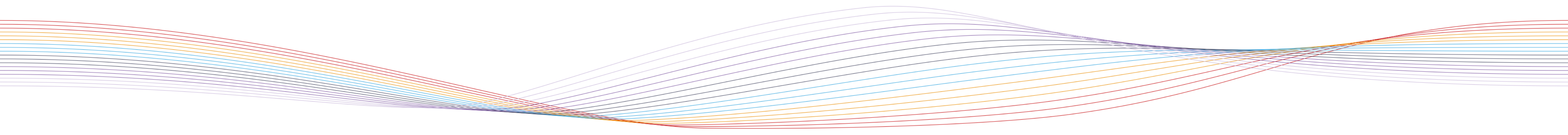


10 June 2024

Trader's perspective on LNG Markets

Pawel Lont, European Gas Markets Manager

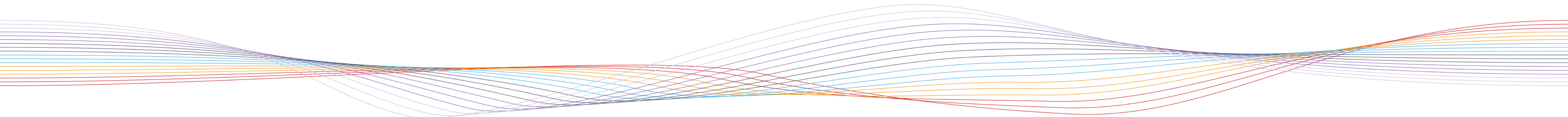


Trader's perspective on LNG Markets

LNG has played a key role in balancing the market and replacing Russian imports

- Global LNG market is a tool shippers were able to use to bring in major additional volumes of gas at a time of scarcity.
- These volumes were brought at extra cost, but it was the price premium that made the cargos move towards Europe
- New export and import capacities have developed and are being developed, improving the performance of the global LNG market even further.

The market works well and it helped Europe managing through the crisis



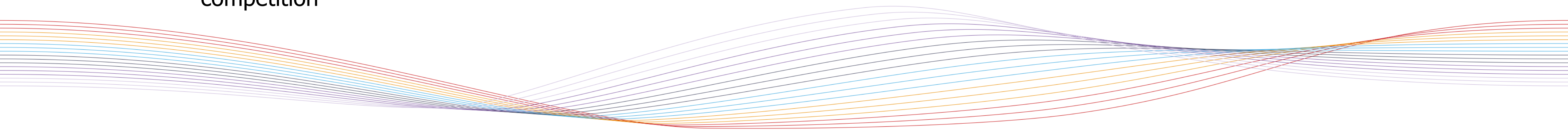
Trader's perspective on LNG Markets

Forecasts signal oversupply of LNG in the medium term

- Question remains about how much gas will be allowed for exports in the USA
- Question remains about the demand in Asia
- Question remains about the demand in Europe
- Question remains whether oversupply is a problem at all

We need to be prepared for different scenarios, working on:

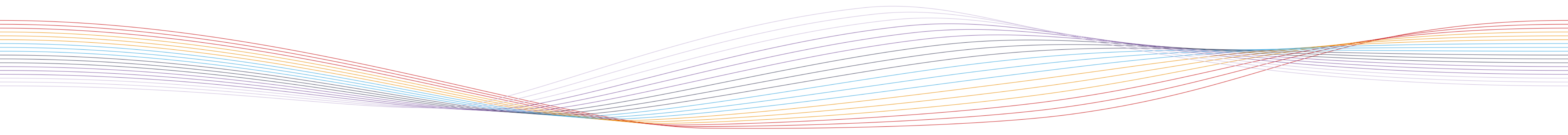
- Efficient allocation and management of terminal capacities, responsive to market needs
- Ensuring that terminals improve market access and competition



Trader's perspective on LNG Markets

Ease and freedom to move gas in the region remains an issue

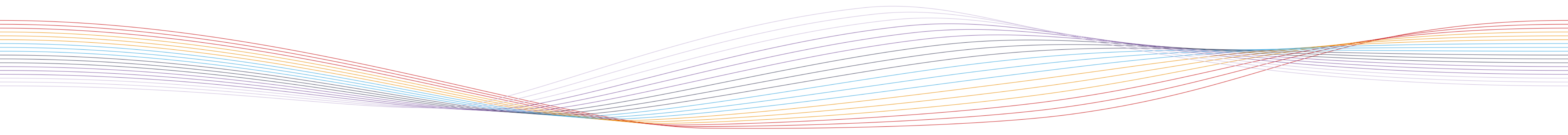
- Major increase in transmission costs expected on all routes towards UA borders
- Some infrastructure is still pending expansion
 - Vertical Corridor
 - Gas shipment from the Greek terminals
- Unlocking the potential of TransBalkan route
- Access to markets/capacity is still problematic in some countries, moving us away from the goal of establishing an internal gas market



Trader's perspective on LNG Markets

With transit deal via Ukraine ending, LNG becomes even more important

- Significant volume disappears from the regional supply portfolio and the effects likely have not yet been priced in
- Alternative supply routes towards Ukraine might be facing congestion, with premia coming on top of the upcoming increase in tariffs
- Attractiveness of storage facilities in Ukraine may be negatively affected



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