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[1]

Middle East

Qatar – Eni and ConocoPhillips are the latest firms to join Qatar's North Field East (NFE) LNG expansion project [2], with each firm effectively taking a 3.12% stake in the 32 mtpa project. The deal marks Eni's entry into Qatar's LNG sector, with the two energy majors joining TotalEnergies in the world's largest LNG project.

ExxonMobil has become the fourth firm to confirm its participation in Qatar's North Field East expansion project [3], with the US supermajor's deal mirroring the one signed by TotalEnergies – the first IOC to confirm entry in the world's largest LNG project. With the four energy majors confirmed in the NFE line-up, attention turns to Shell and Chevron – the only other Western IOCs linked with taking stakes in the LNG project.

Lebanon – Lebanon has signed a deal to import gas from Egypt via Syria and Jordan [4] in a move to tackle fuel shortages in Lebanon's power sector. The agreement between the four Arab nations, which follows months of delays, is pending final approval by the World Bank which is financing the gas purchases, according to reports.

Europe

A number of EU countries including the Netherlands, Denmark and Sweden have triggered the 'early warning' mechanisms under EU rules [5] due to the risk of gas supplies falling short of demand. The Netherlands has also lifted restrictions on electricity produced by coal-fired plants while Denmark is considering gas rationing for large industrial users.

MEPs in the European Parliament backed a proposal to include hydrogen and ammonia under the scope of a carbon border tax [6] that will apply to importers of non-EU goods including iron, steel and fertilisers. The proposal still needs backing from the EU member states in the Council of the EU, and, even if adopted, may be at odds with competition rules under the World Trade Organisation (WTO).

Germany – The German government is giving a green light to bring back mothballed coal-fired power stations in a move to boost gas storage levels [7] and make up for the shortfall in Russian gas supply. Berlin also unveiled plans for a gas auction model this summer with the aim of encouraging industrial gas users to reduce consumption in return for payments.

Germany has moved a step closer to enforcing gas rationing measures [8] after upping its gas security risk assessment from 'Early Warning' to 'Alert,' the second highest risk level, due to continued low supply levels of Russian gas via the Nord Stream 1 pipeline. Robert Habeck, Minister for Economic Affairs and Climate Action, said reaching storage levels of 90% by December would not be possible "without additional measures" if Russian supply levels remained at low levels.

A report in Der Spiegel suggests Germany's government is planning to expropriate the German section of the Nord Stream 2 (NS2) pipeline [9] and repurpose it for an LNG terminal in the Baltic Sea. One possibility appears to be linking up one of Germany's planned Floating Storage Regasification Units (FSRUs) with the NEL and OPAL pipelines which are established routes for Russian gas deliveries.

Moldova – The European Bank of Reconstruction and Development (EBRD) announced that it will lend Moldova's state-owned energy trader Energocom EUR 300 million (USD 316 million) to "boost energy security" [10] by acquiring strategic gas reserves to supplement the Russian volumes currently provided through Ukraine. However, it remains to be seen if Moldova will be able to fill any potential supply gap as purchases via EU hubs will be very expensive; and Moldova's interconnector with Romania is unable to serve the southern parts of the country.

Africa

The IEA foresees a role for natural gas in its Africa Energy Outlook 2022 this decade with gas production increasing under its Sustainable Africa Scenario (SAS) [11]. But despite the current high energy prices, the agency warned that decision makers should bear in mind longer term trends of declining demand for fossil fuels as the deployment of renewable energy accelerates.

Mozambique – Mozambique's maiden liquefaction project, the Coral South floating LNG plant, is on track to achieve first exports later this year [12] after the FLNG facility recently received first gas from the Coral South reservoir, Eni confirmed last weekend. The news will be welcomed by LNG buyers, particularly in Europe, with supply recently tightening amid an outage at Freeport LNG and demand soaring after Gazprom throttled pipeline flows to Europe.

North America

US – EnBW has become the first German firm to sign up for US LNG volumes [13], with the utility penning

two long-term sales and purchase agreements with Venture Global agreeing to take a total of 1.5 mtpa. The LNG could be delivered to the planned Stade LNG terminal, with the utility having provisionally booked capacity at the facility.

US oil major Chevron is set to become one of the largest offtakers of US LNG after penning long-term SPAs with Cheniere and Venture Global [14] for a combined 4 mtpa. Running parallel to the SPAs announcements, Cheniere said it set deliver “much-needed” LNG volumes to the market in 2025 after taking a final investment decision (FID) on its Corpus Christi LNG expansion project.

British chemicals giant INEOS has announced its ‘entry’ into the LNG sector after lining up supply from Sempra’s Gulf Coast LNG projects [15]. INEOS said it will use the LNG for its own industrial needs in Europe and market some of the volumes, with the announcement coming at time when industrial players in Europe are at risk of gas supply cuts.

US President Joe Biden last week launched a partnership with eleven East Coast states in a bid to scale up electricity production from offshore wind [16] in the coming decade. Running parallel, the President faced criticism for skipping a meeting with oil and gas executives in the White House despite soaring fuel prices.

Mediterranean

Egypt – Chevron and state-owned Egyptian Natural Gas Holding Company (EGAS) signed a memorandum of understanding (MoU), under which the pair have agreed to examine sending gas from offshore Mediterranean fields to Egypt’s liquefaction plants [17]. The MoU primarily refers to fields that are in the exploration phase, meaning any gas supplies are unlikely to reach Egypt’s LNG plants for several years.

Asia Pacific

Thailand – Thailand, one of the only LNG growth markets in Asia this year, appears to be putting the brakes on LNG imports [18], with the country’s imports looking set to dip this month compared to May, and fall quarter-on-quarter. The slowdown comes amid a sharp rise in LNG prices which are raising electricity prices for households, with reports suggesting power producers are planning to import cheaper alternatives such as diesel and fuel oil.

Central & South America

Colombia – Colombia’s Mining and Energy Planning Unit (UPME), has relaunched a tender for construction and operation of the proposed USD 700 million LNG terminal [19] in the Pacific port of Buenaventura, with the move coming eight months after the previous tender failed to secure any bids. While the project could prove useful in the long run as Colombia’s gas demand is expected to grow and production is struggling to keep apace, the recent election of leftist Gustavo Petro as the country’s president could derail oil and gas projects.

South Asia

India – India's largest gas distributor GAIL has announced plans to produce LNG in its home market [20] and distribute it to off-grid locations and the transport sector, with the firm suggesting this will be a “first-of-its kind endeavour” in the South Asian nation.

Pakistan – Pakistan's energy crisis looks set to worsen after state-owned Pakistan LNG (PLL) opted against purchasing a cargo following the close of its latest spot tender [21]. PLL was seeking four cargoes for July delivery, however the tender netted a single bid for one cargo – which would cost ~USD 130 million.



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