

## AEC releases *State of African Energy Q2, 2022* report

The African Energy Chamber (AEC) has released its *State of African Energy Q2, 2022* report, providing an oil and gas market outlook, and insight into African exploration, mergers and acquisitions activity.



NJ Ayuk, executive chairperson of the AEC

### The report covers:

- Oil prices and demand, detailing how the cost of Brent crude is currently estimated at \$111 on the back of resilient demand and the risk of a full Russian oil embargo;
- How supply is expected to exceed demand in Q2, 2022 and how the negative economic impact stemming from Russia's war in Ukraine, the ongoing energy crisis and soaring inflation is expected to drive a downside regarding oil demand revision of 800,000 barrels per day for the year 2022; and
- Africa's top producers in 2022 and future production trends.

Regarding gas markets, the report posits that the uncertainty over Russian supplies and sanctions on energy exports are expected to result in higher European liquefied natural gas (LNG) spot prices of over \$30/MMBtu as the expectation is that Europe will import large volumes of LNG. The exit of operators from Russia is expected to result in a revised development timeline for multiple projects in Russia, leading to a drop of cumulative output of 1,435 billion cubic metres over the years 2022–2030.

The sanctions and production drop are also expected to result in a global LNG demand-supply gap of about 120 million tons per annum by 2030. Algeria, Egypt and Nigeria are expected to maintain their positions as the leading gas producers, contributing to over 80% of output. Further details are provided about LNG exports, trade relations in 2022 and beyond and new and upcoming discoveries.



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## Expectations in 2022 and beyond

Expanding on the Q1 report, the Q2 outlook provides a more detailed overview of the African energy industry, looking at exploration trends and challenges, expectations in 2022 and beyond as well as merger and acquisitions.

"The AEC is proud to announce the release of its second report this year, the State of African Energy for Q2, 2022. For investors, the report is critical for gaining the insight needed to sign deals and form partnerships, allowing an expansion across the African continent.

"While for African players, the report highlights new opportunities, identifies ongoing challenges, and lays foundation for growing Africa's energy markets," says NJ Ayuk, executive chairperson of the AEC.

Download the full report [here](#).

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