

## LNG WORLD MARKET UPDATE

December 29, 2016

Japanese companies may join forces to procure LNG as competition increases with market liberalization; BP signs a long-term LNG contract with Thailand's PTT; and Pacific Northwest LNG undergoes review prior to FID. 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

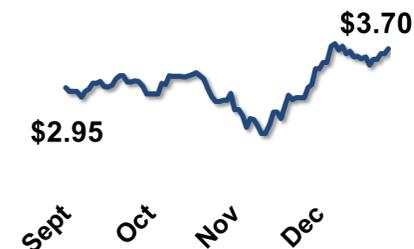
\$3.70 (\$/MMBtu)

December 27 close

#### Weekly Change

↑\$0.15 (4.23%)

#### Trend



Source: EIA

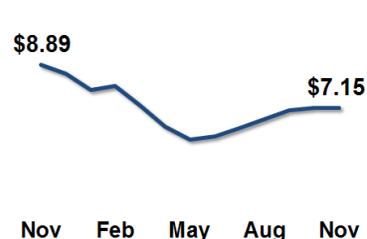
### LNG Import Price

#### Japan

\$7.15 (\$/MMBtu)

November 2016

#### Trend



Source: World Bank

### Japan's Liberalization of Retail Gas Market Leading to Greater Competition

(Reuters; Dec 26) - Tokyo Gas president Michiaki Hirose sees future consolidation among utilities and gas operators as a likelihood after Japan's nationwide liberalization of the retail gas market goes into effect in April 2017. "There is also a chance that two or three big fuel procurement companies like JERA will be created in Japan in the future," he said. Tokyo Gas faces increasing competition as JERA's joint venture parent Tokyo Electric Power Company Holdings (Tepco) enters the city's gas retail market. [Read more](#)

### BP and PTT Sign LNG Sale and Purchase Agreement

(LNG Global; Dec 29) - BP announced today that it will provide Thailand's PTT Public Limited Company with approximately 1 million tonnes of LNG per annum (MTPA) for twenty years, beginning in 2017. LNG will be sourced from BP's portfolio of LNG. [Read more](#)

### Pacific Northwest LNG Looks at Lower Cost Options Prior to FID

(Globe and Mail; Dec 28) - Pacific Northwest LNG is undergoing a rigorous internal review as it contemplates whether to spend billions of dollars to build a LNG terminal amid the current global LNG glut. The federal cabinet approved construction in September, but the approval is subject to the project's meeting an array of conditions designed to reduce the proposal's environmental footprint. Malaysia's Petronas and its Asian partners are expected to make a final investment decision in mid-2017. [Read more](#)