

LNG WORLD MARKET UPDATE

March 15, 2018

Natural Gas Exporters Want Oil-Linked Pricing to Maintain Supply; May Seeks Alternatives for Russian Gas After Spy Scandal; Shell Close to Clinching Hong Kong's First LNG Import Deal; Gasum's LNG Revenue Jumps in 2017. Subscription options for this report are available at the bottom of this email. Please contact AGDC External Affairs at externalaffairs@agdc.us with questions.

Natural Gas

HH Spot Price

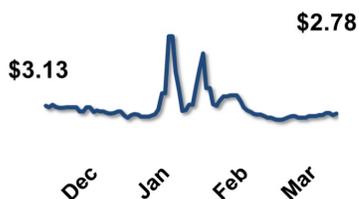
\$2.78 (\$/MMBtu)

March 6 close

Weekly Change

↑\$0.08 (2.96%)

Trend



Source: [EIA](#)

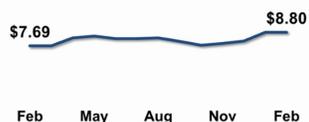
LNG Import Price

Japan

\$8.80 (\$/MMBtu)

March 2018

Trend



Source: [World Bank](#)

Natural Gas Exporters Want Oil-Linked Pricing to Maintain Supply

(Bloomberg, March 13) -The debate over how to price natural gas is settled, at least for exporters, and oil-indexing should prevail. Prices have to be linked to crude oil to keep expected revenue predictable, with some \$8 trillion of investments in the fuel needed by 2040, according to Yury Sentyurin, the new head of the Gas Exporting Countries Forum, an industry group representing gas sellers. Many consumers are opting for different formulas used by the U.S. and Australia, which are emerging as top exporters. [Read more.](#)

May Seeks Alternatives for Russian Gas After Spy Scandal

(Bloomberg, March 14) - Prime Minister Theresa May responded to a chemical weapon attack against a former spy on British soil with a range of measures against Russia such as asset freezes and the biggest diplomatic expulsions since the Cold War. The U.K. will also look at getting natural gas from sources outside Russia. While Europe as a whole gets more than a third of its gas from Russia, that share is lower in the U.K., which receives the bulk of its fuel from North Sea fields and Norway. [Read more.](#)

Shell Close to Clinching Hong Kong's First LNG Import Deal

(Reuters, March 14) - Royal Dutch Shell is close to bagging a deal to supply Hong Kong with liquefied natural gas (LNG), beating out major competitors for the right to be the first company to supply LNG to the city. Shell has edged out companies such as Malaysia's Petronas [PETR.UL] to supply LNG through a long-term contract to Hong Kong utility CLP Power [CLPHKF.UL], two sources familiar with the matter told Reuters. [Read more.](#)

Gasum's LNG revenue jumps in 2017

(LNG World News, March 15) - Gasum, the Finnish energy gas company, reported a 20 percent rise in LNG revenue for the year 2017, compared to the previous year. The revenue of the LNG business totaled €195.2 million (\$240.9 million) with the increase attributed to an increase in volumes from the previous year's 5.8 TWh to 6.1 TWh, Gasum said in its report. [Read more.](#)