

27 April 2024

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Weekly news roundup (18-22 March)
Publication date: 25 March 2019

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Analysis

Plummeting prices on European natural gas hubs and Asian LNG spot indexes risk pricing some US LNG cargoes out of both markets, reviving industry talk of an imminent global LNG glut [1].

International

Indonesian independent Medco's aggressive bid for Ophir Energy has come under threat [2] from rebellious shareholder Petrus Advisers, which has vowed to vote down an agreement containing details of the transaction at an upcoming meeting.

Africa

Mozambique – Anadarko is reportedly seeking to charter 16 LNG carriers for volumes [3] secured on a delivered ex-ship basis from the Mozambique LNG project.

Asia Pacific

Malaysia – Murphy Oil Corporation is set to exit Malaysia after 20 years [4] following a deal to sell USD 2.1 billion of assets to Thailand's PTT Exploration and Production.

Vietnam – A USD 7.8 billion LNG-to-power scheme [5] has joined the growing queue of proposed regas projects for Vietnam, as the south-east Asian country seeks to move away from dependence on coal following rapid economic growth in recent years.

Australasia

Papua New Guinea – Prime Minister Peter O'Neill has told reporters at an energy summit that the country is nearing finalisation of a gas deal [6] for the 8 mtpa PNG LNG plant with project developer Total and its partners Oil Search and ExxonMobil.

Central & South America

Brazil – Petrobras is accelerating its USD 26.9 billion divestment programme [6], CEO Roberto Castello Branco has claimed, with about USD 10 billion in divestments expected to close by the end of April.

Europe

EU – European TSO revenues would collapse [7] by more than two-thirds under “ambitious” 2050 decarbonisation scenarios, according to new research from a pan-EU academic research group.

Germany / Italy – Uniper appears to be pivoting its European regasification position [8] from Italy to Germany, after reports emerged that the company is selling its stake in an FSRU off Tuscany and pressing ahead with an FSRU in Wilhelmshaven. The deal was confirmed [3] days later.

Germany – Wintershall CEO Mario Mehren has welcomed Germany's decision to phase out coal-fired power, adding that gas transported by the Nord Stream 2 pipeline would be enough to “replace all of Germany's coal-fired power [9] without subsidies”.

Norway – Aker BP has concluded drilling of two wells close to the Boyla field [6] with preliminary estimates suggesting one of the wells could hold up to 21 MMcm of recoverable oil equivalents.

UK – British LPG supplier Flogas is aiming to carve out a key role for LPG in decarbonising [10] the heating sector after a local council greenlighted the conversion of the shuttered Avonmouth LNG terminal into the UK's largest LPG storage terminal.

Market uncertainty and oil price volatility threaten to “dampen” M&A activity in the North Sea [11] and undermine efforts to attract hundreds of billions of dollars of investment in the maturing basin, trade body Oil & Gas UK has said.

London-listed Energean Oil & Gas recorded an income of USD 100 million [3] for 2018 – a major increase from the USD 9.9 million a year earlier.

UK-based Sound Energy recorded a loss of USD 8.8 million [3] for 2018 – a marked improvement on the GBP 34 million loss a year earlier.

The government has enlisted BP, Shell, National Grid and others to form a new carbon capture usage and storage advisory board [12] to deliver on an industry strategy resuscitated by government with only a fraction of previously available funding.

Hungary – Hungary has reportedly accelerated procurement of Russian gas [13] in a sign of growing concern among south-eastern European capitals that Gazprom and Ukraine may be unable to reach a 2020 gas transit deal.

Mediterranean

Cyprus / Israel – Delek Drilling is considering forming a new company with its current assets [6] – “primarily the Leviathan and Aphrodite reservoirs” in Israel and Cyprus – that would list on the London Stock Exchange.

Middle East

Iran – Iran's petrochemical production capacity is poised to triple [14] by 2021 fed by gas from the supergiant South Pars gas field where production has been boosted by more than 100 MMcm/d as part of a USD 10 billion expansion programme that was inaugurated this weekend.

North Africa

Egypt – Sudan's foreign ministry has summoned Egypt's ambassador, Hossam Issa, to Khartoum over Cairo's latest oil and gas licensing round [3] offering blocks in the Red Sea.

North America

Canada – A Canadian oil and gas industry association is pushing to make significant changes to government regulations [15] that it claims are “crippling” the country's competitiveness in global markets.

Mexico – The President of Mexico has outlined his intention to take legal action if necessary to revise “unfair” natural gas pipeline contracts [16] that his administration alleges were signed by “corrupt” public officials to fleece taxpayers for the benefit of private companies.

US – Regulators have issued a positive environmental assessment of the Texas LNG project [17] proposed for the Port of Brownsville, despite concluding it could have significant negative impacts on the environment – particularly if other liquefaction projects in the vicinity are also built.

US pipeline and storage company Williams is teaming up with the Canada Pension Plan Investment Board to establish a USD 3.8 billion joint venture [6] to optimise midstream operations in the western Marcellus and Utica basins.

The Oregon State House of Representatives has voted in favour of a 10-year ban on fracking [6] in the state.

The latest US Gulf of Mexico offshore licensing round has seen the world’s energy majors team up with smaller players [18] to bid for large swathes of acreage, with Shell being the only supermajor to fly solo.

New York state is to invest USD 250 million in low carbon heating technologies [3] and energy efficiency measures in a bid to address the state’s lack of gas pipeline capacity.

Russia & CIS

Russia – Novatek is striding towards a 2019 final investment decision [19] on the Arctic LNG 2 [19] liquefaction project after CEO Leonid Mikhelson confirmed that Saudi Aramco is in the final stages of negotiating a 30% stake. Meanwhile, the firm has received an exemption from new legislation [3] banning foreign-flagged carriers from the Northern Sea Route.

Gazprom has commenced the full-scale development of its Kharasaveyskoye field [3] located in the Yamal peninsula. Separately, the company has said payment discipline by its domestic gas customers [3] improved for a third consecutive year in 2018.

Ukraine – Ukraine has launched a third natural gas licencing round [20] offering nine unexplored blocks that Kiev hopes will lure investment in risky but potentially significant reserves needed to end reliance on imports and provide spare supply for exports.



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