

## 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 2009 (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 2009, comparisons of 2009 with 2008, and analyses of long-term trends.

### **Fourth Quarter Highlights**

Imports totaled 934.4 Bcf and exports totaled 289.2 Bcf, resulting in net imports of 645.2 Bcf. As usual, most of the imports came from Canada, comprising nearly 89 percent of the total. Imports from Mexico made up less than one percent and LNG imports made up over 10 percent of the total. As illustrated in the following tables, imports were down 4.3 percent compared to last quarter. This was due to an across the board decrease in all imports. Imports were down 8.6 percent compared to the fourth quarter 2008. This was mostly due to a 10 percent decline in Canadian imports, reinforced by a 69 percent decrease in Mexican imports, but in spite of a 22 percent increase in LNG imports. Import prices noticeably increased for all three categories compared to last quarter (up an average of over 41 percent). However, import prices were down by nearly 32 percent compared to the fourth quarter 2008.

Exports totaled 289.2 Bcf this quarter, increasing by over 21 percent compared to last quarter. This increase was mostly due to the nearly 44 percent increase in exports to Canada. Mexican exports were down by over 9 percent and LNG exports were up by 8.5 percent compared to the last quarter. Exports were up almost 10 percent compared to the fourth quarter 2008. This quarter, the majority of exports went to Canada, making up over 66 percent of the total. Exports to Mexico comprised nearly 30 percent and LNG imports comprised nearly 4 percent of the total exports during the fourth quarter 2009.

LNG imports decreased 10.8 percent compared to last quarter but increased 22.3 percent compared to the fourth quarter 2008. The number of LNG import cargos decreased compared to last quarter (36 full cargos plus one partial cargo vs. 40 full cargos), but increased compared to the fourth quarter 2008 number (29 cargos). LNG import prices were up by over 10 percent compared to last quarter, but decreased by 51 percent compared to the fourth quarter 2008. LNG exports by vessel increased 8.5 percent compared to last quarter and by 19 percent compared to the fourth quarter 2008. LNG export prices were up 8.5 percent compared to last quarter and by 12.6 percent compared to the fourth quarter 2008.

### **Annual Highlights**

Imports totaled 3,819.5 Bcf in 2009 which was a 5.6 percent decrease compared to 2008 (4,048.1 Bcf). Canadian and Mexican imports showed decreases while LNG imports increased. The average price of imports decreased 52 percent compared to 2008 (\$8.51 in 2008 vs. \$4.09 in 2009). The price decrease was about even in all three import categories.

Exports totaled 1,071.3 Bcf in 2009. This is an 11.2 percent increase over 2008 total exports (963.3 Bcf). The 2009 average export price decreased 48.1 percent from the 2008 average export price. The increase in volume was due to the increase in Canadian exports and in spite of decreases in Mexican and LNG exports. Prices were down in Canadian and Mexican exports but up in LNG exports.

The number of LNG cargos grew from 131 in 2008 to 163 full cargos plus one partial cargo in 2009. The total LNG import volume was up from 351.7 Bcf in 2008 to 452 Bcf in 2009, representing a 28.5 percent increase. The average price of imported LNG decreased 54.2 percent, going from \$9.52 in 2008 to \$4.36 in 2009.

LNG "re-exports" began this year. Re-exports are cargos that are imported into the U.S., put in storage at the terminal, and then later exported to another country. The first and only such re-export in 2009 occurred in December when Citigroup Energy re-exported a cargo from the Freeport, Texas LNG terminal to South Korea.

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](mailto:yvonne.caudillo@hq.doe.gov).