

8 May 2024

Contents

Weekly news roundup (3-7 June 2019)

Publication date: 10 June 2019

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
subscriptions@gasstrategies.com



Weekly news roundup (3-7 June 2019)

International

Shell has placed gas front and centre of its business strategy [1] to 2025, which seeks to strike a balance between increased shareholder distributions, targeted increases in capital expenditure and achieving carbon reduction commitments.

GasLog has decided to withdraw six LNG vessels from its spot market pooling arrangement [2] with Golar LNG, citing a desire to improve cash flow visibility by placing more ships onto long-term charters amid an improving outlook for long-term charter opportunities.

Chevron is reportedly preparing to bring to market a 0.5% sulphur marine fuel blend [3] to help shippers comply with the International Maritime Organization's fuel emissions cap that comes into force in January.

The global gas industry can look forward to strong demand growth over the coming five years [4], but must remain mindful of two big challenges – competing in price-sensitive emerging economies and cutting methane emissions, according to the International Energy Agency (IEA).

Africa

Angola – New Fortress Energy has made its first move into Africa, signing a memorandum of understanding with the Angolan government, under which the company would develop the nation's first LNG import terminal [5] and explore the possibility of building a second liquefaction facility.

Mozambique – A joint venture comprising McDermott, Saipem and Chiyoda reached full agreement on the EPC contract for Anadarko's Area 1 LNG project [3].

Senegal – BP has rejected claims of improper action [6] when farming into Kosmos Energy's two offshore blocks offshore, following an investigation by BBC, with opposition politicians calling for a public inquiry into the history of deals regarding the blocks that will underpin LNG exports.

Asia Pacific

South Korea – Worker opposition to the proposed takeover of Daewoo Shipbuilding & Marine Engineering [7] by Hyundai Heavy Industries has intensified after Daewoo employees prevented a site inspection by HHI officials.

Central & South America

Argentina – Argentina is preparing to export its first LNG shipment [8] a few months earlier than expected, marking a historical moment that should help state-run firm YPF battle a domestic supply glut that has threatened to slam the brakes on surging Vaca Muerta shale gas production.

Europe

UK – Development of one of the largest fields on the Continental Shelf, Rosebank, has once again been

pushed back with field operator Equinor stating it is looking to reduce the development cost [9] of the challenging field, located west of Shetland.

The IEA has praised UK energy policies that promote decarbonisation and innovation in clean energy technologies – but achieving net zero emissions by 2050 risks breaking the bank [10], the country's Treasury has warned.

Ukraine – Transport system operator Uktransgaz is making headway on unbundling the company by year-end to support efforts to secure a new transit deal with Gazprom, after starting a month-long test of the new independent TSO [11] on 1 June.

Mediterranean

Cyprus – The government of Cyprus has sought to talk up the potential earnings from developing the Aphrodite field [12] after acquiescing to the field partners' demands for more generous profit-sharing terms.

Middle East

Israel – Israel is preparing to begin [13] shipments from its offshore Tamar field [13] in the next few weeks, once the due diligence on the East Mediterranean Gas pipeline is complete and the deal is concluded, a source close to Delek Group has told Gas Matters Today.

North America

Canada – Alberta province is ramping up efforts to rescue its struggling gas industry after appointing its first-ever associate minister of natural gas [14] to implement the United Conservative Party's plans to advance pipeline projects and support LNG development.

US – Total has made its latest bold move to expand its US LNG position by striking a deal to acquire Toshiba's North American business [15] at a price that allows the struggling Japanese conglomerate to minimise losses from failed tolling commitment with the Freeport LNG project.

US LNG developer Cheniere has advanced its LNG capacity buildout after penning a "first-of-its-kind" gas supply agreement [16] with Apache to supply phase three of the Corpus Christi LNG plant – and separately taking FID on the sixth train expansion at Sabine Pass.

SoCalGas and Sempra Energy are facing a fresh lawsuit in relation to [17] a 2015 leak [17] from the Aliso Canyon storage facility in California, which alleges they "intentionally" violated hazardous substances rules and "knowingly" exposed a safety inspector to toxins.

The Permian Basin witnessed record high gas [18] flaring and venting levels [18] in Q1'19, according to Rystad Energy, raising questions over whether new pipeline capacity will be brought online before regulators in Texas and New Mexico clamp down on the wasteful practices.

Frictionless cross-border energy trading has been put at risk [19] after US president Donald Trump this week said he is "not bluffing" in his threat to impose a 25% tariff on "all" goods imported from Mexico.

Investors have reached an FID on the Whistler pipeline project [20] that will add 2 Bcf/d of export capacity to the booming Permian Basin, where evacuation constraints have contributed to an upsurge in flaring and venting and negative wholesale prices.

Russia & CIS

Russia – Mitsui and Mitsubishi are set to sign a preliminary agreement on acquiring a 10% stake in Novatek's Arctic LNG 2 project [21], according to Japanese media, while separate reports suggest that Saudi Aramco has no intention of participating despite months of deliberation.

Austria's OMV and Gazprom have extended a potential small-scale LNG supply deal [3], which envisages Gazprom supplying OMV with 1.2 Bcm of LNG "beyond 2020" via conventional and small-scale cargoes.

Independent player Novatek has signed a slew of non-binding cooperation agreements at the St. Petersburg International Economic Forum, including an accord with Sinopec and Gazprombank to establish a joint venture to market LNG and gas in China [3].



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