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[1]

Europe

Danish and Swedish authorities said they have detected leaks from the Nord Stream 1 and 2 pipelines in the Baltic Sea [2] last Tuesday and warned ships to stay away from the areas near the island of Bornholm. Although the reasons for the leaks are unknown, market observers say sabotage from the Russian side cannot be ruled out.

Gazprom has threatened Naftogaz with sanctions because of the Ukrainian company's decision to take legal action over alleged missing payments for gas transit [3]. The potential sanctions would target financial transactions with Naftogaz, prompting fears that Gazprom will cut off supplies via the Ukrainian route.

Sweden discovered a new gas leak on the Nord Stream 2 pipeline, taking the total of leaks affecting the two Nord Stream pipelines to four [4], the Swedish coast guard confirmed last Thursday. Meanwhile, the EU said it will introduce the eighth sanctions package on Russia after the Kremlin escalated the invasion of Ukraine with "sham referenda" in eastern regions of the country.

Ministers from the 27 EU countries last Friday agreed a set of emergency measures to tackle the energy crisis [5] including mandatory power demand reduction, revenue caps on producers of renewable, coal-fired and nuclear power and a windfall tax on oil and gas companies. Discussions are set to continue on potential wholesale gas and power price caps, price caps on Russian gas imports and decoupling of gas

and power prices.

Romania, Hungary and Slovakia have asked Bulgaria to buy and transport additional gas volumes from Azerbaijan [6], Bulgaria's President Rumen Radev announced last Friday. This comes as the EU-backed 3 Bcm/year Interconnector Greece-Bulgaria (IGB) is expected to become operational on 1 October allowing Bulgaria to import Azeri gas via the Trans Adriatic Pipeline (TAP).

Poland – Poland's PGNiG has secured up to 2.4 Bcm of gas per year under a 10-year supply deal penned with Equinor, with the volumes set to help the Polish firm fill the capacity it has booked on the Baltic Pipe [7] – running from the Norwegian Continental Shelf to Poland via Denmark. The news comes a week before the 10 Bcm/year Baltic Pipe is expected to start-up, with Danish grid operator Energinet suggesting the pipeline could be commissioned at full capacity ahead of schedule.

The Polish Ministry of the Interior has introduced a fresh set of sanctions on Gazprom Export [8] and Russian individuals. The move is believed to be the first definitive action to restrict Gazprom Export's operations by an EU member state.

Moldova – Moldova is preparing to pay Gazprom for gas supplies for the month of September [9], amid fresh fears that the Russia firm will cut or completely halt supplies starting 1 October. While Moldova fears its main supplier will cut flows, the country's deputy PM suggests the nation has enough gas for the month of October.

Germany – The German government has outlined a EUR 200 billion 'defence shield' package to tackle the energy crisis [10] which will see price caps for households and businesses introduced for a limited period of time. This comes one day before ministers from the 27 EU member states will meet in Brussels with the aim of agreeing emergency measures for the energy sector ahead of the winter months.

Middle East

Qatar – TotalEnergies has become the first oil major to be awarded a stake in QatarEnergy's North Field South (NFS) project [11], with the French firm taking a 9.375% stake in the second phase of the world's largest LNG project. The announcement comes three months after TotalEnergies became the first IOC to enter the North Field East (NFE) project, with the European energy major set to add 3.5 mtpa of LNG to its books through its stakes in the North Field expansion project.

UAE – RWE has signed an agreement with Abu Dhabi National Oil Company (ADNOC) for an LNG cargo [12] to be supplied to Brunsbüttel, near Hamburg, in December 2022, with the German firm suggesting the cargo will be the first LNG supplied to its home market. Germany is planning to have up to six floating storage regasification units (FSRUs) operational by the end of 2023, and possibly three units by the end of this year, but will face tough competition on world markets to secure enough LNG cargoes for this winter and next.

North America

US – US LNG player Tellurian saw its share price tank last Friday after the company revealed supply deals with Shell and Vitol have been scrapped [13], leaving Gunvor as the only potential offtaker from the proposed Driftwood LNG plant. The announcement came days after Tellurian pulled the plug on a USD 1 billion bond sale, after which the firm's CEO said the company is focusing on finding equity partners.

Kinder Morgan (KMI) has sold half its stake in the Elba Island LNG plant to an undisclosed buyer, the US midstream giant confirmed last Tuesday

[14]. Kinder Morgan, which will continue to operate the plant in Georgia, said it will use the proceeds to reduce debt and buy back shares.

US senator Joe Manchin last week withdrew proposals for energy permitting reforms under a US funding bill [15], following strong opposition in the Senate, in what marks a setback for the long-delayed Mountain Valley Pipeline (MVP). The reform proposals were aimed at speeding up the roll out of gas pipelines and other energy and minerals projects in the US, however Manchin has vowed to continue his political battle for reforms.

Australia

Papua New Guinea – Papua New Guinea's state-owned energy company Kumul Petroleum is looking to increase its stake in the country's sole LNG plant [16] after launching a binding offer to acquire a 5% stake from Santos. The bid has raised questions over how Kumul will fund the deal, costing over USD 1 billion, with the offer coming weeks after Santos confirmed it was in advanced discussions regarding a stake sale.

Australia – Australia's federal government has averted gas supply shortfalls on the east coast [17] after the three LNG projects in Gladstone committed to supply gas volumes equivalent to nearly three times the predicted gas shortfall in 2023. While the additional gas is expected to stave off shortages, trade associations suggest the deal fails to address rising gas prices for domestic consumers, with the supply agreement also set to tighten global LNG supply.

International

Investment in new oil and gas developments is required until at least the mid-2030s [18] to satisfy customer demand, even in a "well-below 2°C" global warming scenario, TotalEnergies said in its Energy Outlook 2022 presentation last Tuesday. At the same time, the company's gas demand growth scenarios were more pessimistic than in previous years, partly owing to lower demand in the transport sector than previously anticipated, said CEO Patrick Pouyanné during the presentation.

TotalEnergies plans to hike investments to USD 14-18 billion per year until 2025 and expects that underlying cash flow, excluding Russia, will grow by USD 4 billion over the coming five years [19], company officials said at an investor presentation in New York last Wednesday. US LNG liquefaction projects remain a core strategy for the company with CEO Patrick Pouyanné telling analysts during a Q&A session that buying equity in brownfield LNG projects is of particular interest.

UK-listed Capricorn Energy has walked away from a potential merger with Tullow and is instead pursuing a tie-up with Israel's NewMed Energy [20]. The pair suggest a merger will create a "MENA gas and energy champion", with NewMed set to be the first Israeli firm to own Egyptian oil and gas assets.

Africa

Nigeria – Shell has snapped up Daystar Power, a West African provider of hybrid solar solutions, marking the European energy major's first power acquisition in Africa [21]. Nigeria-based Daystar confirmed the deal with Shell last Wednesday, with neither firm disclosing the purchase price.



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