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Weekly news roundup (2-6 July)

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International

The vulnerability of third-party suppliers to cyber-attacks is one of the biggest cybersecurity issues [1] currently facing major energy companies, a conference heard last month.

The formation of prices via “gas-on-gas competition” [2] is becoming more pervasive in global pipeline trade but failing to make major inroads into LNG, where oil price indexation still wields considerable influence, according to the International Gas Union.

JERA, the world’s largest buyer of LNG, and EDF Trading have extended their partnership by committing to merge their LNG businesses [3] into a joint LNG optimisation and trading venture called JERAT.

US & Canada

Canada – Enbridge has agreed to sell its gas gathering and processing businesses [4] in a number of basins in British Columbia to Brookfield Infrastructure for more than USD 3 billion.

Africa

Ghana – Eni has started gas production [4] from the Sankofa field in the Offshore Cape Three Points project.

Libya – Production has begun at the second phase of the country’s largest active offshore gas field [5] – Bahr Essalam – amid political unrest in the country that has led to the shut-in of major Libyan oil ports.

Asia Pacific

China – CNOOC has begun construction work on the second phase of the Ningbo LNG terminal [4] in Zhejiang province, with the work to double to regas capacity to 6 mtpa.

Japan – Diamond Shipping LNG, a joint venture between Mitsubishi and NYK has taken receipt of the world’s first “Sayaringo STaGE” LNG carrier [4] – the Diamond Gas Orchid.

Australasia

Australia – “Paradoxical” plans to import LNG into south and east coast markets [6] will need to overcome myriad economic challenges, the government trade and industry department said in its quarterly Resources and Energy report.

Inpex is running out of time to achieve its target of shipping first LNG [7] from the Ichthys project in September, with the Japanese-led project yet to draw gas from its related offshore field in Western Australia.

Papua New Guinea – The government has threatened to withdraw development licences [8] for a gas field and pipeline that would supply Horizon Oil's proposed 1.5 mtpa Western LNG project.

ExxonMobil has confirmed “significant vandalism” to assets [9] associated with the pipeline that will feed the PNG LNG plant, with reports suggesting local landowners have threatened to close the plant permanently if the government does not meet its demands and pay overdue royalties.

Europe

Cyprus – Athens-based Energean has submitted a proposal to Cyprus' state gas company DEFA seeking permission to build a pipeline from offshore Israel [10] to the island nation, a spokesperson for Energean has told Gas Matters Today.

France – Fluxys is set to boost its share in Dunkerque LNG [11] and take control of one of continental Europe's largest LNG terminals, as Total and EDF dispose of their stakes.

Malta – Malta is pressing ahead with plans to implement a 2 Bcm/year gas interconnector with southern Italy [12], with the government issuing tenders calling for contractors to conduct a marine survey and environmental and engineering design studies.

Norway – Upstream players are consolidating their positions [13] in Norway with Eni Norge merging with Point Resources to form Var Energi just days after Neptune Energy agreed to buy VNG's Norwegian subsidiary.

Equinor has submitted a roughly USD 1 billion development plan [14] for the third phase of the giant Troll field in the North Sea, which it plans to develop with a break-even price under USD 10/barrel.

Sweden – Gazprom has been dealt another blow by the arbitration court in Sweden after it ruled in favour of PGNiG's request for a lower price for gas [15] it receives from the Russian giant under a long-term supply deal running to 2022.

UK – Chevron has set in motion plans to sell its Central North Sea assets, which could see the company become the latest oil major to reduce its footprint [16] in the mature UK North Sea basin.

The European Bank for Reconstruction and Development has approved a loan of up to USD 500 million for the construction of the Trans Adriatic pipeline (TAP) [4].

Tullow Oil has been hit with a USD 254 million fine [4] after a UK court ruled the company was not entitled to terminate a rig contract with services firm Seadrill in 2016.

A cross-party parliamentary committee has warned the UK government that plans to remove local authorities from fracking planning decisions [17] “would likely exacerbate existing mistrust between communities and the fracking industry”.

Latin America & Caribbean

Brazil – Troubled state-backed energy company Petrobras has suspended plans to sell off [18] pipeline subsidiary Transportadora Associada de Gas and refining assets after a court ruled that all privatisations should be approved by Congress.

Mexico – Mexico's new president and first leftist head of state in decades, Andres Manuel Lopez

Obrador, has vowed “profound change” including a review of energy contracts [19] for signs of corruption.

Russia & CIS

Azerbaijan – Azerbaijan has begun commercial gas deliveries to Turkey [20] via the Southern Gas Corridor after the Shah Deniz 2 gas project started production, operator BP has said.



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