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Weekly news roundup (8-12 April)
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Weekly news roundup (8-12 April)

International

Shell has received an unlikely boost from hitherto highly-critical activist investors [1], who described the company as an “industry leader” after withdrawing a resolution calling for stricter action on climate change.

Mitsubishi has provisionally sold its entire volume entitlement from the Shell-led LNG Canada project in British Columbia, after subsidiary Diamond Gas signed a non-binding agreement for 1.2 mtpa [2] with JERA, the world’s largest LNG buyer.

Chevron is to acquire independent E&P company Anadarko [3] in a transaction that will add to its existing positions in US shale and tight oil and gas, deep-water resources in the Gulf of Mexico and LNG production.

Chinese independent player ENN has walked away from an LNG deal with Toshiba [4], dashing Toshiba’s hopes of withdrawing from its ill-fated US LNG business, as the Japanese industrial conglomerate aims to mitigate huge anticipated losses of up to USD 9 billion.

A new study has revealed that LNG as a marine fuel [5] could reduce greenhouse gas GHG emissions by up to 21% compared to oil-based marine fuels over their entire life-cycles.

Africa

Equatorial Guinea – Equatorial Guinea has launched its 2019 oil and gas licencing round [6] offering 24 exploration blocks as well as two development opportunities – including the block previously awarded to Ophir Energy to develop the ill-fated Fortuna floating LNG project.

Asia Pacific

China – BP is considering exiting two shale gas projects [5] in China’s south-western province of Sichuan due to poor drilling results, Reuters reports.

Australasia

Australia – Cue Energy and its partners in the Ironbark prospect [7] in the Carnarvon Basin, offshore Western Australia have reportedly been granted a two-year extension on their exploration permit.

Santos has submitted its environmental management plan for its McCarthur basin [5] drilling programme to the Northern Territory government, marking the first such submission since the government lifted the moratorium on fracking last year.

Papua New Guinea – LNG exports are set to nearly double [8] in the next five years after Total and its partners finally signed the gas agreement for their Papua LNG project that will see an additional 5.4 mtpa of LNG come online in late 2024.

Central & South America

Brazil – Petrobras has boosted its multi-billion-dollar divestment drive with the sale of a majority stake in Brazil's largest gas transmission network [9] to an Engie-led consortium, giving the French company an “attractive” asset base in the budding market.

Colombia – Colombia has highlighted the urgent need to boost gas supply with a second LNG terminal [10] on the Pacific coast, amid fears of a looming shortage that could bite as early as 2022 – despite the underutilisation of the country's existing import facility in Cartagena.

Peru – The country has revised down its forecasted reserves [5] after excluding ~3.9 Tcf from Block 58 – owned by Chinese state-owned CNPC – and downgrading it to contingent resources due to its unlikely to be developed within the next five years, according to reports.

Europe

Italy – Energy regulator ARERA has proposed new grid transportation tariffs for 2020-23 [11], in a move that could alter Italian wholesale prices and gas flows at key entry and exit points. Separately, ARERA plans to “strengthen” its commitment to the integration of national markets [5] at the European level.

UK – Canada-based Valeura Energy is trying to drum up market interest ahead of a proposed flotation on the London stock exchange [12] to fund development of gas acreage in Turkey that it claims might hold more than 10 Tcf of unconventional resource.

The UK is set to meet its carbon budget for 2018-22 [13], as renewable power generation displaces coal- and gas-fired generation, but is likely to fall short of budgets running up to 2032, the UK government's updated energy and emissions projections report for 2018 shows.

Ukraine – The boss of Naftogaz has advised market players to start hoarding gas in case flows cease [14] when Gazprom's transit contract expires in January 2020, in a warning that appears geared towards European buyers considering Ukraine stopped importing Russian gas several years ago.

Mediterranean

Israel – State-run Israel Electric Corp has reportedly signed a deal to purchase gas from Noble Energy's Leviathan gas fields [7] offshore Israel.

Lebanon – The Ministry of Energy has opened the country's second offshore licensing round [15], giving prospective bidders until January 2020 to submit applications for five blocks.

Middle East

Saudi Arabia – Saudi Arabia is to study an integrated pipeline system to enable gas exports [16] to Gulf neighbours, placing the Kingdom in direct competition with archrival Qatar for regional market share – but only if Saudi Aramco can achieve net export status amid rising domestic demand.

North America

Mexico – Engie and Tokyo Gas have partnered to form a new joint venture, Heolios EnTG, that will develop renewable energy projects [7] in Mexico.

US – Kinder Morgan has won regulatory approval to build a pipeline expansion into north-west Mexico [17], which could provide an outlet for abundant Permian gas but may prove problematic for Mexican state utility CFE, which is already facing pipeline capacity over-commitments.

US president Donald Trump has signed executive orders designed to accelerate oil and gas infrastructure projects [18], prompting praise from industry associations but bipartisan criticism from state governors.

Shell has signed a USD 965 million cash deal to sell its Caesar-Tonga asset [5] in the US Gulf of Mexico to Delek.

Russia & CIS

Russia – Shell has quit the Baltic LNG project [19] after Gazprom redesigned the plant with a new integrated gas processing industrial complex that will be independently financed by a new Russian partner that will also jointly operate the entire facility.

Russia's natural gas export strategy has become “confused and opportunistic” as Gazprom and Novatek compete in European markets [20] amid a worsening global supply glut, according to a Moscow-based expert.



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