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Contents

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International

New capacity of wind power installations is expected to reach 680 GW globally by 2027 [2] of which 130 GW will be offshore wind, the Global Wind Energy Council (GWEC) said in a report released last Monday. However, supply chain challenges for critical components and materials must be tackled in order to avoid slowing progress, GWEC said. GWEC noted that 2022 had been a disappointing year for wind power, but said “a fast evolving policy environment” had set the scene for a period of accelerated deployment over the coming years.

Australasia

Australia – ConocoPhillips said last Monday that it will become the upstream operator of the Australia Pacific LNG (APLNG) [3] project following the closing of EIG’s transaction to acquire the integrated gas business of Origin Energy, the current upstream operator. ConocoPhillips will also acquire an additional 2.49% interest, meaning it will own 49.99% of the project. The news comes after an announcement by Origin Energy that it has agreed a takeover offer from a consortium led by Canada’s Brookfield Asset Management.

Australian climate campaigners are celebrating a deal that will allow legislation aimed at reducing carbon emissions from big polluters to move forward [4] while allowing the Labor government and the Greens to

Gas Strategies

each claim a political victory. Changes to the so-called Safeguard Mechanism – compelling the nation's 215 largest polluters to cut emissions by 4.9% per year – now look likely to come into effect by July, as previously promised by the government.

Asia Pacific

China – China National Offshore Oil Corporation (CNOOC) and TotalEnergies have completed what is claimed to be the first international LNG trade settled in the Chinese currency [5] – the yuan or renminbi – according to a statement published by the Shanghai Petroleum and Natural Gas Exchange and reported by China Daily and Xinhua last Tuesday. The transaction was for 65,000 tonnes of LNG – equivalent to around 140,000 cm, or a single cargo – imported from the United Arab Emirates.

China's 'Big Three' oil and gas companies last week reported strong financial results for 2022 [6] despite the economic impacts of Beijing's zero-Covid policies, with PetroChina and CNOOC reporting record profits. Sinopec – more dependent than the others on sectors heavily impacted by zero-Covid measures, such as refining and petrochemicals – saw profits fall year-on-year but nevertheless posted its third-best result over the past decade.

North America

Mexico – Shell Eastern Trading has signed a sales and purchase agreement (SPA) with a subsidiary of Mexico Pacific [7] for Shell to offtake ~1.1 mtpa of LNG from the third train of the firm's anchor Saguaro Energia project, located in Puerto Libertad in Sonora, Mexico. This constitutes Shell's third SPA with the Mexican LNG project developer, Mexico Pacific announced last Monday. Under the SPA, Shell will purchase LNG on a free on-board basis over a term of 20 years.

US – LNG developer Venture Global (VG) said last week in a filing to the Federal Energy Regulatory Commission (FERC) that the official start-up of its 10 mtpa Calcasieu Pass LNG project in Cameron, Louisiana will be delayed [8] as is continues to face "periodic reliability challenges" which requires repair work. This comes as Portugal's Galp, a customer of Rio Grande LNG (RGLNG), has requested FERC to lift regulatory curbs which the company says are delaying a final investment decision (FID) for the facility.

A subsidiary of Norwegian fertilizer giant Yara has signed a letter of intent to jointly develop a low-carbon blue ammonia facility [9] with Canadian pipeline operator Enbridge at the latter's Ingleside Energy Center by Corpus Christi, Texas. The facility targets 1.2 to 1.4 mtpa of ammonia production, with 95% of its CO_2 emissions to be captured and stored at a sequestration hub being developed by Enbridge and Oxy Low Carbon Ventures.

Central & South America

Brazil – Brazil's state-owned company Petrobras two weeks ago announced it has signed a contract with construction company Toyo Setal Empreendimento [10] for a natural gas processing unit in the Route 3 Integrate project, which is part of the wider Itaborai GasLub Cluster near the Santos basin. Construction had been suspended since June 2022 following a contractual dispute with a local company.

Europe

The Council of the EU and the European Parliament last Thursday reached a provisional deal on the revised Renewable Energy Directive [11] (RED) which will see the 2030 renewables target in final energy consumption rise from the current 32% to at least 42.5%. The agreement also stipulates that 42% of hydrogen used in industry should be non-fossil by 2030 and 60% by 2035, albeit with caveats.

EU energy ministers in the Council of the EU last Tuesday agreed a negotiating position on two legislative proposals from the European Commission (EC) concerning market rules for renewable and natural gas as well as hydrogen [12]. Running parallel, the Council added a clause to the draft regulation allowing member states to “take proportionate measures” to temporarily limit gas imports from Belarus and Russia.

Norway – The Norwegian government last Wednesday opened a tender for offshore wind farms in two areas of the North Sea [13]. The move is in line with the government’s ambition to allocate areas for 30 GW of offshore wind capacity by 2040 and a number of oil and gas companies are expected to apply for licenses. The Ministry of Petroleum and Energy announced the tender for two areas on the Norwegian Continental Shelf (NCS); Sørlige Nordsjø (SN) II and Utsira Nord.

UK

Nine out of 10 North Sea operators in the UK are cutting back on investment owing to a mix of high taxes, political uncertainty and inflation [14], according to a report by industry association Offshore Energies (OEUK). The report said UK gas production had fallen by 7% over the last five years – due to falling investment and regulatory delays – and warned that output could fall further in the coming years.

The UK government has selected eight proposed projects in the HyNet and East Coast Clusters [15] to be included in its Track-1 carbon capture, utilisation and storage (CCUS) list in a move to reduce carbon emissions in hard-to-abate sectors and kickstart a hydrogen-based economy. The government has also launched a Track-2 process to identify two additional projects to be included in the CCUS list.

Mediterranean

Israel – BP and the Abu Dhabi National Oil Company (ADNOC) last Tuesday confirmed they have submitted an offer to buy 50% of Israel’s offshore exploration player NewMed Energy [16], formerly known as Delek Drilling. If approved, the acquisition would result in the partners forming a joint venture focused on gas development in the Eastern Mediterranean. The proposal includes the acquisition of the free float and a partial acquisition of the stake currently owned by Delek, taking the company private and marking ADNOC’s entry into Israel’s energy sector.

Africa

Equatorial Guinea – Marathon Oil Corporation last Thursday said it had signed a heads of agreement (HOA) with the Republic of Equatorial Guinea and Noble Energy [17], a Chevron company, to progress the second and third phases in the development of the Equatorial Guinea Regional Gas Mega Hub (GMH). Part of the plan is to sell LNG on the spot markets when the existing long-term contract with Shell expires by the end of the year.

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