

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.

North Field expansion: Recent LNG deals awarded to have positive medium-term impact



Recent LNG deals awarded for Qatar's North Field gas expansion project will have a positive medium-term impact, facilitating an increase in LNG capacity by almost 65% to 126mn tonnes per year (mtpy) by 2027 from 77 mtpy now. Oxford Economics said in its latest country report. In the two weeks, Qatar secured multiyear supply agreements with China and Germany for LNG output set to be added in the first phase of the project due to be completed in 2026. Qatar's non-hydrocarbon sector recovery will slow in 2023 after a strong rebound this year, Oxford Economics said. "We see non-oil GDP growth of 7.6% this year, the fastest rate since 2015. The pace will then slow to 3.3% in 2023 as momentum eases once the World Cup concludes. This will still be stronger than the 2.7% expansion in 2021, which followed a decline of 4.7% in 2020," noted Maya Senussi, senior Middle East economist at Oxford Economics. The non-oil economy surged by 9.7% in Q2, up significantly from 5% in Q1. The latest survey data show momentum has eased from record high levels, but the influx of World Cup fans means non-oil

activity should remain resilient at year-end. The latest figures show Qatar's tourist numbers neared 1.2mn in January-September, almost quadrupling relative to the same period in 2021, thanks to a surge in arrivals from other GCC countries as well as India, the US. and the UK. The World Cup event is estimated to attract more than 1mn visitors. This should lift the total number of visitors this year above pre-pandemic levels (2.1mn). The month-long event, which started on November 20, has brought an influx of visitors, supporting activity, despite global headwinds. However, inbound travel to Qatar will decline in 2023, before a rise in regional arrivals spurs a recovery thereafter, the report said. Qatar is the world's second-largest LNG exporter (after the US). There is also heavy investment in gas-to-liquids, petrochemicals, a gas export pipeline, infrastructure, and tourism. Some \$200bn has been spent on infrastructure, partly related to the 2022 football World Cup, and partly to an expanding population and the country's long-term strategy, the Qatar National Vision 2030. In addition, Qatar is developing into a significant regional financial and educational centre, Oxford Economics noted.

Trafigura to secure US LNG supply for Germany in US\$3Bn deal



Some US\$3Bn in US LNG will make its way into the German gas grid as part of a four-year loan deal between the German Government, more than 25 banks including Deutsche Bank and commodities trader Trafigura.

The supply has been agreed based on the loan facility that is partly secured under Germany's United Financial Loan programme, through the German Export Credit Agency Euler Hermes Aktiengesellschaft.

The loan has been jointly arranged and underwritten by Deutsche Bank and another unnamed international bank and syndicated to more than 25 banks in a transaction that was, according to Trafigura, "1.6 times oversubscribed".

"The loan will support a new commitment by Trafigura to deliver substantial volumes of gas into the European gas grid, and ultimately into Germany, over the next four years.

Trafigura will supply the gas to Securing Energy for Europe (SEFE), which was recently recapitalised by the German Government. The first gas delivery took place 1 November 2022 and Trafigura will primarily use existing quantities from its

global gas and LNG portfolio to help secure gas supplies to SEFE. The agreement included a review of Trafigura's environmental, social and governance policies and performance," a statement from the trader said.

"We are proud to be contributing to Europe's energy security by supplying this significant volume of gas to Germany backed by our extensive portfolio and long-term US LNG contracts," said Trafigura head of gas and power trading Richard Holtum.

About 50% of Germany's natural gas has been supplied by Russia in recent years, and as a result, Germany has enacted emergency energy measures, announcing multiple LNG import terminals, including five based on FSRUs, since the start of Russia's war against Ukraine.

In April, the German Finance Ministry approved spending €2.94Bn (US\$3.09Bn) to fund the FSRUs, with Uniper and RWE signing 10-year charter deals on behalf of the German Government to secure two FSRUs each from Höegh LNG and Dynagas and an additional FSRU coming from US-based Exceleerate Energy.

The two Höegh LNG 170,000-m³ FSRUs will be deployed in Germany, one at Wilhelmshaven and another at Brunsbüttel as the country's first LNG import hubs.

The 5Bn-m³ Höegh LNG FSRU is scheduled to arrive at the turn of the year. However, due to the grid capacities, only about 3.5Bn m³ (about 4% of Germany's gas requirements) of natural gas per year can then be transported via this pipeline before the construction of a new 55-km pipeline is completed.

Low-cost LNG supplier Qatar to remain in 'relatively strong competitive position': S&P



*** Qatar's revenue stream will be significantly enhanced by North Field expansion, whereby Qatari liquefied natural gas production capacity is expected to increase by 64%**

As a low-cost LNG supplier, Qatar will remain in a "relatively strong competitive position" even after 2030, although demand is likely to peak in the mid-2030s, with increasing use of renewables in the energy market having a gradual impact on demand for hydrocarbons, S&P Global noted in its ratings upgrade.

S&P recently raised its long-term sovereign credit rating on Qatar to 'AA' from 'AA-', assigned a stable outlook, and affirmed the country's 'A-1+' short-term rating.

In its overview, S&P noted Qatar's debt interest costs as a share of government revenue have fallen, and therefore it

expects them to remain low because the government is repaying maturing debt.

Additionally, the government's revenue stream will be significantly enhanced by the North Field expansion, whereby Qatari liquefied natural gas production capacity is expected to increase by 64% (by 2027).

"The upgrade reflects structural improvements in the Qatari government's fiscal position. The government's strategy of paying off maturing debt, will sustainably reduce debt-servicing costs to below 5% of general government revenue over 2022-2025," S&P said.

Higher gas production related to the North Field expansion, expected to come onstream from end-2025, should further increase Qatari government revenue.

Qatar remains one of the largest exporters of LNG globally. Between 2025 and 2027, the government plans to increase its LNG production capacity by about 64%, from 77mn tonnes per year to 126mn tpy.

The strategic pivot away from Russian gas, particularly by European economies, suggests there will be a ready market for the additional Qatari gas.

In its forecast, S&P said, "We assume that LNG production levels will be largely flat until 2025, but increase by about 30% over 2026-2027, on the assumption that the full increase in capacity will take some time to be fully utilised."

S&P said it expects "strong" non-hydrocarbon sector growth as Qatar hosts the FIFA World Cup from November 20 to December 18, which will support an economic expansion of about 5% in 2022.

After the tournament, S&P has forecast real GDP growth will average about 2.5% over 2023-2025 as gas production levels remain broadly stable and non-hydrocarbon sector growth normalises around 4%.

The country's strong general government net asset position remains a credit strength and it expects it to increase over the period to 2025, supported by investment returns on Qatar's sovereign wealth fund, Qatar Investment Authority (QIA),

assets, and the government's repayment of maturing external debt.

Averaging about 150% of GDP in 2022-2025, Qatar Government's large liquid assets provide it with a strong buffer to mitigate the economic effects of external or financial shocks.

QatarEnergy announces hydrocarbon discovery in Brazil's Sepia field



QNA/Doha

QatarEnergy Monday announced an oil discovery in the 4-BRSA-1386D-RJS well in Brazil's world class Sepia oil field, which is located in the prolific Santos Basin in water depths of about 2,000 meters off the coast of Rio de Janeiro.

QatarEnergy acquired a working interest in the Sépia Co-

Participated Area in December 2021 during the 2nd Transfer-of-Rights Surplus Bidding Round, which was organized and managed by Brazil's National Agency for Petroleum, Natural Gas and Biofuels (ANP). The Area is operated by Petrobras (with a participating interest of about 52 percent) in partnership with TotalEnergies (19.2 percent), QatarEnergy (14.4 percent) and Petronas Petrleo Brasil Ltda (14.4 percent), with Pre Sal Petroleo S.A. (PPSA) as manager. The Sepia shared reservoir is currently producing about 170,000 barrels of oil per day.

Commenting on this occasion, HE the Minister of State for Energy Affairs, the President and CEO of QatarEnergy, Saad bin Sherida Al Kaabi, said: "We are encouraged by this discovery, which comes as a result of strategic cooperation with reputable partners in our effort to unlock more global energy resources as part of our comprehensive growth strategy. On this occasion, I would like to congratulate our partners, and I look forward to more future achievements."

The discovery is significant in that the well penetrated a net oil column, which is one of the thickest ever encountered in Brazil. Partners will continue operations to characterize the conditions of the discovered reservoirs and verify the extent of the discovery by conducting well tests. (QNA)

Golden Pass to procure gas from US market; export-oriented LNG project to start

production by end-2024: Al-Kaabi



aramco,athens,athensenergydialogues,baroudi,carbon,climate,climate change,climateaction,climatechange,Closure Of Nuclear,Power,Plants,C02,cyprus,decarbonising,decarbonization, democracy,doha,eastmed,egypt,embargo,emissions,ENERGY,Energy Market,energy,peace,energyindustry,europe,European Fuels,Russian Gas,Oil And Gas,Natural Gas,GAS,gazprom,greece,greenenergy,international,Maritime,disputes,LEBANON,Liquefied Natural Gas,maritime boundaries,east,mediterranean,Maritime disputes,offshore,OIL,opec,pollution,poverly,alleviation,Putin ,QATAR,Renewable Energy,Rosneft,roudi,russia,Russia In The European Energy Sector,Russian Sanctions,saudi,solar,solar power,Straddling,hydrocarbons,reserves,sustainability,total,trump,turkey,ukrain,UNCL0S,usa

QatarEnergy in talks with Asian buyers for “small equity participation” in North Field expansion: Minister



Doha

QatarEnergy is in talks with several Asian buyers for “small equity participation” in the North Field expansion, HE the Minister of State for Energy Affairs Saad bin Sherida al-Kaabi said Sunday.

“That discussion is still ongoing with several Asian buyers, who will come in as buyers to have small equity participation (in the project). We call them value-added partners,” HE al-Kaabi told reporters here yesterday.

“One of those will be hopefully signed shortly,” al-Kaabi noted.

He said: “The final signature today is relating to international oil companies (IOCs) participation in the North Field South (NFS) expansion project, which comprises two LNG

mega trains with a combined capacity of 16mn tonnes per year (MTPY).

“Today marks the closure of IOCs participation in the North Field expansion project,” he added.

Under-investment spurs imbalance in global gas supply-demand



Under-investment spurs imbalance in global gas supply-demand
The supply-demand imbalance in the global gas market has been caused mainly by under-investment in the industry since 2015 on the back of very low gas prices and misguided calls to stop investing in natural gas projects.

This has only been exacerbated by geopolitical tensions and as Europe became the preferred destination for LNG cargoes to compensate for reduced pipeline flows.

Industry experts say market tightness is expected to continue in the medium-term, as the majority of new projects will come on stream only after 2025.

At a recent media event in Doha, HE the Minister of Energy Affairs Saad bin Sherida al-Kaabi told Gulf Times: “Higher gas prices are caused by many factors. One of these is the Ukraine issue, which has made it a much bigger problem.

“If you go back a little bit, it was due to everybody pushing for green and demonising oil and gas companies and there were not enough investments (in the sector). And that caused higher price, which started before the Ukraine issue. The Ukraine issue has just made it a much bigger problem.

“You cannot take a short-term view of what’s happening today. Gas prices, which you see in Europe today are due to circumstances there.”

Due to the impact of geopolitical challenges, global energy supplies have been disrupted, energy prices impacted, and created concerns over energy security as well as accessibility.

Inflationary pressures are impacting the oil and gas industry through rising production costs, delays in investment decisions, and increased policy uncertainty, al-Kaabi had earlier said at the Asia Green Growth Partnership Ministerial Meeting.

Such developments caused a setback in the kind of serious energy transition the world needs in order to address the immediate challenges of climate change.

“This has caused a serious erosion in public support for reducing carbon emissions in many countries, which had earlier campaigned for greener energy and a carbon-free future – thus negating years of environmental achievements,” al-Kaabi said.

As the cleanest hydrocarbon fuel, natural gas is seen as the perfect solution that strikes the right balance, and will continue to play a key role in the future energy mix.

According to the 'Global gas outlook' by the Gas Exporting Countries Forum, natural gas share in the energy mix will increase from 23% today to 26% in 2050, underpinned by population growth, doubling of world GDP, improved standards of living, and policies and technology aimed at improving air quality and mitigating climate change.

Natural gas will continue to play a pivotal role in sustainable development and in a just and inclusive energy transition. It constitutes a key lever to meet the UN Sustainable Development Goals (SDG) and the Paris Agreement's long-term objectives.

But the security of demand and supply, as well as open, transparent, unhindered, and non-discriminatory gas markets can be achieved only through continuous producer-consumer dialogues.

Clearly, huge investments are required to satisfy the growing world energy demand. Therefore, the importance of timely investments for market stability, and the crucial need for unhindered flow of financial resources and access to technology in a non-discriminatory manner cannot be overlooked.

**QatarEnergy Trading to
offtake, market 70% of LNG
produced by Golden Pass
project in US**



Doha

Affiliates of QatarEnergy and ExxonMobil have agreed to independently offtake and market their respective proportionate equity shares of LNG produced by the Golden Pass LNG Export Project located in Sabine Pass, Texas, the US.

Pursuant to the agreement, QatarEnergy Trading, a wholly owned subsidiary of QatarEnergy, will offtake, transport, and trade 70% of the LNG produced by Golden Pass LNG.

The construction of Golden Pass, which has a total production capacity in excess of 18mn tonnes of LNG per year, is well underway with first LNG production expected by the end of 2024.

Commenting on this development, HE the Minister of State for Energy Affairs, Saad bin Sherida al-Kaabi, also the President and CEO of QatarEnergy said, "The energy market is highly dynamic and undergoing a period of transformation, and LNG will continue to play a key role in meeting global energy demand and ensuring security of supply. This agreement is an important addition to our efforts to meet demand for cleaner energy and to support the economic and environmental requirements for a practical, equitable and realistic energy transition."

Al-Kaabi added: "QatarEnergy is the global leader in LNG, the cleanest of all fossil fuels, and it is only natural for us to increase focus on LNG trading and portfolio optimisation to

deliver innovative LNG solutions that meet the needs of our customers across the globe. I am proud of what QatarEnergy Trading has achieved in the very short time since its inception and with this new addition to its portfolio, I am confident that QatarEnergy Trading will accelerate its efforts to deliver on our aspiration of becoming a world leader in LNG trading in the near future.”

As a result of this arrangement, Ocean LNG Limited, a joint venture established in 2016 between affiliates of QatarEnergy and ExxonMobil for offtaking and marketing the entire production of Golden Pass LNG, has ceased operations, and will be wound down.