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[1]

South Asia

Pakistan – Pakistan LNG (PLL) issued an invitation to bid in its latest LNG supply tender, set to open in September [2]. A PLL source told Gas Matters Today that the tender has been launched in a bid to replace volumes under an expired supply deal with Gunvor.

Russia & CIS Region

Russia – Russia's President Vladimir Putin signed a decree that prevents energy companies from exiting Russian oil and gas projects including Sakhalin-1 [3]. The move comes as ExxonMobil is reportedly getting closer to divesting its stake in the project, however Japanese firms look set to continue their interest in the plant despite the government's commitment to phase out Russian oil imports.

Novatek is reportedly in talks with Turkish shipping firm Karpowership to procure a gas-fired power barge to power the first train at the Arctic-2 LNG plant [4] – which the Russian firm expects to launch next year. Novatek's move has reportedly been prompted by Baker Hughes suspending contracts in order to comply with Western sanctions imposed on Russia.

Africa

Republic of Congo – Eni has acquired the Tango floating liquefaction vessel from Exmar, with the Italian firm set to use the vessel to produce and export LNG from the Republic of Congo

[5]. The purchase of Tango FLNG means Eni has now lined up floating liquefaction solutions that will produce 2 mtpa of LNG for the Congo project with a capacity of over 3 mtpa.

Nigeria – Nigerian president Muhammadu Buhari has cleared the way for Exxon to exit the nation's shallow water oil and gas sector [6] after approving the US supermajor's sale of four oil and gas fields to local firm Seplat Energy. The Niger Delta asset sale is expected to be the first of several by IOCs, which are moving further offshore Nigeria due to security issues in shallow water areas, with Buhari suggesting the sale to Seplat will help unlock gas supplies to feed the domestic market.

Nigeria's President Muhammadu Buhari has reportedly withheld his initial approval of Exxon's sale of four shallow water fields to Nigerian independent Seplat Energy [7] after the national oil regulator refused to give its consent to the sale. Seplat Energy said in a statement it was seeking clarification from the relevant authorities regarding the USD 1.283 billion acquisition which was signed in February this year.

Egypt – Egypt's Prime Minister Mostafa Madbouly has called on rationing in the domestic power sector in order to free up more gas for exports [8]. Boosting LNG exports would bring in much needed revenues for Egypt which is battling with inflation due to rising fuel and food prices.

Egypt has adopted power rationing in bid to raise LNG exports [9], as experts suggest that bolstering foreign currency reserves will help avert potential national security issues. The decree obliges all units at the state administration to ration electricity consumption during official working hours and to switch off lights at all government buildings at the end of official working hours, except for service buildings, the Egyptian State Information Service said.

North America

US – Centrica is looking to bolster its US LNG volumes [10] after signing a heads of agreement (HoA) with Delfin Midstream for supply from its proposed floating LNG project off the coast of Louisiana. The HoA – should it be converted into a binding sale and purchase agreement – along with existing supply agreements may be enough to support a final investment decision on the first FLNG vessel, Delfin's COO told Gas Matters Today.

The US Senate has passed a bill, the Inflation Reduction Act, which sets out a target to reduce CO₂ emission by 40% compared with 2005 levels by 2030 [11] and outlines support for technologies seen as key for the energy transition including renewable electricity, electric vehicles and carbon capture and storage (CCS). As part of a deal struck with senator Joe Manchin to gain support for the bill, a permitting reform legislation for energy projects, including for oil and gas, is expected to be passed before the end of the fiscal year.

The US Energy Information Administration (EIA) has hiked its Henry Hub spot price forecast for the last two quarters of 2022 by over 25% [12], citing a "sooner-than-expected" re-opening of the Freeport LNG plant and robust domestic demand driven by hot weather. In its latest Short-Term Energy Outlook (STEO) published last week, the EIA noted that higher-than-normal temperatures in July have driven gas-fired power demand, helping offset a dip in gas prices caused by an outage at the Freeport LNG plant.

US LNG player Freeport LNG plant has reportedly withdrawn its force majeure (FM) notice [13] that it had announced after a fire at the plant on 8 June, according to Reuters. The removal of FM implies that Freeport LNG may now have to pay damages to its tolling customers, who are losing the opportunity to sell their Freeport LNG volumes at near record high market prices.

Europe

Latvia – Latvia has resumed imports of Russian gas [14], according to data from TSO Conexus Baltic Grid (CBG), with flows resuming days after Gazprom cut off supplies to the Baltic nation. This comes as Latvia plans to ban direct imports of Russian gas from 1 January 2023.

International

Malaysian energy shipping company MISC Berhad (MISC), together with Japanese shipping firms Nippon Yusen Kabushiki Kaisha (NYK), Kawasaki Kisen Kaisha (K-Line), as well as China LNG Shipping (CLNG), have been awarded long-term time charter contracts by QatarEnergy [15] for seven newbuild LNG carriers (LNGCs) to be built by Hyundai Heavy Industries. Once delivered in 2025, the Asian consortium will own and operate the LNG vessels on behalf of QatarEnergy and thus enhance their position in what is expected to be a growth market.

Gas-to-oil switching in the power sector is “soaring” in Europe and the Middle East amid near-record gas prices, the International Energy Agency (IEA) said last week as it raised its 2022 global crude demand forecast [16]. While gas-to-oil switching is increasing, the IEA said it expects overall crude demand growth to slow over the remainder of the year.

Australasia

Australia – Santos has acquired Hunter Gas Pipeline [17], a company which owns an underground gas pipeline route from Wallumbilla in Queensland to Newcastle in New South Wales, the company announced last week. Construction of the pipeline is expected to begin in early 2024, subject to remaining government approvals, according to Santos, which is hoping to use the pipeline to deliver gas from its Narrabri Gas Project in NSW which is pending a final investment decision.

The energy ministers of New South Wales (NSW) and Victoria, Matt Kean and Lily D'Ambrosio respectively, have called on Australia's gas producers to curb LNG exports in order to boost exports to the domestic market [18] and avoid supply shortfalls. Calls for more domestic supply came as energy ministers from across Australia's states and territories, as well as New Zealand's energy minister Megan Woods, met in Canberra to endorse a package of gas market reforms including extending the powers of the Australian Energy Market Operator (AEMO).

Central & South America

Colombia – Shell and Colombian counterpart Ecopetrol have confirmed the presence of gas province in the ultra-deep waters off the South American nation's Caribbean coast [19] after making another discovery in the COL-5 block. The news comes shortly after Brazil's Petrobras confirmed a discovery in Tayrona block also in Colombian waters. However, experts suggest that getting volumes to market will take a long time, with the project's fate subject to the new leftist president's energy policy direction.

UK

The UK government has shortlisted 20 projects for the next stage of the carbon capture cluster process [20] including projects led by BP, Equinor, Sembcorp, Phillips 66 and Essar Oil. The projects, which have now entered the due diligence stage of the Phase-2 cluster, may be eligible for government funding, however the industry awaits more clarity concerning the next steps of the process.



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