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Contents

Weekly news roundup (20-24 August)
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Gas Strategies Group

10 Saint Bride Street
London UK
EC4A 4AD

ISSN: 0964-8496

T: +44(0) 20 7332 9900
W: www.gasstrategies.com
Twitter @GasStrategies

Editorials

+44(0) 20 7332 9957
editor@gasstrategies.com

Subscriptions

+44(0) 20 7332 9976
subscriptions@gasstrategies.com



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Analysis

The Australian government's latest energy and climate policy meltdown [1] is unlikely to nudge the country's power sector away from coal to renewables, leaving gas-fired generation on course for only limited gains post-2030, regardless of decisions being taken in Canberra.

Gas demand is booming in South Asia, but without state support, that bullish outlook may not extend into the power sector because generating electricity with coal remains far cheaper [2] than with LNG – and forward curves suggest this gulf will widen.

International

UK-based thinktank Carbon Tracker has hiked its near-term carbon price forecast and declared the coming rally could see gas-fired power eclipse coal [3] across continental Europe.

Shell is trialling its new 0.5% “very low sulphur marine fuel oil” at ports in Europe, Asia and the US which – if widely adopted – could prove more economically attractive than LNG [4] as a marine fuel option.

US & Canada

Canada – Pieridae Energy has secured an upstream position in Alberta after agreeing to purchase Ikkuma Resources [5] through a share offering.

US – President Donald Trump's new flagship energy policy intended to halt the decline of coal-fired electricity may actually accelerate the shift toward [6] gas and renewables [6] in the US generation mix, according to data from his own administration.

The Mountain Valley and Atlantic Coast pipelines have won the first of several challenges [7] after Virginia's Water Control Board dismissed a bid by environmental groups and local residents to rescind permits granted to the projects.

Minnesota utility CenterPoint Energy Resources is to offer retail customers the option of paying more for renewable [8] natural gas [8], under a five-year pilot intended to boost downstream demand for “green gas”.

Africa

Ghana – Gas production has started [5] from the Sankofa gas field in the Offshore Cape Three Points project.

Asia Pacific

China – The largest government-owned energy company in China's Zhejiang province has acquired a controlling stake in Wenzhou LNG [9], the second import terminal proposed for the south-eastern province.

CNOOC has posted its best H1 profit in three years [10] thanks to increased crude prices and boosted gas sales, but said it will hike investment in exploration and production in H2 to boost stagnant production.

Thailand – State-run power company EGAT is reportedly testing the LNG market for supply [11] from next spring, which could lead to the company's first foray into direct LNG imports.

Australasia

Australia – Australian Industrial Energy has moved one step closer to establishing Australia's first LNG import terminal after signing an agreement with Hoegh LNG for a floating storage regasification unit (FSRU) [12] for its Port Kembla gas terminal project in New South Wales.

Santos has agreed to purchase compatriot producer Quadrant Energy [13] for USD 2 billion in a bid to deliver its promise to shareholders to “transform, build and grow” the company following the rejection of Harbour Energy's takeover bid earlier this year.

Scott Morrison has become the latest prime minister after current PM Malcolm Turnbull fell victim to a leadership contest set in motion by contentious [5] energy policy [5].

Europe

France – GasLog has signed two seven-year charter agreements with Cheniere [5] for two LNG carriers.

UK – Premier Oil has pulled the trigger on the Tolmount gas development [14] in the Southern North Sea after rolling out an innovative financing model that could benefit other independent players in the maturing basin.

Ithaca Energy has agreed to buyout Petrofrac and Dyas UK's interests in the Greater Stella Area development [5] in the North Sea, giving it full ownership.

Latin America & Caribbean

Trinidad & Tobago / Venezuela – Venezuela is set to conclude a landmark [15] gas agreement [15] covering supply from the offshore Dragon field to Trinidad & Tobago, potentially opening the door to larger volumes flowing to the gas-starved Caribbean island nation.

Panama – Panama has signed a memorandum of understanding to broaden the nation's role as a US LNG hub [16], on the same day that AES inaugurated Central America's first LNG terminal on Panama's Caribbean coast.

Venezuela – State-owned energy company PDVSA has reached a USD 2 billion settlement with ConocoPhillips [5], in line with an arbitration tribunal award in favour of the US company.

Middle East

Iran – Total's confirmation it has quit Iran and is exiting the South Pars 11 gas project throws the doors wide open for CNPC to take over and expand China's footprint [17] in the Middle East.

South Asia

Bangladesh – Bangladesh has finally achieved its first gas imports [18] after Excelerate Energy completed the commissioning of the country's first floating storage regasification unit (FSRU) some four months after the vessel – laden with its maiden cargo – arrived in the Bay of Bengal.



Consulting

+44 (0) 20 7332 9900
consult@gasstrategies.com



Alphatania Training

+44 (0) 20 7332 9910
training@gasstrategies.com



Information Services

+44 (0) 20 7332 9976
subscriptions@gasstrategies.com