

LNG WORLD MARKET UPDATE

June 16, 2017

Veresen has received notice of intent to move forward on an EIS for the Jordan Cove LNG Project, BP and Reliance Industries will be tapping into 3 TCF of natural gas to help decrease India's foreign LNG demands, Santos CEO shares his concerns about the proposed Australian LNG export restrictions, Qatar's political isolation may lead to an increase in LNG export prices as they lose access to the Port of Fujairah. 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

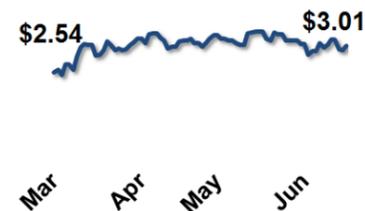
\$3.01 (\$/MMBtu)

June 16 close

Weekly Change

↓\$0.02 (0.66%)

Trend



Source: EIA

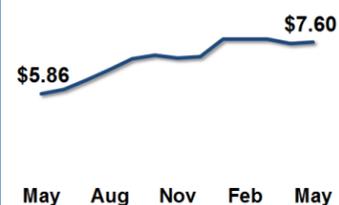
LNG Import Price

Japan

\$7.60 (\$/MMBtu)

May 2017

Trend



Source: World Bank

FERC to Prepare Jordan Cove LNG EIS

(LNG World News; June 13) - The Calgary-based energy infrastructure company, Veresen, has received notice of intent from the Federal Energy Regulatory Commission (FERC) to move forward on an environmental impact statement (EIS) for the Jordan Cove LNG Project. The project includes the 220 mile Pacific Connector pipeline from Coos Bay to the Malin Hub as well as five liquefaction trains and two storage tanks located in Coos Bay. The LNG facility will have the capacity to export 7.8 MTPA.

[Read more.](#)

Santos CEO Fires Up On LNG Export Controls

(Financial Review; June 15) - Santos CEO, Kevin Gallagher, suggests that the Australian gas shortage is a result of restrictions on natural gas exploration and production in a country without a national energy plan. Gallagher indirectly accuses several LNG ventures throughout Australia's east coast of selling cheap surplus LNG on Asian spot markets instead of using it to supply Australia's domestic gas demands. He fears that the proposed LNG export restrictions will result in only high priced gas being available to industrial consumers. [Read more.](#)

BP, Reliance Natural Gas Project Offshore India to Reduce LNG Dependence

(Natural Gas Intel; June 16) - BP and Reliance Industries are planning to tap into an estimated 3 trillion cubic feet of natural gas in the KGD6 Block off the coast of India. The three separate fields within the KGD6 Block are intended to supply India with 1 billion cubic (BCF) of natural gas per day in order to decrease their dependence on foreign LNG. India currently consume over 5 billion cubic feet of natural gas per day and is expected to double that figure by 2022. With this natural gas coming on-stream between 2020 and 2022, it will dramatically decrease India's LNG imports. [Read more.](#)

Qatar Losing Out On Food And LNG As A Result Of Crisis

(Gulf News; June 18) - Qatar's political isolation has significantly impacted its ability to import food as well as export LNG. Qatar currently supplies approximately 31 percent of the world's LNG demand and has just recently been banned from using the Port of Fujairah in the UAE, one of the largest LNG supply hubs in the Middle East. The increased cost of LNG from Qatar may resulting in Qatar losing its place as the world's largest LNG exporter. This increase in cost has already provided JERA, the world's largest LNG importer, with some leverage to push for less strict contracts with Qatar. [Read more.](#)