Oil and Gas News Briefs
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China moving toward resuming imports of U.S. crude oil and LNG

(Asia Times; April 3) - China is moving toward resuming large-scale purchases of U.S. liquefied natural gas and crude oil, as supply disruptions in the Middle East and tightening fuel markets across Asia force Beijing to recalibrate its energy strategy. Some observers view the possible move as a significant concession by Beijing, or even a strategic reward to Washington, after China halted U.S. LNG imports in early 2025 when trade tensions escalated under President Donald Trump's tariff measures.

With additional crude oil, China would have sufficient fuel supply to resume gasoline exports to Asian countries, helping it to maintain market share and increase political influence in the region amid tightening refined fuel supplies. On March 11, China's National Development and Reform Commission ordered a halt to exports of gasoline, diesel and aviation fuel. According to Nikkei Asia, China appears set to restart imports of U.S. energy, with tanker-tracking data indicating that around 600,000 barrels per day of American crude oil is scheduled to be loaded in April.

The resumption of China's purchases of U.S. crude and LNG appears to reflect limited strategic flexibility for Beijing, as disruptions to supplies from Venezuela and the Middle East constrain its options. However, Chinese state media have framed the development differently, portraying it as a win over Japan in securing U.S. energy. China's decision to resume U.S. energy purchases comes ahead of a planned leaders' meeting between Beijing and Washington in May, and the deal helps create a constructive atmosphere for high-level dialogue, Liang Mi, a Sichuan-based columnist, wrote in an article on April 2.

J.P. Morgan says oil could reach $150 if Strait closed into mid-May

(Reuters; April 2) - Oil prices could spike to $120 to $130 per barrel in the near term, with a risk of surging above $150 if supply flows through the Strait of Hormuz remain disrupted into mid-May, J.P. Morgan said in a note on April 2. J.P. Morgan's base-case assumption is that the disruption to the strait will ultimately be resolved through negotiations following a period of supply strain and inventory drawdowns.

Under this scenario, oil prices are expected to remain elevated above $100 a barrel through the second quarter. Prices are then forecast to retract in the second half of 2026, driven by a partial reopening of the strait and some normalization of oil inventories, the note added. J.P. Morgan warned that the size and duration of any price

spike would be key in determining the severity of the broader macroeconomic shock, raising the risk of depressed demand and a potential recession if high prices persist.

Iran offering deals for oil tankers to sail through Strait of Hormuz

(Bloomberg; April 1) - In recent days, the operator of an oil tanker stuck in the Persian Gulf received a compelling proposal. After weeks at anchor with missiles and drones passing overhead, it could finally sail safely out through the Strait of Hormuz and into the open ocean — escorted by the Iranian Navy. But first it would need to change its registration and raise the flag of Pakistan, according to a company executive, speaking on condition of anonymity in order to discuss sensitive conversations.

The company wasn't able to take up the offer, which came from the government of Pakistan. Iran agreed to allow 20 Pakistani vessels to transit through the strait, but the country only had a few flagged ships in the Gulf. Islamabad began reaching out to some of the world's biggest commodity traders to see if they had vessels that could transit Hormuz while temporarily sailing under a Pakistani flag, according to people with knowledge of the discussions.

One of the people said Pakistan was looking for the biggest ships it could find within the region, including supertankers capable of carrying 2 million barrels each. Arranging their passage would be a way to show the success of diplomatic efforts to bring the war to an end. At least two large oil trading houses have received the offer. The arrangement shows how Iran's Islamic Revolutionary Guard Corps is exerting considerable control over shipping through the Strait of Hormuz, the critical maritime chokepoint through which a fifth of the world's oil and liquefied natural gas normally transits.

Iran allows transit for select oil tankers, container ship, LNG carrier

(Reuters; April 3) - Three Omani-operated tankers, a French-owned container ship and a Japanese co-owned liquefied natural gas carrier have crossed the Strait of Hormuz since April 2, shipping data showed, reflecting Iran's policy to allow transit for ships it deems friendly. Iran initially shut the strait — a route for about 20% of global oil and LNG — after U.S. and Israeli airstrikes on Iran at the end of February led to a widening conflict. Later, it said it would permit transits by ships with no U.S. or Israeli links.

Oil and commodities markets are keen for signs traffic is resuming. Several tankers and container ships managed to escape the blockade in previous weeks but activity was swiftly followed by days of complete paralysis. A container ship owned by France's CMA CGM transited the strait on April 2, the day that French President Emmanuel Macron said that only diplomatic efforts, not a military operation, could open the strait. The

French vessel changed its Automatic Identification System destination to "Owner France" before entering Iranian waters, signaling its nationality to Iranian authorities.

Two very large crude carriers and one LNG tanker operated by Oman Shipping Management also exited the Gulf on April 2, according to MarineTraffic and LSEG data. Oman, which mediated talks between Iran and the United States before the attacks, has criticized the launch of strikes while the talks were ongoing. Japan's Mitsui O.S.K. Lines said on April 3 that an LNG tanker which it co-owns had crossed the strait, making it the first Japan-linked vessel and the first LNG carrier to do so since the conflict began.

OPEC+ decision to increase quotas for May merely ‘academic’

(Reuters; April 5) - OPEC+ agreed on April 5 to raise its collective oil output quotas by 206,000 barrels per day for May, a modest rise that will largely exist on paper as its key members are unable to raise production due to the U.S.-Israeli war with Iran. The war has effectively shut the Strait of Hormuz since the end of February and cut exports from OPEC+ members Saudi Arabia, the UAE, Kuwait and Iraq — the only countries in the group which were able to significantly raise production even before the conflict began.

Crude prices have surged to a four-year high close to $120 a barrel, translating into soaring prices for transport fuels which are pressuring consumers and businesses across the globe, and triggering government action to conserve supplies. The OPEC+ quota increase of 206,000 barrels per day represents less than 2% of the supply disrupted by the Hormuz closure, but it signals readiness to raise output once the waterway reopens, OPEC+ sources have said.

Consultancy Energy Aspects called the increase "academic" as long as disruptions in the strait persist. "In reality it adds very few barrels to the market,” said Jorge Leon, a former OPEC official who now works as head of geopolitical analysis at Rystad Energy. "When the Strait of Hormuz is closed additional barrels from OPEC+ become largely irrelevant.” Besides the disruptions affecting Gulf members, others such as Russia are unable to increase output — in Moscow's case due to Western sanctions and damage to infrastructure inflicted during the war with Ukraine.

Gulf nations consider new pipelines to bypass Strait of Hormuz

(The Jerusalem Post; April 2) - The Gulf states are considering expanding their oil pipelines beyond the Strait of Hormuz in a bid to bypass dependence on the crucial Persian Gulf waterway for exports, The Financial Times reported on April 2. One of the main options examined reportedly includes a pipeline route that would connect the Arabian Peninsula with the Mediterranean through the Israeli port of Haifa.

According to the report, Saudi Arabia has been the only Gulf state to maintain a steady flow of oil exports amid the war, mainly thanks to the East-West pipeline, which connects its oil fields to the Red Sea port of Yanbu and bypasses the strait. “In hindsight, the East-West pipeline looks like a genius masterstroke,” a senior Gulf energy executive told the newspaper.

The report mentions the new projects being considered include not only a new pipeline or the expansion of current infrastructure, but rather the creation of a new network of pipelines, trains and roads that would allow options to the Strait of Hormuz. The main project listed in the report is a proposal which would connect India to the Mediterranean Sea via a network of roads, railways and pipelines. The main challenge for this plan would be securing Saudi Arabia's agreement to include the port of Haifa on the route.

Dated Brent trades at much higher price than futures market

(Bloomberg; April 2) - The world’s most important price for real-world oil barrels surged above $140 on April 2, the highest since 2008. Dated Brent, the price of shipments bought and sold in the North Sea, reached $141.37, surpassing levels seen when Russia invaded Ukraine, according to S&P Global, which publishes the data. The surge is a sign of the growing disconnect between futures contracts and various pockets of physical markets that are pricing increasingly scarce supplies.

Dated Brent underpins a significant number of transactions where actual cargoes are bought and sold, and a large volume of supply has been lost to the Iran war. The futures market, on the other hand, is weighted largely to financial trading in so-called paper barrels. The last time Dated Brent touched such heights was 18 years ago, when the global financial crisis that had been brewing for months was on the cusp of puncturing a historic crude rally. The current price run-up reflects higher demand in the North Sea, where traders have been bidding for cargoes at record premiums over recent days.

Unlike Dated Brent, benchmark Brent futures traded on Intercontinental Exchange are still lower than 2022 levels, trading near $107 on April 2. That’s because the value of Dated Brent represents the price of crude for a more immediate delivery period than the futures market for delivery in the months ahead. The futures market also serves investors looking to trade oil contracts but not actually take delivery of the crude.

U.S. crude futures for May trade $16.70 above June futures

(Reuters; April 2) - U.S. crude oil for delivery next month hit their largest-ever premium over the second-month contract on April 2, as traders scrambled to secure barrels after U.S. President Donald Trump vowed to continue attacking Iran. The activity, known as backwardation — when immediate deliveries trade at a premium over barrels scheduled

for delivery in later months — suggests traders expect supplies to be tighter in the near-term rather than down the road.

WTI crude futures for May delivery traded as much as $16.70 per barrel higher than the June contract during the session. The contract hit a session high of $113.97 a barrel on April 2 before settling at $111.42 a barrel. While oil for immediate delivery has risen sharply, oil for delivery in six months and one year out has also risen, albeit less dramatically. Still, the higher price increases the chances of producers restarting rigs.

Oil for October delivery, a key indicator for companies deciding whether to increase drilling, is trading around $73.64, 13% higher than before the war began. "You will likely see some U.S. operators start to drill and complete more wells later this year," said Andy Hendricks, CEO of Patterson-UTI, one of the largest drilling contractors in the U.S. "What is happening today in oil prices is not really the driver for the U.S. You have got to know what the price of oil will be in six to nine months' time," he added.

U.S. LNG exports reached record high in March

(Reuters; April 1) - U.S. exports of liquefied natural gas rose to an all-time high in March as plants ran above nameplate capacity and new production units started up, preliminary data from financial firm LSEG showed. Shipments to Asia more than doubled from February amid the ongoing war in the Middle East that has roiled energy markets and taken nearly 20% of global LNG supply offline, forcing customers who depended on cargoes that transited the Strait of Hormuz to try and find alternatives.

Exports in March climbed to 11.7 million tonnes, up from 9.94 million in February, and surpassed the previous record of 11.5 million in December. The U.S. is the world's largest LNG exporter, and its commercial model relies on destination-flexible cargoes that buyers — many with long-term contracts and locked-in supply — can redirect to any market. Most producers, however, don't have much spare capacity to work with.

Some new U.S. production capacity, however, did begin ramping up, with QatarEnergy and Exxon Mobil's Golden Pass LNG project in Texas starting output from its first train, which has capacity of 6 million tonnes per year, and Cheniere starting production from the fifth train of its Corpus Christi expansion in Texas. Those additions mean March's record could be surpassed again soon. Meanwhile, higher prices in Asia helped pull more U.S. LNG into the region. Asian spot LNG averaged $21.65 per million Btu in March, compared with $16.17 for Dutch benchmark TTF.

Japanese buyer cancels LNG contract with Louisiana project

(Bloomberg; April 2) - A purchase agreement between Commonwealth LNG and Japan's top liquefied natural gas buyer, JERA, has been terminated, according to a document filed with the U.S. Department of Energy. JERA and Commonwealth entered the long-term agreement last year, which would've seen the proposed Louisiana export project supply 1 million tonnes of LNG annually for 20 years. The project is proposed for 9.5 million tonnes production capacity, with a construction investment of $11 billion.

The notification of the deal's termination was dated April 1 and filed on behalf of Commonwealth Energy. A spokesperson for Commonwealth LNG did not immediately respond to requests for comment. JERA declined to comment. The planned Commonwealth LNG project is under development by private equity-backed Kimmeridge Energy Management, whose managing partner Ben Dell said last week that a final investment decision is expected in April. The project has other long-term offtake agreements with other purchasers.

Japan heavily invested in Middle East gas projects and supply

(Australian Financial Review; April 6) - As Iran's missiles hit Qatar's Ras Laffan liquefied natural gas complex last month, causing billions of dollars of damage, Japanese engineers were ordered to shelter in place. Working nearby on the massive North Field expansion project, the Chiyoda engineers are part of Tokyo's decades-long investment strategy of bolstering the Gulf's gas industry to ensure long-term supplies for Japan. But construction has stopped on the project, which was slated for completion in 2027, and Chiyoda's 200 on-site employees and their families have been ordered to stay inside.

Japan's strategy of pouring billions into financing Gulf projects, constructing LNG terminals and locking in long-term supply is buckling and under scrutiny as the crisis worsens. "Japan's exposure to the Middle East has helped energy security in Japan for many years," said Tatsuya Terazawa, chairman of the Institute of Energy Economics in Japan. "But this will have to be revisited, and we will need to alleviate the reliance on the Middle East." Japan gets 40% of its LNG imports from Australia but has also long relied on Qatar and other Gulf producers such as Oman for gas supplies.

Fuel costs are surging in Japan, forcing everything from hospitals to traditional onsen baths to scale back operations, while households, already grappling with inflation, face higher energy bills. Japanese energy giants, including INPEX, Mitsui and Mitsubishi, hold stakes in major LNG projects in Qatar and Oman, while utilities such as JERA, Tokyo Gas and Osaka Gas are locked into long-term agreements to buy gas from Gulf suppliers. Construction contractors like JGC Holdings and Chiyoda have played a central role in building liquefaction capacity at hubs such as Qatar's Ras Laffan.

LNG from new Texas plant headed to Italy starting in June

(Reuters; April 2) - Italy will begin receiving liquefied natural gas from the Golden Pass LNG facility in Texas, a joint venture between QatarEnergy and Exxon Mobil, starting in June, two sources familiar with the matter said. The LNG cargoes from the U.S. will help Italy plug a potentially costly supply gap due to disruptions from Qatar linked to the U.S.-Israeli war against Iran, the sources with knowledge of the market said.

Italy is already receiving U.S. LNG from other terminals, but these cargoes would mark the first LNG coming from Golden Pass in Texas to Italy's Adriatic LNG terminal, they said. Italian utility Edison, which is facing missing gas deliveries from Qatar, declined to comment. QatarEnergy was not immediately available for comment. Exxon Mobil said gas exports from Golden Pass LNG would start in the second quarter of this year.

Golden Pass LNG said earlier this week that it had produced its first LNG, paving the way for the delivery of an initial cargo. Once fully operational, the facility will be able to produce 18 million tonnes per year.

Empty Qatari LNG tankers idle across Asia

(Bloomberg; April 6) - More than four-dozen empty Qatari liquefied natural gas tankers are idling across Asia, as the nation’s export plant remains shut and the Strait of Hormuz largely closed because of the war in the Middle East. The tankers are gathered in several locations, including West India, off the coast of Sri Lanka, the northern entrance to the Strait of Malacca, and the waters east of Singapore, according to an analysis of tracking data from Bloomberg and Kpler.

Qatar was forced to shut production at the world’s largest LNG export plant following an Iranian drone attack in early-March, upending the global market and leaving its vast fleet of tankers without orders. The idled ships illustrate the scale of the disruption, which has sent shockwaves through the LNG industry and forced some nations to cut consumption. LNG traffic through the Strait of Hormuz — the waterway that links the Persian Gulf with global markets — has been brought to a near-standstill by Tehran since the U.S. and Israel began strikes on Iran in late February.

At present, there are more than 800 LNG tankers in operation worldwide, according to the International Group of Liquefied Natural Gas Importers.

Pakistan goes from surplus to shortage after Qatari LNG cutoff

(Al Jazeera; April 3) - At the start of this year, Pakistan had more imported liquefied natural gas than it could use. Demand had been falling for three straight years, from a

peak of 8.2 million tonnes in 2021 to 6.1 million by late 2025, as cheap solar panels flooded the market and factories cut back their demand for gas. The government quietly sold excess gas shipments to other countries and shut down domestic gas wells to prevent pipelines from bursting under the pressure of oversupply.

Then the U.S.-Israeli war on Iran came. The energy consequences were immediate. As a part of its retaliation against U.S.-Israeli attacks, on March 2, Iranian drones hit Qatar’s gas facilities at Ras Laffan Industrial City, the world’s largest LNG export complex, cutting off flows from the terminal, while Iran also closed off the Strait of Hormuz to tankers. For Pakistan, which secures nearly all its imported gas from Qatar and the United Arab Emirates and holds no emergency reserves, the shift from surplus to shortage happened almost overnight.

Qatar’s LNG shipments to Pakistan have stopped almost completely since March 2. Of the eight shipments scheduled that month, only two arrived. The six expected in April are unlikely to reach the country. LNG accounts for more than 21% of Pakistan’s power generation. With an energy crisis looming, Pakistan is bracing for a few hours of daily planned power cuts this summer, alongside other energy conservation measures and higher electricity costs.

Politics could get in the way of Australia’s LNG opportunity

(Reuters commentary; April 1) - The U.S. and Israeli war against Iran has changed the global market for liquefied natural gas, providing a boost to producers outside the Middle East that will likely last long after the current conflict ends. One of the major beneficiaries is Australia, which last year slipped to the third-largest exporter of the super-chilled fuel behind the United States and Qatar.

The short-term boost to Australia's LNG producers is through higher prices, with Asian spot-market prices doubling since the U.S. and Israeli campaign started. The surge in spot prices, and indeed in crude oil-linked long-term contracts, will bolster the profits of Australia's LNG producers. With Qatar's LNG plants damaged by Iranian attacks and estimates that repairs will take up to five years, the likelihood is that LNG supply will remain constrained even as new projects in the U.S. and elsewhere are commissioned.

Australia's LNG producers have long argued that the country is at risk of losing investment due to burdensome regulation around developing new gas supplies, environmental activism and a center-left Labor Party government more concerned with climate change than energy security. But the mood has shifted with industry speakers at this week's Australian Domestic Gas Outlook Conference in Sydney expressing optimism that the Iran conflict presents opportunities that shouldn't be wasted.

The government is under pressure to impose a windfall tax on LNG exports. The industry argues any short-term sugar hit from higher tax revenue will be more than

offset by longer-term damage to Australia's reputation as a stable jurisdiction for investment. There is merit to this argument, but winning against a populist cash-grab will be a challenge, with politicians vulnerable to doing what will appeal to voters.

South Korean president urges people 'to save every drop of fuel'

(Bloomberg; April 1) - South Korean President Lee Jae Myung urged citizens to "save every drop of fuel," ramping up an official call for energy conservation as the deepening Iran conflict hits the energy-importing nation hard, straining households and businesses. In a parliamentary address April 2, Lee sharpened earlier appeals for restraint in fuel use, signaling a heightened sense of urgency as the government moves to contain the economic fallout from surging energy prices and prolonged supply disruptions.

He warned that the Mideast crisis has triggered one of the most severe energy security threats in decades. "I earnestly appeal to all citizens to actively participate in energy-saving movements in daily lives, such as taking public transportation and conserving electricity," Lee said. "The current crisis is not a passing shower that quickly subsides, but rather a massive storm whose duration is uncertain, making it all the more severe."

The remarks come as his administration proposed a 26.2 trillion won ($17 billion) supplementary budget, aimed at cushioning the shock from surging fuel costs, supporting vulnerable households and stabilizing supply chains. The package is designed to respond to a sharp spike in oil prices, with Brent crude jumping more than 40% in March. The government has already taken unprecedented steps, including imposing a fuel price cap for the first time in nearly three decades, and expanding fuel tax cuts to ease the burden on the public and companies.