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International

The world's largest oilfield services firm Schlumberger has announced it has changed its name to SLB as part of a rebranding into a technology firm focused on energy innovation and decarbonisation [2]. SLB CEO Olivier Le Peuch suggests the firm's New Energy business – covering the likes of carbon solutions, hydrogen and geothermal – will “most likely” become the company's biggest division by the end of the next decade.

With the start of the COP 27 climate talks now less than a week away, UN Climate Change last Wednesday published two reports highlighting the stark gap [3] that remains between what is needed to avert disastrous climate change and the climate action promises made so far by world governments.

Government responses to the global energy shock precipitated by Russia's invasion of Ukraine promise to hasten the transition to a cleaner and more secure energy future – with fossil fuel use projected to peak earlier than previously thought [4] – says the International Energy Agency in its latest annual World Energy Outlook.

European energy majors Eni and Equinor beat analyst expectations with their Q3 results, with both posting bumper profits on the back of their gas businesses [5]. The Norwegian firm posted a record quarterly profit and subsequently hiked its dividend, while Eni said it will complete its share buyback

programme ahead of schedule.

Middle East

Qatar – Shell has become the second international partner to join QatarEnergy's 16 mtpa North Field South (NFS) expansion project [6], along with TotalEnergies, which was appointed as a participant in September. Both companies are already partners in the 32 mtpa North Field East (NFE) expansion. Together, NFE and NFS make up the North Field Expansion Project, the industry's largest ever liquefaction venture.

Asia Pacific

Philippines – Atlantic Gulf & Pacific Company (AG&P) has converted a Japan-built LNG carrier (LNGC) to a floating storage unit (FSU), the company has announced. This will pave the way for LNG imports to the Philippines for the first time [7] and imports may soon scale up as two other LNG projects, First Gen's Batangas LNG and Energy World's LNG hub on Pagbilao Island, may also come into operation next year.

Europe

TotalEnergies posted a record quarterly net profit of USD 6.6 billion in the third quarter of 2022 [8], up 43% on the same quarter last year and up almost 16% compared with the previous quarter. The performance was driven by the French energy major's LNG business and higher oil prices which helped offset a USD 3.1 billion impairment related to its operations in Russia.

LNG futures contracts that will enable market participants to trade and hedge price differences between LNG for delivery in North-West and South-West Europe and natural gas provided by pipeline to Europe and LNG elsewhere in the world are being developed by Intercontinental Exchange (ICE) [9]. If approved by regulators, they will launch on 5 December.

Germany – Price caps for households and businesses under Germany's EUR 200 billion (USD 197.2 million) subsidy scheme may apply from January next year instead of March as originally planned [10]. Some observers fear the scheme will disincentivise households and small businesses from saving energy which is seen as key to ensure security of supply this winter.

The German government has secured another FSRU as part of its quest to replace Russian gas volumes, with Berlin signing a five-year charter deal with Excelerate Energy for the Excelsior FSRU [11]. The deal raises questions over the planned Vlora LNG terminal in Albania as Excelerate previously said the Excelsior would be deployed to the Balkan nation next year.

Italy – Italian gas grid operator Snam has been given the greenlight by a state-appointed commissioner [12] to install a floating storage regasification unit (FSRU) on the west coast of its home country. The approval means the firm could have the terminal in service by spring 2023.

Spain – Spanish gas demand for power generation rose over 80% in the first nine months of 2022 compared with the same period last year, grid operator Enagas said last Tuesday, citing higher electricity exports to neighbouring countries [13]. The sharp increase comes as Spain has introduced a temporary scheme whereby gas prices are capped for power generators.

Australasia

Timor-Leste – Baron Oil is eyeing a floating liquefaction development for its Chuditch gas field offshore Timor-Leste [14] after reprocessing 3D seismic data which suggested the block could hold significantly more gas than previously thought. The London-listed company has suggested first gas could flow in 2028, however the company has several hurdles to clear.

Australia – Australia's terms of trade increased by 12.2% in 2021-22 to its highest level on record, rather than the decline of 8% assumed in the 2021-22 budget, owing to increasing demand for LNG and coal [15], according to the Australian Treasury's annual budget released last Tuesday. Nominal GDP is forecast to grow at 8% in 2022–23, reflecting high commodity prices among other factors, but the trend is not expected to last as global prices normalise, according to the Treasury.

North America

US – Bechtel has been given the greenlight to start preliminary construction work on two Texas-based LNG plants [16] – NextDecade's Rio Grande project and the Semptra-led Port Arthur LNG facility, according to Bloomberg. While the US LNG players have issued limited notice to proceed, the pair still need to wrap up financing before major construction work can commence.

Golden Pass LNG partners QatarEnergy and ExxonMobil have scrapped their marketing entity Ocean LNG, with the move coming six years after the pair established the venture with the aim of marketing the volumes from the Texas plant [17]. The pair will now independently market their respective share of LNG from Golden Pass, with market observers suggesting the move to wind down Ocean LNG was no surprise given QatarEnergy's push to become a world leader in LNG trading.

Exxon posted its highest quarterly profit ever last Friday, smashing analyst forecasts and topping its oil major peers [18] with Q3 profits of nearly USD 20 billion. The result was buoyed by record Permian production, rising production in Guyana and soaring hydrocarbon prices. Meanwhile Chevron recorded its second best quarterly performance, with the US major's result also propelled by record Permian production.

UK

At his first Prime Minister's Questions (PMQs) last Wednesday, newly-appointed UK Prime Minister Rishi Sunak committed to reinstating the ban on hydraulic fracturing [19]– or fracking – a little over a month since his predecessor Liz Truss lifted the moratorium introduced in 2019. Interim chairman for UK shale player IGas Chris Hopkinson said the proposed ban would be a “slap in the face for millions of people dealing with the energy and cost of living crises in Britain.”

Shell brushed off a weaker performance by its Integrated Gas business [20] to record its second-highest quarterly profit in the firm's history. Following a strong Q3 performance, Shell said it will increase its Q4 dividend and buyback USD 4 billion of shares before the Q4 results announcement in February 2023.

UK's Centrica has announced that it reopened Rough, the country's biggest gas storage site offshore Yorkshire that was decommissioned in 2017, after having completed significant engineering upgrades over the summer [21], the company said last Friday. With Rough adding 50% to the UK's gas storage capacity, the move has raised questions on the economic viability of the facility's reopening, as it might prove counter-intuitive for prices next winter.



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