

## LNG WORLD MARKET UPDATE

March 22, 2018

British Columbia Woos Shell With Tax Cuts for LNG Project; Shell Mulls 15-Year Deal for Israeli, Cypriot Gas, Partner Says; LNG Trade Surge Sets New Record; Gas-System, Delfin LNG Sign Cooperation Deal. 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

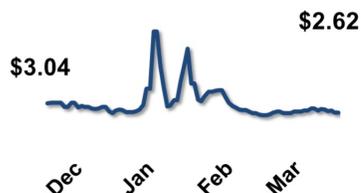
\$2.62 (\$/MMBtu)

March 19 close

#### Weekly Change

↓\$0.16 (5.76%)

#### Trend



Source: EIA

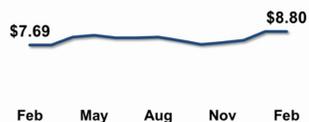
### LNG Import Price

#### Japan

\$8.80 (\$/MMBtu)

March 2018

#### Trend



Source: World Bank

### British Columbia Woos Shell With Tax Cuts for LNG Project

(Bloomberg, March 22) -British Columbia Premier John Horgan lightened the tax burden on proposed liquefied natural gas projects as his government seeks to convince Royal Dutch Shell Plc to move ahead with a C\$40 billion (\$31 billion) development in the western Canadian province. The province will eliminate an extra tax ranging from 3.5 to 5 percent of net income that the previous government imposed on proposed LNG projects, Horgan told reporters in Victoria on Thursday. New projects will also pay lower electricity rates in line with other industrial users, he said. [Read more.](#)

### Shell Mulls 15-Year Deal for Israeli, Cypriot Gas, Partner Says

(Bloomberg, March 21) - Royal Dutch Shell Plc is weighing a 15-year contract to buy natural gas for its liquefied natural gas plant in Egypt from offshore fields in Cyprus and Israel. Shell is in talks to purchase 6 billion cubic meters of natural gas a year from the Aphrodite field, located in Cypriot waters, according to Delek Drilling LP's annual report Wednesday. A potential deal also could include gas from the neighboring Leviathan reservoir, Israel's largest pool, which is expected to start production by the end of 2019. [Read more.](#)

### LNG Trade Surge Sets New Record

(LNG Industry, March 22) - Global imports of LNG will set a new record this year on the back of 7.2% growth, according to new research. A further surge in demand to 2030 will be driven by environmental measures in China, rising power generation in South and Southeast Asia, and a reduction in domestic gas production in Europe. BNEF sees a slowing in the rate of LNG demand growth during 2019 - 2022, with demand stabilising in the 314 - 330 million tpy range, before a new acceleration during the 2020s. From 2023, imports will rise at a compound annual growth rate of 5% till 2030. [Read more.](#)

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### **[Gas-System, Delfin LNG Sign Cooperation Deal](#)**

(LNG World News, March 22) - Polish gas grid and LNG terminal operator Gaz-System has signed a cooperation agreement with Delfin LNG, the first and only permitted floating LNG export project in the United States. As part of the delegation led by the Polish secretary of state Piotr Naimski, Gaz-System will also hold discussions with over 20 U.S. companies and visit liquefied natural gas ports in Houston, Texas and Jacksonville, Florida. [Read more.](#)