

Oil and Gas News Briefs

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Goldman Sachs forecasts surplus will keep oil in the \$50s for 2026

(Reuters; Nov. 17) - Oil prices are expected to decline through 2026, Goldman Sachs said on Nov. 17, citing a production surge that will keep the market in a large surplus of around 2 million barrels per day. The bank forecast Brent will average \$56 a barrel and West Texas Intermediate \$52 in 2026, below current forward curves of \$63 and \$60. "The 2025-2026 supply wave mostly results from long-cycle projects that saw final investment decisions just before the pandemic, got delayed during COVID and are now all coming online, and from OPEC's strategic decision to unwind production cuts."

OPEC+, or the Organization of the Petroleum Exporting Countries plus Russia and other allies, has been boosting output since April. Other producers, such as the U.S. and Brazil, are also increasing supply, adding to fears of a supply glut and weighing on prices. The International Energy Agency said the global oil market faces an even bigger surplus next year of as much as 4.09 million barrels per day.

Goldman Sachs expects prices to rebound from 2027 as low 2025-2026 prices weigh on non-OPEC production and very few new projects come online after 15 years of underinvestment. "We therefore expect Brent/WTI to rise to our long-run \$80/\$76 forecasts by late 2028," the bank said. In 2026/2027, Brent could fall into the \$40s if non-OPEC supply proves more resilient than expected or if the global economy enters a recession, but could rise above \$70 if Russian supply falls more sharply, the bank said.

Survey finds oil traders don't expect OPEC+ to cut production

(Bloomberg; Nov. 17) - Oil traders are not counting on OPEC+ to cut production next year, despite forecasts that a global supply surplus could send prices even lower. Almost two-thirds of 25 brokers and analysts surveyed by Bloomberg News said that the Organization of the Petroleum Exporting Countries and its allies probably wouldn't cut output next year. Less than a third anticipated the group would agree to reduce supplies, the first time in more than two years it would make such a move.

While many anticipate global oversupply next year, they said it would not necessarily be large enough to sink prices and provoke OPEC+ to reverse the production hikes that it has implemented this year. Saudi Arabia and its partners stunned oil markets in April by deciding to rapidly revive halted production despite abundant supplies, in an apparent bid to reclaim market share. With signs of an emerging glut — which the International

Energy Agency estimates will reach a record in 2026 — producers have started showing more caution, agreeing this month to pause further output increases in the first quarter.

Oil futures are down 14% this year to near \$64 a barrel in London, straining the finances of OPEC+ members, and some Wall Street forecasters anticipate further price losses. Morgan Stanley sees a “very substantial” chance OPEC+ will cut production in 2026 to avert a slump. Nonetheless, only eight of 25 respondents in Bloomberg’s survey said they expect OPEC+ curbs next year. Twelve said they don’t anticipate any curbs, and several others said they’re unlikely, barring an unexpected market rout.

Canada’s oil sands see resurgence in prices and investment

(Bloomberg; Nov. 17) - Canada’s oil sands are experiencing a comeback after years of living in the shadow of U.S. shale. Crude output is climbing to new highs, the nation’s top producers are seeing their shares soar, and interest in the industry is rising among U.S. institutional investors. The catalyst for the brighter outlook is simple: The newly expanded Trans Mountain oil pipeline is bringing Canadian oil to the critical Asian market after years of capacity constraints capped output and pressured crude prices.

With the pipeline in place, production hit a record in June and is set to grow another 300,000 to 400,000 barrels a day to 6 million barrels a day by 2030, according to the Bank of Montreal. At the same time, the average stock price of the biggest oil sands producers has outpaced the S&P Global Oil Index by as much as three-fold over the past year. And while a global supply glut is weighing on oil prices, the Trans Mountain expansion has juiced local prices for heavy oil, which are trading at a discount of \$10 to \$12 a barrel to U.S. crude, compared with discounts as wide as \$30 or more before.

Against that backdrop, U.S. institutional investors’ stake in oil sands companies has risen as high as 65% from 40% a decade ago, according to BMO. The brighter outlook illustrates a seismic shift in oil markets. As production from massive U.S. shale basins such as the Permian peak, investors are shifting their focus north of the border where steady supplies are poised to continue flowing for decades more, and where the cost of production is low enough to withstand even steep drops in the global benchmark price.

Alberta and British Columbia at odds over new oil pipeline

(BBC; Nov. 17) - As Canada looks to untangle economically from the U.S., the oil patch is eyeing new customers in Asia through another pipeline to the Pacific. The oil-rich province of Alberta has had one demand for Prime Minister Mark Carney: Help us build an oil pipeline — and fast. It’s no small task — in fact, some argue it has become near-impossible to build an oil pipeline in Canada because of laws that bolster environmental protections. Three proposed lines have died in the past decade over fierce opposition.

But Alberta Premier Danielle Smith is not deterred. Her government has taken the unusual step of drafting its own proposal for a pipeline from the Alberta oil sands to British Columbia's northern Pacific coast, aimed at reaching Asian markets. Still in the early stages, Smith hopes that by doing the groundwork a private company will eventually take over and build it. Neighboring British Columbia, however, is firmly against it. Premier David Eby has dismissed Smith's plan as "fictional" and "political."

Eby argues no private company wants the burden of taking on a new line. Smith in turn, has called Eby "un-Canadian." The feud between the Western provinces comes at a critical time. Canada is trying to wean itself off its economic dependence on the U.S. amid President Donald Trump's tariffs, and Carney has signaled his desire to double non-U.S. exports in the next decade. Almost all of Canada's energy exports, including crude oil, are currently sold to the U.S.

"There are real grounds for a dispute," said Andrew Leach, a Canadian energy economist at the University of Alberta. "The lion's share of the gains and the benefits accrue to Alberta, while the lion's share of generational risks occur in B.C." The sole oil pipeline running from Alberta to British Columbia, Trans Mountain, was also strongly opposed and only finished after the federal government purchased it for C\$4.5 billion in 2018 to ensure its completion. The total cost for the project was C\$35 billion.

Goldman Sachs forecasts oil demand to grow through 2040

(S&P Global; Nov. 15) - Goldman Sachs expects global oil demand to rise through 2040, driven by limited alternatives for jet fuel and petrochemicals, energy demand growth outpacing displacement by low-carbon technologies, and an indirect 3-million-barrel-per-day boost from artificial intelligence through higher global GDP. Global oil demand is forecast to grow from 103.5 million barrels per day in 2024 to 113 million barrels per day by 2040, the investment bank said in a new report.

The report, published Nov. 13, comes days after the International Energy Agency said it sees global oil demand rising until 2050 under its current policies scenario, in a major departure from the base case presented in its previous annual World Energy Outlook. Goldman said its demand projection reflects a shift in demand drivers as road transportation oil consumption is expected to peak around 2030, with petrochemicals becoming the primary growth engine thereafter.

"As road demand peaks, petrochemicals become the key driver of global oil demand growth, with petrochemical oil demand (naphtha, ethane, LPG) growing at an average annual pace of 0.5 million barrels per day," the research report said. Acknowledging its "above-consensus" view on long-term oil demand, Goldman said it expects non-OECD countries to account for over 90% of petrochemical oil demand growth over the next 15

years. China and the Mideast are positioned to lead this growth, the bank said, mirroring the concentration of petrochemical and plastics production facilities in the regions.

Total and Chevron front-runners in bid for Namibia oil prospect

(Reuters; Nov. 19) - Oil majors TotalEnergies and Chevron have emerged as front-runners in the auction for a 40% operating stake in Galp's Mopane discovery in Namibia, four sources told Reuters. Oil companies have flocked to Namibia, which has no hydrocarbon production, after a string of high-profile discoveries showed the southern African country could become a top-15 oil producer over the next decade.

Mopane has estimated resources of at least 10 billion barrels, and Portuguese energy company Galp wants to announce a winner by year-end. "Negotiations regarding Namibia are progressing with a shortlist of preferred bidders strongly aligned with Mopane," a Galp press officer said. More than 12 oil companies including Exxon, Shell and Brazil's national oil company Petrobras had expressed interest in Mopane, though Exxon withdrew in June and Petrobras said it had been outbid by Total.

Namibia's geology has proven challenging to many majors, including Shell, which wrote down its discoveries as uncommercial. Total and Chevron both have oil field stakes near Mopane. Africa has provided between 25% and 40% of Total's oil and gas over the past two decades. The company has high hopes for Namibia while projects in Mozambique and Uganda face financial and security hurdles. Total has a 150,000 barrel-per-day development in Namibia close to Mopane but has said its high gas content makes oil extraction complicated and costly. It hopes to take a final investment decision next year.

Latest sanctions crimp Russian and Iranian oil flows to China

(Bloomberg; Nov. 18) - New sanctions on Chinese ports and refiners are choking flows of Russian and Iranian oil to the world's No. 1 importer, although workarounds suggest the slowdown may be fleeting. State-owned processors have paused purchases of ESPO, the crude that makes up the bulk of China's imports from Russia, following U.S. sanctions on producers Rosneft and Lukoil. Washington's targeting of the Rizhao oil terminal, which handled about 10% of China's oil imports, is crimping Iranian flows.

Some private refiners, typically more risk-tolerant when it comes to buying sensitive oil, are also avoiding the ESPO grade from Russia's Far East. The increased fear is what sets the latest U.S. measures apart from previous Western curbs, said Vandana Hari, founder of Singapore-based analysis firm Vanda Insights. "U.S. sanctions on Rosneft and Lukoil could be a little bit of a game-changer." Nervousness among Chinese buyers comes as Indian refiners also scale back their purchases of Russian oil, showing that Western moves to deny the Kremlin of funds for its war in Ukraine are having an impact.

However, the resilience of blacklisted ports, like Dongjiakou in China's Shandong province, suggests there could be a resurgence in flows without strict enforcement and scrutiny. China's seaborne imports of Russian crude may drop by 500,000 to 800,000 barrels a day this month, according to an estimate by analytics firm Rystad Energy. Flows from Iran could fall by 200,000 to 400,000 barrels a day, or as much as 30%. There's a growing glut of oil that's struggling to find a home, said Emma Li, lead China market analyst at ship-tracking and intelligence firm Vortexa.

Price for Russian oil falls to lowest since March 2023

(Bloomberg; Nov. 17) - Russia's flagship oil price plunged to the lowest in over 2½ years last week, with days to go until U.S. sanctions are due to hit the nation's two largest producers. The price of the nation's Urals grade plunged as low as \$36.61 a barrel from the Black Sea port of Novorossiysk on Nov. 13, the lowest since March 2023. It was a similar trend in the Baltic Sea, according to data from Argus Media.

For Russia's oil companies, the price slump will put a strain on their finances and reduce the amount of tax they pay into the Kremlin's coffers, which helps to fund the war in Ukraine. Oil and gas accounts for about a quarter of the nation's state budget. Demand for Russian cargoes on international markets slumped after U.S. President Donald Trump's administration blacklisted Rosneft and Lukoil on Oct. 22 to add more pressure on Russia's President Vladimir Putin to end the war in Ukraine.

The Nov. 21 sanctions deadline is to allow a wind-down of dealings with Russia's two energy giants, but some refiners in China, India and Turkey are already pausing purchases of cargoes and seeking alternative supplies. Urals has started trading at big discounts to international benchmarks in the wake of the sanctions announcement. Discounts on Urals deepened to an average of \$23.52 a barrel against the Brent benchmark at the end of last week, the widest since June 2023, Argus's data show.

Russia's Novatek selling LNG to Chinese buyers at steep discount

(Reuters; Nov. 18) - Russian liquefied natural gas producer Novatek has slashed the prices of its cargoes by 30% to 40% since August to entice Chinese buyers to purchase sanctioned gas from its Arctic LNG 2 project, sources told Reuters. The purchases have ended the commercial limbo for the \$21 billion project, which is subject to some of the harshest sanctions the U.S. and Europe have imposed on Russia. Washington is seeking to block the flow of oil and gas revenue to Kremlin coffers.

China, a longtime ally of Russian President Vladimir Putin, opposes Western sanctions. Cracking down on Chinese entities flouting the sanctions could prove tricky. Washington

only last month struck a delicate truce in its trade war with Beijing, and one senior industry source said enforcing the measures could jeopardize U.S. ambitions of doing its own LNG deals with China. Novatek, which is co-owned by some of Putin's closest allies, started producing LNG at the plant in December 2023. But it failed to sell a single cargo until August this year, when it slashed prices for Chinese buyers.

The gas producer sold its first cargo, which was delivered on Aug. 28, at a discount of \$3 to \$4 to the Asian benchmark LNG price of around \$11 per million Btu, according to an industry source familiar with the deal. For subsequent deliveries — there have been 14 in total since August — Chinese buyers continued to receive steep discounts of around 30% to 40%, a second source familiar with the deals said. That means cargoes are selling at \$28 million to \$32 million, well below their market value of over \$44 million.

Exxon/Qatar LNG terminal in Texas targets first cargo in February

(Bloomberg; Nov. 18) - The Texas joint venture between QatarEnergy and Exxon Mobil is targeting February to load its first liquefied natural gas cargo, in what would be a major milestone for U.S. exports of the fuel. The timeline could still change because initiating production at LNG export facilities is a complex procedure, according to people familiar with the matter, who asked not to be identified because they weren't authorized. A Golden Pass spokesperson didn't immediately respond to a request for comment.

Golden Pass LNG, located at the border between Texas and Louisiana, is 70%-owned by QatarEnergy, while Exxon holds the other 30%. Exxon said previously that the venture was due to start LNG production by the end of the year. The facility is part of an LNG boom that in the space of several years has turned the U.S. into the world's biggest exporter. Golden Pass will become the ninth operational U.S. export plant. It's slated to bring a total of 18 million tonnes a year of capacity online once fully completed, just as concerns are mounting that global supply could exceed demand.

One of the next steps in the startup process at Golden Pass is expected to involve an LNG cargo imported from Qatar that will be used to cool down the complex. The vessel Imsaikah is heading toward Texas with an estimated arrival date of Nov. 29, according to shipping data compiled by Bloomberg, although vessel data is subject to change.

Louisiana LNG project developer wants to double plant's capacity

(Reuters; Nov. 17) - Venture Global said on Nov. 17 it had asked the Federal Energy Regulatory Commission for permission to more than double the capacity of its Plaquemines liquefied natural gas export facility under development in Louisiana. The company wants to add 30 million tonnes per year of additional LNG capacity to the previously approved 28 million tonnes. Plaquemines is already the second-largest LNG

facility in the U.S. and last month was responsible for 22% of total exports from the country, according to data from financial firm LSEG.

"Our decision to significantly increase the project's permitted capacity reflects the strong market demand we continue to see, and this expansion will play a vital role in meeting that demand," Venture Global CEO Mike Sabel said. The expansion would allow the company to produce over 100 million tonnes per year of the fuel at its three Gulf Coast facilities and challenge QatarEnergy and Cheniere as the world's top exporter of LNG.

A mere start-up three years ago, Venture Global became the second-largest U.S. LNG exporter with a business model export cargoes while construction and commissioning phases are still underway. The strategy has allowed the company to profit from higher spot-market prices before it begins supplying longer-term customers, but it has resulted in arbitration cases and lawsuits from long-term customers that include several of the world's largest energy companies. The Plaquemines expansion would be built in three phases and consist of 32 modular liquefaction trains, the company said.

LNG carrier charter rates highest since last year

(Bloomberg; Nov. 18) - The cost of transporting liquefied natural gas across the Atlantic Ocean surged to the highest in almost two years, as expanding exports from North America boosted demand for tankers. The spot rate to hire an LNG vessel for delivery from the U.S. to Europe jumped 19% to \$98,250 per day on Nov. 17, the highest since January 2024, according to Spark Commodities, which tracks shipping prices. Costs to hire a tanker in the Pacific Ocean jumped 15% to the highest in over a year.

This is a turnaround for the market, which languished at rock-bottom prices for most of the year amid a glut of available ships. LNG output from North America has increased steadily as new projects ramp up, requiring more ships to deliver the fuel to customers in Europe and Asia. Higher freight rates threaten to widen the spread between Asian and European gas prices, as it will be more expensive to send U.S. shipments on longer voyages to the Pacific.

Still, the surge in charter rates is likely to have peaked and has "limited potential to run much higher," according to Han Wei, a BloombergNEF analyst. "On the LNG tanker supply side, we'll continue to see strong newbuild deliveries, which should keep spot charter rates in check," he said.

Gazprom reportedly working on engineering new gas line to China

(Ukrainian National News; Nov. 17) - Russian energy giant Gazprom continues to implement plans for the construction of a new gas pipeline to China, developing

expensive detailed project documentation, which is a sign that Moscow believes in the resumption of the long-delayed project, the Financial Times reports. Power of Siberia-2, which will transport as much as 4.8 billion cubic feet per day of gas, is "Russia's only real hope to compensate for some of the lost exports to Europe," the Times reported.

Russia and China signed an agreement on Power of Siberia-2 in 2014, but it dragged on for several years before becoming relevant after Russia's full-scale invasion of Ukraine in 2022. In September, Putin and Chinese President Xi Jinping signed a "memorandum on construction." After that, Gazprom engineers began work on the technical design, three sources familiar with the project's preparation told the Times.

Engineers were likely working on the preliminary design phase, which involves creating "hundreds of volumes" of technical documentation, said Sergey Vakulenko, a former head of strategy at Gazprom's oil division. Such studies are expensive and, according to Vakulenko, could account for 5% of the cost of a project of this scale. A senior official at a Russian energy company told the Times the cost could reach 10%. The project budget has not been disclosed. Chinese officials have made almost no comments on the 4,100-mile line, which has raised doubts among some observers about its progress.

U.S. LNG will flow to Ukraine through import terminals in Greece

(BBC; Nov. 17) - Vital supplies of U.S. liquefied natural gas are due to start flowing into war-ravaged Ukraine this winter via a pipeline across the Balkans. The deal was announced after Ukrainian President Volodymyr Zelensky met Greek Prime Minister Kyriakos Mitsotakis in Athens on Nov. 16. Greece is working to increase the flow of U.S. LNG to its import sites to "replace Russian gas in the region," Mitsotakis said recently.

The European Commission plans to ban all imports of Russian gas to European Union members by the end of 2027, arguing the revenue funds Russia's war in Ukraine. Speaking earlier in Athens, Zelensky said deliveries of U.S. LNG would begin in January. Since 2015, when it stopped buying Russian gas directly, Ukraine has been receiving gas supplies from various EU states. The Soviet-era Trans-Balkan pipeline links Ukraine to LNG terminals in Greece via Moldova, Romania and Bulgaria.

TotalEnergies makes \$6 billion investment in power plants

(Wall Street Journal; Nov. 17) - French oil and gas major TotalEnergies is ramping up its bet on electricity with a \$6 billion investment in power plants across Europe, expanding a strategy that has set it apart from rivals focused on pumping more fossil fuels. TotalEnergies said Nov. 17 it would buy 50% of a portfolio of assets owned by Energeticky a Prumyslový Holding, the investment fund controlled by the Czech

billionaire Daniel Kretinsky. The all-stock deal will give EPH a stake in TotalEnergies of roughly 4.1% of its shares — making EPH one of the company's largest shareholders.

Total is betting that investments in electricity generation — a mix of renewables, gas-fired power plants and batteries — can eventually match the profitability of fossil fuels. The company expects demand growth for power to outpace oil and gas, driven by electric vehicles, heating and artificial intelligence data centers. Many energy analysts and investors agree that electricity demand will rise but question whether investment in power generation — particularly renewables — will be as lucrative as oil and gas.

Two of TotalEnergies' main rivals, Shell and BP, have recently pulled back from renewable power, deciding instead to double down on finding and pumping fossil fuels. Investors are watching closely to see how the French company's contrarian strategy plays out. The AI boom is pushing some oil and gas executives in the U.S. to consider investing in power. Chevron CEO Mike Wirth said this month that the company would bring online a power project in Texas to feed an AI data center nearby.

Electric trucks grab increasingly larger market share in China

(Associated Press; Nov. 18) - China is replacing its diesel trucks with electric models faster than expected, potentially reshaping global fuel demand and the future of heavy transport. In 2020, nearly all new trucks in China ran on diesel. By the first half of 2025, battery-powered trucks accounted for 22% of new heavy truck sales, up from 9.2% in the same period in 2024, according to Commercial Vehicle World, a Beijing-based trucking data provider. The British research firm BMI forecasts electric trucks will reach nearly 46% of new sales this year and 60% next year.

Heavy trucks carry the lifeblood of modern economies. They also contribute significantly to global emissions of carbon-dioxide: In 2019, road freight generated a third of all transport-related carbon emissions. Trucking has been considered hard to decarbonize since electric trucks with heavy batteries can carry less cargo than those using energy-dense diesel. Proponents of liquefied natural gas have viewed it as a less polluting option while technology for electric heavy vehicles matures.

China's trucking fleet, the world's second-largest after the U.S., still mainly runs on diesel, but the landscape is shifting. Transport fuel demand is plateauing, according to the International Energy Agency and diesel use in China could decline faster than many expect, said Christopher Doleman, an analyst at the Institute for Energy Economics and Financial Analysis. Electric trucks now outsell LNG models in China, so its demand for fossil fuels could fall, and "in other countries, it might never take off," he said.

Japanese governor ready to approve nuclear plant restart

(Reuters; Nov. 18) - The governor of the Japanese prefecture that is home to the world's largest nuclear power plant is set to give approval as early as this week for its restart, local media reported on Nov. 19. The approval will clear the final hurdle in Tokyo Electric Power Co. Holdings' quest to bring the Kashiwazaki-Kariwa plant back online, more than a decade after the Fukushima nuclear disaster led to its shutdown.

Niigata Prefecture Governor Hideyo Hanazumi is set to announce his approval as early as Nov. 21 to partially resume Kashiwazaki-Kariwa, Kyodo news agency said, citing multiple unnamed sources in the prefecture government. Hanazumi will consult the prefectural assembly on his decision during its regular session beginning on Dec. 2. If the assembly endorses his decision, he is expected to respond to the national government's request to approve the restart, the Nikkei business daily said.

TEPCO is planning to bring online the two biggest units of the plant, which together can produce 2,710 megawatts of power, and possibly decommission some of the remaining five units. Kashiwazaki-Kariwa's total capacity is 8,212 MW. The company also earlier pledged 100 billion yen (\$644 million) to support local communities to gain support for the restart, which TEPCO has sought for many years despite some local opposition. Partial restoration of the Kashiwazaki-Kariwa plant would also help to cut liquefied natural gas import costs for Japan, the world's second-biggest LNG buyer.