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Weekly news roundup (11-15 December)
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International

The World Bank has become the latest financier to announce it will stop funding oil and gas upstream projects [1] after 2019, with the bank stating the move is in line with its strategy to help countries meet the Paris Climate goals.

US & Canada

US – Dominion Energy is poised to receive a Nigerian LNG cargo from Shell [2] at its Cove Point project, as commissioning work steps up a gear at the US east coast liquefaction facility.

ExxonMobil has acquiesced to shareholder demands [3] for increased transparency over climate reporting and related risks to the US oil and gas major's business.

Houston-based Carrizo Oil & Gas has agreed to sell 24,500 net acres in the Eagle Ford shale [4] basin to an unnamed buyer for USD 425 million.

In a fresh challenge to natural gas [5] in California, state regulators are seeking to replace three natural gas-fired power plants with energy storage and clean "preferred resources".

LNG developer Tellurian has closed its public offering [1] of 10 million shares, which raised USD 94.8 million, the company said last week.

US President Donald Trump will soon complete his first full year in office, but despite the contentious leader's promise to "unleash American energy" [6] by slashing redtape, growth in 2017 appears largely to stem from policies implemented under the previous administration.

US shale output growth is likely to dampen oil prices [7] next year, curbing recent optimism following the extension of production caps and this week's Forties pipeline outage, the International Energy Agency has warned.

Africa

Mauritania – Kosmos and BP's latest offshore E&P results have disappointed [4], with the Lamantin-1 well in Block C-12 drilled to 5,150 metres finding only water and residual hydrocarbons.

Mozambique – ExxonMobil has agreed to buy a [4] 25% stake in offshore Area 4 from Eni [4] in a USD 2.8 billion deal that will see the US major assume responsibility for midstream operations.

Asia Pacific

China – The Asian Infrastructure Investment Bank has approved its first loan for a project in China aimed

at boosting the country's coal-to-gas switch [8], which was hit by a setback the week before when the government softened its ban on coal burning for heating due to a lack of gas supplies.

South Korea – Samsung Heavy Industries has replaced its chief executive [4] following a warning last week of losses that wiped a third off its market value.

Australasia

Australia – Australia's Mineral Resources has swooped to acquire gas producer AWE [9] just days after China Energy Reserve and Chemical Group increased its offer for the developer of the Waitsia gas project in Western Australia.

The recent spate of pledges by Australian LNG exporters [10] to supply gas volumes into the east coast domestic market have averted a looming supply crunch but structural issues remain in eastern and southern states, the country's competition watchdog warned.

Cue Energy Resources has agreed to extend BP's option to acquire a 42.5% stake in the WA-359-P permit [4] to 25 April, 2018.

New Zealand – New Zealand Oil & Gas has received approval from the Overseas Investment Office and from New Zealand Petroleum & Minerals to purchase Mitsui's 4% stake in the Kupe field [4].

Europe

European gas prices [11] rocketed [11] last week amid an already-tight gas market following outages at the Baumgarten hub in Austria due to an explosion at the plant, and the discovery of a crack in the UK's Forties pipeline system that led to a prolonged shutdown. Gas flows at Baumgarten resumed [12] the following day, providing relief to Italy which had declared a state of emergency [13]. However, the Forties pipeline system in the North Sea remains shut and is costing GBP 20 million/d [12], according to industry estimates.

UK / Netherlands – The BBL pipeline [14] which sends gas from the Netherlands to the UK will permit gas flows in both directions from the autumn of 2019, following increased demand to transport gas from the UK to the European continent and the closure of the UK's largest gas storage facility.

UK / Norway – Centrica and Bayerngas Norge have launched their E&P joint venture Spirit Energy [4], after agreeing to form the venture in the summer.

Norway – Skangas has signed a letter of intent with Grain LNG to source gas at the UK's Isle of Grain import terminal for small-scale reloading of LNG carriers and [15] bunkering [15].

UK – Private equity fund Antin Infrastructure Partners has ramped up its pipeline portfolio in the North Sea following separate deals with Premier Oil, Centrica and Perenco to acquire a combined 65% stake in the Esmond Transportation System [16] pipeline.

Middle East

Iran – Gazprom has signed a series of agreements [1] in Iran including a memorandum of understanding with Oil Industry Pension, Saving and Staff Welfare Fund to explore the possibility of joining the Iran LNG project.

Lebanon – A consortium led by France's Total, Italy's ENI and Russia's Novatek have won rights to explore two

[17]offshore blocks [17] in the country's first licensing round in three years.

Russia & CIS

Russia – Novatek is aiming to slash costs at the proposed Artic LNG 2 plant [18] by as much as 30% compared to its maiden Yamal LNG plant, with the Russian independent planning to spend up to RUB 2.8 trillion (USD 47.6 billion) on domestic LNG projects to 2030.

The first cargo from Russia's Yamal LNG [19] plant has set sail three days after it was loaded and is heading to the UK.



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