

Oil and Gas News Briefs

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OPEC+ ready to announce another production increase in August

(Reuters; June 27) - The world's largest group of oil producers, OPEC+, is set to announce another big increase of 411,000 barrels per day in production for August as it looks to regain market share, four delegates from the group told Reuters. If the increase is agreed, it would bring the total rise in supply from OPEC+ to 1.78 million barrels per day so far this year, equivalent to over 1.5% of total global demand. The group has not yet increased output by the volumes agreed because some members are compensating for previous overproduction and others need longer to bring production back online.

The group has made a radical change in policy this year after several years of output cuts totaling more than 5 million barrels per day. This came when eight members started to unwind their most recent output cuts totaling 2.2 million barrels per day starting in April and accelerated their production hikes in May, June and July, despite the extra supply weighing on crude prices.

The change came after some members, such as Kazakhstan, produced way over their targets, angering other members that were sticking more closely to agreed cuts. OPEC and its allies including Russia, together known as OPEC+, are also seeking to win back market share during the period of cuts when rival producers such as the U.S. boosted production. The group of eight, which includes Saudi Arabia, Russia, Kuwait, Iraq, the United Arab Emirates, Kazakhstan, Oman and Algeria, will meet on July 6.

BP future still uncertain, even as Shell says it's not pursuing takeover

(Financial Times; London; June 27) - BP chief executive Murray Auchincloss batted away the question when asked this year if everything at the struggling oil company was up for sale. "I don't know," he responded. "Nobody ever comes up with the right price." His efforts to restore the fortunes of the 116-year-old company and preserve its independence received a boost this week when its U.K. rival Shell declared it had "no intention" of pursuing a deal that would have created a supermajor to rival ExxonMobil.

Yet while Shell is now barred from making a new offer before Christmas, unless BP initiates talks or another suitor emerges, the respite for the embattled Auchincloss and his fellow executives is likely to be short lived. BP's future has been an open question for months, and in particular since February when it abandoned the multibillion-dollar push into renewable energy that had angered some investors. Even a vow to refocus on its core in oil and gas could not halt the slide in its share price, down a further 14%.

Advisers to energy groups said the pressure on BP to take action to reverse the rapid erosion of shareholder value will only increase. “If the oil price stays at this level for a year, BP will be in a desperate state,” said a veteran investment banker working in the energy sector. One obstacle to a full takeover is that few buyers would want to purchase all of BP, bankers say. Abu Dhabi’s national oil company, for example, which has a close relationship with BP and has looked at its portfolio, is keen to expand in gas but not oil.

Sanctions failed to reduce Iran’s oil sales to China

(CNBC; June 27) - For years, China has been buying discounted Iranian oil and U.S. sanctions on Tehran have barely put a dent in that trade, analysts said, thanks to a shadow supply chain and a yuan-denominated payment system that bypasses the U.S. dollar. Chinese customs have not shown any oil shipped from Iran since July 2022. But ship-tracking data from analytics firm Kpler, however, indicated China’s Iranian crude imports have continued to rise since then, nearly doubling in 2024 from the 2022 level.

In the first five months of this year, those imports remained at an elevated level, little changed from the same period in 2024. China is still the largest consumer of Iranian crude by far. The U.S. Energy Information Administration suggested in a report in May that nearly 90% of Iran’s crude oil and condensate exports continued to flow to China. Iran has faced some of the broadest sanctions the U.S. has imposed on any country as Washington sought to choke the regime’s main source of revenue that was used to fund its nuclear program and militias such as Hamas and Hezbollah.

Foreign oil buyers are drawn to Iranian petroleum exporters because they are often sold at a discount compared to Persian Gulf or price-capped Russian suppliers. Iranian Light oil was traded at about \$6 to \$7 cheaper than the United Arab Emirates Upper Zakum crude — a non-sanctioned grade and at similar quality as Iran Light — at \$64 per barrel, Muyu Xu, senior oil analyst at Kpler told CNBC on June 26. China’s independent refineries, known as “teapots,” have in recent years been major buyers of cheap Iranian crude, as big private refiners and state-owned firms shun the sanctioned crude.

Trump shifts and now says China can continue buying oil from Iran

(Bloomberg; June 26) - President Donald Trump indicated that he might be preparing to ease his “maximum pressure” campaign against Iran, potentially undercutting a central policy dating to his first term and provoking consternation among foreign policy hawks who argue that now is the time to escalate — not lessen — pressure on Tehran. Days after U.S. airstrikes on Iran’s nuclear facilities, the president posted on social media that “China can now continue to purchase oil from Iran.” That was a dramatic shift from May when he said all purchases of Iranian oil and petrochemical products “must stop, NOW!”

During the NATO summit in the Netherlands this week, he said Iran would “need money to put that country back into shape.” He added, “If they’re going to sell oil, they’re going to sell oil,” in apparent disregard of policies his administration had imposed as part of a campaign intended to squelch Iran’s oil exports entirely.

The online post, made after Trump declared that Iran and Israel had agreed to a ceasefire, confounded oil traders and some members of his administration. It was yet another reminder for the president’s friends and foes alike of just how abrupt his policy swings can be. Although shipments have slowed recently because of tougher U.S. sanctions and weaker demand, third-party data show China remains the largest buyer of Iranian oil, with independent refiners the biggest buyers. To circumvent sanctions, some Iranian oil imports are masked as shipments from other countries like Malaysia.

Canadian legislation to fast-track project approvals faces opposition

(Reuters; June 26) - Canada’s Senate passed a bill to fast-track approval for natural resource and infrastructure projects on June 26, despite opposition from Indigenous and environmental groups who have threatened protests and legal action. The bill’s passage and implementation are a test for Prime Minister Mark Carney, who was elected in April promising to transform Canada’s economy in the face of what he repeatedly called a national crisis due to U.S. tariffs.

The government’s proposal speeds up approval of “national interest” projects, potentially including mines and oil pipelines, and eliminates some trade barriers between provinces. It passed the lower chamber last week and cleared the Senate just before Parliament breaks for the summer. So-called Henry VIII clauses give Cabinet the power to decide how and whether some laws apply to such “national interest” projects.

The bill had raised the ire of eight environmental and Indigenous leaders and threatens to upend years of work toward reconciliation between Canada’s government and its first peoples. Some groups have promised a legal fight over the legislation, while others have pledged demonstrations. In Canada, the duty to consult First Nations is a constitutional requirement recognized by courts. Indigenous groups argue fast-tracking project approval sidesteps that obligation and denies them a real say.

Canada a latecomer to LNG, but has plans to expand exports

(CBC News; Canada; June 29) - A decade after a promised boom in the liquefied natural gas industry failed to materialize, Canada has arrived at the starting line, rekindling some aspirations of becoming a major LNG player. The long-awaited Shell-led LNG Canada project is starting operations — and there are six more projects in

various stages of development. If all of them come through, together they would represent \$109 billion in capital investment, according to Natural Resources Canada.

Even if all projects under development get built, some warn Canada may have already missed the chance of being a major player. "I don't think Canada's ever going to be an LNG-exporting superpower," said Ed Crooks, vice-chair of the Americas for consultancy Wood Mackenzie. But he said the country has plenty of room to ramp up its exports.

One proposed facility is in a fishing community about 500 miles north of Vancouver. The Nisga'a community of Gingolx, population roughly 500, is known as the seafood capital of the Nass River. In the next few years it could have a new neighbor: Ksi Lisims LNG, a floating terminal that will export LNG to Asia. The project is proposed by the Nisga'a Nation in partnership with Rockies LNG, a group of Western Canadian gas producers, and Western LNG, a Houston-based company that develops LNG export facilities.

"It means, in one word, prosperity," said Eva Clayton, president of the Nisga'a Nation. She said the partners hope to make a final investment decision this year. The facility is planned for a production capacity of 12 million tonnes per year. The site is just across the border from the southern tip of Alaska. Ksi Lisims is among several LNG projects at various stages of development. Most have Indigenous ownership or partnerships.

First Nations coalition opposes oil pipelines to British Columbia coast

(CBC News; Canada; June 27) - The president of an organization representing First Nations along the north coast of British Columbia says it would not support any new pipeline projects in northern B.C. "There is no project or proponents that would be acceptable to us on the North Coast," said Marilyn Slett, elected chief councillor of the Heiltsuk Tribal Council, about 300 miles north of Vancouver, and president of the Coastal First Nations' Great Bear Initiative — an alliance of nine First Nations.

Alberta Premier Danielle Smith said on June 24 that she expects a private company will bring forward a proposal to build a new oil line to British Columbia's north coast within weeks. Smith wants to revive a plan to bring oil sands crude to the coast for export to Asia, with the endpoint in Prince Rupert, British Columbia. Anything that proposes to send oil through the coast is a non-starter," said Slett.

Many of the coastal First Nations were parties to a B.C. Supreme Court ruling that stopped Northern Gateway pipeline plans to deliver oil to the port of Kitimat, British Columbia. The Enbridge project was scrapped because the court ruled Ottawa failed to properly consult with First Nations affected by the pipeline. "(The) North Pacific coast is one of the richest cold water marine ecosystems on Earth and it's a source of our sustenance, tied to our culture and the livelihoods of not just our communities but many British Columbians," said Slett. "We can't have one livelihood at the cost of another."

Albertans increasingly unhappy with Canada's national policies

(Financial Times; London; June 27) - Roger Bablitz leans under the bonnet to fix his 1976 purple Chevrolet Stepside pickup truck, while an American flag billows in the wind nearby. "Donald Trump, he's a good guy. I don't mind him," he said. But Bablitz, a 54-year-old single manual laborer, is not in the U.S. He is in High River, a small town in southern Alberta. "Becoming the 51st U.S. state wouldn't hurt my feelings," he said. "I think it would be better if we do join the states or just separate from Canada."

Separatist sentiments have been energized in Alberta, the western Canadian province that is the largest foreign supplier of oil to the U.S. and has always considered itself a little bit different from the rest of Canada — certainly, more pro-resource development. Its independence movement poses a threat to Prime Minister Mark Carney's push for national unity and his ability to respond to the economic threats unleashed by President Trump. This turmoil has been amplified by Alberta Premier Danielle Smith who regularly rails against Ottawa and has opened the door to an independence referendum.

"Albertans have had enough," Smith told the Financial Times in an interview. "Albertans can be pushed and pushed to a point, and then it just boils over." Smith said she was against separating from Canada or Trump's idea of joining the U.S. But she has turned up the heat on these simmering tensions. The day after Carney won the national election in April, she introduced a law that lowers the threshold to hold a provincial vote on whether Alberta should break away from Canada. Starting next month, only 177,000 signatures are needed for a referendum petition, down from 600,000.

Installation of modules underway at Woodfibre LNG in Canada

(LNG Prime; June 27) - Canada's Woodfibre LNG, a joint venture of Singapore-based Pacific Energy and Canada-based Enbridge, has started installing the first pipe rack modules at the site of its liquefied natural gas export facility near Squamish, British Columbia, north of Vancouver. Woodfibre LNG announced that the installation of the pipe rack modules is now underway in a social media post on June 26.

"At the Woodfibre LNG site, these sturdy elevated steel structures will serve as critical conduits from the liquefaction facility to our floating storage tanks, carrying newly formed LNG to storage, ready to be loaded onto incoming LNG tankers," the post said. The pipe rack modules, transported by the heavy-cargo vessel BigLift Baffin, are the first large-scale modular components to arrive at the site for installation. China's Qingdao McDermott Wuchuan, a joint venture consisting of McDermott and China State Shipbuilding Corp., built and shipped the modules.

QMW will build 19 modules, some weighing in excess of 10,000 tonnes, for Woodfibre LNG. On-site work began in September 2023, and the project is using a modular construction approach to enhance efficiency and meet its construction timeline. The

developers plan to complete the \$5 billion facility, which will have a production capacity of 2.1 million tonnes per year, in 2027.

China's imports of LNG decline for eighth month in a row

(Bloomberg; June 25) - China's imports of liquefied natural gas are poised to decline for an eighth month on a year-on-year basis, according to data from Kpler, as piped and domestically produced gas supplies remain robust. Imports in June are forecast to be at about 5 million tonnes, according to figures from Kpler, which tracks shipping data. That would be around 12% lower than a year earlier when compared with official volumes.

China, which was the top LNG importer in 2024, has been buying less this year due to strong flows of piped gas from Russia and Central Asia, and rising local production. The nation has also cut purchases due to high spot prices and has even moved to resell shipments abroad to take advantage of better profits. However, hotter weather with the start of summer in China could lead to higher demand for LNG imports in the coming months as people rely more on air conditioners, driving a boost in power consumption.

Iraq in talks with U.S. company to help it start LNG imports

(Bloomberg; June 26) - Iraq is in advanced talks with Excelerate Energy to facilitate its first-ever liquefied natural gas imports as the country, which struggles with power outages, seeks to cut dependence on Iran for supplies. Texas-based Excelerate is one of several companies to have submitted a bid to provide an LNG import ship and secure supplies of the fuel, said Ali Salman, acting director general for Iraq's state-run South Gas Co., which has been charged with overseeing development of the project.

Iraq's push to buy LNG comes as the country halted electricity imports from neighboring Iran earlier this year after the U.S. ended a sanction waiver ordered by President Donald Trump to tighten pressure on Tehran. Gas imports from Iran have since continued and weren't affected by the U.S. and Israeli strikes on Iran's energy sites this month, although this highlighted the fragility of the pipeline gas supply route.

Iraq, OPEC's second-biggest oil producer, doesn't have enough gas for its mostly gas-fired power plants and suffers from crippling blackouts every summer when demand peaks. It's also been trying to reduce the amount of wasteful gas flaring from its own fields, and has been looking at buying LNG as a way to fill the shortages. The U.S. has urged Iraq to diversify the origins of its gas imports, and Baghdad signed an agreement with Turkmenistan last year for supplies. Iraq has been in talks with Qatar and others to find more solutions.

Russia poised to restart exports from Arctic LNG project

(Bloomberg; June 28) - Russia is taking another crack at expanding exports of liquefied natural gas after U.S. sanctions stalled efforts last year. An LNG vessel has docked at the Arctic LNG 2 export facility for the first time since October, according to ship-tracking data compiled by Bloomberg and satellite images. The facility was supposed to be a cornerstone of Moscow's goal to increase LNG exports threefold by 2030 but has been idle for months after struggling to find buyers willing to break Western restrictions.

Russia has the pieces in place to boost LNG exports as it expands its shadow fleet. Since the 2022 invasion of Ukraine, Russian gas pipeline exports to Europe have dwindled, and shipping more fuel via seaborne LNG tankers provides an attractive revenue stream to fill Moscow's coffers. At least 13 ships, including those that can navigate icy waters, have been marshaled to potentially serve Arctic LNG 2, with some changing management companies several times to help obfuscate the actual owners.

"If it can find buyers, this small fleet should be sufficient to lift cargoes," Malte Humpert, founder of the Arctic Institute, a Washington-based think-tank, said in an email. Eight shipments were exported from Arctic LNG 2 last fall but never docked on foreign shores. Instead, the gas was offloaded into two Russian storage units in the Barents Sea and Far East. Large-scale production halted in October after ice built up around the facility and made transport by traditional vessels challenging. Russia's first domestically built ice-class LNG tanker may come online in the second half of this year after sea trials.

Houston-based startup says it wants to build an LNG export terminal

(Upstream; June 27) - Houston-based Coastal Bend LNG has fired the starting gun on a 22.5-million-tonne-per-year liquefied natural gas export plant in Texas, amid a revival of gas export opportunities in the U.S. under President Donald Trump. Privately owned Coastal Bend said it expects to pre-file for its Federal Energy Regulatory Commission authorizations later this year. The company said carbon capture, transport and storage will be integrated into the planned facilities to deliver low-carbon-intensity natural gas.

Coastal Bend's website has few project details. However, results from an internet search suggest that the facility could potentially be built on the La Quinta ship channel in Ingleside, Texas. Documents covering a planning and zoning commission meeting in Ingleside in January 2023 stated that Coastal Bend LNG was formed in early 2022 by Kyomera and Amirian Group, a real estate company based in New York.

Reliance on oil and gas imports puts Japan and Korea at supply risk

(Associated Press; June 27) - Asia's dependence on Middle East oil and gas — and its relatively slow shift to clean energy — make it vulnerable to disruptions in shipments through the Strait of Hormuz, a strategic weakness highlighted by the war between Israel and Iran. Iran sits on the strait, which handles about 20% of shipments of the world's oil and liquefied natural gas, or LNG. Four countries — China, India, Japan and South Korea — account for 75% of those imports.

Japan and South Korea face the highest risk, according to analysis by the research group Zero Carbon Analytics, followed by India and China. All have been slow to scale up use of renewable energy. In 2023, renewables made up just 9% of South Korea's power mix — well below the 33% average among other members of the Organization for Economic Cooperation and Development, or OECD. In the same year, Japan relied more heavily on fossil fuels than any other country in the Group of Seven, or G7.

Experts say the only way to counter uncertainty is to scale back reliance on imported fossil fuels and accelerate Asia's shift to clean, domestic energy sources. "These are very real risks that countries should be alive to — and should be thinking about in terms of their energy and economic security," said Murray Worthy, a research analyst at Zero Carbon Analytics. Japan depends on imported fossil fuels for 87% of its total energy use and South Korea imports 81%.

U.S. behind schedule in refilling Strategic Petroleum Reserve

(Reuters; June 26) - The U.S. will not complete scheduled deliveries of crude oil into the Strategic Petroleum Reserve until the end of the year due to maintenance, as much as seven months behind schedule, the Department of Energy said on June 26. Former President Joe Biden's administration scheduled 15.8 million barrels of deliveries to the SPR from January through May. So far this year, only 8.8 million of that has been delivered to the reserve.

"Due to site maintenance, the SPR rescheduled crude oil secured from previous solicitations, as well as exchanges, through December 2025," an Energy Department spokesperson told Reuters. Biden carried out several sales from the Strategic Petroleum Reserve including 180 million barrels in 2022, the largest ever, in an attempt to control spiking gasoline prices after Russia invaded Ukraine.

President Donald Trump vowed on his first day in office in January to fill the SPR "right to the top" in an effort to support the domestic oil industry, but it is taking time. Energy Secretary Chris Wright has estimated it would take \$20 billion and years to refill the reserve to the level it was before the sales. Trump's tax-and-spending bill allocates about \$1.5 billion for purchases and SPR maintenance.

Report says pipeline operator slow to shut down Gulf of Mexico spill

(Associated Press; June 26) - Roughly 1.1 million gallons of crude oil spilled from a pipeline off the Louisiana coast in November 2023 because operators failed to shut it down for nearly 13 hours after their data first hinted at a problem, the National Transportation Safety Board said June 26. The NTSB said the leak was the result of underwater landslides, caused by hazards such as hurricanes that pipeline owner Third Coast failed to address even though the threats were well known in the industry.

“In the years leading up to the accident, Third Coast missed several opportunities to evaluate how geohazards may threaten the integrity of their pipeline. Information widely available within the industry suggested that land movement related to hurricane activity was a threat to pipelines in the Gulf (of Mexico), including the MPOG (Main Pass Oil Gathering) 18-inch pipeline,” the NTSB said in its final report.

Environmental groups raised alarm at the time about the leak and its impact on wildlife. NTSB estimated the spill caused \$30 million in damage. The amount of oil spilled could have been much smaller if Third Coast control room workers had acted more quickly, the NTSB said. The pipeline operator first noticed pressure changes about 45 minutes after he started his shift. The controller said his supervisor recommended not shutting down the line as the pressure dropped throughout the evening. Even after the flow went to zero, personnel believed the data was the result of equipment issues.