

Oil and Gas News Briefs

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Japan's industry ministry wants to extend and expand nuclear power

(World Nuclear News; June 5) - Japan's Ministry of Economy, Trade and Industry has presented a draft target of replacing up to five of the country's nuclear power reactors that are due to be decommissioned by the 2040s and 11 to 14 reactors by the 2050s. Prior to the March 2011 accident at the Fukushima Daiichi plant, Japan's 54 reactors provided about 30% of the country's electricity. However, within 14 months of the accident, the country's nuclear generation had been brought to a standstill pending regulatory change. Of the 33 units that remain operable, 15 have so far been restarted.

In 2023, Japan's Cabinet approved a policy to allow new nuclear power reactors to be constructed and the operation of existing reactors to be extended from 40 to 60 years. The government's Seventh Basic Energy Plan, adopted in 2025, calls for nuclear generation to increase from 8.5% in fiscal 2023 to about 20% in fiscal 2040. Renewable energy's share of total electricity production, meanwhile, is expected to increase from 22.9% to 40% to 50%, with fossil fuels' share dropping from almost 69% to 30% to 40%.

The Ministry of Economy, Trade and Industry has outlined a proposed target to a subgroup of the Advisory Committee for Natural Resources and Energy — which advises the industry minister — to replace reactors scheduled to be decommissioned with new reactors to reach that 20% power-supply share. The proposal is expected to be approved at a session of relevant Cabinet ministers in the coming months.

China adding substantial nuclear power capacity

(U.S. Energy Information Administration; June 5) - From 2016 to 2024, China's nuclear generation capacity increased 76% (24 gigawatts), based on International Energy Statistics data. According to the International Atomic Energy Agency's Power Reactor Information System (PRIS), China added an additional 1.1 GW of nuclear power capacity in 2025 and 2.2 GW in 2026 (through May). China is continuing to build out its nuclear generating capacity and has 36 reactors under construction, accounting for more than 49% of total world nuclear construction, according to PRIS.

China's nuclear fleet is concentrated near population centers in the eastern part of the country, along the Pacific Ocean coastline from the Liaoning province in the north to the Hainan province in the south. According to PRIS, China's existing nuclear fleet mostly consists of pressurized water reactors. As of May 2026, China had 60 operational reactors with 58.7 GW of total capacity installed at 18 different sites.

China uses a standardized project management approach for design, licensing and construction. Reactors are built in batches of 6 to 10 to take advantage of economies of scale. China is also building up a supply chain with a focus on domestic manufacturing of the main plant components to decrease reliance on foreign vendors. China's average build time for nuclear plants is below the global average. According to the World Nuclear Industry Status Report, 2022 the average build time for a nuclear power plant in China between 2012 and 2021 was six years, compared with a global average of nine years.

Mideast oil industry has been 'kept warm' for an eventual restart

(Bloomberg commentary; June 8) - When the day comes, the reopening of the Strait of Hormuz will be extraordinary, restarting about 10,000 oil wells, pumping roughly 15% of the world's crude, that had been shut down for 100 days and counting. Nothing even remotely close has ever been attempted. The oil industry doesn't have a playbook; it will learn by doing. Unsurprisingly, the market is deeply divided about how long it would take. Oil bears believe it could be done in weeks, while the bulls talk about six to eight months, perhaps a year. The most pessimistic say many wells won't restart at all.

My industry soundings are far more upbeat: When it happens, it would start as a trickle, but very quickly — in just a handful of weeks, if not days — transform into an oil flood. If the diplomatic accord holds, it will take time to organize the dozens of tankers needed to carry the oil when the flow fully resumes — but that won't take as long as conventional wisdom assumes. Frontline, one of the world's top supertanker owners, reckons that 55 large tankers are empty near the Persian Gulf, waiting for the strait to reopen.

Zoom out, and it's clear the Middle Eastern oil industry hasn't shut down cold; it's been kept warm, a senior executive from the region tells me, waiting for peace. When the day comes, I expect about 50% of the region's production capacity could come back online in a matter of days; within a few weeks, about 75% would flow again; and full capacity would be possible within a few months. I don't anticipate any long-term losses. Oil engineers are, above all, problem solvers. So don't mistake difficult for impossible. The reopening of Hormuz, when politics allows it, will surprise with its speed.

Analysts expect nations will want to build even bigger oil stockpiles

(Wall Street Journal; June 9) - "Preppers" hoard essentials like water, food and fuel. Hit by the second global energy crisis in four years, governments are developing their own bunker mentality. If they follow through on plans to stockpile more oil, energy prices could stay higher for longer no matter what happens next in the Middle East. "I think we are at a pretty critical juncture," says Rick Bandazian, a trader and founder of Offsides Macro, a trading analytics platform.

Close to 500 million barrels of crude oil and refined product are needed to replenish the inventories used up outside the Persian Gulf so far, a number that rises by 5.8 million barrels for every day the strait remains closed, according to S&P Global Energy. Even if a 1-million-barrel-a-day surplus were to magically appear, it would take more than a year to get global oil inventories back to prewar levels.

But governments will want more than a return to normal. Many analysts think stockpiles will settle higher than they were before the war, as countries will want a larger cushion against future energy shocks. “Importing governments are asking one question, ‘What do we do to make sure this never happens again,’” says Kevin Book, co-founder of ClearView Energy Partners. In addition to stockpiling, countries are looking at ways to produce more energy at home. European Union ministers are debating whether to boost oil and gas output in the region, which would have been unthinkable a few years ago.

China’s oil imports fall to lowest level since 2017

(Bloomberg; June 9) - China’s imports of oil from overseas slumped to the lowest in more than eight years last month as the Iran war crimped supply and Beijing held off scrambling for replacement barrels. Crude imports fell to around 33 million tons in May, according to customs data, equating to 7.8 million barrels a day, the lowest since October 2017. The country imported an average of 11.6 million barrels a day over 2025.

The world’s biggest crude importer has leaned on export curbs, refinery run cuts and drawdowns from its massive inventories to cope with the impact of the loss of most Persian Gulf barrels. This has helped ease pressure on global prices, with analysts estimating China’s imports could remain subdued for months. While it has continued adding to its strategic petroleum reserves during the war, processors have increasingly relied on refinery-held inventories rather than fresh imports, according to Kpler.

State-owned refiners have cut processing rates to record lows, while fuel exports remain constrained under wartime measures aimed at preserving domestic supply. Gasoline and diesel sales both posted double-digit declines in April as higher crude prices and slowing demand from China’s increasingly electrified vehicle fleet weighed on consumption. Chinese imports of Iranian crude — a key feedstock for the country’s independent refiners — have also fallen as deteriorating margins, tighter U.S. sanctions and Washington’s blockade of the Islamic Republic’s ports curb flows.

Kuwait offers crude to Asian refiners for first time since war started

(Bloomberg; June 9) - Kuwait is offering to sell its crude to refiners in Asia for the first time since the Iran war started, the latest indication of rising oil flows through the Strait

of Hormuz. At least 4 million barrels of the nation's main export grade, carried on two very large crude carriers, are being offered to refiners in at least China and South Korea, traders familiar with the matter said, asking not to be identified as they're not authorized to speak to the media.

The offers add to evidence that Hormuz flows are starting to open up — a trend that has coincided with increased U.S. coordination of transits. Persian Gulf producers have increasingly been able to send tankers out, despite Tehran's threat to shipping in the strait. Still, vessels have largely passed through the waterway with their transponders turned off, or going dark, to avoid being targeted.

Oil from the region's fifth-largest producer loads from deep inside the Persian Gulf, requiring tankers to run the Hormuz gauntlet to reach global markets. The United Arab Emirates has also been selling millions of barrels of oil from inside the Persian Gulf to refiners in Asia. Total energy flows from the region remain far below pre-war levels though. Traders said that the oil is being offered directly by state-owned Kuwait Petroleum Corp. rather than through an intermediary. The barrels in question have already exited the waterway and can be taken to ports in Asia promptly, they said.

[Some Permian producers shut in wells to limit losses on gas](#)

(Bloomberg; June 8) - Two extremes are currently playing out in the Permian Basin. Drillers are reaping the benefits of a historic oil price rally due to the Iran war. But when it comes to natural gas, they're having to pay customers to take it away. It's now been 124 days of negative gas prices at the Waha Hub, a key indicator for Permian gas prices, and some producers have thrown in the towel, shutting in some wells to limit their losses. Their number includes large Permian operators such as Permian Resources and Devon Energy, both of which have shut wells with high gas-to-oil ratios.

"It seemed to us like the biggest no-brainer to shut in and curtail gas wells that were losing money," Permian Resources Co-CEO James Walter said on an earnings call last month. The plight of gas output in the largest U.S. shale field stands in stark contrast to oil. Permian crude production continues to reach new highs, with some drillers expanding in response to surging prices triggered by the conflict in the Middle East.

Even as oil prices remain 50% higher than before the war, a chronic shortage of gas pipelines in the Permian, which spreads over West Texas and southeast New Mexico, has kept regional gas prices subzero. As producers there drill for oil, they also unearth gas. The so-called associated gas has flooded the region, filling pipelines hauling gas out of the basin to capacity. Some drillers, such as closely held producer Elevation Resources, are flaring the excess gas. Flaring, a process in which operators simply burn off gas before it's sold into the pipeline system, allows for more crude production.

“We’re losing money hand over fist on gas,” Elevation CEO Steve Pruett said. “Gas is half our product, so it’s really maddening.” New pipelines slated to come online later this year are expected to give operators some relief and allow more gas to be shipped to demand centers. Increased shipments will, in turn, raise prices for the basin’s gas.

Second German buyer may take LNG from West Coast Canada project

(Reuters; June 8) - German energy firm Uniper has signed a preliminary agreement — a letter of interest — to obtain liquefied natural gas from a planned export project in Canada, a joint statement said on June 8, the latest sign of an intensifying energy partnership between the two countries. The deal to procure LNG from Canada's Ksi Lisims, a proposed export facility on British Columbia's Pacific coast, comes on the heels of a similar deal by Uniper's peer, the German government-owned Securing Energy for Europe, to buy 1 million tonnes of LNG from Ksi Lisims over 20 years.

Uniper and Ksi Lisims LNG have signed a letter of interest for a possible off-take of 2 million tonnes per year. Construction of Ksi Lisims, with a planned production capacity of 12 million tonnes per year, could begin by 2027, pending a final investment decision by the project developers. Uniper could receive LNG cargoes starting in 2032.

The letter of interest outlines key commercial terms for a firmer supply and purchase agreement with Uniper, whose core markets are Germany, the United Kingdom, Sweden and the Netherlands. Houston-based Western LNG is the lead developer and future operator of Ksi Lisims alongside Rockies LNG, a consortium of Canadian gas producers, and the Nisga’a Nation, on whose lands the project would be located, just across a waterway from the southern end of Alaska.

Canadian LNG project signs benefit agreements with First Nations

(Bloomberg; June 9) - The lead developer of the Ksi Lisims liquefied natural gas project planned for Canada’s West Coast has announced benefit agreements with three First Nations in northern British Columbia. Houston-based Western LNG says two of those communities — the Metlakatla First Nation and Lax Kw’alaams Band — have in turn withdrawn their legal challenge to the federal approval of the C\$10 billion project. The third agreement is with the Gitxaala Nation. The agreements cover aspects such as economic development opportunities and climate initiatives for the communities.

The other Ksi Lisims partners are Rockies LNG, a consortium of Canadian natural gas producers, and the Nisga’a Nation, on whose land the project would be built. Ksi Lisims has recently announced preliminary deals to supply two German utilities. The partners aim to make a final go-ahead decision this year. “We have always envisioned the Ksi

Lisims LNG project as economically important for the entirety of northwest B.C., and we are pleased to see this vision materializing,” the president of the Nisga’a Nation said.

Alberta promotes its natural gas to power AI data centers

(Reuters; June 9) - Alberta is touting its abundant supply of cheap fossil fuels to entice tech companies to build AI data centers, a move that would undermine Canada's plan to link new data center development with clean-energy expansion. Canada is the world's fifth-largest producer of natural gas, around 60% of which comes from Alberta. As well as huge fossil fuel reserves, the province has plenty of land and a cooler climate that can reduce cooling costs of data centers. All that can make centers more cost-efficient than in the U.S., where they're facing pushback from communities and lawmakers.

Tech companies could also create a new market for long-suffering gas producers in Western Canada, where drillers face a multi-year supply glut. But a rapid expansion of data centers in Alberta would disrupt Canada's plans to power the AI boom using clean hydro, renewables and nuclear. While gas is a cleaner power source than coal or oil, it still contributes to emissions. Many tech giants have climate and emissions targets, which in theory would put Alberta's gas-based electricity grid at a disadvantage to other Canadian jurisdictions such as Quebec, with its low-carbon hydroelectric grid.

Japan's JERA signs 20-year deal with Malaysian LNG supplier

(Reuters; June 10) - Malaysian state energy firm Petronas will supply Japan's biggest power generator JERA with 2 million tonnes of liquefied natural gas annually under a 20-year agreement, the countries' leaders said on June 10. The deal, which will begin in 2028, comes as Japan looks to beef up its energy reserves to cope with a global LNG crunch linked to the war in Iran. Petronas LNG, a subsidiary of Petronas, will supply the LNG using its new-generation carriers, the company said in a statement.

The agreement will help JERA, Japan's largest LNG buyer, secure stable supplies given rising geopolitical risks and better respond to fluctuations in LNG demand, a company spokesperson said. JERA is a joint venture of Tokyo Electric Power and Chubu Electric Power. JERA currently buys 360,000 tonnes of LNG annually from Malaysia. It aims to maintain around 10% of its LNG supply from Asia, including Indonesia and Papua New Guinea, and the new deal will support that strategy, the spokesperson said.

In February, JERA signed a 27-year LNG supply agreement with QatarEnergy for 3 million tonnes per year starting in 2028 from the North Field South, the second phase of a massive expansion project. However, the war in Iran has heightened concerns over geopolitical risks in the region and the security of future LNG supplies. Japan imports

about 15% of its LNG from Malaysia, its second-largest supplier after Australia, according to Japanese government trade data.

Record highs for U.S. gas production, consumption and LNG exports

(Reuters; June 9) - U.S. natural gas supply and demand will both rise to record highs in 2026, the U.S. Energy Information Administration said in its Short-Term Energy Outlook on June 9. EIA projected dry gas production will rise from a record 107.7 billion cubic feet per day in 2025 to 111 bcf per day in 2026 and 113.6 bcf per day in 2027. The agency also projected domestic gas consumption will rise from a record 91.9 bcf per day in 2025 to 92.1 bcf in 2026 and 95 bcf in 2027. The agency forecast average U.S. liquefied natural gas exports would rise from a record 15.1 bcf per day in 2025 to 17.2 bcf in 2026 and 18.6 bcf per day in 2027.

Bank analysts forecast much higher LNG prices in second half of year

(Bloomberg; June 9) - Liquefied natural gas prices are set to climb to levels not seen in more than three years as hotter weather in Asia and storage restocking needs in Europe boost demand, according to Morgan Stanley. The Asian benchmark price is set to rise to \$25 per million Btu in the third and fourth quarters, suggesting an upside of more than 30% to the forward curve, analysts including Devin McDermott and Martijn Rats said in a report. That's a level last reached in early 2023 — when a push by European nations to offset Russian pipeline supplies boosted global prices.

The bank sees prices rising even if there's a resolution to the conflict in the Middle East, which has cut off about a fifth of global LNG supply. Consumption has started to rise in key markets including India and China, while the window to build gas inventories before winter is quickly shrinking, Morgan Stanley said. "In March and April, sharp declines in global imports helped offset much of the lost supply," the analysts said. "As urgency to rebuild storage grows and summer heat sets in, demand has started to recover."

China steps up LNG imports to prepare for air conditioning demand

(Bloomberg; June 8) - China's imports of liquefied natural gas are surging as the nation steps up purchases to cope with rising electricity consumption over the hotter summer months when air conditioners are running. The country's 30-day moving average for deliveries has jumped to 178,000 tons a day, the highest since early February, before the start of the war in the Middle East. Volumes, which have been rising since mid-April, are approaching the five-year seasonal average.

State-owned buyers including CNOOC have increased activity, with Chinese importers taking about seven to 10 cargoes per month in order to replace lost Qatari supply, according to traders. Major buyers have stepped up purchases since late April, while private firms such as Guangdong Jovo Energy are seeking cargoes, they said. An increase in appetite by China, the biggest buyer in the world, could intensify competition for cargoes between Asia and Europe ahead of winter restocking requirements.

New Zealand pursues its first LNG import terminal by 2027-2028

(Bloomberg; June 8) - The New Zealand government will take the next step to build the country's first liquefied natural gas import facility, sticking with its plan to bolster energy security despite the surge in global gas prices due to the Iran war. The South Pacific nation, which relies heavily on hydropower, leaving it vulnerable to dry years, is working through how to pay for the LNG facility, with Energy Minister Simeon Brown saying it will not be funded via a levy on households' power bills.

Brown said New Zealand's domestic supplies of natural gas are running down. "Kiwis need a backup source of power when the wind isn't blowing, the sun isn't shining and the lakes are low," Brown said in a statement on June 9. "An LNG import facility is the fastest and most affordable way to cover the dry-year gap, keep the lights on and protect thousands of jobs." In February, the government announced it had shortlisted proposals to build the facility, saying the plant would come online in 2027 or early 2028.

But since the announcement the conflict in the Middle East has pushed up the price of gas, casting doubt over the project. In March, Prime Minister Christopher Luxon said if the commercial case didn't add up, the government wouldn't pursue it. "Despite the conflict, LNG remains the fastest, cheapest, and most flexible dry-year solution that can be put in place this decade," Brown said June. 9. The government is pursuing two providers for a proposal to deliver the plant, which will be located off the North Island.

Order book for new oil supertankers highest since 2008

(Bloomberg; June 9) - Shipowners have placed orders for a record number of new oil supertankers, surpassing a boom back in 2008 that later led to a glut and a collapse in rates. There are 262 supertankers, each capable of hauling 2 million barrels of crude oil, on order at shipyards around the world, according to Clarkson Research Services, a unit of the world's largest shipbroker. A factor is that the average age of the supertanker fleet is the highest since 1998, increasing the need for renewal, Clarkson data show.

Deliveries for these very large crude carriers are expected to stretch to the end of this decade. The market has been caught up in — and profited heavily from — the Iran war.

Tehran's control of the Strait of Hormuz meant that shipowners were unwilling to take the risk to sail through the energy chokepoint. At the start of the war, around 9% of the world's non-sanctioned, compliant VLCC fleet was locked up in the Persian Gulf, though some supertankers have managed to leave the area in the weeks since.

The resulting squeeze in tonnage, plus the need for supertankers outside the strait to deploy elsewhere to pick up cargoes farther away, have lifted freight charges. Rates have doubled from pre-conflict levels and have soared to record highs of several hundred thousand dollars a day because of the shipping disruption. However, the continued blockage of the Strait of Hormuz has also slashed cargo flows, which could in time dent earnings if sustained, especially if the conflict depresses long-term demand.