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[1]

North America

US – French utility Engie is set to increase its US LNG volumes after penning a 15-year sale and purchase agreement (SPA) with NextDecade [2], with the deal coming 18 months after Engie terminated negotiations with the US LNG player amid the French government raising environmental concerns. NextDecade's contracting hot streak is being matched by compatriot Energy Transfer, which last week announced a 20-year deal with trader Gunvor.

Equitrans Midstream will pursue new permits for the 2 Bcf/d Mountain Valley Pipeline (MVP) [3] with a target of putting it in operation during the second half of 2023. The pipeline's lead developer previously said it was confident the pipeline would be in service in summer 2022, but the project has been subject to several delays over the years owing to legal and regulatory challenges.

Cheniere was Europe's largest LNG supplier in the first quarter of 2022, with 75% of the company's Q1 LNG volumes landing in the continent [4], the firm's executives said during the Q1'22 results call this week. While Europe bid cargoes away from Asia in Q1, Cheniere does not expect higher gas prices to lead to demand destruction in Asia, with the firm expecting the buyers to drive long-term contracting.

Some of the largest US shale producers, including Chesapeake, EQT and Devon Energy, are looking to enter the global LNG market [5] in order to capitalise on higher prices, for example through equity stakes

in LNG plants or offtake agreements. Limited availability of US liquefaction capacity may limit the options, but the strategy may bear fruit in the longer term.

UK

BP reported a loss of over USD 20 billion [6] in the first quarter of 2022 owing to the company's decision to exit its 19.75% shareholding in Rosneft as well as its other Russian ventures involving Rosneft, however bumper cash flows from higher oil and gas prices and an "exceptional" trading performance helped BP brush off the loss.

Shell posted record profits in Q1'22 [7], with adjusted earnings standing at just over USD 9 billion in the first quarter of 2022, up almost 40% on the previous quarter, as results were boosted by higher oil and gas prices and bumper LNG sales. At the same time, the company took a USD 3.9 billion post-tax hit owing to its phase-out of assets and business activities in Russia.

Europe

European Commissioner Ursula Von Der Leyen announced a proposed sixth sanctions package against Russia [8] as it continues the invasion of Ukraine, with Russian oil the main target. The proposed ban, however, is believed to have loopholes, such as Russian oil blending with other origins and being loaded on tankers as non-Russian.

Reports suggest that several EU member states will be given concessions [9] in the form of longer transition periods as part of the proposed Russian oil embargo. Reports also suggest that the bloc is aiming to go beyond just banning Russian oil from entering the EU, by also introducing restrictions on oil transportation services, which would significantly limit the possibility for re-exports of Russian crude.

Germany – Germany has secured four floating storage regasification units (FSRUs) [10] in its bid to replace Russian gas volumes, with RWE securing two vessels from Hoegh LNG and Uniper leasing two FSRUs from Dynagas.

Germany's association of energy intensive businesses VIK has called for an immediate reduction of natural gas consumption [11] in the country in a move to boost reserves and achieve the highest possible storage levels in autumn 2022.

Norway – Equinor's gas deliveries to Europe increased 10% year-on-year [12] in the first quarter of 2022, with the higher flows, combined with soaring gas and oil prices, propelling the Norwegian firm to record pre-tax earnings.

Slovakia – Slovakia's leading gas supplier SPP has secured its second ever LNG cargo [13] – delivered to Croatia's Krk terminal – with part of the regasified LNG destined for Czechia, marking the "first ever physical supply of LNG for the Czech market," according to the firm.

Australasia

Australia – Grok Ventures, a private investment firm controlled by Australian billionaire Mike Cannon-Brookes, has bought more than 11% of the shares in AGL Energy [14], Australia's largest power producer, in an attempt to block a demerger of the company that would see its supply and generation businesses split into different entities.

International

The volumes of LNG traded on a spot and short-term basis fell sharply in 2021 [15] while close to 70 mtpa of new long-term contracts were signed, says LNG importers' group GIIGNL, as buyers responded to geopolitical tensions, risks of energy shortages and price volatility.

Russia & CIS

Gazprom has said it will use the excess Russian onshore gas transmission capacity [16] built for the Nord Stream 2 (NS2) pipeline to supply the domestic market. The announcement comes as Western companies are withdrawing from NS2, a project which many now see as a stranded asset following Germany's refusal to certify it.



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