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[1]

International

The International Energy Agency (IEA) presented its updated Net Zero Roadmap last Tuesday, which set out a pathway to keep the goal of limiting global warming to 1.5 degrees Celsius [2] within reach. Under the revised net zero emissions (NZE) by 2050 scenario, a policy-driven ramping up of clean energy capacity reduces fossil fuel demand by 25% by 2030 and lowers CO2 emissions by 35% compared with the all-time high recorded in 2022, the IEA said.

French energy major TotalEnergies last Wednesday set out its strategy to grow its production of oil and natural gas by 2-3%/year over the coming five years [3] – predominantly from LNG – while “drastically lowering” its greenhouse gas (GHG) emissions from operations. CEO Patrick Pouyanné said during a presentation in New York that the strategy is fully compatible with a high level of profitability.

Saudi Arabia’s energy giant Aramco last Thursday took the first step towards realising its long-held ambition of becoming a major global LNG player [4] with a definitive agreement for the acquisition of a minority stake in MidOcean Energy. The size of the stake – for which Aramco will be paying USD 500 million – was disclosed. MidOcean Energy is an LNG company formed and managed by EIG, an institutional energy and infrastructure investor based in Washington DC.

Middle East

Qatar – QatarEnergy last Wednesday signed an agreement with South Korea's HD Hyundai Heavy Industries [5](HHI) for the construction of another 17 LNG carriers to expand the fleet it is amassing for new export projects in Qatar and the US. The order, valued at QAR 14.2 billion (USD 3.90 billion), takes the total number of ships on order for its North Field Expansion and Golden Pass LNG projects to 77 with more orders expected to follow.

Asia Pacific

China – China's gas demand in 2023 is likely to expand by 5-6% year-on-year to 385-390 Bcm [6], according to Zhang Chunjun, deputy general manager of the Shanghai Petroleum and Gas Exchange (SHPGX). This would represent a reversal from last year's first-ever annual drop. On a macroeconomic level China's monetary and fiscal policies are expected to continue to be loose in H2 '23, which will further stimulate consumer demand.

China should promote the use of gas "in an orderly manner", which will require more efficient utilisation and economical use while safeguarding energy security, the country's energy watchdog said in a draft policy document released for public comment last week on Thursday. The focus on steady demand growth comes just as China's gas market is showing signs of recovery [7] after an unprecedented contraction last year.

Australasia

Australia – Woodside's Scarborough gas development was dealt a setback last Thursday after Australia's Federal Court ruled that an environmental plan for part of the project was not legally approved [8] by the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) and is therefore invalid. Woodside had hoped to begin seismic testing for the project earlier this month – having been granted approval by NOPSEMA in July – but the company must now submit a revised environmental plan.

Caribbean

Trinidad & Tobago – The National Gas Company of Trinidad and Tobago (NGC) and Shell have signed an amended Domestic Gas Sales Contract [9] (DGSC) to incorporate gas volumes from the Shell-operated offshore Manatee field once the project is sanctioned. Shell's country chair in Trinidad and Tobago, Eugene Okpere, said the revised DGSC was a "critical step toward enabling" final investment decision (FID) concerning the Manatee field.

UK

The UK government has granted a proposed electricity interconnector between Morocco and Great Britain [10] as a national priority project, UK-based developer Xlinks said last Thursday. The plan is to connect 3.6 GW of renewable power capacity in Morocco to Britain's power grid through subsea cables that could be operational by the end of the decade.

Europe

Imports of Russian energy into the European Union continued to plummet in the second quarter [11] of this year, according to data published by Eurostat, mainly because of the direct and indirect effects of EU sanction packages. At the same time, EU policies aimed at adapting to the new realities imposed by Russia's invasion of Ukraine have led to growing diversification of suppliers, for both natural gas and liquid petroleum fuels.

The European Commission is considering whether to propose prolonging some or all measures under the 'Solidarity Regulation' [12] including the joint gas purchasing mechanism. The temporary regulation was adopted in December last year, but the EC must carry out a review by October 2023. A report released by the EC last Thursday found that the EU gas market has been able to make up for a 70 Bcm drop in Russian pipeline gas imports in 2022 by increasing LNG supplies.

Germany – The UK and Germany last Tuesday signed a Joint Declaration of Intent [13] which they said will see the two countries work together on international trade in hydrogen. The declaration, signed in Berlin, comes shortly after the UK government-funded Net Zero Technology Centre (NZTC) outlined plans for a 10 GW green hydrogen pipeline between Scotland and Germany.

Austria – Equinor has signed a new gas sales agreement with Austria's energy company OMV [14], it announced last Wednesday. The agreement is for five years starting 1 October this year and with an annual volume of 12 TWh (1.2 bcm). The gas will be delivered at Germany's virtual trading hub THE (Trading Hub Europe). The contract is priced at market terms, OMV said in a statement, adding that the company continues its diversification strategy.

Romania – Turkey will begin gas exports to Romania on 1 October [15] under an agreement with OMV Petrom which allows for the supply of up to 4 MMcm/day (1.5 bcm/y) of piped gas, Botas announced last week. The agreement – which will terminate on March 31 2025 – was supplemented by a Memorandum of Understanding (MoU) under which the two companies agreed to expand collaboration on LNG in Southeast Europe.

Mediterranean

Egypt – The Egyptian General Petroleum Corporation (EGPC) and the Egyptian South Valley Petroleum Holding Company (Ganoub) last Monday announced their oil and gas exploration and production bidding round for 2023 [16], with 23 blocks on offer. Running parallel, the Ministry of Petroleum and Mineral Resources announced the results of the bidding round held earlier this year.

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