LNG and gas storage – important contributors to the **SECURITY** of gas supply

Eastern Partnership

2nd LNG Network, 17 May 2019

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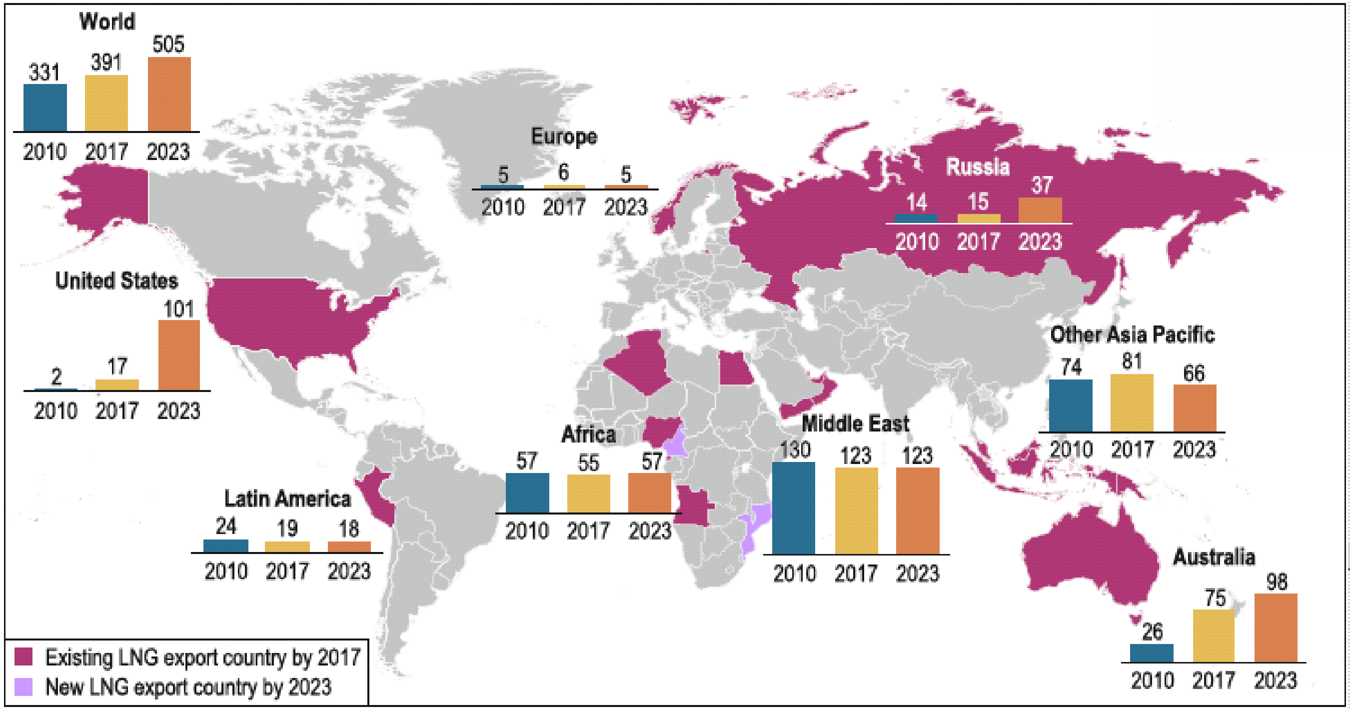
European Commission, DG Energy - Security of supply

Significant increase of LNG supplies in the coming years

LNG export countries and LNG export volumes, 2010-23



This map is without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries, and to the name of any territory, city or area.

Source: IEA Gas market report 2018

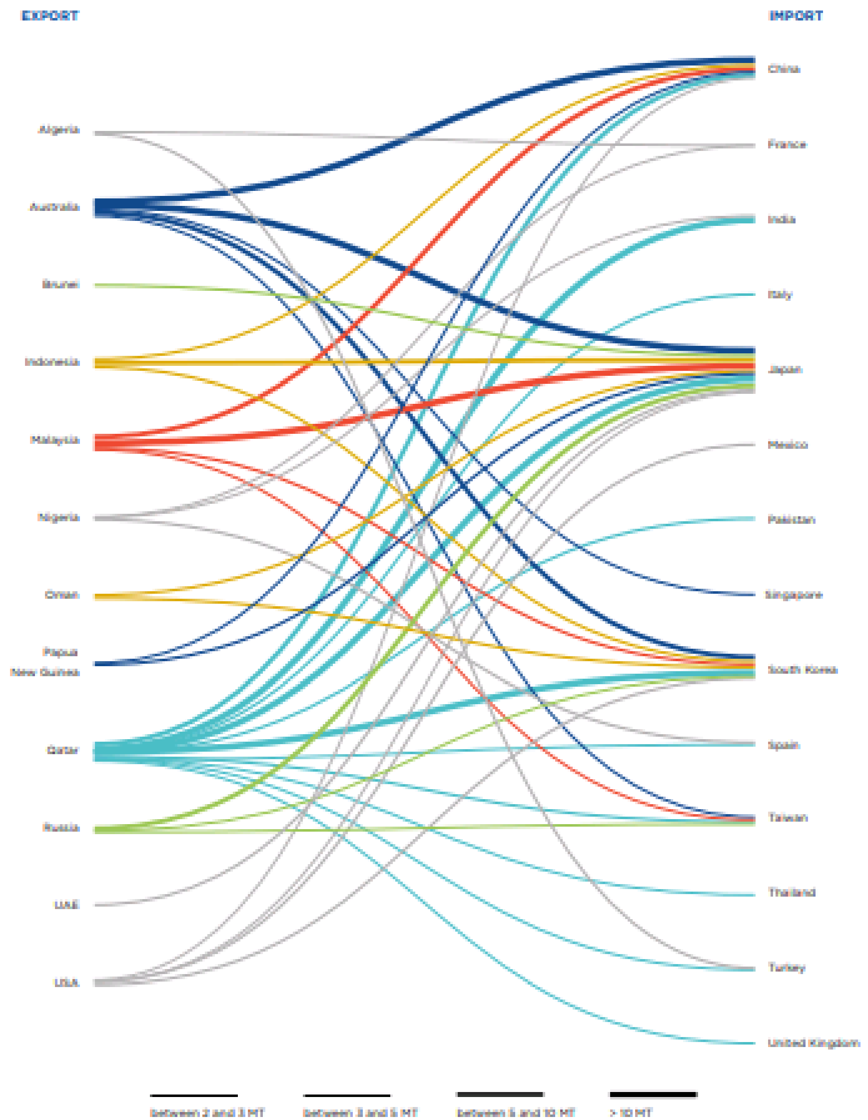
Continuously increasing LNG trade

Three major LNG players (60%): Australia, Qatar and US

Three distinct business models

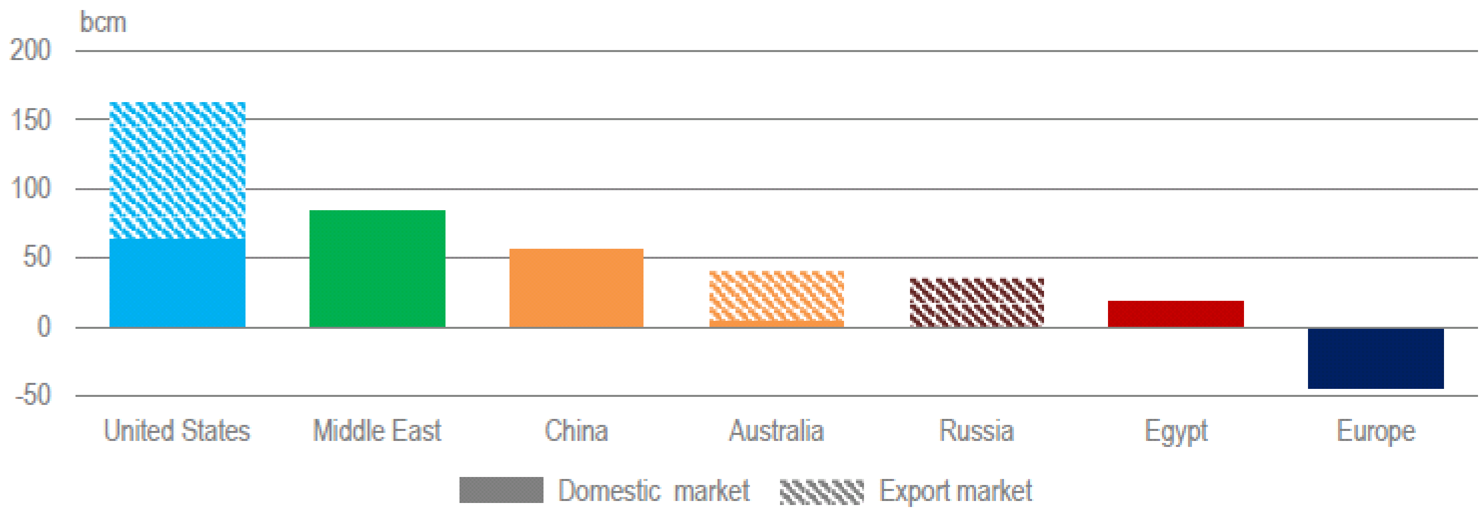
- Australia – oil indexed long term contracts
- Qatar – mixed
- US – hub based flexible

MAJOR LNG FLOWS IN 2018

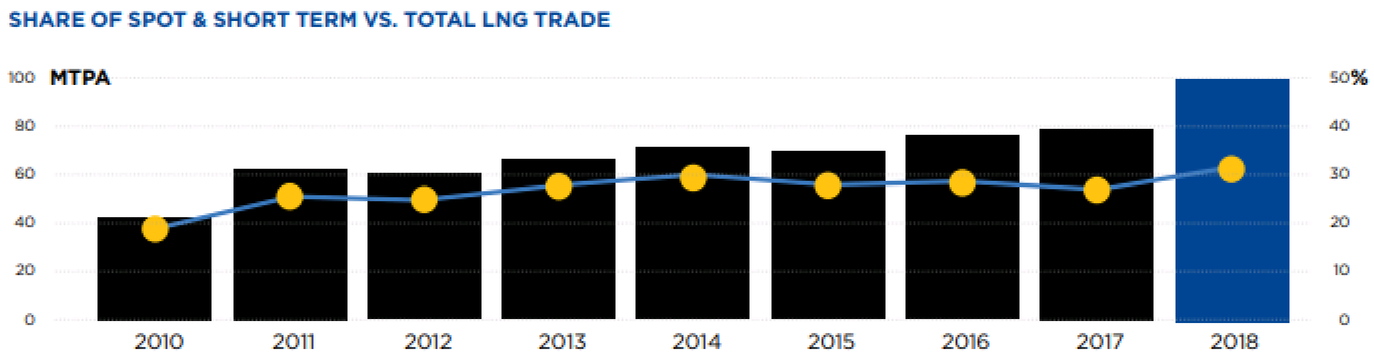


The biggest addition to global gas supplies will come from the US

Figure ES.2 Natural gas production growth in selected countries and regions, 2017-23

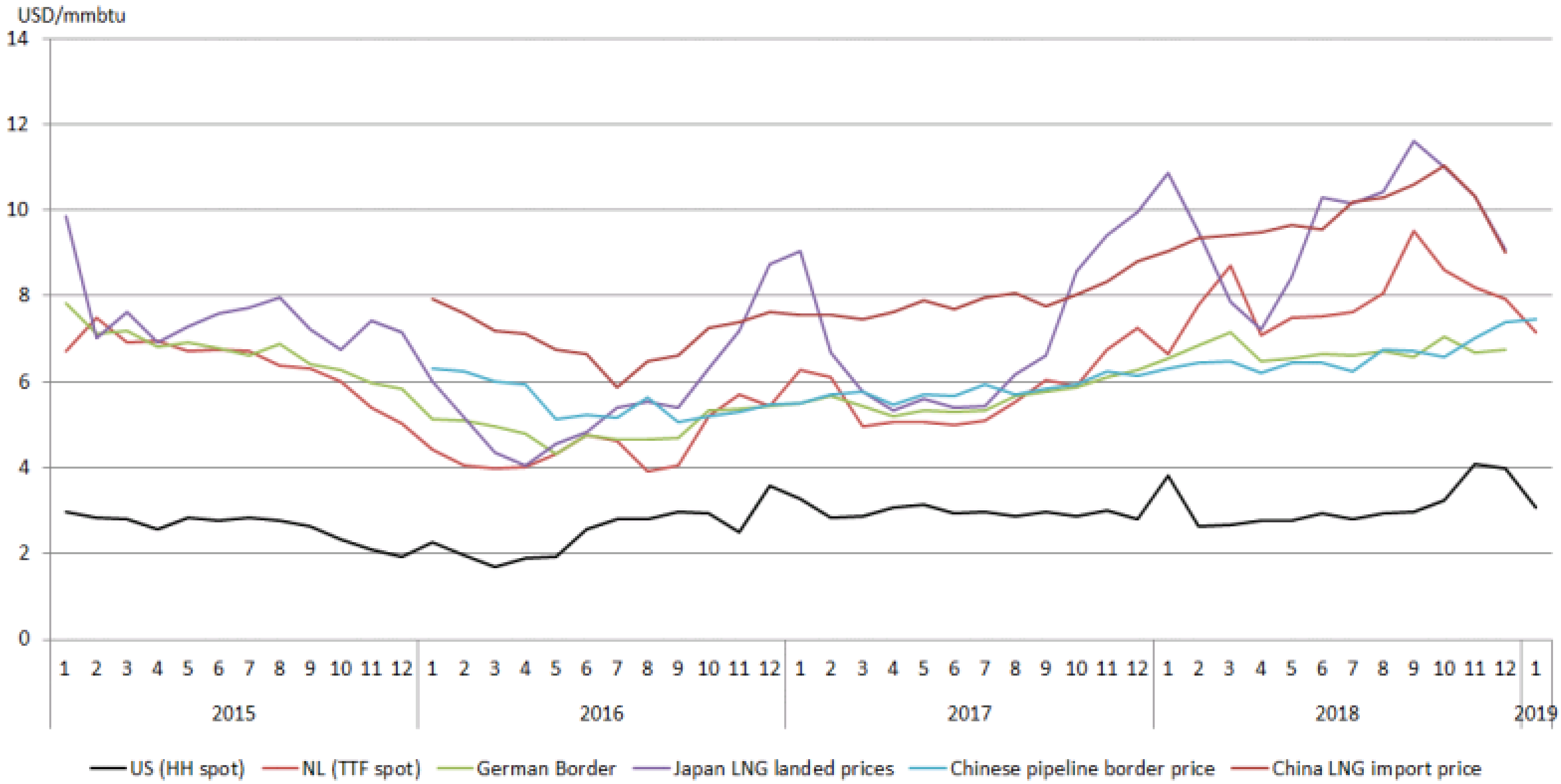


Short term and spot trade: more flexibility



Global prices determine where LNG goes

Figure 19 International comparison of wholesale gas prices



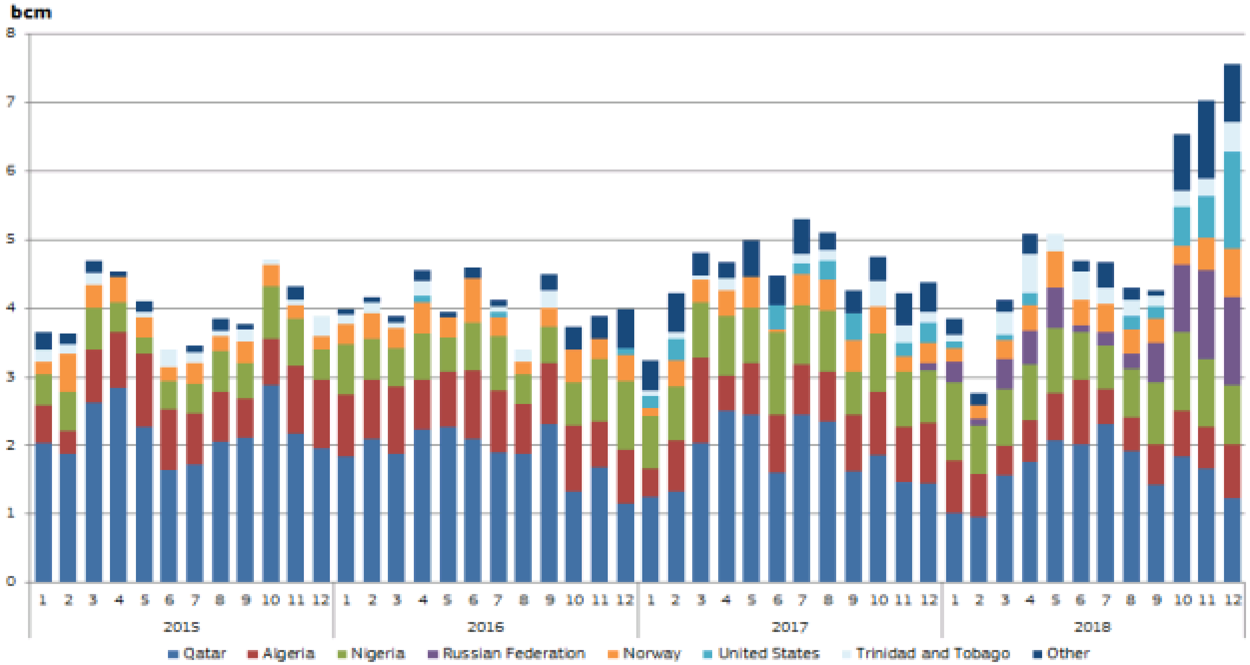
Sources: S&P Global Platts, Thomson-Reuters, BAFA, CEIC

European Commission

LNG's share varies between 14-16% of EU gas imports

- Qatar remains the main supplier
- US LNG imports significantly increased

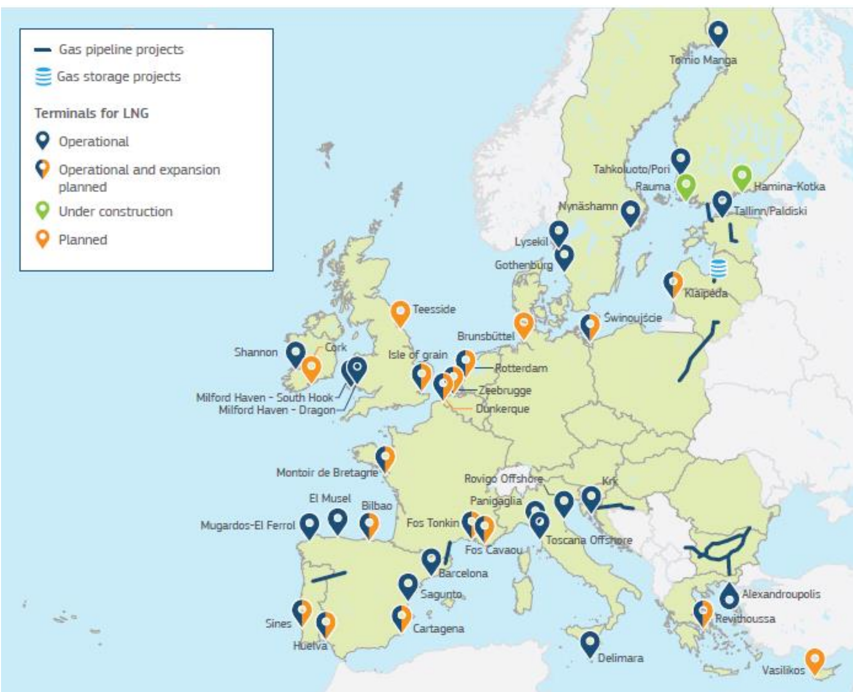
Figure 13 LNG imports to the EU by supplier



Source: Commission calculations based on tanker movements reported by Thomson Reuters
Imports coming from other EU Member States (re-exports) are excluded
"Other" includes Angola, Brazil, the Dominican Republic, Egypt, Equatorial Guinea, Oman, Russia, Singapore and the United Arab Emirates

LNG supply opportunity meets need for diversification

- Integrated markets provide for LNG access also in landlocked countries
- Importance of reverse flows on the borders



Thank you for your attention!

European Commission

Figure 3.5 LNG nameplate liquefaction capacity, 2013-23