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Weekly news roundup (25-29 September)

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International

Gazprom has formed a joint venture with Turkish state-owned energy firm Botas to progress the TurkStream pipeline [1] project. The vehicle, called TurkAkim Gaz Tas?ma AS, will oversee construction of the onshore section in Turkey.

Automated drilling and remote monitoring of offshore operations using drones [2] could reduce risks and costs [2], but is being largely ignored by the oil and gas industry, the Future Oil and Gas conference in London heard.

US & Canada

Canada – The Duvernay shale play [3] in central Alberta holds the potential to produce 77 Tcf of gas and 3.4 billion barrels of crude oil, according to a new assessment by the country's National Energy Board and the Alberta Geological Survey.

US – ExxonMobil is implementing new measures to reduce methane emissions [4] from its US production and midstream facilities, a move that has won support from one of the country's leading environmental advocacy groups.

Italian utility Edison has signed a 20-year supply agreement [5] with LNG developer Venture Global for 1 mtpa from its proposed Calcasieu Pass LNG plant in Louisiana from 2021, when first LNG is expected from the plant.

ExxonMobil has increased its position in the Permian Basin by 22,000 acres following a series of acquisitions and acreage trades [6], that the company has undertaken since May.

The US Federal Energy Regulatory Commission has given Delfin LNG the greenlight [6] to construct a pipeline to deliver gas from the shore to its proposed FLNG plant off the coast of Louisiana.

Africa

Cameroon – Victoria Oil & Gas has produced first gas from the Logbaba La-107 well [3], which was sent volumes to the Logbaba gas processing plant and consumed in the domestic market.

Ghana – Tullow expects to restart drilling in the TEN fields [3] offshore Ghana by year-end after the Special Chamber of the International Tribunal of the Law of the Sea ruled on the maritime boundary dispute between Ghana and Ivory Coast.

Nigeria – Hopes are growing in Nigeria that – after more than a decade of legislative logjams – laws could soon be finalised to help resolve what even the government acknowledges is a “full-blown energy crisis [7]”.

South Africa – Measurements conducted on samples from two boreholes in the main Karoo basin demonstrate a much reduced potential shale gas [6] resource.

Asia Pacific

Bangladesh – Petrobangla has signed a highly anticipated long-term supply contract with Qatar’s RasGas [8], with Bangladesh’s national energy company agreeing to take 2.5 mtpa of LNG over a 15-year term, Bangladesh’s government has confirmed.

China – Kunlun Energy has reportedly agreed to acquire a 51% stake in PetroChina Jingtang LNG [6] from PetroChina. Reports suggest the USD 225 million deal would give Kunlun access to three LNG import terminals.

Indonesia – Pertamina has signed an agreement with state-owned electricity company PT PLN to supply LNG to a remote 40 MW power plant [6] in East Kalimantan. It is understood the LNG will be supplied via trucks.

Philippines – The Philippines has revived a dormant exploration project in a disputed area [9] of the South China Sea, reportedly claiming the area lies in Philippine territory.

Singapore – Keppel and Shell joint venture FUELNG has completed the first commercial LNG bunker transfer [3] in Singapore using a truck-to-ship transfer involving the FLNG vessel Hilli Episeyo.

South Korea – Four coal-fired power plants in early stages of construction in South Korea will be converted to burn regasified LNG [3] to cut down on air pollution, according to local reports.

KOGAS has selected a site in Dangjin, on South Korea’s west coast, for what would be the company’s fifth LNG terminal [10], with the terminal set to start operations in 2025, South Korea’s state-owned company said this week.

Australasia

Australia – Australia looks increasingly likely to limit east coast LNG exports [11] after the country’s competition watchdog said a gas shortage in the region could be much worse than first feared.

Australia looks to have averted a potential domestic gas shortfall [12] on its east coast after the government received guarantees from the three largest exporters that they will supply gas to the domestic market over 2018-19.

Origin Energy has agreed to sell upstream subsidiary Lattice Energy [13] to compatriot Beach Energy for USD 1.24 billion, but secured access to Lattice’s future east coast gas production to supply the domestic market.

Papua New Guinea – PNG-focussed Oil Search has reported a whopping 405% boost in half-yearly profits [14], further highlighting questions over the government’s motives for reportedly seeking to sell its shares in the company at a loss.

Europe

France – French nuclear safety authority ASN has ordered EDF to shut down four [6] nuclear reactors [6] at the Tricastin plant "as rapidly as possible".

Germany – Fortum is pressing ahead with its proposed USD 9.5 billion takeover of Uniper [15] after signing an agreement with the German company's largest shareholder E.ON. Under the agreement, Fortum will launch a voluntary public takeover offer to all Uniper shareholders.

Differences over energy and climate policies [16] could prove a sticking point in complex German coalition negotiations as disparate party leaders seek to form a government following last weekend's indecisive federal election.

Netherlands – London-based Hansa Hydrocarbons has made a gas discovery in the Dutch portion of the North Sea [17] following drilling on its GEMs licences.

Norway – Eni has become the latest to drill a dry well [3] in Norway's portion of the Barents Sea. Eni said the well, drilled 10 km south-west of the Goliat field, was dry.

Exploration drilling by Lundin Petroleum in the Barents Sea has proved disappointing following the discovery of a dry well [6] on the Borselv prospect in the southern portion of the Barents.

Dong Energy has received regulatory approval to divest upstream assets [6] to Ineos from Danish and Norwegian authorities.

Switzerland – Offshore drilling contractor Transocean is set to book a USD 1.4 billion impairment charge [3] for scrapping of six drilling rigs.

Latin America & Caribbean

Brazil – New Fortress Energy, which is launching an LNG-to-power project in Jamaica, has reportedly signed an agreement to acquire Bolognesi Energia's planned LNG terminal [3] and associated 1.3 GW Rio Grande power plant project.

Brazil has auctioned just 37 of the 287 blocks on offer under its latest exploration tender [18], with domestic firms accounting for most of the companies that won acreage, signalling less-than-encouraging appetite for Brazil's new contract model.

Guyana – Total is likely to become the next major to make an entry into highly prospective waters [19] offshore Guyana after agreeing to acquire a 25% stake in the Orinduik block in the Guyana-Suriname basin from Eco Atlantic Oil and Gas.

Mexico – Pemex has signed E&P contracts with DEA and Ecopetrol [3] to look at two shallow water blocks that the Mexican state company picked up in the recent 2.1 block tender.

Middle East

Iraq – Vote counting continues following an historic referendum last week in the Kurdistan Region of Iraq, with early reports pointing to a strong vote for independence [20].

Gazprom Neft has scrapped gas exploration plans [21] at a block in the Kurdistan Region of Iraq (KRI)

after concluding the area is too risky due to unexploded mines left over from previous conflicts.

Israel – Israel has been without domestic gas supplies [22] since last Thursday after a crack was discovered in a pipeline at the platform of the country's only producing gas field, forcing generators to burn more coal to keep the lights on.

Israel's Supreme Court has opened the door to a USD 12.7 billion lawsuit [23] lodged by an Israeli citizen who has accused the partners of the Tamar gas field of exploiting their position as the country's only gas producer.

Oman – BP has brought online the first phase of the giant 10.5 Tcf Khazzan onshore gas field [24] in Oman – the largest of the company's seven major projects to start up this year.

Russia & CIS

Russia – Schlumberger's second attempt to acquire a 51% stake in Russia's Eurasia Drilling Company [6] has again come under fire after Russia's Federal Antimonopoly Service warned that a deal with the US company is a "risk for the country."

LNG production at Gazprom's Sakhalin II plant exceeding its design capacity [6] of 9.6 mtpa, by producing 10.9 mt last year. Gazprom also noted that design documentation for a third 5.4 mtpa train is "nearly ready".



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