

LNG WORLD MARKET UPDATE

September 21, 2016

AGDC and ConocoPhillips sign MOU to market Alaska's North Slope natural gas and the Alaska Railroad is scheduled to transport the nation's first LNG cargo via rail this month. The Netherlands will become more reliant on natural gas imports as their reserves decline. The plan for Tokyo Commodity Exchange to open a domestic natural gas market comes in good timing as Asia's projected LNG demand will increase by 2030. 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

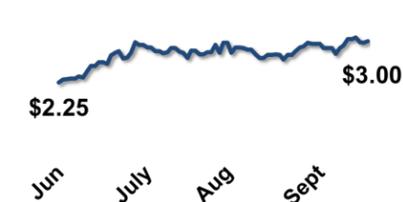
\$3.00

September 19 close

Weekly Change

↓\$0.04 (1.3%)

Trend



Source: EIA

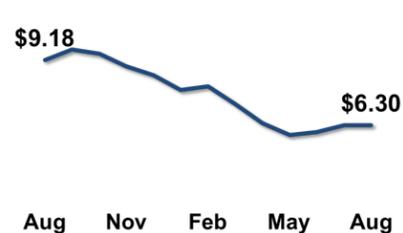
LNG Import Price

Japan

\$6.30

August 2016

Trend



Source: World Bank

AGDC and ConocoPhillips Sign MOU for Alaska LNG Joint Venture

(AGDC; September 21) - The Alaska Gasline Development Corp., on behalf of the State of Alaska, and ConocoPhillips have signed a Memorandum of Understanding to form a joint venture company to market Alaska's LNG to global markets. Once established, the JV would focus initially on gathering LNG market information in support of the JV's pursuit of gas and LNG sales agreements as the project moves forward. [Read more](#)

Asia's 2030 LNG-Demand Prospects - Imports to Increase

(LNG World Shipping; September 16) - The number of Asia-based importing countries is projected to increase from 9 to 12 by 2030. Indonesia plans to switch from exporting to importing LNG, and Bangladesh and Vietnam also plan to import LNG. The Oxford Institute of Energy expects Asia imported LNG to increase by 122% by 2030. [Read more](#)

Europe's Biggest Natural Gas Producer Is Running Out of Fuel

(Bloomberg; September 15) - The Netherlands, the European Union's largest natural gas producer, is running out of natural gas reserves. Production fell 38 percent over the last two years. This decline has broader implications on the European gas market, which will be more reliant on outside countries to meet its energy demands. European and Eurasian countries consumed 1 trillion cubic meters of gas in 2015. [Read more](#)

Alaska Railroad to Begin LNG Transport Tests

(LNG World News; September 20) - The Alaska Railroad will be the first railroad in the country to obtain permission to haul LNG by rail. They are preparing for the first transport of LNG on September 27 with demonstration trips from Anchorage to Fairbanks continuing through October. The demonstration project will help determine whether the loading and delivery process will be cost-effective. [Read More](#)

Japan to Launch Domestic Gas Futures Market

(ICIS; September 14) - The Tokyo Commodity Exchange plans to open a domestic natural gas futures market in Japan. The market would help companies entering the sector to compete against the more than 200 companies, including large regional suppliers such as Osaka Gas and Tokyo Gas. Japan opened up its electricity market to new competition earlier this year, resulting in a flood of new companies selling electricity. [Read More](#)