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LNG and gas markets update

By

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The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.

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UNCTAD, 10 October, 2022



Safe Harbor Statements

Forward-Looking Statements

This presentation contains certain statements that are, or may be deemed to be, “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical or present facts or conditions, included or incorporated by reference herein are “forward-looking statements.” Included among “forward-looking statements” are, among other things:

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- statements regarding future levels of domestic and international natural gas production, supply or consumption or future levels of LNG imports into or exports from North America and other countries worldwide, or purchases of natural gas, regardless of the source of such information, or the transportation or other infrastructure, or demand for and prices related to natural gas, LNG or other hydrocarbon products;
- statements regarding any financing transactions or arrangements, or ability to enter into such transactions;
- statements relating to Cheniere’s capital deployment, including intent, ability, extent, and timing of capital expenditures, debt repayment, dividends, and share repurchases;
- Statements regarding our future sources of liquidity and cash requirements;
- statements relating to the construction of our proposed liquefaction facilities and natural gas liquefaction trains (“Trains”) and the construction of our pipelines, including statements concerning the engagement of any engineering, procurement and construction (“EPC”) contractor or other contractor and the anticipated terms and provisions of any agreement with any EPC or other contractor, and anticipated costs related thereto;
- statements regarding any agreement to be entered into or performed substantially in the future, including any revenues anticipated to be received and the anticipated timing thereof, and statements regarding the amounts of total LNG regasification, natural gas, liquefaction or storage capacities that are, or may become, subject to contracts;

- statements regarding counterparties to our commercial contracts, construction contracts and other contracts;
- statements regarding our planned development and construction of additional Trains or pipelines, including the financing of such Trains or pipelines;
- statements that our Trains, when completed, will have certain characteristics, including amounts of liquefaction capacities;
- statements regarding our business strategy, our strengths, our business and operation plans or any other plans, forecasts, projections or objectives, including anticipated revenues, capital expenditures, maintenance and operating costs, free cash flow, run rate SG&A estimates, cash flows, EBITDA, Consolidated Adjusted EBITDA, distributable cash flow, distributable cash flow per share and unit, deconsolidated debt outstanding, and deconsolidated contracted EBITDA, any or all of which are subject to change;
- statements regarding projections of revenues, expenses, earnings or losses, working capital or other financial items;
- statements regarding legislative, governmental, regulatory, administrative or other public body actions, approvals, requirements, permits, applications, filings, investigations, proceedings or decisions;
- statements regarding our anticipated LNG and natural gas marketing activities; and
- any other statements that relate to non-historical or future information.

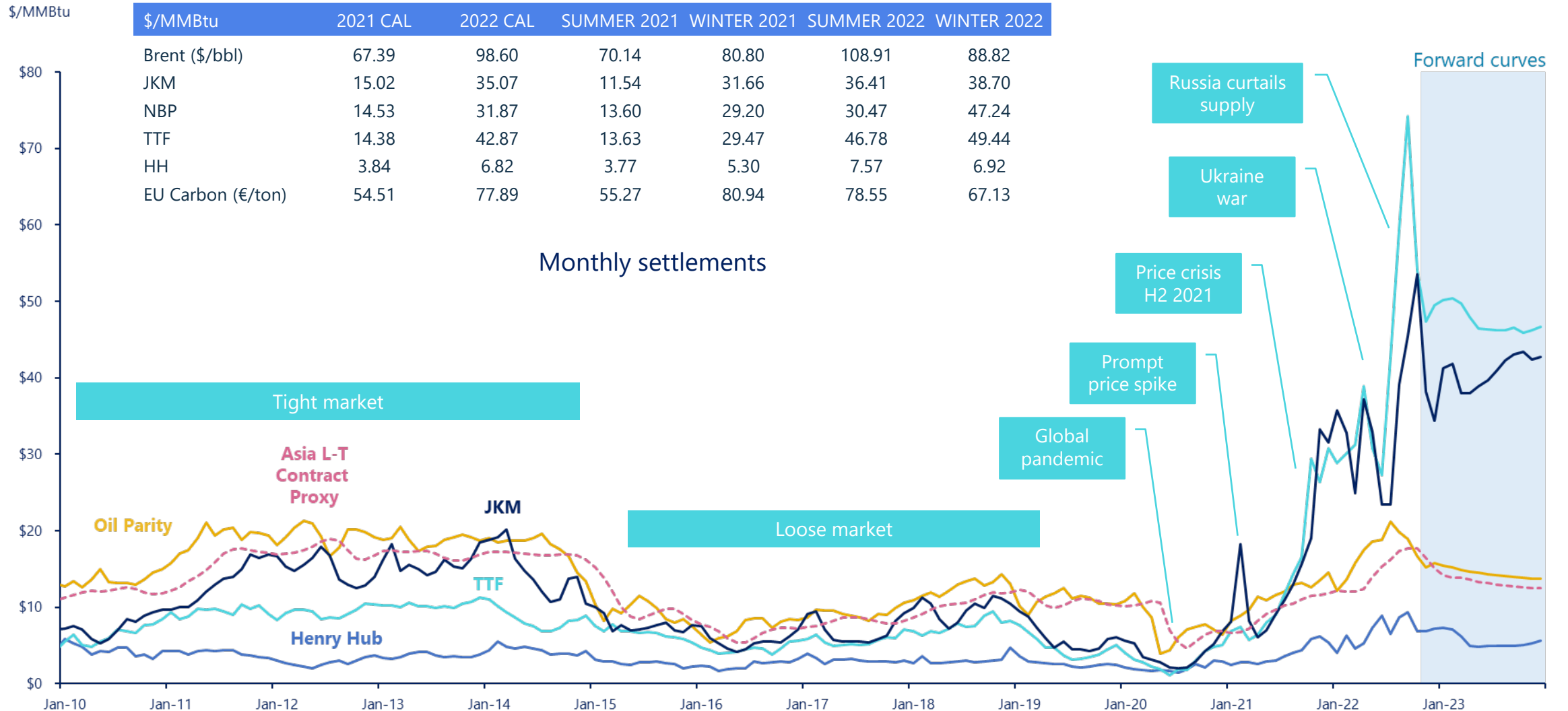
These forward-looking statements are often identified by the use of terms and phrases such as “achieve,” “anticipate,” “believe,” “contemplate,” “continue,” “could,” “develop,” “estimate,” “example,” “expect,” “forecast,” “goals,” “guidance,” “intend,” “may,” “opportunities,” “plan,” “potential,” “predict,” “project,” “propose,” “pursue,” “should,” “subject to,” “strategy,” “target,” “will,” and similar terms and phrases, or by use of future tense. Although we believe that the expectations reflected in these forward-looking statements are reasonable, they do involve assumptions, risks and uncertainties, and these expectations may prove to be incorrect. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of a variety of factors, including those discussed in “Risk Factors” in the Cheniere Energy, Inc. and Cheniere Energy Partners, L.P. Annual Reports on Form 10-K filed with the SEC on February 24, 2022, which are incorporated by reference into this presentation. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by these “Risk Factors.” These forward-looking statements are made as of the date of this presentation, and other than as required by law, we undertake no obligation to update or revise any forward-looking statement or provide reasons why actual results may differ, whether as a result of new information, future events or otherwise.

Overview

- LNG and gas market update
- Comment on current market dynamics
- Impacts for UN Sustainable Development Goals



Global gas and LNG price overview



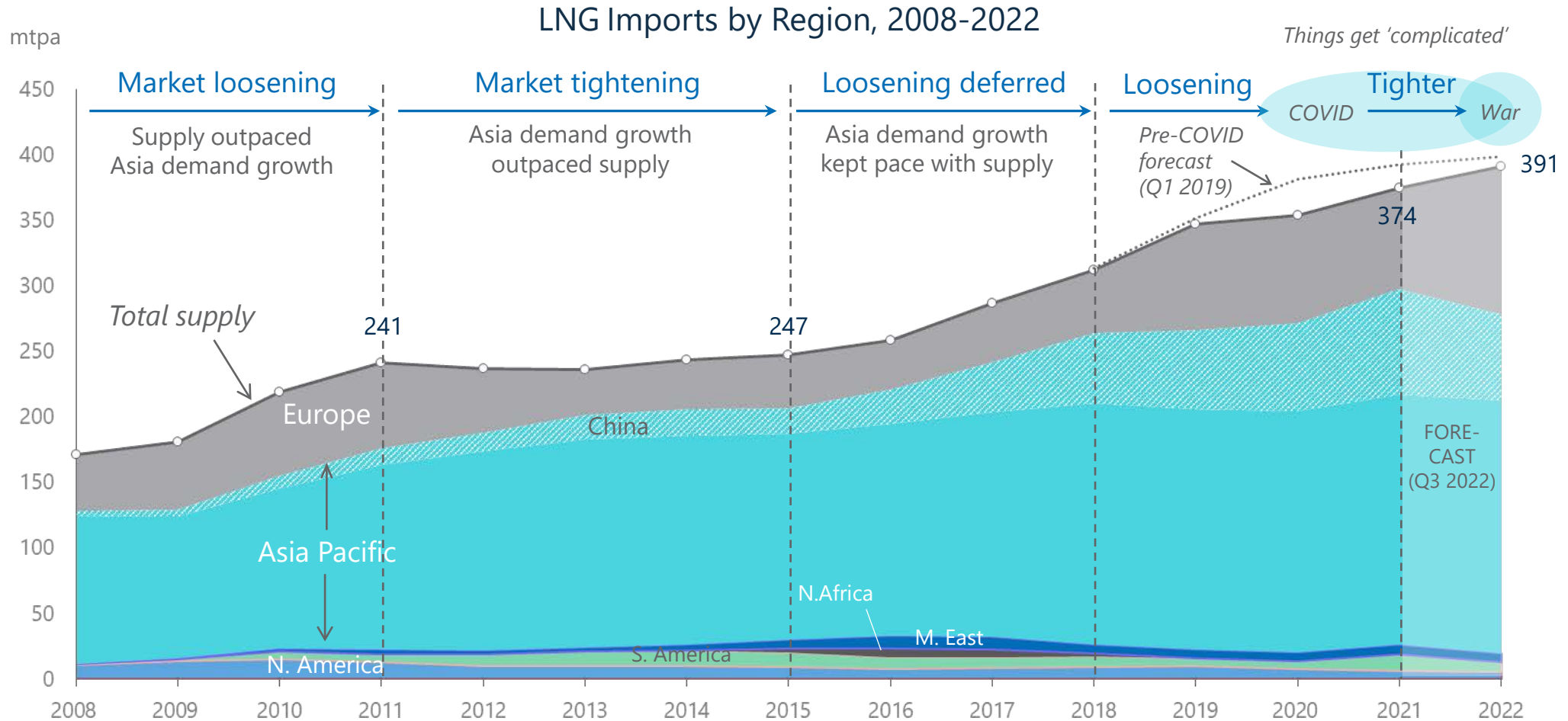
Source: Cheniere Research, Bloomberg, CME, ICE, Platts, Japan Ministry of Finance

5 Note: Asia L-T Contract Proxy = 14.85% Japan Crude Cocktail (3-month average) + \$0.50/MMBtu; same formula is used with Brent crude oil prices for forward curves.

Note: Forward curves and the 2022 Winter strip represent prices on October 3, 2022.

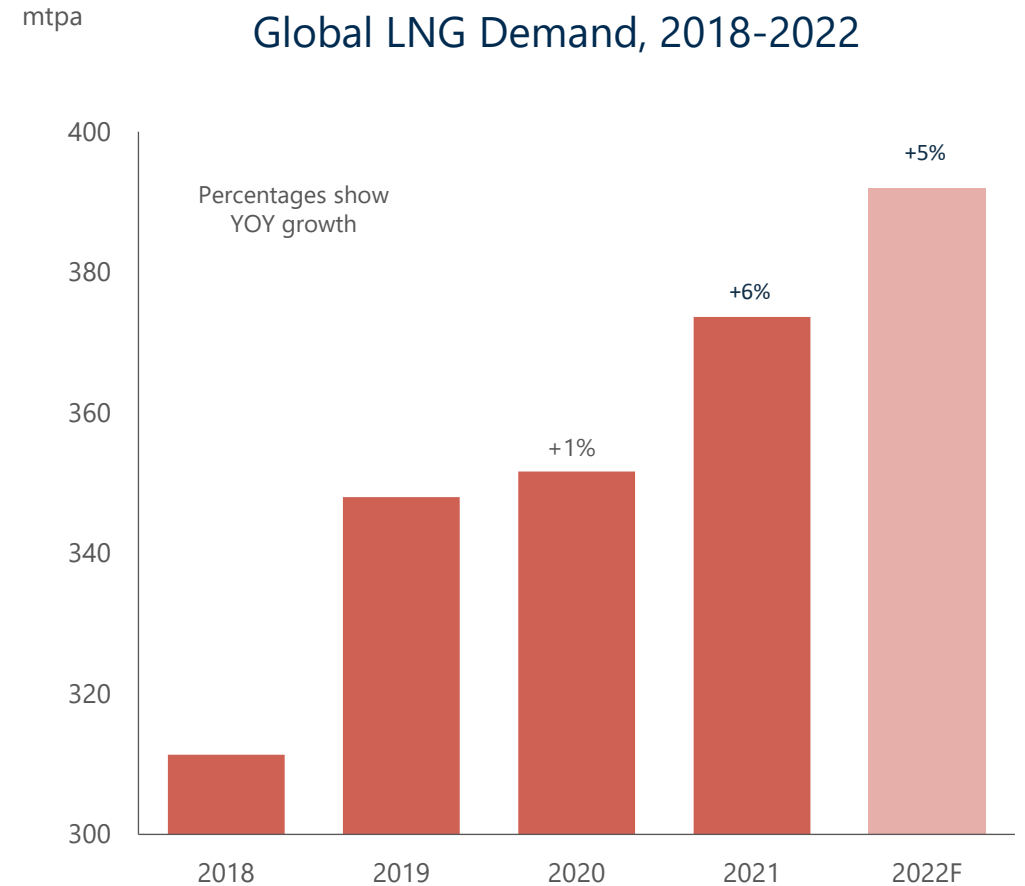
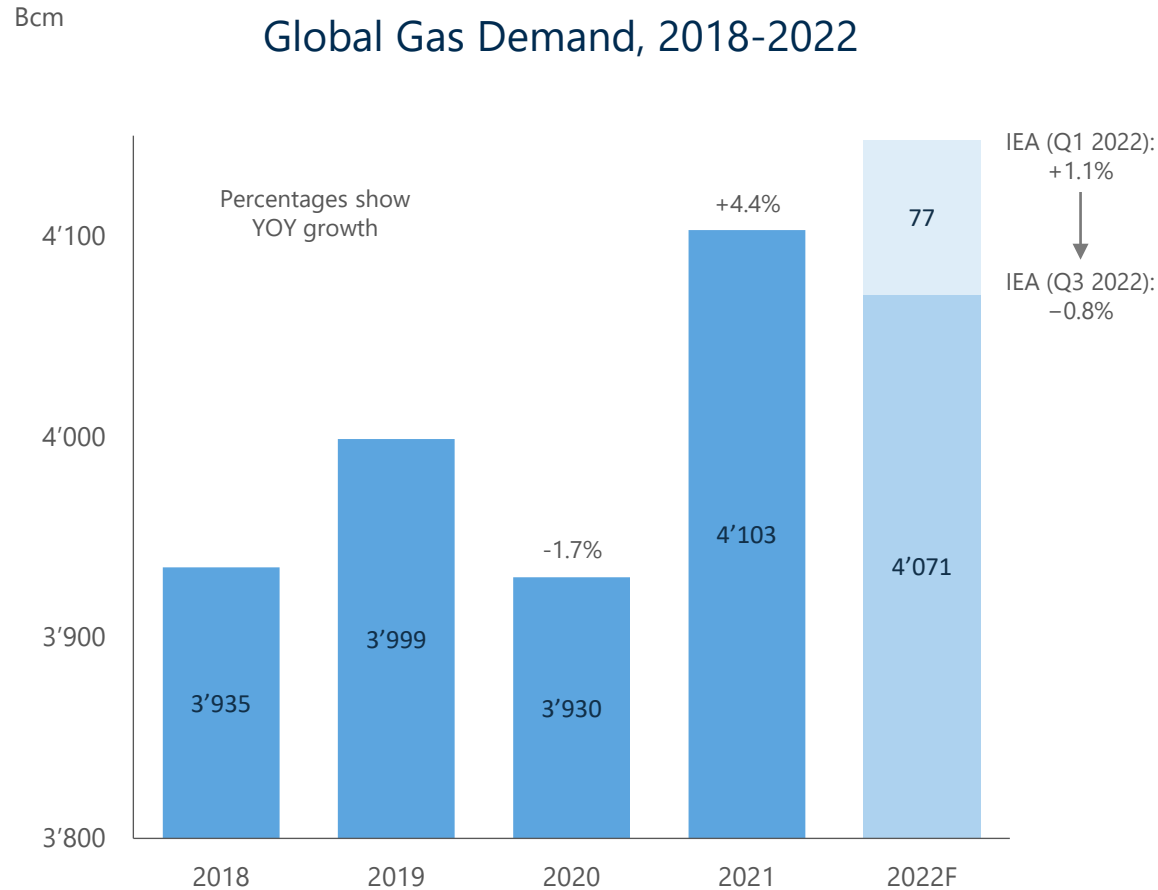
LNG market overview 2008 - 2022

LNG supply growth has become cyclical since the late-2000s

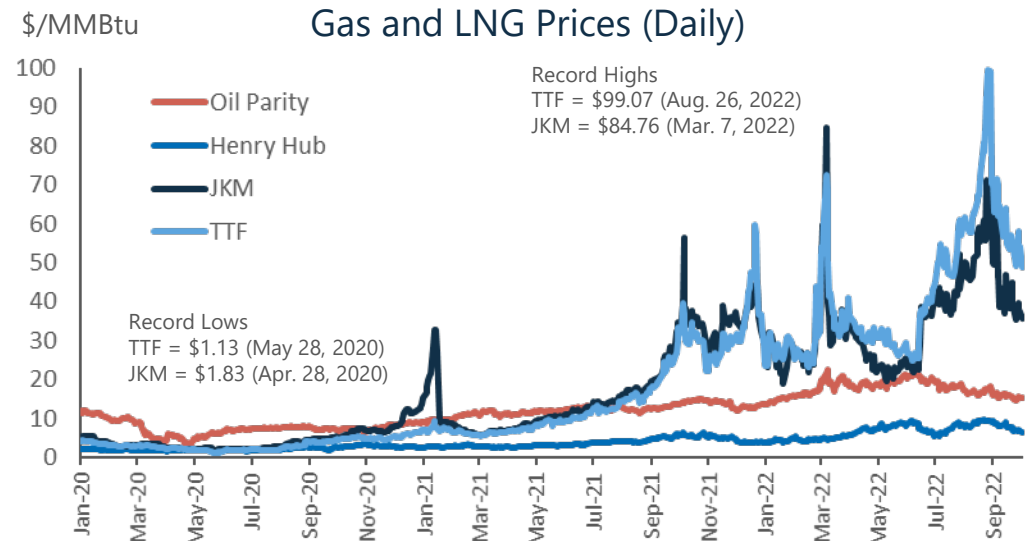
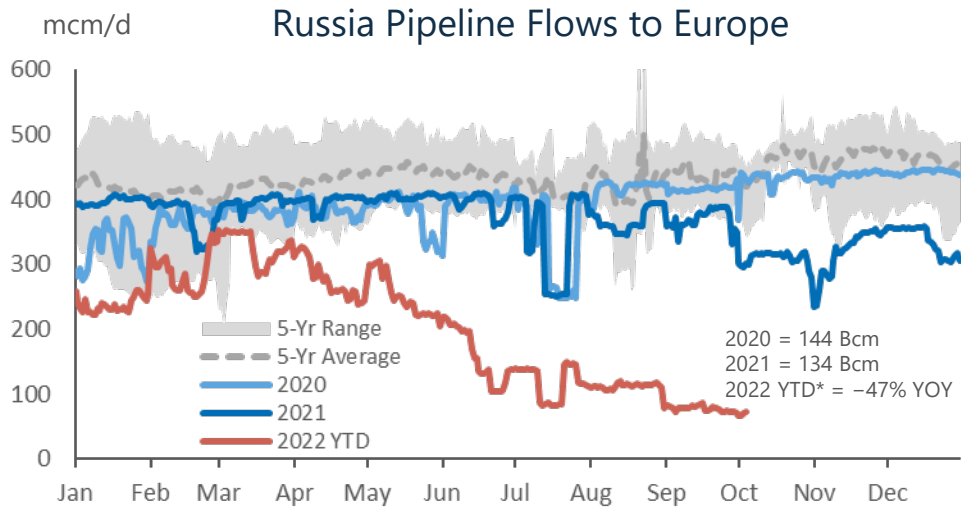
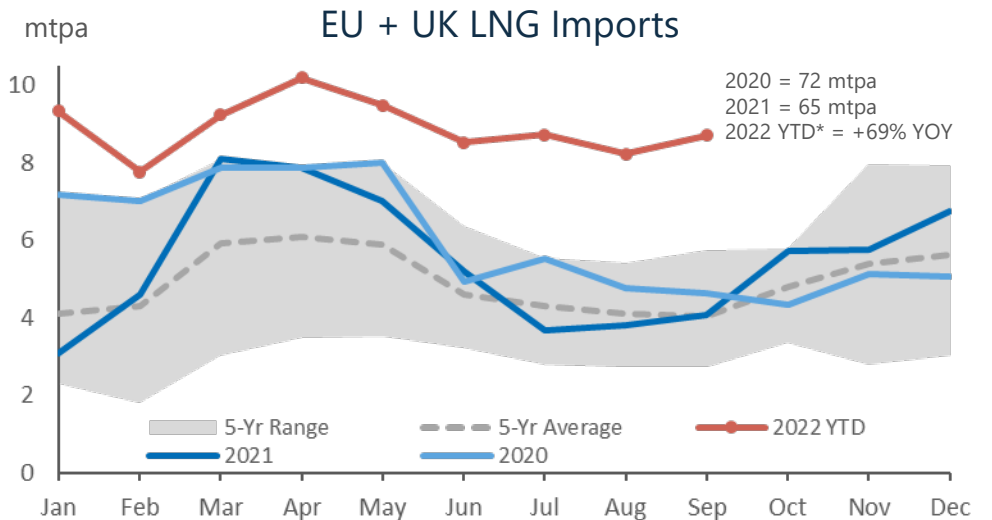
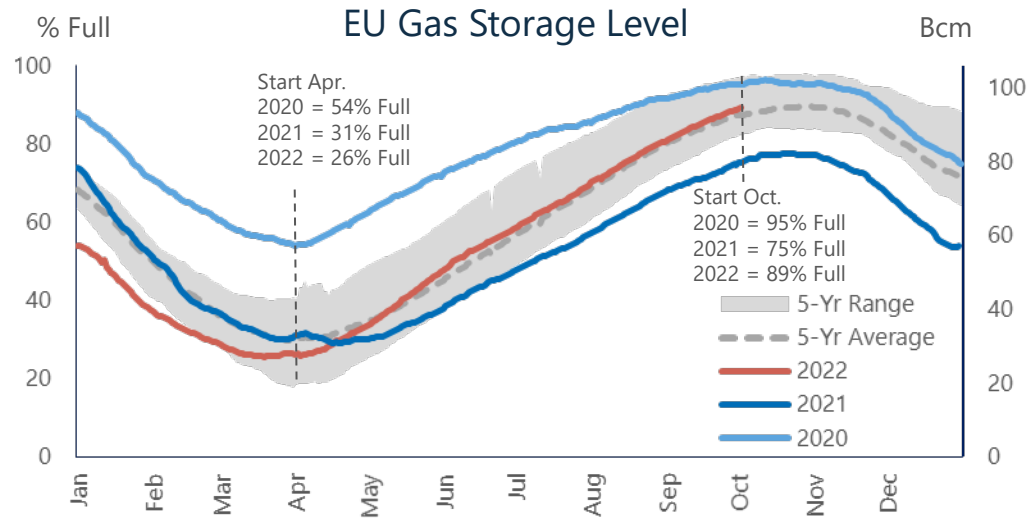


Global gas and LNG expectations for 2022

High prices and market uncertainty expected to impact 2022 gas markets, but not LNG growth

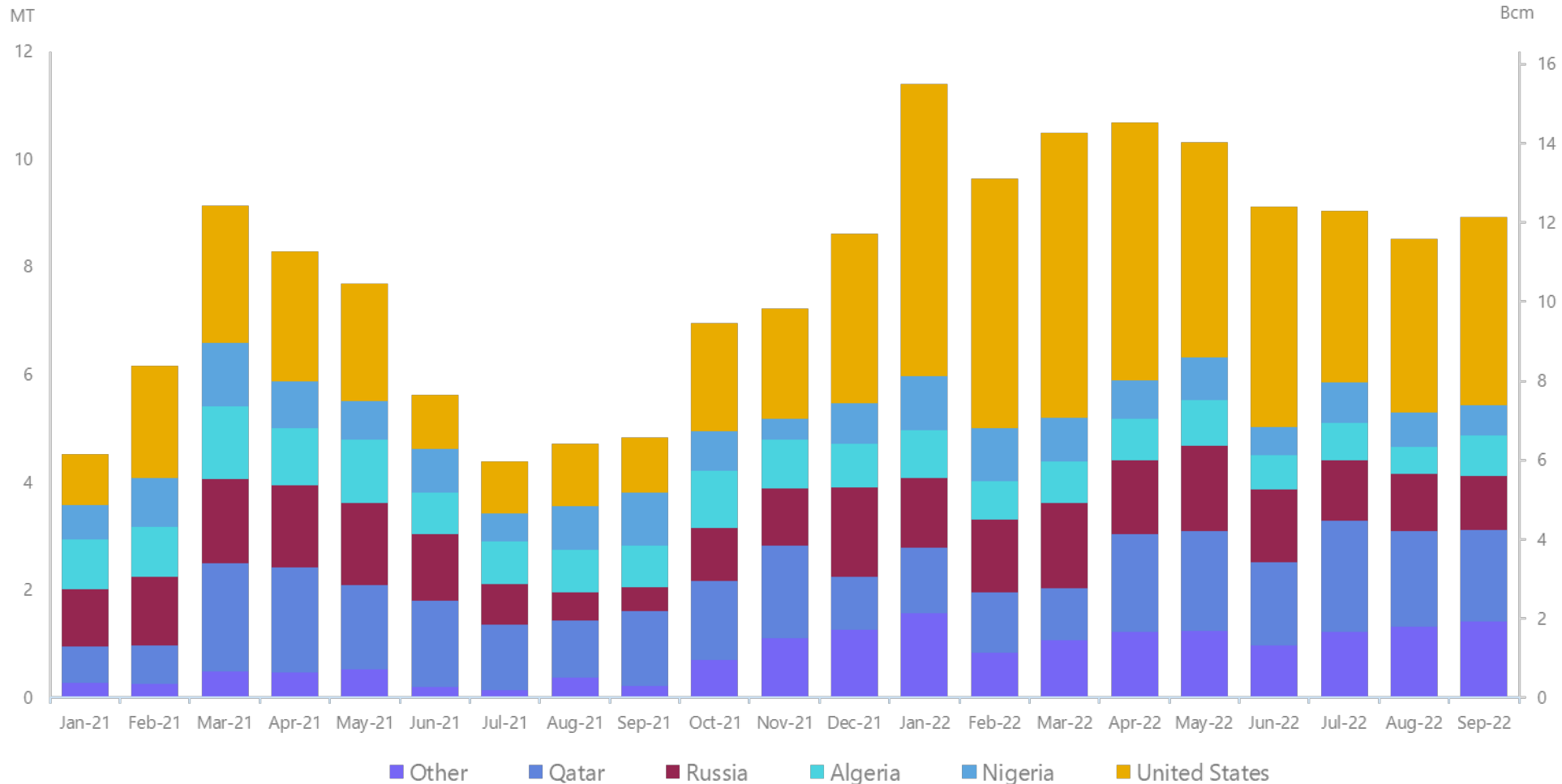


Current market dynamics are focused on Europe

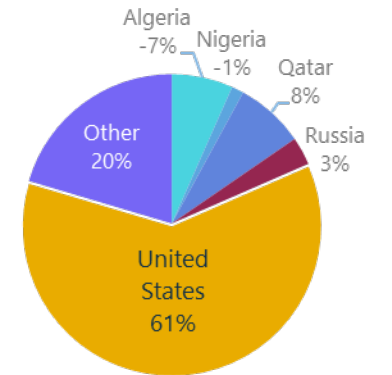


Europe region: LNG imports by source, 2021/22

Flexible U.S. LNG volumes are responding to market price signals



Incremental Europe Region LNG Imports 2022

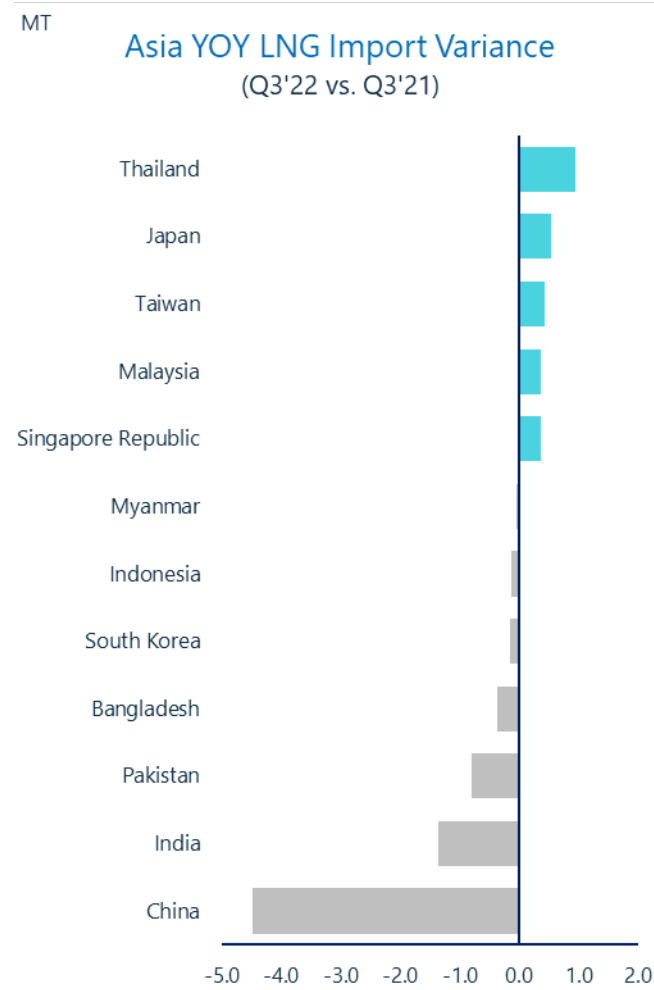


FY 2022 = 114 MT
 FY 2021 = 78 MT
 Delta = +36 MT

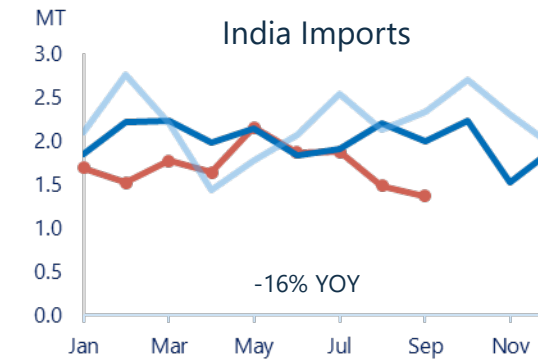
Note: Full year (FY) 2022 estimated assuming Q4 = Q3

The current market impacts are global

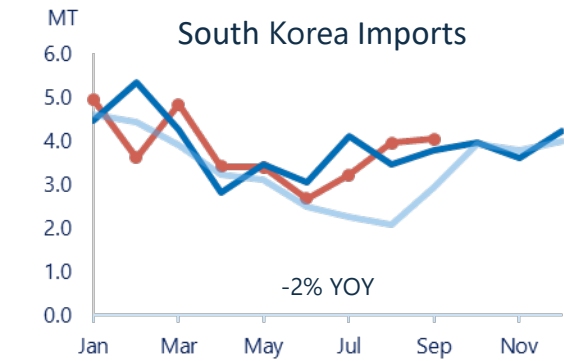
Global LNG trade balance 2022 YTD, plus LNG imports in selected markets 2020 to 2022



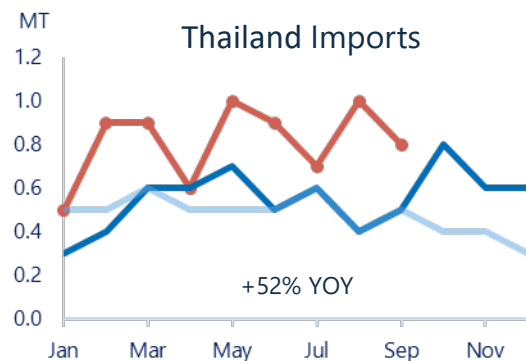
Chinese imports fell 22% YOY so far this year due to tighter COVID-19 restrictions



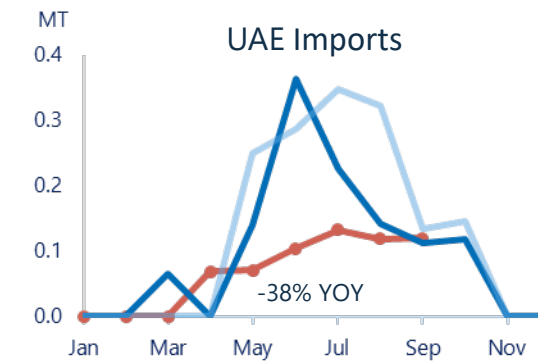
Imports briefly recovered in May-July before falling again in August due to fuel switching



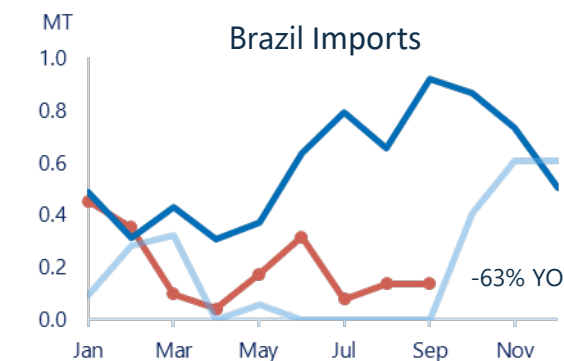
South Korea has prioritised nuclear power and coal over gas to keep imports broadly flat YOY



Declining domestic production pipeline imports has led to higher imports YOY



High spot prices and increased intraregional pipeline flows have resulted in lower imports



Brazilian imports tripled last year due to lower hydropower but have decreased this year

Summary

- Current global LNG market conditions are being driven primarily by events in the Europe region. Europe region has evolved from the LNG 'market of last resort' to the 'market of greatest need'
- Impacts are global. Europe is competing for LNG cargoes with other markets, primarily Asia
- LNG has been helpful in mitigating the impacts of the current supply shock in Europe and re-allocating some of the supply-demand imbalance globally
- Impacts vary by market - but are set variously by underlying gas demand fundamentals, exposure to spot volumes, economic resilience, alternate fuel options, plus ability to manage or reduce gas demand
- The next wave of LNG supply will help bring the global gas market back towards balance
- LNG is expected to continue to play an important role in providing long-term diversification of energy supply for developing nations – by supporting renewables build-out, displacing coal, and providing a platform for future low-carbon gases.
- Adequate future LNG supply needs to be maintained to keep markets in balance

Thank you

Questions?