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Weekly news roundup (18-22 February)
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International

Gazprom has sent a message to opponents of the Nord Stream 2 pipeline [1], signalling that the company is considering a second stage of the Turk Stream line, while separately reminding Europe of plans to start operations ahead of schedule on the Power of Siberia line to China.

Engineering company TechnipFMC has set a target over the next 18-24 months [2] to win five “strategic” engineering, procurement and construction (EPC) contracts among the 20 projects it is tracking, CEO Doug Pferdehirt confirmed last week with Gas Matters Today.

Africa

Djibouti / Ethiopia – A long-delayed liquefaction project in Djibouti has resurfaced after the governments of Ethiopia and Djibouti concluded an agreement regarding the construction of a 750 km pipeline [3] to feed gas from Ethiopia to the LNG plant.

Mozambique – Bharat Petroleum last week became the first [4] project partner to sign an offtake contract [4] with the Mozambique LNG plant for 1 mtpa over 15 years, followed days later by Pertamina signing a binding deal for another [5] 1 mtpa [5] over a 20-year term. However, Anadarko then locked down the Mozambique LNG site after an attack by insurgents on contractors [6] – marking the first time that militants have targeted an energy company in the country since trouble started 16 months ago.

Nigeria – Nigerian National Petroleum Corp has reportedly sent a letter to energy majors Shell, Chevron, ExxonMobil, Eni, Total and Equinor demanding USD 20 billion in outstanding payments [7] related to oil production.

Asia Pacific

Indonesia – Repsol has confirmed an onshore discovery [8] in Sumatra [8] estimated to hold “at least” 2 Tcf of recoverable resources that could strengthen the Spanish company’s bid to control one of Indonesia’s key supply sources and boost flows to Singapore.

Australasia

Australia – Queensland’s LNG plants are running below capacity [9] and the situation is set worsen as six producing trains are reduced to four by 2025 due to a lack of gas supply and need to meet domestic gas demand, according to Australian consultancy EnergyQuest.

Origin Energy agreed to sell [7] the Ironbark gas project [7] in Queensland to Australia Pacific LNG for USD 164 million.

Europe

EU – The European Union agreed to reduce CO2 emissions from new trucks and buses [7] by 30% by 2030, from 2019 levels.

Cyprus – Turkey will start exploratory drilling offshore [7] Cyprus in the coming days, according to reports citing Turkey's foreign minister Mevlut Cavusoglu.

UK – Conservative think-tank Bright Blue has urged the government to establish a national "low carbon gas obligation" [10] to incentivise the injection of decarbonised gas into the grid.

A huge swathe of the North Sea left unexplored because of so-called 'phantom' volcanoes could hold oil and gas reserves [11], according to new research.

Independent state climate adviser, the Committee on Climate Change (CCC), has recommended that new homes post-2025 be built without gas grid connections [12], sparking warnings that this could compound the bearish outlook for distribution companies and increase prices for homebuyers.

Centrica's share price plunged [13] last Thursday after the company hinted at a squeeze in dividends amid lower cash flow from retail arm British Gas due to the UK government's energy price cap and a panoply of poor performance elsewhere in the group business.

Middle East

Egypt / Israel – Partners behind Israel's Tamar and Leviathan offshore fields have lowered volumes allocated for domestic power generation to free up gas supply for other purposes, such as exports to neighbouring Egypt [14].

Oman – Shell has progressed an MoU signed with Oman last year to develop projects in a potentially resource-rich block [15] close to Oman's largest gas field Saih Rawl that will help meet the Sultanate's growing energy demand.

UAE – US investment firms KKR and BlackRock are reportedly closing in on a USD 4-5 billion deal for a stake in Abu Dhabi National Oil Company's pipeline network [16], which could release capital for targeting gas resources and increasing oil production.

North America

Canada – Canada's resurgent LNG export sector has been dealt a fresh blow after the First Nations group co-managing the proposed Kwispa LNG project [17] in Vancouver said developer Steelhead LNG has ceased project work.

Nova Scotia and New Brunswick provinces are in line for stable supplies of gas despite the closure of ExxonMobil's Sable offshore project in January, after TransCanada reportedly filed a request with the National Energy Board to boost [18] regional supplies via the north-east US [18].

Mexico – Mexico's debt-laden state oil company Pemex will focus on developing shallow water and onshore hydrocarbon resources [19] in a bid to boost revenue without increasing debt further, making use of government's latest cash bailout to help achieve this.

US – The EQT-led Mountain Valley gas pipeline has received mixed news after an appeals court upheld

federal approval for the project, while separately, a federal criminal investigation [20] was launched against the line.

Venture Global has received a green light to start [21]building the Calcasieu Pass LNG project [21] in Louisiana by the FERC, which hailed the approval a “breakthrough” that “may provide a path” to clearing a backlog of LNG projects vying for construction approvals.

Russia & CIS

Moldova – Romania’s Transgaz has started building the second phase of its Moldova pipeline [22] that will extend to the Moldovan capital Chisinau despite purported technical, legal and geopolitical challenges to introduce competition in a market seeking to reduce reliance on Russia.



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