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Contents

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[1]

International

Madrid-based energy giant Repsol reported a 2022 full year net income of EUR 4.25 billion [2] (USD 4.54 billion) last Thursday, up 70% from 2021 and buoyed by an uptick in income from its upstream and industrial businesses. Despite bumper profits, Repsol has not yet been able to offset the EUR 7.1 billion (USD 7.59 billion) Covid-19 related loss it incurred in 2019 and 2020, the company said.

Elsewhere, structural changes in the dynamics of the global LNG market – driven largely by Russia's weaponisation of energy – will increasingly make China a key source of demand flexibility, a role previously played by Europe, says Shell in its latest LNG outlook. LNG trade grew by 16 mt in 2022 to reach 397 mt [3] as Europe increased its imports by 60% to 121 mt, according to Shell.

In its LNG outlook Shell also said that North America, especially the US, is in a fortunate position [4] as pressure builds to decarbonise molecular fuels in the transition to cleaner energy. With an abundance of land and renewables potential, as well as natural gas and opportunities for CO2 storage, the US looks set to lead the transition to cleaner fuels, Shell said.

Capricorn Energy last Wednesday announced that it has terminated its planned merger with Israel's NewMed Energy [5] after a prolonged period of pressure from a group of activist shareholders led by investment firm Palliser. Capricorn has also announced a new board of directors, which will be responsible for conducting a "comprehensive strategic review" of the company, after seven board

members resigned earlier this month.

Australasia

Australia – An offshore project proposal for the Dorado oil and gas project being developed by Santos has been approved [6] by Australia's National Offshore Petroleum Safety and Environmental Management Authority. The news comes amid local media reports that the Greens are proposing an amendment to a new climate emissions law that would seek to ban new gas and coal projects.

Asia Pacific

Myanmar – US major Chevron has confirmed it is exiting Myanmar [7] after selling its 41.1% interest in the Yadana gas project to a little-known Canadian company, according to media reports. Meanwhile, human rights campaigners have called on the governments of the US, Canada, the UK and Australia to impose direct sanctions on Myanmar's state-controlled Myanma Oil and Gas Enterprise (MOGE) in the wake of the news.

Malaysia – Petronas has signed Production Sharing Contracts (PSCs) [8] for nine exploration blocks marketed under the Malaysia Bid Round (MBR) 2022 with the winning bidders consisting of four existing and four new investors, the company announced last Wednesday. Running parallel, Petronas has also launched the 2023 bidding round, offering 10 exploration blocks and two clusters of so-called Discovered Resource Opportunities (DRO).

Africa

Despite huge investments in export projects, the African continent significantly lags in energy access [9] with governments mainly relying on inefficient and polluting sources of energy instead of building up infrastructure to benefit from its resources, the International Gas Union (IGU) said in a recent Gas for Africa report. The report suggests that a gasification of Africa could be achieved if there is enough regulatory and fiscal support to help improve the investment climate of the continent.

Europe

The European Commission (EC) last Monday outlined more detailed rules [10] in an attempt to better define the concept of green hydrogen produced by renewable electricity. The proposals, which could be adopted by the EU institutions within the next two months, aim to bring more regulatory certainty to investors as the EU scales up ambition to reach the target of 10 mt domestic renewable hydrogen production and an equal amount of hydrogen imports by 2030.

The cost of shielding European households and businesses from the effects of high energy prices increased to nearly EUR 800 billion [11] (USD 854.3 billion) in the period from September 2022 to January 2023, said Brussels-based think tank Bruegel in its latest report. The spending patterns identified revealed that governments have favoured untargeted measures, such as cuts to excise duties and VAT, instead of direct support for households and companies.

The Netherlands – Dutch TSO Gasunie last Tuesday said a floating LNG terminal in the port of Terneuzen in the Zeeland province will not go ahead as a feasibility study had shown the project was technically and commercially unfeasible [12]. Meanwhile, plans for expanding the capacity at Gate terminal in Rotterdam are underway with a final investment decision (FID) on whether to build a fourth

tank expected later this year.

Germany – Spanish grid operator Enagas last Wednesday notified regulator CNMV that it has withdrawn from the planned acquisition of a 20% stake in BBL from Germany's Uniper [13]. The acquisition was blocked by the current shareholders of BBL, which is a subsea pipeline connecting the UK and the Netherlands.

German utility Uniper also posted a net loss of EUR 19.1 billion [14] (USD 20.1 billion) in 2022, primarily linked to the cost of replacing contracted gas not delivered by Gazprom, the company said last Friday. The total cost of procuring replacement gas amounted to around EUR 13.2 billion in the year.

Commissioning of the third LNG import terminal in Germany has begun with the arrival of a start-up cargo from Abu Dhabi-based supplier ADNOC [15]. The LNG carrier Ish docked at the port of Elbehafen in the town of Brunsbüttel last Wednesday, laden with 137,000 cubic metres of LNG.

Russia & CIS Region

A Gazprom delegation last week held working meetings with the Turkmenistan government representatives [16] about the prospects of further cooperation in the gas sector. This follows gas cooperation agreements signed with Uzbekistan and Kazakhstan earlier this year and comes shortly after the EU's commissioner for energy Kadri Simson highlighted the potential of bringing gas from Turkmenistan to Europe.



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