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Weekly news roundup (4-8 February)  
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# Weekly news roundup (4-8 February)

## Analysis

The Anadarko-led Mozambique LNG project is set to test lender appetite towards granting finance underpinned by non-standard offtake contracts, after concluding a series of long-term supply deals [1] last week that leave the project on the cusp of a final investment decision (FID).

The decision by Qatar Petroleum and ExxonMobil to splurge over USD 10 billion to build the Golden Pass LNG plant in Texas cements the partners' blossoming relationship and underscores the growing appetite of oil majors to invest [2] in new liquefaction projects. The two companies added to the growing list of sanctioned US liquefaction projects after taking FID on the 15.6 mtpa plant [3] on Tuesday.

The Green New Deal [4] unveiled last week by a climate-campaigning fringe of the US Democrats sets the radical goal of meeting 100% of US power demand from “clean, renewable, and zero-emission” sources in just ten years. The target is widely seen as unrealistic, but the plan will inevitably shape party policies ahead of the 2020 election season.

## International

BP has outpaced its oil major peers Shell and ExxonMobil by more than doubling 2018 full-year profits [5] despite the oil price downturn in Q4, reflecting higher liquids and gas realisations, higher production and lower exploration write-offs.

A “significant” drop in oil prices in Q4’18 weighed on profitability, Norwegian energy major Equinor said in its quarterly and full-year results, and revealed a somewhat bleak production outlook for 2019 [6] and beyond.

## Africa

**Angola** – Seadrill and Sonangol have entered into a 50:50 joint venture [7] that will operate drillships [7] focused on offshore Angola.

**South Africa** – Total has made a “significant gas condensate discovery” offshore South Africa [8] that could breathe new life into the country’s stagnant exploration programme by encouraging adjacent acreage holders to drill more wells.

## Asia Pacific

**Japan** – Tokyo Electric Power and Chubu Electric Power are set to integrate their thermal power generation business [7] into the JERA joint venture and install Chubu Electric executive VP Satoshi Onoda as JERA’s president.

## Caribbean

**Trinidad and Tobago** – Trinidad and Tobago plans to make 2019 a bumper year [9] by bringing new gas

fields online, launching a new deep-water licensing round and re-examining development of marginal fields holding an estimated 3-5 Tcf.

### **Central & South America**

**Guyana** – ExxonMobil has made a gas condensate discovery offshore Guyana [10], breaking the trend of oil finds in the region and hinting at future potential for gas exports from the South American nation.

**Venezuela** – Customers of beleaguered Venezuelan state oil company PDVSA are seeking clarity to ensure they don't fall foul of "ambiguous" sanctions imposed by the US [11], with Trinidad and Tobago the latest to voice concern over the status of natural gas.

### **Europe**

**Croatia / Hungary / Italy** – LNG Croatia has reached FID on phase one of the country's first [12] LNG terminal [12], but offtakers have only contracted 20% of its capacity and hopes of securing Hungarian buyers are fading as Budapest pushes for a new interconnection with Italy.

**Germany** – Berlin and Moscow have received a reprieve over ongoing proposals to amend EU energy laws after Paris reportedly agreed to backtrack on oversight of new offshore pipelines, effectively handing Germany greater control over the Gazprom-led Nord Stream 2 project [13].

**Romania** – Independent upstream player Black Sea Oil & Gas has taken a final investment decision (FID) on [14]the USD 400 million Midia gas project [14] in the Black Sea, amid intense lobbying to ease taxes on offshore production.

**UK** – The Scottish Affairs Committee has called on the government to back an "ambitious" sector deal that proposes GBP 176 million investment in Scotland's oil and gas industry [15] to unlock up to GBP 110 billion of potential value by 2035.

Swiss chemicals giant Ineos has accused the UK government of reneging on a promise to review its "absurd" cap on seismicity for hydraulic fracturing [16], and warned sector-wide investment in shale gas is now at risk.

Cuadrilla Resources is also ratcheting up pressure on the government to review fracking regulations [17] after announcing "highly encouraging" test results from the UK's first horizontal shale gas well.

However, the future of the UK shale gas industry is in doubt after the government reiterated that it has "no plans" to review fracking regulation [18], dealing a blow to shale operators who argued current legislation is "unworkable".

### **Middle East**

**Jordan** – Egypt has officially resumed exports to Jordan via the Arab Gas Pipeline [19], as part of a new agreement that could see Jordan slash LNG imports by more than a third.

**UAE** – ADNOC has awarded the dredging, land reclamation and marine construction contract to build multiple artificial islands – for first phase development at the Ghasha concession [7] – to the UAE's National Marine Dredging Company.

### **North America**

**Canada** – The government of British Columbia is starting a new reconciliation process [7] with the Wet'suwet'en hereditary chiefs, who oppose the construction of TransCanada's Coastal GasLink pipeline.

**US** – Midstream player Tallgrass Energy is in line for a bumper cash injection [20] from the world's largest infrastructure fund [20] – held by private equity firm Blackstone – that has agreed to buy a controlling stake in the firm for USD 3.3 billion.

Chevron has followed the footsteps of other majors and announced plans to tie executive pay to methane and flaring reduction targets [7] in an updated climate change report.

US LNG exports hit their lowest levels [7] in nearly a year last week due to fog in the US Gulf, with maintenance work on plants and pipelines also impacting exports.

The founders of Rice Energy, which was acquired by EQT Corporation, are ramping up pressure to change the EQT board [7], announcing their intention to nominate candidates.

### **Russia & CIS**

**Russia** – Schlumberger has given up on its protracted pursuit [21] of a stake in Russia's largest onshore drilling company Eurasia Drilling after withdrawing its bid, Russia's antitrust monopoly service FAS has said.



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