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Weekly news roundup (15-19 October)

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Analysis

CNOOC, the largest LNG importer in China, has leveraged its considerable market power to renegotiate the price of long-term supply [1] from Total – the world's number two LNG portfolio player.

International

IOCs and independent producers are pushing to make LNG more affordable for price-sensitive Asian consumers [2], amid concerned about the long-term appeal of LNG, Cheniere Energy's Andrew Walker told delegates at CWC's Asia Pacific LNG Summit in Singapore.

Chemical tanker owner AET has inaugurated its first LNG dual-fuelled Aframax vessels [3], Eagle Brasilia and Eagle Bintulu, at a signing ceremony at Samsung Heavy Industry's shipyard in South Korea.

US & Canada

Canada / US – A rupture on the Enbridge gas pipeline [4] in British Columbia has disrupted energy markets on either side of the US-Canada border, and the situation could continue for months.

US – Polish gas firm PGNiG has signed binding terms to purchase volumes from [5] two LNG plants [5] under development by Venture Global.

The Federal Energy Regulatory Commission has issued a draft environmental impact statement [5] for NextDecade's Rio Grande LNG [5] project in Texas.

Commonwealth LNG has contracted TechnipFMC to provide engineering services and develop a resources report for a proposed 8.4 mtpa LNG plant [5] in Louisiana.

Africa

Egypt – State-backed EGAS has reached an agreement with Hoegh LNG to end deployment of the Gallant [6]FSRU [6] 18 months early and is facing a similar situation next year for its other floating storage and regasification unit as Egypt aims to end LNG imports.

Mozambique – Eni has won a contract to explore and develop [5]a deepwater block [5] in the Northern Zambezi basin, 1,500 km north-east of Maputo.

Asia Pacific

China – ExxonMobil has signed heads of agreement for a 20-year LNG supply deal [7] with government-owned Zhejiang Provincial Energy, brushing aside questions over where it intends to source the volumes.

South Korea – South Korean shipping company H-Line has ordered what is thought to be the world's largest dual-fuel bulk carriers [3] for a reported USD 128.5 million.

Europe

Denmark – Shell has become the latest supermajor to bow out of late-life European assets by selling its Danish upstream interests [8] to Oslo-listed Norwegian Energy Company ASA (Noreco).

Estonia / Finland – Shipping company Tallink Grupp has signed a letter of intent to build a new LNG-fuelled [3] shuttle ferry [3] between the Estonian and Finnish capitals of Tallinn and Helsinki.

Germany – Russia's Novatek and Belgian TSO Fluxys have signed a land lease agreement to build a mid-scale LNG trans-shipment terminal [3] in the port of Rostock in northern Germany, which will offer LNG bunkering services in addition to LNG distribution via trucks.

Italy – Tug operator Rimorchiatori Riuniti Panfido has signed a contract with Spanish engineering firm SENER to provide basic engineering and technical support for an LNG bunker vessel [3].

Norway – Equinor has sold its stake in the Tommeliten discovery [5] on the Norwegian Continental Shelf to Polish state-backed PGNiG.

UK – The prospect of the UK leaving [9] the EU Emissions Trading System [9] in the event of a no-deal Brexit threatens renewed price volatility and a coal resurgence at the expense of UK gas-fired generation, while the government has urged companies on both sides of the English Channel to develop robust contingency plans [10] for the “unlikely” event of a no-deal Brexit.

ScottishPower claims to have become the first vertically-integrated [11] UK energy company to stop thermal generation [11] after agreeing to sell over USD 900 million worth of assets to Drax Group, although the company will retain some gas storage and land where a CCGT was planned.

UK industry lobby groups have welcomed a parliamentary investigation into gas security [12] on the back of supply concerns following the closure of the Rough storage facility and last winter's cold snap that tightened the supply-demand balance.

Independent Oil and Gas has announced that its Goddard licence in the UK Southern North Sea contains an estimated 108 Bcf [5] of 2C gas resources.

Latin America & Caribbean

Venezuela – Shell is poised to scale back its activity in Venezuela's oil sector after agreeing to sell its 40% stake in a joint venture [13] with state-owned PDVSA – days after Shell's CEO said the company's core business will centre around natural gas.

Middle East

Iraq – GE's ailing power business has received a reprieve after the US government reportedly stepped in to secure the company a slice of a USD 15 billion contract from Iraq to build out 11 GW of mostly gas-fired generation capacity [14] in the country.

United Arab Emirates – The UAE might need to import more gas [15] to keep the lights on due to fresh problems at the delayed Barakah nuclear plant, where Korea Electric Power Corporation has reportedly halted work after discovering cracks in reactor containment walls.

Russia & CIS

Russia – Lukoil has commenced construction of infrastructure at the Rakushechnoye field [5], the Russian company's third-largest project in the Caspian Sea.

South Asia

Bangladesh – Petrobangla has apparently lost a [16]n FSRU-based LNG terminal [16] proposed in partnership with Reliance Energy that would have provided 500 MMcf/d of much-needed imports – raising concerns of a widening supply-demand gap in the country.

India – Total is reportedly “very interested” in investing in India's burgeoning gas market [17] by acquiring a stake in integrated player Adani Group's gas and LNG infrastructure, which would give the French major a handy new outlet for its growing LNG portfolio.



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