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Weekly news roundup (9-13 September 2019)

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# Weekly news roundup (9-13 September 2019)

## International

A new transit deal between Gazprom and Naftogaz [1] looks no closer to being achieved this year, but the Russian company has said that a previously dismissed direct supply deal with Ukraine is a priority and could cut the country's import bill by 25%.

BP plans to deploy continuous measurement of future upstream projects as part of an "industry first" effort to reduce greenhouse gas emissions [2], after completing a drone-based survey in the North Sea and recognising opportunities for mobile monitoring in the US.

Field services are in line to end three successive years of growth and plunge into recession in 2020 if oil prices remain flat [3], according to Norway's Rystad Energy – which months ago said the sector had begun hiking fees after the previous crude price downturn.

## Africa

**Nigeria** – Nigeria LNG has signed a Lol with Italy's Saipem, Japan's Chiyoda and South Korea's Daewoo to build the long-awaited seventh train at the liquefaction plant on Bonny Island [4], which foresees FID on 31 October.

## Asia Pacific

**China / Philippines** – Philippine president Rodrigo Duterte has reportedly ignored an arbitration ruling on a disputed section of the South China Sea in return for a majority share in a [5]gas development with China [5] in the Philippines' exclusive economic zone.

## Australasia

**Australia** – Western Gas is on track to deliver first LNG [6] from its maiden liquefaction project in 2024, the company said after completing a development plan for the Equus gas project.

## Europe

**EU** – The European Court of Justice has struck down a 2016 decision that allowed Gazprom to bid for the entire capacity of the OPAL pipeline under a partial exemption from third-party access rules in a move that might limit Gazprom's utilisation of the line [7]. Days later, German network regulator BNA ordered the firm operating OPAL to cut its transit flows by 50% [8].

European front-month gas prices soared last week [9] after EDF said its French nuclear fleet had been affected by faulty welding, leading to a buying spree ahead of the winter heating season, though the

French firm did not say whether impacted plants would shut down.

**Netherlands** – Production from Europe's largest field could cease eight years earlier [10] than planned, the government has announced, raising questions over whether the country will be able to add sufficient nitrogen levels to imports and meet grid specifications by 2022.

**UK** – The Oil and Gas Authority, has provided a pragmatic non-binding ruling in a dispute between Neptune Energy and Spirit Energy, recommending Neptune and its Cygnus field partners work to allow third-party gas to be routed through the North Sea [11] field.

## Middle East

**Israel** – Partners in offshore fields face a fresh obstacle in exporting gas to Egypt [12] after Israeli NGOs filed lawsuits to prevent Noble Energy and Delek Drilling from acquiring a 39% stake in the East Mediterranean Gas pipeline. Separately, US deputy energy secretary Dan Brouillette has said that s [13] security concerns in the Sinai Peninsula [13] could undermine the timely delivery of Israeli gas to Egypt through the EMG pipeline.

**Saudi Arabia** – Prince Abdulaziz, son of King Salman Bin Abdulaziz, has become the first royal to head the Saudi energy ministry [14] after the former minister was ousted due to lack of progress in driving the planned IPO of Saudi Aramco, according to reports.

## North America

**Mexico** – The government has unveiled a huge capital injection and refinancing plan [15] designed to alleviate struggling NOC Pemex's short-term debt, but the package will scarcely keep the wolf from the door, credit ratings agency Fitch Ratings has warned.

**US** – Freeport LNG has taken a major step towards FID on a fourth train expansion [16] after securing a USD 1 billion loan and expects to pull the trigger on the additional train "in the next several months", the company's CEO has said.

Clean energy sources, storage and demand-side management are already cheaper than new-build gas-fired plants [17] and could undercut the short-run marginal cost of existing gas-fired power plants by 2035, according to the Rocky Mountain Institute.

The House of Representatives has passed a bill aimed at blocking oil and gas drilling in Alaska's Arctic National Wildlife Refuge [18], but the move is largely symbolic as it is not expected to gain traction in the Republican-led Senate.

A flurry of recent court rulings have thrown new obstacles in the way of gas pipeline developers [19] exercising eminent domain over public land, with implications for other projects serving LNG export plants or targeting acreage owned at the state level.

## Russia & CIS

**Turkmenistan** – Chinese and European companies have formed a consortium interested in building the long-discussed Trans Caspian Gas Pipeline [20] that has never taken shape due to opposition from Iran and Russia and Turkmenistan's reluctance to take on the task.

## South Asia

**India** – India's Reliance Industries and BP have reportedly launched an auction to sell 5 MMcm/d from their offshore project [21] under terms expected to be more competitively priced than LNG imported under long-term deals.



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