

LNG WORLD MARKET UPDATE

August 3, 2017

The world's largest FLNG vessel has arrived in the waters off the Australian coast; Petronas has pulled out of Pacific NorthWest LNG Project; Tokyo Gas conducts feasibility study on Bangladesh LNG import terminal; APLNG has successfully completed a 90-day systems test to prove production rates. 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

\$2.96 (\$/MMBtu)

July 28 close

Weekly Change

↓ \$0.10 (3.27%)

Trend

\$3.13 \$2.96

Apr May Jun Jul

Source: EIA

Shell's Prelude FLNG Arrives In Australian Waters

(LNG World News; July 25) - Shell's latest floating LNG (FLNG) vessel has arrived in the Prelude gas field off the coast of Broome in northwest Australia. Once secured by 16 pre-positioned subsea chains, the FLNG vessel will begin 9-12 months of systems testing and commissioning. At 1601 feet long, Prelude is the largest floating vessel ever constructed. The joint venture project between Shell, Inpex, KOGAS, and OPIC is expected to produce 3.6 million MTPA of LNG. In addition to LNG, the vessel will produce 1.3 MTPA of gas condensate and 0.4 MTPA of LPG. [Read more.](#)

Petronas Axes Pacific NorthWest LNG Project, Blaming Low Gas Prices

(LNG World Shipping; July 26) - "Prolonged depressed prices" have caused Malaysian oil and gas giant Petronas to pull out of the \$32 billion Pacific NorthWest LNG project. The Canadian government had granted approval back in September to begin development of the 12.8 MTPA project in Port Edward, British Columbia. The approval of the project was going to be subject to 190 new environmental protection clauses leading some to question if the project would ever reach FID. New regulations have caused several Canadian

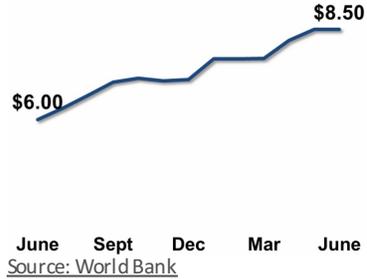
LNG Import Price

Japan

\$8.50 (\$/MMBtu)

June 2017

Trend



export projects to be delayed or canceled. Woodfibre LNG, Kitimat LNG, and LNG Canada have all received regulatory approval from the Canadian government and are moving forward. [Read more.](#)

Tokyo Gas gets Bangladesh LNG terminal feasibility study contract

(Hellenic Shipping News; July 28) - Bangladesh intends to begin importing LNG within the following years and their demand is expected to increase dramatically. Tokyo Gas Engineering Solutions Corp., a wholly owned subsidiary of Tokyo Gas, has signed a contract to conduct a feasibility study for an onshore LNG receiving terminal. Petrobangla, the state owned oil, gas, and mineral corporation, has signed preliminary deals for two more LNG terminals and an MOU with Swiss company AOT Energy. [Read more.](#)

APLNG Test Completion Raises Hopes Of Increased East Coast Gas

(Financial Review; July 28) - Origin Energy has just completed a 90-day test in order to prove LNG production rates and satisfy the project lenders. The success of the systems test has come at a crucial juncture for Australia, as the government is deciding whether or not to implement LNG export controls in 2018. Industrial gas buyers are continuing to see prices increase and as a result are pressuring the government to control the exports. The APLNG project has been running at 10 percent over capacity in order to meet contract volumes and as a result has shipped 60 LNG cargoes in the first half of 2017.

[Read more.](#)