

Oil and Gas News Briefs

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Shale gas helps boost China's production to record high in 2025

(Nikkei Asia; Jan. 29) - China's natural gas production reached an all-time high last year due to the state-backed rush to develop shale fields and other non-conventional sources, reaching a level capable of supplying 60% of the country's gas consumption. China's gas output rose 6% in 2025 to 9.245 trillion cubic feet, according to the National Bureau of Statistics. That is equivalent to 193 million tonnes of liquefied natural gas, or roughly triple Japan's gas demand.

With the new domestic output figure, China's volume has approached that of Iran, which produced 9.28 tcf of gas in 2024, according to the U.K.'s Energy Institute. Iran had the third-largest output that year behind the U.S. and Russia, the Energy Institute said. China's gas production is expected to grow further to 10.6 tcf by 2030, according to a think tank under the state-owned China National Petroleum Corp.

The shale gas revolution is the driving force behind the record production. In 2024, shale gas production in China rose above 3.5 tcf for the first time, rising further in 2025. Shale provides nearly half of China's domestic production, with output increasing in the Ordos and Sichuan basins. The government has succeeded in encouraging firms such as CNPC and Sinopec, the two state-owned oil majors, to increase production through subsidies and tax breaks.

Even with its increasing gas consumption, China has maintained a 60% self-sufficiency rate. Combined gas pipeline and LNG imports shrank 3% last year, according to China's General Administration of Customs, marking the first drop in two years. LNG imports fell 11% to 68.43 million tonnes, with imports from the U.S. crashing 94% to 250,000 tons.

Golden Pass LNG in Texas expects startup in March

(Reuters; Jan. 30) - Exxon Mobil CEO Darren Woods said on Jan. 30 that production of liquefied natural gas at the Golden Pass export terminal in Texas is expected to begin in March, marking a key milestone for the project. The Exxon (30%) and QatarEnergy (70%) project will become the latest LNG plant to begin production in the U.S.

The project has been beset by delays and cost overruns after construction began in 2019. It had to change its lead contractor after the company filed for bankruptcy on the project in 2024, claiming cost overruns. Originally estimated at less than \$10 billion, the

project cost has reportedly grown to around \$12 billion, though Golden Pass has not released any numbers after the contractor bankruptcy and delay.

"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." A cool-down cargo arrived at Golden Pass in December, a major step toward starting LNG production.

U.S. supplied 60% of EU's LNG in January

(Reuters; Jan. 30) - The United States supplied 60% of the European Union's liquefied natural gas this month, data showed on Jan. 30, confirming its role as Europe's dominant LNG supplier as some European officials become wary of growing reliance on U.S. energy. The 60% share was an increase from both last month and January 2025, when the U.S. supplied 53% of EU imports, data from firm Kpler showed.

The 5.36 million tonnes of LNG the EU imported from the U.S. in January is the second-highest volume for any month to date, exceeded only by October 2025, Kpler said. Higher gas demand driven by cold weather this month partly caused the uptick. But Kpler said it expects the trend for increasing U.S. supply to continue, to around 65% of Europe's total LNG this year, from around 56% in 2025.

Europe has increased its purchases of U.S. gas to reduce its reliance on Russian energy since Moscow's 2022 invasion of Ukraine. But President Donald Trump's push to take over Greenland and recent tariff threats have sharpened concerns among some governments of the risk of becoming reliant on the U.S. for fuel. EU Energy Commissioner Dan Jorgensen said this week the crisis over Trump's threats against Greenland had been a "wake-up call" on energy security, and warned the EU risked "replacing one dependency with another" as it shifted away from Russian energy.

Japan Gas Association leader says it's hard to give up Russian LNG

(Jiji Press; Japan; Jan. 29) - It is difficult for Japan to give up Russian liquefied natural gas, despite stepped-up sanctions by the United States and Europe, Japan Gas Association leader Takashi Uchida said. Securing alternative supplies will not be easy since Russian LNG has an "economic advantage," Uchida, also chairman of Tokyo Gas, said in a recent interview, emphasizing the importance of continuing procurement of it.

About 10% of Japan's LNG imports come from Russia, mostly from the Sakhalin-2 oil and gas project in the country's Far East. The United States urged Japan to halt energy imports from Russia, including LNG from the Sakhalin-2 project, in October last year.

Last December, Washington announced a six-month extension of an exemption allowing Japan to continue importing LNG from the Russian project.

Japanese utility will build new gas-fired power station

(Reuters; Jan. 31) -Hokkaido Electric Power announced on Jan. 30 that it would build a new gas-fired power station in Tomakomai (northern Japan) and a terminal for liquefied natural gas imports by the mid-2030s to meet the rising demand of electricity from data centers and semiconductor plants. The project is part the utility's strategy to expand its gas business. They cite significant potential in Hokkaido for a switch toward lower-carbon gas, where oil and coke still make up a large portion of energy consumption.

The new plant is expected to have a 0.5- to 1-gigawatt capacity and will be able to use cleaner fuels like hydrogen and ammonia, along with gas. Its operations are scheduled to begin around fiscal year 2035. The LNG terminal will accommodate large carriers, and it will have a large LNG storage tank. Arata Tanimura, deputy general manager for corporate planning, said Hokkaido Electric has not disclosed the size of the investment.

The utility operates a gas-fired plant and LNG terminal in Ishikari, north of Tomakomai. One unit is in operation and two additional units are under construction and scheduled to go online by fiscal year 2033; total capacity will reach 1.7 GW. Separately, Hokkaido Electric aims to restart the No. 3 reactor of the Tomari Nuclear Power Station in 2027; the No. 1 and No. 2 units are expected to return to service in the first half of the 2030s.

Analysts say partners in LNG Canada may be preparing for expansion

(Financial Post; Canada; Jan. 28) - Speculation that Shell and Mitsubishi are looking to exit the LNG Canada export project is misplaced, analysts say, with some arguing the reported stake-sale talks could even signal preparations for expansion rather than a pullback. The companies have so far declined to comment on the Reuters report earlier this month that the partners were exploring sale options for their stakes in the liquefied natural gas terminal that started up last summer in Kitimat, British Columbia.

Global oil and gas major Shell, which holds the largest stake in LNG Canada at 40%, is looking to sell up to three-quarters of its holding, according to the report. Mitsubishi currently holds a 15% stake in the project. The news has sparked speculation that the partners may have lost confidence in the project or are unwilling to invest in the Phase 2 expansion amid concerns about the project's economics or the risk of global oversupply.

But several analysts and industry experts cautioned the moves by Shell and Mitsubishi appear aimed at unlocking value and limiting risk, or at bringing in new partners and fresh capital to fund a second phase, rather than a desire to exit. One executive from a

Western Canada oil and gas producer said the news is likely a positive signal for LNG Canada's expansion. "It's these project financing deals that often, at the outset, look like a sell-down or an equity sale. Really, it's just a structured financing," said the executive. "In preparation for Phase 2, the companies are making sure they have ways to fund it."

LNG suppliers want to sell to India, but India waits for lower prices

(Bloomberg; Jan. 29) - Liquefied natural gas producers must be heading home from India Energy Week a little underwhelmed. The world's most populous country is meant to be one of the industry's great growth stories — yet you wouldn't have guessed it from the annual gathering. A record wave of supply is about to hit the market as billions of dollars have been plowed into new projects on the assumption that demand across emerging Asia — and especially India — will surge.

But conversations with execs at the summit suggest the optimism may be premature. India is the world's fourth-largest LNG buyer but import growth has stalled since 2020 and no major contracts were announced at the event. The country needs more imported LNG as domestic gas output declines and the government pushes ahead with a goal of doubling the fuel's share of the energy mix by 2030. Global suppliers, meanwhile, are eager — arguably desperate — to lock in customers under decades-long contracts.

But high prices are the sticking point, and they need to fall further before talks move forward. For now, Indian buyers aren't blinking. Executives say they're looking for at least a 10% discount to current long-term contract prices. Anything less, and they're content to wait. They're also wary of deals linked to Henry Hub, the U.S. gas-pricing benchmark, after a recent surge showed how volatile that pricing can be. The prevailing view among Indian buyers is that time is on their side. They believe the market will tip into oversupply later this year or next, and prices will inevitably come down.

U.S. LNG companies competing to sell stake to Indian importer

(Reuters; Jan. 29) - Three companies are competing for GAIL India's tender to acquire up to a 26% stake in a liquefied natural gas project in the United States, Chairman Sandeep Kumar Gupta said on Jan. 29. Last year, GAIL issued a tender to buy up to a 26% stake in a U.S. project, combined with a 15-year gas import deal. India's largest gas distributor invited initial bids from companies as it seeks to buy equity in an existing LNG project or a new project that would be commissioned by 2030 at the latest.

He did not disclose the names of the three companies. The United States is already the second-biggest supplier to India, one of the world's fastest-growing economies, while Qatar is its largest LNG supplier. State-run GAIL wants 1 million tonnes of LNG per year from a U.S. plant on a free-on-board basis for 15 years and has said the deal could be

extended by five to 10 years. India is the world's fourth-largest LNG importer and aims to raise the share of gas in its energy mix to 15% by 2030 from 6% currently.

OPEC+ sticks with plan to hold production steady in March

(Bloomberg; Feb. 1) – OPEC+ ratified plans to keep production steady in March — the last part of a three-month scheduled supply freeze — even after prices hit a four-month high on the prospect of a U.S. strike against Iran. Eight key members led by Saudi Arabia and Russia reaffirmed the pause — first agreed in November — during a video conference on Feb. 1, the group said in a statement. Delegates said they left the question of what to do after the first-quarter hiatus expires for their next meeting, scheduled for March 1. They asked not to be identified as the talks are private.

“The real story is what OPEC+ chose not to say about the second quarter,” said Jorge Leon, an analyst at consultant Rystad Energy who used to work at OPEC’s secretariat. “With rising uncertainty around Iran and U.S. tensions, the group is keeping all options firmly on the table.” The alliance chose to stay the course even after crude futures surged past \$70 a barrel in London last week, when President Donald Trump warned OPEC member Iran to agree a new nuclear deal or face military strikes.

The Organization of the Petroleum Exporting Countries and its partners often respond cautiously to escalating geopolitical risks, typically waiting for changes in actual supplies before acting. Key alliance members in theory still have about 1.2 million barrels a day of production shuttered since 2023 to restore. Group leader Saudi Arabia and others like the United Arab Emirates have shown signs of eagerness to continue reviving output. Whether further increases are practical is another question as the International Energy Agency projects a record glut in global oil markets as demand growth slows.

Risk and supply disruptions drive up global oil prices

(Bloomberg; Jan. 30) - It was supposed to be the year of glutted oil markets and lower prices, but the first weeks of 2026 have instead been dominated by geopolitical spikes and supply disruption, powering futures to \$70 a barrel. President Donald Trump’s threats to attack Iran have injected several dollars of geopolitical risk premium into crude — now at \$7 to \$10 a barrel, according to Citigroup — just weeks after the U.S. removed Nicolás Maduro as Venezuela’s head of state. In a year where many had expected crude in the \$50s, options traders have been betting on a rally above \$90.

Supplies have been tighter than expected, too. Outages from Kazakhstan to Libya, as well as a severe winter storm in the U.S., have lowered the availability of crude in key pricing locations. Most traders and analysts still see production exceeding consumption globally, but not where it’s most visible: Western storage hubs. They point instead to the

buildup of sanctioned Russian supply at sea — barrels that exist, but that only a few nations are willing to buy — and China mopping up much of the excess.

The result is an oil market that's been caught off-guard and has surprised Wall Street analysts. Oil futures are up 15% so far in January, heading for the biggest monthly increase since January 2022. Whether prices come back down will be driven heavily by Trump's next moves on Iran. "We have very little reason to fundamentally change the story, but you do also have to consider the geopolitical risk," Martijn Rats, global oil strategist at Morgan Stanley, said in an interview.

Global oil supply glut prevails over geopolitical risks to prices

(Reuters commentary; Jan. 30) - Oil prices remain stuck in a narrow band even after soaring 15% in January, partly on fears of a fresh U.S. strike on Iran. Tough talk on either side is unlikely to push crude prices much higher, given today's well-supplied market. What would be needed is big-time action that results in a meaningful, sustained hit to the global supply-demand balance. This month so far, Brent crude futures have climbed above \$70 a barrel, their highest since last July. That puts the global benchmark on track for its biggest monthly gain since January 2022.

But despite U.S. intervention and uncertainty in Venezuelan oil production, despite production cutbacks due to a power outage at the giant Tengiz field in Kazakhstan, and despite the temporary drop in U.S. oil production during last week's deep freeze across Texas, any price gains have been capped by rising output in other parts of the global market, including from key OPEC producers. That same surge in supply has put downward pressure on prices in recent months. The International Energy Agency forecasts a massive 3.7 million-barrels-per-day oversupply in 2026.

Taken together, the recent outages and rising Mideast tensions create a strongly bullish backdrop for crude. So why hasn't it been enough for Brent to break out of its \$60- to \$80-per-barrel band that it's been trapped in for nearly two years? In short, investors are only pricing in a modest geopolitical risk premium, given the supply glut. So what would it take to propel prices into triple-digit territory? It would likely need to be a doomsday scenario — a regional conflagration that severely disrupts flows. Otherwise, the market is less responsive to escalating political tensions than it may have been in the past.

Venezuela reforms oil policies and taxes to attract investment

(Bloomberg; Jan. 29) - Venezuelan lawmakers have approved a historic reform of its decades-long nationalist oil policy that will sharply ease the country's fiscal burden, giving officials broad discretion to adjust taxes and royalties in a bid to attract private capital back into the battered industry following U.S. plans to overhaul its economy. The

overhaul of the policy passed a second and final round of voting unanimously in the government National Assembly. Changes apply to 34 articles easing taxes on private businesses while allowing them to sell oil and settle disputes in international courts.

Acting President Delcy Rodríguez stamped her signature on the law on Jan. 29, in front of dozens of workers from the oil industry. She welcomed its unanimous approval and said it allows “a truly historic, qualitative leap” to transform oil reserves into happiness for Venezuelans. Her remarks followed the issuance by the Trump administration of a general license expanding the ability of oil companies to operate in Venezuela. The license covers activities that could accelerate Venezuelan crude flows, including exporting, selling, storing and refining the country’s oil.

The reform replaces Venezuela’s extraction tax with a new “integral” hydrocarbons tax of up to 15% applied to gross production, with no deductions, according to a version of the bill seen by Bloomberg. Royalty rates are capped at 30%, but are no longer fixed by law, giving the Oil Ministry flexibility to modify levies depending on a project’s phase, capital intensity and overall economics. The ministry will also be able to reduce the country’s hydrocarbons income tax rate to preserve returns, though some legal experts have questioned whether that conflicts with constitutional limits on tax authority.

Fleet of 18 tankers loaded Venezuelan oil for U.S. in January

(Bloomberg; Jan. 30) - The U.S. is set to import the most Venezuelan oil in a year after President Donald Trump’s administration moved to control the country’s energy supply. A fleet of 18 ships loaded crude oil bound for refineries in Texas, Louisiana and Mississippi this month, the most since December 2024, according to shipping reports and vessel movements compiled by Bloomberg. Combined crude deliveries to America will reach about 275,000 barrels a day, more than doubling volumes seen last month.

As the U.S. emerges as the biggest recipient of Venezuelan oil after former President Nicolás Maduro’s capture, shipments to China — which averaged 400,000 barrels a day last year — fell to zero in January amid a U.S. crackdown on the so-called dark fleet of vessels used to haul sanctioned oil to China. Deliveries of sludgy, sulfurous Venezuelan oil to the U.S. are set to continue rising after the Trump administration eased sanctions, allowing U.S. refiners to buy directly from state-owned Petroleos de Venezuela.

Valero Energy, the largest U.S. buyer of Venezuelan crude, said it plans to ramp up purchases, even before the Trump administration announced on Jan. 29 that it was expanding oil companies’ ability to operate in the South American country. Most of the oil arriving in the U.S. comes from Chevron, which holds a U.S. license to sell Venezuelan crude. About 20% is being supplied by commodity traders Trafigura and Vitol, which were picked by the Trump administration to help sell up to 50 million barrels.

[Exxon, Chevron hesitant to commit capital to Venezuela](#)

(Bloomberg; Jan. 31) - Exxon Mobil and Chevron are treading carefully as they weigh President Donald Trump's call to invest \$100 billion to rebuild Venezuela's oil industry against the disciplined spending model that's sent their stocks soaring on Wall Street. The chief executive officers of both companies talked up the long-term opportunities in Venezuela, which has the world's largest reserves on paper, but were hesitant to commit new capital after reporting corporate earnings on Jan. 30.

They said political and legal reform is needed to protect their investments, while stressing any new projects would have to compete with opportunities around the world. Chevron, the only U.S. oil major currently in Venezuela, plans to finance its operations there with cash from existing assets, meaning it can grow production as much as 50% without having to draw on its capital budget. "You should expect us to remain focused on value and capital discipline," CEO Mike Wirth said on an analysts call.

"It's a large resource that has the opportunity to become a more sizable part of our portfolio in the future," Wirth said. "But we also need to see stability in the country. We need to have confidence in the fiscal regime." Exxon CEO Darren Woods, who drew Trump's ire after calling Venezuela "uninvestable" at a White House meeting earlier, struck a more positive tone on Jan. 30, praising the administration's efforts to improve Venezuela's legal and fiscal regime. He stressed, however, that they would take time.

[Venezuela's oil communities show decades of neglect](#)

(BBC; Jan. 30) - With its neat rows of detached family homes, complete with grass lawns and porches, Miraflores could be mistaken for a typical American suburb. Located in the heartland of Venezuela's oil industry, on the eastern coast of Venezuela's Lake Maracaibo, this quiet neighborhood once helped to make the country one of the wealthiest in Latin America. It was a symbol of national prosperity. This used to be one of the world's most productive oil basins.

But for now, the area around the lake is a reminder of how much the country's fortunes have declined over the decades. The BBC is the first international broadcaster to visit the region since the U.S. seized Nicolás Maduro from his presidential compound in early January and took him to New York to face narco-terrorism charges. There are oil pumps everywhere — on street corners, in fields and rising out of the lake. While a handful have been freshly painted in the yellow, blue and red of the national flag and remain operational, many have not moved in years and are rusting and falling apart.

The decay is striking in the 20 or so American-style "oil camps" on the fringes of the lake — these were originally built by international companies to house their workforce, after the commercial exploitation of Venezuela's oil reserves took off in the 1920s. Oil giants invested heavily in Maracaibo, Venezuela's second-largest city. Oil money turned

former fishing villages into affluent communities with hospitals, schools and social clubs. In Miraflores, which housed the industry's top executives, many homes now sit abandoned and looted, their windows smashed and wiring stripped bare.

Kazakhstan oil field partners knew sulfur stockpiling exceeded rules

(Bloomberg; Jan. 30) - Several of the world's largest oil companies knew for years they were at risk of being fined for breaching sulfur-stockpiling regulations in Kazakhstan, but didn't resolve the problem in part due to concerns about cost. Court documents seen by Bloomberg offer fresh insights into a case that has seen Kazakhstan impose a penalty of about \$5 billion on North Caspian Operating Co. (NCOC), a venture that runs the giant Kashagan project on behalf of Eni, Shell and several other big oil companies.

NCOC's longstanding position throughout the process has been that it had all the applicable permits for the sulfur stash that expanded every year from 2016 to 2022 — the point at which the Kazakh authorities imposed the fine. The documents seen by Bloomberg, which include internal emails and presentation slides that were submitted to an Astana court, don't contradict that position but do show an awareness long before 2022 among several partners that such a penalty was possible.

The sulfur fine is connected to a wider \$166 billion international arbitration centered around Kashagan, the country's second-largest oil field. Kazakh authorities have been pushing for more revenue from the nation's resources and have sued the venture partners. Most of the claim is for lost revenue but also includes environmental violations and deals that Kazakhstan alleged were tainted by corruption. Kashagan pumped its first oil in 2013, eight years later than targeted and \$45 billion over budget. The field shut down a month later after detecting pipeline leaks, resuming production in 2016.

Soon after restart, the operators faced the problem of what to do with the large volumes of sulfur extracted from the crude to make it suitable for export, the documents show. The chemical was being stored in blocks at the site, a practice the Kazakh authorities wanted to limit in order to minimize the risk of pollution to the environment. One of the venture partners said in 2017 that the operation was on track to go well beyond its sulfur-storage limits. In 2019, Shell warned of the "massive financial risk" posed by 1.3 million tons of sulfur at the site, which could incur penalties of \$1,700 to \$3,500 per ton.

LNG cargoes head toward Americans and Europe instead of Asia

(Reuters; Jan. 30) - At least three liquefied natural gas cargoes loaded in Australia and Canada are heading toward Europe and the Americas instead of their usual destination of Asia after an Arctic storm curbed exports from the U.S., shiptracking data showed. The diversion of supply away from Asia could tighten supply and support spot LNG

prices in the region. While much of the Northern Hemisphere saw colder-than-usual weather in the past week, an Arctic storm in the U.S. cut gas output and curbed LNG exports from Gulf Coast terminals, lifting prices globally on rising demand.

"Pacific cargoes may be drawn into the Atlantic to help backfill for lost U.S. production," said Alex Frolely, senior LNG analyst at energy consultancy ICIS, adding that a dip in feed gas to U.S. liquefaction plants this week suggests some 10 to 20 cargoes could be lost. The U.S. accounts for more than half of Europe's LNG imports, Kpler data showed. In an unusual move, a tanker which departed Queensland Curtis LNG in Australia on Jan. 21-22 is heading east toward the Americas, Kpler and LSEG data showed.

From western Canada, the tanker Qingcheng departed on Jan. 20 and was heading westward toward Asia, LSEG and Kpler showed. It made a U-turn to divert from its original route to go toward the Americas on Jan. 26. The Qingcheng tanker could possibly be heading for Europe through the Panama Canal, said Frolely.