Oil and Gas News Briefs
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Wall Street banks cut oil price forecasts into the $60s

(Bloomberg; March 17) - Goldman Sachs joined fellow banks on March 17 in cutting oil price forecasts as Wall Street increasingly sees a home for crude in the $60s. Goldman initially stuck with previous price projections when OPEC+ confirmed plans to increase oil production earlier this month, but with U.S. economic growth under mounting pressure, the bank lowered its outlook price in a note. Its expected range for global benchmark Brent was reduced to $65 to $80 a barrel from $70 to $85.

“We expect Brent to stay above $70 a barrel in coming months,” but “we no longer see $70 as the price floor,” head of commodities research Daan Struyven wrote. Brent futures are currently hovering around $71. Goldman’s revision follows downgrades in recent weeks by Morgan Stanley and Bank of America, which both see Brent in the high $60s during the second half of 2025. Citigroup and JPMorgan Chase have been predicting for some time that prices would end the year in the mid-or-low $60s.

Beyond Wall Street, top oil trading houses such as Vitol and Gunvor— which have had a bullish stance on crude in recent years — also turned more pessimistic. Citigroup has long been the most bearish of the pack, projecting that crude will average $60 a barrel in the second and third quarters before sinking further to $55 in the fourth. Wall Street’s preliminary assessments for next year suggest little scope for upside, with JPMorgan anticipating crude will average $61 a barrel — and may even touch $50 as President Donald Trump pushes to keep sanctioned Russian and Iranian barrels in the market.

Lower oil prices put U.S. LNG at a competitive disadvantage

(Bloomberg; March 19) - President Donald Trump’s push to make oil cheap again and rein in inflation may end up triggering unforeseen, and negative, consequences for U.S. LNG exporters. The reason is that most liquefied natural gas producers abroad price their long-term contracts to a percentage of the benchmark oil price, an industry practice dating to the 1970s. The U.S., meanwhile, links the vast majority of its LNG shipments to the domestic gas price marker known as Henry Hub plus a fixed liquefaction fee.

This anomaly worked to the U.S. advantage more than a decade ago when its first wave of LNG projects was courting importers. Oil prices were high, and the shale boom meant that American gas shipments often were cheaper than those from rival exporters such as Nigeria and Papua New Guinea. But as oil prices drop, that competitive edge evaporates. Brent prices falling to $50 a barrel — a level touted by the White House — could make most American gas more expensive than what's being offered elsewhere.

That's bad news for U.S. developers needing to secure buyers before they can get financing and begin construction. It's also a hurdle for the Trump administration, which wants importers from the European Union to Japan to sign more contracts for U.S. LNG. To make matters worse, American projects are grappling with rising construction costs, forcing some to renegotiate higher prices from buyers. These headwinds come as rival Qatar, and other producers in the Middle East, expand output.

Jury finds Greenpeace liable for $667 million in oil pipeline protest

(BBC News; March 19) - A North Dakota jury has found Greenpeace liable for defamation, ordering it to pay more than $667 million in damages to a Texas-based company for its role in one of the largest anti-fossil fuel protests in U.S. history. Energy Transfer accused the environmental group of trespass, nuisance and civil conspiracy over the demonstrations nearly a decade ago against the Dakota Access oil pipeline.

The lawsuit, filed in state court, argued that Greenpeace was behind an "unlawful and violent scheme to cause financial harm to Energy Transfer." Greenpeace said last month it could be forced into bankruptcy by the payout, ending over 50 years of environmental activism. Protests against the pipeline near the Standing Rock Sioux Reservation drew thousands, but Greenpeace argued it did not lead the demonstration and that the lawsuit threatened free speech. The nine-person jury reached a verdict on March 19 after roughly two days of deliberating.

Trey Cox, a lawyer for Energy Transfer, said in closing arguments that Greenpeace's actions caused between $265 million to $340 million in damages. He asked the jury to award the company that amount, plus additional damages. Construction of the pipeline gained international attention during President Donald Trump's first term, as Native American groups set up an encampment trying to block it from passing near Standing Rock. The protests, which saw acts of violence and vandalism, started in April 2016 and ended in February 2017 when the National Guard and police cleared the demonstration.

Trump wants U.S. to generate more electricity from burning coal

(Bloomberg; March 17) – U.S. President Donald Trump said he would look to counter China's economic advantage from coal-based electricity by authorizing his administration to ramp up U.S. power production from the fossil fuel. "I am authorizing my administration to immediately begin producing energy with BEAUTIFUL, CLEAN COAL," Trump wrote in a social media post.

It’s not clear what policy Trump was authorizing. He already signed an executive order declaring a national energy emergency and directed the Environmental Protection Agency to boost fossil fuel production and distribution. Coal accounts for about 15% of power generation in the U.S., down from more than 50% in 2000, according to the U.S. Energy Information Administration. The decline of coal-based power in the U.S. has been stoked by competition from renewable alternatives and cheap natural gas, in addition to federal regulations that have raised its operational costs.

Still, Trump could tap emergency powers to revitalize coal-fired electricity, repeating maneuvers from his first term, when officials drew up plans to order grid operators to buy electricity from struggling coal and nuclear plants in an effort to extend their operating life. Last week, Interior Secretary Doug Burgum told Bloomberg Television the administration was considering using emergency powers to bring back coal-fired plants that have closed and to stop others from shutting.

China shuts down imports of U.S. LNG

(Bloomberg; March 17) - China hasn’t imported liquefied natural gas from the U.S. for 40 days, the longest gap in almost two years, as traders are forced to divert shipments elsewhere to avoid Beijing’s tariffs on the fuel. The barren streak is the most extended since June 2023, according to ship-tracking data compiled by Bloomberg. There currently aren’t any U.S. shipments en route to China either, according to ship-tracking data from Kpler, an analytics firm.

The trade war provoked by the Trump administration is threatening to decouple the world’s biggest LNG seller and buyer. Beijing slapped a 15% tariff on U.S. LNG cargoes on Feb. 10 in retaliation for blanket American levies on Chinese exports. In response, Chinese gas buyers with long-term commitments to U.S. projects are reselling those shipments to Europe, according to traders. Firms in China are also reluctant to sign new deals for U.S. LNG and are looking to procure supply from Asia-Pacific or the Mideast.

China Resources Gas International on March 17 agreed to buy LNG from Australia’s Woodside Energy from 2027 for 15 years. It’s the first term-supply deal involving Chinese and Australian companies in years. China is also boosting its energy security by focusing on producing more gas at home, which will help to curb imports. Output has been steadily rising and notched a 3.7% year-on-year increase in the first two months of 2025. At the same time, cheaper energy alternatives, from coal to renewables to gas piped overland from Russia, are taking the edge off Chinese demand for seaborne gas.

Federal court reverses itself, allows LNG project approvals to stand

(Energy Wire; March 19) - In an about-face on March 18, a federal appeals court reinstated approvals for two liquefied natural gas export terminals in South Texas. The decision is a win for developers of the projects — Rio Grande LNG and Texas LNG — that had asked the U.S. Court of Appeals for the District of Columbia Circuit to reconsider its ruling of August 2024 canceling the Federal Energy Regulatory Commission authorizations.

On reexamination, the D.C. Circuit found that the deficiencies with FERC's National Environmental Policy Act review for the projects did not outweigh the harm caused by scrapping the 2024 approvals. However, FERC must still continue its supplemental NEPA review for the planned terminals in the Port of Brownsville. The appellate court remanded the cases without vacating FERC's approvals, saying the procedural steps the commission skipped were "important," but not fundamental.

Rio Grande LNG, proposed by developer NextDecade, carries an estimated construction cost of $18 billion with an annual production capacity of 17.6 million tonnes in its first phase. NextDecade's flagship facility has been in development for several years and has suffered repeated delays. Texas LNG, being developed by Glenfarne, is much smaller, at 4 million tonnes annual production capacity. Glenfarne has said it is targeting December for a final investment decision on the estimated $4 billion project.

LNG developer wins export approval for third U.S. Gulf Coast terminal

(Bloomberg; March 19) - President Donald Trump's administration has granted Venture Global LNG conditional approval to export natural gas from a proposed facility in Louisiana that had stalled under former President Joe Biden. Energy Secretary Chris Wright authorized the exports from the company's CP2 project on March 19. If built, it would be Venture Global's third LNG export terminal on the U.S. Gulf Coast; the other two already are in operation.

If constructed, the CP2 facility in Cameron Parish would be able to export up to 20 million tonnes of LNG annually, at an estimated construction cost of $28 billion. Venture Global has yet to make a final investment decision on the project, which would be one of the country's largest LNG plants. The approval is the latest effort by Trump to bolster U.S. gas exports, following a similar license for Commonwealth LNG, permit extensions for two other projects and an order making it easier to use LNG as a marine fuel.

CP2's authorization is by far Trump's biggest move on LNG yet. The project's scale made it a target for climate activists who pressured the Biden administration to block the venture. Environmental groups argue the plant would prolong the transition to emissions-free energy and produce greenhouse gases equivalent to putting 1.8 million new gasoline-fueled cars on the road. Customers of future LNG supplies from CP2 include ExxonMobil, Chevron, Japan’s Inpex and SEFE Securing Energy for Europe.

Korea could gain political benefits from looking at Alaska LNG

(The Korea Times; March 16) - A U.S. energy security expert has raised the prospects of South Korea getting geopolitical benefits from its potential participation in an Alaska liquefied natural gas project amid President Donald Trump's drive for "reciprocity" with security allies and trading partners. In a phone interview with Yonhap News Agency, Paul Saunders, president of the U.S.-based think tank Center for the National Interest, noted that entry into the megaproject would underscore Seoul's commitment to firming up its alliance with the U.S., though uncertainty hangs over the economic benefits.

"From a geopolitical perspective, I think the kind of perceived benefit would be ... making a strong signal to the president (Trump) and to the administration about Korea's desire to consolidate and strengthen the alliance with the United States," Saunders said during an interview March 12. "I think in addition to that, certainly many would view it as an investment in energy security and an opportunity for Korea or for others to diversify away from the Middle East, or in some cases from Russia," he added.

Saunders mentioned the geopolitical benefit as he pointed out Trump's mantra of "reciprocity" in security and trade relations with U.S. allies and other countries. When it comes to the economic viability of the pipeline project, Saunders enumerated various factors that will determine that, including the overall market conditions in light of LNG prices and demand globally. "I think it's also quite apparent in the renewed consideration of the project that the economic criteria may not be the only criteria.”

Japan’s LNG buyers have become large secondary traders

(Nikkei Asia; March 18) - Japan has been using liquefied natural gas for decades, but usage spiked in 2011 after the Fukushima nuclear disaster and subsequent shutdown of the country's 54 nuclear power plants. However, the gradual restart of 12 nuclear reactors since then and a slow but steady rise of renewable power has caused Japan's LNG imports to fall, with an additional 8% decline to 66.2 million tonnes in 2023, according to data from the Ministry of Finance. That was the lowest level since 2009.

The decline continues as Japan's LNG imports for the first half of 2024 reached only 32.41 tonnes, a 1% decrease from the previous year. But Japan's gas utilities are still locked into long-term offtake deals with LNG producers, notably from Australia, Qatar, Malaysia, the U.S. and Russia. The problem now is that Japanese gas buyers, mostly utilities, don't need all of this contractual gas. They can either break their contracts with suppliers and incur substantial penalties or import gas and sell it in secondary markets.

An Institute for Energy and Financial Analysis report found that the over-contracted positions of Japan's four largest utilities (JERA, Tokyo Gas, Osaka Gas and Kansai Electric) could increase even more in the coming years. As such, Japan's gas utilities remain some of the largest secondary traders of the fuel globally and are some of the largest investors in LNG infrastructure development in other countries to use all that gas, including LNG import terminals, gas-to-power plants and related infrastructure.

Russian producer pitches LNG to India before prices go up

(Bloomberg; March 17) - From a cramped booth in a crowded conference center on New Delhi's outskirts, executives from one of Russia's biggest energy firms made their sales pitch to Indian buyers — take our Arctic gas now, while it's still cheap. A flagship project in the far north, Arctic LNG 2, was intended as a symbol of Russia's gas might, particularly now, with only minimal pipeline sales to Europe. Targeted by U.S. sanctions, however, the $21 billion-plus LNG facility led by Novatek halted production last year.

Novatek began to assemble a shadow fleet of liquefied natural gas tankers to keep the fuel moving, but those vessels remain idled. Officials from Novatek told Indian importers at the country's biggest oil gathering last month that this was about to change: President Donald Trump would bargain with Russian President Vladimir Putin to end the war in Ukraine and would scrap sanctions, the gas officials said, according to sources.

But there is no guarantee that Trump will ease curbs on Russia, though Novatek is the latest Russian firm to seize the marketing opportunity. India, which has close historic ties with Russia, had earlier rushed in to buy discounted oil. Russia became India's top oil suppliers, up from closer to zero before the war. Price, India's oil minister has said, is the only criteria. However, Novatek's pitch to buy its LNG is a significant gamble.

There are a limited number of specialized tankers to haul the supercold fuel. Russia's fleet of sanctioned LNG vessels, roughly 10 ships compared to hundreds for oil and oil products, has been stalled by sanctions. Five LNG shadow-fleet ships are anchored in North Russia near the Barents Sea, three are in Russia's Far Fast, and two are north of Egypt, according to ship-tracking data. Not a single one has landed at an overseas port to deliver the fuel. Most of the shipments were offloaded into Russian storage.

Australian LNG producer signs 15-year deal to supply China

(Bloomberg; March 17) - Woodside Energy has signed an agreement with China Resources Gas International to send liquefied natural gas to the Asian country, the first binding supply deal for the fuel between Chinese and Australian companies in years. Australia's Woodside will provide about 600,000 tonnes per year of LNG over 15 years, starting from 2027, the company said in a statement on March 17.

The move also comes as Chinese firms are reluctant to procure additional gas from the U.S., the biggest exporter, after Beijing implemented tariffs on fuel from the U.S. last month. “This marks the first time Woodside on a standalone basis has signed a long-term sale agreement with a customer in China,” Executive Vice President and Chief Commercial Officer Mark Abbotsford said in the statement. It’s also the first time China Resources has signed an agreement to procure LNG over a period of 15 years, he said.

The relationship between Canberra and Beijing has improved since a low point in 2020 when then-Prime Minister Scott Morrison led calls for an independent probe into the origins of the coronavirus. This resulted in Chinese companies temporarily halting plans to buy more fuel from the nation. China Resources is one of the biggest city gas distributors in the country. Its Rudong LNG terminal based in Jiangsu is still under construction and is projected to commence operations in early 2026.

France’s newest LNG import terminal mostly sits idle

(Bloomberg; March 18) - France’s newest liquefied natural gas import terminal sat idle this winter under prohibitive operational costs. Only about 2% of last year’s French LNG imports came through the floating storage and regasification unit in the port of Le Havre, which TotalEnergies commissioned in 2023, according to ship-tracking and port data compiled by Bloomberg. Even the French energy company — which booked half of the terminal’s capacity — hasn’t been using it recently, with the last cargo arriving last June.

Total was authorized to operate the terminal for five years, citing the need to boost supply security after Europe’s worst energy crisis in decades. The Le Havre terminal’s role is to ensure, as long as deemed necessary, the security of energy supply of France and the European Union, so its use rate is not relevant, TotalEnergies said. Floating terminals in Germany have been facing similar issues of underuse. It’s more expensive to operate floating units, especially in the winter. Some industry groups have warned that Europe risks facing a glut of LNG import terminals.

The Le Havre terminal — able to import up to 175 billion cubic feet of gas per year, or around 10% of French consumption — has been significantly less competitive to use than other European terminals, said Qasim Afghan, a commercial analyst at Spark Commodities, which compiles data on regasification costs in Europe. Total, which has been expanding its LNG business for years, also has capacity bookings at other European terminals, including in the U.K., Belgium and the Netherlands.

Crowley reflags foreign-built LNG tanker to serve Puerto Rico

(gCaptain; March 18) - Crowley Maritime raised the U.S. flag on March 18 on the LNG carrier American Energy, marking a significant milestone as the first domestic vessel to transport U.S.-sourced liquefied natural gas to Puerto Rico. The 900-foot-long, steam-turbine vessel, built in France in 1994 and purchased second-hand by Crowley, has a capacity of almost 3 billion cubic feet of super-chilled natural gas as a liquid. It will operate under a multi-year agreement between Crowley and Naturgy, delivering LNG to Naturgy's gas-fueled electrical generating facility in Penuelas, Puerto Rico.

"The entry into service of American Energy marks a significant step for fuel supply reliability in Puerto Rico for our energy grid, which will greatly benefit our people," said Puerto Rico Gov. Jenniffer González-Colón. The reflagged vessel will operate under the U.S. Coast Guard Authorization Act of 1996, which allows for certain vessels to deliver cargoes between U.S. ports.

The 1996 federal law allows an exemption from the Jones Act — which requires U.S.-built ships — for foreign-built vessels constructed before 1996 that are reflagged and used to transport LNG or liquid petroleum gas (propane) to Puerto Rico from U.S. ports. The U.S. doesn't have any Jones Act LNG tankers. The LNG for Puerto Rico could come from terminals in Texas, Louisiana, Georgia or Maryland. The reflagged ship was moored on March 18 at Cheniere's Corpus Christi LNG terminal in Texas.

Exxon, Woodside invest in more gas for Australia's domestic market

(Reuters; March 17) - ExxonMobil's Australian unit said on March 17 that its Gippsland Basin joint venture with Woodside Energy has approved its final investment decision to develop the Turrum Phase 3 project, targeting underdeveloped gas resources. The approval is for the A$350 million (US$221 million) project, which aims to drill five new wells in the Turrum and North Turrum gas fields.

Earlier this year, Australia's competition regulator flagged that the country's East Coast could face a gas supply shortage starting in 2027, potentially leading to gas imports. The shortfall is expected due to structural decline from aging fields and uncertainty surrounding future investments in new domestic production.

"While depletion of the Gippsland Basin is inevitable, projects such as Turrum will ensure Bass Strait continues to produce gas for the domestic market past 2030," said Simon Younger, chair of ExxonMobil Australia in an emailed response to Reuters. The Gippsland Basin work is a 50-50 joint venture.

Old oil wells a growing problem in West Texas

(The Texas Tribune; March 18) - A sinkhole at an old oil well is growing at an alarming rate on the Kelton Ranch in West Texas. Radford Grocery No. 17 was drilled as an oil well in the 1950s and later converted to a saltwater disposal well, according to state records. The well was plugged in 1977. The family that owns the ranch became alarmed recently as the sinkhole rapidly grew. Water pooled at the bottom of the sinkhole. Then crude oil began migrating up from underground and formed a dark layer over the water.

By mid-March, the sinkhole was roughly 200 feet in diameter and 40 feet deep, big enough to fit a four-story building. The smell of crude permeated the air. The family has stopped using a water well they fear could be contaminated. At some point the Radford Grocery well's plug failed, creating a connection between the water table and the oil reservoir underground. Because the well was previously plugged and has no active operator, there's no clear company the Kelton family can turn to for help.

The agency that regulates oil and gas drilling and plugging in Texas has sent personnel to the site. But so far, the Kelton family says there is no plan of action from the state agency. "It can be fixed," said Hawk Dunlap, a well integrity expert, as he looked over the sinkhole on March 13. "But it's not going to be cheap." The sinkhole is the latest in a string of catastrophic incidents with old wells in the Permian Basin of West Texas, some plugged and others not. From sinkholes to blowouts to persistent leaks, more than a century of oil drilling in the region has left a daunting array of environmental hazards.