

LNG Review May 2022 - Recent issues and events -

Hiroshi Hashimoto*

Introduction

Japan's LNG import during the first four months of 2022 was 25.97 million tonnes, 8% less than that of the same period in 2021. Notably LNG import from the United States nearly halved from one year earlier to 1.60 million tonnes. China's LNG import also declined during the four-month period by 17% to 21.59 million tonnes, with volumes from the United States decreasing by more than 70% or 1.60 million tonnes to around 600 thousand tonnes. Japan was the largest LNG importer in the world for the first four months of 2022. The decrease of LNG imports in Japanese and China, effectively and mostly shifted to Europe.

In the United States, Venture Global LNG announced in May a final investment decision (FID) for the initial phase (13.33 million tonnes per year) of the Plaquemines LNG facility. The company says that it has 20-year Sales and Purchase Agreements (SPAs) for 80% of the 20 million tonnes per year project.

Other new and expansion LNG export projects in the United States have secured long-term sales agreements in recent months. In Europe, progresses have been announced in LNG receiving terminal projects, notably multiple FSRU procurement in Germany, where first-ever LNG imports are proposed. Demand for long-term LNG contracts was already on the rise in 2021, followed by an even stronger drive in 2022, especially from buying interest from China.

The European Commission has said that the EU will aim to ensure that additional gas supplies from existing and new gas suppliers are coupled with targeted actions to tackle methane leaks and to address venting and flaring, creating additional liquidity on global markets, while ensuring significant climate benefits. The commission has further stated that the EU will cooperate with its fossil fuel suppliers to reduce methane emissions.

NBP's (the gas hub price in the United Kingdom) discount against TTF (the most prominent gas hub price on the continent) expanded from less than USD 2 briefly to USD 14.5 per million Btu in early May. This was partially caused by relatively relaxed supply balance in the United Kingdom as increasing number of laden LNG carriers waiting for discharge at different LNG import terminals

* The writer belongs to Gas Group, Fossil Energy and International Cooperation Unit. Some information pieces that some readers may consider very important may not be included due to different reasons.

around Europe, as well as limited transportation capacity of interconnecting pipelines from the United Kingdom to the continent.

[Asia Pacific]

Asian Shipowners' Association (ASA) expressed on 19 May 2022 its concern over the Suez Canal's toll and surcharge increases. ASA also expressed concern over the new toll system proposals by the Panama Canal Authority.

JERA said on 12 May 2022 that in FY 2021, JERA procured approximately 30 million tonnes of LNG for use in Japan. JERA Global Markets Pte. Ltd. procured a record volume of approximately 4.5 million tonnes of LNG on the spot basis in the fiscal year.

Kyushu Electric Power announced on 11 May 2022 that it had launched a new subsidiary "Q United Energy Supply & Trading Co. (QUEST)."

Chiyoda Corporation, JERA Co. Inc. and The Research Institute of Innovative Technology for the Earth (RITE) announced on 13 May 2022 that had commenced a demonstration project of large-scale CO₂ separation and recovery from gas-fired power generation exhaust gas.

Japan's Mitsui O.S.K. Lines, Ltd. (MOL) announced on 9 May 2022 that it had reached an agreement with Nihon Shipyard Co., Ltd. and Shin Kurushima Dockyard Co., Ltd. to build four 7,000-unit capacity car carriers that would use LNG as their main fuel. This will bring the company's total orders for LNG-fuelled car carriers to eight.

TotalEnergies announced on 24 May 2022 a Sale and Purchase Agreement (SPA) with the Korea's Hanwha Energy Corporation for 600,000 tonnes of LNG per year over 15 years, starting in 2024, delivered to the Tongyeong terminal in Korea.

Singapore's Energy Market Authority (EMA) announced on 19 May 2022 that it had issued a Request for Proposal (RFP) to appoint additional term LNG importers. This will complement the current four term importers. Proposals must be submitted by 8 July.

Saudi Aramco (Saudi Arabian Oil Company) announced that the company and Thailand's PTT signed a memorandum of understanding (MOU) on 11 May 2022 to strengthen cooperation across crude oil sourcing and the marketing of refining and petrochemical products and LNG.

Vietnam's Ministry of Planning and Investment announced on 12 May 2022 that AES and PetroVietnam Gas JSC (PV Gas) had been granted an investment registration certificate for the Son My LNG terminal, which is expected begin operations in 2026.

According to reports, one of the proposed LNG terminals in the Philippines may start LNG imports in August 2020, the country's Department of Energy said. First Gen Corporation (FGen) said on 19 May 2022 its search for LNG suppliers had incurred positive

responses. First Gen's LNG terminal is expected to be commercially available by the fourth quarter of 2022.

According to China's Statistics Bureau, the country produced 74.7 bcm of natural gas during the first four months of 2022, increasing by 6.2% year-on-year. According to PipeChina's announcement of 18 May 2022, the company operates 49,000 km of natural gas transmission pipelines, connecting 14 LNG receiving terminals and 14 underground gas storage facilities.

NYK announced on 2 May 2022 that on 28 April NYK concluded a long-term time-charter contract with CNOOC Gas and Power Singapore Trading & Marketing Pte. Ltd. for six LNG carriers, in addition to a shipbuilding contract for the vessels with Hudong-Zhonghua Shipbuilding (Group) Co. Ltd. NYK has also signed a project head of agreement with a subsidiary of China Merchants Energy Shipping Co. Ltd (CMES), a Chinese shipping company, to jointly own and manage the vessels.

The China National Offshore Oil Corporation (CNOOC) announced on 21 May 2022 that it had completed the vault hoisting of the six world's largest LNG storage tanks with a capacity of 270,000 cubic meters each in Yancheng City in east China's Jiangsu Province.

Höegh LNG announced in its result reporting on 25 May 2022 that, after the first quarter of the year ended, Höegh LNG terminated Höegh Giant's FSRU contract in India.

Excelerate Energy said in its First Quarter 2022 Results announcement that its Payra LNG project was approved in principle by the government of Bangladesh in May 2022. The company said the Moheshkhali LNG expansion project was also approved in principle by the government of Bangladesh in February 2022.

Australia's Woodside announced on 19 May 2022 that its shareholders voted to approve the proposed merger with the petroleum business of BHP Group Limited at its Annual General Meeting. 98.66% of the votes submitted were in favour of the merger. The merger completed on 1 June. Woodside announced on 20 May that following the approval of its Annual General Meeting, the company's change of name from Woodside Petroleum Ltd to Woodside Energy Group Ltd had been registered by the Australian Securities and Investments Commission (ASIC).

Woodside announced on 5 May 2022 that Perth's the Eastern Metropolitan Regional Council (EMRC) and Woodside had agreed a term sheet setting out the terms of a proposed option to lease land. The option will provide for Woodside's use of EMRC's Red Hill Waste Management Eco Park for a proposed pilot Carbon Capture and Utilisation (CCU) facility, and for the supply of landfill gas by ERMC to Woodside.

Shell Australia announced on 30 May 2022 that the company and its joint venture partner, SGH Energy, had taken a final investment decision on the development of the Crux

natural gas field, off the coast of Western Australia. Crux will provide further supplies of natural gas to the existing Prelude floating LNG (FLNG) facility. First gas is expected in 2027.

[North America]

Henry Hub futures settlement prices for front-month delivery, after USD 6.032 of 4 April 2022, have been the highest since USD 6.017 on 4 December 2008, (the highest since the financial crisis in 2008 and the highest since the shale revolution,) hitting USD 8.783 on 5 May and USD 8.971 on 25 May 2022.

According to U.S. EIA's (Energy Information Administration) May 2022 issue of SHORT-TERM ENERGY OUTLOOK, the country's LNG exports are expected to average 12.0 Bcf/d in 2021 (91.14 million tonnes), a 23% increase from 2021. As any new export facilities are not expected to come online, forecast growth in LNG exports slows to 5% in 2023, with LNG exports averaging 12.6 Bcf/d for the year (95.70 million tonnes).

Cheniere Energy, Inc. announced net loss of USD 865 million for first quarter 2022, compared to net income of USD 393 million in first quarter 2021. Substantially all derivative losses relate to the use of commodity derivative instruments indexed to international LNG prices, primarily related to the company's long-term IPM agreements.

Cheniere Energy, Inc. announced on 4 May 2022 that its subsidiary, Corpus Christi Liquefaction Stage III, LLC, had entered into a long-term Integrated Production Marketing (IPM) gas supply agreement with ARC Resources U.S. Corp. The LNG associated with this gas supply will be approximately 0.85 million tonnes per year.

Cheniere Energy, Inc. announced on 25 May 2022 that Cheniere Marketing, LLC had entered into an LNG sale and purchase agreement (SPA) with POSCO International Corporation, part of Korea's largest steelmaker and owner of Korea's first private LNG terminal. POSCO International has agreed to purchase 0.4 million tonnes per year of LNG from Cheniere Marketing on a free-on-board basis for 20 years beginning in late 2026.

Sempra Infrastructure announced on 23 May 2022 that it had signed a participation agreement with TotalEnergies, Mitsui & Co., Ltd. and Mitsubishi Corporation for the development of the proposed Hackberry Carbon Sequestration (HCS) project in Louisiana. The participation agreement contemplates that the combined Cameron LNG Phase 1 and proposed Phase 2 export projects would potentially serve as the anchor source for the capture and sequestration of carbon dioxide (CO₂) by the HCS project.

Sempra Infrastructure and Poland's PGNiG announced on 16 May 2022 that they had entered into a heads of agreement (HOA) for the purchase of approximately 3 million tonnes per year of LNG delivered free-on-board from Sempra Infrastructure's LNG projects in North America - 2 million tonnes from the Cameron LNG Phase 2 project under

development in Louisiana, and 1 million tonnes from the Port Arthur LNG project under development in Texas.

Sempra Infrastructure and Germany's RWE Supply & Trading announced on 25 May 2022 that they had entered into a heads of agreement (HOA) for 2.25 million tonnes per year of LNG to be supplied on a long-term, free-on-board basis from the Port Arthur LNG Phase 1 project under development in Texas. The HOA contemplates a definitive 15-year LNG sale and purchase agreement.

Freeport LNG Development, L.P. submitted a request to the Federal Energy Regulatory Commission (FERC) on 16 May 2022 for an Extension of Time so that the company may construct and place the Train 4 Project in service by no later than 1 August 2028.

Blackstone announced on 20 May 2022 that Blackstone Credit had acquired EIG's 49% ownership interest in Elba Liquefaction Company (ELC), a joint venture entity of the Elba Island LNG facility. Kinder Morgan will remain as the operator and retain its 51% ownership of ELC.

NextDecade Corporation announced on 2 May 2022 the execution of a 15-year sale and purchase agreement (SPA) with ENGIE S.A. for the supply of LNG from NextDecade's Rio Grande LNG export project (RGLNG) in Brownsville, Texas. ENGIE will purchase 1.75 million tonnes per year of LNG on a free-on-board (FOB) basis. RGLNG's first train is expected to start commercial operations as early as 2026.

Venture Global LNG announced on 10 May 2022 two new long-term Sales and Purchase Agreements (SPAs) with ExxonMobil LNG Asia Pacific (EMLAP) for 2 million tonnes per year of LNG, 1 million tonnes per year each from the Plaquemines LNG facility and the CP2 LNG facility. Venture Global LNG and Malaysia's PETRONAS announced on 11 May 2022 a new 20-year Sales and Purchase Agreement (SPA) for 1 million tonnes per year of LNG from Venture Global's Plaquemines LNG facility.

Venture Global LNG announced on 25 May 2022 a final investment decision (FID) and closing of USD 13.2 billion project financing for the initial phase (an upsized 13.33 million tonnes per year) of the Plaquemines LNG facility and the associated Gator Express pipeline. The company has executed 20-year Sales and Purchase Agreements (SPAs) for 80% of the full 20 million tonnes per year project. Plaquemines LNG phase one customers include PGNiG, Sinopec, CNOOC, Shell and EDF; phase two customers announced to date include ExxonMobil, PETRONAS and New Fortress Energy.

Enbridge announced on 26 May 2022 the advancement of its Venice Extension Project and Gator Express Meter Project to deliver 1.5 billion cubic feet per day of natural gas to Venture Global's Plaquemines LNG facility in Louisiana.

Energy Transfer LP and Gunvor Group Ltd announced on 2 May 2022 that Gunvor Singapore Pte Ltd (Gunvor) had entered into an LNG Sale and Purchase Agreement with Energy Transfer LNG Export, LLC, related to its Lake Charles LNG project. Energy Transfer LNG will supply 2 million tonnes of LNG per year. Energy Transfer LP announced on 3 May 2022 another Sale and Purchase Agreement (SPA) with SK Gas Trading LLC for 0.4 million tonnes per year of LNG from the Lake Charles facility.

Technip Energies announced on 25 May 2022 that the company and Samsung Engineering had been awarded a Pre-FID (Final Investment Decision) Engineering contract for the Texas LNG project in Brownsville, Texas, United States. The proposed 4 million tonne per year LNG export facility site is located on the Port of Brownsville's deep-water ship channel in close proximity to the Gulf of Mexico.

Chevron's annual shareholders meeting on 25 May 2022 requested with 98% of the votes the Board to oversee the preparation of a report analyzing the reliability of Chevron's methane emission disclosures. The company announced on 4 May that the company was taking several approaches - from the surface to sky - to expand its methane-detection and reduction capabilities.

Coterra Energy and Devon Energy said on 3 May 2022 that they were evaluating new opportunities related to LNG. Coterra moves 350 million cubic feet per day of gas through Cove Point on a long-term LNG deal. Devon said that there should be opportunities to capture a better realized price longer term given the LNG dynamic. During the company's first quarter 2022 report, Comstock Resources, Inc. said that LNG facility ownership was the logical next step for the company to look at. The company currently sells 14% of production directly to LNG shippers. Chesapeake Energy said on 4 May 2022 during its 1Q 2022 report presentation that the company was engaged in several discussions regarding participating in LNG export market.

Enstor Gas, the largest privately owned gas storage company in the United States, announced on 11 May 2022 that the company and its natural gas midstream assets had been acquired by the Infrastructure Investments Fund (IIF), an investment vehicle advised by J.P. Morgan Investment Management Inc., from an affiliate of ArcLight Capital Partners, LLC. Enstor will continue to manage and operate its natural gas storage facilities in Alabama, Mississippi, Texas and New Mexico.

JERA Co., Inc. announced on 13 May 2022 that it had concluded a stock purchase agreement with an affiliate of funds managed by Stonepeak to acquire a 100% interest in thermal power generation projects in the United States with a total capacity of 1.63 GW, in Massachusetts and in Maine.

Crowley announced on 24 May 2022 inauguration of its LNG Loading Terminal in

the southern town of Peñuelas, Puerto Rico. The facility can deliver more than 94 million gallons (160 thousand tonnes) of LNG annually. LNG will be loaded onto 10,000-gallon ISO containers for road transport to customer facilities around the island.

[Middle East]

ADNOC (Abu Dhabi National Oil Company) revealed on 12 May 2022 that the company had appointed McDermott International to conduct a design work on its planned LNG plant in Fujairah. ADNOC said the project was expected to increase ADNOC's LNG production capacity by 9.6 million tonnes per year.

[Africa]

SONATRACH and Eni announced on 26 May 2022 that they had signed a Memorandum of Understanding (MoU) aimed at accelerating the development of gas fields in Algeria and decarbonisation via green hydrogen. The two companies will evaluate the gas potential and opportunities for accelerated development at specific fields already discovered by SONATRACH. The gas production volumes expected from the areas covered by the agreement is equal to approximately 3 billion cubic meters per year and will contribute to increasing the export capacity of Algeria to Italy through the Transmed pipeline.

Kosmos Energy said on 9 May 2022 during its announcement of First Quarter 2022 Results that the Greater Tortue Ahmeyim LNG project in Mauritania & Senegal was approximately 75% complete at the end of the quarter.

Atlantic Gulf & Pacific International Holding (AG&P) announced on 9 May 2022 that its GAS Entec subsidiary had completed the conversion of a 125,000 m³ LNG carrier for KARMOL, a joint-venture between Turkey's Karpowership and Japan's Mitsui OSK Lines (MOL), into a Modular Floating Storage and Regasification Unit (M-FSRU) with Gas Entec's proprietary, patented RegasTainer® technology. The M-FSRU will deliver gas to Karpowership's floating power plant, the Karadeniz Powership Aysegul Sultan in Port Dakar.

[Europe / Russia]

The European Commission presented on 18 May 2022 the REPowerEU Plan. The Commission says some investments in fossil fuel infrastructure would be required - €10 billion for a dozen gas and LNG projects, to complement the existing Projects of Common Interest (PCI) List and fully compensate for the future loss of Russian gas imports.

On 19 May 2022, the European Commission said that the EU will aim to ensure that additional gas supplies from existing and new gas suppliers are coupled with targeted actions to tackle methane leaks and to address venting and flaring, creating additional liquidity on

global markets, while ensuring significant climate benefits. The EU will cooperate with its supply partners to reduce methane emissions. The EU stands ready to provide technical assistance to partners to set up such mutually beneficial "You collect/we buy" schemes.

The European Council and the European Parliament announced on 19 May 2022 that the co-legislators had agreed that underground gas storage on member states' territory should be filled to at least 80% of their capacity before the winter of 2022/2023 and to 90% before the following winter periods.

The United Kingdom's Grain LNG announced on 23 May 2022 that as Europe's largest LNG terminal it reported its highest ever monthly utilisation rate in April 2022 with the terminal exporting a daily average of 431 GWh of gas (0.85 million tonnes in the month). Grain LNG said that it was expanding the terminal after signing a contract with Qatar Terminal Limited in 2020.

The United Kingdom government announced on 26 May 2022 that it was introducing the Energy Profits Levy, a new 25% surcharge on the extraordinary profits the oil and gas sector was making. The new levy will raise around £5 billion over the next year which will go towards supporting people with the new cost of living measures announced by the Chancellor. Within the levy, a new investment allowance is being introduced to encourage firms to invest in oil and gas extraction in the United Kingdom.

During its first quarter 2022 report, Shell said that it had announced its intention to withdraw from all Russian hydrocarbons in a phased manner.

Ofgem, Britain's independent energy regulator, published on Monday 16 May 2022 a consultation to look at whether the energy price cap should be updated quarterly rather than every six months.

bp announced on 24 May 2022 ADNOC's and Masdar's participation to bp's planned blue and green hydrogen developments in Teesside in the northeast of England. bp will also join ADNOC to evaluate a new blue hydrogen project in Abu Dhabi, conducting a joint feasibility study for a low-carbon hydrogen project in the country.

Gasunie and Vopak announced on 2 May 2022 that they had entered into a cooperation agreement to develop terminal infrastructure projects to facilitate imports of hydrogen into Northwest Europe via Dutch and German ports.

Gasunie announced on 10 May 2022 that the company had signed a binding contract with New Fortress Energy (NFE) for the lease of a floating LNG installation (FSRU) to be installed in Eemshaven for five years from the third quarter of 2022. In late April Gasunie contracted the FSRU S188 from the Belgian shipping company Exmar. The installation will also arrive in Eemshaven in the third quarter.

The Netherlands' GasTerra announced on 30 May 2022 that it had decided not to

comply with Gazprom's one-sided payment requirements. Gazprom declared to discontinue supply with effect from 31 May 2022. The cessation means that, between now and 1 October 2022 when the contract ends, 2 bcm of contracted gas will not be delivered.

TotalEnergies announced on 16 May 2022 that it had launched a drone-based emissions detection and quantification campaign across all its upstream operated sites.

GTT announced on 3 May 2022 that GTT had been awarded a new approval in principle from Bureau Veritas (BV) for the "Shear-Water" concept, a new ballast-free LNG bunker and feeder vessel (LNGB&FV), following the announcement on 8 July 2021 of the Approval in Principle (AIP) from China Classification Society and DNV.

NYK announced on 6 May 2022 that its affiliated company France LNG Shipping SAS had signed a charter contract for a new LNG carrier with EDF LNG Shipping SAS. The carrier is scheduled for delivery in 2025 from Hyundai Samho Heavy Industries Co. Ltd.

Uniper announced on 5 May 2022 that it had facilitated the charter of two FSRUs managed by Dynagas Ltd. to the German government. The FSRUs will commence their service early 2023 with first gas send-out depending on the completion of the onshore installations at the sites. RWE announced on 5 May 2022 that it had chartered two FSRUs from Höegh LNG. The framework conditions for the procurement of LNG on the world market are the responsibility of the German government.

Equinor said on 4 May 2022 in its first quarter report that the company's Hammerfest LNG plant was on track for a start-up on 17 May. The company announced on 16 May that while repairs at Melkøya had been completed, due to a minor fault discovered during the weekend on a compressor the start-up of the plant had been pushed back by a week from previously scheduled 17 May.

Equinor announced on 25 May 2022 that the company and Halten East partners Vår Energi, Spirit Energy and Petoro had decided to invest about NOK 9 billion in the development of the area neighbouring to the Åsgard field in the Norwegian Sea. The area consists of six gas and condensate discoveries and option on another three prospects. Halten East is a collective name for several small-size discoveries and prospects. In 2020 the licensees in the four licences therefore agreed to develop the area as a unit.

Finland's Gasum and Russia's Gazprom respectively announced on 21 May 2022 that natural gas supplies to Gasum from Gazprom had been cut off.

Italy's Snam revealed in its 1Q 2022 result presentation that it had signed an MoU with Enagás to mandate a technical feasibility study for an IT-SP interconnection of up to 30 bcm per year capacity through 800 km offshore pipeline.

Eni announced on 17 May 2022 that the company had begun the process of opening two accounts at Gazprom Bank, on a precautionary basis. This follows Gazprom Export's

unilateral request to amend the existing contracts between the parties in accordance with the new gas payment procedure established by the Russian Federation.

Snam and Golar LNG Limited announced on 18 May 2022 that they had signed a contract through which Golar would deliver the existing LNG Carrier "Golar Arctic" as a floating storage and regasification unit (FSRU) in the port area of Portovesme, in Sardinia.

Excelerate Energy said in its First Quarter 2022 Results announcement that in January 2022, Excelerate received approval from the Albanian government to proceed with the second phase of the feasibility study for the Vlora LNG terminal and power plant.

Greece's Gastrade announced that a special ceremony was held on 3 May 2022 to celebrate the commencement of the realisation of the Alexandroupolis FSRU (Floating Storage and Regasification Unit) project. The FSRU is expected to operate by the end of 2023, with the contracted regasification capacity reaching already up to 60% of its technical capacity of 5.5 bcm per year. The FSRU, with a capacity of 153,500 m³ of LNG, will be connected to the National Natural Gas Transmission System (NNGTS) of Greece with a 28 km long pipeline, through which the regasified LNG will be transmitted to the markets of Greece, Bulgaria and the wider region (Romania, Serbia, North Macedonia etc.), with the prospect of supplying Ukraine, as well. Gastrade also said that it had submitted to the Regulatory Authority for Energy (RAE) an application for a new Independent Natural Gas System (INGS) License, for the project "Thrace INGS", consisting of another FSRU and to be located near the first FSRU at the Sea of Thrace, offshore Alexandroupolis.

Greece's Motor Oil announced that on 9 May 2022 MORE (Motor Oil Renewable Energy) signed two Memoranda of Understanding (MoUs) with Abu Dhabi's MASDAR and Abu Dhabi National Oil Company (ADNOC) respectively. ADNOC and MORE will explore opportunities in the FSRU terminal project of Dioriga Gas and in the supply of LNG.

Poland's PGNiG announced on 14 May 2022 the first LNG cargo delivery on a vessel chartered by the company and the first shipment received from Venture Global LNG at the at the President Lech Kaczyński LNG Terminal in Świnoujście. PGNiG announced on 6 May 2022 that the company received its first cargo of LNG at the LNG terminal in Klaipėda, Lithuania. The cargo came from Freeport, Texas.

Gasgrid Finland Oy announced on 20 May 2022, the company and Excelerate Energy, Inc. had signed an agreement on the leasing of an LNG floating terminal vessel for ten years. The vessel is to be located on the southern coast of Finland. The storage and supply capacity of the vessel is sufficient for the gas needs of both Finland and Estonia. The vessel is loaded with LNG approximately 2-3 times a month. LNG will be re-vaporized into gas and fed into Gasgrid Finland's gas transmission network. The terminal vessel can also be used to refuel smaller LNG tankers for distribution in the Baltic Sea region. The aim is to make the

terminal vessel available next winter, and although the final location will be in southern Finland, new port structures suitable for the terminal vessel will be built on the coasts of both Finland and Estonia. If the construction work is completed in Estonia first, the terminal vessel will be placed there until the Finnish port structures are completed. The final locations of the vessel will be specified in May 2022. The project schedule will be specified in June.

Latvia's fuel trader AS VIRŠI-A announced on 20 May 2022 that it had signed an agreement with AS Skulte LNG Terminal to acquire 20% of the project company shares.

Gas Transmission System Operator of Ukraine (GTSOU) on 10 May 2022 announced force majeure on transportation of gas through the GMS "Sokhranivka" and the border compressor station (CS) "Novopskov" in the occupied territories.

In a stock exchange filing, Korean shipbuilder Daewoo Shipbuilding and Marine Engineering (DSME) announced the cancelation of the first LNG carrier as part of three ship contract with Russia's Sovcomflot. DSME said that the order for the second and third vessels currently remained in effect. The shipbuilding order was originally placed in October 2020 for three ice class Arc 7 LNG carriers.

Equinor announced on 25 May 2022 that the company had transferred its participating interests in four Russian joint ventures to Rosneft and was released from all future commitments and obligations. Equinor has announced an impairment of USD 1.08 billion on the balance sheet as of 31 March 2022.

[Global issues]

GIIGNL (International Group of Liquefied Natural Gas Importers) published on 5 May 2022 the 2022 GIIGNL Annual Report. According to the report, in 2021 the world imported 372.3 million tonnes of LNG, representing a 4.5% growth, compared to the 356.1 in 2020. 136.3 million tonnes was imported on a spot or short-term basis, representing 36.6% of total trade, compared with 40% in 2020. "True" spot volumes (delivered within three months from the transaction date) amounted 31% of total imports in 2021 or 116 million tonnes, less than 35% of total imports in 2020 (125 million tonnes).

Cedigaz released its first estimates of the natural gas industry developments in 2021 "CEDIGAZ First Estimates 2022". In 2021, global gas demand surged 4.5% and recorded the largest volumetric growth on record, with an annual gain of 173 bcm that more than offset the 2020 2% decline.

Reference: Company announcements, Cedigaz News Report.

Contact: report@tky.ieej.or.jp