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[1]

## Editorial

ExxonMobil last week took a step towards acknowledging the structural decline facing the oil market by warning of what could become the industry's largest [2] writedown of American gas assets [2] in a decade. Going from the world's most valuable company in 2013 to crashing out of the Dow Jones Industrial Average this year, the US supermajor unveiled a series of painful measures intended to return the company to profitability.

## Analysis

Eni has acquired a 20% stake in the 2.4 GW Dogger Bank A and B offshore wind farm [3], the largest wind project under construction anywhere in the world, marking the Italian oil major's entry into the UK market. Eni bought its stake from SSE Renewables and Equinor, which said the deal highlights its ability to "capture value from offshore wind" – several years before even the first turbine starts spinning.

## International

Russia's Novatek has launched its first "carbon-neutral LNG filling station" [4] in the German port of Rostock, as part of plans to reduce emissions from its LNG by 5% by 2030, while also making its first foray into small-scale LNG with a first delivery of LNG in an ISO container to China.

The gap between climate change rhetoric and actions is widening as governments prepare to subsidise fossil fuel production [5] to volumes far exceeding the global warming limit envisioned by the 2015 Paris

climate accord, the UN-backed Production Gap report has said.

Chevron has unveiled a frugal five-year capex programme [6] that focusses on drilling in the Permian basin and other unconventional plays, the Gulf of Mexico as well as two major capital projects in oil-rich Kazakhstan.

The US government has blacklisted China's state-owned CNOOC [7] due its alleged ties to the Chinese military – with a view to prohibiting US persons from trading securities in the firm's publicly-listed subsidiaries.

## Asia Pacific

**China** – Recently-formed midstream giant PipeChina has launched a section of the 38 Bcm Sino-Russian Eastern Route pipeline [8], set to bring Russian gas via Gazprom's Power of Siberia to the rapidly developing Bohai Rim industrial zone around Beijing.

**Japan** – A district court has revoked an operating permit awarded to KEPCO by Japan's nuclear watchdog, blocking the restart of reactors [9] at the Ohi power station taken offline this year for maintenance and due to resume operating in early 2021.

**Singapore** – Australian mining giant BHP has awarded Shell an LNG supply contract [10], under which the Anglo-Dutch major will refuel the world's first LNG-fuelled Newcastlemax bulk carriers, with the five vessels to be bunkered in Singapore.

**Thailand** – Thailand's state oil company PTTEP has unveiled its 2021-25 investment plan [11] earmarking USD 14 billion in capex on maintaining production – mostly in its home market – and growing oil and gas sales by 6% per year.

## Australasia

**Australia** – Santos has become the first major Australian oil and gas producer to set a 2040 target to reach net-zero carbon emissions [12], however the target was criticised by activist investors for failing to address Scope 3 emissions.

## Europe

**Croatia** – The country's maiden LNG terminal is on course to start up on 1 January after the FSRU arrived at Krk Island [13] last week loaded with a commissioning cargo, project developer LNG Croatia confirmed.

**Denmark** – The largest EU oil producer plans to end E&P in its portion of the North Sea [14] by 2050, with the announcement coming months after a government adviser said expanding oil and gas activities would erode Denmark's credibility as a climate change pioneer.

**Germany** – Pipelaying on the Nord Stream 2 project [15] was scheduled to restart last week, according to a German regulatory notice a year after work on the project stopped due to US sanctions.

**Italy** – Eni and Enel have unveiled plans for two 10 MW electrolyzers [16] to supply green hydrogen to Eni's refineries hot on the heels of Enel's capital plan to invest USD 84 billion to almost triple its installed renewables capacity by 2030.

**UK** – The UK government has pledged to slash greenhouse gas emissions [17] by at least 68% by 2030 compared to 1990 levels, as part of its nationally determined contribution to the Paris climate agreement.

## Mediterranean

**Israel** – Delek Drilling is taking steps to create a new foreign company [18] that would hold its East Mediterranean assets and list the new company on the London Stock Exchange.

## North Africa

**Egypt** – Naturgy has finally struck a deal to sell its stake in the Spanish Egyptian Gas Company consortium to Italy's Eni, paving the way for the mothballed Damietta LNG plant [19] to restart liquefaction early next year – just as LNG spot prices show signs of recovery.

## North America

**Mexico** – Semptra is to purchase the remaining stake in Mexican infrastructure firm IEnova [20] in an all share offer valued at ~USD 2 billion, as part of Semptra's plan to become 'North America's premier energy infrastructure company'.

**US** – Tellurian has ousted Meg Gentle as CEO [21] and president and replaced her with LNG veteran Octávio Simões, previously of Semptra LNG & Midstream, in the hope of turning around the fortunes of the company's flagship liquefaction project.

separately, Tellurian has pulled the plug on its proposed Permian Global Access Pipeline [22] running from Texas to Louisiana by withdrawing its application to build the delayed 2.3 Bcf/d capacity pipeline.

## Russia & CIS

**Russia** – Gazprom swung back into the red in Q30 posting a USD 3.3 billion net loss despite delivering 20% more gas to Europe [23] year on year, but the company now sees a major recovery in terms of demand and pricing.



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