



LNG WORLD MARKET UPDATE

September 14, 2017

The government of Papua New Guinea begins paying LNG royalties to land owners, Croatia is pursuing options for LNG import, Swiss traders are capitalizing on a changing market, and a new Bloomberg Energy report shows LNG trade in 2017 is growing the fastest since 2011. 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

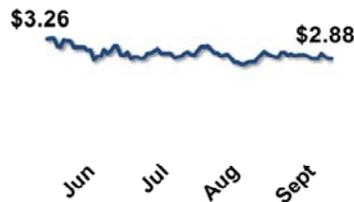
\$2.88 (\$/MMBtu)

September 11 close

Weekly Change

\$0.00 (0.00%)

Trend



Source: [EIA](#)

LNG Import Price

Japan

\$8.30 (\$/MMBtu)

September 2017

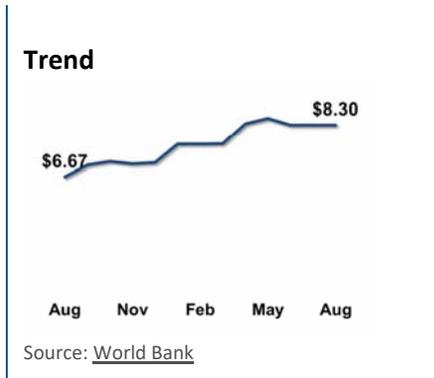
Papua New Guinea Begins Paying LNG Royalties to Land Owners

(World LNG News; September 14) - The government of Papua New Guinea has started paying out royalties to local land owners after several years of eligibility disputes. ExxonMobil owns a 41.6% interest in the project, and is glad to see progress in the payment of royalties as they look to invest billions in new gas fields. [Read more.](#)

Croatia Seeks FSRU for LNG-Import Venture

(LNG World Shipping News; September 14) - LNG Croatia has invited bids to build an LNG-import terminal on Krk Island, reviving Croatia's long-stalled plans to diversify its energy supply and reduce its dependence on piped gas from Russia. The project will reach a final investment decision early next year. [Read more.](#)

Swiss Traders Grab \$10 Billion Slice of LNG Market



(World Energy News; September 12) - Trafigura, Gunvor, Vitol, and Glencore plan 2017 shipments at more than triple the 2015 level, and are anticipating finding new buyers in emerging markets as long-term supply contracts expire. Traders believe they can bring greater liquidity, flexibility, and efficiency to a market once locked into long-term deals. According to David Fyfe, Guvnor Group's chief economist, traders like Guvnor bring a mechanism to absorb oversupply and find markets that traditional producers might not have considered. [Read more.](#)

[LNG Trade in 2017 to Grow Fastest Since 2011 on Low Prices, Lack of Nuclear Power, and Rising Supply Capacity](#)

(Bloomberg New Energy Finance; September 13) - BNEF sees LNG demand growing to 280MMtpa this year and to 479MMtpa by 2030. Imports of LNG will set a new record this year on the back of a robust 8.8% growth. The surge is driven by the uncertainty of nuclear power generation in northeast Asia, energy reforms over air pollution in China, and higher available market export capacity. By 2022, 20% of global LNG import capacity will be from floating storage and regasification terminals. The quick deployment of such terminals will help unlock demand in many new markets. Asia is anticipated to continue to be the center for demand, importing over 70% of the LNG until 2030. However, new export projects across the US and Australia could lead to supply overcapacity until 2024. [Read more.](#)

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