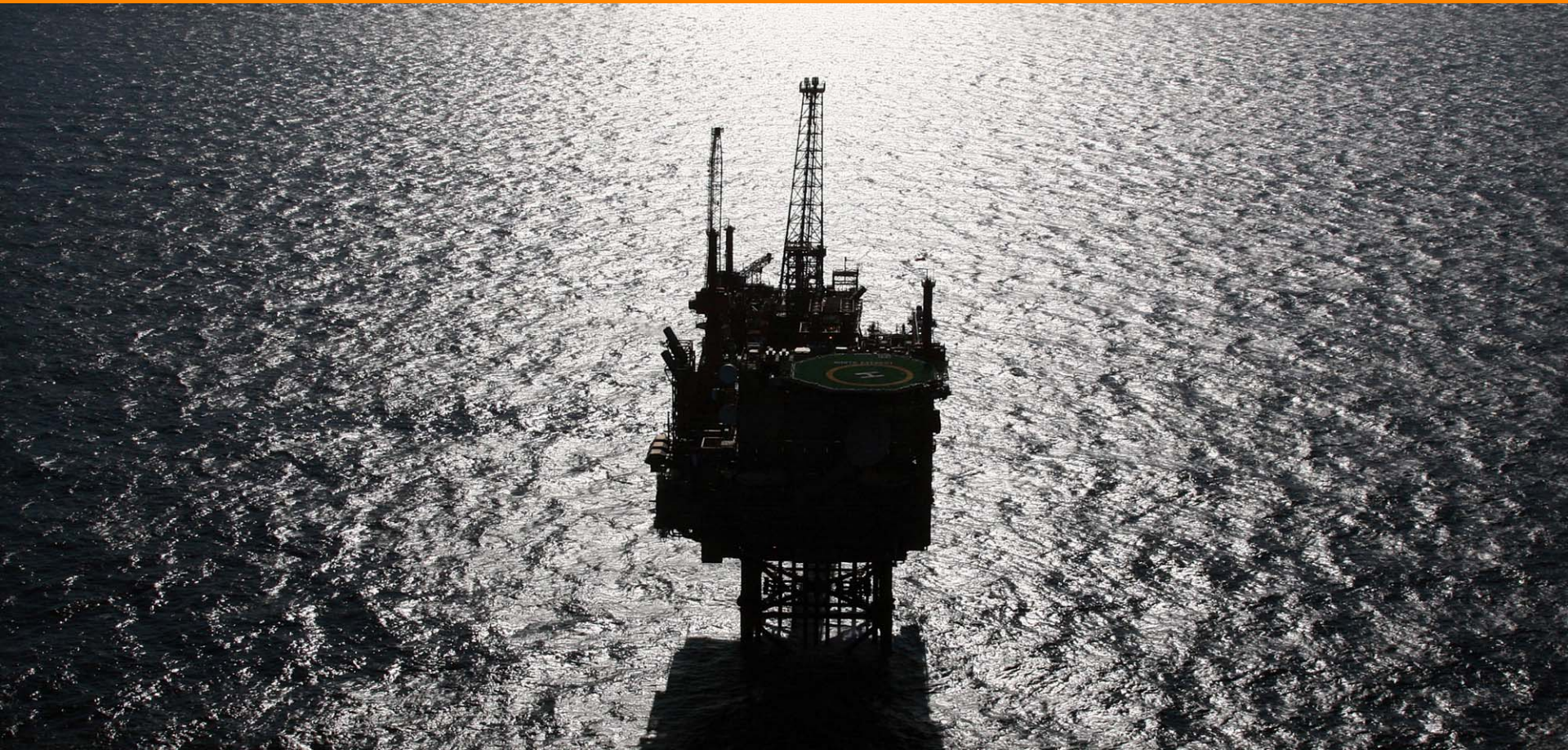


Market shifts shaping LNG shipping

Anita Odedra, Director - LNG Supply & Commercial Operations

Association of Ship Brokers & Agents (U.S.A.), Inc.

28 – 30 September 2011



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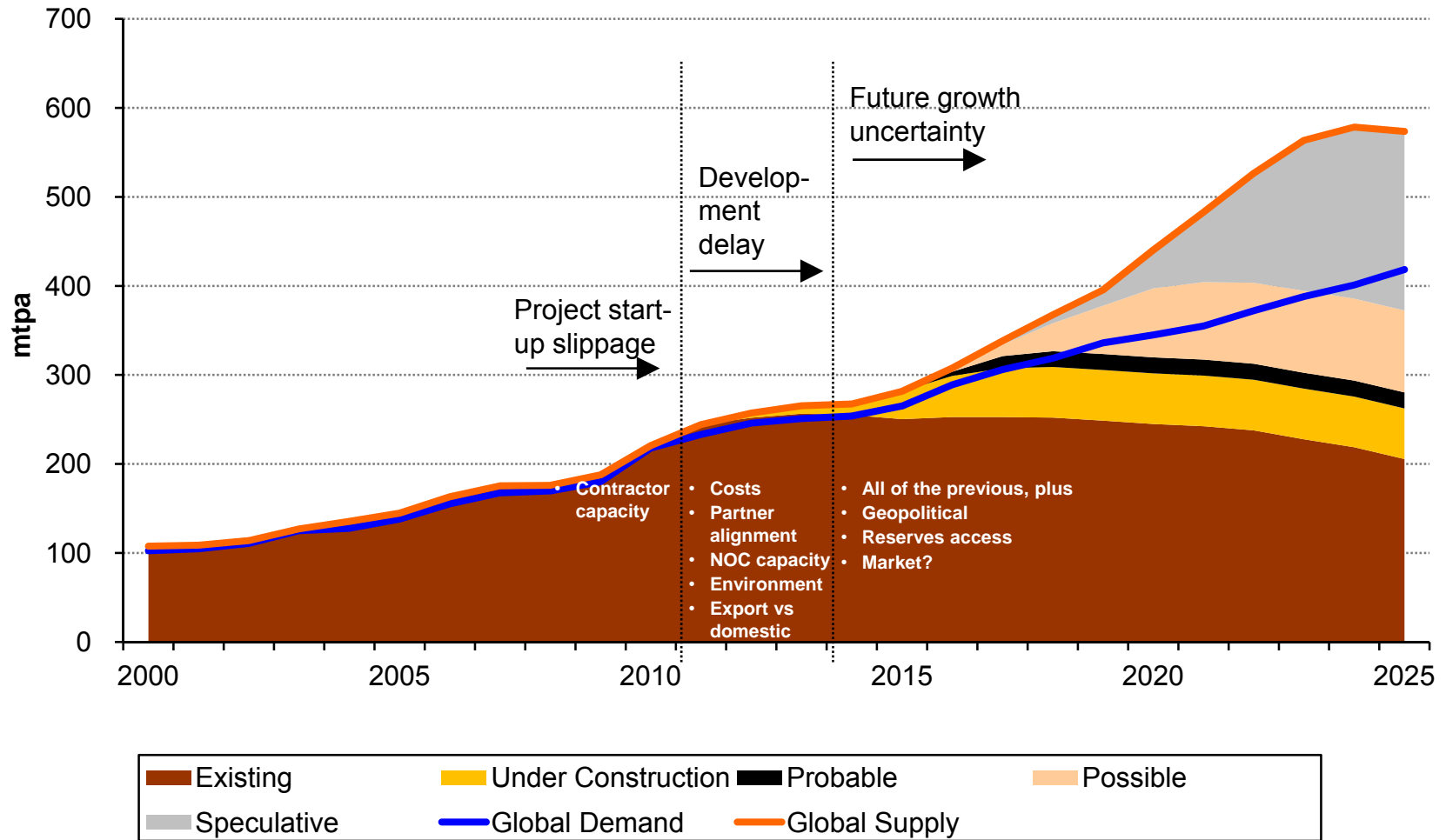
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Industry context



- 2010 global trade up 22% YoY
- UK is now a global LNG balancing market
- Australia gearing up for significant supply growth mid-decade
 - 4 Australian LNG projects made FID in 2010-2011
 - Project delivery challenge
- North American unconventional gas emerging as potential LNG supply
 - US Gulf Coast
 - Canada West Coast

Global LNG supply outlook

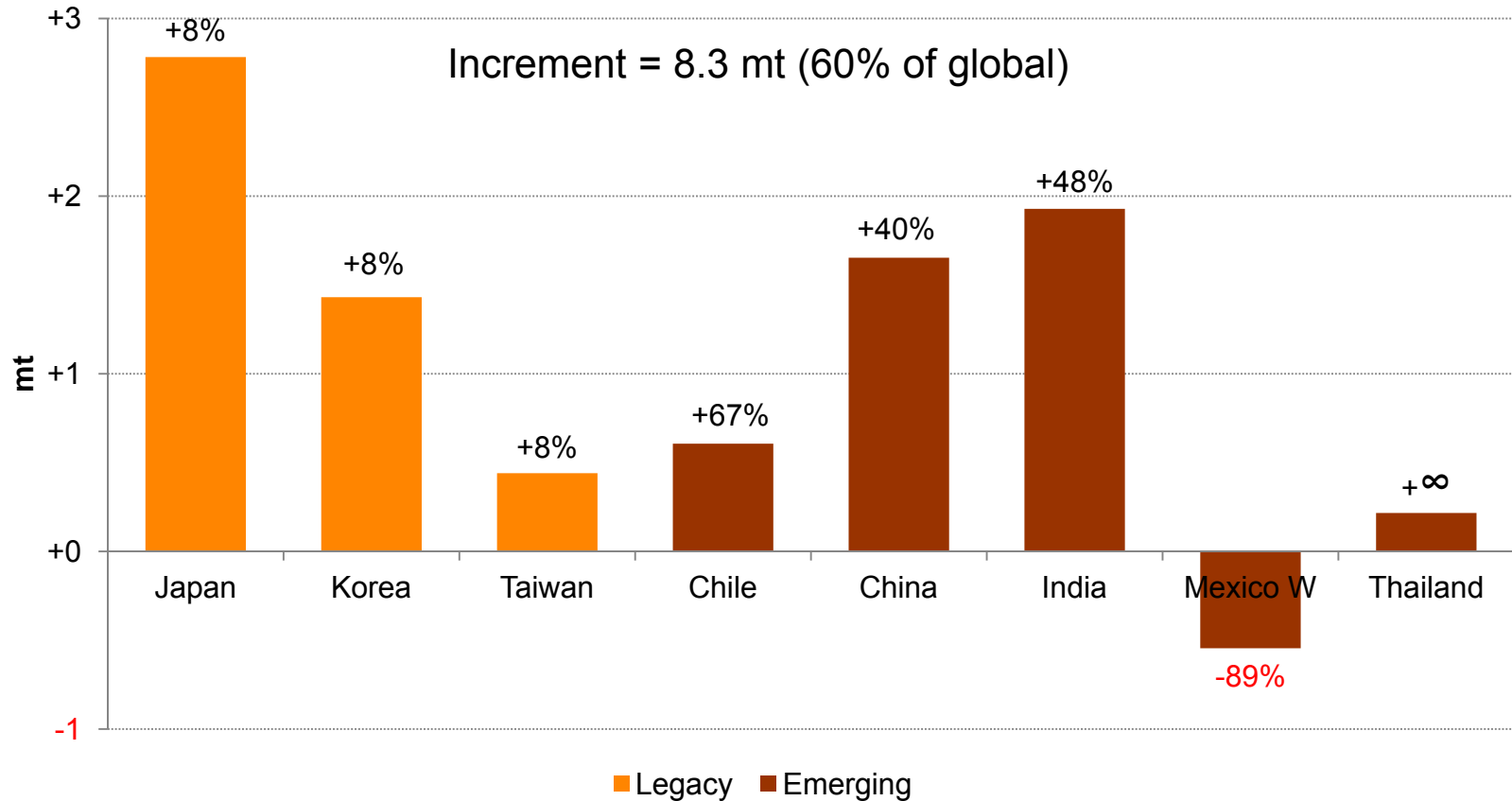


Source: BG Group interpretation of Wood Mackenzie (May 2011) data

New supplies and prices 2014+ still highly uncertain

2011 Pacific Basin LNG imports

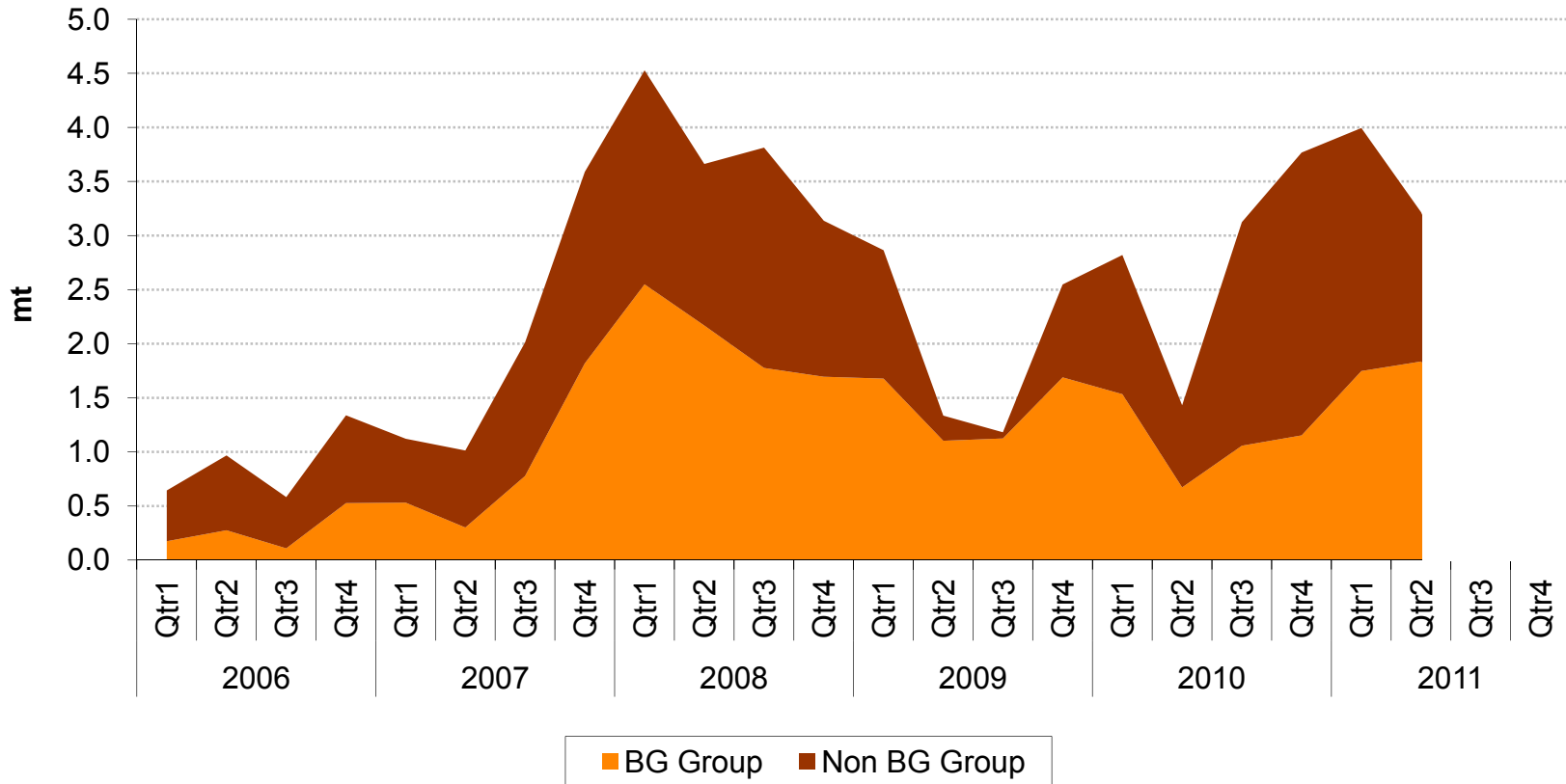
Incremental Pacific Basin LNG imports H1 2011 vs H1 2010



Source: BG Group interpretation of Waterborne Energy data

+∞ = Thailand did not record LNG imports during H1 2010

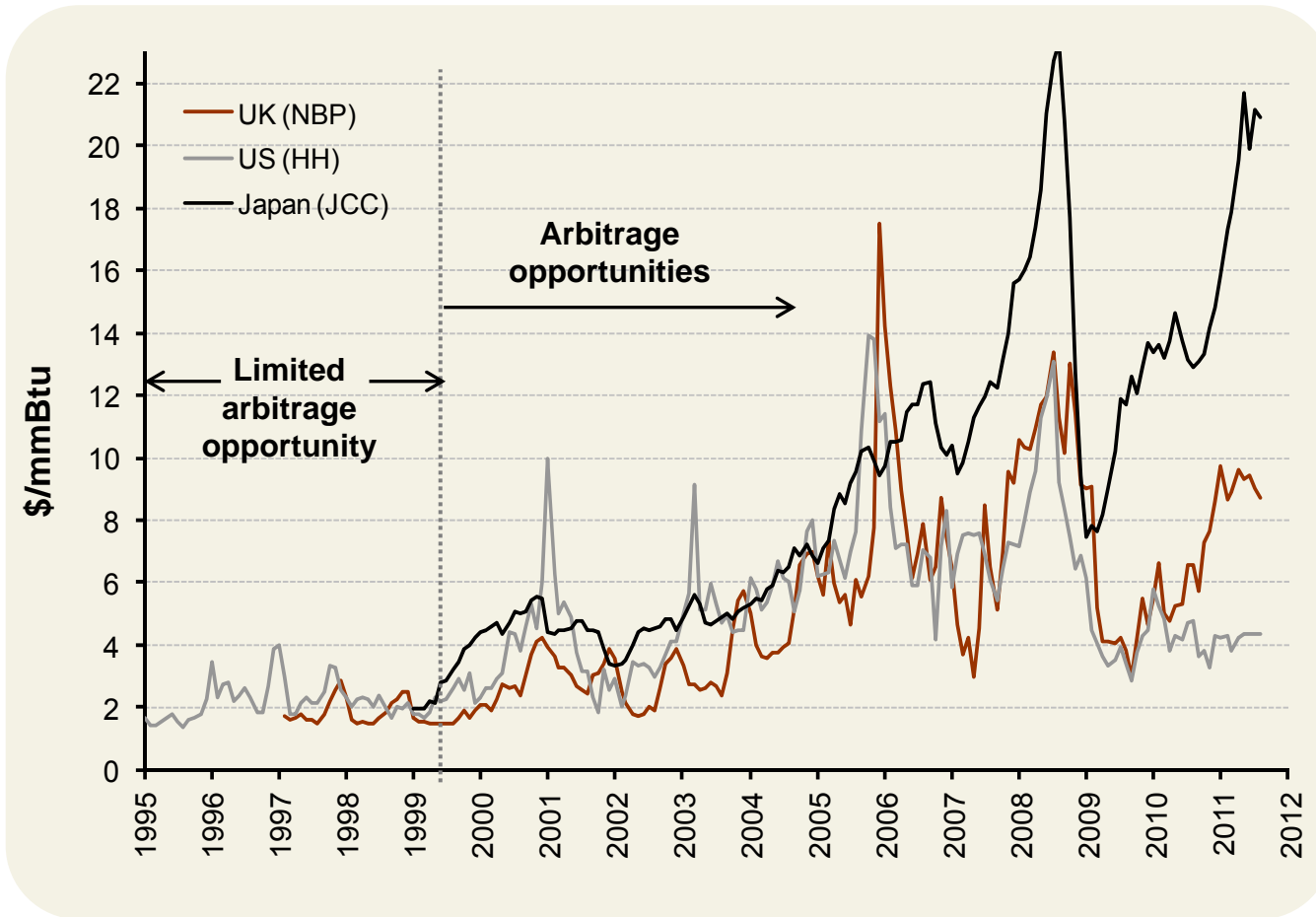
Atlantic Basin to Pacific Basin trade



- BG Group: 1 cargo in 2005, 76 cargoes in 2010

Source: BG Group interpretation of Waterborne Energy data

Natural gas prices – various markets

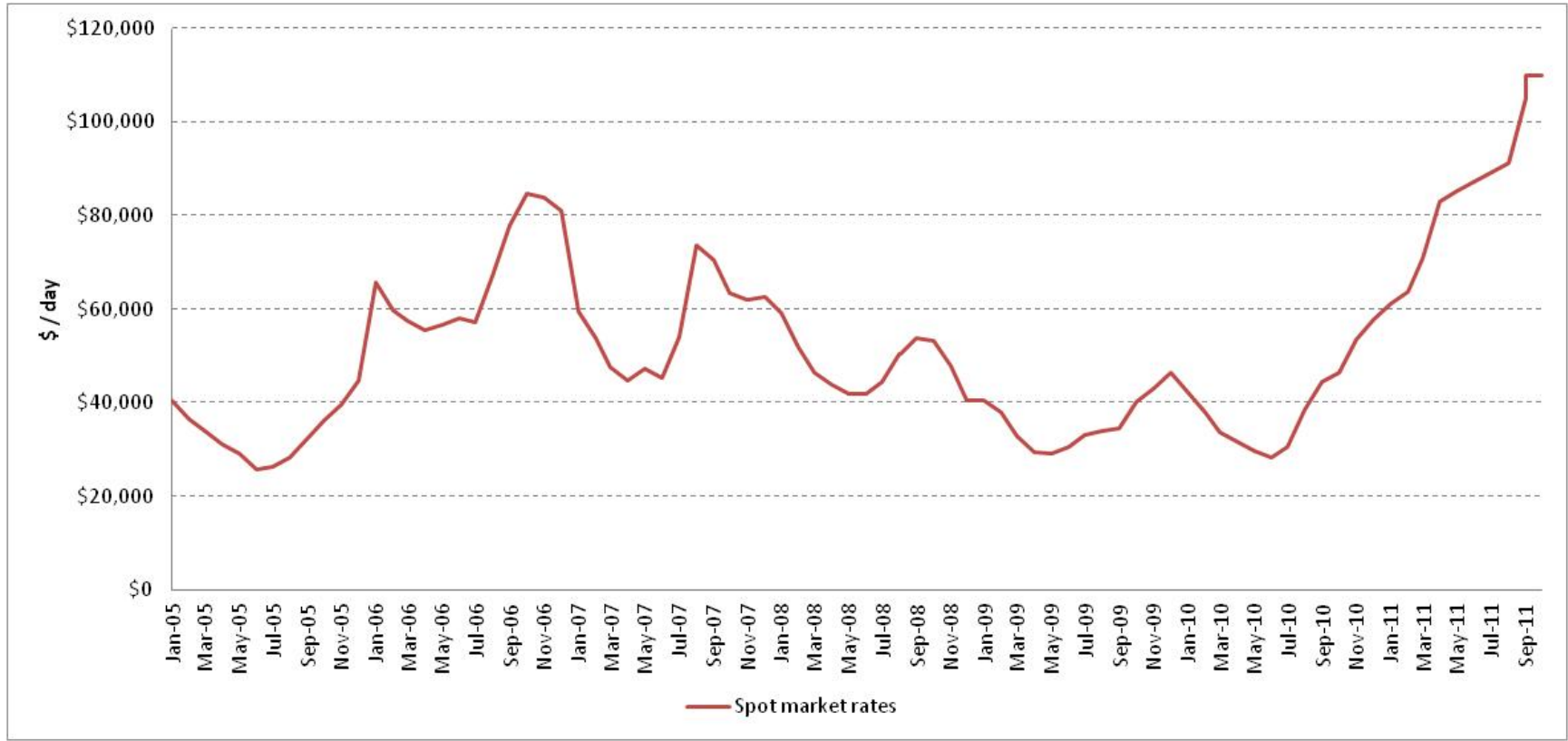


Exogenous factors
 High oil prices
 Supply tightness
 Globalization of trade

**All driving
 arbitrage
 opportunities**

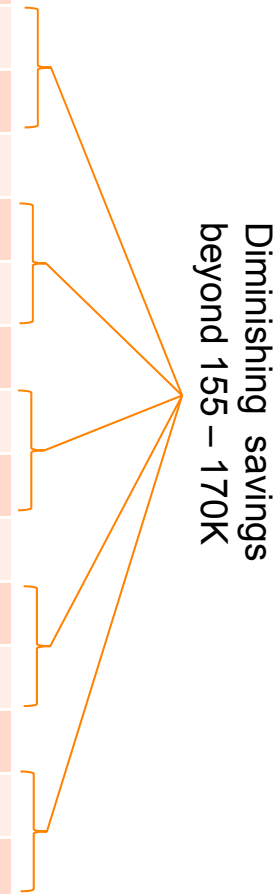
Data source: JCC (Bloomberg), NBP (IPE), HH (NYMEX) (Aug 2011)

Spot charter rates



Transportation costs

| West Africa supply | Size (000) | \$ / mmBtu | Incremental |
|--------------------------------|-------------------|------------|-------------|
| Brazil Distance (NM): 4,692 | 145m ³ | 1.11 | - |
| | 155m ³ | 0.90 | (0.21) |
| | 210m ³ | 0.91 | 0.01 |
| UK Distance (NM): 4,254 | 145m ³ | 1.00 | - |
| | 155m ³ | 0.82 | (0.18) |
| | 210m ³ | 0.83 | 0.01 |
| Japan Distance (NM): 10,890 | 145m ³ | 2.41 | - |
| | 155m ³ | 1.93 | (0.48) |
| | 210m ³ | 1.90 | (0.03) |
| USGC Distance (NM): 6,249 | 145m ³ | 1.42 | - |
| | 155m ³ | 1.15 | (0.27) |
| | 210m ³ | 1.16 | 0.01 |
| Kuwait Distance (NM): 7,856 | 145m ³ | 1.70 | - |
| | 155m ³ | 1.38 | (0.32) |
| | 210m ³ | 1.37 | (0.01) |

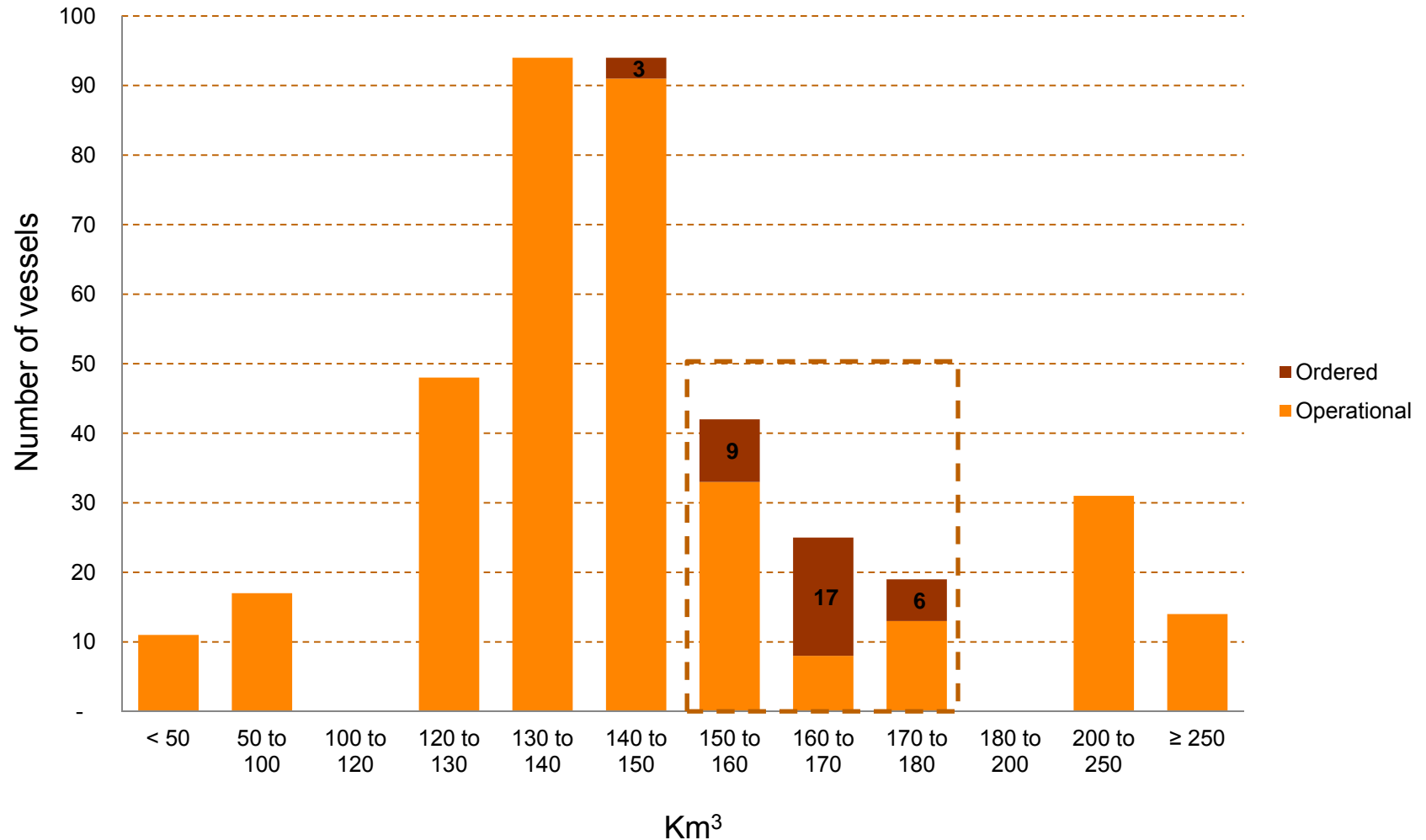


Diminishing savings
beyond 155 – 170K

Membrane vessels quoted – 145K (Steam); 155K (DFDE); 210K (SSD)

Source: Wood Mackenzie, August 2011

Existing global LNG fleet by ship size

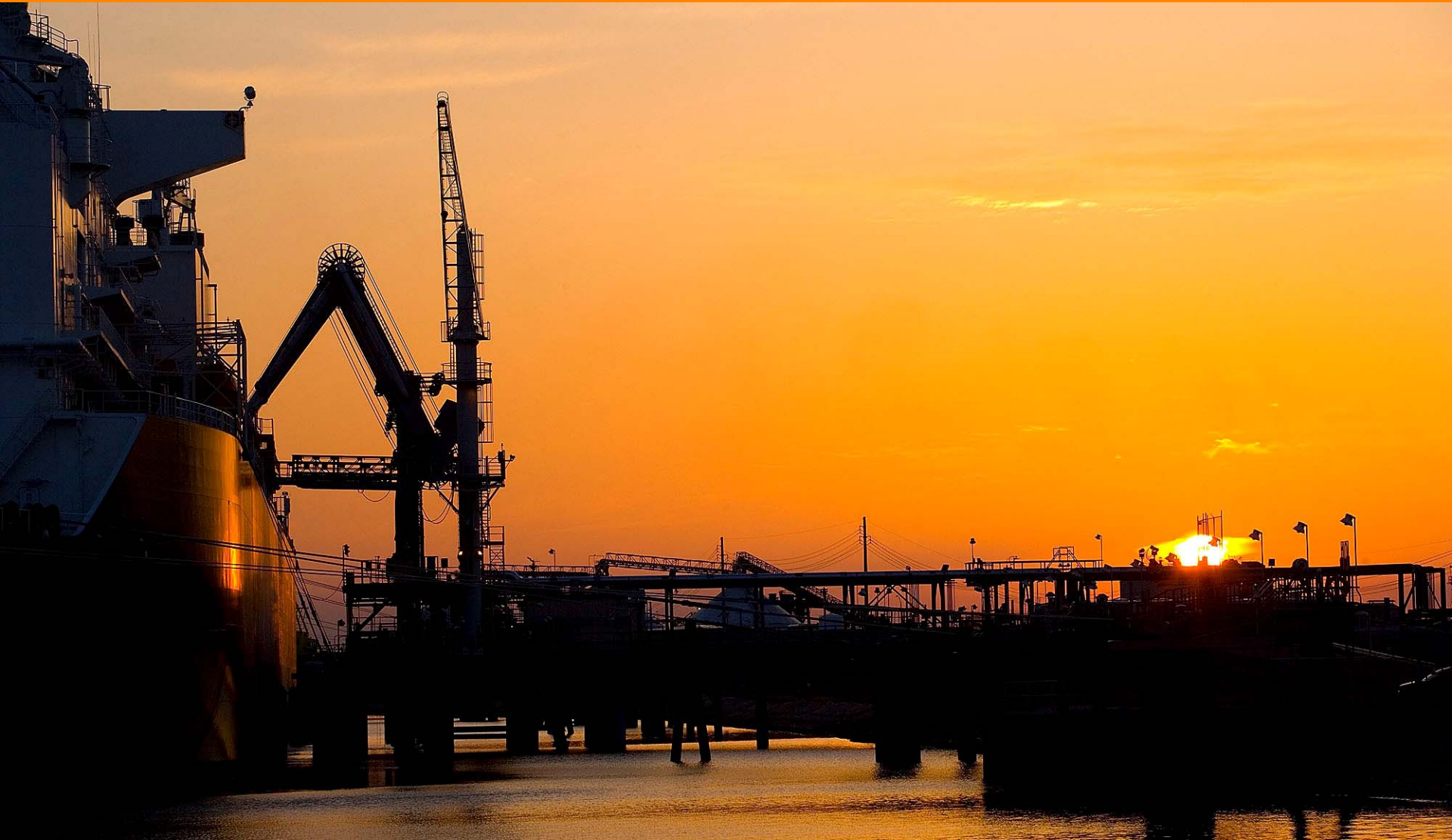


Source: Wood Mackenzie – May 2011

Challenges

- Low sulfur fuel requirements
- New entrants
- Crewing
- Low liquidity and volatility
- Cost management

Thank you



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