

25 April 2024

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Gas Matters Today | news roundup | w/c 11 May 2020

Publication date: 18 May 2020

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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 CO<sub>2</sub> 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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