Global LNG markets

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LNG imports by region

European* LNG regasification capacity versus imports 2014

Regas capacity = existing and under construction

Spain
UK
France
Italy
Netherlands
Belgium
Turkey
Portugal
Greece
Poland
Lithuania

Source: Regas capacity - BG interpretation of Wood Mackenzie (Q3 2015);
2014 imports - BG Group interpretation of IHS Waterborne data (Jun 2015), delivered volumes
*Turkey included as regional importer
Over the past decade:

- Significant growth in flexible volumes
  - Supply tenders
  - Back-stop markets
  - Re-loads
  - Portfolio players / aggregators
  - Traders
- Growing cargo diversions
- Increasing competition between markets


* Contract duration of 4 years or less (GIIGNL)
US: the next supply wave

Source: BG Group interpretation of Wood Mackenzie data (Q3 2015)
How much US LNG export capacity will be built?

Proposed LNG supply by region

- **US (lower 48)**: 39% of total trade
- **Canada**: 32% of total trade
- **East Africa**: 29% of total trade
- **Russia**:
- **Australia**:
- **Others***: 29% of total trade
- **Total trade 2014**

Proposed new supply = expansions and new projects (excluding those under construction) – ultimate capacity where known

*Others = Alaska, Nigeria, Iran

Source: US DOE, Wood Mackenzie and various press reports
LNG import outlook by region

Pacific Basin

Atlantic Basin

Source: BG Group interpretation of Wood Mackenzie data (Q3 2015)
US LNG DES cost N.W. Europe

Observations

• Global LNG trade = 240 mt (~330 Bcm gas) in 2014
  – Europe* is 2nd largest importing region (~35 mt or ~50 Bcm gas in 2014)

• The LNG trade has evolved significantly over the past decade
  – Growing flexible volumes & cargo diversions

• After a period of tightness global LNG market starting to rebalance based on new supply

• US volumes expected to add further flexibility and liquidity
  – With transparent cost

• LNG adds to European gas supply diversity

*Turkey included as regional importer