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Weekly news roundup (9-13 July)
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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
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Analysis

The differential between prices [1] on the UK NBP gas hub and its Dutch counterpart, the TTF, is expected to become more turbulent in the years to come – creating opportunities and challenges for UK-Europe pipeline operators.

Nigeria's state-owned oil company NNPC is redoubling efforts to deliver seven “critical gas development projects” [2] that are intended to boost domestic gas supply for power generation.

Energean's recent proposal to connect offshore gas fields in Israel to Cyprus [3] via a 200-km subsea pipeline ought to delight officials in Nicosia, who are preparing a tender for LNG supply and a floating storage and regasification unit (FSRU).

International

Industry bunkering coalition SEA\LNG has flagged up the air quality and public health benefits [4] of LNG as a marine fuel, and said that assessing the case for LNG purely from a greenhouse gas point of view is “not responsible”.

French engineering firm GTT will supply LNG tanks for the world's first electric hybrid cruise ice-breaker [4] with LNG propulsion, the Ponant Icebreaker vessel.

Total has become the world's second-largest LNG player [5] after completing the USD 1.5 billion acquisition of Engie's upstream LNG business.

US & Canada

US – Honolulu-based shipping company Matson has christened the Daniel K Inouye dual-fuel vessel – the largest container ship ever built [4] in the country – at a ceremony at the Philly Shipyard in Pennsylvania.

Cheniere Energy is developing futures contracts for physical LNG loaded at the Sabine Pass terminal in Louisiana that could eventually establish a new trading benchmark for spot [6] LNG [6] leaving the US Gulf Coast for international markets.

Supermajors Shell and Chevron have secured the first exemptions from the 25% US tariff on imported steel [7] for their oil and gas projects, but scores of other applications were rejected, prompting outcry from the American Petroleum Institute.

ConocoPhillips has closed its USD 15 billion divestment programme [5] “significantly earlier” than the original target date of year-end 2019, the company has said in an update.

Africa

Equatorial Guinea – UK-based Ophir Energy has signalled another delay to its [5] 2.2 mtpa Fortuna floating LNG project

[5] in offshore Equatorial Guinea.

Mozambique – Eni and ExxonMobil are targeting 2024 for first LNG from the Rovuma LNG plant [8] after submitting development plans for the project to the Mozambique government. Phase one envisages construction of two LNG trains each rated at 7.6 mtpa.

Nigeria – Nigeria's state oil firm NNPC and partners Shell, Total and Eni have signed the front-end engineering design (FEED) contract for Train 7 [5] at the Nigeria LNG plant [5].

Asia Pacific

China – US-based diesel-to-natural gas engine developer, Omnitek Engineering, has started shipping components to Omnitek Beijing that will be used to convert large marine engines [4].

Indonesia – Pertamina has shelved plans [9] a second onshore LNG terminal [9] in Indonesia due to declining gas demand in the power sector undermining the economics of the project, the company's CEO was quoted as saying last week.

The government of Indonesia has renewed four 20-year production sharing contracts [10] (PSCs) with local and regional oil and gas players, but rejected Canadian energy outfit Sonoro Energy's PSC renewal request for the second time.

Japan – Central LNG Shipping Japan Corporation has ordered Japan's first LNG bunkering vessel [4] to meet the impending 2020 sulphur cap regulations.

Japan's ambassador to Singapore, Kenji Shinoda, has indicated the country plans to offer ship-to-ship LNG bunkering [4] at the ports of Yokohama and Nagoya on the country's east coast.

Europe

Netherlands – Equinor is advancing its proposal to convert a gas-fired power plant to [11] burn hydrogen [11] and build an associated carbon capture storage (CCS) facility, after awarding engineering firm Jacobs with a contract to conduct a feasibility study.

The European Commission has approved the Dutch government's measures to compensate damage to real estate [5] caused by earthquakes induced by gas extraction at Groningen.

Norway – The Norwegian Continental Shelf has seen production [5] drop in H1'18 [5] compared to a year ago owing to "technical problems in some fields," and a colder than normal winter, the Norwegian Petroleum Directorate said.

Romania – Romania's government is facing a backlash from companies operating in the Black Sea after it introduced a new tax regime for offshore production [12], which imposes larger taxes on production and calls on 50% of output to be sold to the domestic market.

Sweden – Naftogaz is set for another showdown with Gazprom [13] in the arbitration court in Stockholm after the Ukrainian company said it failed to negotiate a revision to its transit contract.

The Port of Gothenburg is extending the period of its tariff discount for [4] LNG-fuelled ships [4] by a further two years in a bid to increase the number of calls by LNG-fuelled vessels.

Switzerland – Swiss-headquartered WinGD has secured a 100th order [4] for the X-DF engine [4] that will

be deployed in a vessel under order from GasLog LTD at the Samsung Heavy Industries shipyard in Korea.

UK – The UK government's new low-carbon transport strategy has concluded that more efficient engines are required [14] if natural gas vehicles (NGVs) are to deliver “significant” greenhouse gas savings, especially in heavy goods vehicles (HGVs).

Biogases offer “low regrets opportunities in the near term” in the UK's quest to decarbonise [15] its heating sector, while hydrogen “could provide huge decarbonisation opportunities” across the energy system over the longer term, according to a new report from thinktanks Policy Connect and Carbon Connect.

National Grid foresees potential for UK gas demand to fall by 20-70% [16] in the coming decades, regardless of whether the country achieves its 2050 climate targets, according to the TSO's latest Future Energy Scenarios.

Premier Oil reduced its net debt [5] to USD 2.6 billion at the end of June, from USD 2.7 billion at the end of 2017.

South Asia

Bangladesh – Bangladesh's largest independent power producer Summit Corporation has brought GE into its proposed LNG-to-power project [17] and added oil terminals and a heavy fuel oil (HFO)-based power generator to the development.

India – Cairn Energy has put on a brave face after the Indian government seized and sold some of its local assets [18], in the latest chapter of a long-running legal spat between New Delhi and the London-listed independent oil and gas outfit.



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