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Two FIDs Herald a New Era of LNG Production Development

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Introduction

Two FIDs (final investment decisions) on new LNG production projects in Americas were announced around late April and early May 2025 - one in Louisiana, United States, and the other in Argentina, with combined annual production capacity of 19 million tonnes. Both projects have additional plans beyond the sanctioned capacities. Other projects are expected to follow in both countries.

The Louisiana LNG project, promoted by Australia's Woodside, in late April 2025 reached an FID covering the first three trains of a combined 16.5 million tonne per year capacity, targeting first LNG in 2029. The FID represented the first one for a large-scale LNG production project in the United States since July 2023. The Southern Energy FLNG project in Argentina in early May 2025 reached its FID covering the first FLNG vessel of an LNG processing capacity of 2.5 million tonnes per year.

1. Australia's Woodside Energy develops the LNG project in the United States

The Louisiana LNG project was renamed from *Driftwood LNG* after it was acquired along with its parent company Tellurian Inc. by Woodside in July 2024. The project had been developed by Tellurian since 2016, securing the construction approval from regulators and export authorizations from the Department of Energy, yet missing an FID by the time of the acquisition.

Woodside announced on 29 April 2025 an FID to develop three trains, targeting first LNG in 2029. The development has an additional capacity from another two LNG trains and is fully permitted for a total capacity of 27.6 million tonnes per year.

The notable factors of the FID are risk mitigation and GHG emission management measures. Amid the rising trend in LNG project costs, the company says that it has agreed with the contractor on 95% of the total value of the construction contract¹. In addition, civil engineering work has progressed ahead of the FID, and more than 90% of high-value orders have been placed, according to the company. In addition, the project boasts the high procurement ratio in the United States and the use of a designated foreign trade zone.

In early April, prior to the FID, Woodside agreed with Stonepeak to hand over a 40% equity interest in Louisiana LNG Infrastructure LLC. Woodside continues discussions with multiple counterparties for further equity sell-down in the project. On the LNG marketing front, Woodside had signed LNG SPAs (sale and purchase agreements) with Germany's

¹ "WOODSIDE APPROVES LOUISIANA LNG DEVELOPMENT" 29 April 2025, <https://www.woodside.com/docs/default-source/asx-announcements/2025/028-woodside-approves-louisiana-lng-development.pdf>

Uniper prior to the FID. Louisiana LNG LLC will supply one million tonnes per year of LNG on an FOB (free-on-board) basis for up to thirteen years from the commercial operations date (COD) of Louisiana LNG. Woodside Energy Trading Singapore Pty. Ltd. will supply up to one million tonnes per year of LNG on a DES (delivered ex-ship) basis from Woodside's global portfolio into Europe commencing on the same COD until 2039. The SPAs were subject to an FID - the one of 29 April.

Woodside announced a contract with bp to purchase gas to be supplied to the LNG project on 30 April, the next day of the FID, securing access to low-methane-emission-intensity gas certified by MiQ, the prominent independent verifier. Woodside has indicated that it plans to supply cleaner LNG as a member of the OGMP 2.0, a global initiative of energy companies to reduce and better manage methane emissions.

Woodside signed an agreement in 2014 to purchase 0.85 million tonnes of LNG annually from Corpus Christi LNG in Texas. The supply from the project has been incorporated into Woodside's global portfolio since 2023. Woodside participated in the development of the Kitimat LNG project in British Columbia, western Canada, from 2014 until May 2021. The latest FID represents the full-scale launch of Woodside's LNG business in North America.

Besides Woodside's activities, in the United States, Energy Transfer signed an HOA (heads of agreement) with MidOcean Energy for the latter's 30% participation in the Lake Charles LNG project. Mubadala Energy of Abu Dhabi agreed to acquire a 24.1% stake in Kimmeridge's asset holding company of the Commonwealth LNG project. The Rio Grande LNG project, with its first phase under construction, secured LNG sale deals for its next phase project. Securing investment partners and term sales continue being the key to promoting LNG production projects, along with busy regulatory developments².

2. Argentina emerges as a potential LNG power house

Argentina, a giant gas producer in South America, began importing LNG in 2008 using FSRUs (floating storage and regasification units, LNG transport vessels converted by installing regasification equipment on board and use them as LNG import facilities) to respond to seasonal demand fluctuations. From 2011 to 2013, there were some cases of re-export and resale of some imported LNG. Subsequently, while continuing import of LNG to meet seasonal demand fluctuations, the concept of LNG exports emerged in response to the increase in domestic gas production. From 2019 to 2020, Argentina exported LNG based on domestic gas production using a small-scale FLNG vessel.

Harbour Energy, Pan American Energy, state-owned YPF, Pampa Energía and Golar LNG announced an FID on the Southern Energy FLNG project in Argentina on 2 May 2025. The project envisages deploying two FLNG vessels for a combined LNG processing capacity of six million tonnes per year. The latest FID covers the first FLNG vessel for 2.5 million tonnes per year, targeting the first LNG by the end of 2027. Additional LNG export projects are also expected in the country.

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² See the appendix of this paper.

[Appendix: Regulatory developments surrounding LNG export projects in the United States - notable ones in 2025]

mm / dd Agency, relevant project, policy/order

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| 01 / 21 | DOE: The end of "pause" of non-FTA LNG export authorization |
| 02 / 07 | FERC: Venture Global CP2, draft supplemental environmental impact statement |
| 02 / 14 | DOE: Commonwealth LNG, conditional non-FTA export authorization FERC: Commonwealth LNG, draft supplemental EIS |
| 02 / 28 | DOE: JAX LNG, Removal of barriers to the use of LNG as a marine fuel |
| 03 / 05 | DOE: Golden Pass LNG, extension of export commencement deadline |
| 03 / 10 | DOE: Delfin LNG, extension of export commencement deadline |
| 03 / 10 | FERC: Corpus Christi Mid-Scale 8-9, construction and operation approval |
| 03 / 18 | DC Circuit Court, Rio Grande and Texas LNG, validity of FERC's approvals |
| 03 / 19 | DOE: Venture Global CP2, conditional non-FTA export authorization |
| 03 / 20 | DOE: 2024 LNG Export Study public comment period completes |
| 03 / 21 | MarAd: Delfin LNG, construction and operation approval |
| 03 / 28 | FERC: Rio Grande, Texas LNG, draft supplemental EISs |
| 04 / 01 | DOE: Removal of barriers for requests to export commencement date extensions |
| 04 / 17 | USTR: limited restrictions on transporting LNG via foreign vessels. |
| 04 / 17 | DOE: Lake Charles LNG, application to extend the commencement date |
| 05 / 09 | FERC: Commonwealth LNG, final supplemental EIS |