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Weekly news roundup (11-15 March)
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Weekly news roundup (11-15 March)

Analysis

The UK government's announcement that gas-fired heaters will be banned from newbuild homes [1] from 2025 confirms the momentum building behind the decarbonisation agenda in Europe and the accelerating urgency among policymakers to curb gas consumption.

International

Venezuela's indebtedness has worsened after an international arbitration court ruled that the government pay USD 8.7 billion to ConocoPhillips [2] for "unlawfully expropriating" the US company's investments in crude projects 12 years ago.

Spanish infrastructure company Enagas is expanding into the high-growth US midstream space by acquiring an indirect stake in Tallgrass Energy [3], which is controlled by private equity giant Blackstone Infrastructure Partners.

Shell is to implement a proposal to link executive remuneration to progress [4] on the transition to a lower-carbon energy economy a year earlier than planned.

BNP Paribas Asset Management has become the latest investor to quit coal [5], after announcing a "tighter exclusion policy" on companies engaged in mining thermal coal and generating electricity from coal from the start of 2020.

The global oil market looks resilient [6] in the face of the worsening political and energy supply crisis in Venezuela thanks to growing spare capacity created by output cuts by the OPEC oil cartel and non-OPEC producers, the International Energy Agency has said.

Africa

Mozambique – Eni and Qatar Petroleum have signed a farm out agreement that will see the Qatari energy giant acquire a 25.5% interest in Block A5-A [7] – a completely unexplored zone – offshore Mozambique.

Nigeria / Sao Tome and Principe – Total has returned for a second shot at finding commercial volumes of oil and gas in the offshore joint development zone [8] of Nigeria and Sao Tome and Principe after signing a production sharing contract for three blocks, according to reports.

Angola – Eni has discovered oil in Block 15/06 [5], in the Agogo exploration prospect, in Angola's deep water that is estimated to contain 450-650 million barrels of light oil in place "with further upside".

Nigeria – Shell has become embroiled in fresh allegations of malpractice [9] in Nigeria after workers employed by companies contracted by the Anglo-Dutch major went public with accusations of "poverty wages", job insecurity and "union-busting" by their paymasters.

Asia Pacific

Indonesia – Indonesia’s energy ministry may issue fresh regulation to grant state-owned oil and gas company Pertamina “a clear priority right over expiring production sharing contracts [10]” after an ambiguous court ruling confused the issue, legal experts have warned.

Indonesia’s energy ministry has approved the development plan for the Mako gas field [7] submitted by south-east Asia focussed Conrad Petroleum.

Vietnam – Petrolimex, formally known as Vietnam National Petroleum Group, has reportedly unveiled plans to build an LNG terminal [7] in the southern coastal province of Khan Hoa.

Australasia

Australia – The Western Australia Environmental Protection Authority (EPA) withdrew [11] controversial greenhouse gas guidelines [11] after coming under sustained pressure from industry and state political leaders [12].

Chevron Australia and its joint venture participants have pulled the trigger on front-end engineering and design work for the Jansz-Io compression project [5] at the Chevron-led Gorgon natural gas facility off the north-west coast of Western Australia.

Timor-Leste – East Timor may seek Chinese investment for its Sunrise LNG project [7] after energy majors Shell and ConocoPhillips sold out.

Central & South America

Venezuela – Venezuela’s opposition-controlled National Assembly – led by self-proclaimed interim president Juan Guaido – has declared a state of emergency following a five-day blackout [7], news outlets reported on Monday.

Europe

Ireland – Construction of an Irish LNG terminal in the Shannon Estuary [13] would slash Ireland’s dependence on pipeline imports of natural gas from the UK and save consumers as much as USD 140 million/year, according to new research.

Romania – Shareholders of Romania’s state-owned pipeline operator Transgaz have rejected the company’s USD 2 billion investment programme [7] for 2018-2027 at a shareholder meeting on Tuesday.

UK – Domestic hydrocarbon production [14] in the 2016-2050 period [14] is forecast to be ~48% higher than a 2015 projection, however both gas and oil production are set for a 5% annual decline from 2024, the country’s Oil & Gas Authority has said.

The UK could reduce reliance on [15] gas and LNG imports by more than half [15] with a determined push to develop its “world-class shale gas resource”, UK Onshore Oil and Gas said last week, as it published upgraded scenarios of the industry’s potential.

A future-proofing revamp of the 50-year-old Bacton Gas Terminal [7] is reportedly on the cards, UK gas and electricity utility National Grid has said.

The government has called for views on how “to further strengthen Scotland and the UK’s position as global hub for decommissioning [16]”, with the government looking to capitalise on a sector it estimates will be worth over USD 100 billion over the next decade.

Mediterranean

Italy – Italy’s populist government might not be as committed to the EastMed pipeline project [17] as thought, with local media reporting that the government has ordered a new environmental impact assessment on the 2,100-km subsea line following pressure from environmental groups.

Middle East

Iran – Iran’s oil ministry has outlined the government’s intention to “launch four new phases of the supergiant South Pars gas field [7] with 110 MMcm/d of production capacity”.

North Africa

Algeria – Petrofac has won a USD 1 billion contract with Groupment Isarene, the joint operating group set up by Sonatrach, Petroceltic and Enel, for the Ain Tsila development project [5] in Algeria.

Egypt – Eni has made a new gas discovery [5] under evaluation in the Nour exploration prospect located in the Nour North Sinai Concession, in the eastern Egyptian Mediterranean, about 50 km north of the Sinai peninsula.

Morocco – Eni and Qatar Petroleum have further strengthened their partnership after the pair signed another deal allowing QP a 30% participating interest in the Tarfaya petroleum agreement, comprising 12 exploration blocks offshore [7] Morocco.

North America

US – BP sought to downplay allegations that it lobbied the US government to roll back key methane emission rules [18], which environmental lobby group Greenpeace claims undermines the energy major’s assertion that it is cleaning up its act on methane. A day later, BP and non-governmental organisation Environmental Defense Fund unveiled a three-year commitment to accelerate reductions in methane emissions [19] across oil and gas supply chains.

Alaska Gasline Development Corporation has roped BP and ExxonMobil to help find ways to improve the competitiveness of Alaska LNG [20], the liquefaction project at Nikiski that has so far struggled to tie down firm offtake customers.

Venture Global has confirmed plans to start building its 20 mtpa Plaquemines LNG project [21] in Louisiana in 2019, and unveiled a wider vision to expand its LNG business to 60 mtpa at an unspecified future date.

EQM Midstream Partners has agreed to acquire a 60% interest in Eureka Midstream Holdings [5] and 100% interest in Hornet Midstream Holdings for USD 1 billion from Morgan Stanley Infrastructure Partners.

South Asia

Pakistan – The government of Pakistan is amending its natural gas regulation and drawing up its first-ever shale gas policy

[7], with licensing rounds to follow later this year, Reuters has reported.

Pakistan and Turkmenistan have signed the finalised version of the host government agreement on the Turkmenistan Afghanistan Pakistan India Gas Pipeline [7] network.



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