

# Global LNG Market Overview and Outlook

September 2021

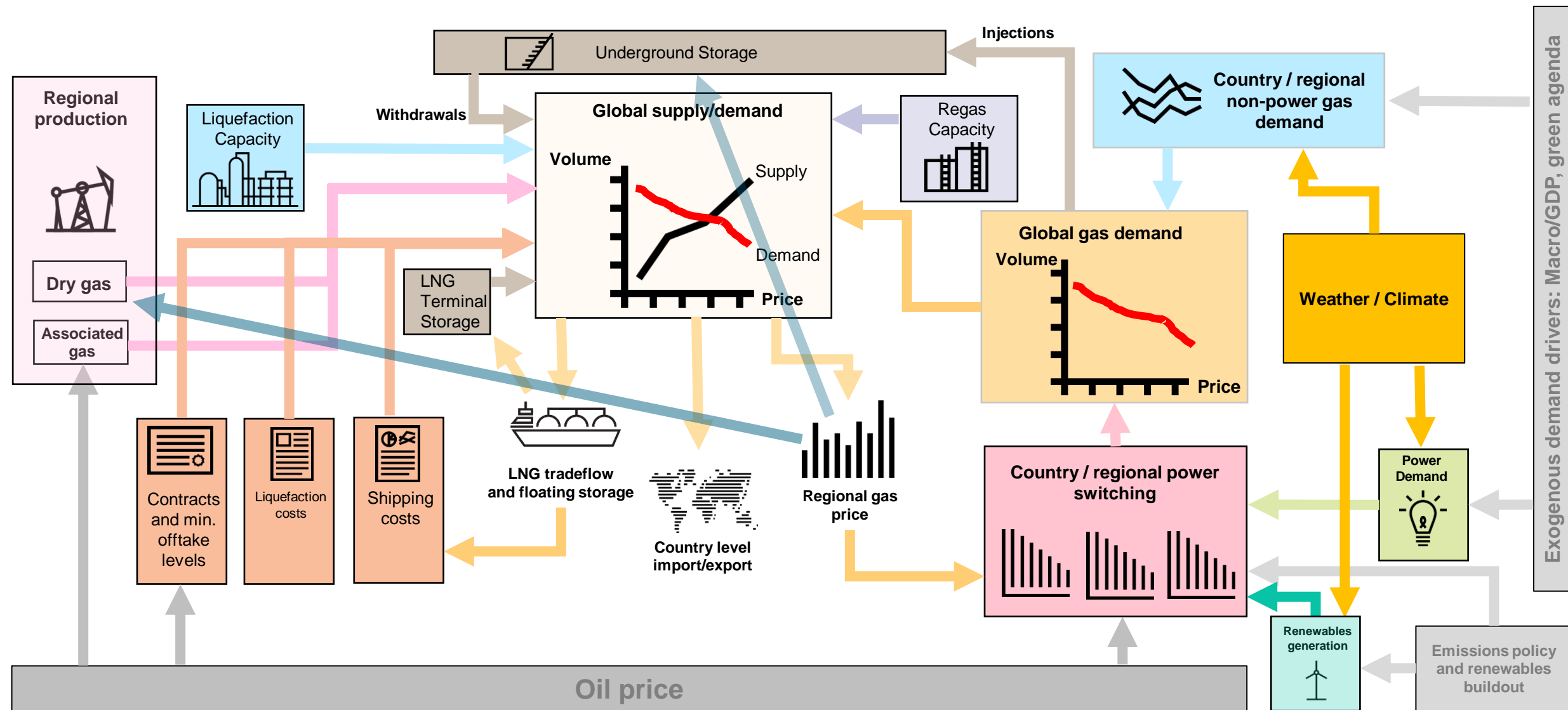


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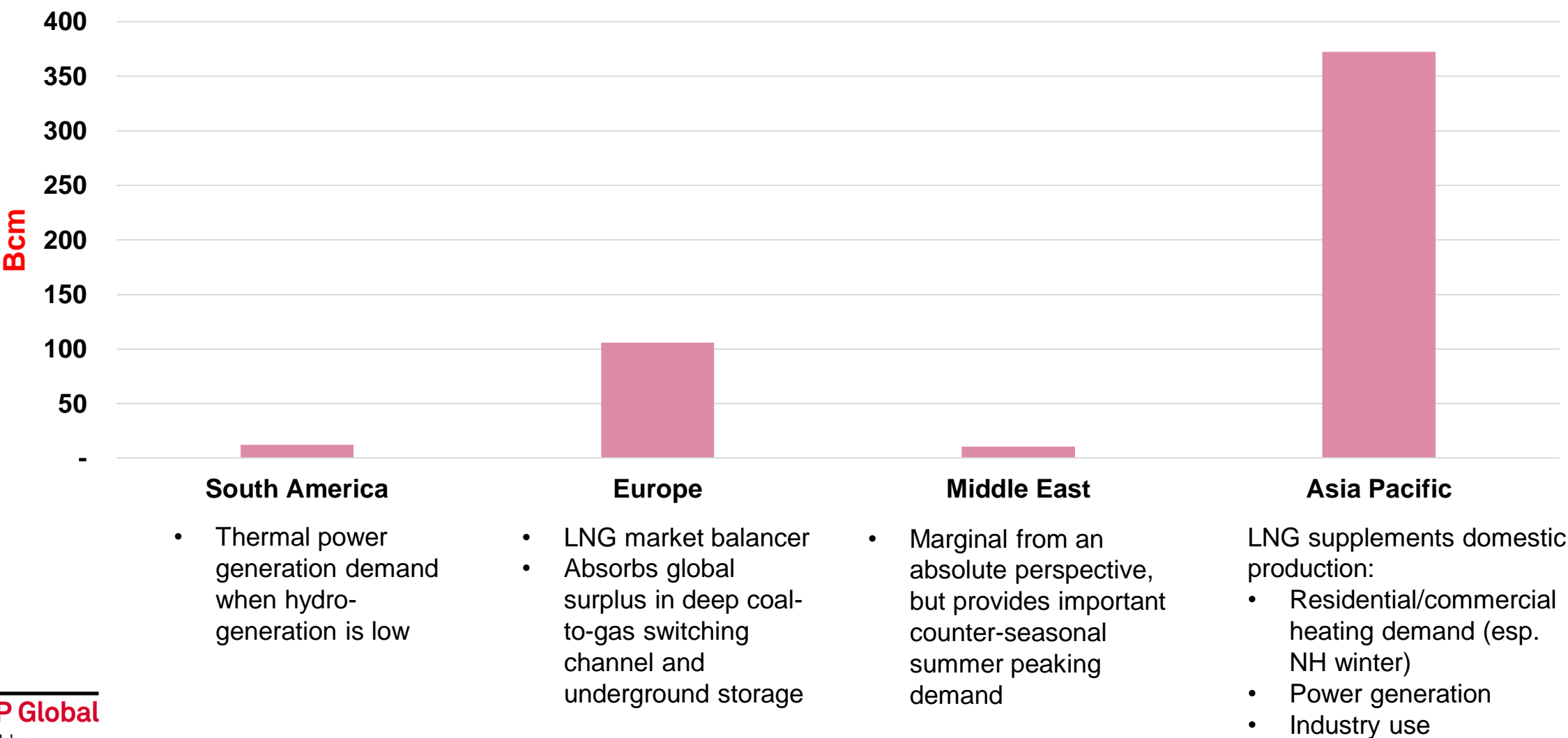


# LNG trade connects generating fuels markets globally

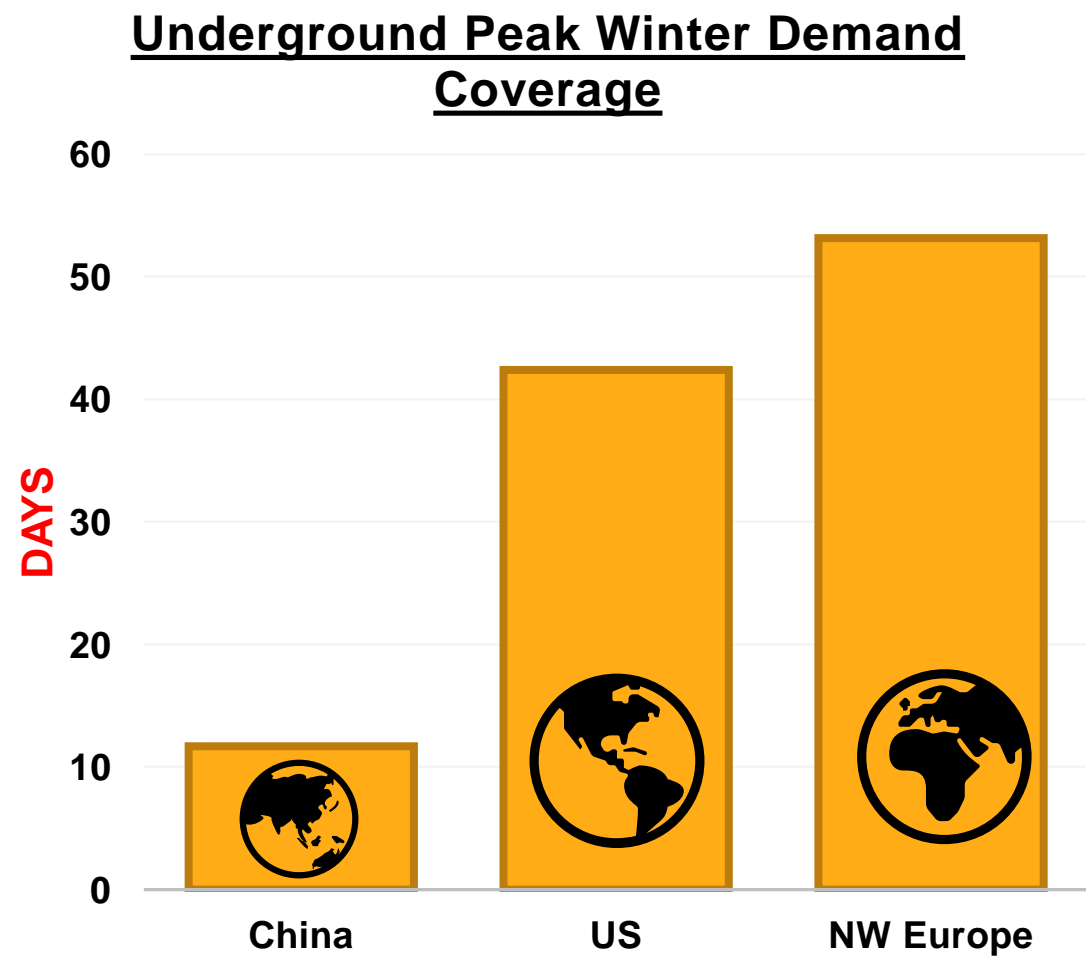
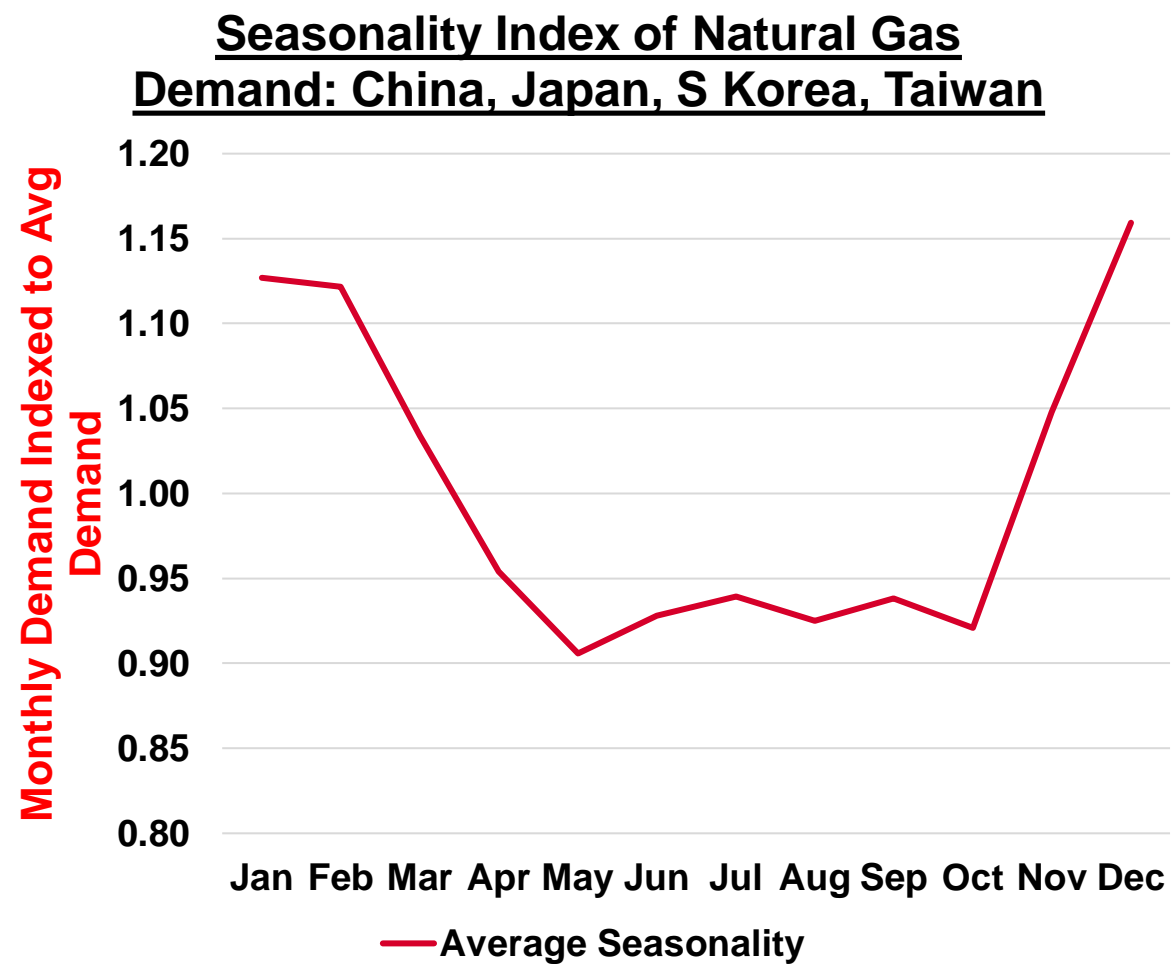


# LNG demand drivers vary considerably regionally and seasonally, underpinning shifts in tradflows and price spreads

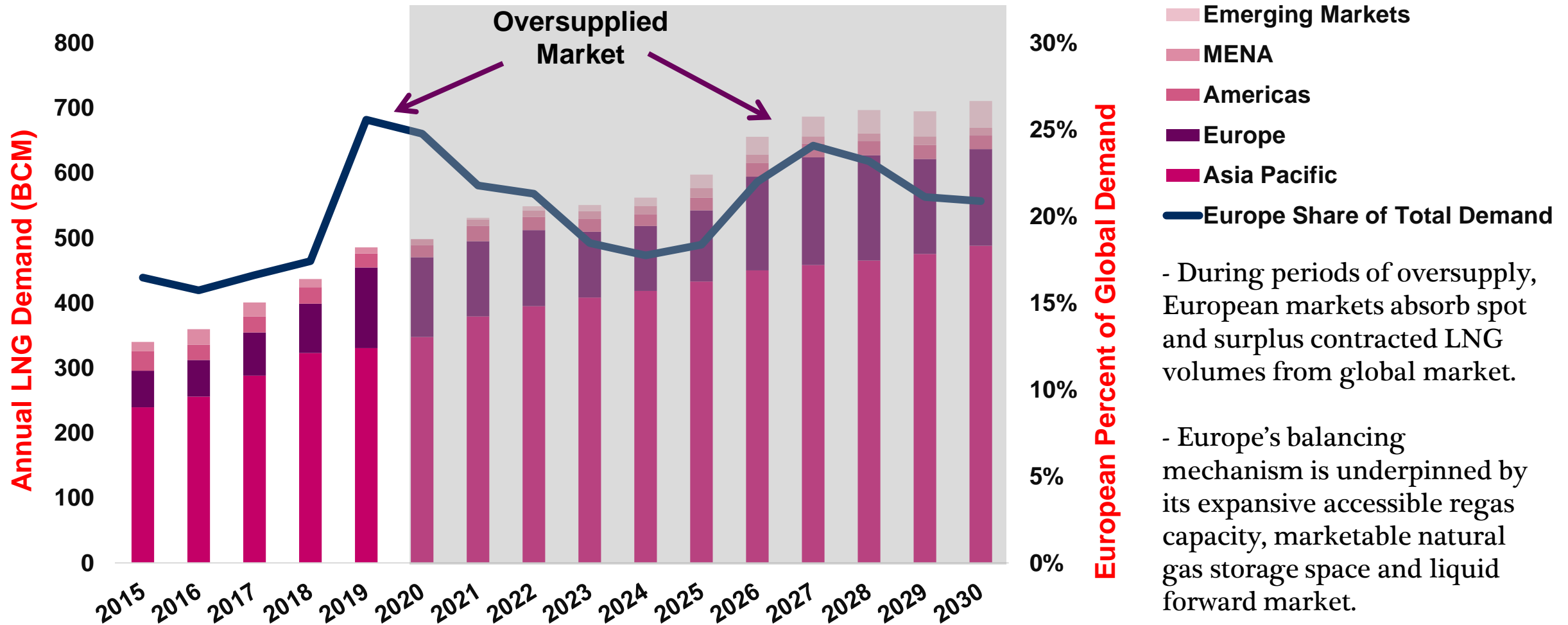
LNG demand by region - 2021



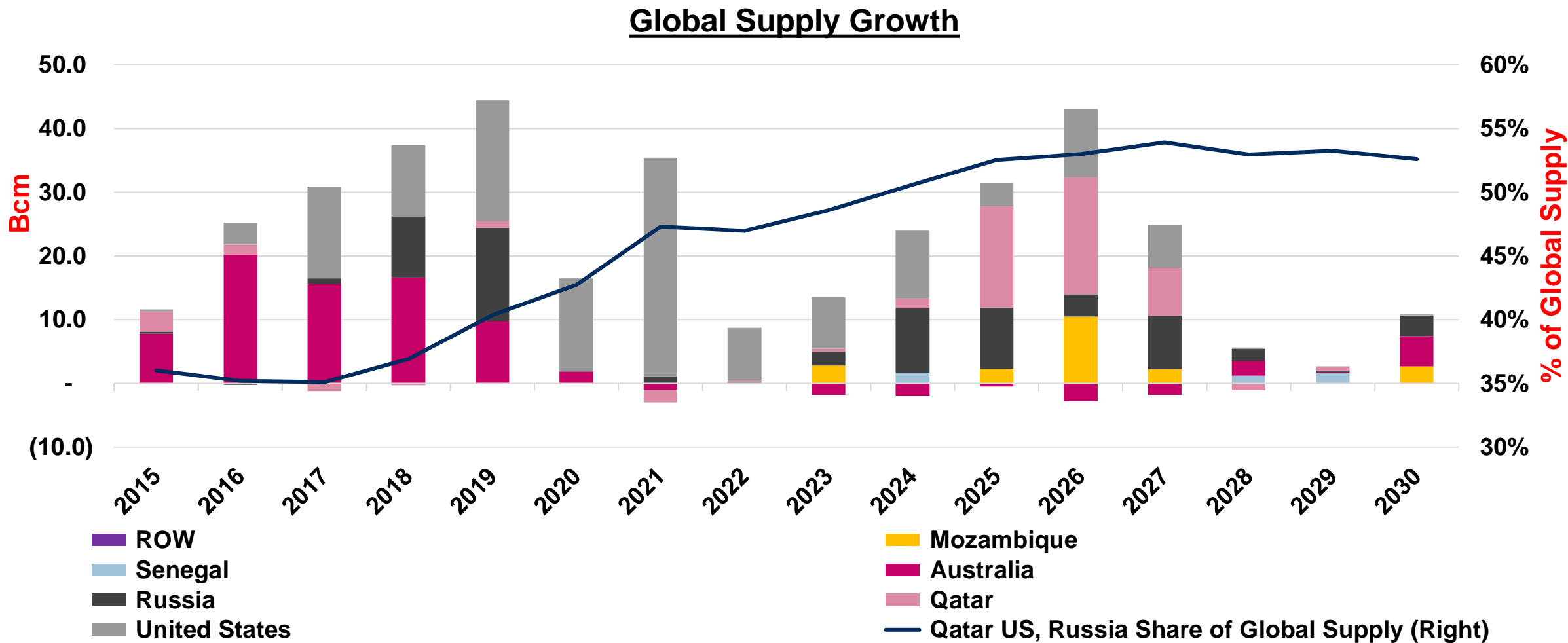
# Asian LNG demand holds a high degree of demand seasonality but lacks the support of underground storage



# Asia acts as global LNG markets' growth engine, while European markets play a key balancing role, absorbing spot oversupply



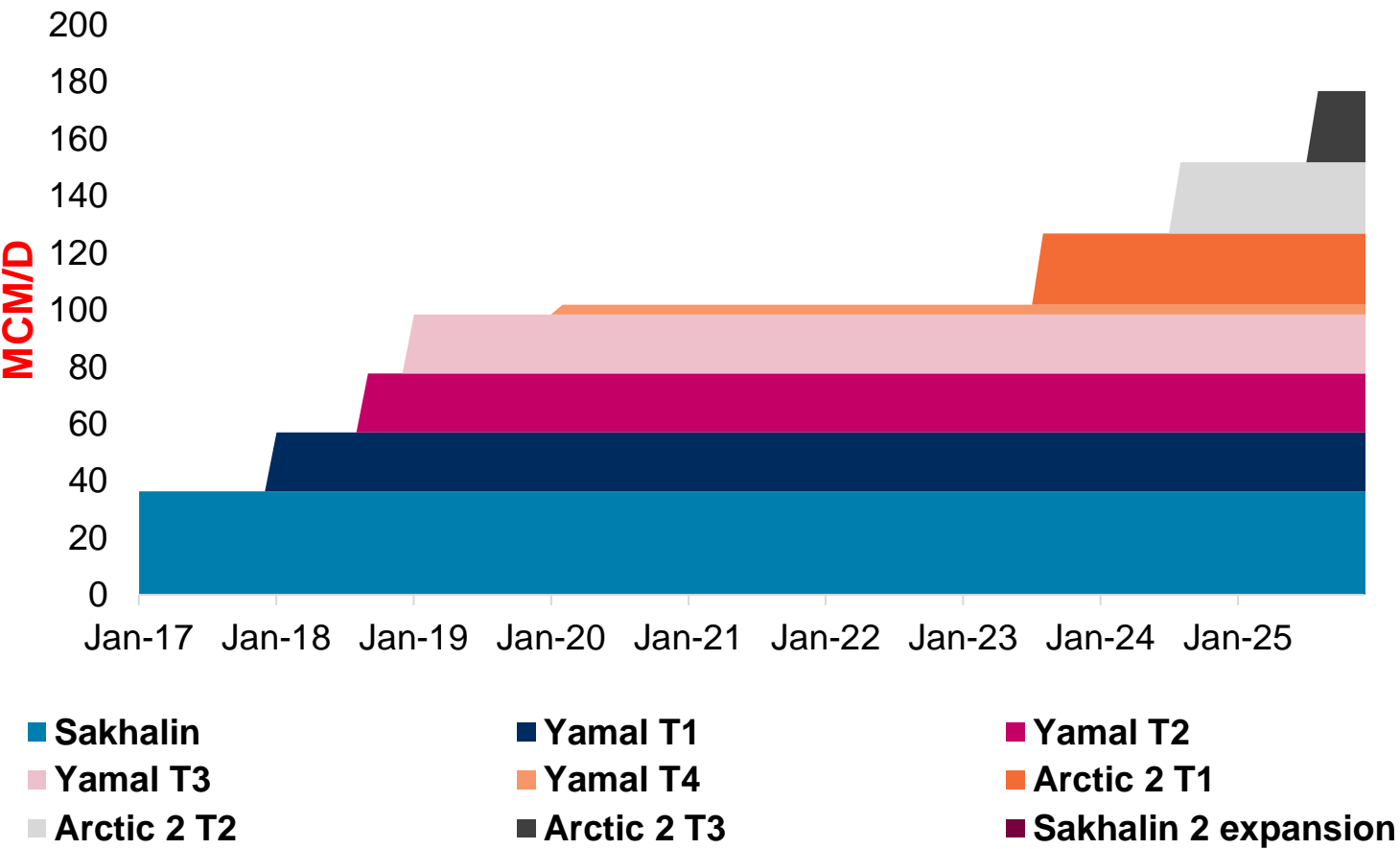
# Qatar, US, Russia control over 50% of global supply by 2025, much of which is portfolio supply, creating tri-polar LNG price complex



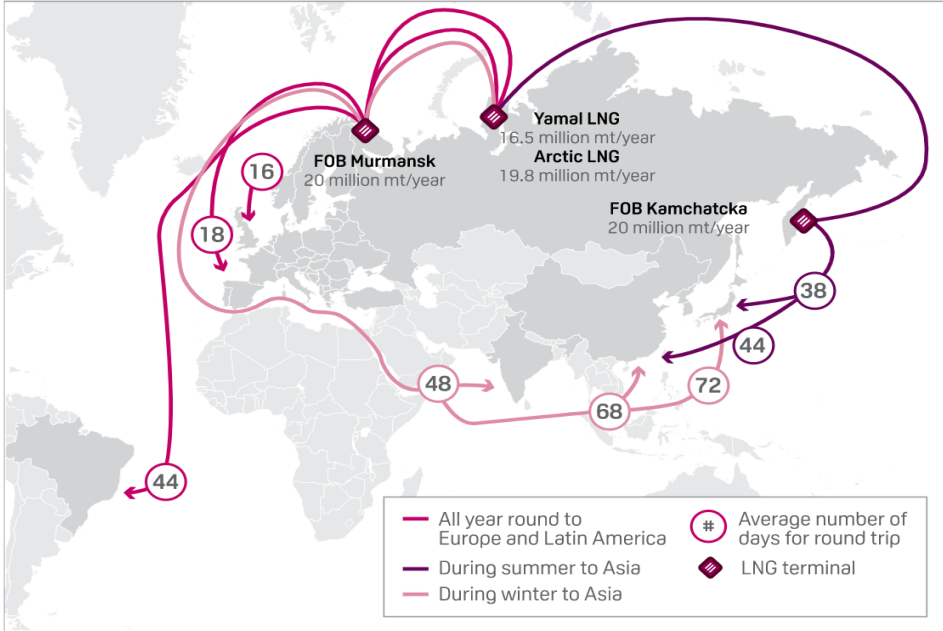


# Russian natural gas export growth is a core part of Moscow's energy policy, with increasing links to China by both land and sea

Russian Liquefaction Capacity Build Out



NOVATEK LIQUEFACTION AND RUSSIAN TRANSHIPMENT TERMINALS OVERVIEW

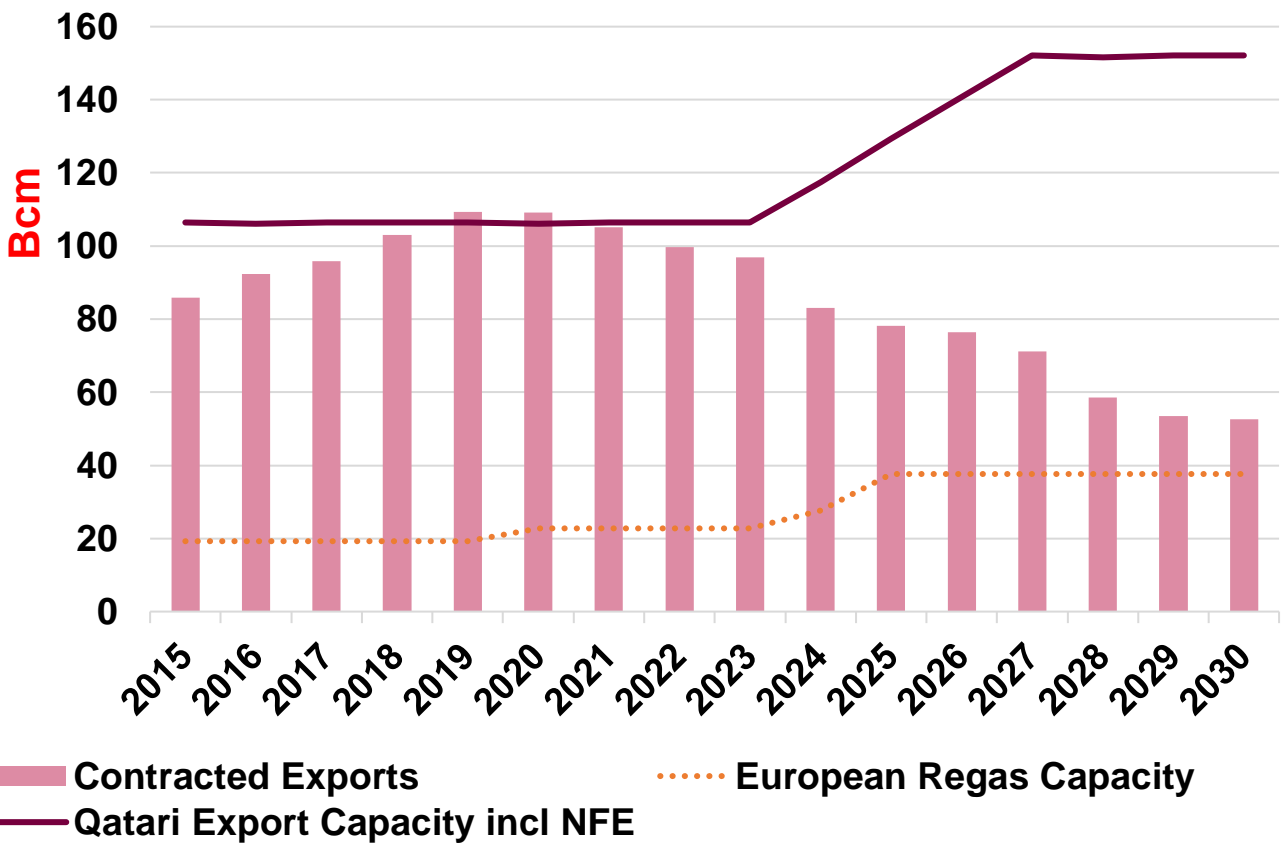


Source: Novatek

With breakeven costs into NWE below ~\$2.00/MMBtu, Novatek's Arctic exports are some of the most competitive LNG in Europe, highlighting the potential for bearish pressure during periods of weak Asian demand.

# Qatari commercial strategy has gone through rapid evolution, with push into spot trade presenting competition for US LNG

Qatari Capacity vs Contracted Exports



Qatar Evolving Commercial Strategy

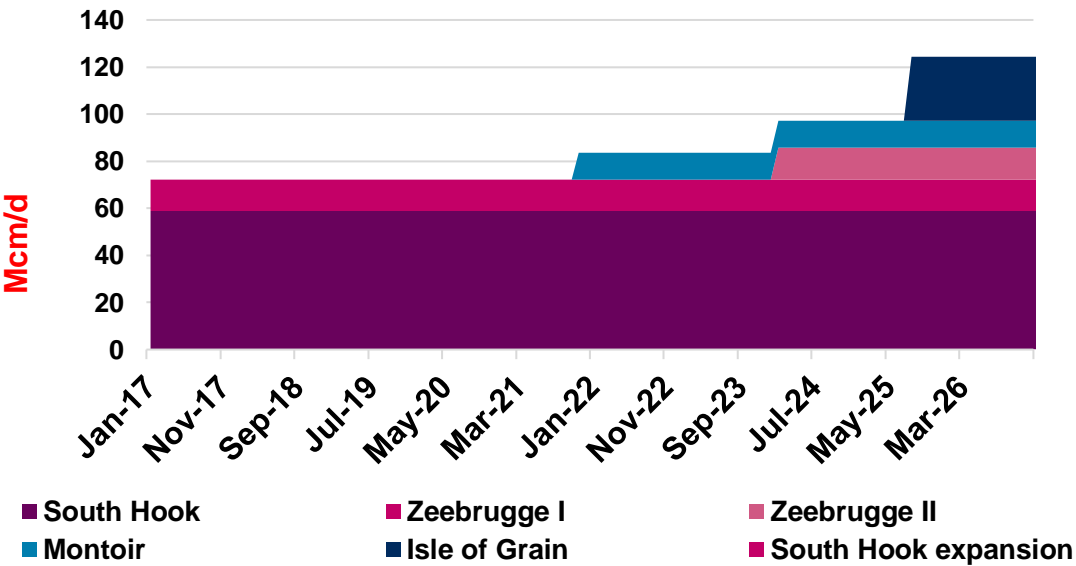
Bidding into buy tenders, offering spot cargoes, eschewing reliance on oil-indexed term sales

Willing to take DES Asia prices below \$2/MMBtu

Established internal QP Trading division

Focus on carbon-intensity advantage

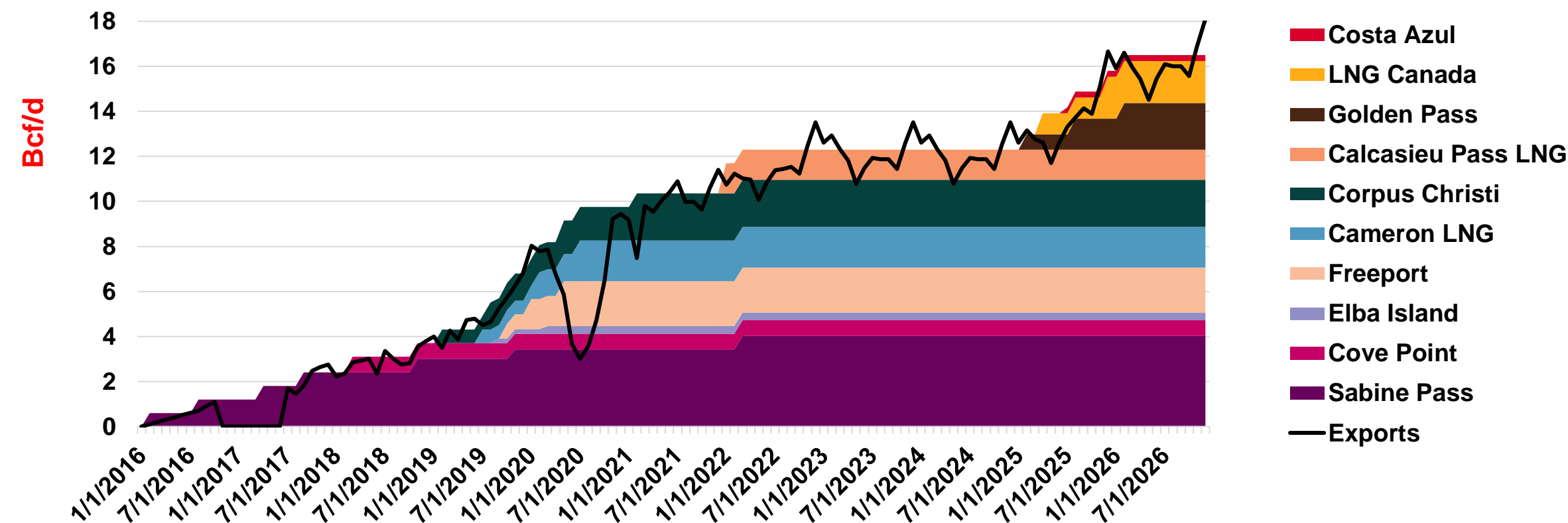
Qatari NWE regasification capacity



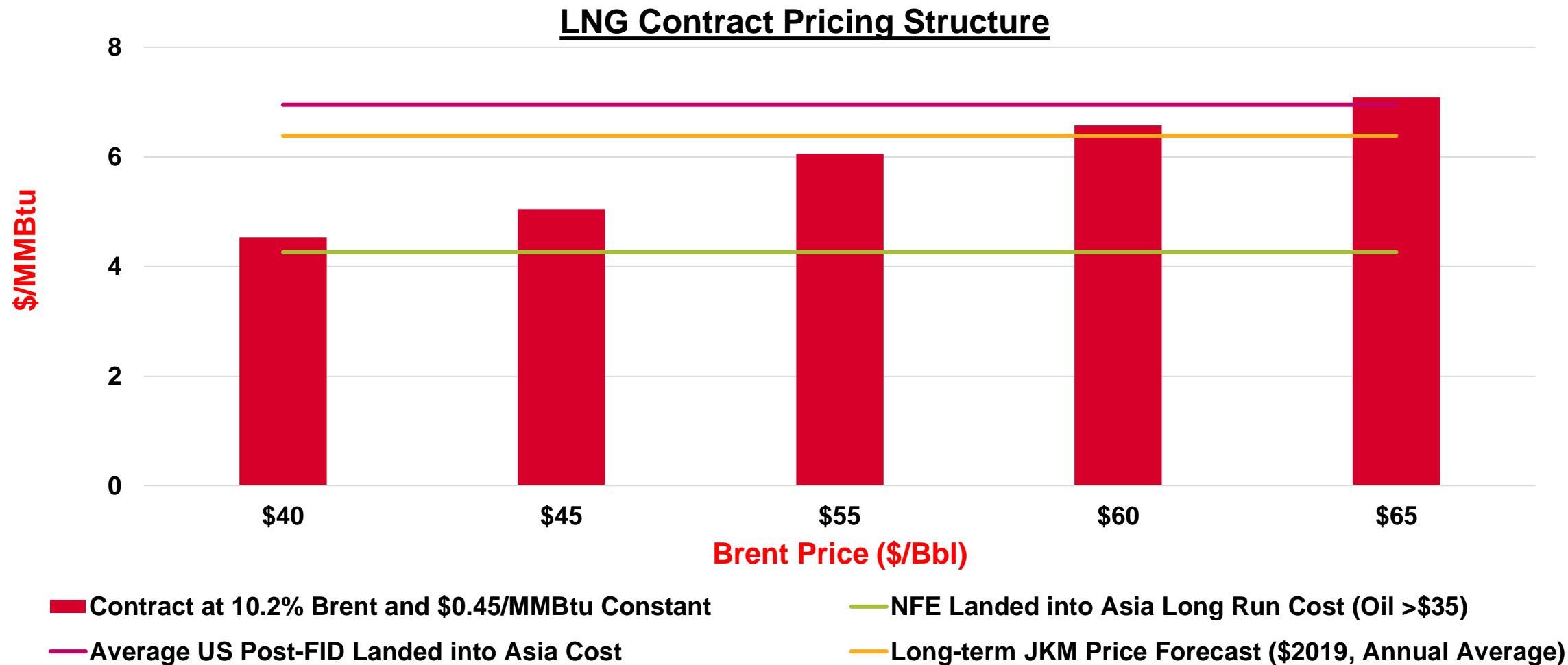


# US LNG exports to grow by more than 70% through 2026, but material growth beyond this has come into question

North American LNG Export Capacity

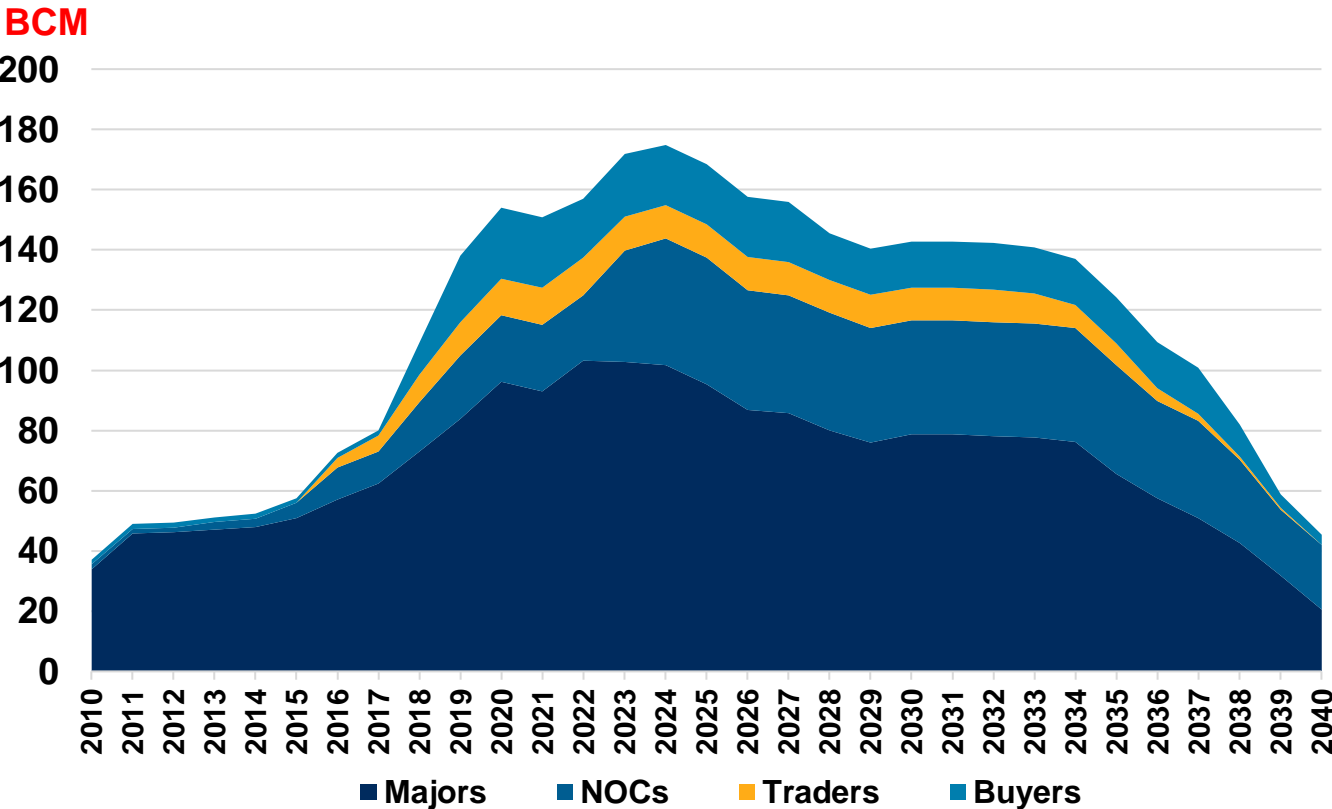


# Recently signed Qatar Petroleum long-term contracts hit sweet spot just above their own costs, but below many US breakeven levels

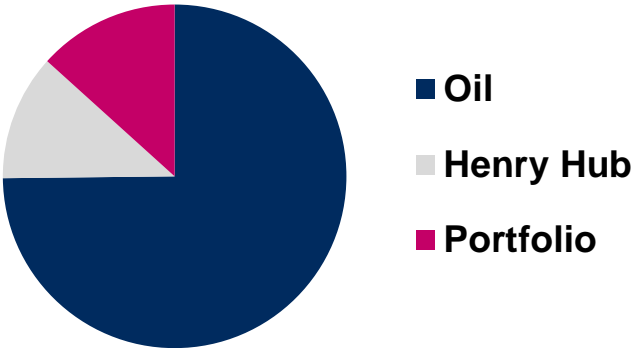


# While oil prices still matter, portfolio volumes will dominate spot trade by mid-2020s, in turn supporting gas-indexation

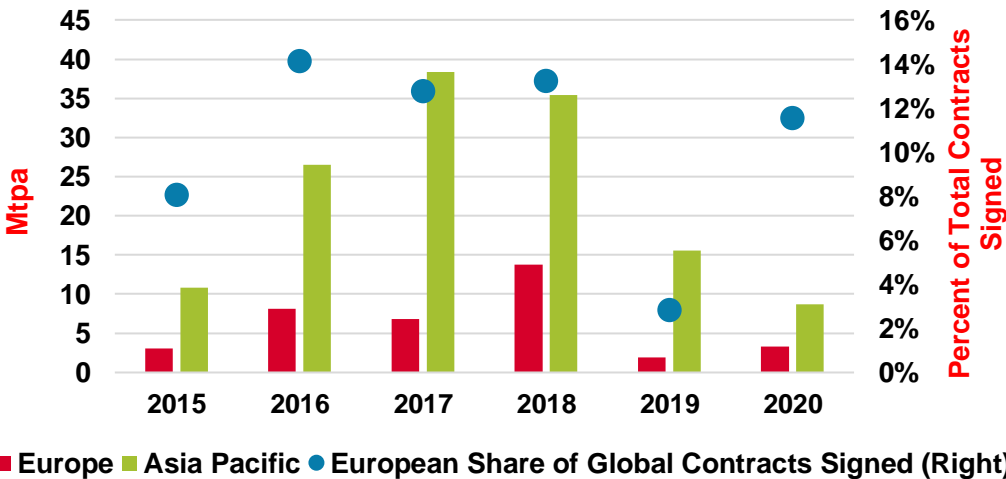
Portfolio Volumes by Owner Type



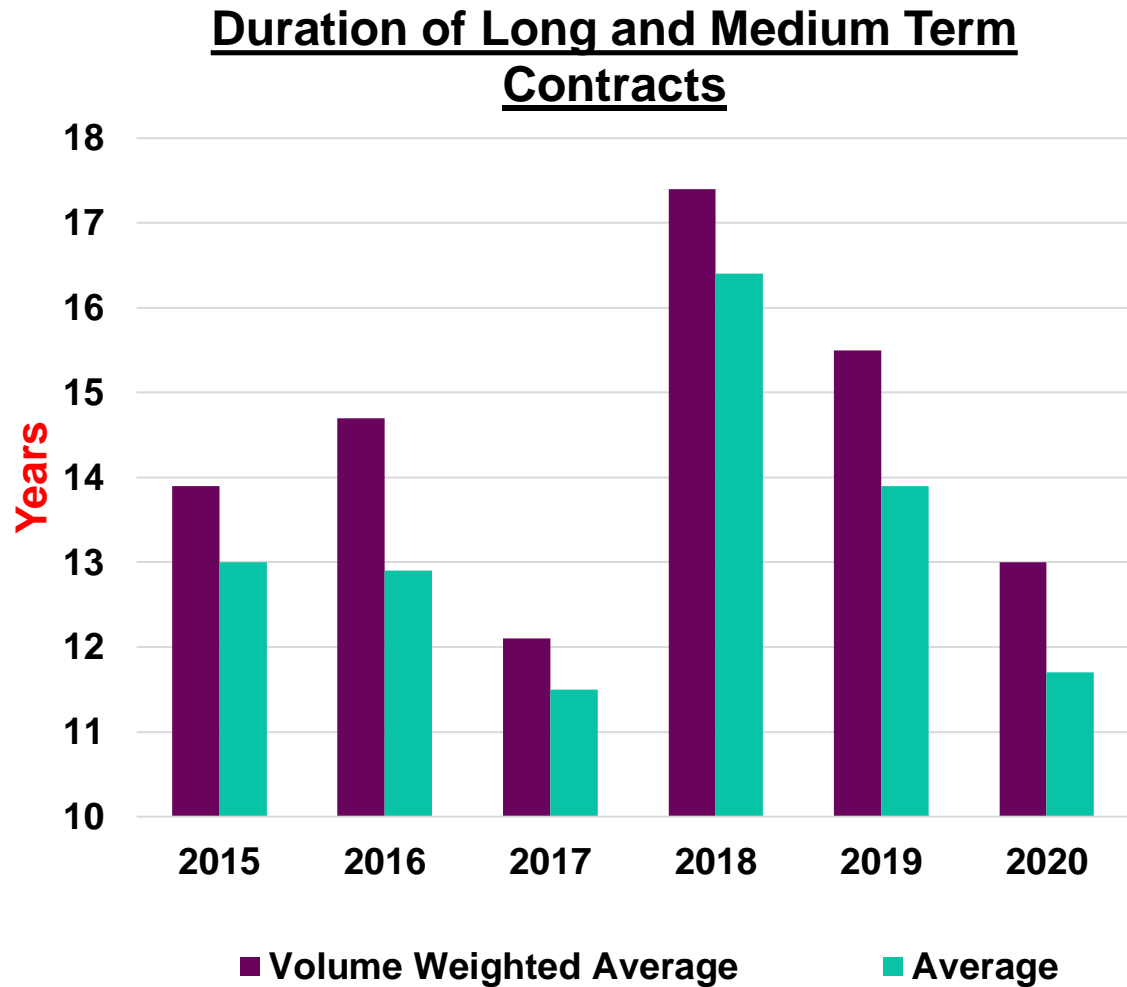
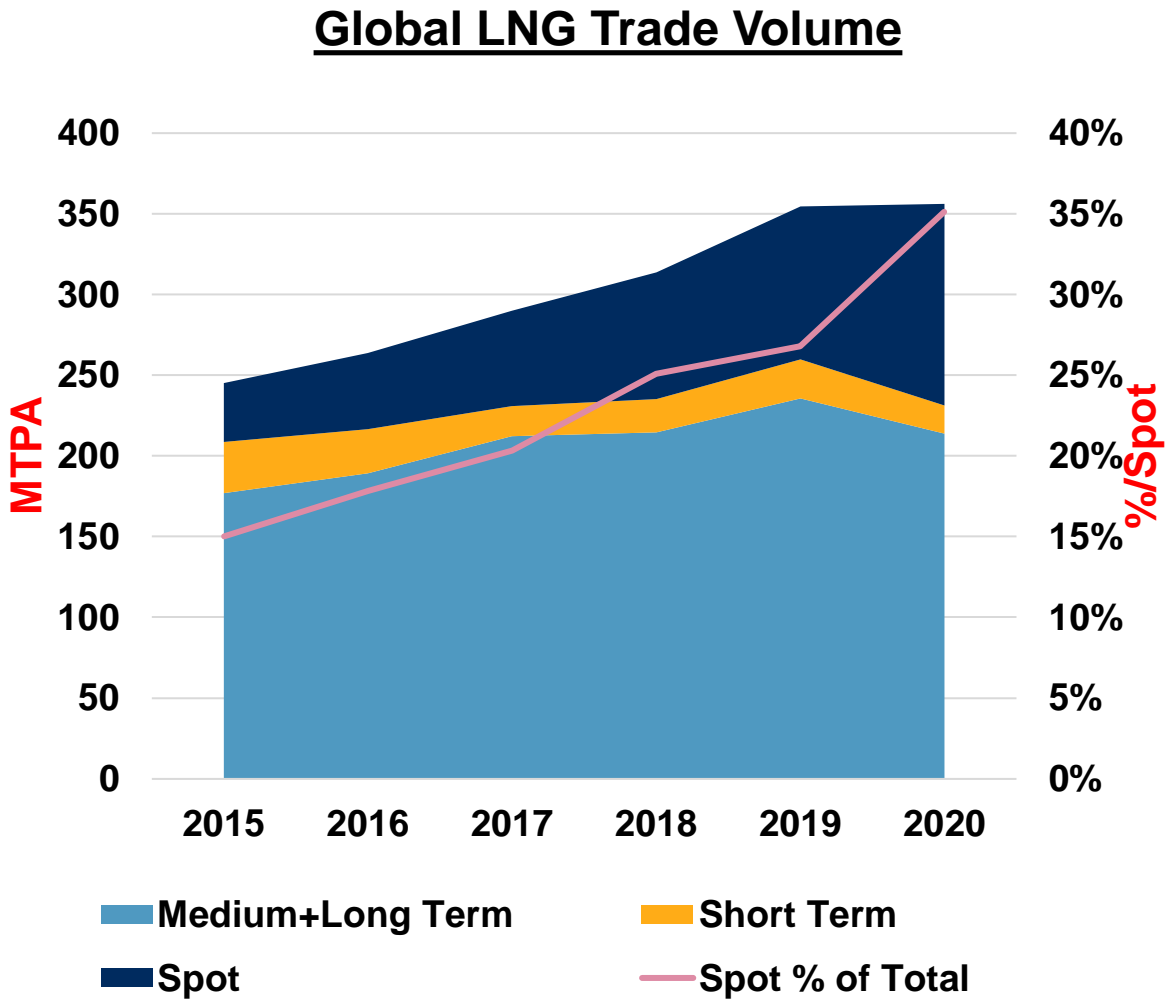
JKC Active Contracts Pricing Structure



Long-Term Contracted Volumes by Signed Year



# Shift in contracting trends already apparent, with ratio of spot trade increasing to over 35% and contract durations shorten



# Thank you for your time.

## Q&A

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