FLAME – MAY/13/2019

GIIGNL
ANNUAL REPORT 2019

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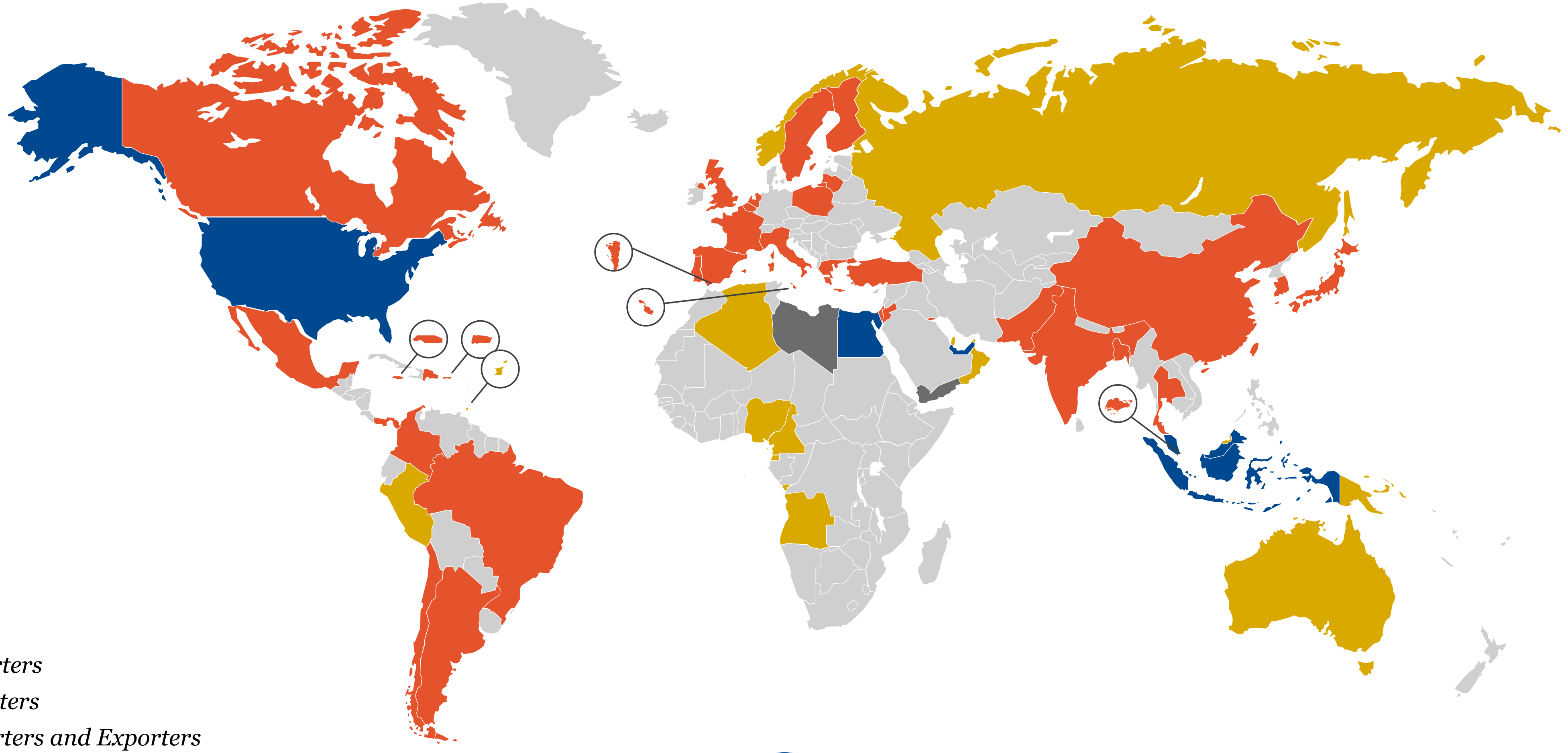
CHINESE LNG

LNG PROVIDES ENERGY ACCESS TO 42 COUNTRIES WITH A COMBINED POPULATION OF 4.9BN

20 producing countries supplied LNG to 42 importing countries in 2018



THE LNG INDUSTRY IN 2018

LNG imports increase for the 5th year in a row

313.8 mt

Imported

+8.3%

406 mtpa

Liquefaction capacity

+41 mtpa

11%

% of global gas demand

25%

*Delivered on spot**

42

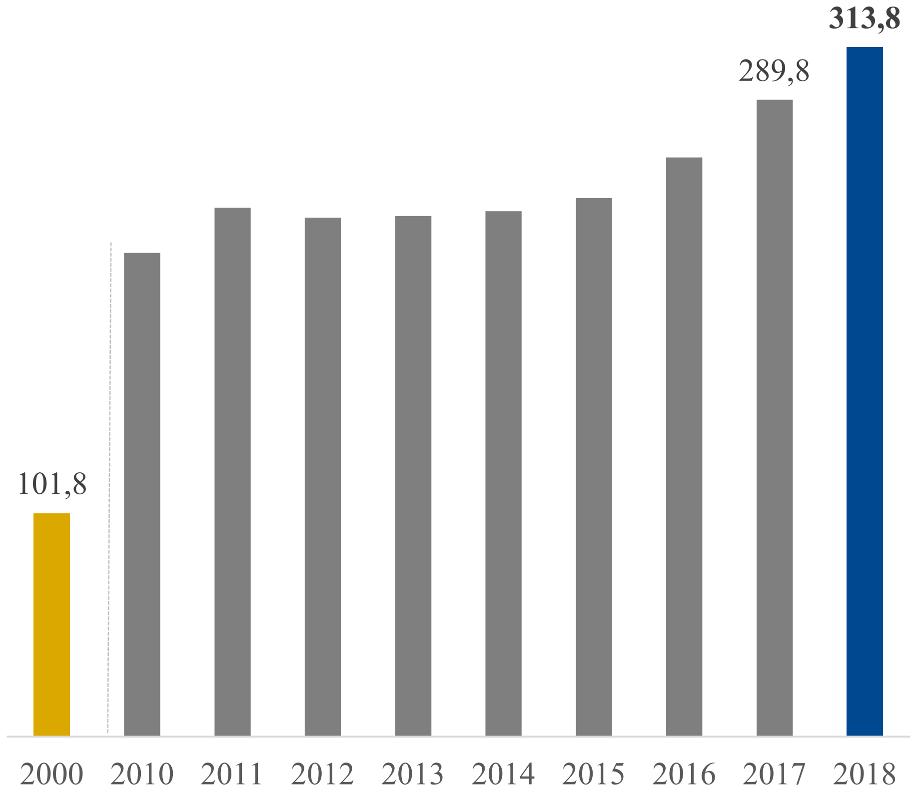
Importing countries

**Spot: transactions with physical delivery occurring less than 3 months from the transaction date*

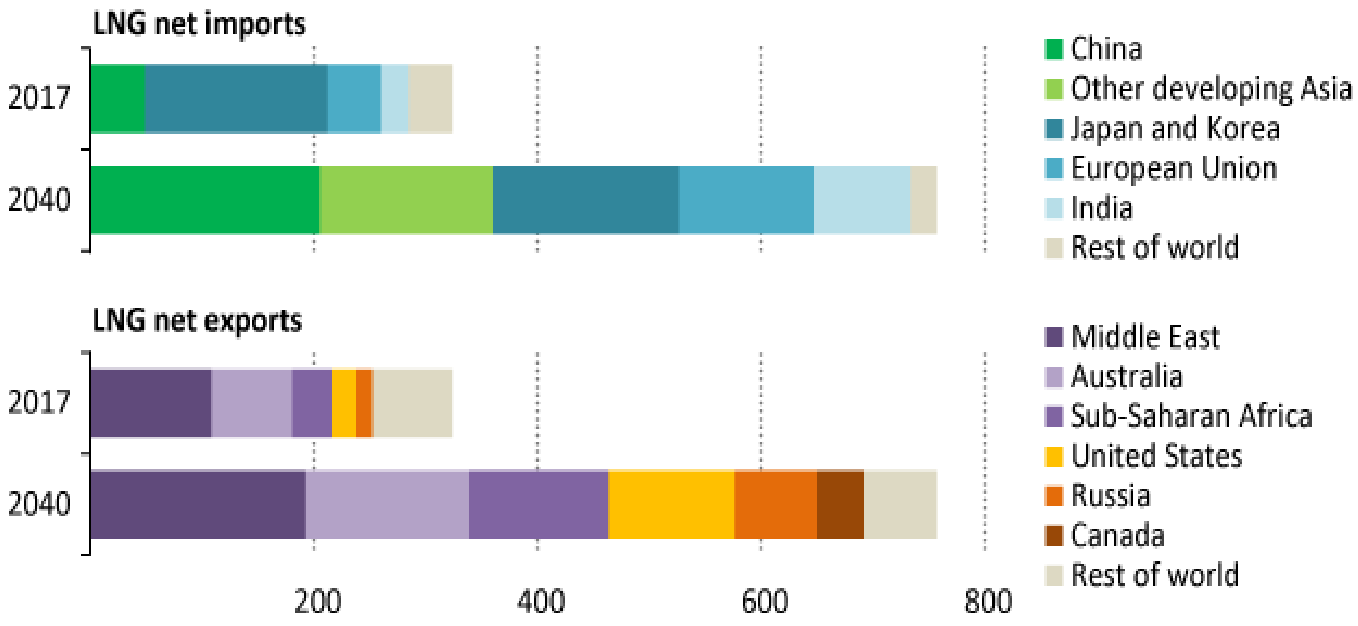
Source: GIIGNL Annual report

ASIA DRIVING LNG IMPORT GROWTH

LNG imports 2010-2018 (MT)



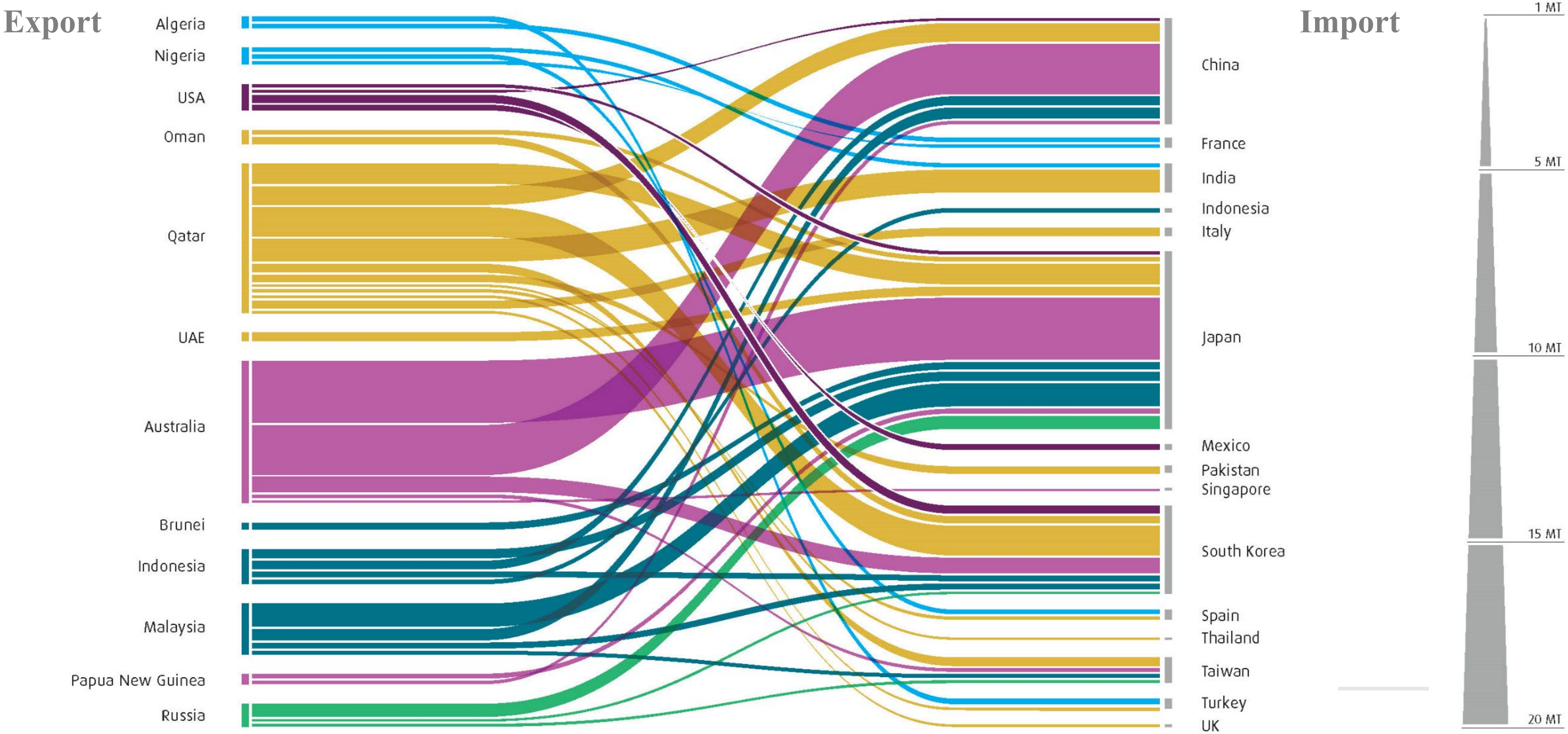
LNG net trade by region (bcm)



Source: GIIGNL Annual report, IEA WEO2018

MAJOR LNG FLOWS

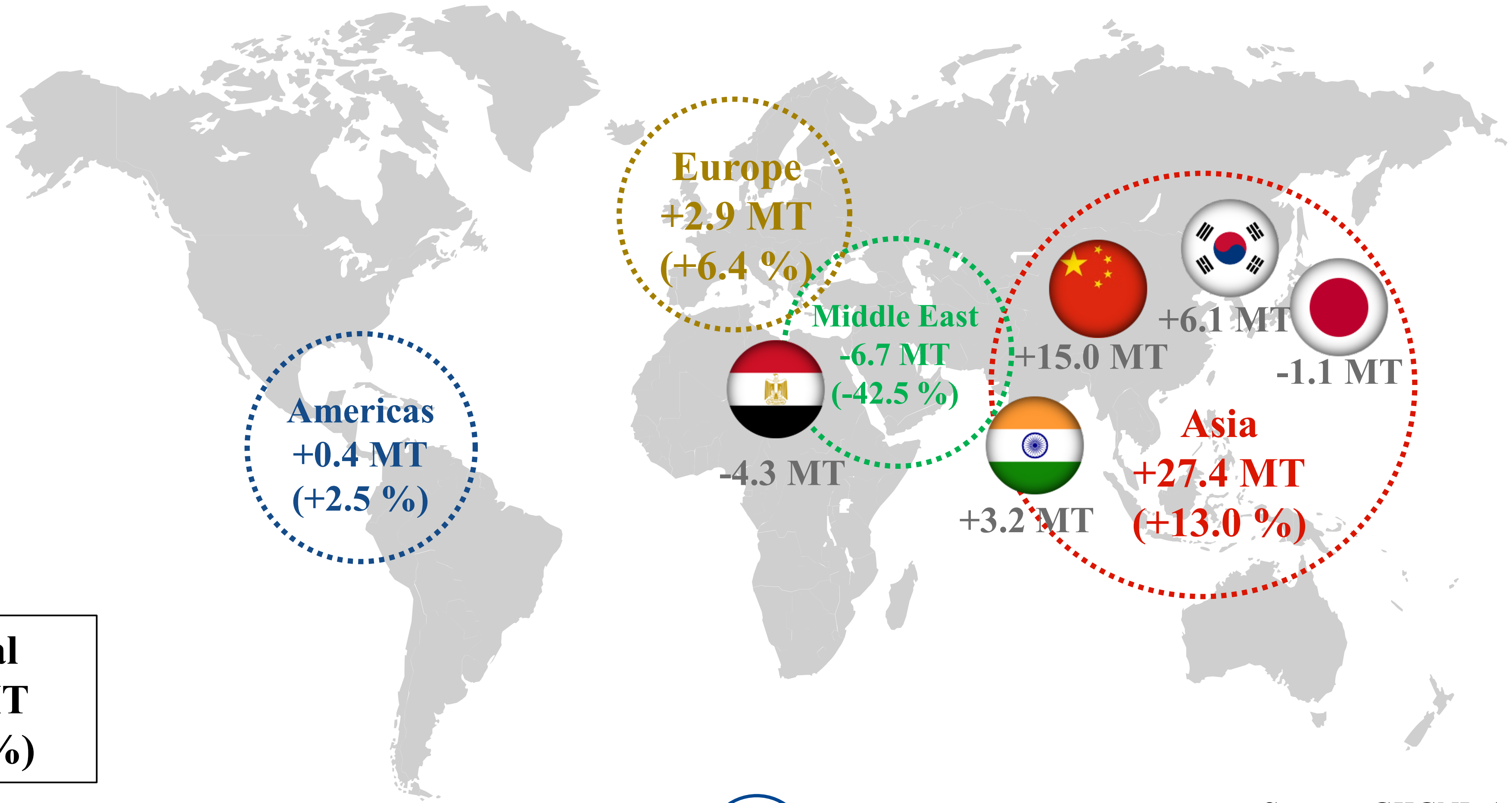
In 2018, intra Asia-Pacific flow continued to dominate trade flows



Source: GIIGNL Annual report

LNG IMPORTS IN 2018 VS. 2017

Asia consolidated its position as the largest LNG importing region due to growth in China, South Korea and India

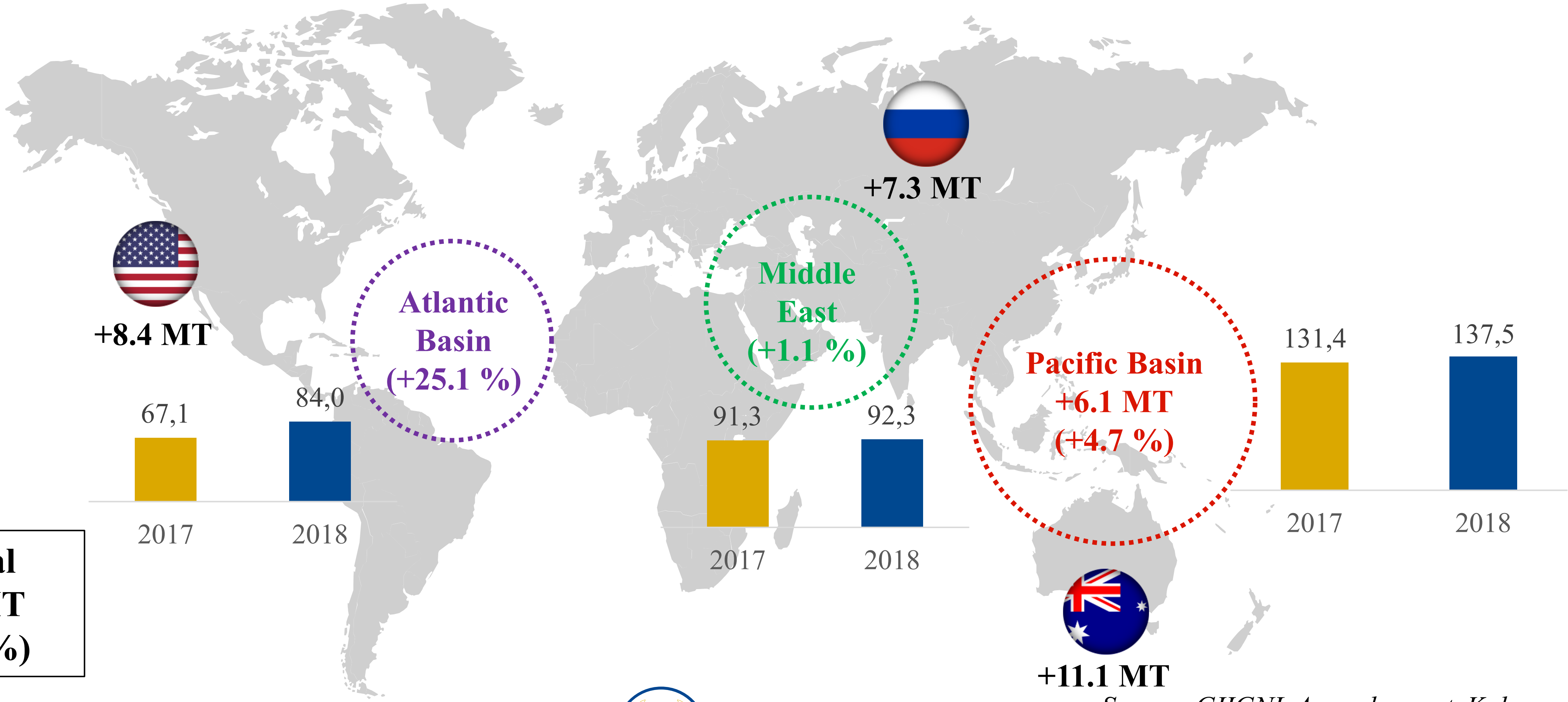


Global
+24 MT
(+8.3 %)

Source: GIIGNL Annual report, Kpler

SOURCE OF LNG IMPORTS IN 2018 VS. 2017

LNG supplies from the Atlantic Basin on the rise due to increase of US and Russian production



Global +24 MT (+8.3 %)

Source: GIIGNL Annual report, Kpler

LNG SHIPPING IN 2018

Shipping capacity struggling to meet new exports

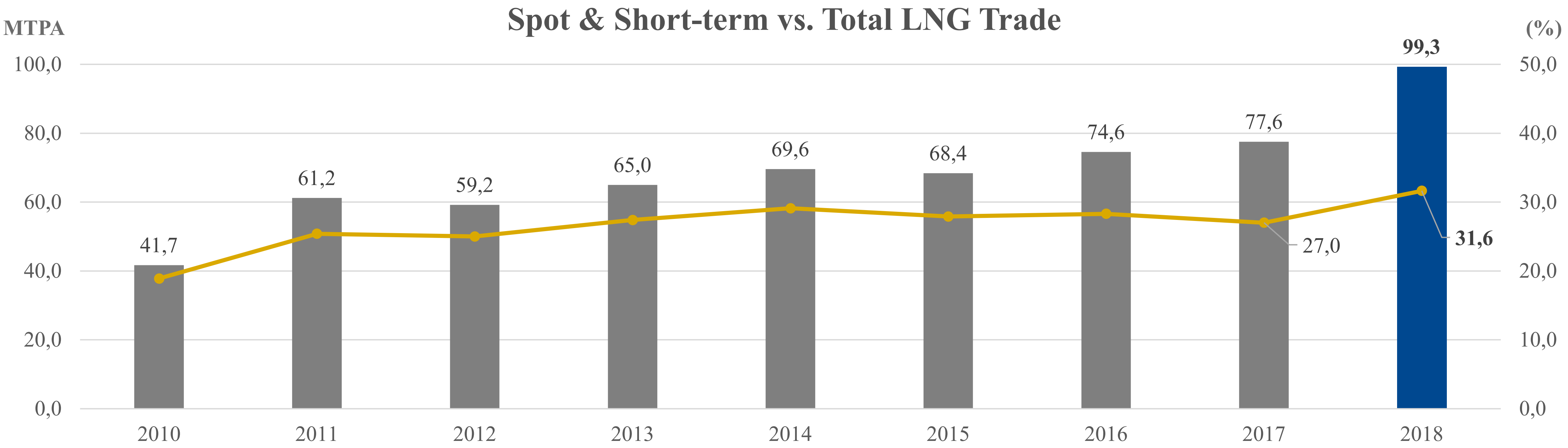
- 563 LNG Vessels (+52 vs. 2017)
- 33 FSRUs
- 44 vessels < 50,000 m^3
- 57 new ships delivered / 5 ships scrapped
- 138 ships on the order book / half of it tied to a specific project or charters
- Average spot charter rate: $88,692/day
  - vs $46,058/day in 2017 (for a 160,000 m^3 LNG carrier)

Source: GIIGNL Annual report

SPOT & SHORT-TERM TRADE IN 2018

The share of spot & short-term trade increased due to the flexible volumes from US and Russia

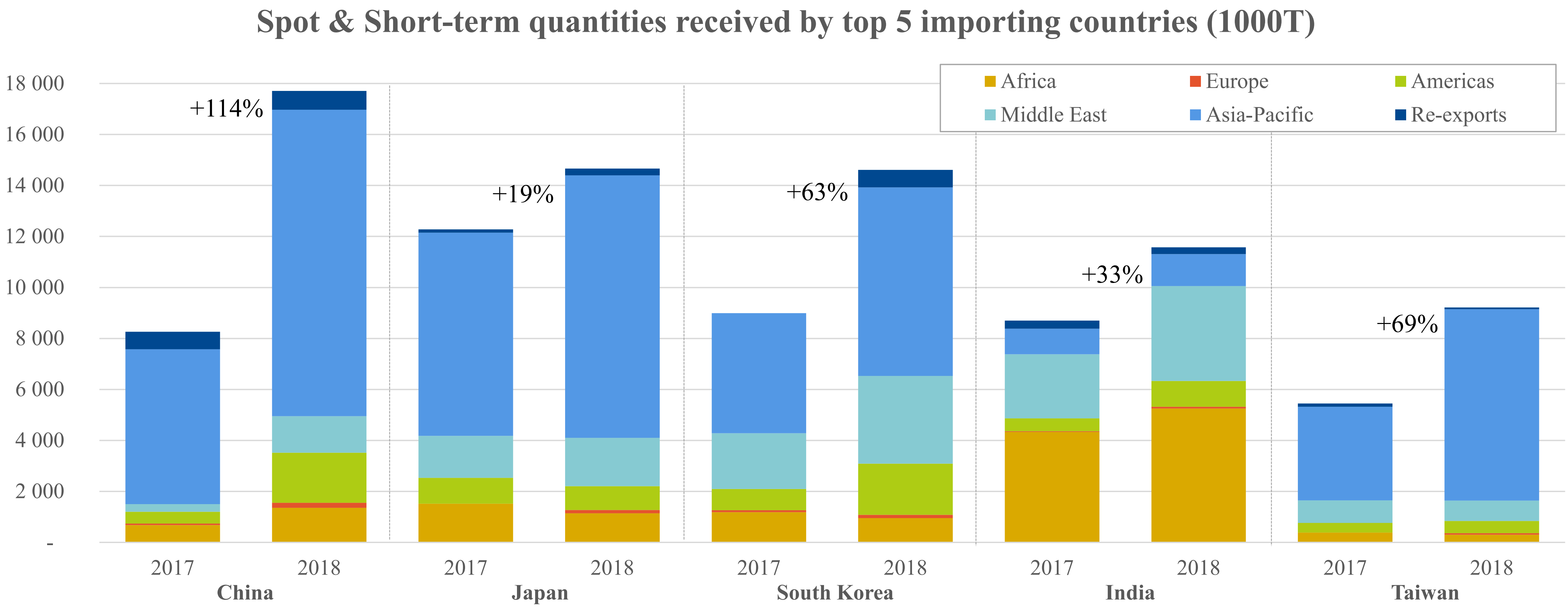
Total Imports (MT)	Spot & Short-term		Spot	
	Imports (MT)	Share (%)	Imports (MT)	Share (%)
313.8	***99.3***	***32%***	***78.7***	***25%***



Source: GIIGNL Annual report, Kpler

SPOT & SHORT-TERM TRADE IN 2018 VS. 2017

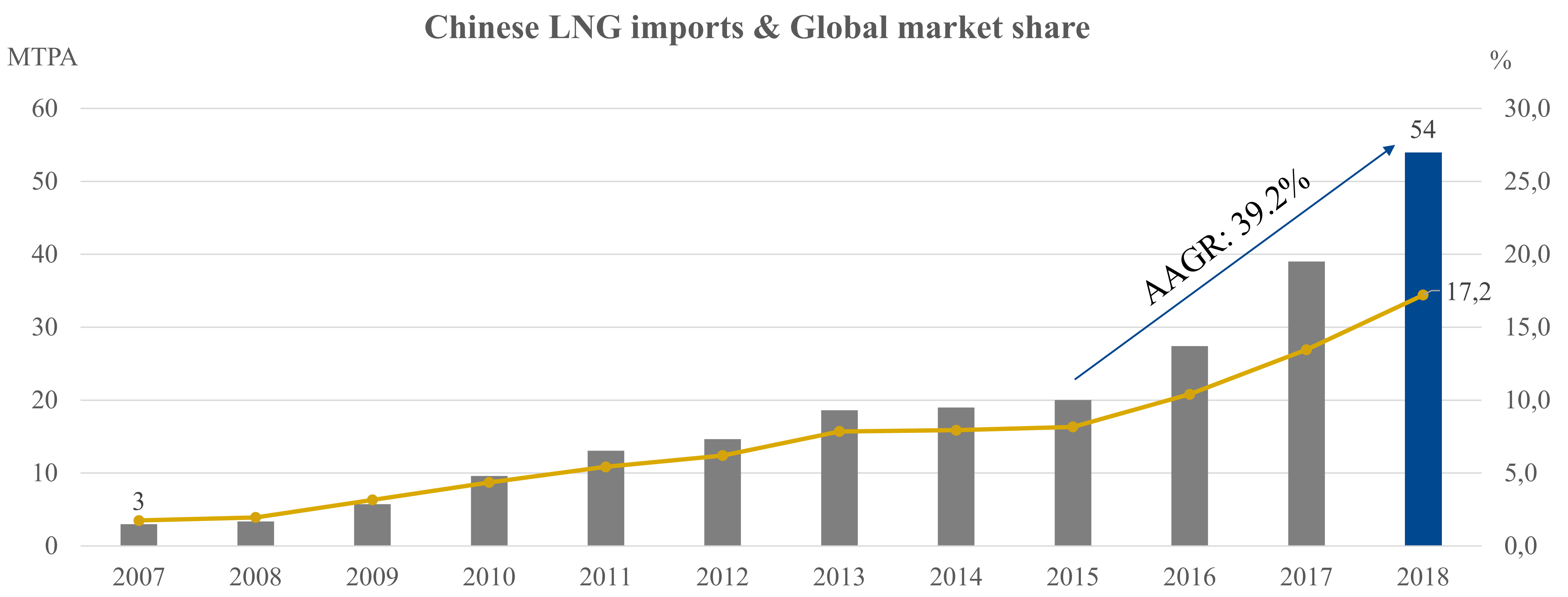
China and South Korea increased spot & short-term quantities from US and Australia



Source: GIIGNL Annual report, Kpler

CHINESE LNG DEMAND : STRONG FUNDAMENTALS

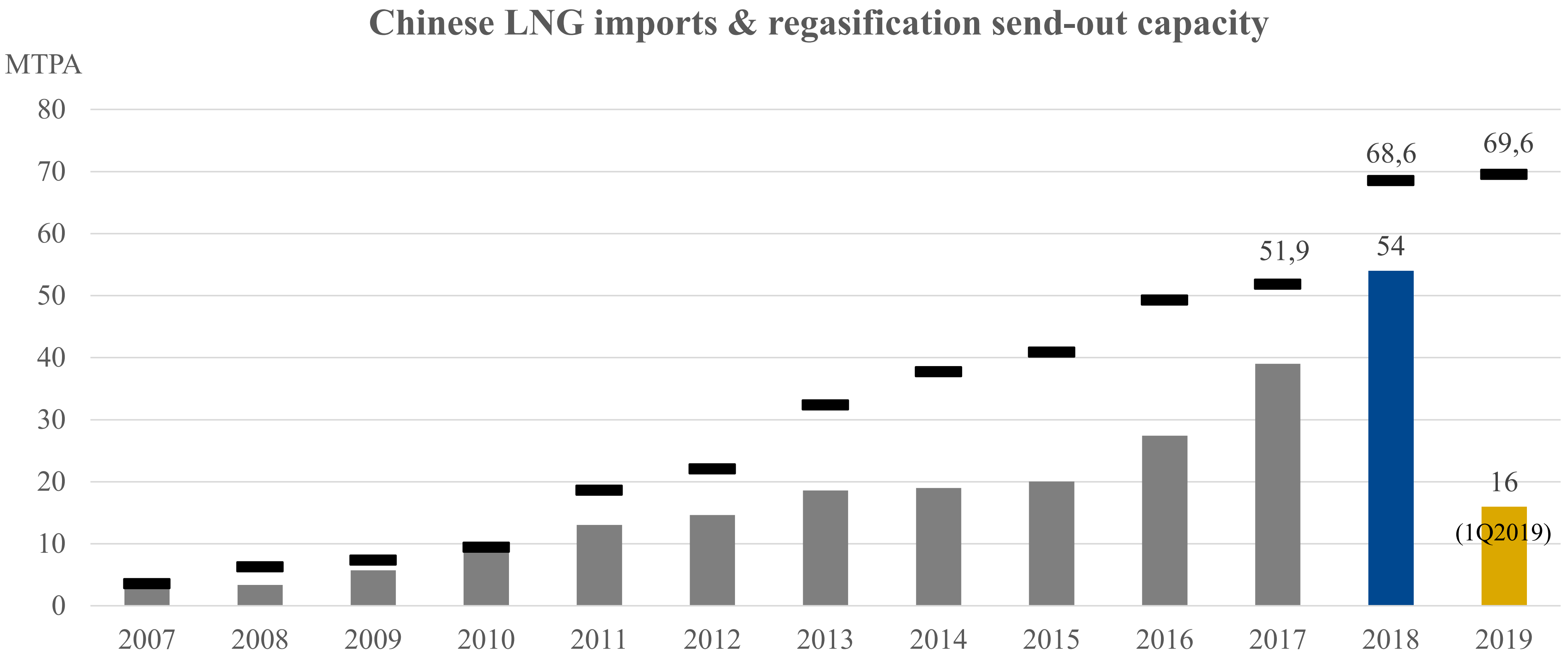
Chinese LNG imports have doubled in the last two years



Source: GIIGNL Annual report, Kpler

CHINESE LNG TERMINALS

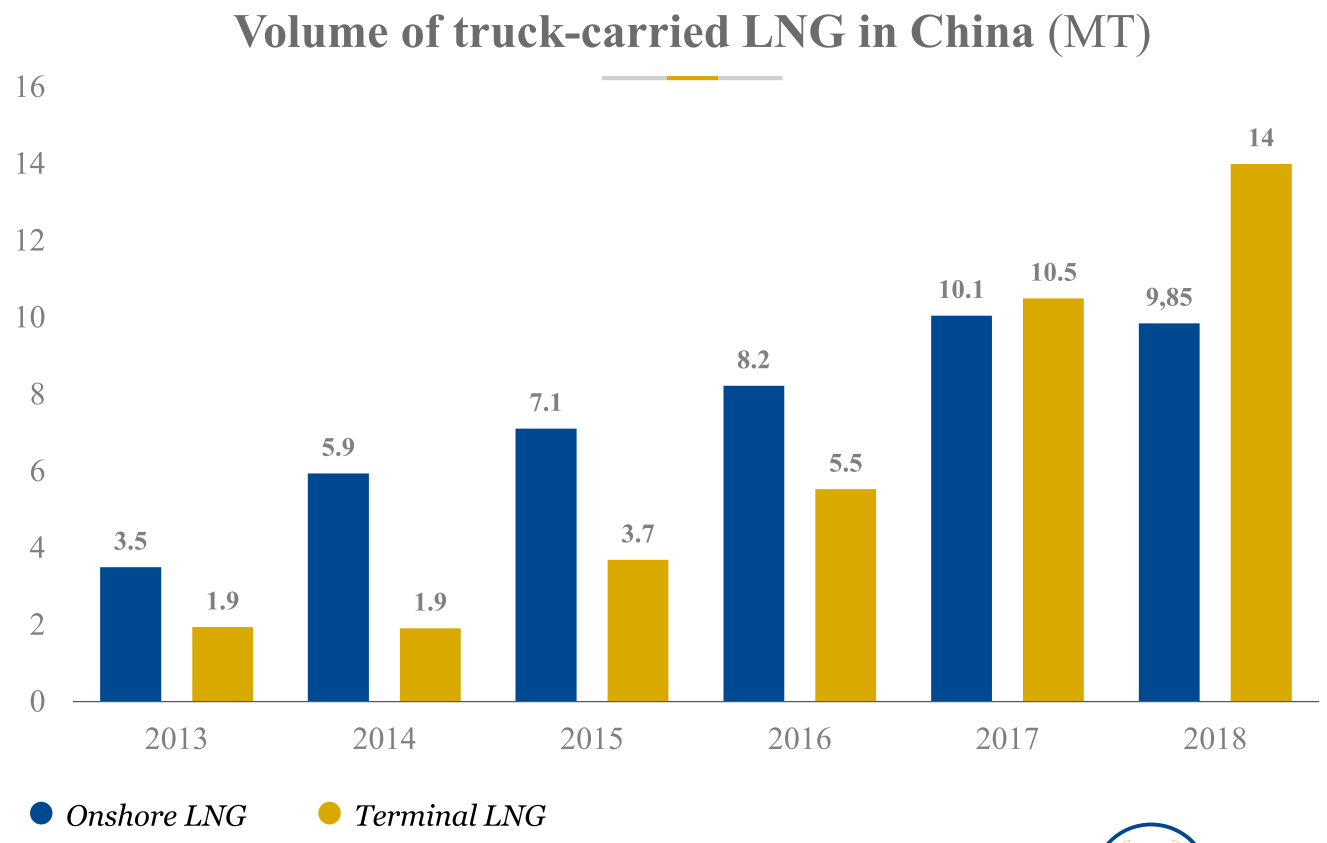
Chinese regasification capacity needs to be continuously developed



Source: GIIGNL Annual report, Kpler

LNG TRUCKING IS KEY TO LNG LOGISTICS IN CHINA….

Around one-quarter of LNG imports were distributed by trucks in 2018



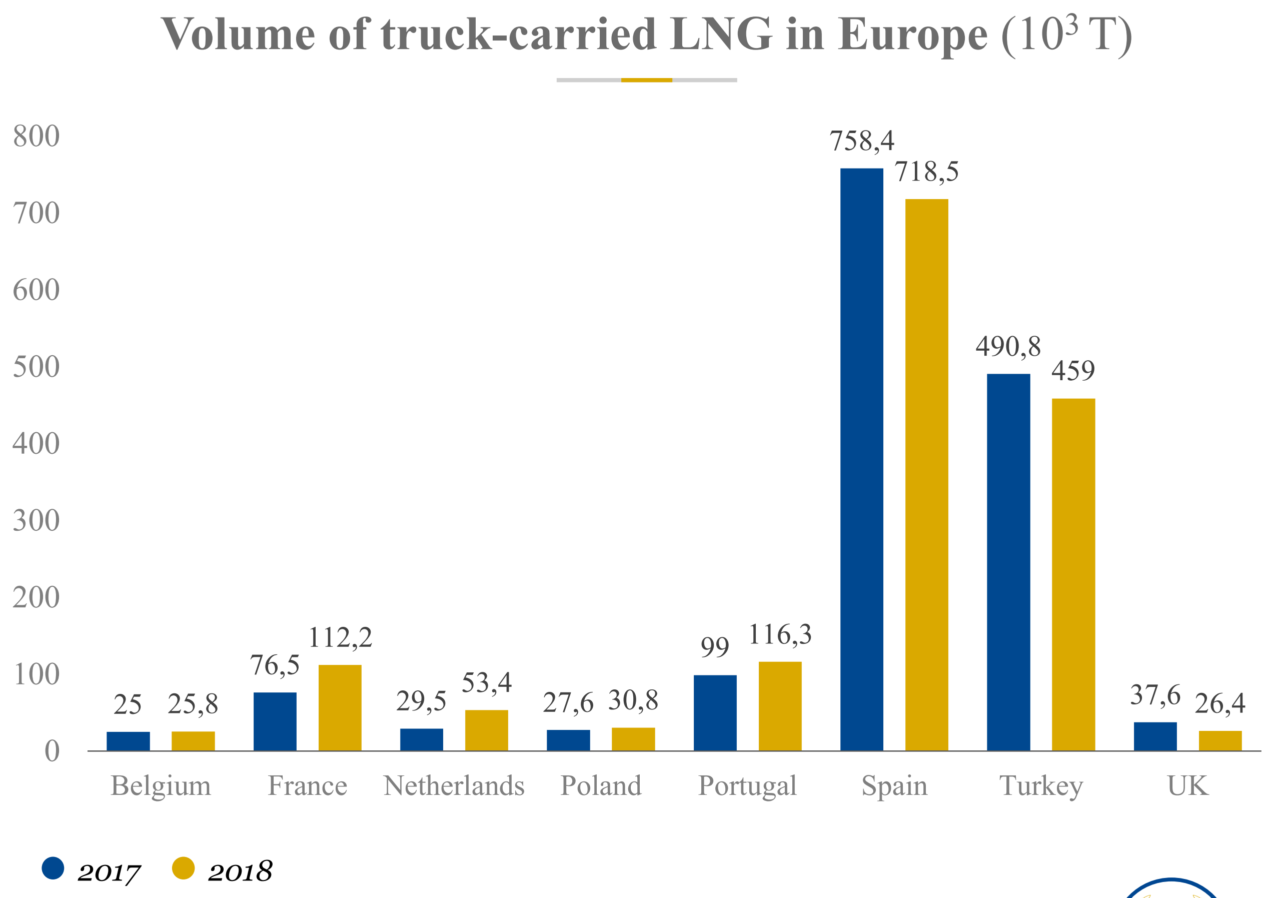
China uses LNG trucking as an effective way of **building a strong LNG supply system** to supply gas to towns and cities without pipelines

LNG from onshore factories and coastal receiving terminals is distributed to **industrial factories**, **city gate stations** and **refilling stations** by truck-carried tankers

Source: ENN, GIIGNL Annual Report

….AND PICKING UP IN EUROPE

Europe loaded around 1.6 MT onto trucks in 2018



Source: GIIGNL Annual Report

CONCLUSIONS

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- Policy-driven China and South Korea continue to drive demand growth
- Demand moves East, supply moves West
- Supply hierarchy changing, Qatar under pressure
- Shipping showing signs of tightness
- Receiving infrastructure continues to grow although at a lower pace than supply
- Spot & ST at all-time high
- Supply to rise again in 2019 as global liquefaction capacity remains in a period of expansion

THANK YOU

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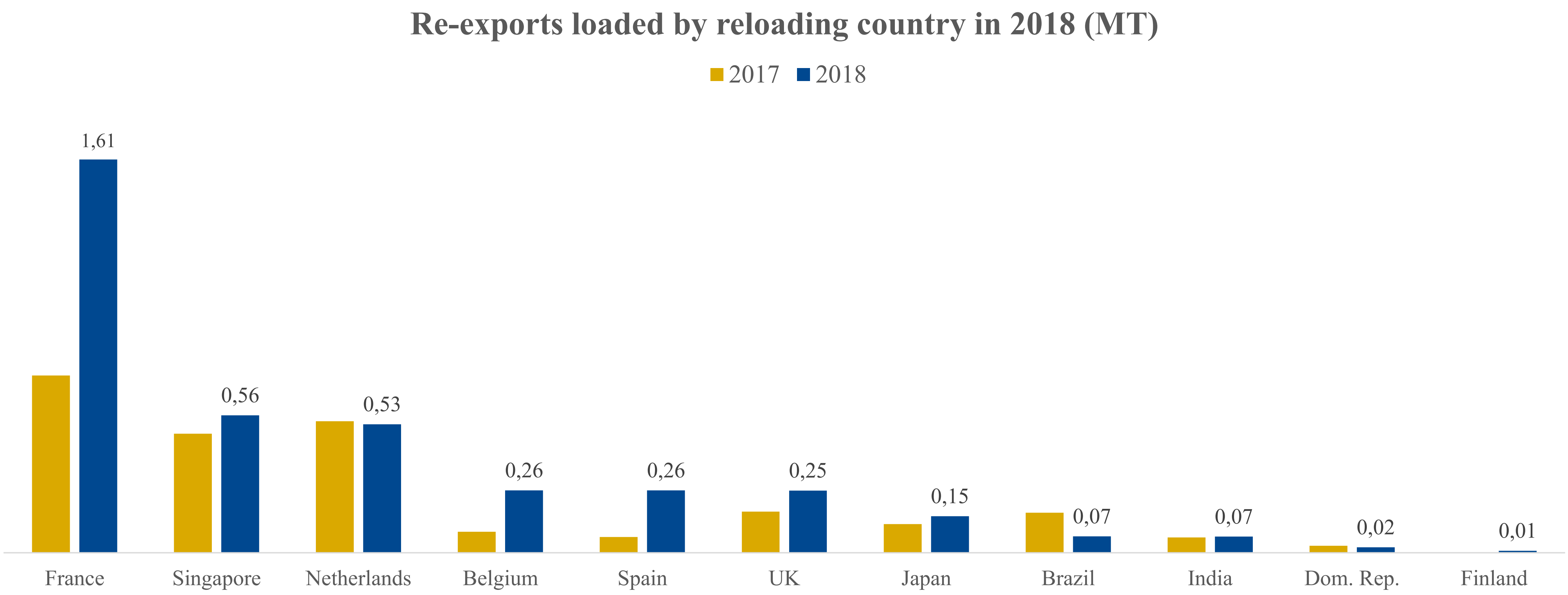
Appendices

RE-EXPORTS

Total 11 countries reloaded LNG



RE-EXPORTS

Total 22 countries imported reloaded LNG