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International

The oil and gas industry is braced for what is shaping up to be its worst quarter ever in upcoming Q2'20 results [2] that could see USD 5 billion aggregate losses and a further USD 15 billion written off asset valuations, according to a sobering preview by Morgan Stanley.

Pieridae Energy has rejected a request from Houston-based engineering firm KBR to build the Canadian firm's Goldboro LNG project [3] on a non-fixed price basis, and is now seeking alternative contractors that are prepared to take on the lump-sum job.

Woodside Petroleum is taking a USD 447 million hit on its LNG SPA with Cheniere Energy [4], as part of a wider asset value review that will see the Australian company sink to a post-tax loss of over USD 4 billion in upcoming financial results.

Origin Energy has flagged an "onerous" provision of up to USD 315 million in relation to its 20-year contract from Cameron LNG, as part of a review that will see the Australian producer take a hit of up to USD 870 million [5] in its upcoming results.

A group of the world's biggest IOCs including Chevron and ExxonMobil have for the first time agreed to collectively limit emissions from upstream operations [6] under the banner of the Oil and Gas Climate Initiative.

Oil and gas demand will likely not experience "a V-shaped recovery", Shell CEO Ben van Beurden said

last week, adding that lost gas demand “will not be made up” [7], although the fuel still has “long-term potential” to grow faster than any other hydrocarbon.

Africa

Mozambique – A wider consortium including Japan Bank for International Cooperation have agreed to jointly lend Total’s Mozambique LNG project USD 14-16 billion, as part of Africa’s biggest-ever project finance deal [8].

Asia Pacific

China / Japan – Mitsubishi Corporation’s subsidiary Diamond Gas International has signed a long-term LNG supply deal [9] with a Guangdong Energy Group distributor, marking the Japanese firm’s first sales agreement of this kind with a Chinese company.

South Korea – KOGAS and five compatriots have agreed to launch an LNG bunkering joint venture [10] by October with South Korea’s largest LNG importer to supply 1.36 mt of LNG and achieve over USD 800 million in sales by 2030, KOGAS announced last week.

Australasia

Australia – Santos has hired services firm GHD to launch a “concept study” [11] on a blue hydrogen project [11], which could see Santos and BP’s planned Moomba CCS project linked to an on-site hydrogen production facility.

Europe

EU – The Trump administration is turning the screw on Gazprom’s EU pipeline co-financiers, with US secretary of state Mike Pompeo last week declaring that the Nord Stream 2 and Turkstream projects [12] will no longer be exempt from a 2017 sanctions act.

Norway – Aker Solutions intends to spin off its wind development and carbon capture businesses [13] and create two separate Oslo-listed companies, in the hope of leveraging opportunities in the “accelerated” transition to a cleaner energy system.

Poland – State-owned refiner PKN Orlen has unveiled plans to buy a controlling stake in state oil and gas company PGNiG [14] in a bid to form a “multi-energy company with global reach” as the government moves to cut Poland’s dependence on Russian gas.

North Africa

Egypt – The world’s five biggest oil majors have bid in a licencing round [15] for frontier offshore acreage in the western Mediterranean in the midst of an oil price crash and unprecedented cut-back in upstream capex.

North America

US – The Supreme Court has recognised approximately half of Oklahoma as Native American reservation land [16], with the decision potentially posing major implications for oil and gas developments

in the fourth-largest oil producing region in the country.

NextDecade has reconfigured plans for its Rio Grande LNG export plant [17] in Texas, opting for five instead of six trains while retaining a 27 mtpa capacity through “multiple optimisations” that could reduce environmental impacts and the construction timeline.

Democratic presidential candidate Joe Biden has set out a vision to build an entirely carbon-free electricity grid by 2035 [18], as part of a wider jobs-focused plan to invest USD 2 trillion into America's green infrastructure.

A US federal judge has reinstated an Obama-era rule [19] to reduce methane emissions from oil and gas production that the Trump administration has repeatedly attempted to repeal.

California Resources has filed for bankruptcy after “unprecedented market conditions” left the independent producer unable to pay off the “outsized debt burden” [20] of USD 5 billion it inherited from its spin-off from Occidental Petroleum in 2014.

Russia & CIS

Russia – Gazprom has posted its first quarterly loss since 2015 [21] citing lower gas sales, a weaker rouble and lower energy prices for a negative USD 1.64 billion result, which the firm's deputy chairman called “quite good” in light of “very unfavorable” conditions.

South Asia

Bangladesh – Japanese financiers are piling in to bankroll a [22]new 718 MW CCGT [22] planned by Reliance Bangladesh LNG & Power, a joint venture between Japanese utility JERA and India's Reliance Power, according to Nikkei Asian Review.



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