

What is LNG?

LNG, or liquefied natural gas, is a clear, odorless, noncorrosive, nontoxic liquid that is formed when natural gas is cooled to around -260 F. This shrinks the volume by about 600 times, making the resource easier to store and transport through marine shipments. LNG is not stored under pressure and is not explosive or flammable in its liquid state, and it cannot be released rapidly enough to cause overpressures associated with explosions.

Natural Gas Resources and Consumption

Industry advancements in hydraulic fracturing and horizontal drilling have led to a dramatic increase in the estimated recoverable shale gas resources located in the United States. Development of these clean-burning natural gas resources is dependent upon the ability to utilize hydraulic fracturing in operations, as an estimated 70 percent of our domestic natural gas in the future will come through the use of hydraulic fracturing.

The U.S. Energy Information Administration (EIA) estimates that total U.S. consumption of natural gas from 2015 to 2035 is only 25.8 percent of their resource estimates, and consumption is only 16.1 percent of resource estimates by the energy consulting firm ICF International.

Why Export LNG and What are the Benefits?

America is in the midst of an energy revolution. As of 2012, unconventional oil and natural gas development supported 2.1 million jobs, and it is projected to support 3.9 million jobs by 2025. This year, according to EIA, we surpassed Russia as the world's energy superpower – producing more oil and natural gas than any other country. The export of liquefied natural gas – or LNG – represents one of the most promising economic opportunities of the shale revolution. These exports will significantly reduce our trade deficit, increase government revenues, grow the economy, and support millions of U.S. jobs in engineering, manufacturing, construction, and facility operations.

LNG Exports and Safety

LNG has been safely handled for several decades, more than 135,000 LNG carrier voyages have taken place without major accidents or safety or security problems, either in port or at sea. LNG history in the U.S. dates back to 1940's and LNG tanker trade initiated with exports in 1969. LNG ships are double-hulled, with more than six feet of void space or water ballast between the outer and inner hulls and the cargo tanks. The double hulls help to prevent leakage or rupture in the event of an accident. LNG ships are also equipped with sophisticated leak detection technology, emergency shutdown systems, advanced radar and positioning systems, and numerous other technologies designed to ensure the safe and secure transport of LNG. Finally, the U.S. Coast Guard determines the suitability of every LNG ship that delivers cargoes into and out of the U.S. through a rigorous annual inspection.

LNG and Louisiana

Louisiana is uniquely poised to benefit from the development of LNG exports. Louisiana already has the infrastructure in place from the Haynesville and Gulf of Mexico natural gas reserves, to the comprehensive pipeline network, to the LNG export facilities in southwest Louisiana, through the port facilities. Louisiana workers will benefit from the thousands of high-paying jobs to develop and operate these facilities. State and local governments will benefit from the billions of dollars of revenue generated by corporate and individual income taxes, sales taxes, property taxes, and gas production taxes spurred by increased production.

The Louisiana Mid-Continent Oil and Gas Association (LMOGA) has represented the oil and gas industry in the state since 1923. LMOGA proudly represents the major companies involved in the burgeoning LNG industry.

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