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Weekly news roundup (12-16 June)
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International

UK-based Savannah Petroleum has entered into a binding exclusivity agreement [1] with an unnamed West African-focused business regarding the acquisition of the latter's entire oil and gas assets in the region.

The European Commission is seeking a mandate from EU member states to negotiate an international agreement with Russia [2] over the Nord Stream 2 gas pipeline, prompting a withering response from the Gazprom-owned project developer.

Ineos has set out plans for a USD 2.2 billion petrochemicals expansion [3] on the back of cheap US shale gas that will see the Swiss chemicals giant double capacity at two gas crackers in the UK and Norway and build a "world-scale" propane dehydrogenation (PDH) unit in Europe.

Fast-growing LNG exports over the coming three years will lead to global gas trade becoming more flexible and competitive [4], BP said on Tuesday 13 June.

Qatar Petroleum and Shell have penned a framework agreement to develop LNG bunkering infrastructure [5] across the globe.

OPEC's relevance as an effective oil cartel [6] will face ongoing challenges over the next 18 months as increasing production from non-OPEC countries is set to outpace growth in global demand.

US and Canada

Canada – TransCanada is set to invest USD 2 billion to expand its NOVA Gas Transmission system [7] (NGTL) that connects western Canadian natural gas production to key markets within the basin and across North America.

US – Canadian energy producer Encana's US subsidiary has reached an agreement to sell its Piceance natural gas assets [8], located in northwestern Colorado, to Denver-based Caerus Oil and Gas in a deal worth USD 735 million.

Magnolia LNG has for a second time extended the validity period [9] of a construction contract with US-Korean joint venture KSJV amid ongoing difficulties in securing an offtake agreement for the proposed Gulf of Mexico export facility.

Veresen is inching towards a long-coveted construction permit [10] for its 7.8 mtpa Jordan Cove LNG project in Oregon with the US Federal Energy Regulatory Commission preparing an environmental impact statement for the scheme.

The US shale sector will continue its upward trend [11] in the coming months as a growing number of increasingly efficient rigs bring ever-larger volumes of oil and gas to market, the US Energy Information Administration (EIA) and services group Baker Hughes predicted in a series of reports.

The US Department of Justice has approved General Electric's proposed acquisition of oilfield services company Baker Hughes [12], weeks after the European Commission's competition watchdog approved the deal.

Africa

Libya – The country's National Oil Corporation has struck an interim deal with Wintershall to resume production at the German company's NC 96 and NC 97 concession areas [12] in eastern Libya.

Nigeria – The oil-rich state has once again topped the list of countries receiving payments from Shell, with the administration in Lagos raking in more than USD 3.6 billion in taxes [13], royalties and other fees from the Anglo-Dutch major in 2016.

Asia Pacific

India – India-based utility Torrent Power (TPL) has launched its latest LNG tender [14], seeking a total of 36 cargoes over a three-year period from 2018.

BP and Indian conglomerate Reliance Industries have committed to invest USD 6 billion in three new gas fields [15] off the east coast of India, amid broader government efforts to shift the country's coal-reliant economy onto natural gas.

Malaysia – First gas has been achieved from the Layang field, offshore Malaysia [12], which will supply gas to the Petronas-led Malaysia LNG plant, field operator JX Nippon said this week.

Pakistan – Alberta-based Jura Energy has commenced drilling at its Zainab-1 exploratory well [1] in the Badin IV North block, located in the Lower Indus basin in Pakistan.

Pakistan's Oil & Gas Development Company (OGDCL) has unearthed an onshore gas discovery [16] following the drilling of an exploration well in Sindh province, in the southeast of Pakistan.

South Korea – KOGAS has started operations at the world's three largest LNG storage tanks [12], located at the Samcheok LNG facility, 290 km east of Seoul.

Australasia

Australia – Statoil has been busy down under, with the Norwegian firm having concluded a swap agreement [1] with UK major BP.

Brisbane-based Senex Energy has kicked off its second drilling campaign [17] in Australia's onshore Surat basin, as part of the Western Surat gas project that will produce coal seam gas (CSG) for the Gladstone LNG (GLNG) export plant.

The Australian Energy Market Operator (AEMO) has played down fears of a gas supply shortfall [18] during Australia's summer, in a marked climbdown from recent alarmist warnings of a gas supply shock over the 2018-19 summer.

Papua New Guinea – Tokyo-based Inpex has sold its 40.1% holding [1] in Block PDL3 in Papua New Guinea- held under the Southern Highlands Petroleum Company- to Papua New Guinea's national oil and gas company Kumul Petroleum Holdings.

A production test on the Muruk 1ST3 exploration well [19] in Papua New Guinea has been declared a success, with the well flowing 16 MMcf/day of gas, operator Oil Search said this week.

Europe

France – Gaztransport & Technigaz (GTT) of France has been selected by South Korean shipbuilder Samsung Heavy Industries (SHI) to fit the Coral South FLNG vessel [1] with a Mark III membrane containment system.

Italy – The government of Italy is seeking to bring wholesale gas prices in the country down into line with those in northern Europe by tapping "cheap" LNG [20] and further integrating networks to boost market liquidity.

Norway – Statoil has awarded TechnipFMC an extension to its engineering, procurement and construction (EPC) contract for the Visund Nord improved oil recovery [12] (IOR) project.

Poland – Poland's PGNIG announced Poland received its first cargo of US LNG [1].

UK – Wood Group's proposed USD 2.8 billion takeover of Amec Foster Wheeler [12] has been approved by the shareholders of both companies.

Latin America

Brazil – A court in Brazil has lifted an embargo [1] against Petrobras' sale of its 90% stake in its gas distribution subsidiary Nova Transportadora do Sudeste (NTS).

Middle East

Egypt – Phase two of BP's West Nile Delta (WND) gas project offshore Egypt is to follow the example set by phase one and come online several months earlier than scheduled [21], the country's petroleum ministry said this week.

Qatar – The country's decision to divert two LNG cargoes [22] around the horn of Africa rather than through the Suez Canal could precipitate a shake-up in LNG trade, according to the Oxford Institute for Energy Studies (OIES).



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