

19 February 2020

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Weekly news roundup (8-12 July 2019)

Publication date: 15 July 2019

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Africa

Tanzania – Would-be LNG exporter Tanzania is looking for buyers closer to home after the country's president agreed to explore gas exports to neighbouring Kenya [1], although this would need to overcome hurdles that have hamstrung a long-mooted pipeline between the two states.

Asia Pacific

Japan – Shell is mulling a potential move into residential electricity sales [2] in Japan after entering the country's power market earlier this year, as the company seeks to tap into segments of the energy market that are poised for growth in a carbon-constrained world.

Caribbean

Dominican Republic – The island nation has launched its first oil and gas licensing round [3], offering 14 onshore and offshore blocks under low-risk, low-return contract terms, with 26 companies from 11 countries showing initial interest, according to the country's energy ministry.

Central & South America

Bolivia – Bolivia has strengthened ties with the Brazilian arm of Russian fertilizer giant Acron by signing a 20-year deal to supply the company with 2.2 MMcm/d [4], securing a new buyer to offset the risk of declining demand from long-time customers Argentina and Brazil.

Brazil – National oil company Petrobras is embarking on a fresh wave of upstream and midstream asset sales [5], as part of the government's wider agenda to liberalise the market, cut costs and revitalise the Brazilian economy with a flood of cheap gas.

Europe

Spain – Spanish energy company and utility Naturgy has temporarily halted investment in gas network infrastructure [6] after the country's regulator CNMC proposed steep cuts to the permitted rate of return on gas and power networks.

UK – AIM-listed InfraStrata is looking to breathe new life into Meridian Holdings' stalled FSRU project [7] in north-west England after entering into an exclusivity agreement to purchase the development – but only if elusive investors can be found to back the scheme.

The UK Oil and Gas Authority has initiated an investigation into a dispute that threatens to delay development of the Pegasus gas and condensate field [8] in the Southern North Sea.

The UK government has dragged its heels in supporting low-carbon technologies that could both displace gas [9] in the energy mix and decarbonise gas supplies to help cut emissions in hard-to-abate sectors, according to a scathing report from London's appointed advisor on climate change.

Cuadrilla is persevering with a second well at its Preston New Road shale gas site [10] in England following a decision to resume fracking and flow testing, subject to regulatory approval, but a government agency has criticised the company over environmental reporting non-compliance.

The UK's new legally-binding target for net zero climate emissions by 2050 [11] could see natural gas with carbon capture play a much larger role in power generation compared to pathways to achieve the previous 80% CO₂ reduction goal, according to the country's electricity grid operator.

Middle East

Israel / Lebanon – Attempts to resolve an offshore territory dispute between Lebanon and Israel [12] have “frozen” due to growing tensions between the US and regional players, Arab media reported last week, suggesting more complications in planned exploration in Lebanese waters.

Iran – Iran has rejected a request from China National Petroleum Corp to suspend investment in the giant South Pars 11 project [13], but market experts warn the move could backfire and prompt CNPC's definitive withdrawal.

Lebanon – Lebanon has taken the next step towards installing FSRUs [14] along its coast line with the opening of bids to provide the vessels, infrastructure and LNG that would establish the country as a new LNG market.

Saudi Arabia – Saudi Aramco has awarded 34 contracts to local and international companies worth USD 18 billion that will increase gas production [15] at the offshore Marjan and Berri fields by 2.5 Bcf/d – boosting the company's overall output by almost 30%.

North America

US – Two federal bodies have informed Cheniere that it must take several more steps before it can restart operations at two LNG storage tanks [16] at the Sabine Pass LNG plant, which have been out of action for over a year due to leaks.

The board and CEO of top US shale gas producer EQT has been ousted [17] in a landmark proxy vote following a wildly successful activist campaign led by the founders of Rice Energy, the company EQT acquired in 2017. Days later, ratings agency Moody's downgraded EQT [18] citing “substantial uncertainty” after the board shakeup, while separately, the company faces fresh shareholder litigation.

The Jordan Cove LNG project has sunk further [19] into troubled waters following a wave of criticism from the US Department of Interior and Oregon state regulators over preliminary environmental analysis by the Federal Energy Regulatory Commission that was supportive towards the project.

Oil and gas players operating in the US Gulf of Mexico are bracing for the first tropical storm to hit the country this year [20] – expected to make landfall in Louisiana on Saturday – with over half of offshore crude production from the region shut-in and LNG operators ceasing to load cargoes.

Russia & CIS

Kazakhstan – Kazakhstan has signed two upstream agreements with European majors [21] aimed at boosting reserves and accelerating production to capitalise on Chinese demand for non-LNG sources of gas amid tensions related to the Middle East and trade with the US.



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