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Gas Strategies Group

10 Saint Bride Street
London UK
EC4A 4AD

ISSN: 0964-8496

T: +44(0) 20 7332 9900
W: www.gasstrategies.com
Twitter @GasStrategies

Editorials

+44(0) 20 7332 9957
editor@gasstrategies.com

Subscriptions

+44(0) 20 7332 9976
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[1]

North America

Canada – The German government delegation, headed by Chancellor Olaf Scholz and energy minister Robert Habeck, was on its second day of the three-day Canada trip last Monday, where it was expected to sign an “historic” agreement on importing green hydrogen [2]from a proposed project on the country's east coast. The visit comes as Berlin braces for further gas cuts from Russia, with Gazprom signalling on 19 August that Nord Stream 1 flows will be halted for three days in the coming weeks.

German utilities Uniper and E.On have signed memorandum of understandings (MoUs) with EverWind Fuels Company to import combined volumes of 1 mtpa of green ammonia [3]from Nova Scotia on Canada's East Coast by 2025. Germany is hopeful that green ammonia, which can be converted to hydrogen on arrival, will help displace volumes of Russian gas, however the 2025 timeline appears ambitious as port infrastructure in Germany will need to be developed to facilitate the imports.

US – Freeport LNG has pushed back the restart of its LNG plant in Texas [4], which was taken offline following a fire on 8 June, with the US LNG player expecting initial production at the facility to commence in early to mid-November and full operations to resume in March next year. While Freeport LNG is optimistic that partial operations will resume in November, the LNG plant operator warned construction delays could derail the proposed restart schedule.

Shell has become one of the largest offtakers from the proposed Lake Charles LNG project in Louisiana after penning a 20-year deal with Energy Transfer [5]. The move comes 29 months after Shell gave up its 50% equity stake in the project due to the oil price crash in 2020, with the SPA set to help Energy Transfer in its quest to farm out a stake in the proposed LNG plant and take a final investment decision on the brownfield project.

Australasia

Australia – Rob Wheals, CEO and managing director of Australian energy infrastructure company APA Group, has announced he is stepping down in September [6] with one of the main reasons being that the company's board has decided not to pursue acquisitions of energy infrastructure in the United States in the "foreseeable future." This comes as the company has been screening the US utilities market for over three years for potential acquisitions of power and gas assets.

Shell has resolved the dispute with trade unions representing workers at Prelude FLNG facility [7], as it agreed a "mutually acceptable enterprise agreement" which will end industrial strike action that has been ongoing for 76 days and has halted LNG exports from the floating plant since July. The proposed restart of LNG exports will be announced by both sides sometime next week and will be greeted warmly by the facility's Asian offtakers – many of which are looking to firm up storage levels ahead of winter.

The Australian government has launched the 2022 offshore exploration licensing round and awarded the country's first-ever carbon capture and storage (CSS) permits [8], as the country seeks to boost energy security and lower emissions from oil and gas projects.

Mediterranean

Cyprus – Eni and TotalEnergies have announced a gas discovery in the Cronos-1 well in Block 6 offshore Cyprus [9] which has 2.5 Tcf of gas in place, according to early estimates. Although relatively small, the discovery could be developed jointly with other Block 6 discoveries or tied back to the giant Zohr field with Europe as the most likely export destination.

Asia Pacific

Japan – A consortium consisting of Japanese shipping giants NYK Line, Nihon Shipyard (NSY), ship classifier ClassNK, and engineering company IHI Corporation have signed a joint research and development (R&D) agreement to commercialise "the world's first-ever" ammonia floating storage and regasification barge (A-FSRB) [10]. The companies believe the development of an A-FSRB will fast-track the uptake of ammonia as fuel, which is in line with Japan's net zero 2050 goal.

Japan's Prime Minister Fumio Kishida has signalled that the country is planning to restart several nuclear reactors [11] and that the government wants to support the construction of new reactors. This comes as public opinion in Japan appears more supportive of nuclear power with the shift ostensibly triggered by the war in Ukraine and soaring energy prices.

Japan's Mitsui and Mitsubishi are planning to retain their stakes in the 10.8 mtpa Sakhalin-2 LNG plant [12] in Russia by applying for stakes in the project's new operator Sakhalinskaya Energiya (Sakhalin Energy), according to local media reports. Running parallel, reports by Bloomberg suggesting Sakhalin Energy has cancelled an LNG cargo to at least one Asian customer due to a delay in signing a revised

supply contract.

Europe

Bulgaria – Bulgaria has said it will enter into “very difficult” negotiations concerning a new gas contract with Gazprom [13] despite the Russian company cutting off all supplies to the country this spring. This comes amid pressure from trade unions to secure gas supplies for the coming winter and as a plan to import several LNG cargoes from Cheniere this winter fell through.

Moldova – Gazprom has allowed Moldova to defer its deadline to pay a 50% advance payment for gas from 20 August to 1 September “as an exception” [14]. Gas distributor Moldovagaz seemed to have been banking on the state energy regulator increasing gas tariffs for consumers to help pay Gazprom’s invoice, however the eventual tariff increase fell short of covering the purchase price of Russian gas.

UK

The UK imported no fuels from Russia in June, marking the first month in which the country has not imported any gas, coal and oil from Russia since 2000, the Office for National Statistics (ONS) confirmed last week, [15] as the country looks on track to cut all energy ties with Russia as a response to the war in Ukraine. Running parallel, the UK exported a record quarterly volume of gas in Q2’22, helping to support continental Europe’s move to end Russian gas imports.

CF Fertilisers UK has announced its “intention” to temporarily halt ammonia production at its Billingham site [16] due to high prices for gas and carbon allowances. This comes as a number of fertiliser producers in Europe are scaling back production, with CF Fertilisers and Norway’s Yara saying they are looking to import cheaper ammonia from abroad.

Africa

South Africa – Oslo-listed Panoro Energy has been awarded a Technical Co-operation Permit (TCP) to analyse the potential for natural gas, oil and helium production at the 218 block [17] located onshore in the Northern Karoo Basin in the Free State province, South Africa. The Karoo Basin has potential for biogenic and natural gas development, but although high energy prices may incentivise exploration, there is strong opposition from local farmers and majors including Shell have pulled out of the area in the past.

Russia & CIS Region

Russia – The Kremlin has made a significant downward revision to its budget for research and development into LNG technology [18], with the leaked document seen by Gas Matters Today suggesting only RUB 300 million (USD 5 million) will be earmarked from the federal budget. The move adds further doubts over Russia’s ability to achieve its ambitious goal of taking a 20% share of the global LNG market by 2035.

The 10.8 mtpa Sakhalin 2 LNG export project is “actively searching” for new markets and expanding its customer portfolio [19], the CEO of Sakhalin Energy Roman Dashkov said last Friday. This comes as Japanese firm JERA reportedly signed an import deal with the Sakhalin 2 LNG plant while fellow Japanese companies Mitsui and Mitsubishi appear to be planning to retain their stakes in the project under the new operator.

TotalEnergies and Novatek have signed a final sale and purchase agreement (SPA) [20] for

TotalEnergies' 49% interest in Terneftegaz which operates the onshore Termokarstovoye gas and condensates field in Russia. The transaction comes amid allegations that some of the gas condensate produced by Terneftegaz ends up as jet fuel for the Russian army.



Consulting

+44 (0) 20 7332 9900
consult@gasstrategies.com



Alphatania Training

+44 (0) 20 7332 9910
training@gasstrategies.com



Information Services

+44 (0) 20 7332 9976
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