

## LNG WORLD MARKET UPDATE

July 7, 2017

Qatar announces plans to increase gas production from North Field by nearly 30 percent, in order to meet gas demands the UK has imported U.S. shale gas for the first time, Novatek has offered up to 49 percent of its Arctic LNG-II project to foreign investors, Poland is looking to import U.S. LNG to reduce Russian dependency. 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](mailto:externalaffairs@agdc.us) with questions.

### Natural Gas

#### HH Spot Price

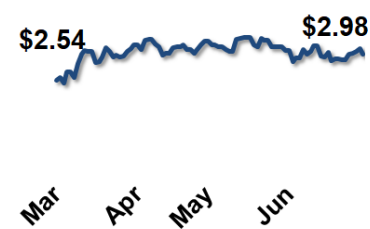
\$2.98 (\$/MMBtu)

June 30 close

#### Weekly Change

↑\$0.09 (3.11%)

#### Trend



Source: EIA

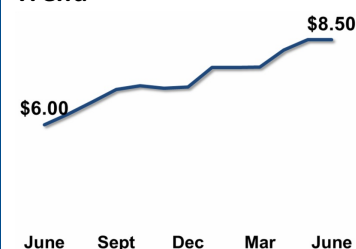
### LNG Import Price

#### Japan

\$8.50 (\$/MMBtu)

June 2017

#### Trend



Source: World Bank

### LNG Giant Qatar Plans North Field Production Hike

(LNG World Shipping; July 4) - Qatar has announced a plan to increase natural gas production in the North Field from 77 MTPA to 100 MTPA, an increase of nearly 30 percent over the next five to seven years. The decision to increase production followed an announcement from National Iranian Oil Co. and Total who plan to invest \$5 billion into the South Pars Field under a 20 year development and production contract. Qatar and Iran share North Field/South Pars which is currently the largest natural gas field in the world. The increased production will solidify Qatar's position as the world's largest LNG exporter. [Read more.](#)

### National Grid To Import LNG From US Shale For The First Time

(The Telegraph; July 5) - Declining North Sea reserves have forced the UK to become more reliant upon foreign natural gas supply from Norway and Qatar. The first LNG ship containing U.S. shale gas will reach the Grain LNG facility in Kent, UK this weekend. The LNG shipments coming into the UK will be priced lower than another LNG-importing country. The lower priced LNG indicates that the UK may struggle to compete for future LNG shipments against the higher priced Asian markets. [Read more.](#)

### Russia Offers Saudi Aramco role in Arctic LNG Project - Russian Energy Minister

(Reuters; July 6) - With Russia looking to increase its global LNG market share, Russia's largest independent gas producer, Novatek, has extended an Arctic LNG-II partnership offer to Saudi Aramco. Novatek's chairman, Leonid Mikhelson, has offered as much as 49 percent of the project to foreign investors. Saudi Aramco would be particularly interested in investing if they could bring the LNG back to Saudi Arabia suggested Khalid al-Falih, the Saudi Energy Minister. The Arctic LNG-II project will produce 16.5 MTPA and is expected to begin construction between 2022 and 2023. [Read more.](#)

### Poland Expects Long Term Deal For U.S. LNG Supplies

(Reuters; July 6) - Poland intends to sign long-term LNG contracts with the U.S. in order to reduce its dependence on Russian gas. The majority of Poland's 16 billion cubic foot per year natural gas imports are under long-term contracts with Gazprom. U.S. imports combined with a planned pipeline from Norway and an expand LNG terminal will allow Poland to satisfy its own natural gas needs as well as resell surplus gas to other European countries. [Read more.](#)