



## Market Commentary for December 17, 2018



From all of us here at Tellurian, we wish you all a safe and happy holiday season!

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### NATURAL GAS

#### Henry Hub

Day change: **\$0.299 down 7.8%** | Settle \$3.528 | January 2019

#### Waha Basis

Day change: narrowed | Settle: -\$2.495 | January 2019

Low point on curve: -\$2.678 | March 2019

#### TTF

Day change: **\$0.012, up 0.1%** | Settle \$8.245 | January 2019

#### JKM

Day change: **virtually unchanged** | Settle \$9.502 | January 2019

#### Cryo-spread

Day change: **\$0.326, up 10.8%** | Settle \$3.351 | January 2018

- 13 LNG carriers have been flagged as floating storage globally, down from a peak of around 30 vessels last month
- Qatar Petroleum plans to invest at least \$20 billion in the U.S., and not just at Golden Pass LNG, which QP says will make FID within weeks...
- ...QP head Saad al-Kaabi said the company is looking at "gas and oil, conventional and non-conventional..."
- ...and al-Kaabi added that U.S. legislation known as "NOPEC" was one of among the reasons the Qataris left OPEC, apparently taking the term very literally
- Germany's Uniper, the developer of an LNG terminal at Wilhelmshaven, has agreed with Mitsui OSK Lines to own, operate, and fund a 10 bcm/y FSRU terminal...
- ...and entered into a binding transport agreement with Mitsui for 180,000 cbm of LNG shipping capacity from Dec 2020 to optimize its 0.8 mtpa of Freeport volumes
- Hitachi plans to acquire 80.1% of ABB's power grid division for about \$6.4 billion as it shifts its focus from nuclear generation to electricity distribution
- Syngas or Singas? North Korea has accelerated a program to produce synthetic gas from its domestic coal supply to reduce its reliance on fuel imports...
- ...DPRK received the technology from China, but coal gasification is an old favorite among coal-rich, oil-poor pariah states, such as Nazi Germany in WW2

## OIL

### Brent

Day change: **\$0.67, down 1.1%** | Settle: \$59.61 | February 2019

### WTI

Day change: **\$1.32, down 2.6%** | Settle: \$49.88 | January 2019

- Qatar Petroleum is purchasing stakes in three offshore oil blocks from Eni in Mexico that will likely produce about 90,000 bpd by the end of 2021...
- ...and just in case you weren't tired of reading stories about Qatar today, Qatari Emir Sheikh Tamim bin Hamad al Thani reiterated its position that it will not engage in dialogue with Saudi Arabia until the Saudis lift an embargo on the nation
- ExxonMobil has taken the title of the most active driller in the Permian as it now operates more rigs than Concho Resources
- The group of activist investors led by the Church of England and NY state is pushing ExxonMobil to set targets on greenhouse gas emissions...
- ...after the group of investors successfully lobbied Shell to set similar targets
- [The limit does not exist!](#) Venezuela's hyperinflation rate has reportedly hit 1 million percent and is projected to hit 10 million percent by 2019...
- ...as the oil-backed cryptocurrency (more like cleptocurrency) called the Petro, has *shockingly* not built trust among market participants

#### Cautionary statement

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