

Column: Europe faces more high gas prices next winter



LONDON, Jan 20 (Reuters) – Europe is on course to end the winter of 2022/23 with a record amount of gas in storage, putting downward pressure on futures prices for deliveries this spring and summer.

But even with a record inventory carry over, the region will likely experience higher prices and renewed pressure to conserve gas in the winter of 2023/24.

Europe's storage is designed to smooth out seasonal variations in consumption not to provide a strategic stockpile to protect against an embargo disrupting supplies.

Combined gas consumption in the European Union and United Kingdom was around 5,203 terawatt-hours (TWh) in 2019, the last full year before the pandemic, according to Eurostat.

They have enough capacity to store 1,129 TWh, equivalent to about 21% of annual consumption, according to Gas Infrastructure Europe.

In practice, storage depletion supplies a much smaller share of actual consumption each year, typically around 10%.

SEASONAL STORAGE

Seasonal storage is designed to absorb excess production during summer, discharging during winter to meet peaking consumption.

Using inventories to shift supply from summer to winter in this way is more cost-effective than maintaining lots of extra production capacity that would only be used a few months each year.

Inventories are large enough to cope with the unpredictability of winter heating demand and ensure supply does not run out in the event winter is much colder than average.

But given the relatively small volume of gas that can be stored, the inventory system cannot provide both seasonal and strategic storage at the same time.

STOCK CLEARANCE

Storage follows a two-season cycle of summer (with inventories accumulating from roughly April to September) and winter (inventories depleting from roughly October to March).

Deviations from this are usually reversed within the subsequent season via large changes in prices forcing inventories back to the long-term average within 6-12 months.

If inventories end the summer unusually high, prices fall to boost consumption, ensure inventories deplete faster and end winter close to average.

Conversely, if inventories end winter low, prices rise to curb consumption, accelerate inventory accumulation and end summer close to normal.

Price changes ensure that inventories normalise within a single storage year rather than over multiple storage years.

RECORD CARRYOVER

Gas conservation policies, high prices and an extended period of unusually warm temperatures between mid-December and mid-January have combined to avert possible gas shortages this winter.

EU and UK storage is on course to end the winter of 2022/23 more than 54% full, well above the average of 35% over the previous 12 years (“Aggregated gas storage inventory”, GIE, January 20).

But that means there will be much less unused space to absorb over-production during the summer season of 2023.

Lack of storage will ensure prices fall to stimulate consumption and discourage production to limit inventory accumulation.

But the futures market is forward-looking; traders are already anticipating, accelerating and amplifying the price decline.

Prices have tumbled to limit excess inventories and create more space for gas to be put into storage during summer 2023.

Futures prices for gas delivered in March 2023 have fallen to less than €65 per megawatt-hour from €177 at the start of October and a peak of €338 in August.

Pressure on storage space is likely to keep prices low this summer even if they then rise again next winter.

Given the limitations of the storage system, a record carryover from winter 2022/23 will lessen but cannot eliminate the need for high prices and conservation in winter 2023/24.

Higher inventories provide more energy security than lower ones, but policymakers should avoid implying inventories alone are enough to prevent shortages or price spikes next winter.

Prospects for the Cyprus EEZ in 2023



With no end in sight for the Russia-Ukraine war, global energy markets will continue to be unstable, making 2023 another difficult year for global energy.

On top of this, with uncertainties in global energy policy continuing, as Europe and the US pursue a faster energy transition, and elections in Cyprus, Greece and Turkey, oil companies operating in the Cyprus EEZ are unlikely to announce any major new initiatives in 2023.

Chevron's appraisal drilling at Aphrodite is expected later in the year, but it may produce more questions than answers. The reservoir is compartmentalized, and the well will be drilled in the middle and largest section.

Even though the Minister of Energy makes frequent references to gas exports from Aphrodite starting in 2027, there are no clear plans by Chevron and its partners to support this. For such a date to be feasible, gas sales contracts should have already been signed with prospective buyers in Egypt. But 11 years after the discovery of Aphrodite, the Minister is still talking about the development plan being “in the final stages and we expect to have news soon,” an often-repeated statement without any indication by when.

The announcement of 2-3 trillion cubic feet (tcf) gas discovery at Zeus-1 in block 6 by Eni/TotalEnergies in December, is good news. Small, but it adds to the two other small discoveries in the same block, Cronos-1 with 2,5tcf and Calypso likely with 1-2tcf. It strengthens the case for the potential linking of these gas fields to the subsea production facilities at Eni’s Zohr gas field in Egypt, to be transported to the Damietta LNG plant for liquefaction and export.

Earlier in the week, the Minister of Energy suggested that the Eni-TotalEnergies consortium wishes to implement faster steps in the exploitation of block 6. But this was not borne out at the meeting of the two companies with the President on 10 January. Apart from generalities, and reconfirming commitment to Cyprus’ EEZ, there was no mention of any such plans at this stage. Instead, TotalEnergies expressed interest to participate in future in solar energy projects, but there was no indication of when, where or generation capacity.

Evidently, the companies operating in Cyprus’ EEZ are not rushing with any new commitments or investments at this stage. This was confirmed by the Minister. Asked if there will be any activity in Cyprus’ EEZ this year, she said “These are certainly issues that we discuss within the development plan of each block...we do not have anything concrete to announce, but there will definitely be some activity in the coming year.”

The prospects for the development of the discovered gas fields in Cyprus EEZ in 2023 are low.

Apart from the need for oil company commitment, this requires a change of policy by the EU regarding the future use of natural gas in Europe. Even though it is looking for new supplies in the short-term to 2030 to replace Russian gas, the longer-term future remains uncertain.

EU's position, embodied in its REPowerEU strategy, is to reduce gas consumption in Europe by 30 per cent by 2030, and carry on reducing this further on the way to achieving net-zero emissions by 2050. It has already achieved a 20 per cent reduction in gas consumption year-on-year. This discourages European utilities from entering into long-term gas purchase contracts, which are needed to encourage the development of new gas fields that require 20+ years of exports.

I believe that challenges to the reliability and performance of renewables due to the effects of climatic change on wind speeds and rainfall will eventually force the EU to change its gas policies later in the decade. Already EU countries are calling for changes to the Green Deal that recognize the need for gas longer-term.

This will open up opportunities for the development of East Med gas for export to Europe.

But Cyprus must also prepare the ground to make this possible. An obstacle to developing Cyprus gas fields is the geopolitical risk associated with the unresolved Cyprus problem and Turkey's continuous threats. With elections in Cyprus, Greece, and Turkey ushering in new governments by the summer of 2023, the second half of 2023 will be the right time to redouble efforts to overcome these obstacles.

Turkey's priority will be to tackle its catastrophic economic problems, something that will require the goodwill, cooperation and support of Europe and the US.

Readiness by Cyprus to enter into meaningful discussions to resolve the Cyprus problem will be supported by Europe and the US. Turkey may also consider this as key to gaining the cooperation of Europe and the US and becoming more amenable to working with them towards a solution.

A cooperative approach by all is the one most likely to produce the best possible results.

Preparing the ground also includes concluding the discussions with Israel regarding the Aphrodite-Ishai unitization dispute. But with changes in government, both in Israel and in Cyprus, this may have to wait until the second half of 2023.

With prospects for developing Cyprus' EEZ being low in 2023, the new President must prioritize the development of renewables from the currently low levels and the development of an integrated, long-term, strategy for energy and the economy, currently lacking.

Natural gas rollercoaster throws Europe's inflation outlook wide open

Cratering natural-gas prices thanks to warm winter weather are raising the odds that the eurozone's inflation scourge will ease sooner than anticipated.

After a year when consumer prices consistently overshot predictions following Russia's invasion of Ukraine, the bloc kicks off 2023 with the prospect of that dynamic reversing and

with its near-term economic outlook brightening.

There's even a chance headline inflation will reach the European Central Bank's 2% target in the fourth quarter, rather than in 2025 as the institution forecast just a month ago, according to Joerg Angele, a senior economist at Bantleon in Zurich.

If gas prices stay where they are, "there'd be massive downward pressure on inflation" he said. With the ECB's December assumptions way above current market levels, its next set of projections may well be revised lower.

The ECB "is off the mark again," Angele said. "But this time in the other direction."

The catch is that uncertainty about the path for gas prices remains high, even as optimism builds that the worst of Europe's energy crisis is behind it.

Mild temperatures, more diversified supplies and efforts to cut consumption have eased much of the pressure unleashed when Russia attacked its neighbour almost a year ago. Gas inventories are far higher than the last five years' average and prices have recently traded below pre-war levels.

German Economy Minister Robert Habeck said this month that the danger of "a complete economic meltdown" appears to have been averted. The rosier outlook marks an about-turn from just a few months ago, when it was feared the region would struggle to keep the lights on during the colder months.

Even so, much of the winter remains, and there are risks from any bouts of extreme weather or fresh supply disruptions. A cold snap is forecast for the region in the coming days.

There are also concerns that Europe could face an even tougher year ahead as it struggles to rebuild the gas inventories previously supplied by Russia, while China's sudden Covid reopening could create more demand for liquefied natural gas.

"The impact of lower gas prices depends on whether they remain at these levels or whether it's a temporary relaxation," said Aila Mihr, an economist at Danske Bank in Copenhagen.

"There's still a risk that the situation could deteriorate in case of a new shock, or an attack on European energy

infrastructure,” she said. “If the situation remains as it is, it means that the slowdown in energy inflation could come faster than previously expected.”

The more favourable energy situation is making economists more bullish. Goldman Sachs and Bank of America last week dropped expectations that the eurozone will suffer a winter recession, saying lower gas prices will probably quicken the retreat in inflation.

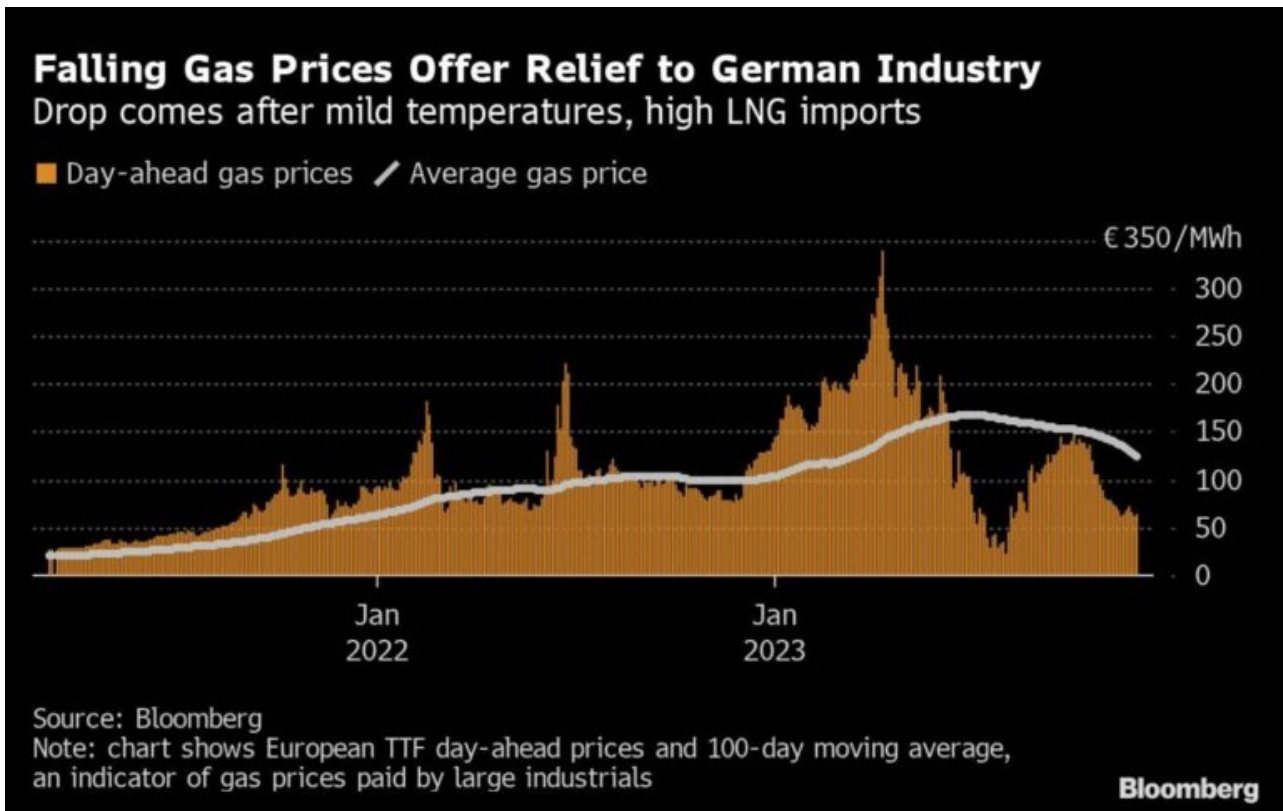
Such views were bolstered by data on Friday showing that Germany’s economy probably avoided a contraction in the final three months of 2022.

Others, however, warn there’s a lot of pain still to come. While there’s a fairly direct link between wholesale gas prices and what consumers pay in countries like Italy and the Netherlands, Bantleon’s Angele says many households – renters in Germany, for instance – will still face with eye-watering heating bills this year.

Finance ministers across the region, meanwhile, may breathe a sigh of relief as the myriad support measures they agreed on last year look like being cheaper than feared. Economists at Berenberg have already lowered their forecast for the euro region’s 2023 fiscal deficit to 3.7% from 4.3%.

All of this is unlikely to make a big impression on ECB policymakers, who’ve lately emphasised their focus on underlying inflation that strips out volatile components like energy and food. That measure hit a record in December, with chief economist Philip Lane warning wage gains will keep it elevated.

“The latest inflation optimism in markets has maybe been a bit much and they focused too much on headline inflation,” Danske’s Mihr said. “Core inflation is still rising and it’s the key determinant for the ECB in the near term. I don’t think that the slowdown in energy inflation will make them more dovish in the near term.”



By William Wilkes

Germany's industrial heavyweights like BASF SE battling an unprecedented energy crunch are seeing signs the worst of the crisis has passed.

Fears of gas rationing after Russia's invasion of Ukraine have dissipated for the country's chemicals, metals and glass makers amid mild temperatures and Germany completing its first liquefied natural gas import terminal. Companies switching to purchasing gas and electricity in the spot market instead of long-term agreements are already reaping the benefits.

Energy prices are significantly lower for us," said Christopher Profitlich, a spokesman for SKW Piesteritz GmbH, which was forced to halt production of key base chemical ammonia last year after gas prices surged. "Both our machines are working and all of our production staff are working again."

Germany's pivot to wean itself off Russian gas is paying off.

The government has rushed to tap liquefied natural gas in the market, boosting imports to Europe to a record high and keeping reservoirs close to full through the early winter. The country has also fast-tracked building LNG terminals.

“It looks like the risk of forced gas rationing has gone away this winter,” said Wolfgang Große Entrup, who heads Germany’s VCI chemical sector association. “But prices will need to stay lower for much longer for most companies to see a real difference.”

The surge in gas prices forced many industrial companies to curb output, stoking fears for the future of factories and jobs. Major manufacturers including automaker Volkswagen AG and chemical giant BASF drew up emergency plans in case of supply disruptions, as Russia effectively stopped direct gas flows since September.

Price Shock

While prices have started to wane, they remain significantly above levels seen before Russia started under-delivering gas in the months before its February 2022 invasion. Companies dealing with the price shock said customers in many cases have turned elsewhere, such as sourcing aluminum parts from the US or Asia.

“The feeling of apocalypse has lifted,” said Marius Baader, managing director of Aluminium Deutschland which represents aluminum manufacturers, said by phone. “But there’s no reason to celebrate yet.”

The drag on Europe’s biggest economy has also eased. Economists had predicted a downturn in September after measures of consumer confidence dropped and surveys of purchasing managers signaled a decline in output. Now the broader economy appears to be flatlining rather than shrinking.

“The currently stable energy supply situation ensures that production is secured for the time being,” said Matthias Frederichs, head of the BV building materials manufacturers’ association. “Still, there can be no talk of relief.”



أعلنت شركة إيني الإيطالية، عن اكتشاف حقل غاز جديد وصفته بـ“المهم” في بئر الاستكشاف “نرجس-1” الواقعة في المياه الإقليمية بالقرب من مدينة رفح، شرقي مصر.

وذكرت الشركة في بيان، الأحد، أن البئر شهدت استخراج أحجار رملية حاملة للغاز من الميوسين والأليغوسين، ما يؤشر لوجود الغاز الطبيعي.. “جرى حفر البئر بعمق 309 أمتار تحت الماء”. ولم تقدم الشركة أية أرقام بشأن تقديرات كميات الغاز الطبيعي في البئر.

وتبلغ مساحة امتياز منطقة نرجس البحرية المصرية 1800 كيلومتر مربع، بشراكة تشغيلية بين شيفرون الأميركية بنسبة 45 بالمئة وإيني الإيطالية بنفس النسبة، وشركة ثروة للبترول (مصرية) بنسبة 10 بالمئة.

وأصبحت مصر مكتفية ذاتيا في الغاز الطبيعي، بمتوسط إنتاج سنوي

. يتجاوز 64 مليار متر مكعب، معظمه يذهب للاستهلاك المحلي

ماذا عن الاكتشافات الأخرى لإيني في مصر؟
تنتج إيني حالياً حوالي 60% من الغاز في البلاد. علاوة على ذلك، تلتزم الشركة بمشاريع لزيادة الإنتاج المحلي بناءً على حملة تنقيب وتطوير، تقول الشركة إنها من شأنها أن تساهم أيضاً في زيادة صادرات الغاز إلى أوروبا، من خلال مصنع تسييل دمياط .

ويعتبر حقل نوروس لإنتاج الغاز البري والبحري في مصر من بين أهم اكتشافات إيني في عام 2015، وهو واحد من أكبر حقول الغاز المصرية. دخل حقل نوروس للغاز، الواقع في واحدة من أكثر المناطق غزارة في دلتا النيل، حيز الإنتاج في وقت قياسي في أغسطس/ آب 2015.

كذا يوجد حقل ظهر البحري العملاق في مصر، ويُعتقد أن حقل ظهر هو أكبر اكتشاف للغاز على الإطلاق في مصر والبحر الأبيض المتوسط. يقع ظهر ضمن امتياز الشروق على بعد حوالي 190 كم شمال مدينة بورسعيد. تمتلك إيني حصة 50 في المائة في الكتلة، وهي مسؤولة عن العمليات هناك.

وفي التفاصيل، بحسب موقع الشركة الإلكتروني، فإنه تبلغ مساحة الأراضي المطورة وغير المطورة 18712 كيلومتراً مربعاً (6776 كيلومتراً مربعاً صافية من إيني). تقع الأنشطة الرئيسية المنتجة لشركة إيني في منطقة الشروق (حصة إيني بنسبة 50%) في البحر الأبيض المتوسط مع حقل ظهر العملاق للغاز، وامتياز سيناء، وخاصة في حقلي بلايم مارين-لاند وأبو رديس (حصة إيني بنسبة 100%)، الصحراء الغربية في المليحية (76% لإيني)، جنوب غرب مليحة (حصة إيني 100%).

كذلك تستثمر الشركة في رأس قطارة (حصة إيني 75%) وغرب أبو غراديج (حصة إيني 45%) امتيازات و(4) بلطيم (حصة إيني 50%)، دلتا النيل (حصة إيني 75%)، شمال بورسعيد (حصة إيني 100%)، امتيازات شمال (حصة إيني 100%).

علاوة على ذلك، تشارك الشركة في امتيازات رأس البر (حصة إيني 50%)، (وجنوب الغارة (حصة إيني 25%).

وفي يوليو/ تموز 2021، تم توقيع اتفاقية مع الدولة المصرية لتقييم الجدوى الفنية والتجارية لمشاريع إنتاج الهيدروجين الأزرق

والأخضر أيضاً ، من خلال تخزين ثاني أكسيد الكربون في حقول الغاز الطبيعي المستنفد .

وفي يناير/ كانون الثاني 2022 ، مُنحت إيني خمسة تراخيص استكشاف، وفي عام 2021 ، بلغ إنتاج إيني 360 ألف برميل نפט مكافئ/يوم، وشكل ما يقرب من 21% من إجمالي إنتاج إيني السنوي من الهيدروكربونات .

من هو سعيد الحظ الذي فاز بالتراخيص رقم 8 للرقابة على !بواخر الفيول؟



فضحية مخالفة لكل الامول: شروط غير متوفرة وتداخل مصالح سياسية

”خاص - “أخبار اليوم

منذ نحو عشر سنوات توقفت وزارة الطاقة عن منح التراخيص لشركات الرقابة على بواخر الفيول والمحروقات، ليستقر العدد على سبع شركات التي تقوم بعملها بشكل دوري لجهة اخذ العينات من حمولة البواخر واجراء الفحوصات المخبرية اللازمة تطبيقا للقانون الساري...المفعول

ولكن الجديد على هذا المستوى هو الترخيص الذي منحه وزير الطاقة وليد فياض في الاسابيع الاخيرة لشركة جديدة ليرتفع العدد الى 8 .”بحسب ما كشف مصدر مطلع لوكالة “أخبار اليوم

وفي التفاصيل، اشار المصدر الى ان وزير الطاقة عمل على توقيع هذا الترخيص قبل بلوغ مديرة عام النفط في وزارة الطاقة والمياه أورور فغالي السن القانونية، وإحالتها إلى التقاعد الشهر الفائق، كاشفا ان انطوان الفرد دوره (الذي ترشح الى الانتخابات النيابية في طرابلس على اللائحة المدعومة من التيار الوطني الحر ولم يفز) حصل عليه دون ان يمرّ الملف بالاجراءات التقنية ومطابقة كل الشروط .الواجب توفرها .

:وهنا تحدث المصدر عن ابرز الشروط التي يجب الالتزام بها

، ان يكون لدى الشركة خبرة تتجاوز العشر سنوات -

الالتزام بالمذكرة رقم 3 التي تنص على ضرورة ان تكون الشركة - المحلية منضمة الى “شركة ام” عالمية” التي تغطي كل اعمال الشركة العاملة في لبنان اكان على المستوى التقني او اللوجستي، ما يكسبها الصديقة .

وهنا سأل المصدر: هل ان الشركة الجديدة تتمتع بالخبرة المطلوبة؟ كما انه حتى اللحظة لم نعرف من هي الشركة الام التابعة لها، حيث .لم يحدد الامر في بياناتها .

وفي سياق متصل ذكر المصدر بدراسة اجرتها وزارة الطاقة منذ نحو خمس سنوات تبين فيها ان السوق لا يحتمل شركة ثامنة، قائلا: اليوم السوق في تراجع نظرا الى الازمة الاقتصادية التي يعاني منها البلد، .الامر الذي سيؤدي الى تسريح موظفين من الشركات السبعة

وامام هذا الواقع، لفت المصدر الى ان اصحاب الشركات السبعة وجدوا خلا، واجتمعوا مع احد وزراء الطاقة السابقين من اجل استيضاح الامر وعبروا عن اعتراضهم على هذا التجاوز، كما طالبوا بان يتم تصنيف

الشركة وتحديد حصة كل واحدة منها من رقابة البواخر وفق تراتبية
الاقدمية .

الى ذلك، اوضح المصدر ان دوره يملك وكالة بحرية، (تعمل على
تخليص المعاملات ودفع الرسوم) وبالتالي اي ترخيص رقابي له سيؤدي
الى تداخل المصالح .

وختم سائلا: هل ما حصل هو استعمال النفوذ، هل هذه الرقابة هي رشوة
غير مباشرة من قبل مرجع سياسي؟

**QatarEnergy wins working
interest in new Brazilian
offshore exploration block**



QatarEnergy, in a consortium with TotalEnergies and Petronas, has been awarded the Agua-Marinha Production Sharing Contract (PSC), under the 1st Cycle Permanent Offer round, by Brazil's National Agency of Petroleum, Natural Gas, and Biofuels (ANP). Under the terms of the PSC and associated agreements, QatarEnergy will hold a 20% working interest, alongside the operator Petrobras (30%), TotalEnergies (30%) and Petronas Petroleo Brasil Ltda (20%).

The Agua-Marinha block has a total area of 1,300sq km and is located in water depths of about 2,000m off the coast of Rio de Janeiro in the prolific Campos Basin.

Commenting on this occasion, HE the Minister of State for Energy Affairs, Saad bin Sherida al-Kaabi, also the president

and CEO of QatarEnergy, said: “We are pleased to achieve this latest successful joint-bid, which adds further highly prospective acreage to our upstream portfolio in Brazil, and particularly in the prolific Campos Basin.”

Al-Kaabi added: “We are delighted to achieve this success with our valued partners Petrobras, TotalEnergies, and Petronas. I wish to take this opportunity to thank the ANP and the Brazilian authorities for this opportunity and for their ongoing support.”

The acquisition, which is expected to close in the first half of 2023, further establishes QatarEnergy as one of the leading upstream players in Brazil, where it already holds working interests in two producing fields and numerous exploration blocks.

EU countries agree gas price cap to contain energy crisis



BRUSSELS, Dec 19 (Reuters) – European Union energy ministers on Monday agreed a gas price cap, after weeks of talks on the emergency measure that has split opinion across the bloc as it seeks to tame the energy crisis.

The cap is the 27-country EU's latest attempt to lower gas prices that have pushed energy bills higher and driven record-high inflation this year after Russia cut off most of its gas deliveries to Europe.

Ministers agreed to trigger a cap if prices exceed 180 euros (\$191.11) per megawatt hour for three days on the Dutch Title Transfer Facility (TTF) gas hub's front-month contract, which serves as the European benchmark.

The TTF price must also be 35 eur/MWh higher than a reference price based on existing liquefied natural gas (LNG) price assessments for three days.

"We have succeeded in finding an important agreement that will shield citizens from skyrocketing energy prices," said Jozef Sikela, industry minister for the Czech Republic, which holds

the rotating EU presidency.

The cap can be triggered starting from Feb. 15, 2023. The deal will be formally approved by countries in writing, after which it can enter into force.

Once triggered, trades would not be permitted on the front-month, three-month and front-year TTF contracts at a price more than 35 euros/MWh above the reference LNG price.

This effectively caps the price at which gas can be traded, while allowing the capped level to fluctuate alongside global LNG prices – a system designed to ensure EU countries can still bid at competitive prices for gas in from global markets.

Germany voted to support the deal, despite having raised concerns about the policy's impact on Europe's ability to attract gas supplies in price-competitive global markets, three EU officials said.

An EU official told Reuters Germany agreed to the price cap after countries agreed changes to another regulation on speeding up renewable energy permits, and stronger safeguards were added to the cap.

Those safeguards include that the cap will be suspended if the EU faces a gas supply shortage, or if the cap causes a drop in TTF trading, a jump in gas use or a significant increase in gas market participants' margin calls.

Soaring power and gas prices have rocked energy companies across Europe, forcing utilities and traders to secure extra funds from governments and banks to cover margin call requirements.

Germany's Uniper (UN01.DE) has booked billions of euros of losses on derivatives, exacerbating a crisis as it rushed to fill the gap left after Russia cut supplies.

Jacob Mandel, senior associate at Aurora Energy Research, said the TTF front-month contract has rarely closed above 180 eur/MWh, noting this has occurred on 64 days in its history. All of those were in 2022.

Two EU officials said only Hungary voted against the price cap.

The Netherlands and Austria abstained. Both had resisted the cap during negotiations, fearing it could disrupt Europe's energy markets and compromise Europe's energy security.

Dutch energy minister Rob Jetten said: "Despite progress the last couple of weeks, the market correction mechanism remains potentially unsafe."

"I remain worried about major disruptions on the European energy market, about the financial implications and, most of all, I am worried about European security of supply," he added.

The EU proposal has also drawn opposition from some market participants, who have said it could cause financial instability.

The Intercontinental Exchange (ICE) (ICE.N), which hosts TTF trading on its Amsterdam exchange, last week said it could move TTF trading to outside of the EU if the bloc capped prices.

On Monday, it said it will assess whether it can continue to operate fair and orderly markets for TTF gas hub trading. For now, ICE TTF markets will continue trading as normal.

The front month TTF gas price closed trading on Monday 9% lower, at 107 euros/MWh, Refinitiv Eikon data showed.

The contract hit a record high of 343 euros in August – a price spike that prompted the EU to move ahead with its price cap.

Italy's energy authority ARERA expects further increases in gas prices as the winter season kicks in, its President Stefano Besseghini said on Monday.

Meanwhile, Russia's Kremlin spokesman Dmitry Peskov said the cap was an attack on market pricing, and unacceptable, Russia's Interfax news agency reported.

The deal follows months of debate on the idea and two previous emergency meetings that failed to clinch an agreement among EU countries that disagreed on whether a price cap would help or hinder Europe's attempts to contain the energy crisis.

Roughly 15 countries, including Belgium, Greece and Poland, had demanded a cap below 200 euros/MWh – far lower than the 275 euros/MWh trigger limit originally proposed by the European Commission last month.

Poland's prime minister said the price cap would end Russia and Gazprom's ability to distort the market.

“At the recent meetings in Brussels, our majority coalition managed to break the resistance – mainly from Germany,” Mateusz Morawiecki wrote on Twitter. “This means the end of market manipulation by Russia and its company Gazprom.”

Aramco in talks with investors on \$110bn Jafurah gas project



Saudi Aramco has started talks with potential backers for its \$110bn Jafurah gas development, according to people familiar with the matter, as the oil producer plans to exploit one of the world's largest unconventional gas fields.

The state-controlled company is seeking equity investors that could help fund the development of midstream and downstream projects at Jafurah in the east of the kingdom, the people said, asking not to be identified as the information is private.

Aramco has reached out to private equity firms and other large funds that invest in infrastructure as part of the plans, which could offer stakes in assets such as carbon capture and storage projects, pipelines and hydrogen plants, the people said.

Investment bank Evercore Inc is advising Aramco on the plans, the people said. Talks are still at an early stage and details of the funding could change, the people said. A representative for Aramco declined to comment, while a spokesperson for Evercore didn't have an immediate comment.

The war in Ukraine has led to a frantic 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. Some companies have also look to boost their exposure, with Eni SpA considering a takeover of explorer Neptune Energy Group Ltd, Bloomberg News has reported.

Jafurah is a key part of Saudi Arabia's strategy to diversify its energy exports beyond oil. The field is estimated to hold 200tn cubic feet of raw gas, and Aramco expects to begin production there in 2025, reaching about 2bn standard cubic feet per day of sales by 2030.

A large portion of the gas produced there will be used to create so-called blue hydrogen, Energy Minister Abdulaziz bin Salman said last year. The process is where emissions associated with hydrogen production are captured and stored in the kingdom, allowing the fuel to then be exported as a clean energy source. The opening up of the Jafurah development to external investors would follow years of efforts to attract foreign capital into Aramco and some of its key assets. After a \$30bn initial public offering in 2019, the oil giant sold stakes in units that operate its network of oil and gas pipelines around the kingdom. The deals have raised about \$28bn for the company.

Global Star becomes first Nakilat vessel to deliver cargo to Escobar LNG Terminal

in Argentina



Nakilat-managed liquefied natural gas (LNG) carrier Global Star, with a carrying capacity of 173,400 cubic metres, has become the first Nakilat vessel to deliver cargo to Escobar LNG Terminal in Argentina. Escobar LNG terminal is located on the Parana River in Argentina. It has the capacity to handle 500mn cubic feet (mcf) of LNG a day and a peak capacity of 600 mcf.