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International

The OPEC+ alliance has agreed to extend record production cuts into July, but improving crude prices will revive US shale production and increase the likelihood of non-compliance by OPEC members – a recipe for a second price war [1], according to some market commentators.

BP has become the latest energy major to announce mass job cuts [2], with CEO Bernard Looney saying the price environment and lower demand caused by Covid-19 has deepened a headcount reduction planned as part of a transition to a low-carbon future.

The coronavirus pandemic will knock 75 Bcm off annual demand growth every year [3] for the next half-decade, removing from the global market demand equivalent to four or five large-scale LNG export facilities, the IEA said last week in its Gas 2020 report.

Africa

South Africa – The government has approved plans to merge state-owned oil and gas companies into a single “national petroleum company” [4] as part of president Cyril Ramaphosa’s efforts to “save” and “restore” hundreds of debt-laden state-owned firms.

Asia Pacific

China – Kazakhstan is separating out [5] two state-controlled pipeline operators in a move seen as a vote of confidence in the commercial viability of these entities, despite China’s decision to curb central Asian gas imports due to the pandemic and headwinds in financial markets.

Mongolia – Australia’s ASX-listed Elixir Energy has signed an MoU with Mongolia’s MT Group regarding the development of a small-scale LNG plant [6], which stands to be the first liquefaction plant in the country and would provide fuel for coal-hauling trucks.

Vietnam – ExxonMobil is considering investing in two LNG-to-power projects in Vietnam [7], the country’s government said last week, with the move marking the latest example of the energy majors moving downstream to drive LNG demand.

Australasia

Australia – The eastern state of Queensland has opted for a new volume-based model for calculating production [8]royalties [8], overriding concerns from some LNG exporters that the mechanism will deter investment in higher cost resources by increasing dues to the state.

AIE’s proposed Port Kembla Gas Terminal in New South Wales received a boost last week after

Australian energy infrastructure firm Jemena submitted plans to the NSW government to build a pipeline to connect the LNG terminal [9] to its existing Eastern Gas Pipeline – which transports gas from Victoria to NSW.

Papua New Guinea – The country has passed legislation seeking greater state benefits from upstream projects, but the new law could impact negotiations with ExxonMobil [10] over expanding the nation's LNG exports.

Central & South America

Panama – Colon LNG Marketing, the sales arm of those behind Panama's maiden LNG terminal, has hired Tropigas Natural to distribute LNG via trucks to customers in Panama and Costa Rica [11] – the first such deal in the region, according to the pair.

Europe

Croatia – MFGK Croatia, a subsidiary of Hungary's largest gas trading firm, has become the latest outfit to take capacity at Croatia LNG's terminal [12] after signing a seven-year deal, starting in 2021.

Poland – State-owned PGNiG plans to invest up to USD 1 billion in a renewables arm [13], as part of plans to integrate 900 MW of renewable capacity into the wider group, in a bid to boost revenue and protect its business against volatility in hydrocarbons markets.

Mediterranean

Greece / Turkey – Turkey has indicated it is ready to fight Greece over offshore territory [14] by delineating seven exploration blocks just a few miles from the Greek islands of Rhodes, Karpathos, Kasos and Crete.

North America

Mexico – The Altamira terminal could receive its first LNG cargo since October 2019 [15], with a reloaded cargo from France en route to the facility, shipping data has revealed, as US gas is trading at a premium to most markets – driving LNG imports into North America.

State-owned Pemex has suspended contracts with at least eight field service providers [16] and suppliers in a bid to cut capital expenditure, according to reports, which emerged after the company posted a USD 25 billion loss for Q1'20.

US – New York-based developer Glenfarne Group has revealed itself to be the mystery buyer of LNG Limited's flagship 8 mtpa Magnolia LNG project [17] in Louisiana and proprietary liquefaction technology.

Russia & CIS

Russia – Gazprom has signed agreements for feedgas supply and construction of a petrochemicals facility [18] in the Russian seaport of Ust-Luga, located 110 km west of St Petersburg at a site previously devoted to the 13 mtpa Baltic LNG facility.

South Asia

India – The renewables arm of conglomerate Adani Group is considering selling a 10-15% stake in the firm, the company’s chairman said last week after Solar Energy Corporation of India awarded it a contract to build 8 GW of solar power projects [19].

Pakistan – The government has drawn up a plan designed to attract USD 5 billion in foreign investment in [20]the hydrocarbon sector [20] with the intended consequence of boosting oil and gas production as well as increasing employment in the domestic industry.

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