



## **Commonwealth LNG launches tender for LNG offtake**

HOUSTON; NEW YORK; SINGAPORE – Jan. 18, 2021

Commonwealth LNG, in association with Gunvor Group (“Gunvor”), announced today the launch of a formal process to solicit bids to reserve offtake from its planned 8.4 million tons per annum (MTPA) LNG facility in Cameron, Louisiana. It is the first ever tender process in which prospective LNG customers can secure future term supply at volumes, pricing and durations of their choosing through competitive bidding. LNG will be made available under tolling, free on board (FOB) or delivered at place (DAP) offtake agreements to match customer preferences. Commonwealth officials say that a different approach is warranted following changes in the energy market resulting from the global pandemic.

Commonwealth Founder and CEO Paul Varello said the innovative approach to selling LNG benefits the project as well as potential buyers. “We believe this process offers a mutually advantageous, low-risk solution for buyers to address their long-term needs while allowing Commonwealth to advance our project expeditiously to meet market demand.”

Commonwealth’s tender is supported by Gunvor Group, Ltd., the leading independent global trader of LNG. Gunvor and Commonwealth LNG have a strategic agreement under which Gunvor supports Commonwealth in securing binding LNG offtake and gas supply agreements for the facility. Gunvor has committed to take up to 3 MTPA of LNG offtake from the project. In addition, as part of the tender, Gunvor will enable the offering of DAP basis to customers desiring this option. Furthermore, the utilization of Gunvor’s LNG portfolio will allow the offering to provide firm LNG supply obligations, which will mitigate greenfield project supply risk and/or allow deliveries of LNG prior to the start-up of the Commonwealth LNG project to buyers who require earlier supplies.

“The tender process further builds on the momentum generated between Commonwealth and Gunvor under the Strategic Agreement executed in 2019”, said Kalpesh Patel, Gunvor Co-Head of LNG Trading. “The flexibility Gunvor can offer both in terms of early bridging volumes and firm DES/DAP contracts differentiates Commonwealth from other developing LNG projects.”

Commonwealth has retained Poten & Partners, Inc. to manage the tender process. Poten is widely recognized as the leading LNG advisory firm in the world. The tender process is being launched January 18. It calls for confirmations of interest by mid-February and submission of bids by early April 2021. Commonwealth will evaluate each bid based on the bidder’s requested volume, price, contract tenor and credit. Contracts are due to be awarded by June of this year.

The project should achieve FID in the first quarter of 2022, with the first cargo expected in Q2 of 2025. Commonwealth is implementing an accelerated construction schedule that will allow the project to be built in three years using a predominantly modular approach with major components being fabricated offsite, enabling the project to offer one of the most competitive LNG sales prices from the United States.

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***About Commonwealth LNG***

*Commonwealth LNG is an 8.4 MTPA liquefied natural gas (LNG) export terminal project located on the Calcasieu River at the Gulf of Mexico near Cameron, Louisiana. The project's leadership team is committed to building a world-class LNG facility by staying relentlessly focused on managing risk and lowering capital cost.*  
[www.CommonwealthLNG.com](http://www.CommonwealthLNG.com)

***About Gunvor Group Ltd***

*Gunvor Group is one of the world's largest independent commodities trading houses by turnover, creating logistics solutions that safely and efficiently move physical energy from where it is sourced and stored to where it is demanded most. The company is the leading independent global trader of Liquefied National Gas (LNG).*  
[www.GunvorGroup.com](http://www.GunvorGroup.com)

***About Poten & Partners, Inc.***

*Poten & Partners is a wholly owned subsidiary of BGC Partners. For over 80 years. Poten has provided clients with valuable insight into the international oil, gas and shipping markets. Its team of experienced commercial advisors has supported existing and developing LNG projects worldwide.*  
[www.Poten.com](http://www.Poten.com)

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