



5 LNG Export Projects Investors Should Know About

The United States is slated to become the world's third-largest exporter of liquefied natural gas by 2020. These facilities will get the party started.



Maxx Chatsko ([TMFBlacknGold](#))

Aug 31, 2018 at 7:35AM

Last year, the United States became a [net exporter of natural gas](#) for the first time since 1957. Although 77% of exports traveled through pipelines, that's down from 98% in 2012. The rest came from liquefied natural gas (LNG) shipped on specialized ocean tankers. The nation exited 2017 with three LNG export terminals boasting a combined capacity of 3 billion cubic feet per day (Bcf/d). That's a pretty big number, but it will seem laughably small in a decade or so.

If investors add up all LNG export facilities that have been approved by (12, including three that are operating) and proposed to (14) American energy regulators, then they arrive at a combined LNG export capacity of 44.2 Bcf/d. Some may never get built. Those that do may not enter service for another decade or more. Either way, it shows the incredible potential of the fledgling American LNG industry.

I understand that 44.2 Bcf/d is almost so large it doesn't make sense, but investors looking to gain a foothold in the up-and-coming industry shouldn't feel overwhelmed. Here are five LNG export projects energy investors should know about.

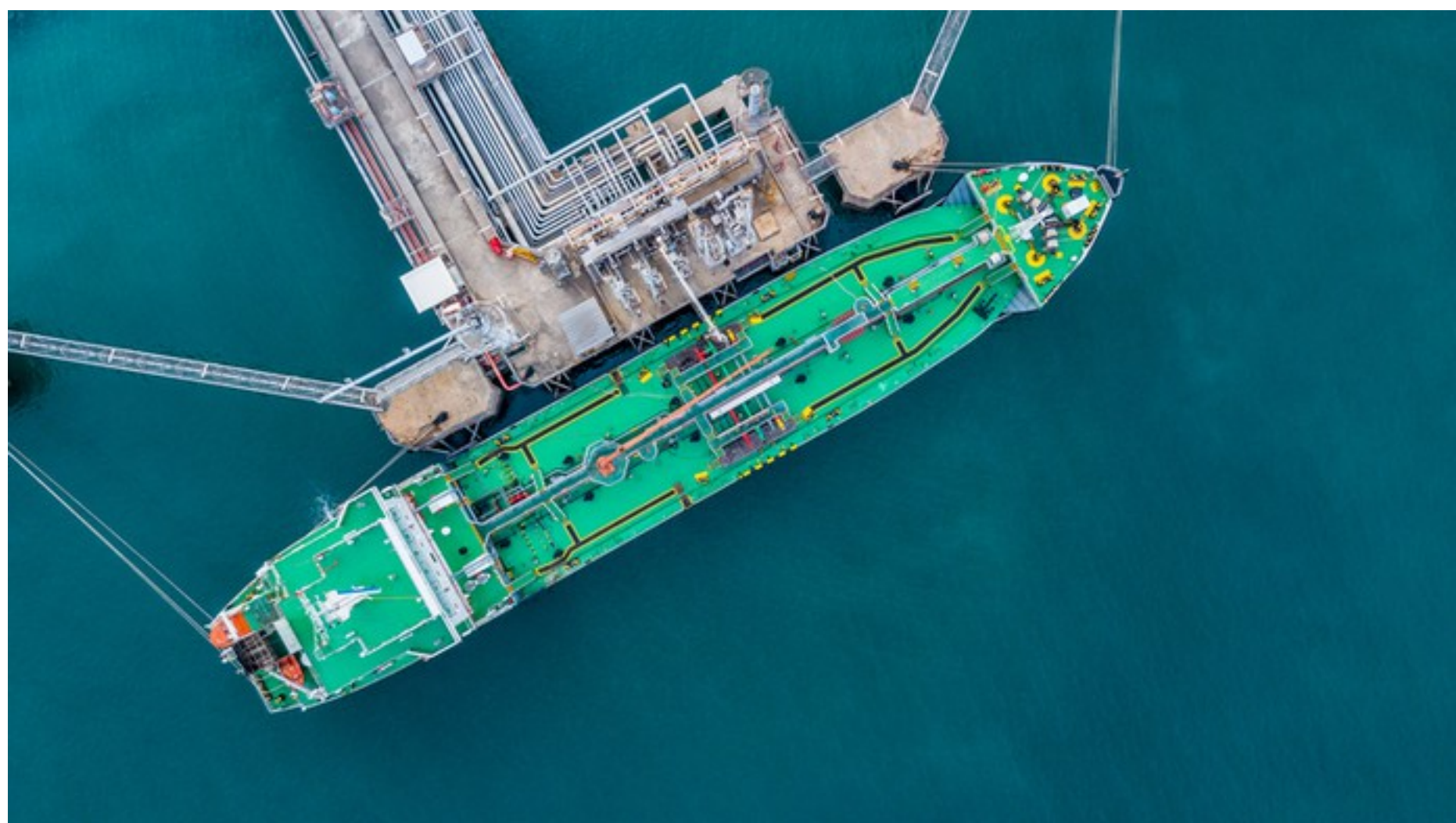


IMAGE SOURCE: GETTY IMAGES.

Kicking off the export bonanza

Cheniere Energy ([NYSEMKT:LNG](#)) was the first company to make a bold bet on the potential for the United States to export large volumes of excess natural gas. It was risky, but it's paid off in spades. The business posted \$3.8 billion in revenue and

over \$1 billion in operating income in the [first half of 2018](#) -- and that's all from a single -- albeit massive -- facility.

In 2016, Sabine Pass became the first new major LNG export terminal in the country. It wields a capacity of 2.8 Bcf/d, although approved expansion projects will add 1.4 Bcf/d. No other approved or proposed facility matches that combined volume, but the list of projects expected to come on line by the end of 2019 includes a few other monsters dotting the Gulf Coast. That includes Corpus Christi, the second facility of Cheniere Energy.



| LNG Export Terminal | Majority Owner | Start-Up Date | Approved Annual Capacity |
|---------------------|--|--------------------------------|---|
| Sabine Pass | Cheniere Energy | 2016 | 2.8 Bcf/d (operating) 1.4 Bcf/d (under construction) |
| Cameron | Sempra Energy (NYSE:SRE) | 2019 | 2.1 Bcf/d 1.4 Bcf/d (approved, not under construction) |
| Corpus Christi | Cheniere Energy | 2019 | 2.14 Bcf/d |
| Freeport | Freeport LNG | September 2019 | 2.14 Bcf/d |
| Golden Pass | ExxonMobil (NYSE:XOM) | Finalizing investment decision | 2.1 Bcf/d |

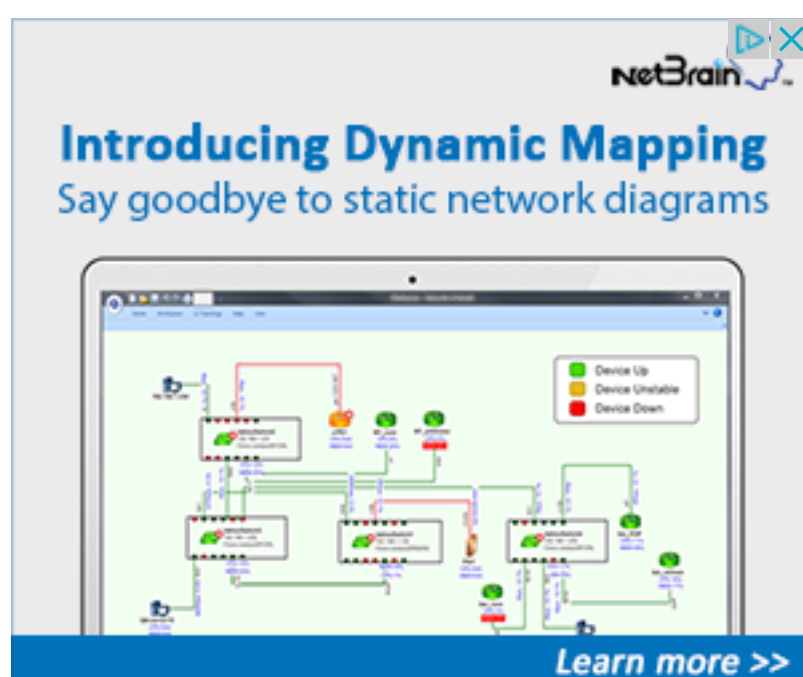
DATA SOURCES: EIA, FERC, AND COMPANY RESOURCES.

While there are also LNG export terminals currently or soon-to-be operating at Elba Island (**Kinder Morgan, Southern Company**), Cove Point (**Dominion Energy**), and Kenai (**ConocoPhillips**), they have a combined export capacity of 1.3 Bcf/d. They're just not going to be big needle-movers for their owners, individual investors included.

That's not the case for the five projects in the table above. For instance, Sempra Energy owns a 50.2% stake in the Cameron LNG project, which is expected to bring three production units (called "trains" in industry lingo) on line in 2019. The first two were originally expected to come on line by now, but were delayed. It won't matter much once they're all ramped up: Cameron LNG is expected to export \$8.6 billion of LNG each year, plus another \$2.2 billion in natural gas liquids and crude oil. And that doesn't include two more production units already approved by the Federal Energy Regulatory Commission (FERC).

Not wanting to get complacent with its early lead, Cheniere Energy is expanding the existing Sabine Pass from the four production units already in service. A fifth train is expected to start commercial operations in the second quarter of 2019.

Construction has yet to begin for the sixth train, although it has received regulatory approval. Meanwhile, the first two trains at Corpus Christi are expected to start up in the first half of 2019, with a third about to begin construction.



[LNG TOTAL RETURN PRICE DATA BY YCHARTS.](#)

Those will be quickly followed by Freeport LNG with the export terminal of the same name. While the company is privately held right now, the customer base for the project shows electric utilities, industrial companies, and Asian countries, in general, are all eager to get their hands on the cheap energy source. For instance, the project will ship supercooled gas to electric utility **Tokyo Electric Power Company** (desperate to replace its nuclear generation fleet), oil major **BP**, conglomerate **Toshiba Corp**, and an electric and gas utility in South Korea.

Last but not least is the Golden Pass export terminal proposed by ExxonMobil (majority owner), ConocoPhillips, and Qatar Petroleum. While no final investment decision has been made, the project may be able to come on line a little quicker than most. That's because it's converting an existing import terminal to send gas in the other direction (similar to Cheniere Energy's Sabine Pass facility), which means it has a good chunk of existing pipeline and port infrastructure already in place. Another potential catalyst: it's located in Sabine Pass, Texas, which is home to a lot of LNG process know-how and infrastructure -- something that can't be discounted in the early goings of the industry.



IMAGE SOURCE: GETTY IMAGES.

These five LNG projects are just a start

While the five LNG export terminals discussed above will get the party started for America's soon-to-be dominance in global energy markets, there are a handful more projects coming down the pipeline. Some of those will test out newer technology, such as smaller or faster liquefaction trains, that project sponsors say will provide industry-leading economics. Some will sport new business models, partly in response to [shifting market dynamics](#) that the pioneers avoided by locking in long-term contracts. The main takeaway is simple: Energy investors should get familiar with the LNG industry because it's here to stay.



10 stocks we like better than ExxonMobil

When investing geniuses David and Tom Gardner have a stock tip, it can pay to listen. After all, the newsletter they have run for over a decade, *Motley Fool Stock Advisor*, has tripled the market.*

David and Tom just revealed what they believe are the [ten best stocks](#) for investors to buy right now... and ExxonMobil wasn't one of them! That's right -- they think these 10 stocks are even better buys.

[See the 10 stocks](#)

*Stock Advisor returns as of January 1, 2019

Maxx Chatsko has no position in any of the stocks mentioned. The Motley Fool owns shares of and recommends Kinder Morgan. The Motley Fool has

This Marijuana Stock Could be Like Buying Amazon for \$3.19

A little-known Canadian company just unlocked what some experts think could be the key to profiting off the coming marijuana boom.

And make no mistake – it is coming.

Cannabis legalization is sweeping over North America – 10 states plus Washington, D.C., have all legalized recreational marijuana over the last few years, and full legalization came to Canada in October 2018.

And one under-the-radar Canadian company is poised to explode from this coming marijuana revolution.

Because a game-changing deal just went down between the Ontario government and this powerhouse company...and you need to hear this story today if you have even considered investing in pot stocks.

Simply click here to get the full story now.

[Learn more](#)

AUTHOR



Maxx Chatsko
([TMFBlacknGold](#))

Maxx has been a contributor to Fool.com since 2013. He graduated from SUNY-ESF (2012) with a Bachelor of Science in Bioprocess Engineering and from Carnegie Mellon University (2016) with a Master of Science in Materials Science & Engineering.

ARTICLE INFO

Aug 31, 2018 at 7:35AM

Energy, Materials, and Utilities

STOCKS

ExxonMobil



NYSE:XOM

\$71.72 \$0.33 (-0.46%)



Sempra Energy

NYSE:SRE

\$114.06 \$0.37 (-0.32%)



Cheniere Energy

NYSEMKT:LNG

\$64.50 \$-1.21 (-1.84%)



Toshiba Corp (...)

NASDAQOTH:TOSBF

\$30.22 \$0.17 (0.57%)



ConocoPhillips

NYSE:COP

\$66.39 \$-1.55 (-2.28%)



Dominion Ener...

NYSE:D

\$69.85 \$-2.05 (-2.85%)



BP

NYSE:BP

\$40.24 \$0.46 (-1.13%)



Kinder Morgan

NYSE:KMI

\$17.11 \$0.25 (-1.44%)



TOKYO ELEC ...

NASDAQOTH:TKECF

\$6.78 \$0.08 (1.19%)



Southern Com...

NYSE:SO

\$46.61 \$0.27 (0.58%)

RELATED ARTICLES

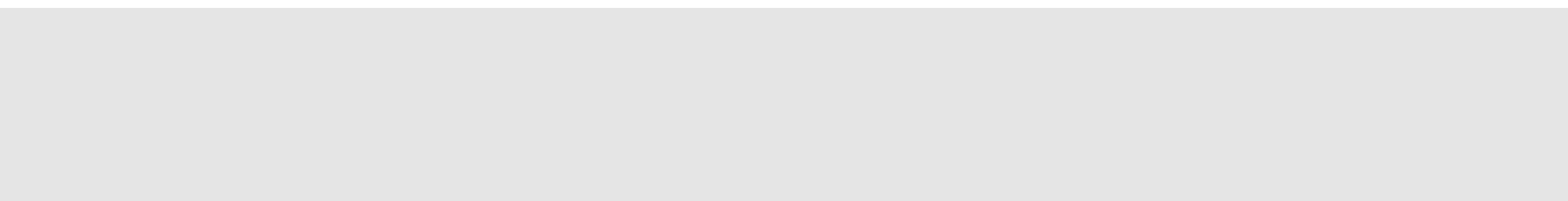
[3 Dividend Aristocrats to Buy and Hold Forever](#)

[Why These Global Oil Giants Fell 12% or More in 2018](#)

[Forget ExxonMobil: Kinder Morgan Is a Better Oil and Gas Stock](#)

Why These Three Oil Company Stocks Collapsed in December

Meet the 2019 Dogs of the Dow



3 Dividend Aristocrats to Buy and Hold Forever

We think these dividend stocks can continue growing their payouts for a very, very long time.



Matthew DiLallo, Travis Hoium, And Todd Campbell (TMFmd19)

Jan 12, 2019 at 8:19AM

While the official definition of [Dividend Aristocrat](#) is a company that has increased its dividend for 25 consecutive years, we're more interested in finding those that can grow their payouts for the next two and a half decades, and then some. That's because companies that consistently [increase their dividends](#) have proven to be winners over the long term.

With that in mind, three companies that not only have long histories giving their investors annual raises, but also the ability to keep doing so for years to come are **McCormick & Company** (NYSE: MKC), **ExxonMobil** (NYSE: XOM), and **Microsoft** (NASDAQ: MSFT). That's why these Motley Fool contributors think they're great Dividend Aristocrats to buy with the intention of never selling.



IMAGE SOURCE: GETTY IMAGES.

A recipe for success

Matt DiLallo (McCormick & Company): Spice maker McCormick has been a great income stock over the years. The company has not only paid dividends to its shareholders since 1925, but it has given them a raise in each of the last 33 years, making it a true Dividend Aristocrat. What's more, these haven't been token increases to keep its streak alive, as the company's latest raise was 9.6% while the payout has doubled since 2011.

Investors should expect more of the same from McCormick in the decades ahead. For starters, the company is growing at a brisk pace, with sales expected to rise 12% to 14% in 2018 while adjusted earnings should expand 16% to 17%. Driving that growth is the company's ability to develop and acquire the right products to satiate its customers' hunger for flavor. The company has done an excellent job over the years building its product portfolio to not only continue serving up iconic flavors, but to also mix up new ones.

In addition to that ability to adapt, McCormick has a sound financial profile, including a solid investment-grade balance sheet and a low dividend payout ratio of less than 50% of its earnings. Because of that, it has the financial resources to continue

expanding, which will drive future dividend growth. Overall, the company aims to increase sales by 4% to 6% per year over the long term, which should drive 9% to 11% annual earnings growth. That combination of financial strength and growth is the recipe used by the [best dividend growth stocks](#) and why McCormick is a great one to hold for the long haul.

Global growth should continue to fuel this company's dividend

[Todd Campbell \(ExxonMobil\)](#): When you're talking about commodity companies like ExxonMobil, forever is a long, long time. After all, there's only so much oil and natural gas in the ground.

Nevertheless, I think ExxonMobil could be a great addition to forever portfolios. The company's share price has fallen remarkably in the past year as U.S. shale production has increased and oil prices have fallen. Worries of global unrest and slowing economic growth could reduce energy demand in the short term, but long term, global appetite for energy should continue climbing as emerging markets grow wealthier.

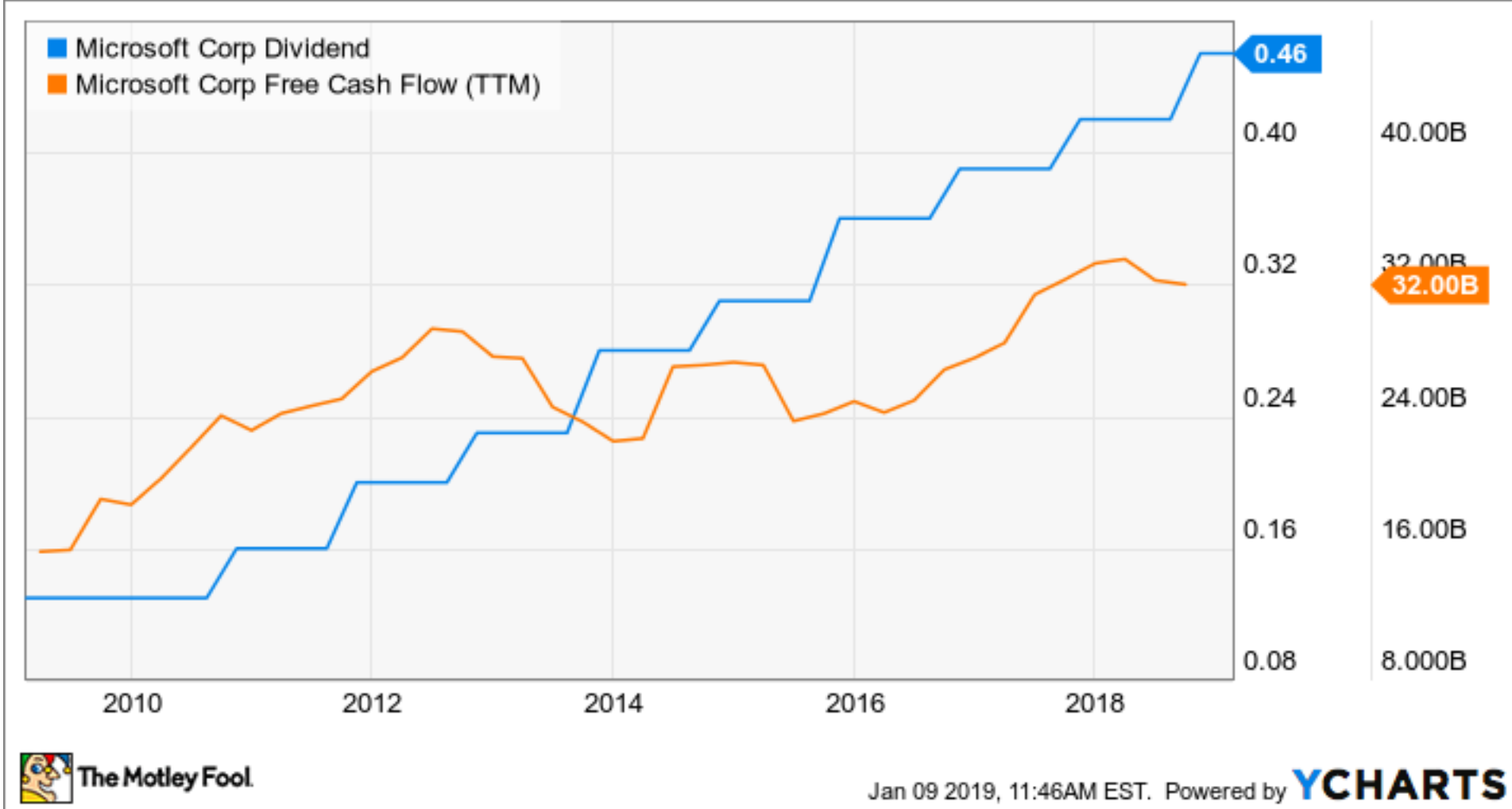
Every year, ExxonMobil analyzes the latest trends and data to inform its long-range decisions, and its latest look stretches out to 2040. By its estimates, energy demand will increase 25% between now and then, despite increased efficiencies, and while the mix of sources of energy may tilt toward renewables, ExxonMobil should profit because oil and gas are expected to remain the largest sources of energy in the period.

The company's upstream discoveries, including [offshore Guyana](#) and Brazil, add billions of barrels of oil equivalent that can drive earnings higher through 2025. And downstream investments that tilt toward refining higher-margin liquids and chemicals are similarly expected to drive earnings growth in the coming years. Since ExxonMobil has a long history of dividend increases, including a 6.5% increase last year, it produces mountains of cash flow, and it has the financial flexibility to react to changing energy demands. I think it's a good fit for any income investor, regardless of their time frame.

A tech giant with a dividend to love

[Travis Hoium \(Microsoft\)](#): Microsoft doesn't have the longest dividend history on the market, but it does have the advantage of being one of the biggest, most powerful tech companies in the world. It has made a successful transition from a PC operating system company to a giant in cloud and business services.

Most important for dividend investors, Microsoft's free cash flow is staggering. Over the past year, it has generated \$32 billion in free cash flow, which is *after* billions of dollars invested in building out its cloud infrastructure that's currently driving long-term growth.



MSFT DIVIDEND DATA BY YCHARTS.

Long term, I think Microsoft has been able to make a successful transition from PCs to a cloud-based business. It's now able to leverage scale in the cloud to compete with companies like **Google**, **Amazon**, and **Oracle**, an oligopoly that will likely keep smaller new entrants from gaining a hold on the market. And the cloud is set to grow further, as we have more connected devices and internet connections are getting faster. It makes sense to move computing power to server farms to increase utilization and optimize processing speed.

Being one of the giants in tech is a powerful place, and Microsoft shows no sign of giving up its place in the market. Given how long Microsoft has been at the top of the tech world, this is a company that I think will be paying dividends for decades to come, [making it my favorite Dividend Aristocrat](#) with a 1.8% yield today.

Newly released! 10 stocks we like better than Microsoft

On August 2, investing geniuses David and Tom Gardner revealed what they believe are the [ten best stocks](#) for investors to buy right now... and Microsoft wasn't one of them! That's right -- they think these 10 stocks are even better buys.

And when the Gardner brothers have a stock tip, it can pay to listen. After all, the newsletter they have run for over a decade, *Motley Fool Stock Advisor*, has tripled the market.*

[See the 10 stocks](#)

*Stock Advisor returns as of January 1, 2019

John Mackey, CEO of Whole Foods Market, an Amazon subsidiary, is a member of The Motley Fool's board of directors. Suzanne Frey, an executive at Alphabet, is a member of The Motley Fool's board of directors. Teresa Kersten, an employee of LinkedIn, a Microsoft subsidiary, is a member of The Motley Fool's board of directors. [Matthew DiLallo](#) owns shares of Amazon, McCormick, and Oracle and has the following options: long January 2020 \$30 calls on Oracle, long January 2021 \$85 calls on Microsoft, and short June 2019 \$52.50 calls on Oracle. [Todd Campbell](#) owns shares of Alphabet (C shares), Amazon, and Microsoft. [Travis Hoiu](#) has no position in any of the stocks mentioned. The Motley Fool owns shares of and recommends Alphabet (A shares), Alphabet (C shares), and Amazon. The Motley Fool owns shares of Microsoft and Oracle and has the following options: long January 2020 \$30 calls on Oracle. The Motley Fool recommends McCormick. The Motley Fool has a [disclosure policy](#).

This Marijuana Stock Could be Like Buying Amazon for \$3.19

A little-known Canadian company just unlocked what some experts think could be the key to profiting off the coming marijuana boom.

And make no mistake – it is coming.

Cannabis legalization is sweeping over North America – 10 states plus Washington, D.C., have all legalized recreational marijuana over the last few years, and full legalization came to Canada in October 2018.

And one under-the-radar Canadian company is poised to explode from this coming marijuana revolution.

Because a game-changing deal just went down between the Ontario government and this powerhouse company...and you need to hear this story today if you have even considered investing in pot stocks.

Simply click here to get the full story now.

[Learn more](#)

AUTHOR



Matthew DiLallo, Travis Hoium, And Todd Campbell
([TMFmd19](#))

Matthew is a Senior Energy and Materials Specialist with The Motley Fool. He graduated from the Liberty University with a degree in Biblical Studies and a Masters of Business Administration. You can follow him on Twitter for the latest news and analysis of the energy and materials industries:

ARTICLE INFO

Jan 12, 2019 at 8:19AM

STOCKS



Microsoft

NASDAQ:MSFT

\$102.80 \$0.80 (-0.77%)



McCormick

NYSE:MKC

\$140.12 \$0.76 (-0.54%)



ExxonMobil

NYSE:XOM

\$71.72 \$0.33 (-0.46%)

READ MORE

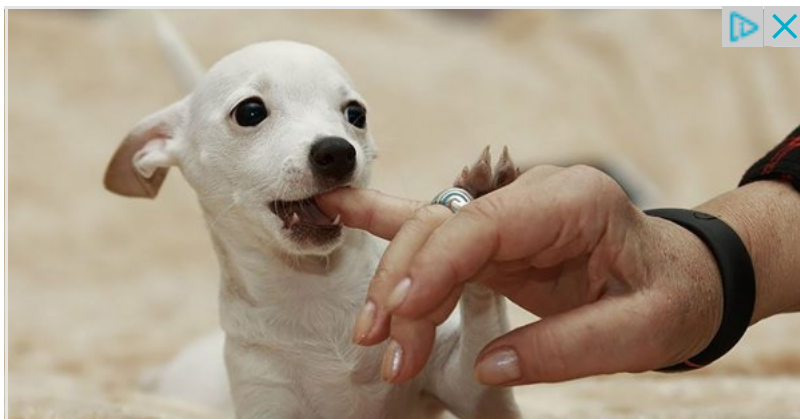
[What Happened in the Stock Market Today](#)

[3 Attractive Dividend Stocks Whose Dividends Could Double](#)

[What McCormick Wants Investors to Know](#)

[McCormick Rides Portfolio Additions to Record Sales](#)



[Why McCormick's Sales Slowdown Shouldn't Bother You](#)



[Device Trains Dog Barking](#)

[A pet trainer helped Lisa to tame her non-stop barking dog with this new training device.](#)

[trypetgentle.com](#)



COMPARE BROKERS

[Terms of Use](#) | [Privacy Policy](#) | [Accessibility Policy](#) | [Copyright, Trademark and Patent Information](#) | [Terms and Conditions](#)

© 1995 - 2019 The Motley Fool. All rights reserved.

Market data provided by ICE Data Services. ICE Limitations. Powered and implemented by FactSet. [Legal Statement](#).

[f](#)



[G+](#)

[t](#)



[in](#)