Oil and Gas News Briefs
Compiled by Larry Persily
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New Russian gas pipeline to China could affect LNG market

(Bloomberg; Sept. 2) - On his first day in office, President Donald Trump vowed he would establish U.S. energy dominance over the globe. Seven months on, that goal is under threat as the world's largest energy importer flexes its economic and geopolitical muscle. This week, after years of pushing back against Russia's hopes for a massive new pipeline to significantly boost gas deliveries, China brought the Power of Siberia 2 line closer to reality. Days earlier, Beijing also made another big move at Washington's expense, accepting a U.S.-sanctioned Russian Arctic LNG cargo for the first time.

Much of the pipeline detail is unclear. The agreement, described by Russia's main gas producer Gazprom as a binding deal, has not been confirmed by China, which has used broader language around energy agreements. But the ties binding Russia to its most important consumer have undoubtedly tightened. "The geopolitical message is significant," said Michal Meidan, who leads China research at the Oxford Institute for Energy Studies. "Russia needs buyers for its gas and has long talked up the pivot east. This is a significant outlet for its gas. China is hedging against its exposure to U.S LNG."

The pipeline is vital to efforts to secure new buyers in Asia after Russian gas flows to Europe all but dried up after the invasion of Ukraine in 2022. Add in the expansion of existing Russian gas lines, also agreed in Beijing, and it is the equivalent of more than 40 million tonnes per year of LNG that China may no longer require — over half of the nation's imports in 2024, according to BloombergNEF. "Given that China is the largest importer of LNG, this would turn the LNG market on its head," Bernstein analysts said in a note. "For LNG projects still being contemplated, this would be a big negative."

To get the deal over the line, Russia will likely need to accept low prices, near domestic Chinese levels, together with weak purchasing commitments that increase the risk of the pipeline being underutilized, according to Tatiana Mitrova, a veteran of Russian oil and gas markets now at the Center on Global Energy Policy at Columbia University.

Russia agrees to send more gas to China, but details unresolved

(Reuters; Sept. 2) - Russia agreed to supply additional volumes of natural gas to China and signed a memorandum on building the vast Power of Siberia 2 pipeline — but has yet to agree on pricing for one of the world's most expensive gas projects, Gazprom said on Sept. 2. The "no limits" partnership between China, the world's biggest consumer of energy, and Russia, the world's biggest producer of natural resources, has strengthened since the West imposed sanctions to punish Russia for the war in Ukraine.

Since losing the lucrative European gas market, Russia has pivoted toward China. Gazprom has sought a deal for years to build the Power of Siberia 2 line, capable of delivering as much as 4.8 billion cubic feet of gas per day to China through Mongolia from the Arctic gas fields of Yamal. Separately, Gazprom CEO Alexei Miller told Russian news agencies that an agreement had been reached to increase supplies via the existing Power of Siberia pipeline, which runs from Eastern Siberia to China, by about 10% from its current capacity of almost 3.7 bcf a day.

"Today, a legally binding memorandum was signed on the construction of the Power of Siberia 2 gas pipeline and the Soyuz Vostok transit gas pipeline through Mongolia," Miller said. But the price of gas supplied via the pipeline and how construction costs will be shared will be agreed to separately, Miller was quoted by the TASS state news agency. Building a pipeline from the vast Bovanenkovo and Kharasavey gas fields of northern Russia across the wilderness of Siberia to Mongolia and then to China would be the world's biggest and most capital-intensive gas project, the CEO said.

Market braces for oversupply; OPEC+ members will meet Sept. 7

(Wall Street Journal; Sept. 2) - Key members of OPEC+ are set to meet on Sept. 7 to discuss production policy as the market braces for a global supply glut that is expected to put pressure on prices. However, excess supply has yet to show in inventory data or in the crude futures structure. The Organization of the Petroleum Exporting Countries and its allies agreed to fully unwind 2.2 million barrels a day of voluntary cuts a year ahead of its original plan. The group is now widely expected to hold policy steady as it evaluates its next steps amid an uncertain macroeconomic backdrop.

“We do not see space for OPEC+ to unwind further cuts in 2026 given an already oversupplied market,” said Kim Fustier, senior oil and gas analyst at HSBC. “But we cannot rule out OPEC+ choosing to hike output next year if it prioritizes regaining lost market share versus non-OPEC, particularly U.S. shale, even at the expense of prices.” HSBC forecasts Brent at $65 in the fourth quarter and through 2026, but sees downside risks if oversupply translates into inventory builds or if OPEC+ raises output further.

OPEC+ last month approved another super-sized increase for September in a push for market share, as stronger summer demand helped absorb extra barrels. The actual barrels reaching the market fall short of pledged volumes, however, as some members remain bound by compensation requirements to offset earlier overproduction. The next key date will be Nov. 30 for OPEC’s bi-annual ministerial meeting. The International Energy Agency has warned markets are on track for a record surplus.

ConocoPhillips latest oil company to announce layoffs

(The New York Times; Sept. 3) - In the past couple of years, the largest U.S. oil companies gobbled up smaller ones. Now, contending with persistently mediocre oil prices, those giants are laying off many workers in hopes of squeezing more fuel from the ground at lower cost. The latest is ConocoPhillips, which said on Sept. 3 that it would cut up to 25% of its global staff, or as many as 3,250 people, most of them this year. The company employs around 13,000 people, including contractors.

“We are always looking at how we can be more efficient with the resources we have,” Dennis Nuss, a company spokesman, said in a statement. ConocoPhillips’s announcement comes almost a year after it closed a $17 billion acquisition of Marathon Oil, which was part of a deal-making spree in the U.S. oil patch. Companies often lay off workers after making big purchases. The layoffs reflect a nuance in how the Trump administration’s overhaul of U.S. energy policy is rippling through fossil fuel companies.

What affects the companies today is the price of oil and gas. And while gas prices have recovered from record lows in 2024, oil prices have been just OK. Crude now fetches roughly $64 a barrel in the U.S. and has traded in that ballpark for most of the year. That is enough for most companies to make money drilling new wells, but a lot lower than companies grew accustomed to in the past few years. Chevron, the second-biggest U.S. oil company, announced plans this year to lay off up to 20% of its workforce, which would amount to about 9,000 people. Other companies have pursued smaller cuts.

Sanctions drive India and China to buy discounted Russian oil

(BBC; Sept. 2) – The Sept. 1 meeting between Russia's Vladimir Putin, China's Xi Jinping and India's Narendra Modi marked a rare display of solidarity — and an opportunity for Putin to engage directly with his country's top oil buyers. India and China were drawn to Russian oil, which became cheaper after Western countries cut trade ties with Moscow over its 2022 invasion of Ukraine. But Beijing, New Delhi and Moscow have taken their ties deeper. They now share a common antagonist in the U.S., which has imposed sanctions on Russia and put sweeping tariffs on its trading partners.

India is reeling from some of the highest duties imposed by Washington for buying oil from Russia. China is still negotiating a deal with the U.S. that would stave off crippling tariffs and possible sanctions for buying Russian crude. The leaders met at Tianjin for the Shanghai Cooperation Organization summit, which aims to promotes an alternative worldview from the West's — analysts describe it as a challenge to America's influence.

Russia has the opportunity to secure more business with India and China, its largest trade partners. Last year, China purchased a record of more than 100 million tonnes of Russian crude oil (more than 700 million barrels), which accounted for almost 20% of its total energy imports. Likewise, oil exports to India, which made up only a small fraction of its imports before the Ukraine war, has since grown to some $140 billion since 2022. Together, China and India make up the majority of Russia's energy exports. Russia relies on oil and gas exports for roughly a quarter of its budget revenues.

It wouldn't be surprising if Moscow offers further discounts in order to secure more trade with India and China, public policy expert Mandar Oak told the BBC. This is especially necessary for India to ensure it does not back away due to pressure from the U.S., said Prof Oak from the University of Adelaide.

India defends its purchase of Russian crude oil

(Bloomberg; Sept. 1) - India has rebutted mounting U.S. pressure to end crude imports from Russia, with Oil Minister Hardeep Puri arguing that the flows helped to shield the global economy from a price spike. “India’s adherence to all international norms prevented a catastrophic $200-per-barrel shock,” Puri said in a column in The Hindu newspaper on Sept. 1. “Some critics allege that India has become a ‘laundromat’ for Russian oil. Nothing could be further from the truth.”

Oil traders are focused on New Delhi’s buying after Washington doubled tariffs on many Indian imports to 50%. As part of the tariff penalty — which has not been matched by similar U.S. action against China, another big importer — Treasury Secretary Scott Bessent accused India’s wealthiest families of profiteering, and White House adviser Peter Navarro said the nation was fueling “the Russian war machine” and “nothing but a laundromat” for the Kremlin.

“India has not broken rules,” Puri wrote, adding that its imports comply with a Group of Seven price-cap designed to limit Moscow’s revenues yet also keep crude flowing. “India has stabilized markets and kept global prices from spiraling.” Russia, which previously held a negligible share of India’s oil imports, has accounted for 37% of the world’s third-largest oil consumer buys this year, according to Kpler data. India took advantage of a $20-a-barrel discount on Russian crude after Europe halted purchases. However, the discounts have narrowed to a tenth of that as sanctions tightened.

India receiving even larger discounts on Russian crude

(Bloomberg; Sept. 1) - Russian crude is getting even cheaper for India buyers as New Delhi faces sustained U.S. pressure to cut its oil trade with Moscow, which the Trump administration says is helping fund the war in Ukraine. The price of Urals crude has dipped to a discount of $3 to $4 a barrel to Brent on a delivered basis, according to people who received offers for the Russian grade, asking not to be identified. The price is for cargoes that will load in late September and October, they added.

India became a major importer of Russian crude after the start of the war in Ukraine in 2022, but the South Asian nation was recently slapped with crushing U.S. tariffs for the trade. Those economic penalties and repeated criticism from President Donald Trump and his officials have pushed New Delhi closer to longtime rival China and led to a defiant show of ties with Moscow.

Indian refiners have continued to take Russian oil, despite a brief pause in early August, and cheaper Urals are likely to attract strong buying interest. Last week, the grade was being offered at a discount of around $2.50 a barrel, wider than $1 in July, the people said. That compares with U.S. crude recently bought by some refiners, which was priced at around a $3 premium, they added. State-run and private processors received 11.4 million barrels of Russian crude from Aug. 27 to Sept. 1, according to data from Kpler and reports from port agents.

Norway's oil and gas selling point: It's the democracy of choice

(Financial Times; London; Sept. 2) - The TV series "Occupied" imagines a world in which a green-leaning government in Norway stops oil and gas production, leading to a Russian invasion supported by the European Union to keep the fossil fuels flowing. But in the real world of Norway's 2025 parliamentary election campaign, the main opposition leader gave a strikingly different message earlier this year. "Norway should be the last country in the world to stop production. … We want to pump oil for another 100 years," Sylvi Listhaug, leader of the right-wing populist Progress party, told newspaper VG.

Norway has at times in recent years seemed almost a reluctant petroleum power. Despite being western Europe's leading oil and gas producer, Oslo actively tried to undermine its own business model by ploughing heavy state support into electric cars, boats and trucks and other green policies. But in the three years since Russia's brutal full-scale invasion of Ukraine, there has been a return to a more unapologetic stance of pumping oil and gas to help wean Europe off its dependence on Russia.

Norway — which had tried out the argument that it was among the "greenest" of oil producers, with lower emissions per barrel than most others — now had a new selling point: It is the democratic supplier of choice, especially of gas, of which it is today Europe's leading provider. "What happened around Russian gas and the energy crisis in Europe tells us what happens if democratic countries rely on autocratic countries," Listhaug told reporters recently. All this should be good news for the likes of Equinor, Aker BP and Shell, some of the most active companies on Norway's continental shelf.

Chevron CEO says affordable oil and gas 'advances human progress'

(The New York Times; Aug. 31) - "We don't create demand, we meet demand." That's how Mike Wirth, the chief executive of Chevron, describes the way his company works. So long as the world is using oil and gas, Chevron and others have a responsibility to provide those fuels affordably and reliably, he said, "because it advances human progress." Chevron, the second-largest oil company in the U.S. behind ExxonMobil, pumped a record amount of oil and gas last quarter, about 3.4 million barrels a day.

President Donal Trump has promised to make it easier for oil companies to get permits for even more drilling. Chevron also recently completed a $53 billion acquisition of Hess after prevailing in a legal battle with Exxon. But not all is well. The International Energy Agency has predicted that global demand for oil and gas could peak by 2030. Oil prices have fallen as plentiful supplies meet weaker demand, in part because of the economic turmoil generated by Trump's trade war. Chevron's profits have drifted downward along with oil prices, which many analysts expect will continue falling.

Wirth is making changes that he says will set the company up for the future. Last year, he moved company headquarters to oil-rich Texas from California — its home since its founding in the 1870s. Chevron has said it will lay off up to 20% of its workers by the end of 2026. And while the Trump administration has embraced fossil fuels and stymied climate efforts, oil companies still must consider the long-term effects of their products and their relevance as renewable energy advances. "There are trade-offs, there is judgment involved and there are competing societal priorities and interests," Wirth said.

U.K. oil and gas group says less tax would lead to more production

(Bloomberg; Aug. 31) - The U.K. can earn almost 25% more in taxes from oil and gas companies through 2050 if the government replaces a contentious windfall levy on North Sea producers as soon as next year rather than waiting, according to an industry lobby group which says adopting a lower tax rate would spur investment and increase production. "Action is required now," Offshore Energy UK said in its analysis of the fiscal policy impacts. Failure to address the issue risks pushing the sector into "an accelerated decline" that includes a "loss of critical mass" of British oil and gas supply capability.

The U.K.'s Energy Profit Levy — a windfall tax introduced by the previous government in 2022 when Russia's full-scale invasion of Ukraine spurred a spike in energy prices — is due to run until the end of March 2030. Earlier this year, government officials held talks with the industry on developing a mechanism that could replace the levy after 2030, kicking in only when prices are unusually high. Oil and gas producers in the aging fields of the British North Sea have complained about increases and extensions of the windfall tax, which authorities have used repeatedly to secure additional revenue.

In 2024, the government raised the levy to 38%, bringing the total tax rate for oil and gas companies to 78%. Some producers at that point decided to consolidate or sell their North Sea assets. Replacing the windfall levy with a new mechanism as early as 2026 could bring £63.2 billion ($85.3 billion) in tax receipts through 2050, compared with £51.2 billion under the current scenario, according to the OEUK analysis. And while it could pull more revenue into the nation’s coffers over the longer term, replacing it in 2026 instead of 2030 could lead to a drop in tax revenues through 2034, the group said.

U.S. LNG production set another record high in August

(Reuters; Sept. 2) - U.S. exports of liquefied natural gas reached an all-time high in August as plants exited planned maintenance programs and Venture Global's Plaquemines facility in Louisiana continued to increase output, preliminary data from financial firm LSEG show. August exports totaled 9.33 million tonnes, beating the previous monthly record set in April of 9.25 million and higher than the 9.1 million exported in July, according to LSEG data.

Plaquemines is the second-largest U.S. LNG plant, with capacity for 27.2 million tonnes per year at full build-out. It has increased production every month since it started up in December 2024, helping the country to remain the world's largest LNG exporter. Plaquemines sold 1.6 million tonnes in August, or 17% of total U.S. exports, LSEG data showed. Plaquemines is still under construction but is expected to produce from all 18 units in September, potentially increasing output further, according to regulatory filings.

Texas oil producers continue to flare or vent natural gas

(The Texas Tribune; Sept. 3) - Texas regulators tout their efforts to curtail oil field emissions by requiring drillers to obtain permits to release or burn gas from their wells. Yet a first-of-its-kind analysis of permit applications to the Railroad Commission of Texas, the state’s oil and gas regulator, reveals a rubber-stamp system that allows drillers to emit vast amounts of natural gas into the atmosphere. Over 40 months — from May 2021 to September 2024 — companies applied for more than 12,000 flaring and venting permits. The commission rejected just 53 of them, a 99.6% approval rate.

Natural gas is comprised mostly of climate-warming methane but also contains other gases such as hydrogen sulfide, which is deadly at high concentrations. Gas escapes as wells are drilled and before infrastructure is in place to capture it. It also can be intentionally released if pressure in the system poses a safety risk or if capturing and transporting it to be sold is not profitable. Typically, drillers burn the gas they don’t capture, called flaring. That releases carbon dioxide, a less potent greenhouse gas. Sometimes, they release the gas without burning it, in a process called venting.

The applications showed companies requested permission to flare or vent more than 195 billion cubic feet of gas per year, enough to power more than 3 million homes and generate millions of dollars of tax revenue had the gas been captured. Those emissions would have a climate-warming impact roughly equivalent to 27 gas-fired power plants operating year-round. A Railroad Commission spokesperson said in a statement that Texas has made “significant progress” in addressing methane emissions. Companies must provide evidence that flaring is necessary to obtain state approval.

Smaller Canadian LNG project at halfway point in construction

(The Squamish Chief; British Columbia; Sept. 2) - The Woodfibre LNG export facility is a little closer to taking its final shape after four specialized liquefied natural gas production modules arrived at the project site on Howe Sound, north of Vancouver, British Columbia. The arrival marks a halfway point in the construction of the US$8.8 billion facility. The modules arrived from overseas aboard a heavy-lift vessel after an approximately two-week journey from Qingdao, China.

The modules include two pipe rack sections, a boil-off gas compressor module and a flare knock-out drums module, according to a Sept. 2 from the company. The two pipe rack modules weigh 333 tonnes — equal to 28 full-size school buses — and 171 tonnes, respectively, according to company spokesperson Sean Beardow. “The boil-off gas compressor helps with the capture of natural gas that re-vaporizes — boils off — and its re-injection back into the process to be reliquefied into LNG,” the release states.

The boil-off gas compressor module weighs 2,670 tonnes, equal to about 1,780 mid-sized cars. When operational, the facility is slated to produce 2.1 million tonnes of LNG for export per year. Completion of the project is set for 2027. The project partners are Pacific Energy (70%), part of a Singapore-based group of companies, and Enbridge (30%), a Calgary-based energy company.

British Columbia judge rejects challenge to LNG project

(CBC News Canada; Sept. 3) - A group of hereditary chiefs in northwest British Columbia has failed in a legal bid to challenge the proposed Ksi Lisims LNG project just north of Prince Rupert, across the water on the border with Alaska. The project sponsors, the Nisga'a Nation and Western LNG, say Ksi Lisims would be a floating production and export facility capable of producing 12 million tonnes of liquefied natural gas per year, at an estimated capital cost of upward of $10 billion.

The project has faced stiff opposition from several environmental groups and Gitanyow hereditary chiefs, who argued it will have negative environmental impacts, including a risk to important salmon habitat. The chiefs filed a court challenge last October, saying that the province's Environmental Assessment Office (EAO) didn't properly consult with the Gitanyow. The chiefs also argued the project's environmental assessment should be paused, in part so there can be more research into impacts on salmon habitat.

But the province countered that the Gitanyow's land territories don't overlap with the project's anticipated impacts, and its own assessments showed little effect on salmon in the nation's traditional watersheds. Ultimately, B.C. Supreme Court Judge Jennifer Lynn Whately found that the Gitanyow were given procedural fairness as part of the environmental assessment process. The judge dismissed the hereditary chiefs' petition. "I find that the Gitanyow were afforded a fair and open opportunity to air their concerns with the EAO," she wrote in an Aug. 29 decision.

Canada will set up new office in Calgary to expedite project approvals

(The Canadian Press; Aug. 29) - Ottawa's one-stop shop for businesses to pitch plans for large industrial construction projects will be headquartered in Calgary and managed by former Trans Mountain pipeline CEO Dawn Farrell, the prime minister's office said Aug. 29. The major projects office is part of Prime Minister Mark Carney's plan to get big, national projects fast-tracked through the approval process.

The government rushed the bill through Parliament in June, creating a framework for a new approvals process for large-scale projects the government deems to be in the national interest and that could help grow the economy — including ports, energy and road infrastructure. The bill raised the ire of Indigenous and environmental groups who worry the new law could pare back the right to be consulted and lead to environmental harm, and the office announcement Aug. 29 did nothing to quell those concerns.

"The opening of the Major Federal Projects Office under the guise of national interest is nothing short of the government deliberately sidestepping its duty to consult and co-operate with First Nations," said Grand Chief Stewart Phillip, president of the Union of B.C. Indian Chiefs. "The messaging from the prime minister has felt less like an invitation to partnership and more like an ultimatum: Get on board or get out of the way." The decision to locate the office in Calgary — home to the headquarters of oil and gas companies looking to build new pipelines — appeared to be a politically strategic one.

New Brunswick government wants to resurrect LNG export project

(Argus; Sept. 2) - Canada's New Brunswick provincial government has approached Canadian pipeline operator TC Energy and Spanish oil and gas firm Repsol to reopen talks on the proposed 2-million-tonne-per-year Saint John LNG export terminal, the New Brunswick Minister of Natural Resources John Herron said Sept. 2. The site is home to the 7.5-million-tonne Saint John LNG import terminal. Repsol abandoned a proposal to develop a liquefaction and export facility in Saint John in 2023, citing high tolling costs to pipe gas from production basins in western Canada and uncertainty in gas supplies.

But the situation is different now, and discussion with TC Energy and Repsol is ongoing, Herron said. Canada and Germany signed a joint declaration last week to advance co-operation in energy and have begun discussions for LNG sales. The new administration under Canadian Prime Minister Mark Carney is more supportive of the resource industry, said Herron, with new plans to streamline the permitting process for projects.

Saint John LNG already has some infrastructure associated with the import terminal, including three storage tanks and a jetty capable of berthing the largest LNG carriers. The terminal operates well below its nameplate capacity because it runs as the equivalent of a "peaker plant," typically receiving most of its gas during high-demand winter to serve the Canadian Maritimes and Northeast U.S. Still, there are major hurdles, namely the lack of pipeline infrastructure to move gas from the western basins to the east. New gas pipeline infrastructure would be needed to cross Quebec.

Russia's Novatek stepping up LNG cargoes to China

(Lloyd's List; London; Sept. 2) - China's first-ever cargo from Russia's sanctioned Arctic LNG 2 plant last week looks like the start of a temporary unfreezing for the embattled flagship Russian project. But a longer-term shift in appetite for Russian gas from Beijing will do little to thaw the overwhelmingly negative outlook for Novatek, the majority owner and operator of the plant. China is expected to take delivery of four more cargoes from Russia's heavily sanctioned Arctic LNG 2 plant over the next week, with more to follow.

The sudden uptick in loadings supports market speculation that Novatek is planning up to 30 shipments over the next four months, with problems associated with the second production train of the project expected to be resolved by the end of November. "While another million tonnes of already produced LNG could possibly reach China on several other ships in the weeks ahead, the financial bottom line for Novatek's project remains deeply negative," said Eikland Energy managing director Kjell Eikland.

In addition to the two liquefaction trains in place, plans for a third train have been shelved due to sanctions impeding necessary imported equipment. The recent flurry of loadings follows over a year of stalled operations and sanctions-stymied delays, and the project is nowhere near fully operational. Current loading rates indicate an effective capacity of only about 3 million tonnes per year, far less than the design of 19.8 million tonnes for all three trains. "Commercially it is hard to see a rationale" for the sales, "beyond simply getting rid of aged, lower-value LNG," said Eikland.

Some traders will avoid Chinese terminal that accepted Russian LNG

(Bloomberg; Sept. 1) - In an effort to avoid any potential retaliation from Washington, some liquefied natural gas traders will steer clear of conducting business with a Chinese terminal that took a U.S.-sanctioned Russian shipment. At least three non-Chinese companies advised their trading desks to not dock their LNG vessels at the Beihai import terminal, people familiar with the matter said, asking not to be identified discussing private information. The move is to ensure ships don't inadvertently take in blacklisted fuel or deliver to a terminal that could later be sanctioned, they added.

The Beihai terminal received a cargo last week that originated from Arctic LNG 2, a Russian export plant that's been sanctioned by the U.S. It was the first time that a shipment from the project was delivered to a foreign port, a move that was seen as symbolic by Moscow to maintain its energy exports. The directive to traders about Beihai illustrates how the LNG industry is still apprehensive about being involved in trade with U.S.-sanctioned entities.

Under then-President Joe Biden, the U.S. was quick to slap retaliatory sanctions on companies seen assisting with the flow of fuel from Arctic LNG 2. So far, the Trump administration hasn't made any public comment on the trade.

Germany's natural gas inventories are well prepared for winter

(Bloomberg; Aug. 31) - Germany has filled its natural gas reserves to a critical storage level two months ahead of schedule, easing fears about winter heating shortages that only recently fueled talk of potential government intervention. As of Aug. 29, Germany's gas storage sites were 70% full — a threshold the government aimed to reach by Nov. 1. Earlier this year, slow injections rattled Europe's gas market as traders saw little incentive to stockpile. But falling summer prices have since spurred a rapid build-up.

Europe is weeks away from the start of its heating season, and with laggards such as Germany accelerating the pace of injections, it's now much better prepared than many market participants dared predict just a few months ago. The continent — which stopped receiving large amounts of Russian pipeline flows in 2022 — builds up a fuel buffer each summer to ensure there's enough gas to get through winter.

While Berlin had signaled it wouldn't intervene in filling reserves unless absolutely necessary, reaching 70% puts Germany safely within the European Union's recently revised legal storage requirements. Some of its storage sites still haven't met domestic filling targets, but an economy ministry spokesperson said other facilities as well as the nation's LNG import terminals help to ensure supply security.