

News : Freeport LNG not expected to load cargoes in November and possibly December: sources

By Harry Weber

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- Further delay of the restart of the **US** facility could lift prices
- Export terminal has been offline since June explosion

Freeport **LNG** was not expected to load any cargoes in November and possibly December, people familiar with the **US** liquefaction facility's plans said Nov. 14.

The further delay of exports from the three-train, 15 million mt/year capacity terminal in **Texas**, which has been offline since a June explosion and fire, could be bullish for prices, as the market had been expecting some incremental supply to return this month.

With **feedgas** deliveries to the terminal near zero and the operator having not yet filed a request with **US** regulators to approve a restart, it was already highly unlikely that Freeport **LNG** would meet its most recent target to resume production by mid-November.

Freeport **LNG** declined to comment Nov. 14.

Investigators with the **US Pipeline and Hazardous Materials Safety Administration** have been present at the site throughout the course of the probe and planned to be there to consider restart approval once the request was made, said one of the people familiar with the situation. The operator, meanwhile, was working on a path forward, a second person familiar with the situation said.

Freeport **LNG** has long-term offtake deals with **South Korea**'s SK E&S, **Japanese** utilities JERA and **Osaka Gas**, and **French** energy major **TotalEnergies**.

The unladen **LNG tanker** Prism Diversity remains anchored in the **Gulf of Mexico** Nov. 14 near the channel that feeds Freeport **LNG**, according to **Platts cFlowship** and commodity tracking software from S&P Global Commodity Insights. As many as five unladen **LNG carriers** were heard to have rerouted in recent weeks amid concerns of a possible further delay in the startup of Freeport **LNG**.

The operator had been said to be planning to load cargoes below capacity initially when it resumed service, raising concerns in the market about the economics of doing so. A typical **LNG tanker** that would load at **US** liquefaction facilities holds a cargo of around 3.5 trillion Btu. Several market sources have said they heard, when restarting, Freeport **LNG** may only load 2.2 TBtu per cargo. One source said the volume loaded initially could be as low as 1.8 TBtu.

It was not immediately clear if the additional time before loadings resume could enable the terminal to produce full cargoes right away once production restarts.

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