



THE CENTER FOR
Liquefied Natural Gas

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LNG Industry in Position to Increase Natural Gas Supplies, Executive Tells Senate

Washington, D.C. -- Greater access to global natural gas markets is one very important way to make new supplies of natural gas available -- benefiting energy customers while simultaneously helping to preserve U.S. chemical and manufacturing jobs, according to a presentation to senators today by the head of the Center for Liquefied Natural Gas (CLNG).

"One of the greatest benefits of LNG is that new supplies of natural gas could enter the market within the next few years, well ahead of other opportunities, to offer relief to American consumers," said CLNG Executive Director Richard Sharples, appearing before the Senate Energy and Natural Resources Committee during a bipartisan natural gas conference.

Selected from 120 written submissions, Sharples was among 32 presenters chosen to participate in panel discussions before the committee. In his remarks, he emphasized the importance of LNG as an integral part of our nation's future energy portfolio, as well as its excellent worldwide track record.

"LNG has been delivered across the oceans for about 45 years without major accidents or safety problems, either in port or on the high seas. In that time, there have been more than 80,000 LNG cargo deliveries, covering more than 100 million miles. Today, more than 150 LNG ocean tankers safely transport more than 110 million metric tons of LNG annually to more than 40 ports around the world," he told the panel.

According to the U.S. Energy Information Administration's (EIA) recently released "2005 Annual Energy Outlook," demand for natural gas in the U.S. is expected to grow by 25 percent during the next 10 years. Both the EIA and the National Petroleum Council (NPC) have recognized that LNG, along with the development of other domestic resources, will be necessary to meet future demand.

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Sharples also underscored the policies that should be considered with respect to LNG terminal siting and overall LNG safety, saying CLNG supports the continuation of both a federal oversight role and the extensive coordination that exists among local, state and federal agencies to facilitate and streamline regasification terminal permitting. The center supports an open, inclusive and thorough process. It also supports an efficient process that recognizes the urgency associated with bringing new supplies of energy to this country.

As for the risks associated with energy deliveries, Sharples emphasized the need to keep those risks in perspective. The robust worldwide trade of LNG that takes place every day is proof that LNG can be handled safely and securely, he said, recommending that industry, regulators, the executive branch and the Congress play a role in communicating with the public so that it can make informed decisions about constructing much-needed energy infrastructure.

“Our natural gas supply challenges will not be solved solely by expanding production in the Rocky Mountains or the Outer Continental Shelf, or solely by building an Alaskan natural gas pipeline, or solely by importing more LNG. In order to meet anticipated demand, we must pursue all of these options and more, including increased energy efficiency and conservation,” Sharples said.

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CLNG is a broad coalition of producers, shippers, terminal operators and developers, energy trade associations and natural gas consumers. Its goal is to enhance public education and understanding about LNG by serving as a clearinghouse for LNG information.