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Gas Strategies Group

10 Saint Bride Street
London UK
EC4A 4AD

ISSN: 0964-8496

T: +44(0) 20 7332 9900
W: www.gasstrategies.com
Twitter @GasStrategies

Editorials

+44(0) 20 7332 9957
editor@gasstrategies.com

Subscriptions

+44(0) 20 7332 9976
subscriptions@gasstrategies.com



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[1]

International

The US and China have pledged to collaborate [2] to cut energy sector CO2 emissions and “discuss” technologies like green hydrogen and CCUS despite strained diplomatic relations between the two nations in the build-up to the world climate summit, where US President Joe Biden unveiled a 10-year climate plan.

The US and Japan have agreed to work toward their respective climate goals, with a view to facilitating the development and deployment of green infrastructure [3], following Japanese PM Yoshihide Suga’s first visit to the White House, however, neither mentioned natural gas which had previously been a key area of collaboration.

Gas as a bunker fuel will likely take the form of blue ammonia rather than LNG [4], according to recent reports by the World Bank, which said the IMO emissions targets and the limited renewable capacity to produce green hydrogen and ammonia could support the move.

Gas demand worldwide is set to rebound [5] beyond levels seen in 2019 as the global economy recovers over the coming year, which will spur gas consumption in China, India and other fast-growing Asian states, the IEA said in its latest Global Energy Review.

The EU and India are holding talks over partnering in building joint energy and transport infrastructure projects

[6] in a bid to counter China's Belt and Road Initiative, according to the Financial Times. The initiative could be announced at the EU-India virtual leaders summit on 8 May.

The US will aim to halve its [7]greenhouse gas emissions [7] over the next decade, President Joe Biden announced last week at a virtual Earth Day climate summit, during which major economies including the UK, Germany, Japan, China, Russia and India also signaled seriousness about action on global warming.

US energy secretary Jennifer Granholm said last Friday speaking at the Leaders Summit on Climate that cost reductions could see green hydrogen technologies compete with gas by 2030 [8], adding that the US government would support green and CCS-equipped blue hydrogen to help reach the country's new emissions reduction target.

?Africa

Algeria – UK-based Sunny Hill Energy – formerly Petroceltic – says it will seek over USD 1 billion in compensation from Sonatrach “and/or the state of Algeria” after the state-owned company terminated its interest in the Ain Tsila gas field [9] “without legal merit”.

Mozambique – The government will “make all efforts to return peace” [10] to the nation, president Filipe Nyusi announced last week, adding that restoring peace is a “fundamental condition” for developing projects like the Total-led Mozambique LNG project.

?Asia Pacific

Japan – Japan has upped its 2030 emissions reduction target, with Tokyo now aiming to cut [11] GHG emissions by 46% [11] on 2013 levels, a much more ambitious target than the previous 26%, but still short of levels pledged by other nations.

Singapore – The city-state and Anglo-Dutch energy major Shell is collaborating on a feasibility study to trial using hydrogen to bunker ships [12] after a number of firms announced plans to launch the world's first ammonia bunkering hub in Singapore.

?Australasia

Australia – The Exxon Mobil-operated 0.75 Bcm/year West Barracouta project offshore Victoria [13] has commenced production, signalling firmer supply ahead of the winter heating season, and help curb the potential gas shortfalls predicted for Australia's southern and eastern states from 2023.

Melbana Energy has agreed to offload its stake in the Beehive prospect [14] offshore Western Australia to US-based EOG Resources, marking the US firm's entry into the Australian upstream.

Papua New Guinea – The country's government has cast doubt over a potential LNG export project [15] after demanding better terms, including a levy that would make the offshore installation “unfinanceable for any investor”, developer Twinza has said.

?Central & South America

Peru – Presidential front-runner Pedro Castillo looked to reassure foreign investors [16], saying he would not nationalise firms should he win the June run-off ballot, marking a U-turn on previous statements in which he advocated nationalising the Camisea gas field, which feeds the nation’s sole LNG plant.

?Europe

EU – The European Commission will decide later this year to what extent it will classify gas as a green investment [17] under its Taxonomy Regulation, potentially making it easier to finance gas-fired projects to replace coal plants, the body announced last week.

European ETS prices extended their six-month rally last week, breaching EUR 47/tonne [18] of CO₂ for the first time [18] as a combination of demand from speculative investors and industrial installations have driven a 44% year-to-date gain.

UK – The government has raised the bar ahead of the COP 26 climate summit after announcing “the world’s most ambitious climate change target” [19], aimed at reducing the nation’s greenhouse gas emissions by 78% by 2035 compared with 1990 levels.

?Middle East

Iraq – Chinese state-owned Sinopec has won a 25-year contract to develop the 4.5 Tcf Mansuriyah field [20], marking Baghdad’s latest effort to increase power sector gas supply, six months after re-opening a development tender previously awarded to Turkey’s TPAO.

?North America

US – NextDecade is linking with environmental monitoring firm Project Canary to measure and certify the greenhouse gas intensity of LNG [21] sold from its proposed Rio Grande liquefaction plant in Texas in a bid to attract needed offtakers.

Supermajor ExxonMobil is considering plans for a 100 mtpa CCS mega-facility [22] in the Houston Ship Channel, but warned last week that building the facility would require a US-wide carbon tax and other government support.

A USD 568 billion infrastructure [23] counterproposal by US Republicans [23] focuses on roads and bridges and leaves out energy and climate, in stark contrast to the Democrats’ proposed USD 2.3 trillion plan designed to boost investment in clean energy.

**Consulting**

+44 (0) 20 7332 9900
consult@gasstrategies.com

**Alphatania Training**

+44 (0) 20 7332 9910
training@gasstrategies.com

**Information Services**

+44 (0) 20 7332 9976
subscriptions@gasstrategies.com