Oil and Gas News Briefs
Compiled by Larry Persily
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U.K. government pulls financing for Mozambique LNG

(Bloomberg; Dec. 1) - The U.K. government withdrew financing of more than $1 billion for TotalEnergies's liquefied natural gas project in Mozambique, just as the company looks to resume construction. The project, previously hailed as Africa's biggest private investment, was put on hold by Total in 2021 after Islamic State-linked militants attacked the nearby town of Palma in Mozambique. The French major has taken steps in the past year toward restarting construction, including seeking reapproval of key financing.

"After a detailed review, the U.K. government has decided to end" U.K. Export Finance (UKEF) participation in Mozambique LNG, Business Secretary Peter Kyle said in a statement. "My officials have evaluated the risks around the project, and it is the view of His Majesty's Government that these risks have increased." Insurgents in Cabo Delgado province, where the project is located, haven't launched a major attack since May 2024, but smaller-scale raids have accelerated in recent months.

UKEF initially agreed to provide $1.15 billion of support for the project, with the aim of using goods and services from multiple U.K. companies. It was one of eight export credit agencies participating in the project financing of $14.9 billion. In March, the U.S. Export-Import Bank approved a $4.7 billion loan, the largest chunk of funding. In April, TotalEnergies CEO Patrick Pouyanne told investors that securing US Exim support allowed shareholders "to move forward with the project." Losing UKEF support adds to challenges at Mozambique LNG, including $4.5 billion in costs accrued during the halt.

OPEC+ agrees to a pause in production increases for 3 months

(Reuters; Nov. 30) - OPEC+ countries agreed to maintain group-wide oil output quotas for the start of 2026 in a meeting Nov. 30, and also agreed on a mechanism to assess members' maximum oil production capacity, OPEC said in a statement. Eight OPEC+ countries in a separate meeting Nov. 30 agreed in principle to pause their output hikes for the first quarter of 2026, an OPEC+ source and a person familiar with the talks said.

The meeting of OPEC+, which pumps half of the world's oil, comes during a fresh U.S. effort to broker a Russia-Ukraine peace deal, which could add to oil supply if sanctions on Russia are eased. If the peace deal fails, Russia could see its supply curbed further by sanctions. Brent crude closed Nov. 28 near $63 a barrel, down 15% this year amid market worries of an oversupply. The OPEC+ pause comes after the countries added some 2.9 million barrels per day to the market since April. The group still has about 3.24 million barrels per day of output cuts in place, representing about 3% of global demand.

OPEC said the group Nov. 30 approved a mechanism to assess members' maximum production capacity to be used for setting output quotas from 2027. OPEC+ has been discussing the issue for years and it has proved difficult because some members such as the United Arab Emirates have increased capacity and want higher quotas. Other members such as African countries have seen declines in production capacity but are resisting quota cuts. Angola quit OPEC in 2024 over a disagreement about its quotas.

'Decent chance' oil will be back at $75 to $80 by 2030

(Bloomberg commentary; Nov. 25) - The oil market has always been wrong about long-term prices. Unsurprisingly, it's currently wrong in anticipating that a barrel will cost around $60 by 2030, close to current levels. Barring an economic cataclysm, oil will be more expensive five years from now. Let me reaffirm that I remain short-term bearish, particularly for the first half of 2026. Unless OPEC+ cuts production significantly, and quite soon, prices will weaken further in the next few months. I'm not convinced that we won't see prices starting with a 4 after the dollar sign, even if briefly, early next year.

But it increasingly feels like the energy market is way too sanguine about oil prices staying low. Look at the oil price curve, and it's $50 to $60 a barrel from here to eternity. I'm not convinced. Forward contracts now say that by December 2030 the price of oil won't stray from current levels of around $60. That doesn't feel right, as it would be too low to balance supply and demand then.

Let's start with demand. Despite constant nonsensical talk about the world shifting away from fossil fuels, oil consumption growth remains healthy. What about supply? That's the problem. Today, the oil market is oversupplied. The supply tide will remain high in 2026 and even early 2027, but will recede quickly. By 2028, annual supply growth is likely to be trailing annual demand growth, requiring more OPEC+ crude. When that happens, oil prices would move higher to encourage increased investment.

Put all together, and a bet that oil will trade higher by 2030 — say above $75 to $80 a barrel — has a decent chance of coming good. Oil appears too cheap to balance the market in the long term. The balance of risk points to higher oil prices by 2030.

Low prices taking toll on Canada's oil and gas industry

(CBC News; Canada; Nov. 26) - Low oil and natural gas prices are taking a toll on the Canadian industry as drilling activity is falling in Western Canada and is expected to slide further in 2026. North American oil prices remain below $US60 per barrel, after climbing to more than $80 in January. As a result, oil and gas companies are cutting costs, and total capital spending is expected to decline by 5.6% this year and a further 2.2% in 2026, according to a state of the industry report released Nov. 26 by Calgary-based Enserva, which represents oil patch service companies.

The total number of wells drilled in 2025 is expected to decrease by 9% compared to 2024, including a 16% drop in British Columbia. In Alberta, drilling activity is on pace to decline by 7% this year, while a 10% drop is expected in Saskatchewan. Drilling is forecast to fall by an additional 4% in both provinces in 2026. The Enserva report paints a gloomy picture for the oil patch for several years ahead as it references how three major forecasting agencies all do not expect oil prices to recover before 2029.

Canadian gas prices have struggled as well, including for a period of time in September when they plunged below zero and even turned negative. That forced some companies to shut in production to avoid paying to give the gas away. "Canada's energy industry is navigating a period of adjustment, but the long-term fundamentals — especially for gas — remain encouraging," said Gurpreet Lail, CEO of Enserva, in a statement.
"With LNG Canada ramping up, Canadian producers are positioned to benefit from sustained global pricing once near-term pressures ease moving into the new year."

Canada and oil-producing Alberta agree to encourage new pipeline

(Reuters; Nov. 27) - Canada's Prime Minister Mark Carney signed an agreement with Alberta's premier on Nov. 27 that rolls back certain climate rules to spur investment in energy production, while also encouraging construction of a new oil pipeline to the West Coast. Under the agreement, the federal government will scrap a planned emissions cap on the oil and gas sector and drop rules on clean electricity in exchange for a commitment by Canada's top oil-producing province to strengthen its industrial carbon pricing and support a carbon capture-and-storage project.

The deal was hailed by the country's oil industry but panned by environmentalists. It signals a shift in Canada's energy policy in favor of developing fossil fuels. Carney is counting on the energy sector to help the Canadian economy weather uncertainty from President Donald Trump's tariffs and is seeking to diversify from the U.S. market which currently takes 90% of Canada's oil exports. Alberta is exploring the feasibility of a new crude oil pipeline to British Columbia's northwest coast in order to increase exports to Asia, but no private-sector company has committed to building a new pipeline.

Pipeline companies and the Alberta government have repeatedly said significant federal legislative changes — including removing a federal cap on oil and gas sector emissions and ending a ban on oil tankers off British Columbia's northern coast — would be required before a private entity would consider proposing a pipeline. The agreement includes a commitment by the federal government to adjust the oil tanker moratorium in order to ease oil exports to Asia. British Columbia Premier David Eby, who opposes a new pipeline through his province, said on Nov. 26 the legislation should stay in place.

British Columbia objects to Canada-Alberta oil pipeline deal

(BBC; Nov. 27) - Prime Minister Mark Carney has signed a deal with the province of Alberta that opens the door for an oil pipeline to the Pacific — a project long pushed by Canada's oil heartland but one that faces significant hurdles before ever being built. The deal marks a historic reset between Alberta and Ottawa, but is opposed by British Columbia Premier David Eby, who has called the pipeline a "distraction." The political challenges for Carney were later made clear with the resignation from his cabinet of a prominent minister and longtime environmentalist following the deal's announcement.

The energy accord exempts Alberta's proposed pipeline from some federal climate laws. In exchange, Alberta must increase its carbon pricing and develop the world's largest carbon capture program to reduce its emissions. For Alberta, the Nov. 27 deal is a "first step" to seeing its proposed pipeline become a reality. But speaking to reporters, Premier Eby expressed his frustration that his province was not included in discussions leading up to the agreement.

"It would have been good for B.C. to be at the table," he said. "No question about it." He noted that the project does not have a private backer or buy-in from First Nations communities, both significant challenges to it being built. The Alberta government is the main proponent for the project, pledging C$14 million (US$10 million) to put together a proposal that the province hopes will later be taken on by the private sector.

Canadian ban on oil tankers started over concerns of Alaska tankers

(Vancouver Sun; Nov 27) - The agreement signed Nov. 27 by Canadian Prime Minister Mark Carney and Alberta Premier Danielle Smith includes an entry point to break Canada’s 53-year-old moratorium on oil tankers off British Columbia’s North Coast. The deal says that if an Alberta oil sands pipeline is approved, Canada “will enable the export of bitumen from a strategic deep-water port to Asian markets, including, if necessary, through an appropriate adjustment to the Oil Tanker Moratorium Act.”

The announcement is deeply opposed by B.C. Premier David Eby, Coastal First Nations and coastal communities that view the tanker ban as essential protection for a maritime economy based on fishing and tourism. Then Esquimalt-Saanich Liberal Member of Parliament David Anderson led the charge in 1971 for a moratorium to keep oil tankers out of B.C.’s North Coast waters. Ship traffic from Alaska oil pipeline marine terminal at Valdez was Anderson’s key concern. The Alaska traffic started up in 1977.

Anderson wanted to keep those tankers away from the sensitive environment of the Inside Passage and outside of Vancouver Island on their way to the Strait of Juan de Fuca and oil refineries in Washington state. Prime Minister Justin Trudeau's government enshrined the moratorium into law in 2019 following the end of the Northern Gateway project to build a pipeline from Alberta to an export terminal in Kitimat, B.C. The intent was to end discussions about pipelines across B.C.'s remote northcentral Interior.

Houston oil company CEO digs in against California

(Wall Street Journal; Nov. 27) - Oil giants have fled California, but James Flores is desperate to get in, even if it means crossing swords with the state. His company, Houston-based Sable Offshore, wants to reboot dormant oil platforms it bought from Exxon Mobil in federal waters near Santa Barbara. Flores, Sable's chief executive, wagered that he could patch a leaky pipeline that once caused a disastrous oil spill, ship tens of thousands of barrels of crude to California's refineries — and earn a windfall.

Flores faces an uphill battle. Although California has wrestled with high fuel prices and recently encouraged inland drilling in the state, its newfound goodwill hasn't extended to Sable. Officials have blasted the company as a fly-by-night outfit that poses an environmental risk to coastal areas. Gov. Gavin Newsom has signed a bill that seeks to stonewall the project. Investors have grown skeptical of Sable, whose entire business hinges on the California bet. Its market capitalization has fallen by 80% since July.

But Flores, who is known in the industry as a hard-charging CEO, is digging in. Sable has turned to the Trump administration for help financing and permitting an expensive pivot to load crude onto tankers in the middle of the ocean — a bid to sidestep the need for a pipeline that California would have to approve. Flores has pitched Sable as a solution to California's energy woes and echoed the administration's criticism of the state's climate-focused policies. His persistence has puzzled even some of his industry peers, who say that California's regulatory regime is kryptonite for oil and gas firms.

Long Beach, California, wants a larger share of oil revenue

(Long Beach Business Journal; California; Nov. 25) - Disagreement over who deserves the profits from oil being pumped out of Long Beach, California, has pitted the city's budget needs against the state's — and led to a flurry of lobbying as local leaders race to strike a deal. The city has approached its state delegates with proposals on how to claim a greater share of oil revenue — which mostly goes to the state — for services along the shoreline like lifeguards and public safety.

The city's representatives in the state Legislature, however, say any additional money given to Long Beach would come at the cost of state priorities, like health care, homelessness and schoolchildren. In a recent call, state Sen. Lena Gonzalez implored city leaders to face the harsh reality that “every city in her district,” as well as the state, is facing financial hardships. “We’re not going to be able to patch all the holes that you have in the budget,” Gonzalez said.

Under the current agreement, the state takes 42.5% of oil revenue, compared to the city’s 8.5% as the designated trustee of the land. Then 49% goes to the oil operator, controlled largely by California Resources Corp. A reasonable share of revenue for the city, Councilmember Kristina Duggan argues, is between 20% and 30%. It’s the “number one lobbying issue” for the city, said Mayor Rex Richardson, as the Legislature is set to return in January. Long Beach’s budget has for decades relied on revenues from the Wilmington Oil Field, which nets about 46,000 barrels a day.

U.K. sticks with windfall tax on North Sea oil and gas into 2030

(Bloomberg; Nov. 26) - The U.K. government will stick with a controversial windfall tax on North Sea oil and gas producers until the end of the decade, dismissing complaints that the levy hurts investment and jobs. The Energy Profits Levy will remain in place until March 2030, according to a leaked document from the Office for Budget Responsibility. The decision comes as Chancellor of Exchequer Rachel Reeves looks to raise billions of pounds to shore up public finances which have been squeezed by higher borrowing costs and U-turns over welfare cuts.

The levy was introduced by the previous Conservative government more than three years ago when Russia’s invasion of Ukraine drove up energy prices, swelling profits for oil and gas producers. While prices have since retreated, the tax has remained in place — and even increased — to buoy state coffers. Last year’s tax hike to 38% brought the rate for the oil and gas sector to 78%, making Britain less attractive for investment, producers said. Many of them, already suffering declines at mature North Sea fields, have reassessed their U.K. activities, opting to sell, merge or scale back operations.

The industry has been urging the Labor government not to wait until 2030 to replace the levy, saying faster changes are needed to unlock investments which would help boost output, support jobs and — in turn — yield more tax revenue. A statistical analysis by Offshore Energies UK, a lobby group, showed this week that reforming the levy in 2026 rather than the end of the decade could raise tax receipts by £15.7 billion ($20.7 billion) to £48.6 billion within 10 years through additional production.

CO2 storage site scheduled to open next year in Danish waters

(ABC; Nov. 26) - Appearing first as a dot on the horizon, the remote Nini oil field on Europe’s rugged North Sea slowly comes into view from a helicopter. Used to extract fossil fuels, the Danish field is now getting a second lease on life as a means of permanently storing planet-warming carbon dioxide beneath the seabed. In a process that almost reverses oil extraction, chemical giant INEOS plans to inject liquefied CO2 deep down into depleted oil reservoirs, 5,900 feet beneath the seabed.

INEOS' carbon capture and storage effort is named Greensand Future. When the project begins commercial operations next year, it is expected to become the European Union's first fully operational offshore CO2 storage site. Environmentalists say carbon capture and storage, also known as CCS, has a role to play in dealing with climate change but should not be used as an excuse by industries to avoid cutting emissions.

Mads Gade, CEO of INEOS Energy Europe, says it will initially begin storing 400,000 tons of CO2 per year, scaling up to as much as 8 million tons by 2030. "Denmark has the potential to actually store more than several hundred years of our own emissions." Greensand has struck deals with Danish biogas facilities to bury their captured carbon emissions into Nini's depleted reservoirs. A terminal to temporarily store the liquefied CO2 is being built at the Port of Esbjerg on the Jutland Peninsula. A purpose-built carrier to deliver the CO2 to Greensand, "Carbon Destroyer 1," is under construction.

Osaka Gas wants to invest in U.S. gas-fired power plants

(Bloomberg; Nov. 26) - Japan's Osaka Gas is looking to invest in more U.S. gas-fired power plants, as the boom in artificial intelligence and data centers heralds a surge in demand for reliable energy supply. The company is eyeing existing assets as building new facilities can be challenging due to an ongoing global shortage of gas turbines, President Masataka Fujiwara said in an interview this week.

"An enormous number of data centers are being built in the U.S. right now — in short, there's a shortage of electricity," Fujiwara said. Population growth will also contribute to an organic increase in energy demand, he added. The needs of U.S. tech firms looking to expand their data facilities are set to account for nearly a tenth of total U.S. power demand by 2035, outpacing demand from electric vehicles and other sectors, and gas is expected to serve about 65% of that, according to BloombergNEF.

Osaka Gas already has stakes in several gas-fired power plants in the U.S. The 120-year-old company, which is a major provider for Japan's western region, is looking to expand its overseas businesses. It acquired Sabine Oil & Gas in 2019 as an inroad to U.S. shale gas development and expects it to produce gas for the equivalent of 3.8 million tonnes of liquefied natural gas this fiscal year ending March. Sabine's production will be gradually increased by cycling through assets in the Texas region, meaning older fields will be replaced with those with more reserves, the president said.

China’s LNG imports to fall by 5% this year amid weaker demand

(The Business Times; Singapore; Nov. 27) - China’s liquefied natural gas imports are at risk of another weak year as disappointing industrial demand and persistently high global prices look set to reduce purchases. Imports will fall about 5% to 73 million tonnes this year, meaning China may lose its position as the world’s biggest buyer of the super-chilled fuel to Japan, according to BloombergNEF.

The outlook for 2026 is also not encouraging: China’s overall gas demand is set to slump, suggesting it has decoupled with GDP growth, BNEF analysts said at a summit this week. China was the fastest-growing LNG market before Russia’s war on Ukraine in 2022 triggered a surge in spot prices. Back then, Asia’s largest economy had been expected by BNEF to reach to 100 million tonnes of imports by this year, but analysts have repeatedly downgraded outlooks on persistently weaker-than-expected demand.

A wave of new global LNG supply will probably reduce spot prices next year and potentially spur some additional Chinese buying, but demand remains shaky. There’s been a decline in industrial activity across the steel, glass and cement sectors, key sources of LNG consumption, and Beijing’s campaigns to tackle overcapacity, as well as the trade war with the U.S., could dampen purchases. Gas-fired power plants are facing strong competition from coal and rapidly expanding renewables such as solar and wind.

U.S. LNG exports up 40% from same month a year ago

(Bloomberg; Nov. 28) – U.S. liquefied natural gas exports are set to hit a record high this month, helping to tame prices in Asia and Europe as winter begins. The U.S. is expected to ship 10.7 million tonnes in November, according to predictive ship-tracking data from Kpler. That’s up roughly 40% from the same month last year, the data showed. The additional supply could push gas prices in Europe and Asia lower over the next few months, even though colder weather will boost consumption of the fuel.

British Columbia LNG project brings in second floating hotel

(Squamish Chief; British Columbia; Nov. 27) - And now there are two. A second floating worker accommodation, the Saga X — a retrofitted passenger and cargo ship — has arrived at the Woodfibre LNG site on Howe Sound, about 30 miles north of Vancouver. The floatel will house more than 600 workers to speed up building of the liquefied natural gas export facility, which is under construction. Woodfibre LNG’s first floatel, the Isabelle X, arrived in June 2024. Both ships are from Vancouver-based Bridgemans.

The 667-foot-long Saga X was built in 1981. It was previously a northern European cruise ferry. Its life as a “cruise ferry came to an end during the COVID-19 pandemic in 2020, when Stena Line closed its Frederikshavn-Oslo route,” reads a history on the site. “The ferry was first chartered by Bridgeman for an 18-month accommodation project in the Philippines.” Woodfibre LNG decided to use floating worker accommodations after concerns were raised about the impact on the already pinched local housing market.

Like the Isabelle X, the Saga X includes onboard medical care, fitness centers, recreation spaces such as billiards and arcades, among other amenities. Both floatels will be in Squamish until construction of the export facility is complete, which is expected to be in 2027. Woodfibre LNG, planned for 2.1 million tonnes per year production capacity, is owned by a Singapore-based development firm and Calgary-based pipeline operator Enbridge. The project cost was last estimated at $8.8 billion.

U.S. LNG producer says Shell is out to damage its business

(Reuters; Nov. 25) - U.S. LNG producer Venture Global accused Shell of waging a “three-year campaign” to damage its business after Shell appealed an arbitration loss, according to a staff note seen by the Financial Times on Nov. 26. The email from company co-founders Michael Sabel and Robert Pender criticized Shell’s “misguided decision” to contest the ruling and said Venture Global would continue to defend itself. Shell has filed a challenge in New York state court to overturn the arbitration ruling.

Separately, Shell was ordered to pay Venture’s legal fees following a recent loss in arbitration LNG supply claims. Both cases centered on Venture Global’s failure to deliver LNG under long-term contracts while selling cargoes on the spot market as prices surged after Russia’s 2022 invasion of Ukraine. In August, Venture Global won a case against Shell at the International Chamber of Commerce but lost a separate case against BP in October. BP is seeking more than $1 billion in damages.

Venture Global has faced arbitration claims from Shell, BP and other European buyers alleging contract breaches after the company sold LNG from its Louisiana export terminal on the spot market during the 2022 energy crisis, reaping billions in profits, rather than delivering the gas to its long-term contract customers.

TotalEnergies says LNG import terminal no longer needed in France

(Offshore Energy; Nov. 26) - France’s energy giant TotalEnergies has decided to demobilize its floating storage and regasification unit (FSRU) in Le Havre, as this liquefied natural gas terminal is no longer required to strengthen energy security in the country and Europe. When the Ukraine crisis struck in 2022, Europe faced a major energy crisis as a result of a sharp decline in pipeline gas imports from Russia. Given

the way things played out, TotalEnergies explained that France had to increase its LNG imports to ensure its own energy security and contribute to that of Europe.
With that in mind and at the request of authorities, the French company provided the country, at its own expense and without any subsidies, with an FSRU in the port of Le Havre. According to the company, the LNG terminal acted as a “safety net,” with its additional gas import capacity proving potentially “very useful” in the event of significant consumption peaks caused by winter weather conditions or geopolitical tensions.

Since gas supply conditions in France and Europe have stabilized, the firm notes that the floating LNG terminal in Le Havre is no longer necessary and TotalEnergies has decided to demobilize its FSRU in Le Havre.

Report says B.C.’s push for LNG will set back emissions progress

(The Canadian Press; Nov. 26) - A report commissioned by the British Columbia government says its pursuit of new liquefied natural gas export projects "threatens to set back progress" in reducing greenhouse emissions and the province is expected to fail its 2030 target. The independent report into the climate action plan, known as CleanBC, says new LNG projects promise thousands of jobs and investments worth billions, but also add pollution that "stand to all but wipe out hard-fought gains in other sectors."

The report released Nov. 26 points to what it calls "opportunity costs" that come with developing LNG. It says keeping pollution from the natural gas and LNG sector as low as possible requires "significant electrification," and achieving net-zero emissions would require proponents to "electrify nearly all aspects” of their supply chains. "However, British Columbia does not have a sufficient electricity supply to enable it to do so.”

Electrification of the LNG sector would also compete with the needs of other sectors, such as critical mineral mining and the electrification of transportation. The report casts doubt on the economics of LNG. A "glut" of LNG expected to persist through 2030 and could push commodity prices to their lowest point since before Russia's full-invasion of Ukraine. "This uncertainty amplifies concerns about the opportunity costs of an aggressive LNG development push," the report says.

Australian LNG import project developer delays investment decision

(GasWorld; Nov. 27) - Australia’s Viva Energy has delayed the final investment decision on its proposed liquefied natural gas import terminal in Victoria, as prospective buyers refuse to sign long-term offtake deals. According to news outlet The Australian, buyers are hesitant to commit to imported LNG, citing government policy uncertainty, questions over future supply, and the risk of locking into multi-year contracts.

Retailers and industrial users have also shifted toward spot purchases, making it difficult for developers to secure the firm commitments needed for FID. Another factor impacting the project is the ongoing government review of East Coast gas rules, including potential changes to the domestic gas security rules, pipeline access and contract transparency. In response to market participants who continue to wait before entering long-term deals, Viva said it adjusted its timeline to “meet customer and market needs.”

The terminal, which was approved in May by the state government, could supply about 88% of the state’s total gas consumption. The retreat of Viva Energy was welcomed by environmental groups, who said the decision to lock in gas import infrastructure for decades “does not make economic sense” versus the case for renewable alternatives. Though Australia is a major LNG exporter, its East Coast population centers could run short of gas as domestic production from nearby fields declines.