

26 April 2024

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Weekly news roundup (12-16 February)
Publication date: 19 February 2018

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Analysis

East Asian LNG spot prices may have eased slightly since last month, but unseasonably cold weather [1] across the region continues to keep swap prices for March above the USD 10/MMBtu mark.

US President Donald Trump's long-awaited infrastructure plan [2] envisions a big federal push for new pipelines, a tighter power grid and streamlined permitting processes, but lawmakers must first decide where to source the cash.

International

"Colossal" growth in US shale oil production [3] has deflated the bubble of oil price optimism that greeted the new year, the International Energy Agency said in its latest monthly market report.

Eni's operations in Africa were the main driver for the company achieving record hydrocarbon production in 2017, with the continent expected to be the main contributor to Eni achieving another record breaking year for production [4] this year.

US & Canada

Canada – TransCanada has opted to proceed with a USD 2.4 billion expansion of its NGTL pipeline [5] system [5] which will increase capacity by 1 Bcf/d.

US – Houston-based NRG Energy has sold a major chunk of its renewables portfolio [6] to Global Infrastructure Partners as part of divestments worth USD 2.8 billion, as NRG shifts back to fossil fuels.

LNG exporter Cheniere has been forced to close two leaking storage tanks at [7]the Sabine Pass LNG plant [7] in southern Louisiana, but the volumes of LNG coming out of the facility have not changed, the company said.

Crowley Fuels subsidiary Carib Energy has signed a multi-year supply contract with Pivotal LNG to transport LNG in ISO containers [8] from the south-east US to Puerto Rico, where pharmaceutical companies will use the gas.

Total and GTC Technology have agreed to partner on developing a natural gas conversion process [8], which the pair claim will use less energy to manufacture the raw material used to make plastics.

Noble Energy has exited the Gulf of Mexico [5] after selling its offshore assets to Fieldwood Energy for USD 710 million, saying the move will allow a stronger focus on the onshore US and Mediterranean regions.

Africa

Algeria – Sonatrach and Saipem have ended long-running litigation [9] related to four projects in Algeria, with the agreement expected to pave the way for future collaboration in the North African country.

Egypt – BP is continuing with its impressive development pace in Egypt after bringing the offshore Atoll gas field online [10] seven months ahead of schedule and a third cheaper than expected.

Mauritania / Senegal – The governments of Mauritania and Senegal have signed a cooperation agreement giving US-listed Kosmos Energy rights to develop the prosperous Tortue field [11], which will feed its proposed LNG project.

Asia Pacific

China / Philippines – Chinese and Filipino diplomats met in Manila to discuss possible cooperation in E&P in the South China Sea [8] “without prejudice to their respective positions on sovereignty, sovereign rights, and jurisdiction”.

Malaysia – Shipper MISC said it expects the LNG tonnage oversupply to continue [8] this year, weighing on profits for shippers.

Sri Lanka – The south Asian island nation depends on expensive energy imports for power generation, but the government is now keen to fast-track 1,000 MW of gas-fired capacity within the next three years. Read more in our feature [12]

Australasia

Australia – Woodside has agreed to buy a majority interest in the giant Scarborough field [13] in the Carnarvon Basin offshore Western Australia, which the company hopes will feed its Pluto LNG plant.

GLNG operator Santos has concluded another domestic gas supply deal [5], this time providing 9 PJ (8.5 Bcf) to New Century Resources over the next four years.

Papua New Guinea – Total and PNG's Kumul Petroleum have signed a binding heads of agreement to jointly market their share of production from the proposed Papua LNG project [5].

Europe

EU – European Council President Donald Tusk has called on Turkey to respect the territory of EU member states and avoid tension, after Turkish military ships blocked Eni's drill rig [14] from moving to a new exploration site offshore Cyprus.

Germany – Nauticor has conducted the largest-ever LNG bunkering operation [8] in Germany at Brunsbüttel – the proposed site for an LNG terminal that would cater for LNG bunkering.

Russian gas giant Gazprom has filed an arbitration claim against [15]Uniper [15], one of the partners in the Nord Stream 2 project, in relation to gas pricing under existing contracts.

Italy – The Italian government has approved the development of a small-scale LNG project at the port of Ravenna [16] on Italy's east coast which will include an LNG bunkering facility.

Norway – Statoil has awarded a USD 481 million contract to Kvaerner, which includes the construction and installation of the topside structure of an FPSO at the Johan Castberg field [8] in the Barents Sea.

Poland – State-controlled firm PGNiG has discovered new deposits at its largest producing gas field [17] which it says will extend the life of the maturing Przemysl field and "greatly contribute to increasing Poland's energy security".

UK – The development of the UK shale industry has been called into question after a leaked government report [18] came to light which lowers fracking expectations.

London's Court of Appeal made a major ruling last week stating two Nigerian communities cannot pursue Shell [19] through English courts over oil spills in Nigeria's Delta region.

Latin America & Caribbean

Peru – LNG exports from the country's sole LNG terminal have reportedly been suspended due to a lack of gas supply [5] after a pipeline ruptured after a landslide caused by heavy rains.

Middle East

Oman – Saipem has been awarded an engineering, procurement, construction and commissioning contract worth USD 750 million to help build the Duqm Refinery [5].

Russia & CIS

Russia – Saudi Arabia and Russia may finalise an agreement on Novatek's proposed Artic LNG 2 project [5] this June, Russia's energy minister Alexander Novak was quoted as saying this week.

Gazprom has announced plans to build two small-scale LNG production facilities [5] to provide fuel for locomotives owned by Russian Railways.



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