Oil and Gas News Briefs
Compiled by Larry Persily
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Europe would prefer to end 'dependency on natural gas altogether'

(The New York Times; July 24) - Europe is on the cusp of a pivotal point in its yearslong quest to rid itself of Russian gas. In less than six months, the European Union will end the last of its Russian liquefied natural gas imports, a major step at trying to keep the Kremlin from using energy sales to fund its war machine. To survive the shift, Europe has aggressively increased fuel imports, particularly from the U.S., which now supplies about two-thirds of European LNG, a share that could rise to as much as 80% by 2030.

But the U.S. relationship with Europe is at a low point, eroded by President Donald Trump's frequent threats to impose tariffs, his periodic demands to control Greenland and the fissures over America's decision to wage war with Iran. That has engendered intense anxiety among defense and energy leaders who fear Europe is escaping the grip of a Russian gas monopoly only to hand Washington — and a mercurial American president — outsize leverage over its domestic energy policies.

"To build dependency on America … at a time like this is not clever," Gen. Sir Richard Shirreff, a former senior commander of the North Atlantic alliance, said in an interview. Seeking to break this cycle of reliance on the U.S. as well as other nations, European leaders put forward a plan last week to electrify the continent. The European Commission, the European Union's executive arm, aims to shift rapidly to homegrown and renewable sources for industrial power grids, heating and transportation.

"The U.S. is certainly part of the solution for us in the short term, but in the long term we are on track to get rid of our dependency on natural gas altogether," Dan Jorgensen, the European Union commissioner for housing and energy, said in an interview. "From an economic perspective and a security perspective, we are in a very unsustainable situation, and we need to get out of that," Jorgensen said.

Europe may lose high-stakes gamble that LNG prices will come down

(Bloomberg; July 24) - A global fight for liquefied natural gas threatens to unravel Europe's strategy of delaying winter purchases until the Strait of Hormuz reopens. Governments and energy companies in Europe ended last winter believing they could afford to delay rebuilding stockpiles, even as they hit the lowest levels since 2022. The jump in LNG prices following the start of the Iran war in late February made it hard to justify purchases, while traders bet diplomacy would eventually prevail and flows through the strait — a conduit for a fifth of global LNG supply — would resume.

Nearly five months later, that wager is looking risky. Fighting in the Middle East has flared up again, gas prices are near their highest since the conflict began and Europe is well behind its usual stockpiling pace. Asian buyers from China to Pakistan have been snapping up available LNG shipments to replace lost Qatari supply, effectively pulling cargoes away from Europe.

A question is whether governments — particularly in the largest market Germany — will intervene to support purchases if Hormuz remains shut, potentially fueling a bidding war with other regions in the months ahead. The risk is the cost — and whether households and industry can stomach another jump in heating and power bills. “We have been like the frog in the boiling water,” said Anne-Sophie Corbeau, a researcher at Columbia University’s Center on Global Energy Policy and former BP head of gas analysis. “The question is whether the frog will jump because now gas prices are increasing — fast.”

IEA says high natural gas prices drive more use of coal

(Agence France-Presse; July 23) - Coal-fired power generation is set to increase in 2026, driven by supply difficulties and soaring natural gas prices linked to the war in the Middle East, the International Energy Agency said on July 23. “Global coal-fired generation is expected to increase by 1.4% in 2026, after remaining roughly constant in 2025," the IEA wrote. The increased use of coal-fired power plants is explained by a surge in energy prices in 2026.

Up 30% compared with the first half of 2025, energy prices are "at their highest level since the energy crisis of 2022 and 2023," which was triggered by the war in Ukraine, the IEA said. Consequently, due to burning more coal, global carbon dioxide emissions from electricity generation are expected to rise by 1% in 2026, with large regional disparities, the agency wrote. Southeast Asia is expected to see its emissions grow by 6%, while the European Union should record a 5% decline.

CO2 emissions should, however, stabilize in 2027, thanks to the growth of renewable electricity generation, which is "overtaking coal as the world's largest source of electricity generation, after reaching near parity in 2025," the report said. Renewable supply is expected to increase by 8% in 2026, and its share in global electricity supply should rise from 33% in 2025 to 37% in 2027. The sector is being driven by solar power, whose generation is expected to surpass that of wind in 2026 and thus "become the world's second-largest source of renewable electricity generation after hydropower.”

Analysts see global oil market flipping to supply surplus next year

(Reuters; July 22) - The conflict in the Middle East has deepened forecasts of a global oil deficit in 2026, according to a Reuters poll of analysts, but recovering Persian Gulf

flows, robust U.S. oil production and weaker demand from China are expected to tip the market into an oversupply in 2027. The Iran war has choked crude production and exports out of the Gulf, prompting analysts to cut their near-term supply forecasts and reverse course on previous expectations of a glut this year.

Eight analysts polled by Reuters see an average deficit of 1.5 million barrels per day in 2026, roughly double the 750,000-barrel-per-day deficit forecast in a similar poll in April. In contrast, prior to the Iran war, analysts expected a 1.63-million-barrel-per-day surplus for 2026. However, the market is expected to bounce back to a surplus of 1.9 million barrels per day in 2027, the poll showed.

"This market has flipped from fear of shortage to glut risk fast," said Phil Flynn, senior analyst with Price Futures Group. Analysts see multiple supply-side drivers for a market surplus in 2027, including increased flows out of the Gulf after the Strait of Hormuz is reopened, the OPEC+ decision to unwind its production cuts and strong oil output from the U.S. and Latin America. Meanwhile, demand from China is anticipated to be lower, with HSBC trimming its forecast by 778,000 barrels per day this year and 550,000 in 2027 versus pre-war estimates, due to electrification and substitution effects.

Goldman Sachs sticks with forecast for $80 oil in fourth quarter

(Reuters; July 23) - Goldman Sachs maintained on July 23 its Brent crude forecast of $80 a barrel for the fourth quarter of 2026, saying lower Middle East supply should support prices if tensions between the U.S. and Iran ease by year-end. The investment bank said its forecast reflects price support from lower Middle East output in the second half of the year, balanced by downside pressure from stronger-than-expected output from the region in June and weaker demand in China, South Korea and the Mideast.

The bank maintained its view that Brent and U.S. West Texas Intermediate crude would average $75 and $70 a barrel, respectively, in 2027, assuming the Strait of Hormuz remains open. Despite a projected 2027 surplus of 3.2 million barrels per day, the bank does not expect Brent to fall below the high $60s because of global strategic stockpiling in 2027, the price sensitivity of U.S. shale and supply disruptions.

The bank also highlighted two-sided risks to its forecast, saying it could see Brent exceeding $120 by the fourth quarter of 2026 and averaging $100 in 2027 if traffic through the Strait of Hormuz remains disrupted. On the downside, it sees Brent declining to the low $60s by end-2027 if supply exceeds expectations and demand losses prove more persistent.

Asian crude oil buyers look for new routes for Saudi cargoes

(Bloomberg; July 23) - Some Asian crude oil buyers are in talks with Saudi Aramco to potentially reroute flows around Africa after Houthi attacks on tankers in the Red Sea, according to traders familiar with the matter. The refiners are mulling alternatives to using Bab el-Mandeb, the chokepoint at the southern end of the Red Sea, the traders said, asking not to be named as talks aren't public. These may include taking oil from Egypt's Sidi Kerir port in the Mediterranean instead of the Saudi Red Sea hub at Yanbu.

One option — if Asian buyers want to collect crude from the Mediterranean — could see Aramco moving oil from Yanbu to the Egyptian Red Sea port of Ain Sokhna, before it's sent north via pipeline, the traders said. India's state-run refiners are weighing the alternative of sending crude through the Suez Canal using smaller ships before transferring the cargo to very large crude carriers at a European hub for delivery to the South Asian nation by sailing around Africa, people familiar with the matter said. The companies have never used this route before.

Talks are ongoing and no decisions have yet been finalized, the traders said. Saudi Aramco declined to comment. If cargoes originally planned on the shorter route — via the Red Sea, Bab el-Mandeb strait and onward to Asia — are rerouted, that would result in longer voyages via Egypt and then around South Africa. That could lengthen journey times by as much as a month, the traders said. Refiners in India are prepared to pay the higher freight charges for the long runs because supplies remain tight, the sources said.

Suez Canal a costly and slow alternate route for Saudi oil exports

(Reuters; July 24) - With two of its key oil export routes — the Hormuz and Bab el-Mandeb straits — disrupted by Iran and Iran-allied Houthi militants, Saudi Arabia has to resort to exporting oil via Egypt's Suez Canal. While the kingdom has previously used the Suez route to export some of its oil, it has not tested it as the main export outlet for decades. Unlike in the 1970s and 1980s, when Saudi Arabia's top oil buyers sat in Europe and the United States, the majority of its buyers today are in Asia.

To get to Asia, tankers with Saudi oil will have to circumnavigate the whole of Africa, adding around a month to their journey. It takes only 19 days for a tanker to sail from Saudi Arabia's Red Sea port of Yanbu to Taiwan via Bab el-Mandeb. A route via Suez, the Mediterranean and Gibraltar and around the Cape of Good Hope at the southern end of the African continent takes 48 days, according to Kpler and LSEG shipping data.

The journey would double fuel costs to $2.87 million from $1.26 million, according to Reuters calculations using LSEG data. Crossing the Suez Canal adds $1 million in fees, according to LSEG. Saudi Arabia rerouted most of its oil exports from the Persian Gulf to the Red Sea when the U.S.-Iran war disrupted shipments via Hormuz in February. The Houthis attacked ships in the Red Sea this week, making the workaround unsafe

and encouraging the kingdom to send oil via the Suez. Big tankers need to sail the Suez half empty due to limits and top up in the Mediterranean, according to Energy Aspects.

U.S. imports fuel oil from Iraq through Syria for first time

(Reuters; July 23) - The U.S. has begun importing fuel oil of Iraqi origin shipped through Syria for the first time, according to shipping data and two sources familiar with the operations, as Iraq expands a Mediterranean export route established after disruptions to Persian Gulf trade routes earlier this year. The alternative route is an example of shippers seeking ways to move supplies around the world that avoid the Strait of Hormuz, which has been effectively closed for months, hindering Gulf oil exports.

Three tankers loaded the fuel oil at Syria's Mediterranean port of Baniyas between June and July for delivery to the U.S. Gulf Coast, according to Kpler shipping data. Sources with direct knowledge of the operations at the Syrian terminal said the cargo was of Iraqi origin. The first tanker departed Baniyas on June 17 with about 716,600 barrels of fuel oil. Around 487,600 barrels were discharged in the Bahamas in mid-July, while the remainder is scheduled to unload in Texas late this month, according to Kpler.

The Nissos Christina loaded about 288,500 barrels at Baniyas and departed by July 8, due to discharge at the U.S. Gulf Coast in early August, while the Green Warrior loaded roughly 414,400 barrels of fuel oil in mid to late July for arrival in the United States in the third week of August, Kpler data showed. The cargoes are loaded with Iraqi fuel oil that was trucked across the border into Syria and loaded at Baniyas, the sources said. They are the first fuel oil shipments from Syria ever destined for the U.S., according to Kpler.

Yemen wants to rebuild oil exports, but it will not be easy

(Al Jazeera; July 23) - The announcement by the head of Yemen’s Presidential Leadership Council to resume oil exports starting July 20, following a halt that began in late 2022, has revived hope that the country’s most important source of foreign currency will be restored. The government, struggling economically and facing continued Houthi rebel control over Yemen’s northwest, needs the money and has pledged to direct the revenue towards paying salaries, improving services and supporting economic stability.

However, the flow of oil to global markets does not depend solely on a decision by politicians; it requires creating a security environment after years of war that allows for protection of facilities, pipelines and ports, in addition to restoring the confidence of shipping and insurance companies, as well as international buyers. With Yemen’s war threatening to escalate after a four-year period of calm, the stability the country needs to resume oil exports may be elusive. Yemen has proven oil reserves estimated at about three billion barrels, primarily concentrated in the Masila, Marib and Shabwa basins.

While the U.S. Energy Information Administration indicates that the country still holds sufficient resources for production and export, the security environment hinders their extraction and transport to global markets. Yemen's oil production reached a historical peak of about 439,000 barrels per day at the beginning of the millennium, but it has gradually declined due to the depletion of some old fields. This decline accelerated with the outbreak of the war in 2014 and the targeting of oil infrastructure, settling at 19,000 barrels per day in 2024 for domestic use, according to the International Monetary Fund.

A single oil tanker transited the Strait of Hormuz on July 23

(Reuters; July 24) - The number of tankers crossing the Strait of Hormuz fell to just one on July 23, the lowest level since May 7, according to shiptracking data, amid ongoing shipping risks in the Middle East and as oil prices surged back to $100 a barrel. That single tanker compared with three a day earlier, data from analytics firm Kpler showed. Very large crude carrier New Giant, loaded with 2 million barrels of Iraqi Basrah crude, exited the strait on July 23 and is due to arrive at China's Rizhao port by mid-August.

U.S. refineries run at close to full capacity to meet demand

(Financial Times; London; July 22) – U.S. oil refineries are running at full tilt as wars in the Middle East and Ukraine choke global supplies of fuels, increasing the risk of outages at a time when prices are already rising sharply. Refineries across the U.S. are running at 96% of capacity, with those in the Midwest and Rocky Mountains regions operating at 100%, according to the U.S. Energy Information Administration. U.S. energy companies have stepped up exports of petroleum products, including diesel and jet fuel, to record levels following Iran's closure of the Strait of Hormuz.

In a sign of the tightening market, U.S. wholesale diesel futures have jumped 26% so far this month. The rush for oil products has sent the average per-barrel margin U.S. refiners receive for converting crude into gasoline and diesel to the highest level on record. High refinery utilization has helped keep markets supplied and boosted refinery companies such as Valero and Marathon Petroleum, whose stocks have almost doubled since the start of the year.

But it has also left the world's largest oil consumer with little margin for error. An outage, either caused by a breakdown or natural disaster such as a hurricane, would hit consumers around the world already grappling with high energy costs, analysts warned. "The U.S. export increase is helping but it's a Band-Aid on a big gunshot wound," said Joe DeLaura, senior energy strategist at Rabobank. "We're trying to make up this deficit by running all out, but that means the second refineries go down that's really bad."

Russia may extend ban on diesel exports as refineries are damaged

(Bloomberg; July 23) - Russia is considering extending a diesel-export ban for another month as Ukraine steps up attacks on the country's oil industry, Interfax reported. The move could add extra pressure on global fuel markets that are already strained by supply disruptions in the Middle East, as Russia is a key global supplier of diesel. Authorities in Moscow are also discussing extending a ban on gasoline exports for another six months, Interfax said, citing unnamed people familiar with the situation.

Moscow banned most exports of motor fuels after an unprecedented wave of Ukrainian strikes on Russia's refineries reduced crude-processing rates to multi-year lows and led to a nationwide fuel crunch, with rationing of gasoline and diesel sales in many regions. Kyiv has also ramped up attacks on tankers in the Black Sea and the Sea of Azov. The final decision on extending the bans will be made by Deputy Prime Minister Alexander Novak, who oversees the nation's energy sector, according to Interfax.

Current restrictions on most diesel and gasoline exports are set to expire on July 31. EA Analytics estimates Russia's crude-processing rates will average 3.511 million barrels a day in July, the lowest since May 2002. That would be more than a third below the seasonal norm for the nation.

TotalEnergies will transfer 10% LNG stake to Russian company

(Reuters; July 23) - French oil major TotalEnergies will exit its stake in the Arctic LNG 2 plant in Russia, CEO Patrick Pouyanne said on July 23. The transfer of Total's 10% stake to Nordline, a subsidiary of the plant's majority owner Novatek, has been approved by Russian authorities and will be completed in the short term, he told analysts on a second-quarter results call.

Following Western sanctions on Russia in the wake of the 2022 invasion of Ukraine, Total maintained ownership in key Russian plants exporting LNG — but has considered selling the stakes as European Union sanctions will ban companies from importing Russian gas in 2027 or selling it in other jurisdictions. "Soon after Arctic LNG 2 became subject to U.S. sanctions in November 2023, Novatek approached us about a potential transfer," Pouyanne said.

Noting that Total had already taken a $4.1 billion impairment on the project in 2022 and declared force majeure the following year, Pouyanne said he considered the proposal to be in the company's interest. The CEO did not use the word "sale". A press officer for TotalEnergies declined to comment on whether Total expected to be compensated for its stake. In the wake of the war, many foreign firms have sold Russian assets or had them seized. In 2024, Kremlin-controlled energy giant Gazprom acquired a 27.5% stake in Russian LNG project Sakhalin II by decree, previously held by oil major Shell.

China will re-export U.S. LNG to profit from higher prices, avoid tariffs

(Bloomberg; July 27) - The first U.S. liquefied natural gas shipment to China in more than a year will be re-exported, as the Chinese companies involved look to tap higher profits overseas and avoid paying tariffs, according to sources. The cargo from Venture Global's Plaquemines facility in Louisiana was offloaded at the Yangpu port in southern China earlier this month, ship-tracking data compiled by Bloomberg shows.

The gas was then loaded into bonded storage, where it is currently being prepared for re-export, people with knowledge of the matter said. The LNG was delivered with the intention of resale overseas, where prices are more attractive, the people said. If the shipment were imported into the local market, then the Chinese buyer would need to pay a 25% tariff on the fuel. A nearly empty tanker recently docked at Yangpu, ship-tracking data shows, and some of the U.S. LNG could be loaded onto the ship.

The move to re-export indicates that China isn't in a rush to resume imports of U.S. LNG, even as the war in the Middle East chokes deliveries from Qatar and the United Arab Emirates. The Asian nation has replaced U.S. and Qatari flows by boosting deliveries from other suppliers such as Canada and Oman, ship data shows. China's imports of U.S. LNG plunged early last year as trade between the world's largest buyer and the biggest seller of seaborne gas unraveled. Beijing slapped tariffs on U.S. LNG in February 2025 in retaliation for levies on Chinese goods by the Trump administration.

Buyers want to pay lower prices for LNG from Qatar, UAE

(Reuters; July 22) - Asian and European buyers of liquefied natural gas plan to ask for lower prices and additional supply guarantees from Qatar and the United Arab Emirates as the U.S.-Iran war raises insurance costs on those deliveries, buyers, traders and industry executives told Reuters. The war is reshaping the global energy industry, stripping Gulf producers of their reputation as the world's most reliable suppliers, which in the past gave them significant negotiating power.

Their ability to set their own conditions has weakened because the war has halted most oil and gas flows through the Strait of Hormuz, the shipping chokepoint at the entry to the Middle East Gulf. Qatar's vast reserves helped the country become the dominant force in the global gas market. It and the neighboring UAE, where production volumes are increasing, account for around one-fifth of global LNG export capacity — all of which relies on the strait to reach global markets.

Qatari LNG has been among the most competitively priced due to its low production costs, while the UAE offers more flexible terms. However, buyers say the higher risk and rising insurance costs will give them leverage in future negotiations to drive down costs and request even more flexibility. "Anyone entering into new contracts in the Gulf region

will also have to take into account potential insurance costs, which are set to increase," Nicola Monti, CEO of Italy's Edison, said on the sidelines of a business event.

Cambodia remains committed to first LNG import plant next year

(Bloomberg; July 24) - Cambodia is pushing ahead with plans to start its first liquefied natural gas import plant next year, even as the conflict in the Middle East disrupts global supplies and sends prices surging. The country is “doubling down” on a strategy to use renewables and LNG to transition away from coal, and the new 900-megawatt gas plant is part of that plan, Minister of Mines and Energy Keo Rottanak told Bloomberg.

The near-closure of the Strait of Hormuz caused by the U.S.-Iran war has roiled LNG shipments, forcing emerging nations — like Pakistan and Bangladesh — to buy expensive replacements or face blackouts. That crunch has forced some governments to reevaluate the role of the fuel in long-term plans. Cambodia, meanwhile, isn’t deterred, and Keo Rotana said their import push was drawing interest from LNG exporters including the U.S., Canada and Australia, as well Southeast Asian nations.

They also won’t exclude the Middle East as a potential supplier because, “despite the current crisis, we believe that in the future they will be able to be part of the supply chain,” he said. The government will look at price and stability of supply when selecting a shipper, he said. At present, Cambodia gets about 63% of its energy from renewables, a relatively elevated level that has helped to shield the economy from the fall-out from the war, the minister said. By the end of the decade that share is expected to have expanded to about 70%, with LNG accounting for part of the other 30%, he said.

LNG project in British Columbia gathers support from First Nations

(The Globe and Mail; Canada; July 22) - The Nisga’a Nation-backed Ksi Lisims LNG project in British Columbia has garnered support from the Gitga’at First Nation, two sources said, as the Nisga’a and other proponents get closer to making a decision on forging ahead with construction. Ksi Lisims, which received regulatory approval last year, plans to export liquefied natural gas to Asia from northwest British Columbia.

The Gitga’at becomes the fifth First Nation to sign a benefits agreement with Ksi Lisims, in what is an important step toward bringing the project to fruition, the sources said. The Nisga’a Nation, Houston-based Western LNG and a group of natural gas producers called Rockies LNG are partners in the Ksi Lisims project near Gitlaxt’aamiks, which is home to the Nisga’a Lisims government. The development site is across the water from the southern border of Alaska. The project is planned for 12 million tonnes a year of production capacity from floating liquefaction units anchored to the dock.

Last month, three other First Nations announced their backing for Ksi Lisims. The Lax Kw'alaams Band, Metlakatla First Nation and Gitxaala Nation in northwest B.C. signed benefits agreements with Ksi Lisims. The Kitselas First Nation announced its support for Ksi Lisims last year. A sixth Indigenous group, the Kitsumkalum First Nation, remains in negotiations with Ksi Lisims. Rockies LNG chair Jeff Tonken said Ksi Lisims expects to make a final investment decision by early 2027 on whether to proceed to construction.

British Columbia allows expanded refueling jetty at LNG terminal

(Vancouver Island Free Daily; July 24) – British Columbia's energy minister signed an order on July 24 to allow the C$2 billion expansion of a liquefied natural gas refueling terminal in Delta, across the river from Vancouver, to go ahead without the normal approvals from the utilities commission. The move, executed through a cabinet order, will exempt FortisBC's Tilbury LNG facility from needing a B.C. Utilities Commission Certificate of Public Convenience and Necessity for its Phase 1B expansion, which involves building a jetty to allow refueling of more ships.

The certificate process is meant to allow the Utilities Commission to consider whether a public utility's new energy supply project is in the public interest. Tilbury provides LNG for vessels ranging from ferries to cruise ships. Energy and Climate Solutions Minister Adrian Dix deemed the project to be in the public interest because it brings in new investment, while decreasing emissions from dirtier fuels, such as diesel. He also said the expansion plans have already gone through extensive environmental assessment.

This deal also provides an equity ownership stake for the Musqueam Indian Band. The certificate exemption only applies to the first of Tilbury's two planned expansions. Fortis plans a second expansion to add another large LNG storage tank and more liquefaction capacity. The storage facility part of Phase 2 already has Utilities Commission approval, while the liquefaction part is still in the process of seeking approvals. Phase 1 is split into two parts. Phase 1A included storage and added liquefaction capacity and was completed in 2018. Phase 1B involves building a marine jetty.

Kuwait strikes oil pipeline leaseback deal to raise $7.85 billion

(Reuters; July 25) - Kuwait Petroleum Corp. has signed a $16 billion deal to lease and then lease back its crude oil pipeline network with a consortium comprising global investment funds Blackstone, Brookfield and KKR, the state-owned Gulf firm said on July 25. It said it was the largest foreign direct investment in the country's history. Under the investment called Project Peregrine, KPC's unit Kuwait Oil Co. is establishing a joint venture with the three global investors in a lease and leaseback structure for a 20.5-year term that includes a volume-based tariff, KPC said in a statement.

The KPC deal is part of a broader push by Gulf state oil companies and sovereign investors to raise funds from infrastructure assets and attract foreign capital, as they look to fund domestic investment plans. It follows pipeline fundraisings by Saudi Arabia's Aramco, Abu Dhabi National Oil Co. and Bahrain's Bapco Energies. Blackstone, Brookfield and KKR will collectively hold a 49% stake in the joint venture, while KOC will retain a 51% stake as well as full ownership and operational control of the network, which comprises 13 pipelines spanning a total of about 200 miles.

The transaction creating a $16 billion joint venture is expected to generate $7.85 billion in upfront proceeds at closing, KPC said, adding it will support the oil company's capital expenditure plans. KPC's pipeline network transports crude oil and refined products across Kuwait, linking the country's oil fields to export terminals on the Arabian Gulf.