LNG NEWS WEEKLY 18TH AUGUST '24

KNUTSEN LNG CARRIER TIPPED AS HYUNDAI MARINE'S FIRST FSU JOB

Newly South Korean-stocklisted HD Hyundai Marine Solution has secured its first job to convert a 20-year-old LNG carrier believed to be controlled by Norway's Knutsen OAS Shipping into a floating storage unit in a $30m deal.Hyundai Marine said it was awarded the work by a European shipping company to convert a 138,000-cbm, 2004-built LNG carrier into an FSU that will be located in Central America and used to supply LNG to power plants. A spokesperson for Hyundai Marine said that as per the client's request it is not allowed to disclose the name of the ship or its owner. The conversion is expected to be completed and the FSU installed in the first half of next year. Clarksons Shipping Intelligence Network database lists only three steam turbine LNG carriers that fit that description, two of which are Spanish-built vessels controlled by Knutsen OAS Shipping. TradeWinds understands the ship to be converted is expected to be a vessel controlled by Knutsen — either the 138,000-cbm Bilbao Knutsen or the 138,826-cbm Cadiz Knutsen (both built 2004). One source indicated that the Bilbao Knutsen was the more likely candidate. But full details about the selected vessel have yet to emerge. The shipowner has been contacted for confirmation and further details. Those following the business suggested the converted vessel could be utilised for a project being proposed by local energy developer Genesis in Puerto Cortes, Honduras. Genesis' website says: "We have a terminal and an FSU ship to achieve the distribution of LNG in the Central American region and provide solutions for the different industrial needs in the economies." But a link to further details about the company's project brings up a "page under construction" note. Shipowners are looking to offload their steam turbine LNG carriers or find alternative uses for them as new environmental regulations make these vessels more difficult to trade on a global basis. The vessels also rank as small and less efficient than the modern two-stroke LNG vessels currently emerging from shipyards. Hyundai Marine said it will handle the design, procurement, manufacturing, transportation, installation and commissioning of the FSU.Company officials were quoted in the South Korean media as describing the project as "one of the most challenging" it has undertaken. Hyundai Marine debuted on the Korea Exchange in May. The ship repair and maintenance company is controlled by the conglomerate HD Hyundai Group, which holds a 55.8% stake. US private equity company KKR is the second-largest shareholder with a 24.2% stake. Hyundai Marine is headquartered in Busan in the south of the country and is targeting working on what is expected to be a rise in work for vessel upgrades and retrofits. Source: www.tradewindsnews.com

YANGZIJIANG'S FIRST LNG CARRIERS TO REMAIN IN-HOUSE

China's Yangzijiang Shipbuilding is constructing its first two LNG carriers on speculation after shipping interests linked to the vessels opted not to move forward with the ships. TradeWinds has been told that payment instalments on Hull Nos YZJ2022-1475 and YZJ2022-1476 have not been made and the yard is opting to continue with their construction for its own account.The two 175,000-cbm vessels are due for delivery in December 2025 and April 2026, respectively. The first vessel is expected to undergo sea trials from Jiangsu Yangzi Xinfu Shipbuilding Co's yard in Taixing, Taizhou, next year. The two newbuildings were secured by the yard in October 2022 and were the first LNG carriers to be contracted by the shipbuilder. Unveiling the orders, Yangzijiang's executive chairman and chief executive Ren Letian said in 2022 that the order marked "a new chapter for the group". The company no longer comments on specific business. At the time, Germany's Hammonia Reederei was linked to the newbuilding duo and the company is listed as the owner of the vessels on Clarksons' Shipping Intelligence Network database. The non-state-owned yard and owner were said to have a long relationship together on newbuildings. But shipowning sources said both vessels have been quoted as being built on speculation by the yard for some time. Hammonia Reederei has been contacted for confirmation and comment. No price is listed against the LNG newbuildings but similar vessels contracted at Chinese yards in the same quarter of 2022 were priced at about $235m each. This compares with levels at closer to $260m today. Yangzijiang is expected to start marketing the LNG carrier newbuildings for sale in the coming months. But brokers said there is less appetite for speculative tonnage at present with several ships contracted by big-name owners remaining open.They pointed to the Biden administration's pause on new liquefaction projects in the US as one of the factors that is upsetting market dynamics and blurring the demand picture for the next few years. Little new LNG volume was expected to come onto the market in the next two years but the picture is set to change as projects come online from 2026. But last week, US LNG producer Cheniere Energy chief commercial officer Anatol Feygin, who was speaking on a results call, told analysts that supply constraints in the LNG market are being pushed out by around a year to 2026 to 2027, when new capacity should start up. In addition, shipowners and brokers said that would-be buyers for these vessels could prove cautious as these are the shipbuilder's first attempt at LNG carrier construction. They also stressed that any buyer would likely need to have lined up a charter in advance of any purchase. Source: www.tradewindsnews.com

SECOND SHADOW SHIP LOADS AT RUSSIA'S ARCTIC LNG 2

A second shadow LNG carrier loaded at Russia's sanctioned Arctic LNG 2 project last weekend in advance of the arrival of gravity-based structure number two (GBS2).Eikland Energy-controlled data provider iGIS/LNG provided imagery to TradeWinds of the 137,231-cbm Asya Energy (ex-Trader IV, built 2002) loading at GBS1, which started production in late 2023. Managing director Kjell Eikland said the vessel began "spoofing" its AIS position on Saturday before being identified as alongside at the plant, where its Moss-type cargo tanks in iGIS/LNG's imagery made it easy to recognise. The ship left the Novatek-controlled liquefaction plant on 11 August before the imminent arrival of GBS2. While eyes are trained on the shipments from Novatek's liquefaction project, a close watch is also being kept on the tow of GBS2 which is expected to arrive at the Arctic LNG 2 site within days. The vessel made headlines in June after becoming the first LNG carrier to pass through the Red Sea and Suez Canal since mid-January when all other LNG traffic had avoided the region because of the Houthi attacks on merchant shipping. The ship, which was previously owned by Capital Gas, is now listed in the fleet of Dubai-based Nur Global Shipping. A week earlier, another vessel controlled by Nur Global, the 138,000-cbm Pioneer (built 2005), loaded a first shipment from Arctic LNG 2. The Pioneer also conducted some AIS spoofing of its position in an apparent effort to hide its position at the liquefaction facility. All eyes are now on this vessel, which is heading south towards the Atlantic coast of western Europe, with interest focused on where it will discharge its cargo. The US sanctioned Arctic LNG 2 in November 2023 along with some of the specialised ice-breaking tonnage being constructed for the project. In response, it would appear that Russian interests have acquired access to a fleet of at least eight LNG carriers — several of them older steam turbine ships — that are being used to take initial cargoes. Source: www.tradewindsnews.com

GOLAR EXPECTS TO INK EPC DEAL FOR FLNG CONVERSION IN Q3 2024

Floating LNG player Golar LNG expects to enter into a yard EPC contract to convert its 148,000-cbm Moss-type carrier, Fuji LNG, into an MKII FLNG within the third quarter of this year. Golar revealed this in its second-quarter results report on Thursday saying that long lead items already ordered are now 63 percent complete. If the order is placed within this timeframe, the 3.5 mtpa MKII FLNG will be delivered within 2027, the firm said. According to Golar, the "all-in FLNG price remains at an industry-leading ~$600 million/mtpa." This includes donor vessel, EPC, transport, installation and commissioning, all owner's costs, insurances, allowances and contingencies, excluding financing costs. "As part of the yard discussions, we have also secured an option for a second MKII FLNG for delivery within 2028," Golar said. Golar exercised its option last year to acquire

Fuji LNG, which it aims to convert to a floating LNG producer. The company took delivery of Fuji LNG on March 4, 2024 and said that it will trade on a multi-month charter ahead of its expected transfer to the yard for FLNG conversion. The company did not mention the name of the yard. In November last year, Singapore's Seatrium delivered Golar's converted floating LNG producer, Gimi, which serves BP's Greater Tortue Ahmeyim FLNG project offshore Mauritania and Senegal. This is the world's second converted floating LNG producer and joined Golar's Hilli, also converted by Seatrium and currently located offshore Cameroon's Kribi.

Argentina FLNG

Golar previously said its focus is on redeployment of its FLNG Hilli following the end of the FLNG's current charter in July 2026, and thereafter ordering and securing commercial terms for a contemplated MKII FLNG. The company recently entered into definitive agreements with Argentina's Pan American Energy for a 20-year deployment of Hilli in Argentina. The FLNG project will monetize Argentine gas, tapping into the vast resources from the Vaca Muerta shale formation in the Neuquina Basin, the world's second-largest shale gas resources. Golar expects the project to start LNG exports within 2027. According to Golar, a final investment decision is expected before year-end subject to receipt of regulatory and environmental approvals and satisfaction of customary closing conditions. With a nameplate capacity of 2.45 mtpa and assuming 90 percent capacity utilization, a re-deployed FLNG Hilli Episeyo is expected to generate an Adjusted Ebtda per MMBtu of about $2.6, equivalent to annual Adjusted Ebidta of about $300 million, with a commodity-linked pricing element additional to this, Golar said. As part of the agreements, Golar will also hold a 10 percent stake in Southern Energy, a dedicated joint venture with PAE, responsible for the purchase of domestic natural gas, operations, and sale and marketing of LNG volumes from Argentina. "This initiative is envisaged to be the first phase of a multi-vessel project. In addition to FLNG Hilli Episeyo, this opportunity represents one of several potential deployment prospects for a 3.5 mtpa MKII FLNG," Golar said in the financial report.

Commercial team expanded

"Golar's offering as the only proven operator of FLNG as a service and planned available liquefaction capacity from 2027/2028 continues to be met by strong prospective client interest for additional FLNG projects," the company said in the report. FLNG project opportunities in West Africa, South America, the Middle East and Southeast Asia are at various stages of development, it said. In that regard, the commercial team has been further expanded with two senior resources, according to the firm.

Gimi

Golar and energy giant BP, the operator of the delayed Greater Tortue Ahmeyim project located offshore Mauritania and Senegal, recently resolved a dispute related to daily payments for Golar's converted FLNG, Gimi. The floating LNG player is now contractually entitled to receive daily payments from January 10, 2024 until the commercial operations date. Back in 2019, the two firms signed a 20-year lease and operate agreement for the FLNG to work on the GTA field. Golar announced in January this year the arrival of the FLNG at the site of BP's GTA project. However, the FLNG then proceeded to moor offshore

Tenerife while awaiting completion of the necessary preparatory activities. BP said the unit arrived at the GTA hub in February. BP's project has been delayed due to the subsea scope and the project's FPSO arrived at the GTA project in May. Following the commercial reset of pre-COD contractual arrangements, Golar, BP and Kosmos Energy have agreed to use an LNG commissioning cargo to accelerate the commissioning schedule. A BP and Kosmos procured LNG cargo is expected to arrive at the GTA hub within August, Golar said. "The commissioning cargo is intended to parallel process the commissioning of the GTA FPSO and FLNG Gimi, and targets to shorten the time to COD," Golar said. First LNG is expected in the fourth quarter of 2024. source:www.lngprime.com

ALEXANDROUPOLIS FSRU WRAPS UP FINAL TESTS

Gastrade's FSRU-based LNG import terminal off Alexandroupolis has completed final tests following an issue with the project's pipeline. "Final tests have been successfully completed," a Gastrade spokeswoman told LNG Prime on Wednesday. "The COD (commercial operation date) is still planned for October 1, 2024, to coincide with the start of the next gas year," she said. The 2018-built 174,000-cbm LNG carrier, GasLog Hong Kong, delivered on February 18 the commissioning cargo from the US to the 153,600-cbm FSRU, Alexandroupolis. Gastrade said on April 5 that the company planned to launch commercial operations at the end of April and receive the next LNG cargo in mid-May. However, the company postponed the launch due to a "technical issue" that was faced during the commissioning process of the terminal, it said on May 2. Last month, Gastrade said the issue that was identified during commissioning in the pipeline system of the project was "under rectification" and the new COD is anticipated for October 1.

First Greek FSRU

Gastrade's shareholders include founder Copelouzou, DESFA, DEPA, Bulgartransgaz, and GasLog. This is Greece's first FSRU and the second LNG import facility, adding to DESFA's import terminal located on the island of Revithoussa. The Alexandroupolis LNG terminal will have a capacity of 5.5 bcm. Greece's converted FSRU arrived in Alexandroupolis from Singapore on December 17, 2023, while mooring hook-up was completed on December 23. The FSRU is located in the sea of Thrace at a distance of 17.6 km SW from the port of Alexandroupolis and 10 km from the nearest coast of Makri. It is connected to a high-pressure subsea and onshore gas transmission pipeline. Italy's Saipem announced in April this year that the pipeline project had been completed. The work included the offshore installation of 24 kilometers of pipeline with its pipelay vessel Castoro 10. Following commercial launch, the pipeline will deliver natural gas to the Greek transmission system and onwards to the final consumers in Greece, Bulgaria, Romania, North Macedonia, Serbia and further to Moldova and Ukraine to the East and Hungary and Slovakia to the West, Gastrade previously said. source:www.lngprime.com

HANWHA OCEAN KICKS OFF WORK ON BW LNG'S CARRIER

South Korea's Hanwha Ocean has officially started building a new 174,000-cbm LNG carrier for BW LNG, a unit of Singapore-based gas shipping giant BW. BW LNG announced the steel-cutting ceremony in a social media post on Thursday for one of its four LNG newbuilds. The ceremony for the vessel with hull number 2544 took place on July 24 at the Hanwha Ocean yard in Geoje. Back in 2022, BW LNG confirmed orders for four 174,000-cbm LNG carriers at Hanwha Ocean, previously known as DSME. According to BW LNG's website, this vessel with number 2544 is the third in that batch. The vessel features ME-GI propulsion, full reliquefaction system, air lubrification system and shaft generators, giving "superior fuel consumption and best-in-class emissions," BW LNG claims. Hanwha Ocean will deliver the four new LNG carriers to the owner in 2025. Including these newbuilds, BW LNG has 30 vessels in its fleet. This includes 10 steam carriers built between 2003 and 2008, 7 TFDE vessels, and the rest are ME-GI ships. In addtion, BW LNG has five floating storage and regasification units. The FSRUs are BW Batangas, BW Integrity, BW Magna, and BW Tatiana. Last year, BW LNG sold its 2015-built FSRU BW Singapore to Italy's Snam for about $400 million. source:www.lngprime.com

CHENIERE SECURES STRATEGIC LNG DEAL

Cheniere Energy, a leading producer and exporter of liquefied natural gas (LNG) in the United States, continues to strengthen its position in the global LNG market through strategic agreements and expansion projects. In a notable move, Cheniere Marketing, a subsidiary of Cheniere Energy, has announced a long-term LNG sale and purchase agreement (SPA) with Galp Trading, a subsidiary of Galp Energia of Portugal. Under the terms of the agreement, Galp will purchase approximately 0.5M tonnes per annum (mta) of LNG for 20 years. The purchase price is indexed to the Henry Hub price, with a fixed liquefaction fee. Deliveries are set to commence in the early 2030s, contingent on a positive final investment decision (FID) for the second train of the Sabine Pass Liquefaction Expansion Project (SPL Expansion Project). Cheniere president and chief executive Jack Fusco expressed his enthusiasm, stating, "We are pleased to enter into this long-term agreement with Galp, a leader across Iberia's energy sector, which reinforces the critical role US natural gas is expected to play in Europe's energy mix into the second half of this century." The Galp agreement is one of several recent strategic agreements secured by Cheniere. In November 2023, Cheniere's Sabine Pass Liquefaction Stage V entered into an integrated production marketing agreement with ARC Resources US Corp, a subsidiary of ARC Resources Ltd. This agreement involves the purchase of 140,000 MMBtu per day of natural gas at a price based on the Dutch Title Transfer Facility, minus a fixed regasification fee, fixed LNG shipping costs and a fixed liquefaction fee. The 15-year term will commence with the commercial operations of the first train of the SPL Expansion Project, subject to a positive FID by Cheniere Energy Partners (CQP). Cheniere Marketing also entered into long-term SPAs with Foran Energy Group, BASF, ENN LNG (Singapore), Equinor and Korea Southern Power. These agreements cover an estimated 106M tonnes of LNG, with deliveries expected between 2026 and 2050. Approximately 65M tonnes are contingent on a positive FID for the first or second trains of the SPL Expansion Project. These SPAs also permit Cheniere

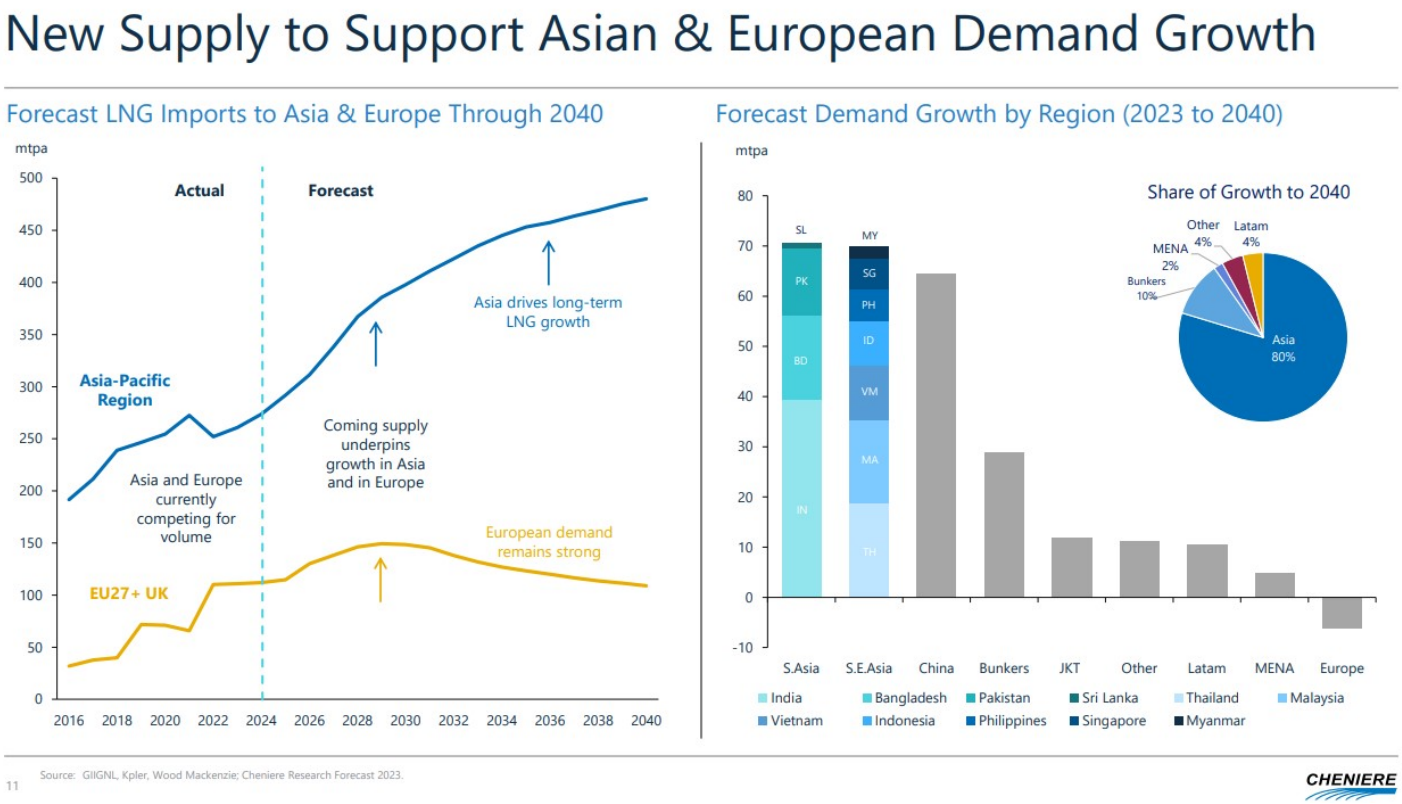
Marketing to assign or novate the agreements to certain affiliates, enhancing the flexibility and reach of these contracts. Cheniere's expansion projects and regulatory filings further underline its strategic growth. In May 2023, certain subsidiaries of CQP began the prefiling review process with the Federal Energy Regulatory Commission under the National Environmental Policy Act for the SPL Expansion Project. Earlier, in April 2023, a subsidiary of Cheniere executed a contract with Bechtel to provide front-end engineering and design work for the project. The SPL Expansion Project aims to add up to approximately 20 mta of LNG capacity, including debottlenecking opportunities. Additionally, Cheniere is progressing with the Corpus Christi Liquefaction Midscale Trains 8 & 9 Project and in July 2023, the Department of Energy authorised Cheniere to export LNG to Free Trade Agreement countries. source:www.rivieramm.com

CHENIERE EXPECTS ASIAN LNG DEMAND TO NEARLY DOUBLE BY 2040

US LNG exporting giant Cheniere expects Asian LNG demand to nearly double by 2040, while Europe will also need "significant" volumes of LNG in the long term.Cheniere is the largest LNG exporter in the US. The company's Sabine Pass facility in Louisiana currently has a capacity of about 30 mtpa following the launch of the sixth train in February 2022, and its three-train Corpus Christi plant in Texas can produce about 15 mtpa of LNG. The Corpus Christi facility is undergoing expansion to add more than 10 mtpa of capacity, while the company also plans further expansion for this plant and the Sabine Pass plant.

Asia and Europe

Cheniere produced and exported about 3,570 cargoes from its Sabine Pass and Corpus Christi terminals since 2016. During the last couple of years, most of these cargoes landed in Europe. However, after nearly two full years of focus on Europe and its energy crisis, Asia has in the first half of 2024 regained the spotlight in the LNG marketplace, Cheniere's executive VP and chief commercial officer, Anatol Feygin, said during the second-quarter conference call on August 9. "We believe this rebound is supportive of our long-term market thesis, namely that as the supply curve pushes out into the right and market liquidity continues to increase in the coming years, we will see incremental demand growth in both Europe and Asia," he said. Feygin said market analysts agree that Asia remains the primary driver of LNG demand growth over the longer term. "As you can see from the chart to the left, we expect Asian demand to nearly double by 2040. So the supply availability is not constrained," Feygin said. "However, Europe will still need significant volumes of LNG now and in the long-term and will continue to compete with Asia as domestic production and regional pipe imports continue to decline," he said.



China is not the only growth driver

He said the growth in Asia is not driven by China alone, but rather spread across numerous markets in Asia, enhancing the durability of growth in the region over the coming decades. “On previous calls, we have highlighted the significant growth potential of South and Southeast Asian markets and believe that these stands to particularly benefit from the coming increase in LNG supply, supporting grid stability and ensuring system flexibility and resiliency,” Feygin said. Ahead of this supply cycle, Cheniere expects the market to continue to balance primarily on the demand side. The expectation of growing supply from 2026 onwards should alleviate the constraints on demand growth, especially as moderate prompt LNG and gas prices prevail, he said. “This would help both Europe and Asia, equally, in realizing security of supply as Europe will be better able to meet its requirements to replace Russian gas while backstopping growth in renewables, and Asia will be better equipped to displace coal and offset regional production declines while underpinning investments in gas infrastructure and high-growth developing economies,” Feygin said.

Cheniere’s 40th delivery market

Talking about the second quarter this year, he said the supply-demand balance remained “delicate” in the LNG market. “Looking at the center charts, global LNG trade growth was constrained by minimal supply growth during the quarter, with Asia’s increased demand met by attracting cargoes in the Atlantic Basin via higher prices,” he said. Feygin said this demand pull from Asia is further evidenced by US LNG export flows, which continue to shift from Europe to Asia during the quarter. “The growth in global supply was partially offset as Egypt flips back to an LNG importer and other export facilities suffered protracted outages," he said. "The limited incremental supply, Asia's consumption growth was primarily dominated by China and India, leaving little volume for relatively new market areas such as Hong Kong, Vietnam, and the Philippines, which actually became our 40th delivery market last week," he said. "We expect this seemingly fragile market balance to continue until additional LNG export capacity comes online," he said. source:www.lngprime.com

FLEX LNG REPORTS LOWER Q2 RESULTS, EXPECTS HIGHER EARNINGS IN H2

Norwegian LNG carrier owner Flex LNG reported lower net income and revenue in the second quarter of this year, but the company expects its revenue to increase in the second half due to a new fixed hire contract. Flex LNG also announced two new financing facilities. The owner of 13 LNG carriers said on Wednesday vessel operating revenues were $84.7 million for the April-May period, a drop compared to $86.7 million in the second quarter last year and from $90.2 million in the prior quarter. The shipping firm controlled by billionaire John Fredriksen reported net income of $21.8 million in the second quarter, down compared to $39 million in the same quarter last year, and down compared to $33.2 million in the prior quarter. Average time charter equivalent (TCE) rate was $72,385 per day in the second quarter of 2024 and compares $76,539 per day for the first quarter 2024, and $77,218 per day in the second quarter of 2023. Flex LNG declared a dividend for the second quarter 2024 of $0.75 per share. The company has 12 LNG carriers on fixed hire time charters, including to US LNG exporter Cheniere, while the LNG carrier Flex Artemis trades in the spot market. In May, the company secured a new charter deal with a "large Asian LNG importer" for the 2019-built 173,400-cbm, Flex Constellation, the company's fourth contract so far this year. In April, Flex LNG clinched a time charter extension from US LNG exporter Cheniere for its 2018-built 173,400-cbm LNG carrier, Flex Endeavour. Prior to this, Flex secured two charter extensions from UK-based energy giant BP for the 2019-built 173,400-cbm, Flex Courageous, and the 2020-built 173,400-cbm LNG carrier, Flex Resolute.

Seasonally low spot rates

CEO Øystein Kalleklev said Flex LNG's second quarter "came in as guided with revenues of $84.7 million, which was in line with our guidance of "close to $85 million." He said the second quarter is generally the weakest quarter of the year, and this was also the case this year with spot earnings bottoming out during the first half of the quarter in line with the normal seasonal pattern. "Seasonally low spot rates affected the quarterly earnings for Flex Artemis, our only ship on variable hire linked to the spot market, as well as Flex Constellation, which traded spot for a short period during April and May before she commenced a 10-month fixed hire time charter in May," he said. This new time charter is this fixed until end of first quarter 2025 with the charterer having an option to extend the vessels by one year until end of first quarter 2026. "The seasonal slowdown in the market during the second quarter is also the reason why we put two ships in drydock during the quarter," Kalleklev said. During the quarter, Flex LNG completed the five-year special survey of the sister ships Flex Constellation and Flex Courageous according to plan and budget. "Both ships were back in operation during the quarter, and we have no more drydocking stays planned for the rest of the year," he said. "We expect our revenues to increase in the second half of the year due a new fixed hire contract for Flex Constellation, higher earnings for the ship with variable hire as spot rates have been picking up and the fact that we have no more scheduled off-hire for the year," he said. "For the third quarter, we therefore expect revenues to increase to approximately $90 million," Kalleklev said.

Two new financing facilities

"While we recently carried out a balance sheet optimization program, we haven't stopped exploring ways to further optimize our balance sheet," he said. Hence, Flex LNG announced two new financing facilities. On the back of the recent charter extension of Flex Endeavour, Flex LNG has secured an "attractive" $160 million sale and leaseback maturing in 2034," Kalleklev said. Additionally, Flex LNG has secured a new $270 million bank loan for Flex Aurora and Flex Ranger which will mature in 2030. These two new facilities will refinance an existing $375m bank facility, subject to final documentation and customary closing conditions. "The $375 million facility is our first scheduled debt maturity in Q2-2028. Hence, by refinancing this facility we have not only addressed our first debt maturity, but we have achieved lower cost of financing, extended debt maturity and repayment profile while at the same time raising net cash proceeds of approximately $97 million," Kalleklev said. At quarter-end, Flex LNG had a "healthy" cash balance of $370 million. "Our pro-forma cash balance adjusted for this refinancing thus increase to a solid $467 million," he said. "The combination of a solid cash position, high degree of earnings visibility with minimum 47 years of firm backlog which may grow to 66 years if charterers utilize their extension options, improved earnings outlook for the second half of the year and the positive long-term outlook for the LNG market all contribute to Flex LNG being well positioned and this is reflected in our dividend," Kalleklev said. source:www.lngprime.com

PEMBINA SEES HIGH INTEREST IN CEDAR LNG VOLUMES

Canada's Pembina Pipeline is in talks with several potential LNG buyers to sell volumes from the $4 billion Cedar LNG project, according to its management. In June, Pembina and the Haisla Nation took a positive final investment decision on the LNG project which is expected to be in service in late 2028. The Haisla Nation has a 50.1 percent stake and Pembina owns 49.9 percent in the project which includes the construction of a floating LNG facility with a nameplate capacity of 3.3 million tonnes per annum (mtpa), located in the traditional territory of the Haisla Nation, on Canada's West Coast. Cedar LNG has secured 20-year take-or-pay liquefaction tolling services agreements with ARC Resources and Pembina for 1.5 mtpa of LNG each. It also signed a 20-year take-or-pay fixed toll contract with compatriot ARC Resources. As part of the agreement, ARC will supply Cedar LNG with about 200 million cubic feet per day of Canadian natural gas for liquefaction at the Cedar LNG facility. Pembina has executed an identical bridging agreement with Cedar LNG for 1.5 mtpa of capacity and is working to assign its contracted capacity to a third-party.

Ramping up marketing efforts

Pembina's senior VP and corporate development officer, Stuart Taylor, provided an update regarding the talks with potential offtakers during the company's Q2 earnings call on August 9. "So we're now following the FID announcement and progress. We are ramping up our marketing efforts, looking at the remaining capacity of Cedar," he said. "I will say that as our project became more real with the FID announcement, our interest is high," Taylor said. "We've been working with a number of potential off takers that we've had conversations for a long period of time, but we do have some renewed and new interest coming in as well.," he said. "So we're excited and optimistic of progressing those conversations to completion with a target to have as much of that completed in 2024. So we're optimistic and excited and continue to make progress with potential offtakers," he said.

Cedar LNG contracts

In April, Cedar LNG issued a notice to proceed to Samsung Heavy Industries and Black & Veatch for Cedar LNG's floating LNG production unit following the finalization of long-term commercial offtake agreements. SHI is responsible for the hull of the FLNG and topside plant processes, while Black & Veatch will provide its PRICO technology. French LNG containment giant GTT recently also said it has secured a tank design order from Samsung Heavy for the FLNG. Under the deal, GTT will design the tanks of this FLNG, which will have a total capacity of 180,000 cbm, and will incorporate GTT's Mark III Flex membrane containment system. Also, Baker Hughes has secured an order from Black & Veatch to supply the LNG project with electric driven liquefaction technologies, while Chart will provide natural gas liquefaction cold boxes and brazed aluminum heat exchangers. source:www.lngprime.com

LNG CROATIA EXTENDS BID DEADLINE FOR CAPACITY EXPANSION CONTRACTS

State-owned LNG terminal operator LNG Croatia extended the deadline for bids for two contracts related to the capacity expansion of the FSRU-based LNG import facility on the Croatian island of Krk. LNG Croatia is extending the deadline for the delivery of bids until September 3, 2024, it said in a statement. This is due to "numerous inquiries from potential bidders and considering that the procurement procedure and its course cover August, when communication with bidders is predictably slow because of the vacations and national holidays," the company said. Previous deadline for submitting offers was August 8, 2024. The company said in a statement on July 1 that the public procurement procedure had been initiated for the "FSRU vessel LNG Croatia conversion services for the needs of capacity increase". According to tender documents posted by LNG Croatia, the two contracts are worth in total 17 million euros ($18.7 million), excluding taxes. The first contract is for services which include installation, implementation, and commissioning of the new module and equipment on the FSRU. This contract is worth about 15 million euros. The documents show that the contract is expected to start on September 19, 2024 and to last until the end of 2025. As per the second contract worth about 2 million euros, it includes procurement and installation of electrical power equipment for the integration of the FSRU with the module and meeting facility.

Module built in China

In November last year, Chinese shipbuilder Nantong CIMC Sinopacific Offshore & Engineering has secured a contract from a unit of Finland's Wartsila to build one regasification module that will be installed onboard the 140,000-cbm FSRU, LNG Croatia. Earlier the same year, Norway-based Wartsila Gas Solutions won the contract worth about 22.9 million euros ($24.7 million) to supply the regasification module for the FSRU that serves LNG Croatia's Krk LNG import facility. The new module will supplement the vessel's existing onboard Wartsila regasification system and increase the FSRU terminal's capacity with 212 mmscfd (million standard cubic feet per day) or 250,000 cbm per hour. The current three LNG regasification units have a maximum regasification rate of 451,840 cbm per hour. Following the upgrade, the Krk LNG facility will have a capacity of about 6.1 bcm per year. Wartsila Gas Solutions said the module will be installed during summer 2025.The European Commission recently approved a 25 million euro Croatian measure to support the expansion of the LNG terminal. This measure will support the installation of the additional regasification module. The expansion will cost about 180 million euros, while the bigger part of the project includes the construction of a new pipeline from Zlobin to Bosiljevo worth about 155 million euros.

Croatian FSRU received 98 cargoes

Back in 2020, China's Huarun Dadong and its shareholder Hudong-Zhonghua completed the conversion of the 2005-built 140,000-cbm vessel, Golar Viking, to an FSRU. After that, the FSRU departed to the island of Krk, and received its first commercial LNG cargo in January 2021. Croatia's FSRU-based Krk terminal recently received its 98th LNG cargo on August 12, 2024 since the launch of operations in January 2021, according to LNG Croatia. The FSRU recently also received its first LNG cargo from Algeria. The Croatian FSRU mainly receives shipments from the US, but it also received cargoes from Qatar, Nigeria, Egypt, Trinidad, Indonesia, and reloads from European terminals. LNG Croatia is owned by Croatian state-owned power utility HEP and Plinacro, the national gas transmission system operator (TSO), with 85 percent and 15 percent, respectively. Hungary's MFGK and a unit of Switzerland-based trading firm MET are some of the users of the facility.

source:www.lngprime.com

PERTAMINA'S PGN INKS DEAL WITH DONGGI-SENORO LNG

PT Perusahaan Gas Negara (PGN), a unit of Indonesia's Pertamina, has signed a deal to buy liquefied natural gas from compatriot producer Donggi-Senoro LNG. According to a filling to the stock exchange, PGN and DSLNG have signed an umbrella contract for the purchase of LNG through a master LNG sale and purchase agreement. The two firms also signed a confirmation memorandum for the purchase of one LNG cargo in September. PGN said the LNG cargo will have a volume of about 135,000 cbm, equivalent to 3,159,000 MMBtu. Also, the MSPA will expire on December 31, 2029, and can be extended or terminated earlier according to the agreement of both parties, it said. “At the time of reporting, the contract between the company and DSLNG will add gas supply from LNG regasification for the West Java, South, and Central Sumatera areas," PGN said. DSLNG is a joint venture consisting of Pertamina Hulu Energi (29 percent), Medco LNG Indonesia (11.1 percent) and Sulawesi LNG Development, a JV of Mitsubishi and Kogas (59.9 percent). The DSLNG plant is located in the province of Central Sulawesi, about 45 km south-east of Luwuk, and consists of a single liquefaction train with a capacity of about 2 mtpa and one 170,000-cbm tank. It started producing LNG back in 2015 and its customers are Japan's Jera, Kyushu Electric, and South Korea's Kogas. In case the long-term buyers do not take their LNG cargo, then the supplies are available for the spot market.

PGN's business

On the other hand, PGN operates the Lampung FSRU terminal. Earlier this year, PGN resolved its dispute with Norwegian FSRU player Hoegh LNG over issues related to the Lampung FSRU charter. The 2014-built 170,132-cbm FSRU serves a 20-year charter deal with PGN LNG, a unit of PGN, off the southeast coast of Sumatra in Indonesia. The underutilized 2.7 mtpa facility completed in November last year its 52nd ship-to-ship operation since it started operations in 2014. Connected to a tower yoke mooring system, the unit delivers gas via a 21 km long offshore pipeline. The regasified LNG from the FSRU-based facility goes for power generation and industrial users in West Java. In addition, PGN recently joined forces with PT Likuid Nusantara Gas to develop LNG infrastructure in East Java. Under the MoU, the two firms have agreed to explore various areas of cooperation, including PGN's ongoing LNG trading activities to meet domestic gas demand. source:www.lngprime.com

CHINA'S CNOOC HITS NEW BINHAI LNG MILESTONE

China National Offshore Oil Company (CNOOC) has reached a new milestone at its giant Binhai LNG import terminal in Jiangsu. According to a statement by CNOOC Gas & Power, the 164,700-cbm LNG Fukurokuju has on August 9 unloaded 69,000 tons of Australian LNG at the "Yancheng Green Energy Port". The shipment cam from the ConocoPhillips-operated APLNG plant on Curtis Island, near Gladstone, its AIS data provided by VesselsValue shows. This is the 77th delivery for the Binhai LNG import terminal, CNOOC Gas & Power said. The total amount of LNG received and discharged volumes now has exceeded 5 million tons, which has added sufficient "backbone" for the energy supply of the Yangtze River Economic Belt, it said. In August last year, CNOOC received the 30th cargo of LNG at its Jiangsu-Binhai LNG import terminal since September 2022. LNG producer Qatargas, now QatarEnergy LNG, delivered the first LNG cargo on September 26, 2022.

Huge LNG storage capacity

CNOOC recently launched six Binhai LNG storage tanks each with the capacity of 270,000 cubic meters. The tanks are about 65 meters high and have 100.6 meters in diameter. These tanks add to the already four existing tanks with a capacity of 220,000 cbm. CNOOC Gas & Power claims this is China's largest LNG storage base. The total capacity of 2.5 million cubic meters can satisfy gas consumption of 10 million households for 8 months, it said. The state-owned energy giant built the tanks under the Phase I expansion project. These are world's largest onshore LNG storage tanks, such as the operational tank at Sinopec's Qingdao LNG import terminal and the five tanks at CNOOC's Zhuhai LNG import terminal. source:www.lngprime.com

SOUTH KOREA'S KOGAS CONTINUES TO BOOST MONTHLY SALES

South Korean LNG importer Kogas boosted its gas sales year-on-year for the third month in a row in July. State-owned Kogas sold 2.44 million mt last month, a rise of 6.9 percent compared to 2.28 million mt in July 2023, according to a stock exchange filing. July sales rose 6.7 percent compared to the previous month's 2.28 million mt, which rose 8.7 percent year-on-year, In May LNG sales increased 6 percent to 2.27 million mt, while April sales dropped 7.5 percent to 2.3 million mt, and March sales rose 10.9 percent to 3.48 million mt, marking the first monthly increase since August last year. Purchases by power firms rose 7.8 percent year-on-year to 1.47 million mt in July. These purchases increased 11.6 percent compared to the previous month. Moreover, Kogas said its city gas sales rose 5.4 percent year-on-year to 0.97 million mt, while these sales were almost flat compared to the month before. The company recently said in a press release that city gas rates for residential and general use will rise by 6.8 percent starting on August 1 to address its growing receivables. According to Kogas, this rate is the first increase since May 2023 and will help reduce the financial burden on the company, which has been supplying gas at below-cost prices following the rise in prices due to the Russia-Ukraine war. Kogas said in its second quarter earnings report last week that city gas demand rose 4.7 percent during the period. Residential demand increased due to a lower average temperature and economic recovery, and industrial demand rose due to strong exports which improved manufacturing demand, it said. Kogas noted total power generation decreased 7.7 percent in the second quarter due to higher power generation by direct LNG sourcing companies.

Korean LNG imports

Kogas operates 77 LNG storage tanks at five LNG import terminals in South Korea. The large terminals include Incheon, Pyeongtaek, Tongyeong, and Samcheok, while the firm has a small-scale regasification terminal at the Aewol port on Jeju island as well. In addition to these facilities, the firm is building a large terminal in the western port city of Dangjin and expects to launch the first phase in 2025. In May, Kogas completed lifting the roof on the first 270,000-cbm tank at its Dangjin LNG import facility. Official data for South Korean LNG imports in July this year is not yet available. During January-June, South Korean LNG terminals took 23.44 million mt, a rise from 23.09 million mt in the same period last year, according to customs data. Australia was the biggest supplier during the period with 6.10 million mt of LNG, and the country was followed by Malaysia with 2.70 million mt and Oman with 2.31 million mt, the data shows. South Korean LNG imports in June rose to 3.07 million mt from 2.93 million mt in June 2023, while in May LNG imports in May rose to 3.58 million mt from 3.10 million mt in May 2023, the data shows. In January, LNG imports rose to 4.85 million mt from 4.78 million mt in January 2023, and LNG imports in February dropped to 4.20 million mt from 5.08 million mt in the same month last year, while LNG imports in

March dropped to 3.57 million mt from 4.03 million mt, and LNG imports in April rose to 4.15 million mt from 3.15 million mt in April 2023, the data shows. source:www.lngprime.com

PAN OCEAN, SHELL TAKE DELIVERY OF LNG CARRIER IN SOUTH KOREA

South Korea's HD Hyundai Heavy Industries has delivered one 174,000-cbm LNG carrier to compatriot shipowner Pan Ocean and charterer Shell. The vessel in question is the 174,000-cbm New Brave, according to a statement by PanOcean released on Monday. New Brave and its sister vessel New Nature were named during a ceremony at the yard in Ulsan on July 25. Pan Ocean expects to take delivery of New Nature in September. These two 299 meters long and 46.4 meters wide vessels will serve a charter contract signed with Shell in 2020. In addition, Pan Ocean said that two more LNG carriers, which were chartered to Shell back in 2021, are scheduled to be delivered within the year. Last year, Pan Ocean and Shell also took delivery of a new LNG bunkering vessel with a capacity of 18,000 cbm which Shell deployed in the Americas under a charter deal. South Korea's Hyundai Mipo built New Frontier 2. Pan Ocean, which is primarily a bulk cargo transportation business, is building a fleet of LNG carriers. Last year, the company took delivery of 174,000-cbm LNG carrier, New Apex, from Samsung Heavy and this vessel serves a charter deal with Portugal's Galp. PanOcean said at the time this LNG carrier is the first of ten vessels that the company had chartered in the last two years. source:www.lngprime.com

JIANGNAN DELIVERS LNG-FUELED CMA CGM BIG SUR

Chinese shipbuilder Jiangnan has delivered the LNG-powered containership, CMA CGM Big Sur, to French shipping giant CMA CGM. The CSSC-controlled shipbuilder announced the delivery of the 336 meters long and 51 meters wide vessel in a statement issued on Monday. This is the fifth of six 15,000-teu LNG-powered containerships Jiangnan built for CMA CGM. Prior to this vessel, Jiangnan delivered CMA CGM Maui in July, CMA CGM Grace Bay in May, and CMA CGM Cape Cod in April. Jiangnan said it expects to deliver the last ship in the series in mid-September 2024. Jiangnan and Hudong-Zhonghua are each constructing six LNG-powered ships for CMA CGM as part of a deal revealed in April 2021, but the six vessels at Hudong-Zhonghua have a capacity of 13,000 units. Also, the new LNG-powered vessels feature GTT's Mark III containment system and WinGD's dual-fuel propulsion. The vessel's LNG tanks have a capacity of 14,000 cbm.

Jiangnan floats out SAIC Anji's LNG-fueled PCTC

In addition to delivering the containership, Jiangnan Shipyard has launched a new LNG-powered pure car and truck carrier it is building for compatriot SAIC Anji Logistics. According to a statement by Jiangnan, it held on August 11 the launching ceremony for the LNG dual-fuel PCTC with a capacity of 7,800 units, Anji Prestige. This is the first of three LNG-powered PCTCs with a capacity of 7,800 ceu. Jiangnan recently completed the first project which consisted of building two 7,600-ceu LNG dual-fuel PCTCs with the delivery of SAIC Anji Splendor. Earlier this year, Jiangnan delivered the first vessel in this series, SAIC Anji Sincerity. Designed by SDARI, the 199.9 meters long vessels feature WinGD dual-fuel engines and type C LNG tanks. Back in 2021, the unit of Chinese largest carmaker SAIC Motor ordered two LNG-powered PCTCs with a capacity of 7,600 units. After that, SAIC Anji ordered three more LNG-powered PCTCs with a capacity of 7,800 units. Jiangnan expects to deliver theses three ships in 2025. SAIC Motor previously said that SAIC Anji's fleet includes 31 vessels, and the firm operates seven international routes covering Southeast Asia, Mexico, South America, and Europe. A total of 12 new PCTCs with a capacity of 7,000, 7,600, 7,800, and 9,000 vehicles will join its fleet in the next three years. source:www.lngprime.com

VTTI COMPLETES ACQUISITION OF 50% OF DRAGON LNG

VTTI, an industry leader in energy infrastructure, has completed the acquisition of 50% of Dragon LNG Group Ltd. The other 50% of the terminal is owned by Shell. This follows the announcement of the intention to acquire the stake in the terminal from leading infrastructure manager Ancala, communicated on 8 May 2024. As part of VTTI's Strategy 2028, VTTI is building on its foundation as an energy storage and service terminal operator at key ports around the world, while investing in and developing additional energy infrastructure needed for the energy transition, including LNG regasification terminals, renewable natural gas (RNG) and waste-to-value production facilities, biofuel storage, and ammonia and hydrogen infrastructure. VTTI's aim is to accelerate growth, with 50% of the company's earnings coming from transitional and sustainable energy sources by 2028. Dragon LNG is VTTI's second announced investment into LNG regasification terminals, following the announcement of the intention to acquire a 70% equity stake in Adriatic LNG, Italy made in April 2024, which is expected to be closed by end of 2024. "Facilitating the import and distribution of LNG aligns with VTTI's strategy to support the global energy transition and ensure security of supply. As an energy infrastructure company with extensive storage industry experience, we are well-positioned to develop, operate, and manage LNG terminals worldwide. We are looking forward to work together with Shell to ensure that Dragon LNG continues to operate in a safe and reliable manner while working towards accelerating its decarbonisation and growth path," said Guy Moeyens, CEO of VTTI. Dragon LNG's regasification terminal is one of three LNG terminals in the UK. It is located near Milford Haven in Wales, and consists of LNG receiving, storage, reliquefication, regasification, and send-out facilities. The facility can achieve maximum gas send out to the UK national transmission system of up to 9 billion m3, supplying approximately 10% of the UK's annual gas demand. Dragon Energy Ltd, a fully owned subsidiary of Dragon LNG Group Ltd, has also developed a solar farm at the facility and is developing additional renewable power projects at the site in support of decarbonising scope 2 emissions at the LNG terminal. They have also recently announced the Milford Haven CO2 project, which will be done in collaboration with RWE Pembroke Net Zero Centre, exploring carbon capture, pipeline transfer, liquefaction, temporary storage, and ship loading to enable CO2 shipping from a new Dragon jetty via non-pipeline transport to sequestration sites around the UK. "We are excited to welcome VTTI to Dragon LNG and Dragon Energy as a key shareholder alongside Shell. This partnership will strongly support our ongoing commitment to operational excellence and sustainable growth. By integrating VTTI's expertise in energy infrastructure, we can look to further enhance the safety, reliability, and environmental performance of our terminal, whilst ensuring our customers continue to provide secure and flexible energy supply into the UK. I am tremendously excited for our future through the energy transition as we look to further decarbonise and build a brighter future for our employees, our business partners, and the community here in Milford Haven and throughout Wales," concluded Simon Ames, Managing Director, Dragon LNG. source: www.lngindustry.com

INPEX WORKING TO KICK OFF ABADI LNG FEED

Japan's Inpex is making preparations to start the front-end engineering design (FEED) for the planned Abadi liquefied natural gas (LNG) project in Indonesia, according to Takayuki Ueda, president and CEO of Inpex. "We are continuing to make steady progress on this project. At the end of this year or start of the next year we are making the preparations to start the FEED," Ueda said during the company's H1 results presentation on Thursday. He said the company is conducting various initiates such as onshore and offshore geophysical and geotechnical surveys. Earlier this year, Dutch firm Fugro secured a marine survey contract from a unit of Inpex for the Abadi project. Ueda said Inpex will execute FEED for the FPSO, the subsea umbilicals, risers, and flowlines (SURF), the gas export pipeline (GEP) and CCS pipeline, and the onshore LNG plant. The company's results report shows that it has already started the tender for FEED execution. Inpex is aiming for "early FID and production start-up in close coordination and cooperation with new partners, Pertamina and Petronas," it said in the report. Following a final investment decision, Inpex expects to start production in "around 2030". Inpex previously said it could take FID in mid-2020s. LNG Prime contacted Inpex to provide more details regarding Abadi FEED and FID. A spokesman for Inpex said "FEED may begin as early as this year, depending on circumstances including government approvals, etc." "I cannot go into any more detail concerning FEED at this point," he said. The Inpex-operated project has seen many changes over the years and initially, the development of the Masela offshore block involved a floating LNG plant, while it now includes a 9.5 mtpa onshore LNG plant with an estimated cost of about $20 billion. Inpex said in December 2023 it had received written approval for the revised plan of development for the Abadi LNG project, which includes a CCS component. Prior to that, Shell completed the sale in October of its 35 percent stake in Indonesia's Masela PSC, which includes the planned Abadi LNG project, to Pertamina Hulu Energi and Petronas Masela. Indonesia's Pertamina now owns a 20 percent stake and Malaysia's Petronas has a 15 percent stake in the PSC. Inpex holds 65 percent operating interest in Masela PSC and is the operator of the Abadi LNG project. source:www.lngprime.com

HD HYUNDAI MARINE SOLUTION SCORES LNG FSU CONVERSION JOB

HD Hyundai Marine Solution, a unit of South Korean conglomerate HD Hyundai, has secured its first conversion of an LNG carrier to a floating storage unit. The company, previously known as Hyundai Global Service, revealed the contract worth $30 million in a statement. HD Hyundai Marine Solution said the client is a European shipping company, but it did not reveal the name of the firm. Under the contract, the South Korean firm will convert a 2004-built 138,000 cbm LNG carrier built in Spain to an FSU. The company will be in charge of the entire conversion process, including design, procurement, construction, transportation, installation, and commissioning. HD Hyundai Marine Solution said it plans to complete the contract by the first half of 2025. Once converted, the LNG FSU will be stationed in the Central American region, where it will supply LNG to thermal power plants, it said. Looking ahead, HD Hyundai Marine Solution plans to secure more conversion contracts, such as FSRUs and dual-fuel propulsion systems. Earlier this year, HD Hyundai Marine Solution announced it has secured a contract from Greece's Thenamaris to install a reliquefaction unit on the 155,000-cbm LNG carrier, Cool Ranger. Moreover, the South Korean firm secured a contract from US energy giant Chevron to install reliquefaction units and other tech on the latter's two LNG carriers. In addition to reliquefaction units, HD Hyundai Marine will also install air lubrication technology and new gas compressors. HD Hyundai Marine said that the 2014-built 160,000-cbm, Asia Energy, is one of the two LNG carriers which will receive the upgrade. source:www.lngprime.com

SHELL, PETROCHINA INVEST IN NEW PROJECT TO SUPPLY MORE GAS TO QCLNG PLANT

Energy giants Shell and PetroChina have decided to develop the second phase of Arrow Energy's Surat gas project in Queensland, Australia to deliver more gas to the Shell-operated QCLNG facility on Curtis Island, near Gladstone. Shell and PetroChina formed the Arrow Energy joint venture in 2010 and the firms each have a 50 percent stake in the company. Arrow announced a 27-year gas sales agreement to supply gas to the Shell-operated QCLNG joint venture in 2017. The first phase of the Surat gas project was approved in April 2020 and included more than 600 wells which source natural gas from coal seams in the Surat Basin. Now Shell and PetroChina will develop the second phase of the Surat gas project under the 27-year gas sales deal. Phase 2 is expected to contribute around 22,400 barrels of oil equivalent per day (or 130 million standard cubic feet per day) at peak production, Shell Australia, a unit of LNG giant Shell said in a statement issued on Monday. This phase will comprise up to 450 production wells, a field compression station, 27 kilometers of new pipeline, and also road and infrastructure upgrades.

First gas in 2026

Shell Australia expects first gas from the new phase in 2026. The gas from the project will flow to the Shell-operated two-train 8.5 mtpa liquefaction plant on Curtis Island to meet long-term contracts as well as supply domestic customers. QCLNG is a joint venture between Shell (73.75 percent), CNOOC (25 percent), and also MidOcean Energy (1.25 percent) According to Shell, QCLNG supplied 15 percent of demand on Australia's east coast in 2023. "Embarking on Phase 2 of the Surat gas project with Arrow is part of our commitment to bring more gas to market," said Zoë Yujnovich, Shell's integrated gas and upstream director. "QCLNG marked its 1000th cargo at the end of last year, reflecting its significance as a gas supplier for

Australia and the region. This investment will enable us to sustain and grow this important, secure energy source that offers a lower emissions alternative to options like coal," Yujnovich said. source:www.lngprime.com

ADNOC GAS SAYS Q2 NET INCOME CLIMBS TO $1.19 BILLION

Adnoc's gas and LNG unit, Adnoc Gas, reported a net income of $1.19 billion in the second quarter, a rise of 21 percent year-on-year. UAE's Adnoc Gas said on Monday this is a record net income for the company and it exceeded market expectations. The company's revenue reached $6.07 billion in the second quarter, up by 13 percent compared to the same quarter last year. Compared to the prior quarter, revenue increased 1 percent. Net income was almost flat compared to 1.18 billion in the first quarter. Adnoc Gas said Ebitda growth outpaced revenue improvement during the quarter, reaching $2.08 billion, an 18 percenty year-on-year increase. The company's Ebitda margin of 34 percent is underpinned by high sales demand and the benefits of its long duration gas supply and purchase agreement, it said. Adnoc Gas fulfils more than 60 percent of the UAE's gas demand and is the largest supplier to the petrochemical sector in the country. The company has announced an increase in its annual dividend per share by 5 percent, aligning with its dividend policy to distribute a total of $3.41 billion for the full year 2024. Adnoc Gas has approved an interim dividend of $1.7 billion, scheduled for distribution in September. "We are well positioned to pursue our ambitious growth agenda, underpinned by the strength, expansion, and ambition of the UAE market," Ahmed Alebri, CEO of Adnoc Gas, said.

LNG expansion

Earlier this year, Adnoc Gas said it plans to plans to invest over $13 billion in domestic and international growth opportunities over the next five years. The company aims to more than double its LNG production capacity by 2028 with the addition of the planned Al Ruwais LNG plant. Last year, Adnoc Gas signed LNG supply deals with France's TotalEnergies, India's top state oil refiner Indian Oil, Japan Petroleum Exploration (Japex), state-owned PetroChina, and Jera Global Markets. The firm also signed in January this year a long-term deal with India's largest gas utility GAIL. Adnoc owns a 70 percent stake in Adnoc LNG, that currently produces about 6 mtpa of LNG from its facilities on Das Island. Besides this terminal, Adnoc will build the second LNG export plant in Al Ruwais with a capacity of 9.6 mtpa. In June, state-owned Adnoc took a final investment decision to build the LNG export terminal in Al Ruwais. Adnoc also awarded the $5.5 billion EPC deal to a joint venture led by France's Technip Energies. The LNG project will consist of two 4.8 mtpa trains with a total capacity of 9.6 mtpa, more than doubling Adnoc's existing UAE LNG production capacity to around 15 mtpa, as the company builds its international LNG portfolio. BP, Mitsui & Co., Shell, and TotalEnergies recently also agreed to buy a 10 percent equity stake in Adnoc's LNG export terminal in Al Ruwais. Adnoc will retain a 60 percent majority stake. source:www.lngprime.com

SPANISH LNG IMPORTS DROP, RELOADS SURGE IN JULY

Spanish liquefied natural gas (LNG) imports decreased in July, while reloads reached the highest monthly volume this year, according to Enagas. LNG imports decreased by 33.1 percent year-on-year to about 13.7 TWh in July and accounted for 56.9

percent of the total gas imports. Previously, Spanish LNG imports dropped by 24.4 percent year-on-year to about 16.1 TWh in June, while imports decreased by 30.6 percent to about 17.1 TWh in May. In April, LNG imports reached some 16.1 TWh and some 18.1 TWh in March, while in February LNG imports reached about 18.4 TWh and in January imports reached some 20 TWh. Including pipeline imports from Algeria (8.56 TWh), France, and Portugal, gas imports to Spain reached about 27.76 TWh last month, a drop from some 31.74 TWh in July last year, according to the monthly report by Enagas. Moreover, national gas demand in July decreased by 9.7 percent year-on-year to some 23.6 TWh. Demand for power generation dipped by 32.3 percent year-on-year to about 7.06 TWh last month, while conventional demand increased by 5.2 percent to 16.5 TWh, the LNG terminal operator said. Storage facilities were 98 percent full in July, compared to 96 percent in the same month last year and 95 percent in the prior month, according to Enagas. Enagas operates a large network of gas pipelines in Spain and has three wholly-owned LNG import plants in Barcelona, Huelva, and Cartagena. It also owns 75 percent in the Musel LNG facility, 50 percent in the BBG regasification plant in Bilbao, and 72.5 percent of the Sagunto plant, while Reganosa operates the Mugardos plant. In August last year, Spanish power group Endesa delivered the first commercial cargo to the El Musel LNG terminal in Gijon. Endesa completed in April this year the first reloading operation at the facility. There were no ship unloading or loading operations at the facility during July.

Russia and US biggest LNG suppliers

The seven operational Spanish LNG regasification terminals unloaded 15 cargoes last month, down by 6 cargoes compared to July last year, the data shows. Russia was the biggest LNG supplier to Spain in July with about 7.61 TWh, down from 8.76 TWh last year, and the country was followed by the US with 4.53 TWh, a rise from 3.94 TWh last year. During July, Spain also received 1.71 TWh from Nigeria, down form 2.67 TWh last year, 1.09 TWh from France, and 0.84 TWh from Qatar. Russia was also the biggest LNG supplier to Spain in April, May, and June, while the US was the biggest supplier in January and February. Also, Russia was the biggest LNG supplier in December last year and the US was the biggest supplier to Spain in October and November.

LNG reloads highest this year

Spanish LNG terminals loaded about 2.49 TWh in July, the highest monthly figure this year. Reloads surged by 548 percent compared to some 0.38 TWh in the same month last year and they also rose compared to 1.81 TWh in June. The LNG terminals loaded about 1.19 TWh in May, 0.45 TWh in April, 0.56 TWh in March, 1.07 TWh in February, and 0.92 TWh in January. During July, the Cartagena LNG terminal reloaded about 1.10 TWh of LNG, the Sagunto terminal reloaded about 0.88 TWh, the Barcelona terminal reloaded some 0.32 TWh, and the Huleva terminal reloaded about 0.19 TWh. Moreover, the number of truck loading operations at the LNG terminals rose by 16.7 percent year-on-year to 1053. The Huelva LNG terminal completed 239 truckloads in July, while the Barcelona terminal completed 217 truckloads and the Sagunto terminal completed 197 truckloads, the data shows. source:www.lngprime.com

PERTAMINA'S PGN INKS EAST JAVA LNG PACT

PT Perusahaan Gas Negara (PGN), a unit of Indonesia's Pertamina, is joining forces with PT Likuid Nusantara Gas to develop LNG infrastructure in East Java. According to a statement by Pertamina issued on August 8, PGN and PT LNG signed a memorandum of understanding to explore the potential for LNG cooperation in East Java. Under the MoU, the two firms have agreed to explore various areas of cooperation, including PGN's ongoing LNG trading activities to meet domestic gas demand, the statement said. In order to support domestic market needs, PGN and PT LNG will conduct a joint study on the development of natural gas infrastructure or an LNG terminal in Pasuruan, East Java. The duo will also study other related potential operation and maintenance activities of natural gas or LNG facilities and infrastructure, the statement said. PT LNG's website shows that the firm offer solutions for LNG supply, storage, and regasification. The company makes "virtual pipelines" by using trucks to deliver LNG to industrial and power users as well as the transport sector. PGN's Rosa Permata Sari noted in the statement that there is a "high demand" for natural gas on the island of Java, but fulfilling the gas needs in certain areas still requires various modes of transportation. This does not only include pipeline gas but also CNG and LNG. Furthermore, she said that the retail industry is growing "quite rapidly". "Regardless on pricing, it feels like the market is ready to accept LNG penetration. We saw the market's ability to absorb LNG from last May. This means that the LNG ambience and ecosystem have been formed," she said.

Lampung FSRU

Earlier this year, PGN resolved its dispute with Norwegian FSRU player Hoegh LNG over issues related to the Lampung FSRU charter. The 2014-built 170,132-cbm FSRU serves a 20-year charter deal with PGN LNG, a unit of PGN, off the southeast coast of Sumatra in Indonesia. The underutilized 2.7 mtpa facility completed in November last year its 52nd ship-to-ship operation since it started operations in 2014.Connected to a tower yoke mooring system, the unit delivers gas via a 21 km long offshore pipeline. The regasified LNG from the FSRU-based facility goes for power generation and industrial users in West Java. source:www.lngprime.com

CYGNUS ENERGY
GAS & OIL
LEVEL 43/44, CHAMPION TOWER,
3 GARDEN ROAD, CENTRAL, HONG KONG
SANDP@CYGNUS-ENERGY.COM (SALE N PURCHASE)
GAS@CYGNUS-ENERYG.COM (GAS PROJECTS)