Oil and Gas News Briefs
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U.S. oil exec says global supply buffers ‘have largely played out’

(Wall Street Journal; Sept. 14) - American oil executives warned for months that the prolonged closure of the Strait of Hormuz was bound to cause a fuel crisis. Now, they say it is here. Commercial fuel stocks around the world have been depleting for more than six months, and strategic crude reserves can’t be tapped much further. Attacks last week shut down a crucial pipeline in Saudi Arabia that bypassed the strait, stranding at least 2.5 million barrels a day from an already tight global oil market, analysts estimate.

“All these mechanisms helped to mitigate the price and supply risk,” Chevron CEO Mike Wirth said on Sept. 11 at an energy conference in Austin, Texas. “Those have largely now played out, and we don’t have nearly the buffers in the system that we did when it began.” It is hard to predict where oil prices will go, he added, but at the moment, it is difficult to envision prices coming back down quickly. “I wish I could tell you that I saw some reason why things would ease, but it’s difficult right now to see that happen.”

Energy advisers say that with no end to the Iran war in sight, the situation risks spinning out of control. Diesel has soared to a record $6.23 a gallon and U.S. gasoline prices are at $4.32. Some energy analysts say they have been fielding investor questions about when consumers pinched by the high prices will start pulling back on new purchases. China is in part helping to fuel the global supply pinch. The world’s largest oil importer for months relied on its own stockpiles of crude for nearly half its needs. But in recent weeks, it has resumed bigger purchases from international suppliers, analysts said.

Analysts expect oil prices to remain high amid escalating crisis

(CNBC; Sept. 15) - The global oil market is running out of safety nets. Prices are unlikely to fall below $100 per barrel anytime soon, analysts said, with traders increasingly pricing in a significant loss of regional supply as Saudi Arabia scrambles to restore a crucial pipeline. Saudi Arabia’s closure of the East-West pipeline, which moves oil from Abqaiq on the kingdom’s eastern Gulf coast to the port of Yanbu on the Red Sea, has put 4 million barrels per day at risk and driven a sharp spike in crude prices.

The development is more bad news for consumers — and comes against a backdrop of renewed hostilities between the U.S. and Iran, a lightning ground offensive by the Iran-backed Houthis along the Red Sea coast and a fresh wave of attacks on Saudi Arabia, the world’s largest crude oil exporter. Analysts have emphasized that the clock is ticking

to repair what appears to be significant damage to one of the East-West pipeline's pumping stations, warning that the longer the shutdown, the bigger the price shock.

The Middle East conflict is already putting a premium on crude, and the loss of the East-West pipeline adds another constraint, Janiv Shah, Rystad Energy's vice president of oil markets, said in a research note. Ample global inventories have acted as a crucial buffer to keep a lid on prices during previous crises. However, analysts warn that these safety nets are rapidly evaporating. Inventories have been drawn down by around 1 billion barrels, according to Paul Gooden, head of natural resources at investment manager Ninety One. "We've likely got another ~1 billion to go before we hit tank bottom."

Saudi Arabia seeks to return pipeline to full capacity in 6 weeks

(Bloomberg; Sept. 16) - Saudi Arabia is seeking to return about half the capacity of its cross-country oil pipeline within days after the link was halted last week following drone attacks, a person familiar with the matter said. State-run Saudi Aramco is working to bypass a damaged section on the route that will allow it to resume part of the pipeline's capacity, the person said, asking not to be identified because the matter is private. The company is looking to return the line to its full capability in about six weeks, they said.

The timelines for the 750-mile East-West pipeline's resumption and the volume of oil it can carry for export are being closely watched by traders after the link turned into a lifeline during the Iran war as Saudi Arabia used it to circumnavigate the severely disrupted Strait of Hormuz. Last week's halt put millions of barrels a day of exports at risk at a time when markets are clamoring for supply, with crude above $107 in London.

Following the pipeline shutdown, Aramco has been ramping up oil sales from outside the Strait of Hormuz to partly make up for some of the lost volumes, Bloomberg reported earlier. It has sold about 20 million barrels to Asian refiners this week, including in China, which can be picked up in September and October, according to traders. The shutdown of the pipeline was a major blow for the oil market. Saudi Arabia was using the 7 million barrel-a-day link at its full capacity earlier this year after traffic through the Strait of Hormuz came to a near standstill following Iranian attacks.

Shipping costs for U.S. crude to Asia climb to record high

(Bloomberg; Sept. 15) - The cost of shipping U.S. crude to Asia has surged to a fresh record as buyers are desperate to secure energy shipments amid escalating disruptions to supplies in the Middle East. As of Sept. 15, it cost about $44.8 million to hire a very large crude carrier, or VLCC, to take 2 million barrels of crude from the U.S. Gulf Coast to China, according to Baltic Exchange data. That's an all-time high and up sharply from $39 million just a day prior. Before the war in Iran, the cost was about $17.8 million.

U.S. oil continues to backstop the supply gaps left by the war. This week, Saudi Arabia closed the East-West pipeline, the primary link that helped the country circumvent the Iran war-induced turmoil in the Strait of Hormuz. The situation has made American supplies even more critical, with record shipping costs doing little to deter buyers in Asia as the conflict reshapes global energy flows.

The trade remains viable because West Texas Intermediate, the benchmark U.S. crude grade, delivered into Asia is still cheaper than competing cargoes, such as Murban from the United Arab Emirates. As long as that price advantage remains, buyers are likely to absorb the high shipping costs. The jump in Gulf Coast shipping costs comes as global tanker freight rates are also rising, and there is little sign of that momentum changing.

Oil free of Persian Gulf choke point is selling at premium price

(Reuters commentary; Sept. 14) - A chasm in pricing crude oil has emerged: Barrels constrained by choke points are being offered at sometimes massive discounts while those that can move freely command generous premiums. The gap continues to widen as the Middle East conflict worsens. That's spurred Brent futures higher in recent days. A three-month high of $109.97 a barrel was hit on Sept. 11. What is worth noting is that if Brent futures are taken to delivery, the crude grades in the contract are loaded either in Europe or the U.S. and are not subject to the Middle East choke points.

But oil that loads in the Persian Gulf and cannot get out without a trader taking significant risk to ship it through the Strait of Hormuz is being offered at substantial discounts. Iraq's Basrah Medium crude for October loading is being offered at a discount of $43.06 a barrel to Murban, a regional benchmark grade produced by Abu Dhabi National Oil Co., according to data compiled by commodity price reporting agency Argus. Qatar's Al-Shaheen, another crude that can only get to market through the strait, is being offered at a discount of $24.92 a barrel to Murban.

Once crude is out of the strait, it is being offered at a premium, with Argus assessing the ship-to-ship transfer price of ADNOC's Upper Zakum at a premium of $7 a barrel to regional benchmark Dubai crude for October loadings and $13.25 for November. What the price assessments are showing is that even if crude can move through the Strait of Hormuz, the cost of doing so is a significant portion of the delivered cost for an Asian refiner. On the flip side, crudes outside the Middle East are commanding increasing premiums, and they get wider the closer the oil is to major consumers in Asia.

European buyers look for alternatives to Saudi crude oil

(Reuters; Sept. 15) - Saudi Arabia has cut oil shipments to Europe after drone attacks damaged its key export pipeline to the Red Sea, trade sources told Reuters, prompting top customers such as Poland to rush to seek alternatives as cargo prices topped $120 a barrel. The attacks, which Saudi Arabia has blamed on Iraqi militia, forced the kingdom on Sept. 11 to shut its East-West desert oil pipeline, which has spared it from the worst of the impact of the closure of the Strait of Hormuz over the past six months.

Oil trading and shipping sources said on Sept. 15 that Saudi Arabia had informed European customers that some September-loading crude cargoes will be cancelled and oil loadings at the Red Sea port of Yanbu has been suspended. The cut in Saudi flows through the Red Sea will prompt Saudi Arabia to try to export more oil via the Strait of Hormuz using so-called dark shipments similar to those already used by the United Arab Emirates and Iraq, trading sources said.

The supply disruption has driven up oil prices, with Brent oil futures trading near $108 a barrel and cargo prices in Europe's physical market even higher, LSEG data showed. Polish integrated oil firm Orlen PKN.WA was rushing to find crude oil cargoes from the North Sea and further afield to replace disrupted Saudi imports, five industry sources said. Aramco became Orlen's top supplier in 2022 and now supplies around 40% of its oil, helping wean it off Russian oil but making it reliant on the Saudi producer.

Used U.S. oil field equipment sold at auction, headed to Venezuela

(Reuters; Sept. 14) - In the sweltering heat in Humble, Texas, just outside Houston, two workers were flattening out a yard with heavy compaction rollers, making room for pre-owned and auctioned U.S. oil field equipment destined for Venezuela. At the edge of the yard sits a weathered, rusting heavy-duty commercial truck covered in dirt. The recently auctioned vehicle is one of a flood of equipment bought up to facilitate an anticipated oil rebound in Venezuela, as U.S. businesses try to get in on Washington's about-face from years of sanctions to promoting a massive reconstruction plan for the nation's industry.

Venezuela's needs include rigs, pumps, valve stations, welding equipment and other instruments, according to state-run PDVSA. That equipment is finding its way to U.S. ports from Texas, Oklahoma, Colorado and other states, in various stages of wear and tear. "Sometimes you get gems. Sometimes you get absolute trash," said Jesse Cole, CEO of Sky Drop Capital, an investment firm involved in acquiring equipment for Venezuela's operations.

Guanta Express, a shipping intermediary named for a key oil port in Venezuela, operates the yard in Humble. The company is shipping goods from around the U.S. in cargo vessels to the ports of Guanta and Maracaibo, Venezuela's largest points of entry for the oil industry. "To the end of the year, we are going to be at full capacity. We

already have orders lined up for the next two vessels," Greg Diaz, president of Guanta Express, said in an interview in Humble.

U.S. oil company signs tentative deal to explore in Venezuela

(Wall Street Journal; Sept. 16) - Billionaire oil baron Harold Hamm signed a tentative agreement Sept. 16 to venture into Venezuela to explore one of the Latin American country's undeveloped heavy-oil fields. Hamm's Oklahoma-based Continental Resources is the latest to answer President Donald Trump's call for U.S. companies to help revive Venezuela's dilapidated oil sector. Hamm is one of Trump's closest allies in the oil patch; he high-fived the president as votes rolled in on election night in 2024.

Hamm and Continental CEO Doug Lawler, who said he had traveled to Venezuela twice this year, signed a nonbinding memorandum of understanding with Venezuela's state-run Petróleos de Venezuela at the G-20 Energy Abundance Ministerial in Houston. Continental, which is the largest oil producer in North Dakota's Bakken Shale, said it hoped to sign a production-sharing agreement with Venezuela in the coming weeks.

Lawler said Continental's deal would put it in one of Venezuela's greenfield heavy-oil patches requiring "a significant amount" of seismic and exploration work. Such fields in Venezuela typically require billions of dollars and years to develop. Lawler said it was unclear how much Continental would ultimately invest in Venezuela, but noted the company would have to deploy "a significant amount of capital" into new wells and infrastructure such as pipelines after decades of inactivity in the region.

Costco raises motor oil prices and limits purchases

(Associated Press; Sept. 14) - Costco has raised the price of motor oil sold under its exclusive private-label brand, as well as limited how much of it customers can buy weekly as oil prices climb again. Americans looking to save some money by purchasing motor oil to do their own oil changes may consider this yet another blow to their wallets, as they are already contending with high grocery prices and inflation worries.

Costco's Kirkland Signature full-synthetic motor oil five-quart two-pack now costs around $58, well above the approximately $30 it had been selling for just last year. Costco is also only allowing customers to purchase two boxes a week. The wholesale club operator is also limiting purchases of Mobil 1's full-synthetic motor oil one-quart six-pack, which sells for about $44, to five per membership.

Today's synthetic motor oil is heavily dependent on Group III base oils, which are mostly made from refining crude oil. It's estimated that the U.S. imports more than 40% of these oils from the Middle East, which has been dealing with disruptions to oil supplies

since the start of the Iran war earlier this year. It remains to be seen if other motor oil retailers like Walmart, Amazon and AutoZone will boost their prices or set purchase limits. None of the three companies immediately responded to requests for comment.

Higher costs drive emerging-market buyers to rethink LNG

(Bloomberg; Sept. 13) - The loss of a fifth of global liquefied natural gas supply due to the U.S.-Iran war is blowing out costs for Asia's developing markets and forcing a rethink of the fuel's long-term future in the region. Qatari shipments of LNG through the Strait of Hormuz have all but dried up since the conflict started at the end of February. That's deprived Asian buyers of contracted supply of the power station and industrial fuel, pushing them into the spot market where prices are surging.

The major non-China emerging-market Asian buyers — India, Pakistan, Bangladesh, Thailand and Vietnam — have spent a collective $7.4 billion since the start of the war on spot LNG, according to a Bloomberg News analysis of purchase tenders. A similar amount of the fuel cost about $3.1 billion under long-term contracts over the same period last year. The more than doubling of costs threatens to tarnish the reputation of LNG as a reliable energy source, especially as it's just a few years after another war — between Russia and Ukraine — also led to shortages and a spike in prices.

The crux of the problem is that countries need gas today, as they can't quickly change their energy mix without risking blackouts. Longer term, though, many of them are now looking for ways to wean themselves off LNG. Renewables like solar and wind, coal, nuclear or locally produced gas or piped supply are some of the options. "If prices remain at such levels, we think that LNG will have a problem competing with the alternative fuels," Fabian Kor, the executive vice president for Asia at SEFE Marketing & Trading, a German LNG buyer, said at a conference in Singapore last week.

With no end to Iran war and winter coming, look for higher LNG prices

(Financial Times commentary; London; Sept. 13) - September has seen a sudden upward surge in international natural gas prices. While headlines focus on crude oil crossing the symbolic $100 per barrel mark, gas prices have been rising faster and are trading close to the oil-price equivalent of $150 per barrel. The gas price rally should not come as a surprise. Analysts have been fretting for months about low gas stockpiles in Europe. These need to be ramped up if Europe is to be ready for the winter heating season — and to secure supply, Europe must go head-to-head with Asian buyers.

But the warnings went unheeded. "Forward" prices for gas this winter remained flat relative to summer prices. So there was no incentive for traders to buy gas and pay to use storage for months, waiting on winter. Governments wanted to maintain a sense of

calm. So what changed? The approach of winter has come into focus. But perhaps more importantly, there is a growing awareness that liquefied natural gas trade through the Strait of Hormuz has no obvious solution, and blockage could continue indefinitely.

And the prospects for LNG look dimmer than for oil. The mindset has shifted from expectations of a return to market to concerns of extended outage. Of all the many commodities disrupted by the Middle East conflict, LNG is among the hardest hit. There will be a tug of war this winter for supply between Europe and Asia, and the intensity of this competition will depend in part on the weather. Cold weather — but also windless weather that reduces electricity from wind farms — would increase demand for gas.

LNG hopefuls in Alaska need to convince investors

(Financial Times; London; Sept. 13) - Two U.S. companies are seeking to advance President Donald Trump's vision of Alaska as a major gas exporter — but face long odds in developing projects to profit from the abundant, untapped gas fields. Glenfarne and Polar LNG, a company backed by Gentry Beach, an investor with ties to the Trump family, are trying to secure up to $80 billion in financing to develop projects in Alaska that would provide Japan, South Korea and others with a new supply of gas.

Both companies say disruption to rival LNG flows from the Middle East because of the Iran war has boosted interest in their projects, which offer the shortest shipping routes of just over a week to key Asian markets. But as they market their projects next week in Thailand at Gastech, the world's biggest gas and LNG conference, they must convince potential investors they can overcome a series of financing, logistical and legal hurdles.

Energy producers and state officials have been seeking to establish Alaska as a major LNG export hub for half a century, but it has so far remained a pipedream due to high costs and other challenges. "Exxon and the North Slope producers have taken a very hard look at this project and decided it's not for them. And I think that says a lot because it's their gas production," said Alex Munton, analyst at Rapidan Energy.

Trump has promoted Alaska LNG to political leaders in Asia. But support has been lukewarm among potential investors because of the high costs and logistical challenges. And analysts warn a future Democrat-led administration could pull the plug on gas projects in ecologically sensitive areas, such as Alaska, which have not started building. "Oil and gas in Alaska is a hot-button issue, so there is political risk," said Munton.

Costly LNG imports cut into Bangladesh spending on other programs

(Reuters; Sept. 14) - High LNG prices are slowing Bangladesh's industrial growth, forcing electricity outages and stifling spending on development projects due to higher

government expenditure on gas subsidies, the country's power minister said on Sept. 15. "Industrial growth is slowing down and production is going down," Minister Iqbal Hasan Mahmud said at the Gastech conference in Bangkok. "It is having a big effect." As LNG prices rise, government subsidies to gas consumers are also going up, "and that is affecting our budgetary provisions for other development programs."

The South Asian nation of about 170 million people, which gets more than 40% of its electricity from mostly imported LNG, spent nearly 4% of its GDP annually on power and gas subsidies even before the U.S.-Israeli war with Iran, according to Reuters calculations based on International Monetary Fund data. Bangladesh was forced to buy expensive LNG on the spot market after top supplier Qatar, which accounted for 95% of imports, stopped exporting due to the effective closure of the Strait of Hormuz.

Asian spot liquefied natural gas prices have more than doubled since the war began, hitting their highest level since December 2022 at $25.70 per million Btu last week. Bangladesh is looking to other suppliers as the blockade of the strait has shut out Middle East LNG supplies, Mahmud said, adding that Russian supplies are out of reach because of Western sanctions. "Being one of the biggest exporters of garments to the U.S., we have to follow that," he said. The country plans to install 10,000 megawatts of solar power over the next five years to reduce its dependence on imported fossil fuels.

EU loads up on Russian LNG in advance of ban to start in January

(High North News; Sept. 14) - The European Union has spent more on liquefied natural gas from Russia's Arctic Yamal project in the first eight months of 2026 than it did during all of last year, underscoring the continued growth in Russian LNG imports even as the bloc prepares to ban them from January 2027. The EU paid an estimated 7.28 billion euros (US$8.54 billion) for Yamal LNG between Jan. 1 and Sept. 5, according to an analysis by German environmental and financial watchdog Urgewald based on Kpler shipping data. That compares with an estimated 7.2 billion euros for the whole of 2025.

The figures extend a trend that has seen Europe remain the principal destination for Russian LNG, despite repeated EU efforts to reduce its dependence on Russian energy. "Europe says it is moving away from Russian energy. These figures show the opposite," Alexander Kirk, senior campaign manager and strategic communications adviser at Urgewald, said in a statement. "The EU took 10% more Yamal LNG and almost nine out of every 10 tonnes the project exported during the first eight months of the year."

During the first eight months of 2026, EU ports received 156 Yamal LNG cargoes containing about 11.39 million tonnes, up 10.1% from the 10.34 million tonnes delivered in the same period of 2025, Urgewald said. At the same time, Yamal's worldwide exports fell 3.1%, to 12.82 million tonnes from 13.23 million tonnes. That means Europe's share of Yamal's exports increased sharply, from 78.2% in the first eight months of 2025 to 88.9% this year.

Asian buyers in talks for more U.S. LNG to replace Mideast supplies

(Bloomberg; Sept. 15) - Liquefied natural gas buyers are accelerating discussions to buy more fuel from the U.S. as the Iran war forces them to seek alternatives to Middle East suppliers. Buyers in Thailand, Pakistan and Bangladesh are in talks to sign long-term contracts with U.S. suppliers, officials said at the Gastech conference in Bangkok. China Gas signed a rare sales agreement this week with U.S. exporter Venture Global scheduled to start in 2030, despite tensions between Washington and Beijing.

The loss of Persian Gulf supply, coupled with high spot prices, is lifting utility bills and triggering energy shortages across parts of Asia. “Buyers around the world really are more focused on diversifying their LNG procurement,” Yukio Kani, the chairman of JERA, one of the world’s biggest LNG buyers, said on Bloomberg TV. “Some rely too much on Qatar, like more than 50% or 60%.” JERA — Japan’s top gas importer — has spent the past decade diversifying its sources of supply and now depends on the Middle East for about 5% of its LNG, Kani said at the Gastech conference in Bangkok.

Inpex Corp., a Japanese energy producer, is considering investing in an LNG export project in the U.S., CEO Takayuki Ueda said. The flow of LNG through the Strait of Hormuz, he said, “will not return to the previous status quo,” adding, “diversification of our portfolio — in our words, portfolio resiliency — is important.” Companies are looking beyond the U.S. as well. Inpex is exploring projects in South America, Ueda said. Thai company officials at Gastech showed interest in LNG from Canada and the Asia-Pacific.

Thailand looks to U.S. Gulf Coast in search for diversified LNG supply

(Bloomberg; Sept. 15) - Thailand’s state-controlled energy company PTT is in talks to buy more liquefied natural gas from regions including the U.S. Gulf Coast as a means to diversify supplies and expand its trading business over the next few years. PTT would also be open to taking minority stakes in LNG export projects if that would secure the company more favorable contract terms, Chief Executive Officer Kongkrapan Intarajang said in an interview Sept. 15 on the sidelines of the Gastech conference in Bangkok. “We might have to invest a little bit to secure the molecules,” he said.

Across Asia, energy companies are grappling with sky-high LNG prices as the ongoing war in the Middle East disrupts flows of the fuel through the Strait of Hormuz, which used to handle a fifth of global supplies. Buyers are now seeking to reduce risk by securing contracts with exporters outside the Persian Gulf.

“I don’t think it’s possible to not buy LNG from the Middle East,” Kongkrapan said. “But you have to now learn to diversify. You have to have a lot outside of Hormuz, and also more flexible terms,” he said, adding that the company was seeking a mixture of long-term and spot cargoes. PTT was also open to sourcing fuel from Australia, Canada and the Middle East – as long as it’s competitive, he said. The search for new supplies is

part of the Thai company's plan for a roughly fivefold increase in LNG trading volumes by 2035, when it plans to handle around 15 million tonnes a year, Kongkrapan said.

Commentator asks if the world is learning a lesson from gas crises

(Bloomberg commentary; Sept. 15) - It's October 2030. In hindsight, the vulnerabilities that triggered the third great natural gas crisis in eight years seem painfully obvious. After Russia's invasion of Ukraine cut off Europe from two-fifths of its gas in 2022, importers reassured themselves that the Persian Gulf and the U.S. had plenty to spare. When the 2026 war with Iran similarly knocked out 20% of global LNG supply, America's booming fossil fuel industry again promised to fill the gap.

That confidence now seems shockingly naïve in 2030. U.S. natural gas prices have been caught in a perfect storm: Growth in shale output has been faltering. Season upon season of extreme weather has hit a power sector crippled by former President Donald Trump's war on clean energy. Frontier AI labs are sucking up fossil fuels to power data centers. Meanwhile, LNG export terminals are allowing foreign buyers to compete directly with Americans habituated to rock-bottom natural gas prices.

With gas storage tanks at record lows amid a polar vortex cold snap in February, U.S. benchmark prices rose above $10 per million Btu for the first time since 2008. Summer heatwaves repeatedly drove them there. Yet the poorer Asian countries hit hardest by the 2022 and 2026 crises look best-placed right now, in 2030. Rather than betting their power on a fuel for which rich countries could outbid them, countries from Pakistan to the Philippines accelerated investment in solar, batteries and domestic energy.

Developed Asia and Europe, in contrast, conflated flexibility with security, and were slower to pivot. That was a disastrous choice. LNG can be shipped halfway around the world, but Russia, Qatar and now the U.S. have each demonstrated how quickly politics can disrupt those flows. After three gas crises in eight years, perhaps the remarkable thing isn't that countries are finally learning this. It's that anyone still needed the lesson.

Japan's largest power producer expands its LNG resale trade

(Bloomberg; Sept. 16) – JERA, one of the world's biggest liquefied natural gas buyers, is seeking to broaden long-term exports of the fuel as a way to expand its global presence and offload excess supply. Japan's largest power producer — which imports LNG primarily for domestic consumption — is seeking to "identify additional markets where we can sell," said Irtiza Sayyed, chief executive officer of JERA Global Energy Solutions, which oversees the company's long-term LNG business.

“We have a renewed focus in that area,” Sayyed said in an interview on the sidelines of the Gastech conference in Bangkok, adding that JERA GES had opened talks with potential buyers and was considering prospective markets around the world. Many Asian countries in particular are seeking alternative supplies of LNG as the ongoing war in the Middle East disrupts flows of the fuel through the Strait of Hormuz. Buyers are seeking to reduce risk by securing contracts with exporters outside the Persian Gulf.

JERA GES was launched in July to manage the company’s long-term LNG portfolio, including contracts of 10 years or longer. Locking in overseas buyers for years will allow JERA to have a demand outlet when consumption is low in Japan, or if there is excess supply. The company announced its first long-term deal late last year, agreeing to deliver four cargoes a year over the next decade to privately owned Indian utility Torrent Power. The cargoes — totaling about 270,000 tonnes a year — are due to start in 2027.

Exxon raises its forecast for global liquefied natural gas demand

(Bloomberg; Sept. 14) - Exxon Mobil has raised its liquefied natural gas sales forecast, betting on robust long-term demand in Asia and beyond even as the Middle East war prompts some nations to rethink their reliance on the fuel. The company expects its annual LNG sales to reach 50 million tonnes by 2030 and to keep rising beyond the current decade, Peter Clarke, senior vice president for LNG at ExxonMobil International, said in an interview on the sidelines of the Gastech conference in Bangkok.

The revised target — up from an earlier forecast of 40 million tonnes a year by 2030 — comes even as the U.S.-Iran war constrains LNG flows through the Strait of Hormuz, cutting off the roughly one-fifth of global supply that originated within the Persian Gulf. As a result of the shortages, prices have risen to the highest in years. That’s prompted importers to accelerate the search for alternative supplies, including fast-tracking plans for nuclear power and renewable energy or — in some cases — shifting back to coal.

Still, Exxon remains bullish about LNG demand growth in the coming decades, citing Asia as a key market. Clarke said he expected global LNG demand to grow from over 400 million tonnes today to around 500 million by 2030, before doubling by 2050. “Seventy percent of the world’s LNG demand by 2050 will be in Asia, so we’re investing for that,” he said. The company’s Golden Pass LNG joint venture with QatarEnergy near the Texas-Louisiana border is expected to reach full production toward the end of 2027, Clarke said. The project is expected to export about 18 million tonnes per year.

Partner says Argentina LNG project close to sales deals and FID

(Bloomberg; Sept. 14) - Argentina’s state-run YPF is close to signing several liquefied natural gas sales contracts for a proposed $24 billion export plant, CEO Officer Horacio

Marin said Sept. 15, a key step toward a green light for the project. The company will soon sign two to three LNG deals for 0.5 million to 1.5 million tonnes per year each, Marin said on the sidelines of the Gastech conference in Bangkok. YPF aims to secure the deals before making a final investment decision on the project in November, he said.

Argentina LNG is a venture that includes Italy's Eni and Abu Dhabi's XRG, along with YPF. The three energy firms hold roughly equal equity stakes. An offshore LNG terminal on Argentina's Atlantic coast, it would produce 12 million tonnes a year, making it one of the biggest floating facilities in the world. Even as the partners schedule the investment decision for November, a financing deal to fund a big chunk of the $24 billion — an unprecedented sum for a single project in Argentina — might not be sealed in time.

When asked if it'd be likely for a consortium of lenders to have fully committed to putting down the money before the November announcement, Marin said: "No. But there will be letters of intent that they will finish the process."