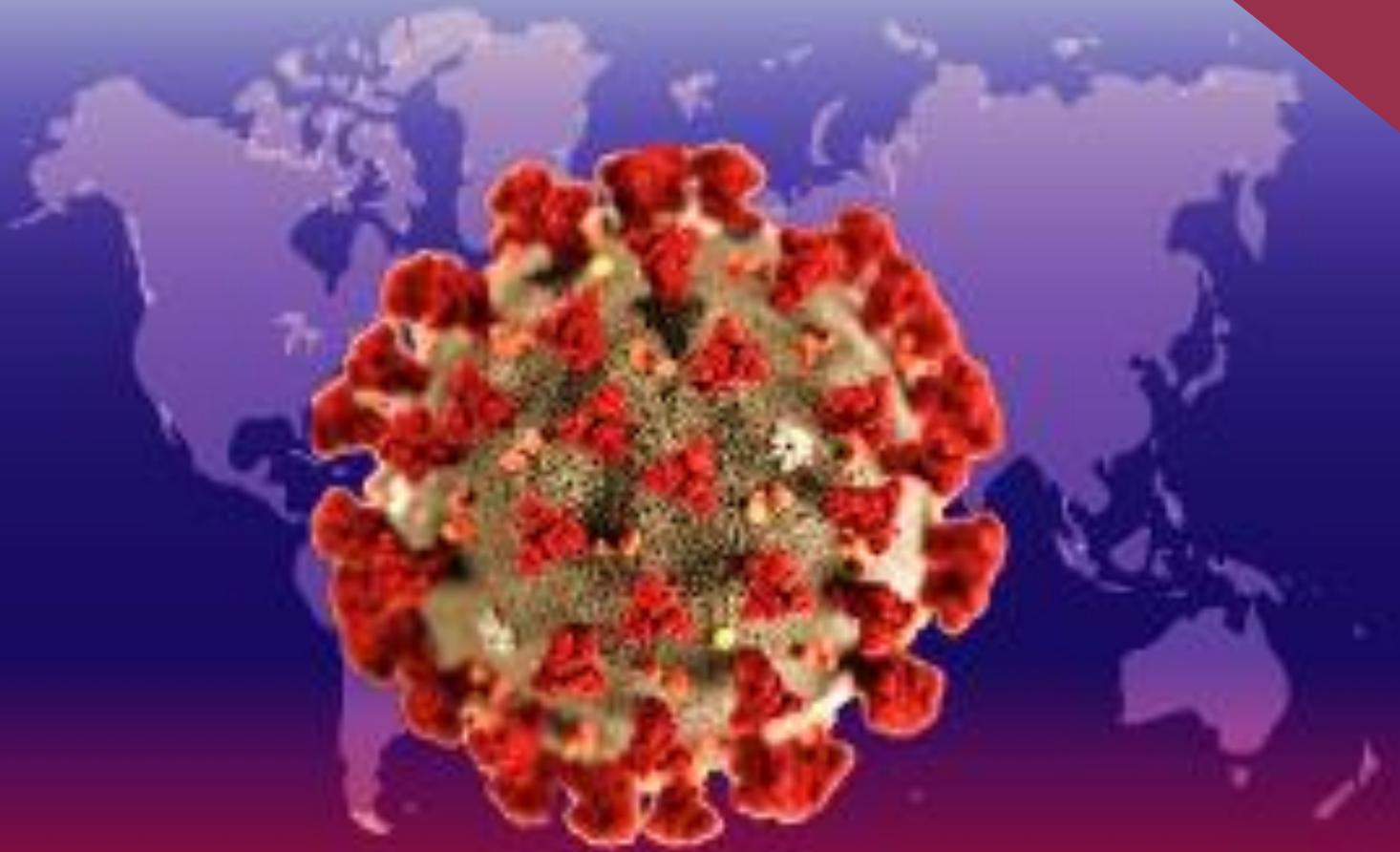




# PolaireTech



# LNG: Road to Recovery

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It is near impossible to switch on a radio station or television without there being updates on the Covid-19 pandemic. The coronavirus that has swept across the world for over a year, has made its way into our vocabulary and our daily activities.

Although we have all been affected by the pandemic and its consequences, it can be argued that the average household may not be aware of the notable impact that the pandemic has had on the engineering world and more specifically, on energy, oil, and gas markets globally.

Most countries went into nationwide lockdowns for varying amounts of time between the months of March and April 2020, with many workplaces and industries closing their doors.

Oil and gas industries were hit hard by the pandemic-induced lockdown which also had a direct and significant impact on the liquified natural gas (LNG) industry.

As a direct consequence of this, the supply of LNG largely outweighed the demand, which contributed to a decline in the price and destabilisation of the market.

However, 2021 looks much more promising for the oil and gas market and LNG industries alike.

As countries strategically move to lower, more relaxed levels of lockdown, the demand for LNG is expected to increase and possibly return to its former level.

The conversation surrounding clean and renewable energy sources has



The demand for LNG is expected to increase in many countries post the Covid-19 pandemic and transport will become a significant part of the LNG value chain.

spanned over many years, with some countries (such as Germany) leading the race for supplying its citizens and industries with sufficient energy using renewable resources and cleaner technologies. Even though approximately 80% of the world's energy is being provided by non-renewable resources such as oil and coal, the demand for renewable and cleaner energy sources is expected to increase as more governments pass laws on emissions and make climate change commitments.

LNG as a fuel source for providing energy could become an attractive option, as it produces significantly less carbon dioxide compared to oil and coal. Therefore, with natural gas being a renewable and cleaner resource, the prospect of more countries having LNG as its resource of choice may increase.

More specifically, small scale LNG (ssLNG) is becoming a popular choice in the LNG market. The advantages of ssLNG include:

- Lower capital cost
- Easily scalable
- Higher potential for immediate profits in the medium term
- Accessible to off-grid and hard-to-reach areas
- Lower investment requirements
- Faster execution and commissioning times

These advantages make ssLNG attractive to a larger range of gas suppliers and countries that previously could not afford the cost of larger LNG facilities. Additionally, ssLNG is an attractive option for local utilisation. This is expected to allow increased demand for LNG to be more easily met

from 2021 onwards.

In 2021, there are many countries that are gearing up for the reception of Covid-19 vaccines. The development and distribution of the vaccines will cause many economies and markets to stabilise, as its success would mean that workplaces and industries will become less vulnerable to the effects of the pandemic. As such, some Asian countries (such as South Korea) are planning on utilising LNG-cooled warehouses for the bulk storage of vaccines. Many other countries that do not have the refrigeration capacity required for certain vaccines (such as -70°C refrigeration required for the Pfizer vaccine) may also take up similar opportunities.

Singapore is currently looking into LNG bunkering, while India is considering implementing increased use of natural gas and LNG in residential areas, through the use and implementation of ssLNG specifically.

These developments have come within the first month of 2021, and we can look forward to many other countries implementing innovative solutions and ways to utilise, transport or produce LNG.

Significant changes are being made to the way the world is perceiving the use of natural gas and LNG, which is expected to have a direct impact on its demand.

Companies like PolaireTech have developed modules and designs to aid in meeting the demand for LNG should it grow significantly in 2021 and beyond.

It can be said that the prime time for LNG development is now.

