

Jordan to reject any proposal without independent Palestinian state – PM



AMMAN – Jordan will reject any proposed settlement of the Palestinian-Israeli conflict that does not guarantee the establishment of an independent Palestinian state, Prime Minister Omar Razzaz said on Tuesday.

The premier noted during a press conference on Tuesday that Jordan's position on the long-running Palestinian-Israeli conflict rests on two irreversible constants; the establishment of an independent Palestinian state with East Jerusalem as its capital and the Hashemite Custodianship over Jerusalem's Islamic and Christian holy sites.

"These are the unshakable foundations of Jordan's position on Palestine and the non-negotiable red lines," Razzaz said in response to a question on how Jordan would respond to the so-called deal of the century.

Regarding calls to scrap a gas deal between Jordan's National Electric Power Company and Israel, Razzaz said that his government was not the one who signed the deal.

He added that the decision to keep or cancel the deal will be taken in accordance with Jordan's higher interests.

"There is definitely a penalty clause in the deal," the premier told reporters.

Razzaz said that the deal is currently being reviewed by the Constitutional Court.

The Lower House has recently declared its "utter rejection" of the gas deal, requesting that the agreement be "cancelled at any cost".

The government has decided to refer the gas deal with Israel to the Constitutional Court for interpretation of Article 33 of the Constitution.

Paragraph B of the said article reads: "Treaties and agreements which involve financial commitments to the Treasury or affect the public or private rights of Jordanians shall not be valid unless approved by the National Assembly. In no circumstances shall any secret terms contained in any treaty or agreement be contrary to their overt terms".

<http://www.jordantimes.com/news/local/jordan-reject-any-proposal-without-independent-palestinian-state-%E2%80%944-pm>

Turkish household gas

consumption down by 12.3% in 2018



Turkey's natural gas consumption per household decreased by 12.3% to 905 cubic meters in 2018 compared to the last three year's average consumption of 1,032 cubic meters, according to Yasar Arslan, chair of the Turkish Natural Gas Distributors Association, (GAZBIR) on Wednesday.

Arslan told Anadolu Agency the average temperature in Turkey in 2018 increased by 1.8 degrees centigrade to 15.4 degrees from 13.6 degrees in 2017.

"As a result of this increase, Turkey's natural gas consumption per household decreased and Turkey's gas imports also went down by 2 billion cubic meters," Arslan said.

He added that in monetary terms, this amounts to approximately 3.4 billion Turkish liras (\$600 million).

Turkey's natural gas consumption totaled around 48.9 billion cubic meters last year.

Arslan noted that 80% of Turkey's population had access to natural gas as at the end of 2018.

"Thanks to the use of natural gas in residential buildings in 2018, 7.25 million tons of air pollutants and gases were prevented from being released into the environment," Arslan said and added, "In each household there was a reduction of 235 kilograms of particles, 250 kilograms of NOx and SOx with the use of natural gas."

In keeping with the country's aim to counter deforestation, gas distribution companies in coordination with the Energy and Natural Resources Ministry planted one tree for every new natural gas subscription.

Qatar Petroleum awards LNG expansion project deals



LNG giant Qatar Petroleum has awarded a number of contracts related to Qatar's LNG expansion project designed to enhance its capabilities by increasing LNG production capacity from 77 to 110 million tons per year by 2024.

Speaking at a conference in Shanghai recently, **Saad Sherida Al-Kaabi**, the Minister of State for Energy Affairs and President & CEO of Qatar Petroleum, said the fabrication and installation of the offshore jackets was awarded to McDermott.

He added that the contract for early site works required to prepare the site of the four new 8 mtpa LNG mega-trains in Ras Laffan Industrial City to a joint venture between Consolidated Contractors Company (CCC) and Teyseer Trading and Contracting Company.

Al-Kaabi also said, *"we are in the tendering phase for 8 rigs for the development drilling. The Front End Engineering and Design of the Onshore Facilities with Chiyoda will be completed in the next few days. The main Invitations to Tenders for the Engineering, Procurement and Construction of*

the Onshore Facilities will be issued before the end of this month.”

He further added that in a few weeks, qualified shipyards will be invited to participate in a tender for the provision of LNG ship construction slots for the LNG shipping fleet required for the LNG expansion project.

Exxon Is in Talks Over Floating LNG Partnership in Israel



Exxon Mobil Corp. is in discussions to build a platform that would expand the export reach of Israel's biggest natural gas field, according to people familiar with the matter. Israeli gas stocks rose.

The world's largest publicly-traded oil and gas company is in talks with the firms developing Israel's Leviathan reservoir to build a floating liquefied natural gas ship, the people said, requesting anonymity because the matter is private. Such a project would allow the Leviathan partners to export to

countries not reachable with pipelines and avoid the need to build expensive infrastructure to connect to LNG facilities in Egypt.

It's possible the discussions ultimately won't lead to a partnership, the people cautioned. An Exxon representative declined to comment on its intentions in Israel. The company recently made a major gas discovery nearby, off the coast of Cyprus.

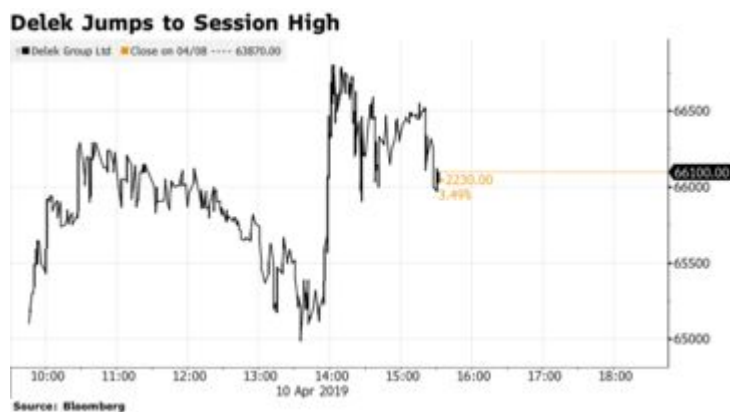
"It's too early to comment on specific development and production timelines" for the Cyprus discovery, the representative said.

Despite considerable gas discoveries in the Eastern Mediterranean region over the past decade, viable export routes have proven tough to find and global energy firms haven't rushed in. The Leviathan partners have signed deals to meet surging demand in Egypt, Jordan and Israel, but haven't yet found a way to export to Europe or East Asia.

Shares Rise

The partners developing Leviathan, a deep-sea find of about 600 billion cubic meters – at the time it was found, the biggest underwater gas discovery in a decade – have bookmarked the next phase of the reservoir's development for export deals and are examining ways to reach markets outside the region. Delek Drilling LP, the biggest shareholder in the Leviathan field, is looking into several options, such as buying a stake in one of Egypt's LNG sites.

Delek Group Ltd., controlled by billionaire Yitzhak Tshuva and largest shareholder of Delek Drilling, climbed as much as 6.5 percent on the news. Ratio Oil Exploration 1992 LP, which owns a 15 percent stake in the Leviathan project, gained as much as 4.6 percent.



The talks with Exxon are the latest sign that an unofficial energy boycott on Israel, imposed by leading Arab countries, is fading. Energy majors that partner with big Arab firms have hesitated to do business with Israel in the past, for fear of risking ties with states that control some of the world's biggest energy reserves and have been hostile toward Israel until now.

Those concerns seem to be dissipating. Israel and Persian Gulf states have found common cause against Iran, leading some Arab leaders, such as Saudi Crown Prince Mohammed Bin Salman, to break longstanding diplomatic taboos on Israel. Covert trade with the Arab world, mainly involving Israel's technology sector, also has grown.

For Exxon, expanding into Israel would reflect the company's growing ambitions in the East Med, an area that straddles Egyptian, Israeli, Lebanese and Cypriot waters. Exxon established a foothold in the region in February, when it found an offshore reservoir in Cypriot waters that's about one-third the size of Leviathan.

Exxon recently spoke with Israeli Energy Minister Yuval Steinitz about participating in an upcoming tender for new offshore drilling blocs, according to people familiar with the matter.

https://www.bloomberg.com/amp/news/articles/2019-04-10/exxon-is-said-in-talks-over-floating-lng-partnership-in-israel?__twitter_impression=true

Indonesia, Malaysia send letter protesting EU palm oil curbs



JAKARTA/BRUSSELS (Reuters) – The leaders of Indonesia and Malaysia, the world's two biggest palm oil producers, sent a letter of objection to the European Union criticizing its decision to no longer consider palm oil as a green fuel and threatening the bloc's ties with the countries.

Last month, the European Commission determined that palm oil has resulted in excessive deforestation and that it should no longer be considered a renewable transport fuel, albeit with some exemptions.

It will become law unless a majority in the European Parliament or in the group of EU countries objects. So far, there are no indications that either will do so.

Indonesia and Malaysia have both threatened a World Trade Organization challenge against the EU plan.

“Both our governments view this as a deliberate, calculated and adverse economic and political strategy to remove palm oil from the EU marketplace,” Indonesian President Joko Widodo and Malaysian Prime Minister Mahathir Mohamad said in an April 5 letter that was reviewed by Reuters.

“Should this delegated regulation enter into force our governments shall review our relationship with the European Union as a whole, as well as its member states. This may include the reviewing of our partnership negotiations, procurements contracts and key imports from the EU,” the letter said.

With the planned regulation, the EU plans to increase its use of renewable energy sources and to take into account deforestation when it determines what products can be labeled renewable.

Delegations from both countries arrived in Brussels for an official visit on Monday and Tuesday.

Indonesia’s coordinating minister for economic affairs Darmin Nasution said the country would definitely file a World Trade Organization (WTO) complaint once the new rules were adopted. Tan Yew Chong, secretary general for Malaysia’s ministry of primary industries, said his country would do the same.

The joint mission of the Council of Palm Oil Producing Countries, which also includes Colombia, have a series of meetings with EU officials, lawmakers and national governments to convey their disappointment and to fight the act put forward by the European Commission.

Indonesia, the world's largest palm oil producer, argues that rather than promoting sustainability in the vegetable oil sector, the regulation is more about protecting and promoting the European Union's home-grown vegetable oils, such as rapeseed and sunflower.

European spirits makers said last week they are facing difficulties exporting drinks to Indonesia as tensions over palm rise, but an Indonesian official denied that it was a retaliation against EU's renewable energy policy.

Engie-led consortium seals US\$8.6b purchase of Petrobras pipeline unit



PARIS (April 8): A consortium led by French utility Engie has won a bid for Petrobras' TAG pipeline arm with an US\$8.6 billion offer, in a deal that boosts Engie's presence in a fast-growing sector and will help Petrobras cut its debts.

Engie said on Monday its successful offer for a 90% stake in TAG was made by a consortium involving Engie and Canada's Caisse de Dépôt et Placement du Québec (CDPQ). Petrobras will keep a 10% stake in TAG.

Engie said buying TAG would provide it with a steady stream of profits, with TAG accounting for 47% of Brazil's entire gas infrastructure.

"Our acquisition of TAG is a significant milestone for ENGIE in Brazil, a key market for the group where we have been present for 23 years," said Engie Chief Executive Isabelle Kocher.

"It is fully aligned with Engie's strategy to become the leader of the zero-carbon transition, supporting Brazil in the decarbonization of its energy mix," added Kocher.

Under Kocher, Engie has been focusing its investments on energy services, renewable energy and infrastructure assets, while selling out of coal-related assets.

Engie said the acquisition of TAG, which had 2018 core earnings of US\$1.14 billion, would result in Engie's net debt increasing by around 1.6 billion euros (US\$1.8 billion).

The TAG divestment also represents a victory for Petrobras' leadership and its Chief Executive Roberto Castello Branco, who is pushing to unload assets in a bid to cut debt and refocus on exploration and production.

In September 2016, Petrobras sold a larger gas network pipeline, Nova Transportadora do Sudeste, for US\$5.2 billion to Brookfield Infrastructure Partners LP, which beat out a bid

by Engie.

Shell enters China shale oil scene with Sinopec



Reuters /Singapore

Royal Dutch Shell has entered China's shale oil sector, signing an agreement with state-owned Sinopec to study an East China block, part of the nation's early efforts to unlock the potentially massive unconventional resource.

China is already in the initial stages of developing its vast shale gas resources, with production last year making up just 6% of total gas output after more than a decade of work.

China's shale oil is at an even more basic phase due to challenging geology and hefty development costs, experts said. Shale oil makes up less than 1% of China's crude output after several years of development, according to Angus Rodger, research director of Asia-Pacific upstream at Wood Mackenzie.

“China’s shale oil has very low permeability, which means very low per well output that makes the economics hard to work,” said an oil and gas official with China’s Ministry of Natural Resources (MNR). The official declined to be named because he’s not authorised to speak with the press.

Sinopec said yesterday it had agreed with Shell to study the Dongying trough of Shengli in China’s eastern province of Shandong, without giving further details.

Shell confirmed the joint study agreement, but did not offer further comment.

That makes Shell one of the few international oil and gas explorers venturing into China’s shale oil sector, and follows the Anglo-Dutch company’s exit from shale gas drilling in Sichuan province in the southwest after spending at least \$1bn and getting unsatisfactory results.

Unlike shale gas resources, which are highly concentrated in Sichuan, most of China’s shale oil is trapped in eastern regions such as the Songliao and Bohai Rim basins.

North China’s Ordos and Junggar basins are also believed to hold large shale oil resources, the experts said.

The Dongying trough is part of the Bohai Rim basin, where top Chinese oil and gas group China National Petroleum Corp (CNPC) said in February that it is developing another small shale oil field with an annual output of 50,000 tonnes this year.

In 2013, US energy firm Hess Corp signed a production-sharing contract with PetroChina, CNPC’s listed arm, to develop the Malang block of Santanghu basin in the northwest region of Xinjiang, China’s first shale oil deal.

Hess quit the block around late 2014 due to poorer-than-expected drilling prospects and as global oil prices plunged, said the MNR official.

“The understanding of geology, resource and the best recovery techniques (for shale oil) has only just begun,” said Woodmac’s Rodger.

Sinopec is hoping Shell’s expertise in shale oil exploration could help the Chinese state major turn around its fortunes at

Shengli oilfield as the reserves at the giant conventional oilfield are depleting rapidly, said Rodger.

China's surging 2019 gas demand will require better integration for end-users 09-Apr-2019 Intellasia | Reuters | 6:00



China's surging natural gas demand in 2019 will require more efforts to better connect end-users to suppliers as government policies and a recent tax cut will continue to spur consumption of the clean-burning fuel, a senior industry

executive said. China's gas demand will expand by 30 billion to 40 billion cubic meters (bcm) this year, Li Yalan, Chairwoman of Beijing Gas Group, the main supplier to the Chinese capital, said in an interview on Friday. That would be an increase of as much as 14 percent from the 280.3 bcm of gas China consumed in 2018, according to data from state economic planner the National Development and Reform Commission (NDRC). Gas consumption in 2018 was 18 percent higher than in 2017, the NDRC said. The rising gas demand is a result of China's government continuing policies to switch to gas from coal for heating and industrial uses and as the industrial sector buys more gas following cuts in the value-added tax that went into effect on April 1, she said.

"The broad direction is not going to change, which is to restructure the energy mix by increasing the share of natural gas," Li told Reuters in a phone interview. "What China needs to do is to connect the gas supplies with the demand nicely to ensure a smooth switch." Better state planning to ensure grid connections and to encourage energy companies to boost imports in advance helped China's gas market, the world's third largest, to expand by a record 43 bcm last year, Li said. The expansion occurred after a supply crunch in the winter of 2017/18 as suppliers struggled to meet the demand surge for gas as a result of the policy to move millions of households to gas from coal and a cold winter. "This year we'll likely see the market growing between 30 and 40 bcm, which is a normal range," said Li.

With domestic gas production growth capped by high development costs and new piped gas from Russia's Siberian fields only due to start end of the year, China is expected to ramp up imports of liquefied natural gas (LNG), said Li. China, the world's second-largest LNG buyer since 2017, boosted imports 41 percent in 2018 to 54 million tonnes. Li said Beijing, one of the world's biggest gas consuming cities, consumed a record 18.5 bcm of gas last year, up 14 percent from 2017. Gas use

may also rise after the government's cut in the value-added tax for manufacturers, as local authorities prepare to execute reductions in the fuel prices for industrial and commercial users, said Li.

Spot deals make up more of global LNG market as sellers get flexible



Reuters Singapore

Spot trades and other short-term deals are making up more of the transactions in the global liquefied natural gas (LNG) market as producers in the US and Russia offer more flexible volumes and traders increasingly handle cargoes.

Spot and short-term LNG trades, defined as cargoes delivered through contracts of four years or less, made up 32% of

overall import volumes in 2018, up from 27% of imports in 2017, the Paris-based International Group of LNG Importers (GIIGNL) said last week in its annual report.

Cargoes delivered in less than three months from the transaction date increased to 25% of the market in 2018, compared with 20% in 2017, the GIIGNL said.

“For LNG importers, long-term partnerships, destination and volume flexibility as well as the ability to optimise or arbitrage between Asian and European markets remain key,” said GIIGNL president Jean-Marie Dauger in an emailed statement.

“In China, in India and South East Asia, in particular, LNG’s environmental benefits and its versatility make it particularly attractive as a destination fuel for thermal power generation and co-generation, in the industrial and commercial sectors as well as in a growing variety of fields like marine and road transportation.”

Australia was the biggest exporter of spot and short-term volumes in 2018 as new projects in the country started up, followed by the US and Qatar, the GIIGNL said.

The three biggest LNG importing countries – Japan, China and South Korea – absorbed just over half of the global spot volumes traded, while India’s spot purchases increased as its natural gas demand growth exceeded domestic production, the group said.

Re-exports also increased due to better arbitrage opportunities.

Overall, the global LNG market grew by 8.3% from the previous year to nearly 314mn tonnes in 2018, more than three times the size of the market in 2000, GIIGNL said.

That was the third-largest annual increase after 2010 and 2017.

The market is likely to reach a tipping point this year, with many long-term contracts starting to expire and as new supply comes on stream, Dauger said, adding that the industry needs to become more innovative and efficient in trading.

GIIGNL has 81 member companies headquartered in 26 countries and handles more than 90% of global LNG imports.

PRESS RELEASE on the Foreign Minister's transition to Beirut for participation in the tripartite Ministerial meeting of Cyprus – Greece – Lebanon



The Minister of Foreign Affairs, Mr. Nikos Christodoulides, goes to Beirut tonight to participate in the work of the first official tripartite Ministerial Meeting of Cyprus – Greece – Lebanon.

At the meeting tomorrow, Wednesday, Mr Christodoulides, together with his Lebanese counterparts, Gebran Bassil , and Greece, Mr George Katrougalos, are expected to lay the groundwork for further strengthening and promoting tripartite cooperation in the fields of tourism, education, economy and trade, on the basis of pre-service work. The three Ministers will also discuss regional and international issues of common interest. In the talks on cooperation in the tourism sector, the responsible Ministers / Ministers of the three countries will also participate, with the Deputy Minister of Tourism Mr Savva Perdio to participate on behalf of Cyprus.

Upon completion of the meeting, the Foreign Ministers of the

three countries will make statements to SME representatives (at 12.30pm) and a Joint Statement will be adopted.

Earlier Wednesday morning, Mr. Christodoulides will address a business forum, which will include a delegation of Cypriot businessmen to accompany the Foreign Minister to Lebanon. On Thursday morning, Mr. Christodoulides, together with the Minister of Energy, Commerce and Industry, Mr. G. Lakkotropi, will have a joint bilateral meeting with the Foreign and Energy Ministers of Lebanon, Mr. Gebran Bassil and Ms. Nada Boustani

, which is expected to discuss, inter alia, issues related to the Cyprus – Lebanon cooperation in the field of energy and energy security in the wider region of the Eastern Mediterranean. At the end of the meeting, Ministers will make statements to the media (at 10.45am).

During his stay in Lebanon, Mr Christodoulides will be admitted to separate meetings by Lebanese President Michel Aoun , Prime Minister Saad Hariri and House Speaker Nabih Berri, which will have the opportunity, among other things, to exchange views with their interlocutors on the strong links between Cyprus and Lebanon and the further strengthening of bilateral relations, EU-Lebanon relations and regional and international issues of mutual interest of interest.

The Foreign Minister will return to Cyprus on Thursday night.