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‘From Black Gold to Frozen Gas’ Review: A Natural Gas Powerhouse

The discovery of natural gas off the shores of Qatar has transformed this inhospitable Persian Gulf peninsula into a major geopolitical player.

By

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Doha, Qatar. PHOTO: SAURABH DAS/ASSOCIATED PRESS

The authors of “From Black Gold to Frozen Gas” probably didn’t intend it, but they’ve provided grist for an epic miniseries. The new show would be a mash-up of “Succession” and the wildly popular 1983 series

“The Thorn Birds.” But instead of the latter’s multigenerational saga about a farming family’s struggles in the inhospitable Australian Outback, the new show would trace the multigenerational story of one family’s struggles on an inhospitable Persian Gulf peninsula. And it would feature, like “Succession,” the labyrinthine maneuverings of a globe-spanning family business, with all the family intrigue and infighting that ensues. The main difference is that “Qatar” would pivot around natural gas, the single most important energy commodity of the early 21st century.

Michael Tusiani is the chairman emeritus of the energy consulting firm Poten & Partners; Anne-Marie Johnson is an oil-industry journalist. Their book details Qatar’s tortuous journey from former British protectorate to global energy titan.

From Black Gold to Frozen Gas: How Qatar Became an Energy Superpower

By Michael D. Tusiani with Anne-Marie Johnson

Columbia University Press

472 pages

The country declared independence in 1971 and since then has become, per capita, one of the world’s wealthiest nations and a consequential geopolitical player. Its rise began with Britain’s need for petroleum—the black gold of the title—when Winston Churchill, then the first lord of the admiralty, switched the naval fleet off coal in 1911. But, as the authors chronicle, Qatar’s ruling Al Thani family eventually shifted the country’s focus to liquefied natural gas (LNG).

The Al Thanis’ prescient bet on “frozen gas”—LNG must be cooled to minus-261 degrees Fahrenheit to be suitable for ocean shipping—followed the discovery, in 1971, of the world’s largest single natural-gas zone off the shores of Qatar. But it would take more than two decades before that resource could be exploited. Building the necessary infrastructure to supercool gas is complex and capital intensive.

Along the way, Qatar has been rocked by many major events and setbacks: the 1973-74 Arab oil embargo; a massive fire in 1977 that destroyed the country’s key natural-gas facility; the 1979 Iranian Revolution (which launched the region’s era of defense spending); the 1980-88 Iran-Iraq war; the 1990-91 Gulf War; and the 2017 land, sea and air embargo imposed by Bahrain, Egypt, Saudi Arabia and the United Arab Emirates.

In spite of it all, Qatar, with a population and land area roughly the size of Connecticut, has become a dominant LNG supplier to the world, selling more than \$100 billion of the commodity annually and becoming 50% wealthier per capita than the U.S. Mr. Tusiani and Ms. Johnson’s story recounts the myriad negotiations, concessions and deals that Qatar has made to achieve its success, involving companies such as Aramco, Bechtel, Enron, ExxonMobil, Fluor and Shell, as well as the electric utilities in Japan and South Korea.

The book’s denouement comes with its coverage of Qatar’s most recent half-dozen years, when, for both political and economic diversity, the Al Thanis radically expanded their overseas investments in oil and gas exploration and production. Qatar’s operations now include investments and partnerships in Argentina, Brazil, Canada, Congo, Cyprus, Egypt, Guyana, Kenya, Mexico, Morocco, Mozambique, Namibia, Oman, South Africa and the U.S. Among its many projects, QatarEnergy, the country’s state-owned

petroleum company, has teamed with ExxonMobil on the massive Golden Pass LNG export terminal in Texas that is slated to come online in 2024.

Oil may have been “the prize” of the 20th century, but liquefied natural gas is on track to take the title in the 21st century. Solar and wind technology will have an impact and continue to enjoy gushers of subsidies for some time, but consider: Natural gas supplies some 25% of all global energy; wind and solar combined have yet to reach 5%, and building the latter’s hardware depends heavily on China for the necessary refined minerals. Once Qatar completes its expansion plans, its share of global LNG trade will nearly double Saudi Arabia’s share of the petroleum market.

The geopolitics of all this has been made starkly obvious in the aftermath of Vladimir Putin’s 2022 invasion of Ukraine. Europe’s addiction to Russian natural gas posed one of the biggest challenges to the Continent’s delinking from Moscow. Natural gas anchors 40% of Europe’s industrial consumption (and a similar share of residential energy needs). Only two supplying countries were able to fill the void by shipping LNG to Europe: the U.S. and Qatar.

And for those renewable-energy enthusiasts who insist that natural-gas and oil businesses will soon be stranded assets, here’s one critical indicator: If the ambitious wind and solar forecasts for 2030, as laid out by the International Energy Agency, fall short by a mere 10%, filling that gap will require finding an amount of energy equivalent to twice Qatar’s entire current output. Unsurprisingly, Qatar is expanding export capacity by more than 60%, with construction expected to be complete by 2027.

As Mr. Tusiani and Ms. Johnson remind us, it takes business acumen—and no small amount of luck—to exploit the good fortune of resource wealth. Two other tiny nations are currently following Qatar’s path to outsize hydrocarbon prosperity: Norway and Guyana. Both countries have achieved astonishing wealth by pursuing the goal of becoming essential suppliers of the world’s vital energy. The story that is still unfolding is whether the U.S. will continue to be a major player or sink back into dependency.

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