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### **Gas Strategies Group**

10 Saint Bride Street  
London UK  
EC4A 4AD

ISSN: 0964-8496

T: +44(0) 20 7332 9900  
W: [www.gasstrategies.com](http://www.gasstrategies.com)  
Twitter @GSInfoServices



### **Editorials**

+44(0) 20 7332 9957  
[editor@gasstrategies.com](mailto:editor@gasstrategies.com)

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## Analysis

Henry Hub prices rose last week above the indicative Asian spot price for LNG for delivery in June, giving US gas an ‘American premium’ [1] over both European and Asian benchmarks and spurring more US LNG cargoes to be swapped in favour of cut-price cargoes from non-US Atlantic Basin producers.

## International

Total became the latest energy major to deepen cut [2]s [2] last Tuesday after posting a Q1’20 consolidated net income of just USD 2 million, announcing a 25% capex reduction for 2020 with executives agreeing to pay cuts during the lower price environment.

Norwegian energy major Equinor is considering further activity reductions [3] due to market uncertainty and government-imposed production cuts, the firm said on Thursday, when it posted a Q1’20 loss of USD 710 million.

## Asia Pacific

**China** – State-owned giant PetroChina has reportedly discovered a new field [4] containing more than 1 Tcm [4] in central China in a find that could ease demand in a region targeted by Gazprom’s proposed Power of Siberia 2 pipeline.

## Australasia

**Australia** – Over half of Woodside Petroleum’s shareholders have supported a non-binding resolution to disclose details on its efforts to limit emissions in line with the Paris Agreement [5], at the company’s first online annual general meeting.

## Europe

**Germany** – Nord Stream 2 AG has hit out at a draft decision from network regulator BNetzA rejecting its request for derogation from the EU Gas Directive that prohibits Gazprom from owning the 55 Bcm/year pipeline [6] and more than 50% of its capacity.

**UK** – The state-backed Oil and Gas Authority, which aims to maximise the recovery of upstream resources, intends to coerce industry players to help London achieve its ‘net zero’ climate emissions ambition [7] by 2050 “as far as is reasonable in the circumstances”.

## Mediterranean

**Cyprus** – The Total/Eni partnership in Cyprus has informed the government that it will not drill a planned well in Block 6

[8] due to the fallout from the coronavirus pandemic, meaning the only exploratory gas drilling in the region will be undertaken by Turkey.

## North America

**Canada / US** – Australia-listed North American liquefaction developer LNG Limited has appointed voluntary administrators to kick off conversations with creditors [9] and its directors resigned en masse, after a planned takeover deal fell apart.

**Canada** – Midstream giant Enbridge posted a Q1'20 loss of [10]nearly USD 1 billion [10] last week, citing impairments on midstream assets, derivative losses and lower volumes on its network due to falling demand amid the Covid-19 pandemic.

**US** – Shale pioneer Chesapeake Energy is “highly likely” to file for bankruptcy [11] or restructuring in the next few months, S&P Global Ratings has said, adding that a default was a “virtual certainty”.

Shell is to sell its entire upstream and midstream position [12] in the Appalachia shale play to New York-based National Fuel Gas Company for USD 541 million in an all-cash deal with equity option – representing a multi-billion-dollar discount on the original price Shell paid.

Sempra Energy has delayed FID on the Port Arthur LNG project [13] in Texas until 2021, citing concerns around its credit rating, low prices and challenges to project-finance the 13.5 mtpa facility in Jefferson County during the pandemic-fuelled crisis.

After weeks of deliberation, the Texas Railroad Commission has dismissed a motion to impose a state-wide cap on crude production [14], claiming the move would not have a significant impact on world supply.

Several large independent Permian producers posted startling Q1'20 results [15] last week, with aggregate net losses totalling more than USD 25 billion [16] so far in the current earnings season.

## Russia & CIS

**Russia** – Russian investment firm A-Property is looking to challenge Gazprom and Novatek [17] for a slice of Russia's LNG export market after reportedly hiring TechnipFMC to design a 13 mtpa capacity LNG plant located close to the border with China.



### Consulting

+44 (0) 20 7332 9900  
[consult@gasstrategies.com](mailto:consult@gasstrategies.com)



### Alphatania Training

+44 (0) 20 7332 9910  
[training@gasstrategies.com](mailto:training@gasstrategies.com)



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