

7 May 2024

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Weekly news roundup (30 October-3 November)

Publication date: 06 November 2017

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International

Royal Dutch Shell reported a healthy boost in earnings in Q3'17 [1] results, following in the footsteps of oil majors on both sides of the Atlantic that have swelled quarterly coffers on the back of recovering crude prices.

BP's profit swelled to USD 1.9 billion [2] in Q3'17, up from USD 684 million profit in Q2'17 and USD 1.6 billion a year earlier, after group oil and gas production in the quarter rose 14%.

Moving LNG in standard-sized ISO containers [3] may cost more than in large dedicated carrier trucks, but US-based startup Okra Energy is convinced that it can help make small-scale liquefaction cheaper and unlock stranded assets.

US & Canada

Canada – Federal energy regulator NEB has given a reality check to those still clinging to hopes that Canada may one day become an LNG exporter by removing LNG from its long-term forecasts [4].

US – Dominion Energy will produce first LNG at the Cove Point LNG plant [5] in Maryland this month, according to CEO Thomas Farrell.

Africa

Mauritania – Kosmos Energy and BP's offshore exploration in block C-8 [2] proved disappointing after bearing water rather than oil or gas, while Tullow Oil and Sterling Energy have relinquished [5] offshore Block C-10 [5].

Mozambique – Anadarko has converted its HoA for a 2.6 mtpa LNG supply deal with Thailand's PTT into a firm sales and purchase agreement (SPA) [5], the US company has said.

Nigeria – Volumes of flared gas [5] in Nigeria stood at 12% of total production in August, equating to 920 MMcf/d, up on the 10% in July, the Nigerian National Petroleum Corporation said.

Sierra Leon – The country is set to hold its fourth oil and gas exploration round [2] in January 2018, according to reports.

Asia Pacific

Bangladesh – The South Asian country's largest gas producer Chevron has backtracked on its decision to exit the gas-hungry nation, after the US major cancelled a deal to sell its upstream assets [6] to China's Himalaya Energy.

China – Engie has renewed its contract with CNOOC, providing the FSRU GDF Suez Cape Ann [5] to the port of Tianjin until the spring of 2018.

China COSCO Shipping Corporation is to take a 50% stake in the subsidiary owned by Japan's Mitsui OSK Lines (MOL) that will own and has already signed long-term charters for four LNG carriers [5] serving Novatek's Yamal LNG project.

Pakistan – Oslo-based Hoegh LNG is sticking to plans to supply a [7]n FSRU [7] to a troubled LNG consortium in Pakistan, despite reports that US major ExxonMobil has pulled out of the regas project at the Port of Qasim.

Vietnam – SOCO International, PetroVietnam and SOVICO Holdings have signed a production sharing contract [2] for blocks 125 and 126 offshore central Vietnam.

Australasia

Australia – Australia's federal government has sanctioned a pre-feasibility study to examine the possibility of constructing a gas pipeline [8]out of Western Australia [8] to the gas-starved east coast.

Wheatstone LNG has shipped its first LNG cargo [2]. The 'Asia Venture' LNG carrier departed from the plant in Queensland on Tuesday, and is destined for JERA, one of the project's foundation buyers, in Japan.

Origin Energy's revenue rose 58% year-on-year [2] in Q3'18 following a strong performance from the Australia Pacific LNG project and "higher realised prices across all products".

Inpex has been awarded an exploration permit for block WA-532-P [5], as part of the country's 2016 offshore petroleum exploration acreage release.

New Zealand – H&G Limited, the second largest shareholder of New Zealand Oil & Gas, has approved a takeover approach [2] from OG Oil & Gas after tendering its 9.2% stake in the company.

Papua New Guinea – Horizon Oil has made a strategic move to focus on gas rather than oil and resurrect a long-mooted LNG plant [9] in Papua New Guinea.

US engineering services outfit KBR has joined forces with China's Wison Offshore & Marine to develop a 1.5 mtpa floating LNG liquefaction unit [10] in Papua New Guinea.

Europe

The European Commission is reportedly planning to propose legislation this month aiming to apply third party access rules to offshore gas pipelines [5] running into the 28-member bloc.

Greece – A Total-led consortium has been awarded the right to explore the Ionian hydrocarbon block [5], offshore Greece, the country's energy ministry announced.

Spain – Japanese trading house Sojitz Corporation has bought a minority stake in the Mugardos LNG terminal [11] in north-west Spain from First State Investments for an undisclosed sum.

UK – Independent Oil & Gas is looking to duplicate its low-cost South North Sea hub project by acquiring further fallow discoveries [12] in other areas of the maturing basin, according to two company

executives. IOG has also submitted the field development plan for the Vulcan Satellites hub [2] development to the UK Oil and Gas Authority.

WorleyParsons has acquired most of Amec Foster Wheeler's UK North Sea operations [2] in a deal worth nearly USD 300 million.

UK hydrocarbon reserves could sustain production for a further 20 years [13], but the rate of replacement has dropped to levels of "concern", according to the Oil & Gas Authority.

Total has retreated from the UK's nascent shale sector [14] after offloading its entire portfolio minus a 20% stake in three licences to Ineos, the UK's largest shale acreage holder, for an undisclosed sum.

Ukraine – London-listed JKC Oil and Gas has won its arbitration case against the government of Ukraine [2], which claimed the company owed USD 33.9 million in unpaid taxes.

Latin America & Caribbean

Argentina – Argentina has conducted its first [15]-ever gas swap with Chile [15], with Enarsa sending 2 MMcm of gas through the 9 MMcm/d capacity GasAndes pipeline to Chile's Enap.

Brazil – Top tier IOCs have piled into Brazil's second and third offshore bidding rounds [16], grabbing six of the available eight pre-salt oil and gas blocks that should generate BRL 6.15 billion (USD 1.88 billion) in signature bonuses for the state.

Petrobras has signed a letter of intent (LOI) with BP [5] to evaluate business opportunities in Brazil and abroad covering cooperation on "upstream, downstream, gas transportation and marketing, LNG, oil trading, lubricants, aviation fuel, power generation and distribution".

Curacao – State-owned utility Aqueductra has tapped Finnish technology company Wartsila to supply a 39 MW heavy fuel oil power plant that will eventually be switched to run on LNG [17] when the island nation gets its first LNG terminal.

Venezuela – Struggling Venezuelan NOC PDVSA has drilled its first non-associated gas well [18] in the San Ramón field onshore west Venezuela that will supply much-needed volumes to local consumers.

Middle East

Israel – Energean has concluded its latest supply agreements from [2]the Karish and Tanin gas fields [2], offshore Israel, where the gas potential [5] of the fields has received a boost following an independent assessment.

Iran – Russia is strengthening ties with Iran [19] by signing "strategic" oil and gas deals that will see state-backed majors Rosneft and Gazprom playing an increasingly prominent role in the gas-rich Islamic Republic.

Russia & CIS

Russia – Novatek has increased the proved reserves of the Kharbeyskoye field [5] in the Yamal-Nenets region following exploration drilling.

Russia's Novatek has turned once again to partners in China to help advance its Arctic LNG 2 project [20], by strengthening alliances with China Development Bank (CDB) and Chinese National Petroleum

Company (CNPC).

Turkmenistan – Iran has rebuffed Turkmenistan’s proposal for a gas swap [21] arrangement that would have allowed the cash-strapped central Asian country to sell gas volumes into the Southern Gas Corridor and reach prized European markets.

Markets & prices

Brent crude oil prices hit levels unseen in over two years [22] in late October above the USD 60 mark, as bullish reactions to possible extended output cuts by OPEC and a lower US rig count more than offset the effect of a stronger US dollar.

Brent crude futures continue to gain upward momentum on reports that OPEC members are obeying agreed production limits [23]. The rally has also helped contracts covering the next year and beyond rise considerably.

Henry Hub in the southern US state of Louisiana has become a benchmark for domestic US gas prices thanks in part to its proximity to Gulf Coast LNG projects, but limited pipeline connections nationwide [24] mean that rates on other regional hubs differ drastically.



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