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Weekly news roundup (30 September-4 October 2019)

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# Weekly news roundup (30 September-4 October 2019)

## International

Sempra has provided a glimmer of hope for US players hunting for Chinese LNG buyers [1] by signing an MoU with China Three Gorges for LNG supply into the world's largest gas market as part of a wider deal to sell CTG its Peruvian businesses for USD 3.59 billion.

Bermuda-based shipping company Teekay Group is scrambling to reassure investors after the US government sanctioned a subsidiary of Chinese shipper COSCO, Teekay's partner in the 50:50 Yamal LNG shipping JV, for allegedly trading Iranian crude oil [2].

German utility RWE has highlighted 'green gas' as "indispensable to achieving security of supply" in a corporate plan to become carbon neutral by 2040 by withdrawing from fossil fuel energy sources [3] and ramping up investment in renewables.

Noble Energy and Delek Drilling, partners in Israel's Tamar and Leviathan fields, have more than doubled the volume of gas they can ship to industrial consumers in Egypt under firm take-or-pay contracts, which should help alleviate oversupply in the Israeli market [4].

The US justice department has closed its investigations into Shell and Eni [5] in relation to allegedly corrupt transactions linked to the purchase of vast Nigerian offshore oil block OPL 245, but left the door ajar to revisiting allegations later.

The BP board has chosen upstream boss Bernard Looney to lead from next March [6] after CEO Bob Dudley's planned retirement, hinting that the firm will continue prioritising E&P while making incremental adjustments to address climate change and the energy transition.

## Africa

Global investment firm The Carlyle Group has partnered with former Tullow Oil chiefs Aidan Heavey and Tom Hickey to launch Boru Energy [7], a new platform that will target acquisitions of oil and gas assets of "up to USD 1 billion" across sub-Saharan Africa.

**Mozambique** – Total has completed its acquisition of a 26.5% stake in the Mozambique LNG project [8] from Occidental Petroleum, allaying fears that complications around the purchase of other African assets from Anadarko might hold up the transaction.

## Asia Pacific

**China** – PetroChina's shale [9] gas reserves in the Sichuan basin [9] have increased to over 1 Tcm after the discovery of new blocks that the firm says shows "concrete action" to "safeguard national energy security", however, the finds still need independent verification.

**Thailand** – Thailand is on-course to more than double its regas capacity by 2025 [10] after power producer Gulf Energy, PTT and the Industrial Estate Authority of Thailand agreed to develop a third phase of the country's sole LNG import facility Map Ta Phut.

## Europe

**Poland** – Poland will reject EU calls for member states to commit to reaching net zero emissions by 2050 after the country's energy minister called decarbonising Poland a "fantasy" [11], a statement which presents a bleak outlook for coal-to-gas switching.

**UK** – Shell has kicked off its eighth [12] new UK North Sea project since the start of 2018 [12], this time a redevelopment of the Pierce field to enable gas exports that will help maximise flows through the SEGAL pipeline system.

## Mediterranean

**Cyprus / Turkey** – Turkish drillships working in the Cyprus exclusive economic zone in the East Mediterranean have reportedly lost support from major western service [13] firms [13], signalling that US and European diplomatic efforts against Ankara might be paying off.

## Middle East

**Saudi Arabia** – Fitch Ratings has downgraded Saudi credit [14] due to "rising geopolitical and military tensions in the Gulf region", despite Saudi Aramco reportedly hiking dividends and scaling back expansion plans to achieve a USD 2 trillion valuation in its forthcoming IPO.

## North America

**US** – Anonymous donors have formed a new advocacy group called The Empowerment Alliance (TEA) to "promote America's energy independence and leadership in the world" using the nation's gas resources and counter [15]ing the "unachievable" Green New Deal [15].

NEP, a limited partnership formed by US renewables heavy-hitter NextEra Energy, has signed a definitive agreement to acquire Meade Pipeline Co and its 39.2% stake in the Central Penn Line [16], a 185-mile-long gas pipeline in Pennsylvania.

US president Donald Trump has nominated James Danly, general counsel of the Federal Energy Regulatory Commission, to fill one of two [17] empty seats on FERC five-member board [17], while breaking with convention by not naming a Democrat for the other post.

US advocacy group the Environmental Defense Fund has launched a new, year-long initiative to use "advanced emissions monitoring technologies" to collect "scientifically robust" data on methane emissions [18] in the Permian Basin.

Chevron has upped its greenhouse gas reduction ambitions by establishing new goals to lower the emissions intensity of its upstream oil and gas activities

[19], regardless of whether the company has operational control of each asset.

NextDecade's proposed Rio Grande LNG project has received a boost [20] in its quest for federal construction approval after the US Fish and Wildlife Service said building the plant would not jeopardise the survival of certain endangered species.



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