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Australasia

Australia – Last week the Gomeroi people filed an appeal with the Federal Court [1] in an attempt to halt the Narrabri Gas Project being developed by Santos to supply 70 PJ/year (2 Bcm/y) of gas to the NSW market. It is seen as a priority by the local authorities because of concerns over gas shortages. The AUD 3.6 billion (USD 2.5 billion) project would involve the progressive drilling over 20 years of 850 wells to extract coal-seam gas from a field extending over 95,000 hectares of farmland and forest.

Asia Pacific

China – Coal and gas-fired power generation in China lost market share to renewables in 2022 primarily driven by growth in solar power [2], data presented last Thursday by China's Electricity Council shows. China's non-fossil power generation increased by 8.7% year-on-year in 2022, accounting for more than 36% of total power generation. Full-scale grid-connected wind power and solar power generation increased by 16.3% and 30.8% respectively year-on-year in 2022. At the same time, the data also pointed to a decline in gas-fired power generation; gas plants had 2,429 running hours on average in 2022, a year-on-year decrease of 258 hours.

Malaysia – The momentum behind Malaysia's recent run of gas and oil exploration and production increases continued last week as state hydrocarbons company Petronas awarded production sharing contracts for three clusters of small fields [3]. Petronas sees the receipt of bids for the small fields as a vote of confidence in the nation's hydrocarbons potential because they are generally regarded as

challenging to develop.

South Asia

Pakistan – Russia and Pakistan last Friday reportedly agreed to strengthen energy cooperation and increase trade [4], with the Pakistan Stream gas pipeline back on the drawing board. Russia is also proposing closer ties in LNG supplies, as Pakistan continues experiencing acute natural gas shortages after a year of record high natural gas prices. The agreement was reached at the eighth session of the Pakistan-Russia Intergovernmental Commission in Islamabad, signed by the Pakistani minister for economic affairs Sardar Ayaz Sadiq and Russian energy minister Nikolai Shulginov.

Africa

South Africa – The power supply crisis in South Africa has intensified in recent months [5] and the situation is not expected to improve anytime soon owing to state-owned power utility Eskom's aging coal-fired fleet. The country's president, Cyril Ramaphosa, last week cancelled a trip to the World Economic Forum (WEF) in Davos, which took place 16-20 January, due to ongoing meetings with Eskom and the National Energy Crisis Committee (NECCOM).

Mediterranean

Egypt – A significant discovery of natural gas [6] was last week confirmed by the partners in the Nargis Offshore Area Concession in the eastern Mediterranean Sea. The estimated volumes of the discovery have not yet been disclosed but could reportedly amount to 3.5 Tcf. News of the discovery, which comes as Egypt's natural gas output has seen months of decline, first emerged in early December in the Middle East Economic Survey.

North America

Canada – A landmark agreement that seeks to balance the rights of indigenous peoples [7] and the need for industrial development has been reached by the government of the Canadian province of British Columbia (BC) and the Blueberry River First Nations. The agreement effectively lifts a block imposed in 2021 on further development of the large Montney shale resource in the north-east of the province. Among the beneficiaries will be the LNG Canada project, which is due to receive feed gas from the Montney shale when it starts up in the middle of the decade.

US – US midstream company Kinder Morgan (KMI) last Wednesday said its gas transmission volumes during Q4'22 were up 4% [8] compared with the same period in 2021 owing to factors such as colder weather, retirements of coal-fired power plants and increased deliveries for LNG exports. The company also said it will continue to expand the existing gas network in a move to capitalise on anticipated strong demand from sectors including LNG.

Elsewhere, NextDecade, the developer of the proposed Rio Grande LNG project in the US, last Thursday announced a long-term sales and purchase agreement (SPA) with Japan's Itochu [9], putting it on track to reach a final investment decision (FID) by the end of March. Itochu has agreed to take 1 mtpa for a term of 15 years, which means that 72% of Rio Grande's nameplate capacity for the first phase now has been booked.

UK

The UK's offshore energy regulator, the North Sea Transition Authority (NSTA), said it had received over 100 bids in its 33rd offshore oil and gas licencing round [10] which was launched in early October and concluded two weeks ago. This comes despite higher levies on energy companies' profits which come into effect this month. The NSTA said that the licensing round attracted a total of 115 bids across 258 blocks and part-blocks, from a total of 76 companies.

Meanwhile, Harbour Energy has warned it may be forced to cut UK jobs [11] as the company initiates a review of its UK business following the recent windfall tax increase for oil and gas companies. Over USD 350 million of the company's full year (FY) tax bill has been attributed to the windfall tax. In its 2022 trading update published last Thursday, Harbour's CEO Linda Cook said the UK government's EPL (Energy Profits Levy) increase had "reinforced an ambition to grow and diversify internationally".

Europe

The Agency for the Cooperation of Energy Regulators (ACER) last Tuesday failed at its third attempt to produce an LNG price assessment owing to insufficient trade data [12] submitted by market participants, the agency said. ACER's LNG price assessment is one of the reference prices that will underpin the agency's LNG benchmark which is expected to be launched on 31 March.

Elsewhere, the European Commission's (EC) President Ursula von der Leyen announced that Brussels is working on a Green Deal Industrial Plan for Europe [13] in a move to boost funding and regulatory support for clean technologies. The move is seen as a response to the US' Inflation Reduction Act (IRA) and the EC is expected to table legal proposals linked to the plan before a European Council meeting in late March.

Germany – Securing Gas for Europe (SEFE), formerly known as Gazprom Germania, has secured a long-term deal to import 4 Bcm/year of LNG via the Hanseatic Energy Hub's (HEH) proposed LNG terminal in Stade [14], with the flexibility to switch to ammonia. The deal marks HEH's second long-term offtake deal, bringing its total regasification capacity bookings to 7 Bcm/y, or 53% of the total 13.3 Bcm/y.

Italy – Italian gas grid operator Snam announced its 2022-2026 investment strategy last Thursday, under which it aims to invest a total of EUR 10 billion (USD 10.8 billion) [15]. This is a 23% increase on its previous five-year plan and most of the investments will be earmarked for gas infrastructure. Stefano Venier, Snam's CEO, said in a release that 2022 was a "watershed moment" for the global energy system.

Azerbaijan – UAE-headquartered renewables company Masdar has upgraded an existing memorandum of understanding (MoU) [16] with Azerbaijan's state-owned company SOCAR concerning a joint development agreement for offshore wind and green hydrogen projects in Azerbaijan. The plan involves joint development of offshore wind and hydrogen production projects with a capacity of 2 GW, as well as a 1 GW solar photovoltaic (PV) project and 1 GW of onshore wind project.

Russia & CIS Region

Russia – The supervisory board of Germany's Wintershall Dea has approved a plan to fully exit Russian operations [17] "in an orderly manner", the firm said last Tuesday evening, thus becoming one of the latest Western companies to announce a full exit from the country 11 months after Russia invaded Ukraine. As

a consequence, the firm's owner, chemicals giant BASF, has taken a EUR 7.3 billion (USD 7.9 billion) writedown, with the bulk of it be accounted for in the fourth quarter of 2022.



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