# MNI: Delfin LNG – Deep Waters, Deeper Ambitions

By Erica Blake (December 4, 2025)

**Executive Summary**

- Delfin LNG could be the next US LNG project to reach FID. However, the facility guidance for imminent FID has been around for many years, casting doubt on whether it can reach an FID by YE2025 as guided.
- Delfin has SPA's for 5.1-5.6 MTPA, which meets their stated threshold to FID 2 vessels.
- The project would be the first offshore LNG facility for the US and has been designed to work with existing gas infrastructure to keep project costs low.
- While Delfin has the contract backing for a positive FID, gas infrastructure dynamics have shifted since it was first proposed. Tying into onshore gas may require more work and investment than originally planned as the Transco lateral is likely already running at full capacity.

**US Overview**

The US has 18.6 Bcf/d of LNG capacity currently under construction and 14 Bcf/d pending FID. Considering only under construction facilities, capacity is expected to nearly double to 36.3 Bcf/d in 2030. This growth was supported by a more favorable regulatory environment in 2025 leading to positive FIDs for the following facilities:

**2025 Positive FIDs for US LNG**

| Company | Facility | Capacity (Bcf/d) | Target ISD |
|---|---|---|---|
| Venture Global | CP2 | 3.96 | 2027 |
| Woodside | Louisiana LNG | 2.33 | 2029 |
| Cheniere | Corpus Christi Trains 8 and 9 | 0.40 | 2029 |
| Sempra | Port Arthur Phase 2 | 1.91 | 2030 |
| Next Decade | Rio Grande Trains 4 and 5 | 1.58 | 2030/2031 |

While capacity is expected to nearly double and 10 Bcf/d FIDd this year, there remain several facilities guiding to making FID in the next few months including Delfin, Commonwealth, and Lake Charles. If these three facilities reach FID as guided, the market would add 5.3 Bcf/d of incremental capacity by 2031.

Nearly all of the existing and planned US LNG facilities are onshore facilities that are either greenfield builds or conversions of old LNG import facilities, including Commonwealth and Lake Charles. Delfin is the exception, as it would be the first floating liquified natural gas facility (FLNG) in the US. In the March 2025 corporate overview presentation Delfin Midstream stated they planned to make FID in mid-2025, but this was pushed to November 2025 in October. As the calendar has progressed to December, FID has yet to occur as guided.

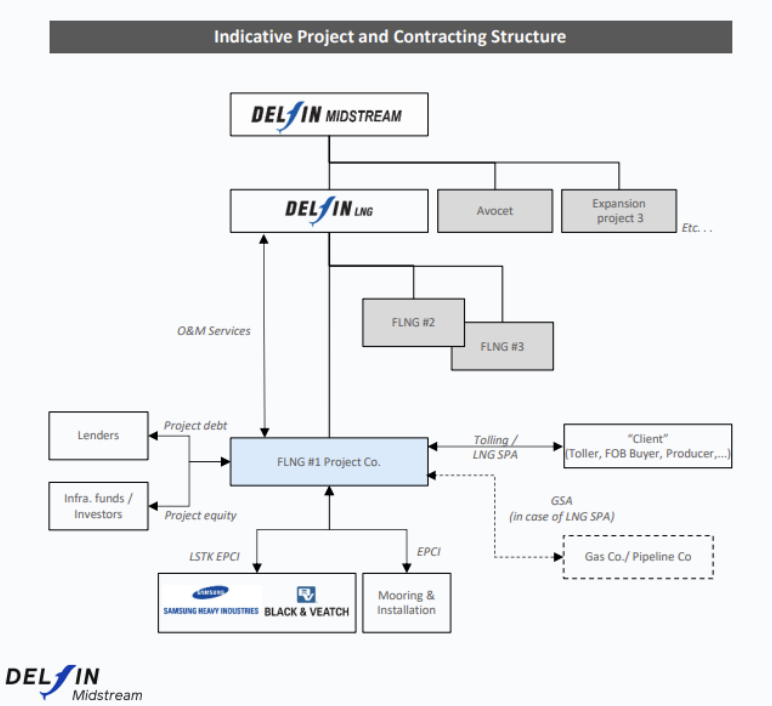
Having missed guidance twice this year, the project FID is likely delayed further though no official updates have been provided. This is not the first time FID has been targeted and missed as the company had guided to make FID in 2018, 2022, and 2023 as well. The duration of the facility development and history of missing FID targets has positioned it as a facility that is largely dismissed by the industry as a viable option.

**The Project**

Delfin LNG is a brownfield, deepwater port consisting of 3 FLNG vessels for a total export capacity of 1.7 Bcf/d (13.2 MTPA). The company states their lowest FID threshold is 0.4 Bcf/d (3 MTPA), but they have the ability to expand to 2.6 Bcf/d (20 MTPA). With three vessels in the first phase totaling 1.7 Bcf/d, each FLNG vessel is assumed to have a capacity of 560 MMcf/d. An expansion to their full export capacity of 2.6 Bcf/d would likely require 1-2 additional vessels.

The facility already secured a positive Record of Decision from the Maritime Administration (MARAD), received its deepwater license in March 2025, and Department of Energy permits for non-FTA exports for 1.7 Bcf/d. It will be located 40 nautical miles offshore, which will limit one-way ship traffic congestion and reduce fog-related service disruptions. They argue a FLNG design lowers the cost of LNG by 20-40% compared to traditional LNG facility models.

Each of the vessels has its own commercial and financial structure, as well as its own FID according to company communications. The diagram to the right demonstrates an example of the structure for FLNG vessel number 1 having its own tolling/SPA agreements, gas supply agreements, as well as its own lending and investing.




Delfin has ~0.7 Bcf/d (5.1-5.6 MTPA) of SPA's across several companies. Gunvor has two deals, one signed in 2023 for 0.5-1.0 MTPA and another signed as a back-to-back between Delfin, Expand (formerly Chesapeake), and Gunvor in 2024. Vitol also has signed two SPAs with Delfin, one in 2022 and most recently in November. In March 2025, Delfin signed an HOA with SEFE for 1.5 MTPA, but as it is not a binding agreement, it has not been counted toward the official SPA total. If it were converted to a binding SPA, Delfin would have nearly 50% of its approved capacity supported by SPAs.

Delfin should have enough SPAs to cover an FID for at least one vessel, and their prior communication suggests they could FID each vessel independently. Their 2022 FERC request for a permit extension stated the project only required 2.0-2.5 MTPA of long-term offtake agreements to support FID and begin construction, and SPA tracking shows they have double that amount. In a 2017 press release, Delfin stated they would be able to construct the facility in less than 3 years. These releases suggest if Delfin does announce an FID in the coming weeks, it will likely be for one or two vessels and bring 0.6-1.2 Bcf/d of incremental export capacity by the end of the decade as a 2026 FID would mean a first LNG target date of 2029.

**Delfin LNG SPAs**

| Counterparty | Duration (years) | MTPA | Bcf/d | Announcement Date |
|---|---|---|---|---|
| Vitol | 20 | 1.0 | 0.13 | Nov-25 |
| Expand/Gunvor | 20 | 0.5 | 0.07 | Feb-24 |
| Gunvor | 15 | 0.5-1.0 | 0.06-0.13 | Nov-23 |
| Centrica | 15 | 1.0 | 0.13 | Jul-23 |
| Hartree | 20 | 0.6 | 0.08 | Apr-23 |
| Vitol | 15 | 0.5 | 0.07 | Jul-22 |
| *Unnamed Contracts** | - | *1.0* | *0.13* | *Apr-23* |

**The Hartree release stated the deal brought total SPAs to 3.1 MTPA, which would have included the Vitol SPA and a Centrica HOA that was converted to a SPA in July 2023. This leaves 1.0 MTPA unaccounted for in official releases.*

**Facility Feedgas Design and Operations**

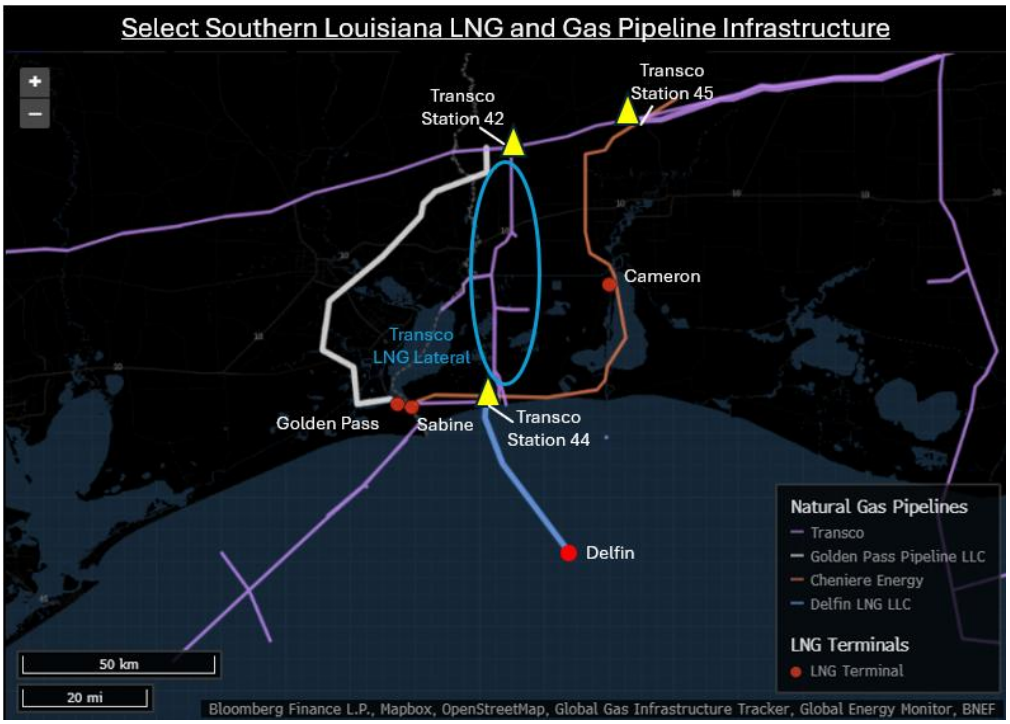
Delfin plans to use existing offshore Gulf of America infrastructure to keep the cost of the project low. In 2014, the company purchased UTOS offshore gas pipeline which interconnects with Transco Station 44. This station on Transco was originally designed to receive gas from offshore production operations and serve onshore demand, but Delfin will convert the pipeline to reverse the flow gas.

In a 2017 filing, Delfin stated they would need to complete work to bring gas from the onshore interconnect to the offshore platform consisting of:

1. Return to service 1.1 miles of UTOS pipeline extending from Transco Station 44 to Cameron Parish coast
2. Add a new metering station at Station 44 to reverse the flow
3. Add a new supply header consisting of 0.25 miles of new 42-inch diameter pipeline to connect the former onshore UTOS pipeline to the new meter station and 0.6 miles of new twin 30-inch-diameter pipelines between the new meter station and the new compressor station
4. Add 120,000 horsepower of compression within the fence of the existing Cameron Meadows Gas Plant

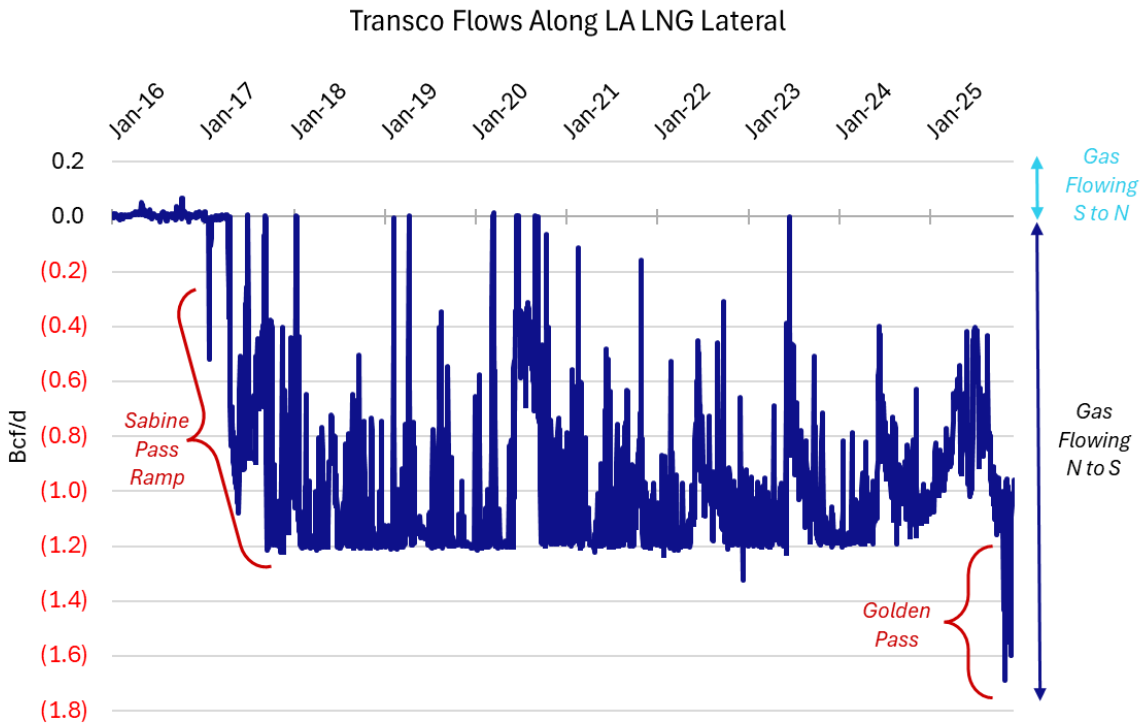
The additional compression stated above would likely be necessary for all three vessels to run at full utilizations if FIDd. Gas flows between Transco and UTOS were last reported in 2018 and reported a design capacity of 0.6 Bcf/d which would be able to support the first vessel of the project and highlights the need for additional compression to run all three vessels. However, the proposal only addresses the infrastructure at the interconnect and on UTOS pipeline. It falls short of addressing gas supply upstream of Station 44.

Since Delfin was proposed, several other facilities have been tied into the Transco system in Louisiana. Delfin's tie-into Transco occurs at Station 44, which is at the end of a lateral in Cameron Parish that connects to the Transco Mainline in Calcasieu Parish. MNI refers to this lateral as Transco LNG Lateral in the image below. Along this lateral there are interconnects with Lighthouse Road pipeline, which supplies Sabine Pass. Further upstream on the Transco Mainline in Calcasieu Parish near Stations 42 and 45, there are also interconnects with Cameron Interstate pipeline to Cameron LNG, Creole Trail pipeline to Sabine LNG, and new interconnects coming for Golden Pass LNG.



The proposed pipeline upgrades above would be downstream of Transco Station 44, suggesting the original Delfin proposal did not include any expansion of capacity along the Transco LNG Lateral upstream of the station. With the lateral already serving existing LNG, there is a risk that there isn't capacity available for Delfin to pull from as originally planned under today's pipeline dynamics.

Looking at all receipts and deliveries along the lateral in Calcasieu and Cameron Parish's, there is a clear step up in deliveries when Sabine Pass LNG trains 3 and 4 come online in 2017. Prior to Sabine starting and when Delfin was originally proposed, there was very little volume flowing along the corridor. In today's market, flows become constrained or maxed around 1.2 Bcf/d. Flows had not exceeded this level between 2017 and 2025, until the Golden Pass pipeline interconnect was placed into service earlier this year. The Golden Pass volumes are tied to the Transco Mainline near station 42, not the lateral. This leaves Sabine as the driver for the increase in flows along the Transco LNG Lateral. The flows holding at 1.2 Bcf/d for 8 years suggest the lateral Delfin intends to pull gas from is already running full and may require an expansion upstream to support its operations.




Source: MNI, Bloomberg LP. *Chart represents the sum of all receipts and deliveries in Calcasieu and Cameron Parish's.*

Williams has completed and is planning Transco expansions in Louisiana, but they are along the mainline. These projects include the Texas-to-Louisiana Energy Pathway expansion completed earlier this year and working on precedent agreements for Gillis West expansion. Williams announced the Line 200 project that parallels the Transco lateral, however, this operates independently of Transco and is designated for Woodside Louisiana LNG. While Williams is actively working on Transco expansions in Louisiana, none appear to be expanding capacity along the lateral required by Delfin for its operations.

With Delfin's proposal based on existing systems tied to Transco, plans to invest downstream of Station 44 with gas supply located further upstream, and Transco not stating any plans to expand along the North to South Lateral, Delfin may not be able to source gas as easily as guided. If the FID is made, we will be looking for additional details on how the facility plans to source onshore gas upstream of station 44 and supply it to the offshore platform.