

Aramco in talks with Sinopec and Total on \$10bn Saudi gas deal



Sinopec and TotalEnergies SE are among companies holding talks to invest in the Jafurah development in Saudi Arabia, according to people familiar with the matter, as the kingdom seeks to exploit one of the world's largest untapped gas fields.

The Chinese and French energy giants are in separate discussions with Saudi Aramco about the plans that may include the construction of facilities to export the fuel as liquefied natural gas, some of the people said, asking not to be identified because the matter is private. Aramco is seeking to raise a total of around \$10bn for the projects, the people said.

Saudi Aramco has been seeking equity investors that could help fund midstream and downstream projects at its more than \$100bn

Jafurah gas development in the east of the kingdom. The state-controlled company has been reaching out to private equity firms and other large funds that invest in infrastructure to offer stakes in assets such as carbon capture and storage projects, pipelines and hydrogen plants, Bloomberg reported in December.

Investment bank Evercore Inc is advising Aramco on the plans. Talks are ongoing and no final decisions have been made, the people said. Representatives for Aramco and TotalEnergies didn't immediately respond to a request for comment. China Petroleum & Chemical Corp, as Sinopec is officially known, didn't respond to emailed requests for comment made during China's Labor Day holiday.

The war in Ukraine has led to a surge in demand for natural gas, led by European nations that traditionally got their supplies from Russia. This has led to Gulf States embarking on ambitious plans to expand their gas output.

Saudi Arabia has some of the biggest gas reserves in the world, but has barely exploited them in the past. Now, Jafurah is a key part of Riyadh's strategy to diversify its exports beyond oil. The field is estimated to hold 200tn cubic feet of gas, and Aramco expects to begin production there in 2025, reaching about 2bn standard cubic feet per day of sales by 2030.

A decision to build an LNG export terminal would mark a u-turn for Aramco. The company has recently said that the majority of the gas from Jafurah and other fields would be used for the domestic market and to make blue hydrogen.

Since Aramco was fully nationalised in 1980, most foreign investment in the kingdom's energy industry has been restricted to downstream assets such as refineries and petrochemical plants. In the past, Aramco has struck joint ventures with firms including Shell Plc and TotalEnergies for the exploration and drilling of natural gas within its borders.

China gas demand to surge in 2023 as Europe Slumps, says IEA



Rising demand for natural gas in Asia and the Middle East is set to offset a decline in other regions this year, helping to keep the global market tight, according to the International Energy Agency.

China's consumption is forecast to jump by more than 6%, underpinning an increase of almost 3% in Asia on the whole, the agency said in its quarterly Gas Market Report. Demand in Europe's advanced economies is poised to drop 5% as renewable energy takes up a larger share of power generation.

Gas markets were upended last year as Russia cut most pipeline flows to Europe amid its war in Ukraine. The continent was

spared a harsh winter as it cut demand and relied on liquefied natural gas to help fill the gap. However, supply risks still lurk, including competition with Asia, the possibility of lower flows from Russia, and a potentially hot summer or cold winter.

“Global gas supply is set to remain tight in 2023, and the global balance is subject to an unusually wide range of uncertainties,” said the IEA, which advises major economies.

Asia’s consumption – and China’s recovery from the Covid era, led by its the industrial sector – will be key for the market. The IEA expects the country’s imports of LNG to jump by as much as 15% this year, while still remaining below 2021 levels.

India’s gas demand is projected to increase by 4%, following a drop amid soaring prices in 2022.

Elsewhere, consumption of gas in the Middle East is expected to rise by 2%, in large part due to Iran and Saudi Arabia. In North America, it’s set to drop by 2%, as less of the fuel is used in heating and power generation. Global demand is forecast to remain flat.

“The improved outlook for gas markets in 2023 is no guarantee against future volatility and should not be a distraction from measures to mitigate potential risks,” the IEA said.

While the US is set to become the world’s main LNG exporter this year, global supply of the fuel is expected to increase by just 4%. That’s not enough to offset the forecast drop in Russian pipeline deliveries, according to the agency.

LNG imports in Europe’s advanced economies are forecast to decline for the remainder of the year, after posting strong growth in the first quarter. The change is due to lower needs for storage and reduced gas demand.

European gas consumption dropped 16% for the 2022 winter heating period and marked the steepest drop in absolute terms for any winter in the IEA’s records. Still, weather-related factors accounted for just 40% of the region’s decline in demand. Other factors included gas-saving policies, fuel-switching and rising energy prices.

Qatar drives LNG exports of GECF member countries, observers in March



Qatar has driven LNG exports of GECF member countries and observers with y-o-y growth of 6.7% (1.11mn tonnes) to reach 17.66mn tonnes in March, the Gas Exporting Countries Forum (GECF) said in its report released Tuesday.

The growth was primarily driven by Qatar (0.62mn tonnes), Norway (0.44mn tonnes), Mozambique (0.30mn tonnes), Trinidad and Tobago (0.15mn tonnes), Nigeria (0.09mn tonnes), the UAE (0.05mn tonnes), Algeria (0.02mn tonnes) and Peru (0.02mn tonnes).

The increase in Qatar's LNG exports was due to lower

maintenance activity compared to the previous year.

According to GECF, gas and LNG spot prices in Europe and Asia continued to decrease for the third consecutive month.

In March 2023, Title Transfer Facility (TTF) and Northeast Asia (NEA) LNG spot prices averaged \$13.87/mmBtu and \$13.35/mmBtu, falling by 17% and 16% m-o-m, respectively, and representing a 65% decrease y-o-y.

Despite lower LNG sendout in the region, European spot prices maintained their bearish trend.

Likewise, weak market fundamentals in Asia continued to put pressure on prices.

Moreover, the spread between spot prices and oil-indexed LNG prices in both regions has significantly narrowed in comparison to previous months, GECF said.

In March 2023, European Union pipeline gas imports rose by 14% month-on-month (m-o-m) to reach 13.7bcm. Global LNG imports increased slightly by 2.7% y-o-y to 35mn tonnes driven primarily by stronger imports in Europe and, to a lesser degree, in Latin America and the Caribbean (LAC) and North America.

In contrast, LNG imports decreased in the Asia Pacific and Middle East and North Africa (Mena) regions.

Lower pipeline gas imports in Europe continued to support the increased LNG imports while, Asia Pacific's y-o-y gain in LNG imports reversed from the previous month.

Mild winter weather and high LNG inventories led to reduced LNG imports in Japan and South Korea, contributing to an overall decline in imports in the Asia Pacific region.

In March, the EU gas consumption recorded a 13% y-o-y decline, reaching 34.1bcm. Factors contributing to the drop in the

demand for gas in the EU include warmer than normal temperatures, windier weather conditions, and a year-extension of the implementation of the EU regulation on the voluntary gas demand reduction by 15% until March 2024.

In contrast, apparent Chinese gas demand rose by 4.6% y-o-y to 31bcm. According to the CNPC Research Institute, the country's gas demand would expand by 19bcm, or 5.1% in 2023, totalling 386.5 bcm.

Europe's gas production decreased by 3.3% y-o-y to stand at 15.3 bcm in February, primarily due to lower output from the Netherlands and UK.

Norway's production remained steady despite technical issues in certain gas fields.

Conversely, gas production from the seven major US shale gas/oil regions rose by 7% y-o-y in March reaching 84.5 bcm.

The global gas rig count declined by 7 units m-o-m but rose by 61 units y-o-y in March 2023, reaching a total of 410 units, GECF noted.

**Qatargas supplies
commissioning LNG Cargo to
Indias Dhamra Terminal**



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QATARGAS

Qatargas recently supplied a commissioning liquefied natural gas (LNG) cargo to India's newest LNG receiving terminal 'Dhamra' on the vessel Milaha Ras Laffan in April 2023.

Qatargas sold the LNG on a Delivered Ex-Ship (DES) basis to the French multi-energy Company TotalEnergies, who delivered it to its 50-50 joint venture with Adani Group "Adani Total Private Limited".

Commenting on this achievement, Qatargas CEO Sheikh Khalid bin Khalifa Al-Thani said: "Delivery of this commissioning LNG cargo to India's Dhamra terminal is an important milestone for our company and for Qatar's LNG industry. We are committed to meeting the growing demand for cleaner energy in India and around the world. Our reliable and safe supply of LNG will help India meet its energy needs and contribute to its economic growth. Qatargas remains committed to operating sustainably and to delivering value to our customers, partners, and stakeholders."

"I would like to thank our valued partner, TotalEnergies, for their contribution to this successful delivery. Our partnership has been instrumental in helping us achieve this feat, and we look forward to continuing to work together to deliver cleaner and reliable energy to the world," he added Thomas Maurisse, Senior Vice President LNG at TotalEnergies,

said: “We are pleased to have completed the first delivery of LNG to the new Dhamra LNG terminal with a cargo from Qatargas, our long-standing strategic partner. This new LNG terminal will contribute to India’s security of energy supply and is in line with TotalEnergies’ ambition to support Indias energy transition and its goal of increasing the share of natural gas to 15% of its energy mix by 2030.”

Internal Dhamra is home to Indias seventh operational LNG terminal, the second of its kind on the east coast of the country. It is Adani Total Private Limiteds first LNG import terminal with a capacity of five million tonnes per annum (MTPA) and it is expected to boost gas utilization in the east coast of India. Once fully commissioned, Adani and TotalEnergies will provide regasification services to their downstream Indian customers.

The terminal features two tanks of 170,000 cubic meters (CBM) capacity each. The facilitys jetty is capable of handling LNG carriers from 70,000 to 265,000 CBM capacity. It also offers breakbulk services, enabling reloading of LNG to smaller vessels for further distribution and an LNG truck loading facility.

Qatar’s North Field drives global LNG assets deal value in 2022: GECF



Deal value of liquefied natural gas assets in 2022 climbed 15% y-o-y to reach \$23bn, driven by Qatar's LNG development, says Doha-based Gas Exporting Countries Forum.

The deal value of liquefied natural gas assets in 2022 climbed 15% year-on-year (y-o-y) to reach \$23bn, driven by Qatar's LNG development, Doha-based Gas Exporting Countries Forum has said in a report.

Qatar's North Field expansion project accounted for 43% of the growth in LNG deal value, GECF said in its 'Annual Gas Market Report 2023'.

According to GECF, merger and acquisition (M&A) activity in the upstream sector declined to \$154bn in 2022, 21% lower y-o-y, and below pre-pandemic levels.

This decline was essentially driven by the continued impact of Covid-related lockdowns particularly in China, high oil and gas price volatility and escalating geopolitical tensions in Europe. Most regions experienced a sharp decline except for the Middle East and Africa.

In the Middle East, M&A activity increased by 46% y-o-y, while in Africa the deal value more than tripled compared to the

previous year to reach a record \$24bn.

North America accounted for almost 50% of asset and corporate acquisitions in 2022 amounting to \$72bn, with private companies responsible for a large share of divestment as they opted to maximise their assets amidst the high price environment.

Europe and Africa accounted for 17% and 16% of M&A activity respectively, where high commodity prices increased the value of traded producing resources and spurred buying and selling activity.

In addition, a significant increase in demand for gas and LNG assets was observed in the midst of heightened concerns about energy security.

In 2023, upstream M&A activity is likely to be remain around 2022 levels or increase.

Furthermore, global energy security concerns are likely to drive investment for gas and LNG assets, and more so, increase acquisitions by European majors in Africa and the Middle East to secure production assets.

Additionally, net-zero emission targets may also support demand for gas and LNG assets as the cleanest burning fossil fuel.

According to GECF, oil and gas investment has increased by 7% y-o-y to reach \$718bn, partly due to higher petroleum services and EPC costs.

In 2023, oil and gas investment is expected to rise further, on the back of greater investment in the upstream industry and LNG import terminals.

However, several looming uncertainties, including a slowdown in global economic growth, tight financial conditions, inflation, and high energy price volatility may deter investment, GECF noted.

QatarEnergy Selects Sinopec As NFE Expansion Partner



(MENAFN– Gulf Times) QatarEnergy has announced the signing of a “definitive” partnership agreement with China Petrochemical Corporation (Sinopec) for the North Field East (NFE) expansion project, the largest project in the history of the LNG industry.

The agreement was signed by HE the Minister of State for Energy Affairs, Saad Sherida al-Kaabi, also the President and CEO of QatarEnergy, and Dr. MA Yong-sheng, chairman, Sinopec at a ceremony held at QatarEnergy’s headquarters and attended by senior executives from both companies Wednesday.

The agreement marks the entry of Sinopec as a shareholder in one of the NFE joint venture companies that own the NFE project, one of the most critical projects in the global LNG industry.

Pursuant to the terms of the agreement, QatarEnergy will transfer to Sinopec a 5% interest in the equivalent of one NFE train with a capacity of 8 million tons per annum (MTPA). This agreement will not affect the participating interests of any of the other shareholders.

Speaking at the signing ceremony, al-Kaabi said, “The People’s Republic of China is a major driver of the global energy markets as well as being one of the most important gas markets in the world and is a key market for Qatari energy products.

“Today’s event underscores QatarEnergy’s commitment to

deepening its relationships with key LNG consumers, while prioritising long-term strategic partnerships and alignment with world class partners from China, represented by Sinopec here today.”

Noting the November 2022 agreement to supply Sinopec with 4 MTPA of LNG from the NFE project, al-Kaabi said:“That agreement was not only the first NFE LNG supply agreement to be announced, but also the longest LNG supply agreement in the history of the industry. Today, Sinopec will join Qatar’s LNG family becoming the first Asian shareholder in the NFE project.”

“We are pleased to enter into this milestone agreement with Sinopec, marking yet another landmark in the excellent bilateral relations between the People’s Republic of China and the State of Qatar. I would like to thank the working teams in QatarEnergy and Sinopec for their dedicated work to reach this important agreement.

“We are always indebted to the wise leadership of His Highness the Amir Sheikh Tamim bin Hamad al-Thani, and to his continued guidance and support of the energy sector,” al-Kaabi concluded.

On his part, Dr Yongsheng congratulated both parties on signing the NFE project partnership agreement and said,“The meeting between Chinese President Xi Jinping and Qatar’s Amir His Highness Sheikh Tamim bin Hamad al-Thani during the first China-Arab Summit and China-GCC Summit in 2022, comprehensively outlined the development blueprint of the strategic partnership between the two countries and guided the China-Qatar energy cooperation.

“The signing of this agreement today is a concrete move to carry forward what has been agreed between the two heads of state and deepen the partnership between Sinopec and QatarEnergy. It is another milestone after the signing of the long-term LNG SPA from the NFE project in November 2022, marking the integrated cooperation achieved by both companies on the NFE project.”

“China-Qatar energy cooperation features a natural complementarity. QatarEnergy is a leading LNG producer in the world and one of the most important partners of Sinopec. The cooperation with QatarEnergy will help Sinopec further optimise China’s energy consumption structure and enhance the security, stability, and reliability of clean energy supply.

“I hope that the two companies will continue to explore new LNG cooperation opportunities based on the solid foundation we have laid together and will further expand cooperation areas to achieve mutual benefit and win-win results,” he added.

This agreement is the first of its kind after last year’s series of partnership announcements in the \$28.75bn NFE project, which will raise Qatar’s LNG export capacity from the current 77mn tonnes per year to 110mn tons per year.

Qatar LNG fleet expansion underpins domestic expansion of its North Field project, investments in US Gulf Coast: GECF



Qatar's LNG fleet expansion will underpin its domestic expansion of the North Field project, as well as investments in the Golden Pass LNG terminal in the US Gulf Coast region, Gas Exporting Countries Forum (GECF) has said in a report.

To accomplish this, it has been reported that Qatar has secured booking slots at all of the major South Korean shipbuilding yards over the next five years, for orders of around 100 new carriers, GECF said in the fourth edition of its Annual Gas Market Report.

At the end of 2022, the global LNG carrier fleet stood at 677 vessels.

Although the total has gradually increased, only 28 new vessels were commissioned in 2022. This represented growth of 4%, which was the lowest increase since 2013, it said.

As observed in the recent historical trend since 2010, the years in which there is a sharp increase in the fleet growth rate are typically followed by a drop in the subsequent year.

Accordingly, this was repeated in 2022, with just over 4,600,000 cubic metres of LNG carrier capacity entering into service, merely half of the capacity commissioned in 2021.

Nevertheless, most of these new builds were of the capacity

range between 170,000 and 200,000 cubic metres; in recent years, this new conventional class of carriers has been phasing out the previous standard range of 125,000 to 170,000 cubic metres.

Additionally, around 240,000 cubic metres of “mid-sized” LNG carriers were brought online in 2022.

This, GECF noted, is an “important” growing niche market for LNG transportation, demonstrated by a further 320,000 cubic metres of capacity already confirmed on the global LNG carrier orderbook.

Of the vessels for which the technical specifications are known, around 170 of the new conventional-sized carriers are on order for delivery between 2023 and 2026.

In respect of LNG shipments, GECF noted that in 2022, the number of LNG cargoes traded globally reached 6,210, increasing 2% over the total number of shipments in 2021.

This continued the trend of more cargoes being traded annually in each of the past five years, except during the initial breakout of the pandemic in 2020.

Compared with 2021, the number of LNG shipments per month was greater for most of 2022; over the year, the monthly average number of cargoes was 518 compared with 506 in 2021.

For the fourth consecutive year, Australia delivered the highest number of LNG cargoes.

In 2022, just as in 2021, the US, Qatar, Russia, and Malaysia completed the top five exporters by number of shipments.

The US also had the highest increase in number of cargoes, recording an additional 81 more shipments in 2022 than in 2021.

The second highest increase was attributed to Norway, which loaded 49 cargoes from the restarted Hammerfest LNG terminal since June 2022.

The increasing trend in global LNG shipments is expected to continue in 2023 as per the overall growth in LNG demand. Furthermore, LNG shipping would be boosted by the restart of the Freeport LNG plant in the US, and increased cargo imports in Europe and Asia Pacific.

However, the LNG shipping market may experience tightness due to new IMO regulations in 2023 and further ahead, GECF noted.

Oil and gas investment rise 7% y-o-y to \$718bn in 2022; may rise further in 2023: GECF



Oil and gas investment increased by 7% y-o-y to reach \$718bn in 2022 and is expected to rise further in 2023, but looming uncertainties may deter investment, the Gas Exporting Countries Forum said in its fourth edition of its Annual Gas Market Report Wednesday.

In 2023, oil and gas investment is expected to rise further, on the back of greater investment in the upstream industry and

LNG import terminals.

However, several looming uncertainties, including a slowdown in global economic growth, tight financial conditions, inflation, and high energy price volatility, may deter investment, GECF noted.

Spot gas and LNG prices in Europe and Asia reached record highs in 2022, with significant volatility throughout the year. This, the report noted, was mainly due to a tight LNG market as Europe's LNG demand surged to replace lower pipeline gas imports.

In 2022, the Title Transfer Facility (TTF) spot gas prices in Europe averaged \$38/MMBtu, 136% higher y-o-y, while Northeast Asia (NEA) LNG spot prices averaged \$33/MMBtu, a 79% increase y-o-y.

This shift in prices made Europe the premier LNG market for suppliers, as TTF spot prices maintained a high premium over Asian LNG spot prices. In 2023, spot prices are expected to remain volatile.

Factors such as a relatively mild winter, high gas storage levels in Europe, and weakened gas demand growth in the midst of a slowdown in global economic growth may exert downward pressure on spot prices.

However, there may be some upward pressure on spot prices this year due to the anticipated recovery in China's gas demand, higher imports in price-sensitive countries in Asia Pacific, and a rebound in gas demand in the industrial sector.

Additionally, any further supply disruptions or extreme weather conditions during the year may also boost prices, GECF said.

Energy security concerns took precedence over climate change mitigation goals in 2022, with policymakers focusing on meeting the energy needs of their people, the report said.

Following a record rebound in 2021, global gas consumption declined in 2022, but is expected to resume growth in 2023 and reach an all-time high level, with the power generation sector remaining the largest consumer of gas.

US, China, and some emerging countries in Asia Pacific are

forecasted to drive the growth of global gas consumption in 2023, it said.

GECF secretary-general Mohamed Hamel said, “The Annual Gas Market Report is comprehensive and I hope it will become an essential tool for anyone interested in natural gas.”

The publication comes at a time when natural gas markets are undergoing fundamental transformations in terms of physical flows, investment, trade, and market functioning.

“The developments in the gas industry are an indication of the bright prospects for the expansion of the global gas industry, as natural gas is set to play a pivotal role in socio-economic development and towards just and inclusive energy transitions,” Hamel added.

QATARENERGY TO PARTICIPATE IN IRAQ’S GAS GROWTH INTEGRATED PROJECT (GGIP) –



DOHA, Qatar • 5 April 2023 – QatarEnergy has agreed to hold a 25% share in the Gas Growth Integrated Project (GGIP) – a multi-billion-dollar project aimed at monetizing and developing the natural gas resources of the Republic of Iraq. The GGIP consortium will be composed of Basra Oil Company (30%), TotalEnergies (Operator – 45%), and QatarEnergy (25%), subject to the finalization of necessary contractual arrangements and obtaining customary regulatory approvals. His Excellency Mr. Saad Sherida Al-Kaabi, the Minister of State for Energy Affairs, the President & CEO of QatarEnergy, said: “We thank TotalEnergies for inviting us to partner with them and we thank the esteemed Iraqi Government for welcoming us to be part of this partnership. We are pleased to be part of this significant development, which is important for Iraq’s

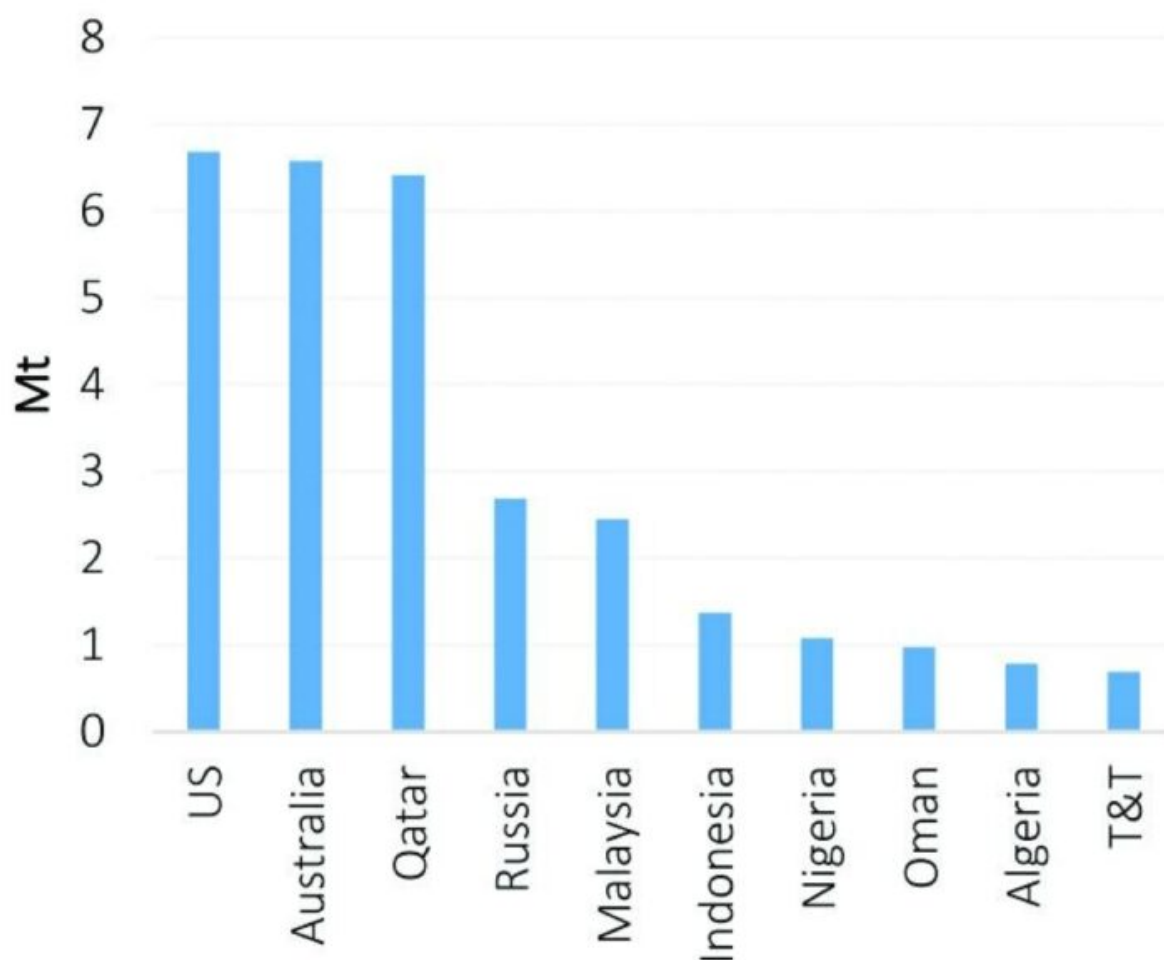
energy sector, and we look forward to working with TotalEnergies and Basra Oil Company to progress it to fruition. I would like to express our appreciation to the Government of Iraq for their valuable support to reach this point, and for the trust they have placed in QatarEnergy as a reliable partner.”

Signed in September 2021, the GGIP is a key strategic project that involves investing approximately \$10 billion to design and construct facilities for recovering significant volumes of otherwise flared gas throughout the Basra region and supplying such recovered gas to power stations, as well as a seawater treatment and distribution system to supply water for injection into oil reservoirs for pressure maintenance purposes.

With extensive experience in large-scale energy projects, including seawater treatment projects, and a strong international partnership with TotalEnergies, QatarEnergy welcomes this opportunity to participate in such a key project for Iraq and its people.□

Qatar drives GECF LNG exports to 16.45mn tonnes in February

Top 10 LNG exporters in Feb 2023



GECF LNG exports have jumped 12% (1.74mn tonnes) year-on-year (y-o-y) to 16.45mn tonnes in February, driven by Qatar, which is the forum's top liquefied natural gas exporter, Doha-headquartered Gas Exporting Countries Forum said in its latest monthly report.

The surge in GECF's LNG exports was driven by Qatar (+0.84mn tonnes), Norway (+0.36mn tonnes), Malaysia (+0.33mn tonnes), Egypt (+0.15mn tonnes), Mozambique (+0.15mn tonnes), Angola (+0.14mn tonnes), Algeria (+0.10mn tonnes), Trinidad and Tobago (+0.08mn tonnes), Russia (+0.05mn tonnes) and Peru (+0.02mn tonnes).

In contrast, LNG exports declined in the United Arab Emirates (-0.26mn tonnes) and Nigeria (-0.21mn tonnes), GECF noted.

Looking at Qatar and Angola, lower maintenance activity at LNG facilities in both countries compared to a year earlier

boosted the countries' exports.

In Norway, the continued ramp-up in production from the Hammerfest LNG facility, following its restart in June 2022, drove the increase in exports.

Furthermore, higher feedgas availability for LNG exports in Malaysia, Egypt, Algeria and Trinidad and Tobago supported the increase in exports from these countries.

With regard to Mozambique, the ramp-up in production from the Coral South FLNG facility supported the rise in LNG exports.

On the other hand, the decline in LNG exports from the UAE was attributed to maintenance activity at the Das Island LNG facility.

In Nigeria, lower feedgas availability for LNG exports contributed to the lower LNG exports.

NLNG declared force majeure on feedgas supply to the liquefaction facility in January 2023, which remained in effect in February, GECF noted.

In February 2023, global LNG exports rose sharply y-o-y by 11% (3.48mn tonnes) to 34.00mn tonnes.

Stronger LNG exports from GECF member countries, non-GECF countries and higher LNG reloads drove the growth in global LNG exports.

Non-GECF countries were the largest LNG exporters during the month with a share of 49.5% in global LNG exports, followed by GECF (48.4%) and LNG reloads (2.1%).

In comparison to February 2022, the shares of GECF member countries and LNG reloads increased from 48.2% and 0.8% respectively while the share of non-GECF countries declined from 51.0%, the monthly report showed.

At a country level, the US was the largest exporter in February 2023, followed by Australia and Qatar.

For January and February of this year, combined, global LNG exports rose by 6.7% (4.33mn tonnes) y-o-y to 69.44mn tonnes, GECF noted.