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Weekly news roundup (1-5 October)
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Weekly news roundup (1-5 October)

Analysis

Shell has taken the landmark decision to commit to building the first phase of LNG Canada [1] after economic and fiscal factors converged to improve the investment case for the long-delayed 14-mtpa project in British Columbia.

A final investment decision on LNG Canada project has prompted speculation about a new wave of large-scale greenfield liquefaction investment, but a closer look at the project's commercial structure suggests that its investment case cannot easily be replicated [2] elsewhere.

International

Bolivia's hopes of diversifying gas exports through LNG now rest on coastal access in Peru after the International Court of Justice made a binding ruling that Chile has no obligation to negotiate [3] over access to its Pacific coast.

Shell global downstream LNG has appointed Tahir Faruqui [4] as its new general manager.

US & Canada

US – Woodfibre LNG has signed a preliminary LNG supply deal with CNOOC [5] Gas and Power for 0.75 mtpa over 13 years, inching the western Canadian project a step closer to a final investment (FID) decision.

Canadian natural gas transportation company Encana has sold its San Juan assets in New Mexico [4] for USD 480 million to Denver-based DJR Energy.

ExxonMobil is reportedly looking to sell assets in the US Gulf of Mexico [4] to focus on other key areas of development, sources told Reuters.

The EQT-led Mountain Valley [6] gas pipeline [6] has been dealt another blow after a court withdrew a water permit, meaning construction must stop on half of the 300-mile line.

Asia Pacific

Vietnam – Hong Kong-based containerhips outfit Seaspan Corporation has unveiled plans to invest in a new LNG-to-power plant in Vietnam [7] – potentially the country's ninth – after signing an agreement with Singapore-based construction contractor Swiber Holdings.

Australasia

Australia – National competition watchdog ACCC's decision to publish LNG export prices [8] in a bid to improve gas market transparency will not drive down domestic gas prices, market observers have said.

East Timor – The government of East Timor has reportedly signed a USD 350 million deal to buy

ConocoPhillips' 30% stake in the coveted Greater Sunrise prospect [9], in a move that could further complicate field development.

New Zealand – The country's second largest oil and gas producer is taking the government to court, claiming its proposed ban on offshore exploration is unlawful [10] and that New Zealand will become import dependent if the policy is enacted.

Europe

EU – The European Commission has nearly maxed out one of its main funding pots for low-emissions transport [11] after deciding to dole out some USD 800 million to 49 projects – 15 of which are gas-related.

Croatia – Croatia LNG has again extended the deadline of its open season for the Adriatic LNG terminal [4] citing “additional requests from interested terminal users”.

Estonia – Energy company Eesti Gaas has placed an order with Dutch shipyard Damen Group for the first LNG bunkering vessel [12] for the north-east Baltic Sea.

Netherlands – Shell and Sovcomflot carried out the first ship-to-ship LNG bunkering [12] operation under the fuel supply agreement the pair signed in 2017.

Dutch dredging company Boskalis will use biofuel to power its fleet [12] that is installing the export cable to the Borssele Alpha wind farm project, saying LNG is less effective as a marine fuel in terms of carbon savings.

Norway / Romania – Austrian energy firm OMV has moved to adjust its European portfolio [4], selling nine onshore deposits in Romania and agreeing to buy a roughly 25% interest in two phases of the Urengoy field in Norway.

UK – Equinor has returned to one of the largest undeveloped fields on the UK Continental Shelf by agreeing to take Chevron's 40% operator stake in the Rosebank project [13] – five years after selling its 30% stake to OMV.

Marathon Oil is reportedly looking to follow several US compatriots and withdraw from the UK North Sea [14] by selling late-life assets, with market observers suggesting the sale could raise issues over decommissioning rights.

Latin America & Caribbean

Argentina – Argentina will not extend its lease [15] on a floating storage regasification unit (FSRU) [15] beyond December, energy minister Javier Iguacel has suggested, just weeks after vessel owner Excelerate began studying LNG exports from the current import site.

Brazil – Shell, BP, ExxonMobil and other heavy-hitters have restocked exploration portfolios with Brazilian pre-salt acreage during a highly successful auction [16] ahead of the country's most contentious general election in years.

Panama – The Panama Canal has celebrated the transit of four LNG carriers in one day [4], a first for the waterway.

Russia & CIS

Kazakhstan – A consortium led by Shell and ENI developing the 1.35 Tcm gas and condensate field in

Kazakhstan has agreed to pay USD 1.1 billion to settle a profit-sharing dispute [4] with the government.



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