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Weekly news roundup (10-14 July)

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International

Canada-based blockchain software development firm BTL is building a consortium of at least five energy companies to take part in the next phase of a frontier gas trading scheme [1], which proponents hope could revolutionise energy transactions and might even do away with human traders altogether.

Energy industry investments fell sharply last year [2], as spending on oil and gas projects tumbled and left the growing renewables and electricity sector at the top of the heap, the International Energy Agency (IEA) said in its second annual World Energy Investment report.

Statoil, Engie, ExxonMobil, BP and others offered an upbeat assessment on the oil and gas industry [3] at the opening of the 22nd World Petroleum Congress, saying that while renewables may be making leaps and bounds, it is too early to write the obituary for hydrocarbons.

The US will challenge Qatar and Australia for the title as the world's largest LNG exporter by 2022 [4], with US gas driving major changes in the global gas market, the International Energy Agency (IEA) said in a special report.

The EU and Japan have penned a preliminary deal to remove re-sale restrictions on LNG import contracts [5] and requested that the LNG market be made more transparent.

US & Canada

US – Veresen has awarded the engineering, procurement and construction (EPC) contract for its proposed 7.8 mtpa Jordan Cove LNG plant [6] in Coos Bay, Oregon to KBJ, a joint venture comprising Kiewit, Black & Veatch and JGC.

US utility Southern Company's rethink of its Kemper project deals another setback to carbon capture and storage (CCS) [7], but the technology can offer "lower-cost opportunities" for industries outside the power sector to reduce airborne emissions, the International Energy Agency (IEA) has said.

Eagle LNG has requested a 20-year licence to export 0.06 mt from the Maxville LNG production and storage facility [8], currently under construction in Florida. The facility will supply LNG-fuelled vessels owned by shipping company Crowley, with any excess going to customers in the south-east US, the Caribbean and Latin America.

Shale producer Halcon Resources has agreed to sell its operated shale assets in the Williston basin of North Dakota to Bruin E&P Partners for USD 1.4 billion, and shift focus to the oil-rich Delaware shale play [9] in Texas.

Pembina's proposed takeover of Veresen [5] has received the backing of the latter's shareholders.

Veresen, owner of the proposed Jordan Cove LNG project in Oregon, agreed to the USD 7.1 billion takeover in May. The pair expect the deal to close in Q3 or Q4.

Eni's plan to drill four exploration wells in the Beaufort Sea has been approved by the US Bureau of Ocean Energy Management [5]. The Italian major is scheduled to start drilling in December.

The US is to offer 75.9 million acres in the Gulf of Mexico [5] in the next oil and gas tender in August across 14,220 blocks located from three to 231 miles offshore.

US shale producer Energy Hunter Resources has bought over 9,400 acres in the Permian basin [5] from Lubbock Energy Partners for USD 22.6 million.

Africa

Ghana – Eni has achieved first oil from the offshore Sankofa field [8], marking the start of the first phase of the Offshore Cape Three Points Project, which is expected to deliver up to 180 Mcf/d of gas by the end of next year.

Namibia – A growing number of sub-Saharan African countries are seeking to introduce gas into their power mix with floating storage and regasification units (FSRUs). In Namibia, project developer Xaris hopes its planned Walvis Bay LNG terminal in Namibia will wean the country off imported coal and reduce its carbon emissions. Read more in our interview. [10]

Nigeria – The government of Nigeria is pushing ahead with plans to impose a tolling business model on its LNG industry [11] in a bid to garner more profits for the country from the downstream marketing of its equity gas.

Asia Pacific

Bangladesh – The South Asian state has secured debt financing for its first LNG import terminal [12] after finalising deals with the International Finance Corporation (IFC) and four other entities.

India – Adani Group has broken ground on the 5 mtpa Dhamra LNG terminal [13] in the eastern state of Odisha, which is set to be the first on India's east coast, according to the oil and gas ministry.

Japan – The price of Japanese spot LNG imports hit a 10-month low [8] in June, official figures reveal. The arrival-based price dipped to USD 5.6/MMBtu, down one cent on May, according to preliminary data published by Japan's energy ministry.

Australasia

Australia – US electric car manufacturer and energy company Neoen is to install the world's largest lithium ion battery [8] in South Australia, with Tesla's boss Elon Musk offering the 100 MW battery for free if it is not built within 100 days.

ConocoPhillips has revealed new development plans for its Barossa gas field [14] offshore Australia that confirm the original concept of an FLNG facility has been scrapped in favour of transporting gas to shore via a new export pipeline.

New Zealand – New Zealand Oil & Gas has agreed to buy Mitsui's 4% interest in the Kupe offshore gas and light oil field [8], including a production platform, a pipeline and onshore production facility. The deal

will add 2.6 mboe to New Zealand's hydrocarbons reserves.

Europe

Austria – Exploration, production and storage company RAG has commenced building the country's first LNG fuelling station [8], which will have capacity to fuel 25 trucks daily and is expected to start operations in September.

France – The country is looking to ban sales of petrol and diesel-powered cars by 2040 [8] in order to help the country meet its climate targets under the Paris accord, the country's energy minister Nicolas Hulot said.

Total has signed a multiyear contract with Brittany Ferries to supply LNG bunker fuel [15] for what is expected to be the first LNG-powered French cruise ferry and possibly the first in its class to hit open waters.

The French government has set out high-level ambitions to reduce gas consumption and halt domestic gas production altogether by 2040 as part of a wider shift towards a more sustainable energy model, but the policy raises more questions than it answers. Read our analysis here [16].

Germany – The European Commission has approved a joint venture looking to develop an LNG terminal in northern Germany [5]. Gasunie, Oiltanking and Vopak have joined forces to own and operate a new LNG terminal capable of also offering small-scale services.

Ireland – Shell is exiting the upstream sector in Ireland by selling assets including the Corrib gas field [17] to Canada Pension Plan Investment Board (CPIB) in a deal valued at up to USD 1.23 billion.

Shell's exit from the Irish upstream [18] and divestment of its stake in the Corrib gas field draws a line under its involvement in what was a controversial project that faced interminable delays.

Norway – Vienna-based OMV has received Norwegian regulatory approval to drill an exploration well [8] in the Barents Sea, 315 km north of Hammerfest in a prospect titled "Wisting Central III". Work is set to begin in mid-August.

Statoil has reported "disappointing" results from exploration [8] in the frontier Flemish Pass Basin offshore Newfoundland, with no discovery of hydrocarbons at two drilled wells.

Statoil has been granted the green light by Norwegian authorities to increase gas output from the massive Troll field [5], which holds 40% of the total gas reserves on the Norwegian continental shelf. The news comes months after Centrica announced it is to close the UK's largest gas storage facility – Rough. Gas from Troll is exported to the UK.

UK – An energy system with high levels of decentralised and renewable generation has become a reality [19], meaning gas-fired plants must maximise flexibility to capture market share, system operator National Grid said in a new report.

The UK Oil and Gas Authority (OGA) has offered 12 offshore blocks to ten companies [5] as part of the 2016 supplementary offshore licensing round, which was conducted in response to industry nominating areas outside of those covered by last year's 29th Licensing Round.

Latin America and Caribbean

Brazil – State-run oil and gas company Petrobras has announced two new asset sales [20] as part of its USD 21 billion divestment strategy for 2017-18. Petrobras and US major Chevron both intend to sell off their stakes in the offshore Maromba field in the Campos basin, leaving 100% of rights up for grabs.

Mexico – Mexico wants to launch four more oil and gas tenders [8] before the end of November 2018, one more than previously planned, energy minister Pedro Joaquin Coldwell told local media. The fourth tender could include shallow, deepwater and shale areas, reports suggested.

The Mexican hydrocarbons sector appears to be on the cusp of a private sector-fuelled renaissance [21], as a pair of hotly-contested onshore tenders drew several high bids in the same week that two major oil fields were discovered in the shallow waters of Campeche Bay.

Peru – New York-based Okra Energy has purchased Cryogas [5], a Peru-based company specialising in the transportation and storage of LNG and installation of satellite regasification plants, for an undisclosed sum. Okra Energy specialises in delivering LNG worldwide, predominantly to Caribbean and Latin American markets.

Middle East

Iran – The National Iranian Oil Company is planning a major boost to oil and gas production capacity by 2022 [22], requiring an estimated USD 140 billion of investment. Deputy oil minister Amir Hossein Zamani Nia told Gas Matters Today that US sanctions would not be an obstacle to signing upstream deals.

United Arab Emirates – State-owned energy company ADNOC has become the latest company in the Gulf to announce it is looking for foreign partners across the entire value chain [23], in addition to floating stakes in its service businesses, as part of the company's strategy to maximise growth.

Russia and CIS

Russia – Independent energy company Novatek has seen gas production slip by 8% [5] over the first six months of 2017, compared to same period a year earlier. Novatek's gas production stood at just over 31 Bcm in H1, with liquids production also down 7% year on year at 5.8 mt.



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