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[1]

### International

Shipments of LNG and oil transiting Egypt's Suez Canal [2] are expected to be delayed for days after an ultra large container ship the Ever Given ran aground in the vital waterway last Tuesday. Work to move the vessel could take "days to weeks" [3], according to the CEO of Boskalis, a salvage firm involved in the rescue operation. As of Thursday morning, more than 30 ships transporting oil and gas were held up by the blockage and some US LNG carriers had started diverting towards South Africa, according to sources.

BP has dropped reserve replacement ratio [4] as a key performance indicator [4], saying in its latest annual report that the figure "no longer serves as a useful measure of our strategic performance" as the firm pushes forwards with plans to become a net zero company over the next three decades.

Offshore driller Noble has agreed to takeover Pacific Drilling [5] in a move to boost savings and synergies after the pair emerged from Chapter 11 bankruptcy protection amid an expected uptick in offshore drilling, which could see activity return to pre-Covid levels this year.

### ?Africa

**Mozambique** – Construction has resumed on the Mozambique LNG project after the government agreed to implement “additional site security measures” [6], Total has confirmed a week after US forces began training Mozambican marines to combat rising Islamist insurgency.

## ?Asia Pacific

**China** – Total and Shenergy Group have shown there is still appetite for 20-year LNG supply agreements [7] after the pair agreed that the French major would supply up to 1.4 mtpa and the companies would form a JV to expand LNG marketing in China.

The National Development and Reform Commission has set out draft plans for new reforms to make [8] China’s oil and gas transmission systems fairer [8] and more transparent, as the government pushes to liberalise the gas market after launching pipeline giant PipeChina last year.

**Singapore** – The country’s Energy Market Authority has granted LNG import licences to ExxonMobil and Sembcorp Fuels [9] in a move to boost competition in the domestic gas market, as the number of licenced LNG importers in Singapore rises to four.

## ?Australasia

**Australia** – Santos expects to take FID on its Barossa project in the “coming weeks” [10], the firm has announced after awarding a contract for a FPSO vessel to Norway-listed BW Offshore to process gas that will be used to backfill the Darwin LNG plant.

## ?Central & South America

**Argentina** – State-owned YPF could lead in addressing flagging domestic production after saying it will invest over USD 1.5 billion [11] for E&P [11] in the home province of the Vaca Muerta shale basin, just weeks after government called for a second FSRU to help avoid a winter supply crunch.

## ?Europe

**Norway** – A 1 mtpa blue ammonia project [12] in northern Norway appears to have taken a step forward after developer Horisont Energi signed an MoU with Baker Hughes to explore linking carbon capture transport and storage technologies to the project.

**Poland** – PGNiG has bought all assets on the Norwegian Continental Shelf [13] belonging to Ineos for USD 615 million, with the aim of producing 4 Bcm/year by 2027 to help secure Poland’s energy security and fill the 10 Bcm/year Baltic Pipe running from Norway to Poland.

**UK** – The country has left the door open for future drilling [14] on the UK Continental Shelf, despite signs it was considering a new exploration ban, but a targeted 50% cut in emissions by 2030 appears supportive for investments in electrification and carbon capture.

## ?Middle East

**Qatar** – Qatar Petroleum has signed its first “long term” SPA with China’s Sinopec [15], which has agreed to take 2 mtpa of LNG from 2022, days after QP issued an invitation to tender for the chartering of LNG carriers to serve its expansion projects.

**Saudi Arabia** – Saudi Aramco has said it will pay out a pledged USD 75 billion in dividends in 2021, despite a 44% drop in annual profits, as the company cuts capex and considers plans to “skip” LNG and jump from oil to hydrogen exports [16] in its home market.

## ?North America

**Canada** – Following a string of shelved LNG export projects on Canada’s west coast, Chevron has decided to stop funding the [17]proposed Kitimat LNG plant [17], marking another setback for the project, which the US major has tried to exit since 2019.

**US** – Exelon and partners have cancelled the [18]proposed 6.5 mtpa Annova LNG project [18] in Brownsville, Texas citing “changes in the global LNG market” in a move that means only two proposed LNG plants are left in the city’s port.

Meanwhile, NextDecade has lined up Occidental’s subsidiary OLCV to offtake, transport and store CO2 from its proposed Rio Grande LNG project [19] in Brownsville after NextDecade announced plans to make Rio Grande the “greenest LNG project in the world”.

Shale player Ovintiv has taken a hit on its Eagle Ford assets after the firm announced it has agreed to sell its acreage in the Texan shale basin [20] to private equity-backed Validus Energy for USD 880 million – a fraction of the USD 3.1 billion Ovintiv had paid in 2014.

The US oil and gas sector’s most powerful lobby group API has said it would support a “carbon price” [21], as President Joe Biden pursues a net zero target by 2050. Sources said API’s move could be a “shrewd” way to expand the US gas market by driving coal-to-gas switching.

## ?Russia & CIS

**Russia** – The government has set production targets that foresee at least doubling [22]LNG production by 2025 [22], possibly reaching 140 mtpa by 2035, with market observers suggesting output could approach 100 mtpa by the early 2030s.



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