LNG WORLD MARKET UPDATE

January 4, 2018

Wave of LNG Projects Set to Begin Even as Projected Glut Looms; Taiwan's Taipower seeks LNG supply for 15 years; SemCAMS announces construction of new Alberta gas plant; China's LNG prices drop as industrial users curbed, supply crunch eases. 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

<table>
<thead>
<tr>
<th>HH Spot Price</th>
<th>$6.24 ($/MMBtu)</th>
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<tbody>
<tr>
<td><em>January 2 close</em></td>
<td></td>
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</tbody>
</table>

**Weekly Change**

↑ $3.56 (132.84%)

**Trend**

Source: EIA

LNG Import Price

<table>
<thead>
<tr>
<th>Japan</th>
<th>$7.75 ($/MMBtu)</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>January 2017</em></td>
<td></td>
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**Trend**

Source: World Bank

China's LNG Prices Drop as Industrial Users Curbed, Supply Crunch Eases

(Reuters, January 4) - Liquefied natural gas (LNG) prices in northern China have dropped more than 40 percent from record highs reached less than two weeks ago as a supply crunch has eased and curbs have been enacted on industrial users of the fuel. Read more.

SemCAMS Announces Construction of New Alberta Gas Plant

(Pipeline News North, January 3) - Natural gas processor SemCAMS says it will build a new gas plant near Fox Creek, Alberta to support new contracts signed with a joint venture between Murphy Oil and Athabasca Oil Corporation. The Smoke Lake Gas Plant will have capacity to process 60 mmcf per day of sweet and sour Montney and Duvernay gas and is expected to be operational in the fourth quarter of 2019, SemCAMS said in a statement. Read more.

Taiwan's Taipower Seeks 1.8-2.4 Mil Mt/Year of LNG Supply for 15 Years

(Platts, January 1) - State-owned Taiwan Power Company, or Taipower, has issued a Request for Expression of Interest for its first international long-term LNG supply contract, seeking 1.8 million-2.4 million mt/year of LNG for 15 years or longer. Taipower issued the tender at the end of last year,
requesting for LNG with a gross heating value of 1,034-1,180 Btu/Scf to be delivered to the company's planned Taichung receiving terminal. The terminal is slated for completion in the second half of 2023, which is synchronized with the first cargo delivery, the tender document showed. Read more.

Wave of LNG Projects Set to Begin Even as Projected Glut Looms

(Bloomberg, January 3) - The liquefied natural gas industry needs to start planning for shortages even as analysts project a glut starting next year, according to Sanford C. Bernstein & Co. The next wave of LNG projects is set to begin as early as this year, Bernstein analysts including Neil Beveridge said Thursday in a report. That's a more aggressive timetable than the firm made in September, when it said investment decisions for the next group of plants wouldn't come until 2019. Read more.