Oil and Gas News Briefs
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Overruns make Canadian oil line costly for shippers and taxpayers

(Bloomberg; July 11) - A Canadian pipeline hailed as a cheap and speedy way to send oil to Asia is set to become a taxpayer headache and an expensive option for shippers, due to cost overruns. The expanded Trans Mountain Pipeline will enter service early next year after nearly tripling its capacity to deliver an extra 590,000 barrels of Alberta oil each day to a terminal near Vancouver. It will cut the time to ship Canadian crude to Asia by two-thirds compared via the U.S. Gulf, but it won't necessarily be cost effective.

Trans Mountain was touted as a way to expand the market for Canadian oil when Prime Minister Justin Trudeau's government bought the system from Kinder Morgan five years ago for $4.5 billion. Since then, repeated delays and construction setbacks have seen project costs more than quadruple to C$30.9 billion, challenging the economics of the pipeline and undercutting Canada's push to diversify oil exports.

"The economics of this project don't make sense because the financial benefit is not there," said Robyn Allan, an independent economist. Trans Mountain has announced interim tolls and is seeking regulatory approval so the line can start up as early as January. But only part of the cost increases can be passed on in higher tolls, with proposed fees already too high for producers to make a sufficient profit, Allan said. That means taxpayers may be left with a C$20 billion write-down, according to Morningstar.

Fees of as much as $11.46 a barrel have already drawn rebuke from some that signed shipping contracts. Canadian Natural Resources said in a June 22 letter it may "impact the overall competitiveness of Canada's oil industry." A company with a 20-year contract would pay about 30 U.S. cents more a barrel to ship oil to China using Trans Mountain than via the Enbridge pipeline to the U.S. Gulf Coast, based on proposed tolls and contract tanker rates, according to Skip York, chief energy strategist at Turner Mason.

Problems continue for Chevron reinjecting CO2 at Australia gas plant

(The Age; Australia; July 12) - Chevron expects the performance of its troubled seven-year attempt to bury carbon dioxide from its Gorgon gas export plant to dip in 2023 after a poor year when it only operated at one-third of its design capacity. The company told the Western Australia government it expected to inject 7% less CO^2 under Barrow Island in 2023 than it did in 2022. The forecast was based on the need to restrict the rate of injecting CO^2 more than a mile underground to manage pressure in the formation and keep "induced microseismicity" – feint earth tremors – within allowed limits.

Carbon storage at Gorgon is of international interest as it is the largest attempt in the world to bury CO^2 to reduce carbon pollution. Its disappointing record to date is tarnishing the credibility of a technology that some tout as essential to slowing climate change and others damn as an excuse to produce more fossil fuels. The gas plant's predicted poor performance in 2023 that will result in more carbon pollution released to the atmosphere was detailed in an annual report to the Western Australia government.

As CO^2 is injected underground, wells several miles away need to pump water out of the same formation to ensure the pressure does not become excessive. The water is then injected into a different geological formation. However, the report said, the solids, gas and oil in the water pumped to the surface has made it difficult to reinject the water underground. Chevron, which has spent $3.2 billion on CO^2 injection at Gorgon, plans "significant additional investment" to modify water wells and do other work to allow 4.6 million tonnes of water a year to be moved to make way for carbon dioxide storage.

Developer takes FID to build $18 billion LNG project in Texas

(Houston Chronicle; July 12) - NextDecade said July 12 that it would move ahead with construction of an $18.4 billion liquefied natural gas facility in Brownsville, Texas, becoming the third company this year to reach a final investment decision on a Gulf Coast LNG project. The announcement initiates development of Rio Grande LNG's first phase, consisting of three production units capable of producing 17.6 million tonnes of LNG a year. NextDecade initially planned to start construction in 2022, with a target completion date of 2026. The first phase is now slated for completion in 2027.

Rio Grande LNG is among a wave of projects along the Gulf Coast which have played a key role in replacing Russian gas in Europe and supplying Asian nations working to replace coal. The Houston-based company said it closed a joint venture with several partners, including French giant TotalEnergies, and investors Global Infrastructure Partners, Singapore-based GIC and Abu Dhabi-headquartered Mubadala Investment. Their commitments added about $5.9 billion in financing toward the project's first phase.

More than 90% of Phase 1's LNG is locked up in long-term sales agreements with buyers. They include TotalEnergies, Shell, ExxonMobil, French utility Engie, and China's ENN, Guangdong Energy Group and China Gas. NextDecade's final investment decision follows the March announcement by Sempra that it would move forward with its $13 billion Port Arthur LNG project in Texas, and Venture Global's announcement that it would build the $21 billion second phase at its Plaquemines facility in Louisiana.

Exxon looks to double LNG portfolio, signing up for more supply

(S&P Global; July 12) - ExxonMobil will continue looking at "selective" investments in U.S. LNG as it seeks to double its global portfolio to around 40 million tonnes per year by 2030, Andrew Barry, the company’s vice president of global LNG marketing, told S&P Global Commodity Insights. The oil and gas giant's strategy for shoring up its U.S. LNG supply over the past year has seen the company go beyond the large-scale approach it has traditionally taken to its own LNG projects, including the more than $10 billion Golden Pass LNG terminal it is building with majority owner QatarEnergy in Texas.

Instead, Exxon has opted for an approach more similar to some of its peers — signing long-term supply contracts tied to third-party U.S. projects, which offer fixed fees and destination flexibility. Exxon signed its first-ever long-term supply contracts for volumes from a third-party project in May 2022 — a pair of agreements to take LNG from Venture Global's Plaquemines and CP2 projects in Louisiana, each for 1 million tonnes per year.

Since then, ExxonMobil has signed three other deals of the same size and for the same 20-year term — a 2022 deal tied to developer NextDecade's Rio Grande LNG project in Texas and, in February, two contracts linked to Mexico Pacific's proposed Saguaro Energia LNG terminal on Mexico’s Pacific Coast, which would use U.S. feed gas. ExxonMobil also has an option for an additional 1 million tonnes from Mexico Pacific. The company will continue to consider buying additional offtake from U.S. LNG projects and investing in supply in other countries as part of its ambitions to grow its portfolio.

Exxon sees 2025 decision on Mozambique LNG project

(Bloomberg; July 11) - The ExxonMobil-led Rovuma liquefied natural gas export project in Mozambique is on track to gain final approval in 2025, said a company executive. “A lot depends on the security situation, which has been very well managed,” said Peter Clarke, senior vice president of upstream oil and gas, at a conference in Vancouver, British Columbia, on July 11. “The government is doing a good job and hopefully we’ll see more positive news in that respect as we go through the end of the year,” he said.

This is the first time Exxon has laid out a clear timeline for the reported $30 billion project since reviving plans which stalled in 2020 as an Islamic State-linked insurgency heightened security concerns. An approval by 2025 would put the project on track to start up by the end of the decade. Originally conceived as a plant producing 15.2 million tonnes a year, Exxon now envisions the plant producing as much as 18 million tonnes.

Exxon is looking to nearly double its LNG portfolio, which currently stands at 24 million tonnes a year globally, by 2030, either through new projects, joint ventures or third-party offtake agreements, said Clarke. The Papua LNG project in Papua New Guinea has advanced into the front-end engineering and design phase, according to Clarke. A final investment decision could be made for the plant by early 2024, with start-up by 2028, he said. Exxon already operates an LNG plant in the South Pacific island nation. The PNG LNG project started up in 2014, at a nameplate capacity of 8.3 million tonnes per year.

[TotalEnergies may be moving closer to restart of Mozambique LNG]

(Africa Intelligence; July 10) - TotalEnergies is showing growing signs of wanting to restart construction of the Mozambique LNG project, making it increasingly difficult for the French oil major to justify maintaining the force majeure legal provision of its construction contracts that has been in place since April 2021. Work stopped more than two years ago as attacks by insurgents made it too dangerous for crews to remain. TotalEnergies is the leader of an international venture building the $20 billion project.

One of TotalEnergies' purchasing managers in Mozambique, Lei von Habsburg-Lothringen, has been sent to Milan for at least a year to work with Saipem. The Italian services giant is in a joint venture with McDermott and Chiyoda, which is responsible for building the liquefaction trains and offshore gas production facilities that will supply the project. TotalEnergies has said it needs to address any cost escalation during the two-year shutdown. Habsburg-Lothringen knows the Mozambique project well. In 2016, she was in charge of procurement when it was being developed by Anadarko.

U.K. buyer signs 15-year LNG deal with Louisiana project

(Reuters; July 11) - British Gas parent firm Centrica has signed a 15-year liquefied natural gas supply agreement with U.S. project developer Delfin Midstream, the companies said on July 11. Britain and other European countries have turned to the U.S. for LNG to help reduce their reliance on Russian gas following Moscow's war on Ukraine. More than 70% of U.S. LNG went to Europe last year. The long-term supply deal for 1 million tonnes of LNG a year from Delfin's planned Deepwater Port project off the coast of Louisiana has a market value of $8 billion.

Centrica expects to take delivery of about 14 LNG cargoes a year, providing enough energy to heat about 5% of U.K. homes, it said. Pending Delfin's final investment decision on the project, operations and first LNG are expected in 2027. Developers typically line up long-term supply agreements before making a final investment decision.

Berkshire Hathaway ups its stake in Maryland LNG plant to 75%

(Bloomberg; July 10) - Berkshire Hathaway Energy agreed to buy Dominion Energy’s stake in a Maryland liquefied natural gas export project for $3.3 billion. The deal will boost the company’s limited partnership ownership of the terminal to 75%, while a unit of Brookfield Infrastructure Partners holds the remaining 25%, Warren Buffett’s Berkshire said in a statement July 10. Berkshire Hathaway first took a stake in 2020 in the one-train export plant with an annual export capacity of 5.25 million tonnes.

The deal will give Berkshire control of one of seven operational U.S. facilities that can export LNG at a time when the fuel has assumed an increased economic and geopolitical significance. Natural gas prices surged in 2022 following Russia’s invasion of Ukraine, and U.S. exports of the liquefied form of the fuel helped to sustain Western European economies after Russia cut supplies. Cove Point LNG supply is contracted on a long-term basis to several companies including Tokyo Gas and Sumitomo. Dominion said in a separate statement that it will use the proceeds to repay debt.

Uncertain long-term European demand a question for LNG market

(The Canadian Press; July 11) - Canadian liquefied natural gas projects looking to fill gaps in the global market left by the absence of Russian gas may run into more challenging conditions than expected, industry experts say. Officials from the LNG industry at a conference in Vancouver say the consensus among economists is that the gas shortage in Europe caused by the Ukraine war is unlikely to last beyond 10 years, while the rise of renewables will cut into demand from 2030 onward.

Peter Abdo, chief commercial officer for LNG at German energy giant Uniper, told the conference his company is committed to entering into 10-year contracts with potential suppliers but will want "flexibility" with longer terms because of uncertainty over demand beyond a decade. Meanwhile, U.S. LNG project developer Tellurian's CEO Octavio Simoes says the biggest opportunity opened by the European gas shortage is in Asia, as nations such as Germany are paying more and "taking it from the rest of the world."

Simoes told the conference that the higher prices are a fundamental challenge for anyone wanting to sell LNG to Asia — price will be the ultimate determining factor, not environmental standards touted by the West. He said says high prices for LNG pushed Pakistan to abandon plans to buy gas and quadruple its commitments for coal, and similar trends are happening in Indonesia, Thailand, Vietnam and the Philippines.

Gas supply disruptions bring European banks back to LNG financing

(Business in Vancouver; July 10) - Prior to Russia invading Ukraine in February 2022, European banks wouldn’t touch fossil fuel projects like liquefied natural gas, and the International Energy Agency said no new major oil or gas field developments or large LNG projects would be needed beyond what was already in the development queue. Commitments by governments around the world to decarbonization led investors and lenders to worry that any investment in fossil fuels of any kind might result in stranded assets, as renewables overtook legacy energy systems.

But the war in Ukraine has upended energy markets and refocused the conversation from one that was almost exclusively focused on decarbonization to one that now also includes energy security and affordability. Over the past year, European banks have started financing fossil fuel projects, attendees at the LNG2023 conference this week in Vancouver, British Columbia, heard, and the European Union in recent months has moved to designate both nuclear power and natural gas as sustainable and green.

More gas field development and new LNG export projects may be needed after all, depending on how successful or unsuccessful countries are at meeting net-zero targets, and depending how much gas is eventually lost from Russia. Wood Mackenzie is now forecasting the need for an additional 100 million tonnes per year of LNG production capacity by the mid-2030s — a 25% boost to the current supply. “Much of this demand will be in Asia, where China and several other emerging economies are looking to rely more heavily on gas as they switch from coal," Wood Mackenzie said in its forecast.

Qatar on track for record volume of long-term LNG contracts this year

(Reuters; July 11) - Qatar this year will sign record volumes of long-term liquefied natural gas supply contracts, the country's energy minister said July 11 at a conference in Vancouver, British Columbia. About 40% of new global LNG output will come from Qatar by 2029, said Minister of Energy Saad al-Kaabi at the LNG 2023 conference. The country last year approved two sequential expansion projects that will boost its LNG output by 64% to 126 million tonnes per year by 2027.

"Some people say by 2050 you do not need gas anymore. I say you need more gas. You need gas as a baseline to support wind and solar since the sun does not shine all the time and the wind does not blow all the time," said al-Kaabi. Demand for LNG spiked following Russia's invasion of Ukraine, giving Qatar and the United States significantly larger roles in supplying gas to Europe.

Al-Kaabi said the 40% estimate of Qatar’s share of market growth was based on its domestic LNG production and a U.S. joint venture with ExxonMobil on a Texas project that will add between 16 million and 18 million tonnes per year when complete — its first cargo is expected in the second half of 2024. QatarEnergy is betting that the world will continue to require LNG for the long term, but it must be produced at a price that is affordable and with a reduced impact on the climate, al-Kaabi said.

Proposed northern B.C. LNG project selects engineering contractor

(Reuters; July 11) - U.S.-based construction company Black and Veatch said it has been awarded a front-end engineering and design contract for the Canadian First Nation-led Ksi Lisims floating LNG project in collaboration with Samsung Heavy Industries of South Korea. The liquefaction and export terminal is proposed for a site owned by the Nisga'a Nation near the community of Gingolx in British Columbia, about 500 air miles northwest of Vancouver, near the Alaska border.

The $10 billion project, proposed at 12 million tonnes annual production capacity, was given the OK in Mach to enter the province's environmental review process, which could take at least 18 months. In a prepared statement on July 10, Black and Veatch said commercial operations could start in 2028. The First Nation's partners in the venture include Western Canada gas producers.

British Columbia in March toughened its emissions standards for new liquefied natural gas projects, which the Ksi Lisims LNG project will have to meet. The company said it expects the project to be net-zero by 2030, using carbon emissions offset plans.

Louisiana LNG customers file arbitration over gas they didn't get

(Reuters; July 12) - Top LNG traders Shell and BP have separately filed for arbitration against U.S. exporter Venture Global LNG for failing to supply contracted cargoes, even as it sold cargoes to non-contract customers amid soaring prices of the past year, sources said. A Venture Global spokesperson would not comment on the claims. Last month, the company said it was in full compliance with terms of its long-term contracts and cited a need for extensive commissioning of its modularly constructed facility.

Shell and BP missed out on billions of dollars in sales that went to Venture Global LNG because they were unable to get their contracted fuel, one of the people familiar with the arbitration filings said. Prices for liquefied natural gas soared last year on Russia's gas-supply cuts to Europe. Venture Global sold LNG on the spot market — even though its contracted customers wanted the fuel. Shell and BP filed cases at the London Court of International Arbitration. A similar case was brought by Italian utility Edison in May.

Another Venture Global contract customer, Spanish energy firm Repsol, has asked U.S. regulators to release confidential records that would shed light on the Louisiana plant's start-up. The contracts were tied to Calcasieu Pass LNG, the first of Venture Global's three planned facilities on the U.S. Gulf Coast. Venture Global has said that the plant's on-site power supply requires heavy repairs that prevent contract deliveries until early 2024. Still, the facility has shipped six pre-commercial LNG cargoes so far this month, and 166 since its exports began in March 2022, Refinitiv vessel tracking data showed.

Japan's natural gas trade group looks toward Mideast supply

(Reuters; July 10) - Japan Gas Association Chairman Takahiro Honjo said on July 10 that he hopes that Prime Minister Fumio Kishida's planned Middle East trip this month will help Japan ensure stable supplies of liquefied natural gas and other fuels.

Resource-poor Japan is trying to beef up its energy security as it remains highly dependent on oil and LNG imports. Kishida is due to visit Saudi Arabia, United Arab Emirates and Qatar after attending a NATO summit in Lithuania.

"The relationship between countries will be very important for the stable procurement of fuels," Honjo said. "We hope that the prime minister will work hard on (diplomatic) exchanges between countries to ensure stable procurement of fuels," he said. Asked whether Japanese LNG buyers should consider long-term contracts with Qatar, Honjo, who is also chairman of Osaka Gas, said it would depend on individual strategies.

"Qatar is probably one of the promising supplier candidates ... but it is up to each company to decide the procurement policy by looking into conditions such as time frame and prices," he said. Asian buyers, with an appetite for long-term supply agreements, have outpaced Europe in locking in gas from Qatar's two-phase expansion plan that will raise its liquefaction capacity to 126 million tonnes a year by 2027 from 77 million.

Arctic Alaska has oil and gas, but that doesn’t mean it’ll be produced

(Bloomberg opinion; July 9) - There’s an ocean of oil and gas frozen in place beneath the Arctic. The cascading impact of climate change would argue for leaving it there. Yet the melting of the High North’s icy barriers also feeds the ambitions of nations near and far to exploit it. Countless headlines herald a new scramble for the Arctic’s hydrocarbon riches. But those riches also sit atop several fault lines: between development and conservation; between the rivalries of great powers and the partisan scuffles of national politics; between the local and the planetary; between fear and greed.

As much as expense and physical risk, these underlying frictions determine whether or when those frozen barrels see the light of day. Which brings us to the booms and busts of Alaska. The state has huge potential resources, but its heyday was a generation ago. A revival of sorts is happening now: The White House recently approved ConocoPhillips’ Willow project, a new oil field in the National Petroleum Reserve-Alaska, angering environmentalists but pleasing state leaders and delegates on both sides of the red-blue divide. North Slope oil output should begin rising again after three decades of decline.

Still, something that becomes clear in the Arctic is that doing anything there takes longer. That includes drilling for oil. The National Petroleum Council estimates that developing a typical onshore Alaska discovery takes about 15 years. Meanwhile, a project in the Gulf of Mexico takes perhaps a decade; shale prospects take a handful of years or even months. For big industrial projects, such lags can be poison. Time chisels away at the value of money. It also opens a long window in which Alaska’s shifting tax codes and America’s yo-yoing energy and climate policies can change.

While the Arctic has a lot of oil and gas, so do other places where it may be easier, faster and cheaper to get at. It's not enough just to have the oil. There have to be compelling reasons to produce it — economic or otherwise.

China spends to rebuild domestic oil production

(Bloomberg; July 10) - Ask anyone about China and oil, and the conversation will invariably focus on the country's voracious consumption. Consistently overlooked, however, is the country's role as a major oil producer. That matters more now because after a yearslong lull, China's oil output is booming. Spending billions of dollars via its state-owned energy giants China National Petroleum Corp., Sinopec and China National Offshore Oil Corp., Beijing has been able to reverse the decline in domestic oil production that started in 2015, lifting output this year to a near all-time high.

In doing so, the country is somewhat damping the need to import crude, complicating the efforts of Saudi Arabia and its OPEC+ allies to control the market. From the low point in 2018 to the peak in 2023, China has added more than 600,000 barrels a day of additional production. Pumping about 4.3 million barrels a day now, China is again the world's fifth-largest oil producer, only behind the U.S., Saudi Arabia, Russia and Canada, and ahead of Iraq. The recovery reflects the high priority Beijing places on energy security, directing its state-owned companies to lift domestic spending in 2019.

Those measures were a response to a sudden drop in Chinese oil output during the second half of the past decade. From a peak of nearly 4.4 million barrels a day in 2014, domestic production fell to 3.8 million in 2018. Three factors contributed: the natural decline of large fields discovered in the 1950s and 1960s; a focus during the 2000s and 2010s on overseas projects at the cost of domestic ventures; and lower spending on exploration and drilling after oil prices crashed from mid-2014 to early 2016.

Australia adopts measures to protect domestic natural gas buyers

(Reuters; July 10) - Australia on July 10 finalized a long-awaited package of regulations for its domestic natural gas market as it aims to force down wholesale prices without choking off new investment in one of world's largest liquefied natural gas exporters. The mandatory code of conduct includes a cap of about US$8.50 per million Btu on wholesale prices, first introduced in December, and mechanisms to make the quantity of gas produced more transparent and give gas buyers more leverage during negotiations.

But after months of lobbying from gas producers who warned the code would crimp investment, the rules include cap exemptions for small, domestically focused producers. The energy minister will also have the power to exempt other producers for a variety of reasons, including new investment or supply deals. Producers have already offered domestic gas supply commitments out to 2027, according to a government statement.

The rules put "government at the center of the gas market" and make it responsible for any future shortfalls, the Australia Petroleum Production & Exploration Association said in a statement. "Investment in new gas supply is now urgently needed to avoid shortages," association CEO Samantha McCulloch said. "The government has taken the reins of the East Coast gas market and with this comes the responsibility for ensuring sufficient supply and investment certainty."

Japan says Australia's new emissions rules threaten LNG supply

(Wall Street Journal; July 11) - A top Japanese energy official called on Australia to back away from new carbon emissions rules that Tokyo says threaten its energy security, stepping up a rare fight between the two U.S. allies. Australia's rules, which took effect July 1, require new liquefied natural gas facilities to be carbon-neutral on their first day of operations. Tokyo says that could effectively make it impossible for new LNG export terminals to start operating in Australia, which supplies more than 40% of Japan's gas.

Japan and Australia normally enjoy close ties, and both are longstanding military allies of the U.S. But the dispute over energy has opened cracks in the relationship as Japan accuses Australia of betrayal and Australia says its commitment to go green shouldn't be questioned by Tokyo. "If this issue cannot be resolved, this might undermine long-trusted relations," Yuki Sadamitsu, director-general of natural resources and fuel at Tokyo's Ministry of Economy, Trade and Industry, said July 11.

Japan relies on imports for nearly all its fossil fuels, and natural gas has accounted for about a third of its electricity supply in recent years. Under Australia's new law, large industrial facilities already in operation have to lower their carbon emissions by 4.9% a year until 2030 and further thereafter. New facilities must follow international best practice, which the government says means zero emissions for gas projects. The latter provision has sparked outrage among Japanese investors because it hits projects that have been years in the making and were nearly ready to start.

China's buildup of plastics manufacturing looks to dominate market

(Bloomberg; July 8) - Once touted as a key driver of global oil profits, the plastics industry is staring down years of anemic margins as giant plants in China look set to send a deluge of production into the market. The construction of more than 20 petrochemical projects — to produce raw materials that go into making everything from plastic packaging to clothing and detergents — will be completed across China this year, said industry consultant ICIS.

While part of their output will go into factories across what is still the world’s largest consumer, a slower-than-expected rebound in China’s economy and excessive investment means global oversupply is in the cards. As a result, returns for making petrochemicals such as ethylene and propylene are set to shrink, extending a malaise from this year as June margins were about 40% below 2019 levels.

China has been expanding enthusiastically in the industry as domestic demand growth for plastics began to outpace other oil-derived products such as transport and industrial fuels. While the initial idea was to move up the value chain and compensate for the drop in gasoline use as more people switch to electric cars, the completion of so many plants at once is setting the stage of a glut and squeezed profits, but also a jump in China’s market share and dominance. China is exporting more cheap plastics, eating into the market share of traditional manufacturing giants, such as South Korea and Japan.

Argentina starts up new gas line from massive shale formation

(Reuters; July 9) - Argentina inaugurated on July 9 the first stage of a gas line that will carry natural gas from the Vaca Muerta shale formation in western Argentina to Santa Fe province by way of Buenos Aires province, an essential undertaking to reverse the country's significant energy deficit. Vaca Muerta, a massive shale formation the size of Belgium located in Patagonia, is seen as key to boosting the South American country's gas supplies and lessening the need for pricey imports. It holds the second-largest unconventional gas reserves worldwide and the fourth in oil.

The country, whose central bank foreign exchange reserves have dwindled to dangerous lows, registered a $5 billion deficit in its energy trade balance in 2022 because it needed to import energy during the highest-consumption months. The completion of the first stage of the gas pipeline, which starts in Neuquen province and reaches Buenos Aires province, adds almost 400 million cubic feet of gas supply per day. This will double when two more compressor stations are installed.

The pipeline start-up comes as the ruling Peronist party aims to cling to power in October elections, with the country reeling from 114% inflation. Economy Minister Sergio Massa, who often touts the economic benefits of the pipeline, is seeking the presidency. The president of state energy company Energia Argentina, Agustin Gerez, told reporters that the call for tenders for the second section of the pipeline reaching San Jeronimo in Santa Fe province would come in September, with completion in 2024.

Worker housing staff at LNG Canada job site authorize strike

(The Canadian Press; July 10) - Employees at a lodge that houses workers for LNG Canada’s gas liquefaction plant and marine export terminal under construction in

Kitimat, British Columbia, have authorized strike action, potentially disrupting work at the massive project. The unions representing workers at the Cedar Valley Lodge in Kitimat on the central coast say members voted July 7 97% in favor of strike action.

The 450 lodge workers who voted for a strike are employed by Sodexo, which provides housing, food and maintenance services at the lodge. Unite Here says mediation with the employer began July 10 at the BC Labor Board. The union says lodge employees are “the lowest compensated workers at the LNG Canada construction site,” and did not receive a 12.5% wage hike that some others working on the project received in 2022. LNG Canada says it’s not part of the negotiations between the unions and Sodexo, but it is “hopeful” the two sides will reach a “mutually satisfactory solution.” The plant is scheduled to start initial operations next year and ship its first cargo in 2025.