Oil and Gas News Briefs
Compiled by Larry Persily
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Goldman Sachs cuts its oil price forecast by 10%

(CNBC; June 12) - Goldman Sachs analysts slashed their oil price forecast by almost 10% on the back of what they see as increasing supply and slower demand for crude. According to a report released late June 11, the investment bank lowered its Brent outlook for December to $86 a barrel, down from $95 a barrel. In the same report, Goldman also revised its U.S. benchmark West Texas Intermediate price forecast for December, down from $89 per barrel to $81.

The revised projection marks Goldman's third downward revision in six months, and comes in spite of last week's announcement that OPEC kingpin Saudi Arabia is cutting production by an additional million barrels per day, effective July. Overall, the oil cartel made no changes to its planned oil production cuts for the rest of the year. "Significant supply beats from Iran and Russia have driven speculative positioning to near record-lows," Goldman analysts said in the research report.

Russia's oil production has remained resilient even in the face of Western sanctions, with Deputy Energy Minister Pavel Sorokin in April ascertaining that Moscow's oil production will remain stable until 2025, according to the Neftegazovaya Vertikal magazine. After an initial sharp drop of 1.5 million barrels per day, "Russian supply has nearly fully recovered despite the decision by many companies to stop buying Russian barrels," Goldman's economists said. The bank made upward revisions for oil supply coming from sanctioned countries Russia, Iran and Venezuela.

Oil prices decline for the week, despite Saudi production cut

(Bloomberg; June 9) - Oil posted a weekly decline as demand concerns continue to dominate market sentiment even after Saudi Arabia's unilateral pledge to cut production. West Texas Intermediate settled near $70 a barrel, closing out the week lower than where it last stood before Saudi Arabia's surprise weekend announcement. The commodity clocked a 2% weekly decline even with the wild gyrations set off by dueling international headlines. Riyadh's surprise decision to cut output by about 1 million barrels caused a short-lived rally that was whittled away by demand fears.

The U.S. benchmark has fallen about 14% from a mid-April peak on signs that China's recovery is stalling and the U.S. will need to keep raising interest rates to lower inflation. Also, Russia's oil exports have been more resilient than anticipated, adding to supply and helping to hold down prices.

Saudi announcement took many in OPEC+ by surprise

(Reuters; June 9) - Saudi Arabia kept under wraps its plan to make a deep cut to its oil output during a weekend of OPEC+ talks in Vienna, several OPEC+ sources said, with some member states only learning about the reduction from the final news conference. Saudi Arabia is the top OPEC producer and the member with the most flexibility to raise or cut output, giving the kingdom unrivalled influence over the oil market — although the impact on oil prices since announcing its plans has been modest so far.

Saudi Energy Minister Prince Abdulaziz bin Salman has previously used the power of surprise in managing oil markets, where prices are under pressure due to concerns of the weakened global economy and its impact on demand. Four OPEC+ sources, who were among their countries' delegations involved in policy talks, said they only heard details of the Saudi cut at the June 4 news conference — the idea of a cut didn't come up during a weekend of discussions on a broader deal to limit supply into 2024.

"No information on the additional cut was shared prior to the press conference," one of the four sources said. "It was a surprise one, once again." Saudi Arabia said it would cut output in July by 10% or 1 million barrels per day to 9 million and may extend cuts further if needed. Meanwhile, OPEC+ agreed to extend cuts into 2024 but didn't commit to any fresh reductions in 2023. Saudi Arabia recognized it would be difficult to secure cuts from others such as the UAE and Russia, which according to sources in the days before the meeting were reluctant to cut output further.

Shell expected to scrap target of cutting oil production

(Reuters; June 9) – Shell will keep oil output steady or slightly higher into 2030 as part of CEO Wael Sawan's efforts to regain investor confidence as the energy giant wrestles with poor returns from renewables while oil and gas profits are booming, company sources said. Sawan will announce at an investor event this coming week the scrapping of a target to reduce oil output by 1% to 2% per year, having already largely hit its goal, mainly through selling oil assets such as its U.S. shale business, the three sources said.

Sawan, who took the helm in January with a vow to improve Shell's performance as its share price lags rivals, said oil and gas will remain central to the company for years to come, insisting that efforts to shift to low-carbon businesses cannot come at the expense of profits. His more cautious approach to the energy transition marks a change in tack from his CEO predecessor Ben van Beurden, who had introduced Shell’s carbon reduction targets and energy transition strategy.

Shell scrapped in recent months several projects, including offshore wind, hydrogen and biofuels, due to projections of weak returns. It is also exiting its European power retail businesses, which were seen only a few years ago as key to its energy transition. At the same time, Shell reported record profits of $40 billion last year on the back of strong oil and gas prices. Shell declined to comment. Sawan, who previously headed Shell's oil, gas and renewables divisions, will detail his vision on June 14 in New York.

U.K. has a plan to end windfall tax on oil and gas companies

(Reuters; June 9) - Britain’s windfall tax on oil and gas producers will not be applied if prices drop below certain levels for six months in a row, the finance ministry said on June 9, in a move the government hopes will boost the nation’s energy security. The energy profit levy was introduced in May last year after a jump in energy prices resulting from Russia’s invasion of Ukraine, but the industry has warned that the high tax level could lead to reduced output in the long term.

The overall tax burden was raised in November to 75%. It has raised 2.8 billion pounds ($3.51 billion) so far, the finance ministry said. With the changes, the windfall tax would fall away and the tax rate would return to 40% if average oil and gas prices fall to or below $71.40 a barrel for oil for two consecutive quarters. However, the government said price forecasts by the Office for Budget Responsibility suggest the price floor mechanism is unlikely to be triggered before the windfall tax end date in March 2028.

Benchmark Brent crude oil prices have fallen from a March 2022 peak of about $139 a barrel in the wake of Russia’s invasion of Ukraine to about $75 a barrel currently, and have traded in a range between about $70 and $89 a barrel so far this year. Oil and gas producers in the U.K. North Sea have said the levy would result in cuts to their investment in the basin. TotalEnergies and Shell broadly welcomed the government’s announcement on June 9, and said they were analyzing details.

Shell plans long-term growth in LNG business

(Bloomberg; June 12) - Shell sees a long-term role for natural gas in the world’s energy mix and aims to expand in key growth markets as CEO Wael Sawan revises the company’s strategy. Liquefied natural gas teams are being urged to do more business in China and India, and the company is providing higher bonuses for deals struck in those and other target nations, according to people who have been briefed on the plans.

Shell will examine investment opportunities for LNG export facilities or long-term supply deals, according to the people, who asked not to be named as the details are private. “We have always known that gas is crucial for the energy transition, but our new strategy is built around a new belief — that gas will continue to play a key role in the energy mix,” Cederic Cremers, an executive vice president for LNG at Shell, said in an internal memo seen by Bloomberg News.

Shell declined to comment. Sawan, who became CEO in January, is scheduled to update investors on June 14 at a Capital Markets Day. His plan comes after the performance of Shell's integrated gas business helped lift first-quarter profit, and follows the unit's record annual performance last year when LNG was boosted by Russia's decision to cut pipeline supplies to Europe. It also comes as the wider sector reassesses the pace of its shift away from fossil fuels.

Louisiana LNG project customers want their gas

(Reuters; June 9) - Venture Global LNG is sparring with two customers over mechanical failures that have prevented commercial deliveries a year after initial shipments began from its liquefied natural gas export terminal in Louisiana. The dispute — over what constitutes commercial operation — underscores the huge profits available to providers last year as demand soared for U.S. LNG and prices nearly tripled. It also shows newer, highly modular plants have not escaped the delays that plagued earlier LNG projects.

A year after the first cargo left the docks, Venture Global said the plant's on-site power supply facility required "extensive repairs" that would delay commercial operations. The shipments to date have been "pre-commercial," outside its contracted volumes because of the phased start-up. Still, Venture Global shipped at least 128 cargoes in the 12 months to March, mostly to Europe at a time when spot prices were at all-time highs.

Italian electric utility Edison in May brought an arbitration proceeding against Venture Global over its failure to supply cargoes. Spanish energy firm Repsol has challenged the company in an appeal to the U.S. Department of Energy for failing to provide it with cargoes. Venture Global's Calcasieu Pass terminal uses a modular design that stitches together 18 liquefaction units with a total capacity of 12 million tonnes of LNG per year.

Edison and Repsol signed purchase contracts with Venture Global in 2017 and 2018, respectively. Last year, LNG spot prices jumped to $89 per million Btu in August from $23 per in February when Russia invaded Ukraine. The cargoes that Venture Global have consistently sold as pre-commercial supplies have irked contract customers who believe the company has taken advantage of high spot prices at their expense.

Louisiana shrimpers fear being pushed out by LNG terminals

(KPLC-TV; Lake Charles, LA; June 7) - Cameron, Louisiana, has been home to a thriving fishing and shrimping industry since the 1800s, but will it always be that way? Some of the fishers and shrimpers have a bleak outlook about their future as the liquefied natural gas export industry grows. Shrimper Phillip "Rooster" Dyson's family has shrimped for generations, but he said they are being squeezed out by the booming growth of LNG export terminals. He doesn't think the fishing industry will last.

“I don’t think much longer, maybe another year or two if you’re lucky. I mean the strong will survive, maybe. If something don’t start changing, I mean it’s all about the (LNG) plant and nothing about the fishing industry,” he said. There are some clearly in the way of Venture Global’s Calcasieu Pass LNG plant expansion. Travis and Nicole Dardar await a buyout they can accept. “Nobody should have to live next to this and now they’re trying to build 350 to 400 feet from our house,” Nicole Dardar said.

Bucket Brigade Executive Director Anne Rolfes said the growth of the LNG industry is killing the area’s way of life. “Cameron Parish is Louisiana shrimping. Cameron Parish is the soul of the Louisiana fishing industry and it’s threatened now. There’s a giant axe over the fishing industry in this part of the state and we’re trying to save it,” Rolfes said. The Cameron Jetty Pier was a favorite place for recreational fishing, but it’s gone now. Venture Global LNG needed the space and built a pier nearby.

Smaller B.C. LNG project expects production start-up in 2027

(Reuters; June 9) - Enbridge's Woodfibre LNG partnership in British Columbia is on track to enter service in 2027, Cynthia Hansen, president of gas transmission and midstream at the Canadian energy company, said on June 8. Hansen told Reuters at the Reuters Global Energy Transition conference that "Woodfibre LNG will be interesting this summer as they get to that milestone of finalizing our investment."

The milestone will come when Woodfibre completes 60% of the engineering, which should allow major construction to start around September. Enbridge owns 30% of the C$5.1 billion Woodfibre LNG project. The remaining 70% is owned by Pacific Energy, which is part of the Singapore-based RGE group of companies. The project is underpinned by two long-term off-take agreements with a unit of oil major BP for 15 years, representing about 70% of the project's capacity.

Woodfibre is designed to produce about 2.1 million tonnes per year of LNG, which is equivalent to about 280 million cubic feet per day of natural gas. The project, at the site of a former pulp mill about 30 miles north of Vancouver, has been in the proposal and planning stages for almost a decade. It would be the province’s second LNG terminal. The Shell-led LNG Canada project in Kitimat, B.C., almost six times larger than Woodfibre, is expected to start operations around 2025.

Russian official confirms LNG discussions with Asia-Pacific nations

(Reuters; June 8) - Russia has been in discussions with Asia-Pacific countries about new long-term contracts for supplies of liquefied natural gas, as well as their possible investment in LNG plants, Deputy Prime Minister Alexander Novak said on June 8. Russia has been diversifying its business away from Europe, its traditionally biggest trade partner, due to the wide political fallout and Western sanctions imposed following the start of Russia’s war on Ukraine.

Novak said in his column for the Energy Ministry's in-house magazine that cooperation over LNG projects has been developing with partners from the Asia-Pacific. "The possibility of signing new long-term contracts for the supply of LNG, including from future projects, as well as equity participation in a number of LNG enterprises is being discussed," he said.

China's Silk Road Fund already has a 9.9% stake in Russia's Yamal LNG plant, while China National Petroleum Corp. owns a 20% stake. Russia also plans to expand capacity of its key oil pipelines by 32 million tonnes per year by 2026 as it seeks to forge closer ties with Asia, Novak said. He said Rosneft would send 30 million tonnes (600,000 barrels per day) of oil to China via the Skovorodino-Mohe pipeline this year.

Work continues building ice-capable LNG carriers for Russia

(High North News; June 8) - Satellite images reveal that despite obstacles created by Western sanctions, a new fleet of ice-capable liquefied natural gas carriers for Russia is taking shape. Images show at least eight Arc7 carriers for Novatek’s Arctic LNG-2 project at the Zvezda shipyard in Russia and Okpo shipyard in South Korea. Currently, 15 specialized Arc7 carriers shuttle along the Northern Sea Route for the Yamal LNG project. For Novatek’s next plant, Arctic LNG-2, the company looks to double that figure.

In 2020, Novatek placed a number of orders with foreign shipbuilding companies Daewoo Shipbuilding & Marine Engineering and Samsung Heavy Industries, as well as domestic shipyard Zvezda in the Far East. Following economic sanctions in 2022, Daewoo canceled a contract with Sovcomflot for three ships due to non-payment and halted construction. French company GTT, crucial for the completion of gas storage membranes inside the LNG carriers, also left the project.

European marine engine makers MAN and Wärtsilä also stopped providing products to Russian companies, including the Zvezda shipyards. While the exact status of vessels remains unknown, sources at Daewoo report that three vessels will be ready by the end of 2023, only a few months later than planned. Progress at Zvezda also appears steady. Reports last year indicated that three Arc7 carriers under construction in Russia were around 50% complete, when sanctions took effect in mid-2022. These vessels now appear fully built. Arctic LNG-2 is scheduled to start initial production late this year.

Russian icebreakers escort LNG carrier through Northern Sea Route

(Barents Observer; Norway; June 9) - The Russian icebreaker Sibir had been waiting several days in the eastern part of the Kara Sea when on June 6 it teamed up with the LNG carrier Fedor Litke and another icebreaker, the Arktika, in a convoy to a northeast Asia port. Shortly after that, the three vessels approached Vilkitsky Strait, the 80-mile-long passage between the Russian mainland and archipelago of Severnaya Zemlya.

The Vilkitsky Strait is considered one of the trickiest passages for ships sailing on the Northern Sea Route. Sea ice lies thick across the area through most of the year, and conventional ships normally need assistance from powerful icebreakers to make it through. As the vessels now break their way into the strait, there is still a solid ice sheet covering the waters. Although the Fedor Litke is capable of pushing its way through 5-foot-thick ice, it is being escorted by two of Russia's most powerful icebreakers.

Maps from the Russian Arctic and Antarctic Research Institute show that there is sea ice across almost the whole Russian Arctic, from the Kara Sea in the west to the Chukchi Sea in the east. In parts of the Laptev Sea and East Siberian Sea, there are belts of multi-year ice that are far harder to navigate through than the one-year old sheet. Russia has ambitions to start year-round sailing on the Northern Sea Route. But so far, there is a long way to go before the country has the icebreaking capacities needed.

Novatek reportedly offered to help Argentina build LNG plant

(Reuters; June 9) – Novatek, Russia's largest producer of liquefied natural gas, last year offered technology to build a plant to produce gas from Argentina's Vaca Muerta field, a highly placed source familiar with the proposal said, though the talks have since broken off. The source said Novatek proposed to help implement Argentina's plans to build a plant to liquefy gas from Vaca Muerta, a massive shale formation in western Argentina.

According to the source, Novatek told Argentina's government it has developed a method of constructing LNG plants atop concrete-based structures for placement in shallow offshore waters. Novatek is developing its Arctic LNG-2 project with such structures that will sit on the seafloor, with production equipment on top. "There are no negotiations (with Novatek)," Argentina's energy secretariat said in response to the query about the offer by the Russian company. Novatek did not reply for comment.

In September, Argentina's state oil company YPF and its Malaysian counterpart Petronas inked a deal to build a major pipeline and LNG plant for exports. Novatek's approach indicates Moscow's ability to develop, at least partially, its own large-scale LNG-production technology, which had been exclusively provided in Russia by Western companies before they withdrew from the country last year due to the war in Ukraine. It also highlights Russian businesses' drive to expand their global reach as far as Latin America after President Vladimir Putin urged business to pivot away from the West.

Multiple green energy projects push the limits of available workers

(CBC News; Canada; June 8) - A lot of questions remain about the feasibility of Newfoundland and Labrador's tidal wave of green hydrogen proposals, but there's one quandary that stands out for the companies bidding to start these massive projects. It's not the technology or economics which remain unproven at the scale being proposed. It's not the costs, despite preliminary price tags in the billions. It's a question of who will build the things if the province approves multiple projects at the same time.

"That's the one that keeps me up at night," said Sam Imbeault, the man heading up Everwind Fuels' massive proposal for the Burin Peninsula. Imbeault said a two-gigawatt wind project, such as the one his company is proposing, could require up to 5,000 workers during the construction stage. Some of those might last two weeks, he said, while others could last two years. Still, the number represents one-third of the skilled tradespeople currently in Newfoundland and Labrador.

The first phase of World Energy GH2's plan for the Stephenville and Port au Port area would create 2,500 direct and indirect jobs. Another proposal in the Stephenville region would add an additional 2,000. A proposal by the Exploits Valley Renewable Energy Corp. would require 2,000 more workers. There are now 24 of these proposals, with job estimates in construction ranging from hundreds to thousands. "If you have too many competing projects at the same time, you'll max out your capacity domestically and the price of these projects will skyrocket and it'll jeopardize all of them," Imbeault said.

Italian renewables company plans green hydrogen plant in Brazil

(Argus Media; June 7) - Italian renewables company EN.IT plans to develop a renewable hydrogen project in the Brazilian state of Rio Grande do Sul. The plant is planned to produce 240,000 tons per year of green ammonia to serve the domestic and international markets, with production to start in January 2027. An 870-megwatt onshore wind farm will provide power to the facility.

The venture will be located on Brazil's southernmost state. Suitable infrastructure, strong industrial activity and support from the local government are factors that attracted EN.IT to the state, the company said. It said other advantages are "direct access and availability to the water, a good wind resource and presence of many industries involved in the fertilizer sector in which ammonia can be used as feedstock." The company is developing other green hydrogen projects in the Dominican Republic and Morocco and expects to reach five gigawatts capacity across its green hydrogen projects by 2035.

Tokyo Gas considering energy options to renewing LNG deals

(S&P Global; June 8) - Tokyo Gas will seriously weigh whether to renew long-term LNG supply contracts over the coming years and also consider new supply options as 2050 net-zero targets come more into focus, the new head of the utility said. "We will be entering a phase to give serious consideration for (expiring contracts) with various projects," Tokyo Gas CEO Shinichi Sasayama told S&P Global Commodity Insights.

Sasayama highlighted the quandary the company faces in seeking a balance between limiting its exposure to LNG supply risk and price volatility while moving toward decarbonization under Japan's national target of reaching net zero by mid-century. "What agonizes us is because traditional long-term contracts span over 20 years, if we sign 20-year contracts (for LNG supply) from 2030, we will be in 2050 when we need to be net-zero by then," Sasayama said.

Tokyo Gas, meanwhile, is embarking on developing its supply chain of e-methane produced using carbon dioxide-free hydrogen as part of decarbonization efforts, already having established production and scale-up technologies, he said. Securing cost-competitive hydrogen remains a key hurdle, including sites with cheap renewable energy for producing hydrogen. Together with other Japanese utilities, Tokyo Gas sees a proposed project at the Cameron LNG facility in Louisiana as competitive, given its abundant access to renewables and existing infrastructure, Sasayama said. "For this one, we are considering making a final investment decision in the end by around 2025."

South Korea takes bids for hydrogen-fueled electrical power

(Argus Media; June 9) - South Korea has opened what it describes as the world's first hydrogen power bidding market, according to the country's Ministry of Trade, Industry and Energy. There will be two bidding rounds this year, with one that will start on June 9 and the other in the second half of the year. The first round's bidding volume of 650 gigawatt hours is half of the year's total.

The hydrogen power generation bidding market will allow power producers to sell electricity generated from hydrogen or hydrogen compounds to state-owned Korea Electric Power and other domestic power utilities. South Korea's government views the introduction of hydrogen power generation as essential to achieving nationally determined targets to cut greenhouse gas emissions.

The ministry expects the bidding market to promote competition among hydrogen power generation technology, reducing the unit price of power generation. Successful bidders will be selected in mid-August, after the ministry evaluates the offers, the impact on the power system, as well as industrial and economic contributions.

Japan advises Tokyo residents to help conserve power

(Bloomberg; June 9) - Tokyo residents are again being urged to conserve power to avoid shortages, as the nation continues to grapple with the fallout of last year's energy crisis. Japan's Agency for Natural Resources and Energy asked the capital's households and businesses to rein in electricity use during July and August, according to a notice. Power reserves are expected to fall to "severely" low levels during those months, and an unexpected plant outage or hot weather could quickly tighten supply.

Despite natural gas and coal prices falling from last year's record high levels, governments and utilities are still warning of future supply crunches. The energy savings measures in Japan, one of the world's biggest buyers of liquefied natural gas, could help reduce its fossil fuel needs and put more pressure on overseas prices. The government made similar, successful appeals last winter and summer.

Residents are being urged to reduce use of energy-intensive appliances from dryers to toasters but are advised to keep using air conditioners if there is risk of heatstroke during the hot summer months. Japan's LNG imports in May fell to the lowest level in two decades due in part to the conservation efforts.

Last of century-old oil piers removed in California

(KSBY TV; Santa Barbara County, California; June 5) - State and local leaders gathered on Haskell's Beach in Goleta, California, on June 5 to celebrate the removal of the last old oil-producing piers in California. "Thirteen oil piers once dotted this beautiful beach. Today, as you can see, there are none," said California Lt. Gov. Eleni Kounalakis at a press conference on the beach. The oil piers had been standing since the late 1920s.

"In those days, the oil industry was completely unregulated. Folks came, they dug holes. They didn't care at all about the consequences of that. Folks would put pipes in the sand and take the natural gas that would leak into that sand and light it as flares," Assemblyman Greg Hart said. Although the piers on Haskell's Beach had been inactive since the 1990s, state officials say the decades of compiled waste and oil spillage from their prior use continued polluting the California coastline.

"As a kid, my siblings and I would go to these beaches and we would get so laden with tar way back then because of the oil that my mom would use lighter fluid to clean it off of us before we could go into the house," recalled Santa Barbara County District 2 Supervisor Laura Capps. The State Lands Commission was able to pull together resources financed by the state to plug abandoned wells and remove the legacy piers. In the early 1900s, a large latticework of oil-producing piers and onshore storage and processing facilities spanned the Santa Barbara coastline.

Enbridge cuts rates on oil line from Alberta to U.S. Gulf Coast

(Bloomberg; June 5) - A pipeline price war is brewing in Canada, with Enbridge cutting rates it charges producers to ship crude on its Mainline system before a rival line starts up next year. The cost to send heavy crude from the Canadian hub of Hardisty, Alberta, to terminals in Flanagan, Illinois, will fall 12% to about $4.58 per barrel on July 1, based on current exchange rates, Calgary-based Enbridge said in a regulatory filing. Flanagan is a key stopping point for Canadian oil on its way to refiners on the U.S. Gulf Coast.

Canadian oil producers, who have suffered from a shortage of pipelines for years, will have more than they need when an expansion of the Canadian government-owned Trans Mountain conduit starts operation early next year. Enbridge has acknowledged that the project — which will roughly triple the capacity of the line and connect Alberta's oil sands to markets in Asia through an export terminal near Vancouver, British Columbia — will siphon some business away from its Mainline system.

"The new (Mainline) tolls will help to make our liquids system even more competitive and will allow us to better compete for every barrel," Enbridge spokesman Jesse Semko said. Most of the 590,000 barrels of additional daily capacity on Trans Mountain will be reserved under long-term contracts, and it offers producers the prospect of diversifying their sales away from U.S. refiners. By contrast, the 3-million-barrel-a-day Mainline doesn't offer long-term contracts and connects to Gulf Coast refiners that already take the majority of Canada's crude.

Canadians speculate on motives behind Irving Oil's strategic review

(CBC News; Canada; June 9) - Irving Oil's motives remain a mystery to many industry watchers, including David Campbell, an economic development consultant and a former chief economist for the New Brunswick government. On June 7, the Saint John, New Brunswick-based company announced a strategic review that would contemplate a "full or partial sale." Campbell said the announcement was "kind of strange." Irving Oil has about 4,000 employees and operates Canada's largest refinery, which processes 320,000 barrels a day.

With such a tight-lipped privately held company, Campbell said he has "no idea what the motivation would be" to raise the specter of a sale, but he has a hunch. "We do know that over the next 20 or 30 years, there's going to be less oil refined, and so they need to figure out strategically what their role is. With all the uncertainty around refining, perhaps they want to get out while the going's good," said Campbell. And they may want to use the capital built up in the company for another venture.

"One of the options that many of us were hoping they would do is deploy that capital in other energy-related sectors like hydrogen … [or] other new energy-related opportunities, and maybe they still would do that," Campbell said. Because of the size of Irving Oil and the hefty price tag that it will command, Campbell said potential buyers are likely not going to be Canada-based.