



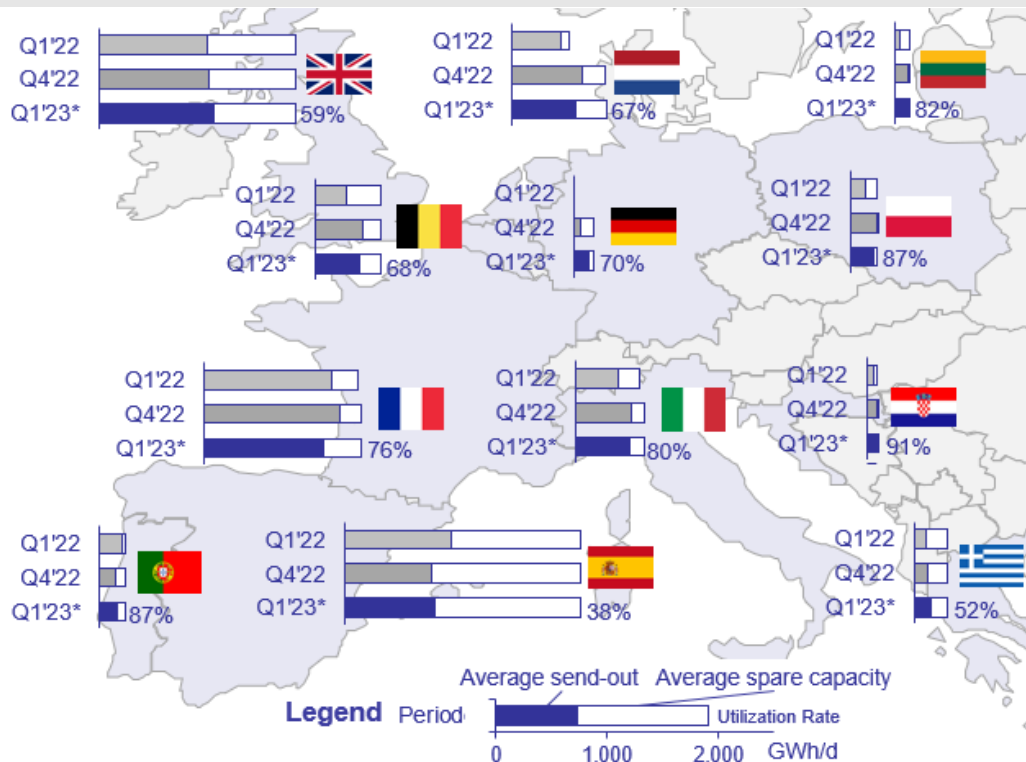
LNG MARKET RADAR

16.03.2023

KEY FACTS

- Utilization of European LNG import terminals remains on a high level of 61 % (Q4 2022: 62 %) in the current quarter, accompanied by high send-out rates. For the first time, a German LNG terminal (Wilhelmshaven) is part of the analysis, with more German LNG terminals expected to become operational this year.
- In 2022, Europe increased its LNG imports substantially from 105 bcm to 167 bcm (+ 60 %). This additional demand caused high gas prices in Europe and was mostly covered by U.S. LNG deliveries as well as reduced LNG imports to China.
- A closer look at U.S. LNG exports in 2022 shows that the cargoes were not mainly delivered to Asia anymore but mostly to Europe which received two thirds of U.S. LNG.

Average European Regasification Capacity Utilization



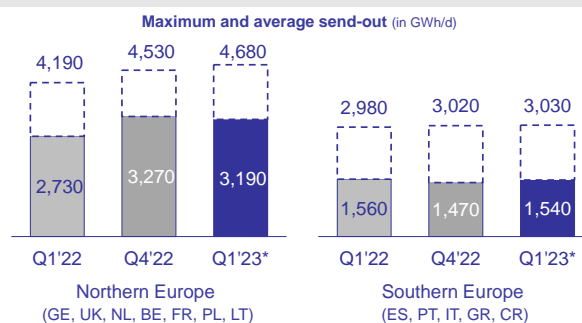
- Utilization of European LNG import terminals remains on a high level and is now at 61 % (Q1 2022: 60 %).
- The average send-out rate rose again and is currently (Q1 2023) at 4,730 GWh/d, an increase of 10 % compared to Q1 2022 (4,290 GWh/d). Before 2022, the average utilization rate always was clearly below 4,000 GWh/d.
- The high utilization rates are a consequence of heavily reduced Russian gas deliveries to Europe last year.

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

Data as of 24.02.22

Average send-out of European Regasification Facilities

- In Northern Europe, the average send-out rate decreased compared to the previous quarter by 4 % to 3,190 GWh/d, despite new send-out capacities in Germany (Wilhelmshaven).
- In Southern Europe, the send-out rate increased slightly compared to the previous quarter by 5 % to 1,540 GWh/d.
- In 2022, the average send-out rate in Northern Europe doubled compared to 2021, while in Southern Europe an increase of approximately 42 % occurred.
- With constantly high send-out rates since Q1 22, Northern Europe is no longer a swing-consumer of LNG.



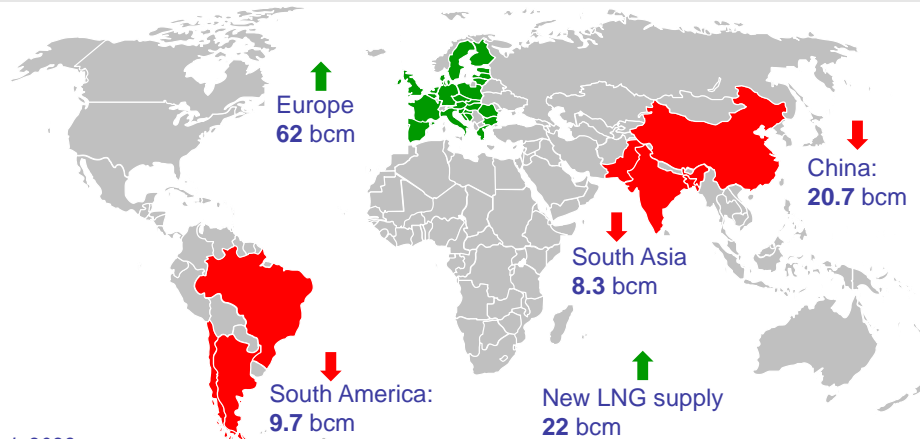
Changes of terminals:

- 01/21: 'Croatia' starts operating (Southern Europe)
- 09/22: 'EemsEnergy' starts operating (Northern Europe)
- 12/22: 'Wilhelmshaven' starts operating (Northern Europe)

Data as of 24.02.22

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

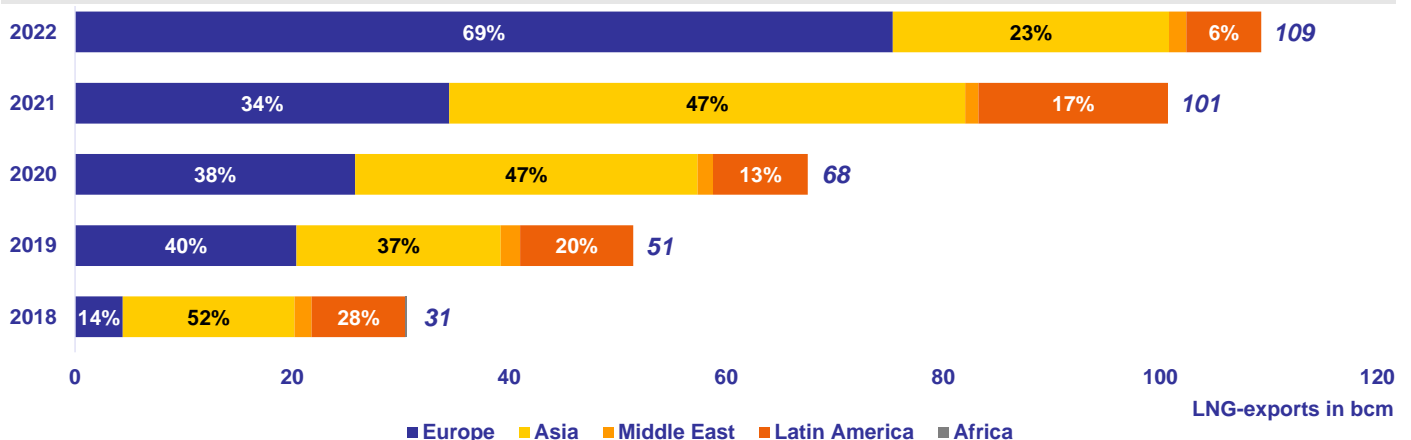
Changes in global LNG trade 2022 (bcm)



Source: Shell LNG Outlook 2023

- In 2022, Europe increased its LNG imports by 60 % (62 bcm) from 105 bcm to 167 bcm to substitute missing Russian gas supplies. Compared to the previous year, the procurement costs for LNG tripled to approximately 190 bn. US\$.
- The additional European demand for LNG was mostly covered by new (especially U.S.) LNG supplies and an import reduction as a result of a lower gas demand in China. Furthermore, South Asia and South America also contributed with lower LNG imports of 8.3 bcm (South Asia) respectively 9.7 bcm (South America).
- In the last three years, Chinese LNG imports always increased between 11 % p.a. and 18 % p.a. but decreased by approximately 20 % (20.7 bcm) in 2022. Due to economical recovery and new LNG contracts, a significant increase of Chinas LNG imports is expected in 2023.

Shares of U.S. LNG exports by import regions (bcm)



Sources: US DOE, Team Consult Analysis

- Over the last five years, U.S. LNG exports more than tripled (2018: 31 bcm, 2022: 109 bcm).
- Before 2022, the Asian share of U.S. exports was always approximately 50 % (exception 2019: 37 %) while the European share was only around one third (exception 2018: 14 %).
- That changed fundamentally last year. The European share of U.S. exports doubled to 69 % while only one fourth of U.S. exports were delivered to Asia. Also, the South American share dropped from 17 % to 6 %.
- Because of the highly reduced Russian gas flows to Europe, gas prices especially in Europe increased a lot. LNG suppliers with flexible-destination contracts were able to make use of these high gas prices and delivered to Europe instead of Asia.

Imprint

Editor: Team Consult G.P.E. GmbH, Robert-Koch-Platz 4, 10115 Berlin

Contact details: +49.30.400 556 0, info@teamconsult.net

Legal disclaimer & copyright: The LNG Market Radar was produced with utmost care. Team Consult cannot assume any liability for the completeness, accuracy and up-to-date nature of the data used. All content is protected by copyright.