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[1]

International

The world's largest oil services firm Schlumberger reported a loss of USD 3.4 billion [2] for Q2'20, which CEO Olivier Le Peuch described as "probably the most challenging quarter in past decades".

Tokyo Gas posted Q2 losses last week, but the firm has also expanded its US footprint by taking control of Haynesville shale producer Castleton and acquiring a 500 MW solar project in Texas in a move to triple overseas profits by 2030 [3].

Shell has narrowly avoided crashing to an underlying net loss [4] in otherwise abysmal Q2'20 results, but warned that integrated gas earnings will be worse in Q3 due to the price lag in oil-linked LNG term contracts and falling upstream and liquefaction volumes.

Total's operating profits hit rock bottom [5] in the second quarter amid a Covid-induced oil price crash and USD 8 billion in write-downs, but the French major is banking on a supply shortfall that could see Brent recover to USD 60/barrel as soon as 2023.

Global oil [6] majors are embracing renewables [6], with Chevron partnering to build over 500 MW of capacity to power E&P operations and Shell winning a tender to build an offshore wind farm with a solar array, battery storage and green hydrogen electrolyzers.

ExxonMobil has defied investor demands to write down asset values [7] to reflect depressed oil and gas prices by hiking its inventory by around USD 2 billion due to “rising commodity prices”, however, the company still reported a USD 1 billion loss for Q2.

Chevron collapsed to an adjusted loss of USD 3 billion [8] in Q2’20 results last week, owing to market effects of the Covid-19 pandemic, a USD 5 billion hit on reduced commodity price assumptions and a complete write-off of investments in crisis-hit Venezuela.

Asia Pacific

China – PetroChina will invest proceeds from its USD 38 billion network infrastructure sale to state-backed PipeChina to become a “green and low-carbon” company [9] as the country continues its fast-paced build out of renewable capacity.

Myanmar – Japanese trio Marubeni, Sumitomo, Mitsui and local conglomerate Eden Group have received notice to proceed from Myanmar’s government to develop a 1.25 GW LNG-to-power project [10] in the country’s first special economic zone.

Australasia

Australia – The second train at the Chevron-operated Gorgon LNG plant will remain offline [11] until early September after weld quality issues were discovered in the train’s propane heat exchangers, a Chevron spokesperson said last week.

Australia is experiencing the “world’s fastest energy transition” [12], market regulator AEMO said in its latest plan for the country’s future energy system, which paints a bleak outlook for gas-fired power.

Europe

Italy – Stalling performance by Eni’s gas and power business could not prevent a EUR 4 billion Q2’20 loss [13] largely due to asset write-downs. The company’s CEO has warned of “signs of great uncertainty still to come”.

UK – There is everything to play for in the UK’s quest for net zero emissions by 2050, and consumers will play a key role in determining demand for gas versus hydrogen, gas and H2 [14] and import dependency, according to National Grid ESO.

North Africa

Egypt – Eni has delivered up to 32 MMcf/d in restricted test conditions at its Bashrush discovery well and plans to fast-track production of up to 100 MMcf/d [15], adding to brimming supplies that have prompted Cairo to minimise pipeline imports from Israel.

North America

US – EQT Corporation reported a fourth consecutive quarterly loss [16] in its Q2’20 results, just over a year since the Rice brothers took control of the largest US gas producer.

Microsoft has concluded a “worldwide first” test to power a server facility for 48 continuous hours using

hydrogen fuel cells to replace diesel backup generators, turning its back on “expensive” H2 produced from gas [17].

Freeport LNG has become the latest US LNG project to ask the FERC for more time [18] to get its planned project online, with the developer requesting a three-year extension for its Train 4 expansion.

Shale player Ovintiv has posted a USD 4 billion loss for the second quarter, but increased its Q4 production outlook after announcing that “substantially all shut-in volumes” were back on-line [19] after curtailments.

US conglomerate GE has reported a USD 2 billion quarterly loss and plans to sell its remaining stake in services firm Baker Hughes [20] over the next three years and use the proceeds to pay down the firm’s nearly USD 82 billion debt pile.

ConocoPhillips has brought back roughly half its volumes shut-in [21] during Q2, with its Lower 48 production ramping up and expected to be fully restored in September, the firm said during its Q2’20 results presentation last week.

Russia & CIS

Russia – The country’s energy ministry has set out plans for state-owned Gazprom and Rosatom to produce hydrogen ahead of the EU’s energy transition [22], reaffirming Russia’s vision of exporting a hydrogen-methane blend to Europe via Nord Stream 2.

LNG pioneer Novatek posted a 39% year-on-year drop in earnings [23] and 67% fall in “normalized” post-tax profit in Q2’20 citing lower international LNG sales and unfavourable exchange rates, despite stellar performance at the Yamal LNG project.



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