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[1]

International

Chesapeake Energy Corporation and Gunvor Group struck a heads of agreement [2](HoA) for LNG supplies last Monday, under which Gunvor Singapore will get up to 2 mtpa of LNG from Chesapeake's marketing subsidiary on a long-term basis. Chesapeake will supply the LNG to Gunvor with the purchase price indexed to the Asian LNG marker JKM for a period of 15 years.

Australasia

Japan – The Australian-Japanese coal-to-hydrogen joint venture Hydrogen Energy Supply Chain (HESC), currently at pilot stage, has been selected as the preferred hydrogen producer of the Japanese government's Green Innovation Fund [3]. Japan's ministry of economy, trade and industry (METI) announced last Tuesday that it has committed JPY 220 billion (USD 1.6 billion) for the project to reach commercial scale.

Australia – Activist investor group Snowcap Research has written a letter to the board of Adelaide-headquartered gas producer Santos [4], urging the company to rethink its upstream investment strategy in order to better align it with climate goals. Snowcap has also urged the board to take action against the Australian firm's alleged underperformance, saying that capital returns to shareholders had been inadequate for the past five years.

Asia Pacific

China – China has signalled that it may increase the use of coal to support energy security [5] measures following an energy outlook announcement by state planner China's National Development and Reform Commission (NDRC) last Monday. Running parallel, the Chinese government has projected GDP growth of around 5% for 2023.

New offshore oil and gas development projects “could re-emerge as a primary flashpoint” [6] in the contested waters of the South China Sea in coming months, according to a report published last week by the Asia Maritime Transparency Initiative (AMTI). After a “comparatively quiet” 2022, the report says, this year could see a return to the “regular standoffs” that occurred between China and its neighbours in Southeast Asia between 2018 and 2021.

Papua New Guinea – The 4 mtpa Papua LNG project in Papua New Guinea could be up and running before the end of 2027, according to operator TotalEnergies, with a final investment decision (FID) expected by end-2023 [7] or early 2024. The company last Tuesday announced the start of front-end engineering design (FEED) along with an agreement for full integration with the existing PNG LNG project.

Africa

Tanzania – Tanzania's energy ministry has said discussions with Shell and Equinor on the USD 30 billion Tanzania LNG project have been completed [8] and that associated contracts are now being drawn up. The announcement has not been confirmed by Shell and Equinor, but signals that the project is moving forward after having stalled in the past.

Mauritania – Infinity Power Holding, a joint venture between Egypt's Infinity and UAE's Masdar, along with German project developer Conjuncta, signed a memorandum of understanding (MoU) with the government of Mauritania last Wednesday [9] for the development of a mammoth USD 34 billion green hydrogen project. Although few details are available, the ambitious project appears to fit in with Germany's plan to import significant volumes of green hydrogen from around 2030.

North America

US – The Freeport LNG project in Texas is on track to reach its full output of 15 mtpa [10] “over the next few weeks” following regulatory approvals to restart Train 1, the third of three trains to restart. News has also emerged that the project could ramp up production to 18 mtpa – 20% higher than nameplate capacity – within a matter of months.

US LNG exports are expected to increase by 14% [11] year-on-year in 2023 to 12 Bcf/d as Freeport LNG returns to full operation, the Energy Information Administration (EIA) forecast in its March Short-term Energy Outlook (STEO). An additional 5% rise in exports is expected in 2024, peaking at 14 Bcf/d by

December 2024, as three major LNG expansion projects come online.

Central & South America

Argentina – Argentina has secured a 15-year, USD 840 million loan [12] from the Venezuela-based Development Bank of Latin America (CAF) which will be largely allocated to the second phase of the President Néstor Kirchner gas pipeline linking the Vaca Muerta shale play with northern Argentina, the government announced last Tuesday.

Argentina's state majority-owned YPF reported total revenues of USD 18.8 billion last Friday [13], a 37.1% surge year-on-year, as production from the Vaca Muerta shale formation increased and high energy and product prices came into play. Running parallel, the head of state company Enarsa, responsible for the Nestor Kirchner pipeline construction, said at the CERAWEEK conference held this week in Houston that the pipeline will be put into operation on 20 June.

Europe

The European Commission (EC) is expected to table some key proposals for electricity market reforms [14] this week – including better integration of demand response and energy storage – in an attempt to reduce the influence of natural gas on wholesale power prices. This comes as the EU institutions last Friday reached a preliminary agreement on an energy savings target for 2030 which it sees as key to boosting energy security.

Norway – The Norwegian government's revenue from the petroleum sector is expected to reach NOK 1.5 trillion in 2022 [15] (USD 144 billion), up from about NOK 487 billion in the previous year, official statistics presented last Monday showed. The exceptional increase is due to higher prices from oil and gas exports to Europe amid a sharp reduction of supplies from Russia.

Denmark and Germany – Denmark and Germany last Wednesday celebrated the first storage of CO₂ in the Danish North Sea [16] at the Greensand carbon capture and storage (CCS) project – one of the most advanced in the European Union – with plans to ramp up storage rates to 8 mtpa of CO₂ by 2030.

Russia & CIS Region

The EU's commissioner for energy Kadri Simson has urged EU countries to stop importing LNG from Russia [17] and not renew contracts, citing "reputational risks to buyers". This comes as Europe's imports of Russian LNG appears to be increasing, particularly via the Belgian port of Zeebrugge.



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