

EU Methane Regulation and Energy Security: Assessment of Current Market Conditions

Strategic Context

The EU Methane Regulation (EUMR) was introduced to reduce methane emissions from oil, gas and coal supply chains and support the EU's climate objectives. The Regulation relies on new measurement, reporting and verification requirements that improve methane emissions data while increasing transparency across global energy supply chains. In December 2025, Rystad Energy found that these transparency requirements could also support European energy security by strengthening supply-chain visibility and reinforcing the objectives of REPowerEU. Since then, geopolitical tensions in the Middle East have triggered renewed debate about whether implementing the EUMR could affect energy security. This follow-up analysis examines whether current market disruption materially changes implementation feasibility and whether concerns about supply security are supported by market evidence.

Key Findings

The study commissioned by Environmental Defense Fund Europe and conducted by Rystad Energy finds no evidence that the EUMR is contributing to current market instability or undermining European energy security. Current supply and price pressures are attributable to global geopolitical and market developments, not to the EUMR.

What Is Driving the Crisis

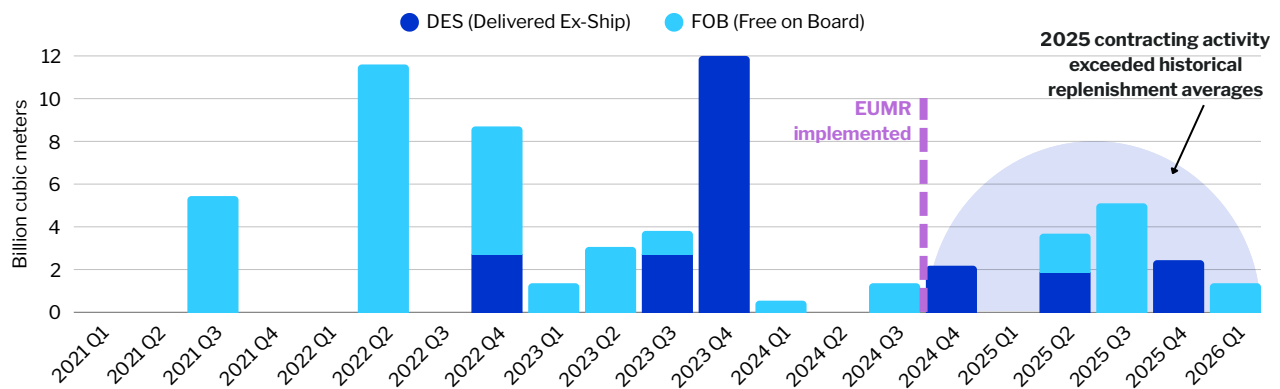
The analysis reveals that current market pressures are driven by global supply shocks, not the EUMR. European and Asian gas prices have moved in tandem - a sign of a

global shock rather than an EU-specific regulatory effect - and forward market pricing shows no expectation of any lasting EUMR-related price premium.

Europe Remains a Priority Market for Global Suppliers

Current contracting activity shows no decline linked to the EUMR, and no evidence that exporters are shifting away from European markets because of it. 2025 contracting activity exceeded historical replenishment averages. Europe remains a critical destination for global suppliers - around 55% of all US LNG exports flow to Europe - and alternative markets are unlikely to replace European demand at scale.

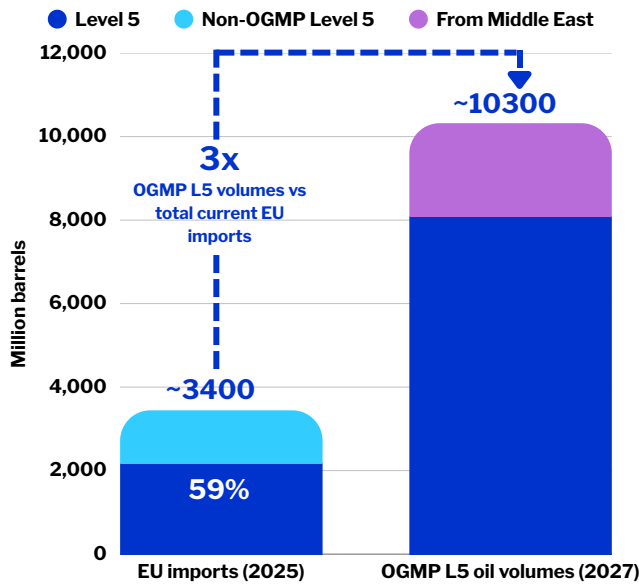
Contracting remains robust: no visible EUMR impact in 2025 market activity



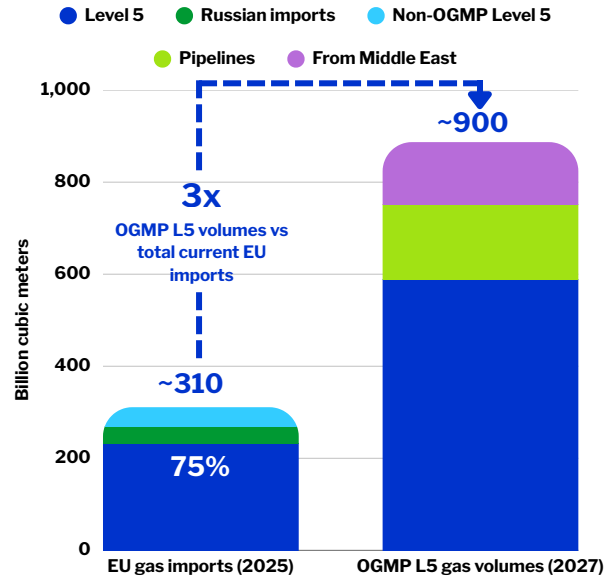
Signed contracts to the EU split by FOB and DES, 2010-2026. Data include only identified contracts. Source: Rystad Energy research and analysis; Energy Demand Cube; Vortexa; LNG Trade Tracker.

Projected 2027 OGMP Level 5 gas and oil volumes are triple the EU's demand

EU crude imports vs. OGMP Level 5 volumes available



EU gas imports vs. available OGMP Level 5 volumes



Rystad Energy estimated 2027 OGMP Level 5 supply. Note: Non-OGMP Level 5 includes both non-OGMP members & OGMP L1-4. Seaborne trade only; intra-EU flows excluded. OGMP L5 volumes are estimated only for countries that have supplied EU historically. For each supplier, a coverage ratio is defined as available OGMP L5 supply divided by EU imports from that country. The OGMP L5 share of EU imports equals this ratio, capped at 100% — e.g. a ratio of 120% means all imports are OGMP L5; a ratio of 80% means 20% are non-OGMP L5; OGMP L5 volumes of 27' expected to be devoted toward EU. Sources: Rystad Energy research and analysis; Vortexa; Rystad Energy UCube;

OGMP Level 5 Volumes Expected To Be Available

Despite Middle East disruption, global supply meeting the OGMP Level 5 reporting standard remains available at levels exceeding current EU imports by more than three times, with the United States alone holding substantial compliant supply - and alternative suppliers remaining available even under severe disruption scenarios. To the extent that importers gradually favour more transparent and lower-emitting suppliers, this reflects the intended market signal of the Regulation rather than a threat to energy security.

EUMR Supports Europe's Energy Security Strategy

The findings reinforce Rystad Energy's December 2025 conclusion that the EU Methane Regulation can support broader European energy security objectives. Russian gas still accounts for around 11% of EU imports and remains disproportionately represented among non-OGMP Level 5 supply. By improving transparency and traceability, the EUMR complements REPowerEU and supports efforts to reduce dependence on Russian fossil fuels while strengthening oversight of energy imports.

Policy Implications

The current geopolitical crisis has effectively stress-tested the EUMR. The findings provide no evidence that delaying implementation, suspending penalties, or reopening the framework would improve energy security outcomes.

With compliant supply available well above current EU import requirements, the analysis suggests that any gradual shift toward more transparent and lower-emitting suppliers reflects the intended market signal of the Regulation rather than a threat to energy security.

The remaining challenges relate primarily to implementation and operational readiness, placing increasing responsibility on industry to translate existing methane commitments into practical EUMR compliance. The findings also reinforce the role of the EUMR within Europe's broader energy security strategy, complementing REPowerEU and supporting efforts to reduce dependence on Russian fossil fuels.