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Weekly news roundup (23-27 September 2019)

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International

More than 70 leading firms in the maritime, energy, infrastructure and finance sectors have signed a new initiative at the UN Climate Action Summit in New York to decarbonise the shipping industry by rolling out commercially viable zero emissions vessels [1] by 2030.

Japanese private and public energy firms and banks are to invest USD 10 billion to support LNG uptake globally [2], according to reports, two years after the government pledged the same level of support for Japanese companies building LNG infrastructure.

Total will hike its annual dividend by 5-6% to keep shareholders onside while investing in low-carbon electricity, as part of a strategy targeting “profitable and sustainable growth” [3] – which also envisages increasing LNG sales to 50 mtpa by 2025.

London’s Commercial Court has reportedly granted Nigeria’s government permission to appeal [4] a ruling that approved the seizure of state assets – worth USD 9.6 billion – by little-known engineering outfit P&ID in a case related to an abandoned gas processing project.

Asia Pacific

Philippines – US floating LNG developer Excelerate Energy is seeking funding for a proposed LNG terminal [5] in the Philippines, after confirming reports that the project has received official notice to proceed from the country’s energy department.

Australasia

Australia – Chevron could face penalties for launching a CCS project three years late [6] at its Gorgon LNG facility, after Western Australia’s environmental watchdog said the US company is accountable for emissions from 2016 when the plant received its first operating licence.

Central & South America

Colombia – The Colombian Petroleum Association has claimed that four stalled shale projects in the nation could attract billions of dollars in investment [7] once they start production.

Europe

Bosnia and Herzegovina – The federal government will open a roadshow in October to drum up bidder interest in four blocks in the Pannonian and Dinarides Basins [8] that it hopes might yield commercial discoveries and curb reliance on imported gas and oil.

Germany – The government has unveiled measures aimed at limiting Germany's [9]GHG emissions [9] that would purportedly cost some USD 60 billion, amid intensifying pressure from climate protestors and the rising influence of the country's Green party.

Ireland – The head of the government, Leo Varadkar, has said Ireland will prohibit exploration for oil but not gas [10], as he emphasised the role natural gas has to play as a "transition fuel" that Ireland will rely on for decades to come.

Italy – Snam has acquired a 49% stake in Italian LNG import terminal [11] Offshore LNG Toscana for USD 440 million, cementing its status as a leading European gas infrastructure player, while it explores a potential entry into the US.

Romania – Shareholders in Romania's largest gas producer Romgaz have approved "in principle" to purchase a 20% stake in Gastrade [12], developer of the Alexandroupolis LNG terminal in Greece, in a deal that could diversify the country's supply options.

UK – The UK's embattled nuclear programme has suffered another setback after EDF revealed a fresh increase in costs at [13]the Hinkley Point C project [13] and a possible 15-month delay to first power, which will not help the UK meet its ambitious emissions targets.

North Africa

Egypt – EGAS has cancelled an LNG supply tender offering six cargoes [14] for loading at the Idku LNG plant this year, a trade source told Gas Matters Today, despite LNG prices increasing for that period and rivals reportedly selling cargoes above front-month prices.

North America

Canada – The Federal Court has temporarily blocked Alberta province's legislative bid to stop oil and gas flows to neighbouring British Columbia, ruling that enacting the 'turn off the taps bill' would cause "irreparable harm" [15] to BC residents.

US – Freeport LNG has outlined plans to sell spot cargoes from its 15 mtpa export facility [16] conversion in Texas on an online platform created by Redwood Markets, in a move that will test the trading community's appetite for new internet-based options.

LNG developer Tellurian has lined up its largest offtake and equity investment deal to date [17] after signing an MoU with India's largest LNG importer Petronet for up to 5 mtpa from the proposed Driftwood LNG plant in Louisiana.

South Korea's thirst for US LNG shows no sign of slowing, with the country's sole wholesaler KOGAS signing its first long-term LNG purchase agreement since 2012 [18] and agreeing a 15-year deal with BP, which will source volumes from its US LNG portfolio.

Activist investor Elliott Management has renewed calls for Marathon Petroleum to split into three separate companies [19] to address "chronic underperformance", claiming the move could bolster

shareholder value by as much as USD 40 billion.

The cash-strapped US shale industry is teetering on the brink of profound consolidation [20], with oil majors poised to make acquisitions that will stem the current trend of bankruptcies that is rocking the sector, according to Rystad Energy and Morgan Stanley.



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