

LNG WORLD MARKET UPDATE

December 1, 2016

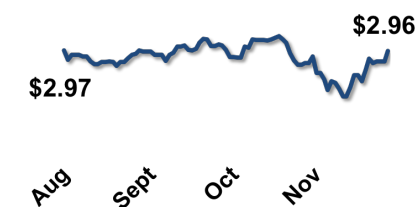
This weekly news blast is intended to provide relevant industry information to Alaskan stakeholders and inform audiences of the competitive landscape in the global LNG market. Subscription options for this report are available at the bottom of this email. Please contact AGDC External Affairs at externalaaffairs@agdc.us with questions.

Natural Gas

HH Spot Price
\$2.96 (\$/MMBtu)
November 14 close

Weekly Change
↑ \$0.15 (5.3%)

Trend

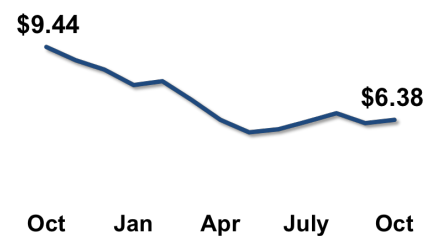


Source: EIA

LNG Import Price

Japan
\$6.38 (\$/MMBtu)
October 2016

Trend



Source: World Bank

Japan Seeking to Remove LNG Resale Restrictions

(Bloomberg; Dec 1) - Japan's Jera Co., one of the world's largest LNG buyers, says it shouldn't need to pay producers to lift restrictions to resell LNG cargoes and that destination flexibility would benefit both sellers and buyers. Producers warned if Japan moves to ease restrictions that prevent its importers from reselling the gas, the Asian nation may have to purchase the fuel at a higher price in return.

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Russian LNG Giant Seeks Japanese Partnership in Arctic Project

(Oil and Gas Eurasia; Nov 28) - Russian natural gas giant Novatek expects Japan Inc. to lend a hand in its Arctic Circle liquefied natural gas business (LNG). Novatek is planning a new large-scale project, which targets annual production of 12 million to 16 million tons of LNG, with operations aimed to start by 2025.

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Chinese Gas Demand to Rise; Will Help to Ease Glut

(Reuters; Nov 24) - China's gas demand will grow significantly and may help to ease the current global LNG glut. Chinese LNG imports have steadily increased over the last year, up 15.1 percent from 2015. Chinese LNG consumption growth could lead to the market becoming more balanced in the near to medium-term.

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Cheniere to Send First LNG Supplies to Asia as Soon as Next Month

(Reuters; Nov 25) - Houston-based Cheniere Energy Inc is preparing to send its first supplies of LNG from its Sabine Pass export terminal on the U.S. Gulf Coast to Asian customers. Due to a rise in prices in the region, such shipments through the recently enlarged Panama Canal have become commercially viable and profitable.

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