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# Gas Matters Today | news roundup | w/c 9 Nov 2020

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## Analysis

Total's recent maiden shipment of "carbon neutral" LNG [2] to China's CNOOC highlighted the nascent trend of LNG buyers and sellers striking deals to offset climate-heating emissions from the full lifecycle emissions of cargoes – including combustion of the fuel in end-use markets – but the efficacy of the process is already being questioned by experts and participants in the so-called 'offset market'.

## International

Oil and stock markets surged [3] last week after drug makers Pfizer and BioNTech announced their coronavirus vaccine has proven to be "90% effective" in trials, but the pharmaceutical companies cautioned that there is still a long way to go before any vaccine could be rolled out globally.

However, oil traders' three-day quasi-orgy of optimism over a promising Sars-Cov-2 vaccine came skidding to a halt when the IEA delivered the market an overdue shot of realism [4]: no vaccine is likely to significantly boost oil demand until "well into next year", the agency said as it cut its demand outlook out to early 2021.

Qatar Petroleum has entered the low-carbon LNG game after its new LNG trading arm emerged as the winner of Pavilion Energy's supply tender issued in April, with the pair signing the world's first long-term supply deal containing "specific environmental criteria" [5] to reduce the carbon footprint of LNG supplies, the Qatari firm said last Monday.

## Africa

**Mauritania / Senegal** – US independent Kosmos Energy has abandoned plans to sell down its stake in the Greater Tortue Ahmeyim FLNG project [6] and is seeking USD 300 million of fresh finance for the project's 2.5 mtpa first phase.

## Australasia

**Australia** – Western Australia has issued petroleum production licences to Woodside and BHP's Scarborough joint venture [7] for two offshore titles, meaning the proposed Scarborough development has secured "key" government approvals, Woodside has said.

Woodside is seeking to monetise the offshore Scarborough field through a second train at Pluto LNG plant [8], the firm confirmed during its investor day last Wednesday, albeit with altered plans that could see Woodside sell a 50% stake in the new train.

However, a worsening diplomatic row between Australia and China has scuppered [9] efforts to market stakes [9] in the projects to Chinese companies, Woodside CEO Peter Coleman told The Australian Financial Review.

South Korea's EPIK is looking to launch the first LNG bunkering business [10] on Australia's east coast, after announcing it will offer bunkering services from its proposed Newcastle GasDock LNG import terminal in New South Wales.

**Papua New Guinea** – Prime minister James Marape is facing a power struggle after ministers voted to suspend parliament in a move to oust him, days after the politician was apparently set to meet with ExxonMobil and Total [11] to discuss key terms for LNG projects.

## Central & South America

**Chile** – Spanish utility Naturgy has agreed to sell its 96% stake in Chilean power utility CGE [12] to a subsidiary of China's State Grid Corp for USD 3 billion, as Naturgy retreats from Latin America and the Chinese player strengthens its presence in the region.

## Europe

**Germany** – British major BP has partnered with renewables heavy-hitter Ørsted to develop a 50 MW wind-powered green hydrogen pilot project [13] at its Lingen refinery in Germany, but won't invest in the scheme without some form of state support and is banking on a substantial grant from the European Commission.

**Ireland** – New Fortress Energy's Shannon LNG project [14] has been dealt a major setback after Ireland's High Court ruled in favour of an environmental group by quashing a planning permission extension for the proposed 5 Bcm capacity terminal.

**Italy** – Eni has launched an experimental plant that breeds microalgae to trap CO<sub>2</sub> [15] and create a raw material that can be used in high-value products including food, nutraceuticals and feedstock for bio-refineries.

**Norway** – Italian major Eni and Norwegian private equity firm HitecVision have formed a JV to develop clean energy projects

[16] in Norway, with a view to installing 1 GW of offshore wind and other green sources by 2030.

## Middle East

**Oman** – Sohar Port and Freezone intends to develop a large-scale green hydrogen production [17] facility and hub for domestic H<sub>2</sub> supplies, which could potentially be used to produce ‘green’ steel for export to global markets, thereby reducing the role of gas.

**United Arab Emirates** – ADNOC has taken notable strides towards strengthening its gas value chain in the current “challenging” market, by taking delivery of the first unconventional gas [18] from the UAE and signing LNG supply deals with Total and Vitol.

## North America

**US** – The Mountain Valley pipeline project [19] has been dealt yet another setback after a US federal appeals court issued a stay of key water crossing permits required to complete the project, following a challenge by a coalition of environmental groups.

The Department of Energy has launched a new high-level strategy for making cheap, commercially viable, low-carbon hydrogen [20] widely available across the country.

## South Asia

**India** – Italian TSO Snam has made its first foray into India by signing deals with Adani, Greenko and Indian Oil to develop projects related to the energy transition [21] – with particular focus on “hydrogen and low-carbon mobility”.

India’s economic recovery is being reflected in energy consumption, with top LNG importer Petronet reporting record imports into Dahej Terminal [22] in Q3 2020 and India’s top refiner Indian Oil Corp operating its refineries at 100% capacity since early November.

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