Oil and Gas News Briefs
Compiled by Larry Persily
April 14, 2022

Running out of storage space, Russia dials back oil production

(The Wall Street Journal; April 13) - Oil is backing up through Russia's energy supply chain and leading to a drop in crude oil production, a blow to Moscow's main economic engine as the war in Ukraine rages. Refiners are trimming output and, in some cases, closing down because of falling demand in Russia and abroad. Storage space is running low in pipelines and tanks. Wells are dialing down production. It is too early to tell whether Russia's energy industry will suffer lasting damage, analysts say.

The losses so far are modest, and the industry continues to generate massive amounts of revenue for Moscow. But the problems of getting crude from the ground to end users are likely to mount in coming months, traders and analysts say. In the latest indication of problems ahead, the International Energy Agency on April 13 forecast that almost 3 million barrels a day in Russian flow will be turned off as of May. That would cut output to under 9 million barrels a day, a larger pullback than some analysts have predicted.

"There is the risk you permanently lose some production potential," said Helge André Martinsen, senior oil analyst at DNB Markets. The degree to which Russian output suffers depends on Moscow's ability to find buyers in Asia. Customers in the U.S. are steering clear and many of those in Europe are seeking alternative suppliers. The IEA said there is no indication yet that China is racing to import barrels shunned by longtime buyers of Russian oil. A sustained drop would undermine the prime driver of Russia's state revenues just as sanctions are set to pitch the economy into a steep recession.

Redirected Russian crude exports may run short of tankers

(Forbes; April 11) - Before its war in Ukraine, Russia was producing about 11 million barrels per day of crude oil, about 10% of global demand. Since then, amid sanctions, bans and voluntary embargoes, Russian oil shipments have begun to decline, with the International Energy Agency figuring a reduction in exports of some 3 million barrels per day by the end of April. Of the shipments at highest risk of cancelation or redirection are the roughly 1.3 million barrels per day that producers typically shipped via tanker from ports at Primorsk or Ust Luga to European refining centers at Hamburg and Rotterdam.

With Europeans increasingly shunning Russian oil, Russia has to find new buyers. China and India in particular have more concerns about maintaining supplies than they do the moral taint of discounted Russian oil, and have announced increased purchases.

But reorienting exports is not a simple thing. As Credit Suisse investment strategist Zoltan Pozsar said, it can be tougher to rearrange logistics than to find new buyers.

Russia typically ships oil to Europe via Aframax tankers that carry about 600,000 barrels on round-trip voyages of roughly two weeks. Those ships are not big enough to efficiently make the longer voyage to Asia, which requires so-called Very Large Crude Carriers (VLCCs), holding 2 million barrels. And instead of a two-week voyage, the round trip to China requires a two-month sail, then another two-month return trip empty.

Pozsar calculates that instead of tying up a handful of Suezmax tankers to deliver 1.3 million barrels per day to Europe, Russia would need a fleet of 80 VLCCs to get the same flow of oil to China. But those ships don't exist. Out of 800 existing VLCCs in the world, there aren't any spares. The logistics woes only get worse. If China buys more Russian oil, it won't need as much from Saudi Arabia — those barrels can instead go to Europe. But that's a longer voyage too, requiring more ships and more time.

OPEC tells Europe there is nothing it can do to ease oil prices

(Bloomberg; April 11) - OPEC's top diplomat told European Union officials that the current crisis in global oil markets caused by Russia's invasion of Ukraine is beyond the group's control. Russian oil supply losses stemming from current and future sanctions or a boycott by customers could potentially exceed 7 million barrels a day, OPEC Secretary General Mohammad Barkindo said April 11. That would be far beyond the group's capacity to replace, he told EU Energy Commissioner Kadri Simson.

Simson said the oil-producers group could tap its spare output capacity to assist in the crisis, according to an OPEC document seen by Bloomberg. Barkindo, however, said markets are being swayed by political factors rather than supply and demand, leaving little for the organization to do to help. "These crises have compounded to create a highly volatile market," Barkindo said, according to the text of his opening remarks. "These are non-fundamental factors that are totally out of our control at OPEC."

The two representatives spoke during the regular dialogue between the EU and the Organization of Petroleum Exporting Countries. Oil prices continue to trade near $100 a barrel as many refiners shun Russian supplies following the attack on its neighbor. The price rally has bolstered fuels like diesel, adding to the inflationary pressures and cost-of-living crisis hitting many consumers.

OPEC reduces global oil demand forecast by 480,000 barrels per day

(Reuters; April 12) - OPEC on April 12 cut its forecast for growth in world oil demand in 2022, citing the impact of Russia's invasion of Ukraine, rising inflation as crude prices soar and the resurgence of the Omicron coronavirus variant in China. In a monthly report, the Organization of the Petroleum Exporting Countries said world demand would rise by 3.67 million barrels per day in 2022, down 480,000 from its previous forecast.

The invasion in February sent oil prices soaring above $139 a barrel, the highest since 2008, worsening inflationary pressures. Crude has since fallen as the United States and other nations announced plans to tap strategic oil stocks to boost supply but remains over $100. "While it is forecast that both Russia and Ukraine will be facing recessions in 2022, the rest of the global economy will be thoroughly impacted as well," OPEC said.

"The strong rise in commodity prices in combination with ongoing supply-chain bottlenecks and COVID-19-related logistical logjams in China and elsewhere are all fueling global inflation," the report said. Even so, world oil consumption is expected to surpass 100 million barrels per day in the third quarter, as OPEC has predicted. On an annual basis, the world last used more than 100 million barrels per day of oil in 2019.

Permian Basin drilling permits climb to record high in March

(Bloomberg; April 13) - Drilling permits for new wells have spiked to unprecedented levels in the Permian Basin, signaling crude oil suppliers in America are finally responding to higher prices, according to Rystad Energy. A total of 904 horizontal drilling permits were awarded last month in the shale patch that lies beneath Texas and New Mexico, an all-time high, Rystad said. The four-week average of 210 approved permits for the week ending April 3 was also a record.

"This is a clear signal that operators in the basin are kicking into high gear on their development plans, positioning for a significant ramp-up of activity," Artem Abramov, Rystad Energy's head of shale research, said in a note to clients. The move "foreshadows a significant increase in supply capacity from early 2023," he added.

The world is counting on the U.S. to increase crude production after Russia's invasion of Ukraine disrupted supplies and sent oil prices rallying. Texas wildcatters have been saying that higher costs on labor and equipment and investors' pressure to keep spending under control limits their ability to expand production.

Replacement of U.S. oil reserves could be costly

(Reuters; April 10) - The Biden administration is selling a record amount of emergency oil from national reserves to tame soaring U.S. fuel prices as quickly as possible, but the plan could backfire down the road. President Joe Biden on March 31 announced the United States would sell 180 million barrels of crude from the Strategic Petroleum

Reserve at a rate of 1 million barrels per day starting in May, the biggest release from the stockpile since it was created in the 1970s.

In addition, country members of the International Energy Agency are releasing 60 million barrels to tame global prices. The decision to sell oil from the U.S. stockpile, instead of working out a loan, is a trade-off: Oil would be released to the market more quickly to lower prices, but it could take longer to replenish the stockpile, raising longer-term market risks. Some analysts warned it could make oil prices more volatile.

Loans from the reserves guarantee a return of oil over a set period but can take up to months to finalize as the government lines up buyers and negotiates contracts. "When we want to rapidly expand global supply … it is much more efficient to do a sale than to seek to arrange company-by-company contracts (as required by a swap or exchange)," a Biden administration official told Reuters. The sale comes with a vague timeline for the U.S. to repurchase barrels. The emergency stockpile is already at the lowest level since 2002, and if oil prices rise over time, it could be left at even lower levels. If it must be replenished when prices are high, taxpayers will have to pay the premium to refill it.

Opponents to East Africa oil pipeline pressure banks and insurers

(The Associated Press; April 12) - Climate activists are urging more banks and insurers not to back the controversial $5 billion East African Crude Oil Pipeline that is primed to transport oil from the Hoima oil fields in Uganda to the Tanzanian coastal city of Tanga. Influential climate activists Vanessa Nakate and Hilda Nakabuye have lent their support to opponents of the pipeline, citing the need for Africa to stay away from fossil fuels.

The pressure mounted by environmental groups, under the banner #StopEACOP, has led to a growing list of banks and insurers quitting the project. Just this week the project suffered another setback after insurer Allianz Group pulled out of the project. It joins 15 banks and seven insurance companies — including HSBC, BNP Paribas and Swiss Re — that have denied financially backing the 897-mile line in response to the campaign waged by environmental organizations, led by the international group 350.org.

The pipeline is billed as the world's longest heated pipeline. The China National Oil Corp. and French energy conglomerate TotalEnergies, alongside the Uganda National Oil Co. and Tanzania Petroleum Development Corp., have remained firm in pushing ahead with the project, which is expected to start moving oil in 2025. Initially priced at $3.5 billion, the underground electrically heated line will now cost $5 billion and would start near Lake Albert in western Uganda, skirt around Lake Victoria entering northern Tanzania on its way to the Indian Ocean, carrying 216,000 barrels of crude oil per day.

China’s LNG imports dropped 14% in first quarter

(Bloomberg; April 11) - China is slashing LNG purchases as soaring global prices deepen import losses and pandemic lockdowns throttle domestic demand. Imports in the first quarter fell 14% from the same period last year, according to shipping data, and private companies are spurning offers to use once-highly coveted slots at state-owned receiving terminals. Consultancy Wood Mackenzie said it recently revised down its gas demand forecast for China through 2026 due to economic pressures and high prices.

The slowdown underscores how China’s strict measures to control the virus are rippling outside its borders. The country’s breakneck consumption growth made it the world’s biggest LNG importer last year and contributed to soaring global prices. A drop in China’s spot LNG demand would mean more supply available to be rerouted to Europe as it cuts dependence on Russian pipeline gas deliveries.

“Signs of gas demand destruction are appearing in China’s industrial sector,” said Lujia Cao, a gas analyst with BloombergNEF. “Weak demand and prohibitively high LNG prices are curbing importers’ buying interest.” Spot purchases have borne the brunt of the impact, as prices have soared above those of contract cargoes and pipeline gas tied to oil. Several private firms have canceled plans to use state-owned LNG terminals to avoid the high prices. “No one wants to risk importing gas at higher costs than domestic downstream offering prices,” said Jingjing Du, a senior consultant at Wood Mackenzie.

Russia’s LNG exports in March higher than a year ago

(Natural Gas Intelligence; April 13) - Russia’s liquefied natural gas exports remained strong in March and surpassed year-ago levels despite efforts by some buyers to curb purchases from the pariah state. Russian LNG exports increased by 19% year on year to 3.1 million tonnes last month, according to shipbroker Banchero Costa. Shipments from the country were 25% higher than they were in March 2020.

Russia, the world’s fourth-largest LNG exporter, has faced a series of financial and economic sanctions imposed by Western governments for its invasion of Ukraine. While the measures have exempted gas exports, some companies have shunned Russian energy products. Last month, however, European Union nations imported 1.7 million tonnes of LNG from Russia, or 26% more than it did during the same period last year, Banchero Costa said. Imports of the fuel were also up by 22% from March 2020.

Banchero Costa analyst Ralph Leszczynski said that Russian export increases last month were mainly related to long-term contracts and not purchases on the spot market. “If anything, buyers are importing more by bringing forward the cargo dates due to uncertainty about possible sanctions in the future,” he added.

Report questions long-term viability of Australia LNG projects

(Sydney Morning Herald; April 13) - Powerful investors will call on Australia's natural gas producers to justify their future growth plans amid warnings new projects may face diminishing returns and risk becoming stranded by as early as next decade as greener sources of energy take over. Despite the war in Ukraine exacerbating a global energy crunch and brightening the outlook for exporters of liquefied natural gas, new modeling from resources consultancy Wood Mackenzie has raised questions about the longer-term viability of new and recently sanctioned gas projects across Australia.

In new analysis released on April 13, Wood Mackenzie tested the outlook for several projects including Woodside's Scarborough field off the coast of Western Australia and Origin Energy's possible future development of the Northern Territory's Beetaloo Basin against two scenarios of increasing efforts to limit global warming. Modeling found investment returns were lower under both scenarios of "progressive" and "accelerated" renewable energy uptake, even though some projects remained cash-flow positive.

"Some projects may struggle to maintain positive cash flow after 2030 and face a higher risk of becoming stranded assets," it said. The report was commissioned by the Investor Group on Climate Change, a coalition of funds investing on behalf of 7.5 million Australians, which said its members wanted to understand how gas producers were assessing risks "as the world shifts to net-zero" emissions. "Gas companies need to develop and implement business strategies that will enable them to thrive in a zero-carbon world, and they need to do that now," said CEO, Rebecca Mikula-Wright.

Limited number of floating LNG import facilities available

(Natural Gas Intelligence; April 12) - European countries without adequate liquefied natural gas import facilities are scrambling to secure floating storage and regasification units (FSRUs) to import more of the fuel amid an effort to cut reliance on Russian energy supplies. Ultimately, Europe is aiming to replace almost 5.5 trillion cubic feet of Russian natural gas imports before 2030, equivalent to more than 1,600 standard-size LNG carrier deliveries a year. FSRUs could help fill the void for import terminals.

An FSRU can be a newbuild, though most are conventional LNG carriers which already have storage capacity built in but are modified to include facilities to regasify the cargo for offloading and distribution through a pipeline network. Though faster to set up than building a conventional onshore LNG import terminal, putting an FSRU into operation still can take years, based on vessel availability and building the offloading jetties.

"The thing about FSRUs is that they are not one size fits all," said Poten & Partners' Jason Feer, global head of business intelligence. "For any given project, there are likely some uncommitted FSRUs that are not suitable because they are too big, too small or otherwise not a good fit." The number of FSRUs available is limited, said Rune Karlsen, of Hoegh LNG, Norway's FSRU specialist. There were 50 FSRUs across the globe at the end of last year, not counting newbuilds on order, Karlsen said. Leasing rates for FSRUs have increased by 50% or more since Russia invaded Ukraine in February.

Total signs up for expansion, more off-take at Louisiana LNG terminal

(Reuters; April 11) – TotalEnergies said on April 11 it would step up its liquefied natural gas production in the United States by expanding output at Cameron LNG in Louisiana, in which it holds a minority stake. The move comes as European countries seek to reduce their dependence on gas flows from Russia by importing more LNG. "This expansion project includes the development of a fourth train with a production capacity of 6.75 million tonnes per annum," and a 5% increase in production capacity of the first three liquefaction trains "through debottlenecking," the company said in a statement.

Cameron LNG is jointly owned by Sempra Infrastructure (50.2%), TotalEnergies (16.6%), Mitsui (16.6%) and Japan LNG Investment (16.6%), which is jointly owned by Mitsubishi and Nippon Yusen Kabushiki Kaisha. TotalEnergies said it had signed an agreement with its partners for the expansion of Cameron LNG, and that under the terms of the deal it will take 16.6% of the projected fourth train's production capacity, plus 25% of the projected debottlenecked capacity. In total, Cameron's production capacity will exceed 21 million tonnes per year after the work is completed.

Total in recent years has become the leading exporter of U.S. LNG, most of which has been sent to Europe. The company said it aims to further expand its U.S. presence to meet the growing need for LNG. The Cameron expansion is subject to obtaining the necessary permits and partners reaching a final investment decision planned for 2023.

Qatar well positioned to improve relations with U.S.

(S&P Global Platts; April 12) - With the West's relations with OPEC stalwarts Saudi Arabia and the UAE on rocky ground, neighboring gas giant Qatar's warming ties with the U.S. and Europe are a sign of shifting energy alliances. Even before the Ukraine war had Europe scrambling for alternatives for Russia's oil and natural gas, Qatar's ambitions to grow its LNG business were coinciding with burgeoning energy demand by western countries amid a recovery from the pandemic.

In January, Qatar's emir secured the first head-of-state visit to the White House in 2022. At the same time, Saudi Arabia and the UAE ignored U.S. requests for more oil to cool gasoline prices. The Saudis and the Emiratis also consider the U.S. response to intensifying attacks by Yemen's Iran-backed Houthi rebels, often targeting oil facilities, as insufficient, and they continue to sound alarms over the Biden administration's attempts to revive the nuclear deal that would end sanctions on Iran's energy industry.

Qatar currently can produce about 77 million tonnes of LNG per year and is expanding its giant North Field to boost capacity to 126 million tonnes in the coming years. Qatar is also the majority owner of the Golden Pass LNG export terminal in Texas with partner ExxonMobil. The project has an authorized capacity of up to 18 million tonnes per year, and is expected to start up in 2024. Qatar has clearly seized an opportunity to improve relations, and "it's clearly going to be effective," said Amy Myers Jaffe, a longtime OPEC watcher and managing director of the Climate Policy Lab at Tufts University.

Government tells Japanese power companies to stock up on LNG

(Reuters; April 11) - Japan's government has asked power companies to top up their liquefied natural gas reserves and share energy resources, a person familiar with the plan said, as civilian deaths in Ukraine push Tokyo to halt Russian fuel imports. Utilities are scrambling for already stretched energy sources as resource-poor Japan joins the West in punishing Russia, a major oil and gas producer — a search made harder April 8 when Prime Minister Fumio Kishida announced a ban on Russian coal.

Kishida, who faces national elections in July, is seeking to balance energy security for the world's third-biggest economy against growing pressure on the Group of Seven industrial powers for harsher sanctions against Russia as allegations of atrocities in Ukraine spread. Japan's industry ministry has directed power companies to ensure they have three weeks of reserves and has urged gas and electricity companies to sell each other spare gas rather than offer it overseas, the source told Reuters.

Ministry officials are also discussing LNG measures with industry representatives, said the source. Japan has little room for error. Generating capacity has been stretched by the closure of nuclear power plants in the wake of the 2011 Fukushima disaster. An earthquake last month that temporarily knocked out some power plants prompted warnings of blackouts. Unlike European countries that can store months of gas underground, Japan has only enough storage space to keep three weeks of the fuel.

Shell restarts exports from floating LNG operation offshore Australia

(Reuters; April 11) - Shell said on April 11 it has resumed shipping liquefied natural gas from its Prelude floating LNG facility off northwest Australia after a four-month shutdown due to a major power failure. A tanker completed loading and left the 1,600-foot-long Prelude a day earlier, a Shell spokesperson said, declining to disclose the destination. The LNG production facility lost power on Dec. 2, requiring several months of repairs and regulatory approval to restart operations.

Shell was permitted to resume operations last month after convincing the National Offshore Petroleum Safety and Environmental Management Authority that problems had been fixed and the company could run the facility safely. The shutdown was just the latest setback that Prelude has faced since its delayed start-up in 2019. The outage at Prelude was one factor that drove up LNG prices last December. Prelude is co-owned by Shell, Inpex, Korea Gas and a subsidiary of Taiwan's state-run CPC. Prelude, at 3.6 million tonnes annual capacity, is one of 10 LNG plants in Australia.

South Africa energy company drops out of gas pipeline project

(Bloomberg; April 13) - Sasol will no longer consider gas supply from a planned pipeline stretching from fields in northern Mozambique to its South African operations because it doesn't want to get stuck with the infrastructure as the world transitions from fossil fuels, CEO Fleetwood Grobler said. South Africa's biggest fuel producer said in 2020 it would potentially buy a small stake in the proposed 1,616-mile African Renaissance Pipeline — valued at $6 billion in 2016 — connecting to discoveries made by TotalEnergies and Eni. Total last year suspended the development of its find due to an Islamist insurgency.

A pipeline would mean the company is "tied to that for 30 or 40 years because that's the nature of the investment," Grobler said in an interview. "Gas in the long term is also a fossil fuel and we said we want to get to net zero." The nation's second-biggest emitter of greenhouse gases has targeted a 30% cut in emissions by 2030, largely through replacing with gas a portion of the coal it uses to make synthetic fuel and chemicals.

Sasol's focus on options that involve less investment reflects a rapidly changing energy landscape that ultimately will see gas demand follow an exit from coal. "It's a no-regret move because you know that will deplete and then when you don't need the gas, you don't develop more gas," Grobler said. "You need to bridge 10 or 15 years and then you need to go out." Sasol already moves gas to South Africa by pipeline from Mozambique. A decline in output from Sasol's Mozambique fields could be covered by imported LNG.

FERC approves new waterbody crossing plan for gas pipeline

(S&P Global Platts; April 11) - The Federal Energy Regulatory Commission has approved Mountain Valley Pipeline's request to change water crossing methods in a decision that clears an obstacle for the long-delayed gas pipeline project in Virginia and West Virginia. FERC on April 8 amended its original permit issued in October 2017 to allow the developer to bore under wetlands and waterbodies along more than 70 miles of the pipeline route instead of using the previously approved open-cut method.

"Mountain Valley's usage of trenchless waterbody crossings will result in fewer environmental impacts than the crossing method that the commission approved under the original certificate," FERC Commissioner Richard Glick and fellow Democratic Commissioner Allison Clements wrote in a concurring statement. The 304-mile gas pipeline project, capable of moving 2 billion cubic feet of gas a day, is almost complete, but litigation and permitting challenges have delayed work on the final segments.

The FERC authorization is conditional pending new approvals from the U.S. Fish and Wildlife Service, U.S. Forest Service and U.S. Bureau of Land Management, and a water-crossing permit from the U.S. Army Corps of Engineers. Equitrans Midstream, which leads the joint venture developing Mountain Valley, disclosed a $1.9 billion impairment to its investment in February and said it expected to miss a summer in-service date because of court rulings. Executives of the company also said they could not provide an update on the timeline for bringing the project online or its overall cost.

Japan will need replacement fuels as it phases out Russian coal

(S&P Global Platts; April 11) - Japan's abrupt announcement to phase out and ultimately ban Russian coal imports will have impacts across commodities — especially LNG and fuel oil as alternative coal supplies from its major sellers Australia and Indonesia grow tight, sources told S&P Global Commodity Insights on April 11. Market sources trading Indonesian and Australian coal said that replacing Russian supply with Indonesian or Australian coal may not be easy due to inelasticity of supply from these two countries and as new demand sources from Europe come to the fore.

Russia was the second-largest thermal coal supplier and third-largest coking coal supplier to Japan in 2021, when it supplied 12% and 8% of the country's thermal coal and coking coal imports, according to finance ministry data. Japan's move to phase out Russian coal imports would have an impact on local power utilities' LNG procurements, with some companies already moving to buy fuel oil as an alternative, sources said.

Japan will impose a ban on coal imports as part of additional sanctions against Russia following the latest commitment by leaders of the G-7 nations, marking the country's first commitment to curb any commodity imports from Russia. While Japan has not disclosed the timeline for the phase-out and ban of Russian coal, Japanese power utilities have started seeking alternative coal supplies, with some assessing impact on their LNG procurements, sources said. If half of the Russian thermal coal supply were to be replaced by LNG, Japan would require two or three more cargoes of LNG per month.

Osaka Gas will provide technical help for Australian hydrogen project

(Reuters; April 12) - Osaka Gas said April 12 it will provide technical support for a $10.75 billion green hydrogen project in the Australian Outback and will consider potential investment in the future. The Desert Bloom Hydrogen project, backed by Singapore-based Sanguine Impact Investment Group, will use a unique technology to suck water out of the air and solar power to split the water to make green hydrogen — hydrogen generated by renewable energy — in the Northern Territory desert.

Osaka Gas has agreed to contribute project management, engineering and technical support, manage hydrogen sales and negotiate with equipment manufacturers, the project developer said. "We may invest in the project in the future, but there is no concrete investment plan from our end now," a spokesperson at Osaka Gas said, adding it will provide help by leveraging its expertise in gas production and hydrogen-related businesses. Hydrogen is seen as a clean alternative to burning fossil fuels.

If it goes ahead as planned, the project could be the first producer of green hydrogen in Australia, planning to start up in 2023. Desert Bloom will start small, using Aqua Aerem's 2-megawatt production units. The initial work, which the company said in December would cost A$1 billion ($743 million), will produce one ton per day of hydrogen. To reach its target of more than 1,100 tons a day for local use and exports, the project plans to scale up and drive down production costs.

World's top trader will stop buying Russian crude by end of the year

(Bloomberg; April 12) - Vitol Group, the world's top independent oil trader, intends to completely stop trading Russia crude and refined products by the end of this year. Volumes of Russian oil handled by Vitol "will diminish significantly in the second quarter as current term contractual obligations decline," a Vitol spokesperson said by email. It intends to cease trading crude and products unless directed otherwise.

The Geneva-based firm reiterated that it will not enter into any new Russian crude and product transactions. Since Russia's invasion of Ukraine, the company has stressed that its purchases have been part of pre-existing contracts. Vitol's announcement came after an adviser to Ukrainian President Volodymyr Zelenskiy wrote to the heads of Vitol and other merchant traders, asking them to terminate business dealings with Russia's fossil fuel industry to cut off the cash flow helping to finance the invasion.

Companies across the world have come under increased pressure from governments and shareholders to sideline Moscow. BP, Shell and ExxonMobil have announced plans to abandon their stakes in investments in Russia as they take steps to halt dealings with the nation. Many European banks have curbed financing for Russian commodities. Privately held trading firms such as Vitol and Trafigura, as well as Glencore, have continued to load and sell Russian crude since the war broke out in late February.