

LNG WORLD MARKET UPDATE

November 10, 2016

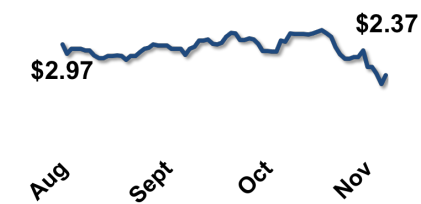
This weekly news blast is intended to provide relevant industry information to Alaskan stakeholders and inform audiences of the competitive landscape in the global LNG market. Subscription options for this report are available at the bottom of this email. Please contact Leah Levinton at llevinton@agdc.us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

Natural Gas

HH Spot Price
\$2.37 (\$/MMBtu)
November 7 close

Weekly Change
↓ \$0.48 (16.8%)

Trend

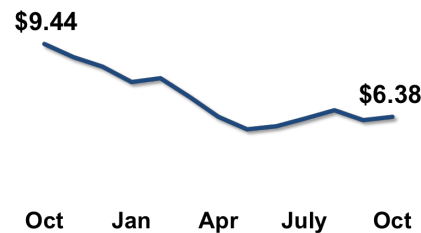


Source: EIA

LNG Import Price

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

Trend



Source: World Bank

Southeast Asia in Midst of LNG Terminal Construction Boom

(Nikkei Asian Review; Nov 8) - Southeast Asian nations could soon double import capacity for liquefied natural gas as domestic energy sources fall short, collectively becoming a key player in the global LNG market. Energy providers in the region will boost annual LNG receiving capacity from 25 million tons to some 50 million tons over the next five years.

[Read more](#)

Global LNG Market Demand & Supply Analysis

(Sat PR News; Nov 9) - Growing focus on expansion of gas pipeline infrastructure, rising demand for natural gas from downstream sectors, declining LNG prices coupled with implementation of favorable government policies is boosting demand for LNG across the globe. [Read more](#)

PetroChina Expands Receiving Capacity of LNG Terminals

(Reuters; Nov 8) - Top Chinese oil and gas firm PetroChina started up new LNG storage tanks at two receiving terminals in preparation for winter demand. These new facilities are part of a second phase expansion project, which has increased the company's handling capacity from 3.5 million tpy to 6.5 million tpy. The company said that it would increase its gas supply this winter by 7% compared to the year before.

The World Changed Quickly for LNG

(Forbes; Nov 7) - As Japan turned to LNG after the Fukushima nuclear power plant event, prices spiked, rising to between \$16 to \$17 per million Btu by the end of the year. For a while it looked like nothing could go wrong for either existing LNG producers or soon to be brought online projects - then the bottom fell out. Demand growth in Asia stalled, while LNG markets became so oversupplied that prices started trending down. Companies are now stuck with massive capex LNG projects, low prices and saturated supply until at least 2020. [Read More](#)