RESEARCH
Client Briefing

Energy Intelligence Briefing

Gas and LNG Market Outlook

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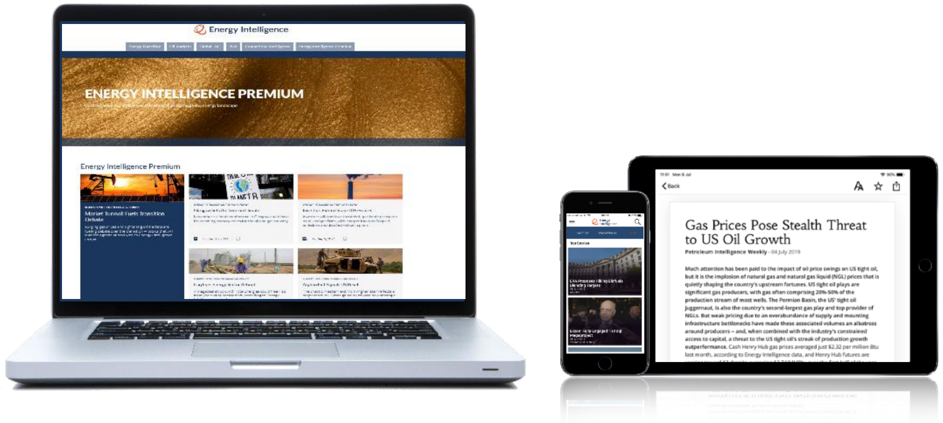

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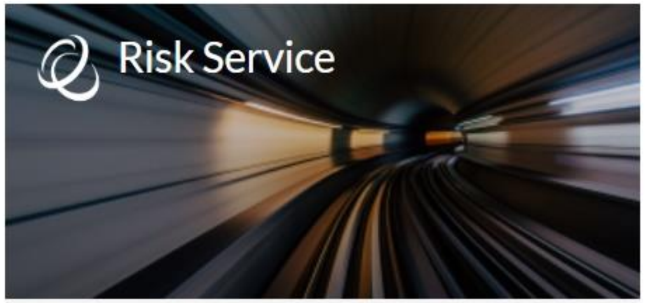
Energy Intelligence insights extend across **five core areas**, each providing an integrated offering of news, analysis, research and data.



Agenda

- Short-Term Gas Market Dynamics and Price Drivers
- LNG Supply Dynamics
- Long-Term LNG Demand Outlook

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01

- **Short-Term Gas Market Dynamics and Price Drivers**
- LNG Supply Dynamics
- Long-Term LNG Demand Outlook

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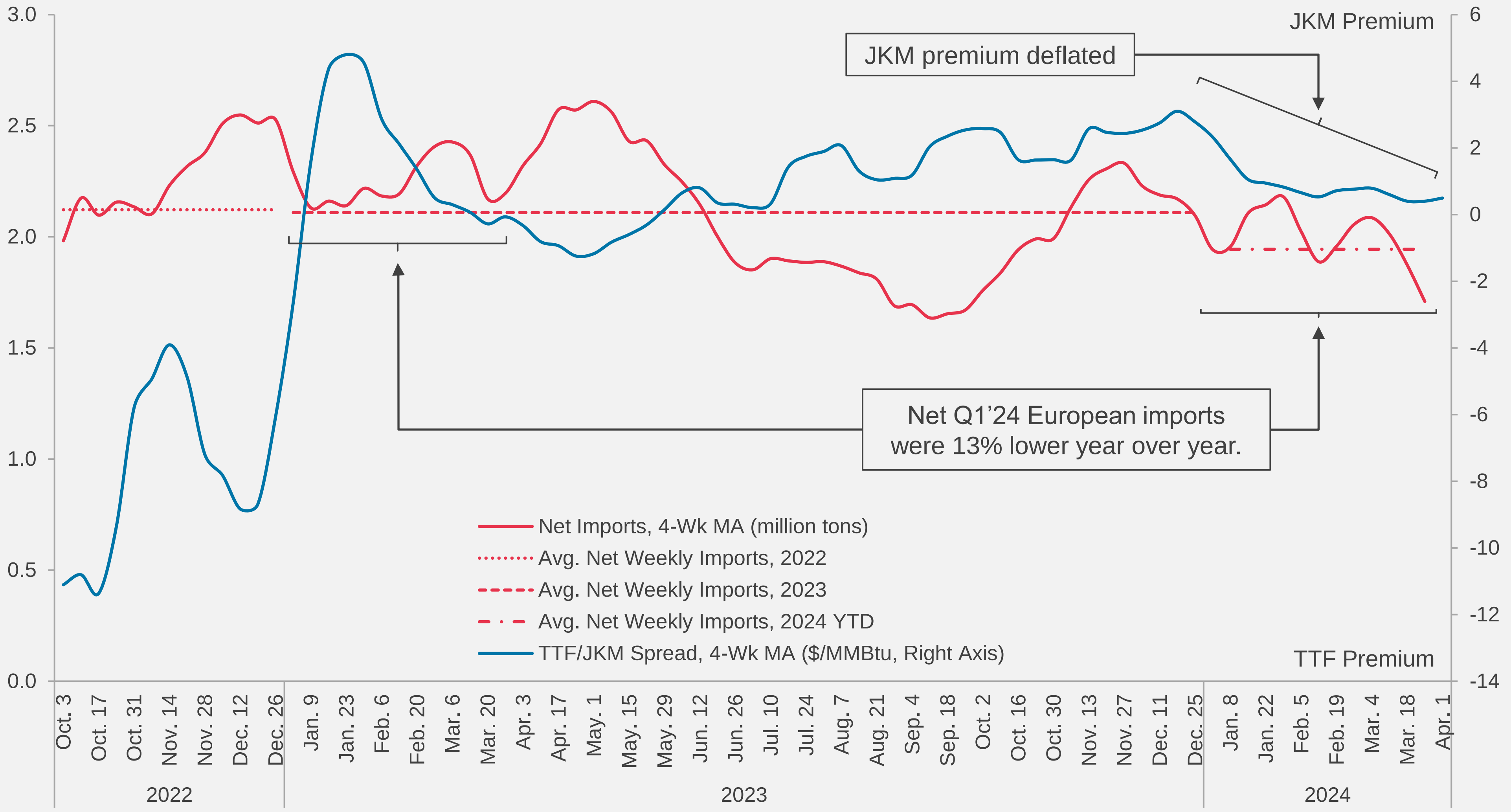
Short-Term LNG Market: Searching for Direction

European imports drop to lowest weekly level since December 2021

Europe: TTF/JKM Spread vs. LNG Imports*

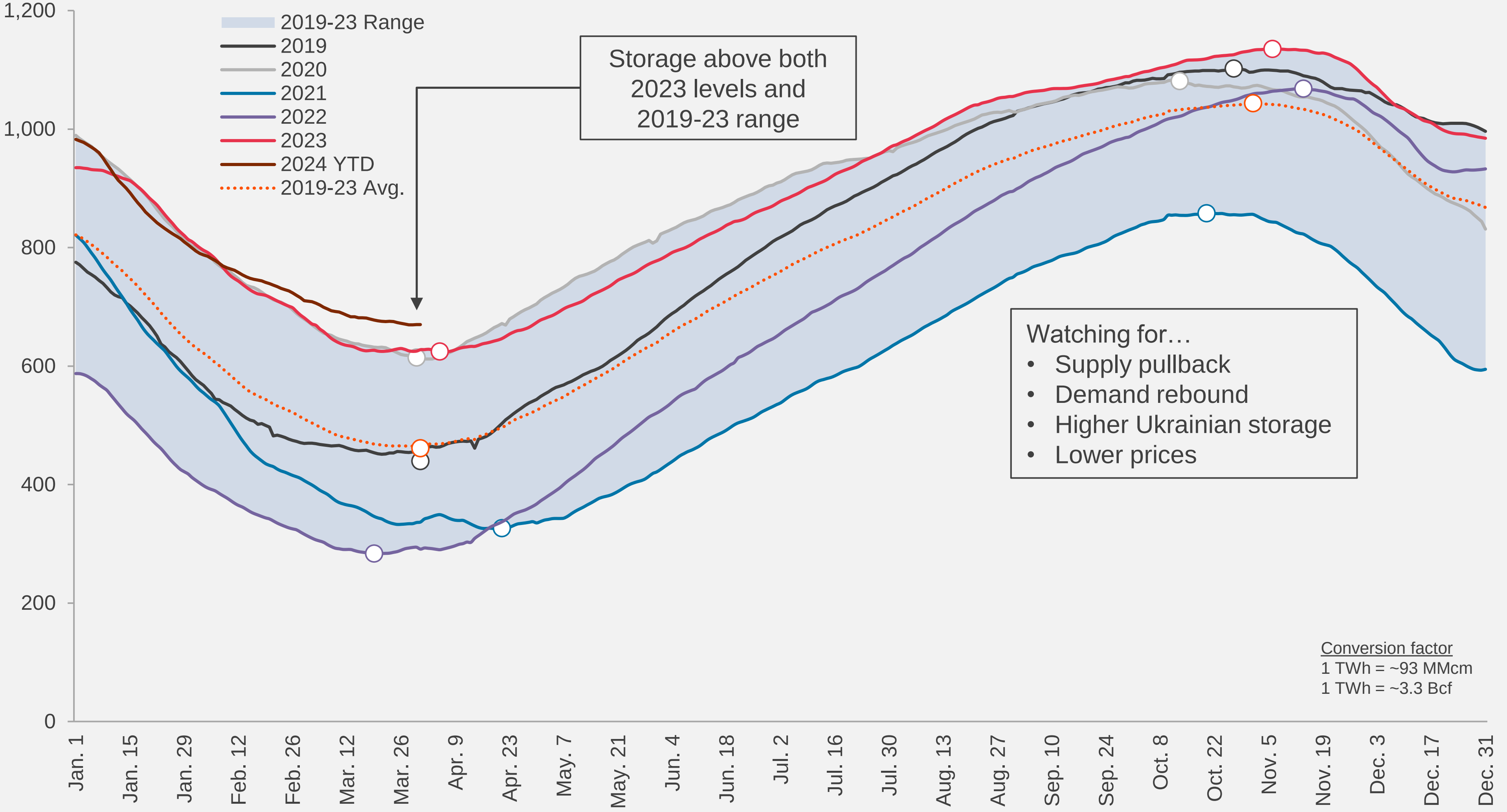


*Includes the UK, excludes Turkey. Source: Kpler, Energy Intelligence Gas and LNG Research

European Market: Still Key to Global Pricing

Comfortable storage points to market weakness, but expect volatility to persist

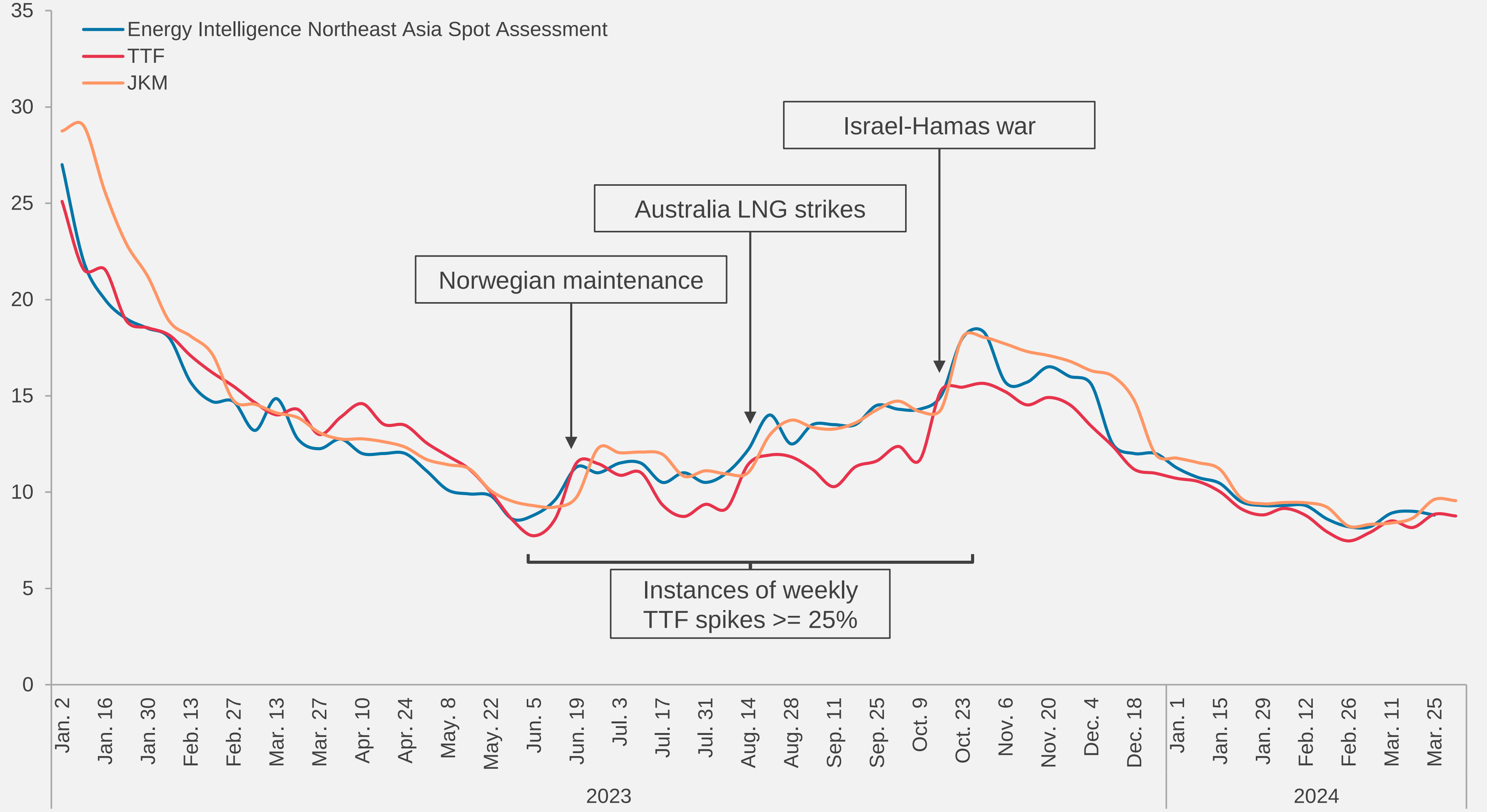
Europe: Gas Storage (TWh)



Source: GIE AGSI

Spot Price Scenarios and Global Implications

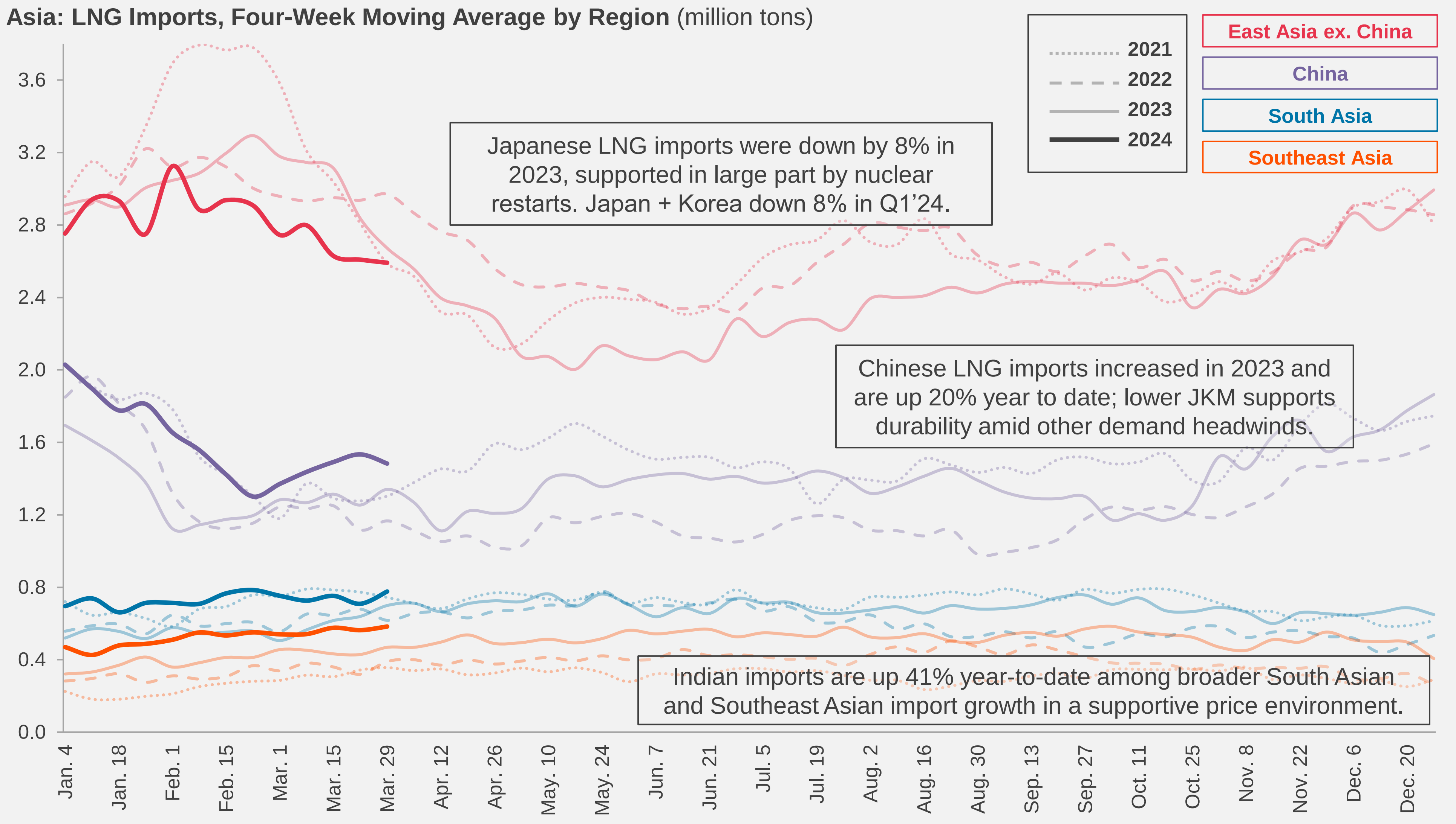
Volatility drivers in a structurally tight market



Source: CME, Energy Intelligence Gas and LNG Research *LNG Market Evolution Quarterly Q4'23*

Asian LNG: Price-Sensitive Market Import Growth

Lower prices are helping drive higher imports but muted activity by others weighs on regional impact



Source: Kpler

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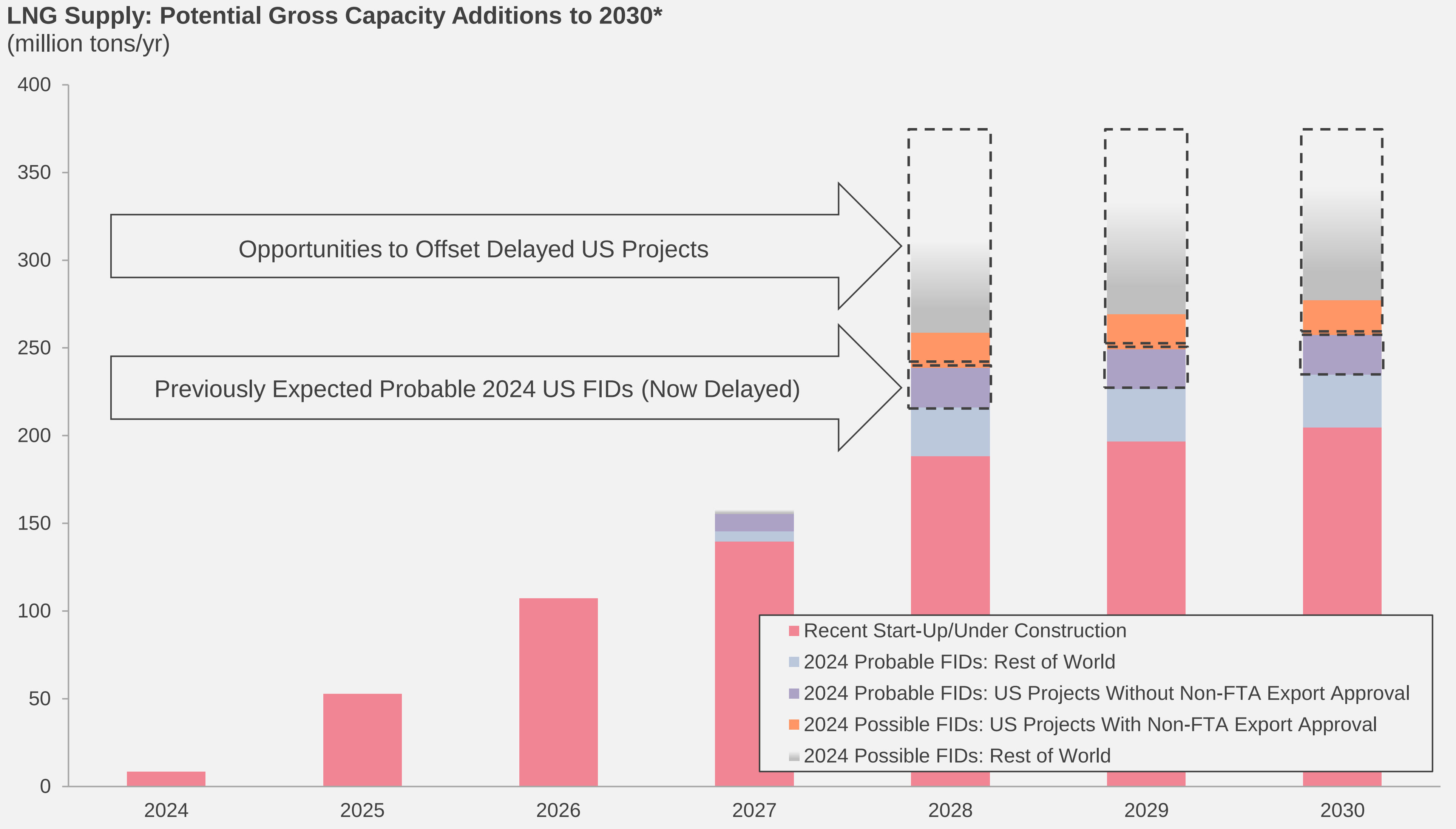
- Short-Term Gas Market Dynamics and Price Drivers
- **LNG Supply Dynamics**
- Long-Term LNG Demand Outlook

LNG Projects: Still Positioned for Several FIDs Despite Headwinds

US regulatory pause could support other projects



*Excludes ventures targeting 2025+ FID. Source: Energy Intelligence Gas and LNG Research

Focus: US LNG Regulatory Outlook Delay Implications

Long-term supply at risk if US approval delays become indefinite

US LNG: New Capacity Growth Scenarios (million tons/yr)*

*Excludes Driftwood, along with ventures planning for 2025+ FID. Source: Energy Intelligence Gas and LNG Research

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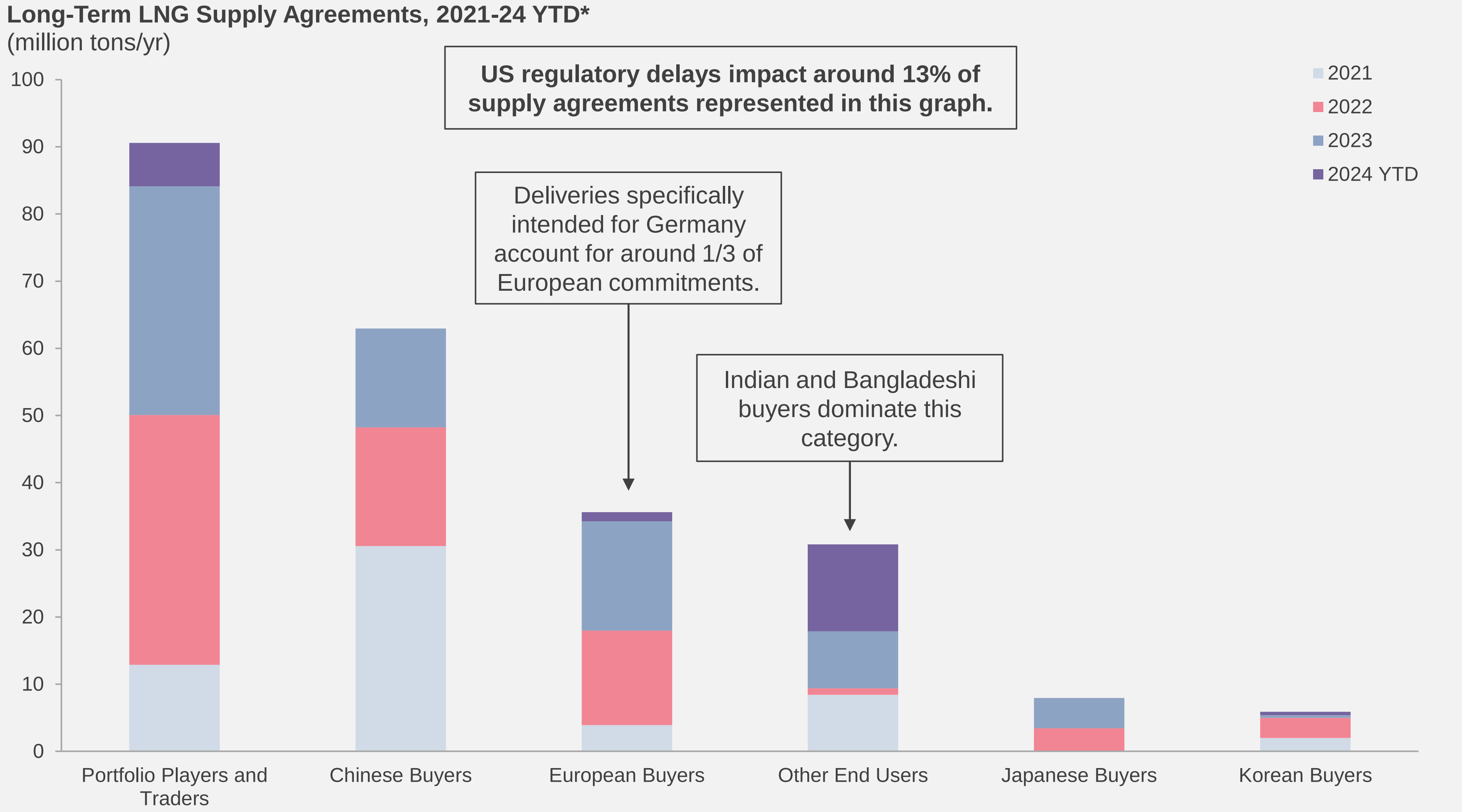
Focus: US LNG Regulatory Outlook Delay Implications

Impact likely turns on buyer response

Stakeholder	Delay Implications
Markets	• One-Year Delay: Likely zero late 2020s price impact • Indefinite Delay: Significant shortfall supports prices by 2028-29, adding a key demand headwind
LNG Developers	• Could scare off buyers (a) already committed to projects or (b) considering projects under review; possible deal hesitancy pending licensing • Possibly greater US regulatory certainty in 2025
LNG Buyers	• End users may need to source alternative supply • Portfolio players and traders are more insulated from project delays, but portfolio strategy could be disrupted
US Upstream	• Project delays spread out the late 2020s call on US gas • Some US E&Ps may need to find alternative partnerships for LNG exports

Long-Term Supply Contracting

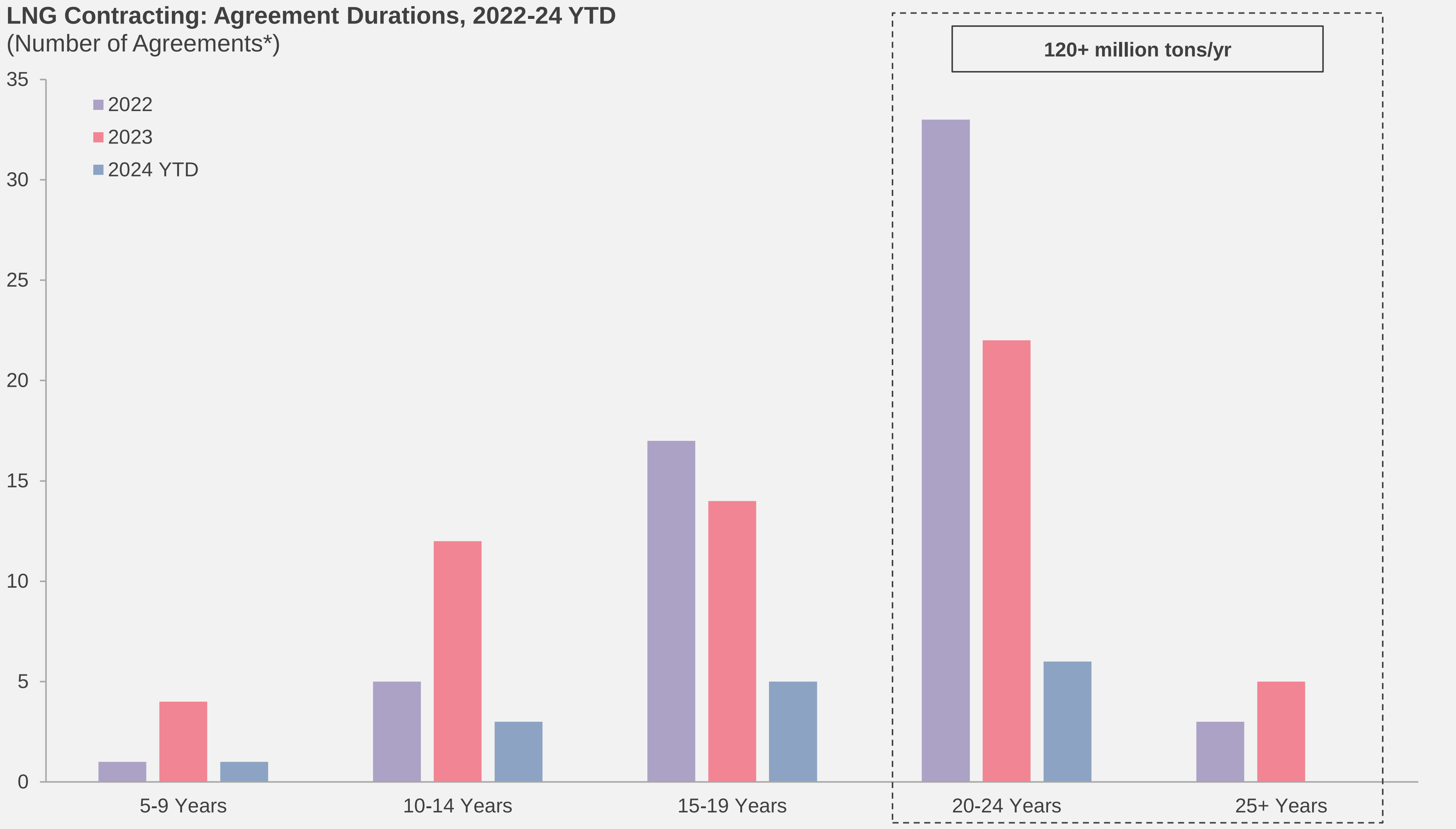
Conditions for long-term supply deal momentum continue in 2024



*Includes both publicly announced firm and preliminary agreements, which are not double-counted. Traders/Portfolio Player designation excludes instances where end user is already known. Some expected end users may also trade or divert cargoes. Total volumes are approximate due to limited detail and data in some announcements, particularly preliminary deals. Source: Energy Intelligence Gas and LNG Research

Long-Term Supply Contracting

Uptick in shorter long-term deals but considerable volumes well into the 2040s and beyond

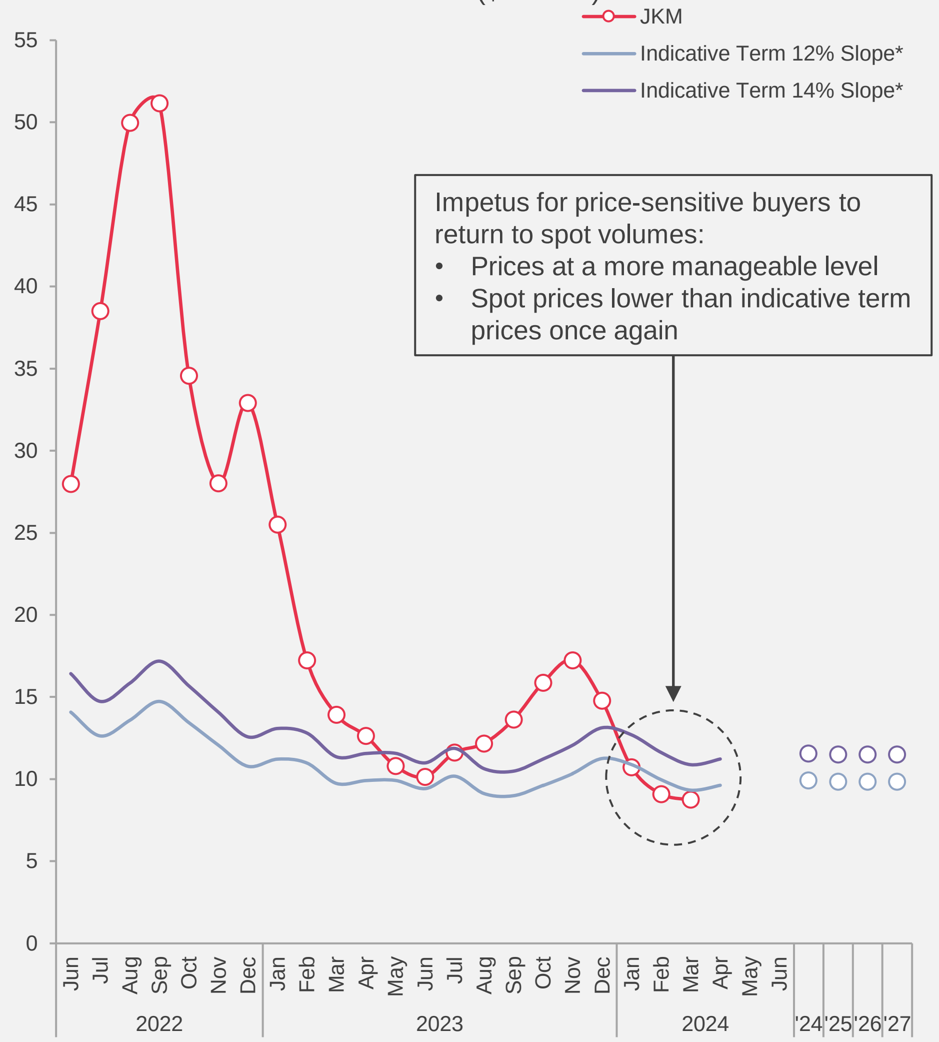


*Excludes deals <5 years or those for which durations are unknown. Includes HOAs that became SPAs. 2024 YTD through Apr. 1. Source: Energy Intelligence Gas and LNG Research

LNG Prices: Oil Indexation Outlook

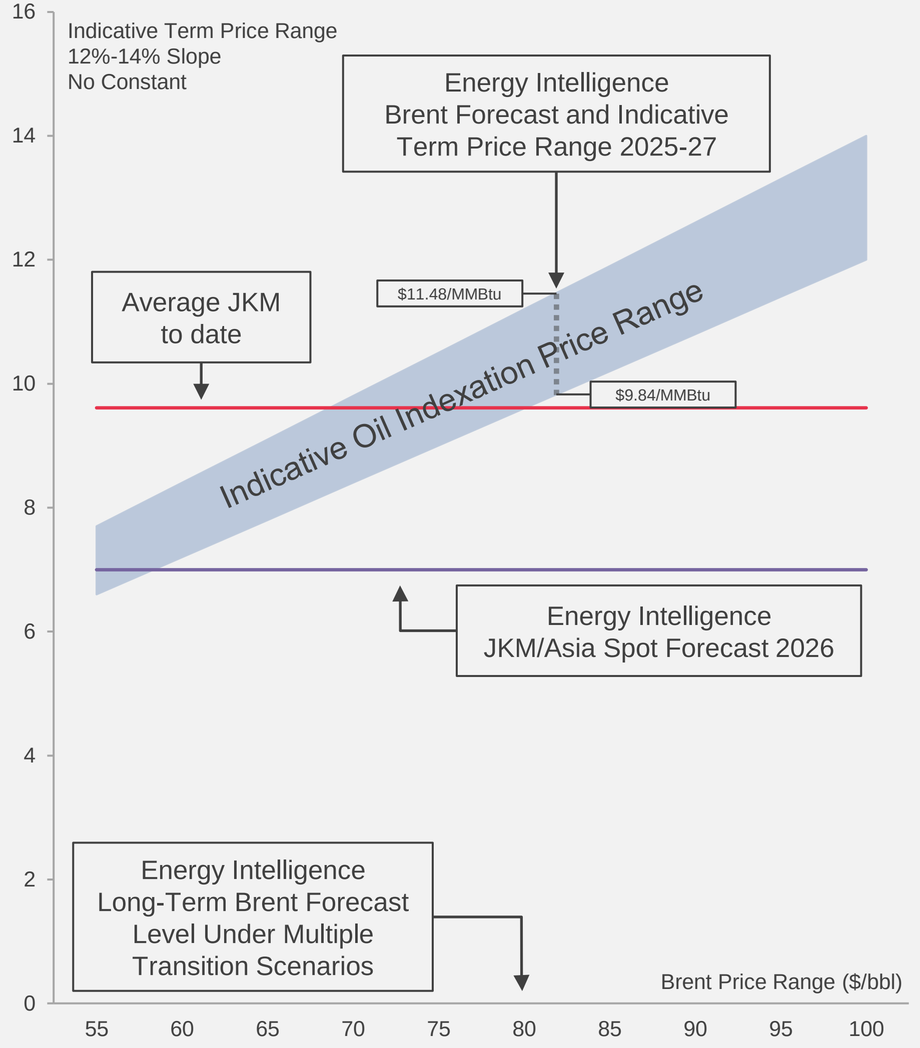
Oil indexation provides some price stability, but it will not always supply the lowest-cost volumes

LNG Prices: Indicative Term vs. JKM ($/MMBtu)



*No constant, three-month lag, except for 2024-27.
Source: CME, Energy Intelligence Gas and LNG Research

Oil-Indexation vs. Spot Pricing ($/MMBtu)



Source: Energy Intelligence Gas and LNG Research

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- Short-Term Gas Market Dynamics and Price Drivers
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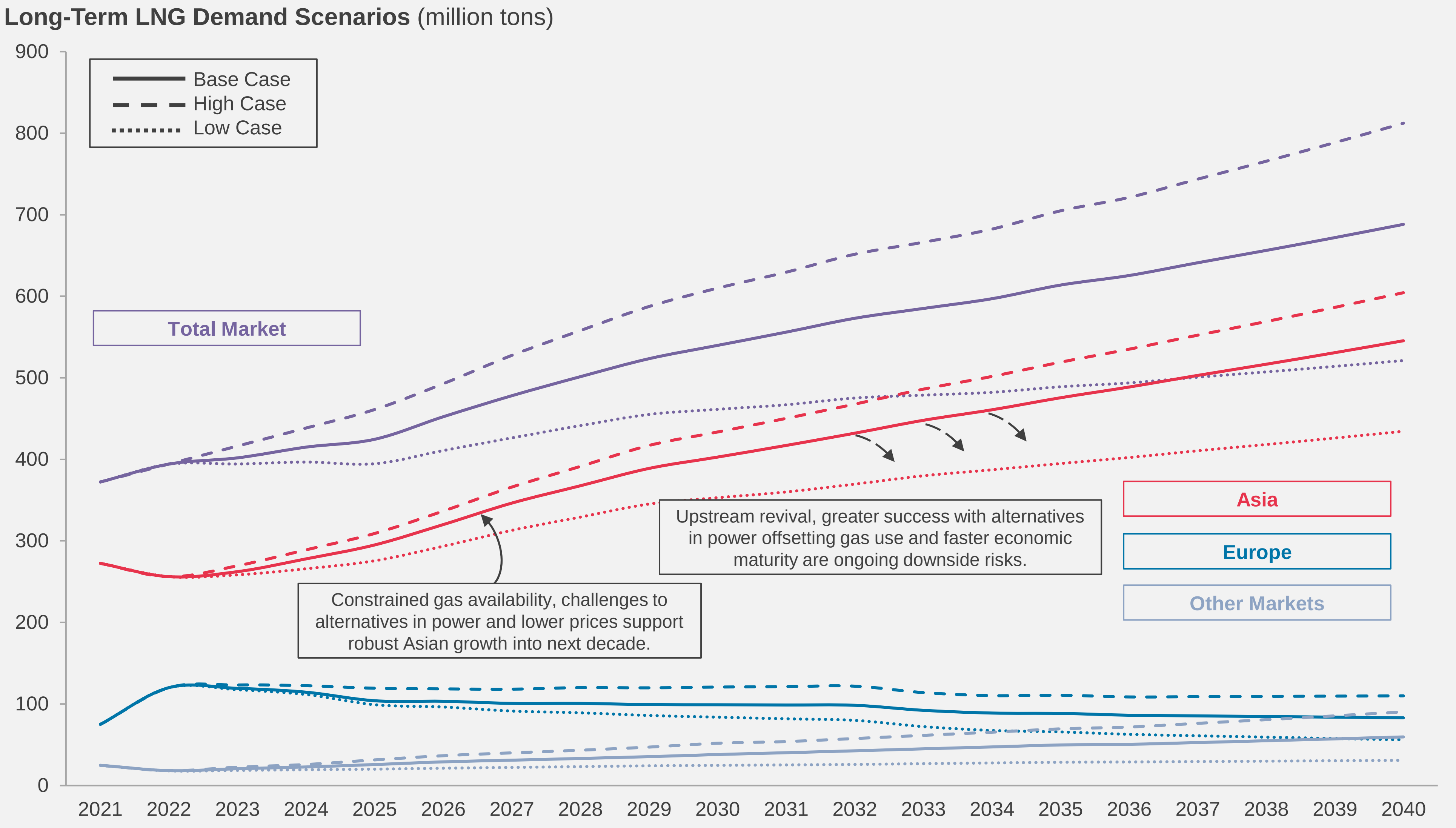
- **Long-Term LNG Demand Outlook**

Long-Term LNG Demand Scenarios

Consistent demand drivers and risks into the late 2020s and 2030s



Source: Energy Intelligence Gas and LNG Research LNG Supply/Demand Outlook to 2040

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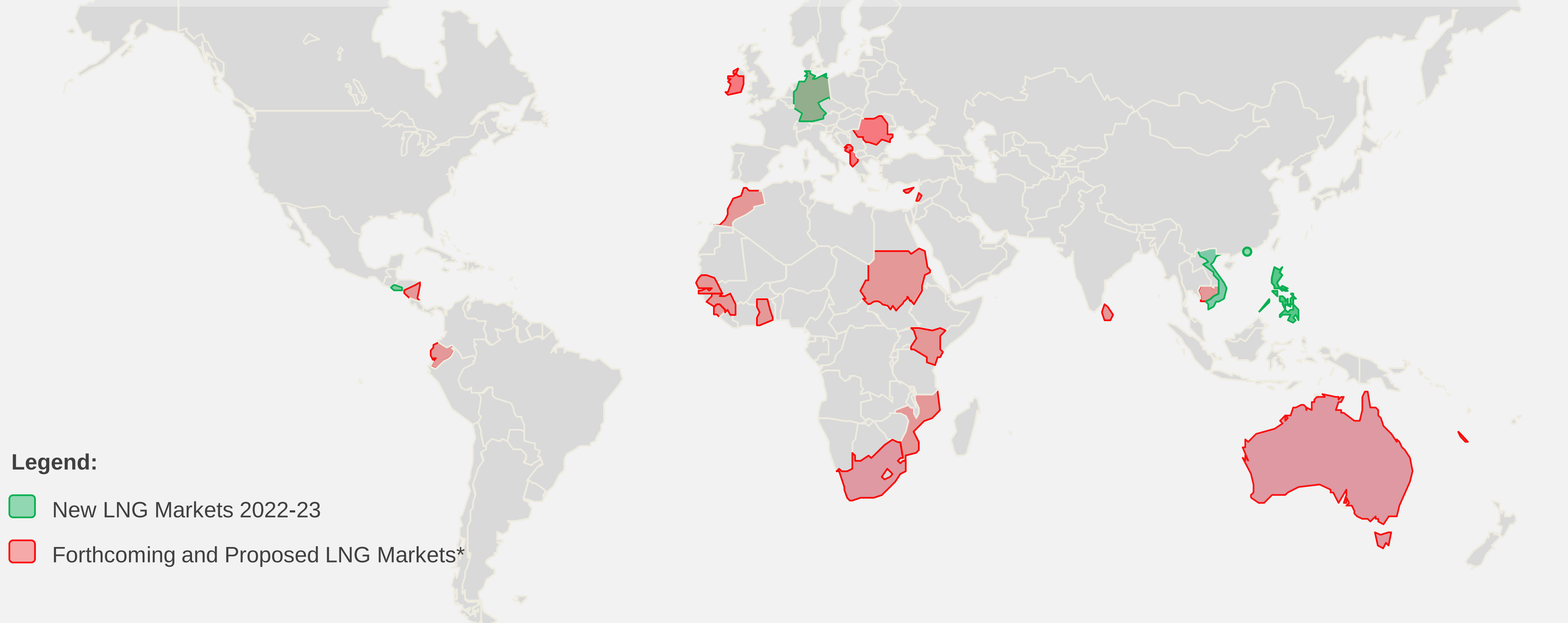
Long-Term LNG Demand Drivers: New and Forthcoming Markets

Expectations for limited aggregate long-term demand impact

- **Myriad obstacles to new market development impact**
  - Smaller market opportunities
  - Limited growth from gas supply gaps
  - Preference for renewables in power generation from fuel displacement
  - Broader gas demand reduction efforts
  - Aboveground risk unrelated to climate/emissions policy



*Not exhaustive. Indicates direct imports. Excludes several countries for which LNG import plans have been shelved. Source: Energy Intelligence Gas and LNG Research

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