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Weekly news roundup (27 November-1 December)

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CWC World LNG Summit 2017 – Lisbon

Many of the so-called ‘second wave’ of US LNG projects are “running on fumes” [1] since they are not supported by existing revenue streams or abundant early capital investment, Gas Strategies CEO Pat Breen said, adding they face a tougher financing challenge at home and more subdued buyer’s market overseas than the plants that preceded them.

Nigeria LNG’s decade-long expansion aspiration looks set to become reality next year, according to CEO Tony Attah, who said NLNG is targeting FID on the plant’s seventh train [2] in Q4’18.

The majority of LNG headed to Asia will remain indexed to crude oil [3] prices until 2030, though the volume will reduce as more supply from the US and elsewhere comes online, JERA’s senior executive vice president Hiroki Sato told delegates.

Gas-hungry Pakistan needs larger floating storage and regasification units (FSRUs) [4] to underpin gas-fired baseload power supply, GasPort chairman Iqbal Ahmed told delegates.

Outspoken US LNG developer Tellurian claimed it will be able to sell LNG profitably into Asia for USD 4.50/MMBtu [5], based on a Gulf of Mexico post-liquefaction price of USD 3/MMBtu free-on-board.

International

International oil benchmark Brent held steady last week in the lead-up to the scheduled meeting between OPEC and Russia this week in Vienna, but market fundamentals hint heavily at a big potential for price slippage [6] even if the parties agree to continue limiting production next year.

Shell has cancelled its scrip dividend programme and confirmed plans to press ahead with an ambitious share buy-back programme [7] in a series of bold moves that reflect growing optimism driven by recovering global crude prices.

US & Canada

Canada – ExxonMobil has started production at the Hebron project [8] offshore Newfoundland and Labrador.

US – NextDecade has said it is looking to take a final investment decision (FID) for just 9 mtpa [9] of its proposed 27 mtpa Rio Grande LNG plant in Texas, and is working to deliver the plant at a build cost of USD 450/tonne of liquefaction capacity.

Finnish technology group Wartsila is to provide products and solutions for a new articulated tug barge that will supply LNG fuel [8] to cruise ships along the east coast of Florida.

Africa

Angola – Eni has taken over as operator of the Cabinda North block [8] from state-run Sonangol, after increasing its stake in the block from 15% to 48%.

Morocco – Sound Energy has released new estimates of its Sidi Moktar exploration project [10] onshore Morocco that indicates the field could hold up to 11.2 Tcf of gas.

Asia Pacific

Japan – Japanese utility Kansai Electric Power (KEPCO) is preparing to restart two reactors [11] totalling 2.36 GW at its Ohi nuclear power plant in Fukui prefecture early next year after receiving the go-ahead from the local authority.

Malaysia – Petronas' Q3'17 profit swelled [8] to MYR 9.96 billion (USD 2.42 billion), up 63% year-on-year, thanks to higher revenue that was in turn driven by higher oil prices.

Pakistan – Hoegh LNG has scrapped a long-term charter agreement [12] with Turkish outfit Global Energy Infrastructure for a floating storage and regasification unit (FSRU) in Pakistan.

Australasia

Australia – Oil and gas E&P outfit Beach Energy has signed a binding agreement with compatriot Cue Energy to take positions in two permits in a "giant" gas condensate prospect offshore [13] Western Australia, which could provide feedstock for LNG export projects in the region.

Perth-based Buru Energy and Japanese partner Mitsubishi Corporation have scrapped plans to drill at five shale licences [14] after the Western Australia state government effectively annulled the permits while a fracking investigation is completed.

Japanese operator Inpex halted construction work at the Ichthys LNG project [15] last week in Darwin, Australia, following a fatality that has reignited long-running health and safety concerns at the troubled plant, but workers returned to the site [10] days later.

Australian coal seam gas developer Arrow Energy has struck a deal to commercialise a major chunk of its Queensland reserves [16] at the Shell-operated Queensland Curtis LNG plant.

Europe

Denmark – Maersk Oil and its partners in the Danish Underground Consortium have reached FID to decision to redevelop the Tyra gas field [17] in the Danish North Sea – extending production for 25 years.

Germany – The resuscitated prospect of another grand coalition [18] between Germany's ruling Christian Democratic Union (CDU) and the Social Democrats (SPD) will be welcome news to some in Moscow.

Norway – Total has sold interests in two offshore fields [19] on the Norwegian Continental Shelf (NCS) to Statoil as the French major seeks to rebalance its portfolio following its multibillion-dollar acquisition of Maersk Oil.

Poland – Shipyard Remontowa Holding's subsidiary Remontowa LNG Systems has unveiled plans to construct a pilot docking station [10], as part of the logistics terminal in Slawkow.

Romania – UK gas outfit Prospex has made a commercial gas discovery [10] at the Bainet-1 well onshore Romania.

Sweden – The port of Oxelosund has set in motion plans to bring online a small-scale LNG import terminal [20] that will also serve as a Baltic bunkering facility on the country's east coast.

Latin America & Caribbean

Argentina – Statoil has won an exploration license for the onshore Bajo del Toro Este block [10] in the Neuquen basin during Argentina's fifth bidding round.

Venezuela – President Nicolas Maduro has appointed National Guard general Manuel Quevedo to head up state energy company PDVSA [8].

Middle East

Iraq – Baghdad has invited bids for nine new oil and gas blocks [8], five of which are located on the border with Iran, three on the Kuwaiti border and one offshore.

Russia & CIS

Russia – Moscow has granted an official green light to start commissioning of train [10] one of the Yamal LNG project [10].

Uzbekistan – A consortium of investors have signed a production sharing agreement [10] with the government of Uzbekistan to develop the 25 Years of Independence gas field in the south of the country.



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