



**5th LNG Producer-
Consumer Conference**

Pathways to Develop Flexible and Liquid LNG Market

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Tokyo, Japan
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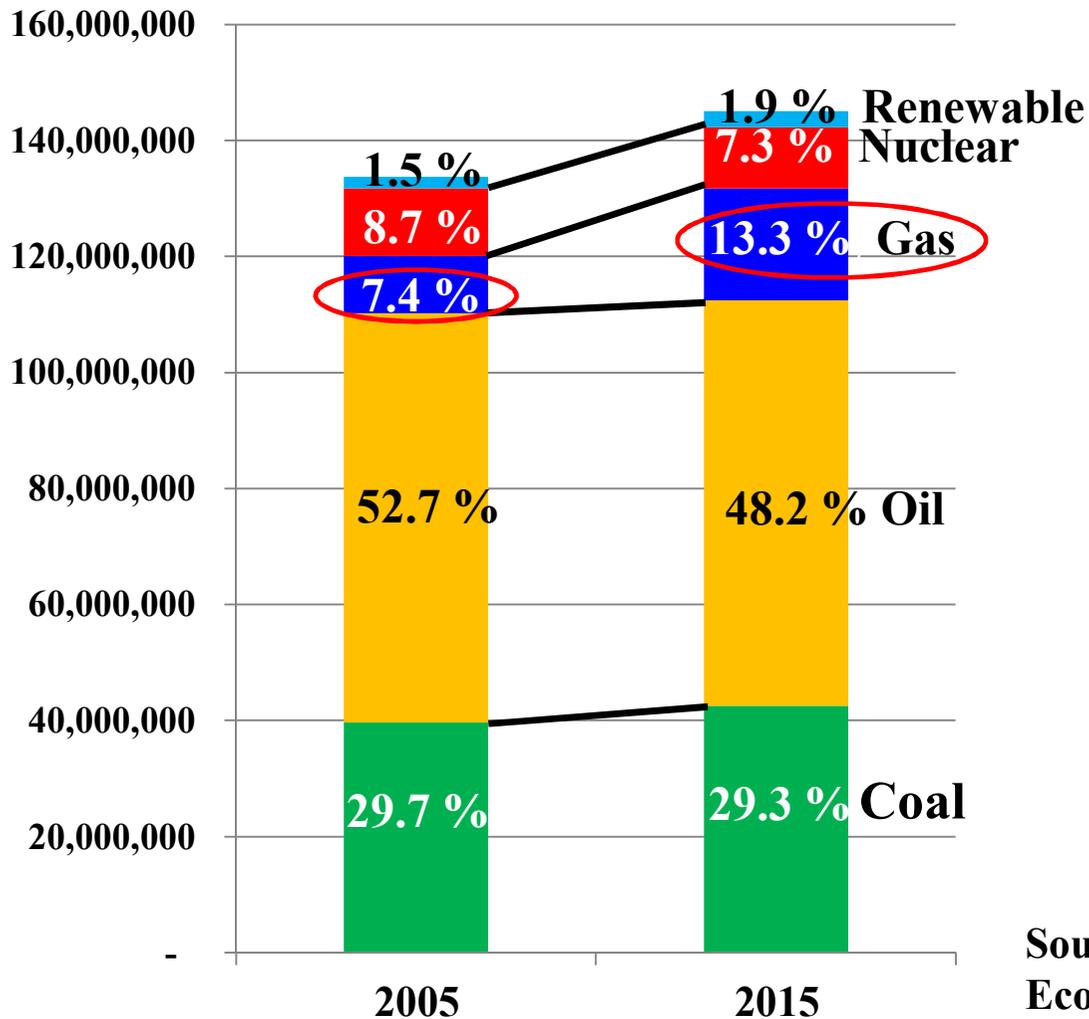


CPC CORPORATION, TAIWAN



Taiwan's primary energy mix

KLOE



In 2015:

- ◆ **98%** of total energy needs was imported.
- ◆ Fossil fuels' share was **90.8%**: coal (29.3%), oil (48.2%) and **gas (13.3%)**.
- ◆ Renewable energy accounted for **1.9%**.



Compared with the last decade:

- ◆ Primary energy supply: increased by **8.5%**
- ◆ Natural gas supply: increased by **96%**

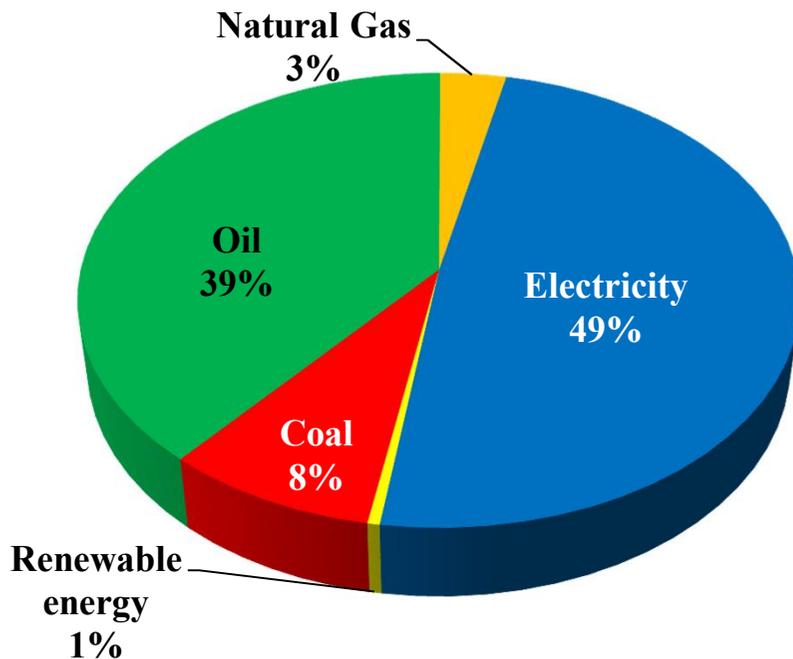
Source: Bureau of Energy, Ministry of Economic Affairs, ROC.



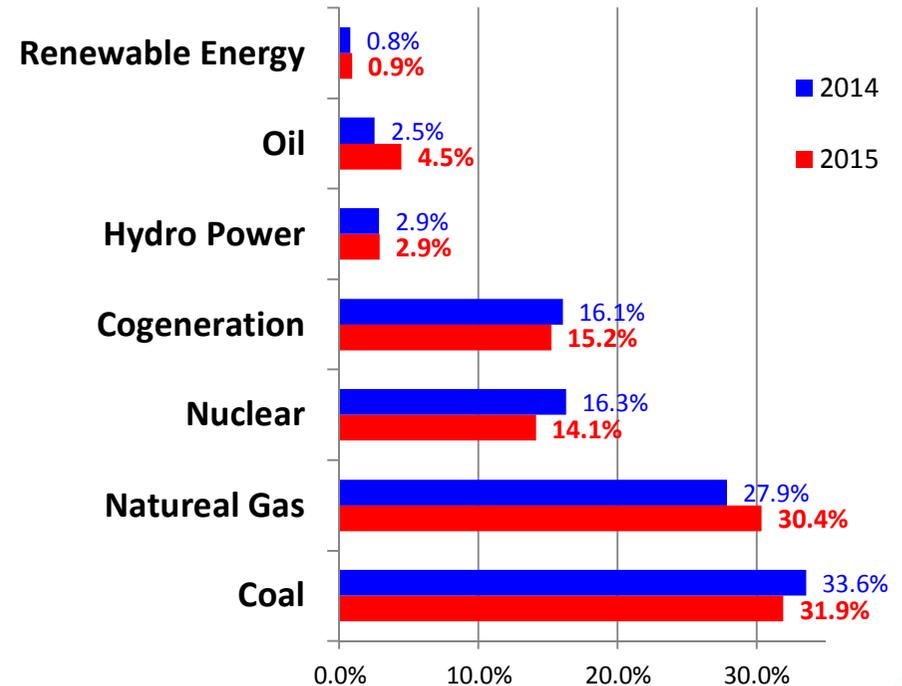
Taiwan's energy consumption mix

- Electricity made up **49%** of total energy consumption in 2015.
- Principal fuels for power generation : **coal (34%)**, **natural gas (28%)** and **nuclear (16%)**.

Energy consumption structure in 2015



Electricity Mix



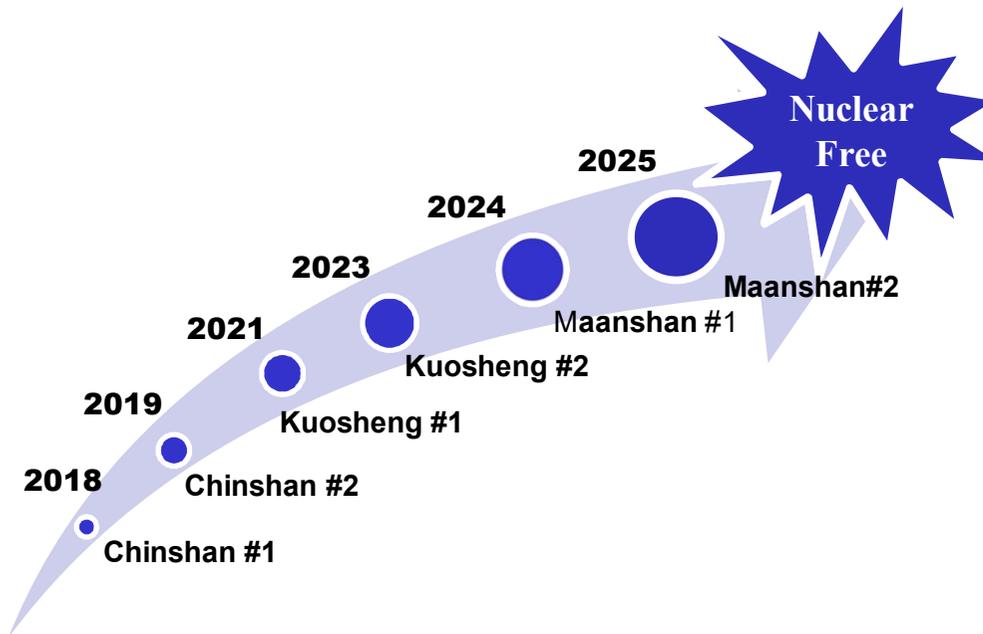
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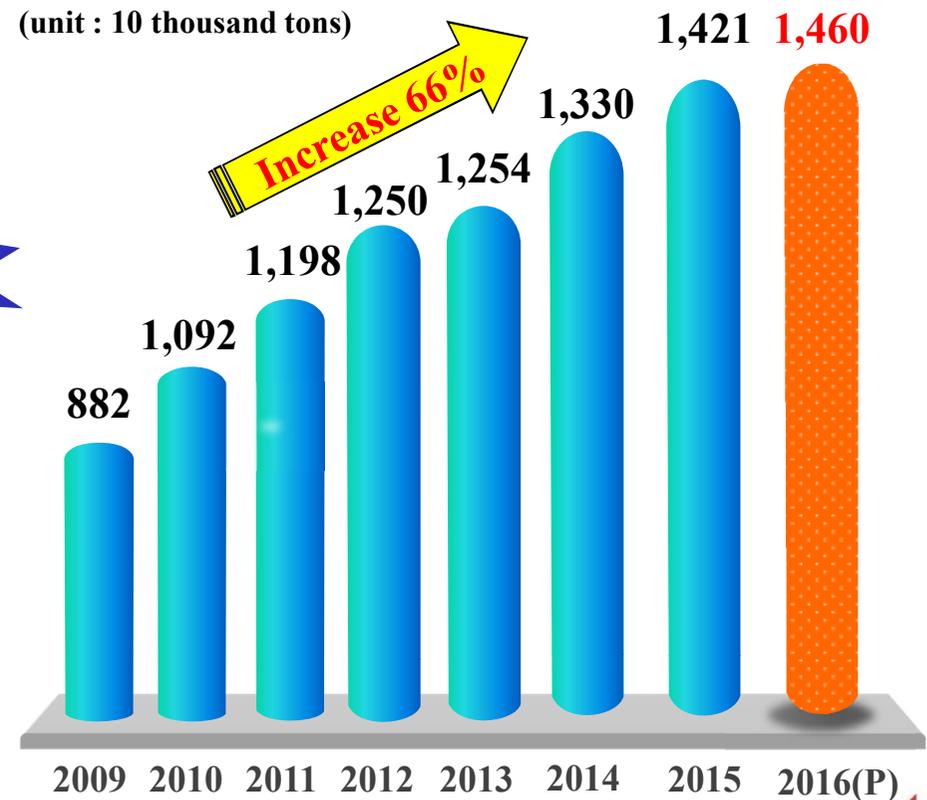
Demand for LNG is growing

The gradual year-on-year increase in Taiwan's LNG imports is a result of increasing demand for its use in power generation.

Towards a nuclear-free homeland in 2025



Source: Taipower's 10505 long-term power generation plan

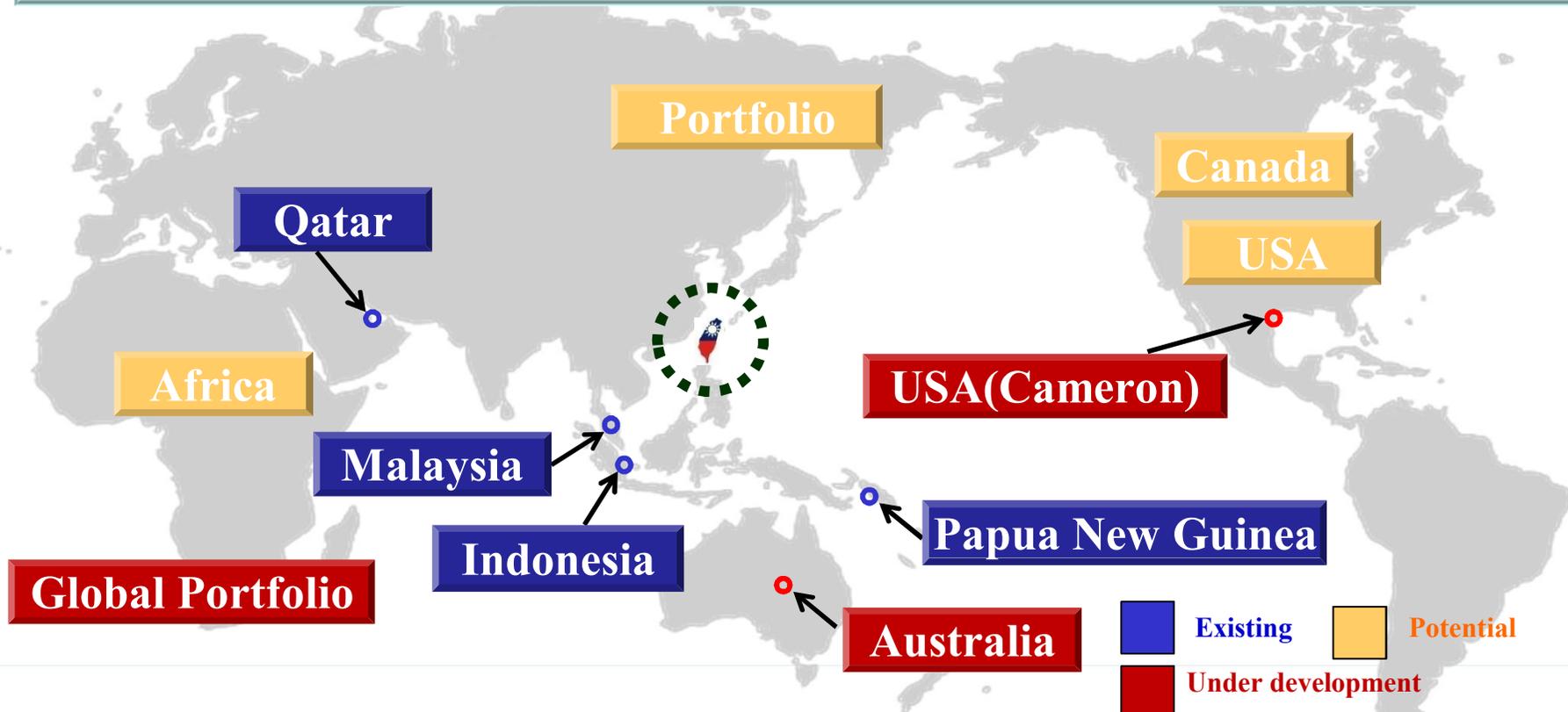


Source: GIIGNL Annual Report 2016



Diversifying our sources

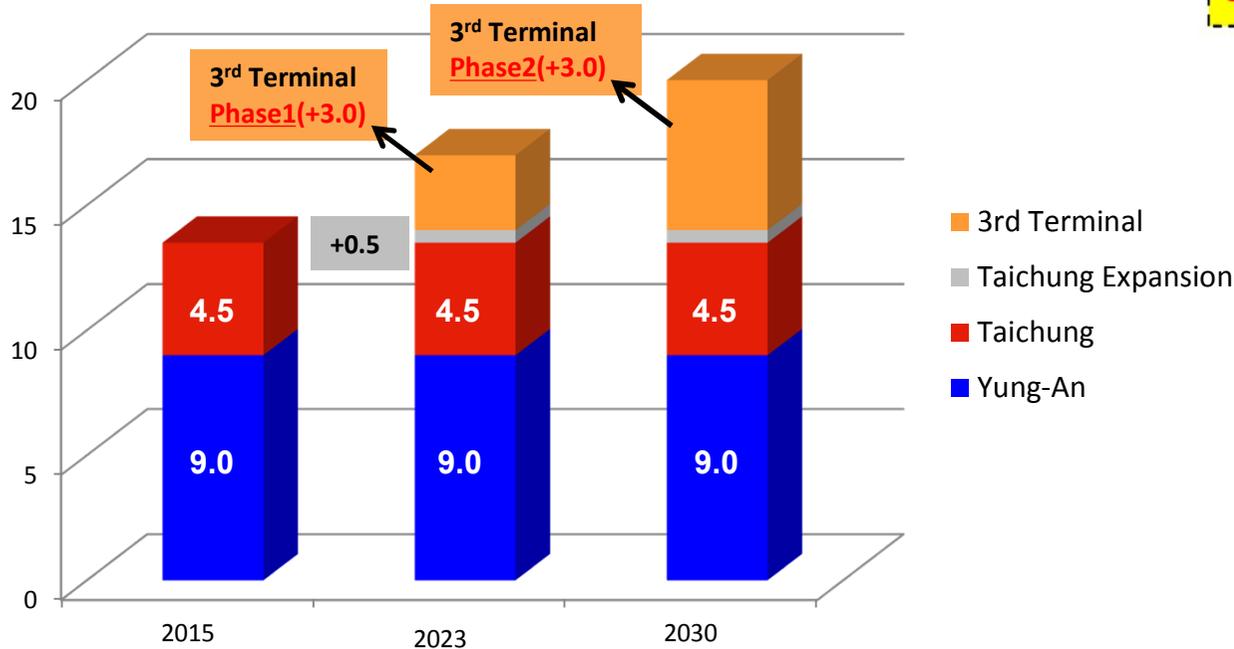
- ✚ CPC has signed long-term LNG contracts with diverse suppliers.
- ✚ CPC imported LNG from 12 out of 17 exporters in 2015.
- ✚ Source diversification is an ongoing aim for CPC.





CPC's natural gas supply network

Planned 3rd LNG Terminal: capacity - up to 6.0 MTPA



Existing LNG Terminals:

Taichung

- ◆ Operating capacity: 4.5 MTA; tank capacity : 480k m³

Yung-An

- ◆ Operating Capacity: 9.0 MTA ; tank capacity : 690k m³



The challenges we face

1

“ The risks arising from delay in new FIDs

2

“ Transparency and liquidity in pricing

3

“ Flexibility in transactions

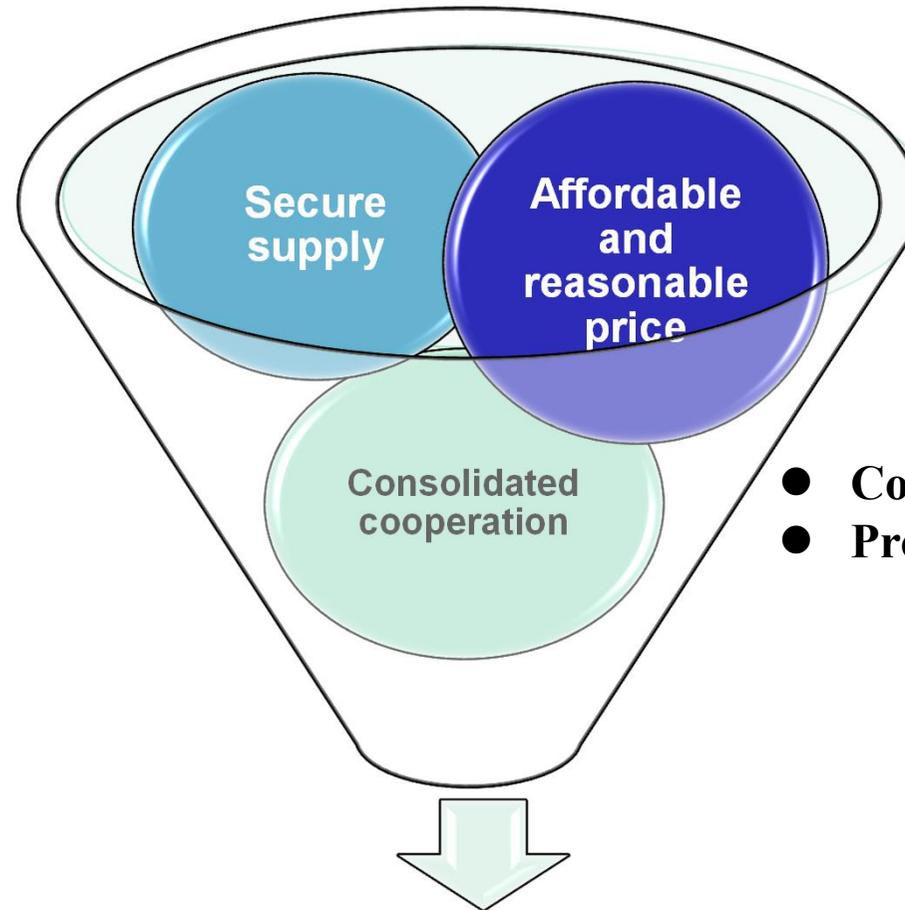
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“ Completing Taiwan’s LNG storage expansion projects on schedule



Getting to a flexible and liquid market for LNG

- Reliability
- Credibility



- Affordable cost
- Return on investment

- Consumers
- Producers

**Flexible and Liquid
LNG Market**

Thank you for your time and attention



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