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Analysis

China's response to the coronavirus outbreak has spawned hydra-headed crises [1] that are now reverberating through global industries, disrupting supply chains and crashing commodity markets. The effect upon LNG has been profound, coming at the worst possible moment as the industry grapples with rock-bottom spot prices. Uncertainties abound, but the crisis seems set to accelerate the industry's painful evolution.

International

US-based LNG developer Tellurian is looking forward to potentially securing India's Petronet LNG as a partner in the Driftwood LNG project [2] during US president Donald Trump's upcoming visit to India, after rival Cheniere dropped a lawsuit against the company and senior executives shortly before the two companies were set to enter court.

BP has delighted investors by hiking its dividend thanks to a notable uptick in operating cashflow and Q4'19 financial results that beat analyst expectations [3] on earnings and revenue.

Oil and gas will remain "foundational" to the global economy out to 2040, ExxonMobil said in its 2020 energy and climate report, which reiterated the US supermajor's defiant climate message [4] that its reserves face minimal risk of being stranded as the world strives to cut emissions.

Total claimed victory in "solid" fourth quarter 2019 results [5] after it beat analyst expectations and outperformed several of its rivals, which have struggled with the lower price environment and market volatility.

Africa

Mozambique – Maputo has appointed Estevao Pale as the new chairman of state-owned energy firm ENH [6], which is struggling to secure finance for its share in the Total-led Mozambique LNG project.

Asia Pacific

China – China has begun diverting LNG cargoes [7] amid growing fears that the outbreak of coronavirus is hammering economic activity and gas demand, with mild weather and high storage levels worsening the outlook.

Total has rejected a force majeure notice by a Chinese LNG buyer [8], with reports suggesting CNOOC declared FM due to constraints caused by the coronavirus. Days later, Shell also rejected a declaration of FM from a Chinese LNG buyer [9] citing the coronavirus, according to reports that also suggest up to 50

cargoes are at risk of cancellation this month.

UK-listed Energean Oil & Gas has warned that work on its FPSO vessel at China's Liuheng Island shipyard could be delayed [10] due to travel restrictions aimed at stopping the spread of the coronavirus, adding that force majeure might become necessary.

Caribbean

Trinidad & Tobago – T&T has cancelled its agreement with Venezuela [11] to jointly develop the Loran-Manatee field that straddles their maritime border due to US sanctions on Venezuela's state-owned oil firm PDVSA.

Europe

EU – Rapid decarbonisation of the European power mix is creating a structural shortfall in demand for CO2 permits [12], which might crash the carbon market without intervention to delete excess permits, German consultancy Agora Energiewende has warned.

France – Engie's transformational CEO Isabelle Kocher has been ousted [13] by the firm's board, which last week agreed against renewing her contract, firing a warning shot over other energy companies seeking to transition to low-carbon business models.

Turkey – Equinor has withdrawn from [14]a partnership [14] with Canada-based Valeura Energy to assess a promising deep gas play in the Thrace region of north-west Turkey.

UK – Decarbonisation of residential heating is the biggest challenge [15] facing the UK energy sector over the coming decades, according to regulator Ofgem, which released its Decarbonisation Action Plan last week.

Middle East

Egypt / Israel – Militants have attacked pipeline infrastructure [16] in Egypt, but failed to do significant damage or impact flows from Israel through the newly reopened East Mediterranean Gas pipeline.

United Arab Emirates – The prime minister has announced the discovery of an 80 Tcf shallow-water discovery [17], known as the Jebel Ali project that is believed to be the country's largest ever, and could help the UAE achieve gas self-sufficiency.

North America

Canada – Police moved into First Nations' territory in a raid last week, as they pushed to reinforce Coastal Gaslink's injunction [18], following the collapse of talks between British Columbia province and hereditary chiefs.

US – Institutional investors are grabbing cheap stock in US LNG companies [19] after coronavirus disruption and oversupply crashed the share prices of Cheniere Energy and Tellurian.

South Asia

Bangladesh – Russia's Gazprom has signed an MoU with state-owned PetroBangla, agreeing to cooperate on appraising a 1.5 Tcf proven resource [20] that might help energy-hungry Bangladesh

replenish its fast-depleting reserves.



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