

LNG Markets Unleashed: How Texas Stands to Benefit

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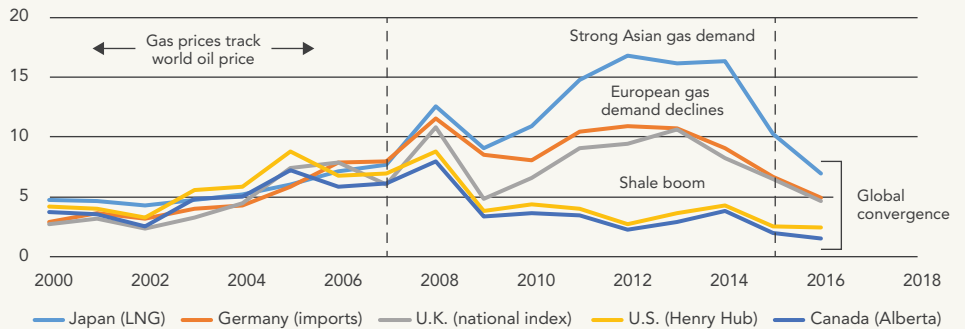
LNG

(liquefied natural gas)

is becoming a global commodity, approaching a more unified price. Liquefying natural gas allows it to be shipped to multiple destinations all over the world.

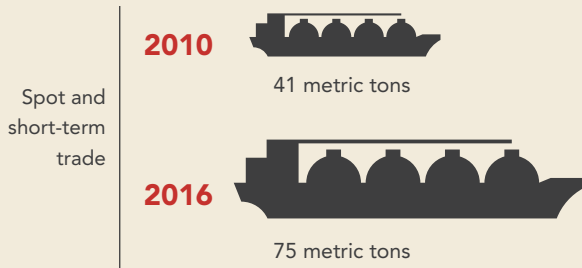
Natural gas prices in major world markets are converging

Dollars per million BTU (MMBtu)

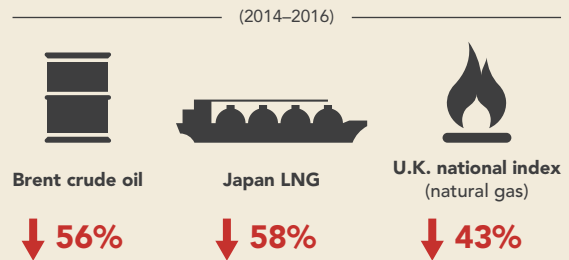


What's behind the price convergence?

LNG trade volume is rising, with **more short-term transactions** relative to traditional, long-term contracts.

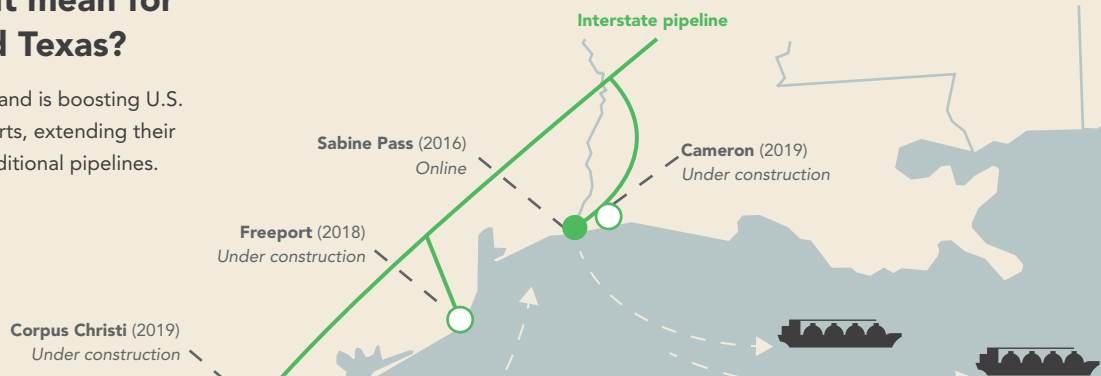


Lower crude oil prices are softening gas prices. Contracts in Asia and Europe traditionally link natural gas prices to oil.



What does it mean for the U.S. and Texas?

Growing global demand is boosting U.S. and Texas LNG exports, extending their reach far beyond traditional pipelines.



NOTES: Both Japan LNG and Germany (imports) prices are based on a cost+insurance+freight basis (average prices). U.K. national index refers to National Balancing Point. Short-term trade is cargoes under contract with a duration of four years or less. LNG plants shown as "under construction" will enlarge U.S. processing capacity.
SOURCES: BP Statistical Review of World Energy 2017; GIIGNL—International Group of LNG importers—www.giignl.org; German Federal Office of Economics and Export Control; ICIS Heren Energy Ltd.; Energy Intelligence Group, *Natural Gas Week*; Energy Information Administration; Bloomberg; author's calculations.

More places, more often

