



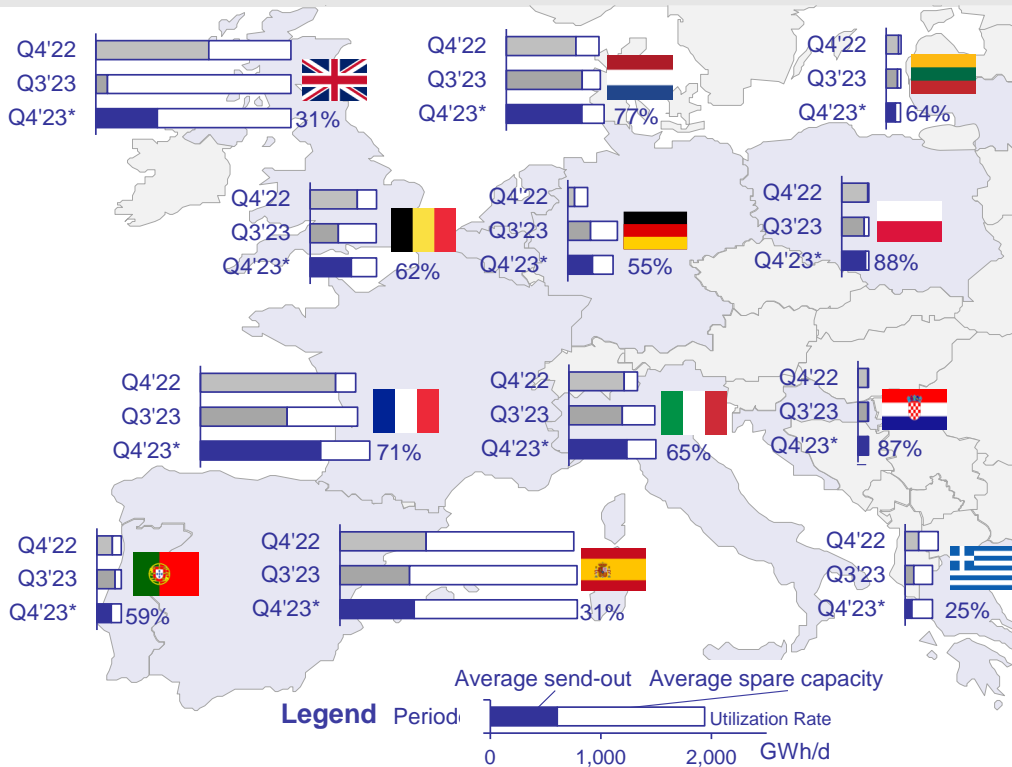
LNG MARKET RADAR

15.01.2024

KEY FACTS

- In Q2 2023, utilization of European LNG terminals went down in most countries compared to the same quarter the year before; a capacity growth occurred due to the startup of operations of new FSRU.
- While in Northern Europe average utilization fell substantially to 58% in Q4 2023 from 72% in Q4 2022, the decrease in Southern Europe was more moderate, from 49% to 42%. The supply situation has eased.
- The weighted average LNG price of EU imports in 2022 was considerably below hub prices (TTF spot) which had surged to unprecedented levels. Since early 2023, both prices have been on the same level.
- The LNG import prices of China and Japan were significantly above the EU LNG import price in 2019 and 2020; this reversed in 2022 and 2023. This is due to oil-indexed long term import contracts of those two countries.

Average European Regasification Capacity Utilization



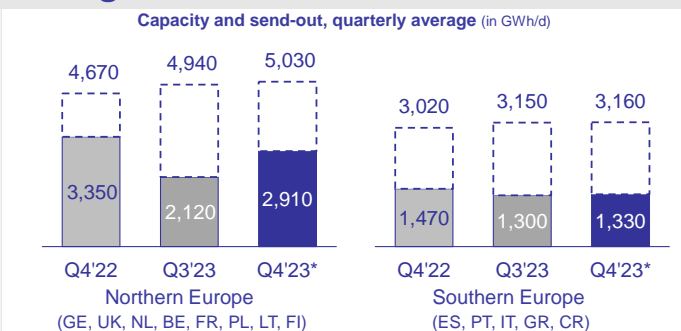
- Compared to the same quarter last year, utilization of LNG terminals was slightly lower in Q4 2023 in most countries
- This is in contrast to a growth in terminal capacities, due to the start-up of FSRU, incl. in Germany, France and Italy
- In Germany, the terminals on the North Sea coast are highly utilized (approx. 85%), while the Baltic Sea terminal in Lubmin is not (approx. 15%)
- A substantial reduction in utilization (vs. Q4 2022) was observed for the UK terminals

Source: Gas LNG Europe (GLE), Team Consult Analysis

*as of 31/12/23

Average send-out of European Regasification Facilities

- In Northern Europe, total capacity of LNG import terminals grew by 8% and reached 5,030 GWh/d while imported volumes fell by 13% and were at 2,910 GWh/d; average utilization fell from 72% (Q4 2022) to 58% (Q4 2023)
- In Southern Europe, the same tendency was observed, albeit with lesser year-on-year changes. Capacity grew due to Piombino FSRU in Italy, volumes fell slightly; average utilization fell from 49% (Q4 2022) to 42% (Q4 2023)
- Compared to the winter of 2022/23, when supplies were very tight especially in Northern Europe, the situation has substantially eased



Changes of terminals:

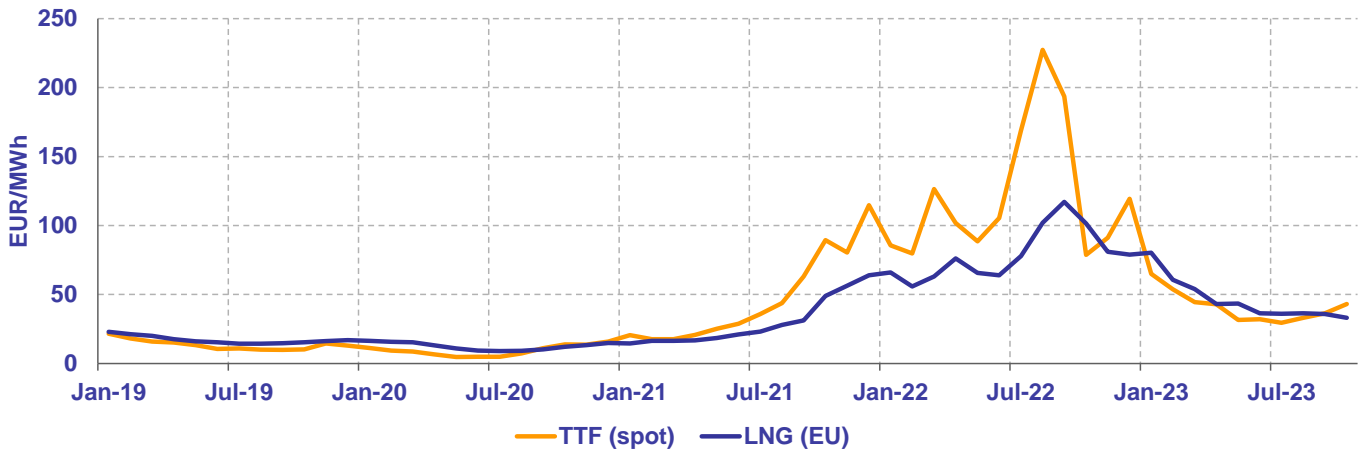
01/23: "Inkoo LNG" started operations (Northern Europe)

07/23: "Piombino FSRU" started operations (Southern Europe)

12/23: "Le Havre FSRU" started operations (Northern Europe)

*as of 31/12/23

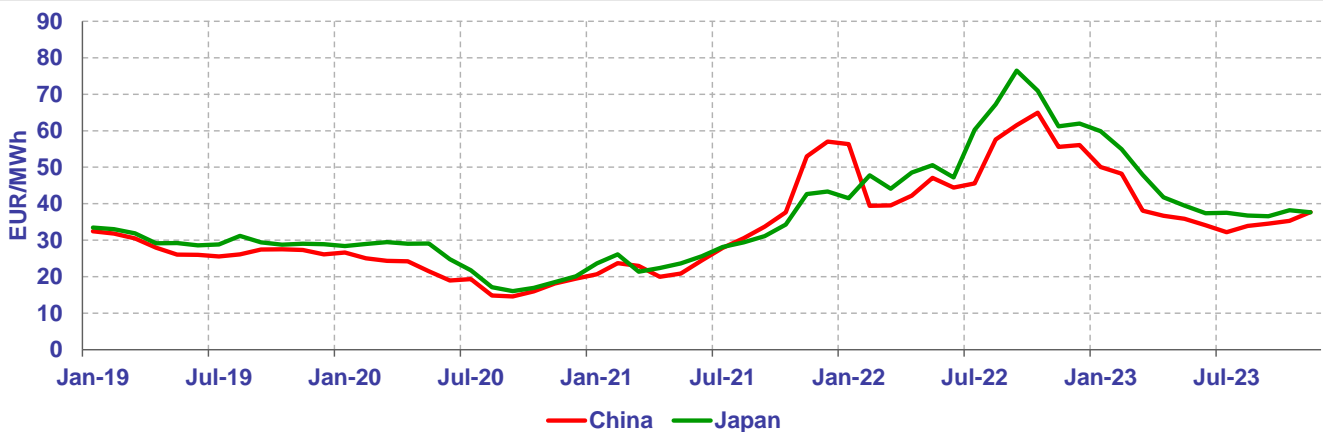
EU LNG import price, monthly weighted average, all countries of origin, vs. TTF



Source: EEX, Eurostat (EU LNG import prices without France, Germany and Poland for lack of data availability)

- The monthly weighted average price of LNG imports was calculated from foreign trade statistics of Eurostat. Only those EU countries for which the volumes and the value of imports are reported were included in the analysis
- Before the surge in European hub gas prices in the second half of 2021, there was a longer period of depressed hub prices. During that period, the LNG import prices was generally below the spot price at the TTF hub
- This relation reversed from mid-2021 on. The main reason for the moderate rise of the average LNG import price is the fact that not all LNG volumes are procured on the LNG spot market. Companies with long-term bookings at U.S. LNG export terminals can import gas to Europe at the Henry Hub price plus transport costs
- Since early 2023, the TTF price and the LNG import price have been on the same level. This is because the hub price since then has been reflective of the marginal costs of supply (and, thus, of LNG) again, not the price required to drive LNG buyers in other regions out of the market (as was the case in 2022)

Asian LNG import prices, monthly weighted average, all countries of origin



Source: Customs Authorities of Japan and the People's Republic of China

- Just like the EU LNG import price, the weighted average LNG import prices of Japan and China were determined on the basis of foreign trade statistical data, as the ratio of the value and the energy volume of imports
- Over the entire period from the beginning of 2019 to the end of 2023, China's price was approx. 7.5% below that of Japan
- This was especially the case during the period in which prices surged (early 2022 to early 2023). China benefitted from its unmatched reduction in LNG imports in that period which meant that it did not have to procure any LNG from the LNG spot market
- Compared to the EU, the LNG import price of China and Japan (taken together) in 2019 and 2020 was significantly higher (approx. 25 EUR/MWh vs. 15 EUR/MWh). This reversed in 2022 and 2023 and is due to long-term LNG import contracts of the two countries the prices of which are commonly indexed to oil prices

Imprint

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