

# Oil and Gas News Briefs

## Compiled by Larry Persily

### April 16, 2026

#### **LNG losing ground to renewables in Asia amid energy crisis**

(Institute for Energy Economics and Financial Analysis; April 15) - For many Asian economies, the Iran conflict has already done lasting damage to the reputation of liquefied natural gas as a viable “transition fuel” from coal to clean energy. Governments are enacting short-term emergency measures to cushion the impact of supply disruptions and price spikes. These responses are likely to reduce the region’s imports in the coming months and may lead to longer-term LNG demand destruction.

Alongside efforts to reduce energy demand and stabilize prices, several countries are reverting to coal, expanding nuclear capacity or fast-tracking the deployment of battery storage and renewable technologies like wind and solar. Some are already canceling LNG import and use projects. National responses vary, but one lesson is clear: Just four years after the 2022 global energy crisis, geopolitical disruptions are again undermining the case for LNG as an affordable, secure energy source for Asian countries.

Just one month into the Iran conflict, countries have sought to ensure short-term energy security by relying on existing infrastructure, often coal and nuclear facilities. Renewables, however, could offer the largest opportunity for expanding new infrastructure. Under ideal conditions, solar and onshore wind are the fastest power generation assets to bring online. While the growth of renewable energy may not eliminate the need for LNG in Asia, it is likely to push gas-fired power plants into smaller peaking roles, reducing both the volumes required and the predictability of demand.

#### **China could be big winner if world turns to more renewable energy**

(Wall Street Journal; April 12) - Countries around the world are rushing to add renewable energy such as solar power after the Iran war throttled Middle East oil and gas supplies. It is a boon for Beijing, because the technology often comes from China. Ali al-Khazali lives in Baghdad and spent \$2,000 recently on Chinese-made rooftop solar panels plus a battery to store electricity after sundown. Al-Khazali said he was worried about disruptions to the power supply in the summer months because Iraq, despite its oil reserves, depends partly on imported natural gas to fuel power plants.

“People are trying to fix this problem with clean energy,” he said. Consumers and governments around the world are thinking similarly. The near-total closure of the Strait of Hormuz has led to what the International Energy Agency called the biggest disruption to energy supplies in history. Four years after Russia’s full-scale invasion of Ukraine, the

Iran conflict has been another reminder that oil and gas puts import-dependent nations are at the mercy of wars and chokepoints. “Our future will be at serious risk if we continue to rely on fossil fuels,” said South Korean President Lee Jae Myung.

The answer for many is more solar and wind power plus electric vehicles — even if that means more dependence on a single country. “China was already completely the dominant force,” said Euan Graham, an analyst at Ember, a clean-energy think tank. “Postcrisis, maybe the clearest winner — we would really expect to see exports from China of clean technologies going through the roof.” China accounts for roughly four-fifths of solar-technology manufacturing and more than 70% of global electric-vehicle production, according to the International Energy Agency.

### **Germany’s growing solar power output helps reduce demand for gas**

(Bloomberg; April 14) – Germany’s solar power generation is set to surge this summer, helping to shield Europe from some Iran war fallout as it curbs demand for liquefied natural gas imports. Available solar output in Europe’s largest power market will average about 16.5 gigawatts from April to September, up roughly 31% from a year earlier, according to BloombergNEF data. That will reduce gas demand for power generation by about 29% over the same period — the equivalent of about nine LNG cargoes.

The number of solar panels in Germany will increase by 15% this year, driving a boom that will help dampen competition with Asian LNG buyers as the conflict in the Middle East pushes up gas prices. The extra renewable generation should also provide breathing space as Europe replenishes its depleted gas storage facilities ahead of next winter. The jump in solar means that German gas-fired power generation is expected to fall to a low of around 2.5 gigawatts in July, according to BloombergNEF.

Coal output, which still plays an important role in Germany’s power mix, is expected to fall by about 63% to roughly 3.2 gigawatts between April and September. Still, gas will remain essential for balancing the German grid and setting electricity prices, particularly when renewable output is low.

### **Asia’s LNG imports drop to lowest since June 2020**

(Bloomberg; April 13) - Asian liquefied natural gas imports have dropped to the lowest in almost six years as the conflict in the Middle East chokes supplies and forces buyers to curb consumption. The 30-day moving average of net shipments to the region fell below 600,000 tonnes over the weekend, the least since June 2020, according to ship-tracking data compiled by Bloomberg. That’s when the pandemic slashed demand across Asia.

Asian buyers are preparing for a longer LNG shortfall after the U.S. and Iran failed to reach a peace deal during talks in Pakistan over the weekend, prolonging the conflict that has cut about a fifth of supply from global markets since it started in late February. President Donald Trump said separately that the U.S. would begin a full naval blockade of the Strait of Hormuz, escalating a standoff that has already brought the waterway to a near standstill. Pakistan, which depends heavily on LNG from Qatar, hasn't received a shipment of the super-chilled fuel since early March, according to the data.

Qatar stopped production last month. The 30-day average for deliveries to China, the biggest buyer in 2025, plunged 30% from a year earlier, while India saw a 20% drop. Cargoes to other major buyers, including Japan and South Korea, have also declined to around the lowest seasonal level in six years. Some gas-fired power plants in Japan are cutting output, while South Korea has lifted limits on coal plants to reduce LNG demand.

### **U.S. blockade of Hormuz could make supply crisis even worse**

(Wall Street Journal; April 13) – President Donald Trump's order to blockade Iranian trade through the Strait of Hormuz and Tehran's promise to continue to choke the strait are leaving energy markets in even deeper trouble than they were just days ago. It isn't clear how ships can meet both U.S. and Iranian conditions on leaving the Gulf, said shipbrokers and analysts. Tehran says international ships need to pay up to get through Hormuz, but Trump said he instructed the Navy to interdict ships that have paid a toll.

Instead of the prospect of oil flowing again, as many hoped after the ceasefire was struck last week, the blockade stands to remove 2 million barrels of daily Iranian exports from a market already struggling to navigate a historic supply crunch. The loss of Iranian barrels is likely to intensify a worldwide scramble for crude. Iran's main customer, China, could join the competition for U.S. and European supplies unless it uses its substantial strategic reserves.

A Greek owner with several ships waiting to enter to load oil for clients in Singapore and China said he would wait. If the Hormuz threats don't stop in a few days, he said, he will call his ships back. An executive at Cosco Shipping said the Chinese company had five tankers set to go through Hormuz this week but has paused the voyages. "Refiners are looking for oil wherever they can get it," said Ole Hansen, a commodity strategist at Saxo Bank in Copenhagen. "A lot of bids are not getting answered."

### **Estimate doubles for repairs to Middle East energy facilities**

(Reuters; April 15) - The Middle East conflict could saddle the region with as much as \$58 billion in repairs to energy-linked infrastructure, with oil and gas facilities accounting for up to \$50 billion, according to a report by Rystad Energy. The estimate marks a

doubling from the research firm's \$25 billion projection three weeks ago, reflecting a broader scope of damage before an April 8 ceasefire between the U.S. and Iran.

"Repair work does not create new capacity. It redirects existing capacity, and that redirection will be felt in project delays and into inflation far beyond the Middle East," Rystad senior analyst Karan Satwani said. "The \$58 billion bill is the headline, but the knock-on effects on energy investment timelines globally may prove just as significant." Rystad said total repair spending is likely to average around \$46 billion, with downstream refining and petrochemical assets accounting for the largest share due to their complexity and extent of damage.

Industrial, power, and desalination assets may add \$3 billion to \$8 billion in costs, the report added. Recovery timelines are starting to diverge between assets and countries, showcasing differences in domestic capabilities and access to supply chains, Rystad added. Iran faces the most widespread damage, with costs potentially reaching \$19 billion, affecting gas processing, refining and export infrastructure. In contrast, Qatar's impact is more concentrated but technically complex, particularly at its Ras Laffan industrial hub, where repair work may overlap with ongoing LNG expansion projects.

### **U.S. effort to extend oil-supply pain to China unlikely to work**

(Bloomberg; April 14) - The black market for Iranian oil wouldn't exist without China. Before the Iran war began, Beijing bought 95% of all the crude Tehran shipped via a network of sanctioned tankers, mysterious traders and shadowy financial links. Hence, President Donald Trump isn't just targeting Tehran with his blockade of the Strait of Hormuz — he's aiming at Beijing, too. The calculus appears twofold: First, impose an intolerable economic cost on Iran; second, force China to share some of the pain.

If Beijing has more at stake, perhaps it will put pressure on Tehran to negotiate, or so the theory goes. So far, China is the Asian nation least affected by the war. Before the conflict started, Beijing imported more than 11% of its oil from Iran, only behind the 20% from Russia and 14% from Saudi Arabia. The Iranian barrels have continued flowing, keeping Beijing relatively well supplied versus its neighbors. The U.S. blockade of Iran's ports could change that equation. China has already lost at least a fifth of its oil imports.

Soon, Beijing could face a greater shortfall. Its only option would be to tap its strategic petroleum reserve, something it has avoided so far. Over the past decade, China has built the world's largest oil stockpile. Rather than feel compelled to help achieve a lasting ceasefire, the Chinese Communist Party can take a wait-and-see position by relying on its reserves. Considering the amount of crude it has stockpiled, Beijing can afford to go without Iranian supplies for several weeks. In short, the oil math is skewed against the White House. The blockade has a slim chance of working.

## **IEA forecasts oil demand will shrink at fastest pace since pandemic**

(Argus; April 14) - Global oil demand is set to contract at the fastest pace since the COVID-19 pandemic as the effective closure of the strait of Hormuz causes the largest supply disruption in history, the IEA said on April 14. In its latest Oil Market Report, the Paris-based agency said the war in the Middle East caused global oil supply to plummet by 10.1 million barrels per day in March and demand to fall by 800,000 barrels per day this year. The losses have forced refineries in the Middle East and Asia to cut output.

The agency forecasts global oil demand will drop by 2.3 million barrels per day on the year in April, 1.5 million in the second quarter and by 80,000 for 2026 as a whole. The IEA's previous forecast for this year was 640,000 barrels per day of demand growth. Should disruptions continue beyond May, demand destruction would be much higher, the IEA said. The largest hit to demand has so far been felt in Asia, with petrochemical producers slashing output due to a loss of LPG/ethane and naphtha feedstocks.

Households and businesses have also been impacted and flight cancellations in the Middle East, Asia and Europe have caused sharp falls in jet fuel demand, the IEA said. Beyond the immediate physical supply shock, the IEA said soaring oil prices would be the main driver of demand destruction "especially in the OECD where the pass-through into retail fuel prices is already well advanced".

## **Persian Gulf oil production plunged in March**

(CNBC; April 13) - Crude oil production in the major Gulf Arab exporters plunged in March due to the Iran war, according to data released by OPEC on April 13. Iraq took the biggest hit with production falling 61% from 4.2 million barrels per day in February to 1.6 million in March, according to OPEC's monthly report. Output plunged 53% in Kuwait and 44% in the United Arab Emirates month over month, the data showed.

Production in Saudi Arabia, OPEC's biggest producer, dropped 23% from 10.1 million barrels per day to 7.8 million. The Saudis are relying on a crucial East-West pipeline to reroute barrels from the Persian Gulf to the Red Sea. But the line, which has a capacity of 7 million barrels per day, recently came under attack by Iran, cutting the pipeline's capacity by 700,000, said state-owned Saudi Press Agency. Overall, OPEC's production plunged 27% month over month from 28.7 million barrels per day to 20.8 million.

The Gulf Arab states have cut production because they are unable to export through the Strait of Hormuz due to the war. Even after the waterway reopens, it will take months for the Gulf Arab states to bring production back up to full capacity, said Sheikh Nawaf al-Sabah, the CEO of Kuwait Petroleum Corp. "We have resilient reservoirs that bring out quite a bit of production immediately — within a few days," the CEO said at the CERAWEEK by S&P Global conference on March 24. "The bulk of it will come within a few weeks, and then the full production will come within three or four months."

## **Morgan Stanley holds forecast at \$100 oil for third-quarter 2026**

(Reuters; April 13) - Morgan Stanley left its Brent oil price forecasts unchanged on April 13, at \$110 a barrel for the second quarter 2026 and \$100 a barrel in the third quarter, falling to \$80 a barrel in 2027. The bank said it expected supply chains to take months to normalize even if a reopening of the Strait of Hormuz can be achieved. Under its base-case scenario, exports through the strait stay at low levels in April, recover about 70% of lost volumes between May and July, and return to steady levels by October.

Prices climbed back above \$100 per barrel April 13 as the U.S. Navy prepared to block ships to and from Iran via the Strait of Hormuz, potentially restricting Iranian oil exports, after Washington and Tehran failed to reach a deal to end the war. Meanwhile, Middle Eastern producers including Kuwait and Iraq have lifted Asia-bound official prices sharply for May. Saudi Arabia set the price of its Arab Light crude to Asia at a record premium of \$19.50 a barrel to the Oman/Dubai average. Analysts expect the hit to global oil production to flip the oil market into a supply deficit this year.

## **European buyers explore getting LNG from Canada's West Coast**

(Reuters; April 15) - European buyers, including Germany's Uniper, are exploring the possibility of purchasing liquefied natural gas from Canada's Pacific coast and shipping it through the Panama Canal as part of a long-term strategy to diversify supply, an effort made more urgent in the wake of the Iran war, two sources said. Three sources said European buyers are among the potential customers that have had talks with Canada's Ksi Lisims LNG, a proposed LNG export terminal whose backers have been working to finalize contracts with customers before making a final investment decision this year.

The interest in Ksi Lisims from potential European customers — who include state-owned German energy group Uniper, according to two sources — is significant, as Canada's burgeoning LNG export industry is geographically more suited to supplying Asia, and tolls and shipping time through the Panama Canal would increase costs. All of Canada's existing and emerging LNG export capacity is located on the country's West Coast, offering short shipping times to Asia, while its East Coast has no export plants.

Lack of infrastructure has long been seen as a barrier to Canada supplying any meaningful amounts of LNG to Europe. But a source familiar with the Ksi Lisims LNG project said the current Middle East conflict means European buyers are considering accepting the costs and longer transit time of shipping through the Panama Canal in order to diversify their supply sources to a stable, democratic jurisdiction like Canada.

## **Energy supply fallout could benefit Canada**

(CBC, Canada; April 12) - The energy fallout of the U.S. and Israel-Iran war is a reminder that life is often unfair. The U.S., which started the war with a surprise attack on Iran, could escape largely unscathed in terms of its energy supply — even as its international reputation takes a hit and U.S. inflation spikes as a result of rising oil prices. But U.S. allies in Asia and Europe, who were neither consulted nor warned about the U.S.-Israeli attack, are facing sustained energy shortages.

For Canada, the outcome of a ceasefire — if it holds — represents a soft landing from a potentially disastrous situation, with a considerable silver lining for Canada's oil and gas industry. "It'll be easier for the Canadian government to argue for greater investment from Asian countries in Canadian energy," said Joe Calnan of the Canadian Global Affairs Institute. The crisis may be just severe enough to raise the value of Canada's biggest export — oil — without sending it so high that it crashes the global economy. That outcome would more than wipe out any gains made by Canadian oil and gas.

Those countries most dependent on imported fuels are the ones that will see the most severe impacts. "Buyers of Arabian product going to the Asian and European markets are the most influenced," said Jonah Resnick, a geoscientist and senior research analyst at energy consultancy Wood Mackenzie, which estimates that the biggest loser in Asia will be South Korea, while Italy will be hit the hardest in Europe. In addition, LNG supply disruptions out of the Persian Gulf could help push the partners in LNG Canada, the country's first export terminal, toward a second phase to double production, he said.

## **India defers maintenance of coal power plants amid LNG squeeze**

(Bloomberg; April 10) - India has deferred planned maintenance at several coal-fired power plants to make sure high electricity demand during the summer months is met as the Middle East war has squeezed access to liquefied natural gas. The imported fuel has become more expensive since flows from the region have been halted, curbing the use of LNG-fired capacity which supports coal-generated power, Piyush Singh, additional secretary in the power ministry, said at a briefing on April 10.

India's 20 gigawatts of gas-fired capacity typically run at low utilization due to limited domestic supply and the high cost of imported LNG, which is undercut by cheaper coal. Around 8 gigawatts were brought online last summer to help meet peak load. About 15 gigawatts of coal capacity had been scheduled for temporary shutdowns during April–June, but the government has asked two-thirds of those plants to defer maintenance until July. That's when monsoon rains are expected to lift hydro power generation.

## [Japan could face tight power supply if LNG crisis extends to summer](#)

(Reuters; April 13) - Japan may face a power supply crunch if the Middle East crisis drags on and liquefied natural gas shipments remain disrupted, just as air conditioning demand rises during the summer, an analyst at a leading energy think tank said on April 13. Takafumi Yanagisawa, executive analyst at the Institute of Energy Economics, Japan, said a prolonged conflict could also delay the start of additional LNG supplies expected by Japan from 2028 from new projects in Qatar and the United Arab Emirates.

Japan takes delivery of some 4 million tonnes of LNG annually — or 6% of its total LNG imports — via the Strait of Hormuz, which has been effectively closed due to the Iran war. LNG from Qatar and the UAE provide about 3.5% of Japan's electric power, Yanagisawa said. "As this affects what is known as the power reserve margin, a 3.5% drop is by no means small as we head into summer months," he said.

Just under 60% of Japan's LNG imports are used for electric power generation and the rest for city gas and other supplies. For now, utilities are buying additional volumes on the spot market and utilizing the upper quantity tolerance (UQT) of existing contracts with suppliers such as Australia and the U.S., Yanagisawa said. Under UQT, supply can be increased by around 10% of the contracted volume, subject to mutual agreement.

## [Climate research group says global demand for LNG will decline](#)

(Australian Broadcasting Corp.; April 14) - The long-term outlook for Australia's LNG exports is constrained by declining demand, and the war in the Middle East may hasten that shift away from gas, a new report claims. The report, "The Last LNG Train Home: Australia's LNG Outlook in a Demand-Constrained World," is from the climate research consulting group Climate Resource. The report said climate targets announced by about 130 countries since late 2024 have altered projections for future fossil fuel demand.

It also said as demand from gas-importing countries "plateaus or declines," global LNG markets will experience oversupply after a huge wave of new export capacity — led by the U.S. and Qatar — comes online by 2030. It warned that most of Australia's existing long-term LNG export contracts will expire between the mid-2030s and 2040, and when the contracts roll off, Australia's major gas projects will be exposed to a very different world. For that reason, the report said, Australia's existing LNG export contracts may represent the "upper bound" of what gas exporters can sustainably sell internationally.

Australia is one of the world's largest LNG exporters, accounting for roughly 20% of the trade. "We're seeing leaders across Asia announcing major renewable energy programs in response to the energy security shock," report lead author Anita Talberg said. "Our analysis shows this was already the direction of travel; the crisis might just compress the timeline. Australia's energy future isn't determined in Canberra, but in Beijing, Tokyo, Seoul and Jakarta, and those governments are moving toward renewable energy."