Oil and Gas News Briefs
Compiled by Larry Persily
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Guyana and UAE are examples of why world oil supply is in surplus

(Bloomberg; Dec. 18) - Almost every day, a tanker arrives off the coast of Guyana to pick up a cargo of oil. The stream of shipments is all the more remarkable because just a few years ago, the country didn't pump a single barrel. In just four years Guyana has boosted crude exports to nearly 1 million barrels a day. On the other side of the globe in the United Arab Emirates, which has been exporting since the 1960s, there's also a constant flow of vessels pulling in to load oil. Last month, OPEC's third-largest producer sent the most crude overseas in years.

Together, the two countries offer some of the clearest signs of an oil market facing a major glut. Old and new producers alike are ramping up output as sanctioned barrels from Russia search for buyers, putting a record 1.3 billion barrels of crude on the world's oceans. Oil prices are heading for their biggest annual loss since the pandemic, while U.S. gasoline at the pump is less than $3 a gallon for the first time since 2021.

The drop is good news for consumers, but it's an economic threat to some of the largest producers, like Russia and Saudi Arabia. Oil is as cheap as it was about a decade ago without adjusting for inflation. Virtually all of the world's biggest traders see the oil market in a state of oversupply early next year — the only question is by how much. The International Energy Agency estimates output could exceed consumption by around 3.8 million barrels a day in 2026. Many traders predict smaller numbers than that, but storage levels are still expected to grow. When that happens, oil prices usually fall.

Global oil oversupply weighs on prices

(Reuters commentary; Dec. 19) - Oil prices slumped below $60 a barrel this week as investors try to make sense of U.S. President Donald Trump's push to end the war in Ukraine and force out Venezuelan President Nicolas Maduro. Yet the real driver of prices in the months ahead is likely to be far more prosaic: a spike in global crude supplies, both on land and at sea. Global benchmark Brent crude oil futures plunged by nearly 3% on Dec. 16 to below $59, their lowest since early 2021.

Oil is a reliable barometer of geopolitical stress, so it is no surprise to see prices react to events. But the impact of either a Ukraine peace deal or a Venezuela blockade on physical supply is likely to be limited. The real determinant of prices in the months ahead may be a single data point: 1.3 billion barrels of "oil on water" — crude held at sea, according to Kpler. That is the largest volume since 2020, when oil consumption cratered due to COVID-19 lockdowns, and is about 30% higher than August levels.

Meanwhile, the volume of oil stored on tankers for at least 20 days has reached 51 million barrels, the highest since June 2023, according to Kpler. Slowing tankers provide more evidence that supply is struggling to find a home. The average speed of laden crude tankers, excluding floating storage, fell to 10 knots in December — the slowest since at least 2017, according to Muyu Xu, senior crude analyst at Kpler. This looming supply overhang should weigh heavily on oil prices for the foreseeable future.

Asia’s imports of U.S. oil, gas and coal will decline this year

(Reuters commentary; Dec. 18) - Asia's imports of U.S. crude oil, coal and liquefied natural gas are on track to decline this year despite President Donald Trump's efforts to boost shipments as part of his trade and tariff policies. The decline in imports from the United States is largely driven by China, the world's biggest buyer of commodities, which pulled back on purchases after Trump ramped up tariffs on U.S. imports of Chinese goods, with the current average rate around 47.5%.

Asia's imports of U.S. crude oil are expected to reach 1.43 million barrels per day in 2025, down from 1.56 million in 2024 and the record 1.65 million in 2023, according to data compiled by commodity analysts Kpler. The biggest importer is South Korea, one of the countries that committed to buying more U.S. energy as part of a trade deal with the Trump administration. However, South Korea's imports of U.S. crude oil are likely to show a tiny increase in 2025 to 470,000 barrels per day from 465,000 last year.

Japan, which also agreed to boost imports of U.S. energy, did show a significant increase in imports of oil, with 84,500 barrels per day arriving in 2025, up from 34,000 in 2024. However, Japan's total imports in 2025 are about 2.25 million barrels per day, meaning the U.S. share amounts to a paltry 3.8%. China imported just 38,350 barrels per day from the U.S. in 2025, down 84% from 245,100 in 2024 and 400,000 in 2023.

It is much the same story with LNG, with China's imports from the United States dropping to 250,000 tons in 2025, down 94% from the 4.3 million tons in 2024. Asia's LNG imports from the U.S., the world's biggest exporter of the fuel, dropped to 19.08 million tons in 2025 from 29.78 million in 2024. Japan was the biggest buyer, but its U.S. cargoes slipped to 4.49 million tons in 2025 from 6.5 million in 2024.

U.S. Energy Secretary Wright making major changes

(Energy Wire; Dec. 18) - The Department of Energy is moving at a fast clip and making major changes under Secretary Chris Wright as the first year of President Donald Trump’s second term wraps up. Thousands of staffing positions have been cut. Over $11 billion in grants has been canceled. Decades-old energy-efficiency regulations have been dismantled. DOE has issued emergency orders to keep coal plants from retiring, part of its focus on fossil fuels. And it's pushing to expand the data center boom.

"It's been a massive swing," said Tom Pyle, president of the fossil-fuel-supporting, free-market group American Energy Alliance. In a heavily divided nation, the Trump agenda at DOE is triggering applause from conservatives and fossil fuel supporters and consternation among environmentalists. Climate activists and public health advocates say the department under Wright is advancing policies that raise energy prices and expose Americans to harmful pollution tied to fossil fuel emissions.

"Chris Wright has fully embraced Donald Trump's war on renewables, and that's extremely significant," said Tyson Slocum, director of Public Citizen's energy program. Wright himself is a major change-maker in the federal government and energy world. As a former CEO of fracking services company Liberty Energy, Wright is steeped in data on energy systems and a frequent guest on media outlets like Fox News. At an event last week, Trump called Wright the "greatest oil man anywhere in the world."

Consumer group blames U.S. LNG exports for higher gas prices

(Louisiana Illuminator; Dec. 19) - Prices have steadily risen for natural gas in 2025, and Louisiana finds itself at the center of the boom. A nation-leading three liquefied natural gas export facilities operate along its coast, and five more are in the construction or planning phases. But more LNG exports will mean higher U.S. utility rates, according to a report from the consumer advocacy group, Public Citizen. The nonprofit analyzed documents from the Federal Energy Regulatory Commission and determined prices are increasing for American households as U.S. gas producers export more of the fuel.

From January through September, Americans paid $12 billion more for natural gas than the same period last year. That comes to about $124 per family in higher utility bills, a 22% increase directly related to higher natural gas prices, the report notes. Natural gas prices for consumers are expected to increase an additional 16% in 2026, according to Public Citizen, which cited U.S. Energy Information Administration predictions.

U.S. LNG exports are expected to "more than double by 2037 with nearly all new export capacity located on the Gulf Coast," according to a Louisiana State University report. Analysts peg growing global demand for gas to political, industrial and environmental factors. Russia's invasion of Ukraine has led Europe to seek other sources of the fuel, which is widely preferred as a cleaner alternative to coal. The rise of artificial intelligence has caused a surge in the construction of data centers that require vast amounts of electricity that is most likely to come from power plants that run on gas.

Reduction in federal oil and gas royalty rate cuts into state revenues

(The Associated Press; Dec. 17) - A Republican push to make drilling cheaper on federal land is creating new fiscal pressure for states that depend on oil and gas revenue, most notably in New Mexico as it expands early childhood education and saves for the future. The shift stems from the law President Donald Trump signed in July that rolls back the minimum federal royalty to 12.5%. That rate — the share of production value companies must pay to the government — held steady for a century under a 1920 law. It was raised to 16.7% under the Biden administration in 2022.

Trump and Republicans in Congress say the lower 12.5% rate will boost energy production, jobs and affordability as the administration clears the way for expanded drilling and mining on public lands. States receive nearly half the money collected through federal royalties, depending on where production takes place. The environment and economics research group Resources for the Future estimates a roughly $6 billion drop in state revenues over the coming decade.

The stakes are highest in New Mexico, the largest recipient of federal lease payments. The state could lose $1.7 billion by 2035 and as much as $5.1 billion by 2050, according to calculations by economist Brian Prest at Resources for the Future. “New Mexico’s impact is way bigger than Wyoming or Colorado or North Dakota,” Prest said. “That’s where the action is on new development.” A nearly five-fold surge in oil production since 2017 on federal and state land in New Mexico delivered a windfall for state government, helping fund higher teacher salaries, tuition-free college, free school meals and more.

Developer suspends plans for Louisiana LNG export project

(Reuters; Dec. 18) - Energy Transfer said Dec. 18 it was suspending development of its Lake Charles liquefied natural gas export facility in Louisiana. The decision comes as the company has faced rising costs and amid fears of a looming global oversupply as new LNG output comes online. Energy Transfer said it will focus on allocating funds to gas pipeline projects, which it believes provide superior risk and return. Energy Transfer executives grew nervous in the final stretch of development because the company still sees itself as a pipeline operator rather than an LNG-focused company, said a source.

The company had previously said it would only give the LNG facility the financial go-ahead if it sold 80% of the project to equity partners. Lake Charles LNG, at 16.5 million tonnes per year production capacity, was planned to turn an unused import facility into an export operation.

Offtake contracting has slowed down across all LNG facilities, and contract rates on sale and purchase agreements are much lower than previous rates, squeezing margins for LNG developers, analysts said. "There is quite a bit of capacity out there, and way too many projects. Some more projects will wither away," said Uday Turaga, the founder of energy research and consulting firm ADI Analytics.

Canada’s support for LNG exports could boost two prospects

(Financial Post; Canada; Dec. 17) - Ottawa’s newly bullish tone on liquefied natural gas won’t spark a “revolution” in Canadian LNG exports, but analysts and project executives say it has improved the outlook for two major proposals. Prime Minister Mark Carney’s push to make Canada a major LNG exporter is raising expectations that at least the two projects on the federal government’s major project’s list — Shell-led LNG Canada Phase 2 and Ksi Lisims LNG — could move closer to final investment decisions.

“The mood has changed considerably and I think that gives greater confidence that at least these two projects have a bit more wind at their back now,” said Susannah Pierce, former Shell Canada president. Still, the shift is unlikely to unleash a wave of new investment in Canadian LNG after years of stalled development and ballooning project costs, said Alex Munton, head of global gas analysis for Rapid Energy Group. “We’re not talking about a revolution happening in Canadian LNG; we’re really looking at the likelihood of two more big projects,” both in British Columbia, Munton said.

Canada is slowly working through a first wave of projects totaling just under 20 million tonnes per year of LNG export capacity — primarily LNG Canada Phase 1 and two smaller projects under construction: Cedar LNG and Woodfibre LNG. By contrast, Munton pointed out, the U.S. Gulf Coast has over 200 million tonnes per year either operating or under construction. “It’s literally a factor of 10 to one,” Munton said. “That says so much in terms of the ability to get projects done. It’s just harder in Canada.”

Canada’s Montney Basin hot new shale prospect

(Reuters; Dec. 18) - U.S. oil and gas producers in search of fresh drilling territory are looking to expand in Western Canada's Montney Basin, a massive shale play that is already a hotbed of mergers and acquisitions and could see more deals soon, said executives, analysts and advisers. Extensive drilling in U.S. shale fields has made the country the world's biggest oil producer. But drilling prospects in the Permian in Texas and New Mexico, the largest U.S. oil field, are becoming less attractive as the areas left with potential for high production are shrinking. In contrast, the Montney is relatively untapped, prompting shale pioneers to look to the Canadian play for future growth.

"Everyone is hunting for inventory," said Clint Barnette, director of geology at Indigo Energy Advisors, a unit of advisory firm Efficient Markets. "Operators are broadening their horizons and trying to find inventory that can be secured for less." The Montney, which spans 50,000 square miles across northeastern British Columbia and northwestern Alberta, is currently dominated by Canadian natural gas drillers. The region produces about 10 billion cubic feet per day of gas, about 50% of Canada's total production.

Canadian companies have snapped up Montney acres in recent years as they prepare to increase supply to feed the country's new liquefied natural gas export industry. Acquiring land in the Montney is much cheaper than in the Permian. Drilling locations in the U.S. field are as much as six times the price of those in the Montney, said Michael Spyker, principal analyst at Canadian upstream advisory firm HTM Energy Partners. More than 20 private equity-backed U.S. oil and gas companies are now looking at the Montney and other Canadian oil fields in various capacities, he said.

BP choice of new CEO signals a return to oil and gas focus

(Bloomberg; Dec. 18) - Meg O'Neill's rapid rise to the top of one of the world's biggest fossil fuel companies has been unencumbered by doubt. At a moment when oil executives are still being pressed to move away from hydrocarbons, she has a different argument: The world is nowhere near done with them. BP's choice of O'Neill as CEO signaled more than a leadership change. It marked a recalibration for BP, bruised by a failed pivot toward renewable energy, years of uneven financial performance, and pressure from an activist investor to return the company to its core oil and gas focus.

O'Neill, who has led Australian oil and gas giant Woodside Energy since 2021, arrives with a reputation for operational rigor and a belief that natural gas, particularly liquefied natural gas, is a long-term necessity. To supporters, she is exactly the leader BP needs. To critics, she represents an industry choosing regression over reinvention. "Her appointment as CEO seems well-aligned with BP's reversal from green energy back to core oil and gas profitability," said Susan Sakmar, a University of Houston Law Center visiting assistant professor and expert on the oil and gas market. "Good news for BP."

She takes on the role amid a political split over energy. U.S. President Donald Trump's revived "drill, baby, drill" mantra and promises to roll back years of climate rules that, he argues, drove up energy costs, have led to a renewed emphasis on oil and gas. And while Asia is hungry for more fossil fuels, BP in Europe faces a different reality of tougher carbon-reduction mandates, stricter disclosure rules and regulatory pressures to show progress toward cutting emissions. O'Neill will have to navigate both worlds.

Developing Louisiana LNG project will be key for new Woodside CEO

(Reuters; Dec. 18) - Woodside Energy faces a leadership shake-up after CEO Meg O'Neill's surprise exit for the top job at BP, a move that comes as the Australian firm is striving to deliver key projects in a market braced for oversupply. The oil and gas producer is expected to press on with its global growth strategy, analysts say, requiring sustained investment in new assets and continuity in mature fields. Advancing its Louisiana LNG project will be crucial after delays and escalating costs in the sector.

"The key project for Woodside will be the $17.5 billion Louisiana LNG project. The new CEO will need to manage construction risk," said Joshua Runciman, an analyst at the Institute for Energy Economics and Financial Analysis. "More broadly, Woodside will need to find buyers for its LNG in a market that is seeing the first signs of a supply glut. Uncertain LNG demand growth may compound this challenge."

In a strategic move into the North American market, Woodside acquired Tellurian and its Louisiana LNG project for $1.2 billion and is seeking more equity partners to reduce capital risks, with a target of 50% overall ownership. It is also seeking supply offtakers for the project. Domestically, the new CEO will also have to ensure its local gas supply. Woodside has faced criticism for undersupplying Western Australia's gas needs.

China buys record volume of Russian LNG in November

(Bloomberg; Dec. 22) - Russia's liquefied natural gas exports to China surged to a record in November, as buyers shrugged off the risk of Western sanctions to access the cheaper fuel. Deliveries of the super-chilled gas from Russia more than doubled from a year earlier to 1.6 million tonnes, customs data released over the weekend showed. The jump saw Russia overtake Australia to become China's biggest supplier after Qatar.

Russia has turned to Asia's biggest gas market to offset declining pipeline gas deliveries to Europe, which was Moscow's biggest buyer for decades until the invasion of Ukraine. It has had to cut prices to increase its appeal — its LNG was the cheapest among the 12 suppliers to China and about 10% below the average at $9.85 per million Btu in November, the customs data showed.

China in August started importing shipments from Russa's sanctioned Arctic LNG 2 plant through its remote Beihai terminal. Nevertheless, the Russian facility has had to cut its production as winter sea ice complicates shipments. China hasn't imported U.S. LNG since February, partly because of trade conflicts and weak demand.

Japan counting on supply from LNG Canada project

(The Asahi Shimbun; Japan; Dec. 22) - Japan is banking on a Canadian project that started full-scale operation in November to supply it with liquefied natural gas for power generation and city gas customers. With the LNG Canada project in British Columbia, Japan can take advantage of its geographic location and reduced risk of stalled shipping. The Shell-led project is the first export operation in Canada. Mitsubishi holds a 15% stake in LNG Canada and has the right to take 2.1 million tonnes of LNG per year.

Other shareholders include Malaysia’s Petronas, PetroChina and Korean Gas. The plant is capable of producing 14 million tonnes of LNG a year. Gas from inland regions of British Columbia and Alberta is piped to Kitimat on the Pacific coast for liquefaction and loading aboard tankers. Mitsubishi expects the project to begin generating several tens of billions of yen in profits for the company starting in April. During a news conference on Nov. 4, Mitsubishi President Katsuya Nakanishi said the company is considering additional investments to increase the plant’s production capacity.

In Japan’s Basic Energy Plan drawn up earlier this year, the country is expected to import 74 million tonnes of LNG in 2040, up by about 10% from the current level. Nuclear power was positioned at the center of discussions for the plan. A senior economy ministry official said, “Nuclear power is the key player in the spotlight, but thermal power (mainly fueled by LNG) is the key player behind the scenes.” Mitsui is also working on a new LNG project in Mozambique to further diversify its supplies.

Japan plans more public funding to help restart nuclear plants

(Reuters; Dec. 19) - Japan is moving to unlock more public funding for its crippled nuclear power sector, which experts say is crucial to jump-starting an industry long financed by shareholder-owned utilities. In the wake of the 2011 Fukushima disaster and ensuing public fear about the industry's safety standards, Japan shut down all of its 54 reactors. Stricter rules and, in some cases, opposition from local residents has meant that only 14 of 33 units available for restarts are currently operational.

Next week, however, will mark a milestone in the sector's recovery, when Niigata prefecture lawmakers are expected to vote in favor of restarting two of seven reactors at the Kashiwazaki-Kariwa nuclear plant, the world's biggest. Last month, Japan's trade and industry ministry proposed a loan system for investments in nuclear power that could help utilities looking to upgrade safety at reactors or build afresh. Previously, public financial support was limited to allowing some investment recovery via the country's long-term decarbonization auction scheme.

In November, a ministry working group suggested public financing could provide 30% of total loans for nuclear projects and possibly more for large projects. Demand could be robust. Japan aims to double the share of nuclear power in its electricity mix to 20% by 2040 to boost energy security, contain living costs, and meet power demand set to grow by 6% over the coming decade driven by AI data centers, reversing years of decline. New Prime Minister Sanae Takaichi is a strong backer of nuclear power, seeking to ease the bill for imported fuels that fire 60% to 70% of Japan's power generation.

Israel approves large-volume, long-term gas sale to Egypt

(Bloomberg; Dec. 17) - Israel gave the green light to a deal worth 112 billion shekels ($35 billion) to supply natural gas to Egypt from 2026 to 2040, overcoming some pushback on the agreement's terms. Prime Minister Benjamin Netanyahu said in a televised statement on Dec. 17 that he had approved the agreement after his country's national interests were secured. The accord would see almost 4.6 trillion cubic feet of gas sent to Egypt, according to terms outlined in August.

The agreement will see Egypt boost its contracted purchases of pipeline-delivered gas from Israel's offshore Leviathan field, operated by Chevron. Energy Minister Eli Cohen had earlier refused to sign the export license, demanding better pricing for Israel while also citing "intense" pressure from the U.S. to seal the pact. He later said that "perception gaps have greatly reduced," indicating the deal was being finalized.

"The state's revenues from taxes and royalties thanks to the deal will stand at approximately $18 billion, and the scope of direct infrastructure investments in the economy will exceed $5 billion," Cohen said. Egypt has bought large volumes of liquefied natural gas since becoming a net gas importer in 2024 due to surging domestic demand for the fuel and declining output from its own gas fields. The supply deal with Israel might mean the North African nation can import less LNG in the future.

Lower natural gas prices in Europe may be too late to help industries

(Bloomberg; Dec. 19) - Natural gas prices in Europe have fallen close to levels not seen since Russia's 2022 invasion of Ukraine. That should be a tonic for the continent's battered manufacturers — but may be too late. Years of elevated costs have hollowed out parts of Europe's industrial core, and even the lowest seasonal gas prices since 2020 aren't enough to reopen shuttered factories. The continent's surviving businesses are contending with many new problems that cheaper energy alone can't solve.

"If you have made the decision to move production elsewhere, or move to a lower-cost jurisdiction, you're not automatically gonna move back just because of short-term changes in energy prices," said Raoul Ruparel, director of Boston Consulting Group's Centre for Growth. "Particularly when there are wider structural challenges around European competitiveness." Competition from the U.S. and China has intensified, with President Trump's new tariffs further blunting Europe's export edge. Heavy industries face global surpluses for their products and rising cost of emissions rules at home.

In chemicals, top producer BASF began in September 2024 to shut some units in Germany, while also boosting investments in China. In July, Dow announced the closure of three of its most energy-intensive European plants next year. Just last week, Thyssenkrupp Electrical Steel said it would temporarily close two plants in Germany and

France, the latter of which will only return at half capacity. The firm blamed the move on a flood of imports priced below the European Union's average production costs.

Pakistan cuts back LNG imports amid weaker demand

(The Express Tribune; Pakistan; Dec. 20) - Qatar has agreed to cancel contracted liquefied natural gas cargoes to Pakistan, prompting the Pakistani government to reopen previously shut-in local gas wells from January 2026. The gas fields were earlier shut down to cope with the surplus of LNG imports coming into the country. Government sources said Qatar has now agreed to cancel 24 LNG shipments for 2026. Amid rising renewable energy generation and lower industrial gas demand, Pakistan has taken steps to reduce its LNG purchases, resulting in a surplus of imported gas.

Ministry of Petroleum sources said the surplus LNG had forced the closure of local wells producing 200 million cubic feet per day. The LNG surplus resulted from reduced use of imported gas by the power sector. In 2026, Pakistan plans to import 85 LNG cargoes from Qatar, down from the previously planned 120. According to ministry sources, a total of 35 cargoes will be cancelled, including the 24 from Qatar plus 11 from Eni.

Lower gas consumption by power plants and self-generating industrial facilities has led to a gas surplus, leaving the system substantially oversupplied for the first time in years. The surplus has forced Pakistan to sell gas at discounts, cut domestic production and consider offshore storage or resale of surplus LNG cargoes, government presentations seen by Reuters indicate.

Report cites increase in sanctioned vessels on Northern Sea Route

(High North News; Dec. 18) - A new report by the Bellona Foundation, an international environmental NGO based in Oslo, has found that during the past year 100 sanctioned vessels, often aging and poorly insured, have used Russia's Northern Sea Route. That's up from 13 during 2024. The numbers highlight how Russia's hopes of turning its Arctic shipping lane into an international route for Western operators have all but evaporated. Nearly a third of cargo ships in 2025 were part of the sanctioned shadow fleet.

The report emphasizes that these vessels sail under false flags, disengage their AIS transponder in violation of international safety standards and frequently carry insufficient insurance. "All of which boosts the risk of accidents in the vulnerable Arctic environment," the Bellona research warns. In addition, the majority of vessels are not ice-class, further enhancing the risk of accidents.

This hazard is especially relevant to oil tankers. Bellona counted 38 sanctioned oil tankers passing through the Arctic this year, of which 13 did not have any or only low ice-classification. More than half of the tankers were older than 15 years, the age that reputable operators traditionally scrap their vessels. Several were also noted to have disengaged their AIS location transponders, further increasing the risk of collisions.

Shadow fleet now moves about 70% of Venezuela's oil

(Wall Street Journal; Dec. 17) - Venezuela has long used the same playbook as Russia and Iran to get around crippling American sanctions on its oil industry, tapping a shadowy fleet of aging vessels to carry crude to customers. President Trump's partial oil blockade threatens to devastate this black market. Such tankers account for about 70% of Venezuela's oil exports, mostly sent to Asian buyers who pay in cryptocurrencies, Venezuelan economist Asdrúbal Oliveros said on the country's public radio on Dec. 17.

Losing access to that network of ships would reduce Venezuelan revenue by some $8 billion a year, Oliveros estimated. Some sanctioned tankers have already turned around to avoid the U.S. Navy flotilla in the Caribbean, which already seized one vessel last week. About 75 tankers are loitering in Venezuelan waters, and half are on Treasury's blacklist for sanctions violators, according to TankerTrackers.com. About two dozen are typically used to export crude oil.

Venezuela pumps about 900,000 barrels of oil a day, far from its peak 3.5 million barrels a day in the late 1990s. Now, the only non-sanctioned oil leaving the country is shipped by Chevron, which has a narrow exemption from U.S. restrictions. To ship oil, Venezuela taps into what is called a shadow fleet of 900 vessels that was pioneered by Iran when it came under sanctions and then by Russia after the Ukraine war began. The network uses old tankers that sometimes falsely run under a country's flag, conduct ship-to-ship crude transfers to conceal its origin and turn off transponders that give their locations.

Chevron could benefit — or suffer — from actions in Venezuela

(Bloomberg; Dec. 20) - For almost two decades, Chevron's stubborn persistence in Venezuela looked like folly: with billion-dollar investments constantly under threat from the tug-of-war between Caracas and Washington D.C. Now, however, that strategy has placed the world's biggest petroleum prize within Chevron's reach. As tensions mount between Venezuela and the U.S., Chevron remains the only global oil company with access to the country's immense crude reserves — the largest known.

Should U.S. President Donald Trump attack and overthrow the government, no company would be better positioned to help rebuild the country's battered oil industry. Should Trump and Venezuelan President Nicolas Maduro strike a deal, the country would need to export as much oil as possible to generate cash — again benefiting Chevron. The company's unique position carries big risks if hostilities break out.

Chevron could still find itself shut out of the country by either Maduro or Trump, a fate that has befallen multiple foreign oil companies in Venezuela over the years.

But both Trump and Maduro have reason to see Chevron as a useful ally, and neither side has moved to halt the company's operations during the current standoff. As of Dec. 18, Chevron was preparing to export 1 million barrels of Venezuelan crude, according to Bloomberg tanker tracking — a day after Trump labeled the country's government a "foreign terrorist organization." Chevron produces about 200,000 barrels a day from multiple joint ventures with Venezuela's national oil company and exports its share of production to U.S. refineries on the Gulf Coast.