

Oil and Gas News Briefs

Compiled by Larry Persily

March 9, 2026

Brent surges past \$100, up 50% since before U.S., Israel attacked Iran

(The New York Times; March 9) - Oil prices surged on Monday, March 9, well above \$110 a barrel, before pulling back to a range of \$100 to \$110, in a sign of growing concern that the war in the Middle East will continue to take a toll on energy supplies. It was the first time in almost four years that the global oil benchmark Brent cost more than \$100. Oil is now about 50% more expensive than it was before the United States and Israel began attacking Iran on Feb. 28.

President Donald Trump said in a post on Truth Social on March 8 that higher oil prices as “short term,” and said they were “a very small price to pay for U.S.A., and World, Safety and Peace.” The huge jump in oil prices suggests that traders are increasingly worried about being able to access oil and gas from the Persian Gulf. The Strait of Hormuz, a waterway off Iran’s coast, has been all but closed for more than a week, preventing fuel produced in the region from reaching overseas markets. One-fifth of the world’s oil and substantial amounts of gas normally move through the strait each day.

With little sign that shipping will soon be able to return to normal, higher oil prices will continue to drive up prices at the pump at a time when many Americans are worried about the economy. As of Sunday, the price of a gallon of regular gasoline had already climbed about 16% since the war started, to a national average of \$3.45, according to the AAA motor club. Diesel prices had risen at a faster clip of around 22%.

Closure of Strait of Hormuz ‘an unthinkable scenario’

(Wall Street Journal; March 9) - The chairman of Norwegian oil and gas producer DNO was flying from New York City to Oslo early on Feb. 28 when he told staff to turn off the company’s oil wells in Iraq. U.S. and Israel had just attacked neighboring Iran. Bijan Mossavar-Rahmani wasn’t taking any chances, having weathered a drone strike on the company’s oil fields in Iraqi Kurdistan last summer. By the time he landed, the pumps had stopped — the first oil shutdown of the war. To the south, another problem was brewing. An Iranian naval captain told ships not to enter the Strait of Hormuz.

The doomsday some oil analysts believed could never happen was coming to pass. Unable to ship crude to world markets, much bigger producers in Iraq began to run out of places to put it. The country cut output by more than two-thirds. Tanks in Kuwait were next to fill up. U.S. oil prices vaulted above \$100 a barrel on March 8 for the first time since the fallout of Russia’s war on Ukraine. “In the whole written history of the strait, it

has never been closed, ever,” said JPMorgan Chase analyst Natasha Kaneva. “To me, it was not just the worst-case scenario. It was an unthinkable scenario.”

On March 7, the Abu Dhabi National Oil Co. signaled it too was slowing production so tanks didn't overflow. If the strait is still closed on March 13, daily output in the region could fall by more than 4 million barrels, Kaneva estimates. The decline could reach 9 million barrels a day by the end of March, representing almost a 10th of global demand. “We are looking at what is by far the biggest disruption in world history in terms of daily oil production,” said energy historian Daniel Yergin. “If it goes on for weeks, it will reverberate across the global economy.”

Oil market may be too complacent about prolonged Mideast war

(Bloomberg; March 6) - A week into one of the biggest-ever disruptions to global energy markets, oil prices still remain far below levels seen in previous crises. But a growing chorus is warning that every day that war rages on brings the world closer to a tipping point — with several predicting \$100 crude within days. While oil and gas prices have surged this week, they remain below the highs seen just after Russia invaded Ukraine. There were signs on March 6, however, that some of the initial oil market calm was dissipating, as Brent crude prices soared past \$90 a barrel.

Executives at four large trading houses, who asked not to be identified, said the market was still too complacent about the likely impact of a prolonged closure of the Strait of Hormuz, and predicted prices could hit \$100 in days unless there was some de-escalation of hostilities. There are already signs of stress in physical energy markets, where cuts at refineries in the Middle East and Asia have caused the price of products like diesel and jet fuel to soar.

Bob McNally, president of consultant Rapidan Energy Group and a former White House official, said that the market is still adjusting to how long Hormuz might be shut. “We see Brent reaching \$100 a barrel and above in the coming days to weeks, once the market accepts that the Hormuz closure is a weeks-long event rather than a brief disruption,” he said. Qatar's Energy Minister warned on March 6 that crude could hit \$150 a barrel if the conflict isn't solved soon, according to the Financial Times.

U.S. oil prices posted biggest weekly gain on record

(Bloomberg; March 6) – U.S. oil posted the biggest weekly gain on record as the war in Iran upends energy market flows, with shipping through the Strait of Hormuz at a near-total halt. West Texas Intermediate added 12% on March 6 to settle just below \$91 a barrel, the largest daily jump in almost six years, while Brent closed near \$93. Iran warned that the European Union is a “legitimate” target if it joins the war, adding to

momentum toward higher prices. The Wall Street Journal reported Kuwait has begun cutting production at some oil fields after running out of places to store bottled-up crude.

Citigroup estimates that the oil market is losing 7 million to 11 million barrels of daily supply due to the disruption through Hormuz. As nations cope with the supply disruption, Japan was reportedly considering tapping national reserves. No action has yet been taken, though market participants are speculating that a coordinated release from multiple nations' emergency oil inventories could be enacted to maximize impact.

Still, with no sign of a let-up in hostilities, Goldman Sachs flagged the risk of scenarios for oil topping \$100 a barrel in the case of prolonged disruption. Meanwhile, European diesel futures headed for a weekly gain of more than 50% and central banks signaled unease about a possible resurgence in inflation. Qatar's energy minister told the Financial Times that crude could soar to \$150 a barrel in two to three weeks if tankers and other merchant vessels are unable to pass through Hormuz.

[UAE and Kuwait start cutting back oil production](#)

(Bloomberg; March 7) - The United Arab Emirates and Kuwait started reducing oil production, as the near-closure of the crucial Strait of Hormuz ripples through energy markets and affects global supply. Abu Dhabi National Oil Co. is "managing offshore production levels to address storage requirements," the company said in a statement. Kuwait Petroleum Corp. said it was lowering production at its oil fields and refineries after "Iranian threats against safe passage of ships through the Strait of Hormuz."

The war in the Middle East has all but closed Hormuz, the narrow waterway linking the Persian Gulf to the open seas. That's clogged up exports from the world's top oil-producing region and helped drive prices in London to the highest in more than two years at almost \$93 a barrel, sending consumers searching for alternatives and threatening to push inflation higher. Kuwait's cutback started with about 100,000 barrels a day as of March 7 and is expected to almost triple on March 8, with further gradual reductions depending on storage levels and the status of Hormuz, a source said.

The UAE, which pumped more than 3.5 million barrels a day as OPEC's third-biggest producer in January, is using export capacity that bypasses the Strait of Hormuz and also its international storage facilities to ensure supply to global markets. Cutbacks by the two OPEC members follow a swathe of others in the region. Iraq started holding back production this week as storage tanks started filling up, while Saudi Arabia shut its biggest refinery and Qatar closed the world's largest LNG plant after drone attacks.

Saudi Arabia diverts oil to Red Sea ports to avoid Strait of Hormuz

(Bloomberg; March 5) - Saudi Arabia is diverting millions of barrels of oil to its Red Sea ports, helping the world's top crude exporter maintain supply to buyers globally as the Iran war fills up storage sites across the Middle East. Five supertankers already loaded at the western port of Yanbu this month, where exports have risen to three times the average of February, tanker-tracking data compiled by Bloomberg show. Saudi Arabia normally ships the vast majority of its oil from Ras Tanura on the Persian Gulf and, while those loadings have not halted, the war means cargoes are not departing as normal.

The conflict is choking off a swath of oil, fuel and gas supply. While Saudi Arabia can divert the bulk of its crude, other producer countries in the region face a shrinking window to resume exports through Hormuz. If the waterway doesn't get unblocked, allowing more empty tankers into the Persian Gulf, they'll run out of storage for crude and refined products and be forced to cut oil output. Iraq, the region's second-biggest producer, has already done so. A clutch of Middle East refineries have reportedly either halted units or cut processing rates in addition to those that have come under attack.

Saudi Aramco said on March 4 it was sending export volumes from its main producing regions in the east via pipeline to ports on the Red Sea. In theory, the conduit has the capacity to pump most of Saudi Arabia's roughly 7 million barrels of daily crude exports. But even Saudi Arabia's Red Sea option isn't risk free, especially for voyages to Asia. Vessels sailing to and from Yanbu will still have to traverse the Bab El-Mandeb Strait, where Iran-backed Houthi militants in Yemen only recently paused missile, drone and small arms attacks that have plagued shipping for the past two years.

Venezuela oil shipments to U.S. highest since December 2024

(Wall Street Journal; March 5) - The global oil market is reeling after U.S.-Israeli strikes on Iran shut the world's biggest oil-shipping artery. But tankers are ferrying more crude from an unlikely source: Venezuela. U.S. imports of Venezuelan oil have climbed to their highest level in more than a year, just months after President Donald Trump implemented an oil blockade that crippled the shadow fleet transporting the Latin American country's heavy crude.

More than 24 tankers have ferried Venezuela's oil to the U.S. Gulf Coast since the early January incursion that led to the ouster of former President Nicolás Maduro. Those tankers transported more than 280,000 barrels a day to the U.S. in February, according to market intelligence firm Kpler, the most since December 2024 when Venezuela exported over 300,000 barrels a day. The White House wants to see those numbers grow. The president hopes to keep oil prices, a key driver of inflation, tamped down.

American fuel makers are snapping up the rising supplies of Venezuela's heavy, viscous oil that their refineries were designed to process. Its cheap oil has historically been a

better bargain for U.S. refineries than the light, sweet oil produced by U.S. frackers. “They’re going to run more of it because it’s profitable,” said John Auers, managing director of Refined Fuels Analytics. Venezuela’s crude is expected to displace barrels produced in the U.S., as well as heavier oil from Canada and Mexico. That would take domestic market share from U.S. frackers, who will have to find more buyers overseas.

Refiners in India start taking Russian oil stored at sea

(Reuters; March 5) - Refiners in India have started tapping Russian oil aboard vessels floating off the country's coast to make up for the loss of Middle Eastern crude due to the Iran war, two sources with direct knowledge of the matter said on March 5. India is vulnerable to energy supply shocks, with crude stocks covering only 25 days of demand. India was the top buyer of Russian seaborne crude after Moscow's 2022 Ukraine invasion, but in January its refiners started to reduce purchases, helping New Delhi avoid 25% tariffs imposed by Washington and clinch an interim trade deal.

On March 5, the tanker Odune carrying about a million barrels of Russian oil berthed at the eastern Paradip port for delivery to state refiner Indian Oil Corp., according to a shipping source. The vessel had been floating in Indian waters, the person said. IOC is also scheduled to receive about 700,000 barrels of Russian oil loaded on the Spring Fortune at Vadar port in western India on March 7, the source said.

A source at Indian Oil said his company is expediting purchases of Russian oil, including that loaded on vessels floating around India. About 9.5 million barrels of Russian crude is floating near Indian waters and able to arrive within weeks, an industry source with direct knowledge of Russian trade told Reuters. A source at another Indian refiner said his firm was also considering buying Russian oil floating near India.

U.S. gives India 30-day waiver to buy Russian oil

(Bloomberg; March 6) - The U.S. has cleared the way for India to temporarily increase its purchases of Russian oil, reversing months of pressure on the world's third-largest crude importer as an escalating conflict in the Persian Gulf upends energy flows. A license issued March 5 covers transactions related to Russian crude oil and petroleum products loaded onto vessels before March 5, so long as it's delivered to India and purchased by an Indian firm. The measure expires April 4.

“To enable oil to keep flowing into the global market, the Treasury Department is issuing a temporary 30-day waiver to allow Indian refiners to purchase Russian oil,” U.S. Treasury Secretary Scott Bessent said. The move — intended to ease pressure on oil supplies — provides immediate relief for at least one of the economies impacted by

fighting in the Middle East. With plenty of Russian oil on the water, sanctioned and non-sanctioned, refineries could quickly ramp up purchases and stabilize operations.

The decision marks a turnaround by the Trump administration, which had been pressuring New Delhi over its purchases of Russian oil. India had not been a major consumer of Russian crude, but it cranked up its purchases to take advantage of discounted cargoes after the invasion of Ukraine in 2022.

Iran war cuts fuel oil supplies for ships, driving up prices

(Reuters; March 5) - Fuel oil traders in Asia are struggling to secure alternative supply as the Iran war curtails shipments from key Middle Eastern suppliers through the Strait of Hormuz, prompting them to look to the West for replacement cargoes. The shortage of Middle Eastern fuel oil volumes is set to dent the supply of bunker fuel for powering ships, with prices at key bunker ports such as Singapore set for further hikes in coming weeks, raising refueling costs for vessel owners. Those higher costs will translate into increased prices for companies transporting goods.

Expectations for a growing shortage sparked a sharp rally in fuel oil markets this week, especially for high-sulfur fuel oil which typically comes from the Middle East. Tanker transits through the Strait of Hormuz are now about 90% lower than last week, Kpler's analysis of vessel activity showed. "When such a large share of the global high-sulfur complex depends on a single chokepoint, even partial transit disruption can tighten balances quickly and amplify bunker volatility," said Sumit Ritolia, lead analyst for refining and supply modelling at Kpler.

Prices for high-sulfur bunker fuel delivered in Singapore, the world's largest ship refueling hub, have risen more than 40% since the start of the war, while prices for delivered low-sulfur fuel oil have climbed more than 30%. Some high-sulfur supply could come from Western refineries, though sky-high tanker rates make trading economics extremely challenging, fuel oil traders said. "Everyone is struggling to find oil for the second half of March," a trader based in Singapore said.

U.S. insulated from spiking natural gas prices in Europe and Asia

(Wall Street Journal; March 8) – Natural gas prices around the world surged this past week after the largest LNG export facility on Earth was shut down by an attack from Iran. Prices in the U.S. climbed a relatively tame 11%. Americans aren't likely to feel much pain from higher power bills as they did four years ago when energy markets were shocked by Russia's invasion of Ukraine, analysts say. They can thank ample domestic gas inventories and record production, and the fact that capacity to export more LNG from the U.S. is — for now, at least — pretty much maxed out.

Insulation from the global gas shock benefits not just household bill payers but also manufacturers of everything from steel and plastics to fertilizer and corrugated boxes. A scenario in which the energy industry thrives without busting Americans' budgets would be a major achievement. Not only have U.S. drillers unearthed enough oil and gas in the past decade to transform the country into the world's most prolific fuel exporter, there is enough left at home for natural gas markets to shrug off the sort of conflict in the Middle East that not long ago would have sent prices into the stratosphere.

April gas futures ended March 6 at \$3.186 per million Btu in New York, down 57% from the peak during the late January storm and about 28% lower than a year ago. Futures prices for autumn gas deliveries suggest that traders expect adequate inventories and relatively low prices to persist through summer. It's another story overseas. Benchmark gas prices jumped 67% this past week in Europe, which became more reliant on LNG to keep the lights on after shunning Russian suppliers four years ago. Prices rose sharply in Asia as well, where most LNG shipments from the Persian Gulf wind up.

High prices could add \$13.6 billion to Europe's gas storage refill

(Reuters; March 5) - Europe's already huge task of refilling gas storage for next winter has become far riskier and far more expensive, as fallout from the U.S.-Israel war on Iran disrupts LNG production and shipments, tightening supply and sending prices soaring. Storage allows Europe to meet winter heating and power needs, underpinning the region's energy security. This year, stocks are set to end the heating season far below normal, forcing Europe to buy more gas during the summer to refill storage.

Europe has grown increasingly reliant on liquefied natural gas supplies to fill storage since it halted most imports of Russian pipeline gas following the invasion of Ukraine in 2022. Prior to that, LNG made up about 19% of Europe's gas supply. The LNG share is expected to rise to 45%, according to S&P Global Energy. Buyers need to find the equivalent of 700 cargoes of LNG to fill storage this summer, according to analysts at Kpler, about 180 cargoes more than last year.

Some of that will be delivered via pipeline from Norway, Algeria and to a much smaller degree from Russia, but most of it will be LNG cargoes. Prices of pipeline gas and LNG have jumped since the start of the Iran conflict. Europe's bill for the extra 180 cargoes had increased to about \$10.1 billion on March 4 from \$6.7 billion on Feb. 27, Reuters calculated. For the full summer refill, the price has risen by \$13.6 billion to \$40 billion.

Middle East LNG supply risk points to need for diversification

(Wood Mackenzie; March 5) - The Middle East conflict is wreaking havoc with global natural gas and LNG markets, even more so than oil. The effective closure of the Strait

of Hormuz and QatarEnergy's declaration of force majeure on LNG shipments have removed about 20% of global LNG supply. With seemingly no imminent prospect of the war ending, Asian markets — China and South Asia, in particular, depend on LNG imports from the Gulf — are the most exposed. But Europe is also in panic mode, where the April month-ahead spot price for power has almost doubled in the past four days.

The consequences of the war for gas and LNG are uncertain but could rival those that followed Russia's invasion of Ukraine in 2022. Much will depend on whether the disruption is short-lived or is more enduring, and whether Middle East gas production and LNG infrastructure suffers major damage. Assuming no significant damage to existing projects in Qatar and the UAE, the amplified risks will, in time, dissipate. But the crisis will drive home the importance of supply diversification.

The raft of U.S. pre-final investment decision LNG projects, totaling almost 100 million tonnes of annual output capacity, come without a single geographic point-of-failure risk. The U.S., however, can't be the only solution. The world's biggest LNG producer, the U.S. has its own limitations for buyers and domestic energy politics. Elsewhere, pre-FID projects in Canada, Mozambique and Argentina will look to capitalize on the uncertainty but also have challenges, while others that have slipped away from commitments, such as Abadi in Indonesia and Browse in Australia, could gain fresh impetus.

South Korea has 'sufficient LNG reserves for a considerable period'

(S&P Global; March 5) - South Korea said it sees no shortages of liquefied natural gas despite a production halt in Qatar and disruptions to transit through the Strait of Hormuz, as the country has sufficient stockpiles to buffer any short-term interruptions while preparing to secure alternative supplies. "The country has sufficient LNG reserves for a considerable period, even if imports from Qatar are completely halted," an official at the Ministry of Trade, Industry and Resources said March 5.

"The government has also prepared emergency measures, such as securing alternative supply sources from Southeast Asia, Australia and North America, in case of any emergency," the official said. South Korea maintains LNG inventories "well above" its mandatory stockpiling requirement of nine days' supply, the official added. The ministry declined to disclose details on the volume of the country's LNG reserves.

South Korea imported 6.966 million tonnes of LNG from Qatar in 2025, accounting for 14.9% of its total imports of 46.684 million tonnes, Korea Customs Service data showed. The country also imported 1.918 million tonnes from Oman, representing 4.1% of its total intake. Australia has recently become South Korea's largest LNG supplier, overtaking Qatar, supplying 14.669 million tonnes. Australia accounted for 31.4% of Korea's total imports. LNG imports from the U.S. declined 22.2% year over year to 4.384 million tonnes in 2025, accounting for 9.4% of South Korea's total gas imports.

'A real windfall' for Western energy companies with LNG to sell

(The New York Times; March 4) - The suspension of LNG exports from Qatar has sent prices of the fuel soaring in Europe and Asia. And the biggest beneficiaries of that jump are likely to be Western energy companies. Major European firms like TotalEnergies and Shell, and U.S. firms like ExxonMobil and Cheniere, stand to earn big profits even if Qatar quickly restarts gas shipments disrupted by the U.S. and Israeli attacks on Iran.

That's because U.S. and European energy companies are the most viable alternative suppliers for countries and companies that previously relied on Qatar for the gas they use to generate electricity or make chemicals, steel and other industrial goods. Over the past decade, companies like Cheniere have built eight U.S. export terminals where gas is chilled into liquid that can be transported on oceangoing tankers. Much of that gas is bought under contracts by large oil and gas companies, including Shell, Total and Exxon, that, in turn, sell it to customers around the world.

"It's a real windfall," said Jason Feer, head of business intelligence at Poten & Partners, a global consulting firm and shipping brokerage. "They get the benefit of this big jump." The price at which Western energy companies can sell LNG to Europe is now roughly twice what it costs those businesses to buy and deliver the fuel, Feer said. A week ago, the companies were earning revenue that was roughly 27% to 28% more than their costs. The U.S. has become the world's largest LNG exporter because of a boom in gas production in states like Texas and Pennsylvania. Australia is also a major player.

German energy group talks with Canada to expand LNG purchases

(Reuters; March 5) - State-owned German energy group Uniper is holding talks with Canada to expand its LNG purchases, people familiar with the matter said, as part of Berlin's plans to strike a broad economic partnership and cut reliance on U.S. supplies. The discussions, which the sources said are taking place on a corporate and political level, are happening as Germany seeks a Canadian submarine construction contract and is likely to involve deals in other areas, including rare earths, batteries and energy.

Uniper declined to comment on specific talks, while saying that it was continuously seeking to diversify supply and that Canada is an interesting sourcedue to its stable regulatory environment, gas resources and LNG prospects. The talks also reflect fears that Germany may be too dependent on the United States for energy supplies, as it continues to reel from an energy crisis that hit Europe's top economy after former top gas supplier Russia stopped delivering.

The U.S. provided 96% of Germany's LNG last year, when Uniper also struck a first long-term gas supply agreement with Canada's Tourmaline. The lack of regasification capacity on Canada's East Coast is a potential hurdle in the talks and may require the

construction of terminals there, the people said. Canada's LNG sector is heavily skewed west, where all current, under-development and proposed export capacity is located.

More LNG cargoes divert to Asia, going after higher prices

(Reuters; March 6) - More tankers carrying liquefied natural gas are diverting toward Asia as buyers scramble for replacement cargoes after the Middle East war halted tanker traffic through the Strait of Hormuz and disrupted supplies from Qatar, the world's second-largest seller of the fuel. Shiptracking data by analytics firms Kpler and LSEG show three LNG tankers diverting toward Asia so far.

Carrying U.S. cargoes from the Plaquemines (Louisiana) and Corpus Christi (Texas) LNG terminals, respectively, the Simsimah and Clean Mistral tankers pivoted toward the South Atlantic on March 4 after heading northeast toward Europe. Earlier this week, the BW Brussels, carrying a Nigerian cargo from Bonny LNG, pivoted away from its initial Atlantic-bound course on March 3, and is now Asia-bound via the Cape of Good Hope.

Higher prices are more than enough to offset the cost of longer distances to move the cargoes to Asia. "Flexible U.S. cargoes will likely start to come to Asia on stronger netbacks," said Energy Aspects analyst Keshav Sumeet. While some Asian buyers are delaying spot purchases or not awarding tenders due to elevated prices, others are paying up to secure cargoes. India and Bangladesh are reportedly securing spot cargoes above \$20 per million Btu, Sumeet said, adding that Asian buyers will unlikely be able to replace all the lost Qatari cargoes for March and April.

Russian LNG tankers redirect routes to avoid Ukrainian attacks

(Bloomberg; March 6) - Sanctioned Russian liquefied natural gas carriers are redirecting away from the Mediterranean Sea after one was allegedly attacked by Ukrainian drone boats. At least three tankers, or just under a fifth of the total fleet used to ferry fuel from blacklisted Russian LNG export projects, have diverted from or avoided the Mediterranean, according to ship-tracking data compiled by Bloomberg. A fourth has halted after entering the body of water from the Suez Canal, the data shows.

The sanctioned Russian projects, already struggling under restrictions by the U.S. and European nations, now face longer tanker journeys to buyers in China by circumnavigating Africa. That will complicate efforts by Moscow to boost exports and reduce access to foreign funds to help finance the war in Ukraine.

The Arctic Metagaz, known for carrying sanctioned Russian LNG, was targeted by Ukraine near Malta earlier this month, according to Moscow. The vessel's crew was evacuated but satellite pictures show that the tanker is heavily damaged. There are at

least 16 shadow fleet vessels used to transport restricted Russian LNG, according to a Bloomberg News analysis of ship data and satellite images.

Russia stands to profit from disruption in Mideast oil and gas supply

(Wall Street Journal; March 7) - Just over a week ago, Russia's energy industry was in its worst shape in years, with low oil prices and sanctions starving the economy of cash. Millions of barrels of Russian oil floated on the sea, much of it without a destination. The war in the Persian Gulf has turned that dynamic on its head. Russian oil that struggled to find buyers last week is now a hot commodity. The U.S. has eased some sanctions, allowing purchases from key buyers of Russian crude. The soaring price of oil and natural gas will lead directly to higher profits for Russian producers.

Already, the discount that traders demanded to buy Russian oil in India has begun to reverse, with some traders trying to sell oil at prices above global benchmarks. "The longer that this conflict goes on, the world will increasingly rely on both Russian crude oil and Russian refined products," said Naveen Das, senior crude analyst at ship-tracking data provider Kpler.

Before it invaded Ukraine in 2022, Russia was the world's third-largest oil producer behind the U.S. and Saudi Arabia, and among the world's top three largest exporters, a position it maintained last year despite sanctions. But Russia's barrels have been sold at record discounts, which squeezed the country's oil industry and dented the Kremlin's war chest. In January, Russia's oil and gas revenue was the lowest since July 2020. Higher oil prices — and more sales to nations looking to replace lost supplies from the Middle East — would help ease the fiscal pressures on Russia.

Maritime insurance premiums 10 times higher than before fighting

(Reuters; March 6) - As the conflict in the Persian Gulf widens, maritime insurance premiums for war coverage are surging —in some cases by more than 10 times — dramatically driving up the cost of moving energy through a critical maritime corridor. War risk insurance allows ship owners to claim against any damage to their vessel or the cargo resulting from conflict or terrorism. Policies are typically annual, although some cover one-off voyages through risky waters, including war zones.

The spike in premiums underscores how the war is raising costs for ship owners, traders and energy companies moving cargo through the Strait of Hormuz, adding to fears the conflict could stoke inflation if it goes on, said analysts. "The hull war market has reacted more immediately," due to the risk of large, concentrated losses if multiple vessels are hit, said Stephen Rudman, Head of Marine, Asia, at global insurance broker Aon. If the situation escalates materially, further rate corrections are likely, he said.

Cargo war risk premium rates are also increasing, with quotes being reviewed on a voyage-by-voyage basis, particularly for energy and bulk commodity trades, he said. With most tankers valued between \$200 million and \$300 million, the new insurance rate of 3% would imply a hull war risk premium charge of about \$7.5 million, up from around 0.2%, or \$625,000, before the conflict began, the brokerage added.

Qatar offers for lease 10 LNG tankers it can't use due to shutdown

(Reuters; March 6) - QatarEnergy is offering for lease 10 liquefied natural gas tankers located outside the Strait of Hormuz, two industry sources told Reuters. The world's second-largest LNG exporter has announced a production halt as the U.S.-Iran conflict heads into its second week. Qatari Energy Minister Saad al-Kaabi told the Financial Times it would take "weeks to months" to return to normal deliveries, even if the war ended today. The company declared force majeure on LNG shipments on March 4.

The production halt has intensified competition between the Atlantic and Pacific basins for LNG cargoes, sending European and Asian gas prices and LNG freight rates to multi-year highs. "All of the tankers on offer are located outside the Strait of Hormuz, so that any safety issues can be avoided," said Klaas Dozeman, market analyst at Brainchild Commodity Intelligence.

"Two of the tankers are due to deliver next week in Europe. This implies that these vessels are not expected to be back in service for QatarEnergy anytime soon," he added. LNG freight rates have soared this week, with Atlantic rates hitting a new week-on-week record, increasing by \$221,500 to \$264,250 per day, the highest since December 2022, according to data from Spark Commodities. Pacific rates followed suit and rose to \$219,250 per day.

BP seeks at least \$3.7 billion in arbitration win over U.S. LNG cargoes

(Reuters; March 6) - BP is seeking at least \$3.7 billion from its arbitration win against Venture Global in a case concerning liquefied natural gas cargoes, Venture Global's annual report shows. The remedies sought by BP include damages ranging from \$3.7 billion to potentially in excess of \$6 billion, as well as interest, costs and attorneys' fees, said the report, which was released this week. BP declined to comment.

A Venture Global spokesperson said BP's requested damages are "unserious and not supported by evidence or controlling law." BP, Shell, Unipet, Edison, Galp, Repsol and Orlen all took Venture Global to arbitration in one of the biggest disputes in the history of the LNG industry. In October, BP won its case over Venture Global's failure to deliver LNG under a long-term contract that was due to start in late 2022.

The International Chamber of Commerce International Court of Arbitration found that Venture Global breached its obligations to declare commercial operations had begun at the company's Calcasieu Pass plant in Louisiana in a timely manner, Venture Global said in a regulatory filing at the time. Venture Global, the second largest LNG exporter in the U.S., has won two out of the three arbitrations brought against it for holding back cargoes during plant commissioning to sell on the higher-price spot market rather than delivering the gas to contract customers.

Shell loses appeal of arbitration case against U.S. LNG developer

(Reuters; March 2) - A New York state judge on March 2 rejected Shell's request to throw out a 2025 arbitration award that favored Venture Global in a dispute over the American company's alleged improper sale of liquefied natural gas. Justice Joel Cohen of the state Supreme Court said no additional evidence-gathering was warranted, and the court owed "substantial deference" to arbitral decisions. "Shell's suggestion that (Venture Global's) counsel made misrepresentations to the tribunal is pure speculation."

The decision ends Shell's challenge of Venture Global's failure to provide it with LNG cargoes for years after its Louisiana plant started production. Several energy companies including Shell, Repsol and BP began filing arbitration claims in 2023 against Venture Global. The LNG producer was accused of wrongfully profiteering by selling gas at higher prices on the spot market following Russia's invasion of Ukraine, instead of honoring its long-term contracts with the companies. Shell and Repsol lost their cases.