Oil and Gas News Briefs
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Guyana earns more after Exxon-led oil venture recovered its costs

(Reuters; July 31) - An ExxonMobil-led joint venture has recovered the billions of dollars it invested to develop a large oil field in Guyana, its chief financial officer told Reuters, and the South American country will now receive more oil money. Guyana's Stabroek Block, estimated to hold at least 11 billion barrels of oil equivalent, has become one of the top assets of the U.S. oil producer's portfolio since its discovery in 2015. Revenue from the field has made Guyana one of the fastest-growing economies in the world, with the country's fields now producing more than 900,000 barrels per day.

The joint venture's production-sharing contract with Guyana allowed Exxon and its partners to take up to 75% of the oil to cover their exploration and development costs. The accumulated $55 billion invested since 2014 has been recouped about two years faster than expected because of the rapid development of the block, Exxon Chief Financial Officer Neil Hansen said in an interview. Under the contract, the consortium splits profit oil evenly with Guyana after recovering costs.

Exxon will now book about 100,000 fewer barrels per day from the country as it enters the third quarter, but free cash flow will increase by 2030 to twice the level seen in 2025, he said. Exxon CEO Darren Woods said on July 31 there is room for more exploration in Guyana. Exxon operates the Stabroek Block with a 45% interest. Chevron holds a 30% stake after acquiring Hess Corp, the original partner in the venture, and Chinese oil firm CNOOC holds 25%. The consortium's fifth and sixth projects in the block — Uaru and Whiptail — are expected to begin oil production this year and next, respectively.

BP wants to sell its oil and gas assets in U.K. North Sea

(Reuters; July 31) – BP wants to sell its British oil and gas fields in the North Sea, which could fetch more than $2 billion, according to estimates, as new Chief Executive Officer Meg O'Neill accelerates a sweeping portfolio overhaul aimed at improving profitability. "As we focus our portfolio and direct capital to our highest-value opportunities, we believe our North Sea business will be better positioned as part of another company," O'Neill said in a statement.

ExxonMobil, Chevron, ConocoPhillips, Shell, TotalEnergies and Eni have all sold, merged, spun off or otherwise reduced their operations in the aging basin in recent years as production there falls and other locations offer more profitable projects. Rystad Energy estimates BP's U.K. upstream portfolio is worth about $2.6 billion on a risked

basis, with the most likely bidders including current North Sea producers. Two industry sources said the portfolio might fetch around $2 billion, adding that decommissioning liabilities are likely to add complexity to discussions.

BP, formerly known as British Petroleum, has worked in the North Sea for more than six decades and operates five major production hubs in the region, including the Clair oil field, the largest on the U.K. continental shelf. BP, which is expanding in regions such as the United States and Brazil, generated about 5% of its oil and gas output from the British North Sea last year, around 117,000 barrels out of a total of 2.3 million barrels of oil equivalent per day. BP will retain its U.K. aviation fuel distribution business, retail sites and its huge trading desk alongside its London headquarters, the company said.

Portugal approves 33% windfall tax on oil and refining companies

(Reuters; July 30) - Portugal's government said on July 30 it had approved a 33% windfall tax on extraordinary profits earned in 2026 by oil and refining companies benefiting from an energy price surge triggered by the Iran war. The finance ministry said in a statement the windfall tax would be levied on the portion of companies' 2026 profits that exceeds by more than 20% the average profits recorded in 2024 and 2025.

It said that — while households and businesses have faced sharply rising costs amid soaring fossil fuel prices — oil and refining companies had generated extraordinary profits "resulting solely from external market conditions." The ministry statement added: "It is therefore fair and necessary to create a solidarity mechanism by taxing part of these exceptional profits to help finance measures to offset the impact of higher fuel prices on households and the most vulnerable businesses."

The measure will also support investments aimed at reducing dependence on fossil fuels and contribute to a more sustainable and resilient economy, the ministry said. Its introduction revives a tax similar to the one Portugal imposed during the 2022 energy crisis triggered by Russia's invasion of Ukraine. The 2026 levy will hit all oil companies operating in Portugal. The measure will be submitted to parliament for final approval, where it is expected to secure support from all opposition parties.

'China is the OPEC of oil demand,' says analyst

(Wall Street Journal; July 29) - China is more in control of its oil consumption than anyone realized. That will unsettle oil bosses. During one of the worst energy crises in history, brought on by the Iran war, the crude market's top customer cut imports by 40%. China's need for oil has turned out to be pretty discretionary, which gives Beijing sway over where oil prices head next. "We tend to joke among ourselves that China is the OPEC of oil demand," said Homayoun Falakshahi, head of crude oil analysis at Kpler.

China went on a crash diet with oil soon after the Strait of Hormuz closed. The country imported 11.6 million barrels of crude a day on average in 2025, data from the American Petroleum Institute shows. By June this year, imports had collapsed to around 7 million barrels a day. A single-country drop of that size hasn't happened before, even during a major recession. The pullback in oil purchasing has acted as a shock absorber for the global economy, keeping a lid on prices, and was a big surprise to commodities traders. They are now trying to figure out how much longer China can stay quiet in the market.

It is an important question because global inventories are draining fast, and countries have few options left to shield themselves from high energy prices. The return of a heavyweight buyer like China would push up the cost of a barrel of oil. According to Kpler data, Beijing can comfortably suppress its crude imports for another six months, based on the rate it is drawing on its enormous stockpile of oil. Even after that length of time, China would still have close to 1.1 billion barrels remaining in storage — a mixture of refinery and commercial stocks and the country's strategic petroleum reserve.

U.S. and Saudi Arabian companies planning new $5 billion refinery

(Reuters; July 29) - The MERA Oil consortium of U.S. and Saudi Arabian companies is advancing plans for a $5 billion integrated refinery and export corridor in the Persian Gulf aimed at boosting regional energy infrastructure, its partners said on July 29, as the Iran war continues to disrupt energy flows. Texas-based energy development company MWG Group, the Patel Family Office and PWS, an associate company of Saudi industrial conglomerate AHQ Group, have entered the final stage of site selection for the refinery, which will have a capacity of 200,000 barrels per day.

The consortium has narrowed the site selection process to three locations in the Gulf Cooperation Council six-nation bloc. The preferred host is expected to be confirmed by the end of 2026, the companies said, without providing specific locations. The integrated refinery will be linked to deepwater port infrastructure, large-scale storage of crude and refined products, and marine export facilities.

MERA Oil said the planned project is located outside the Strait of Hormuz and aims to provide an export platform with direct access to international shipping routes. The energy complex will incorporate energy-efficient refining technologies and advanced emissions-control systems. Sustainable aviation fuel co-processing and carbon-management capabilities are also being evaluated as potential future components.

Canadian crude oil headed to Japan for first time since 2025

(Al Jazeera; July 30) - The first shipment of Canadian crude oil since 2025 is headed to Japan on a ship chartered by Exxon Mobil, according to data released by tracking firm Kpler. The Marshall Islands-flagged ship, Freedom Glory, which can carry up to 750,000 barrels of crude, left Vancouver on July 29, loaded with crude from the Trans Mountain pipeline. The shipment was bought by Japan's largest refiner Eneos, according to Kpler.

Up until the U.S. and Israel launched a war on Iran in February, Japan had been importing more than 90% of its oil through the Strait of Hormuz. Now, Japan is among several Asian countries urgently attempting to diversify their suppliers after the war choked oil shipments through Hormuz. The Trans Mountain pipeline carries up to 890,000 barrels of crude oil a day from Alberta to a marine terminal in Burnaby, British Columbia. The pipeline is owned by the federal government and has been running at almost 90% capacity since the third quarter of 2025.

Exports to Asia accounted for nearly 77% of total oil exports from the Canadian terminal this year, compared with about 51% in 2024. The Trans Mountain expansion (TMX), almost tripling the pipeline's capacity, opened in 2025. India, Malaysia and Singapore have all returned to buying crude shipped via TMX since the war on Iran.

Shell's refineries produced at 102% of capacity

(Wall Street Journal; July 30) - The energy crisis sparked by the war with Iran has prompted Shell to produce at more than 100%. The energy giant said it ran its refineries at 102% of capacity during the second quarter, eking out more jet fuel and diesel to take advantage of soaring prices. That's harder than simply turning a knob. "In all assets there are opportunities to take away some of the bottlenecks and produce above 100%," Shell CEO Wael Sawan said. "The challenge is to do it for 90 days in a row."

So far, that strategy is paying off. Shell on July 30 said second-quarter profit more than doubled, driven by higher prices and a strong performance from its trading arm. Sawan said Shell has been working to boost output from various businesses during a time of deep disruption in energy markets, in large part because of the squeeze on the Street of Hormuz. That includes increasing oil production and shipments of liquefied natural gas from facilities outside the Middle East, such as its new terminal in western Canada.

A few months ago, Shell directed its refineries to produce more jet fuel, raising output by nearly 20%, Sawan said. Now its refineries have shifted to producing more diesel and gasoline. Still, the conflict in the Middle East has left the global energy system in a more fragile state, he said. Stockpiles and strategic reserves have been drawn down and producers outside the Mideast are producing at close to — or above — capacity. Shell's refinery operating level of 102% was its highest ever. It owns Europe's largest refinery, at Pernis in the Netherlands, along with facilities in Germany, the U.S. and Canada.

Oil shuttle volumes pick up, moving more Persian Gulf crude

(Bloomberg; July 30) - The oil-shuttling service that has been crucial to getting cargoes out of the Strait of Hormuz has picked up again after a recent lull, helping millions of barrels escape as Middle East hostilities escalate. The shuttling emerged at the height of the war and has been a lifeline for some producers. They use vessels to ferry supplies — often with transponders off to avoid detection — out of the Persian Gulf onto other ships outside the waterway, which then travel on to buyers around the world.

While flows through Hormuz remain below pre-war levels, the barrels that have left have been key to alleviating some of the worst fears of an oil-price spike. After a pullback in shuttling earlier this month as the ceasefire unraveled and vessels were attacked, the trade has rebounded in recent days. At least two shippers involved in moving oil through the strait are now ferrying volumes close to levels seen before the escalation in hostilities, which pushed oil back to $100 a barrel last week, two people with direct knowledge of the matter said, asking not to be identified due to the sensitive nature.

At times, prior to June's interim peace deal, anywhere between 4 million and 7 million barrels a day crossed Hormuz, based on estimates from banks and Washington. While the exact amount crossing Hormuz isn't clear, there's anecdotal evidence of a pickup in flows. Buyers of oil that originates within the Gulf have begun to receive deliveries that had been delayed, according to other people familiar with the matter.

Qatar buys 33 spot-market U.S. LNG cargoes to supply key customers

(Reuters; July 30) - QatarEnergy has bought 33 spot LNG cargoes this year from the U.S. for delivery to South Korea, Taiwan, Bangladesh, India and Japan, four trade and industry sources said, as it tried to reduce disruption to key customers after Qatari gas exports through the Strait of Hormuz were halted by the Iran war. QE declared force majeure on its liquefied natural gas shipments after Iran closed the waterway to shipping, bottling up 20% of global oil and gas supplies from major producers.

The 33 U.S. LNG cargoes dwarf the four QE bought last year as it seeks to keep some of its customers supplied despite the war-provoked force majeure declaration, which releases it from contractual obligations. Qatar was seeking to protect its decades-long reputation as one of the world's most reliable gas suppliers, the sources said. QE did not respond to emailed requests for comment on the LNG purchases.

The 33 cargoes amount to a third of a full month's exports from QE before the conflict and were worth around $1 billion, according to Reuters' calculations. About 80% of Qatar's LNG is typically exported to buyers in Asia and the move was "a gesture of good faith" by QE toward some of its important customers, one source said. QE wanted to show customers it valued them and was trying to help keep them supplied, another

added. QE bought the cargoes directly from U.S. producer Venture Global LNG as well as picking up cargoes from some of Venture Global's customers, the sources said.

Pakistan negotiates deal with Iran for safe transit of Qatari LNG cargo

(Bloomberg; July 30) - Pakistan has negotiated with Iran to secure safe passage for at least one Qatari liquefied natural gas shipment, according to people with knowledge of the matter, the latest effort by the South Asian nation to use its diplomatic ties to ease a deepening energy crunch. The Al Areesh — which had been idling in the Persian Gulf since loading cargo at Qatar's Ras Laffan export terminal in early July — transited the Strait of Hormuz early July 30, according to ship-tracking data compiled by Bloomberg.

The ship crossed with its transponders switched on and is now signaling Pakistan as its destination. The deal to secure the safe crossing could cover other cargoes, one of the people added. Pakistan, which has suffered acute fuel shortages since the start of the war, has leveraged its diplomatic channels to act as an intermediary in talks between the U.S. and Iran. Earlier in the year it used those ties to negotiate with Tehran for the safe passage of several LNG cargoes.

However, the latest flare-up in violence — along with an Iranian attack on a Qatari LNG tanker —effectively halted deliveries to Pakistan. The South Asian nation relies heavily on Qatar for the fuel, and canceled deliveries has resulted in rolling blackouts in parts of the country. It is not clear whether any payment was made to guarantee the crossing. Since the war began in late-February, Pakistan has been forced to pay over $400 million to procure LNG shipments from spot markets to replace supplies from Qatari, its top producers, according to Bloomberg calculations.

Japan's top power generator OK on LNG supplies through October

(Reuters; July 31) - Japan's top power generator JERA said it has secured adequate liquefied natural gas inventories through October, and it sees no risk to stable power supply even if a summer heatwave boosts demand. "We have secured sufficient LNG stocks for the peak summer demand season from August to October, and there are no issues regarding stable power supply," said Masato Otaki, an executive officer at JERA.

JERA is Japan's largest LNG buyer, handling about 35 million tonnes annually. The utility will carefully manage inventories for the winter months by leveraging its global trading arm to optimize procurement, Otaki said on July 31 adding that Qatar represents only a small share of its LNG supply portfolio. JERA is a joint venture between Tokyo Electric Power and Chubu Electric Power.

Europe faces higher prices this winter as gas storage levels are down

(The New York Times; July 31) - Nearly five months of war in the Middle East is complicating an already difficult annual rite in Europe: stocking up on energy for the cold months of winter. Storage facilities for natural gas, which households and businesses use extensively for boilers and furnaces, are only 54% full. That's the second-lowest level for summer since 2011, and the lowest for July since 2021, when Russia's state-owned energy company was restricting gas supplies to Europe.

At the same time, continued airstrikes by the U.S. and Iran, and their effective blockade of the Strait of Hormuz, have slowed energy shipments out of the Persian Gulf. That has complicated efforts in Europe to replenish storage. "It's quite a worrying situation," said Chris Aylett, a research fellow in the Environment and Society Center at Chatham House, a think tank in London. "When you look at the situation in the Hormuz, you just don't have a sense of how this gets resolved."

The likely consequence for Europe, expert say, will not be outright shortages of gas. Instead, they say, the restricted supplies will keep prices high. The wholesale price for European natural gas soared in June to 60 euros (US$69) per megawatt-hour, the highest since the war with Iran began, and has continued to hover around that level. Without a lasting resolution to the war, analysts said, Europe will be forced to keep paying higher prices to fill its gas storage sites, costs that will trickle down to utility bills.

Exxon CEO warns EU methane emissions rule is 'very bad policy'

(Bloomberg; July 31) - Europe will start losing energy imports in 2027 when onerous new methane regulation comes into force, according to Exxon Mobil CEO Darren Woods. The chief executive officer is one of a number of critics of the European Union's Corporate Sustainability Due Diligence Directive, a broad set of regulations that make net-zero plans mandatory and apply outside Europe to companies' entire global supply chains. Woods said nobody in the industry can meet the law as it stands.

"They're doubling down on what is some very bad policy," Woods told CNBC on July 31. "And we've been trying to explain — particularly in a time like this where the world is short product … — that you should have policies that open up trade and give you access to as much as possible rather than continuing to try to constrict it."

The new legislation has been a point of contention with the Trump administration, sparking threats of a renewed trade war between the U.S. and Europe. Disagreements have intensified after the U.S., Qatar and other gas-producing nations warned the bloc that the regulations could jeopardize energy shipments. "I hope at some point in time the European population wakes up to the very poor policy decisions being made there," Woods later told investors during the company's earnings call.

Abu Dhabi oil company adds to its fleet of tankers

(Reuters; July 31) - Abu Dhabi National Oil Co. has bought five very large crude carriers (VLCCs) for about $590 million, three sources familiar with the matter said, expanding its fleet as conflicts in the Red Sea and the Strait of Hormuz tighten tanker supply. The acquisitions are part of a broader push by the United Arab Emirates producer to control more of its supply chain, allowing it to move crude to customers even as geopolitical tensions disrupt two of the world's busiest maritime routes.

ADNOC Logistics and Services (ADNOC L&S) recently bought the five VLCCs from tanker company Frontline, the sources said. Of these, two 2012-built vessels were purchased for about $115 million each, and three built in 2015 cost about $120 million each, the sources said. "We do not comment on rumors or market speculation. ADNOC L&S continually reviews its fleet requirements and strategic growth opportunities," ADNOC said in an emailed statement.

While producers such as Iraq, Qatar and Kuwait are struggling to place oil in the market due to the disruption from the war in the Middle East, former OPEC member UAE has sold millions of barrels to refiners through direct sales and spot tenders. ADNOC has also acquired three very large gas carriers to move LNG for about $115 million each, one of the sources said. ADNOC L&S has also ordered 25 to 30 new vessels, including crude tankers, LNG carriers and liquefied petroleum gas carriers from various shipyards, this source said.

Michigan Supreme Court orders review of oil pipeline tunnel permit

(The Associated Press; July 31) - The Michigan Supreme Court ordered state regulators to reconsider a permit that allowed a planned tunnel to carry an oil pipeline under part of the Great Lakes to move forward. The 6-1 ruling further clouds the future of the 73-year-old line owned by Canadian company Enbridge that carries petroleum from Superior, Wisconsin, to Sarnia, Ontario. The part of the pipeline in question, Line 5, runs 4 miles along the bottom of the Straits of Mackinac where lakes Huron and Michigan meet.

Enbridge wants to bury the pipe in a tunnel. Environmentalists and the governor want to move the line away from the waterway altogether, saying a spill would be catastrophic to the lakes and nearby area. The state Public Service Commission granted a permit for the tunnel in 2023. Four Michigan tribal nations and several environmental groups sued. The Michigan Supreme Court ruled on July 31 that regulators failed to consider if the tunnel will extend the life of the pipeline, resulting in more harm to the environment.

The ruling also said the Public Service Commission didn’t assess how the tunnel might affect fishing, boating and other public trust rights on the Great Lakes. Enbridge is reviewing its legal options after the ruling and said it is disappointed for another delay in a project that has been under review for nearly a decade and would “enhance

environmental protection of the Great Lakes while maintaining critical energy reliability for the region," spokesman Ryan Duffy said. Enbridge proposed the pipeline tunnel nearly a decade ago around the time a ship anchor dented part of the line.

Low river water forces Romania to shut down second nuclear reactor

(Reuters; July 29) - Romania will shut down its second nuclear reactor on the Danube River, the energy ministry said on July 29, three days after decades-low river levels forced it to shut down the first reactor. State-owned nuclear power producer Nuclearelectrica has two 706-megawatt reactors at Cernavoda on the Danube, accounting for roughly a fifth of Romania's power production. The two reactors have never been disconnected from the grid at the same time because of low water levels.

The second reactor's shutdown scheduled for July 30 will increase Romania's reliance on imported electricity and pressure power prices that have already been increased by heatwave conditions in much of Europe that have driven demand for air conditioning. In Romania, the energy ministry said peak power consumption this week was estimated at 7.3 gigawatts, while domestic production was at up to 4.3 GW, prior to the second reactor's shutdown. Romania's production is at 7 GW on average.

Low river levels have also forced neighboring Hungary's Paks nuclear power plant to shut down one of its four reactors. The level at the Romanian entry point of the Danube River fell to about one-third of its July average range. The average peak temperature across Western Europe on July 29 was forecast at 87.8 degrees Fahrenheit, about 12 degrees above the normal high for July 29, the Reuters Climate Monitor shows.