Energy Tidbits

Trans Mountain CEO: 1st Oil at West Coast Loading Terminal in March for 590,000 b/d TMX Expansion

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REQUEST FOR PROPOSALS
FOR THE SUPPLY OF NATURAL GAS
AT THE WEST AND/OR SOUTH TEXAS REGION (S)

October 3, 2023

1. CFE International LLC

CFE International LLC ("**CFE International**") is a United States of America ("U.S.")-based entity responsible for procuring natural gas in the U.S. to support power generation in Mexico and for third party marketing. CFE International was established to assist in the development of strategic projects in the energy sector and is a key element in the value chain of Comisión Federal de Electricidad ("**CFE**"). CFE International is a wholly owned affiliate of CFE, which is state-owned electric utility of Mexico, which provides the generation, transmission, distribution, and supply of electricity, for and on behalf of the Mexican State, as well as import, export, transport, storage, and purchase of alternative fuels, and seeks the development and the execution of new projects and implementation of alternative energy sources.

To this effect, CFE International seeks proposals for the supply of natural gas for the delivery periods defined hereunder ("**Proposals**"). Any submitted Proposals shall remain in force and effect until November 1, 2023, or at a later date, as proposed by bidders. The request for proposals herein (the "**Request for Proposals**" or "**RFP**") shall govern this solicitation and prevail over in case of any inconsistency with written or verbal answers that CFE International may provide to bidders´ questions.

2. Request For Proposals

By this RFP, CFE International solicits Proposals from interested companies (each a "**Bidder**" and collectively "**Bidders**") for the supply of physical natural gas to CFE International for the West and/or South Texas Region (s) at one or more delivery points, as more fully described herein (the "**Delivery Points**").

Bidders may submit one or more Proposals, in accordance with the specific terms for this RFP set forth herein. CFE International will evaluate such Proposals based on the Best Value Analysis described below.

Following its evaluation of the submitted Proposals, CFE International may, or may not, select one or more Bidders with whom to negotiate potential supply arrangements (each Bidder selected by CFE International is referred to herein as a "**Selected Bidder**") in its sole discretion. CFE International may, but shall not be obligated to, execute definitive agreements with any Selected Bidder in the form of a transaction confirmation (each a "**Transaction Confirmation**") under an active 2006 North American Energy Standards Board, Inc. Base Contract for Sale and Purchase of Natural Gas, including any Special Provisions (the Base Contract together with the Special Provisions a "**NAESB Agreement**"). Any Selected Bidder who enters a definitive Transaction Confirmation with CFE International resulting from this RFP, will be obligated to deliver natural gas to CFE International to meet purchase terms and conditions in accordance with such definitive Transaction Confirmation or, if applicable, Transaction Confirmations.

Proposals should consider that title of the gas shall transfer to CFE International at the Delivery Points. Such Delivery Points must be clearly identified by name and meter number. All sales shall be effectuated pursuant to a Transaction Confirmation under an active NAESB Agreement.

CFE International will evaluate Proposals from any Bidders, including those who don´t have a NAESB Agreement with CFE International in effect. However, if the Bidder doesn´t have a NAESB Agreement with CFE International, CFE International´s team will contact the Bidder to carry out the onboarding process, so the parties can enter into a NAESB Agreement and, if the Bidder's Proposal is selected, the corresponding Transaction Confirmation, subject to CFE International´s internal Compliance and Risk evaluation processes.

Proposals that seek submitting prices or terms inconsistent with the requirements of this document may be disregarded at CFE International's discretion. CFE International reserves the right to reject Proposals and not to award any contract or enter any definitive agreement from this RFP, without any liability to any Bidder.

This RFP is not legally binding and does not create any obligation for CFE International to purchase natural gas unless and until a formal and definitive Transaction Confirmation has been finally negotiated and approved by the appropriate corporate action of CFE International and the Selected Bidder and their legal counsel and executed and delivered by such parties.

3. Request For Proposals Schedule – Bidding Procedure

The RFP process will be conducted entirely via the email address proposals@cfeinternational.com. Potential Bidders are not allowed to contact CFE International staff by any other means regarding the process, this may include all communications and questions.

CFE International publishes first version of RFP .... October 3, 2023 before 06:59 hrs US CT

Bidders communicate their intention to participate .... October 6, 2023 until 23:59 hrs US CT

Bidders send questions to CFE International .... October 9, 2023 until 23:59 hrs US CT

CFE International sends final version of RFP .... October 13, 2023 before 23:59 hrs US CT

Deadline to receive Bidders' Proposals .... October 23, 2023 until 12:00 hrs US CT

Announcement of Selected Bidders, if any....................................... October 31, 2023 at 23:59 hrs US CT

CFE International strongly encourages Bidders to communicate their intention to participate in this RFP, no later than the deadline stated above, at which time Bidders may fill out Exhibit A and send it via e-mail to proposals@cfeinternational.com.

CFE International will accept questions from Bidders at the time set above. Once the final version of the RFP has been sent there will be no communication with Bidders until the period to receive Proposals has ended. CFE International reserves the right to disqualify any Bidder that fails to comply with the procedure herein. CFE International reserves the right to answer or not answer any question at its sole discretion. Answers to any written questions will be available to all Bidders without disclosing the Bidder that submitted each question and will be included as an attached document to the final version of the RFP. Any answers or information provided by CFE International shall not be binding, and this RFP shall at all times govern the related process.

To be deemed a qualified and timely submitted Proposal, each Bidder must submit its Proposal(s) pursuant to Section 7 below.

All Proposals shall be submitted to the email address proposals@cfeinternational.com no later than the deadline stated above.

Notwithstanding anything to the contrary, CFE International reserves the right to adjust the foregoing schedule and email address as it deems necessary, issue revised RFP versions, and conduct additional meetings with Bidders, provided all such modifications and meetings are non-discriminatory and transparent. CFE International reserves the right to communicate with, comment or ask questions to individual Bidders after the Proposals are submitted. CFE International reserves the right to request clarification with respect to any item of a Bidder's Proposal, which shall be made in writing with a response deadline, specified in the request. CFE International reserves the right to request additional information from any Bidder if it deems necessary.

Each Bidder, by confirming their intention to participate, (i) acknowledges and agrees to comply with the terms and conditions contained herein, and (ii) waives any conflict that may arise from Sidley Austin LLP's representation of CFE International or any of its affiliates, including its parent company in connection with this RFP and all transactions resulting from it.

4. Natural Gas Supply Terms

Each Proposal should contain at least one the following Products:

(i) PRODUCT 1. West Texas Region

Type of Service:	Firm Delivery
Contract Quantity:	The sum of the Base Quantity and the applicable Seasonal Ram-Up Quantities.
Base Quantity:	From 10,000 to 500,000 MMBtu/d.
Seasonal Ramp-Up Quantities:	The Proposal must include the following additional quantities over the Base Quantity for each year during the Delivery Period: (i) April and May = 50% over the Base Quantity. (ii) From June to August = 100% over the Base Quantity. (iii) September and October = 50% over the Base Quantity.
Monthly Swings:	CFE International shall give preference to Proposals that provide CFE International with an option to increase/decrease the Contract Quantity by up to 10% for each day of the applicable month.
Contract Price:	$Index \pm K$ where: ▪ *Index* = Referenced to S&P Global Platts "First of Month" Waha ("**FOM Waha**") or "Gas Daily" midpoint Waha ("**GD Waha**"), expressed in USD per MMBtu. ▪ *K* = A per unit factor expressed in dollars per MMBtu as proposed by Bidder, which can be positive or negative. The Proposals must consider that only up to 200,000 MMBtu/d of the Base Quantity may be priced at FOM Waha; and for the other 300,000 MMBtu/d CFE International shall have the right, at its sole discretion, to select on a month-ahead basis the index between GD or FOM Waha. The Seasonal Ramp-Up Quantities shall be priced at GD Waha. The Monthly Swings shall be priced as established in the following chart:

Tier 1	Quantity	Monthly Swings	
		Increase	Decrease
200 k at FOM Waha	Base Quantity at FOM Waha	GD Waha	FOM Waha
	Seasonal Ramp-up Quantity	GD Waha	GD Waha

Tier 2	Quantity	Monthly Swings	
		Increase	Decrease
300 k at FOM / GD Waha election	Base Quantity FOM Waha election	GD Waha	FOM Waha
	Base Quantity GD Waha election	GD Waha	GD Waha
	Seasonal Ramp-Pp Quantities	GD Waha	GD Waha

Delivery Period:

A minimum of three years, and up to five years commencing on March 1, 2024, (“**Initial Term**”).

At the expiration of the Initial Term, the Delivery Period may extend for a period of one or two years under its existing conditions at CFE International’s election by providing written notice at least one hundred and eighty (180) days prior to expiration of the Initial Term.

Delivery Points:

Bidder will deliver at one or more of the following interconnection points. No other delivery point will be accepted. Bidder’s offers shall include the maximum quantity that Bidder can deliver at each proposed delivery point. CFE International shall have the right to elect on a day-ahead basis the delivery points and quantities to be delivered at each delivery point up to the applicable maximum quantity.

(A) Trans-Pecos Waha Header interconnection (up to 500,000 MMBtu/d):

1. Comanche Trail Pipeline (Meter No. 400100T)
2. Trans-Pecos Pipeline (Meter No. 400101)
3. Oasis Pipeline LP (Meter No. 490103A)
4. North Texas 36’’ Pipeline (Enterprise & Energy Transfer Partners, (Meter No. 490104A)
5. Northern Natural Gas Pipeline (Meter 490105A) up to 250,000 MMBtu/d
6. Enterprise Pipeline (Meter No. 490106A)
7. Waha Connector (Agua Blanca Pipeline, Meter 490107A)
8. EPNG (Meter No. 490108A)
9. Transwestern Pipeline LLC (Meter No. 490109)
10. Atmos Pipeline (meter No. 490111A) up to 350,000 MMBtu/d
11. Gulf Coast Express (Meter 490113A)
12. Natural Gas Pipeline Company of America (Meter 490114A)

(B) AB Pool at Waha Connector (up to 300,000 MMBtu/d).

(C) EPNG Waha Pool (up to 100,000 MMBtu/d) (Meter No. 302404).

	(D) OneOk Westex Transmission (OWT) system (subject to the availability of capacity on delivery points confirmed by CFE International), at those Delivery Points confirmed in writing by CFE International to be available. (E) RoadRunner Gas Transmission, (RoadRunner) (subject to the availability of capacity on delivery points confirmed by CFE International up to 50,000 MMBtu/d). 1. Apache alpine high (Meter No. 1396007) 2. Caprock to RGT (Meter No. 396010) 3. Salt creek midstream (Meter No. 396009) 4. Eagle claw plant residue (Meter No. 396000) 5. Vaquero to RGT (Meter No. 139660)

(ii) PRODUCT 2. South Texas Region

Type of Service:	Firm Delivery
Contract Quantity	The sum of the Base Quantity and the applicable Seasonal Ram-Up Quantities.
Base Quantity:	From 10,000 to 1,000,000 MMBtu/d.
Seasonal Ramp-Up Quantities:	The Proposal must consider the next additional quantities over the Base Quantity for each year during the Delivery Period: (i) April and May = 40% over the Base Quantity. (ii) From June to August = 100% over the Base Quantity. (iii) September and October = 40% over the Base Quantity.
Monthly Swings:	CFE International shall give preference to Proposals that provide CFE International with an option to increase/decrease the Contract Quantity by up to 10% for each day of the applicable month.
Contract Price:	$Index \pm K$ where: ▪ *Index* = Referenced to S&P Global Platts “First of Month” Houston Ship Channel (“**FOM HSC**”), or/and “Gas Daily” midpoint Houston Ship Channel (“**GD HSC**”), or/and “Gas Daily” midpoint Tennessee Zone 0 (**“GD TZ0”**), expressed in USD per MMBtu. ▪ *K* = A per unit factor expressed in dollars per MMBtu as proposed by Bidder, which can be positive or negative. The Proposals must consider that only up to 600,000 MMBtu/d of the Base Quantity may be priced at GD HSC; up to 200,000 MMBtu/d of the Base Quantity may be priced at GD TZ0; and for the other 200,000 MMBtu/d CFE International shall have the right, at its sole discretion, to elect on a month-ahead basis the index between GD or FOM HSC. The Seasonal Ramp-Up Quantities shall be priced at GD TZ0 or GD HSC, as the case may be. The Monthly Swings shall be priced as established in the following chart:

Tier 1	Quantity	Monthly Swings	
		Increase	Decrease
600 k at GD HSC	Base Quantity at GD HSC	GD HSC	GD HSC
	Seasonal Ramp-up Quantity	GD HSC	GD HSC

Tier 2	Quantity	Monthly Swings	
		Increase	Decrease
200 k at GD TZ0	Base Quantity at GD TZ0	GD TZ0	GD TZ0
	Seasonal Ramp-up Quantity	GD TZ0	GD TZ0

Tier 3	Quantity	Monthly Swings	
		Increase	Decrease
200 k at FOM / GD HSC election	Base Quantity FOM HSC election	GD HSC	FOM HSC
	Base Quantity GD HSC election	GD HSC	GD HSC
	Seasonal Ramp-up Quantity	GD HSC	GD HSC

Delivery Period:

A minimum of three years, and up to five years commencing on March 1, 2024, ("**Initial Term**").

At the expiration of the Initial Term, the Delivery Period may extend for a period of one or two years under its existing conditions at CFE International's election by providing written notice at least one hundred and eighty (180) days prior to expiration of the Initial Term.

Delivery Points:

Bidder will deliver at one or more of the following interconnection points. No other delivery point will be accepted. Bidder's offers shall include the maximum quantity that Bidder can deliver at each proposed delivery point. CFE International shall have the right to elect on a day-ahead basis the delivery points and quantities to be delivered at each delivery point up to the applicable maximum quantity.

(A) VCP Nueces Header interconnection (up to 1,000,000 MMBtu/d):

1. Lobo (Meter No. 40803)
2. Tennessee (Meter No. 40805)
3. Channel (Meter No. 45807)
4. NGPL (Meter No. 40813)
5. Pomelo/TETLP (Meter No. 40815)
6. Transco (Meter No. 40817)
7. VCP Whistler Pipeline (Meter No. 40832)
8. Houston Pipeline Company (Meter No. 40801)
9. KM Tejas (Meter No. 40819)

(B) TETCO interconnection (up to 396,000 MMBtu/d):

1. AGL Golden Triangle (Meter No. 75662)
2. Centana Intrastate (Meter No. 73147)

(C) HPL interconnection (up to 1,130,000 MMBtu/d):

	1. Zone 1 Katy Area (i) Oasis Katy 1299 (ii) Oasis Prairie Lea 98-7101 (Intrastate) (iii) HSC Pool 98-7342 (Intrastate) (iv) Bammel Storage 98-7367 (Intrastate) (v) Atmos Katy 98-0067 (Intrastate) (vi) Enstor Katy 98-0072 (Instrastate) (vii) Oasis Katy 98-6780 (Intrastate) 2. Zone 2 Waha Areas (i) Oasis Waha Pool 9019 3. Zone 3 South Texas (i) NGPL Thompsonville 98-1342 (ii) Enterprise Thompsonville 98-6296 (Intrastate) (iii) ETC Kenedy Plant tailgate 98-4598 (iv) KM Copano Casper 98-9934 (Intrastate) (v) Las Tiendas 98-8894 (Intrastate) (vi) Enterprise Thompsonville 98-6296 (Intrastate) (vii) DCP Three Rivers 98-9948 (Intrastate) 4. Zone 4 Edna Area (i) Jackson County Plt 98-8900 (Intrastate) (ii) Boardwall Plt. 98-4567 (Intrastate) (iii) KM Sheridan Plt. 98-7443 (Intrastate) 5. Zone 5 A/S South (i) Tres Palacios 98-8484 (ii) Tenn AD 98-0574 (iii) Transco Markham 98.1038 (iv) NET AD Plt (into A/S line) 98-0114 (Intrastate) (v) Teak A/S Plt (into A/S line) 98-0113 (Intrastate) (vi) Conoco Lobo AD 98-7038 (Intrastate) (vii) King Ranch Plant 98-9643 (Intrastate) (viii) HPL Channel AS Pool 98-3500 (Intrastate) 6. Zone 6 East Texas (i) Gulf South Carthage 98-0489 (ii) Centerpoint Carthage 98-0490 (iii) Tiger Carthage 98-0036 (iv) NGPL Devers 98-0535 (v) Tennessee Sabine 98-0484 (vi) Trunkline Silsbee 98-0512 (vii) NGPL Carthage 98-0488 (viii) Moss Bluff Storage 98-0035 (Intrastate) (ix) Lumberjack 98-6884 (x) Indian Springs Plant 98-6884 (Intrastate) (xi) HPL/ET Katy Fred 98-4367 (Intrastate) (xii) Duke Carthage 98-0495A (Intrastate) * Combined volumes for Zones 1 and 2 cannot exceed 525,000 MMBtu/d. * Combined volumes for Zones 1, 2 and 3 cannot exceed 700,000 MMBtu/d. * Combined volumes for Zones 4, 5 and 6 cannot exceed 240,000 MMBtu/d.

	(D) NET interconnection (up to 750,000 MMBtu/d): 1. HPL (Meter No. 201100) up to 250,000 MMBtu/d 2. Channel (Meter No. 2015000) up to 500,000 MMBtu/d (E) EFM/ Valley Crossing interconnection (Meter No. 40811) (up to 500,000 MMBtu/d). (F) TGP interconnection (up to 100,000 MMBtu/d): 1. Pooling PT-00 Leg-Zn 0-South (Meter No. 405345) 2. ETP/TGP Sun Plant Dehydration Starr (Meter No. 410173) 3. Lobo/TGP King Ranch Jim Wells (Meter No.412400) 4. ETP/TGP Gilmore Plant Residue Hidal (Meter No. 412458) (G) Impulsora interconnection (up to 504,000 MMBtu/d): 1. Howard Energy Webb Country (Meter No. 606021) up to 200,000 MMBtu/d 2. Kinder Morgan Texas Pipeline 30” Webb Country Interconnect Hub (KMTX Meter No. 847282 and HEP Meter No. 47282) up to 50,000 MMBtu/d 3. Net/Eagle Ford Midstream LaSalle Country Interconnect Hub (HEP Meter No. 836590) up to 200,000 MMBtu/d. 4. Energy Transfer/HPL San Cajos Interconnect Hub (HEP Meter No. 859123) up to 25,000 MMBtu/d.

Additional to the elements listed in each product all the proposals shall consider the following:

- **Quality:** Bidders must comply with the gas quality standards of the applicable transporter or transporters where the gas is delivered in their Proposal(s).

- **Pressure:** Bidders must comply with the pressure requirements of the transporters for the transportation path in their Proposal(s).

5. Credit Terms

a. CFE International is rated BBB by S&P. The ratings information is public. Thus, CFE International and the Bidders shall negotiate if a Parent Company Guaranty (“PCG”) based on the terms of the Proposal is required in relation to this supply. Notwithstanding anything to the contrary, CFE International shall determine in its sole discretion if the negotiation is reasonably acceptable for CFE International purposes under this RFP. In case the PCG is indeed required, it shall be provided by CFE on behalf of CFE International subject to CFE’s PCG Model and internal processes.

b. CFE International will evaluate a Bidder’s creditworthiness according to CFE International’s own policies. For Bidders with whom CFE International has existing business CFE International may consider whether existing credit support (e.g., a parent guaranty for CFE International’s benefit) will satisfy the transactions contemplated under this RFP. CFE International shall determine in its sole discretion whether new credit support will be required from a Bidder under this RFP.

6. Request For Proposals Selection Process

CFE International will compare Proposals using the "**Best Value Analysis**", by considering the factors listed below, with weighing of each factor in accordance with CFE International's sole discretion):

(i) The cost of natural gas to be purchased by CFE International, lower is better. CFE International reserves the right to reject any Proposal.

(ii) The source and infrastructure used to supply and acquire natural gas, as well as the Delivery and Receipt Points with respect to CFE International's needs.

(iii) Any other element that CFE International considers, at its sole discretion, to evaluate the Proposals.

CFE International reserves the right to engage in discussions with Bidders regarding the Proposals to clarify such Proposal(s).

Upon evaluation of Proposals, CFE International may invite certain competitive Bidders to submit updated proposals. Such updated proposals create binding obligations on the Bidders to transact on the terms and price(s) proposed if chosen by CFE International. The updated proposals will be evaluated using the same Best Value Analysis as described above.

CFE International may request a refresh of prices and terms from one or more Bidders in the event CFE International cannot reach an agreement with a Bidder.

7. Request For Proposals Submission

Each Bidder should submit its Proposal(s) electronically to the email provided in this RFP, with the information listed below.

a. A cover letter executed by an authorized representative or signatory, which shall include (i) an acknowledgement and agreement to conform and comply with the terms and conditions of this RFP, and (ii) a covenant not to alter the price(s) offered in each Proposal at any time prior to and including November 1, 2023 or at a later date, as proposed by the Bidder(s).

b. All Proposals to supply natural gas shall be presented via the Registration of Proposals Form (Exhibit B). Each Registration of Proposals Form shall be submitted in PDF format and in its native format compatible with Microsoft Excel. If multiple Proposals are being submitted, each Bidder shall clearly specify if the Proposals are mutually inclusive or not mutually inclusive (i.e., *"the Proposals are contingent or dependent on each other", or "the Proposals are independent from one another"*).

c. Any additional information with respect to supply of natural gas and/or that is considered material by the Bidder.

8. Additional Request For Proposals Requirements

a. Cost. CFE International will not be responsible or accountable for any expenses incurred by Bidders in connection with the preparation of Proposal (s), including, but not limited to, legal expenses, travel costs, and/or preparation of documents.

b. Currency. All currency denominations in proposals must be expressed in United States Dollars.

c. Governing Law. This RFP, any Transaction Confirmation, regardless of the choice of law of the applicable NAESB Agreement, and all related documentation shall be governed in accordance with the laws of the State of Texas.

d. Language. The Bidder's Proposal and all related documents must be submitted in English.

9. Reservation of Rights; Sole Discretion/No Liability

CFE International may at any time, without prior notice, (i) modify or amend the RFP as it may deem appropriate, (ii) select the Selected Bidder(s) based on the criteria set forth in this RFP, (iii) terminate this RFP process for any reason at any time in CFE International's sole discretion, and/or (iv) negotiate terms and conditions with any Bidder or other party. All decisions made by CFE International in connection with this RFP process are non-appealable.

Nothing in this RFP or any other document or statement made or delivered by or on behalf of CFE International in connection with this RFP, and no decision or other action taken by or on behalf of CFE International in connection with this RFP, shall create any legal right or claim of any nature on the part of any Bidder, or any affiliate of any Bidder against CFE International or any of its affiliates or any officer, director, employee, agent, attorney-in-fact or other representative of CFE International or any of its affiliates, and each such Bidder hereby waives any such legal right or claim; and CFE International shall not be under any legal obligation to any Bidder.

10. Confidentiality

All information concerning this RFP, including any related information that is subsequently disclosed by Bidder during the bid and proposal process, is Bidder's confidential information. CFE International will not disclose such information or use it for any purpose other than responding to the proposals without Bidder's prior written consent, except as required by law.

11. Legal Compliance Obligations and Fight against Corruption and Bribery

In compliance with CFE International's policies and applicable anticorruption laws, Bidders are informed that during all stages of the RFP, the request, offer and/or delivery of any type of gift or business hospitality will not be tolerated, such as gifts, meals, entertainment, including transportation, travel accommodations or any type of personal expense or thing of value, regardless of the amount or nature; with the understanding that doing so will result in the immediate dismissal of the submitted RFP Proposal. CFE International recognizes and expresses the importance that all Bidders demonstrate their commitment to comply with the law, highlighting, among others, the U.S. Foreign Corrupt Practices Act, Mexican anti-corruption laws, and all other applicable anti-corruption laws and regulations, and the highest ethical standards.

Construction Update

September 28, 2023

Numbers as available at the end of August unless otherwise noted

Construction highlights

Coastal GasLink achieves 98 per cent pipe installation
Coastal GasLink wrapped up another month of construction with incredible progress.

Section 5, a 54 kilometre-long section north of Vanderhoof to south of Burns Lake, achieved 100% pipe installation last month. Section 5 was completed safely and on time by Nadleh-Macro, a partnership established in 2022 and comprised of Nadleh Whut'en First Nation and Macro Pipelines. Five sections of the 670-kilometre project route have now completed pipe installation activities (Sections 1, 2, 4, 5 and 6).

As of the end of August, all **800 water crossings** across the project have also been safely executed, including all 10 major trenchless water crossings.

While the project is quickly approaching mechanical completion at the end of 2023, there are a number of critical activities that the project team will continue to execute on, including:

- **Clean-up and Reclamation** – When a section is complete, our contractors will ensure the ground and topsoil is reinstated so that we are ready to implement our reclamation program. Reclamation is underway in many sections across the project route, including time sensitive work that must take place prior to the onset of winter.
- **Erosion and Sediment Control (ESC) Measures** – Our commitment to the environment does not end when construction is complete. Until the route is completely revegetated, which could take a few years due to seasonal constraints, our crews will continue implementing and monitoring ESC measures as required to protect the environment and meet our commitments.

Check out our **photo of the month** to see our clean-up program in full swing in Section 7.

Performance at a glance:

94.7% overall progress*

98% pipe installed

4,820 workers across the project route as of August 26, 2023

*includes all engineering, procurement and construction activities

Summary

During June-August 2023, Pacific Niño sea-surface temperature (SST) index in the eastern Pacific (Niño 1+2) were much above-normal and the other three indices in the central Pacific were also above-normal. The observed SST conditions in the equatorial Pacific were characterized by an El Niño state. The observed Indian Ocean Dipole (IOD) was near normal. The North Tropical Atlantic (NTA) SST index was above-normal and the South Tropical Atlantic (STA) SST index was near-normal (but was positive) and reflected widespread warmth in the tropical Atlantic north of the equator.

Above-normal sea-surface temperature anomalies in the Niño 3.4 and Niño 3 regions are predicted to strengthen during the October-December (OND) 2023 season, indicating further amplification of El Niño conditions. Farther west in the Niño 4 region, above-normal sea-surface temperature anomalies are also predicted to strengthen. The Indian Ocean Dipole (IOD) index is predicted to be above-normal in OND 2023. In the equatorial Atlantic, SSTs are predicted to be above-normal in both the northern (NTA) and the southern (STA) regions during the season.

Consistent with the anticipated development of an El Niño in the equatorial central and eastern Pacific, together with the prediction of above-normal sea-surface temperatures over much of the global oceans, there is widespread prediction of above-normal temperatures over almost all land areas. Positive temperature anomalies are expected over almost the entire Northern Hemisphere except for a maritime area off the south-west coast of North America that extends into the central Pacific at about 20º N. The largest increase in probabilities for above-normal temperatures in the Northern Hemisphere is predicted generally south of about 45º N, and also over parts of Central and East Asia, north-eastern parts of North America, and in the regions north of 65º N. Elsewhere in the Northern Hemisphere, including Greenland, Europe and Asia between 45º and 65º N, and in North America north of about 30º N, the probabilities for above-normal temperature are moderately increased. There are also enhanced probabilities for above-normal temperatures over most of the Southern Hemisphere, except for the areas bordering the eastern tropical Indian Ocean, and southeast Pacific between 120 and 70º W where probabilities for below-normal temperature is enhanced. Over most other Southern Hemisphere land areas north of about 30º S, the probabilities for above-normal temperature are strongly increased. However, over New Zealand, and over the central and eastern Pacific Ocean islands south of about 20º S the probabilities for above-normal temperatures are only weakly increased. There is no clear signal over South America south of about 35º extending to the southern tip of the continent.

Predictions for rainfall are similar to some of the canonical rainfall impacts of El Niño, which is expected to strengthen in OND 2023. Probabilities for above-normal rainfall are enhanced over a narrow band along and just north of the equator from 150º E extending across the equator to the west coast of South America. Across most of the Pacific Ocean south of about 30º N, and immediately to the north of the wet band, rainfall is predicted to be below-normal. South of the equator and east of the Maritime continent, an area of strong enhancement in below-normal rainfall extends into the Indian Ocean to about 60º E and is consistent with the prediction for the positive phase of the IOD. This area of below-normal rainfall extends southeast towards the western coast of Australia, where it further extends eastward towards Tasmania. East of the Maritime continent, an area of below-normal rainfall extends towards the southeast to the Date Line where it curves south-westward towards the southeast coast of Australia. The probability for below-normal rainfall is also weakly enhanced over much of Australia. The probability for above-normal rainfall is enhanced in the Indian Ocean north of the equator and extends towards the eastern coast of Africa and into the Greater Horn of Africa, where along the equator it extends further towards western Africa. There is a weak enhancement in the probability of above-normal rainfall over the Arabian Peninsula, central and northern Asia, parts of eastern Asia, and northern Caribbean. Over North America, a weak enhancement in the probability of above-normal rainfall is predicted north of 55º N and merges with the expectations for above-normal rainfall in the Arctic latitudes. The probability for below-normal rainfall is enhanced across much of the northern part of South America north of about 25º S, southern parts of Central America and the southern Caribbean. The probability for above-normal rainfall is enhanced in South America below 30º S, however, over the extreme southern tip of the continent the probability for below-normal rainfall is enhanced and extends westward along 55º S to about 120º W.

Surface Air Temperature, OND 2023 **Precipitation, OND 2023**

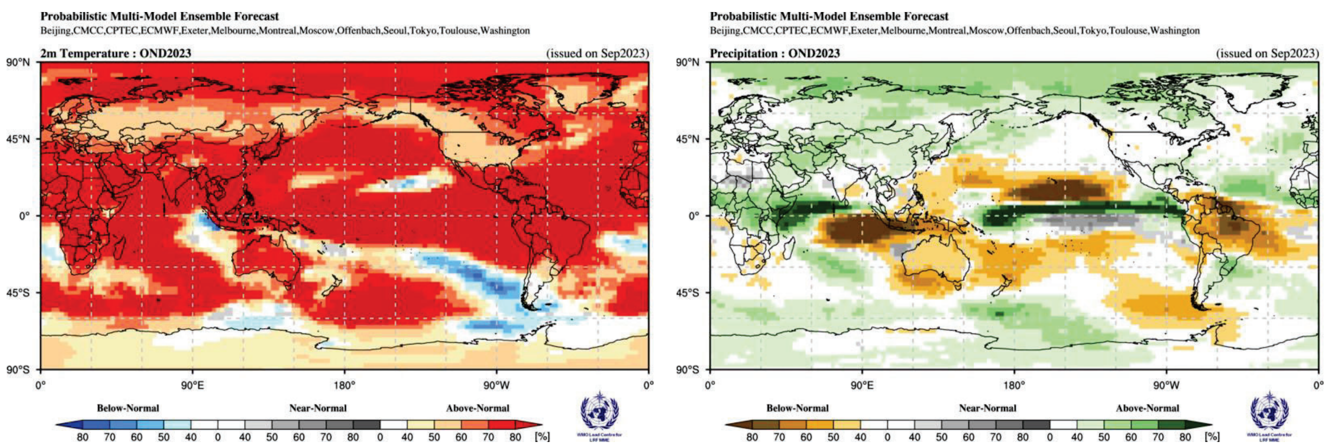

Figure 1. Probabilistic forecasts of surface air temperature and precipitation for the season October-December 2023. The tercile category with the highest forecast probability is indicated by shaded areas. The most likely category for below-normal, above-normal, and near-normal is depicted in blue, red, and grey shadings respectively for temperature, and orange, green and grey shadings respectively for precipitation. White areas indicate equal chances for all categories in both cases. The baseline period is 1993–2009.

1. WSJ NEWS EXCLUSIVE

2. DEALS

Exxon Mobil Closing In on Megadeal With Shale Driller Pioneer

Deal could be sealed in coming days, though it is still possible there won't be one

By
Lauren Thomas
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,
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and
Collin Eaton
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Updated Oct. 5, 2023 9:31 pm ET

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(6 min)


The acquisition would give Exxon a dominant position in the oil-rich Permian Basin of West Texas and New Mexico. PHOTO: BRIDGET BENNETT/BLOOMBERG NEWS

Exxon Mobil is closing in on a deal to buy Pioneer Natural Resources, a blockbuster takeover that could be worth roughly $60 billion and reshape the U.S. oil industry.

A deal could be sealed as soon as in the coming days, though it is still possible there won't be one, people familiar with the matter said.

After posting a record profit in 2022, Exxon has been flush with cash and exploring options that would push it deeper into West Texas shale.

An acquisition of Pioneer, with a market cap of around $50 billion, would likely be Exxon's largest deal since its megamerger with Mobil in 1999. It would give Exxon a dominant position in the oil-rich Permian Basin of West Texas and New Mexico, a region the oil giant has said is integral to its growth plans.

The Wall Street Journal reported in April that the two companies were holding preliminary talks.

Exxon has a market value of $436 billion, so the deal, which would be the biggest takeover of the year, should be easily doable.

A deal would eclipse the U.S. oil industry's most recent blockbuster,

Occidental Petroleum
's 2019 acquisition of Anadarko Petroleum for about $38 billion, and top Exxon's 2010 purchase of XTO Energy for more than $30 billion.
It would also be a legacy-shaping move for Exxon CEO Darren Woods, whose tenure at the company has seen its peaks and valleys.

Woods, an Exxon-lifer who became CEO in 2017, initially promised to dramatically grow Exxon's oil production only to see his plans felled by the pandemic. An oil-market collapse in 2020 led to Exxon's first annual loss in decades—more than $22 billion. It lost a historic proxy fight in 2021 to investment firm Engine No. 1, which excoriated Exxon's finances and argued it had no long-term strategy.

But Exxon rebounded to a record profit of $55.7 billion last year, buoyed by soaring global demand for oil and gas as economies reopened. Exxon has used its prolific cash flows to reward investors with buybacks and dividends and pledged disciplined spending, though many wondered whether the company would dip into its coffers for a megadeal in the oil patch.

The acquisition marks Woods's second significant acquisition, coming only a few months after Exxon scooped up CO2 pipeline operator Denbury for $4.9 billion. It would add vast swaths of West Texas acreage considered the core of the U.S. shale boom.

Pioneer's acreage in the Midland Basin—the eastern portion of the Permian Basin, which straddles West Texas and New Mexico—is seen as one of the largest collections of fertile oil land in the U.S., and the company holds one of the largest numbers of untapped drilling locations of any Permian player, analysts have said.

In the wake of the pandemic, Pioneer snapped up two other large Permian operators, Parsley Energy and DoublePoint Energy, for a combined $11 billion in 2021.

Pioneer's CEO, Scott Sheffield, started work for predecessor company, Parker & Parsley Petroleum, in 1979. That company merged with another in 1997 to form Pioneer. He had retired in 2016 but returned to the job in 2019.

In April, Sheffield had announced he would retire at the end of this year, and that he would be succeeded by his longtime top lieutenant Richard Dealy, the company's chief operating officer.

"I'm almost 71, we celebrated Pioneer's 25th anniversary last year," Sheffield told The Wall Street Journal in an interview in April. "And so [the] timing was right."

Pioneer's balance sheet has been in increasingly good shape since oil prices surged, with its debt declining by more than 20% since the end of 2021, according to FactSet.

The tie-up could presage a wave of consolidation among shale companies. The industry has shifted from the rapid growth it pursued for more than a decade to a mature business underpinned by fiscal restraint and hefty investor payouts. But producers are contending with dwindling drilling locations. Drilling for new oil discoveries has fallen out of favor with investors, leaving many companies with few options other than to acquire rivals to extend their runway.

Producers have deep coffers at their disposal to pursue deals after Russia's invasion of Ukraine last year sent global prices soaring to more than $127 a barrel. Prices have retreated and been volatile since then. Exxon's acquisition of Pioneer could be the first of a series of deals in the Permian, which contains shale wells that produce rapidly and don't bind companies to decadeslong megaprojects that have fallen out of favor with some investors who fear a future decline in oil demand.

Environmentalists, lawmakers and others have hoped oil and gas companies would invest their record profits into green energy. Woods has pledged Exxon will invest $17 billion through 2027 in cutting the company's carbon emissions and building a business that would help other companies reduce theirs too, investing in areas including carbon capture, biofuels and lithium mining.

Exxon's move to purchase Pioneer, even after its acquisition of Denbury, the CO2 pipeline operator, signals the company is still primarily planning to lean on its traditional oil-and-gas business for decades.

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Appeared in the October 6, 2023, print edition as 'Exxon Nears Deal for Driller'.

https://www.wsj.com/articles/exxonmobil-eyes-on-the-permian-prize-8464fe97?mod=hp_lead_pos11

Exxon Mobil: Eyes on the Permian Prize

Possible Pioneer Natural Resources deal is a sign of the times, good and bad, for big oil

Exxon could be looking to make a major deal soon.PHOTO: JOE RAEDLE/GETTY IMAGES

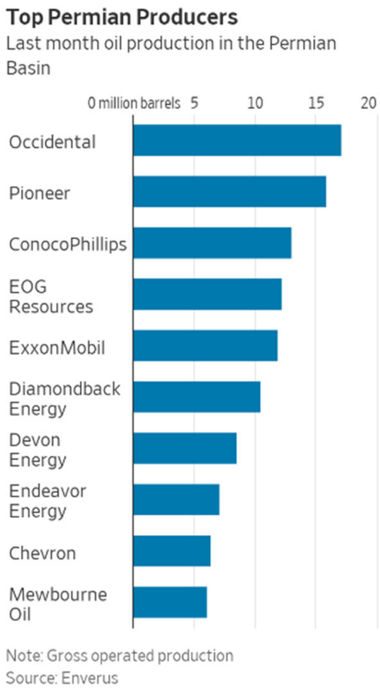
By Jinjoo Lee

Follow

April 8, 2023 9:24 am ET

Texas-based oil major Exxon Mobil XOM -1.66%decrease; red down pointing triangle was once known for exploring for oil in all sorts of exotic places, but right now its own backyard is looking like the best option.

The oil major has reportedly held preliminary talks with U.S. producer Pioneer Natural Resources PXD -1.06%decrease; red down pointing triangle about a possible acquisition, according to a Wall Street Journal report Friday. An acquisition of Pioneer, which has a market capitalization of about $49 billion, would be Exxon's largest deal since its merger with Mobil in 1999. It is clear that Exxon is itching to put its cash to some use: The company is also said to have approached Denbury, an oil producer with an extensive carbon-dioxide-gathering infrastructure, according to a Bloomberg report late last year.

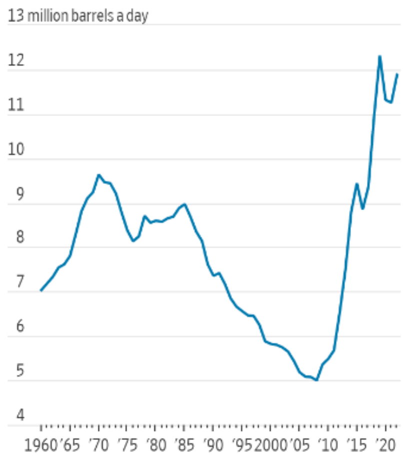


Pioneer, which operates in the Midland Basin of the prolific Permian, is the second-largest producer in that region by operated oil production based on figures last month, according to Enverus. Combined, Exxon and Pioneer produced roughly 1.2 million oil-equivalent barrels a day from the Permian last year. A tie-up would create the largest producer in that basin, well surpassing current top producer Occidental Petroleum.

Of course, its reported interest in Pioneer could be a case of fear of missing out. Notably, Occidental came to occupy that top Permian spot after outbidding Chevron to acquire Anadarko Petroleum back in 2019. While that purchase was a risky and expensive one (it saddled Occidental with massive debt right before oil prices plunged in 2020), the acquisition started paying off handsomely in the past two years. Last year, Occidental's return on invested capital was 26.2%, exceeding Exxon's. Pioneer's returns were even higher than Occidental's. Good-quality acreage is especially important for U.S. producers; more mature U.S. shale plays—including parts of the Permian—have started reaching a production plateau, a point that many U.S. producers stressed at an industry conference earlier this year.

Whatever Exxon ends up buying, it will have to remember the lessons learned from its expensive, ill-timed $31 billion acquisition of natural-gas driller XTO Energy. When Exxon announced its plan to acquire the company in December 2009, natural-gas prices averaged more than $5 per million British thermal units and Exxon was late to the shale oil-and-gas party. Natural-gas prices subsequently plunged and didn't recover above that level until 2021. Exxon finally said it would take a write-down on those natural-gas assets in 2020—to the tune of $17 billion to $20 billion.

U.S. field production of crude oil



Source: U.S. Energy Information Administration

At least this time there is something of a cushion against a rapid drop in oil prices: U.S. oil producers have shown remarkable financial restraint in how much to drill, and OPEC+ appears determined to retain its roughly $80-a-barrel floor on oil prices. And while there is no price tag on the potential deal, Pioneer's shares don't seem overly expensive: Its enterprise value as a multiple of forward earnings before interest, taxes, depreciation and amortization is 5.24 times, 13.5% below its five-year average and 12% cheaper than Exxon by the same measure.

However the deal talks shake out, Exxon's kicking the tires could also indicate that it is running out of blockbuster organic growth ideas. Guyana has proven to be a prolific find, but other explorations haven't been as successful. Notably, the oil major ended a drilling campaign offshore Brazil after failing to find commercially viable amounts of oil, as The Wall Street Journal reported. Last year, Russia pushed Exxon out of a large oil-and-gas project in the country. Investors have also been slower to reward major oil companies for large, risky projects.

Before the shale boom, "peak oil" had a different meaning–not the world weaning itself off the fuel but failing to replace aging fields quickly enough. If Exxon and other majors' growth starts looking more dependent on acquisitions rather than organic growth, that term might come back into vogue.

Write to Jinjoo Lee at jinjoo.lee@wsj.com

https://calgaryherald.com/opinion/columnists/varcoe-trans-mountain-ceo-dawn-farrell-interview

Varcoe: Trans Mountain CEO expects opening of pipeline expansion by end of March, potential sale within two years

'I would say in terms of the construction, we're in the ninth inning,' Trans Mountain Corp. CEO Dawn Farrell said in her first interview since taking the job

Chris Varcoe • Calgary Herald
Published Oct 05, 2023 • Last updated 1 hour ago • 5 minute read

Trans Mountain Corporation CEO Dawn Farrell at the company's downtown Calgary offices on Thursday, Oct. 5. Gavin Young/Postmedia

Trans Mountain Corp. CEO Dawn Farrell says the oil pipeline expansion project is on track to begin commercial operations by the end of March, but acknowledges the mammoth development still faces pressures as construction enters the home stretch.

In her first interview since taking on the job as chief executive of the federal Crown corporation, Farrell said the $30.9-billion project remains "in that range," with only 16 kilometres of pipeline left to put in the ground.

Once construction is complete, it will allow for testing, commissioning work and filling the line with 4.5 million barrels of oil, which should begin near the end of January.

Concluding a long-awaited sale of the pipeline back into private-sector hands could happen potentially in early 2025, she said in a wide-ranging discussion on the project's future.

"I would say in terms of the construction, we're in the ninth inning. So, we're getting close to finishing," Farrell, who took over the corporation's helm in August 2022, said Thursday.

"We're aiming to have first oil to (the Westridge Marine Terminal) by the end of the first quarter of 2024 . . . As long as we don't run into sort of geological risks, I feel very confident that we're in that time frame."

Ottawa bought the pipeline from Kinder Morgan Canada in 2018 for $4.4 billion after it appeared the owners were set to walk away from the development.

The Trans Mountain expansion project is seen as a critical piece of energy infrastructure for Canada's oil sector, nearly tripling the capacity of the existing pipeline to 890,000 barrels per day.

The 1,150-kilometre pipeline runs from the Edmonton area to a terminal in Burnaby, B.C.

Oil and refined products shipped on the line will be able to access growing markets in Asia, although many analysts believe much of the crude could end up moving south to U.S. customers.

Farrell, the former CEO of Calgary-based TransAlta Corp., remains confident the pipeline will deliver economic value for the country, even as critics expect the federal government will likely have to take a writedown to eventually sell the development.

The capital costs have escalated from $5.4 billion in 2013 to now top $30 billion.

"I think we're close (on the latest price tag). For sure, there's pressure on it because every time there's a bit of a delay or you have to do a regulatory hearing, or you have to find a new methodology, that puts pressure on the contingency and on the reserve. But we are close, in that range," she added, noting rising interest rates are another factor.

"The biggest pressure on this project right now is the timing, for sure. So every month of delay is $200 million that accrues to the project."

The journey to get the development built is one for the Canadian history books, complete with regulatory and legal delays, changing timelines and rising budgets, the challenges of building essential infrastructure during a pandemic — and plenty of politics.

It also comes as other proposed oil pipelines, including Northern Gateway, Keystone XL and Energy East failed to launch.

The original Trans Mountain line was constructed 70 years ago; an application to move ahead with the expansion project was filed with Canadian regulators a decade ago.

It received initial approval in 2016, after the regulator determined the initiative was in Canada's public interest.

The project has staunch supporters, including the Alberta government.

Shippers have signed up for long-term contacts to take up about 80 per cent of the available capacity, although there are some disagreements over the pipeline's proposed tolls, given the rising construction tab.

"It's a critical piece of infrastructure," said Tristan Goodman, president of the Explorers and Producers Association of Canada.

The development also has detractors who believe the Canadian government will end up losing money on Trans Mountain.

Ottawa has provided loan guarantees to Trans Mountain, including $10 billion in such guarantees in 2022, according to Reuters.

"I will be very surprised if the final price tag is the current budget of $30.9 billion," said Eugene Kung, a staff lawyer with West Coast Environmental Law.

"Its legacy is going to be one of the biggest and most expensive mistakes by a federal government."

Canada is the world's fourth-largest oil producer and output next year could potentially increase by 250,000 barrels per day, according to S&P Global Commodity Insights.

The pipeline expansion is needed and will help prevent the discount facing western Canadian heavy oil from widening sharply during periods of pipeline constraints, said S&P vice-president Kevin Birn.

"Canada needs this pipeline to prevent differential blowouts in the future. It needs it from a strategic point of view, being able to access global markets," Birn said.

"It potentially could be the last major new incremental pipeline being completed (in Canada)."

Farrell said the project will generate about $40 billion over two decades of additional royalties and taxes to Alberta, and $12 billion in additional taxes to the federal government.

The federal government has said it will sell the project, once it is fully derisked, and Indigenous groups have expressed interest in buying a stake.

As for the potential of a writedown, there are efforts to minimize that from happening.

"What I'm trying to do is minimize any capital that's left behind, because effectively what happened here is the federal government has used the credit card of the federal government to fund this project. And once the project transfers to the private sector, we're paying back the credit card," she said.

“I’ve got a lot of ambition to pay back as much of that credit card as we can because I think that’s the fair thing to do.”

The Trans Mountain Corp. CEO also believes the project will be able to find a buyer. However, it will take time.

“This is a $30-plus billion dollar sale. This will be one of the biggest sales, if not the biggest sale, that’s ever occurred in the country,” Farrell added.

“To the extent that we get everything ready to go for next spring, that gives us the time then through the spring and the fall to engage potential buyers and potential opportunities.

“So, I would put having a conclusion on that until late in 2024, potentially early ‘25.”

Chris Varcoe is a Calgary Herald columnist. cvarcoe@postmedia.com

https://www.reuters.com/markets/commodities/venezuelas-september-oil-exports-hit-second-highest-this-year-2023-10-02/

Venezuela's September oil exports hit second highest this year

By Marianna Parraga and Mircely Guanipa
October 2, 20232:00 PM MDTUpdated 5 days ago

Oil pump jacks are seen at the Vaca Muerta shale oil and gas deposit in the Patagonian province of Neuquen, Argentina, January 21, 2019. REUTERS/Agustin Marcarian/File Photo *Acquire Licensing Rights*

Oct 2 (Reuters) - Venezuela's oil exports in September topped 800,000 barrels per day (bpd), the second highest monthly average this year, as state-run oil firm PDVSA and its joint ventures recovered output, particularly in the Orinoco Belt.

Venezuela has been increasing overall crude production and exports this year, but with volatile swings from month to month amid recurring power outages, maintenance problems and a lack of investment to expand output.

In September, PDVSA and its partners shipped an average 812,000 bpd of crude and fuel mainly to China, directly and through trans-shipments hubs.

Chevron's (CVX.N) exports of Venezuelan oil to the U.S. last month slipped to some 145,000 bpd, from 147,000 bpd in August, according to PDVSA's documents and LSEG tanker tracking data.
Chevron last November obtained a U.S. license to expand its four joint venture operations, which has allowed it to consistently increase output this year. The U.S. producer next year hopes to expand its ventures' combined output to 200,000 bpd through a fresh drilling campaign.
September's export gains mainly were fueled by higher production and processing of extra heavy crude in the country's main oil region, the Orinoco Belt, where outages had interrupted crude blending in August, the documents showed.

However, the higher exports reduced PDVSA inventories of its flagship export crude grade - Merey 16 - at the end of the month, according to one of the documents, which could limit exports in coming months.

The OPEC country reported crude output of 820,000 bpd in August, above the 810,000 bpd it produced in July, for an accumulated average of some 785,000 bpd so far this year.

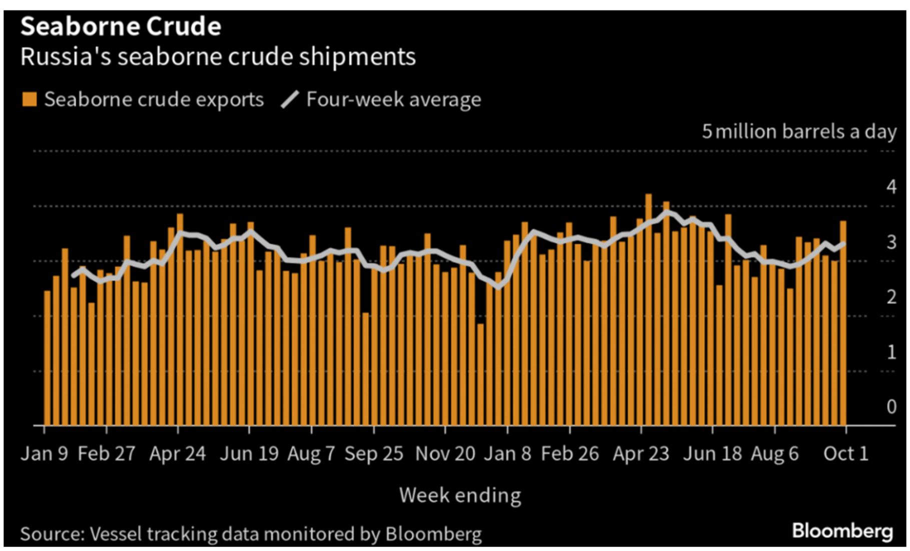
Venezuela increased exports to its top political ally, Cuba, to some 86,000 bpd pf crude, fuel oil, gas oil and gasoline, from 65,000 bpd in August. Cuba has suffered from fuel shortages and last week announced the possibility of blackouts amid low fuel inventories to run its power plants.
The South American nation also discharged imports of Iranian crude and U.S. heavy naphtha between late August and September, key for refining and crude blending operations at the Orinoco.

;Reporting by Marianna Parraga in Houston and Mircely Guanipa in Maracay, Venezuela Editing by Marguerita Choy

Russia's Seaborne Crude Flows Rebound to Hit a Three-Month High
2023-10-03 10:57:16.506 GMT

By Julian Lee
(Bloomberg) -- Russia's seaborne crude exports jumped to the highest in three months in the week to Oct. 1, lifting four-week average flows to a level that's broadly in line with the country's pledge to reduce overseas shipments.
About 3.72 million barrels a day of crude was shipped from Russian ports last week, a 24% increase from the previous seven days and the highest since the week ending July 2, tanker-tracking data monitored by Bloomberg show. That lifted the less volatile four-week average to about 3.3 million barrels a day.
The jump came after maintenance work disrupted flows from two key ports over the previous weeks, with shipments curtailed first from Kozmino on the Pacific coast and then from Primorsk on the Baltic.
Deputy Prime Minister Alexander Novak said in early August that the Kremlin would prolong export restrictions, while tapering the cut to 300,000 barrels a day from September until the end of the year, down from 500,000 for the previous month.
The baseline for the reduction was average exports in May and June — when seaborne volumes hit new highs. Bloomberg calculations indicate that shipments through ports should be running now at about 3.28 million barrels a day.

A combination of soaring exports and rising prices have boosted the Kremlin's revenues from oil export duties, which set a new year-to-date high last week and rose to the most since mid-January on a four-week average basis.

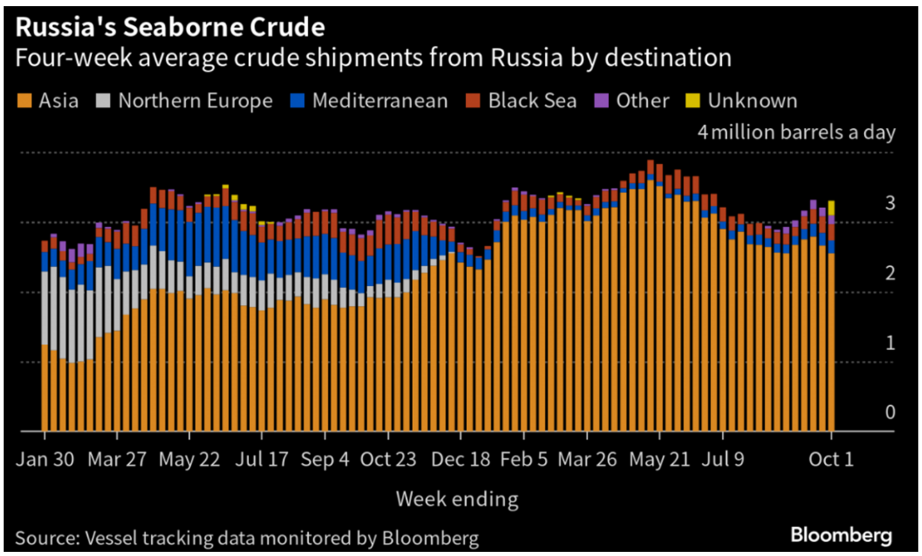


While crude exports have rebounded strongly, Russia has temporarily halted overseas shipments of gasoline and diesel to tame surging pump prices at home. Shipments are expected to resume once the government and oil companies come up with a mechanism to ensure adequate supplies to local buyers. "If the

situation doesn't change, strict regulatory measures will be taken, comparable to those in force on the fertilizer market," Novak said.
Russia consumes only about half the diesel it produces, so a prolonged export ban could cause stockpiles to swell, requiring refiners to cut runs, which could in turn boost crude exports, or curtail crude production.
Russia's oil refiners reduced daily processing rates in September to the lowest since May amid seasonal maintenance. Works are set to continue for the next several weeks, with the peak of offline capacities seen to last until mid-October.

Flows by Destination

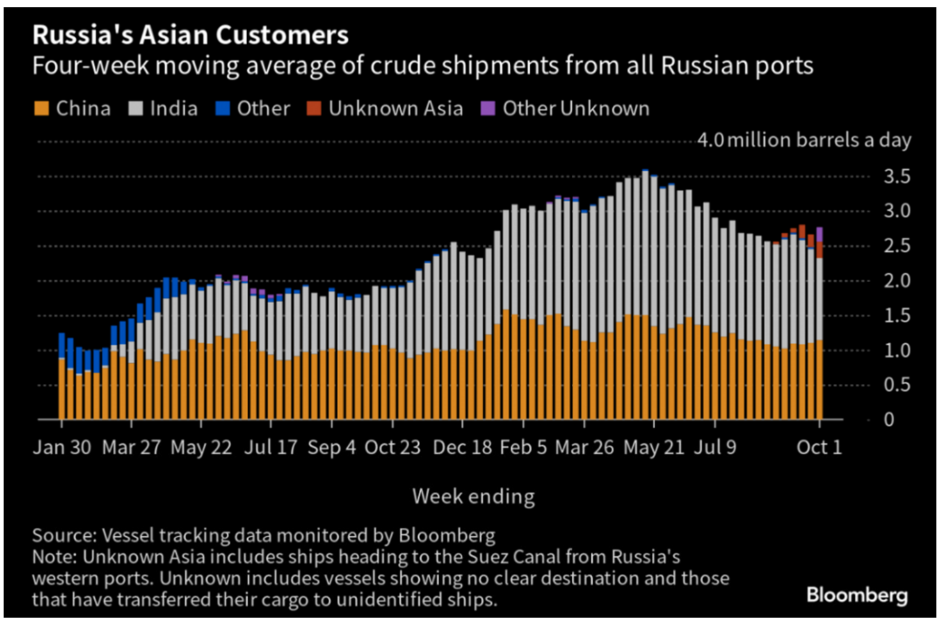
Russia's seaborne crude flows rebounded in the period to Oct. 1 on a four-week average basis to 3.3 million barrels a day, up from 3.2 million barrels a day in the period to Sept. 24. Shipments remain about 540,000 barrels a day below the highs seen between April and June.



All figures exclude cargoes identified as Kazakhstan's KEBCO grade. Those are shipments made by KazTransoil JSC that transit Russia for export through Novorossiysk and the Baltic port of Ust-Luga.
The Kazakh barrels are blended with crude of Russian origin to create a uniform export grade. Since Russia's invasion of Ukraine, Kazakhstan has rebranded its cargoes to distinguish them from those shipped by Russian companies. Transit crude is specifically exempted from European Union sanctions.
* Asia

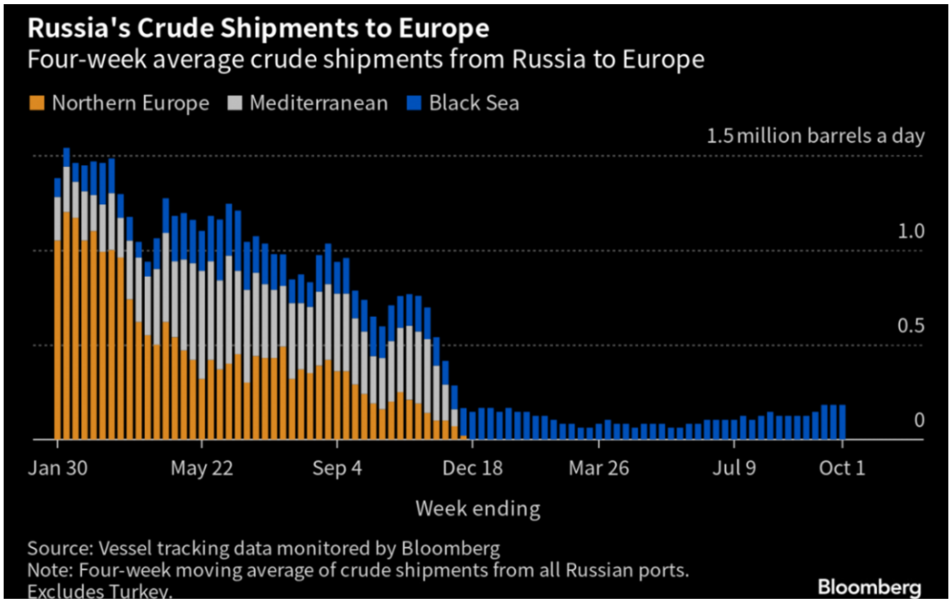
Observed shipments to Russia's Asian customers, including those showing no final destination, edged higher to 2.76 million barrels a day in the four weeks to Oct. 1, from a revised 2.66 million barrels a day in the period to Sept. 24.
Even if all of the cargoes on ships without an initial destination eventually end up in India, shipments to the country

will still be about 530,000 barrels a day, or 25%, down from their peak in May.
Adding the "Unknown Asia" and "Other Unknown" volumes to the total for India gives a figure of 1.62 million barrels a day in the four weeks to Oct. 1, down from a high of 2.15 million barrels a day in the period to May 21.
The equivalent of 235,000 barrels a day was on vessels signaling Port Said or Suez in Egypt, or which are expected to be transferred from one ship to another off the South Korean port of Yeosu. Those voyages typically end at ports in India or China and show up in the chart below as "Unknown Asia" until a final destination becomes apparent.
The "Other Unknown" volumes, running at 208,000 barrels a day in the four weeks to Oct. 1, are those on tankers showing no clear destination. Most of those cargoes originate from Russia's western ports and go on to transit the Suez Canal, but some could end up in Turkey. Others could be moved from one vessel to another, with most such transfers now taking place in the Mediterranean.\

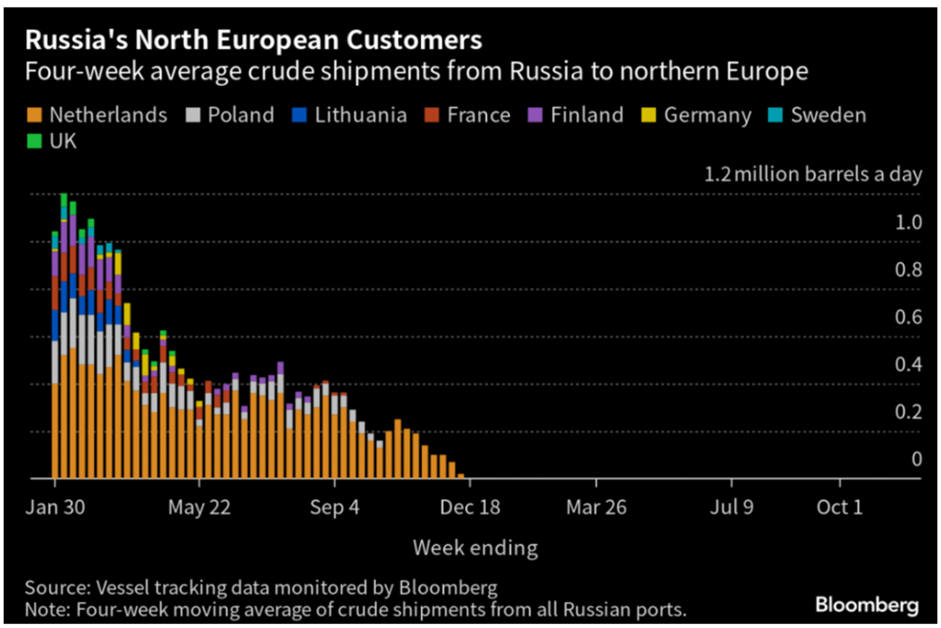


* Europe

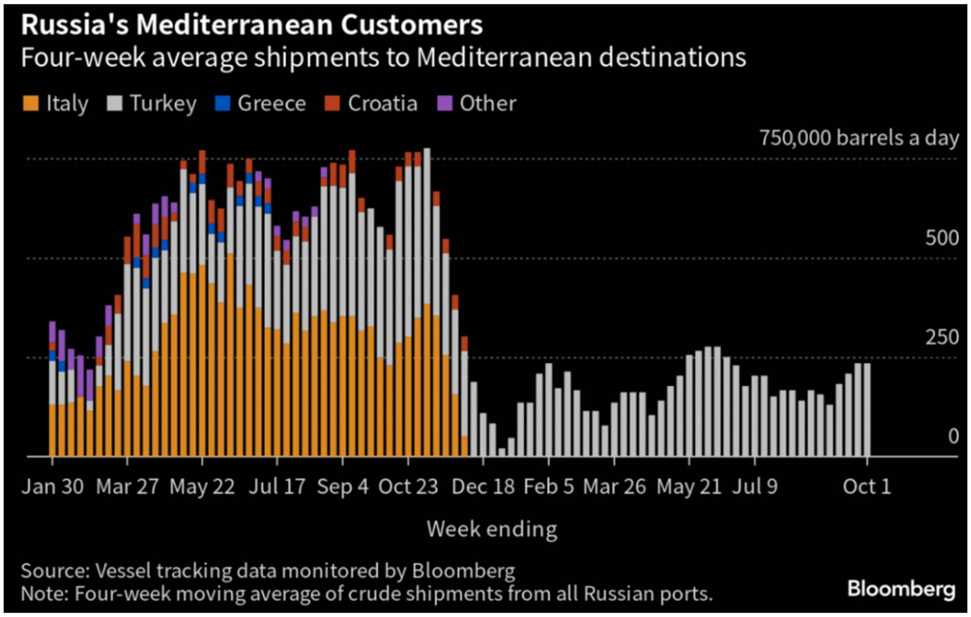
Russia's seaborne crude exports to European countries were unchanged at 183,000 barrels a day in the 28 days to Oct. 1, with Bulgaria the sole destination. These figures do not include shipments to Turkey.
A market that consumed about 1.5 million barrels a day of short-haul seaborne crude, coming from export terminals in the Baltic, Black Sea and Arctic has been lost almost completely, to be replaced by long-haul destinations in Asia that are much more costly and time-consuming to serve.



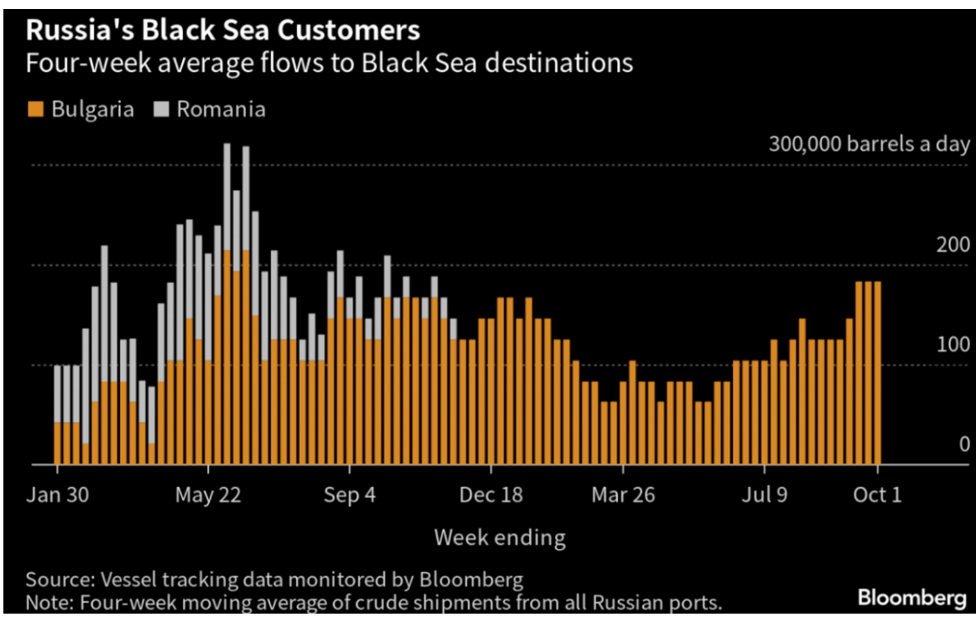
No Russian crude was shipped to northern European countries in the four weeks to Oct. 1.



Exports to Turkey, Russia's only remaining Mediterranean customer, were stable at about 235,000 barrels a day in the four weeks to Oct. 1. Flows had topped 425,000 barrels a day in October, before falling sharply after a Group of Seven price cap came into effect in early December.



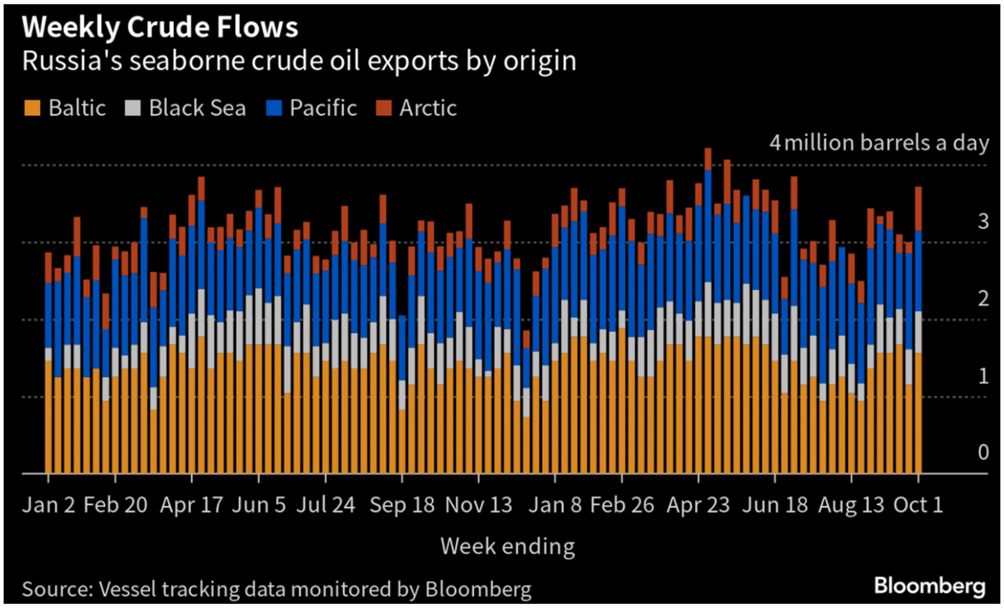
Flows to Bulgaria, now Russia's only Black Sea market for crude, were unchanged at 183,000 barrels a day, the third week they have remained at that level. That's almost three times as much as the country was importing at the lowest points between March and May and equal to the highest levels seen since June 2022. That increase in imports has come despite Bulgarian lawmakers recently approving a motion to end Bulgaria's dependence on Russian crude sooner than permitted under a European Union import ban.



Flows by Export Location

Aggregate flows of Russian crude jumped to a three-month high of 3.72 million barrels a day in the seven days to Oct. 1. The end of maintenance work at Primorsk allowed Moscow to take full advantage of easing back on the export cut it implemented in July.

Figures exclude volumes from Ust-Luga and Novorossiysk identified as Kazakhstan's KEBCO grade.



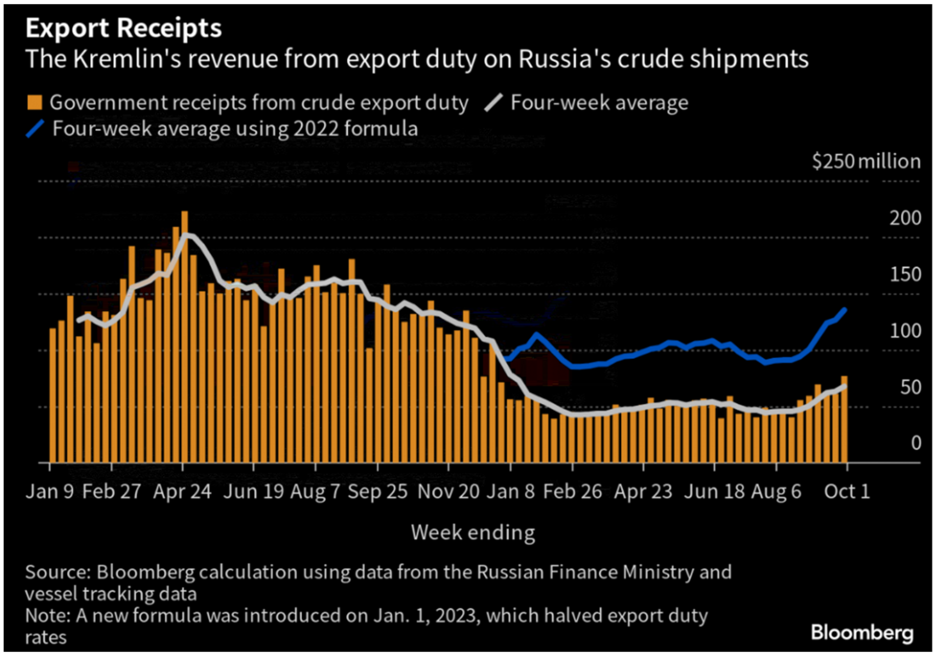
Vessel-tracking data are cross-checked against port agent reports as well as flows and ship movements reported by other information providers including Kpler and Vortexa Ltd.

Export

Revenue

Inflows to the Kremlin's war chest from its crude-export duty jumped to $77 million in the seven days to Oct. 1, while four-week average income rose to $68 million. The weekly figure was the highest this year, while the four-week average was bigger than any since mid-January. Rising oil prices and the rebound in flows are both contributing to the increase in receipts.

Russia's government calculates oil taxes — including export duty — using a discount to global benchmark Brent, which sets the floor price for the nation's crude for budget purposes. If Russian oil trades above that threshold, the Finance Ministry uses the market price for tax calculations, as has been the case in recent months. The discount used to calculate taxes including export duty is set at $20 a barrel for September and subsequent months.



The duty rate for October has been set at $3.26 a barrel, based on an average Urals price of $77.03 during the calculation period between Aug. 15 and Sept. 14. That was $11.60 a barrel below Brent over the same period. October's duty rate sets a new high for the year.

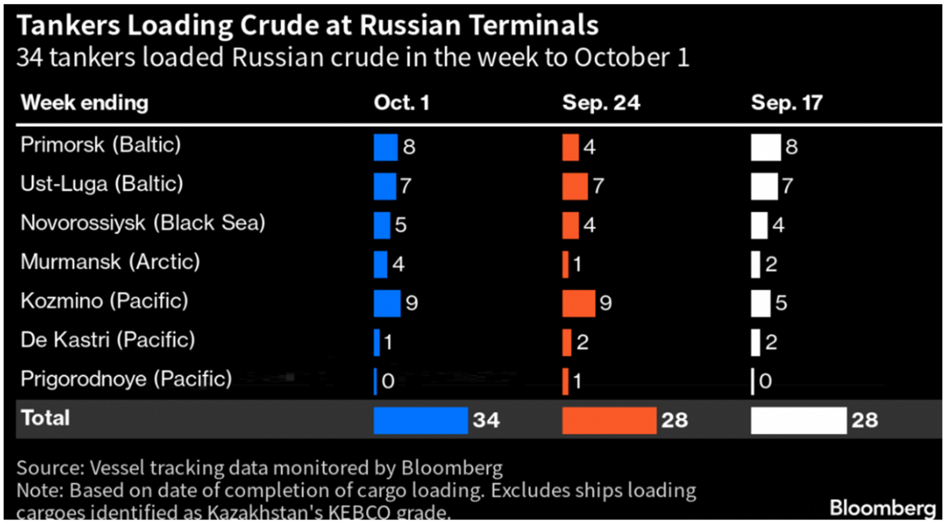
Origin-to-Location Flows

The following charts show the number of ships leaving each export terminal and the destinations of crude cargoes from the four export regions.

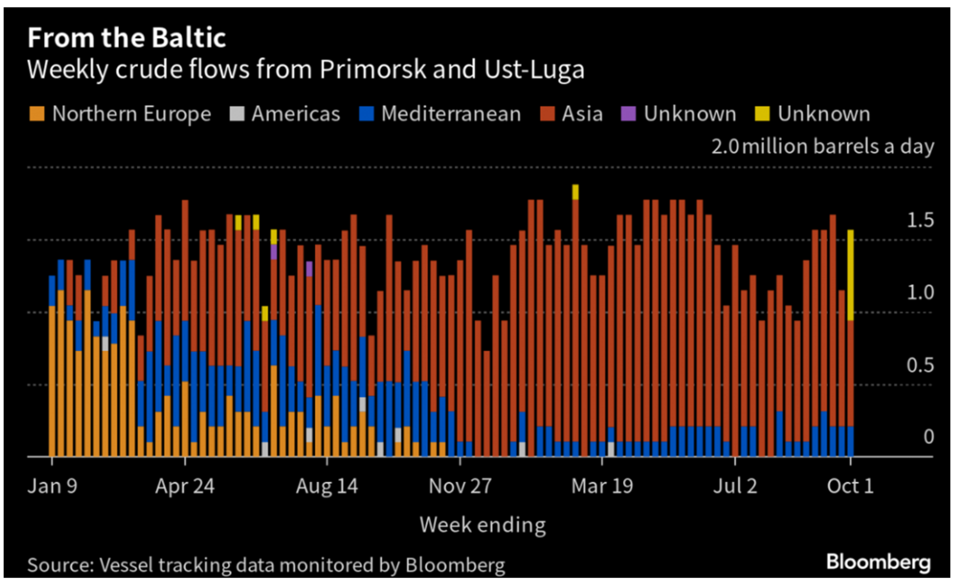
A total of 34 tankers loaded 26 million barrels of Russian crude in the week to Oct. 1, vessel-tracking data and port agent reports show. That's up 5.1 million barrels from the previous week.

A rebound in shipments from the Baltic port of Primorsk following the completion of maintenance work the previous week and a jump in shipments from Murmansk in the Arctic drove the increase.

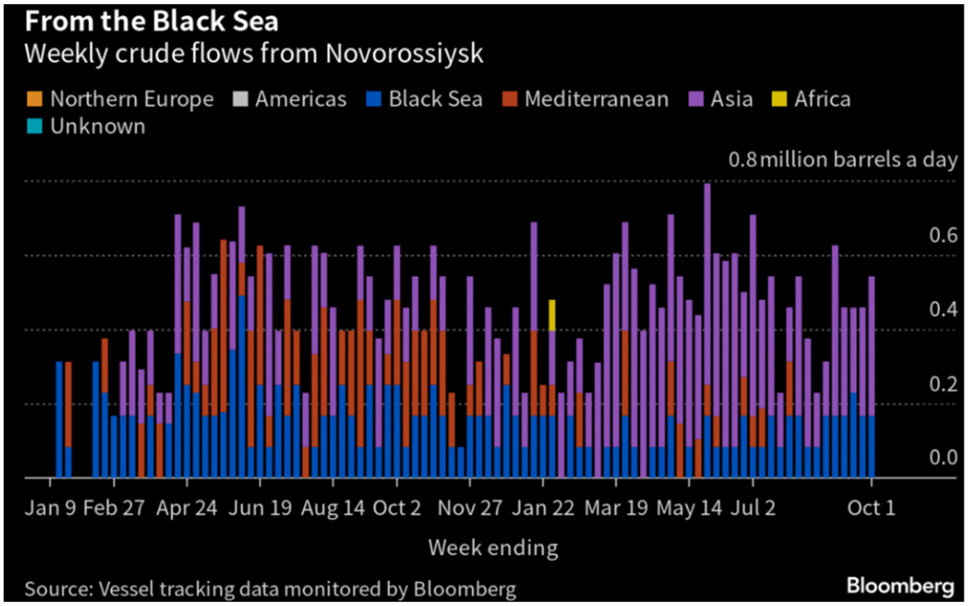
Destinations are based on where vessels signal they are heading at the time of writing, and some will almost certainly change as voyages progress. All figures exclude cargoes identified as Kazakhstan's KEBCO grade.



The total volume on ships loading Russian crude from the Baltic terminals rebounded from a five-week low, jumping back above 1.5 million barrels a day. Maintenance work at Primorsk had reduced the number of tankers loading at the port in the week to Sept. 24 to just four, half the number seen in the seven days to Oct. 1.

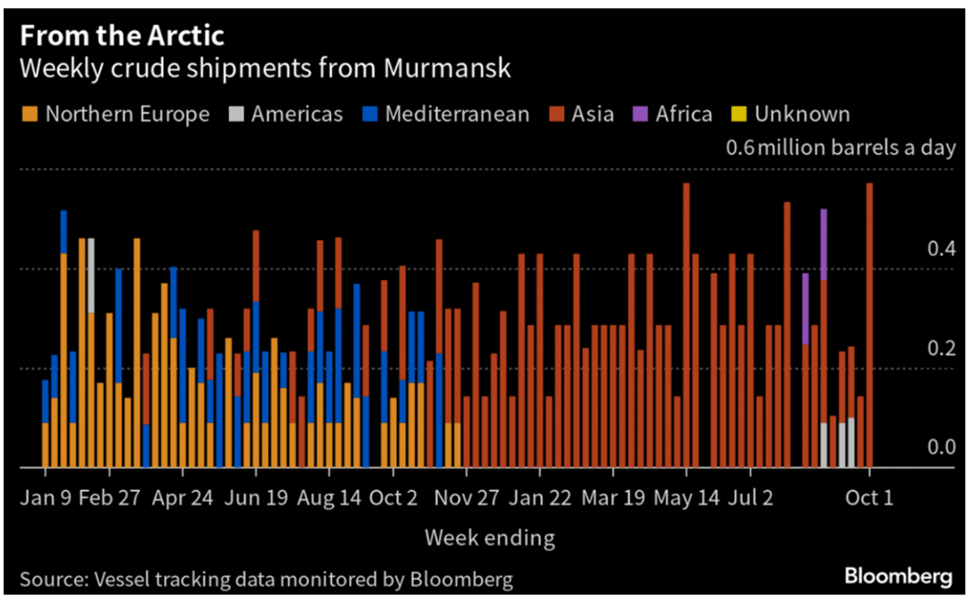


Shipments of Russian crude from Novorossiysk rose to a four-week high of about 540,000 barrels a day.
No cargoes of Kazakh crude were loaded at the port during the week, down from one during the previous seven days.



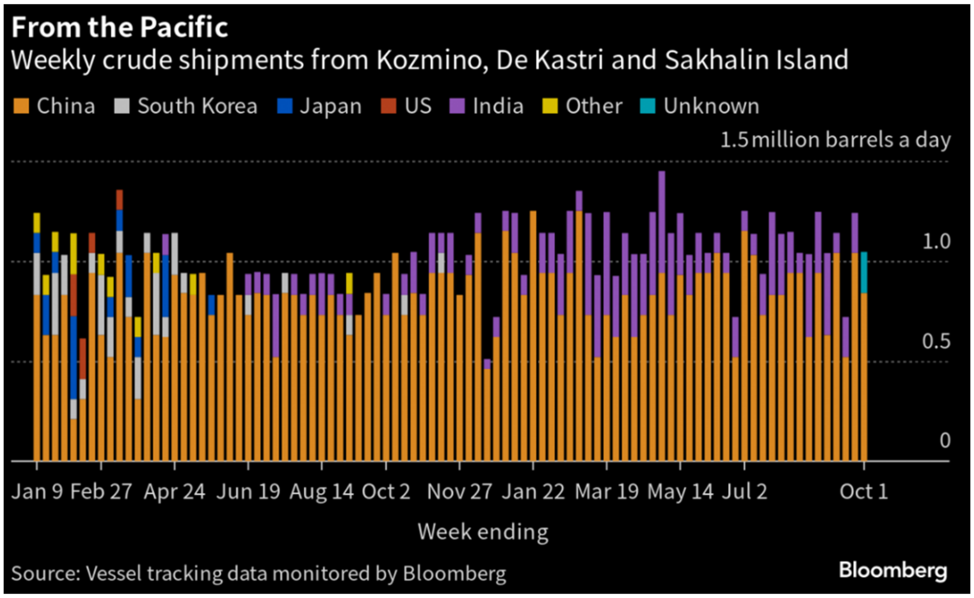
Four Suezmax tankers completed loading cargoes at the Arctic port of Murmansk in the week to Oct. 1, boosting flows to equal a record set back in mid-May.

Three tankers were drifting outside the port waiting to load at the end of the week.



Ten tankers loaded at Russia's three Pacific export terminals, down by two from the previous week. The volume of crude shipped from the region fell back from a four-week high of 1.24 million barrels a day seen the previous week.

The drop in flows was driven by fewer shipments of the Sokol grade from the terminal at De Kastri and a lack of any tankers completing loading of Sakhalin Blend crude. Shipments from the Sakhalin Island terminal are running at one every other week.



The volumes heading to unknown destinations are Sokol cargoes that are currently being shuttled to an area off the South Korean port of Yosu from the loading terminal at De Kastri. Most of these are ending up in India.NOTES

Note: This story forms part of a weekly series tracking shipments of crude from Russian export terminals and the export duty revenues earned from them by the Russian government. Weeks run from Monday to Sunday. The next update will be onTuesday, Oct. 10.

Note: All figures exclude cargoes owned by Kazakhstan's KazTransOil JSC, which transit Russia and are shipped from Novorossiysk and Ust-Luga as KEBCO grade crude.

If you are reading this story on the Bloomberg terminal, clickhere for a link to a PDF file of four-week average flows from Russia to key destinations.

--With assistance from Sherry Su.

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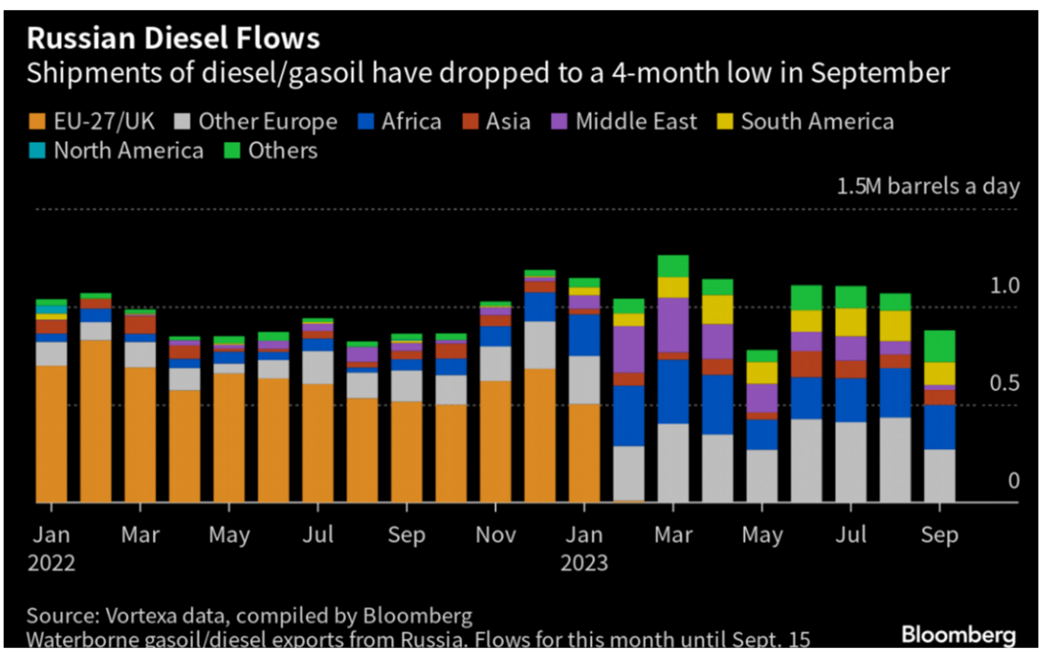
Russia Temporarily Bans Diesel Exports; European Prices Jump (2)
2023-09-21 14:53:04.694 GMT

By Bloomberg News
(Bloomberg) -- Russia temporarily banned exports of diesel in a bid to stabilize domestic supplies, driving European prices higher in already tight global fuel markets.
So far this year, Russia was the world's single biggest seaborne exporter of diesel-type fuel, narrowly ahead of the US, according to Vortexa data compiled by Bloomberg. The country shipped more than 1 million barrels a day during January to mid-September, with Turkey, Brazil and Saudi Arabia being among the main destinations.
The ban, which also applies to gasoline, comes into force on Sept. 21, and doesn't have a final date, according to the government decree.
Diesel prices in Europe jumped on concern the measure will aggravate global shortages. The world's oil refiners are struggling to produce enough of the fuel amid curbed crude supplies from Russia and Saudi Arabia, the biggest producers within the Organization of Petroleum Exporting Countries and its allies.
"Despite this being only a temporary ban, the impact is significant as Russia remains a key diesel exporter to global markets," said Alan Gelder, vice president of refining, chemicals and oil markets at consultancy Wood Mackenzie Ltd. "The global refining system will struggle to replace those lost Russian volumes at a time when global diesel inventories are already at low levels."



In northwest Europe, the premium of benchmark diesel futures to crude oil — known as the ICE Gasoil crack — climbed sharply, temporarily topping $37 a barrel, according to fair value data compiled by Bloomberg.

Price Impact

Diesel futures for delivery in October also grew more expensive relative to barrels for arrival the following month. The bullish structure, known as backwardation, surpassed $35 per ton, before paring some of those gains.
“Temporary restrictions will help saturate the fuel market, that in turn will reduce prices for consumers” in Russia, the government’s press office said on its website.
There are exemptions for minor supplies, including deliveries to trade alliance partners from some former Soviet republics, as well as intergovernmental agreements, humanitarian aid and transit, the decree said.
Under the decree, fuel cargoes already accepted for shipment by Russian Railways or those with loading papers for seaborne transportation can still be exported. That indicates diesel flows will only gradually decline, while these cargoes are shipped.
The tanker, Ellora, sailed from Russia’s Black Sea port of Novorossiysk on Thursday, after loading about 35,000 tons of gasoil, according to vessel-tracking data monitored by Bloomberg and a port report.
The ban includes all types of diesel, including summer, winter and Arctic blends, as well as heavy distillates including gasoils, according to the decree.
Last year, Russia’s seaborne exports of diesel-type fuel were about 0.95 million barrels a day, according to Vortexa data. That was about 3.4% of total global demand.
“This is a super big deal. We’re talking exports of close to 1 million barrels a day being shut in,” said Eugene Lindell, head of refined products at consultancy FGE. However, Russia won’t be able to keep up a diesel export ban for long, because they’ll soon run out of tank space, he added.

Inflation Battle

Russia’s government has spent weeks in talks with oil producers to decide on measures to rein in rising fuel prices. President Vladimir Putin said last week that officials and companies had agreed on how to act in the future, but the wrangling continued, people familiar with the matter said.
Surging car-fuel prices have been one the biggest contributors to inflation, a potential political headache as the Kremlin prepares for the presidential election in March. Retail gasoline and diesel prices in Russia have climbed 9.4% from the start of the year to Sept. 18 compared with an increase in overall consumer prices of 4%, according to Federal Statistics Service data.
Political sensitivity to rising fuel prices and the impact on farmers spilled into the open earlier this week, when the speaker of the lower house of parliament, Vyacheslav Volodin, a

key Putin ally, criticized the Energy Ministry for failing to prevent the increase. The government considered "quite serious measures," First Deputy Energy Minister Pavel Sorokin told lawmakers who peppered him with questions.

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Ministry of Energy will continue the voluntary cut of one million barrels per day starting November until the end of December 2023

an hour ago

Riyadh, October 4, 2023, SPA -- An official source from the Ministry of Energy announced that the Kingdom of Saudi Arabia will continue its voluntary cut of one million barrels per day, which has gone into implementation in July 2023 and was later extended until the end of December 2023. Thus, the Kingdom production in the coming months November and December will be approximately 9 million barrels per day.

The source stated that this voluntary cut decision will be reviewed next month to consider deepening the cut or increasing production. The source also noted that this cut is in addition to the voluntary cut previously announced by the Kingdom in April 2023, which extends until the end of December 2024.

The source confirmed that this additional voluntary cut comes to reinforce the precautionary efforts made by OPEC Plus countries with the aim of supporting the stability and balance of oil markets.

--SPA

11:00 Local Time 08:00 GMT

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ПРАВИТЕЛЬСТВО
РОССИИ

http://government.ru/news/49677/

Alexander Novak's statement on the situation on the oil market

4 October 2023 11:15

- Production, transportation, export of oil and petroleum products

Alexander Novak: Russia will continue additional voluntary funds until the end of December 2023 a reduction in supplies to world markets by 300 thousand barrels per day, which entered into force in September and October 2023. Next month will be held analysis of the market in order to make a decision on deepening reduction or increase oil production. This is in addition to the voluntary reduction, previously announced by Russia in April 2023, which will last until the end of December 2024 year.

Connotation the voluntary reduction is intended to strengthen the measures taken by OPEC+ countries with the goal of maintaining the stability and balance of oil markets.

https://www.wsj.com/world/middle-east/saudi-arabia-israel-talks-riyadh-oil-increase-a25d6106?mod=hp_lead_pos2

1. WSJ NEWS EXCLUSIVE

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2. MIDDLE EAST

Saudi Arabia Willing to Raise Oil Output to Help Secure Israel Deal

Riyadh signaled to White House it would act if crude prices are too high to win goodwill in Congress

By
Summer Said
Follow
,
Dion Nissenbaum
Follow
and
Benoit Faucon
Follow
Oct. 6, 2023 5:35 pm ET

DUBAI—Saudi Arabia has told the White House it would be willing to boost oil production early next year if crude prices are high—a move aimed at winning goodwill in Congress for a deal in which the kingdom would recognize Israel and in return get a defense pact with Washington, Saudi and U.S. officials said.

That understanding is part of an effort to seal a three-way agreement that would also likely include U.S. nuclear assistance and represents a notable shift by Riyadh, which a year ago rebuffed a Biden administration request to help lower oil prices and fight inflation, severely straining relations.

Still, Saudi negotiators emphasized that market conditions would guide any action on production and officials familiar with the talks said the discussions didn't represent a long-term agreement to cut prices.

Spokespeople for the White House National Security Council and the Saudi government didn't respond to requests for comment.

Talks on a deal have centered on Saudi recognition of Israel—a move that could revamp the geopolitics of the Middle East—in return for U.S. weapons sales, security guarantees and help building a civilian nuclear program. An agreement would be a diplomatic coup for President Biden as he faces a tough re-election battle.

Saudi Arabia hasn't recognized Israel since its founding in 1948, and a deal establishing diplomatic relations would expand Israel's ties to the Arab world, potentially constrain Iran's military ambitions and curb China's efforts to supplant American influence in the region.

Two top White House officials, Brett McGurk and Amos Hochstein, flew late last month to Saudi Arabia, where they emphasized that soaring petroleum prices would make it harder to win support in Washington, the officials said.

The White House may need congressional support for a deal. Negotiators are now discussing a new defense pact with the kingdom that could require Senate approval as well as U.S. support for Saudi efforts to create a civilian nuclear program, and billions of dollars in weapons sales.

The trip by McGurk and Hochstein came amid a climb in oil prices, with the global benchmark, Brent crude, rising 25% this quarter and trading as high as $95 a barrel. It has pulled back in recent days, trading above $84 a barrel Friday.

The Saudis have been pressing for higher prices as they pour tens of billions of dollars into megaprojects aimed at transforming the kingdom's economy. Public acknowledgment that the Saudis could act to cool the oil market next year might have the effect of capping oil prices under $100 a barrel, a historically high level that has in the past fueled inflation and led to calls in Washington for action.

As the world's largest oil exporter, Saudi Arabia has a unique capacity to influence crude prices, with the ability to restrict the world's oil supply or flood it. The kingdom has used that power to calm markets during periods of global turmoil, but under Crown Prince Mohammed bin Salman, the nation's oil policy has become known as "Saudi First," as the kingdom looks to fund its economic diversification.

Any move by the Saudis to raise output would be complicated by its energy-production alliance with Russia, itself one of the world's largest oil producers. The kingdom has moved in lockstep with Moscow, which has tried to keep oil prices high by restricting production, keeping oil money flowing into its coffers to fund its war in Ukraine.

The Saudis and Russians lead an oil-producing group known as OPEC+, which is set to meet at the end of November to decide output levels. The 23-member group cut oil production by two million barrels a day a year ago in a move that infuriated the Biden administration, and Saudi Arabia and Russia have cut even more on their own since then—actions that are due to expire by the end of 2023.

The Biden administration hopes to broker a Saudi-Israel agreement in the next six months. The three sides have broadly agreed on the contours of the deal and are starting to hash out thorny details.

McGurk, the White House's top Middle East official, and Hochstein, Biden's senior adviser for energy and infrastructure, have repeatedly pressed Saudi Arabia to make moves to repair its image in Washington, where Congress could play a key role in making or breaking a diplomatic deal with Israel.

Lawmakers from both parties have expressed reservations about offering such support to Saudi Arabia or giving a diplomatic boost to the 38-year-old crown prince, who, while moving to revamp the economy and ease conservative social mores, has also sought to silence dissenters.

U.S. intelligence officials said Mohammed sent a special team to Istanbul, where its members killed Jamal Khashoggi, a dissident Saudi journalist, U.S. resident and Washington Post columnist who wrote pieces critical of the kingdom's young ruler.

White House adviser Amos Hochstein last month went to Saudi Arabia to emphasize that soaring oil prices would make it harder for Riyadh to win support in Washington, officials said. PHOTO: AMER HILABI/AGENCE FRANCE-PRESSE/GETTY IMAGES

Mohammed characterized the Saudi hit team as a rogue unit and has said that he has moved to prevent any similar killings from happening under his watch.

Biden himself vowed when he took office to treat the kingdom as a pariah because of its record on human rights. But Biden began to shift course last year when he flew to the kingdom and famously gave Mohammed a fist bump that signaled a new cooperative relationship between their two countries.

Since Russia's invasion of Ukraine sent energy prices soaring, the Biden administration has focused more attention on oil-rich Middle East petrostates whose problems it tried to de-emphasize early in the president's term. There has been progress on several fronts.

Since Biden took office, Saudi Arabia has moved to extricate itself from a long-running war in Yemen. Saudi Arabia halted airstrikes and agreed to a cease-fire that has brought significant calm to Yemen for the past year. The U.S. and United Nations have been working to broker a long-term truce and to accelerate peace talks meant to bring the war to a close.

The Biden administration has been encouraged by Saudi Arabia's recent outreach to Israel, including the kingdom's rare decisions to allow two Israeli ministers to visit the Gulf nation.

The talks over oil come during a period when the world's oil supply is beginning to fall short of demand. OPEC+ forecasters predict a global deficit of 3.3 million barrels a day in the fourth quarter, and many oil analysts now expect prices Brent to eventually top $100 a barrel.

The International Monetary Fund estimated earlier this year that Riyadh's break-even oil price to balance its budget is about $81 a barrel. If Saudi Arabia keeps struggling to attract foreign investment to projects such as Neom, the break-even price could rise closer to $100, analysts say.

"It could prove challenging to convince Saudi Arabia to front load any significant energy assistance before a comprehensive deal is essentially done," said Helima Croft, the chief commodity strategist at Canadian broker RBC.

Write to Summer Said at summer.said@wsj.com, Dion Nissenbaum at dion.nissenbaum@wsj.com and Benoit Faucon at benoit.faucon@wsj.com

Appeared in the October 7, 2023, print edition as 'Saudis Willing to Raise Oil Output to Help Israel Deal'.

https://www.mof.gov.sa/en/mediacenter/News/Pages/News_30092023.aspx

Saudi Ministry of Finance Announces Pre-Budget Statement for Fiscal Year 2024, Expenditures Estimated at SAR 1,251 billion and Revenues at SAR 1,172 billion.

9/30/2023

Today, September 30 2023, the Ministry of Finance announced its pre-budget statement for FY 2024, saying that it estimates total expenditures will reach SAR 1,251 billion, and total revenues SAR 1,172 billion. The Ministry also estimates that a modest deficit will be recorded at about 1.9% of the Gross Domestic Product (GDP), with continued efforts to increase the efficiency of spending and fiscal consolidation, strengthen fiscal sustainability, and implement economic and fiscal reforms.

These efforts are aligned with the pursuit of economic and fiscal reforms, as well as the objectives of Saudi Vision 2030, which include its significant programs, initiatives, and projects. Furthermore, the aim is to stimulate domestic investment growth by enabling the private sector and facilitating its contribution across the Kingdom. Continued efforts will be made to enhance the level of services provided to citizens and residents.

The pre-budget statement for FY 2024 reflects the proactive structural and fiscal reforms that the Kingdom has taken to enhance its economy's ability to face economic developments and challenges, resulting in the positive performance of economic indicators, which has led to GDP growth at a continuous rate, the expansion and performance of the non-oil sector, and the increase of labor force.

The Kingdom continues to support social protection programs and shows continued progress toward the objectives of the Fiscal Sustainability Program. These objectives were achieved by directing expansionary spending to accelerate the implementation of major programs, projects, and sectoral and regional strategies, in order to contribute toward GDP growth, attract investments, and stimulate the local economy.

These measures were supported by continued efforts to develop fiscal performance through the increase of fiscal space and government reserves, in a way that enhances the ability of the Kingdom's economy to respond to and face global financial shocks. The fiscal measures also help Saudi Arabia to maintain sustainable levels of public debt, thus enabling the Kingdom to overcome any challenges that may occur in the future, while promoting growth and strengthening the national funds' capital.

His Excellency the Saudi Minister of Finance Mr. Mohammed bin Abdullah AlJadaan said that the government will continue implementing fiscal and economic structural reforms to help develop and diversify the Saudi economy, and to increase economic growth while maintaining fiscal sustainability, which will be achieved by continued implementation of Saudi Vision 2030 initiatives and strategies. Saudi Vision 2030 will help to develop promising economic sectors, enhance investment attractions, stimulate industrial growth, and raise the percentage of local content and Saudi non-oil exports. The Minister also highlighted the important role of the Public Investment Fund and development funds, in addition to the continued implementation of structural reforms that enhance the growth of non-oil GDP at high and sustainable rates in the medium-term.

The Minister added that the process of analyzing the fiscal and economic risks that face the Kingdom are an essential part of understanding current state challenges. Analyzing these risks also contributes to adopting effective fiscal policies and strategies to mitigate them. He also added that, despite the crises the world is facing—such as a slowdown in the global economy caused by the COVID-19 pandemic, and geopolitical tensions that have negatively affected global supply chains—the Kingdom's economy is in a resilient fiscal position, with fiscal space represented by strong government reserves and sustainable levels of public debt that can accommodate any crises that may occur in the future. In addition, the agile nature of additional spending allows the Kingdom to have control in the medium-term, allowing an extension of implementation periods for projects and strategies, the Minister said. His Excellency noted that positive growth rates in numerous economic activities are also expected during FY 2024 and in the medium-term. His Excellency noted that that the growth rates are a result of many structural reforms and sectoral strategies within Saudi Vision 2030. In addition, he emphasized that the government attaches great importance to strengthening the social protection system to protect citizens from global economic shocks.

His Excellency said that the positive forecast for the Saudi economy for FY 2024 is an extension to its performance since FY 2021, where the preliminary forecasts for economic growth rate for 2024 and the medium-term were revised, indicating a real GDP growth of 4.4% for 2024. This is supported by the growth of non-oil activities' with the expectation that the private sector will continue to drive economic growth in the economy, contribute to job creation, and improve trade balances. The government and its private sector partners will continue to implement Saudi Vision 2030 programs and initiatives, sectoral and regional strategies and giga projects, and other economic activities to achieve positive growth rates during 2024 and in the medium-term.

His Excellency the Minister of Finance said that the Kingdom's growing economy would boost revenue in the medium-term. He noted that the economic reforms come under the Fiscal Sustainability Program as it focuses on development of medium-term fiscal planning process, with a view to sustaining and stabilizing public finances, while maintaining economic growth rates by diversifying revenue sources, increasing expenditure efficiency, and stimulating private sector growth.

According to the pre-budget statement, total revenues for FY 2024 are estimated to be SAR 1,172 billion, reaching SAR 1,259 billion in FY 2026. Total expenditures are estimated to be SAR 1,251 billion in FY 2024, reaching SAR 1,368 billion in FY 2026. His Excellency also noted that the government's FY 2024 budget is estimated to have modest deficits of 1.9% of GDP, reflecting the efforts to stabilize government revenues and the continuous investments to support a sustainable economic growth.

His Excellency said the government will follow its approved annual borrowing plan to finance the expected budget deficit and pay the principal debt due in 2024. In addition, the government will continue to search for available opportunities after considering the market conditions to finance strategic capital projects and infrastructure, seeking to diversify financing channels, to maintain capital efficiency and deepen debt markets. It is expected that the size of the public debt portfolio will increase as a result of the expansion in spending. This is to accelerate the implementation of some social and economic programs and projects to achieve Saudi Vision 2030 goals.

The Ministry of Finance publishes the pre-budget statement for FY 2024 as part of the government's existing methodology for developing the annual budget, placing it within a comprehensive fiscal and economic framework in the medium-term, to enhance the transparency, fiscal disclosure, and fiscal planning for the coming years.

The pre-budget statement aims to inform citizens, stakeholders, and analysts on the major local and international economic developments that affect the drafting of next year's budget, and the most important fiscal and economic indicators for the year 2024 and in the medium-term. The pre-budget statement also reviews the most important programs and initiatives to be implemented during the next fiscal year and the medium-term within the framework of the goals of Saudi Vision 2030.

To view the Pre-Budget Statement click here

https://en.shana.ir/news/630553/All-NISOC-wells-ready-for-production
29 September 2023 - 15:35
- News ID: 630553

All NISOC wells ready for production

Iran's oil production level stood at roughly 2.2 mb/d in 2021, before the 13th administration took office. It recently rose to 3.1 mb/d. National Iranian South Oil Company (NISOC) is the main oil supplier in Iran, accounting for 75% of the country's oil production. Alireza Daneshi, CEO of NISOC, puts the company's oil production at 2.94 mb/d, which is planned to reach 2.97 mb/d by the end of the current calendar year in March 2024. Owing to measures taken over the past two years, NISOC is now able to bring its production to 2.8 mb/d in 45 days.

Oil output up 1 mb/d

Tough sanctions against Iran's petroleum industry and subsequently the decline in supply over recent years had forced NISOC to cut its production. However, although sanctions were still in effect from the very beginning, the 13th administration was determined to maximize oil production and sales. Two years on, Iran's oil production had jumped as data show.

NISOC runs 45 hydrocarbon fields and 65 hydrocarbon reservoirs sprawling on 70,000 square kilometers extending from Bushehr to Khuzestan provinces. It supplies 75% of crude oil and 16% of gas output in the country. Ahvaz, Gachsaran, Maroun, Aghajari, Karanj, Parsi and Bibi Hakimeh are among major fields administered by NISOC.

Daneshi said arrangements had been made for NIOC's oil output to grow, including overhaul of processing equipment, gas compressor stations, gas injection facilities, gas and LPG plants, slug catchers and manifolds. For the first time in the history of NISOC, 110 turbines and rotary machinery were domestically repaired through outsourcing.

That help increase NISOC's oil output back to pre-sanctions levels. Now all NIOC wells are ready for production.

"Capacity building is under way to reach 3 mb/d. However, what we can easily achieve now is 2.8 mb/d output, which is possible in 45 days," said Daneshi.

Not easy job

Restoring oil production capacity is not as easy as thought. Oil production could not increase as soon as one wishes it. Following tough sanctions imposed on Iran, National Iranian Oil Company (NIOC) directors decided to cut output. But when in parallel with this policy, no arrangement is thought for bringing oil output back to pre-sanctions levels, oil wells would be harmed, much less production companies would not be able to reach production targets due to the lack of capacity-building.

Daneshi said: "One of the battlefields against sanctions is Iran's petroleum industry. Had we not redoubled our efforts during this time we would not have witnessed oil output hike as it has happened now."

“I would also like to note that Iran’s petroleum industry is interlinked with all economic arteries of Iran and naturally we would never stop working,” he said.

Daneshi said plans had been envisaged for workover wells in order to preserve oil production, adding: “We were legally barred from drilling development wells, but we could work over our wells. However, due to sanctions, foreign companies denied us required equipment. Workover was not easy, but we exhausted our contracting capacity and NIOC’s potential.”

3.27 mb/d eyed

According to a five-year plan submitted to the Ministry of Petroleum, NISOC intends to bring its production from the current 2.943 mb/d to 3.279 mb/d by 2027.

“Reaching that level would require constant access to rigs and commodities, renovation of installations and pipelines and streamlining bureaucracy,” said Daneshi.

Minister of Petroleum Javad Owji has welcomed foreign investment in the upstream and downstream oil sector, saying: “We plan to attract $250 billion in investment into the petroleum industry over eight years.” He said that the 13th administration had struck $40 billion worth of agreements with local and foreign companies over the past 20 months.

When asked if foreign companies would be involved in NISOC’s output hike plans, Daneshi said: “Our current production capacity is a level which is achievable independently, but we will definitely welcome foreign engagement and investment where needed. We have already held talks with some foreign companies.”

He said that NISOC was in talks with Russian and Chinese companies to develop two oil reservoirs, adding that good talks were under way with other foreign investors, too.

Regarding the subject of talks with foreign companies, he said: “As Petroleum Ministry officials have said we need investment as we have extremely high potential in the petroleum industry. We believe that we need to have ties with foreign companies. Knowledge is always fluid. We are looking for bilateral relations. We are still lagging behind in exporting technical services. We should be more serious with regard to developing oil reservoirs, installations, training exports and selling petroleum commodities.”

Gas gathering

A significant initiative by the Ministry of Petroleum over the past two years has been the conclusion of associated petroleum gas gathering. NISOC has long had extensive plans to gather flare gas. Today, nearly 80% of flare gas is being gathered. Daneshi said: “Under the aegis of collaboration between NISOC and Persian Gulf Petrochemical Industries Company (PGPIC), more than 600 mcf/d of gas is gathered. We received the project while it had 10% physical progress, but we brought it to 45% by last March.”

Part of this project came online under the 13th administration, including NGL 1000 precompression, NGL 900 precompression, and Issar 400KV power supply station. Furthermore, a significant number of projects associated with the Persian Gulf Bidboland facility would come online by the end of the current calendar year ending on 20 March 2024.

Another gas gathering project pertains to the Maroun petrochemical plant, which is currently under way. Apart from that, 61 mcf of gas was auctioned off in northern Khuzestan, which was the first of kind in 43 years.

Iran holds over 33 tcm of natural gas, as well as 154 billion barrels of recoverable crude oil reserves, which puts it in first place in terms of combined oil and gas reserves in the world.

Iran recently managed to reach 3.8 mb/d of crude oil and gas condensate output and more than 1 bcm/d of rich gas, using 10 oil and 21 gas refineries. Given the country's big oil and gas production capacity and global demand for energy security, the Ministry of Petroleum has formulated plans for output hike. Given the high rate of return on investment in the petroleum industry, Iran has sweetened the terms and conditions of contracts with a view to attracting foreign investment.

Iran Petroleum

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IOCs in Kurdistan Region say not in position to produce oil until arrears paid

04-10-2023

Azhi Rasul@AzhiYR

ERBIL, Kurdistan Region - A petroleum association on Tuesday said that the international oil companies (IOCs) in Kurdistan Region will not produce oil until it is clear how they are to be paid for their contractual entitlements of sold oil, saying members are owed nearly $1 billion in arrears.

On Monday, the Turkish Energy and Natural Resources Minister Alparslan Bayraktar said during an energy forum in Abu Dhabi that the Iraq-Turkey pipeline exporting Kurdish oil through Turkey's Ceyhan port was ready for operation and expected to resume exports "this week".

The Association of the Petroleum Industry of Kurdistan (APIKUR) said in a statement that it "welcomes this development [minister's comments], which can be a step towards the long-awaited recommencement of international export of crude oil produced in the Kurdistan Region."

The petroleum association stressed that even if the Iraq-Turkey pipeline were to reopen, the member companies would not be "in a position to produce oil for pipeline exports" IOCs are paid their contractual entitlements of oil sold and delivered "in the past and for future sales of such oil exports."

"APIKUR members are currently owed nearly $1 billion in overdue and unpaid arrears," stressed the association in the statement.

APIKUR stated that some IOCs hold production sharing contracts (PSCs), and in the absence of an agreement on payments, "member companies will have to sell their contractual entitlements of crude oil to buyers who can give certainty of payments for oil deliveries."

Turkey stopped the flow of Kurdish oil through the Iraq-Turkey pipeline after a Paris arbitration court on March 23 ruled in favor of Baghdad, saying Ankara had breached a 1973 pipeline agreement when it allowed the Kurdistan Region to begin independent oil exports in 2014.

"The delays in re-opening the Iraq-Türkiye pipeline and resolving IOCs contractual entitlements are costing Iraqis an estimated $1 billion per month in lost revenues," said Myles B. Caggins III, spokesman for APIKUR.

"APIKUR members are keen to work with the Governments of Kurdistan and Iraq to reinstate these revenues and even increase them through maximizing production. We believe this can be done quickly and efficiently after payment arrangements are agreed and existing contractual arrangements are respected," he added.

APIKUR, which includes international oil and gas companies that are either directly or indirectly involved in the production of Kurdish oil, called on all parties to "urgently engage with each other in a constructive manner," in order to reach a solution that encourages international investments in Iraq.

In August, APIKUR called on both the Iraqi federal government and the Kurdistan Regional

Government (KRG) to honor the contractual rights of the IOCs and ensure they are accounted for in the implementation of the budget and future hydrocarbon laws, saying implementation of the newly passed Iraqi budget and the proposed oil and gas bill should guarantee the IOCs rights to cost recovery and share of profits.

The halt in exports has caused the Kurdish and Iraqi governments about $6 billion dollars of losses since March, a senior Kurdish official said late last month.

About 400,000 barrels of oil were being exported daily by Erbil through the pipeline that runs to the Turkish port of Ceyhan before the halt, in addition to some 75,000 barrels from Kirkuk oil fields controlled by the Iraqi government.

In late August, Bayraktar met with Iraqi Oil Minister Hayyan Abdul Ghani to discuss the resumption of crude oil exports.

In July, Turkish President Recep Tayyip Erdogan said in a press conference that the suspension of the Kurdistan Region’s oil exports was the result of problems between the federal government and the KRG and that Ankara had no issues with receiving the oil. Days later, Iraq’s oil ministry responded that Erbil and Baghdad are on the same page regarding the resumption of exports.

Article 13 of the Iraqi federal budget for 2023 obliges Erbil to hand over at least 400,000 barrels of crude oil daily to Iraq’s State Oil Marketing Organization (SOMO) to be exported through Turkey’s Ceyhan port or to be used domestically in case it is not exported.

https://www.reuters.com/world/middle-east/iraq-turkey-oil-pipeline-ready-resume-operations-soon-turkish-minister-2023-09-15/?taid=6504209efee5c1000187d519&utm_campaign=trueAnthem:+Trending+Content&utm_medium=trueAnthem&utm_source=twitter

Iraq-Turkey oil pipeline ready to resume operations soon - Turkish minister

By Can Sezer

September 15, 20231:27 AM MDTUpdated 2 hours ago

ANKARA, Sept 15 (Reuters) - Iraq's northern oil export route through Turkey will soon be ready to resume operation after checks on pipeline maintenance and repairs to flood damage, the Turkish energy minister said.

A survey of the oil pipeline is complete and it will soon be "technically" ready for operation, Alparslan Bayraktar said.

Turkey halted flows on Iraq's northern oil export route on March 25 after an arbitration ruling by the International Chamber of Commerce (ICC) ordered Ankara to pay Baghdad damages for unauthorised exports by the Kurdistan Regional Government (KRG) between 2014 and 2018.

Turkey then started maintenance work on the pipeline, which goes through a seismically active zone and which it says has been damaged by floods.

"As of today, the independent surveyor completed their survey and now they're preparing their report," Bayraktar said without mentioning a date for resumption of oil flows, in an embargoed press briefing held by the ministry on Thursday.

Iraq and Turkey previously agreed to wait until maintenance works were complete before resuming the pipeline that contributes about 0.5% of global oil supply. Sources said oil flows are not expected to start before October, with KRG losing roughly $4 billion in lost exports.

Turkey also calculates Iraq owes $950 million as a result of ICC arbitration, net of damages Turkey has to pay Iraq.

Ankara will also file in the Paris court for a "set-aside case", Bayraktar said. Iraq opened an enforcement case against Turkey in a U.S. federal court in April, to enforce a $1.5 billion arbitration award.

"As two neighbouring countries, we need to find an amicable solution. But from the legality perspective, we need to take care of our interests. Most likely in the future we might face another court challenge. But the pipeline will be operational technically. It is more or less ready and we will start the operation soon", Bayraktar said.

Ankara wants Baghdad to withdraw a second arbitration case covering the period from 2018 onward, and negotiate a reduced payment. Turkey also wants Erbil and Baghdad to agree on a common position and negotiate the continuance of the pipeline agreement, which is set to expire in 2026.

Reporting by Can Sezer; Editing by Daren Butler, Miral Fahmy and Alexander Smith https://www.globaltimes.cn/page/202310/1299378.shtml

China's sees 11.81m inbound, outbound trips during Golden Week

Cross-border travel sees strong recovery, but vast room for further growth: industry insider

By Zhao Yusha

Published: Oct 07, 2023 09:39 PM

Passengers wait at the Guiyang North Railway Station on October 6, 2023. On the last day of the Mid-Autumn Festival and National Day holidays, the railway station in Guiyang, Southwest China's Guizhou Province, welcomed the peak for returning passengers. Photo: VCG

China's saw a total of 11.81 million inbound and outbound trips during the recent eight-day Mid-Autumn Festival and National Day holidays, reaching 85.1 percent of pre-pandemic levels. Industry insiders say this is a strong recovery for cross-border trips, but at the same time there is still vast room for improvement, especially for inbound trips, as such trips are currently being held back by the slow resumption of international flights, geopolitical rifts and other factors.

The average daily number of inbound and outbound trips reached 1.47 million during the holiday period, which ended on Friday, the National Immigration Administration said on Saturday.

The number is 2.9 times that of the same period in 2022, yet only stands at 85.1 percent of the same period in 2019.

The data is seen as a sign that cross-border trips have been experiencing a strong recovery since China relaxed COVID-19 restrictions earlier in 2023, yet the growth still pales in comparison with domestic travel.

During the eight-day holidays, 826 million domestic tourist trips were made in the country, an increase of 71.3 percent from 2022 and a rise of 4.1 percent from 2019, the Ministry of Culture and Tourism said on Friday.

Before the holidays, the government rolled out a slew of preferential policies to stimulate inbound and outbound trips, including optimized visa applications for foreigners traveling to the country and announcing a third resumption of outbound tour group services to 78 countries and regions.

There is still room to further stimulate cross-border trips, Jiang Yiyi, deputy head of the School of Leisure Sports and Tourism at Beijing Sport University, told the Global Times, citing reasons such as the slow recovery of international flights, as well as geopolitical rifts.

During the holiday, 12,000 flights were made to other countries, the Hong Kong and Macao special administrative regions, and the island of Taiwan, only half that of 2019, but an increase of 918 percent compared with 2022, data from Chinese flight tracking platform Feichangzhun showed on Saturday.

As for inbound trips, Jiang said that the government can make digital payment easier for foreign tourists and provide services to erase language barriers, as an "influx of foreign tourists will not only stimulate the tourism sector, but also help boost service, trade and help promote our national image."

Destinations of choice for Chinese tourists during the Golden Week period continued to include Thailand, Singapore, Malaysia and South Korea. Notably, long-haul international destinations such as Switzerland, Spain, Turkey, the UK, and France experienced the fastest growth in tourist numbers compared with the Labor Day holidays in May, Ctrip, one of China's largest online travel agencies, told the Global Times in a statement.

Many travel agencies revealed that apart from traditional favored destinations in Southeast Asia and Europe, Saudi Arabia, Turkey, Iran and Kenya became surprisingly favored destinations for this vacation period.

Turkey has moved up quickly to become the most popular travel destination for Chinese on Mafengwo, China's largest online travel information-sharing platform. Most searches and consultations on this website focus on self-driving tours and hotels in Turkey, as well as Turkish food.

A Shanghai resident surnamed Xie told the Global Times that she spent more than 40,000 yuan ($5,480) on a trip to Kenya this holiday. "Applying for visas to Europe is a headache (Chinese who travel to Kenya need only e-visa or visa on arrival); Southeast Asian countries were probably packed during the holiday… I was also concerned about discrimination and crime abroad," said Xie, adding that the Kenya safari she took was a "brand new experience."

Xie's concerns were not unfounded.

One Chinese national has been killed and another injured, the Chinese Embassy in Thailand confirmed late Tuesday night, after a shooting incident that left two dead and five injured at one of the most popular shopping malls in Thailand on Tuesday afternoon.

On Friday, a Chinese woman fell to her death from the 10th floor of a hotel in the Karon sub-district of Phuket Province in Thailand. The cause of her death remains shrouded in mystery, local media reported.

In September, the Thai government announced a temporary tourist visa exemption scheme for Chinese and Kazakh travelers to boost tourism.

Thirty-year-old Huo who lives in Beijing traveled to Thailand this holiday and returned on Monday. She told the Global Times that the temporary visa exemption made her trip easier and local restaurants and hotels are being extra friendly to Chinese tourists. But she admitted that those incidents had an impact on her, "safety remain the utmost when comes to foreign trips," said Huo.

After the shooting, Thailand Prime Minister Srettha Thavisin said Chinese visitors are always welcome in Thailand, adding that security measures will be stepped up to prevent any incidents in the future, local media reported on Saturday.

IATA

Air Cargo Market Analysis

August 2023

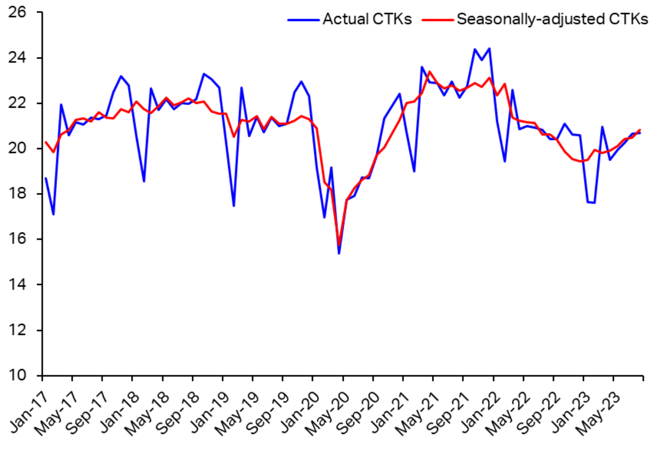
Air cargo recorded first annual growth since Feb 2022

- Global cargo tonne-kilometers (CTKs) increased by 1.5% year-on-year (YoY) in August, the first annual growth in 19 months since February 2022. Industry CTKs were 1.3% lower than their 2019 levels.
- Air cargo capacity, measured in available cargo tonne-kilometers (ACTKs), continued its double-digit growth. ACTKs were up 12.2% YoY, driven by the sustained expansion of belly capacity in the summer season.
- Air cargo's historic tie with industrial production and cross-border trade trended back to realignment. However, the sustained annual contraction of trade remains a worrying signal to air cargo demand.
- Inflation in the US continued to increase for the second month in a row, after 13 months of decline. Although China's CPI growth reverted to positive from the July level, the country recorded negative PPI in August for the 16th consecutive month.
- Airlines in the Asia Pacific, North America, Latin America, and Middle East regions registered annual growth in their international CTKs in August, owing to the improved traffic in major trade lanes.

Industry CTKs achieved annual growth in August

The industry-wide air cargo demand, measured by cargo tonne-kilometers (CTKs), stood at 20.7 billion in August, with seasonally-adjusted (SA) CTKs at 20.8 billion. Compared with the previous year, global CTKs grew by 1.5% year-on-year (YoY), which is the first annual growth seen by the industry since February 2022. However, industry CTKs remained 1.3% lower than their pre-pandemic level in 2019 **(Chart 1)**. The positive annual growth in global CTKs is also a result of a lower baseline in 2022.

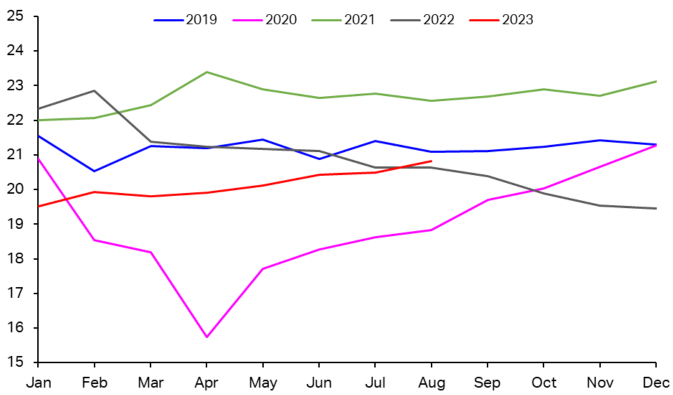
Chart 1 – Global CTKs (billions per month)



Sources: IATA Sustainability and Economics, IATA Monthly Statistics

Compared with August 2022, SA CTKs in August increased by 0.9%, also for the first time since February 2022. This is also a 1.6 percentage point (ppt) improvement compared to the previous month **(Chart 2)**. Due to the month-on-month (MoM) decline in SA CTKs throughout 2022, the August 2023 CTKs surpassed the levels seen in August 2022. Notably, SA CTKs have been consistently rising since March 2023, indicating the stable and resilient trend of the industry.

Chart 2 – Seasonally adjusted monthly CTKs (billions)



Sources: IATA Sustainability and Economics, IATA Monthly Statistics

Cargo capacity maintained double-digit growth

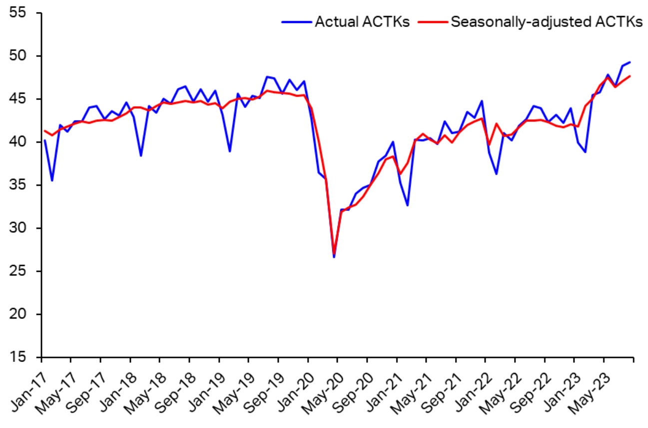
Global air cargo capacity registered 49.3 billion available cargo tonne-kilometers (ACTKs) in August **(Chart 3)**. Industry ACTKs were 12.2% higher than the levels in August 2022 and 3.9% higher than 2019 levels. In addition, the annual growth of ACTKs in August was 1.6 ppts higher than the previous month, largely due to the sustained strong growth of belly cargo capacity in the summer season (30.0% YoY). On the other hand, international capacity growth for dedicated freighters remained weak in August at only 2.0% YoY.

Air cargo market overview - August 2023

	World share[1]	August 2023 (% year-on-year)				August 2023 (% ch vs the same month in 2019)			
		CTK	ACTK	CLF (%-pt)[2]	CLF (level)[3]	CTK	ACTK	CLF (%-pt)[2]	CLF (level)[3]
TOTAL MARKET	***100.0%***	**1.5%**	**12.2%**	**-4.4%**	**42.0%**	**-1.3%**	**3.9%**	**-2.2%**	**42.0%**
International	*86.9%*	1.2%	11.8%	-5.0%	47.2%	-1.7%	1.8%	-1.6%	47.2%

[1]% of industry CTKs in 2022 [2]Change in load factor [3]Load factor level

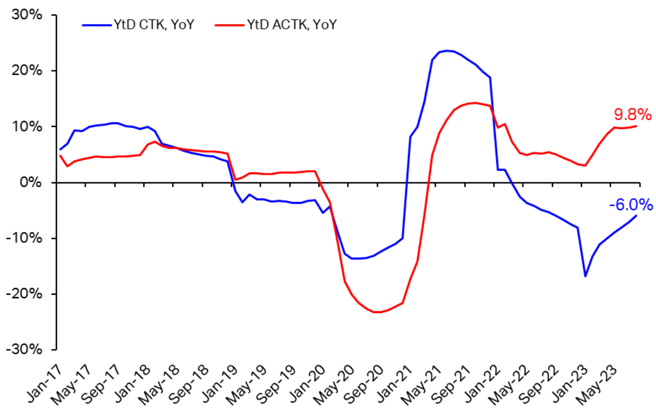
Chart 3 – Global ACTKs (billions per month)



Sources: IATA Sustainability and Economics, IATA Monthly Statistics

With the sustained improvement of air cargo demand, year-to-date (YTD) industry CTKs stood at 157.3 billion in August, which is 6.0% below the 2022 levels **(Chart 4)**. The annual contractions of YTD CTKs have been shrinking by about 1.0% each month since March 2022, making significant improvement from the double-digit contractions seen in January and February. Meanwhile, YTD industry ACTKs totaled 362.5 billion, which is 9.8% above 2022 levels **(Chart 4)**.

Chart 4 – Year-to-date CTKs and ACTKs, year-on-year % change



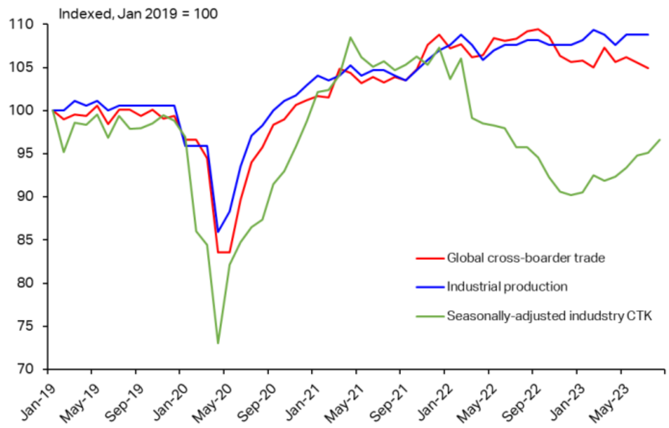
Sources: IATA Sustainability and Economics, IATA Monthly Statistics

Gaps between air cargo demand and trade narrowed

Cross-border trade in July contracted by 3.2% compared to the previous year. This is the fourth consecutive annual decline since April, reflecting the cooling demand environment. On the other hand, due to the sustained upward trend in industry CTK, the gap between industry CTKs and cross-border trade (as well as industrial production) continued to narrow in July. The indexed values of the SA cross-border trade stood at 104.9, while the indexed values for SA industrial production and SA industry CTK were 109.8 and 95.1, respectively **(Chart 5)**.

Notably, industrial production and trade have generally been closely tied to the evolutions of air cargo demand. The upward trend of the SA CTK growth in recent months is mostly restoring this historical relationship. If global trade continues to weaken, air cargo demand may not significantly improve in the coming months.

Chart 5 – Seasonally adjusted trends of global trade, industrial production, and industry CTKs (indexed)

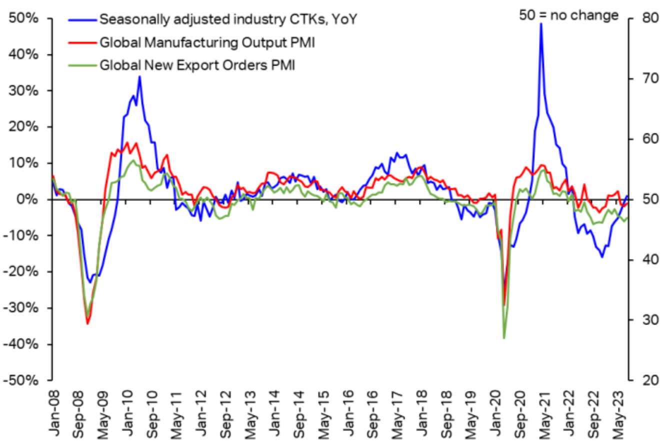


Sources: IATA Sustainability and Economics, IATA Monthly Statistics, Macrobond

Slight improvements seen in manufacturing output and new export orders in August

The manufacturing output and new export order Purchasing Managers Indexes (PMIs) have historically served as leading indicators of global air cargo demand. Therefore, we closely monitor developments in these PMIs at a global level **(Chart 6)** and for major economies **(Chart 7)**.

Chart 6 – CTK (SA) growth, global manufacturing output and global new export orders PMIs (50 = no change)

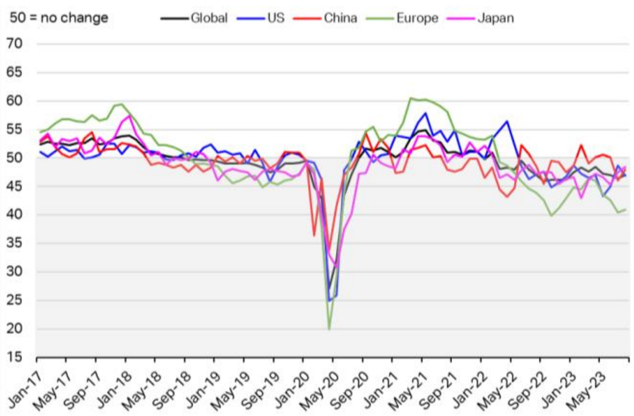


Sources: IATA Sustainability and Economics, IATA Monthly Statistics, S&P Global Markit

Compared to the July levels, both manufacturing output PMI (49.4) and new export orders PMI (47.0) improved slightly in August, despite still being below the critical threshold represented by the 50-mark. This indicates a slower decline in global manufacturing production and exports **(Chart 6)**. In comparison, SA CTKs grew by 0.9% this month.

The decline in global new export orders PMI reflects the widespread softening of global goods trade. The export orders PMIs below the 50-mark were observed across all major economies **(Chart 7)**. In August, new export orders PMI registered in Europe remained the lowest in the major economies at 40.9. The US saw PMIs of 46.9, a 1.8 ppt decline compared with July. China's new export PMI stayed below 50 for the second month since June, recorded at 48.0 in August. Japan's PMI improved by 1 ppt to 48.4 from the July level.

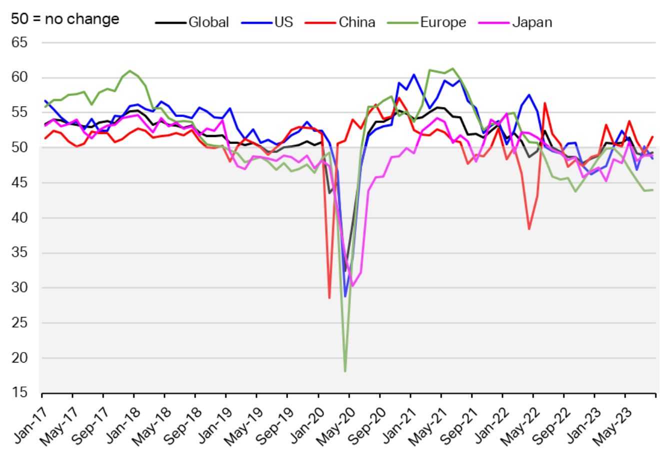
Chart 7 – New export orders PMI in major economies (50 = no change)



Sources: IATA Sustainability and Economics, S&P Global Markit

Looking at the manufacturing output PMIs of major economies in August **(Chart 8)**, China was the only one that registered an expansion with a PMI of 51.6. The US recorded 48.5 in its manufacturing PMI, and similar to the new export orders, this is a 1.8 ppts decrease from the July level. Europe's manufacturing PMI was the lowest among the major economies at 43.9, while the PMI of Japan was 48.9, similar to the previous month.

Chart 8 – Manufacturing PMI in major economies (50 = no change)

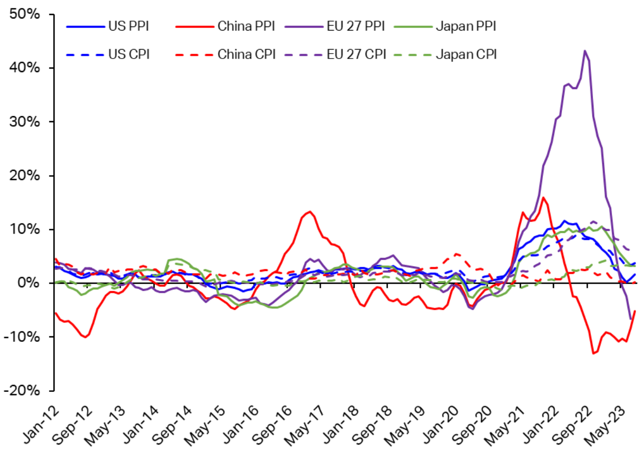


Sources: IATA Sustainability and Economics, S&P Global Markit

Inflation in the US continued to increase in August

In August, the annual growth of the US headline Consumer Price Index (CPI) continued to increase to 3.7% from 3.3% in July. This is the second month that the inflation went up after 13 months of decline in the US. In comparison, the YoY growth of CPI in the EU 27 countries continued to slow to 5.9% in August, 0.2 ppts lower than July. China recorded a 0.1% annual increase of CPI this month, following negative growth in July. Japan's CPI annual growth was 3.2%, 0.1 ppts lower than the previous month **(Chart 9)**.

Chart 9 – Headline CPI and PPI inflation (YoY) in major economies



Sources: IATA Sustainability and Economics, Macrobond

Changes in producer prices in August, as measured by the Producer Price Index (PPI), were similar to the mixed profile in July. The US saw the largest expansion of the annual growth in PPI among the major economies, from 0.9% in July to 1.6% in August. China's PPI contracted by 5.2% this month, which is the 16th consecutive month of the PPI decline since May 2022. Japan recorded a 3.2% YoY growth this month, and August PPI data for the EU 27 countries has not been released yet, but it had declined by 6.6% YoY in July, from the -2.4% in June **(Chart 9)**.

The increased annual growth of both CPI and PPI in the US is mainly driven by the gasoline price spikes, which went up by 10.6% compared to July.

Strong growth recorded in Europe-Asia trade lane while demand kept improving within Asia

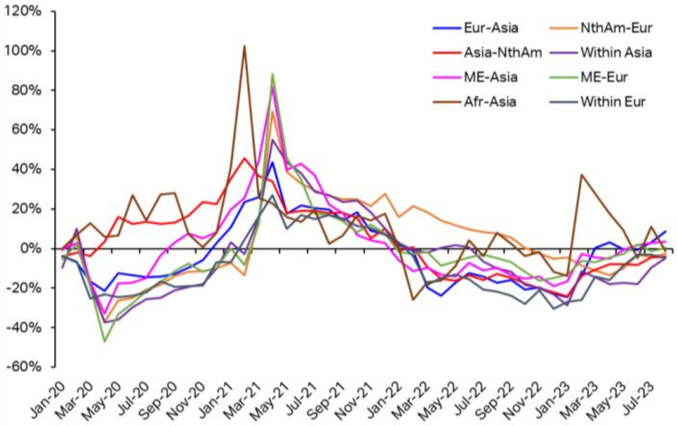
International CTKs on the major trade lanes maintained the overall momentum in August **(Chart 10)**. The annual growth rates in CTKs improved on all major trade lanes compared to the previous month, with the only exceptions being the Africa – Asia and Within – Europe markets.

The Europe – Asia trade lane recorded the fastest international CTK growth rate of 8.8% YoY this month, a 5.7 ppt improvement from July. The Middle East – Asia market also expanded its YoY growth in CTKs from 2.7% in July to 3.5% in August, which is the third month in a row of YoY growth for this trade lane. Meanwhile, the Middle East – Europe market registered a small annual increase of 0.4% in August from the annual contraction in July.

For the markets that still experienced YoY declines in international CTKs, most of them also had improvements in their annual growth rates compared with the previous month. The North America – Europe trade lane registered a 2.9% annual contraction in traffic this month, 1.2 ppts better than July. Similarly, international CTKs on the Asia – North America trade lane declined by 4.2% in August, slightly better than the 4.4% contraction in July. The performance of the within-Asia market kept improving, with an annual decline of 4.7% this month compared to the 9.7% decrease in July.

The Africa – Asia and Within – Europe markets were the only two major trade lanes that expanded their annual contractions from the July levels. In particular, international CTKs on the Africa – Asia trade lane declined by 1.1% this month, from their 11.2% growth in July. The within-Europe saw a decline of 4.6% in August, which is 1.5 ppts lower than the previous month.

Chart 10 – International CTK growth (YoY) by route area



Sources: IATA Sustainability and Economics, IATA Monthly Statistics

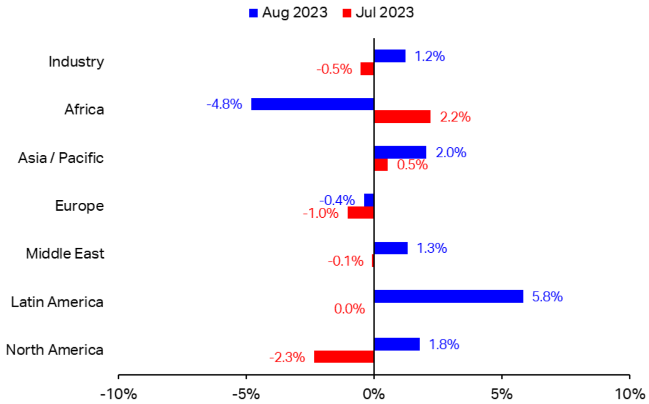
Airlines from four regions recorded growth in international CTKs

Industry-wide international CTKs increased by 1.2% YoY in August. The growth in international CTKs was driven by the YoY increase achieved by airlines in Latin America (5.8%), Asia Pacific (2.0%), Middle East (1.3%), and North America (1.8%) **(Chart 11)**.

Airlines in Latin America experienced the fastest YoY expansion of 5.8% in their internatoinal CTKs this month, mainly due to a relatively low base in 2022. Asia Pacific airlines, benefiting largely from the improved performances on the Europe – Asia, Middle East – Asia, and within-Asia trade lanes **(Chart 10)**, saw a 2.0% YoY increase in international CTKs. North American airlines achived higher international CTKs compared to both 2022 levels (1.8% YoY) and the levels seen in July (2.5% MoM). Airlines in the Middle East expanded their international CTKs by 1.3% mainly driven by the growth in demand on the Middle East – Europe market.

On the other hand, international CTKs of African airlines declined by 4.8% from a relatively high base in 2022 but also affected by the softened traffic on the Africa – Asia trade lane. European airlines improved their growth rate by 0.6 ppts compared to July, despite their 0.4% decline in international CTKs.

Chart 11 – Growth in international CTKs by airline region of registration (YoY)



Sources: IATA Sustainability and Economics, IATA Monthly Statistics

Air cargo market in detail - August 2023

	World share[1]	August 2023 (% year-on-year)				August 2023 (% ch vs the same month in 2019)			
		CTK	ACTK	CLF (%-pt)[2]	CLF (level)[3]	CTK	ACTK	CLF (%-pt)[2]	CLF (level)[3]
TOTAL MARKET	***100.0%***	**1.5%**	**12.2%**	**-4.4%**	**42.0%**	**-1.3%**	**3.9%**	**-2.2%**	**42.0%**
Africa	*2.0%*	-4.7%	3.8%	-3.5%	38.8%	4.5%	-15.8%	7.5%	38.8%
Asia Pacific	*32.4%*	4.9%	28.5%	-9.9%	44.3%	-4.1%	11.0%	-7.0%	44.3%
Europe	*21.8%*	-0.2%	3.6%	-1.8%	48.4%	-12.0%	-13.5%	0.9%	48.4%
Latin America	*2.7%*	6.2%	13.7%	-2.3%	32.6%	-0.6%	13.2%	-4.6%	32.6%
Middle East	*13.0%*	1.4%	15.7%	-5.8%	40.7%	2.9%	9.8%	-2.7%	40.7%
North America	*28.1%*	-1.2%	2.7%	-1.5%	37.7%	10.1%	7.6%	0.8%	37.7%
International	***86.9%***	**1.2%**	**11.8%**	**-5.0%**	**47.2%**	**-1.7%**	**1.8%**	**-1.6%**	**47.2%**
Africa	*2.0%*	-4.8%	2.9%	-3.2%	39.8%	5.6%	-15.9%	8.1%	39.8%
Asia Pacific	*29.7%*	2.0%	20.2%	-9.3%	52.1%	-3.5%	6.7%	-5.5%	52.1%
Europe	*21.5%*	-0.4%	4.1%	-2.3%	50.9%	-12.5%	-15.3%	1.6%	50.9%
Latin America	*2.3%*	5.8%	16.8%	-3.7%	35.9%	2.3%	25.3%	-8.1%	35.9%
Middle East	*13.0%*	1.3%	15.9%	-5.9%	41.0%	2.9%	9.9%	-2.8%	41.0%
North America	*18.4%*	1.8%	6.9%	-2.2%	44.2%	12.3%	9.5%	1.1%	44.2%

[1]% of industry CTKs in 2022 [2]Year-on-year change in load factor [3]Load factor level

Note: the total industry and regional growth rates are based on a constant sample of airlines combining reported data and estimates for missing observations. Airline traffic is allocated according to the region in which the carrier is registered; it should not be considered as regional traffic. Historical statistics are subject to revision.

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03 October 2023

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"We need money to invest into the green energy transition"
"So to think that Uganda and all Africa should not develop the fossil fuel is to make Africa sit in darkness"
"Of else, let the world bring money to Uganda to replace the money that we are going to get, we are expecting to get from petroleum"
Uganda Minster of Energy Ruth Nankabirwa Ssentamu.

SAF Group created transcript of comments by Uganda Minister of Energy and Mineral Development (Ruth Nankabirwa Ssentamu) at ADIPEC 2023. on BBC on Oct 4, 2023 https://twitter.com/PAU_Uganda/status/1709567872542863469

Items in "*italics*" are SAF Group created transcript

At 1:35 min mark, RNS "*Listen, we need money to invest into the green energy transition. We are not getting this money, even the promises that countries made at COP meetings. The promises are not coming. Africa Is not seeing the money. So we don't want to stay there lamenting. We need to develop our petroleum resources, our minerals and get money. And for Uganda, we have reinvest the money from petroleum for infrastructure developments. And the infrastructure development includes energy generation, transmission and distribution. The infrastructure development includes value addition [?] Infrastructure for agriculture. So to think that Uganda and all Africa should not develop the fossil fuel is to make Africa sit in darkness and continues being a markets for those developed countries. Africa has come out to say no, we will come together through African Union, thru xxx bank to make sure that we create the energy fund, which will help countries like Uganda to get money to continue with the development of our natural resources. We will continue licensing, we will go for third round licensing because we have the potential. We are targeting to get money from God give us so that we can move our countries out of darkness. Or else, let the world bring money to Uganda to replace the money that we are going to get, we are expecting to get from petroleum. Money and jobs."*

At 4:15 min mark RNS "If *someone wants firewood to cook, if you don't give an alternative, they will cut down trees. So if Uganda plan to do reforestation, we need to develop our gas so that we can provide the LPG which is better than charcoal and firewood"*

At 4:40 min mark, question "*what is your green energy plan*?". RNS "*where we want to move away from biomass to LPG".*

Prepared by SAF Group https://safgroup.ca/news-insights/

Avangrid

Park City Wind PPA cancellation

- As promised in our last strategic plan in September 2022, we took steps to improve the economics of our Park City Wind and Commonwealth Wind projects, including the renegotiation or termination of their associated PPAs at the lowest possible costs to avoid massive write-offs
- Since that time, Avangrid has been transparent and collaborative, working diligently with state and federal officials and stakeholders to find solutions to the economic challenges facing the projects as we continued to advance the permitting and development of the project
- Avangrid was the first offshore wind developer in the United States to make public the unprecedented economic head winds facing the industry which rendered the Park City Wind, and Commonwealth Wind projects unfinanceable under existing contracts
- On October 2nd, Connecticut EDCs (Eversource and The United Illuminating) filed with The Public Utility Regulatory Authority (PURA) an amendment to the Park City Wind PPAs, requesting to terminate the agreements because the facility is no longer financeable
- The termination of the PPAs is in line with Avangrid continuous message of not embarking in uneconomic projects that would have had a material negative impact for our shareholders
- Connecticut EDCs have requested PURA to approve the cancellation of the Park city Wind PPAs within the next 30 days, although there is no statutory approval deadline for PURA to respond
- The termination of the PPAs include a payment for an amount of $16M due to the EDCs, at which moment the termination will become effective
- The cancellation of these PPAs follows the recent cancellation of Commonwealth Wind offshore wind project in Massachusetts, for the same reasons

Avangrid

Offshore milestones

Delivering on our commitments and protecting shareholder value

Park City Wind

- ✓ Worked closely with state to find ways to restore project to economic viability
- ✓ Clearest path forward with ongoing volatility in the global economy is to terminate project; EDCs filed with CT PURA to terminate the contracts on **October 2nd 2023**
- Avangrid payment of ~ **$11.8M after-tax, $16M pre-tax** impacting 2023*, avoiding billions of write-offs taken by peers (excluded from adjustment net income)
- Value of the lease increases

Commonwealth Wind

- ✓ Determined benefit of termination to enable participation in future RFPs/avoid write-offs
- ✓ EDCs filed for contract terminations **July 2023**
- ✓ MA DPU approved contract termination in **August 2023**
- ✓ Avangrid payment of $48M (50% reserved in 2022, 50% or ~ **$17.6M after-tax ($24M pre-tax)** impacting 2023 (excluded from adjustment net income)
- ✓ Value of the lease increased

Consistent with our 2022 Investor Day message: "Disciplined Growth Focused on Profitable Renewables Projects"

Avangrid A member of the Iberdrola Group

https://www.avangrid.com/investors/investors/earningreleases

Avangrid Statement on Park City Wind Offshore Project

10/02/2023

ORANGE, Conn.--(BUSINESS WIRE)-- Avangrid, Inc. (NYSE: AGR), a leading sustainable energy company and member of the Iberdrola Group, today issued the following statement regarding the filing of agreements with the Connecticut Electric Distribution Companies to terminate power purchase agreements for the Park City Wind offshore project.

“One year ago, Avangrid was the first offshore wind developer in the United States to make public the unprecedented economic headwinds facing the industry including record inflation, supply chain disruptions, and sharp interest rate hikes, the aggregate impact of which rendered the Park City Wind project unfinanceable under its existing contracts.

“Since that time, Avangrid has been transparent and collaborative, working diligently with state and federal officials and stakeholders to find solutions to the economic challenges facing Park City Wind as we continued to advance the permitting and development of the project. After exploring all potential solutions to the financial challenges facing the project, and engaging in good-faith and productive discussions with Connecticut state officials regarding these challenges, it is clear the best path forward for Park City Wind is in the termination of the Power Purchase Agreements and a rebid of the project.

“Pursuant to the contracts, Avangrid and the Connecticut Electric Distribution Companies have agreed to terminate the PPAs which will allow all parties an opportunity to pursue an expedient path forward.”

About Avangrid: Avangrid, Inc. (NYSE: AGR) aspires to be the leading sustainable energy company in the United States. Headquartered in Orange, CT with approximately $41 billion in assets and operations in 24 U.S. states, Avangrid has two primary lines of business: networks and renewables. Through its networks business, Avangrid owns and operates eight electric and natural gas utilities, serving more than 3.3 million customers in New York and New England. Through its renewables business, Avangrid owns and operates a portfolio of renewable energy generation facilities across the United States. Avangrid employs more than 7,500 people and has been recognized by JUST Capital in 2021, 2022 and 2023 as one of the JUST 100 companies – a ranking of America’s best corporate citizens. In 2023, Avangrid ranked first within the utility sector for its commitment to the environment. The company supports the U.N.’s Sustainable Development Goals and was named among the World’s Most Ethical Companies in 2023 for the fifth consecutive year by the Ethisphere Institute. Avangrid is a member of the group of companies controlled by Iberdrola, S.A. For more information, visit avangrid.com.

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BN 09/05 15:22 Orsted Ready to Abandon US Wind Projects Without Help (Correct)

Orsted Ready to Abandon US Wind Projects as It Asks for Help (3)
2023-09-05 18:30:46.865 GMT

By Priscila Azevedo Rocha and Todd Gillespie
(Bloomberg) -- Orsted A/S said it's prepared to walk away from US projects unless the White House guarantees more support, highlighting the myriad challenges facing wind-energy developers in the country.

The US, far behind Europe and China in the race to build offshore wind, is targeting a jump to 30 gigawatts by the end of the decade fromnext to nothing now. While the Biden administration has touted its landmark clean-energy subsidy program to kick-start projects, developers must ensure a large chunk of components are US-made to take full advantage of the incentives, and that's proving hard to achieve.

"We are still upholding a real option to walk away," Orsted Chief Executive Officer Mads Nipper said in an interview in London. "But right now, we are still working toward a final investment decision" on projects in America.

The Danish firm has had a turbulent few months, with supply-chain glitches and soaring interest rates weighing on US plans. Shares fell 8.3% Tuesday, bringing the year-to-date decline to 37%.

While offshore farms are seen as critical to ridding the US power grid of fossil fuels and avoiding the worst effects of climate change, they're also extremely capital- and labor-intensive. In order for the industry to bring future projects to fruition, it's "inevitable" that consumer prices for energy will increase, Nipper said.

"And if they don't, neither we nor any of our colleagues are going to build more offshore," Nipper said. "It's very simple."

It's a tough time for offshore wind globally, with costs for steel and other materials spiraling higher just as countries push to add more turbines. Large projects by the likes of Vattenfall AB and Iberdrola SA have already been scrapped this year.

Read More: The Great US Offshore Wind-Power Boom Has Begun to Falter

Orsted's delays were triggered by bureaucratic uncertainties during the previous US administration and were intensified by supply-chain disruptions during the Covid-19 pandemic. Biden's push on clean energy helped accelerate some plans, but high interest rates and delays in procuring foundations, known as monopiles, for its wind turbines slowed developments even more.

Because final investment decisions weren't made and the projects were being funded by the company's balance sheet, the fact that long-term interest rates in the US soared above 3% means Orsted's cost of capital is higher.

"For a company like ours, where the targeted range of returns is 150 to 300 basis points above our cost of capital, it has essentially made this extremely tough," Nipper said.
Nipper said Orsted couldn't have predicted the industry turmoil, yet an investor selloff saw the company lose $8 billion in value last week after impairments were booked on several US projects. Longer-term plans also are at risk, with developments near New Jersey and Delaware not investible right now, he said.
"We have spent money essentially since 2018 and also made supplier commitments," Nipper said. "We have also said to our investors: We will take a forward-looking view and if you consider these costs really sunk, then actually the forward-looking business case is comfortable for this portfolio of projects."
Despite shareholder concern, the CEO said he's had the support of the board since the stock price slumped. JPMorgan Chase & Co. says it hosted a roadshow with the firm Monday, and it highlights concern around the risk of further impairments. The bank said the profit warning was mainly company specific, but there's a wider read-across on higher rates.
Read More: Orsted Shares Plunge as Company Warns of $2.3 Billion US Hit
Under the Inflation Reduction Act, Orsted and other developers can already tap into tax credits generally worth 30%. At issue is the ability to claim additional bonus credits under the law that reward developers for using domestic content and projects that benefit so-called energy communities, such as those with coal mines and plants.
Nipper has asked the White House to guarantee subsidies without the domestic content requirement at first and requested extra time to overcome the difficulties in sourcing American-made material.
"What we proposed was a grace period, say, so give us three to five years," the CEO said. "Right now, it can't deliver."
Biden administration officials working to implement the Inflation Reduction Act's tax provisions have emphasized that the domestic content bonus is an added incentive meant to help spur new clean-energy supply chains inside the US.
The law "includes critical incentives to promote clean energy development while ensuring that US manufacturers and workers benefit from the growth of the clean energy economy," Treasury Department spokeswoman Ashley Schapitl said. The agency "is laser-focused on implementing these landmark incentives in a way that follows the law and its underlying goals."

--With assistance from Jennifer A. Dlouhy.

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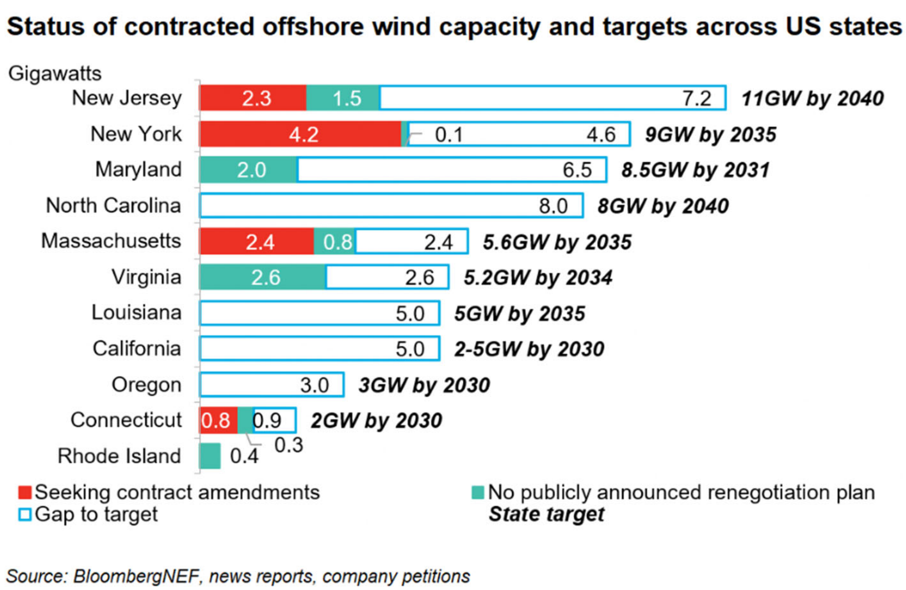
Offshore Wind Goals in US Are Imperiled by Deal Revisions: BNEF
2023-07-10 14:00:00.0 GMT

By Atin Jain
(BloombergNEF) -- Several US states face a growing risk of missing their offshore wind goals due to a spate of contract renegotiation or cancellation attempts by project developers citing rising costs.
New York state has a target to add 9 gigawatts of cumulative offshore wind capacity by 2035 and contracted 4.36GW of projects in its two concluded solicitations. But renegotiation attempts mean that 95% of the contracted capacity is at risk of delays. Neighboring Massachusetts sees 75% of contracted capacities being delayed by renegotiation attempts. In Connecticut it's 73%. New Jersey, which is targeting of 11GW, risks delays to 60% of its contracted pipeline.
About 9.7GW of US offshore wind projects, or just over half of the 17.8GW total contracted, face delays, and more projects may soon face the same fate. Developers such as Avangrid, Shell-Ocean Winds, BP-Equinor and Orsted-Eversource have cited deteriorating economics due to rising costs in trying to renegotiate or cancel contracts.
The renegotiation efforts mean ambitious goals by state governments and the Biden administration to achieve 30GW of offshore wind capacity by 2030 are drifting further away from reality. The current situation highlights the challenges and complexities inherent in developing large-scale offshore wind projects.



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Is there a perfect storm brewing in the offshore wind industry?

In recent weeks, for the first time, offshore wind projects in Europe and the U.S. have been stopped, mainly citing cost increases. In other news, turbine manufacturers were once again in the red in their latest quarterly reports, with losses running into billions.

This is not good news, it's in fact the worst-case scenario for the energy transition when large projects that have already been awarded are not realised as planned. Happening at a time when the entire offshore industry has to scale up to achieve expansion targets, this quickly calls into question the achievement of climate protection goals.

This dilemma is fuelled by a combination of factors, including cost increases due to ongoing inflation and rising interest rates, as well as structural supply shortages and the strained state of supply chains.

This development must serve as a wake-up call for policymakers to adapt the regulatory framework to market realities. Five areas of action can help navigate through the storm.

1. A frontloaded auction schedule can increase the investment certainty for the whole industry. That includes the early auctioning of large sea areas.

2. Grid connection of offshore wind farms have to be accelerated and developers need to have certainty about connection dates.

3. Allowance for dual route-to-market: 2-sided Contracts for Difference (CfDs) with inflation indexation as one element, and a second element which allows the marketing of offshore power to industrial customers through private PPAs. In addition, qualitative auction criteria can strengthen the European supply chain, sustainability, and deliverability.

4. When auction schemes cap budgets, for example like CfDs in the UK, governments need to recognise the inflationary environment and that costs have gone up significantly. Sticking with the old assumptions of nominal cost reduction will simply slow down or stop offshore technology deployment.

5. Direct and indirect financial support to stimulate investments in European manufacturing capacities and a master plan to secure access to vital raw materials.

In a nutshell: we need a framework that allows for more investment certainty for both manufacturers and developers.

At [RWE](RWE), we are building and driving forward the development of several projects where we have been awarded the seabeds: in Germany, the UK, the Netherlands, Denmark, Ireland, Poland and the U.S. To deal with the challenging market situation, securing financing and strong relationships with your supply chain are key.

However, the right framework and policies, as outlined here, are imperative for offshore wind energy to realise its fullest potential in the future.

https://www.motortrend.com/reviews/ford-f150-lightning-electric-truck-towing-test/amp/

Tow No! The Ford F-150 Lightning Struggled in Our Towing Test

We towed 3100-, 5300-, and 7200-pound travel trailers with Ford's electric truck and didn't get very far from home.

Related Video

Eric TingwallWriterJim FetsPhotographer
Jul 31, 2022

Before you hitch an Airstream to your electric truck and set out to circumnavigate the country, you need to understand this: With the largest available battery pack, a fully charged 2022 Ford F-150 Lightning electric truck has less energy onboard than a regular F-150 with four gallons of gas in its tank.

Consider how far a combustion-powered F-150 would tow at max capacity on four gallons of regular unleaded. Thirty five miles? Maybe 40 if you drive slowly?

Now that you understand where we're starting from, you won't be as surprised to learn that the towing range of the electric F-150 is dismal. In MotorTrend testing, an F-150 Lightning Platinum saddled with a camper that nearly maxed out its 8,500-pound towing capacity couldn't even cover 100 miles. Range improved when we hooked up a significantly lighter trailer, but not by as much as you might expect.

How Much Can The Ford F-150 Lightning Tow?

The Lightning's towing capacity ranges from 5,000 pounds up to 10,000 pounds. To hit the big number, you'll need an XLT or Lariat trim with the optional extended-range battery, and the Max Trailer Tow package that adds more battery- and motor-cooling capacity. To get there, you'll spend at least $75,094.

2022 Ford F-150 Lightning Towing Capacity

	Standard-Range Battery	Extended-Rang
Pro	5,000 lb Max Tow Pkg: 7,700 lb	N/A
XLT	5,000 lb Max Tow Pkg: 7,700 lb	7,700 lb Max Tow Pkg: 1
Lariat	5,000 lb Max Tow Pkg: 7,700 lb	7,700 lb Max Tow Pkg: 1
Platinum	N/A	7,700 lb Max Tow Pkg: 8

We performed our testing with the top-shelf $92,669 Platinum trim (full test at this link), which includes the larger battery and has a standard towing capacity of 7,700 pounds. The Max Trailer Tow upgrade, which wasn't equipped on our test truck, raises that to 8,500 pounds.

The Test: Towing The Line

With more than 500 pop-ups, teardrops, travel trailers, fifth-wheels, camper vans, and RVs on the lot, the General RV dealership in Wixom, Michigan, inspires grand dreams about wandering America on wheels. We set our sights significantly shorter, though, as we embarked on an out-and-back loop as far as we dared travel with the heaviest trailer we plucked out of General RV's toy box. That camper, a 2022 Grand Design Imagine 2910BH, sleeps eight, measures nearly 34 feet long, and weighs 7,218 pounds.

We followed the same methodology used to determine an EV's MotorTrend Road-Trip Range. With the automatic climate control set to 72 degrees, headlights on, and the audio system playing, our testing imitates how most owners will use their vehicles, rather than reaching for the maximum possible range. We targeted an average speed of 70 mph, but construction at the beginning and end of our route meant our speed was slightly lower than we were aiming for. All three tests were at least consistent, with average highway speeds between 64 and 67 mph.

After establishing an 80-mile route, we repeated the test with a 17-foot, 3,140-pound Forest River R Pod RP-153, and a 28-foot, 5,260-pound Coachmen Freedom Express 246RKS. We used the energy consumption from these real-world tests to extrapolate how far someone could drive on a full charge.

The Results: How Far Can A Ford F-150 Lightning Tow?

Before we answer the big question, let's set the baseline. While the EPA says the F-150 Lightning Platinum is good for 300 miles, that number is based on a mix of city and highway driving. With only a driver aboard and no trailer in tow, the Platinum achieved a MotorTrend Road-Trip Range of 255 miles.

We had been warned to expect the range to be cut in half when towing, but the effect of towing these travel trailers proved even more significant. With the smallest and lightest trailer, we measured a range of just 115 miles. That figure fell to 100 miles with the middleweight camper and sank to a mere 90 miles with the 7,218-pound Grand Design trailer.

2022 Ford F-150 Lightning Platinum Towing Test

	Forest River R Pod RP-153	Coachmen Freedom Express 246RKS	Gr
TRAILER WEIGHT	3,140 lb	5,260 lb	7,
LENGTH	17 ft	28 ft 2 in	33

APPROXIMATE FRONTAL AREA	77 sq ft	88 sq ft	89
MT ROAD-TRIP RANGE	115 mi	100 mi	90

The tightly clustered results reveal that aerodynamics have a bigger impact on towing range than weight. Using the width and height of the trailers to calculate a crude approximation of frontal area, the larger two trailers more than double the area plowing through the air compared to an unladen F-150. If you're towing something smaller and sleeker, such as a boat, an open car hauler, or a utility trailer, you'll likely be able to push farther than we did on a single charge.

We should also note that the XLT and Lariat models are more efficient than the Platinum, stretching the same battery pack to an EPA-rated range of 320 miles. Cherry-picking the right trim and options could buy you a few more towing miles.

What's It Like To Tow With The Ford F-150 Lightning?

With 775 lb-ft of torque on tap, the electric Ford F-150 shoves off from a stop smoothly and confidently, but that authority wanes as speeds climb. Equipped with single-speed transmissions at the front and rear motors, the Lightning can't just downshift into the meat of the torque curve like a gas truck does, so passing maneuvers at highway speeds require patience and planning with a heavy trailer.

The Lightning takes some of the stress out of towing, however, with clever and easy-to-use tech. The blind-spot monitor can extend to cover trailers up to 33 feet long, and a Tow Technology package that's standard on the Platinum and available on all other trims adds a trailer brake controller, a 360-degree camera system, and Pro Trailer Backup Assist, which takes the guesswork out of steering a trailer in reverse. It also includes Ford's brilliant Smart Hitch feature that puts the dark art of dialing in the tongue weight within reach of average Joes and Janes. Carrying between 10 and 15 percent of a trailer's weight on the hitch makes for more stable towing, and Smart Hitch makes figuring out if you are within that window a simple extension of hooking up the trailer—if the Lightning indicates the hitch is carrying more or less than that, you either repack the trailer or use a weight-distribution hitch to shift the balance of the load.

Perhaps most important, the Lightning doesn't try to hide its limited towing range. The truck cut its estimated range in half every time we connected a trailer and punched the load's weight and dimensions into the 15.5-inch touchscreen. That number then fell rapidly during the first few miles of highway driving until it accurately reflected what was possible. Until someone figures out how to double or triple the energy density of lithium-ion batteries, that seems like the most we can ask of electric vehicles that are pressed into towing duty.

https://www.db.com/news/detail/20220907-christian-sewing-s-keynote-at-the-handelsblatt-banken-summit-2022?language_id=1

News September 7, 2022

Christian Sewing's keynote at the Handelsblatt Banken Summit 2022

- Check against delivery -

Dear Mr Matthes, Ladies and Gentlemen,

I am delighted to be with you today at a time that is more challenging than anything I have experienced in more than 30 years of banking. While the Covid pandemic proved to be a temporary shock to the world economy, Russia's war against Ukraine has destroyed a number of certainties on which we built our economic system over the past decades.

- The brakes have been applied to globalisation and, in the face of major geopolitical tensions, it is unlikely to pick up its old momentum any time soon.
- As a result, many seemingly perfect global value and supply chains have been disrupted.
- The workforce, which for a long time was thought to be available without limit, has become a bottleneck factor worldwide.
- At the same time, electricity and gas have become scarce and extremely expensive. Energy is set to stay an expensive commodity in Europe for some time. This represents a structural competitive drawback and it is a threat to our economy. In the long term, we will need to respond with structural solutions.

These points are the most important reasons for soaring inflation. As a result, we will no longer be able to avert a recession in Germany.

Yet we believe that our economy is resilient enough to cope well with this recession – provided the central banks act quickly and decisively now. Right now many people still have their savings to fall back on to pay the higher prices; many companies are still sufficiently financed. But the longer inflation remains high, the greater the strain and the higher the potential for social conflict.

Three lessons

This combination of short and longer-term challenges seems unique at this point. And while it is essential we meet the short-term needs, we also have to explore what this means for our long-term ability to compete. The greatest complexity still lies ahead of us when we begin to draw the real lessons of the past few years. In my view, there are three main lessons:

Firstly, we have seen how dangerous it is for us in Europe to become too dependent on individual countries or regions. At the moment the main focus is on energy and raw material imports from Russia – and rightly so. We must do everything we can to ensure that our cars, our heating and our factories are not only able to run when an autocrat in the Kremlin is favourably disposed towards us. All efforts by politicians and companies to change this deserve unconditional support.

That is not enough, though. When it comes to dependencies, we also have to face the awkward question of how to deal with China. Its increasing isolation and growing tensions, especially between China and the United States, pose a considerable risk for Germany.

China is a cornerstone of our economy. About 8 percent of our exports go to China and 12 percent of our imports are from the country. More than a tenth of the sales of all DAX-listed companies are from China. At the latest during the pandemic it has become clear just how much our supply chains rely on China. Reducing this dependency will require a change no less fundamental than decoupling from Russian energy.

At the same time – and this is my second lesson – we need to tackle the climate crisis with much more resolve than to date. Climate change is already causing damage of gigantic proportions. In light of Covid and the war in Ukraine, the danger is that the topic will slip down the list of priorities. That would be the biggest mistake we could make, though.

Fighting the climate crisis is a generational task that will radically change the economy and society. Every company will have to face the issue – not just out of its responsibility to society, but to secure its own continued existence. Those who fail today to put sustainability firmly at the centre of their strategy will – in ten years – have trouble selling their products, finding employees or attracting investors. They will disappear from the market.

The third lesson, I believe, is that we have been under the illusion for the past 30 years that we could live forever in an ever more globalised world with no major conflicts and with steady growth. Francis Fukuyama has often been criticised for equating the end of the Cold War with the "end of history". But de facto we acted as if this thesis was correct; we have been acting as if the world was on its way to becoming one big village where everyone is interested in economic cooperation because, after all, everyone benefits from it. That has stopped being the case for some time now, though.

The truth is that 30 years of presumed calm will now be followed by a period of heightened volatility with economic uncertainty, regular crises and geopolitical conflicts that are also likely to drag on for decades. Trouble spots are not cut off from the rest of the world; they impact other regions in a number of ways. As such, we must come up with holistic solutions that take this degree of interplay into account. Dealing with this complexity will be a great challenge for us. Good risk management is the order of the day.

“We must not leave the playing field and with it the access to global capital markets largely to foreign banks. The past few months should have taught us this. In Germany, we must not allow ourselves to add a further dependency – access to finance – to our current dependencies on gas, raw materials and supply chains.”Christian Sewing, CEO

National feat of strength

Let us not delude ourselves: we certainly have our work cut out for us if we are to accomplish these three tasks – reducing dependencies, dealing with permanently higher volatility and driving the historic transformation of our economy. We will only succeed through a concerted joint effort, with politics, business and society all working closely hand in hand.
The financial sector must and can play a crucial role.

We need banks that are able to finance these mammoth tasks, while protecting their clients against risks and being reliable partners, accompanying clients worldwide.

And for this we need a domestic financial sector that stands on its own two feet and can assert itself against its global competitors. We must not leave the playing field and with it the access to global capital markets largely to foreign banks. The past few years should have taught us this. In Germany, we must not allow ourselves to add a further dependency – access to finance – to our current dependencies on gas, raw materials and supply chains.

We have the means to prevent this, but we still have much to do. As a financial sector, we have already achieved a lot: we are much more stable and resilient today than we were ten years ago. We are profitable. Our industry has foregone relatively little profit in the first half of the year and even managed to increase revenues. And the loan defaults that the industry faces in the coming months should remain manageable because banks have taken the necessary provisions.

Progress in the financial sector is far from sufficient

That is far from enough, though, if the German financial sector is to play a leading role in the long term. What we need is:

- For us banks to work harder at becoming even more efficient and focusing even more on clients, especially in digital services.
- We need reliable regulation that does not always create higher hurdles and tie up more capital than necessary – capital that is needed right now to finance the economy.
- And sooner or later we will also need consolidation, not nationally, but Europe-wide. Size counts in banking – and if we don't want to hand over the playing field to the Americans, Europe must create the right conditions for big banks. I can only repeat what I’ve said before: both the European banking union and the capital markets union are essential here.

The above points are not new, but they are becoming more urgent. We are actually very well equipped so there is no reason to talk ourselves down. We are operating in an economy that has shown enormous resilience and that will also navigate the upcoming recession – because corporate balance sheets are strong, and debt is low by international standards. This economy has great potential as long as we focus now on aligning ourselves for the long term and on how to minimise the threat of de-industrialisation: with less regulation, more courage and more pragmatism; this attitude is incredibly important.

And that goes for banks, too. We have proven banks can be part of the solution. We can do much more, though. Before the financial crisis of 2007, just 15 years ago, Europe's banks were more profitable than their competitors in the US. Since then, the Americans have unrelentingly left us behind. We could, of course, agonise over this. Instead, we should rather see it as an incentive to buck the trend. The dominance of American banks is no law of nature.

At Deutsche Bank, we are convinced that the way to achieve this is by being a strong partner to our clients. They need a bank that supports them in all kinds of environments, in all markets and all over the world. This is what we emphasised when we formulated our Global Hausbank aspiration. We have radically transformed our business since 2019 and strategically repositioned ourselves in line with this aspiration.

We are convinced that this strategy will be especially effective in volatile times – because now is the moment when advice and expertise are highly sought after.

And this does not apply to us alone. Despite all the differences between the banks in Germany, we have one thing in common: we were there for our clients during the pandemic, we were there for our clients when Russia invaded Ukraine and we continue to be there – in these volatile times that urgently call for sustainable transformation. We have regained a great deal of trust. Let us work together to create the conditions for renewed dynamic growth across our entire economy.

Dan Tsubouchi @Energy_Tidbits · 11h

#EnergyTransition reality from Uganda/Africa perspective and not from G7 perspective.

See 👇 transcript. @NankabirwaRS blunt talk ie move from firewood to LPG for cooking.

As @summer_said @benoitfaucon quoted her "*You can't do a somersault from charcoal to hydrogen*"

#OOTT

"We need money to invest into the green energy transition"
"So to think that Uganda and all Africa should not develop the fossil fuel is to make Africa sit in darkness"
"Of else, let the world bring money to Uganda to replace the money that we are going to get, we are expecting to get from petroleum"
Uganda Minster of Energy Ruth Nankabirwa Ssentamu.

SAF Group created transcript of comments by Uganda Minister of Energy and Mineral Development (Ruth Nankabirwa Ssentamu) at ADIPEC 2023. on BBC on Oct 4, 2023 https://twitter.com/PAU_Uganda/status/1709567872542863469

Items in "*italics*" are SAF Group created transcript

At 1:35 min mark, RNS "*Listen, we need money to invest into the green energy transition. We are not getting this money, even the promises that countries made at COP meetings. The promises are not coming. Africa is not seeing the money. So we don't want to stay there lamenting. We need to develop our petroleum resources, our minerals and get money. And for Uganda, we have reinvest the money from petroleum for infrastructure developments. And the infrastructure development includes energy generation, transmission and distribution. The infrastructure development includes value addition [?] infrastructure for agriculture. So to think that Uganda and all Africa should not develop the fossil fuel is to make Africa sit in darkness and continues being a markets for those developed countries. Africa has come out to say no, we will come together through African Union, thru xxx bank to make sure that we create the energy fund, which will help countries like Uganda to get money to continue with the development of our natural resources. We will continue licensing, we will go for third round licensing because we have the potential. We are targeting to get money from God give us so that we can move our countries out of darkness. Or else, let the world bring money to Uganda to replace the money that we are going to get, we are expecting to get from petroleum. Money and jobs.*"

At 4:15 min mark RNS "*If someone wants firewood to cook, if you don't give an alternative, they will cut down trees. So if Uganda plan to do reforestation, we need to develop our gas so that we can provide the LPG which is better than charcoal and firewood*"

At 4:40 min mark, question "*what is your green energy plan?*". RNS "*where we want to move away from biomass to LPG*".

Prepared by SAF Group https://safgroup.ca/news-insights/

1 · 5 · 1,840

Dan Tsubouchi @Energy_Tidbits · 18h

Here's why Saudi will work to strong #Oil prices in 2020s

Saudi projects deficit for 2024.

Overlooked is what i call their #1 financial theme in the 2020s is increasing use of OPM to finance Vision 2030.

👇 Saudi may not say Other People's Money but that is what it is.

#OOTT

Saudi Ministry of Finance Announces Pre-Budget Statement for Fiscal Year 2024. Expenditures Estimated at SAR 1,251 billion and Revenues at SAR 1,172 billion.

2 · 10 · 29 · 8,048

Dan Tsubouchi @Energy_Tidbits · 20h

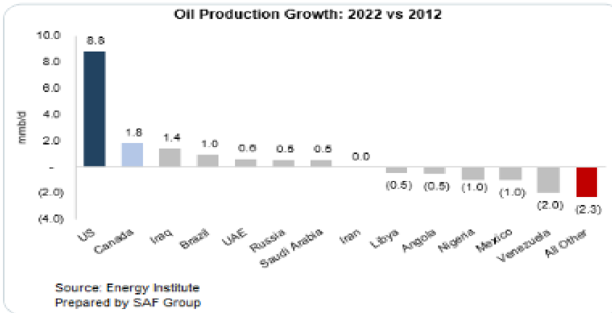
Here's why #Oil looks good thru 2030

Forecasts incl #IEA don't call peak oil demand until 2028/29 at earliest.

👇 10/02/23 tweet, $HAL CEO on the difficulty for US #Oil growth.

Oil consumers won't have US adding 8.8 mmb/d quick cycle oil like in 2012-2022.

#OOTT



Dan Tsubouchi @Energy_Tidbits · Oct 2

Is US shale #Oil growth much less than most expect?

"realizing how difficult it is to produce oil and gas, particularly as North America, you know wrestles with where their production is going to land" $HAL CEO t...

Show more

1 · 10 · 34 · 7,972

Dan Tsubouchi @Energy_Tidbits · 22h

Headline: Big WoW drop to very low 70 mmb, but want to see next week's data given last 5 wks all revised up ~8 mmb.

#Vortexa crude #Oil floating storage 10/06 est 70.56mmb, -16.29 mmb WoW vs revised up +8.93 mmb Sept 29 of 86.85 mmb.

Still supportive for #Oil as last 7-wk...

Show more

9 · 23 · 4,965

Dan Tsubouchi @Energy_Tidbits · Oct 7

👎 Saudi calls for an "immediate cessation of escalation" between Israel and Palestinians.

Netanyahu "we are at war".

Would seem difficult for Saudi to move to deal with Israel in the face of escalating Hamas/Israel conflict while maintaining support for Palestinians?

#OOTT

https://www.spa.gov.sa/[illegible]

The Kingdom closely follows the unprecedented developments between a number of Palestinian factions and the Israeli occupation forces, and calls for an immediate cessation of escalation between the two sides, the protection of civilians, and restraint.

an hour ago

Riyadh, 22 Rabi' al-Awwal 1445 AH corresponding to 07 October 2023 AD SPA

The Ministry of Foreign Affairs issued the following statement today:

The Kingdom of Saudi Arabia is closely following the developments of the unprecedented situation between a number of Palestinian factions and the Israeli occupation forces, which resulted in an increase in the level of violence on a number of fronts there.

The Kingdom calls for an immediate de-escalation between the two sides, the protection of civilians, and restraint.

The Kingdom recalls its repeated warnings of the dangers of the situation exploding as a result of the continued occupation, the deprivation of the legitimate rights of the Palestinian people and the repetition of systematic provocations against their holy sites.

The Kingdom reiterates its call on the international community to shoulder its responsibilities and activate a credible peace process leading to a two-state solution in order to achieve security and peace in the region and protect civilians.

// Ends //

13:51 UTC

0040

> **Dan Tsubouchi** @Energy_Tidbits · Oct 6
>
> Beyond headlines, see paragraph 3 "Still, Saudi negotiators emphasized that market conditions would guide any action on production"
>
> Hard to see Saudi adding #Oil in early Q1, the seasonally low deman...
> Show more

Dan Tsubouchi @Energy_Tidbits · Oct 6

Beyond headlines, see paragraph 3 "S*till, Saudi negotiators emphasized that market conditions would guide any action on production*"

Hard to see Saudi adding #Oil in early Q1, the seasonally low demand period . But a Q1 decision to add Oil into physical markets in Q2 for...
Show more

> **The Wall Street Journal** @WSJ · Oct 6
>
> WSJ News Exclusive: Saudi Arabia has told the White House it would boost oil output in early 2024 if prices are high, a move aimed at winning goodwill in Congress for a deal in which the kingdom would recognize Israel and get a defense pact with Washington on.wsj.com/46mOhBM

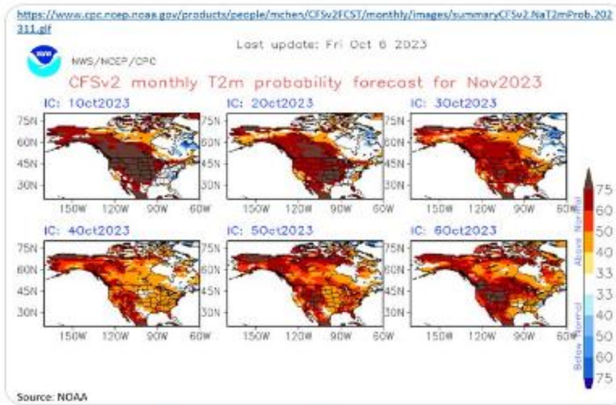
1 3 11 7,796

Dan Tsubouchi @Energy_Tidbits · Oct 6

Not impossible, but it's hard to catch up if it's a hot Nov/Dec start to winter #NatGas withdraw season. If so, need a cold Jan/Feb.

Nov is just over 3 weeks away and @NOAA daily lookahead for Nov still expects much warmer than normal Nov in US.

#OOTT



1 4 12 3,130

Dan Tsubouchi @Energy_Tidbits · 10m

Reminder if $XOM buys $PXD, a combo normally leads to less Permian #Oil rigs than currently run by them.

That is, unless they are already dropping Permian rigs. Would be a good indicator to fuel, if not support the rumor.

#OOTT

	Permian			
Date	Oil	Gas	Misc	Total
1-6-2023	350	3	0	353
1-13-2023	353	3	0	356
1-20-2023	351	3	0	354
1-27-2023	350	7	0	357
2-3-2023	345	9	0	354
2-10-2023	350	2	0	352
2-17-2023	349	3	0	352
2-24-2023	348	5	0	353
3-3-2023	345	4	0	349
3-10-2023	339	4	0	343
3-17-2023	345	5	0	350
3-24-2023	348	5	0	353
3-31-2023	347	5	0	352
4-6-2023	348	5	0	353
4-14-2023	351	5	0	356
4-21-2023	354	4	0	358
4-28-2023	357	4	0	361
5-5-2023	352	4	0	356
5-12-2023	350	3	0	353
5-19-2023	346	3	0	349
5-26-2023	347	3	0	350
6-2-2023	343	5	0	348
6-9-2023	341	5	0	346
6-16-2023	337	5	0	342
6-23-2023	335	6	0	341
6-30-2023	336	5	0	341
7-7-2023	330	12	0	342
7-14-2023	326	11	0	337
7-21-2023	323	10	0	333
7-28-2023	324	10	0	334
8-4-2023	320	9	0	329
8-11-2023	322	5	0	327
8-18-2023	323	4	0	327
8-25-2023	317	3	0	320
9-1-2023	316	3	0	319
9-8-2023	317	3	0	320
9-15-2023	319	3	0	322
9-22-2023	314	3	0	317

Dan Tsubouchi @Energy_Tidbits · 18h

Breaking!

Big M&A deals always bring focus to value.

WSJ "$XOM is closing in on a deal to buy $PXD, a blockbuster ...

2 1 4 957

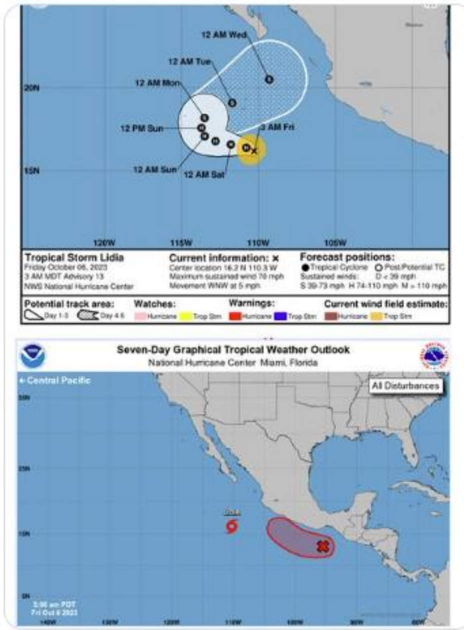
SAF

Dan Tsubouchi @Energy_Tidbits · 6h

For those that care about hurricanes on Mexico west coast.

Not the norm for a Tropical Storm (to be Hurricane) Lidia make an abrupt turn to the east. Norm is keep veering west.

Lidia fcast back to Tropical Storm strength as it moves east to Mazatlan.



2 · 800

SAF

Dan Tsubouchi @Energy_Tidbits · 8h

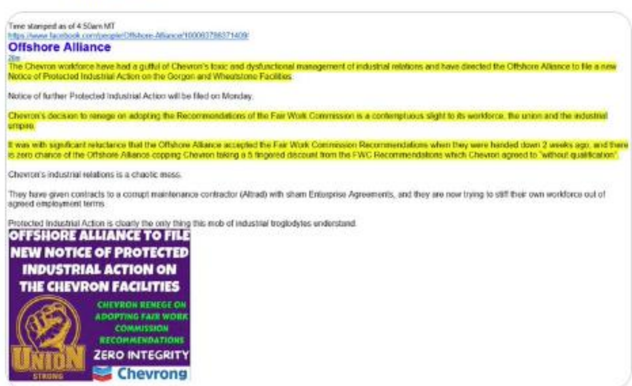
OMG

09/21. #Chevron & Offshore Alliance Union accept Fair Work Commission recommendations on labor deal.

But 2 weeks later, can't agree on to paper the deal.

So union to file notice on Monday for industrial action at 2.1 bcfd Gorgon #LNG & 1.2 bcfd Wheatstone LNG.

Like a... Show more



Time stamped as of 4:50am MT

https://www.facebook.com/people/Offshore-Alliance/100083798371409/

Offshore Alliance

The Chevron workforce have had a gutful of Chevron's toxic and dysfunctional management of industrial relations and have directed the Offshore Alliance to file a new Notice of Protected Industrial Action on the Gorgon and Wheatstone Facilities.

Notice of further Protected Industrial Action will be filed on Monday.

Chevron's decision to renege on adopting the Recommendations of the Fair Work Commission is a contemptuous slight to its workforce, the union and the industrial umpire.

It was with significant reluctance that the Offshore Alliance accepted the Fair Work Commission Recommendations when they were handed down 2 weeks ago, and there is zero chance of the Offshore Alliance copping Chevron taking a 5 fingered discount from the FWC Recommendations which Chevron agreed to "without qualification".

Chevron's industrial relations is a chaotic mess.

They have given contracts to a corrupt maintenance contractor (Altrad) with sham Enterprise Agreements, and they are now trying to stiff their own workforce out of agreed employment terms.

Protected Industrial Action is clearly the only thing this mob of industrial troglodytes understand.

OFFSHORE ALLIANCE TO FILE NEW NOTICE OF PROTECTED INDUSTRIAL ACTION ON THE CHEVRON FACILITIES

CHEVRON RENEGE ON ADOPTING FAIR WORK COMMISSION RECOMMENDATIONS

UNION STRONG

ZERO INTEGRITY

Chevrong

1 · 965

Dan Tsubouchi @Energy_Tidbits · 18h
Breaking good news for Cdn #Oil

Trans Mountain CEO sees TMX 590,000 b/d expansion in commercial operations by end of Q1/24.

4.5 mmb line fill to start end of Jan.

Thx @ChrisVarcoe

#OOTT

> **ChrisVarcoe** @ChrisVarcoe · 20h
> In an interview, Trans Mountain Corp. CEO Dawn Farrell said she expects opening of expansion project by end of Q1, a potential sale within 2 years.
> The $30.9B project is facing cost pressures but "we are close, in that range."
> calgaryherald.com/opinion/column... #cdnpoli #ableg #yyc #TMX

4 19 85 20K

Dan Tsubouchi @Energy_Tidbits · 18h
Breaking!

Big M&A deals always bring focus to value.

WSJ "*$XOM is closing in on a deal to buy* $PXD*, a blockbuster takeover that could be worth roughly $60b. A deal could be sealed in the coming days, assuming the talks don't hit a last-minute snag, people familiar with the...* Show more

1 3 11 3,554

SAF

Dan Tsubouchi @Energy_Tidbits · 9m

Reminder from @HardeepSPuri that the world runs on #Oil so high fuel costs impact everyone everywhere so need lower prices to avoid another 2008.

Thx @dan_murphy.
#OOTT

"But this high fuel cost also has a invert self-fulfilling prophecy. It happened in 2008, I remember. In 2008, prices went up I think to $120 or so a barrel and then came the economic crisis, and then they dropped" **Hardeep Singh Puri**

SAF Group created transcript of comments by Hardeep Singh Puri, India's Minister for Housing & Urban Affairs & Minister for Petroleum and Natural Gas, with CNBC's Dan Murphy at ADIPEC 2023 in Abu Dhabi on Oct 5, 2023.
https://twitter.com/HardeepSPuri/status/1709878149278942839

Items in "*italics*" are SAF Group created transcript.

Suri. "*So, India is moving on the Green Transition very fast. I have always maintained that when somebody says, 'Accelerate the Green Transition', I agree with it. But I think nothing has done more to accelerate the transition to green energy than higher fuel prices. I mean don't listen to me, listen to the concerned agencies, when prices shoot up, people's resolve to transition works faster. But this high fuel cost also has a invert self-fulfilling prophecy. It happened in 2008, I remember. In 2008, prices went up I think to $120 or so a barrel and then came the economic crisis, and then they dropped. So the point I keep making to all my friends in the production part of the equation, I mean we are both producers and consumers. We are also major exporters, we're also major refiners, that's the India which has evolved. I keep telling them, if you want to benefit from good returns of oil over an extended period of time, please ensure in your own interest, that you have stable markets. It should not be a point that on top of all that inflation that is there because of the stimulus packages that came in, and interest rates which are going on, if you have high fuel prices on top of that, you reach a point where the fragile recovery or even better recovery. Half of the world if not in recession, it's in near recessionary condition, and that's where it'll begin to pinch everybody*".

Prepared by SAF Group https://safgroup.ca/news-insights/

1 1 295

SAF

Dan Tsubouchi @Energy_Tidbits · 5h

"*if someone is buying a new car, whether it's a truck, a SUV, a smaller passenger car, in their heads they're thinking is this my last ICE vehicle or is this my first electric vehicle.*" Rivian CEO.

Probably right if throw in hybrid for winter areas & non-city drivers.
#OOTT #EV... *Show more*

1 1 2 1,288

SAF

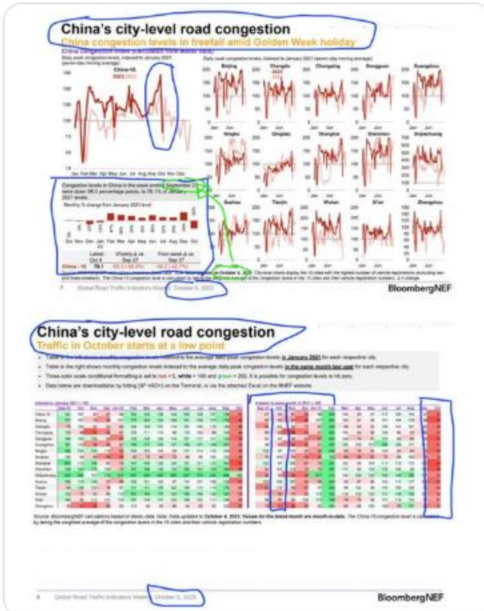
Dan Tsubouchi @Energy_Tidbits · 8h

Expected big WoW crash in China Baidu city-level road congestion with 12-day travel rush as Mid-Autumn Festival combines with Golden Week.

Plus no Covid restrictions in 2023.

Thx @BloombergNEF.

#OOTT



1 · 3 · 1,044

SAF

Dan Tsubouchi @Energy_Tidbits · Oct 4

For those not near their laptops. At 830am MT, @EIAgov released its #Oil #Gasoline #Distillates inventory as of Sept 29. Table below compares EIA data vs @business expectations and vs @APIenergy yesterday. Prior to release, WTI was $86.50. #OOTT

Oil/Products Inventory Sept 29: EIA, Bloomberg Survey Expectations, API

(million barrels)	EIA	Expectations	API
Oil	-2.22	0.05	-4.21
Gasoline	6.48	-0.30	3.95
Distillates	-1.27	-0.07	0.35
	2.99	-0.32	0.09

Note: Oil is commercial so builds in a draw of 0.2 mmb in SPR for the Sept 29 week
Note: Included in the oil data, Cushing had a 0.13 mmb build for Sept 29 week
Source EIA, Bloomberg
Prepared by SAF Group https://safgroup.ca/news-insights/

1 · 7 · 1,442

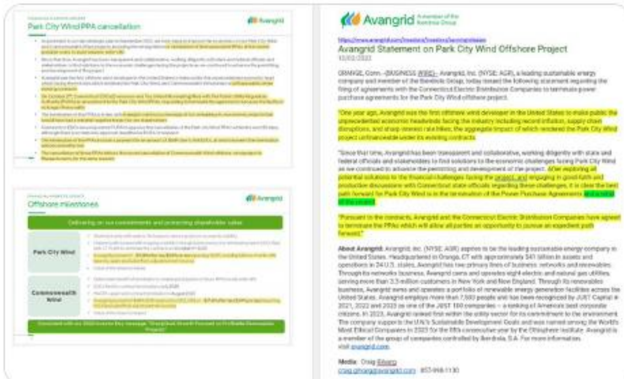
Dan Tsubouchi @Energy_Tidbits · Oct 4

"*to avoid MASSIVE write-offs*", Avangrid pays $16mm to terminate CT #OffshoreWind.

Is "*a rebid of the project*" just a way to give cover to CT to accept Avangrid's terms or else no Park City project?

Rebid = way higher clean energy costs than promised in CT.

#OOTT #NatGas



5 15 3,213

Dan Tsubouchi @Energy_Tidbits · Oct 4

Breaking.

Saudi continues 1 mmbd cut in production thru Dec

Russia continues 0.3 mmbd reduction in Oil supplied to market thru Dec.

Both say will review next month to consider deepening the cut or increasing production.

Continued support for #Oil

#OOTT

SAUDI PRESS AGENCY SPA

https://www.spa.gov.sa/en/efa23724cda

Ministry of Energy will continue the voluntary cut of one million barrels per day starting November until the end of December 2023

an hour ago

Riyadh, October 4, 2023, SPA -- An official source from the Ministry of Energy announced that the Kingdom of Saudi Arabia will continue its voluntary cut of one million barrels per day, which has gone into implementation in July 2023 and was later extended until the end of December 2023. Thus, the Kingdom production in the coming months November and December will be approximately 9 million barrels per day.

The source stated that this voluntary cut decision will be reviewed next month to consider deepening the cut or increasing production. The source also noted that this cut is in addition to the voluntary cut previously announced by the Kingdom in April 2023, which extends until the end of December 2024. The source confirmed that this additional voluntary cut comes to reinforce the precautionary efforts made by OPEC Plus countries with the aim of supporting the stability and balance of oil markets.

--SPA

11:00 Local Time 08:00 GMT

0014

ПРАВИТЕЛЬСТВО
РОССИИ

http://government.ru/news/49677/

Alexander Novak's statement on the situation on the oil market

4 October 2023 11:15

- Production, transportation, export of oil and petroleum products

Alexander Novak: Russia will continue additional voluntary funds until the end of December 2023 a reduction in supplies to world markets by 300 thousand barrels per day, which entered into force in September and October 2023. Next month will be held analysis of the market in order to make a decision on deepening reduction or increase oil production. This is in addition to the voluntary reduction, previously announced by Russia in April 2023, which will last until the end of December 2024 year.

Connotation the voluntary reduction is intended to strengthen the measures taken by OPEC+ countries with the goal of maintaining the stability and balance of oil markets.

2 6 14 2,455

Dan Tsubouchi @Energy_Tidbits · 5h

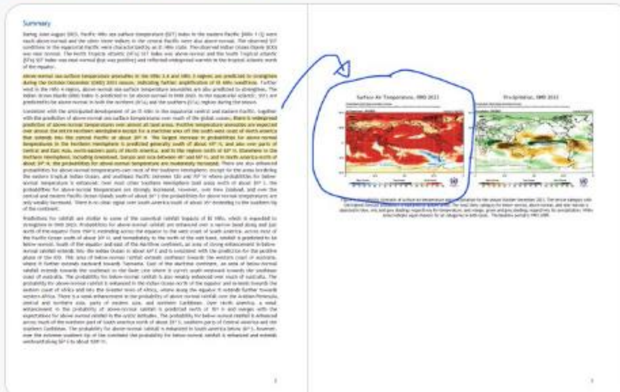
Near-term holdback to #LNG #NatGas prices.

@WMO forecast for Oct/Nov/Dec. "widespread
prediction of above-normal temperatures over almost ALL land areas."

Feels like could see a replay of winter 22/23, when it was warm in Asia, EU & US.

#OOTT

public.wmo.int/en/our-mandate...



1 · 3 · 1,347

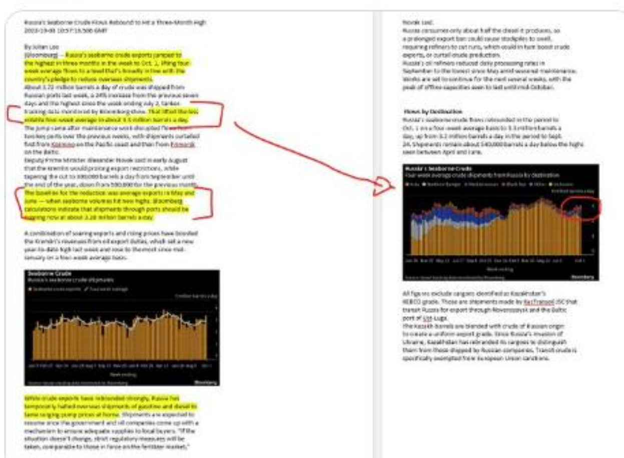
Dan Tsubouchi @Energy_Tidbits · 9h

Supportive for #Oil price.

Russia Oil shipments hit 3-mth high but 4-week average of about 3.3 mmb/d is in line with Russia commitments to reduce to ~3.28 mmb/d.

Thx @JLeeEnergy for great recap of RUS oil shipments.

#OOTT



3 · 13 · 1,792

Dan Tsubouchi @Energy_Tidbits · 9h

Risk to timing, hopefully only small, for 1st #Oil at TMX expansion?

Seems hard for CER to not hear A.B.C First Nation appeal on the route change.

CER Mission statement 👇 incl "r*ecognizing and respecting the rights of the Indigenous peoples of Canada*"?

Thx @AmandaMsteph.
#OOTT

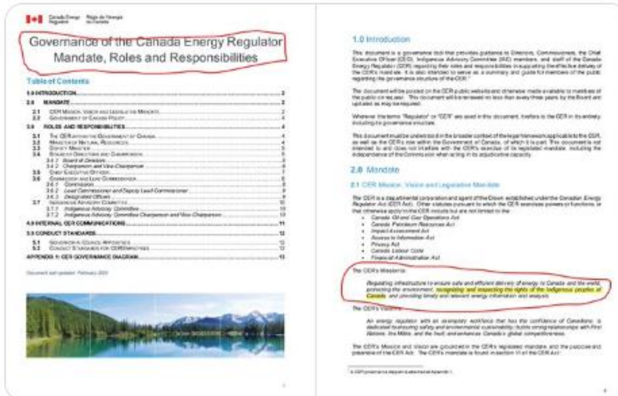

Governance of the Canada Energy Regulator
Mandate, Roles and Responsibilities

Table of Contents

1.0 Introduction

2.0 Mandate

Amanda Stephenson @AmandaMsteph · Sep 28

A B.C. First Nation says it has the right to appeal Monday's Trans Mountain pipeline decision, and is urging the regulator to swiftly release the reasons behind its ruling. #OOTT #cdnpoli
financialpost.com/pmn/business-p...

Dan Tsubouchi @Energy_Tidbits · 44m

Seems JPMorgan CEO Dimon thinks the #EnergyTransition will lead to higher not lower energy costs over the long-term. See 👇 SAF transcript.

#Oil #NatGas will be needed for longer and should also benefit from higher Green Economy energy prices.

Thx @emilychangtv
#OOTT

"you've got all the long term fiscal things are kind of inflationary – you know oil prices, certain commodity prices, the green economy, you know the restructuring of trade, you name it, I see adding to Inflation, not subtracting inflation" JPMorgan CEO Jamie Dimon .

SAF Group created transcript of comments from JPMorgan CEO Jamie Dimon in London with Bloomberg's Emily Chang on Oct 2, 2023. https://www.bloomberg.com/news/videos/2023-10-02/jpmorgan-ceo-dimon-on-tech-ipos-ai-8-interest-rates-video

Items in "*italics*" are SAF Group created transcript.

At 7:05 min mark. Dimon "*.. but there are two things today, which are extraordinary today, which may have different outcomes. Think of them as storm clouds. We don't know if they're going to hit, when they're going to hit, what they're going to do. So I'm not predicting that but I tell you what i worry about. So one is the fiscal money being spent. It's so big, the largest in peace time ever. America and kind of around the world, with already very high deficits. And QT, we've never had. I know some people think QT will be uneventful. I'm not so sure. At a minimum, I expect volatile markets. And then you've got all the long term fiscal things are kind of inflationary – you know oil prices, certain commodity prices, the green economy, you know the restructuring of trade, you name it, I see adding to Inflation, not subtracting inflation. I don't think inflation will be that, keep on coming down, it may not. And therefore rates may go higher. But the bigger storm cloud is geopolitical. It's Ukraine, its humanitarian crisis, you know it's a war not far from here, 600 miles, 500,000 people killed. It's nuclear blackmail. It's going to affect all global relationships in America, China , trade alliances. We don't know how it's going to sort out either. So I just put those two things as I keep a close eye on.*"

At 10:04 min mark. Chang "*where is China on the list of risks?*" Dimon "*When I say geopolitical, that's the big one. It's the thread from Ukraine, oil and gas, food, migration, all our relationships, the most important one being China. That is the most important for the future of the world. And obviously, Ukraine has affected it. In fact, its' very hard to see really positive outcomes with China until the Ukraine war is resolved. Hopefully, for the Ukraines to say they have a victory of some sort.*"

Prepared by SAF Group https://safgroup.ca/news-insights/

4 8 1,059

Dan Tsubouchi @Energy_Tidbits · 7h

China consumer still hesitant, see 👇 09/29 tweet.

Start of 12-day Golden Week travel rush = China scheduled domestic flights +1.3% WoW to 97,009.

But this is 5% less than 102,285 originally scheduled for this period.

Thx @BloombergNEF Claudio Lubis. #OOTT

> **Dan Tsubouchi** @Energy_Tidbits · Sep 29
>
> 
>
> "Because they're frightened" says $BLK CEO Fink as to why pre-Covid Chinese savings rate of 35% of disposable income is now 50%.
>
> Fits 👇 09/11/23 tweet. ...

3 3 2,666

Dan Tsubouchi @Energy_Tidbits · 12h

Is US shale #Oil growth much less than most expect?

"*realizing how difficult it is to produce oil and gas, particularly as North America, you know wrestles with where their production is going to land*" $HAL CEO to @youseftv.

Positive for #Oil.
#OOTT

5 25 4,400