



Weekly News

26 September 2025

Australia's export revenues from fossil fuels to plunge by 2030

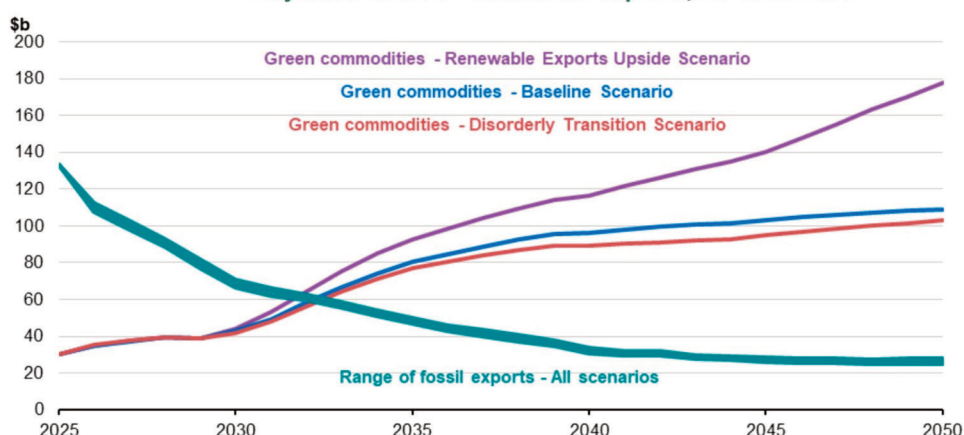
Revenues from Australian fossil fuel exports could fall by more than A\$60 billion by 2030, as the Treasury forecasts a 50% drop in the value of coal and gas sold abroad. Yet, companies Down Under rush to cash in on exporting critical minerals and green fuels instead.

One-third of Australia's goods exports last year were fossil fuels and these exports will fall as trading partners implement their net zero commitments. LNG export revenues are forecast to nosedive from around A\$30 billion in 2025 to under A\$70 billion by 2030, continuing their downward trajectory to less than A\$30 billion by 2050.

Though global demand for LNG is forecast to decline more slowly than coal, Australian gas and LNG production may well fall by 66-68% by 2050, alongside changes in global demand. By comparison Australian iron ore production is projected fall by just 17-18% over the same period.

Analysts at the Treasury reckon the contraction in Australian gas

Projected value of Australian exports, 2025 to 2050



Note: Fossil fuels include coal and LNG. Green commodities are those which are broadly covered by the Future Made in Australia agenda. These include green ammonia, green iron, alumina and aluminium, and raw and refined critical minerals. These projections reflect an assessment of Australia's export potential based on a range of sources. Source: Treasury analysis.

supply and export value will herald upward pressure on global LNG prices, especially if supply tightens in key markets like Southeast Asia.

Back in Australia, lower upstream investment and reduced domestic gas availability may affect gas-burn economics for Australian power generation. An orderly energy transition is believed to place

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Collapse of China's LNG offtakes puts markets in disarray

China's LNG demand collapse – along with strategic stockpiling of oil – have put trade flows and price dynamics in disarray. Imports plunged 20% in the first half of 2025, making Asian spot LNG prices fall from a peak of \$16.50 per MMBtu in February to currently around \$11.34 per MMBtu.

This downturn is driven by weak industrial demand, increased domestic gas output, and soaring imports of competitively-priced Russian gas via the Power of Siberia 1 pipeline, now at maximum capacity.

Rising tariffs and trade tensions with the US, have halted American LNG shipments and redirected Chinese demand to more politically and economically favourable suppliers like Qatar and Indonesia. In total, 2025 full-year LNG imports are forecast to



fall 6–11% from 2024's 76.65 million metric tons, with pipeline and domestic gas growth displacing LNG's role in meeting demand.

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downward pressure on wholesale electricity prices as 'firmed' renewables will be the cheapest form of power generation.

Shift to exporting minerals and green fuels

Putting a positive face on the fall in fossil fuel exports, the Treasury highlights a contrasting boom in green commodity exports – notably green ammonia, lithium, and nickel. A structural shift in export dynamics could help accelerate the global energy transition.

Critical minerals are essential for electric vehicles and energy storage technologies, and Australia is well placed to respond to ris-

ing global demand for these commodities. The Treasury anticipates Australia's critical minerals processing output will increase by more than 170% to 2050.

Green fuels are another new export option. The total value of Australia's green exports – which includes green ammonia, green iron, alumina, aluminium and critical minerals – is projected to reach \$80–93 billion in 2035 and \$109–178 billion in 2050 under the Baseline and Renewable Exports Upside scenarios. These trends reflect assumption that up to 15 million tons of hydrogen will be produced Down Under by 2050.

Transition touted to spur economic growth

Australia's plan to reduce emission is touted to support economic growth, higher living standards and employment.

Under the Treasury's Baseline Scenario, the economy is projected to be 28% larger by 2035 and a staggering 81% larger by 2050, relative to current levels. In dollar terms, the economy will be \$2.2 trillion bigger by 2050, relative to current levels, while real GDP per capital may well be \$12,000 higher in 2035 and \$36,000 higher in 2050. ■

Egypt awaits boost in Leviathan gas deliveries by H1-2026

Egyptian power generators cannot offset chronic fuel shortages, as incremental gas imports from the Chevron-operated Leviathan field will not begin until well into the first half of 2026. Blue Ocean Energy already imports Leviathan gas for Egypt with volumes set to raise from currently 4.5 to 12 billion cubic meters (Bcm) per year by 2033.

A \$35 billion deal with partners in the Chevron-operated Leviathan field stipulates a boost in Israeli gas exports to Egypt where demand is outpacing domestic production.

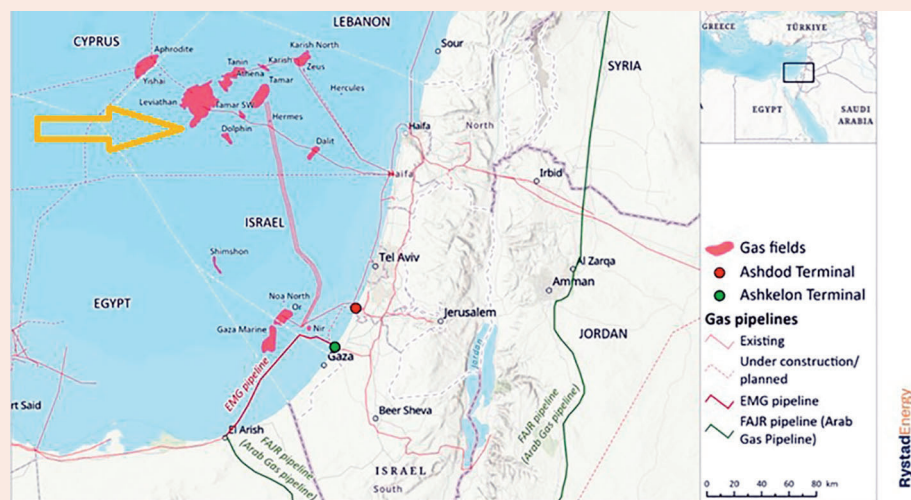
The first increment – raising the annual volumes from 4.7 Bcm to 6.7 Bcm – will begin once infrastructure projects are finished, most likely towards April 2026. Further increases hinge on the Leviathan Phase 1B expansion and progress on the construction of the Nitzana pipeline,

scheduled for completion in 2029.

A growing gas deficit forces Egypt to ration electricity for industry and caused a rush to arrange more LNG imports. The Egyptian Natural Gas Holding Company (EGAS) has chartered 'Energos Winter', a 138,250 cbm floating storage and regasification unit for a 5-year deployment at Damietta terminal. The 'Winter' will operate at Damietta and join the Energos Eskimo FSRU as early as August this year.

Gas imports from the Leviathan off Israel – once stepped up by around June 2026 – should avert the risk of fuel shortages before electricity demand is set to peak in the summer.

Getting more pipeline gas from neighbouring Israel also reduces the need for more costly LNG imports. Egypt had returned to being a net LNG importer last year, spending billions to buy dozens of cargoes. ■



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Traders criticise China's behaviour of creates "blind spots" especially for spot/contract swaps: State energy companies CNPC, PetroChina, Sinpoc and CNOOC have scaled down offtake under long-term volumes to minimum levels and almost disappeared from the spot market. Instead, they are re-selling excess LNG cargoes mostly within the Asia Pacific Basin but also to Europe.

Global LNG exporters are struggling to adapt: Australian sellers are struggling with strained export economics due to a 12–22% drop in Asian spot prices from China's LNG demand collapse.

Qatar, in contrast has gained a greater share of Chinese LNG purchases – but lost pricing power as spot competition intensifies. ■

Sempra sells 45% stake in infrastructure arm to KKR for \$10 billion

Sempra has agreed to divest a 45% stake in its infrastructure arm to KKR and CPP Investments for \$10 billion. By ceding majority control of its energy infrastructure business – including LNG export and midstream assets – Sempra's future earnings will mostly come from regulated utilities.

Once complete, the sale will leave Sempra with just a 25% minority interest in its infrastructure arm, alongside Abu Dhabi Investment Authority's 10% stake, while a KKR-led consortium assumes majority ownership at 65%. The deal is expected to close in the second or third quarter of 2026, pending regulatory approvals.

Scaling down exposure to LNG

The divestment reshapes Sempra's exposure to LNG at a moment of accelerating U.S. export activity:

Though the company took FID on Port Arthur LNG Phase 2 the same day – supported by Blackstone's \$7 billion investment and a 49.9% equity stake – the transaction with KKR and CPP Investments makes clear that Sempra will act more as a strategic minority partner than a balance-sheet anchor for LNG megaprojects going forward. This approach reduces financial risk but also limits direct upside from LNG's expansion into premium global markets.

Going forward Sempra favours earnings from regulated utilities over high-cost, long-lead international energy projects. The company stated the move will strengthen its credit



Construction advances on Sempra's Port-Arthur LNG terminal

position, eliminate the need for new equity issuance, and allow it to achieve a targeted 95% of earnings from regulated operations.

Focus on grids, not flexible power gen

The implications also extend to the power sector. AI-driven electricity demand growth poses an opportunity for U.S. utilities to double down on flexible gas generation

alongside renewables.

But Sempra's repositioning emphasizes regulated rate-base utilities rather than merchant or export-oriented projects. This shift suggests that while Sempra may still benefit indirectly through gas pipeline or grid infrastructure tied to power demand, its capital will no longer be heavily deployed to develop or own large-scale, unregulated gas-fired power projects. ■

Siemens Energy's new transformer factory ready by 2028

Siemens Energy is spending €220 million to expand its transformer factory in Nuremberg, southern Germany, responding to the sharp rise in demand as transformers are crucial for grid expansion. Construction will take place while operations at the factory continue, with the new production areas to be available by 2028.

Transformers connect different voltage levels and integrate fluctuating wind and solar power.

The factory expansion will create 350 new jobs in addition to the nearly 1,000 professionals employed in Nuremberg, where transformers have been manufactured since

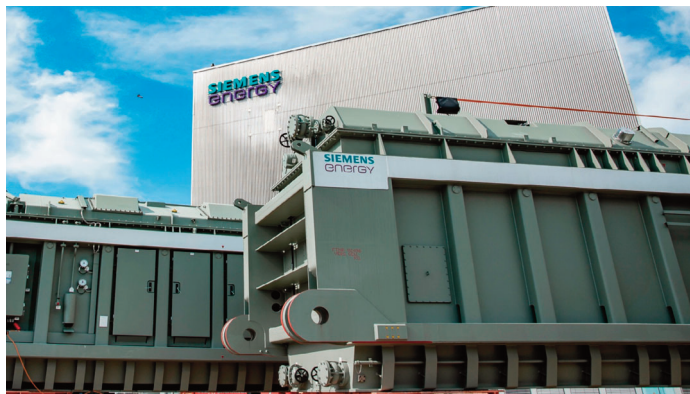
1912. That factory will be scaled up to 16,000 square meters, increasing production capacity by approximately 50%.

The latest €220 million investment comes on top of €90 million announced last year for new converter production facility at the same site. In total, Siemens Energy has invested around €1 billion in

Germany over the past three years.

"Germany remains attractive when business and politics take responsibility together," said Christian Bruch, CEO of Siemens Energy. "Siemens Energy has 113 years of experience in transformer manufacturing in Nuremberg, highly qualified employees with the necessary expertise, and strong infrastructure."

Bavaria is supporting the expansion of the transformer factory with up to €20 million in technology funding. The Bavarian minister president Markus Söder promised the federal state is doing everything in its power to promote the project. "Without industry, Germany has no chance as a business location," he said at the ground-breaking ceremony. ■



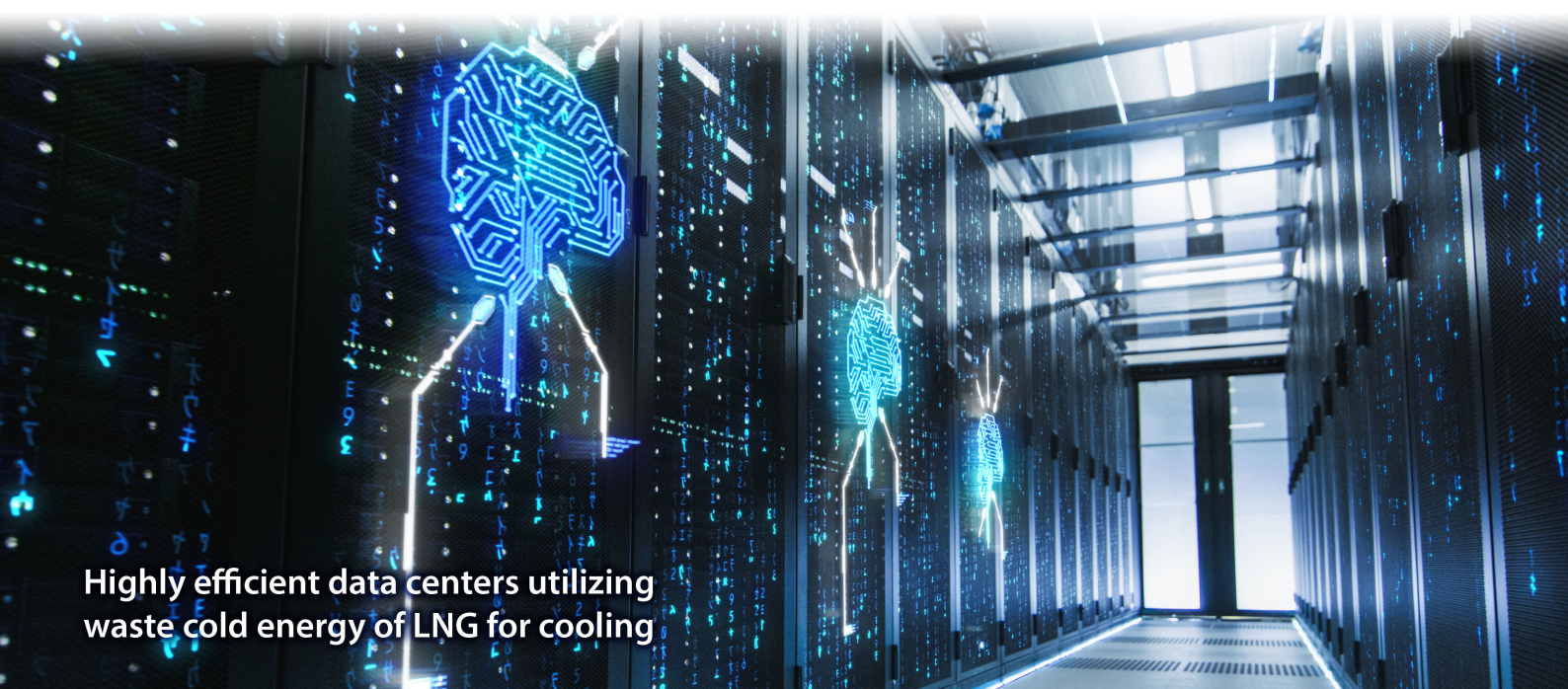
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NRG eyes 1.1 GW plant to power data center in Delaware Basin

NRG Energy and LandBridge are exploring a 1,100 MW grid-connected gas power project in Reeves County, Texas, contingent on securing a power purchase agreement (PPA) tied to a data center. Air permit and interconnection filings are submitted, envisaging an in-service date by end-2029.

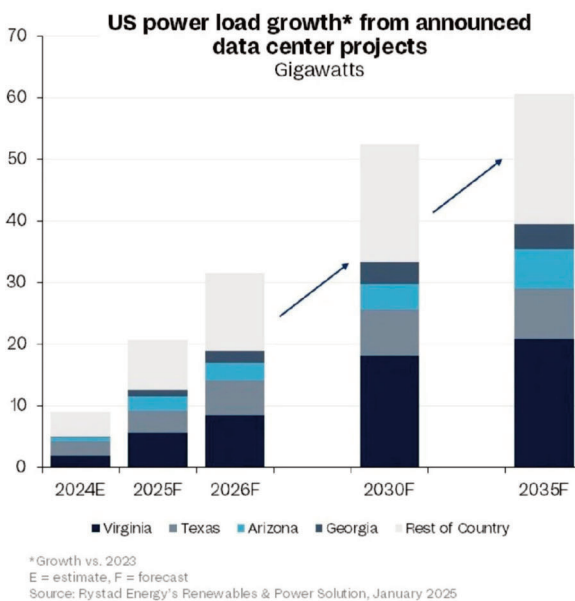
LandBridge owns 277,000 surface acres across Texas and New Mexico, located primarily in the heart of the Delaware sub-region in the Permian Basin, the most prolific region of shale oil and gas production in the US.

Situated adjacent to the Waha Gas hub, the project could secure low-cost gas for power generation and benefit from existing power transmission infrastructure. Should surplus capacity remain beyond the data center load, this electricity could be sold into the ERCOT wholesale market.

Wholesale power prices in ERCOT's West

zone currently average around \$36.61 per MWh for day-ahead settlement in the West Hub. The average real-time price was \$28.84/MWh last year, down from USD 62.79/MWh in 2023, according to ERCOT figures.

Realisation of the project hinges, however, on a large long-term offtaker of electricity. LandBridge CEO Jason Long indicated NRG selected the site with a view to developing critical power supply for a data center project. Negotiations with prospective customers are at an early stage. ■



Gas engine power plant with CCS commissioned in UK Midlands

Rolls-Royce, Landmark and ASCO have commissioned a gas engine power plant including a CO2 recovery system in the UK. The carbon captured from the engines exhaust gases is liquefied and sold to the beverage industry, providing a second revenue stream next to electricity sales.

The 10 MW plant is situated in Worksop, East Midlands. It generates electricity for about 10,000 homes and supplies households in the surrounding area, while capturing up to 30,000 tons of CO₂ annually.

Landmark Power Holdings, a UK-based utility, has developed and will operate the power plant.

Rolls-Royce has supplied six com-

bined heat and power units, based on mtu Series 4000 L64FNER gas engines for the CO₂ recovery power plant. ASCO is responsible for the carbon capturing and processing plant and ensures the production of high-purity carbon dioxide.

The project is a joint venture with Victory Hill, a specialized investor for sustainable energy infrastructure. ■

Everllence supplies engines to Mauritania

China National Electric Engineering Co. (CNEEC) has contracted Everllence to deliver four 18V51/60DF engines for a new 74 MW power plant in Nouakchott, the capital of Mauritania. commissioning is scheduled for late 2026.

The gas-fuelled plant, running on four 18.5 MW engines made by MAN, will help narrow the country's electricity supply gap.

Early-stage production planning is handed in close cooperation with the EPC contractor and the end user to ensure "exceptionally short delivery times" Everllence said — a crucial advantage given Mauritania's urgent energy needs.

The plant will be operated by SOM-ELEC, Mauritania's state-owned utility, which is preparing additional projects to gradually expand national generation capacity.

HA turbines back onstream in Pakistan

Engineers at GE Vernova have completed the first outages of HA gas turbines in South Asia, carrying out work at the 1,230-MW Haveli Bahadur Shah and 1,230-MW Balloki power plants in Pakistan. A third site, the 1,180-MW Bhikki plant, is scheduled for inspection in 2026.

Together, the three plants – commissioned in 2018 and operated by National Power Parks Management Company (NPPMCL) – generate up to 3.6 GW of electricity.

Each outage in Pakistan involved 200 workers over four months, with thousands of incident-free hours logged, GE Vernova said. According to GE, maintenance works will serve as a model for similar turbines in the UAE, Bahrain, and Saudi Arabia. ■



Landmark's gas power plant with CCS in Worksop, UK

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