

## LNG WORLD MARKET UPDATE

March 2, 2017

Thailand may substitute building a LNG terminal in place of a coal plant; South Korea hikes city gas rates; Japan pays high fees for first cargoes from the Gulf Coast; and Bangladesh seeks to maintain gas assets pivotal to country's production. 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 [externalaaffairs@agdc.us](mailto:externalaaffairs@agdc.us) with questions.

### Natural Gas

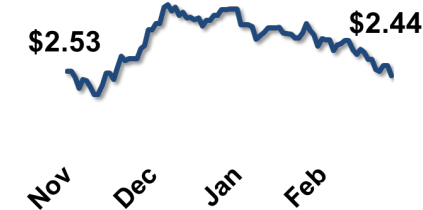
#### HH Spot Price

\$2.44 (\$/MMBtu)  
February 27 close

#### Weekly Change

↓ \$0.12 (-4.69%)

#### Trend



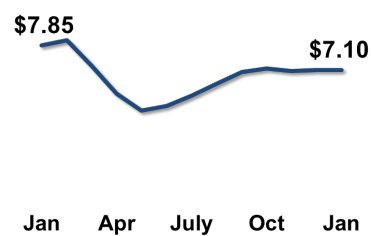
Source: EIA

### LNG Import Price

#### Japan

\$7.10 (\$/MMBtu)  
January 2017

#### Trend



Source: World Bank

### Thailand's Government Encourages PTT to Examine LNG Terminal in South

(Bangkok Post; Feb 27) - Thailand's national oil and gas conglomerate, PTT Plc, is considering building a LNG terminal in a southern province if a controversial coal-fired power plant is scrapped. Energy policymakers are considering building a gas-fired power plant, which PTT would need to supply with natural gas. Thailand plans to increase its LNG storage capacity to 19 million tons by 2022, up from 5.2 million. [Read More](#)

### High LNG Import Costs Leads to Higher Retail Prices in South Korea

(Platts; Mar 1) - The Ministry of Trade, Industry and Energy said that South Korea has raised retail natural gas prices for households and industry by an average of 3.1% to reflect higher LNG import costs. After cutting city gas rates three times in 2016, last November marked the first time prices were raised since September 2015. Higher year-on-year demand for natural gas due to a shutdown of four nuclear power reactors in the last quarter of 2016 also contributed to higher prices. [Read More](#)

### First Sabine Pass Cargoes into Japan Come at High Cost

(Reuters; Feb 24) - Official trade data showed that Japan paid \$645 a ton for U.S. shale gas, compared to an average of \$386 a ton for all 8.3 million tonnes imported in January. The second highest priced cargo was \$416 per ton from Brunei. Prices are for landed cargoes, which includes shipping and is based on the Ministry of Finance's official exchange rate for the month. Despite high prices, a JERA spokesman said, "For diversification, it is important to have various price benchmarks so we will continue to have a certain share of LNG that is linked to U.S. price benchmarks." [Read more](#)

### Bangladesh's Petrobangla May Acquire Chevron's Gas Assets

(Platts; Mar 2) - Bangladesh has initiated a process to acquire Chevron's gas assets, which account for nearly 58% of the country's total production. The country suffers from a chronic gas shortage of around 500 million cubic feet a day, leading to rationing of supply to industries and suspension of new connections to commercial and household consumers. Although a reason for potential exit was not given, Chevron was denied an annual escalation in tariff, which it sought prior to submitting an investment plan for additional gas production from the Bibiyana field. [Read more](#)