LNG Global Market

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1

Gas Natural Fenosa
Gas Natural Fenosa
The Gas Natural Fenosa Group

- Presence in more than 30 countries
- Around 23 M customers in the world
- 19,939 employees

The largest integrated gas and electricity company in Spain and Latin America

1. Figures 31/12/15
Gas Natural Fenosa
The Gas Natural Fenosa Group

A multinational company, leader in the sector of Gas and Electricity through a Balanced business model

**EBITDA**
€5,264 M¹

**Total assets**
€48,132 M¹

**Installed Capacity**
15,471 MW

¹ – Figures 31/12/2015
**Gas Natural Fenosa**

**GNF position in the gas supply chain**

<table>
<thead>
<tr>
<th>Upstream</th>
<th>Liquefaction</th>
<th>Midstream</th>
<th>Shipping</th>
<th>Regasification</th>
<th>Transport &amp; Distribution</th>
<th>Marketing</th>
</tr>
</thead>
<tbody>
<tr>
<td>• GNF is present in stable markets (Spain)</td>
<td>• GNF has participation in the liquefaction plant of Damietta (Egypt) and Qalhat (Oman)</td>
<td>• Diversified and flexible portfolio of supply with 30 bcm/a contracted from T&amp;T, Nigeria, Egypt, Oman, Qatar, USA, Russia, Algeria and Azerbaijan</td>
<td>• 7 carriers in operation + 4 carriers under construction</td>
<td>• Participation in regasification plants: • Sagunto and Reganosa (Spain) • Ecoeléctrica (Puerto Rico)</td>
<td>• Transport: Maghreb-Europa pipeline • Pipeline distribution network: 120,000 km in Spain, Italy, Brazil, Argentina, Colombia, Mexico and Chile</td>
<td>• LNG sales of 12 bcm/a over long, medium and short term contracts</td>
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<td>gnf.com</td>
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</table>
Gas Natural Fenosa

GNF in the world
The company has a LNG and natural gas supply portfolio of around 30 bcm from reliable and diversified sources of supply.

LNG:
- More than 22 bcm from different sources
- Large flexibility to supply different markets worldwide

Natural Gas (GN):
- GN contracts from Norway, Algeria and Azerbaijan
- Dedicated to markets connected to the pipeline
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Shipping capacity

A current portfolio of 7 vessels...

- Gaslog Saratoga 155,000 m³
- Seishu Maru 155,000 m³
- Cadiz Knutsen 138,000 m³
- Catalunya Spirit 138,000 m³
- Castillo de Villaiba 138,000 m³
- Ibérica Knutsen 138,000 m³
- Ribera del Duero Knutsen 173,000 m³

... plus 4 vessels of 176,000 m³ chartered to attend Sabine Pass GNF’s Contract
Gas Natural Fenosa

GNF’s regasification terminals and markets

LNG globally marketed through medium/long term contracts

- Puerto Rico: Participation in Regasification Terminal
- France (Montoir): Regasification Capacity
- Spain: Participation in 2 Regas Terminals
  - Regas capacity in all regas terminals

Large experience in the downstream markets. GNF is one of the main players of gas sales worldwide. Its active management of long term sale contracts and spot contracts ensures optimized and secured supplies.
2

LNG Markets
LNG Markets
World Primary Energy

The natural gas is the sole fossil fuel with growth projections in the upcoming decades.

Source: BP, 2014
Oil (+other liquids) includes biofuels, gas-to-liquids (GTL) y coal-to-liquids (CTL).
LNG Markets
World gas natural demand

Expected growth in the consumption of natural gas of 624 bcm from 2013 to 2020

North America
2013 | 2020
---|---
838 | 929

Europe & Eurasia
2013 | 2020
---|---
958 | 1,007

Pacific Asia
2013 | 2020
---|---
572 | 848

Middle East
2013 | 2020
---|---
386 | 536

Latam
2013 | 2020
---|---
152 | 179

Africa
2013 | 2020
---|---
111 | 145

Unit: bcm

Evolution of total demand of natural gas

Total demand of natural gas

% LNG mix of natural gas demand

The increased consumption of LNG will lead to a more interconnected and globalized gas market
Source: GNF’s analysis based on Woodmackenzie reports.
LNG Markets
LNG tankers activity

1 October 2015 12:00h

Source: Reuters
LNG Markets
Current situation

Price conditions for consumers would be very favourable in the coming years thanks to a reduced demand grow and the LNG availability.
LNG Markets
Fuel Competition

Primary consumption energy in selected LNG importing countries

Source: BP Statistical Review of World Energy 2015

Natural Gas in Asia grows less than other types of energy

Source: IEA Outlook 2014
LNG Markets

LNG / Natural gas prospects

- Long term factors
  - New LNG Importing countries as Egypt, Pakistan, Israel, Jordan and private Chinese buyers
  - New supplies and discoveries
  - Alternative uses of Natural Gas/LNG as transportation
  - New technology, as FNLG, can lower the upstream costs of LNG
  - LNG contribution to the Security of Supply

- Short term factors
  - Current level of prices can deter the investment of new supplies leading to a “boom & bust cycle” and a new tight period
LNG Markets helped Japan to cope with the nuclear collapse after the 2011 tsunami. Many cargoes were rerouted to Japan responding to the high prices.
GNF to supply LNG in Africa
### GNF in its LNG supplier role

<table>
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<tr>
<th>Quality</th>
<th>Robust portfolio providing a wide range of quality alternatives to fulfill the requirements of each end user</th>
</tr>
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<td>Fleet</td>
<td>Extensive shipping fleet in terms of number of vessels and size</td>
</tr>
<tr>
<td>Volume</td>
<td>Leveraging its ability to aggregate demand across different markets, GNF can cater to end users’ consumption profile</td>
</tr>
<tr>
<td>Indexation</td>
<td>Portfolio player that can provide the indexation that is best suited for each individual client (HH, Brent, Gas Oil, Fuel Oil)</td>
</tr>
<tr>
<td>Term</td>
<td>Active in both trading and marketing activities, GNF is able to tailor contracts for spot, mid term, and long term purchases</td>
</tr>
<tr>
<td>Flexibility</td>
<td>Its broad portfolio of supply contracts and logistical capabilities allow GNF to provide flexibility to end users</td>
</tr>
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</table>

**GNF is committed to providing its customers with the most effective solution possible**
## GNF and its suppliers role

### Advantages provided by GNF

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<th>Flexibility</th>
<th>Competitiveness</th>
<th>Security of Supply</th>
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<td>Start of deliveries in connection with the development of infrastructures</td>
<td>Supply from Atlantic Basin sources</td>
<td>Diversified portfolio</td>
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<td>Ramp up: Increase delivered quantities</td>
<td>The best positioning in the Atlantic: delivery optimization</td>
<td>Large experience: Spain, Portugal, Puerto Rico and Argentina.</td>
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<td>Price indexation</td>
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<td>One of the largest LNG fleet in the world</td>
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**GNF and its suppliers role**

**Advantages provided by GNF**

- **Flexibility**
  - Start of deliveries in connection with the development of infrastructures
  - Ramp up: Increase delivered quantities
  - Price indexation

- **Competitiveness**
  - Supply from Atlantic Basin sources
  - The best positioning in the Atlantic: delivery optimization

- **Security of Supply**
  - Diversified portfolio
  - Large experience: Spain, Portugal, Puerto Rico and Argentina.
  - One of the largest LNG fleet in the world
Small Scale LNG applications
Distribution by trucks / LNG satellite plants

LNG can be transported by trucks to Satellite LNG Plants or industrial clients
## Small Scale LNG applications

### Advantages

- ✓ They allow to transport the gas natural to anywhere in the country without investing in pipeline network
- ✓ They do not require large investments and it has very competitive operating/maintenance costs
- ✓ Creates natural gas demand before the development of large gas infrastructure in the region
- ✓ Technologies tested and proved in mature markets (Spain)
- ✓ They are used, and they are still implemented by GNF in the gasification model in Spain
Small Scale LNG applications

**Advantages**

- GNF has a large experience in the construction and operation of LNG satellite plants

- This model has been exported to other countries in Europe: France, Italy, Germany, Belgium, Holland

- Its development and implementation allows an important growth vector in different sectors

- With applications in all sectors of economic activity: industrial / agriculture / services / residential / vehicle / power generation, regardless of their location

- Main mechanism for the development of generation projects (electricity for thermal energy / industrial cooling)
# Security of Supply

## Three key axes

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<th>Portfolio of supply</th>
<th>Fleet</th>
<th>Infrastructure &amp; Markets</th>
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<td>Geographical diversification with different counterparts, duration, volume, qualities and flexibility</td>
<td>Technical capability with different sizes of carriers that allows GNF to deliver LNG in the most favorable conditions to all the markets</td>
<td>Position in the final markets with access capacity in the most important entry infrastructures</td>
</tr>
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</table>

GNF has a secured LNG supply in the long term through:

A diversified sources and supply, a flexible fleet portfolio and a selected positioning in final markets.
Thank you