Natural Gas developments and trends in Asia

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Energy demand in Asia will grow with Coal and Natural Gas

Source: SCGR, based on IEA "World Energy Outlook 2013"
Coal vs. Natural Gas Battle in Asia

<LNG/Natural Gas & Coal – Expected Flow into Asia>

(Source: SCGR, based on IEA “World Energy Outlook 2013”)
Price comparison among Hydrocarbons

($/mmbtu)


Oil
(Brent)

LNG
(Imported by Japan)

Natural Gas
(Henry Hub)

Coal
(U.S. appalachian)

(Source: SCGR, based on IEA “World Energy Outlook 2013”)
Natural Gas Demand in Asia: Key Countries (Japan, Korea, Taiwan + China & India)

<Asian countries' positions (Natural gas Self Sufficient and Import Dependency)>

(Source: SCGR, based on “BP Statistical Review 2014”)

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Initiatives to create Asian LNG Trading Market

<Japanese & Singaporean Challenges>

- TOCOM LNG Swap Market
- LNG Producer-Consumer Conference
- SGX: Swap Market
- SLNG: Terminal
- Pavilion Energy

(Source: SCGR)
Growing Spot LNG Market

<Shift from Long Term Contract>

(Source: Cheniere’s presentation materials for analysts on April 2014)
Japanese LNG imports surged after the Earthquake (March, 2011)

(Source: BP statistics 2014)

< LNG imports in Japan >
Japanese 17 MTPA liquefaction capacity in the U.S. (close to 20% of annual LNG imports)

<U.S LNG Export projects by Japanese Players>

Cove Point
Sumitomo Corp./Tokyo Gas 2.3 mtpa

Freeport
Osaka Gas 2.2 mtpa
Chubu Electric 2.2 mtpa
Toshiba 2.2 mtpa

Cameron
Mitsubishi Corp. 4.0 mtpa
Mitsui & Co. 4.0 mtpa

(Source: SCGR)
Japanese Nuclear Power Generation

Electricity Output by Nuclear (LHS) vs Dependency on Nuclear (RHS)

Forecast

(Source: SCGR, based on Federation of Electric Power Companies of Japan)
Current Balance of Payments
(Trade balance & Income balance)

(Trillion yen)

- Trade Balance
- Income Balance (interests, dividends etc.)
- Current balance

(Source: SCGR, based on Ministry of Finance, Japan)

The Great Earthquake