Oil and Gas News Briefs
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Trump's Venezuela oil deal raises 'a lot of uncertainty'

(Wall Street Journal; Aug. 29) - President Trump spent months declaring his ouster of Venezuela's leader had secured the country's oil for America. When U.S. energy companies resisted investing at the speed and scale he wanted, his administration devised an extraordinary solution: The deal announced Aug. 28 would transform the U.S. government from a broker to an investor, giving it a stake in a private firm that would be granted 100-year rights to some of the world's largest proven reserves — and tie the U.S. more closely to the unelected Venezuelan government granting those rights.

The company, led by controversial Venezuelan businessman Alejandro Betancourt, would have the opportunity to develop 17 oil fields said to contain 65 billion barrels, one-fifth of the country's reserves. The Pentagon would help finance the venture and reap the rewards of its future oil output. "There's a lot of uncertainty as to how these barrels go from reserves to actual production, and who's going to invest the time, effort and money to do that," said Schreiner Parker, a partner at consulting firm Rystad Energy

The deal caps months of secretive negotiations. Trump announced the deal on social media; the White House didn't offer further comment. The U.S. plans to take a 35% passive stake in Betancourt's North American Blue Energy Partners — without a significant capital investment — and would secure preferential rights to purchase an additional 20% of its production at cost, according to people involved in the agreement.

Betancourt has served as a broker in Venezuela's energy deals and has close ties to Venezuela's interim president. He faced criminal investigations of alleged money laundering in Spain and Switzerland, though no formal charges have emerged. The U.S. deal angered many Venezuelans and sowed confusion among some oil executives and even U.S. officials over what was agreed and how the arrangement would work.

For U.S. oil companies eyeing possible investment in Venezuela, the idea of competing with a U.S.-backed private company with a stake in huge swaths of the country's oil fields is daunting, people close to the companies said. The deal is also raising alarms about whether a new Venezuelan government could wage a successful legal challenge.

Trump says U.S. will take control of 65 billion barrels in Venezuela

(Bloomberg; Aug. 29) - The U.S. is set to take majority control over a huge amount of Venezuela's oil in an unprecedented maneuver that officials said would create the

world's second-largest private oil company by reserves and secure American petroleum supplies for decades. President Donald Trump made the announcement in a Truth Social post on Aug. 28. Working with Venezuela's interim president, Delcy Rodríguez, a partnership with an unnamed private business secured majority U.S. control of more than 65 billion barrels of proven reserves in Venezuela, Trump said.

A U.S. official said the U.S. will control up to 55% of the effective output from the joint venture and will obtain the oil at cost. The plan represents an unparalleled modern-day intervention into the economy of a South American country, harkening back to British control of Iran's oil fields and the division of Iraqi assets among U.S. and European nations a century ago. It marks the culmination of a campaign in which the U.S. captured Venezuela's president, Nicolas Maduro, in January.

It's also an untested maneuver — one that could be vulnerable to legal challenges and political shifts in Washington. It's not clear that Trump's arrangement would be fully embraced by a future American president, or how it might endure any future political upheaval in Venezuela. "The Trump administration's reported push to secure a stake in Venezuela's oil reserves is likely to be counterproductive to long-term investment in the industry, primarily because of the political risk it introduces," Chris Kennedy, the economic statecraft lead for Bloomberg Economics, wrote in a note.

U.S. actions in Venezuela prompt warnings of resource colony

(Bloomberg; Aug. 30) - President Donald Trump's plan to seize direct control of Venezuela's oil reserves is prompting warnings that the Latin American nation will become a modern-day resource colony akin to the so-called banana republics of a century ago — something that could create long-term risks for oil companies operating there. Although details are scarce, the plan is stunning in its size and ambition. Reviving Venezuela's oil sector is likely to require massive investment from the private sector.

The developments are spurring analysts and academics to look back to an earlier era of neocolonialism, when the U.S. exerted out-sized power over Latin America and its natural resources. That strategy, employed through much of the 20th century, stirred popular unrest, several coup d'etats and the erosion of democracy, conditions that contributed to expropriation and nationalization of foreign-owned oil assets.

The history of Venezuela's oil offers a cautionary tale. The country was once dominated by U.S. and European operators and was among the world's largest producers. But assets owned by ExxonMobil and ConocoPhillips were seized and nationalized during political upheaval in the 2000s. Chevron was the only U.S. driller to remain. A test for Trump will be whether the current deals can avoid similar reversals in the future.

Alejandro Velasco, an associate professor of history at New York University, compared the situation to the United Fruit Co.'s plantations in Central America in the first half of

the 20th century. That gave the company vast leverage over governments, inspiring the term “Banana Republic.” The Venezuelan people “are entirely at the whims of whatever the U.S. government, by way of these companies, is going to give to them,” he said.

Chevron, other U.S. companies nearing deals to invest in Venezuela

(Wall Street Journal; Aug. 28) - Chevron and other U.S. energy companies are nearing deals to invest billions of dollars in Venezuela’s oil fields, positioning President Trump for a win after months of slow negotiations. The U.S. major is close to a deal to expand its longstanding operations in the Latin American country, potentially adding two heavy-oil fields to its portfolio in Venezuela, said people familiar with the matter. It currently has three joint ventures with PdVSA and is the only big U.S. company active in the country.

Halliburton, one of the largest U.S. oil field services firms, is also in talks to bring its suite of equipment to oil producers in Venezuela, some of the people said. Next week, executives from several oil and gas companies are set to sign production deals, these people said. Energy Secretary Chris Wright is expected to travel to the country as well. Many of the fields Venezuela is offering are “greenfields,” which lack infrastructure or electricity. Turning these into productive fields would take billions in investment dollars.

Chevron’s rivals ExxonMobil and ConocoPhillips plan to remain on the sidelines for now, while discussions continue. The late Venezuelan leader Hugo Chávez nationalized Exxon and Conoco’s assets in 2007 — they are still seeking billions of dollars in restitution almost 20 years later. Since ousting Venezuela’s Nicolás Maduro in January, President Trump has pushed U.S. companies to plow money into the country to shore up production and secure a larger flow of heavy oil for American refineries.

Private U.S. oil stockpiles lowest in years as high prices drain tanks

(The New York Times; Aug. 28) - Hundreds of steel tanks several stories tall rise like giant bales of hay from the plains. They make up the largest private oil storage site in the U.S. and, after six months of war, they are close to the emptiest they have been in recent years. Companies drew down the oil stashed here in central Oklahoma as energy prices surged in recent months. The world is getting by on other buffers, but those will last only so long. Policymakers and oil companies the world over are eager to build or expand stockpiles to insulate themselves from the next energy shock.

Among them are Persian Gulf oil producers, such as Saudi Arabia, that want to stockpile more oil overseas, far from maritime chokepoints like the Strait of Hormuz. “Producers need to invest in storage that is not necessarily in their country,” said Amos Hochstein, a senior adviser on energy and foreign policy in the Biden administration. The challenge is different in the United States, which has ample oil storage capacity but

dwindling inventory. The federal government has been steadily depleting its Strategic Petroleum Reserve, which recently fell to its lowest levels since 1982.

Most private companies have little incentive to hold on to oil. That is because oil is worth more today than traders believe it will be in several months. As a result, many of the tanks outside the town of Cushing, Oklahoma, contain little more than what is needed to keep systems running. Dozens of pipelines meet in Cushing, connecting oil fields in Canada and Wyoming to refineries in the Midwest and Texas.

When prices are low and oil is worth more in the future, companies store oil in the tanks. Early in the Covid pandemic, the tanks filled up as demand for fuel collapsed during lockdowns. The opposite has been playing out this year. Oil is scarce and in relatively high demand, but most traders expect those conditions will eventually end. Regardless of what happens in Iran, the global oil industry will increase supply, the world will learn to live with less, or a combination of the two will happen, the thinking goes.

Oil movements through Strait of Hormuz increase as shippers adapt

(Bloomberg; Aug. 28) - Oil exports from the Persian Gulf have recovered to around two-thirds of pre-war levels, limiting the Iran war's impact on global crude prices, according to Goldman Sachs. Total exports of crude and oil products from the region have risen to 15 million to 16 million barrels a day, helped by higher crossings through the Strait of Hormuz, Goldman analysts including Daan Struyven and Yulia Zhestkova Grigsby said in a note. That's still 7 million to 8 million barrels below pre-conflict levels, but well above a trough of 5 million to 6 million barrels a day in March, they said.

"The rise in dark crossings by specialized shippers, and in ship-to-ship transfers, shows that producers and shippers are adapting to the Mideast conflict," Goldman said. Higher dark flows could "moderate the upside to crude oil prices even if Mideast disruptions last longer." How much oil is moving through Hormuz can be hard to gauge as tankers often turn off their satellite transponders, a practice known as going dark, to avoid detection.

About 6 million to 8 million barrels a day of crude is transiting the Strait of Hormuz, traders told Bloomberg this week. The exports are helping keep global prices — which have dropped to around $89 a barrel from more than $120 in April — in check. The traders' estimate only covers oil that goes through Hormuz, rather than also including some Saudi exports that go through the Red Sea, which moves the number higher.

Kuwait and Qatar join producers moving more oil out of Persian Gulf

(Bloomberg; Aug. 27) - Kuwait and Qatar — two of the Persian Gulf's smaller oil producers — are sending more crude through the Strait of Hormuz, adding to an

increase in shipments that are keeping global prices in check. The two countries, which exported a combined 2 million barrels a day of oil before the outbreak of the Iran war, have managed to get shipments back to 70% of pre-conflict levels, according to traders, who asked not to be named as they're not allowed to speak to media.

The United Arab Emirates was the first gulf producer to export large volumes of oil through Hormuz, using ship transfers in the Gulf of Oman in a tactic known as shuttling. It has since been joined by Saudi Arabia, which has been forced to rely more on exporting through the waterway after Houthi militants started targeting tankers in the Red Sea. Around 7 million to 8 million barrels of oil a day are now exiting Hormuz, up from around 4 million mid-July, the traders said. That's around 75% of pre-war levels.

Qatar and Kuwait began shuttling cargoes through Hormuz around June, and have ramped up volumes despite the risk of Iranian attacks. QatarEnergy, meanwhile, offered this week to sell its crude on a ship-to-ship transfer basis outside Hormuz in the Gulf of Oman. The so-called shuttle trade has evolved because few vessels are willing to take the risk of transiting Hormuz. As a result, gulf producers have either used their own fleets or hired tankers that will risk a crossing at exorbitant rates to get cargoes through the waterway and then transfer them onto other ships.

OPEC+ market share continues to decline

(Reuters; Aug. 27) - Six months into the Iran war, the world's most powerful oil alliance, OPEC+, finds itself in an unfamiliar position: It is unable to influence a market it once helped shape. The war, which has shut a major export route for Middle Eastern oil and damaged energy infrastructure in several OPEC countries, has eroded the group's market share and, with it, its ability to affect prices. Its statements and policy decisions barely move oil markets anymore.

Instead, cuts in Chinese crude imports have emerged as one of the dominant themes of 2026, helping to balance oil markets amid what analysts describe as the worst-ever supply disruption. OPEC+ — OPEC and allies including Russia — accounted for about 40% of global oil output in July, according to Reuters calculations based on International Energy Agency data. That's down from more than 48% before the U.S. and Israel attacked Iran in late February, although about four to five percentage points of the decline were due to the United Arab Emirates' withdrawal from OPEC in May.

OPEC+'s core group of seven producers, including Saudi Arabia and Russia, accounted for only a quarter of world oil in July. The war has reduced OPEC+'s ability to quickly raise or cut supply by effectively shutting the Strait of Hormuz, a key export route for top OPEC producer Saudi Arabia and other members. OPEC's share of global crude output peaked at about 50% during the oil crises of the 1970s before falling to 30% by the mid-1980s as output from the North Sea, Alaska and Siberia increased.

Alberta forecasts C$2 billion budget surplus due to high oil prices

(CBC Canada; Aug. 27) - Alberta's finance minister vowed to remain cautious while his government enjoys a massive budgetary turnaround due to high oil prices — an expected C$2 billion surplus this year instead of the C$9.4 billion deficit forecast a few months ago, just before war began with Iran. Jason Nixon said he will not treat the upswing as a "blank cheque" to fund spending, mindful that unexpected fossil fuel geopolitics or the U.S.-Canada trade war could create more damaging volatility.

"We know things can change and we cannot mistake a temporary windfall for a permanent trend," the minister said Aug. 27. Instead, Alberta will continue to budget conservatively and focus any potential new spending on relief for businesses affected by U.S. tariffs or Canadian counter-tariffs, or another round of "energy rebates" for Albertans, Nixon said. In the nearly five months since the Iran war started, oil prices have averaged about US$88 per barrel, the province estimates, which will substantially boost the province's energy royalties and tax revenues.

Alberta's revised surplus forecast assumes an ease in the conflict and global oil supply squeeze, and for oil prices to decline substantially and average US$73.50 for the April-to-March fiscal year. If that doesn't happen, and oil prices remain at or near current levels, Alberta could add several billion dollars more to its annual surplus. Rising oil prices lift not only royalties from oil and gas extraction, but also personal and corporate tax revenues. For every $1US fluctuation in the per-barrel rate, the province's budgetary bottom line rises and falls by $680 million, according to Alberta Finance.

Sempra starts permitting process for LNG project expansion

(Reuters; Aug. 26) - Sempra Energy’s Port Arthur LNG has started the federal permitting process for a major expansion of its liquefied natural gas export operation in Southeast Texas, according to a regulatory filing made Aug. 26. The proposed Port Arthur LNG North Project would add four liquefaction trains capable of producing up to 27 million tonnes per year of LNG, doubling the company’s export footprint on the U.S. Gulf Coast, the filing with the Federal Energy Regulatory Commission showed.

According to the filing, each train would be capable of producing up to 6.73 million tonnes per year of LNG under optimal conditions. The project would also include three LNG storage tanks and marine facilities with up to two LNG berths for loading cargoes onto tankers. If approved and constructed, the project could begin exporting LNG in the second half of 2034, the filing showed. The facilities would be built on land owned by Port Arthur LNG. The company did not provide an estimated cost for the project.

Sempra is already building Port Arthur Phase 1 and Phase 2, with a combined export capacity of 26 million tonnes per year. The proposed expansion marks the latest effort

by U.S. developers to capitalize on growing global demand for LNG as countries seek long-term supplies of the fuel for power generation and industrial use.

Brazil explores potential to get into LNG export business

(Bloomberg; Aug. 27) - Brazil's national oil company is exploring the prospect of exporting liquefied natural gas from its giant offshore fields as demand for the fuel surges in Asia and elsewhere. Petroleo Brasileiro CEO Magda Chambriard said the company has been in talks with Singapore-based shipbuilder Seatrium about ways to liquefy and export gas from deepwater basins in the Atlantic. "We see room to export gas," Chambriard said during a joint news briefing Aug. 27 in Singapore with Seatrium.

The effort comes as nations in Asia and elsewhere are pushing to find new sources of LNG beyond Qatar, which has been largely blocked from exporting the fuel during the Iran war. Chambriard didn't provide a timeline for when Petrobras might start exporting LNG or say how much the company would invest in the effort. It would need to build a plant to liquefy the gas — a venture which would cost billions of dollars.

Brazil is one of South America's biggest gas producers, thanks to ultra-deepwater oil and gas reservoirs beneath a thick layer of salt off the nation's Atlantic coast. But rather than being sold, more than half of its gas is reinjected into wells to increase oil output. "We export a lot of crude for the Asia-Pacific — It is our first destiny," Chambriard said. "When we look forward, we see that maybe it will be the first destiny for gas as well."

TotalEnergies completes exit from Russian Arctic LNG 2 ownership

(Upstream; Aug. 28) - TotalEnergies has completed its full exit from Russia's heavily sanctioned Arctic LNG 2 project after transferring its 10% stake to a company appointed and approved by the Russian government. Despite the Arctic LNG 2 exit, TotalEnergies retains stakes in two related gas companies in Russia and continues to receive Russian liquefied natural gas under a long-term contract.

The French supermajor said Aug. 27 that its stake in Arctic LNG 2 has been transferred to Russia-registered NordLine, a subsidiary of project operator Novatek, which now holds a stake of 70%. China National Petroleum Corp., China National Offshore Oil Corp. and Japan Arctic LNG — a joint venture of Mitsui and JOGMEC — each hold stakes of 10% in the project. However, they suspended their participation after the U.S. imposed sanctions on it in 2023 in response to Russia's invasion of Ukraine in 2022.

As part of TotalEnergies' transfer agreement, it will retain its rights to be reimbursed about $1.3 billion by Arctic LNG 2 for its share of loans provided by the shareholders to the project. Completion of the deal comes after Arctic LNG 2 found workarounds to U.S.

and international sanctions, sending its output to a dedicated terminal in China, with its two liquefaction trains operating for longer periods this year after standing mostly idle in 2024 and 2025. Arctic LNG 2's output was estimated at over 2.3 million tonnes of LNG between January and July this year, according to Moscow-based energy firm, Ak-Lab.

Russia gains market share selling LNG to China

(S&P Global; Aug. 28) - China's LNG import portfolio is seeing a growing share of Russian LNG despite weaker-than-expected gas demand growth in the world's largest LNG importer, supported by discounted cargoes from Russia's Arctic LNG 2 and improvements in Russia's shipping capacity, according to customs data, market participants and S&P Global Energy analysis.

The trend is reshaping China's LNG import mix even as overall LNG demand remains subdued and many buyers have yet to begin significant winter procurement. While China's total LNG imports fell 4.6% year over year to 33.79 million tonnes over January-July, its Russian LNG imports rose 24.9% to 4.23 million tonnes over the same period, according to Chinese customs data. China's Russian LNG intake recorded five consecutive months of year-over-year growth from March through July.

The share of Russian LNG in China's import basket rose to about 12.5% over January-July, from about 9.5% a year earlier, based on customs data and Platts calculations. Platts is part of S&P Global Energy. China's growing Russian LNG imports coincided with a sharp pullback in Middle Eastern supply. Qatari deliveries to China fell 55.2% year over year to 4.89 million tonnes over January-July, cutting Qatar's share in China's LNG import mix to 14.5% from 30.7% a year earlier, according to customs data.

Supertanker owners profit from Persian Gulf shipping upheaval

(Bloomberg; Aug. 28) - Supertankers are making unprecedented sums sailing from the Persian Gulf as Iran keeps attacking ships — with one South Korean shipowner in particular profiting from the situation. Ships hauling oil from Saudi Arabia to China were charging a record $656,000 a day Aug. 28, more than 10 times the rate a year earlier, according to Baltic Exchange data. There are signs that exports from the gulf are rising, adding to a clamor for ships to pick up oil inside the Strait of Hormuz. Few owners and crews are willing to risk the journey, with huge premiums for the companies that do.

The rate began to climb late last week when Sinokor Group, the world's largest supertanker player, told market participants that it was hiring out ships at elevated rates, according to people involved in the market. Earlier this year the company, led by Ga-Hyun Chung, embarked on the biggest oil tanker bet ever, buying dozens of ships before the Iran war began and hiring them out at heightened rates.

Moving barrels through Hormuz comes with two shipping costs. There is a lump sum to get a ship through the waterway and then, once the cargo is switched onto a different tanker outside Hormuz, a lower rate onward to China. “Looking at what we thought was the strongest market we’ve ever seen in 2004, we’re now twice that almost,” Lars Barstad, chief executive officer of Frontline Management, one of the world’s largest supertanker operators, said on an earnings call on Aug. 28.

Manitoba First Nations object to LNG shipping port on Hudson Bay

(CBC Canada; Aug. 28) - Northern Manitoba First Nations are raising new objections to a corporation which Premier Wab Kinew hopes will enable the expansion of the Port of Churchill and the construction of a liquefied natural gas shipping corridor through Hudson Bay for exporting Western Canada gas overseas. A presentation about the proposed Manitoba Crown-Indigenous Corp. held at a meeting of the 26-nation Manitoba Keewatinowi Okimakanak was brought to an early and abrupt end on Aug. 26.

MKO chiefs told provincial officials who traveled to the meeting at northeastern Manitoba's Manto Sipi Cree Nation that they didn't want to hear anything further about the new entity from the bureaucrats. They suggested Kinew should make the trip north himself to discuss the corporation. "We are opposed to it," Manto Sipi Chief Michael Yellowback said during the meeting, which was recorded and posted on Facebook. "Nobody speaks on our behalf, not even the Assembly of Manitoba Chiefs."

The Manitoba Crown-Indigenous Corp. is supposed to be a partnership between the provincial government, First Nations and the Red River Métis to support projects such as the Churchill port expansion, a Hudson Bay natural gas shipping corridor, northern mining projects and construction of all-season roads, a consultation document states. Draft legislation obtained by CBC News states the corporation would have the power to buy and sell land, borrow money, make investments and assume ownership stakes.