Oil and Gas News Briefs
Compiled by Larry Persily
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Exxon-led consortium continues adding to Guyana oil production

(Reuters; Feb. 12) – An ExxonMobil-led coalition has requested environmental permits from Guyana for its eighth project, the first that will produce gas not linked to oil, and to explore another well at its massive offshore block, the head of the U.S. major in Guyana said Feb. 12. The group is getting ready for an active year in the South American nation following upgrades that boosted the capacity of two of its three floating facilities and with the expected arrival of a fourth vessel to expand total capacity to about 940,000 barrels per day, Alistair Routledge, president of Exxon Guyana, said in a press conference.

The consortium, which includes Hess and China National Offshore Oil Corp., is responsible for all production in Guyana. It aims to lift capacity to more than 1.7 million barrels per day by the end of 2029 after its first seven offshore projects are online, Routledge said. In 2030, the eighth project is expected to add up to 250,000 barrels per day of oil production capacity and 1 billion cubic feet per day of gas production, he said.

Guyana has been pressing Exxon to produce and deliver gas, part of the government's strategy to rely on the fuel for power generation, to industrialize the country and to begin petrochemical and liquefied natural gas businesses that can expand revenue. The Exxon-led consortium recently completed a long-awaited appraisal of its gas resources, which will allow a more accurate calculation of total resources available for output, said Routledge. "All of that data is now being put back into the geologic models, reservoir models, in order to inform us of what sort of upstream development might be possible."

Mexican crude coming to U.S. refineries with too much water

(Bloomberg; Feb. 10) – U.S. oil refiners along the Gulf Coast are snubbing shipments from Mexico and instead turning to Colombia and Canada amid complaints that Petroleos Mexicanos is increasingly delivering crude that's unfit to make gasoline and diesel. Refiners in Texas and Louisiana are demanding discounts and complaining about the high water content in crude coming from Mexico, according to sources. That's upending flows of crude that the processors have relied on for the past half century.

U.S. fuel makers are in a state of alarm as Mexico is the largest supplier of crude to the country after Canada. The situation comes as Mexico's state oil company, known as Pemex, struggles to make good on payments of $20 billion owed to suppliers of chemicals and equipment necessary to make its oil fit for refinery consumption. Flagship

Maya crude is being delivered with as much as 6% water content, or six times more than the industry standard, the people said.

That means when a refiner buys a standard cargo of half-a-million barrels, around 30,000 barrels are water, or the equivalent to almost $2 million, according to Bloomberg calculations. Poor-quality supplies are adding to a slew of concerns for U.S. oil refiners as they also contend with the impact from tariffs and plunging oil flows from Mexico that last month slumped to a 35-year low. U.S. refiners are scouring for alternative sources and tapping shipments from Canada and Colombia instead, sending prices higher. Too much water slows down refining because fuel makers need to pre-treat the crude.

U.S. tariff threats push Canada to find new ways to get oil to market

(CBC Canada; Feb. 9) - The prospect of a trade war with the United States has forced businesses on the Canadian side of the border to consider how to reduce their reliance on what used to be their most reliable partner as both an export market and a source of all manner of goods. This includes Canadian oil exports. Alberta sends approximately 85% of the oil it produces to the U.S. for processing and consumer use, according to that province. Mike Moyes, Manitoba's environment and climate change minister, said there is renewed interest in finding new ways to get Canadian oil to other markets.

Even some Canadian-bound oil flows through the United States along Enbridge's Line 5 pipeline, which runs through southern Manitoba and a corner of North Dakota into Minnesota, Wisconsin, Michigan and eventually southern Ontario. The sudden prospect of the U.S. turning off that tap — something Michigan's governor once attempted to do — or reducing Canadian exports through 10% tariffs has immense implications.

This has Canada suddenly considering its short- and long-term export and transport options for an industry that will still be around for a few more decades. That includes breathing some life into an idea that sounded fanciful mere months ago: Transporting oil across the northern Manitoba muskeg and filling tankers at a port on Hudson Bay. To be clear, this is an environmentally fraught idea with a price tag likely in the billions and logistics that can charitably be described as implausible. But at this particular moment, nothing is off the table, including this once-fantastical sounding proposal.

New England gets 80% of its gasoline and diesel from Canada

(New Hampshire Public Radio; Feb. 8) - President Donald Trump has agreed to pause tariffs on Canada and Mexico for 30 days. But if tariffs on Canadian goods take effect — including a proposed 10% tariff on energy — New Hampshire residents may see higher costs for heating their homes this winter. Irving Oil, which operates Canada’s largest

refinery and delivers heating oil and propane across northern New England, said on Feb. 9 that the tariffs would increase prices for their customers and hurt the economy.

The potential impacts of tariffs on Canadian exports underscore the reliance New England has on its northern neighbor to provide fuel. Fuel oil is New Hampshire's top Canadian import. The New England-Canada Business Council says 80% of the region's gasoline and diesel come from our northern neighbors. Ninety percent of the jet fuel used at Boston Logan International Airport comes from Canada.

Alec O'Meara, a spokesperson for a New England gas and electric utility company Unitil said it's too soon to know how tariffs would affect their rates. New Hampshire's largest utility company, Eversource, said the same. But, O'Meara said, New England is uniquely reliant on energy imports; 70% of the fuel for Unitil's natural gas customers comes from Canada. "New England is unique to the rest of the United States in that there is a bit of a bottleneck when it comes to pipelines coming in from domestic supply," he said. "As a result of that, our region is uniquely more reliant on the global market as a whole."

Canada could use energy as leverage in dealing with Trump

(Bloomberg columnist; Feb. 10) - Canada is in that awkward position where a usually friendly, if erratic, neighbor has suddenly started hammering on the walls. Should it politely ask them to lay off, or bang back? In dealing with President Donald Trump's threat of U.S. economic warfare, Canada's approach is especially tricky when it comes to the biggest battlefield: energy. Canada's energy exports to the U.S., especially oil, flip what would otherwise be a U.S. trade surplus to a deficit that annoys Trump.

The two countries' oil industries are tethered together by pipelines in a peculiarly symbiotic, and rewarding, relationship. Canada has limited outlets for its oil exports other than U.S. refiners in the Midwest, and those same refiners lack other options for getting the heavy, sour crude oil they like and which Canada produces in large quantities. This is energy codependence. That means if Trump imposes his threatened, if delayed, tariffs, some of the burden will blow back on the U.S.

Thus, energy offers Ottawa its most obvious potential source of leverage. This is especially obvious because Trump, ever the artful dealmaker, signaled so by setting a lower tariff for Canadian energy, 10% rather than the 25% level for other imports. That betrayal of nervousness offers a rationale for Canada to brandish the energy weapon. Thus far, Canada has played Trump's game well, offering cosmetic concessions in return for a delay. But if tariffs do materialize, calls to punish the U.S. will intensify.

Japan considers Alaska LNG — if it is economic

(S&P Global; Feb. 10) - Japan will consider importing U.S. LNG, including from Alaska, should supplies come online and prove economic compared with alternative sources, a Japanese government source told S&P Global Commodity Insights Feb. 10. "At the end of the day, if LNG is really delivered from Alaska (to Japan), it would be considerably competitive," the source said, referring to an estimated shipping time of around eight days. Japanese refiners also are assessing the economics of Alaska North Slope oil.

"If (Alaska gas) does get produced and transported to a liquefaction point for LNG at a competitive price, this will be favorable for Japan compared with LNG supply from other countries," the source said. "However, we must scrutinize whether it can be realized in the end by carefully looking at development situations. … We must accept that developments there (Alaska) have historically been difficult, as a matter of fact."

Japan imported 6.34 million tonnes of U.S. LNG in 2024, accounting for 9.6% of the country's total LNG imports of 65.89 million, according to data from the Ministry of Finance. When asked whether it would boost U.S. LNG volumes, a spokesperson for JERA — Japan's largest power generation company — said it will intensify efforts to diversify its LNG supply portfolio following last week's U.S.-Japan summit meeting.

A key to proceeding with development of any gas project depends on detailed project costs and its economic competitiveness, even after considering environmental and greenhouse gas control aspects, said Hiroshi Hashimoto, senior fellow at the energy security unit of the Institute of Energy Economics, Japan.

Asian nations interested in U.S. LNG to fend off tariffs

(Reuters; Feb. 11) - At least six Asian economies have expressed interest in buying liquefied natural gas to narrow their trade deficit with the U.S. and fend off tariffs, while others look to expand and diversify supplies. Those are Japan, South Korea, India, Tawain, Vietnam and Bangladesh. Companies in the U.S., the world's largest exporter of LNG, are pushing ahead with projects for new or expanded export capacity after the Trump administration lifted a moratorium on new LNG export authorizations.

Trump's decision could pave the way for almost 100 million tonnes per year of additional LNG production capacity by 2031 — almost 25% of what the world consumed last year. Japan, the world's No. 2 LNG buyer, will soon begin importing a record amount of U.S. LNG, Trump said on Feb. 7. In addition to diversifying supplies from riskier sources such as Russia, a Japanese official said imports of U.S. LNG could help reduce the nation's $56 billion bilateral trade deficit and stave off the threat of U.S. tariffs.

South Korea may import more U.S. oil and gas, including LNG, to stabilize energy supplies, given tensions in the Middle East, the country's industry minister Ahn Duk-

geun said on Jan. 16. In 2024, South Korea posted a record $55.7 billion trade surplus with the United States, up 25.4% from a year earlier. South Korea, the world's No. 3 LNG buyer, got about 12% of its LNG imports from the U.S. in 2024. And several Indian energy firms are looking to buy U.S. LNG, Oil Secretary Pankaj Jain said on Feb. 10.

Trump wants India to buy more U.S. LNG, but pricing an issue

(Energy Intelligence; Feb. 10) - President Donald Trump plans to push India to buy more U.S. LNG and oil during Prime Minister Narendra Modi's visit to Washington this week, industry officials said, as he tries to slash India's $35 billion trade surplus with the U.S. India's energy companies are already seeking to diversify their growing global LNG portfolio by increasing their exposure to the U.S. Henry Hub gas pricing benchmark instead of other global pricing benchmarks, Indian officials said.

But Trump may be unable to pressure Indian companies to conclude definitive deals at this time, the officials said, with U.S. natural gas prices rising alongside increased European competition with Asia for U.S. LNG. During Trump's first term, Washington pressured New Delhi to buy a stake in what was then Tellurian's Driftwood LNG project in Louisiana, but Indian state-run LNG importer Petronet LNG demurred, citing market conditions at the time.

India has been the world's fourth-largest LNG buyer for most of the past decade. New Delhi wants natural gas to contribute 15% of India's energy mix by 2030 but is understood to be lagging behind that goal. State-run energy companies led by Indian Oil, Gail India and Bharat Petroleum are in talks with global LNG suppliers, including U.S. companies, to source the fuel, India's Oil Secretary Pankaj Jain told reporters on Feb. 10. But suppliers from the Middle East, Russia and Africa have also reached out to India with competitive offers and lower freight costs, officials said.

India needs billions for new pipelines to fully utilize LNG imports

(Bloomberg; Feb. 10) - A sprawling liquefied natural gas terminal on India’s scenic southern coast stands as a testament to the country’s efforts to curb its coal addiction — and to its limited success. Underutilized since it opened just over a decade ago, Petronet LNG’s Kochi facility is all but silent. Last year, it operated at barely a quarter of capacity, stranded by a lack of pipelines to ship fuel to towns and industrial centers across the region. It’s a story that repeats itself across the world’s most populous nation.

India’s infrastructure shortfalls have a long and complex list of causes, from uncertain returns that deter investors to residents’ resistance, high gas prices and an unfavorable tax regime. All have hampered Prime Minister Narendra Modi’s desire to embrace gas

— and threatened ambitious plans drawn up by producers that have invested billions of dollars in new supply with an eye on selling to India. “The pipeline network has some major missing gaps, which we need to plug,” Anil Kumar Jain, chair of the Petroleum and Natural Gas Regulatory Board, told a January conference on India’s gas prospects.

India aims to more than double the share of gas in its energy mix to 15% by 2030, but for about a decade the share has remained static at less than half that level — a headache that will be top of the agenda for attendees gathered at India Energy Week in Delhi on Feb. 11. Hitting the target would require gas consumption to rise threefold to 21 billion cubic feet of gas per day and will require $67 billion of investment in everything from new pipelines to last-mile connections to LNG import terminals, according to Observer Research Foundation, a New Delhi-based think tank.

Abu Dhabi signs two deals to supply India with more LNG

(Reuters; Feb. 10) - Abu Dhabi National Oil Co. (ADNOC) will supply 2.5 million tonnes of liquefied natural gas to India's Bharat Petroleum under a new five-year deal, sources with knowledge of the matter said on Feb. 10. Indian's state refiner will receive 40 cargos of LNG under the five-year contract with supplies beginning in April, the sources said. ADNOC will sign the deal with Bharat during the four-day India Energy Week conference, the sources said.

During the conference ADNOC will also sign a supply contract with Indian Oil Corp. for a 15-year LNG deal agreed in September last year, the sources said. Supplies under ADNOC's deal with Indian Oil will begin in April 2026. The world's fourth-largest importer of LNG, India aims to raise the share of gas in its energy mix to 15% by 2030 from 6.2% now. Indian companies are also looking at buying LNG from the United States, Oil Secretary Pankaj Jain said earlier on Feb. 10.

IEA forecasts India’s natural gas demand could jump 60% by 2030

(Reuters; Feb. 12) - India's natural gas consumption is set to jump 60% between 2023 and 2030, doubling the country's need for liquefied natural gas imports, as domestic gas output is expected to grow much more slowly than demand, the International Energy Agency said on Feb. 11. Rapid urbanization and industrialization are set to transform the energy market in the world's fifth-largest economy and drive gas demand growth through the end of the decade and possibly beyond that, the IEA said in a report.

After a decade of slow growth and periodic declines, India's natural gas demand rose more than 10% in the past two years, the agency said. By 2030, India's gas demand will rise to 3.6 trillion cubic feet per year by 2030 in the IEA's most likely scenario. If the government provides additional policy support for the sector, annual demand could

reach 4.2 tcf by 2030, the IEA said. Over the same period from 2023 to 2030, India's domestic production is expected to grow by 8% to about 1.35 tcf per year, the IEA said.

That means India, currently the world's fourth-largest buyer of LNG, will have to double annual imports to by the end of the decade, the report said. That would equate to nearly 48 million tonnes a year of LNG, in line with India's current import terminal capacity. India, which is expected to be the biggest driver of global energy demand growth this year, will have to strategically plan its LNG procurement and expand import infrastructure to avoid exposure to spot-market volatility, the IEA said.

Drawdown on gas reserves a serious problem for Europe

(Bloomberg; Feb. 10) - Europe is teetering on the edge of its next energy crisis after liquefied natural gas prices soared to the highest in two years. After a long fight with surging bills, stubbornly high inflation and fading industrial activity because of the 2022 energy crunch, the continent again faces the threat of another prolonged price rally that may trigger more economic pain. The region’s gas inventories are depleting rapidly this winter, and the lower reserves drop, the bigger the task to refill.

Prices for summer are so high that it’s unprofitable for energy majors to store the fuel, meaning governments will need to step in. Benchmark front-month gas futures closed on Feb. 10 at the highest price in a year. Meanwhile, storage levels have become a crucial data checkpoint, and policymakers are concerned because Europe has been relying more on intermittent sources of energy such as wind. But more windless days this winter — coupled with slightly colder weather and a loss of Russian gas transit via Ukraine at the start of the year — forced countries to tap their fuel inventories.

Europe’s storage sites are now less than half full — the lowest level for this time of year since 2022. Germany’s marker manager is running a session on its plan to refill during the annual E-world conference in Essen, Germany, and it’s the hottest ticket in town. “Rapidly depleting stockpiles highlight the frailty of Europe’s supply,” Bloomberg Intelligence analyst Patricio Alvarez said. Gas consumption in Europe is expected to increase 17% this month from a year ago, driven by residential and commercial demand, according to a monthly outlook from commodity analysis firm ICIS.

Europe may need up to 350 extra LNG cargoes to refill storage

(Bloomberg; Feb. 11) - Europe may need to attract as many as 350 extra cargoes of liquefied natural gas this year to refill its quickly depleting storage facilities, according to one of the region’s top suppliers of the fuel. In a worst-case scenario, European gas reserves could be only 30% full by the end of the winter, said Helge Haugane, senior vice president for gas and power at Equinor, during an interview at E-World in Germany.

“Attracting an additional 250 to 350 LNG cargoes this year compared to last year will be critical to refilling storage over the summer, which could be costly and require regulatory intervention,” he said. The region’s declining gas inventories have become top of mind across energy market and policy circles. While countries have been tapping reserves faster than usual, prices for summer are so high that it would be unprofitable to store gas for the next winter.

A European Union requirement for stockpiles to be at least 90% full by Nov. 1 is intensifying discussions on whether regulators need to step in. “If governments leave it to the market, the market will solve it, but it might be in a way which means that storage levels would fall significantly short of the wanted level of up to 90%,” Haugane said. “In a scenario where it gets colder than expected, there could be very high price spikes, which could mean serious distress and that some industries could be forced to reduce consumption and consumers again have to experience very high short-term prices.”

High natural gas prices make it cheaper for Europe to burn more oil

(Bloomberg; Feb. 10) - Europe’s soaring natural gas prices are making it more cost-effective to burn oil for industrial use, potentially boosting the region’s demand for barrels. Gas surpassed the energy equivalent of oil selling at $100 a barrel on Feb. 10, a two-year high. The price jump raises the prospect of more switching from gas to petroleum products such as diesel — also known as gasoil — wherever that flexibility is available. “We have already seen increased gas-to-fuel oil switching and gas-to-gasoil is next,” said Eugene Lindell, head of refined products at consultancy FGE.

Expensive natural gas can also impact refinery operations, potentially adding to the cost of diesel production. This time around, the price gaps are — so far — much smaller: gas has only just nudged ahead of benchmark diesel futures in Europe on a barrel-equivalent basis, which hadn’t happened since early 2023. FGE expects that switching in Europe will only increase demand for diesel-type fuel by less than 100,000 barrels a day — a tiny fraction of the region’s overall consumption.

The switch to other fuels will probably also occur in Asia, which competes with Europe for costly liquefied natural gas imports. “Europe and Asia will all lean toward consuming more oil and more coal if they in any way can do so,” the Swedish bank SEB reported.

Russia gearing up for latest EU ban on LNG cargoes

(gCaptain; Feb. 7) - Russia continues to amass liquefied natural gas carriers in preparation of the impending European Union ban on transshipment deliveries. Starting in March, EU export terminals will be off-limits to Russian LNG, forcing the country to look instead to ship-to-ship transfers. For this purpose, Russia is seemingly readying a

small fleet of vessels to transfer LNG from the Yamal project. Currently, specialized Arc7 ice-class vessels carry LNG through ice-covered waters before delivering it to terminals in Europe, from where it is often reexported to other markets. That will end in March.

In 2024, about 2.6 million tonnes of Russian LNG passed through the EU as reexports. It will require approximately 35 to 40 ship-to-ship transfers to replace the lost capacity for transshipments through European terminals. Ship-tracking data shows more than a half-dozen LNG carriers circling in the waters between Murmansk and Novaya Zemlya. The flotilla includes both previously sanctioned “shadow fleet” vessels as well as ships currently not under the scope of U.S. or European sanctions.

Russia has been using its limited inventory of ice-class LNG carriers to move cargoes out of ice-choked waters for reloading aboard conventional, less costly carriers for the final delivery to customers. That work will shift to ship-to-ship transfers when Russia loses the opportunity of reloading in EU ports.

Tanker carrying Russian LNG offloads after five months at sea

(gCaptain; Feb. 12) - U.S. sanctions continue to severely hamper Russia’s efforts to deliver liquefied natural gas from the Arctic LNG 2 plant to customers. Five months after loading a cargo at the Arctic gas terminal, the LNG carrier East Energy moored up Feb. 11 alongside the Koryak floating storage barge in Russian waters to seemingly offload its cargo. The offloading concludes a roughly 25,000-nautical-mile journey that began in early September high in the Arctic.

After departing from Arctic LNG 2, the ship traveled along the Northern Sea Route and arrived at Nakhodka Bay near Vladivostok in Russia’s Far East in early October. The vessel has been anchored in the bay or circling in the Sea of Japan throughout winter. It began traveling toward the Koryak floating storage unit located on Russia’s Kamchatka Peninsula at the beginning of February. The vessel becomes the latest shadow fleet LNG carrier to terminate its unsuccessful attempt to deliver LNG to markets in Asia.

Prior to East Energy, two other LNG carriers, Pioneer and Metagas Everest, engaged in ship-to-ship transfers with Koryak in September and December 2024. The latest offloading likely puts Koryak at capacity, even taking substantial boil off of the super-chilled gas into account. This leaves up to three additional sanctioned LNG carriers still carrying cargo with nowhere to go as yet. Due to lack of customers, Arctic LNG 2 has been temporarily mothballed after operating for just three months last summer.

Western sanctions may push tanker costs even higher for Russian oil

(Bloomberg columnist; Feb. 7) - On Jan. 10, the U.S. Treasury sanctioned 161 oil tankers for their role in moving Russian oil. It was part of a raft of measures against Moscow imposed by the outgoing Biden administration that President Donald Trump has yet to dial down. Indeed, there appears to be a chance he'll go even harder prior to any Ukraine peace talks. The cost of finding a tanker to carry Russia's flagship Urals oil to Asia has already jumped by almost 50% since the measures were introduced.

The gap between prices when the barrels leave Russia and arrive in Asia, a proxy for delivery costs, have also soared. While such surges happened in the past, there was reason to be wary of how real they were. For example, inflating delivery costs would have been a clever way of making it look like exported oil cost $60-a-barrel or less — even if the price on delivery to Asia was higher. Holding the price under $60 would have qualified the cargoes for access to Western services including tankers and insurance while still allowing barrels to ultimately be sold far above a Group of Seven price cap.

There's no way to prove that that kind of overstating of freight rates did or didn't happen, but there was a financial incentive to do it. Likewise, there's no way today to prove or disprove the same thing isn't happening — the same incentive to game the numbers still exists. What's changed is the vast fleet of tankers now under sanction, and signs that freshly blacklisted ones are starting to get disrupted. It's very possible that Russia's true freight costs are about to spiral. If this happens at scale, with the significant numbers of ships having been sanctioned, then Russia's freight challenges could become crippling.

Vietnam's coal imports for power generation up 30% in 2024

(Reuters; Feb. 11) - Vietnam has become a key driver of global growth in thermal coal imports and use for power generation after supercharging imports of the power fuel by over 30% in 2024 to record highs. Vietnam's imports of thermal coal rose 31% to 44 million tonnes in 2024, according to ship-tracking firm Kpler, which contrasts with just a 1% expansion in overall global thermal coal imports last year.

While Vietnam's expanding footprint of fossil fuel generation contrasts with planned capacity changes in Europe and the U.S., heavy fossil fuel reliance remains the norm across Southeast Asia. Fossil fuels have a 71% share of power generation capacity in Southeast Asia as a whole, and around a 60% share of capacity under construction. A key driver of that fossil fuel dependence is the strong growth rates of several economies and the large and rapidly growing workforces in most Southeast Asian countries.

Indonesia, the Philippines and Vietnam all have populations in excess of 100 million, and average gross domestic product growth rates of nearly twice the expected global average of 3.2% in 2025, according to the International Monetary Fund. Vietnam's

economy has grown by an average of 5.6% a year since 2018, which is by far the fastest growth pace among all Southeast Asian nations during that period.

U.S. LNG developer's share price falls 30% after initial public offering

(Bloomberg; Feb. 7) - Venture Global's belly flop of an initial public offering isn't just a setback for the U.S. liquefied natural gas-exporting upstart. It may be an early indication of the limits of Wall Street's enthusiasm for President Donald Trump's grand energy ambitions. The timing of the offering last month should have been ideal, coming three days after the inauguration of a leader whose administration has vowed to secure U.S. "energy dominance" — driven by more production and exports of hydrocarbons.

But Venture Global — which operates one LNG export plant in Louisiana, is building a second and wants to develop a third — was forced to slash the price range of its shares by more than 40% after investors balked at a proposed valuation of $110 billion. After 10 days of trading, the company's shares are down 30%. It's a big disappointment, not just for shareholders including the firm's billionaire founders and its advisers on the stock offering, but also for a broader U.S. energy market that has been starved of IPOs.

To be sure, the case for LNG still has traction. As global energy demand climbs, the fuel is an attractive and practical solution to keeping the lights on, and with fewer emissions than coal. But there are obvious risks for investors. China this week singled out U.S. fuel for retaliatory tariffs. That will disrupt exports from Venture Global and its peers, at least in the short term, as trade flows are likely to be rerouted. It also puts longer-term discussions between U.S. and Chinese LNG companies on hold.