

## LNG WORLD MARKET UPDATE

December 21, 2017

World's largest LNG shippers upbeat about 2018 as global trade continues to grow; Gulf Coast Express Pipeline gets investment nod amid Permian push; Pakistan Flogging Unloved Fuel Oil as It Shifts to Cleaner LNG; Saudi Aramco Embarks on Global Hunt for Natural Gas Supplies. Subscription options for this report are available at the bottom of this email. Please contact AGDC External Affairs at [externalaffairs@agdc.us](mailto:externalaffairs@agdc.us) with questions.

### Natural Gas

#### HH Spot Price

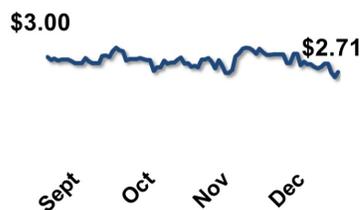
\$2.71 (\$/MMBtu)

December 18 close

#### Weekly Change

↓\$0.10 (3.56%)

#### Trend



Source: [EIA](#)

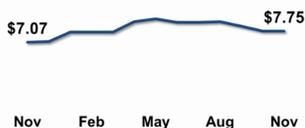
### LNG Import Price

#### Japan

\$7.75 (\$/MMBtu)

December 2017

#### Trend



Source: [World Bank](#)

### World's Largest LNG Shippers Upbeat About 2018 as Global Trade Continues to Grow

(LNG World News, December 19) - For three consecutive years, the global LNG trade set new records, reaching some 263.6 million tonnes in 2016, according to GIIGNL, the International Group of LNG Importers. This trend has continued into 2017. Many predicted that the global LNG trade would hit the 300 million tonnes mark this year. While it is still early to say whether this number will be reached, the preliminary numbers show that global trade in 2017 could record a rise of about 10 percent year-on-year. [Read more.](#)

### Gulf Coast Express Pipeline Gets Investment Nod amid Permian Push

(Platts, December 21) - A final investment decision has been made to move forward with a 1.9 Bcf/d pipeline being jointly developed by Kinder Morgan, DCP Midstream and Targa Resources that would allow more shale gas to move from the Permian Basin to the Texas Gulf Coast after the project secured long-term shipper commitments for about 85% of its capacity, the companies said Thursday. [Read more.](#)

### Pakistan Flogging Unloved Fuel Oil as It Shifts to Cleaner LNG

(Bloomberg, December 21) - Pakistan's drive to

tackle its polluted skies has left it with a problem: It has more dirty fuel oil than it wants. Their solution? Swap it with shipments of cleaner liquefied natural gas. The top oil marketing firm in South Asia's second-largest economy, Pakistan State Oil Co., is exploring whether it can take delivery of LNG cargoes in return for supplying the fuel abroad, according to people with knowledge of the matter. The government controlled company has about 1 million tons of the crude residue stockpiled, the people said, and is also trying to sell some of the cargoes. [Read more.](#)

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### **Saudi Aramco Embarks on Global Hunt for Natural Gas Supplies**

(Bloomberg, December 20) - Saudi Aramco is looking for natural gas assets from Russia to East Africa and the U.S. as the kingdom's state-owned energy giant hunts for ways to meet soaring domestic demand. The comments by Khalid Al-Falih, who's both Aramco chairman and Saudi energy minister, are a tacit admission Aramco has failed to find enough domestic gas reserves despite years of exploration. He's now considering imports of super-cooled liquefied natural gas to bridge the gap with local consumption and cut the amount of crude oil burned in power stations instead of exported for profit. [Read more.](#)