

	<p>LNG SUPPLIES FOR ASIAN MARKETS (LNGA) 2018</p> <p><i>Lower For Longer: Implications For Asia's LNG Business</i></p> <hr/> <p>28 February – 1 March 2018 * Singapore</p>	<p>Supported by:</p>  <p>Organised by:</p> 
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Press Clipping

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LNG project investments thaw as Exxon eyes Mozambique, Qatar

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SINGAPORE (Reuters) - Investments in new liquefied natural gas (LNG) projects are thawing out after three years of low prices, with Exxon Mobil expecting to advance in Mozambique and Qatar, and Oil Search looking to expand in Papua New Guinea.

Surging gas demand from China and Southeast Asia is reassuring export project developers sitting on huge untapped gas discoveries across the globe that the market cycle is finally beginning to turn.

Oil executives at the LNGA conference in Singapore on Wednesday were upbeat on prospects for the development of new supply outside the United States, a recent magnet for LNG investments.

Exxon Mobil expects to advance “pretty soon” on Mozambique’s huge LNG export potential, said Frank Kretschmer, the company’s senior vice president for LNG marketing in Asia Pacific.

“We are presently in discussion with our partners on marketing arrangements and we will move forward pretty soon,” Kretschmer told Reuters.

Exxon completed its \$2.8 billion purchase of a 25 percent stake in Mozambique’s Area 4 gas reserves from Italian oil firm Eni last year, taking charge of developing one of the world’s biggest new sources of LNG.

Rival Mozambique gas developer Anadarko Petroleum last week announced its first binding long-term LNG sales from its planned project.

In a presentation, Kretschmer also said Exxon expected to expand its existing LNG export operations in top producer Qatar, in addition to already announced expansions in Papua New Guinea.

Qatar rocked the LNG industry last year when it said it plans to raise its liquefaction capacity by 30 percent from 77 million tonnes a year, either by building new production units or expanding existing ones.

Exxon is one of three main Western partners in Qatari LNG facilities, but the Gulf state has not yet publicly disclosed which companies will benefit from the expansion.

French major Total is competing for the Qatar expansion alongside Chinese and Indian national oil companies, industry sources at the conference said.

Next year, Exxon and partners also expect to sanction a doubling of capacity at their Papua New Guinea production venture, PNG LNG, Ian Munro, executive general manager at Oil Search, a participant in the project, told Reuters.

PAPUA NEW GUINEA LNG BONANZA

Munro said Oil Search was also considering independently building small-scale LNG export plants in Papua New Guinea to strengthen its supply to rich Asian markets.

The new batch of small LNG facilities would be of around 0.5 million to 1.5 million tonnes per year, Munro said.

“We have a drilling program beyond that and we have a number of high profile wells we’ll drill on and offshore over the next three years,” he said.

“We’re excited about smaller scale LNG opportunities and looking to grow beyond the big projects to provide a deeper portfolio to Asia,” Munro said.

Reporting by Oleg Vukmanovic; Editing by Richard Pullin and Tom Hogue