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First LNG Cargo Shipped from Prelude FLNG



Prelude and Valencia Knutsen

BY [MAREX \(HTTPS://WWW.MARITIME-EXECUTIVE.COM/AUTHOR/MAREX\)](https://www.maritime-executive.com/author/marex) 2019-06-10 23:47:59

The first shipment of LNG has sailed from Shell's *Prelude* Floating Liquefied Natural Gas (FLNG) facility located 475 kilometers (295 miles) North East of Broome in Western Australia. This shipment will be delivered by the *Valencia Knutsen* to customers in Asia.

The first cargo was more than eight years after final investment decision (FID) and nearly two years after the facility arrived in Australia.

The *Prelude* FLNG facility will produce 3.6 million tonnes per annum (mtpa) of LNG, 1.3 mtpa of condensate and 0.4 mtpa of LPG. The *Prelude* FLNG facility is operated by Shell in joint venture with Inpex (17.5 percent), KOGAS (10 percent) and OPIC (five percent).

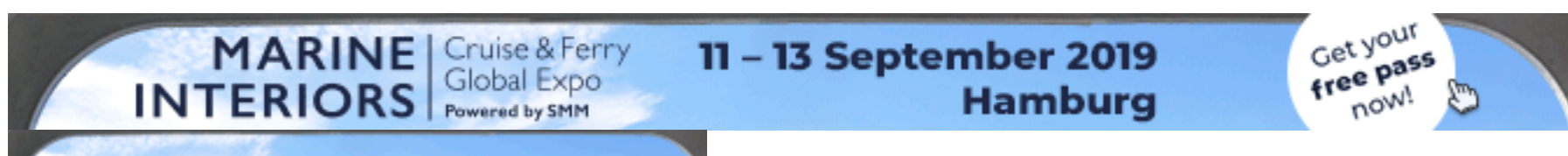
Wood Mackenzie senior analyst Daniel Toleman said: "How fast *Prelude* delivers its second and third cargo, and ramps up to plateau

output will be a key indicator of success. Shell will be keen to ramp up to full production quickly to counteract any reserves impact from the already producing and connected Ichthys field.

"The *Prelude* facility will be backfilled by Crux, which entered FEED this year. We expect an FID late next year with first production in 2025. In addition, later this year Shell will spud the Bratwurst exploration well. If a significant gas resource is discovered it is likely these volumes will be developed via the *Prelude* facility."

With *Prelude* onstream, Australia is on track to export more than 80 mmtpa of LNG, which surpasses Qatar as the largest LNG producer in the world.

"The completion of Prelude marks the end of the Australian greenfield LNG boom," says Toleman. "The next investment cycle is already in sight, with backfill projects – Scarborough, Barossa, Browse, Arrow and Crux – vying for FID."



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