

LNG WORLD MARKET UPDATE

October 13, 2016

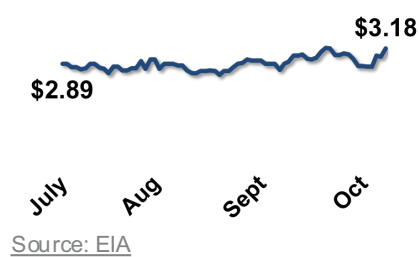
Natural gas demand in Indonesia is expected to grow significantly through 2030, while natural gas prices have increased by 38% in the United States. Asian LNG spot-market prices are also rising. Discussions between the Tanzanian government and investors on the benefits of an LNG project could last for 5 years. 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 Leah Levinton at llevinton@agdc.us with questions.

Natural Gas

HH Spot Price
\$3.18 (\$/MMBtu)
October 10 close

Weekly Change
↑ \$0.34 (12%)

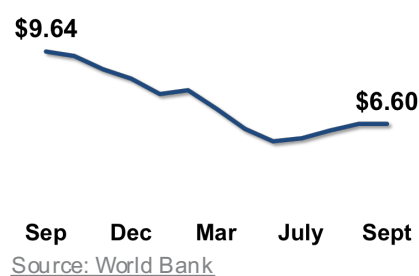
Trend



LNG Import Price

Japan
\$6.60 (\$/MMBtu)
September 2016

Trend



Indonesia expects domestic gas demand to grow, plans LNG imports

(Jakarta Post; Oct. 10) - Pertamina, Indonesia's state-owned oil and gas company, is preparing to meet most of the nation's future gas demand by stocking up on LNG commitments with foreign suppliers. Although oil will remain the fuel of choice, demand for gas is expected to grow 3.8 percent a year until 2030, with the majority of growth coming in the power sector. More demand also is expected in the fertilizer, refinery and mining industries. Demand could more than double to 10 billion cubic feet a day. [Read more](#)

Drilling cutback helps boost U.S. natural gas prices 38% for the year

(Wall Street Journal; Oct. 12) - A long period of low oil prices has saved motorists money at the pump, but languishing crude prices could drive up heating bills. That's because the nation's natural gas supply is closely connected to oil drilling. Rising-price forecasters point to a growing number of power plants that have ditched coal and switched to gas, higher volumes of gas exports to Mexico via pipeline and overseas as LNG and forecasts for a cold winter. [Read more](#)

Tanzanian official says LNG project negotiations could last 5 years

(All Africa; Oct. 4) - Talks between the government and investors for a liquefied natural gas plant could last five years, according to the Tanzania Energy and Minerals Deputy Minister. Negotiations have not started, but are expected to start "soon". Experts from the ministry and the Tanzania Petroleum Development Corp. will negotiate with multinational companies on how the country could benefit from an LNG project to produce and export the country's substantial gas reserves, he said Oct. 3. [Read more](#)

Asian spot-market LNG prices up slightly to \$6.20

(Reuters; Oct. 7) - Asian liquefied natural gas prices reached a nine-month high this week as demand from India, Japan and South Korea underpinned the sentiment. LNG priced for November delivery was about \$6.20 per million Btu, 10 cents higher than last week, as supply-demand balances for the rest of the year appear tighter, said three traders who participate in the market. That is the highest price since the week ending Jan. 8. Higher crude prices are also lending support to LNG values. [Read More](#)