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IGU World LNG Report 2020
Release and Press Conference
April 27, 2020
Professor Joe-Myung Kang
President, International Gas Union (IGU)
#InThisTogether
The poorest areas of the world will likely endure the greatest suffering from this pandemic, and that is heartbreaking.
LNG technologies can improve access and support the development of more resilient communities around the world.
Gas is the ideal fuel to energize future recovery and keep the world on track with climate and sustainable development commitments.

Air Pollution: Nearly zero Sulphur Dioxide, low Nitrogen Oxide, and no Particulate Matter emissions.

GHG Emissions: 40%-50% less than coal and 20% less than oil.

Heat Intensity: The most heat intensive and highest efficiency hydrocarbon fuel source.

Scalability: Ease of adding customers once infrastructure is developed.
The Global Voice of Gas

Natural Gas is the Necessary Tool for Addressing the Most Pressing Global Energy Challenges &
It will have a Vital Role in the Sustainable Energy Future

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WGC 2021 - DAEGU, KOREA

A Sustainable Future – Powered by Gas
IGU World LNG Report 2020
Release and Press Conference
April 27, 2020
Birthe van Vliet
Chair, World LNG Report Task Force
International Gas Union (IGU)
Data in the 2020 IGU World LNG Report is sourced from a range of public and private domains, including the BP Statistical Review of World Energy, the International Energy Agency (IEA), the Oxford Institute for Energy Studies (OIES), the US Energy Information Agency (EIA), the US Department of Energy (DOE), GIIGNL, Rystad Energy, Refinitiv Eikon, Barry Rogliano Salles (BRS), company reports and announcements. Additionally, any private data obtained from third-party organisations are cited as a source at the point of reference (i.e. charts and tables).

The trade related data in the 2020 IGU World LNG Report was provided by GIIGNL – for which we are very grateful.

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Highlights from the 2020 World LNG Report – covering 2019

- 354.7 MT Global LNG trade
- 11% YOY growth in liquefaction capacity
- 23.4 MTPA Regasification capacity added
- US$5.49/MMBtu Average Asian spot price
- 430.5 MTPA Global nomination liquefaction capacity
- 541 Vessels (of which 34 FSRUs, 4 FSUs) LNG fleet
- 821 MTPA Global nominal regasification capacity (as of Feb 2020)
- 85.9 MTPA European LNG imports
- 907.4 MTPA Liquefaction capacity in Pre-FID stage
- 70.8 MTPA Liquefaction capacity sanctioned
- 120.4 MTPA Global regasification capacity under construction (as of Feb 2020)
- 3 New FSRUs
- 13% Increase in global LNG trade
- 85.9 MTPA European LNG imports
- 70.8 MTPA Liquefaction capacity sanctioned
Global LNG trade increased to 354.7 MT in 2019, an increase of 40.9 MT or 13% vs. 2018. This is the sixth year of consecutive growth in global LNG trade.

- **Qatar** managed to maintain its position as the largest exporter in the world, exporting 77.8 MT.
- **Australia** is the second largest exporter with a total of 75.4 MT.
- **Russia** is now the fourth largest exporter of LNG, with 29.3 MT of export in 2019.
- The **USA** overtook Malaysia as the third largest exporter, and added a record of +13.1 MT.

- **Japan** imported 76.9 MT (-5.6 MT vs. 2018).
- **China** imported 61.7 MT (+7.7 MT vs. 2018).

The largest global LNG trade flow route continues to be intra-Asia Pacific trade 77.3 MT.

The largest importing regions, consistent with 2018, were:
- Asia Pacific 131.7 MT
- Asia 114.5 MT

European imports surged on the back of low prices, almost doubling to 85.9 MT.

*The diagram only represents trade flows between the top 10 exporters and top 10 importers.*
International gas prices hit a record low in 2019.

- NBP front month contract trading reached lowest level in 10 years - US$3.15/MMBtu in July
- Asian spot average US$5.49/MMBtu, lowest in 10 years
- Asian spot reached a low of US$4.10/MMBtu in August

Henry Hub front month prices averaged US$2.53/MMBtu
Waha gas prices averaged US$0.90/MMBtu
Liquefaction Plants

Global liquefaction capacity reached **430.5 MTPA** in 2019.

**Capacity Additions for 2019**

- **42.5 MTPA** of liquefaction capacity brought online
- **11%** year-on-year growth vs 2018
- **Australia 87.6 MTPA** overtook **Qatar 77.1 MTPA** as the market with the highest liquefaction capacity
- Capacity added in **Australia, Russia, USA and Argentina**

**FIDs and Under Construction**

- Record FIDs of liquefaction projects, totalling **70.8 MTPA**
- FIDs were taken in **USA, Mozambique, Russia and Nigeria**
- Global liquefaction capacity forecasted to reach **454.8 MTPA** by end 2020
- Liquefaction capacity forecasted to be added in 2020 in **USA, Indonesia, Malaysia and Russia**

**Pre-FID**

- **907.4 MTPA** of liquefaction capacity currently in pre-FID stage
- **350.5 MTPA** from USA
- **221.8 MTPA** from Canada
- **50.0 MTPA** from Australia
- **49.0 MTPA** from Qatar
- **42.2 MTPA** from Russia
The global LNG fleet grew by **8.4% year-on-year** in 2019.

- **541** active vessels
- **34** FSRUs
- **4** FSUs
- **5,701** trade voyages, an increase of **11%** year-on-year
- **126** carriers
- **Approximately 20** vessels laid-up
LNG Receiving Terminals

23.4 MTPA of receiving capacity was added in 2019

+6 new terminals between 2019 – February 2020

+3 expansions at existing terminals between 2019 – February 2020

821 MTPA of global regasification capacity as of February 2020

India and Thailand expanded existing LNG plants

Growth in 2019 was driven primarily by new-built terminals in existing LNG import markets: Bangladesh, Brazil, China, India, and Jamaica

120.4 MTPA of new regasification capacity under construction as of February 2020

3 new FSRUs
Bangladesh, Brazil, and Jamaica
Available for download at: www.igu.org
IGU World LNG Report 2020
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Jarand Rystad
CEO, Rystad Energy
International gas prices remain at historical low levels

Oil-indexed contracts have a lag of 6 to 9 months in the oil indexation; therefore, the low price is still not reflected in the oil-indexed price.

Asia spot prices dropped when China announced the lockdown and reduced its LNG imports. Prices then rebounded as exports adjusted down and other Asian countries continued to buy spot cargoes. They have now fallen to $2.3 again due to India lockdown.

NW European prices are currently trading at $2 as demand continues to be weak. At this level US LNG spot cargo exporters are not covering their SRMC.

Henry Hub prices stabilized at $1.8 per MMBtu.

Source: Rystad Energy research and analysis, GasMarketCube, Refinitiv, Bloomberg
* Henry Hub and NBP prices correspond to the front month contract. Asia Spot are as reported by Refinitiv
LNG imports in NE Asia dropped. Effect in Europe yet to be seen

Source: Rystad Energy research and analysis, Refinitiv
Chinese gas consumption increased by 1.8% in Q1 2020 vs. Q1 2019

China Q1 Gas Balance by Month
Billion Cubic Meters

2019
77.8 BCM

2020
78.9 BCM

<table>
<thead>
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<th>Month</th>
<th>Domestic Production</th>
<th>LNG Imports</th>
<th>Pipeline Imports</th>
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<td>March</td>
<td>15.1</td>
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</tr>
<tr>
<td>March</td>
<td>16.9</td>
<td>5.9</td>
<td>25.6</td>
</tr>
</tbody>
</table>

Change
Q1 2019 – Q1 2020

Total + 1.8%
Pipeline Imports - 8.6%
LNG Imports - 5.9%
Domestic Production + 8.4%

Source: China National Development and Reform Commission; National Bureau of Statistics
Large drop in Italian demand paints a bleak picture for rest of Europe

**Italy weather adjusted natural gas demand**

Million cubic meters

- Week 10
- Week 11
- Week 12
- Week 13
- Week 14
- Week 15

Source: Rystad Energy research and analysis, GasMarketCube, Refinitiv
US demand: impact on gas for power has been muted so far

**Gas demand for power generation**
Billion cubic feet per day in L48

**Gas demand for residential/Commercial use**
Billion cubic feet per day in L48

Source: EIA, Rystad Energy research and analysis
Some US exporters have adjusted down their production

US LNG exports by terminal
Million tonnes

Source: Rystad Energy research and analysis, Refinitiv