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Weekly news roundup (25 February-1 March)  
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# Weekly news roundup (25 February-1 March)

## International

Global LNG demand could grow by 20% [1] in two years and continue rising well into the next decade, Shell forecasted in its latest LNG outlook, with the company's integrated gas director Maarten Wetselaar telling reporters that the “missing piece” in the LNG market [2] – long-term contracts that underpin liquefaction plants – is falling into place.

Separately, Shell's legal woes are set to intensify after the Dutch Public Prosecutor's Office confirmed it is preparing criminal charges relating to the purchase of Nigerian oil [3] prospecting licence 245, for which the company is already facing charges elsewhere.

US tariff increases proposed as part of an ongoing trade dispute with China [4] will no longer take effect on 1 March, according to US president Donald Trump.

McDermott and Chiyoda have taken fresh financial hits amid ongoing cost overruns [5] incurred while building the Semptra-led Cameron LNG project in Louisiana and other liquefaction construction contracts.

Gas will play a major role in meeting primary demand for the next two decades despite renewables growing at an unprecedented rate [6], ExxonMobil said last week in an annual report that set out the drivers of its “long-term business strategy and investment plans”.

## Africa

**Mauritania / Senegal** – Texas-based independent Kosmos Energy intends to sell down a chunk of its 28% stake in the Grand Tortue floating LNG project [7] that straddles the Senegal-Mauritania border. Separately, project operator BP is moving full steam ahead, following agreements with Golar LNG to supply [8] an FLNG vessel [8] for the project's first phase.

## Asia Pacific

**China** – Chinese officials have reportedly suspended [9] gas fracking activities [9] in shale-rich Sichuan province following mass protests over earthquakes.

## Australasia

**Australia** – An urgent need for new permanent sources of gas [10] in Australia's southern states “can only” be met by LNG import projects, a new report by Australian-based energy advisory firm EnergyQuest has claimed.

Arrow Energy – the Shell and PetroChina joint venture – finally has a clear run at sanctioning Australia's biggest coal seam gas resource [11] after the government of Queensland gave the green light to develop the long-standing Surat Gas Project.

### **Caribbean**

**Trinidad and Tobago** – BP Trinidad and Tobago has announced first gas production [12] from its 600 MMcf/d capacity Angelin project, delivered on time and under budget.

### **Central & South America**

**Venezuela** – A senior official in Venezuelan state oil company PDVSA's gas subsidiary in Caracas has fallen victim to what might indicate a fresh internal purge [13], as embattled president Nicolas Maduro fights to keep control amid US sanctions.

### **Europe**

**Italy** – Saipem's losses widened to USD 535 million [12] in 2018, compared to some USD 370 million in 2017.

**Netherlands** – The 2.8 Bcm capacity Grijpskerk storage facility is set to close [14] before 2022, amid ongoing weak price spreads that do not allow European storage operators to cover their fixed costs.

**UK** – Ineos is set to invest USD 1.3 billion across its [15]UK portfolio [15], more than half of which will go towards upgrading North Sea assets such as the Forties Pipeline System that Ineos bought from BP less than two years ago.

### **Mediterranean**

**Cyprus** – ExxonMobil has confirmed a widely-anticipated gas discovery [16] in Cyprus' Block 10, estimated at 5-8 Tcf, which may revive interest a potential LNG project to commercialise the island's growing cluster of undeveloped gas finds.

### **Middle East**

**UAE** – Abu Dhabi National Oil Company is laying groundwork for new infrastructure investment [17]s [17] after sealing the "landmark" sale of an equity stake in ADNOC Oil Pipelines, a new midstream entity, to US funds managed by BlackRock and KKR.

### **North America**

**Mexico** – Struggling national oil company Pemex is pinning revival hopes on a hike in the government-mandated exploration and production budget [18] after enduring another year of heavy losses, as crude and natural gas output weakened in 2018.

**US** – Cheniere Energy has turned its first [19]annual profit since becoming an LNG exporter [19], reporting net income of USD 471 million in 2018 on the back of growing LNG exports. Separately, the company has taken legal action against ex-CEO Charif Souki [20], potentially drawing him into a dispute with Tellurian, the company he now chairs, and Cheniere's former development partner Parallax Enterprises.

Three major gas pipeline projects achieved milestones [21] last week, as Cheniere Energy began building

the Midship project and TransCanada securing federal approval to increase flows on its Mountaineer Xpress system and start operating Gulf Xpress.

Three municipal gas utilities in north-east US have imposed moratoria on new gas service connections [12] amid a lack of sufficient natural gas pipeline capacity in the region, Argus Media reported last week.

### **Russia & CIS**

**Russia** – Gazprom has bid farewell to senior personnel in a major reshuffle [12] that ousted Alexander Medvedev and Valery Golubev from the management committee.

Novatek has reportedly outlined plans to increase Russian LNG production [12] capacity to 70 mtpa by 2030, in a meeting with Russian president Vladimir Putin.

### **South Asia**

**India** – Indian Oil Corp has received a commissioning cargo at its Ennore LNG import terminal [22], despite ongoing doubts over the readiness of pipeline connections to allow the facility to regasify and inject into the local grid.



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