

Memo

To: Global Gas Associates
From: Susan L. Sakmar
Date: January 24, 2012
Re: 3rd Research Assignment - Economic Benefits and US LNG Exports
Due Date: January 29, 2012

Overview:

To counter the impact that Gasland has had on the public's perception of shale gas development in Atlantis, a group of industry representatives, including the energy consultancy firm IHS went to Atlantis to meet with the government. At the meeting, the industry group highlighted the significant economic benefits of shale gas in the US and provided the government with the report found in Tab 3.

The Government of Atlantis was impressed with the industry group and is eager to experience the economic boon that it now perceives will result from shale gas development. At the same time, however, the government of Atlantis continues to be pressured by the public NOT to pursue shale gas development and this issue has become the main source of news in Atlantis. The Government of Atlantis is struggling with how to proceed and would like to consider other options.

One of the options the Government is considering is building an LNG import terminal to import whatever natural gas it may need in the future. They have heard that the United States is going to be a major exporter of LNG and since Atlantis and the US have very good diplomatic relations, the Government is considering just importing whatever gas it needs from the US and forgoing shale gas development for now. They would like to know the following:

1. What are the main economic benefits from shale gas development? Do these apply to Atlantis? Are there economic studies done by other countries on the benefits of shale gas? You may limit your research to studies done by your home country or state.
2. What is the regulatory procedure for US LNG exports?
3. Can Atlantis import LNG from the US? Are there any legal or regulatory issues they should be aware of?
4. What is the status of US LNG exports? How many companies are looking to export? When will exports start?