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Weekly news roundup (15-19 October)

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# Weekly news roundup (15-19 October)

## Analysis

CNOOC, the largest LNG importer in China, has leveraged its considerable market power to renegotiate the price of long-term supply [1] from Total – the world's number two LNG portfolio player.

## International

IOCs and independent producers are pushing to make LNG more affordable for price-sensitive Asian consumers [2], amid concern about the long-term appeal of LNG, Cheniere Energy's Andrew Walker told delegates at CWC's Asia Pacific LNG Summit in Singapore.

Chemical tanker owner AET has inaugurated its first LNG dual-fuelled Aframax vessels [3], Eagle Brasilia and Eagle Bintulu, at a signing ceremony at Samsung Heavy Industry's shipyard in South Korea.

## US & Canada

**Canada / US** – A rupture on the Enbridge gas pipeline [4] in British Columbia has disrupted energy markets on either side of the US-Canada border, and the situation could continue for months.

**US** – Polish gas firm PGNiG has signed binding terms to purchase volumes from [5] two LNG plants [5] under development by Venture Global.

The Federal Energy Regulatory Commission has issued a draft environmental impact statement [5] for NextDecade's Rio Grande LNG [5] project in Texas.

Commonwealth LNG has contracted TechnipFMC to provide engineering services and develop a resources report for a proposed 8.4 mtpa LNG plant [5] in Louisiana.

## Africa

**Egypt** – State-backed EGAS has reached an agreement with Hoegh LNG to end deployment of the Gallant [6]FSRU [6] 18 months early and is facing a similar situation next year for its other floating storage and regasification unit as Egypt aims to end LNG imports.

**Mozambique** – Eni has won a contract to explore and develop [5]a deepwater block [5] in the Northern Zambezi basin, 1,500 km north-east of Maputo.

## Asia Pacific

**China** – ExxonMobil has signed heads of agreement for a 20-year LNG supply deal [7] with government-owned Zhejiang Provincial Energy, brushing aside questions over where it intends to source the volumes.

**South Korea** – South Korean shipping company H-Line has ordered what is thought to be the world's largest dual-fuel bulk carriers [3] for a reported USD 128.5 million.

## **Europe**

**Denmark** – Shell has become the latest supermajor to bow out of late-life European assets by selling its Danish upstream interests [8] to Oslo-listed Norwegian Energy Company ASA (Noreco).

**Estonia / Finland** – Shipping company Tallink Grupp has signed a letter of intent to build a new LNG-fuelled [3] shuttle ferry [3] between the Estonian and Finnish capitals of Tallinn and Helsinki.

**Germany** – Russia's Novatek and Belgian TSO Fluxys have signed a land lease agreement to build a mid-scale LNG trans-shipment terminal [3] in the port of Rostock in northern Germany, which will offer LNG bunkering services in addition to LNG distribution via trucks.

**Italy** – Tug operator Rimorchiatori Riuniti Panfido has signed a contract with Spanish engineering firm SENER to provide basic engineering and technical support for an LNG bunker vessel [3].

**Norway** – Equinor has sold its stake in the Tommeliten discovery [5] on the Norwegian Continental Shelf to Polish state-backed PGNiG.

**UK** – The prospect of the UK leaving [9] the EU Emissions Trading System [9] in the event of a no-deal Brexit threatens renewed price volatility and a coal resurgence at the expense of UK gas-fired generation, while the government has urged companies on both sides of the English Channel to develop robust contingency plans [10] for the “unlikely” event of a no-deal Brexit.

ScottishPower claims to have become the first vertically-integrated [11] UK energy company to stop thermal generation [11] after agreeing to sell over USD 900 million worth of assets to Drax Group, although the company will retain some gas storage and land where a CCGT was planned.

UK industry lobby groups have welcomed a parliamentary investigation into gas security [12] on the back of supply concerns following the closure of the Rough storage facility and last winter's cold snap that tightened the supply-demand balance.

Independent Oil and Gas has announced that its Goddard licence in the UK Southern North Sea contains an estimated 108 Bcf [5] of 2C gas resources.

## **Latin America & Caribbean**

**Venezuela** – Shell is poised to scale back its activity in Venezuela's oil sector after agreeing to sell its 40% stake in a joint venture [13] with state-owned PDVSA – days after Shell's CEO said the company's core business will centre around natural gas.

## **Middle East**

**Iraq** – GE's ailing power business has received a reprieve after the US government reportedly stepped in to secure the company a slice of a USD 15 billion contract from Iraq to build out 11 GW of mostly gas-fired generation capacity [14] in the country.

**United Arab Emirates** – The UAE might need to import more gas [15] to keep the lights on due to fresh problems at the delayed Barakah nuclear plant, where Korea Electric Power Corporation has reportedly halted work after discovering cracks in reactor containment walls.

### **Russia & CIS**

**Russia** – Lukoil has commenced construction of infrastructure at the Rakushechnoye field [5], the Russian company's third-largest project in the Caspian Sea.

### **South Asia**

**Bangladesh** – Petrobangla has apparently lost a [16]n FSRU-based LNG terminal [16] proposed in partnership with Reliance Energy that would have provided 500 MMcf/d of much-needed imports – raising concerns of a widening supply-demand gap in the country.

**India** – Total is reportedly “very interested” in investing in India's burgeoning gas market [17] by acquiring a stake in integrated player Adani Group's gas and LNG infrastructure, which would give the French major a handy new outlet for its growing LNG portfolio.



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