

LNG WORLD MARKET UPDATE

May 18, 2017

China sets its sights on U.S. energy supplies, Pieridae Energy creates first Canadian integrated LNG company, Petronas is exploring shorter-term contracts and smaller cargo sizes in an attempt to attract more buyers, and Trump's new trade deal welcomes China to engage in long-term contracts with American suppliers. 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

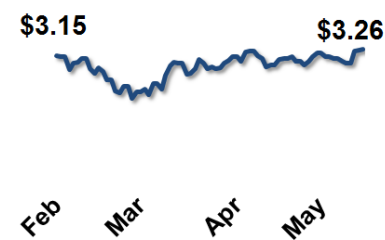
\$3.26 (\$/MMBtu)

May 15 close

Weekly Change

↑\$0.20 (6.54%)

Trend



Source: EIA

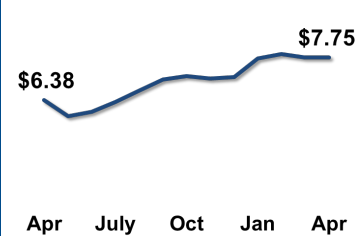
LNG Import Price

Japan

\$7.75 (\$/MMBtu)

Apr 2017

Trend



Source: World Bank

China Eyes U.S. Energy After Inking \$20 Billion in Deals

(Bloomberg; May 14) - China is setting its sights on U.S. energy as a growing reliance on imports forces it to look beyond traditional suppliers. China National Petroleum Corp. will sign \$20 billion in deals during the Belt and Road Forum, a two-day event in Beijing. The agreement with the U.S. announced last week could pave the way for a second wave of investment in U.S. LNG terminals, according to Wood Mackenzie Ltd. American supplies accounted for almost 7 percent of China's LNG imports in March, customs data show. [Read more](#)

Pieridae, Pétrolia to Create Amalco, Canada's First Integrated LNG Company

(LNG World News; May 16) - Canadian LNG project developer Pieridae Energy has acquired Pétrolia in a reverse takeover, creating a new publicly traded company to be known as Amalco. This arrangement will enable Amalco to strategically position itself in the North American equity markets as a developing fully integrated energy company, from upstream production to the sale of LNG. The company targets the next wave of LNG production, post-2020 and has already sold 50 percent of Goldboro's initial capacity under a 20-year, take-or-pay contract with Uniper. [Read more](#)

Asia's LNG "Buyers Club" Is Shaking Up The Market

(Oil and Gas 360; May 15) - LNG buyers have been looking for greater flexibility in the terms of their contracts as supply continues to increase, giving them more options on where to buy. Japan, its biggest buyer, has contracts expiring next year through both Tokyo Electric Power Company and Tokyo Gas Co. Tokyo Electric's current contract is for 4.8 million tons per annum while Tokyo Gas is currently contracted to purchase up to 2.6 million tons per annum. [Read more](#)

Trump's China Deal Boosts U.S. LNG Without Rule Change

(Bloomberg; May 12) - America's shale gas could soon head to China under long-term contracts for the first time. The deal could pave the way for a second wave of investment in U.S. LNG terminals, connecting the fastest-growing supplier with the biggest growth market, according to Wood Mackenzie Ltd. U.S. LNG export terminal developers will now be able to target Chinese buyers directly, potentially helping the projects to secure financing, said Massimo Di-Odoardo, an analyst at Wood Mackenzie. [Read More](#)