

Oil and Gas News Briefs

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Japan's JERA signs 27-year deal for LNG from QatarEnergy

(Reuters; Feb. 3) - QatarEnergy, one of the world's biggest LNG suppliers, signed a deal on Feb. 3 with Japan's top power generator JERA to supply 3 million tonnes of LNG annually for 27 years from 2028, further strengthening Qatar's position in the Japanese market. The agreement, made on the sidelines of the LNG2026 conference in Doha, would bolster Qatar's position in Japan as competition intensifies from U.S. LNG and Gulf rivals United Arab Emirates and Oman, which offer more flexible terms.

The agreement "strengthens Japan's energy security by deepening our partnership with Qatar and diversifying supply sources through a greater weighting of the Middle East in our LNG portfolio, and comes in line with Japan's energy policy," JERA said. The LNG volumes will support gas-fired power generation and help meet rising electricity demand driven by new data centers and semiconductor plants, JERA said in a statement.

Qatar has dominated the Japanese market in the past and was among the latter's top three LNG suppliers a decade ago, shipping more than 15 million tonnes a year to Japan 2012-2014. But in 2025, Qatari LNG exports to Japan totaled 3.59 million tonnes. Japan's imports from Qatar declined over the past decade as buyers have preferred supplies from the U.S., the UAE and Oman, which offer shorter contracts and fewer destination restrictions, allowing buyers, such as JERA, to resell cargoes if they don't need the gas. JERA handles between 30 million to 35 million tonnes of LNG annually.

Japan signs non-binding deal with Qatar for more backup LNG

(Argus Media; Feb. 3) - Japan's Trade and Industry Ministry on Feb. 3 signed a non-binding initial agreement with the country's largest power producer JERA and QatarEnergy to establish a trilateral co-operation framework enabling the supply of additional LNG cargoes during emergency situations. The deal allows the ministry to request Qatar to consider supplying additional LNG to Japanese buyers if tight global LNG markets or large-scale domestic disruptions threaten Japan's energy stability.

Qatar, one of the world's largest LNG producers, has been a key supplier to Japanese utilities for nearly three decades. It provided emergency LNG cargoes to Japan following the Fukushima nuclear disaster in 2011 to help mitigate the impact of nuclear reactor shutdowns — an experience that helped shape the new framework, JERA said.

The potential buffer LNG volumes from Qatar are in addition to the long-term contract signed by JERA and QatarEnergy. The firms signed a 27-year supply agreement on Feb. 3 for up to 3 million tonnes per year of LNG from 2028. JERA declined to comment on the price. LNG could continue playing a vital role in ensuring stable electricity supplies in Japan, even during energy transition toward the 2050 net-zero emissions goal, because the rapid adoption of artificial intelligence would boost power demand.

QatarEnergy locks in another long-term LNG sales contract

(Reuters; Feb. 4) - QatarEnergy will supply Petronas with 2 million tonnes a year of liquefied natural gas in a 20-year deal, the Malaysian state-run firm said on Feb. 4, helping to address the country's rising gas demand amid dwindling domestic reserves. The deal, signed at the LNG2026 conference in Doha, is the first long-term supply arrangement between the two countries and follows Qatar's 27-year LNG supply deal with Japan. Petronas is pursuing investments in gas fields abroad and seeking partnerships with foreign firms, while seeking LNG imports amid falling local reserves.

Malaysia, the world's fifth-largest LNG exporter, expects to significantly boost its imports to address rising power demand from data centers. Petronas has signed LNG import deals with Australia's Woodside Energy, Abu Dhabi National Oil Co. and U.S. LNG producers Commonwealth LNG and Venture Global in recent years, and is planning a third regasification terminal to take in more imports.

QatarEnergy is betting on its massive North Field expansion project, which is expected to produce its first LNG in the second half of this year and help cement its position as the world's second-largest LNG seller. The project is expected to produce 126 million tonnes per year of LNG by 2027, boosting QatarEnergy's output by some 64% from its current capacity of 77 million tonnes.

QatarEnergy CEO expects growing electricity demand to soak up LNG

(Reuters; Feb. 2) - Growing electricity demand from AI and data centers, together with rising fuel use in Asia and European gas needs, could turn an expected global liquefied natural gas supply glut into a shortage by 2030, QatarEnergy CEO Saad al-Kaabi said on Feb. 2. New LNG supply coming online between 2026 and 2029 has raised concerns of a supply glut that could depress prices, with projects like Golden Pass LNG in Texas and Qatar's North Field expansion expected to contribute sizable volumes.

"We always thought the market would have some kind of oversupply between 2025-2030 ... (and) beyond 2030 you will have a shortage," Kaabi said, adding that demand expectations have increased "mainly due to ... AI and data center requirements." He added, "If all this pans out, I think there will be a shortage instead of an oversupply by

2030," he told LNG2026 in Doha, referring also to Europe emerging as a major LNG buyer since ending Russian gas imports after Russia's invasion of Ukraine.

Executives at the Doha event outlined a bullish long-term outlook for LNG, although views differed on how a supply wave would weigh on prices later this decade. ConocoPhillips CEO Ryan Lance forecast global LNG demand doubling over the next 20 years. Executives pointed to Asia as the main engine of future demand growth, led by China and India. Asia's LNG demand slipped in 2025 on price sensitivity and competition from alternative fuels, but analysts expect it to recover by 4% to 7% this year as lower prices spur additional spot purchasing, fuel switching and stockpiling.

LNG developer selects construction contractor for Louisiana project

(Reuters; Feb. 2) - U.S.-based Venture Global has entered into an engineering, procurement and construction contract with Worley Field Services to build the second phase of its CP2 liquefied natural gas export facility in Louisiana, according to a regulatory filing on Feb. 2. After the completion of both phases, CP2 will have a total capacity of 28 million tonnes per year, which could enable Venture Global to leapfrog Cheniere Energy and become the largest U.S. exporter of the super-chilled gas. Venture Global has become the second-largest LNG exporter in the country only four years after it built its first plant, Calcasieu Pass LNG, in Louisiana.

'Unprecedented' increase in LNG supply will dent prices

(Reuters; Feb. 4) - A rapid surge in supply this decade will bring stress to the global liquefied natural gas market, the head of LNG at global trader Vitol said on Feb. 4, in the form of downward pressure on prices. "It's an unprecedented increase in supply that we are seeing, from 2024 to 2030 — more than 50% of additional supply, and this is going to bring some stress to the market," Pablo Galante Escobar told the LNG2026 conference in Doha, Qatar.

LNG coming online between 2026 and 2029 has raised concerns of a supply glut that could depress prices, with projects like Golden Pass LNG in Texas and Qatar's North Field Expansion expected to contribute sizable volumes. Escobar's remarks mirrored those of Cristian Signoretto, director for global gas and LNG at Italian energy major Eni, earlier on Feb. 4. Signoretto said he expected additional LNG supply to further soften prices in 2027 into 2028, although project delays remain a risk.

However, growing electricity demand from AI and data centers, along with rising fuel use in Asia and European gas needs, could turn an expected LNG supply glut into a shortage by 2030, QatarEnergy CEO Saad al-Kaabi said earlier this week. Energy

executives at the event outlined a bullish long-term outlook for LNG, although views differed on how far a wave of new supply would weigh on prices later this decade.

Commodities CEO says change needed in U.S. LNG project financing

(Bloomberg; Feb. 4) - Trafigura Group CEO Richard Holtum said the liquefied natural gas industry needs a “bit of innovation” when it comes to financing projects. “I feel sorry for LNG projects in the U.S.,” the global commodities trader boss said on a panel at the LNG 2026 conference in Doha. “They would only get bank financing when they show that they’ve sold 80% to 90% of their volume on long-term projects.”

LNG developers are scrambling to fully finance their projects. In the U.S., several projects are working to finalize the debt and equity commitments. The current approach of LNG financing contrasts with oil, where banks are more comfortable with the inherent value of the commodity, the CEO said. “If you’re project financing some oil exploration, it’s simply the bank takes a view that, OK, oil is worth \$40, \$50, \$60, \$70, whatever it is, it doesn’t matter, they take a view, that’s what it’s worth in the long term,” he said.

A similar model for LNG, where project financing is based on a long-term price forecast for the fuel, doesn’t seem to be developing, Holtum said. The current arrangement, where 90% of LNG is sold to utilities under long-term contracts, risks running into difficulties because many companies and countries have made net-zero commitments, according to the Trafigura CEO. “If they have made those commitments, signing a 20-year (LNG) contract or a 25-year contract that starts in 2030 is inherently problematic,” Holtum said. “And it doesn’t necessarily make a lot of sense to be doing that.”

Shortage of gas turbines may spur move to cleaner energies

(Reuters commentary; Feb. 2) - A rush by U.S. utilities and tech giants to snap up as many gas turbines as possible to boost local power output is causing a global shortage of gas-power equipment and may spur other power systems to fast-track cleaner alternatives. The amount of U.S. gas-fired power generation capacity under construction has more than doubled from a year ago, according to Global Energy Monitor data, while the amount in pre-construction has jumped more than fivefold since early 2025.

This U.S.-led surge in gas-fired power has pushed delivery times for turbines into the 2030s, and comes as the price of solar farms backed by battery energy storage keeps falling to new lows. The combination of rising uncertainty in the gas-power supply chain along with increased accessibility of clean-power alternatives is driving firms in other countries to prioritize non-gas sources in their own plans. Energy sovereignty is a growing issue in Asia and Africa, where the energy transition — including solar panels and battery systems — is creating local jobs and helping to cut energy imports.

The U.S. work list for new gas-powered generation capacity has surged over the past year or so, with total capacity under construction more than doubling since early 2025 to roughly 30 gigawatts, according to GEM. The amount of U.S. gas capacity in pre-construction — where permits are being lined up and sites are being selected — has surged by 420% from early 2025 to just over 159 GW. It all may set the stage for a divergence in global power system foundations, with the U.S. set to become ever gassier while other major markets opt for a cleaner makeup.

Germany looks to diversify away from dependence on U.S. LNG

(Bloomberg; Feb. 4) - German Chancellor Friedrich Merz has set his sights on the Middle East to try and diversify energy supplies for Europe's biggest economy and reduce dependency on liquefied natural gas imports from the U.S. Merz and a delegation of corporate leaders will leave on Feb. 4 for Riyadh, where he's scheduled to meet Crown Prince Mohammed bin Salman, the de facto ruler. On Feb. 5, he'll move on to Qatar and United Arab Emirates before returning to Berlin.

"High dependency is a problem in view of the authoritarian development of the U.S. government and the risk of geopolitical blackmail," said Susanne Nies, an energy expert at think tank Helmholtz-Zentrum Berlin. Germany "should also consider alternatives such as more pipeline gas from Norway and LNG from Canada or Australia," she said. Merz's trip, his first visit to the Gulf region as chancellor, is part of Germany's strategy to diversify its energy imports globally and find new markets for industrial exports.

Merz's trip comes more than three years after his predecessor traveled to the Gulf states in 2022 in an effort to secure LNG deals after Russia's attack on Ukraine. The subsequent stop of Russian pipeline gas cut off more than half of Germany's gas imports at the time. Germany has since then boosted purchases from other regions. LNG accounts for about 13% of total imports, with about 94% of LNG coming from the U.S. The Trump administration has used energy as leverage in tariffs negotiations.

Acquisition will create one of the world's biggest shale producers

(Bloomberg; Feb. 2) - Devon Energy agreed to acquire Coterra Energy for about \$21.4 billion in stock to create one of the world's biggest shale oil and gas producers as dwindling drilling sites spur producers to consolidate. The deal, expected to close in the second quarter, illustrates how shale companies are pushing to consolidate as many of the best U.S. drilling sites have been tapped.

The combination would strengthen their positions in the Delaware Basin, a fast-growing swath of the country's largest and most productive oil field, the Permian Basin of West Texas and New Mexico. It gives them more scale to better compete with rivals such as

Exxon Mobil and Diamondback Energy. The company will keep the Devon name, and Devon Chief Executive Officer Clay Gaspar will remain as CEO after the tie-up closes.

The combined company would be one of the biggest oil and gas producers in U.S. shale with pro-forma third-quarter output of more than 1.6 million barrels per day of oil equivalent. Devon has rights to about 400,000 net acres in the Permian, where Coterra also has a 346,000-acre position. Output from the Permian will make up most of the company's total production, and their overlapping acreage will allow them to drill longer horizontal wells. In addition to a large gas position in the Marcellus Shale, the company will have producing assets in the U.S. Rockies as well as Oklahoma and South Texas.

U.S. actions on Iran, China's import volume will determine oil prices

(Reuters commentary; Feb. 1) - There are two factors that are largely beyond the control of OPEC+ and they are likely to determine the price of crude oil in the coming weeks. The first is whether U.S. President Donald Trump decides to start a shooting war with Iran, and if he does whether both sides will be able to keep oil cargoes moving and production infrastructure intact. The second is whether China, the world's biggest crude importer, decides to ease back on its recent run of strong oil imports in light of the 16% jump in the price of benchmark Brent crude futures in January.

Given the current state of uncertainty gripping oil markets, it made sense for the eight members of OPEC+ with output quotas to make no changes to production policy at their meeting on Feb. 1. Those eight OPEC+ members, which pump about half the world's oil, raised production quotas by about 2.9 million barrels per day from April through December 2025, roughly 3% of global demand. They then froze further planned increases for January through March 2026 because of seasonally weaker consumption.

The Iranian situation is the biggest challenge OPEC+ faces, as it would not be in their interests to see a prolonged military conflict in the Mideast. For now, the risk premium in oil is likely to remain until there is certainty on what actions the U.S. will take against Iran. However, one consequence of the rise in prices is that China may ease back on imports. China's imports hit a record 13.18 million barrels per day in December. But with the price now above \$70 a barrel, it's likely that China will trim imports to levels sufficient to meet consumption and hold off adding crude to its strategic reserve.

Venezuela's oil exports increase to 800,000 barrels per day in January

(Reuters; Feb. 2) - Venezuelan oil exports rose to some 800,000 barrels per day in January, up from 498,000 in December, after the U.S. capture of Nicolas Maduro and the ending of an oil blockade which has let traders carry most exports, shipping data

showed. Washington imposed an oil embargo on the U.S.-sanctioned country in December to pressure Maduro and seized seven tankers.

The blockade led to the accumulation of more than 40 million barrels of crude and fuel in onshore tanks and vessels that could not be exported and forced Venezuela's state-run energy company PDVSA to cut output in early January. Since the U.S. Treasury extended the first licenses to traders Trafigura and Vitol in January to begin exporting the stockpiles, oil production, processing and shipments from the OPEC member have accelerated, the data, which is based on tanker movements, shows.

The January volume was close to the average export of 847,000 barrels per day of crude and fuel last year. However, PDVSA's partners and traders would have to continue accelerating the pace of exports to drain millions of barrels still in inventories before crude output cuts can be fully reversed.

U.S. Gulf Coast refineries struggle to absorb surge from Venezuela

(Reuters; Feb. 3) - Oil refiners on the U.S. Gulf Coast are struggling to absorb a rapid surge in Venezuelan crude shipments since last month's flagship \$2 billion supply deal between Caracas and Washington, pressuring prices and leaving some volumes unsold, according to traders and shipping data. The soft U.S. demand represents an early obstacle for President Donald Trump's hopes of sending the majority of the South American country's oil to the United States since American forces captured Venezuela's President Nicolas Maduro last month in a raid in Caracas.

Trading houses Vitol and Trafigura were granted U.S. licenses to market and sell millions of barrels of Venezuelan oil following the U.S. operation and a subsequent supply agreement with interim President Delcy Rodriguez. The trading houses, which joined energy major Chevron in holding approval to export Venezuelan oil, struck several early deals to sell some cargoes to refiners in the U.S. and Europe. However, with Chevron also raising exports quickly, the trading companies are now finding it harder to secure enough buyers among Gulf Coast refiners, traders said.

"We're all facing this issue where there's more to place and not enough takers," one of the traders said, citing reluctance from U.S. refiners. Some refiners are complaining that prices, albeit declining, remain high compared to competing Canadian heavy grades. Venezuelan heavy oil cargoes for delivery at the Gulf Coast are being offered at about \$9.50 per barrel below benchmark Brent, versus discounts of between \$6 and \$7.50 per barrel in mid-January. Last month, total Venezuelan oil exports to the U.S. almost tripled to 284,000 barrels per day, according to data based on tanker movements.

Venezuela's oil reserves are an enormous number

(Al Jazeera; Feb. 3) - Since the abduction of President Nicolas Maduro last month, the U.S. government has taken direct control of selling millions of barrels of Venezuelan oil. Venezuela has the largest proven oil reserves in the world, estimated at 303 billion barrels, more than five times larger than those of the U.S. But what does that amount of oil represent in physical terms? To make sense of it, Al Jazeera uses scale, volume and consumption to translate Venezuela's vast oil reserves into more relatable terms.

If all of Venezuela's oil were stored in a single cylindrical tank, the structure would rise 1 mile into the sky and have a diameter of nearly 4 miles. Global proven oil reserves, which measure the quantities of crude oil that are economically recoverable with current technology, total about 1.73 trillion barrels, which means Venezuela has roughly one-fifth of these reserves. Oil becomes more meaningful when you turn it into fuel. A barrel contains 42 gallons of crude, which can be refined to produce gasoline, diesel, jet fuel and numerous household items, such as cleaning products, plastics and even lotions.

Because Venezuelan crude, specifically Merey-16, is thick and high in sulfur, it trades at a lower price than lighter, sweeter crudes that require less refinement. If Venezuela's 303 billion barrels were sold at \$45 per barrel, it would total \$13.6 trillion. At \$50, the total would be \$15.15 trillion, and at \$55 per barrel, it would amount to \$16.66 trillion.

Indian refineries told by their government to stop buying Russian oil

(Reuters; Feb. 3) - Indian refiners have not been told by the government to stop buying Russian oil but will need a wind-down period to complete purchases already in process, two refining sources said on Feb. 3, following a trade deal with Washington. On Feb. 2, U.S. President Donald Trump announced a trade agreement with Indian Prime Minister Narendra Modi that included halting oil purchases from Russia, but without details on how and when such purchases by India would end.

While India has slowed Russian oil purchases, refineries have already booked cargoes loading in February and arriving in March, the sources said. Trump said the trade deal would slash U.S. tariffs on Indian goods to 18% from 50%, in exchange for India lowering trade barriers, ending Russian oil purchases and importing instead from the United States and potentially Venezuela. Modi welcomed the tariff reduction but made no mention of halting Russian oil purchases.

India became the top buyer of discounted Russian seaborne crude after Moscow's war in Ukraine began in 2022, spurring a backlash from Western nations that had targeted Russia's energy sector with sanctions aimed at curtailing Moscow's revenue and making it harder to fund the war. India will gradually cut Russian oil imports, a third source said Feb. 3, adding that a complete halt would hurt operations at Russia-backed

Nayara Energy's 400,000-barrel-per-day refinery in India. The plant has relied solely on Russian crude following European Union sanctions on the company last July.

It's not so easy for India to stop buying Russian oil

(Wall Street Journal; Feb. 3) – President Donald Trump said India is going to stop buying Russian oil. It's easier said than done. The world's most populous nation became addicted to cheap Russian oil after Moscow invaded Ukraine in 2022. The West shunned Russian energy and India was happy to buy — at a big discount to oil from other sources. Analysts are questioning how quickly India can wean itself off Russian oil imports. U.S. crude oil is much more expensive and takes longer to get to India.

To cut off imports from Russia would also threaten the warm, mutually beneficial relationship that New Delhi and Moscow forged over decades and maintained throughout the war in Ukraine. India, meanwhile, has yet to confirm the oil part of the trade pact with Trump. Prime Minister Narendra Modi didn't say anything in his social media posts on the deal. India's foreign ministry hasn't made any comments either.

For much of 2025, India relied on Russia for roughly a third of its oil imports, up from just 2% before Russia invaded Ukraine. In January, the country imported 1.1 million barrels a day from Russia, according to ship-tracking company Vortexa. "I'm skeptical," said David Wech, chief economist at Vortexa. "It would be a huge decision for India to completely move away from Russian crude. I don't think that the real intention is to bring India's Russia crude imports to zero. It's more to increase the pressure on Russia."

Replacing Russian crude with U.S. Gulf Coast oil presents several challenges to Indian refineries. It takes longer to ferry oil from the U.S. to India than from Russia to India. Transit time from the Gulf Coast to India is 54 days. It's 36 days from Russia, according to Vortexa. Buying from the U.S. is also more costly. Refineries in India would need to pay an extra \$7 a barrel if they switch from Russia to U.S. sellers, according to Vortexa.

China and India may need less imported coal as renewables grow

(Reuters commentary; Feb. 4) - The headline news that global coal demand reached a record high in 2025 masks some important underlying shifts in how the fuel is being produced, traded and used. The trend of coal production, shipping and demand shifting toward Asia has been in place for decades, but 2025 saw a shift insofar as less coal was shipped around the region even as more of the fuel associated with climate change was consumed. The most important type of coal consumed in Asia is thermal, which is used mainly to generate power but also to produce products such as cement and bricks.

The question for the market is whether the decline in 2025 is the start of a structural trend to a weaker seaborne market for thermal coal, or if it is merely a blip and coal will remain competitive given its cost advantage over alternatives such as liquefied natural gas. The answer depends on what happens in the world's two largest coal producers, importers and consumers, China and India, both of which are producing more domestic coal. But China's mostly coal-based thermal power generation fell in 2025, the first drop in 10 years, as rapid growth in renewables was enough to meet record power use.

India shows a similar pattern to China, with rising coal production coupled with slightly lower coal-fired power generation as renewables such as hydropower and solar grab a larger share. The combination of higher domestic coal output and stagnant to lower coal-fired generation is one that leads to lower demand for coal imports. Given both Beijing and New Delhi favor policies boosting domestic coal output and a rising share of renewables, the outlook for the seaborne thermal coal market is gloomy.

LNG Canada project's gas flaring system 'not perfectly working'

(The Narwhal; Canada; Jan. 31) - In the fall of 2024, LNG Canada fired up its flare at the plant in Kitimat, British Columbia, for the first time, burning off gas to test its systems. By December, company officials knew something was wrong. Residents were also concerned but had little explanation as 300-foot-high flames lit up the night sky and a deep roaring sound permeated the town. More than a year later, complaints escalated enough that Kitimat District Council sat down for a special meeting with Teresa Waddington, deputy chief operating officer at LNG Canada.

Councillor Terry Marleau asked about flare tips. "We're reviewing the flare tips design," Waddington said. "We are looking long term at what else could we do other than just reduce flaring in order to make sure that we get to a better place." Marleau responded: "Is there an issue with the flare stacks?" Waddington replied: "It's part of the learning curve of new equipment. ... On one hand, you know, great that we brought in a technology that gets such high levels of incineration ... which means you have lower (greenhouse gas emissions) overall, but on the same note, it's not perfectly working."

Just a few miles from the nearest residential neighborhood, LNG Canada had been feeding gas into its flaring system at more than 15 times the typical amount to compensate for what was described as an "integrity issue." Flaring is the burning of excess or waste gas produced during operations. Methane and other gases that escape the facility during processing are sent up a metal tube that stands 400 feet high, where they meet a pilot flame and ignite, converting the raw gas into carbon dioxide, carbon monoxide and water vapor. There are also often other gases released in the process.

Historic Canadian oil field at Norman Wells will close later this year

(Bloomberg; Jan. 31) - Imperial Oil plans to shut the historic Norman Wells oil production site near the Arctic Circle in Canada after a century of operation. The project along the Mackenzie River in the remote Northwest Territories will shut by the end of the third quarter, the Exxon Mobil subsidiary announced on Jan. 30. Pumping crude since the 1920s amidst some of Canada's most extreme conditions, Norman Wells was pivotal to fueling the Allied defense of the Pacific Coast during World War II. After the conflict ended in 1945, the oil was sent to Alberta for domestic use.

The site was producing just under 4,000 barrels a day as of September, down from a peak of about 35,000 barrels per day in 1992, provincial data shows. Imperial recorded a \$320 million after-tax charge related to the shutdown in its fourth-quarter results. Site reclamation is scheduled to start some time after 2030. "While this decision is not entirely unexpected given the age of the facilities and long-term trends, it is still disappointing," Northwest Territories Premier R.J. Simpson said in a press release.