

Oil and Gas News Briefs

Compiled by Larry Persily

April 27, 2026

Bringing back Persian Gulf oil production will be slow and difficult

(Wall Street Journal; April 24) - It took a few days to close thousands of Middle East oil wells early in the Iran war. The prolonged closure of the Persian Gulf means it will take months or even years for flows to recover. Traffic in and out of the Gulf remains close to a standstill, with the U.S. and Iran locked in a tanker blockade war. Brent crude prices shot back above \$100 a barrel this week as oil-hungry sectors across the world came to grips with a closure that is lasting much longer than originally feared.

Analysts and oil industry executives say prospects for a speedy resumption of Gulf crude supplies are worsening. Even if the strait opens tomorrow, the damage to the global economy will be long lasting. Reanimating the world's most productive oil patch will require overcoming substantial engineering and logistical challenges. Producers need tankers that have fanned out across the world to deliver their cargoes and sail back, which could take months. Fuel amassed in storage tanks has to get to market to clear space for more oil. Workers who left the region when war broke out must return.

One of the biggest hurdles will be restarting oil wells. The problems are likely to be most acute in Iraq, the region's second-biggest producer. In normal times, Iraq pumps 5% of the world's oil. Daily output plunged to about 1.6 million barrels from 4.9 million before the war started, said Mohammed Hussein of Iraq Oil Report, an industry publication. Iraqi oil producers last week made initial test runs of a production restart, government officials said, but hit pause when it became clear Hormuz wasn't opening.

Some fields will have to be brought back slowly. Paraffin and asphalt-like substances may have clogged wells that pump thick crude. At older fields, pressure is likely to have fallen during the outage. Less oil and more gas might emerge when wells are revived. Closing fields hurriedly, as many were in the early days of the war, can damage wells in addition to equipment such as submersible pumps that lift oil from fields where natural pressure isn't strong enough. "The longer things are shut in, typically the more complex they are to bring back," said Jeff Miller, CEO of oil field-services company Halliburton.

Goldman Sachs boosts fourth-quarter oil price forecast to \$90

(Bloomberg; April 27) - Goldman Sachs lifted oil-price forecasts as the prolonged closure of the Strait of Hormuz spurs "extreme" inventory draws. Brent is set to average \$90 a barrel in the fourth quarter, up from a previous outlook for \$80, analysts including Daan Struyven and Yulia Zhestkova Grigsby said in an April 27 note. The figure for that

period is now “nearly \$30 higher than before the Hormuz shock,” they said, adding to recent revisions.

“We estimate that 14.5 million barrels a day of Persian Gulf crude production losses are driving global oil inventories to draw at a record 11 to 12 million barrel-a-day pace in April,” they said. Given that such “extreme inventory draws are not sustainable, even sharper demand losses could be required if the supply shock persists longer,” they added. Brent has rallied almost 50% since the start of the conflict in late February, threatening to stoke global inflation while stunting growth.

“We now assume a normalization in Gulf exports by end-June, versus mid-May prior, and a slower Gulf production recovery,” the analysts said. “The economic risks are larger than our crude base-case alone suggests because of the net upside risks to oil prices, unusually high refined-product prices, products shortages risks, and the unprecedented scale of the shock.” Given the disruption, Goldman said there would be a deficit of 9.6 million barrels a day this quarter, compared with a surplus last year.

Long closure of Strait of Hormuz will force oil demand down

(Bloomberg; April 25) - The Strait of Hormuz oil shock has yet to crash demand as the rich world borrows from its stocks and pays up to secure supply. But traders are now sounding the alarm that a harsh adjustment is coming. The longer the channel doesn't reopen, traders say, the more consumption is going to have to recalibrate lower to align with supply that's fallen at least 10%. For that to happen, people will have to buy less, either because it's too expensive or government intervention forces consumption down.

Buffers are being used up fast, helping to keep a lid on prices for now. But with the closure now in its ninth week, demand destruction that started in less obvious sectors like petrochemicals in Asia is quietly spreading to everyday markets the world over. Demand destruction “will come and is coming in waves. Asia was first in line, Africa is the next one. Europe has already started talking about the lack of some fuels and feeling the price impact,” said Cuneyt Kazokoglu, FGE's director of energy transition.

“If you don't get any reopening in three months' time, then the case becomes a macro issue where the world is about to fall into recession,” Frederic Lasserre, Gunvor's head of research, told the FT Commodities Global Summit in Lausanne. “A few more weeks, we will start seeing announcements of problems with securing diesel supply — that's the backbone of the world's economy for moving goods around,” Vikas Dwivedi, a strategist at Macquarie Group, said in a Bloomberg television interview.

Bank says logistics, well performance will affect Gulf oil recovery

(Reuters; April 23) – Persian Gulf oil production, sharply curtailed by the Iran conflict, is likely to mostly recover within a few months after the Strait of Hormuz fully reopens, but a full recovery could take significantly longer, Goldman Sachs said on April 23. The bank estimated about 14.5 million barrels per day of Gulf crude output — around 57% of pre-war supply — was offline in April, largely due to precautionary shutdowns and stock management rather than physical damage to oil fields.

The Strait of Hormuz handles about a fifth of global oil flows under normal conditions, so prolonged disruption has significant implications for global energy markets. Goldman said in a research note that a safe and sustained reopening of the strait in the absence of renewed attacks on oil infrastructure would allow production to return relatively quickly, supported by spare capacity in Saudi Arabia and the United Arab Emirates.

However, any recovery will be constrained by logistics and well performance. Available empty tanker capacity in the Gulf has dropped by about 130 million barrels, or 50%, limiting how quickly producers can move oil once exports resume, the bank said. Prolonged well shut-ins also risk reducing flow rates, particularly in lower-pressure reservoirs, requiring workovers before output can be fully restored. The longer production remains curtailed, the slower the recovery is likely to be, Goldman said.

Baker Hughes does not expect Hormuz to fully reopen for months

(CNBC; April 24) - Baker Hughes is working under the assumption that the Strait of Hormuz may not fully reopen for months, a senior executive at the influential oil field services firm said on April 24. Baker is assuming in its financial guidance that the U.S.-Iran conflict continues through the end of June and the strait may not be fully operational until the second half of the year, Chief Financial Officer Ahmed Moghal told investors on the company's first-quarter earnings call.

“There’s still a great deal of uncertainty regarding, ultimately, the duration and depth of the conflict,” Moghal said. Baker is one of the most influential oil field drillers in the world, with extensive business in the Middle East. The assumption that the strait may not reopen for months is widely shared in the energy industry. The Federal Reserve Bank of Dallas found in a survey of nearly 100 oil and gas executives that nearly 80% believe the strait will not reopen until August or later. More than 80% see future disruptions in the strait as somewhat or very likely, the Dallas Fed Energy survey found.

Baker Hughes CEO Lorenzo Simonelli said “geopolitical risk has become a structural reality for oil and gas markets” after the Iran war. This will likely result in “persistent risk premiums for oil and LNG prices,” he said.

U.S. crude oil, refined products and LNG exports reach record highs

(Wall Street Journal; April 24) - The war in the Middle East has bolstered America's status as an energy-exporting powerhouse, with Asia and Europe clamoring for every shipment of U.S. crude, natural gas and jet fuel they can get. U.S. exports of crude and petroleum products rose to a record last week, 12.9 million barrels a day, according to the U.S. Energy Information Administration. Liquefied natural gas cargoes have also jumped, according to ship-tracking firm Kpler, with exports at an all-time high last month.

The frenzy shows no signs of slowing: More than 60 empty crude supertankers were steaming toward the Gulf Coast as of April 22, roughly triple prewar levels and a sign that U.S. exports will only rise further in the months ahead. But the U.S. will face obstacles turning wartime demand into a longer-term boost, according to energy experts. In Asia, overhauling energy infrastructure to process U.S. crude would be costly. Europe has grown increasingly worried about its reliance on the U.S. as relations between President Donald Trump and political leaders reach new lows.

For now, countries have few other choices. Higher exports from the U.S. have helped to offset — but not eliminate — the supply chasm created by the throttling of the Strait of Hormuz. Asian countries are limited in how much U.S. energy they can process by infrastructure mismatches. Asian refineries are built to process denser and more sulfurous crude oil from the Middle East, not the lighter U.S. equivalent. Refineries can use lighter grades but the processing isn't as efficient or profitable.

Trump extends Jones Act waiver for 90 days to move U.S. oil products

(Bloomberg; April 24) - President Donald Trump's administration has given a 90-day extension to a shipping waiver making it easier to move oil, fuel and fertilizer around the U.S., marking the latest effort by the White House to counter supply disruptions tied to the Iran war. The decision adds about three more months to the existing waiver that had been set to expire May 17, enabling foreign-flagged vessels to move commodities between American ports through mid-August.

Normally, under the 1920 Jones Act, goods carried by water between domestic ports must be transported on U.S.-flagged, -built and -owned ships. Trump's exemption temporarily removes those restrictions for coal, crude oil, refined petroleum products, natural gas, natural gas liquids, fertilizer and other energy derivatives. The initial waiver applied to some 659 specific products identified by U.S. Customs and Border Protection, and the list covered goods was not scaled back with the extension.

The waiver issued in March has already been used by ships transporting an array of goods — including renewable diesel, crude oil, ammonia, ethanol and gasoline. Cargoes covered by the waiver have been shipped across the U.S., with deliveries in

California, Florida, Pennsylvania and South Carolina, among other states, according to reports filed with the government.

Hormuz blockage may prompt oil producers to find alternate routes

(CNBC; April 23) - Middle Eastern oil and gas producers are still scrambling to find and expand alternative routes for their exports, almost two months after the critical Strait of Hormuz was effectively shut to commercial traffic. The channel's double-blockade has supercharged global energy prices and highlighted the global energy market's vulnerability when key waterways and chokepoints — like the Strait of Hormuz, Panama Canal or Suez Canal — are blocked, whether by accident or by design.

International Energy Agency Executive Director Fatih Birol told CNBC on April 23 that he felt like a “broken record” telling countries to diversify energy supply routes years before the current crisis. “The \$110 trillion global economy can be taken hostage by a couple of hundred men with guns across a 50-kilometer stretch of strait — it doesn't make sense at all. We should make alternative routes, alternative options,” he said. Risks around the Strait of Hormuz “were well understood” for years, Maisoon Kafafy, senior adviser to the Atlantic Council's Middle East programs, told CNBC.

The Iran war is shifting the cost-benefit analysis of alternative delivery routes, while Gulf oil producers are finally looking beyond the Strait of Hormuz for exports. Developing alternative routes, including pipelines, involves not only huge spending on infrastructure, but often transnational deals are necessary if pipelines pass through several territories — and security, something in short supply when Iran has shown no compunction in attacking neighbors' energy facilities. “Expanding existing infrastructure ... can happen on a relatively compressed timeline if the political commitment is there,” Kafafy said.

First cargo of U.S. crude since start of Iran war arrives in Japan

(The Japan Times; April 26) - Crude oil procured from the United States by Japanese oil distributor Cosmo Oil arrived in Japan on April 16 for the first time since the start of U.S. attacks on Iran in late February. The tanker carrying 910,000 barrels of U.S. crude oil arrived at its destination, an offshore jetty in Tokyo Bay, in the morning. However, this amount accounts for less than one day's consumption in Japan.

The Japanese government is rushing to increase crude oil procurement from non-Middle Eastern suppliers amid the war in Iran and the blockage of the key Strait of Hormuz waterway. The tanker departed from a port in Texas at the end of March and arrived in Japan via the Panama Canal. The crude will be transported via an undersea pipeline to the Chiba refinery of Cosmo Oil, a subsidiary of Cosmo Energy Holdings, where it will be refined into petroleum products such as gasoline.

Japan, which relies on the Middle East for more than 90% of its oil imports, is facing an urgent need to ensure stable supplies amid the deteriorating situation. Japan plans to increase imports from routes in the Middle East that bypass the Strait of Hormuz, as well as from North America, Central and South America, and Central Asia. Its procurement from the United States is expected to quadruple year on year in May.

Alberta continues push for new oil pipeline to West Coast

(Bloomberg; April 22) - Alberta is looking at three options for a new oil pipeline to ship a million barrels a day through northern British Columbia, according to people familiar with the matter, as Canadian officials make plans to sharply increase energy exports to Asia. A new crude pipeline is crucial to Canadian Prime Minister Mark Carney's ambitions of making Canada an energy superpower that's more relevant in global markets.

The prime minister has built his economic strategy around the idea of reducing the country's reliance on the U.S. after President Donald Trump imposed tariffs that upended the countries' longstanding free-trade pact. The pipeline would take years to build and is not a solution to the current energy supply crunch from the standoff in the Middle East. But over the long run, Carney and Alberta Premier Danielle Smith see the opportunity for Canada to boost energy sales to China, South Korea and other buyers.

Currently, about 90% of Canada's oil exports still go to the U.S., despite an increase in shipments to Asia following the expansion of the Trans Mountain pipeline from Alberta's oil fields to the British Columbia coast. There are, however, considerable political and technical obstacles to a new oil pipeline. The idea is opposed by the B.C. government, environmentalists and some Indigenous groups in the region, and it would require Carney's government to relax a ban on oil tankers.

Libya boosts oil production 1 million barrels per day over March

(Wall Street Journal; April 23) - Libya has boosted its oil production by a million barrels a day in April as the blockaded Strait of Hormuz creates a bottleneck to getting fuel out of the Persian Gulf. Libya pumped 1.43 million barrels a day earlier this month — the highest level in more than a decade — and an extra million barrels a day more than it pumped in March, according to Libya's National Oil Corp.

The country has the largest oil reserves in Africa, but they have largely been untapped for 15 years due to war and instability following the 2011 ouster of dictator Moammar Gadhafi. The Central Bank of Libya announced earlier in April the adoption of the country's first unified budget since it spiraled into a civil war that has kept the country divided between rival factions.

Russia continues to employ mercenaries in Libya's east, supporting the rule there of General Khalifa Haftar. An internationally recognized government controls the west. Although Libya's National Oil Company is the only official entity permitted to market and sell Libyan oil, there is broad recognition, highlighted by a recent U.N. Security Council resolution, that, to date, the revenues from oil sales haven't been channeled through official accounts, Quilliam said.

U.S. oil execs expect domestic production to rise with higher prices

(Reuters; April 23) - U.S. oil executives expect domestic production to rise as the ongoing war in Iran upends global supplies and pushes crude and fuel prices higher, according to a Dallas Fed survey. The survey collected data from April 15 to April 20 from 120 oil and gas firms, of which 78 were exploration and production firms and 42 were oil field services firms. A total of 43% of survey respondents expect U.S. crude production to rise by up to 250,000 barrels per day this year as a result of the Iran war.

This diverges from the Energy Information Administration, which is forecasting U.S. crude output at 13.51 million barrels per day for 2026, a decline from 13.58 million last year. "In response to the roughly 45 days of West Texas Intermediate over \$75 per barrel, we are hearing increased talk of smaller operators adding rigs. We are also seeing larger independent operators move up drilling schedules," an oil field services firm executive said. "The price of oil will fall back to the \$65 a barrel level very quickly once this conflict settles down," an exploration and production executive said.

About two-thirds of respondents think at least 90% of Gulf production that has been shut in will return to market eventually. Asked when traffic through the Strait of Hormuz will return to normal levels, 20% said by next month, 39% said August, while the remaining respondents said either by November or later.

India and China compete for limited supply of crude oil

(CNBC; April 23) - India and China, two of the world's major oil importers, are competing for scarce global crude supplies as disruptions in the Strait of Hormuz and stalled peace talks between the U.S. and Iran tighten the market. The two economic powerhouses are now locked in a fierce scramble over limited available supplies, mainly from Russia and, to a lesser extent, Saudi Arabia. "The competition for Russian crude between India and China has been intense and will continue to be so for June-loading cargoes," Muyu Xu, a senior analyst at Kpler, told CNBC.

On April 18, the U.S. renewed a waiver allowing countries to buy sanctioned Russian oil at sea for about a month, easing pressure on global prices. However, it did not ease sanctions on Iranian crude, of which almost 98% is bound for China, with smaller

volumes reaching India. Iranian attacks on energy infrastructure in the Middle East have also disrupted oil supplies from Gulf countries, increasing demand for Russian oil. According to Kpler, Chinese imports through the critical waterway fell to about 222,000 barrels per day in April, a sharp dip from 4.45 million before the start of the Iran war.

India's supplies through this route plunged to 247,000 barrels per day so far this month, from 2.8 million in February. Both India and China are now seeking alternative supplies to fill the gap. India appears more vulnerable to supply shocks. Its oil imports fell in March, and it has a limited buffer of around 30 days against prolonged supply shocks, oil industry experts said. Unlike other countries, the Indian government has not raised pump prices, so demand for petrol and diesel has not dropped, they added.

U.S. LNG helping to fill supply gap, but it cannot last uninterrupted

(Reuters commentary; April 24) - U.S. LNG exporters have so far offset the drop in shipments from Qatar following Iranian attacks on its facilities and the closure of key Middle East shipping lanes, ensuring that total global supplies remain at record highs despite the war. The on-again, off-again peace talks with Iran mean that the repair of damaged Qatari liquefied natural gas export sites remains a distant prospect and could result in a yearslong dent to supplies from the world's third-largest LNG producer.

So far, U.S. exporters have plugged the supply gap by cranking liquefaction capacity to the maximum and tightening vessel loading schedules to squeeze out more cargoes. But U.S. Gulf Coast plants will need to curtail output at some point for maintenance and also have to contend with weather threats once hurricane season starts in early summer. That means a fallback in U.S. LNG export volumes will emerge at some point and could trigger a more severe tightening in global LNG markets than seen so far.

U.S. exporters are on track to load a record 32.15 million tonnes of LNG during the first four months of 2026, according to data from commodities intelligence firm Kpler. That marks a 28% increase from the same period in 2025. The timing of the war and its impact on Qatar LNG flows has worked in favor of U.S. exporters, as panicked buyers had little choice but to replace lost volumes at short notice in order to cover near-term gas needs. However, now that the initial shock of the Qatar export cuts has been digested, potential LNG buyers can afford to take some time to plan their next steps.

Asia's imports of LNG in April fall to lowest in 6 years

(Reuters commentary; April 23) - Asia's imports of liquefied natural gas are poised to drop to the lowest in nearly six years in April as the closure of the Strait of Hormuz cuts off cargoes from major supplier Qatar. Despite the loss of volumes, it could be argued that Asia's LNG markets are more successful in adjusting to the fallout from the Iran war

than those for crude oil and refined products. This is largely being achieved through a combination of voluntary curtailment of imports by China, the world's biggest LNG buyer, and forced loss of cargoes in smaller and less wealthy buyers such as Pakistan.

Commodity analysts at Kpler estimate Asia's imports of LNG for April at 19.03 million tonnes, down from 20.69 million in March and the winter peak of 26.34 million in December. April cargoes are the lowest since June 2020 and reflect a sharp loss in volumes from Qatar, which had supplied 20% of global LNG.

Such a sharp loss of Qatari cargoes has forced Asian buyers to adjust, and much of the heavy lifting has been done by China. Kpler estimates China's imports at 3.36 million tonnes in April, the lowest since 2018 and down from the winter peak of 7.66 million in December. It shows that China's LNG buyers have been happy to trim demand amid the high prices caused by the Iran war. Spot Asian LNG jumped from \$10.40 per million Btu in the week to Feb. 27 to a high of \$25.30 in the seven days to March 20.

Europe's ban on Russian LNG imports comes at a difficult time

(Bloomberg; April 24) - Europe is beginning the roll-out of a ban on imports of Russian liquefied natural gas at a difficult time, with the Iran war disrupting global supply. Starting April 26, the European Union will prohibit purchases of Russian LNG on a short-term basis, known as the spot market. Supplies under long-term contracts can continue until the end of the year, but the ban could still create challenges. The European Union relies on Russia for about 12% of its gas needs, some of which arrives through pipelines.

The spot-market ban could cut off about 2.8 million to 3.5 million tonnes a year of Russian LNG, according to estimates from Wood Mackenzie and Energy Aspects., respectively. That's about 3% of the bloc's total LNG imports last year. The supply reduction comes at a time when the region's benchmark gas price has already jumped about 40% because of the conflict in the Middle East. Europe will need to purchase more gas in the months ahead to replenish depleted inventories before next winter.

For now, Europe has sufficient gas, due in part to a voluntary reduction in global demand. EU officials have repeatedly said there should be no return to European reliance on Russian energy, which have been severely curtailed since Moscow's invasion of Ukraine in 2022. Yet they have also consistently urged member states to make refilling gas storage a priority. If the situation worsens, the European Commission has the power to declare an emergency, temporarily reauthorizing spot market buys of Russian gas, according to Tom Purdie, lead LNG analyst at Energy Aspects.

Canada approves \$4 billion gas pipeline project in British Columbia

(The Canadian Press; April 24) - Ottawa has approved Enbridge's C\$4 billion Sunrise natural gas pipeline project in British Columbia, bolstering a West Coast liquefied natural gas project in which the company has a stake, Natural Resources Minister Tim Hodgson said April 24. The project, which would see an expansion of Enbridge's Westcoast gas pipeline system, includes the addition of about 85 miles of new pipeline by constructing 11 looping segments parallel to the existing line.

It will add up to 300 million Btu per day of transportation capacity on British Columbia's major gas transmission system, which Ottawa said would help ensure B.C. has enough gas supply as export facilities like Woodfibre LNG come online. Enbridge has a 30% stake in Woodfibre, which is under construction north of Vancouver, with substantial completion of construction planned for late 2027.

Enbridge's Westcoast gas pipeline system stretches 1,800 miles from northeast British Columbia to the Canada-U.S. border, with a capacity of 3.6 billion cubic feet of gas per day. The expansion will involve constructing new pipeline segments along the existing system, additional gas compression capacity and upgrades and changes to existing facilities. Construction is set to begin in July, with a targeted in-service date in late 2028.

Work continues toward 2028 start for Cedar LNG in British Columbia

(Northern Sentinel; British Columbia; April 24) - A large steel structure that appeared — and then disappeared — from an industrial yard in Terrace, British Columbia, was a prefabricated bridge for the Cedar LNG project gas pipeline, now being installed at a steep section of Moore Creek. The 200-foot span was assembled at the Skeena Sawmills site by Monster Kitsumkalum before being taken apart and moved to its final location, where it will carry the pipeline across terrain too steep for trenching.

The crossing is the only aerial span along the pipeline route, with installation expected to be completed in early May. The pipeline itself is about 80% complete and remains on track to finish later this year. Other major components of the LNG project are also advancing. Construction of the marine terminal in Kitimat is about 10% complete, while fabrication of the floating gas liquefaction plant in South Korea has reached 35%. The facility is expected to arrive in 2028, ahead of a planned in-service date later that year.

Cedar LNG, a partnership between Calgary-based pipeline company Pembina and the Haisla Nation, is being developed as an Indigenous majority-owned LNG facility powered by electricity from BC Hydro. The partners last publicly estimated development costs at US\$4 billion, with a production capacity of 3.3 million tonnes per year.

U.S. Supreme Court sides with state in international pipeline dispute

(The New York Times; April 23) - The Supreme Court sided with Michigan officials on April 22 in a dispute over the future of a petroleum pipeline snaking beneath a waterway that connects two of the Great Lakes. In a unanimous decision, written by Justice Sonia Sotomayor, the court held that the company that operates the pipeline had missed the deadline to move the lawsuit into federal court. The ruling is a victory for Michigan state officials, who have pushed to decommission an aging section of the pipeline.

The state has raised alarms about a possible environmental catastrophe, and federal courts are often seen as friendlier to businesses than state courts. Sotomayor wrote that Enbridge, the Canadian company that operates the line, “unquestionably did not meet” a 30-day deadline to move the case, “instead waiting 887 days” after being served the lawsuit to attempt the maneuver. Although the legal issue was a narrow one — whether the lawsuit would be heard in state or federal court — the dispute had raised broader questions over how much power states have to exert control over the fossil fuel industry.

The state has been pushing to decommission a stretch of pipe known as Line 5, which runs along the lake bottom of the Straits of Mackinac and links Lake Michigan and Lake Huron, over fears that a leak could cause an environmental catastrophe. Enbridge has argued that shutting down the line could raise fuel costs. Line 5 is part of a vast network of lines that carry crude oil and natural gas liquids through Wisconsin and Michigan, before ending in Ontario. The lines supply refineries and production plants throughout the region. The disputed section of pipe sits atop land owned by the state of Michigan.