

Oil and Gas News Briefs

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Loss of LNG supply could inflict long-term damage on demand

(Bloomberg; March 19) - Qatar's Ras Laffan liquefied natural gas plant closed earlier this month after an Iranian drone attack, the first interruption to supply in three decades of operation. Now, after further hits — in retaliation for an Israeli strike on the vast South Pars fields on March 18 — the wider complex has suffered what Qatar describes as extensive damage, potentially significantly delaying any return to normality.

Neither the scale of destruction nor the extent of repair work required for resumption is clear. Every day the operation isn't running, the energy strain on economies across the world increases. For emerging nations — the vital growth markets for LNG — a second gas calamity in four years (losing Russian gas in 2022) is destroying industrial demand, perhaps irreparably. With virtually no spare capacity, no strategic reserves and no easy replacements, LNG may be one of the most acute pain points in an expanding crisis.

The longer this continues, the only solution is for the world to use less gas — a major setback for a fuel promoted as a reliable and affordable bridge from dirty coal to full reliance on renewable power. Without gas, power plants curtail output, fertilizer and textile factories shut. The ripple effect from a long-term shock could be even more significant than the 2022 energy crisis. “We are now well on our way to a doomsday gas crisis scenario,” said Saul Kavonic, energy analyst at MST Marquee. “Even once the war ends, the disruption to LNG supply could last for months or even years.”

In theory, this could be a green boon for Asia. In reality, given the nature of LNG consumption in the region, it is more often resulting in higher dependence on coal, the most polluting fossil fuel. “Instead of looking at how high gas prices can go, we are looking at the price point at which South Asian buyers drop out of the spot market entirely,” said Evan Tan, an LNG analyst at intelligence firm ICIS.

QatarEnergy CEO says damage will sideline production 3 to 5 years

(Reuters; March 19) - Iranian attacks have knocked out 17% of Qatar's liquefied natural gas export capacity, causing an estimated \$20 billion in lost annual revenue and threatening supplies to Europe and Asia, QatarEnergy's CEO and state minister for energy affairs told Reuters on March 19. Saad al-Kaabi said two of Qatar's 14 liquefaction trains and one of its two gas-to-liquids facilities were damaged in the unprecedented strikes. The repairs will sideline 12.8 million tonnes per year of LNG for three to five years, he said in an interview.

"I never in my wildest dreams would have thought that Qatar would be — Qatar and the region — in such an attack, especially from a brotherly Muslim country in the month of Ramadan, attacking us in this way," Kaabi said. Hours earlier, Iran had aimed a series of attacks at Gulf oil and gas facilities after Israeli attacks on its own gas infrastructure. State-owned QatarEnergy will have to declare force majeure on long-term contracts for up to five years for LNG supplies bound for Italy, Belgium, South Korea, and China due to the two damaged trains, Kaabi said.

"I mean, these are long-term contracts that we have to declare force majeure. We already declared, but that was a shorter term. Now it's whatever the period is," he said. QatarEnergy had declared force majeure on its entire output of LNG after earlier attacks on its Ras Laffan production hub, which came under fire again on March 18. "For production to restart, first we need hostilities to cease," he said. ExxonMobil is a partner in the damaged LNG facilities, while Shell is a partner in the damaged gas-to-liquids plant, which will take up to a year to repair.

LNG supply disruption pushes Asia to turn back to coal

(Bloomberg; March 20) - War in the Middle East is forcing Asia to turn to coal to plug the gaping hole emerging in its supply of liquefied natural gas. Nations from South Korea to Indonesia and Bangladesh are prioritizing coal as a power source, as the intensifying conflict upends gas supplies from a key exporting region. Among the worst hit countries is Qatar, home to the world's biggest LNG export facility which Asian customers rely on. Its Ras Laffan plant has suffered extensive damage after a sharp escalation of attacks.

As the global gas market buckles under pressure from surging prices, Asian nations are seeking alternatives. That means doubling down on their mainstay fuel — coal. "Coal is already the dominant fuel in Asia's power mix, making up well over 40% to 50% across the region, and it has long been more cost-competitive than gas," said Sam Chua, analyst at Rystad Energy. "But what is accelerating now is gas demand destruction," he said. "LNG is simply unaffordable for price-sensitive buyers."

The clearest example is Bangladesh, which has curtailed gas to power plants and fertilizer producers, and is using coal-fired capacity as a replacement, said Chua. He expects a similar dynamic to play out elsewhere in South and Southeast Asia, where governments won't want to incur the political costs of electricity blackouts. South Korea is lifting its capacity cap on coal-fired power, while Japan's biggest electricity generator has floated the possibility of switching to coal if Mideast disruptions persist. The Philippines is in talks with Indonesia to secure more coal to ensure stable power.

Pakistan industries already were turning to solar from gas

(Bloomberg; March 22) - Omer Ashraf isn't losing any sleep over the impact of the Iran conflict on his energy-hungry cement plants. The Chief Financial Officer of Pakistan's Fauji Cement Co. installed its first solar array in 2019 at Jhang Bhatar, about 31 miles west of the capital Islamabad. There are 69 megawatts of panels across the company's five main sites, at least twice what Tesla appears to have on rooftops of its gigafactories in Nevada and Texas. They contribute about 23% of the company's electricity, with a further 35% coming from recovering waste heat from its coal-fired clinker kilns.

The cost of solar power is about two cents per kilowatt hour, around a fifth of grid prices, Ashraf said. On-site gas-fired generators are backup, but are barely used these days, given the cheaper options. There won't be a major impact from the situation in the Strait of Hormuz, he said. He's not alone. In Pakistan and India, once key customers for the Persian Gulf's liquefied natural gas exports, energy-hungry industries have been rapidly shifting away from gas and grid power to make use of cheap, abundant solar energy.

India's apparel plants now derive about 28% of their electricity from renewables, according to a recent study by Moody's Corp. affiliate ICRA ESG Ratings. Large factory roofs make installation of solar arrays straightforward. Bangladesh, for years South Asia's economic success story, made the opposite bet. That was the wrong decision. With the world's largest LNG terminal, Qatar's Ras Laffan, shut down and extensively damaged by Iranian attacks this week, a fifth of global supplies are now offline.

LNG could be long-term victim of Mideast war if buyers turn away

(Bloomberg; March 19) - Liquefied natural gas buyers who expected to feast on cheap fuel this year are adjusting to a new reality after the latest attacks by Iran on the world's biggest production plant. The importance of the Ras Laffan facility in Qatar cannot be overstated. Before the war, it supplied about 20% of the world's LNG and enjoyed a reputation for reliability that allowed it to negotiate premium prices, helping to turn the small Gulf nation into the Middle East's wealthiest economy on a per-capita basis.

That image was shattered on March 19 when a second wave of Iranian missiles targeted the complex, causing "sizable fires and extensive further damage" to LNG facilities, according to QatarEnergy. The plant had already halted production after a previous drone strike. The latest, more devastating attacks have sparked fears among customers and traders that a restart that could have taken weeks will now take months — leaving Asian buyers scrambling to make up for the millions of tonne of lost fuel.

It's a stark turnaround for the market. A host of new LNG projects around the world — including expansions in Qatar — were scheduled to start up in 2026, pushing supplies into a glut, reducing energy bills and boosting emerging economies such as India and Pakistan — both key importers. Instead, these countries suddenly face higher inflation

and a shift back to more-polluting fuels like coal. But faced with a tighter market, some developing economies may simply stop buying, making a victim of the industry itself.

LNG buyers look to U.S. for any available supplies

(Wall Street Journal; March 20) – U.S. energy companies are poised to play an even more pivotal role in global flows of liquefied natural gas — and rake in the profits — as Iran targets its neighbors' exports. LNG facilities in Qatar, the second-biggest supplier globally, are expected to be offline for months — and won't resume production at prewar levels. National oil company QatarEnergy, which had already declared force majeure earlier this month, said strikes by Iran caused extensive damage to its Ras Laffan hub.

A prolonged outage will have major ramifications for energy markets. The stoppage in Qatar means the world is losing about one-fifth of global LNG supplies. Once the war stops, it will have fewer cargoes from Qatar to heat homes and power industries. The upshot: The U.S., already the biggest LNG exporter in the world, is set up to log big wins and profits from being a reliable source at a time when global inventories are being depleted and buyers are looking down the barrel of a potential monthslong disruption.

Although it would take years to build new U.S. plants, some companies have unsold capacity at existing export terminals that will now fetch much higher prices on the spot market. And companies are already fielding calls from buyers asking questions about potential new supplies going into the end of the decade. This is the second time in four years that a massive energy disruption is poised to burnish the U.S. status. After Russia cut off gas to Europe, buyers scrambled to secure LNG from the U.S., crowding out Asian buyers that had no choice but to burn coal and reduce energy consumption.

“There's going to be more momentum behind U.S. LNG projects, for sure,” said Massimo Di Odoardo, an analyst at energy consultancy Wood Mackenzie. While some LNG executives eye new gains, they are also wary of demand destruction as LNG prices linger at steeply elevated levels, which, taken together with high crude prices, could end up inducing an economic slowdown. “All energy suffers with softer economic activity,” said Steven Miles, a fellow at Rice University's Baker Institute for Public Policy.

Europe again faces challenge to its energy security, unity

(BBC; March 19) - The knock-on effects of the conflict now whipping through the Middle East are awakening ghosts of crises past that shook the European Union. Seven months into Russia's full-scale invasion of Ukraine, launched in February 2022, the President of the European Commission stood at her podium in the European Parliament and accused Russia of manipulating the EU's energy market. "They prefer to flare the

gas than to deliver it," proclaimed Ursula von der Leyen, as spiraling energy prices hit consumers across the continent. "This market is not functioning anymore."

"This is a war on our energy, a war on our economy, a war on our values and a war on our future," she declared, insisting that Europe was already pivoting away from Russian gas and toward more dependable partners such as the U.S. and Norway. But fast forward four years and you find deep energy-linked frustration in the heart of Europe once again. "We swore we'd learn. We promised things would change but here we are," a highly frustrated European diplomat said. The focus of his teeth grinding was Europe's growing energy shock, triggered by the war in the Middle East and a halt to Qatari LNG.

"Just like the crisis after Russia's full-scale invasion of Ukraine. Different conflict. Same European divisions; same dilemmas over energy. We can't keep going round in these circles. Something's got to give," the diplomat said. But can Europe — whether that be the whole continent or even just the 27 member states of the EU, with their diverse industries, energy requirements and views of renewables — really secure its own energy? There is no denying that this is a significant moment. EU leaders are aware of that. The question is whether they will have the unity, or the courage, to change much.

Europe bracing for a costly and protracted energy price shock

(Bloomberg; March 20) –The European Union is bracing for a protracted energy price shock after Iran crippled a vital Qatar liquefied natural gas plant, raising the prospect of a yearslong supply crunch. During a summit in Brussels on March 19, EU leaders expressed anxiety at the darkening economic situation and called for a “moratorium” on strikes against energy facilities in the U.S. and Israeli war with Iran. Inside the room, Italian Prime Minister Giorgia Meloni warned that the energy situation is serious.

“All countries will be negatively influenced if the situation continues,” Cypriot President Nikos Christodoulides said in an interview on March 20. “If we don’t de-escalate, we don’t know how the situation will develop, and for sure the repercussions are going to be serious in all aspects of the economy.” Natural gas prices on March 19 surged to levels not seen in three years, while the European Central Bank said a prolonged disruption would push euro-zone inflation to 6.3% and trigger a brief recession.

The dire outlook is poorly timed, given the continent is just starting to address its low growth and problematic economic links to the U.S. and China. Plans are all contingent on cutting Europe’s energy prices, which are several times above what competitors pay — not including the Iran war price shock. “This is an absolutely worrisome situation,” Eurogroup President Kyriakos Pierrakakis told reporters before joining the EU leaders. “We’re absolutely discussing all scenarios, the better ones, or the worst ones.”

Goldman Sachs raises 2026 forecast average to \$85 for Brent crude

(Bloomberg; March 23) - Goldman Sachs raised its oil price forecasts for 2026 due to the prolonged disruption of flows through the Strait of Hormuz, which it described as the largest-ever supply shock for the global crude market. Brent is expected to average \$85 a barrel in 2026, up from an earlier forecast of \$77, analysts said in a note. The full-year outlook for West Texas Intermediate was hiked to \$79 from \$72, they said.

The revisions rested in part on an assumption that flows through Hormuz would remain at only 5% of normal levels for six weeks, followed by a one-month recovery, they said in the note dated March 22. "The largest oil supply shock ever will likely lead policymakers and markets to recognize the structural risks from the high concentration of production and spare capacity in the Middle East and from the vulnerability of energy infrastructure," the Goldman analysts wrote.

Echoing Goldman Sachs' appraisal of the severity of the challenge for global energy markets, International Energy Agency Executive Director Fatih Birol told a media event in Canberra, Australia, on March 23 that the effect of the current disruptions was equivalent to the two major oil crises in the 1970s, and the 2022 natural gas crisis after Russia invaded Ukraine, "all put together."

Saudis don't like oil prices so high as to prompt demand destruction

(Wall Street Journal; March 19) - Saudi Arabia's oil officials are working frantically to project how high oil prices might go if the Iran war and its disruption of energy supplies doesn't end soon — and they don't like what they are seeing. The base case, several oil officials in the Gulf's biggest producer said, is that prices could soar past \$180 a barrel if the disruptions persist until late April. While that would sound like a bonanza for a kingdom still heavily leveraged to oil revenue, it is deeply concerning.

Prices that high could push consumers into habits that slash their oil use — potentially for the long term — or trigger a recession that also hurts demand. They also would risk casting Saudi Arabia in the role of profiteer in a war it didn't start. "Saudi Arabia generally does not like too-rapid increases in oil, because that then creates long-term market instability," said Umer Karim, an analyst of Saudi foreign policy and geopolitics with the King Faisal Center for Research and Islamic Studies.

"I don't think \$150 is out of the question in another month. ... You start talking about June, I'll give you \$180," said Rebecca Babin, a senior energy trader for CIBC Private Wealth. "Energy producers are scrambling to figure out how high prices can go before buyers start cutting back, called demand destruction. "Generally, \$150 Brent is where people will really start to put their pencils down and do the math," she said. At that price, analysts say, Americans might start taking the bus, working from home or rethinking summer vacations. Manufacturers could slow down rather than operate uneconomically.

U.S. benchmark oil prices trading much lower than global prices

(Bloomberg; March 19) - Benchmark oil prices are soaring as war in the Middle East disrupts crude flows, but the advance is also sparking the biggest discount for U.S. crude in more than a decade as the rally spreads unevenly across the globe. West Texas Intermediate traded at a discount of more than \$20 a barrel to the global Brent benchmark at one point on March 19, the most since 2013. The nearest U.S. futures contract is close to \$97 a barrel, while some grades in the Middle East, like Oman crude, have topped \$150 as the hostilities escalated.

That's partly a reflection of diverging supply outlooks between regions as the conflict rages on. Oil and gas infrastructure sites in Iran and other nations around the Persian Gulf were targeted overnight, sending non-U.S. benchmarks soaring. The types of barrels the U.S. produces haven't been hit as hard, and the announcement last week of a giant release of U.S. emergency reserves is boosting supplies for Gulf Coast refiners.

"This is partly due to the U.S. being the world's largest oil producer and the U.S. market being well supplied with light WTI crude," said Arne Lohmann Rasmussen, chief analyst at Global Risk Management. "There is a shortage of medium to heavy crude from the Middle East."

Oil at \$100 could generate \$63 billion for U.S. shale oil producers

(CBS News; March 19) - Soaring energy prices due to the Iran war could provide a massive windfall for U.S. oil companies. Rystad Energy, a market research firm, estimates that shale oil producers in the U.S. could earn an additional \$63 billion in sales as prices soar past \$100 a barrel. If oil prices averaged \$70 a barrel — their approximate level before the outbreak of hostilities in the Middle East last month — U.S. producers would generate \$99 billion in free cash flow for the year. At an average of \$100 a barrel, that figure would jump to \$162 billion, according to the firm.

The U.S. is the world's largest crude producer, with an output of 13 million barrels per day, according to the Energy Information Administration. The U.S. is a net oil exporter. But while U.S. oil producers could benefit in the short-term, financial gains from sustained higher oil prices could be short-lived as higher energy costs wash over consumers, Rystad Energy analyst Thomas Liles told CBS News.

"It's good for U.S. producers, but in the short-term primarily," he said. "Once prices increase to very high levels, the question from a producer perspective is how long the good times can last, because once you get to a certain price, you see demand destruction." If oil prices jumped to \$150, consumers would likely cut spending, which accounts for roughly two-thirds of U.S. economic activity, to offset higher gasoline and other energy costs. A cutback in energy consumption, in turn, could lead to an economic slowdown depending on how long the war lasts and how oil prices react, Liles said.

[South Korea government considers importing Russian oil](#)

(Reuters; March 19) - South Korea's government is discussing with companies the possibility of importing Russian crude oil and naphtha, Seoul's Industry Ministry said, as authorities struggle to safeguard energy supplies amid the escalating conflict in the Middle East. The issue is related to the easing of economic sanctions on Russia, the ministry said in a text message. South Korea has stopped imports of Russian crude oil since December 2022 following Moscow's invasion of Ukraine, according to data.

Russian crude oil accounted for 5.6% of South Korea's shipments in 2021, a report from the state-run think tank Korea Institute for International Economic Policy said. The country's energy exposure to the Middle East has increased because of the conflict in Ukraine, driving a heavier reliance on the Mideast, the report said. South Korea imports around 70% of its crude oil and half of naphtha through the Strait of Hormuz, according to South Korean lawmakers and the industry ministry. Naphtha is broken down into petrochemicals used in plastics for automobiles, electronics, clothing and construction.

[China may have reached plateau on oil production growth](#)

(Reuters; March 20) – China, the world's top oil importer, succeeded in a seven-year campaign to boost its own production, achieving a record high last year with aggressive drilling at aging fields, an offshore boom and nascent shale oil output. But it is reaching what experts say is the limit of what it can economically produce, as offshore growth starts to taper off and higher-cost unconventional resources prove increasingly difficult. Output is expected to plateau just below last year's record 4.32 million barrels per day for another decade, industry experts say.

That means China will remain heavily reliant on imports, which last year totaled 11.55 million barrels per day, even as its oil demand peaks with the country electrifying its transportation fleet and economic growth slowing. Highlighting the need for domestic production, the escalating Mideast war has cut crude exports from the region that supplies half of China's imports. China's oil output began to decline in 2015, while refinery throughput kept rising, leading to higher import dependence.

Its flagship Daqing oil field, which opened 66 years ago and was held up by Mao Zedong as a model of China's industrialization, remains essential, yielding 600,000 barrels per day. At the sprawling field in northeast China, engineers apply technology known as "tertiary recovery," injecting a mix of chemicals into reservoirs to "scrape the last grease off a plate," as described by Zhu Weilin, a professor at Shanghai's Tongji University who until 2016 was chief geologist at China National Offshore Oil Co.

China's three state-owned oil companies have spent over 400 billion yuan (US\$58 billion) annually on exploration and development since 2023, up from less than 300 billion in 2015. Since 2010, state firms have boosted drilling in shale formations, using

hydraulic fracturing and horizontal drilling. However, in China such oil is mostly found in lacustrine shale formed from freshwater lakes where hydrocarbon deposits are more fragmented and less productive than in the marine shale in North America.

[U.S. lifts sanctions on Iranian oil already aboard tankers](#)

(The Washington Post; March 20) - As the cost of oil continues to soar, the U.S. Treasury Department on March 20 lifted sanctions on 140 million barrels of Iranian crude already loaded onto vessels, which the Trump administration says will help ease prices — but which is also likely to provide revenue for Iran's war effort. The order to “unsanction” the oil comes as President Donald Trump's war in Iran has triggered a global energy crunch, with the price of oil soaring more than 50%.

Administration officials argue that such oil is already making its way to China at a discount, and lifting the sanctions will allow it to flow to other nations. But the action was met with bewilderment by many lawmakers and analysts, who said it will provide the Iranian regime a cash infusion as it actively tries to kill U.S. soldiers on the battlefield. “This move directly contradicts Trump's own statements that the United States is considering winding down this conflict,” said Brett Erickson, managing principal at Obsidian Risk Advisors, which specializes in financial crime and regulatory issues.

“You don't unsanction Iranian oil if you're winding down. This is the action of an administration that has no exit ramp and knows it. The word for that is desperation.” Erickson questioned whether the action will have much of an impact on prices. Europe still has sanctions on Iranian oil, he said, and the firms that purchase it would still be taking a considerable risk. “That's why prices are unlikely to be impacted significantly.”

[Japan's JERA says it will stick with Qatari LNG contract](#)

(Nikkei Asia; March 19) – Japanese energy provider JERA does not intend to change a liquefied natural gas contract it signed with QatarEnergy in early February, despite the Iran war, as the company seeks to maintain ties with resource-rich Qatar. Iran's de facto blockade of the Strait of Hormuz and military attacks on Qatar have raised concerns about the supply of Middle East LNG. State-owned QatarEnergy declared force majeure on March 4, freeing itself from supply obligations to customers.

But Qatar provides less than 10% of JERA's total LNG imports, and from a medium- to long-term perspective “there will be no impact on the contract with Qatar, which starts in 2028,” a source familiar with JERA's situation said. In the event of a disruption, JERA plans to procure gas from other regions like the U.S. and Australia or source it on the spot market. Chubu Electric Power — which formed JERA as a joint venture with

TEPCO Fuel & Power in 2015 — first signed a long-term procurement contract with Qatar in 1997. Tokyo Gas and Osaka Gas later reached their own contracts with Qatar.

Qatar once was Japan's largest source of LNG imports, though that declined over the past decade. JERA's decision to sign its latest contract with Qatar is based largely on Japan's electricity demand forecast shifting to an increase. Demand is projected to rise 5% over the next 10 years due to the growth in digital industries, according to Japan's Organization for Cross-Regional Coordination of Transmission Operators. The role of gas-fired plants has grown as a power source for the transition to decarbonization.

South Korea downplays concerns over LNG supplies

(Reuters; March 20) - South Korean authorities said on March 20 that Iranian attacks on Qatar's energy facilities raise uncertainty, but downplayed concerns about disruption to the country's liquefied natural gas supply, citing the availability of alternative sources. State-owned QatarEnergy said it will have to declare force majeure on long-term contracts for up to five years for LNG supplies bound for Italy, Belgium, South Korea and China after the Iranian attacks knocked out 17% of its LNG export capacity.

South Korea is the world's No. 3 LNG importer after China and Japan, using gas for power generation, manufacturing and heating. Last year, it imported 47.77 million tonnes of the fuel, of which 7.16 million was from Qatar, according to data from analytics firm Kpler. Qatar is Korea's third-biggest source of LNG after Australia and Malaysia.

"Given that the share of imports from Qatar is relatively low (at around 14% in 2026) and alternative supply sources are available, there are no issues regarding gas supply and demand," South Korea's Industry Ministry said in a statement, without elaborating on the potential alternative sources. "However, as uncertainty has been growing, we plan to closely monitor supply, demand and price trends and respond accordingly."

QatarEnergy CEO warned officials of risk from attacks on Iran

(Reuters; March 20) - As Qatar reels from an Iranian attack that has hobbled its giant natural gas company, its boss, who doubles as the country's energy minister, says he had warned officials and executives of just such a danger should Iran's own sites be hit. "I was always warning, talking to executives from oil and gas that are partnered with us, talking to the U.S. Secretary of Energy, to warn him of that consequence and that that could be detrimental to us," QatarEnergy CEO Saad al-Kaabi told Reuters.

QatarEnergy's partners include major U.S. energy companies such as ExxonMobil and ConocoPhillips. "They were aware of the threat, and they were always reminded by me, almost on a daily basis, that we need to make sure that there is restraint on oil and gas

facilities," he said. ExxonMobil and ConocoPhillips hold significant minority stakes in both multibillion-dollar gas liquefaction trains taken offline by attacks. QatarEnergy had not yet assessed whether insurance would cover its war-related losses, he said.

He said not only had the attack on Ras Laffan knocked out 17% of Qatar's LNG export capacity, but the impact would last up to five years because of what was damaged. "The cold boxes are gone," Kaabi said, referring to the cooling mechanism damaged on two of the complex's 14 trains, which purify and chill gas for transport as a liquid. "This is the main unit, that is the cooling box of the LNG, it is completely destroyed." QatarEnergy's production can only restart should hostilities end, and even then it would take at least three to four months to resume loading fully, Kaabi said.

Australia considering windfall tax on LNG producers

(Bloomberg; March 20) - Prime Minister Anthony Albanese has asked Australia's Treasury to look into imposing a windfall tax on the country's vast liquefied natural gas industry, to capitalize on soaring prices of the fuel. The request for modeling was confirmed by Energy Minister Chris Bowen at a press conference on March 20, though he did not provide further details as it is a confidential cabinet process.

Global prices of LNG have surged due to supply disruptions caused by the war in the Middle East. The critical Ras Laffan LNG hub in Qatar, which provides about a fifth of global exports, sustained extensive damage in an Iranian missile attack this week and may take years to repair. Meanwhile, cargoes remain trapped as the Strait of Hormuz remains effectively closed. Australia was the world's third-largest LNG exporter last year, shipping nearly 80 million tonnes worth A\$65 billion (\$46 billion) in the year through June 2025, mainly to Japan, South Korea and China.

The lobby group Australian Energy Producers warned that higher taxes would deter investment in new gas supply, lead to shortfalls in the domestic market, and inflict pain on households at a time when inflation is already high. Imposing a windfall tax would "leave Australia more exposed to future energy shocks," said Samantha McCulloch, the lobby's chief executive officer. "While international gas prices have surged, Australian gas prices remain relatively low, and the market is well-supplied."

Panama Canal will increase LNG tanker transits to one a day

(Reuters; March 20) - The Panama Canal is operating at top capacity, with a daily passage of between 36 and 38 vessels, the waterway's chief Ricaurte Vasquez told reporters on March 20, adding that the war on Iran was boosting demand by owners and operators of liquefied natural gas tankers. Demand was particularly strong for those loading at U.S. ports, Vasquez added.

Since the war started, many vessels have been struggling to reach or have been avoiding the world's largest waterway, the Suez Canal. The Strait of Hormuz, a crucial passage used to transport energy products from Kuwait, Qatar and Bahrain, has been closed. Panama is increasingly being seen as an alternative route, especially to distribute U.S. LNG to consuming countries, Vasquez said.

The Panama Canal — the world's second-busiest waterway — was already experiencing increased traffic of LNG vessels before the war started almost three weeks ago. It is now getting ready to offer one slot per day for LNG tankers to transit the canal, a notable jump from a recent four per month, Vasquez said. "We have (enough) water now, so we are working at top capacity," he said, referring to a previous drought that led the freshwater canal to impose passage restrictions between 2023 and 2024.