



# Global LNG Markets: Implications for Alaska

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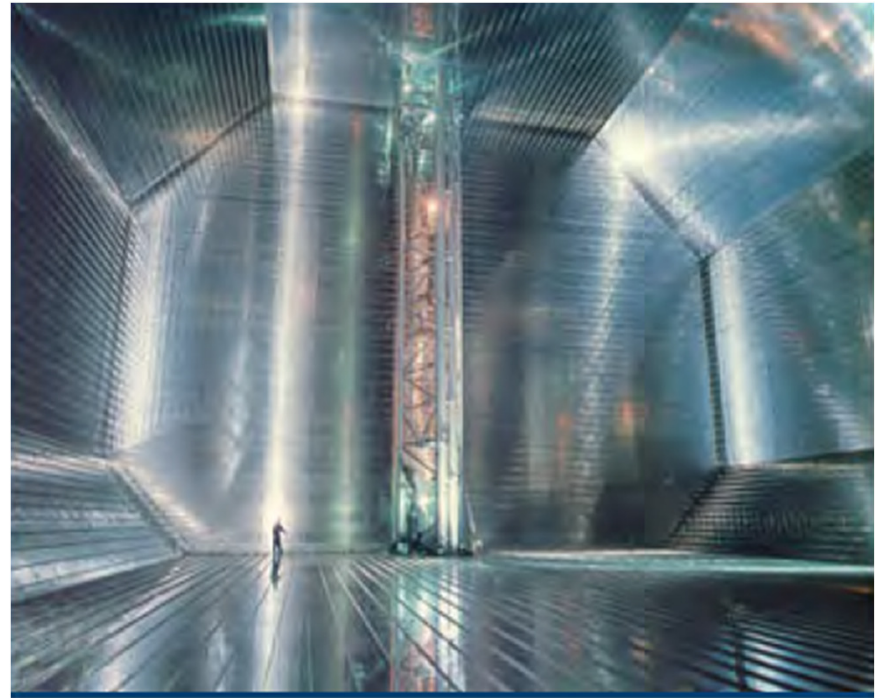


## Worlds first LNG Tanker



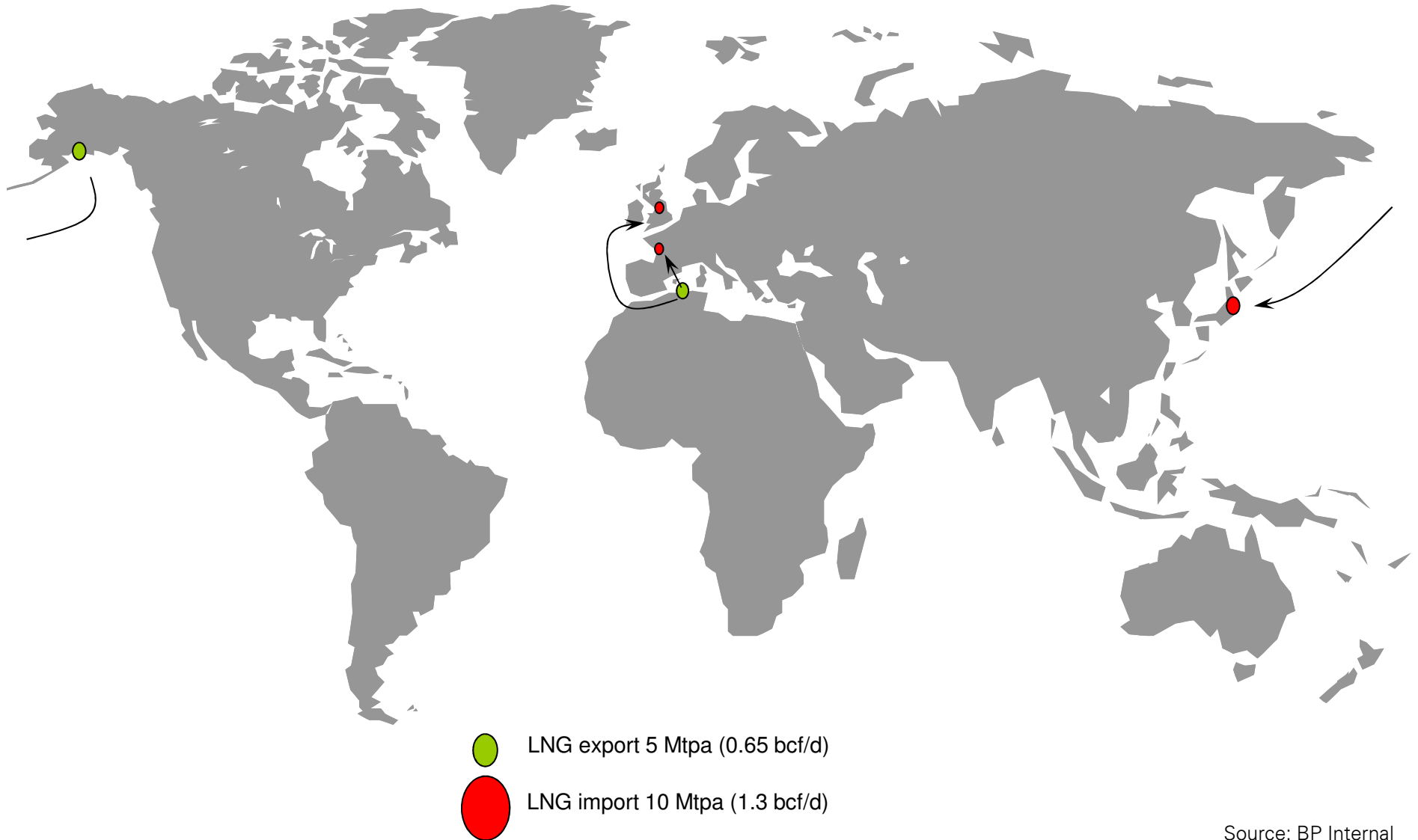
*Methane Pioneer* in Louisiana, loading first cargo of LNG bound for UK, January 1959

# LNG Tankers Today

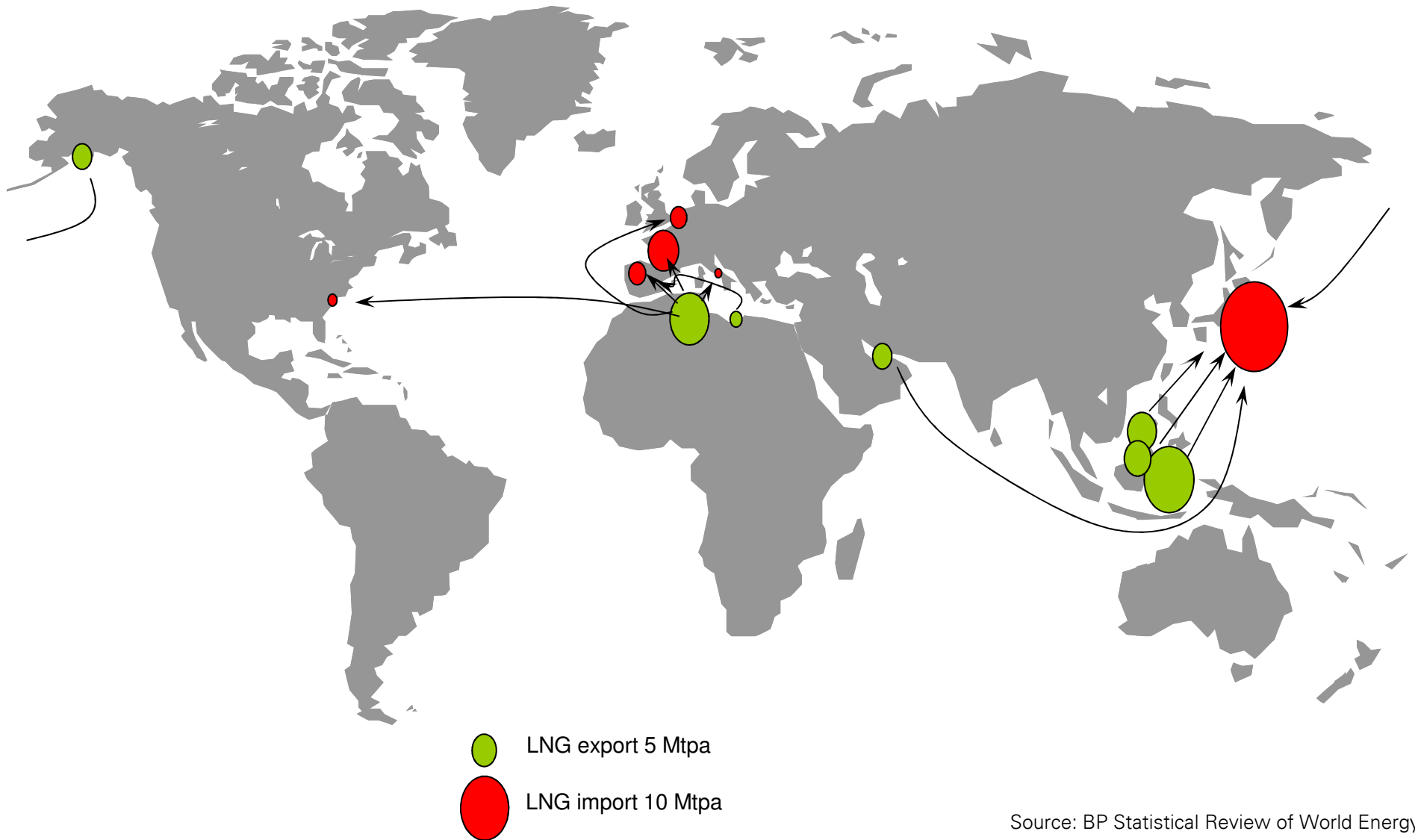




# Alaska was a pioneer of the modern LNG industry: LNG trade flows in 1970



# South East Asia to Japan and Algeria to Europe trades dominating global scene by mid 1980s

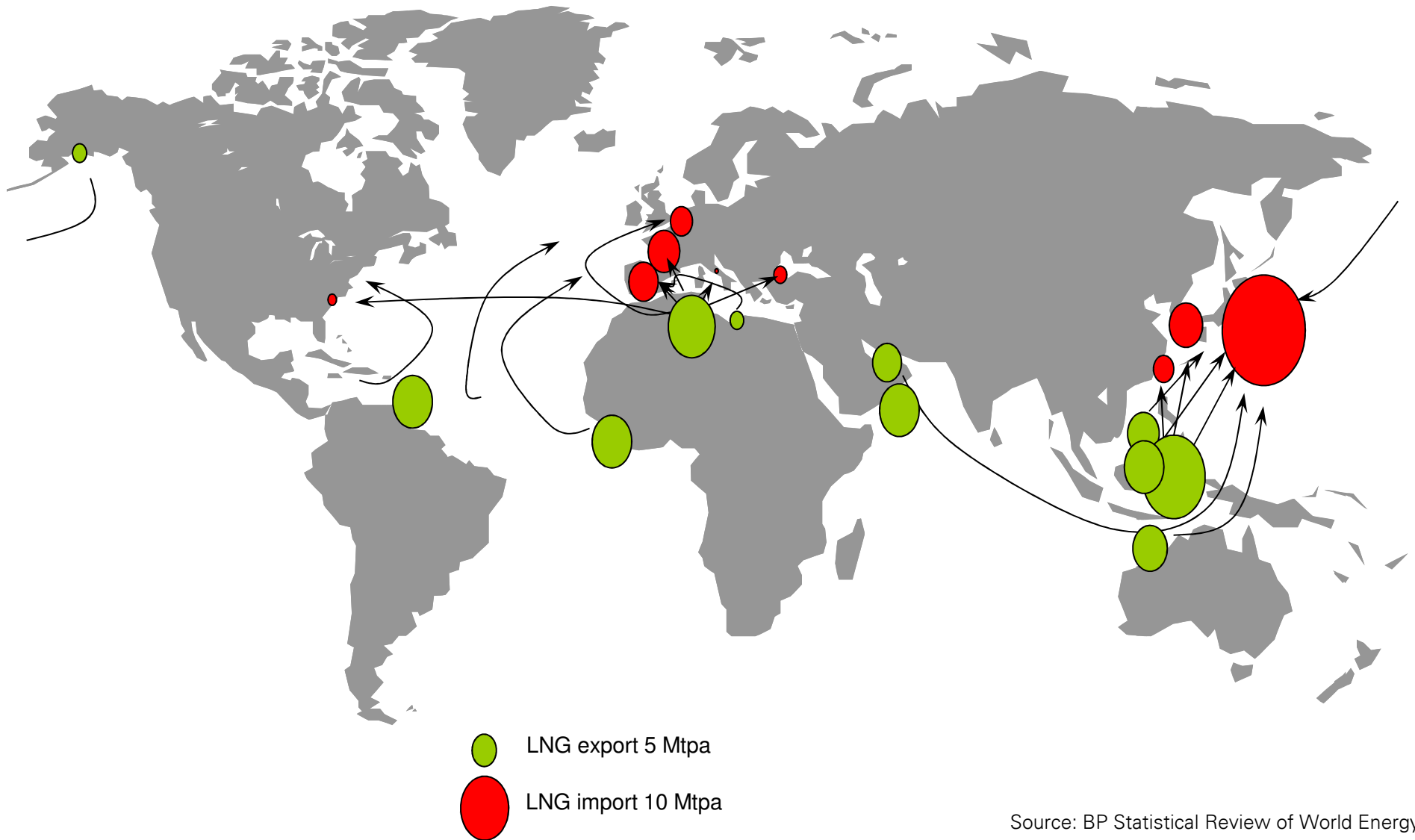


Source: BP Statistical Review of World Energy



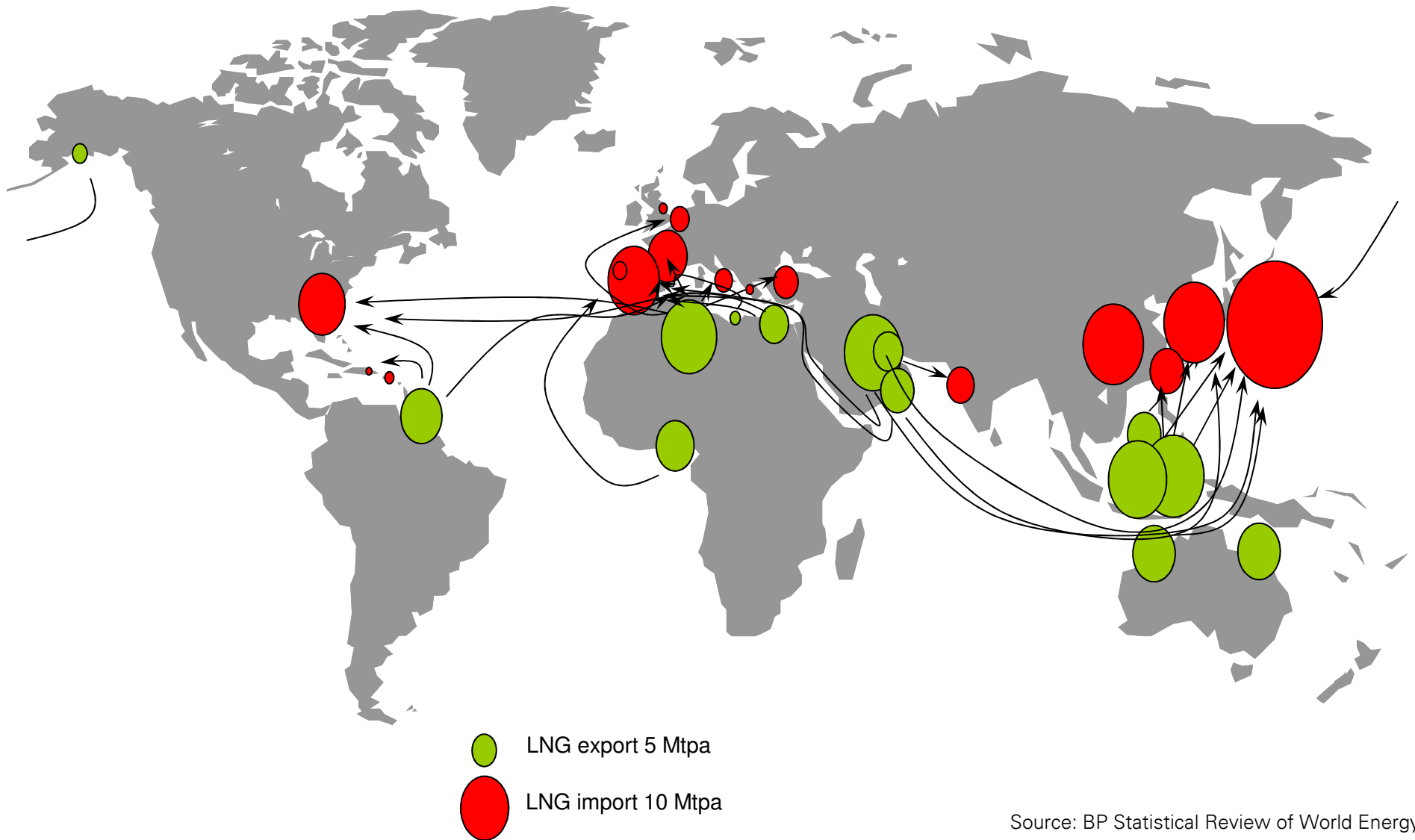


# Little change in the nature of global LNG trade by mid 1990s but still scaling up





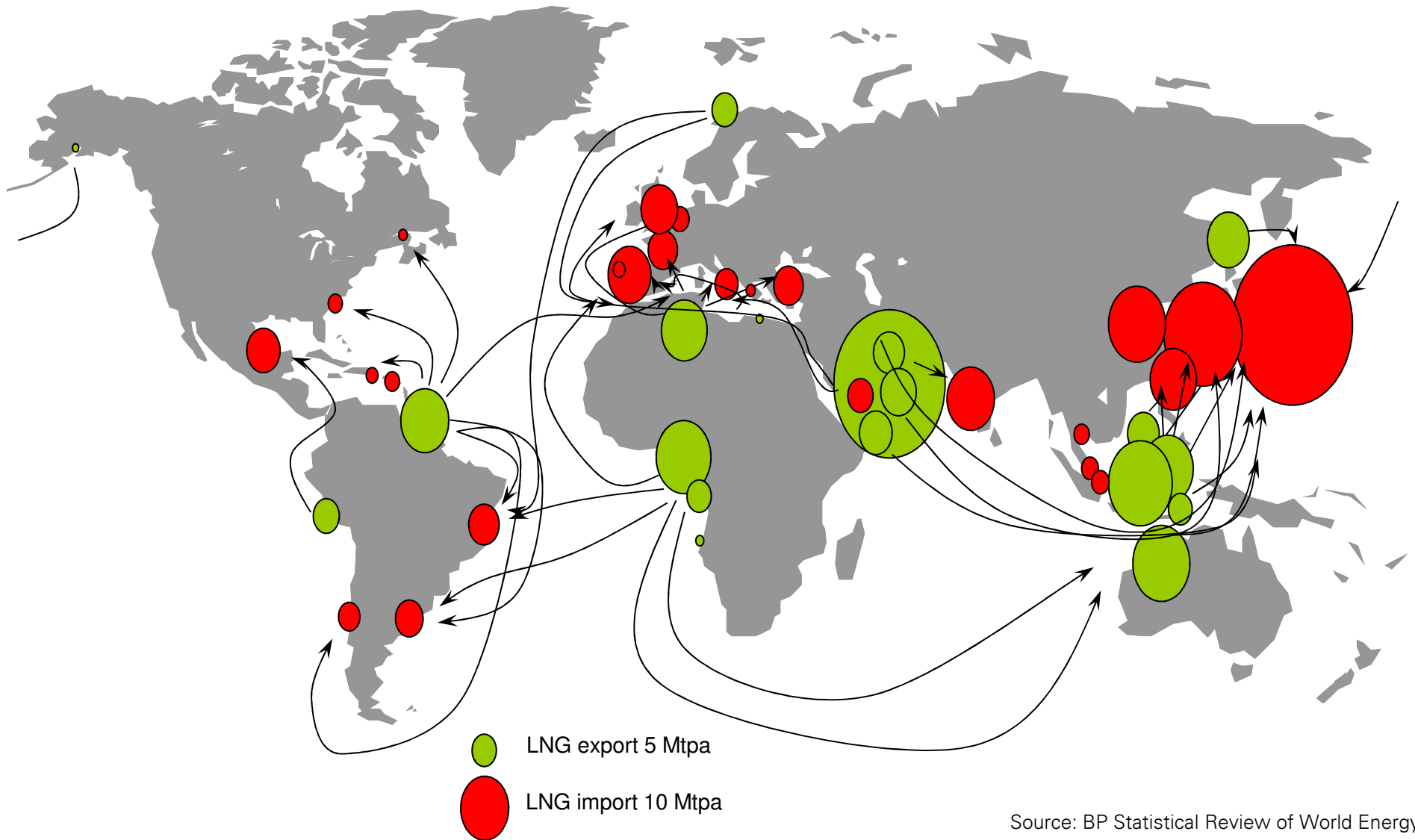
# By 2005, broader Atlantic Basin market evolving and Mid East suppliers beginning to play balancing role





# LNG has now evolved into a global business

## LNG trade flows in 2015

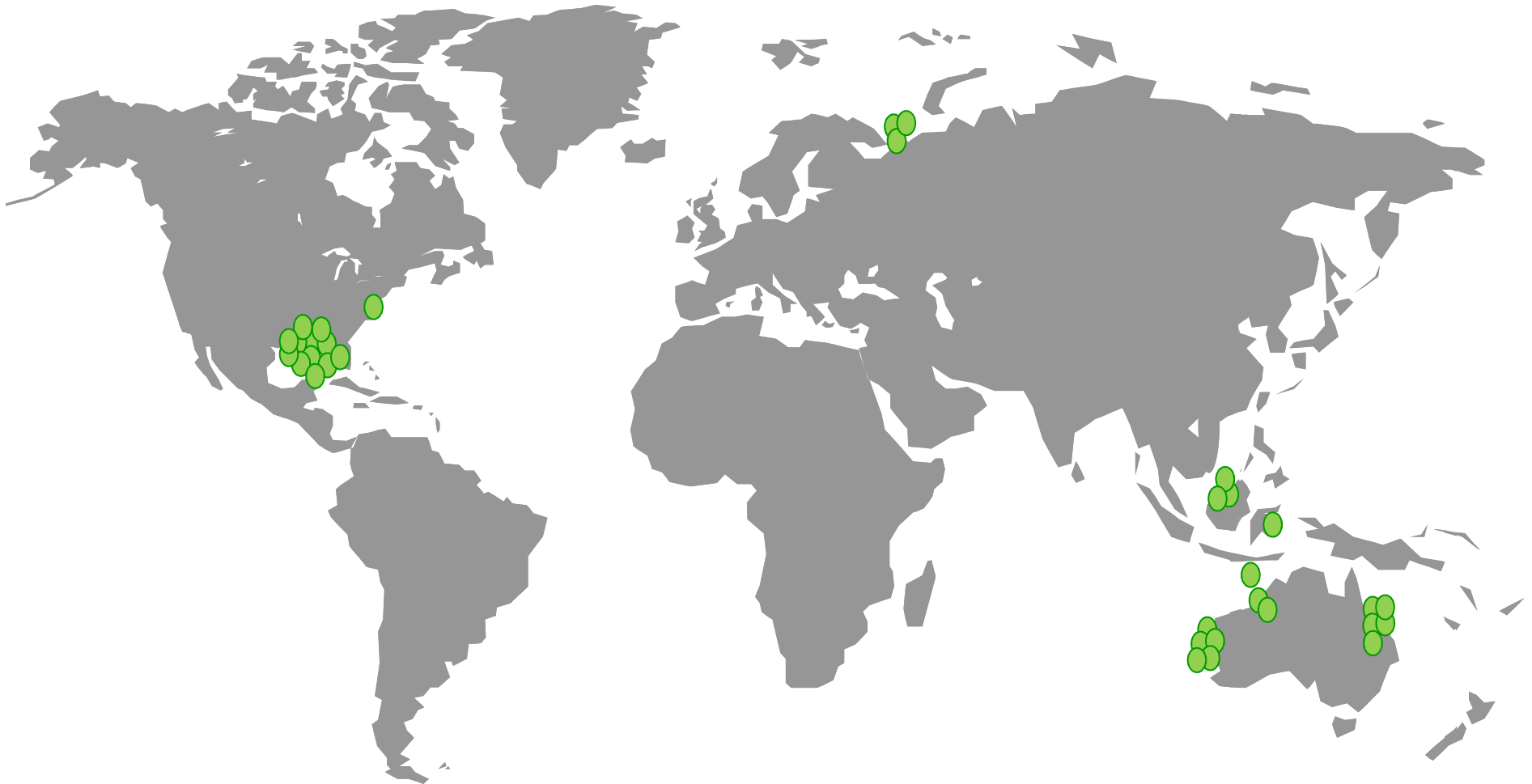






33 LNG trains under construction will add 143 Mtpa capacity by the end of 2018, increasing global production by ~50%

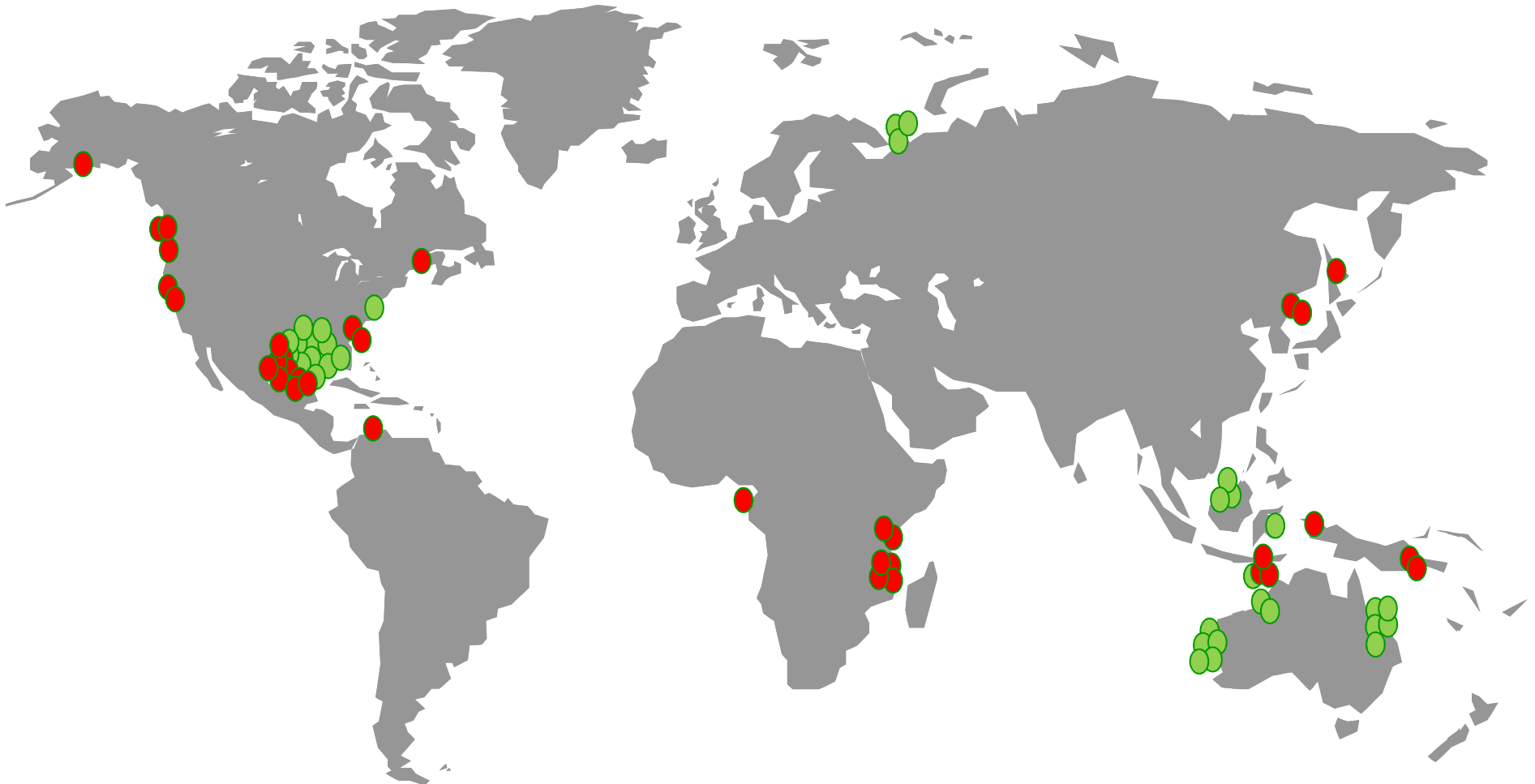
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Source: project announcements



# A similar volume of prospective capacity is attempting to move Final Investment Decision



- Under construction
- Prospective (not exhaustive)

Source: project announcements



## Likely that market will favor LNG buyers over at least the early portion of Alaska LNG development cycle

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- Prices have weakened on lower oil prices and weak Asian demand
- Successful projects will need to be cost competitive and flexible
- Buyers have multiple options for next generation of new supply
- Asian growth to remain strong, led by China



# Alaska LNG – Keys to Success

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- Competitive cost of supply
- Parties aligned on solutions
- Reputation as a reliable future energy source



