Oil and Gas News Briefs
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Iraq wants OPEC to allow larger oil production quota

(Financial Times; London; June 25) - Iraq is pushing OPEC to allow it to pump more oil as it seeks to recover from its financial crisis triggered by the U.S.-Iran war — and has raised the prospect of leaving the cartel if it cannot fulfil its full production potential. The country's oil ministry said on June 25 that while there was "currently no intention" for Iraq to withdraw from OPEC, it expected the group to increase the share of oil that it is allowed to pump in the future.

"If that does not happen, there will be a decision regarding staying in or exiting the organization," a ministry spokesperson told Bloomberg. A source familiar with the Iraqi government's position confirmed to the Financial Times that leaving OPEC in the future has been one option under consideration as it tries to recover from the crisis caused by the Middle East conflict. The country relies heavily on oil sales for its income, which was drastically reduced when the Iran war in effect blocked exports via the Strait of Hormuz.

The warning follows the United Arab Emirates' decision at the end of April to leave OPEC after long-running frustrations over its production quotas and simmering tensions with Saudi Arabia, the de facto leader of the group. In a statement to Iraq's national news agency, the Iraqi oil ministry said it had "consistently stressed the importance of reassessing production ceilings in line with the sustainable production capacities of member states."

Analysts cut oil price forecasts for 2026-2027

(Wall Street Journal; June 24) - With oil prices now within touching distance from their prewar levels and traffic through the Strait of Hormuz beginning to normalize, more analysts are cutting their price forecasts, though some are more bullish on the outlook for the oil market than others. JPMorgan now sees Brent crude, the international oil benchmark, averaging $80 a barrel in the fourth quarter and around $64 a barrel next year. Brent was last around that level in January, when the dominant narrative in the global oil market was that of oversupply.

Wood Mackenzie also cut its estimates this week, though they're significantly higher than JPMorgan's. The energy research and consulting firm sees Brent easing to $78 a barrel in 2027, assuming traffic in Hormuz fully normalizes in August. "The supply shock removed more than 11 million barrels per day of crude from global markets," the firm wrote in a note. It estimated that 70% of curtailed production could return within three months of the reopening, and 90% within six months. The final chunk will take longer.

Capital Economics sees Brent crude ending the year at $75 a barrel and falling to $60 a barrel by the end of next year. Energy flows from the Middle East will pick up during the upcoming quarter and lead to a "small global oil market surplus" in the fourth quarter this year, its economists said in a note this week.

Falling oil prices have mostly erased war-driven spike

(Wall Street Journal; June 25) - The U.S. war with Iran — and the economic war the latter waged in return — was supposed to be an apocalyptic moment for the oil market. Instead, oil prices are on the cusp of falling back to their prewar levels. Their stunning round trip, just 11 days after President Donald Trump reached a 60-day deal to reopen the Strait of Hormuz, has disrupted widespread expectations that the global oil market's recovery would take months, at minimum.

A few weeks ago, energy experts predicted that a reopening of the strait would be a protracted process that would involve navigating a literal minefield; that some Persian Gulf countries could take months to resume production; and that dwindling oil inventories around the globe would inevitably spur a surge in fuel prices. Now, markets are retreating in spectacular fashion, baffling executives and analysts.

Brent crude traded as low as $72.06 a barrel on June 25. Prices peaked at $118.35 in March. U.S. crude settled at $71.92, rapidly approaching $67.02, where it traded in late February. But the reprieve could be short-lived. Some oil analysts are warning that the sinking prices don't fully reflect how tight the market remains after months of draws on global oil inventories, which are now flirting with operational limits. "The market might be a little bit overenthusiastic of how quickly the supply side, particularly inventories, are going to stabilize," said Bart Melek, global head of commodity strategy at TD Securities.

South Korean refinery works to adapt to different mix of crude

(The New York Times; June 26) - The faint smell of gas hangs over a lab at South Korea's biggest refinery, where chemical analysts are working overtime trying to find ways to wean the sprawling facility off oil from the Persian Gulf. South Korea has long been a top global exporter of jet fuel, but the conflict in the Middle East is forcing its oil refineries to rethink how they do business. The vast labyrinth in the southern port city of Ulsan relies on Middle Eastern oil, which is around 60% of South Korea's crude imports.

South Korea tried to make up for the reduction in supply by increasing crude imports from the U.S., Canada, Venezuela and Brazil. But the oil from these sources is different from what comes from the Persian Gulf, and has to be tested to make sure it would not damage the refinery and would also be profitable. “We are continually testing unfamiliar types of crude,” said Donghyun Kim, a technician whose team has recently logged overtime hours. “Since the war, my team members have been struggling a bit.”

Switching a refinery from one type of crude oil to another is not as simple as pressing a button. Most refineries are built to handle mixes of crude from specific places. Oil from different parts of the world has varying densities and chemical characteristics, like sulfur levels. The wrong mix can damage the refinery.

The Ulsan Complex is the world’s second biggest refinery, according to the data analytics firm Industrial Info Resources. It is more than twice the size of New York’s Central Park and can process 840,000 barrels of crude a day. Before the war, South Korea provided more than 80% of the jet fuel imported to the U.S. West Coast, as well as much of the supply in Australia, Japan and New Zealand.

Saudi Aramco resumes loading oil cargoes at Persian Gulf terminal

(Reuters; June 26) - Saudi Aramco resumed crude loadings on June 26 at its Ras Tanura terminal in the Persian Gulf after a near four-month halt, shipping data showed, as the world's biggest oil exporter joined a rush to move cargoes amid industry hopes of a return to normal. The Saudi loadings come even though a ship belonging to Taiwan's Evergreen Marine was hit by an unknown object in the Strait of Hormuz on June 25.

Middle Eastern producers had been ramping up oil and gas output and exports in the lead-up to the interim deal between the United States and Iran to halt the war and reopen the strait where a fifth of the world's oil and liquefied natural gas supplies used to pass. Two Very Large Crude Carriers controlled by Saudi's shipping arm Bahri were seen loading crude at Ras Tanura, the world's biggest oil port, while another waited nearby, the data showed. Each VLCC is capable of loading 2 million barrels of oil.

Ras Tanura sits on Saudi Arabia's eastern coast on the Gulf and is west of the Strait of Hormuz. It used to export more than 5 million barrels per day of crude before the conflict. The country's largest domestic 550,000-barrel-per-day refinery is also located at Ras Tanura, which was shut during the war as a precautionary measure. Aramco last loaded a cargo from Ras Tanura port for China on March 8, LSEG data showed.

Oman tells European officials, ships may have to pay to transit strait

(Bloomberg; June 26) - Oman has told European officials there’s no way of going back to the pre-war status quo with the Strait of Hormuz, and transiting ships may have to be charged some fees, according to people familiar with the matter. While Omani officials said they will abide by international maritime law, the said there could be fees for services related to de-polluting the strait or helping ships navigate it, the people said, asking not to be named. It’s unclear if Oman said all these fees would be obligatory.

Oman is analyzing systems used for chokepoints across the globe, including the Malacca strait in Asia, said the people, an area where there are no mandatory shipping charges. The U.S., Europe and Oman’s Gulf Arab neighbors are increasingly concerned the sultanate will set up a tolling or fee system with Iran for the Strait of Hormuz.

French President Emmanuel Macron will meet Oman’s leader, Sultan Haitham bin Tariq, in Paris on June 29, as world powers step up efforts to ensure that free passage through the strait continues. The two leaders will “address the security of maritime routes, which depends on free and unconditional passage through the Strait of Hormuz,” according to Macron’s office. Oman and Iran border the narrow waterway, one of the world’s most important for oil and liquefied natural gas cargos.

BP takes stake in United Arab Emirates gas project

(Reuters; June 25) - BP said on June 25 it has signed a concession agreement with Abu Dhabi National Oil Co. and partners to develop the Bab Gas Cap project in the United Arab Emirates, taking a 10% stake and marking BP's first access to upstream gas resources in Abu Dhabi. The project, which comprises three reservoirs in the onshore Bab Field, is expected to produce up to 1.5 billion cubic feet of gas per day.

It will support domestic feedstock production and gas needs in the UAE, as well as ADNOC’s liquefied natural gas export expansion plans, BP said. ADNOC will own a 60% interest in the concession, with other partners including TotalEnergies, China’s CNPC International, INPEX, China ZhenHua Oil and GS Energy holding the rest. BP will serve as lead for the Bab Oil Field, one of Abu Dhabi’s largest onshore oil fields.

JERA chairman says LNG prices ‘may not fall very easily’

(S&P Global; June 24) – Spot-market LNG prices are likely to be "sticky" at a relatively high level amid Middle East supply disruptions and low gas storage in Europe, Yukio Kani, global CEO and chairman of Japan's largest power generation company, JERA, said June 24. "My view is that prices … may not fall very easily," Kani told a press conference in Tokyo. Platts, part of S&P Global Energy, assessed the benchmark price reflecting LNG delivered to Northeast Asia for August at $15.521 per million Btu on June 24, compared with the prewar level of $10.697 on Feb. 27.

Kani said Qatari LNG facilities had been damaged during the Middle East conflict and that the damaged facilities might not be restored "within two or three years" based on

JERA's experience in LNG upstream investment and construction. "Another factor we are watching is the situation in Europe this coming winter," Kani said, referring to the European Union ban on Russian LNG imports from Jan. 1, 2027, and the continent's need to refill gas storage.

"Inventories are currently low. If Europe tries to fill those inventories without buying Russian gas or LNG, it will have to purchase a certain amount on the spot market," Kani said. EU gas storage sites were 46.97% full as of June 23, according to the latest data published by Gas Infrastructure Europe.

Empty LNG tankers line up to take on cargoes at Qatari plant

(Bloomberg; June 25) - Empty liquefied natural gas tankers are lining up outside of Qatar's massive export plant in the Persian Gulf as the supplier seeks to quickly increase production following early progress in U.S.-Iran peace talks. At least eight empty vessels have congregated off the Ras Laffan facility after most transited through the Strait of Hormuz over the past week, according to ship-tracking data compiled by Bloomberg. Another tanker in the Persian Gulf is on its way to the plant, while two other Qatar-linked ships are approaching the eastern entrance of Hormuz, the data shows.

QatarEnergy operates Ras Laffan, the world's largest LNG export facility, but output has been largely halted since Iranian attacks damaged two production trains and the war led to a near-closure of Hormuz. QatarEnergy — which exported nearly a fifth of global LNG supply last year — has been testing equipment and performing maintenance to prepare for a rapid output increase. Several production trains have been operating at reduced capacity so that the plant can deliver shipments to neighbors, but also be able to raise supply when necessary, Bloomberg previously reported.

Qatar plans to return to normal LNG output within weeks from the undamaged parts of its facility, Prime Minister Sheikh Mohammed bin Abdulrahman Al-Thani said in an interview with the Financial Times this week. The 10-day moving average of exports from Ras Laffan have more than doubled in the past month, but they are still about 80% below year-ago levels, ship-data shows.

Customers expect Qatar will end force majeure on LNG deliveries

(Bloomberg; June 26) - Asian liquefied natural gas customers of Qatar expect the supplier to let its force majeure expire in the middle of July, as tensions in the region ease and the Persian Gulf producer ramps up exports. QatarEnergy hasn't indicated that it will renew the force majeure clause for customers in Asia, according to people with knowledge of the matter. The company would typically notify customers about a month before extending the declaration, suggesting it intends to let it lapse, said the people, who asked not to be named as they are not allowed to speak to the media.

A similar force majeure covering European buyers is expected to expire in mid-August and buyers expect it to also lapse, the people said. Energy producers across the Gulf are swinging back into action, with the interim peace deal between Iran and U.S. paving the way for flows through the Strait of Hormuz to resume. Invoking force majeure allows a supplier to miss deliveries due to factors beyond its control — such as war or weather — and the potential shift stands to be another signal conditions are normalizing.

State-owned QatarEnergy had been extending its force majeures every month due to the effective closure of the strait, which choked off about a fifth of global LNG supply. The move by QatarEnergy in March to declare force majeure sent shockwaves through the market, as the gulf producer is known for its reliability, even during periods of turbulence. Ending the order for some buyers would be a signal that the supplier now expects to begin meeting those obligations.

Golden Pass LNG in Texas continues commissioning process

(S&P Global; June 26) - Golden Pass LNG has exported its third cargo as commissioning progresses on the first of three liquefaction trains at Texas facility. The QatarEnergy-chartered vessel Al Na'amah departed laden on June 25, S&P Global Commodities at Sea data showed. The vessel was underway in the U.S. Gulf on June 26, signaling Italy as its destination. The Golden Pass developer, owned 70% by QatarEnergy and 30% by ExxonMobil, declined to comment June 26.

The resumption of exports from Golden Pass followed a sustained rebound in feed gas deliveries to the plant after weeks of planned maintenance. Feed gas deliveries to Golden Pass remain below full utilization levels for Train 1, which exported its first LNG cargo on April 22, about three weeks after it began producing LNG. The operator confirmed taking Train 1 offline in mid-May to address startup-related maintenance, about a week after shipping the second LNG cargo from the plant.

Golden Pass will be able to produce about 18 million tonnes per year when all three liquefaction trains are fully online, and the facility's feed gas demand is expected to reach up to about 2.5 billion cubic feet per day. The developer received permission from the Federal Energy Regulatory Commission to begin commissioning work on Train 2 systems on June 24. Golden Pass is expected to begin producing from Train 2 in the first half of 2027, according to ExxonMobil and construction contractor McDermott. Train 3 is expected to follow, with the possibility that production ramp-up will run into 2028.

[Russia adds another sanctioned LNG tanker to serve Arctic project]

(Bloomberg; June 28) - A liquefied natural gas tanker docked at a U.S.-sanctioned storage unit in Russia's Murmansk region, the first time the vessel has loaded blacklisted fuel and the latest sign of Moscow's efforts to expand exports despite Western sanctions. The Arctic Express, which changed its flag to Russian in May, loaded fuel at the Saam floating storage unit, which holds gas from the Arctic LNG 2 project. Both Saam and Arctic LNG 2 have been sanctioned by the U.S.

The shipment suggests Russia is continuing to expand its fleet of vessels to circumvent Western restrictions. Including Arctic Express, at least 21 ships have been used to ferry LNG from sanctioned Russian projects, according to a Bloomberg analysis of tracking data. The biggest obstacle to increasing exports from Arctic LNG 2 remains the shortage of vessels capable of transporting the fuel to willing buyers.

The tanker, which was commissioned in 2007 and was formerly managed by a Greek company, changed ownership to St Petersburg-based Smp Techmanagement around May 13, according to ship database Equasis. Smp Techmanagement owns three other LNG vessels that are part of Russia's dark fleet. Russia added four other tankers — that until recently serviced Oman's LNG export plant — to its shadow fleet earlier this year. Arctic LNG 2 exported over 400,000 tons of the fuel in May, a record high for the facility which began shipments in 2024, ship data shows.

[Costly LNG helps drive China toward more electric trucks]

(Independent Commodity Intelligence Services; June 26) – China's latest transport and industrial policies are reshaping the country's natural gas demand outlook, creating headwinds for LNG trucking consumption while potentially opening a new window for industrial coal-to-gas switching. For much of the past decade, LNG-fueled heavy-duty trucks and industrial coal-to-gas switching have been viewed as two of the largest sources of incremental gas demand growth in China. Recent policy developments suggest those two demand pillars may now be moving in opposite directions.

On June 12, China's Ministry of Transport released a plan targeting a 40% penetration rate for new-energy heavy-duty trucks by 2030, with a fleet exceeding 1.6 million vehicles and around 3,000 charging and battery-swapping stations nationwide. The policy provides Beijing's clearest signal yet that battery-electric and hydrogen-powered trucks, rather than LNG vehicles, will form the backbone of China's heavy-duty transport decarbonization strategy.

Under the plan, fixed-route short-haul freight operations in key regions such as the Beijing-Tianjin-Hebei economic region and the coal-intensive Fenwei Plain in northern China are targeted to achieve electrification rates exceeding 80% by 2030. The policy shift comes as market economics have already become less favorable for LNG-fueled trucks. ICIS data showed LNG fuel prices in Tianjin rose by 72% between the start of the Iran war and June 22, reaching $18.32 per million Btu and eroding the fuel-cost advantage that has traditionally supported LNG truck adoption.

Australia looks to renewables to help power data centers

(Bloomberg; June 24) - Power demand from data centers is poised to surge over the next quarter-century, adding to an almost doubling of electricity consumption across Australia's main grid by 2050, according to the network operator's latest road map. Data centers will account for almost 10% of the National Electricity Market's underlying demand by 2050 — four times their current share, the Australian Energy Market Operator said in its biennial Integrated System Plan.

The report confirmed that the lowest-cost pathway is a system built around renewable energy, connected through transmission and distribution networks and bolstered with storage and natural gas-fueled generation. "Our plan is to deliver more cheaper, cleaner energy, using our sovereign sun and wind energy to shield our grid from global volatility," said Minister for Climate Change and Energy, Chris Bowen.

Australia's economy has been propped up by a massive surge in investment in data centers. That comes as the nation's world-beating uptake of solar and rapidly aging coal generation helped to cause increased volatility and made the country a test case for energy transition. Households are set to continue to contribute to the massive shift in generation through further uptake of solar panels and batteries. "Households are already part of the solution," said Jackie Trad, CEO of the Clean Energy Council. "Rooftop solar is set to quadruple by 2050 and home batteries are taking off."

Germany joins in call for EU to postpone methane emissions rules

(Reuters; June 26) - Europe's biggest gas market, Germany, joined mounting pushback against the European Union's planned methane emissions rules for oil and gas imports on June 26, warning the policy could disrupt jet fuel supplies already under pressure from the Iran war. Starting next year, the EU will require monitoring and verification of methane emissions for fuel deliveries to the bloc. The rules aim to curb leaks of the potent greenhouse gas but have drawn strong opposition from industry and suppliers including the U.S., which warns that the law would hamper gas deliveries to Europe.

"As it stands, the methane regulation would prevent not only gas imports into Germany — LNG — but also petroleum products from being imported from 2027 onward," German Economy Minister Katherina Reiche said ahead of an EU meeting of ministers on June 26. The ministers will discuss a call by 12 other EU governments, including Italy, the Czech Republic and the Netherlands, to delay the rules by three years.

"We need at least a postponement or a suspension of the methane regulation so that the Federal Republic of Germany can reliably secure its supply of gas imports, as well as petroleum products such as kerosene," Reiche said. Some energy analysts and environmental groups have disputed the claims that the EU law would limit fuel imports, and said ample supplies are available that can comply.