

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 India's newest LNG receiving terminal 'Dhamra' on the vessel Milaha Ras Laffan in April 2023.

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

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

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

Thomas Maurisse, Senior Vice President LNG at TotalEnergies,

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

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

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

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



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

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

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

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

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

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

previous year to reach a record \$24bn.

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

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

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

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

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

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

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

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

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

Qatarenergy Selects Sinopec As NFE Expansion Partner



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

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

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

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

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

“Today’s event underscores QatarEnergy’s commitment to

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

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

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

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

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

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

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

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

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

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.

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



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

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

its Annual Gas Market Report.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

**QatarEnergy enters into
‘farm-in’ agreement with
ExxonMobil Canada for two
offshore exploration licences**



QatarEnergy has entered into a farm-in agreement with ExxonMobil Canada for two exploration licences offshore the province of Newfoundland and Labrador in Canada.

Pursuant to the agreement, QatarEnergy holds a 28% working interest in licence EL 1167, where the Gale exploration well and associated activities are planned.

ExxonMobil Canada (operator) holds 50% while Cenovus Energy holds 22%. QatarEnergy also holds a 40% working interest in licence EL 1162, while ExxonMobil Canada (operator) holds the remaining 60%.

The transaction has completed all necessary formalities with the Canada-Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB).

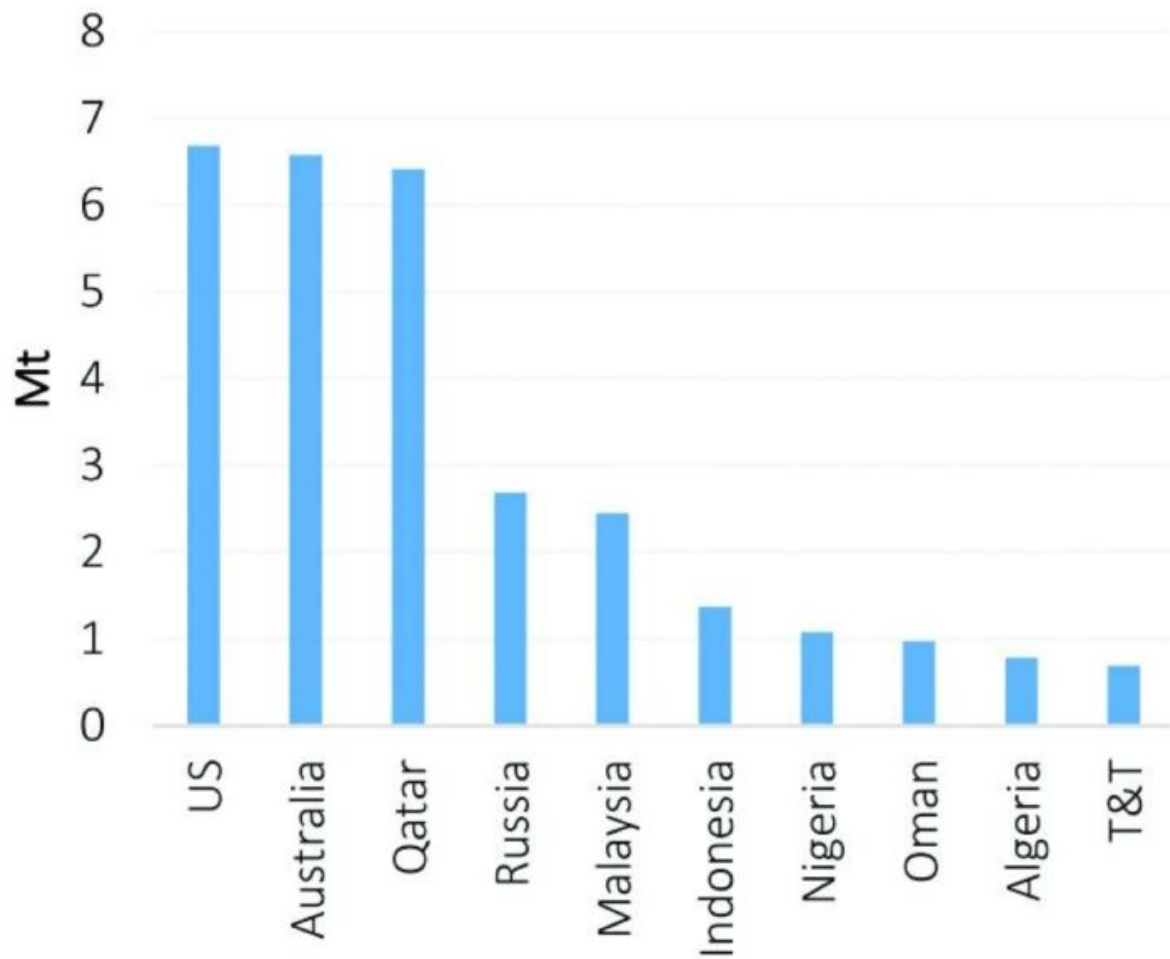
Commenting on this occasion, HE the Minister of State for Energy Affairs, Saad bin Sherida al-Kaabi, also the President and CEO of QatarEnergy, said: “We are pleased to sign this agreement with our strategic partner, ExxonMobil, to further grow our offshore Atlantic Canada portfolio as part of our international growth drive, and look forward to continue working within Canada’s transparent and stable regulatory environment.”

Al-Kaabi added: “I would like to take this opportunity to thank the Canada-Newfoundland and Labrador Offshore Petroleum Board, which has been very supportive of this process, and look forward to a successful exploration campaign with our partners.”

Located offshore Eastern Canada, EL 1167 and EL 1162 lie in water depths ranging from 100 to 1,200 metres and cover an area of approximately 1,420 and 2,400 square kilometres, respectively.

Qatar drives GECF LNG exports to 16.45mn tonnes in February

Top 10 LNG exporters in Feb 2023



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

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

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

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

boosted the countries' exports.

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

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

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

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

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

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

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

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

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

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

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

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