

# EU Methane Regulation Risks Severe Disruption to Europe's Oil and Gas Supply from 2027

## Press Release

**Brussels, 9 March 2026: A new study by Wood Mackenzie shows that the EU Methane Emissions Regulation (EUMR) could put up to 43% of EU gas imports and 87% of crude oil imports at risk from 2027. This compliance-driven oil and gas supply gap would have serious implications for Europe's energy affordability, competitiveness, security of supply and strategic autonomy. European refiners and oil & gas suppliers urgently call for a Stop-the-Clock mechanism to make targeted adjustments to the Regulation, coupled with pragmatic implementation.**

From January 2027, the EU Methane Regulation requires importers of natural gas and crude oil to demonstrate that exporting countries or producers meet strict Monitoring, Reporting and Verification (MRV) requirements equivalent to EU standards. However, to date, no exporting country is recognised as MRV-equivalent with the EU, and only around 7% of global oil and gas production meets the required OGMP 2.0 Level 5 reporting level. As a result, vast amounts of globally available oil and gas volumes otherwise accessible to Europe, risk being considered non-compliant, exposing importers to significant penalty risks. Moreover, the limited compliant volumes accessible to the EU market would be insufficient to meet demand, potentially triggering a significant supply gap, accompanied by severe market impacts. Even in a more flexible scenario where 10 key supplier countries to the EU are deemed 'equivalent', compliant volumes would still be insufficient to meet EU demand.

**On the gas side**, up to 43% of EU gas imports (around 114 bcm, based on 2024 volumes) could be deterred from the market in 2027 due to compliance constraints. This is comparable to the interruption of Russian gas supplies in 2022.

François-Régis Mouton de Lostalot, Managing Director of IOGP Europe, stressed "The EU cannot afford a self-made regulatory supply shock, even more so in the current geopolitical context. Flexible implementation cannot supersede the problematic provisions hard-coded in the Regulation.

He added, "Methane mitigation is a matter of credibility for our industry. But despite our best efforts, what the Regulation asks for is simply not feasible in the mandated timeframe. Supply agreements are delayed because the risk of penalties is too high. We need and want a Regulation we can realistically comply with; one that delivers on methane reduction while ensuring Europe's security of supply."

**On the oil side**, up to 87% of EU crude oil imports (around 9.8 million barrels per day, based on 2024 volumes) could become non-compliant. The study finds EU refinery throughput could fall by around 50% (approximately 4.6 mb/d) between 2027 and 2030 due to insufficient compliant crude availability. This would represent a capacity reduction equivalent to the closure of 40 EU refineries.

Liana Gouta, Director General of FuelsEurope, stated “The study shows that insufficient volumes of compliant crude are available globally to sustain current EU refining operations. There is a practical implementation gap to be addressed urgently. Europe risks losing a significant part of its refining capacity, increasing fuel imports and costs for consumers, and accelerating deindustrialisation.”

She added: “Methane ambition must go hand in hand with safeguarding Europe’s energy resilience and industrial competitiveness.”

Europe could shift from being a major gasoline exporter to a net importer, increasing the EU’s fuel import bill by more than \$17 billion annually. The study furthermore shows that gasoline prices could rise by 24% and diesel by 16%, adding costs across transport, manufacturing and energy-intensive sectors. Reduced domestic refining would also risk undermining the environmental objective of the Regulation, as more petroleum products would need to be imported from farther-away jurisdictions not subject to equivalent producer-level methane reporting standards.

Liana Gouta and François-Régis Mouton de Lostalot jointly call on Member States to put in place “a Stop-the-Clock mechanism to provide time for workable solutions through targeted adjustments to the Regulation, coupled with pragmatic implementation.”

### **About FuelsEurope**

FuelsEurope, the voice of the European fuel manufacturing industry. FuelsEurope represents, within the EU institutions, the interest of 40 companies manufacturing and distributing conventional and renewable fuels and products for mobility, energy & feedstocks for industrial value chains in the EU.

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### **About IOGP Europe**

IOGP Europe is the European advocacy arm of the International Association of Oil & Gas Producers (IOGP). Our participants include companies accounting for 70% of Europe’s oil & gas production, and many of Europe’s energy suppliers.

We support policymakers in crafting impactful and inclusive policies that drive prosperity for Europe’s businesses and citizens.

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