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International

QatarEnergy last Monday continued its recent run of signing LNG sales and purchase agreements [1] (SPAs) with partners in its North Field Expansion projects following a 1 mtpa deal with Italian energy major Eni. The company has already signed similar deals with ConocoPhillips, TotalEnergies and Shell.

Fossil fuel use will peak before 2030 [2], the IEA reiterated in its 2023 World Energy Outlook (WEO), with gas growth slowing and fossil fuels' share of the energy mix steadily declining from its long-term position of 80% to 73% by 2030. The decline in fossil fuel consumption is anticipated across all the agency's proposed scenarios.

TotalEnergies last Thursday reported a 30% quarter-on-quarter rise in adjusted net income for Q3'23 [3], to USD 6.5 billion, citing strong operating results not just from upstream oil and natural gas but also from the company's renewable electricity business. On a year-on-year basis, adjusted net income fell by 35% from USD 9.8 billion in Q3'22. Adjusted net income for the first nine months fell by 37% to USD 17.9 billion.

Shell is restructuring its Low Carbon Solutions (LCS) division [4] and cutting up to 200 jobs, with an additional 130 roles under review, a spokesperson for the company has confirmed. The changes will reportedly not affect Shell's carbon capture and storage (CCS) division, but will mainly hit the hydrogen light mobility operations.

Italian energy major Eni last week raised its full-year guidance for earnings and cash flow in 2023 [5] as it

announced financial and operating results for the third quarter that were above analysts' expectations. In the US, Chevron and ExxonMobil posted lower quarterly earnings year-on-year with the latter company citing a near 60% decrease in natural gas realisations.

Middle East

Saudi Arabia – Two engineering, procurement and construction (EPC) subsidiaries of Hyundai Motor, South Korea's biggest carmaker, have signed a USD 2.4 billion contract to build the second phase of a gas processing plant [6] for Saudi Arabia's first shale gas project. The contract for the Jafurah shale gas field marks a milestone in the commercialisation of Saudi Arabia's vast unconventional resources program, which could transform the Kingdom into a regional gas exporter while buttressing oil exports.

Asia Pacific

Singapore – Singapore will set up an entity next year to buy gas on behalf of local power generators [7], in a move intended to better guard against the kind of supply risks and volatile electricity prices that have buffeted the city state in recent years. The move to aggregate gas purchases follows a trend in East Asia and the EU, where multiple buyers have teamed up on procurement.

Meanwhile, one of Singapore's biggest industrial conglomerates has won conditional approval from the local gas and power market regulator to import electricity from Vietnam [8] to the city state via a new subsea interconnector. The proposal comes amid multiple moves by Singapore this week to safeguard long-term energy security after volatile fuel prices in recent years roiled the local electricity market.

China – China National Offshore Oil Corporation's (CNOOC's) main listed subsidiary said last week it has discovered a new Coal Bed Methane [9] (CBM) play in one of China's coal-rich regions with proven gas in-place in excess of 110 Bcm. The discovery underlines the unconventional gas potential in the region as well as the efforts that China's NOCs are exerting in order to maintain domestic production growth at the behest of energy officials in Beijing.

North America

US – Three offshore wind power projects with an aggregate electricity generation capacity of more than 4 GW are to be constructed [10] off the coast of New York State, following what has been described as "the most competitive offshore wind solicitation" ever to be held in the US. Offshore wind power has got off to a slow start in the US, with the first commercial project not due to start up until 2024 and a recent auction for the Gulf of Mexico falling short of expectations.

Chevron announced last week it has entered into a definitive agreement to acquire Hess [11] for USD 53 billion in an all-stock transaction. The announcement comes shortly after ExxonMobil and Pioneer Natural Resources confirmed their expected merger in an all-stock transaction valued at USD 59.5 billion. Chevron said the acquisition price represents a premium of 10.3% on a 20-day average based on closing stock prices on October 20.

Europe

The European Commission (EC) last Tuesday presented a set of proposals to shore up investor confidence in the European wind power sector [12] which is struggling with cost increases and supply chain issues. The remedies tabled include increased access to EU funding and financial guarantees from

the European Investment Bank (EIB) as well as support for faster permitting procedures and improved auction designs.

Estonia – Estonian Prime Minister Kaja Kallas said her government had “reasons to believe” the damages to two communications cables in the Baltic Sea and to the Balticconnector linking Finland and Estonia are related [13]. This comes as Finland’s National Bureau of Investigation (NBI) earlier last week said it had “clarified technically” the cause of damage to the Balticconnector and that a Hong Kong-registered vessel was believed to have caused the damage.

France – France’s Air Liquide reported a year-on-year decline in revenue of over 17% [14] for the third quarter of 2023. The drop in revenue was mainly due to lower energy prices compared with last year and because of negative currency effects, the company said. Air Liquide said revenue in its Gas & Services segment – which accounted for about 95% of the company’s revenue – was EUR 6.5 billion (USD 6.9 billion) in the quarter.

Germany – Germany’s state-owned operating company Deutsche Energy Terminal (DET) last Thursday released the first auction results for regasification capacity [15] at two of the floating LNG terminals it operates in the North Sea, the Brunsbüttel and Wilhelmshaven 1 units respectively. All of the 60 slots on offer – both with and without delivery obligations – were awarded at prices between EUR 0.55/MMBtu and 0.81/MMBtu (USD 0.58-0.85/MMBtu), according to DET.



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