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Australasia

Australia – The Supreme Court of Western Australia dismissed two proceedings against the country's Environmental Protection Agency (EPA) that challenged the agency's 2019 environmental approvals granted for Woodside's Pluto LNG and Karratha Gas Plant projects [2]. The CCWA claimed the EPA accepted an amendment to the permits for additional gas to be processed without an assessment.

UK

The UK became the first country to ban all vessels with any Russian connection from entering the country's ports [3], UK transport secretary Grant Shapps confirmed. National Grid confirmed with Gas Matters Today that it is looking to ensure the ban also applies to the country's LNG terminals, with last week seeing a number of LNG cargoes from Russia divert away from the UK.

Russia & CIS Region

Russia – Shell announced its plans to exit its joint ventures with Gazprom and subsidiaries, including its 27.5% stake in the Sakhalin 2 LNG facility [4] and the Nord Stream 2 pipeline. Shell CEO Ben van Beurden said in a statement that the “decision to exit is one we take with conviction” amid Russia’s invasion of Ukraine and the loss of life.

TotalEnergies announced it has decided not to finance new projects in Russia as it is reviewing its existing operations in the country [5] amid the war in Ukraine. However, the firm is under scrutiny over just a partial withdrawal from Russia where the French major has significant assets.

Gazprom has proceeded with its plans to pivot east by moving the Mongolian extension of its proposed Power of Siberia 2 (POS 2) pipeline to China to the “design” phase [6], as Western sanctions hit Russia’s economy. However, any benefits from this will take time as Gazprom expects to bring the project to fruition around 2030.

ExxonMobil announced it is abandoning its projects in Russia as the company will discontinue its operations at the Sakhalin-1 oil and gas project [7] and stop further investments in Russia, following Moscow’s invasion of Ukraine. The announcement could see ExxonMobil try to divest or write down its 30% operating stake in Sakhalin-1 – a share it has previously valued at ~USD 4 billion.

Following Russia’s invasion of Ukraine, BP and Equinor have decided to exit oil and gas projects in Russia [8] spurred by mounting pressure. BP is also withdrawing its interest in and board members from state-owned company Rosneft.

International

LNG data has shown that in 2021, after nearly 50 years as the largest importing LNG market, Japan’s top spot has been taken by China, while Australia became by far the largest exporter [9]. The research indicates that while China’s position as the largest market for LNG is likely to continue for many years, Australia will not remain the largest exporter for long.

Asia Pacific

Japan – A joint venture led by Tokyo Gas Engineering Solutions announced the start-up of operations at its 1 mtpa Niihama LNG terminal [10] on the Japanese island of Shikoku after the project was first announced in February 2018. The JV also plans to start delivering gas to industrial customers in neighbouring areas to the terminal from this month.

Europe

ExxonMobil, Wintershall, Eni, OMV, Trafigura, and Centrica have joined the list of Western companies abandoning or reviewing their operations in Russia [11], as well as ties with Russian companies. The management board of a firm with big focus on Russia, Wintershall, which generates around 47% of its oil and gas production from Russia has decided not to advance or implement any additional gas and oil production projects in the country.

The International Energy Agency (IEA) has come up with measures to bring down European gas imports from Russia by over one-third this year [12], or by half with temporary additional measures. The IEA also advised European companies not to sign new supply agreements with Gazprom, to accelerate the deployment of solar and wind power and to postpone the planned closures of nuclear reactors.

Switzerland – Gazprom's Switzerland-based subsidiary Nord Stream 2 AG (NS2 AG) has laid off its staff but rebuffed reports that it has filed for bankruptcy [13]. Meanwhile, some observers expect that the USD 11 billion NS2 pipeline project will be halted for good after the Kremlin's decision to invade Ukraine.

Ukraine – No direct sanctions have so far been imposed on Russia's energy sector [14] following the country's invasion of Ukraine, which began last Thursday. However, potential restrictions on energy and their impact on Russia's ability to sell its natural gas to Europe are being widely discussed in the Russian press.

Ukraine stopped exports of domestically produced gas, said to be very small export volumes, and exports from its vast storage facilities [15], while transmission of Russian gas to European customers continues as normal, according to Ukrainian firms. Meanwhile, the Ukrainian TSO reported that hundreds of thousands of people are without access to gas due to damages on the local distribution network.

Germany – The government voiced its support for two LNG import projects in the country, Wilhelmshaven and Brunsbüttel, which would be Germany's first LNG terminals [16]. As Germany is the only major European economy without an LNG terminal, concerns over security of gas supply amid Russia's invasion of Ukraine have opened the dialogue.

The German unit of the Gazprom-led Nord Stream 2 gas pipeline, Gas for Europe, has indicated possible liquidation after the German government's decision to halt the certification process [17], adding further uncertainty over whether the NS2 will achieve commercial operations. The German subsidiary was launched in late January by Swiss subsidiary Nord Stream 2 AG (NS2 AG) in line with the German regulator's demands.

Germany's Wintershall Dea could be downgraded by ratings agency Moody's due to its relatively heavy exposure to Russian assets and firms [18] and the company is one of several European energy firms that would take a financial hit if more sanctions were imposed. While Wintershall Dea has withdrawn from NS2, it remains heavily exposed to Russian assets and firms.

North America

US – BP and Equinor announced the signing of an agreement to transform South Brooklyn Marine Terminal (SBMT) port in New York into a central hub for the offshore wind industry [19]. According to their plan, SBMT will become an operations and maintenance base for Equinor, BP and other project developers looking to explore the vast but untapped offshore wind potential in the US.



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