charter deals. Besides these two vessels, Vista Shipping also ordered two more LNG-powered LR2 tankers at GSI in 2021. Hafnia Larvik is the first in that batch. Following delivery in 2024, these two vessels will serve Norway's Equinor under charter deals. Source : www.lngprime.com

MISC'S LNG EARNINGS SLIGHTLY DOWN IN Q1

Malaysia's LNG shipper MISC, a unit of Petronas, said its LNG business logged a decrease in both revenue and operating profit in the January-March period. The shipping firm said its gas assets and solution business, which includes a fleet of LNG and ethane carriers, posted a revenue of 755.9 million ringgit ($163.4 million) and an operating profit of 384.8 million ringgit ($83.2 million) in the first quarter. Revenue declined by 0.2 percent year-on-year due to lower earning days mainly from a vessel disposal and contract expiry. This was however offset by the deliveries of two LNG carriers in the quarter, MISC said. Also, operating profit dropped by 1.6 percent due to lower revenue in the quarter, MISC said. MISC is one of the largest operators of LNG carriers and most of them are on long-term charters. It operates a fleet of 31 LNG carriers and two floating storage units.

"Healthy" financial performance

Looking at the overall quarterly results, MISC's operating profit of 825.5 million ringgit ($178.5 million) in the first quarter rose by 59.7 percent from 516.9 million ringgit a year ago. Group revenue of 3.07 billion ringgit rose by 7.4 percent. The company's CEO **Rajalingam Subramaniam** said in the statement that MISC has recorded a "healthy financial performance" in the first quarter. "Our robust performance stems from our core strength of forging partnerships with strategic clients, championed by our team who is committed to our strategic aspirations. Nevertheless, we are attentive to the slowing global growth and changing energy needs worldwide," he said.

MISC expects LNG earnings to remain "steady"

MISC said that spot charter LNG rates remained subdued in the first quarter of 2023 as mild winters and ample gas storage inventories in Europe and major Asian countries contributed to the increase in tonnage availability. As a result of the subdued spot rates, there is a rising preference by charterers to lock in charters at fixed time charter rates due to the uncertainty in the market, according to MISC. While prospects remain promising as demand is showing signs of recovery, limited supply growth will keep the supply and demand balance tight through 2023, MISC said. Notwithstanding the above, the operating income for the company's gas assets and solutions segment is expected to "remain steady", underwritten by its portfolio of long-term charters, MISC added. Source : www.lngprime.com

GTT'S SMART SHIPPING UNIT SCORES LNG CARRIER GIG FROM JOVO

GTT's unit Ascenz Marorka has secured two contracts from Chinese energy firm Jovo to equip two LNG carriers with its smart shipping solution. According to a statement by the French LNG containment giant, these contracts cover the installation of automatic data collection systems and intelligent software for managing and optimizing the energy and environmental performance of ships. Crew on board and personnel ashore will benefit from a comprehensive set of modules such as voyage management, LNG cargo optimization, machinery optimization, trim optimization, fuel monitoring, CII monitoring, EU MRV and IMO DCS reporting, it said. In addition, JOVO will also benefit from LNG features developed through GTT's expertise such as LNG cargo monitoring, boil-off gas management, and heel optimization, while both vessels will be equipped with the latest version of weather routing solution and services, the firm said. GTT did not provide the price tag of the deal. The two LNG carriers in question include Jovo's first 79,800-cbm mid-scale LNG carrier, Mulan Spirit. China's Jiangnan Shipyard is building this vessel and expects to deliver it by the end of this year. The vessel has dual-fuel engines and GTT's Mark III Flex containment system. Moreover, the second ship is the 2008-built 154,982-cbm, Arrow Spirit, previously known as Trinity Arrow. Jovo purchased this steam turbine LNG carrier, which also features GTT's Mark III containment system, this year from Shoei Kisen for some $85 million, VesselsValue data shows. Source : www.lngprime.com

CHINESE YARD LAUNCHES FIRST LNG-POWERED CONTAINERSHIP FOR SEASPAN AND ZIM

China's Jiangsu New Yangzi, a part of Yangzijiang Shipbuilding, has launched the first 7,000-teu LNG dual-fuel container vessel it is building for Seaspan and Zim. According to Yangzijiang Shipbuilding, the launching ceremony for ZIM Amber took place on May 24. This containership is also the first vessel which features a type B LNG tank built by Jiangsu Tianyang Green Ship Technology, a unit of Yangzi-Mitsui Shipbuilding. Yangzijiang Shipbuilding is building in total 15 7,000-teu LNG-dual fuel containerships powered by MAN ME-GI engines for Seaspan. Israel's Zim and Seaspan signed charter deals for these vessels back in 2021.Besides these ships, the two firms have also ten 15,000-teu LNG dual-fuel vessels on order at South Korea's Samsung Heavy Industries. ZIM Sammy Ofer is the first vessel in this batch, and ZIM Mount Everest and ZIM Mount Blanc are the second and the third. These vessels feature MAN ME-GI engines and GTT's Mark III membrane technology. Source : www.lngprime.com

HANWHA OCEAN SELECTS TMC COMPRESSORS FOR LNG CARRIER DUO

South Korea's Hanwha Ocean, previously known as DSME, has contracted Norwegian firm TMC Compressors to supply a complete marine compressed air system to two Maran Gas Maritime's LNG carriers. Under the contract, TMC said it will also supply control and service air compressors. The firm will manufacture the equipment in Europe and ship it to South Korea.

TMC did not provide the price tag of the deal. The two 174,000-cbm ships will equipped with a high-pressure dual-fuel propulsion engine and smart energy saving systems. Hanwha Ocean plans to deliver the vessels in 2026. Maria Angelicoussis-led Maran Gas recently booked two more LNG carriers at Hanwha Ocean scheduled for delivery by June 2027. Including these vessels, Maran Gas ordered in total 11 LNG carriers at DSME since November 2021. Source : www.lngprime.com

HOEGH LNG REPORTS RECORD QUARTERLY EBITDA

Hoegh LNG Holdings reported a record quarterly Ebitda, while the firm works to ensure its FSRU projects start operations as planned in Germany, France, and Brazil over the coming months. The group and its units reported a total income of $137.4 million and an Ebitda of $91.9 million for the first quarter of 2023, compared to $106.1 million and $51.9 million for the preceding quarter. The company's CEO Erik Nyheim said that Hoegh LNG has delivered the "strongest quarterly Ebitda reported by the company." According to Hoegh LNG, the increase in Ebitda of $40 million was mainly a result of Hoegh Giant, Hoegh Esperanza, and Hoegh Gannet being fully employed during the quarter, Hoegh LNG said. Moreover, Hoegh Giant earned a "very strong" charter rate in the first quarter of 2023, and the unit is currently idle after it finalized its interim LNG carrier time charter party, Hoegh LNG said. This 170,000-cbm FSRU Hoegh Giant will later this year head to Brazil to start the previously signed contract with a unit of Brazilian energy company Cosan. The FSRU is expected to start the contract from beginning of the third quarter this year, according to Hoegh LNG. Esperanza and Gannet are serving the FSRU-based facilities in Wilhelmshaven and Brunsbuettel in Germany. Hoegh LNG recorded a profit after tax of $34.1 million for the first quarter of 2023, up $38 million from a net loss after tax of $4 million in the preceding quarter.

Hoegh Gandria

The group's fleet comprises ten FSRUs and three LNG carriers. Hoegh LNG said that the entire fleet is either operating under or committed to long-term contracts with "strong" counterparties, except for the recently acquired Hoegh Gandria. In March, Hoegh LNG completed the purchase of the 2013-built LNG carrier Golar Seal from CoolCo for about $184.3 million. Hoegh LNG renamed the LNG carrier to Hoegh Gandria and this vessel has subsequently been at a yard in April for its 10th anniversary class renewal, it said. From late April, the vessel started employment on a one-year time charter contract, Hoegh LNG said. "Hoegh LNG's business development team is in active dialogue with several potential new projects looking for FSRU capacity which, amongst others, could provide potential opportunities to convert Hoegh Gandria to FSRU," the firm said.

Focus on FSRU contracts

Höegh LNG said its near-term focus is to ensure its FSRU projects start operations as planned by its customers in Germany, France, and Brazil over the coming months. Furthermore, the company is planning for start of the contract with AIE in Australia with expected launch towards the end of this year. Last year, Hoegh and Australian Industrial Energy (AIE), a unit of Squadron Energy, confirmed a long-term FSRU charter deal for the latter's Port Kembla import terminal in New South Wales. The group expects that the Ebitda for the second quarter of 2023 will be "somewhat lower than for the first quarter mainly due to expected idle time between end of interim LNGC contract and commencement of firm long-term FSRU contract for Hoegh Giant, and the very strong charter rate earned by Hoegh Giant in the first quarter." Source : www.lngprime.com

SOUTH KOREA'S DSME BECOMES HANWHA OCEAN

South Korean LNG shipbuilding giant Daewoo Shipbuilding and Marine Engineering (DSME) has officially changed its name to Hanwha Ocean. Conglomerate Hanwha Group signed a deal to buy a controlling stake in DSME in December last year and after that received all the approvals. The shipbuilder held an extraordinary general meeting of shareholders on May 23, approving all agenda items, including amendments to the articles of incorporation to change the company's name to Hanwha Ocean and the appointment of new directors, according to a statement by Hanwha. **Kwon Hyek-woong,** vice chairman of Hanwha's support division, will lead Hanwha Ocean as its chief executive officer. Moreover, Hanwha will become the majority shareholder of Hanwha Ocean with 49.3 percent of the company's shares through a rights offering worth 2 trillion won ($1.52 billion) and funded by its five affiliates, including Hanwha Aerospace and Hanwha Systems, it said. The shipbuilder won orders to build in total four LNG carriers this year. These include two vessels for Japan's MOL and two LNG tankers for Greece's Maran Gas. Last year, DSME set a record for the largest number of orders for LNG carriers in a year since its establishment, surpassing its yearly record of 37 LNG carriers in 2014. It won orders for a total of 38 LNG carriers in 2022. Source : www.lngprime.com

AWILCO LNG LOGS HIGHER Q1 EARNINGS

Norway-based shipping firm Awilco LNG, the owner of two 156,000-cbm carriers, reported higher earnings for the first quarter of this year. The company reported a profit for the quarter of $9 million, compared to $4.9 million in the prior quarter and $6 million in the same quarter last year. Net freight income of $20.5 million in the first quarter rose from $16.2 million in prior quarter and $14.1 million in the comparable quarter due to higher rates on the present charter contracts for its vessels compared to the previous contracts. Also, Ebitda reached $16.6 million in the first quarter, up from $12.1 million in fourth quarter and $11 million in the first quarter last year. The company's board authorized a cash dividend payment of 0.50 Norwegian krone per share.

Vessels to visit dock

Awilco LNG said its vessel utilization was 100 percent for the first quarter, up from 93 percent for the third quarter, with a net TCE of $113,800 per day. The company's vessels are chartered out on fixed rate time charters, with the first vessel coming open in third quarter of 2024. In November last year, Awilco LNG secured a new charter deal with a firm duration of about 18 months for the 2013-built WilForce. This contract started at the end of January 2023. In June, the firm revealed a charter deal with a "leading European LNG importer" for a firm period of three years and the 2013-built WilPride serves this contract. This contract started in December last year. In August and September 2023, both vessels will drydock for their scheduled second special survey, Awilco LNG said. The docking cost is expected to be about $12 million in total and in addition the vessels will be off-hire for about 50 days in total depending on positioning and repositioning time, it said.

STRONGER QUARTER

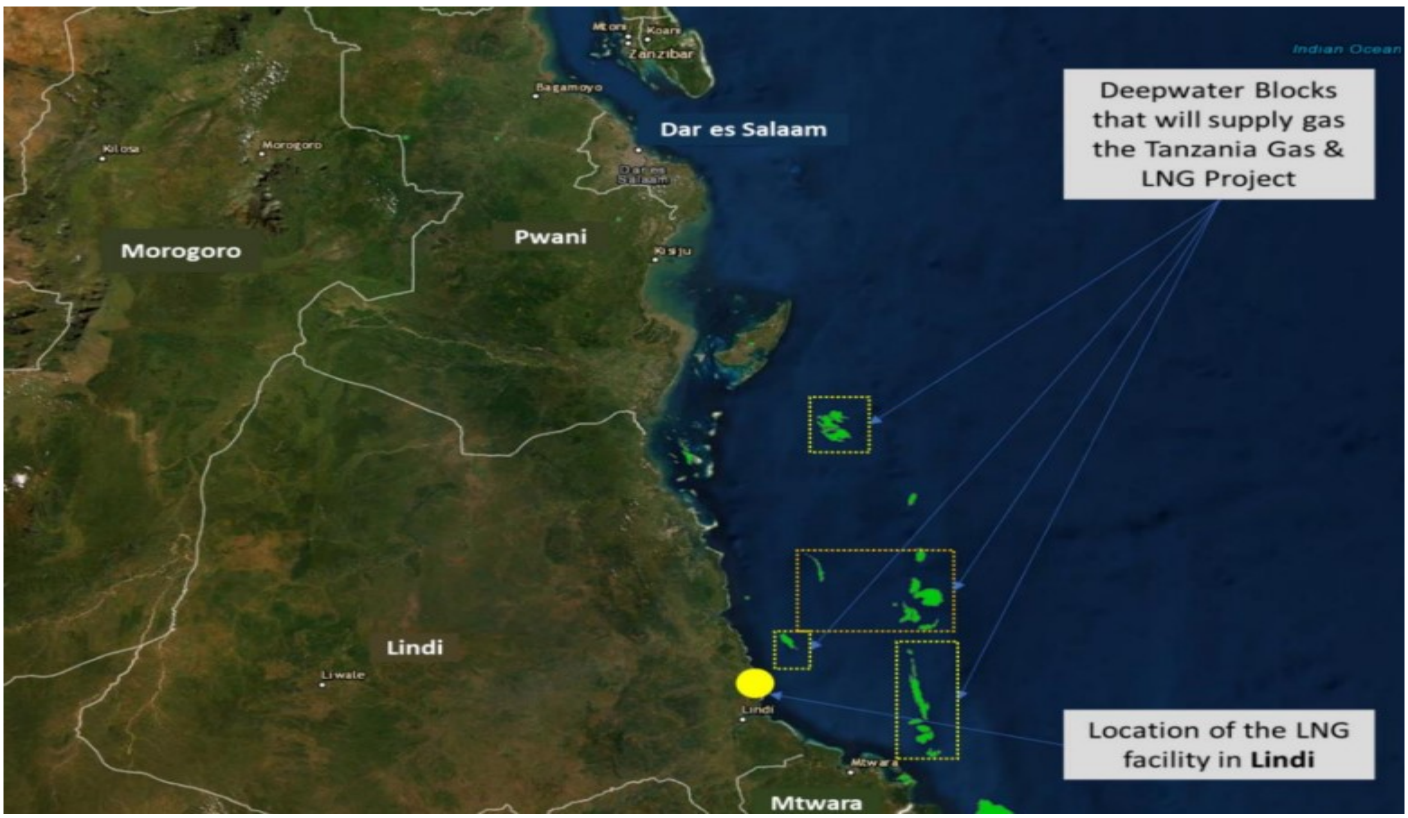
Awilco LNG's CEO Jon Skule Storheill said in the statement the company reported a "strong" profit of $9 million as both vessels have traded on fixed rate contracts with no off-hire throughout the entire period. "These contracts ensure solid earnings for the company in a volatile LNG transportation market," he said. "Despite low spot rates in this shoulder season we see interest and rate levels for period charters holding firm and focus from charterers seems to be very much on security of supply going forward," Storheill said. Source : www.lngprime.com

KAEFER SCORES QATARI LNG GIG

A unit of Germany's Kaefer has secured a contract to provide insulation services to QatarEnergy's giant LNG expansion project. Kaefer said in a statement that it won the contract from Consolidated Contractors Company for the North Field East project. The firm said this is its biggest contract win in the Middle East, but it did not provide the price tag of the deal. "This is one of the mega LNG projects in the world," Sanjay Kumar, managing director of Kaefer in Qatar, said in the statement. "The services we are providing are largely the same as those we have delivered on other similar projects around the world. However, the sheer scale of the project is what makes it special," he said. "At peak times we'll have up to 1,500 Kaefer people working on the project, and we'll have to bring more than 2,000 containers of materials to the site," Kumar said. State-owned LNG giant QatarEnergy recently awarded the engineering, procurement, and construction contract worth about $10 billion for the North Field South (NFS) project to a joint venture of Technip Energies and CCC. Prior to that, Technip and Chiyoda won the EPC award for QatarEnergy's North Field East project. The first phase of the expansion project includes the construction of four mega trains and will increase Qatar's LNG production capacity from 77 to 110 Mtpa, while the second phase includes the construction of two trains and will further boost capacity to total 126 Mtpa. Source : www.lngprime.com

SHELL AND EQUINOR MOVING FORWARD WITH GIANT TANZANIA LNG PROJECT

Shell and Equinor are expecting to sign a host government agreement and a production sharing agreement for the giant Tanzania LNG export project in the following weeks. Shell Tanzania chair Jared Kuehl and Equinor's Tanzania country manager Unni Fjaer revealed this in separate LinkedIn announcements last week. In March, Tanzania's energy minister January Makamba said that discussions between the government of Tanzania and the project's investors Shell, Equinor, and their partners were completed. The minister said at the time that experts were working on two large contracts, and each of the contracts has more than 600 pages. One contract is for the HGA and the other is the PSC contract for three natural gas blocks which will supply the LNG project worth more than $30 billion. New reports suggest that the value is now about $42 billion. Equinor and Shell are both operators of large gas discoveries off the country's coast. The Norwegian firm and partner ExxonMobil discovered more than 20 trillion cubic feet of gas in Block 2 offshore Tanzania, according to its website. Also, Shell has about 16 Tcf of natural gas in Block 1 and 4. The capacity of the planned LNG export facility in Lindi is expected to be at least 10 million tonnes per year.



<u>"Significant milestone"</u>

Equinor's Fjaer said in the post that "negotiations on key agreements between the international energy companies (IECs) and the Tanzanian government are now concluded, and the documents are now subject to final reviews and approvals before their expected signing in the following weeks." Shell's Kuehl also confirmed this in his post. "Subject to successful completion of the assurance process over the coming weeks, we anticipate signing a host government agreement (HGA) that covers the onshore elements of the project, and a production sharing agreement (PSA) that oversees its upstream component," he said. Kuehl said this is a "significant milestone" on the long path to realizing such a major project like Tanzania LNG, with the next steps involving a period of time of detailed engineering design work. "Equinor and Shell, as joint operators, are pleased with the steps forward and remain focused on continuing to work together with our partners (ExxonMobil, MedcoEnergi, and Pavilion Energy), TPDC and of course the government of Tanzania," he said. Source : www.lngprime.com

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