Oil and Gas News Briefs
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UAE grows more aggressive in oil markets after leaving OPEC

(Reuters commentary; Aug. 13) - The gloves are off for ADNOC. State-owned Abu Dhabi National Oil Co. has become more aggressive and nimble since the Iran war disrupted oil exports and as the United Arab Emirates looks to maximize its resources after exiting OPEC in May, according to numerous trade sources. In recent months, ADNOC has begun selling spot cargoes through tenders, tapping new customers, offering unprecedented flexibility in its terms and conditions and even dealing with the trading houses it typically shunned, traders and other industry insiders say.

It has also deployed a shuttle system to move its crude across the Strait of Hormuz, where traffic has been severely curtailed by the war and its vessels have faced attack, and is expanding its shipping fleet. If ADNOC's shift proves to be more than a wartime workaround, it could be one of the biggest changes in Gulf oil marketing in decades, reshaping flows from the Middle East to top consumer Asia, with implications for Asian refiners and ADNOC rivals such as Saudi Aramco, Kuwait Petroleum and Iraq's SOMO.

"ADNOC feels totally liberated by leaving OPEC," as it no longer faces constraints on production and pricing, said veteran former oil trader and director at consultancy Surrey Clean Energy, Adi Imsirovic. "Their hands are finally untied and you can see what they're doing with their tenders and pricing options." ADNOC's approach is showing results: The UAE is gaining Asian market share, accounting for 32% and 27% of Middle Eastern shipments to the region in June and July, respectively, according to Kpler data. Last year, the UAE accounted for 20% of Middle Eastern oil exports to Asia.

UAE national oil company takes stake in Venezuela gas project

(Bloomberg; Aug. 13) - Arab Gulf companies are making their debut in Venezuela through an offshore natural gas project to be operated by BP. XRG, the investment unit of the United Arab Emirates' state-owned Abu Dhabi National Oil Co., announced the award of a license for the Loran field, a Caribbean gas deposit that straddles the border between Venezuela and Trinidad and Tobago, the company said in a statement Aug. 13. XRG will hold a working interest in the license alongside BP and Qatar's UCC Oil and Gas Holding to tap over 4 trillion cubic feet of gas resources.

The supply would be positioned to replenish gas feedstock to industries in neighboring Trinidad, including the Atlantic liquefaction plant led by Shell and BP, and petrochemical and fertilizer plants that have been subject to gas rationing for years. The Venezuelan

gas deal comes at a time when prolonged hostilities between the U.S. and Iran have hampered global energy supplies. The deal for Phase 2 of the Loran development also signals the Venezuelan government's willingness to advance energy deals negotiated before the U.S. capture of Nicolás Maduro in January.

XRG's participation is subject to license and development arrangements, government and regulatory approvals and all international sanctions compliance requirements, the company said. ADNOC entered into preliminary discussions to invest in Venezuela after Maduro's ouster opened possibilities for business. The step widens the firm's footprint in the region, following a deal with Italian energy giant Eni to buy stakes in an LNG production and export project in Argentina's Vaca Muerta Basin. ADNOC aims to build a global business in gas, chemicals and other energy supply and trading.

Shuttle-tanker traffic through Hormuz helps hold down oil prices

(Bloomberg; Aug. 16) - Middle Eastern oil producers are pressing ahead with shuttling large volumes of crude out of the Persian Gulf, helping keep a lid on prices and assuaging fears of an energy-driven inflation spike, even as the Iran war drags on. The trade of ferrying oil through the Strait of Hormuz undetected to transfer the barrels onto tankers in the Gulf of Oman is running at full tilt, despite recent attacks on vessels, people with knowledge of the shipments said.

The incognito crossings of the world's most vital energy chokepoint have become a major lifeline for global markets that were bracing for a much worse supply shock when the Iran war broke out. For producers in the region, the situation is far from normal, however, with ships subject to repeated hostility even though they have some military protection, the people said. The shuttling has been ongoing for months, but tracking how much oil those "dark" ships are moving is a challenge for traders and analysts alike because vessels are protecting themselves by giving little clue about their locations.

The volumes are running higher than market estimates of 4 million barrels a day, the people said, without specifying by how much. They spoke on condition of anonymity given the sensitivity of the matter. Before the Iran war, about 20 million barrels a day crossed Hormuz, roughly a fifth of the world's oil supply. The embattled shipments are one of the reasons that Brent oil futures have spent much of August trading between $80 and $90 a barrel, traders and analysts say. That's far from the most alarming levels foreseen at the onset of the conflict if the Iran war lingered through the summer.

Papua LNG project has a lot of gas but plenty of challenges

(Australian Broadcasting Corp.; Aug. 14) - Global oil and gas giants are rushing to green-light a massive LNG project on Australia's doorstep as war in the Middle East

forces countries to look for alternative energy supplies. The Elk-Antelope gas field in Papua New Guinea contains the energy equivalent of more than 1 billion barrels of oil, worth upward of $70 billion. But the site has remained untapped since its discovery in 2006. The proposal, the Papua LNG project, would develop the area and build a 200-mile pipeline with the goal of producing more than 5 million tonnes of LNG per year.

The project has been beset with delays, from political upsets to cost blowouts, design overhauls, investor uncertainty and landowner disputes. It has fueled frustration among TotalEnergies, ExxonMobil and Santos, which hold significant stakes in the project that would be the country's second LNG export operation. The government is increasingly desperate for investment as it struggles to get resource projects up and running.

Speaking at an industry conference last month, Petroleum Minister Jimmy Maladina said he was confident a final investment decision would be reached by the end of the year. But others remain skeptical. Kevin Morrison, an analyst at the Institute for Energy Economics and Financial Analysis, said large quantities of new LNG were still coming onto the market, particularly from the U.S. He said the global supply disruptions and market volatility may make customers more hesitant to sign long-term supply contracts. That remains a challenge for Papua LNG, which has not yet announced any buyers.

An industry insider said there was "deathly silence" on the customer front. It comes amid reports that TotalEnergies is looking to hand over its role as operator to Exxon, which could result in cost reductions but also create delays. On top of that, the venture still needs to secure financial backing. As well as securing customers and financing, Papua LNG also needs support from landowners in the Gulf Province to move forward. Hundreds of landowners from the area gathered in Port Moresby this week to negotiate benefit-sharing arrangements — a crucial step in getting the project over the line.

More U.S. Gulf Coast LNG cargoes going through Panama Canal

(S&P Global; Aug. 12) - Laden LNG tanker transits through the Panama Canal climbed to the highest level in nearly three years in July, as elevated Northeast Asian prices and a shift in U.S. LNG exports toward Asia improved the economics of shipping cargoes through the waterway, an analysis of S&P Global Energy CERA data showed Aug. 12. Some 11 laden LNG tankers passed through the canal in July, up from six in June to mark the highest monthly total since November 2023, before drought-related draft restrictions and transit caps caused LNG traffic to decline sharply.

Transits did not recover to pre-drought levels after water levels improved in 2024, with most LNG tankers bound for Asia opting for the longer route around Africa's Cape of Good Hope. From late 2023 through the outbreak of war in the Middle East in late February, laden canal transits averaged fewer than four cargoes per month, according to CERA data. But over the past several weeks, sustained netback premiums for routing

U.S. Gulf Coast LNG cargoes to Northeast Asia via the canal rather than around the Cape of Good Hope helped draw charterers back to the waterway.

However, most U.S. Gulf Coast LNG cargoes for Northeast Asia still take the longer way around Africa. CERA LNG analyst Andres Rojas said many market players control ships under long-term charters and treat shipping expense as sunk costs, and often focus on avoiding canal transit fees, helping keep Africa the preferred route. The route also offers traders more commercial flexibility. Cargoes sailing around Africa can still be redirected to markets in Europe, South America or South Asia if market conditions shift during the voyage. Ships booking Panama Canal slots are largely committed to the Pacific Basin.

LNG moves in ship-to-ship transfer outside Strait of Hormuz

(Bloomberg; Aug. 17) - Two liquefied natural gas tankers appeared to be conducting a ship-to-ship transfer outside the Strait of Hormuz, according to satellite images seen by Bloomberg, as suppliers seek to keep fuel moving from inside the Persian Gulf to global markets. The LNG Enugu was docked near the city of Sohar on the Gulf of Oman and anchored parallel to a second vessel, images taken by the Copernicus Sentinel-2 satellite on Aug. 15 showed. The positions are typical of a ship-to-ship maneuver and would suggest that the tankers could be transferring a cargo.

The LNG Enugu had its transponder turned on. It is owned by BW Gas LNG Carriers, part of BW Group, according to ship-tracking data compiled by Bloomberg. It has been circling the Gulf of Oman in recent days, the data shows. The second vessel was identified as the Mraweh, which is owned by Abu Dhabi National Oil Co., according to TankerTrackers.com. Its transponder was turned off.

The latest movements signal how exporters are attempting to keep LNG moving through Hormuz, even though visible shipments of the fuel through the waterway have effectively been at a standstill since an Iranian attack on a Qatar-owned tanker in early July. Unlike with oil, ship-to-ship transfers of LNG are relatively uncommon due to the technical challenges involved in keeping the fuel super-chilled during any switch. If confirmed, the transfer would likely be the first known instance of LNG from inside the Gulf being moved to a different vessel outside the Strait of Hormuz.

Europe’s gas storage at lowest level for August since 2009

(Bloomberg; Aug. 13) - Europe’s reserves of natural gas for heating and power generation are back in focus. Four years ago, the region’s governments and energy industry spent record sums to replenish severely depleted inventories as a supply squeeze caused by Russia’s invasion of Ukraine in 2022 triggered a surge in prices. Now, the Iran war is making it hard to build enough stocks ahead of winter.

The Middle East conflict has severely constrained traffic through the Strait of Hormuz, pitting buyers against each other in competition for the remaining LNG cargoes. Worries about near-term shortages have repeatedly pushed summer gas prices above those of winter contracts, eroding the incentive for traders to store fuel. Europe has only a few months left before winter begins. Its storage was just 59% full as of Aug. 10, the lowest seasonal level in records going back to 2009. The risk is a weak buffer against supply shocks and price spikes as it enters the peak season for gas consumption.

If supply remains tight and Europe heads into the winter with low gas stocks, it could be forced to pay even higher prices during the colder months to meet heating and power demand. European prices have already nearly doubled from levels seen at the same point in 2025, while the disruption to Qatari LNG has delayed an expected global supply glut by at least two years, according to the International Energy Agency. How fiercely Europe must compete for LNG will depend largely on demand from major gas consumer China, power output increases at Japanese nuclear plants and the weather in Asia.

Bangladesh tells businesses to cut hours to save electricity

(Reuters; Aug. 13) - Bangladesh is intensifying electricity-saving measures as the country grapples with gas shortages, power cutbacks and the broader fallout from the Iran crisis. Under a government directive that took effect Aug. 13, shops, markets and shopping malls must close by 8 p.m., one hour earlier than previously. Commercial establishments are now permitted to operate only between 11 a.m. and 8 p.m., while hospitals, pharmacies and food-related businesses are exempt.

The move comes as gas shortages continue to constrain power generation. Limited supplies have reduced electricity generation, leaving the national grid facing a shortfall of several hundred megawatts during peak hours and triggering load-shedding in different parts of the country. The situation has been aggravated by the Iran crisis, which has disrupted energy markets and increased volatility in global fuel and LNG prices.

Bangladesh, increasingly reliant on LNG imports as domestic gas production declines, is vulnerable to supply disruptions and rising import costs. A recent outage at an LNG import terminal further strained supplies, temporarily reducing flows to the national grid.

Bangladesh turns to U.S. commodity trader for 12-year LNG deal

(Reuters; Aug. 12) - Bangladesh is turning to the United States for a long-term liquefied natural gas supply deal as it seeks to shore up energy supplies amid disruptions in global gas markets caused by the U.S.-Israeli conflict with Iran. The government on Aug. 12 approved the purchase of 117 LNG cargoes from U.S.-based Gunvor between

2026 and 2038 under a state-to-state agreement, alongside eight cargoes from other international suppliers through direct procurement.

Under the U.S. deal, Bangladesh will buy five cargoes in 2026, six in 2027 and six in 2028. Three of the 2028 cargoes, along with all cargoes in 2026 and 2027, will be priced at the Japan Korea Marker (JKM) index plus 8.75 cents per Btu. The JKM index was tracking around $11 per million Btu before ethe U.S.-Iran war drove it to more than $21. The remaining three cargoes in 2028 and 10 cargoes a year from 2029 to 2038 will be priced at 121% of the U.S. Henry Hub natural gas pricing benchmark plus $5.20 per million Btu. Henry Hub was trading around $2.80 on Aug. 12.

The agreement comes as Bangladesh faces growing risks to LNG supplies following disruptions to Qatari exports. QatarEnergy has declared force majeure on some long-term contracts amid the conflict and disruptions affecting LNG production and shipping. The Bangladesh government also approved the purchase of eight LNG cargoes through direct procurement. Two cargoes from Hong Kong-based Zhenyu Shipping Company will be bought at a fixed price of $14.95 per million Btu.

Russia’s second domestically built ice-class LNG carrier goes to sea

(Reuters; Aug. 14) - Russia's second new domestically built ice-class carrier for transporting liquefied natural gas, the Konstantin Posiet, departed from Bolshoy Kamen Bay in Primorsky Krai and set a course along the Northern Sea Route, LSEG data showed on Aug. 14. For Russia, the tanker represents another step in overcoming Western sanctions designed to prevent it from moving gas to international markets and to curb its revenues for waging war on Ukraine.

The vessel was built at the Zvezda shipyard, one of Russia's most advanced shipbuilding facilities, to serve the Arctic LNG 2 plant, which is subject to U.S. sanctions. According to LSEG data, the tanker is expected to arrive at its destination on Aug. 30. The destination of the gas carrier has not been specified. Zvezda specializes in building large Arc7 ice-class tankers capable of breaking through ice more than 6 feet thick.

The shipyard was meant to build 15 tankers for Russia's Arctic LNG-2 project, but sanctions have caused delays. The first Russian-built ice-class tanker for liquefied natural gas from Zvezda shipyard, the Alexey Kosygin, entered service last December. The latest vessel means it has a total of three ice-class tankers that allow the gas to be shipped via a much shorter route to reach Asia from the LNG plants in Siberia.

China oil and gas major starts full production at new field

(Reuters; Aug. 11) - China's oil and gas major CNOOC announced on Aug. 9 that its Phase I development project at the Bozhong 19-6 offshore gas field began full production, with daily output of almost 38,000 barrels of oil equivalent per day, state-owned media reported. Located in the central Bohai Sea, Bozhong 19-6 is the first gas field in the region with reserves exceeding 3.5 trillion cubic feet. Its development will help boost energy supplies in eastern China, where resources are relatively scarce.

The overall field has proven geological reserves of more than 7 tcf of gas and more than 1 billion barrels of oil liquids, according to the statement. Its reservoirs lie more than 16,000 feet underground and are spread across a wide area, with complex geological structures that make the field significantly more difficult to develop than conventional offshore oil and gas fields. Bozhong 19-6 has produced more than 100 billion cubic feet of gas to date and has become an important source of supply for eastern China, including the Beijing-Tianjin-Hebei region and areas surrounding the Bohai Sea.

The start of full production from Phase I comes during the peak summer demand period and will help meet household and industrial energy needs in the eastern region. The company said that drilling for the field's Phase II development has begun as part of CNOOC's strategy to develop the field in stages following initial pilot operations.

North Sea regulator tells companies to speed up decommissioning

(Financial Times; London; Aug. 13) - Oil companies operating in the declining North Sea will have to rapidly speed up the decommissioning of their wells as more fields run down, an industry regulator said. Operators have made little progress on 500 old oil and gas wells past original decommissioning deadlines, according to the North Sea Transition Authority, which also warned that higher costs and competition for equipment are hampering progress.

In a report published Aug. 13, the NSTA said companies needed to "massively increase" the pace of work to both clear the backlog and shut down a further 1,000 wells due to stop producing over the next five years. Last year 114 wells reached "final abandonment" status, up from 103 in 2024. Safely shutting down wells in the North Sea is a growing issue for the basin, which is still highly productive but well past its peak, while several energy majors have turned their attention to other parts of the world.

A rush of deals has concentrated 80% of the liabilities for old wells in the hands of just 10 companies, the NSTA said. BP put its North Sea business up for sale in July, while Shell has shifted its offshore U.K. fields into a joint venture. "The period to 2032 remains a critical phase for … decommissioning," NSTA said in its annual report, referring to the U.K. continental shelf. Earlier this year it fined EnQuest £16.5 million (US$22.2 million)

for failing to decommission 33 inactive wells. EnQuest appealed the fine and said it was “disappointed” with the penalty because the wells had only been inactive a few years.

Undersea pipeline moves more Texas gas to Mexico

(Energies Media; Aug. 13) - Something enormous lies on the floor of the Gulf of Mexico, and most people in Mexico have no idea it exists. It stretches 444 miles, runs mostly out of sight, and began moving natural gas in spring 2025. For decades, Mexico’s southeast has been an awkward energy outlier. It sits directly among some of the country’s richest petrochemical and refining infrastructure, yet its power plants depended on fuel oil and expensive diesel to keep turbines spinning. Gas was abundant a few hundred miles north in Texas, but no pipe connected the two places through the Gulf.

The gap was both an engineering problem and a political one. Mexico’s state power utility, the Comisión Federal de Electricidad (CFE), needed a partner willing to bet billions on a subsea route that the industry had never crossed at that scale. In August 2022, CFE and TC Energy reached a final investment decision, committing to $4.5 billion to the project to move up to 1.3 billion cubic feet per day of gas, and a timeline that gave builders less than three years. To lay pipe at that length and speed, Allseas mobilized a fleet of specialty vessels and pointed them at the Veracruz coast in 2024.

TC Energy helped Allseas validate its automated ultrasonic testing system, which inspected more than 57,000 welds. The subsea line acts as an extension of the existing Sur de Texas-Tuxpan pipeline, so gas produced in the Permian Basin and the Eagle Ford now flows under international waters and arrives at Mexico’s most ambitious refinery complex. TC Energy reported the project finished less than three years from its final investment decision date, at a cost roughly 13% below the original estimate.

Salvage crews respond to sinking tanker carrying Russian oil

(Bloomberg; Aug. 13) - Specialists are racing to salvage a sinking oil tanker off Oman — part of Russia’s shadow fleet — that has caused a massive oil slick, with rough monsoon conditions threatening to hamper the effort. Specialist personnel have already boarded the Caroline Bezengi, a Suezmax that’s grounded among the Hallaniyat Islands on Oman’s southern coast, with salvage vessels, aircraft and equipment on the way, maritime risk and response company Ambrey said in a statement.

The region is in the midst of its seasonal monsoon, which brings unpredictable sea and weather conditions. It’s a race against time to contain an oil slick that covers about six-and-a-half times the area of Manhattan, or 150 square miles, according to the state-run Oman News Agency. Oman’s government agency that oversees environmental issues

confirmed on Aug. 13 that beaches on the mainland have been contaminated by oil as it was monitoring the spill that emanated from the vessel, according to the news outlet.

The waters around the Hallaniyat Islands are home to diverse coral reefs, fish and turtles that visit its beaches to lay their eggs, while dolphins and whales can be seen in the surrounding waters. Caroline Bezengi was first identified aground in late June on the western end of Al-Qibliyah Island that's part of the Hallaniyat Islands, when it was likely carrying around 800,000 to 1 million barrels of crude oil, according to satellite images and information analyzed by SynMax Maritime. The tanker has been sanctioned by the European Union and the U.K. for its role in transporting Russian crude oil.

First cargo of fuel oil from Malaysia since 2023 headed to U.S.

(Reuters; Aug. 13) - A fuel oil cargo from Malaysia's PRefChem is heading to the U.S., shipping data showed, as disruptions from the Iran war keep global availability of refinery feedstocks tight. The low-sulfur and straight-run (LSSR) cargo can be fed into a refinery to produce higher-margin distillates such as gasoline and diesel. The last such cargo from PRefChem to the U.S. shipped in May 2023, according to Kpler and LSEG.

The Solomon Sea departed from the Vopak Dialog Pengerang terminal on Aug. 8 loaded with over 540,000 barrels of LSSR fuel and is scheduled to arrive in the U.S. in early September, Kpler data showed. The cargo is heading to a refinery on the West Coast, a source said. Robust refining margins are supporting refinery demand for feedstocks globally, while supplies remain tight due to the U.S.-Iran war. Typically, U.S. refiners import fuel oil from nearer regions such as Mexico and Venezuela.

Report says AI could boost oil and gas production

(Wall Street Journal; Aug. 13) - AI data centers guzzle as much electricity as entire cities. They have ignited demand for any energy source you can name. They're straining the grid and making people fret about their utility bills. Yet all that gargantuan power consumption is a sideshow. That's the conclusion of a new paper that seeks to quantify how artificial intelligence will change the energy system. It says the most profound impact won't come from how the technology is powered but what it's used for.

AI is on course to extend the dominance of fossil fuels. The paper models what would happen if AI boosts productivity for renewable energy and fossil fuels alike. It finds that the improved economics of oil and gas production would push up global carbon-dioxide emissions by between 0.47 billion tons and 1.8 billion tons a year. "On the smaller side it's about the emissions of Mexico annually," said Holly Alpine, one of the co-authors of the research, which was published in the journal Nature.

Like her husband Will Alpine, another co-author, Holly Alpine used to work at Microsoft, where they were both involved in sustainability initiatives. They say they left after growing disillusioned with the company's oil and gas work, and now run a climate advocacy group that pushes to limit the use of AI in growing oil and gas production. AI is the latest chapter in a long history of oil and gas engineers expanding the frontiers of exploration and squeezing more hydrocarbons from fields. Consulting firm Wood Mackenzie estimates that AI could unlock another trillion barrels of oil.