

27 April 2024

Contents

Gas Matters Today | news roundup | w/c 25 January 2021

Publication date: 01 February 2021

Gas Strategies Group

10 Saint Bride Street
London UK
EC4A 4AD

ISSN: 0964-8496

T: +44(0) 20 7332 9900
W: www.gasstrategies.com
Twitter @GasStrategies

Editorials

+44(0) 20 7332 9957
editor@gasstrategies.com

Subscriptions

+44(0) 20 7332 9976
subscriptions@gasstrategies.com



Gas Matters Today | news roundup | w/c 25 January 2021

?Analysis

Saudi Arabia will implement a unilateral crude production cut [1] of an extra 1 million barrels/d in February and March, with the move heralded as a “New Year present” by Russian deputy PM Alexander Novak. Some market observers suggest the cuts will incentivise US shale producers to boost production, however a multitude of bearish factors persist which are expected to see a recovery in US shale production deferred until 2022.

?International

Services giant Schlumberger sees oil demand recovering through 2021 [2] and hitting pre-Covid-19 levels no later than 2023 on the back of an improving macro outlook, but the firm expects US crude production to be “visibly below previous production levels” this year.

Australia’s Transborder Energy has signed what it calls a “first-of-its-kind” FLNG framework, with counterparties agreeing to pursue deployment of [3] a pre-engineered FLNG vessel [3] to stranded offshore resources.

?Africa

Tanzania – Equinor has shelved the 10 mtpa Tanzania LNG project [4], citing high development costs and a failure to conclude a commercial framework with the government, the firm said last Friday.

?Asia Pacific

Myanmar / Thailand – Thailand’s TTCL Public Company has advanced plans for its proposed LNG-to-power project [5] in neighbouring Myanmar after the firm signed a 25-year power purchase agreement Myanmar state-owned enterprise EPGE.

China – BP has created a fully-integrated gas value chain [6] in China after becoming the first foreign firm to regasify LNG through a terminal in the country and directly supply the gas to end-users, the British energy major announced on Monday.

Singapore – The Keppel conglomerate is exiting the offshore rig building business and will restructure Keppel Offshore & Marine to focus on renewables and gas-based projects [7] to ensure the unit “remains relevant and competitive”.

?Australasia

Australia – The IFM Global Infrastructure Fund has announced plans to buy a 22.68% stake in emerging

green energy major Naturgy for USD 6 billion, possibly reflecting growing interest in renewables [8] among large institutional investors.

Western Australia has approved construction of a pipeline from Woodside's Pluto LNG plant [9] to avoid supply shortages at the 16.9 mtpa Northwest Shelf LNG facility, while separately Woodside agreed to deliver more gas to the domestic market from 2025.

?Central & South America

Argentina – State-owned YPF has stumped up a 50% stake in power firm YPF Luz [10] as collateral as part of a new offer to bondholders, as the firm moves to settle a dispute over the company's debt restructuring and free up funds for capex in 2021.

The country's energy secretariat has urged a federal court to lift a court order that has kept the nation's sole LNG terminal shut since October last year, with a view to avoiding a gas supply crunch [11] in the upcoming southern hemisphere winter season.

Colombia – State-controlled oil and gas player Ecopetrol has become the latest company to express an interest in compatriot state-controlled power grid operator Isa [12], after tabling a non-binding offer for a 51.4% stake in Isa.

?Europe

EU – Renewables took the lion's share of the EU power mix [13] for the first time last year, but EU states have yet to see wind and solar significantly replace gas-fired power generation, according to report by Agora Energiewende and think tank Ember.

Spain – An Eni subsidiary has entered the Iberian energy market after buying Spanish supplier Aldro Energia [14] as the Italian major moves to increase its presence and serve 11 million customers in the European gas and power market by 2023.

?North America

US – LNG player Venture Global has submitted a request to the FERC to initiate the pre-filing review process for its latest liquefaction project [15] and associated pipeline, which it hopes to launch in 2025.

Activist investor Kimmeridge is fulfilling its vow to shake up the US shale sector [16] after nominating three directors to the board of E&P firm Ovintiv, which the investor has labelled an "environmental laggard".

Regulators in Texas could cut flaring [17] in the state's portion of the Permian shale basin by 40% by 2025 at no net cost to operators, simply by cracking down on routine flaring, according to report commissioned by the Environmental Defense Fund.

Activist investor Engine No. 1 has nominated four candidates to ExxonMobil's board to push the supermajor toward more ambitious emissions cuts [18], saying its candidates will ensure "a clean break from a strategy and mindset that have led to years of value destruction".

Lobby group Western Energy Alliance has filed a legal challenge to US president Joe Biden's executive order [19] that temporarily stops issuance of new oil and gas leases on federal lands.

?South Asia

Pakistan – Pakistan LNG has praised the result of an “urgent tender” [20] after Qatar Petroleum Trading agreed to supply a cargo in late February at a price “approximately 22% lower” than a cargo cancelled by a bidder in a previous tender.



Consulting

+44 (0) 20 7332 9900
consult@gasstrategies.com



Alphatania Training

+44 (0) 20 7332 9910
training@gasstrategies.com



Information Services

+44 (0) 20 7332 9976
subscriptions@gasstrategies.com