Oil and Gas News Briefs
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Renewables gain as countries react to fossil fuel supply disruption

(Reuters; Aug. 26) - Six months into the U.S.-Israeli war with Iran, governments across Europe and Asia are scrambling to accelerate a renewables build-out in a bid to cut dependence on fossil fuel imports, providing a fresh impetus to the global energy transition. As the effective closure of the Strait of Hormuz has choked off a fifth of the world's oil and liquefied natural gas shipments, governments from South Korea and Thailand to the European Union have pledged to increase funding for renewables.

Renewable power output is soaring across the world, and the International Energy Agency expects it to become the top electricity source for the first time this year. Since the war began, rooftop solar has proved attractive because it is quick and cheap to install. In the Philippines, high power prices driven by costlier imported fuel are pushing households and businesses onto solar, while a battery subsidy plan is fueling a rooftop resurgence in Australia. European demand for rooftop systems has also jumped.

In the U.S., where President Donald Trump has opposed green energy, renewable generation rose 10% in the first half of the year from the same period in 2025. Asian economies most dependent on Persian Gulf oil and gas have absorbed the sharpest shock. China leaned hard into solar, with output rising more than three times as fast as coal between March and July. India, Vietnam and South Korea went the other way, burning more coal. Some European countries also saw extra coal burn, but the IEA expects European Union coal generation to resume its decade-long decline in 2026.

Thailand plans shift away from LNG imports to renewables

(Bloomberg; Aug. 26) - Thailand plans to shift away from imported gas and embrace renewables and nuclear power as it seeks to build an energy system that's less vulnerable to external shocks like the Iran war. The Southeast Asian nation aims to generate 60% of its electricity from clean-energy sources like solar, wind and hydro in 25 years time, said Energy Minister Akanat Promphan, double the previous goal. The targets will be officially announced in an updated 25-year plan in October, he said.

"The ongoing conflict in the Middle East demonstrates that we must urgently reduce imports of LNG and other fuels," he said in an interview at the Thai parliament on Aug. 26. "We need to build a cleaner and more self-reliant power system." Thailand currently generates more than 60% of its electricity from natural gas, most of which is imported,

leaving it exposed to events like the Middle East conflict that has spurred a surge in the price of seaborne liquefied natural gas.

Increasing renewable capacity — around 15% of the power mix at the moment — would curb the need for imported fuel and also support Thailand's goal of getting to net-zero by 2050. The doubling down on renewables — which will require a rapid buildout — comes as Thai power demand is expected to increase sharply. The country has attracted billions of dollars of investment in data centers, cloud computing and advanced manufacturing. The new power plan will include nuclear energy for the first time, a significant shift in Thailand's energy strategy, Akanat said.

High LNG prices could curb demand from price-sensitive buyers

(Reuters commentary; Aug. 24) - U.S. liquefied natural gas producers have shipped out record volumes of the fuel in 2026, but rising global natural gas prices may soon curb demand from cost-sensitive buyers. Key forward gas and LNG prices in Europe and Asia — which together account for over 80% of U.S. LNG shipments — have climbed to their highest in more than three years, data from LSEG shows.

The ongoing U.S. and Israeli war with Iran has disrupted freight traffic in the Persian Gulf and cut LNG flows from key exporter Qatar by over 60% from the year before, according to Kpler, opening the door to higher prices and record U.S. cargoes. However, while reduced Qatari shipments have tightened markets, exporters may soon face softer demand as high LNG costs and a seasonal slowdown in gas consumption prompt buyers to delay purchases.

Estimated forward prices for LNG deliveries to Asia are set to climb to above $22 per Btu for October, November and December delivery, according to LSEG. That compares to an average of just under $17 for 2026 so far and would be the highest in Asia since the start of 2023 when global markets were reeling from Russia's invasion of Ukraine and disruptions to Russian gas flows. Recent import trends suggest buyers are in no rush to secure additional LNG at current prices. That slow import pace suggests buyer concerns over fuel costs currently outweigh worries about potential supply security.

Sinopec chairman says China's oil demand probably peaked last year

(Bloomberg; Aug. 24) - China's oil demand probably peaked last year, earlier than previous estimates, according to the head of the nation's top refiner. Clean energy development, electrification and low-carbon goals mean that the country's oil demand has probably already crested, Sinopec Chairman Hou Qijun said on Aug. 24 at an earnings briefing in Hong Kong. The company had previously forecast usage to top out

in 2027, while the government is targeting oil and coal consumption to reach their limits during the current five-year plan period, which runs through 2030.

“Next year, even if the U.S.-Iran conflict eases up, things might recover, but it won’t hit last year’s level,” Hou said. “So it’s very likely demand peaked last year.” China is the world’s largest oil importer. An earlier start to reducing consumption would help rein in its world-leading emissions while raising questions for the world’s top oil producers.

Sinopec, known officially as China Petroleum & Chemical Corp., said in its earnings report on Aug. 23 that road fuel demand plummeted in the first half as consumers shied away from higher prices and shifted to electric vehicles. The declines are expected to narrow a bit in the second half because of supportive economic policies, said Tian Hongbin, a senior vice president at the company.

Mideast supply disruption makes Tanzania LNG look better

(Reuters; Aug. 25) - The disruption to energy flows through the Strait of Hormuz is making it more attractive for Equinor to develop a long-stalled liquefied natural gas export plant in Tanzania, the Norwegian company said on Aug. 25. Discovered more than a decade ago, the massive Tanzania gas deposit is expected to cost about $42 billion to develop, the East African nation has estimated, and would provide an alternative source of supply for Asian customers.

But Equinor's talks with Tanzania over detailed investment terms and conditions have been ongoing for years, and hopes for a breakthrough have been dashed on several occasions. "You don't want to wait too long to put new LNG volumes on the market, so maybe now is a good time to get on with it," Equinor's head of international operations, Philippe Mathieu, told reporters at an energy conference in Norway on Aug. 25.

When asked if the Mideast disruption is making the Tanzania project more attractive, Mathieu said: "Exactly. It means you are producing LNG in an area which is not exposed to these kinds of geopolitical challenges." Equinor and Shell are joint operators of the gas project, which would unlock 47 trillion cubic feet of gas deposits, while Exxon Mobil, Pavilion Energy, Medco Energi and Tanzania's national oil company are partners.

Banks lead financing for multibillion-dollar Argentina LNG project

(Bloomberg; Aug. 24) - JPMorgan Chase and Banco Santander are leading the financing for Argentina LNG, a landmark project to export the country’s shale gas reserves, according to people familiar with the matter. The two banks are spearheading an arrangement of around $14 billion to $15 billion, the sources said. The partners on the project — which is estimated to total $24 billion — continue talks with other lenders,

including export credit agencies, to complete the funds, the people said. No final decision has been made, and plans may change, they added.

Argentina LNG is a venture led by state-run YPF with Italy's Eni and Abu Dhabi's XRG. The three energy firms hold roughly equal equity stakes. The offshore LNG terminal on Argentina's Atlantic coast would produce 12 million tonnes a year, making it one of the biggest so-called floating facilities in the world. The partners are aiming to take a final investment decision in late November, said one person.

The entire project — a package that includes two floating liquefaction vessels, two cross-country pipelines and a natural gas liquids plant — is unprecedented in Argentina. Under the free-market reforms of President Javier Milei, project finance has revived Argentina's energy sector as shale drillers and pipeline companies hunt for funding for build-outs. Frontrunners have already been selected to design, supply and build some parts of the project, YPF CEO Horacio Marin told analysts earlier this month.

War costs Qatar 96% of its LNG exports in six months

(Reuters; Aug. 26) - Six months into the U.S.-Iran war, Qatar is among the conflict's biggest economic casualties, with its liquefied natural gas exports slashed by 96%, data shows. Saudi Arabia, the UAE, Iraq and Kuwait have seen their oil exports hit, but by nowhere near as much. Qatar has lost $24 billion in gas sales, which is about five months' worth of income for the country based on 2025 data, Reuters calculations show.

While neighboring Gulf exporters have managed to sneak oil secretly out of the Strait of Hormuz, Qatar has exported just 18 LNG cargoes, down from 509 in the same period last year, according to data intelligence firm ICIS. Two Qatari tankers have been attacked. State-owned LNG producer QatarEnergy did not respond to a Reuters request for comment. Before the war Qatar supplied about one-fifth of the world's LNG.

Opponents lose court fight against LNG terminal in Louisiana

(Greenwire; Aug. 25) - A federal appeals court has roundly rejected environmental groups' challenge to the federal government's approval of a liquefied natural gas export terminal and pipeline in Louisiana. On Aug. 25, the D.C. Circuit Court of Appeals found that the Federal Energy Regulatory Commission complied with federal law when it authorized construction of Venture Global's CP2 LNG terminal and its associated 91-mile CP Express pipeline in 2025. Construction on the LNG project started last year.

"Leaving no stone unturned, [the challengers] improbably allege the commission committed no fewer than eleven errors under the Natural Gas Act and the National

Environmental Policy Act," wrote Senior Judge Douglas Ginsburg, a Reagan appointee, in the opinion for the court. "Because these arguments lack merit, we deny the petitions for review," he added. Judges Karen Henderson, a George H.W. Bush appointee, and Patricia Millett, an Obama pick, also joined the opinion.

Environmental groups and fishermen, led by For a Better Bayou, have been fighting for years to stop the proliferation of LNG facilities in Louisiana's Calcasieu Ship Channel, citing concerns about the cumulative effects on air quality, the climate and fisheries. Commercial fishermen asked the court last year to halt construction of CP2, claiming sediment was smothering shrimp, oysters and fish. A Venture Global spokesperson said in a statement after the court ruling: "Construction continues to advance well and safely at CP2, with first LNG expected in the second half of 2027."

Commodities trader in talks to buy U.S. gas-producing assets

(Reuters; Aug. 25) - Commodities trader Gunvor is in talks to buy U.S. gas-producing assets from private firm Silver Hill Energy Partners, expanding efforts to build a shale gas production and marketing business, sources told Reuters on Aug. 25. If successful, the Silver Hill acquisition would be the latest in a string of U.S. gas-focused deals struck by Gunvor since 2024, betting on a boom in demand for power generation from energy-hungry AI data centers and new export terminals opening along the U.S. Gulf Coast.

The purchase price under consideration for the Silver Hill assets, spread across the Haynesville shale basin of Texas and Louisiana, is between $1.2 billion and $1.5 billion, two of the sources said. Oklahoma City-based Western Natural, an oil and gas producer that Gunvor financially backed earlier this year, will operate the assets if the talks are successful, the sources said. The talks between Gunvor and Silver Hill are at an early stage and a deal is not guaranteed, the sources cautioned.

The potential acquisition would be Gunvor's second deal in the Haynesville this year. It had earlier provided capital to support Western Natural's approximately $300 million purchase of Haynesville gas-producing assets. Silver Hill owns 58,000 net acres across East Texas and Louisiana, with production of about 370 million cubic feet equivalent per day, according to estimates from energy consultancy Rystad. The Haynesville has been especially attractive to investors seeking exposure to U.S. liquefied natural gas exports due to its high production and proximity to existing and upcoming LNG terminals.

TotalEnergies makes money buying discounted Gulf oil

(Reuters; Aug. 24) - French oil major TotalEnergies is profitably moving oil through the Strait of Hormuz, with higher transport costs more than offset by steep discounts from crude producers, its CEO said at a Norwegian energy conference on Aug. 24. "We are

today probably the largest trader of oil from Iraq or from Qatar ... and I can tell you that today crude oil is moving through the Strait of Hormuz very quietly, not publicly," said CEO Patrick Pouyanne.

Pouyanne and others have called for investment in alternative routes for oil to leave the Middle East, but the TotalEnergies boss said the route remains profitable for those who can find ship owners willing to cross the strait. "Crude oil is sold to you at $50, $60 per barrel, not the Brent price, because the producers are desperate to push their oil into the market," Pouyanne said. Brent crude futures were above $90 a barrel on Aug. 24.

"It costs more or less $20 million to move a VLCC (very large crude carrier) through Hormuz and come back ... divided by 2 million barrels of oil, that's an extra $10 a barrel," the CEO added. The same was not true for refined oil products because of smaller capacity of those ships, resulting in an unsustainable $50 a barrel surcharge for transport. "That's why you don't have a single tanker of products moving out of Hormuz ... so you have today a lack of oil products," Pouyanne said.

Saudi Arabia adapts to longer shipping route to get oil to customers

(Bloomberg; Aug. 23) - Saudi Arabia is yet again being forced to overhaul how its oil gets to customers around the world, as Yemen's Houthis make it harder for Riyadh to use a Red Sea backup route that's been vital to the global economy since the Iran war started. The top exporter is sending tankers thousands of miles around African as millions of barrels of the kingdom's crude are being shuttled north across the Red Sea, avoiding a narrow strait near Yemen at the southern end of the sea.

Saudi Arabia's ability to switch crude exports to its West Coast facilities has been critical in blunting an oil price surge and shielded economies from an inflation spike as Iran effectively shut the Strait of Hormuz. Now, with that also under threat from the Iran-backed Houthis, the kingdom and its customers are having to make new arrangements. The costly workarounds are another illustration of the ongoing trade friction imposed by a war that's expanded more widely and dragged on far longer than initially envisioned.

After the militants announced a blockade of Saudi ports in July, many tankers loading up on the Red Sea began avoiding the waterway, choosing instead to sail north through the Suez Canal to the Egypt's Mediterranean port of Sidi Kerir. For those sailing onward to Asia, it's meant going all the way around Africa — more than doubling voyages to roughly 17,000 miles. That's still a popular option among many Asian buyers. However, the canal is too shallow to take fully laden supertankers, while the pipeline can't handle all the Saudi oil that Asia would normally buy, compounding the logistics headache.

Tanker trackers see much less oil leaving the Gulf than U.S. claims

(Wall Street Journal; Aug. 24) - The Trump administration says large volumes of oil are slipping through the Strait of Hormuz. The trackers whose job it is to count the world's oil shipments see much less. Energy Secretary Chris Wright said last week the U.S. military helped move more than 15 million barrels of crude and oil products out of the waterway Aug. 18. He put the average oil exports through the strait over a seven-day period at more than 8 million barrels a day.

The count from commercial ship trackers tells a different story, with estimates ranging from roughly 2 million to 6 million barrels a day. There are lots of reasons the numbers can diverge. Many ships are crossing the strait at night with their transponders off, making them hard to track by radio signal or satellite. Big tankers can carry 2 million barrels apiece, so missing one or two can make all the difference. Measurement periods also make a big difference, as do assumptions about how full ships are when they sail.

"What's remarkable is how similar tanker trackers' numbers are. You'd expect someone to have figured out a way to validate the White House numbers if there was a way," said Rory Johnston, founder of Commodity Context, an oil-market research firm. "As of yet, I haven't seen anyone do it." The discrepancy matters in terms of setting expectations for oil traders and for judging who is winning the economic war of attrition that Washington and Tehran are fighting, with oil as a key weapon.

U.S. diesel prices up 53% from a year ago

(The New York Times; Aug. 26) - When Randy Madden saw the way diesel prices were rising, he decided to delay purchasing the fuel that powers his 3,000-acre farm in Iowa. Except prices are at around the same level as when he made that decision in May. Now, going into harvest season, he expects to spend more than $40,000 on fuel — roughly double what he typically pays from late summer through the end of the year. "The volatility and the price is coming at a very bad time," he said.

The average U.S. price of diesel was $5.62 a gallon on Aug. 26, 53% higher than a year earlier, according to the AAA motor club. Because supplies were disrupted after the U.S. and Israel went to war with Iran, diesel prices are hovering close to a record high and could drive up prices of goods and services. Diesel powers a vast chunk of America's economy. It fuels equipment on farms, as well as trains, trucks and heavy machinery. As prices climb, businesses often have to pass on that higher cost to customers.

"Gasoline is mostly a consumer fuel, used for driving, whereas I would characterize diesel as the workhorse fuel used mostly by the corporate sector and small businesses," said Daan Struyven, a Goldman Sachs analyst. There is not enough diesel available to meet the world's needs. Refineries produce diesel, gasoline, jet fuel and other fuels by "cracking," or heating, crude. The U.S. and China lead world refining capacity, followed

by Russia and India. But Russia's ability to make diesel is hamstrung by Ukrainian attacks on its refineries, while the Iran war has curtailed oil supplies to other refiners.

UAE oil and gas producer continues adding to its fleet

(Bloomberg; Aug. 25) - The biggest oil and gas producer in the United Arab Emirates has ordered two more liquefied natural gas carriers, extending a recent spree of vessel purchases that will help expand energy exports in the coming years. Abu Dhabi National Oil Co.'s shipping arm spent $444 million on the two newbuild LNG ships that will be delivered in 2029, according to a statement. The company has spent $2.7 billion on ships this year, spanning newbuild commitments and ships already on the water, it said.

The Iran war has increased the focus on owning ships to transport energy supplies around the globe, with freight rates in a variety of markets soaring since the conflict began. Companies that own their own fleets, like ADNOC, have had more success in getting barrels through the Strait of Hormuz, which was choked off at the beginning of the conflict. The purchases are a sign of the UAE's plans to grow its energy output. It announced earlier this year that it would leave OPEC, a decision that in the longer-term means it will likely lift output and need more ships to do so.

It also plans to expand natural gas production capacity. Once it takes delivery of the newest two ships, ADNOC will own 24 LNG carriers, 14 of which are under construction.

Japan plans to support new pipelines to bypass Strait of Hormuz

(Bloomberg; Aug. 26) - Japan plans to support the construction of pipelines that bypass the Strait of Hormuz after the U.S.-Iran war laid bare the country's vulnerability to disruptions in Middle Eastern oil supplies. The plan is part of a new energy strategy that's aimed at strengthening supply security, according to documents from Japan's Cabinet Office on Aug. 26. Other measures include diversifying oil procurement sources and providing support with shipping costs, the documents show.

"The dynamics surrounding energy have fundamentally shifted, upending the assumptions underpinning government policy and corporate activity," Japan's Prime Minister Sanae Takaichi told reporters. Her government is seeking to finalize the strategy by year-end, she added. Japan relied on the Middle East for more than 90% of its crude before the war, which started in late February, and the nation's refiners have been forced to seek alternative supplies from countries including the U.S. Processors have also drawn on the nation's strategic stockpiles to make up for the shortfall.

Under the proposed strategy, there are plans to enhance the risk-financing capabilities of the Japan Organization for Metals and Energy Security to encourage participation in

new pipeline projects. JOGMEC is a government-backed agency that provides money and liability guarantees to help Japanese companies buy and develop overseas stakes in resources. Japan will also look to ensure stable oil shipments by securing necessary insurance coverage for vessels, and also will seek to bolster crude oil reserves.

Growing fleet of LNG carriers serves Russia's Arctic gas plant

(The Barents Observer; Norway; Aug. 25) - As Arctic sea ice shrinks to its lowest level of the year, shipments of sanctioned liquefied natural gas on the Northern Sea Route are reaching a historic high. A significant number of the ships now traversing the route are connected with the Arctic LNG 2 project in Russia. Novatek's plant on the shore of Ob Bay has been under international sanctions since 2023. Related facilities, such as the Saam floating gas storage unit, as well as LNG carriers, are also subject to sanctions.

Nevertheless, Novatek and its partners are increasing production and export from the project. A fleet of at least 18 gas carriers now serves Arctic LNG 2. Among the vessels are Novatek's own Aleksey Kosygin and Konstantin Posiet, as well as the Christophe de Margerie. In addition, there is a series of carriers involved in shipments from the Saam storage unit in Ura Bay on the Kola Peninsula and the Koryak floating storage unit in Bechevinskaya Bay on the Kamchatka Peninsula in the Russian Far East.

According to Reuters, tankers have exported 2,3 million tonnes of LNG from Arctic LNG 2 to the Chinese port of Benhai so far in 2026. A total of 31 shipments have been made. In addition, at least six more carriers have recently been acquired to move gas. While the latest acquisitions are aging ships, about 20 years old, Novatek is in the process of building several new carriers. In addition to the Arctic LNG 2 project, Novatek operates the Yamal LNG, which is not yet subject to sanctions. However, it will still be affected by the European Union's full ban on Russian LNG, which is to come into force on Jan. 1.

Liquefied petroleum tanker pays $5.3 million Panama Canal fee

(Bloomberg; Aug. 25) - A shipper needing to transit the Panama Canal bid a record $5.3 million to secure its spot, according to people familiar with the matter. South Korea-based SK Gas agreed to pay the sum to travel the canal on Sept. 1, said the people, who could not be identified as the information was confidential. The fee, determined through an auction run by the canal authority, breaks the previous high of $4.6 million set earlier this month, also paid by a shipper controlling a South Korean vessel.

Demand to urgently pass through the waterway has soared after the Iran war upended global trade routes, particularly to Asia. Wait times at the canal have grown to as long as 17 days for vessels that arrive at the waterway without reservations, according to Argus Media. The Panama Canal authority has also tightened restrictions on the number of

slots starting in September, as well as on how much cargo ships can carry due to likely drought conditions in the region.

The winning auction bid allows the G. Spirit, a liquefied petroleum gas tanker, to travel westbound through the canal. As of Aug. 25, the ship was shown positioned on the Pacific side of the waterway, according to data compiled by Bloomberg. The Panama Canal Authority, through a spokeswoman, declined to provide comment on the record high auction price. The canal said in a statement that a majority of the vessels use a reservation booking system.

Netherlands will miss target for gas storage before winter

(Bloomberg; Aug. 26) - The Netherlands won't meet its target for filling gas storage facilities before this winter, leaving the country ill-prepared for particularly cold conditions or unexpected supply disruptions, according to network operator Gasunie. Gasunie warned the country will miss its target as it's not "commercially viable" to fill gas storage facilities this summer. Dutch gas-storage sites are currently about 45% full, the lowest in records going back to 2009 and far below a five-year average of 73%, according to data from the industry group Gas Infrastructure Europe.

The target is based on the amount of gas required to cope with the harshest winter of the past 30 years. Missing it does not automatically mean that there will be insufficient gas available for the coming winter or that security of supply is at risk, according to Gasunie. However, without additional initiatives, the Netherlands will be unprepared to deal with especially severe winter conditions, Gasunie said. The firm, which monitors gas supply and storage facilities, has expressed its concerns to the government.

The Netherlands is a relatively small energy consumer but remains a key trading hub and home to Europe's benchmark price. Germany, the region's largest economy, received over 20% of its fuel from the country last year. Germany also has gas-storage levels at seasonal lows, with grids and politicians warning recently of winter risks because of the abnormally thin buffer against price spikes and supply disruptions.