

2 May 2024

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Weekly news roundup (7-10 May 2019)
Publication date: 13 May 2019

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International

German engineering giant Siemens – one of the world's biggest manufacturers of gas turbines – is to spin off its gas and power business [1] as part of a strategy that will see the “industrial core” business focusing on “digital industries and smart infrastructure”.

US LNG and crude exporters could fall victim to the intensifying trade war between the US and China [2], with Beijing vowing to retaliate with “necessary countermeasures” after US president Donald Trump threatened to more than double tariffs on Chinese goods.

Africa

Mozambique – Takeover target Anadarko expects a final investment decision on the Mozambique LNG project [3] to be taken on 18 June, the US firm has said, with the date set after Anadarko resolved all remaining issues with Mozambique's government last week. The date was set despite ongoing wrangling over Anadarko's assets by Occidental Petroleum and Total that some observers warned could delay FID [4].

Uganda – The country has launched a second round of bidding [5] for five exploration blocks covering nearly 5,000 sq km in the west of the nation.

Asia Pacific

Japan – Embattled engineering firm Chiyoda is set to receive a USD 1.6 billion bailout from major shareholder Mitsubishi Corp and MUFG Bank [6] as part of a rehabilitation plan, with Chiyoda admitting potential lenders were scared off by its risk profile.

Australasia

Papua New Guinea – The landmark agreement by Total and its Papua LNG project partners in April is in doubt due to a political crisis brewing in Papua New Guinea [7], where prime minister Peter O'Neill is facing a no-confidence vote reportedly due to his lack of consultation over the deal.

Europe

Switzerland – Mercuria Energy Group has reportedly added to its gas trading desk after hiring three LNG traders [5] from French utility EDF.

UK – The UK hit a major milestone last Wednesday after the nation went a week without using coal for power generation [8] for the first time since the industrial revolution, network operator National Grid Electricity System Operator said, with gas the major fuel in the power mix.

National Grid has announced that up to 8.3 mtpa of redelivery capacity, 390,000 cm of associated storage capacity and over 100 berthing slots could be made available at the Grain LNG terminal [5] in

2025.

Mediterranean

Cyprus / Turkey – Turkey has stationed a drillship in the Cyprus exclusive economic zone [9] and declared its intention to drill for hydrocarbons, prompting calls from the Republic of Cyprus and its allies in the EU, US and UK for Ankara to halt its actions.

Middle East

Iraq – Iraq has unveiled its first major gas flaring reduction project [10] after hiring China Petroleum Engineering & Construction Corp to build a 300 MMcf/d gas processing plant at the PetroChina-operated Halfaya oilfield.

North America

US – Occidental Petroleum further irritated stockholders last week by revising its hostile bid for rival Anadarko [11] to remove the need for shareholder approval, which had been a bone of contention for Anadarko's board. Days later, Occidental saw off an AGM rebellion by shareholders disgruntled by the proposed acquisition that was cement [12]ed [13] in a definitive merger agreement [12] after Chevron ended its pursuit of Anadarko [14].

Kinder Morgan has lost its battle for exemption from US steel import tariffs [15], after a ruling that the pipeline operator must pay a charge for imports to build its Gulf Coast Express pipeline – in a move that could undermine the Trump administration's goal of maximising energy production and exports.

The proposed Jordan Cove LNG plant has been dealt [16]another regulatory setback [16] after Oregon's Department of Environmental Quality denied the project a water quality certificate, citing "insufficient information to demonstrate compliance".

Higher natural gas output of ~32 quadrillion British thermal units helped the US hit record energy production levels [17] in 2018, with gas poised to continue playing a leading role in America's energy mix as a result of forecasted production growth through to 2020.

Partisan divisions over climate change could persist at the Federal Energy Regulatory Commission, after a US court failed to address issues at the heart of an appeal against FERC's decision not to evaluate greenhouse gas emissions [18] in environmental reviews of upstream and downstream projects.

Separately, the Federal Energy Regulatory Commission has issued a final environmental impact statement for Venture Global's proposed 20 mtpa Plaquemines LNG plant [5] in Louisiana.

Washington state governor Jay Inslee has withdrawn support for Puget Sound Energy's proposed small-scale LNG facility [5] at the Port of Tacoma and a nearby methanol production plant, citing climate impacts.



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