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Exxon rethinking major gas projects amid changing landscape

(The Wall Street Journal; Oct. 20) - ExxonMobil's remade board of directors is debating whether to continue with several major oil and gas projects as the company reconsiders its investments in a fast-changing energy landscape, according to people familiar with the matter. Members of the board — which includes three directors nominated by an activist investor in May and two other new members — have expressed concerns about certain projects, including a $30 billion liquefied natural gas development in Mozambique and a multibillion-dollar gas project in Vietnam, the people said.

The world is experiencing a shortage of fossil fuels as economies emerge from the pandemic. But it takes years for energy megaprojects to produce additional supplies, and more years after that for the investments to pay off. Exxon board members are weighing future projects as the company is facing pressure from investors to restrain fossil-fuel investment to limit carbon emissions and return more cash to shareholders.

Environmentalists and some government officials are also pressuring the company to produce less oil and gas. The discussions are taking place as part of a review of the company's five-year spending plan, on which the board is set to vote at the end of this month, the sources said. It isn't clear whether the board will make a final call on the Mozambique or Vietnam projects during the current review, according to the sources.

Both projects face political obstacles, and some board members have expressed concerns about whether they would return the billions in investment. As part of the review, Exxon is analyzing the expected carbon emissions from each project and how they would affect the company's ability to meet pledges to reduce emissions, sources said. The projected emissions from the Mozambique and Vietnam projects were among the highest in Exxon's planned pipeline of oil and gas projects, according to a pre-pandemic internal analysis by Exxon, which was viewed by The Wall Street Journal.

Critics say banks skirt pledges to stop Arctic oil and gas financing

(The Wall Street Journal; Oct. 17) - Some of the world's largest banks, including Goldman Sachs, HSBC Holdings and BNP Paribas, pledged in recent years to stop direct financing of Arctic oil exploration. The idea was to choke off money for fossil-fuel extraction in a pristine natural environment. However, a battle has broken out among investors, environmentalists and banks over those pledges. Some investors and environmentalists say they contain loopholes, and money has continued to flow from big banks to companies active in Norway, Russia, Canada and Alaska rich in oil and gas.

Under pressure, two of the banks, BNP and HSBC, say they are reviewing their pledges to make them stronger. The controversy over funding of Arctic drilling comes as world leaders and top financiers prepare to gather in Scotland for the U.N. climate conference on curbing carbon emissions. A topic will be the promises governments and companies make — and how meaningful they will be in terms of real world consequences.

“The policy is not watertight,” Federico Wynne, senior cross asset analyst at Fidelity International, said regarding the Arctic pledges. The asset manager was among 115 investment firms that collectively manage $4.2 trillion and wrote recently to bank chiefs to demand more action to phase out financing of fossil fuels. While banks have stopped directly lending to Arctic projects through what are known as project-finance loans, they continue to lend to companies active in the Arctic at the corporate level.

France’s BNP started making no-Arctic pledges in 2017. Since then, however, it has helped provide corporate financing for companies with Arctic operations. It was part of a group of banks that arranged a $6.35 billion loan in 2020 for TotalEnergies, which is a partner in the Arctic LNG-2 project in northern Russia.

Italian bank considers financing for Russia’s Arctic LNG project

(Reuters; Oct. 20) - Italy's biggest banking group Intesa Sanpaolo could help fund Novatek's Arctic LNG-2 project even as some European governments show lukewarm support for the giant Russian gas project. "We are studying the dossier ... though no decision has as yet been taken," Antonio Fallico, chairman of group unit Banca Intesa Russia, told Reuters on Oct. 20. Fallico said the bank had been invited to look at the financing deal by SACE, the state-owned Italian export credit agency.

"If the bank decides this project does not breach our policy in some way, we'll do it," Fallico said. In September, Novatek CEO Leonid Mikhelson said European governments were not keen on helping the company in the face of environmental opposition. A group of mostly Green Party lawmakers from the European Parliament in May urged leaders of Germany, France and Italy not to support the project.

Earlier this year, Novatek shareholders approved external financing of $11 billion for the Arctic project, expected to start production of liquefied natural gas in 2023. The $21 billion project, which received final investment approval in 2019, is expected to reach full capacity of almost 20 million tonnes per year in 2026. In October, top management at Russia's largest LNG producer visited Rome to canvass support. Mikhelson said in September Novatek had credit lines open for a third of the total financing from Russian banks, adding Chinese and Japanese banks could provide the rest.

Energy supply comes up short as world still depends on oil and gas

(The Wall Street Journal; Oct. 17) – A price shock is a reminder of the world’s continued dependency on fossil fuels — even amid efforts to shift to renewable energies. Demand for oil, coal and gas has skyrocketed worldwide in recent weeks as weather conditions and resurgent economies emerging from the pandemic create energy shortages from China to Brazil to the U.K. The situation has laid bare the fragility of global supplies as countries drive to pivot from fossil fuel to cleaner energy sources, a shift many investors and governments are trying to accelerate amid concerns about climate change.

The transition figures to be challenging for years to come, energy executives and analysts say, due to a stark reality: While fossil fuel investment is falling, fossil fuels account for most energy — and green energy spending isn’t growing fast enough to fill the gap. In some cases, supplies of renewable energy such as wind and hydroelectric power have fallen short of forecasts, further boosting demand for fossil fuels.

“A lot less product is available to meet this now rapid (demand) growth we’re seeing,” ExxonMobil CEO Darren Woods said in virtual remarks at a conference in Russia on Oct. 13. “If we don’t balance the demand equation and only address the supply, it will lead to additional volatility.” Global oil and gas exploration spending, excluding shale, averaged $100 billion a year from 2010 to 2015, but dropped to an average $50 billion in the years that followed after a crash in crude prices, according to Rystad Energy.

Total global oil and gas investment this year will be off 26% from pre-pandemic levels, to $356 billion, the International Energy Agency said Oct. 13. “The world isn’t investing enough to meet its future energy needs, and uncertainties over policies and demand trajectories create a strong risk of a volatile period ahead for markets,” the IEA said.

Guyana expects natural gas will power economic growth

(Bloomberg; Oct. 19) - Guyana will likely become one of South America’s top oil producers over the next four years, but the world’s newest petrostate increasingly sees natural gas as the bedrock for growing its economy. Work will begin on constructing a major gas-fired power plant in 2022 on the expectation that a 135-mile pipeline will be built, said Peter Ramsaroop, CEO of GoInvest, a Guyana government agency that encourages foreign investment. Project financing is still being worked out, he said.

“Guyana must have the gas and hydropower to be able to bring a competitive economy to the point where we can depend on our own energy to deliver our goods and services,” Ramsaroop said. Guyana’s new energy wealth has already made it one of the world’s fastest-growing economies, with the International Monetary Fund forecasting gross domestic product expanding 20% this year. Still, electricity in the country with a population of about 750,000 is expensive and unreliable because it’s largely generated by burning imported oil and distributed via an aging transmission system.

The government sees an opportunity to improve its power distribution through ExxonMobil’s massive offshore oil developments. The discoveries, pegged at 10 billion barrels of oil equivalent, also contain vast amounts of natural gas, which government officials want to utilize for power generation. Exxon “expects to make significant progress over the next few years in cooperation with the government of Guyana to advance a gas-to-energy project,” it said in a statement. The pipeline would transport gas from the company’s Liza Phase 1 and 2 oil projects, Exxon said.

India changes mind 6 years later, asks Qatar to deliver LNG cargoes

(Bloomberg; Oct. 20) - The global energy shortage has prompted India to ask Qatar, the world’s biggest supplier of liquefied natural gas, for about 50 cargoes it deemed too expensive six years ago. State-linked importer Petronet LNG asked Qatargas to deliver the cargoes in the coming year, on top of the approximately 115 cargoes that its long-term contract stipulates for 2022, according to people familiar with the discussions. Normally, companies do not retroactively claim cargoes after initially declining them.

Petronet’s unusual move underscores the desperation of buyers as supply disruptions and a voracious post-pandemic rebound in energy demand push spot LNG prices to record highs. “We have requested Qatar to give us the pending 50 cargoes next year,” Akshay Kumar Singh, CEO of Petronet, said on the sidelines of the CERAWeek India Energy Forum. “We require the cargoes now.”

Asia’s spot LNG benchmark rose to a record $56.33 per million Btu on Oct. 6, valuing a standard cargo at about $190 million. Petronet pays about $11 a million Btu under its oil-linked contract with Qatar — about the same level the Indian company said in 2015 was too high but which is a bargain now compared to spot-market cargoes.

India is also seeking eight additional cargoes that were delayed last year at its request after COVID-induced lockdowns reduced demand for the fuel. Petronet LNG has long-term deals to buy 7.5 million tonnes per year of LNG from Qatar and 1.44 million tonnes per year from Exxon's Gorgon project in Australia.

Qatar starts work on LNG expansion project, targeting first gas 2025

(Doha News; Qatar; Oct. 18) - Qatargas has started building the four new liquefied natural gas mega-trains that will help lift its production capacity from 77 million tonnes per year to 110 million tonnes later this decade, the company announced. The high-volume liquefaction trains — at about 8 million tonnes annual output capacity each — are designed to increase efficiency and reduce costs. Qatar is gearing up to expand its gas production with its North Field East Project, estimated at close to $30 billion.

The first of the new liquefaction units is scheduled to come online by the end of 2025, with the expansion to reach full capacity by 2027. Qatar plans for two more liquefaction trains in a second phase, boosting total capacity to 126 million tonnes per year, significantly more than its closest competitors Australia and the United States.

With its long-term break-even price at about $4 per million Btu, the North Field project is “right at the bottom of the global LNG cost curve, alongside Arctic Russian projects,” Giles Farrer, a research director at consultant Wood Mackenzie, said in February

Japanese power utility avoids LNG spot market but still pays more

(Reuters; Oct. 19) - Japan's Tohoku Electric Power has signed a contract with BP for six liquefied natural gas cargoes, two trading sources said, avoiding the ultra-high prices of the spot market for short-term supplies but still paying far more than the historical norm for oil-price-linked LNG. The cargoes will be delivered in the first half of 2022, priced at 20% of Brent crude, sources said, about $17 per million Btu at current prices. The norm for years was closer to 15% of a barrel of oil on a Btu-equivalent basis, though contracts were signed at around 11% when the market was oversupplied not even a year ago.

The BP deal is less than half the prevailing spot price in Asia of $38.50, a record high as an energy crisis engulfs much of the Northern Hemisphere. "They should be happy with that price," said one of the trading sources, who spoke on condition of anonymity. A Tohoku Electric spokesperson said the utility would not discuss its fuel procurement strategy. Japanese LNG buyers have said they would target short-term supply agreements when they need to top up long-term contractual cargoes of the fuel.

LNG buyers look to long-term contracts, even as sellers raise prices

(Reuters; Oct. 19) - Liquefied natural gas buyers are entering talks with sellers to lock in long-term contracts so they can avoid record-high spot prices, but face higher costs amid tight supply forecasts, sources familiar with the discussions said. Power providers have stepped up spot-market purchases to bridge the supply gap, driving Asian spot LNG prices to a record of above $56 per million Btu earlier this month.

Prices have pulled back to around $30 since, but remain nearly 500% up from last year. After shunning long-term deals when spot prices dropped to a record low of below $2 last year at the height of pandemic-induced lockdowns which hammered gas demand, buyers are now back in discussions, the sources said. At the forefront are buyers from China, sources said. "In the face of skyrocketing spot LNG prices, buyers appear to be increasingly anxious about availability of winter supplies and fearful of even higher spot prices," said Valery Chow, head of Asia gas and LNG research at Wood Mackenzie.

Global spot and short-term LNG contracts now account for over 40% of overall volumes, doubling in the past decade, partly as a result of Asian buyers hesitating to make long-term commitments amid energy transition uncertainties and growing supply liquidity, Chow said. While buyers are entering the long-term contracts to fix lower prices, the outlook for tighter supply has prompted sellers to raise their prices, sources said. Sellers are unwilling to agree to any deal below a 12% slope of Brent crude oil futures prices, compared with just over 10% in deals earlier this year, they said.

U.S. gas prices double of a year ago, but far less than elsewhere

(Reuters columnist; Oct. 19) - U.S. gas prices recently climbed to their highest in real terms for more than a decade, as energy shortages and spiking prices in Europe and Asia work their way back up the supply chain to the United States. Front-month U.S. futures hit almost $5.90 per million Btu at the end of September, more than double their level a year earlier, and the highest since April 2011, after adjusting for inflation.

Prices are still far lower than in Europe and Asia because the United States is an exporter, while the other regions are importers, which ensures local prices will almost always be lower than elsewhere. Futures prices for delivery in January 2002 are trading at just over $5 per million Btu in the United States, compared with $32 in Europe and $35 in Northeast Asia. Prices for January 2022 have jumped by 75% over the past year in the United States but between 450% and 500% in the net-consuming regions.

Nonetheless, price increases in the U.S. have correlated with those in the other regions, reflecting the global nature of the shortage and links between regional markets forged by liquefied natural gas exports. Similar to other parts of the world, U.S. gas production fell last year as a result of the coronavirus-driven recession and slump in gas prices to record lows. Production has recovered more slowly than consumption, as gas drillers have remained cautious while the economy has bounced back.

Sinopec signs 20-year deals for LNG from Louisiana project

(S&P Global Platts; Oct. 19) - Venture Global LNG has signed two long-term contracts with China's Sinopec for a total of 4 million tonnes per year of supplies that will be tied to its proposed Plaquemines LNG facility in Louisiana, said a letter it filed with the U.S. Department of Energy that was made public Oct. 19. The 20-year deals represent by far the largest contract by volume for U.S. LNG agreed to by a single Chinese entity.

The disclosure, in an Oct. 1 letter from Venture Global attorneys to the department that was posted on the agency's website, follows Cheniere Energy's announcement Oct. 11 that a subsidiary of China's ENN Natural Gas had signed a 13-year deal to buy LNG from Cheniere, which operates LNG export terminals in Louisiana and Texas.

Combined with two previous supply deals with PetroChina, Cheniere has 2.1 million tonnes per year under long-term contract with Chinese counterparties.

Pricing terms were not disclosed in the Venture Global letter, which said the contracts were signed Sept. 1. Plaquemines LNG, which would be built in two phases south of New Orleans and have a production capacity of up to 20 million tonnes per year, has not yet been formally sanctioned, though a company executive said at an industry conference in September that initial construction work would begin "imminently." Venture Global's Calcasieu Pass facility in southwest Louisiana is under construction, with initial production expected by the end of 2021 and full operations in mid-2022.

Tight market drives up cost of LNG spot charters past $260,000 a day

(Lloyd’s List Intelligence; Oct. 19) - The energy crunch sweeping Asia and Europe has propelled spot rates for liquefied natural gas carriers above $260,000 per day on key routes as traders seek vessels to profit from cargo arbitrages worth over $100 million per delivery. The Baltic Exchange currently assesses time-charter equivalent rates to ship a standard cargo of LNG to Tokyo from Gladstone, Australia, at $262,215 per day.

That is up 7% just in the past week. Pacific LNG rates are trading at a record $64,250 per day premium over Atlantic rates, according to Spark Commodities, a Singapore-based LNG freight assessor. Spark assessed Pacific-based rates at $202,500 daily, a $64,250 premium over Atlantic rates at $138,250 per day.

“Pacific LNG freight rates are trading at a record premium over Atlantic (rates) driven by a lack of Pacific vessels, strong cargo demand globally and lack of new tonnage heading to Asia given strong European cargo prices,” Tim Mendelssohn, chief executive of Spark Commodities, told Lloyd’s List. Flex LNG, which owns 13 LNG carriers, said a cargo worth $20 million based on U.S. natural gas prices was valued at $120 million by the time it reached Europe. The same cargo was worth $144 million in Japan.

Russian storage almost full, giving hope of more gas for Europe

(Reuters analysis; Oct. 20) - Gazprom's domestic storage is almost full, giving the Russian state gas giant leeway to increase exports this winter, officials and industry experts say, potentially encouraging news for Europe as it toils under surging power prices. Russia, whose gas production and exports to the European Union are already near record highs, said last week it needed to finish filling its own gas storage reserves before it could increase supplies to Europe's spot market.

Energy Minister Nikolai Shulginov said on Oct. 20 that domestic gas storage was 97% filled. Ronald Smith, senior oil and gas analyst at Russia's BCS brokerage, estimates storage at 2.435 trillion cubic feet, close to the company's publicly disclosed target full-storage level of 2.56 tcf. Gas markets in Asia and Europe have skyrocketed this year, with benchmark Dutch gas hub prices jumping by 365% since the year-start, fueled by low inventories and surging demand as economies recover from the COVID-19 crisis.

This has put Gazprom, Europe's biggest gas supplier, front and center, with its exports rising by 13% and production up 17% since the start of the year. The former Soviet gas ministry, which became a state company in 1990s, runs a network of 23 storage sites in various locations — from abandoned gas fields to salt caves — securing between 20% to 40% of all domestic supply in the heating season. If storage is full by Nov. 1, "Russia … should have some flexibility to ramp up gas sales to Europe," said a Refinitiv analyst.

Russia wants pipeline approval before sending more gas to Europe

(Bloomberg; Oct. 19) - Russia is signaling that it won't go out of its way to offer European consumers extra natural gas to ease the current energy crisis unless it gets something in return: Regulatory approval to start shipments through the controversial Nord Stream 2 pipeline. In exchange for upping gas supplies, Russia wants to get German and European Union approval to begin using the pipeline into Europe, according to people close to state-run gas giant Gazprom and the Kremlin.

"We cannot ride to the rescue just to compensate for mistakes that we didn't commit," Konstantin Kosachyov, a top pro-Kremlin legislator in the upper house of parliament, said in an interview, without specifying what Russia is seeking. "We're fulfilling all our contracts, all our obligations. Everything on top of that should be a subject for additional voluntary and mutually beneficial agreements."

As if to underline the point, the pipeline operator said Oct. 18 that its line is ready to begin operation, though it can't ship it until regulatory approval is granted. That announcement came hours after European gas prices spiked on news that Gazprom had again bid for only a small amount of capacity to ship the fuel to Europe via other routes. As surging fuel costs have caused increasing economic havoc, pressure has grown on Russia, Europe's largest supplier, to pump more.

Europe grabs a bigger share of LNG imports as supply ramps up

(Reuters columnist; Oct. 18) - The supply of liquefied natural gas globally is increasing as exporters respond to strong demand and record high prices, and it appears that Europe is grabbing a bigger share of the extra cargoes than Asia. Global imports of the fuel are expected to reach 31.7 million tonnes in October, said commodity consultants Kpler, the highest since May and up 3.5% from September. However, the top-importing region of Asia is expected to show a largely steady outcome September to October.

The increase is coming in Europe, where LNG imports are forecast to rise to 7.06 million tonnes in October, up from 5.08 million in September, and the highest since May. Both Europe and parts of Asia are short of supply, although the concern over low storage levels in Europe seems to be driving the additional purchases.

High spot prices may also be having some impact on Asia's appetite for LNG, with the weekly spot assessment hitting another record. The weekly spot price of LNG for delivery to northern Asia rose to $38.50 per million Btu in the seven days to Oct. 15, the third straight week of fresh all-time highs. The price has surged almost 600% from the 2021 low of $5.60 in late February as buyers scramble for cargoes ahead of the northern winter, which is predicted to be similar to last year and colder than usual.

Spain’s failed effort to blunt rising energy prices does not bode well

(Bloomberg; Oct. 16) - For European nations looking for ways to protect their citizens and businesses from skyrocketing energy prices, Spain has a dispiriting message: There is only so much governments can do. After months of policies to cap the pain of a record surge in gas and power prices amid supply shortages, Prime Minister Pedro Sanchez on Oct. 14 conceded that the measures were doing more harm than good.

Although Spain relies more on imports for its energy than most European Union nations, the country’s experience shows what lies in store for the region as it heads into colder, gas-burning months of winter. While the energy crisis has forced itself on the EU’s Oct. 21-22 summit agenda, Spain shows how sparse the toolbox is to stop the surge.

“No matter how much you remove taxes, global prices continue to rise, which makes these measures useless and you only lose revenue,” said Juan Carlos Martinez, an economics professor in Madrid. “There is not much room for this or other governments to fight soaring prices.” Spain began its fight to temper the impact of rallying gas prices and limited supplies as early as in June, putting in place temporary tax cuts to lower consumers’ gas bills. That did little to stop electricity prices from jumping 11% in August.

In mid-September, the government scrambled with an executive decree to adopt a mix of policies that imposed a windfall tax on utilities. The results were dismal: Utilities lost billions in market value, while electricity prices continued to set daily records.

Companies worry that high energy prices will cost them customers

(Bloomberg; Oct. 18) - Europe’s industrial producers like BASF and Yara International so far have managed to pass on soaring energy costs to customers, shielding their profits. There’s a risk to that strategy: They could wipe out future sales. Most of the region’s energy-intensive firms have either hedged against record electricity and gas prices or are getting customers to cover the costs. The question is how much longer buyers of chemicals, paper and metals products are willing to swallow price hikes.

“The biggest risk ahead is of demand destruction given the inflation wave passing through to the end consumer,” said Peter Clark, an analyst at Societe Generale. Cratering sales could weigh on companies’ pricing power and profit margins next year, he said. Power and gas prices have fluctuated wildly this month, getting worse as winter approaches. The surge threatens to put the brakes on an economic rebound by jacking up business costs and household energy bills, sending inflation to multi-year highs.

Norway’s Yara, which makes nutrients for fertilizer, has cut some 40% of its European ammonia output due to rising natural gas prices. Some customers are already dialing back on orders. A Norwegian farming cooperative has temporarily stopped selling mineral fertilizer to its members due to a surge in costs. “The fluctuations from day to day can be far greater than our margin on fertilizers and it currently isn’t possible to get binding prices from suppliers,” the cooperative said on Oct. 15.

Sinopec adds more gas storage capacity

(Argus Media; Oct. 19) - China's state-controlled Sinopec's Wei11 gas storage facility started operations on Oct. 18, marking the completion of the largest group of underground gas storage sites in northern China, with total storage capacity of 350 billion cubic feet. This puts China on track to have sufficient gas storage for use during the 2021-22 winter season. This is especially important for northern China, where winter temperatures are typically the lowest and most extreme in the country.

Wei11 is one of the three storage facilities that comprise the Zhongyuan gas storage facility. The other two include the first phase of Chinese state-controlled PipeChina's Wen23, which hit its injection target earlier than planned last month, and Sinopec's Wen96. Sinopec's other gas storage facilities such as Wen13 West and Bai9 in the Zhongyuan oil field area will be completed and begin operations by the end of 2021.

U.K. tries to juggle green credentials with need for fuel

(Reuters; Oct. 19) - Britain faces a fossil fuel dilemma: It can burnish its green credentials by halting new oil and gas development in the North Sea, yet doing so will leave it more reliant on imported fuel. How Britain charts a course to achieve net-zero emissions by 2050 will be under scrutiny when it hosts the climate conference in Glasgow, Scotland, starting on Oct. 31. Navigating that route has proved challenging.

In June 2019, when Britain enshrined its 2050 net-zero target in law, activists steered speedboats towards a BP platform in the North Sea brandishing a "Climate Emergency" banner to try to stop production starting from Vorlich oil field. Neither legislation nor activism halted the development. Production from Vorlich started in November 2020. Oil majors say new production can play a role in managing decline, while campaigners are pressing with publicity and legal action for an immediate halt to new projects.

The U.K. government, meanwhile, needs to keep the nation's lights on as it smoothes over volatile energy markets and juggles competing demands over how to achieve its climate goals. "If supply goes away and demand doesn't change, that only has one consequence and that is an escalation in price rises," BP Chief Executive Bernard Looney said this month. Britain and other European states have already felt this acutely. Brent crude, a benchmark based on North Sea barrels, is up more than 60% this year, while the price of U.K. benchmark wholesale gas has risen more than 250%.

Opponents claim responsibility for shutting down oil line in Michigan

(Detroit Free Press; Oct. 19) - A group protesting the continued operation of Canadian oil transportation giant Enbridge's Line 5 pipeline in the Straits of Mackinac in Michigan waters released videos on social media Oct. 19 showing its members entering Enbridge property and closing an emergency shutoff valve to temporarily stop the controversial pipeline's oil and natural gas liquids flows. Enbridge spokesman Ryan Duffy decried the action, stating it was illegal and put the protesters and others in danger.

Members of the protester group contacted Enbridge to inform the company of what they were about to do, and Duffy said Enbridge personnel shut down the pipeline's flows from its control center, "out of an abundance of caution." Resist Line 3 Media Collective, a grassroots group that opposes construction of a new pipeline from western Canada to Superior, Wisconsin highlighted the action on the group's social media platforms.

Gov. Gretchen Whitmer announced last November she would revoke Enbridge's 1954 state easement to use the lake bottom for its line, citing "Enbridge's persistent and incurable violations," and the potential dangers of an oil spill. Enbridge has continued to operate the line, arguing in court that Michigan lacks the authority to regulate interstate lines. Michigan is seeking to remand the federal case back to state courts. Canada earlier this month invoked a 1977 pipeline treaty with the U.S., seeking to halt court action and calling for bilateral negotiations between the countries to resolve the dispute.

Saudi Arabia plans theme park built on connected oil platforms

(CNN; Oct. 19) - Saudi Arabia may be trying to reduce its dependency on oil but that hasn't stopped the kingdom from using its petroleum industry as inspiration for a brand new tourist attraction. The Middle Eastern country has announced plans to convert oil rigs into a 37-acre "extreme park" and resort in the Arabian Gulf. Funded by Saudi

Arabia's Public Investment Fund, The Rig will be comprised of three hotels and 11 restaurants spread over a number of connected platforms, as well as roller coaster rides and adrenaline-rush activities like bungee jumping and skydiving.

Drawings of the upcoming attraction, which aims to "provide a multitude of hospitality offerings, adventures and aquatic sporting experiences," along with a promotional video, were released earlier this month. "This project is a unique tourism attraction, expected to attract tourists from around the world," said a Saudi statement, adding that it expects The Rig will be particularly popular with visitors from the Arabian Gulf region.

Described as the "world's first tourism destination inspired by offshore oil platforms," the upcoming attraction is being devised in line with the long-term Saudi Vision 2030's strategy, which aims to reposition the country as a top international tourism destination and diversify its economy. The country is determined to reposition itself as an alluring global hotspot that can compete with the likes of nearby Dubai, Abu Dhabi and Oman. It aims to attract 100 million tourists each year by the close of the decade.