

Oil and Gas News Briefs

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China leads the world in offshore wind power

(Bloomberg; Aug. 29) - Off the coast of southern China, a giant, double-headed turbine rises out from among its conventional counterparts, tethered to the seabed via three bright-yellow mooring points. The OceanX pushes the boundaries of engineering, able to harness more wind power than any other floating turbine operating in the world today. It's also an eloquent symbol of the ambitions of Chinese green technology companies, securing their dominance of yet another clean-energy industry as stalwarts in Europe, the U.S. and Japan run up against political and economic setbacks.

China has led the world when it comes to using renewable electricity — that includes expansive solar farms in western deserts and also rows of turbines built at sea, where they can access reliable and stronger air currents. This year, China will install nearly three out of every four of the world's new offshore turbines. The story is very different elsewhere, particularly in the U.S., where President Donald Trump has derided wind farms as ugly killers of birds and whales. He targeted wind on his first day in office, halting approvals for new offshore ventures.

The Trump administration stopped an almost-complete project, rattling investors and triggering a collapse in the share price of its Danish developer, Orsted, a company that has led the sector for more than three decades since it commissioned the world's first offshore wind farm. Now along with other operators in Europe, the U.S. and Japan, Orsted is struggling to cope with dwindling government support and rising costs due to pricier components, high interest rates and limited infrastructure.

"China's offshore wind project pipeline has remained strong because of advantages in financing, supply chain integration, policy support and technology improvements," said Yujia Han, a researcher for Global Energy Monitor. "Chinese manufacturers are going to take most of the market share because of their fundamentally huge advantages in cost — and also just the enormous difficulties a lot of the Western firms are facing at the moment," said Cosimo Ries, an energy analyst with Trivium China.

California drivers could pay a high price for refinery closures

(OilPrice.com; Aug. 28) - Phillips 66 will begin shutting down its 139,000-barrel-per-day Los Angeles-area refinery as soon as next week, sources told Reuters, moving forward on a closure plan announced last year. Units at the plant will idle in phases through the fourth quarter of 2025, with the facility permanently offline by year-end. The decision

isn't a surprise — Phillips 66 said in October it would exit the site, citing “market dynamics.” But it comes at a cost of about 600 employees and 300 contractors who will lose their jobs, with a handful reassigned to the company's marine terminal.

California, meanwhile, is staring at a bigger problem. Between Phillips 66's Los Angeles facility and Valero's Benicia refinery scheduled to close in 2026, the state is set to lose roughly 17% of its refining capacity. That's a dangerous haircut in a state already paying the nation's highest pump prices. Analysts warn that by late 2026, California gasoline could top \$8 a gallon if supply disruptions collide with fewer in-state refineries.

Lawmakers appear caught flat-footed. California has prided itself on leading the clean energy charge, but the state has no system-wide transition plan to manage a shrinking refinery fleet. Imports will plug some of the gap, but relying on tankers means higher costs and more emissions at the ports. For now, policymakers are scrambling to balance climate ambition with the political pain of \$6-plus fuel.

U.S. oil and gas production hit new record highs in June

(Reuters; Aug. 29) - U.S. crude oil production hit a record high in June, rising 133,000 barrels per day to 13.58 million, according to data released by the Energy Information Administration as part of its Petroleum Supply Monthly series. Crude production in top-producing state Texas rose to 5.72 million barrels per day, the highest since April, the EIA data showed. In second-largest producer New Mexico, output was up 40,000 month-over-month to 2.24 million, its highest since March.

Output from the U.S. federal offshore Gulf region rose to its highest since October 2023, gaining 67,000 barrels per day to hit 1.92 million in June, according to the EIA. Product supplied of crude and petroleum products in the U.S., a proxy for demand, rose 684,000 in June to its highest since October 2024, at 21 million.

Gross natural gas production in the Lower 48 states rose to a record 120.7 billion cubic feet per day in June, up from 120.2 billion in May, according to the agency's production report. That compares with the prior monthly all-time high of 120.5 bcf per day in March.

Oil oversupply pushes U.S. banks to reduce price forecasts

(The Wall Street Journal; Aug. 28) - A looming oil supply glut is weighing on the price outlook despite heightened geopolitical risks, prompting major Wall Street banks to lower their crude forecasts for this year and next. A survey compiled by The Wall Street Journal — which includes projections from Goldman Sachs, JPMorgan and Morgan Stanley — showed Brent crude is expected to average \$63.57 a barrel in the fourth

quarter, while West Texas Intermediate is seen at \$60.30 a barrel. That is down from last month's projections of \$64.13 and \$61.11, respectively.

Oil prices have swung between gains and losses this week, as investors closely monitor developments in Ukraine peace talks and potential disruptions to Russian flows following Kyiv's attacks on key energy infrastructure and fresh U.S. tariffs on India over its purchases of Russia's crude. The international oil benchmark Brent has held in the high-\$60s even as demand typically softens after the summer driving season, supported by heightened supply-disruption risks and the Organization of the Petroleum Exporting Countries and its allies adding less supply than announced, according to Citi analysts.

However, broader concerns remain that OPEC+'s production increases and rising output from producers outside the alliance could soon tip the market into a surplus, according to traders. Although Brent is still trading at a premium for near-term delivery, signaling tight supplies, the premium has narrowed, reflecting soft demand expectations ahead. In the Journal's survey, Brent and WTI are forecast to fall to \$62.73 and \$59.65 a barrel in the first quarter of 2026, respectively. However, major banks see more upside later, with prices averaging \$64.20 and \$61.56 respectively in the third quarter 2026.

[Exxon forecasts higher gas demand to meet need for electricity](#)

(Reuters; Aug. 28) - Global demand for natural gas will rise more than 20% by 2050 from last year's level as it displaces coal to power industries and meets higher electricity use in developing countries, Exxon Mobil said on Aug. 28 in an annual outlook. The projections provide the basis for the top U.S. oil producer's long-term strategy and investment. Exxon has ambitious growth plans compared to other global oil players, with a target to boost its overall production by 18% over the next five years.

Global oil demand will plateau after 2030 but remain above 100 million barrels per day through 2050, Exxon projected, consistent with its previous outlook. Oil and gas will account for 55% of the global energy mix in 25 years' time, down 1 percentage point from 2024 levels, the company said. The industrial sector will drive increased demand for natural gas as it replaces coal, Chris Birdsall, Exxon's economics, energy and strategic planning director, said in a press briefing.

"It's a great way to provide the industrial (power) that's needed, but at the same time reduce some of the emissions challenges with coal," he said. Even as overall crude oil demand is expected to remain stable, Exxon forecasts that longer-term demand for gasoline will shrink 25% as electric vehicles proliferate, while demand for distillates will remain strong for commercial transportation and aviation. Refineries will have to adapt to the changing refined products mix over time, Birdsall said.

British industries burdened by high-cost electricity pegged to gas

(Reuters; Aug. 27) - Britain's only aluminum coil mill has spent millions of pounds to save energy, reduce its carbon footprint and shield itself from some of the highest electricity costs in the world. But when Bridgnorth Aluminum's electricity use slips below the threshold to qualify for a government subsidy that helps businesses with their bills, it cranks everything up again to avoid missing out on the financial payout.

This paradoxical situation stems from Britain's sky-high electricity costs, coupled with the piecemeal support successive governments have given to big industrial power users. According to the International Energy Agency, large energy-intensive companies in Britain paid about four times more for electricity last year than U.S. businesses, and more than double competitors in France and Germany. Besides hitting competitiveness and contributing to stubbornly high British inflation rates, power prices have acted more generally as an obstacle to Britain's shift toward cleaner energy.

Prices are higher in Britain because even though it generated more than half its electricity last year from cheaper renewables such as wind and solar, the price is almost always set by gas, which is more expensive. Wholesale electricity prices are set every 30 minutes by the cost of the last energy source used to ensure demand is met. So even if wind, solar and nuclear provide 99% of the power needed, if gas-fired plants are needed to hit 100%, then gas sets the wholesale price for every buyer and seller alike.

Rising global LNG production will help Europe to refill storage

(Reuters; Aug. 28) - European gas traders have faced a stressful race against the clock in recent summers as they have scrambled to refill depleted natural gas storage facilities ahead of winter. But with demand in Asian markets sagging, Europe can expect a surge of liquefied natural gas imports over the coming months, giving the continent's traders and governments a lot more breathing room. Ensuring that European gas supplies were at near-maximum levels became a political imperative after the region sharply reduced pipeline gas imports from Russia following its war on Ukraine in 2022.

Asian buying is expected to slow significantly during the rest of 2025 due to high inventories in China and other importing nations, freeing up LNG volumes for Europe. And in what is likely welcome news to European governments, the summer LNG storage refilling frenzy is unlikely to return for at least the next five years. Global LNG production capacity is set to increase more than 7% this year over last year's numbers and an additional 10% for 2026. Production capacity in 2030 is projected at about 62% over 2024 levels. The growth has been driven primarily by the United States.

While supply is set to largely equal demand this year, the market is expected to see a glut building in 2026 and exceeding 100 million tonnes of LNG in 2030, based on current projections. Clearly, such a large supply-demand disparity will lead to

curtailments in LNG production, with the United States likely to make the first cuts, given that producers there are more price-sensitive than in other regions. For now, though, the burgeoning oversupply appears to be good news for consumers.

Louisiana LNG plant headed to full production at 27 million tonnes

(Reuters; Aug. 29) - Venture Global could soon be producing liquefied natural gas from all production blocks at its 27.2 million-tonne-per-year Plaquemines facility in Louisiana, regulatory filings show. The company received permission on Aug. 29 to introduce nitrogen at Block 15, a precursory step toward gas production, according to an order from the Federal Energy Regulatory Commission.

The Louisiana complex has 18 production blocks. It had initially skipped starting up at Block 15 after receiving permission to begin output at the remainder of the facility, according to regulatory filings. Plaquemines is the second-largest LNG plant in the U.S., after Cheniere Energy's Sabine Pass. Commissioning is expected to continue in phases for the next two years, with Venture Global likely earning higher liquefaction fees from the sale of early cargoes on the spot market before having to supply long-term customers including ExxonMobil, Shell and Orlen, according to the company.

Since it began producing LNG at the end of December last year, Plaquemines has increased output every month and is a major reason the U.S. has been able to export the fuel at record levels in 2025, according to data from financial firm LSEG. On Aug. 29, Plaquemines was pulling 3.2 billion cubic feet per day of feed gas, or almost 20% of all gas going into U.S. plants, LSEG data showed. A mere start-up three years ago, Venture Global has grown to become the second-largest LNG exporter in the U.S.

China receives its first cargo from sanctioned Russian LNG project

(Reuters; Aug. 29) - China received this week its first liquefied natural gas cargo from a sanctioned Russian project, ship-tracking data from Kpler and LSEG showed, days ahead of Russian President Vladimir Putin's meeting with Chinese President Xi Jinping. Putin is among more than 20 world leaders who will attend the Shanghai Cooperation Organization summit in China's northern port city of Tianjin on Aug. 31 and Sept. 1.

The tanker Arctic Mulan LNG, carrying a cargo from the Arctic LNG 2 project, which is targeted by Western sanctions, berthed at China's Beihai LNG terminal in the southern region of Guangxi on Aug. 28, data from Kpler and LSEG showed. The cargo came from a storage facility in the Russian Far East that has only received cargoes from Novatek's Arctic LNG 2 project. The delivery marks the first time superchilled fuel from the project has reached an end-user since it started up last year.

"China and Russia are testing the waters," said Anne-Sophie Corbeau, researcher at Columbia University's Center on Global Energy Policy, in a post on LinkedIn. "If this one goes through without any U.S. reaction, that could be a signal for China and other buyers that it would be OK to buy sanctioned Arctic LNG 2 cargoes. India could be next in line for a Russian LNG cargo, especially at an attractive price." The Arctic LNG 2 project had been due to become Russia's largest LNG plant with eventual output of 19.8 million tonnes per year of LNG from three trains.

Russia's Arctic LNG project increases production to record level

(Bloomberg; Aug. 27) - Russia's sanctioned Arctic LNG 2 project boosted gas output to record levels this month as the export facility keeps loading cargoes that have struggled to find buyers. Natural gas liquefaction at the Novatek-led plant averaged nearly 530 million cubic feet a day during most of August, according to a person with knowledge of the matter. That could be enough LNG over a full month to fill about five tankers.

The facility, located above the Arctic Circle, is pivotal for Russia's plans to triple its LNG production by 2030 and tap new gas markets after a sharp decline in pipeline gas exports to major buyers in Europe. But those ambitions were squeezed by international sanctions on LNG equipment, shippers and financial transactions after the Kremlin's full-scale invasion of Ukraine. Just five tankers — also subject to restrictions — appear to have loaded LNG cargoes since June, with most of them heading now toward Asia.

It remains unclear where the vessels will unload and whether the cargoes have found foreign buyers, but the loadings suggest Russia may be finding ways around the sanctions. The Arctic LNG 2 project ramped up daily gas production to almost 900 million cubic feet per day on Aug. 25 and Aug. 26, the person said, who spoke on the condition of anonymity as the information isn't public. The latest production increase may signal plans to continue loading LNG for export.

Russian LNG carrier confronts sea ice, reverses course

(gCaptain; Sept. 1) - A Russian liquefied natural gas carrier without ice protection has reversed course and remains stopped near the edge of the sea ice on the Northern Sea Route. The vessel's struggles highlight the challenges for non ice-class vessels in Arctic shipping, even during summer months. The Arctic Metagaz is part of Russia's expanding fleet of LNG carriers in service of the sanctioned Arctic LNG 2 project.

The carrier continues to idle in the East Siberian Sea around 48 hours after reversing course. It was passing through patches of remaining summer sea ice following in proximity to the nuclear icebreaker Sibir on Aug. 29 when it began backtracking its initial course. The vessel originally departed from the Russian port of Murmansk around Aug.

19, carrying sanctioned supercooled gas in search of buyers in Asia. Icebreaker Sibir has been working for several weeks in the East Siberian Sea in an effort to open up shipping lanes through persistent summer sea ice along the Northern Sea Route.

Ice charts show considerable ice coverage in the waters near Pevek, ranging from 10% to 60%, including grounded hummocks. This summer season is the second year in a row when sea ice blocked the eastern reaches of the route even during late summer. "Even in this 'summer period' ice conditions can be unpredictable," said Kjell Eikland, managing director of data provider Eikland Energy. Russia has long touted the route as a new shipping corridor. Arctic Metagaz's aborted attempt to punch through the sea ice may put a damper on Russia's ability to ship out sanctioned gas from Arctic LNG 2.

German buyers could buy Canadian LNG and swap for other cargoes

(Reuters; Aug. 27) - German companies are looking to buy and swap Canadian LNG cargoes shipped off the Pacific coast to help meet European demand, Canada's Energy and Natural Resources Minister Tim Hodgson said on Aug. 27. Canada, the world's fifth-largest gas producer, shipped its first-ever liquefied natural gas export cargo in June from the newly finished LNG Canada facility in British Columbia, which is led by Shell. It's the first North American LNG export site with direct access to the Pacific Ocean.

The bulk of LNG Canada's exports is expected to ship to Asia, but Hodgson told reporters the cargoes are also drawing interest from European buyers pursuing swap opportunities. "Many of the buyers are prepared to buy LNG off the West Coast of Canada and trade those products in the international market for LNG," Hodgson said at a press conference in Berlin.

Canadian Prime Minister Mark Carney said on Aug. 26 that Canada will discuss ways to provide LNG to Germany. Canada has no LNG export plant proposed with direct access to the Atlantic, and any such project would face significant costs and take years to build.

Production units built in China depart for Congo LNG expansion

(Rigzone; Aug. 29) - A floating natural gas liquefaction unit for the expansion of Congo LNG has departed Shanghai for the Republic of the Congo. Congo LNG Phase II's floating production unit (FPU), which will treat natural gas for delivery to the floating liquefaction unit (FLNG), has also been completed and is set to sail to the Central African country in the coming days, Eni said in a statement online. The new FLNG platform, called Nguya, has a liquefaction capacity of 2.4 million tonnes per year. It will raise Congo LNG's total capacity to 3 million tonnes.

Nguya, 1,234 feet long and 197 feet wide, will be moored at a depth of 115 feet. “Conceived, designed, and built in only 33 months — from contract award to sail-away — the FLNG sets a record for time-to-market in the entire sector. Its cutting-edge technical features allow it to process gas from multiple fields, making it suitable for the development of future fields,” Italy’s state-backed oil and gas major Eni said. Congo LNG shipped its inaugural cargo in February 2024 from the Tango FLNG unit, which has a capacity of 600,000 tonnes a year. Tango has since shipped 12 cargoes, Eni said.

Meanwhile Saipem, an Italian energy engineering company, said it had completed the conversion of the Scarabeo 5 semi-submersible drilling unit into an FPU for Congo LNG. “The Scarabeo 5, built in Italy in the early 1990s, is one of the best units of its generation, hence it was chosen as an asset for conversion into a floating gas treatment facility”, Saipem said. “Once installed, it will serve as a control hub for the entire offshore development field of Eni’s Congo LNG Project.

Russia has more oil to sell; imports to India could rise in September

(Reuters; Aug. 28) - Russian oil exports to India are set to rise in September, traders said, as producers cut prices to sell more crude because they cannot process as much in refineries that have been damaged by Ukrainian drone attacks on energy infrastructure. India has become the biggest buyer of Russian oil supplies that were displaced by Western sanctions after Moscow invaded Ukraine in 2022. This has allowed Indian refiners to benefit from cheaper crude.

But the purchases have drawn condemnation from U.S. President Donald Trump, who increased U.S. tariffs on Indian imports to 50% on Aug. 27. New Delhi says it is relying on talks to try to resolve Trump’s additional tariffs, but Prime Minister Narendra Modi has also embarked on a tour to develop diplomatic ties elsewhere, including meeting Russian President Vladimir Putin.

Three trading sources involved in oil sales to India said Indian refiners would increase Russian oil purchases in September by 10% to 20% from August levels, by 150,000 to 300,000 barrels per day. The sources, who cited preliminary purchases data, could not be named because they were not authorized to speak publicly on the issue. Russia has more oil to export next month because planned and unplanned refinery outages have cut its capacity to process crude into fuels. Ukraine has attacked 10 Russian refineries in recent days, taking offline as much as 17% of the country’s refining capacity.

U.S. tariffs on India skip over its biggest buyer of Russian oil

(Wall Street Journal; Aug. 30) - Mukesh Ambani, India’s richest man with a net worth of about \$100 billion, often portrays the fortunes of his Reliance Industries conglomerate

as intertwined with India's rise. One of the company's principles is: "What is good for India is good for Reliance." But what's bad for India won't necessarily be bad for Reliance. India's small-scale manufacturers stand to lose tens of billions of dollars in import sales to the U.S. after the Trump administration slapped a 50% tariff on the country. The move was largely punishment for India purchasing massive amounts of discounted Russian oil after Russia invaded Ukraine in 2022.

But while the new U.S. tariffs apply to about two-thirds of India's \$90 billion in exports to the U.S., the South Asia nation's energy products — which dominate Reliance's exports — are exempted from the waves of tariffs Trump unleashed this year. Reliance exports more to Europe than to the U.S., according to analysts. India's Russian crude imports went from almost nothing before Russia's invasion to nearly 40% of its overall crude imports as of 2025, according to energy data firm Kpler. Reliance's refinery complex at Jamnagar in western India alone imports close to 1.2 million barrels of crude a day.

Since 2022, Russian imports have averaged about a third of oil imported by the refinery, according to Kpler. In 2025, almost half of the crude was sourced from Russia. India is a major exporter of refined petroleum products. The Biden administration appeared to accept India's stance that a developing economy needs to buy the cheapest oil it can find. Ambani, a skilled networker, strived to forge a good relationship with Trump. The president's daughter, Ivanka Trump, and son-in-law, Jared Kushner, attended a wedding event for Ambani's youngest son last year, and Ambani attended Trump's inauguration.

Explorer betting on commercial oil discovery offshore Namibia

(Bloomberg; Aug. 29) - Searching for oil prospects in a block bigger than Rhode Island, CEO Travis Smithard made a last-minute decision to send the Noble Venturer drillship twice as far as originally planned to spud a well off Namibia's coast. The switch paid off. The vessel's journey through the Atlantic waters led to Smithard's Rhino Resources announcing a significant discovery in April. That put the privately owned company on the map in Namibia with majors like Shell and TotalEnergies, whose finds in the past three years have made the southern African nation a new exploration hotspot.

Now the spotlight is on the wildcatter again as it drills another well called Volans, which it bypassed earlier this year to focus on Capricornus about 9 miles away. The market is closely watching the fortunes of each new campaign to see if Namibia — a major supplier of commodities like uranium and diamonds, but which doesn't yet produce any crude — really has the resources to match its oil ambitions. The area is poised to become a major African basin, with producers scrutinizing the best projects to hold as the energy transition moves the world closer to peak oil demand.

Namibia aims to start output by 2030. Developing oil fields can potentially generate as much as 7.7 billion Namibian dollars (\$435 million) a year in state revenue through royalties and taxes, according to the government. It's still unclear how much oil Namibia

has, and no discoveries have yet been declared commercial. Any development may still be some way off, as it typically takes at least several years — or even a decade in the case of Senegal's Sangomar field — before discoveries lead to production. For Rhino's Capricornus well, appraisal work needs to determine if it's feasible to develop.