

UAE to more than double LNG export capacity with Fujairah plant



Bloomberg / Dubai

Abu Dhabi National Oil Co plans to build a new liquefied natural gas plant as the world's producers race to expand their exports amid surging demand.

The LNG facility, to be built at Fujairah on the United Arab Emirates' coast outside the Arabian Gulf, will be able to produce as much as 9.6mn tonnes a year. The UAE currently has three liquefaction trains with a combined capacity of 5.8 mtpa at Das Island, which is located inside the Gulf.

Adnoc has appointed McDermott International Ltd as design contractor and intends to award a contract for the construction of the plant in 2023, said the oil company in a statement on its LinkedIn page. The plant will use new technologies and "clean power" to reduce the carbon intensity of the LNG it produces, according to the statement.

Appetite for LNG among energy consumers has grown since

Russia's invasion of Ukraine, particularly in Europe, reinforcing a global market for the fuel that was already strengthened by rising demand in Asia last winter. While prices have eased slightly over the past month "higher prices and more volatility" are expected because of Europe's switch to LNG, Biraj Borkhataria, associate director of European research at RBC Europe Limited, said in a note.

A pipeline will be constructed linking Abu Dhabi's Habshan gas production facilities to Fujairah and the liquefaction plant is scheduled to start in 2027, according to two people familiar with the matter. A spokesperson for the company declined to comment on the matter.

A government official previously said the UAE was considering building an LNG plant at Fujairah to facilitate the extra exports and state producer Adnoc last month agreed to buy two LNG carriers from a Chinese shipyard.

The UAE was the world's 12th-largest LNG producer last year, making it a relatively small global player. However, a \$20bn push to develop more of its natural gas resources means it will be able to produce much more from about 2025 and the country aims to become self-sufficient by 2030.