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International

The Chicago Mercantile Exchange has confirmed that many of its major gas and LNG futures will be able to enter negative territory [1] starting from this week, allowing contracts to trade below zero, although experts doubt sub-zero JKM prices will occur.

Struggling Australia-listed developer LNG Limited has struck a fresh deal to sell its [2]US flagship Magnolia LNG project [2] and proprietary liquefaction technology to GEM – a company founded by a Louisiana oil entrepreneur and chaired by a British lord who wants to legalise cannabis.

The global oil market is showing incipient signs of recovery [3] from last month's extreme turmoil thanks largely to supply-side curtailments led by US producers, many of whom fell out of the money when crude prices crashed to multi-decade lows.

US LNG lobbyists have called for new SPAs with Chinese buyers to count toward Beijing's 2020 obligations under the US-China trade pact, but shortly after president Donald Trump threatened to sever relations with China [4] over its handling of the Sars-Cov-2 coronavirus.

Equinor, Shell and Total have agreed to invest USD 675 million in the first commercial-scale carbon capture, transportation and storage project [5] in Europe, which aims to bury 1.5 million tonnes of CO₂ each year in a reservoir 2,500 metres below the North Sea.

Africa

Equatorial Guinea – The national government has widened the scope of its gas “mega hub” concept [6] to monetise stranded assets in the Gulf of Guinea at the EG LNG plant on Punta Europa, by potentially extending the reach into neighbouring Nigeria and Cameroon.

Nigeria – Nigeria LNG is making a renewed push to supply LNG to its home market [7], as the partially state-owned exporter grapples with soft global demand due to Covid-19 lockdowns. Separately, the company has awarded an EPC contract for its Train 7 expansion [8] to a Saipem-led joint venture, five months after taking FID on the project.

Somalia – The federal republic is gearing up to launch its first offshore licensing round [9] covering seven blocks in the Indian Ocean covering the “most prospective” hydrocarbon exploration areas in the country.

Australasia

Australia – Western Australia is pushing ahead with plans to create an international LNG bunkering hub [10] after the state government announced port fees will be halved for bulk vessels bunkering at Pilbara ports, starting 1 July.

Eni has become the latest energy major to be linked with a retreat from Australia's gas sector [11], with reports suggesting the firm is seeking to offload its entire portfolio of gas assets in the nation, but any sale will not be straightforward.

Central & South America

Brazil – Petrobras has slashed the sales price of gas [12] for Brazilian distributors by more than a third in response to the oil price crash, although the move might not lift gas demand. The Brazilian NOC also reported a Q1'20 net loss of USD 9.7 billion [13] with heavy impairments on upstream assets, and warned global oil demand may never recover to pre-virus levels.

Europe

EU – Emissions pledges by Europe's biggest oil and gas companies [14] are more ambitious than its non-European peers, but still fall short of what's needed to limit global warming to 2°C, according to analysis by investor-led initiative Transition Pathway Initiative.

Germany – While E&P firms report monumental losses this results season, German utility Uniper more than tripled its Q1'20 earnings [15] by taking advantage of low spot prices on European gas hubs to procure cheap molecules and send these directly to customers.

Norway – Oslo has identified 41 oil fields that will be subject to production curtailments as part of Oslo's agreement [16] with the OPEC+ alliance to help stabilise the oil market, with Equinor to bear the brunt of the cuts.

Middle East

Israel – Delek Group is selling assets and taking legal action [17] as part of continuing efforts to ward off creditors who lost faith in the company after collapsing oil prices provoked worries over the group's ability to meet debt obligations.

North America

Canada – An MoU signed by the Wet'suwet'en First Nation and Canadian authorities last week has caused a rift between tribal chiefs, according to reports, which could complicate development of [18] a feedgas pipeline [18] for the Shell-led LNG Canada project.

US – Crestfallen fracking pioneer Chesapeake Energy has reported a Q1'20 net loss of USD 8.3 billion after booking a mammoth impairment on shale acreage [19] due to the oil price crash.

The Federal Energy Regulatory Commission is delaying the processing of all permitted hard copy submissions [20] to its Washington headquarters after closing the office due to support staff testing positive for Covid-19.

US gas production is in line for its first annual decline in production since 2016 [21], strengthening the price of molecules at Henry Hub that will both weigh on the economics of US LNG exports and open a

window of opportunity for greater coal burn in the power sector.

A Montana judge has stuck to his decision to cancel a fast-track federal permitting process [22] that has allowed tens of thousands of gas and oil pipeline projects avoid scrutiny from environmental agencies when building across waterways in the US.



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