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Weekly news roundup (20-24 May 2019)

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Analysis

Australian voters have overwhelmingly rejected the progressive climate-orientated policy [1] platform of the opposition Australian Labor Party in an unexpected federal election that saw the return to power of the Liberal National Coalition headed by coal-loving Liberal conservative Scott Morrison.

BP's new chairman has sought to strike a balance between rising global energy demand and the need for urgent decarbonisation, by voicing support for a "fast-paced transition to a lower carbon energy system" while cautioning that oil majors must prioritise shareholder returns [2] at all times.

The re-election of India's prime minister Narendra Modi by a landslide in this week's historic election gives his ruling Bharatiya Janata Party a strong mandate to implement its agenda of investment-driven economic growth – but the role of natural gas in Modi's "new India" [3] seems no clearer despite the sheer scale of his resounding victory.

Africa

Ivory Coast – The west African nation has reportedly awarded four new offshore blocks [4], with Total and Eni scooping two apiece.

Sierra Leone – The country's petroleum directorate has reopened the fourth licensing round [5] following the decision to suspend it in September last year in order to consult with industry to ensure a successful tender.

Asia Pacific

China – PetroChina is reportedly going against the industry norm and raising wholesale gas prices [4] for the spring season.

Thailand – The energy ministry has reportedly called on state-owned Electricity Generation Authority of Thailand to halt its maiden LNG tender [6] to bring it in line with the country's primary LNG importer PTT to avoid potential oversupply, weeks after EGAT selected the winning bidder.

Vietnam – Novatek has thrown its hat into the crowded ring of proposed LNG-to-power projects [7] in Vietnam after signing a memorandum of understanding with Ninh Thuan province, throwing into doubt Gulf Energy Development's proposed 6 GW LNG-to-power project in the province.

Australasia

Australia – The country's third largest energy retailer, EnergyAustralia, has reportedly become the foundation customer of the proposed Port Kembla LNG terminal [5], after agreeing to take 15 PJ annually from the project for five years, starting in 2021.

Caribbean

Trinidad and Tobago – BP and Shell have submitted a joint bid for the 2018 shallow water licensing round [5] which included six blocks located off the east, north and west coasts of the nation.

Central & South America

A United Nations commission has revived plans to build a major gas pipeline across Central America [8] fed by US supply that would form the core of a regional development plan and other energy-related projects.

Europe

Bulgaria / Greece – Construction work has kicked off on the Bulgaria-Greece gas interconnector [9] which will help diversify Bulgaria's supply and that of south-east Europe, which is under threat of a shortage from next winter as Gazprom and Naftogaz are yet to agree a new transit deal.

Germany – Uniper has launched an open season to gauge interest in its proposed 7.25 mtpa FSRU [5] that would import serve as an LNG terminal in Wilhelmshaven.

Netherlands – The Dutch Economic Affairs minister has called for Groningen's gas production to be cut faster [5] than previously envisaged, after the Royal Netherlands Meteorological Institute reported that an earthquake measuring 3.4 on the Richter scale struck the town of Westerwijrtwerd.

Norway – Aker BP has successfully closed its USD 4 billion senior unsecured revolving credit facilities [4] amid reportedly strong interest from banks.

Romania – OMV Petrom has kicked off the first decommissioning work of an offshore platform [10] in Romania after the Gloria platform reached the end of its economic life, with the milestone marking the latest sign of decline in the country's offshore upstream sector that has not seen a new field brought online since 1989.

UK – Ofgem has announced its approach to calculating its next round of energy network price controls [4], which the energy watchdog says "will deliver a smarter and more sustainable energy network that will come at a lower cost to consumers".

Mediterranean

Cyprus – Cyprus has unveiled ambitions by foreign operators to drill eight new wells [11] in its offshore territory over the next two years despite ongoing uproar over the presence of a Turkish drillship in the island nation's exclusive economic zone.

A new Cyprus-based investment group is planning to acquire under-used natural gas infrastructure assets [12] in the east Mediterranean beginning this summer, in the hope of shaking up a market that has been slow to develop a string of upstream discoveries made in recent years.

Middle East

Iraq – Iraq's oil minister has hit out at ExxonMobil's decision to evacuate foreign staff working at its West Qurna 1 oilfield [13] in the south of the country, claiming the move is driven by politics rather than the security situation on the ground.

Lebanon – The country's ambitious plan to install three floating storage and regasification units (FSRUs) along its coast to facilitate a much-needed switch from diesel to gas-fired power [14] generation appears set to run into financial, political and security issues that continue to hinder economic advancement in the country.

North Africa

Morocco – Sound Energy has failed to achieve commercial flows [5] of gas following a stimulated well test at its TE-10 discovery at Tendirra in the east of the country.

North America

US – Major distributor SoCalGas failed to investigate more than 60 leaks at its Aliso Canyon storage site [15] before the largest outflow of methane in US history occurred there in 2015, according to a state-commissioned report.

Saudi Aramco has taken a big first step on its quest to become a leading LNG player after signing a heads of agreement with Semptra Energy to take a 25% stake in the Port Arthur LNG project [16] and lift almost half of the plant's output over 20 years.

Permian driller Pioneer Natural Resources has shed a quarter of its workforce as it battles to shore up its share price [17], amid ongoing market speculation that the company could be the next takeover target as oil majors muscle into the booming US shale play.

Engie has entered Pennsylvania's retail gas market [5], with the firm offering six to 36-month fixed price contracts to small commercial and industrial customers.

Occidental Petroleum is rolling out what it claims to be the world's largest – and possibly most expensive – carbon dioxide sequestration facility [18] that could capture initially 500,000 tonnes of CO₂ per year from the atmosphere to be used in enhanced oil recovery operations in the Permian Basin.

US liquefaction capacity increased slightly this week as the country's first small-scale LNG plant offering both marine and truck-loading [19] capabilities – JAX LNG – commenced commercial operations, the plant's joint venture partners Pivotal LNG and NorthStar Midstream announced.

Shell has started production at the Appomattox floating production system [4] in the Gulf of Mexico ahead of schedule and under budget.

Russia & CIS

Russia – The Federal Agency for Mineral Resources has approved the volume of estimated gas reserves in two Gazprom-owned fields [5] at roughly 390 Bcm.

Saudi Aramco's long-awaited investment in Novatek's Arctic LNG 2 project [20] in Russia has been thrown into doubt after reports emerged claiming the Saudi state-owned oil giant is having second

thoughts.

Novatek has added to its existing acreage on the Gydan peninsula after being awarded five new licences [4] on the Krasnoyarsk Territory.

South Asia

Pakistan – Exploration offshore Pakistan has failed to unearth a major hydrocarbons discovery [21], in an embarrassment for prime minister Imran Khan who had raised the prospect of a major find enabling the country to end oil and gas imports.



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