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Weekly news roundup (26-30 June)

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# Weekly news roundup (26-30 June)

## International

Gazprom has begun the installation of deep water sections [1] of the TurkStream pipeline in the Black Sea.

Shell has welcomed calls for companies to disclose risks and opportunities presented by climate change [2], as set out in a report by the respected Taskforce on Climate-Related Financial Disclosures (TCFD).

Rosneft has cranked up the pressure on Gazprom's ambitions to enter the Chinese market by concluding a strategic partnership deal [3] with Beijing Gas.

## US and Canada

**US** – Wastewater injection wells used to produce oil and gas will likely continue causing earthquakes in the central-west US state of Oklahoma [4], despite tighter regulations and a slowdown in drilling causing the frequency of tremors to dip.

ExxonMobil has joined forces with Eagle LNG and supply chain solution provider Crowley to explore the development of LNG marine fuel capabilities [5], seeking to secure its stake in what is building up to become a competitive LNG bunkering market.

ConocoPhillips has agreed to sell off its producing assets in the Barnett shale field [6], Texas to independent natural gas outfit Miller Thomson & Partners LLC, for USD 305 million.

US President Donald Trump this week unveiled a series of ambitious but vague plans to kick-start a “new era of American energy dominance” by expanding exports of fossil fuels and achieving energy independence. Read more in our analysis [7]

Freeport LNG Development has filed an application with the Federal Energy Regulatory Commission (FERC) to construct and operate a fourth liquefaction train [8] at the Freeport LNG export facility in Texas.

The Bureau of Ocean Energy Management (Boem) has awarded 153 tracts [8] receiving bids and rejected 10 high bids for tracts leased in Central Gulf of Mexico Oil and Gas Lease Sale 247.

## Africa

**Mozambique** – Eni has signed a long-term agreement to buy equipment and services [9] from GE Oil & Gas for gas developments offshore Mozambique, starting with the Coral South FLNG project.

## Asia Pacific

**India** – The country's expanding fertiliser, city gas and industry sectors are likely to continue supporting the South Asian country's gas consumption in the next few years, but demand growth will also depend on price fluctuations and India's ability to meet its COP21 targets, according to a paper released this week [10] by the Oxford Institute for Energy Studies (OIES).

**Indonesia** – Finnish corporation Wartsila is to kit out a new 240 MW peaking gas-fired power plant [8] in Indonesia, to be owned by Indonesia's state electricity company Persero.

**Japan** – Japanese buyers could be encouraged to renegotiate USD 600 billion-worth of LNG sales and purchase agreements following a warning from the country's Fair Trade Commission (JFTC) that existing contracts could be in breach of antitrust laws. Read more in our analysis [11]

**South Korea** – A shipment of US LNG is due to reach South Korea this week [12], marking the start of flows from US producer Cheniere Energy to Kogas under a 20-year supply agreement.

Shell's Prelude floating liquefied natural gas (FLNG) facility [13] left the Samsung Heavy Industries shipyard in Geoje, South Korea on Thursday morning.

South Korean energy conglomerate SK Group has penned memorandum of understanding (MoU) agreements [14] with GE and shale driller Continental Resources to jointly develop US shale gas acreage.

KOGAS, the world's second largest LNG buyer, has struck a trio of deals to look at participating in three US liquefaction projects [15], as South Korea shifts its power sector away from nuclear and coal generation.

**Thailand** – The country's state-owned energy company PTT has formed a global LNG trading and marketing joint venture [16] with its E&P subsidiary PTTEP.

#### Australasia

**Australia** – Australia's Santos has completed a two-well appraisal drilling campaign [17] in the Barossa field in the Timor Sea, which could supply backfill gas to the Darwin LNG facility in the Northern Territory.

Woodside is working to restore normal operations [8] at its Karratha Gas Plant in Western Australia after suffering an unexpected outage at the weekend.

#### Europe

**France** – The country is looking to ban new oil and gas exploration [18] in its territory in a largely symbolic policy initiative that is due to be written into law by the end of the autumn.

**Greece** – Wood Group has landed the front-end engineering and design (FEED) contract for the Alexandroupolis floating LNG terminal [8] offshore Greece.

The government of Greece is again trying to privatise DESFA [8] after the previous deal to sell off a majority stake in its natural gas grid operator fell through.

The government of Greece has meanwhile approved applications from a consortium [8] of Total, ExxonMobil and Hellenic Petroleum for oil and gas exploration and drilling off the island of Crete, according to reports.

**Netherlands** – Dutch biomethane and LNG supplier PitPoint.LNG will build Germany's first LNG bunkering station [8] in the harbour of Cologne.

Operators of the Netherlands' largest gas field Groningen have approached the country's courts for a review of a government decision [8] to further cut production.

**Portugal** – The European Commission's Investment Plan for Europe, dubbed the "Juncker Plan", has approved a EUR 29 million loan agreement [8] with Portuguese gas distributor Sonorgas to expand natural gas distribution networks in Portugal.

**Serbia** – Gazprom has met with top brass in Serbia to discuss collaboration on Serbia's gas transmission capacities [8], gas storage and promotion of the use of gas as a vehicle fuel in the country.

**UK** – Last week's decision by Centrica Storage (CSL) to permanently close Rough, the UK's largest gas storage site, after well integrity tests confirmed it is no longer safe for operation, did not come as a surprise. Read more in our analysis [19]

The ramp-up of North Sea decommissioning could make the UK an expert in a sector poised to boom to GBP 35 billion [20] global expenditure over the next decade.

Repsol Sinopec Resources UK has delivered first gas from the Cayley field [21], the third and final new discovery in the redeveloped Montrose Area in the UK's Central North Sea.

UK regulator the Oil and Gas Authority (OGA) is aiming to shave at least 35% off the cost of decommissioning infrastructure [22] in the UK Continental Shelf (UKCS), which currently stands at GBP 59.7 billion (USD 77.5 billion).

Oil exploration company Hurricane Energy has launched a USD 520 million fundraising initiative to develop untapped oil fields [8] west of the Shetland Islands where the North Sea meets the Atlantic.

#### Latin America

**Suriname** – The country's state-owned energy company, Staatsolie, has awarded production sharing contracts [23] (PSCs) for two offshore blocks, offering Block 59 to a consortium of ExxonMobil, Hess and Statoil and Block 60 to Statoil alone.

#### Middle East

**Iran** – The country is shaping up to be the world's top upstream hotspot [24] and an alluring frontier for the next wave of E&P activity thanks to its abundant and underexploited reserves, the Society of Petroleum Engineers' annual conference heard this week.

**Israel** – Israeli company Delek is being tipped to make the largest-ever initial public offering (IPO) [25] on the Tel Aviv stock exchange (TASE) with the launch of a company called Tamar Petroleum, which will use the publicly-raised funds to buy part of Delek's share in the offshore Tamar and Dalit gas fields.



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