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Weekly news roundup (6-10 August)
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Analysis

The so-called 'second wave' of US LNG export projects stands to be the biggest loser if China imposes a 25% import tariff [1] on LNG from the United States, with knock-on effects for portfolio players exposed to both markets.

Sempra's plans to convert its Costa Azul LNG import terminal in Mexico [2] into an export facility might inadvertently profit from China's proposed 25% import tariff on US LNG.

International

ADNOC and JERA have agreed to slash the volume and duration of future LNG sales [3] as Abu Dhabi grapples with booming domestic demand, while Japan seeks more flexible purchase agreements amid uncertainty over the country's power sector gas demand.

Cyprus and Egypt are aiming to conclude in the autumn an inter-state agreement to develop a pipeline from the offshore Aphrodite field to Egypt [4], which could pile pressure onto Nicosia to acquiesce to field partners' demands to revise revenue sharing terms.

The intensifying trade spat between Beijing and Washington could hit oil demand growth [5] this year and next, the International Energy Agency has warned.

US & Canada

Canada – Cenovus has agreed to sell its gas and liquids business [5] in north western Alberta to NuVista Energy for USD 625 million.

US – Africa-focused Kosmos Energy has taken its first dip into the US Gulf of Mexico after agreeing to buy Deep Gulf Energy for USD 1.1 billion [6].

Spire Energy's proposed STL interstate gas pipeline [7] has squeezed through the Federal Energy Regulatory Commissions approval process days before the body loses a commissioner, which could seize up pipeline approvals.

The Securities and Exchange Commission (SEC) has taken the heat off ExxonMobil by dropping a two-year probe [8] into allegations the company misled investors over climate risks.

SoCalGas has reached settlements with four state agencies [9] over the 2015-16 leak from the Aliso Canyon storage facility – the largest event of its kind in US history – bringing the total cost for the company to more than USD 1 billion.

The Federal Energy Regulatory Commission (FERC) has sided with midstream player National Fuel [10] by ruling that New York state waived its right to deny a permit to the Northern Access pipeline, after deliberating the request for over a year.

Apache Corporation has created a new USD 3.5 billion Permian midstream outfit [11] to capitalise on an anticipated infrastructure boom in the shale play, but signs suggest new pipeline capacity might soon overshoot production forecasts.

Cheniere Energy's stock rose slightly after the US LNG producer reduced its quarterly loss to USD 18 million [12] in Q2'18, compared to USD 285 million of red ink reported in the same period last year.

ExxonMobil has signed a letter of intent to support the Kinder Morgan-led Permian Highway Pipeline project [5] that aims to carry gas from the growing Permian basin to the Gulf coast.

JERA has agreed to acquire a 50% stake in three gas-fired plants [5] in the north east with a combined capacity of 1.1 GW from Starwood Energy.

Utility firm Competitive Power Ventures is seeking to overturn a decision by the New York state Department of Environmental Conservation, which denied an air quality permit [13] to operate a new gas-fired power plant.

Africa

Tanzania / Uganda – State-run Tanzania Petroleum Development Corporation wants to construct a pipeline to export gas [5] to Uganda.

Asia Pacific

China – Sinopec is reportedly adding 55.6 Bcm of storage capacity [5] in the northern Henan province to ease bottlenecks during winter peak demand.

Europe

Poland – PGNiG has opened a new front in its war of words with arch rival Gazprom [14] by claiming that Poland's LNG imports are growing more quickly than Russian pipeline flows.

Russia & CIS

Russia – The second 5.5 mtpa train at the Yamal LNG plant has fired up six months early [15], with the third and final train at the facility expected to be launched “significantly ahead of original schedule”, project operator Novatek has said.

Rosneft has approved a USD 2 billion share buyback [5] in a bid to boost appeal to investors. Meanwhile, ExxonMobil is reportedly seeking arbitration [5] after Rosneft accused it and four other companies of illicitly gaining from the Sakhalin-1 oil and gas project.



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