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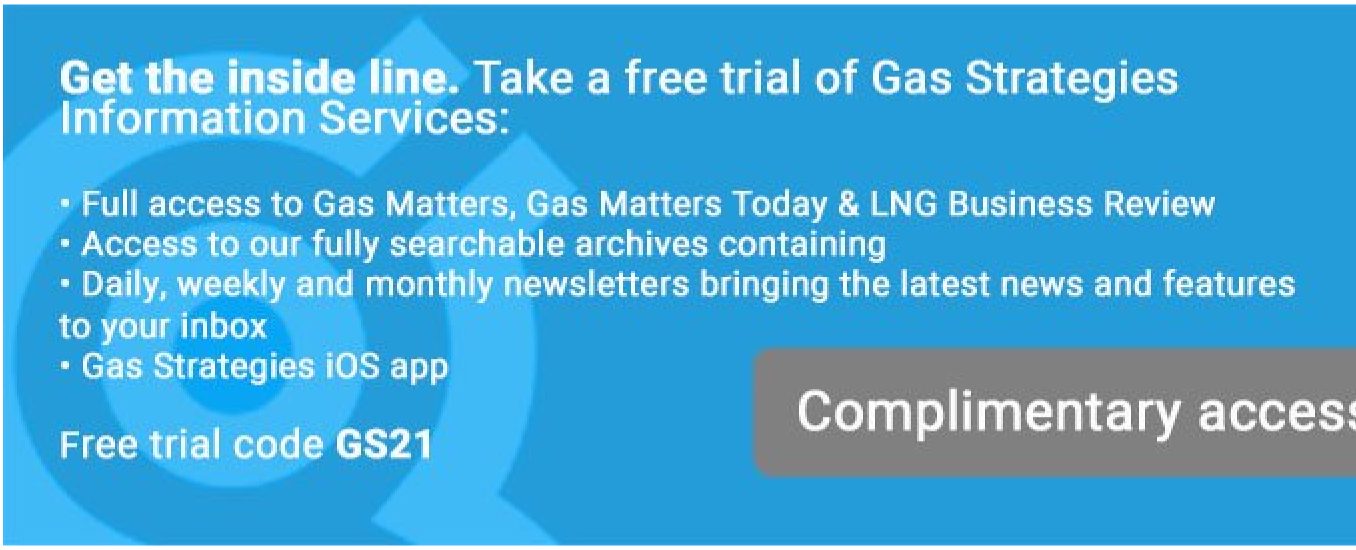

[1]

Africa

Tanzania – The country's government met with Equinor and Shell [2] last week to discuss progress on the proposed 10 mtpa Tanzania LNG project, with the discussions leading to revival of negotiations over a Host Government Agreement (HGA) between the administration in Dodoma and Shell. The HGA will determine fiscal, juridical and regulatory conditions to underpin the proposed LNG plant.

Middle East

Saudi Arabia – Private equity firms Blackrock, Brookfield Asset Management and EIG are competing [3] for a 49% stake in Saudi Aramco's gas pipeline network, according to reports. Speculation is mounting that the sale will mirror Aramco's previous deal on its oil pipeline network, finalised in June, which saw EIG and "co-investors" pay USD 12.6 billion for rights to 49% of the revenue from the asset.

Asia Pacific

ExxonMobil is planning to position carbon capture and storage (CCS) opportunities at the centre of its energy transition strategy, the company said as it unveiled plans to spend USD 15 billion on low-carbon initiatives and signed two memoranda [4] with Indonesia and Malaysia regarding CCS projects in the South East Asian nations.

Australasia

Australia – Chevron has announced it will purchase and surrender 5.23 million greenhouse gas offsets [5]as a fine at the Gorgon natural gas facility in Western Australia (WA) after failing to meet its five-year CO2 injection target. The move could cost the operator over AUD 180 million (USD 131 million) based on the current price level.

North America

US – Indian conglomerate Reliance Industries Limited (RIL) has exited the US shale patch [6]after agreeing to sell its stake in the Eagle Ford play in Texas to Ensign. The sakes comes months after RIL divested its stake in the Marcellus play in the Appalachian Basin and marks further consolidation in the US shale sector.

The US Environmental Protection Agency plans to issue a supplemental proposal on methane emissions in 2022 [7], which will complement the existing proposal from 2 November, and address additional measures to cut methane emissions. The proposal may also cover routine flaring.

Europe

European gas prices spiked again on 8 November [8] after an expected increase in Russian gas flows failed to materialise. Spot prices on the TTF hub were standing at ~EUR 77/MWh on Monday evening, up ~EUR 4/MWh on Friday’s close and ~EUR 14/MWh from the start of November, according to the EEX trading platform.

The European Commission has once again included the East Med pipeline project and the Gdansk floating storage and regasification unit [9] (FSRU) as Projects of Common Interest (PCI), according to a draft of the EC’s latest and fifth PCI list. The draft list, seen by Gas Matters Today, is dominated by electricity projects.

The European Commission is expected to imminently decide whether natural gas and nuclear power will be considered sustainable investments [10] under the EU Taxonomy Regulation. Natural gas is expected to be included, albeit for a limited period, as it is a cleaner alternative to coal and a bridge to the budding hydrogen economy.

Norway – Shell New Energies Europe and Hydro Havrand, a subsidiary of Norwegian Norsk Hydro, signed a memorandum of understanding (MoU) to explore joint green hydrogen projects [11], starting in Europe. An industry expert told Gas Matters Today that the collaboration was “positive,” however the source said green hydrogen produced by electrolysis remained “a lot more expensive” than grey hydrogen.

France – Engie and Cheniere Energy signed an 11-year sale and purchase agreement [12] for the supply of LNG from the US firm’s Corpus Christi LNG plant in the US, according to a letter filed to the US Department of Energy (DoE). Cheniere will supply 0.4-1.2 mtpa of LNG, which will be delivered on a

FOB basis.

Belarus – President Alexander Lukashenko threatened to halt Russian gas flows through the country via the Yamal-Europe pipeline [13] amid an escalating migrant dispute with the EU, which could result in even tighter gas supply and disruption in Europe. Lukashenko made the comments as the EU considered imposing new sanctions on Belarus amid accusations that the eastern European country has been encouraging migrants to cross into EU territory, which Minsk has denied.

International

A group of Republican senators announced that they are trying to make amendments to US legislation in a bid to impose new sanctions on the Gazprom-led Nord Stream 2 (NS2) pipeline [14]. The move came in response to Russia saying that the 55 Bcm/year capacity pipeline is ready to flow gas, however, regulatory obstacles in Europe are likely to delay its start past March 2022.

Long-term supply and purchase agreements (SPAs) are not expected to make a wholesale return to LNG markets [15], despite a trio of long-term bilateral deals over the past few weeks, experts told Gas Matters Today. Chinese buyers are likely to be alone in pursuing 20-year deals, and only when they can secure very attractive terms.

The US and China have updated their joint declaration on climate change [16] setting goals to reduce coal consumption and address methane emissions, among other measures. The more ambitious declaration, announced at COP26 in Glasgow, took many by surprise, as relations between Washington and Beijing have deteriorated in recent years.

A new lobbying alliance led by Costa Rica and Denmark was launched at COP26 in Glasgow last week, with the alliance aiming to ramp up the phase out of oil and gas in the name of climate action [17]. The Beyond Oil and Gas Alliance (BOGA) has gained support from 11 countries and regions so far, but market observers told Gas Matters Today that too steep a transition risks doing more harm than good.

Chile has signed a memorandum of understanding (MoU) with the Belgian ports of Zeebrugge and Antwerp to explore long distance hydrogen and ammonia shipments. [18]

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