

LNG WORLD MARKET UPDATE

October 5, 2016

Singapore attracts opportunity for LNG growth due to various global drivers and China is investigating natural gas-powered trucks to reduce emissions and cost control. Beijing Gas Group ensures the city will have adequate winter gas supply by partnering with ENGIE for gas imports. Pacific NorthWest LNG will examine over 190 conditions attached to Canada's governmental approval of the project before determining next steps. 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

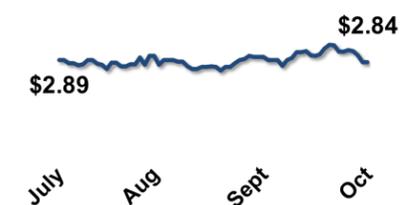
\$2.84

October 3 close

Weekly Change

↓ \$0.22 (7.2%)

Trend



Source: EIA

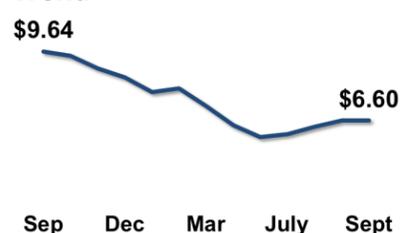
LNG Import Price

Japan

\$6.60

September 2016

Trend



Source: World Bank

Singapore Shows Opportunities for Growth in LNG Market

(Channel News Asia; October 3) - Despite short-term challenges in the global LNG market, there are opportunities for growth as Singapore hopes to become a regional LNG hub, according to Singapore's Minister of State for Trade and Industry. The Minister added that Singapore already has the physical infrastructure and is a leading bunkering hub in the world. Efforts are also underway to help Singapore become a pricing hub for LNG.

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Natural Gas-Powered Trucks May Be an Answer to China's Smog Problem

(CNBC; September 29) - Global energy companies are investigating renewable energy sources for transport vehicles. China, notorious for its thick smog, is looking into LNG as a fuel source. Natural gas produces lower emissions than other fuel sources and provides significant cost saving benefits. Private energy company ENN has helped build China's national LNG infrastructure, including transport refueling stations. China currently has 5.5 million heavy trucks and 1.2 million buses.

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Pacific NorthWest LNG Project Stalled by More Than 190 Federal Conditions

(Globe and Mail; September 28) - Ottawa approved the proposed B.C. terminal for the Pacific NorthWest LNG project to export LNG, however the project, led by Malaysia's state-owned Petronas, will need months to examine more than 190 conditions attached to the governmental approval. Petronas will study the conditions and conduct a total review of the proposed \$36 billion project prior to deciding on the next steps forward.

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ENGIE and Beijing Gas Group Strengthen Strategic Partnership

(Eco-Business; September 28) - ENGIE, Europe's main LNG importer, was selected to supply approximately 900 million cubic meters of liquefied natural gas to Beijing Gas Group (BGG). The deal ensures the security of Beijing's gas supply for the winter and further cements ENGIE and BGG's relationship, following the first import of LNG supplied to BGG in 2015.

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