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Gas Strategies Group

10 Saint Bride Street
London UK
EC4A 4AD

ISSN: 0964-8496

T: +44(0) 20 7332 9900
W: www.gasstrategies.com
Twitter @GasStrategies

Editorials

+44(0) 20 7332 9957
editor@gasstrategies.com

Subscriptions

+44(0) 20 7332 9976
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Australasia

Australia – Canadian investment group Brookfield Asset Management and tech billionaire Cannon-Brookes have given up on their pursuit to takeover Australia's AGL [1] after two rejected bids by the company. As a reason for refusing the latest offer, AGL said the proposition was "still well below both the fair value of the company on a change of control basis".

International

Danish shipping firm Maersk has entered into strategic partnerships with six leading companies [2] with "the intent" of sourcing at least 730,000 tonnes/year of green methanol by end-2025. The six companies to supply Maersk with green methanol are Ørsted, CIMC ENRIC, European Energy, Green Technology Bank, Proman and WasteFuel.

North America

US – Shell will double the amount of LNG it will purchase from Venture Global (VG) after signing a 20-year supply deal for volumes from the proposed Plaquemines LNG plant [3]. The deal takes VG's offtake to 13 mtpa for Plaquemines LNG, with some market observers suggesting the firm may take a final investment decision (FID) on a 20 mtpa facility rather than an initial 10 mtpa development.

Engie has amended its supply deal with Cheniere to increase the volume and extend the term of the contact beyond 2040

[4]. As the EU plans to reduce dependence on Russian volumes, the US LNG sector is expected to be a major part of Europe's pivot away from Russian gas.

The US announced it will ban imports of Russian oil, coal and LNG and prohibit US investment in Russia's energy sector [5] following the invasion of Ukraine. While this step is not expected to threaten security of supply, the sanctions will likely make it harder for Russian energy exporters to find buyers.

US LNG firm Venture Global (VG) has started construction work on its second liquefaction plant, Plaquemines LNG, with the firm granting Baker Hughes notice to start construction on modular liquefaction trains [6] for the first phase of the facility located in Louisiana. Meanwhile, financing for the project needed to take a formal final investment decision is yet to be completed.

The Biden Administration has called on US shale producers to increase production as a response to soaring oil and gas prices [7] on global markets. The US shale sector is yet to answer the Biden administration's calls, however some market observers suggest the sharp crude price increase, partly triggered by fears of disruptions to Russian supply, could test the resolve of shale players.

Canada – Operator of the Coastal GasLink pipeline project, TC Energy, has announced the signing of an option agreement to sell a 10% stake in the gas pipeline to First Nations groups [8] located along the pipeline's route. The signing of the agreements was provoked by interest expressed by Indigenous groups to become owners in Coastal GasLink, TC energy said.

UK

MPs and peers addressed a letter to UK Prime Minister Boris Johnson, calling on the government to reverse a ban on fracking [9]. Support for shale gas by MPs is getting louder after the UK's Oil and Gas Authority (OGA) recently ordered Cuadrilla to plug and abandon two horizontal shale wells at its Preston New Road (PNR) site in Lancashire.

The UK announced it will phase out imports of Russian oil by the end of the year [10], which marks the latest development of the West's response to cut ties with Russia amid its military invasion of Ukraine. The UK's business secretary Kwasi Kwarteng said that the ban will not happen straight away and there will be more time for the UK to adjust its supply chains.

Asia

India – H-Energy announced the arrival of the country's first floating storage and regasification unit (FSRU) at its Jaigarh terminal in Maharashtra state [11] in preparation for its commissioning after years of delays. One market expert suggested the current record high gas prices may not impact the start-up of H-Energy's maiden LNG terminal.

India's largest LNG importer Petronet has established a subsidiary in Singapore [12], Petronet LNG Singapore, which, in addition to purchasing long and short-term LNG volumes, will be tasked with selling LNG to Indian and foreign firms. According to market watchers, the move to Singapore will make it easier for Petronet to trade spot LNG volumes, especially at a time when gas prices are hovering at record highs.

China - Chinese President Xi Jinping reiterated that energy security must be a priority and that the nation must not "rush for quick results [13]". His comments were made against the backdrop of soaring gas prices, which will have an impact on the world's largest LNG importer, and perhaps slow down the

country's coal phase-out.

Russia & CIS Region

Russia – OMV became the latest IOC to abandon Russia, as the firm confirmed it will exclude the country as a core business region [14] and it expects to take a EUR 1.5-1.8 billion (USD 1.6-1.8 billion) financial hit over the decision. The company will no longer invest in Russia, despite it being one of the main regions in OMV's portfolio.

Italy's export credit agency SACE is freezing a loan provided by two Italian banks for the Novatek-led Arctic LNG 2 project in Russia [15], in tune with Western nations sanctioning Russia following the invasion of Ukraine, according to reports. The loan, by state lender Cassa di Risparmio di Roma (CDR) and the Russian subsidiary of Intesa Sanpaolo was set at USD 561 million, according to Reuters.

Shell has pledged to stop buying Russian oil and gas and close all its petrol stations in the country [16] as it seeks to cut ties with Russia over its military involvement in Ukraine. The development came after Shell faced criticism on Monday (7 March) for buying a cargo of Russian crude oil.

Russia's Deputy Prime Minister Alexander Novak threatened that Russia may impose an embargo on gas via the Nord Stream 1 (NS1) pipeline to Germany and Europe [17], but the decision has not been taken yet. This was provoked by Germany's decision not to certify the NS2 pipeline which might never be sanctioned.

Despite mentions by Russian government officials to ban the country's oil and gas exports to Europe and beyond, the Kremlin on Thursday announced a list of goods prohibited for export until the end of 2022 – with gas spared once again [18]. Running parallel, Russia's deputy prime minister Aleksander Novak said that Russia is experiencing problems with the contracting of oil and oil products for export in April.

Europe

The European Commission drafted a plan on reducing Europe's dependency on Russian gas [19], with the EC hopeful it can cut imports of Russian gas by two thirds this year. While the EC's targets are very ambitious, the plan is not a legislative proposal yet.

The EU decided to extend the sanctions on Russia and Belarus, not including sanctions directly related to the energy sector [20]. However, retaliation should be expected from both as Belarus has previously threatened to cut Russian gas flows via the Yamal-Europe pipeline amid a dispute with the EU over migrants.

Ukraine – Russian troops invaded gas compressor stations in Ukraine, creating a threat to gas transportation in Ukraine and Europe [21]. Despite Gas TSO of Ukraine (GTSOU) warning of the risk to gas exports to Europe, flows via Ukraine were unaffected on Thursday afternoon.

Germany – The country's government has agreed to take a 50% stake in the planned 8 Bcm/year Brunsbüttel LNG terminal [22] near Hamburg as it signed a memorandum of understanding (MoU) with RWE and Dutch TSO Gasunie. The Dutch firm has outlined plans to start building the terminal this year after Vopak and Oiltanking announced they will exit project.

Norway – Yara, the world's second largest producer of ammonia, is cutting production at two of its ammonia and urea plants in Europe [23] amid the record high natural gas prices, with other fertiliser

producers also following suit. Yara said its European ammonia and urea production was expected to be reduced to approximately 45% of its capacity by the end of last week, according to the firm.

Sweden – Stockholm's Court of Appeal dismissed Gazprom's challenge against a ruling from March 2020 which ordered Gazprom to pay Poland's state-owned energy firm PGNiG USD 1.5 billion [24] after a price review on the long-term 10 Bcm/year Yamal supply contract. The decision comes at a time when the Yamal contract is to expire by the end of the year with Poland saying it will not sign a new long-term contract with Gazprom.



Consulting

+44 (0) 20 7332 9900
consult@gasstrategies.com



Alphatania Training

+44 (0) 20 7332 9910
training@gasstrategies.com



Information Services

+44 (0) 20 7332 9976
subscriptions@gasstrategies.com

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Registered company address: 10 St Bride Street, London, EC4A 4AD