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Analysis

Pavilion Energy has cancelled a cargo [1] of US LNG that it was due to lift from Cameron LNG in Louisiana this month. The company cited "scheduling issues" as the main reason, which suggests the global glut of LNG currently weighing on prices might only have been a secondary motivation.

International

Gazprom and Naftogaz remain far from agreeing a new transit contract [2] after the Russian firm offered a one-year or short-term contract on condition that all arbitration claims be dropped, but Kiev rejected the proposals and Naftogaz has threatened to sue.

Hopes of a swift resolution to the US-China trade war were scuppered last week, as analysts warned that talks were headed for an impasse following US president Donald Trump's threat to increase tariffs on Chinese products [3] if no initial truce deal is agreed.

Seadrill founder John Fredriksen has stepped down as chairman [4] after the struggling offshore drilling contractor posted a heavy Q3'19 loss, some two years after he saved the firm from collapse.

Governments must begin limiting natural gas production within the next decade [5] to meet 1.5°C or 2°C climate goals regardless of how quickly coal and oil output is also ramped down, according to a new report from the United Nations Environment Programme.

Africa

Tanzania – The timeline for construction of a 10 mtpa LNG facility in Lindi, Tanzania [6], was thrown out of the window after the government halted talks with international investors amid a review of existing production sharing agreements.

Asia Pacific

China – China has thrown into doubt its pledge to curb coal consumption after recently adding roughly 43 GW of coal-fired capacity, according to US anti-fossil fuel pressure group GEM, which says a further 121 GW of coal-fired power [7] is under construction.

Australasia

Australia – Woodside Energy has struck an agreement with partner BHP regarding the tolling price for processing gas from the Scarborough field [8] through the Pluto LNG plant and hopes to reach FID onfield development by the first half of next year.

Europe

EU – The EU has increased by more than one-third the grant funding to be made available in 2020 to energy-related Projects of Common Interest [9], which include LNG terminals and natural gas pipelines, albeit fewer by number than in previous years.

The European Investment Bank's new policy to stop financing unabated gas projects [10] from the end of 2021 has driven a wedge between upstream producers who fear losing market share and midstream firms hoping the EIB will fund decarbonisation of their networks.

Bulgaria – Bulgaria's Balkan Gas Hub has selected European platform operator Trayport's Exchange Trading System for the new regional gas bourse [11] that is due to open in the Black Sea city of Varna in the new year.

UK – The country's largest replacement of gas boilers with ground source heat pumps [12] is underway in the north-east city of Sunderland, according to developer Gentoo Group, which says the project is in line with a government target of net-zero emissions by 2050.

The opposition Labour party [13] has unveiled its "radical" election manifesto [13], setting out plans to introduce a windfall tax on oil and gas companies to help fund a watered-down 'Green New Deal', which no longer targets a carbon-neutral UK economy by 2030.

Mediterranean

Greece / Israel – Greece's Energean Oil & Gas has applied to the Cypriot energy regulator for permission to import pipeline gas to Cyprus from Israel's Karish North offshore field [14], reigniting a long-running debate over sourcing reliable supply at the best price.

Middle East

Saudi Arabia – Saudi Aramco has settled on a compromise price in a more modest domestic IPO [15] of company stock, opting to float 1.5% of its 200 billion shares for USD 8-8.53 each, valuing the company at up to USD 1.7 trillion.

North America

Canada – An investment firm holding a 4% stake in Calgary-based Encana has said it will vote against the company's proposed move to the US [16], claiming this is "contrary to Encana's best interests" and reflects an absence of concern for shareholder value.

US – The Federal Energy Regulatory Commission (FERC) has issued its final environmental impact statement [17] on Jordan Cove LNG [17], suggesting the Oregon-based project would threaten and endanger species – although many impacts could be mitigated.

Days later, FERC approved construction of four LNG projects [18] in Texas that could double the

country's current liquefaction capacity, despite the body previously having stated that the proposed plants would result in significant environmental impacts.

Two federal agencies have proposed cutting the royalty rate for shallow water developments in the US Gulf [19] to revive flagging exploration and avoid stranding USD 20 billion-worth of resources.

South Asia

India – The government is entertaining calls to create a strategic gas reserve [20], the Indo-Asian News Service has reported, amid expectations that domestic demand will rise substantially by 2030 and a strategic reserve would help mitigate production shortfalls.



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