

IGU Releases 2016 World LNG Report:

A Global Industry Ready for Significant Growth

Perth/Oslo, 12 April 2016 - The International Gas Union (IGU) today released its 2016 World LNG Report, which demonstrates how the global LNG industry is poised for growth and plays a key role in expanding access to natural gas in the world's future energy mix. Natural gas is a vital energy resource that can lead to a lower carbon future, cleaner air in metropolitan areas, and a prosperous economic future.

LNG trade in total reached 244.8 MT in 2015, up 4.7 MT from 2014 and the largest year ever for LNG trade, surpassing the previous high of 241.5 MT set in 2011. Although the Pacific Basin remains the largest source of demand, growth was driven by Europe and the Middle East. New regasification markets formed in Egypt, Jordan, Pakistan and Poland, just in time to benefit from near record-low prices. The decline in oil prices and growing weakness in Pacific demand led all global LNG price markers to fall in 2015, from an average \$15.60/MMBtu in 2014 to \$9.77/MMBtu in 2015.

In 2015 global liquefaction capacity reached 301.5 MTPA. A further 142 MTPA of liquefaction capacity was under construction world-wide as of January 2016. Final investment decisions (FID) occurred for a combined 20 MTPA at Sabine Pass T5, Corpus Christi T1-2, Freeport LNG T3, and Cameroon FLNG.

In 2015, the start-up of new projects in Australia and Indonesia contributed to the growth in non long-term trade (all those volumes traded under contracts of less than 5 years), as the delivery of commissioning cargoes plus the prevalence of more flexible contracts allowed short- and medium-term trade to grow in both countries by over 3 MT year-on-year (YOY). In total, all non long-term LNG trade reached 71.9 MT in 2015, accounting for 29% of total gross LNG trade.

While the natural gas industry is undergoing fundamental changes as it operates in a historical low-price environment, the global social and political momentum illustrated by the COP21 agreements suggests that natural gas can be a critical part of the globe's future energy mix more than ever.

“Natural gas accounts for roughly a quarter of global energy demand, of which 9.8% is supplied as LNG. The 2016 IGU World LNG Report shows that a major expansion of LNG supply through 2020 positions LNG to further increase its market share. The LNG industry has developed to a point where the necessary foundations have been built to turn natural gas into a truly global commodity, enhancing both energy security and meeting growing demand,” said David Carroll, President of the IGU.

Natural gas has many important benefits – it is abundant, flexible and is the perfect complement to intermittent renewables for power generation. Natural gas provides clean affordable heating for industrial processes and for commercial and residential customers around the world. Natural gas also has benefits relative to coal and oil - in terms of lower carbon emissions, of course, but also in terms of particulates and other pollutants that contribute to poor air quality and ensuing health concerns.

The *World LNG Report*, a flagship publication of IGU first published in 2010, provides key insights into LNG industry developments through the end of calendar year 2015. While the Report's focus remains, as in years past, upon recent historical data on world LNG activity, the Report also provides key insights on issues addressing world LNG activity going forward. Now published on an annual basis, the Report serves many in the international energy business as a standard desk reference for information on the LNG industry. To download the full report, please visit www.igu.org

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About The International Gas Union (IGU)

The International Gas Union (IGU) was founded in 1931 and is a worldwide non-profit organisation aimed at promoting the political, technical and economic progress of the gas industry. The Union has more than 140 members worldwide on all continents, representing approximately 97% of the world gas market. The members of the IGU are national associations and corporations within the gas industry worldwide. The IGU organises the World Gas Conference (WGC) every three years, with the forthcoming WGC taking place in Washington, D.C., United States, in June 2018. The IGU's working organisation covers all aspects of the gas industry from exploration and production, storage, LNG, distribution and natural gas utilisation in all market segments. www.igu.org