

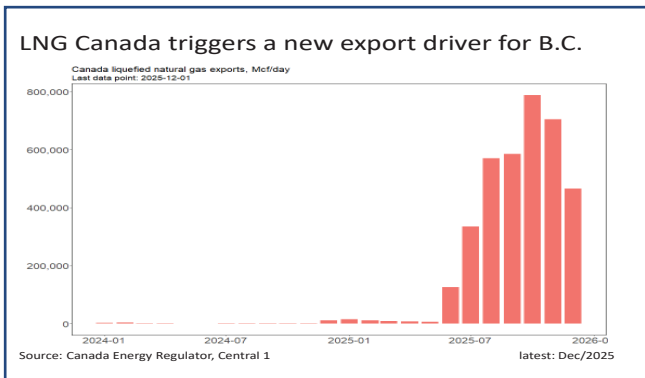


B.C. liquefied natural gas exports on the rise

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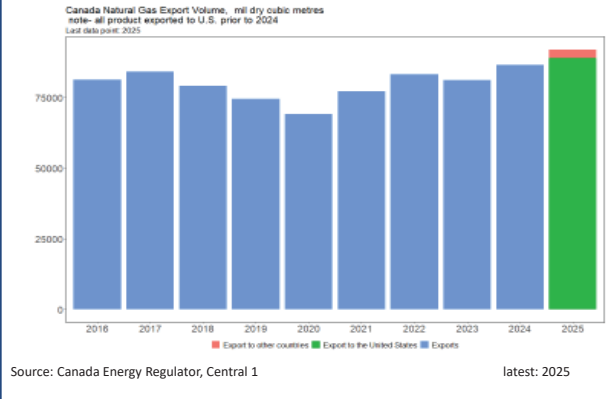
Following years of capital investment and buildout, LNG Canada’s terminal in Kitimat, B.C. has ramped up exports of liquefied natural gas over the past nine months - concrete evidence that an evergreen industry for the province and for the country has emerged. Data for December showed 465,551 Mcf/day or (000s of cubic feet) in Canadian liquefied natural gas exports during the month according to data from the Canada Energy Regulator (CER). While this was lower than the prior two months, exports surged (albeit unevenly) with the ramp-up of Phase 1 of LNG Canada Kitimat terminal.



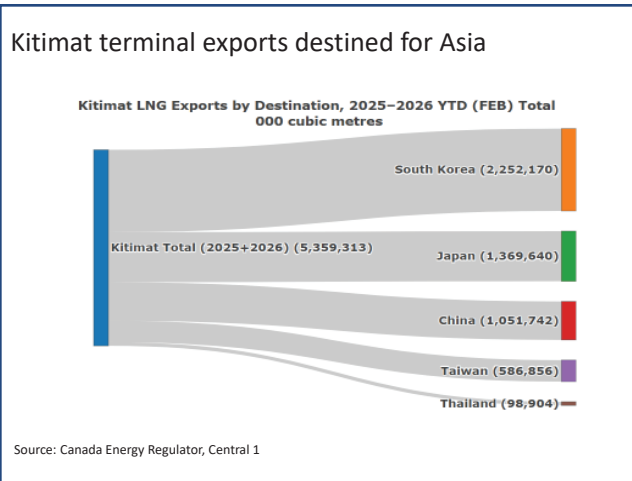
In comparison, liquefied natural gas exports were only 6,283 Mcf/day in May 2025, and averaged 2,776 Mcf/day in 2024, which reflected trucked LNG and small-scale exports from the Lower Mainland to the U.S. Early 2026 data suggest exports have nearly tripled from December 2025 to reach about 1,394,350 Mcf/day, with feedstock for the terminal drawn from the Montney Play which straddles B.C.’s Northeast and Alberta. Liquefied natural gas still makes up a modest share of total Canadian natural gas exports at about six per cent in Q4 of 2025 (based on Central 1 calculation), although this is rising due to opening of new markets due to the terminals. This share fluctuated by month and reached nearly 10 per cent early in Q4. While liquefied natural gas is technically a processed manufactured good, it is likely to show up as part of the energy rather than manufactured goods products in export and industry data.

As expected, B.C. liquefied natural gas is being shipped to Asia markets, reflecting the project proponents and investors. Based on CER data, Central 1 calculates that

Material increase in natural gas exports as LNG shipments rise



42 per cent of 2025/26 liquefied natural gas exports have been shipped to South Korea, with Japan (25 per cent) and China (20 per cent of exports) the bulk of the remainder.



Liquefied natural gas production will remain a growth industry. The LNG Canada Kitimat plant has a capacity of about 1,840 MMcf/day which it is rapidly approaching. Other projects are under construction but have much lower production capacity, including Woodfibre LNG (280 MMcf/day) near Squamish that is expected to be in service in 2027, and Cedar LNG in Kitimat (390 MMcf/day) in late 2028. LNG Canada’s Kitimat terminal could also see capacity double in the future if Phase 2 of the project receives a positive final investment decision. Exports will boost economic output for B.C. via exports, but the impact on GDP will also depend on deemed origin of the feedstock as the Montney shale region straddles both B.C. and Alberta. Origin will partly be determined by royalty structures between the provinces.