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LNG vessels wait in Gulf of Mexico for Hurricane Delta to pass

Reuters

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Oct 7 (Reuters) - More than half a dozen liquefied natural gas (LNG) tankers were waiting to enter U.S. export plants in the Gulf of Mexico as Hurricane Delta marches toward the Gulf Coast.

Most tankers were located outside of Cheniere Energy Inc's Sabine Pass and Cameron LNG's Cameron plants in Louisiana, according to data from Refinitiv. There were also a few outside of Freeport LNG's Freeport plant in Texas.

Delta is expected to slam into central Louisiana as a major hurricane on Friday, putting the storm closer to Cameron than Sabine. Both plants are located in southwest Louisiana.

Traders noted it was unlikely any vessel would enter Sabine or Cameron before Delta makes landfall. LNG tankers, like all vessels, tend to steer clear of storms.

There are two tankers currently loading at Sabine - Pearl LNG and Torben Spirit. Traders expect both to leave before the storm hits.

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The last big storm to hit Louisiana was Hurricane Laura in late August. Sabine and Cameron both shut ahead of Laura. Sabine shut by Aug. 25 and started returning around Sept. 3.

Cameron shut around Aug. 26 but did not start to return until Sept. 27 after Entergy Corp, the local electric company, restored power, and did not see its first vessel until Oct. 4 after the U.S. Army Corps of Engineers cleared the ship channel connecting the plant to the Gulf of Mexico.

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The amount of gas flowing to all U.S. LNG export plants averaged 7.2 bcf/d so far in October, up from 5.7 bcf/d in September.

That would be the most in a month since April as rising gas prices in Europe and Asia have prompted buyers to reverse earlier cargo cancellations in recent months.

Buyers canceled over 150 cargoes earlier this year after global gas prices collapsed due to coronavirus-related demand destruction.

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