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Weekly news roundup (29 April-3 May 2019)

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International

As first quarter earnings results [1] continue to pour in, BP has followed in the steps of its peers Total, Chevron and ExxonMobil and reported a drop in profits.

Stronger trading combined with higher realised LNG and gas prices helped Shell outshine its Big Oil peers by reporting a better-than-expected 2% drop in quarterly profits [2] that outshone an average 23% earnings dip across the rest of the energy majors.

A high-level EU-US business forum took place in Brussels last week that discussed opportunities for US LNG in Europe's gas markets [3] and attracted all the top energy majors, European utilities and US LNG players, as well as high-ranking White House officials.

The precise status of complex commercial negotiations [4] between the government of Tanzania and oil majors has been thrown into confusion after Shell and Equinor issued apparently contradictory statements over the talks.

Asia Pacific

Indonesia – Shell is seeking to sell its USD 1 billion stake in the 9.5 mtpa Abadi LNG project [5] in Indonesia, Reuters has reported citing unnamed sources.

Australasia

Australia – The race to bring online Australia's first LNG terminal [6] heated up following planning approval from the government of New South Wales for the Japanese-backed Port Kembla Gas Terminal in south-east Australia.

New Zealand – The New Zealand Petroleum & Minerals body has launched the country's delayed Block Offer 2018 [1] after agreeing with the iwi and hapu tribes to add an additional condition to the bid document.

Central & South America

Panama – The Panama Canal is about to reach a new milestone with the first transit by a Q-Flex class tanker [7], despite a new maximum draft limit imposed on vessels due to drought conditions.

Venezuela – National oil company PDVSA has paid the first tranche of a USD 2 billion arbitration award owed to ConocoPhillips [8], defying expectations that the US energy company would join a long list of creditors waiting to be paid by the cash-strapped NOC.

Europe

Denmark – The Gazprom-owned developer of the Nord Stream 2 pipeline has lodged an appeal [9] against the decision by the Danish Energy Agency to request a third route application through Danish waters.

Germany – Chemical giant BASF and LetterOne have merged their respective oil and gas businesses to create Wintershall Dea, the “largest independent exploration and production company in Europe” [1] with forecast output of 750,000-800,000 boe/d between 2021-23.

Italy – Eni has expanded its activities in nuclear fusion [10] by partnering with the Italian National Agency for New Technologies, Energy and Sustainable Economic Development on a pilot project on magnetic confinement fusion.

Portugal – The country’s sole LNG terminal is set to receive two shipments [11] in the first few days of this month, port data shows, amid low global LNG prices driving strong European LNG imports.

UK – The urgent need to develop commercially-viable technologies to generate hydrogen and capture and store fugitive emissions of CO₂ was thrust into the spotlight last week, when the UK government agreed to consider setting a binding 2050 target for the country to achieve net-zero emissions [12].

The UK government remains highly unlikely to review stringent fracking-induced seismicity regulations [13] despite the resignation of the country’s “fracking tsar” over what she described as “ridiculous” rules preventing onshore hydraulic fracturing.

Three in five (63%) people polled by Greenpeace UK agree the world is facing a climate emergency [1], with 25% “strongly agreeing”.

Israel’s Delek Group has submitted a bid to acquire Chevron’s interests in UK North Sea oil and gas fields [1] Alba, Alder, Britannia (and its satellites), Captain, Elgin/Franklin, Erskine and Jade.

Middle East

Iraq – Kurdistan-focussed Genel Energy’s plans to develop the Bina Bawi and Miran fields face [14] significant fresh delays [14] after the company said it would seek to renegotiate two gas lifting agreements that it now considers are commercially unviable.

North America

US – Chevron is resisting pressure to improve its offer for Anadarko Petroleum [15] after the takeover target resumed talks with rival shale operator Occidental Petroleum. Meanwhile, the US Securities and Exchange Commission filed an “emergency” court order to freeze and repatriate assets [16] relating to alleged insider trading that yielded approximately USD 2.5 million in illegal profits in connection with Chevron’s USD 50 billion bid to acquire Anadarko Petroleum.

Separately, US investment conglomerate Berkshire Hathaway is to invest USD 10 billion in Occidental Petroleum [17], contingent on the US shale player completing its hostile acquisition of rival Anadarko Petroleum – prompting mixed reactions from industry observers and investors.

This prompted a major shareholder in Occidental Petroleum to express unease over Berkshire Hathaway’s USD 10 billion investment [18] in the company, as it diminishes the chances of investors

being allowed to veto management's contentious bid to acquire rival Permian driller Anadarko.

LNG developer NextDecade's Rio Grande liquefaction project [19] in Texas does not pose significant adverse environmental impacts so long as mitigation measures are implemented, the Federal Energy Regulatory Commission has said.

A report claiming that one of the main climate change mitigation policies in the US has led to unnecessarily high increases in electricity bills [20] has come under fire for "incomplete accounting of the benefits".

Democratic presidential contender Robert 'Beto' O'Rourke has unveiled a USD 5 trillion plan to tackle climate change [1] as one of the first major policy proposals of his campaign.

US net natural gas exports [5] in February 2019 totalled 4.6 Bcf/d, marking 13 consecutive months in which US gas exports exceeded imports, the Energy Information Administration has said.

Pembina Pipeline Corporation has minimised expenditure on the Jordan Cove LNG project [5], which is facing a further year of delays due to regulatory issues.

The House of Representatives has passed the Climate Action Now Act [5] designed to prevent the US' withdrawal from the Paris climate accord, with the backing of 224 Democrats but no Republican representatives.

Russia & CIS

Russia – Gazprom doubled annual profit [1] last year, the company said in 2018 full-year financial results, with net profits soaring to USD 22.6 billion.

South Asia

Bangladesh – The country's second floating storage regasification unit (FSRU) [21] has come online a month ahead of schedule, in stark contrast to the country's first FSRU which was delayed by months.



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