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Weekly news roundup (4-8 March)
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Weekly news roundup (4-8 March)

Analysis

The financial fragility of Mexican state oil company Pemex [1], which has endured a second credit ratings downgrade, looks set to exacerbate the country's heavy reliance on US gas.

The European Commission has sought to take the credit for a recent uptick in US LNG imports [2] into the bloc, suggesting the trend results from political agreements between Brussels and Washington – and ignoring external factors such as prices and the weather.

International

Russian prime minister Dmitry Medvedev has made an unusual request for the European Commission to guarantee that Gazprom's TurkStream project "will not fall apart in the future" [3] the same way the South Stream pipeline project did in 2014.

Asia Pacific

China – A long-mooted proposal to create a national pipeline company [4] by hiving off the infrastructure assets of the 'Big Three' national oil and gas companies received a boost last week at the National People's Congress.

Malaysia – Petronas reported lower LNG sales [5] in Q4'18 and full year 2018 results, which news sources attributed to lower volumes from the Petronas LNG complex and trading activities.

Philippines – Power producer First Gen Corp has been granted "notice to proceed" for [6]a proposed LNG terminal [6] in the Batangas province by the country's department of energy, pitting the company squarely against two competing LNG projects.

Taiwan – State-owned utility Taiwan Power Company expects to start first LNG imports from 2023 [5] and has signed two non-binding purchase deals, Reuters has reported.

Australasia

Australia – PTTEP Australasia has made a gas and condensate discovery [5] at Orchid-1, the first exploration well in Permit AC/P54 located in the Timor Sea, Australia.

Santos and Woodside Petroleum have dismissed requests from an activist investor [5] to table resolutions at upcoming annual general meetings relating to climate change.

Central & South America

Bolivia – Bolivia is advancing plans to export 10 MMcm/d to Paraguay and develop gas-fired power plants in the hydro-dominated country, as La Paz seeks to maintain its status as South America's primary gas exporter [7] amid softening demand in Brazil and Argentina.

Europe

Ireland – The Irish energy regulator has sought to calm nerves over gas and electricity supply from Great Britain in the event of a ‘no deal’ Brexit [8], however Irish law firm Matheson has warned the industry should be prepared for possible regulatory changes and higher gas prices.

Norway – A decision by the Norwegian government to dump stocks in pure-play oil and gas companies [9] from its USD 1 trillion sovereign wealth fund was widely described as a huge shock to the industry despite the loophole at its heart.

UK – The country’s CO2 emissions fell for a sixth year [10] in 2018, according to analysis by energy policy website Carbon Brief, which energy minister Claire Perry described as “very welcome”.

Independent Oil & Gas has rejected a hostile takeover proposal [11] from RockRose Energy, putting a spanner in the works for the UK-listed explorer that appears intent on building its North Sea portfolio.

The UK government has set a new target to hit 30 GW of installed offshore wind capacity [12] by 2030, but with imminent nuclear and coal plant closures such mass deployment of turbines would leave the country at risk of heavy reliance on unabated gas-fired power for baseload generation.

Government support for the nascent UK shale gas industry has been successfully challenged [13] by Talk Fracking, one of many groups campaigning to halt the progress of an industry that has weathered a torrid few months.

Mediterranean

Cyprus – The government and international majors are gearing up for a fresh round of exploratory drilling in the hope of achieving a critical mass of resources to underpin a Cypriot LNG plant [14] – or another capital-intensive route to market.

Israel – Greek oil company Energean has started its 2019 drilling campaign offshore Israel [5] that will be undertaken by a Stena drillship.

Middle East

Iraq – Pearl Petroleum has finalised a deal with the Kurdistan Regional Government that will see gas output from the Khor Mor field increase by 63% [15] within two years, a move that would boost much-needed power generation and could ease upcoming negotiations with the US.

Oman – Gas production is set to surpass oil by 2023 as a result of an “impressive surge” in field development [16], Rystad Energy forecasts, despite a ratings downgrade from Moody’s and other agencies that raises questions about Oman’s ability to attract foreign investment.

North America

US – Industry groups urged Colorado lawmakers to delay “sweeping anti-oil and natural gas legislation” [17] that would give local government more control over operations, then began ratcheting up opposition [18] after the bill cleared the committee stage, claiming it “all but guarantees” drillers “will be forbidden from operating in certain jurisdictions”.

ExxonMobil and Chevron are pinning [19] growth plans on rising Permian oil production [19], looking

beyond nagging natural gas pipeline evacuation constraints that clipped output and depressed in-basin prices last year.

Cheniere Energy has officially taken over operations at the first train of its Corpus Christi [5]LNG facility [5] in Texas after contractor Bechtel handed over the plant following substantial completion.

Republican senators have reintroduced a bill to reduce wait times for federal approval of energy infrastructure projects [5], including LNG projects and pipelines, according to reports.

Russia & CIS

Armenia / Georgia / Russia – Iran has voiced its readiness to increase natural gas supplies [20] to Armenia and enter into a tripartite gas arrangement with its northern neighbour and Georgia, but risks riling Russia in the process.

Russia – Naftogaz is seeking ~USD 5 billion in compensation from Russia for the “unlawful seizure” of assets [21] during Moscow’s annexation of Crimea, after an arbitration court in The Hague found in favour of Ukraine’s national oil and gas company.

Gazprom Export made its first-ever sale of gas to a western European company [5] priced in roubles on its Electronic Sales Platform (ESP). The volume was for 80 MMcm.



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