

LNG Daily

Volume 20 / Issue 148 / August 1, 2023

News headlines

Asian LNG prices rise, tracking European gas market gains

- Derivatives MOC: 7 entities report 1 trade, 12 bids, 18 offers
- Prolonged heat could lower inventory levels
- KPC floats a buy-tender for Sept delivery

Atlantic LNG market softens amid muted demand

- EU Gas storage levels at 85.79% full as of July 30
- Mitsui signs SPAs for Russian Arctic LNG 2 equity liftings
- Atlantic rates firm on strengthening fundamentals
- Pacific rates remain stable

Japan's Mitsui signs SPAs for Russian Arctic LNG 2 equity liftings

- Project set to start this year, ramp up early 2024
- Mitsui handles LNG marketing of 10% equity held by Japan Arctic LNG
- Russian supply accounts for 9.5% of Japan's LNG imports

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Shipping daily rates, Aug 1

| | | \$/day | | Ballast rate |
|---------------------------|---------|-----------|---------|--------------|
| Asia Pacific - TFDE | AARXT00 | 70,000 | AAXTN00 | 100% |
| Asia Pacific - Two Stroke | LNACB00 | 90,000 | LNACD00 | 100% |
| Atlantic - TFDE | AASYC00 | 74,000 | AAXTM00 | 100% |
| Atlantic - Two Stroke | LNACA00 | 94,000 | LNACC00 | 100% |
| TCR Australia-Japan | ATCRA00 | 70,000.00 | | |
| TCR USG-NWE | ATCRB00 | 74,000.00 | | |
| TCR USG-Japan | ATCRC00 | 74,000.00 | | |

Daily cumulative averages and monthly averages

| Aug 1 (\$/MMBtu) | | Cumulative monthly average | | Previous month average | |
|-----------------------|---------|----------------------------|-----|------------------------|----------|
| JKM | AAOV000 | 10.948 | Sep | AAOV003 | 11.869 |
| DES West India | AALIC00 | 10.569 | Sep | AAWIC03 | 11.363 |
| DES Mediterranean | AADC000 | 9.430 | Sep | AASWC03 | 10.140 |
| DES Northwest Europe | AASDF00 | 9.398 | Sep | AASDE03 | 10.109 |
| FOB GCM Loading Month | LGCSM00 | 7.471 | Sep | LGCSM31 | 8.454 |
| JKM Yen | AAOVT00 | 1538.101 | Sep | AAOVT03 | 1690.296 |
| JKM Yuan | LJCWM00 | 78.141 | Sep | LJCWM03 | 87.272 |

| | | | | |
|----------------------------------|---------|--------|--------|---|
| JKM TM | AAOVQ00 | 11.174 | +0.758 | ▲ |
| Cumulative monthly average (Sep) | AAOV000 | 10.948 | | |
| Previous month average (Aug) | AAOV003 | 11.869 | | |
| CAL WTW JKTC | ACNLF00 | 0.161 | | |

Platts daily LNG markers (\$/MMBtu)

| Aug 1 | | | Change |
|---------------------------------|---------|----------|-----------|
| DES Japan/Korea Marker (JKM) | | | |
| JKM (Sep) | AAOVQ00 | 11.174 | 0.758 ▲ |
| H1 Sep | AAPSU00 | 10.945 | 0.744 ▲ |
| H2 Sep | AAPSV00 | 11.402 | 0.772 ▲ |
| H1 Oct | AAPSW00 | 12.015 | 0.465 ▲ |
| H2 Oct | AAPXA00 | 12.463 | NA NA |
| JKM (Sep) Japanese Yen | AAOVR00 | 1594.586 | 111.973 ▲ |
| JKM (Sep) Chinese Yuan (CNY/mt) | LJCMS00 | 4141.884 | 279.777 ▲ |

DES Japan/Korea (JKM) derivatives Singapore close*

| | | | |
|----------|---------|--------|---------|
| Balmo-ND | LJKMB00 | 11.070 | 0.788 ▲ |
| Sep | LJKM000 | 11.000 | 0.380 ▲ |
| Oct | LJKM001 | 12.250 | 0.500 ▲ |
| Nov | LJKM002 | 14.150 | 0.500 ▲ |

DES Japan/Korea (JKM) derivatives London close*

| | | | |
|-----|---------|--------|----------|
| Sep | JKLM000 | 10.865 | 0.015 ▲ |
| Oct | JKLM001 | 12.115 | -0.147 ▼ |
| Nov | JKLM002 | 14.035 | -0.300 ▼ |

DES Mediterranean Marker (MED)

| | | | |
|-----------|---------|-------|----------|
| MED (Sep) | AASXY00 | 8.777 | -0.473 ▼ |
| H2 Aug | LNMDA00 | 8.575 | -0.393 ▼ |
| H1 Sep | AASXZ00 | 8.577 | -0.473 ▼ |
| H2 Sep | AASYA00 | 8.977 | -0.473 ▼ |
| H1 Oct | AASYB00 | 9.578 | NA NA |

DES Northwest Europe Marker (NWE)

| | | | |
|-----------|---------|-------|----------|
| NWE (Sep) | AASXU00 | 8.747 | -0.463 ▼ |
| H2 Aug | LNMDA00 | 8.545 | -0.383 ▼ |
| H1 Sep | AASXV00 | 8.547 | -0.463 ▼ |
| H2 Sep | AASXW00 | 8.947 | -0.463 ▼ |
| H1 Oct | AASXX00 | 9.548 | NA NA |

Middle East Marker (MEM)

| | | | |
|-----------|---------|--------|---------|
| MEM (Sep) | LMEMA00 | 10.675 | 0.712 ▲ |
| H1 Sep | LMEMB00 | 10.450 | 0.700 ▲ |
| H2 Sep | LMEMC00 | 10.900 | 0.725 ▲ |
| H1 Oct | LMEMD00 | 11.525 | 0.425 ▲ |
| H2 Oct | LMEME00 | 11.975 | NA NA |

DES West India Marker (WIM)

| | | | |
|-----------|---------|--------|---------|
| WIM (Sep) | AARXS00 | 10.775 | 0.712 ▲ |
| H2 Aug | LMEAA00 | 10.550 | 1.000 ▲ |
| H1 Sep | LMEAB00 | 10.550 | 0.700 ▲ |
| H2 Sep | LMEAC00 | 11.000 | 0.725 ▲ |
| H1 Oct | LMEAD00 | 11.625 | 0.425 ▲ |
| H2 Oct | LMEAE00 | 12.075 | NA NA |

DES West India Marker (WIM) derivatives Singapore close*

| | | | |
|-----|---------|--------|---------|
| Sep | AWIMB00 | 10.625 | 0.380 ▲ |
| Oct | AWIMM01 | 11.800 | 0.500 ▲ |
| Nov | AWIMM02 | 13.650 | 0.500 ▲ |

FOB Gulf Coast Marker (GCM)

| | | | |
|-----|---------|-------|----------|
| GCM | LGCSM01 | 6.950 | -0.400 ▼ |
|-----|---------|-------|----------|

*For full forward curve, see page 4

LNG netback prices (\$/MMBtu)

| Aug 1 | | | Change |
|-----------------------|---------|--------|----------|
| FOB Australia | AARXR00 | 10.380 | 0.730 ▲ |
| FOB Middle East | AARXQ00 | 10.200 | 0.650 ▲ |
| DES Brazil Netforward | LEBMH01 | 7.990 | -0.380 ▼ |
| FOB Singapore | AARXU00 | 10.574 | 0.758 ▲ |
| FOB Murmansk | AARXV00 | 8.347 | -0.463 ▼ |

Market Commentaries

Asian LNG prices rise, tracking European gas market gains

- Derivatives MOC: 7 entities report 1 trade, 12 bids, 18 offers
- Prolonged heat could lower inventory levels
- KPC floats a buy-tender for Sept delivery

Asia-Pacific spot LNG prices rose on Aug. 1 following a rise in the European natural gas market.

Platts assessed the September JKM at \$11.174/MMBtu and JKM Balance Month-Next day derivatives at \$11.07/MMBtu on Aug. 1.

Platts assessed H1 September at \$10.945/MMBtu, or at a discount of 12.5 cents/MMBtu to the JKM Balance month-next day derivative, and H2 September at 11.402 /MMBtu, or at a premium of 33.2 cents/MMBtu to the JKM Balance month-next day derivative.

European natural gas prices rose on worries about maintenances and supply of natural gas from Norway.

Dutch TTF September was assessed at \$9.572/MMBtu at 0830 GMT on Aug.1 as against \$8.93/MMBtu on July 31.

Amid a rise in temperatures reported in northeast Asia, market participants noted a buying interest in the region and an expected impact on inventories if the heat continues.

"Winter still looks comfortable for now, but obviously prolonged heat could impact that if people draw down inventories," a market source said, citing Japan as an example.

Japan's weather agency data shows a cumulative total of 2,435 locations in the country recorded temperatures of 35 degree Celsius or higher in July, with the heat expected to run into August.

A supplier told S&P Global that the China market is warming up a little with some spot and string cargo inquiries received from Chinese buyers. However, the source also added that high price sensitivity in the market is limiting the rebound of LNG demand.

Meanwhile, in the Middle East, Kuwait Petroleum Corp. was heard to have floated a tender Aug. 1, seeking a 3.2-3.4 Tbtu cargo for Sept. 1-30 delivery. The tender closes Aug. 2 at 1:00 pm Kuwait time and remains valid until 5:00 pm same day.

Market participants were also seen awaiting the result of India's GAIL swap tender that was set to close Aug. 1.

Market sources also noted that potential high inventory levels in Europe could lead to supplies to the Asian market. "Stocks in Europe is expected to reach 100% full in September. Then, cargoes will need to come to Asia," a Singapore-based trader said.

During the derivative Platts Market on Close assessment process Aug. 1, PetroChina sold 25 lots to Vitol at \$11.00/MMBtu at 8:30:06 pm Singapore time.

Vitol reported a bid for September derivatives at \$10.90/MMBtu while Glencore reported the most competitive offer at \$11.02/MMBtu at the Asia close. September JKM derivative was assessed at \$11.00/MMBtu.

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— Ying ting Lew

Atlantic LNG market softens amid muted demand

- EU Gas storage levels at 85.79% full as of July 30
- Mitsui signs SPAs for Russian Arctic LNG 2 equity liftings

Shipping Highlights

- Atlantic rates firm on strengthening fundamentals
- Pacific rates remain stable

Atlantic LNG prices softened to begin the month of August, losing much of the ground gained during the previous day amid muted demand.

The recent moderation in temperatures in southern Europe, which reached historic highs during a mid-July heatwave, has put a lid on demand in the region.

The Platts DES Northwest Europe Marker for September was assessed at \$8.747/MMBtu Aug. 1, or at parity to the September TTF hub price, down 46.3 cents/MMBtu on the day.

The first half of September was assessed at \$8.547/MMBtu, and the second half of September was assessed at \$8.947/MMBtu, reflecting a 40-cents/MMBtu contango intramonth structure.

The Mediterranean marker was assessed at a 3 cents/MMBtu premium to NWE based on market intelligence.

Alongside weakening demand, regional supplies remain ample with EU gas storage levels at 85.79% full as of July 30, Aggregated Gas Storage Inventory data showed. This is compared to 68.93% seen during the same period last year.

Across the Atlantic, the Platts Gulf Coast Marker for US FOB cargoes loading 30-60 days forward was assessed at \$6.95/MMBtu Aug. 1, down 40 cents/MMBtu on the day.

In wider news, Japan's Mitsui has signed sales and purchase agreements with customers for its equity lifting volumes from the Arctic LNG 2 project in northern Russia ahead of the first train starting up later this year, a company spokesperson told S&P Global Commodity Insights Aug. 1.

Additionally, the first LNG regasification slot of three at Zeebrugge, Belgium, was auctioned Oct. 3 for about Eur940,000 (\$1 million), market sources said Aug. 1, with the price tag similar to a recent auction for Sept. 2 slot. Auction winners can unload, store as well as regasify up to 165,000 cu m LNG over 10 days.

"It (was) a very good signal on demand for regas this winter," an Atlantic-based trader said.

In LNG shipping news, no fresh activity was witnessed on the day Aug. 1 as market participants anticipated Petronets' recent ship requirement results to be reported to the market.

Day rates in the Atlantic Basin improved by \$1,000/d to \$74,000/d for a TFDE LNG carrier, with a ballast rate of 100%, and also rising by \$1,000/d to \$94,000/d, with a ballast rate of 100%, for a two-stroke LNG carrier.

The Pacific Basin saw day rates remain stable at \$70,000/d for TFDE LNG carriers, with a ballast rate of 100% and at \$90,000/d for two-stroke LNG carriers, with a ballast rate of 100%.

— Margaret Rogers, Sakshi Jalan, Clio Ho, Masrur Choudhury

(continued on page 6)

Assessment rationale

Platts LNG Asia JKM Rationale & Exclusions

Platts assessed the September JKM at \$11.174/MMBtu and JKM Balance Month-Next day derivatives at \$11.070/MMBtu Aug.1.

Platts assessed H1 September at \$10.945/MMBtu, or at a discount of 12.5 cents/MMBtu to the JKM Balance month-Next day derivatives, and H2 September at \$11.402/MMBtu, or at a premium of 33.2 cents/MMBtu to the JKM Balance Month-Next day derivative, in line with market indications for spread between the mid-September physical cargo value and the balance month-next day derivative value.

There were no bids and offers reported during the physical Platts Market on Close assessment process.

During the derivatives Platts Market on Close assessment process, PetroChina Hong Kong sold 25 lots of September derivatives at \$11/MMBtu to Vitol. The September JKM derivatives were assessed at the traded value of \$11/MMBtu.

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This rationale applies to symbol(s) <AAOVQ00>

Exclusions: None

Platts LNG Asia WIM Rationale & Exclusions

Platts assessed WIM for September at \$10.775/MMBtu Aug.1, at a discount of 39.9 cents/MMBtu to the September JKM assessment.

The first half of September was assessed at \$10.550/MMBtu and the second half of September at \$11.000/MMBtu, in line with market indications.

Exclusions: No market data was excluded from the assessment.

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Platts LNG US FOB Gulf Coast Daily Rationale & Exclusions

Platts assessed the FOB Gulf Coast Marker at \$6.95/MMBtu Aug. 1, down 40 cents on the day.

The assessment for FOB USGC cargoes loading 30-60 days forward was based on an indication heard for tradeable value around September TTF minus \$1.8/ MMBtu. That would be equivalent to \$6.947/MMBtu on an outright basis.

Platts is part of S&P Global Commodity Insights.

This rationale applies to the symbol <LGCSM01>.

Exclusions: None

Platts LNG European Assessment Rationale & Exclusions

The Platts DES Northwest Europe Marker for September was assessed at \$8.747/MMBtu Aug. 1 or at parity with the September TTF hub price, down 46.3 cents on the day.

NWE first-half September was assessed at \$8.547/MMBtu, or at a 20-cent/MMBtu discount to the September average of the TTF hub prices, and NWE H2 September was assessed at \$8.947/MMBtu, or at a 20-cent/MMBtu premium to the September average of the TTF hub prices, in line with the bid and offer level indications.

A bid for September NWE was heard indicated at September TTF minus 20 cents/MMBtu and an offer for September NWE was heard indicated at September TTF plus 20 cents/MMBtu.

The TTF September futures contract was assessed at \$8.747/MMBtu, down 46.3 cents on the day.

This rationale applies to symbols AASXU00 and AASXY00.

Exclusions: None

Asia/Middle East (\$/MMBtu), Aug 1*

| DES Japan/Korea Marker (JKM) | | |
|--|---------|--------|
| JKM (Sep) | AAOVQ00 | 11.174 |
| JKM (H1 Sep) | AAPSU00 | 10.945 |
| JKM (H2 Sep) | AAPSV00 | 11.402 |
| JKM (H1 Oct) | AAPSW00 | 12.015 |
| JKM (H2 Oct) | AAPXA00 | 12.463 |
| Asian Dated Brent (16:30 Singapore) | ADBAA00 | 14.72 |
| JKM vs WIM (16:30 Singapore) | LDJWS00 | 0.399 |
| JKM vs Henry Hub futures | AAPRZ00 | 8.520 |
| JKM vs TTF (16:30 Singapore) | LNTFJ00 | 1.602 |
| JKM vs Asian Dated Brent (16:30 Singapore) | AAPS00 | -3.548 |
| JKM vs MED (16:30 London) | ALNGB00 | 2.397 |
| JKM vs NWE (16:30 London) | ALNGA00 | 2.427 |

| JKM Cash Differentials | | |
|------------------------|---------|--------|
| Balmo-ND | AAOVU00 | 0.104 |
| Sep | AAOXX00 | 0.174 |
| Oct | AAOVW00 | -1.076 |

| DES Japan/Korea (JKM) derivatives Singapore close | | |
|---|---------|--------|
| Balmo-ND | LJKMB00 | 11.070 |
| Sep | LJKMO00 | 11.000 |
| Oct | LJKMO01 | 12.250 |
| Nov | LJKMO02 | 14.150 |
| Dec | LJKMO03 | 16.300 |
| Q4 2023 | LJKQR01 | 14.233 |
| Q1 2024 | LJKQR02 | 16.900 |
| Winter 2023 | LJKSN01 | 15.567 |
| Summer 2024 | LJKSN02 | 15.750 |
| 2024 | LJKYR01 | 16.475 |
| 2025 | LJKYR02 | 14.500 |
| 2026 | LJKYR03 | 11.875 |

| DES Japan/Korea (JKM) derivatives London close | | |
|--|---------|--------|
| Sep | JKLMO00 | 10.865 |
| Oct | JKLMO01 | 12.115 |
| Nov | JKLMO02 | 14.035 |
| Dec | JKLMO03 | 16.004 |
| Q4 2023 | JKLQR01 | 14.051 |
| Q1 2024 | JKLQR02 | 16.789 |
| Winter 2023 | JKLSN01 | 15.420 |
| Summer 2024 | JKLSN02 | 15.603 |
| 2024 | JKLYR01 | 15.877 |
| 2025 | JKLYR02 | 13.974 |
| 2026 | JKLYR03 | 11.232 |
| JKM M1 vs TTF M1 | LJKT01 | 2.118 |

| DES West India Marker (WIM) | | |
|-----------------------------|---------|--------|
| WIM (Sep) | AARXS00 | 10.775 |

| DES West India Marker (WIM) derivatives Singapore close | | |
|---|---------|--------|
| Sep | AWIMB00 | 10.625 |
| Oct | AWIMM01 | 11.800 |
| Nov | AWIMM02 | 13.650 |
| Dec | AWIMM03 | 15.800 |
| Q4 2023 | AWIMQ01 | 13.750 |
| Q1 2024 | AWIMQ02 | 16.400 |
| Winter 2023 | AWISN01 | 15.075 |
| Summer 2024 | AWISN02 | 15.400 |
| 2024 | AWIMY01 | 16.075 |
| 2025 | AWIMY02 | 14.150 |
| 2026 | AWIMY03 | 11.500 |

| Carbon Accounted LNG | | |
|---|---------|------------|
| CAL WTW JKTC Differential (ex-Australia) | ACNLF00 | 0.161 |
| CAL WTT JKTC Differential (ex-Australia) | ACNLB00 | 0.028 |
| CAL DES JKTC Differential (ex-Australia) | ACNLG00 | 0.027 |
| CAL Combustion JKTC | ACNLJ00 | 0.133 |
| CAL WTW Australia-JKTC (Removals Credits) | ACNLL00 | 0.939 |
| CAL Combustion Emissions JKTC (tCO2e) | ACNLK00 | 188360.000 |

| FOB Australia (netback) | | |
|-------------------------|---------|--------|
| JKM (Sep) | AAOVQ00 | 11.174 |
| (-) Freight | AAUSA00 | 0.79 |
| FOB Australia | AARXR00 | 10.38 |

| Key gas price benchmarks | | |
|---------------------------------|---------|-----------------|
| Japan Customs Cleared LNG (May) | LAKPN00 | 12.78 Final |
| Japan Customs Cleared LNG (Jun) | LAKPM00 | 12.09 Estimated |

*Japan Customs Cleared value shows latest available CIF price published by the Ministry of Finance, converted to US dollars per MMBtu. All other values reflect Platts most recent one-month forward assessments for each product in each region, converted to US dollars per MMBtu. JKM Marker, SWE LNG and NWE LNG average the assessments of the two half-months comprising the first full month of forward delivery. Asian LNG assessments assessed at Singapore market close 0830 GMT, European LNG assessment assessed at London market close 1630 UK time. NYMEX Henry Hub futures and ICE NBP futures values taken at London market close. ICE NBP futures converted from Pence/Therm to \$/MMBtu. Asian Dated Brent crude oil assessed at Asian market close 0830 GMT and converted from \$/barrel to \$/MMBtu. Detailed assessment methodology is found on www.platts.com.

| Platts Dutch TTF Singapore close | | |
|----------------------------------|---------|--------|
| Sep-23 | DTMSC01 | 9.572 |
| Oct-23 | DTMSC02 | 11.020 |

| Platts Dutch TTF London close | | |
|-------------------------------|---------|--------|
| Sep | GTFWM10 | 8.747 |
| Oct | GTFWM20 | 10.488 |
| Nov | GTFWM30 | 13.810 |

| Dutch TTF vs Global LNG Average | | |
|---------------------------------|---------|--------|
| Sep (Eur/MWh) | GLADA00 | -2.494 |
| Three-Day Avg (Eur/MWh) | GLADT00 | -2.842 |

Europe (\$/MMBtu), Aug 1

| | \$/MMBtu | Eur/MWh | Eur/MMBtu |
|--|----------|---------|-----------|
|--|----------|---------|-----------|

| DES Mediterranean Marker (MED) | | |
|-----------------------------------|---------|------------------------------------|
| MED (Sep) | AASXY00 | 8.777 LNMTA00 27.299 LNMXA00 8.007 |
| MED (H2 Aug) | LNMDA00 | 8.575 |
| MED (H1 Sep) | AASXZ00 | 8.577 |
| MED (H2 Sep) | AASYA00 | 8.977 |
| MED (H1 Oct) | AASYB00 | 9.578 |
| Dated Brent (16:30 London) | ADBAB00 | 14.70 |
| MED vs Henry Hub futures | AASYF00 | 6.233 |
| MED vs Next Month TTF (Sep) | LMDMA00 | 0.030 |
| MED vs TTF (Sep) | LNTFS00 | 0.030 |
| MED vs NBP futures | AASYH00 | 0.093 |
| MED vs Dated Brent (16:30 London) | AASYJ00 | -5.926 |
| MED vs NWE | ALNSA00 | 0.030 |
| MED vs JKM | AASYM00 | -2.397 |

| DES Northwest Europe Marker (NWE) | | |
|-----------------------------------|---------|------------------------------------|
| NWE (Sep) | AASXU00 | 8.747 LNNTA00 27.206 LNNXA00 7.979 |
| NWE (H2 Aug) | LNMDA00 | 8.545 |
| NWE (H1 Sep) | AASXV00 | 8.547 |
| NWE (H2 Sep) | AASXW00 | 8.947 |
| NWE (H1 Oct) | AASX00 | 9.548 |
| Dated Brent (16:30 London) | ADBAB00 | 14.70 |
| NWE vs Henry Hub futures | AASYE00 | 6.203 |
| NWE vs Next Month TTF (Sep) | LNDMA00 | 0.000 |
| NWE vs TTF (Sep) | LNTFN00 | 0.000 |
| NWE vs NBP futures | AASYG00 | 0.063 |
| NWE vs Dated Brent (16:30 London) | AASYI00 | -5.956 |
| NWE vs MED | AASYK00 | -0.030 |
| NWE vs JKM | AASYL00 | -2.427 |
| NWE as a % of NBP | AASYD00 | 100.73 |

| DES Northwest Europe LNG Forward Curve | | |
|--|----------------|------------------------------|
| | Price | TTF Diff JKM vs NWE |
| Sep 23 | LNGDA01 8.697 | LNDTA01 -0.050 LFDFA01 2.168 |
| Oct 23 | LNGDA02 9.935 | LNDTA02 -0.553 LFDFA02 2.180 |
| Nov 23 | LNGDA03 12.928 | LNDTA03 -0.882 LFDFA03 1.107 |
| Dec 23 | LNGDA04 14.817 | LNDTA04 -0.837 LFDFA04 1.187 |
| Jan 24 | LNGDA05 15.188 | LNDTA05 -0.892 LFDFA05 2.073 |
| Feb 24 | LNGDA06 15.309 | LNDTA06 -0.861 LFDFA06 2.325 |
| Mar 24 | LNGDA07 14.653 | LNDTA07 -1.315 LFDFA07 0.820 |
| Apr 24 | LNGDA08 14.347 | LNDTA08 -1.187 LFDFA08 0.959 |
| May 24 | LNGDA09 14.303 | LNDTA09 -1.117 LFDFA09 0.724 |
| Jun 24 | LNGDA10 14.353 | LNDTA10 -1.117 LFDFA10 0.757 |
| Jul 24 | LNGDA11 14.456 | LNDTA11 -1.047 LFDFA11 0.787 |
| Q4 2023 | LDNFQ01 12.560 | LJNFO01 1.491 |
| Q1 2024 | LDNFQ02 15.050 | LJNFO02 1.739 |
| Winter 2023 | LDNFS01 13.805 | LJNFS01 1.615 |
| Summer 2024 | LDNFS02 13.988 | LJNFS02 1.615 |

North America (\$/MMBtu), Aug 1

| FOB Gulf Coast Marker (GCM) | | |
|-----------------------------------|---------|--------|
| GCM | LGCSM01 | 6.950 |
| Dated Brent (16:30 London) | ADBAB00 | 14.70 |
| GCM vs JKM | LGMJM01 | -4.224 |
| GCM vs Henry Hub futures | LGMHM01 | 4.390 |
| GCM vs TTF | LNTFG00 | -1.797 |
| GCM vs NWE | LGEUR00 | -1.797 |
| GCM vs MED | LGMET00 | -1.827 |
| GCM vs NBP futures | LGMNM01 | -1.734 |
| GCM vs Dated Brent (16:30 London) | LGMDB00 | -7.753 |
| GCM vs USGC HSFO | LGMFO00 | -5.470 |

Recent tenders and strips

| Tender/ strip August 01 | Issuer/location | Tender type | (Loading) or delivery period | Slots/ cargoes | Opening | Closing date | Validity | Notes | Results |
|-------------------------------|---|----------------|---------------------------------|-------------------|-----------|-----------------|-----------|---|---|
| Tender | KPC-Kuwait | Buy | 01-Sep-23 - 30-Sep-23 | DES | 01-Aug-23 | 02-Aug-23 | 02-Aug-23 | | |
| Tender | PTT-Map Ta Phut | Buy | 23-Aug-23 - 21-Sep-23 | 2 DES | | 27-Jul-23 | | Heard awarded both cargoes | |
| Tender | GAIL-United States | Sell | 01-Jan-24 - 31-Dec-24 | 6 Both | | 03-Aug-23 | | Part of swap tender. 6 FOB sale from US, and DES to India with one cargo every alternate month. | |
| Tender | GAIL-India | Buy | 01-Jan-24 - 31-Dec-24 | 6 Both | | 03-Aug-23 | | | |
| Tender | EGAT-Thailand | Buy | 25-Sep-23 - 26-Dec-23 | 6 DES | | 25-Jul-23 | | | Hearing awarded cargoes at discount to JKM. Oct cargoes heard discount of 35-40 cents to Oct JKM |
| Tender | GSPC-Mundra LNG | Buy | 16-Aug-23 - 15-Sep-23 | DES | | 21-Jul-23 | | | Not awarded |
| Tender | Indian Oil Corp (IOC)-Dhamra | Buy | 26-Aug-23 - 30-Aug-23 | DES | | 25-Jul-23 | | | |
| Tender | Rupantarita Prakritik Gas Company Limited- Bangladesh | Buy | 11-Sep-23 - 12-Sep-23 | 1 DES | 24-Jul-23 | 30-Jul-23 | 03-Aug-23 | | |
| Tender | Kansai Electric- Cove Point | Sell | 12-Aug-23 - 12-Aug-23 | FOB | | 21-Jul-23 | | | |
| Tender | Kuwait Petroleum- Kuwait | Buy | 25-Aug-23 - 30-Sep-23 | 2 DES | | 18-Jul-23 | | Delivery windows: Aug. 25-31 and Sept. 1-30, quantity range: 3.2-3.4 Tbtu | Heard Awarded.Heard awarded very close to but above \$10/MMBtu.Heard awarded 2 cargoes. |
| Tender | GAIL-Dhamra | Buy | 15-Sep-23 - 25-Sep-23 | 1 DES | | 11-Jul-23 | | | Heard awarded \$11.1- \$11.2/MMBtu |
| Tender | Pakistan LNG- Pakistan | Buy | 03-Jan-24 - 24-Feb-24 | 2 DES | | 14-Jul-23 | | Pakistan LNG was heard to have received offers from a trading house, with offers for the Jan. 3-4 cargo at \$23.47/ MMBtu and Feb. 23-24 at \$22.47/MMBtu, | |
| Tender | Indian Oil Corp (IOC)-India | Buy | 01-Jan-24 - 31-Dec-24 | 12 DES | | 08-Aug-23 | | | |
| Tender | Pertamina- Indonesia | Sell | 01-Sep-23 - 31-Oct-23 | 3 Unknown | | 11-Jul-23 | | Heard partially awarded. | |
| Tender | Angola LNG- Angola LNG | Sell | 04-Aug-23 - 30-Aug-23 | DES | | 17-Jul-23 | | Delivery to South America: Aug. 4-28, Europe: Aug. 6-30, Middle East: Aug. 13-22, South Asia: Aug. 12-24, Southeast Asia: Aug. 13-22 | |
| Tender | Oman LNG-Oman LNG | Sell | 02-Aug-23 - 04-Sep-23 | 2 DES | | 18-Jul-23 | | Oman LNG was offering two cargoes from Qalhat, one for delivery over Aug. 2-12 and another over Aug 25-Sept. 4, with delivery as far as Southeast Asia. | |
| Tender | GAIL-Dhamra | Buy | 15-Sep-23 - 25-Sep-23 | 1 DES | | 04-Jul-23 | | | |
| Tender | Torrent Power- Dahej | Buy | 18-Aug-23 - 19-Aug-23 | DES | | 12-Jul-23 | | | Heard awarded between \$10.3-10.5/MMBtu |
| Tender | EGAT-Thailand | Buy | | DES | | 10-Aug-23 | | | |
| Tender | BPCL-India | Buy | 26-Jul-23 - 12-Sep-23 | DES | | 07-Jul-23 | | | Heard awarded close to \$12/MMBtu |

News

Japan's Mitsui signs SPAs for Russian Arctic LNG 2 equity liftings

- Project set to start this year, ramp up early 2024
- Mitsui handles LNG marketing of 10% equity held by Japan Arctic LNG
- Russian supply accounts for 9.5% of Japan's LNG imports

Japan's Mitsui has signed sales and purchase agreements with customers for its equity lifting volumes from the Arctic LNG 2 project in northern Russia ahead of the first train starting up later this year, a company spokesperson told S&P Global Commodity Insights Aug. 1.

"We are working toward starting production from the first train [of the Arctic LNG 2 project] in 2023," said the spokesperson, adding that the company has signed SPAs that correspond to its equity lifting volumes from the project. He declined to elaborate on buyers and supply destinations.

Mitsui joined the Arctic LNG 2 project in 2019 via a subsidiary called Japan Arctic LNG, which secured substantial financial support from state-owned Japan Organization for Metals and Energy Security (JOGMEC) as part of wider Japanese efforts to ensure stable LNG supply and diversify import sources.

Mitsui handles LNG marketing for Japan Arctic LNG's 10% equity offtake volume of 1.98 million mt/year from the project.

Novatek CEO Leonid Mikhelson said July 20 that first LNG from the project was still expected before the end of 2023, with ramp-up to design capacity between January and March 2024.

"We are going to meet the deadlines of the first line's launch scheduled for 2023," Mikhelson said at a ceremony to mark the dispatch of the first train from Murmansk for delivery to the project site on the Gydan peninsula.

In all, Arctic LNG 2 will have three production trains, each with a capacity of 6.6 million mt/year, giving the project a total capacity of 19.8 million mt/year.

The second and third trains are expected online in 2024 and 2026, respectively.

Novatek holds 60% in the project, alongside TotalEnergies (10%), Chinese companies CNPC and CNOOC (10% each) and Japan Arctic LNG (10%).

Marine Fuel LNG Bunker, Aug 1

| | \$/MMBtu | | \$/mt (Oil) | | \$/mt (LNG) | |
|-------------|----------|--------|-------------|---------|-------------|---------|
| Singapore | LNBSG00 | 12.974 | LNBSM00 | 501.354 | LNBSF00 | 674.648 |
| US SE Coast | LNCA00 | 12.776 | LNCO00 | 493.688 | LNCL00 | 664.331 |
| | Eur/MWh | | \$/mt (Oil) | | \$/mt (LNG) | |
| Rotterdam | LNBRT00 | 39.250 | LNBRM00 | 487.139 | LNBRF00 | 656.188 |

MMBtu to \$/mt (oil) factor: 38.643; MWh to \$/mt (oil) factor: 11.322; MMBtu to \$/mt (LNG) factor: 52.000.

South America (\$/MMBtu), Aug 1

DES Brazil Netforward

| | | |
|---|---------|--------|
| DES Brazil (Sep) | LEBMH01 | 7.990 |
| DES Brazil vs NWE Fuel Oil Derivative | LAARM01 | -5.160 |
| DES Brazil vs DES MED LNG | LASWM01 | -0.787 |
| DES Brazil vs Dated Brent | LADBM01 | -6.713 |
| DES Brazil vs Henry Hub (16:30 London) | LAHHM01 | 5.446 |
| DES Brazil vs JKM (16:30 London) | LAJKM01 | -3.184 |
| DES Brazil vs NBP (16:30 London) | LABPM01 | -0.694 |
| DES Brazil vs TTF (16:30 London) | LDBTM01 | -0.757 |
| Brazil Inland Gas derived from LNG cost, Northeast (16:30 London) | ABINA00 | 13.110 |
| Brazil Inland Gas derived from LNG cost, Southeast (16:30 London) | ABINB00 | 13.170 |
| Brazil Inland Gas derived from LNG cost, average (16:30 London) | ABINC00 | 13.140 |
| Brazil Inland Gas derived from LNG cost, Northeast vs JKM | ABIND00 | 1.936 |
| Brazil Inland Gas derived from LNG cost, Southeast vs JKM | ABINE00 | 1.996 |
| Brazil Inland Gas derived from LNG cost, average vs JKM | ABINF00 | 1.966 |

North American feedgas (\$/MMBtu), Jul 31

| | | |
|---|---------|-------|
| Daily average US LNG feedgas cost | ALNFG00 | 2.358 |
| 30-day moving average US LNG feedgas cost | ALNUS00 | 2.331 |
| Daily average USGC LNG feedgas cost | ALNFH00 | 2.373 |
| 30-day moving average USGC LNG feedgas cost | ALNUG00 | 2.327 |

| Export facility | Estimated feedgas cost | |
|-----------------|------------------------|-------|
| Sabine Pass | ALNFA00 | 2.227 |
| Corpus Christi | ALNFB00 | 2.435 |
| Cove Point | ALNFC00 | 1.970 |
| Cameron | ALNFD00 | 2.427 |
| Freeport | ALNFE00 | 2.380 |
| Elba Island | ALNFF00 | 2.797 |
| Calcasieu Pass | ALNFI00 | 2.629 |

Facility feedgas costs represent a calculation derived from S&P Global Commodity Insights North American gas spot price indices at the hub(s) from which feedgas would be procured most economically for the export facility. The average summary costs are an average of the relevant export facilities' feedgas costs weighted by Commodity Insights Analytics daily estimated volume delivered to each facility.

US Cargo Cancellations, Aug 1

| | |
|--------|----|
| Sep-23 | 0 |
| Aug-23 | 0 |
| Jul-23 | 0 |
| Jun-23 | 0 |
| May-23 | 0 |
| Apr-23 | 0 |
| Mar-23 | 4 |
| Feb-23 | 8 |
| Jan-23 | 16 |
| Dec-22 | 16 |
| Nov-22 | 16 |
| Oct-22 | 16 |

The figures are collected from market sources.

Natural Gas Futures (\$/MMBtu), Aug 1

| | | | |
|--------------------------|----------|---------|--------|
| NYMEX HH Singapore close | (Sep) | AAPSD00 | 2.654 |
| NYMEX HH Singapore close | (Oct) | AAPSE00 | 2.760 |
| NYMEX HH London close | (Sep 23) | AASYN00 | 2.544 |
| NYMEX HH London close | (Oct 23) | AASYO00 | 2.658 |
| ICE NBP London close | (Sep 23) | AASYR00 | 8.684 |
| ICE NBP London close | (Oct 23) | AASYS00 | 10.353 |
| NYMEX HH US close | (Sep 23) | NMNG001 | 2.560 |
| NYMEX HH US close | (Oct 23) | NMNG002 | 2.672 |

Japan's exposure

Russia's invasion of Ukraine in 2022 has complicated the situation over imports of Russian energy, with Japan pledging to phase out its Russian coal and oil imports.

The Japanese government, however, has made it clear that it intends to maintain stakes in the Sakhalin 1, 2 and Arctic LNG 2 projects in Russia, considering their significance for national energy security.

Russia was the third largest LNG supplier to Japan in the first half of 2023, with its LNG supply accounting for 9.5% of the country's total LNG imports of 32.62 million mt, according to the Ministry of Finance data.

Daisuke Harada, director and economist at JOGMEC's energy research division, told S&P Global in response to a question on whether Japanese companies would be able to lift Arctic LNG 2

(continued on page 9)

Platts APAC spark spread assessments, Aug 1

| | \$/MMBtu | | Yen/kWh | |
|----------------|----------|--------|---------|--------|
| Tokyo Baseload | | | | |
| Sep | ATOKA00 | 1.552 | ATYOA00 | 0.755 |
| Oct | ATOKM01 | -0.372 | ATYOM01 | -0.181 |
| Nov | ATOKM02 | 0.308 | ATYOM02 | 0.150 |
| Dec | ATOKM03 | 0.119 | ATYOM03 | 0.058 |
| Q4 2023 | ATOKQ01 | 0.019 | ATYQQ01 | 0.009 |
| Q1 2024 | ATOKQ02 | -0.711 | ATYQQ02 | -0.346 |
| Winter 2023 | ATOKSSN | -0.368 | ATYSSN | -0.179 |

Spark spread assessments are calculated as the differences of Platts JKM LNG daily derivatives assessments over the Japanese power futures (Tokyo, Baseload) settlement prices for the same periods published by the European Energy Exchange (EEX).

Platts WIM RLNG daily prices, Aug 1

| | \$/MMBtu | | Rupee/MMBtu | |
|-------------|----------|-------|-------------|---------|
| Ex-Terminal | | | | |
| Dahej | RLEDA00 | 12.00 | RLEIA00 | 987.51 |
| Hazira | RLEDB00 | 12.09 | RLEIB00 | 994.49 |
| Dabhol | RLEDC00 | 12.00 | RLEIC00 | 987.51 |
| Mundra | RLEDE00 | 12.00 | RLEEI00 | 987.51 |
| Kochi | RLEDD00 | 12.36 | RLEDI00 | 1017.22 |
| Average | RLEDF00 | 12.09 | RLEIF00 | 994.85 |
| Location | | | | |
| Ahmedabad | RLDDJ00 | 12.55 | RLDIJ00 | 1032.31 |
| Morbi | RLDDK00 | 12.55 | RLDIK00 | 1032.31 |
| Parvel | RLDDL00 | 13.16 | RLDIL00 | 1082.97 |
| Dabhol | RLDDC00 | 12.63 | RLDIC00 | 1039.29 |
| Vijaipur | RLDDM00 | 13.08 | RLDIM00 | 1075.99 |
| Kota | RLDDN00 | 13.08 | RLDIN00 | 1075.99 |
| Chhainsa | RLDDO00 | 13.08 | RLDIO00 | 1075.99 |
| Jagdishpur | RLDDP00 | 13.08 | RLDIP00 | 1075.99 |
| New Delhi | RLDDQ00 | 13.08 | RLDIQ00 | 1075.99 |
| Koottanad | RLDDR00 | 12.91 | RLDIR00 | 1062.02 |
| Kakinada | RLDDS00 | 13.65 | RLDIS00 | 1122.75 |
| Average | RLDDT00 | 12.98 | RLDIT00 | 1068.33 |

Prices are net-forward calculations derived from the Platts WIM and exclude VAT and CST sales taxes. Delivered prices represent the cost of delivery from the nearest connected LNG terminal via pipeline.

Platts JKM China trucked LNG, Aug 1

| | \$/MMBtu | | Yuan/mt | |
|-------------|----------|-------|---------|---------|
| Ex-Terminal | | | | |
| North | LJNCA00 | 13.14 | LJNCD00 | 4870.65 |
| South | LJNCC00 | 12.85 | LJNCF00 | 4761.65 |
| East | LJNCB00 | 12.84 | LJNCE00 | 4760.65 |
| Average | LJNCG00 | 12.94 | LJNCH00 | 4797.65 |

Prices are net-forward calculations derived from the Platts JKM, including VAT and tolling fee.

Platts

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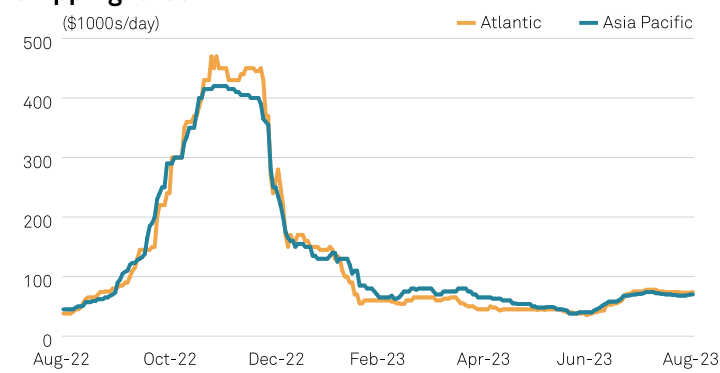
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Shipping Prices

Shipping daily rates, Aug 1

| | | \$/day |
|------------------------------|---------|-----------|
| Asia Pacific - TFDE | AARXT00 | 70,000 |
| Asia Pacific - Two Stroke | LNACB00 | 90,000 |
| Atlantic - TFDE | AASYC00 | 74,000 |
| Atlantic - Two Stroke | LNACA00 | 94,000 |
| TCR Australia-Japan | ATCRA00 | 70,000.00 |
| TCR USG-NWE | ATCRB00 | 74,000.00 |
| TCR USG-Japan | ATCRC00 | 74,000.00 |
| | | \$/MMBtu |
| PLF1 Middle East-Japan/Korea | AAUUA00 | 1.21 |
| PLF2 Middle East-NWE | AAUTE00 | 1.41 |
| PLF3 Trinidad-NWE | AAUUC00 | 0.71 |

Shipping rates



Source: S&P Global Commodity Insights

Shipping calculator, Aug 1

| | Australia-Japan/Korea | Middle East-India |
|--|-----------------------|-------------------|
| Ship size (mt) | 72980.77 | 72980.77 |
| Trip length (days) | 9 | 3 |
| Carrier day rate (\$/day) | 70000 | 70000 |
| Day rate cost (\$/MMBtu) | 0.40 | 0.17 |
| Boil-off cost | 0.23 | 0.08 |
| Supplementary boil-off cost (\$/MMBtu) | 0.07 | 0.02 |
| Cost of voyage* (\$/MMBtu) | 0.79 | 0.32 |

*Includes port cost.

Competing Fuel Prices (\$/MMBtu)

Asia/Middle East

| | | | |
|--|---------|--------|-----------|
| Japan Customs Cleared crude oil (May) (\$/b) | AAKOP00 | 86.45 | Final |
| Japan Customs Cleared crude oil (Jun) (\$/b) | AAKOM00 | 82.00 | Estimated |
| HSFO 3.5% sulfur 180 CST FOB Singapore | LUAXZ00 | 12.74 | |
| NEAT Coal Index | JKTCB00 | 4.582 | |
| Minas crude oil | LCABO00 | 13.639 | |
| Naphtha CFR Japan | LNPHJ00 | 13.916 | |
| Blue Ammonia CFR Far East Asia* | AMMPB00 | 22.13 | |
| Blue Ammonia FOB Middle East* | AMMPA00 | 19.57 | |

Europe

| | | |
|------------------------------------|---------|-------|
| Northwest Europe fuel oil | LAEGR00 | 13.15 |
| CIF ARA 15-60 day thermal coal | CSAAB00 | 4.68 |
| Blue Ammonia CFR Northwest Europe* | AMMPD00 | 22.13 |

North America

| | | |
|------------------------------------|---------|-------|
| US Gulf Coast high sulfur fuel oil | LUAXJ00 | 12.20 |
| New York Harbor 1%S fuel oil | LUAXD00 | 13.07 |

*Blue Ammonia prices are added on a temporary basis.

Freight route costs, Aug 1 (\$/MMBtu)

Asian discharge ports

| | Japan/Korea | South China/Taiwan | West India |
|-----------------------|--------------|--------------------|--------------|
| Middle East | AAUUA00 1.21 | AAUSH00 1.06 | AAUSP00 0.32 |
| Australia (Dampier) | AAUSA00 0.79 | AAUSI00 0.65 | AAUSQ00 0.76 |
| Australia (Gladstone) | ACABA00 0.80 | ACABB00 0.88 | ACABC00 1.21 |
| Bontang | AQJKA00 0.54 | AOCTA00 0.40 | AOWIA00 0.73 |
| Bintulu | ABJKA00 0.57 | ABCTA00 0.36 | ABWIA00 0.68 |
| Singapore | ASJKA00 0.61 | ASCTA00 0.40 | ASWIA00 0.51 |
| Tangguh | ATJKA00 0.53 | ATCTA00 0.46 | ATWIA00 0.85 |
| Trinidad via Suez | AAUSB00 2.94 | AAUSJ00 2.77 | AAUSR00 1.98 |
| Trinidad via Panama | AAUXB00 2.10 | AAUZB00 2.51 | |
| Trinidad* | AAUZC00 2.10 | AAUZD00 2.51 | |
| Nigeria | AAUSC00 2.35 | AAUSK00 2.11 | AAUSS00 1.58 |
| Algeria | AAUSD00 2.22 | AAUSL00 2.05 | AAUST00 1.31 |
| Belgium | AAUSE00 2.54 | AAUSM00 2.29 | AAUSU00 1.53 |
| Peru | AAUSF00 1.69 | AAUSN00 1.93 | AAUSV00 2.11 |
| Russia | AAUSO00 0.33 | AAUSO00 0.47 | AAUSW00 1.16 |
| Spain | ACAAA00 2.32 | ACAAB00 2.08 | ACAAC00 1.41 |
| Norway | ACAAH00 2.90 | ACAAI00 2.56 | ACAAJ00 1.86 |
| USGC* | LAUVA00 2.21 | LAUVB00 2.63 | LAUVC00 2.17 |
| USGC via Panama | LAUVI00 2.21 | LAUVL00 2.63 | |
| USGC via Suez | LAUVJ00 3.24 | LAUVM00 2.90 | LAUV000 2.17 |
| USGC via Cape | LAUVK00 3.18 | LAUVN00 2.92 | LAUVP00 2.51 |

EMEA discharge ports

| | South West Europe | North West Europe | Kuwait/UAE |
|-----------------------|-------------------|-------------------|--------------|
| Middle East | AAUSX00 1.24 | AAUTE00 1.41 | LMEMM00 0.19 |
| Australia (Dampier) | AAUSY00 1.82 | AAUTF00 2.00 | LMEMN00 0.91 |
| Australia (Gladstone) | ACABD00 2.26 | ACABE00 2.44 | ACABI00 1.36 |
| Trinidad | AAUSZ00 0.74 | AAUUC00 0.71 | LMEMP00 1.83 |
| Nigeria | AAUTA00 0.97 | AAUTG00 1.01 | LMEMQ00 1.83 |
| Algeria | AAUTB00 0.24 | AAUTH00 0.41 | LMEMR00 1.17 |
| Belgium | AAUTC00 0.36 | | LMEMS00 1.46 |
| Peru | AAUTD00 1.72 | AAUTI00 1.76 | LMENT00 2.28 |
| Russia | AAUUB00 2.21 | AAUTJ00 2.32 | LMEMU00 1.62 |
| Spain | | ACAAD00 0.36 | LMEMV00 1.27 |
| Norway | ACAAK00 0.58 | ACAAL00 0.35 | LMEMW00 1.71 |
| Murmansk | | AARXW00 0.40 | |
| USGC* | LAUVD00 0.99 | LAUVE00 0.95 | LMEMX00 2.10 |
| USGC via Suez | | | LMEMY00 2.10 |
| USGC via Cape | | | LMEZ00 2.43 |

Americas discharge ports

| | US Atlantic Coast | Argentina | Brazil |
|-----------------------|-------------------|--------------|--------------|
| Middle East | AAUTK00 1.38 | AAUTS00 1.48 | ACAAP00 1.74 |
| Australia (Dampier) | AAUTL00 1.50 | AAUTT00 1.51 | ACAAQ00 1.83 |
| Australia (Gladstone) | ACABF00 1.62 | ACABH00 1.31 | ACABG00 1.63 |
| Trinidad | AAUTM00 0.38 | AAUTU00 0.81 | ACAAR00 0.58 |
| Nigeria | AAUTN00 0.98 | AAUTV00 1.05 | ACAAS00 0.95 |
| Algeria | AAUTO00 0.59 | AAUTW00 1.05 | ACAAT00 0.95 |
| Belgium | AAUTP00 0.53 | AAUTX00 1.18 | ACAAU00 1.08 |
| Peru | AAUTQ00 1.26 | AAUTY00 0.69 | ACAAS00 1.06 |
| Russia | AAUTR00 2.00 | AAUTZ00 1.90 | ACAAS00 2.69 |
| Spain | ACAAG00 0.52 | ACAAG00 1.07 | ACAAG00 0.90 |
| Norway | ACAAM00 0.60 | ACAAN00 1.41 | ACAAG00 1.38 |
| USGC* | | LAUVG00 1.27 | LAUVH00 1.03 |

*Most economic.

All values calculated based on prevailing spot market values during the day for LNG, bunker fuel and ship chartering. No route cost is calculated for Zeebrugge to NW Europe, or Spain to SW Europe. Other routes appear blank on days when a public holiday in one or another location means underlying values are not published. Detailed assessment methodology, including assumed route times and underlying values, is found on www.platts.com.

supply: “Given the current absence of European and US sanctions on an embargo on [Russian] natural gas imports, there is no barrier to lift [from Arctic LNG 2] like the inflows from Sakhalin 2 to date.”

— Takeo Kumagai

Japan's JERA starts up 650 MW No. 3 Anegasaki gas-fired unit

- Starts up all three new 1.95 GW GTCC units at Anegasaki
- Expects to use 1.9 mil mt/year of LNG under approved environment assessment

Japan's largest power generation company JERA started commercial operations Aug. 1 at the new 650 MW No. 3 gas-fired unit at the Anegasaki thermal power plant in Tokyo Bay, the company said, bringing all of the three combined cycle units on stream.

The commercial startup of the new No. 3 gas-fired unit follows the start of test runs in March at the Anegasaki thermal power plant, where it was starting up the 1.95 GW gas turbine combined-cycle power generation system (GTCC) this year.

It followed the commercial start up of the new No. 1 and No. 2 gas-fired units with a capacity of 650 MW each at the Anegasaki thermal power plant in February and April.

Under its environment assessment approved by the minister of the economy, trade and industry in June 2019, JERA had expected to consume about 1.9 million mt/year of LNG at the new 1.95 GW Anegasaki gas-fired units, a JERA spokesperson said.

— Takeo Kumagai

New German floating LNG import vessel arrives into Bremerhaven port

- FSRU now being prepared for deployment at Stade
- Transgas Force to have 7.5 Bcm/year of import capacity
- To be replaced from 2027 by onshore import terminal

The dedicated floating LNG import vessel to be deployed at Stade in northern Germany has arrived at the nearby port of Bremerhaven, operator Hanseatic Energy Hub (HEH) said July 31.

The FSRU is one of five chartered by the German government as part of state-backed efforts to replace Russian pipeline gas with LNG.

Two state-supported FSRUs are already in operation — one at Wilhelmshaven and one at Brunsbüttel — while a third FSRU developed by privately-owned Deutsche ReGas is currently in operation at Lubmin.

The FSRU to be deployed at Stade is the 7.5 Bcm/year capacity Transgas Force, which is expected to be ready to start operations by the end of 2023.

“The floating gas terminal Transgas Force has arrived in Bremerhaven and is now being prepared for our energy port in Stade,” HEH said.

“Chartered by the German government, the FSRU is an important building block for ensuring energy supplies in Germany

in the short term,” it said.

According to S&P Global Commodity Insights data, the Transgas Force arrived at Bremerhaven on July 27.

Work to prepare the new jetty for the deployment of the Transgas Force began in January.

Onshore terminal

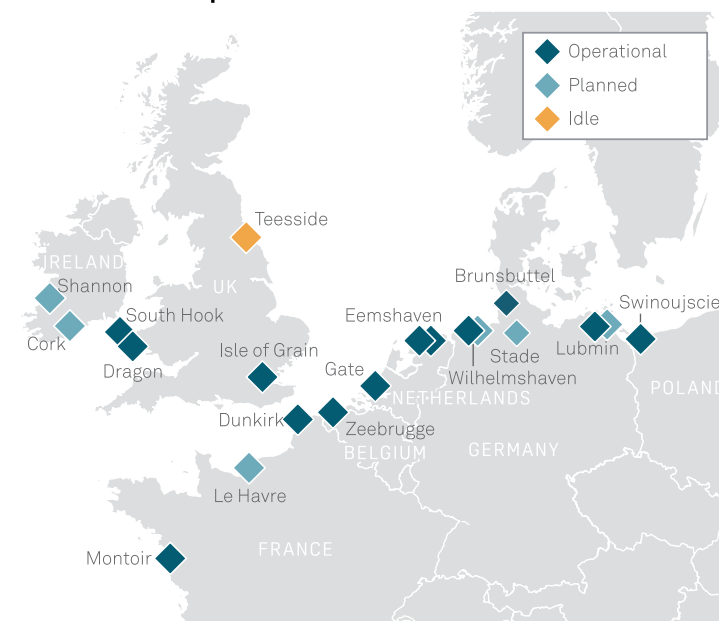
HEH also said that it was pushing “full steam ahead” with the development of its land-based zero-emission terminal at Stade which will replace the FRSU from 2027.

“Because one thing is clear — Germany needs a future-flexible energy infrastructure to drive the transformation of our energy supply sustainably and reliably,” it said.

Some 10 Bcm/year of long-term capacity has already been booked at the 13.3 Bcm/year permanent Stade terminal by utility EnBW (6 Bcm/year) and German state-owned trader SEFE, formerly a unit of Russia's Gazprom (4 Bcm/year).

The agreements came with future flexibility to switch to ammonia as a hydrogen-based energy source, an option that is open to all HEH customers with a long-term contract of more than 10 years.

Northwest European LNG terminals



Source: S&P Global Commodity Insights

Gas supply security remains one of Germany's key energy sector priorities, with Berlin rushing to fill storage stocks last summer despite record price levels and securing new LNG import infrastructure.

Delivered LNG prices into Europe have though now come down from their record highs from last summer.

Platts, part of S&P Global Commodity Insights, assessed the DES LNG marker for delivery to Northwest Europe at \$9.21/MMBtu on July 31, well down on the all-time high of close to \$75/MMBtu last August.

— Stuart Elliott

Exchange-traded JKM futures open interest at highest since Oct as liquidity improves

- Sep, Oct 2023 contracts most actively traded in July
- Some 53.4% of volumes traded for Q4 contracts
- ICE recorded 100% of traded volumes

JKM LNG futures traded volumes cleared on financial exchanges in July rose by 9.6% month on month and increased by 37% year on year, according to exchange and broker data.

The derivative contracts traded on the Intercontinental Exchange and the Chicago Mercantile Exchange in July totaled 57,357 lots, which is equivalent to 11.1 million mt, or 174 cargoes.

The monthly contracts in Q4 2023 for October to December 2023 saw the highest traded volumes on ICE, at 30,741 lots, making up 53.4% of total trade volumes in July.

JKM derivatives cleared on ICE at the end of the month were 57,357 lots over the month of July. No lots were cleared on the CME.

A total of 77,719 lots of open interest were standing across ICE and CME as of July 28, with ICE reporting 77,544 lots and CME reporting 175 lots, the highest reported so far in 2023.

The increased liquidity for traded JKM derivatives last month could be attributed to active selling by Chinese producers due to higher outright prices.

Market sources also observed increased buying activity from several utilities in south Asia and Japan through tenders in the spot market on JKM-linked basis as heatwave alerts were issued across the region.

Despite reports of high inventory levels by market participants, utilities were heard to be purchasing cargoes because of low prices.

"Demand for spot cargoes is caused by low prices rather than warmer weather," an Asian supplier said.

Asian LNG prices in July fell due to easing worries on the supply of natural gas in Europe and weak demand from key LNG consuming countries.

Market participants also reported emerging buying interest for Q3 and Q4 cargoes as importers across the region monitored opportunities to procure spot cargoes ahead of the winter season.

Derivatives trade reported in the Platts APAC LNG derivatives Market on Close assessment process reached 42 in July, equivalent to 1,050 lots. Q3 2023 is on track to record the highest MOC LNG derivatives activity since Q4 2021, with July volumes alone showing a 10% increase from Q2 volumes. Platts is part of S&P Global Commodity Insights.

Platts assessed the JKM in the mid-\$11/MMBtu for most of July, compared with mid-\$41/MMBtu across the same period last year.

The spread between Asia LNG futures and European gas hub prices remained at a premium throughout the month of July, widening to a high of \$2.035/MMBtu on July 13, prompting industry participants to observe arbitrage trade opportunities.

— Cindy Yeo

Zeebrugge LNG regasification slot sells in auction

- First slot sold in three-slot auction at Zeebrugge
- Price is close to the early September slot

The first LNG regasification slot of three at Zeebrugge, Belgium was auctioned Oct. 3 for about Eur940,000 (\$1 million), market sources said Aug. 1, with the price tag similar to a recent auction for Sept. 2 slot.

The slots are for regasification into Zeebrugge and auctioned by the Belgian arm of Fluxys. It's unclear who won the first auction.

Auction winners can unload, store as well as regasify up to 165,000 cu m LNG over 10 days, Fluxys said in a statement. The starting price is the regulated tariff of Eur644,618.24.

The price tag was at an approximately 30 to 40 cents/MMBtu discount to TTF, consider marginal discount of the Belgian ZTP over TTF.

The Sept. 2 slot auctioned in June 22 indicated at around Eur946,000.

— Clio Ho

BP expects output growth in 2023 despite delays to African LNG project

- Greater Tortue LNG startup pushed to Q1 2024
- Confirms longer-term capex, output targets
- Reports weaker-than-expected Q2 earnings

BP expects to grow its oil and gas production this year supported by four major project start-ups despite further delays to its Greater Tortue Ahmeyim (GTA) LNG project in Mauritania and Senegal, the energy major said Aug. 1.

Reporting weaker-than-expected second-quarter earnings, BP said it now expects GTA Phase 1 to start up during the first quarter of 2024, up to six months later than previously expected. GTA is one of nine major projects that BP hopes will together boost its production by 200,000 b/d of oil equivalent by 2025. The initial phase of the offshore project is expected to deliver 2.3 million mt/year of LNG. The project will eventually produce up to 10 million mt of LNG a year.

In its main upstream segment, BP reported Q2 production of 1.37 million boe/d for the quarter, 7.5% higher than the second quarter of 2022. It reported a further 903,000 boe/d of production from its gas-focused segment, which was 2.2% lower than the same period in 2022.

During the second quarter, BP started up its Mad Dog Phase 2 project in the Gulf of Mexico and the Reliance-operated KG D6-MJ project in India, which together are expected to add around 90,000 boe/d of net production by 2025. In the second half of the year, BP expects to bring online Tangguh Phase 3 in Indonesia and Seagull in the North Sea.

BP had previously guided towards flat output growth this year but the more upbeat growth forecast still comes as part of BP's

longer-term, managed oil and gas output decline as it transitions to low-carbon energy. BP expects its oil and gas production in 2030 to be around 2 million boe/d, about 25% lower than in 2019. BP sees its oil and gas production at around 2.3 million boe/d in 2025, compared with 2.25 million boe/d in 2022.

Looking to Q3, BP said it expects to report upstream production broadly flat compared with Q2. Within this, BP expects production from oil production and operations to be lower and gas and low carbon energy to be higher, including the effects of seasonal maintenance in higher margin regions offset by major project delivery.

Refining outlook

For Q2, BP's reported adjusted earnings of \$2.59 billion were down from \$8.45 billion in the year-prior period on lower oil and gas prices and weaker refining margins. The result was below analysts' expectations of around \$3.5 billion largely on the back of weaker refining margins and lower results from oil trading in the quarter.

Despite the result, BP remained upbeat over its underlying cash flow and raised its dividend by 10%, as well as announcing a further \$1.5 billion of share buybacks. BP also confirmed its capital expenditure target of \$16-18 billion in 2023 including inorganic spending.

"Our underlying performance was resilient with good cash delivery during a period of significant turnaround activity and weaker margins in our refining business," CEO Bernard Looney said in a statement.

Like its energy major peers, BP saw its refining margins collapse on the year after Russia's invasion of Ukraine pushed its margin to \$45.5/b in Q2, 2022. BP's refining marker margin declined less steeply than some of its peers between the first and second quarters, however, from \$28.1/b to \$24.9/b, reflecting its greater US footprint. For the US Midwest, BP's refining marker margin was unchanged quarter on quarter at \$28.8/b.

For Q3, BP said it expects industry refining margins to remain above historical average levels, supported by low product inventories and seasonal demand in the US. BP also expects a lower level of turnaround and maintenance activity compared with Q2.

On costs, Looney said BP is continuing to drive down the company's unit production costs helped by deflation in some of its key supply markets.

"Across the world, we're seeing things like steel costs coming down some of the raw material costs coming down," Looney said in an earnings call. "Labor is an area where we do see inflation right across the world and that is unchanged and we do our best to offset that with some productivity improvements."

Looney said BP is currently seeing costs come down by around 20% on the year in its US shale unit bpx.

— Robert Perkins

Germany's Uniper not expecting further losses from replacement gas buying

- Hedges gas supply obligations for 2023, 2024
- Action taken after Russia halted gas supplies in 2022
- Cost of procuring replacement gas effectively mitigated

German utility Uniper said Aug. 1 it did not expect any further financial losses from the procurement of gas volumes to replace lost volumes of Russian gas and that it had hedged its related gas supply obligations to customers for 2023 and 2024.

In its first-half earnings report, Uniper said that as a result no further capital increases by the German state would be necessary and there was no longer any need for a Eur5 billion tranche of the credit line from state-owned KfW.

Uniper — once one of Europe's biggest buyers of Russian gas — was forced to buy expensive gas on the spot market in the second half of 2022 after Russian deliveries via Nord Stream to Germany were sharply curtailed in mid-June and suspended completely at the end of August.

Uniper's losses prompted the German government to step in and nationalize the company at the end of 2022 as well as provide huge loans through KfW.

However, the fall in European spot gas prices in 2023 meant Uniper recorded no cumulative additional losses related to the procurement of replacement gas in the first half.

"The crisis last year demonstrated the central role Uniper plays in the energy market," CEO Michael Lewis said.

"We were financially stabilized by the German government just under eight months ago, and only a short time afterward we achieved the turnaround," Lewis said.

"We've significantly diversified our gas procurement. Our supply obligations to municipal utilities and industrial customers for 2023 and 2024 — which we entered into before the Russian supply disruption — are almost fully hedged by forward transactions," he said.

"Today I can therefore say with certainty that 2022 will not repeat itself for us."

Future uncertainties

Uniper said the hedging of gas supply obligations for 2023 and 2024, including through forward contracts during Q2, meant the risk from the incremental cost of procuring replacement volumes had been effectively mitigated.

"Uniper has effectively hedged its gas supply obligations for this period through instruments including forward contracts," it said.

"In view of the Russian gas supply curtailments, Uniper now does not expect any incremental cost from the replacement procurement of gas volumes for 2023 and 2024."

Uniper said there were still uncertainties regarding the future development of the geopolitical situation as well as the duration and scope of the Russian gas supply restrictions for 2023.

But, it said, despite the ongoing geopolitical crisis caused by Russia's war against Ukraine and the disruption of supplies from Russia "there was no fear of a gas shortage in the first half of 2023."

"A relatively warm winter, imports of LNG, high gas storage levels at the start of the year, and consumer conservation led to a sharp decline in European gas prices in a continued volatile market environment," it said.

Platts, part of S&P Global Commodity Insights, assessed the benchmark Dutch TTF month-ahead price at a Eur27.30/MWh on July 31, well down on the all-time high of Eur319.98/MWh from late August last year.

Uniper said in November last year it had initiated arbitration proceedings against Russia's Gazprom Export in an attempt to recover billions of euros in damages related to the under-delivery of Russian gas.

Gazprom blamed sanctions-related maintenance issues with turbines at the Portovaya compressor station for the reduction and then suspension of exports via Nord Stream.

The two-string Nord Stream pipeline was subsequently hit by a suspected sabotage attack in late September, rendering the system unusable.

— Stuart Elliott

India's Petronet LNG posts 11% rise in Q1 regas volume, profit surges

- Dahej LNG terminal operating rate hits 96% in Q1
- Spot prices expected to range \$10-\$12/MMBtu in Q2

India's state-run LNG importer Petronet LNG Ltd. posted a 11% year-on-year increase in total regasification volumes to 6.3 billion cubic meters in the first quarter (April-June), as the country took advantage of a slump in spot LNG prices to bring in more cargoes.

Petronet LNG's regasification volume in the April-June quarter was also 24% higher than the previous quarter, the company said in its quarterly earnings statement late July 31.

Petronet operates two LNG terminals in India — the flagship Dahej LNG terminal in the west with a nameplate capacity of 17.5 million mt/year, and the southern terminal at Kochi with a capacity of 5 million mt/year.

April-June regasification volume at Dahej LNG terminal also rose 11% year on year to 5.9 billion cu m as global prices eased, and it was 26% higher than the previous quarter (January-March), company officials said on the earnings call.

The run rate at Dahej LNG terminal stood at 96% in the April-June quarter compared with 87% a year ago and 77% in the previous quarter, the company said.

"We expect LNG [regas] volumes to go up this year on lower prices," said V.K. Mishra, finance director.

Petronet expects spot LNG prices to range between \$10/MMBtu and \$12/MMBtu in the July-September quarter, Mishra said. Platts assessed the September JKM at \$10.416/MMBtu

and JKM Balance Month-Next day derivatives at \$10.282/MMBtu July 31.

The Dahej LNG terminal's expanded capacity of 22.5 million mt/year is expected to be operational in 2025, which will further boost Petronet LNG total imports.

In the first quarter, the Kochi LNG terminal recorded a 20% run rate compared with 18% a year ago. The terminal's low run rate is due to it being underutilized as it lacks sufficient pipeline connectivity to downstream customers and slow development of the pipeline network infrastructure.

Petronet posted a 13% year on year rise in net profit to \$96 million in the first quarter (April-June) of the current fiscal 2023-23. The net profit in Q1 was 29% up from the previous quarter and was the highest ever quarterly profit posted but the company, it said in a statement.

The higher throughput and robust financial results were due to higher operating rates at regas terminals and efficiency in operation, Mishra said.

— Ratnajyoti Dutta

BP lauds East Mediterranean gas development potential after 'key' move

- BP, ADNOC made offer for 50% in Israel's NewMed Energy
- Would give BP 'anchor' in East Mediterranean: Looney
- LNG supply targets on track amid Tangguh expansion

BP CEO Bernard Looney said Aug. 1 that the company's plans to expand into the East Mediterranean would prove a "key" move for the company given the region's gas potential and proximity to the European market.

Speaking during the company's Q2 results presentation, Looney said that both the expansion of current developments and potential exploration in the East Mediterranean would give BP a "real anchor" in the region.

This follows BP's non-binding joint offer with the UAE's ADNOC in March for the purchase of half of NewMed Energy, the largest shareholder in Israel's offshore Leviathan gas field.

The deal was said to be worth around \$2 billion, with NewMed Energy setting up a committee to study the offer in March. The company is yet to release updated information regarding the proposal, however.

"We currently do not have any public information to share regarding the deal," a NewMed Energy spokesperson told S&P Global Commodity Insights via telephone Aug. 1.

Looney said BP was a "natural partner" for ADNOC as it looks to expand its business in the East Mediterranean.

"At a macro level, it's about the development of natural gas that's close to markets, and close to Europe. That's what we're trying to do there," Looney said.

"There's huge demand for gas both in the region and in Europe, and I think we'll look back on this as being a very key move for us," he added.

Interest in upstream developments in the East Mediterranean remains strong, not least on the back of high European gas prices.

Platts, part of S&P Global Commodity Insights, assessed the benchmark Dutch TTF month-ahead price at an all-time high of Eur319.98/MWh on Aug. 26, 2022.

Prices have come down since thanks to healthy storage levels and demand curtailments but remain relatively high, with Platts assessing the TTF month-ahead price on July 31 at Eur27.30/MWh.

Leviathan expansion

NewMed and its partners at Leviathan — operator Chevron and Ratio Oil — are currently working to expand the field's production capacity and in early July took the final investment decision on the first part of an expansion project.

The project involves a third subsea transmission pipeline that will be laid from the field to the Leviathan production platform, which will increase Leviathan production capacity from some 12 Bcm/year to 14 Bcm/year.

The expansion is the first part of plans to expand Leviathan, with the ultimate aim to bring output capacity to 21 Bcm/year and to deploy a floating LNG production facility.

"We're very excited about the development going forward of Leviathan. We're excited about further developments and potential exploration over the years ahead," Looney said.

"So this gives us a real anchor in the Eastern Mediterranean. There's a lot of synergies across the countries that are involved there."

BP was also reportedly among the bidders for new licenses offshore Israel in the country's fourth licensing round.

LNG on track

BP also stressed Aug. 1 its focus on growth optionality in its global gas portfolio, particularly through its LNG expansion projects and third-party offtakes, as it reiterated its plan to reach 25 million mt/year of LNG supply by 2025.

The company also said the US Freeport LNG export facility, which was closed until February after being hit by an explosion in June last year, had now returned to full contractual offtake.

In addition, BP also agreed to acquire the 27% stake in the Browse LNG project in Western Australia held by Shell in April, which would increase BP's total stake in the project to 44%.

Meanwhile, BP's expansion of its Indonesian Tangguh LNG facility involves a third LNG train adding some 3.8 million mt/year of capacity to the facility's existing 7.6 million mt/year, according to Looney.

Looney added that both construction and commissioning of the Tangguh expansion is now complete, with start-up now in progress.

"It's an important delivery milestone," Looney concluded. "Contributing towards our LNG target of 25 million mt of LNG supply per annum in 2025."

— Hassan Butt

India's GAIL expects average gas transmission volume to rise 6% by year-end

- Higher transmission reflects stronger demand in fertilizer, city gas
- Plans to source additional 7-8 million mt of term LNG by 2030

India's state-run gas pipeline company Gas Authority of India Ltd expects its average natural gas transmission volume to rise 6% to 123 million cu m/day by the end of the current fiscal year in March 2024 from first-quarter levels, officials said in its quarterly earnings call late July 31.

It forecast average gas transmission volumes to rise further by around 14% to reach 140 million cu m/day by the last quarter of financial year 2025-26 (April-March), on the back of stronger economic growth.

Gas Authority of India, or GAIL, which is responsible for the construction of gas pipelines and downstream gas distribution, posted natural gas transmission volume of 116 million cu m/day in the April-June period, a 7% rise from the previous quarter, the company said.

Its gas marketing volume, which refers to downstream gas sales, rose 2.5% from the previous quarter to 98.84 million cu m/day in the first quarter (April-June) of the current fiscal (2023-24), earnings data showed.

The higher gas transmission and sales reflect improvement in domestic demand from user industries such as fertilizer production, city gas distribution and power generation as global gas and LNG prices eased earlier this year, officials said.

GAIL expects the gas transmission volume to continue to grow around at 6-7% in the short to medium term, said Finance Director Rakesh Kumar Jain on the earnings call.

In the first quarter, GAIL's pipeline capacity utilization stood at 56%, slightly higher than the usual level of around 50% on the back of higher gas transmission, Jain said.

He said the gas utility, which is also one of India's largest LNG importers with several long-term LNG contracts, plans to source an additional 7-8 million mt of LNG under term contracts by 2030.

Jain said GAIL would buy 1-2 million mt of LNG from one supplier as part of its strategy to avoid excessive dependence on a single supplier to avoid supply disruption in future. Currently, GAIL has around 14 million mt of LNG in its portfolio.

In the first quarter, GAIL had spent 31% of its capex target for financial year 2024, mainly on pipeline networks and the petrochemicals segment, the company said.

— Ratnajyoti Dutta

Russian pipeline gas exports to China hit new daily record July 31: Gazprom

- Power of Siberia supplies exceed contract obligations
- Russia-China pipeline expected to flow 22 Bcm in 2023

Russia's Gazprom said Aug. 1 that its gas exports to China via the Power of Siberia pipeline reached a new daily record on July 31 following a request for additional gas from China's CNPC.

In a statement, Gazprom said the supply of gas via the pipeline

exceeded daily contractual obligations.

“Gazprom delivered the requested volumes and set a new record for daily gas supplies to China,” it said.

Supplies via Power of Siberia had been expected to ramp up through the course of 2023 so the increase in deliveries should not come as a surprise.

Power of Siberia flows are expected to reach 22 Bcm in 2023, up from 15.4 Bcm last year, and hit their design capacity of 38 Bcm/year in 2027.

Gazprom began exports to CNPC via the Power of Siberia pipeline at the end of 2019 and supplied 4.1 Bcm in its first full year of operation in 2020 and around 10 Bcm in 2021.

Gazprom is also planning another route to China via Mongolia with a planned capacity of 50 Bcm/year — Power of Siberia 2 — as well as a new Far Eastern route to carry up to 10 Bcm/year.

Russia's focus on the Chinese market had already increased even before the invasion of Ukraine in February 2022.

But with Gazprom having lost much of its market share in Europe, China is the obvious outlet for more pipeline gas.

The majority of Russia's pipeline gas export capacity is designed to send gas to Europe, but supplies were sharply curtailed through 2022, leading to record prices last summer.

Platts, part of S&P Global Commodity Insights, assessed the benchmark Dutch TTF month-ahead price at an all-time high of Eur319.98/MWh on Aug. 26, 2022.

Prices have come down since thanks to healthy storage levels and demand curtailments but remain relatively high, with Platts assessing the TTF month-ahead price on July 31 at Eur27.30/MWh.

— Stuart Elliott

Feedgas to Cove Point LNG rebounds after Virginia pipeline rupture

- Flows to Cove Point LNG back above 780 MMcf/d
- July 25 incident on Columbia Gas segment affected feedgas
- Intra-regional demand shifts as segment remains shut

Feedgas deliveries to the Cove Point LNG export facility returned to normal levels over the weekend after a July 25 explosion on a segment of Columbia Gas Transmission pipeline in Strasburg, Virginia, cut flows to the terminal and forced operators in the area to reroute gas supplies.

Flows to the Cove Point LNG export terminal in Maryland, which fell to about 488 MMcf/d on the day of the rupture, gradually recovered to about 789 MMcf on July 28 and have remained at similar levels since then, S&P Global Commodity Insights data showed. The facility was scheduled to receive about 783 MMcf/d on July 31, or about what Cove Point was receiving before the supply disruption. The Cove Point pipeline that supplies the facility also serves several power plants and local gas distribution companies in Virginia and Maryland.

Meanwhile, a force majeure issued by Columbia Gas July 25 for the affected Line VB section of pipeline remained in place on July 31. Pipeline owner TC Energy said July 31 that it planned to

operate the pipelines in the affected area at reduced pressure in accordance with a July 28 corrective action order issued by the US Pipeline and Hazardous Materials Safety Administration.

The Columbia Gas system over the past several days has gradually increased the firm capacity restrictions to the Loudoun interconnect, which supplies Cove Point, from 150 MMcf after the rupture the morning of July 25 to 275 MMcf as of the July 30 Intraday 2 nomination cycle, according to notices posted on the pipeline's electronic bulletin board.

“We are working to return to service the adjacent parts of the pipeline system not directly impacted by the incident,” TC Energy said in a statement.

TC Energy said it was still determining its plans for repairing the impacted pipeline segment and safely returning the system to normal operations.

PHMSA in the corrective action order pointed to “environmental cracking” as the suspected cause of the Line VB pipe failure. The failed portion of the 26-inch pipeline, which is near Interstate Highway 81, was constructed in 1950, PHMSA said.

Volumes pushed back

Beyond the Columbia Gas system, the Cove Point terminal can also source feedgas from the Transcontinental Gas Pipe Line at the Pleasant Valley interconnect and limited volumes from the Eastern Gas Transmission and Storage pipeline. On July 27, Cove Point notified shippers it had taken a Pleasant Valley compressor station out of service for unplanned maintenance, but the unit was returned to service on July 28, which coincided with the rebound in flows to the LNG terminal.

The rupture on Line VB resulted in volumes getting pushed back onto the Columbia Gas system and operators increasing flows at Pleasant Valley to accommodate Cove Point, according to S&P Global analysts.

The disruption caused a balancing effect of the basis discount between two premier gas trading hubs in Appalachia, the Eastern Gas Transmission South and Columbia Gas Transmission TCO Pool, S&P Global analysts said. Eastern Gas Transmission South had been trading behind the Columbia Gas hub by about \$0.35/MMBtu through the first three weeks of July but the discounted spread tightened over the past week to an average of \$0.17/MMBtu. Eastern Gas Transmission South traded at \$1.145/MMBtu July 31, or \$0.14/MMBtu behind the latter hub.

“The longer the Line VB restriction stays in place with no timeline we can expect to see a tighter relationship between those two Appalachian indices,” S&P Global natural gas market analyst Luke Larsen said.

Total US LNG feedgas deliveries were about 12.9 Bcf/d on July 31, with monthly deliveries averaging about 12.7 Bcf/d, up from an average of about 11.5 Bcf/d in June as utilization of US export facilities rebounded from maintenance-driven lows, S&P Global data showed. The Platts Gulf Coast Marker for US FOB cargo loading 30-60 days forward was assessed July 31 at \$7.35/MMBtu, up 65 cents on the day.

— Corey Paul

US LNG WEEKLY: USGC FOB cargo value hits seven-week low as feedgas demand dips

- Platts Gulf Coast Marker at \$6.70/MMBtu on July 28
- US feedgas demand averages 12.50 Bcf/d in week to Aug 1
The value of LNG traded free on board from the US Gulf Coast fell to a seven-week low in the week to Aug. 1.

The Platts Gulf Coast Marker for US FOB cargoes loading 30-60 days forward was assessed at \$6.70/MMBtu on July 28, the weakest it has been since \$6.375/MMBtu on June 6, S&P Global Commodity Insights data showed. Platts, part of S&P Global, assessed the Gulf Coast marker at \$44/MMBtu a year earlier and \$6.95/MMBtu on Aug. 1.

Total feedgas deliveries to major US liquefaction terminals decreased week on week, averaging 12.50 Bcf/d in the week to Aug. 1, compared with 12.73 Bcf/d in the previous week, S&P Global Data showed.

Feedgas deliveries reached a three-week high July 28 of 13.09 Bcf/d, the strongest since 13.26 Bcf/d on July 6.

Demand for feedgas was supported by strong flows to Cheniere's Sabine Pass in Louisiana that averaged 4.20 Bcf/d, despite seeing a dip on July 27 at 3.87 Bcf/d.

Flows to Cove Point LNG terminal in Lusby, Maryland returned to normal levels July 28, following a disruption stemming from an explosion on the Columbia Gas Transmission's pipeline near Strasburg, Virginia on July 25.

Cove Point LNG, which receives part of its gas supply from Columbia Gas Transmission, saw feedgas demand fall to a near eight-month low on the day of the rupture to 488 MMcf/d, the weakest since 15 MMcf/d on Oct. 27, 2022. Feedgas deliveries to Cove Point totaled 651 MMcf/d on Aug. 1.

The Panama Canal Authority on July 25 said it would limit the number of ships able to transit daily to 10 at the Neopanamax locks, and 22 at the older Panamax locks beginning July 30. Recent restrictions by the canal authority have already started impacting the flows of LNG, with Cheniere announcing in early July they would not ship LNG through the canal due to factors including transit delays and draft restrictions.

The US Federal Energy Regulatory Commission delayed scheduled decisions at its recent monthly meeting, including the proposed expansion project at Semptra's Port Arthur LNG terminal. The expansion project, which is currently under construction in Texas, would double the facility's current export capacity of 13.5 million mt/year.

— Margaret Rogers

Subscriber Notes

Platts to launch Barcelona LNG bunker assessment Aug. 16

Platts, part of S&P Global Commodity Insights, will launch a daily LNG bunker fuel price assessment, reflecting the value of LNG used as a marine fuel in Barcelona, Spain, effective Aug. 16.

The assessment was first proposed June 23 in a subscriber

note here: <https://www.spglobal.com/commodityinsights/en/our-methodology/subscriber-notes/062323-platts-proposes-west-mediterranean-lng-bunkers-assessment>.

The new assessment will be published on a fixed price delivered basis in \$/MMBtu, and will reflect the prevailing spot price of LNG bunkers tradeable in Barcelona.

Loadings in other ports within Iberian Peninsula and Southern France would also be considered and normalized to a Barcelona basis.

The assessment will reflect barge-to-ship delivery.

Platts will also take into consideration truck-to-ship price information and normalize where appropriate to a barge-to-ship equivalent price.

The assessment would be for bunker deliveries less than 15 days ahead, reflecting a standard volume of 2,000 cu m, with other sizes normalized to this base volume.

Pricing information for LNG deliveries with other specifications and terms may be normalized to the proposed standard.

The new assessment will be published on a fixed price delivered basis in \$/MMBtu. A conversion to \$/metric ton of LNG will also be published from the MMBtu assessment using a factor of 52.

Platts will convert floating prices, or index-linked prices, to a fixed price equivalent for consideration in the final assessment.

The assessments will reflect market value at the close of London trade at 4:30 pm UK time, and will follow the UK publishing schedule.

Platts invites feedback on all of the above. The new assessments will be published in Platts LNG Alert pages, LNG Daily and Bunkerwire.

Please send feedback and questions to LNGeditorialteam@spglobal.com and pricegroup@spglobal.com.

For written comments, please provide a clear indication if comments are not intended for publication by S&P Global for public viewing.

Dare Global Limited to join EMEA - Atlantic LNG - Paper MOC

Dare Global Limited has advised Platts, part of S&P Global Commodity Insights, that it would like to participate in the Platts Market on Close assessment process for EMEA - Atlantic LNG - Paper.

Platts has reviewed Dare Global Limited and will consider information from the entity in the assessment process for EMEA - Atlantic LNG - Paper, subject at all times to adherence with Platts editorial standards.

Platts will publish all relevant information from Dare Global Limited accordingly.

Platts welcomes all relevant feedback regarding MOC participation. Platts considers bids, offers and transactions by all credible and credit-worthy parties in its assessment processes. For comments and feedback, please contact Platts editors at LNGeditorialteam@spglobal.com and market_integrity_review@spglobal.com.

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