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Weekly news roundup (31 July-4 August)

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# Weekly news roundup (31 July-4 August)

## International

The world's first ice-breaking LNG tanker [1] has set sail from Norway to South Korea via the Northern Sea Route, which halves the time it takes to reach Asia via the Suez Canal. The 300-meter vessel is the first of 15 planned for deployment at the Yamal LNG project in Russia.

Tensions are rising between Japan and China in disputed waters of the East China Sea [2] after Tokyo protested renewed Chinese drilling activity in gas fields that were previously agreed to be jointly developed.

US President Donald Trump has signed new sanctions [3] against Russia [3] designed to undermine Gazprom's Nord Stream 2 and TurkStream gas pipeline projects by targeting international investors.

## US & Canada

**Canada** – Investors are scouting to find an alternative site for the [3] Pacific Northwest LNG project [3] after Malaysia's Petronas withdrew from the proposed USD 27.6 billion export terminal in British Columbia.

**US** – Gas injection at California's storage facility Aliso Canyon [4] is set to get underway imminently following the "successful completion of rigorous testing procedures" and victory for the plant's operator in a series of legal battles [5].

US lawmakers have launched a bill dubbed the "LNG Now Act", which aims to slash red tape that is supposedly holding back a second wave of US liquefaction projects [6].

Private equity fund Blackstone Capital Partners plans to pay USD 1.75 billion for a 32% stake in the Rover Pipeline [7] project [7], that will move 3.25 Bcf/d from the Marcellus and Utica shale plays to markets across the US and into a storage hub in Canada.

A US federal court has ordered the Environmental Protection Agency to immediately reinstate an Obama-era rule that limits methane emissions [7] and requires companies to identify and fix leaks.

Dominion Energy has begun commissioning Cove Point LNG [8], the second liquefaction project in the lower 48 states and first such facility on the US east coast.

Two US utilities have cancelled a USD 25 billion nuclear power project [9] in South Carolina, after EPC contractor Westinghouse filed for bankruptcy. The move leaves just one new nuclear project under construction in the country.

Toshiba America has set up a new dedicated LNG arm, Toshiba America LNG Corporation [3] (TAL), to lead the company's efforts in the sector.

The Federal Energy Regulatory Commission [3](FERC) has restored its quorum [3] by filling two vacant positions after the US Senate approved the appointment of Neil Chatterjee and Robert Powelson as commissioners.

### **Africa**

**Mozambique** – Anadarko claims it is nearing final investment decision [7] on the Mozambique LNG project [7] after securing rights to design, construct and operate the project's marine infrastructure.

**Nigeria** – The Nigerian government has signed two financing agreements with Chevron and Shell [10] that ministers hope will boost the country's oil and gas production and bring in an additional USD 16 billion in revenues.

### **Asia Pacific**

**China** – Belgian shipping group Exmar has taken delivery of the world's first barge-based floating natural gas liquefaction and storage facility [7], Caribbean FLNG. The vessel will remain moored near Shanghai while the Belgian firm secures an assignment for the unit.

**India** – India's GAIL has restarted construction on its Kochi-Koottanad-Mangaluru-Bengaluru gas pipeline [11], which has been stalled due to land disputes and could be completed in 2018 – five years later than first planned.

**Indonesia** – Jakarta has unveiled controversial new regulations [12] that aim to tighten the government's grip on the upstream sector, in a move that could further undermine already-flagging private investment.

China's CNOOC and Canadian partner Husky Energy have commenced production from the BD field [13] offshore Indonesia. Gas from the field will meet domestic industrial demand, while the condensate is to be exported.

**Thailand** – Cash-rich state-backed upstream player PTT Exploration & Production (PTTEP) is embarking on an urgent quest to acquire more upstream assets [14] to boost falling reserves.

### **Europe**

**Germany** – Plans to build Germany's first regas terminal at the mouth of the River Elbe and an LNG bunkering facility in Cologne on the River Rhine could turn western Europe's busiest inland waterways into a major centre for small-scale LNG, according to industry experts. Read more in our feature. [15]

**Lithuania** – Shell has won a contract to deliver the first [3] LNG shipment to the Klaipėdos Nafta bunkering station [3] in the north-western corner of the country.

**Netherlands** – Shell is reportedly set to shed hundreds of jobs [7] in the projects and technology department at its Netherlands headquarters as part of its restructuring and business model transformation.

**Spain** – The country has secured a new wave of wind and solar investment [16], but without a big shift in coal and European carbon prices, one of the continent's largest national fleets of gas-fired plants will

have to fight even harder to turn a profit.

Gas Natural Fenosa has sold a 20% [3] stake in distribution subsidiary GNDB [3] to Allianz Capital Partners and Canada Pension Plan Investment Board for EUR 1.5 billion.

**UK** – Protestors will face contempt of court charges if they unlawfully obstruct Ineos' UK shale sites [17], a British High Court has ruled. The decision marks the first time an injunction has been granted pre-emptively to a UK shale player that is yet to obtain planning permission to hydraulically frack.

BP reported profits [7] of USD 144 million in Q2'17, reversing losses of USD 1.4 billion loss a year earlier, with higher oil and gas production from new projects more than offsetting the effect of a roughly USD 750 million exploration write-off.

E&P company Kosmos is preparing a second [7] listing on the London Stock Exchange [7] in addition to its New York listing, in a bid to broaden its international investor base.

### **Latin America & Caribbean**

**Argentina** – State-owned energy company YPF has secured a new exploitation licence in the Vaca Muerta shale [18] hotspot in Neuquén province, north-west Patagonia.

**Brazil** – President Michel Temer narrowly escaped corruption charges [3] after Brazilian lawmakers voted to maintain his position and avoid further political turmoil.

**Colombia** – The country's floating storage regasification unit (FSRU), the Hoegh Grace, has received its second LNG shipment [19], eight months after the terminal's inaugural cargo in November 2016.

### **Middle East**

**Iran** – The country has inaugurated the Damghan-Neka pipeline [20] to supply gas to provinces around the Caspian Sea and in north of the country that for the last 20 years have relied on faltering flows from neighbouring Turkmenistan.

**Iraq** – Kurdistan-focussed Genel Energy is homing in on a deal with a potential strategic partner for the Kurdistan Region of Iraq (KRI) gas project [21], which includes the wholly-owned Miran and Bina Bawi gas fields.

### **Russia & CIS**

**Russia** – Novatek is reportedly looking into the construction of an LNG trans-shipment terminal [3] at the Kamchatka Peninsula to service its Yamal project in Russia's arctic region.



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