Oil and Gas News Briefs
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Natural gas losing market share for power generation in Asia, Europe

(Reuters commentary; Oct. 28) - Natural gas was supposed to be the dominant bridge fuel between legacy generation systems and a clean-powered future. But across key markets in Europe and Asia, power producers appear to be increasingly bypassing the fuel in favor of other options. Total electricity generation from gas-fired power plants has contracted this year from 2025 in the United Kingdom, the Netherlands, Turkey, Japan, South Korea and China, according to data from think tank Ember.

Those countries represent some of the key traditional and high-potential markets for gas power generation, and yet all simultaneously pared back gas use as global supplies and prices were impacted by the war in Iran. Significantly, total electricity generation across those six nations has expanded this year despite lower collective gas-fired output, resulting in gas losing share to other generation sources within those key networks.

For exporters of liquefied natural gas, the risk is that gas remains essential as a marginal fuel but ceases to be a growth engine for power generation. Power grids still need gas-fired plants to bolster reliability, but they appear to need progressively less gas-fired electricity as renewable generation, storage and output from other power sources expand. That is challenging for an industry investing heavily in export capacity on the assumption that tomorrow's power sector will burn substantially more gas.

In Japan, which for years has been one of the top LNG importers, gas use in electricity generation has lost ground to both rising output from renewables and a recovery in output from the country's nuclear reactor fleet. The gas share of Japan's electricity mix so far this year was 28.4%, which was the first reading on record below 30%, and compares to an average share of around 35% in 2022 and nearly 40% in 2019. South Korea's power system also reduced gas' share to a multi-year low of just under 29% this year, while in China gas' share of the mix was just 3.07%, which again was a record low.

Mexico’s reliance on U.S. gas could leave it exposed to risks

(Reuters commentary; Oct. 27) - While much of the world spent the past two decades worrying about energy security, cutting fossil fuel dependence and building cleaner power systems, Mexico largely sat out the transition. A front-row seat to the U.S. shale revolution handed Mexico access to abundant supplies of some of the world's cheapest natural gas. Delivered mainly by pipeline and priced off the U.S. benchmark rather than

the volatile LNG market, U.S. gas provided Mexico with reliable, low-cost energy just as many other countries were grappling with rising fuel bills and supply concerns.

Rather than pouring vast sums into renewables, battery systems and transmission networks, Mexico built much of its energy system around gas. That strategy has worked well so far, but raises an important question: Was that a smart decision that saved billions of dollars, or has it left the country dangerously exposed to a single fuel? Mexico's own gas output has been declining for years and turned Mexico into a major net importer from 2000. Easy access to U.S. shale gas effectively insulated the country from the risks that normally accompany such dependence.

The result is an energy system built around the assumption that U.S. gas will remain abundant and inexpensive indefinitely. Yet cheap energy can create its own form of vulnerability, as it reduces the urgency to diversify and shield the economy from any unexpected jumps in costs or supplies. Mexico's dependence on gas was not a policy mistake. It was a rational response to favorable circumstances. The problem is that strategies built around abundance tend to assume abundance will continue, leading to the postponement of difficult choices tied to energy security and decarbonization.

EQT Corp. will buy rival to become largest gas producer in U.S.

(Bloomberg; Oct. 26) - EQT Corp. agreed to buy rival shale driller Range Resources in an all-stock deal for about $12.8 billion that will create the largest U.S. natural gas producer. The merged company will pump the equivalent of about 7% of total U.S. production. Both EQT and Range are big operators in Appalachia. EQT Chief Executive Officer Toby Rice is pushing to build a U.S. gas giant with the scale to sell to both domestic power plants and foreign customers via exports of liquefied natural gas.

A self-styled “shalennial,” Rice took control of the company in 2019 after a proxy fight and has turned EQT into an integrated producer, adding assets across the region and re-merging with a pipeline unit in 2024 that had previously been spun out. The EQT-Range deal comes amid a period of strong growth in U.S. gas production. The fuel has become a key energy source for the AI boom, and both companies’ assets are adjacent to Data Center Alley in Northern Virginia that is a popular location for data centers.

EQT raised its projection for demand growth for Appalachian gas to about 25 billion cubic feet per day by the early 2030s, a jump of about 68% from the region’s demand in 2025, according to an investor presentation. The proximity of Range’s gas assets to the Ohio River will expand opportunities around power generation and advanced manufacturing, Rice said. EQT said the combined company will hold over 30 years of drilling inventory across nearly 3 million net acres, with current net production of more than 9 billion cubic feet equivalent per day,

U.S. shale gas producer leases its first LNG tankers

(Bloomberg; Oct. 27) – U.S. shale driller EQT Corp. is leasing two liquefied natural gas tankers and plans to start trading cargoes of the fuel by next year as it aims to become a global supplier. The moves mark the Appalachia producer's latest push into the LNG business and come after the company acquired rival gas producer Range Resources for about $12.8 billion earlier this week.

The tanker leases give EQT — soon to be the largest U.S. natural gas producer — the ability to deliver gas overseas and open access to a higher-priced global market upended by the war in Iran. EQT is also one of the newest companies to enter LNG trading, expanding into the area at a time when the war has throttled nearly one-fifth of the world's supply and buyers have turned to U.S. LNG exports as replacements.

"There's a lot of value you're leaving on the table when you're not doing it," EQT Commodities Vice President Nathaniel MacAdams said in an interview with Bloomberg. The tankers, Marcellus and Utica, are named after the Appalachia shale formations in Pennsylvania, West Virginia and Ohio. The vessels, owned by Seapeak, were ordered from a South Korean shipyard. They are due to be delivered in the second and third quarters of 2028. EQT expects to lease more ships with possibly another 10 vessels to be added, depending on customer sales in Europe or Asia, according to MacAdams.

Japan's Kyushu Electric buys LNG from Canadian project

(Reuters; Oct. 28) - Japan's Kyushu Electric Power said on Oct. 28 it had signed a basic agreement with Diamond Global Energy, a subsidiary of Mitsubishi, to buy liquefied natural gas from an LNG expansion project in Canada. Under the deal, Kyushu Electric Power will buy 12 LNG cargoes a year from Diamond Global for 15 years starting from when the project begins commercial production in the early 2030s, the utility said. The sponsors of the Shell-led LNG Canada project in Kitimat, British Columbia, which includes Mitsubishi, announced in September they had decided to move ahead with an expansion of the facility, doubling its production capacity to 28 million tonnes per year.

Construction 75% complete at Woodfibre LNG plant in Canada

(Pipeline & Gas Journal; Oct. 26) - Woodfibre LNG's export facility near Squamish, British Columbia, is about 75% complete, with construction expected to finish in mid-2027, the company said Oct. 22. The facility, planned for 2.1 million tonnes per year of production capacity, is owned 70% by Pacific Energy Corp., part of a Singapore-based group, and 30% by Canadian oil and gas pipeline company Enbridge. Gas will be supplied through FortisBC's Eagle Mountain Pipeline.

The update came with an economic impact study by Deetken Insight, which estimates that construction of the facility and the pipeline will generate C$13.6 billion in economic output across Canada and C$3.6 billion in labor income. The study projects about C$11.6 billion in government revenue over construction and a 40-year operating period, including about C$6.8 billion for British Columbia and C$485 million in municipal property taxes. Revenue sources include royalties, income taxes, carbon tax, property tax, motor fuel tax and provincial sales tax.

The estimated construction cost for the entire project has ballooned to double the original estimates, with reports putting it at more than C$10 billion. The expenses include C$50 million to clean up and remediate the former Woodfibre pulp mill site about 30 miles north of Vancouver.

Proposed Canadian LNG project confirms another sales contract

(Bloomberg; Oct. 26) - Ksi Lisims LNG has finalized a deal to supply liquefied natural gas to state-owned German utility Securing Energy for Europe. Under a binding sale and purchase agreement, SEFE is to buy one million tonnes per year of LNG for 20 years, with deliveries set to begin in the early 2030s. SEFE and Ksi Lisims signed an initial heads of agreement in May of this year.

The floating liquefaction plant and marine terminal on the coast of British Columbia near the Alaska border now has binding contracts for seven of its 12 million tonnes per year of production capacity, and another two deals in the preliminary stages. Houston-based Western LNG is the lead developer and future operator of Ksi Lisims alongside Rockies LNG, a consortium of Canadian gas producers, and the Nisga'a Nation, on whose lands the project would be located. The C$10 billion project has regulatory approval, and the partners have said they aim to make a final investment decision this year.

QatarEnergy in talks for more U.S. LNG deals

(Reuters; Oct. 23) - QatarEnergy is in talks with Woodside Energy to buy up to 3 million tonnes of liquefied natural gas per year from its Louisiana LNG plant under construction, three people with knowledge of the negotiations told Reuters. If a final agreement is reached, the long-term deal could see QatarEnergy buying LNG from the 16.5-million-tonne-per-year export facility for between 15 and 20 years, one of the people said.

Woodside Energy said Oct. 23 it does not respond to market speculation, while QatarEnergy did not immediately respond to a request for comment. QatarEnergy has been buying LNG on the spot market from U.S. exporters to supply some of its customers due to the ongoing blockage of the Strait of Hormuz as the U.S.-Israeli war on Iran and Tehran's strikes this year have sharply curtailed shipping.

The company is also a 70% owner of the Golden Pass LNG facility being developed in Texas, which when complete will have the capacity to export up to 18 million tonnes per year. On Oct. 22, Cheniere Energy reported it had reached a long-term agreement to supply QatarEnergy with 4 million tonnes of LNG from its facilities in Louisiana and Texas. And QatarEnergy is in advanced talks with Venture Global for a long-term supply deal to buy at least 3 million tonnes of LNG per year from its Louisiana terminals.

EPA preparing to ease regulation of methane emissions from wells

(Wall Street Journal; Oct. 27) - The Trump administration is moving to dismantle Biden-era rules that sought to limit emissions of methane, a potent greenhouse gas, meeting a key demand of some of its oil-and-gas allies. President Donald Trump announced the measures at a rally in Lubbock, Texas, on Oct. 27. Rising energy costs have become a major issue ahead of the midterm elections, and the administration has described the planned rollback as a way to lower bills.

The Environmental Protection Agency is preparing to propose easing regulations for wells that emit large amounts of methane, ending a program to identify large methane leaks and allowing fossil fuel producers to flare more gas, among other changes. “The methane rules have been very cumbersome for us,” said Chad McDougall, vice president at JMA Energy, a privately held producer in Oklahoma City. The proposal amounts to an overhaul of the regulatory framework the U.S. has built to curb methane releases in the oil and gas industry, the nation’s largest industrial source of the gas.

Scientists and policymakers say reducing methane leaks from oil and gas wells is crucial to combating climate change. Over its first 20 years in the atmosphere, methane traps heat from solar radiation about 80 times as effectively as carbon dioxide. Large oil and gas producers have been supportive of federal methane regulations, in part because they want to keep selling their product to climate-minded buyers abroad. But smaller operators focused on the domestic market have decried the rules as a potential cause of bankruptcies. They have said compliance costs are prohibitive.

Federal agency approves LNG terminal offshore Texas

(Reuters; Oct. 28) - The federal Maritime Administration has approved a deepwater port license application for the $8.2 billion ST LNG project, U.S. Transportation Secretary Sean Duffy said on Oct. 28. The project could further expand U.S. liquefied natural gas export capacity. The Trump administration has promised to ease permitting in a bid to speed up energy infrastructure development. The ST LNG deepwater port, planned for 10.4 miles offshore Matagorda, Texas, would include four liquefaction units, each capable of producing 2.1 million tonnes per year, the Transportation Department said.

The floating terminal project is still in its relatively early phase but some of its proponents have been involved in the development of other LNG projects. Construction could begin in 2027, with project supporters advocating to come online in 2029. The location of the project is expected to move vessel traffic away from more congested onshore areas, reducing vessel collisions and safety risks, the department said.

The approval comes about 10 months after Duffy announced that the Maritime Administration would take on oversight of deepwater port licensing from the U.S. Coast Guard and streamline environmental reviews and accelerate license approvals. MARAD finalized the final environmental impact statement for ST LNG in just 410 days, nearly 3.7 years faster than the historical average, the department said, calling it the fastest deepwater port license review in more than two decades.

Demand for gas turbines outpaces manufacturing capacity

(Bloomberg; Oct. 27) - Demand for natural gas turbines is outpacing manufacturing capacity, leading to increased wait times, according to one of the world's top makers of the power generation equipment. "We're talking about delivery at around 2031," Akihiro Ondo, chief executive officer of Mitsubishi Power Asia Pacific, said on the sidelines of the Singapore International Energy Week on Oct. 27.

Slots for 2028 and 2029 delivery are almost full, Ondo said. Global demand for gas power plants has surged along with a boom in data centers, manufacturing and a shift toward electrification — leaving producers including Mitsubishi, GE Vernova and Siemens Energy struggling to keep pace. The fossil fuel is seen as a cleaner alternative to coal that can provide backup electricity when wind and solar generation fluctuate.

The longer wait times illustrate that demand for natural gas remains strong, despite a jump in global benchmark prices to a four-year high as the war in the Middle East curbs supply from the Persian Gulf. Despite the disruption, demand for gas "will be continuously growing," Ondo said. New global orders for this year are projected to hover around 70 to 80 gigawatts, a lot higher than average, according to Ondo. Most of the demand is still from North America, but interest from Asia is increasing, he said.

Eni sees its Mediterranean gas project as potential hub for Europe

(Wall Street Journal; Oct. 27) - Energy companies could increasingly look to drill offshore Europe as the continent seeks to boost its supply security following the latest global shocks, Eni's operations chief said. The Italian energy major on Oct. 26 signed contracts for subsea infrastructure and pipelines that will extract, treat and send gas to Egypt for liquefaction from its offshore Cyprus gas project. It will then be loaded onto ships and sent primarily to Europe, with production slated to begin in 2028.

Eni’s Cronos project off the island in the eastern Mediterranean lays the foundation for future drilling in the region, the company’s chief operating officer, Guido Brusco, said in an interview. “This project offers a platform for future developments,” he said. The project is entering the construction phase at a time when conflict in the Middle East has roiled global gas markets and left Europe scrambling for supplies for the second time in five years, following Russia’s full-scale invasion of Ukraine in 2022.

The continent has become increasingly reliant on U.S. LNG. With production facilities in Qatar damaged after Iranian attacks earlier this year, gas extracted closer to home should help alleviate some energy security concerns. Several projects nearby could become economically feasible by tapping into Eni’s pipelines, although they might not have been so feasible in isolation, Brusco said. “We all want to diversify our portfolio,” Brusco said. The eastern Mediterranean is a “very premium geography.”

Australia investigating methane emissions from Chevron LNG plant

(Australian Broadcasting Corp.; Oct. 27) - After days of confusion, the West Australian government says it is investigating repeated large methane emissions from Chevron's Gorgon gas project off the state's Pilbara coast. The Department of Water and Environmental Regulation (DWER) was initially unclear on whether it had jurisdiction over the plumes, which had been observed by a U.N.-linked satellite for the past year.

But a government spokesperson said DWER was "working hard" to establish the cause of the emissions and engaging with Chevron to determine the appropriate response. Since November last year, five consecutive passes by the Tanager-1 satellite have detected huge methane clouds emerging from the industrial complex. The most recent posted an emissions rate of 7.8 tonnes of methane an hour near Gorgon's acid gas removal units, making it the highest methane emitter in Western Australia.

Methane is a much more potent greenhouse gas than carbon dioxide and is responsible for about 25% of global warming. The U.N. warned Chevron about its emissions in July last year and as recently as August this year. The gas giant has not formally provided feedback to the alerts. Chevron said it was corresponding with the U.N. over its data. The Gorgon LNG plant on Barrow Island is one of the biggest in Australia, boasting a production capacity of 15.6 million tonnes per year. It started operations in 2016.

Timor-Leste takes control of long-proposed offshore gas project

(Australian Broadcasting Corp.; Oct. 27) - Timor-Leste has vowed to press ahead with its controversial plan to build a pipeline from the Greater Sunrise gas fields to its south coast after Australian energy giant Woodside walked away from the project. Woodside said Oct. 27 it had agreed to sell its 33% stake to state-owned energy company Timor

Gap for up to A$285 million. The move hands control of the project to the impoverished Southeast Asia nation after years of negotiations. The offshore fields have contingent resources of 5.1 trillion cubic feet of gas and 226 million barrels of condensate.

Timor-Leste has staked its economic future on delivering the pipeline and building an LNG plant in the country's south. But there are deep doubts in the sector about the plan's commercial viability, and one analyst predicts that the door is now open for "the Chinese to step forward." The project was meant to transform Timor-Leste and bring billions in revenue, but locals are waiting for jobs and opportunities that were promised. Woodside and the Timorese government have argued for years over whether to build the LNG plant locally or pipe the gas to Australia to feed an existing LNG plant.

Woodside was set to be the operator of Greater Sunrise with financial support from Timor Gap, a state-owned enterprise with no major gas project experience. The project has a sordid history spanning more than two decades. A protracted battle between Australia and Timor-Leste over its maritime border, which involved Greater Sunrise and an Australian government spying controversy, was resolved in 2018. Frustrated by a lack of movement on the project, Timor-Leste has long threatened to engage Chinese operators in the project in a bid to leverage political concerns in Australia.

Company works to make synthetic gas from water, sunlight and air

(Wall Street Journal; Oct. 25) - On a quiet industrial estate in London, engineers at British startup Rivan Industries are working to perfect a system to produce synthetic natural gas from water, sunlight and air. Their work involves splitting hydrogen from water and capturing carbon dioxide directly from the air, then combining the two gases to make green methane, a cleaner substitute for natural gas, the source of energy for around a quarter of European households.

The entire process takes place in a modular unit, a sort of self-contained mini-power plant, powered by solar energy and which Rivan plans to mass produce. Green fuel hasn't been cost-competitive with fossil fuels because making it requires a lot of energy and the equipment needed to do it is expensive. What's more, green-fuel makers typically have to acquire the carbon dioxide they need from outside sources, such as ethanol and biomass facilities that produce the gas as a byproduct.

But now Rivan and others are betting they can bring down the cost of green fuel by doing everything in a self-contained system that runs on renewable power. Three-year-old Rivan says it hopes to place its modular systems near where gas is needed, such as factories or data centers. By capturing carbon directly from air on site, and taking advantage of drops in the cost of renewables such as solar and wind, Rivan and the others believe they can create a future where industries that can't be electrified because they need high heat, such as steel, cement and chemicals, move toward green energy.

Singapore will store Saudi oil in rock caverns to ensure supply

(Financial Times; London; Oct. 26) - Singapore will begin storing Saudi Arabian oil in rock caverns next year as it responds to global energy disruption from the war in the Middle East. The oil will be stored in the Jurong Rock Caverns, an underground facility on a man-made island off Singapore's southern coast that can hold up to nine million barrels. The site is a petrochemicals and refining complex. The agreement with Saudi Aramco aims to secure crude for Southeast Asia and increase resilience to global shocks, the city-state's energy minister said on Oct. 26.

"We cannot predict every disruption, but we will always ensure that Singapore is prepared for them," said Tan See Leng. "This will be the most significant buildup of our energy infrastructure in decades." Singapore is one of several being pursued by Riyadh to allow Saudi Aramco to store oil in other locations. The kingdom has looked for ways to protect its global supply routes after they were disrupted by the closure of the Strait of Hormuz and attacks on its energy infrastructure since the U.S.-Iran war began.

"Bringing supply closer to the key Asian market would strengthen the flexibility of our supply network and support Singapore's security of supply," said Saudi Energy Minister Prince Abdulaziz bin Salman. "We see the potential for this cooperation to grow further." Saudi Aramco currently stores crude in Japan and South Korea, where local governments have priority to buy the supplies in the event of an unexpected shortage.

India's refiners turn to discounted Persian Gulf crude

(Bloomberg; Oct. 26) - Indian refiners are increasingly turning to discounted Persian Gulf crude and pulling back from their mainstay supplier Russia, as sky-high freight costs erode the economics of long-haul shipments. Some Iraqi cargoes are being sold at discounts of more than $25 a barrel to the Dubai benchmark before shipping, according to traders involved in the talks. On a delivered basis, that translates into discounts of several dollars a barrel to Dated Brent.

Russian crude, by comparison, is being offered at about a $2 premium to Brent, making purchases from India's top supplier uneconomical, traders said. "Cargoes from Russia have significantly reduced due to their commercial viability," state-owned refiner Bharat Petroleum's Chief Financial Officer Vetsa Ramakrishna Gupta said on an earnings call on Oct. 26. "Due to the increase in freight, we are not getting good offers from Russia."

The shift extends beyond Iraq. Saudi Aramco's trading arm recently sold some prompt-loading Khafji crude at discounts of as much as $10 a barrel to the Dubai benchmark, while Abu Dhabi National Oil Co. sold 20 million barrels earlier this month at a small discount. The reversal is reshaping India's crude trade almost eight months into the war. It threatens to unwind patterns established after Russia's invasion of Ukraine, when India emerged as a crucial buyer of Moscow's oil. Gulf producers struggling to move

their crude are offering discounts deep enough to offset the “astronomical” freight rates, Hindustan Petroleum Corp. Chairman Vikas Kaushal told analysts on a conference call.

Ship traffic on Russia’s Northern Sea Route to double this year

(Reuters; Oct. 27) - Transit cargo on Russia's Northern Sea Route is expected to double this year to a record seven million tonnes from 2025, said Vladimir Panov, head of state nuclear corporation Rosatom and deputy chairman of Russia's State Commission for Arctic Development, according to the Interfax news agency. Rosatom oversees Arctic route operations and oversees a nuclear-powered icebreaker fleet and logistics.

Vladimir Panov said the route offers shippers two main advantages, efficiency and safety. He said that in summer and autumn, the northern passage from Asia to Europe is about 30% shorter than via the Suez Canal, which he said would lower freight costs and speed up ship turnarounds. Rosatom expects 40 million tonnes of goods to move along the route this year. Panov said the number of transit container cargo shipments doubled this year to 46 from 23 in 2025.

The route runs along Russia's northern coast and is normally open to commercial shipping only from July to October. Ships need Rosatom's icebreaker escorts. Panov said demand is rising and Moscow plans to make year-round navigation possible. He linked that goal to the ninth nuclear-powered icebreaker, which Rosatom expects to enter service in early 2027. Panov also pointed to large energy projects as a key driver of growth, naming Novatek's Yamal LNG and Rosneft's Vostok Oil. He said they are expected to increase shipments and require year-round access.

Traders in sanctioned Russian fuel embroiled in rare legal battle

(Wall Street Journal; Oct. 25) - In a rare legal fight, a former Russian energy industry insider has sued sanctioned oil traders who, according to Western officials, have become the most important middlemen enabling Moscow to sell its oil and fund its war in Ukraine. Igor Soglayev alleges he teamed up in 2024 with Moscow-backed traders known as the Coral network. The relationship soured after a tanker carrying tens of millions of dollars worth of diesel failed to deliver its cargo in Brazil. The two sides are slugging it out in courts in Brazil and the United Arab Emirates.

Soglayev, a former Deutsche Bank executive, notched a legal victory when a UAE judge issued an order freezing more than $700 million of proceeds from the sale of Russian energy by Soglayev’s opponents. “I realized I had been screwed,” Soglayev said in an interview. “I had been truly played.” The order underscores the sums of money at stake in the market for Moscow’s sanctioned oil and the lengths that executives with ties to

Russian energy will go to get a piece of it. Russia remains one of the world's leading energy exporters, selling over $150 billion worth of crude and fuel each year.

To avoid Western sanctions, Russian oil exports have for the most part fallen under the control of a handful of middlemen from Azerbaijan and Russia. They are known in the industry and by Western officials as the Coral network. Led by little-known traders Etibar Eyyub and Tahir Garayev, Coral struck a secret deal with state-backed Rosneft to export much of Russia's oil in the early months of the Ukraine war, The Wall Street Journal has reported. The network has consolidated control of the market, moving tens of billions of dollars of oil annually on a fleet of tankers that form most of Russia's shadow fleet.