

LNG WORLD MARKET UPDATE

December 22, 2016

Chinese demand keeps spot LNG prices high; LNG imports are set to increase in both China and Vietnam; and plans for a new export facility in Louisiana is unveiled. 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

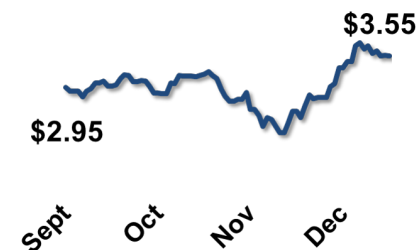
\$3.55 (\$/MMBtu)

December 19 close

Weekly Change

↓ \$0.05 (-1.39%)

Trend



Source: EIA

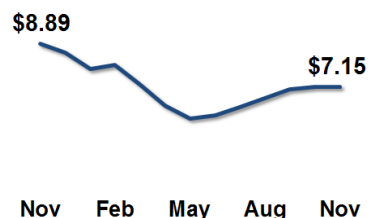
LNG Import Price

Japan

\$7.15 (\$/MMBtu)

November 2016

Trend



Source: World Bank

Chinese Demand Expected to Keep LNG Market Tight

(Bloomberg; Dec 21) - Analysts expect that demand from China, which jumped 46.6 percent to 2.66 million tons in November from a year earlier, will keep the LNG market tight in the first quarter of next year before new supplies and warmer weather bring prices down in the second quarter. China Petrochemical Corp. expects a 27 percent rise in gas sales during the winter demand period. Spot LNG jumped to a nearly two-year high and prices have more than doubled from a low in April. [Read more](#)

CNOOC Anticipates Chinese LNG Imports to Increase

(China Daily; Dec 20) - China National Offshore Oil Corp. (CNOOC) has imported more than 100 million tons of LNG in the past 10 years, accounting for 80 percent of the country's total imports. CNOOC sees LNG as another pillar industry as China tries to find alternative energy sources to reduce emissions.

[Read more](#)

Vietnam to Increase LNG Imports by 2025

(VietNamNet online newspaper; Dec. 15) - The Việt Nam National Oil and Gas Group (PetroVietnam) expects that long-term demand growth will outpace domestic gas production by 2020. As a result, Vietnam is expected to import five million tonnes of LNG by 2025 and up to 13.9 million tonnes by 2035.

[Read more](#)

Plans for Another Louisiana-Based LNG Export Facility Unveiled

(The Advocate; Dec 21) - Venture Global LNG unveiled their plans for an \$8.5 billion facility along the west bank of Plaquemines Parish that would liquefy and export up to 22 MTPA of LNG beginning in 2022. Construction is expected to begin in 2018, if authorized by the Federal Energy Regulatory Commission. However, it's unclear whether the project has any long-term contracts in place for potential exports, without which the terminal may not be built. [Read more](#)