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[1]

UK

Eni has confirmed it will spend EUR 2.5 billion (USD 2.66 billion) in the UK's energy sector over the next four years [2], with the news coming amid growing calls for a windfall tax. However, despite calls by the UK government on North Sea players to boost production in light of the invasion of Ukraine and soaring energy bills for consumers, the Italian firm confirmed that the majority of the capital will be directed towards energy transition projects including carbon capture utilisation and storage (CCUS) projects.

United Arab Emirates (UAE) companies Abu Dhabi National Oil Company's (ADNOC) and Masdar announced plans to enhance collaboration with BP to develop blue and green hydrogen projects [3] in Teesside in the north-east of England and in the UAE. ADNOC's 25% stake in the "design stage" of the H2Teesside blue hydrogen project, which could be operational in 2027, will be the company's first investment in the UK.

Over 30 companies in the UK's offshore energy supply chain wrote an open letter to UK Prime Minister Boris Johnson and Chancellor Rishi Sunak urging them to scrap plans for a windfall tax [4]. The companies, which include oil service majors Halliburton and Baker Hughes, say a windfall tax, which is reportedly being drawn up by the government, would reduce investor confidence in the UK offshore sector.

Shell received mixed messages around its climate strategy last week [5] as it held its annual general

meeting in London – with a fall in support for its energy transition plans and progress but increased rejection of an activist shareholder resolution calling for greater clarity on the company’s greenhouse gas (GHG) emissions.

The UK government has, despite strong opposition from North Sea producers and service firms, confirmed it will introduce a windfall tax [6] of 25% on oil and gas companies which it hopes will raise GBP 5 billion (USD 6.28 billion) in the first 12 months that can be redistributed to help households foot soaring energy bills.

International

Growth in gas-to-coal switching driven primarily by sky-high gas prices [7] was a significant contributor to a 5% growth in global carbon dioxide emissions between 2020 and 2021, according to the International Gas Union. The warning comes in the IGU’s 2022 Global Gas Report, launched at the World Gas Conference last week in the South Korean city of Daegu.

Equinor said last week it has fully withdrawn from Russia [8] after transferring its participating interests in four Russian joint ventures to Rosneft. Equinor appears to be the first IOC with exposure to Russia to fully withdraw from the country after the invasion of Ukraine.

Africa

Senegal – Germany’s Chancellor Olaf Scholz embarked on a three-day trip to Senegal, Niger and South Africa in a bid to forge closer economic relationships with the countries [9], including in the sphere of energy, as the nation scrambles for alternatives to Russian energy supplies. As a result of the first visit to Senegal, Scholz said the sides held “intense” talks on exploration of gas fields and LNG

North America

US – EIG has sold its 49% stake in the Elba Island LNG plant in the US state of Georgia [10] to compatriot Blackstone, with the sale coming five years after EIG purchased the stake in the facility from operator Kinder Morgan. News of the deal comes weeks after Kinder Morgan executives said the company is reassessing whether to expand the capacity of the Elba Island LNG plant amid soaring prices and demand.

Sempra has advanced plans to produce “cleaner LNG” from the Cameron LNG plant in Louisiana [11] after the firm penned a participation agreement with the LNG plant’s shareholders for the development of the proposed Hackberry Carbon Sequestration (HCS) project.

RWE could become the first German firm to sign up for US LNG volumes [12] after the company penned a heads of agreement with Sempra for volumes from the proposed Port Arthur LNG project in Texas. RWE said the volumes could be delivered to its home market – where multiple LNG terminals are planned as Germany looks to wean itself off Russian gas imports.

US LNG player Venture Global has reached a final investment decision on its Plaquemines LNG plant in Louisiana [13], with the move coming after the firm closed project financing for the first phase of the project. The transaction represents the largest project financing in the world closed so far this year, with the Plaquemines FID coming two months after VG exported a commissioning cargo from its maiden LNG project.

A joint venture of Technip Energies and Samsung Engineering have been awarded a pre-FID engineering contract to construct the proposed Texas LNG plant in the port of Brownsville [14]. The Glenfarne-led project is expecting to take a final investment decision later this year on the 4 mtpa plant, with commercial operations scheduled to start in 2026.

Cheniere has edged closer to final investment decision (FID) on its Corpus Christi Stage 3 expansion project in Texas, after penning a long-term sale and purchase (SPA) [15] deal with a subsidiary of South Korea's largest steelmaker POSCO.

Australasia

Australia – Australia's natural gas, oil and coal producers face an uncertain time as they await the final results of last Saturday's election [16], which led to a resounding defeat for Scott Morrison's Liberal-National coalition government and the swearing in of a new prime minister, Labor's Anthony Albanese. However, a better-than-expected outcome for Green and "teal independent" candidates – with many voters displaying growing concern about climate issues – means it remains to be seen whether Albanese will lead a majority or minority government.

Europe

European carbon prices have fallen nearly 12% in the last seven days [17] as a shock European Commission proposal to sell surplus permits to raise funds to help wean itself off Russian energy has shaken trader confidence in the integrity of the market.

Poland – Poland has denounced the intergovernmental gas agreement (IGA) with Russia from 1993 [18] which underpinned the Yamal–Europe contract with Gazprom. Moscow has already cut off gas supplies to Poland via Yamal and recently sanctioned the operator which means that gas does not flow via the pipeline to Germany.

Latvia – Latvia's largest domestic fuel trader Virsi-A has snapped up a 20% stake in the country's proposed Skulte LNG project in the Gulf of Riga [19]. Terminal developer JSC Skulte LNG Terminal suggests Virsi will bring necessary experience and capital to accelerate the development of the project, however question marks remain over the need for the project given regas capacity additions either planned or under construction in Poland, Lithuania and Finland.

Asia Pacific

South Korea – TotalEnergies last week announced the signing of an LNG sale and purchase agreement with South Korea's Hanwha Energy Corporation [20] to supply 0.6 mtpa over 15 years, starting in 2024. The contract was signed at the World Gas Conference (WGC) in the Korean city of Daegu as the nation's president Yoon Suk-yeol attended, his first appearance at an international event since taking office earlier this month.

South Asia

India – Höegh LNG has terminated a contract for the use of its Höegh Giant floating storage and regasification unit (FSRU) [21] in India, citing default of contractual terms on the part of the charterer, Western Concessions, a wholly-owned subsidiary of India's H-Energy. The vessel could now be re-deployed in Europe.



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