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[1]

## International

Capricorn Energy last Thursday appointed a new chief executive [2] and said that the company is looking to maximise value from Egypt operations, shrink its international portfolio elsewhere and to pay out all excess cash flow as a special dividend to shareholders. This came as the company posted an operating loss of USD 160 million in full year 2022, owing to unsuccessful explorations outside Egypt as well as an impairment charge. The company reported a pre-tax loss of USD 128.3 million in 2022.

Repsol, Hess and Aker BP last week reported a drop in Q1'23 net income year-on-year [3] with lower oil and gas prices partly offset by higher production volumes. For Repsol and Aker BP, the natural gas realisation price in the quarter fell by close to 40% year-on-year. Spain's Repsol reported net income of USD 1.11 billion in Q1'23, down about 20% on the same quarter last year.

Elsewhere, growing concerns over energy supply security and changing perceptions of the role of natural gas in the energy transition will continue to drive a boom in the building of LNG carriers [4] to support a wave of new liquefaction projects, shipping services provider Clarksons said in a research note. Clarksons forecasts that 2023 could see more than 100 ships ordered, following a record-breaking 2022 which saw all-time-high charter rates and newbuild investment.

The CEO of TotalEnergies reiterated last Thursday that the company continues to negotiate with contractors concerning a possible construction restart of the Mozambique LNG terminal [5] in Cabo

Delgado but that it will not accept significant cost increases. Running parallel, TotalEnergies reported adjusted net income of USD 5.6 billion for the first quarter of 2023, down 27% year-on-year, mainly on the back of lower oil and gas prices, the company said.

As the Q1 financial reporting season gained momentum last Friday, oil and natural gas companies were keen to demonstrate their decarbonisation credentials as well as strong financial performance amid a weakening price environment [6]. Among the companies reporting financial results today were Chevron, Eni and Austria's OMV – all three of which are pursuing carbon capture and storage (CCS) projects.

## Asia Pacific

**China** – China added 59 GW of new power plant capacity [7] in the first three months of 2023, of which almost 34 GW was solar power and around 8 GW was coal-fired plants, according to China's regulator the National Energy Administration (NEA). New power capacity investments in the quarter stood at about CNY 126.4 billion (USD 18.3 billion) of which solar power investments accounted for over 40%, according to the data.

**Japan** – Japan's largest natural gas utility Tokyo Gas last Wednesday reported record-high profits for the fiscal year 2022/23 [8] owing to high LNG prices and sales to Australia and North America, as well as the Yen's depreciation against the US dollar. However, Tokyo Gas warned that next year's earnings might be substantially lower on the back of an anticipated drop in electricity and city gas sales.

US LNG player Venture Global (VG) last Friday announced it has contracted over a third of the nameplate capacity of its proposed CP2 LNG plant [9] after signing a long-term sales and purchase agreement (SPA) with Japan's JERA for 1 mtpa. Running parallel, the Japanese utility reported a tripling of profit in its results for the full year ending 31 March, with earnings boosted by higher sales of surplus LNG to third parties overseas.

## North America

This year is likely to see at least another 7.3 mtpa of US LNG export capacity sanctioned [10] as another two projects achieve milestones making them confident of reaching final investment decisions (FIDs) before year-end. Delfin LNG announced last Monday that it had agreed another long-term offtake contract, putting it in a position to take FID by mid-year while Glenfarne Energy's Texas LNG has received a regulatory "order on remand" which keeps it on track to reach FID before the end of the year.

## Africa

**Republic of the Congo** – The Republic of the Congo is on track to join the club of LNG-exporting nations later this year [11], with an initial volume of 0.6 mtpa rising to 3 mtpa by 2025, as two floating LNG (FLNG) vessels come on stream. Congo is the latest country in Africa to exploit FLNG technology, after Cameroon, Mozambique and Mauritania/Senegal.

## Europe

As European heads of state and government came together last Monday to commit to ambitious offshore wind power targets to meet 2030 and 2050 climate goals [12], the region's offshore wind power industry called en masse for supportive policies and infrastructure to be put in place to make the goals achievable. Central to the demands are major new investment in wind energy manufacturing to boost

capacity by 20 GW a year and incentives to grow the workforce to 250,000 people by 2030, up from 80,000 today.

The European Commission (EC) has launched a first call for demand aggregation [13] under the PRISMA-operated EU Energy Platform for joint purchasing of gas, it said last Tuesday. Registered companies have until 2 May to respond to the call and the first joint purchases of gas are expected “before the summer”, according to the EC.

**Norway** – Norway’s energy ministry last Friday said the state aims to take full ownership of the Norwegian gas transport system [14] from 2028 when the license period for a large part of the pipeline system expires. The ministry said the state wants to operate the network – which is currently owned by the Gassled joint venture – cost-effectively with low tariffs in order to support long-term profitability of oil and gas production.

Var Energi recorded lower revenues in the first quarter of 2023 partly on the back of foreign exchange effects and lower liquids volumes sold [15]. Despite this, the company achieved an average gas realisation price of USD 176/boe in the quarter, which led to USD 500 million in extra revenues compared to selling on spot markets, it said.

**Azerbaijan** – Azerbaijan is set to increase its natural gas exports to Central and Eastern Europe by the end of the year [16], according to an announcement made by Azerbaijani President Ilham Aliyev in Sofia last Tuesday. Aliyev’s comments came as he and his Bulgarian counterpart Rumen Radev attended the signing of a memorandum of understanding (MoU) for cooperation between the transmission system operators (TSOs) of Bulgaria, Romania, Hungary and Slovakia and Azerbaijan’s state-owned national oil and gas company, SOCAR.

**Germany** – German energy company EnBW has doubled the 3 Bcm/year capacity booking at the planned Stade-based LNG terminal [17] – which is being developed by the Hanseatic Energy Hub (HEH) consortium – to a total of 6 Bcm/year, the company said last Tuesday. This means ~75% of the proposed terminal’s nameplate capacity is now booked which appears to put the project on track for a final investment decision (FID) this summer.



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