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Weekly news roundup (23-26 April 2019)  
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# Weekly news roundup (23-26 April 2019)

## International

Warnings that the US administration's decision to end Iran's oil exports would lead to "chaos in global energy markets" [1] have been dismissed by some observers as over-reaction – despite oil prices reaching a six-month high on the news.

Occidental Petroleum has indicated it would aim to sell the Mozambique LNG project [2] after building and commissioning the facility, if its hostile USD 57 billion offer [3] prevails in the bidding war for Anadarko Petroleum.

Over-investment in US oil and gas infrastructure amid increasing pressure to meet climate commitments and potentially unrealistic growth expectations are among risks that "set the stage for investor disappointment and losses" [4], a new report entitled Pipeline Bubble has warned.

Coal-to-gas switching "is consistent with climate stabilization objectives for the next 50-100 years [5]", according to new researchers led by the National Institute for Environmental Studies (NIES) in Japan.

Three US energy majors have reported a dip in earnings for the first quarter [5] of the year, citing volatile oil prices and challenging markets, while Italy's Eni saw a rise in profits.

## Asia Pacific

**Japan** – Japan's beleaguered nuclear industry was dealt another blow [6] last week when its regulatory authority insisted it would not allow utilities to continue running reactors unless mandated anti-terrorism measures have been completed.

**Thailand** – State-run Electricity Generating Authority of Thailand (Egat) will consider bids from 12 companies to supply up to 1.5 mtpa of LNG [7].

## Central & South America

**Argentina / Bolivia** – Bolivia has voiced its intention to invest in an unspecified LNG project in Argentina and is examining possible LNG exports via Argentina [7], president Evo Morales said last week.

## Europe

**Bulgaria / Greece** --- Greek construction company J&P AVAX made the lowest bid of EUR 144 million to build the ICGB pipeline project [7] – Gas Interconnector Greece-Bulgaria.

**Germany** – German utility RWE has bowed to market pressure and drawn a line under decades of coal-fired power investments, cancelling plans for a new lignite station [8] in its home country and refocussing on low-carbon alternatives.

**Norway** – Equinor has unveiled a package of climate pledges designed to appease activist investors [9] at the company's upcoming annual general meeting – but many of the “new” actions appear to be a repackaging of existing climate-related initiatives that lack binding long-term targets.

Norwegian equity investor HitecVision has sold portfolio company CapeOmega [7] – a Norwegian oil and gas and infrastructure company – for USD 1.3 billion.

**Poland** – Poland has outlined plans to install a floating storage and gasification unit (FSRU) [5] in the Bay of Gdansk in 2024-25 to meet growing domestic and regional demand, according to reports.

**Switzerland** – Gazprom's Switzerland-based firm representing the controversial Nord Stream 2 pipeline [10] – currently under construction between Russia and Germany – has warned the European Commission that it risks breaching international and EU laws over its treatment of the project.

**UK** – Shale outfit Third Energy has signed an agreement with US outfit York Energy to sell its onshore gas business [5] in the UK.

#### **Middle East**

**Iraq** – Iraq's gas sector is ripe for reform [11] as the country is wasting its substantial resources by venting and flaring vast volumes while relying on Iranian imports to bridge a power generation gap, the International Energy Agency said on Thursday.

**Saudi Arabia** – Saudi Aramco has sold its first LNG cargo from Singapore [5] to an Indian buyer, according to reports citing CEO Amin Nasser.

#### **North Africa**

**Algeria** – Eni has signed a memorandum of understanding [12] with Sonatrach's new CEO, Rachid Hachichi, to renew a contract to supply Algerian natural gas to Italy. The MoU came days after Algeria's interim president Abdelkader Bensalah fired Sonatrach CEO [7] Abdelmoumen Ould Kaddour.

#### **North America**

**US** – Federal regulators have upheld a tentative bipartisan accord on climate emissions from liquefaction plants [13] to approve another two large-scale LNG export projects.

Apache Corporation has started curtailing gas production at some of its acreage [14] in the prolific Permian shale play in direct response to “extremely low prices at Waha Hub”, despite earlier hedging its position in a bid to mitigate the worst impacts of low or negative pricing.

Federal regulators have reiterated the potential for “significant” cumulative environmental impacts [15] of building new LNG projects near Brownsville, Texas [15] – suggesting that the most prominent effects of constructing three proposed developments cannot be effectively mitigated.

Murphy Oil has signed a USD 1.38 billion deal with LLOG Exploration Offshore and LLOG Bluewater Holdings to acquire [7] a deepwater Gulf of Mexico asset [7] for up to USD 1.6 billion.

The regulator in coal-heavy Indiana has rejected power utility Vectren South's application to build an 850 MW gas-fired plant [16] to replace three aging and troublesome coal units, and recommended the company consider renewable energy alternatives.

LNG developer Tellurian has committed to buy up to nine cargoes under a short-term contract priced on Platts' Japan Korea Marker (JKM) [17], as part of efforts to develop marketing capabilities before the Driftwood liquefaction project in Louisiana comes online in 2023.

### **Russia & CIS**

**Azerbaijan** – BP and its partners have sanctioned the USD 6 billion Azeri Central East (ACE) project [7], which is expected to start processing oil in 2023.

**Russia** – Chinese companies have taken a binding 20% participation interest in the Arctic LNG 2 project [18] – moving it a step closer to formal final investment decision, which is currently expected in the third quarter of this year.



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