



LNG Producer-Consumer Conference

Tokyo, Japan

26th September 2019



Vitol: An experienced and established participant in LNG markets globally



Vitol's LNG team has an in depth understanding of global trends in supply and demand. Projects worldwide, ranging from supply to infrastructure, are carefully monitored, and enable the team to understand and anticipate market developments

- An established LNG participant since 2005
- 15 year SPA's with Cheniere & Petronas for 0.7 mtpa and 0.8 mtpa LNG offtake respectively
- HOA/MOU agreements for long term supply signed with Tellurian (1.5 mtpa) and Novatek (1 mtpa)
- LNG trading JV formed with ENH (Mozambique)
- Multi-year term supplies from Sonatrach, Angola LNG, Gazprom, ADNOC
- Long term SPA sales to KOMIPO (South Korea) and to Bangladesh via OTI
- Spot and short-term sales into Asia, Europe, Middle East and South America
- Equity or lead role taken on regasification projects in Asia and the Atlantic
- Highly experienced team
- Dedicated LNG ships on long-term time charter
- Traded 8 mtpa volume in 2018



The global LNG market will expand rapidly in future

- Global LNG demand is expected to expand by 5% per annum through the coming decade, increasing by 204 mtpa from current market size
- 80% of future demand growth is expected to come from Asia Pacific + Indian Subcontinent regions
- Increased policy focus on air pollution, carbon emissions pricing expected to boost LNG at the expense of coal in future
- Spot / short term traded volume is around 30% of the total physical LNG market currently, could increase to >50% share by 2028
- JKM derivatives liquidity has seen 11x growth over the past two years
- Scope for further significant liquidity growth – ICE JKM traded volume is still only 28% of monthly physical volume traded (vs a 625% ratio for ICE Brent)



Traders such as Vitol can help the evolution of a more transparent, competitive and efficient global LNG market

Developing more optimal and efficient physical trade flows

- Traders respond quickly to short term price signals, diverting cargoes on the water
- LNG markets becoming more efficient – demand is more often matched to the closest available supply source

Enhancing derivative market liquidity, strengthening transparent pricing benchmarks

- First JKM-indexed long term contract (Vitol-Tellurian)
- Increased derivative liquidity enables better price risk management
- Platts Market-on-Close mechanism increases price transparency

Creating a more competitive, innovative marketplace

- Increased trading ensures spot prices are a fair reflection of fundamentals
- Traders bring innovation – new deal structures, more flexibility for end buyers

