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[1]

Australasia

Australia – Shell Australia and its joint venture partner SGH Energy have taken a final investment decision (FID) to develop the Crux natural gas field [2] off the coast of Western Australia. Crux will provide backfill supply of up to 550 MMcf/d of gas to the Prelude floating liquefied natural gas (FLNG) facility, with first gas expected in 2027.

Australia's AGL Energy has scrapped plans to separate the company [3] into AGL Australia and Accel Energy via a demerger which would have seen its coal and gas-fired power plants spun off to the latter firm. The demerger plan was cancelled amid pressure from Grok Ventures, controlled by Australian billionaire Mike Cannon-Brookes, which recently bought more than 11% of the shares in the company.

New natural gas, oil and coal projects may still go ahead in Australia, with the governing Labor party having won an overall majority in the lower house [4] in the recent election and the appointment of Chris Bowen as climate change and energy minister. However, prime minister Anthony Albanese's new government has failed to win a majority in the Senate, meaning it will need the backing of other parties for any policies that require the passing of new legislation.

Europe

Italy – TSO Snam has bought a floating storage and regasification unit (FSRU) from Golar [5] LNG for USD 350 million, meaning it has now fulfilled the government’s request to secure two FSRUs to diversify supplies. This is a second FSRU deal with Golar in just a few weeks and the vessel, which has a regasification capacity of 5 Bcm/year, can operate both as an LNG carrier and as an FSRU.

After a near month-long impasse, the EU has reached an agreement to ban 90% of Russian oil imports [6] by the end of the year. The deal was struck late on Monday after exemptions were granted to several member states in order to give them more time to wean themselves off Russian supplies.

Albania – The floating storage regasification unit (FSRU) currently serving Israel will be deployed in Albania next year [7], Excelerate Energy executives confirmed during the company’s Q1’22 results call. Running parallel, Israel is looking to kick start a fresh exploration push in a bid to capitalise on Europe’s efforts to replace Russian gas imports, the country’s energy minister confirmed on last week.

Serbia – Serbia’s pro-Russian president Aleksandar Vucic said he has agreed an “extremely favourable” three-year gas supply deal with Russia [8] following a phone call with Russian counterpart Vladimir Putin. The proposed deal comes at a time when the EU candidate country is facing growing pressure from Brussels over its continued cooperation with Russia, with the EU having set a 2027 date for the phase out of Russian gas imports.

Netherlands – Gazprom has confirmed it has cut off gas supplies [9] to Dutch gas trader GasTerra over its refusal to pay for Russian gas in rubles. Late last Tuesday Gazprom confirmed supply to Shell Energy Europe and Denmark’s Orsted will be cut from 1 June, with the move taking the number of EU countries directly affected by Russian supply disruptions to six so far.

UK

UK-listed duo Tullow Oil and Capricorn Energy have agreed to merge in an all-stock deal [10] worth over USD 800 million, with the combination set to create a leading Africa-focused E&P firm.

The UK government’s new windfall tax announced in May is credit negative for the UK oil and gas sector and introduces uncertainty over future investment [11] on the UK Continental Shelf (UKCS), according to ratings agency Moody’s. However, large and well diversified oil and gas companies should be able to absorb the levy, helped by high oil and gas prices and the 80% investment allowance which will reduce the tax burden, analysts say.

Centrica is reportedly considering re-opening the Rough storage facility [12], which closed in 2017, within months owing to government concerns over energy security. Critics say re-opening the facility will cost the taxpayer billions of pounds and that seasonal injection would tighten the UK gas market in summer, resulting in higher gas bills for consumers.

Mediterranean

Israel – Israel has no intention of chartering another floating storage regasification unit (FSRU) [13] after the current deal with Excelerate Energy expires at the end of 2022, a spokesperson for the Israel Electric Corporation (IEC) told Gas Matters Today last week.



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