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[1]

Asia Pacific

China – China's hydrocarbon production is [2]soaring while imports are declining [3], data from the National Bureau of Statistics shows. China's natural gas production continued to grow in March, reaching 19.7 Bcm and an increase of over 6% year-on-year, reportedly marking a monthly record high. At the same time imports declined; the Bureau said 7.98 mt of natural gas were imported, a year-on-year decrease of 8.5% compared with a 3.8% annual decline over January to February.

South Korea – KOGAS has signed a long-term contract with BP for 1.58 mtpa of US LNG imports for 18 years starting in 2025 [4]. The deal comes after South Korea announced it had spent USD 16 billion on energy imports in March, an unprecedented amount reflecting the high volatility in oil, gas and coal markets.

South Asia

India – India's gas consumption growth is expected to slow over the current fiscal year due to soaring LNG prices and New Delhi's recent decision [2] to increase the price of domestic gas production, according to agency Fitch Ratings. While India's gas demand is expected to slow, soaring spot prices are expected to boost the earnings of country's largest gas distributor GAIL.

Pakistan – Pakistan LNG (PLL) has returned to the spot LNG market, securing four cargoes for delivery over May-June [5], a source at the state-run firm confirmed with Gas Matters Today. While PLL has secured the cargoes, the cash-strapped South Asian nation must secure additional funding to pay for spot imports, the source confirmed.

North America

US – The Biden administration will conduct its first oil and gas lease sale on federal lands in June [6], with the move coming amid mounting pressure on president Biden to rein in rising gasoline prices. However, the latest auction will offer only 20% of the land originally nominated, with the decision to hike royalties raising questions over the level of interest firms will show in the upcoming lease sale.

Halliburton expects privately held shale firms to be the major spenders this year [7] as attention turns to short cycle barrels to help plug a widening supply/demand gap. While Halliburton expects activity to pick up, the company warned that production increases may be capped by labour and equipment shortages.

Cheniere announced a collaboration with various companies and leading academic institutions to launch a first-of-its-kind R&D project [8] aimed at implementing quantification, monitoring, reporting and verification (“QMRV”) of GHG emissions relating to Cheniere’s midstream supply chain.

Kinder Morgan is reassessing whether to expand the capacity at its 2.5 mtpa Elba Island LNG plant [9] in Georgia and the company is also looking to progress plans for the proposed 10.85 mtpa Gulf LNG project.

Europe

Shell confirmed it had reduced scope 1 and 2 emissions by 18% at the end of 2021 [10], compared with 2016 levels, and Scope 3 emissions by 16%. In a report, Shell also said its net zero emissions target by 2050 is no longer conditional on society’s progress, but, at the same time, the company is appealing against a Dutch court order to accelerate emissions cuts by 2030.

The European Commission (EC) and the International Energy Agency (IEA) have outlined further recommendations for energy savings [11] that they say would save 220 million barrels of oil and 17 Bcm of natural gas per year if implemented. The plan comes amid the EU’s push to cut its dependence on Russian energy imports in light of the war in Ukraine.

Denmark – Denmark’s energy ministry said it will open the door for companies to temporarily increase gas recovery [12] from existing licenced areas in the Danish North Sea in a move to support Europe’s strive to cut Russian gas imports.

Germany – Germany’s plans to wean itself off Russian gas supplies are picking up pace [13], with the country’s finance ministry announcing plans to spend EUR 3 billion (USD 3.25 billion) on floating terminals over the next decade, and Uniper and RWE having reportedly secured charters for three floating regasification and storage units (FSRUs) to help fast-track the country’s LNG terminal projects.

International

US oilfield services and technology firm Baker Hughes expects global liquefaction capacity to likely exceed 800 mtpa [14] by the end of the current decade, highlighted the growing emphasis on energy security as the main driver for the buildout, and suggests 100-150 mtpa of liquefaction capacity could be

greenlit over the next two years.

Africa

Angola – Italy has lined up more gas volumes from Africa [15] as it bids to almost independent from Russian gas by the middle of next year, with a government delegation this week signing letters of intent with Angola and Republic of Congo regarding LNG supplies.

UK

The UK Treasury has issued a temporary licence [16] to allow payments to Gazprombank, currently sanctioned by the country, for natural gas used in the EU until end of May. This is first such solution by a western country to allow payments for Russian gas following Russia's president Vladimir Putin requesting payments be made in rubles.



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