Oil and Gas News Briefs
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Saudi Arabia plans massive investment in shale gas production

(Nikkei Asia; July 24) – Saudi Arabia, the world's largest crude oil exporter, plans to invest more than $100 billion to become the world's third-largest shale gas producer after the U.S. and Russia — even as its economy braces for a decarbonized society. Crucial to Riyadh's plans is the Jafurah gas field in the country's east. It is the largest shale gas field in the Middle East, with confirmed reserves of 229 trillion cubic feet, equivalent to about 70 years of Japan's liquefied natural gas imports.

State-owned Saudi Aramco has indicated that it expects to invest at least $100 billion in Jafurah. On June 30, it placed a roughly $25 billion order for processing plant construction and other work. Gas production is slated to begin in 2025. The project is expected to be the largest shale gas development outside the U.S., which became the world's largest gas producer after what is known as the "shale revolution" vastly increased the country's output in the 2000s. Technologies like horizontal drilling and hydraulic fracturing made it possible to extract shale gas trapped in rock formations at a relatively low cost.

Saudi Arabia will introduce these technologies through oil service companies. The country is also looking beyond Jafurah. Total Saudi gas production will increase by 60% from 2021 levels to 21.3 billion cubic feet per day in 2030, according to local media, which could make it the world's third-largest gas producer. The gas will be used for domestic power generation and other purposes. Saudi Arabia's power mix is 60% gas-fired and 40% oil-fired. Plans call for eliminating emissions-heavy oil from the mix by 2030, replacing it with gas and renewable sources. Saudi Arabia will also consider exporting LNG in the future.

Venezuela has plenty of gas but lacks investment in production

(Reuters; July 24) - Griselda Ascanio keeps an improvised wood-burning stove ready in her backyard in Maracay, 75 miles from Venezuela's capital, for the frequent gas-supply interruptions that make it difficult to cook. "We cannot just cry about it," said the 44-year-old administrator, who collects branches that fall from trees. "So we have learned to solve problems ourselves." While it sits atop the world's eighth-largest gas reserves and the biggest in Latin America, Venezuela ranked last year as the 25th-largest global producer, according to the Energy Institute's Statistical Review of World Energy.

The country's output fell to 4 billion cubic feet per day this year from almost 8 bcf per day in 2016, data from consultancy Gas Energy Latin America showed. A production revival is urgent not only because it would assure more reliable domestic supply, but also because it could ease shortages emerging in neighboring countries while bringing Venezuela muchneeded hard-currency revenue. The gas problem is a key issue in the presidential election July 28. Whoever wins faces the daunting task of securing investment in the gas industry.

Some 80% of Venezuela's gas output is associated with crude production, and oil production is down due to corruption and mismanagement. "Nobody is going to massively produce gas in Venezuela in these conditions, but where there is immediate interest is in small-scale midstream projects," said Antero Alvarado, managing partner of Gas Energy Latin America, referring to pipelines and systems to better capture and distribute gas. Venezuela's almost 200 trillion cubic feet of proven gas reserves are mostly untapped.

Woodside bets on LNG market with purchase of U.S. developer

(Reuters commentary; July 22) - Australia's Woodside Energy wants to become one of the world's largest independent producers of liquefied natural gas. In itself, this is not a bad ambition. But choosing to do so by taking over a troubled U.S. LNG project in Louisiana is certainly a brave way of going about it. Woodside said on July 22 it has agreed to acquire all of Tellurian for a total value of $1.2 billion, including a cash payment of some $900 million, or $1 per share, a premium of 75% to the U.S. company's last closing price.

The price is largely irrelevant. What's important is whether Woodside can take Tellurian's Driftwood LNG project from its early stages of development to its full potential. If Woodside can successfully develop Driftwood, it could become the second-biggest independent LNG producer in the world. Woodside's current LNG capacity — operated, equity share and offtake — stands at about 12 million tonnes per year. While Driftwood is permitted for 27.6 million tonnes, Woodside's goal will be to quickly advance Phases 1 and 2, which are awaiting final investment decisions with a combined capacity of about 16.5 million tonnes.

Having a strong presence in the Atlantic basin would allow Woodside to take advantage of arbitrage opportunities between customers in Europe and Asia. Woodside also has a solid track record of developing LNG projects, including the North West Shelf and Pluto plants in Australia. The company no doubt has the technical skills to develop Driftwood, something that Tellurian possibly lacked. Woodside aims to boost the value of the project by accessing cheap feed gas from the U.S. market, putting the LNG into its own marketing portfolio and betting on the future of LNG as the world transitions from fossil fuels.

Woodside counts on growing LNG demand to support U.S. purchase

(Financial Times; London; July 22) - It takes a brave company to dive headfirst into a wave of overcapacity. Yet that is what Woodside is doing with its $1.2 billion bid for U.S. liquefied natural gas project developer Tellurian. The Australian oil and gas group has its work cut out to make a decent return against a looming LNG glut. The deal marks an ignominious end for Tellurian, founded by industry veteran Charif Souki, who was ousted as chair last year. The company had been trying — and failing — to get its Driftwood export project in Louisiana off the ground. Amid a dearth of buyers and funding, it was withering on the vine.

That helps explain Woodside's interest. Indeed, for $1.2 billion including debt, it is getting $1 billion of capex that Tellurian has sunk into the ground, plus development and export permits. But it will need to invest perhaps $16 billion to build the project's first two phases. The LNG terminal is due to come online at the end of the decade, when the market will already be heavily oversupplied. Between 2025 and 2027, 175 million tonnes of new LNG annual production capacity is set to hit the market, according to broker Bernstein.

On top of that, developers are looking to take final investment decisions on projects that could deliver an additional 230 million tonnes per year. That will lead to oversupply in the early part of the 2030s. Many of the earlier-stage projects will probably fall by the wayside, but an abundance of sellers will compress returns on investment for export project developers. Woodside's new venture may find it a struggle to keep returns afloat.

Woodside looking for partners for newly acquired U.S. LNG project

(Bloomberg; July 23) - Woodside Energy Group is searching for partners for its just-purchased U.S. liquefied natural gas project in a bid to finally launch the troubled development. "We've got an opportunity with the acquisition to put together the dream team of LNG," said Meg O'Neill, chief executive officer at the Australian oil and gas producer. The company plans to "talk to a number of different players who will have things to add to the venture," she said in an interview on July 23.

Woodside announced its purchase of Tellurian on July 22 and is aiming to sell as much as 50% of the project, with the goal of reaching a final investment decision after first-quarter 2025. Tellurian had struggled to move its Gulf Coast Driftwood project forward since its founding in 2016. O'Neill pointed to end-users, like the Japanese gas importers that recently took stakes in Woodside's Scarborough gas project in Australia, as an example of potential partners. She also mentioned a "high-quality infrastructure company," like Global Infrastructure Partners, which invested in the expansion of Woodside's Pluto facility.

Saudi Aramco, which had previously been in talks to purchase a stake in Tellurian, is another potential partner, said Saul Kavonic, an energy analyst at MST Marquee in Sydney. Abu Dhabi National Oil Co., as well as Japanese buyers and U.S. infrastructure players, could also invest in Driftwood, he said.

South Korea will rely more on nuclear power

(Australian Financial Review; July 22) - South Korean officials say demand for Australian thermal coal is set to fall as Korea switches from dirtier coal plants to nuclear power. But while fossil fuels are decreasing as a share of energy use in South Korea, Environment

Ministry Director General Lee Young Seok said demand for liquefied natural gas is set to remain strong. “The use of fossil fuels is decreasing at a fast rate,” Lee said. “LNG use is not likely to change that much in Korea. As for the use of coal, of course, it is decreasing because of our implementation of climate change policies.”

Coal and gas are Australia’s two largest exports to South Korea, which is Australia’s third-largest export market. Together, the commodities generated $23.1 billion in export earnings, around half of the value of goods Australia sold to South Korea last fiscal year. South Korea bought 7% of Australia’s thermal coal for $4.8 billion in the 2023 financial year, according to Australian Department of Industry figures from the June quarter. South Korea also purchased 20% of Australia’s LNG for $18.3 billion, the data shows.

But the latest Australian trade figures show South Korea has already reduced its appetite for Australian coal, due to President Yoon Suk Yeol’s shift to nuclear power, along with milder weather, officials in Canberra warn. And South Korea’s LNG imports were lower in early 2024, with only marginal growth forecast due to recent surges in gas prices. This has further encouraged a shift toward nuclear power generation, the officials noted. They expect it is likely that LNG imports will be lower over time given this shift to nuclear.

South Korean power company cancels new LNG import terminal

(MarineLink; July 22) - South Korea's Korea Midland Power has cancelled plans to build a liquefied natural gas import terminal on the western coast of the country due to high costs and declining demand for the fuel. KOMIPO said in a statement to Reuters on July 22 that its board had approved the plan to withdraw an LNG terminal construction project in Boryeong. Construction costs for the project had been expected to rise by about 22% from 732.1 billion won ($530 million) to 894.6 billion won ($650 million).

The company also added that it expected its annual LNG demand to drop by 67% to 384,000 tonnes. KOMIPO had decided to build the LNG terminal in 2022, and construction was supposed to start last month, according to Yonhap news agency. South Korea is the world's third-largest LNG importer after China and Japan and shipped in 45 million tonnes of the fuel last year, according to data from analytics firm Kpler. Analysts expect Korea's LNG imports to remain steady or decline this year as more nuclear power displaces gas.

Bankruptcy court allows LNG project contractor to withdraw from job

(Reuters; July 24) - A bankruptcy court approved a Zachry Holdings and Golden Pass LNG settlement on July 24 that will allow project owners ExxonMobil and Qatar Energy to hire a new lead contractor to complete its Texas LNG plant. The order would speed construction by releasing Zachry as lead contractor. Chiyoda International will take over as engineering, procurement and construction lead. The project, at the Sabine Pass site of an unused LNG import terminal, is one of two large U.S. facilities whose start-ups were expected to greatly expand supplies from the world's top exporting nation of the fuel in the next 12 months.

Failure to approve the order could have left thousands unemployed and negatively impacted one of the largest global construction projects, Judge Marvin Isgur said in the bankruptcy court of the Southern District of Texas in Houston. "I find that the proposed settlement is clear and convincing evidence... (and) is a compromise that should be approved," Isgur said in his ruling. The order allows Golden Pass and its construction contractors to ramp up site construction activities, Golden Pass said in a statement. The $11 billion venture is designed to produce 15 million tonnes of LNG per year.

"Going forward, we are focused on getting people back to work, including local workers and vendors," Golden Pass added. Under the order, Zachry Holdings will immediately give up control of the project. Zachry on July 19 filed a motion with the bankruptcy court asking it to approve the settlement with Golden Pass LNG. In filing for Chapter 11 bankruptcy protection in May, Zachry said the project was at least $2.4 billion over the original budget. The company claimed it had not been paid enough for its work, which the owners dispute.

Freeport LNG in Texas resumes shipments after hurricane shutdown

(Reuters; July 22) - The second-largest liquefied natural gas exporter in the U.S., Freeport LNG, has resumed shipments after shutting operations ahead of Hurricane Beryl, with processing on track to reach about half its capacity on July 22, preliminary LSEG data showed. Beryl hit the Texas coast on July 8, causing damage to ports and energy infrastructure and leaving more than 2 million customers without power.

Freeport LNG, which shut its three liquefaction trains on July 7 and later reported wind damage, has had a slow operational restart since. An LNG carrier left one of Freeport's berths over the weekend carrying the first cargo shipped by the facility since July 5, according to vessel tracking data from LSEG. On July 22, a second carrier was loading at the terminal and two more vessels were waiting near the port. The amount of gas flowing to the liquefaction plant on July 22 was just under half its capacity.

Small offshore Mexico LNG facility plans first cargo in August

(S&P Global; July 23) - New Fortress has delayed its target for delivering the first LNG cargo from its floating Altamira export terminal until August, the company said July 23, just days after announcing the facility offshore northern Mexico had begun production. Following the delivery of the first cargo, New Fortress said the facility will "enter full production thereafter." Altamira operates in nearshore waters with a floating liquefaction unit and a separate storage unit, getting some of its feed gas by pipeline from the U.S.

The company plans an annual operating capacity of 1.4 million tonnes, likely supplying New Fortress' portfolio, including its import terminal in Puerto Rico. Altamira LNG is the first of what New Fortress calls its Fast LNG, or FLNG, units, pitched as a way to meet global demand for LNG on a faster timeline than it typically takes to build new onshore LNG export capacity. New Fortress has delayed its timeline for bringing the terminal onstream multiple times, having targeted the start of exports by the end of 2023.

In New Fortress' statement disclosing its latest timeline for the first LNG delivery, the company said it closed a previously announced $700 million loan for its second FLNG unit. The company said it plans to incorporate the same modular technology as the first unit and expects to complete construction in the first half of 2026.

Gazprom still selling to Europe, while gas sales to China are growing

(Bloomberg; July 23) - Europe still contends with China for title of top buyer of Gazprom's pipeline gas, more than two years after Russia's invasion of Ukraine slashed its Western sales. Even after rounds of international sanctions, Russia still supplies significant volumes of gas to select European countries — and the amount has increased this year. And though it has tried, Moscow hasn't made any new deals to speed up the growth of its sales to China beyond what was mapped out before the collapse of its top export market.

Gazprom's pipeline gas supplies to its few remaining clients in Europe reached 515 billion cubic feet from January to June, according to Bloomberg calculations. That's sharply lower than annual sales to the region that reached almost 6.2 trillion cubic feet before the invasion. Yet it's comparable to the 536 bcf that Gazprom sent to China over the first half of this year, according to calculations based on China's customs data and price estimates from the Russian economy ministry. On a monthly basis so far in 2024, Europe and China have been taking turns as the largest buyer of Russian pipeline gas, the calculations show.

Russia has for years said it plans to expand gas sales to China, but for the foreseeable future the Asian nation won't get anywhere close to the pre-invasion size of Gazprom's European market. In addition, average prices are much lower for exports to China. Gazprom's gas supplies to China via the Power of Siberia pipeline are set to reach the full annual capacity of almost 1.35 tcf in 2025, with a further 360 bcf per year available via the Far Eastern route from 2027. The Kremlin has so far tried and failed to sign a contract with China for a new gas pipeline through Mongolia.

Second production line ready for tow to Russian LNG project

(gCaptain; July 24) - Russian liquefied natural gas producer Novatek appears set to dispatch the next production line of its Arctic LNG 2 plant this week. The second gravity-based platform of the plant is being readied to leave the construction yard near Murmansk for the project site on the Gydan Peninsula. It will take around three weeks to tow the massive 550,000-ton structure 1,300 nautical miles through the Barents and Kara seas.

Sources at the construction yard indicate the departure will likely align with this week's high tide on July 24 or July 25. Satellite images and AIS data show the flooding of the dry dock, the removal of gangways and bridges, and a fleet of tugs and offshore support vessels assembling outside the yard. The platform houses Arctic LNG 2's second production line designed for 6.6 million tonnes per year. Western sanctions blocking the delivery of turbines by American company Baker Hughes necessitated an extensive redesign to work with Chinese counterparts, delaying completion by 12 months.

The first production line arrived on the Gydan Peninsula last August. It began production in December, but has yet to export any LNG following sanctions by the U.S. and European Union. Novatek developed the GBS concept almost a decade ago. It relies on a floating concrete structure the size of eight football fields weighing more than 400,000 tonnes. Atop the platform a dozen modules, adding 120,000 tonnes, make up the LNG train. The platform also provides for LNG storage. A decision by a Chinese manufacturer to stop work on Russian projects has jeopardized construction of the third liquefaction unit for Novatek.

'Dark fleet' of LNG carriers assembled to help Russia

(Financial Times; London; July 21) - Mysterious buyers with suspected links to Russia have begun amassing dozens of vessels capable of carrying liquefied natural gas, in moves that suggest Moscow is expanding its "dark fleet" of energy tankers. Shipping industry insiders say a clutch of previously unknown companies, largely registered in the United Arab Emirates, have rapidly acquired LNG vessels over the past year, driving up market prices, especially for the oldest ships.

The buying spree has echoes of how Moscow established a dark fleet of tankers to shuttle oil around the globe in the face of Western sanctions, often using the UAE as a center for energy trades. Although Russian LNG sales are less affected by Western sanctions than oil, Moscow has been preparing for restrictions to tighten. Since the second quarter of 2023, more than 50 LNG carriers have changed ownership to companies located in the UAE, according to Windward, a risk consultancy for shipowners and governments.

Ship-tracking group Kpler's risk and compliance team said the developments in the LNG tanker market point "to a complex network of maritime operations potentially linked to Russian interests." Some of the Dubai-based groups have opaque ownership structures that are similar to those operating Moscow's dark fleet of oil tankers. Some of the newly acquired LNG vessels are navigating routes traditionally used for moving Russian gas.

Morgan Stanley says oil could drop into $70s next year amid surplus

(Reuters; July 22) - The crude oil market is currently tight but next year will likely be in surplus, with Brent prices declining into the mid-to-high $70s range, Morgan Stanley said. The tightness will hold for most of this year's third quarter, the bank said in a note dated July 19, but equilibrium will return by the fourth quarter, "when seasonal demand tailwinds abate and both OPEC and non-OPEC supply return to growth."

Three sources told Reuters last week that OPEC+ is unlikely to recommend changing the group's output policy at a mini-ministerial meeting next month, leaving in place a plan to start unwinding one layer of oil output cuts from October. Morgan Stanley said it expects OPEC and non-OPEC supply to grow by about 2.5 million barrels per day in 2025, well ahead of demand growth and easing any market tightness. Morgan Stanley left its forecast for Brent crude prices for the third quarter of 2024 unchanged at $86 per barrel.

First Russian oil shipment of the year travels Northern Sea Route

(Bloomberg; July 24) - Russia's first oil shipment of the year is traveling through the nation's Northern Sea Route to China, with more vessels expected to follow suit. The 2,500-mile route, which traverses waters off the Siberian tundra, is typically only used during summer months when ice conditions are less severe. But Western sanctions and Houthi drone attacks in the Red Sea have boosted its appeal as the shortest passage between ports in Russia and China.

Last year, the waterway saw a record 36 million tons of cargo pass through, of which more than half was liquefied natural gas, according to Rosatom, a Russian energy company that operates the Northern Sea Route. While journeys can still prove onerous, particularly if ships need icebreaker assistance, ongoing attacks by Yemen's Houthis in the Red Sea have made the route a safer choice. More Russian tankers may opt to use the Northern Sea Route in a bid to avoid the violence and get their cargoes to buyers more quickly.

Shturman Ovtsyn is the first oil tanker to make use of the passage this year and is already more than halfway through its journey. The voyage is unusual for this small tanker, which usually hauls cargoes from Gazprom Neft's Arctic Gates terminal on the Ob Gulf to the port of Murmansk. In late June it loaded a cargo as normal, but headed east instead of west and is making its way to Rizhao, a Chinese port north of Shanghai, where, like many other Russian tankers, it may undergo maintenance as well as drop off its load.

Asian buyers pick up cheaper alternatives to North Sea oil

(Bloomberg; July 23) - A cargo of North Sea crude that's crucial to setting the world's most important oil benchmark fetched a very low price in Asia, a sign that buying remains lackluster. A supertanker-sized cargo of Forties sold last week at a price that works out at

$3.50 to $4 a barrel below the North Sea spot price, once freight is taken into account, according to traders familiar with the matter. It was purchased by the South Korean oil refiner GS Caltex, they said.

Asian demand plays a big role for North Sea grades that help to define Dated Brent, the world's key physical crude price. Flows to the region can account for as much as 13% of exports of North Sea crudes — or as little as zero. In recent months Asian buyers have shunned North Sea oil due to weaker demand and as they opted for cheaper supplies from places like the Middle East and U.S. That has coincided with muted purchases in Europe, where refineries have enough feedstock to cover near-term needs.

While cargoes are normally sold to buyers weeks ahead of loading, this shipment wasn't sold until the last minute. That, and the knockdown price GS Caltex paid, highlight the tough trading environment for the oil. The cargo of roughly 2 million barrels is now being loaded onto a supertanker at a U.K. terminal, ship-tracking data on Bloomberg show.

Severe weather presents financial risks for oil and gas industry

(The Canadian Press; July 21) - Suncor Energy filed a disclosure document last year laying out what would happen if extreme weather were to force a 10-day shutdown of its massive Base Plant oil sands mine in northern Alberta. The document — which Suncor filed with CDP, a global nonprofit that maintains a database on corporate environmental action and climate risk — details the financial risk to Suncor posed by such a scenario. While the likelihood of extreme weather events remains "unknown," Suncor said in the document that a 10-day shutdown could cost $56 million per day in lost revenue.

When analysts talk about the oil and gas sector's exposure to climate change-related risk, they often come at it from a policy or demand forecast perspective. They look at the risk that climate change will prompt governments to impose more regulation on the fossil fuel sector, or that the energy transition will lead to a decline in demand for oil and gas. But the oil and gas sector, like all industries, is also exposed to climate risk in a physical sense.

That risk has been hammered home this month, as out-of-control wildfires in northern Alberta forced several Canadian oil sands companies to evacuate non-essential workers from their sites. Suncor itself, Canada's second-largest oil sands producer by volume, has temporarily curtailed production at its Firebag complex due to the fire danger. "Oil and gas infrastructure, like everything else, has been increasingly exposed to severe weather events fueled increasingly by climate change," said Craig Stewart, vice president of climate change with the Insurance Bureau of Canada.

Shipping industry moving to favor LNG over methanol dual-fuel ships

(Business Korea; July 22) - As of the first half of this year, the shipbuilding industry has seen a significant shift in the types of container ships being ordered, with a marked preference for LNG dual-fuel container ships over methanol dual-fuel container ships. According to Clarkson Research on July 21, a shipbuilding and marine market analysis firm, 40 LNG dual-fuel container ships were ordered, double the 20 methanol dual-fuel container ships ordered in the same period. This is a reversal from last year when 35 LNG container ships were ordered compared to 65 methanol-fueled container ships.

The shipbuilding and marine industry predict that this preference for LNG will continue for the foreseeable future. Methanol, while an alternative fuel, is more expensive and less available than LNG. Additionally, the infrastructure to supply methanol is still lacking, whereas LNG can be easily refueled in large quantities through major ports and terminals, making it more suitable for container ships on regular routes.

Notably, Maersk, which had been aggressively contracting methanol-powered container ships until last year, is now slowing its transition. Maersk recently requested proposals from global shipbuilders for 12 LNG container ships. This move has garnered significant attention as it came after Maersk postponed its order for 15 methanol-powered container ships from China State Shipbuilding Corp. in May and decided to review the order.

Carnival sticks with LNG for newest and largest cruise ships

(TradeWinds; July 23) - Carnival has finalized a deal to order its biggest ships ever in a move that sees the cruise giant stick with liquefied natural gas as a fuel for its newbuilds. The Miami company, the world's largest owner and operator of cruise ships, said it booked three vessels that weigh in at 230,000 gross tonnes from Italian shipbuilder Fincantieri. The vessels will carry 8,000 guests at full capacity in more than 3,000 staterooms — that makes them among the largest passenger vessels in the world.

The Fincantieri newbuilds, to be delivered between 2029 and 2033, will operate in the flagship Carnival Cruise Line brand. The vessels will be powered by LNG, bringing Carnival's fleet to 16 gas-powered vessels. While some environmental groups have been critical of LNG as a fuel for shipping because of methane emissions, Carnival executives have stood behind the fuel.

In 2023, chief maritime officer William Burke said Carnival was taking a pause as it figured out what to do next with its orderbook — and that involved looking at LNG and methanol. But in an interview on the 5,200-berth Carnival Celebration a year later, he said LNG is the best fuel available. "It's better than the heavy fuels or the marine gasoil that we typically use because it's got a better greenhouse gas footprint," Burke said at the time.

Shell plans to sell its share of offshore wind project in Scotland

(Bloomberg; July 23) - Shell plans to sell leases it won to develop floating offshore wind farms off the coast of Scotland, as the oil major continues to roll back a once-ambitious expansion into renewable power. The company wants to sell its share of projects in a joint venture with Iberdrola's Scottish Power to develop as much as 5 gigawatts of floating offshore wind power plants, according to people familiar with the matter who asked not to be named because the matter is private. A spokesperson for Shell declined to comment.

The retreat by one of Britain's biggest oil and gas companies underscores the challenge facing the U.K. government in developing floating offshore wind into a major industry, just as costs for the technology have increased. Since taking the helm at the beginning of last year, Chief Executive Officer Wael Sawan has refocused Shell on delivering profits to shareholders in what he's called a "ruthless" approach.

The company is now more focused on getting access to low-carbon electricity for its own use and for trading rather than making investments to build large-scale renewable power projects that can take years to generate returns. It's a sharp change from Sawan's approach as head of Shell's integrated gas and renewables and energy solutions unit. In that role, he championed offshore wind power and was in charge of the unit that won the rights in the Scottish tender.