

LNG WORLD MARKET UPDATE

August 22, 2017

A Russian Security Council has suggest breaking up Gazprom's monopoly; Woodside Petroleum has struck gas off the coast of Myanmar; Petrobras will begin selling excess LNG on the spot market; Novatek's Yamal facility is expected to be finished several months ahead of schedule. 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

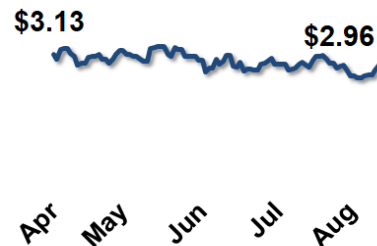
HH Spot Price

\$2.96 (\$/MMBtu)
August 11 close

Weekly Change

↑\$0.20 (7.25%)

Trend



Source: EIA

LNG Import Price

Japan

\$8.30 (\$/MMBtu)
July 2017

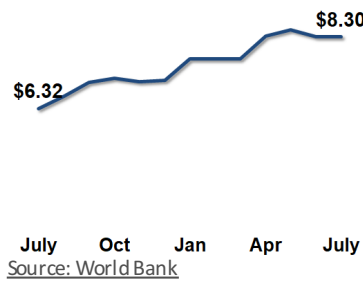
Trend

Russia May Break Gazprom Monopoly To Stimulate LNG

(OilPrice.com; August 7) - A Russian Security Council has suggested that Russian gas giant, Gazprom, be broken down in order to spur competition and keep Russia competitive in the global LNG market. As world energy demand changes, massive LNG projects in Europe and Asia have threatened Russian natural gas pipelines. The security council has insisted on prioritizing local LNG projects to keep Russian LNG exports flowing. Russian independent, Novatek, has commissioned two LNG projects on the Yamal and Gydan Peninsulas capable of producing 34.5 MTPA combined. [Read more.](#)

Woodside Hits Gas Off Myanmar

(LNG World News; August 7) - Australian E&P company, Woodside Petroleum, has struck a gas bearing column off the coast of Myanmar at a depth of 4,570 meters. The Pyi Thit-1 discovery well encountered a payzone approximately 65 meters thick within the Southern Rakhine Basin. Woodside, along with Total and MPRL, have made multiple discoveries off the coast of Myanmar and continue to develop their understanding of the hydrocarbon resources in the region. [Read more.](#)



Brazil Authorizes Petrobras To Export Idle LNG Cargoes

(Reuters; August 9) -The Brazilian recession over the past several years combined with continued production have resulted in an oversupply of domestic LNG. As a result, Brazilian oil and gas major Petrobras has been authorized to begin exporting up to 6.6 million cubic meters of excess LNG with the stipulation that it does not cause domestic market issues. In addition, Petrobras has put two of its three LNG terminals up for sale and has canceled its Golar Spirit FSRU charter. [Read more.](#)

Novatek To Fire Up Yamal LNG Trains 2, 3 Ahead Of Schedule, CEO Says

(LNG World News; August 11) -The \$27 billion Yamal LNG facility, operated by Russian independent Novatek is running several months ahead of schedule. Commissioning activities have commenced on train 1 while trains 2 and 3, originally expected to be finished in 2018 and 2019, are now set to be completed 3 and 6 months early, respectively. At full capacity, the Yamal LNG facility will be liquefying 16.5 MTPA from the South Tambey gas field. [Read more.](#)