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Weekly news roundup (28-31 May 2019)

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Africa

Mozambique – Eni has acquired a 10% stake in three deepwater offshore blocks [1] through a farm-in agreement with ExxonMobil.

Tanzania – Orca Exploration's subsidiary PanAfrican Energy Tanzania has secured a long-term gas sales agreement [2] with Tanzania Petroleum Development Corporation, under which PAET has agreed to provide up to 20 MMcf/day.

Asia Pacific

Indonesia – The government of Indonesia has made a fresh push to spur investment in upstream resources [3], sending energy minister Ignasius Jonan to the US and Japan in a bid to convince Chevron and Inpex to inject cash into offshore projects languishing in various phases of pre-development.

Philippines – Power producer First Gen and Tokyo Gas have held a groundbreaking ceremony for their proposed LNG terminal [4] in Batangas province, but have yet to take a final investment decision on the facility that will feed First Gen's gas-fired generation fleet.

Philippine president Rodrigo Duterte has scrapped a ban on Chinese companies [5] conducting joint exploration in Philippine waters, clearing the way for Philippine National Oil to complete a farm-in agreement with CNOOC dating back to 2006.

Australasia

Australia – A battery project [1] at the Darwin LNG plant [1] is being launched to reduce power generation carbon emissions by 20% and cut fuel gas consumption and operating costs, stakeholder Santos has said.

Australia Pacific LNG has successfully overturned Queensland's 2015 order [1] regarding the amount it pays in royalties from its LNG plant.

The government of South Australia has launched a tender for five new blocks [1] in the Cooper basin and three in the Otway basin.

Papua New Guinea – The country's new prime minister [6], ex-finance minister James Marape, has vowed not to scare away investors after taking the reins from his predecessor Peter O'Neill, who formally resigned [1] earlier in the week. Pressure had been mounting on O'Neill for weeks over various issues including a contentious LNG agreement [7] with ExxonMobil and Total [7] that spurred the resignation of Marape from his cabinet earlier in the year.

Caribbean

Cuba – Cuba is looking to breathe new life into its oil and gas sector by launching its first oil and gas licensing round [8], offering interested parties production sharing contracts to explore the nation's waters – despite ongoing US sanctions that could stymie investor interest.

Central & South America

Colombia – A total of 22 companies have qualified to bid in the country's latest exploration tender [2], which opens on 4 June.

Europe

Bulgaria – Bulgaria continues to diversify its gas supplies, after buying its first cargoes of US LNG [9] while closing in on a five-year LNG supply contract with a Dutch trading house.

Gas grid operator Bulgartransgaz has reportedly dropped Saudi Arabia's Arkad Engineering as the contractor to expand the domestic gas grid [2].

France – A consortium of 11 European stakeholders including Total have launched the DMX project [1] aimed at capturing and storing CO₂ from industrial activities.

Spain – The acting government has called on the European Union to assess a potential carbon tax on power imports [2].

UK – Delek subsidiary Ithaca Energy [10] became the second-largest independent producer [10] in the maturing North Sea basin after agreeing to purchase Chevron's Central North Sea assets for USD 2 billion, continuing the trend of mid-caps replacing majors on the UK continental shelf.

The UK for the first time went an entire fortnight without using coal [2] for power generation, National Grid Electricity System Operator confirmed last Friday.

Mediterranean

Cyprus – The government, Noble Energy and partners have agreed new terms for the production sharing contract of the Aphrodite field [11], paving the way for the molecules to be piped to Egypt for liquefaction at the Shell-operated Idku LNG plant in the mid-2020s.

Middle East

Israel – Israel Electric Corporation has approved a USD 500 million compensation settlement [12] from Egyptian state-owned gas companies EGPC and EGAS for supplies that were not delivered to Israel in the wake of Egypt's January 2011 revolution.

Qatar – Qatar Petroleum has awarded the FEED contract for its North Field expansion [1] project's offshore pipelines and topsides facilities to McDermott.

North America

Canada – US hydrocarbon producer Devon Energy is exiting the country after agreeing to sell its Canadian oil sands assets [1] to Canadian Natural Resources for USD 2.8 billion.

US – Tellurian is considering amending its corporate governance guidelines after being sued by two shareholders over an alleged failure to disclose material information [13] in connection with Total's proposed USD 200 million investment in the company.

Venture Global has received a major boost on its quest to raise capital to build its maiden LNG project after Stonepeak Infrastructure Partners agreed to a USD 1.3 billion equity investment in the 10 mtpa Calcasieu Pass plant [14], although more cash is needed to bring the scheme to fruition.

NextDecade has awarded Bechtel the engineering, procurement and construction contract [1] for the first phase development of its proposed Rio Grande LNG plant in Brownsville, Texas.

Freeport LNG has received approval from the Department of Energy to export LNG from its proposed expansion project [1], adding a fourth train to the LNG plant in Texas.

Entergy Louisiana has commenced commercial operations at its 980 MW capacity St Charles gas-fired power plant [1] ahead of schedule and under budget.

Lawmakers in Ohio have approved a bill to subsidise nuclear and coal power plants [15] in the state, which the American Petroleum Institute warned will disadvantage gas-fired power producers that are increasing their market share.

Activist investors have rebuked the board of ExxonMobil after a “bruising” annual general meeting [16] that saw a sizeable minority rebel to vote in favour of reforming the company, reflecting growing discontent over its approach to corporate governance and climate change risks.

Activist investor Carl Icahn has put Occidental Petroleum in play as a potential acquisition target [17] by suing the company over its handling of the USD 57 billion Anadarko acquisition and associated USD 10 billion investment from Berkshire Hathaway.

The Semptra Energy-operated Cameron LNG plant has exported its first LNG [2], with the Marvel Crane LNG carrier leaving the facility on Friday.

Mitsubishi Hitachi Power Systems and Magnum Development have launched plans to construct the world's largest renewable energy storage project [2] in Utah.

The Trump administration has announced plans to slap tariffs on all goods coming in from neighbour Mexico [2], in an attempt to curb the number of illegal immigrants entering into the US.



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