Oil and Gas News Briefs
Compiled by Larry Persily
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U.S. top global oil and products exporter for third month in a row

(Reuters; June 11) - The U.S. has become the world's largest oil exporter, upending a decades-old order long dominated by Saudi Arabia and Russia, a shift that tightens American companies' grip on energy markets as Washington's war with Iran reshapes global energy trade. America's ascendancy to the top marks a stunning reversal for a country that was dependent on Mideast oil for decades and suffered from an embargo imposed by some OPEC members in 1973 to retaliate against U.S. support for Israel.

U.S. fortunes began to change after 2010, when oil and gas output from shale basins soared, first making it the world's top gas and then the world's top oil producer. With the U.S.-Iran war disrupting Saudi oil exports and Russian exports suffering from Ukrainian drone attacks and U.S. sanctions, the U.S. has become the world's leading oil exporter. U.S. exports of crude and fuel climbed to 10.5 million barrels a day in May on the back of high output and the release of strategic reserves, data from ship tracking services Vortexa showed, making the U.S. the top global exporter for the third month in a row.

Russian exports were 7 million barrels a day in May, according to Reuters' calculations, while Saudi Arabia's exports were 5.9 million, according to Vortexa. In comparison, Saudi Arabia exported about 8.1 million barrels per day in 2025, while the U.S. shipped out 6.6 million, and Russian exports stood at about 5.8 million, according to Vortexa data. The new U.S. dominance could weaken the pricing power that the Organization of the Petroleum Exporting Countries and its allies have historically held over oil markets.

It will take months to resume normal flows despite deal to open strait

(Associated Press; June 14) - High oil and gasoline prices and energy supply problems won't be solved overnight, despite agreement to end the Iran war and open the Strait of Hormuz announced on June 14. It will likely take months before energy companies can resume operations to the point of meeting the world's demand, according to energy experts. The slow pace of shipping and refining crude oil, and doubts about the security of traveling through the strait, mean the effect won't be seen immediately, they said.

Ships loaded with crude oil have been stranded in the Persian Gulf for more than three months, unable to safely travel through the waterway. "It's going to take time for people to feel comfortable and for insurance to be in place ... particularly to get people on the ground to restart some of these assets," said Daniel Evans, global head of fuels and refining research at S&P Global Energy. First, ships that have been stranded will have to exit the strait, and then new tankers will have to come in to be loaded, Evans said.

“To bring a ship in, you need to be confident that you’ve got a big enough window of safety to bring it in, load it and move it out,” he added. Oil tankers also move slowly, he explained. It takes months to travel from the strait to distant countries, deliver the crude oil to a refinery for processing and then arrive at its final destination. In addition, some producers in the Middle East paused extracting oil from the ground, known as a shut-in, when they ran out of storage space. Restarting those operations can be a slow process.

OPEC oil production lowest since 2000

(Reuters; June 10) - OPEC oil output in May hit its lowest in more than two decades, a Reuters survey found, as a U.S. naval blockade cut Iran's exports and Iran's effective closure of the Strait of Hormuz slashed exports by other Gulf producers. Output by the 11-member Organization of the Petroleum Exporting Countries fell by 1.06 million barrels per day month-on-month to 16.13 million barrels per day, the survey found.

That was the lowest monthly figure since at least 2000, according to Reuters surveys, and well below the levels seen during the COVID-19 pandemic in 2020 when demand collapsed. The figures exclude the United Arab Emirates which quit OPEC as of May 1.

Iran experienced the biggest drop, reflecting the impact of the U.S. blockade which started on April 13, the survey found. Iran's exports of crude oil and condensate fell to their lowest in at least six years. Saudi Arabia had a further decline, although Iraq was able to increase supply due to increased domestic use, sources in the survey said. Venezuela and Nigeria also pumped more oil.

China is importing 3 million barrels of oil a day less than before war

(Wall Street Journal; June 10) - A sharp fall in China’s oil imports during the Iran war has been instrumental in holding down oil prices and keeping the global economy humming. Clues are emerging in the mystery of a missing 3 million barrels — oil that China would normally be importing but isn’t. Chinese are driving fewer gasoline-powered cars and taking trains instead of planes. The country is dialing back the plants that turn oil into feedstock for materials such as plastics. Beijing is beginning to draw down reserves.

The question is how long the import cuts can last — and what would happen if China needs to start buying more again. When the U.S. and Israel attacked Iran and the Strait of Hormuz was virtually closed, many analysts thought a prolonged closure could bring oil prices to $150 to $200 a barrel. That in turn was viewed as likely to trigger a global recession. Instead, with the strait chokehold well into its fourth month and clashes in the war continuing, the Brent crude benchmark is below $100 a barrel.

Actions by the world's biggest oil producer — the U.S. — and biggest importer — China — help explain this unexpected resilience. The U.S. increased oil exports in April and May to more than five million barrels a day, a jump from an average of about four million a day in recent years. And China has cut its imports. Chinese official customs data put crude imports at 7.8 million barrels a day in May, which includes oil arriving by pipeline from Russia, a drop from around 11 million a day in recent years.

The mystery is partially explained by drawdowns in China's oil reserves. It was only in May that Chinese users began to meaningfully pull from the nation's crude inventories, starting at around 500,000 barrels a day, according to maritime risk and intelligence firm Vortexa. Before the Iran war, China spent months stockpiling cheap Russian and Iranian oil. Analysts typically put the country's total crude reserves at between one billion and 1.4 billion barrels, enough to cover at least several months of imports.

China learning to live with much lower crude oil imports

(Reuters; June 11) - Three months into the Iran war, the oil market is coming to grips with an unexpected new reality: China, the world's largest importer, needs much less fuel than previously thought. Gasoline sales at Sinopec, which runs China's biggest network of petrol stations and is the world's largest refiner, dropped 8% on-year in April, while diesel fell 6%, according to industry sources briefed on internal data.

Fuel use in China had already been falling in recent years due to slowing economic growth and the rise of electric cars and trucks, but the recent decline is especially steep and has caught industry players by surprise. Goldman Sachs estimates the drop in the use of refined fuels was about 20% in April. It's not that Chinese are moving around less. Instead, they are changing the way they travel: Rail journeys grew around 10% in March and April annually, compared to 5% last year, according to Ministry of Transport data. Travel by subway or taxis, which are electrified in many cities, is growing rapidly.

"It looks like consumers have made a quiet economic choice. Faced with higher gasoline, diesel and airfare, many seem to have shifted away from oil-based transportation," JP Morgan analysts wrote in late May. China has cut crude imports drastically since the start of the war, in part by dipping into stockpiles built while prices were cheap, easing the global supply crunch and putting a lid on prices.

May oil imports slumped 29% to their lowest in eight years, following a 20% fall in April. While those levels are unsustainable without China further tapping reserves, say analysts, the possibility that behavioral changes will persist and hasten the decline in fuel use has significant implications for global oil demand.

Global crude oil stockpiles are close to all-time lows

(S&P Global; June 11) - The global oil market is nearing its capacity to drain emergency reserves as governments stretch their tolerance level to deplete stockpiles, according to analysts and industry experts. The world had a comfortable buffer of oil supply before the U.S. launched its airstrikes on Iran on Feb. 28, with inventories at about five-year highs of 8.2 billion barrels and buoyed by a year of aggressive Chinese stockpiling, according to the International Energy Agency.

However, stocks have plummeted since the conflict in the Middle East suspended most oil flows through the Persian Gulf, leaving the world's largest reserves close to all-time lows and forcing governments to consider when to turn off the taps. In the three months since February, about 440 million barrels of crude and refined products were drawn from commercial and state reserves, according to S&P Global Energy CERA.

Averaging at roughly 6 million barrels per day, the stock draws have done most of the work to mitigate the supply shock, contrasting with an estimated 4.6 million barrels per day of demand destruction in the second quarter compared to 2025 levels. The bulk of spare capacity has come from the U.S., historically the world's largest stockpiler of oil, which has drained its Strategic Petroleum Reserve close to all-time lows. "The U.S. we suspect is starting to approach what is described as an 'operational floor'," said John Evans, an analyst at the U.S.-headquartered brokerage PVM Oil Associates.

Goldman Sachs drops 2027 oil price forecast to $80 a barrel

(Reuters; June 12) - Goldman Sachs on June 11 lowered its 2027 average Brent oil price forecast to $80 a barrel, citing stronger supply growth and persistent demand weakness, even as it warned prices could swing sharply under different geopolitical scenarios. The bank highlighted rising output from the U.S., Brazil, Guyana, Venezuela and the United Arab Emirates, alongside structural demand shifts, particularly in China.

"We assume that just over 10% of the demand weakness persists as China's shift to alternatives (e.g. EVs) accelerates," Goldman said in a note. The bank also said it continues to expect Brent to average $90 a barrel in the fourth quarter of 2026, noting that the impact of a longer disruption in the Strait of Hormuz has so far been offset by a smaller-than-expected supply shortfall.

"We now assume that oil exports from Gulf producers normalize by late August (versus by late June prior), which may be achieved with a rise in Hormuz flows to 70% of pre-war levels," the bank said. Goldman highlighted upside risks to prices, stating that in an adverse scenario, Brent could average just above $110 in late 2026 if export disruptions persist longer. On the downside, a faster normalization in supply and weaker demand could push prices down to $70 in late 2026 and $60 in 2027.

[Persian Gulf producers manage to move more oil through Hormuz]

(Bloomberg; June 10) - Off the coast of Oman over the weekend, 16 tankers clustered together to transfer millions of barrels of oil that had been stranded in the Persian Gulf. A month ago, that area had been empty. They're part of a growing number of tankers that are turning off their transponders to lift oil flows through the Strait of Hormuz from a trickle to a stream. About 2 million barrels a day of oil and related products are now flowing out of the Gulf, according to Rapidan Energy Group — a level that's far below normal, but much higher than earlier in the conflict.

While conventional vessel-tracking data show little change in shipments, senior shipping executives, Asian oil buyers and satellite images paint a different picture: Hormuz is now a lot less blocked, with transits becoming steadier and greater in volume. The increase in Gulf producers' ships going dark to sneak through undetected by Iran is at the heart of the rise in flows, coinciding with a period where the U.S. has been helping ships navigate through the waterway.

The recent volumes add to signs that the oil market is managing to route enough to buyers and avert a price surge as the Iran war causes the biggest supply disruption in oil market history. Middle East producers have been using vessels they control to ferry barrels outside of Hormuz — avoiding the stratospheric fees that would be commanded by the small number of shipowners willing to transit. After exiting, they then transfer oil to tankers that take the cargoes to buyers in Asia and elsewhere.

[Canadian oil line to West Coast running at full capacity]

(Reuters; June 10) - Canada's Trans Mountain pipeline is running at full capacity for the first time since a major expansion was finished two years ago, but an executive said June 10 that ongoing global turmoil makes predicting future capacity rates difficult. The 890,000-barrel-per-day pipeline, which carries oil from Alberta to British Columbia's West Coast, is at apportionment for the month of June. Apportionment is an industry term for when shipper demand for spot capacity on a pipeline exceeds what is available.

The uncertainty in global crude markets and the disruption to the Strait of Hormuz have increased Asia's demand for Canadian oil but have also made it difficult to predict the pipeline's utilization rates beyond the short-term, said Jason Balasch, vice president of business development for Trans Mountain. As recently as last summer, the Trans Mountain system, which is owned by the Canadian government, was about 84% full.

Oil production in Canada, the world's fourth-largest crude producer, is growing, with output in 2026 expected to exceed last year's record of 5.3 million barrels per day. Trans Mountain is currently planning several optimization projects, including the addition of drag-reducing agents and new pumping stations, which are expected to add 300,000 barrels per day of capacity to the system by the end of 2028.

European buyers shy away from long-term deals for U.S. LNG

(Bloomberg; June 12) – U.S. LNG developers had expected Europe to become the cornerstone market for the next wave of export projects. Instead, Europe is increasingly shying away from the long-term contracts needed to get them built. U.S. executives are coming back empty-handed this year from industry meetings and conferences where deals are usually forged. Several gas exporters said negotiations held with European counterparts over the past few months have produced plenty of interest but hardly any commitments as would-be buyers have grown wary of growing too reliant on America.

One exporter described the gap as a “cultural dissonance” in which Europeans are content to talk, while Americans just want to close deals. Disruptions to Qatari LNG shipments caught up in the Iran conflict have pushed back expectations for a global supply glut by at least two years, the International Energy Agency said. But the delay does little to alter the longer-term picture of abundant new supply, much of it from the U.S., that still needs buyers. That has sharpened the focus on Europe, where companies have been slow to sign long-term contracts.

The shortage of long-term LNG deals risks constraining investment in U.S. export infrastructure while increasing Europe’s exposure to price swings as buyers depend more on spot and short-term markets. “There is this obsession from the U.S. that Europe should commit to more long-term contracts,” said Anne-Sophie Corbeau, a researcher at Columbia University’s Center on Global Energy Policy. “There is also a concern that Europe is becoming too dependent on U.S. LNG.”

Greek LNG trader says U.S. suppliers hesitant to sign long-term deals

(Bloomberg; June 11) - The boss of Greece’s Atlantic SEE LNG Trade said it’s becoming more difficult to secure long-term liquefied natural gas deals with U.S. suppliers after the Iran war upended the global market. Competition between European and Asian buyers for U.S. LNG has intensified after the Middle East conflict closed the Strait of Hormuz, choking off one-fifth of global supplies and driving up spot prices.

That’s making U.S. firms averse to signing the 20-year contracts sought by Atlantic SEE, as it pushes to expand Greece’s role as an LNG hub for the wider region. “U.S. suppliers have become reluctant to commit to a price for a long period of time,” Chief Executive Officer Alexandros Exarchou said in an interview. “This is a different situation from six months ago when they were gasping for such long-term agreements.”

Uncertainty about the evolution of prices — following damage to the world’s largest LNG export terminal in Qatar — means that some U.S. suppliers are even offering incentives to reduce the size of existing contracts, the CEO said. Even with the capital commitments required to build and finance U.S. LNG projects, smaller buyers may struggle to sign long-term contracts with American sellers.

[U.S. continues adding LNG projects getting the go-ahead]

(RBN Energy; June 11) - Three new U.S. LNG projects have reached a positive final investment decision this year: Venture Global's CP2 Phase 2, Caturus's Commonwealth LNG and now, most recently, Delfin Midstream's Delfin LNG, which will be the first floating LNG (FLNG) project in the U.S. These three FIDs are the tail end of the incredible wave of development that began in 2025, when six projects got the green light. Together, the 2025 and 2026 FIDs will add nearly 17 billion cubic feet per day of LNG export capacity from the U.S. Gulf Coast, pushing the total to around 33 bcf a day.

The latest round of sanctioned U.S. LNG project development began in April 2025 with a surprising FID on Woodside's Louisiana LNG. At the time, the project had almost no commercial sales backing it, a divergence from how U.S. projects are typically developed. Following that, there were a number of more traditional FIDs from Cheniere Energy, Venture Global, Sempra and NextDecade. In May of this year, Caturus took FID on Commonwealth LNG. The project will have six liquefaction trains for a total capacity of 9.5 million tonnes per year, about 85% of which is secured by long-term offtake deals.

Delfin LNG was given its official green light on June 3. It will be anchored about 40 nautical miles off the coast of Cameron Parish, Louisiana, and will include up to three independent FLNG vessels, each with a production capacity of 4.4 million tonnes per year. Only the first vessel, FLNG 1, has taken FID. The project is backed by long-term offtake agreements with Vitol, Expand Energy, Centrica and Gunvor. The largest offtaker is Vitol, which is also an equity investor. Other investors are Mitsui O.S.K. Lines, Global Infrastructure Partners (GIP, part of BlackRock) and Diameter Capital Partners.

[U.S. becomes top LNG and LPG supplier to India]

(CNBC; June 11) - The U.S. emerged as the top supplier of liquefied natural gas and liquefied petroleum gas to India in May, as shipments from Persian Gulf countries fell due to disruptions in the Strait of Hormuz. India imported 60% of its LNG and almost all LPG (propane and butane) supplies through the critical waterway, which has been disrupted since the U.S. and Israel first struck Iran on Feb. 28. Washington supplied 630,000 tonnes of LPG to India in May, roughly 60% more than the 380,000 tonnes the country received from all the Gulf countries put together, as per data from Kpler.

The U.S exported 900,000 tonnes of LNG to India in May, which accounted for more than 40% of India's total requirement and was a threefold increase on April, Kpler said. Experts said the conflict in the Middle East boosted U.S. exports but added that the rise was also driven by Washington's broader push to sell India more American energy. Even before the start of the war, the two countries were deepening their energy trade.

High freight costs helped prevent the U.S. from gaining a meaningful share in India's gas market before the war. But being cut off from the Gulf made India more open to

U.S. cargoes. LPG is primarily used as cooking fuel in India. Its supply and price are politically sensitive and authorities have sought to protect consumers from rising prices. Importing LNG from the U.S. is more expensive than from the Gulf but “India doesn’t have many options,” said Bineet Banka, research analyst for energy at Nomura in India

Norway pushes EU to drop moratorium on Arctic drilling

(Financial Times; London; June 11) - Norway’s premier has challenged Europe to decide whether it is safer to buy gas from the U.S. and Persian Gulf nations than from the Arctic reserves of one of its closest allies, as Oslo presses Brussels to ditch its drilling ban in the High North. Jonas Gahr Støre said the European Union’s stance against new oil, coal and gas extraction in the region was “not informed,” arguing that Europe already relied on gas from the Arctic after Russia’s invasion of Ukraine.

“We increased our gas exports to Europe, to the EU, when the war in Ukraine broke out, and all of that increase came from the Arctic. It was LNG from Hammerfest,” he told the Financial Times, referring to a town more than 250 miles north of the Arctic Circle where Equinor restarted its liquefied natural gas plant in 2022 after a long shutdown following a fire. “European countries must make their decisions,” he said. “Is it safer to buy it from the Gulf? From Qatar? Is it safer to buy it from the U.S.?”

Norway has consistently argued since Russia’s war in Ukraine began in 2022 that it is the democratic oil and gas supplier of choice for Europe. Brussels is considering dropping its moratorium on new Arctic drilling, a shift Norway has lobbied hard for as it recasts gas from the region as a strategic asset rather than a climate issue. Støre said Brussels’ anti-drilling position failed to reflect Europe’s fresh security challenge. “I want the EU to have rules that correspond to the world the EU is part of,” he said.

Exxon reportedly studying purchase of Australia’s Woodside Energy

(Bloomberg; June 12) - Exxon Mobil is studying potential acquisition targets including Australia’s Woodside Energy, as the U.S. giant eyes options to deepen its presence in liquefied natural gas and Asian markets, according to people with knowledge of the matter. Exxon has been holding early-stage discussions internally, said the people, who asked not to be named as they are not allowed to speak to the media. Woodside is one of several targets the company has been evaluating, the people said.

Deliberations are preliminary, and there is no certainty that they will lead to an offer, they said. Representatives for Exxon and Woodside declined to comment. Exxon completed the acquisition of U.S. shale producer Pioneer Natural Resources for $60 billion in 2024 and has since been looking for further opportunities. A move for Woodside, Australia’s top gas exporter, would expand Exxon’s presence outside the U.S. and push it more toward LNG, a sector in which it has lagged rivals like Shell and TotalEnergies.

An LNG-focused deal has become a more serious priority since the start of the war in Iran in late-February, which effectively shut the Strait of Hormuz and choked a fifth of global supply — prompting buyers in Asia to look for alternative suppliers outside the Middle East, one of the people said. Woodside is Australia’s largest LNG exporter, and is developing a project on the U.S. Gulf Coast which is set to come online by 2029. The company has also secured long-term sales agreements with leading buyers across Asia, including in South Korea and Japan, making it an attractive target.

More federal aid directed to help states plug abandoned wells

(S&P Global; June 10) - More federal dollars have been released to help U.S. states tackle abandoned and methane-leaking oil and gas wells as operators continue to leave unsealed drill holes behind. The Department of the Interior announced in late May it had "unlocked" additional funding allocated under the 2021 Bipartisan Infrastructure Law to help plug and remediate such wells, with $2 billion now available for state grants. The belated funding, while welcome, will not come close to solving what has become a growing headache for oil-rich states, experts agree.

"Decommissioning wells and well sites is fundamentally burying money in the ground," said Dwayne Purvis, a former oil industry executive who now consults with operators. While most companies responsibly close their wells, companies that go bankrupt or lack funds often abandon depleted or uneconomic sites, Purvis said. The result is a backlog that falls on states and taxpayers. In Texas, regulators hear from landowners and other residents about abandoned wells that leak pollution, Purvis said. The average cost of capping a well is about $150,000, but costs can range from $75,000 to $750,000.

As of May 22, Texas regulators listed a record 12,345 orphaned oil and gas wells in the state's inventory, up from 11,000 in late 2025 despite dozens of wells plugged every month. Texas received $79.7 million in federal funding to cap abandoned wells and expects to receive nearly $319 million over the life of the program. Ohio added 921 orphaned wells in 2025 to reach 2,533. The state sealed 480 wells that year. Louisiana had identified 4,600 orphaned wells in 2022 when it received an initial federal grant from in 2022 and then capped nearly 600 wells the following two years.

Shell continues leaving renewables, looks to sell offshore wind farms

(Bloomberg; June 12) - Shell is preparing to launch a sale of its offshore wind farms in the oil major’s latest move away from renewable energy to focus on its higher-returning fossil fuel business. The company has tapped advisers from Rothschild & Co. and PJT

Partners to lead the sale, which could fetch over $1 billion, people familiar with the matter said, asking not to be named because they aren’t authorized to speak publicly.

The process could kick off as soon as the end of this year, with a sale likely to take place in 2027, the people said. Representatives for Shell, Rothschild and PJT declined to comment. Shell Chief Executive Officer Wael Sawan has sought to cut costs and offload low-returning assets since taking over more than three years ago. The plan to sell the offshore farms marks a further departure from the British energy giant’s past strategy to diversify into green electricity, with a strong emphasis on wind energy.

It follows the ongoing divestments of Shell’s European onshore renewables arm, as well as Indian renewable power company Sprng Energy which it bought in 2022 for $1.55 billion. The company also walked away from plans to develop offshore wind farms in Scotland last year. Put together, the disposals will leave Shell with little left in its portfolio of green power assets. Shell once had grand ambitions to be a major player in renewable power, but those plans were shelved after Sawan took the helm in early 2023 and vowed to focus more squarely on delivering returns for shareholders.