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Contents

Weekly news roundup (10-14 December)
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International

US producers ConocoPhillips and Hess will focus most of their 2019 capital and exploratory budgets on their home market, with both prioritising oil over gas [1] as they look to increase production next year.

Shell has shelved an asset swap with Gazprom first proposed in 2015, and separately set a deadline of end-Q1 to strike a deal with the Sakhalin-1 consortium over gas supply to underpin a third-train expansion of the Sakhalin LNG plant [2].

Oil production cuts agreed last Friday by the OPEC+ group appear to provide a USD 60/barrel floor price for Brent crude [3], the IEA said in its latest monthly market report.

A war of words has erupted between DNO and takeover target Faroe Petroleum, with the Norwegian firm criticising Faroe's recent asset swap with Equinor, claiming the move "jettisoned a crown jewel" [4].

Africa

Mozambique – Qatar Petroleum has made its first foray into Mozambique after taking a 10% stake in three offshore blocks [5] operated by long-term partner ExxonMobil, in line with the Qatari company's strategy to expand its international upstream footprint.

Asia Pacific

Japan – Japanese shipping giant NYK has signed a long-term charter agreement with Mitsubishi Corp subsidiary Diamond Gas International for three new-build LNG carriers [6] for use at the Cameron LNG project.

Philippines – Shell is willing to conduct further exploration near the country's sole producing gas field [7], but the company needs clarity on the fiscal regime, Pilipinas Shell CEO Cesar Romero was quoted as saying, questioning the need for proposed LNG imports.

South Korea – Daewoo Shipbuilding & Marine Engineering has reportedly bagged more orders for LNG carriers [6] in separate transactions with Greek shipping company Maran Gas Maritime and the BW Group.

Thailand – Bangkok has wrestled control of Thailand's strategically significant Bongkot and Erawan gas fields from international majors Total and Chevron, in what appears to be the latest case of resource nationalism [8] in south-east Asia.

Australasia

Australia – ExxonMobil and BHP are set to add fresh gas supplies to south-east Australia, helping stave

off a potential gas supply shortfall in the region, after the pair took a final investment decision (FID) to develop the West Barracouta [9] offshore field [9].

Western Australia could host its sixth LNG export facility after Western Gas added a liquefaction element to its Equus project [10], which until now was proposed for domestic supply only – unless the developer opts to use shared LNG infrastructure planned for the region.

Total has reduced its stake in the Ichthys LNG plant [6] by selling a 4% stake to the plant's operator Inpex for USD 1.6 billion.

Woodside Energy has concluded a long-term gas sales and purchase agreement with Alcoa [6], with the deal to start in 2020.

Central & South America

Brazil – Total has been dealt a major blow in its quest to drill the prospective Foz do Amazonas basin after national environment regulator Ibama rejected [11] a request for a drilling permit [11], with reports suggesting the latest denial to the French major – the fifth – could be the last.

French Guyana – Total has said it is ready to begin exploring the Guyane Maritime licence [6] and has invited NGOs to visit its installations.

Europe

Netherlands – The International Association of Ports and Harbors has put its new LNG bunkering audit tool [12] into practice at the Port of Rotterdam that aims to support port authorities' decision-making in granting permits to LNG bunker facility operators.

Sweden – Swedegas has carried out its first LNG and liquefied biogas bunkering [12] at the Port of Gothenburg's new bunkering facility, the first in the country that can handle both fuels.

UK – Shell is ending offshore processing at its Shearwater platform in the central North Sea by diverting wet gas to the St Fergus processing plant [13] in Aberdeenshire in an apparent cost cutting move, while at the same time boosting pipeline competition in the maturing basin.

Middle East

Iran – China's CNPC has reportedly halted investment in the South Pars 11 gas mega-field [14] in Iran to assuage Washington during US-China trade talks, in a move that could hit Iran's domestic supply-demand balance and even squeeze gas exports to neighbouring countries.

North America

Canada – FortisBC will increase gas prices for British Columbia [15] residential customers despite limiting supply to homes following last month's Enbridge pipeline rupture that reduced regional supply to 40% and prompted the utility to urge customers to ration consumption.

Mexico – Prospects for Mexico's energy sector changed radically in 2018 with the election win of left-wing president Andres Manuel Lopez Obrador, who has moved to halt oil and gas auctions for the next three years [16], while the government waits for production under existing contracts to pick up.

US – Cheniere shipped the first LNG from the state of Texas [6] last week after a commissioning cargo

departed from the Corpus Christi LNG plant.

The former owners of Rice Energy, brothers Toby and Derek Rice, have called for a shake-up of the board of EQT [6] – the firm which acquired Rice Energy last year – claiming that management has underperformed.

Russia & CIS

Russia – The government of Russia has passed a decree to liberalise domestic consumer prices of Russian-produced LNG [17] in a bid to spur development of small-scale LNG projects to supply remote areas and use the fuel for transportation.

Gazprom and Japanese trading house Itochu have signed a memorandum of understanding on the proposed Baltic LNG project [6].



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