

Oil and Gas News Briefs

Compiled by Larry Persily

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Europe's green transition not going as planned

(Wall Street Journal; Dec. 1) - European politicians pitched a green transition to voters as a win-win: Citizens would benefit from green jobs and cheap, abundant solar and wind energy alongside a sharp reduction in carbon emissions. Nearly two decades on, the promise has largely proved costly for consumers and damaging for the economy. Europe has succeeded in slashing carbon emissions more than any other region — by 30% from 2005 levels, compared with a 17% drop for the U.S. But along the way, the rush to renewables has helped drive up electricity prices in much of the continent.

Germany now has the highest domestic electricity prices in the developed world, while the U.K. has the highest industrial electricity rates, according to a basket of 28 major economies analyzed by the International Energy Agency. Average electricity prices for heavy industries in the European Union remain roughly twice those in the U.S. and 50% above China. Energy prices have also grown more volatile as the share of renewables increased. It is crippling industry and hobbling Europe's ability to attract key economic drivers like artificial intelligence, which requires cheap and abundant electricity.

The shift is adding to a cost-of-living shock for consumers that is fueling support for anti-establishment parties which portray the green transition as an elite project that harms workers. Energy analysts say it makes strategic sense for a continent that lacks the oil and gas riches of the U.S. and other regions to diversify its energy sources. In some cases like Spain, blessed with lots of sunshine, or Nordic countries, with ample hydro power for when its wind farms fall silent, the transition looks promising. But in much of the region the transition is at risk of backfiring, adding to economic stagnation.

Europe is loosening its opposition to new oil and gas exploration

(Reuters commentary; Dec. 1) - European countries are loosening their strict opposition to new oil and gas drilling, reversing years of climate-driven resistance to fossil fuels as governments seek to reduce a heavy reliance on costly energy imports, including from the U.S. The change in tack in Greece, Italy and Britain reflects a new paradigm shaped by the 2022 energy price shock: It's an acceptance that fossil fuels — natural gas in particular — will remain a key part of the energy mix for decades, even as the region also builds out renewables capacity to slash greenhouse gas emissions.

The European Union depends on gas imports for 85% of its needs, according to Eurostat, compared with a peak domestic production of 50% of demand in the 1990s.

Since Russia's full-scale invasion of Ukraine in 2022, Europe was forced to replace at a huge cost its reliance on Russian pipeline oil and gas with imports of liquefied natural gas and crude, primarily from the U.S., which now supplies 16.5% of the EU's gas.

Developing new domestic production would allow Europe to reduce its reliance on gas imports and potentially benefit from lower energy costs. The change is stark in Greece, which in November issued its first offshore oil and gas exploration license in over four decades to a consortium of Exxon Mobil, Energean and Helleniq Energy. "It's a big change in policy for Greece that has shifted from 'we don't want hydrocarbons, only renewables,' to a new narrative that exploration for gas is key for energy security," said Mathios Rigas, the CEO of Energean, which will lead the exploration campaign.

Greece hopes to develop a large offshore gas prospect and export gas to other European markets. In Italy, the government is considering reviving offshore oil and gas exploration which was suspended in 2019. In Britain, the government has loosened its strict ban on new exploration in the North Sea to allow companies to boost production in existing fields. A major oil discovery in Poland earlier this year also sparked renewed interest in the country's offshore prospects.

[Opponents lose lawsuit to stop U.K. oil and gas exploration licenses](#)

(Reuters; Nov. 28) - Britain's decision to issue more than two dozen oil and gas exploration licenses was lawful, London's High Court ruled on Nov. 28, dismissing a challenge by campaigners who said the government failed to consider the impact on climate change. Marine conservation organization Oceana UK brought the case over 28 licenses granted in May 2024 under Britain's previous government. Oceana also argued that the government did not properly assess the risk to protected marine life.

Britain's energy department — which did not defend similar cases after a 2024 Supreme Court ruling — opposed the latest case, saying the licenses only allow early exploration, and further assessments would be carried out before oil or gas is produced. Oceana's case, which was heard in March, was the latest challenge over fossil fuels to reach court, as environmental campaigners increasingly turn to the law to try to tackle climate change, with mixed success.

The licenses were issued as part of the North Sea Transition Authority's oil and gas licensing round and grant their holders the right to search for fossil fuels. An exploration license does not necessarily lead to production, though Oceana's lawyers said in court filings that they provide "a clear pathway toward extracting oil and gas." Its lawyer, Zoe Leventhal, said the wider impact should be considered at the initial licensing stage, when the authorities can assess "all the sites across all the areas at the same time."

New OPEC+ quota system may help boost investment, production

(Reuters commentary; Dec. 2) - Changes OPEC+ is making to its oil production quota system will likely spark a wave of upstream investments among members, particularly in low-cost Gulf producers, diminishing concerns of long-term supply shortages. OPEC and other major producing nations, including Russia and Kazakhstan, collectively known as OPEC+, approved on Nov. 30 a new mechanism to assess members' maximum production capacity, which will be used to set output baselines from 2027.

Saudi Energy Minister Prince Abdulaziz bin Salman said the new mechanism will help to stabilize markets and reward investment in production. OPEC+ accounts for nearly half of the world's oil supply of 106 million barrels per day in 2025. The new capacity assessment will be done between January and September using a reputable U.S. auditor. It will involve a review of each country's oil fields and infrastructure to assess how much oil it can bring onstream within 90 days and maintain for one year.

Members' capacities — which will represent an equal percentage of capacity for each member — will be approved in November 2026, when OPEC+ will also agree on its 2027 output quotas. The mechanism will be reviewed on an annual basis. The system appears primed to spark a wave of investments among members wanting to increase their own production and revenue. It nevertheless favors wealthy members that have low development and production costs such as Saudi Arabia, UAE and Kuwait.

However, it puts members whose oil is concentrated in more expensive geological structures or offshore, such as Nigeria and Kazakhstan, at a disadvantage as they will require more time and money to grow capacity. But, overall, it will encourage investment in the oil market that could lead to increased supplies and keep prices relatively low.

Dallas-based consultant will review OPEC+ production capabilities

(Bloomberg; Dec. 1) - OPEC+ set out its methodology for a sweeping review of how much oil members will be capable of pumping in the years ahead, turning to a Dallas-based consultant for help. The Organization of the Petroleum Exporting Countries and its partners launched the latest audit in May, in an effort to align output quotas more closely with members' actual abilities. The updates would take effect in 2027. They will use Dallas-based DeGolyer and MacNaughton Corp. for the majority of the work.

The question of “maximum sustainable capacity” is a delicate one for the alliance, as some countries — like the United Arab Emirates and Iraq — have expanded their production capacity, while others are struggling to stop their capacity from declining. It's also an increasingly pressing one. Oil markets are shifting to oversupply that threatens further downward pressure on prices and could compel OPEC+ to make new production cutbacks next year. More realistic quotas would make such curbs more credible.

DeGolyer and MacNaughton, a leading consultant on petroleum engineering, audited Saudi Aramco oil reserves in 2019 while the kingdom's state-run giant prepared for its initial public offering. While the consultant will review most of OPEC+'s 22 members, an Indian firm will be selected for Russia and Venezuela, delegates said, and a different assessment method will be applied to Iran. The three countries — all subject to some form of Western sanctions on their oil trade — had raised reservations on letting certain foreign firms scrutinize their respective energy industries, delegates said last week.

OPEC+ wise to sit back and watch how market plays out

(Reuters commentary; Dec. 1) - At first glance, the decision by OPEC+ to leave oil output levels unchanged for the first quarter of 2026 could be viewed as confirmation that the group is concerned about a looming supply glut. It was widely expected that the eight OPEC+ members undertaking voluntary oil output cuts would stick to their plan of leaving production levels unchanged for the first three months.

The language in the statement Nov. 30 is familiar, but so are the issues around OPEC+'s view that the market is in a good place. The consensus is that the market is facing a series of issues, some of which are pulling prices in different directions. Much of the expected glut is from sanctioned exporters Russia, Iran and Venezuela. It's also likely that much of this oil is currently being stored on vessels at sea. This means that while the oil may be physically present, it's not necessarily available to be refined.

The market is also having to balance the reality of tightness of unsanctioned crude oil and refined products with the hope that this will be alleviated by some sort of peace deal in Ukraine, which would free up sanctioned Russian oil. There is also the question as to whether previous buyers of Russian crude and products, especially those in Europe, would be willing to go back to buying from Moscow.

Amid all the uncertainty surrounding the outlook for the oil market, the only sensible course of action for OPEC+ was to sit tight. The market consensus is that OPEC+ won't need to increase output in 2026 and may even need to cut back. But much will depend on the interplay between sanctioned crude and products and unsanctioned oil, a factor currently complicating the true state of global supply, demand and inventories.

Rising natural gas prices drive U.S. utilities to burn more coal

(Reuters commentary; Dec. 3) - Benchmark U.S. natural gas prices are ending 2025 in the manner that they began — with a strong rally. And that's bad news for people hoping for further cuts to U.S. coal consumption. Between January and March, U.S. gas prices jumped by a third due to a cold snap and strong demand for LNG exports, which in turn

sparked higher U.S. coal-fired power generation as utilities cut costs by burning cheaper coal instead of gas. A similar pattern seems to be unfolding as 2025 winds down.

Coal-fired generation is on the rise and gas-fired output is getting pared back as gas prices approach three-year highs and strain the budgets of power suppliers. Once again, cold temperatures and record exports of liquefied natural gas are major drivers of the gas-to-coal switching. As coal-fired generation emits around 75% more carbon dioxide per kilowatt hour of electricity than gas-fired generation, per data from Ember, U.S. power sector emissions are bound to climb with rising coal output.

But with utilities under pressure to keep costs in check while ensuring electricity meets demand, many utilities will view higher emissions as a necessary part of ensuring reliable power this winter. Since the end of September, benchmark U.S. gas futures have climbed by more than 40% on a combination of rising gas use for heating and sustained strength in LNG exports. So far this week prices have surpassed \$4.90 per million Btu and are targeting \$5 for the first time since late 2022. That price environment may only further encourage cuts to gas generation and greater reliance on coal.

U.S. LNG exports in November reach another record high

(Reuters; Dec. 1) - U.S. liquefied natural gas exports hit an all-time monthly high in November for the second straight month, driven by cooler weather and robust output from the country's two largest producers, preliminary data from financial firm LSEG showed on Dec. 1. The U.S., the world's top LNG exporter, shipped 10.9 million tonnes last month, up from 10.1 million tonnes in October despite having one fewer day in the month, according to LSEG data.

Cheniere Energy, the largest U.S. LNG exporter, boosted shipments to 4.6 million tonnes from its two Texas plants, compared with 4.1 million in October. Venture Global, the second-largest exporter with two plants in Louisiana, held steady at 3 million tonnes in November, LSEG ship-tracking data showed. LNG plants typically run more efficiently in cooler weather. The average along the Gulf Coast was about 8 degrees Fahrenheit lower in November than in October, according to the U.S. National Weather Service.

Surging LNG exports pushed U.S. gas demand for liquefaction to a record 18 billion cubic feet per day in November; it topped 19 bcf a day for the first time last week. Europe took 70% of U.S. LNG exports in November, up from 69% in October. Exports to Asia fell to 16% of the total, as spot-market demand in Northeast Asia remained weak.

Hokkaido governor approves Japan's latest nuclear plant restart

(The Asahi Shimbun; Japan; Nov. 29) - Hokkaido Gov. Naomichi Suzuki on Nov. 28 said he would allow resumption of operations at the Tomari nuclear plant No. 3 reactor. His statement to the Hokkaido assembly came after the reactor passed a safety screening by Japan's Nuclear Regulation Authority and consent was given by the mayors of Tomari, which hosts the plant, and three other municipalities in the area.

The governor is expected to visit Tomari and the nuclear plant and allow further discussions within the Hokkaido assembly before formally announcing his approval early in December. Hokkaido Electric Power, operator of the nuclear plant, aims to resume operations in 2027 after construction of a tide embankment is completed. That is the same year Rapidus, Japan's leading semiconductor startup, plans to open a factory in Chitose, Hokkaido.

Hokkaido Electric forecasts savings from restarting the Tomari plant and reducing use of its thermal plants that are increasingly expensive to run due to fuel costs. Hokkaido has the highest electricity rates in the nation, with families spending an average of 9,335 yen (US\$60) a month for power. Hokkaido Electric said families would see a monthly decrease of about 1,000 yen in their bills once the plant resumes operations.

Asia on track for first annual decline in LNG imports since 2022

(Reuters commentary; Nov. 2) - Asia's imports of liquefied natural gas flatlined in November, putting the top-buying region of the fuel on track to record its first annual decline in three years. Much of the blame for the soft outcome can be laid at the door of China, which may lose its status as the world's top LNG importer to previous champion Japan. While China has increased its output of domestic natural gas and imports via pipelines from central Asia and Russia, elevated spot prices for LNG that have persisted for much of the year are likely the largest factor in the drop in imports.

Asia imported 22.99 million tonnes of LNG in November, a whisker above the 22.97 million in October and slightly higher than the 22.66 million in November last year, according to data compiled by commodity analysts Kpler. Imports are expected to rebound in December, with Kpler estimating arrivals of 26.86 million, a figure that is likely to be revised higher as more cargoes are assessed. But even with a strong December, Asia's LNG imports are expected to drop to around 276 million tonnes in 2025, down from 287.8 million in 2024 and the first annual decline since 2022.

China's imports this year are estimated at around 64.6 million tonnes, down from 78.27 million in 2024 and the weakest since 2022, according to Kpler data. That estimate is also under the 65.62 million predicted for Japan this year. India, Asia's fourth-largest LNG importer and another price-sensitive buyer, is also on track for weaker arrivals in 2025, with Kpler estimating 24.68 million tonnes, down from 26.6 million in 2024.

Netherlands, U.K. both withdraw financing help for Mozambique LNG

(Reuters; Dec. 2) - Britain and the Netherlands are withdrawing a combined \$2.2 billion in support for the TotalEnergies-led Mozambique LNG project, they said in separate statements on Dec. 1, after both hired firms to probe human rights concerns surrounding the development. Britain's government said it was rescinding its \$1.15 billion backing for the project after promising in 2020 a \$300 million loan and insurance worth about \$700 million for the \$20 billion project via UK Export Finance (UKEF).

The Dutch government said Total had withdrawn a \$1.1 billion insurance request for the project. Atradius Dutch State Business authorized \$1.3 billion in insurance in two policies, the larger of which has been rescinded at Total's request, the Dutch finance ministry said. Construction was halted in 2021 due to an Islamist insurgency. Total lifted force majeure on the work in November but made a restart conditional on Mozambique government approval of a new budget, which the president said he may dispute.

"It is the view of His Majesty's Government that these risks have increased since 2020," the British business minister said. The U.K.'s interests "are best served by ending our participation in the project." Jihadist attacks have been back on the rise in Mozambique, with Total bringing in workers and equipment by air and sea for security reasons. The Dutch finance minister said Total asked to cancel part of its insurance on Nov. 24, as a human rights review ordered by the ministry was being finalized. "This means that the Netherlands will no longer be involved in financing the project," the statement reads.

Mozambique LNG partners put up more equity to cover lost financing

(Reuters; Dec. 2) - French oil major TotalEnergies and its fellow partners on the \$20 billion Mozambique LNG project have agreed to provide additional equity to replace the previous contributions of British and Dutch export credit agencies, it said on Dec. 2. The U.K. and Dutch agencies represented about 10% of the \$15.4 billion in external financing initially obtained for the 13-million-tonne-per-year project, Total said.

The project has been mired in security, finance and human rights issues. Jihadist attacks in the region forced a four-year construction freeze from 2021 while soldiers sought to quell the insurgency, with methods often criticized by observers. On Dec. 1, Britain's government said it would rescind \$1.15 billion in loans and export insurance, saying the project was too risky. The Dutch government announced Total had opted to cancel an insurance request with its export credit arm, just as the Netherlands was finalizing a decision whether to withdraw based on an independent human rights review.

Total said that following the lifting of force majeure on the project last month, the partners opted to move ahead without support of the Dutch and U.K. finance agencies. "The Mozambique LNG partners have unanimously agreed to provide additional equity to replace the ... contributions," Total said. Financing agreements with remaining

lenders have been amended to reflect the four-year freeze and new project schedule. The partners are TotalEnergies, Japan's Mitsui, Mozambique's state-owned ENH, Bharat Petroleum, Oil India, ONGC Videsh and Thailand's PTTEP.

Eni expects start-up of second floating LNG unit in Republic of Congo

(Reuters; Dec. 2) - Italian energy group Eni said on Dec. 2 it started the second phase of its liquefied natural gas development in the Republic of Congo ahead of schedule, adding that the export of its first cargo from its second floating production unit is expected in early 2026. The new liquefaction unit, named Nguya, brings the development's total capacity to 3 million tonnes per year of LNG. The 1,233-foot-long unit was built in China. It joins the Tango, which started shipping LNG in 2024. Partners in the offshore leases and LNG development include Eni, the Congo's national oil and gas company, commodity trader Vitol and Russia's Lukoil.

TotalEnergies plans synthetic methane plant with Japanese partners

(Reuters; Dec. 2) - French oil major TotalEnergies and its partner Tree Energy Solutions (TES) will jointly develop synthetic methane with Japanese firms Osaka Gas, Toho Gas and Itochu at a facility in Nebraska, it said on Dec. 2. Osaka and Toho gas companies will be the main offtakers, or contracted buyers, of the synthetic gas, as part of a goal to inject 1% of syn gas into Japan's gas grid by 2030 and reduce emissions.

Methane — also known as natural gas — is usually produced from underground wells, but can be chemically formed as well. When burned, synthetic methane emits greenhouse gases but is considered less polluting due to its cleaner production process and reuse of carbon dioxide. A final investment decision is expected in 2027 on the Nebraska facility, with startup in 2030.

"The Live Oak project will leverage Nebraska's abundant biogenic CO2 resources, captured from bioethanol plants, and the growing renewable power generation capacity in the United States," TotalEnergies said in a statement. Total and TES will each hold 33.35% of the project, with the Japanese firms together holding the remaining 33.3%.

Argentina strikes first long-term contract to sell LNG

(Bloomberg; Dec. 1) - Argentina has secured its first agreement for long-term sales of liquefied natural gas, a key step in its bid to become a global supplier of the fuel as drilling ramps up in its Vaca Muerta shale patch. A consortium of gas producers led by

Pan American Energy, which is 50% owned by British supermajor BP, agreed to sell up to 2 million tonnes a year of LNG to Germany's state-owned SEFE for eight years.

The deal, which still needs to be finalized, is "a key milestone for the future development of the Vaca Muerta gas resources," Pan American's Rodolfo Freyre, who heads the consortium called Southern Energy, said. The LNG would start going to Europe in late 2027, covering most of the capacity of Southern Energy's first floating liquefaction unit, which is being provided by Golar LNG. Golar will station a second unit with Southern Energy about a year later, boosting total annual LNG capacity to about 6 million tonnes.

The agreement is further validation of Argentina's shale ambitions. While oil and gas output in the Vaca Muerta are booming, the outlook for gas has been more complicated given the larger infrastructure investments and long-term supply deals required to become an exporter. A second project, led by state-run YPF, hasn't yet been officially green-lighted. If it does go ahead, India has expressed interest in being a buyer.

EU agrees to totally phase out Russian gas, but there are dissenters

(Reuters; Dec. 3) - The European Union agreed on Dec. 3 to phase out Russian natural gas imports by late 2027 as part of an effort to end the bloc's decades-long dependency on Russian energy, though legal challenges from its members already loom. Representatives for EU governments and the European Parliament reached an agreement on proposals set out by the European Commission in June to end shipments from the EU's former top gas supplier following Russia's invasion of Ukraine in 2022.

Under the agreement, the European Union will permanently halt the import of Russian gas and move toward a phase-out of Russian oil. Liquefied natural gas imports will be phased out by the end of 2026 and pipeline gas by the end of September 2027. "Today, we are stopping these imports permanently. By depleting Putin's war chest, we stand in solidarity with Ukraine and set our sights on new energy partnerships and opportunities for the sector," Commission President Ursula von der Leyen said in a statement.

Hungary will challenge the legislation at the EU's Court of Justice on the grounds the measure was wrongfully disguised as a trade policy to circumvent the unanimous voting required for sanctions, its foreign minister said. Slovakia is also weighing legal options against the EU order, as the countries are both highly reliant on Russian gas and oil and fearful that more costly alternatives will damage their economies. As of October, Russia accounted for 12% of EU gas imports, down from 45% before its 2022 invasion of Ukraine, with Hungary, France and Belgium among the countries still receiving supplies.

Russian oil taking a longer time to reach customers

(Bloomberg; Dec. 2) - Moscow is struggling to deliver crude cargoes in the face of U.S. sanctions, with volumes at sea increasing by a fifth in three months. While Russia has maintained shipments above 3 million barrels a day, offloading has proved more difficult. The average voyage time, from loading to discharge, for the flagship ESPO grade from Kozmino on the Pacific coast to Chinese ports rose to over 12 days for ships loading in November. That was up from an average of just over eight days in August.

The delays have led to a sharp increase in the amount of Russian oil on tankers at sea, which topped 180 million barrels at the end of November, up by 21% over the past three months. In addition to vessels idling for long periods, some are taking longer routes. At least two Urals-filled tankers are rounding the Cape of Good Hope toward Asian destinations, rather than taking the shorter route through the Red Sea. Others have diverted from their initial destinations on the west coast of India, lengthening journeys.

The build-up in Russia's crude at sea comes as flows rose for the first time in six weeks. Moscow shipped 3.46 million barrels a day in the four weeks to Nov. 30, according to data compiled by Bloomberg, up by about 210,000 for the period to Nov. 23. It was the first increase since the U.S. announced sanctions on production giants Rosneft and Lukoil in mid-October. The surge in flows was offset by the ninth straight drop in prices, leaving the value of Moscow's seaborne exports at the lowest since January 2023.

Canada wants to boost output before selling equity in oil pipeline

(Bloomberg; Dec. 1) - The Canadian government will likely look at selling equity in the government-owned Trans Mountain oil pipeline only after steps are taken over the next few years to maximize its output, Energy Minister Tim Hodgson said. The government bought the pipeline in 2018 to ensure a major expansion was built. The work ballooned in cost to about C\$34 billion (\$24.3 billion), but it opened last year and roughly tripled the pipeline's capacity to bring crude oil from Alberta to a port near Vancouver.

Former Prime Minister Justin Trudeau, who oversaw the purchase, said the government did not intend to be the long-term owner of Trans Mountain and would seek to sell it to the private sector, with a significant equity stake likely being gifted to Indigenous groups along the pipeline's path. Mark Carney succeeded Trudeau as prime minister in March, and his government will likely wait until tolling rates are settled and other projects are built to further expand Trans Mountain's flow capacity, Hodgson said in an interview.

Shippers have disputed the pipeline tolls as too expensive, arguing they shouldn't be held responsible for the project's cost overruns. The dispute may not be settled until late 2026 or early 2027, Mark Maki, Trans Mountain's CEO, said. The government would want clarity on the tolls "so that uncertainty doesn't depress a sale price," Energy Minister Tim Hodgson said. Trans Mountain is also looking at multiple "optimization

projects” that could raise the system’s capacity to about 1.25 million barrels per day, up from a maximum of 890,000 per day today.

Delays in unloading at Egyptian port tie up LNG tankers

(The Maritime Executive; Dec. 1) - Delays in unloading liquefied natural gas cargoes at Ain Sokhna in Egypt are exacerbating the shortage of LNG tankers in the Atlantic. Ain Sokhna lies on the western coast of the Red Sea, 30 miles south of Suez. Besides its LNG facilities, Ain Sokhna has container, bulk, and general cargo terminals.

Historically, Egypt has been a net exporter of LNG, although it began importing some LNG in 2015. But from 2024 onward, imports of LNG rose substantially, as gas output from existing fields declined and domestic consumption rose. In the first nine months of 2025, Egyptian LNG imports were up by more than 50% in comparison with 2024. In 2025, Egypt plans to import up to 160 shipments. The level of deliveries makes Egypt the biggest importer of LNG in the Middle East, surpassing Kuwait.

But in the meantime, delays in unloading at the Ain Sokhna terminal in recent weeks have seen tankers waiting at anchor off the terminal for berthing spaces for between 10 to 15 days, industry sources report. With Atlantic LNG freight rates peaking at \$146,750 per day on Nov. 28, the highest for the year to date, the cost of extended ship chartering time clearly impacts gas prices. But the delays also have a knock-on effect, increasing shipping rates and reducing tanker availability in the Atlantic.