

### News Tracker:

-Natural gas spot price movements were mixed for the period Wednesday, July 26 to Wednesday, August 2 (the Report Week). The Henry Hub spot price fell from \$2.92 per million British thermal units (MMBtu) to \$2.77/MMBtu from open to close of the Report Week.

-At the New York Mercantile Exchange (Nymex), the August 2017 natural gas futures contract expired Thursday, July 27 at \$2.969/MMBtu. The September 2017 contract price decreased to \$2.811/MMBtu, down 10¢ from start to end of the Report Week.

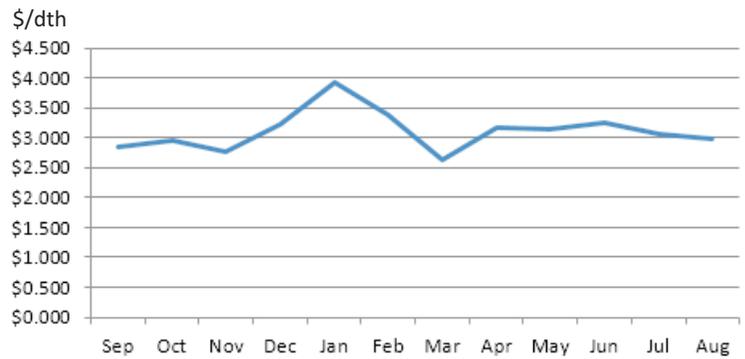
-Net natural gas injections into storage totaled 20 Bcf for the week ending July 28, compared with the five-year (2012-16) average net injection of 44 Bcf and last year's net withdrawals of 3 Bcf during the same week. The smaller-than-average net injections this week likely resulted from the warmer-than-normal temperatures in most of the Lower 48 states and increasing cooling demand for natural gas. Working gas stocks total 3,010 Bcf, which is 87 Bcf more than the five-year average and 279 Bcf less than last year at this time. This is only the third time that working gas levels exceeded the 3,000 Bcf threshold this early in the refill season. However, all three times that working gas levels exceeded this threshold occurred in the past five years. In 2012, working gas stocks reached 3,006 Bcf on June 15, and in 2016 working gas stocks were 3,041 Bcf by June 10. Prior to 2012, working gas stocks typically did not pass this threshold until September.

-Net injections into working gas are at 959 Bcf since March 31, 2017 the traditional beginning of the refill season compared with the five-year average of 1,137 Bcf over the same period. Smaller-than-average net injections to date during the 2017 injection season are the result of high electric sector demand (that was coupled with warmer-than-normal temperatures on average), relatively high levels of natural gas exports, and storage levels that were already above average at the start of the refill season

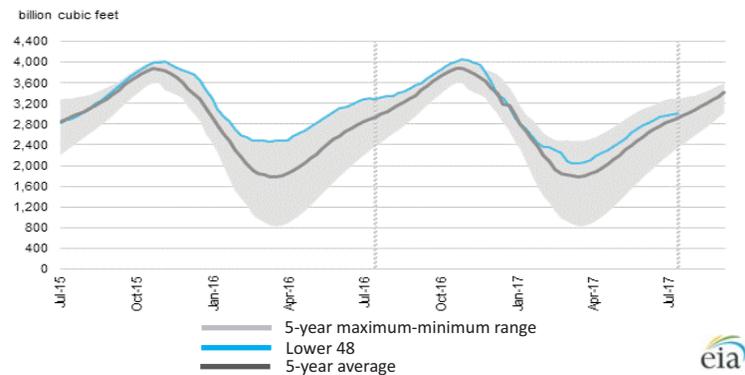
-According to Baker Hughes, for the week ending Friday, July 28, the natural gas rig count increased by 6 to 192. The number of oil-directed rigs rose by 2 to 766. The total rig count increased by 8, and it now stands at 958.

Excerpted from 

### Monthly NYMEX Natural Gas Settle Price: Jul2016 - Aug 2017:



### Working nat. gas in underground storage as of July 28, 2017



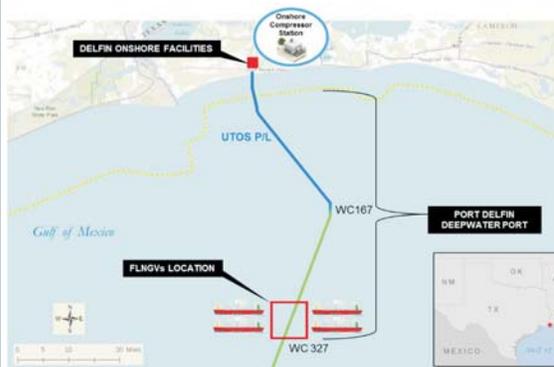
### Forward 12-month NYMEX natural gas strip price - Sep17-Aug18:

Process Load-weighted \$3.946/dth - w/o/w = ▼\$0.054  
 Typical Heat Load-weighted \$3.035/dth - w/o/w = ▼\$0.071

### First U.S. Floating LNG export facility receives approval to export to non-FTA countries:

On June 1, the Delfin LNG, LLC floating liquefaction project received approval from the U.S. Department of Energy (DOE) for long-term liquefied natural gas (LNG) exports of up to 1.8 billion cubic feet per day (Bcf/d) to countries that do not have free trade agreements with the United States (non-FTA countries). Delfin, located off the coast of Louisiana, is the first floating liquefaction facility in U.S. waters to receive such authorization. In 2014, it received authorization from DOE to export the same amount of LNG to FTA countries. The Delfin project includes onshore facilities in Cameron Parish, Louisiana, pipelines to move natural gas offshore approximately 40 miles to an offshore port with up to four moorings, and four floating liquefaction vessels. Unlike LNG terminals located onshore or in state waters, where the Federal Energy Regulatory Commission (FERC) is the lead agency to perform the National Environmental Policy Act (NEPA) review, facilities like Delfin, which is located in federal waters, are reviewed under NEPA by the Maritime Administration of the Department of Transportation (MARAD). In addition, for terminals located in deep water, the U.S. Coast Guard (USCG) and governors of adjacent coastal states must also give approval. Delfin received a positive Record of Decision from MARAD and the USCG on March 13. Because onshore facilities are included in the project, Delfin is also seeking FERC approval. If Delfin receives approval and reaches a final investment decision, it currently expects to be operational in 2021 or 2022. With this ruling, DOE has approved LNG exports of 21 Bcf/d to non-FTA countries. LNG export projects already in operation or under construction and expected to enter service before 2020 have the capacity to export 9.4 Bcf/d. For comparison, the 2016 global trade in LNG totaled 34.7 Bcf/d according to the International Group of Liquefied Natural Gas Importers.

Excerpted from 



If you think you can do a thing or think you can't do a thing, you're right. -Henry Ford<sup>1</sup>