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Weekly news roundup (4-8 December)

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International

Cyprus, Greece, Israel and Italy have pledged their support for the EastMed pipeline [1], 1,900-km subsea pipe to transport natural gas discovered offshore in the east Mediterranean into the European Union.

General Electric is cutting more than 12,000 jobs across its global power division as part of a wider restructuring in response to challenging market conditions for thermal power generation [2] equipment.

US & Canada

Canada – Hopes of liquefying natural gas in British Columbia took a fresh hit over the weekend when yet another developer pulled the plug on an LNG export project [3] in the province – the third to do so this year.

Canadian power generator TransAlta has signed an agreement with infrastructure outfit Tidewater Midstream to build a natural gas pipeline in Alberta that will accelerate the transition of the country's largest coal plants to run on gas [4].

US – Dominion Energy Cove Point has introduced feed gas into its newly-constructed 5.25 mtpa Cove Point LNG facility [5] currently undergoing commissioning in Lusby, Maryland.

Supermajors Shell, BP and ExxonMobil are among 26 oil and gas companies to sign on to a voluntary industry-led programme to slash methane emissions from US hydrocarbon operations [6].

Chevron has cut its capital and exploratory budget [7] for a fourth consecutive year, and is focusing expenditure on high-impact projects that will boost revenues in the shortest possible timeframe.

Houston-based LNG developer Tellurian hopes to raise USD 100 million in an initial public offering [8] of common stock, to fund its 27.6-mtpa Driftwood LNG project in south-west Louisiana.

ConocoPhillips and Anadarko have submitted bids for acreage in the Arctic National Petroleum Reserve [8] – the only outfits to do so during the latest bidding round.

Africa

Angola – Total and NOC Sonangol have agreed contractual conditions for development of the Zinia Phase 2 field [5], “enabling a commitment to the final investment decision,” the French major has said.

Egypt – Cairo has signed up to a global flaring initiative launched by the World Bank [8] in 2015, Zero Routine Flaring by 2030, pledging to meet targets to reduce gas flaring at production sites.

Mauritania – ExxonMobil has signed production sharing contracts with the government [5] of Mauritania for three deepwater offshore blocks – C22, C17 and C14 – located 124 miles (200 km) offshore.

Asia Pacific

Bangladesh – India's Reliance Power is targeting a final investment decision (FID) by March for the first phase of its major LNG-to-power project [9] in Bangladesh after securing a loan from the Asian Development Bank.

China – The government of China has softened its outright ban on coal burn for heating in northern provinces as a lack of natural gas supplies [10] has left scores of homes and businesses enduring freezing temperatures.

Reports from Beijing indicate state-owned CNOOC is hiring two LNG vessels to store LNG [8] “amid growing concerns that China is facing a winter fuel crisis”.

Japan – Japan Petroleum Exploration Company (Japex) has begun commissioning the Soma LNG terminal [11] in Fukushima prefecture with the arrival of a commissioning cargo from Petronas.

Japanese LNG giant JERA is firming up a potential deal to acquire the LNG operations of French utility EDF's trading arm [12], according to reports.

Australasia

Australia – Australian E&P player AWE has been targeted in a second hostile takeover bid [13] by China Energy Reserve and Chemical Group in as many weeks, after talks between the two companies broke down.

Europe

Estonia – The proposed Paldiski and Tallinn LNG import terminals [14] in Estonia have been removed from the European Union's latest list of 'projects of common interest' (PCI), taking them out of the running for funding and streamlined approvals offered under the scheme.

France – Total and shipowner CMA CGM have signed a major agreement for the supply of “unprecedented” volumes of LNG [15] to fuel nine extra-large newbuild containerships – set to be the biggest such vessels ever built.

Germany – German chemicals giant BASF and L1 Energy, the energy investment arm of LetterOne, have signalled their intention to merge their oil and gas businesses [16] in a letter of intent signed last week.

Italy – Snam has agreed a joint project to “methanise” the island of Sardinia [5], in partnership with Societa Gasdotti Italia and its shareholders Macquarie European Infrastructure Fund 4 and Swiss Life Holding.

Norway – Statoil has confirmed plans to develop the Johan Castberg oil and gas project [17] in the Barents Sea after slashing capital expenditure by more than half to make the venture profitable at a USD 35/barrel oil price.

Shell, Centrica, OMV, Wintershall, DEA and Statoil are among the 11 companies that applied for production licenses in the 24th licensing round on the Norwegian shelf [5].

Production at Aker BP's Tambar offshore oil field [8] shut down last week following a worker fatality.

Middle East

Iraq – Iraq has issued a thinly-veiled warning to Moscow [18] for apparently side-stepping Baghdad in its oil and gas dealings in the Kurdistan Region, after Russian energy minister Alexander Novak claimed there was "no objection" to state-backed players Gazprom and Rosneft forming alliances in Erbil.

Russia & CIS

Azerbaijan – Bahar Energy Operating Company has signed a memorandum of understanding (MoU) with a subsidiary of the Azerbaijan NOC SOCAR to form a partnership to drill [5]deepwater wells in the Bahar gas field [5].

Russia – Novatek and partners have started producing LNG at the first 5.5 mtpa train of the Yamal LNG project [5].

Austrian-based oil and gas outfit OMV has closed a EUR 1.719 billion (USD 2 billion) deal to acquire 25% of Uniper's shares [8] in the Yuzhno Russkoye gas field in western Siberia.



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