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## Contents

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[1]

## South Asia

Japan – Osaka Gas and a Japanese infrastructure investment fund JOIN agreed to invest up to USD 120 million in AG&P City Gas [2], a Singapore-based firm which is developing city gas distribution (CGD) networks in India – marking the first investment by a Japanese company in India's CGD networks. They parties will focus on 12 concessions in south India and Rajasthan which are expected to generate 3.5 Bcm in gas sales volumes “over time.”

## Africa

Mauritania – New Fortress Energy (NFE) signed a memorandum of understanding (MoU) with the government of Mauritania [3] for an energy hub including ‘Fast LNG’ development, gas-to-power and blue ammonia projects. This could be the second FLNG plant in Mauritania, as well as NFE's first ‘Fast LNG’ project.

## Europe

The European Commission published a draft 'Gas Package' [4] targeting stronger resilience of European gas markets in case of supply shocks, and the phasing out of unabated gas in the long term. The development is seen as timely as it comes amid soaring energy prices, however it remains to be seen how effective the measures – which still need to be passed into EU law – will be.

Ship tracking data showed that an LNG cargo loaded at Japan's Hbiki terminal was expected to reach Europe [5] at a time of record gas prices, marking the first LNG reload from Japan to Europe, according to market observers.

Energy-intensive industries called for EU leaders to address the rise in energy and carbon prices [6] as steel and aluminium producers halted production in recent weeks due to high energy costs. The coalition of associations outlined that EU leaders have "many instruments available" as part of their toolbox set up to help tackle the current energy crisis.

Norway – E&P firm Aker BP announced it will acquire Lundin Energy's oil and gas assets on the Norwegian Continental Shelf (NCS) [7] through a statutory merger valued at USD 14 billion. The transaction, which will make Aker BP the second-largest player on the NCS, will be settled through USD 2.22 billion in cash and 271.91 million new shares issued from Aker BP and distributed to the Lundin Energy shareholders.

Germany – Novatek and German utility Uniper signed a term sheet agreement on long-term supply of up to 1.2 mtpa of blue ammonia [8] primarily to the German market, with the volumes source from Novatek's planned Obsskiy Gas Chemical Complex project in Russia.

2021 was the Year of the Rocket for European carbon, as prices more than doubled [9] amid a wave of demand from financial investors, and turbulent energy markets boosted demand for emissions allowances.

## **Australasia**

Australia – The South Australian Government has given the green light for Venice Energy's USD 250 million floating LNG terminal project [10] to be built in the Outer Harbours of Port Adelaide. Venice Energy said that the new terminal will ease domestic gas shortages in South Australia and Victoria in the following years and will help drive gas prices down for local customers.

Over 2021, Australia's gas sector saw Woodside and BHP take a final investment decision (FID) [11] on the integrated USD 12 billion Scarborough field and Pluto Train 2 development in Western Australia (WA) while Santos and Beach Energy reached a FID on the Moomba Carbon Capture and Storage (CCS) project. At the same time, Australia's gas sector encountered some challenges as the CCS facility at Chevron's Gorgon LNG plant failed to meet its five-year CO<sub>2</sub> injection target and a fire broke at Shell's Prelude floating LNG vessel in the Browse basin.

## **Middle East**

United Arab Emirates – The country's national oil company (ADNOC) and Abu Dhabi National Energy Company (TAQA) announced a USD 3.6 billion project aimed at decarbonising ADNOC's offshore production operations [12], in what the pair say will support the UAE's net zero by 2050 goal. The project is planned to cut down the carbon footprint of ADNOC's offshore operations by more than 30%, replacing existing offshore gas turbine generators with more sustainable power sources.

Oman – Shell, TotalEnergies and Oman's state-owned oil company OQ signed a concession agreement with the country's energy ministry to develop and produce natural gas from Block 10. [13] Gas from the block will primarily be sold to the government of Oman, however TotalEnergies and OQ may in the future feed some of the gas from the block to a planned LNG plant in Sohar.

## North America

US – Feedgas volumes to US LNG plants hit a record high in December [14], spurred by Cheniere increasing flows to its Sabine Pass LNG plant in Louisiana as it prepared to export a commissioning cargo from its sixth train at the facility.

California's dependency on gas for power, households and industry could make it challenging for the state to meet its GHG target [15], according to a report by non-profit organisation Next 10. While GHG emissions saw the second largest percentage decrease since 2010, they still fall short of what is needed to comply with California's goal to cut emissions 40% below 1990 levels by 2030.

Venture Global (VG) LNG and CNOOC signed two long-term sales and purchase agreements (SPA) [16], marking the first LNG supply deal between a US LNG player and China's largest LNG importer.

## Asia Pacific

Taiwan – State-owned CPC's Taoyun LNG terminal off Taiwan's north-west coast will not be relocated [17] following a failed referendum, despite earlier concerns over the proximity of several thousand-year-old algal reefs. The result signifies a win for CPC which earlier this year warned that the referendum could delay construction of Taiwan's third terminal by as much as 11 years.

Thailand – Chevron and Thailand's PTTEP penned a series of agreements which will grant the Thai firm access to the Erawan gas field [18] ahead of the transfer of operatorship scheduled for April 2022. Following a long dispute over access to the field and delays of more than two years, Chevron said that the agreements allow PTTEP to conduct production-related works in the operating area.

## International

Energy companies, including Shell, Chevron, Saudi Aramco and Sinopec escalated their climate change objectives [19] in terms of carbon and methane emission reductions over the past year. However, analysis from the Transition Pathway Initiative – which represents 115 asset owners and managers, accounting for USD 40 trillion of investments – found that while the share of energy companies aligned with a below 2 degrees Celsius temperature increase target by 2050 scenario rose to 24% in 2021, still only one in ten companies was aligned with a 1.5C in 2050 target.

## East Mediterranean

Cyprus celebrated the resumption of drilling in its exclusive economic zone (EEZ) [20] after the

ExxonMobil/QatarEnergy partnership began drilling the Glavcos-2 appraisal well on 21 December after a long interruption induced by the Covid-19 pandemic.



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