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Contents

Weekly news roundup (20-24 November)

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International

Oil heavy-hitters BP, Eni, ExxonMobil, Repsol, Shell, Statoil, Total and Wintershall have committed to reduce methane emissions from natural gas assets [1] around the world, and encouraged others across the natural gas value chain – from production to the final consumer – to follow suit.

Africa

Algeria – With an economy critically dependent on hydrocarbons, declining oil production and the current price environment, Algeria desperately needs to export gas [2], while continuing to meet the needs of its growing domestic market. Read more in our feature [2].

Equatorial Guinea – Ophir Energy has delayed a final investment decision (FID) on the Fortuna FLNG project [3], stating discussions with Chinese banks regarding financing the project have taken longer than expected.

Nigeria – Nigerian National Petroleum Corporation (NNPC) and Chevron have executed the second and final phase of financing for a joint venture project [4] intended to boost domestic oil and gas production in the Niger Delta.

South Africa – Sasol has followed an ongoing trend among integrated energy firms, announcing a new direction based on smaller investments and scrapping plans [5] for potentially more expensive gas-to-liquids (GTL) projects and Canadian shale gas projects.

Asia Pacific

China – Chinese shipyard and engineering group Wison has teamed up with compatriot power equipment manufacturer Shanghai Electric to develop its floating LNG power generation barge concept [6].

India – India is a huge growth market for electricity, but the high operating costs of LNG-to-power compared to coal and renewables could leave gas far behind in the mix [7], according to the US-based Institute for Energy Economics and Financial Analysis (IEEFA).

Pakistan – The country's second LNG terminal [8] developed by GasPort (PGPL) was inaugurated on Monday, according to minority shareholder Trafigura.

Australasia

Australia – Utility firm AGL Energy has gone to market for LNG to supply its proposed import terminal [9] in Victoria, issuing a request for proposals from global suppliers for a reported 1 mtpa.

US & Canada

Canada – FortisBC has exported British Columbia's first LNG [3], after shipping an ISO container – containing 50 GJ of gas – to China, the company said this week.

US – Environmental lobby group Sierra Club is taking the Federal Energy Regulatory Commission (FERC) to task over its practice of “delaying” requests to reconsider gas pipeline approvals [10] until it is too late in practical terms to stop construction.

EcoPetrol has picked up four blocks in the US Gulf of Mexico [8] as part of the Lease Sale 249.

Europe

Germany – Fortum's latest offer for Uniper [3], valued at around EUR 8 billion, has been rebuffed by the German company, however Uniper is willing to continue talks.

Italy – Italy's largest utility Enel will focus 80% of its 2018-2020 capital expenditure on mature markets [11] in Italy, Iberia and North and Central America, where it aims to upgrade networks and grow renewable power generation.

Norway – Aker BP has formed two new drilling and well alliances [3] with Halliburton, Maersk Drilling and Odfjell Drilling.

Poland – Poland's state-run energy company PGNiG has signed central and eastern Europe's first mid-term US LNG supply contract [12] in a five-year deal with Centrica, which will divert some UK-bound volumes from Cheniere's Sabine Pass plant to Poland.

Spain – Spanish gas-fired power plants are enjoying a fleeting period of strong demand [13] in the country's power mix thanks to nuclear outages in France and a prolonged drought that has curtailed Iberian hydro generation.

UK – North-Sea focused minnow Serica Energy has snapped up BP's stakes in the Bruce assets in a deal that will catapult Serica to being one of the “leading mid-tier independent oil and gas producers [14] on the UK Continental Shelf”.

Wood Group has commenced its contract to act as operating partner of the Scottish Area Gas Evacuation (SAGE) system and Beryl pipeline [8], on behalf of Ancala Midstream Acquisitions.

Ineos has snapped up majority stakes in two exploration licences in the Northern Gas Fields north of the Shetland islands, including four deep-water oil and gas assets in the Lyon cluster which could lead to development of a new gas hub [15].

The UK government has acquiesced to calls from industry lobbyists to allow the tax history of North Sea oil and gas fields [16] to be transferred to new owners.

The UK's latest offshore licensing round has attracted 96 bids [17] for roughly a third of the 813 blocks across the main oil and gas producing areas of the UK Continental Shelf (UKCS) that were on offer under the 30th licensing round.

Latin America & Caribbean

Small-scale LNG is becoming increasingly competitive [18] in power generation and bunkering in the Caribbean and Latin America against dirtier and historically cheaper oil products like heavy fuel oil (HFO), according to US shipping firm Crowley.

Argentina – Argentina is to extend its federal subsidy for domestically-produced gas [19] to the country's southernmost basin in a bid to accelerate output, despite criticism of the policy from state-owned energy company YPF.

Bolivia – State-owned energy company YPFB has concluded two development contracts which could boost gas output by 21 MMcf/d by the early 2020s [20], helping the country meet the rising gas demand of its neighbours.



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