

SUMMARY

The Office of Oil and Gas Global Security and Supply, Office of Natural Gas Regulatory Activities prepares quarterly reports showing natural gas import and export activity. Companies are required, as a condition of their authorizations, to file monthly reports. This Natural Gas Import and Export Report is for the fourth quarter of 2008 (October through December).

Sections 1 and 2 contain quarterly and annual summary charts and tables. Section 3 contains detailed transactions of all imports and exports. The data in Section 3 is separated by long-term imports, long-term exports, short-term imports, and short-term exports. There is a table of contents for your convenience. This quarterly report includes additional graphics providing annual summaries for 2008, comparisons of 2008 with 2007, and analyses of long-term trends.

Fourth Quarter Highlights

Imports totaled 1,022.5 Bcf and exports totaled 274.5 Bcf, resulting in net imports of 748 Bcf. As usual, most of the imports came from Canada, comprising 90 percent of the total. Imports from Mexico made up about 2 percent and LNG imports made up the remaining 8 percent of the total. As illustrated in the following tables, imports were up 4.3 percent compared to last quarter. This was due mostly to the increase in imports from Canada (up 6.2 percent) and despite the decrease in LNG imports (down 17.6 percent). Imports were down 7.5 percent compared to the fourth quarter 2007. This was due to a 9.4 percent decline in Canadian imports. LNG and Mexican imports were both up compared to the fourth quarter 2007. Import prices noticeably decreased for all three categories compared to last quarter. Canadian import prices were down compared to the fourth quarter 2007 but Mexican and LNG import prices increased.

Exports totaled 274.5 Bcf this quarter, increasing by 41.8 percent compared to last quarter. This increase was entirely due to the 107.6 percent increase in exports to Canada. Exports were up 9.1 percent compared to the fourth quarter 2007 with increases in all three categories of exports. This quarter, the majority of exports went to Canada, making up 65.8 percent of the total. Exports to Mexico comprised 29.9 percent and LNG imports comprised 4.3 percent of the total exports during the fourth quarter 2008.

LNG imports decreased 17.6 percent compared to last quarter but increased 2 percent compared to the fourth quarter 2007. The number of LNG import cargos significantly decreased compared to last quarter (29 vs. 36 cargos), but remained close to the fourth quarter 2007 number (30 cargos). LNG import prices were up by 17.4 percent compared to the fourth quarter 2007, but decreased by 18.3 percent compared to last quarter. LNG exports by vessel increased 5 percent compared to the fourth quarter 2007 but were down 22.9 from last quarter.

Annual Highlights

Imports totaled 4,048.2 Bcf in 2008 which was a 13.5 percent decrease compared to 2007 (4,681.6 Bcf). Canadian, Mexican and LNG imports all showed decreases. The average price of imports increased 27.1 percent compared to 2007 (\$6.69 in 2007 vs. \$8.51 in 2008). Once again, the price increase was seen in all three import categories.

Exports totaled 1,005.7 Bcf in 2008. This is a 22.3 percent increase over 2007 total exports (822.5 Bcf). The average 2008 export price increased 24.4 percent over the average 2007 export price. The volume and price increases were seen in all three export categories.

The number of LNG cargos dropped from 274 in 2007 to 131 in 2008. The total import volume dropped from 770.8 Bcf in 2007 to 351.7 Bcf in 2008, representing a 54.4 percent decrease. The average price of imported LNG increased 43.1 percent, going from \$6.66 in 2007 to \$9.52 in 2008.

Please refer to the following tables and graphics for more data comparisons and details.

Please note that the data in this Report is subject to revision. Revisions occur when companies file late or corrected data after the Report has been published. The Quarterly Report is available on the Fossil Energy Web Site at <http://www.fe.doe.gov> (click on Natural Gas Regulation). We welcome questions or comments about this Report. They should be directed to Yvonne Caudillo at (202) 586-4587 or by E-mail at yvonne.caudillo@hq.doe.gov.