Oil and Gas News Briefs
Compiled by Larry Persily
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Mitsubishi joins growing list of Japanese firms buying U.S. gas assets

(Fortune; July 15) - Mitsubishi became one of the largest gas producers in the U.S. on July 15, following a $7.5 billion deal that positions the Japanese giant to benefit from the surge in U.S. gas exports as well as from the AI data center boom that increasingly needs gas-fired power. Mitsubishi closed on its largest acquisition ever, scooping up the assets of Dallas-based Aethon Energy, the third-largest, privately held energy producer in the U.S., and the biggest focused exclusively on gas.

The deal continues the rising trend of Asian nations, especially the Japanese, investing in U.S. gas production, primarily in the Haynesville Shale region in northern Louisiana and eastern Texas that's particularly gassy and close to LNG exports hubs along the U.S. Gulf Coast. Aethon was heavily concentrated there. Overseas LNG buyers have invested massively in U.S. LNG infrastructure, but doing so keeps them susceptible to the whims of volatile gas pricing. Buying the land where the gas is extracted as well as the processing facilities gives them control of more of the supply chain.

Ahead of the deal, Mitsubishi created Adamas Energy — Greek for "invincible" — as its Dallas subsidiary. After Houston-based Expand Energy, Mitsubishi's Adamas is now the top gas producer in the Haynesville. Almost all the other key players are Japanese, except for Dallas Cowboys owner Jerry Jones' Comstock Resources and Citadel's Apex Natural Gas. Tokyo Gas has rapidly grown its TG Natural Resources in the Haynesville, and Osaka Gas' Sabine Oil & Gas is a key player. Earlier this year Japan's top power generator, JERA, bought into the Haynesville, while Mitsui bought into the region too.

Wood Mackenzie sees demand driving up U.S. natural gas prices

(Wood Mackenzie report; July 13) - A relentless wave of productivity gains, capital investment and low-cost supply has made the U.S. Henry Hub natural gas price one of the global energy market's most stable benchmarks. Over the past decade, average annual prices have rarely moved outside a relatively narrow nominal range of $2 to $4 per million Btu. Cheap prices have provided a huge advantage in underpinning the massive buildout of U.S. liquefied natural gas export projects and expansion of gas-fired power generation that now supports AI-driven data-center growth across the country.

The Henry Hub price is increasingly critical for the future competitiveness of the U.S. economy and U.S. LNG exports. We believe Henry Hub is now entering a new era. Over the next decade, we forecast a sustained increase in Henry Hub prices —

approaching $5 by 2035 — as gas demand surges across the power, industrial and LNG export markets.

At the same time, the highest-quality acreage for gas production will continue to deplete as U.S. Lower 48 production matures, technology, supply-chain and operational gains have been tapped, and companies holding the best acreage stay committed to pursuing capital discipline. In many areas, technology gains are plateauing and a deceleration in oil-directed drilling is reducing sources of associated gas from the supply stack.

China in no rush to help Russia by signing up for second gas pipeline

(Wall Street Journal; July 13) - Before Russian President Vladimir Putin made his 14th trip to meet with President Jinping Xi in China, he publicly signaled the two countries would strike a breakthrough agreement on energy. His May visit had no bigger ambition than persuading Xi to greenlight a second gas pipeline between Russia and China — a deal two decades in the making that Moscow badly needs. But the Russian delegation that flew to Beijing ahead of Putin ran into a wall. Chinese officials made it clear they would sign up only if Russia sold them gas at the same below-market rate Moscow sells domestically, sources said. Beijing was asking the Kremlin to subsidize the project.

Driving home their point, Beijing's officials told the Russians not to raise the issue again until the terms changed, the people said. Putin left China having signed 42 agreements and joint declarations. The pipeline wasn't among them. Beijing offered no explanation. Some analysts predict China will never sign the pipeline deal with Russia despite a memorandum of understanding last year. Their reasoning was structural: The world has enough gas, and China's need for imported gas is projected to peak in the mid-2030s.

Beijing is in no hurry. "It's better to still marinate the Russians," Alexander Gabuev, director of the Carnegie Russia Eurasia Center, said of China's approach to the negotiations. "Wait for the Russian economic situation to deteriorate even further — the Russians really on their knees — to subscribe to terms that are beneficial to China."

The strategy has history on its side. The first Power of Siberia pipeline was negotiated for 15 years before Moscow and Beijing finally agreed to terms in May 2014. While Russia managed to guard its upstream assets from Chinese ownership, Beijing held the upper hand on pricing, securing a heavily discounted rate tied to oil prices. The proposed Power of Siberia 2 would pump gas from fields that once supplied Europe, providing Russia with an outlet for the gas and earning revenues for the government.

War delays global LNG oversupply by a year, but it's still coming

(Bloomberg; July 14) - The liquefied natural gas market will move into oversupply in 2028, a year later than previously forecast, as war in the Middle East and major project delays push back the emergence of a global glut, according to BloombergNEF. After crossing into surplus, excess supply of the fuel is expected to peak in 2031 to 2032 after multiple new projects come online, BNEF said in its global LNG outlook published on July 14. In its report a year earlier, it had forecast oversupply from 2027.

After a brief uptick in shipments following last month's interim peace deal between the U.S. and Iran, fresh hostilities in the region have effectively closed the Strait of Hormuz once again and deepened uncertainty over when energy flows, particularly liquefied natural gas from Qatar, might return to normal. Future supply growth will be determined by the repair timeline for the two of Qatar's production trains damaged during the war, as well as the startup for the operation's six North Field expansion trains.

Meanwhile, the U.S. — the world's biggest LNG producer – is set for massive supply growth through 2035 totaling about 146 million tonnes of annual production capacity. While BNEF estimated global LNG oversupply of more than 100 million tonnes in 2031, it said the market "is unlikely to remain persistently oversupplied." Lower prices would eventually stimulate higher import demand, the analysts said, while also reducing utilization at higher marginal-cost liquefaction facilities, including in the U.S. Global LNG prices are seen easing down toward $8 per million Btu by 2030, BNEF said.

Wood Mackenzie sees Asian LNG demand down second year in a row

(Wood Mackenzie report; July 13) - Asian LNG demand is heading for a second year in a row of decline. Wood Mackenzie forecasts Asia-Pacific demand at 257 million tonnes in 2026, down from 268 million in 2025 and a peak of 278 million in 2024 as the Mideast conflict tightens global supply and pushes spot prices to levels that are forcing buyers across the region to cut volumes, switch fuels and accelerate supply diversification.

"A tighter global LNG market is doing what it always does. It separates buyers with contracted cover and fuel-switching options from those without," said Maoping Hu, principal analyst for gas and LNG at Wood Mackenzie. "Japan and China are better insulated. South Asia is absorbing a genuine shock. But even the more resilient markets are making decisions now on nuclear, on coal, on long-term contracting diversification that will shape their LNG demand trajectories well into the next decade."

Northeast Asian demand covering China, Japan, South Korea and Taiwan is forecast to fall to 191 million tonnes in 2026 from 202 million in 2025. Each market is managing the disruption differently; the divergence reveals how much contracted position and fuel-switching optionality matter when prices spike. Japan holds term contracts covering

over 90% of its 2026 LNG demand, a contracted position that insulates it more effectively than almost any other Asian buyer from the volatility of the current market.

Canadian First Nations get investment option on LNG plant expansion

(Reuters; July 14) - LNG Canada said on July 14 that five First Nations will have an equity option to invest up to C$1 billion (US$710.78 million) to acquire a storage tank planned to be built in the proposed expansion of the country's first major LNG export facility. First Nations, Canada's Indigenous peoples groups, have been buying stakes in the country's energy projects, seeking economic benefits from projects built on their land, amid rising capital requirements for companies in the sector.

Under the agreement, MNT Investments — a limited partnership comprising the economic development organizations of the five First Nations — would have the option to acquire a majority stake in a special-purpose entity that would purchase the planned storage tank. The entity would finance the tank and lease it back to LNG Canada for the operational life of the project, the company said. LNG Canada will continue to operate and maintain the facility and associated infrastructure.

Shell-led LNG Canada is the first LNG export facility on North America's West Coast. The tank would be among the largest in the world and is a core component of the expansion, which could add two LNG trains and raise the liquefaction and export plant's capacity to up to 30 million tonnes per year. The deal is conditional on approval of LNG Canada's joint-venture partners for its proposed Phase 2 expansion, with a final investment decision targeted by the end of 2026. LNG Canada is joint venture between Shell, Malaysia's Petronas, PetroChina, Japan's Mitsubishi and South Korea's KOGAS.

Europe imported more Russian LNG in first half of the year

(Financial Times; London; July 12) - Europe imported more liquefied natural gas from Russia's leading liquefied natural gas project than ever before in the first half of 2026, absorbing nearly all of the Siberian facility's output months before the European Union ban on Russian gas imports comes into effect. European Union purchases from Yamal LNG, which Russia's privately owned Novatek controls, reached a record 9.89 million tonnes in the first six months of the year — 18% more than in the same period last year, according to data from analytics company Kpler.

The figures underline the crucial role Europe still plays in keeping Russia's flagship energy facility running as Moscow's war against Ukraine drags through its fifth year. Europe may have paid as much as €6 billion (US$6.8 billion) for the cargoes, according to estimates by Urgewald, a non-governmental organization. The main European

buyers were France, Belgium and Spain, which imported 3.6 million, 2.9 million and 2.7 million tonnes respectively from Yamal in the first half of 2026, the Kpler data shows.

EU rules already prohibit purchases of Russian LNG under short-term contracts, meaning each Yamal cargo bound for Europe requires confirmation from the importing country's customs authority that the sale was made under a long-term contract. From Jan. 1, 2027, an EU ban on long-term Russian LNG gas imports comes into effect. Europe's willingness to receive Yamal cargoes has been crucial for the project.

Global oil market unprepared to handle another supply crisis

(Reuters commentary; July 13) - Iran and the U.S. have both announced rival blockades of the Strait of Hormuz once again, crippling an already fragile ceasefire deal. This should alarm oil traders who had been pricing in a rapid return to normal. But markets appear sanguine — and that may be a miscalculation. The global oil and gas market proved remarkably resilient during the 108-day conflict, thanks in large part to the ample global reserves present before the war began. But the energy market is no longer protected by ample emergency stocks, so the margin for error has become a lot smaller.

Prolonging this standoff — let alone returning to a new intensive phase of fighting — comes at a much higher risk than it did a few months ago. According to the International Energy Agency, observed global oil inventories fell by a cumulative 360 million barrels between March and May. Those onshore stocks continued to decline in June, dropping by a further 96 million barrels. The erosion has been particularly striking in the U.S., where inventories have been drawn down to lows not seen in decades.

Both the U.S. and Iran are engaged in high-stakes brinkmanship, which often produces miscalculations. A missile strike, a naval incident or an attempt to enforce rival claims over the strait could trigger an escalation neither side intends. And unlike in February, when inventories were full and emergency reserves abundant, the global oil market has far less capacity to absorb another major shock. That may prove to be the most important lesson investors are missing today.

Markets react to risk that Hormuz traffic will not return to normal

(Wall Street Journal; July 14) - Oil markets and Middle East producers appear to be aligning around a new reality: The Strait of Hormuz is no longer expected to return to a prewar norm. Renewed fighting and President Donald Trump's announcement that he was reimposing the U.S. blockade on Iranian shipping through the strait pushed Brent and U.S. oil futures up more than 10%, wiping out a month of price declines that came as skirmishing in the Persian Gulf waned and tanker traffic appeared to be restarting.

“The chance of the region and Hormuz going back to the old normal is effectively zero,” said Rachel Ziemba, an adjunct senior fellow at the Center for a New American Security, a Washington-based think tank. “If anything, this reinforces the impetus to invest in other pathways as quickly as possible.” Saudi Arabia, Iraq and the United Arab Emirates have identified the strait as a persistent vulnerability that must be engineered around. They plan to build new and expanded pipeline capacity to other ports — and through other countries — to keep pumping oil.

In total, new and expanded pipelines could allow more than 45% of prewar Gulf oil exports to bypass Hormuz by the end of 2027, according to Goldman Sachs. If plans are accelerated, pipelines would cover 75% of the region’s oil exports by the end of 2028, the bank said in a note to clients. But building alternate routes to give the region’s energy-export system more resilience will take billions of dollars, and the pipelines meant to bypass the strait and its vulnerability could themselves become targets.

“The market was too quick to treat the partial reopening as the end of the crisis,” said Henry Hoffman, co-portfolio manager of the Catalyst Energy Infrastructure Fund. He and other investors note the increased risk that prices could shoot even higher given the drop in stockpiles around the world, particularly the U.S. Strategic Petroleum Reserve.

Nations burn through oil stockpiles — ‘all that’s now gone’

(Financial Times; London; July 15) - Oil traders have warned that the latest flare-up of tensions in the Strait of Hormuz threatens a fresh supply crunch without the stockpiles that helped avert a wider economic crisis earlier in the U.S.-Iran war. This week’s breakdown of the ceasefire between Washington and Tehran has again largely closed the strait. The latest threat to Gulf crude exports comes after the International Energy Agency said on July 10 that its member countries had released almost three-quarters of the planned 400-million-barrel emergency stock release that was announced in March.

There are only a few more weeks to go before those supplies to the market dry up. “We’ve burned through all of the buffers we had. Everything,” said one trader. “All of that’s now gone,” he said. During the four-month closure before last month’s U.S.-Iran agreement to reopen the strait, governments in the west and Asia pulled almost every lever available to them to ensure the supply crunch did not undermine the world economy. Western powers released record volumes of strategic oil reserves, China cut its oil imports in half and made its state-backed companies pull fuel from inventories.

Traders said that if the renewed closure of the strait lasts for months — some suspect Iran wants to keep the pressure on U.S. President Donald Trump ahead of the November elections — it is not clear this time where the oil to make up the shortfall would come from. In addition, markets for refined fuels are now exceedingly tight, with additional disruptions affecting supplies from Russia, the world’s second-largest diesel exporter, following a series of successful Ukrainian drone strikes on its refineries.

Analyst warns of triple-digit oil prices as supplies near critical level

(Australian Financial Review; July 15) - Oil prices may be days away from another steep rise into triple-digit territory as a fresh blockade of the Strait of Hormuz heaps pressure on already depleted global energy supplies that analysts warn could hit critical levels within weeks. The front-month futures contract for Brent crude — used by traders to gauge market sentiment — has surged almost 17% in July as strikes resumed across the Middle East and U.S. President Donald Trump reinstated a blockade of the strait.

The futures contract was trading at $US85 a barrel on July 15. Commonwealth Bank's head of commodities research, Vivek Dhar, warned that if the blockade remained in place, oil prices could tip over $US100 a barrel within the next 10 days as traders factored in the risk of global supplies being run down even further. "The market is just desperate to get information about where this goes," said Dhar. "Expect headlines from tweets to have massive impacts in terms of price volatility."

Dhar estimates "real physical shortfalls in global oil markets" were 10 weeks away, at which point economies would be hit with "uncontrolled demand destruction," when energy supply would fall so low it would force countries to bid up the oil price. Under that scenario, Brent could soar to $US150 a barrel in the hardest-hit regions across Asia. Dhar said this was a different and much more severe risk compared to earlier in the crisis, when draw-downs from large strategic reserves buffered economies.

Renewed Iranian attacks threaten shuttle tankers moving oil

(Wall Street Journal; July 14) - Iran's attacks on ships are turning off a lifeline for the global energy market — a stream of tankers ferrying crude through the hazardous Strait of Hormuz. The barrage of missiles and drones hit ships that specialize in short voyages in and out of the Persian Gulf known as "shuttle runs." Unlike traditional tanker voyages, which carry crude through the strait to refineries in China, South Korea and elsewhere, these ships make repeated short trips moving oil from Gulf terminals to ports just outside Hormuz, where it can be transferred to vessels headed to buyers.

What began as a trickle of oil in April expanded into a slick operation freeing massive amounts of oil and alleviating one of the worst shocks to energy markets in decades. On July 14, the shuttle operation was grinding to a halt after Iran struck three crude oil supertankers overnight, killing one sailor from India and injuring several other crew members. Two of the three tankers attacked overnight were part of the shuttle fleet, scotching the perception that the voyages were relatively safe.

"Suddenly we're in a situation where both the normal transits and the shuttle services look like they're under threat. It's quite a big deal for the oil market and the shipping market," said Richard Matthews, head of research at shipbroker E.A. Gibson. Shuttle runs have been instrumental because only a small number of shipowners were willing to

risk sending their tankers through Hormuz. Sending those ships on repeat voyages with quick turnaround times maximized the amount of crude they could get out of Hormuz.

Persian Gulf supplies more than oil and gas to the world

(Bloomberg; July 14) - The latest flare-up of tensions over the Strait of Hormuz is threatening fresh global supply disruptions way beyond oil and gas. The Middle East is not only home to top OPEC nations but also a leading producer of raw materials that play a crucial role in everything from the chips that power artificial intelligence to food staples. The Persian Gulf is home to major fertilizer producers, and the strait acts as the vital artery connecting their exports to agricultural powerhouses around the world.

Often overlooked, fertilizer underpins global food production. The last time the Iran conflict flared, India — the world's biggest urea importer — paid nearly double pre-war prices to secure supplies. This time, as the agricultural calendar shifts to the Southern Hemisphere, countries such as Brazil are particularly exposed. Any disruption to fertilizer supplies risks reducing crop yields, with knock-on effects for global grain supplies and food prices at a time when extreme weather is also a threat.

The Middle East accounts for nearly 10% of global aluminum production, and smelters there have an even more outsized role as suppliers of specialized aluminum products used extensively in car-making, construction and aerospace. While the overall supply impact on the market for commodity-grade aluminum has been blunted by logistical workarounds in the Persian Gulf and rising exports from China and Indonesia, buyers are still facing a major squeeze on supplies of products like aluminum billet.

Qatar was also responsible for about a third of the world's helium supply before the Middle East turmoil. Obtained as a byproduct of natural gas, helium has a range of industrial applications, from car airbags to MRI scanners. But by far its most important use is in semiconductor manufacturing, where it's a key in building the chips powering the AI boom. Because of its unique qualities that help cool and protect silicon wafers, it's difficult to replace and chip manufacturers have been seeking alternative suppliers.

Russia loads more oil for export as damaged refineries cut back

(Bloomberg; July 14) - Russia is struggling to deliver all of the crude it's being forced to ship overseas in the face of escalating Ukrainian drone strikes on its refineries. Four-week average seaborne crude shipments were almost unchanged at 4.21 million barrels a day in the period to July 12, according to tanker movements compiled by Bloomberg. But soaring exports aren't being matched by deliveries, leaving the number of barrels at sea back near the highs from around the start of the year as cargoes build up off Mersa El-Hamra in Egypt and in the Riau archipelago, east of Singapore, tracking data show.

A growing proportion of those supplies are on ships that appear to be idling, rather than in transit. The situation helped push the amount of Russian crude at sea up to about 135 million barrels as of July 12. The additional export cargoes at sea come as Ukraine has stepped up its attacks on Russia's refineries. A wave of strikes has pushed Russian refining runs to the lowest in over 21 years in July, deepening a domestic fuel crunch and further squeezing the global market. The attacks are likely diverting into exports oil that can't be processed at home, driving up Russia's overseas crude shipments.

Russian ban on diesel exports hits global supply, sends prices up

(Reuters; July 10) - Russia's decision to ban diesel exports this week has roiled global energy markets, exacerbating shortages of the fuel and sending prices soaring, even in countries that no longer buy the fuel from Moscow. Diesel accounts for the largest share of global oil consumption, and soaring prices can ripple through the economy given its wide use, from industrial machinery and farm equipment to heavy transport and power generation. Supply has been tight for years due to post-pandemic demand and output cuts from refinery closures in the West. The Iran war has further strained the market.

Russia is the world's second-largest diesel exporter after the U.S., and refinery outages there can significantly affect global supplies of fuels. Its exports were already slowing prior to the ban due to domestic shortages left by Ukrainian drone attacks. Diesel and gasoil loadings from Russia were just 234,000 barrels per day from July 1 to 10, according to Kpler, down from 400,000 in June and the 2025 average around 817,000.

Adding to pressure on diesel supply was a fresh wave of U.S. attacks on Iran just hours after Russia announced the export ban July 8, reviving concerns about the hit the war has delivered to Mideast exports. A loss of Russian exports leaves less supply available globally, forcing regular customers such as Brazil and Turkey to compete with European nations and other importers for U.S. diesel. U.S. government data, also released on July 8, showed an inventory draw from stockpiles of more than 4.5 million barrels of diesel last week to 97.8 million as of July 3, about 6% below the five-year average.

China could be ready to resume building up its crude stockpiles

(Bloomberg; July 13) - China's crude imports look poised to recover from a monthslong slump as the country relaxes fuel export curbs, raises refinery run rates and snaps up prompt Middle East supplies, with analysts and traders forecasting a return to strategic stockpiling later this year. The world's second-largest economy plays an increasingly vital role in balancing the global oil market. Last year, it soaked up excess barrels, putting a floor under benchmark prices. Over the past months, it has done the opposite.

To weather fallout from the Iran war, China tapped its inventories and put in place export restrictions, allowing refiners to pull back on purchases — and enabling other importers to navigate a brutal supply crunch. Now, even with traffic through the Strait of Hormuz again slowing to a trickle, China is expected to begin adjusting its course again, adding meaningfully to reserves as soon as the fourth quarter. Consultant FGE NexantECA forecasts stockpiling could reach a rate of 800,000 barrels a day.

“Much will depend on how the situation in the Middle East evolves — whether the ceasefire holds, whether oil flows through the Strait of Hormuz remain at early-July levels or increase further,” said Muyu Xu, senior crude analyst at Kpler. “I expect (Chinese) refiners to take advantage of lower oil prices and improving supply availability to replenish some of their commercial inventories.” In recent weeks, Chinese refiners re-emerged for cheap Middle Eastern crude as producers tried to clear their cargo backlog.

Iraq looks to U.S. investments in its oil and gas sectors

(Reuters; July 13) - Iraq’s new Prime Minister Ali al-Zaidi aims to secure major U.S. investment in his country’s oil, gas and power sectors during a visit to the White House this week after the Iran war hammered Iraq’s crude output and state finances. Iraq’s government is increasingly focused on diversifying international partnerships to better cope with regional instability, analysts say, an agenda expected to take center stage during the July 13-18 visit.

The push represents one of the most explicit attempts in years to bring major U.S. investment into a sector long dominated by Chinese, Russian and European firms, though Iraqi officials reject suggestions Baghdad is distancing itself from close ally Tehran in favor of deeper ties with Washington. “The Iran war was a turning point,” said Baghdad-based political analyst Ahmed Younis. “It highlighted the risks of overreliance on any single regional partner.”

Iraq’s effort includes negotiations with Chevron over major upstream projects, support for U.S.-backed power and liquefied natural gas ventures, security guarantees for American operators in Iraq’s semi-autonomous Kurdistan region, and revived plans for strategic export pipelines linking Iraq to Mediterranean markets, according to Iraqi and U.S. officials. Among recent initiatives approved by Zaidi’s cabinet is an agreement with U.S.-based HKN Energy to develop the Himreen oil field in northern Iraq.

Higher prices make it harder for Europe to refill gas storage

(Wall Street Journal; July 15) - Europe’s race to refill natural gas stockpiles has become increasingly challenging as the Iran war drives up prices, making it less profitable for traders to buy and store the fuel ahead of winter. European gas prices have jumped

more than 70% since the war started. Storage sites across the European Union are now about 52% full, while injection rates are running below last year's pace and the 10-year summer average, raising concerns that countries could struggle to rebuild reserves.

"Europe is on track to enter winter with its lowest gas storage buffer since the 2022 energy crisis," said Natasha Fielding, head of gas and LNG pricing at Argus. Storage levels are closely watched because reserves help manage winter heating demand and protect against supply disruptions. The European Union eased storage rules, allowing countries to target at least 80% of capacity by early November under difficult market conditions, instead of the standard 90% requirement.

Europe is past the midpoint of the refill season — April 1 to Nov. 1 — leaving roughly three and a half months to rebuild inventories. Most analysts expect storage levels to reach just above 70% in the fall, which would leave the region with a smaller buffer and greater exposure to spot LNG prices if demand follows normal seasonal patterns. The challenge comes as higher gas prices have reversed the seasonal discount that normally encourages traders to buy and store gas in the summer.

New Zealand will proceed with its first LNG import facility

(Bloomberg; July 12) - New Zealand plans to sign a contract for its first liquefied natural gas import facility before the November election, with the government betting cheaper global LNG prices in coming years will make the fuel an affordable and reliable backup for renewable electricity. The procurement process is underway, with a preferred bidder expected to be selected before the vote, Energy Minister Simeon Brown said last week. He said LNG prices are forecast to continue to come down as new supply comes online.

The South Pacific nation relies heavily on hydropower, which leaves it vulnerable to dry years when there is little rain or snow to fill the lakes. There were shortages of electricity and prices spiked in 2024 during one such period, and the government plans to have the LNG import terminal and regasification plant running by 2028 to mitigate that risk.

"Every four years we have a dry year," Brown said, adding that dwindling domestic gas supplies mean the country needs to look overseas. "If we can't get the gas out of the ground domestically, we're going to need it somewhere else. We see it as an insurance against the dry-year risk, it's about resilience, it's about reliability and also about affordability." New Zealand's electricity companies both generate and retail electricity, and will have to work out how they will pay for the LNG import plan, Brown said. "It's their obligation to fund this, because it's their dry-year risk that they must manage."

British Columbia approves new mine to produce fracking sand

(CBC News; Canada; July 13) – British Columbia has issued an environmental assessment certificate to Vitreo Minerals for its proposed silica sand mine north of Prince George. Called the Angus project, the C$300 million mine will be located about 38 miles north of the city, near Bear Lake. It would produce silica sand used in hydraulic fracturing to hold open the fractures that are created for oil and gas extraction.

The project would include an industrial mine quarry featuring a raw sand plant, water management infrastructure, waste rock and fines stockpiles, finishing plant and related infrastructure. After a nearly three-year review, B.C.'s Environmental Assessment Office said the Angus project would not cause significant adverse effects once mitigation measures and proposed conditions are applied. The office said the mine would provide economic benefits through jobs, business activity and government revenue as well as supply a product domestically that is currently imported from the United States.

Vitreo Minerals CEO Scott Broughton said most fracking sand is currently imported from operations in Wisconsin. "We just saw a big opportunity to deliver it locally, make it local," he said. "We like the metrics around this market because there are lots of LNG stories on the coast now, lots of oil and gas happening in the Montney especially, and the demand for that material is pretty dynamic and growing." The project must receive other provincial approvals and permits before construction can begin.