



Small-scale LNG on the brink of breakthrough

By Hwee Hwee Tan

BREAK-BULK liquefied natural gas trade tied to off-grid demand is on the verge of taking flight, fuelling demand for import infrastructure and potentially hundreds of small-scale tankers.

Singapore-based LNG Easy, which facilitated Myanmar's first LNG imports, aims to bring into operation another landmark project mooted for Pakistan as soon as next year.

Earlier this week, it lined up a partnership with Karachi Port Trust and Pakistan Railways and is in talks with two supermajors for equity in the project.

LNG Easy's co-founder He Yiyong told Lloyd's List that the plan is to develop a supply chain allowing small parcels of the super-cooled fossil fuel to reach off-grid residential and industrial customers so as to unlock latent demand.

About 80% of the country's population is not served by its existing piped gas network, he said.

This explains its over-reliance on imports of liquefied petroleum gas, which can be trucked in cylinders to remotely located end-users.

The project partners are looking to break up LNG shipped to shore into smaller parcels. These will go into either ISO tanks or road tankers to be either trucked or transported by rail across the country to customers.

"We expect to initially truck 300,000 tonnes of LNG across Pakistan and to grow such break-bulk demand to 5m tonnes by 2027," Mr He said.

He added that this project banked on a drive to replace LPG with cleaner-burning and more cost-competitive LNG.

<https://lloydslist.maritimeintelligence.informa.com/LL1134885/Small-scale-LNG-on-the-brink-of-breakthrough>

LNG Easy is also pursuing break-bulk developments elsewhere in Asia, albeit with some variations to suit local geographies.

It was responsible for delivering [a jetty-like infrastructure in Myanmar](#), which can be constructed and installed within weeks, to fast-track a project driven by Hong Kong-listed CNTIC VPower.

The project saw the first ship-to-ship LNG transfer off Myanmar from a larger carrier to a small tanker, which delivered the break-bulk cargo to the country.

Mr He viewed the current overcapacity in cargo and shipping markets as benefiting such projects, focusing on what he referred to as retail LNG.

Amid slower shipping demand, VPower was able to hire a large floating storage regasification unit from Höegh LNG on spot charter to serve as the mother ship for storing and transferring cargoes.

“We think this retail LNG model is workable for Vietnam, a country boasting 27 small-scale LPG terminals along its coastline,” Mr He said.

LNG Easy co-founder Hans Hvide also flagged latent opportunities for such emerging trades elsewhere.

Mr Hvide cited Brazil, west Africa and east Africa as areas in which LNG discharge and distribution infrastructure is found lacking and would benefit from LNG Easy's MFP technology.

Mr He believes this emerging trade can spark shipbuilding demand for small-scale LNG tankers.

Tankers of under 10,000 cu m currently numbering 634, make up the bulk of LPG carriers.

This statistic provides a good gauge of potential small-scale LNG demand, he said.