

23 April 2024

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Gas Matters Today | news roundup | w/c 21 Dec 2020 Publication date: 04 January 2021

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ISSN: 0964-8496

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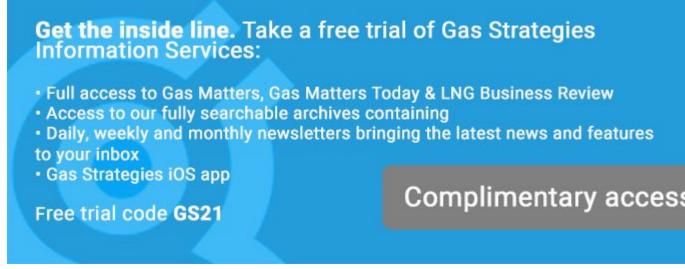
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[1]

International

Shell expects to book further asset impairments in the fourth quarter, following a string of write downs [2] set to see their value drop by as much USD 22 billion this year due to the impact on demand and prices of the Covid-19 pandemic.

The "hydrogen economy" became a mainstream buzzword [3] in 2020, as the growing clamour to use Covid-related economic stimuli to take radical action on climate change heightened political ambition on deep decarbonisation of industry, transport and space heating – sectors in which hydrogen could compete with electrons.

Asia Pacific

The past 12 months saw significant progress in LNG import projects [4], capacity expansions and licences in south-east Asia, which has long been described by industry players as the next 'hotspot' for LNG, but the role LNG can play in weaning the region off coal remains uncertain.

China – PetroChina has discovered a "huge" 109 Bcm reservoir [5] in Xinjiang province, state-run news agency Xinhua has reported, as China pushes to increase domestic production amid rising demand, which is set to hit a 320 Bcm by the end of 2020.

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Provincial authorities have cut power to "some industrial and commercial enterprises" [6] in southern China following an unexpected spike in electricity demand after Chinese coal supply dropped and gas supply rose in the first three quarters of 2020.

Chinese gas consumption is set increase sharply [7] before peaking in the 2030s, as Beijing decarbonises the world's biggest economy in terms of spending power, a challenge that will dwarf the task of combatting the Covid-19 pandemic.

Australasia

Australia – Shell has agreed to sell a 26.25% stake in Queensland Curtis LNG [8] Common Facilities to investment fund Global Infrastructure Partners for USD 2.5 billion, as the firm seeks to strengthen its balance sheet amid writedowns and the impact of Covid-19.

Central & South America

The Covid-19 pandemic and ensuing low oil price environment hit Brazil and Argentina at a defining moment [9], with Brasilia's aim of further market liberalisation in 2020 having been dented, while Argentina shelved plans to expand LNG exports.

Mexico / Nicaragua / US – US-based New Fortress Energy has agreed to long-term deals to supply LNG indexed to Henry Hub prices [10] to its ventures in Puerto Rico, Mexico and Nicaragua ahead of the launch of new LNG terminals in Mexico and Nicaragua.

Europe

EU – European emissions prices hit all-time highs [11] in late December amid a surge of speculative buying interest, as investors bet on a tighter market in the coming ten-year trading phase, which begins on January 1.

Denmark – Russian vessel Fortuna plans to begin laying the final lines of Nord Stream 2 [12], Denmark's maritime regulator has said weeks ahead of the inauguration of US president-elect Joe Biden, whom observers expect may take a harsh line on the project.

Finland – Nordic energy company Gasum has performed its first ship-to-ship bunkering to a cargo ship blending LNG with renewable liquefied biogas [13] – a blending strategy the company hopes will be increasingly utilised in the future.

Norway – The country's supreme court has rejected an appeal by environmental organisations against the Norwegian state over alleged unlawful oil and gas licencing [14] in the Barents Sea.

Mediterranean

Cyprus / Greece / Israel / Lebanon – 2020 has been a write-off in the east Mediterranean, where Covid-19 shut down the region's energy sector [15], despite significant offshore drilling having been planned in Cypriot and Lebanese waters.

Middle East

United Arab Emirates - The UAE's biggest oil company ADNOC has awarded exploration rights [16] for

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an offshore block to a consortium led by Eni and Thai state firm PTTEP, as the Emirati firm moves to increase oil production capacity by 25% by 2030.

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