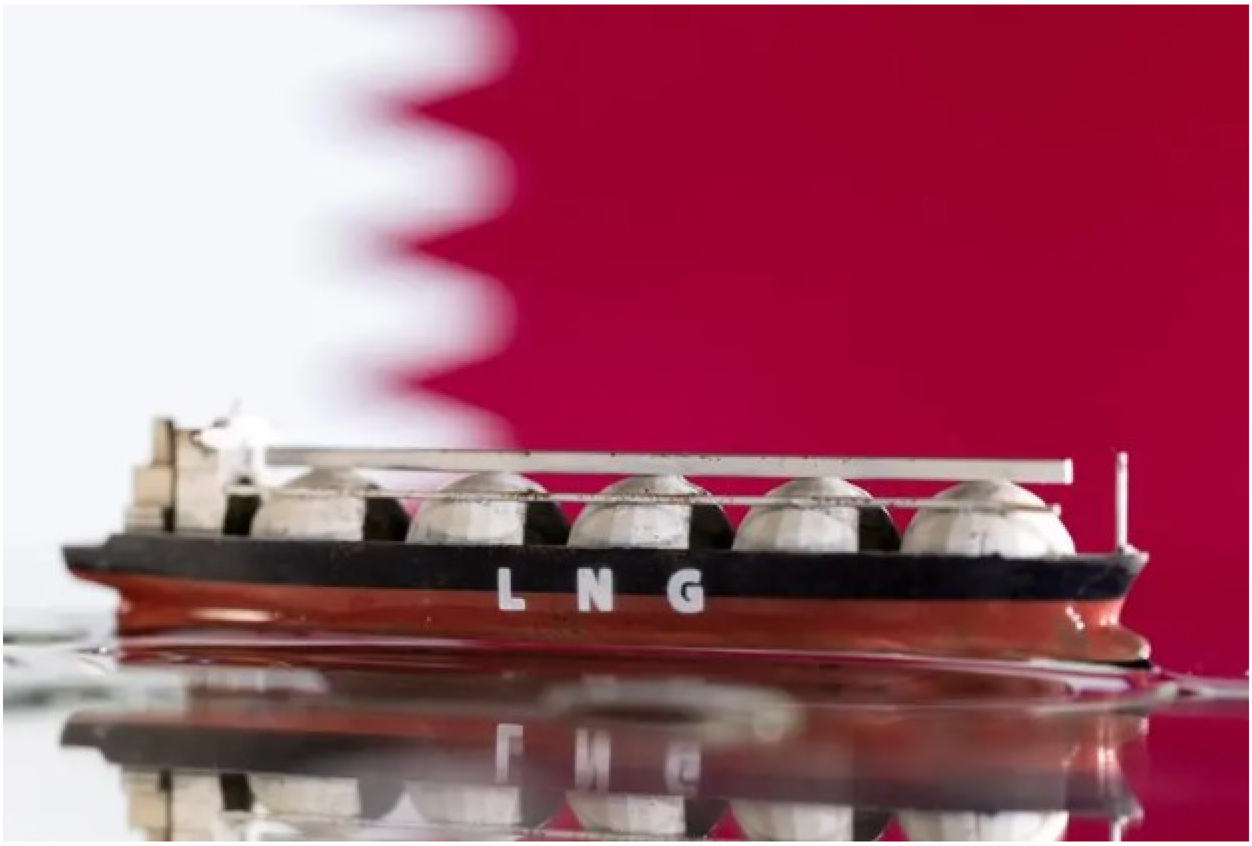
Qatar second top global LNG exporter, top GECF exporter in June



Qatar was the second top global LNG exporter in June, latest data from the Gas Exporting Countries Forum (GECF) has shown.
Among the GECF member countries, Qatar topped in liquefied natural gas exports last month.
Total global LNG exports reached 32.18mn tonnes during June.
The increase in LNG exports from non-GECF countries and a rise in LNG reloads outweighed the lower LNG exports from GECF member countries.
The share of non-GECF countries and LNG reloads in global LNG exports increased from 50% and 0.6%, respectively, from a year earlier to 50.4% and 0.8% in June 2023.
Conversely, GECF’s market share in global LNG exports decreased from 49.4% to 48.8%.
During H1, 2023, cumulative global LNG exports reached

205.45mn tonnes, indicating a 4.1% increase (8.06mn tonnes) y-o-y.
Last month, the US, Qatar and Australia were the top LNG exporting countries, GECF noted.
In June, LNG exports from GECF member countries and observers declined by 1% (0.15mn tonnes) y-o-y, reaching a total of 15.69mn tonnes.
The weaker LNG imports were driven by Russia, Egypt, Nigeria, Malaysia, Equatorial Guinea, Norway and the United Arab Emirates.
Conversely, LNG exports increased in Qatar, Angola, Algeria, Mozambique, Trinidad and Tobago and Peru.
During H1, 2023, cumulative LNG exports from GECF member and observer countries increased by 2.2% (2.13mn tonnes) y-o-y, totalling 99.93mn tonnes.
In Russia, higher maintenance activity at the Sakhalin 2 and Yamal LNG facilities led to a reduction in LNG exports, the report said.
Lower feedgas availability in Egypt and Nigeria contributed to the decline in LNG exports in both countries.
In June, Egypt did not export any LNG cargo.
The decline in Malaysia’s LNG exports was mainly attributed to weaker exports from the Bintulu LNG facility.
An unplanned outage at the Hammerfest LNG facility caused a drop in LNG exports from Norway.
On the other hand, lower maintenance activity at the Qatargas LNG and Soyo LNG facilities boosted LNG exports from Qatar and Angola.
In Algeria and Trinidad and Tobago, higher feedgas availability supported the increase in LNG exports from both countries.
The continued ramp-up in LNG exports from the Coral South FLNG facility drove Mozambique’s LNG exports higher.
In June, global LNG imports expanded sharply by 6.8% (2.09mn tonnes) y-o-y to reach 32.85mn tonnes.
This growth was primarily driven by a strong rebound in Asia Pacific’s LNG imports, with higher imports in Europe and Latin

America and the Caribbean (LAC) also having some contribution. Conversely, the Middle East and North Africa (Mena) region experienced a decline in LNG imports.
During the first half (H1) of 2023, cumulative global LNG imports grew by 4% (7.95mn tonnes) y-o-y to 206.62mn tonnes.
The bulk of the increase in global LNG imports during H1 2023 came from Europe, followed by Asia Pacific, LAC and North America. This offset the lower LNG imports in the Mena region, GECF noted.

Qatar’s LNG projects will achieve significant reductions in greenhouse gas emissions: Al-Kaabi

Qatar’s LNG projects will achieve significant reductions in greenhouse gas emissions through carbon capture and

sequestration as well as the use of solar energy, noted HE the Minister of State for Energy Affairs Saad Sherida al-Kaabi.
“In all, we aim to reduce the overall carbon intensity by about 30% compared to previous generation designs,” al-Kaabi said delivering the keynote address on the virtual mode at the 12th LNG Producer-Consumer Conference being held in Tokyo, Japan.
Al-Kaabi, who is also the President and CEO of QatarEnergy stressed the need for a clear roadmap with specific targets to achieve a fair and effective energy transition with a realistic and stable path towards the reduction of the global carbon footprint.
The minister said, “I would like everyone around the world calling for a speedy energy transition to consider that the world needs a fair and effective transition with a realistic and stable path, which wisely balances humans flourishing with environmental protection, it should not continue to only focus on the needs of the rich and well-developed countries but must prioritise the needs of developing countries.
“This highlights the need for a realistic and resolute energy transition, starting with a solid integration of natural gas in the energy mix of today and tomorrow. We strongly believe that Gas will be needed as a safer reliable base load in the energy mix for most nations for decades well beyond 2050.”
Highlighting the challenges facing the energy industry, Minister al-Kaabi said, “Lack of investments in the oil and gas upstream sector remain as an unresolved and unchallenged chronic problem, contributing to greater lack of clarity, volatility, and supply uncertainty. This lack of investment will likely cause increased instability for every region around the world.”
In this context, al-Kaabi said, “Qatar is providing the world with the cleanest available hydrocarbon source of energy, which has met both the economic and environmental aspirations for a better future. By 2029, about 40% of all new global LNG supplies will be provided by QatarEnergy projects.
Minister al-Kaabi concluded his remarks by stressing the State

of Qatar's determination to work with its clients and partners to realise the full potential of LNG as a vital contributor to a realistic and responsible energy transition, and to continue to take concrete action across the entire spectrum of the energy industry to address the challenges of climate change.

The LNG Producer-Consumer Conference is a global annual dialogue, launched in 2012, organised by Japan's Ministry of Economy, Trade and Industry, and the Asia Pacific Energy Research Centre.

It provides ministers, heads of international organizations, corporate executives, and other stakeholders with a venue to share the latest trends in the global LNG market and discussing opportunities and challenges with a view to its development.

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.

Qatar sees ‘very big demand’ forNorth 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.

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.

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 Staatsolies 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.

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.

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

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 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.