

20 April 2024

Contents

Weekly news roundup (15-19 May)
Publication date: 22 May 2017

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Weekly news roundup (15-19 May)

US and Canada

Canada – Calgary-based LNG developer Pieridae Energy has agreed to merge with compatriot E&P minor Petrolia [1] with a view to creating a new company called Amalco, which would be the first integrated LNG firm listed on a Canadian stock market.

US – With the next OPEC ministerial meeting now just over a week away, oil prices have again been exhibiting extreme volatility [2] despite signs that output cuts by both OPEC and non-OPEC producers have helped to balance the market. Rising US production continues to threaten this balance.

US oil and gas production could hit new record highs in the coming months [3] thanks to a growing number of rigs across the country operating at never-before-seen levels of efficiency.

Cheniere Energy has had “extensive negotiations” with China about increasing US LNG exports [4], in the run-up to the US-China “trade deal” unveiled by the US Treasury last week.

Shareholders have withdrawn a proposal [4] calling for Chevron to report regularly on the risks it faces from climate change mitigation policies, the FT reported this week.

Strong renewables output helped plug the gap left by below-average gas-fired generation [5] in the California power mix in recent months.

A popular ballot on a measure aimed at blocking a proposed LNG plant [6] at Jordan Cove in the north-western US has been overwhelmingly rejected by the electorate.

Detroit-based utility and energy services company DTE Energy has unveiled plans to add 3,500 MW of newbuild gas-fired generation capacity to its portfolio [7], as part of a broader carbon reduction push designed to “fundamentally transform” the company and its operations.

Tellurian has scrapped plans for an initial public offering [8] “due to adverse market conditions”.

Africa

Egypt – The country has started diverting LNG cargoes [9] away from the regasification terminal at Ain Sokhna, amid resurgent domestic gas production that is quelling demand for more expensive liquefied imports.

Mauritania – French major Total has won a new exploration and production contract [4] for a 7,300 sq km block offshore Mauritania.

Asia Pacific

Bangladesh – The government of Bangladesh has shortlisted four firms in an EPC tender [4] for a 3.5 mtpa LNG import terminal at Matarbari on Moheshkhali Island in the Bay of Bengal, according to local reports.

China – Woodfibre LNG and Guangzhou Gas Group are inching closer to building a 2 mtpa peak-shaving LNG terminal [10] in China's Guangzhou city, with reports suggesting that the terminal could come on-stream as early as 2020.

Indonesia – Eni has started up its 1.3 Tcf Jangkrik deepwater gas project [11] located offshore Indonesia a month ahead of schedule, the Italian major said on Monday 15 May.

India – The country's government announced this week it will fast-track 10 new nuclear units [12] with a total capacity of 7 GW.

Iran-India – A high-profile delegation from India met with counterparts in Iran to calm the waters over a mounting dispute regarding development of Iran's Farzad B gas field [8], Shana news agency reported.

Indonesia – BP has signed an agreement with Indonesian state-owned utility Perusahaan Listrik Negara (PLN) for the delivery of 16 LNG cargoes [13] over 15 years starting in 2020.

Malaysia – Affiliates of Malaysian oil and gas company Petronas have signed a non-binding memorandum of understanding [4] with Gas4Sea partners to promote LNG as a marine fuel.

Philippines – First Gen, one of Philippine's largest power utilities, is looking to take at least 30% equity stake in a nascent LNG regasification project [14] proposed by state-owned Philippine National Oil Company (PNOC).

South Korea – South Korea's new President Moon Jae-In has ordered a temporary shut-down of 3.3 GW of coal-fired capacity [15] in a bid to tackle air pollution, raising questions over potential impact on LNG demand.

The Supreme Court has dismissed an appeal by Daewoo Shipbuilding and Marine Engineering (DSME) and nullified the shipyard's patent [8] on a boil-off gas re-liquefaction technology.

Australasia

Australia – The Queensland government has unveiled plans to release fresh acreage for gas development [16] to supply the "hungry" east coast Australian market.

Australian exports of LNG to China grew strongly last month [17], data from the Gladstone Ports Corporation in Queensland reveals, underscoring the growing importance of liquefied gas to the Chinese economy.

Chevron has shut production train one [4] at the Gorgon LNG plant for around a month, according to reports this week.

Origin Energy has agreed to sell the Darling Downs gas pipeline network [8] to Jemena Gas Pipelines Holdings for AUD 392 million (USD 291 million).

Midstream infrastructure business Lochard Energy is suing EnergyAustralia, a division of Hong Kong's CLP Holdings, for up to AUD 967 million (USD 718 million) in damages over the sale of a gas storage facility

[8].

Papua New Guinea – Santos has revealed further positive results [18] from the Muruk 1 exploration well being drilled at a prospective gas resource in the Papua New Guinea Highlands.

Europe

Cyprus – The Cypriot government on Thursday 18 May approved a new proposal [19] by the Natural Gas Public Company (Defa) and the ministry of energy for the import of LNG.

France – The European Commission has approved French plans [20] to award state aid worth nearly EUR 40 million (USD 44.3 million) per year to a 400 MW gas-fired power plant being built in Landivisiau, Brittany.

UK – BP shareholders have overwhelmingly approved a 40% reduced pay packet [8] for the company's chief executive Bob Dudley of GBP 9 million (USD 11.7 million).

The next UK government is increasingly likely to have a strong mandate to intervene directly in the country's energy market [21], with the ruling Conservative and opposition Labour parties setting out interventionist policy pledges in their party manifestos.

Middle East

Oman – Houston-based KBR has won a front-end engineering design and project management contract [8] with Oman LNG in Qalhat, Oman.

Qatar – In April, Qatar Petroleum (QP) announced that the 12-year-old moratorium on further development of the country's North Field was being lifted to allow a new gas project to go ahead in its southern sector. The lifting of the moratorium was only a matter of time. With the projects sanctioned under it now completed, further development is needed to boost Qatar's flagging GDP growth. Read more in our feature [22]

Russia and CIS

Russia – Rosneft and Eni have signed an agreement to cooperate in Russia [4] and abroad in the E&P, refining, trading, logistics and marketing, petrochemicals and technology and innovation sectors.



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