

Total, Exxon Push Papua LNG FID to 2026

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TotalEnergies and Exxon Mobil have pushed a final investment decision (FID) to 2026 for the delayed Papua LNG project amid efforts to reduce costs.

“We’re working towards the 2026 time frame in the Rovuma and PNG [Papua New Guinea],” Exxon CEO Darren Woods said during the company’s fourth-quarter results call when he was asked to provide an updated timeline for the Rovuma LNG project in Mozambique and the Papua LNG project.

“We will not sanction [the project this year],” Total CEO Patrick Pouyanne said during his company’s fourth-quarter results call. “We are not desperate to make the project, but we are working hard to make it back on track.”

The announcement confirms comments made last year by PNG state-owned Kumul Petroleum's managing director, Wapu Sonk, who had signaled that an FID could be taken in the fourth quarter this year or the first quarter in 2026.

The project, which will be fed by gas from PNG’s Elk and Antelope fields, was initially expected to go ahead in late 2023 or early 2024, but an FID was postponed due to [inflationary pressure](#).

The initial bid round resulted in quotes that were more than 40% to 50% over the expected engineering, procurement and construction (EPC) cost, resulting in Papua LNG’s price tag jumping to \$18 billion.

A new bid round initiated last year is anticipated to be completed by September.

Strategic Impact

The additional delay means the project is increasingly unlikely to start up by the end of the decade.

This raises questions about Exxon and Total's ability to meet their respective 2030 LNG targets.

PNG is a key plank in Exxon's plans to [double its LNG portfolio](#) from 20 million tons per year in 2020 to 40 million tons/yr by 2030.

Total wants to [raise its LNG sales](#) by 50% by 2030. The company has grown its LNG portfolio from 18 million tons/yr to 30 million tons/yr, excluding spot volumes, in the past six years, according to the company's gas and renewables head, Stephane Michel.

Partners Aligned

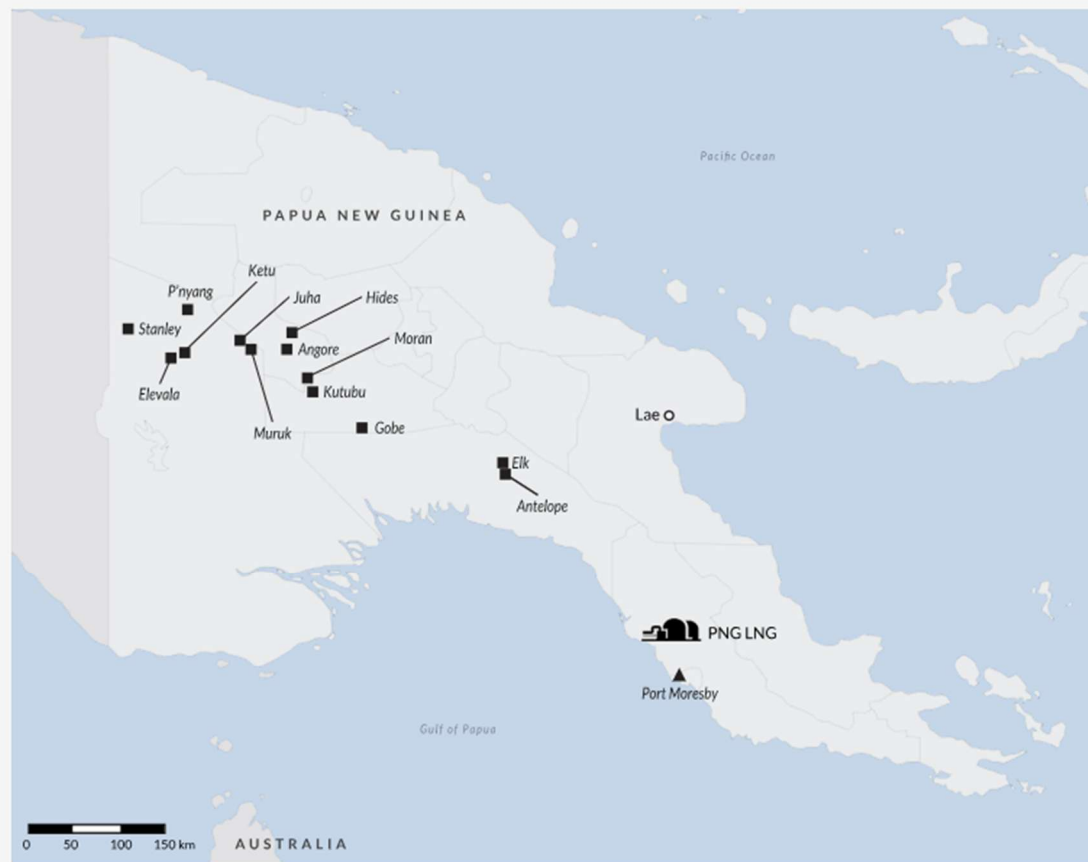
Pouyanne expressed confidence that the partners are on the same page amid [rumors of misalignment](#) and impatience from Exxon, which needs the Papua LNG project to move forward to backfill its PNG LNG plant.

As it stands, the Papua LNG project consists of a 4 million ton/yr four-train concept using an electric drive combined with 2 million tons/yr of liquefaction capacity coming from the use of the PNG LNG plant.

"Forces of the two companies are aligned and working together," Pouyanne said, adding that Total and Exxon are "strongly unified" about an effort "to find new ideas" in the new EPC bid round.

The partners are currently working on a "different concept and a different design to lower the investment and lower the cost of supply," Exxon Senior Vice President Neil Chapman said during a presentation in December last year.

PNG: SELECT OIL AND GAS FIELDS AND PNG LNG



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