LNG Market
Natural Gas Industry

- Natural Gas Price / Demand
  - Remained +/- $3 / mmbtu throughout 2017
  - Significant untapped natural gas reserves
  - Price likely to remain similar in 2018 (no OPEC equivalent)
  - Increasing demand
    - Conversion of coal power plants to natural gas
    - Fast-cycling natural gas plants to complement intermittent renewables
    - Products that use natural gas as a feed stock
      - Nitrogenous fertilizers / Methanol / Hydrogen gas production
      - $185 billion in new petrochemical plant and equipment investments currently in the planning and construction stages in the U.S.
    - Exports to Mexico
    - LNG Exports
      - Direct Use (Vehicles; Vessels)
        - Recognition of natural gas as a cleaner-burning fuel than oil / coal and supplemental / bridge fuel for renewables
LNG Exports

> Recently completed and planned projects
  – Cove Point / Sabine Pass
    • Tokyo Gas Co. and Kansai Electric Power Co. Inc.
  – Conversion of import facilities to export facilities (Elba Island)
  – Additional export terminals planned over the next two years
    • 5 Under Construction
    • 4 Permitted / Approved
    • 12 FERC EISs Scheduled (Q2 2019)
  – Deep Water Ports

> Increased natural gas production leads to increased exports
  – Decreased domestic price; Greater margin on exports

> U.S. projected to be a net exporter of natural gas on an average annual basis by 2018 and a net exporter of total energy in ~2020 primarily because of increasing natural gas exports
General Trends and Observations

> Public policy is favoring the industry
  – Lack of new regulatory initiatives from EPA or Department of Interior
  – New tax laws (January 1, 2018)
    • Tax rates decreased from 35% to 21%
    • Ability to expense Intangible Drilling Costs is retained (allows capital-intensive industry to raise capital)
    • Ability to expense additional capital investments (plant and equipment for the next five years)
  – Company profitability is significantly improved
    • Decreased regulatory costs
    • Rising demand
    • Expanding exports of domestic production
Thank you

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LNG Project Examples
Eagle’s facilities in Florida are strategically located near abundant gas supply, interstate pipelines, transportation hubs and a community receptive to the use of LNG.

**Eagle LNG Projects**

- **MAXVILLE**
  - In-Service Q1 2018

- **TALLEYRAND MARINE TERMINAL**
  - In-Service Q2 2018

- **JACKSONVILLE EXPORT FACILITY**
  - FERC Permitting
Eagle LNG Project Details

MAXVILLE LNG FACILITY
In service: Q1 2018
Initial Liquefaction: 87,000 GPD (330 m³/d)
Max Liquefaction: 200,000 GPD (760 m³/d)
Storage Size: 1,000,000 Gallons (3,800 m³)

TALLEYRAND LNG BUNKER DEPOT
In service: Q2 2018
Storage Size: 2 x 1,000m³ tanks
(~528,000 gallons total)

Upper pictures

Lower picture
Thank you

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