IGU World LNG Report 2020
Release and Press Conference
April 27, 2020
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Professor Joe-Myung Kang
President, International Gas Union (IGU)
#InThisTogether
The poorest areas of the world will likely endure the greatest suffering from this pandemic, and that is heartbreaking.
LNG technologies can improve access and support the development of more resilient communities around the world.
Gas is the ideal fuel to energize future recovery and keep the world on track with climate and sustainable development commitments.

- **Air Pollution:** Nearly zero Sulphur Dioxide, low Nitrogen Oxide, and no Particulate Matter emissions.
- **GHG Emissions:** 40%-50% less than coal and 20% less than oil.
- **Heat Intensity:** The most heat intensive and highest efficiency hydrocarbon fuel source.
- **Scalability:** Ease of adding customers once infrastructure is developed.
The Global Voice of Gas

Natural Gas is the Necessary Tool for Addressing the Most Pressing Global Energy Challenges

&

It will have a Vital Role in the Sustainable Energy Future

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28th WORLD GAS CONFERENCE

WGC 2021 - DAEGU, KOREA

A Sustainable Future – Powered by Gas
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Birthe van Vliet
Chair, World LNG Report Task Force
International Gas Union (IGU)
Data in the 2020 IGU World LNG Report is sourced from a range of public and private domains, including the BP Statistical Review of World Energy, the International Energy Agency (IEA), the Oxford Institute for Energy Studies (OIES), the US Energy Information Agency (EIA), the US Department of Energy (DOE), GIIGNL, Rystad Energy, Refinitiv Eikon, Barry Rogliano Salles (BRS), company reports and announcements. Additionally, any private data obtained from third-party organisations are cited as a source at the point of reference (i.e. charts and tables).

The trade related data in the 2020 IGU World LNG Report was provided by GIIGNL – for which we are very grateful.

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Highlights from the 2020 World LNG Report – covering 2019

354.7 MT
Global LNG trade

11%
YOY growth in liquefaction capacity

23.4 MTPA
Regasification capacity added

US$5.49/MMBtu
Average Asian spot price

430.5 MTPA
Global nomination liquefaction capacity

821 MTPA
Global nominal regasification capacity (as of Feb 2020)

85.9 MTPA
European LNG imports

541 Vessels (of which 34 FSRUs, 4 FSUs)
LNG fleet

907.4 MTPA
Liquefaction capacity in Pre-FID stage

70.8 MTPA
Liquefaction capacity sanctioned

120.4 MTPA
Global regasification capacity under construction (as of Feb 2020)

3
New FSRUs

13%
Increase in global LNG trade

498 Vessels (of which 34 FSRUs, 4 FSUs)
LNG fleet

13%
Increase in global LNG trade
Global LNG trade increased to **354.7 MT** in 2019, an increase of **40.9 MT** or 13% vs. 2018. This is the sixth year of consecutive growth in global LNG trade.

- **Australia** is the second largest exporter with a total of **75.4 MT**.
- **Qatar** managed to maintain its position as the largest exporter in the world, exporting **77.8 MT**.
- **Russia** is now the fourth largest exporter of LNG, with **29.3 MT** of export in 2019.
- The **USA** overtook Malaysia as the third largest exporter, and added a record of **+13.1 MT**.

- **China** imported **61.7 MT** (+7.7 MT vs. 2018).
- **Japan** imported **76.9 MT** (-5.6 MT vs. 2018).
- The largest global LNG trade flow route continues to be intra-Asia Pacific trade **77.3 MT**.
- The largest importing regions, consistent with 2018, were:
  - Asia Pacific **131.7 MT**
  - Asia **114.5 MT**
- European imports surged on the back of low prices, almost doubling to **85.9 MT**.

*The diagram only represents trade flows between the top 10 exporters and top 10 importers.*
International gas prices hit a record low in 2019.

- **NBP front month contract trading reached lowest level in 10 years - US$3.15/MMBtu in July**
- **Waha gas prices averaged US$0.90/MMBtu**
- **Henry Hub front month prices averaged US$2.53/MMBtu**
- **Asian spot average US$5.49/MMBtu, lowest in 10 years**
- **Asian spot reached a low of US$4.10/MMBtu in August**
Liquefaction Plants

Global liquefaction capacity reached **430.5 MTPA** in 2019.

**Capacity Additions for 2019**

- **42.5 MTPA** of liquefaction capacity brought online
- **11%** year-on-year growth vs 2018
- Australia 87.6 MTPA overtook Qatar 77.1 MTPA as the market with the highest liquefaction capacity
- Capacity added in Australia, Russia, USA and Argentina

**FIDs and Under Construction**

- Record FIDs of liquefaction projects, totalling **70.8 MTPA**
- FIDs were taken in USA, Mozambique, Russia and Nigeria
- Global liquefaction capacity forecasted to reach **454.8 MTPA** by end 2020
- Liquefaction capacity forecasted to be added in 2020 in USA, Indonesia, Malaysia and Russia

**Pre-FID**

- **907.4 MTPA** of liquefaction capacity currently in pre-FID stage
- 350.5 MTPA from USA
- 221.8 MTPA from Canada
- 42.2 MTPA from Russia
- 50.0 MTPA from Australia

**IGU**

International Gas Union
Union Internationale du Gaz
The global LNG fleet grew by **8.4% year-on-year** in 2019.

- **541** active vessels
- **42** new vessels
- **34** FSRUs
- **4** FSUs
- **5,701** trade voyages, an increase of **11% year-on-year**
- **126** vessels laid-up
- Approximately **20** vessels laid-up
LNG Receiving Terminals

23.4 MTPA of receiving capacity was added in 2019

- **+6** new terminals between 2019 - February 2020
- **+3** expansions at existing terminals between 2019 - February 2020
- **821 MTPA** of global regasification capacity as of February 2020
- **120.4 MTPA** of new regasification capacity under construction as of February 2020

Growth in 2019 was driven primarily by new-built terminals in existing LNG import markets: Bangladesh, Brazil, China, India, and Jamaica.

3 new FSRUs

- Bangladesh
- Brazil
- Jamaica

India and Thailand expanded existing LNG plants.
Available for download at: www.igu.org
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Jarand Rystad
CEO, Rystad Energy
International gas prices remain at historical low levels

Oil-indexed contracts have a lag of 6 to 9 months in the oil indexation; therefore, the low price is still not reflected in the oil-indexed price.

Asia spot prices dropped when China announced the lockdown and reduced its LNG imports. Prices then rebounded as exports adjusted down and other Asian countries continued to buy spot cargoes. They have now fallen to $2.3 again due to India lockdown.

NW European prices are currently trading at $2 as demand continues to be weak. At this level US LNG spot cargo exporters are not covering their SRMC.

Henry Hub prices stabilized at $1.8 per MMBtu.

Source: Rystad Energy research and analysis, GasMarketCube, Refinitiv, Bloomberg

* Henry Hub and NBP prices correspond to the front month contract. Asia Spot are as reported by Refinitiv.
LNG imports in NE Asia dropped. Effect in Europe yet to be seen

Source: Rystad Energy research and analysis, Refinitiv
Chinese gas consumption increased by 1.8% in Q1 2020 vs. Q1 2019

China Q1 Gas Balance by Month
Billion Cubic Meters

<table>
<thead>
<tr>
<th></th>
<th>January</th>
<th>February</th>
<th>March</th>
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<tbody>
<tr>
<td>2019</td>
<td>15.3 BCM</td>
<td>24.8 BCM</td>
<td>23.9 BCM</td>
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<tr>
<td>2020</td>
<td>28.9 BCM</td>
<td>24.8 BCM</td>
<td>23.9 BCM</td>
</tr>
</tbody>
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Source: China National Development and Reform Commission; National Bureau of Statistics
Large drop in Italian demand paints a bleak picture for rest of Europe

**Italy weather adjusted natural gas demand**

Million cubic meters

Source: Rystad Energy research and analysis, GasMarketCube, Refinitiv
US demand: impact on gas for power has been muted so far

**Gas demand for power generation**
Billion cubic feet per day in L48

**Gas demand for residential/Commercial use**
Billion cubic feet per day in L48

Source: EIA, Rystad Energy research and analysis
Some US exporters have adjusted down their production

US LNG exports by terminal
Million tonnes

US exports have increased 98% y-o-y during Q1 2020 as new terminals continue commissioning. Growth has slowed down recently due to loose market conditions.

Source: Rystad Energy research and analysis, Refinitiv