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[1]

## International

Macquarie Group has emerged as a winner from the winter storms [2] that gripped the US Gulf coast after the Australian investment bank unveiled a 5-10% uplift in its 2021 profit guidance due to a strong performance by its US trading unit, with wholesale power prices in Texas having increased by 10,000%.

Separately, the co-founder of FLNG pioneer Excelerate Energy, Rob Bryngelson [3], is returning to the LNG sector as CEO of Macquarie Capital-backed WaveCrest Energy, which will develop, own and operate LNG, power and downstream infrastructure, with the firm to initially focus on Latin America and Asia.

A six-year LNG supply agreement [4] between Chevron and Pavilion Energy announced last week effective from 2023 stipulates that each cargo will be accompanied with a statement on greenhouse gas emissions but does not set out specific emission targets.

BlackRock's Global Energy & Power Infrastructure will acquire all publicly-held shares of GasLog [5], a move that will take the Greek LNG shipping giant private and delist the company from the New York Stock Exchange, the companies announced last week.

China's overseas energy financing in 2020 [6] dropped to the lowest level since 2008 as business deteriorated following the Covid-19 pandemic, according to Boston University's Global Energy Finance

Database, which suggests China's financing could focus more on renewables as several developing nations ditch coal.

US LNG export leader Cheniere is hopeful of netting long-term deals with Chinese buyers [7], after the firm signed over 4 mt of medium-term supply deals, but the company will face competition from Russia's Novatek, which has announced a 15-year SPA with China's Shenergy Group and plans to increase LNG sales into China.

Asia will drive the majority of LNG demand growth until 2040, Shell predicted last week in its LNG Outlook 2021, adding that global LNG demand is set to roughly double [8] over the next two decades to 700 mtpa, over half of which from countries with net zero targets as gas, CCS and carbon offsetting continue to play a role in net zero economies.

Qatar Petroleum has concluded another "long-term" SPA [9] after signing a 10-year supply agreement with Pakistan State Oil for up to 3 mtpa starting in 2022 in a deal that marks the second between the companies and raises total long-term LNG supplies from Qatar to Pakistan to 6.75 mtpa.

Golar LNG has said it will "explore opportunities" to separate out its FLNG business [10] in a bid to capitalise on an anticipated uptick in global gas prices in the coming decade. The news came during Golar's Q4'20 results in which the firm posted a net income of USD 9.4 million in Q4'20, a figure 62% lower than Q4'19.

## ?Asia Pacific

**Japan** – Japanese trading house Itochu and France's Air Liquide have agreed to team up to develop hydrogen infrastructure for cars and trucks [11] in Japan as the country aims to accelerate clean energy investments to reach climate targets.

## ?Central & South America

**Argentina** – The energy secretariat has instructed state-owned power firm IEASA to conduct a tender to lease an FSRU to cover peak winter gas demand [12], while the government launched a second winter domestic gas supply tender offering higher prices.

**Brazil** – Petrobras' senior management threatened to resign en masse [13] last week after Brazilian president Jair Bolsonaro directed Petrobras to appoint a former army general as head of the state-controlled firm, in response to union pressure over diesel prices.

## ?Europe

**Belgium** – Chemicals firm Ineos and Engie will begin blending gas with hydrogen to fuel [14] a CHP plant [14] in Antwerp, marking the first time hydrogen will be used in a commercial scale cogeneration plant in Belgium in a pilot project starting in early March, Ineos told Gas Matters Today.

**UK** – East Anglia-based startup Hydrogen East has launched a study into building a hydrogen hub around Bacton Gas Terminal [15], with a view to using existing gas and renewables infrastructure to produce hydrogen for injection into the national grid.

Power generator Drax has confirmed that it will not build Europe's largest CCGT plant [16] in North Yorkshire, a decision that reflects uncertain profit margins for conventional plants due to the renewables

expansion and lower revenues from subsidy auctions.

The UK Emissions Trading Scheme [17] will begin trading in May, according to ICE Futures, which was selected to operate allowance auctions on behalf of the UK government.

## ?Mediterranean

**Egypt / Israel** – The two East Mediterranean gas producers will take steps to build a subsea pipeline [18] connecting Israel's Leviathan field to Egypt's LNG facilities, with Israel's energy ministry saying that the two states will work on an Intergovernmental Agreement.

## ?North America

**US** – Activist investment fund Engine No.1 has repeated its demand that ExxonMobil set itself on the path to net zero by 2050, after claiming that the US supermajor's current trajectory is "nowhere near" consistent with the Paris [19] agreement [19].

Kinder Morgan and Brookfield Infrastructure Partners announced that they have agreed to sell a 25% interest in Natural Gas Pipeline Company of America LLC [20] to a fund controlled by ArcLight Capital Partners for USD 830 million.

Occidental Petroleum expects its Permian shale production to fall by 25,000 boe/d [21] in Q1'21 due to the winter storm in Texas, the firm said, adding that 2021 midstream losses could reach record levels of 650-750 million due to underutilised capacity.

Lowering price caps on wholesale power markets and introducing capacity payments to subsidise power plants [22] were discussed in the Texas House of Representatives last week, with power producers blaming gas suppliers for the power shortages during the winter storm.

## ?South Asia

**Bangladesh** – Qatar Petroleum has entered into an LNG supply agreement with Vitol to supply 1.25 mtpa to Vitol's final customers [23] in Bangladesh, which will help meet growing demand for electricity in the south Asian nation.



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