Oil and Gas News Briefs
Compiled by Larry Persily
March 17, 2025

Uganda oil pipeline encounters 1,000 miles of controversy

(Washington Post; March 11) - In its first 88 completed miles, the world's most controversial oil pipeline system runs in a bulldozed path through the Ugandan countryside. The pipeline runs past schools lacking electricity. It cuts through the banana groves of a farmer skipping meals to survive the dry season. It knifes past a church whose pastor hopes his children will have oil jobs. Then, not long after it passes through this village, it gives way to something unplanned: hundreds of unfinished miles in a project that is behind schedule and that Western banks have shunned.

Uganda was hoping by now to be on the verge of oil production. Instead, it is at the center of a global fight — involving governments, climate activists, energy companies and multinational banks — over the future of fossil fuels. Uganda remains adamant that it will find a way to complete the line. But while supporters and opponents of the pipeline wield arguments about fairness and morality, they have radically different visions of what is most important: protecting the planet or maximizing economic opportunity.

The project, at full buildout, will comprise a pipeline network running nearly 1,000 miles. The system will originate with two feeder lines from a pair of drilling sites near Lake Albert. They would merge into a larger line to continue through landlocked Uganda, then east through Tanzania toward an Indian Ocean port. The project is an effort of France's TotalEnergies, China National Offshore Oil Corp. and national oil companies of Uganda and Tanzania. With Uganda's thick, waxy crude able to flow only at high temperatures, the system would be the longest electrically heated oil pipeline in the world.

Thieves go after easily refined condensate from Nigeria pipelines

(Bloomberg; March 11) - Gangs of thieves are tapping the pipelines that feed Africa's biggest liquefied natural gas plant, collecting condensate — a hydrocarbon more desirable locally than crude — in a dangerous pursuit that's sent Nigeria's LNG exports plummeting. Groups have for decades targeted oil lines that crisscross the country's Niger Delta, but a government crackdown on crude theft has driven them to gas lines where they seek an ultra-light form of oil that's easy to process at makeshift refineries.

The surge in activity has crippled gas supply to Nigeria LNG, a joint venture owned by Nigeria, TotalEnergies, Shell and Eni. "It is a very high risk, very dangerous operation, that's not always successful. But when it's successful, they make a lot of money," said Effiong Okon, managing director of the ANOH gas plant, a Seplat Energy subsidiary that operates a $700 million gas project in the area. Decades ago, he was part of an engineering group at Shell that rerouted condensate flows to avoid such theft.

Nigeria LNG was held up as a model state-backed enterprise when exports of the fuel started in 1999, but its footprint has dwindled. Nigeria accounted for 3.5% of global LNG supply last year, steadily decreasing from 6% in 2020. At the same time, plans are underway to boost condensate output, which doesn’t count against the oil-production quota Nigeria agreed to as an OPEC member. Africa’s top producer aims to reach 3 million barrels a day — half of it condensate — the state petroleum minister said last month. The rise of illegal operations adds another obstacle to increasing production.

Gazprom loses billions of dollars without gas sales to Europe

(Reuters; March 12) - When the CEO of Russian state gas giant Gazprom, Alexei Miller, opened a lavish Italian palazzo-styled building in central St Petersburg to house the company's export arm 11 years ago, he augured a future funded by European sales. "This is symbolic," he said, referring to the modern new offices in Russia's most European city. "Europe will increasingly need Russian gas." Instead, the opulent offices have come to symbolize Gazprom's rapid decline, dragged down by the almost total loss of European markets after the war in Ukraine ruptured Russia's ties with the West.

Reeling under multibillion-dollar losses, the company is considering putting the palazzo up for sale along with other luxury properties it owns, according to sources. Gazprom is arguably the Russian business hardest hit by the international sanctions imposed after Russia's full-scale invasion of Ukraine in 2022. The number of staff at Gazprom Export, once the most prosperous unit of the company, overseeing Soviet and Russia's gas sales to Europe for over half a century, has shrunk to just a few dozen employees, the same two sources told Reuters. That's down from 600 employees five years ago.

With no European sales, the remaining workers are focused mainly on litigation with former European Union buyers, sources told Reuters. Last year, Gazprom posted a net loss of $7 billion for 2023, its first since 1999, the year Putin came to power. It posted another loss in the first nine months of 2024, the latest period for which figures are available. Meanwhile, Putin's long-term pledge to replace European markets with sales to China look optimistic at best. Even the most ambitious projects being considered to pipe gas eastward would not amount to half of the previous peak exports to Europe.

Countries ‘are cutting deals now’ for U.S. oil and gas to placate Trump

(The New York Times; March 13) - President Donald Trump’s cabinet has been busy rolling back regulations that will make it far easier to extract and produce fossil fuels. But who will buy them? Nearly everyone, it turns out, particularly under the threat of tariffs. At an annual energy industry conference in Houston, executives spoke openly about how companies worldwide are seeking to buy U.S. liquefied natural gas as a way of placating Trump's demands to either balance trade or face punitive tariffs.

Nations with a trade imbalance with the U.S. are "all asking themselves, 'What can we do to try to level the playing field?'" said Meg O'Neill, chief executive of Woodside Energy, Australia's biggest oil and gas company. They are cutting deals now, she said, in large part "so their government can say, 'We're taking action. We hear you, Mr. President.'" Her characterization was echoed by Ryan Lance, chief executive at ConocoPhillips, one of the largest U.S. oil and gas producers, and other speakers at the conference, known as CERAWeek by S&P Global.

Since President Trump took office, oil and gas companies from nearly every continent have dangled the possibility of investing billions of dollars in the United States. Whether all this will translate into firm deals is not yet clear. But the potential deals would lock in decades of investment in fossil fuels at a time when the global energy transition to cleaner energy sources is faltering. The burning of fossil fuels is the main contributor to greenhouse gas emissions that are dangerously warming the planet.

Speaking at the conference in Houston, the head of the Abu Dhabi National Oil Co., Sultan al Jaber, who just a year and a half ago presided over the annual climate-change negotiations in the United Arab Emirates, said his company would also soon announce a major investment in U.S. gas production. "Make energy great again," he said.

Alaska officials head to Japan to push LNG project

(Reuters; March 17) - Alaska officials will visit Japan this month to court investors for a liquefied natural gas project, but Japanese energy firms remain skeptical of the project's feasibility. Officials from the state-run Alaska Gasline Development Corp. and development partner Glenfarne will visit "allied Asian nations in late March to update industry leaders on Alaska LNG's economic and strategic competitive advantages, and discuss opportunities for participation," said AGDC spokesperson Tim Fitzpatrick.

The $44 billion project would transport gas south from Alaska's Arctic via a 800-mile pipeline to a liquefaction plant at tidewater for shipment to Japan, South Korea and Taiwan. Trump is pushing energy sales to Asian allies while threatening trade tariffs, reviving Alaska's stalled LNG ambitions. On Feb. 7, he asked Japan Prime Minister Shigeru Ishiba for support, and on March 4 South Korea agreed to discuss the project.

Korea's industry ministry said AGDC had asked for a meeting, but that nothing has been decided. Despite Trump's claim that Japan wants in, Japanese energy firms have yet to commit. "Companies are interested in it, but still have a lot of reservations. Higher cost has been a focal point for Alaska for years," said Hiroshi Hashimoto, an analyst at the government-affiliated Institute of Energy Economics. "The question is whether it can be economically sustainable," Japanese oil and gas company Inpex CEO said last month.

Developer plans Texas LNG investment decision by December

(Reuters; March 13) - Glenfarne Energy Transition expects to make a final investment decision on its Texas LNG project by December, CEO Brendan Duval said on March 12. Glenfarne Energy is developing the export project in Brownsville, South Texas, planned for 4 million tonnes per year output capacity. He made the announcement at the annual CERAWeek energy conference in Houston. Glenfarne also is considering investing in an LNG export project in Louisiana and a state-run gas project in Alaska.

The company has already signed an engineering, procurement and construction contract with Kiewit to build the Texas plant, Duval said. It has signed up enough long-term customers to move forward with construction once it has all the legal approvals, he added. The project faced delays after a federal court put the construction permit on hold, along with permits for other LNG plants. The court asked federal regulators to review the projects' environmental impacts.

The Federal Energy Regulatory Commission, acting on the court order, asked the LNG developers for additional information to measure the impact of the plants. Duval said he expected that process to conclude by November. President Donald Trump has instructed his government to accelerate development of energy projects in the U.S. by cutting red tape and shortening permit times. Trump also overturned a moratorium on new LNG export permits that had held up development of some plants.

Growing power demand is making LNG more popular

(CBC News; Canada; March 13) - At a Texas energy conference that features some of the field's most innovative technology (scrubbing carbon from the skies, for example) — this year people can't stop talking about plain old natural gas. The world's appetite for seaborne liquified natural gas cargoes is expected to grow 40% in the next five years, according to S&P Global. Natural gas hasn't historically been a big hit with environmentalists, but executives say it's seeing greater demand and believe it will play a role in meeting a worldwide need for electricity and helping countries shift from coal.

"Practicality and pragmatism will always win out," said Tengku Muhammad Taufik, CEO of Malaysia's oil and gas company Petronas. Gas has a new luster these days, thanks in part to the rise of artificial intelligence. Data centers, which house computer systems and servers, suck up enormous amounts of electricity that needs to be available 24 hours a day. Tech giants have cast a wide net to look for energy sources to power data centers — including hydrogen, geothermal and nuclear power — and energy industry observers predict gas will be a big part of the mix, at least in the short term.

"Data centers and AI are energy hogs," Meg O'Neill, CEO of Australian oil and gas company Woodside Energy, told CBC News. "We ask ourselves, 'What's the energy source that's going to be most flexible to be able to meet that energy demand?' And we think LNG will play an even more important role." O'Neill said buyers are returning to the table and asking for long-term LNG contracts. "Last year, we signed 10-year deals with leading industrial players in Japan, Korea and Taiwan," she said. "They know that they're going to need LNG as part of their energy mix, and they want the price certainty."

Trump’s push for lower gasoline prices not good news for oil industry

(Financial Times; London; March 12) – President Donald Trump’s administration has indicated a desire to see crude prices fall to $50 a barrel or lower, but the benefit for U.S. consumers risks throttling the same oil industry the president wants to expand. On the campaign trail Trump repeatedly talked about very low gasoline prices of $1.87 a gallon — equivalent to about $20 a barrel for crude — as “a perfect place, an absolutely beautiful number.”

The debate over what oil price the president is seeking has hardened in the past week after Peter Navarro, one of his trade advisers, suggested that if oil fell to $50 a barrel it would help tame inflation. Brent crude, the global benchmark, dropped to $68 a barrel last week, the lowest in three years, as the OPEC+ producer group confirmed plans to gradually increase output. Analysts warn that a much bigger decline could make it nearly impossible for the administration to meet another of its targets — expanding U.S. energy production by 3 million barrels of oil equivalent a day by 2028.

“Fifty dollars a barrel is going to hurt the U.S. more than benefit it, and it’s definitely not going to allow the U.S. to produce more oil, which is something that Trump also wants to see,” said Claudio Galimberti, chief economist at Rystad Energy. “The two objectives are incompatible.” The last time Brent was under $50 was November 2020 during the COVID pandemic. U.S. Energy Secretary Chris Wright said that by loosening regulation and other barriers, U.S. oil companies would be able to boost output, even at $50.

Cheniere plans using more electricity to cut emissions at LNG plants

(Reuters; March 12) – The country’s top U.S. liquefied natural gas producer Cheniere Energy plans to use electricity from the Texas grid at some of its LNG facilities, Robert Fee, the company's vice president of international affairs and climate, said on March 12, a move that he said could reduce emissions. Fee, speaking at the CERAWeek energy conference in Houston, added that the company was aware that doing so risks reducing the reliability of its operations by placing facilities at the mercy of the power grid.

Combined-cycle gas turbines to generate electricity tend to be used in LNG plants to ensure there is sufficient reliable power. But using them can lead to higher facility emissions of greenhouse gases and other pollutants. Reducing emissions from the LNG supply chain is important to the industry in part because big markets like the European Union are implementing emissions standards for their imports.

"Our Stage 3 facility is going to be electric-driven," said Fee, referring to an expansion project at its Corpus Christi LNG terminal in Texas. Cheniere started production at the expansion in December, but construction remains underway. Cheniere has struggled to meet federal limits for hazardous emissions from its existing gas turbines at some of its operations in the past. In 2022, the company asked the Environmental Protection Agency to exempt it from limits on emissions of some cancer-causing pollutants, arguing the rules could potentially impose significant costs and operational disruption.

U.S. government will help finance Mozambique LNG project

(Financial Times; London; March 13) – U.S. President Donald Trump's administration has unlocked almost $5 billion in financing for a liquefied natural gas project by France's TotalEnergies in Mozambique, potentially restarting work on one of Africa's largest energy investments at more than $20 billion. Mozambique's minister for energy said on March 13 that the U.S. Export-Import Bank (Exim) had reapproved a $4.7 billion loan for the project, originally granted in 2020 during Trump's first presidency.

Work has been frozen since 2021, however, when TotalEnergies put its project on hold after Islamist insurgents killed civilians and workers in attacks near the site in Mozambique's northern Cabo Delgado province. Total and its partners are working toward restarting the project, after worker security is ensured. American jobs are involved in the project, with U.S. subcontractors expected to receive up to 30% of the contract value, and the Exim funding could help maintain U.S. influence in the region.

The U.S. Exim loan was part of $14.9 billion in senior debt financing that TotalEnergies arranged with a range of export credit agencies and banks in 2020. Following the 2021 attacks, the French company made a declaration of force majeure, signaling elements outside its control had stopped the work. The declaration left the funding agreements frozen. However, TotalEnergies has indicated that the security situation has stabilized in recent months, and it has worked to persuade financial backers to restate their support.

Exxon contract to take Canadian LNG linked to market price in Asia

(S&P Global; March 13) - ExxonMobil LNG Asia Pacific's LNG offtake agreement with Canada's ARC Resources for 1.5 million tonnes per year from the Cedar LNG project is linked to the S&P Global Japan Korea Marker for the 20-year tenure of the contract, sources told Platts. On March 11, ARC Resources said the ExxonMobil unit would purchase all of ARC Resources' offtake from the export project at "international LNG pricing." The supply under the deal is expected to commence in 2028 for 20 years. The project, at 3.3 million tonnes per year, will be built at Kitimat, British Columbia.

The development marks the longest LNG sales agreement linked to the Japan Korea Marker (JKM), the globally recognized LNG benchmark that reflects the price of LNG cargoes delivered to Northeast Asia. Multiple supply contracts for U.S. and Canadian LNG are linked to that transparent S&P Global benchmark. The use of LNG indexation, such as JKM, in an LNG export project reduces the risks of price mismatches that could emerge if the sales price is linked to localized gas hubs, such as many of the U.S. Gulf Coast export projects that sell at the U.S. natural gas price benchmark plus a fixed fee for liquefaction — which may differ from the actual market price in Asia or Europe.

IEA forecasts global oil supply surplus this year

(Reuters; March 13) - Global oil supply could exceed demand by around 600,000 barrels per day this year, the International Energy Agency said on March 13, due to production growth led by the United States and weaker than expected global demand. The outlook of ample supplies despite U.S. sanctions on major exporters Russia and Iran highlights the challenge for OPEC+, or the Organization of the Petroleum Exporting Countries plus Russia and other allies, in balancing the market.

"The United States is currently producing at record highs and is forecast to be the largest source of supply growth in 2025," the IEA, which advises industrialized countries, said in a monthly report. "The latest round of sanctions on Russia and Iran has yet to significantly disrupt loadings, even as some buyers have scaled back purchases." Last month, the IEA had suggested a slightly narrower surplus of around 500,000 barrels per day, according to Reuters calculations based on the agency's data.

World oil demand is now expected to rise by 1.03 million barrels per day in 2025, the IEA said, down 70,000 from last month's forecast, with growth driven largely by Asia and specifically China. "Asian countries will account for almost 60% of gains, led by China where petrochemical feedstocks will provide the entirety of growth as demand for refined fuels reaches a plateau." Growing consumption of petrochemical feedstocks, the IEA said, accounts for almost all demand growth gains since the COVID-19 pandemic.

AI is helping oil and gas industry improve drilling operations

(Reuters; March 13) - Artificial intelligence is speeding up oil and gas drilling and prompting companies to take a second look at places they had viewed as too difficult or expensive to develop, executives said during the CERAWeek conference in Houston. AI took center stage in many sessions at the world's largest energy event. Oil producers are seeking ways to remain profitable in an environment of plummeting oil prices and worries that U.S. President Donald Trump's tariffs could slow global energy demand.

U.K. oil major BP is using AI to steer drill bits and predict potential problems in wells before they happen, said Ann Davies, BP's senior vice president of wells. "We are able to drill more wells per year and have a better capital allocation," she said. AI has helped U.S. oil producer Devon Energy drill in areas where it was unfeasible before, said chief technology officer Trey Lowe in an interview. For example, the company can gather information about a fault in a formation, then drill on the other side to avoid it, he said.

Chevron is using AI-powered drones that fly over its shale operations in Texas and Colorado to monitor potential problems like emissions leaks and alert field workers. In three months of testing drones through a partnership with autonomous drone company Percepto, Chevron reduced the amount of time that production was shut in for repairs or maintenance, said Russell Robinson, a deputy program manager of facilities and operations at Chevron, in an interview on the sidelines of the conference.

Alberta touts larger oil and gas reserves estimates to attract investors

(The Financial Post; Canada; March 14) - Alberta’s proven gas reserves have increased nearly sixfold to 130 trillion cubic feet since they were last assessed, according to a new study, giving Canada’s oil patch leaders something to show off in hopes of turning heads and capital flows northward. The new study, which also boosted Alberta’s proven oil reserves by 7 billion barrels, comes amid growing unease in the U.S. that the era of shale growth is ending, dampening the outlook for that country’s oil and gas production.

U.S energy executives at the CERAWeek by S&P Global conference in Houston are signaling slower growth in 2025, with a possible peak in U.S. oil production arriving in the near future. Peak oil predictions have never gone over well at the conference, which is close to the U.S.’s most prolific oil field, the Permian Basin. “It’s a very touchy topic down here, that the Permian is this infinite resource that will always keep going,” said Mike Verney, executive vice president of Calgary-based petroleum reserves audit firm McDaniel & Associates Consultants. “But the Permian is no longer in its first inning.”

There are signs the Permian may be entering its twilight, with producers experiencing well-productivity issues and slowing production growth. The answer for U.S. companies and investors looking for more accessible resources and economic opportunities lies north in the vast Alberta oil sands and Canada’s prolific Montney shale play, Verney said. “(U.S.) oil and gas companies have some pretty deep pockets and they should be turning back to Canada. … We’re growing like mad in the Montney. The major natural gas plays in the U.S. are actually declining versus the Montney that is actually growing.”

Chinese buyers shy away from Russian oil on concerns of sanctions

(Reuters; March 13) - Chinese state oil companies are shying away from Russian oil this month, with two importers halting purchases while two others scaled back volumes as they assess compliance following recent U.S. sanctions on Moscow, multiple trade sources said. Russian oil supplies to top buyers India and China fell sharply following the Jan. 10 sanctions by the former Biden administration targeting Russian producers Gazprom Neft and Surgutneftegaz as well as insurers and more than 100 vessels to curtail Moscow's oil revenue.

While Russian shipments to the two Asian countries have rebounded after more non-sanctioned tankers joined the trade, China's state-run Sinopec and Zhenhua Oil halted purchases of March-loading Russian oil due to concerns over dealing with the sanctioned firms, sources with knowledge of the matter said. The scaled-back buying by Chinese state players has weighed on Russian oil prices, eating into Moscow's revenue.

A Beijing-based state oil source said his company ceased Russian oil deals as it undertakes more compliance checks and waits for a "clear picture" on a possible Russia-U.S. deal to end the Ukraine war. Surgutneftegaz and Gazprom Neft account for about a third of seaborne shipments of Russia's Far East flagship grade, ESPO blend.

Russian oil deliveries to China taking a lot longer than pre-sanctions

(Bloomberg; March 14) - The delivery of a two-million-barrel cargo of Russian oil to China took seven times longer than it would have taken prior to a round of U.S. sanctions imposed on Moscow back in January. The drawn-out delivery of Sokol crude from Russia’s Sakhalin 1 project into Chinese storage tanks shows how U.S. sanctions continue to disrupt and impede — but importantly not halt — the flow of Russian oil.

The Daban, a so-called Very Large Crude Carrier, is discharging its cargo at Huangdao port in China more than seven weeks after the oil was first loaded onto shuttle tankers, vessel tracking data compiled by Bloomberg show. It would normally take about a week. The Daban received its cargo via three ship-to-ship transfers from smaller vessels in the sheltered waters of Nakhodka Bay off Russia’s Pacific coast during the first 10 days of February. Digital signals from the Daban indicate that, after receiving the consignments, it was unable to dock at two other Chinese ports before going to Huangdao.

The market is watching closely how Russian oil gets delivered because sanctions by the outgoing Biden administration were more aggressive than any that went before. The early signs are that exports are being maintained, but there’s been disruption and delay of some deliveries. In the Baltic Sea, another tanker has been waiting for about a month after having loaded a cargo. That’s a fairly unusual — but not unique — turn of events.

Egypt may lease floating LNG import facility from Germany

(Bloomberg; March 12) - Egypt is in talks with Germany to lease a liquefied natural gas import unit in an effort to shore up supplies before demand spikes in the summer. An Egyptian delegation will visit Germany this month to finalize contract terms for the unit that’s currently at the Mukran terminal on the Baltic Sea, the Oil Ministry in Cairo said in a statement. The North African nation, typically an exporter of LNG, last year turned to imports to address crippling power outages during a scorching summer.

Egypt’s emergence as an LNG buyer puts it in competition with Europe, which is also purchasing more of the fuel to make up for lost Russian pipeline gas supplies. The contract under discussion would see the floating unit brought from Germany to the Egyptian coast, the ministry said, without giving a timeframe. Egypt last year leased a floating LNG import terminal at its Ain Sokhna port on the Red Sea.

Another import facility will arrive from neighboring Jordan and start running in mid-2025. Egypt is also discussing leasing one of Turkey’s floating terminals and has held talks with Italy’s Eni to build a new facility. Rising electricity demand and a sharp decline in its own gas output have turned Egypt into a net importer. A foreign currency crunch has also stymied government efforts to repay arrears to foreign energy companies, hampering investment in domestic gas production.