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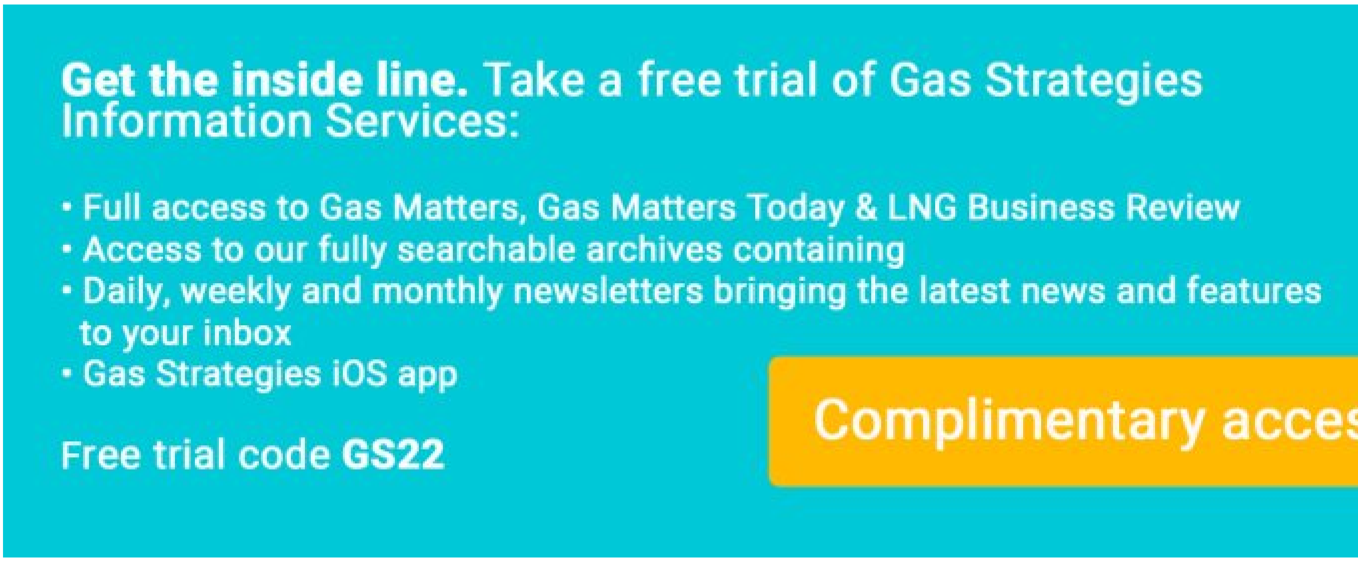

[1]

International

Malaysia's Petronas has joined the list of companies smashing their earnings records in 2022 [2]. The state-owned company last Monday reported a 51.3% surge in revenues and a doubling in its profit after tax (PAT) on the back of higher oil and gas prices and a favourable foreign exchange impact. The company's revenues and PAT more than doubled year-on-year to RM 375.3 billion (USD 83.5 billion) and RM 101.6 billion respectively. Cash flows from operating activities grew by 72% in line with higher cash from operations, partially offset by higher taxation.

Australasia

Australia – Natural gas will continue to play a central role in Australia's energy mix [3] even if the government achieves its target of 82% of electricity coming from renewables by 2030, energy and climate minister Chris Bowen said last week. As he weighed into the ongoing debate over the future for fossil fuels in Australia, Bowen said gas will stay in the power mix as coal-fired plants gradually come off the grid.

Elsewhere, natural gas consumers in Australia received comparatively good news from the Australian Energy Market Operator (AEMO) last week when it reported that the likelihood of winter supply shortages has been reduced [4]. However, it cautioned that risks remain in southern states under extreme conditions. Launching the AEMO's keenly watched 2023 Gas Statement of Opportunities (GSOO) last Thursday, CEO Daniel Westerman said "existing, committed and anticipated gas production" was sufficient to meet customer demand "until 2027 in central and eastern Australia".

South Asia

India – India has outlined a plan to tackle peak power demand in April and May [5] in a move to prevent energy shortages and load shedding as seen in previous years. Gas-fired power plants will be called upon during peak hours while operators of coal-fired plants have been asked to carry out maintenance work before the crunch period starts. India's power ministry said in a note recently that gas-fired power would be used to meet any peak demand during the crunch period. Power producer NTPC has been directed run its 5 GW fleet of gas-fired power plants during the two-month period.

Middle East

Abu Dhabi – ADNOC Gas shares closed up almost 19% on their first day of trading on the Abu Dhabi Securities Exchange (ADX) [6] following the initial public offering (IPO) conducted at the start of March by the Abu Dhabi National Oil Company (ADNOC). The closing price values Adnoc Gas – established at the start of this year to pull together ADNOC's gas processing and LNG operations – at AED 216 billion (USD 58.8 billion).

North America

US – Venture Global has reached a final investment decision (FID) and financial close for the second phase of its Plaquemines LNG project [7] in Louisiana, the company said last Monday. The decision to go ahead with phase two of Plaquemines comes less than 10 months after sanctioning phase one of the project, VG said. The USD 7.8 billion project financing for phase two completes the USD 21 billion Plaquemines LNG project, according to VG, adding that Plaquemines 2 is the first project to take FID in 2023.

Meanwhile, US company NextDecade is targeting a final investment decision (FID) on the first three trains of the Rio Grande liquefaction project [8] before the end of the second quarter of 2023, the company said in a regulatory filing last week. A FID for the project was previously expected before the end of March, but has been postponed several times. Rio Grande LNG, a wholly owned subsidiary of NextDecade, had amended its engineering, procurement and construction (EPC) agreements with Bechtel Energy for the construction of the first three trains.

Also in the US, natural gas production is forecast to grow by 15% between 2022 and 2050 [9], while gas consumption could decrease by 6% from its peak in 2022, according to the baseline reference case in the Energy Information Administration (EIA's) 2023 Annual Energy Outlook published last week. Gas production growth will be underpinned by high levels of LNG exports to international markets, EIA said.

Canada – The Haisla Nation and midstream player Pembina Partners last week announced they had received environmental approvals from Canadian authorities for the proposed Cedar LNG liquefaction project, [10] as well as the first long-term liquefaction agreement with ARC Resources, and that a FID for the project is now expected in Q3'23. Running parallel, the BC government announced that it is considering a new framework for approving oil and gas projects to ensure the province meets its emissions targets by 2030.

Europe

The European Commission (EC) last Tuesday launched a proposal to revamp the European power market [11] in a move to “accelerate a surge in renewables and the phase-out of gas”, it said. According to the EC, one of the goals is to incentivise a rapid take up of long-term contracts between suppliers and consumers in order to reduce consumers's exposure to short-term market volatility.

Last Thursday the EC also outlined a set of proposals to support carbon capture utilisation and storage [12](CCUS) as well as green hydrogen projects across the EU. The EC tabled a 50 mt/year CO2 injection target by 2030 and provided more details on its vision for a European Hydrogen Bank with a first EUR 800 million (USD 849.58 million) auction planned for this autumn. The proposals included the Net-Zero Industry Act, the Critical Raw Materials Act and plans for a European Hydrogen Bank.

France – The industrial action over pension reform that have disrupted multiple industries in France in recent weeks looks set to continue [13]. Strike action has blocked operations at all four LNG regasification terminals in the country which means France is relying heavily on gas in storage to supply consumers. The French Senate last Saturday night passed President Emmanuel Macron's plan to extend the pension age by two years to 64, which marked an important step in the law making process. The bill has yet to clear other legislative hurdles.

Germany – Germany-based utility E.ON intends to invest EUR 33 billion (USD 34.85 billion) over the coming five years [14] – a 20% increase on previous plans – to create the infrastructure needed to capitalise on the energy transition in Europe, said CEO Leonard Birnbaum last Wednesday. Over the same period, the company expects to increase dividend payments to shareholders by up to 5% per year.

Italy – ExxonMobil has confirmed it is considering the sale of its 71% interest in the Adriatic LNG regasification terminal offshore Italy [15] as part of a strategy of divesting non-core assets. However, the company added that any change of ownership would not affect its imports via the terminal or its wider interest in supplying LNG to European markets. ExxonMobil spokesperson Meghan McDonald told Gas Matters Today that the company was “testing market interest” in its affiliate’s ownership in Adriatic LNG.

Meanwhile, Italian TSO Snam last Thursday reported a 55.1% plunge in net profit and 4.5% lower adjusted net income [16], mainly due to an impairment concerning its 85% stake in TAG, a pipeline that flows Russian gas through Austria and to Italy. The TSO expects earnings to recover slightly in 2023 as investments start paying off and a new FSRU in Italy is expected to start operations.

UK

UK chancellor Jeremy Hunt last Wednesday outlined government support for nuclear power and carbon capture, usage and storage (CCUS) technologies [17] in the government’s Spring Budget announcement. A shortlist of projects for the first phase of carbon capture project deployment will be announced later this month. “I am allocating up to GBP 20 billion (USD 24.1 billion) of support for the early development of CCUS, starting with projects from our East Coast to Merseyside to North Wales – paving the way for CCUS everywhere across the UK as we approach 2050,” Hunt said.

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