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Analysis

US onshore producers wasted more than a billion dollars [1] as gas flaring and venting reached record levels last year, according to figures released by the EIA and calculations by Gas Strategies, highlighting the challenges to reining in associate gas wastage.

International

Tullow Oil's stock recorded its largest ever decline last week after the company revealed major problems with flagship fields offshore Ghana [2], forcing the company to cut its 2020 production outlook and scrap its dividend.

Commodities trader Vitol has committed to buy 0.5 mtpa from Nigeria LNG's first three trains [3] that is becoming available as existing contracts expire, marking the latest long-term offtake commitment from a major trading house.

Germany's foreign minister Heiko Maas has hit out at proposed US sanctions [4] targeting Gazprom's Nord Stream 2 and TurkStream pipelines, accusing Washington of meddling in European energy policy.

The US and China have settled their trade war after agreeing a limited deal that sent front-month crude prices soaring to three-month highs [5] last Friday on market hopes of demand growth in 2020 on the back of a global economic recovery.

Asia Pacific

China – After six years of deliberation, China has launched a new state-owned pipeline company COGPNC [6] to operate the oil and gas pipeline assets held by the 'Big Three' national oil and gas companies, state media has reported.

Chinese LNG buyers are reportedly looking to offload spot cargoes that have been rendered surplus [7] to requirements by soft demand and brimming gas inventories, arising from warmer than usual winter weather and the country's slowing economy.

Central & South America

Argentina – New left-wing president Alberto Fernandez has delivered mixed news to the country's shale sector [8] by appointing his close friend Sergio Lanziani as the country's new energy minister in a move unlikely to ease concerns by E&P players.

Peru – Ratings agency Moody's has downgraded notes issued by the Shell-owned Peru LNG plant [9] due to cash flow vulnerabilities arising from depressed gas and LNG prices and production disruptions

caused by adverse weather and unplanned maintenance.

Europe

EU – The European Commission last Wednesday unveiled its European Green New Deal [10] that provides a blueprint for net-zero climate emissions by 2050 and a reduction in 2030 emissions that will require higher carbon prices. The next day, the European Council adopted [11]the plan [11], with only Poland declining to commit to the program due to its strong reliance on coal for power generation.

Poland – State-owned energy firm PGNiG has deepened ties with Energy Resources of Ukraine Corporation via an agreement to cooperate on E&P in Ukraine’s Lviv region [12], which PGNiG believes could hold part of Poland’s largest gas field.

UK – Prime minister Boris Johnson has restated his party’s commitment to set the country on course for a zero-carbon emissions economy by mid-century [13], after winning a stunning landslide election victory that paves the way for Britain to leave the EU next year.

Mediterranean

Cyprus / Israel – Cyprus has dismissed calls from a senior Israeli official to halt development of the Aphrodite field [14] until a Cyprus-Israel unitisation agreement for the reservoir is signed.

Middle East

Saudi Arabia / Iran – Oil price uncertainty and expected weak demand binds Gulf rivals Saudi Arabia and Iran, which have both released 2020 budgets that seek to diversify their economies [15] away from historic dependence on crude export revenues.

Saudi Arabia – Saudi Aramco shares surged to a 10% daily limit last week when 1.5% of company stock floated for the first time [16] on the Riyadh Stock Exchange, the Tadawul, leading the company’s market capitalisation to hit USD 2 trillion the following day.

North America

Canada / US – Chevron will take a USD 10-11 billion hit in Q4’19 results [17] after writing off its Appalachian shale gas assets and stake in the Kitimat LNG liquefaction project in Canada, but the company still plans expand its “world-class Permian Basin position”.

US – ExxonMobil has been exonerated of charges of misleading investors [18] by New York state, which alleged the supermajor had adjusted its accounting practices in order to deceive investors over business risks presented by climate change.

US lawmakers have included proposed sanctions against Gazprom’s Nord Stream 2 and TurkStream [19] in a draft defence bill that targets companies constructing the pipelines, however, some see the sanctions attempt as symbolic as both projects are nearly complete.

Russia & CIS

Russia – Gazprom’s domestic gas customers should brace themselves for a price increase, according to a company executive who warned last week that export revenues no longer cover the cost of subsidising retail prices [20] in the motherland.

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