

# Oil and Gas News Briefs

## Compiled by Larry Persily

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#### **Oil markets react to likelihood of longer-term supply disruption**

(Wall Street Journal; March 12) - Oil markets are waking up to a new reality: Disruption to the Gulf's prodigious energy supplies isn't ending anytime soon. When the U.S. and Israel first attacked Iran, some traders initially expected days of disorder. Now they are expecting the turmoil to last weeks or even months. On March 12, Brent crude shot back above \$100 a barrel amid growing concerns about a protracted period of disruption to the oil markets. Futures settled at \$100.46, up more than 9% for the day.

"The market is getting more and more nervous," said Neil Crosby of Sparta Commodities. "We see not only supply chain issues from the Hormuz closure, but also growing medium-term implications from all the attacks on infrastructure in the region." Traders and analysts are fixated on the Strait of Hormuz, the narrow passage between Iran and Oman through which 20% of the world's oil typically flows.

Oil analysts are now forecasting longer-lasting upheaval. If the war continues, the strait will likely remain paralyzed. Even if the fighting quickly ends but with the Iranian regime left in place, it could still be risky. Goldman Sachs this week raised its oil price forecasts, citing longer-than-expected disruption. Brent crude could hit an average of \$145 in March and April in a more extreme scenario, it said. The bank now expects disruption to flows through the strait to last 21 days, up from its previous forecast of 10 days.

Macquarie Group is now predicting that crude prices could top \$150 if the strait remains closed for a few weeks. Others say oil prices could go even higher. "In our view, \$200 a barrel is not outside the realms of possibility in 2026," Simon Flowers, chairman and chief analyst at energy consultancy Wood Mackenzie, said this week. "When the conflict ends, cranking up the supply chain won't be swift," Flowers added.

#### **Draw on U.S. strategic reserves falls short of easing oil markets**

(Wall Street Journal; March 14) - If the White House hoped tapping 40% of the U.S. Strategic Petroleum Reserve would quickly push down oil prices, it hasn't worked. News this week that member countries of the International Energy Agency would coordinate to release 400 million barrels of oil from their emergency stockpiles, of which the U.S. will contribute close to half, barely touched the oil price. Big as it sounds, it isn't nearly enough to compensate for the loss of barrels passing through the Strait of Hormuz.

Analysts expect the total IEA release to add around 3 million barrels of crude and refined products a day. But according to Janiv Shah, a vice president at Rystad Energy, nine to 10 million barrels of oil a day are currently trapped behind the Strait of Hormuz, even accounting for the flows that are likely to be diverted to pipelines. So the initial announcement, intended to have a positive impact on sentiment in the markets, seems to have fallen flat. Brent was trading around \$90 a barrel on the day of the IEA announcement and ended the week at around \$103.

When the barrels hit the market, they should bring prices down some. But another problem is that strategic reserves take longer to unlock than commercial stockpiles. The U.S. reserves hold 415 million barrels of crude in 61 underground salt caverns in Louisiana and Texas. But it will be hard to get it out quickly. And as more oil is extracted, pressure levels in the caverns fall, which slows the withdrawals. The reserves also use the same pipelines and ports as shale producers, so infrastructure to deliver the extra oil is constrained. It will take four months to get the full amount to market.

### **Pulling from reserves will not quickly or easily solve oil supply**

(The New York Times; March 12) - Reality is starting to set in for the world's oil traders. Oil futures have again topped \$100 a barrel — the latest surge after days of wild price swings since the U.S. and Israel attacked Iran. It comes after the International Energy Agency on March 11 announced that more than 30 countries would release a record amount of oil from their emergency reserves. Instead of reassuring jittery markets, the news seemed to further spook traders by underscoring how far the world is from reopening trade in the Strait of Hormuz, the narrow waterway and vital trading route.

Besides, tapping those emergency stores of oil is easier said than done. Reserves are stored in massive facilities scattered around the world. South Korea, for example, has storage sites positioned around the peninsula, according to the Korea National Oil Corp. Some facilities, like one in Okinawa, Japan, are shared with commercial inventories owned by producers like Saudi Arabia's Aramco. Getting the oil flowing from reserves also takes time. There are physical limits on how quickly oil can be pulled from storage.

There also are more mundane hurdles, such as finding buyers, writing contracts and the logistics of moving supplies across the globe. The maximum rate at which the U.S. can draw oil from its reserves is only 4.4 million barrels per day, according to the U.S. Department of Energy. And refineries are complex, tightly sequenced operations and cannot be turned on and off like a light switch. If refineries are forced to shut down, it would take at least two months for them to return to normal operations, said June Goh, a Singapore-based oil market analyst at Sparta, a commodities data firm.

## **Oil and gas shippers expect Iran will determine when strait reopens**

(Reuters; March 15) - When Saudi Aramco told its oil buyers in a letter this week that it had no clear idea which port it would use for April exports, it laid bare a new reality: Iran, not the United States, holds the key to reopening the global energy market. The letter, sent to Saudi oil buyers around the world, said they might receive oil from the Red Sea, but they might still get it from the Gulf. "I might as well call Iran to find out when this war ends so I can get my oil," one regular Saudi oil buyer said upon receiving the letter as war raged across the Gulf and Iran shut down the Strait of Hormuz.

The comment reflects the growing conviction inside and outside the Middle East that while the U.S. and Israel could declare the war over at any time, Iran will have the final say about the duration of what the International Energy Agency has described as the most severe oil and gas supply disruptions ever. Iran has retaliated against U.S.-Israeli attacks by firing drones and missiles at ships in the Strait of Hormuz, effectively shutting down the flow of around 20% of global oil and LNG supply to refiners, petrochemical and power plants, and energy-intensive industries around the world.

Executives at Middle Eastern companies and their Western peers warn it will require more than just U.S. assurances of safety to restart shipping traffic and production even if the fighting ceases immediately. Tehran's capacity to produce and deploy low-cost drones means Iran has an ability to disrupt or paralyze shipping that could long outlast a declaration from its attackers that combat operations are over. Iranian drones targeted the UAE's oil loading hub in Fujairah on March 14, just hours after the U.S. hit military targets on Kharg Island, home to Iran's main oil export terminal.

## **Iranian crude continues flowing through Strait of Hormuz**

(Reuters; March 11) - Iranian crude oil has continued to flow through the Strait of Hormuz at a near-normal pace even as attacks on ships in the narrow waterway have decimated exports from other Gulf countries, a Reuters review of tanker tracking data showed. Iran has exported about 13.7 million barrels of crude since Israel and the U.S. launched attacks on the country Feb. 28, according to analysis by TankerTrackers.com, a maritime intelligence company that specializes in tracking the shadow fleet, a network of vessels used to transport oil and gas from countries under Western sanctions.

Iran's retaliation to the Israeli and U.S. attacks has included strikes on ships in the strait and energy facilities across the Mideast, bringing non-Iranian ship transits through the main gateway for much of Mideast oil exports to a near standstill, forcing producers in the region to cut output. Iran's ability to export oil without any reported interceptions contrasts sharply with what happened during the U.S. military campaign in Venezuela, which involved a naval blockade of the Latin American nation and seizures of vessels.

"I'm surprised, given their successful seizures of Venezuela-related vessels this past December, that the U.S. did not initiate a similar campaign prior to starting this conflict, or has not done so at this time," said David Tannenbaum, a director at consulting firm Blackstone Compliance Services. However, U.S. efforts to stop Iran-linked tankers could unleash more attacks on vessels passing the strait, Next Barrel oil and shipping analyst Matias Togni said. So long as Iran is moving its ships through the strait, it has an incentive to keep it open at least to some degree, a shipping analyst said.

## **Southeast Asia works to conserve fuels amid energy shortage**

(Al Jazeera; March 12) - Governments and businesses across Southeast Asia are scrambling to stave off energy shortages as the Strait of Hormuz remains shut to maritime traffic, amid the fallout of the U.S.-Israeli war on Iran. Thousands of miles away from the Gulf, government offices in the Philippines have moved to a four-day work week, officials in Thailand and Vietnam have been encouraged to work from home and limit travel, and Myanmar's government has imposed alternating driving days.

Governments are also intervening directly in the market in an effort to stabilize fuel prices. Thai Prime Minister Anutin Charnvirakul announced a temporary price cap on diesel, while Vietnam said it had started tapping into its fuel price stabilization fund, according to state media. The measures are just a preview of what is to come in the region if the strait remains closed, according to Priyanka Kishore, director and principal economist at Asia Decoded in Singapore. "They're trying to manage the supply situation before it even comes close to hitting them," Kishore told Al Jazeera.

Southeast Asia relies heavily on imported oil and gas, much of which passes through the Strait of Hormuz. China, India, Japan and South Korea accounted for nearly 70% of oil shipments to the region, with about 15% bound for the rest of Asia. The supply chain shock has drawn attention to the region's limited energy reserves, which face growing strain every day the waterway remains closed. Emergency stockpiles of South Asia pale in comparison with those of its peers in Northeast Asia. Japan holds reserves for 254 days; South Korea and China have stockpiles of about 208 and 120 days, respectively.

## **EU president says reducing nuclear power was 'a strategic mistake'**

(Wall Street Journal; March 11) - Returning to Russian fossil fuels in the wake of the Iran war would be a "strategic blunder," said Ursula von der Leyen, president of the European Commission, as Europe continues to grapple with volatile oil prices. Gas prices have risen by 50% and oil prices by 27%, Von der Leyen told lawmakers during a European Parliament debate in Strasbourg on March 11, saying that the Iran conflict had cost European taxpayers an additional 3 billion euros (\$3.48 billion) in fossil fuel imports in just 10 days. "That is the price of our dependency," she said.

On March 10, Von der Leyen said the EU's gradual reduction in its share of nuclear power was also a strategic mistake. "Europe is neither an oil, nor a gas producer for fossil fuels, we are completely dependent on expensive and volatile imports," she said at a nuclear energy summit in Paris, adding that the current crisis in the Middle East is a stark reminder of the vulnerability that creates and that nuclear and renewable energy could become "the joint guarantors of independence, security of supply and competitiveness if we get it right now."

She said that the European Union will earmark 200 million euros (\$232.8 million) for supporting investment in innovative nuclear technologies, with resources coming from the bloc's Emissions Trading System. She said that in 1990 "one third of Europe's electricity came from nuclear, today, it's only close to 15%," she said. "This reduction in the share of nuclear was a choice, and in hindsight it was a strategic mistake for Europe to turn its back on a reliable affordable source of low-emission power."

### **U.S. temporarily lifts sanctions on Russian oil already aboard tankers**

(Washington Post; March 12) - The Trump administration on March 12 temporarily lifted sanctions on Russian oil shipments in an effort to calm markets and stem the economic fallout from its war on Iran, which has sent crude prices spiraling upward. A general license issued by the Treasury Department allows Russia to begin selling some 128 million barrels of oil that are estimated to have already been loaded onto tankers previously sanctioned by the United States. The license expires after 30 days.

The move will provide a huge financial boost to Russia, which experts say has already been receiving about \$150 million per day from increased oil sales since the U.S. attacked Iran two weeks ago. It is certain to draw a rebuke from congressional Democrats, who attacked the administration for easing sanctions on Russian oil earlier this month, which allowed limited sales only to India. The latest license is far more expansive, permitting sales anywhere in the world.

The lifting of the sanctions positions Putin as one of the biggest beneficiaries of President Donald Trump's war on Iran. Sanctions were imposed on Russian oil in response to the country's 2022 invasion of Ukraine, part of an effort by the U.S. and the European Union to pressure Russia to withdraw its forces. Another beneficiary could be Iran, experts say, because its government and independent militias probably own many of the tankers that make up a "shadow fleet" of hundreds of vessels currently holding Russian oil. This fleet is designed specifically to evade sanctions.

## **Rising gasoline prices hit hardest at California**

(Reuters; March 13) - Fuel costs in California are soaring even more than in the rest of the U.S. due to several unique factors, with fallout from the war in Iran forecast to push pump prices in the state possibly as high as \$10 a gallon and jet fuel prices jumping 47% in just two weeks. California's mandated gasoline blend and lack of pipeline access isolate it from the rest of the U.S. market, making it heavily reliant on imports of oil and refined products from Asia that are being held up. Consumers in the state already face the highest gasoline prices in America, with more pain on the way.

"The U.S. West Coast will become the poster child for the consequences of the attacks on Iran," energy economist Philip Verleger wrote, adding that California drivers can expect gasoline and diesel shortages soon and prices possibly above unprecedented levels of \$10 per gallon. Over the past month, average regular gasoline prices in California jumped more than 18%. The pump price hit \$5.42 per gallon on March 13, much higher than the national average of \$3.63 per gallon, according to AAA.

Jet fuel prices in Los Angeles, a major aviation hub, have soared more than 47% to about \$3.85 a gallon since the conflict in the Middle East started, according to Oil Price Information Service data. California, once a top oil producing state in the U.S., has in recent years become more dependent on crude and fuel imports as some refineries shut or converted to produce renewable fuels amid a shift away from fossil fuels. That reliance has left the state more vulnerable to supply shocks, some analysts warned.

## **Trump orders restart of contentious California offshore oil production**

(Bloomberg; March 13) - The Trump administration on March 13 took action to clear the way for oil production off the California coast in a bid to ease the global fuel pressures created by the war with Iran. President Donald Trump signed an executive order that directs Sable Offshore to begin restoring operations for the Santa Ynez Unit and Santa Ynez Pipeline System in California. Sable's years-long effort to restart a cluster of oil platforms off the Santa Barbara coast has been stymied by local and state-level opposition and investors have been holding out on the promise of federal help.

The March 13 order relies on the Defense Production Act to compel the move. The project could swiftly pump 45,000 to 55,000 barrels per day of crude once restarted. That's a drop in the bucket compared to U.S. petroleum demand totaling more than 20 million barrels per day — as well as the estimated 15 million more now being kept from the world market by the Hormuz closure. "Mandating a restart of these defective oil pipelines won't curb high gas prices, but it will put coastal wildlife at huge risk of another oil spill," said Center for Biological Diversity attorney Talia Nimmer.

The Santa Barbara coast was the site of a disastrous 1969 oil spill that led to the formation of Earth Day. One of the pipelines Sable wants to restart — which is the subject of fierce local opposition — caused a 2015 spill along the same stretch of coast.

### **Qatar's LNG exports shutdown could damage reputation for reliability**

(Bloomberg; March 12) - In 1996, the small Persian Gulf nation of Qatar loaded onto a colossal tanker its inaugural shipment of liquefied natural gas, bound for a power plant in Japan. The next year, the country's first cargo for Europe set sail. In the three decades since, Qatar's state-owned energy company has gone on to supply LNG to buyers in more than two dozen countries, from Belgium to Bangladesh, never halting its exports of the fuel. Until now.

In addition to the more obvious consequences of U.S. President Donald Trump's war in Iran — loss of life, geopolitical uncertainty, wild oil-price swings — the expanding Middle East conflict is throwing into question QatarEnergy LNG's hard-won reputation as the world's most reliable supplier of the fuel. Even if the disruption to Qatar's LNG exports is short-lived, gas importers are realizing they've perhaps taken Qatar's dependability for granted. They're clamoring for replacements and scouting out contingency plans — plans that more often than not involve doing more business with the U.S.

"There are alternative sources of energy and numerous LNG suppliers," said Susan Sakmar, a visiting professor in energy law at the University of Houston Law Center and author of a book on U.S. LNG. "Long-held assumptions about Qatar are now upended." Several of Qatar's longstanding customers are mulling a more permanent shift: Taiwan said it plans to buy more LNG from the U.S., importing as much as 20% of its total need from the country by 2029, up from roughly 12% last year. Bangladesh is exploring additional U.S. purchases to avoid blackouts during peak summer heat, sources said.

There are even signals that China, which completely halted U.S. imports of gas in early 2025 amid Trump's trade war, may be considering resuming deliveries. After all, U.S. LNG with high import tariffs is better than no LNG at all. "The merit order of everything is changing before our eyes," said Jean-Christian Heintz, an independent consultant at Wideangle LNG. "The whole game is being reshuffled."

### **Analysts say LNG could lose longer-term from supply uncertainty**

(Climate Wire; Feb. 13) - On the eve of the Iran war, U.S. Energy Secretary Chris Wright traveled to Texas to celebrate the expansion of a liquefied natural gas export terminal. Gas will likely be "the fastest-growing energy source probably through the rest of my life," Wright told a crowd gathered at Cheniere's Corpus Christi plant. Two weeks later, that outlook has become significantly more complicated. The U.S.-Israel war in Iran has

resulted in shutting down the world's largest LNG facility, in Qatar, and effectively closed the Strait of Hormuz, stranding about a fifth of global gas supplies.

Escalating attacks by Iran have dimmed hopes of reopening the shipping route and led analysts to question the future growth of gas. "The LNG industry has a problem," said Alex Munton, who tracks the industry at Rapidan Energy. The conflict presents a double-edged sword for the U.S. The shutdown of the Qatari plant is a chance for U.S. LNG developers to talk up the relative security of their supplies to potential customers. But whether buyers will be willing to sign long-term contracts is a question as fighting in the Persian Gulf diminishes the global supply of gas — and raises prices worldwide.

The conflict comes just four years after Europe shut off gas pipeline imports from Russia in retaliation for Moscow's invasion of Ukraine. "If you stack up the disruption in terms of what's been cut off from the Gulf with bottlenecks on Hormuz on top of the structural decrease in Russian supply post-2022, the volumes are staggering," Munton said. "I think every market will now, if they weren't thinking already, have to think very seriously about how LNG fits into their energy mix from a security of supply standpoint."

The Iran war has changed the long-term calculus. "We're living in an entirely different world now," Ira Joseph, a gas analyst at Columbia University's Center for Global Energy Policy, said. "Renewables and coal win here and LNG loses, strategically, longer term."

## **[Venture Global goes ahead with expansion at CP2 LNG in Louisiana](#)**

(E&E News; March 13) - Venture Global is forging ahead with the second phase of the company's mammoth liquefied natural gas export terminal in Louisiana after securing \$8.6 billion in project financing. The Virginia-based company unveiled on March 13 its final investment decision for the second stage of CP2 LNG, roughly seven months after it locked in financing for the initial phase. At completion of the second phase, the terminal would have the capacity to produce 29 million tonnes of LNG per year.

Venture Global said it has assembled more than \$20 billion in financial backing for all of CP2. It enlisted 26 banks to finance the second phase, including Bank of America, Bank of China, Barclays, Deutsche Bank, Goldman Sachs, JPMorgan Chase, Mizuho and Wells Fargo, among many others. The company said the Phase 2 financing represents the largest standalone project financing in the U.S. bank market, the company said. Venture Global said the facility has already contracted nearly all of its nameplate capacity under long-term agreements with customers, primarily in Europe and Asia.

The decision to proceed with CP2's second phase is the first final investment decision for the U.S. LNG sector in 2026. Venture Global said that after CP2 is "fully online," it is poised to become the largest U.S. exporter with three terminals in Louisiana, overtaking Cheniere Energy, which operates an export terminal in Texas and one in Louisiana. Venture Global's Calcasieu Pass LNG started shipping gas in 2022, with an approved

production capacity of 12 million tonnes per year. The company already is expanding its Plaquemines terminal, which started production in December 2024, to 45 million tonnes.

### **Higher costs put LNG import expansion at risk in South Asia**

(Global Energy Monitor; March 11) - As energy markets reel from price spikes following U.S. and Israeli attacks on Iran and shipping disruptions in the Strait of Hormuz, South Asia's planned expansion of liquefied natural gas import infrastructure could expose the region to long-term economic and energy security risks, according to a new report from Global Energy Monitor.

Data in the Asia Gas Tracker show that India, Bangladesh and Pakistan have US\$107 billion in LNG terminals and gas pipelines that have been announced or are under construction. Southern Asia accounts for 17% of global LNG import capacity under development (110.7 million tonnes per year) and 17% of global gas pipelines by length (21,000 miles). Bangladesh and Pakistan each have enough LNG import capacity in development to roughly double existing capacity, while India is pursuing the world's second-largest LNG terminal capacity expansion and the third-largest pipeline buildout.

All three countries are price-sensitive LNG buyers with a history of project cancellations. Over the past decade, India, Bangladesh and Pakistan have shelved or cancelled two to three times as much LNG import capacity as they have brought online. Proposed import terminals in South Asia exhibit materially higher failure rates than comparable projects in Europe. The war in the Middle East lays bare just how quickly a growth market can sway into an affordability crisis and increase the potential of project shelving or stalling.

### **Korea prepares to boost coal, nuclear power to counter loss of LNG**

(Reuters; March 13) - South Korea is considering providing additional energy vouchers to subsidize vulnerable households if rising global fuel prices in the wake of the Middle East crisis push up electricity costs, the government said on March 13. Asia's fourth-largest economy is also preparing to boost nuclear and coal-fired power generation in the event that oil prices remain high and liquefied natural gas supplies are disrupted.

"The government will take all necessary measures to minimize the burden on the people, such as stabilizing energy supply and demand, price management and supporting people vulnerable (to rising costs)," Industry Minister Kim Jung-kwan said. Korea relies almost totally on imports for its energy, buying about 70% of its oil and 20% of its LNG from the Middle East, according to the Korea International Trade Association.

To reduce dependence on LNG, the Climate and Energy Ministry said this week it would accelerate the restart of nuclear reactors under maintenance, with two units expected to

come back online as soon as March and four more by mid-May. It also said coal-fired power output could be flexibly increased during periods when the impact on air quality from fine dust was low, if LNG supply shortfalls materialized.

### **The Philippines will boost use of coal to counter higher LNG prices**

(Reuters; March 13) - The Philippines plans to rein in power bills as Mideast shipping disruptions drive up liquefied natural gas prices, its energy secretary said on March 13, by boosting coal-fired power output and by regulating electricity prices, maybe as soon as next week. Shipping in the Gulf and through the narrow Strait of Hormuz has slowed sharply as the U.S.-Israel war with Iran escalates, driving LNG prices to their highest since 2022, after an output halt by Qatar which provides a fifth of global supply.

The Philippines could face a rise of 16% in power prices by next month unless the government intervenes, Energy Secretary Sharon Garin told Reuters, adding that Manila was in talks with Indonesia to ensure steady supplies of coal. "The basic idea is to ramp down liquefied natural gas and ramp up coal and renewables," Garin said, flagging that LNG-fired power plants now supplying the grid can readily be replaced with electricity generated from coal in the short term.

"We're asking for emergency powers in order to regulate the market," she said, adding that the government's effort to limit power prices at current levels could begin as soon as next week. "Because the cost of living will increase, we are trying to do some temporary relief." The Philippines's return to coal will follow its first annual decline in coal-fired output in nearly two decades last year. That now stands to be reversed, highlighting Asia's struggle with LNG price swings and supply disruptions.

### **Asian LNG buyers turn to spot market to replace lost supply**

(Bloomberg; March 12) - Asian buyers of liquefied natural gas are preparing for the war in the Middle East to disrupt deliveries for months, as a prolonged outage at the world's largest export plant tightens supply and lifts prices. Companies in Thailand are looking to buy LNG spot-market cargoes for delivery through May, according to traders with knowledge of the matter. Bangladesh bought shipments for April and is considering procuring fuel for May onward as well, the traders said. Major buyers in Taiwan and South Korea are also preparing to purchase more supply for those two months.

The moves demonstrate that Asia's importers aren't relying on a swift resolution to the U.S.-Israeli war against Iran, and that the outage in Qatar — which supplies 20% of the world's LNG — is expected to be prolonged. The longer the plant is shuttered, the worse the supply shock as there's no spare capacity elsewhere to cover the lost output.

Companies need to make contingency plans to prepare for a two- to four-month disruption, Dai Jiaquan, chief economist at CNPC Economics and Technology Research Institute, said at a BloombergNEF Summit in Beijing on March 12. Spot LNG prices in Asia are trading at about \$18 per million Btu, according to traders. Although prices have pulled back from a peak of about \$25 last week, they're still 80% higher than before the conflict began. At least nine LNG shipments bound for Europe have rerouted to Asia since the fighting began, according to ship-tracking data compiled by Bloomberg, after Asian buyers offered higher rates than their rivals in Europe.

### **Supply disruption will test Japan's energy security policies**

(Bloomberg; March 12) - Japan's dependence on overseas energy supplies — laid bare by an oil shock in 1973 — has shaped its policy for more than half a century. As one of the world's largest industrial economies with scant domestic energy resources, it has built extensive safeguards to buffer disruptions in oil and gas flows. Now, with conflict in the Middle East rattling global markets, Japan's government has said it will tap its strategic oil reserves — a move that will test those long-laid plans.

Japan is a resource-poor country. It produces small amounts of oil and gas onshore and offshore, but output is negligible relative to consumption. It imports most of its gas, which is used to generate most of the country's power. Ship-tracking data compiled by Kpler show Japan reduced its exposure to Qatar and the UAE to about 6% of LNG supply in 2025, down from 25% in 2014. Diversifying away from supplies that pass through the Strait of Hormuz in the Middle East has long been a strategic goal.

Japan holds the equivalent of 206 days' worth of oil, according to the International Energy Agency. For gas — the country's main power source — stockpiles are much smaller. Trade Minister Ryosei Akazawa said Japan currently holds LNG inventories equivalent to roughly three weeks of national consumption, following the shutdown of the world's largest LNG export plant in Qatar. LNG is harder to store than oil because the super-chilled fuel gradually evaporates, limiting how much can be stockpiled.

Stockpiling is only one layer of Japan's energy security policy. A central component has been embedding Japanese companies across the full LNG supply chain, making them major players in global markets. They own ships, hold stakes in export projects and have invested in upstream gas fields in places such as the U.S., Australia and Mideast.

### **Japan asks Australia to boost LNG output**

(Reuters; March 14) - Japan's industry minister Ryosei Akazawa on March 14 asked Australia, Japan's biggest supplier of liquefied natural gas, to boost output in light of the Middle East crisis. Japan relies on the Middle East for around 11% of its LNG imports,

with 6% shipped via the Strait of Hormuz, which is effectively closed due to the U.S.-Israeli war on Iran. Japan also depends on the region for about 95% of its oil supplies.

Some 20% of global LNG supply is offline as the U.S.-Israeli war on Iran has shut QatarEnergy's LNG facilities, disrupting energy supplies from the Middle East. It could take months to return to normal deliveries, Qatari Energy Minister Saad al-Kaabi said last week. "For this unprecedented situation, the affordable and stable LNG supply from Australia is the lifeline of energy security in Japan and this region," Akazawa told Australian Resources Minister Madeleine King during their bilateral meeting.

"We would like to sincerely ask for your continued contribution to stable supply, including the possibility of increasing production as much as possible," Akazawa said. Both ministers attended the Indo-Pacific Energy Security Ministerial and Business Forum in Tokyo. Australia supplies about 40% of Japan's LNG imports.

### **Japan's largest LNG buyer starts talk about filling in for lost supply**

(Reuters; March 14) - Japan's biggest liquefied natural gas buyer, JERA, has started talks for potential additional purchases with global suppliers to hedge against Middle East supply worsening further. Some 20% of global LNG supply is offline as the U.S.-Israeli war on Iran has shut QatarEnergy's LNG facilities, disrupting supplies from the Middle East. It could take months to return to normal deliveries, Qatari Energy Minister Saad al-Kaabi said last week.

JERA handles about 35 million tonnes of the fuel annually, of which around 27 million are used domestically, with about 5% of its shipments passing through the Strait of Hormuz, said Global CEO Yukio Kani. While there is no immediate LNG shortage, the company is discussing potential additional procurement with global suppliers with which JERA has long-term contracts, Kani told reporters on the sidelines of the Indo-Pacific Energy Security Ministerial and Business Forum in Tokyo.

"It is still possible that things could settle down within a few weeks. However, it would be far too optimistic to base our planning on that assumption," Kani said. If the crisis deepens with the war and the closure of the Strait of Hormuz dragging on, it could become necessary to work with the Japanese government to consider measures such as asking consumers to conserve energy and restarting dormant power stations, including coal-fired plants, said Kani.

## **Shutdown of Qatari LNG causes helium shortage, higher prices**

(Reuters; March 12) - Disruptions to Qatar's natural gas processing from the Iran war have driven helium prices sharply higher, exposing the fragility of a small but critical market that supports industries from semiconductors to medical imaging. Helium spot prices have doubled since the Middle East crisis began, according to Phil Kornbluth, president of Kornbluth Helium Consulting, as buyers scramble to secure supply.

State energy giant QatarEnergy, the world's second-largest LNG exporter, announced a production halt last week and declared force majeure on LNG shipments, amid the conflict. Because helium is extracted as a byproduct of natural gas processing, any disruption to LNG output directly cuts helium supply. Qatari Energy Minister Saad al-Kaabi told the Financial Times last week that it would take "weeks to months" for deliveries to return to normal even if the conflict ended immediately.

Qatar is a pivotal supplier. Data from the U.S. Geological Survey shows the country produced about 63 million cubic meters of helium in 2025, out of roughly 190 million cubic meters globally. It is the largest producer outside the U.S. The disruption is reverberating through a market with little spare production capacity and limited storage, leaving buyers with few short-term alternatives. "Early indications show about 50% spot-price increases," said Anish Kapadia, CEO of market research firm AKAP Energy.

## **India asks China to ease exports of fertilizer amid supply concerns**

(Bloomberg; March 12) - India has asked China to allow the sale of some urea cargoes as the war in the Middle East curtails the nation's gas supplies, threatening fertilizer production in the agricultural powerhouse. Indian officials have asked their Chinese counterparts to consider easing export restrictions as the expanding conflict upends supplies of liquefied natural gas — a key feedstock — and forces some fertilizer makers in the South Asian nation to shut plants, according to people familiar with the matter.

The move is a sign of the unusual measures countries are taking to secure key commodities as U.S.-Israeli attacks in Iran snarl global trade and raise risks for food and energy supplies. Discussions are ongoing and a decision has yet to be made, said the people who declined to be named as they were not authorized to talk to the media. Global benchmark prices of urea, the most commonly used nitrogen fertilizer that's crucial to world food production, jumped 21% to the highest in more than three years in the first week of the war, according to the latest available data.

China controls urea exports under a quota system. While some shipments were permitted last year — including to India — it has yet to allocate allowances for outbound shipments in 2026, one of the people said. The country is the world's top urea producer and farmers are gearing up for spring planting, the peak period for fertilizer use.