

## LNG Review March 2022 - Recent issues and events -

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### **Introduction**

The past month was one of the most eventful months in the history of the global LNG industry.

The European Commission (EC) announced its initiatives to end the European Union's (EU) dependence on Russian fossil fuel supply, including additional LNG procurement and enhancement of underground gas storage build up. While the initiatives have been rightfully introduced, the potential impact on the global LNG market should be carefully examined. LNG import in the Asia Pacific region was significantly lower year-on-year in the first quarter of 2022.

Coincidentally in the month, EC's competition authority discontinued its investigation into the LNG contracts between Qatari LNG supplier and European importers. Also in the month, G7 Energy Ministers' Joint Statement notably underlined the importance of investment in the LNG sector.

LNG project promoters in the United States made steps to increase supply capacity in the month. Two existing projects obtained federal approvals to add more LNG exports. Two projects advanced in the engineering front with either EPC or early construction activities. Partners entered into an HOA to advance an expansion project. Several LNG production ventures obtained respective long-term sales agreements, some of which are for 20 years. Commercial agreements were also announced for LNG production projects on the Pacific Coast of Mexico as well.

Although they were not triggered by the breakout of the war, progresses have been also reported in Australia's LNG production projects.

### **[Asia Pacific]**

Tokyo Gas Engineering Solutions Co., Ltd., Shikoku Electric Power, Shikoku Gas Co., Ltd. and partners announced on 2 March 2022 that their joint-venture Niihama LNG Co., Ltd. had completed construction of its LNG receiving terminal at the site of Sumitomo Chemical Co., Ltd.'s Ehime Plant.

Mitsui O.S.K. Lines, Ltd. (MOL) announced on 3 March that naming and launching

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\* The writer belongs to Gas Group, Fossil Energy and International Cooperation Unit. Some information pieces that some readers may consider very important may not be included due to different reasons.

ceremonies for the first of Japan's first two LNG-fuelled ferries, which were ordered with Mitsubishi Shipbuilding Co., Ltd., were held at the Mitsubishi Heavy Industries, Ltd. Shimonoseki Shipyard & Machinery Works Enoura Plant, and the ferry was named "Sunflower Kurenai". The vessel is slated to enter service on the Osaka-Beppu route in January 2023. It will be Japan's first ferry that is equipped with a dual-fuel engine.

Kyushu Electric Power Co., Inc., NYK Line, ITOCHU ENEX CO., LTD., and SAIBU GAS CO., LTD. announced on 29 March 2022 a shipbuilding contract for an LNG bunkering vessel between KEYS Bunkering West Japan Co., Ltd. and Mitsubishi Shipbuilding Co., Ltd. The vessel is planned to be completed in March 2024 and will become the first LNG bunkering vessel operated in Western Japan.

Nippon Yusen Kabushiki Kaisha (NYK) announced on 3 March 2022 that the company with MTI Co., Ltd. and Elomatic Oy, a Finnish maritime consulting and engineering firm, had completed the development of a concept design for an ammonia-fuel ready LNG-fuelled vessel (ARLFV) for the transition to ammonia as a future marine fuel.

JERA announced on 1 March 2022 the start of full-scale operations by JERA Energy Vietnam Co., Ltd. (JERA EV), the subsidiary in Hanoi, Vietnam.

India's H-Energy announced that the country's first Floating Storage and Regasification Unit (FSRU), the Höegh Giant, arrived at the company's Jaigarh terminal in Maharashtra on 1 March 2022.

PPAC (Petroleum Planning & Analysis Cell, Ministry of Petroleum & Natural Gas, India) announced on 31 March that Domestic Natural Gas Price for April-September was USD 6.10 per million Btu, rising from USD 2.90 for October 2021 - March 2022.

New Fortress Energy (NFE) issued on 8 March 2022 a statement following a favourable ruling on Friday, 4 March 2022 by the Supreme Court of Sri Lanka, dismissing petitions seeking to halt NFE's development of natural gas power solutions in Sri Lanka. NFE and the Government of Sri Lanka executed a definitive agreement in September 2021 whereby NFE will invest in energy infrastructure and develop a new LNG Terminal off the coast of Colombo. NFE will have gas supply rights to the Kerawalapitya Power Complex and will initially supply an estimated 1.2 million gallons per day of LNG (0.25 million tonnes per year) to supply both the existing 310 MW Yugadanavi Power Plant and an additional 350 MW (Sobadanavi Power Plant) expected to commence operations in 2023.

Esso Australia Pty Ltd, a subsidiary of ExxonMobil, announced on 11 March 2022 that construction of a new Air Liquide facility that would capture and reuse Carbon Dioxide (CO<sub>2</sub>) had commenced. CO<sub>2</sub> extracted from Gippsland gas will be purified for use by Australian businesses. Esso Australia announced on 17 March a final investment decision (FID) to develop additional gas from the Gippsland Basin Kipper field.

Australia's Woodside announced on 31 March 2022 that the processing of gas from the offshore Pluto fields had commenced ahead of schedule at the North West Shelf Project's (NWS) Karratha Gas Plant (KGP) after the start-up of the Pluto-KGP Interconnector. The Interconnector is a 3.2 km pipeline which connects Pluto LNG with KGP. The start-up of the Interconnector supports the accelerated production of gas from the first phase of Pluto's Pyxis Hub. Ready for start-up was achieved for the first phase of Pyxis Hub in October 2021. KGP is expected to process approximately 2.5 million tonnes of LNG in aggregate and approximately 20 petajoules of domestic gas from Pluto between 2022 and 2025.

Woodside announced on 6 April that the company, on behalf of the Scarborough Joint Venture, had received key primary approvals from the Commonwealth-Western Australian Joint Authority to support execution of the Scarborough Project.

Woodside announced on 18 March that it and U.S.-based technology developers ReCarbon and LanzaTech had launched a collaborative studies program aimed at converting carbon emissions into useful products. The partners are investigating the viability of a proposed Carbon Capture and Utilisation (CCU) pilot facility in Perth. The proposed pilot facility would recycle greenhouse gases such as carbon dioxide (CO<sub>2</sub>) and methane into value-added ethanol.

Australia's National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) on 21 March 2022 cleared Shell to resume operations at its Prelude floating LNG facility offshore Western Australia.

Santos, as operator of the Bayu-Undan offshore gas production facility in Timor-Leste and Darwin LNG, announced on 9 March 2022 entry into the front-end engineering and design (FEED) phase for the proposed Bayu-Undan carbon capture and storage (CCS) project. The Bayu-Undan FEED work will include engineering and design for additional CO<sub>2</sub> processing capacity at Darwin LNG plus repurposing of the Bayu-Undan facilities for carbon sequestration operations after gas production ceases.

### **[North America]**

Cheniere Energy announced on 7 March 2022 that its subsidiary, Cheniere Corpus Christi Liquefaction Stage III, LLC (CCL Stage III), had entered into an engineering, procurement and construction (EPC) contract with Bechtel for the Corpus Christi Stage III project. CCL Stage III has released Bechtel to commence early engineering, procurement and other site work. The project consists of up to seven trains, each with an expected liquefaction capacity of approximately 1.49 million tonnes per year. The company expects a final investment decision (FID) in summer 2022 and LNG shipments starting in 2025.

Cheniere Energy announced on 9 March that its subsidiary, Corpus Christi

Liquefaction, LLC (CCL), had agreed with Engie to amend the LNG sale and purchase agreement (SPA) that the companies entered into in June 2021. Engie has agreed to purchase 0.9 million tonnes per year of LNG from CCL on a free-on-board (FOB) basis for approximately 20 years, which began in September 2021.

The U.S. Department of Energy (DOE) issued on 16 March 2022 two long-term orders authorizing LNG exports from Cheniere Energy's Sabine Pass in Louisiana and Corpus Christi in Texas. The two orders allow the projects additional flexibility to export the equivalent of 0.72 billion cubic feet per day of natural gas as LNG.

Sempra Infrastructure announced on 4 April that it had entered into a Heads of Agreement (HOA) with TotalEnergies, Mitsui & Co. and Japan LNG Investment, LLC (a company jointly owned by Mitsubishi Corporation and Nippon Yusen Kabushiki Kaisha (NYK)), for the development of the Cameron LNG Phase 2 export project in Hackberry, Louisiana. The expansion would add a fourth LNG train (with a maximum production capacity of 6.75 million tonnes per year) and increasing the production capacity of the three operating trains through debottlenecking activities. The HOA also contemplates the allocation to Sempra Infrastructure of 50.2% of the projected fourth train production capacity and 25% of projected debottlenecking capacity under tolling agreements, with the remaining capacity allocated equally to the existing Cameron LNG Phase 1 customers. Sempra Infrastructure also announced that Cameron LNG had awarded two Front-End Engineering Design (FEED) contracts to Bechtel Energy and a joint venture between JGC and Zachry. At the conclusion of the competitive FEED process, one contractor is expected to be selected to be the EPC contractor for the project.

Sempra Infrastructure and Korea Gas Corporation (KOGAS) announced on 4 April that the companies had entered into a memorandum of understanding (MOU) to explore opportunities to cooperate in the global energy transition to lower-carbon and zero-carbon fuels. The MOU contemplates the companies' collaboration around project development and offtake across multiple business areas, including LNG, carbon capture and sequestration (CCS), and hydrogen infrastructure.

Tellurian Inc. announced on 29 March that it had issued a limited notice to proceed to Bechtel Energy under its executed Engineering, Procurement and Construction (EPC) contract to begin construction of phase one of the Driftwood LNG export facility near Lake Charles, Louisiana. Driftwood LNG is an approximately 27.6 million tonne per year liquefaction export facility. Phase one will include two LNG plants with an export capacity of up to 11 million tonnes per year.

NextDecade Corporation announced on 24 March 2022 the execution of a binding Heads of Agreement (HOA) with Guangdong Energy Group Natural Gas Co., Ltd. for the

long-term supply of LNG for 20 years from NextDecade's Rio Grande LNG (RGLNG) export project in Brownsville, Texas. NextDecade announced on 6 April 2022 a 20-year sale and purchase agreement (SPA) with ENN LNG (Singapore) Pte Ltd, a subsidiary of ENN Natural Gas Co., Ltd. for the supply of LNG from RGLNG. ENN LNG will purchase 1.5 million metric tonnes per year of LNG indexed to Henry Hub on a free-on-board (FOB) basis. The LNG supply will be from the first two trains at RGLNG with the first train expected to start commercial operations as early as 2026. NextDecade anticipates making a positive final investment decision (FID) on a minimum of two trains in the second half of 2022.

Venture Global LNG (VGLNG) and JERA announced on 1 March 2022 loading and departure of the first cargo of LNG produced at the Calcasieu Pass LNG export facility in Cameron, Louisiana.

VGLNG announced on 7 March 2022 a new long-term 20-year Sales and Purchase Agreement (SPA) with Shell for 2 million tonnes per year of LNG from VGLNG's Plaquemines LNG export facility. The new deal builds on Shell's existing contract for 2 million tonnes per year from the Calcasieu Pass LNG export facility. Plaquemines LNG is expected to come online in 2024.

Baker Hughes announced on 9 March 2022 that it had been awarded a contract and granted notice to proceed by VGLNG to provide an LNG system for the first phase of the Plaquemines LNG project in Louisiana. The liquefaction train system (LTS) supplied by Baker Hughes is modularized, helping to lower construction and operational costs with a "plug and play" approach that enables faster installation, Baker Hughes said. The contracts were awarded under a master equipment supply agreement between VGLNG and Baker Hughes for 70 million tonnes per year of production capacity. Baker Hughes first equipment deliveries for the Plaquemines LNG project are expected to begin in the first half of 2023.

VGLNG and New Fortress Energy (NFE) announced on 16 March 2022 that they had concluded two new long-term 20-year Sales and Purchase Agreements (SPAs), including 1 million tonnes per year each from Plaquemines LNG and CP2 LNG. This is the first SPA for the CP2 LNG facility, which VGLNG expects to commence construction on in 2023. VGLNG also said that it expected to soon take formal FID and close project financing for Plaquemines LNG with 14 million tonnes of the 20 million tonnes per year nameplate capacity.

Energy Transfer LP, ENN Natural Gas and ENN Energy Holdings Limited announced on 29 March 2022 that ENN NG and ENN Energy had entered into LNG Sale and Purchase Agreements with Energy Transfer LNG Export, LLC (ET LNG), a subsidiary of Energy Transfer LP, related to its Lake Charles LNG project. Under the two SPAs, ET LNG is expected to supply 1.8 million tonnes of LNG to ENN NG, and 0.9 million tonnes of LNG to ENN Energy, per year on a free-on-board (FOB) basis for 20 years, with first deliveries

expected to commence as early as 2026.

New Fortress Energy Inc. (NFE) announced on 31 March 2022 that it had filed applications with the U.S. Maritime Administration (MarAd), the U.S. Coast Guard (USCG) and U.S. Department of Energy (DOE) to request permits and regulatory approvals to site, construct and operate a new offshore LNG liquefaction facility off the coast of Louisiana with a capacity of exporting 2.8 million tonnes per year of LNG. The project will be located in federal waters approximately 16 miles (26 km) off the southeast coast of Grand Isle, Louisiana. Procurement of all long-lead materials is complete and modular assembly of equipment is underway. Subject to the receipt of all required permits and approvals, NFE targets beginning operations in the first quarter of 2023. NFE says its Fast LNG liquefaction design pairs the latest advancements in modular, midsize liquefaction technology with jack up rigs or similar offshore infrastructure to enable a much lower cost and faster deployment schedule than today's floating liquefaction vessels and onshore liquefaction facilities.

ExxonMobil said on 1 March 2022 that it was planning a hydrogen production plant and a carbon capture and storage (CCS) project at its petrochemical site at Baytown, Texas.

EQT Corporation unveiled on 9 March its plan to unleash U.S. LNG to address the energy needs of allies and advance climate efforts by targeting the replacement of international coal.

Sempra and TotalEnergies announced on 31 March that the two companies were expanding their North American strategic alliance through memoranda of understanding (MOU): one for Sempra Infrastructure's proposed Vista Pacífico LNG project in Mexico; and a second MOU for a proposed offshore wind project in California under development by TotalEnergies, as well as other renewable energy and energy storage projects under development by Sempra Infrastructure in Northern Mexico. The MOU for Vista Pacífico LNG contemplates TotalEnergies potentially contracting for approximately one-third of the long-term export production of the LNG facility under development on Mexico's West Coast, as well as TotalEnergies' potential participation as a minority equity investor in the project. The proposed Vista Pacífico LNG project is expected to be a mid-scale facility that would source natural gas from the Permian Basin. In January 2022, Sempra Infrastructure signed a non-binding agreement with Comisión Federal de Electricidad (CFE), Mexico's state-owned electric company, for the potential joint development of the Vista Pacífico LNG project.

Guangzhou Development Group announced on 1 April a contract with Mexico Pacific LNG for LNG purchase and sale of 2 million tonnes per year for 20 years from the date of commercial operation of the project. MPLNG is expected to make a final investment decision (FID) in the second half of 2022 on the first two trains.

### **[Middle East]**

The European Commission announced on 31 March 2022 that it had decided to close its antitrust investigation into agreements for the supply of LNG between QatarEnergy and several European gas importers.

QatarEnergy announced on 15 March 2022, inauguration of the Barzan Gas Plant. The plant is capable of producing almost 1.4 billion standard cubic feet of sales gas per day for local power generation and water desalination; 2,000 tonnes of ethane per day as feedstock for the local petrochemicals industry; 1,500 tonnes per day of liquid petroleum gas (LPG) for export to international markets; 30,000 barrels of condensate per day for processing in the Laffan Refinery and export to international markets; and 3,500 tonnes of sulphur per day for export to international markets. Qatargas operates the Barzan Gas Plant on behalf of its shareholders: QatarEnergy (93%) and ExxonMobil (7%).

Energean announced on 14 March that it had signed a supply agreement with the Israel Electric Company (IEC). Starting upon the commencement of first gas production from Karish, the agreement will be valid for an initial one-year period with an option to extend.

### **[Europe / Russia]**

The European Commission (EC) released on 8 March 2022 REPowerEU plan to make European Union (EU) independent from Russian fossil fuels well before 2030, starting with gas. The plan says it can reduce EU demand for Russian gas by two thirds before the end of the year. The plan intends to increase the resilience of the EU-wide energy system based on two pillars: Diversifying gas supplies, via higher LNG and pipeline imports from non-Russian suppliers, and larger volumes of biomethane and renewable hydrogen production and imports; and, reducing faster the use of fossil fuels in homes, buildings, industry, and power system, by boosting energy efficiency, increasing renewables and electrification, and addressing infrastructure bottlenecks. With the measures in the REPowerEU plan, the plan said EU could gradually remove at least 155 bcm of fossil gas use.

EU President said on 11 March 2022 "By mid-May, we will come up with a proposal to phase out our dependency on Russian gas, oil and coal by 2027, backed by the necessary national and European resources."

EC set out a legislative proposal on 23 March, introducing a minimum 80% gas storage level obligation for next winter, rising to 90% for the following years. EC stands ready to create a Task Force on common gas purchases at EU level. A joint negotiation team led by EC would hold talks with gas suppliers. To incentivise the refilling of EU gas storage facilities, EC is proposing a 100% discount on capacity-based transmission tariffs at entry and exit points of storage facilities.

EC Commissioner for Energy and Japan's Minister for Economy, Trade and Industry said on 25 March 2022 that the EU and Japan were committed to work closely to address the current challenges on energy markets worldwide.

The United States and EC on 25 March announced their plans to establish a joint Task Force on Energy Security. The United States will strive to ensure additional LNG volumes for the EU market of at least 15 bcm (11 million tonnes) in 2022. EC will work with EU Member States and market operators to pool demand through a new EU Energy platform for additional volumes between April and October. EC will also support long-term contracting mechanisms and partner with the U.S. to encourage relevant contracting to support final investment decisions (FIDs) on both LNG export and import infrastructure. EC will work with EU Member States toward ensuring stable demand for additional U.S. LNG until at least 2030 of 50 bcm (36.75 million tonnes) per year. EC will coordinate with the Member States and provide transparency with respect to LNG capacity in EU terminals.

The British government released on 7 April 2022 "Policy paper - British energy security strategy". The prime minister said, "Gas is currently the glue that holds our electricity system together and it will be an important transition fuel. . . There is no contradiction between our commitment to net zero and our commitment to a strong and evolving North Sea industry. Indeed, one depends on the other."

Cuadrilla Resources Limited announced on 31 March 2022 that it had been advised by the United Kingdom's regulator, the North Sea Transition Authority (NSTA), that the NSTA was withdrawing the notice it had previously issued requiring Cuadrilla to plug and abandon the two shale gas exploration wells drilled at the Preston New Road (PNR) Lancashire site. The two wells will instead be temporarily plugged and suspended until at least the end of June 2023. The two wells are the only horizontal wells drilled and hydraulically fractured into United Kingdom shale rock. Fracturing and flow testing of each well confirmed the presence of a natural gas resource. Cuadrilla proposes to use the suspension period to evaluate the productive options for these wells.

National Grid plc announced on 27 March 2022 that it had agreed to sell a 60% equity interest in its gas transmission and metering business (NGG) in the United Kingdom to a consortium of long-term infrastructure investors comprised of Macquarie Asset Management and British Columbia Investment Management Corporation (BCI). Following the transaction, National Grid will own a 40% minority equity interest in NGG via a new holding company called "GasT TopCo".

Belgium's shipping company EXMAR announced on 18 March 2022 that it had reached an agreement with Netherlands' Gasunie to charter a regasification barge for the Eemshaven LNG project in Groningen for 5 years. EXMAR said that the plan was to deploy



the FSRU and have the terminal ready by the end of Q3 2022.

Germany's Uniper announced on 16 March 2022 that from October Uniper would increase its capacity rights at the Gate terminal, a joint venture of Vopak and Gasunie, by 1 bcm per year for three years. Uniper and Gate then committed to a capacity increase of 1 bcm per year starting October 2024. Those transactions supplement the existing capacity of 3 bcm per year that Uniper holds since the start of Gate terminal.

A floating storage regasification unit (FSRU) is proposed in Le Havre in northern France, according to French financial daily Les Echos.

The German government announced on 30 March 2022 the earliest stage of its gas emergency plan.

According to Der Spiegel, Wilhelmshaven is expected to have one floating LNG terminal by end 2022.

Tree Energy Solutions (TES) announced on 2 March 2022 the acceleration of the development of the German port Wilhelmshaven into an international hub for importing green gas. The hub will accommodate LNG as an intermediate source of energy. The company plans to start operation by winter 2025. E.ON and TES announced on 30 March that they had agreed on a strategic partnership to import green hydrogen at scale into Germany.

German LNG Terminal GmbH and Shell announced on 23 March that they had signed a Memorandum of Understanding (MoU) on the import of LNG through the Brunsbüttel terminal. They agree that Shell will make a long-term booking of a substantial part of the terminal's capacity. On 4 March, Gasunie and the Kreditanstalt für Wiederaufbau (KfW) (on behalf of the German Federal Government) signed a Memorandum of Understanding (MoU) to take the project into a next phase and start the construction of the LNG terminal in Brunsbüttel. Vopak LNG Holding BV and Oiltanking GmbH, a subsidiary of Marquard & Bahls AG, will leave the group of shareholders ultimately by May. The planning approval process, which was started in 2021, is being moved ahead at full speed. In addition, the consortium of the general contractor (EPC) Cobra/Sener will be commissioned to start the preparatory work immediately.

RWE announced on 18 March 2022 that it intended to import 300,000 tonnes per year of green ammonia from 2026 via the site of the planned Brunsbüttel LNG terminal.

HEH (Hanseatic Energy Hub) announced on 21 March 2022 that it planned to develop an LNG terminal in Stade and was conducting an Expression of Interest Process from 21 March to 08 April 2022. Parties are invited to express their interest in booking long-term capacity as from 2026. Germany's EnBW announced on 31 March 2022 that it had signed a memorandum of understanding (MoU) with HEH to purchase at least 3 bcm of natural gas per year via the LNG terminal in Stade. HEH will be ready to use from 2026 with a planned

regasification capacity of around 12 bcm per year. HEH shareholders are the Buss Group from Hamburg, the gas infrastructure operator Fluxys and Partners Group.

The Bundestag lower house on Friday 25 March 2022 approved legislation requiring Germany's privately-operated gas storage facilities to be full at the start of the next winter. The law requires facilities to be 65% full by 1 August 2022, 80% full by October, when the heating season and the gas season for utilities and traders starts, and 90% by November. Storage levels must be at least 40% in February 2023. Germany's gas market trading hub, Trading Hub Europe (THE), which is overseen by the country's energy regulator, will be responsible for ensuring the thresholds are met by issuing tenders for traders. The law allows THE to purchase gas via tenders using state funds in case of an emergency. If there is a risk of shortage, the law allows the national energy hub to use facilities that are empty or below the stipulated filling levels to store its own gas purchases. Operators have criticised the plans, saying they interfere with the market and price signals.

The German gas storage operators' association INES stated on 25 March 2022 that the Gas Storage Act introduces provisions that will make storing gas in storage facilities widely unappealing for market actors. INES says if the set-out levels are not achieved, Storage Users are threatened to lose their booked capacities. INES says the new legal framework will depreciate existing and future bookings in storage capacities for Storage Customers. INES says, consequently, Storage Customers will increasingly avoid booking storage capacities and existing contracts face large risks to be cancelled.

The Court of Appeal in Stockholm on 9 March 2022 dismissed Russia's Gazprom's petition to set aside the award of the Arbitral Tribunal concerning the price for gas supplied under the Yamal contract, issued in favour of Poland's PGNiG. The award of the Arbitral Tribunal challenged by Gazprom, related to a revision of the pricing terms under the Yamal contract from November 2014, based on PGNiG's price revision request. In view of failure to reach an amicable solution, PGNiG submitted a request for arbitration against Gazprom in May of 2015 and in February 2016 it submitted a statement of claim. In March 2020, the Tribunal issued an award that was beneficial to PGNiG by way of amending the price formula for gas supplied under the contract. In June 2020, Gazprom challenged the award on formal grounds. In consequence of the arbitral award, the commercial operating conditions of PGNiG have improved and Gazprom reimbursed PGNiG for USD 1.5 billion on account of the new settlement concerning the already supplied gas, in accordance with the price formula determined by the Arbitral Tribunal.

The operator of the Lithuania's LNG terminal, KN (Klaipėdos nafta), has informed users that from 3 March 2022 acceptance of Novatek cargoes at the Klaipėda LNG terminal is suspended. KN announced on 17 March that the terminal's regasification capacity had been

fully booked for the gas year until 30 September.

Estonia's and Finland's Ministries of Economy announced on 7 April 2022 that the countries had agreed to the joint leasing of a floating LNG terminal. The plan foresees Estonia and Finland establishing the hauling quays needed to service a floating LNG terminal before jointly leasing such a terminal, which can be used by both countries on the northern and southern shores of the Gulf of Finland. The floating terminal is planned to be in place by autumn, at first alongside whichever hauling quay it can be installed soonest. The location of the terminal thereafter will depend on market need and size.

Russia's Gazprom said that natural gas exports outside former Soviet Union fell by 28.5% year on year to 30.7 bcm in the period from 1 January to 15 March 2022.

Russian President announced on 31 March 2022 that he had signed a decree on transitioning to payments for natural gas in rubles for unfriendly countries. The decree says the government commission on foreign investment will have right to make exceptions from new procedure of payment for gas for buyers.

TotalEnergies announced on 22 March 2022 that the company had decided to no longer record proved reserves for Arctic LNG 2 in its accounts and will not provide any more capital for the project.

Japan won't withdraw from the Sakhalin-2 project, Prime Minister told parliament.

ExxonMobil announced on 1 March 2022 that it would discontinue operations at Sakhalin-1 and make no new investments in Russia.

### **[South America]**

Institutional investor EIG and Fluxys announced on 28 March 2022 that they would acquire an 80% equity stake in GNL Quintero LNG regasification terminal in Chile, from Enagás Chile SpA and affiliates of OMERS Infrastructure.

### **[Global issues]**

The Energy Ministers of Canada, France, Germany, Italy, Japan, the United Kingdom and the United States (G7), and the European Union Commissioner for Energy agreed on 10 March 2022 on the important role LNG to mitigate potential supply disruptions of pipeline gas, especially to European markets. The ministers acknowledge that investment in this sector is necessary due to the current crisis.

Reference: Company announcements, Cedigaz News Report.

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