Oil and Gas News Briefs
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September 24, 2026

LNG Canada reportedly ready to make expansion commitment

(Bloomberg; Sept. 23) - Shareholders of Canada's biggest liquefied natural gas facility, including Shell, are poised to make the financial commitment to double the project's capacity as soon as next week, according to people familiar with the matter. The backers of LNG Canada are set to announce a final investment decision to proceed with plans to increase its maximum output to 28 million tonnes a year, said the people, speaking on condition they not be identified because the matter is still confidential.

The expansion will require many billions of dollars of investment. The first phase of the project, located on Canada's northwest Pacific coast in Kitimat, British Columbia, began exporting in 2025. "Any potential final investment decision remains subject to LNG Canada's joint-venture participants independently satisfying their commercial, fiscal, regulatory and governance requirements," said a spokesman for the project. "We hope to make an investment decision before the end of the year."

The decision comes as the Iran War and blockade of the Strait of Hormuz have created an unprecedented tightening in global energy markets, spurring importers to seek out alternative suppliers. Prime Minister Mark Carney is pitching Canada as a top candidate to step into the breach, touting the slogan: "Canada has what the world wants." LNG Canada's partners include Shell, Malaysia's Petronas, PetroChina, Mitsubishi and Korea Gas — and Abu Dhabi's XRG unit has been exploring whether to buy a stake.

Abu Dhabi company considers stake in LNG Canada project

(Bloomberg; Sept. 22) - Abu Dhabi's XRG unit is exploring the acquisition of a stake in the Shell-led LNG Canada export project, as the state-owned group pursues plans to become a major global supplier of liquefied natural gas, people familiar with the matter said. XRG has been holding talks with LNG Canada backers including PetroChina about buying some of their holdings, the people said, asking not to be identified. There's no certainty the deliberations will lead to a transaction, the people said.

The potential purchase of a stake in LNG Canada fits with XRG's ambition to become a top-five supplier of gas and petrochemicals, following deals in the U.S., Argentina and Africa. Backed by Abu Dhabi's oil wealth, those ambitions are taking on even greater relevance as the Mideast war highlights the need for supply from outside the region.

LNG Canada began production from the facility at Kitimat, British Columbia, in 2025, seven years after partners Shell, Malaysia's Petroliam Nasional, PetroChina, Mitsubishi and Korea Gas approved the project at an estimated investment of C$40 billion (US$28.5 billion) in 2018. The project, at 14-million-tonne annual capacity, supplies mostly South Korea, Japan and China. The partners are considering a multibillion-dollar project to double capacity, with a decision expected later this year.

Some of the partners are examining reducing their holdings. PetroChina was gauging interest for its 15% stake so that it can use the proceeds from the sale to help finance the facility's second phase, Bloomberg reported in July. Besides PetroChina, Shell owns a 40% stake, while Petronas has 25%, Mitsubishi holds 15% and KOGAS at 5%.

Canada approves larger expansion of LNG plant near Vancouver

(The Canadian Press; Sept. 21) - The federal government has approved expansion of the Tilbury LNG facility in Delta, British Columbia, saying potential adverse effects are justified by the project's benefits. The Sept. 21 approval under the "one project, one review" principle came immediately after the B.C. government issued an environmental assessment certificate to FortisBC for the project on Tilbury Island in the Fraser River, across from Vancouver. The company has not taken a final investment decision.

The C$3.5 billion project would add about 2.5 million tonnes of annual liquefaction capacity. The small plant, which opened in 1971, currently has the capacity to produce 0.25 million tonnes per year, with construction expected to start next year on an expansion to more than triple that capacity. The latest expansion approved by regulators would add even more capacity. But it faces opposition from within the B.C. government. Minister of Emergency Management and Climate Readiness Kelly Greene said in July she was "disappointed" by FortisBC's decision to move forward, citing safety concerns.

Federal Energy Minister Tim Hodgson called the approval "a step forward in our mission to get major nation-building projects built faster." The B.C. government had touted the expansion as helping meet rising demand for LNG at the Port of Vancouver and more access to fuel for vessels that travel the coast and across the Pacific. The province said in a statement on Sept. 21 that the environmental certificate included "18 legally binding conditions related to air quality, wildlife protection, greenhouse-gas reduction, health and emergency planning, and ongoing monitoring of impacts to First Nations."

Canada's foreign minister talks about energy trade with France

(Reuters; Sept. 22) - Canada could pursue an energy partnership with France involving liquefied natural gas from its Pacific coast, Canadian Foreign Minister Anita Anand said on Sept. 21, a day after leaders of the two countries met and discussed energy

cooperation. Anand said it was "quite conceivable" for Canada to execute an energy partnership with a European country using LNG exported from Canada's West Coast.

French President Emmanuel Macron has repeatedly called in recent days for deeper energy cooperation with Canada as Europe seeks to diversify supplies amid disruptions linked to the conflict in the Middle East and rising energy prices. Canada, the world's fifth-largest gas producer, shipped its first-ever liquefied natural gas export cargo in June from the recently constructed LNG Canada facility in British Columbia, which is led by Shell and is the first North American LNG export site with direct access to the Pacific.

Anand said discussions on energy partnerships were taking place with countries around the world across a range of sectors including LNG, clean energy, wind, solar and nuclear power. Anand pointed to discussions earlier this year between Canada and Germany involving LNG supplies destined for Asia through a swap arrangement, under which Germany benefits from third-party sales rather than direct shipments. European buyers could swap their Canadian LNG with third parties for Atlantic Basin cargoes.

War disruptions in LNG shipments boost interest in other suppliers

(Reuters; Sept. 21) - LNG buyers are looking to diversify sourcing as the U.S.-Israeli war against Iran cuts shipments out of the Persian Gulf, with importers seeking fuel from other suppliers ranging from West Africa to Indonesia. While Asian governments look to lock in LNG from sellers with access to various sources, producers and trading firms want to widen supply pools by taking stakes in gas projects and buying from different countries, officials and industry executives said during last week’s Gastech conference.

“A lot of governments are thinking not just diversification of suppliers, but diversification of supply routes,” Sue-Ern Tan, the head of the International Energy Agency’s regional cooperation center in Singapore, said at Gastech. The push could boost projects outside the U.S. and Qatar, which dominate planned capacity additions. Thai state firm PTT is looking to Oman, North America and West Africa for LNG supplies, said Bandhit Thamprajamchit, chief operating officer of its upstream petroleum and gas business.

PTT’s trading arm inked a long-term deal with Norway’s Equinor for supply on Sept. 18. Before the Iran war effectively closed the Strait of Hormuz, Bangladesh was reliant on Qatar for the bulk of its LNG. Now it is looking at Indonesia, Australia and China, Bangladesh’s Power Minister Iqbal Hasan Mahmud told the conference. High LNG prices and demand for diversified supplies have boosted prospects for new producers such as Argentina, East Timor and Tanzania, according to the conference speakers.

B.C. community district rejects payments deal with LNG project

(CBC; Canada; Sept. 22) - The District of Squamish, British Columbia, has rejected a deal that would have seen the operators of the Woodfibre LNG project contribute C$142 million over 10 years. During a special business meeting on Sept. 22 at, the council rejected the proposed community enhancement payment agreement and revitalized tax exemption for the C$8.8 billion Woodfibre LNG project. Without the agreement, the district said it would continue to rely on regular property taxation of the property.

The use of the funds would have been subject to council approval, and C$117 million would have been used for direct community payments — for wastewater, stormwater system repair and replacements, flood protection, recreation investments, transportation upgrades and climate adaptation and mitigation. Also as part of the deal, the project would have been required to pay $25 million, capped at $2.5 million per year plus inflation, under the negotiated payment for regular property taxes.

"I still don't think the deal is quite where I want it to be, and I don't think it's a good enough deal for our community," said Councillor Jenna Stoner. The community payments would not be indexed to inflation, and the overall deal put the district at greater risk and liability, she said. The motion to decline the 10-year deal passed in a 5-2 vote. Woodfibre LNG is under construction and expected to start up in 2027.

Korea will invest in Texas power plant to meet data center demand

(Korea JoongAng Daily; Sept. 22) – South Korea has selected a $22.3 billion combined-cycle gas power plant in Encinal, Texas, as the first project under its $200 billion investment package for the United States. Minister of Trade, Industry and Resources Kim Jung-kwan made the report at the National Assembly's Trade, Industry, Energy, SMEs and Startups Committee on Sept. 22, citing the determination that the project is commercially sound, with projected earnings of $43 billion to $45 billion over 20 years.

The government pointed to surging data center and AI-driven demand in Texas. Construction would begin with a 1.4-gigawatt gas turbine facility to test demand and economic feasibility, followed by a phased build-out to 4.9 gigawatts of combined-cycle capacity. The project will be led by Related Cos., the ninth-largest real estate developer globally, and NextEra Energy, the largest U.S. power operator, with land, gas and water infrastructure provided by Lewis Energy Group, the state's fifth-largest gas supplier. The first phase of commercial operations has a target of 2029, with full capacity by 2032.

Korean opposition lawmakers raised concerns that no power purchase agreement in the U.S. has been secured. "For this to be profitable, someone has to actually buy the electricity being produced. So, who is going to build the data centers in Texas, and does that company have sufficient experience building data centers of that kind?" a lawmaker said. Investment in two other projects — construction of eight nuclear reactors in the

U.S. and a liquefied natural gas export project in Alaska — have been discussed in broad terms by Korean officials, but no final investment decision has been made.

Bloomberg reported that both the nuclear plants and Alaska LNG would still require approval by Korean lawmakers and need to be commercially viable, a condition Seoul insisted on including in its negotiations with Washington. The nuclear-reactor project is viewed more favorably in terms of commercial viability and is closer to finalization, though the timeline for an official announcement is unclear, one of the lawmakers said.

Saudi Aramco may create new natural gas division

(Reuters; Sept. 22) - Saudi oil giant Aramco plans to reorganize its business to create a new gas division with an eye on possible stock exchange listings of business units in the future to raise cash, two sources with knowledge of the matter told Reuters. The move is in line with an existing strategy at Persian Gulf state oil companies of offering outside investors pieces of their businesses while retaining operational control and largely avoiding opening up their main oil-producing divisions.

Such deals have included the United Arab Emirates' state oil company ADNOC listing stakes in gas, drilling and retail fuel businesses. Aramco is publicly listed but also has listed subsidiaries such as petrochemicals giant SABIC. Both ADNOC and Aramco have also raised billions of dollars from infrastructure assets such as oil and gas pipelines. The new gas business would allow Aramco to use a platform from which to develop its gas resources domestically and build a liquefied natural gas portfolio abroad.

Aramco, long the engine of the economy in the world's largest crude exporter before the U.S.-Israeli war on Iran disrupted its main export routes, has been seeking outside capital in its efforts to support the kingdom's drive to reduce its reliance on oil. The reorganization would move Aramco from two main business segments — upstream and downstream oil — to three, with each having its own president, one of the sources said, adding that the company was also exploring other ways to raise cash.

U.K. chemicals plants pause production over high gas prices

(BBC; Sept. 22) - Billionaire Sir Jim Ratcliffe's industrial giant Ineos is pausing production at its three chemical plants in the East Coast port city of Hull, blaming high U.K. natural gas prices. The firm said gas prices in the U.K. are 12 times higher than in the U.S., and eight times more expensive than the coal-based processes used by Chinese competitors. Sir Jim said: "We are being forced to mothball some of the most efficient plants in Europe … we just cannot compete."

Ineos Acetyls, part of the Ineos Group, is the only European producer of key chemicals used in a wide range of products from food and medicines to explosives. Gas is a key ingredient in production. Ineos said the move will affect up to 1,000 of its staff, of whom 245 work directly at the site. The BBC understands workers across the sites will be kept on while Ineos tries to buy liquefied natural gas directly from the U.S. at lower prices or waits for gas prices to go down.

Ineos is asking governments in the U.K. and the European Union — where most of its products are exported to — to put in tariff protections against Chinese products. Two plants at the Hull site have already been turned off, and the third will follow in coming days. One plant makes acetic acid, which is used in vinegar, paint and glue. Another makes acetic anhydride, a key ingredient of aspirin, and the third makes ethyl acetate, which is used as a solvent and for decaffeinating tea and coffee.

Refiners can’t keep up with diesel demand, prices soar

(Wall Street Journal; Sept. 20) - Persian Gulf states and Russia have invested tens of billions of dollars in refineries over the past decade to grab a bigger share of the global diesel market. Now, war in both regions has sent exports plunging, squeezing supplies of a fuel that powers much of the global economy. Diesel prices are soaring — they hit $6 a gallon in the U.S. for the first time and kept climbing, hitting $6.45 on Sept. 18.

The surge has rattled governments and markets around the world that rely on diesel as the workhorse of their industry, transportation and agriculture. Shortages have appeared at gas stations in rural Brazil, in Libya and some African nations that can’t afford to import the fuel. The Iran and Ukraine wars left the U.S. as the producer of last resort for diesel and other refined products, but political momentum is now growing to ban U.S. exports of the fuel in an effort to lower prices ahead of the midterm elections.

A U.S. ban would likely send prices for the rest of the world soaring — and potentially push other big diesel exporters such as China and India to follow suit. Russia has already sharply restricted exports because of damage to its refineries caused by Ukrainian drone strikes. China has limited its refinery exports, while India has imposed an export tax on diesel and gasoline. The market for refined fuels is global.

Refineries in the West have been running near capacity to meet demand and shifting to diesel production, moving away from other refined products such as gasoline and jet fuel. But that hasn’t done much to fill the gap left by the Middle East and Russia.

Global shortage of motor oil drives up prices, causes supply outages

(Financial Times; London; Sept. 20) - A worldwide shortage of motor oil is becoming more acute, with prices reaching new highs, oil-change shops running dry and a U.S. retailer rationing sales to customers. The surge in the cost of base oil used to make the full synthetic motor oil required for many newer cars is far outpacing steep price rises for crude oil, petrol and diesel. The U.S. price of Group III base oil has almost quadrupled since February to a record $12.45 a gallon on Sept. 18, according to Argus Media.

Retail chain Costco raised the price for 10 quarts of one type of full synthetic motor oil to $57.99 and is now capping purchases at one per customer. The brand was selling for about $30 last year. Walmart's website this week reported low stocks for several brands. "There will be some spot outages that we have to just deal with," said Mauricio Quezada, chief executive of Jiffy Lube, a U.S. oil-change and auto-repair chain.

Global lubricant base oil exports are typically only about 350,000 barrels a day, a fraction of the more than 100 million-barrel-a-day world crude oil market. Base oil supplies were first disrupted after an Iranian strike in March damaged a huge Shell gas-to-liquids plant in Qatar in retaliation for the U.S. and Israel's war against the Islamic republic. The plant is a leading producer of Group III base oil. The military stand-off in the Strait of Hormuz has also hindered tanker shipments of crude oil from the Gulf to the world's other major producers of base oils in South Korea.

Soaring costs of shipping oil threaten refining industry

(Bloomberg; Sept. 19) - The soaring cost of moving oil around the world is making some long-distance trades uneconomical, threatening to disrupt flows at a time when fuel markets have never been tighter. The jump is being driven by a shortage of available supertankers. In some parts of the world, there are barely any of the ships — each the length of three football fields — left for hire. The squeeze is making faraway barrels less attractive and encouraging refiners to buy supplies closer to home if they can find them.

Moving a cargo from Houston to Asia now adds about $26 a barrel — $52 million a cargo — to the cost of supplying the world's largest crude-importing region. That's equal to roughly a quarter of the price of West Texas Intermediate futures. Before the war, shipping typically accounted for only a fraction of the cost. The rally is minting fortunes for the small group of shipowners that dominate the tanker market — several industry executives and brokers said the surge would previously have been unimaginable.

But for oil traders, the risk is that shipping becomes prohibitively expensive. They're concerned that higher costs make it unprofitable for some refiners to turn crude into fuels, deterring them from buying cargoes that have to sail over long distances, even when demand to make diesel and gasoline is strong. "It has never been this expensive to move oil around," Saad Rahim, chief economist at trading giant Trafigura, said at a

Bloomberg forum on Sept. 17. With freight a larger portion of the value of the cargo, “it becomes a much bigger issue now when you start to think of that in terms of logistics.”

Persian Gulf oil-shuttle system evolves into a new industry

(Reuters commentary; Sept. 21) - A new shuttling system is reshaping the Middle East oil market, as producers seek to keep exports flowing despite the escalating regional conflict. The question now is whether this complex, expensive process is a stopgap measure or the global energy market’s new normal. Several miles off Oman’s coast, south of the Strait of Hormuz, rows of tankers lie at anchor. Many sit alongside each other, connected by ropes and hoses as they transfer crude from one vessel to another, creating a floating bridge between the Middle East’s oil fields and the global market.

Ship-to-ship transfers have become a vital lifeline for Gulf producers as they adapt to the disruptions caused by the Iran war, now entering its seventh month. Once loaded, a tanker disconnects and heads for its destination, typically a refinery in Asia. The “mother vessel” then returns to the Gulf via Hormuz to reload and repeat the process. The system cuts the distance any one ship must travel, reducing the risk of transiting the strait, even as an increasing number of tankers are crossing through a corridor along Oman’s coastline under U.S. protection, with their navigation systems switched off.

This operation is a testament to the energy industry’s remarkable ability to adapt to supply shocks. Yet, it is a sign of how costly and complex it has become to move oil out of the world’s most important exporting region. What began as an emergency response has evolved into a sizable new industry. Producers have been forced to offer deeper discounts on their crude to keep exports competitive, absorbing part of the increased transportation costs themselves. The longer the conflict lasts and the more routes come under threat, the more expensive and fragile the global energy system becomes.

Saudi Aramco restarts East-West oil pipeline

(Reuters; Sept. 22) - Saudi Arabia has restarted operations at its East-West Pipeline and could resume exports from the Red Sea port of Yanbu later on Sept. 22, three sources briefed on the matter said, as signs mounted of an increase in Middle Eastern oil flows. Drone attacks, which Saudi Arabia has blamed on Iraqi militia, forced the kingdom to shut the pipeline on Sept. 11, halting loadings at the kingdom's Yanbu port.

Since the U.S.-Israeli war on Iran disrupted oil flows from Saudi Arabia and its Gulf neighbors through the Strait of Hormuz, Riyadh has been using the East-West Pipeline to reroute around 4 million barrels per day — around 4% of global supply — to Yanbu. The pipeline was pumping at a low rate after its restart, two of the sources said. Aramco

was seeking to get the pumping rate back to 4 million barrels per day, one of the sources said. The pipeline has a capacity of 7 million barrels per day.

Reaching a rate of 40% of capacity will take a couple of days and a full restart will take six to eight weeks, a security source said. A separate oil industry source said a return to full pumping rates would take up to six weeks. Three pumping stations serving the pipeline were damaged in the drone attack, according to satellite imagery and industry sources. The line is served by 11 pumping stations and two separate pressure-relief stations, according to industry assessments.

Traders ask steeper discount on Venezuelan oil to cover shipping

(Reuters; Sept. 22) - Global oil trading firms Vitol and Trafigura are pushing for steeper discounts on Venezuelan oil as rising freight rates shrink their margins, five sources familiar with the matter said. The two merchant houses have been among the biggest winners in a race to control Venezuela's crude flows since the U.S. captured then-President Nicolas Maduro in January and began pushing to reactivate the oil sector.

The two now sell and ship more than half of Venezuela’s exports, and the negotiations for cheaper prices highlight the challenges of operating in the country’s volatile energy sector. Sale prices for the nation's flagship Merey heavy crude have recovered steadily this year from hefty discounts forced by the sanctions until the end of 2025. Punishment clauses, such as imposing extra fees to load tankers in countries with security risks, have also disappeared from contracts as more traders and buyers entered the market.

Large vessel owners have returned as well, helping bring prices closer to market standards. But that recovery is now under threat, as the cost to transport oil on tankers globally has hit record highs in recent weeks following the biggest wave of attacks on shipping since the U.S.-Iran war began in late February. Venezuela state oil company PDVSA has recently agreed to prices of $12 to $13 a barrel below Brent with some joint venture partners, which in turn have been forced by market conditions to resell the crude to intermediaries at a $16 discount to the benchmark, one of the sources said.

Chevron increases its exploration budget

(Financial Times; London; Sept. 20) - Chevron plans to dramatically increase the number of wells it drills next year as part of a surge in spending which aims to overhaul how the U.S. company searches for oil and gas. Kevin McLachlan, who was recruited from TotalEnergies last year to lead Chevron’s exploration arm, told the Financial Times his budget would jump by more than 50% compared with 2025, as he seeks to turn around a disappointing performance at the unit.

The extra funds are part of a shake-up at Chevron's exploration arm, which includes greater use of artificial intelligence technologies, enhanced accountability and new hires to bring fresh ideas, he said. Chevron's spending on conventional exploration and appraisal activity plunged 36% to $1.82 billion between 2021 and 2025 compared to the previous five-year period, according to data from Wood Mackenzie, a research group.

But after a decade in which Chevron concentrated investment on less risky drilling programs and the U.S. shale patch, the company is expanding exploration activity in frontier locations, including South America, sub-Saharan Africa and the Eastern Mediterranean in search of blockbuster discoveries. "Two years ago … we drilled 10 wells. Next year we've got a program of 20 exploration wells and probably, I don't know, five or six appraisal wells on top of that. So, it's a significant increase," McLachlan said.

Some LNG manages to get out of the Persian Gulf

(Bloomberg; Sept. 18) - At least two liquefied natural gas shipments transited the Strait of Hormuz this week as producers look for ways to increase flows to a market struggling with a lack of supply and surging prices. A tanker that loaded at Qatar's Ras Laffan export plant in late August appeared in the Gulf of Oman earlier this week, according to ship-tracking data compiled by Bloomberg, indicating it had passed through the contested waterway. The vessel wasn't sending a signal when it traversed Hormuz.

Separately, another two LNG carriers were spotted doing ship-to-ship transfers off the coast of Oman this week, according to satellite images published by Copernicus Sentinel-2 that are only available after a delay. The trickle of shipments indicate that Persian Gulf LNG producers are trying to get more fuel through Hormuz, to provide some relief to Asian and European buyers. Exports from the gulf have been at a virtual standstill since a Qatari tanker was attacked by Iran in early July.

The lack of supply has sent spot prices to the highest level in more than three years, and they are at risk of rising further as the Northern Hemisphere winter approaches. Satellite images show that there have been at least three LNG ship-to-ship transfers off the coast of Oman since the middle of August. Such transfers have become common for oil tankers over the past few months, but they are far more rare for LNG, due to the technical challenges involved in keeping the fuel super-chilled during any transfer.

Louisiana fishermen want LNG industry to do more to restore habitat

(Louisiana Illuminator; Sept. 23) - Two major players in the liquefied natural gas industry in Louisiana covered part of the cost of a recent restocking of redfish in coastal waters, but fishermen are skeptical about whether it will be effective. They're instead calling for more investment in marshland restoration. The state Department of Wildlife and

Fisheries released 150,000 redfish on Sept. 18, with young, hatchery-raised fingerlings in the Rigolets, near Grand Isle, and in West Cove, adjacent to Calcasieu Lake.

The releases were funded in part by the joint-venture Cameron LNG, which operates a large export terminal along the Calcasieu Ship Channel, and Sempra Infrastructure, the company that has a controlling interest in the facility. Restocking costs amounted to about $6 per fish, according to The New Orleans Times-Picayune, which would total $900,000. The Coastal Conservation Association of Louisiana and the nonprofit Recreational Fisheries Research Institute organized the restocking.

Commercial and charter fishermen who use Calcasieu Lake and surrounding marsh for their living say that while the release is a nice gesture from Cameron LNG, efforts from the industry to improve the environment near the export facilities should go further. “They didn’t have to, so we all appreciate it. But although it’s appreciated, we need more of it,” Justin Lyons, a fishing guide, said about the redfish release. Lyons said more investment in coastal restoration in the area would help young fish from restocking efforts survive and grow. “Habitat replacement, I feel, is more important,” he said.