Oil and Gas News Briefs
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Russia better prepared than Saudis to wage oil-price war

(Economic Times commentary; India; March 10) - Saudi Arabia has started an oil-price war, but winning it will come at a cost. If oil prices fail to recover and stay at less than half the level Saudi Arabia needs to balance its budget, the economy — and the crown prince's large ambitions to reform it — may be among the biggest victims. The energy sector accounts for about 80% of the kingdom's exports and two-thirds of its revenue.

Should Brent crude remain at $35 without any big adjustment in spending, Saudi Arabia would run a deficit of nearly 15% of its economic output in 2020, while its net foreign reserves could run out in about five years unless it taps other funding sources, said Abu Dhabi Commercial Bank. The country's fiscal shortfall this year could boost the government's borrowing needs by $36 billion for the year, Goldman Sachs said.

Still damaged by an oil-price collapse six years ago, the Saudis enter the showdown with its economic defenses on the mend but possibly no match for Russia. Its central bank's net foreign assets are down about a third from its 2014 peak. The government needs oil to average almost $84 a barrel to balance this year's budget. The havoc unleashed by the falling out with Russia is presenting Saudi Arabia with hard choices.

If the decision is to hunker down, austerity would be a fraught proposition in a country where citizens have grown accustomed to handouts, state subsidies, and secure government jobs. By contrast, Russia was willing to walk away from talks with OPEC in order to hurt U.S. shale producers since it's more resilient to lower prices after the central bank rebuilt its international reserves to their highest since August 2008.

Saudi Arabia steps up the fight and pledges record oil supply

(Bloomberg; March 10) - Saudi Arabia escalated its oil price war with Russia on March 10, with its state-owned company pledging to supply a record 12.3 million barrels a day next month, a massive production hike to flood the market. The supply increase — more than 25% higher than last month's production — puts Saudi Aramco supply above its maximum sustainable capacity, indicating that the kingdom is even tapping its strategic inventories to dump as much crude, as quickly as possible, on the market.

It's the latest maneuver in what's set to be a long and bitter conflict between Russia and Saudi Arabia. Moscow responded within minutes in what looked like a war of words when Energy Minister Alexander Novak said Russia had the ability to boost production by 500,000 barrels a day. The outcome of the price war will be determined by Saudi Arabia and Russia's ability to inflict damage — and also their ability to absorb it.

Saudi Arabia has greater offensive abilities with about 2 million barrels a day of idle production capacity. Riyadh can also use its strategic oil stocks to boost supplies at short notice, according to people familiar with its strategy. On top of domestic stockpiles, it also stores crude near hubs in Rotterdam, Okinawa, and the Egyptian port of Sidi Kerir. Russia doesn't have a network of strategic oil stocks to match.

But Russia may have the defensive advantage. It can dip into its US$150 billion wealth fund to offset the slump. The reserves are sufficient to cover lost revenue "for six to 10 years" at oil prices of US$25 to $30 a barrel, the country's Finance Ministry said. Still the door is not closed to future talks, Novak said. OPEC+ could meet in May or June.

Who will blink first between Russia and Saudi Arabia

(Bloomberg commentary; March 9) - Saudi Arabia's new oil strategy is a short, sharp shock to scare Russia into cooperating on production cuts. The aim appears to be to drive down prices so far and so fast that Russia realizes it made a mistake in refusing to agree to deeper output cuts at the March 6 OPEC+ meeting, bringing more than three years of supply management to an abrupt and unexpected end. But will it work?

Oil prices have crashed, though it won't bring a chastened Russian energy minister back to OPEC's Vienna headquarters any time soon. Meanwhile, Saudi Arabia reserved its biggest price cuts for sales to Europe, a key market for Russian barrels. That challenge won't win it any friends among policy makers in Moscow. This is developing into a game of who'll blink first between two contestants who have cut off their eyelids.

Russia has some geographical advantages over Saudi Arabia, with pipelines that carry its crude directly to refineries in China and Europe, as well as shipping terminals that are just a few days sailing from major refining centers in those regions and in Japan and South Korea. By contrast, vessels from Saudi Arabia can take up to a month to reach either northern Asia or northwest Europe, adding both time and cost to its deliveries.

Saudi Arabia's aggressive price cuts and preparations for a production surge are its attempt to show Russia that it can't take for granted the kingdom's role as swing producer. The risk, though, is that Russia and other big oil producers absorb the pain and cling on, dragging the kingdom into a long oil price war that neither can afford.

Saudi adviser in talks with Russia in effort to resolve price war

(Wall Street Journal; March 10) - Even as the Saudi Arabia-Russia oil-price war escalated with fresh salvos from both sides, former Saudi Energy Minister Khalid al-Falih was in talks with Russia's Energy Minister Alexander Novak in an attempt to reverse the production hikes and revive the collective OPEC-Russia output curbs, according to Saudi government advisers and officials. Falih, who negotiated the initial OPEC+ production cuts in 2016, is now Saudi Arabia's minister of investments.

Falih's outreach to Novak is done with the approval of Saudi authorities, the advisers said. If his mediation succeeds, the advisers and officials said, OPEC and its allies including Russia will convene an emergency meeting in April. Novak said Moscow isn't ruling out further cooperation with OPEC, adding that the next scheduled meeting is planned for May or June. "The doors are not closed," he said. "It's all about egos now, not about the oil market," said a Saudi-government adviser.

Saudi Arabia and Russia's decisions to flood markets are surprising, as China — the world's largest oil importer — has been hobbled by the deadly coronavirus, which has hurt its demand for oil after refineries and factories were forced to shut. Saudi Arabia's struggle for oil-market supremacy might earn it a sliver of market share at the expense of Russia and rival U.S. shale producers, but the cost of a price war might be too much for the kingdom to bear, analysts and oil officials say.

Russia wanted growth, not more production cuts

(New York Times; March 9) - For the past three years, two factors have been hugely influential in the oil markets. The first has been the surge of shale oil production in the U.S., which has turned the country from a large oil importer to an increasingly important exporter. The second is the alliance between Saudi Arabia and Russia, which have cooperated in trimming production to try to counter shale's impact. That cooperation between two of the world's three largest oil producers now appears to be at an end.

Saudi Arabia, OPEC's dominant member, last week proposed production cuts to offset the collapse in demand from the spreading coronavirus outbreak. Russia, which is not an OPEC member, refused to go along. The impasse has turned into open hostilities. "The market really was banking on this alliance between OPEC and Russia," said Neil Beveridge, an analyst at Bernstein, a market research firm.

Russia and Saudi Arabia have rarely seen their way to working together. And though they have cooperated the past few years to limit production, the Russians were tiring of the arrangement, which capped the growth of its oil companies. "They could see an endless series of cuts going forward," said Bhushan Bahree, a senior director at IHS Markit, a research firm. "They wanted to go back to growth."

In addition, power brokers in Moscow appeared to be turning President Vladimir Putin against working with the Saudis toward further cuts. The Russians also argued in OPEC meetings that there was an opportunity to damage the U.S. shale industry. Meanwhile, Russia has built up a $570 billion fund to help tide it through an oil-revenue famine. But a price war carries huge risks. “Playing Russian roulette in oil markets may have grave consequences,” said Fatih Birol, executive director at the International Energy Agency.

Abu Dhabi joins Saudi Arabia in pledging to boost production

(Bloomberg; March 11) - Abu Dhabi National Oil Co. will boost its crude supply to more than 4 million barrels a day next month as the United Arab Emirates joins a battle for market share triggered by Saudi Arabia and Russia. To pump that amount, ADNOC would need to add more than 1 million barrels a day to the volume that the UAE produced in February, according to data compiled by Bloomberg.

While the target for April is higher than what the International Energy Agency estimates the country has the capacity to produce, Energy Minister Suhail Al Mazrouei said his country can achieve it. There’s “ample production capacity that will be quickly brought online,” the minister said in a tweet. A hike in production to 4 million barrels per day is realistic, people familiar with the company’s operations said.

Abu Dhabi holds the biggest oil deposits in the UAE, which ranks as the third-largest producer in the Organization of Petroleum Exporting Countries after Saudi Arabia and Iraq. Government-run ADNOC can also draw on reserves it stores in the emirates of Abu Dhabi and Fujairah as well as outside the UAE. It has 8.2 million barrels of oil-storage capacity at Japan and 5.9 million barrels of capacity in India. The UAE’s pledge follows promises by Saudi Arabia and Russia to ramp up their own supplies.

Debt-laden U.S. shale companies in fight for survival

(Wall Street Journal; March 9) - U.S. shale drillers are poised to be among the biggest losers in the oil-price war stoked by Russia and Saudi Arabia that has sent global prices crashing. Dozens of debt-addled companies, including Chesapeake Energy and Whiting Petroleum, were already facing financial difficulties even before U.S. benchmark prices plummeted 25% to $31.13 a barrel March 9, the largest drop since 1991.

Now many of the shale companies that led the U.S. to become the world’s top oil and gas producer are in a fight for survival. But unlike the 2014 price plunge, Wall Street — down on the industry due to poor returns — isn’t primed to offer help. Companies facing debt defaults will likely have to cut back on drilling and jobs if low prices persist, industry officials and analysts said, and even that might not be enough to avoid bankruptcy.

“Probably 50% of the public E&Ps will go bankrupt over the next two years,” Pioneer Natural Resources CEO Scott Sheffield said March 9, referring to shale exploration-and-production companies. So far this year’s oil-market crash has weighed heavily on U.S. producers with larger debt loads. Shares of Chesapeake Energy, a once-highflying company and pioneer of the shale revolution, fell to as low as 12 cents on March 9. The rout couldn’t have come at a worse time. Investors have pulled away from the U.S. energy sector after years of poor shareholder returns.

Some oil company debt trading at 20 to 30 cents on the dollar

(Wall Street Journal; March 10) - The oil-price collapse wiped out tens of billions of dollars in energy-company stock value on March 9, calling into question the industry’s ability to pay a huge debt that it ran up to fuel the U.S. shale boom. Investors accelerated their flight from energy-company assets, sending stock and bond prices down by double-digit percentages. The declines are putting the U.S. oil industry and its shale oil-and-gas production records in a precarious position in the coming months.

The bounty of oil and gas unearthed by North American shale drillers over the past decade has brought down energy costs for consumers and companies. Yet it has come at a steep cost. Energy companies borrowed hundreds of billions of dollars to drill thousands of miles-long and multimillion-dollar wells, lay pipelines between customers and new drilling regions and maintain huge fleets of heavy machinery. Investors snapped up their bonds, which offered higher yields than many other forms of debt.

Energy bonds, particularly those sold by smaller companies, traded March 9 at prices that indicate investors have little faith they will be repaid. Bonds for SM Energy, which operates in Texas and Colorado, traded at 36 cents on the dollar even though the debt isn’t due until 2027. North Dakota driller Whiting Petroleum’s bonds due next year fell more than 27 cents, to 18.25 cents on the dollar. “People are panicking,” said Raoul LeBlanc, who studies shale companies for IHS Markit.

IEA expects global oil demand to fall this year

(CNN Business; March 9) - World oil demand is expected to fall this year for the first time since 2009, as the coronavirus pandemic deals a sharp shock to the global economy. The International Energy Agency said in a report March 9 that in a worst-case scenario — if the coronavirus continues to spread and China's need for oil remains subdued — global demand could fall by as much as 730,000 barrels a day in 2020.

The agency, which monitors energy markets for the world's advanced economies, said its base case is for a demand slump of only about 90,000 barrels a day, assuming the situation in China improves in the second quarter. "While the situation remains fluid, we expect global oil demand to fall in 2020 — the first full-year decline in over a decade — because of the deep contraction in China, which accounted for more than 80% of global oil demand growth in 2019, and major disruptions to travel and trade," the IEA said.

The IEA said that the "visible decline in transport, industrial, and commercial activity" points to a drop in global demand of 2.5 million barrels a day for the first quarter versus the same quarter last year. The report was drafted before Saudi Arabia shocked the market March 8 by launching a price war after one-time ally Russia refused to back OPEC's plan to make further cuts in oil supply. Oil prices crashed, falling by the largest amount in nearly 30 years on March 9.

Tanker rates surge as traders look to buy and hold cheap oil

(Reuters; March 10) - Tanker rates to ship oil in very large crude carriers (VLCCs) are surging as oil traders hunt for ships to store cheap oil in as they take advantage of a 25% plunge in prices on March 9 amid a price war between top oil producers Saudi Arabia and Russia. Shipping rates from the Middle East to Asia, for instance, have risen by more than 25% since last Friday, while several traders are making inquiries to lease tankers to store oil offshore, traders and shipping sources told Reuters on March 10.

The cost of renting a VLCC, which can carry 2 million barrels of crude and can be used for floating storage, was assessed March 10 at around $38,700 per day, compared with $14,800 a month ago, ship broker sources said. The higher rates are a boon for ship owners who have seen demand walloped recently by the coronavirus outbreak that choked shipments of commodities and semi-finished goods into top consumer China.

"We are seeing several deals being negotiated for short-term (6 to 12 months) charters, with one already concluded. The fall in oil prices has made floating storage more attractive, although the margins are still relatively thin," ship broker and consultancy Poten & Partners said in a research note. Several refiners are already looking to maximize imports of Middle Eastern oil to take advantage of cheap crude after the Saudis slashed their official selling prices for April in an attempt to lure buyers.

Oil-linked LNG buyers get some price relief

(Bloomberg; March 9) - The rout in oil prices may well put a smile on the faces of liquefied natural gas buyers. Most of the world’s LNG is still sold under long-term contracts indexed to oil prices, which has remained a widespread practice since its inception in the 1960s. That means that some of the biggest importers — including Japan, China, and South Korea — have largely missed out from record low spot-market prices for LNG triggered by a milder winter and the start-up of new supply.

But oil's collapse in the wake of an all-out price war between Saudi Arabia and Russia has changed the picture. An LNG contract with a 12% slope to Brent crude was selling at a little more than $1 per million Btu over spot-market prices, down from more than $4 just three weeks ago. That spread could narrow as oil prices fall further.

The wide price discrepancy had triggered some importers to rethink long-term contracts. State-owned Pakistan LNG is considering the possibility of exercising termination clauses in contracts signed with Italy's Eni and commodity trader Gunvor Group in 2017, while Japan's Osaka Gas entered into arbitration last year with the marketing unit of ExxonMobil's Papua New Guinea LNG project after a dispute during a price review.

Chinese buyers apply for tariff waivers on U.S. LNG

(S&P Global Platts; March 9) - PetroChina, Unipec and ENN have applied for tariff waivers on U.S. LNG imports since China began accepting temporary exemptions on U.S. goods, including crude oil, liquefied natural gas, and refined products, sources close to the companies said March 9. The exemptions would enable PetroChina, which has long-term contracts with U.S. LNG producer Cheniere, to avoid the 25% tariffs that China imposed in 2018 and 2019 in retaliation for U.S. tariffs on Chinese goods.

The Chinese government announced Feb. 18 it would soon start accepting applications from importers to waive the tariffs. Regardless of the tariffs, however, record low prices in Asia have made shipments of U.S. LNG into Asia uneconomical, while a mild winter and COVID-19 disruptions have significantly diminished China's appetite for the fuel.

U.S. gas sales to China last year were off more than 80% from 2018. China's total LNG imports from all countries in January and February were down 6% year-on-year, as importers struggled amid disruptions in domestic gas markets as a result of the coronavirus outbreak, S&P Global Platts Analytics data showed.

Even with low prices, China unlikely to stock up on LNG

(S&P Global Platts; March 10) - Cheaper liquefied natural gas contracts — after this week's oil meltdown — are unlikely to accelerate China's LNG demand recovery as the world's second-largest importer continues to struggle with the coronavirus disruption and high gas inventories after a mild winter. This means CNOOC and PetroChina are unlikely to change their force majeure plans to trim gas imports, despite a gradual uptick in downstream gas consumption from utilities and manufacturing hubs, traders said.

Growth in China's gas imports, including piped gas and LNG, slowed to 2.8% over January-February from 18.5% a year ago as the coronavirus outbreak exacerbated a demand slowdown caused by a warm winter. The oil-price collapse has raised questions whether state-run PetroChina intends to stick with its force majeure plans to block some LNG and pipeline gas deliveries it does not need — even as the price falls on its oil-linked LNG supply term contracts.

On March 9, crude prices fell by nearly 30% in its sharpest decline since the 1991 Gulf War, bringing oil-price-linked contract LNG prices closer to spot LNG prices, which were already trending at record lows of less than $3 per million. But the extent to which low prices can stimulate imports is limited, and whether Chinese LNG buyers stock up on the spot market depends on their storage capacity, traders said. A source with state-run CNOOC said scarcity of storage made it hard for them to buy more spot cargoes.

Despite January trade deal with China, little has changed for U.S. LNG

(S&P Global Platts; March 10) - An initial trade deal between Washington and Beijing in mid-January was hailed by the energy industry as a first step toward encouraging China to sign new long-term contracts to import more U.S. LNG. Two months later — amid super low international prices for liquefied natural gas, weaker than expected demand, and trade-flow restrictions due to the coronavirus outbreak — that door is still shut.

Several LNG project developers acknowledged during an industry conference in Houston on March 10 that without China as a buyer it will be very difficult for most new U.S. terminals to advance to construction this year and perhaps even next year. Commodity traders and traditional utility end-users in East Asia and Europe have also been hesitant to sign new binding offtake contracts for U.S. supplies.

"China is effectively closed for business as it relates to long-term contracts right now," said Omar Khayum, CEO of Annova LNG, a proposed export project in Brownsville, Texas. Five years into development, the project has yet to announce any firm offtake deals. It's hard in the current market for LNG project developers that are usually long-term thinkers to focus on the next several years, when they are glued to what could happen over the next several weeks, said Fred Hutchison, president and CEO of industry trade association LNG Allies. "It is an extraordinary time," he said.

U.S. LNG hopeful delays decision, cuts staff 40% to save money

(Bloomberg; March 9) - U.S. liquefied natural gas export hopeful Tellurian has cut roughly 40% of its workforce in a massive restructuring effort aimed at slashing costs and rescuing a struggling, $29 billion project. The Houston-based company founded by shale gas pioneer Charif Souki laid off as many as 70 workers, according to people familiar with the situation. The company also could put off a final decision on whether to build the Driftwood LNG export terminal in Louisiana by 12 to 18 months, sources said.

"We are reducing our costs and reorganizing the company to make Tellurian resilient in the face of current challenges in financial and energy markets," Chief Executive Officer Meg Gentle said in a statement announcing the reshuffle in senior management at the 4-year-old company. Tellurian was already reeling from record low prices for LNG and weakened global demand for the fuel, hitting at its effort to finance the project. It failed to finalize a deal with a major Indian customer for the Driftwood project last month.

Souki and Tellurian co-founder Martin Houston were forced to sell shares in what was essentially a margin call. Shares have plunged more than 80% over the past two weeks, and the company is in talks with a lender to renegotiate terms. The layoffs began late last week and hit multiple departments, including Tellurian's upstream gas-producing team, terminal operations, and analysts and marketers in between, the people said. The company had operating expenses of about $9.4 million a month last year, and 176 employees and office space in Houston, Washington, London, and Singapore.

LNG terminal in Texas close to starting up third liquefaction unit

(LNG Global; March 10) - McDermott International and its joint-venture partners Chiyoda International and Zachry Group said March 10 that they have reached the final commissioning stage of Train 3 of the Freeport LNG project on Quintana Island in Texas, including introduction of feed gas into the liquefaction unit. Train 3 is on track to reach initial production in the first quarter of 2020, the contractors said.

The privately owned facility shipped its first cargo last September while work continued on the project. Train 2 started commercial operations in January. Freeport's three trains are designed to produce 15 million tonnes of LNG per year. The company has federal approval to add a fourth liquefaction unit, though it has not announced an investment decision on the expansion. Freeport built an LNG import terminal on Quintana Island in 2008 and later decided to add liquefaction and export to the unused import operation.

Market conditions may have killed investment in Quebec LNG

(Financial Post; Canada; March 10) - The Quebec government knew weeks ago that Warren Buffett's Berkshire Hathaway was considering pulling out of GNL Québec's proposed liquefied natural gas project. A March 5 report that the legendary investment fund suddenly pulled out of the project mere weeks before its involvement was to be announced came as a shock to most. But sources within the government as well as the companies tied to the proposal said that although Berkshire Hathaway's retreat was "sudden," there were signs that its interest in the project was flailing weeks before.

Industry sources said the current "Canadian political climate" of opposition to oil and gas projects was the reason for Berkshire Hathaway pulling out. But within the provincial government, some suspect the company actually didn't believe the business case for the project was strong enough. "The only explanation we've heard of is that the outlook over the next 20 to 25 years wasn't as much as they'd hoped for. So the political climate is a good excuse to back out without scaring off other investors who may still think it's promising," said one source with direct knowledge of the situation.

"They're aiming for the export market and the cards are currently being shuffled on the world stage. The added competition, notably from Russia, made it that the international gas market wasn't as certain as previously expected," the source said. The proposed development includes a gas liquefaction complex at Port Saguenay, Quebec, that could export up to 11 million tonnes per year of LNG through the St. Lawrence River to the Atlantic and a 485-mile pipeline to deliver Western Canadian gas to the terminal.

Police arrest pipeline protestors at B.C. Legislature

(The Globe and Mail; Canada; March 5) - A weeks-long solidarity protest for the Wet'suwet'en hereditary chiefs began to wind down at the B.C. Legislature on March 5, after five demonstrators who used deception to secure a meeting with the province's Minister of Indigenous Relations and Reconciliation were arrested for mischief. The encampment occupying the ceremonial entrance and front steps of the building began with a raucous protest that sought to shut down the legislature on Feb. 11.

Minister Scott Fraser, hoping to de-escalate tensions, invited a small group inside for a meeting March 4, despite a court injunction that was put in place to keep them out. The meeting, he said, was respectful — but then the group refused to leave. "I could not do my job at all if I didn't work with respect, trust and good faith," he said. "I thought that would be reciprocated and I'm very disappointed that it was not." The protestors were supporting the hereditary chiefs in their opposition to a gas pipeline in British Columbia.

Fraser said he believed it was important for protestors to hear that their actions were not helping the Wet'suwet'en, who are in the midst of a deeply divisive debate over the gas line. The dispute has led to nationwide protests, but most of the rail blockades came down after the federal and B.C. governments reached a proposed arrangement with the Wet'suwet'en Nation to recognize its hereditary governance system. The Wet'suwet'en are currently consulting with their members to determine if they will ratify the pact.

Analysts worry Canada is losing out on investments due to protests

(Financial Post; Canada; March 6) - A day after legendary investor Warren Buffett's Berkshire Hathaway abandoned an investment in GNL Quebec's C$9 billion Energie Saguenay liquefied natural gas project, frustrated investors and analysts are wondering if there's anyone left to invest in LNG in Canada — or anything else, for that matter. "They've basically all gone away, haven't they?" said Cameron Gingrich, director of strategic energy advisory services at Solomon Associates in Calgary.

In addition to Berkshire Hathaway, Gingrich said there's been a long list of foreign strategic investors pull out of planned investments in proposed LNG projects in Canada in recent months and years, including Chevron, Woodside Petroleum, ExxonMobil, China National Offshore Oil Corp., and Malaysia's Petronas, which shelved its Pacific NorthWest LNG project to buy a smaller stake in the C$40 billion LNG Canada project led by Shell currently under construction in Kitimat, British Columbia.

Recent protests over the gas pipeline to serve the Shell project and challenges to other major infrastructure projects are understood to be the cause for Buffett's concern. The problem extends beyond LNG, Gingrich said. "You see the carnage on the road with all of these major infrastructure projects that weren't able to get to a final investment decision," he said. "This … would be similar to what we've heard from other institutional investors," Raymond James analyst Jeremy McCrea said of Buffett's decision.

Hereditary chief breaks ranks and supports B.C. gas pipeline

(The Globe and Mail; Canada; March 8) - A Wet'suwet'en hereditary house chief has become the first one to declare his support for Coastal GasLink's C$6.6 billion pipeline, saying the project will raise the standard of living for indigenous people in northern British Columbia. Herb Naziel is the first and so far only house chief to back the project, breaking ranks with eight other house chiefs. He said he previously took a neutral position but now feels compelled to publicly express his support for the project.

The members of his Wet'suwet'en house group told him at first not to get involved in the pipeline dispute, Naziel said. "So that's why I stayed out of it," he said during an interview on March 8 from Witset, B.C. "I don't want to stir up the nest, but it's not right for people to stop business." Naziel is head chief of Birchbark House, one of 13 Wet'suwet'en Nation hereditary house groups and is a heavy-equipment operator for Kyah Resources, which has a $55 million construction contract with Coastal GasLink.

The Wet'suwet'en Nation comprises five clans, under which there are the 13 house groups, each with a hereditary head chief position (four are currently vacant). Eight of the nine men who serve as hereditary house chiefs, spanning the clans, are opposed to Coastal GasLink. The project developer has reached agreements to garner support from 20 elected First Nation councils, including five elected Wet’suwet’en band councils, along the pipeline route to the LNG Canada terminal under construction in Kitimat, B.C.