

# **UAE's ADNOC Gas to Start Trading in \$2.5bn IPO. International Energy Expert, Roudi Baroudi told AFP: "LNG is Most Important Transition Fuel in the move away from hydrocarbons".**



UAE state energy company ADNOC's recently formed gas unit will launch on the Abu Dhabi stock market on Monday in a \$2.5 billion initial public offering aimed at tapping high demand for the fuel.

Shares in ADNOC Gas, which only became operational at the start of this year, were heavily oversubscribed even after the offering was expanded from 4.0 to 5.0 percent of issued share capital in response to strong interest.

The final price was set at 2.37 dirhams (\$0.65) per share, towards the top of its range, raising about \$2.5 billion and implying a market capitalisation of around \$50 billion.

ADNOC Gas is the biggest flotation yet on the Abu Dhabi stock exchange, which opens at 9:30 am (0530 GMT).

At more than 50 times oversubscribed, it is the biggest demand ever seen for an initial public offering in the Middle East and North Africa, outstripping oil firm Saudi Aramco's world-record \$29.4 billion listing just over three years ago.

The rapidly organised IPO from ADNOC, one of the world's biggest oil firms, follows last year's scramble for alternative gas resources after Russia's invasion of Ukraine, and comes as countries search for cleaner fuels to mitigate global warming.

Energy consultant Roudi Baroudi, who heads the Qatar-based Energy and Environment Holding firm, said he expected brisk demand when the shares start trading.

"There is every reason to expect that the massive oversubscription we saw will carry over into strong interest when the shares are floated publicly," Baroudi told AFP.

– 'Transition fuel' –

Abu Dhabi National Oil Company, the United Arab Emirates' key revenue-earner, retains a 90 percent stake in the subsidiary formed from its former gas processing, LNG and industrial gas units.

Gas is being touted as cleaner than other fossil fuels as countries around the world strive to reduce their emissions.

Baroudi said Liquified Natural Gas (LNG) was "the most important transition fuel in the move away from hydrocarbons".

In 2021, the UAE produced 57 billion cubic metres (bcm) of

natural gas, or about 1.4 percent of global output, according to the BP Statistical Review of World Energy.

That same year, the Emirates exported 8.8 bcm of LNG, 1.7 percent of world LNG exports, the Statistical Review said.

“As global efforts to battle climate change gain pace, the role of natural gas in general... is widely expected to grow,” Baroudi said.

“ADNOC enjoys a solid reputation, so it was to be expected that the ADNOC Gas IPO would attract strong interest.”

ADNOC Gas could be the first in a series of share offerings in Abu Dhabi this year.

At least eight companies are expected to follow in fields ranging from technology to asset management and regenerative medicine, Bloomberg said, citing Sameh Al Qubaisi, director general of economic affairs at Abu Dhabi’s Department of Economic Development.

<https://www.digitaljournal.com/business/uaes-adnoc-gas-to-start-trading-in-2-5bn-ipo/article>

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**بارودي يؤكد صوابية طلب لبنان  
الخام بالمباحثات والمفاوضات  
على الحدود البحرية**

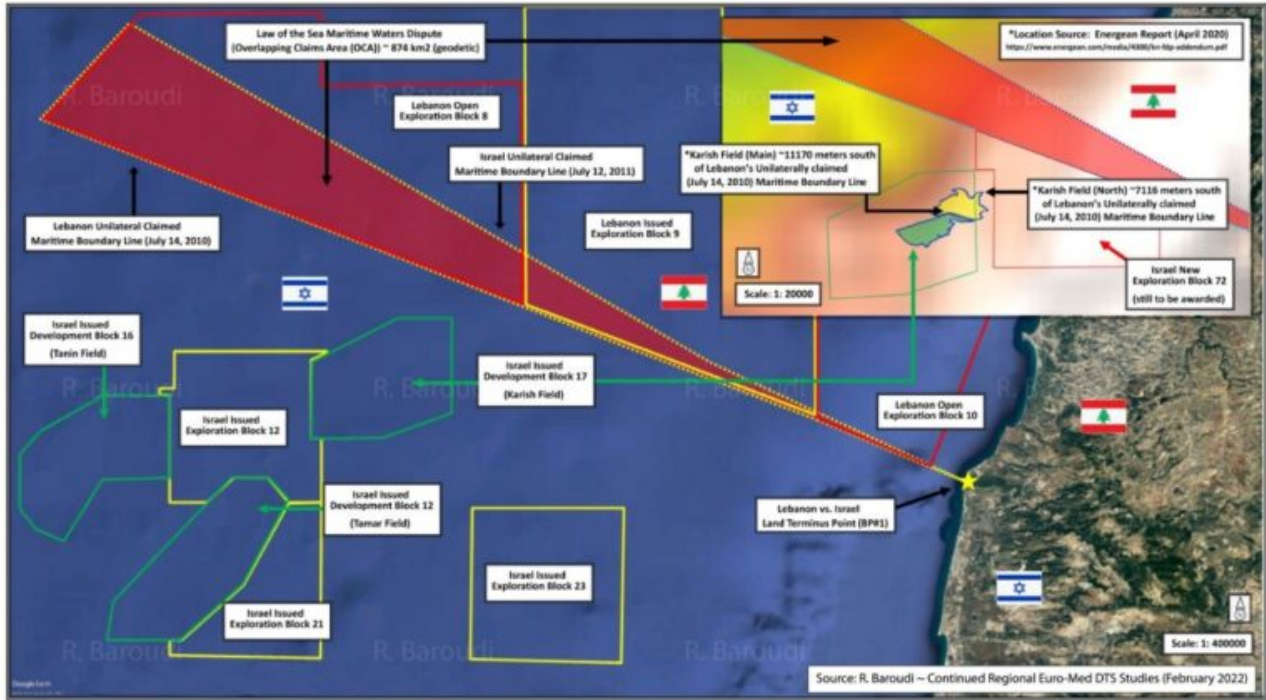


بارودي يؤكد صوابية طلب لبنان الخاص بالمباحثات والمفاوضات على الحدود البحرية ويؤكد صوابية طلبه مستعيناً بقضايا مماثلة حصلت في السابق وتم البت بها من قبل محكمة العدل الدولية

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**ثروة "كاريش" بين 22 و 25 مليار دولار**

## Lebanon vs. Israel: Karish Field Exploratory Drilling vs. Contested Waters



كَثُرَت في الفترة الأخيرة الخيارات المتاحة في نظر بعض المسؤولين في لبنان، لتأمين مصادر يتم عبرها تسديد أموال المودعين... فما أن طرِح إنشاء الصندوق السيادي، حتى ارتأى البعض اللجوء إلى رهن جزء من احتياطي الذهب... لكن ما لم يكن في الحسبان أن يقترح أحدهم استخدام أموال ثروة لبنان النفطية لتسديد الودائع ولتغطية كلفة الدين العام! علماً أن مفاوضات ترسيم الحدود البحرية بين لبنان

وإسرائيل عالقة منذ أيار 2021، ولا تزال الضبابية تلف هذا الملف محلياً ودولياً.

الخبير الدولي في مجال الطاقة رودي بارودي يعلق، في حديث إلى موقع القوات اللبنانية الإلكتروني، على الفائدة المالية من حقول النفط التي يؤمل أن تشكل الثروة النفطية للبنان، ليؤكد أنه "في حال حصول لبنان على جزء من حقل كاريش، فإن حصته لا تكفي لتغطية الدين العام اللبناني حتى وفق أسعار النفط والغاز المعتمدة حالياً"، ويقول "ربما قد تغطي حصّة لبنان من حقل كاريش أو غيره، جزءاً ضئيلاً فقط من الدين العام".

ويعتبر أنه "من غير المؤكد ما إذا كان لبنان سيتمكّن من الحصول على الخط 23، من دون معالجة مجموعة من الأخطاء الجسيمة التي ارتكبت عند البدء بوضع الخطوط من 1 إلى 23 قبل نحو 12 عاماً".

ويكشف بارودي عن أن حقل "كاريش" المكتشف العام 2013 يحتوي على 2.5 ترليون قدم مربع من الغاز. وهذا الحقل تم اكتشافه من قبل الشركة الإسرائيلية "ديليك" العام 2013 والتي باعتها بدورها إلى "إينيرجيان".

ويقول، إذا تم احتساب الكمية على أساس أسعار الغاز والنفط الحالية، فإن المردود المتوقع من حقل "كاريش" يتراوح ما بين 22 و25 مليار دولار أميركي. لكن لا يمكن تقدير مردود حقل "قانا" لأنه قد يكون ممتداً إلى إسرائيل، كما أن حقل "كاريش" متداخل بين لبنان وإسرائيل.

ويُلفت إلى أن إسرائيل أنجزت التحضيرات اللازمة لبدء الإنتاج النفطي وذلك بعد أعوام عدة من الدراسات وعمليات الاستكشاف، فقد عاودت شركة "إينيرجيان" المطورة لحقل "كاريش" الحفر في الحقل ذاته بحثاً عن المزيد من الغاز والنفط، ويوضح أن "إسرائيل تقوم حالياً بالحفر في محاذة الخط اللبناني التفاوضي "29" لتنتقل بعد ذلك إلى شمال "كاريش".

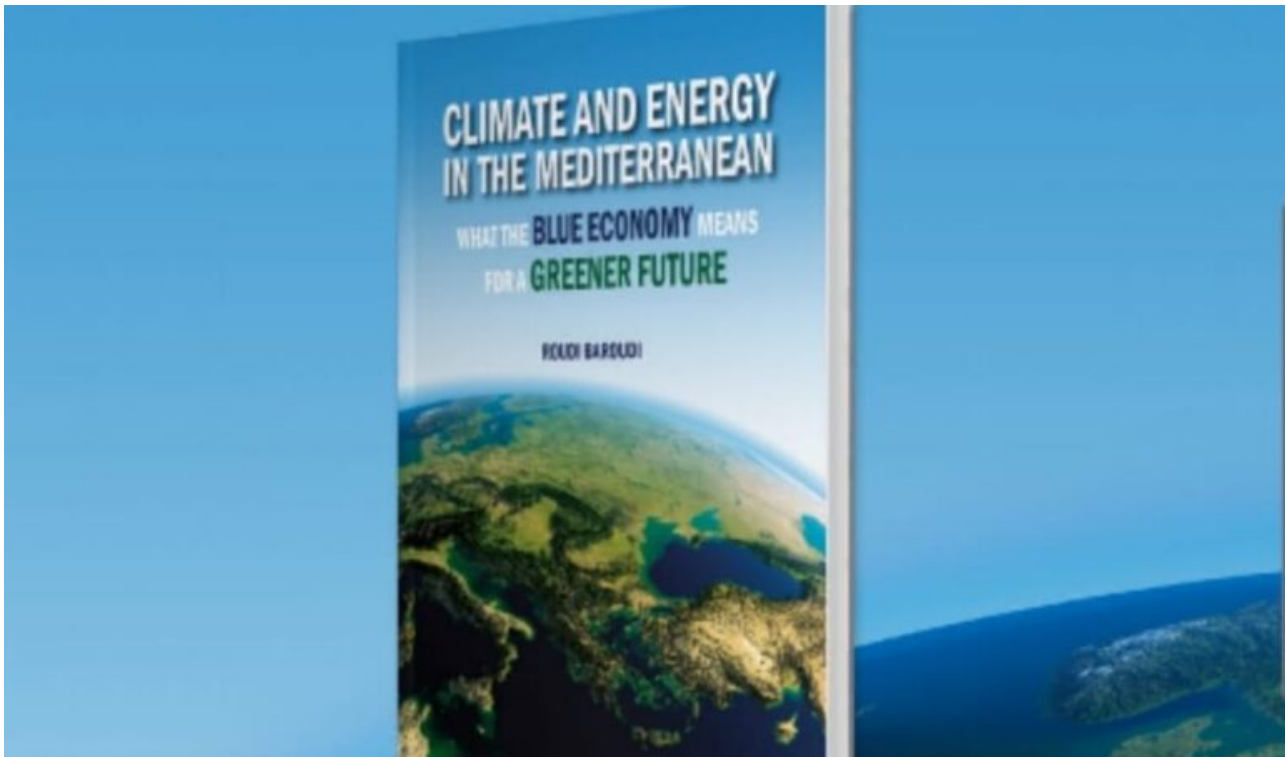
ويُذكر في السياق بأن "لبنان أعلن في رسالته إلى الأمم المتحدة الأولى في 22 أيلول 2021 والثانية في 28 كانون الثاني 2022، أن حقل كاريش يقع في منطقة متنازع عليها... لكن على الرغم من ذلك، يتم التنقيب في المياه المتنازع عليها عموماً، ولا سيما في البلوك رقم "9" المٌعطّل حالياً إلى أن تُحل قضية الترسيم بين لبنان وإسرائيل".



أما بالنسبة إلى الموقع الجغرافي لحقل "كاريش" المكوّن من جزءين: شمالي وجنوبي (الخريطة مرفقة)، يؤكد بارودي من خلال الدراسة التي أعدّها خلال السنوات الممتدة من العام 2011 إلى العام 2021، أن "حقل كاريش الشمالي يبعد عن الخط المقترح من قبل لبنان في 14 تموز 2010 (الخط 23) حوالي 7 كلم و116 متراً، كما أن حقل كاريش الجنوبي يبعد عن الخط نفسه، حوالي 11 كلم و170 متراً جنوباً، وذلك بحسب الخريطة المرفقة والتي تؤكد المواقع والبُعد عن الحقلين".

أما بالنسبة إلى البلوك الإسرائيلي الرقم "72" والمتداخل في الأراضي اللبنانية، فهو ملاصق بشكل مباشر للخط "23"، بحسب بارودي.

## رياح المتوسط تنتج طاقة تضاوي طاقة المفاعات النووية في العالم



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# Sun-starved Sweden turns to solar to fill power void



## **Bloomberg**

Sweden, known for its long dark winters with barely any daylight, is seeing a solar power boom.

Harnessing whatever sunshine the country gets is emerging as the quickest solution to fill part of the void left by two closed nuclear reactors in southern Sweden, where the biggest cities and industries are located. With shortages piling up in the region and consumers keen to secure green energy at stable prices, solar is quickly catching up with wind as developers put panels on rooftops and underutilised land in populated areas.

While the lack of sunlight is a hindrance, every bit of new



electricity capacity will lower imports from Europe where prices are more than three times higher than in the rest of Sweden. Projects are also getting built quickly because developers are directly getting into power sales deals with consumers and aren't dependent on government support, said Harald Overholm, CEO of Alight AB, which started Sweden's biggest solar plant this month.

Companies are targeting a quick ramp-up, pushing total capacity in the country to 2 gigawatt this year. That's more than the two nuclear reactors in Ringhals that were halted in 2020, and will close the gap with Denmark, an early mover in the industry in the region.

"We are very good at creating contracts directly with commercial partners that use power, and that is what drives our development," said Harald Overholm, CEO of Alight.

The past winter has demonstrated the hole left behind by the two atomic reactors, with the government facing the task of resolving a divergent market. While vast hydro and wind projects have kept the cost of electricity in the sparsely populated north in check, a lack of generating capacity and congested grids have forced the south at times to import power.

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## **EUROPE ENERGY CRISIS – Qatar and Germany sign energy strategic partnership**



## **News – Oil and Gas – Berlin, May 2022**

Qatar's Emir, His Highness Sheikh Tamim bin Hamad Al Thani, and German Chancellor Olaf Scholz signed a strategic energy partnership on May 20 as Germany scrambles to reduce its dependence on imports of coal and pipelined natural gas from Russia, mainly to punish the latter for its invasion of Ukraine.



Al Jazeera turned to regional energy expert Roudi Baroudi to provide context and analysis for the summit, which could have historic implications. Baroudi confirmed that the German plan centers on a rapid switchover to seaborne shipments of liquefied natural gas, so the government is building two LNG plants, at Brunsbüttel and Wilhelmshaven, along with the possibility of adding three offshore floating storage and regasification units (FCRUs).

Baroudi estimated that these facilities, including the FSRUs, could account for 20-30% of German's annual gas needs of approximately 85 billion cubic meters.

He also explained that Qatar, which has the world's second largest gas reserves and has led the industry in LNG exports for most of the past two decades, would be a natural secure and reliable fit to supply even more gas to European terminals that it already does. The Gulf state has recently invested in even more LNG capacity, via an expansion of its North Field operations, which will see its output once again surpass those of the United States and Australia as the world's largest producer

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# Lagarde tells EU leaders they must 'water the green shoots'



Bloomberg / Brussels

European Central Bank president Christine Lagarde urged leaders to keep their fiscal purse strings loose, warning that a premature brake on stimulus measures could derail a nascent recovery.

At a summit of European Union leaders in Brussels yesterday, Lagarde said continued support is needed to avoid the pandemic leaving large scars on the economy, according to an official familiar with her remarks.

The president cited the example of the aftermath of the great financial crisis, when a rebound failed to be sustained because "green shoots were not watered," according to the official, who asked not to be named as the meeting was private.

European economies are starting a robust recovery on the back

of an accelerating vaccination campaign. With coronavirus infections dropping, and booming demand triggering a spike in prices, pressure is building up in some quarters for the ECB to considering exiting emergency stimulus, and for governments to consider how to reduce debt burdens.

ECB officials Isabel Schnabel and Pablo Hernandez de Cos used public events on Thursday and yesterday to emphasise that even if the economy is able to recoup the output lost to the pandemic crises by early next year, it won't be until at least 2023 that growth trends return to the pre-crisis path.

"The goal has to be to recover – not to levels before the crisis – but those we would have reached without the existence of this crisis," De Cos, who is governor of the Bank of Spain, said yesterday.

In her comments to leaders, Lagarde reiterated her view that a looming increase in inflation this autumn will be temporary and underlying price pressures remain subdued. She said that more dynamic and sustainable growth is needed, and that monetary policy will continue to play a role in bolstering confidence.

"Upward pressures, most notably the comparison with last year's data when a sales tax holiday in Germany applied from July to December, will almost certainly send the headline inflation reading soaring above 2% from August," a Bloomberg Economics statement said.

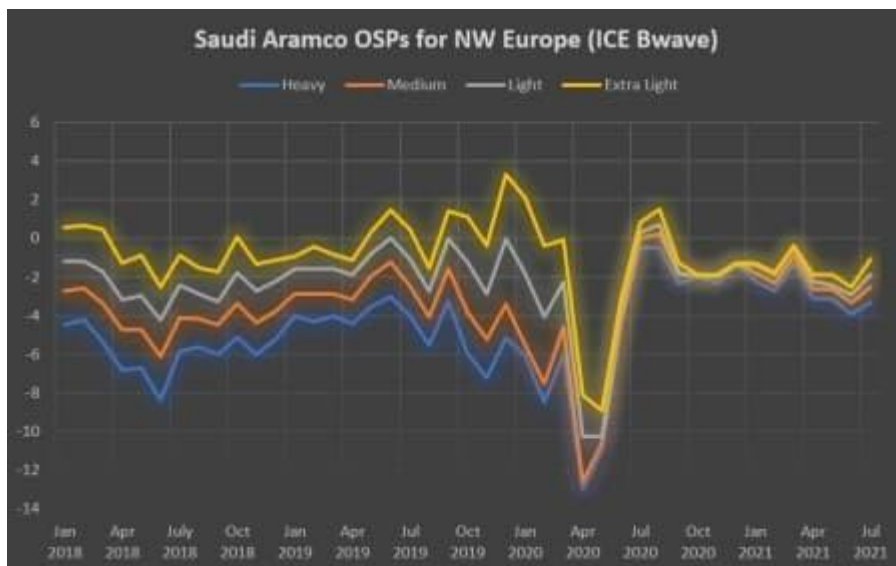
The ECB predicts that euro-area output will return to pre-pandemic levels by the first quarter of 2022, one quarter earlier than expected in the spring. The risks to the outlook are now balanced.

Lagarde urged leaders to advance the EU's capital markets and banking union, after years of talks failed to yield substantial progress. No breakthroughs were seen in yesterday's summit either, as this autumn's election in Germany has put discussions among euro-area officials on hold.



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# Soaring Mideast Heat May Roil Oil Market as Demand Surges



(Bloomberg) – Soaring temperatures in one of the world’s top energy-producing regions could drive fuel prices higher as countries there burn more oil and natural gas to keep homes cool.

Saudi Arabia, the United Arab Emirates and Kuwait are all experiencing weather that’s hotter than normal. That has coincided with a tightened crude market, with the Organization of Petroleum Exporting Countries and its allies continuing to hold back millions of barrels of supply.

“Demand this summer will be stronger than last year,” Ahmed Mehdi, a Middle East analyst at the Oxford Institute for Energy Studies, said of the region.

Electricity consumption in OPEC member Kuwait this week surpassed its previous peak as the early onset of scorching heat prompted greater use of air conditioners. Iraq, which suffered crippling blackouts last summer, also relies on

burning crude and fuel oil to keep its power plants running.

Temperatures in the oil-producing states around the Persian Gulf can reach 50 degrees Celsius (122 Fahrenheit) during the region's steamiest months of July and August. Top OPEC producer Saudi Arabia burned as much as 25% more crude in its power plants last year and said at the time that it could use up to 1 million barrels a day to generate electricity.

Energy use rose across the region in 2020 as coronavirus lockdowns kept residents at home through the torrid summer months – when many usually travel – and the enduring restrictions mean many are still staying put.

Oil is currently trading around \$70 a barrel as much of the world recovers from the pandemic and the OPEC+ alliance keeps barrels off the market. OPEC's own analysis indicates that crude consumption is rising faster than supply, forcing buyers to pull barrels out of storage.

Gulf producers are using more natural gas for power as well, and as OPEC+ gradually restores oil output, countries like Saudi Arabia and Iraq are pumping more of the fuel that's found together with the crude.

The Gulf states have taken steps to prepare for oppressive heat and to make their energy infrastructure more efficient – and more profitable. Kuwait is set to start a liquefied natural gas import facility, while the United Arab Emirates connected its first nuclear power plant to the national grid this year.

For now, OPEC+ isn't committing to more crude supply. The group decided at a meeting this month to go ahead with an already agreed output increase for July, but stopped short of allowing a further hike. That will leave Saudi Arabia and its neighbors buying more of what they're producing without necessarily providing the market any extra slack.

“OPEC+ is still sitting on more than 5 million barrels a day of spare capacity, mostly in the Gulf and particularly Saudi Arabia,” said Carole Nakhle, chief executive officer of London-based consulting firm Crystol Energy. “The Saudis can do what they want,” though pumping more crude just to burn it for power isn’t their best option, she said.

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## Aramco raises \$6bn with debut global sukuk to fund dividend



Saudi Arabian oil giant Aramco locked in another \$6bn yesterday to help fund a large dividend as it returned to the

international debt markets with its first USdollar-denominated sukuk sale, a document showed.

The debt issuance, which will help fund a \$75bn dividend commitment that will mostly go to the government, comprises tranches of three, five and 10 years, a document from one of the banks arranging the deal and seen by Reuters showed.

Aramco sold \$1bn in the three-year tranche at 65 basis points (bps) over US Treasuries (UST), \$2bn in the five-year portion at 85 bps over UST and \$3bn in 10-year paper at 120 bps over UST.

Initial price guidance was around 105 bps over UST for the three-year bonds, around 125 bps over UST for the five-year notes and around 160 bps over UST for the 10-year tranche.

The spreads were tightened after the deal attracted combined orders of more than \$60bn.

Aramco last year maintained its promised \$75bn annual dividend to shareholders despite lower oil prices, and is expected to shoulder significant domestic investments in Saudi Arabia's plans to transform the economy.

Fitch assigned Aramco's sukuk issuance programme an A1 rating with a negative outlook, in line with the negative outlook on existing Aramco ratings and tracking a change in Saudi Arabia's sovereign outlook to negative in May last year.

"The company has displayed a strong commitment to pay \$75bn in annual dividends, which in Moody's view is not sustainable should oil prices fall and remains significantly below \$60/bbl," Fitch said.

"Interlinkages between Saudi Arabia and the company imply that any change in rating outlook on the government of Saudi Arabia would be mirrored on SaudiAramco's rating outlook."

The company chose to issue Islamic bonds over conventional ones due to high demand for the instrument as a result of the low number of dollar sukuk sales in the Gulf this year, a source told Reuters on Monday.

Aramco has been widely expected to become a regular bond issuer after its debut \$12bn issuance in 2019 was followed by an \$8bn, five-part transaction in November last year, also used

to fund its dividend.

A source had told Reuters that Aramco was expected to raise up to \$5bn with the deal, which had 29 active and passive bookrunners working on it.

Active bookrunners on the deal included Citi, HSBC, JPMorgan, NCB Capital and Standard Chartered Bank.

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## G7 finance ministers meet, global corporate tax deal 'within sight'



Finance ministers from the G7 countries met face-to-face for the first since the pandemic. A key issue on the agenda is possible tax rules for major multinationals.

Finance ministers from Group of Seven nations are meeting in London on Friday kicking off two days of talks, as the



Europeans expressed optimism that a US-backed global minimum corporate tax rate was now “within sight.”

The meeting, chaired by British Chancellor of the Exchequer Rishi Sunak, will be the first time since the start of the pandemic that all seven ministers will get together in person.

However, because of COVID-19 restrictions, the delegation has been trimmed down and the seating plan has been reworked with the help of public health officials.

“I believe we can make significant progress in tackling some of the world’s most pressing economic challenges,” Sunak said shortly before the meeting began.

The talks are expected set the ground for the broad summit of G7 leaders, scheduled to take place in Cornwall, southwest England, starting on June 11.

### **What is the minimum global corporate tax?**

The spotlight at the meeting will be on a global minimum corporate tax rate, proposed by the United States.

President Joe Biden has called for minimum corporate tax rate of 15%. If a company pays taxes somewhere with a lower rate, it would probably have to pay top-up taxes.

According to the proposal, the global minimum tax would be levied only on the world’s 100 largest and most profitable companies.

Britain, Germany and France have welcomed this approach in theory but want to ensure companies such as Amazon – which has lower profit margins than other tech firms – do not escape the net.

“All of them, and without exception” must be covered by the new rules, German Finance Minister Olaf Scholz told news

agency Reuters.

The finance ministers also hoped an agreement could be reached at the broader G20 meeting which will be held in Venice in July.

### **Deal 'within sight,' European ministers say**

There is broad support for the proposal among the European members of G7.

A deal on a minimum corporate tax rate is "within sight," finance ministers from France, Germany, Italy and non-G7 member Spain said in *The Guardian* newspaper on Friday.

"For more than four years, France, Germany, Italy and Spain have been working together to create an international tax system fit for the 21st century," the four ministers said. "It is a saga of many twists and turns. Now it's time to come to an agreement."

Japanese Finance Minister Taro Aso said earlier this week that he did not expect agreement on a specific minimum tax rate during this meeting.

US Treasury Secretary Janet Yellen said she expected a fuller agreement when G7 leaders met later this month.

### **Digital services taxes**

Host nation Britain has been on the fence on the corporate tax issue, calling for wider tax reforms.

The UK also insists that companies should pay more tax where they make their sales, not just where they book profits, or locate their headquarters.

"Securing a global agreement on digital taxation has also been a key priority this year," Sunak said in a statement. "We want companies to pay the right amount of tax in the right place,

and I hope we can reach a fair deal with our partners.”

The US wants an end to the digital services taxes which the UK, France and Italy have levied, and which it views as unfairly targeting American tech giants for tax practices that European companies also use.

The issue of digital taxation has become a flashpoint in trade relations among the economic powers.