Oil and Gas News Briefs
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Natural gas liquids and condensates add to global oil supply

(Bloomberg columnist; March 19) - To many, the words “crude,” “petroleum” and “oil” are quasi-synonymous. Ask any specialist, though, and they each have different meanings. And herein lies the problem of today’s petroleum market: There’s a lot more oil than crude. Looking only at crude, the balance of supply and demand looks relatively tight — so prices should be rising. But add in every other flavor — so-called condensates, natural gas liquids and biofuels — and the balance looks loose and prices are down.

Back in the late 1990s, crude accounted for almost 90% of the petroleum market, so it was a good proxy for overall supply and demand. Counting barrels of crude gave you the measure of the market. Since then, however, developments have turbocharged the contribution of those other oils: rising biofuel output, surging production of NGLs thanks to the U.S. shale revolution, and OPEC nations using a loophole to bypass their own output limits. The result? The share of crude in the total oil market has dropped to 74%.

The U.S. offers the most extreme example. The most recent monthly data shows the U.S. pumped 13.49 million barrels per day of crude in December; but it also produced 7.1 million barrels of NGLs, lifting total oil liquids to 20.6 million barrels — and there’s an additional 1.44 million barrels of biofuels. Today, the incentive for OPEC nations to pump non-crude liquids is enormous; whatever they produce faces no output limits. Thus, most members have invested heavily in facilities to recover NGLs.

As a result, while OPEC crude production is lower than it was 20 years ago — by about 2 million barrels a day — its production of NGLs has grown by 1.5 million barrels a day over the same period. And more is on the way. OPEC nations are prioritizing developing liquid-rich gas fields rather than tap crude as an easy loophole to bypass quotas.

U.S. oil and gas industry sees ‘opportunity for revenge’ under Trump

(Wall Street Journal; March 20) - The oil and gas industry is landing blow after blow against climate activists. The Trump administration has cranked out approvals of major projects to export liquefied natural gas and killed a host of climate-related initiatives. Meanwhile, Texas billionaire Kelcy Warren has won a nearly $700 million verdict against Greenpeace that could spell the end of its U.S. presence. These are major setbacks for groups that have opposed new exports of U.S. gas, sought to stop new pipelines and asked the government to step up support of communities affected by climate change.

The defeats herald the challenges that activists face as President Donald Trump and his allies move to expand fossil fuels' footprint here and abroad. Trump has directed federal agencies to speed up permits for oil and gas infrastructure, a key demand of his oil and gas donors — including Warren, co-founder of pipeline giant Energy Transfer. The Trump team is also making deep cuts at the Environmental Protection Agency, which played a central role in the Biden administration's rollout of climate policies.

Legal experts said that while green groups have dealt with previous administrations' attempts to weaken environmental standards, they are facing an extraordinary challenge under Trump 2.0. "What we're seeing now is sort of this sense of the opportunity for revenge," said Josh Galperin, an associate professor of law at Pace University. Oil and gas executives who have seen their projects challenged by environmentalists and mired in lengthy permitting have applauded Trump's actions.

Disaster, war and weak returns pushed BP back to fossil fuels

(Bloomberg; March 20) - It's been almost 25 years since BP attempted to rebrand itself as "Beyond Petroleum" and adopt a more environmentally friendly image. But with a recent swing away from green energy toward its fossil fuel roots, "Back to Petroleum" might be a more appropriate tag line. The shift comes as BP lags significantly behind its fellow oil and gas majors, thanks to a combination of corporate disasters, war, lackluster returns from its greener efforts and bad luck. And with activist investor Elliott Investment Management turning up the heat, BP is facing existential questions about its survival.

BP's decline was precipitated by the explosion on the Deepwater Horizon drilling rig in 2010, which triggered the worst offshore oil spill in U.S. history in the Gulf of Mexico. BP agreed to pay $65 billion in fines, environmental cleanup costs and compensation for thousands of businesses. It's still paying for those damages, at about $1 billion a year. There was also a bet on Russia that went bad. While for several years the gambit paid off, the foothold in Russia brought greater exposure to political risk as a shareholder in a company controlled by the Kremlin. Russia's invasion of Ukraine led BP to walk away from an asset worth $25 billion that provided a third of its crude production.

Meanwhile, BP had signed up to reconcile its activities with the Paris agreement to limit global warming, announcing in 2020 its ambition to achieve net-zero emissions by 2050. But facing investor disquiet, the firm announced a move back to fossil fuels in February 2025, ditching the vision of a low-carbon, fuels-of-the-future giant. It was following in the footsteps of the other supermajors. CEO Murray Auchincloss said BP went "too far, too fast" due to what he called "misplaced" optimism over the pace of energy transition.

[Taiwanese company signs non-binding letter for Alaska LNG]

(Reuters; March 20) - Taiwanese state energy firm CPC Corp. signed on March 20 an agreement with Alaska Gasline Development Corp. to possibly buy liquefied natural gas and invest in the project, a move Taiwan's President Lai Ching-te said would ensure the island's energy security. Officials from state-run AGDC and its development partner Glenfarne Group are visiting Asian countries this week to court investors. The project's high price tag — estimated to cost at least $44 billion — has been a concern for years.

CPC is looking to participate in the project to secure stable energy resources for Taiwan, the Ministry of Economic Affairs said in a statement, adding the move would "effectively shorten shipping time and risks, boosting reliability of Taiwan's gas supply." The agreement outlines plans to secure long-term LNG supplies while exploring upstream investment. It initiates negotiations on volumes, pricing mechanisms and potential financial participation in the project, according to news reports.

The non-binding agreement will be followed by talks about "procurement and investment details to achieve mutually beneficial and win-win cooperation goals," according to reporting by Agence France Presse. Alaska Gov. Mike Dunleavy attended the signing and dinner reception in Taipei. The state agency (AGDC) has been working the past decade to pull together customers, investors and financing for the project. It has a new partner, New York City-based Glenfarne, and hopes to benefit as Asian nations look to curry political favor with President Donald Trump and avoid tariff threats.

[Developer talks up second LNG export project for Alaska]

(Reuters; March 18) - Qilak LNG, which is hoping to develop an LNG project on Alaska's Arctic North Slope, wants to be part of President Donald Trump's push for gas exports to Asia, its Chief Executive Mead Treadwell told Reuters. The Trump administration is supporting a plan to transport gas south from Alaska's north via an 800-mile pipeline for liquefaction at tidewater and shipment to Japan, South Korea and Taiwan. The project is estimated at least $44 billion. Qilak is a smaller project, with only a few miles of pipe.

“There is a lot of excitement between the U.S. and Japan about natural gas from Alaska,” Treadwell said. “We remind people on both sides of the Pacific that Texas and Louisiana have multiple LNG projects, and so does Alaska.” Qilak, with initial capacity of 4 million tonnes per year — the bigger project is proposed for 20 million tonnes — is talking to the Trump administration about permits and to companies in Japan and South Korea about potential participation in a feasibility study, Treadwell said.

“We have invited some people who have an interest in offtake (deals) to be observers of the feasibility study, and they include large and small offtakers in Asia, a potential offtaker in the United States and perhaps two (in the U.S.),” Treadwell said. “The fact that there are two projects out there (in Alaska) doesn't mean one has to kill the other," he said. Qilak LNG is targeting production by early 2033. Qilak would install a liquefaction plant just offshore a major North Slope gas field. It would require ice-class LNG carriers and icebreaker support for year-round operations.

Deteriorating U.S. relations changes anti-pipeline opinion in Quebec

(The Globe and Mail; Toronto; March 21) - Quebec Premier François Legault says opinion is changing in Quebec where there's traditionally been significant opposition to oil and gas pipelines. The current crisis in relations between Canada and U.S President Donald Trump's administration has triggered a national debate about building new pipelines across the country to send more deposits of oil and gas to overseas markets. One obstacle has been public opposition in Quebec to any new pipelines.

Legault, speaking at a meeting of premiers with Prime Minister Mark Carney on March 21 in Ottawa, said he knows other provinces want to talk about building more pipelines. "We're open to these kind of projects," he told reporters. He said Quebec has always maintained a prerequisite for new pipelines that cross its territory must obtain "social acceptance from Quebec population." However, he said he sees right now, given "what Donald Trump is saying," that "the opinion is changing" in Quebec.

Legault said in addition to social acceptance for a new pipeline, there needs to be firm plans on what would be built. "We need to have also real project, (a) concrete project, financed by the private sector" on the table, he said. Ontario Premier Doug Ford, who is currently chair of the Council of the Federation, which consists of all premiers, said there are lot of "large infrastructure projects we'd like to discuss," including pipelines "going east, going west, going north, going south" as well as rail and port expansions.

Canadian government invests $200 million in First Nation LNG project

(Bowen Island Undercurrent; British Columbia; March 21) – The Canadian government is putting up to C$200 million toward the construction of a liquefied natural gas plant off the British Columbia coast. In an announcement March 20, Minister of Energy and Natural Resources Jonathan Wilkinson said it would send the federal dollars to Cedar LNG, a C$6 billion floating gas liquefaction facility being built offshore at Kitimat. The project, owned by Calgary-based Pembina Pipeline and the Haisla First Nation, is slated to be the largest Indigenous majority-owned infrastructure project in Canadian history.

The partners have taken a final investment decision on the project, planned for 3.3 million tonnes per year of LNG production, with exports scheduled to start in 2028. The latest federal funding announcement comes as oil and gas companies, and some

political leaders, have argued U.S. tariffs should move Canada to expand pipelines to reach more export markets and ramp-up new energy projects.
The federal investment is from the government's Strategic Innovation Fund under the Innovation, Science and Economic Development ministry. "The Cedar LNG project is a model for Indigenous ownership in natural resource projects," the government said in a statement. "Partnering with Indigenous peoples, communities and businesses is critical to building an inclusive, sustainable and resilient natural resource sector in Canada."
Export Development Canada — the national export credit agency — has announced it would provide a loan of between $400 million and $500 million for the project.

[Commissioning cargo on its way to LNG Canada to start cool down]

(The Northern View; Prince Rupert, British Columbia; March 20) - LNG Canada is on track to receive a shipment of liquefied natural gas at its marine terminal in Kitimat, British Columbia, in early April as part of equipment testing ahead of its planned startup of exports later this year. The company announced the shipment last month and has now confirmed an LNG carrier is en route to deliver the superchilled gas needed to cool down the terminal's pipes and storage tanks before production can begin.

According to Maritime Optima, the LNG carrier Maran Gas Roxana is currently in the eastern Pacific Ocean after taking on a cargo at the Queensland Curtis LNG plant in Australia on March 11. The 968-foot-long vessel, built in 2017, sails under the flag of Greece. From the Triple Island pilot station near Prince Rupert, a team of B.C. coast pilots will guide the vessel along a 159-nautical-mile route from the ocean into the channel and upriver to the Kitimat terminal, escorted by HaiSea Marine tugs.

Once docked, loading arms will connect to the vessel's manifolds to gradually transfer the LNG ashore. The process could take three to four weeks to complete. The delivery is a critical step in the facility's startup and commissioning process, which is already underway, and is required to ensure it remains on track to ship its first cargo by mid-year. The shipment is not intended for export but will be used to test and commission the multibillion-dollar terminal, developed by an international partnership led by Shell.

[U.S. LNG exporters still must follow EU emissions reporting rules]

(Reuters; March 20) - U.S. liquefied natural gas exporters, seeking to meet standards of overseas import markets, plan to continue to monitor and curb their methane emissions despite President Donald Trump's plans to roll back U.S. climate regulations, two trade groups told Reuters. The Environmental Protection Agency last week announced the "most consequential day of deregulation" in U.S. history, unveiling 31 deregulatory actions to reverse former President Joe Biden's climate-focused agenda.

Among the moves was a rollback of a requirement for companies to report their annual emissions of the powerful greenhouse gas methane, as well as a decision to review the endangerment finding, the legal foundation for all U.S. climate regulation that identifies greenhouse gases as pollutants. For companies seeking to export U.S. gas to the European Union and Asia, the rollbacks are unlikely to have an effect on operations, according to Fred Hutchison, president of industry group LNG Allies, whose members include LNG exporters and project developers and natural gas producers.

"Whatever changes are made to how the United States regulates methane, including the endangerment finding, the EU methane regulation remains unchanged," Hutchison said, referring to European import standards. Starting this year, the EU methane rules oblige importers of oil, gas and coal to report the methane emissions associated with those imports. Japan and South Korea are also seeking methane emissions data for some of their gas imports.

U.S. LNG exports study in 2024 contradicted 2023 report

(Bloomberg; March 19) - When the Biden administration stopped approving licenses to export U.S. liquefied natural gas in January 2024, officials said they first needed to determine how those shipments would affect the environment and economy. But the federal government already had some of those answers. Just four months earlier, the Department of Energy had completed a study of the issue, concluding that ramped-up LNG exports would only modestly increase domestic residential natural gas prices and wouldn't appreciably change global greenhouse gas emissions.

That assessment has not previously been publicly released. A copy, dated Sept. 5, 2023, and marked as a “final review draft,” was transmitted to House Republicans examining the LNG export pause. The 2023 analysis is likely to intensify criticisms that former President Joe Biden’s 2024 pause was politically motivated and could cast doubts on the results of a second assessment that the Energy Department released in December 2024. That second analysis came to different conclusions, predicting additional exports would lead to higher prices and greenhouse gas emissions.

President Donald Trump lifted Biden’s 2024 pause on new LNG export licenses his first day back in the White House. He’s already approved licenses for two Gulf Coast projects. But the 2024 study still casts a shadow over Trump’s export approvals, which under federal law are meant to be granted only if they are found to be in the public interest. The 2024 Department of Energy analysis provides fodder for project opponents seeking to challenge any new authorizations.

Bangladesh needs to borrow money to pay LNG import bills

(Orissa Post; India; March 20) - Bangladesh’s dependency on liquefied natural gas imports is facing a major disruption due to a financial liquidity crunch forcing the interim government led by Muhammad Yunus to seek a $350 million loan for LNG purchases in the next fiscal, local media reported March 20. The government revealed that the loan process has already begun with technical assistance from the World Bank, which will act as a guarantor, reported Bangladesh’s leading Bengali daily newspaper.

As domestic gas production has been steadily declining, the government is relying on more LNG imports. Meanwhile, the government owes a huge sum of money to foreign companies. Chevron, Bangladesh’s largest gas producer, is owed more than $150 million, while outstanding LNG debt has surpassed $200 million. As arrears continue to mount, foreign LNG suppliers are becoming reluctant to deliver cargoes. Bangladesh’s ongoing dollar crisis has made it difficult to settle import bills, several reports cited.

Experts argue that prioritizing LNG imports over domestic gas exploration has put Bangladesh’s energy sector at risk. They warned that while borrowing may provide short-term relief, it fails to address the root problem and will only create further financial strain. They stated that instead of relying on loans to pay for imports, the government must focus on sustainable energy solutions. A senior Petrobangla official said it has planned to import a total of 115 LNG cargoes this year — 59 from the spot market and 56 from long-term suppliers — a 33.72% increase compared to the previous year.

Iraq says it plans to boost oil production capacity 50% by 2029

(Reuters; March 23) - Iraq plans to raise oil production capacity by 50%, to more than 6 million barrels per day by 2029, the state news agency reported Iraq's oil ministry as saying on March 23. Oil Ministry Undersecretary Bassem Mohamed Khodeir said Iraq aims to achieve its target through oil exploration and drilling nationwide, pointing to a recent deal with BP to redevelop four Kirkuk oil and gas fields. Iraq's current oil output stands at about 4 million, oil ministry officials said.

Iraq is the second-largest producer within the OPEC+ group comprising the Organization of the Petroleum Exporting Countries and allies including Russia, and last month reaffirmed commitment to the group's output agreement. Iraq also said it would present an updated plan to OPEC+ to compensate for any previous overproduction.

Iraq looks to import LNG to meet domestic power demands

(Bloomberg; March 23) - Iraq is in talks with several companies to secure two floating storage and regasification units by early June, as OPEC’s second-biggest producer tries to address power shortages caused by a U.S. move against Iran. The U.S. decided earlier in March not to renew a waiver that allowed Iraq to buy electricity from Iran, with

President Donald Trump's administration pressuring Tehran into negotiating a new nuclear deal. The decision has left the Iraqi government in need of more gas to meet its growing demand for electricity.

The floating units, which will hold imported liquefied natural gas to convert to gasfor power plants, will be installed near Khor al-Zubair Gulf port in Basra, Iraqi Oil Minister Hayyan Abdul Ghani said on Iraqi state-run TV March 23. Iraq relies on its domestic gas production for around 60% of its needs. Imports cover the remaining 40% "but during peak time this percentage increases to reach 50%," the minister said.

Iraq has been seeking to cut the amount of gas it burns off unproductively at oil and gas fields in order to reduce imports amid rising demand for the fuel, aiming to completely stop gas flaring by the end of 2028.

Some OPEC+ members will cut back to offset past overproduction

(Reuters; March 20) - OPEC+ on March 20 issued a new schedule for seven member nations to make further oil output cuts to compensate for pumping above agreed levels, which will more than overtake the monthly production hikes the group plans to introduce next month. The plan will represent monthly output cuts of between 189,000 barrels per day and 435,000 barrels per day, according to a table on OPEC's website. The scheduled cuts last until June 2026.

OPEC+, which includes OPEC plus Russia and other allies, has been cutting output by 5.85 million barrels per day, equal to about 5.7% of global supply, agreed in a series of steps since 2022 to support the market. On March 3, it confirmed that eight of its members including Russia, Saudi Arabia, UAE, Kuwait, Oman, Algeria, Kazakhstan and Iraq would proceed with a monthly increase of 138,000 barrels per day starting in April.

Sources said recent, hefty overproduction from Kazakhstan angered other members and was one of the deciding factors that ultimately led the group to proceed with the production hike. Now, under the revised plan, Iraq will make the bulk of the contribution to the compensation cuts followed by Kazakhstan and Russia. The plan also sees Saudi Arabia making small compensation cuts of 6,000 to 15,000 barrels per day over a period of three months. Kazakhstan has been producing at a record high as U.S. oil major Chevron expands output at the largest Kazakh oil field, Tengiz.

New U.S. sanctions target Iranian oil sales to China

(Reuters; March 21) - Iranian oil shipments into China are set to fall in the near-term after new U.S. sanctions on a refiner and tankers, driving up shipping costs, but traders said they expect buyers to find workarounds to keep at least some volumes flowing.

Washington on March 20 imposed new sanctions on entities including Shouguang Luqing Petrochemical, a "teapot," or independent refinery in Shandong province, and vessels that supplied oil to such plants in China, the top buyers of Iranian crude.

It was the fourth round of sanctions on Iran's oil sales since President Donald Trump's February call for "maximum pressure" on Tehran, including efforts to drive its oil exports to zero. Iranian oil into China had already dropped due to rising freight costs as earlier sanctions hit shipping capacity, said traders. Luqing, which operates a 160,000-barrel refinery, is among the larger regular buyers of discounted Iranian oil, according to traders. A Chinese trading executive involved in Iranian oil said the latest sanctions did not come as a surprise and expects that more plants or terminals could be targeted.

"But once companies readjust their business structures, imports would continue," said the executive, referring to measures such as changing entities to handle oil payments. Still, imports may be curbed as the sanctions give larger private refiners pause, said a second Chinese trader. China's Iranian oil imports recovered in February to 1.43 million barrels per day, from 898,000 in January, data from analytics firm Kpler showed.

Oil trading scheme helps fuel rival factions in Libya's civil war

(Financial Times; London; March 20) - In late March 2024, Mardi, an oil products tanker sailing under a Cameroon flag, completely disappeared from vessel tracking databases after spending a couple of days circling in the Mediterranean. It reappeared a month later north of Libya. The Mardi is one of 48 vessels identified by a panel of U.N. experts monitoring Libya. They said in their latest report in December that the ship made 14 visits to Benghazi's old harbor and smuggled out over 13,000 tonnes of diesel between March 2022 and October 2024, in breach of U.N. sanctions on Libya.

The International Maritime Organization has no information on the owner of the Mardi. According to U.N. experts, the smuggling is enabled by a barter scheme under which Libya — which lacks the capacity to refine fuels at scale — swaps its own crude for refined fuels, rather than paying for them with cash. The fuel is sold domestically at subsidized prices. But some of this cheap imported fuel is smuggled abroad to be "sold at black market rates or at market rates with fake documentation," the report states.

The scheme produces a "steady stream of revenue" for armed groups linked to the rival factions that oversee Libya. One is the U.N.-recognized government of Prime Minister Abdul Hamid Dbeibeh in Tripoli, and the other is a rival administration in the west controlled by the self-styled Field Marshal Khalifa Haftar and the Libyan Arab Armed Forces, the militia he commands. That dark money has helped stymie U.N. efforts to hold elections, reduce corruption and unite the country under a single government.

Australia’s population centers get a short reprieve on gas shortages

(Bloomberg; March 19) - Australia, one of the world’s biggest natural gas exporters, has pushed back forecasts for anticipated domestic shortfalls in some of its most populated regions as consumption declines. The southern states and territories, which contain about two-thirds of the population, could see shortages in extreme winter conditions from 2028, three years later than expected a year ago, the Australian Energy Market Operator (AEMO) said in its annual Gas Statement of Opportunities report.

The reprieve is because factory closures are reducing gas consumption, while more households are turning to electrification, the grid operator said. It’s also partly the result of a two-year delay in the closure of Australia’s largest coal-fired power plant, which will reduce the need for gas generation, AEMO added. There is a risk of annual supply gaps from 2029 in New South Wales, Victoria, South Australia, Tasmania and the Australian Capital Territory, as supply in the region is forecast to fall 29%, according to the report.

“(Gas) production is falling faster than demand in the southern states, reinforcing the need for investment in new supply,” AEMO CEO Daniel Westerman said. “Investment could include new production, storage, transportation and liquefied natural gas regasification (import) terminals, or a combination of these solutions.” A venture between ExxonMobil and Woodside Energy earlier this week approved further drilling in the waters between the mainland and Tasmania that is expected to start production by the winter of 2027. That has helped improve the supply outlook from 2027, AEMO said.