

## LNG WORLD MARKET UPDATE

January 11, 2018

LNG truck deliveries ease Northern China's gas shortages; Encana to focus 2018 spending in Montney, Permian plays after ending 2017 on a high note; Yamal LNG supply route shifts the global balance; Panama Canal LNG transits spike. Subscription options for this report are available at the bottom of this email. Please contact AGDC External Affairs at [externalaffairs@agdc.us](mailto:externalaffairs@agdc.us) with questions.

### Natural Gas

#### HH Spot Price

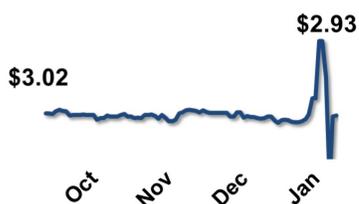
\$2.93 (\$/MMBtu)

January 2 close

#### Weekly Change

↓\$3.31 (-53.04%)

#### Trend



Source: EIA

### LNG Import Price

#### Japan

\$7.75 (\$/MMBtu)

January 2017

#### Trend

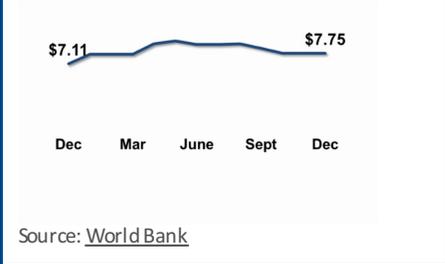
### CNOOC: LNG Truck Deliveries Ease Northern China's Gas Shortages

(LNG World News, January 11) - China National Offshore Oil Corporation (CNOOC) said that in order to cover the soaring gas demand in east and northern China, the company boosted LNG deliveries into the two regions. As the government ordered the switch from coal to natural gas use for heating this caused gas shortages which were alleviated by delivering liquefied natural gas from the south of the country to the north. [Read more.](#)

### Encana to Focus 2018 Spending in Montney, Permian Plays After Ending 2017 on a High Note

(Pipeline News North, January 10) - After coming out of 2017 ahead of its production growth targets, Encana said this week it would focus its 2018 capital spending on its core areas - specifically the Permian Basin in Texas and the Montney play that straddles Alberta and B.C. Encana said it plans to spend "similar" to its 2017 \$1.8-billion capital program this year, with "modest allocation adjustments to optimize delivery." Approximately 70 percent of spending will be directed to its Permian and Montney assets. [Read more.](#)

### Yamal LNG Supply Route Shifts the Global Balance



(Platts Analytics, January 11) - Yamal LNG Train 1 has successfully shipped its first four cargoes. The first three are destined for North West European terminals, temporarily at least. The question is, will the gas stay in Northern Europe or be shipped onwards and ultimately, how will Yamal volume affect the global balance going forward? [Read more.](#)

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### **Panama Canal LNG Transits Spike**

(LNG World News, January 11) - The number of liquefied natural gas (LNG) carriers transiting the expanded Panama Canal has been steadily rising since July 2016 reaching record highs last year, driven by US exports of shale gas. Currently, only one LNG carrier is allowed to transit the canal daily. It has been previously reported that the authority is looking to double that number by October 2018. [Read more.](#)