

Oil and Gas News Briefs

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U.S. LNG exports' impact on domestic prices could be election issue

(Reuters commentary; Feb. 18) - U.S. exporters of LNG consumed more natural gas than either households or commercial businesses last year, tightening U.S. gas supplies and putting the LNG export boom squarely in the frame of discussions surrounding rising U.S. energy costs. Liquefied natural gas exporters gobbled up a record 5 trillion cubic feet of natural gas during January to November of 2025, the latest data from the U.S. Energy Information Administration shows.

That total sharply exceeds the roughly 4 tcf of gas consumed by residences and the 3 tcf consumed by commercial sites during that period and means LNG exporters are now the third-largest U.S. gas consumer behind industry and power plants. The U.S. LNG export tally was 25% higher than in the same period of 2024 and accompanied a 61% rise in the benchmark U.S. gas price — the Henry Hub spot price — last year.

As gas power plants account for about 40% of U.S. electricity supplies — the most of any power source — the rise in gas costs in turn fed into electricity bills for consumers, which hit all-time highs last year. Pushback against further increases in power bills is likely to be a major issue in the run-up to November elections. That in turn means that LNG exporters who compete with households and power firms for gas could come under fire, even as additional LNG export capacity is due to come online.

The total amount of gas procured by U.S. LNG exporters during the first 11 months of 2025 marked a 209% increase compared with the same months in 2019. In contrast, total gas consumption by residences, commercial sites (restaurants, hospitals and retail stores), industry and power firms increased by an average of 3% over that same span.

Golden Pass LNG in Texas moves closer to first production

(Reuters; Feb. 18) - Golden Pass, an LNG project jointly owned by ExxonMobil and QatarEnergy, pulled in 300 million cubic feet of gas on Feb. 18 as it moves closer to making its first LNG, LSEG data shows. When complete, the 18-million-tonne-per-year project (2.4 billion cubic feet per day) in Texas is expected to be one of the largest U.S. LNG facilities and will help the United States maintain its position as the world's largest exporter of the gas. On Jan. 30, Exxon's CEO Darren Woods said he expected the plant to start producing LNG in March, marking an important milestone for the project.

The latest increase in gas use at the plant follows the arrival and offloading of a cool-down cargo at the plant in December, one of the final testing stages before moving to LNG production. The project, initially estimated at \$10 billion, has been beset by delays and cost overruns after construction began in 2019. It had to change its lead contractor, which filed for bankruptcy claiming cost overruns.

"That venture has done a really good job of recovering from the bankruptcy," Woods said during Exxon's fourth-quarter earnings call with analysts. "My expectation is we will see first LNG produced in very early March." The plant increased its demand for natural gas from 200 million cubic feet on Feb. 17 to 300 million on Feb. 18.

White House announces Japanese investment in 3 U.S. projects

(Reuters; Feb. 17) – President Donald Trump's administration on Feb. 17 announced three projects valued at \$36 billion to be financed by Japan, including an oil export facility in Texas, an industrial diamonds plant in Georgia and a natural gas power plant in Ohio. The projects are the first investments under Japan's \$550 billion U.S. investment pledge as part of a trade deal that cut Trump's tariffs on Japanese imports to 15%, Trump said on Truth Social. He gave few details about the projects.

U.S. Commerce Secretary Howard Lutnick said in a statement that the Portsmouth, Ohio, power plant, valued at \$33 billion, would be the largest gas-fired generating facility in history with a capacity of 9.2 gigawatts. At full capacity, that could generate enough power to supply about 7.4 million homes. The facility, to be operated by SB Energy, a subsidiary of Japanese tech investor SoftBank, would increase baseload power at a time of fast-growing electricity demand from data centers built to power AI applications.

It's unclear when the Ohio venture would come online or how developers plan to fast-track developments that often face years of supply-chain bottlenecks and permitting hurdles before connecting to the regional grid. Another key question is who would ultimately pay for the project. Consumers typically shoulder the cost of new power plants, and many households are already struggling with rising electricity bills.

The White House said Japan would invest in the \$2.1 billion Texas GulfLink deepwater oil export facility off the Texas coast. Lutnick said the project in Georgia was a synthetic industrial diamonds manufacturing plant that would satisfy 100% of U.S. demand for synthetic diamond grit, a critical input for advanced manufacturing and semiconductor production. The U.S. relies largely on China for such supplies. The plant, valued at about \$600 million, will be operated by Element Six, the White House said. The industrial company is a unit of De Beers Group, the world's largest diamond producer.

China continues buying U.S. LNG, delivering it to Europe

(Reuters commentary; Feb. 17) - China this month marks a year since it last imported liquefied natural gas from the U.S. amid a tense trade fight. Yet throughout the past year, Chinese firms have continued purchasing U.S. LNG under long-term contracts. But instead of delivering the fuel to China, they have often diverted it to Europe, where demand has surged in recent years. This apparent disconnect between politics and commerce shows how deeply intertwined U.S. and Chinese energy systems remain, despite efforts by the two to decouple their economies as they compete for influence.

It also underscores the growing flexibility and liquidity of the global LNG market, which has expanded rapidly in recent years, driven in large part by explosive growth in the United States. The U.S. became the world's largest LNG exporter in 2023, overtaking Qatar. Since 2018, Chinese energy companies including PetroChina, CNOOC and Unipecc have signed nearly 20 LNG supply contracts with U.S. producers such as Cheniere Energy, Venture Global and NextDecade, totaling around 25 million tonnes of supply per year, according to data from the Center on Global Energy Policy.

Most of these contracts, which underpin the financing of multibillion-dollar LNG projects along the U.S. Gulf Coast, run for 20 or 25 years. China, the world's largest LNG importer, bought 4.3 million tonnes of U.S. LNG in 2024, around 5% of total American exports that year, according to data from analytics firm Kpler. China last imported a cargo of U.S. LNG in February 2025, shortly after the countries entered a new round of tit-for-tat tariffs. Most U.S. LNG supply contracts allow buyers flexibility to ship and sell cargoes anywhere in the world or to resell them to third parties such as trading houses.

Citi says U.S. deals with Russia and Iran would push oil prices lower

(Reuters; Feb. 16) – Oil prices could remain supported in the near term as U.S. President Donald Trump ramps up pressure for peace deals involving Russia and Iran, but a resolution later this year may ultimately push crude lower, Citi said on Feb. 16. Brent crude has rallied from around \$60 per barrel to near \$70 in the past month, partly reflecting tighter enforcement of U.S. sanctions on Russian and Iranian oil, alongside other supply disruptions, the bank said.

Citi said that one channel through which the U.S. may be able to influence affordability is via peace deals between Russia and Ukraine, and de-escalation with Iran, which can contribute to lower prices for oil and oil products. "It is our base case that both Iran and Russia-Ukraine deals happen by or during the summer of this year, contributing to a decline in prices to \$60 to \$62 per barrel Brent." If disruptions to Russian supply keep Brent in a \$65 to \$70 range, Citi expects OPEC+ to respond by increasing output.

OPEC+ is leaning toward a resumption in oil output increases starting in April, three OPEC+ sources said, as the group prepares for peak summer demand and price

strength is bolstered by tensions over U.S.-Iran relations. Citi also said China has been buying Russian and Iranian oil at a discount to global benchmarks, for both purchasing and stockpiling purposes, and the bank expects this to continue in 2026 as long as Russia/Ukraine and Iran sanctions are in place.

EPA retraction could expose fossil fuels to state and local legal action

(Bloomberg commentary; Feb. 16) - For decades, fossil fuel companies and their climate-change-denying allies obsessively tried to kill the federal government's right to regulate greenhouse-gas emissions. Like Ahab, they may find that finally harpooning their white whale risks taking them down with it. The Environmental Protection Agency has retracted its 2009 finding that greenhouse gases are dangerous to human health. In the byzantine scaffolding of U.S. regulatory law, this "endangerment finding" meant that the EPA had to regulate planet-heating gases under the 1963 Clean Air Act.

That finding had been anathema to fossil fuel companies and the handful of ideologues in the White House driving the effort to rescind it. But the status quo also protects fossil fuels in a way. States can't sue or regulate us, the industry says, because the federal government already has that job, thanks to the endangerment finding. Do away with the finding, and you do away with that protection.

The timing couldn't be more awkward for fossil fuels. In response to President Donald Trump's crusade against federal climate action, state and local policymakers are increasingly taking action against the industry in court. One ideal scenario could be landing a huge settlement like the one they imposed on Big Tobacco in the 1990s, though the legal fight against Big Oil is far more complex. But Trump's climate hostility is inspiring more concerted action from the states even as it threatens to blow up one of the industry's biggest defenses.

U.S. producers learn by necessity to get more oil out of the ground

(Wall Street Journal; Feb. 17) - Perched in the control room of a Chevron rig, an operator steered a drilling bit thousands of feet under the arid surface of the Permian Basin. As he did so, he received real-time directions from a specialist in Houston, 477 miles away. Remote monitoring and other technologies that have become mainstream are among the clues that help explain why U.S. oil production has defied predictions that it would decline in conjunction with the lowest crude prices since the pandemic.

As U.S. oil prices dropped below \$60 a barrel in recent months, the industry shed rigs by the dozens and laid off crews that frack wells. Yet, the country's wells last year gushed a record 13.6 million barrels of crude on average each day. The disconnect between slackening activity and the increasing yield has mystified even oil chieftains.

“I’ve been wrong,” said Kaes Van’t Hof, chief executive of Permian producer Diamondback Energy. “I thought we’d be down by now.”

Executives credit the outperformance in part to companies’ engineering prowess and the changing makeup of the industry. Oil giants now have a bigger share of crude production in their hands and are largely impervious to price swings, ensuring a steady output. Among other field enhancements, these companies now routinely drill wells that extend over 4 miles and allow them to collect more crude at a lower cost.

This latest growth spurt might be short-lived. U.S. crude output is expected to flatten this year as producers preserve dwindling sweet spots for better days, before declining in 2027. Improvements can trump aging rock for only so long, executives say. In an effort to trim costs, companies have been innovating. For instance, Chevron in 2019 ran 21 rigs and five frack crews in the Permian. This year it anticipates it will need only six rigs and two frack crews to produce 67% more oil and gas in the region than seven years ago. Each rig on average drills 1,500 feet a day, more than twice as much as in 2019.

Signs of oil industry decay point to challenges for Venezuela

(The Los Angeles Times; Feb. 15) - The pumps that brought prosperity are now mostly rusted relics of a storied past. The buildings that housed a prideful labor force are vandalized, colonized by squatters or boarded up. The schools, clinics, the manicured golf course — amenities from an industry awash in petrodollars — gone or overgrown with weeds. “Our biggest problem is depression and anxiety,” says Manuel Polanco, 74, a former petroleum engineer whose recollections of the good times only highlight a dystopian present. “We barely survive. We have just enough to feed ourselves.”

This is the dismal tableau today in Venezuela’s Maracaibo Basin, which, for much of the past century, was one of the globe’s leading sources of petroleum. Since the U.S. attack last month and arrest of President Nicolás Maduro and his wife, President Donald Trump has vowed to rebuild the country’s moribund oil sector — while also providing resources and cash for the United States. East of Maracaibo lies the Orinoco Belt, home to the world’s largest proven deposits, estimated at more than 300 billion barrels.

A recent swing through the region in northwestern Venezuela dramatized the obstacles. Greeting visitors is a panorama of nonfunctioning wells, battered pipelines and empty storage tanks, among markers of decline. The U.S. plans have generated considerable skepticism in a place not accustomed to good news. But some oil veterans envision a return to the glory days. “I see myself flourishing again,” says José Celestino García Petro, 66 and a father of eight, who said he never found steady work after his well-servicing firm was expropriated by the government years ago. “Rising from the ashes!”

Pair of tycoons reportedly buying or leasing 120 oil tankers

(Bloomberg; Feb. 16) - A niche but crucial part of the oil market is being rocked by a huge bet from a South Korean tycoon who has amassed a large share of the tanker market — with help from one of the industry's wealthiest men. Over the past month or two, the Sinokor group has quickly moved to buy or charter a significant number of ships and now controls roughly 120 very-large crude carriers (VLCC), according to estimates from several executives. Some market veterans said the huge position amassed by the company, overseen by shipowner Ga-Hyun Chung, is unprecedented.

But the Seoul-based shipping firm isn't acting alone. At least two large ship owners that have recently negotiated vessel sales with Sinokor found that the final buyer was in fact an entity linked to Gianluigi Aponte, the founder of a sprawling shipping empire that includes Mediterranean Shipping Co. It's not clear what the relationship between the two companies is, or how many of the other Sinokor deals have involved MSC. This story is based on interviews with a dozen shipping brokers, vessel owners and executives, most of whom asked not to be identified discussing private information.

The move itself is eye-grabbing, even by the standards of the opaque world of shipping. Many of the world's oil tankers tend to be tied up on long-term leases or regular routes, and a growing share have been hit by sanctions over the illicit trade of Russian and Iranian oil, leaving fewer and fewer vessels available for hire at a time when the global oil trade is surging. Sinokor's aggressive buying has spooked the market, traders say, in turn dramatically driving up the cost of freight as nervous charterers rush to book space in case prices rise further in the future due to the concentrated ownership.

"You have one party or group of people who are working together who effectively control around a third of the available or traded tanker VLCC fleet out there," Ole Hjertaker, CEO of shipping firm SFL Corp. said on a call with analysts last week.

EU runs into pushback on latest sanctions against Russian oil

(Bloomberg; Feb. 17) - The European Union's attempt to penalize foreign ports and banks that Russia uses to illicitly sell oil is running into opposition, threatening to weaken the bloc's latest sanctions package. Several capitals are wary of proposals to hit ports in Georgia and Indonesia, according to people familiar with the matter. Italy and Hungary have specifically raised concerns about the Kulevi port in Georgia, while Greece and Malta have also expressed hesitation about a port in Indonesia.

The skepticism comes as Greece and Malta voice fears about a related EU proposal to replace the price cap on Russian oil with a ban on maritime services such as insurance and transport. That move hinges on backing from the Group of Seven nations, where the U.S. has been non-committal. The mounting pushback risks hollowing out the EU's latest sanctions package. The proposals — which the European Commission, the EU's

executive arm, unveiled earlier this month — are meant to further drain Russia's oil revenue as officials try to pressure Moscow to end its war against Ukraine.

EU envoys discussed the measures on Feb. 16. The bloc is aiming to approve the package this month. Sanctions require each country's support before they're adopted. Italy's reluctance to sanction the Kulevi port is because it also brings in gas from Azerbaijan, a key energy source for Europe, according to some of the people. Hungary has long opposed measures it says limit its energy supplies.

India buys more Saudi oil as it cuts back on Russian crude

(Reuters commentary; Feb. 17) - Asia's imports of crude oil are on track to hit a record high in February as the recent strong run continues, but the mix of suppliers is starting to shift in response to geopolitical dynamics. The world's top-importing region is expected to see seaborne arrivals of 28.51 million barrels per day in February, the highest total on a daily basis in records compiled by commodity analysts Kpler. The strong February imports come on the heels of robust arrivals of 27.48 million barrels per day in December and 26.22 million in January, according to Kpler data.

Much of the elevated appetite is from China and India. The data is also showing that the recent geopolitical disruptions are starting to influence flows into the region. India provides a case in point. March data shows a sharp drop in expected arrivals from Russia, down to 593,000 barrels per day, a 59% slump from 1.43 million in February and 1.22 million in January. The precipitous drop in India's imports of Russian crude follows New Delhi's trade deal with Washington, the terms of which include India cutting imports from Russia while boosting those from the U.S.

However, the main beneficiary of India moving away from Russia would appear to be fellow OPEC+ member Saudi Arabia, with February imports expected to reach 1.03 million barrels per day, up from 774,000 barrels per day in January and the most since November 2019, according to Kpler data.

Austria wants to avoid becoming too dependent on U.S. for LNG

(Reuters; Feb. 18) - Austria is seeking to expand its renewable energy supplies and increase gas imports from Africa to avoid becoming overly dependent on U.S. liquefied natural gas as Europe reshapes its energy supply, the country's junior energy minister told Reuters on Feb. 18. European countries are wrestling with how to keep electricity prices affordable as the European Union phases out Russian gas by 2027 in response to Moscow's 2022 invasion of Ukraine. Many governments fear replacing one dependency with another under U.S. President Donald Trump.

"The U.S. is not predictable in these times, so for Austria we are really looking closely to ensure we have LNG from different sources," said Elisabeth Zehetner, Austria's state secretary for energy. Zehetner is among ministers from 38 OECD countries meeting in Paris to discuss energy security at an International Energy Agency gathering.

"Since the beginning of last year, we do not import any Russian gas, but we face now the same topic with LNG. And if more than 40% of Europe's LNG imports are coming only from the U.S., we have to ask ourselves if we have not exchanged one dependency for another," she added. Zehetner said most ministers at the event's first session reaffirmed their commitment to expanding renewables because it is domestic and low cost to generate, while noting that gas remains essential for stable supply.

Chevron follows Exxon in leasing acreage to search for gas in Greece

(Reuters; Feb. 16) - A consortium led by Chevron signed exclusive lease agreements on Feb. 16 to look for natural gas off southern Greece, expanding the U.S. presence in the eastern Mediterranean. The deal doubles the Greek maritime acreage available for exploration and is the second deal in months involving a U.S. energy major as the European Union looks to phase out Russian gas and the U.S. seeks to replace them.

Exxon Mobil in November joined Energean and Helleniq to search for gas in another offshore block in Western Greece. The latest agreement allows Chevron — which also plans to expand its production in Israeli waters — to lead the search for gas in four deep-sea blocks, south of the Peloponnese Peninsula and the island of Crete, stretching across 18,147 square miles. It follows Chevron and Helleniq Energy, Greece's biggest oil refiner, last year winning an international tender.

Greece, which has no gas production and relies on gas imports for power generation and domestic consumption, has revived its quest for exploration after a 2022 energy price shock driven by Russia's invasion of Ukraine. It also aims to be a gateway for U.S. liquefied natural gas transported via a route that carries gas from Greece to central Europe and Ukraine. The Greek parliament will need to approve the lease contracts before the Chevron-led consortium can start seismic research later this year.

Commodity trader backs \$3 billion South Africa gas power plant

(Reuters; Feb. 16) - Global commodity trader Vitol is backing a consortium planning to build a \$3 billion gas-fired power station and liquefied natural gas import facility at South Africa's east coast Durban port, a company spokesperson said. South Africa sees gas as crucial for its efforts to move away from coal-fired power plants which supply most of the electricity to Africa's most industrialized economy, while Vitol wants a foothold in a market targeting 16 gigawatts of new gas generation by 2039.

The Vitol spokesperson told Reuters the project consortium includes Saudi Arabia's ACWA Power, Vitol unit Vivo Energy, which merged with Engen in 2024, as well as its terminal operator VTTI. The project, which has not been previously reported, received Strategic Integrated Projects status from the South Africa government in September, Vivo Energy and government officials said. This allows projects to be fast-tracked by reducing bureaucratic hurdles such as licensing procedures, for instance.

As part of their Durban marine terminal master plan, 50 acres of land has been reserved for the project, the document showed, but gave no indication of timelines, potential cost or volume of gas needed. "The estimated cost is circa \$3 billion. (About) timing, it is not possible to say at this stage. We shall provide updates as and when we are in a position to do so," the Vitol spokesperson said, adding it was too early to determine where the LNG cargoes would be sourced from.

Extensive sea ice curbs Russian exports from Baltic Sea

(Bloomberg; Feb. 17) - The most extensive sea ice in 15 years around Russia's key Baltic Sea commodity ports could curb a chunk of the nation's vast exports program because of a shortage of vessels that can cope with the conditions. On Feb. 17, the key oil terminal of Primorsk and the Vysotsk fuel port stipulated non-ice-class ships must have individual icebreaker escorts, according to orders from the two facilities, published on the website for the administration of Russia's Baltic ports.

The Gulf of Finland, home to 40% of Russia's seaborne oil exports, is now mostly covered with ice and the affected area continues to grow, according to Alexander Kolesov, chief weather forecaster of St. Petersburg. Similar developments were last seen in February 2010 and 2011, he said in a Telegram post. The conditions, combined with a shortage of vessels with strengthened hulls, are complicating exports of crude, fuels and other cargoes from the region, according to people involved in the industry.

To deal with the issue, Russia is redeploying ice breakers — the Sibir and the Murmansk — from the Arctic, taking the fleet in the Gulf of Finland up to six by the end of this month. Russia's transport ministry has told vessel operators "to take this circumstance into account when making a decision to send ships to the Gulf of Finland" — a reference to the icebreakers not arriving until month-end. Kommersant reported on Feb. 17 that metals and fertilizer industry groups have complained to the country's transport ministry that a lack of icebreaker vessels is affecting commodity exports.

Exxon says next chapter in Guyana will deliver natural gas

(Argus Media; Feb. 17) - ExxonMobil said it is gearing up to help Guyana meet its natural gas production potential after spearheading the development of one of the

world's biggest oil discoveries in recent decades off the coast of the South American nation. "The oil chapter remains very strong, but the next strategic chapter, the one that can broaden the impact for Guyana, is natural gas," said Dan Ammann, the company's president of upstream today at the Guyana Energy Conference and Supply Chain Expo.

ExxonMobil stands ready to respond with investment, engineering and project execution as soon as the government approves permits and unveils market frameworks, he said. "We are committed to moving as fast as the government of Guyana in doing what it takes to monetize the resource as rapidly, safely and smartly as possible," Ammann said. But developing gas resources is more complicated than oil, he said, requiring different infrastructure from processing facilities to pipelines to power systems.

Permitting and environmental reviews are also needed, as well as input from a wider range of parties such as utilities, industrial users and regulators. ExxonMobil has already completed its first gas-to-energy pipeline, which will lower electricity costs in Guyana when it is up and running. The pipeline is awaiting completion of an onshore power plant later this year. Ammann also reported that additional facilities will boost Guyana's oil production past 1 million barrels per day next year.

[Russia and China agree to cooperate on Arctic natural gas](#)

(The Barents Observer; Feb. 18) - Russia's State Duma has ratified a Russian-Chinese agreement that will pave the way for enhanced cooperation over natural gas in the Arctic. The "Protocol to the Agreement Between Russia and China on Cooperation in the Implementation of the Yamal LNG Project" provides for investments and joint projects, the Russian Ministry of Energy reports. Originally, the protocol was signed on Dec. 27, 2024, in Moscow and Beijing.

According to Aleksei Chepa, first deputy chair of the parliament Committee on International Affairs, the protocol reflects a "mutual desire" for expanded LNG cooperation. "The Committee on International Affairs believes that the ratification of the protocol will contribute to the strengthening of Russian-Chinese relations, strategic cooperation and partnership, and the creation of favorable conditions for investment cooperation," Chepa said in a statement.

As Europe cuts back on its imports of Russian gas, China is likely to take over a significant share of the output from the Yamal LNG project in the Arctic. Yamal has an annual production capacity of 16.5 million tonnes. A fleet of 15 tankers with ice classification Arc7 was built for the project. China owns almost 30% of Yamal LNG. Chinese companies also own a significant share of the Arctic LNG 2, a project located on the opposite shore from the Yamal project.

Ship traffic in Arctic waters up 40% in 2025 from 2013

(gCaptain; Feb. 16) - Ship traffic in the Arctic reached a new milestone in 2025, with 1,812 unique vessels operating inside the Polar Code area, according to new data released by the Arctic Council Working Group on the Protection of the Arctic Marine Environment (PAME). The figures mark a 40% increase from 2013, when the group began tracking traffic through its Arctic Ship Traffic Data system.

The growth underscores how rapidly the Arctic is transforming into an active commercial maritime zone. While the first modern commercial voyages along Russia's Northern Sea Route began in 2009, shipping activity has accelerated alongside expanding oil, gas, mining, and fishing operations. Total sailing distance in the Arctic rose 95%, from 6.1 million nautical miles in 2013 to 11.9 million in 2025. Vessels are increasingly making repeated voyages within a year, particularly along Russia's Arctic coast.

Shipping peaks during August through October when sea ice reaches its minimum. In September 2025, PAME recorded 1,060 vessels entering the Arctic, representing 58% of total annual traffic. Fishing vessels still dominate the activity, entering primarily from the Bering and Barents seas. Cargo ships are the second-largest category, carrying supplies into remote communities or transporting materials for industrial projects such as Vostok Oil and Arctic LNG 2. The fastest-growing category has been oil tankers, which have quadrupled over the past 12 years.

Santos will cut 10% of its workforce

(Sydney Morning Herald; Feb. 18) - Santos, the second-largest Australian oil and gas producer, is planning to cull one in 10 jobs and may sell some of its assets after a year of lower fossil fuel prices contributed to a steeper-than-expected profit fall. The energy company, which is under pressure to lift shareholder returns following the abrupt collapse of a \$30 billion takeover offer from an Abu Dhabi-led consortium last year, on Feb. 18 revealed its net profit had declined by a third to \$818 million in the 12 months to December, a weaker result than analysts had been forecasting.

Managing director Kevin Gallagher told investors Santos now intends to target a headcount reduction of "around 10%," a move he said would "right size" the business as it moved out of a period of high capital expenditure on growth projects in the Timor Sea and Alaska and focused on cutting costs. With a workforce of around 4,000 employees, a 10% headcount reduction at Santos could equal as many as 400 jobs.

Santos, which produces oil and gas in Australia for domestic use and for exporting as liquefied natural gas, also said on Feb. 18 it would carry out a "strategic review" of its Australian operations. Investment analysts said it suggests the possible sale of some assets outside its huge LNG export businesses in Queensland and the Northern Territory, and the proposed \$3.6 billion Narrabri gas project in New South Wales.