Oil and Gas News Briefs
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OPEC+ will boost production more than expected for August

(Bloomberg; July 5) - OPEC+ will boost oil production even more rapidly than expected next month, as the group led by Saudi Arabia seeks to capitalize on strong summer demand in its move to reclaim market share. Eight key alliance members agreed to raise supply by 548,000 barrels a day at a video conference on July 5, putting the group on a pace to unwind its most recent layer of output cuts one year earlier than originally outlined. The countries had announced increases of 411,000 barrels per day for May, June and July, and traders had expected the same amount for August.

The latest increase amplifies a dramatic strategy pivot by the Organization of the Petroleum Exporting Countries and its partners that has weighed on oil prices this year. Since April, the group has shifted from years of output restraint to reopening the taps, surprising crude traders and raising questions about its long-term strategy. The cartel will consider adding another roughly 548,000 barrels a day in September at the next meeting on Aug. 3, according to delegates who asked not to be identified, which would complete the restoration of 2.2 million barrels a day of supply shuttered in 2023.

After that, the group has another 1.66-million-barrel tier of idled output to potentially consider. OPEC+ is pushing barrels into a market that is widely expected to be oversupplied later in the year. Still, oil fundamentals look more robust in the immediate term, and some delegates said the group is accelerating supply increases in part to take advantage of stronger demand during the Northern Hemisphere summer.

Some OPEC+ delegates have offered other explanations for the strategy reversal, such as punishing the group’s over-producing members and regaining sales volumes ceded to rivals like U.S. shale drillers. “OPEC+ is sending a clear message, for anyone still in doubt: The group is firmly shifting toward a market-share strategy,” said Jorge Leon, an analyst at research firm Rystad Energy who previously worked at the OPEC secretariat.

Iran’s oil production at 46-year high, despite U.S. sanctions

(Bloomberg opinion; July 3) - As the debate plays out over the damage done to the Iranian nuclear program by U.S. and Israeli strikes, one reality is clear: The country’s booming energy sector, the cash cow of the regime, emerged unscathed. Iranian oil output reached a 46-year high in 2024, according to recent data. All available data for the first six months of 2025 suggests this year will see another increase in production.

Every time I hear a U.S. official talk about oil sanctions on Iran, I can't help wonder: "What sanctions, exactly?" Increasingly, they exist only on paper while the White House hypes a nonexistent policy of "maximum pressure" on the Iranian oil sector. I only see maximum oil output. The story of how Iran beat U.S. oil sanctions goes back several decades — mixing doses of American realpolitik with Iranian entrepreneurialism and the new geopolitical muscle of China. Today, China buys 90% of the oil Iran exports.

At times, it reflects how Washington turned a blind eye to obvious violations, preferring instead to keep oil prices down and inflation in check. At other times, it reflects the growth of Tehran and Beijing in sophistication and steadfastness to evade them. Whatever the reasons, the results are the same. The Islamic Republic is earning more petrodollars than many thought possible. Last year, Iranian energy export revenue hit a 12-year high of $78 billion, up from the $18 billion in 2020 — a year marred by COVID lockdowns — according to consultants FGE Energy.

Venezuela boosts exports of crude to China

(Reuters; July 2) - Venezuela exported some 844,000 barrels per day of crude and fuel in June, an 8% increase from the previous month as the loss of the U.S. and European markets was offset by more cargoes sent to China, according to shipping data and documents. Washington in late May terminated a group of licenses that had authorized partners of oil company PDVSA, including Chevron and Repsol, to take Venezuelan crude bound for U.S. and European refineries.

The state firm has ramped up exports to Asia since then, selling its crude and fuel through little-known intermediaries that make deals with independent refiners in China. The cargoes include shipments of Boscan heavy crude, which was previously exported by Chevron to the U.S., according to internal PDVSA documents.

A total of 27 tankers departed from Venezuelan in June, carrying an average 844,000 barrels per day of crude and refined products, along with more petrochemicals, the data showed. Oil exports averaged 779,000 in May. Exports to China directly and through transshipment hubs were about 90% of the June total, compared with 75% in May, according to the data and documents. PDVSA also shipped 8,000 barrels per day to its political ally Cuba and cargoes of methanol and petroleum coke to Europe and India.

U.S. refiners use more shale oil as heavy crude harder to get

(Bloomberg; July 3) – U.S. refiners are relying on oil supplies from the country's biggest shale basins more than ever as flows of denser varieties from places like Mexico and Canada ebb. The refiners are consuming the lightest oil diet on record, according to government data, leaning heavily on shale formations in Texas, New Mexico and North

Dakota. The shift comes as heavy crude supplies are strained by falling production from Mexico, a trade spat with Canada and a de facto U.S. ban on imports of Venezuelan oil.

At the same time, global markets are awash with lighter and sweeter oils from Guyana and the North Sea, as well as the U.S., reducing their premium over historically cheaper heavy crudes. Trump's trade wars with countries including China have diminished Asia's appetite for U.S. crude, making shale oil cheaper. The discount for heavy, sour oils versus lighter, sweeter oils has shrunk from $7.70 a barrel a year ago to $3.25 a barrel, in the range where refiners are willing to pay up slightly for the higher-quality feedstock.

The largest refineries in the country have invested in recent years to maximize the use of shale oil, which is shielded from geopolitical tensions and arrives via pipeline in a matter of days, instead of weeks via ships. Last year, 61% of the oil used to make gasoline and diesel was domestic, a share poised to rise this year if shale supplies remain economical.

Golden Pass LNG in Texas moving toward startup later this year

(Reuters; July 2) - Golden Pass LNG, owned by Exxon Mobil and QatarEnergy, has asked U.S. regulators for permission to reexport liquefied natural gas starting Oct. 1, as the export plant nears production following delays. The company said it wants to reexport a cargo of LNG that it plans to import to cool down its plant in Texas, which is under construction. Cooling down the plant is often the final step before producing LNG.

Golden Pass is building an LNG export facility in Sabine Pass, Texas, and plans to start exporting LNG later this year. The plant's operating capacity is set for 18 million tonnes per year. The project has been plagued with problems and is behind schedule and over budget. In March 2024, its then-lead contractor, Zachry Holdings, filed for bankruptcy and said the project was at least $2.4 billion over budget.

Zachry has since been replaced by McDermott International as lead contractor for the first liquefaction train and the company has been in negotiations to take over the construction of the other two liquefaction trains. Golden Pass would become the ninth U.S. LNG exporter after it starts shipping. The U.S. is the world's top LNG exporter. Exxon and QatarEnergy made a final investment decision in February 2019 to proceed with construction.

U.S. LNG developer questions heavy tanker traffic in shared waterway

(Bloomberg; July 3) - One of the U.S. largest exporters of liquefied natural gas, Venture Global, is raising questions over how to share a common waterway with a planned neighbor. It's a move that underscores a coming bottleneck for shipping space in an energy sector that the Trump administration is supporting for increased exports. The U.S., already the biggest global exporter of the fuel, is on track to nearly double its current capacity with a massive buildout of six projects under construction.

Most of the existing plants and those in the works are heavily concentrated along the coast of Texas and Louisiana, which means that every new project will bring increased competition on waterways to keep shipments moving. The problem highlights broader issues for U.S. infrastructure that can limit the flow of energy supplies even when there's plenty of potential production. Venture Global's plant Calcasieu Pass (Louisiana), which sits on the east bank of the waterway of the same name, would be directly across from Commonwealth LNG on the west bank.

Another rival, Cameron LNG, operates just north of Venture Global. Two other planned projects, Woodside's Louisiana LNG and Energy Transfer's Lake Charles LNG are planned at the north end of the waterway. In a letter to the Federal Energy Regulatory Commission this week, Venture Global urged FERC to scrutinize Commonwealth's proposed waterway plan. Venture Global questioned what would happen when the channel would need to be closed to traffic as vessels travel to and from Commonwealth. Venture Global's next LNG project, CP2, also is adjacent to Calcasieu Pass.

Santos signs deal to supply LNG to Qatar's global trading operation

(Australian Financial Review; July 4) - Santos, the subject of a takeover offer led by Abu Dhabi's national oil company, has inked a contract to supply LNG to QatarEnergy, strengthening its ties with the Middle East. The short-term deal with the trading arm of the world's biggest LNG exporter provides further evidence of how the portfolio of assets of Australia's second-largest oil and gas group has come onto the radar of energy heavyweights in the Middle East.

It comes as the bidding consortium for Santos, led by Abu Dhabi National Oil Co.'s international arm XRG and also involving private-equity firm the Carlyle Group, has started a detailed examination of Santos' assets as it looks to firm up its takeover offer. They are aiming to seal a binding takeover deal with Santos within six weeks of signing an exclusive due diligence period on June 27. Santos has reserved the right to negotiate with any higher rival offer after four weeks.

Santos' deal with QatarEnergy Trading involves about 500,000 tonnes a year of LNG over two years starting in 2026. The LNG will be supplied from Santos' portfolio of assets, which include stakes in PNG LNG in Papua New Guinea, GLNG in Queensland and Darwin LNG in Australia's Northern Territory, which is due to resume exports once the Barossa gas project in the Timor Sea comes online this quarter. The LNG is likely to be supplied to QatarEnergy's customer base in the Asia-Pacific region, giving the firm a closer source of LNG for that market than its Middle East export terminals.

[Mozambique says security assurances needed to restart LNG project]

(Bloomberg; July 2) - Mozambican President Daniel Chapo said his government and private companies will have to collectively ensure that security is in place to enable TotalEnergies to restart construction of a $20 billion gas project that has stalled due to a militant insurgency — and even then risks will remain. The project in the Cabo Delgado province along with others that are at earlier stages of development are seen as crucial to the future of the southern African nation, which ranks among the world's poorest.

The French oil major halted work, evacuated workers and declared force majeure in 2021 following an escalation in attacks by Islamic State-linked militants. "Regarding security, it's relatively stable compared to this past four years, but continuity of this stability doesn't depend only on the government of the republic but on all partners in that area," Chapo said in an interview with Bloomberg in Seville, Spain, on July 1. "If we're waiting for Cabo Delgado to be a heaven, we won't lift force majeure."

Total's facility, which will take another four years to complete, will liquefy and export the extensive gas reserves offshore northeast Mozambique that were discovered 15 years ago. Since then, only one floating plant operated by Eni has come on line. A final investment decision on a third planned LNG export venture, Exxon Mobil's $27 billion Rovuma project, is expected next year.

[LNG producers confident demand will grow to absorb new supply]

(Energy Intelligence; July 1) - Growing demand in Asia and the fungible nature of liquefied natural gas will likely temper the effects of the imminent oversupplied market, executives from portfolio players said at recent industry gatherings in Malaysia and Japan. At the Energy Asia 2025 conference held in Kuala Lumpur earlier this month, ConocoPhillips CEO Ryan Lance downplayed market fears that the expected abundant LNG supply wave will depress prices for years to come.

"It's a 400-million-ton market today. The last time we had a 30-million-ton surge, the market was half the size," Lance said, noting that price softness in that case lasted just six months. The global LNG market is on track to grow to 800 million tons per year by the early 2030s, with Asia driving the bulk of that growth, he noted. Conoco remains "constructive on price" over the long term. "We're putting steel in the ground for 30- to 50-year projects," Lance said.

While higher LNG prices over the past few years has held back some emerging demand, as new supply comes on line in the next few years "demand will respond accordingly," Andrew Barry, Exxon Mobil's vice president for global LNG marketing, told the Japan LNG Producer-Consumer Conference in Tokyo in June. "A lot of people talked about the potential oversupply in the next few years. We are very confident that as that supply comes on, gas is a very fungible source and it can substitute many other energy sources at lower emissions and the flexibility that is required," Barry said.

Norwegian company looks at building LNG export plant in Quebec

(The Canadian Press; July 4) - A subsidiary of a Norwegian energy company wants to build a liquefied natural gas export project in Quebec. Marinvest Energy Canada said there's a strong business case for an LNG project in Quebec to export Canadian gas to Europe. The company is offering few details about the project, but an elected official in Quebec's Côte-Nord region said it would be located in Baie-Comeau, along the north shore of the St. Lawrence River.

Marinvest Energy's website says it is a 5-year-old "independent project development company," which partners with "world-leading engineering companies and construction/fabrication yards." The website lists no specific projects in operation, under construction or under development. Four people with a public relations firm have registered to lobby the federal government on behalf of the company. In Ottawa, one lobbyist reported an interaction in May with officials from Invest in Canada, an organization that promotes foreign investment.

Quebec Premier François Legault said members of his team have met with company representatives. Legault rejected a proposal for an LNG facility in Quebec's Saguenay region in 2021 amid widespread opposition to the project. He has said Quebecers are more open to fossil fuel projects due to the trade war with the U.S. As Canada faces economic threats from the U.S., political will is growing for new means to export fossil fuels overseas. But it's unclear how much Quebec wants to take part in that shift.

Canadian prime minister voices support for new oil pipeline

(Bloomberg; July 6) - Prime Minister Mark Carney said a new oil pipeline to Canada's West Coast is "highly likely" to be proposed as a nation-building project, which could mean it becomes part of Ottawa's push to fast-track major developments under new legislation. Carney, who was attending the annual Calgary Stampede in Alberta's capital, told the local newspaper that it's up to the private sector to make the proposal as opposed to a "top-down" approach from government.

"I would think, given the scale of the economic opportunity, the resources we have, the expertise we have, that it is highly, highly likely that we will have an oil pipeline that is a proposal for one of these projects of national interest," he told the Calgary Herald.
The comments come weeks after Parliament passed a bill to streamline approval for developments of national importance and aims to break down barriers to internal trade.

Carney also supports a proposed C$16.5 billion ($12 billion) carbon capture system for Alberta's oil sands as a potential nation-building project. Alberta Premier Danielle Smith has suggested that both an oil line and the carbon capture project could proceed as a so-called grand bargain for the energy sector. Smith and some industry groups have called for a new pipeline capable of transporting up to 1 million barrels per day to a northern British Columbia port to meet rising global demand for Canadian heavy crude.

U.K. could lose another refinery; down to just 4 from 18 in the 1970s

(Bloomberg; July 4) - When the French oil major TotalEnergies was struggling to find a buyer for the Lindsey oil refinery in England back in 2020, an unlikely bidder rode to the rescue: a husband-and-wife team with no track record in refining. Their foray into the industry ended in catastrophic failure this week. The U.K. announced a liquidation order for the facility's owner, Prax Lindsey Oil Refinery, on June 30, leaving the country's Insolvency Service racing to save the site. The process blindsided everyone from the government to staff to the firms who ferry the plant's fuel across the country in trucks.

The liquidation is already disrupting supply chains. Distributors are racing to source fuel from the other side of the U.K., and it puts more pressure on the country's ever-shrinking refining system to crank out fuels. At a national level, closing the site may lift demand for imported supply of refined fuels, another example of growing risks to energy security just weeks after the shuttering of Scotland's only refinery at Grangemouth.

Lindsey first started churning out fuel in 1968 and is today Britain's smallest operational refinery. Its possible closure fits perfectly with the profile of plants across Europe that have been forced to halt: small and lacking the flexibility, scale and clout to operate in a world dominated by trading giants and oil majors. Five years after the sale, the refinery continues to lose money. It met about 7% of the U.K.'s fuel consumption, according to its accounts, and supplies London's Heathrow Airport as well as some filling stations.

If Lindsey does close for good, it will leave the U.K. with four operating refineries, down from a peak of 18 in the 1970s, underscoring just how reliant Britain has become on imports. Lindsey processed less than 100,000 barrels of oil a day, according to the firm.

Mexico sells more crude oil, refined products to Cuba

(Bloomberg; July 6) - Mexico's state-owned oil company is throwing Cuba a much-needed lifeline as the Caribbean island nation struggles to keep its power grid operational amid its worst economic crisis since the collapse of the Soviet Union. Petroleos Mexicanos sold 3.1 billion pesos ($166 million) of crude and fuel to the communist-run nation in the first quarter of this year through its subsidiary Gasolinas Bienestar, according to a company filing.

The volume of exports — averaging 19,600 barrels a day of oil and 2,000 barrels a day of petroleum products — marks a slight increase from the combined 19,900 barrels a day Pemex shipped to Cuba in the second half of 2023. Cuba has been reeling ever since its lynchpin tourism industry was crushed by the combination of tighter U.S. sanctions during President Donald Trump's first term and then the Covid-19 pandemic. Rolling blackouts are constant and the power grid has collapsed multiple times over the past year. The conditions have prompted a mass exodus that has shrunk the island's population by almost one-quarter over the past four years. Mexico's energy shipments are part of what President Claudia Sheinbaum's government describes as humanitarian support for Cuba. The island has been subjected to U.S. sanctions for more than six decades. The latest sales represent 3.3% of Pemex's total exports of crude oil and 1.9% of its petroleum product exports, according to the June 23 filing in the U.S.