

# QatarEnergy signs production sharing contract for Agua-Marinha block in Brazil



QatarEnergy, and its joint-venture partners TotalEnergies, Petrobras, and PETRONAS Petróleo Brasil Ltd (PPBL) signed the Production Sharing Contract (PSC) for the Agua-Marinha block, which was awarded to the consortium in December 2022 in 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 TotalEnergies (30%) Petrobras (operator, 30%), and PPBL (20%). 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 sign the Production Sharing Contract with our partners and with Brazil’s Ministry of Mines and Energy. This signing builds on QatarEnergy’s sizeable upstream presence in Brazil, and we look forward to progressing with exploration activities on this highly prospective block. I wish to thank Brazil’s National Agency of Petroleum, Natural Gas, and Biofuels and the Brazilian authorities for this opportunity and their ongoing support.”

The Agua-Marinha block has a total area of 1,300sq km and is located in water depths of about 2,000m within the prolific Campos Basin. The work programme includes drilling one exploration well during the exploration period.

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**Qatar sees ‘very big demand’  
for North Field expansion gas:  
Al-Kaabi**



HE the Minister of State for Energy Affairs Saad bin Sherida al-Kaabi said Qatar potentially will run out of gas for supplies from the North Field expansion by the year-end, because of “very big demand” for long-term contracts.

“We have signed a large contract with China. We have other deals that we are working on. With so many deals lining up, we will potentially run out of gas from the North Field – both North Field East and North Field South. There is very big demand. Additional gas from the North Field will be available by 2026; all contracts have been awarded,” al-Kaabi said at a ministerial session at the Qatar Economic Forum Powered by Bloomberg in Doha Tuesday.

The expansion project will increase Qatar’s liquefied natural gas (LNG) production capacity from 77mn tonnes per year (MTPY) to 126 MTPY, through the North Field East (NFE) and North Field South (NFS) expansion projects, with first LNG expected by 2026.

Qatar will add 65mn tonnes per year of LNG to meet the growing needs of the world from its North Field expansion and its project in the United States, al-Kaabi said.

"We don't follow what others say we should do...we do what is technically possible with our fields. When it's the right time and technically we can do it, we'll definitely do more," the minister said.

Talking about the gas supply and demand situation in future, al-Kaabi said, "There is going to be a shortage in oil and gas in future, predominantly due to the push on (energy) transition. It is really aggressive without studying it. If you look at economic and environment stability, these are not mutually exclusive... we have to have both.

"And if you push some countries into doing that, that doesn't help humanity in general. The only thing that saved humanity and Europe this year was a warm winter and the slowdown in the economy worldwide. If the economy comes back in 2024, the worst is yet to come," said al-Kaabi.

"If you look at future, whether it is oil or gas, because of decade-long lack of investments, due to the push to transition of energy, there is going to be shortage for both."

Al-Kaabi emphasised the need to have a "mix" of all energy resources and said, "You need a mix of all energy sources and people need to realise that you need oil, gas and renewables. People talk about renewables as if it's a fix-all.

"If you look at renewables you can generate electricity from wind and solar, but you can't make plastics or any sort of such products. So by saying renewables generate electricity does not solve the problem, you need a proper energy mix. And it can't be driven by politics and politicians wanting to get in the seat to say this is the solution. It's a nice pitch to say energy transition, but when you dig down and look at the reality, it's not achievable."

Al-Kaabi said he was "thrilled" that the G7 final communique spoke about the need for more LNG for the world and warned the world would face a shortage of oil and gas due to a lack of investment.

"I am thrilled that finally the G7 in their final communique said they need more LNG to be supplied to the world. We've been saying this for the last 10 years," al-Kaabi noted.

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# **Uptick in Qatari LNG contributes to higher LNG imports in India, Pakistan in April: GECF**



Qatar – Uptick in LNG imports from Qatar contributed to higher LNG imports in India and Pakistan in April this year, GECF' latest data show.

In April 2023, Asia Pacific's LNG imports continued to recover and increased by 5% (1.05mn tonnes) y-o-y to 20.50mn tonnes, which was slightly lower than the imports in April 2021.

China, India, Thailand, and Pakistan contributed to the bulk of the incremental increase in LNG imports and offset weaker

imports in Japan. Asia Pacific's cumulative LNG imports from January to April this year rose by 3% (2.6mn tonnes) y-o-y to 89.12mn tonnes,

Doha-headquartered Gas Exporting Countries Forum said. China's LNG imports continued to recover in April and recorded the highest year-on-year increase since September 2021. The rebound in economic and industrial activity boosted gas consumption, driving LNG imports higher.

Pipeline gas imports to the EU increased by 3% month-on-month, to reach 14 bcm in April.

Global LNG imports surged by 10% y-o-y to 34.4mn tonnes, setting a new record high for imports in April. The increase was driven by stronger LNG imports across all regions, especially in the Asia Pacific and Europe.

In Europe, the rise in LNG imports continues to compensate for the lower pipeline gas imports into the region.

Meanwhile, the rebound in gas consumption in China, opportunistic buying in India due to lower spot LNG prices, and declining gas production and pipeline gas imports in Thailand contributed to the increase in the Asia Pacific's LNG imports.

Furthermore, Philippines joined the ranks of LNG importers in April, GECF noted.

As of April, the restocking of gas storage sites has commenced. In the EU, the average level of gas in underground storage was 59.4bcm, which amounts to 57% of the region's storage capacity.

In the US, the level of underground gas storage increased to 55.6bcm, representing 42% of its capacity.

A slower stockbuild is expected in both the EU and US this summer due to the high levels of gas already in storage. The

combined LNG in storage in Japan and South Korea was estimated at 9.8bcm.

According to GECF, gas and LNG spot prices in Europe and Asia continued their downward trend for the fourth consecutive month. In April, the Title Transfer Facility (TTF), which is the main reference virtual market for gas trading in Europe and Northeast Asia (NEA) LNG spot prices, averaged \$13.69/MMBtu and \$12.10/MMBtu, respectively, representing a 1% and 9% decrease compared to the previous month.

The TTF spot price was 57% lower y-o-y, while the NEA LNG spot price experienced a decline of 58% y-o-y. With the arrival of the shoulder season, the market witnessed a decrease in tightness as a result of ample storage levels and strong LNG supply.

However, in Asia, there was some emerging buying activity in anticipation of the summer season, which helped limit the decline in spot LNG prices, GECF said.

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## **QatarEnergy enters Suriname offshore exploration**





QatarEnergy has entered into two Production Sharing Contracts for Blocks 6 and 8 offshore the Republic of Suriname, following successful bids in these blocks, as previously announced in June 2021.

Pursuant to the signed agreements, QatarEnergy will own a 20% working interest in both blocks, where licensing of the new 3D seismic and associated exploration activities are planned. The remaining working interest is shared equally between TotalEnergies (Operator) and Staatsolie's affiliate, Paradise Oil Company.

Commenting on the signing of the agreements, HE Minister of State for Energy Affairs, the President and CEO of QatarEnergy Eng. Saad bin Sherida Al Kaabi said: "We are pleased to have concluded our entry into Blocks 6 and 8 along with our partners, TotalEnergies and Staatsolie, and look forward to commencing exploration in this promising basin."

HE Minister Al Kaabi added: "I would like to take this opportunity to thank the Surinamese authorities, Staatsolie, and our strategic partner TotalEnergies for their excellent commitment and support that resulted in the signing of these agreements."



The contracts, and other key agreements, were signed on behalf of QatarEnergy by Manager of International Upstream and Exploration Ali Abdullah Al Mana during a ceremony hosted by Staatsolie, Surinames State Oil Company in Paramaribo, the capital of Suriname.

Located in the Southern part of offshore Suriname, the adjacent Blocks 6 and 8 are immediately South of Block 58 in shallow waters, with depths ranging between 40 and 65 metres.

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## **IQ earns QR1.2bn net profit on QR4.8bn revenues in Q1**



Industries Qatar (IQ) – the holding entity of Qatar

Petrochemicals, Qatar Fertiliser and Qatar Steel – has reported net profit of QR1.2bn on revenues of QR4.8bn in the first three months of this year.

The group's operations continue to remain stable and strong as production volumes for the current period improved by 11% year-on-year to 4.4mn MTs in the first quarter (Q1) of 2023, largely driven by higher operating rates, and better plant availability across all the segments.

However, the group's net earnings were down 57% on an annualised basis.

The group's financial position continues to remain robust, with cash and bank balances at QR13.9bn as of March 31, 2023, after accounting for a dividend payout relating to the financial year 2022 amounting to QR6.7bn. Currently, the group has no long-term debt obligations.

IQ's reported total assets and total equity reached QR39.1bn and QR36.5bn, respectively, at the end of March 31, 2023. The group generated positive operating cash flows of QR1.2bn, with free cash flows of QR0.8bn during Q2-23.

The petrochemicals segment reported a net profit of QR382mn for Q1-23, significantly down by 43% versus Q1-22. This decrease was mainly linked to a 26% decline in segmental revenues, which were affected by lower blended selling prices realised during Q1-23.

Blended product prices for the segment declined by 23% versus last year, as result of general decline in the petrochemical prices at the macro-level due to combined effect of declining crude prices and weakened consumer demand against a backdrop of deteriorating macroeconomic fundamentals, and general decline in demand due to recessionary fears.

Sales volumes also fell 4% year-on-year. On the other hand, production volumes improved by 7% against the backdrop of higher facility availability.

The fertiliser segment's net profit was QR510mn for Q1-23, a decline of 71% year-on-year, primarily driven by a 44% shrinkage in segmental revenue, due to a 45% plunge in selling prices, amid macro-pressures affecting fertiliser markets.

Sales volumes were marginally up 3% during Q1-23, mainly due to improved production levels which increased by 11% on year-on-year basis, amid relatively lower shutdown days reported for Q1-23 versus Q1-22.

The steel segment reported a net profit of QR134mn, down by 49% versus last year, on lower revenues, which fell 6% versus Q1-22. Additionally, the earnings were also impacted by higher volume related operating expenses, and marginally reduced other operating income.

The decline in revenue was primarily driven by lowered selling prices which declined by 16% on year-on-year basis. This was partially offset by higher sales volumes which increased by 12% mainly linked to higher production volumes.

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## **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.

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## **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 Indias 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 facility's 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.

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## **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 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.

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## **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.

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# QatarEnergy signs MoU with Namibia to boost energy cooperation



QatarEnergy has signed a Memorandum of Understanding (MoU) with the Ministry of Mines and Energy of the Republic of Namibia to strengthen cooperation in the energy sector.

The agreement was signed by HE Minister of State for Energy Affairs, the President and CEO of QatarEnergy Eng. Saad bin Sherida Al Kaabi and HE Minister of Mines and Energy of the Republic of Namibia Tom Alweendo. The MoU paves the way for

continued cooperation and covers key areas such as knowledge sharing, workforce development, and exploring further investment opportunities in Namibia.