Oil and Gas News Briefs
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Booming use of electric taxis helps China reduce demand for oil

(Reuters; July 15) - China has an increasingly important buffer against oil price shocks: electric taxis. Across cities, taxi usage and ridesharing are booming. In May, people took 3.05 billion trips, with government data showing trips have grown 6% since the Iran war began at the end of February, versus March to May last year. The jump reflects a quirk of China's transport structure: Fares are falling despite gasoline prices rising. Analysts say a flood of drivers searching for work in a sluggish economy combined with cheap EVs is depressing fares, attracting passengers who want to save on higher petrol costs.

A part-time Beijing ride-hailing driver surnamed Li said fares have fallen 10% to 15% since he started six months ago. "Competition is intense," the 36-year-old told Reuters at an electric vehicle charging station. The flip side can be seen on social media. Since gasoline prices began rising in March, hundreds of posts describe how travel by cab or rideshare is cheaper than driving. "Especially when gas prices are high, I'd rather take a taxi to places that are too far to bike to. That way, I don't have to look for parking or pay for gasoline," said Yang, a 45-year-old owner of a petrol-fueled car.

With the electrification of taxis, the rideshare boom adds to evidence that transportation in China is becoming less dependent on oil, insulating it against oil shocks. About half of China's 1.3 million-strong taxi fleet is electric, according to the Ministry of Transport, and in major cities it is closer to 100%. Didi, the main ridesharing app, said it registered another 2 million hybrid or electric cars last year, taking its total non-fossil fuel fleet to 8 million cars, with EVs driving 75% of all mileage. As a result, China burned 10% less gasoline and 14% less diesel in May than a year earlier.

China appears successful at reducing dependence on foreign oil

(Reuters commentary; July 16) - China caught the oil industry by surprise during the Iran war, pulling powerful levers to shield itself from the biggest energy shock in decades. In the process, it established itself as a new force in global energy markets — an independent, opaque, massive power. The measures China used to offset the energy supply shock — sharply cutting crude imports, restricting exports of refined fuels and drawing on domestic inventories — were part of a decades-long campaign to reduce its heavy dependence on overseas energy supplies.

This offers a glimpse into how future crises could play out. It also suggests that we could be entering an era in which China’s energy dynamics are a weapon — both

defensive and offensive — not a vulnerability. The shift was especially striking given China's importance to world oil markets. The country imported a record 11.55 million barrels per day in 2025, roughly two-thirds of its total consumption and 16% of global demand. That dependence would once have made China highly vulnerable to Gulf supply disruptions. Instead, Beijing entered the crisis well prepared.

China’s 4.4% increase in crude imports last year was driven in large part by an aggressive stockpiling campaign that left it with an estimated 1.3 billion to 1.5 billion barrels in storage, equivalent to more than 100 days of average imports. In March, China suspended exports of refined products, including gasoline, diesel and jet fuel, in order to ensure its domestic market was well supplied. What may be China's most powerful line of defense — its enormous oil stockpile — has been deployed only sparingly so far, suggesting Beijing still has significant dry powder.

The greatest consequence of the Iran war may not be the disruption it has caused, but the revelation that China now possesses the tools to manage such shocks largely on its own. That could reshape not only the global oil market, but the global balance of power.

China looking for LNG supply options to reduce reliance on Qatar

(Bloomberg; July 17) - Chinese importers of liquefied natural gas are exploring options to reduce their reliance on Qatar, as ongoing disruptions in the Strait of Hormuz threaten a long-established supply chain. Major state-owned buyers, including Sinopec and PetroChina, are in discussions with exporters of the fuel that don’t depend on the Persian Gulf for shipments, according to people with knowledge of the matter.

The companies are looking to sign contracts for deliveries that would begin before 2030 for a term of at least a decade, the people said, declining to be named discussing a sensitive matter. Canada is one source being considered, said two of the people. Sinopec and PetroChina didn’t immediately respond to requests for comment. Such a shift would mark one of the clearest signs that the Iran war could dramatically reshape the global LNG market, as major importers reassess their exposure to the Persian Gulf.

China, the world’s top LNG importer, is Qatar’s largest customer, and the emirate accounted for almost 30% of its supply last year. The two countries have signed some of the industry’s biggest deals in recent years, helping underpin Doha’s massive expansion plans. China isn’t expected to try and cancel its existing agreements with Qatar, which are binding, the people said. Another consideration for the Chinese companies is to avoid locking in supply from the U.S., the world’s biggest LNG exporter, due to trade tensions, the people said.

U.S. LNG cargo reaches Chinese terminal; first in more than a year

(Bloomberg; July 16) - A liquefied natural gas carrier with a U.S. shipment appears to have reached a Chinese terminal, potentially marking the first American cargo taken by China since it imposed tariffs more than a year ago. The Al Fat'h, which loaded at Venture Global's Plaquemines facility in Louisiana in June, was moored at Yangpu port in southern China on July 16, ship-tracking data shows. The port has reloaded several cargoes over the past year, indicating that the shipment may be re-exported.

If the cargo unloads at the port, it would be the first since tensions escalated between the countries in February 2025. China's imports of U.S. LNG plunged as trade between the world's largest seller and buyer of seaborne gas unraveled. Beijing slapped tariffs on U.S. LNG in retaliation to levies on Chinese goods by the Trump administration. LNG has been caught up in trade conflicts between the two countries before. In President Donald Trump's first term, China didn't take any U.S. LNG for about 400 days.

Iran war, supply disruption spurs interest in more U.S. LNG

(Bloomberg; July 15) - The Iran war, and its disruptions across global energy markets, is spurring investments for new U.S. liquefied natural gas export infrastructure, according to consulting firm S&P Global. That trend is expected to continue over the next 12 months as the snarling of cargoes through the Strait of Hormuz has underscored the importance of geographic diversity for supply chains, said Daniel Yergin, an energy consultant and historian who is the vice chairman of S&P Global.

"There's been really quite strong momentum to U.S. LNG," Yergin said. "There's going to be a further focus on energy security, further focus on having alternatives to choke points," he said. "We'll see buyers, looking even more strongly at U.S. LNG as a form of diversification." Since the Iran war erupted, the U.S. — as the world's largest LNG exporter — has helped to make up for some lost Middle East supplies, especially with shipments to Europe and Asia.

Construction of an additional 30 million tonnes a year of U.S. LNG export capacity is expected to be greenlit over the next six to 12 months, according to Eric Eyberg, vice president of gas and LNG consulting for S&P Global Energy. Demand for gas to supply LNG export plants, mostly built along the U.S. Gulf Coast, is projected to double in the next five years, according to S&P. By 2031, U.S. LNG exports would account for about 25% of domestic gas demand, up from almost 13% this year.

Japan’s state energy firm evaluates sale of stakes in LNG projects

(Bloomberg; July 16) - Japan’s state energy firm is evaluating sale of its stakes in liquefied natural gas projects across the Asia-Pacific region, potentially to local investors, as the country prepares for growth in demand for the fuel. The Japan Organization for Metals and Energy Security, better known as JOGMEC, has invited bids for “asset valuation and related services for the sale of equity interests in LNG projects in Asia and Oceania,” according to a tender published on July 15.

The government-backed company did not identify the projects being considered for potential divestment and declined to share details in a response to Bloomberg’s request seeking comments. JOGMEC has stakes in several LNG projects across Asia and Oceania, including in joint ventures that own part of Australia’s Wheatstone LNG project and a share in Indonesia’s Tangguh LNG plant.

Managing long-term LNG supplies remains central to energy security for resource-starved Japan. JOGMEC’s mandate includes early-stage financing for high-risk resource projects before transferring or selling its stakes to Japanese companies once these become commercially viable.

Japanese company breaks ground on new LNG project in Indonesia

(Nikkei Asia; July 16) - Japanese energy group Inpex broke ground July 16 on a liquefied natural gas project in eastern Indonesia that would become one of Asia's largest LNG facilities once operational. The estimated $20.9 billion Abadi LNG project sits in the Masela block in Arafura Sea, off the Tanimbar Islands, Maluku province. The project has been hit with several delays since gas was discovered there in 2000. Now, operator Inpex is targeting production to start in 2030.

"Through the supply of energy, [Abadi is] an extremely important project that [will] contribute to energy security in Japan and across the Indo-Pacific region," Inpex President and CEO Takayuki Ueda said during the groundbreaking ceremony in Tanimbar, with Indonesian President Prabowo Subianto joining virtually from Jakarta.

The Abadi field is estimated to contain about 18.4 trillion cubic feet of gas reserves. Once operational, the facility is expected to produce approximately 9.5 million tonnes of LNG per year and up to 35,000 barrels of condensate per day and about 150 million cubic feet of pipeline gas per day for domestic use. Abadi will be the second-largest LNG project in Indonesia after the Tangguh fields operated by BP in West Papua. Inpex holds a 65% participating interest in Abadi, followed by Indonesian state-owned energy conglomerate Pertamina with 20% and its Malaysian counterpart Petronas with 15%.

Chevron signs deals to invest in Iraq oil fields, maybe a pipeline too

(Wall Street Journal; July 16) - Chevron intends to sign preliminary deals on July 17 to invest in two Iraqi oil fields and will join a consortium of investors exploring construction of a pipeline to connect Iraq's oil patch with the Syrian coast. Iraq and other Middle East oil producers are scrambling for alternatives to the Strait of Hormuz, which Iran has sought to shut down and put under its control. Gulf governments are pouring billions of dollars into new pipelines, rail corridors and energy storage hubs to bypass the strait, in what is set to become one of the most durable outcomes of the war.

The deals with Chevron are part of a broader push by new Iraqi Prime Minister Ali Al Zaidi to shore up investment from the U.S. The U.S. Chamber of Commerce is scheduled to host a U.S.-Iraq Business Summit on July 17 in Washington with Zaidi, Energy Secretary Chris Wright and others. One of the options the Chevron consortium is considering is rebuilding the pipeline from Kirkuk in northern Iraq to the Syrian port of Baniyas on the Mediterranean that has been shut for over two decades, a Chevron official said. The pipeline was damaged during the U.S. invasion of Iraq in 2003.

The consortium plans to conduct technical studies to determine whether to build a new pipeline or update existing infrastructure that would connect with pipelines through Turkey, the Chevron executive said. The company has been in talks with the Iraqi government for 12 to 18 months, and the deals are a "long ways from the finish line," he added. Zaidi visited Chevron's headquarters in downtown Houston on July 16 to meet a group led by Chevron Vice Chairman Mark Nelson.

Chevron in advanced discussions on pipeline to move Iraqi oil

(Financial Times; London; July 16) - Chevron and Iraq are in advanced discussions to form a consortium to build and revive a pipeline network running into Syria as countries look for ways to bypass the Strait of Hormuz. The U.S. oil major is partnering with Los Angeles-based TI Capital and a group owned by the Syrian-Qatari billionaire Al-Khayyat brothers to form a consortium to establish the pipeline network, according to four people familiar with the matter. Chevron is in negotiations to work on building a pipeline running from southern Iraq to the north of the country near the oil town of Kirkuk.

The consortium is discussing building a second line, partially utilizing an older pipeline network, that would run from Kirkuk in northern Iraq west through Syria to the port of Baniyas, bringing southern Iraqi oil to the Mediterranean. The discussions come as Iraq's oil exports have been hit hard by the shutdown of the Strait of Hormuz during the Iran war, which has led countries in the Middle East to explore alternative export routes.

One of the people said another option being explored would be the planned pipeline from Basra splitting at Haditha just south of Kirkuk, which would then branch out to Syria, Turkey or Jordan. A senior Chevron executive said the company needs to

conduct further studies on the feasibility of the pipeline which would “provide alternate access to markets going out from up north and then to the west through Syria.” The Iraqi government this month authorized the state-owned Basra Oil Co. to engage Houston-based engineering firm KBR to explore export pipeline options.

Private-equity firms look at buying stake in LNG Canada project

(Globe and Mail; Canada; July 16) - LNG Canada co-owners Shell and Mitsubishi are poised to take advantage of soaring demand for infrastructure assets from the insurance arms of massive private-equity funds. In January, Shell and Mitsubishi were reported to each be working on the sale of a portion of their stakes in the liquefied natural gas export facility that started up last year in Kitimat, British Columbia.

The most aggressive bidders are a handful of private-equity funds, with New York-based Apollo Global Management perceived as the front-runner, according to two sources familiar with the process. Domestic pension fund managers are also doing due diligence on potential investments in LNG Canada, the sources said. Apollo and other private-equity funds are targeting the consistent, long-term returns from infrastructure such as LNG Canada as they invest on behalf of their recently acquired insurance subsidiaries.

Global asset managers such as Apollo are kicking tires at LNG Canada, the country’s first export terminal and the most expensive corporate-based infrastructure project in the country’s history. Shell is the largest shareholder, with a 40% stake, while Mitsubishi owns 15%. Both companies are attempting to raise money from the first phase of the project ahead of committing to a C$33 billion expansion of the facility, a decision expected by the end of the year.

Regulators approve capacity increase for Canadian LNG project

(Globe and Mail; Canada; July 15) - As Canada’s liquefied natural gas industry expands, British Columbia’s environmental regulator has approved Cedar LNG’s request to increase its future production capacity by 25%. Cedar started construction in 2024 and is scheduled to begin producing LNG in late 2028, with exports to be shipped from the Haisla Nation’s traditional territory in Kitimat, British Columbia, to Asia.

The province’s Environmental Assessment Office recently authorized the Haisla-led project to boost liquefaction capacity to 3.75 million tonnes a year of LNG, up from the previously approved volume of 3 million tonnes annually. The Haisla own 50.1% of Cedar, while Calgary-based Pembina Pipeline holds 49.9%. Cedar’s increased capacity works out to roughly 500 million cubic feet a day, compared with the previous plans for 400 million. The plant would be constructed on barges tied to shoreside facilities.

Cedar has estimated that its export facilities, which are under construction, will require US$3.4 billion in capital spending. The company said the boost in liquefaction capacity would stem from efficiencies in its operations and would not mean any additional greenhouse gas emissions. The project will use electricity from BC Hydro for powering electric motors that drive compressors for the liquefaction process.

Japan's biggest power generator may seek U.S. stock market listing

(Reuters; July 17) - JERA, Japan's biggest power generator, has begun a feasibility study for a U.S. stock listing as it explores expanding overseas and broadening funding options, said three people familiar with the matter. The unlisted company, owned by Tokyo Electric Power and Chubu Electric Power, has long viewed the Tokyo Stock Exchange as its primary listing option but is now exploring ways to deepen engagement with global investors as it accelerates its international expansion, the people said.

JERA has started examining U.S. market conditions, investor demand and regulatory requirements, said two of the people, who all declined to be identified as the matter is confidential. The study is at an early stage and JERA has not made any decisions on details such as timing of an initial public offering or market valuation, they said. JERA has long signaled its intention to pursue an IPO to boost capital and corporate value. However, demand from overseas institutional investors for engagement has increased, prompting it to strengthen outreach, one of the people said.

Japan's biggest buyer of liquefied natural gas generates annual revenue of 3 trillion yen ($18.48 billion). It supplies the equivalent of about 30% of the country's power. The utility, which handles about 35 million tonnes of LNG annually, has been expanding LNG supply chains through upstream investment, fuel procurement and trading, with recent investment and procurement focused on the U.S. It has also been expanding its renewable energy business.

Shale gas operation in Australia set to start production in September

(Nikkei Asia; July 18) - A major Australian shale gas project is set to begin production in September, with the company behind the project seeing the possibility of exports to Japan and other parts of Asia as demand grows on energy security concerns due to the Iran war. The onshore Beetaloo Sub-basin site, developed by Australian natural gas company Tamboran Resources, is slated to begin initial production at around 40 million cubic feet per day, ramping up its output over the next few years.

The output will initially be sold to the government of Northern Territory, where the site is located, and is expected to be used in gas-fired power plants. Beetaloo will usefracking, to extract gas from shale layers deeper underground than conventional gas fields. The

method comes with a high environmental impact and had been banned in the territory but is now permitted in limited areas and subject to strict licensing requirements. To improve production efficiency, Tamboran has incorporated exploration and drilling technologies through partnerships with top U.S. oil field service companies.

Located in a vast expanse of red earth plains southeast of Darwin, the Beetaloo Sub-basin is estimated to hold roughly 420 trillion cubic feet of gas, on par with the Marcellus Shale, the largest shale gas deposit in the U.S. Japanese energy group Inpex has acquired interests in the Beetaloo Sub-basin. Inpex is already involved in Ichthys, a major liquefied natural gas project in northern Australia, and may consider liquefying some gas from Beetaloo at Ichthys to send to Japan and other parts of Asia.

Proposed LNG power project in Hawaii starts public review process

(Honolulu Civil Beat; July 16) - The first public commenters on a $2 billion liquefied natural gas power project proposed for O‘ahu are asking federal regulators to look beyond simply the environmental impacts related to the offshore infrastructure that makes up a relatively small part of the project in Hawaii. Instead, they want the Federal Energy Regulatory Commission to examine the broader impacts of natural gas and they want the commission to explore alternatives to the project to power the island. A Japanese energy company, JERA, plans to build a 500-megawatt power plant onshore.

The FERC review largely covers the offshore terminal, a floating regasification terminal and pipeline that together encompass about a fourth of the project’s cost. FERC said the project’s $1.5 billion power plant doesn’t fall under its jurisdiction. That separation defies common sense, said Henry Curtis, executive director of Life of the Land. It might make sense to review only the new offshore terminal and pipeline if they were to provide gas to an existing facility, Curtis said, but that’s not what’s happening here.

“Both parts must be included in the analysis,” he said. Life of the Land is among Hawai‘i’s oldest environmental organizations, which frequently intervenes in Hawai‘i Public Utilities Commission proceedings. Including both parts would open the door to analyzing the cumulative impacts of the power plant, including an analysis of lifecycle emissions related to LNG, Curtis said. He also wants FERC to evaluate alternatives to the power plant, such as solar farms combined with battery storage.

Michigan signs off on pipeline tunnel beneath the great lakes

(Milwaukee Journal Sentinel; Wisconsin; July 15) - Michigan’s environmental agency has signed off on Enbridge's Great Lakes Tunnel project — a first-of-its-kind tunnel that will carry its Line 5 pipeline underneath the Straits of Mackinac, which separates Lake Michigan from Lake Huron. The move marks a significant shift from Michigan Gov.

Gretchen Whitmer's earlier efforts to shut down the Line 5 pipeline to limit the risk of spills. The line moves oil and oil products from northern Wisconsin to Ontario.

The Michigan Department of Environment, Great Lakes and Energy approved the permits July 15. The tunnel still needs a permit from the U.S. Army Corps of Engineers, which has fast-tracked its review under the Trump administration. Enbridge is also awaiting decisions from Michigan's Department of Natural Resources and the Department of Environment on a wastewater discharge permit. "This betrayal puts our Great Lakes at risk," said Beth Wallace, climate and energy director for the National Wildlife Federation, which has fought against extending the life of the 73-year-old line.

Over the years, ship anchors have hit the exposed pipeline, sections have needed extra support and protective coating has been damaged or worn away. Enbridge says the proposed Great Lakes Tunnel, housing Line 5 through a 4½-mile stretch, would nearly eliminate the risk of a pipeline incident. The tunnel will be bored into rock 60 to 250 feet under the lakebed. The tunnel project has been contentious from the start, including Whitmer's 2020 move to revoke Enbridge's easement soon after taking office. It has since been tangled in ongoing legal fights in both state and federal courts.