

U.S. Ethane Exports 'Imminent' Amid Flood of Supply from Shale Plays: Bentek Energy

Production Forecast to Reach 2.5 Million Barrels per Day (b/d) in 2024, Double 2013 Levels

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DENVER, Nov. 10, 2014 /[PRNewswire](#)/ -- U.S. ethane production, forecast to reach 2.5 million barrels per day (b/d) by 2024, will cause supply to exceed domestic demand, making exports "imminent," according to a report from Bentek Energy, an analytics and forecasting unit of Platts, a leading global provider of energy, petrochemicals, metals and agriculture information.

The forecast 2024 level is twice that of the 1.2 million b/d produced in in 2013, according Bentek's new report *Adrift in a Sea of Ethane: Will Exports Solve the U.S. Ethane Oversupply?* Access the report overview at this link:

https://www.bentekenergy.com/documents/BENTEK_SeaoofEthane_MarketAlert_Overview.pdf

"While domestic ethane demand will rise by about 0.8 million b/d to 1.8 million b/d in 2024, production will grow much faster," said Jennifer Van Dinter, Bentek analyst and co-author of the report. "This dynamic will dramatically change the local and global nature of the ethane market, similar to what we've seen with surging North American oil and natural gas production."

Ethane is recovered out of the natural gas stream at processing plants and used solely as a petrochemical feedstock. Its supplies have grown as a result of advanced drilling and extraction techniques used to remove oil and natural gas from shale plays, especially in the Marcellus and Utica, where ethane production could rise from zero in 2012 to 590,000 b/d by the end of the decade.

As a result, domestic petrochemicals companies will have more than enough ethane and other natural gas liquids (NGLs) to keep their plants running, prompting the industry to prepare for exports as early as next year. Several U.S.-based companies have confirmed plans to build waterborne export terminals, and ethylene producers in Europe and Asia have signed contracts to supply their steam crackers with low-priced, U.S.-sourced ethane.

Bentek is currently tracking more than 10 major projects to build steam crackers and eight to expand existing ethylene production capacity in the United States. Three companies have proposed world-scale crackers, and three others have already secured the necessary environmental permits for construction.

Bentek analysts will further explore the exports issue in a free webinar on November 12, titled [*The Importance of Exports for U.S. NGLs Supply Growth*](#). The session will address the opportunities and challenges posed by waterborne exports, among other topics.

To purchase the full report, contact catherine.lowe@platts.com.

Colorado-based Bentek Energy was acquired by Platts in 2011 and provides analytical tools and forecasts for natural gas, crude oil, natural gas liquids (NGLs) and power markets. For more information on natural gas analytics and Bentek Energy, visit <http://www.bentekenergy.com/index.aspx>.

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CONTACT: Asia: Kimitsu Yogachi, +65 6530 6596, kimi.yogachi@platts.com; Europe: Elizabeth Catalano, +44 207 176 6024, elizabeth.catalano@platts.com; Global & U.S.: Kathleen Tanzy, +1 212-904-2860, Kathleen.tanzy@platts.com

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