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[1]

International

India's GAIL is interested in buying up to a 26% equity stake in a US liquefaction plant, [2] either existing or under construction, and has also expressed interest in an additional long-term contract for 1 mtpa of US LNG. This comes amid disruptions to supplies from Germany's Securing Energy for Europe (SEFE), formerly Gazprom Germania, which have been ongoing since May last year.

Elsewhere, French utility Engie last Tuesday said EBIT for the full year of 2022 amounted to EUR 9 billion [3] (USD 9.6 billion), up 43% compared with the previous year, with growth driven by high energy prices including profits from thermal power generation and renewable energy. The company's net income fell by over USD 3.4 billion year-on-year to EUR 216 million largely owing to impairments losses while windfall tax cost the company about EUR 900 million.

Also, Wintershall Dea announced one-off, non-cash losses of EUR 7 billion [4] (USD 7.4 billion) related to its Russian upstream and midstream businesses last Thursday, the eve of the first anniversary of President Vladimir Putin's invasion of Ukraine. This meant that the Germany-based independent oil and gas company posted a group net loss for 2022 of EUR 4.8 billion.

In its 2022 financial results, Cheniere Energy said it has initiated a pre-filing permit process [5] with the Federal Energy Regulatory Commission (FERC) for the proposed Sabine Pass Stage 5 (SPL) expansion project, targeting total production of 20 mtpa. The announcement comes as the US multinational reported

revenues of USD 33.4 billion in 2022, up 111% year-on-year.

Germany-based multinational chemicals company BASF said last Friday it spent EUR 2 billion (USD 2.1 billion) more on securing natural gas supplies in 2022 [6] compared with the previous year despite a ~33% drop in gas consumption. This came as the company recorded a net income of minus EUR 4.8 billion in Q4'22.

Eni last Thursday set out its strategy to 2026 [7], confirming ambitious decarbonisation targets for 2030 and 2050 while growing its hydrocarbons production by 3-4% per year, with the share of natural gas set to rise. The Italian major expects its hydrocarbons production to plateau from 2030 onwards as it moves towards full net-zero Scope 1, 2 and 3 greenhouse gas (GHG) emissions by 2050.

Australasia

Australia – Santos last Wednesday reported net profit of USD 2.1 billion for the full year 2022 [8], compared with USD 658 million in the previous year, with earnings boosted by higher oil and LNG prices, the company said. CEO Kevin Gallagher warned during an earnings call that government and regulatory intervention in Australian gas projects was a risk to future supply.

Middle East

United Arab Emirates – Abu Dhabi-based ADNOC Gas launched an initial public offering (IPO) last week [9] selling around 4% of the company's total share capital. The company expects to be listed on the Abu Dhabi Securities Exchange (ADX) on or around 13 March, pending regulatory approvals. The IPO will open on 23 February and will close on 1 March for retail investors and 2 March for professional investors. The final offer price will be released on 3 March, ADNOC Gas said.

North America

US – Perceptions that gas markets had priced in the resumption of LNG production at Freeport LNG were challenged last week when the JKM price fell by 20% [10] as news emerged that approval had been granted to partially restart commercial operations. Meanwhile, Henry Hub prices in the US continued to decline despite the announcement.

INEOS Energy has announced its entrance into the US upstream sector and production of oil and gas with the acquisitions of some of Chesapeake Energy's assets [11] in the Eagle Ford shale play, in south Texas. While initially the sale was part of a strategy to focus on core natural gas assets, Chesapeake's CEO said in an earnings call last Wednesday that low Henry Hub prices were making it pull back on production.

Venture Global LNG (VG) and China Gas subsidiary China Gas Hongda Energy Trading have signed two 20-year LNG sales and purchase agreements [12] (SPA) for a total of 2 mtpa from VG's two proposed Louisiana-based liquefaction projects. The announcement marks the latest of China's recent flurry of SPAs signed with US LNG exporters as the country's economy emerges from zero-Covid policies.

Central & South America

Peru – Key gas infrastructure in Peru – including the country's sole LNG liquefaction terminal, the Camisea field and the national pipeline network – is highly exposed to the ongoing social unrest in the country

[13], according to analysts. Although there are signs that the situation is stabilising, Peru's political climate remains fragile and an escalation of protests and violence cannot be ruled out.

Europe

Spain – Spain's High Court last Friday rejected a request from energy company Repsol [14] to impose an injunction against the country's windfall tax which was announced in December 2022. The court argues that the windfall tax – which will apply to energy companies this year and next – does not breach Spanish or EU law.

Estonia – Estonia's foreign minister Urmas Reinsalu has urged for member states to adapt a “holistic approach” to pressuring Russia [15] and its economy by lowering the Russian crude oil price cap – in place since 5 December last year – from the current USD 60/barrel to USD 30/barrel. Reinsalu also said that Estonia will propose price caps on other Russian energy products although it has not been confirmed if he meant LNG.

Mediterranean

Israel – The partners in the Leviathan reservoir in the Levant Basin offshore Israel are moving forward with a floating LNG (FLNG) project [16] to enable direct gas exports to world markets – especially Europe – as part of the next development phase of one of the largest gas resources in the Mediterranean Sea. The news comes in the wake of the announcement that the proposed merger of Israeli upstream company NewMed Energy with Capricorn Energy had been abandoned.



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