

## Comments from Private Equity Stakeholder Project for 2024 LNG Export Study: Energy, Economic, and Environmental Assessment of U.S. LNG Exports

As the buildout of the US LNG export industry continues to [harm frontline communities and the environment along the Gulf South](#), international investors are flooding the market to take advantage of [cheap American gas](#). Outside of bank financing and other traditional lenders, foreign investors take equity stakes in existing and proposed US LNG export terminals.

According to the [U.S. Energy Information Administration](#), the United States exported 7.1 billion cubic feet per day (bcf/d) to Europe in 2023. Independent research from the Private Equity Stakeholder Project found that 14 equity investors from 8 foreign countries have financed a total of 11.5 bcf/d of capacity in US LNG exports from US LNG export terminals. This high level of foreign investment means that a significant amount of profits from US LNG terminals currently goes to firms based in other countries. This investment by foreign investors represents about 78% of the peak export capacity from operating US LNG terminals in 2023.<sup>1</sup>

### Largest foreign equity investments concentrated in four countries

PESP analysis found that four countries finance over 1 bcf/d of US LNG exports from a combination of operating terminals and proposed terminals. Woodside Energy's recent [acquisition](#) of the [struggling Driftwood LNG](#) and private equity firm [IFM's 57.6% interest in the planned expansion of Freeport LNG](#) put Australia as a lead international equity financier of 5.2 bcf/d from these two proposed LNG projects. [QatarEnergy's 70% financing of Golden Pass LNG](#) places Qatar as the second largest financing followed by Japanese companies, Japan LNG Investments, Japex, JERA, Mitsui & Co, and Osaka Gas financing about 1.6 bcf/d of LNG for [Delfin LNG](#), [Freeport LNG](#), and [Cameron LNG](#). Finally, Canadian private equity firm, Brookfield Asset Management, [owns a 25% stake of the operating LNG export terminal Cove Point LNG](#) as well as a [stake in Sabine Pass LNG](#) financing about 1.2 bcf/d of LNG exports.

Outside of equity investments in individual LNG export terminals, the Abu Dhabi Investment Authority has completed deals with the parent companies of LNG terminals including [Sempra](#) and [Cheniere Energy](#). Additionally, South Korean company, Hanwha Group announced [an acquisition of 17.5 million shares](#) of Rio Grande LNG's NextDecade earlier this year.

### International equity investors impact the “public interest” of LNG exports for Americans

The [pause on LNG exports in January of 2024](#) was created to allow for the Department of Energy (DOE) to update the analysis that informs the agency's determination of whether LNG exports are in the public interest of Americans. Currently, the public interest determination

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<sup>1</sup> Total peak export capacity was 14.01 bcf/d according to the EIA. <https://www.eia.gov/energyexplained/natural-gas/liquefied-natural-gas.php#:~:text=U.S.%20LNG%20baseload%20export%20capacity,Bcf%2Fd%20to%2017%20countries>

Corporate equity deals by the Abu Dhabi Investment Authority and Hanwha Group were not counted in topline findings or capacity calculations.

relies on a 2018 commissioned study whose findings are inconsistent with the reality of the LNG buildout and its impacts on Americans. The [study finds](#),

*“Under these export scenarios, as U.S. LNG exports increase, U.S. households receive additional income from two sources. First, the LNG exports provide additional export revenues, and second, households who hold shares in companies that own liquefaction plants receive additional income from take-or-pay tolling charges for LNG exports. These additional sources of income for U.S. consumers outweigh the income loss associated with higher energy prices.”*

According to PESP analysis, this 2018 study is out of date and does not align with current findings. The data indicates that a substantial amount of revenues from LNG exports will flow to overseas investors, not directly benefitting American companies. Additionally, of the 17 companies researched for PESP’s analysis, 58% of them are not publicly traded.<sup>2</sup>

As the DOE updates its public interest determination of proposed LNG exports, the impact of non-US foreign equity investors must be considered. The fact that foreign investors have financed 11.5 bcf/d of gas, more than the total amount that the U.S. exported to all of Europe, likely has domestic economic implications and should be a factor in the DOE determination. As federal agencies and policymakers weigh the costs on the climate of dramatically increasing the amount of natural gas on the world market, the US should also consider economic benefits for Americans and the U.S. economy.

Respectfully submitted,

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*A web version of this information has also been published at*  
<https://pestakeholder.org/news/profits-from-u-s-lng-exports-will-flow-overseas/>

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<sup>2</sup> Ten of the 17 companies in are not publicly traded including, Abu Dhabi Investment Authority, ADNOC, Devonshire Investment, Hanwha Group, IFM Investors, Japan LNG Investments, JERA, Mubadala Investment Company, QatarEnergy, and Woodside Energy