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## Middle East

**Qatar** – QatarEnergy and China's Sinopec last Monday signed a 27-year Sales and Purchase Agreement (SPA) for the supply of 4 mtpa of LNG from Qatar's North Field East (NFE) [2] expansion project. The LNG will be delivered to Sinopec's receiving terminals in China, which overtook Japan to become the world's largest LNG importer in 2021 after years of spectacular growth.

## Europe

The European Commission (EC) has outlined a proposal to temporarily cap TTF prices at EUR 275/MWh (USD 284/MWh) [3] subject to a number of conditions including duration and LNG price comparison. The proposal came ahead of last Thursday's extraordinary Energy Council meeting in Brussels whereby energy ministers from the 27 member states were trying to agree on additional measures to tackle the energy crisis.

Italian energy major Enel last Tuesday said it would invest EUR 37 billion (USD 38.3 billion) between now and 2025 to realise its strategy of building a "sustainable electrification" business, while exiting natural gas assets in the Iberian Peninsula [4]. The "strategic repositioning" will be part funded through a disposal programme worth EUR 21 billion as the company focuses on core countries in Europe and the Americas.

Gazprom announced last week that it has started supplying gas to Azerbaijan's state-owned energy company SOCAR

[5] under a new gas purchase agreement for volumes up to 1 Bcm this winter. The deal is seen as politically sensitive as it comes at a time when Azerbaijan is forging commitments to increase gas exports to the EU.

Energy ministers from the 27 EU member states last Thursday reached a political agreement on a new regulation [6] concerning temporary rules for joint purchasing of gas, measures to curb intra-day price volatility, 'solidarity rules' for gas exchange in crisis situations and for developing a new price benchmark as an alternative to the TTF. The emergency measures will be formally adopted at the next extraordinary Energy Council meeting in Brussels in mid-December together with a separate regulation on price caps for TTF gas, according to plans.

**Germany** – The costs of deploying a number of floating storage regasification units (FSRUs) in Germany, as outlined in the government's 2022 budget, has more than doubled to EUR 6.56 billion (USD 6.71 billion) [7] compared with previous estimates, Germany's ministry of economic affairs and climate action (BMWK) has confirmed. The cost increase reflects a number of factors including plans for an additional FSRU in Hamburg, the ministry said.

About 75% of German companies in the manufacturing sector have been cutting back on gas consumption [8] over the last six months or so without curtailing production, according to a survey by the Munich-based Ifo Institute for Economic Research. However, the potential for further gas savings without a drop in manufacturing output seems to be running out, according to Ifo.

German utility Uniper is seeking an additional capital injection of EUR 25 billion (USD 26 billion) from the German government [9] as the previously announced capital increase of EUR 8 billion will not be sufficient to stabilise the company's finances, the company said last Wednesday. Uniper, which recently posted a net loss of about EUR 40 billion for the first nine months of 2022, is hoping to get shareholders' approval for the stabilisation measures at an Extraordinary General Meeting on 19 December.

**Norway** – Equinor said last Tuesday it had submitted a development and operation plan for the Irpa discovery [10] in the Norwegian Sea to the Norwegian petroleum ministry. The project, which is a satellite development of the Aasta Hansen field, is expected to come on stream in Q4 2026 and is estimated to contain 20 Bcm of recoverable gas resources to be produced over a seven-year period.

**Moldova** – Moldova's prime minister Andrei Spinu accused Gazprom of blackmailing last Wednesday after the Russian state gas company a day earlier had threatened to cut gas flows to the country [11] and blamed Ukraine for retaining part of the gas destined for Moldova. The country's largest energy company Moldovagaz has said the imbalance between contracted Russian gas flows to Moldova and actual deliveries has been caused by a reversal of flows to keep the gas in Ukraine's storage tanks owing to lower demand on milder temperatures.

## North America

**US** – Environmental groups have called on three governors from the US West Coast to oppose the Federal Energy Regulatory Commission (FERC)'s final environmental impact assessment (EIS) concerning the expansion of TC Energy's 2.9 Bcf/d Gas Transmission Northwest (GTN Xpress) pipeline [12]. FERC has until 16 February 2023 to issue a final decision on the expansion which would result in a ~150 MMcf/d increase in capacity flowing between Idaho and Oregon to serve the growing market demand.

Sempra and ConocoPhillips have solidified a non-binding Heads of Agreement (HoA) from July [13] into a

20-year sale and purchase agreement (SPA) under which Conoco will offtake 5 mtpa of LNG from the first phase of Semptra's planned Port Arthur LNG project in Texas. The companies have also entered into an equity SPA which means Conoco will acquire a 30% share in the Port Arthur project.

**Mexico** – State-owned Petróleos Mexicanos (Pemex) has announced that it has finalised a service contract with US company New Fortress Energy (NFE) to develop and operate a gas extraction and liquefaction project associated with the deepwater Lakach gas field in the Gulf of Mexico. The US firm said it will take "sufficient volumes" from Lakach to supply its planned 1.4 mtpa floating LNG (FLNG) unit which will export LNG to global markets.

## UK

Shell is to review plans to invest up to GBP 25 billion [14] (USD 29.7 billion) in the UK's energy system over the coming decade, following the government's decision to increase its windfall tax on oil and gas companies. The announcement comes amid a warning from trade body Offshore Energies UK (OEUK) that UK production will fall by 15% per year unless there is rapid investment in new infrastructure.

British energy markets regulator Ofgem last Friday published proposals to improve the financial resilience of electricity and gas suppliers [15] following the string of company collapses caused by the surge in energy prices that began in the autumn of 2021. Over 30 suppliers failed as wholesale prices rocketed, costing customers, other suppliers and the government billions of pounds.

## Asia Pacific

**Indonesia** – Indonesia's energy ministry last Wednesday announced its second bidding round for this year with four new oil and gas areas [16] being made available, in addition to the six launched earlier this year. This comes as the Southeast Asian nation seeks to attract the investment needed to meet its 2030 production targets.

## Central & South America

**Argentina** – Brazil and Argentina have renewed and extended the existing memorandum of understanding (MoU) on the exchange of electricity and natural gas until 2025. The new agreement, which is an extension of the previous deal signed in 2019, paves the way for automatic renewal every four years.



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