Oil and Gas News Briefs
Compiled by Larry Persily
July 13, 2026

Energy supply disruption pushes more countries toward renewables

(National Public Radio; July 9) - More than four months after the beginning of the U.S.-Israeli war with Iran, one thing is clear: Some countries are not going back to fossil fuel imports in the same way they relied on them in the past. Instead, countries across Asia and Africa are speeding up the adoption of solar, batteries and electric vehicles in a deliberate strategy to decrease their dependence on imported natural gas and oil. The war has underscored the precarity of oil and natural gas supplies and prices.

The effective closure of the Strait of Hormuz cut off more than a fifth of liquified natural gas supplies, and prices haven't been the same since. European and Asian prices for gas, which is mainly used for electricity and heating, are up more than 50% from when the war began. Countries are forging a new energy path with renewable and electric vehicle technologies sourced from China. In March, Chinese exports of solar panels were up more than 80% compared to last year, according to energy think tank Ember.

China exported over 2 million electric passenger vehicles between January and May, with nearly half of those exports occurring in April and May, according to a recent analysis from SIA Energy, an oil and gas consultancy. Last year, global use of electric vehicles meant the world avoided consuming around 1.7 million barrels of oil per day, according to the International Energy Agency. That's more than the daily oil production of Nigeria. The ongoing conflict in the Middle East has been "an accelerator for the transition," says Jan Rosenow, climate and energy professor at Oxford University.

United Arab Emirates boosts oil production to record high

(Bloomberg; July 10) - The United Arab Emirates boosted crude oil production to an all-time high last month, the most compelling evidence yet of how Abu Dhabi responded more boldly than any of its Persian Gulf neighbors to disruption caused by the Iran war. The country pumped 4.1 million barrels a day on average in June, the International Energy Agency said in its monthly report. That surpasses the peak daily output 4 million a day in 2020 when it had boosted supply during a brief price war over OPEC+ policy.

The UAE's bold tactics since the war began are becoming increasingly apparent, from using its own large fleet to hiring extra ships controlled by Sinokor Group, a South Korean firm that now runs the world's largest fleet of oil supertankers. Many of the vessels have operated "dark," with their digital transponders turned off to get barrels out of the Persian Gulf unseen. That is a substantial increase from the UAE's average production of 3.5 million barrels per day in 2025.

The vigorous recovery, most of which came before a spate of attacks on commercial shipping in the Strait of Hormuz this week, underlines the country's unshackling from limits set by the Organization of the Petroleum Exporting Countries. The record production follows UAE's exit from the oil-production cartel in April. Oil traders have been keeping close watch on how high the UAE might take it supply after it left the producer group. The country had already restored its exports to pre-war levels last month, according to tanker tracking data compiled by Bloomberg.

U.S. commercial and strategic oil reserves at low levels

(Wall Street Journal; July 9) – Though global oil prices retreated to prewar levels and tanker traffic through the Strait of Hormuz gradually resumed after President Trump announced a temporary pause in the fighting in mid-June — oil stockpiles will take much longer to restore. Commercial inventories in the U.S. rose 3 million barrels in the week ended July 10, according to the Energy Department, the first gain after 10 weeks of drawdowns.

Stockpiles are still so low that the central U.S. storage hub in Cushing, Oklahoma, has reached operational limits that would make withdrawing more oil challenging. Meanwhile, inventories in the government-run Strategic Petroleum Reserve, a system of salt caverns on the Gulf Coast, keep falling and sit at the lowest level since 1983. Now that Trump has declared the ceasefire over, the situation risks becoming more dire. "The worst fears of the market could still be realized later this year as we get to the minimum operating levels," said Andy Lipow, president of Lipow Oil Associates in Houston.

"Once the shelf is bare, there's nowhere to turn," Lipow said. If the U.S. is forced to further draw down its stockpiles, that would potentially limit its ability to respond to new oil disruptions on the world's stage, or natural disasters such as hurricanes that can damage fuel supply chains. It could also push fuel prices up again to a level that causes consumers and other buyers to pull back. The U.S. and other countries are expected to take months, or even years, to replenish their stockpiles.

Heavy withdrawals take a toll on U.S. strategic oil reserves

(Wall Street Journal; July 13) - The U.S. is tapping in to its national stocks of crude with abandon. The withdrawals are taking a toll on the strategic reserve system. Just in the past four years, the Biden and Trump administrations have ordered the largest releases from the Strategic Petroleum Reserve while seeking to tamp down soaring oil prices — a total of 352 million barrels, or nearly half the capacity of the stocks.

Now, frequent drawdowns, wear-and-tear and a lack of investments are straining the reserve, according to experts. The 60 Gulf Coast salt caverns that make up the stocks can't be drawn from or refilled at the rate at which they were designed, federal researchers found. Equipment failures have bedeviled the reserve's managers. At one point, a well broke and caused the loss of hundreds of thousands of barrels of crude. Stocks in the reserves have fallen to their lowest levels since 1983.

President Trump or a future administration might not be able to rely on the oil buffer like others have in the past. "It's a strategically important national asset, and I think that its management and supervision needs to be elevated," said Clayton Seigle, a Center for Strategic and International Studies' energy security scholar. Analysts say the U.S. ability to weather oil disruptions doesn't hinge on the caverns as much as it used to. The shale boom turned the U.S. into the world's top oil producer. Still, the Iran war has shown that the stockpiles are a key lever administrations can use to provide relief to global markets.

Refilling nations' emergency reserves will help soak up surplus oil

(Reuters; July 9) - Governments are set to buy millions of barrels of oil through 2028 to rebuild emergency reserves depleted by drawdowns to plug a gap in global supply caused by the U.S.-Israeli war on Iran, analysts and officials said. This could boost demand for crude that would absorb some of the expected global supply surplus following OPEC+'s decision to increase output, they said.

Governments drew down emergency reserves after supply disruptions linked to the conflict removed an estimated 1.5 billion barrels from global inventories this year, according to Reuters calculations based on International Energy Agency, OPEC and U.S. Department of Energy data. The IEA coordinated a record 400-million-barrel release after disruptions in the Strait of Hormuz drove crude prices sharply higher. Brent crude rose above $126 a barrel in late April and U.S. crude approached $120 in March.

Replenishing those reserves could add up to 664,000 barrels per day of demand by third quarter 2027, according to commodities analytics firm Kpler, helping to absorb some of the excess supply expected next year as OPEC+ continues to unwind their oil production cuts. This would curb price drops. Refilling reserves could generate an additional 506,000 barrels per day of crude demand in the fourth quarter of 2026, rising further next year, said

IEA forecasts global oil demand to decline for first time since COVID

(CNBC; July 10) - Global oil demand is set to decline for the first time since 2020 as the Iran war has wreaked havoc with production and exports in the Middle East, the International Energy Agency said July 10. World oil demand is set to decline by 1 million barrels per day year-on-year in 2026, which would mark its first annual decrease since the height of the COVID-19 pandemic in 2020, the IEA said in its latest oil market report.

This year's contraction is "highly skewed in both product and regional terms," as the closure of the Strait of Hormuz — the vital shipping route for oil and gas — disrupted exports through the Persian Gulf, the agency noted. The IEA's forecast rests on the assumption of a ceasefire and the gradual reopening of Hormuz, an outcome that looks increasingly uncertain as the U.S. and Iran traded hostilities this week. A number of ships came under attack and traffic has once again slowed to a trickle.

"While the global oil market balance looks set to swing back to surplus toward the end of the year, the forecast hinges on the assumption that tanker flows through the Strait will gradually recover, allowing producers to restart fields and refiners in the Middle East and elsewhere to resume product shipments," the IEA wrote. There will not be a "swift or linear" recovery as the IEA expects a "very uncertain and unstable situation" in the region, Toril Bosoni, IEA's head of oil and markets, told CNBC on July 10.

Chinese refineries turn to cheaper crude, leaving Iranian oil at sea

(Reuters; July 10) - Iranian oil supplies at sea are rising after Tehran ramped up exports during the interim peace deal with the U.S., but sales have been slow as China's independent refiners have turned to cheaper crude from Iraq, the UAE and Qatar. The return of U.S. sanctions this week risks leaving Tehran with more cargoes searching for buyers just as shipments arrive in Asia.

In recent weeks, independent Chinese refiners based in the eastern oil hub of Shandong, known as teapots, bought 16 million to 20.5 million barrels from Qatar, Iraq and the United Arab Emirates, traders said, their largest purchases of non-sanctioned Middle Eastern oil since the conflict began. Shandong's independent refiners account for the bulk of China's purchases of Iranian crude, as state-owned Chinese refiners have largely avoided direct imports since U.S. sanctions were reimposed in 2018.

Separately, privately owned refiner Shenghong Petrochemical bought 12 million barrels of Iraqi, Abu Dhabi and Saudi crude, according to a trader familiar with the purchases. The wave of non-Iranian cargoes displaced demand for Iranian barrels as rival Middle Eastern producers rushed to resume exports following the reopening of the Strait of Hormuz in late June. The rush of non-Iranian shipments was done at discounts of $5 to $8 a barrel to ICE Brent for deliveries in August to September.

Despite the challenges, wildcatters ready to return to Venezuela

(Bloomberg; July 7) - Greig Gilbert fled an oil town in eastern Venezuela as a teenager 22 years ago, after a general strike and attempted coup plunged the energy industry into turmoil. He vowed that one day he would return. Oil is in his blood. His great-grandfather left Louisiana in the 1920s for the oil boom in Venezuela. Both his parents had deep ties to the industry. Gilbert started a family office in London with his brother a decade ago, investing in energy projects in Africa and Latin America, biding their time.

Now, Gilbert has his chance. The U.S. capture of Nicolás Maduro created a new opening for foreign investment to return to Venezuela. And the unfolding devastation from the earthquakes has convinced Gilbert that his homeland needs people like him to help rebuild. He is among a group of scrappy, independent prospectors leading the charge back into Venezuela, seeking to jump-start an oil industry that has deteriorated over decades. The band of fortune hunters is willing to gamble in ways larger companies are not, with the hope that early investments will make for big paydays.

There's plenty of risk. Earthquake relief efforts have interrupted plans to return to the oil fields and heightened concerns about the government's stability. The wells, pipelines, ports and other infrastructure will need billions of dollars of investment. Theft and vandalism are rife. The power grid is already buckling under the pressure of the budding rebound, leading to brownouts impacting oil field equipment. Yet none of the so-called wildcatters consulted by Bloomberg are planning to pull out. "The country is hungry to reactivate and it needs all the aid and revenue it can get to rebuild," Gilbert said.

Record oil company profits on collision course with Trump

(Financial Times; London; July 8) - America's Big Oil groups are set to post record profits stemming from President Donald Trump's Iran war, setting them on a collision course with the U.S. president, who has accused companies of price gouging at the pump. ExxonMobil and Chevron are expected to announce second-quarter net income of $15 billion and $9.7 billion, respectively, later this month — more than three times the previous quarter — as high crude, diesel and jet fuel prices trigger a wartime windfall.

U.S. refiner Marathon is expected to join the supermajors in posting its highest profits since 2022, when Russia's full-scale invasion of Ukraine helped set off a global inflationary spiral, according to forecasts compiled by FactSet. Valero, another refiner, is also in line to report a bumper quarter. The Big Oil profit gusher will spark a reaction in Washington, where Trump has already accused companies of profiteering just months ahead of the U.S. midterm elections, said analysts.

"Investors will see returns, governments will see red," said Kevin Book at ClearView Energy Partners. "The administration is clearly eager for some sort of fuel price relief ahead of the election but the industry did not cause prices to rise, the war did." The average U.S. petrol price is up almost 25% compared to a year ago, to $3.80 per gallon, while diesel is 30% higher at $4.80, according to motoring group AAA. Trump last month ordered a Department of Justice probe into energy companies over price gouging.

Nigerian refinery in the right market at the right time to profit

(Wall Street Journal; July 9) - There is a surprise winner from the Iran war: Africa's richest man. Nigerian industrialist Aliko Dangote went "through hell" building a $20 billion oil refinery that was plagued by a decade of delays and cost overruns that doubled the tab for the project. Now, the commodities tycoon is reaping the benefits. The huge refinery reached full capacity in February — just in time to supply the world with diesel, jet fuel and gasoline that doesn't need to pass through the Strait of Hormuz.

Surging demand for refined petroleum products has boosted Dangote's wealth by some $4.86 billion since the start of the year, according to the Bloomberg Billionaires Index, bringing his net worth to about $34.8 billion. The refinery's output of gasoline, diesel and jet fuel have all risen more than 70% so far this year. "Dangote is a big winner of the Middle East conflict," said David Omojomolo, Africa economist at Capital Economics.

Dangote is also set to invest an additional $28 billion or so in expanding the refinery outside of Lagos, and building another facility in Kenya, said the group vice president at Dangote Industries. The moves show how the energy shock stemming from the Iran war is benefiting suppliers unaffected by the disruption in the Middle East. Rising demand for Nigeria's oil and refined products has boosted the country's economy. The conflict has been a particular boon for Dangote, whose refinery is by far the largest in Africa.

The refinery began producing in 2024, and the business has been turbocharged by the war. Demand for its products has surged from across sub-Saharan Africa, while jet fuel exports to Europe have increased. The refinery has been the world's largest exporter of jet fuel since April, according to S&P Global Energy Commodities at Sea.

U.S. LNG producer earns higher fees as Iran war disrupts market

(Reuters; July 8) - U.S.-based LNG producer Venture Global said on July 8 that the average liquefaction fees it earned jumped 69% in the second quarter from the previous three months, benefiting from higher global LNG prices after the Iran war disrupted supplies through the Strait of Hormuz. The U.S. liquefied natural gas exporter realized an implied weighted average fixed liquefaction fee of $6.45 per million Btu in the quarter ended June 30, up from $3.82 in the first quarter, according to a regulatory filing.

The Iran war disrupted global LNG supplies, as damage to Qatar's liquefaction facilities curtailed exports, sending LNG prices sharply higher. Venture Global's implied weighted average liquefaction fee reflects a blend of higher prices the company received for its second export terminal's commissioning cargoes sold on the spot market and under short-term contracts, as well as lower-priced volumes sold under long-term agreements.

Liquefaction fees are a key earnings component for U.S. LNG plants, which typically charge fixed fees under long-term contracts, with the ability to adjust pricing based on market conditions. Venture Global loaded 127 cargoes in the second quarter of the year.

Qatar pauses efforts to revive LNG production and exports

(Bloomberg; July 9) - Qatar is pausing efforts to rapidly revive production at the world's largest liquefied natural gas facility after an attack on one of its tankers in the Strait of Hormuz raised fears that transit through the crucial waterway is still too risky. QatarEnergy officials held a series of meetings following the attack on July 7, with Chief Executive Officer Saad Al-Kaabi deciding to cease plans to increase output at the Ras Laffan complex, according to people familiar with the matter.

Operations will be kept at a minimum for safety reasons and the number of vessels scheduled to dock at the plant in the coming days will be reduced, some of the people said, asking not to be identified because of the sensitivity of the issue. The pause is one of the most high-profile fallouts of the heightened tensions this week with attacks on a number of ships near Hormuz and the U.S. striking Iran for two consecutive days.

Pushing back Ras Laffan's ramp-up threatens to further tighten the global gas market, risking more intense competition between Asia and Europe for spare supply as they restock for the coming winter. Asian LNG spot prices are more than 80% higher than pre-war levels, highlighting anxiety surrounding the restart of Qatar — which supplied about a fifth of the world's LNG last year. Eleven empty LNG vessels are currently sitting outside Ras Laffan, according to ship-tracking data.

More Japan-linked ships manage to transit Strait of Hormuz

(Reuters; July 9) - More liquefied natural gas tankers have resumed transiting the Strait of Hormuz in recent days, ship-tracking data showed, and 22 Japan-linked vessels have left the Gulf since July 7, Tokyo said, despite renewed fighting in the Middle East. The Strait of Hormuz, a key route for global oil and LNG shipments, has been watched by shipping companies and governments following Iranian attacks this week on vessels and U.S. retaliatory strikes on Iran that have reduced traffic through the waterway.

But at least five LNG tankers have entered the strait in recent days, according to data from Kpler and LSEG. "What's different now, compared to the start of the conflict, is that Iran is striking vessels using the 'Omani route' rather than targeting all vessels, which means vessels will increasingly turn toward the 'Iranian route' or transit dark when transiting through the strait," said Xavier Tang, a senior market analyst at Vortexa.

Meanwhile, 22 Japan-linked vessels, including six large crude oil tankers, transited the strait to exit between July 7 and 9, leaving only four Japan-connected vessels in the Gulf, Japan transport minister Yasushi Kaneko told a news conference on July 10.

British Columbia LNG project defends worker housing plan

(Terrace Standard; Terrace, British Columbia; July 8) - Cedar LNG says the onboard housing that some Kitimat councillors fear could encourage a fly-in fly-out workforce are designed to meet safety requirements while still supporting long-term local employment at the British Columbia project. Cedar LNG appeared before the city council at a special meeting July 2 to address concerns that its live-aboard model and week-on, week-off rotations could reduce the number of workers living in Kitimat and Kitamaat Village.

Some councillors questioned whether employees would complete their shifts onboard and leave the community during their time off, limiting the economic benefits expected from the project. Cedar LNG CEO Doug Arnell said onboard accommodations are a safety requirement for the floating facility under construction He said the company's goal remains building a local workforce, with employees able to live in the region while completing their work rotations onboard. The C$4 billion development, with a planned production capacity of 3.3 million tonnes per year, is scheduled for start-up in 2028.

Cedar representatives said the distinction is important because a local employee working seven days onboard before returning to their home in Kitimat or Kitamaat Village is different from an outside worker flying into the community for shifts and leaving afterward. The company acknowledged there will initially be more outside workers than it wants during startup and final construction, but said that reflects the specialized experience required for those temporary roles.

States want to repurpose abandoned wells for clean energy uses

(Financial Times; London; July 11) - A growing number of U.S. states are creating laws to allow abandoned oil and gas wells to be more easily repurposed for clean energy, as they seek alternatives to limited federal funding for well plugging. Texas and New Mexico passed bills to ease the repurposing of derelict wells last year, and Alabama this year. Pennsylvania has a similar bill awaiting approval, and Oklahoma hopes to pass legislation on it next year.

The U.S. government's funding program for plugging abandoned wells, established under the Biden administration, has been criticized for leaving taxpayers to bail out oil and gas companies, and for not going far enough. Instead, states are stepping up to find ways to turn an expensive and polluting problem into a new opportunity. Underground energy storage and heat generation are the most viable approaches to repurposing wells. A smaller number of wells are suitable for geothermal power generation. Some sites are also being explored for carbon capture and storage.

“If we can repurpose these wells to be productive again in terms of a clean baseload energy source like geothermal, that’s obviously a huge win,” said state Rep. Arvind Venkat, lead sponsor of Pennsylvania’s legislation. There are about 4 million abandoned oil and gas wells across the U.S., according to the Environmental Protection Agency. The Interstate Oil & Gas Compact Commission reported that states had identified 141,000 so-called orphan wells — unplugged wells with no known owner — as of 2023.