

To: Shale Gas & LNG Course  
From: Professor Sakmar  
Date: February 24, 2016  
Re: 3rd Research Assignment – US LNG Exports  
Due Date: March 4/5, 2016

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We are now turning to the LNG portion of the class and will start by looking at US LNG exports. The assigned reading is Chapter 2, 3, 5 & 6. We will focus much of our attention on Cheniere ([www.cheniere.com](http://www.cheniere.com)), which has the first US LNG export terminal under construction and is discussed in more detail in Chapter 11 (pp. 325-346 - background on Cheniere) and US LNG exports and Chapter 12 (p. 360-380 - update on US LNG exports and Cheniere). The reading should be fairly quick but focus your attention on understanding key LNG contract terms (Chap. 6) and spend some time understanding the regulatory framework for US LNG exports and Cheniere's business model.

### **Research assignment**

Please turn in 1-3 pages answering the following questions about Cheniere's Sabine Pass Project:

1. Describe the regulatory approval process for US LNG exports. Be sure to discuss FTA v. non-FTA approval.
2. Give a short overview of Cheniere's Sabine Pass LNG project
3. Who are Cheniere's buyers (offtakers)?
4. What are the key contract terms between Cheniere and its off-takers?
5. Are Cheniere's contracts linked to oil or something else?
6. What is the status of Cheniere's export project?
7. If you were advising a new LNG buyer, would you advise an oil-linked contract or something else?

### **CURRENT EVENT - ANY ARTICLE RELATED TO US LNG EXPORTS**