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## **Australasia**

**Australia** – Shell's problematic Prelude floating LNG (FLNG) facility off the coast of Western Australia could face another lengthy outage after the country's National Offshore Petroleum Safety and Environmental body (NOPSEMA) issued safety orders [2] that must be met in order for production to restart. The orders come after a power outage in early December, forcing Shell to evacuate 150 crew and suspend production.

## **South Asia**

**India** – Project developer LNG Alliance and New Mangalore Port Trust (NMPT) announced they have signed a cooperation agreement, under which the pair will look to develop what they claim will be the first LNG terminal in the south-west state of Karnataka. [3] The proposed LNG terminal will have an initial capacity of 4 mtpa that could later be expanded up to 8 mtpa in line with the predicted energy demand increase in the country over the next 20 years, according to LNG Alliance.

## **Asia Pacific**

The battle for spot LNG cargoes could heat up as Asian LNG buyers are returning to the market [4], according to Bloomberg. The news of the return to the spot market by Asian buyers comes amid a series

cargo diversion from Asia to the premium priced European market.

**South Korea** – The country's environment ministry classified power generation from LNG as a green investment as part of its taxonomy guidelines [5] issued in late December. The inclusion of LNG power plants in the so-called K-Taxonomy is said to apply at least until 2030, like that of blue hydrogen production, while nuclear power has been excluded.

**Malaysia** – The state government of Sabah and Petronas announced the Sabah Gas Masterplan to further develop gas infrastructure and supply [6] in the region. At the heart of the plan is a 2 mtpa nearshore FLNG plant at the Sipitang Oil and Gas Industrial Park.

## North America

**US** – LNG player NextDecade has again delayed a final investment decision (FID) on its maiden liquefaction plant in Texas [7], with FID now expected in H2'22. The company did not disclose the reason for the delay, however the firm has to date only secured a single offtake agreement for its proposed Rio Grande LNG plant.

A strong plunge in Permian gas production amid cold weather over the first weekend of January has raised questions over winterisation efforts [8] by gas producers in Texas, and the state's ability to keep the lights on amid cold weather.

## Europe

The European Commission has proposed to include gas and nuclear power in its EU Taxonomy Regulation [9], which would classify investments in these technologies as sustainable. However, investments in new gas-fired plants will be subject to some conditions, including a hydrogen co-firing obligation from 2026, according to a leaked draft.

**UK** – Shell announced during its mixed Q4'21 results outlook that it will pursue “at pace” the distribution of a USD 7 billion share buyback [10]. The decision was taken at the firm's first board meeting held in the UK after the decision last year to simplify the company's share structure. “Further details of the amount and pace of total shareholder distributions will be disclosed at the fourth quarter results announcement,” Shell said.

**Greece** – After several months of negotiations, Gazprom and Greece's DEPA Commerce renegotiated the pricing terms in a long-term gas supply contract [11] which expires in 2026. Without mentioning more details, DEPA said it had secured “favourable terms” for Greece and “competitive prices” from 2022 onwards, which comes amid Greece's increasing gas demand and a rise in imports of Russian gas.

**Germany** – Utility Uniper secured up to EUR 10 billion (USD 11.3 billion) of financing [12] from its parent company Fortum and German state-owned bank KfW for margin calls as gas and electricity prices soar. The move marks the second time in less than six months that the German utility has had to bolster liquidity.

**Netherlands** – The Groningen gas field could produce up to 7.6 Bcm of gas between October 2021 and September 2022 [13], up from a previous estimate of 3.9 Bcm, the Dutch government announced. The upward revision has been sparked by delays in commissioning of new nitrogen plant in Zuidbroek and higher than expected gas demand in neighbouring Germany.

**Montenegro** – State-owned power producer Elektroprivreda Crne Gore (EPCG) and Singapore's LNG Alliance signed a memorandum of understanding (MoU) to study the potential construction of two gas-fired power plants and an LNG terminal in Montenegro. [14] The pair made no mention of the terminal serving the wider region, a step which would help strengthen the business case for the project.

## Russia & CIS Region

**Uzbekistan** – The major producer and modest exporter of gas has reportedly halted exports of natural gas to neighbouring countries [15], including China, in attempt to meet domestic energy needs. While this is not the first time Uzbekistan has stopped exports, the step comes at a time of escalating unrest in neighbouring Kazakhstan, spurred by a rise in fuel prices.

**Kazakhstan** – The riots and violence in Kazakhstan are threatening the country's oil and gas infrastructure and future investment in the energy sector [16]. Despite President Kassym-Jomart Tokayev allowing Russian troops to enter the country, there are no signs yet that the situation will stabilise soon.



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