

# LNG fleet expansion helps Nakilat eye robust global growth



Nakilat, whose liquefied natural gas (LNG) carriers account for about 10% of the global LNG carrying capacity, has said its greater fleet capacity and increased operational efficiency provide it with a “competitive” edge as it expands its international shipping portfolio through the recent strategic expansion of Nakilat’s fleet with an additional four LNG carriers, and the improved performance of its joint ventures and support services operating in the shipyard, Nakilat has achieved sustainable and long-term growth over the past year, demonstrating its commitment to innovative sustainability and operational excellence, its chairman Abdulaziz al-Muftah told shareholders yesterday at the annual general assembly meeting, which approved the 2022 results and 13% dividend.

“This commitment has provided Nakilat with a greater fleet capacity and increased operational efficiency, providing us with a competitive edge in the LNG shipping sector, as the

company expands its international shipping portfolio,” he said.

With a fleet strength of 74 vessels – one of the largest LNG shipping fleets in the world, Nakilat’s portfolio comprises 69 LNG carriers, four liquefied petroleum gas carriers and one floating storage regasification unit – the company is backbone of the transportation link in Qatar’s LNG supply chain, according to him.

“Our LNG fleet has a combined carrying capacity of over 9mn cubic metres, which is about 10% of the global LNG fleet carrying capacity,” he said, adding the majority of Nakilat’s vessels are fixed with long-term charters to reputable counterparties, creating a “steady and healthy” cash flow for the company.

Nakilat followed through its expansion plans with the delivery of “Global Sealine”, a technologically advanced LNG carrier new-build during 2022, demonstrating commitment to innovation, sustainability, and operational excellence.

“This allowed Nakilat to provide greater fleet capacity and flexibility to its customers and gave the company a significant competitive advantage in the energy transportation sector,” al-Muftah said, adding this also contributed towards the company’s efforts at reducing its carbon footprint and operating sustainably apace growing its international shipping portfolio.

He said the company’s resilience and the convergent efforts have enabled its sustained growth momentum and business continuity, creating immense value for both its customers and shareholders.

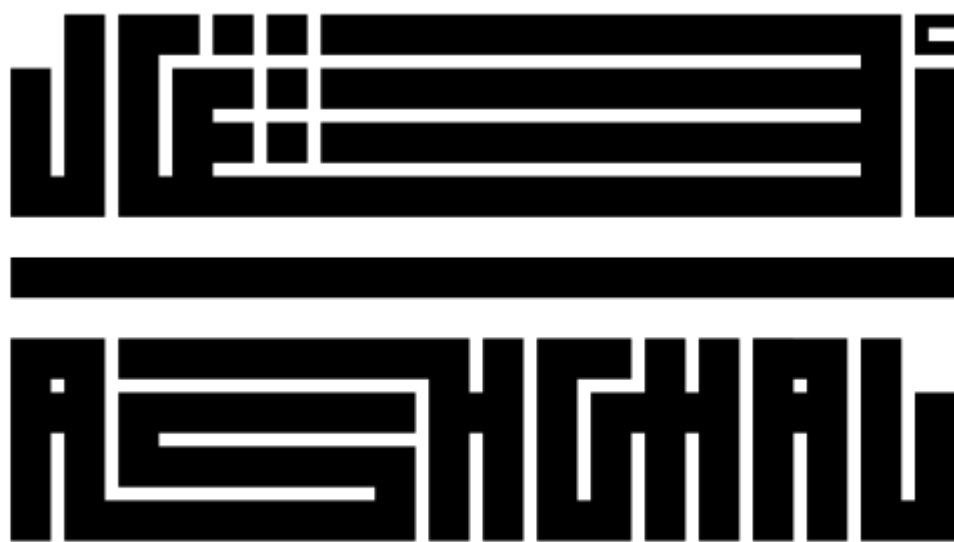
With a solid sense of direction from the company’s long-term expansion strategy and opportunities that re-emphasised its importance in achieving its targets, Nakilat has been smoothly sailing towards making significant contributions and notable accomplishments during 2022, al-Muftah said in the latest board report.

Supported by its Erhama Bin Jaber Al Jalahma Shipyard, Nakilat’s joint venture companies continue adding strategic

value to its operations through dedicated services, including ship repair, offshore fabrication, as well as a range of maritime services, all of which contribute towards establishing Qatar as a shipping and maritime hub, in support of the Qatar National Vision 2030, according to him.

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## Another honour for Ashghal



### Qatar Deserves The Best

Yet another feather in the cap for the Public Works Authority (Ashghal). In recognition of its distinguished health and safety performance, and wellness initiatives, Ashghal has been declared the overall winner of two International Safety Awards 2020 by the British Safety Council, in recognition of its commitment to keeping workers and workplaces healthy and safe during the 2019 calendar year. The awards reflect Ashghal's commitment to health and safety in its construction projects and the leading position that Ashghal plays in the Qatari construction industry in terms of spreading awareness and best H&S practices.

Ashghal is one of the very few organisations to be crowned the overall winner in the following categories: “Wellbeing Initiative” for protecting its employees from the risk of injury and ill health at work, and “Best Team of the Year” for the Roads and Infrastructure project in West Muaither (Package 3) in recognition of its commitment to keeping its workers and workplaces healthy and safe in 2019.

Engineer Yousef Al-Emadi, Director of Projects Affairs, said: “The International Safety Awards are part of numerous awards won by Ashghal during the past few years. They are a result of well-implemented strategies set by Ashghal’s leadership and nurtured at every level across the organisation.”

In 2019, Ashghal succeeded in undertaking the health screening of 78,197 workers, or 96.5% of the entire workforce. The British Safety Council commended Ashghal on the achievement, which is in line with the Council’s vision that no one should be injured or made ill through work – anywhere in the world

In March this year, Ashghal won the Government Sustainability Initiative Award presented by the Qatar Green Building Council (QGBC), a member of the Qatar Foundation, for applying best environmental practices in project implementation works. The Award comes in recognition of Ashghal’s efforts in the field of environmental sustainability, and in the context of several initiatives by the authority within the roads and infrastructure projects implemented by the Roads Projects Department.

Under the five-year plan (2018-2022), Ashghal will implement 25 plans related to the evaluation and follow-up of road safety, including achieving safety at work sites, managing traffic congestion and building an intelligent transportation system.

Ashghal continues to implement sustainable infrastructure for the State of Qatar. The achievements come within the framework of the State’s interest in the infrastructure, construction and reconstruction sector in line with the aspirations of its National Vision 2030 and to serve its hosting of the 2022 FIFA World Cup Qatar.

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# **Qatar is among 'Top 10 LNG exporters' in January; global LNG exports hit 35.5mn tonnes: GECF**



Qatar is among the list of 'Top 10 LNG exporters' in January, data provided by the Gas Exporting Countries Forum (GECF) show. The other LNG exporting countries in the list are US, Australia, Russia, Malaysia, Indonesia, Algeria, Oman, Nigeria and Trinidad and Tobago.

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Australia, Russia, Malaysia, Indonesia, Algeria, Oman, Nigeria and Trinidad and Tobago.

In its inaugural edition of the Monthly Gas Market Report (MGMR) GECF said that in January, global LNG exports grew by 2.8% (0.98mn tonnes) y-o-y to 35.56mn tonnes.

The higher LNG exports were driven mainly by non-GECF countries and to a lesser extent from GECF member countries and LNG reloads.

However, GECF member countries were the largest LNG exporter globally with a share of 49.7%, down from 50.9% during the same period a year earlier.

Similarly, the share of LNG reloads in global LNG exports decreased from 1.5% to 1.2% during the same period.

In contrast, the share of non-GECF countries LNG exports globally increased from 47.9% to 48.8%.

GECF cited Rystad Energy's preliminary forecast and said global natural gas production was estimated to have decreased by 0.4% to 4,032 bcm in 2022 due to the decline in production in the CIS and Africa regions.

Several factors, including a decrease in gas demand due to high prices and geopolitical tensions, exerted downward pressure on gas production.

Conversely, natural gas output of North America, the Middle East, Europe, and Latin America increased by 64 bcm, 19 bcm, 7 bcm, and 3bcm, respectively.

The 2022 figures have been slightly revised upward from the previous month's estimates due to upward revisions in natural gas output in Asia Pacific, the Middle East, and North America. Non-GECF natural gas output is estimated to increase by 3.8% to reach 2,388 bcm in 2022, mainly due to a production increase of 47bcm in the US.

In 2023, the forecasts reveal a growth in global gas production, driven by growth in North America, the Middle East, Africa, Latin America, and Asia Pacific.

GECF said it is pleased to unveil the inaugural edition of the Monthly Gas Market Report (MGMR). This new publication offers

a comprehensive analysis of the global gas market on a monthly basis.

The report provides essential insights for industry players, policymakers, and stakeholders, including a detailed analysis of gas demand and supply, international trade flows, gas storage trends, pricing trends, and the impact of the global economy on the gas market.

“The GECF is committed to delivering high-quality information and analysis, and is confident that the Monthly Gas Market Report will be a valuable resource for all those interested in the gas industry,” said Mohamed Hamel, secretary-general, GECF.

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## **QatarEnergy wins working interest in new Brazilian offshore exploration block**



QatarEnergy, in a consortium with TotalEnergies and Petronas, has been awarded the Agua-Marinha Production Sharing Contract (PSC), under the 1st Cycle Permanent Offer round, by Brazil's National Agency of Petroleum, Natural Gas, and Biofuels (ANP). Under the terms of the PSC and associated agreements, QatarEnergy will hold a 20% working interest, alongside the operator Petrobras (30%), TotalEnergies (30%) and Petronas Petroleo Brasil Ltda (20%).

The Agua-Marinha block has a total area of 1,300sq km and is located in water depths of about 2,000m off the coast of Rio de Janeiro in the prolific Campos Basin.

Commenting on this occasion, HE the Minister of State for Energy Affairs, Saad bin Sherida al-Kaabi, also the president



and CEO of QatarEnergy, said: “We are pleased to achieve this latest successful joint-bid, which adds further highly prospective acreage to our upstream portfolio in Brazil, and particularly in the prolific Campos Basin.”

Al-Kaabi added: “We are delighted to achieve this success with our valued partners Petrobras, TotalEnergies, and Petronas. I wish to take this opportunity to thank the ANP and the Brazilian authorities for this opportunity and for their ongoing support.”

The acquisition, which is expected to close in the first half of 2023, further establishes QatarEnergy as one of the leading upstream players in Brazil, where it already holds working interests in two producing fields and numerous exploration blocks.

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**Global Star becomes first Nakilat vessel to deliver cargo to Escobar LNG Terminal in Argentina**



Nakilat-managed liquefied natural gas (LNG) carrier Global Star, with a carrying capacity of 173,400 cubic metres, has become the first Nakilat vessel to deliver cargo to Escobar LNG Terminal in

Argentina. Escobar LNG terminal is located on the Parana River in Argentina. It has the capacity to handle 500mn cubic feet (mcf) of LNG a day and a peak capacity of 600 mcf.

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## **Al-Kaabi takes part in GPCA 16th annual forum in Riyadh**



HE the Minister of State for Energy Affairs Saad bin Sherida al-Kaabi took part in the 16th annual forum of the Gulf Petrochemicals and Chemicals Association (GPCA), which was held in Riyadh in Saudi Arabia.

The forum, which was inaugurated by Prince Abdulaziz bin Salman al-Saud, Saudi Arabia's Minister of Energy, was held under the theme 'Managing net-zero ambitions in the energy sector with growth'.

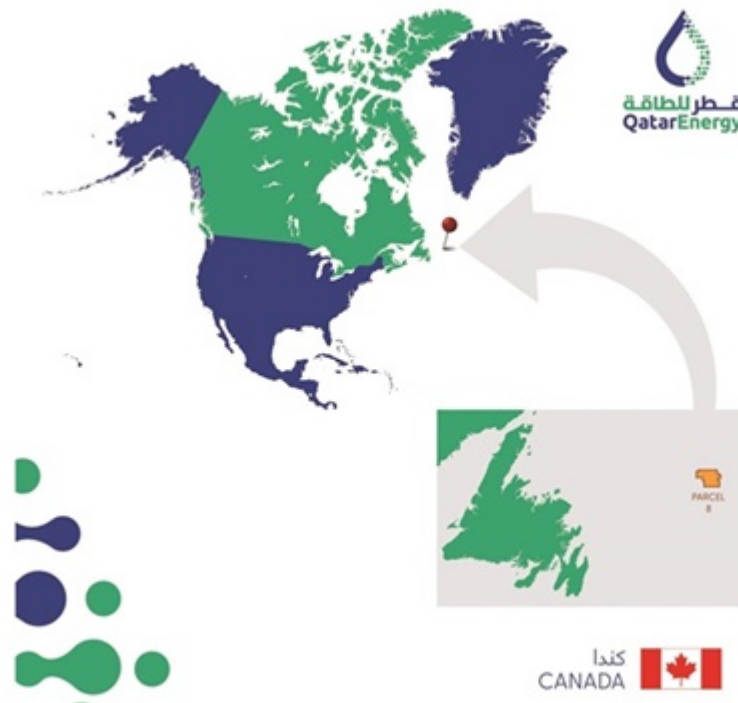
Delegates are taking part in discussions on developing policies to adopt a lower carbon strategy in the energy sector, driving the shift towards clean energy sources through innovative strategies, realising the future of the region to lead the evolution of 'carbon circular economy', and the way forward for the GCC to lead the development of a 'hydrogen economy'.

The Annual GPCA forum is the flagship petrochemical gathering in the Middle East, bringing together officials and executives of the leading petrochemical and chemical industry companies for an exchange of views on the current situation and future prospects.

The 17th GPCA Forum will be held next year in Doha.

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## **QatarEnergy wins offshore exploration block in Atlantic Canada**



QatarEnergy has announced a successful bid for Parcel 8 of the Orphan Basin, offshore the province of Newfoundland and Labrador in Canada, expanding its North American footprint. The Parcel 8 winning bid by QatarEnergy (30% working interest) and ExxonMobil (operator, with a 70% working interest) was announced by the Canada-Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB) as part of the 2022 Newfoundland and Labrador Call For Bids NL22-CFB01.

Commenting on this occasion, HE the Minister of State for Energy Affairs, Saad bin Sherida al-Kaabi, also the President & CEO of QatarEnergy said, “We are pleased to be the

successful bidder in Parcel 8 offshore Canada, and look forward to maturing the lead prospect's potential, testing an exciting play within a transparent and stable regulatory environment."

Al-Kaabi added, "This successful bid demonstrates our ambition to further increase our footprint in the Atlantic basin, as part of our international growth drive. I would like to take this opportunity to thank the C-NLOPB for an efficient tender process, as well as our strategic partner, ExxonMobil, for their excellent co-operation in achieving this result."

Located offshore Eastern Canada, Parcel 8 lies in water depths of 2,500 to 3,000 metres and covers an area of approximately 2,700 square kilometres.

The entry to the Parcel 8 license is subject to customary government approvals, QatarEnergy said yesterday.

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## **North Field expansion: Recent LNG deals awarded to have positive medium-term impact**





Recent LNG deals awarded for Qatar's North Field gas expansion project will have a positive medium-term impact, facilitating an increase in LNG capacity by almost 65% to 126mn tonnes per year (mtpy) by 2027 from 77 mtpy now. Oxford Economics said in its latest country report. In the two weeks, Qatar secured multiyear supply agreements with China and Germany for LNG output set to be added in the first phase of the project due to be completed In 2026. Qatar's non-hydrocarbon sector recovery will slow in 2023 after a strong rebound this year, Oxford Economics said. "We see non-oil GDP growth of 7.6% this year, the fastest rate since 2015. The pace will then slow to 3.3% in 2023 as momentum eases once the World Cup concludes. This will still be stronger than the 2.7% expansion in 2021, which followed a decline of 4.7% in 2020," noted Maya Senussi, senior Middle East economist at Oxford Economics. The non-oil economy surged by 9.7% in Q2, up significantly from 5% in Q1. The latest survey data show momentum has eased from record high levels, but the influx of World Cup fans means non-oil activity should remain resilient at year-end. The latest figures show Qatar's tourist numbers neared 1.2mn in January-September, almost quadrupling relative to the same period in 2021, thanks to a surge in arrivals from other GCC countries as well as India, the US, and the UK. The World Cup event is estimated to attract more than 1mn visitors. This should lift

the total number of visitors this year above pre-pandemic levels (2.1mn). The month-long event, which started on November 20, has brought an influx of visitors, supporting activity, despite global headwinds. However, inbound travel to Qatar will decline in 2023, before a rise in regional arrivals spurs a recovery thereafter, the report said. Qatar is the world's second-largest LNG exporter (after the US). There is also heavy investment in gas-to-liquids, petrochemicals, a gas export pipeline, infrastructure, and tourism. Some \$200bn has been spent on infrastructure, partly related to the 2022 football World Cup, and partly to an expanding population and the country's long-term strategy, the Qatar National Vision 2030. In addition, Qatar is developing into a significant regional financial and educational centre, Oxford Economics noted.

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## **QatarEnergy, ConocoPhillips sign deal to supply LNG to Germany**



Deal signed to supply Qatar LNG to Germany QatarEnergy, ConocoPhillips sign deal to supply LNG to Germany  
Qatar's first long-term LNG supply deal with Germany was announced Tuesday with QatarEnergy signing two LNG sale and purchase agreements (SPAs) with ConocoPhillips affiliates for the delivery of up to 2mn tonnes per year for at least 15 years.

Pursuant to the two SPAs, a ConocoPhillips wholly-owned subsidiary will purchase the agreed quantities to be delivered ex-ship to the LNG receiving terminal, which is currently under development in Brunsbüttel in northern Germany, with deliveries expected to start in 2026.

The LNG volumes will be sourced from the two joint ventures between QatarEnergy and ConocoPhillips that hold interests in Qatar's North Field East (NFE) and North Field South (NFS) projects.

The SPAs were signed by HE the Minister of State for Energy Affairs, Saad Sherida al-Kaabi, also the President and CEO of QatarEnergy, and Ryan Lance, Chairman and CEO of ConocoPhillips at the QatarEnergy headquarters in Doha



Tuesday.

Speaking at the signing ceremony, al-Kaabi said, "We are pleased to sign these agreements with our partner ConocoPhillips to supply up to 2mn tonnes per year of LNG to Germany from the two QatarEnergy-ConocoPhillips joint ventures in the NFE and NFS LNG expansion projects respectively, starting in 2026.

"These agreements are momentous for several reasons. They mark the first ever long-term LNG supply to Germany with a supply period that extends for at least 15 years, thus contributing to Germany's long-term energy security. They also represent the culmination of efforts between two trusted partners, QatarEnergy and ConocoPhillips, over many years, to provide reliable and credible LNG supply solutions to customers across the globe, and today, to German end-consumers. This is a concrete demonstration of QatarEnergy's resolve to provide reliable energy supplies to all major markets around the world, and of our commitment to the German people."

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**Low-cost LNG supplier Qatar to remain in 'relatively strong competitive position': S&P**



**\* Qatar's revenue stream will be significantly enhanced by North Field expansion, whereby Qatari liquefied natural gas production capacity is expected to increase by 64%**

As a low-cost LNG supplier, Qatar will remain in a “relatively strong competitive position” even after 2030, although demand is likely to peak in the mid-2030s, with increasing use of renewables in the energy market having a gradual impact on demand for hydrocarbons, S&P Global noted in its ratings upgrade.

S&P recently raised its long-term sovereign credit rating on Qatar to ‘AA’ from ‘AA-’, assigned a stable outlook, and affirmed the country’s ‘A-1+’ short-term rating.

In its overview, S&P noted Qatar’s debt interest costs as a share of government revenue have fallen, and therefore it expects them to remain low because the government is repaying maturing debt.

Additionally, the government’s revenue stream will be significantly enhanced by the North Field expansion, whereby Qatari liquefied natural gas production capacity is expected to increase by 64% (by 2027).

“The upgrade reflects structural improvements in the Qatari government’s fiscal position. The government’s strategy of

paying off maturing debt, will sustainably reduce debt-servicing costs to below 5% of general government revenue over 2022-2025," S&P said.

Higher gas production related to the North Field expansion, expected to come onstream from end-2025, should further increase Qatari government revenue.

Qatar remains one of the largest exporters of LNG globally. Between 2025 and 2027, the government plans to increase its LNG production capacity by about 64%, from 77mn tonnes per year to 126mn tpy.

The strategic pivot away from Russian gas, particularly by European economies, suggests there will be a ready market for the additional Qatari gas.

In its forecast, S&P said, "We assume that LNG production levels will be largely flat until 2025, but increase by about 30% over 2026-2027, on the assumption that the full increase in capacity will take some time to be fully utilised."

S&P said it expects "strong" non-hydrocarbon sector growth as Qatar hosts the FIFA World Cup from November 20 to December 18, which will support an economic expansion of about 5% in 2022.

After the tournament, S&P has forecast real GDP growth will average about 2.5% over 2023-2025 as gas production levels remain broadly stable and non-hydrocarbon sector growth normalises around 4%.

The country's strong general government net asset position remains a credit strength and it expects it to increase over the period to 2025, supported by investment returns on Qatar's sovereign wealth fund, Qatar Investment Authority (QIA), assets, and the government's repayment of maturing external debt.

Averaging about 150% of GDP in 2022-2025, Qatar Government's large liquid assets provide it with a strong buffer to mitigate the economic effects of external or financial shocks.