

BP Sees U.S. LNG as 'Just in the Money' Amid Global Price Plunge
2019-08-07 19:15:10.409 GMT

By Naureen S. Malik

(Bloomberg) -- Amid a global collapse in natural gas prices, American exports are barely in the money, according to BP Plc.

The last year has seen a sharp reversal in the economics of shipping liquefied natural gas overseas. The discount between the Louisiana benchmark price and what the fuel fetches in places like Europe and Asia is now much narrower.

U.S. LNG is now "just in the money" and "we have seen it dip just below the money at times," Jared Barton, vice president of marketing and origination at BP Energy Co., a unit of the British energy company, said at LDC Gas Forums' Rockies & West conference in Los Angeles.

American shipments of LNG have surged in the past year as more export terminals come online.

"Gas is no longer a continental commodity in the U.S.," Barton said Tuesday. "Watch weather, watch global LNG demand and other geopolitical factors that could affect storage."

To contact the reporter on this story:

Naureen S. Malik in New York at nmalik28@bloomberg.net

To contact the editors responsible for this story:

Simon Casey at scasey4@bloomberg.net

Joe Carroll