Oil and Gas News Briefs
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Adu Dhabi-led consortium wins support for takeover of Santos

(Reuters; June 16) – The board of directors of Australia-based oil and gas producer Santos said on June 16 it intended to support an $18.7 billion takeover bid from an international consortium led by Abu Dhabi's National Oil Co. (ADNOC), which is looking to grow a global gas business. ADNOC, through its investment arm XRG, with Abu Dhabi Development Holding Co. and private-equity firm Carlyle, has offered US$5.76 per Santos share, a 28% premium to the Australian company's close on June 13.

Analysts said the deal faces the risk of not being approved by regulators in Australia and Papua New Guinea. With Santos, the XRG-led consortium would gain control of two Australian liquefied natural gas plants: Gladstone on the East Coast and Darwin in the north, as well as stakes in Papua New Guinea LNG and the undeveloped Papua LNG. Santos' interests in Papua New Guinea are considered its most prized assets. The company is also developing the Pikka oil project in Alaska, due to start up in 2026.

The XRG consortium said it is negotiating to carry out due diligence with Santos before formalizing the offer which would need support from at least 75% of Santos investors. Santos said the deal needs approval from Australia's Foreign Investment Review Board, Australian Securities and Investments Commission, National Offshore Petroleum Titles Administrator, PNG Securities Commission, PNG Independent Consumer and Competition Commission, and the Committee on Foreign Investment in the U.S.

MST Marquee senior energy analyst Saul Kavonic said Australia’s review board approval "may be a major risk to the deal" as Santos controls significant critical energy infrastructure in Australia. Analysts at E&P Capital also flagged the risk of securing approvals from Australia's offshore operations regulator and Papua New Guinea.

LNG projects at the center of Abu Dhabi bid for Santos

(Australian Financial Review; June 16) - Abu Dhabi’s national oil company has made a big bet on the future of gas with its bid for Santos, setting up a test for the Australian government over the ownership of assets critical for the country’s energy security. The deal would hand shareholders in Australia’s second-largest oil and gas producer almost A$30 billion in cash, but it has been met with a lukewarm reception from investors and the South Australian government, where Santos was founded 71 years ago.

Australia’s treasurer said the deal was “potentially a very large transaction” and he would listen to the advice of the Foreign Investment Review Board before deciding whether to approve the sale to the consortium led by XRG, the Abu Dhabi government’s investment arm. Others in the consortium include Abu Dhabi Development Holding Co. and The Carlyle Group, a major private-equity firm. Underlying Abu Dhabi’s interest is Santos’ growing LNG portfolio, which includes its stake in a world-class project in Papua New Guinea, and its Barossa project, poised to start production in the Timor Sea.

But investors are divided on the offer — even as Santos’ stock spiked as much as 15% higher. That remains well below XRG’s proposed takeover price, reflecting significant uncertainty about whether the deal will secure foreign investment clearance. “It’s fair, it’s not exceptional,” Wilson Asset Management’s Matt Haupt said of the price. Regulatory hurdles are expected to be significant, with several approvals needed from government agencies in Australia and Papua New Guinea government.

U.S. investment firm teams up with Abu Dhabi fund for gas business

(Wall Street Journal; June 11) - Private-equity firm Kimmeridge Energy Management expects Abu Dhabi sovereign-wealth manager Mubadala Investment to help it create an integrated, “wellhead-to-water” natural gas company. Kimmeridge and Mubadala subsidiary Mubadala Energy have pledged to collaborate on investments across the gas industry, including production of the fuel and its transformation into liquefied natural gas. A preliminary agreement last month followed Mubadala Energy’s acquisition in April of a roughly 24% stake in Kimmeridge’s SoTex HoldCo., a natural gas company.

Securing Mubadala’s backing has cemented Kimmeridge’s plan to turn SoTex into both a gas producer and an LNG exporter. SoTex owns Kimmeridge Texas Gas, a gas field operator in the state’s Eagle Ford Shale region, and Commonwealth LNG, which is building a gas liquefaction and export plant that’s expected to begin operations in 2029 with an average daily processing capacity of more than 1.2 billion cubic feet. The plant near Cameron, Louisiana, is one of many such projects under construction across the Gulf Coast as investors bet on rising LNG demand worldwide.

North America’s LNG export capacity is expected to more than double between 2023 and 2028, reaching 24.4 billion cubic feet a day, according to federal data. Kimmeridge expects Mubadala, based in the United Arab Emirates, to help SoTex expand its LNG sales in markets worldwide and potentially convert LNG back into fuel locally, said Ben Dell, a managing partner at New York-based Kimmeridge. Kimmeridge also intends to invest in pipelines that connect SoTex’s gas fields to various U.S. transmission hubs, to help the business capitalize on price differences across regions, he said.

Oil markets worry Israel-Iran fighting could lead to supply disruptions

(Reuters; June 13) - Oil market participants have switched from focusing on impending oversupply to dreading a shortage in just two days this week. After Israel attacked Iran and Tehran retaliated, oil prices jumped to their highest since January as investors price in an increased probability of a disruption in Mideast supplies. Part of the reason for the rapid price spike is that spare capacity among OPEC and allies to pump more oil to offset any supply disruption is roughly equivalent to Iran's output.

Saudi Arabia and the United Arab Emirates are the only OPEC+ members capable of quickly boosting output and could pump around 3.5 million barrels per day more, analysts and industry sources said. Iran's production stands at around 3.3 million barrels per day; it exports over 2 million barrels per day of oil and fuel. There has been no impact on output so far, but fears that Israel may destroy Iranian oil facilities to deprive it of its main source of revenue have driven oil prices higher.

An attack with a significant impact on Iranian output that required others to pump more to plug the gap would leave very little spare capacity to deal with other disruptions due to war, natural disasters or accidents. Meanwhile, Iran has in the past has threatened to disrupt shipping through the Strait of Hormuz if it is attacked. The strait is the exit route from the Middle East Gulf for around 20% of the world's oil supply.

"If Iran responds by disrupting oil flows through the Strait of Hormuz, targeting regional oil infrastructure, or striking U.S. military assets, the market reaction could be much more severe, potentially pushing prices up by $20 per barrel or more," said Jorge Leon, head of geopolitical analysis at Rystad and a former OPEC official.

Bank analysts say major disruption to oil supply unlikely

(Reuters; June 13) - Israel's attack on Iran is unlikely to cause a major disruption to oil supply, analysts at two major banks said, but a worst-case scenario involving blockades in the Strait of Hormuz could push prices above $100 per barrel, Goldman Sachs said. Prices climbed nearly 9% after Israel launched widescale strikes against Iran targeting nuclear facilities and missile factories, with benchmark Brent futures trading near $75.

Goldman Sachs has incorporated a higher geopolitical risk premium into its adjusted summer 2025 oil price outlook, but "we still assume no disruptions to oil supply in the Middle East," the bank said in a note on June 13. The bank continues to forecast "that strong supply growth outside U.S. shale will reduce Brent and WTI oil prices to $59/$55 in 2025Q4 and $56/$52 in 2026."

Citi analysts said supply disruptions should be limited, adding that while heightened geopolitical tensions may linger, prices are unlikely to stay elevated for a sustained period. Commerzbank said a further rise in oil prices would depend on supply risks in the event of an escalation. One of the risk factors the market is considering is a possible blockade of the Strait of Hormuz, a sea route through which around a fifth of the world's total oil travels. While an interruption is unlikely, the strait is in focus because it could prevent core OPEC+ producers from deploying spare capacity, Goldman Sachs said.

Mideast escalation adds more uncertainty to oil prices

(Bloomberg; June 13) - The past two years of escalating tensions in the Middle East have taught oil traders to be sanguine about the risk of disruption to oil supplies. The barrage of headlines has revived memories of the political upheavals and prices spikes of the 1970s — and yet even when oil prices have jumped, it inevitably proved short-lived. As Iran and Israel traded volleys of missiles in April last year and again in October, Middle Eastern oil continued to flow to the global market unaffected.

Now, the latest assault by Israel is putting oil traders' nonchalance to the test. There's been no impact on supplies so far, but the strikes have shaken a market that for most of this year has been overshadowed by worries about a looming surplus driving down prices, with OPEC+ quickly unwinding production cuts and output rising elsewhere from Brazil to Guyana, while President Donald Trump's trade war threatens global demand.

Even if many believe that the oil market may ultimately escape unscathed, the widespread uncertainty over how strongly Iran will respond, whether Israel will launch further attacks and how the U.S. will react is forcing traders to price in a huge range of possible outcomes. Analysts at Goldman Sachs raised their oil price forecasts for the coming months by $2 to $3 a barrel, but laid out possible scenarios ranging from a surge in prices above $100 a barrel in the worst-case scenario, to a drop below $50 next year in their most bearish scenario of oversupply and weakened demand.

JPMorgan warns of triple-digit oil prices if blockade shuts down strait

(Bloomberg; June 13) - For a global economy that's been buffeted by trade tensions all year, lower energy prices were one of the few positives. If a surge in the price of oil after Israel carried out airstrikes against targets in Iran is sustained, that tailwind will switch to become yet another headwind. Oil prices advanced as much as 13% in the aftermath of the attack. JPMorgan has previously warned prices could spike to $130 a barrel in the "severe outcome" of a blockade to flows via the Strait of Hormuz or a broader conflagration in the Middle East.

"It comes really at an unfortunate time for the global economy given the already heightened uncertainty and chaotic nature we are dealing with coming out of the U.S. protectionist stance," Katrina Ell, Moody's Analytics head of Asia Pacific economics, told Bloomberg. For the U.S., a substantial and sustained increase in oil prices would add to the inflationary impulse from President Donald Trump’s tariffs, Bloomberg Economics analysts Jennifer Welch, Adam Farrar and economist Tom Orlik wrote in a note.

“Coming hard on the heels of the post-pandemic surge in inflation, and with concern that inflation expectations are not firmly anchored, that would be difficult for Fed Chair Jerome Powell & Co. to look through,” the analysts said. In a separate note, Orlik and chief U.S. economist Anna Wong ran the numbers on what a surge in the price of oil would mean for the US economy. They found a jump in the price of Brent to $100 a barrel would result in a 17% increase in all grades of gasoline prices in the U.S.

LNG supply risks worry Asian buyers after Israeli attack on Iran

(S&P Global; June 13) - The Israeli attack on Iran on June 13 has heightened tensions across liquefied natural gas markets in Asia, with shipping companies issuing safety alerts as importers and governments closely monitor impacts and assess supply risks, sources told Platts, part of S&P Global Commodity Insights. The "pre-emptive" strikes by Israel against Iranian nuclear facilities come as Asia, where key importers rely heavily on LNG supplies from Qatar, is about to enter the summer demand season.

"Asia has the highest exposure to LNG exports from the Middle East, as it accounts for around 87% to 88% of LNG exports from the region," said Eric Yep, principal analyst, First Take Gas at S&P Commodity Insights. "Currently, Asian importers are in conversations with all their suppliers, and other portfolio players and trading houses, to evaluate options on the table in case there is a dash for alternatives," Yep said.

In Asia, there are reported concerns about potential supply disruptions at the Strait of Hormuz, particularly for China, whose dependency on Qatari LNG has increased following its stoppage of U.S. LNG imports since February amid tariff escalations. Qatar has become China's largest LNG supplier, accounting for 33.4% of total imports over January-April, according to data from China’s General Administration of Customs. Asia-Pacific spot LNG prices for July jumped June 13, reaching the highest level in 11 weeks.

Israel shuts down offshore gas production over security concerns

(Bloomberg; June 13) - Israel shut down production at its biggest natural gas field after it launched airstrikes against Iran, stopping supplies to import-dependent Egypt and raising concerns about fuel shortages there. Israel ordered the halt of the offshore Leviathan field operated by Chevron due to security concerns, according to a statement from the Energy Ministry.

The escalating tensions in the Middle East raise the risk of a wider war in a region that’s key to global energy supplies. As pipeline gas flows from Israel fell, Egypt cut gas deliveries to some industries and is boosting the consumption of diesel by power plants "as a precautionary measure" so it doesn't have to resort to power cuts, the Egyptian energy ministry said in a statement. The supply disruption coincides with rising summer demand in Egypt, which receives pipeline gas deliveries from Israel.

The North African nation sometimes has to resort to heavier use of fuel oil for power generation, if LNG is too expensive or at times of elevated demand. A prolonged period of less Israeli supply may force Cairo to accelerate purchases of liquefied natural gas, further tightening global markets. The Leviathan field is in the eastern Mediterranean, supplying gas to Israeli customers as well as Jordan and Egypt. The pause on exports to Jordan and Egypt together amounts to 1.2 billion cubic feet of gas a day, said Laurent Ruseckas, director of First Take LNG Analysis at S&P Global Commodity Insights.

Iran partially suspends some gas production after Israeli attack

(Reuters; June 14) - The semi-official Tasnim News Agency reported that Iran had partially suspended natural gas production after an Israeli attack caused a fire at the world's largest gas field on June 14. This would be Israel's first strike against Iran's oil sector. Iran shares the South Pars field with Qatar. It would be a major escalation of the conflict if any significant curtailment in production continued.

South Pars is located in Iran's Bushehr Province in the south. It is the largest field in Iran and the third largest in the world. The Iranian oil ministry reported that the strike caused a fire, which was extinguished. Tasnim reported that a fire had broken out in one processing unit at South Pars, causing a halt to daily production of about 400 million cubic feet of gas.

Iran produces approximately 26.5 billion cubic feet of gas per year, about 6.5% of the global gas production. It consumes this gas domestically because it is not allowed to export it due to sanctions. Qatar uses much of its production from the field to supply liquefied natural gas to Europe, Asia and other parts of the world.

China's LNG imports projected to decline this year

(Reuters; June 12) - China's annual imports of liquefied natural gas are forecast to decline for the first time in three years on weak industrial demand and strong domestic and piped gas supply, according to revised forecasts from five research firms. A decline in imports at the world's top LNG buyer would drive up global supply and drag down Asian spot prices, which are off 12% so far this year.

Imports are set to fall between 6% and 11% from the 76.65 million tonnes shipped last year. Previous estimates had noted that imports were to hit an all-time high as economic stimulus measures from Beijing were expected to lift industrial demand. However, U.S. tariffs have had a significant impact on China's exports, said Rystad's analyst Xiong Wei. "China’s consumer price index has also posted year-on-year declines for several consecutive months, reflecting weak consumer confidence," said Xiong.

Weak industrial demand and a mild winter have hit natural gas consumption overall, according to analysts at Rystad, Kpler and ICIS. Consumers are increasingly opting for cheaper domestically produced gas or pipeline imports, they added. The import fall would also be an unusual blip in a sector that has otherwise recorded steady growth. China’s LNG imports fell to 20 million tonnes during the first four months of this year, down from 29 million in the corresponding period last year, customs data showed.

Australia LNG supplier agrees to price cut for Chinese buyer

(Petroleum Australia; June 12) - Australia Pacific LNG, the country’s largest liquefied natural gas exporter on the East Coast, has agreed to a substantial price reduction under its flagship 7.6-million-tonne-per-year contract with China’s Sinopec. The move, anticipated to cost APLNG close to $2 billion over the next five years, is seen as clear evidence that global shifts in LNG markets are directly impacting Australia’s gas sector.

The price cut follows a comprehensive review of the long-term contract, which runs until 2035, and comes amid a rapidly changing global LNG landscape. The contract price, linked as a percentage to the price of a barrel of oil under the Japan Crude Cocktail oil benchmark, will see its percentage, or “slope,” reduced retroactively to Jan. 1. While such price reviews are standard for long-term LNG supply agreements, the scale and timing of this reduction are noteworthy.

Market analysts point to a looming global supply glut, driven by a surge in new, low-cost supply — particularly from Qatar — which is already intensifying competition and pushing down contract prices worldwide. The contract renegotiation is seen as an early indicator of deeper changes ahead. With mature markets like Europe and Japan seeing declining LNG demand, and growth shifting to more price-sensitive emerging economies, Australian exporters are bracing for sustained competition and potential downward pressure on export revenues well into the next decade.

Trump’s steel tariffs add uncertainty to U.S. LNG project costs

(Argus commodity news; June 11) – U.S. President Donald Trump's administration has swiftly shored up the country's liquefied natural gas industry, most prominently by doling out export licenses to proposed terminals. But while cutting regulatory hurdles signals policy stability and helps projects on the cusp of final investment decisions gain momentum in commercial negotiations, Trump's unwavering commitment to steel tariffs adds a layer of uncertainty for developers looking to spend billions on new projects.

Political backing from the new administration and regulatory streamlining helped bring momentum to commercial talks. Since January, U.S. LNG producers have signed or finalized offtake agreements totaling 10.7 million tonnes per year of LNG, including non-binding deals. Five LNG projects have received an export permit or permit extension since January, which could make their projects more appealing in commercial talks with banks and potential offtakers. Four of them expect to reach FIDs this year.

But not all of Trump's policies have found a receptive audience in the LNG sector. His insistence on tariffs on steel and aluminum, key building materials for LNG plants, might force companies to adjust their spending plans. Unlike the reciprocal tariffs placed, revoked and still threatened on most countries, Trump has not dithered on the metals tariffs since enacting them in March. Instead, he doubled steel and aluminum duties to 50% on June 4 — a move that, barring an exemption, threatens to inflate project costs.

Cheniere applies to FERC for another Sabine Pass LNG expansion

(Reuters; June 12) - Cheniere Energy, the largest liquefied natural gas exporter in the U.S., has applied to the Federal Energy Regulatory Commission for permission to expand its Sabine Pass plant in Louisiana, according to a FERC document. Cheniere filed an application, dated June 6, for authorization to construct and operate the Sabine Pass Stage 5 expansion, which would grow the existing Sabine Pass LNG facility in Louisiana. The Sabine Pass terminal, with an annual capacity of 30 million tonnes per year, is the largest LNG terminal in the U.S., with six liquefaction trains in service.

The proposed expansion would include an addition of three gas liquefaction trains, each with a maximum handling capacity of about 300 billion cubic feet per year, totaling 18 million tonnes per year of LNG, the FERC document showed. Cheniere CEO Jack Fusco said in February that the company plans to aggressively pursue new permits to expand capacity now that U.S. President Donald Trump is in office. Cheniere opened the Sabine Pass plant in 2016. It was the first; there are now eight operational LNG plants in the U.S., with several more under construction or under active development.

Analysts say U.S. demand and exports will drive up natural gas prices

(Wall Street Journal; June 12) - U.S. natural gas storage levels have improved since a colder-than-expected winter drained inventories, but rapid growth in liquefied natural-gas exports is causing concerns that the demand will result in higher prices later this year — and beyond. Unusually cold temps in January and February left gas inventories almost 12% below the five-year average for the time of year, raising worries that the U.S. could enter next winter with inadequate supply and costs to heat homes would rise.

But mild weather over the past three months has kept a lid on demand and the storage deficit has turned to a small surplus. However, analysts at Morgan Stanley expect gas storage to return to a deficit over the summer, pushing prices above $5 per million Btu in the second half of the year. They expect underground storage to end October at 3.68 trillion cubic feet, slightly below the five-year average, and fall to 1.4 trillion cubic feet at the end of March 2026, or 22% below the five-year average.

U.S. gas prices have been supported by expectations that a hotter-than-usual summer will drive up demand for air conditioning, requiring more gas for power generation, while LNG exports are set to hit new highs with more terminals starting up. Projects under construction “are on pace to boost U.S. feed gas demand by around 14 billion cubic feet a day through 2030,” Morgan Stanley said in a note. “More final investment decisions could increase this number further and extend the growth runway into the 2030s.”

Japan’s largest LNG buyer expects U.S. gas at 30% of supply by 2035

(S&P Global; June 12) - Japan's JERA expects the share of U.S. LNG in its long-term supply portfolio to rise to about 30% by around 2035, from the current 10%, following its latest deals to purchase up to 5.5 million tonnes per year from four Gulf Coast export developers, said Ryosuke Tsugaru, senior managing executive officer and chief low-carbon fuel officer at JERA. The new deals announced in Washington on June 11 build on JERA's existing deals for U.S. gas, which include offtake contracts totaling 3.5 million tonnes per year, he said. JERA’s imports from all sources total about 30 million tonnes.

JERA, Japan's largest power generation company, was established in April 2015 as a 50-50 joint venture between Tokyo Electric Power and Chubu Electric. When asked whether JERA will consider additional U.S. LNG procurement, Tsugaru said, "We believe we have secured what is currently deemed necessary at a minimum for procurement from the Gulf Coast. … On the other hand, we will continue to negotiate not only with the U.S. but also with projects in the Asia-Pacific region and the Middle East to diversify our portfolio through new contracts.”

Regarding JERA's interest in buying Alaska gas, Tsugaru said, "We evaluate Alaska as a project that contributes to stable supply for Asia, including Japan, due to its geographical advantages and abundant reserves. … Our specific examination is currently at the stage of obtaining project information, which serves as a prerequisite for such considerations. … We are waiting for detailed information … from the project."

Not all of Japanese utility’s latest deals for U.S. LNG are binding

(Wall Street Journal; June 12) - Japan’s largest utility announced several long-term deals to buy billions of dollars worth of U.S. liquefied natural gas on June 11. U.S. Energy Secretary Chris Wright described the agreements as “yet another major milestone for President Trump’s commitment to increase investment in the U.S. and unleash American dominance.” The reality is a bit more complex.

JERA, the Japanese utility, signed four deals to secure up to 5.5 million tonnes per year of LNG over 20 years. But only two were binding agreements. and two are preliminary agreements. These typically lead to final agreements after a developer has decided to invest in the multibillion-dollar projects — which can take months.

The announcement comes as Tokyo strives to reach a trade deal with the U.S. to save its manufacturing sector, which is taking a hit from tariffs. Japan faces a 10% tariff on its exports to the U.S., as well as duties on cars, steel and aluminum. Its trade with the U.S. has remained in the black, but its surplus has been shrinking in recent months.

Energy economists say Canadian LNG project faces multiple risks

(Institute for Energy Economics and Financial Analysis; June 12) - The Ksi Lisims liquefied natural gas project in Western Canada faces significant infrastructure, regulatory and financial risks. Compounding these risks is an impending global LNG supply glut, weak demand growth and inflationary trade actions, according to the latest report from the Institute for Energy Economics and Financial Analysis. The project is a partnership of the Nisga’a First Nation and U.S. and Canadian gas producers.

The combination of key infrastructure challenges, inflation and the potential for delays and cost overruns make it highly unlikely that the project can be delivered within the budget initially put forward by advocates. Key hurdles include the uncertainty of a pipeline to move feed gas to the terminal (the line still has to be built); the need to electrify the project, to achieve plans for low-emission LNG and to meet provincial regulations; and BC Hydro’s ability to supply electricity within required timelines.

“Although project developers praise its potential economic benefits, the viability of the Ksi Lisims project depends on its ability to overcome cost pressures, secure firm purchase commitments and navigate a highly competitive global LNG market amid uncertainties about demand trends,” the report said. Ksi Lisims LNG is proposed as a floating liquefaction and marine terminal, at 12 million tonnes annual output capacity, constructed at an island in northwest British Columbia across the border from Alaska.

Environmental groups oppose Mexico Pacific LNG project

(Le Monde; France; June 7) - Whales or gas? That is how 37 environmental groups named their campaign against Saguaro, Mexico's largest liquefied natural gas export project. Developed by Mexico Pacific, the project calls for the construction of a 500-mile pipeline from the Permian Basin in Texas – where shale gas is extracted — to Puerto Libertad, in the state of Sonora, on the shore of the Gulf of California. The gulf, also known as the Sea of Cortez, was described by French explorer Jacques-Yves Cousteau as "the world's aquarium" — it is home to 900 fish species and 36 species of cetaceans.

Whales could be the first victims of the development, according to a study published in January by the Marine Mammal Research Program at the Autonomous University of Baja California, as nearly 200 ships are expected to dock annually in Puerto Libertad to load LNG. "The transit of LNG vessels through the Gulf of California threatens to become the main cause of death of large whales by collisions," the study reported. The project, estimated at $14 billion, would produce 15 million tonnes a year of the fuel.

The developer already has issued a contract to build the pipeline and targets a final investment decision on the liquefaction plant later this year. The developer said the final step would be securing financing. Mexico Pacific is awaiting the final approval of Mexico's three development banks. A company official said a syndicate of international development banks and at least 20 commercial banks could participate in the project. The venture has deals to supply LNG to ConocoPhillips (2.2 million tonnes per year), Shell (1.1 million tonnes), ExxonMobil (2 million tonnes) and two buyers in China.

Interest builds in Argentine LNG export project

(Rigzone; June 9) - Italy's Eni and Argentina's YPF have signed an agreement to build a liquefaction plant for the export of natural gas from the Vaca Muerta field in the South American country. "The agreement defines the required steps to reach the final investment decision for the phase of the project that includes the production, treatment, transportation and liquefaction of gas through floating units, for a total capacity of 12 million tonnes of LNG per year," Eni said in an online statement. The production capacity is planned to grow to up to 30 million tonnes by 2030.

"Argentina LNG is a large-scale integrated, upstream and midstream gas development project designed to develop the resources of the onshore Vaca Muerta field and serve international markets," Eni added. The state-owned companies executed the agreement during a meeting in Rome between Argentina's President Javier Milei and Italy's Prime Minister Giorgia Meloni. Vaca Muerta holds an estimated 300 trillion cubic feet of gas.

Last month, Golar LNG and its partners in the Southern Energy project to export Vaca Muerta gas announced a positive final investment decision for a 20-year redeployment of a floating liquefaction facility, the first of two vessels it plans to use. The floating facility, acquired by Golar last year, will be chartered to the project consortium under a contract that is expected to start up 2027. Concurrently, the Southern Energy partners signed definitive agreements for the 20-year charter of a second floating unit, which is being converted in China. They expect to make an FID this year.

Egypt signs deals to import as many as 290 LNG cargoes

(Bloomberg; June 12) - Egypt agreed to buy liquefied natural gas over 2½ years from suppliers including Saudi Aramco, Trafigura and Vitol, putting the country on course to be a long-term importer as domestic gas production slows. Egyptian Natural Gas Holding Co. also struck agreements with Hartree Partners, BGN and Azerbaijan’s Socar, according to people with knowledge of the matter. The deals will bring in as many as 290 cargoes over the period, starting next month, they said.

The move adds to import contracts earlier this year and is aimed at cutting Egypt’s reliance on volatile spot-market buys. It’s a sharp turnaround for a country that until a year ago was exporting LNG. Declining gas output from domestic fields at a time of rising local demand has made Egypt a major importer and helped tighten global markets. Contract durations varied among the supply agreements.

The cargoes are priced at a premium to the European gas benchmark of about 80 cents to 95 cents per million Btu, according to one person, who said payments can be deferred for as many as 180 days. In total, EGAS received 14 offers to supply, ranging from 18 months to three years, Bloomberg reported last month. The eventual amount of LNG may still change as the shifting outlook for Egyptian demand could mean some future deliveries get rerouted, some of the people said.

EU will demand importers disclose terms of any Russian gas deals

(Reuters; June 13) - The European Union will demand companies disclose details of their Russian gas deals to the EU, under upcoming European Commission proposals to ban Russian gas imports by the end of 2027, an internal commission document seen by Reuters showed. The commission is preparing to propose legal measures to completely halt the EU's Russian gas imports by the end of 2027 and ban new Russian gas deals by the end of this year. The proposals are due to be published on June 17.

An internal European Commission analysis of its upcoming proposals, seen by Reuters, said to enforce the ban, the commission will require information including the duration, annual contracted volumes, destination clause and date of conclusion of Russian gas contracts. "The implementation of the measures — as designed in the proposal — requires comprehensive and systematic information about the existing contracts for Russian gas, including specific contractual arrangements," the document said.

Gas importers will also be required to disclose the origin of their imports, to ensure it is not Russian, the document said. The disclosures aim to ensure the EU and countries' customs and energy authorities can track that the ban is enforced. The commission's assessment said the upcoming proposals will ban EU LNG terminals from providing services to Russian customers as of Jan. 1, 2026, with a longer deadline of June 17, 2026, for existing services contracts under short-term LNG supply deals.