# Oil and Gas News Briefs
# Compiled by Larry Persily
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## China's oil majors drive multibillion-dollar push to boost production

(Bloomberg; Nov. 4) - Some 12 miles from the port of Tianjin, in the waters of the Bohai Sea, a vast metal structure rises above the surface. This hulking offshore platform, 11-1 CEPJ, is the beating heart of the Caofeidian oil and gas field — which produces more than 650,000 barrels of oil equivalent a day — about a tenth of China's output. The platform is a monument to the country's multibillion-dollar efforts to boost production. China has long sought to reduce the risk that comes with being both the world's top consumer and largest importer of energy. The urgency and scale of that ambition have increased dramatically in recent years and months, along with geopolitical tensions.

Since 2019, when the latest output expansion drive began in earnest, China's majors have spent $468 billion on drilling and exploration — that's up by almost a quarter from the previous six years, and enough to make PetroChina the world's biggest spender during that period, outpacing even heavyweights like Saudi Aramco. China still consumes far more than it produces, and that is unlikely to change any time soon. But today it ranks No. 7 in crude production, ahead of many members of the Organization of the Petroleum Exporting Countries, and No. 4 in natural gas.

That clout speaks to the evolution of China's oil majors, all of which have expanded dramatically in size and sophistication. "The Chinese oil majors have surprised not just the market, but they've surprised themselves by exceeding production targets," said Michal Meidan, director of China research at the Oxford Institute for Energy Studies. "It gives China a sense of control, especially as oil demand is declining." It was a similar message from Erica Downs, senior research scholar at Columbia University's Center on Global Energy Policy: "China is putting a greater emphasis on self-reliance — in technology, in energy, in everything. … Energy security is still job number one."

## Sanctions push record volume of oil into at-sea storage

(Reuters; Nov. 5) - Western sanctions on Russia and Iran are creating record volumes of oil stored onboard vessels, preventing a supply glut from forming in global markets, Gunvor Group's CEO said on Nov. 5. The European Union, U.K. and the U.S. have imposed a raft of sanctions against Russia over its war in Ukraine, with the latest U.S. embargo targeting Russia's two top oil producers Rosneft and Lukoil last month.

Surplus oil supply has cushioned the impact of trade disruptions caused by the sanctions, keeping markets stable and reducing price volatility, Torbjorn Tornqvist, CEO of Swiss-based commodities trader Gunvor Group, told the ADIPEC energy conference in Abu Dhabi. However, the sanctions have also led to an "enormous amount" of oil that is dislocated and some of that is being held on tankers, he added. "This is unprecedented, the size of that. Therefore, obviously, if all sanctions would disappear, this market would clearly be quite oversupplied," Tornqvist said.

Oil supply could exceed demand by 2 million barrels per day next year, Marco Dunand, CEO and co-founder of global energy and commodity group Mercuria, said at the conference, but added that Western sanctions remain a wild card in curbing supply. "That probably means that from a 2-million-barrel-a-day surplus we move more into the 1-million-barrel-a-day surplus," Dunand said. "It is true that the (global oil) inventories are low. It is also true that oil on the water is high, so the (supply) glut is forming slowly and probably going to hit the market in the next few months."

## OPEC head calls shift away from energy transition ‘music to my ears’

(CNBC; Nov. 4) - Fossil fuel leaders have welcomed a paradigm shift in the narrative regarding the energy transition. Speaking on the sidelines of the Abu Dhabi International Petroleum Exhibition and Conference (ADIPEC), OPEC Secretary General Haitham Al Ghais said there has been a “big shift” in the way industry leaders and policymakers are now talking about meeting rising global energy demand. “Three years ago, it was all about energy transition. Energy transition, climate change (and) get rid of fossil fuels. Today, it’s about (how) we have to have a balanced approach,” Al Ghais said.

“So, it’s a very different tone, which … I must say, sounds like music to my ears because this is what OPEC’s been advocating for the last two, three, four years actually,” Al Ghais said Nov. 4. His comments were echoed by several industry players at the UAE’s annual oil summit, with many championing the concept of “energy addition” to secure supply and accommodate new demands from sectors like artificial intelligence. Energy addition refers to a push to develop new technologies, such as renewables like solar and wind, in parallel with existing fossil fuels.

UAE Minister of Industry and Advanced Technology Sultan al-Jaber, who also serves as CEO of UAE oil giant ADNOC, said renewable energy is on track to more than double globally by 2040, with liquefied natural gas demand to grow by 50% and oil set to stay above 100 million barrels a day. “This all adds up to something far more complex than a single-path energy transition. … What we are talking about here is reinforcement, not replacement. What we’re really talking about here is energy addition.”

## Western oil majors profit from market turmoil around Russia

(Reuters commentary; Nov. 3) - Western oil companies are enjoying a windfall from the attacks on Russia's oil industry — both literal and economic — that have boosted global refining profit margins and mitigated concerns over a looming supply glut. Waves of Ukrainian drone strikes on Russia's network of refineries and export terminals since July have hammered the country's exports of refined fuel. Russia's seaborne refined product exports in September dropped by 500,000 barrels per day from their 2025 highs to around 2 million barrels per day, the lowest level in five years, according to Kpler data.

Curtailed Russian exports have boosted refining margins, benefiting energy giants like Shell, ExxonMobil, Chevron and France's TotalEnergies, which jointly operate nearly 11 million barrels per day, over 10% of global refining capacity. The companies posted a combined 61% rise in profits from refining operations in the third quarter compared with the previous quarter. Stronger refining earnings will help offset declines in oil prices as the market appears to enter a period of significant global oversupply of crude.

The volatility in energy markets created by Western sanctions on Russian oil exports and other geopolitical conflicts has also benefitted the trading divisions of the oil majors, in particular Shell, BP and TotalEnergies. These trading desks can generate huge profits by rapidly responding to small changes in supply and demand. The targeting of Russia's oil and gas industry should continue to be a boon to Western oil majors, which benefit from large upstream production as well as sprawling refining and trading operations.

## Energy company CEOs warn U.S. sanctions could hit oil supply

(Bloomberg; Nov. 3) - Oil supply will be hit by U.S. President Donald Trump's sanctions on Russia's two biggest producers, according to the CEOs of major energy companies. The curbs on Rosneft and Lukoil, which account for about 60% of Russia's supply, will delay cargoes and slow down trade, TotalEnergies Chief Executive Officer Patrick Pouyanne said at the ADIPEC conference in Abu Dhabi on Nov. 3. The restrictions are serious and dampening supply, said BP boss Murray Auchincloss.

Trump's restrictions on the two Russian companies, intended to curb the energy revenue that funds Moscow's war in Ukraine, have already forced India and China to look for some alternative supply. That hasn't had a big impact on oil prices — which began and ended October near $65 a barrel. Still, there's reason "to be very cautious" about the latest measures, even though previous rounds of sanctions on Russia didn't cause major disruption to oil supply, Eni CEO Claudio Descalzi said in an interview.

"This didn't happen in the past years, but now if China and India said that they want to comply, it's quite different," Descalzi said. Indian processors, the top buyers of seaborne oil from Moscow, have been weighing up their options since U.S. authorities blacklisted

Rosneft and Lukoil. Now they are preparing for a lengthy hiatus in purchases. There are also signs that Chinese oil refiners are shunning Russian shipments.

## U.S. sets record with 10.1 million tonnes of LNG exports in October

(Reuters; Nov. 3) - The U.S. has become the first country to export 10 million tonnes of liquefied natural gas in a single month, according to preliminary data from financial firm LSEG. The U.S. exported a record 10.1 million tonnes of the liquid fuel in October, up from 9.1 million in September, LSEG data showed. Already the world's largest LNG exporter, the U.S. has been ramping up sales with four record-setting months in 2025.

The surge was led by the start-up of Venture Global's Plaquemines export plant in Louisiana and the ramp-up of Cheniere's Corpus Christi Stage 3 expansion project in Texas, the data showed. The Plaquemines facility sold 2.2 million tonnes last month, surpassing its previous high of 1.6 million in September, the data showed.

Cheniere's Corpus Christi facility exported 1.6 million tonnes, also a record for the plant. With the company’s Sabine Pass plant exporting 2.6 million tonnes in October, Cheniere sold a combined 4.2 million tonnes, or 42% of all of the LNG exported by the U.S. When completed, the Corpus Christi expansion will allow Cheniere to export more than 50 million tonnes per year starting in 2026, CEO Jack Fusco said in a recent earnings call Europe remained the prime destination for U.S. LNG, with nearly 69% of total exports.

## Qatar reports start-up next year of massive LNG expansion project

(Reuters; Nov. 3) - The CEO of QatarEnergy, one of the world's biggest liquefied natural gas producers, told Reuters on Nov. 3 that the company's massive North Field expansion project will produce its first LNG in the second half of 2026. The state-owned company said in May that first production at the field, which according to CEO Saad al-Kaabi was originally planned for the end of this year, would begin in mid-2026. Al-Kaabi attributed delays to slowdowns related to COVID restrictions earlier this decade, and not to geopolitical tensions.

"I'm still looking at somewhere in mid-2026, in the third, fourth-quarter 2026 maximum," Kaabi said in an interview on the sidelines of an energy conference. "It's looking quite positive. I think we are on track to meet that date. With these huge projects, it can move up and down a few months, but that's basically the range we're looking at." When at full production, the North Field is expected to produce 126 million tonnes of LNG per year by 2027, boosting QatarEnergy's output by some 65% from its current 77 million tonnes.

The project involves the construction of six industrial units that cool natural gas into liquid form for export by ship, which are commonly known as gas trains. Production will begin when the first train is operational, Kaabi said. QatarEnergy has not said when full production would be reached.

## BP alleged unfair behavior in its winning arbitration case over LNG

(Reuters; Nov. 4) - BP won its $1 billion-plus arbitration against U.S. liquefied natural gas producer Venture Global with an argument of unfair behavior by the company, said sources close to the matter, putting light on a strategy that could be used by claimants in parallel cases. BP won its case in October, two months after Shell lost a similar case when it failed to prove that Venture Global broke its long-term LNG contracts. Shell did not push the argument of unfair behavior in its arbitration, the sources said.

Lawyers across the industry have been chasing details of BP's winning strategy as four other companies seek billions from Venture Global. Unlike legal cases, arbitration awards are not precedent-setting, said Roberto Lipari, Europe's head of litigation and dispute resolution at law firm Dentons, meaning that similar cases can have different outcomes depending on how counsel presents the facts and arbitrators interpret them.

Shell, BP, Unipec, Edison, Galp, Repsol and Orlen all took Venture Global to arbitration in one of the biggest disputes in the history of the LNG industry. Combined claims from customers totaled $5.5 billion, Venture Global said in January before it won against Shell, lost against BP and settled with China's Unipec. The companies say Venture Global withheld cargoes that should have been delivered under long-term contracts.

Venture Global made billions of dollars by selling more than 400 LNG cargoes on the spot market between 2022-2025 as the loss of Russian gas supplies after Russia's invasion of Ukraine sent traders and industries in search of U.S. LNG. Venture Global argued that its Calcasieu Pass LNG plant in Louisiana was still in start-up mode and therefore it was not obliged to sell cargoes under long-term contracts. Venture Global argued that the plant only became fully operational in April this year.

## Louisiana judicial ruling raises questions about LNG approvals

(The Advocate; Louisiana; Nov. 3) - A first-of-its-kind ruling by a Louisiana judge has interrupted the state's rapid buildout of its liquefied natural gas export industry, raising questions over whether regulators will have to look more closely at the facilities' environmental impacts before granting permits. The recent decision struck down a key permit for an LNG plant over failing to consider the impacts of climate change, effectively halting construction for the multibillion-dollar project in Cameron Parish.

Environmental and community groups applauded the decision as an incremental win in an ongoing fight against the LNG export expansion in Southwest Louisiana, which they said will damage the coast and emit polluting fossil fuels. State officials, meanwhile, vowed to appeal the ruling and praised the federal government for giving the facility an extension of its deadline to start operations. Judge Penelope Richard of Louisiana's 38th Judicial District Court ruled Oct. 10 that state regulators are required by law to consider the impacts the terminal will have on the coastal zone and nearby towns.

The judge mentioned potential harms to "those living in poverty, and those who fish not only for recreation but for their livelihood." The decision invalidated a coastal-use permit that the state had granted to Commonwealth LNG, the company building the terminal. The approved facility is one of 13 LNG terminals existing, approved or proposed in Louisiana. Richard noted in her ruling that Commonwealth would be the third LNG facility on the Calcasieu Ship Channel, located near Lake Charles and the Texas line.

## Exxon, Qatar warn EU that sustainability law could shut off energy

(Reuters; Nov. 3) - Executives at two of Europe's top gas suppliers, ExxonMobil and QatarEnergy, on Nov. 3 warned they could stop doing business with the European Union if it does not significantly loosen a sustainability law that could impose fines of up to 5% of their global revenue. Exxon CEO Darren Woods told Reuters on the sidelines of the ADIPEC meeting in Abu Dhabi that the EU's Corporate Sustainability Due Diligence Directive would have "disastrous consequences" if adopted in its current form.

The directive requires companies doing business in the bloc to address human rights and environmental risks across their supply chains, and aims to hold companies accountable for harm even in operations outside Europe. "If we can't be a successful company in Europe, and more importantly, if they start to try to take their harmful legislation and enforce that all around the world where we do business, it becomes impossible to stay there," Woods said.

Qatar's Energy Minister Saad al-Kaabi, who is also QatarEnergy's CEO, told Reuters at the same conference that the gas giant has contingency plans in place if it decides to halt European shipments — a threat Kaabi has repeatedly warned is not a bluff. Speaking at ADIPEC on Nov. 3, Kaabi reissued a threat to halt supplying Europe with liquefied natural gas, saying it will not be able to continue doing business in Europe if the EU doesn't change or cancel the law. "We can't reach net-zero, and that's one of the requirements (of the EU law), among other hosts of things," said Kaabi.

## Canada moves to carbon pricing instead of oil and gas emissions cap

(Reuters; Nov. 4) - Canada could scrap a cap on oil and gas emissions in favor of other measures like strengthened industrial carbon pricing and deployment of carbon capture and storage technology, the government said in a budget plan unveiled on Nov. 4. The climate plan, disclosed as part of Prime Minister Mark Carney's first budget, said under those conditions, the cap “would no longer be required as it would have marginal value.”

Reuters reported in September that Canada was in talks with energy companies and the oil-producing province of Alberta about eliminating the emissions cap from the country’s oil and gas sector if the industry and province reduce their carbon footprint in other ways. Canada’s emissions cap was not enforced through legislation and not scheduled to take effect until 2030. It has been condemned by Canadian oil and gas companies that say it would result in lower production.

Carney has been criticized by some members of his own party for backing away from a focus on the environment. The Carney government said it remains committed to driving down greenhouse gas emissions and will work with provinces to strengthen the country's existing industrial carbon pricing system. The budget says a "pan-Canadian agreement" on carbon pricing will help increase investor certainty and the government will apply the federal carbon price to emitters in any province where local carbon-pricing efforts do not meet the standards of the federal system.

## Amid weak demand, Pakistan strikes deal to cancel 21 LNG cargoes

(Reuters; Nov. 4) - Pakistan has struck a deal to cancel 21 liquefied natural gas cargoes under its long-term contract with Italy's Eni as part of a plan to curb excess imports that have flooded its gas network, according to an official document and two sources. The document from state-owned Pakistan LNG to the country's Ministry of Energy dated Oct. 22 said 11 cargoes planned for 2026 and 10 for 2027 would be cancelled at the request of gas distributor SNGPL.

Only the planned January shipment in both years, and the December shipment in 2027, would be retained to meet peak winter demand, according to the document. Two sources familiar with the matter in Pakistan said Eni had agreed to the move under the contract's flexibility provisions. LNG is in strong demand globally, and suppliers typically stand to earn more by selling in the spot market than under long-term contracts.

Pakistan LNG's move marks one of the country’s most significant steps yet to rein in LNG purchases as rising renewable generation and lower industrial demand leave it with surplus imported gas. The sources said Pakistan was also in talks with Qatar about gas supplies from the Gulf state, with options including deferring some cargoes or reselling them under existing contract clauses. A supply glut has forced Pakistan to sell gas at steep discounts, curb local gas production, and consider offshore storage or reselling excess cargoes, according to government presentations reviewed by Reuters.

## Report warns oil-producing states to save for industry downturns

(Energy Wire; Nov. 4) - Texas and other oil and gas states that don't invest in long-term savings risk creating future financial challenges for residents during industry downturns, according to a new report. The study from researchers at the nonprofit Resources for the Future singled out Texas for its high reliance on oil and gas revenues from the Permian Basin without saving or investing much of those revenues for local government or state services — other than an education fund and a short-term rainy-day fund.

"Its strategy will support primary and higher education across the state but does little to protect other state or local public services," Daniel Raimi, a fellow at the environmental think tank and co-author of the report, said by email on Nov. 3. "In a world where oil and gas revenues are volatile and subject to deep uncertainty, states that do not invest with a long-term strategy are exposing residents to significant risks of declining public services, higher taxes, or both."

U.S. oil production has been at all-time highs in recent years, with record output levels during the Biden administration that have been eclipsed during the second Trump administration. But domestic crude production could peak in 2027, according to the U.S. Energy Information Administration.

## Qatar awards contract to build large-scale carbon storage project

(Rigzone; Nov. 3) - QatarEnergy has awarded Samsung C&T the engineering, procurement and construction contract for a carbon capture and storage project that will serve existing natural gas liquefaction facilities in Ras Laffan Industrial City. "The new project will capture and sequester up to 4.1 million tons of carbon dioxide per year, making it one of the world's largest of its kind and placing Qatar at the forefront of global large-scale carbon capture deployment, reinforcing its leadership role in providing responsible and sustainable energy," the state-owned energy company said.

QatarEnergy president and CEO Saad Sherida Al-Kaabi, who is also Qatar's energy minister, said, "All our LNG expansion projects will deploy CCS technologies, with an aim to capture over 11 million tonnes per year of CO2 by 2035." QatarEnergy aims to double its liquefied natural gas production capacity to 160 million tonnes per year through the North Field expansion projects in Qatar and Golden Pass LNG in Texas.

The Texas project will begin production by year-end, Al-Kaabi told the World Gas Conference in Beijing earlier this year. The first liquefaction train from the North Field East expansion project will start production by mid-2026. "As for North Field West, it is in the engineering phase and will be going into the construction phase somewhere in 2027," Al-Kaabi said. In a separate project, QatarEnergy also contracted Samsung C&T to build the 2,000-megawatt Dukhan solar power plant, which would more than double the nation's solar generation capacity.

## [Advocacy group calls out Louisiana LNG terminals for air pollution]

(Louisiana Illuminator; Oct. 31) - New research shows a continuous pattern of air pollution violations from liquefied natural gas export facilities in Louisiana. Three LNG export facilities in Cameron Parish are featured in a report from the Environmental Integrity Project, a nonprofit research organization. Sourced from federal and state data, the report documents federal Clean Air Act infractions spanning three years at Cheniere Energy's Sabine Pass LNG terminal, Venture Global's Calcasieu Pass LNG and the Cameron LNG export terminal in Hackberry.

Report author and Environmental Integrity Project research manager Alexandra Shaykevich spoke at a press event about the "terrible compliance record" for the LNG industry. Venture Global and Cameron LNG did not respond to requests for comment on the report. Cheniere Energy had no comment. Cameron Parish resident John Allaire lives within 30 miles of the three LNG facilities highlighted in the report — and six more that are planned or under construction. "I live in the eye of this LNG hurricane," Allaire said at a news conference this week announcing the report's release.

The violations include failure to report excess emissions and permit deviations to state regulators; exceeding allowed pollution limits for contaminants such as nitrous oxide, volatile organic compounds and sulfur dioxide; and failure to properly operate equipment meant to control pollution levels. Cameron LNG's Clean Air Act violations included at least 89 instances of excess pollution that released thousands of pounds of benzine, a known carcinogen, from the facility into the environment, according to the report's analysis of Louisiana Department of Environmental Quality records.

## [ConocoPhillips embarks on gas exploration drilling offshore Australia]

(Reuters; Nov. 3) - ConocoPhillips began drilling its first exploration well as part of a larger campaign searching for natural gas offshore eastern Australia, 3D Energi, its junior partner in the project, said on Nov. 3. Work began over the weekend on the Essington-1 well, which will take 32 days to drill down to 8,694 feet, 3D Energi said in a filing with the Australian Stock Exchange. The well is the first in the Otway drilling program to develop new gas for Australia's eastern domestic market, the company said.

Eastern and southern Australia are facing supply shortfalls before the end of the decade, causing tension between gas exporters and domestic manufacturers. The campaign represents one of the first major offshore exploration campaigns in East Coast waters in almost seven years, as the old fields in the Bass Strait offshore the state of Victoria run dry. Under the Otway program, Conoco will drill two wells this year, out of a total of six planned, and an option for four additional wells if needed.

The tight domestic eastern gas market has been a source of political tension for many years. An Australian Domestic Gas Mechanism trigger was introduced in 2017, limiting the export of spot LNG cargoes when gas was tight from the three liquefied natural gas projects in Queensland fed by the state’s onshore coal seam gas fields, with backup from Victorian gas supplies. ConocoPhillips is operator of one, Australia Pacific LNG.

## Marubeni says it will follow government guidance on Russian oil

(Reuters; Nov. 4) - Marubeni plans to follow the guidance of the Japanese government regarding its involvement in Russia's Sakhalin-1 oil project after the U.S. government sanctioned the project's key shareholder Rosneft, its CEO said on Nov. 4. Last month, the U.S. hit Russia's major oil companies Rosneft and Lukoil with sanctions, the most recent step to force the Kremlin to end the war in Ukraine. The U.S. will allow operations with Rosneft and Lukoil to wind down until Nov. 21.

Marubeni is a shareholder with Japan's SODECO consortium, a Sakhalin-1 co-owner. Other Japanese stakeholders in SODECO include Itochu, Japan Petroleum Exploration, Inpex and the government’s industry ministry. "We are very concerned about the recent changes," Marubeni CEO Masayuki Omoto told a briefing, adding the trading company would adhere to the Japanese government's response to the sanctions.

ExxonMobil, which used to own a 30% stake in Sakhalin-1 and had led the project since it started in the 1990s, took an impairment charge of $4.6 billion to exit its Russian businesses after Moscow sent troops into Ukraine in February 2022. In October that year, the Kremlin appointed Rosneft subsidiary Sakhalinmorneftegaz-shelf as the new operator of Sakhalin-1. Before Exxon's exit, Rosneft and India's ONGC Videsh owned a 20% stake in the project each and the SODECO consortium controlled a 30% stake.