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Shell to Charter Six Newbuild LNG Carriers



Oil and gas giant Shell has signed long-term charters for six newbuild liquefied natural gas (LNG) carriers.

Shell has signed separate agreements for two LNG ships each with affiliates of Knutsen LNG, Korea Line Corporation, and ICBC Financial Leasing and institutional investors advised by J.P. Morgan Asset Management. The 174,000 cbm LNG ships will be built by Hyundai Heavy Industries and Hyundai Samho Heavy Industries. They will all be equipped with dual-fuel X-DF engines, boil-off management plants, air lubrication systems and shaft generators for auxiliary power.

"The design and addition of energy efficiency technologies will give these ships the best emissions performance in their class," Shell said.

"These ships will deliver a 60% reduction in carbon emissions compared to 2004 steam turbine LNG carriers," said Grahaeme Henderson, Head of Shell Shipping & Maritime. "Shell's ambition is to be a net-zero emissions energy business by 2050 or sooner and highly efficient ships like these are one of the ways that we are reducing emissions in our operations.

"As we work together to develop new zero-carbon fuels at scale, we believe that LNG can play a fundamental role in providing a cleaner supply chain right now for the goods and energy that are shipped around the world every day," Henderson said.

The ships will be integrated into Shell's time-chartered trading fleet and delivery is expected to take place from mid-2023. Shell announced the long-term charter of eight ships of the same class in December 2019.