

LNG demand still growing: Woodside

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LIQUEFIED natural gas demand is expected to continue growing – albeit at a somewhat slower rate, according to Woodside Petroleum marketing president Reinhardt Matisons.

He said during Woodside's investor day presentations that according to an independent forecast by Wood Mackenzie, LNG demand, though slightly reduced from last year, was still forecast to grow at 7% per annum through to 2020.



"That means the current market of 180 million tonnes per annum would grow to about 400 million tonnes per annum by 2020," he added.

"That is a huge challenge for the industry and we struggle actually to see how supply can keep up with that kind of demand projection."

Matisons noted that while traditional LNG importers such as Japan, Korea and Taiwan would underpin Woodside's new projects such as Pluto and Sunrise, demand from China and India was also strong.

"These markets can absorb any surplus LNG that comes into the market and thus keep the market really tight for the foreseeable future," Matisons said.

He added that not only had Woodside not seen any slowdown in requests from north Asian buyers, China was also prepared to pay market prices as was demonstrated by a number of deals done last year.

"Notwithstanding the financial crisis, we still see a good strong, long-term market for our LNG. Put that another way – the market won't hold up our projects," Matisons said.