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### North America

**US** – Energy Transfer (ET) has netted a fifth sales and purchase agreement (SPA) for its proposed Lake Charles LNG project [2] after the US LNG player penned a supply deal with China Gas. The deal marks the first long-term LNG contract for the Chinese firm, with the supply agreement meaning Energy Transfer has now contracted nearly 6 mtpa of the plant's capacity.

US shale player Chesapeake is looking to hire an LNG adviser [3], according to a job advert posted on the company's website. The advert comes weeks after the company revealed it is actively holding discussions regarding participating in the LNG export market.

Alaska's governor Mike Dunleavy completed his second trip to Japan since taking office in late 2018, with the governor once again attempting to lure Japanese firms to buy LNG from the long-mooted Alaska LNG project [4]. As part of Dunleavy's latest visit, the governor also showcased Alaska's potential to supply Japan with blue and green hydrogen, with the Asian nation banking on the fuel to help it meet its climate goals.

The US administration has announced a two-year suspension of any new tariffs on solar panel imports from South East Asian nations [5] in a move to tackle supply shortages in the US solar power industry. The move comes as capacity additions of solar power installation in the US reached its lowest level in Q1'22 since the start of the Covid-19 pandemic amid project delays and cancellations.

US gas production will not return to Q4'21 levels until the final quarter of 2022 [6], the US Energy Information Administration (EIA) suggests in its latest Short-Term Energy Outlook (STEO) published last week. Despite revising gas production levels lower and expectations of strong gas demand throughout the summer, the EIA has kept its Henry Hub price forecast unchanged from the May STEO.

An explosion at the Freeport LNG facility last Wednesday [7] has resulted in the closure of the plant for at least three weeks, with the news pushing European gas prices higher. Freeport is capable of exporting ~4 cargoes per week, with Europe having taken 70% of the volumes shipped from the plant so far in 2022.

Equinor, the second largest supplier of pipeline gas to Europe, has signed up for its maiden US LNG volumes after penning a supply deal with Cheniere [8]. Equinor highlighted the “spotlight on energy security” when confirming the supply deal last Thursday, with some of the volumes subject to Cheniere adding additional capacity at the Corpus Christi LNG plant beyond the planned seven-train stage III expansion project.

## Australasia

**Australia** – Santos and Beach Energy are to invest USD 300 million in developing Cooper Basin gas [9] to boost supply to Australia's domestic market, amid a worsening energy supply crisis in south-eastern states.

## UK

The UK government has given Shell's Jackdaw gas field development in the North Sea final regulatory approval [10] despite fierce opposition from environmental campaigners. The decision comes after the government's decision to impose a windfall tax on oil and gas companies which the industry has said may slow investment in the UK energy sector.

Centrica has formally applied to the UK North Sea energy regulator to reopen Rough, the country's biggest gas storage site offshore Yorkshire, with reports suggesting the site could be relaunched in a matter of months if the application is successful [11]. The push to relaunch the site comes amid concerns over security of energy supply this winter, however market observers suggest reopening the site will cost the taxpayer billions of pounds and may take some time given the lack of cushion gas at the facility which closed in 2017.

Capacity on the 20 Bcm/year bi-directional Interconnector UK pipeline between the UK and Belgium has been reduced by 50% due to solid matter in the system which required a filter change [12]. UK NBP within-day gas prices fell to zero on the news as UK gas exports to Europe were sharply reduced.

The UK's largest fertiliser producer CF Industries has announced plans to permanently close one of its two fertiliser production plants in the UK [13], citing high gas prices. The closure could be the first of many fertiliser production sites across Europe as CF Industries warned natural gas forward curves suggest facilities in the UK and Europe “will be the world's high-cost marginal producers for the foreseeable

future”.

## Asia Pacific

**Thailand** – Thailand’s PTTEP says plans for the country’s first carbon capture and storage (CCS) project [14] is progressing at the Arthit offshore gas field after a feasibility study was recently concluded. The project is undergoing a preliminary front-end engineering and design (Pre-FEED) study and is expected to commence operations by 2026 pending financing and regulatory support.

## Africa

**Mozambique** – TotalEnergies has denied reports that it has resumed work on its Mozambique LNG project in the northern province of Cabo Delgado [15] and that contractors are returning to the construction site. The project was suspended last year following a tense security situation in the region following threats posed by the Islamic State affiliated Al-Sunna wa Jama’a (ASWJ).

## International

Repsol may sell a 25% stake in its upstream business to EIG Global Energy Partners [16], according to media reports. Repsol has not confirmed the reports, which come amid higher prices but falling production, however in a regulatory filing the Spanish company signalled that it is keeping its options open regarding the future of its upstream portfolio.

## Europe

A group of environmental organisations have announced that they have started legal action against the EU’s gas infrastructure Projects of Common Interest (PCIs) [17], deeming them unlawful and in breach of Brussels’ own climate and energy policy. The groups argue that the RepowerEU policy designed to wean the bloc off Russian fossil fuels through fast-tracking of project approvals completely ignores environmental factors.

The EU’s plans to reduce imports of Russian gas will lead to sustained high energy prices and slower economic growth in the medium term [18], Moody’s said in a research note. European gas prices are expected to remain high at least over the next three to five years, which will likely also lead to high electricity prices, Moody’s said.

## Mediterranean

**Egypt** – European Commission President Ursula von der Leyen will travel to Cairo this week where she is expected to discuss an increase in gas supplies from the Eastern Mediterranean to Europe via Egypt’s two liquefaction plants [19]. A memorandum of understanding (MoU) between EU member states, Egypt and Israel on gas supplies may be signed during or shortly after the visit although this has not yet been confirmed.

**Israel** – Israel’s Ministry of Energy has announced preparations for the fourth offshore bidding round for oil and gas exploration licences in Israel’s Exclusive Economic Zone (EEZ) [20]. Sources suggest Israel’s push to export more gas, particularly to Europe, could attract the energy majors to the latest licensing round.



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