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## Analysis

The shock assassination of Iranian military commander Qassem Soleimani in a US drone strike stoked fears of oil supply disruption [1], driving Brent crude temporarily above USD 70/barrel, which if sustained could have amounted to a New Year gift to US shale producers and LNG exporters.

## International

The UK offshore oil and gas industry slashed production costs by over 30% [2] between 2014 and 2018, emerging as a “cost-cutting powerhouse” ahead of Norway and the US, according to research from independent research firm Rystad Energy.

ExxonMobil has been hailed as “explorer of the year” in 2019 [3] after discovering ~1.07 billion boe of net resources over the last 12 months, accounting for nearly 9% of new oil and gas resources worldwide over the period, according to Rystad.

## Asia Pacific

**China / Japan** – Mid-sized Japanese firms are reportedly stepping up LNG sales to Chinese buyers [4] in a bid to shift unsold inventories as demand stagnates in Japan in a move which could eventually establish Japan as a regional break bulk hub.

**Indonesia** – The industry ministry has proposed the introduction of a plan that would oblige producers to sell a portion of their output to local manufacturers [5] in order to ensure gas supply at a price suitable for those companies.

**South Korea** – LNG importer KOGAS has responded to competition by offering utilities new gas power tariffs [6] in what could be a pre-emptive measure to protect market share after regulations begin to allow private firms to sell LNG to third parties in 2025.

## Europe

**EU / Turkey / Ukraine** – Ukraine is no longer transiting Russian gas to Bulgaria, Greece or Turkey [7] after Gazprom began delivering molecules via its new TurkStream pipeline on New Year's Day, according to Ukraine's new Gas Transmission System Operator.

**Greece / North Macedonia** – The countries have received first Russian gas [8] on Gazprom's TurkStream pipeline [8] thanks to a new compressor station on Bulgaria's border with Turkey, according to the executive director of Bulgartransgaz.

**Norway** – Equinor will invest USD 5.6 billion to cut greenhouse gas emissions [9] by 40% by 2030, with a view to achieving “near zero” emissions by 2050, but the targets hinge on new technology and assume a dramatic reduction in the firm’s upstream business.

**Romania** – ExxonMobil has started to provide information to companies interested in purchasing its 50% share in the offshore Neptune Deep block [10], with the US major saying no agreement has been reached yet.

**UK** – Premier Oil has agreed major UK North Sea acquisitions with BP and Dana Petroleum [11] worth a combined USD 871 million, however Premier’s largest creditor opposes the move claiming it will only increase risk for stakeholders.

## Mediterranean

Foreign ministers from Egypt, Cyprus, Greece, and France issued a joint statement denouncing Turkey and Libya [12] for signing a border agreement and military deal that could allow Turkish troops into Libya and Turkish drillships into Greece’s offshore waters.

## Middle East

**Iraq** – Chinese state-owned CNPC has reportedly become the latest major energy firm to evacuate staff [13] from the country before Iran attacked Iraqi air bases housing US troops last week in retaliation for the US having killed Iranian general Qasem Soleimani days earlier.

**Kuwait** – Kuwait Petroleum has secured a bumper LNG supply deal with Qatar Petroleum [14], under which the former has increased contracted volumes that will feed the country’s first on-land LNG terminal from 0.5 up to 3 mtpa starting in 2022.

## North America

**Canada** – A UN committee tasked with ending racism has called on Canada to halt construction of two major pipelines [15] – including the Coastal GasLink set to feed the Shell-operated LNG Canada facility – until informed consent is obtained from First Nations groups.

**Mexico** – President Andres Manuel Lopez Obrador has raised the prospect of further delays and cost increases for the Tuxpan-Tula pipeline [16] in central Mexico, stating that it must be re-routed to avoid land considered sacred by indigenous communities.

**US** – Saudi Aramco and Sempra Energy have signed a so-called interim project participation agreement for the Port Arthur LNG project [17], but industry sources suggest the move may amount to little more than a publicity stunt.

The Dominion Energy-led Atlantic Coast pipeline has [18] lost an air permit [18] for a planned compressor station, marking the eighth time a permit for the facility has been suspended or revoked by a federal court or agency since May 2018.

The Trump administration is potentially [19]facing years of litigation [19] after launching plans to tear up federal environmental regulations in order to expedite development of key infrastructure including pipelines, LNG plants, power stations and transmission lines.

## South Asia

**India** – The government has announced it will fund 60% of the [20]estimated USD 1.3 billion North East Gas Grid pipeline project [20], as part of a push to make India a gas-based economy, but legislation to open up coal mining casts doubt on the plans.



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