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Weekly news roundup (17-21 September)

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Gastech 2018 – Barcelona, Spain

LNG sellers should not peg their fortunes to China [1] despite vertiginous demand growth trajectory that saw the country usurp South Korea as the second largest LNG importer in 2017, Woodside CEO Peter Coleman said at the Gastech conference.

The European Commission's ability to subsidise strategic gas and LNG infrastructure [2] as 'projects of common interest' has been cast into doubt by a recent World Trade Organisation ruling, according to legal firm E&A Law.

Russian LNG player Novatek is drawing up bullish long-term ambitions to develop as much as 100 mtpa of liquefaction [3] export capacity on the Yamal Peninsula after initial drilling indicated resources greater than 3.3 Tcm.

LNG project developers must adapt to the rapidly changing LNG market and recognise the threat of downstream liberalisation facing many Asian buyers, Gas Strategies managing consultant Gary Regan said at Gastech [4].

Novatek and Russian nuclear energy company Rosatom are developing a fleet of LNG powered ice class breakers [5] to transport LNG from Yamal and the proposed Arctic LNG 2 project to markets in Bangladesh, China, India and Pakistan.

Analysis

China has softened its threat of a 25% import tariff on US LNG [6], setting a 10% rate that many US exporters hope will allow Chinese buyers to return to the market for American gas.

International

Shell has set a tough new methane emissions intensity target [7] for its oil and gas assets globally and relinquished a swathe of exploratory acreage in western Canada for conservation purposes, as it seeks to burnish its environmental credentials and mitigate climate risks.

ConocoPhillips and US contractor KBR have joined forces to develop a standardised mid-scale train for modular LNG projects [8], claiming the new technology will lower costs and expedite project delivery.

US & Canada

US – Highly-leveraged shale operators have welcomed a decision by the Trump administration to roll back an Obama-era rule to impose potentially costly methane leak monitoring [9] and mitigation measures that threatened to eat into slender profits.

Pipeline constraints for associated gas [10] produced in two booming US shale basins are biting hard, with possible implications for Bakken and Permian producers.

Africa

Egypt – SDX Energy is looking to become a major player in Egypt after confirming it is in talks with BP to acquire a “significant package of assets” [11] in the country from the British major via reverse takeover.

Asia Pacific

China – The Chinese government has drawn up a raft of measures aimed at improving resilience of gas production [12], distribution, supply and commercialisation to avoid shortages experienced during last winter’s heating season.

DNV GL is working with Chinese marine engineering firm Dalian Shipbuilding Industry Company to develop a new LNG-fuelled ultra-large container vessel [5], reports indicate.

Singapore – The American Bureau of Shipping has been selected to class what is expected to be south-east Asia’s first LNG bunkering vessel [5] – expected to come into service in Singapore in 2020 – and signed agreements to further advance LNG bunkering in the region.

Europe

EU – A US Department of Energy official has highlighted infrastructure constraints to increasing US LNG [13] market share in Europe – but omitted to mention the price disadvantage of seaborne volumes over pipeline flows from Russia and Norway.

Cyprus – Cyprus took an important step towards exports from the 4.5 Tcf Aphrodite field [14] to Egypt by signing a pipeline agreement with the North African country this week, but the largest commercial obstacles to Cypriot gas exports still lie ahead.

Italy – Two so-called ‘middlemen’ have been found guilty of corruption [15] for their part in the corruption case involving Shell and Eni in Nigeria.

Spain – Enagas has contracted Spanish engineering firm Ayesa to redesign the mooring jetty at the Port of Huelva LNG terminal to allow LNG bunkering for small-scale vessels [5], as well for vessels to be loaded with LNG for subsequent ship-to-ship bunkering.

Spanish engineering firm SENER has received an in-principle approval for two proposed LNG bunkering vessels [5] from classification body DNV GL.

Spain’s Caixabank is divesting its 9.4% stake in oil major Repsol [15] bowing to regulatory pressure for it to focus on its core banking business.

Latin America & Caribbean

Mexico – Oil and gas regulator CNH has called for the incoming administration headed by populist fracking opponent Andres Manuel Lopez Obrador to develop the country’s substantial unconventional gas resources [16] to help bridge a widening energy trade deficit.

Panama – Shell has reportedly signed an LNG supply deal [17] with subsidiaries of Chinese investment

firm Shanghai Gorgeous that are developing Panama's second LNG-to-power plant.

Russia & CIS

Russia – Russian shipping company Sovcomflot has ordered two more next-generation LNG-fuelled Aframax tankers [5] – bringing to eight the number of such vessels the company has on order.

South Asia

India – India has introduced a new blueprint to boost production and uptake of electric vehicles to represent 15% of the market [18] within the next five years, reports suggest, with potential long-term implications for India's budding natural gas vehicles sector.



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