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Contents

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[1]

International

China's estimated gas consumption rose by 13.1% year-on-year to 32.5 Bcm in June, and then climbed by 9.6% on the year in July to reach virtually the same amount, according to monthly figures released by the National Development and Reform Commission (NDRC) last week. The increase came amid a relaxation of residential gas price controls and as the country entered the summer peak cooling season.

Workers at two LNG production plants in Western Australia last Friday began their threatened strikes [2] as talks between unions and operator Chevron ended without agreement, despite an eleventh-hour extension. Disputes between unions and Australian LNG plant operators have caused weeks of volatility in European gas prices, which is likely to continue as strike action escalates.

China's gas imports in August via pipeline and in the form of LNG surged by 22.7% [3] year-on-year to a 19-month high of 10.86 mt, bringing the total for the first eight months up by 9.4% to 77.7 mt, according to the latest Chinese trade figures released last Thursday. Chinese importers likely ramped up purchases in August to take advantage of relatively low prices and cover a greater call on gas-fired power generation from summer cooling-related electricity demand.

Middle East

UAE – Abu Dhabi's state-owned oil and gas company ADNOC said it has taken final investment decision (FID) to develop the Habshan carbon capture, utilisation and storage (CCUS) project

[4]. The project would have the capacity to capture and permanently store 1.5 mtpa of CO₂ underground as well as supporting enhanced oil recovery (EOR), ADNOC said.

Oman – Oman’s natural gas transportation company – OQ Gas Networks (OQGN) – last Monday announced its intention to offer up to 49% of its share capital in an initial public offering (IPO) in October [5]. Local media reports suggest the listing on the Muscat Stock Exchange could raise as much as USD 700-800 million, rivalling the Oman Telecommunications (Omantel) IPO in 2005, which raised OMR 288 million (USD 750 million).

North America

Canada – BP announced last Tuesday that it has entered into a third long-term LNG offtake contract from the Woodfibre LNG project [6] in British Columbia (BC), Canada. With this agreement, all the LNG output from the proposed 2.1 mtpa Woodfibre LNG export facility is now committed for sale to BP. With the additional contract to offtake 0.45 mtpa of LNG for 15 years on a free on board (FOB) basis, BP’s firm offtake agreement from the Woodfibre LNG facility totals 1.95 mtpa.

Canadian pipeline and utility company Enbridge has agreed to acquire three US gas utility companies from Dominion Energy [7] in transactions with a total value of USD 14 billion. If the transactions close as planned next year, Enbridge will become North America’s largest natural gas distribution utility, supplying 9.3 Bcf/d of natural gas to 7 million customers in the US and Canada.

Spanish energy company Repsol has agreed to sell its upstream oil and gas assets in Canada [8] for USD 468 million as it continues to rationalise its portfolio to focus activities on core regions such as the US, Brazil and Mexico. The assets are to be acquired by Peyto, an independent exploration and production company based in Calgary in the Canadian province of Alberta.

US – LNG liquefaction project developer Venture Global last Monday announced plans to boost its output to over 100 mtpa from current and yet-to-be announced projects [9] and signed a master equipment supply agreement with Baker Hughes to help fulfil this ambition. If realised, Venture Global’s ambition would see it overtake Cheniere Energy – currently the pre-eminent US LNG producer, with 45 mtpa of capacity – which in 2022 announced plans to double its output to 90 mtpa.

Commonwealth LNG has entered into a non-binding Heads of Agreement (HoA) [10] with Switzerland-based MET Group for the sale and purchase of 1 mtpa of LNG for 20 years from the LNG facility currently under development in Cameron, Louisiana. The HoA comes shortly after Commonwealth LNG agreed a 2 mtpa offtake deal “in principle” with Kimmeridge Energy Management Company and the US company said it targets final investment decision (FID) for the LNG export facility in the first quarter of 2024.

UK

The UK’s oil and gas industry remains well on track to meet targets to cut greenhouse gas (GHG) emissions [11] from offshore operations by 10% by 2025 and 25% by 2027. However more action will be required to reach the target of halving emissions by 2030, according to a report by the North Sea Transition Authority (NSTA). The NSTA noted that data analysed suggests GHG emissions may rise slightly again in 2023 before dropping in 2024.

The UK’s latest renewables auction did not attract a single bid for offshore wind projects [12], prompting industry players to call for urgent reforms to support schemes amid concerns over inflation and supply

chain issues. The disappointing auction result for offshore wind comes shortly after a Gulf of Mexico tender in the US attracted only one bid.

North Sea producer EnQuest last week reported losses after tax of USD 21.2 million for the first half of 2023 [13], compared with profit of USD 203.5 million in the same period last year, driven by the impact of the UK Energy Profits Levy (EPL) or 'windfall tax', the company said. Lower market prices for oil and gas and lower production levels also contributed to a drop in earnings. EnQuest said revenue and other operating income was USD 732.7 million in H1'23.

Mediterranean

Israel – London and Tel Aviv-listed independent explorer Energean said it had revised down its full year 2023 production guidance reflecting start-up issues with the Karish gas field [14] in the Eastern Mediterranean that the company said has now been “substantially overcome”. During an earnings call, company executives said they remained upbeat about the outlook for Israeli gas demand as well as exports to Egypt and potentially also Europe.

Russia & CIS Region

Russia – Russia's deputy prime minister Alexander Novak has said Russia is close to confirming the route of the Power of Siberia 2 gas pipeline [15], which is planned to transit Mongolia on the way to China. But there remains little sign that Russia and China are close to signing an elusive contract for gas supplies along the proposed pipeline.

Africa

Nigeria – Eni has agreed to sell its wholly owned subsidiary Nigerian Agip Oil Company (NAOC) to Nigerian company Oando, the companies announced last Monday [16]. With this transaction, Eni becomes the latest major to divest its onshore oil and gas assets in Sub-Saharan Africa, however the Italian company will keep its portfolio of offshore blocks and the participation in Nigeria LNG.



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