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Weekly news roundup (26-30 November)
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Weekly news roundup (26-30 November)

CWC LNG 2018 – Lisbon, Portugal

Chinese LNG demand will collapse [1] as soon as domestic gas production takes off, a senior CNOOC executive said at the CWC World LNG Summit last week – provoking a sceptical response from some delegates.

Nigeria LNG has rowed back on its promise to achieve a final investment decision on the long-delayed Train 7 project [2] this year, suggesting front end engineering and design work will take longer than anticipated.

US LNG developer NextDecade has revealed it is offering oil indexation for output from its Rio Grande liquefaction project [3] in south Texas, to give Asian buyers the option of a more familiar commodity price.

Gas Natural Açú, a Brazilian start-up backed by Siemens and BP, is building an industrial gas hub [4] that might eventually lead to liquefaction and export of Brazilian LNG.

Novatek has hit out at what it believes are “absurd” claims over production costs at Yamal LNG [5] in the Russian Arctic, and outlined plans to access the northern sea route to Asia year-round from the mid-2020s.

International

Norway's DNO has launched a hostile takeover bid for UK-based Faroe Petroleum [6] less than a year after becoming the company's largest shareholder and following a series of heated exchanges in which DNO withdrew a request for a seat on Faroe's board.

Yamal LNG has executed its first ship-to-ship LNG transfer in Norwegian waters [7], in an operation that should help alleviate issues with the Russian liquefaction project's early start-up and shortage of ice-class LNG carriers.

Ukrainian president Petro Poroshenko has imposed martial law in ten regions of the country after Russia seized three Ukrainian naval vessels, with Oxford Institute of Energy Studies research fellow Katja Yafimava warning that the situation could have serious implications for gas flows to Europe [8].

“Unprecedented and urgent action is required by all nations [9]” to ensure global warming stays below 1.5C, according to a new United Nations report, which warned that global emissions increased for the first time in four years and called for lower fossil fuel subsidies and tougher carbon taxes.

Vitol has provisionally signed up for Canadian LNG volumes after penning a binding heads of agreement (HoA) with Petronas for a long-term supply agreement, with the deal providing further evidence that LNG trading houses are entering the portfolio game [10].

Africa

Nigeria – The federal government has launched its long-awaited Nigerian Gas Flare Commercialisation Programme [11] and published a Request for Qualification, aimed at attracting companies to sign supply agreements for gas that is currently flared.

Asia Pacific

China – Russia has reportedly signed a co-operation agreement with Vietnam [12] for gas development in the highly disputed South China Sea.

Taiwan – Taiwan's government had its plan to phase out nuclear power by 2025 shot down by citizens following a referendum, with the government expected to announce a new energy policy [13] at the start of next year, which industry experts expect will have little impact on the island's gas sector.

Australasia

Australia – Western Australia has lifted a moratorium on fracking [14] and will allow shale drilling on onshore “petroleum titles”, but the ban will continue in 98% of the state despite an independent scientific inquiry having concluded that fracking can be low risk.

Central & South America

Brazil – Petrobras has sold its stake in two upstream plays [12] following separate transactions with local outfit 3R Petroleum and Perenco.

Venezuela – BP's attempt at reviving Venezuela's stagnant gas sector [15] has reportedly been quashed by Caracas, with reports suggesting the government prevented the British company from purchasing Total's 49% stake in offshore block 4 on the maritime border with Trinidad and Tobago.

Europe

Denmark / Norway / Poland – Poland and Denmark's gas grid operators have taken a final investment decision (FID) on the construction of a new 900 km pipeline [16] from Norway to Poland via Denmark – aimed at reducing Warsaw's need for Russian gas.

France – Reliance on nuclear power looks set to remain after president Emmanuel Macron released the country's latest energy policy, which calls on EDF to develop a new nuclear program [17] for 2021, when France will decide on whether to proceed with a new nuclear fleet.

Ireland – Shell has completed the sale of the 45% stake in the Corrib gas field [12] offshore Ireland marking the company's exit from the country's upstream sector.

Romania – Local outfit Serinus Energy has warned of delays in starting up its Moftinu gas plant [12] in Romania due to technical issues.

UK – The government has announced plans to launch the first UK large-scale carbon capture and storage (CCS) project [18] by the mid-2020s, with the move coming three years after the government scrapped its GBP 1 billion CCS grant, saying it was too costly.

Mediterranean

Israel – Israel is pressing forward with plans to develop its gas reserves via a second offshore round [19] and secure a route to market for supply – despite low interest in a previous round and evident challenges to building the ambitious East Med subsea pipeline to Europe.

Middle East

United Arab Emirates – Germany's Wintershall has acquired a 10% stake in the Ghasha concession [20] in Abu Dhabi, which contains what are claimed to be the largest undeveloped gas and condensate fields in the UAE.

North America

Canada – Canada's Border Services Agency has denied Woodfibre LNG exemption [21] from a 45% anti-dumping tariff on steel modules for its liquefaction plant in British Columbia, in a ruling that will do nothing to help the already-delayed project.

US – A lack of pipeline capacity and growing associated gas production in Texas' Permian basin led to Waha hub prices falling to a record low [12], and producers paying offtakers to take gas.

US natural gas and crude oil proved reserves rose to record highs [12] in 2017, the US Energy Information Administration (EIA) reported.

South Asia

India – Great Eastern Energy Corp – India's largest producer of coal bed methane – intends to invest a reported USD 2 billion in shale exploration and development [12] over 10 years.



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