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[1]

International

Oil services giant Baker Hughes plans to invest USD 60 million in a newly-launched green hydrogen infrastructure fund [2] as part of a trio of firms pledging a combined USD 308 million. The investment could help Baker Hughes “future proof” its business and avoid becoming “redundant” in a new energy world, industry sources speaking to Gas Matters Today said.

The decision of the Organization of the Petroleum Exporting Countries (OPEC) and its allies – a group collectively known as OPEC+ – to gradually ease production cuts over the next months [3] signals that it is cautiously anticipating a demand recovery on the back of a more optimistic outlook for the world economy.

Greece’s Latsco Shipping has received its first-ever LNG vessel [4] and a second delivery is expected later this year, signalling investor confidence in LNG demand in the medium and long-term, even as the energy transition gathers pace. Sources told Gas Matters Today that the company is likely moving to diversify its fleet of tankers.

Japan and the United Arab Emirates have signed an MoU on hydrogen cooperation [5] including the prospects of exporting hydrogen from the Middle East to Japan. The MoU highlighted the UAE's abundant renewable resources which potentially could facilitate exports of green hydrogen to support the energy transition in both countries.

?Asia Pacific

Japan – Chevron has inked a binding SPA with Japanese utility Hokkaido Gas to supply 0.5 mt of LNG [6], Chevron has announced, extending the US major's reach into a key LNG market.

Myanmar – Malaysian state-owned Petronas has suspended production and declared force majeure on its Yetagun gas field [7] offshore Myanmar as several companies review operations in the country due to social unrest and escalating violence.

Philippines – Filipino power producer First Gen has picked BW Gas [8] to provide an FSRU [8], as the firm seeks to secure a supply of LNG to counteract the decline of the Philippines' domestic gas resources.

South Korea – The country is set to tighten restrictions on its coal-fired generation [9] capacity over the coming month in an effort to limit air pollution, in a move that could drive Korean demand for LNG this spring.

?Central & South America

Brazil – BP has pulled out of the Foz do Amazonas basin in northern Brazil, selling stakes in six offshore exploration blocks to Petrobras [10], after licences in the basin were plagued by environmental permitting setbacks.

Petrobras shares plummeted last week after Brazilian president Jair Bolsonaro threatened to intervene [11] in the state-controlled company's plans to increase gas prices by 39% in a move that sources said could be a presidential attempt to "seize control" of Petrobras.

?Europe

Denmark – Hydrogen startup Everfuel yesterday said it had signed an MoU with an undisclosed German-Norwegian shipping firm to supply green hydrogen for a planned H₂-powered ship [12], set to come online in 2023, but industry sources warned that such vessels may not be commercially viable in the immediate future.

UK – Utility firm SSE and Norway's Equinor have joined to develop a 1.8 GW hydrogen power plant and 900 MW gas-fired station with CCS [13] in England, but both projects will likely require significant public subsidy and a novel dispatchable power agreement to reach FID.

UK LNG demand will drop 20% this summer [14] amid high demand for gas in Asia and low demand from the UK power sector, TSO National Grid has said, while industry sources said a "double-whammy" of higher gas and carbon prices may also drive down gas demand.

?North America

US – Sempra Energy has agreed to sell a 20% interest in Sempra Infrastructure Partners [15] – its newly-

created business platform – to investment firm KKR for USD 3.37 billion in a move that could help secure FID on the Port Arthur LNG project in Texas.

The EIA has revised upwards its short-term forecasts for US gas consumption in 2021, but warned that gas demand will decline year-on-year [16] as a result of higher gas prices and coal's resurgence in the power sector.

The Biden administration has announced plans to remove subsidies for fossil fuel companies [17] and boost incentives for clean energy technologies, including CCS, in a bid to achieve the government's aims of building a carbon-free electricity grid by 2035.



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