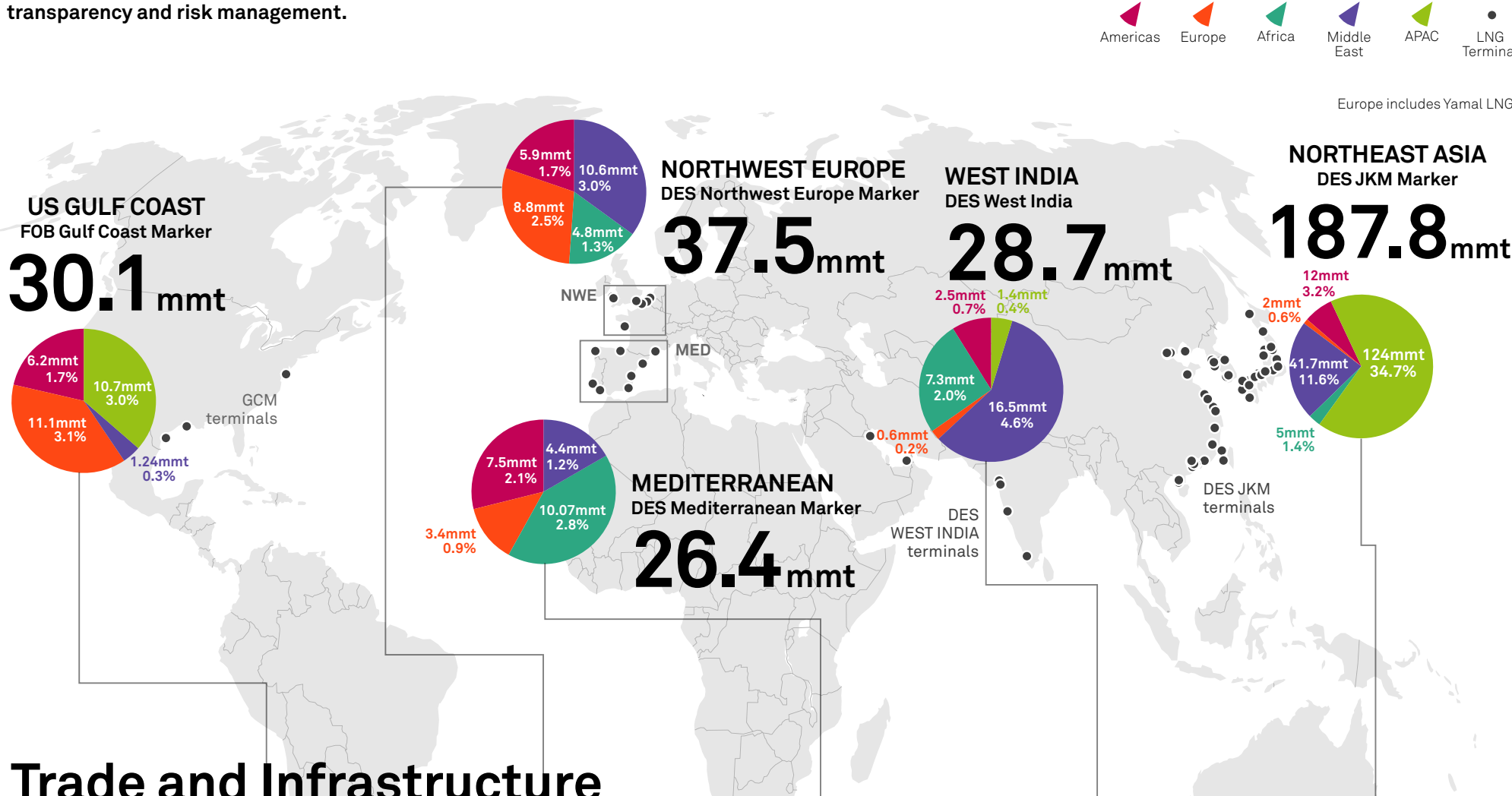


Strategic pillars of price transparency in global LNG

As the trend towards LNG commoditization gathers pace, fueled by significant additions of elastic supply and demand, the need for enhanced pricing transparency becomes ever more important to enable stakeholders to share new risks and gain the confidence they need to trade and make investment decisions.

LNG's strategic pricing hubs

The growing robustness of Platts JKM® has enabled the more established markets of East Asia to operate with greater confidence and efficiency. Other emerging LNG hubs, comprising West India, Northwest Europe, Mediterranean and US Gulf Coast, are also becoming increasingly central to global market development, price transparency and risk management.

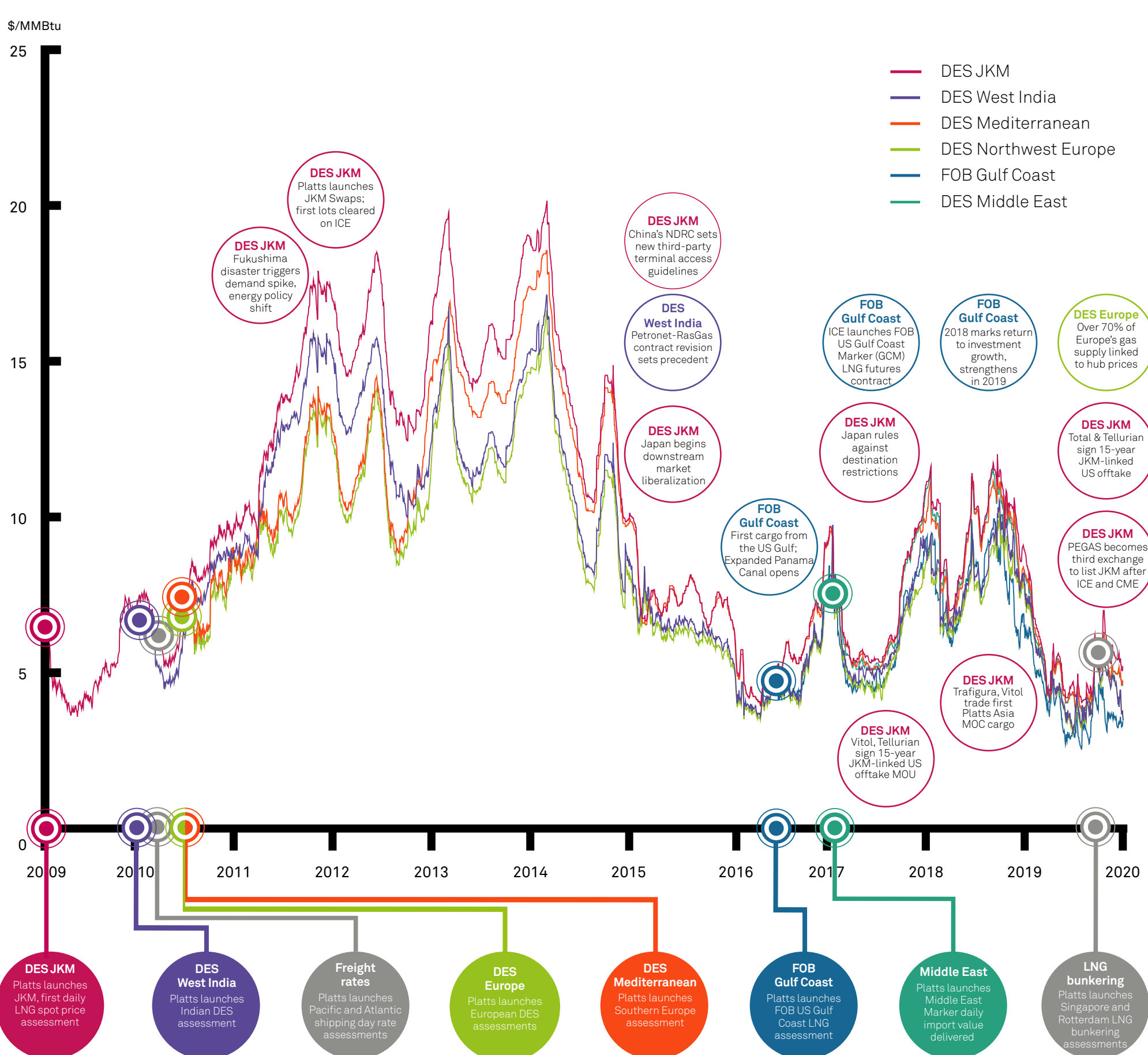


Trade and Infrastructure

	US GULF COAST		NORTHWEST EUROPE		MEDITERRANEAN		WEST INDIA		NORTHEAST ASIA	
	2019	2025	2019	2025	2019	2025	2019	2025	2019	2025
Total Volume (mmt)	30.1	95.0	37.5	35.2	26.4	25.4	28.7	46.2	187.9	216.6
Terminals	5	7	7	7	9	9	7	12	65	84
Terminals Capacity (mmt/yr)	43.5	91.9	68.5	73.6	63.6	63.6	42.5	81.9	433.8	488.3
Global Capacity Share (%)	10.8	18.4	7.4	7.2	6.9	6.2	4.6	8.0	47.2	47.8

LNG prices in an evolving market

The commoditization of LNG over the past decade has resulted in enhanced spot price transparency in the industry's key trading hubs, greater supply security and a more interconnected market where cargoes are free to cut a path to the best netback, helping mitigate market inefficiencies and regional pricing disparities.



Rise in JKM derivatives and Platts Asia MOC activity

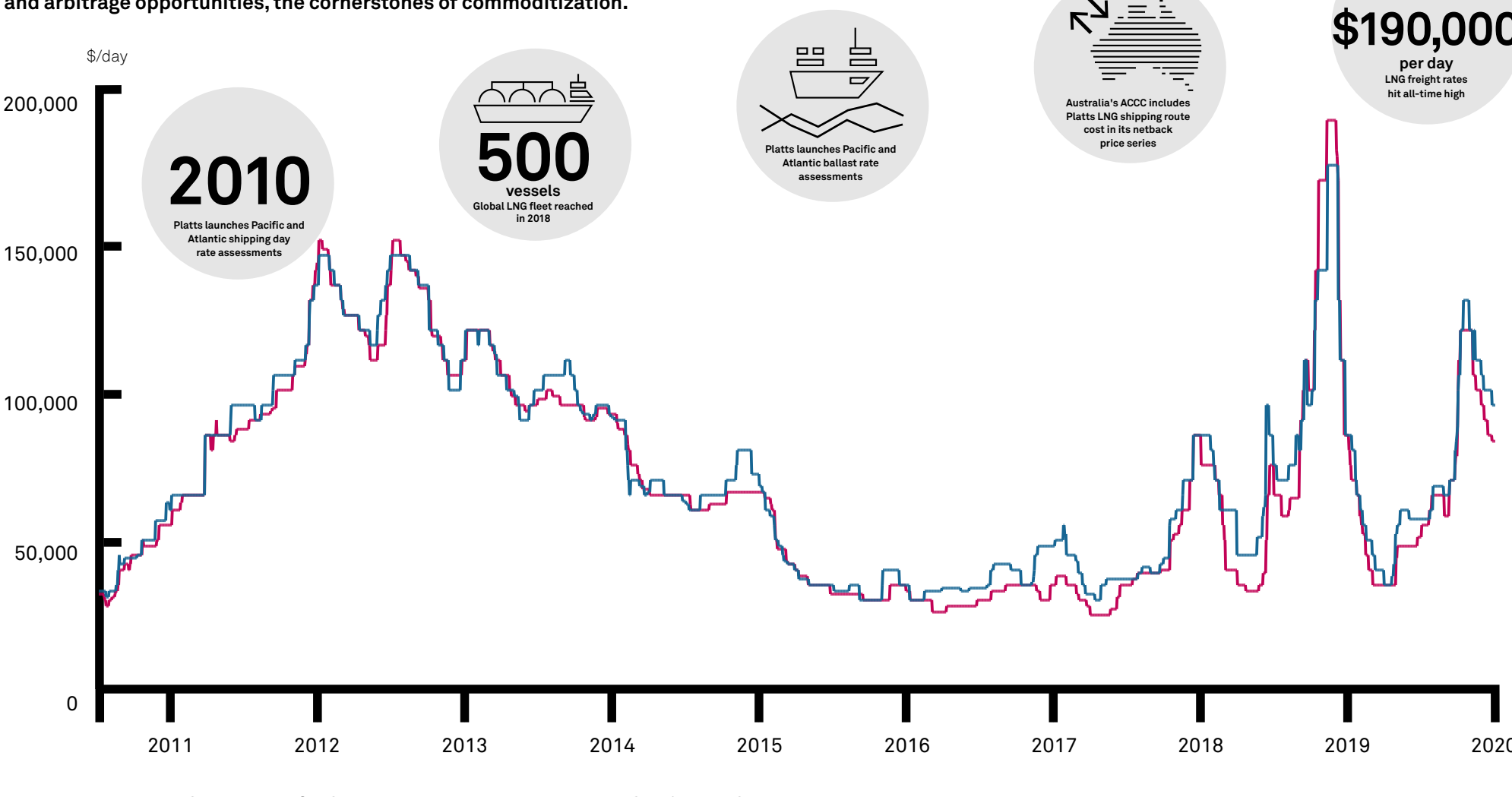
More than 1,900 bids, offers and trades had been submitted during the Platts Asia LNG MOC process by the end of 2019. Also, the percentage of submissions that fully adhere to standardized terms regarding vessel nomination, delivery window and discharge port has steadily increased, reducing the need for normalization and boosting price formation efficiency.

Meanwhile, the JKM derivatives market has seen exponential growth over the past years, a trend that seems set to continue given the expansion of the physical spot market, the rise of LNG indexation in term contracts and the participation of financial entities in LNG derivatives.



Transparency key to mitigate LNG freight volatility

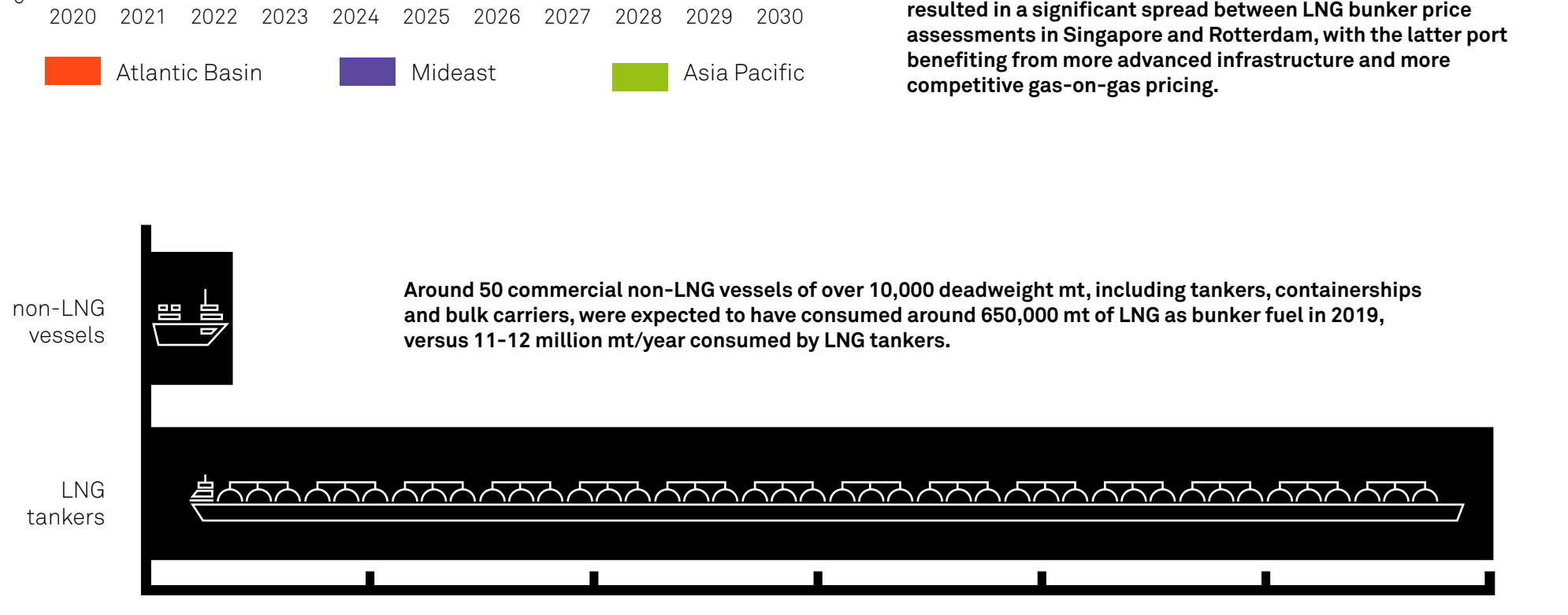
LNG freight transparency is helping the shipping industry better accommodate the increasingly flexible nature of LNG and allow market participants to capture optionality and arbitrage opportunities, the cornerstones of commoditization.



Bright Prospects for LNG Bunkering

LNG bunkering demand from non-LNG tankers is forecast to reach nearly 15 million mt/year by 2030 – bigger than the UK's import market – driven by the 2020 implementation of the International Maritime Organization's 0.5% sulfur cap for maritime fuels and the expansion of LNG bunkering infrastructure. Growing global supplies and lower prices have also increased the viability of LNG as bunker fuel.

More LNG bunker trade to emerge in Asia once ports in Singapore and Malaysia open for business



LNG Global Price Assessments' – learn more
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