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Contents

Weekly news roundup (29 October-2 November)

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Weekly news roundup (29 October-2 November)

Analysis

The victory of far-right populist Jair Bolsonaro in Brazil's presidential election promises widespread upheaval, but also uncertainty for the country's energy sector [1] and outlook for foreign investment.

International

Shell plans to boost liquefaction by 0.3 mt year on year in Q4'18 [2] by increasing feed gas availability and lowering maintenance activity, the Anglo-Dutch company said in its latest results, which were not as strong as the previous quarter.

ExxonMobil's Q3'18 earnings increased by nearly 60% year on year [3] to hit USD 6.2 billion, the US company said on Friday.

BP recorded its best quarterly result in five years [3], with profit for the quarter hitting USD 3.3 billion – an 89% increase on the same period a year earlier, and approximately USD 500 million higher than Q2.

US & Canada

Canada – The Nova Scotia Utility and Review Board has issued a construction permit [3] for the Goldboro LNG project [3], a 10 mtpa liquefaction plant under development by Pieridae Energy.

Enbridge has completed repairs on [3] a pipeline that ruptured [3] in early October and expects to bring the line back online this month.

US – Chesapeake Energy, the third largest US gas producer, is making a strategic move into crude by acquiring Eagle Ford shale producer WildHorse Resource Development [4] in a bid to reverse poor earnings and its tanking share price.

Sempra Energy has begun commissioning [3] a first train at the Cameron LNG plant [3] in Louisiana.

Dominion Energy has sold its 50% stake in Blue Racer Midstream [3] to private equity firm First Reserve in a deal worth up to USD 1.5 billion.

Africa

The evolving global LNG market is improving the economics of gas-fired power in sub-Saharan Africa [5], but hurdles such as foreign exchange risks, regulatory inertia and a dearth of bankable projects are preventing the fuel from increasing market share, according to keynote speakers at the DLO Africa Power Roundtable in London.

Algeria – IOCs have revived interest in Algeria's offshore and unconventional resources after Sonatrach

signed agreements with Eni, Total, BP and Equinor [6] despite the country's operating environment remaining notoriously unattractive.

Ghana – Construction on Ghana's first LNG terminal [7] has begun, but doubts remain over whether the project's floating storage unit (FSU) will come online as envisaged in 2020 given the history of delays to LNG projects in the country.

Nigeria – The state government of Lagos has signed preliminary terms to charter a floating storage and regasification unit (FSRU) [8] from Golar [8] for Nigeria's first LNG import project, but the vessel is not expected to become operational until end-2020 at the earliest.

Australasia

Australia – The government has awarded seven offshore exploration permits [3] under a 2017 offshore tender.

Senex Energy has taken FID on [3] the Project Atlas and Roma North developments [3], which the company says will help it increase its oil and gas production by 4 million boe.

Europe

Estonia – Alexela Group is seeking to revive plans for the Paldiski LNG terminal [9] after signing a memorandum of understanding with the Port Authority of Tallinn, however the project still lacks funding.

France – The French gas market has begun trading as a single market [10] after completing a pipeline buildout, which French transmission system operators GRTgaz and Terega have said will create a more liquid domestic market better integrated with Europe.

Italy – The Italian government has reneged on its pledge to halt the Trans Adriatic Pipeline (TAP) [11], with prime minister Giuseppe Conte admitting that stopping the project would cost Rome billions of euros.

Romania – The National Agency for Mineral Resources has approved OMV Petrom to acquire a 49% stake in four onshore exploration licences [3] from Repsol.

UK – Cuadrilla has produced first shale gas from its Preston New Road site [12] in Lancashire following a stop-start exploration campaign that began in mid-October but suffered disruptions related to fracking-induced seismicity [13].

The UK government will maintain the current headline tax rate for North Sea operations [14], signalling a level of stability for investors amid concerns that rising oil prices would have seen the tax relief measures cut.

The Oil and Gas Authority has approved Serica Energy's field development plan [3] for its North Sea Columbus development.

Latin America & Caribbean

Argentina – Total has delayed taking a final investment decision on an offshore gas development, raising questions over the investment climate [15] amid economic turbulence in the South American nation.

Russia & CIS

Russia – Novatek has dismissed reports of a potential [16] logistical nightmare [16] stemming from an early ramp-up of liquefaction at the Yamal LNG plant, stating its ice-class LNG tanker fleet can “ensure uninterrupted LNG shipments to international markets”.

South Asia

India – Delegates from India’s Directorate General of Hydrocarbons descended on London last week to drum up interest in the Indian upstream sector ahead of a second ‘ [17]open acreage’ licensing round [17] scheduled for November.



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