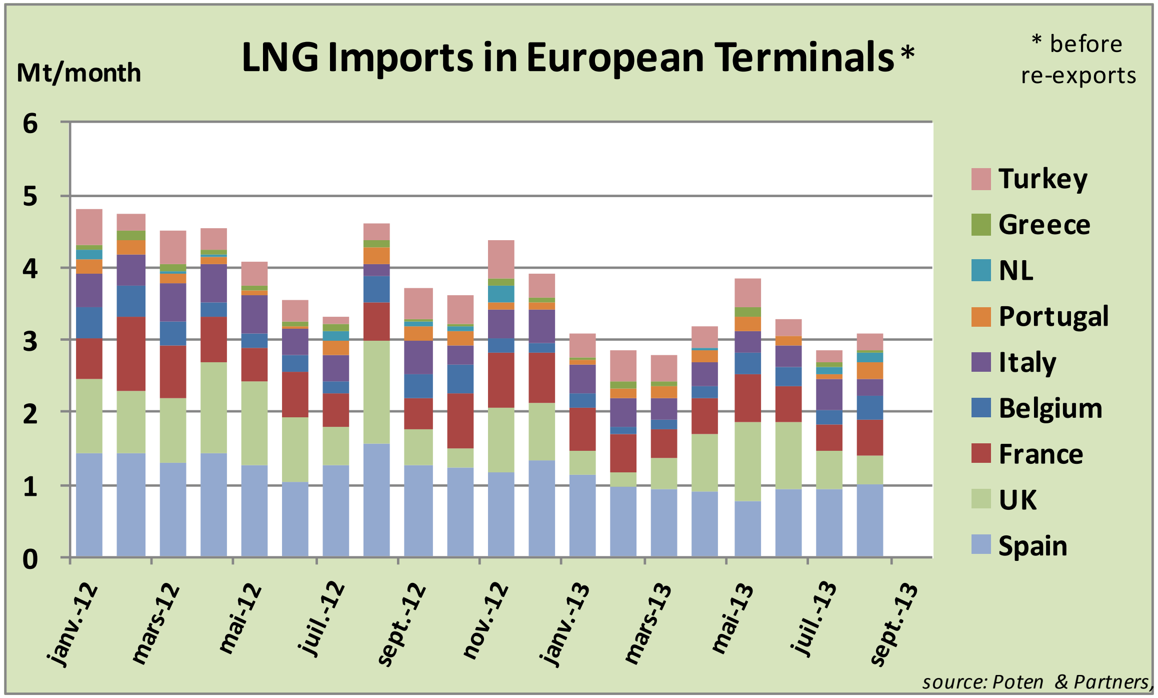
LNG Terminal Activities

Madrid Forum XXIV, 15 October 2013

Low LNG Imports continue …

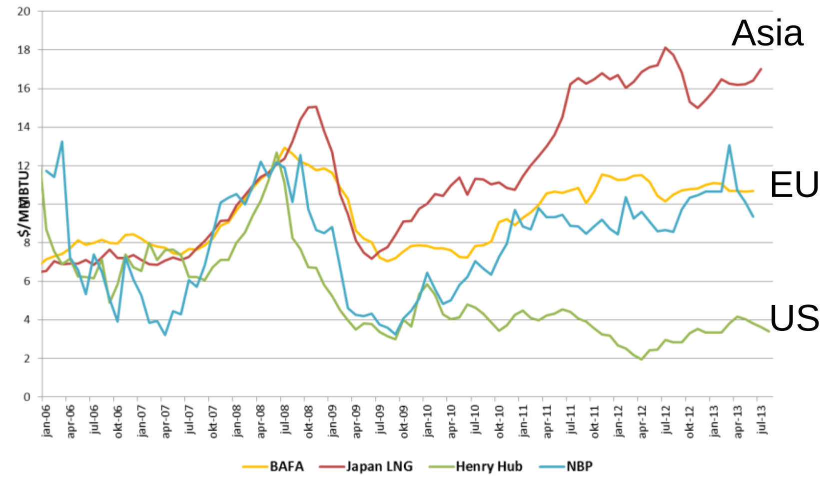
Gas LNG Europe

- After 27% fall between 2011 and 2012
- New 26% fall over the first eight months of 2013 (25 Mt LNG) vs same period 2012 (34 Mt LNG)
- Potential emergence of some trend towards stabilization?



… in the context of a global energy market

- LNG is preferentially shipped to where prices are the highest, i.e. currently Asia and South America
- Future : a lot of uncertainties, e.g., nuclear energy policy in Japan, development of LNG demand in Asia, exports from North America…

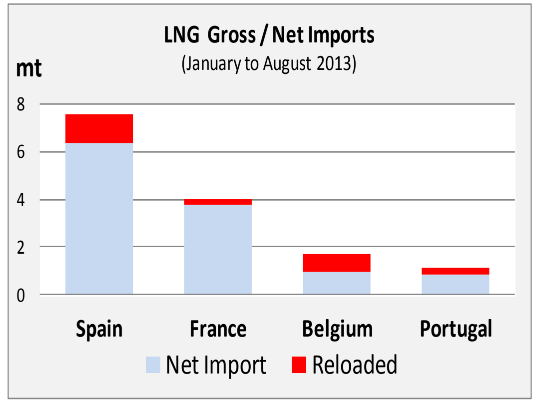


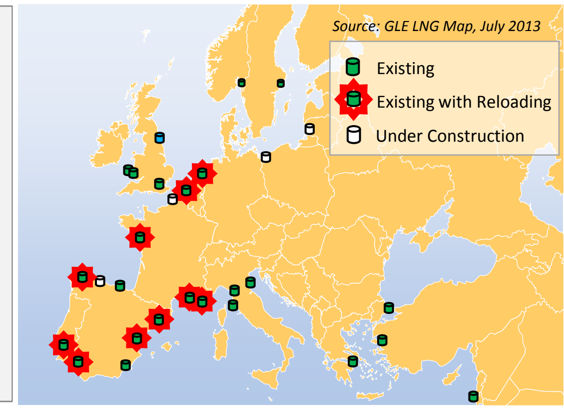
- However, sustained flows of LNG returning to Europe not expected before 2018/2020
- By then, European LSOs are proposing/developing new services to meet market needs. LNG market works properly.

Gas LNG Europe

"New" LNG Services Development continues

- **Reloading**
  - ✓ **9** LNG terminals (on 19) have reloaded cargoes
  - ✓ **10%** of gross Imports have been re-exported (6% in 2012) including toward EU countries



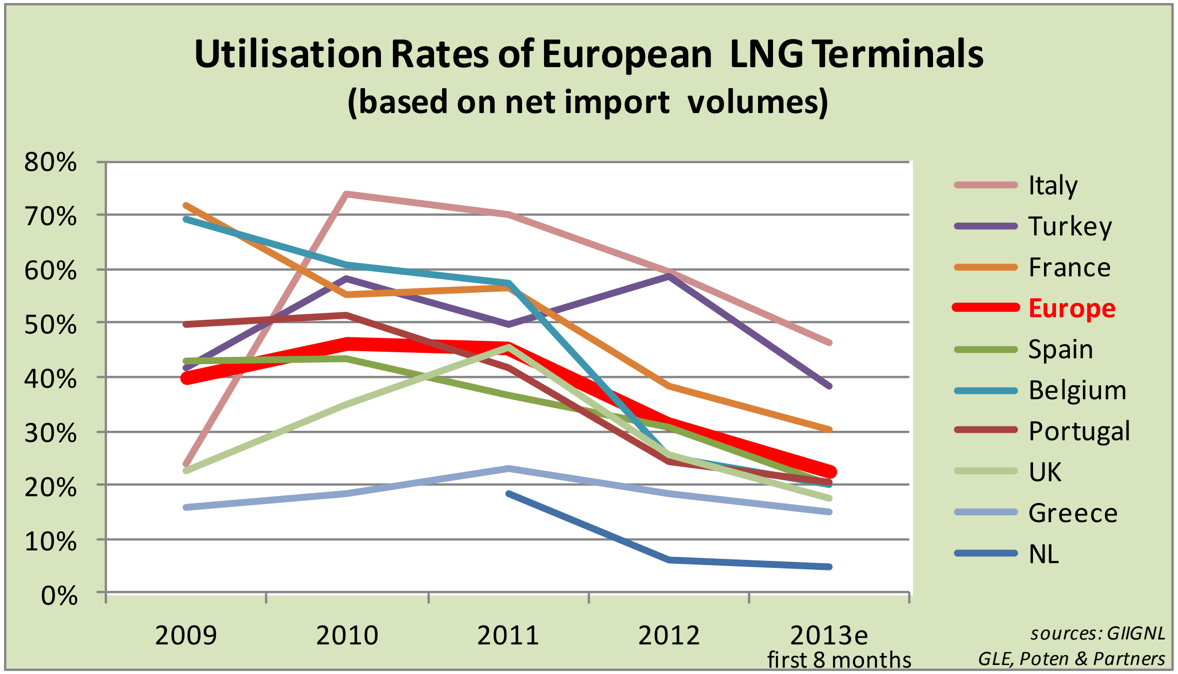


- **Transshipment**
  - ✓ Emergence of a ship-to-ship transfer service

- **Small scale**
  - ✓ Development of LNG short/medium sea shipping ex: from Norway to Spain, Netherlands, Sweden …
  - ✓ LNG Truck loading …
  - ✓ LNG Bunkering …

Low Level of Utilization Rates such as never seen before …

- All countries affected
- Since 2011 European average slashed by more than half
- Stands now just above 20% !



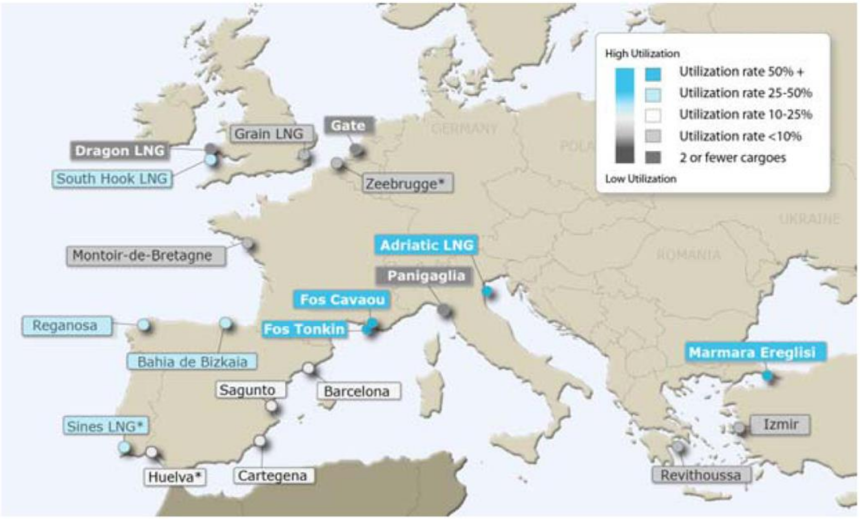
If calculated on gross import volumes (i.e. before re-exports), the figures above would be improved for countries where cargoes have been reloaded, in particular Belgium (~36%). However, European average would not be significantly changed.

Gas LNG Europe

… which challenges LSOs to operate their facilities in a new way

Although acuteness of the situation may be different on each LNG terminal depending on technical or contractual characteristics, most LSOs share concerns regarding:

European LNG Terminal Utilization (based on net import volumes for 1H13)



Source Poten & Partners - LNG in World Markets - July 2013

- management of “Minimum Send-out” to avoid the need for flaring
- management of inventory to maximize send-out on peak demand periods
- management of maintenance and operation as well
- and more generally, the organization of the LNG terminals

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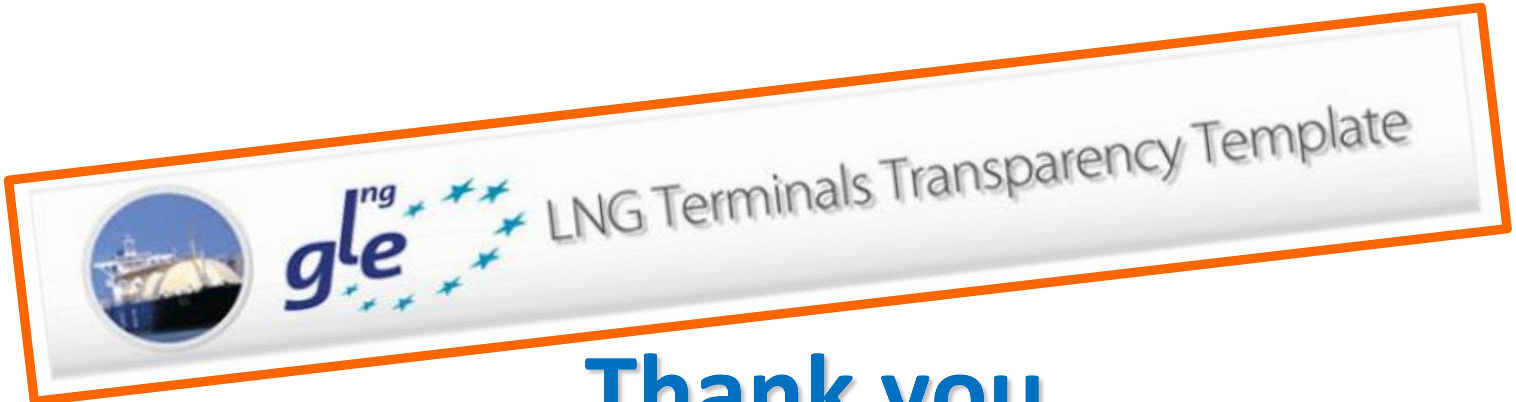

Thank you
for your kind attention.

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