

LNG Market in 2020: Fundamental Changes & Pricing Shifts

SIEW Energy Insights Webinar Series

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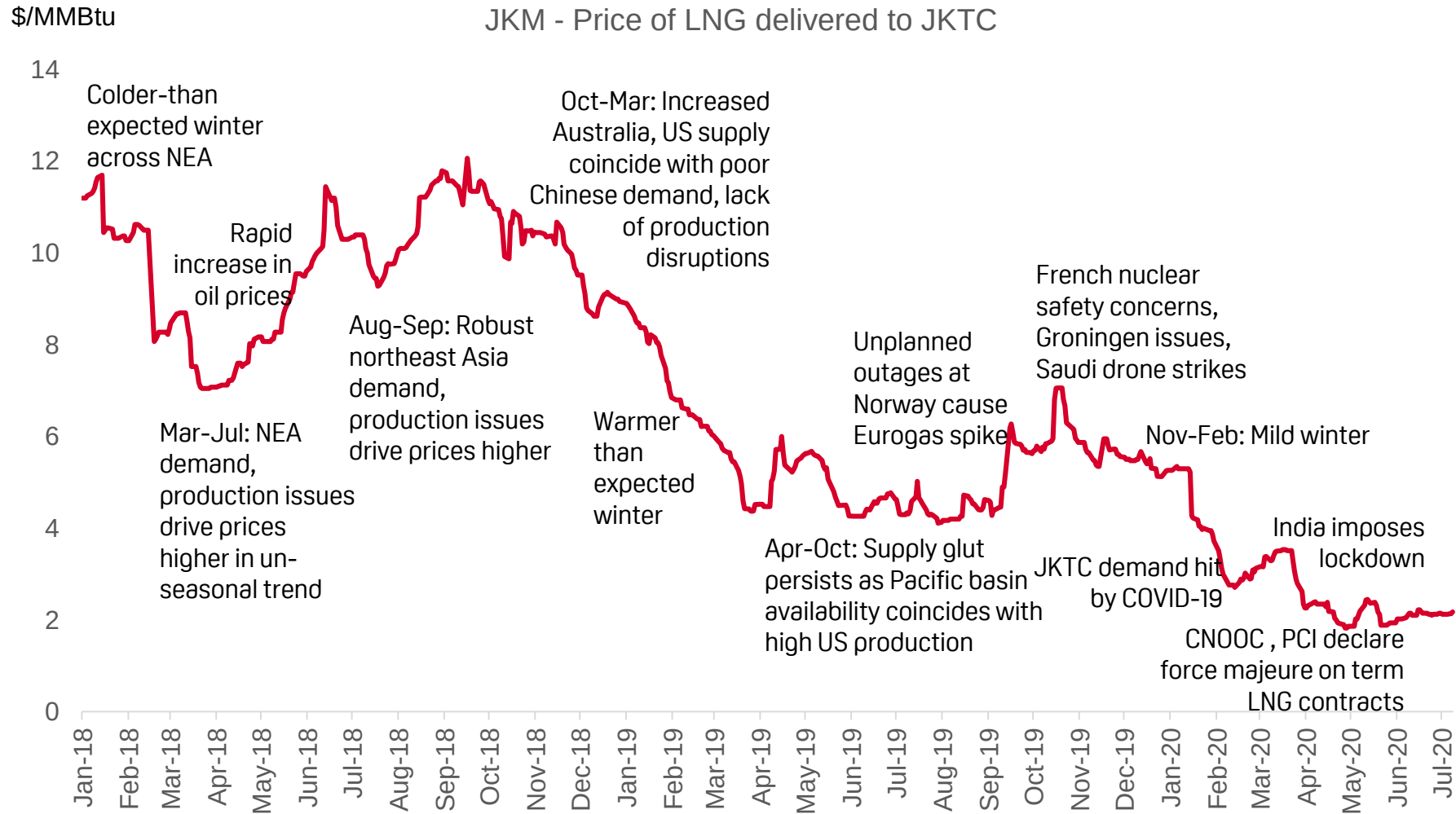
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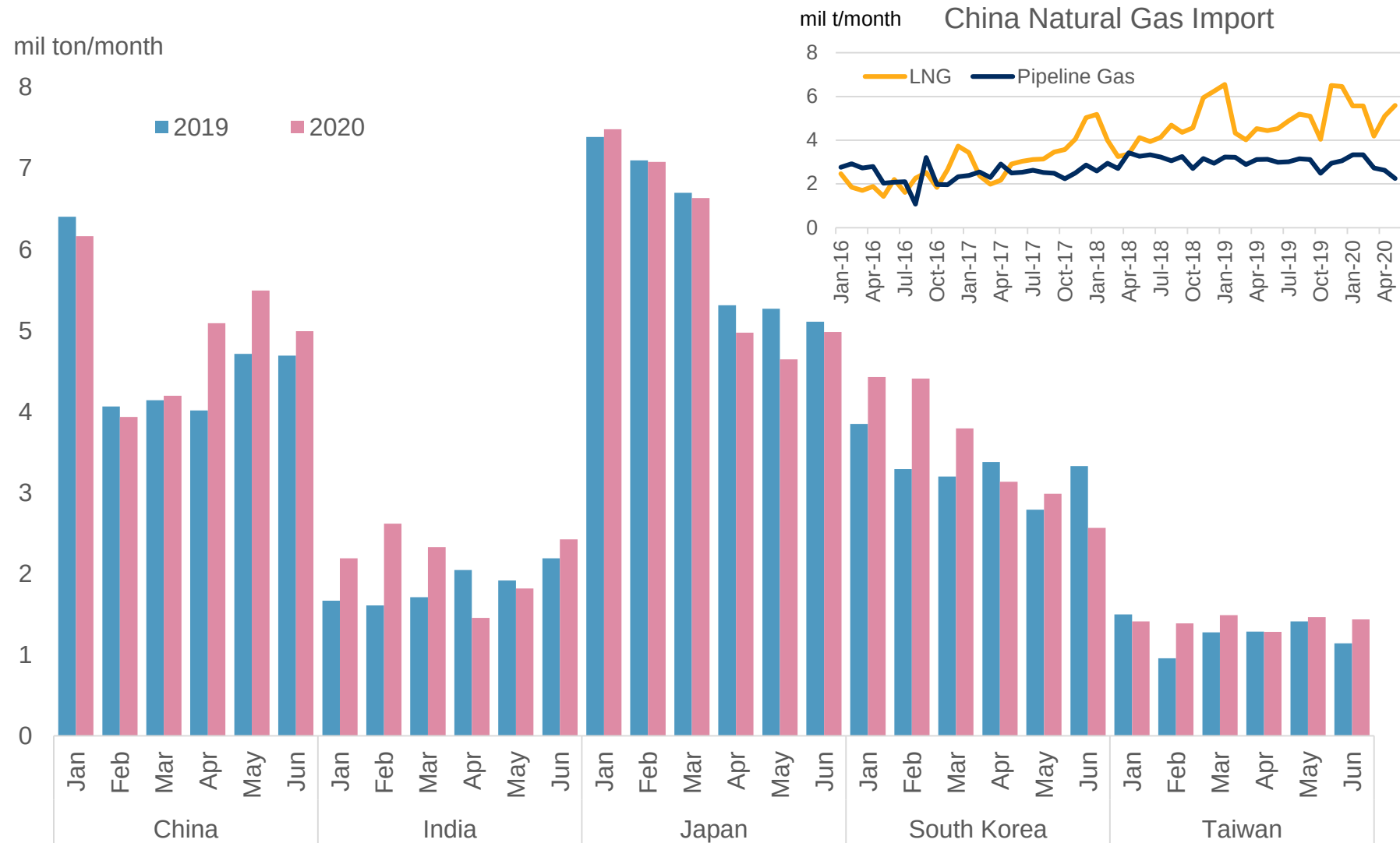
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Spot LNG price hit record lows on growing supplies and weak demand

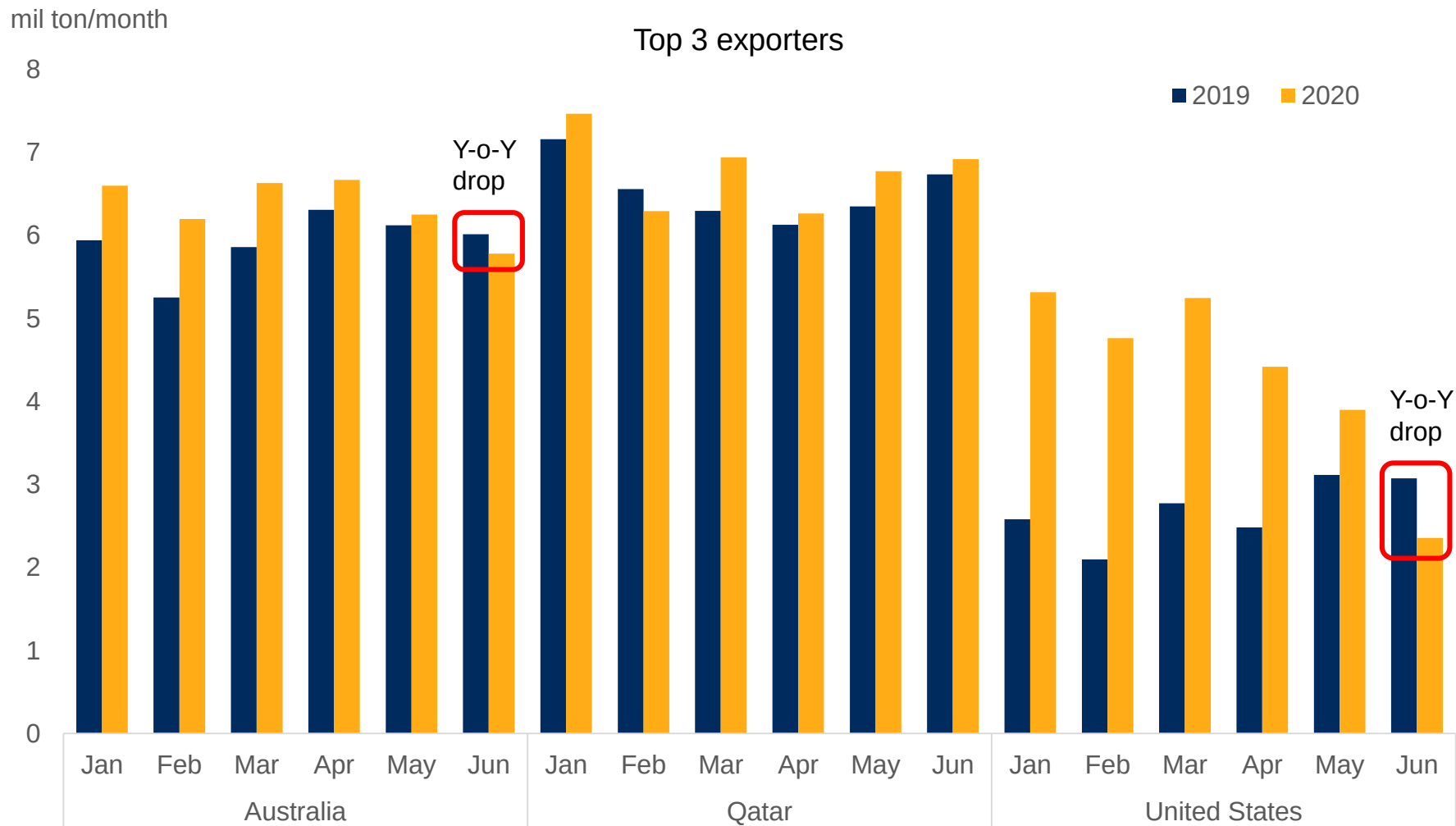


Source: Platts

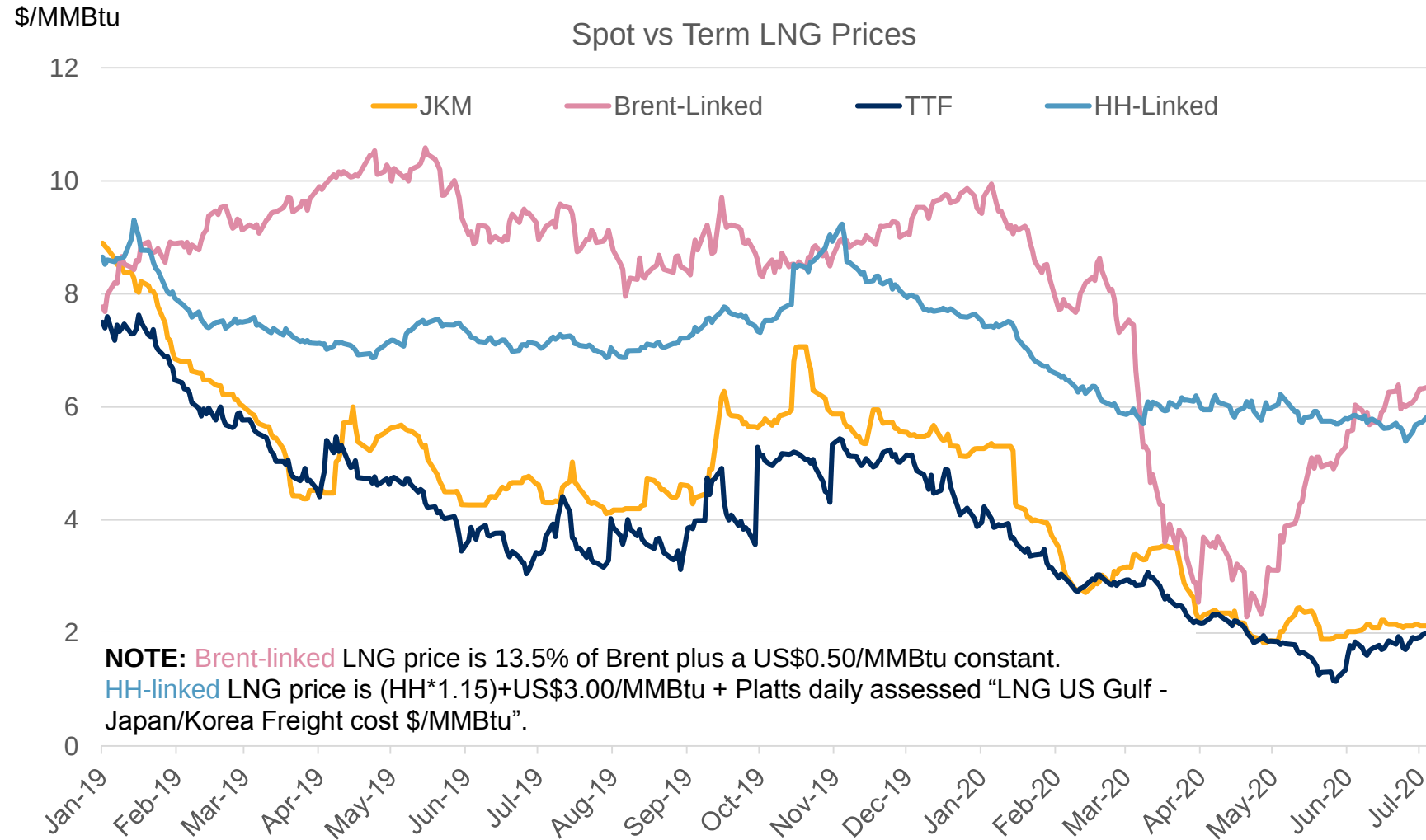
Covid-19 impact on LNG import differs across major importers



US, Qatar and Australian volumes main contributors to the supply glut

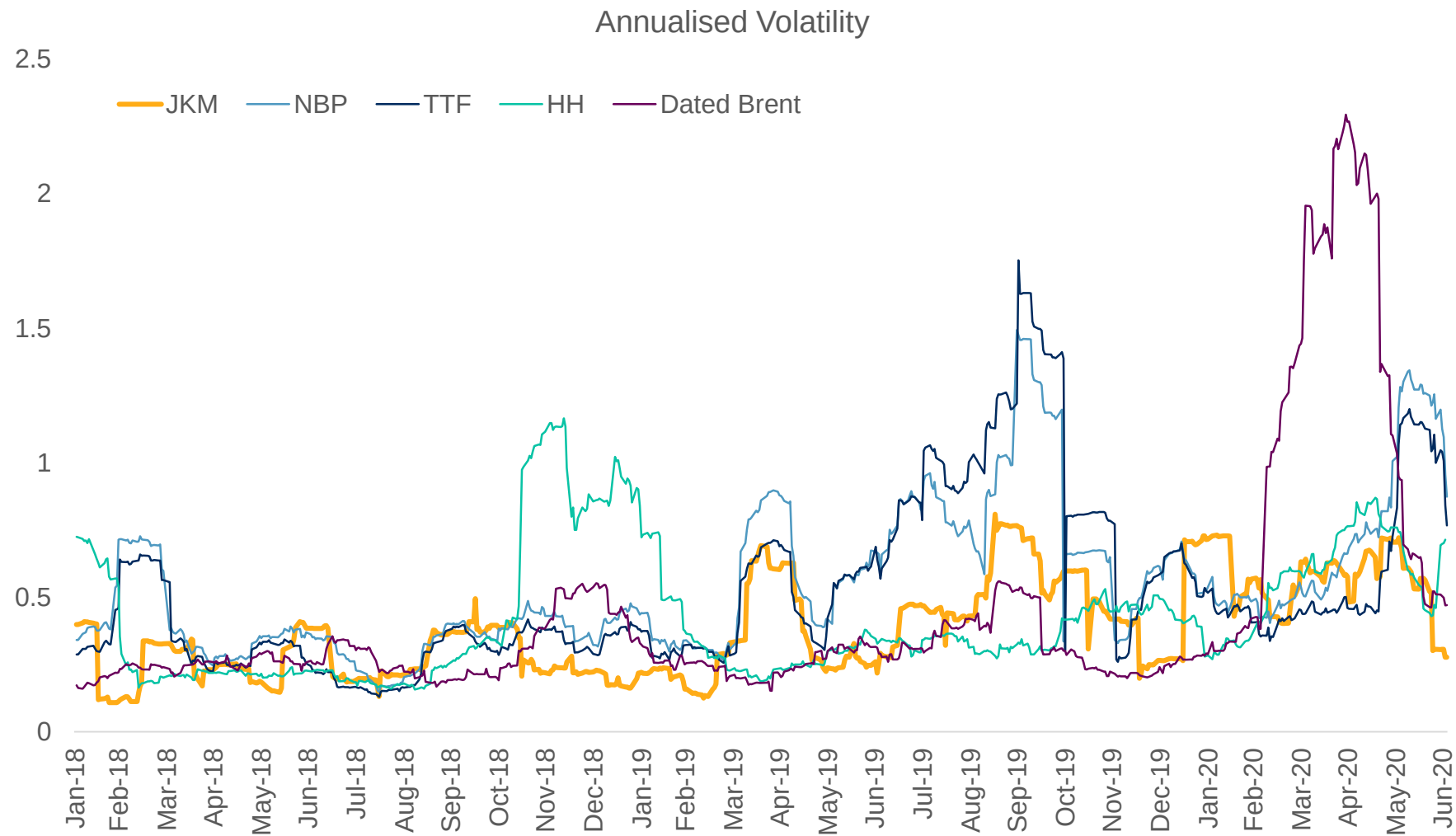


Spot LNG price reflects LNG fundamentals rather than correlating with crude or Henry Hub



Source: Platts

Comparison of volatility among gas and LNG benchmarks



Term contract linkage to spot LNG prices

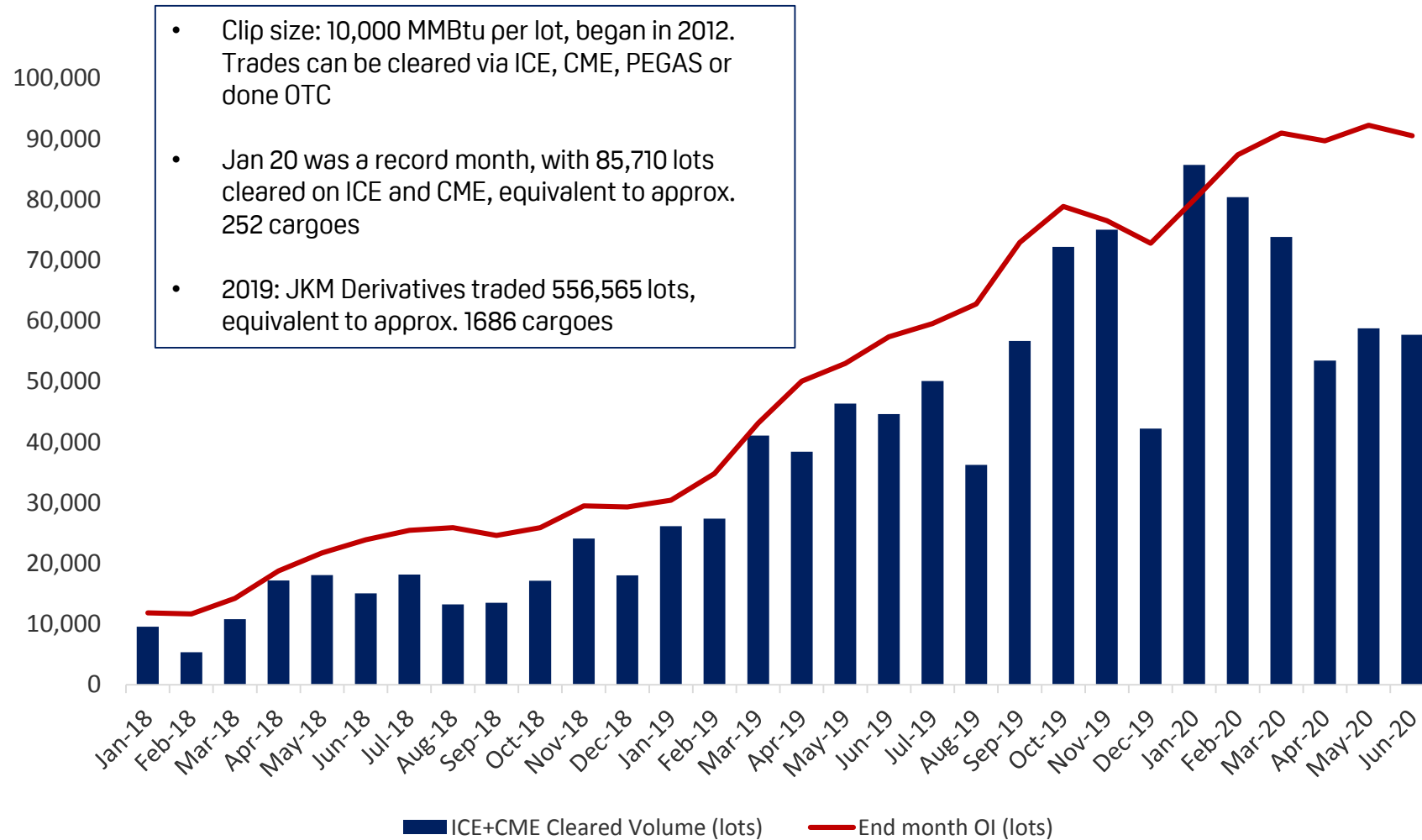
Short to long term contracts

Duration	Contract	Volume	Pricing Basis
2023-2038	Tellurian - Total	1.5 MTPA	Platts JKM
2020-2035	EOG - Cheniere (Natural Gas)	0.85 MTPA	Platts JKM
2020-2035	Apache - Cheniere (Natural Gas)	0.85 MTPA	Platts JKM
2020-2023	China's Guangdong Energy buy-tender	16 cargoes	Platts JKM
2021-2022	ENN-BP (Natural Gas)	0.3 million mt	Platts JKM
2020-2022	HPCL – ONGC (Natural Gas)	100,000 mmscmd	Platts WIM
2020-2022	GAIL – ONGC (Natural Gas)	650,000 mmscmd	Platts WIM
2020	Thailand's PPT buy-tender	12 cargoes	Platts JKM
2020	Australia's APLNG sell-tender	6-8 cargoes	Platts JKM
2020	Japan's JERA buy-tender	0.8 million mt	Platts JKM
2020	Taiwan's CPC two yearly buy-tenders	24 cargoes	Platts JKM
2020	Russia's Sakhalin LNG sell-tender	6 cargoes	Platts JKM
2020	Indonesia's Tangguh LNG sell-tender	5 cargoes	Platts JKM

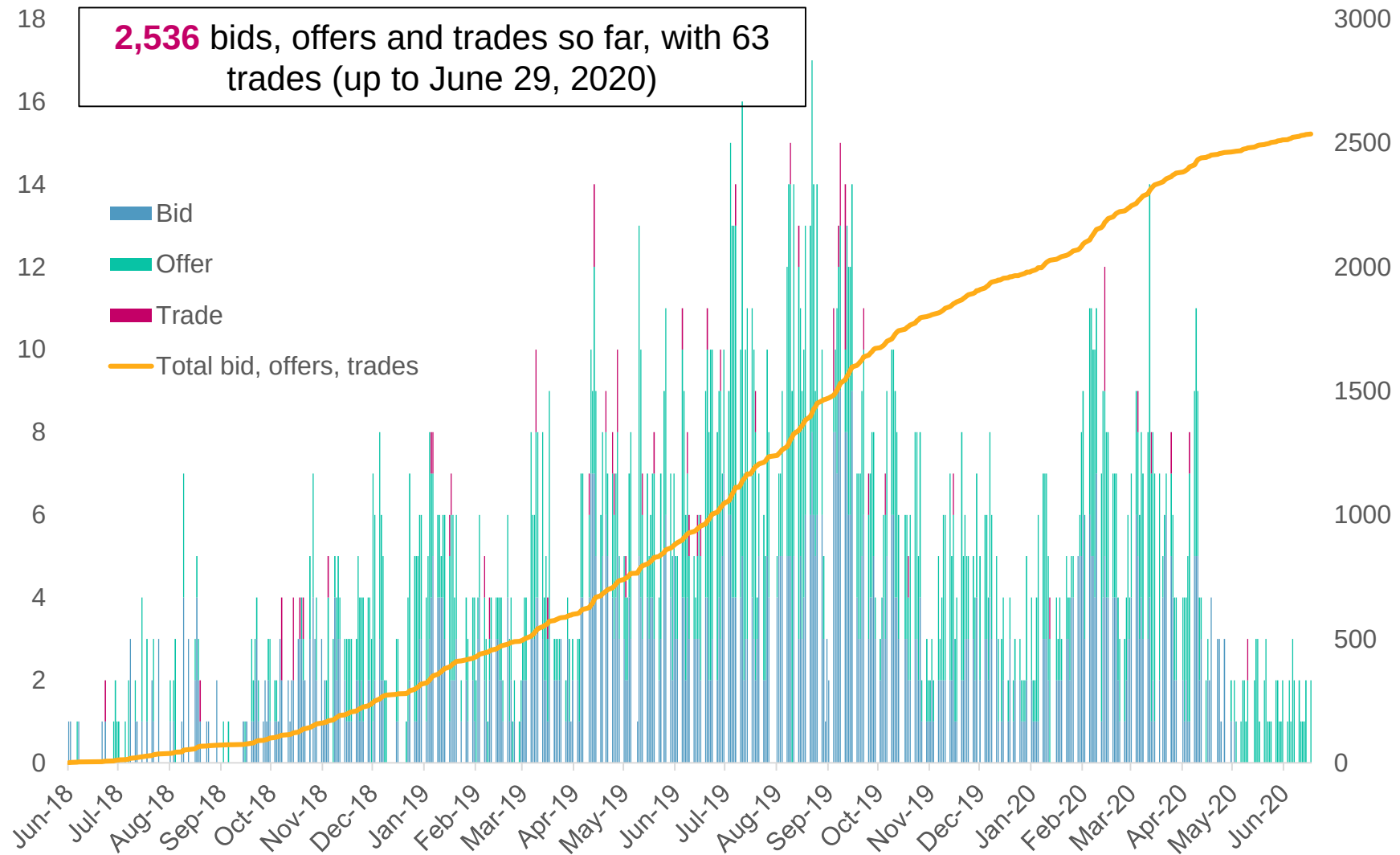
Spot market

Significant linkage to JKM for spot cargoes from second and third delivery months onwards

JKM Derivatives in 2019 surpass 107 million mt; H1 2020 at 79 million mt (Cash-Settled Futures)



Platts LNG Asia Market on Close daily bids, offers and trades



Source: Platts

Platts LNG MOC eWindow implemented for both physical and derivative MOC

Example of 4 spot trades agreed on September 20

Trade (WebICE) (ICE) - modaka2 @ Platts [LL: 9/20/19 2:46 PM]

08:22:35

Sell	Product Basis	Hub Pricing Period	Qty	Dates Bid Price	Buyer	TQC	Mkt State	Product Basis	Hub Pricing Period	Qty	Dates Offer Price	Seller	TQC	Mkt State	Buy
Take	Platts LNG	DES JKTC	3.6	Nov 01-Nov 05	TRAFI	• Pricing		Platts LNG (Qty in TQC)	DES JKTC	1	Nov 08-Nov 10	BPSG	• Pricing		Take
Take	Platts LNG (Qty in TQC)	DES JKTC	1	Nov 13-Nov 17	TRAFI	• Pricing		Platts LNG (Qty in TQC)	DES JKTC	1	Nov 16-Nov 20	TRAFI	• Pricing		Take
Take	Platts LNG	DES JKTC	3.4	Nov 13-Nov 17	BPSG	• Pricing									
Take	Platts LNG	DES JKTC	3.6	Nov 15-Nov 19	UNIPER <P>	• Pricing									
Take	Platts LNG (Qty in TQC)	DES JKTC	1	Nov 28-Dec 02	BPSG	• Pricing									
Take	Platts LNG	DES JKTC	3.4	Nov 28-Dec 02	VITOLSG	• Pricing									
Take	Platts LNG	DES JKTC	3.4	Dec 01-Dec 05	GLENCORESG <P>	• Pricing									
Take	Platts LNG (Qty in TQC)	DES JKTC	1	Dec 11-Dec 15	ENGINEEM <P>	• Pricing									

- BP ⇒ Vitol: \$6.05/MMBtu Nov 13-17
- Shell ⇒ Vitol: \$5.90/MMBtu Nov 21-23
- Shell ⇒ BP: \$6.10/MMBtu Nov 28-30
- Petrochina ⇒ Vitol: \$6/MMBtu Nov 16-20

Manual Headline Filter: [lng]

LNG Futures - JKM - Summer20, 5 @ 6.200 15:50:00 SGT <<<BLOCK>>>
LNG Futures - JKM - Nov19, 10 @ 5.950 15:50:00 SGT <<<BLOCK>>>

Platts LNG (Qty in TQC) DES JKTC H3-H6, BPSG lowers offer Nov 8-Nov 10 100% Flat Price -- \$6.00 for 1-1 "QUALITY: GHV 1030-1130 Btu/Scf in Seller option, (Ethane limit no more than 12%/mol, DELIVERY WINDOW: Buyer to narrow to 2-day delivery window

RFL: zhou2 @ PetroChina/Chinaoil 8:20:48:186 GMT

RFL: Imiyazawa3 @ Mitsui & Co. Energy Trading Singapore Pte. Ltd. 8:20:11:423 GMT

RFL: wcham @ Caltex (Parent) 8:20:02:284 GMT

RFL: smcreech @ Alsea Petroleum & Shipping FZC 8:19:17:085 GMT

Platts LNG DES JKTC H3-H6, PETROCHINA SELLS TO VITOLSG Nov 16, 2019-Nov 20, 2019 100% Flat Price -- \$6.00 for 3.6 "QUALITY: GHV 1000-1020Btu/Scf or 1070-1150 Btu/Scf in Seller option, (Ethane limit no more than 10%, Total Sulfur of 4.7mg/Nm3 or less) DELIVERY WINDOW: 28-30 Nov 2019Buy

Platts LNG DES JKTC H3-H6, VITOLSG raises bid Nov 16-Nov 20 100% Flat Price -- \$6.00 for 3.6-3.6 "QUALITY: GHV 1000-1020Btu/Scf or 1070-1150 Btu/Scf in Seller option, (Ethane limit no more than 10%, Total Sulfur of 4.7mg/Nm3 or less) DELIVERY WINDOW: 28-30 Nov 2019Buy

RFL: meom1 @ SK (Parent) 8:17:36:653 GMT

Platts LNG (Qty in TQC) DES JKTC H3-H6, VITOLSG BUYS FROM SHELNG Nov 21, 2019-Nov 23, 2019 100% Flat Price -- \$5.90 for 1 "QUALITY: GHV 1030-1130 Btu/Scf in Seller option, (Ethane limit no more than 10%/mol, DELIVERY WINDOW: 21-23 Nov 2019Buyer

Platts LNG DES JKTC H3-H6, UNIPER <P> raises bid Nov 15-Nov 19 100% JKM Full Mnth Nov 0.02 for 3.6-3.6 "QUALITY: GHV 1070-1150 Btu/Scf at Seller's option, (Ethane limit no more than 10%/mol, total Sulphur no more than 30 mg/Nm3 DELIVERY WINDOW: No

Platts LNG (Qty in TQC) DES JKTC H3-H6, BPSG BUYS FROM SHELNG Nov 28, 2019-Nov 30, 2019 100% Flat Price -- \$6.10 for 1 "Offer: QUALITY: GHV 1030-1130 Btu/Scf in Seller option, (Ethane limit no more than 10%/mol, DELIVERY WINDOW: 28-30 Nov 2019Buy

Platts LNG DES JKTC H3-H6, BPSG SELLS TO VITOLSG Nov 13, 2019-Nov 17, 2019 100% Flat Price -- \$6.05 for 3.6 "QUALITY: GHV 1030-1150 Btu/Scf in Seller option, (Ethane limit no more than 10%, Total Sulfur of 4.7mg/Nm3 or less) DELIVERY WINDOW: Buyer to narrow to

Platts LNG DES JKTC H3-H6, VITOLSG raises bid Nov 13-Nov 17 100% Flat Price -- \$6.05 for 3.6-3.6 "QUALITY: GHV 1030-1150 Btu/Scf in Seller option, (Ethane limit no more than 10%, Total Sulfur of 4.7mg/Nm3 or less) DELIVERY WINDOW: Buyer to narrow to

RFL: knakall @ Marubeni International Petroleum (S) PTE LTD 8:16:07:075 GMT

Platts LNG (Qty in TQC) DES JKTC H3-H6, TRAFI lowers offer Nov 16-Nov 20 100% Flat Price -- \$6.20 for 1-1 "QUALITY: GHV 1000-1160 Btu/Scf in Seller option (Ethane limit no more than 10%, Total Sulfur of 4.7mg/Nm3 or less) DELIVERY WINDOW: Buyer to no

Platts LNG (Qty in TQC) DES JKTC H3-H6, TRAFI raises bid Nov 13-Nov 17 100% Flat Price -- \$5.75 for 1-1 "QUALITY: GHV 1000-1020Btu/Scf or 1070-1150 Btu/Scf in Seller option (Ethane limit no more than 10%, Total Sulfur of 4.7mg/Nm3 or less) DELIVERY W

Platts LNG DES JKTC H3-H6, VITOLSG raises bid Nov 13-Nov 17 100% Flat Price -- \$6.00 for 3.6-3.6 "QUALITY: GHV 1030-1150 Btu/Scf in Seller option, (Ethane limit no more than 10%, Total Sulfur of 4.7mg/Nm3 or less) DELIVERY WINDOW: Buyer to narrow t

Platts LNG (Qty in TQC) DES JKTC H3-H6, TRAFI lowers offer Nov 16-Nov 20 100% Flat Price -- \$6.25 for 1-1 "QUALITY: GHV 1000-1160 Btu/Scf in Seller option (Ethane limit no more than 10%, Total Sulfur of 4.7mg/Nm3 or less) DELIVERY WINDOW: Buyer to no

RFL: bakon @ NITG Nippon (Parent) 8:12:13:137 GMT

Alerts (0) 16:22:35 SGT Users: 16191