

Oil and Gas News Briefs

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Restoring Persian Gulf oil and gas production will be challenging

(Bloomberg; March 24) - It took just days for the Iran war to hobble oil fields, refineries and gas plants across the Persian Gulf, but it could take years to restore full production as the conflict drags on. The war created a massive supply disruption by effectively closing the Strait of Hormuz, while also damaging dozens of energy assets. Calculating the economic fallout must factor in the time needed to reboot oil and gas infrastructure.

The strikes last week on Qatar's liquefied natural gas complex, which houses the world's biggest export plant, reinforce concerns that turning the taps back on won't be quick or easy, with an official estimate of as long as five years to repair all the damage. Oil and gas production systems require steady flows running under a pressure gradient from deep underground reservoirs to the valves that control loading onto tankers.

Even if unscathed by attacks, the speed at which output can be returned to pre-war levels will depend on whether fields and individual wells have been fully halted — and for how long — or if they were kept at a minimum flow. “You can't just push the pause button when oil flows are inconvenient,” said Jim Krane, a fellow at Rice University's Baker Institute, who's followed Mideast energy for more than two decades. “Interrupting such huge petroleum supply chains causes cascading effects across the globe.”

Rushing fields back into operation can cause damage, as pressure needs to be built gradually in the entire system, according to Aditya Saraswat, Rystad Energy's director of research for the Middle East and North Africa, who has a background in reservoir engineering. Stagnant wells can encounter issues of corrosion and wax buildup, according to Matt Randolph, an Oklahoma-based veteran of oil fields around the world.

Supply disruptions may leave lasting mark on LNG markets

(Reuters commentary; March 23) - At first glance, the Iran war appears to be hitting oil and gas with equal force, choking flows through the Strait of Hormuz. But there is a critical imbalance. The gas supply chain has fewer rerouting options and less storage capacity than the oil market — making the fallout for gas consumers more acute. Key gas infrastructure — liquefaction plants in particular — is more complex and expensive to build and repair than the oil equivalent. That means oil refineries can often resume operations more quickly than liquefied natural gas export hubs after a shutdown.

The timing of this disruption also could not be worse for gas. Global gas demand has grown roughly twice as fast as oil over the past decade, according to the Energy Institute. And that growth trajectory had been widely expected to continue, especially in emerging economies shifting away from coal. But the resulting jump in gas costs, driven by the Middle East supply cut-off, has served as a warning to consumers of the risks of heavy import reliance and is likely to slow the addition of new gas-fired power capacity.

A challenge is that storing gas is much harder than storing oil. Crude and refined products are liquids at room temperature and can be easily stored in various land-based storage tanks as well as on ocean tankers to build up buffers against supply disruptions. In contrast, gas takes up far more space than oil when stored at room temperature and must be compressed or super-cooled into a liquid for more efficient storage. That limits where gas can be stored and significantly raises the cost.

Some major economies such as the U.S. can be expected to remain heavily gas-reliant regardless of the challenges. But more cost-sensitive markets may collectively curb their gas exposure in response to the recent supply cuts, leaving a lasting mark on an industry that, until very recently, had been gearing up for exactly the opposite.

LNG production will take longer to come back than oil

(Wall Street Journal; March 25) - For decades, liquefied natural gas acted as the global economy's reliable escape valve during energy crises, keeping factories humming and homes warm. Now, LNG has become the battlefield itself. The war in Iran has fractured every node of the regional LNG supply chain. Iranian strikes on Qatar, one of the world's top LNG producers, have damaged its Ras Laffan facility, knocking out 17% of its capacity for up to five years, and delayed the country's massive expansion plans.

On March 24, QatarEnergy declared force majeure on some of its LNG supply contracts, including customers in China, South Korea, Italy and Belgium. Meanwhile, shipping through the Strait of Hormuz, which usually carries around a fifth of global LNG, is paralyzed. Buyer confidence in Gulf supply has also been undermined. Even if the Trump administration and Iran agree to end the war soon, the consequences for the LNG market will be long-lasting — and even more profound than for oil, experts say.

Unlike oil, the world has no major strategic gas reserve for emergencies. While some Mideast oil can bypass the Strait of Hormuz via pipelines, Qatari LNG lacks alternative exits. Liquefaction facilities plants are highly specialized engineering megaprojects that take years to construct and significantly longer to repair than oil fields. "Even if the war ends overnight, it will take the gas market much longer to return to normal than oil," said Adi Imsirovic, a former energy-trading executive and lecturer at the University of Oxford.

While a damaged oil pipeline or conventional crude well can often be patched or bypassed using standard industrial equipment within weeks, an LNG liquefaction train

cannot because the extreme temperatures used require bespoke steel, rigorous testing and complex thermal calibration. “You hit something even small, it blows up, and it’s really, really hard to repair,” said Imsirovic. “It’s a nightmare.”

U.S. LNG producers stand to gain from Asia’s loss of Mideast supply

(Washington Post; March 23) - U.S. gas exporters are emerging as among the biggest beneficiaries of President Donald Trump’s war with Iran, as governments in Asia scramble for alternatives to Middle Eastern fuel. Asia, more reliant than others on fuel that passes through the Strait of Hormuz, is staggering from Iran’s effective closure of the key transit and from Iran’s strikes on gas facilities in the Persian Gulf, in retaliation for U.S.-Israeli attacks. Demand is surging for U.S. liquefied natural gas, much to the approval of the Trump administration, which is seizing on shortages to push U.S. gas.

Though the tech manufacturing hubs of Taiwan, Japan and South Korea have spent years trying to lower their reliance on Middle East gas, U.S. LNG had often been considered too pricey and shipped from too far-off to be a viable alternative. That began to change last year when Trump pressed these governments, threatening them with tariffs, to lower trade deficits with the U.S. With the damaging of Qatar’s gas export infrastructure, the shift is set to accelerate.

Because near-term U.S. gas export capacity is limited, however, these cargoes have come at a premium, promising a windfall for LNG producers. “High prices for security purposes — we have to take this,” Kuan-ting Chen, chair of the Taiwan legislature’s Foreign Affairs and National Defense Committee, said on March 19. Although China is also a major LNG importer, it has been able to soften the supply shock by boosting domestic production and imports from Russia. Not so for its neighbors.

Taiwan relies almost entirely on imported fuel. It sourced a third of its LNG from Qatar and has the lowest gas reserves in East Asia. Taiwanese officials say they will increase U.S. LNG imports starting in June. New agreements would more than double the U.S. share of Taiwan’s LNG imports from 10% to 25% by 2029, Minister of Economic Affairs Kung Ming-hsin told legislators. Similarly reliant on Qatari gas, Japan and South Korea have inked a raft of new U.S. energy deals, including multiyear LNG supply contracts.

Heavier demand for U.S. LNG could drive up domestic gas prices

(Bloomberg commentary; March 25) - Until the outbreak of war in Iran, the outlook for liquefied natural gas pricing was relatively subdued. Export capacity is booming, and almost half of it relates to U.S. terminals, with another quarter coming from the Middle East, primarily Qatar. The outlook was for a glut in the closing years of this decade. The war throws those projections into doubt. Even if the conflict were to end relatively soon,

the damage done to Qatari facilities and, more importantly, to the notion that Middle Eastern LNG supplies are safe enough to sign 20-year supply contracts, will linger.

When an unthinkable such as a Hormuz closure becomes reality, prior conceptions evaporate. A grim irony of this war is that the U.S. may not merely be insulated from its immediate impacts on natural gas prices, but it may also be able to capitalize on it if competing LNG capacity in the Middle East gets delayed or canceled. This is where dominance could, strangely enough, portend higher domestic prices for natural gas.

Over the past decade, U.S. LNG exports have been something of an escape valve for excess gas production from shale, given relatively slow growth in domestic demand. But now the U.S. faces a sustained period of expanding LNG export capacity — taking more gas — even as demand for electricity to power data centers for artificial intelligence also ramps up, with much of it centered on gas-fired generation.

Notably, bearish analysts at Goldman Sachs, who have been forecasting cancellations of U.S. LNG projects amid an expected glut, just raised their domestic gas price forecasts for 2028 and 2029 by 30% to 40% to account for growing demand for gas.

[Supply disruption may increase likelihood of LNG Canada expansion](#)

(Reuters; March 23) - The disruption to global liquefied natural gas supplies caused by the Iran war makes it more likely that a second stage of Canada's massive LNG Canada facility will be built, the CEO of Canadian pipeline company TC Energy predicted in Houston on March 23. While just weeks ago, market-watchers were talking about a potential glut of LNG globally, the Iran war has underscored the value of LNG that can reach Asia without the Strait of Hormuz, TC Energy CEO François Poirier said.

TC's Coastal GasLink pipeline supplies natural gas to the Shell-led LNG Canada facility located near Kitimat, British Columbia, which started production in June 2025 as the first major LNG facility in North America with direct access to the Pacific. Poirier said he is not privy to Shell or its partners' decision-making process on a potential second phase. "What they have pushed us to do, however, is be ready," Poirier said in an interview in Houston at the CERAWEEK by S&P Global conference.

LNG Canada's Phase 1 will be able to export 14 million tonnes of LNG when fully ramped up. Shell and its partners are expected to make a final decision later this year about Stage 2, which would double the plant's capacity. If LNG Canada Phase 2 gets the OK, TC Energy would expand its pipeline over two or three years of construction, including additional compressor stations to serve the enlarged facility, Poirier said.

Texas natural gas prices plunge due to shortage of pipeline capacity

(Bloomberg; March 21) - A dislocation in global energy supplies means that even as buyers in some parts of the world are desperate to secure natural gas, there's so much extra production in Texas that producers are burning it off as quickly as they're allowed. In West Texas, oil and gas are produced together. With crude prices surging on the supply disruptions sparked by the war in Iran, many drillers are happy to keep oil output high. But meanwhile, the region lacks the infrastructure to move all of the gas out and into the export market. As a result, local gas prices have plunged to negative levels.

Prices for next-day delivery at the Waha gas trading hub in the Permian Basin — home to roughly a quarter of U.S. gas production — are trading well below zero. That means sellers are being forced to pay buyers to secure access to scarce pipeline capacity. Last week, Waha saw its lowest weekly average spot price on record. The market's collapse underscores a pressing issue in global energy: Even when there's enough raw output, parts of the world lack the supply chains necessary to ship product where it's needed.

Texas producers that don't want to pay to offload their gas have two options: Halt production, an undesirable and costly choice, especially as the war in Iran has sent the U.S. oil benchmark to near \$100 per barrel; or ask the Texas state oil and gas regulator for permission to burn off excess gas. Flaring this year has spiked to highest monthly seasonal levels in at least five years, according to Josh Garcia, an analyst at Energy Aspects. Waha spot prices last week reached as low as negative \$9.75 per million Btu, according to traders. Even at that low price, most Permian production would remain economical, as oil profits more than outweigh losses from gas, Garcia said.

Western majors lose out in Iran's attacks on oil and gas assets

(Wall Street Journal; March 22) - When Iranian missiles struck the Pearl gas-to-liquids facility in Qatar, they knocked out one of Shell's crown jewels, a giant plant that is among the most sophisticated and profitable businesses in the company's sprawling global operations. The plant was so heavily damaged that one of its two production lines is expected to be shut for at least a year, Qatar said. Some of the Western oil industry's most important investments have become targets in Iran's fight with the U.S. and Israel.

Exxon Mobil, which has more at stake in Qatar than any other big oil company, gets roughly one-fifth of its oil and gas production from the Middle East, analysts estimate. Chevron operates big gas assets off the coast of Israel that it has shut down, while ConocoPhillips has stakes in Qatari gas assets. About 17% of TotalEnergies' annual operating income comes from oil and gas stuck behind the Strait of Hormuz, the narrow waterway that links the Persian Gulf to global markets, according to Goldman Sachs.

"This has been a cash cow for the U.S. international oil companies," said Jim Krane, an energy specialist at Rice University's Baker Institute for Public Policy in Houston. "They

are going to have to rebuild in some cases, at an insanely high expense.” The damage to Pearl hits a facility that is personal for Shell CEO Wael Sawan, who oversaw its planning, construction and operation in previous roles at the company. The plant, which cost nearly \$20 billion, is the largest in the world that turns gas into liquid petroleum products and is considered one of the U.K. oil company’s top-performing assets.

Inability to ship crude forces Iraq to cut production by almost 80%

(Reuters; March 25) - Iraqi oil production has slumped as the Iran war rages, with storage tanks reaching critical levels as the country is unable to ship crude via the Strait of Hormuz, three Iraqi energy officials said March 25. Output from Iraq's main southern fields has further fallen by about 80% to around 800,000 barrels per day, the officials added. Earlier this month, production from Iraq’s main southern fields had already fallen to around 1.3 million barrels per day, as the country was unable to export crude via the strait, sources said. Production stood at around 4.3 million before the war.

The officials said Iraq has decided to make further cuts in production, after asking BP to reduce output from the giant Rumaila oil field by 100,000 barrels per day, cutting production to about 350,000. Iraq also requested Italy's Eni cut production from the Zubair field by 70,000 barrels per day from a current output of 330,000. Iraq has also slashed output from different state-run fields, the sources added. Iraqi energy officials warned that further production cuts could be announced in the coming days if the crisis in the Strait of Hormuz remains unresolved.

Russia’s oil export revenues highest since March 2022

(Bloomberg; March 24) - The Kremlin is earning the most from its oil exports since just after the 2022 invasion of Ukraine as it cashes in on the war in the Mideast, boosting crude flows amid soaring prices and eased sanctions. A surge in the prices of Russia’s oil exports and the level of shipments drove a second big jump in weekly income, lifting it to the highest since March 2022, shortly after Moscow’s troops poured into Ukraine.

Moscow is also capitalizing on an extension and widening of a U.S. tariff waiver that allows buyers to purchase its crude loaded before March 12. That relaxation has boosted sales to India, even as a global scramble for readily available cargoes sent Russia’s flagship Urals grade to a premium above Dated Brent.

Russia’s oil income had been heading down before the U.S. and Israel launched their war against Iran. Rising tensions, culminating in the attack on Iran, reversed that decline and doubled the value of Moscow’s exports in the past three weeks to an average \$270 million a day from \$135 million in January. In the latest data, Russia’s seaborne exports averaged 3.6 million barrels a day in the four weeks to March 22, according to vessel-

tracking data compiled by Bloomberg. That's up by about 160,000 barrels a day from the period to March 15 but still about 270,000 below the pre-Christmas peak.

India's refineries pay a premium to load up on Russian crude

(Bloomberg; March 25) – India's refiners have bought about 60 million barrels of Russian oil for delivery next month, according to people familiar with the matter, easing supply concerns as the Middle East war chokes flows. The cargoes were booked at premiums of \$5 to \$15 a barrel to Brent, said the people, who asked not to be named due to the sensitivity of the trade. The volume is similar to the amount of purchases for this month, but more than double of February, according to data intelligence firm Kpler.

The buying spree followed a U.S. waiver that allowed India to take Russian oil that was already loaded onto vessels before March 5 to offset shortages caused by the effective closure of the Strait of Hormuz. The measure was subsequently expanded to include other countries and updated to allow purchases of oil already at sea before March 12.

The South Asian nation is heavily reliant on imported oil and became a major buyer of discounted Russian crude following the invasion of Ukraine in early 2022. However, India sharply cut back purchases from late last year under U.S. pressure, turning instead to barrels from Saudi Arabia and Iraq, much of which then became trapped inside the Persian Gulf after the outbreak of the war. Officials in New Delhi expect the U.S. waiver to be extended as long as disruptions in Hormuz persist, the people said.

Not all crude is the same, and prices reflect the differences

(Wall Street Journal; March 25) - For a glimpse of how much higher energy prices could soar, look beyond the prices that analysts track for West Texas Intermediate in the U.S. and Brent in Europe. At the center of the supply squeeze in the Middle East, traders are paying \$160 a barrel for the Emirati oil that can dodge the Strait of Hormuz, far above those other benchmarks. Those prices, traders say, are a harbinger of where the rest of the market could head if the Persian Gulf doesn't reopen. That's because Asian buyers are scouring the world for similar varieties of crude to keep refining diesel and jet fuel.

The most yawning gap in prices is between oil that used to flow out of the Gulf and different kinds of crude from farther afield. Prices for a grade of crude known as Dubai had risen well over 150% so far in 2026 by March 23, according to commodities data provider OPIS. That is far more than the standard benchmarks cited in the media. Brent futures have been leisurely by contrast, rising 72% for the year through March 19.

Asian refiners are hunting for sulfur-rich crude to replace the Mideast grades that are getting prohibitively expensive, driving up prices for oil from Norway, Russia, Colombia

and even some crude from the U.S. Cargoes are diverting from Europe to Asia, where the shock from the Persian Gulf is most acute and traders can earn a premium. Brent itself has much less sulfur than Dubai oil, and U.S. shale oil also is low in sulfur.

There are other large distortions. Brent crude, the global benchmark reflecting prices for oil pumped in Europe, trades at a historically wide \$12 per barrel premium over the WTI U.S. benchmark. The difference, traders say, can be chalked up to WTI's location, far from where the oil is needed in Asia. Its lower price reflects the higher shipping costs required to get it to Asia, as well as angst the U.S. might restrict crude exports.

'No one knows what's going to happen' in Texas oil patch

(The New York Times; March 22) - Drill rigs towered in dormant clusters along the main highway through Odessa, Texas. The bartender at an oil country bar complained of a slowdown. Workers in stained shirts from the nearby oil fields winced at the high price of diesel. "I'm not feeling good about \$5.39," said Wesley Stacey, who works for a drill pipe rental company, as he filled his pickup and three red gasoline canisters on March 19.

A surge in oil prices, amid the war in the Middle East, has rattled world markets and driven up the cost of gas. But in the Permian Basin, the heart of Texas oil country, few believe that the boom times will return any time soon. Stacey, 37, said he had heard from friends, including those who left in recent years given low oil prices and fewer jobs, asking if now is a good time to look for work in the Permian. He tells them to think twice. "I'm saying, 'Don't come back right now. ... No one knows what's going to happen.'"

In interviews this week in the oil cities of Odessa and Midland, local officials, company executives and oil field workers said the sudden price surge, the slow and expensive process of drilling new wells and the Trump administration's promise to push down oil prices in the future had tempered discussions of ramping up production. Caution is winning out over expansion. "Nobody does anything on a whim," said Kirk Edwards, president of Latigo Petroleum, with oil and gas wells in Texas and Oklahoma. "It takes months to get a well planned and drilled and completed, and then online."

Oil theft a growing problem in Texas; estimated at \$1 billion a year

(Bloomberg; March 25) - The Martin County Sheriff's Office in West Texas sits long a stretch of dusty plains and sunbaked highways. Oil wells outnumber people — but that doesn't mean it's quiet for Sheriff Randy Cozart. At least once a week, someone calls to say their oil field has been robbed: trailers missing, copper wire yanked and, most of all, crude stolen. In total, some 500 barrels worth of oil go missing in Martin County every week, Cozart estimates. At last year's average of \$65 a barrel, that's an annual loss of roughly \$1.7 million. At today's war-heightened prices, it would be far more.

A similar scene is playing out in dozens of other counties across the Permian Basin of West Texas and New Mexico, the world's most prolific shale oil patch. Law enforcement, legislators, trade groups and energy producers say people are stealing more crude than ever, often laundering it into local supply chains or driving it to Mexico to offload it. "Where there's money, there's crime," says Cozart, who, like many in the region, once worked in the oil industry himself. "And there's lots of money in oil right now."

More than 40% of oil executives surveyed by the Federal Reserve Bank of Dallas this past fall said their operations had been affected by theft during the previous year, with several dozen petroleum-product arrests now made annually, up from perhaps a single arrest per year a decade ago, Texas Department of Public Safety records show. Some estimate annual oil theft in Texas at around \$1 billion. As the situation worsens, state lawmakers, regulators and even the FBI have taken notice.

Opportunistic equipment thefts have long dogged oil fields, which are often located in remote areas and left unmanned for weeks on end. But in recent years, crude theft has become more sophisticated and frequent. Today's Permian Basin thieves might connect vacuum trucks to storage tanks in broad daylight and siphon it out. In one ploy, they pose as waste haulers, which companies hire to remove toxic water from storage tanks.

North Dakota oil industry not expected to significantly boost drilling

(North Dakota Monitor; March 23) - North Dakota's oil and gas industry is not expected to significantly increase drilling activity in response to the price surge, a stark departure from the familiar boom-and-bust cycle in the Bakken shale. Domestic crude oil pricing has been hovering just shy of \$100 per barrel. A decade ago, that would have prompted a scramble to drill new wells. Instead, activity levels in North Dakota are virtually unchanged as about 25 drilling rigs and eight frack crews remain active in the state.

The flat activity levels are partly due to changes in the state's oil industry in recent years, regulators said this week. A series of industry consolidations have left North Dakota's oil and gas industry dominated by some of the largest energy companies in the country. Their 2026 budgets have already been set and are unlikely to change. "I don't foresee them making rapid changes until there's a price stabilization," said David Tabor, senior field operations manager for the state Department of Mineral Resources.

Tabor, along with Nathan Anderson, director of the Department of Mineral Resources, expects the oil industry to look for ways to optimize existing production before considering any investments in new drilling operations, such as bringing some of the state's 2,835 inactive wells back online. A well is considered inactive if it has reported zero production for three months or more and can take less than a week to restart. "That's something I predict that you'll see more of," Tabor said.

Traders bet big on oil prices minutes before Trump's announcement

(BBC; March 24) - Traders bet hundreds of millions of dollars on oil contracts minutes before President Donald Trump announced on March 23 that the U.S. would postpone strikes against Iranian energy facilities. Market data reviewed by the BBC shows the volume of trade spiked around 15 minutes before a social media post by the president announcing the move. The price of oil dropped 14% in a matter of minutes after the announcement. Traders who bet on the unexpected move would have made money.

Some market analysts say the unusual activity opens up the possibility that the bets may have been placed with prior knowledge of the decision. On March 21, Trump threatened to "obliterate" Iran's power plants if it did not reopen the Strait of Hormuz within 48 hours. Oil prices started to climb. However, at 7:04 a.m. Eastern Time on March 23, before U.S. markets opened, the president posted on his Truth Social platform that Washington had "VERY GOOD AND PRODUCTIVE CONVERSATIONS" with Tehran over a "COMPLETE AND TOTAL RESOLUTION" to hostilities.

Immediately, the price of oil dropped to as low as \$84 per barrel for the benchmark U.S. price. At 6:49 a.m., traders placed 734 bets on WTI crude oil contracts on the New York Mercantile Exchange. One minute later, that number was 2,168. That's equivalent to about \$170 million. "Just before he (the president) posted on social media, quite a lot of people took out contracts that would allow them to profit from the oil price falling," said Rachel Winter, a partner at the wealth management firm Killik & Co. "So there has been some speculation about insider trading."

IEA director warns of 'serious consequences for the global economy'

(CNBC; March 23) - The head of the International Energy Agency said on March 23 that at least 40 energy assets across nine countries in the Middle East have been "severely or very severely" damaged since the Iran war began, raising fears of prolonged supply disruptions. Speaking at the National Press Club in Australia's capital, IEA Executive Director Fatih Birol said damage to oil and gas fields, refineries and pipelines across the Middle East would take some time to repair.

His comments come as market participants closely monitor threats from the U.S. and Iran over energy facilities as the sprawling regional conflict enters its fourth week. Birol said the fallout from the Iran war is equivalent to the two major oil crises of the 1970s and the 2022 gas crisis "put together." He added: "And, if I may, not only oil and gas. Some of the vital arteries of the global economy, such as petrochemicals, such as fertilizers, such as sulfur, such as helium. Their trade is all interrupted, which would have serious consequences for the global economy."

Given that shipping has virtually ground to a halt in the Strait of Hormuz since the conflict began, the IEA's Birol said reopening the waterway was the "single most

important” solution to the energy crisis. He singled out Asia as being at the forefront of the energy shock and said the IEA was prepared to follow-up its historic release of 400 million barrels of oil to the market March 11. “If it is necessary, of course, we will do it.”

Australia depends on imports for 80% of refined products

(Australian Broadcasting Corp.; March 22) - Australia is yet to directly feel the impact of oil supply shortages caused by the U.S.-Israel war on Iran. Fuel prices locally have increased with the global benchmarks for crude, but stockpiled reserves and lag in the supply chain mean that physical supply shortages still have not worked their way to our part of the world. But that's set to change in the coming weeks, with the country's fuel suppliers in Asia now being affected.

With only two domestic refineries, Australia gets more than 80% of its petrol, diesel and jet fuel from overseas. Almost all of this is supplied by refineries in Asia, particularly South Korea, Singapore, Malaysia and China. Asia's refining countries in turn get on average about 60% to 70% of their crude from the Middle East, mostly via the now mostly blocked Strait of Hormuz. MST Marquee head of energy research Saul Kavonic said the region was "approaching crunch time" in the coming weeks and Australia's position at the end of the fuel supply chain make it vulnerable.

Part of the reason for the delayed impact in Australia is that it takes a long time for oil to move around the world's oceans. The last South Korea-bound oil tanker to make it through the Strait of Hormuz before it was effectively closed only just arrived March 21. The Eagle Vellore departed Iraq's Al Basrah Port in the Persian Gulf on Feb. 26 carrying about 2 million barrels of oil. When the Eagle Vellore began its journey, its cargo was worth around \$US130 million (\$185 million). It's now worth more than \$US220 million.

U.S. will pay TotalEnergies \$1 billion to drop offshore wind projects

(National Public Radio; March 23) - The Trump administration will pay \$1 billion to a French company to walk away from two U.S. offshore wind leases as the administration ramps up its push against offshore wind and other renewable energy. TotalEnergies has agreed to what's essentially a refund of its federal leases for projects off the coasts of North Carolina and New York and will invest the money in fossil fuel projects instead, the Department of Interior announced on March 23.

Environmental groups denounced the deal as an alternate way to block wind projects, with one group calling it a "billion-dollar bribe" to kill clean energy. "After losing again and again in court on his illegal stop-work orders, Trump has found another way to strangle offshore wind: Pay them to walk away," said Lena Moffitt, executive director of Evergreen Action. In his second term, Trump has gone all in on fossil fuels.

TotalEnergies had already paused its two projects after Trump was elected. The company now has pledged to not develop any new offshore wind projects in the U.S. CEO Patrick Pouyanné said in a statement that TotalEnergies renounced offshore wind development in exchange for the reimbursement of the lease fees, "considering that the development of offshore wind projects is not in the country's interest." Pouyanné said the refunded lease fees will finance the company's investment in construction of a liquefied natural gas plant in Texas and the development of its oil and gas assets.

U.S. repeats criticism of EU's methane emissions rules

(Bloomberg; March 23) - The U.S. reiterated its criticism of the European Union's rules to curb methane emissions from its oil and gas imports, saying that the supply crunch caused by Iran's attacks on Qatari facilities means the bloc can't afford to be too strict. "If Europe wants to have affordable energy, it's going to need to reduce the regulatory requirements and restrictions that it has in place," Andrew Puzder, U.S. ambassador to the EU, told Bloomberg TV on March 23. "It could be a very severe energy crisis if Europe doesn't act," especially given the recent developments in the Middle East.

The war in Iran highlights just how vulnerable Europe is to gas price volatility. Even though it doesn't buy much gas directly from the Middle East, tighter global supplies mean more competition with other buyers for available volumes. The EU now gets almost two-thirds of its LNG from the U.S., giving Washington leverage in trade talks.

Even before the Iran war, the EU's rules to tackle methane, a potent greenhouse gas, had come under heavy criticism from the U.S. Companies like Exxon Mobil have said the rules are too onerous for the complex supply chains that exist in the U.S. and risk adding to the price of oil and gas delivered to Europe. Next year, fossil fuel imports will have to be aligned with the EU's rules on monitoring, reporting and verification. By 2030, penalties will be issued for imports that are above a methane-intensity threshold.

Bangladesh closer to starting up its first nuclear power plant

(Bloomberg; March 24) - Bangladesh will likely commission its first nuclear reactor within months, a long-delayed start that comes as the government grapples with acute energy shortages caused by war and trade disruption in the Persian Gulf. The reactor had initially been planned — under a previous government, ousted in 2024 — for early last year, but the complexity of integrating atomic power into the grid has caused delays, according to Energy Minister Iqbal Hassan Mahmood, who took office last month.

Fuel loading in the first of the two 1.2-gigawatt reactors at Rooppur is planned for April 7, he said. The reactor will be linked to the grid and start running at 30% capacity by June, he said. Bangladesh gets about half of its electricity from gas, and its dependence

on imports of the fuel has been rising. The effective closure of the Strait of Hormuz and subsequent attack on Qatar's giant Ras Laffan facility have caused a spike in liquefied natural gas prices — leaving Bangladesh vulnerable to shortages.

“Since it (the nuclear plant) will run at 30%, it will give us some relief,” Mahmood said in an interview. People familiar with the matter said it could take nearly a year for the plant to start running at capacity. Bangladesh plans to install two VVER reactors — Russian-designed pressurized water reactors — from Russia's Rosatom Corp. Delayed supplies from Russia also contributed to the slow commissioning, the people said.

Europe will need to buy more gas this summer to refill storage

(Bloomberg; March 25) - Europe is about to start the natural gas stockpiling season with key storage tanks depleted, meaning it will need to compete even more with Asian buyers to secure supplies, just as the Middle East conflict disrupts energy flows. Dutch facilities are now just about 6% full, the lowest for this time of year in data going to late 2010, according to Gas Infrastructure Europe. In Germany, home to the region's biggest sites, inventories are also much lower than usual, at about 22%.

The continent's gas storage is in focus as the war in Iran has tightened global supplies and boosted prices. The war has come at a tricky time as Europe emerges from winter with storage tanks depleted, increasing the prospect that it will have to purchase more liquefied natural gas this summer to refill them, vying with Asia for fewer available supplies. The European Union's energy chief has told member states to start filling gas storage early to avoid supply competition that could push prices up over summer.