Oil and Gas News Briefs
Compiled by Larry Persily
January 23, 2025

More Canadian oil headed to U.S. to beat threatened tariffs

(Bloomberg; Jan. 22) - A flood of Canadian oil is heading south to the United States to beat President Donald Trump's threatened tariffs. Enbridge's Mainline, the largest oil export pipeline from Canada to the U.S., will cut the volumes of light oil that shippers are allowed to send on the line 12% below the amount requested, a way of managing the increased demand for space.

Potential U.S. tariffs make the oil more valuable now than in the future, encouraging sellers to ship it out of the country before duties are imposed and prices are lowered, said Susan Bell, a Rystad Energy analyst. Trump is threatening tariffs as high as 25% on imports from Canada as early as Feb. 1. Suppliers are "trying to push as much volume out of the market as possible before the tariffs," Bell said in an interview.

The surge in oil south may help refill inventories in the U.S. Midwest, including at the key hub in Cushing, Oklahoma, where stockpiles recently fell to the lowest in a decade, Bell said. Heavy Canadian Cold Lake crude sold on the Gulf Coast for US$3 a barrel less than West Texas Intermediate last week as the threat of tariffs increased. The discount was the narrowest in more than 18 months. Much of the Canadian oil ends up at U.S. Midwest refineries, but other Canadian barrels are shipped to refineries in California and Texas, with about 60% of U.S. oil imports in 2023 coming from Canada.

Canadian oil caught up in trade politics with U.S.

(Wall Street Journal; Jan. 22) - The cheap Canadian oil America craves is becoming a key bargaining chip in President Trump's threatened trade war. The countries' energy markets have grown increasingly intertwined in recent decades, with multibillion-dollar pipelines and sprawling refineries built for Canadians to funnel stateside the thick crude from booming oil fields in Alberta. Surging trade has driven down prices at the pump in the Midwest and helped transform the U.S. Gulf Coast into a global export hub.

But Trump has jolted that relationship, promising 25% tariffs on all imports from Canada. The specter of tariffs has left Canadian officials scrambling. Even if crude ends up exempt, the Canadian government is considering retaliation that could ensnare oil shipments. Jonathan Wilkinson, Canada's minister of energy and natural resources, said in an interview he would prefer "less confrontational" responses but he didn't rule out an extreme measure in the event of escalation: restricting shipments to the U.S.

The prospect of a market shock has set off a lobbying blitz for carve-outs. In the days ahead of Trump's inauguration, Wilkinson pitched U.S. lawmakers on intensifying the countries' energy partnership as a shared source of geopolitical power. Canadian producers shipped about 4 million barrels of oil a day stateside in the first 10 months of 2024, according to federal data, roughly double 2010. Supplies from north of the border accounted for more than 60% of the crude Americans bought from abroad in 2024.

The crude is well-suited for the U.S. refining industry. While America's hottest oil field in West Texas and New Mexico pumps out light, sweet crude, Alberta's oil sands produce the heavier oil that U.S. refineries are largely designed to use. The imports also come at a bargain. Canadian oil typically trades at a discount to U.S. oil.

Trump needs Congress to appropriate $24 billion to refill oil reserve

(Bloomberg; Jan. 21) - President Donald Trump's plan to refill the U.S. emergency crude storage system — "right to the top," in his words — would help protect against future oil-price shocks. But it's easier said than done. About half the Strategic Petroleum Reserve was drained between 2020 and 2023, largely because then-President Joe Biden sold barrels to bring down gasoline prices following Russia's invasion of Ukraine and as Congress ordered oil sales to fund the government.

Trump would need Congress to approve buying $24 billion worth of crude to completely refill four salt caverns along the Gulf Coast to capacity. Purchases on that scale will take time and could drive up oil prices, undercutting his pledge to cut energy costs in half. The reserve had 395 million barrels as of Jan. 17, about 55% of its maximum capacity of 714 million. Biden had ordered the largest release on record, driving storage levels down to the lowest since the 1980s. Even before then, the level had been dwindling for about a decade as Congress ordered sales to help pay for a range of their initiatives.

The reserve was established in the aftermath of the Arab oil embargo in the 1970s as a national energy safety net. Pledging to refill the caverns allows Trump to play up his support for oil. But the reserve is less relevant today than it was in the first four decades of its existence, when the U.S. was almost wholly reliant on foreign oil. Net imports of crude and petroleum products peaked at about 13.4 million barrels a day in 2006, but fracking and the shale revolution have transformed the U.S. into the world's largest oil producer. Today, the U.S. is a net exporter and produces 50% more than Saudi Arabia.

President orders review of EPA's 2009 greenhouse gas ruling

(Bloomberg; Jan. 22) - For over 15 years, the U.S. government has slapped limits on greenhouse gas emissions based on a conclusion that planet-warming pollution imperils public health and welfare. President Donald Trump, however, has launched an attack on the government’s 2009 ruling, instructing his incoming environmental chief to determine its “legality and continuing applicability.” The direction sets the stage for a potentially vast policy upheaval, one that could immediately sweep away the legal foundation for regulations governing emissions from power plants, oil wells and vehicles.

“With the stroke of a pen, Trump is attempting to end the EPA’s ability to regulate greenhouse gas emissions,” said Dominique Browning, director of Moms Clean Air Force, an environmental advocacy group. Trump’s order doesn’t guarantee the so-called endangerment finding is on borrowed time, as he has merely tasked his Environmental Protection Agency administrator with recommending an approach for it. Yet conservatives have tried for years to eliminate the determination that they call legally and scientifically flawed. Opponents have mounted lawsuits challenging it.

At issue is the EPA’s conclusion that carbon dioxide, methane and four other greenhouse gases threaten the public health and welfare of current and future generations. That endangerment finding — rooted in scientific determinations about the heat-trapping gases’ contribution to climate change — has provided the legal basis for a host of climate regulations.

Trump revokes Biden ban on offshore leasing

(Bloomberg; Jan. 20) - President Donald Trump revoked offshore oil and gas leasing bans that blocked drilling in more U.S. coastal waters as he made sweeping moves his first hours in office to unleash American energy development. Trump’s move was part of a broad assault on executive orders issued by then-President Joe Biden, including revoking Biden’s recent decision to bar drilling in 625 million acres of coastal waters.

The shift wouldn’t immediately trigger new offshore lease sales, and environmentalists are vowing to fight it in court. Oil companies have also displayed little interest in tapping most of the areas Trump moved to put back in play for leasing. It could take years — if ever — for Trump’s move to result in new oil and gas development, and it’s not clear it will survive legal challenges. Nevertheless, the effort underscores the new president’s commitment to a frequent campaign pledge: to unlock more of America’s resources.

Trump’s action also responds to the wishes of one of his top constituencies: the oil and gas industry that’s long sought more drilling opportunities on federal lands and waters. Industry leaders say oil and gas will be needed for decades, especially for the predicted surge in electricity demand from artificial intelligence computing.

President faces challenges in quest to boost U.S. natural gas output

(Reuters columnist; Jan. 21) - It may take more than White House cheerleading to boost U.S. natural gas output. President Donald Trump's sweeping measures aimed at maximizing U.S. oil and gas production make it clear that he expects domestic fossil fuel production to rapidly rise. But even with faster permitting, the administration may struggle to boost U.S. gas output. That's because historically weak gas prices, not restrictive policies, were the main factor in suppressing U.S. gas production in 2024.

If natural gas prices trend steadily higher in 2025, Trump's hopes for higher gas output will materialize and could help propel U.S. energy exports to new heights. But higher prices would also go directly against Trump's aims to lower energy costs, a campaign pledge. That presents a potential conundrum for Trump's energy advisers who must somehow motivate higher gas output without triggering higher prices for consumers.

U.S. gas output from shale and tight gas wells — which account for over 75% of total U.S. supplies — fell in 2024 for the first time in over a decade as average prices for gas used in electricity generation dropped to historic lows. The power sector is by far the largest gas consumer in the U.S. Going forward, U.S. gas producers will be buoyed by the broad support for their sector shown by the new administration, but the shale sector will have the ultimate say over the scale of any output changes. Between 2013 and 2023, U.S. shale gas output jumped by 191% to roughly 35 trillion cubic feet.

However, that blistering expansion chewed up a lot of the most easily recoverable reserves in major U.S. shale deposits; that means the cost of extracting what remains will likely creep higher. Meanwhile, with both Europe's and China's economies dogged by growth issues, consumer demand for liquefied natural gas may slow down, which may keep U.S. LNG exports subdued. And increasing electrical power from renewables may serve to cap the prices that power plants will be prepared to pay for natural gas.

China’s oil imports decline in 2024, but it bought more from Russia

(Reuters; Jan. 20) - China's crude oil imports from top supplier Russia were up 1% in 2024 to a record high versus 2023, while purchases from Saudi Arabia dropped 9%, data showed on Feb. 20, as refiners chased discounted Russian supplies to cope with weakened margins. China’s import volumes from Russia — including pipeline and seaborne supplies — amounted to 108.5 million tonnes, according to China's General Administration of Customs, equivalent to 2.17 million barrels per day.

Saudi Arabia, the largest producer of the Organization of Petroleum Export Countries, shipped in 78.64 million tonnes, or about 1.57 million barrels per day, down from 1.72 million in 2023. For most of 2024, China's Saudi crude imports were capped by rising share of cheaper oil from Russia and Iran. Saudi's market share rebounded in the fourth quarter following steep price cuts by the OPEC kingpin and lower Iranian supply.

Total crude oil imports into China, the world's top crude oil buyer, declined 1.9% last year in its first annual fall outside of pandemic-induced falls, as tepid economic growth and peaking fuel demand dampened purchases. Imports from Malaysia, a top trans-shipment hub for sanctioned oil from Iran and Venezuela, jumped 28% last year to 70.38 million tonnes, or 1.41 million barrels per day, ranking it third after Saudi Arabia. No oil imports from Iran were recorded for the whole of 2024.

Russia's crude oil exports lower since new U.S. sanctions

(Bloomberg; Jan. 21) - Russia's seaborne crude exports saw their biggest drop last week since November after outgoing President Joe Biden imposed sweeping sanctions on the country's oil trade, with early signs that the measures are reshaping flows. The slump kept the less volatile four-week average below 3 million barrels a day for a fourth week and close to a recent 16-month low, according to vessel-tracking data.

Since the latest sanctions were announced, there have been several signs of disruption, with tankers diverting, buyers looking elsewhere and an emerging shortage of unsanctioned vessels available to load cargoes at Kozmino, Russia's most important eastern port. The measures will be felt particularly strongly in Russia's Pacific flows. About 75% of Russia's ESPO cargoes shipped since the start of October were carried on vessels that have now been sanctioned, while the entire fleets of specialized shuttle tankers used by the Sakhalin Far East oil and gas projects have been blacklisted.

Ultimately, the impact on export volumes will depend on how rigorously the sanctions are enforced by the incoming administration in Washington. A total of 26 tankers loaded 19.26 million barrels of Russian crude in the week to Jan. 19, vessel-tracking data and port-agent reports show. The volume was down from 21.06 million barrels the previous week. Daily crude flows in the seven days to Jan. 19 fell by about 260,000 barrels, or 9%, from the previous week to 2.75 million.

Tankers idling at Russian oil port amid tightening U.S. sanctions

(Bloomberg; Jan. 20) - A backlog of tankers is growing near Russia's key oil port of Kozmino, the latest sign of disruption being wrought on the nation's exports by sweeping U.S. sanctions. On Jan. 10, the outgoing Biden administration designated 161 oil tankers along with vital traders and vessel insurers involved in the Russian export program. Oil futures surged as the market digested the supply implications of the move.

There are now nine empty oil tankers idling near the Russian Pacific port, the nation's largest individual crude export facility. While there are normally a few waiting at any one time, the number doing so now is bigger than normal, traders and shippers who monitor the exports said. An additional 11 vessels are either approaching or have recently left.

Traders and shipping officials who monitor exports from the port said Moscow may struggle to find enough shipping capacity amid the sanctions. Traders are looking for any signs of disruption to Russia's crude oil and fuel flows, which on a combined basis were neck-and-neck with those of Saudi Arabia as the world's biggest seaborne exporter last year. Meanwhile, there are wider signs of disruption — from U-turning vessels to buyers looking elsewhere for crude oil — caused by the sanctions.

Asian buyers see more U.S. LNG as a way to appease Trump

(Bloomberg; Jan. 19) - Asian fossil fuel buyers looking to appease incoming U.S. President Donald Trump have come to the same conclusion: Buy more American oil and gas. The reelected populist leader has threatened tariffs against a number of nations that have trade surpluses with the U.S., prompting policymakers from South Korea, Taiwan, Vietnam and also the European Union to consider procuring more energy from the world's biggest producer of crude and No. 1 exporter of liquefied natural gas.

"Trade partners see buying U.S. LNG as aiding in tariff negotiations with the Trump administration," said Saul Kavonic, an energy analyst at MST Marquee. There's been a noticeable and rapid shift toward securing U.S. supply since Trump's election win, he added. Such a shift would allow Trump — who has promised his voters a hard pivot back to fossil fuels — to expand U.S. LNG exports beyond the already planned doubling by 2030, as well as give American project developers an edge over rival exporters.

More U.S. LNG is "bright news" for the utilities industry as it could stabilize prices, said Kazuhiro Ikebe, president of Japan's Kyushu Electric. Buyers have been grappling with volatile prices since the war in Ukraine began in 2022. Buyers have renewed talks with U.S. LNG export projects over the past few months, according to traders participating in negotiations, who added they are eager to sign deals with the U.S. if the price is right.

Asian importers look forward to more U.S. LNG on the market

(S&P Global; Jan. 21) - Asia's key LNG importers are looking to a boost in U.S. LNG production in the coming years, following a turnaround in U.S. policy with the lifting of a nearly year-long pause on export permits under an order signed Jan. 20 by President Donald Trump. "We are very pleased with this move," said Asia Natural Gas & Energy Association CEO Paul Everingham on Jan. 21, referring to Trump's decision to start reviews of applications for approving LNG export projects as expeditiously as possible.

The development is positive for U.S. producers, as it removes a risk. It is also favorable for countries looking to source LNG from the U.S., Everingham said. According to data from S&P Global Commodity Insights, the long-term LNG demand forecast for "other Asia" — comprising Bangladesh, China, India, Indonesia, Malaysia, Myanmar, Pakistan, the Philippines, Singapore, Sri Lanka, Thailand, Vietnam and Australia — is set to rise from an estimated 154 million tonnes in 2025 to over 400 million by 2050.

Japan sees the U.S. decision as boosting predictability for its LNG procurements, a government official told Commodity Insights on Jan. 21. "From a business perspective, it is a good thing to have more supply and lower prices. However, if trade tensions between the U.S. and China escalate, it could become a question of optics for Chinese buyers, who may not want to be associated with buying too much U.S. LNG," said Megan Jenkins, associate director with the global LNG team at Commodity Insights.

TotalEnergies pushes Mozambique LNG start-up date past 2029

(Reuters; Jan. 22) - TotalEnergies' $20 billion Mozambique LNG project will not be operational by 2029 as hoped, the French oil major said on Jan. 22, citing the need to end force majeure and ensure security at the project site. TotalEnergies had previously said it hoped to restart construction on the long-delayed liquefied natural gas export project by the end of 2024, which would allow it to come online by 2029.

Mozambique LNG, in which TotalEnergies holds a 26.5% operating stake, was slated to make the southern African nation a major LNG producer, but the project ground to a halt in 2021 when an insurgency led by Islamic State-linked militants swept the region. Security has since improved, with partner Mitsui saying in December that preparations were underway to resume construction after renegotiation with contractors.

Mozambican President Daniel Chapo, who took office last week, has promised to continue deploying soldiers to secure the project site. However, he is also dealing with months of protests against his disputed election victory, with over 300 people killed in clashes with security forces since Oct. 9 vote.

Global LNG market tight until new supply arrives later in the decade

(LNG Prime; Jan. 21) - Global natural gas markets are set to remain tight in 2025 as demand continues to rise and supply expands more slowly than before the pandemic and energy crisis, according to a new report by the International Energy Agency. The agency said in its latest quarterly gas market report that markets “moved toward a gradual rebalancing last year after the supply shock that followed Russia’s full-scale invasion of Ukraine in February 2022.”

Still, the global gas balance has remained fragile, highlighting the need for greater international cooperation to enhance gas supply security, the IEA said. Driven by fast-growing markets in Asia, global gas demand rose by 2.8%, or 4 trillion cubic feet, in 2024 — well above the 2% average growth rate between 2010 and 2020, it said. At the same time, below-average growth in new liquefied natural gas output kept supply tight, while extreme weather events added to market strains, the agency said.

According to the report, similar dynamics are expected to persist in 2025 before the arrival of a wave of substantial LNG export capacity, led by the U.S. and Qatar, that is set to come online over the course of the second half of this decade. Due to tighter market fundamentals, growth in global gas demand is forecast to slow to below 2% this year. As in 2024, the growth in 2025 is set to be largely underpinned by markets in Asia, with the region expected to account for over half of the rise in global gas demand.

Trump orders resumption of U.S. LNG export license approvals

(Bloomberg; Jan. 20) - President Donald Trump has lifted a moratorium on new U.S. licenses to export liquefied natural gas, making good on a campaign pledge to rescind the measure enacted by the Biden administration. The Jan. 20 directive, included in a broad executive order on energy, directs the Energy Department to resume reviewing applications halted by former President Biden in January 2024 while his administration studied the climate, economic and national security implications of U.S. LNG exports.

The study released last month found increased exports would raise natural gas prices for U.S. consumers and increase global emissions, a potential roadblock for future approvals granted by the Energy Department. Trump promised during the campaign to lift the moratorium, which has disrupted plans for multibillion-dollar export projects. A federal judge lifted the freeze in July after 16 states filed a lawsuit arguing it violated federal law. Energy Department approval is required for U.S. LNG exports, separate from Federal Energy Regulatlory Commission approval to build the liquefaction plants.

U.S. Energy Department extends comment period on LNG exports

(Reuters; Jan. 22) - The U.S. has extended the comment period on a federal study of the economic and environmental impacts of the booming liquefied natural gas export business after advisers urged President Donald Trump to take a patient approach to prevent any export approvals from getting overturned in court. The U.S. Department of Energy said Jan. 21 that it is extending the comment period from Feb. 18 to March 20 in order to get "appropriate stakeholder input."

Trump has promised swift action on reversing President Joe Biden's pause on the LNG export approvals to markets in Asia and Europe. On his first day in office, Trump lifted the freeze by ordering the department to resume considering export applications. Approving exports, however, will take time. Trump's advisers had recommended an extension in the comment period to allow time for pro-LNG interests to challenge the study and help thwart any potential lawsuits when they approve export permits.

Biden ordered the pause about a year ago for the study, which his administration said showed the U.S. should be cautious about the climate impacts of more LNG exports.

U.S. LNG diverted from Asia to Europe for higher prices

(Reuters; Jan. 20) - Traders diverted to Europe at least six cargoes of U.S. liquefied natural gas that were on course for Asia earlier this month, drawn by higher European prices and amid weak Asian demand, according to analysts and shipping data. The diverted cargoes could help meet additional European demand as countries seek to replace piped Russian gas after the transit deal through Ukraine expired on Jan. 1, while weather forecasts point to lower temperatures in northwest Europe.

The vessels were initially destined for China, South Korea, Thailand and Singapore, data from analytics firm Kpler showed. The tankers were then diverted while in the Atlantic Ocean between Jan. 8 and Jan. 14, changing course for Europe. "The diversions are happening because Asian prices aren't keeping enough of a premium to European prices to attract cargoes," said Martin Senior, head of LNG pricing at Argus, adding that nearly all Atlantic Basin cargoes are heading toward Europe.

Asian spot LNG has slipped for two consecutive weeks, as ample inventory levels in East Asia and spot prices trading at around $14 per million Btu — seen as too high for some buyers — curb demand in the region. Prices have eased nearly 5% since the start of the year to $13.90. In addition to high LNG prices, weak domestic demand has deterred buyers in China from taking more LNG while more affordable domestic gas production and pipeline supply from Russia have risen year-on-year.

Forecast shows rush of North American LNG capacity coming online

(Energy Intelligence; Jan. 17) - North American liquefied natural gas exports will play a major role in meeting global demand that is expected to grow nearly 70% by 2040, according to the latest Energy Intelligence forecast. The report envisions 4.9 billion cubic feet per day of additional U.S. LNG production capacity reaching final investment decision by year's end, with an upper limit of 8 bcf per day "helped by a more hospitable U.S. regulatory environment" in a second Trump administration.

The FID forecasts are on top of the roughly 7.2 bcf per day in North American capacity under construction and set to start up this year. By 2040, U.S., Canadian and Mexican LNG exports are expected to more than double to 243 million tons per year, or 34 bcf a day, comprising roughly 31% of global supply, up from 21% in 2024. "Recent regulatory, legal and other project execution challenges have been a headwind" for North American export facilities, said Ian Nathan, Energy Intelligence's gas and LNG research director.

"But more broadly, it is important to recognize that ... enormous liquefaction capacity, both operating and under construction, along with substantial commercial interest demonstrated through many long-term offtake commitments, are a testament to the attractive features of the region’s LNG project developments,” Nathan said. And while litigation may still create headaches for U.S. projects, a more LNG-friendly White House and Republican-controlled Congress could push through legislation clarifying "ambiguous elements" of existing law governing LNG export approvals, he said.

Reflagged tanker may be used to deliver U.S. LNG to Puerto Rico

(TradeWinds; Jan. 20) - A 31-year-old steam turbine-driven ship is set to make history by becoming the first LNG carrier to be flagged into the U.S. fleet. Kpler data shows the Intan is scheduled to arrive at Sabine Pass on the Gulf Coast on Jan. 27. Sources have indicated that the membrane-type ship will be used to transport U.S.-produced cargoes to Puerto Rico. A U.S. Coast Guard inspection is expected as part of the reflagging process and talk has circulated that the ship will be renamed the American Energy.

Those following the Intan cite a Jones Act exemption in the Coast Guard Authorization Act of 1996 for foreign-built vessels constructed before that year that allows these ships to transport liquefied natural gas or liquid petroleum gas (propane) to Puerto Rico from other U.S. ports. The Intan was built at France’s Chantier de l’Atlantique.

The Jones Act requires that maritime transport of cargo between points in the U.S. be carried by vessels owned by U.S. citizens and registered under the U.S. flag and built in the country. The Equasis database shows Crowley LNG became the registered owner of the Intan in December. But the company’s planned use for the ship on the short route between U.S. Gulf Coast LNG terminals and Puerto Rico may explain why it is thought to have bought such an elderly vessel for a small-volume market.

Italy’s natural gas consumption in 2024 lowest in more than 15 years

(Reuters; Jan. 17) - Italy's natural gas consumption fell to its lowest level in more than 15 years to 2.178 trillion cubic feet in 2024, the country's power market manager GME said on Jan. 17. An overall 2.5% annual drop was mainly due to a decrease in the use of gas in power generation, while consumption by companies and households was marginally higher compared to 2023, according to GME.

Despite a drop of nearly 9% in the year in flows to Italy, Algeria remained the country's biggest gas provider in 2024. Liquefied natural gas imports fell more than 9% to nearly 530 billion cubic feet of natural gas, ranking as the second supply source for the country. Gas coming through pipelines from Azerbaijan was in third position.

[Vietnam fires up country's first power plant fueled by LNG]

(Offshore Energy; Jan. 20) - PV Power, a subsidiary of Vietnam Oil and Gas Group (PetroVietnam), has carried out the initial firing of the country's first liquefied natural gas-fueled power plant, achieving what it says is a milestone on the road to putting the project into commercial operation. The event marked two firsts for the Southeast Asia country. In addition to the firing of the Nhon Trach 3 LNG power plant, PV Power said this is the first time imported LNG has been introduced into a power plant in Vietnam.

Comprising two units with a combined capacity of 1,500 megawatts, the Nhon Trach 3 and 4 power plant is anticipated to supply the grid with more than 9 billion kilowatt hours of electricity yearly once it starts producing commercial electricity. The engineering, procurement and construction portion is 98% done. The contractor, a joint venture between Samsung C&T and Lilama, expects to reach the next milestones by February.

Additionally, PV Power and PetroVietnam Gas are said to be in the final steps of signing a gas supply contract for the project, ensuring a long-term and stable gas source for future operations. In 2023, PV Gas inaugurated what it said is Vietnam's largest LNG import terminal, Thi Vai. The facility is estimated to offer a capacity of 1 million tonnes per year of LNG in Phase 1, with an expected increase to 3 million tonnes in Phase 2.

['Time has run out' for Australia to avoid importing LNG]

(Australian Financial Review; Jan. 18) - One of the world's biggest LNG exporters is about to import liquefied natural gas. That is the situation facing Australia, with LNG tankers potentially docking at Port Kembla south of Sydney in June 2026, in time to head off a long-feared winter shortage of gas in the southern states. Still to be resolved is how Squadron Energy's Port Kembla, the most advanced import project in Australia, manages to tie up the commercial contracts necessary to make it happen.

Many expect the federal government and the Australian Energy Market Operator will have to step in to give Squadron adequate certainty for Port Kembla if LNG is to arrive next year. It is crunch time after a decade of warnings about looming shortages of East Coast gas because of declining production near the population centers of New South Wales and Victoria states. Victoria is 1,000 to 2,000 miles from the country's LNG export hubs of Gladstone, Darwin and West Australia. Pipelines are limited or non-existent.

"This is a really difficult problem, it's an appalling situation, it needs to be solved and we are not currently in a place where this looks like it is being solved any time soon," Grattan Institute's energy program director Tony Wood said of the arrangements for LNG imports. "It's a really difficult physical, logistical and commercial arrangement, and it ain't going to be solved easily. We do need multiple parties to come together to sort this out." Squadron Energy CEO Rob Wheals said with gas shortages forecast starting this winter in the south, "time has run out for any alternative other than importing gas."

German official says country needs to stick with green energy plans

(Reuters; Jan. 21) - Sticking with growth plans for green energy is the best response to Donald Trump after the U.S. president's "fatal" move to withdraw from the Paris climate accord, German Vice Chancellor Robert Habeck said on Jan. 21. "We have to bring our own technologies to the fore," said Habeck, the architect of plans to make 80% of Germany’s electricity green by 2030, speaking at an energy conference in Berlin.

The move by Trump, a climate change sceptic, to withdraw from the Paris climate treaty was widely expected and further threatens the agreement's central goal to limit the rise in global temperatures. Germany, Europe's biggest economy, holds a national election on Feb. 23, where Habeck's Greens are trailing in opinion polls as a cost-of-living crisis and an economic downturn has shifted some voters' focus away from climate protection.

Economy Minister Habeck said self-reliance through domestically produced green energy remains the best response to dependency on energy imports and high costs, especially as Russian gas supplies to Europe dwindle following the invasion of Ukraine in 2022. Habeck urged parliament to pass a bill giving more control of expanding renewable capacity to help rein in rising costs and bring down consumer bills.

U.S. LNG developer lowers valuation for initial public offering

(Bloomberg; Jan. 22) - Venture Global slashed the marketed range for its initial public offering, bringing the potential valuation well below its $110 billion target. The liquefied natural gas exporter is marketing 70 million shares in the offering for $23 to $27 each, a more than 40% drop from the $40 to $46 per share range it had targeted, according to an earlier filing with the U.S. Securities and Exchange Commission.

At the top of the new range, the company would raise $1.9 billion in the listing and would have a market value of about $65 billion. Investors approached during the marketing of the deal wanted a lower valuation range, according to people familiar with the matter, who asked not to be identified as the information isn’t public.

Venture Global has been viewed as a start-up compared to established energy companies and climbed to quickly build two export facilities in Louisiana. The lower pricing would come as a setback for potential IPO candidates in the U.S. energy sector, which have been looking to Venture Global’s offering to help revive sentiment around first-time share sales in the sector. Just six energy IPOs priced on U.S. exchanges in 2024, raising $667 million to mark the lowest volume for energy IPOs in 21 years.