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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

Upstream oil and gas investment is expected to rise [2] to ~USD 351 billion in 2021, up ~10% year-on-year as companies recover from the economic shock of 2020, the IEA reported last week. However, spending remains “well below” pre-crisis levels and was once again outpaced by investments in renewable power, the body said, stressing that more capital needs to be directed towards clean energy in order to hit climate goals.

?Central & South America

Brazil – Equinor and its partners which include ExxonMobil and Petrogal Brasil have decided to go ahead with the first phase of the USD 8 billion Bacalhau deep-water oil development [3] offshore the state of São Paulo.

?Europe

Germany – Canada’s GNL Quebec and the Hanseatic Energy Hub, which is developing the 8.8 mtpa Stade terminal near Hamburg, have launched a strategic partnership on “low-carbon” LNG exports [4] from Canada to Germany.

Greece – Greece is one of Europe’s smallest gas markets, consuming 5.1 Bcm in 2020, out of which 3.6

Bcm was imported as LNG, but with the country stepping up coal-to-gas switching, the government expects gas demand to grow 40% [5] over the coming decade, this feature explains.

UK – Startup Cerulean Winds has outlined plans to build a USD 14 billion floating offshore wind farm [6] in the North Sea with a view to powering three 500 MW hydrogen production facilities and supplying renewable electricity to the “majority” of oil and gas platforms in the UKCS.

?North America

US – Midstream giant Kinder Morgan is set to expand its presence in the north-east after agreeing to purchase Stagecoach Gas Services – a gas pipeline and storage joint venture [7] between Consolidated Edison and Crestwood Equity Partners – for USD 1.225 billion.

The Biden administration has halted development of leases in Alaska’s Arctic National Wildlife Refuge [8], pending an environmental review, in a reversal of extensive efforts by the Trump administration to open the federal acreage to fossil fuel project developers.

BP has agreed to acquire 9 GW of solar power projects in the US from independent developer 7X Energy for USD 220 million, the British major announced last week, increasing BP’s pipeline of renewables projects [9] from 14 GW to 23 GW.

US LNG player Tellurian has signed a second sales and purchase agreement [10] in the space of week after Vitol signed up for 3 mtpa under a 10-year deal – mirroring the SPA signed with Gunvor in May.

A third candidate put forward by activist fund Engine No.1 [11] has won a seat on the Board of ExxonMobil, the US supermajor said last week in its preliminary results, which showed that candidates nominated by the activist investor secured one-quarter of all seats on Exxon’s Board, with shareholders ousting three of the Texan firm’s incumbent directors.

Shale player Southwestern Energy has announced it is buying Indigo Natural Gas Resources [12] for around USD 2.7 billion in a cash and stocks transaction – amid a wave of recent M&A activity in the US shale sector – that would allow Southwestern to increase production, reduce debt and to be better positioned to supply Gulf Coast LNG plants.

?Russia & CIS

Russia – Novatek has lined up a home for some of its equity volumes from the Arctic LNG 2 project [13] after signing heads of agreement with China’s Zhejiang Group and Swiss-based trader Glencore. Running parallel, Novatek has penned MoUs with TotalEnergies and Fortum aimed at reducing emissions at its LNG projects.

Novatek has signed an MoU with two of Russia’s largest banks, through which the Russian financiers will fund construction of a low-carbon ammonia and hydrogen production facility [14] with CCS technology on the Yamal Peninsula.

?South Asia

Pakistan – Russia and Pakistan have updated an Intergovernmental Agreement from 2015 with the aim of breathing new life into a proposed 12.3 Bcm pipeline to connect LNG terminals [15] in Karachi and Gwadar with demand centres in the northern Kasur district.

State-owned LNG buyer Pakistan LNG has awarded contracts to six international companies to supply nine cargoes in July and August [16] after a tender on 2 June in which a total nine companies submitted bids between USD 10.3-11.8/MMBtu.

**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