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## [1] **Analysis**

Shell has warned the market of impairments of up to USD 22 billion [2] coming in Q2'20 results after cutting its long-term oil price assumption, but the write-down creates an opportunity for supersized returns mid-decade if prices spike above the new, lower baseline due to lack of supply-side investment.

## **International**

BP has agreed to sell its global petrochemicals business to Ineos [3] for USD 5 billion, marking the British major's latest move to "succeed through the energy transition", but the company still needs to do more to shore up its balance sheet in the low-price environment.

McDermott International has "successfully" completed its restructuring process and emerges from bankruptcy with renewed zeal to execute its "significant backlog" in LNG plant construction [4] and other projects – possibly buoyed by the recent exit of competitor KBR.

The European Commission is drawing up countermeasures [5] should the Trump administration in the US widen sanctions to retroactively target European supply chain companies and insurers that have worked on Gazprom's Nord Stream 2 pipeline project.

ExxonMobil's Q2'20 results could be worse than Q1'20 [6], as the US supermajor has warned that lower prices and refining margins will wipe billions of dollars off earnings, prompting speculation that XOM might finally write down the carrying value of its assets.

## Africa

**Mozambique** – Japan's largest banks are set to stump up a USD 14 billion loan for the Total-led Mozambique LNG project [7], marking one of the largest overseas investments in Africa, according to the Nikkei Asian Review.

## Asia Pacific

**Indonesia** – Domestic producers, including state-owned Pertamina, have agreed to supply gas at below-market prices [8] to the country's sole electricity provider PT PLN and TSO PT PGN, upstream regulator SKK Migas has said.

## Central & South America

**Brazil** – Golar Power is set to expand its LNG footprint in Brazil after pairing with Argentina's Galileo Technologies to develop small-scale LNG [9] liquefaction plants, regasification terminals and filling stations in the country.

## Europe

**Germany** – The German government has amended its draft plan to phase out coal by 2038 [10] to give coal-fired power plant operators an extra year to take part in coal phase-out remuneration auctions. German lawmakers also passed legislation [11] making the country's coal phase out official.

**Turkey** – Iranian gas exports to Turkey resumed [12] last week following repairs to an overland pipeline damaged by a terrorist attack on the Turkish side of the border in March.

**UK** – Norwegian major Equinor is expanding its decarbonisation efforts in the UK after announcing plans to develop what it says will be the world's largest [13] CCS-equipped hydrogen production plant [13].

## Mediterranean

**Israel / Lebanon** – Lebanon has slammed Israel's plans to explore in disputed maritime territory [14] as "extremely dangerous", after Israel approved an exploration tender for an area near a Lebanese block where drilling is set to begin.

## North Africa

**Egypt** – Eni has continued its offshore success by making its latest gas discovery from its first exploration well in the North El Hammad licence, saying it aims to fast-track development of the find [15], which is located close to existing producing fields.

## North America

**US** – After months of speculation, US shale pioneer Chesapeake Energy has filed for Chapter 11 bankruptcy [16] after reaching a restructuring agreement with the majority of its lenders.

Private equity outfit BP Energy Partners is to merge two Texan players into a virtual pipeline company [17] in anticipation of "growing demand... due to ongoing regulatory challenges" to building interstate gas

infrastructure.

New England will need gas-fired generation capacity to ensure grid reliability [18] in all decarbonisation scenarios, albeit far less in the most ambitious low-carbon mix, according to research commissioned by Boston-based Eversource Energy.

The Democratic Party has published a comprehensive plan for the US economy to reach net-zero emissions by 2050 [19] by building green infrastructure, driving innovation, introducing a carbon price and limiting the environmental impact of the oil and gas industry. The plan would throw up regulatory obstacles to new gas pipelines and LNG export facilities.

## Russia & CIS

**Georgia** – Romania's OMV Petrom has been selected as the preferred bidder [20] for Georgia's Block II exploration licence, which may eventually help Georgia wean itself off imports.

## South Asia

**India** – Petronet is close to finalising its first long-term LNG supply deal indexed to gas [21] prices, the firm's CEO Prabhat Singh said last week during the company's results for the year ending 31 March 2020.

India is to simplify its gas pipeline tariff structure [22] in a bid to make gas more affordable and create demand, the country's Minister of Petroleum and Natural Gas Dharmendra Pradhan said last week.

**Pakistan** – Elengy Terminal Pakistan, which established the country's maiden floating LNG terminal, has launched an expression of interest for regasification capacity, storage and operational services at its planned Pakistan Onshore LNG project [23].



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