# Oil and Gas News Briefs
# Compiled by Larry Persily
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## Korean government will commission review of Alaska LNG economics

(Business Korea; Nov. 5) - It is reported that the South Korean government will soon commission a foreign advisory firm to assess the commercial rationality of the Alaska liquefied natural gas project. This marks the first step of the “thorough verification” that the government has emphasized. Analysts also suggest that the Democratic party’s landslide victory in the U.S. midterm elections has increased the room for the Korean government to take sufficient time to review whether to invest in the Alaska project.

According to multiple government officials on Nov. 5, the government plans to soon commission a specialized foreign advisory firm to review the commercial rationality of the Alaska LNG project. Questions have been raised about its economic feasibility regarding the massive construction costs and price competitiveness. U.S. President Donald Trump has repeatedly made remarks treating South Korea’s investment in Alaska LNG as a foregone conclusion, but the South Korean government has drawn a line against confirming the investment.

Kim Jung-gwan, Minister of Trade, Industry and Energy, said any investment “is premised on commercial rationality.” South Korea is not the only country to have taken steps to review the feasibility of the Alaska LNG project through an external institution. The Japanese government reportedly commissioned energy consulting firm Wood Mackenzie to evaluate the project last year. Although the evaluation results were not disclosed, Japan has been negotiating with the U.S. focusing on a plan to act as a buyer of the LNG to be produced in the future rather than making a direct investment.

## Costs, risks derail over half of gas power projects in emerging Asia

(LNG Industry; Nov. 5) - Rising costs and financing risks have derailed more than half of proposed LNG-to-power projects and import terminals across the Philippines, Vietnam, Thailand and Bangladesh, according to an Institute for Energy Economics and Financial Analysis report. It surveyed 92 proposed LNG-fired power projects worth an estimated $109 billion and 44 LNG import terminals valued at $21 billion. The report identified 49 proposed LNG-fired power plants and 22 regas terminals that were cancelled or showed no notable progress 2021 to 2026, with an estimated value of $67.8 billion.

This is nearly 4.5 times the value of projects completed during the same period. “Recent developments in fuel, equipment and currency markets have exacerbated execution

risks for LNG-to-power projects in emerging Asian economies while weakening the revenue certainty needed to secure project financing," said Sam Reynolds, co-author of the report and IEEFA Asia's LNG/gas research lead. "As a result, the region's LNG expansion has progressed far more slowly than the global gas industry expected."

Only 11% of proposed power capacity and 15% of import terminal capacity in the four markets came online 2021-2026, a substantially lower completion rate than IEEFA estimated in a 2021 commercial feasibility analysis. Moreover, projects took over seven years on average to reach commercial operations, far longer than the three or four years often estimated by developers. Since 2021, extreme LNG price volatility, higher capital costs, longer lead times for gas turbines and the depreciation of emerging Asian currencies against the U.S. dollar have weakened the financial viability of the projects.

## QatarEnergy continues talks for more U.S. LNG

(Bloomberg; Nov. 5) - QatarEnergy is in talks for more long-term deals to buy liquefied natural gas from U.S. suppliers, according to people familiar with the matter. Qatar's state energy company aims to sign additional contracts in the coming months to purchase 3 million to 6 million tonnes of LNG annually, according to one of the people, who asked not to be identified because the talks are private. The moves follow Qatar's agreements with Cheniere Energy and Woodside Energy to buy 7 million tonnes of LNG a year combined from the two firms, which operate plants in Texas and Louisiana.

Qatar was the world's second-largest supplier of LNG before the Iran war, but its massive fuel export complex was damaged in March attacks, and many of its cargoes have been trapped behind the Strait of Hormuz. The Mideast nation is now pushing to diversify its supplies outside the Persian Gulf in the wake of the ongoing conflict and to use the purchased fuel to expand its trading operations.

The company is also in talks with U.S. suppliers Venture Global, which operates export terminals in Louisiana, and the developer of the Kimmeridge Energy Management-backed Commonwealth LNG project in Louisiana, the people said.

## QatarEnergy in talks with another U.S. LNG supplier

(Reuters; Nov. 6) - QatarEnergy is in advanced talks with NextDecade to buy up to 2 million tonnes per year of liquefied natural gas from the company's Rio Grande LNG export facility under development in Texas, two people familiar with the matter told Reuters. The people said the negotiations involve volumes from Train 6, which is in the permitting process and has not yet reached a final investment decision.

NextDecade has already sold out the capacity from the first five trains, the company said when it approved the projects. Neither NextDecade nor QatarEnergy responded to requests for comment. QatarEnergy has been aggressively pursuing long-term supply deals with U.S. LNG exporters amid the ongoing conflict in the Middle East as part of a trading strategy aimed at generating revenue should exports through the Strait of Hormuz be again disrupted, CEO Saad Sherida Al-Kaabi told Reuters last month.

NextDecade filed an application with the Federal Energy Regulatory Commission in May for the Train 6 project and submitted an application to the Department of Energy in June for LNG export authorizations. NextDecade previously said commercial interest in Train 6 exceeds nameplate capacity, with a final investment decision targeted for 2027.

## Taiwan blames China, will stop spot buys of Papua New Guinea LNG

(Al Jazeera; Nov. 6) - Taiwan says it is closing its representative office in Papua New Guinea and will stop buying liquefied natural gas from the country, blaming Chinese political pressure. Taiwan's Ministry of Foreign Affairs said on Nov. 6 that Papua New Guinea had repeated previous demands that Taiwanese staff leave their office in the capital, Port Moresby, within a set deadline and had pushed for its closure.

These actions "reflect China's continued use of political pressure and economic influence to interfere in other countries' diplomatic decisions and suppress Taiwan's international space," the ministry said in a statement. China, which claims Taiwan as part of its territory, had welcomed Papua New Guinea's decision in July to shutter Taiwan's office in Port Moresby. Taipei rejected the move, and the office remained open.

The Pacific has long been an area for diplomatic competition between China and Taiwan. Papua New Guinea has formal diplomatic relations with China, but it had allowed Taiwan to have a representative office in Port Moresby. Taiwan previously announced that it had stopped spot purchases of LNG from the South Pacific nation, but on Nov. 6 the ministry said it also would no longer sign new spot purchase contracts with the country. Last year, Taiwan imported about 8% of its gas from Port Moresby.

## Tankers hauling Russian diesel turn away from U.S.

(The Associated Press; Nov. 5) - President Donald Trump's plan to allow imports of Russian diesel appeared to falter this week after state and federal officials warned that handling any shipments could bring legal consequences, and two tankers initially bound for the United States changed course. Trump announced an agreement with Russian President Vladimir Putin on Oct. 9 to make more than 300,000 metric tons of Russia's diesel available immediately to U.S. and global markets, with larger shipments to follow.

The U.S. banned Russian energy imports after the 2022 invasion of Ukraine, and the President Trump's October deal angered some lawmakers and foreign allies. The arrangement has yet to produce a confirmed U.S. delivery. Analysts have said the imports were unlikely to do much to lower U.S. diesel prices, which have reached record highs during the U.S. war with Iran.

Two sanctioned tankers that departed from the Baltic Sea port of Primorsk last month originally declared their destinations as the U.S. East Coast. As of Nov. 5, however, both had changed course, one toward Brazil and the other into the Mediterranean, according to marine data company Kpler and vessel traffic site MarineTraffic.com. A third vessel was still in the North Atlantic headed toward the U.S. but changed its destination from New York to "for orders," which leaves the unloading point open.

## Oil traders ask U.S. to give approval for using sanctioned tankers

(Bloomberg; Nov. 6) - Oil traders are seeking approval from the U.S. government to use some tankers that were sanctioned for their involvement in shipping illicit oil, in an effort to address a vessel crunch and lower prices. At least four companies, including Trafigura, Vitol, Mercuria Energy and Abu Dhabi National Oil Co. are in discussions with U.S. officials for licenses that would allow them to purchase or lease some ships that are blacklisted by the government, according to people with knowledge of the matter.

The move comes as the Trump administration tries to lower oil prices that spiked after the U.S. and Israel launched their war on Iran, triggering the worst supply disruption in history. Freight rates, a major component in the final price of oil, surged to a record in recent weeks amid tanker shortages and the risks of sailing through the Strait of Hormuz. Ships have been forced to take longer voyages and charterers have been forced to cough up higher insurance fees.

Last month, the U.S. Energy Secretary said the administration is working with investors who buy idled sanctioned tankers, refurbish them and use the ships to transport non-sanctioned oil. The idea is to convert "dark tankers to legitimate tankers," he said. Treasury officials are reviewing applications and may issue authorizations on a case-by-case basis, rather than a blanket exemption, said the people, asking not to be named. The talks cover about 50 of the roughly 1,600 ships currently sanctioned by the U.S. No decision is final and the timeframe for approvals is unclear, the people added.

## Global oil market returning to excess supply as demand drops

(Reuters; Nov. 6) - The global oil market is showing signs of a return to excess supply as demand drops due to high prices, analysts and traders said, despite the lack of a resolution to the Iran war which has disrupted exports from the Middle East. The market

was widely expected at the start of 2026 to be in a surplus, but the outbreak of the war in late February led to what the International Energy Agency called the world's biggest supply disruption ever and cut Middle East exports, overturning the surplus projections.

Banks and government forecasters have cut global oil demand forecasts in 2026 in part due to high prices. As supplies recover, weak demand is helping the market to balance. Recovering Middle Eastern oil flows, rising production from other countries and weak demand have pushed global supply above consumption once again, JP Morgan said in a report. "We estimate the global oil market returned to a surplus of 1.1 million barrels per day in September, widening to 1.4 million barrels per day in October, nearly matching last year's average of 1.3 million barrels per day," the bank said.

## U.S. approves oil export terminal for offshore Louisiana

(gCaptain; Nov. 5) - The Trump administration has approved a $1 billion offshore crude oil export project off the coast of Louisiana, clearing a major regulatory hurdle for a facility designed to load some of the world's largest oil tankers directly in the Gulf of Mexico. U.S. Transportation Secretary Sean Duffy announced Nov. 5 that the Maritime Administration has approved the deepwater port license application for Blue Marlin Offshore Port, a project capable of exporting up to 2 million barrels of crude oil per day.

The facility will be located approximately 99 miles off Cameron Parish, Louisiana. The project, developed by an affiliate of Energy Transfer, will use existing and converted offshore platform infrastructure connected to crude oil supply hubs in Texas and southwest Louisiana. Blue Marlin is designed to accommodate Very Large Crude Carriers (VLCCs), allowing the massive tankers to load crude directly in deep water rather than relying on more congested inland port facilities. The system will have a maximum loading rate of 80,000 barrels per hour.

The approval is the fourth deepwater oil and gas port project cleared under the Trump administration, following the Texas GulfLink crude oil export project, Delfin LNG off Louisiana, and the $8.2 billion ST LNG project approved off Texas last week. Blue Marlin is also the second oil export project approved since President Trump issued his Unleashing American Energy executive order in January 2025. The administration did not announce a construction start date or expected completion timeline for Blue Marlin.

## UAE considers third oil pipeline to bypass Strait of Hormuz

(Bloomberg; Nov. 4) - The United Arab Emirates is considering a third oil-export pipeline that would deliver crude outside the Strait of Hormuz, according to people familiar with the matter, as the country aims to sharply reduce its dependence on the contested waterway. Abu Dhabi National Oil Co. is weighing building the pipeline to run from the

UAE’s western coast to the port of Fujairah in the east, the people said, asking not to be identified discussing private matters.

The pipeline could be open for use by third-parties and would add to an existing link and another conduit that’s scheduled to start next year, bolstering the ability to supply customers in case of future disruptions at Hormuz, they said. ADNOC has been telling some customers in Asia about the pipeline, other people familiar with the matter said. The plans haven’t been finalized and could still change, including the route. Pipeline workarounds in the UAE and Saudi Arabia have been key in keeping oil flowing as voyages through the crucial waterway during the Iran war remains highly risky.

New links and higher port capacity on its eastern coast are a central part of Abu Dhabi’s multibillion-dollar plan to move its economy toward zero reliance on the Strait of Hormuz. ADNOC currently operates a pipeline that connects its onshore fields in western UAE to Fujairah, with the capacity to move about 2 million barrels a day. The company said in May it was accelerating the construction of a second line with the aim of completing it by next year, which would double transport capacity. The UAE, which left OPEC in May, plans significant investment in new pipelines, rail and road networks.

## Report estimates 1 in 5 refineries risk closure in next decade

(Wood Mackenzie report; Nov. 5) - An estimated one in five of the world's oil refineries faces increasing risk of closure as global oil demand peaks and enters structural decline within the next decade, according to new research published by Wood Mackenzie on Nov. 5. For the refining industry, the firm says, hope is not a strategy. Global refined product demand stands at 105 million barrels per day. Wood Mackenzie forecasts a rise to 108 million barrels per day by 2032, after which decline sets in.

Roughly 20% of global refining capacity sits on what the report terms a "downward escalator," facing falling or negative operating net cash margins and increasing risk of closure. Demand peaks in 2032, but with 2040 only three to four refinery turnaround cycles away, the window for major investment decisions is closing. Despite this, the report said, some refinery investments will continue in locations such as India, driven by domestic demand growth and energy self-reliance policy.

"The sector has navigated structural change before, from the oil shocks of the 1970s to the investment capacity wave across the Middle East and Asia in the 2000s,” said Alan Gelder, Wood Mackenzie’s senior vice president for refining, chemicals and oil markets. “The current pressure is different in kind, not just degree. For the first time, the industry faces sustained decline in end-market demand rather than a temporary supply disruption.” Gasoline faces the sharpest pressure from electric-vehicle adoption.

## Oil industry braces for possible federal windfall tax on profits

(Bloomberg; Nov. 4) - The oil industry is bracing for Democrats to use their newfound political muscle to push for a deal with President Donald Trump and impose a windfall tax on surging crude profits. Democrats already have proposed legislation to make companies compensate consumers for high fuel prices. Now oil industry executives — and their lobbyists in Washington — are concerned the tax could emerge as part of a broader agreement between Democrats and Trump following an election that hinged on voters' anger over high prices, according to people familiar with the matter.

"It's a legitimate concern," said Mike McKenna, a Republican strategist who advised Trump on energy issues during his first term. Trump hasn't called explicitly for a windfall tax, and a White House official said the idea of the president cooperating with Democrats on one hasn't been discussed, calling it "baseless speculation." The president even celebrated oil profits as an economic benefit for the U.S. during a recent campaign rally, saying companies are "making hundreds of billions of dollars because of what's happened in the Middle East."

Still, Trump has also shown a willingness to lash out at oil giants. For instance, he called on the Justice Department to investigate them for price gouging in June. He also criticized ExxonMobil and Chevron in August for "making too much money" after they reported second-quarter profits that totaled about $26 billion. "I don't like it," Trump said at the time. He urged the companies to "give some of that back to the public." Rapidan Energy Group, a Washington-based research and consulting firm, said Nov. 4 there's a 30% chance Democrats will pass an oil windfall tax or cut fossil fuel tax breaks.

## France's TotalEnergies makes a growing profit from selling electricity

(Bloomberg commentary; Nov. 5) - TotalEnergies has long had a special *je ne sais quoi* in a petroleum industry dominated by Anglo-Saxon giants. Now, the Paris-based major is standing out even more by success in a market that no rival has mastered: electricity. With oil at around $100 a barrel and refining margins at an all-time high, the fledgling unit is still too small to alter the company's financial profile. But at its current growth rate, TotalEnergies reckons in four years its electricity division could make enough money to cover 25% of the annual dividend — a cushion against any downturn in hydrocarbons.

TotalEnergies pursued a middle path through the climate debate that's divided both society and its own industry. While the energy transition is shifting more consumption to electricity, generating that power still relies mostly on carbon-emitting fossil fuel plants. For their part, the U.K.'s Shell and BP invested billions of dollars in what proved to be a losing bet on renewable energy to expand in power generation, while the American giants ExxonMobil and Chevron largely shunned the market.

TotalEnergies adopted a strategy of including gas-fired power stations in its portfolio, allowing it to bridge the natural intermittency of its solar and wind power production. Many investors wondered initially whether TotalEnergies was making similar green-energy mistakes to BP and Shell. But the money is starting to flow: Over the past four quarters, the French company's power unit has reported net operating income of about $2.25 billion — nearly 10% of the company's overall total. Remarkably, that's a better performance than the fuel stations more typically associated with an oil major.

## Tokyo Gas CEO says spot LNG prices could rise even higher

(S&P Global; Nov. 5) - Spot LNG prices may rise further toward winter due to weather, inventory drawdowns and geopolitical risks, Tokyo Gas President and CEO Shinichi Sasayama said Nov. 5. "Spot (LNG) prices have already risen above $30 (per million Btu). Looking ahead to this winter, depending on weather conditions, the pace of inventory drawdowns and the developments you mentioned, there is a possibility that spot prices could rise even further," Sasayama told a press conference in Tokyo.

The spot price will depend on various factors, "including weather and geopolitical risks, such as how the situation in Iran develops following the (U.S.) midterm elections," he said. "I think we need to closely monitor how that (U.S. election results) will affect crude oil prices," he said, adding that "depending on how crude oil prices move, (LNG) prices under long-term contracts could also rise" because most long-term LNG contracts are linked to crude oil prices.

Pressure on supply could rise even more, as the European Commission remains committed to implementing its planned ban on Russian natural gas imports, set to fully phase in over 2027, Energy Commissioner Dan Jorgensen said Oct. 29. The EU is set to ban all imports of Russian LNG from Jan. 1, 2027, under legislation approved at the start of this year. Some European companies with long-term Russian LNG contracts can continue to divert some shipments outside the EU until at least late July 2027 under a carve-out in the EU's latest sanctions package against Moscow, approved in July.

## Subsidies for Russian producers to keep fuels at home at 4-year high

(Bloomberg; Nov. 5) - Russian subsidies paid to oil producers for keeping road fuels in the domestic market climbed to the highest in more than four years, eating into the Kremlin's energy revenues. The subsidies totaled 415 billion rubles ($5.1 billion) last month, according to Finance Ministry data published on Nov. 5. That's the highest level since the record payout of 450 billion rubles in April 2022.

The subsidies are designed to incentivize Russian oil producers to supply fuel to domestic consumers even when it's more attractive to export. As global crude and fuel

prices jumped this year with the turmoil unleashed by the Iran war, the monthly payouts to Russian refineries increased from several billion rubles in January to hundreds of billions now. Most of the subsidies go to the nation's largest oil companies — from Rosneft to Tatneft — which own key refineries.

The payouts are providing vital financial support to the companies as they scramble to repair plants damaged by Ukrainian drone attacks. The government is keeping the subsidies in place, even as it bans exports of most diesel, gasoline and jet fuel, but the increasing payouts are eating into the government's coffers. October payouts equated to about half Russia's net budget oil revenues of 829 billion rubles, according to Bloomberg calculations based on the Finance Ministry data. The subsidies have amounted to almost $20 billion so far this year, according to the calculations.