Oil and Gas News Briefs
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Report says Southeast Asia will fall short of gas-fueled power targets

(Wood Mackenzie; Aug. 4) - Southeast Asia is expected to deliver less than one-third of its planned new gas-fired power capacity by 2030, according to research from Wood Mackenzie, highlighting a widening gap between government ambitions and project execution. Across six major Southeast Asia power markets, governments are targeting approximately 53 gigawatts of new gas-fired capacity by 2030, but Wood Mackenzie forecasts that only 14.9 GW will reach operation, as volatile fuel costs, equipment shortages, financing constraints and infrastructure bottlenecks delay projects.

“The challenge today is not planning power projects but executing them. New gas-fired capacity depends on several critical enablers, including LNG infrastructure, project financing and turbine availability. A bottleneck in any one of these areas can delay an entire project,” said Alvin Tan, Southeast Asia power and renewables research analyst at Wood Mackenzie. The report finds that only 11 GW of the planned gas-to-power capacity additions have secured gas turbines. The remaining planned capacity, which has yet to secure gas turbines, is likely to face delivery lead times of at least five years.

Southeast Asia's electricity demand is projected to grow 2.4-fold by 2050, outpacing China, Australia and South Korea. Growth is being fueled by industrial expansion, the manufacturing shift from China, and rising investment in semiconductor production, electronics and hyperscale data centers. Wood Mackenzie forecasts that gas demand from the power sector will more than double between 2026 and 2050, accounting for more than one-quarter of regional electricity generation by mid-century. However, delivering the region's planned gas capacity is becoming increasingly challenging.

Flexibility and dependability of gas-fueled power make it essential

(Reuters commentary; Aug. 5) - For years, the energy transition narrative has pointed toward a future dominated by renewables and batteries, with gas eventually fading into the background. Yet the evolution of the U.S. power system suggests a complicated reality. Solar and wind output is growing rapidly and capturing a larger share of electricity generation every year. But as power accelerates, driven by data centers, electrification and new manufacturing, gas remains deeply embedded in the U.S. grid.

The reasons are both practical and economic: Abundant domestic resources, a vast existing infrastructure network, unparalleled operational flexibility and a growing need for reliable power around the clock. Together, they suggest that gas is unlikely to

surrender its central role in the power sector anytime soon. The first reason is simple: The United States is awash in gas. The shale revolution transformed the country from a projected major gas importer into the world's leading natural gas producer.

The U.S. already possesses hundreds of gigawatts of gas-fired generating capacity and a pipeline network capable of moving gas to power markets nationwide. While renewable generation can be constructed relatively quickly, replacing the reliability provided by the existing gas system would require enormous spending on transmission lines, storage capacity and alternative dispatchable generation technologies. In energy markets, existing assets tend to matter.

The strongest argument for gas, however, is not infrastructure. It is flexibility. Electric grids require a constant balance of supply and demand. Solar and wind resources, while increasingly cheap and abundant, generate power only when weather cooperates. Solar production fades every evening. Wind output can fluctuate sharply. Gas-fired power fills the gaps. None of this means the energy transition is stalling. The future may be cleaner and more renewable, but gas looks to remain an essential foundation.

Joint-venture partners restart work on Qatar's LNG expansion project

(Upstream; Aug. 3) - Japanese contractor Chiyoda and its joint-venture partner Technip Energies have restarted their work on Qatar's North Field East (NFE) liquefied natural gas project. The NFE project includes adding four liquefaction trains, each with 8 million tonnes per year production capacity, as part of the nation's ambitious phased plan to expand its LNG production capacity to 142 million tonnes per year. Phase 1 of NFE will boost liquefaction capacity to 110 million tonnes per year.

QatarEnergy in 2021 awarded the joint venture the onshore engineering, procurement, construction and commissioning contract valued at $13 billion, part of the NFE project that has a total price of $28.75 billion. "Although emergency measures were applied on the project in response to heightened tensions in the Middle East, such as temporarily suspending construction and implementing alternative transportation, construction has now recommenced and is progressing accordingly," Chiyoda confirmed on Aug. 3.

The utility facilities that form part of this EPCC contract include a large carbon dioxide capture and sequestration facility, leading to more than 25% reduction of greenhouse gas emissions when compared to similar LNG facilities, Technip Energies said earlier.

Europe's gas storage levels lowest for August since 2009

(Bloomberg; Aug. 3) - European gas storage levels fell to their lowest for this time of year in almost 17 years as the war in the Middle East has driven up prices and stalled

winter stockpiling, leaving governments with a growing dilemma as the heating season approaches. Utilities and traders typically buy gas during the summer, when prices are lower, and store it in depleted fields and salt caverns for winter. But high costs have made that uneconomical this year. As a result, European Union inventories were only 57.1% full at the start of August — the lowest for this date going back to 2009.

With just about two months before the cold season begins, governments — especially in Germany — face pressure over whether to intervene to encourage costly storage injections. Prices are about 80% above prewar levels and remain higher than winter contracts, leaving little incentive for hoarding the fuel. "The question now is: Are we going to see some market intervention? Storage levels remain very low in Belgium and the Netherlands, as well as in Latvia, Bulgaria, Germany and Slovakia," Anne-Sophie Corbeau, of Columbia University's Center on Global Energy Policy, said in a post.

The war has cut off about a fifth of global liquefied natural gas supply, with Asian buyers snapping up available cargoes to replace lost fuel and diverting shipments away from others. European LNG imports have been dropping since April, with Italy — which offers storage incentives and has stricter filling requirements — a notable exception. Analysts have warned of increasing winter risks if global gas supplies remain tight. Europe may have to pay significantly more to attract cargoes.

BP puts U.S. landfill trash biogas business up for sale

(Wall Street Journal; Aug. 4) - BP has put its U.S. biogas business up for sale in the British oil major's latest move to pivot back to fossil fuels. The London-based company said Aug. 4 it intended to sell Archaea, which it bought in a $4.1 billion deal in 2022 in a bet on growing demand for renewable fuel. BP had already written down the value of the business, which turns landfill trash into renewable natural gas.

The move is part of a BP's broader overhaul aimed at reviving the company's fortunes. BP's share price and profitability have fallen behind peers in recent years, in part after an ill-fated push into green energy. Now it wants to put more emphasis on its oil and gas assets. "We have to focus on the assets with the strongest potential to deliver competitive returns and long-term value," CEO Meg O'Neill said in a statement, adding that the company would simplify its portfolio based on value, "not sentiment nor history."

BP is working to sell some $20 billion of assets by the end of 2027. The announcement about the potential sale of Archaea follows news last week that the company plans to sell its U.K. North Sea oil and gas business. O'Neill, who took the helm of BP earlier this year, said the company needed to go further to improve its balance sheet and operational performance.

World oil stockpiles are depleted but not exhausted

(Bloomberg commentary; Aug. 3) - The energy industry's latest panic is that it's about to hit "tank bottoms" — the minimum amount of crude in storage required to keep the system running from oil fields to refineries. The story of the impending oil crisis contains a grain of truth — and ample hogwash. Undeniably, the world has depleted a large chunk of its inventories in the past 150-plus days of war and peace. Global stocks fell at a rate of nearly 3.9 million barrels a day on average from early March to late May.

But, for starters, the inventories have fallen by about half of what many anticipated earlier in the conflict. The balance between supply and demand has been looser than expected thanks to the use of bypass pipelines around the Strait of Hormuz, clandestine shuttle oil tankers crossing the waterway in far greater numbers than anticipated, lower imports by China and surging production in the Americas, from Canada to Argentina.

The tank-bottoms narrative misjudges two critical factors. First, it glosses over the huge accumulation of oil stocks in China over the past decade that today provides an impressive cushion. Before the war, Beijing had more than 1.4 billion barrels in strategic stocks; since then it has drawn, perhaps, about 100 million barrels or so. China still has plenty in reserve to keep its imports below pre-war levels. Leaving out the world's biggest oil-importing nation from the calculation of the global stockpile seems a mistake.

The second problem with the tank bottoms narrative is that it exaggerates the depletion of the strategic reserves held by rich nations. The drop isn't surprising: It was known back when the release was announced in early March. If anything, the shock is that reserves aren't lower. In any case, rich nations still have another billion barrels or so held in reserve. Zoom out and the picture is more nuanced than the tank bottoms theory suggests. Depleted? Sure. Exhausted? Not even close.

U.S. oil exports dropped in July during temporary pause in Iran war

(Reuters; Aug. 3) - U.S. oil exports in July fell to 3.66 million barrels per day, the lowest level in eight months, ship tracking data showed, as a short-lived peace deal between the U.S. and Iran in June briefly flooded markets with Middle Eastern oil and diminished demand for American crude abroad. The U.S. had cinched the spot as the world's top oil exporter this year after the Iran war sharply cut supplies of Middle Eastern crude and forced Asian and European countries to turn to the U.S. to fill the gap. Shipments of U.S. oil surged to 5.7 million barrels per day in May, a monthly record.

However, exports have come off steadily since then. A memorandum of understanding signed between Washington and Tehran in June briefly helped stuck tankers navigate through the Strait of Hormuz, adding supply to global oil markets. The number of tankers exiting the strait in a day peaked at 42 during the peace deal period. The share

of U.S. oil exports to Asia shrank to about 40% in July from 52% in June, with top buyers including Japan and South Korea taking fewer shipments.

Cargoes to Japan, the top buyer in June and July, fell 67% in July from a peak in May, while shipments to South Korea fell 39%. Shipments to Europe also shrank to about 1.7 million barrels per day in July from as much as 2.5 million in May. High refinery runs in the U.S. also kept barrels away from the export markets, said Rohit Rathod, an analyst at Vortexa. The four-week average U.S. refinery utilization was about 96.3%, the highest since 2018, according to data from the U.S. Energy Information Administration.

Aramco CEO says world lost 2.6 billion barrels of oil production

(Reuters; Aug. 4) - The world has lost more than 2.6 billion barrels of oil supplies since the U.S.-Israeli war with Iran began in February, the head of Saudi oil giant Aramco said, warning global inventories were running low despite measures to reroute flows. The lost supply is equivalent to nearly a month of normal global crude production, underscoring the scale of a disruption that has closed major oil chokepoint the Strait of Hormuz, upending energy markets, with little sign of fully easing.

"If the strait were to open today, it would take up to 18 months at an average rate of 2.1 million barrels a day to replenish depleted inventories," Aramco CEO Amin Nasser said on Aug. 4. Nasser said Saudi oil output could return to pre-conflict levels within days and reach Aramco's maximum sustained capacity of 12 million barrels per day within three weeks, if requested. The company's total hydrocarbon production averaged 9.5 million barrels per day in the second quarter, compared to 12.8 million in the same period a year earlier, the company said.

Australian regulator proposes new requirements on 2 LNG projects

(Bloomberg; Aug. 3) - A environmental regulator in Australia has recommended tougher license conditions for two liquefied natural gas export facilities operated by Inpex and Santos. The review by the Northern Territory Environment Protection Authority came after significant underreporting of toxic emissions at Inpex’s Ichthys facility. It proposed 23 changes, including continuous monitoring of key pollutants, tighter limits on hot venting, stronger public reporting requirements and independent audits every five years.

The two projects underpin Darwin’s LNG industry and are important suppliers to Asia, accounting for about 10% of annual LNG imports into Japan and Taiwan. But they face growing regulatory and community scrutiny over emissions, air quality and potential health risks. The review was launched after Inpex revised its 2023-24 emissions estimates using a new methodology, increasing estimated benzene emissions from about 5 tons to about 500 tons and prompting community concern over health risks.

Meanwhile, Santos' facility — which restarted exports earlier this year after shutting in 2023 — came under scrutiny last year after a decades-long leak from a storage tank. The territory's licenses were already more stringent than those in most Australian jurisdictions because Darwin's LNG plants are closer to residential areas and process gas containing higher concentrations of pollutants than facilities in other states, according to the report.

Belgium got all its LNG from Russia in July, though less than year ago

(Bloomberg; Aug. 3) - Belgium became wholly dependent on Russia for imports of liquefied natural gas last month as the war in the Middle East caused a slump in supply. Most buyers on the continent have been holding off from purchasing LNG for winter stockpiling due to stubbornly high gas prices caused by the disruption to shipping through the Strait of Hormuz. While Belgium's imports from Russia were lower than earlier this year, the figures complicate energy policy in the European Union, which has imposed a ban on Russian LNG starting next year.

Overall, LNG flows to Belgium — Europe's No. 5 importer of the fuel last year — tumbled more than 40% in July from a year earlier, according to ship-tracking data compiled by Bloomberg. The country purchased about 0.4 million tonnes of the fuel from Russia, the data show. It also receives pipeline gas from Norway and the U.K. EU members should already be reducing their LNG buys from Russia, with a prohibition on short-term deals in place since April before the full ban takes effect next year. Instead, volumes have jumped as buyers sought alternatives to supplies from the Middle East.

Europe received 16% more Russian LNG in the first half of 2026 compared with a year earlier, paying €5.96 billion ($6.9 billion) in total, led by France, Belgium and Spain, according to Urgewald, a German nonprofit. Russia remains the EU's second biggest supplier of LNG after the U.S., and some industry watchers have already questioned the ban on Russian cargoes if supply disruptions from the Middle East continue.

Russia expands shadow fleet of LNG carriers, like it did for oil tankers

(United 24; Ukraine; Aug. 4) - Russia is quietly expanding its shadow fleet of liquefied natural gas carriers to bypass impending European Union restrictions set to take effect in 2027. Over the past six months, at least eight secondhand LNG tankers were sold and redirected to carry Russian shipments, bringing Moscow's specialized gas fleet to a total of 25 vessels, including two newly constructed carriers built at Russia's Zvezda shipyard, according to the Financial Times.

The push to acquire LNG tankers follows the model Moscow adopted with its shadow oil fleet, which now exceeds 1,000 vessels operating outside Western insurance and regulatory frameworks. While EU nations purchased nearly all output from Russia's Yamal facility in the first half of the year, a total ban on European imports of Russian LNG will take effect in 2027 to limit revenues that fund Russia's invasion of Ukraine.

Four of the newly acquired gas carriers fly the Russian flag and have been moving cargoes from transshipment hubs handling sanctioned gas. Meanwhile, domestic shipbuilder Zvezda delivered its first tanker, the Aleksey Kosygin, which has transported gas from the sanctioned Arctic LNG 2 project since December, while a second vessel, the Konstantin Posyet, was named in July. Novatek leads Russia's LNG sector, with its Yamal plant and the sanctioned Arctic LNG 2 project generating more than 65% of Russia's output, alongside Gazprom's Sakhalin-2 project which accounts for about 30%.

Canadian oil pipeline operator postpones additional expansion

(Reuters; July 31) - Canadian pipeline operator Enbridge has postponed the 250,000-barrel-per-day second phase of its Mainline crude pipeline network expansion, it said on July 31, partly because Canadian oil producers have not committed to significant output increases. The Mainline is Canada's largest crude oil export route and can move 3 million barrels per day from Western Canada to markets in Eastern Canada and the U.S. Midwest. The second phase would have increased exports to U.S. refineries.

Enbridge CEO Greg Ebel said the company will focus first on its 100,000-barrel-per-day Flanagan South Expansion and its 50,000-barrel-per-day Southern Access Extension. They will add capacity to two secondary pipelines that connect to the Mainline in Illinois and transport crude to multiple U.S. refining centers and the Gulf Coast. Enbridge is soliciting contracted volumes for the two pipelines through commercial open-season processes. Canadian oil production is growing and hit a record high of 5.1 million barrels per day on average last year.

Expectations of further growth have in recent months spurred multiple proposals for additional export pipeline projects. Enbridge has already committed to the first phase of its Mainline expansion project, which would add 150,000 barrels per day of capacity and be placed into service by 2027. The company had previously projected the second phase could be in-service as early as 2028.

New Mexico plugged record number of abandoned wells last year

(Source New Mexico; Aug. 3) - New Mexico state environmental officials plugged a record number of abandoned and orphaned oil and gas wells last year, thanks in large part to funding from Biden-era grants, they told a panel of state lawmakers on Aug. 3.

Across the state, however, about 1,600 wells remain that are designated for cleanup but have yet to be plugged or fully remediated, Department of Energy, Minerals and Natural Resources Deputy Secretary Ben Shelton told a legislative committee.

In the most recent fiscal year that ended June 30, the department's Oil Conservation Division plugged a record 114 wells — a major increase from its previous average of 25 to 50 a year, Shelton said, largely crediting multimillion-dollar grants from the federal Bipartisan Infrastructure Law. That improved funding stream should help to plug more wells in the coming years, he added. "They should probably break that record just about every single year for the next few years with the way that the funding is going," he said.

A 2025 Legislative Finance Committee report found that plugging and cleaning up abandoned wells could cost the state between $700 million and $1.6 billion. Plugging 114 wells last year cost $28.4 million. The Oil Conservation Commission recently adopted higher minimum bonding requirements for oil and gas operators to post upfront for any cleanup costs. The goal of raising the bonding requirements, Shelton said, is to help shield taxpayers from so much of the costly burden of cleaning up the wells.

India plans fees on natural gas and cooking gas to fund fuel reserves

(Reuters; Aug. 5) - India may impose a charge on cooking gas and natural gas consumers to help fund a $42 billion strategic fuel reserve, according to sources with direct knowledge of the matter, after disruptions from the Iran war exposed supply chain vulnerabilities. The plan would extend India's strategic reserves beyond oil for the first time, with stockpiles designed to cover about two months of crude and liquefied natural gas demand, and around six weeks of liquefied petroleum gas, or cooking gas.

Under the plan, cooking and natural gas storage infrastructure would be financed through levies on users that could raise $1.5 billion annually, the two sources said. The proposed levies would add about 2% to household gas bills, the sources said.

India's Ministry of Petroleum and Natural Gas is considering a levy on LPG that would add about 20 cents to the cost of a standard domestic cooking gas cylinder, the sources said. For natural gas, the ministry has proposed a levy that would generate about $1 billion annually at current consumption levels, the sources said. It was not immediately clear how the levies would be collected. The proceeds would primarily fund natural and cooking gas storage infrastructure, while crude reserves and strategic fuel inventories would continue to be financed by the federal government, the sources said.

Mexico may try pilot project for fracking to boost domestic oil and gas

(Reuters; Aug. 5) - Mexican President Claudia Sheinbaum is evaluating potential pilot fracking projects in the northern states of Coahuila and Tamaulipas that could help boost domestic gas production, according to four sources familiar with the discussions. Mexico already produces a small amount of oil and gas through fracking, but the government and state company Pemex are evaluating a much broader rollout as the country seeks to reduce its reliance on U.S. natural gas imports.

Hydraulic fracturing is a technique in which water, sand and chemicals are injected at high pressure to break apart rock to boost oil and gas flow. The technique has long raised concerns over groundwater contamination, methane emissions and earthquakes, while also delaying the transition to renewable energy. Once an opponent of fracking, Sheinbaum has recently changed her position and has said that new techniques exist with lower environmental impact and more efficient water use.

A few weeks ago, Sheinbaum received the findings of a panel of specialists in geology, water, engineering and environmental issues tasked with helping the government “make the best possible decision,” sources said. If approved, Pemex could begin work on the first pilot projects as early as September. Pemex produces an average of 4.869 billion cubic feet of gas per day in addition to 1.658 million barrels of oil and condensate. With conventional reserves declining, one of the sources said there was no alternative for Mexico than fracking if the country wants to boost its domestic production.