

LNG WORLD MARKET UPDATE

February 2, 2017

India provides incentive to import LNG; Canadian officials grant First Nations role in LNG project; world's first icebreaking LNG carrier begins sea trials; and Qatar's LNG businesses to merge. This weekly news blast is intended to provide relevant industry information to Alaskan stakeholders and inform audiences of the competitive landscape in the global LNG market. 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

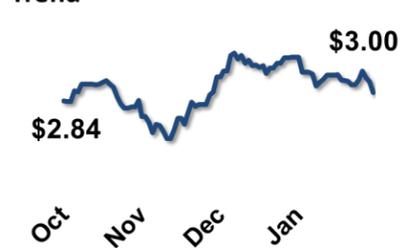
HH Spot Price

\$3.00 (\$/MMBtu)
January 31 close

Weekly Change

↓\$0.16 (-5.06%)

Trend



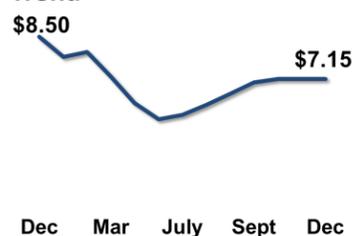
Source: EIA

LNG Import Price

Japan

\$7.15 (\$/MMBtu)
December 2016

Trend



Source: World Bank

India Halves LNG Import Duty to Promote Gas Usage

(Platts; Feb 1) - In a budget presentation, Finance Minister Arun Jaitley announced the measure to cut the import duty on LNG to 2.5 percent from 5 percent effective April 1. Platts estimates that the country's gas demand is expected to rise from 19.2 million tons in 2016 to 50 million tons by 2020 and as contractual volumes are raised, infrastructural and regulatory barriers will be eased. [Read more](#)

First Nations Given Active Role in Pacific Northwest LNG

(The Globe and Mail; Jan 31) - A joint agreement between the federal and British Columbia environmental ministries gives the Lax Kw'alaams and Metlakatla First Nations an active role in environmental monitoring of the project. Although the pact is designed to address indigenous opposition, the Lax Kw'alaams remain divided over the project due to potential impacts to salmon rearing habitat and the project still faces several court challenges. A final investment decision has been delayed due to weak energy prices. [Read more](#)

Testing Underway for World's First Icebreaking LNG Carrier

(Maritime Executive; Jan 27) - Sovcomflot's *Christophe de Margerie*, loaded with a small quantity of LNG, is undergoing initial sea trials. Designed to break through up to six feet of ice without assistance from an icebreaker escort, the carrier is one of 15 ordered for the Yamal LNG project in the Russian Arctic. The icebreaking LNG carriers will cost a combined \$5 billion to acquire and will be operated under fixed 25-year charters. [Read more](#)

Qatargas and RasGas to Merge for Increased Efficiency

(Nikkei Asian Review; Feb 2) - By year-end, Qatar's state oil company, Qatar Petroleum, aims to merge its LNG subsidiaries with a combined annual production of 77 million tons. As Qatar's long-term supply contracts expire in upcoming years, the companies face increased competition with the emergence of Australia and US as major LNG exporters and expansion of existing production facilities in other countries. [Read more](#)