



## Lessons Learned

# Global LNG Trading and LNG Infrastructure Investments

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20 September 2019

## Background

- Traded world's First Russian LNG cargo in 2005
- Build first LNG Trading portfolio for Eastern European player
- Ran a merchant European LNG import terminal for 6 years
- Managed a global merchant LNG Trading portfolio with over 400 cargoes per year
- Negotiated 10 and 15 year LNG supply contracts from US and Qatar

# What do these have in common?



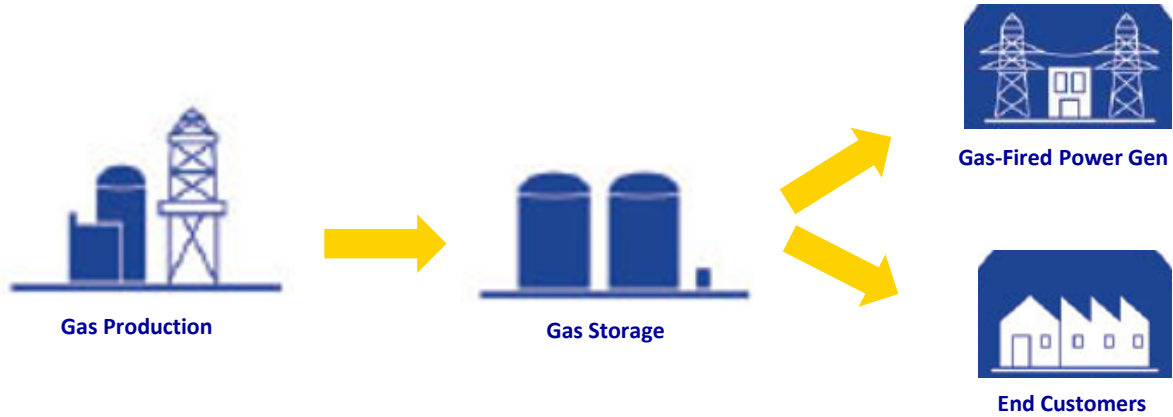
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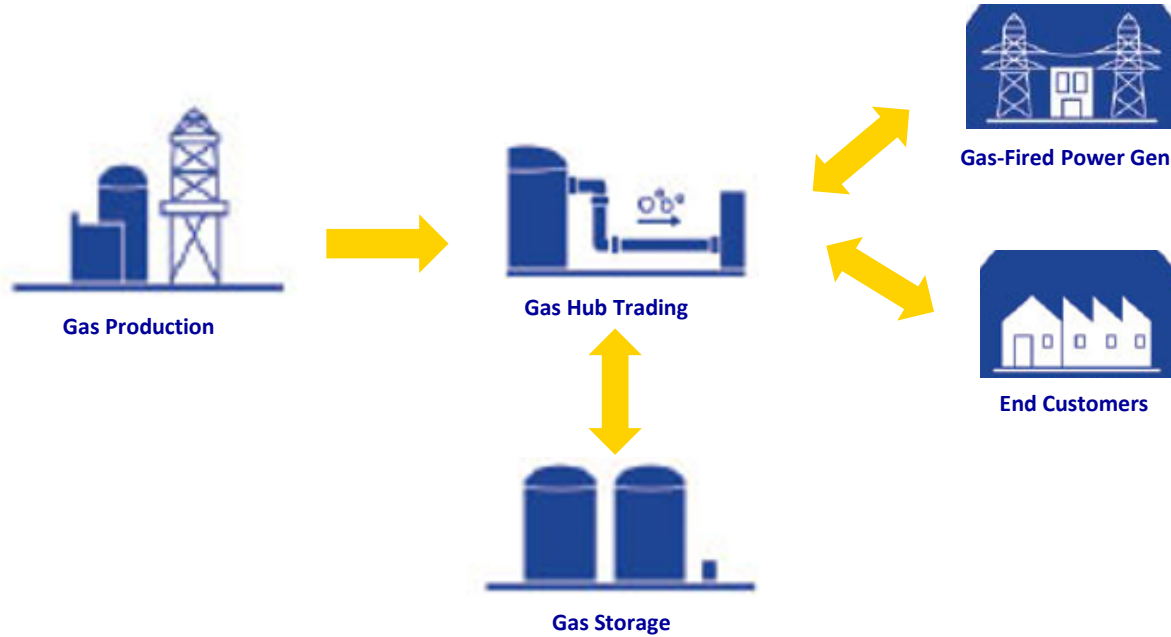
**THEY IMPACT EUROPEAN GAS AND POWER PRICES**



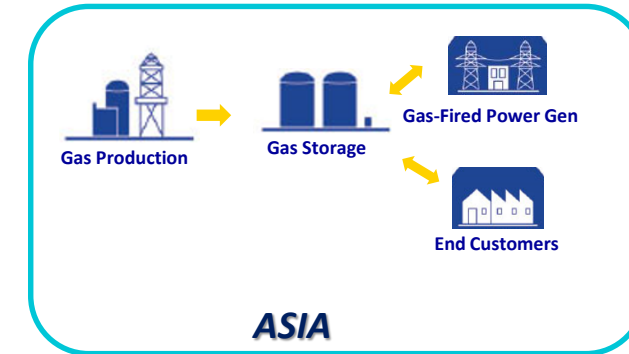
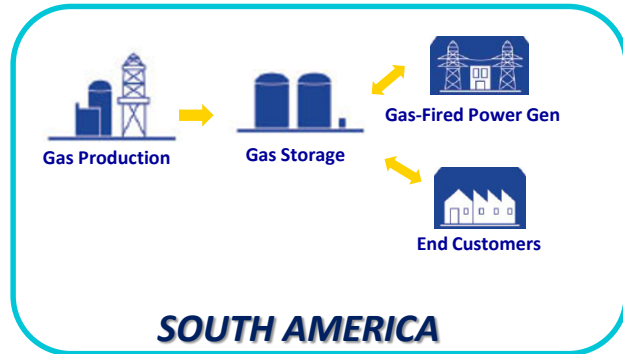
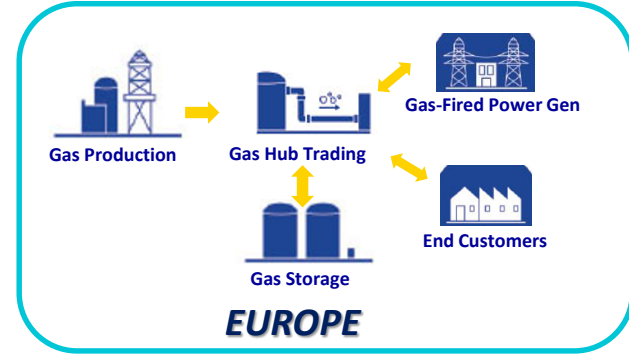
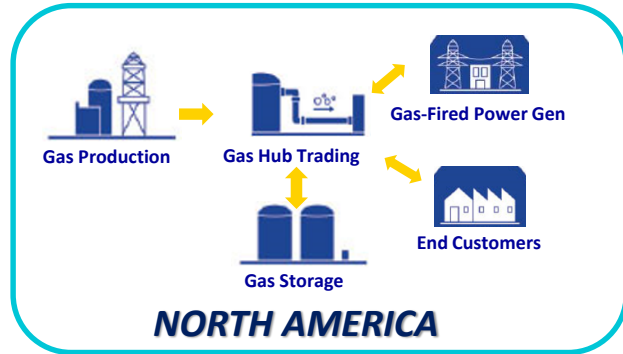
## EVOLUTION OF REGIONAL GAS MARKETS



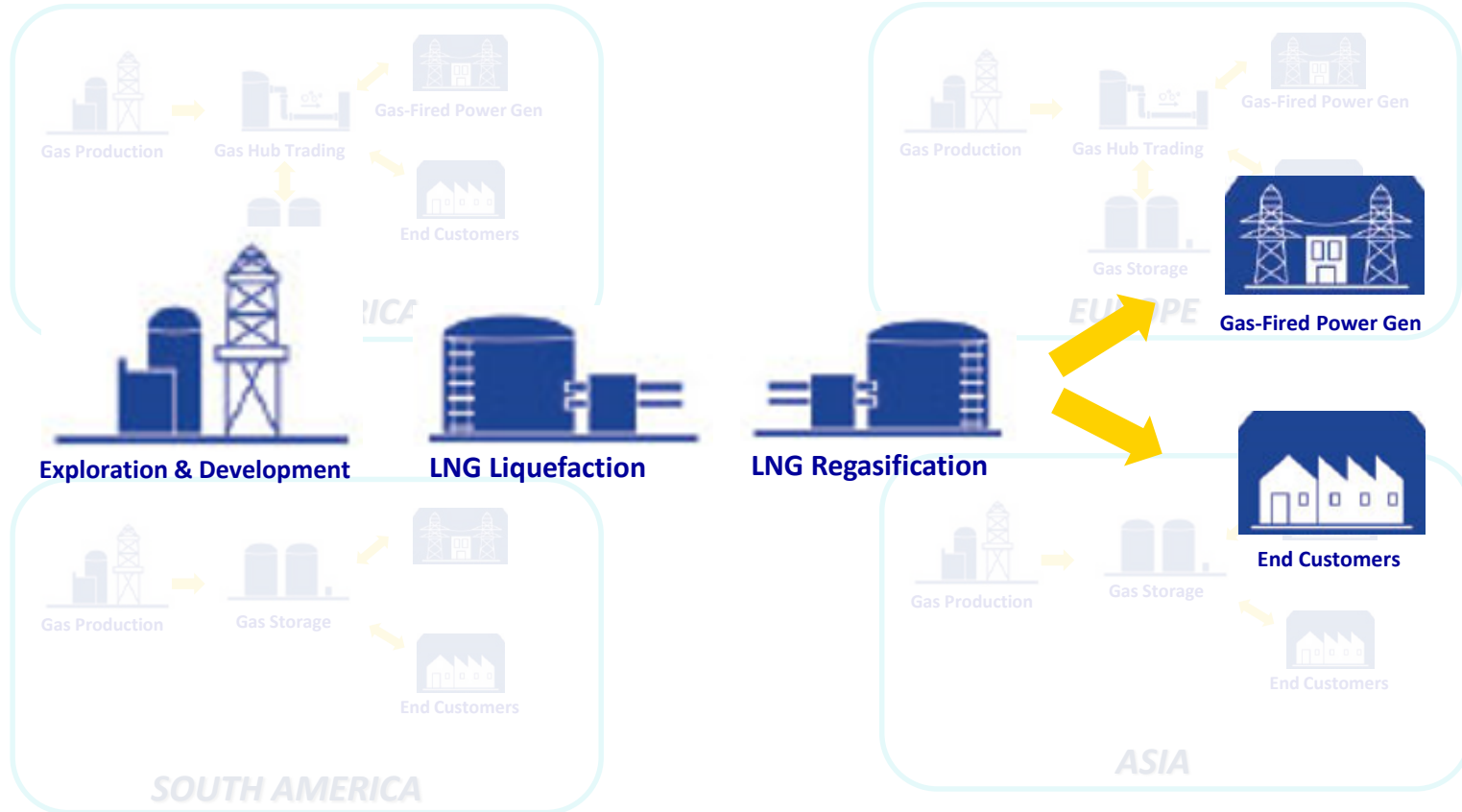
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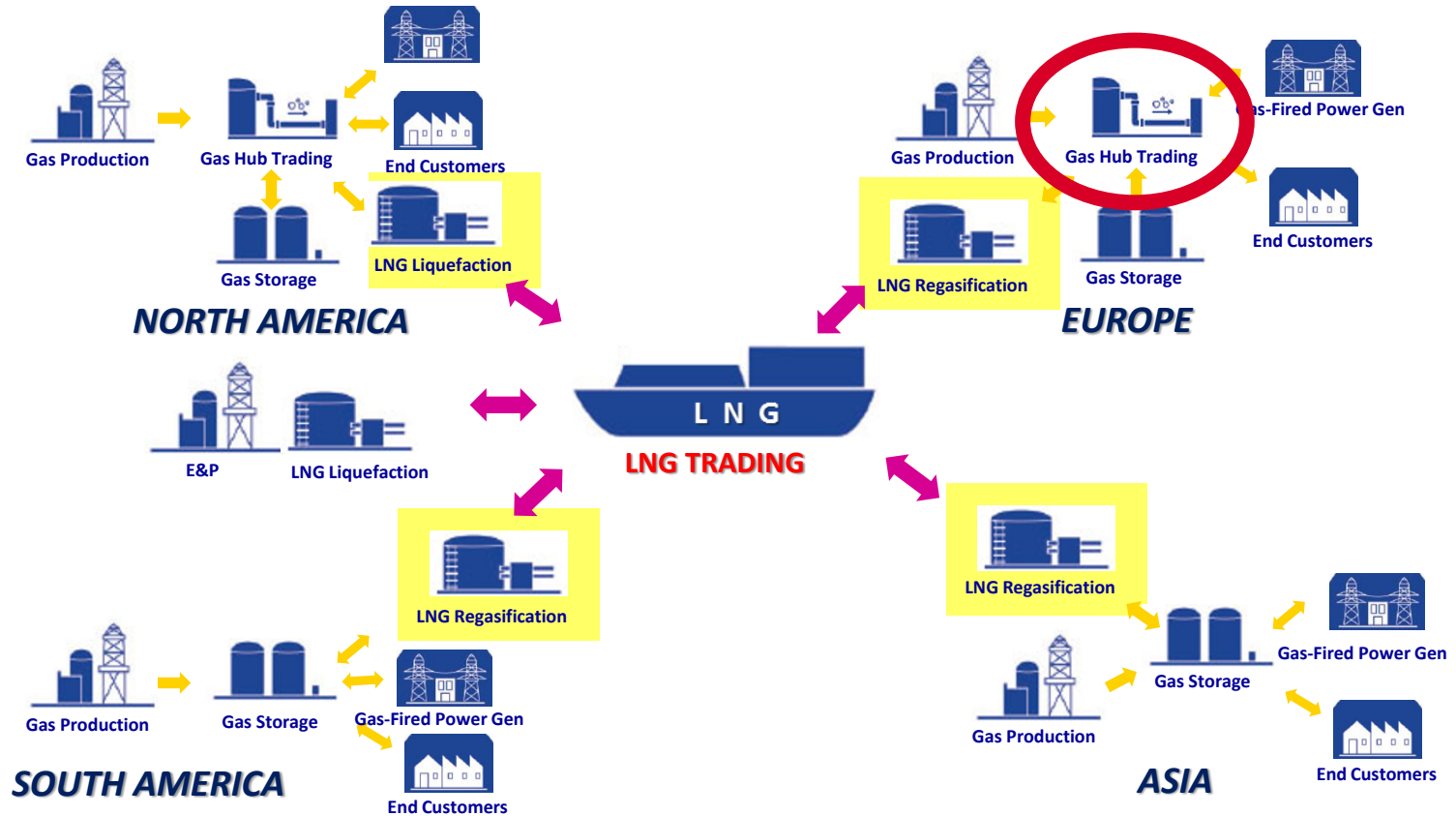


# EVOLUTION OF THE GLOBAL GAS MARKET





# EVOLUTION OF THE GLOBAL GAS MARKET



## GLOBAL FACTORS will decide if physical LNG will arrive at your terminal or not



## EVOLUTION OF THE GLOBAL GAS MARKET

### What does this mean for new ***LNG Import Infrastructure***

#### ***A. LONG-TERM FIXED CONTRACTS are history***

*Global Gas and LNG loves its short-term optionality and index pricing*

*Underpinning new LNG infrastructure investment with long-term contracts now rare*

#### ***B. OPTIONALITY is how LNG Infrastructure makes money***

*Using a terminal as a GLOBAL GAS put option is the right way to justify it now*

*P&L from the flexibility to SEND-IN and SEND-OUT is the new model*

#### ***C. GLOBAL GAS players are key to make it work***

*Pure regional gas market model is the wrong way to try to justify LNG investments*

### *What Challenges does this pose for LNG in Eastern Europe*

- A. Can't guarantee ANY volumes of LNG will actually arrive*
- B. Need a liquid forward gas pricing market to attract LNG*
- C. Who will fund merchant LNG infrastructure investments?*

# EVOLUTION OF THE GLOBAL GAS MARKET

## ***OPPORTUNITIES***

- A. NEVER be held to ransom again by REGIONAL suppliers***
- B. The ULTIMATE SECURITY OF SUPPLY = Global Gas***
- C. ACCELERATES liquidity in your downstream gas hubs***
- D. CREATES GLOBAL JOBS***

# THANK YOU

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