Khaled Alawadi @khdmohd
ww.linkedin.com/in/khaled-al-awadi-80201019/



NewBase for discussion or further details on the news below you may contact us on +971504822502, Dubai, UAE

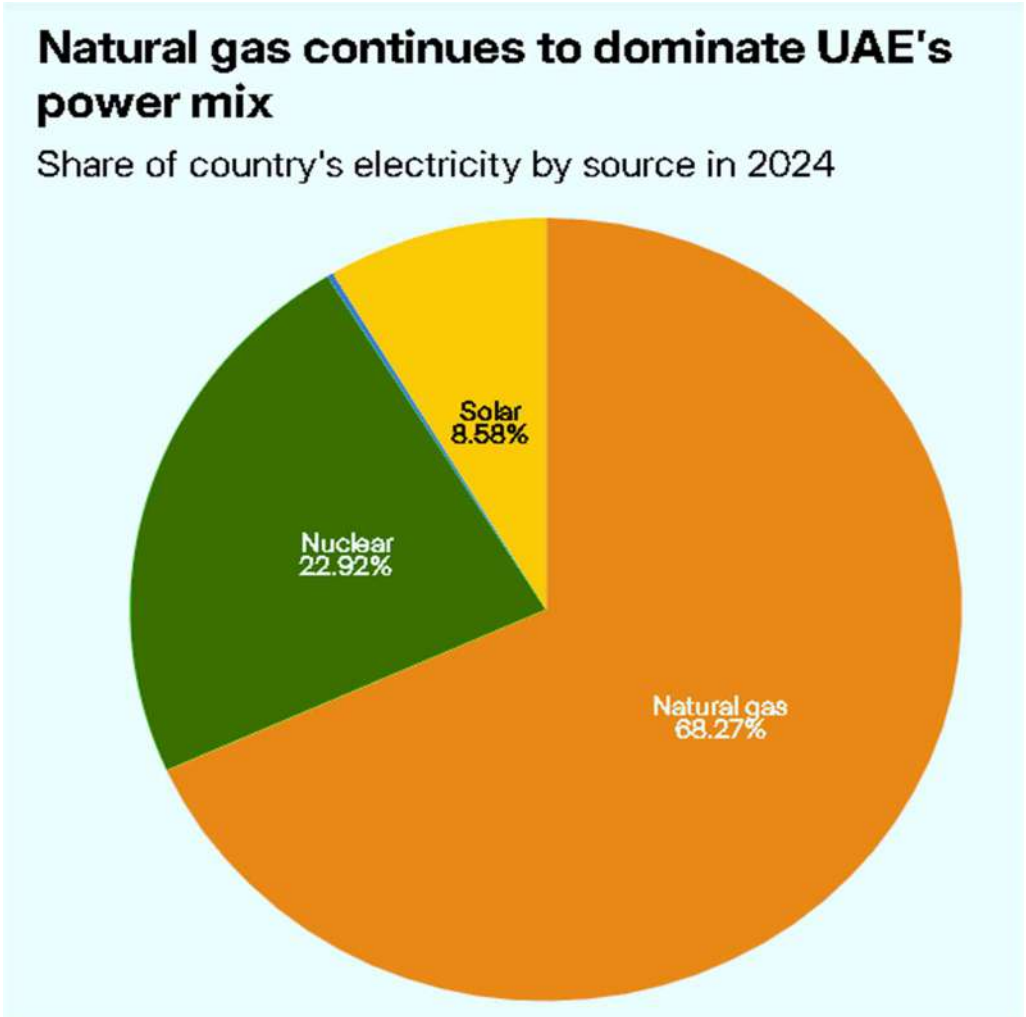
Abu Dhabi's power demand to double by 2050 amid rapid economic expansion

The National + NewBase Energy

Abu Dhabi's power demand is expected to double by 2050, driven by rapid expansion of the economy, population and digital infrastructure, according to a senior official.



The emirate's total installed capacity is projected to rise to 50 gigawatts from the current 25 gigawatts, with major investments planned in building utility infrastructure, Abdulaziz Alobaidli, director general for regulatory affairs at the Department of Energy, told The National.





Copyright © 2026 NewBase www.hawkenergy.net Edited by Khaled Al Awadi – Energy Consultant All rights reserved. No part of this publication may be reproduced, redistributed, or otherwise copied without the written permission of the authors. This includes internal distribution. All reasonable endeavors have been used to ensure the accuracy of the information contained in this publication. However, no warranty is given to the accuracy of its content.

“In the coming decades, Abu Dhabi will invest more than Dh300 billion in utility infrastructure in generation, transmission and distribution. This is to cope with the demand growth alongside population growth, economic expansion, adoption of digital infrastructure, AI and computing plans,” Mr Alobaidli said.

Abu Dhabi is doubling down on building renewable energy plants to reach net-zero energy targets by 2050. The projection matches the International Energy Agency's forecast that global electricity demand is set to nearly double by 2050. Last year, the UAE launched the “world’s first” facility to provide renewable energy at scale around the clock.

Masdar, in partnership with the Emirates Water and Electricity Company (Ewec), is building the $6 billion project that can produce 1 gigawatt of uninterrupted clean power. The project is expected to start next year, with Masdar reaching the financial close on the project in June.

“Contribution of clean and renewable [energy] is expected to reach 60 per cent in the coming five years (from 45 per cent currently) and then we will increase it further in the coming years,” Mr Alobaidli said. Abu Dhabi is also investing heavily in AI infrastructure, which is expected to boost demand for energy.

Among the projects is the 1GW Stargate UAE project being developed by Abu Dhabi-based artificial intelligence company G42 in partnership with technology giants OpenAI, Oracle and Nvidia. It will be within the 5GW UAE-US AI Campus in Abu Dhabi.

Demand for water is also increasing in Abu Dhabi, but “not at the same pace as power demand”, Mr Alobaidli said. He added that the emirate is investing in reverse osmosis technology to meet rising water demand.

“Recently we have invested a lot on the reverse osmosis technology, as a more efficient technology. So we're going to double down on this, specifically with many of our thermal desalination units getting aged and [reaching] their end of life.”

Reverse osmosis is a process in which water flows through a membrane that separates heavier sediments and salts. Desired minerals such as calcium and magnesium are then added to the filtered water before it is packaged or transported for consumption.



Mr Alobaidli said water and power supplies were not interrupted and none of its assets were damaged during the Iran conflict, with the system “resilient” due to long-term investment and planning. “It's a long-term investment that started years ago, but we started seeing the benefit of it today,” he said. The regional war has “emphasised and reinforced” the importance of resilience, he added.

He said it was important to “invest in preparedness before the disruption occurs, because disruption pressures the system, but only long years of planning, long years of preparedness allow you to overcome such a pressure volatility”.

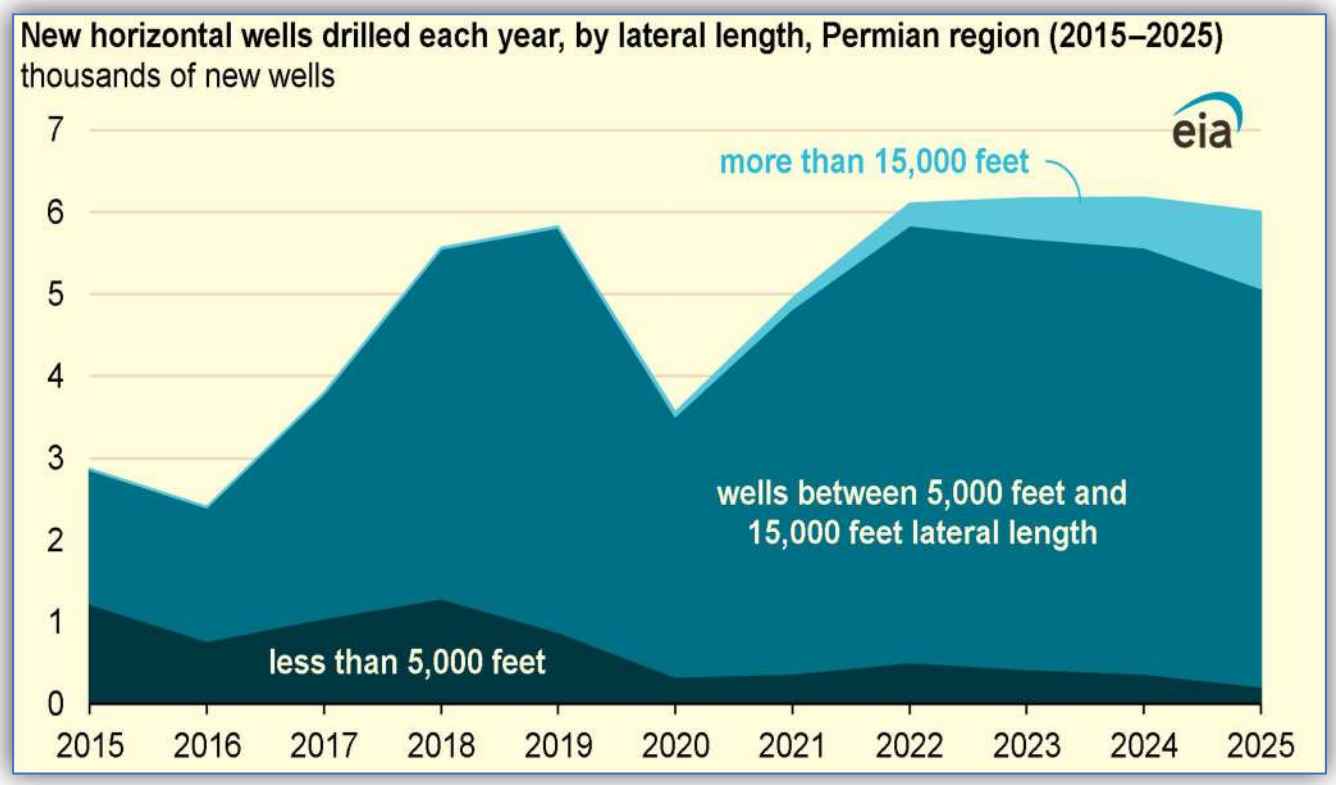
Iran launched missiles and drones at the UAE and other Gulf nations after the US and Israel attacked Tehran on February 28. Despite the conflict, the UAE's economy grew by 3 per cent on an annual basis in the first three months of 2026 to reach Dh485 billion ($132 billion), as the country's non-oil sector expanded.

Copyright © 2026 NewBase www.hawkenergy.net Edited by Khaled Al Awadi – Energy Consultant All rights reserved. No part of this publication may be reproduced, redistributed, or otherwise copied without the written permission of the authors. This includes internal distribution. All reasonable endeavors have been used to ensure the accuracy of the information contained in this publication. However, no warranty is given to the accuracy of its content.

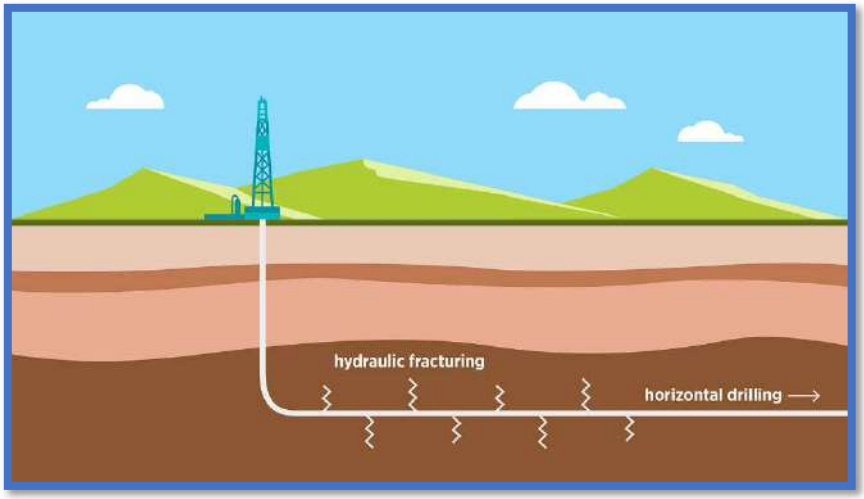
U.S: Longer wells boost Permian crude oil & Gas production

EIA + NewBase

Well operators in the Permian region of western Texas and eastern New Mexico are getting more oil and gas out of the ground by drilling longer, horizontal wells and increasingly incorporating so-called super-lateral wells that exceed 15,000 feet.



The Permian region in western Texas and eastern New Mexico is one of the most prolific unconventional oil- and natural gas-producing regions in the world. Longer lateral wells allow operators to contact significantly more reservoir rock with each well, maximizing production while keeping well counts, and therefore overhead costs, down.

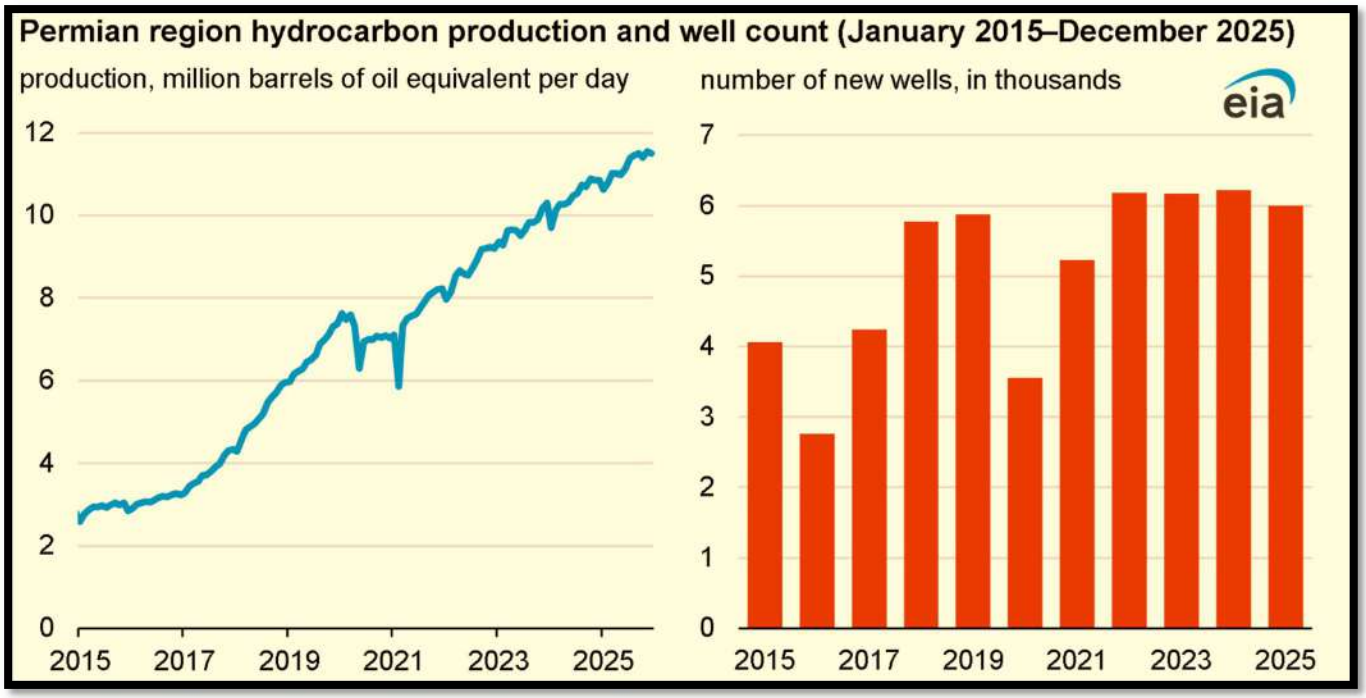


In 2015, short-reach wells measuring less than 5,000 feet were common; they made up 43% of the wells completed in 2015. By 2025, they accounted for just 4% of horizontal wells. As the short-reach well share plummeted, the share of new wells classified as mid-length laterals, those wells measuring between 5,000 feet and 15,000 feet, grew from 57% of completions in 2015 to a peak of 90% in 2021, before settling at 81% in 2025.

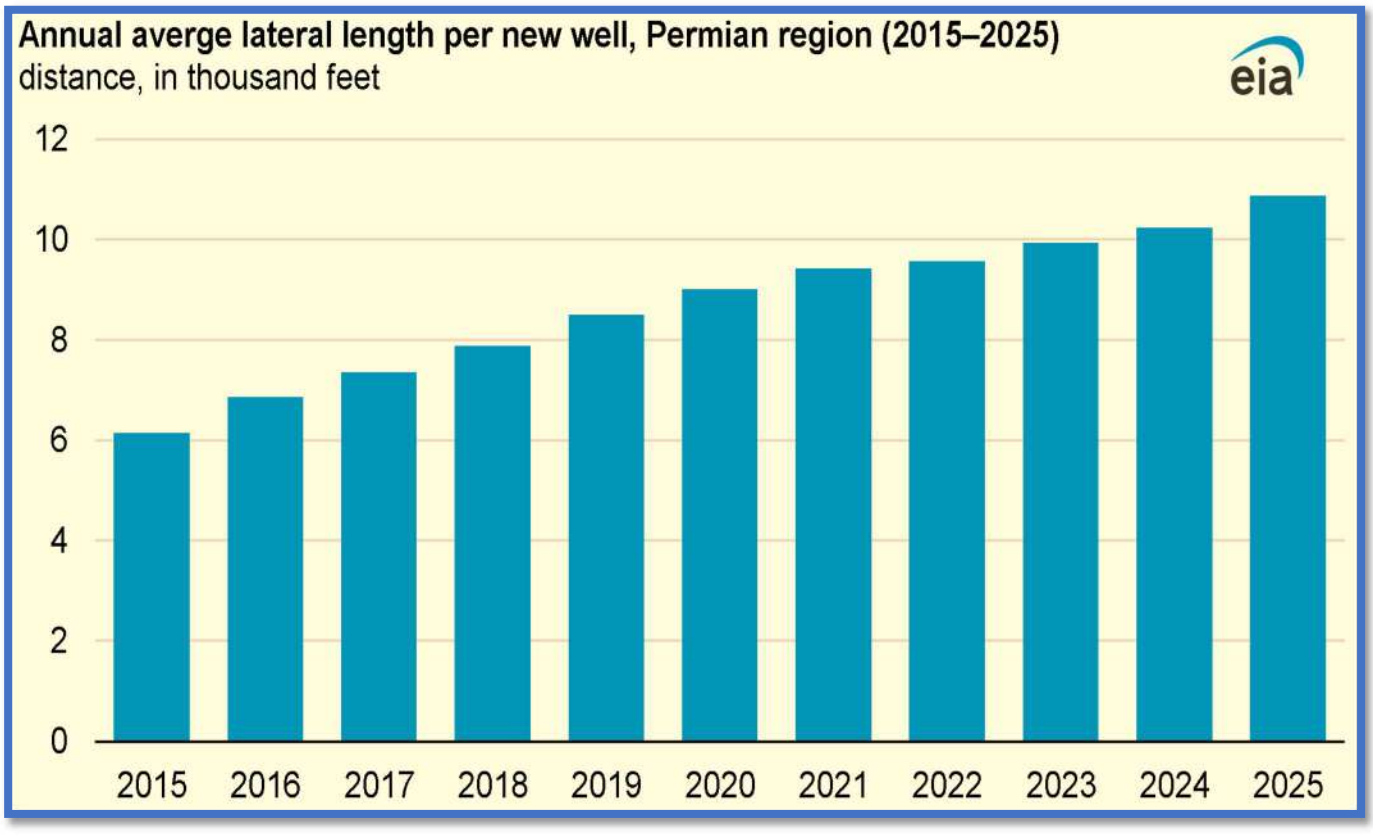
The slight reduction in the share of mid-length lateral wells in the past five years came amid the emergence of super-laterals; ultra-long wells exceeding 15,000 feet. Virtually nonexistent before 2020, these wells, more than three miles long, accounted for 15% of all new Permian well completions in 2025.

Copyright © 2026 NewBase www.hawkenergy.net Edited by Khaled Al Awadi – Energy Consultant All rights reserved. No part of this publication may be reproduced, redistributed, or otherwise copied without the written permission of the authors. This includes internal distribution. All reasonable endeavors have been used to ensure the accuracy of the information contained in this publication. However, no warranty is given to the accuracy of its content.

While the number of new wells being drilled has remained relatively stable, hydrocarbon production in the region has grown rapidly over the past decade, rising from 2.9 million barrels of oil equivalent per day (BOE/d) in 2015 to 11.2 million BOE/d in 2025—a 284% increase.



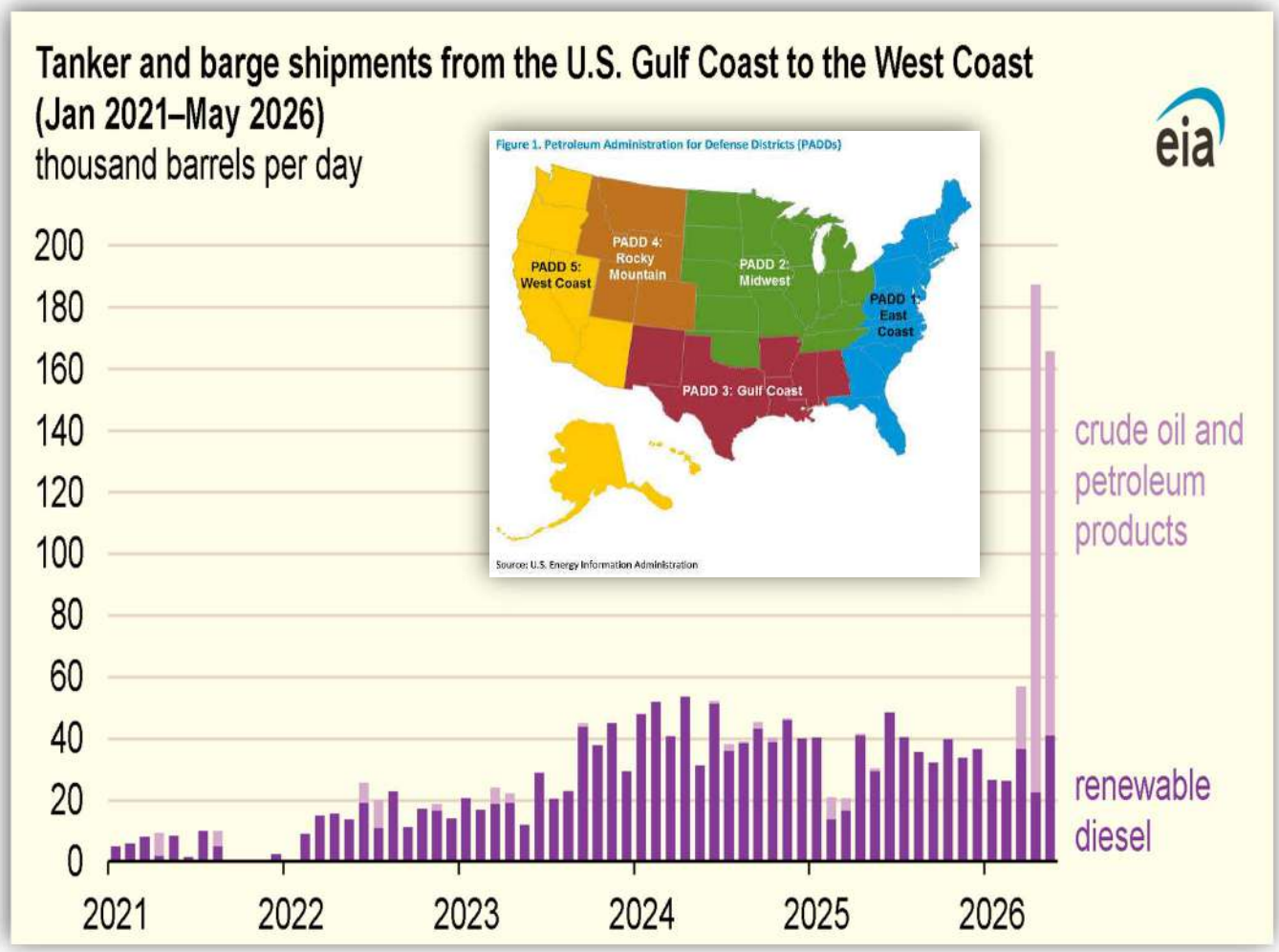
Outside of the unprecedented market disruptions in 2020 and 2021—when negative oil prices and uncertainty surrounding the COVID pandemic severely curtailed activity—new horizontal well completions in the Permian have consistently hovered around 6,000 per year since 2022. Meanwhile, the average lateral length of a new horizontal Permian well increased 77% in the last decade, rising from 6,149 feet in 2015 to 10,867 feet in 2025, based on data from Enverus.



Copyright © 2026 NewBase www.hawkenergy.net Edited by Khaled Al Awadi – Energy Consultant All rights reserved. No part of this publication may be reproduced, redistributed, or otherwise copied without the written permission of the authors. This includes internal distribution. All reasonable endeavors have been used to ensure the accuracy of the information contained in this publication. However, no warranty is given to the accuracy of its content.

U.S Waterborne shipments from the U.S. Gulf Coast increased in April and May ..... *U.S. Energy Information Administration, Petroleum Supply Monthly*

Waterborne shipments of crude oil and petroleum products from the U.S. Gulf Coast (PADD 3) to the West Coast (PADD 5) more than quadrupled year-on-year in April and May following a waiver that permitted a broader group of ships to travel between U.S. ports. Shipments from the U.S. Gulf Coast to the East Coast (PA DD 1) also increased.



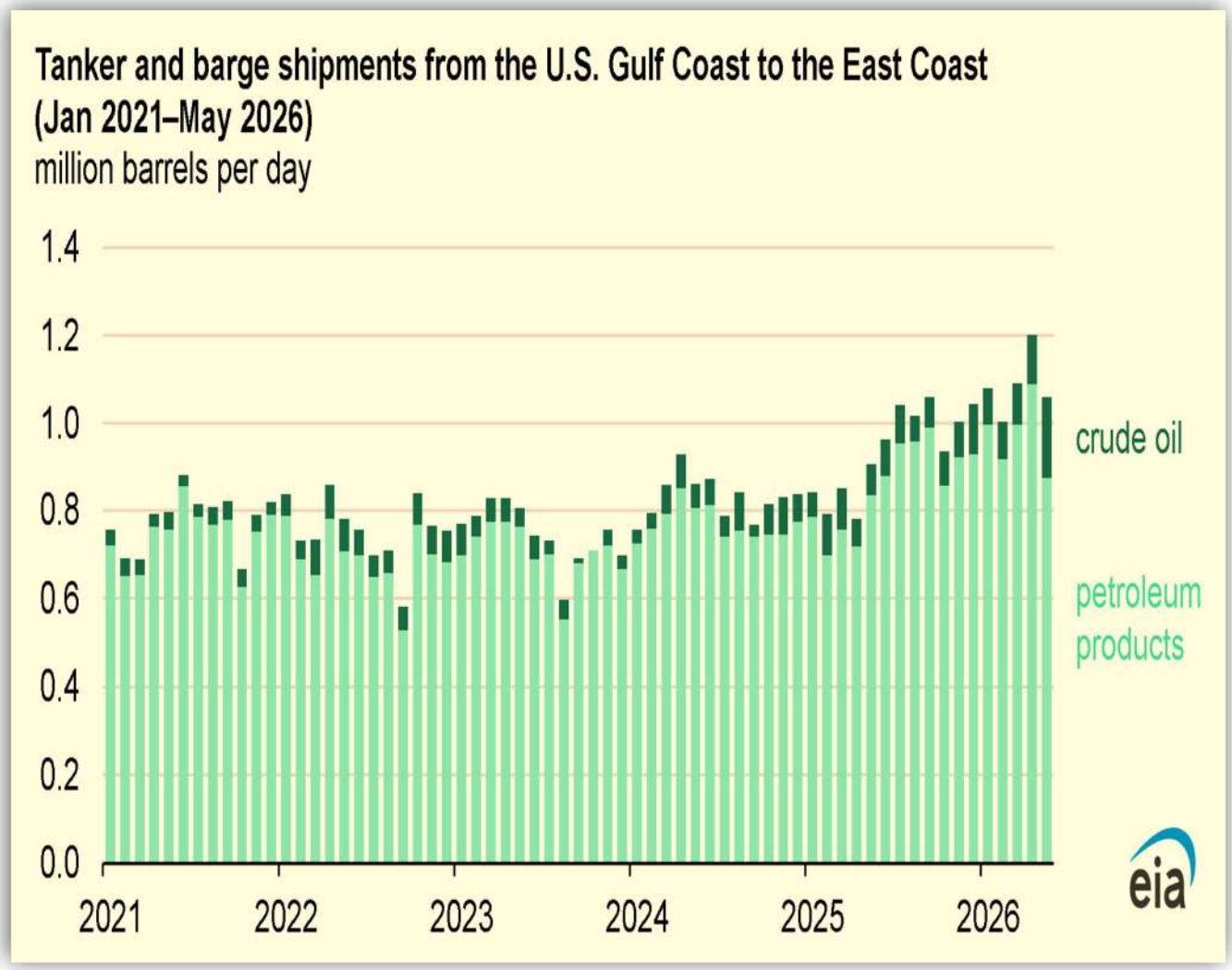
The U.S. Department of Homeland Security issued a limited waiver of the Jones Act, on March 17 and has renewed it since. The Jones Act requires goods or passengers moved in U.S. coastal waters between U.S. ports to be carried on U.S. flagged and owned ships that are constructed in the United States and crewed by U.S. citizens.

Total petroleum shipments to the West Coast increased in April to more than double the previous record, and they remained elevated in May. From 2021 through February 2026—the last full month before the Jones Act waiver—renewable diesel was the only product that moved by tanker and barge from the Gulf Coast to the West Coast in most months, making up 96% of waterborne shipments along that route.

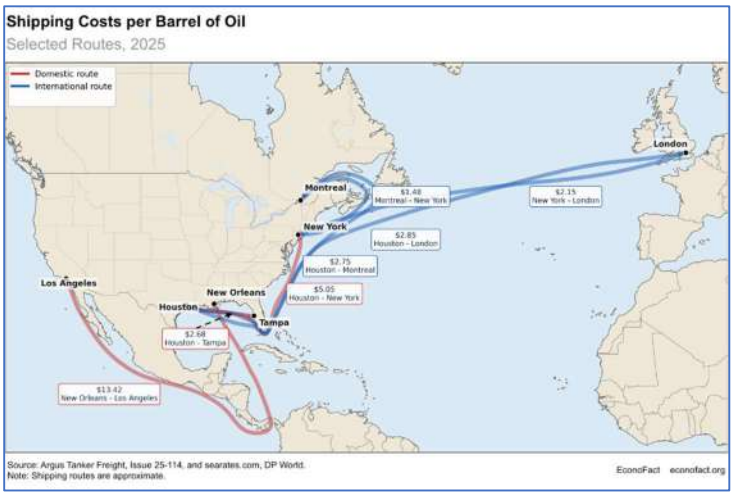
In April, the addition of substantial shipments of gasoline blending components, finished motor gasoline, jet fuel, and crude oil brought total shipments to 190,000 barrels per day (b/d), up from less than 30,000 b/d in January and February.

Copyright © 2026 NewBase www.hawkenergy.net Edited by Khaled Al Awadi – Energy Consultant All rights reserved. No part of this publication may be reproduced, redistributed, or otherwise copied without the written permission of the authors. This includes internal distribution. All reasonable endeavors have been used to ensure the accuracy of the information contained in this publication. However, no warranty is given to the accuracy of its content.

Shipments from the U.S. Gulf Coast to the East Coast also increased to a record 1.2 million b/d in April, 11% higher than the pre-waiver record. Gulf Coast to East Coast shipments make up most of the waterborne inter-PADD transfers in the United States because Florida relies on waterborne receipts from Gulf Coast refining centers for much of its transportation fuel supply.



Shipments of gasoline blending components and distillate fuel reached record highs of 620,000 b/d and 220,000 b/d, respectively, in April. Total waterborne movements declined 12% in May, but crude oil shipments from the Gulf Coast to the East Coast increased to a record 180,000 b/d.



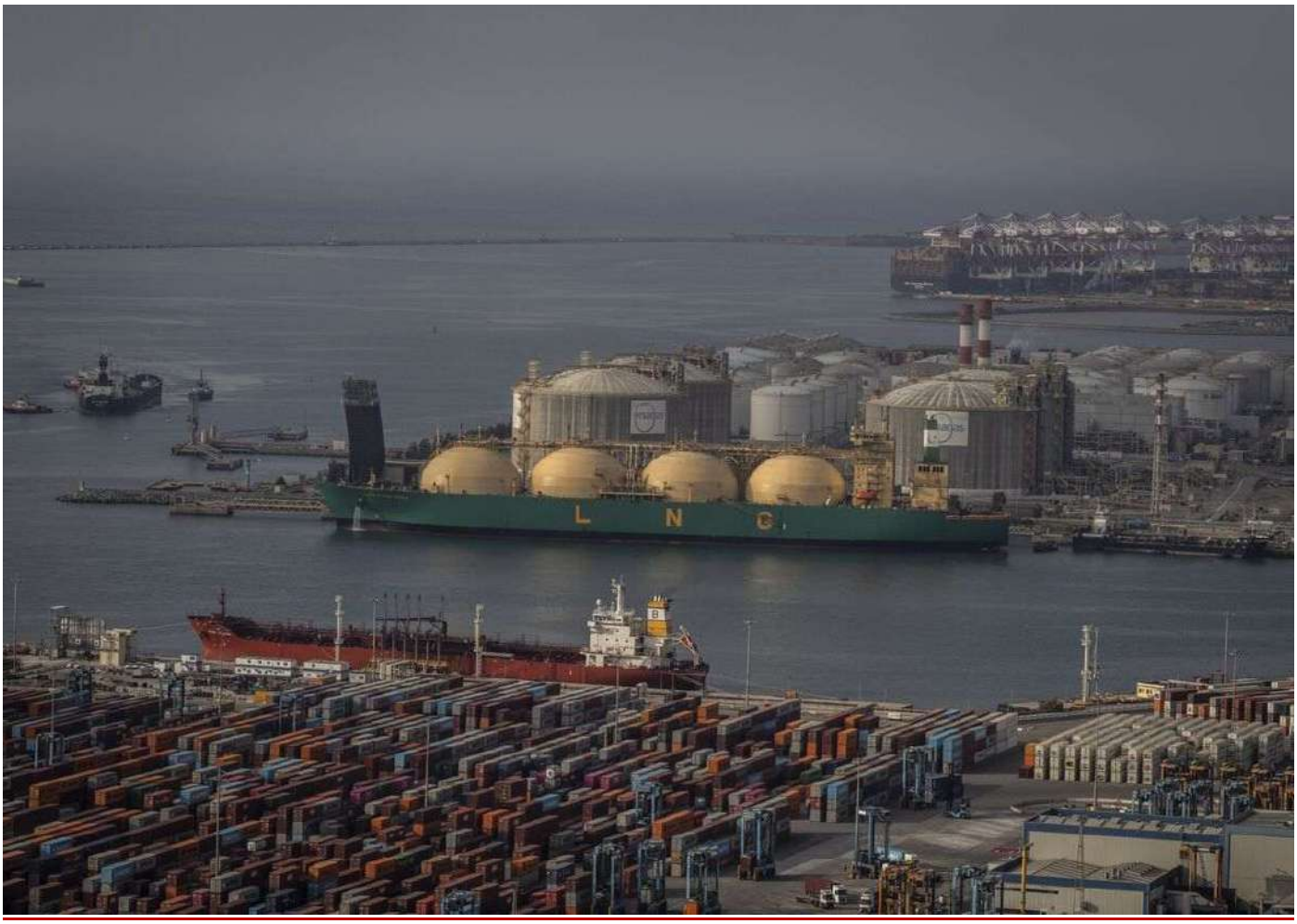


Copyright © 2026 NewBase www.hawkenergy.net Edited by Khaled Al Awadi – Energy Consultant All rights reserved. No part of this publication may be reproduced, redistributed, or otherwise copied without the written permission of the authors. This includes internal distribution. All reasonable endeavors have been used to ensure the accuracy of the information contained in this publication. However, no warranty is given to the accuracy of its content.

Europe will Struggling to Build Its Gas Stocks Before Winter

Bloomberg + NewBase Energy

Europe's reserves of natural gas for heating and power generation are back in focus. Four years ago, the region's governments and energy industry spent record sums to replenish severely depleted inventories as a supply squeeze caused by Russia's invasion of Ukraine triggered a surge in prices. Now, the Iran war is making it hard to build enough stocks ahead of winter, when gas demand tends to peak.



A liquefied natural gas tanker by storage tanks at the port of Barcelona.Source: Bloomberg

The Middle East conflict has severely constrained traffic through the Strait of Hormuz — which usually handles a fifth of global liquefied natural gas flows — pitting buyers against each other in a fierce competition for the remaining LNG cargoes. Worries about near-term shortages have repeatedly pushed summer gas prices above those of winter contracts, eroding the incentive for traders to store fuel.

- ***EU gas storage 57% full, historic low for time of year***
- ***U.S.-Iran war has tightened global LNG supply***
- ***Low storage risks price spikes in the winter***
- ***Little economic incentive to store gas now***

Copyright © 2026 NewBase www.hawkenergy.net Edited by Khaled Al Awadi – Energy Consultant All rights reserved. No part of this publication may be reproduced, redistributed, or otherwise copied without the written permission of the authors. This includes internal distribution. All reasonable endeavors have been used to ensure the accuracy of the information contained in this publication. However, no warranty is given to the accuracy of its content.

Europe's natural gas stocks have fallen to a record low after the U.S.-Israeli war on Iran squeezed global supply, reviving memories of the 2022 energy crisis that drove inflation and sapped industry profits.

This time round, Europe uses less gas and has more renewable resources. Its shift from Russian pipeline gas towards more globally traded liquefied natural gas, however, could leave it having to pay up for supplies in the event of a severe winter if it fails to fill its storage tanks sufficiently over the lower demand summer months.



The Astora natural gas depot, which is the largest natural gas storage in Western Europe, is pictured in Rehden, Germany, March 16, 2022. Astora is part of the Gazprom Germania Group.

So far EU gas stocks are just under 58% full – the lowest for the time of year in records going back to 2011 and 12 percentage points behind last year's level, data from Gas Infrastructure Europe show.

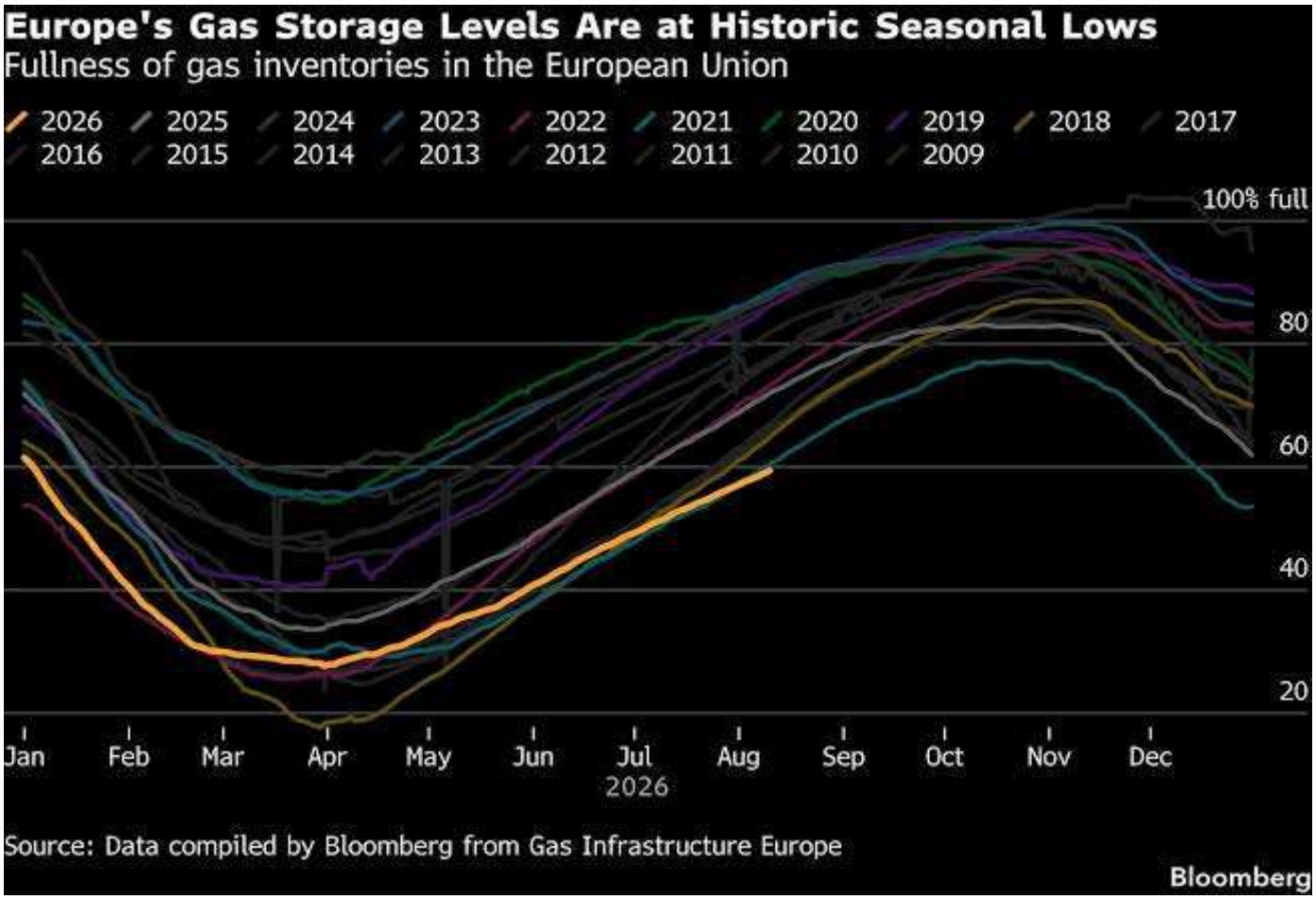
In 2022, when Russia's full-scale invasion of Ukraine disrupted gas markets, companies rushed to stock up, Russia cut deliveries and prices hit record highs of above €300 ($346) per megawatt hour.

In response, the EU introduced a target to fill storage to 90% of capacity by November. It has since relaxed the goal to 80% by December, to avoid a rush of pre-winter buying that could drive up prices.

European policy makers and traders had also counted on increased use of LNG for restocking, but the closure of the Strait of Hormuz following the outbreak of war in Iran at the end of February removed the 20% of global LNG typically supplied by Qatar.

Copyright © 2026 NewBase www.hawkenergy.net Edited by Khaled Al Awadi – Energy Consultant All rights reserved. No part of this publication may be reproduced, redistributed, or otherwise copied without the written permission of the authors. This includes internal distribution. All reasonable endeavors have been used to ensure the accuracy of the information contained in this publication. However, no warranty is given to the accuracy of its content.

European natural gas prices were almost double pre-war levels in late July, rising from around €31 per megawatt hour to just below €60/MWh. They have since eased to around €53/MWh on a revival of hopes for a U.S.-Iran peace deal.



PRICE FORECASTS RANGE WIDELY

Depending on when Hormuz traffic normalises, prices this winter could trade within a €60 to €80/MWh range, according to Energy Aspects' estimates.

However, in a scenario with no Qatari LNG and colder-than-normal weather, the average day-ahead gas price could rise to €110/MWh over November to March and leave storage 10% full by the end of March.

It looks like being another big week for oil markets as the standoff in the Middle East shows no sign of easing.Aiming for a bigger buffer of 16% storage could lift average prices to €210/MWh.

LESS GAS BUT MORE LNG

Compared with 2022, Europe consumes less gas and uses more renewable energy. A rapid build-out of LNG import infrastructure in Europe has given countries more options to secure supplies than in 2022, when they relied heavily on Russian pipeline gas.

However, Europe's increased dependency on LNG means it no longer has the shelter of fixed-price contracts for gas delivered by pipeline and is vulnerable to possible spikes if it needs to buy more in winter.

Europe's low gas storage has created a "very risky situation," said David Lewis, senior research analyst at Wood Mackenzie.

Copyright © 2026 NewBase www.hawkenergy.net Edited by Khaled Al Awadi – Energy Consultant All rights reserved. No part of this publication may be reproduced, redistributed, or otherwise copied without the written permission of the authors. This includes internal distribution. All reasonable endeavors have been used to ensure the accuracy of the information contained in this publication. However, no warranty is given to the accuracy of its content.

"If there is a very cold winter or there is an extended period of cold weather, then you might find that you have to do some sort of demand mitigation, higher prices, or else European markets would run out of gas," he added.

EU storage facilities can hold just over most 102 billion cubic metres of gas, and withdrawals cover up to 30% of consumption in a normal winter. A Commission spokesperson said the EU's latest assessment was that the 80% storage-filling target "is sufficient to secure winter supply and it is technically achievable".

But analysts are doubtful. Forecasts seen by Reuters range from a 67-76% peak in pre-winter storage levels.



To reach even those lower levels, European buyers will have to bid higher prices for LNG cargoes to out-compete buyers in Asia, who need to replace their usual deliveries via the Strait of Hormuz.

The Hormuz disruption increased competition for LNG globally and pushed up prices, putting the market deeper into "backwardation", whereby near-term gas costs more than winter gas. Buying gas now to store and sell later thus makes little economic sense.

"There is zero financial incentive to fill storage from market prices right now," said Jacob Mandel, research lead at Aurora Energy Research.

Filling Europe's stock to 80% before winter would require storage injections to rise to near-record rates only achievable through government intervention, Mandel said.

There is little appetite for the latter and in addition, EU policymakers are also sticking to an upcoming ban on Russian LNG imports, which applies in full from the end of this year and is intended to cut off revenues funding Moscow's war with Ukraine.

Whatever the final price level, it will ultimately be passed on to households and industries. "It will mean higher energy bills for this winter and also for the next winter," Energy Aspect's senior analyst Erisa Pasko said.

Copyright © 2026 NewBase www.hawkenergy.net Edited by Khaled Al Awadi – Energy Consultant All rights reserved. No part of this publication may be reproduced, redistributed, or otherwise copied without the written permission of the authors. This includes internal distribution. All reasonable endeavors have been used to ensure the accuracy of the information contained in this publication. However, no warranty is given to the accuracy of its content.



Oil price special coverage

NewBase for discussion or further details on the news below you may contact us on +971504822502, Dubai, UAE

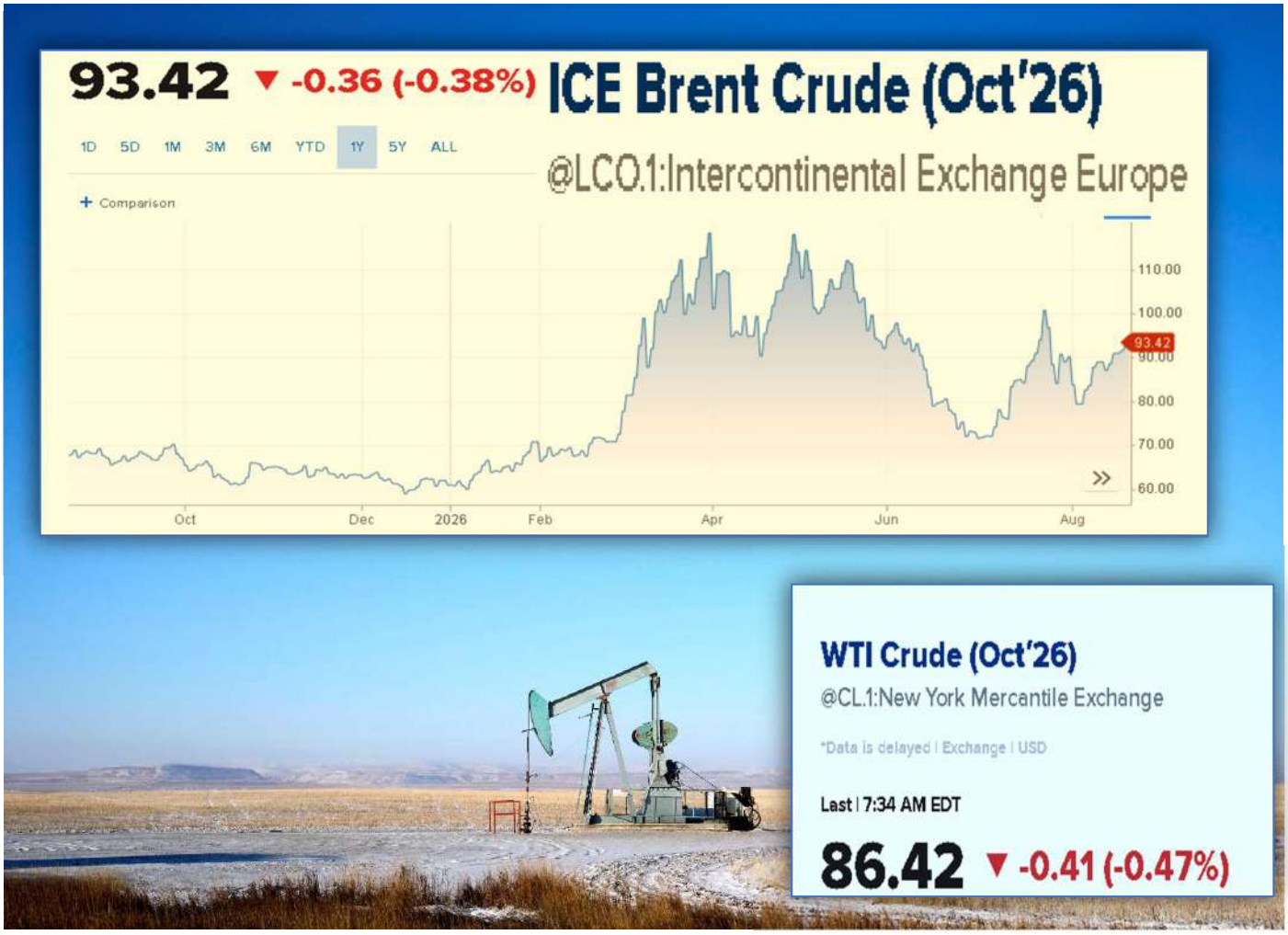
Oil set for second weekly gain as US ramps up pressure on Iran

Reuters + NewBase Energy

Oil prices edged lower on Friday but were on track for a second straight weekly gain after the United States threatened to impose the toughest sanctions in history with no end in sight for disruptions to Middle East oil flows.

Brent crude futures fell 50 cents, or 0.53%, to $93.28 a barrel by 0949 GMT. U.S. West Texas Intermediate crude futures slipped 44 cents, or 0.51%, to $86.39.

The Brent benchmark has gained more than 5.4% while WTI has risen 4.8% this week, with both touching their highest since July 24 in the previous se ssion.



"The U.S. is taking a very firm stance against Iran, with the blockade back in place and threats of tougher sanctions on Iranian oil exports, and that's why we are seeing oil prices back above $90 a barrel," said ANZ analyst Soni Kumari.

Copyright © 2026 NewBase www.hawkenergy.net Edited by Khaled Al Awadi – Energy Consultant All rights reserved. No part of this publication may be reproduced, redistributed, or otherwise copied without the written permission of the authors. This includes internal distribution. All reasonable endeavors have been used to ensure the accuracy of the information contained in this publication. However, no warranty is given to the accuracy of its content.

Iran said on Friday that its response to any new U.S. threats would be "devastating" after Washington pledged to impose the toughest financial penalties in history with the aim of toppling the Iranian leadership.

"The immediate impact on supply may be limited as Iranian exports are already heavily constrained by the U.S. naval blockade," said Crispus Nyaga, research analyst at Empire FX.

"However, an increase in shipping incidents and retaliation against economic sanctions could exacerbate the current situation at a time when traffic through the Strait of Hormuz remains well below normal levels."

Oil prices have climbed on concerns over the continued curtailment of supply from major oil producers such as Saudi Arabia, Iraq, the United Arab Emirates and Kuwait.

The earlier peace deal between the U.S. and Iran expired this week with no effort by either side to restart talks.

Offers of Iranian crude to Chinese buyers have declined and prices have jumped this week as the U.S. blockade cuts Iran's shipments, trade sources said, with the threat of more sanctions from Washington looming.

SUPPLY DISRUPTION CONTINUES

Seven commodity ships sailed along the Strait of Hormuz on Thursday, which was only half the previous day's tally, data from ship-tracker Kpler showed.

Before the U.S.-Israeli attacks on Iran began in late February, the Strait of Hormuz handled about a fifth of global oil and liquefied natural gas supplies. As the war approaches the six-month mark, disruptions to energy flows through the waterway remain in place.

Elsewhere, Ukraine's military hit a Russian oil refinery in the city of Perm overnight, more than 1,600 km (1,000 miles) from the Ukrainian border, President Volodymyr Zelenskiy said on Friday.

Iranian oil offers to Chinese buyers fall as US blockade bites, sources

- ***China's Iranian oil imports fall sharply in June-August - data***
- ***US blockade curbs Iran's oil exports***
- ***Fewer offers seen for September-October delivery cargoes***

Offers of Iranian crude to Chinese buyers have declined and prices have jumped this week as the U.S. blockade has cut Tehran's shipments, according to trade sources, with the threat of more sanctions from Washington looming.

The U.S. re-imposed its blockade of Iran's shipping and ports on July 13 as a deal to halt the war between them broke down in an attempt to cut off oil sales — Tehran's primary source of hard currency — compounding earlier losses from wartime strikes on its energy infrastructure.

The Reuters Power Up newsletter by columnist Ron Bousso provides everything you need to know about the global energy industry. Sign up here.

The number of offers for Iranian oil cargoes to China for September and October delivery has declined from July and August cargoes, four trade sources familiar with the matter said. The offers have declined as barrels already in ships on the water have been sold, they said.

Copyright © 2026 NewBase www.hawkenergy.net Edited by Khaled Al Awadi – Energy Consultant All rights reserved. No part of this publication may be reproduced, redistributed, or otherwise copied without the written permission of the authors. This includes internal distribution. All reasonable endeavors have been used to ensure the accuracy of the information contained in this publication. However, no warranty is given to the accuracy of its content.

Iran's oil exports have fallen since mid-July, with no visible crossings of the Strait of Hormuz by supertankers carrying Iranian crude since then, according to data from ship-tracking company Kpler, although many vessels turn off their location transponders, making them difficult to track.

The squeeze threatens a key feedstock for independent refiners, known colloquially as teapots, located in China's eastern province of Shandong, which account for about a fifth of China's refining capacity and are the top buyers of sanctioned oil.

Three of the trade sources said some Iranian crude, typically sold at discounts, was being offered at premiums to ICE Brent futures, with one source citing a premium of about $2 a barrel. That was an abrupt shift as cargoes of Iranian Light were being offered earlier this week at a discount of around $3 a barrel, the same as a month earlier.

Iranian crude held in floating storage outside the U.S. blockade zone has fallen to about 80 million barrels from about 105 million barrels before the blockade was reinstated, Kpler data showed.

Two of the sources estimated that only about 30 million barrels of Iranian crude remained in Asian waters, half of the usual levels.

Kpler Senior Crude Oil Analyst Muyu Xu estimated there are 40 million barrels of Iranian oil on ships in Malaysian waters east of Singapore, though most of that has been promised to buyers.

"This suggests buyers could face virtually no new Iranian supplies available for late-September delivery onwards since no laden Iranian tankers have so far managed to break through the US blockade," she wrote in a Friday LinkedIn post.

UNCERTAIN SUPPLY

With the uncertainty over Iranian supplies, one teapot bought Brazil's Lapa crude this week, while others were looking at Iraq's Basrah crude, two of the sources said. "Given the thin Iranian availability amid the U.S. blockade, Chinese teapots are now looking beyond Russia and Iran," said Sun Jianan, senior oil analyst at Energy Aspects.

China's Iranian oil imports have dropped from a year ago following the start of the U.S.-Israeli war on Iran in February that has cut Middle Eastern oil exports. Shipments fell to 785,000 barrels per day in June, the lowest since February 2023, provisional Kpler data showed.

Imports in July likely rose to 823,000 bpd but the intake so far in August has dropped to 534,000 bpd, the data showed. ast year, China's Iran purchases averaged 1.4 million bpd, according to Kpler.

WARY OF SANCTIONS

On Thursday, U.S. Treasury Secretary Scott Bessent threatened Iran with "the toughest sanctions in history," with details to come on Monday, to pressure Iran to reopen the Strait of Hormuz and end the war.

That has China's independent refiners on alert for further sanctions targeting specific buyers, a source at one of the plants said. However, the source said new sanctions were unlikely to significantly deter purchases, noting that refiners which have been previously sanctioned continued processing Iranian oil.

China, the world's biggest crude importer, buys more than 80% of Iran's shipped oil, according to 2025 data from Kpler. Beijing has said it rejects unilateral sanctions, and a Chinese foreign ministry spokesperson said on Thursday sanctions will not solve the conflict.

Copyright © 2026 NewBase www.hawkenergy.net Edited by Khaled Al Awadi – Energy Consultant All rights reserved. No part of this publication may be reproduced, redistributed, or otherwise copied without the written permission of the authors. This includes internal distribution. All reasonable endeavors have been used to ensure the accuracy of the information contained in this publication. However, no warranty is given to the accuracy of its content.

Iranian oil exports plunged to only 100,000 bpd by July 2019 after the U.S. further enforced sanctions and China temporarily suspended purchases. Later in September 2019, a devastating drone attack hit Saudi Arabia's massive Abqaiq oil processing facility, a move analysts said showed the ability of Iran and its proxies to escalate the fight when Western financial pressure on Tehran increases.

Iraq aims to boost oil output to 8-10 million bpd in six years

Iraq has sent a delegation to Saudi Arabia seeking a higher output quota from OPEC as the country plans to raise its oil production to between 8 million and 10 million barrels per day in the next six years, its prime minister said on Friday.

Prime Minister Ali al-Zaidi, speaking at the Baghdad Dialog policy conference, said he sent a delegation on Friday headed by Iraq's ministers of oil and finance to Saudi Arabia, OPEC's de facto leader, to discuss raising Iraq's OPEC quota.



Iraq produced around 4 million barrels of oil per day before the outbreak of the Iran war. It has been among the countries most affected by the effective closure of the Strait of Hormuz by Iran. The blockade followed U.S.-Israeli attacks on Iran on February 28 that led to a regional conflict that engulfed several countries in the region.

OPEC+ has appointed Texas-based DeGolyer and MacNaughton to independently assess the maximum sustainable capacities of most of the producer group's members, including Iraq. The consultancy is expected to present its findings to the OPEC Secretariat at the end of September, after which discussions will begin on new production baselines for use from 2027. Baseline talks are often contentious because higher baselines generally translate into larger production allowances, giving countries an incentive to push for higher baseline levels.

Iraq is working to expand its exports through Turkey's Ceyhan port and also to begin exporting oil through Syria's Baniyas port and Jordan's Aqaba port, al-Zaidi said.

The plans to export oil via a pipeline to Syria's Baniyas, to avert future disruptions in Hormuz, will likely require four years of construction and cost at least $15 billion, sources told Reuters this week.

The Iraq-Turkey Pipeline to Ceyhan, Iraq's only functioning oil export pipeline, currently carries around 170,000 bpd.

The narrow Hormuz waterway between Iran and Oman carried about a fifth of global oil and liquefied natural gas supplies before the war. Despite two ceasefire deals between Washington and Tehran signed in April and June, traffic in the strait remains significantly below pre-war levels and ships continue to face attacks in the area.

Copyright © 2026 NewBase www.hawkenergy.net Edited by Khaled Al Awadi – Energy Consultant All rights reserved. No part of this publication may be reproduced, redistributed, or otherwise copied without the written permission of the authors. This includes internal distribution. All reasonable endeavors have been used to ensure the accuracy of the information contained in this publication. However, no warranty is given to the accuracy of its content.

***Yesterday** : Oil hits over 3-week high on Middle East supply concerns amid war impasse*

Oil prices climbed to more than three-week highs on Thursday, driven by concerns that the impasse in the Iran war will continue to disrupt supply from the key Middle Eastern producing region.

Brent crude futures for October delivery were up $2.19, or 2.39%, to $93.81 a barrel at 1257 GMT, while U.S. West Texas Intermediate crude futures for September added $2.33 to $88.16 a barrel. The more-active October WTI contract was up $2.44, or 2.89%, to $86.83.

- ***WTI tick up for a fifth session, hit 3-week highs***
- ***UAE suspends financial ties with Iran until further notice***
- ***US crude, gasoline inventories rise, distillate stocks fall-EIA***
- ***Trump warns of economic consequences for nations supporting Iran***

Both Brent and WTI benchmarks hit their highest since July 24 and gained for a fifth straight session. The September WTI contract expires later on Thursday.

"Tensions in the Middle East remain high, leaving room for further supply disruptions," said UBS analyst Giovanni Staunovo. "Lower oil exports from the Middle East are once again tightening the oil market."

The UAE's decision to suspend all financial and economic transactions with Iran until further notice has refocused the spotlight on fraught ties between the major Gulf Arab oil producer and Iran.

"Oil prices remained elevated as the market is supported by sporadic attacks in the Middle East but lacks fresh momentum without a major escalation," said Hiroyuki Kikukawa, chief strategist of Nissan Securities Investment.

"The market is likely to maintain a gradual upward trend given uncertainty over peace talks and tensions involving the United Arab Emirates, Oman and Iran," he added.

On Tuesday, U.S. President Donald Trump said no talks were taking place with Iran and that the Strait of Hormuz was open. Iran, however, said the waterway remained shut.

Trump on Wednesday warned of economic consequences against any country that provided "any type of lifeline to Iran".

Shipping traffic through the strait on Wednesday was unchanged from the day before as discussions to end the conflict remained deadlocked, according to the latest shipping data.

Prior to the war that began with U.S. and Israeli strikes on Iran on February 28, shipments equal to about one-fifth of global consumption moved through the waterway. Current flows are far below pre-war levels.

The war has also impacted the supply of refined fuels and drawn down inventories, with less crude available to refiners.

U.S. stockpiles of distillate fuel, including diesel and heating oil, fell last week for a third week, the Energy Information Administration said on Wednesday. However, crude inventories unexpectedly rose by 4.4 million barrels.

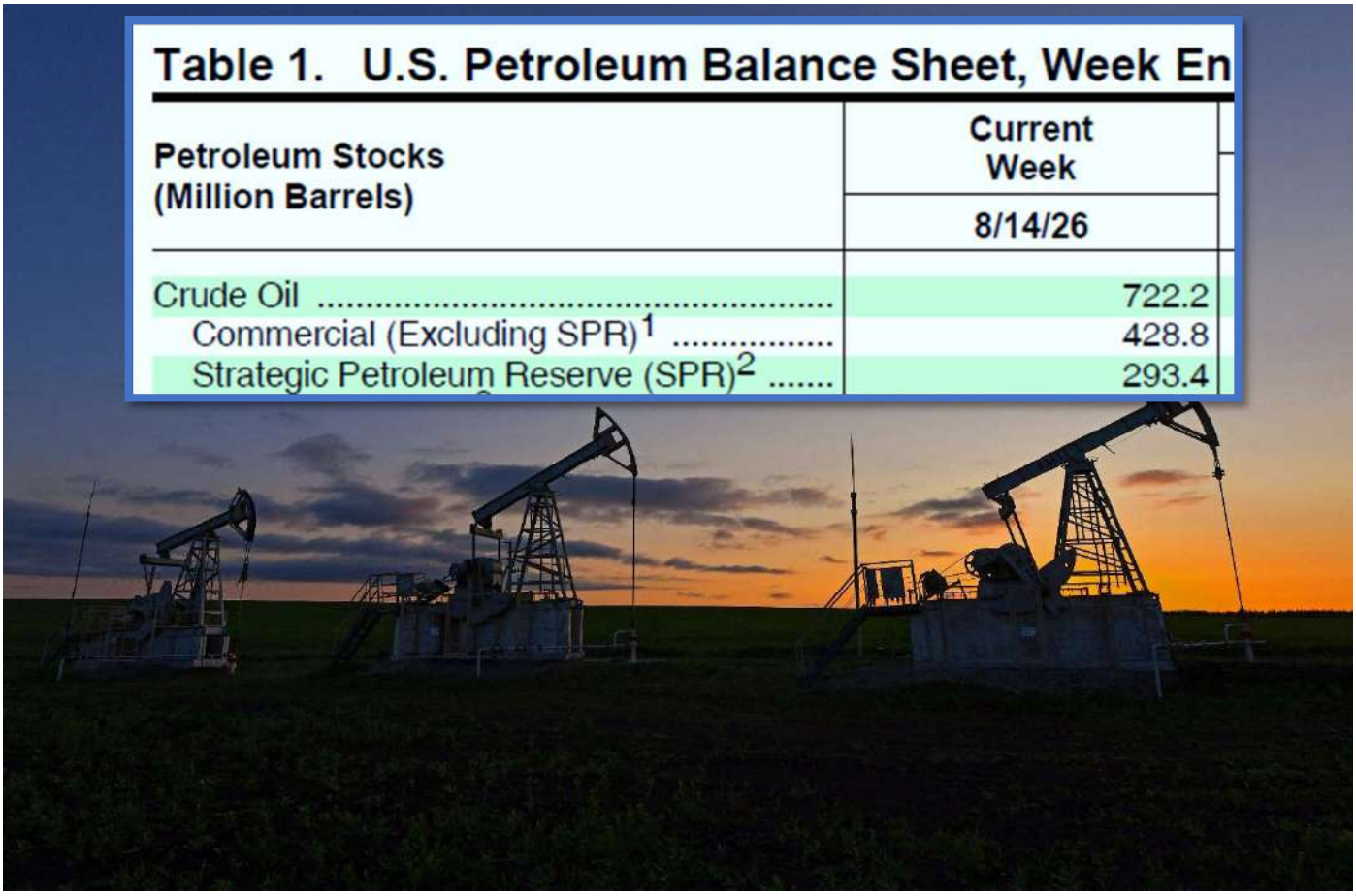
The latest Energy Information Administration (EIA) highlights a distinct divergence between commercial crude accumulation and a tightening refined products market. Despite an unexpected surge of **4.4 million barrels** in commercial crude oil inventories, oil futures have held

Copyright © 2026 NewBase www.hawkenergy.net Edited by Khaled Al Awadi – Energy Consultant All rights reserved. No part of this publication may be reproduced, redistributed, or otherwise copied without the written permission of the authors. This includes internal distribution. All reasonable endeavors have been used to ensure the accuracy of the information contained in this publication. However, no warranty is given to the accuracy of its content.

onto three-week highs—with Brent crude hovering near **$92–$93 a barrel** and West Texas Intermediate (WTI) trading in the **mid-$80s**.

The critical underlying mechanics driving the current energy complex include:

Key Inventory Breakthroughs



Crude Inventories:

*The **4.4 million barrel build** marked the third consecutive weekly increase. This sharply defied consensus analyst expectations, which projected a draw of roughly 1.6 million barrels. Total commercial inventories now stand at **428.8 million barrels**, aligning exactly with the seasonal five-year average.*

Distillate Shortfall: Distillate fuel stockpiles (diesel and heating oil) dropped by **1.5 million barrels**. This third straight weekly decline leaves diesel inventories **13% below the five-year average**, intensifying supply concerns for transportation, farming, and heavy industrial sectors.

Gasoline Inventories: Gasoline stocks bucked expectations of a drawdown, edging higher by **700,000 barrels** to 209.4 million barrels. They remain roughly 5% below the five-year average.

Cushing Delivery Hub: Stocks at the crucial futures delivery hub in Cushing, Oklahoma, counterbalanced the broader build, falling by **1.3 million barrels** to 21.3 million barrels.

Structural Drivers and Market Impact

Exploding Crack Spreads: Even with an abundance of unrefined crude, high refining utilization is failing to keep up with specific fuel demands. Refineries operated at a massive **97.2% capacity** (up

Copyright © 2026 NewBase www.hawkenergy.net Edited by Khaled Al Awadi – Energy Consultant All rights reserved. No part of this publication may be reproduced, redistributed, or otherwise copied without the written permission of the authors. This includes internal distribution. All reasonable endeavors have been used to ensure the accuracy of the information contained in this publication. However, no warranty is given to the accuracy of its content.

1 percentage point). The diesel "crack spread"—the profit margin for turning crude into diesel—has surged to historic highs, showing that refined-product markets are significantly tighter than the raw crude market.

Geopolitical Risk Premiums: Crude prices are largely ignoring the bearish inventory accumulation due to the ongoing U.S.-Iran war and the blockage of the Strait of Hormuz. With shipping traffic heavily restricted through this primary global chokepoint, risk premiums remain elevated. Additionally, localized disruptions at Russia's Black Sea ports have curtailed international shipments, compounding the global supply strain.



Copyright © 2026 NewBase www.hawkenergy.net Edited by Khaled Al Awadi – Energy Consultant All rights reserved. No part of this publication may be reproduced, redistributed, or otherwise copied without the written permission of the authors. This includes internal distribution. All reasonable endeavors have been used to ensure the accuracy of the information contained in this publication. However, no warranty is given to the accuracy of its content.





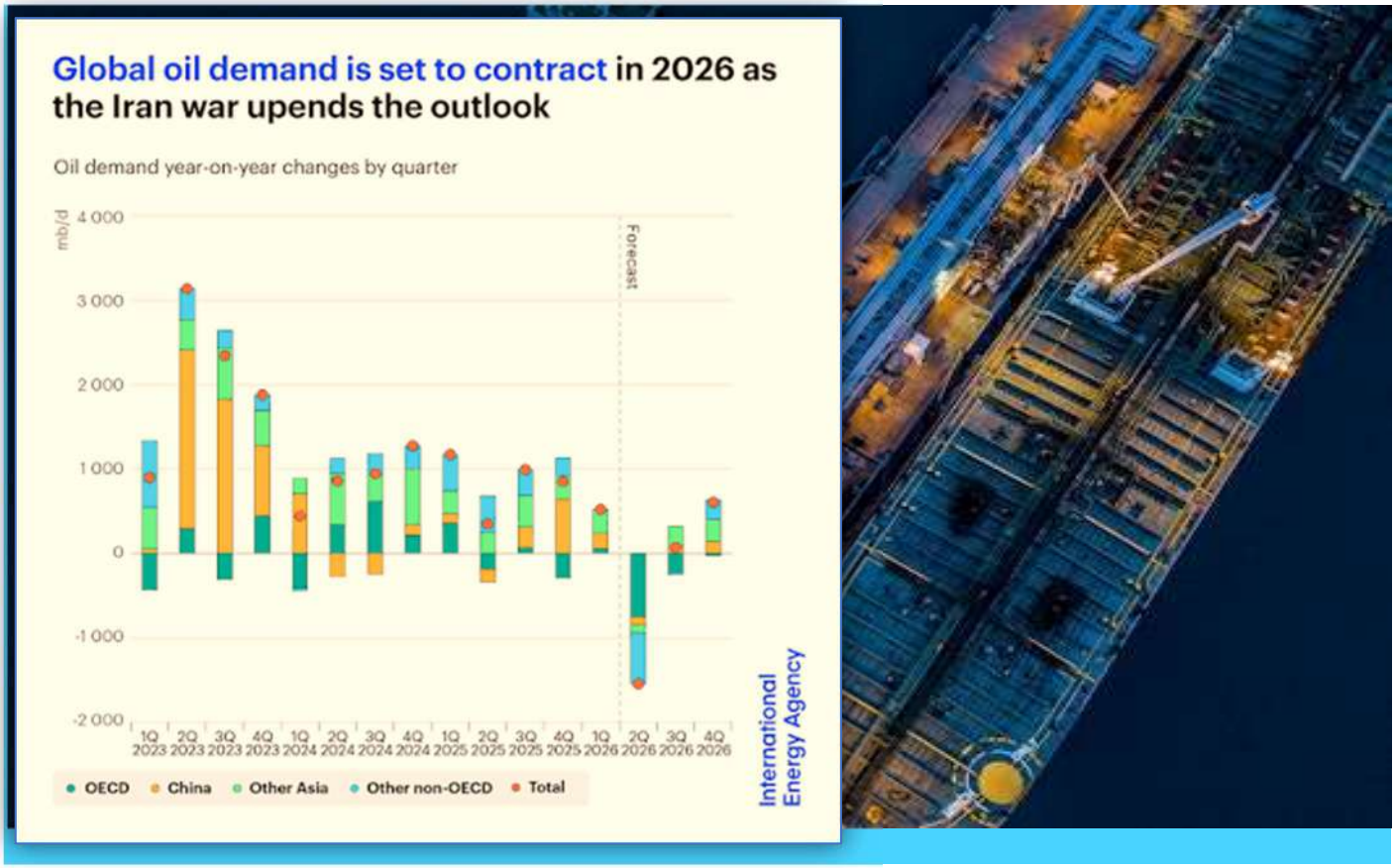
Copyright © 2026 NewBase www.hawkenergy.net Edited by Khaled Al Awadi – Energy Consultant All rights reserved. No part of this publication may be reproduced, redistributed, or otherwise copied without the written permission of the authors. This includes internal distribution. All reasonable endeavors have been used to ensure the accuracy of the information contained in this publication. However, no warranty is given to the accuracy of its content.

Oil Market Report - August 2026

IEA

About this report

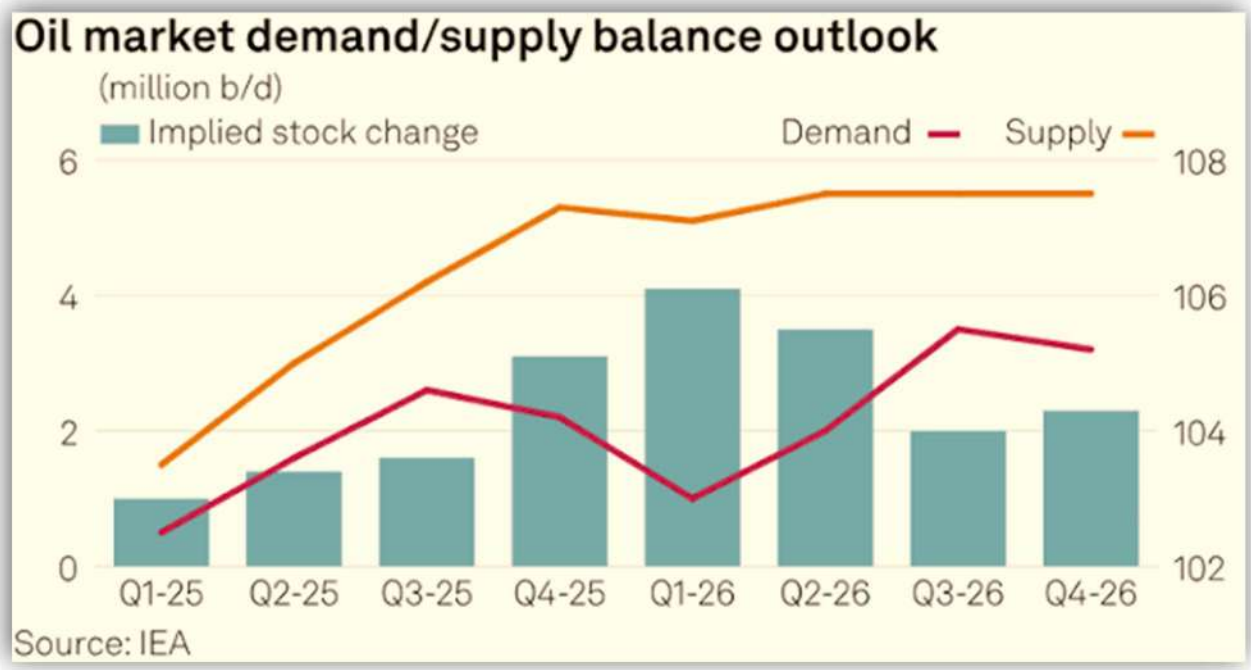
The IEA Oil Market Report (OMR) is one of the world's most authoritative and timely sources of data, forecasts and analysis on the global oil market – including detailed statistics and commentary on oil supply, demand, inventories, prices and refining activity, as well as oil trade for IEA and selected non-IEA countries.



Highlights

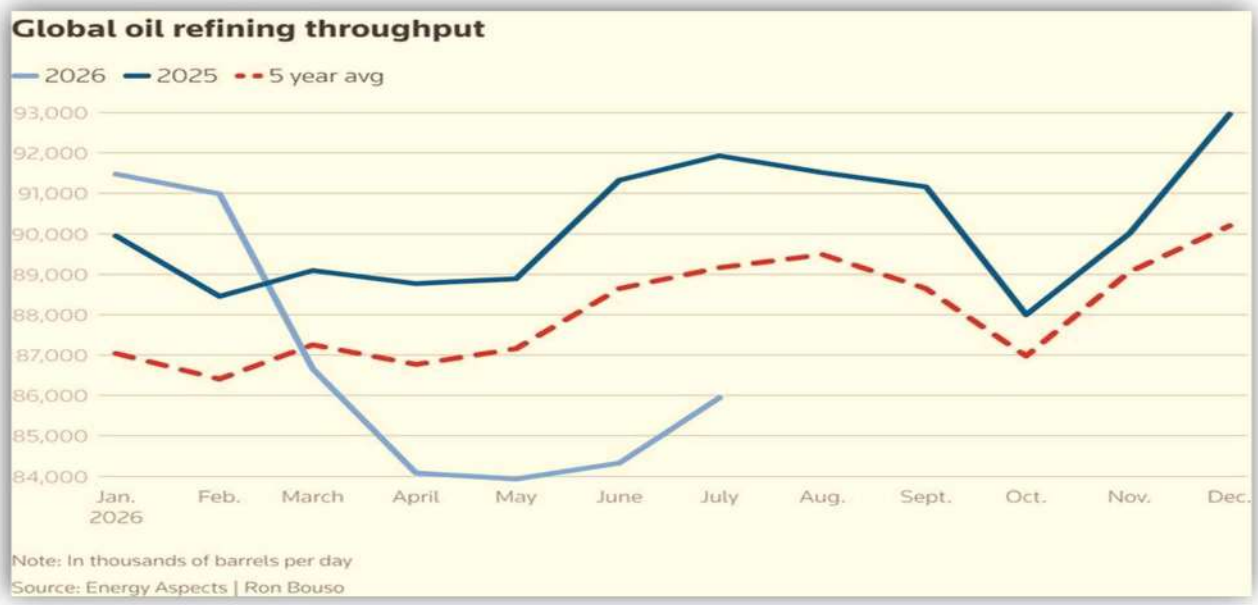
- World oil demand is forecast to decline by 1.6 mb/d in 2026, 510 kb/d more than our estimate in last month's Report, as the ongoing closure of the Strait of Hormuz and elevated fuel prices continue to weigh on oil consumption. Annual contractions will nevertheless ease from 4.9 mb/d in 2Q26 to 2.8 mb/d in 3Q26, before returning to growth in the final quarter. Global oil demand is projected to expand by 2.4 mb/d in 2027.
- Global oil supply rose by 2.4 mb/d to 101.5 mb/d in July, but remained 6.3 mb/d below year-ago levels, with 8.3 mb/d of Gulf output still shut in. Renewed hostilities and maritime disruptions in July and early August undermined the recovery efforts, reducing projected 3Q26 oil supply by 1.7 mb/d compared with last month's Report. Global oil supply is now projected to decline by 4.3 mb/d on average in 2026 and rebound by 8.3 mb/d next year to 110.3 mb/d.

Copyright © 2026 NewBase www.hawkenergy.net Edited by Khaled Al Awadi – Energy Consultant All rights reserved. No part of this publication may be reproduced, redistributed, or otherwise copied without the written permission of the authors. This includes internal distribution. All reasonable endeavors have been used to ensure the accuracy of the information contained in this publication. However, no warranty is given to the accuracy of its content.



-

- Refinery crude throughputs increased further in July but remained nearly 5 mb/d below year earlier levels, at 80.9 mb/d. Continued Middle East product export disruptions and attacks on Russian refineries reduced 3Q26 runs estimates by a further 370 kb/d. Global throughputs are now forecast to decline by 2.5 mb/d on average in 2026 and rebound by 3.5 mb/d in 2027. Tighter light and middle distillate markets boosted cracks and margins in the Atlantic Basin to record highs.



-

- Global observed oil inventories plunged by 69 mb in July, as renewed disruptions to exports from the Gulf and the Caspian Sea resulted in sharply lower volumes of oil on water. Onshore stocks declined by a modest 6 mb, as the pace of IEA emergency stock releases slowed, and despite continued draws in Chinese crude oil stocks. At just below 7.9 billion barrels, total observed oil stocks were down by 410 mb since the start of the war, or by 2.7 mb/d on average.

Copyright © 2026 NewBase www.hawkenergy.net Edited by Khaled Al Awadi – Energy Consultant All rights reserved. No part of this publication may be reproduced, redistributed, or otherwise copied without the written permission of the authors. This includes internal distribution. All reasonable endeavors have been used to ensure the accuracy of the information contained in this publication. However, no warranty is given to the accuracy of its content.

- Benchmark crude oil prices traded in an exceptionally wide range of almost $40/bbl in July, intermittently led by geopolitical developments and tightening crude and product markets. In parallel, prompt differentials for WTI and Brent futures returned to backwardation. North Sea Dated rose by $25.67/bbl over July to end the month at $96.80/bbl and at the time of writing was trading around $92/bbl.

Disconnects

Benchmark crude prices surged to a two-month high in July as the recovery in oil supplies from the Gulf reversed course following the breakdown of the mid-June Iran-US ceasefire agreement. Oil prices traded in an unusually wide range of $40/bbl, driven by sudden diplomatic pivots on the conflict. Expectations of diplomatic progress had triggered steep price declines in June and early July, but a return to hostilities led prices to spike as high as $105/bbl on 23 July. At the time of writing, with uncertainty again pervasive, North Sea Dated was trading around $92/bbl. Product cracks and refining margins, meanwhile, have continued to rise in August, setting new records in Europe.

After an increase of 3.7 mb/d in June, Gulf oil production rose by a further 2.5 mb/d in July to 23.9 mb/d, still 8.3 mb/d below pre-war levels. Regional exports, including routes bypassing the Strait of Hormuz, fell by a sharp 2.1 mb/d to 15 mb/d after the key passageway was effectively closed again in early July and oil infrastructure and tankers came under attack. Loadings peaked at 20 mb/d at the start of July but dropped to around 12 mb/d later in the month. With an agreement enabling the reopening of Hormuz and unhindered transit through the Bab el-Mandeb Strait still elusive, we have again lowered supply estimates for the rest of the year. Global oil supply is now forecast to fall by 4.3 mb/d in 2026, to 102 mb/d, as growth of 1.4 mb/d from the Americas only partly offsets losses in the Middle East and Russia.

At the same time, our forecast for global oil demand in the second half of 2026 is reduced by roughly 550 kb/d versus last month's Report, as the continued closure of the Strait of Hormuz disrupts international supply chains and curtails product availability. Elevated fuel prices are putting further downward pressure on oil use. Global oil demand is now expected to decline by an average of 1.6 mb/d this year. Demand is projected to contract by 4.9 mb/d in 2Q26 and 2.8 mb/d in 3Q26, before flipping to growth of 580 kb/d in 4Q26.

Increasingly tight product markets pushed Atlantic Basin refining margins to all-time highs in July as diesel, jet fuel and gasoline cracks surged amid seasonally higher demand, supply shortfalls and depleted stocks. Despite a monthly increase of 1.8 mb/d, global refinery crude throughputs in July remained nearly 5 mb/d below year-earlier levels, with capacity elsewhere in the system currently unable to offset product supply bottlenecks. Seaborne product trade fell in tandem, down 3.8 mb/d y-o-y, even as US exports rose by 700 kb/d. Diesel exports from Russia, the Middle East and Asia were 1.3 mb/d lower y-o-y, equivalent to about 20% of global seaborne trade. Jet fuel exports from these regions fell by around 670 kb/d y-o-y, equal to 34% of global trade.

The global oil balance is now expected to show a deficit of 1.8 mb/d in 3Q26, more than double the estimate of around 800 kb/d in last month's Report. After some brief respite in June, global observed oil inventories plunged by 69 mb, or 2.2 mb/d, in July, dragged lower almost entirely by a drop in oil on water. By the end of July, observed stocks had fallen below 7.9 billion barrels for the first time since April 2025. Cumulative stock draws between the end of February and the end of July reached 410 mb, or 2.7 mb/d on average. Although the market is projected to return to surplus towards the end of this year, risks remain substantial and the urgency of reopening the Strait has increased, as previously available inventory buffers are rapidly depleting.

Copyright © 2026 NewBase www.hawkenergy.net Edited by Khaled Al Awadi – Energy Consultant All rights reserved. No part of this publication may be reproduced, redistributed, or otherwise copied without the written permission of the authors. This includes internal distribution. All reasonable endeavors have been used to ensure the accuracy of the information contained in this publication. However, no warranty is given to the accuracy of its content.

OPEC+ crude oil production1
million barrels per day

	Jun 2026 Supply	Jul 2026 Supply	Jul 2026 vs Target	Jul 2026 Implied Target[1]	Sustainable Capacity[2]	Eff Spare Cap vs Jul[3]
Algeria	0.98	0.97	-0.03	1.0	1.0	0.03
Congo	0.27	0.29	0.02	0.28	0.27	0
Equatorial Guinea	0.04	0.04	-0.04	0.07	0.06	0.03
Gabon	0.24	0.2	0.03	0.18	0.22	0.02
Iraq	2.41	2.88	-1.5	4.38	4.87	
Kuwait	1.46	1.74	-0.9	2.64	2.88	
Nigeria	1.51	1.44	-0.06	1.5	1.42	0
Saudi Arabia	7.34	8.24	-2.11	10.35	12.11	
Total OPEC-8	**14.24**	**15.81**	**-4.58**	**20.39**	**22.83**	**0.07**
Iran[4]	2.3	2.63			3.8	
Libya[4]	1.34	1.35			1.28	0
Venezuela[4]	1.08	1.12			1	0
Total OPEC	**18.96**	**20.91**			**28.91**	**0.07**
Azerbaijan	0.44	0.44	-0.11	0.55	0.44	0
Kazakhstan	1.88	1.55	-0.05	1.61	1.8	0.25
Mexico[5]	1.38	1.37			1.5	0.13
Oman	0.85	0.83	-0.0	0.83	0.8	
Russia	8.86	8.76	-1.06	9.82	9.4	0.64
Others [6]	0.63	0.66	-0.2	0.87	0.86	
Total Non-OPEC	14.04	13.62	-1.43	13.68	14.8	1.02
OPEC+ 18 in Nov 2022 deal[5]	26.91	28.06	-6.02	34.08	36.12	0.96
Total OPEC+	***33.0***	***34.53***			***43.7***	***1.09***

1. Includes extra voluntary curbs and revised, additional compensation cutback volumes. 2. Capacity levels can be reached within 90 days and sustained for an extended period. 3. Excludes shut in Iranian, Russian crude. 4. Iran, Libya, Venezuela exempt from cuts. 5. Mexico excluded from OPEC+ compliance. 6. Bahrain, Brunei, Malaysia, Sudan and South Sudan.

Copyright © 2026 NewBase www.hawkenergy.net Edited by Khaled Al Awadi – Energy Consultant All rights reserved. No part of this publication may be reproduced, redistributed, or otherwise copied without the written permission of the authors. This includes internal distribution. All reasonable endeavors have been used to ensure the accuracy of the information contained in this publication. However, no warranty is given to the accuracy of its content.

The Editor:" Khaled Al Awadi" Your partner in Energy Services



NewBase energy news is produced Twice a week and sponsored by Hawk Energy Service – Dubai, UAE.

For additional free subscriptions, please email us.

About: **Khaled Malallah Al Awadi,**
Energy Consultant
MS & BS Mechanical Engineering (HON), USA
Emarat member since 1990
ASME member since 1995
Hawk Energy member 2010
www.linkedin.com/in/khaled-al-awadi-38b995b

Mobile: +971504822502
khdmohd@hawkenergy.net or khdmohd@hotmail.com



Khaled Al Awadi is a UAE National with over 30 years of experience in the Oil & Gas sector. Has Mechanical Engineering BSc. & MSc. Degrees from leading U.S. Universities. Currently working as self-leading external Energy consultant for the GCC area via many leading Energy Services companies. Khaled is the Founder of the NewBase Energy news articles issues, Khaled is an international consultant, advisor, ecopreneur and journalist with expertise in Gas & Oil pipeline Networks, waste management, waste-to-energy, renewable energy, environment protection and sustainable development. His geographical areas of focus include Middle East, Africa and Asia. Khaled has successfully accomplished a wide range of projects in the areas of Gas & Oil with extensive works on Gas Pipeline Network Facilities & gas compressor stations. Executed projects in the designing & constructing of gas pipelines, gas metering & regulating stations and in the engineering of gas/oil supply routes.

Has drafted & finalized many contracts/agreements in products sale, transportation, operation & maintenance agreements. Along with many MOUs & JVs for organizations & governments authorities. Currently dealing for biomass energy, biogas, waste-to-energy, recycling and waste management. He has participated in numerous conferences and workshops as chairman, session chair, keynote speaker and panelist.

Khaled is the Editor-in-Chief of NewBase Energy News and is a professional environmental writer with over 1400 popular articles to his credit. He is proactively engaged in creating mass awareness on renewable energy, waste management, plant Automation IA and environmental sustainability in different parts of the world. Khaled has become a reference for many of the Oil & Gas Conferences and for many Energies

Copyright © 2026 NewBase www.hawkenergy.net Edited by Khaled Al Awadi – Energy Consultant All rights reserved. No part of this publication may be reproduced, redistributed, or otherwise copied without the written permission of the authors. This includes internal distribution. All reasonable endeavors have been used to ensure the accuracy of the information contained in this publication. However, no warranty is given to the accuracy of its content.

program broadcasted internationally, via GCC leading satellite Channels. Khaled can be reached at any time, see contact details above.



Copyright © 2026 NewBase www.hawkenergy.net Edited by Khaled Al Awadi – Energy Consultant All rights reserved. No part of this publication may be reproduced, redistributed, or otherwise copied without the written permission of the authors. This includes internal distribution. All reasonable endeavors have been used to ensure the accuracy of the information contained in this publication. However, no warranty is given to the accuracy of its content.