Oil and Gas News Briefs
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China’s imports of U.S. oil, gas and coal at lowest level in 5 years

(Nikkei Asia; Aug. 25) - China imported less than 1 ton of oil, liquefied natural gas and coal in total from the U.S. in July, the least in more than five years. Trade tensions are spurring a shift toward alternative suppliers, particularly Russia. China has imported no LNG from the U.S. since March and no crude since June, according to National Bureau of Statistics data published by research firm CEIC. Coal, including for steelmaking, has plunged from about 1.35 million tons in January to less than 1 ton a month since May.

This is not the first time that China has all but stopped buying U.S. energy. In late 2019, during the first term of U.S. President Donald Trump, China’s imports of American oil, LNG and coal dropped to zero amid an escalating trade war. But they quickly recovered after the two sides signed a trade agreement under which China pledged to purchase more U.S. goods. The recent drop in imports, however, may herald a longer-term trend. This stems partly from the deadlock in trade negotiations between the U.S. and China.

Trump signed an executive order this month extending the temporary reprieve on a 24% reciprocal tariff on Chinese goods by another 90 days. But two earlier rounds of duties totaling 20%, imposed in February and March, remain in place. China has maintained its retaliatory tariffs on LNG, coal and oil. China is also ramping up domestic energy production and diversifying overseas sourcing, particularly more oil from Russia. China's gas production rose 7.6% on the year in July, according to CEIC, while its imports of gas via pipeline from suppliers including Russia and Central Asia grew 4.8%.

Fossil fuels generate record low share of Japan’s electricity

(Reuters commentary; Aug. 26) - Fossil fuels generated a record low share of Japan's utility-scale electricity supplies over the first half of 2025, marking an important milestone in the energy transition momentum of one of the world's largest fossil fuel consumers. Japan is a Top 10 consumer and importer of coal, gas and oil, which are used to generate a majority of the energy needed in the world's fourth-largest economy.

However, the share of fossil fuels has steadily declined within Japan's electricity generation and accounted for less than 60% of utility-scale electricity supplies for the first time during January to June, data from Ember shows. Clean energy sources — especially solar farms and nuclear power plants — have supplied the remaining electricity and have sharply outpaced the growth in fossil fuel power so far this decade.

If clean electricity supplies continue to expand at the average rate seen since 2019, and fossil fuel supplies continue to contract at the pace seen over that same period, then clean electricity will surpass fossil electricity supplies by 2033. The prospect of home-grown clean energy sources supplying a majority of Japan's electricity within the next decade will be a cause for concern for fossil fuel exporters, who have relied heavily on Japan's demand growth for decades.

Despite tariff politics, Japan not warming up to Alaska LNG project

(Nikkei Asia; Aug. 27) - When Japan and the U.S. held tariff talks in July, there was one stark difference between the two countries' announcements: Alaska LNG. President Donald Trump spoke of how the allies would create a joint venture for the project. A statement from Prime Minister Shigeru Ishiba, however, did not include any mention of Alaska, only noting that both countries will "work closely" in various sectors, including energy. A Japanese official at the time said he was not aware of any joint-venture talks.

The project has become a poster child of Trump's second term under his push to speed up development of U.S. natural resources. The president has pressed countries like Japan, the world's second-largest LNG importer, to back it by including it in tariff negotiations. But a month after those ended, there is little or no progress, with Japan's LNG industry remaining coy on importing from the project, let alone investing in it.

"We are yet to place someone dedicated … (to) the project," a Japanese LNG industry insider said. Another insider said participation "isn't off the table" if political pressure by the U.S. significantly increases. But this depends on if the project "has moved forward enough that it is a viable option, and the economics of the project (are) much clearer." He sees "little chance" of Japanese companies getting involved. It's hard to "look at the project positively," he said, given the "uncertainties around the cost and schedule."

LNG analysts believe that should the project move ahead, the bill would be much higher than the projected $44 billion due to global inflation and labor shortages driving up costs. Industry insiders have also pointed to the impact of Trump's 50% tariff on steel imports. The project is "too large a project, so (any arrangements) won't be for pure commercial terms but rather government to government," said Masanori Odaka, senior analyst of gas and LNG market research at Rystad Energy, a consultancy.

The project is "just too expensive," said Jason Feer, global head of business intelligence at shipbroker Poten & Partners. It may look better "10 to 15 years from now," he said, "given the projected fall of LNG supply from Australia, Indonesia and Malaysia, which have traditionally served Asia. "There may come a time when that high cost is less of an issue, when there is less cheap LNG in the world ... but the timing now, when you are competing against (U.S.) Gulf Coast, Qatar, it is hard to see how it can get done."

U.S., Russian officials reportedly discussed energy deals

(Reuters; Aug. 25) - U.S. and Russian government officials discussed several energy deals on the sidelines of negotiations this month that sought to achieve peace in Ukraine, according to five sources familiar with the talks. These deals were put forward as incentives to encourage the Kremlin to agree to peace in Ukraine and for Washington to ease sanctions on Russia, they said. Russia has been cut off from most international investment in its energy sector and from striking major deals due to sanctions following its invasion of Ukraine that began in February 2022.

The officials discussed the possibility of ExxonMobil reentering Russia’s Sakhalin-1 oil and gas project, three of the sources said. Exxon exited its Russian business in 2022 after the Ukraine invasion, taking a $4.6 billion impairment charge. Its 30% operator share in Sakhalin-1 in Russia's Far East was seized by the Kremlin that year. Officials also raised the prospect of Russia purchasing U.S. equipment for its LNG projects, such as Arctic LNG 2, which is under Western sanctions, four sources said. Another idea was for the U.S. to purchase nuclear-powered icebreakers from Russia.

The talks were held during U.S. envoy Steve Witkoff’s trip to Moscow earlier this month when he met with Russian President Vladimir Putin and his investment envoy Kirill Dmitriev, three of the sources said. They were also discussed within the White House with President Donald Trump, two of the sources said. These deals were also briefly discussed at the Alaska summit on Aug. 15, one source said.

Exxon in secret talks to return to Russia if there is a peace deal

(Wall Street Journal; Aug. 26) - After huddling with President Donald Trump in Alaska, Russian President Vladimir Putin told reporters that the two countries could do more business together — for example, between their Pacific coastlines. “We look forward to dealing,” Trump replied. What the two leaders didn’t say is that behind closed doors, their countries’ biggest energy companies had already sketched out a road map to going back into business, pumping oil-and-gas fields off Russia’s Far East coast.

In secret talks with Russia’s biggest state energy company this year, a senior Exxon executive discussed returning to the massive Sakhalin project if the two governments approve it as part of a Ukraine peace process, said people familiar with the discussions. Such is the sensitivity that only a handful of people at Exxon knew about the talks. Company executives have asked the U.S. government for support if the company goes back to Russia and received a sympathetic hearing, said a senior administration official.

CEO Darren Woods discussed Exxon’s possible return with Trump in recent weeks. Resuming business in Russia would mark a dramatic rapprochement after Exxon’s messy breakup with Moscow when Putin attacked Ukraine in 2022. The West’s biggest oil producer dived deeper into Russia than most other companies after the fall of the Soviet Union. Its retreat after the invasion was correspondingly more acrimonious.

Sakhalin-1, named after a Russian island, was one of Exxon's biggest investments, first agreed in 1995. Exxon ran the venture and owned 30% alongside state-owned Rosneft as well as Japanese and Indian firms that are still there. When Western businesses stampeded out of Russia after the invasion, Exxon reduced output and said it would sell its stake, writing down its value by over $4 billion. Moscow blocked a sale, then wiped out Exxon's stake. Enticing Exxon back would represent a coup for the Kremlin, which wants to draw Western investment as part of the peace talks to stabilize the economy.

Tokyo Gas reportedly in talks to buy LNG from Louisiana project

(Reuters; Aug. 25) - Tokyo Gas is in discussions with Venture Global to purchase 1 million tonnes per year of liquefied natural gas from the company's CP2 export facility in Louisiana, three people with knowledge of the talks told Reuters. Venture Global is the second-largest U.S. LNG exporter and since 2023 has been the main source of the country's growing export capacity. CP2 will be the company's third LNG export terminal in Louisiana. Tokyo Gas is negotiating the purchase of LNG from Venture Global on a 20-year contract, two of the three people told Reuters.

The LNG is expected to come from the second phase of the CP2 export facility, which is scheduled to come online by the end of 2028, the three people said. "We are exploring various projects, including those in the United States, to secure new LNG supplies, but we cannot comment on the status of individual projects," Tokyo Gas told Reuters in a statement. CP2 is planned for capacity to export up to 28 million tonnes per year. When constructed, it will make Venture Global the largest U.S. LNG exporter.

Since April, Venture Global has signed 20-year sales and purchase agreements for the project with Petronas and Eni and has expanded its long-term sales deal with Germany's SEFE. The three new agreements bring the total contracted volume for CP2 up to 13.5 million tonnes. Venture Global has been offering LNG at prices lower than the market, two of the people said. "They are putting pressure on the market because they are offering LNG at liquefaction fees of $2.35 per million Btu when some in the market are asking for between $2.50 and $2.75, making it hard to resist," one of sources said.

Korea Gas signs contracts to take more U.S. LNG

(Yonhap News Agency; South Korea; Aug. 26) - South Korea will buy an additional 3.3 million tonnes of liquefied natural gas from the United States every year for a decade starting in 2028, Korea Gas (KOGAS) said Aug. 26, as the two countries aim to expand cooperation across key sectors, including energy. KOGAS signed purchase deals with global energy suppliers, including commodity trader Trafigura, during a roundtable of business leaders from South Korea and the U.S. held in Washington on Aug. 25, following President Lee Jae Myung's first summit with U.S. President Donald Trump.

Some of the gas will be supplied from Chinere's Corpus Christi, Texas, LNG terminal, according to KOGAS officials. The deals follow Seoul's pledge last month to purchase US$100 billion worth of U.S. energy products over the next four years in return for the U.S. lowering reciprocal tariffs on South Korea to 15% from the initially proposed 25%.

KOGAS said the long-term contracts were signed as a result of a bidding process which began last year for Korea's energy imports beyond 2028. The new contracts are expected to help KOGAS diversify its import sources, which had been concentrated in the Middle East, the company explained. Last year, a KOGAS contract for 4.92 million tonnes of gas per year from Qatar expired, and in 2026 the company will conclude another contract for annual imports of 2.1 million tonnes of gas.

Federal regulators give Gulf Coast LNG developers more time

(Greenwire; Aug. 25) - Federal officials have granted two U.S. liquefied natural gas projects near the Gulf of Mexico extra time to get ready for exports. On Aug. 22, Energy Secretary Chris Wright signed an order granting Energy Transfer six additional years to start operations at the Lake Charles LNG project, which is planned for Louisiana. That came a day after the Federal Energy Regulatory Commission granted a five-year extension to the Texas LNG project to get its planned facility built and put into service.

The moves provide more time for developers to decide whether to proceed to construction on their multibillion-dollar projects. Lake Charles, originally an LNG import terminal, would be turned into an export terminal at 16.45 million tonnes annual production capacity. Recently, the company signed several long-term LNG off-take contracts, including agreements with Chevron and Japan's Kyushu Electric Power. The project developer has said it expects to make a final investment decision later this year.

Glenfarne Group, which is behind the Texas LNG project, cheered the FERC extension. The commission originally approved the South Texas project in November 2019. It is planned for 4 million tonnes annual production capacity. Glenfarne has said it's planning to reach a final investment decision on the project before the end of 2025. Glenfarne also is the lead partner in the proposed Alaska LNG project. That project, at 20 million tonnes per year, also has not reached a final investment decision.

[China’s LNG imports down for 10th month in a row]

(Bloomberg; Aug. 27) - China’s imports of liquefied natural gas are poised to decline for a 10th straight month on a year-on-year basis, data from Kpler show, due to robust piped supply and higher domestic output. Deliveries in August are expected to be about 5.93 million tonnes, according to the figures from Kpler, which track shipping data. That would be about 9% less than a year ago when compared with official volumes.

China’s LNG demand has been soft this year, mostly due to strong flows of piped gas from Russia and Central Asia, as well as rising domestic gas production. Higher international spot-market prices have also prompted the nation’s importers to trim purchases, even reselling cargoes to capitalize on higher prices abroad.

[China’s LNG importers increasing resell cargoes to other buyers]

(S&P Global; Aug. 25) - China's LNG import landscape has significantly transformed in recent years. The pivotal moment occurred in early 2024 when spot LNG prices fell below those of long-term contracts, highlighting a renewed interest among second- and third-tier importers who had previously depended on China’s national oil companies for their LNG imports. This solidified China's position as the world's largest importer and catalyzed a strategic shift of importers toward direct procurement in the spot market.

But even as the import parity turned unfavorable in 2025 — with higher domestic gas output and pipeline gas imports weighing on LNG import appetite — Chinese companies retained their interests in spot trading while also optimizing term contract volumes. With an abundant supply of imported pipeline gas and increased domestic gas production this year, the cost of imported LNG in China has remained consistently higher than other sources of gas — and dampened enthusiasm for LNG imports. However, rather than fully exiting the market, many importers adapted their strategies.

Second- and third-tier importers have pivoted toward optimizing their term contracts by selling the volumes through the spot market. As Chinese importers chose to sell their contracts to buyers in other countries, LNG imports declined 20.7% year-on-year from January to June to 30.3 million tonnes. A Chinese city gas company said 40% of its term contracts are currently traded in the spot market due to unfavorable import prices and abundant domestic gas supply. More importers are seeking opportunities to sell their cargoes to South Korea and Japan to make a profit.

[Indian buyer signs long-term LNG deal with Abu Dhabi supplier]

(Bloomberg; Aug. 27) - The biggest oil producer in the United Arab Emirates agreed to supply liquefied natural gas to Indian Oil Corp. for 15 years as it lines up more binding contracts for a new export terminal. Abu Dhabi National Oil Co. will provide 1 million tonnes of LNG annually to the Indian state-run entity, primarily from the under-construction project at Ruwais, according to a statement on Aug. 27. ADNOC, which had signed a preliminary agreement in September, also has a deal to supply 1.2 million tonnes a year of the fuel from its Das Island operations to Indian Oil.

The two deals will make the Indian company ADNOC's biggest LNG customer by 2029, said the UAE firm, which is locking in long-term customers for its export capacity following agreements with buyers from Germany to Malaysia. For India, the deals will help its plan to ramp up the share of gas in the country's energy mix by the end of this decade, even though its own infrastructure bottlenecks are constraining the expansion.

The Ruwais project is expected to start commercial operations in 2028, which will more than double the company's LNG capacity to 15 million tonnes a year, ADNOC said. The company has committed over 8 million tonnes a year of the project's 9.6 million-tonne-a-year capacity to international customers through long-term agreements.

Pakistan asks Qatar to delay LNG deliveries in effort to cut spending

(Bloomberg; Aug. 25) - Pakistan plans to ask Qatar to delay delivery of liquefied natural gas cargoes over the next five years as the South Asian country grapples with weak demand and mounting import costs. Pakistani officials are in Qatar this week to request a delay for delivery of two LNG shipments per month in 2026, according to people with knowledge of the matter. The deliveries would be rescheduled to after 2031, the people said. Pakistan imports about nine cargoes from Qatar per month.

The move is a stark turnaround for Pakistan, which just a few years ago was suffering a gas shortage. Power demand has dropped since the government was forced to increase power rates in order to secure loans from the International Monetary Fund, a move aimed at reducing utility debts. A boom in solar generation has also cut consumption. Utilities have also shied away from using imported LNG, as it is costlier than other fuels, further exacerbating Pakistan's oversupply.

Pakistan already deferred several Qatari LNG shipments for 2025 into 2026 and has also asked its other supplier — Italy's Eni — to divert deliveries. Pakistan will request further delays of Qatari cargoes between 2027 to 2030 due to weaker-than-expected demand and fears of rising debt, the people said. Sources said the deferred cargoes, valued at $5.6 billion, would instead be taken in 2031-32.

Other countries want to repeat U.S. success with shale oil and gas

(OilPrice.com; Aug. 26) - Over the past decade, the United States has become the world's biggest crude oil producer and the top liquefied natural gas exporter — all thanks to the shale boom. The U.S. dominates global shale oil and gas production and is likely to continue doing so for the foreseeable future. But new discoveries and smarter technology development are putting new countries on the shale production map.

Canada, Argentina, Saudi Arabia, China and Algeria all have huge shale oil and gas resources and are beginning to assess and develop them, to boost energy security and gain a foothold in global markets, according to a new GlobalData report, "Emerging Oil and Gas Shale Plays." The shale boom is also expanding to South America, Africa and Asia, where large resource holders are looking to develop shale formations to increase domestic oil and gas supply and boost exports.

In Canada, the star shale play is the Montney in Western Canada, one of the largest gas deposits on the continent that comes with rather solid crude oil resources — and some of the lowest production costs in the industry. According to energy investment firm Kimmeridge, the Montney is the top shale basin in North America. In South America, the Vaca Muerta shale play in Argentina is stealing the show. Vaca Muerta has been dubbed the Argentinian Permian. The shale play is estimated to hold recoverable resources consisting of 16 billion barrels of oil and 308 trillion cubic feet of gas.

Alberta reportedly considering investment in Japan's refining sector

(CBC Canada; Aug. 25) - Alberta is considering a financial investment in Japan's refining sector, two sources familiar with the matter told Reuters. It's an attempt to reduce the province's overwhelming dependence on top trade partner the United States to buy Canada's oil exports. Alberta's government is in early-stage talks with several Japanese oil refiners to explore a joint venture in which it could help fund construction of a coker unit that would enable one or more Japanese companies to process heavy crude produced in Alberta's oil sands, the sources said.

Any deal would be unprecedented for Alberta, which has not previously made energy infrastructure investments overseas. But the province is keen to increase its oil exports since last year's opening of the Trans Mountain pipeline expansion, which increased Canada's capacity to ship oil via the Pacific coast. A deal with Japan would help bolster oil flows on Trans Mountain — Canada's only east-west oil line — and would also help make the case for a new export pipeline that the Alberta government is lobbying for.

Canada and Japan's talks about an investment are in very early stages, and nothing has been finalized, one of the sources said. For Japan, a coker would buoy the amount of heavy crude, like Canadian oil, which can be processed in the country. Heavy, highsulfur Canadian crude is currently incompatible with most of Japan's existing refining facilities, and the country now imports the bulk of its oil from the Middle East.

Canada ready to discuss supplying LNG to Germany

(Bloomberg; Aug. 26) - Canada is set to begin discussions on supplying liquefied natural gas to German buyers to tap into growing demand across the European Union. LNG was one of the issues on the table in talks between Canadian Prime Minister Mark Carney and German Chancellor Friedrich Merz on Aug. 26 in Berlin. The two leaders also discussed a critical minerals partnership, and Carney revealed that a German firm is one of two top bidders for a lucrative submarine contract.

Canada and Germany have an energy partnership that allows for deeper collaboration on LNG, Carney’s government said in a statement. The two allies also plan to cooperate on developing a transatlantic hydrogen trade corridor. The prime minister said he sees an opportunity in the medium term to ship both LNG and hydrogen, and that his government will support billions of dollars’ of infrastructure investments to boost exports.

The expansion of ports in Montreal and in Churchill, Manitoba, on Hudson Bay, as well as others on the East Coast, would open up “enormous” potential to ship LNG and minerals, Carney said. “It’s the No. 1 focus of this government to build that infrastructure.” However, there are no projects to ship LNG from eastern Canada to Europe that are close to being commercially ready. Two years ago, Spain’s Repsol abandoned the idea of building an LNG export terminal on Canada’s East Coast, saying the cost of shipping gas there from Western Canada gas fields was too high.

Analysts say India has saved $17 billion with discounted Russian oil

(Reuters; Aug. 27) - India saved billions of dollars by stepping up imports of discounted Russian oil in the wake of the war in Ukraine, but punitive tariffs imposed by the U.S. that went into effect Aug. 27 will quickly undo the gains. Analysts estimate India has saved at least $17 billion by increasing oil imports from Russia since early 2022. U.S. President Donald Trump's decision to impose additional tariffs of up to 50% on Indian imports could slash exports by more than 40%, or nearly $37 billion, this April-March fiscal year alone, according to New Delhi think-tank Global Trade Research Initiative.

The fallout from the tariffs will be lingering and could be politically debilitating for Prime Minister Narendra Modi, with thousands of jobs at risk in labor-intensive sectors such as textiles, gems and jewelry. India's response in the coming weeks could reshape its decades-old partnership with Russia and recalibrate its increasingly complex ties with the U.S., a relationship Washington sees as vital to countering China’s growing influence in the Indo-Pacific, analysts said.

"India needs Russia for defense equipment for several more years, cheap oil when available, geopolitical support in the continental space and political backing on sensitive matters," said Happymon Jacob, the founder of Delhi's Council for Strategic and Defense Research. "That makes Russia an invaluable partner for India." Russian crude now accounts for nearly 40% of India's total oil purchases from nearly nothing before the war, and analysts say any immediate stoppage would not only signal capitulation under pressure but also be economically unfeasible.

Taiwanese support nuclear, though referendum failed for low turnout

(Bloomberg; Aug. 25) - A failed referendum to restart a nuclear power plant will increase pressure on Taiwan's leaders to find ways to meet the island's rising energy needs as they balance demands of an expanding chip industry, party policies and concerns over catastrophic accidents. Only about 22% of eligible voters on Aug. 23 voted in favor of restarting the Maanshan nuclear plant, missing the 25% threshold for it to pass.

Of the ballots cast, about 74% were in favor of restarting the plant, but the measure fell short of the required threshold by roughly 650,000 votes, partly due to low turnout. The referendum result, even in its defeat, is sending a signal to the government that more of its people believe that nuclear-based energy solutions should be considered, said William Yang, senior analyst for North East Asia at the International Crisis Group.

"It also reflects the public's anxiety and concern about Taiwan's energy resilience and capability to maintain stable energy supply," Yang said. "This result … showcases the gap between the government's preferred policy line and the public opinion." Nuclear power has been an ongoing struggle for the ruling Democratic Progressive Party, which has historically opposed it on concerns over nuclear waste and the risk of accidents. The counterpoint to these worries has been the threat that China could cripple Taiwan, which imports almost 96% of its energy, by imposing an embargo or blockade.

Dubai-based company wins contract for floating LNG project

(Pipeline & Gas Journal; Aug. 25) - AMIGO LNG has awarded an engineering, procurement and construction contract to Dubai-based Drydocks World for what is expected to be the world's largest floating LNG (FLNG) facility, planned for Guaymas, Mexico, on the Gulf of California. The Mexican joint venture, formed by Texas-based Epcilon LNG and Singapore's LNG Alliance, said the facility will have a production capacity exceeding 4.2 million tonnes per year. The project also includes floating storage units (FSUs) to support export operations.

Under the contract, Drydocks World will convert existing FSUs and construct newbuild FLNG barges that incorporate U.S. liquefaction and pre-treatment technology.

Fabrication will take place at the company’s shipyard in Dubai. The Guaymas-based AMIGO LNG terminal will source feed gas from the Permian Basin. The developers said combining FSU conversions with newbuild FLNG technology allows faster construction, lower environmental impact, and competitive LNG supply to Asia and Latin America.

Santos extends deadline for Abu Dhabi group to finalize takeover bid

(Reuters; Aug. 24) - Australian gas producer Santos on Aug. 25 agreed to further extend the exclusivity period for an $18.7 billion takeover bid from a group led by Abu Dhabi National Oil Co (ADNOC). The company extended the due diligence period to Sept. 19 to give the consortium led by ADNOC's investment arm XRG more time to finalize a binding offer. The consortium last week flagged it would need extra time on top of its due diligence period to seek internal approvals for a bid.

Santos said "customary protections" would be included in any negotiations to protect the company's investors if the deal is further dragged out once an agreement is signed. It declined to give any details. Large corporate buyouts typically involve break fees or "ticking fees" where the buyer may have to offer up more if there are delays. "Given that the consortium has again confirmed that it's found nothing in due diligence that would make it consider withdrawing its offer, we've agreed to extend the process,” Santos CEO Kevin Gallagher told analysts on a conference call.

The deadline for the exclusive talks between Santos and the consortium expired a week ago. Santos can engage with a bidder if a higher offer is made but is prevented from talks with any parties that match the XRG offer. The proposed offer requires approval from regulators in Australia, Papua New Guinea and the U.S. given Santos holds assets in each of those jurisdictions. Gallagher said Santos could not predict when regulatory approval would be finalized or when shareholders could be asked to vote on the deal.