

# Jera

Energy for a New Era

## “Evolution” of the LNG market

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## LNG business from April 2019

Structure



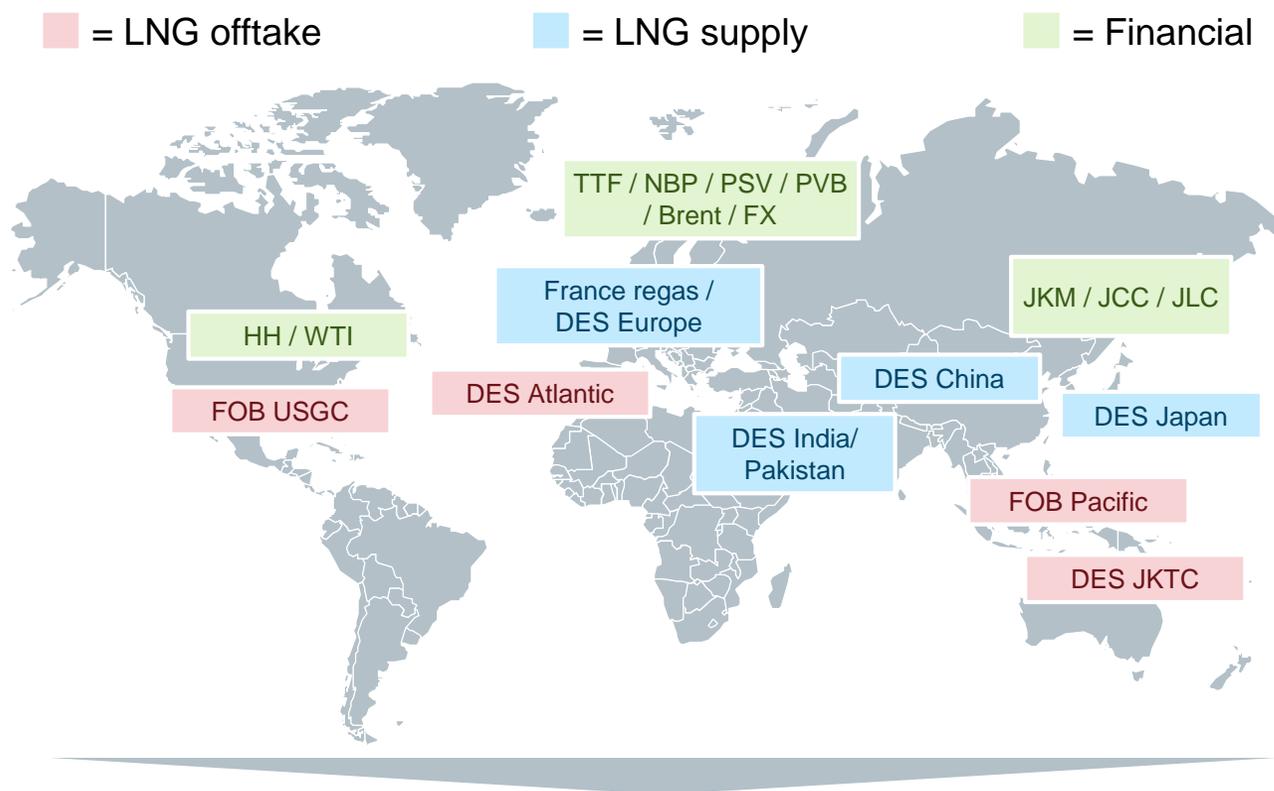
Traded volumes

<b>LNG</b>	8 mt
<b>JKM</b>	184 TBtu
<b>EU gas</b>	83 TWh
<b>US gas</b>	10 TBtu
<b>Oil</b>	53 mbbl

Market access

Broad **physical and financial coverage**

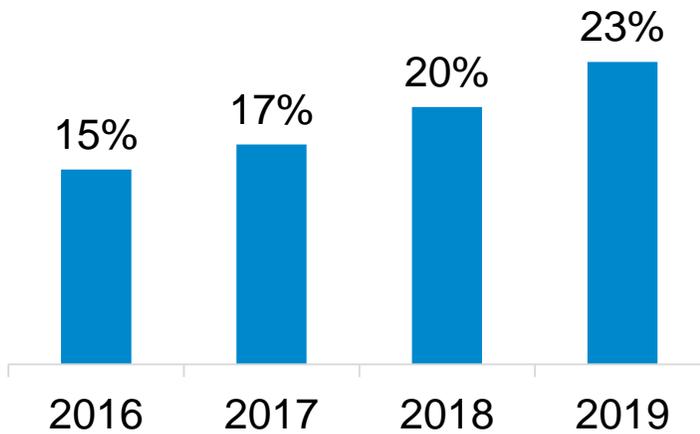
## Global footprint



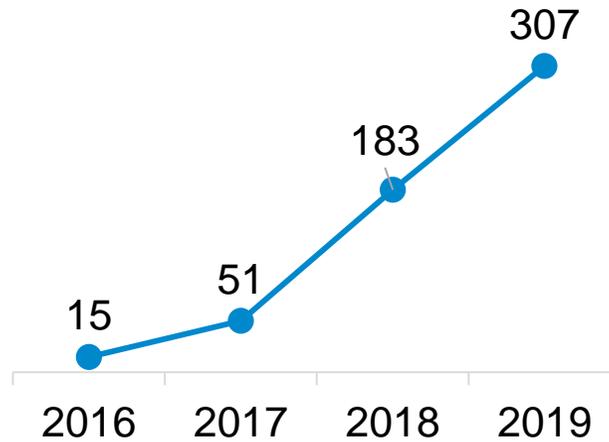
**JERAGM is actively expanding its footprint across all key LNG supply and demand regions**

# LNG Market Trends

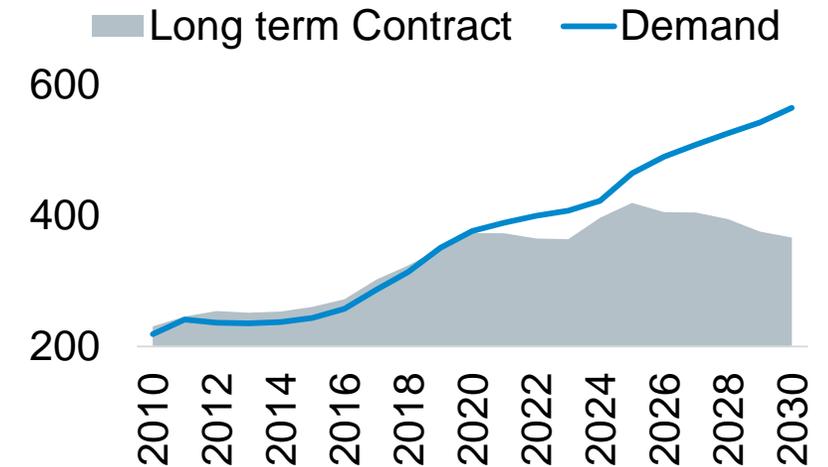
### LNG exports spot (%)



### JKM volume ('000 lots)



### LTCs vs Demand (mt)



Sources: Kpler; Broker data; Woodmac

- **Liquidity of spot physical cargoes and JKM swaps has increased dramatically**
- **Gap between LNG demand and long-term contracts will increase from 2020**
- **“New style” contracts with shorter tenor, Gas/LNG indexation and increased buyer flexibility**
- **Limited number of participants control a substantial share of flexible LNG**

# Challenges to increase market liquidity

Hurdles to be overcome for the market to develop further



## Standardisation

Development of standard commercial/operational terms



## Flexibility

Terms that enable buyers to manage demand uncertainty



## Asian hub

Transparency and reliability of Asian LNG prices



## Freight market

Transparency and reliability of LNG freight prices

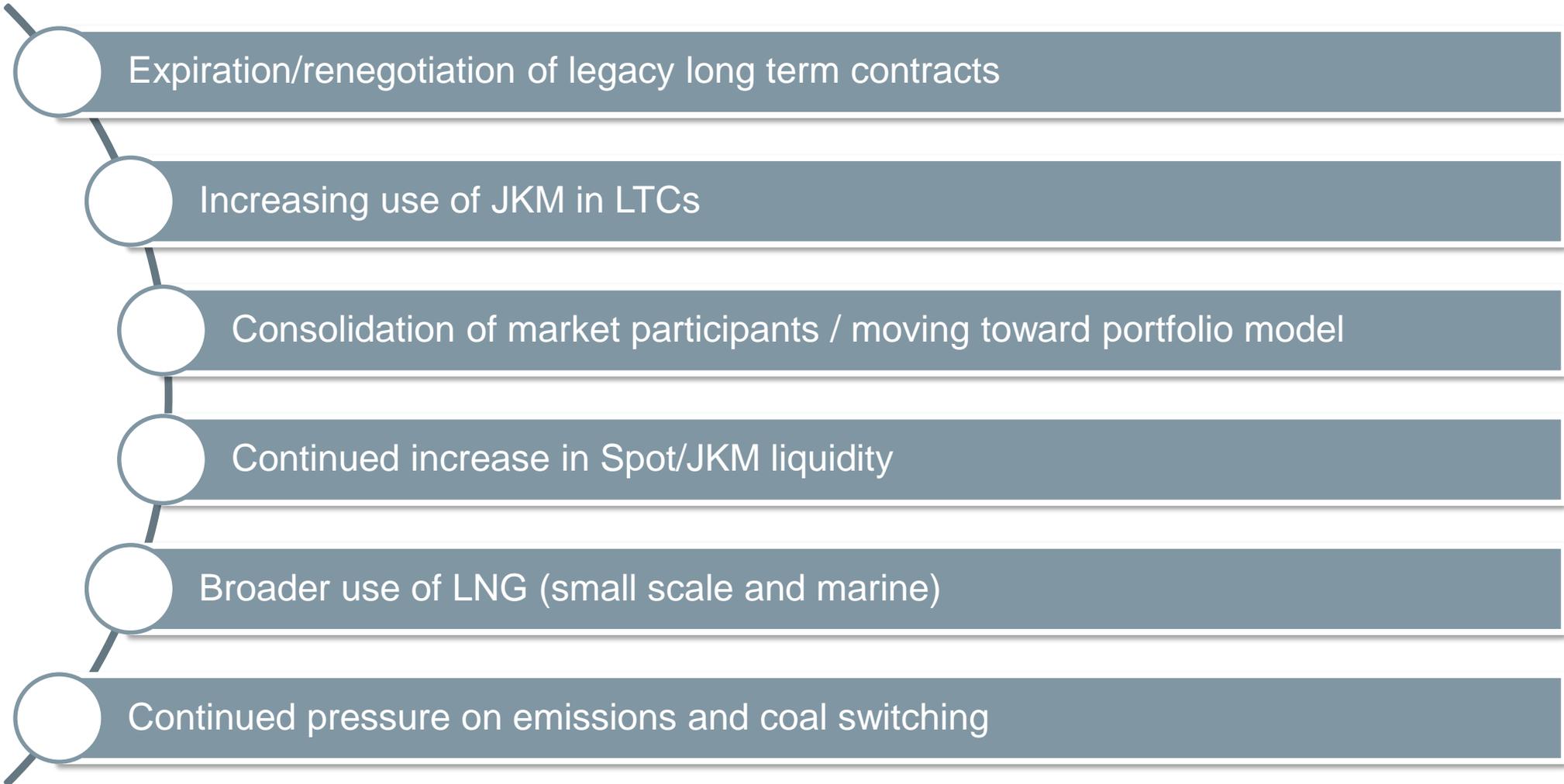


## Financing

Structure of long-term SPAs required for project FIDs

# New developments

What we can expect in the next 2-3 years



# Market growth thru collaboration

Buyers and sellers need to understand each others challenges

## Sellers

Production uncertainty  
Development challenges  
Capex and financing...



## Buyers

Demand uncertainty  
Operational constraints  
Regulatory challenges...



- Effective management of **physical risk**
- Effective management of **financial risk**
- **Robust market development**



ご清聴ありがとうございました！

Thank you !