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[1]

International

Australia's Woodside Energy has reported a trebling of profits in 2022 [2], reflecting the strength of prices and successful completion of the merger with BHP's petroleum business last June. Looking ahead to the coming year, CEO Meg O'Neill described the outlook for the LNG market as "finely balanced", with China and Europe being the key drivers.

Elsewhere, India's Essar last Tuesday launched a new company [3] under the name Essar Energy Transition (EET) and outlined a USD 3.6 billion investment programme for low carbon projects in the UK and India. Essar said USD 2.4 billion of the total amount will be invested across its Stanlow site in Cheshire, which is part of the government-backed HyNet cluster.

Chevron last Tuesday set out an ambitious strategy [4] to continue growing oil and gas production over the coming five years while reducing carbon intensity of upstream operations by 35% by 2030 and building "new energy" businesses. The company also plans to expand its LNG portfolio in the second half of this decade, potentially from assets in the Eastern Mediterranean.

The International Energy Agency (IEA) last week said strong growth in renewables, electric vehicles, heat pumps and energy efficiency [5] helped keep a lid on the rise of carbon dioxide (CO₂) emissions last year. Its latest analysis of global emissions said the relatively modest increase in CO₂ emissions came amid global economic growth and a widespread switching from natural gas to coal in power generation

driven by sky-high gas prices.

Asia Pacific

Malaysia – Petronas CEO Tengku Muhammad Taufik said last Tuesday that Petronas is looking at leveraging hydroelectricity generation to produce green hydrogen [6] in the short term and the use of carbon capture technologies for blue hydrogen production in the interim. The CEO also said more alignment among stakeholders in transition plans is needed in order to hit net zero targets, drawing particular focus to the ASEAN region.

Japan – Meanwhile, Japan can achieve a 90% share of clean electricity by 2035 [7] due to decreasing costs of solar, wind – especially offshore wind – and battery technologies, a US study has suggested. Meanwhile, in the shorter term, the International Energy Agency (IEA) reiterated in its quarterly gas report released last week that gas consumption in Japan is expected to continue to fall in 2023.

Africa

The partners in the BP-operated Greater Tortue Ahmeyim (GTA) floating LNG development offshore Senegal and Mauritania last Monday announced they are working with contractors to progress the second phase of the development [8] (GTA 2) towards the pre-front-end engineering and design (FEED) stage. BP said the concept design of GTA 2 will also include new wells and subsea equipment.

Mozambique – Against the backdrop of an improving security situation in Cabo Delgado, the outlook for the suspended Mozambique LNG liquefaction project now appears more optimistic than a few months ago. Italian contractor Saipem this week said works on the USD 20 billion project could resume in July [9], however operator TotalEnergies has yet to commit to a timeline for a potential restart.

North America

US – US energy infrastructure company Semptra last Tuesday confirmed it expects to make a positive final investment decision (FID) on its Port Arthur LNG project [10] this month, having secured 10.5 mtpa of long-term offtake contracts. Port Arthur leads a portfolio of LNG export growth projects that Semptra is prioritising to capitalise on rising global demand as Europe looks for more LNG to replace Russian gas and post-lockdown demand recovers in China.

Canada – Canada's midstream company Enbridge has set out a CAD 3.3 billion (USD 2.2 billion) investment plan for 2023 [11] aimed at natural gas, liquids and renewables infrastructure. The company highlighted that the Inflation Reduction Act (IRA) in the US has paved the way for an attractive investment climate in the US. Updating investors on its new strategy last Wednesday, Enbridge said the strategy was underpinned by current energy fundamentals, namely the increase in the exports of North American liquids (oil) and LNG.

Europe

EU member states have so far expressed a preliminary interest in jointly purchasing 17 Bcm of gas over the next three years [12] with additional volumes of around 4 Bcm to be purchased by non-EU countries Ukraine, Serbia and Moldova, the European Commission (EC) said last Friday. The EC is also in the process of setting up a central buyer scheme under which large gas companies will negotiate gas purchases on behalf of smaller consumers.

Norway – Equinor said last Friday it will acquire the UK exploration and production arm of Canada's Suncor Energy [13] for USD 850 million, a deal that will give the Norwegian company stakes in several key North Sea petroleum assets. The deal complements Equinor's recent acquisition of equity interest in five fields from Wellesley Petroleum and is aimed at further strengthening the Norwegian company's position in the North Sea.

Spain – Spanish energy company Cepsa will invest EUR 3.6 billion (USD 3.8 billion) over three years [14] as it works to implement the ambitious energy transition strategy it launched in March 2022. Cepsa says it is aiming “to turn Spain into a green energy powerhouse” and to make the country “an energy exporter for the first time”. More than half of this investment – a near doubling of the company's capital expenditure over the past three years – will go on sustainable businesses.

Russia & CIS Region

Kazakhstan – Kazakhstan's national oil company QazaqGaz has said it plans to halt natural gas exports next winter [15] in order to satisfy growing domestic demand, according to media reports. Meanwhile, the US Secretary of State Antony Blinken was set to visit the country for the first time last Tuesday in a bid to enhance cooperation with Central Asian countries including in the energy sector.

Russia – Russia's revenues from oil and gas exports plunged by ~40% in January [16] as oil price caps and sanctions imposed by the West after the invasion of Ukraine squeezed the proceeds from the Kremlin's main source of income, Fatih Birol, executive director of the International Energy Agency (IEA) reportedly said last. But while the revenues have shrunk significantly, Russia is still reaping profits from oil and gas exports on a daily basis.



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