

17 May 2024

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Gas Matters Today | news roundup | w/c 02 May 2023

Publication date: 09 May 2023

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[1]

### **International**

BP's profit in the first quarter of the year rose to USD 5 billion [2], up 3.2% quarter-on-quarter on strong trading performance but 21% lower year-on-year. The British multinational said that it will repurchase around 40% less shares than in the previous quarter, sending shares down last Tuesday. Net income, or in BP's own definition "the underlying replacement cost profit", for the quarter was USD 5 billion, compared with USD 4.8 billion in the prior quarter. BP said this was driven by exceptional gas marketing and trading results, a lower level of refinery activity and a "very strong" oil trading result.

Global natural gas demand is expected to remain broadly flat in 2023 [3], with higher demand in Asia Pacific and the Middle East offsetting declines in Europe and North America, according to a quarterly market report published last Thursday by the International Energy Agency (IEA). However, the agency warns of an "unusually wide range of uncertainties" in the global gas balance, including Russian pipeline gas supplies, weather and uneven recovery in Asian gas demand after last year's declines.

Shell last Thursday reported first quarter of 2023 earnings in its integrated gas segment of USD 2.4 billion, down 54% on the previous quarter [4], with lower prices partially offset by higher production volumes and lower operating expenses, the company said. Running parallel, Norway's Equinor, which posted adjusted earnings after tax of USD 3.5 billion in the quarter, down 36% year-on-year, also said lower liquids and gas prices had been partially offset by higher production.

## **Australasia**

**Australia** – Shell's announcement that it had sold its stake in Australia's Browse project to BP [5] has prompted much discussion and speculation over whether this makes the long-stalled gas project more or less likely to go ahead. The project faces significant challenges including costs and the high carbon dioxide content of the gas resources, but BP's apparent renewed interest in the development could signal that it is more likely to go ahead.

Santos last Wednesday said it had signed four memorandums of understanding (MoUs) for CO<sub>2</sub> supply [6] to its planned Bayu-Undan carbon capture and storage (CCS) project offshore Timor-Leste. The MoUs indicate that demand for CO<sub>2</sub> storage at Bayu-Undan could be in excess of 10 mtpa, according to Santos. The company did not name the signatories.

## **South Asia**

**India** – India could generate around 55% of its electricity from coal in 2030, down from around 73% currently, while the share of solar power generation could grow from 6% to almost 23% [7], according to a report by the country's Central Electricity Authority (CEA) released last week. Wind power generation could more than double by 2030 while no new gas-fired plants are expected to be built in the period, the agency said.

## **Middle East**

**Abu Dhabi** – Abu Dhabi National Oil Company (ADNOC) has decided to move the location of its planned LNG liquefaction project [8] from Fujairah on the United Arab Emirates' east coast to Al Ruwais Industrial City in Abu Dhabi, citing synergies and existing infrastructure as the main reasons. Running parallel, ADNOC Gas and TotalEnergies last Monday signed a three-year LNG supply agreement valued at around USD 1-1.2 billion which will take effect later this year, the companies announced.

## **North America**

**US** – US-based Equitrans Midstream said last Tuesday that, despite recent legal curbs that have further delayed the completion of the Mountain Valley Pipeline (MVP), the company hopes to get the necessary permits by this summer and to finish the project [9] as planned by the end of 2023. Running parallel, MVP's main supporter Senator Joe Manchin has announced the third draft of the long-mooted energy infrastructure permitting bill.

New Fortress Energy (NFE) last Thursday confirmed that its first Fast LNG project will begin commercial operations in August [10], as it announced its financial results for the first quarter of 2023. The company has also just signed a letter of intent with Mexico's CFE to install its second and third Fast LNG facilities onshore at an underutilised LNG import terminal in Altamira instead of offshore.

The US Department of Energy (DOE) has refused a request by the developer of Lake Charles LNG in Louisiana

[11] for a second extension of the deadline to start exports from the plant, from 2025 to 2028, as it said that the company “has not shown good cause” and demonstrated “lack of facts” to justify an extension. The DOE’s decision raises questions about whether the 16.5 mtpa project will go ahead.

Cheniere Energy, the largest LNG exporter in the US, last Tuesday reported stronger than expected financial results for the first quarter of 2023 [12], prompting the company’s board to raise its financial guidance for the full year. Running parallel, Chesapeake Energy, which this week concluded the sale of its Eagle Ford assets to INEOS, has also exceeded analysts’ estimates for Q1, with higher output more than offsetting the impact of lower gas prices.

## Europe

**Germany** – German utility Uniper posted net income of EUR 6.7 billion (USD 7.43 billion) in the first quarter of 2023 [13], after a full year 2022 net loss of EUR 19.1 billion, owing to substantially lower spot prices for Russian natural gas replacements. The now-nationalised company said that “the topic of additional state support is losing relevance”, but that it maintains a cautious outlook as a return of high market prices might jeopardise the positive 2023 outlook.

## Africa

**Nigeria** – The Nigerian National Petroleum Company Limited (NNPC) two weeks ago signed a memorandum of understanding (MoU) with Norway’s Golar LNG to build a floating liquified natural gas (FLNG) plant [14] to be deployed offshore Nigeria. According to industry observers, the deployment of an FLNG facility offshore Nigeria would offer a viable solution to boost exports and it is likely that an LNG vessel for conversion has already been chosen.



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