PROFESSIONAL TRAINING COURSE

Course No. 1479

Advanced LNG Commercial Management, Contracts, Pricing, and Strategic Optimization

MIDSTREAM OPERATIONS, PIPELINES, STORAGE & LNG
OIL & GAS

DURATION
5 Days

DELIVERY
Classroom

Course Overview

Advanced LNG Commercial Management, Contracts, Pricing, and Strategic Optimization is an advanced professional training course designed for experienced professionals and decision makers responsible for managing the commercial, contractual, pricing, trading, and strategic dimensions of Liquefied Natural Gas (LNG) businesses. As LNG markets become increasingly interconnected and commercially flexible, organizations must manage long-term supply commitments, spot and short-term opportunities, evolving price structures, shipping constraints, contractual optionality, and market risks within an integrated commercial framework.

The course examines the LNG business from an advanced commercial perspective across the entire value chain, including feed-gas supply, liquefaction, shipping, regasification, marketing, portfolio management, and downstream delivery. Participants analyze how LNG projects and transactions create and allocate value among producers, project developers, sellers, portfolio players, traders, utilities, buyers, shipping providers, and infrastructure operators. The program connects physical LNG operations with commercial commitments to demonstrate how operational constraints can influence contractual performance and portfolio value.

A major focus is placed on LNG Sale and Purchase Agreements (SPAs), commercial negotiations, contract flexibility, pricing architecture, price reviews, shipping economics, cargo optimization, portfolio management, and strategic risk allocation. Participants examine oil-indexed, gas-hub-indexed, hybrid, and other pricing structures while developing the ability to interpret commercial formulas, compare alternatives, evaluate netbacks, assess destination optionality, and understand the commercial implications of different contractual positions.

The course goes beyond individual LNG transactions by addressing strategic portfolio optimization and commercial decision-making under changing market conditions. Participants learn to integrate market intelligence, contractual rights, pricing exposure, shipping availability, terminal access, supply security, demand requirements, counterparty considerations, and organizational risk appetite. This advanced approach supports organizations seeking stronger commercial governance, more disciplined negotiation, improved contract management, and optimized value across LNG portfolios.

Objectives

- Analyze advanced LNG market structures, global trade flows, supply-demand fundamentals, infrastructure developments, and commercial trends to support strategic decisions during the course.
- Evaluate LNG business models and transaction structures across liquefaction, shipping, portfolio supply, regasification, trading, procurement, and downstream delivery.
- Apply advanced contractual analysis to LNG Sale and Purchase Agreements to identify value drivers, obligations, flexibility mechanisms, risk allocation, and negotiation priorities.
- Assess LNG pricing formulas using oil-linked, gas-hub-linked, hybrid, fixed-component, and alternative indexation structures under different market scenarios.
- Develop structured approaches for LNG price reviews, renegotiations, contractual adjustments, and commercial discussions triggered by changing market conditions.
- Evaluate cargo economics through delivered-cost, netback, shipping-cost, terminal-access, diversion, and alternative-destination analysis.
- Analyze contractual optionality involving destination rights, quantity flexibility, delivery windows, diversions, make-up mechanisms, scheduling rights, and operational tolerances.
- Design LNG portfolio optimization strategies that balance long-term commitments, spot opportunities, market exposure, shipping availability, terminal capacity, and security of supply.
- Improve negotiation performance through systematic preparation, scenario analysis, value mapping, risk assessment, trade-offs, alternatives, and decision thresholds.
- Assess commercial exposure to commodity price, volume, credit, counterparty, shipping, operational, regulatory, contractual, and portfolio risks.
- Align LNG procurement, marketing, trading, and contracting decisions with corporate strategy, financial objectives, infrastructure constraints, and risk appetite.
- Develop an integrated strategic LNG commercial optimization plan for a representative portfolio or transaction by the end of the course.

Who Should Attend

This advanced course is designed for professionals with responsibilities across LNG commercial management, contracting, pricing, marketing, trading, procurement, business development, and portfolio strategy. It is particularly relevant to LNG Commercial Managers, LNG Marketing Managers, Gas Marketing Managers, Portfolio Managers, LNG Traders, Commercial Analysts, Contract Managers, Contract Engineers, Business Development Managers, Gas Procurement

Managers, Energy Buyers, Supply Managers, and professionals directly involved in negotiating or administering LNG transactions.

The course is also highly relevant to LNG Project Managers, Corporate Strategy professionals, economists, financial analysts, investment professionals, risk managers, legal and contracts specialists, shipping and chartering professionals, terminal and regasification specialists, project-development teams, and technical professionals whose roles require advanced commercial understanding. Professionals from national oil and gas companies, utilities, energy ministries, government agencies, and organizations responsible for national gas supply strategies can also benefit from the program.

Commercial Directors, Gas and LNG Directors, Trading Heads, Procurement Directors, Strategy Directors, Business Development Directors, Asset and Portfolio Managers, Investment Managers, senior negotiators, and executive decision makers responsible for major LNG contracts, portfolio performance, gas-supply security, market strategy, or LNG investments will benefit from the strategic orientation of the course.

Learning Outcomes

- By the end of the course, participants will be able to:
- Interpret global LNG market developments and translate market information into structured commercial implications for buyers, sellers, and portfolio players.
- Evaluate LNG business and transaction models and identify how contractual, physical, financial, and logistical elements interact to create commercial value.
- Review advanced LNG SPA provisions and identify obligations, risks, flexibility rights, value opportunities, and negotiation priorities.
- Model and compare LNG pricing structures under alternative oil, gas-hub, and market scenarios.
- Evaluate price-review clauses and develop structured commercial positions for renegotiation and contract-adjustment discussions.
- Calculate and compare delivered LNG economics, netbacks, shipping implications, and alternative cargo-destination values.
- Assess the commercial value of contractual flexibility involving volumes, destinations, delivery timing, scheduling, and cargo diversions.
- Optimize LNG portfolio decisions by integrating contractual commitments, spot-market

opportunities, shipping, terminal capacity, demand, and price exposure.

- Identify and prioritize LNG commercial risks and develop appropriate mitigation and allocation strategies.
- Prepare structured negotiation strategies supported by objectives, scenarios, alternatives, trade-offs, risk limits, and approval requirements.
- Develop commercial KPIs and governance mechanisms for monitoring contract performance, portfolio exposure, cargo economics, and commercial obligations.
- Formulate an integrated LNG commercial optimization recommendation supported by market, contractual, pricing, shipping, portfolio, and risk analysis.

Course Outline

DAY 01

Advanced LNG Markets, Business Models & Commercial Strategy

- Analyzing the global LNG value chain and advanced commercial relationships between upstream gas suppliers, liquefaction projects, aggregators, portfolio players, traders, shipowners, terminal operators, utilities, buyers, and downstream markets.
- Evaluating global and regional LNG supply-demand fundamentals, liquefaction capacity, regasification infrastructure, market liquidity, seasonality, trade flows, emerging supply sources, demand centers, and market connectivity.
- Comparing LNG business models including integrated LNG projects, tolling structures, merchant models, portfolio businesses, FOB and DES sales structures, destination-specific supply, aggregation strategies, and trading-oriented models.
- Developing LNG commercial strategies by integrating market position, supply portfolio, customer requirements, infrastructure access, contractual commitments, pricing exposure, competitive positioning, and organizational objectives.

> **PRACTICAL APPLICATION OR DISCUSSION**
>
> Developing a strategic commercial map for an LNG business and identifying value drivers, competitive advantages, constraints, market exposures, and strategic priorities.

DAY 02

Advanced LNG Contracts, SPAs & Negotiation Strategy

- Conducting advanced analysis of LNG SPAs, including annual contract quantity, delivery obligations, nominations, scheduling, delivery windows, upward and downward quantity tolerance, take-or-pay provisions, make-up rights, quality specifications, measurement, and operational obligations.
- Evaluating delivery structures and contractual allocation of title, risk, shipping responsibility, terminal compatibility, force majeure, liability, credit support, default, termination, change in law, hardship, and dispute-resolution mechanisms.
- Analyzing contractual optionality and flexibility through destination rights, diversions, cargo substitutions, rescheduling, quantity adjustments, cancellation provisions, operational tolerances, and portfolio rights.
- Developing advanced negotiation strategies using commercial objectives, issue prioritization, value mapping, negotiation ranges, alternatives, fallback positions, trade-offs, scenario preparation, internal governance, and approval thresholds.

> **PRACTICAL APPLICATION OR DISCUSSION**
>
> Conducting a structured LNG SPA negotiation exercise in which participants evaluate competing buyer and seller positions, identify value-creation opportunities, allocate risks, and develop negotiated commercial solutions.

DAY 03

Advanced LNG Pricing, Price Reviews & Economic Analysis

- Analyzing LNG pricing architecture including oil-indexed formulas, gas-hub indexation, hybrid pricing, fixed and variable components, slopes, constants, floors, ceilings, and mechanisms that influence buyer and seller exposure.
- Comparing the commercial implications of major international energy pricing references and assessing basis exposure, regional price differences, index diversification, correlation, volatility, and pricing risk.
- Evaluating LNG price-review provisions including review triggers, timing, market-change tests, comparable transactions, economic balance, negotiation procedures, escalation processes, and commercial preparation for renegotiation.

DAY 03 — CONTINUED

- Developing advanced LNG economics using commodity value, liquefaction-related costs, shipping, fuel and boil-off considerations, terminal charges, regasification, losses, contractual adjustments, and delivered-cost or netback analysis.

> **PRACTICAL APPLICATION OR DISCUSSION**
>
> Comparing alternative LNG pricing formulas under multiple market scenarios and evaluating their impact on buyer cost, seller revenue, price exposure, and commercial positioning.

DAY 04

LNG Shipping, Trading & Strategic Portfolio Optimization

- Evaluating advanced LNG shipping economics including charter structures, vessel availability, voyage duration, fuel consumption, boil-off gas, canal and port costs, waiting time, loading and discharge constraints, scheduling conflicts, and operational disruptions.
- Applying cargo optimization techniques using destination economics, netback analysis, arbitrage opportunities, shipping distances, terminal availability, contractual rights, delivery timing, market prices, and diversion costs.
- Optimizing LNG portfolios by balancing long-term supply and sales contracts, spot and short-term transactions, demand obligations, procurement requirements, shipping capacity, terminal access, inventory considerations, and market exposure.
- Evaluating portfolio optionality and strategic decisions involving cargo swaps, diversions, reloads, replacement cargoes, short-term purchases, excess supply, demand variability, and changing regional price relationships.

> **PRACTICAL APPLICATION OR DISCUSSION**
>
> Conducting a multi-market LNG cargo optimization exercise to determine the preferred allocation of available cargoes across alternative destinations, contractual obligations, and market opportunities.

DAY 05

LNG Risk Management, Commercial Governance & Strategic Optimization

- Managing integrated LNG commercial risks including commodity-price volatility, basis risk, volume uncertainty, counterparty and credit exposure, shipping disruptions, terminal constraints, operational availability, contractual disputes, regulatory developments, and geopolitical or market uncertainty.
- Developing commercial risk-management frameworks using exposure identification, scenario and sensitivity analysis, contractual mitigation, portfolio diversification, operational flexibility, credit controls, decision limits, and appropriate risk responses.
- Establishing LNG commercial governance through contract administration, obligation management, decision authorities, internal approvals, commercial controls, performance reviews, cargo monitoring, exposure reporting, and coordination between commercial, legal, shipping, finance, operations, and management teams.
- Developing LNG commercial performance frameworks using portfolio value, contract performance, realized pricing, procurement cost, shipping performance, cargo optimization, utilization, flexibility value, risk exposure, and other decision-relevant indicators.

FINAL WORKSHOP, ACTION PLAN, OR IMPLEMENTATION EXERCISE

Participants develop an Advanced LNG Commercial Management, Contracts, Pricing, and Strategic Optimization strategy for a representative LNG portfolio or major transaction, integrating market assessment, contractual architecture, SPA negotiation priorities, pricing and price-review strategy, shipping economics, cargo optimization, portfolio optionality, risk management, commercial governance, performance indicators, and executive-level recommendations.

Register or Request More Information

Course page: https://quest-training.com/courses/advanced-lng-commercial-management-contracts-pricing-and-strategic-optimization
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