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Weekly news roundup (11-15 September)
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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



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International

Petronet has renegotiated its supply contract [1] for volumes from the Gorgon LNG project, taking an additional 1 mtpa of LNG in return for a lower price, according to reports.

Total world energy consumption [2] will increase by 28% by 2040, from 575 quadrillion Btu in 2015 to 736 quadrillion Btu, according to the US Energy Information Administration (EIA).

Bloomberg's Global LNG Outlook questions whether the mooted global LNG glut [2] will be as big as once thought.

China National Petroleum Corporation (CNPC) has signed a wide-ranging cooperation agreement [2] with Eni for oil and gas value chain opportunities, trading and logistics opportunities, refining and petrochemicals.

US & Canada

US - Early indications suggest Florida's natural gas network [3] escaped largely unscathed from the destruction of Hurricane Irma that ripped through the US state recently.

NextDecade has appointed Matt Schatzman [4], former vice president of BG Group, as company president.

Chevron has offloaded a portfolio of operating shale assets [4] in the Permian basin to Sabinal Energy private equity fund Kayne.

Troubled offshore drilling contractor Seadrill has filed for chapter 11 bankruptcy [5] protection from a Texas court after striking a restructuring deal that delivers USD 1.06 billion of new capital.

The operator of the Aliso Canyon gas storage [6] facility has downplayed reports that its facility is unsafe, despite airborne monitors detecting spikes of methane and operator SoCalGas plugging a quarter of its wells.

Canada - Shell Canada and other companies are shutting in natural gas wells [4] in south-west Alberta due to the threat of growing wildfires.

Nexen Energy has pulled the plug on the Aurora LNG [7] project in western Canada.

Africa

Angola - Angola LNG Limited has signed an LNG supply contract [4] to deliver cargoes to RWE Supply & Trading at destinations around the world.

Egypt - Baker Hughes (BHGE) has won a subsea contract from Egypt's Petrobel for the second phase of the "supergiant" Zohr gas field [4] in the Mediterranean.

Nigeria - Shell is pursuing an opportunity in Nigeria to increase domestic gas supply [8] in a fast-growing, high-end development hub to the east of the Nigerian capital, Lagos.

Senegal - Cairn Energy has hired consultancy Xodus Group to carry out environmental and social impact assessment (ESIA) [2] work for its offshore projects.

Asia Pacific

Bangladesh - Petrobangla is preparing to negotiate an LNG supply deal [9] with Pertamina after Bangladesh signed a memorandum of understanding with Indonesia.

China - Green Dragon Gas' development plan for the Greka Chengzhuang [2] Block has received state approval, giving the green light to commence development of the coalbed methane project.

China National Offshore Oil Corporation (CNOOC) has hired Wood Group to support the Lingshui 17-2 gas development [2] in the Qiongdongnan basin of the South China Sea.

The Chinese government is claiming the country has become one of the world's largest shale gas producers [2] alongside the US and Canada.

Hong Kong - Hong Kong is on track to start importing LNG [10] via a floating terminal in 2020, with an expected capacity of between 3 to 5 mtpa.

India - Shell and Engie have withdrawn from the proposed Kakinada floating storage and regasification project [11] in Andhra Pradesh on India's east coast, leaving GAIL to pursue the FSRU project alone.

Indian power utilities have reportedly ramped up their gas purchases [2] recently to ensure the lights stay on following acute shortages of coal to the country's power plants.

South Korea - KOGAS reported an 11.8% decrease in its domestic natural gas sales [2] in August.

Pakistan - Trafigura is to establish its second, and possibly Pakistan's fourth, LNG import project [12], a spokesperson confirmed with Gas Matters Today.

Papua New Guinea - The government has started paying landowners royalty payments related to LNG exports from the country's PNG LNG plant [13], in a move to quell unrest and improve the investment environment.

Philippines - State-owned Philippines National Oil Company (PNOC) is reportedly fleshing out an agreement with International Finance Corporation (IFC) to progress the development of the country's maiden LNG import project [14].

Australasia

Australia - Origin Energy has increased its stake in the Otway gas project [4] by buying out Benaris'

stake in the project and exploration joint ventures.

Empire Oil and Gas (EGO) has placed its subsidiary Empire Oil Company under administration [2].

New Zealand - New Zealand Oil & Gas is urging shareholders not to sell their shares to Zeta Energy [4], amid hopes of a better offer.

Europe

The European Parliament has approved the European Commission's new gas security supply rules in Europe, which introduce the solidarity principle to alleviate supply disruptions [4].

Austria's OMV, one of the five European companies providing funding for Gazprom's Nord Stream 2 pipeline [2], has expressed its commitment to financing its portion of project despite challenges due to US sanctions.

Cyprus - Cyprus is facing the dismay of a non-commercial discovery [15] at the Onisiforos West-1 well, where initial results indicate a gas resource of 0.5-1 Tcf.

Italy - Italy's Adriatic LNG terminal [4] has received its first cargo of US LNG from Cheniere's Sabine Pass facility.

Norway - The re-election of Norway's Conservative leader Erna Solberg as the country's prime minister is likely to ensure a stable and predictable oil and gas policy [16], according to the Norwegian Oil and Gas Association (NOGA).

Poland - Gaz-System has opened a section of gas pipeline that will ultimately link Poland with Croatia [4].

UK - The UK's competition watchdog has approved the purchase of Amec Foster Wheeler [4] by energy services company Wood Group.

Oil and gas company Hague & London Oil [4] (Halo) has suspended its trading on the AIM exchange pending the completion of its acquisition of natural gas assets in the Dutch North Sea.

British corporation Babcock has won a contract to help Centrica prepare for decommissioning of the Rough gas storage facility [4].

Third Energy has received the green light to begin hydraulic fracking [4] at its shale gas project near Kirby Misperton.

Drax Group is considering converting two ageing coal-fired units [17] at the UK's largest power station in Yorkshire to run on natural gas.

Latin America & Caribbean

Argentina - BP and Bridas Corporation are to combine their Argentine business interests, forming a new integrated energy company Pan American Energy Group [18] (PAEG).

Brazil - Shell has penned a memorandum of understanding (MoU) with Brazil's state-owned energy company Petrobras to collaborate in developing offshore pre-salt fields [19] in Brazil.

Russia & CIS

Azerbaijan - The government and state-run SOCAR have signed an amended joint development and production sharing agreement for the Azeri-Chirag fields [2] and the deep-water portion of the Gunashli field (ACG) in the Caspian Sea.

Russia - Chinese conglomerate CEFC China Energy has acquired a 14.16% stake in Russia's state-backed oil major Rosneft [20] from Glencore and the Qatar Investment Authority (QIA).

Gazprom has hit out at a lack of “financial discipline” across the Russian federation, where non-payment of gas [21] has left the company facing unpaid bills of RUB 179 billion (USD 3.1 billion).

Middle East

Iran - Shell has discussed developments plans for Iran's second largest offshore gas field [4], Kish, with Iran's Petroleum Engineering and Development Company (PEDEC) and National Iranian Oil Company (NIOC).

Markets & prices

Gas-fired power plants in many EU countries are still finding it hard to compete [22], despite coal and EU carbon emissions certificates having risen to highs unseen in well over a year.

The US Energy Information Administration (EIA) has revised down expectations for oil and gas prices [23] for the rest of this year, despite Hurricane Harvey shutting oil production and refineries in the Gulf of Mexico.

Perceptions that the oil market is finally rebalancing [24] have received support from both the International Energy Agency and OPEC, both of whom have upgraded their demand forecasts for this year and next.



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

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Registered company address: 10 St Bride Street, London, EC4A 4AD