

Course No. 1478

# LNG Commercial Management

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MIDSTREAM OPERATIONS, PIPELINES, STORAGE & LNG  
OIL & GAS

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DURATION

**5 Days**

LOCATION

**Madrid, Spain**

DELIVERY

**Classroom**

DATES

**16 – 20 Nov 2026**



## Scheduled Event Details

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|---------------|------------------|
| CITY          | Madrid, Spain    |
| DATE          | 16 – 20 Nov 2026 |
| DELIVERY TYPE | Classroom        |
| COURSE FEE    | €6,000           |

## Course Overview

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LNG Commercial Management is a specialized professional training course designed to develop the commercial, contractual, financial, and strategic capabilities required to manage Liquefied Natural Gas (LNG) business activities across the global value chain. LNG markets combine complex infrastructure, long-term capital commitments, international trade, evolving pricing mechanisms, shipping requirements, contractual obligations, and exposure to market volatility. Effective commercial management therefore requires professionals to understand not only the physical LNG chain but also the commercial structures that determine value, risk, flexibility, and profitability.

The course provides an integrated view of the LNG value chain from upstream gas supply and liquefaction through shipping, regasification, marketing, trading, and delivery to end users. Participants examine how LNG projects and transactions are structured, how commercial relationships are established, and how market fundamentals influence contracting, pricing, portfolio decisions, and negotiations. Particular attention is given to LNG Sale and Purchase Agreements (SPAs), Heads of Agreement (HOA), term sheets, pricing formulas, destination flexibility, volume commitments, take-or-pay mechanisms, shipping arrangements, and contractual risk allocation.

Participants also explore the commercial dynamics of long-term LNG contracts, medium-term arrangements, spot transactions, portfolio optimization, shipping economics, price indexation, contract flexibility, and market exposure. The course examines major pricing references and mechanisms, including oil-linked pricing and gas-market indices, while emphasizing the importance of understanding contractual formulas, price-review provisions, operational constraints, and the relationship between physical supply and commercial commitments.

By integrating LNG market knowledge with contract management, pricing analysis, negotiation, risk management, and commercial decision-making, the LNG Commercial Management course enables participants to evaluate LNG opportunities more effectively and support informed organizational

decisions. It is particularly valuable for energy companies, national oil and gas organizations, utilities, government entities, investors, and commercial teams seeking to strengthen their capabilities in LNG procurement, sales, contracting, trading, project development, and portfolio management.

## Objectives

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- Analyze the complete LNG value chain and identify the principal commercial interfaces from natural gas supply through liquefaction, shipping, regasification, marketing, and delivery.
- Evaluate global LNG market fundamentals, supply-demand dynamics, regional market structures, infrastructure constraints, and their commercial implications during course exercises.
- Apply structured commercial analysis to LNG projects and transactions using volume, price, shipping, contractual flexibility, infrastructure, and market considerations.
- Assess the principal provisions of LNG Sale and Purchase Agreements and determine their commercial, operational, and risk implications.
- Evaluate LNG pricing mechanisms, including oil-linked formulas, gas-hub indexation, hybrid structures, fixed components, slopes, constants, and price-review mechanisms.
- Develop commercial strategies for long-term, medium-term, and spot LNG procurement and sales according to organizational requirements and market exposure.
- Analyze LNG shipping economics, chartering structures, voyage considerations, scheduling constraints, boil-off gas, and their influence on delivered LNG economics.
- Assess contractual flexibility related to volumes, destinations, delivery windows, diversions, upward and downward quantity tolerance, and cargo scheduling.
- Improve LNG negotiation preparation by identifying commercial objectives, negotiation variables, risk allocation, fallback positions, and value-creation opportunities.
- Strengthen commercial risk management by evaluating price, volume, credit, shipping, operational, contractual, and market risks within LNG transactions.
- Align LNG commercial decisions with portfolio objectives, supply security, infrastructure availability, market strategy, and organizational risk appetite.
- Develop an integrated LNG commercial strategy and transaction assessment for a representative business case by the end of the course.

## Who Should Attend

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This LNG Commercial Management course is designed for professionals involved in LNG commercial activities, natural gas marketing, energy procurement, contracting, business development, trading, and project development. It is particularly relevant to LNG Commercial Managers, Gas Marketing Managers, LNG Marketing specialists, Business Development Managers, Commercial Analysts, Contract Managers, Contract Engineers, Procurement professionals, Supply and Trading personnel, Energy Buyers, Gas Supply specialists, and professionals responsible for LNG sales or purchasing decisions.

The course is also suitable for LNG Project Managers, Shipping and Logistics professionals, economists, financial analysts, investment specialists, corporate planning teams, legal and contracts personnel, risk-management professionals, terminal and regasification specialists, and technical professionals transitioning into commercial responsibilities. Government officials, regulators, national oil and gas company personnel, and professionals involved in energy policy, gas strategy, infrastructure development, or LNG procurement can also benefit from understanding the commercial structure of the LNG industry.

Senior executives, Commercial Directors, Business Development Directors, Gas and LNG Managers, Portfolio Managers, Strategy Managers, Procurement Heads, Contracting Managers, Investment Managers, and decision makers responsible for LNG transactions, gas supply security, commercial negotiations, portfolio performance, or investment decisions will benefit from the strategic and practical perspective of the program.

## Learning Outcomes

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- By the end of the course, participants will be able to:
- Map the LNG value chain and explain the commercial relationships between gas suppliers, liquefaction projects, LNG sellers, shipowners, traders, terminals, buyers, and end users.
- Interpret global LNG supply-demand fundamentals and assess their potential influence on commercial strategy and contracting decisions.
- Distinguish between long-term contracts, medium-term agreements, spot transactions, portfolio supply, and other LNG commercial structures.
- Review key LNG SPA provisions and identify their financial, operational, contractual, and risk implications.

- Interpret LNG pricing formulas and compare oil-linked, gas-hub-linked, hybrid, and other pricing approaches.
- Evaluate cargo economics using LNG price, shipping costs, terminal considerations, contractual terms, and relevant operational assumptions.
- Assess shipping and scheduling considerations that influence cargo delivery, flexibility, reliability, and commercial performance.
- Identify key LNG commercial risks and develop appropriate contractual, portfolio, operational, or financial responses.
- Prepare structured negotiation positions for LNG sales, procurement, and contract discussions.
- Evaluate contract flexibility and determine how destination rights, volume provisions, scheduling terms, and diversion opportunities can affect portfolio value.
- Compare LNG procurement and marketing alternatives using commercial, strategic, contractual, and risk-based criteria.
- Prepare an integrated commercial recommendation for an LNG transaction supported by market, pricing, contractual, logistics, and risk analysis.

## Course Outline

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### DAY 01

## LNG Value Chain, Markets & Commercial Fundamentals

- Understanding the LNG value chain from upstream natural gas production and feed-gas supply through liquefaction, storage, loading, shipping, receiving terminals, regasification, pipeline delivery, and downstream markets.
- Examining the commercial structure and economics of LNG projects, including project participants, sellers, buyers, infrastructure owners, shipping providers, traders, financiers, and other key stakeholders.
- Analyzing global and regional LNG markets, supply and demand fundamentals, liquefaction capacity, regasification infrastructure, seasonality, market liquidity, trade flows, and changing buyer and seller dynamics.
- Comparing LNG commercial models including integrated projects, tolling arrangements, merchant structures, portfolio players, destination-specific supply, long-term sales, and spot-market transactions.

## DAY 01 — CONTINUED

**PRACTICAL APPLICATION OR DISCUSSION**

Mapping an LNG value chain and identifying commercial interfaces, revenue drivers, cost components, contractual relationships, and major risk exposures.

**DAY 02****LNG Contracts, SPAs & Commercial Risk Allocation**

- Understanding the structure of LNG commercial documentation, including confidentiality agreements, expressions of interest, term sheets, Heads of Agreement, LNG Sale and Purchase Agreements, and related commercial arrangements.
- Reviewing major LNG SPA provisions including contract term, annual contract quantity, delivery obligations, cargo size, delivery windows, nomination procedures, upward and downward quantity tolerance, take-or-pay and related volume commitments.
- Examining delivery terms, title and risk transfer, LNG specifications, measurement, testing, scheduling, terminal compatibility, force majeure, liability, credit support, default, termination, and dispute-resolution provisions.
- Evaluating contractual flexibility through destination rights, diversions, rescheduling, cargo cancellation, make-up mechanisms, volume flexibility, operational tolerances, and contractual remedies.

**PRACTICAL APPLICATION OR DISCUSSION**

Reviewing a representative LNG commercial term sheet and identifying key negotiation points, risk allocation, commercial exposures, and provisions requiring management attention.

**DAY 03****LNG Pricing, Economics & Commercial Evaluation**

- Understanding LNG pricing architecture, including oil-linked pricing, gas-hub indexation, hybrid formulas, fixed-price elements, slopes, constants, floors, ceilings, and other contractual pricing mechanisms.
- Examining the commercial relevance of international gas and energy pricing references and understanding how different indexation structures can create different exposures for buyers and sellers.

## DAY 03 — CONTINUED

- Evaluating price-review and renegotiation provisions, market-change mechanisms, triggers, timing, negotiation processes, and the commercial considerations associated with contract adaptation.
- Developing LNG transaction economics using commodity price, liquefaction-related costs where relevant, shipping, terminal charges, regasification, losses, financing considerations, and other delivered-cost components.

**PRACTICAL APPLICATION OR DISCUSSION**

Comparing alternative LNG pricing structures and calculating the commercial implications of different price assumptions, indexation approaches, and delivered-cost scenarios.

## DAY 04

**LNG Shipping, Portfolio Management & Trading**

- Understanding LNG shipping fundamentals, including vessel characteristics, cargo capacity, voyage planning, chartering arrangements, shipping availability, loading and discharge operations, and boil-off gas considerations.
- Evaluating LNG shipping economics under different commercial structures, including voyage costs, charter costs, fuel consumption, boil-off, port and canal considerations, scheduling, waiting time, and operational disruptions.
- Understanding LNG portfolio management through supply diversification, destination optimization, cargo scheduling, contractual flexibility, market access, terminal capacity, and balancing long-term commitments with shorter-term opportunities.
- Examining LNG spot and short-term trading, cargo diversion, arbitrage concepts, netback analysis, market optionality, and the commercial factors influencing decisions to retain, redirect, purchase, or sell cargoes.

**PRACTICAL APPLICATION OR DISCUSSION**

Evaluating alternative cargo destinations using price, shipping distance, terminal access, contractual restrictions, timing, and netback considerations to identify the commercially preferred option.

**DAY 05****LNG Negotiation, Risk Management & Commercial Strategy**

- Developing structured LNG negotiation strategies by defining objectives, commercial priorities, negotiation variables, acceptable ranges, alternatives, fallback positions, internal approvals, and potential trade-offs.
- Managing LNG commercial risks including commodity-price exposure, volume risk, credit risk, shipping risk, operational disruptions, terminal constraints, contractual disputes, counterparty performance, and market uncertainty.
- Integrating LNG procurement and sales decisions with portfolio strategy, security of supply, demand forecasts, infrastructure availability, contractual commitments, financial objectives, and organizational risk tolerance.
- Developing commercial governance and performance-management practices using contract administration, obligation tracking, cargo-performance monitoring, commercial KPIs, exposure reporting, decision authorities, and cross-functional coordination.

**FINAL WORKSHOP, ACTION PLAN, OR IMPLEMENTATION EXERCISE**

Participants develop an integrated LNG Commercial Management strategy for a representative LNG transaction, covering market assessment, commercial structure, SPA priorities, pricing methodology, shipping considerations, cargo economics, contractual flexibility, negotiation strategy, risk allocation, portfolio implications, and a final commercial recommendation.

**Register or Request More Information**

Course page: <https://quest-training.com/courses/lng-commercial-management>

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