



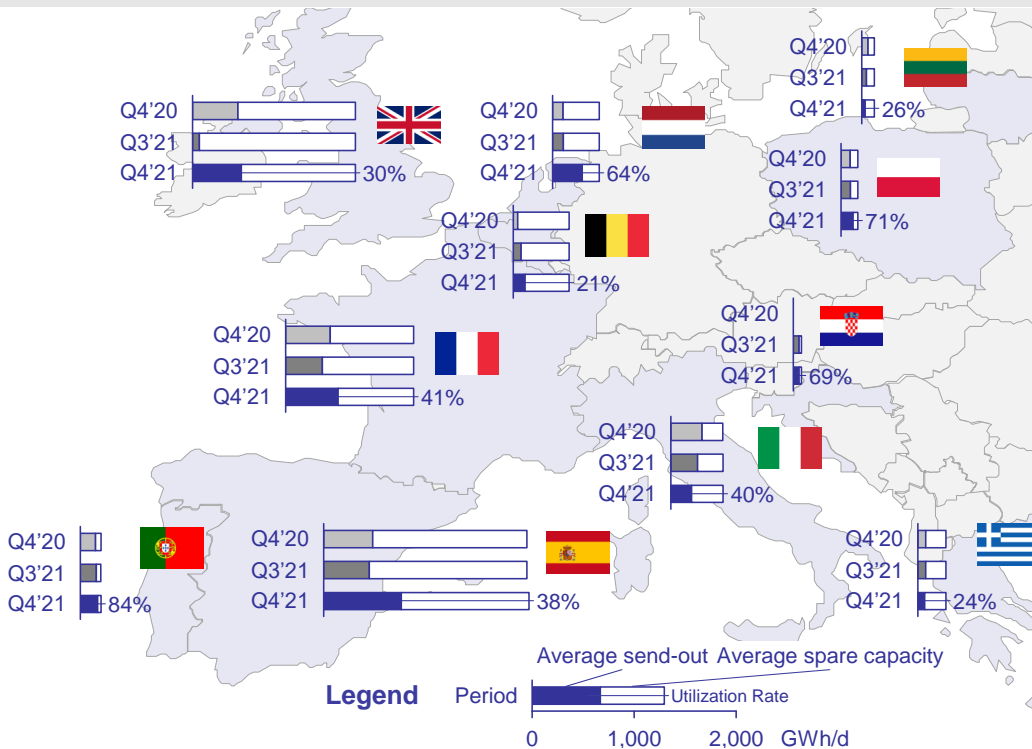
LNG-MARKET-RADAR

02.02.2022

KEY FACTS

- The utilization of European LNG terminals recovered steadily during the fourth quarter (and on average was at 39%). This trend continues in January. The average send-out rates at the end of January 2022 were above the level of the last two years.
- In competition with Asia, Europe was able to acquire more quantities during the fourth quarter. LNG deliveries from Qatar, traditionally one of the top suppliers to Europe, remained below the previous year's levels until October.
- The current market environment of high global gas demand should support investment decisions for new export capacities. Capacity expansions are expected primarily in the U.S. and Qatar.

Average European Regasification Capacity Utilization

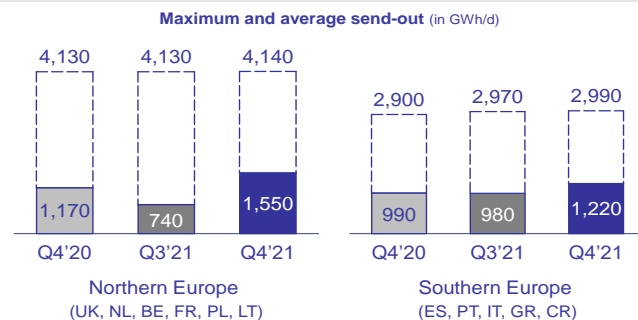


- LNG send-out from the terminals was subject to a steady increase in Q4. With historically high gas prices in December (>180 EUR/MWh on 22.12.2021 for the TTF Month-Ahead), more LNG arrived in Europe again.
- For example, after a drop in Q3, exports of U.S. LNG to Europe in Q4 were back at the level of the first half of the year.
- Send-out rates at the NWE terminals were above the levels of the previous quarter as well as the same quarter of the previous year.
- Overall, annual utilization fell to 35% (2019: 43%, 2020: 40%).

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

Average send-out of European Regasification Facilities

- In Northern Europe, LNG send-out from the terminals doubled compared to the previous quarter and was thus at the annual average level of 2020.
- In Southern Europe, LNG send-out increased by approximately 25% to 1,220 GWh/d. The basic capacity utilization of the terminals here remains at a solid level.
- The average send-out rate in Europe was at 2,770 GWh/d. This level was surpassed only in the second quarter of 2021.

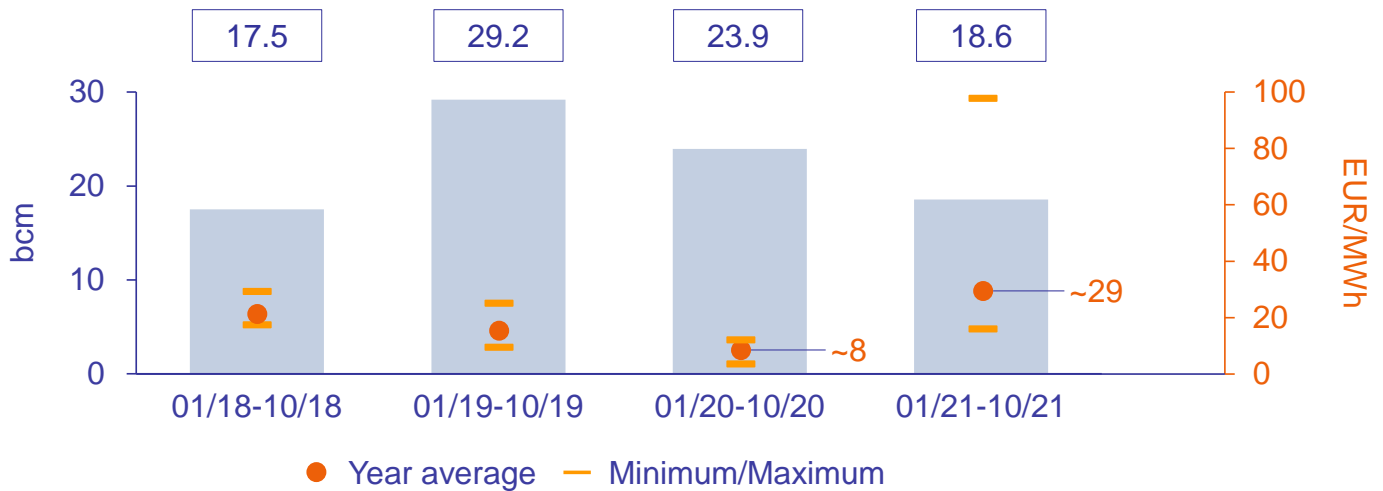


Changes of terminals:

01/21: „Croatia“ starts operating (Southern Europe)

Data for UK terminals from National Grid, all three UK terminals included from now on.

LNG Exports from Qatar to Europe and TFF price levels

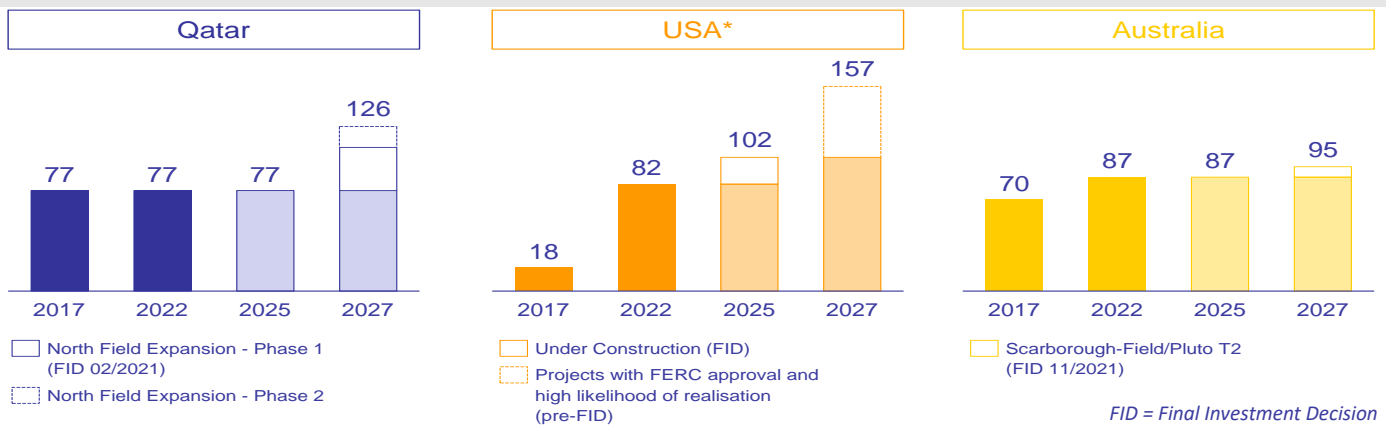


Source: IEA, Eurostat, UK Government, CME (Investing.com), Team Consult Analysis

*without Turkey
**TTF Front Month

- Paradox? LNG shipments from Qatar to Europe in the first 10 months of 2021 remained below the levels in the same periods of 2019 and 2020, although the average price level of the corresponding TTF front-month contracts was well above the levels of previous years.
- Qatar is geographically well-positioned to supply the Asian as well as the European markets. Predominantly, Qatari LNG exports take place under long-term supply contracts.
- For short-term LNG deliveries, this means that Europe must be prepared to pay higher prices than Asian buyers. High Asian demand led to an increased willingness to pay, especially among Chinese buyers.

Potential capacity development of the top 3 exporters (in million tons LNG/year)



Source: GIIGNL, EIA, Australian Government, Team Consult Analysis

- Who is No. 1? The long-time leading LNG exporter Qatar has been overtaken in terms of capacity, first by Australia and most recently by the U.S.. In 2021, Qatar took important steps towards developing its "North Field". New long-term supply contracts for at least 14 mtpa were signed with Asian buyers (mainly China) in 2021. Over 20 mtpa of stock contracts will expire by 2025.
- Until 2025, further expansion is only expected in the U.S.. Starting 2024/25, 15.6 mtpa are expected to be exported from the Golden Pass terminal, a project by ExxonMobil and QatarEnergy. Further projects are likely to be realized by 2027.
- Apart from the Pluto LNG expansion (starting operations in 2026), no further expansion is currently expected in Australia.

Imprint

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