



**Oil & Gas industry**

## **The rise of the floating gas factory**

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A giant LNG plant moored in the sea off Congo is a cutting-edge way of supplying Europe with energy

**Malcolm Moore** in Pointe Noire, Republic of the Congo

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A colossal floating natural gas factory moored in shallow waters off the Republic of the Congo's coast began supplying Europe last week, bringing towards the mainstream a technology that was once sidelined by cost.



The Nguya, operated by Italian energy major Eni, is longer than the largest US aircraft carrier and dwarfs the 300-metre tanker that pulled up to load its first cargo.

Rising from its bright orange hull is a dense forest of pipes, towers, turbines and cooling units that can process millions of tonnes of natural gas a year from the offshore fields below. The Nguya cools the fuel to -162°C, turning it into liquid and drastically condensing its volume, allowing it to be transported economically to Spain and Italy.

For decades, such industrial alchemy has largely taken place on land, at vast liquefied natural gas terminals in producing countries such as the US, Qatar and Australia. But oil companies have long dreamt of moving that capability to the sea, building floating LNG plants that can tap fields beyond the reach of pipelines in the middle of the ocean.

Early attempts were sobering. [Shell's \\$12bn Prelude vessel](#) in Australia was hit by high costs and operational difficulties, reinforcing industry scepticism about whether floating LNG, or FLNG, could be commercially viable.

But supporters now argue that both technology and economics have turned a corner.



The Nguja was built by China's Wilson and delivered in less than three years © Eni

“I like to try a new way [of doing things] and to stretch the technology,” said Eni chief executive Claudio Descalzi in an interview in the Congolese port of Pointe Noire.

Eni believes floating plants offer speed, security and cost advantages, particularly in regions where building onshore is logically complicated or politically risky.

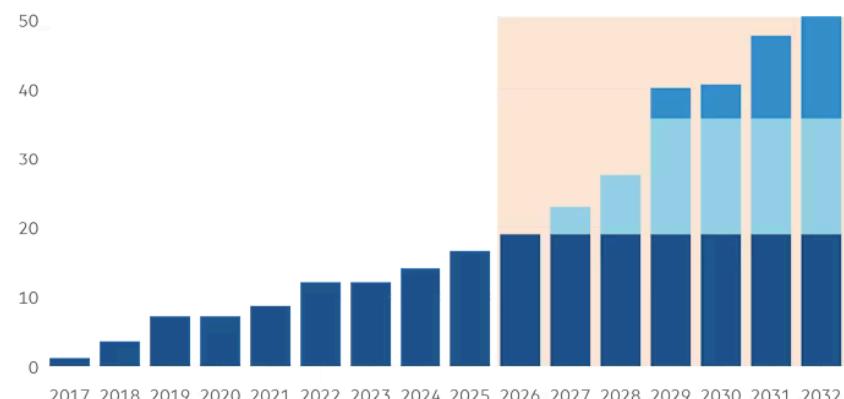
“Before, it was easier to develop LNG onshore, but it is not easy now. It became very difficult. See what is happening in Mozambique,” he said, referring to a \$20bn onshore project by TotalEnergies that was delayed for five years by a deadly 2021 [terrorist attack](#).

By contrast, Eni’s Coral South vessel, which sits a few dozen miles offshore from the site of the assault, has operated uninterrupted since 2022. “The security is increased, and it is really segregated offshore,” Descalzi said. “In any case, it is cleaner as a process.”

### Global FLNG capacity is poised for significant growth

Floating liquefied natural gas capacity (tonnes mn)

■ Operational ■ Under Construction ■ Planned



Source: Rystad Energy

The *Nguya* was built by China's Wilson and delivered in less than three years. Its giant Japanese-designed storage tanks were fabricated separately and lowered into the hull, an approach Eni says accelerated the timetable. Building a conventional plant in the Republic of the Congo, a country with no prior LNG experience, would have taken longer and cost more, said Descalzi.

He estimated that the bill for floating LNG plants had fallen by as much as 40 per cent in recent years, to below \$1bn for every 1mn tonnes a year of capacity, implying a price tag of less than \$2.5bn for the *Nguya*.

The project's total cost is likely to be far higher, since Eni also had to convert an existing floating platform, *Scarabeo 5*, into a pre-treatment vessel to separate natural gas emerging from undersea wells from oil and other liquids.

Descalzi dismissed concerns that floating LNG plants cannot match the scale of onshore facilities, pointing to the upcoming Vaca Muerta project in Argentina. There he plans to deploy a fleet of vessels that will each be more than twice the size of the Nguya and will eventually be able to produce 18mn tonnes of LNG a year, comparable with some large US export terminals.



Claudio Descalzi says Eni's determination to become a leader in floating LNG technology has already paid dividends © Alessandro Bremec/NurPhoto/Getty Images

Oil majors such as Shell were the initial pioneers of floating LNG but the business is also attracting new operators such as US-listed Golar, which converts old tankers into floating LNG units and rents them out to producers that do not want to commit to a huge upfront investment.

One of Golar's ships, Gimi, sits offshore between Mauritania and Senegal under a 20-year lease to BP. The company's US-listed shares have nearly tripled in the past five years.

Kyle Haberberger, a floating LNG specialist at Black & Veatch, which supplied the Gimi's liquefaction units, said Golar's early successes had changed the industry's perceptions.

“After the first one we did with them, in about 2018 . . . it showed this is a manageable project,” he told the FT last year.

Africa has become a particular focus, combining abundant offshore resources with security challenges on land.

“In very recent memory you have some security concerns on land, but you also have a lot of offshore assets, where you have gas that needs to be commercialised,” said Fraser Carson, an LNG analyst at consultancy Wood Mackenzie. Latin America, including Guyana and Suriname, and parts of Asia-Pacific are also emerging markets.



The Nguya's control room © Eni

Floating LNG can be especially attractive for fields with relatively short production lives. “You have perhaps reserves that are only going to be 10 or 15 years, so it doesn’t justify the expense of onshore,” Carson said. “But if you have an arrangement with Golar, it can be deployed for that time and then moved on.”

Shipyards are also moving towards more standardised designs to lower costs further, he added, saying “that is something that is not quite plug and play, but not far off”.

One complication is that the output of gas, oil and liquids varies from field to field, affecting how much treatment is needed before liquefaction.

The majors remain cautiously supportive. “Floating technologies have been really helpful to expand the LNG business,” Peter Clarke, head of LNG at ExxonMobil, told the FT last year.

But he noted constraints: ocean depths, currents and weather conditions can limit projects, as can the physical amount of equipment that can be stacked on a ship’s hull. Floating plants, typically powered by gas turbines, also lack the cutting-edge electric drives now used at some onshore terminals, making them less environmentally friendly.

Clay Neff, head of Chevron’s global upstream business, said the technology “continues to evolve and mature” and could prove decisive where “flexibility, footprint and speed to market matter”.

Meanwhile, Descalzi believes Eni’s determination to become a leader in the technology has already paid dividends.

“When Argentina decided to develop their gas in the shallow water offshore, they called us because we are experts in this field,” he said. “So it is a big plus.”

Voices DAN ESPOSITO GUEST CONTRIBUTOR

# Infusing hydrogen into gas lines is a recipe for waste

Experiments like one proposed in Fresno County are a stalling tactic and profit grab. The real fix is to go electric.

**T**HE PEOPLE OF Orange Cove in Fresno County could soon be an unwilling part of an experiment in dangerous, expensive utility boondoggles. And if California's gas companies get their way, families statewide will be forced to pay higher energy bills, breathe more indoor air pollution and bear greater safety risks.

Southern California Gas Co. wants to use Orange Cove to test blending hydrogen with natural gas in its pipeline network. This might sound futuristic and clean because it would reduce fossil fuel use, but it would waste \$64 million in SoCalGas customer money and threaten this community's health and safety — without actually fighting climate change.

Worse yet, SoCalGas and two other utilities just petitioned state regulators to skip pilot projects altogether. If approved, they could then request to pump a 5% hydrogen blend across California without demonstrating safety.

The problem is blending hydrogen into pipelines and appliances designed for gas. Hydrogen is leakier and more flammable, and it burns hotter and faster than gas. It can't be smelled or seen, and burning it increases asthma-causing air pollution in homes and risks damaging appliances. Forcing consumers to burn hydrogen worsens fire, explosion and health risks in our homes, where we should feel most safe.

The truth is gas utilities' hydrogen blending proposals intend to keep customers hooked on pipe-

lines. Utilities earn huge profits on infrastructure investment — over 10% for SoCalGas. The wiser approach for Californians would be to switch from gas to electric appliances, protecting customers from volatile gas prices and toxic indoor air. But that would hurt gas utility profits.

In my state of Colorado, our largest utility, Xcel Energy, proposed mixing hydrogen into the natural gas system serving a Denver suburb. When the community learned Xcel was forcing residents into a dangerous, expensive gas alternative disguised as climate action, they pushed back with enough time to force Xcel to pause its effort.

This story is playing out across the country and the world. In Eugene, Ore., backlash from residents made NW Natural cancel its hydrogen blending pilot. In Massachusetts, state regulators prevented utilities from pursuing similar plans. In the United Kingdom, residents of Whitby and Redcar protected themselves from even larger proposals.

Orange Cove is the next flare-up. SoCalGas began campaigning to blend hydrogen in 2022, but residents recently uncovered the truth and are speaking out accordingly. State regulators are expected to act by June, and their decision will have far-reaching consequences.

SoCalGas' proposal stems from state policy to slash climate pollution from gas utility systems — a good idea, but a threat to utility profits. In theory, replacing natural gas with hydrogen can help gas



DAVID MCNEW Getty Images

CALIFORNIA'S gas infrastructure should be phased out, not given a temporary new purpose.

utilities cut emissions while still investing in pipelines, because hydrogen can be produced and burned without emitting greenhouse gases.

But that's where hydrogen's advantages end.

Let's air out the proposal's dirty laundry: SoCalGas' proposal to blend less than 5% hydrogen into Orange Cove's system — which serves about 2,000 customer gas meters — would cost \$64 million over 18 months. That's comparable to removing the tailpipe pollution of 100 cars for one year.

That same \$64 million could permanently remove the pollution of 12 times as many gasoline cars if used to purchase new electric vehicles. It's also worth around \$32,000 per customer gas meter in Orange Cove — more than enough for the community to install electric heat pumps, heat pump water heaters and induction stoves, zeroing out gas use.

Using that \$64 million to fund incentives for cleaner, efficient electric appliances could help tens of thousands of Californians eliminate indoor air pollution and climate emissions.

This price tag is ludicrous for an 18-month experiment. Clean hydrogen is an extremely expensive way to heat homes. Current prices are 10 to 25 times higher than that of natural gas, and even the

most optimistic forecasts expect it to remain much more expensive for decades.

Gas utilities claim Orange Cove will "inform the feasibility of developing a hydrogen injection standard" to decarbonize their broader systems, but that hides the truth: Hydrogen blending is a dead end that at best would reduce gas utility climate emissions by less than 7%. California's gas system was not designed to safely handle more than a small share of hydrogen, so this pilot project couldn't meaningfully scale up without the wholesale replacement of all gas pipelines and appliances.

Pilot projects seem small in the grand scheme of things, but they lend legitimacy to a bad idea debunked as a climate solution and wisely rejected by other communities time and time again. It would be even worse to ditch pilot tests and skip right to harming Californians with statewide blending.

Hydrogen is not categorically a "false solution" for climate. We need it to clean up things like fertilizer, chemicals and aviation fuel — products without cheaper clean alternatives that are made in specialized industrial complexes overseen by trained technicians.

But California doesn't need hydrogen to clean up its buildings. Families are already choosing electric appliances for higher-quality

fully clean service. Hydrogen can't save our gas networks; it can only waste money and delay California's work to stop climate change.

Forcing communities to use hydrogen also reduces consumer choice. People have the freedom to install electric appliances when they're ready, using government and utility incentives. With hydrogen blending, homes and businesses would have to use a lower-quality gas whether they want it or not, safety and health risks be damned.

The California Public Utilities Commission plays a critical role protecting customers from utility investments that lock in unjustifiable rate increases. Ultimately, the Orange Cove pilot is nothing more than an expensive waste of customer money with no near-term benefit and minuscule contribution toward California's climate efforts.

The mountain of scientific literature against hydrogen blending, lessons learned by other regulators and communities rejecting similar pilots, and the voices of Orange Cove residents should be enough to slam the door on this would-be boondoggle.

DAN ESPOSITO is a manager in the nonpartisan think tank Energy Innovation's fuels and chemicals program.



# Vitol Part of Consortium for South Africa LNG-to-Power Project

By [Paul Burkhardt](#) and [S'thembile Cele](#)

February 16, 2026 at 10:43 PM GMT+5:30

Vitol Group is part of a consortium proposing a gas-to-power project in South Africa, as the country looks to replace aging coal stations.

Saudi Arabia's ACWA Power Co. could be brought in as a developer specializing in gas turbines for the project, according to a person familiar with the information, who asked not to be identified because the information is not public. ACWA didn't immediately respond to a request for comment.

Vivo Energy, an African fuel retailer and distributor owned by energy trading company Vitol, is also involved in the project that would import liquefied natural gas for power generation, a spokesperson said in a reply to questions. Reuters first reported the proposed plan valued at \$3 billion to include an import facility and at least 1,000 megawatts of capacity.

South Africa is planning to replace retiring coal-fired stations, that generate most of the nation's electricity, with renewable energy sources and gas. LNG use will largely depend on imports by pipeline from Mozambique since there's virtually no domestic oil and gas production.

Vivo is one of the biggest fuel retailers in sub-Saharan Africa and in 2024 expanded into South Africa with the acquisition of Petroliam Nasional Bhd.'s stake in Engen Ltd.

"We can confirm that the project has received Strategic Integrated Project status from Infrastructure South Africa," the Vivo spokesperson said. Such a designation, when recognized by the government, is meant to help expedite processes and minimize delays for large-scale construction.

South Africa's auction program to build gas projects – 2,000 megawatts of capacity in its first round – has hit multiple delays.



# US Natural Gas Drops to Lowest in Four Months on Warmer Outlook

By Sing Yee Ong

February 16, 2026 at 9:03 AM GMT+5:30

US natural gas tumbled to a four-month low as forecast warmer weather weighed on the outlook for heating demand.

Futures for March delivery slumped as much as 7.4% in early Asian trading to \$3.002 per million British thermal units, the lowest intraday level since Oct. 17. Vast parts of the country, especially central and southern US, are expected to see higher-than-normal temperatures over the next two weeks, according to a forecast from the National Oceanic and Atmospheric Administration.

US natural gas prices have whipsawed wildly since the start of the year, with the front-month contract reaching a three-year high last month after a winter storm raised demand and disrupted some supplies. Since then, futures have pulled back, in part due to the outlook for warmer weather.

The decline on Monday snapped a three-day gain for the March contract, which had advanced 4.1% at the end of last week. The increase was mostly fueled by expectations of larger-than-normal storage withdrawals.

There will be no settlement on Monday due to the President's Day holiday in the US and transactions will be booked Tuesday.



## Saudi Oil Sales to China Up After Price Cut to Five-Year Low

By Yongchang Chin and Rakesh Sharma

February 16, 2026 at 5:10 PM GMT+5:30

Saudi Arabia's crude sales to top importer China for loading in March rose after the kingdom cut the price of its main oil grade for buyers in Asia to the lowest level in more than five years.

State oil producer Saudi Aramco will provide around 56 million to 57 million barrels for loading next month to China, according to traders familiar with the sales, who asked not to be identified due to the sensitivity of the matter. That compares with 48 million barrels the previous month.

Aramco trimmed the price of Arab Light to the lowest level since late 2020 as concerns over a global glut persist, though the reduction wasn't as much as expected. Still, the cut has made Saudi crude more attractively priced than competing barrels from other spot sellers in the region, traders said.

Indian refiners, meanwhile, will receive at least 1 million barrels more in March than they would typically under long-term contracts, according to traders. That compares with at least 2 million barrels more in February.

The South Asian nation has faced US pressure to reduce its imports of Russian oil, with President Donald Trump recently saying India would halt buying as part of a trade deal. New Delhi hasn't publicly commented on the claim but has said it's seeking to diversify its sources and maintain energy security.

South Korean and Japanese refiners are also set to collectively get more Saudi oil than usual next month, traders said, though it wasn't immediately clear how that compared to February, which was at least 9 million barrels higher.

Aramco declined to comment.

Oil exports next month may also be higher from Iraq — OPEC's second-biggest producer — which markets its oil differently from Aramco. Saudi crude is only sold via long-term contracts, while Iraq and other nations have part of their exports sold on a spot, or ad-hoc, basis rather than purely on term deals.

Iraq's allocation of so-called destination-free cargoes — volumes which can be freely traded, rather than being committed to a specific destination — was larger than usual for March, according to traders. That flexibility may attract more interest from some buyers.



# India Records Lowest-Ever Price for Green Hydrogen in Tender

By [Rakesh Sharma](#) and [Rajesh Kumar Singh](#)

February 16, 2026 at 2:41 PM GMT+5:30

India has recorded the country's lowest-ever bid for the supply of green hydrogen, according to Renewable Energy Minister Pralhad Joshi.

The bid of 279 rupees (\$3.08) per kilogram was to supply 10,000 tons of green hydrogen a year to [Numaligarh Refinery Ltd.](#), majority owned by state-run Oil India Ltd., in the northeastern state of Assam. Nine bidders participated in the tender, [Bhaskar Jyoti Phukan](#), Numaligarh's managing director, said in a phone interview, declining to say who the winning bidder was.

Joshi described it as "historic milestone in India's clean energy journey," in a [post](#) on X. It would strengthen the country's position among the world's most cost-competitive producers, he said.

Green hydrogen has been widely touted as a solution for hard-to-abate heavy industries like steel and cement, but demand and usage remain low, leading many investors to back out of projects. In India, low renewable energy costs, along with government incentives, including financial aid for green hydrogen production and equipment manufacturing, have helped the nation achieve competitive rates.

India has also maintained a full waiver of transmission charges for electricity used to produce the fuel, helping producers save on costs.

To boost domestic demand, New Delhi is working with local refineries to create 200,000 tons of annual consumption of green hydrogen at their sites, Renewable Energy Secretary Santosh Kumar Sarangi said on the sidelines of the India Energy Week last month. Efforts are underway to [begin exports](#) of green ammonia as early as 2028, Sarangi said at the event, adding the country is in talks with potential buyers in Europe and Japan.



# Eni makes major gas, condensate discovery offshore Ivory Coast

By Reuters

February 16, 2026 5:19 PM GMT+5:30 Updated 13 hours ago

ROME, Feb 16 (Reuters) - Eni ([ENI.MI](#)), announced on Monday a major gas and condensate discovery in Ivory Coast, where the Italian energy group has been operating for the last ten years.

The new find, named Calao South, was made after drilling the Murene South-1X, the first exploration well in Block CI-501, operated by Eni with a 90% stake in partnership with state-owned Petroci Holding.

Eni said Calao South "confirms the potential of the Calao channel complex that includes also the Calao discovery and represents the second-largest in the country after Baleine, with estimated volumes of up to 5.0 trillion cubic feet of gas and 450 million barrels of condensate - approximately 1.4 billion barrels of oil."

Output from Baleine, Ivory Coast's largest hydrocarbon development, is expected to rise to 150,000 barrels of oil and 200 million cubic feet of gas per day with the launch of Phase 3, the company said, adding this would make the field a key asset for the country's domestic needs.



## Chevron-led consortium signs contracts for gas exploration off Greece

By Reuters

February 16, 2026 4:01 PM GMT+5:30 Updated 10 hours ago

ATHENS, Feb 16 (Reuters) - A consortium led by U.S. oil major Chevron signed exclusive lease agreements on Monday to look for natural gas off southern Greece, expanding the United States' presence in the eastern Mediterranean.

The deal doubles the amount of Greek maritime acreage available for exploration and is the second in months involving a U.S. energy major as the European Union seeks to phase out supplies from Russia and the U.S. seeks to replace them.

Exxon Mobil [XOM.N](#) in November joined Energean ([ENOG.L](#)), and Helleniq to search for gas in another offshore block in Western Greece.

Monday's agreement allows Chevron - which also plans to expand production in Israel - to lead the search for gas in four deep-sea blocks, south of the Peloponnese peninsula and the island of Crete, stretching across 47,000 square kilometers (18,147 square miles).

It follows Chevron ([CVX.N](#)), and Helleniq Energy ([HEPr.AT](#)), Greece's biggest oil refiner, last year winning an international tender.

### GREECE SEEKS TO BE A GATEWAY FOR US GAS

Greece, which has no gas production and relies on gas imports for power generation and domestic consumption, has revived its quest for gas exploration after a 2022 energy price shock driven by Russia's invasion of Ukraine.

It also aims to be a gateway for U.S. liquefied natural gas transported via the Vertical Gas Corridor, a route that carries gas from Greece to central Europe and Ukraine.

U.S Ambassador to Greece Kimberly Guilfoyle said U.S. LNG flowing through Greece had strengthened the alliance between the United States and Europe.

"It redraws, quite simply, the energy map of Europe, creating a durable alternative to Russian gas not just for one season but for generations to come," Guilfoyle said during a presentation of the contracts in Athens.

The European Union is building renewables capacity to cut greenhouse emissions, but has acknowledged the need for natural gas as a transition fuel to help stabilise the grid when intermittent wind and solar energy are not available.

The Greek parliament will need to approve the lease contracts before the Chevron-led consortium can start seismic research later this year. Greece has said the consortium has up to five years to locate potential recoverable deposits and any test drilling would not take place before 2030-2032.

Exxon Mobil and Helleniq also hold a licence to look for hydrocarbons in another two deep-sea blocks south of Crete and are evaluating seismic data before moving ahead with any exploratory drilling there.



# Equinor makes oil, gas find in the North Sea

By Reuters

February 16, 2026 1:30 PM GMT+5:30 Updated 16 hours ago

COPENHAGEN, Feb 16 (Reuters) - Norway's Equinor ([EQNR.OI](#)), has discovered oil and gas in the so-called Granat prospect in the North Sea, some 190 kilometres (118.06 miles) northwest of Bergen, the Norwegian offshore directorate said on Monday.

Preliminary estimates indicated a discovery of between 0.2 million and 0.6 million standard cubic metres of recoverable oil equivalent, the directorate said.

This corresponds to about 1.3-3.8 million barrels of oil equivalent, according to the directorate.

Equinor is the operator and owns 51% of the permit, while Norwegian state-owned oil company Petoro holds 30% and OMV Norge the remaining 19%.

The licensees are considering tying the discovery in the prospect back to existing infrastructure in the nearby Gullfaks area, the directorate said.



## Suffocating Western pressure may finally force Russian oil output cuts

Ron Bouso

February 16, 2026 12:37 PM GMT+5:30 Updated 13 hours ago

LONDON, Feb 16 (Reuters) - Russian oil producers could be forced to sharply cut output in coming months as tightening pressure from U.S. President Donald Trump and European powers restricts the country's exports and its storage fills up, a development that would further dent the Kremlin's war chest.

Russian crude exports have remained broadly stable in recent years despite sweeping Western sanctions and a sharp reduction in energy purchases by Europe. Moscow successfully redirected most of its seaborne crude to China, India and Turkey, often relying on a "shadow fleet" of ageing, uninsured tankers to circumvent restrictions while offering steep discounts.

That resilience is now under strain. Exports have slowed in recent months after President Trump tightened sanctions and imposed tariffs on India over its purchases of Russian oil.

### DROP IN SEABORNE EXPORTS

Demand has also been hit by a European Union ban on imports of fuels refined from Russian crude that came into force last month.

Russian seaborne crude exports fell to 3.4 million barrels per day (bpd) in January from 3.8 million bpd in December, and are currently tracking around 2.8 million bpd in February, according to analytics firm Kpler.

At the same time, the volume of Russian oil held on ships has climbed to a record high above 150 million barrels in recent months, while many tankers have also slowed their speeds – both signs of weaker buying.

The European Commission's proposal to impose a sweeping prohibition on any business that supports Russia's seaborne crude oil exports – which goes far beyond previous sanctions – would squeeze Moscow yet further.

### INDIA SLASHES IMPORTS

Pressure on Russian exports is likely to intensify in the coming months as India, the largest buyer of seaborne Russian oil last year, prepares to curb purchases as part of a trade deal with the United States. President Trump has said New Delhi agreed to halt Russian imports under the deal, though Indian officials have not confirmed that plan.

India bought around 1.7 million bpd of Russian crude last year, roughly half of Moscow's total seaborne exports, according to Kpler. Imports fell to about 1.1 million bpd in January and, while they are expected to rebound slightly in February, they are also projected to decline sharply from March onward.

Three major refiners - Indian Oil, Bharat Petroleum and Reliance Industries - have halted purchases of Russian crude, Reuters has reported.

Indian buying is unlikely to drop to zero, however. Nayara Energy's 400,000 bpd refinery, partly owned by Russian oil major Rosneft ([ROSN.MM](#)), will continue to rely on Russian supplies, though it is scheduled to shut for maintenance for one month starting in April.

Smaller Indian refiners are also likely to keep buying Russian crude, particularly if discounts deepen.

Independent Chinese refineries may also absorb some of the displaced volumes, but their scope is limited. Russia already accounted for about one-fifth of China's total crude imports of 11.5 million bpd last year, and Beijing has historically avoided overreliance on any single supplier.

### India's Russian crude oil imports

Indian imports have dropped sharply since the start of 2026



Note: In thousands of barrels per day

Source: Kpler | Ron Bousso

### India's Russian crude oil imports

### SUPPLY CHAIN REACTION

This slowdown in purchases is triggering a negative chain reaction across Russia's oil logistics. Longer "shadow fleet" voyages are tying up tankers, reducing the availability of vessels to store additional crude at sea, which, in turn, is forcing producers to divert more oil into domestic storage.

The size of Russia's onshore storage capacity is unclear, as the government does not publish data, but the amount remaining appears limited. Onshore oil inventories stand at around 16 million barrels, or about 51% of capacity, based on satellite monitoring of tanks, according to Kpler senior crude analyst Naveen Das.



Russia could use parts of its vast pipeline network for storage if needed. Kpler estimates that pipeline storage and fixed-top tanks, whose storage levels cannot be monitored by satellite, could raise total onshore capacity to around 100 million barrels.

But even that buffer may prove insufficient. Russia produces about 9.3 million bpd of crude, roughly half of which is exported. At that rate, onshore storage could fill quickly if exports remain constrained, leaving producers with few options other than cutting output.

## BUDGETS ARE UNDER STRAIN

Russia's oil production could fall by up to 300,000 bpd between March and May as a result of these logistical bottlenecks, according to Jorge Leon, head of geopolitical analysis at Rystad Energy.

Oil and gas revenues are the Kremlin's main source of income, accounting for nearly a quarter of federal budget receipts. Moscow's finances have already been strained by heavy defence spending since Russia launched the full-scale invasion of Ukraine in 2022.

The country's state oil and gas revenues halved in January from a year earlier, falling to their lowest level since July 2020, as declining crude prices took their toll, according to finance ministry data.

A drop in production combined with deeper discounts on exports would further erode Moscow's oil income, compounding the financial pressure on the Russian state – which is precisely what the West is seeking to do as the deadly conflict in Ukraine enters its fourth year.

# Congress slams India-US trade pact, says it binds New Delhi on Russian, Iranian oil commitments

**STATESMAN NEWS SERVICE**  
New Delhi, 16 February

In a scathing critique of the recently announced India-United States trade agreement, Congress leader and MP Randeep Singh Surjewala accused the government of compromising India's sovereignty and energy security by acquiescing to pressure to curb crude oil purchases from Russia and Iran.

Surjewala highlighted public statements by US officials, including Marco Rubio, who said India had committed to stop buying Russian oil as part of broader discussions tied to the trade framework. Rubio's

remarks came at the Munich Security Conference, where he said Washington had "gotten their commitment to stop buying additional Russian oil" following talks with Indian officials.

"Now, under the US trade agreement, India will be forced to buy crude oil from America and Venezuela at much higher prices.. This is a direct compromise of India's sovereignty and self-reliance," Surjewala alleged, asserting that such commitments undermine India's traditional energy procurement strategy.

India is one of the world's largest crude oil importers, and since early 2022 has sourced significant volumes from Russia

and Iran, benefiting from discounted rates. Under pressure from the United States to align its energy purchases with Western sanctions regimes, New Delhi has faced growing scrutiny, though Indian officials have repeatedly emphasised that energy decisions are guided by national interest and strategic autonomy rather than external dictates. Surjewala also questioned provisions of the trade agreement reportedly requiring India to purchase US goods worth about \$100 billion annually over the next five years—a total of \$500 billion—without equivalent reciprocal commitments from the United States.



## NSE gets SEBI nod for natural gas futures

**Lalatendu Mishra**

**Saptaparno Ghosh**

MUMBAI/NEW DELHI

Heralding the institution of a market-based mechanism for price discovery and the availability of natural gas in the country, the National Stock Exchange of India (NSE) said on Monday it had received approval from the Securities and Exchange Board of India (SEBI) to launch Indian Natural Gas futures.

The NSE Indian Natural Gas futures would be monthly contracts. Additionally, at any point of time, there would be 12 monthly contracts available for trading.

The exchange also informed that further details on contract designs and launch timelines would be "announced in due course".

On January 8, NSE had first announced the strategic collaboration with the Indian Gas Exchange (IGX) to develop and set up Indian Natural Gas futures. It would seek to combine NSE's market infrastructures in the derivatives space and IGX's mechanism for spot trading of natural gas.

The introduction of the natural gas futures is expected to benefit gas producers, city gas distributors, power generators, fertiliser manufacturers, industrial consumers, traders and financial participants by "enabling effective hedging against price volatility and improving long-term planning", the NSE said.

# Track Soon to Create Champion CPSEs for 2047 Growth Sprint

NITI-MoF road map likely to focus on financial muscle, tech prowess, operational efficiency

**Banikinkar Pattanayak  
& Anuradha Shukla**

**New Delhi:** The government is finalising a road map to create “champion” central public sector enterprises (CPSEs) that would help India realise its goal to emerge as a developed nation by 2047 through sustained economic growth and technological advancements, senior officials said.

The road map, prepared by the Niti Aayog in close coordination with the finance ministry, would outline steps to bolster their financial muscle, technological prowess, corporate governance, talent pool and overall operational efficiency, the officials told **ET**. The details would be released soon, they said.

The idea is to create a vibrant, and not intrusive, CPSE ecosystem that would supplement the government's efforts to catapult India into an even higher growth orbit and play a larger strategic role when required, they added.

These “champion” CPSEs” would have greater flexibility in their investment and other corporate decisions, in tapping opportunities abroad that align with the country's strategic goals and hiring talent from the private sector.

They would be pushed by the government to leverage enablers of the fourth industrial revolution—including the deployment of AI, Internet of Things, Digital Twins and 3D printing—for operational excellence and strategic power, the officials said.

“They will essentially be modern CPSEs for a developed India in every sense,” said one

## Big League

	FY24	FY25
Total no of CPSEs	448	475
Operating CPSEs	272	291
Gross revenue*	36.1	37
Net profit*	3.22	2.91
Net worth^	20	22.3
Capital employed^	42.8	47.9
Dividend payout^	1.2	1.4
Market cap#	37.2	38.6

Note: Barring the no. of CPSEs, all other figures are in ₹ lakh crore

\*Of only operating CPSEs ^Of all CPSEs #Of 66 listed CPSEs

Source: Public Enterprises Survey 2024-25



of the officials. The initiative, led by Niti Aayog member Rajiv Gauba, is part of broader government efforts to create future-ready CPSEs, he said. Gauba held a meeting last week for this purpose.

“Just like the recent budget announcement on creating MSME champions through targeted government interventions, this is being planned for CPSEs,” he added.

In August last year, **ET** reported that the Department of Public Enterprises had shortlisted about a dozen entities for systemic and technical reforms. These include Indian Rare Earths, Bharat Electronics, Mazagon Dock Shipbuilders, Nuclear Power Corporation of India, REC and Central Warehousing Corporation.

The country had 475 CPSEs as of March 2025, of which 291 were operational, according to the latest public enterprises survey.

# Bid Deadline for Small Oil Blocks Extended

## Our Bureau

**New Delhi:** The government Monday extended the bid submission deadline for discovered small fields (DSF) round by a month to March 18, marking yet another extension in a bidding process that began last April.

This is the fourth DSF auction round, offering a total of 55 discoveries across nine contract areas. The Directorate General of Hydrocarbons (DGH), which conducts oilfield auctions, announced the revised deadline without citing any reason for the extension.

Under the DSF framework, small discoveries

previously made by state-run explorers but left undeveloped due to perceived commercial unviability are offered to private and state-run companies under more financially attractive terms.