



Shell LNG Outlook 2018

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EXTERNAL ENVIRONMENT CREATING MORE OPPORTUNITIES FOR GAS AND LNG

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STRONG LNG FUNDAMENTALS EXCEEDED EXPECTATIONS IN 2017

3

SUPPLY INVESTMENT REQUIRED TO MEET LONG-TERM DEMAND GROWTH

Global energy demand is expected to grow by

30%

between 2015 - 2040

Gas expected to make up over

40%

of this growth

The total length of the world's natural gas pipelines would stretch to the moon and back eight times



LNG is the fastest growing gas supply source globally

1/3 of total gas demand over the next couple of decades is expected to be met by LNG.

Policy actions for clean energy favour gas



More than 10 countries in Europe announce coal phase-out ambitions



Berlin closes local coal-fired power plants to improve air quality



South Korea's 8th Basic Plan for Energy prioritises renewables and gas, while not sanctioning new nuclear and coal



G20 endorses the role of natural gas in energy transition



China becomes world's second largest LNG importer

LNG imports grew by

29

million tonnes

30%
more than expected

LNG trade reached

293

million tonnes

Enough to power

575

million homes

Australia, US and Africa dominated increase in LNG exports



1100 Spot cargoes delivered

17% increase over last year

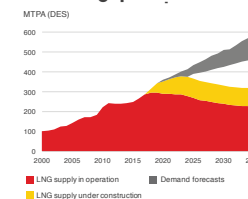


Without new investment, supply demand gap could reach as much as

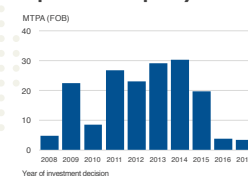
275
million tonnes

in year 2035

Emerging LNG supply demand gap



Investment in liquefaction capacity



Liquefaction investment decisions in the last two years provide for only 7 million tonnes of annual nameplate capacity

Intermediaries gaining market share for term supply - 45% of term contracts in the last 5 years

