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Weekly news roundup (8-12 October)

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# Weekly news roundup (8-12 October)

## Oil & Money 2018 – London, UK

Qatar Petroleum is prepared to proceed with a supersized LNG expansion [1] even in the unlikely event that a deal is not struck with strategic partners and no firm offtake agreements are signed with buyers.

French multinational bank Société Générale has called for a new business model for LNG projects [2] that enables banks to lend against the tangible value of LNG cargoes without developers first having to sell the entire plant output via long-term offtake agreements.

## Analysis

High oil and gas commodity prices have prevented the Spanish power sector from flipping in favour of gas-fired generation [3] over coal despite the government lifting a key tax on natural gas.

## International

Russia and India have agreed to deepen cooperation on LNG and gas projects [4], as part of a wider geopolitical push by Moscow to spread Russia's global influence while granting New Delhi an opportunity to boost revenue from Arctic investments.

The share of natural gas could either spike or collapse [5] in the global primary energy mix, according to wildly varying climate change scenarios that limit global warming to 1.5°C published by the UN's Intergovernmental Panel on Climate Change.

Offshore drillers Ensco and Rowan have agreed to a USD 12 billion merger [6] as industry players look to consolidate portfolios in a market gaining momentum on the back of the crude oil price rally.

## US & Canada

**Canada** – The 670-km feedgas [7] pipeline for the LNG Canada plant [7] faces opposition from a First Nation group that claims to be the “true authority” in terms of tribal land rights for a section through which the line will run.

**US** – Diversified Oil & Gas has acquired Core Appalachia Holding [8] in a deal worth USD 183 million.

## Africa

**Algeria** – Total concluded two new agreements with Sonatrach [8] last week, a new concession contract to jointly develop a field and a shareholder agreement to create a joint venture called STEP.

**Libya** – BP is hoping to relaunch exploration at beleaguered assets [9] in Libya after signing an agreement to hand over operatorship to major Libyan producer Eni, as such activity involving the UK major's assets stalled since 2014 due to security concerns.

**Mozambique** – The government has awarded exploration agreements [8] with ExxonMobil [8], which won

blocks in the fifth licensing round conducted in 2014.

### **Asia Pacific**

**Vietnam** – Delta Offshore Energy has reportedly taken over a proposed 3 GW LNG-to-power project [10] in southern Vietnam from Dallas-based Energy Capital Vietnam (ECV), some five months after ECV signed a memorandum of understanding to develop it.

### **Australasia**

**Australia** – AGL Energy has been requested to complete an environmental review [11] on a proposed LNG import project [11] in the southeastern state of Victoria, diminishing hopes that the project – envisaged to plug a potential gas supply gap in the state – will come online in 2021.

Woodside has selected Bechtel as the preferred contractor to undertake the expansion of the Pluto LNG plant [8].

### **Europe**

**Cyprus** – Cyprus has finally gone to market for a floating storage and regasification unit (FSRU) [12], issuing a long-awaited tender at an opportune moment with numerous unchartered vessels laying idle and others poised to become available soon.

**Italy** – Po Valley Energy's proposed disposal of two onshore oil fields [8] in Italy has collapsed after the largest shareholder of proposed buyer, Delta Energy, blocked the deal.

**Norway** – Flex LNG is considering purchasing five newbuild LNG carriers [8] currently under construction in South Korea and set for delivery in 2020-21.

**UK** – Serica is on course to complete the acquisition of interests in the Rhum, Keith and Bruce gas fields [13] after US authorities granted a sanctions waiver for Rhum – allowing production to continue from the UK North Sea field for another year.

Shell has hitched wagons with independent producer Rockrose Energy to take a final investment decision (FID) on Arran, marking the Anglo-Dutch major's fourth UK North Sea FID of 2018 [14] and Rockrose's first investment in a field in the pre-production phase.

Cuadrilla is set to commence fracking for the first time in the UK [8] since 2011 after a High Court judge dismissed a last-minute request for an injunction against drilling at the company's Preston New Road site in Lancashire.

The UK Competition and Markets Authority (CMA) has cleared the proposed merger between SSE and Npower's retail operations, which will create the second-largest energy supplier [8] in the country.

### **Latin America & Caribbean**

**Argentina** – Argentina is mulling two options to kick off LNG exports [15] as early as 2019 that include chartering Exmar's Caribbean floating LNG barge and constructing a 10-mtpa terrestrial export facility, reports suggest.

### **Russia & CIS**

**Russia** – Novatek has made a gas and condensate discovery [8] following drilling in the shallow waters of

the Ob Bay by subsidiary Arctic LNG 3.



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