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Editorial

Crude oil prices are firmly back in the black after a brief foray into negative territory, and there is once again an ‘Asian premium’ for gas – albeit a very modest one. Most benchmarks point to a recovery of sorts, but all is not well [1] and any optimism is at best superficial.

International

The fate of Australia-listed developer LNG Limited has taken another twist after the struggling outfit’s administrators revealed mysterious new backers in the frame [2] to buy core LNGL assets after a deal with UK-US outfit Global Energy Megatrend fell through.

Global energy investments are set to drop 20% [3] this year as the Covid-19 pandemic sets in motion “by far” the sharpest drop since records began, the IEA said last week. Separately, investors, business leaders, academics and campaigners have called for a 1.5°C climate change scenario to be at the heart of IEA’s upcoming World Energy Outlook, which some said “could be the most influential ever” [4].

Australasia

Australia – The Santos-led Gladstone LNG plant has become the latest LNG export facility to respond to soft global demand [5] and spot prices by requesting Senex Energy to divert ~1 PJ of gas to the domestic market between June and August.

Santos has completed the acquisition of ConocoPhillips’ stakes in the Darwin LNG plant [6] and offshore Barossa field after the pair agreed to reduce the upfront purchase price due to “market volatility and the deferral of Barrosa FID”, the firm announced last week.

Central & South America

Argentina – Argentina plans to guarantee domestic producers a minimum price of ~USD 3.50/MMBtu [7] in a bid to sustain upstream investment and production threatened by low prices and a drop in demand, according to reports from news outlet Econojournal.

Europe

EU – The European Commission is placing “clean” hydrogen at the heart of short-and longer-term plans [8], by funnelling Covid-19 funds into the sector and drawing up a dedicated strategy to propel zero-carbon sources of the fuel into the European energy mix.

Germany – Uniper is returning to service its partially mothballed 1.4 GW Irsching gas power plant near Ingolstadt in Bavaria after record-low wholesale gas prices and a firm European carbon price pushed the facility back into the money

[9].

Ireland – Jersey-based minnow Predator Oil & Gas has become the latest firm to join the quest to import LNG into Ireland [10] after confirming it is looking to apply for a licence, after signing confidentiality agreements with an LNG supplier and an owner of regas vessels.

Turkey – LNG imports exceeded those from pipelines for the first time in March thanks to an uptick in LNG flows from the US and elsewhere that partially displaced Russian piped volumes [11], according to state-run news outlet Anadolu Agency.

UK – Britain's five distribution network operators are seeking approval for a package of investment proposals worth nearly GBP 1 billion designed to decarbonise the country's grids with new and repurposed hydrogen pipes [12].

Middle East

Israel – Cash-strapped conglomerate Delek Group has sold its rights and those of subsidiary Delek Energy in the Karish and Tanin [13] offshore fields to the Noy Fund [13] in an effort to strengthen its financial position and calm creditors and investors.

North America

Canada – TC Energy has unlocked crucial funding to cover the cost of constructing the Coastal GasLink pipeline [14] after concluding the divestment of a 65% equity stake in the project to KKR and Alberta Investment Management Corporation.

US – EQT, the largest US gas producer by volume, has offloaded hundreds of mostly ageing conventional gas wells [15] in Pennsylvania and West Virginia to Diversified Gas and Oil for USD 125 million, which will help service debt obligations.

The FERC has agreed to alter its construction authorisation for the Jordan Cove LNG project [16], while also dismissing requests by environmental groups, landowners and state agencies in Oregon for a rehearing of the construction permit.

Chevron is planning a 10-15% reduction in its global workforce [17], potentially the largest yet among the energy majors, while compatriot ExxonMobil confirmed at its AGM that it is not considering staff cuts – at least, not yet.

The first major export plant in the Lower 48 states could import its first [18] LNG cargo since 2015 [18] in the coming weeks, as an LNG carrier currently in Belgium is expected to arrive at Cheniere's Sabine Pass plant on 12 June, data by the Belgian port authority shows.

Russia & CIS

Ukraine – Ukraine has approved an MoU contemplating the import of at least ~3.9 mt of US LNG [19], with Louisiana Natural Gas Exports to act as the seller, the country's energy ministry said last Wednesday.



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