

LNG WORLD MARKET UPDATE

September 28, 2017

Analysis predicts LNG is the answer for emerging industry growth in Southeast Asia, Chevron may miss mid-October target to close sale of Bangladesh gas field, Australia's east coast LNG operators appear to have avoided restrictions put on the volumes of LNG they are allowed to export next year, Chinese investment in liquefied natural gas (LNG) industry for 2017 expected to be one of the best years on record. 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

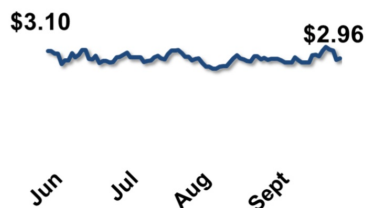
HH Spot Price

\$2.96 (\$/MMBtu)
September 25 close

Weekly Change

↓ \$0.15 (-4.82%)

Trend



Source: [EIA](#)

LNG Import Price

Japan

\$8.30 (\$/MMBtu)
September 2017

Trend

LNG Could Be the Answer for ASEAN

(UPI.com; September 27) - Emerging economies in Southeast Asia could look to LNG as a way to help address an emerging need for energy cooperation, analysis finds. As of this year, the Association of Southeast Asian Nations had 208 gigawatts of power capacity installed and needs more than twice that much by 2035 to keep up with demand. The pace of development in Southeast Asia means electricity consumption is on pace to grow by more than 8 percent each year for at least the next 10 years and the emerging economies in the region are searching for new ways to access power. Wood Mackenzie estimates regional demand for LNG to triple within the next 10 years. [Read more.](#)

Chevron May Miss Mid-October Target to Close Sale of Bangladesh Gas Field

(Reuters; September 26) - Chevron Corp may miss its mid-October target for closing the agreed \$2-billion sale of its natural gas assets in Bangladesh to a Chinese consortium, as Dhaka weighs the prospect of a counterbid. The Bangladesh assets would provide a much-needed addition to the reserve base of Zhenhua Oil, which is among the smallest state-run Chinese oil and gas firms. A completed deal would also mark the first major Chinese energy investment in the South Asian nation, where China is vying with India and Japan



for influence. [Read more.](#)

Australia Government, East Coast LNG Producers in Deal - Avert Export Controls

(Platts; September 27) - Australia's east coast LNG operators appear to have avoided restrictions put on the volumes of LNG they are allowed to export next year following an agreement with the federal government on Wednesday. "They have given us a guarantee that they will offer to the domestic market the gas that was identified as the expected shortfall by [the Australian Energy Market Operator] in 2018," Prime Minister Malcolm Turnbull, told reporters Wednesday. While the developments do not guarantee the government will not trigger the LNG export curbs for next year, they indicate it may be satisfied with the actions the ADGSM has already prompted/ is prompting. [Read more.](#)

Chinese Investment in LNG Industry Remains High in 2017

(LNG World News; September 27) - Chinese investment in liquefied natural gas (LNG) industry soared in 2016 and have carried over into 2017 which is expected to be one of the best years on record. A wave of Chinese money has flowed into foreign liquefaction project financings, playing a key role in helping these schemes move ahead in a challenging investment climate characterized by low gas prices and plentiful supplies, according to the consultancy Poten & Partners. State-owned and private companies are planning more LNG import terminal capacity. They are looking at increasing their long-term LNG supply by as much as 10 MMt/y in 2020-2025. [Read more.](#)