

Argentina is about to export first LNG cargo



Bloomberg/Singapore

Argentina is offering its first-ever liquefied natural gas cargo, putting the nation on the verge of becoming a regular exporter of the fuel.

YPF SA, the state-run oil and gas producer, is seeking to sell a partial cargo from the Tango floating liquefaction unit, or FLNG, at Bahia Blanca, according to traders with knowledge of the matter. The company is currently negotiating the sale of the 30,000-cubic-metre shipment on a free-on-board basis for loading this summer, said the traders, who asked not to be identified as the information isn't public.

A YPF spokesman declined to comment on the cargo.

The cargo – while relatively small compared with standard shipments – will mark Argentina's transition from one of Latin America's biggest LNG importers into an exporter. That's being driven by growing gas production from the Vaca Muerta shale play. Another factor is the country's recession, which is hurting domestic demand. It's still an importer, however: In

March, it bought nine LNG cargoes in a tender. Argentina is following the path of other nations, which recently resumed exports after domestic output surged. Last year, YPF signed a 10-year contract with Belgium's Exmar NV to deploy an FLNG plant to produce and export the fuel. The Tango FLNG docked at the port of Bahia Blanca in February. Energy Secretary Gustavo Lopetegui said in April that YPF would ship its first cargo as soon as August. The plant will produce as many as eight cargoes per year from the Vaca Muerta at the Neuquen Basin, Exmar said last year.

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