

# Oil and Gas News Briefs

## Compiled by Larry Persily

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#### **U.S. manufacturers at short end of pipe during gas shortages**

(Wall Street Journal; Feb. 10) - A big promise of the American shale boom was cheap, plentiful gas that would give U.S. manufacturers an edge against global competitors. Fifteen years in, U.S. gas production continues to reach new highs, the country has become the world's largest exporter of liquefied natural gas, and yet domestic manufacturers say they are increasingly cut off from fuel during the coldest winter days. In many parts of the country, there isn't enough pipeline capacity to guarantee manufacturers a flow of gas when heating and cooling demand surges.

That doesn't happen to power plants and homes, where gas is needed to keep people from freezing. Nor are firms that ship gas to overseas buyers cut off, thanks to long-term supply deals guaranteeing pipeline space. During the recent cold snap, workers at the Evonik chemicals plant in Maryland received notice from its local utility to shut off the gas or risk financial penalties. Without gas, the plant ceased production. Emergency heaters were fired up so equipment didn't freeze. The outage lasted seven days.

Soaring on-the-spot gas prices hit Evonik facilities in Illinois, Indiana, Tennessee and Nebraska this winter, too. International Paper, the country's largest producer of corrugated packaging, said its containerboard mills and box plants have been plagued by gas availability. Several box plants in Texas were without gas for days during last month's winter storm. Others only were able to keep running because the company paid for on-the-spot gas that had surged to several times the typical price. The company has had to truck fuel oil to one of its mills, which has been without gas since Jan. 23.

#### **Surge in U.S. LNG exports could drive down prices**

(Energy Wire; Feb. 9) - The liquefied natural gas export industry in the U.S. could be riding a wave of growth into choppy waters. A big LNG plant is about to open in Texas, another is set to start a new production line in Texas, and one of the largest export facilities in North America is set to deliver a full year of production from its Louisiana terminal. On top of that, companies approved plans for a record-breaking six more LNG projects in 2025, indicating the growth isn't slowing down anytime soon.

The U.S. surge — along with new facilities in other countries such as Canada and Qatar — is raising concerns of a global oversupply of natural gas that could drive down prices abroad and create financial headwinds for the U.S. LNG industry. And some analysts warn that LNG exports are driving up utility bills for U.S. households — an issue that

could that become a political liability. Federal officials say LNG drove a sharp increase in the benchmark price of natural gas in 2025, but projections are that the price won't surge again until after November's midterm elections.

The question is what happens to U.S. prices as exports divert nearly one-fifth of gas production overseas and whether global demand can absorb all that gas. "That's where the rubber meets the road," said Ira Joseph, who tracks gas and power markets at Columbia University's Center on Global Energy Policy. "How is the market going to absorb such a large amount of LNG in such a short period of time?" The answer depends on an array of possibilities driven by how markets react to oversupply, he said. Will U.S. producers cut back, or will low prices motivate more countries to use gas?

### **North American LNG developers say they can handle growing pains**

(Energy Intelligence; Feb. 6) - North American LNG developers will inevitably face "acute and chronic pain" as they invest billions to meet growing global demand, but large established players will have an easier time navigating those hurdles than new entrants, several top LNG executives proclaimed this week. "A lot of folks probably wonder, can the U.S. really meet that ramp of demand, that tsunami that is headed our way? I think the answer has been proven to be yes," Jeff Hammad, chief commercial officer for Golden Pass LNG in Texas, told the LNG2026 conference in Doha, Qatar.

He acknowledged that market, regulatory and financial challenges will face even the most experienced companies. "Yes, there will be pain. There will be price spikes or price movements one way or another," Hammad said. "Some of it will be acute, some of it will be chronic. But the traditional developers, we have seen those before ... we're built to withstand them." ConocoPhillips CEO Ryan Lance told the conference that the global LNG market will likely grow by 50% between 2026 and 2030. Most of that demand will be met by the U.S. and Qatar, which are in the midst of massive build-outs of capacity.

Lance acknowledged that there will be periods when the market will become a bit oversupplied, a prediction that has given pause to some investors in some North American LNG export ventures. Anatol Feygin, chief commercial officer at Cheniere, the largest U.S. LNG producer, said many of the projects moving forward "toward the tail end of this wave are going to be quite challenged by the aggressive assumptions that they took to get to the finish line. How do those projects, those entities, move through the cycle and come out the other side?"

### **Analysts expect China to import more LNG this year**

(Reuters; Feb. 10) - China's liquefied natural gas imports are set to rise in 2026 as a global supply upswing lowers prices while use for power generation and transport rises,

though any increase in imports will be modest due to persistent weakness in the domestic economy, analysts said. The world's largest LNG importer is set to buy 3% to 10% more of the super-chilled fuel this year versus last year, or roughly 70.5 million to 75.5 million tonnes, according to analysts at five firms.

But even the most optimistic forecasts are still below 2024 levels following a rare 11% decline in imports last year due to a mild winter and weak industrial demand. It was the only time LNG imports fell over the past outside the pandemic. While consultancies expect a rebound in 2026, volumes are unlikely to return to 2024 levels. This year gas demand is set to recover somewhat, with analysts at Sublime China Information expecting the growing use of LNG trucks alone to boost demand by 3.6 million tonnes.

LNG typically competes with cheaper gas produced domestically or piped from Russia. However, the rise in demand is unlikely to be filled completely by either source. Consultancy Rystad Energy estimated domestic gas production will grow about 420 billion cubic feet this year, versus an 880 bcf bump in demand. Meanwhile, pipelines from Russia are already near capacity. At the same time, the growing volume of LNG coming online globally is set to depress prices, boosting China's imports of the fuel.

### **[QatarEnergy pushes back LNG expansion start-up a few months](#)**

(Reuters; Feb. 9) - QatarEnergy is pushing the start of its multibillion-dollar liquefied natural gas expansion project to as late as the end of the year, a move that's likely to keep global markets tighter for longer. The company recently told stakeholders and buyers that production from the North Field East facility will begin only in the fourth quarter, a slight delay from earlier plans for the third quarter, according to people with knowledge of the matter, who asked not to be identified because the timelines are not public. The project could even slip into 2027, one of the people said.

Qatar's project is part of a record wave of new LNG supply set to flood the market through the rest of the decade. However, project delays around the world — coupled with Europe's move to replace Russian gas with LNG — keep pushing back the emergence of a glut. North Field East is the first phase of Qatar's massive expansion, which will almost double its annual export capacity to 142 million tonnes by 2030.

The reason for the delay isn't immediately clear, according to the people. However, it is normal for this type of massive development to be delayed by months as start-up nears, in order to iron out engineering issues. QatarEnergy's Golden Pass export plant in Texas was pushed back due in part to its lead contractor Zachry Holdings declaring bankruptcy. LNG projects have been grappling with supply chain bottlenecks and cost inflation for years. Meanwhile, Qatar still needs more customers for its expansion.

## **Qatar needs more buyers for its LNG production expansion**

(Bloomberg; Feb. 10) - Tiny Gulf state Qatar is a giant in liquefied natural gas and has enjoyed remarkable success locking in sales of the fuel decades into the future. But to match its ambitious expansion plans, it must sell even more. The nation's latest wins were on display at last week's LNG2026 conference in Doha, where state-run QatarEnergy revived languishing trade with Japan through a 27-year supply deal and even secured Malaysia — a traditional exporter — as a customer.

With these deals added, Qatar has agreed to sell about 39 million tonnes under long-term contracts since 2022 — all from new facilities coming online starting this year. That's more LNG than India, the world's fourth-largest buyer, consumes in a year. This is a huge achievement. But these deals will absorb only about 60% of Qatar's planned expansion in production — and that's without including volumes from the country's LNG export project in Texas, which is set to start soon without long-term buyers nailed down.

Nor does it cover existing contracts, which will expire over the next few years with no certainty of renewal. The most obvious buyers have already signed up, leaving fewer new markets to crack. Talks with India, for example, have stalled as Qatar has resisted cutting prices. This is forcing a rethink. For decades, Qatar sold almost all its LNG under long-term contracts — insulating the country from spot-market volatility. That model, however, will no longer be sufficient as the volumes committed lag behind the pace of capacity growth. Qatar knows this and has been building expertise in spot sales.

## **Production modules delivered to LNG project site in British Columbia**

(Upstream; Feb. 9) - A pair of big modules, including one that tips the scales at more than 12,000 tonnes, have been offloaded at the site of the Woodfibre liquefied natural gas plant in British Columbia. Located just north of Vancouver and owned by Pacific Energy and Enbridge, the 2.1 million-tonne-per-year, US\$8.8 billion plant is expected to be completed in 2027. Recently, the pre-treatment module and process-utility module arrived at the Squamish site, pushing construction completion to close to 60%.

Built in China by McDermott, these were the 13th and 14th modules — out of 19 in total — to arrive at the construction site. The pre-treatment module removes impurities from natural gas feedstock — including water and trace gases — in order to meet strict specifications for liquefaction. Cleaning up the feed gas, said Woodfibre in a statement, is important because, for example, water will freeze at the temperatures needed to liquefy gas, which can damage equipment.

This pre-treatment module is among Woodfibre's largest, weighing in at more than 12,292 tonnes, while measuring almost 300 feet long and 150 feet in height. The process-utility module keeps the liquefaction unit running at an appropriate temperature via a cooling water system, a hot-oil heating system and a thermal oxidizer. Seaway7's

heavy-lift vessel Seaway Swan transported the vessels to Squamish. Another five modules are due to arrive at Woodfibre over the next few months.

### **Russian LNG project expects 2 more ice-class carriers this year**

(Bloomberg; Feb. 11) - Russia's sanctioned Arctic LNG 2 plant is expected to receive two more domestically constructed ice-class liquefied natural gas carriers in 2026, further unlocking the project's export potential. "Last year, the lead Arc7 gas carrier, designed by a foreign company, was delivered, and construction of two more will be completed this year," Anton Alikhanov, Russia's Industry and Trade Minister, said on Feb. 11 at a parliamentary meeting, according to Interfax.

The first Russia-built Arc7 LNG tanker, Alexey Kosygin, was completed in late 2025 and started exporting fuel from Arctic LNG 2 last month. Additional tankers will help increase output and exports from the facility, which has struggled to ramp up operations during the winter because standard tankers can't traverse the icy waters. Arc7 vessels are able to break ice as much as 6.6 feet thick and, depending on weather, cross some parts of Russia's Arctic Northern Sea route without icebreaker escort, reducing shipping costs. Until the Alexey Kosygin came into service, Arctic LNG 2 had only one Arc7 vessel.

Arctic LNG 2 is key to Russia's ambitions to triple its production to 100 million tonnes a year. However, Western restrictions imposed after Russia's war on Ukraine forced Moscow to delay the timeline. The Alexey Kosygin, also sanctioned by the U.S., was built at Russia's Zvezda shipyard specifically for Arctic LNG 2. Its delivery was expected in early 2023, but restrictions on equipment and lack of domestic expertise delayed work. The shipyard built two more tankers with the same ice class in 2023. However, just like the Alexey Kosygin, the vessels require additional work and sea trials.

### **LNG tankers built for Russian trade unused even after sanctions lifted**

(gCaptain; Feb. 9) - Four Mitsui O.S.K. LNG carriers built for ice-strengthened operations remain idle more than six months after the European Union lifted sanctions following assurances that the vessels would not be used for the transport of Russian liquefied natural gas. Three of them were briefly sanctioned by the European Union in 2025 over suspected links to Russian Arctic LNG exports and have since sat idle off Indonesia underscoring a lack of employment even after the designation was lifted, while a fourth remains without charter in European waters.

Since summer 2025, the North Moon, North Ocean and North Light have been anchored off Batam, Indonesia, under Singapore flags, and remain insured through Japan P&I and UK P&I clubs. North Valley, the fourth vessel in the same series, was

never sanctioned by the EU but appears to have been idle for months off the coast of the Netherlands and, more recently, Spain, showing no clear new charter.

Such extended idleness for new LNG carriers, built in 2024 at Hanwha Ocean in South Korea to Arc4 ice-class specifications, raises questions about how risk aversion and market dynamics are impacting charterer willingness to engage. “I’m guessing they still need further convincing or assurances,” said Samir Madani, of TankerTrackers.com. Fear of future sanctions may be holding charterers back from dealing with the carriers. Even after removal from the EU list, reputational and compliance risks associated with vessels recently linked to sanctioned Russian LNG may be enough to deter contracts.

### **Canadian mayor says he’s never heard from proposed LNG project**

(The Canadian Press; Feb. 10) - Executives from a South Korean shipbuilding company recently signed a pact in St. John’s, Canada, to pursue a liquefied natural gas export plant, but the mayor of the town at the heart of the project says nobody bothered to call him. St. John’s is in the province of Newfoundland and Labrador. Jerome Kenny is mayor of Fermeuse, where several companies have said they’re hoping to partner on the LNG project. The companies have sent press releases about the project, and they’ve met with Newfoundland and Labrador government ministers.

But no one has run anything by Kenny or his town council, the mayor said. “There was a news release by a company there a few weeks ago about an LNG (development). But we haven’t received any information from that company,” Kenny said. “As far as we’re concerned, there is no proposed development taking place in Fermeuse,” a community of about 266 people, mostly senior citizens, the mayor said. The town hasn’t had much industry since a federal moratorium on the province’s once-lucrative cod fishery in 1992.

Several executives from South Korean shipbuilding company Hanwha Ocean flew to St. John’s last month to sign a memorandum of understanding with Fermeuse Energy to advance the project. The agreement established Hanwha Ocean as a “strategic partner” to support the project’s financing and development, a news release said. Though still in its infancy, it would be the first LNG development in Newfoundland and Labrador — if it goes ahead. The project would unlock gas reserves off the coast of St. John’s.

### **Vietnamese, Chinese builders partner on new LNG-fueled power plant**

(Reuters; Feb. 9) - Vietnam's state utility EVN has awarded a contract worth \$974 million to a consortium of PowerChina and Vietnam-based construction contractor Lilama for building an LNG-fired power plant, EVN said on Feb. 9. The Quang Trach II plant in the central province of Quang Tri will have a capacity of 1,612 megawatts, EVN

said in a statement. The Southeast Asian country is seeking to ramp up its power generation capacity to keep up with its expanding economy, which grew 8% last year.

"This plant will contribute to ensuring energy security, improving the reliability of the power system, and fulfilling Vietnam's commitments to reducing greenhouse gas emissions," EVN said. Vietnam, where coal power plants are responsible for more than 40% of electricity output, has committed to achieving net-zero emissions by 2050. The plant will use turbines from General Electric Vernova, EVN said. It said last month the plant would be fully operational by 2030.

### **Chile imports Australian LNG for first time since mid-2022**

(Reuters; Feb. 11) - Two Australian liquefied natural gas cargoes are sailing to Chile in what would be the South American country's first shipments from that origin in over three years, according to ship-tracking data. More cargoes going toward the Atlantic versus the Pacific would increase competition between the two basins and could tighten supply and support spot LNG prices in the region.

According to data from analytics firm Kpler, the Gaslog Gladstone tanker loaded a cargo at the Queensland Curtis LNG terminal on Jan. 27 and is expected to arrive at Quintero, Chile, on Feb. 14. Another tanker, Barcelona Knutsen, also picked up a cargo at Queensland on Feb. 5 and is set to arrive at Mejillones, Chile, on Feb. 27. Australian LNG cargoes do not typically head to South America due to the distance and freight economics, making the U.S. Gulf Coast or Atlantic Basin supply more competitive for Chile and neighboring markets, said Go Katayama, principal insight analyst at Kpler.

"The movements ... appear to reflect tightness in the Atlantic Basin and relative price dynamics, which can temporarily open arbitrage opportunities for Pacific-sourced cargoes," he said. Chile is a minor LNG importer, shipping in 1.9 million tonnes last year, according to Kpler data. It last received Australian LNG in mid-2022. Chile typically gets over half its LNG from Trinidad and Tobago. But some of those cargoes were sent to the U.S. last month to take advantage of record prices during a severe winter freeze.

### **Abu Dhabi National Oil Co. will add to its LNG tanker fleet**

(Bloomberg; Feb. 11) - Abu Dhabi National Oil Co.'s shipping arm plans to order as many as six liquefied natural gas tankers as the state producer accelerates its push into global gas trading. Adnoc Logistics & Services will likely commission four to six vessels to support the group's expanding international business, CEO Abdulkareem Al Masabi said in an interview on Feb. 11. The order would be in addition to 14 LNG carriers already contracted to serve export projects in the United Arab Emirates.

The fleet expansion underscores ADNOC's broader effort to build a global gas portfolio. The company's international investment arm, XRG, has been acquiring stakes in gas fields and export projects abroad, while also signing supply agreements, as the UAE seeks to position gas as a pillar of its economic growth strategy. The new tankers will be ordered this year, Al Masabi said without disclosing the potential cost. Expanding the fleet would give ADNOC greater flexibility to market cargoes internationally.

## **Supply glut knocks down price for Canadian heavy crude**

(Bloomberg; Feb. 6) – Canadian oil producers riding a boom from the expanded Trans Mountain pipeline to the West Coast are now grappling with increasing price discounts for near-term deliveries, a sign that a supply glut is taking hold. Canada's flagship oil grade's discount has grown to more than US\$15 a barrel in recent days from less than US\$13 a barrel two months ago. More revealing, the discount for crude available one month in the future is growing increasingly bigger than the discount for oil sold two or three months in the future, a sign that a glut of supply is forming.

Global markets are facing significant oversupply this year as output from OPEC countries and beyond has surged over the past few years. Still, investors are on edge, keeping prices prone to geopolitics-driven spikes. The start of the expanded Trans Mountain pipeline less than two years ago gave Alberta's oil sands producers a rare surplus of export pipeline capacity along with access to the lucrative Chinese market.

The abundance of export options propped up the price of Canadian heavy oil, which has traded at discounts to a monthly average of the U.S. benchmark of about US\$12 a barrel since TMX opened versus about US\$17 a barrel in the year before the start of the pipeline. That allowed producers in Alberta to hike production to record levels last year. But as space on pipelines fills up and market structure allows producers to sell oil in later months for higher prices, more crude is likely to end up in storage for future sale.

## **IEA sticks with 2026 oil supply surplus of 3.73 million barrels per day**

(Reuters; Feb. 12) - World oil demand will rise more slowly than expected this year, the International Energy Agency said on Feb. 12, while warning that the global market still faces a sizable surplus despite outages that cut supply in January. In its monthly oil report, the agency projected that global supply would exceed demand by 3.73 million barrels per day in 2026, broadly unchanged from last month. A surplus of that scale would equal almost 4% of world demand and is larger than other forecasts.

Global benchmark Brent crude was trading below \$70 a barrel on Feb. 12, edging lower after the report. Prices are still up about 14% since the start of the year on tensions between the U.S. and Iran and supply outages across several producers. "Escalating

geopolitical tensions, snowstorms and extreme temperatures in North America, and Kazakh supply disruptions sparked the reversal to a bullish market," said the IEA, which advises industrialized countries.

World oil demand is set to rise by 850,000 barrels per day this year, the IEA said, down 80,000 from last month's forecast. The IEA said "economic uncertainties and higher oil prices" were weighing on consumption. Supply has risen faster than demand largely because OPEC+ — the Organization of the Petroleum Exporting Countries plus Russia and other allies — began increasing output in April 2025 after years of cuts. Other producers, such as the U.S., Guyana, and Brazil, have also lifted production.

### **Shell needs acquisition or exploration to boost oil reserves**

(Reuters; Feb. 9) - Shell needs an acquisition or exploration breakthrough to make up for an expected production shortage of 350,000 to 800,000 barrels of oil equivalent per day by 2035 due to maturing fields unable to meet its output targets, analysts said. For years, oil majors have been restrained in topping up reserves, mindful that a swift industry transition to other sources of energy could curtail oil and gas demand. However, with such a transition lagging and demand still climbing, the focus has swung back to those with enough in the tank.

Shell's portfolio is in the spotlight because its so-called "reserve life" — how long its proven reserves can sustain current output levels — is equivalent to less than eight years of production as of 2025, from down from nine a year earlier, which was its lowest since 2021. This compares with over 12 years each at Exxon Mobil and TotalEnergies at the end of 2024, Wood Mackenzie data shows. A shorter reserve life increases pressure to buy assets or score a big exploration success to grow or maintain production.

Total reserves at Shell dropped to 8.1 billion barrels of oil equivalent, the lowest since at least 2013. Chief Executive Wael Sawan warned investors last year that declines across Shell's portfolio would leave a 350,000-barrel gap by 2035 between its production goals and what its current assets can deliver. Shell's reserves hit their lowest at least since 2013 in 2025 at 8.1 billion barrels of oil equivalent. The tightening resource base follows years of retrenchment, including Shell's exit from U.S. shale in 2021 and from Guyana in 2014 — two regions that underpin rival Exxon's growth plans.

### **TotalEnergies CEO says Venezuela too expensive, too polluting**

(CNBC; Feb. 11) - The CEO of French energy major TotalEnergies said it was "too expensive and too polluting" to return to Venezuela, despite calls from U.S. President Donald Trump for Big Oil to invest billions in the country. The company quit Venezuela in

2022 but the Trump administration has urged oil majors to return since the U.S. military operation to seize the country's president, Nicolás Maduro, on Jan. 3.

Speaking on Feb. 11, TotalEnergies CEO Patrick Pouyanné told reporters the company quit the country "because it clashed with our strategy. It was too expensive and too polluting and that is still the case." TotalEnergies started operating in Venezuela in the 1990s. Its departure followed a strategic shift away from heavy and high-sulfur crude and amid safety concerns. Pouyanné has previously said that Venezuela is not high on the firm's investment agenda.

The Trump administration has called on U.S. energy giants to invest \$100 billion to rebuild Venezuela's oil industry. He has pledged to support American oil companies that invest in Venezuela with government security assistance. Venezuela boasts the world's largest oil reserves but some U.S. oil firms have expressed caution about rushing to re-enter. Exxon Mobil CEO Darren Woods recently made headlines for saying at a White House meeting with Trump that the Venezuelan market is "uninvestable" in its current state. Trump subsequently lashed out at Woods, threatening to sideline the oil giant.