

Oil and Gas News Briefs

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China's massive build-out of power grid an advantage in AI race

(Wall Street Journal; Dec. 10) - The U.S. invented the most powerful AI models and controls access to the most advanced computer chips, but China has an ace to play in the global AI contest. China now has the biggest power grid the world has ever seen. Between 2010-2024, its power production increased by more than the rest of the world combined. Last year, China generated more than twice as much electricity as the U.S. Some Chinese AI centers are paying less than half what American ones pay for power.

The push for power supremacy is transforming remote Inner Mongolia, a Texas-like landscape of open spaces now dotted with thousands of wind turbines and crisscrossed by transmission lines. They provide electricity for a "cloud valley of the grasslands," with over 100 data centers at work or on the way. Morgan Stanley forecasts China will spend \$560 billion on grid projects in the five years to 2030, up 45% from the previous five years. Goldman Sachs predicts that by 2030, China will have about 400 gigawatts of spare capacity, about three times the world's expected data-center power demand.

The U.S.-China "electron gap," as OpenAI calls it, has become a preoccupation for U.S. tech leaders. Some companies want Washington to do more to cut red tape or provide financial support to modernize America's power grid. In the next three years U.S. data centers could face an electricity shortfall of 44 gigawatts, the equivalent of New York state's summertime capacity, Morgan Stanley has forecast, posing a "daunting challenge" for the nation's AI ambitions. In China, inexpensive power has helped AI companies develop high-quality AI models more cheaply than U.S. competitors.

Coal use pushes U.S. power-sector emissions to three-year high

(Reuters commentary; Dec. 11) - Major Asian economies including China, India, Japan and Vietnam cleaned up their power generation systems by more than the United States and Europe in 2025, setting the stage for an East-West divergence in energy-transition momentum heading into 2026. Over the first 10 months of 2025, the U.S. was the only major power market to increase the carbon intensity of power generation compared to the year before, according to data from energy think tank Ember.

The chief driver of the rise in U.S. carbon intensity has been a roughly 13% increase in coal-fired power generation, which has lifted U.S. power-sector emissions from fossil fuel use to three-year highs. European power firms have also lifted their collective CO2

emissions so far this year compared to 2024, while China, India, Japan and Vietnam have all marked year-to-date declines in CO2 output from fossil fuel power generation.

The U.S. is likely to continue leading the pack in carbon emissions growth as power firms in the country opt to dial up output from coal plants ahead of cleaner gas plants following a steep rise in natural gas prices. All major power nations have reduced their carbon intensity — the amount of carbon dioxide released per kilowatt hour of electricity production — over the past five years or so. However, only China has managed to register consistent annual declines in intensity since 2019, largely on the back of world-leading deployment of clean power that has allowed utilities to cut back on fossil fuels.

Tokyo Gas plans to invest in developing U.S. shale assets

(Reuters; Dec. 14) - Tokyo Gas, Japan's top city gas provider, plans to direct more than half of the 350 billion yen (\$2.3 billion) it has earmarked for overseas investments in the next three years to the U.S. to drive growth, CEO Shinichi Sasayama said. In October, Tokyo Gas unveiled a plan to invest up to 1.3 trillion yen in the years to March 2029, including 350 billion yen for overseas projects such as U.S. shale gas development.

"North America is our top priority in our overseas strategy," Sasayama told Reuters in an interview last week, citing both rising U.S. domestic gas demand — driven by surging power needs for data centers and semiconductor plants — and growing demand for liquefied natural gas exports. "In recent years, we have concentrated upstream investment in East Texas shale, enhancing our cost competitiveness. Going forward we'll invest in developing these assets to boost profitability," he said.

Tokyo Gas is also open to further investments in liquefaction plants or gas purchase agreements, depending on terms, Sasayama added. The Japanese utility has been expanding its U.S. shale footprint, acquiring Rockcliff Energy in Texas and Louisiana in late 2023, and in April this year buying a 70% stake in east Texas gas assets from Chevron. Tokyo Gas bought 11.56 million tonnes of LNG in the fiscal year ended March 31, 2025, with nearly half sourced from Australia, which is set to issue a gas market review that could curb LNG exports from its East Coast. Sasayama said the Australian projects Tokyo Gas buys from are diversified beyond that coast, limiting potential risk.

U.S. manufacturers group objects to Korean steel for Alaska gas line

(The Korea Times; Dec. 12) - An advocacy group for U.S. manufacturers has voiced concerns over the proposed use of steel from South Korean company POSCO for the pipeline that would transport Alaska North Slope natural gas to a liquefaction plant for export, fueling uncertainty over the Korean steelmaker's participation in the Trump administration's much-hyped energy project.

A week after POSCO International, the group's trading and energy unit, signed an agreement Dec. 1 with Glenfarne, the Alaska project's lead developer, for the supply of steel in exchange for importing LNG, the Coalition for a Prosperous America (CPA) issued a statement raising alarm over the use of "made-in-Korea" steel. Steel for the proposed 807-mile pipeline "will be fabricated in Korea despite the administration's headline '50 percent' steel tariff," CPA said Dec. 10.

"CPA is reiterating its call for the Trump administration to prioritize domestic metal fabricators and not allow the outsourcing of critical infrastructure supply chains to foreign suppliers, putting our national security perilously at risk," the group said. However, the Trump administration appears unlikely to accept the group's request, as it has been eager for the participation of Korea, Japan and other Asian allies in the Alaska project. A POSCO International official declined to comment on the issue.

According to sources familiar with the matter, it's undecided whether POSCO would supply finished products made in Korea or send steel to U.S. pipe manufacturers. Government-level discussions on Korea's participation in the project have also stalled, as Washington has yet to provide details about the Alaska project's economic feasibility.

Vietnam starts up power plants fueled by imported LNG

(The Business Times; Singapore; Dec. 14) - Vietnam has inaugurated its first cluster of power plants fueled by imported liquefied natural gas, marking a milestone in the country's push to secure electricity supplies from a cleaner fossil fuel in one of Asia's fastest-growing economies. The Nhon Trach 3 and 4 LNG-fired plants were inaugurated on Dec. 14 in Dong Nai province, an industrial hub northeast of Ho Chi Minh City.

The US\$1.4 billion project has a total capacity of 1.6 gigawatts, with investment from PetroVietnam Power Corp., a subsidiary of the state-owned PetroVietnam, with a Lilama-Samsung C&T consortium serving as the contractor. With its groundbreaking in 2022, it is Vietnam's first LNG-fired power plant project to secure nearly US\$1 billion in financing without government guarantees — a milestone closely watched by both local and international investors.

Earlier this year, PV Power also signed a 25-year agreement with its sister company, PetroVietnam Gas, to supply LNG to the two plants, marking the country's first long-term LNG supply contract with a committed volume of almost 19 billion cubic feet per year for the first five years. Vietnam sees LNG as a critical "bridging fuel" between coal and renewables with significantly less carbon and air pollutants. More importantly, for Vietnam's grid, gas-fired plants can serve as a reliable base load and help stabilize the power system as wind and solar — inherently intermittent sources — expand rapidly.

Texas oil and gas skills applied to underground energy storage

(The New York Times; Dec. 9) - Pump jacks nod and the smell of gas wafts across the brush and cactuses in the oil fields outside Christine, Texas. Little suggests that a new form of alternative energy has been gaining its first commercial foothold in Texas. But down a dirt road, near a coal-fired power plant, sits a unique kind of industrial battery, one that uses water pressure and the techniques of hydraulic fracturing to store energy deep underground and then release it to generate electricity when the time is right.

The energy storage system — a geopressed geothermal well — is among the most concrete examples of how some Texas oil and gas workers and executives are applying their knowledge to geothermal energy. That overlap has helped make Texas a hub of innovation in the expanding world of what's considered next-generation geothermal power. Some of the most prominent startups are based in Houston, not far from the campuses of major oil companies like Chevron, Shell and Exxon Mobil.

"In Texas, we know what the world looks like under the surface," said Barry Smitherman, a former chairman of the state's oil and gas regulator and now the head of Texas Geothermal Energy Alliance, which promotes the industry. Legislators in Texas have also been working on laws to encourage geothermal exploration and production. Texas has enormous potential for geothermal energy, but accessing it is still expensive.

IEA trims forecast of 2026 oversupply to 3.84 million barrels per day

(Reuters; Dec. 11) - The International Energy Agency on Dec. 11 trimmed its forecast of next year's global oil supply glut for the first time since May, flagging higher demand prospects due to a stronger world economy and lower supply from nations under sanctions. Oil prices have been under pressure for months due to predictions from the IEA, which advises industrialized countries, and other analysts of a looming glut.

Global supply will exceed demand by 3.84 million barrels per day, according to figures from the Paris-based IEA's latest monthly oil market report, down from a 4.09 million surplus estimated in November. A surplus of almost 4 million is still equal to almost 4% of world demand and is at the higher end of analysts' predictions. Oil was trading lower on Dec. 11, with Brent crude — down over 15% in 2025 — trading below \$62 a barrel.

Supply rose sharply this year, boosted by output hikes from the Organization of the Petroleum Exporting Countries and its partners — a group known as OPEC+ — as well as growth in the U.S. and other producers. OPEC+ has now paused output increases for the first quarter of 2026. The IEA on Dec. 11 also revised up its global oil demand growth forecasts for this year and next due to an improving macroeconomic outlook and "anxiety about tariffs having largely subsided." World oil demand is expected to rise in 2026 by 860,000 barrels per day, up 90,000 from last month's outlook, the IEA said.

Barclays forecasts Brent crude at \$65 next year

(Reuters; Dec. 11) - Brent crude oil is expected to average \$65 per barrel next year, Barclays said on Dec. 11, while projecting a supply surplus for the year. "We expect a 1.9-million-barrel-per-day surplus next year, but inventories remain low and builds continue to surprise to the downside," Barclays said. It added that spare capacity is low and geopolitical tensions continue to pose asymmetric upside risks to prices.

The global bank highlighted that a potential slowdown in cyclical demand remains a key downside risk. However, given its outlook for non-OPEC+ supply, the bank noted that OPEC+ could respond to weakening fundamentals in such a scenario. The OPEC+ group comprising the Organization of the Petroleum Exporting Countries, Russia and other allies plans to pause production hikes in the first quarter of 2026, amid widespread predictions of oversupply.

Oil company founder part of Trump's effort to remake energy policy

(The New York Times; Dec. 12) - The executives dining at the White House to celebrate President Donald Trump's \$300 million ballroom — and their role in financing it — were a who's who of U.S. industry. Many hailed from companies with household names, like Microsoft, OpenAI and Comcast. Seated among them was Harold Hamm, the 13th child of Oklahoma sharecroppers and founder of an oil company, Continental Resources, that is little known outside of energy circles. Hamm is a wildcatter, a prospector who drills wells in unproven areas, taking big bets that can turn into black gold or financial ruin.

Not long ago, it seemed as if Hamm and his allies were losing. They were deeply out of favor in Washington — and on Wall Street — shunned for contributing to climate change and failing to deliver the returns investors wanted. But with Trump back, Hamm is, too. The alliance between the two — a soft-spoken oilman with no college degree and a onetime New York real estate developer — is playing a big role in U.S. energy. Together, they have remade federal policy to benefit oil and gas companies, including Hamm's Continental, and put off the transition to greener alternatives like solar and batteries.

Hamm was among Trump's earliest oil industry backers. That loyalty — paired with more than \$2 million in campaign contributions — has earned him outsized influence. Hamm, 80, has used that influence to position loyalists for top administration jobs. They include Chris Wright, a longtime fossil fuel exec and a former director of an oil-industry lobbying group that Hamm co-founded. Wright is now Trump's Energy secretary. The Interior secretary job went to Doug Burgum, a close ally of Hamm. Trump's return is paying off handsomely for Continental; it expects to benefit from expanded tax breaks.

Houston's oil and gas industry forecast to lose several thousand jobs

(Houston Chronicle; Dec. 12) - Houston's oil and gas sector is expected to shed thousands of jobs next year as falling crude prices slow drilling activity, marking one of the sharpest pullbacks for the industry in recent years, according to a new Greater Houston Partnership forecast. The group projects that upstream oil and gas will lose about 3,200 jobs in 2026, driven by lower-than-expected West Texas Intermediate prices that are likely to squeeze producers' margins and prompt cost-cutting moves.

Industries tied to energy could feel even larger ripple effects: Manufacturing is forecast to lose 3,400 jobs, and administrative support services — many connected to oil field operations — may shed about 7,500 jobs. The contraction stands in sharp contrast to the rest of Houston's labor market. Despite the losses, the region is still expected to add 30,900 jobs in 2026, reaching a record 3.5 million by year's end, the report notes.

Nearly half of all new positions — roughly 14,000 jobs — are projected to come from health care and social assistance, fueled by population gains, more insured residents and aging demographics. But the oil-sector decline marks a notable shift for a region where energy has long been the prime engine of job growth. Producers are grappling with thinner margins, reduced cash flow and a renewed focus on cost discipline — pressures that tend to shrink headcounts even when companies remain profitable.

EU looking to help U.S. LNG comply with emissions requirements

(Bloomberg; Dec. 11) - The European Union plans to simplify ways for U.S. exporters of liquefied natural gas to comply with methane emission requirements that have drawn ire from the Trump administration. The EU regulation on methane aims to curb emissions of the powerful greenhouse gas embedded in domestic consumption of fossil fuels and requires foreign LNG producers to gradually comply or risk losing market share. The U.S. has criticized the rules for hampering trade at a time when the EU is seeking more American imports to replace gas supplies from Russia.

The European Commission wants to propose a “simple and pragmatic implementation” at a meeting of EU energy ministers on Dec. 15 in Brussels, according to a document seen by Bloomberg. It would address concerns from U.S. companies that say complying with the regulations and tracking supply is impossible because American gas is produced across multiple states that have varying emissions rules.

In such cases, compliance options would include a certification method or a “trace-and-claim” process, the EU's regulatory arm said in the document. The commission invited member states to comment on the proposal in a signal that could provide assurance to the market. “Both options can be implemented in a manner that does not add significant costs or administrative burden, without constituting a risk to supplies, and provide certainty of compliance for the entire duration of contracts,” the commission said.

Chinese research office predicts gas demand to increase 5% in 2026

(Reuters; Dec. 11) - China's natural gas consumption will likely expand 5% next year from this year, and consumption by the industrial and city-gas sectors is set to grow in coming years, showed forecasts from the research arm of China National Petroleum Corp. The 5% growth forecast marks a rebound from this year when China's apparent gas consumption dipped 0.3% year-on-year during the first 10 months. Imports of liquefied natural gas fell 16% during the same period, according to official data.

The industrial sector will be the largest contributor to gas demand growth in the next five years, and there is significant space for city-gas demand growth in the next 10 years as urbanization continues, CNPC's research arm told the International Energy Executive Forum 2025 on Dec. 12. China's industrial gas demand will rebound next year after a short-term decline driven by economic pressures and trade barriers, Duan Zhaofang, head of gas research at CNPC Economics Technology Research Institute, said.

CNPC foresees residential gas use continuing to grow until China's urbanization rate reaches around 75% versus the current 65%, before leveling off. Gas consumption is becoming more sensitive to international prices, Duan added, and China's future LNG import levels will be determined by spot prices. In the electricity sector, China's new gas generating capacity is set to reach a record high of over 20 gigawatts in 2025, but utilization rates will determine how much that contributes to demand, he said. Gas only makes up 3.2% of electricity output, well below the global average of 22%, Duan said.

LNG tanker unable to get through ice to load at Russian Arctic plant

(Bloomberg; Dec. 15) - A shadow fleet liquefied natural gas tanker has abandoned an effort to load fuel from a U.S.-sanctioned export plant in Russia's Arctic likely due to a buildup in ice, another challenge for Moscow as it seeks to expand shipments. The Buran, which was sanctioned by the U.S. last year, headed toward the Arctic LNG 2 plant in late November, according to ship-tracking data compiled by Bloomberg. The vessel circled before heading back toward Murmansk over the weekend, data showed.

While the facility has exported more than 1 million tonnes of LNG since June, according to data compiled by Bloomberg, the ice-imposed shipping bottleneck will mean the plant will have to curb deliveries until next summer. As ice thickens during the winter months, travel to and from the plant on the Gydan Peninsula becomes more challenging.

The Buran is a so-called Arc4 ice-class vessel, which means it can traverse the waters when ice is thinner. There is only one Arc7 tanker identified within the Russian shadow fleet, the Christophe De Margerie, which can navigate in frozen areas year-round. Arctic LNG 2 has two operating production trains, with a potential combined annual capacity of about 13.2 million tonnes. So far, all of the facility's shipments this year have gone to floating storage plants in Russia or the southern Chinese import terminal of Beihai.

EU reaches deal to stay on track to net-zero by 2050

(Bloomberg; Dec. 9) - The European Union has clinched a deal to reduce greenhouse gases 90% through 2040 compared with 1990, a target that seeks to keep the bloc on track to reach net-zero by the middle of the century. Representatives of the European Commission, the bloc's parliament and member states in the EU Council reached a tentative deal on the final shape of the climate law at a meeting in Brussels in the early hours of Dec. 10, according to Denmark, which holds the group's rotating presidency.

A key element of the deal is the EU allowing international carbon credits to account for a greater share of emissions reductions. The limit was set at 5 percentage points of emissions reductions, compared with 3 percentage points originally proposed by the commission. The EU already has two binding targets: net-zero emissions in 2050 and a 55% cut by 2030 from 1990 levels.

But the broad consensus on climate action that prevailed five years ago has fractured, giving way to trade protectionism and policies that prioritize lowering energy costs. That's made the 2040 target a highly sensitive issue. The deal reached in the so-called trilogue format will now need to be approved by member states and the European Parliament to become law. It also includes a one-year delay to a new carbon market for transport and heating fuels until 2028.

Explorer will bring in North Sea rig to drill for oil off the Falklands

(The Telegraph; U.K.; Dec. 8) - The Falkland Islands is poised to open its first major oil field using a North Sea drilling ship, with hopes of unlocking a windfall equivalent to \$325,000 per islander. Navitas, the lead operator of the Falklands field, has told investors it signed contracts to move the Aoka Mizu floating production vessel from Shetland to the Falklands and plans a formal final investment decision this month.

In a note to investors, the company said it has won approval "in principle" from the Falkland government and was working to get final approval. Once deployed, the Aoka Mizu will drill up to 23 wells in the first stages of development. The Falkland government said it was keen for drilling to get underway. A spokesman said extracting the oil was "a political and community priority for the Falkland Islands. ... If a hydrocarbons industry is successfully established, it will provide transformative opportunities for the people of the Falkland Islands, leading to financial and political security."

Estimates suggest the extractable oil is worth at least \$1.3 billion; the islands are home to about 4,000 people. Moves to exploit the resources come even as Britain's energy secretary bans exploration in U.K. waters. Britain has controlled the Falklands since 1833, apart from a brief spell in 1982 when they were invaded by Argentina and then taken back by the U.K. Inhabitants are British citizens and the U.K. has responsibility for

defense and foreign affairs. However, the islands are a British overseas territory that governs itself, and the U.K. ban on drilling does not extend to the Falklands.

Canadian oil exec wants to double production by 2035

(Reuters; Dec. 9) - Canadian banker-turned-oil-tycoon Adam Waterous, an industry outsider who lives in a mountain tourist town, not energy hub Calgary, has a plan to cement his company's status as one of North America's fastest-growing oil companies. Waterous intends to more than double production by Strathcona Resources, with operations in Alberta and Saskatchewan, and expand more aggressively than any of its rivals. He also wants Canada, the world's fourth-biggest oil producer, to double its oil and gas output to unlock economic growth during a time of trade tensions with the U.S.

"If I'm saying a whole country should increase oil production by two times, well, what am I doing? I'm trying to do my share," Waterous, 64, Strathcona's executive chairman, said in an interview, his first since announcing the strategy. Waterous, the former head of global investment banking for Scotiabank, is doubling down on oil as Canadian public sentiment shifts in favor of fossil fuel development. Prime Minister Mark Carney is counting on oil and gas to help Canada weather U.S. President Donald Trump's tariffs.

The plan will see Strathcona expand from 125,000 barrels per day in 2026 to up to 300,000 barrels per day by 2035. Canada's oil sands industry is emerging from a decade of downturn caused by low prices and political and regulatory uncertainty. While domestic producers such as Canadian Natural Resources and Suncor Energy weathered the tough times by slashing expenses and funneling profits to shareholders, Strathcona bought multiple small producers since 2017 at distressed prices.

Oil tanker shortage pushes owners to put new ones to work quickly

(Bloomberg; Dec. 11) - A shortage of oil tankers is becoming so acute that newly built vessels, which usually carry refined fuels on their maiden voyages, are instead racing empty to pick up crude as soon as possible. Six supertankers that were delivered this year have traveled without cargoes from East Asia to load crude in the Middle East, Africa or the Americas, ship-tracking and fixtures data reviewed by Bloomberg and Signal Ocean show. That compares with just one such journey last year.

Tanker owners about to receive new ships almost always use them to carry fuels like gasoline on their maiden voyages to pick up crude. This makes both economic and geographical sense, given that oil products are cleaner than crude and the vessels won't need to be washed after carrying them, and also because many of the ships are built in East Asia, which imports a lot of unprocessed oil and exports refined fuels.

A severe shortage of tankers is now upending that logic. Oil producers — within and outside OPEC — have ramped up output this year. Western sanctions on Russia and the risk of traveling through the Red Sea have disrupted traditional routes, resulting in longer voyages and more ships being used. Smaller product tankers have also been drawn into the oil trade, while some traders have had to break up cargoes due to the lack of larger vessels, pushing up transport costs. The Baltic Dirty Tanker Index, which tracks rates to carry crude on 12 major routes, has jumped 50% since the end of July.

North Dakota fund investment manager considers refinery project

(North Dakota Monitor; Dec. 11) - A long-stalled oil refinery proposed near Theodore Roosevelt National Park recently appeared on a short list of projects being considered for North Dakota Legacy Fund investment. Meridian Energy proposed the refinery for a site near Belfield in 2016. By 2022, the company had weathered the pandemic, won a pair of lawsuits seeking to stop the project and had all its permits. It told state regulators construction would begin that year and operations would begin by the end of 2025.

The site remains empty — no equipment, no sign of activity. Now a firm responsible for investing \$150 million of the state's Legacy Fund is considering investing in the project. Voters created the fund, recently valued at more than \$13 billion, to invest state oil and gas revenue and create a lasting revenue source for the state. Legislators have pushed to invest more of the fund in North Dakota. GCM Grosvenor, a New York investment firm hired to manage the fund's investments in North Dakota projects, said in an Oct. 22 presentation to lawmakers it was considering a \$10 million investment in the project.

"It's just very early stage," said Michael Rose, a managing director of infrastructure with GCM. Rose said the firm had met with Meridian Energy for about 10 hours and planned additional meetings to learn more about the opportunity. Scott Skokos, executive director of the Dakota Resource Council, which has opposed the refinery 3 miles from the national park, said he thinks it would be a bad idea for the state to invest in the project that has spent a decade trying to raise the necessary funding. "That's enough to say this is a bad investment," Skokos said. "They're ignoring all the red flags."

LNG startup has its problems; \$60 stock now worth \$1.30

(Bloomberg; Dec. 12) - For 20 minutes, Wes Edens barely pauses as he talks about the sunny prospects for his beleaguered liquefied natural gas company, New Fortress Energy. The effervescent 64-year-old billionaire from Montana flicks through a PowerPoint printout that outlines NFE's operations in Brazil, Mexico and Nicaragua, as well as the global growth potential of LNG. It's November in Puerto Rico, where NFE supplies more than a third of the island's gas and operates a handful of power plants.

Edens, who made his fortune in private equity, invited Bloomberg Businessweek to his company's facility at the Port of San Juan to explain why, in spite of evidence to the contrary, NFE's future is bright. Seven years ago, when NFE listed on the Nasdaq, it promised to shake up the market for LNG, a cleaner alternative to the oil and diesel that are still in widespread use to generate electricity in poorer countries. Edens and his colleagues had come up with a method for building liquefaction and export terminals, which they pledged would be quicker and cheaper than how everyone else did it.

Investors and lenders lapped it up, pouring billions of dollars into the business. By 2022, NFE had a market cap of \$9.5 billion. Since then, the stock price has plummeted from \$60 to \$1.30 on Dec. 12 as the company has lurched from one problem to the next. The first LNG project, off the coast of Altamira, Mexico, was beset by construction issues, leading to long delays and rising costs. It's now operational, but last year investors sued NFE and its executives for misleading them over how much progress they were making.

Meanwhile, NFE's Nicaragua gas import terminal, which was scheduled for completion in 2021, has yet to be switched on; the company just sold its facility in Jamaica to pay down debt; one of its import facilities in Brazil doesn't have any customers lined up; and in Puerto Rico, even after securing a new deal to supply the island with LNG, Edens is still scrambling to patch up his relationship with the government.