

Eastern Mediterranean Gas within the Global Gas/LNG Landscape

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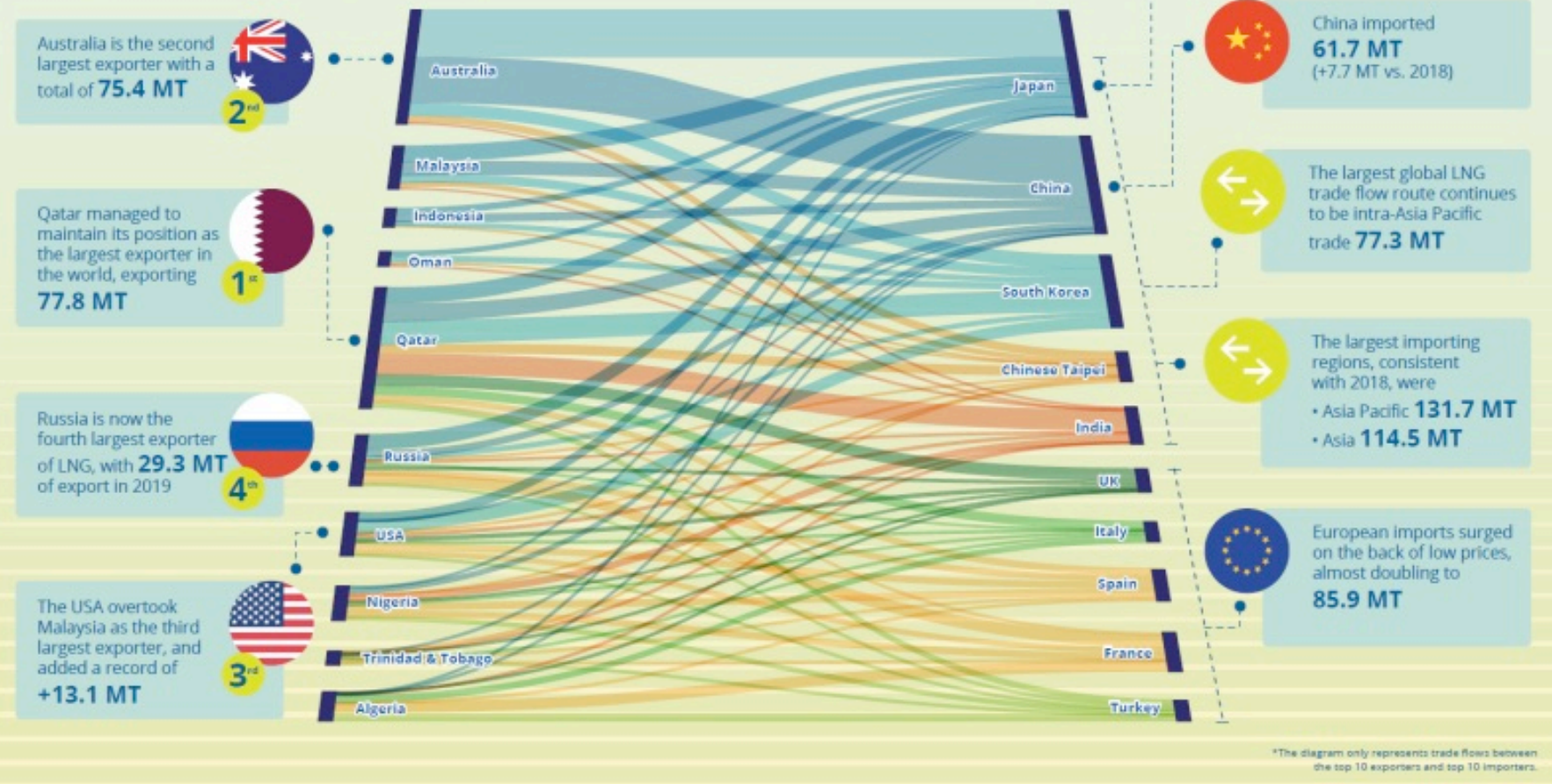
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INTERNATIONAL RELATIONS FROM THE PERCH IN NATURAL GAS/LNG

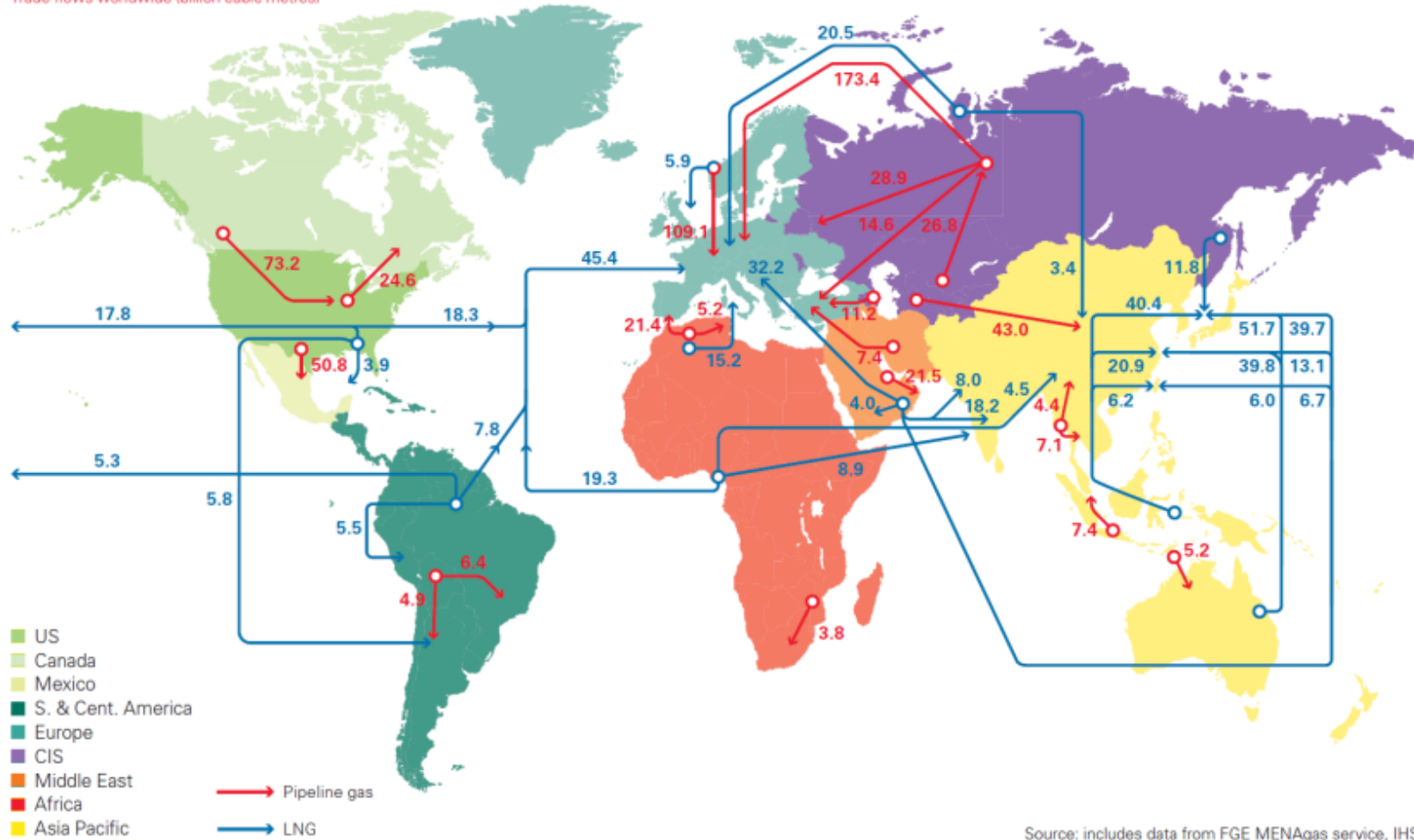
Global LNG trade increased to **354.7 MT** in 2019, an increase of **40.9 MT** or 13% vs. 2018. This is the sixth year of consecutive growth in global LNG trade.



Gas is the new Oil

THE CENTRE OF GRAVITY OF THE GLOBAL GAS TRADE IS SHIFTING EAST- TO ASIA

Major trade movements 2019
Trade flows worldwide (billion cubic metres)

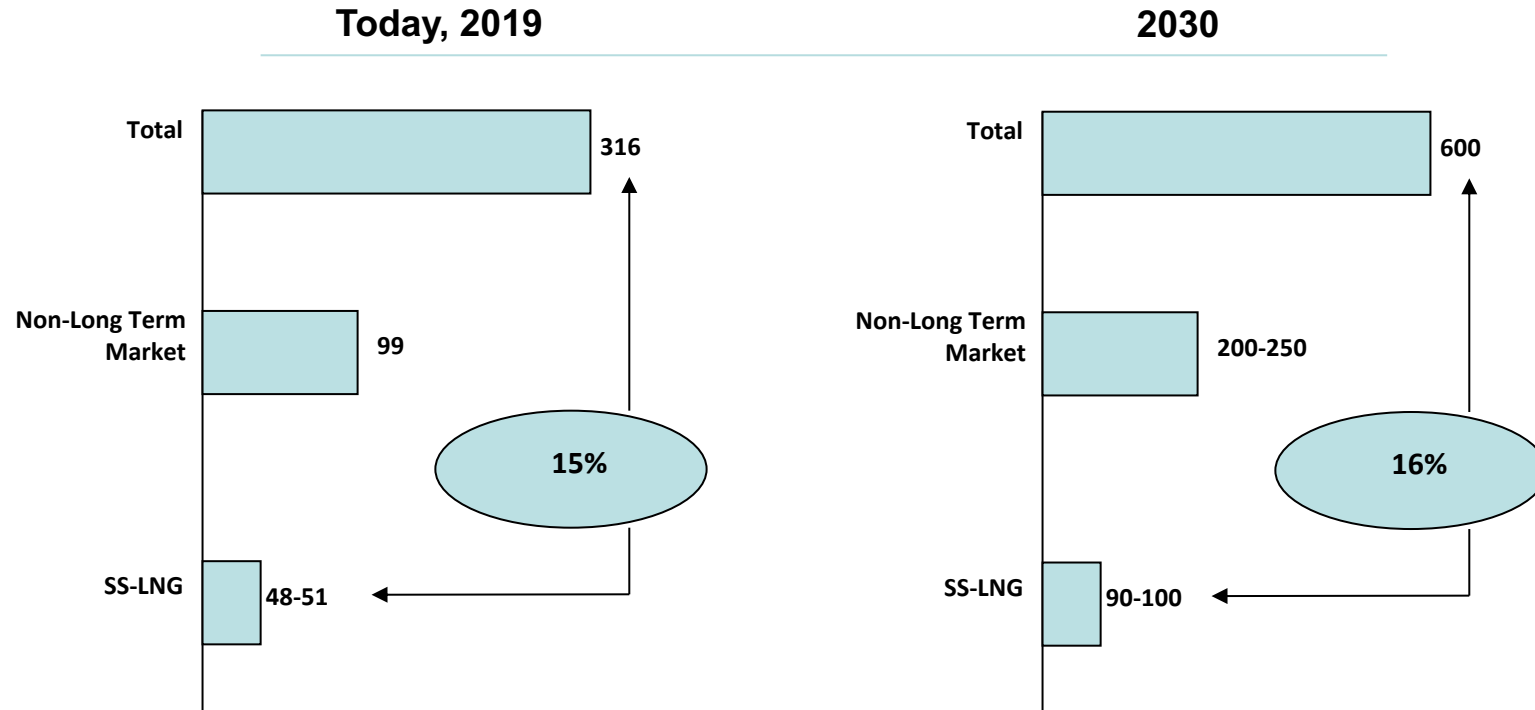


Intra Asia-Pacific Trade with China poised to take over Japan as the biggest buyer by 2025

For East Med Gas, the barriers to entry into the Asian Gas Market could be greater; connecting its resources to markets will not be easy.

HOW DOES SS-LNG FIT INTO THE GLOBAL LNG GROWTH PICTURE?

Traded LNG Market, MTPA




The current consensus of around 90-100 MTPA of a global SS-LNG traded market just reflects a maintenance of its current share of the market.

(17 MTPA China, 28MTPA Europe, Rest of Asia 2-3MTPA and Rest of the World around 1-3 MTPA)
Best estimates of SS-LNG trade which includes Marine Bunkering avoiding double counting in the overlap between Bunkering and LNG trucking operations)

EAST MEDITERRANEAN GAS: KEY ISSUES

- E&P is becoming increasingly an exercise in “Drill Boat Diplomacy”
- 20 years since first discovery- Gaza Marine but a reference/hub price not yet in place
- 52-55 TCF Proven Reserves (of which 42-Israel) and Big Discoveries every 10 years.
- Considerable potential and opportunities to develop local gas markets (esp on back of SS-LNG)
- Connecting the resource base to global gas markets important but significant entry barriers
- Remaining dependent on future EU market toehold fraught with risks



South-East/East Med as an internal gas market

Gas/LNG driven Energy Transition in East Med

East Med Gas Pipeline
PCI in January 2020
(FID :2022 & first deliveries by 2025, but uncertainties remain)

THANK YOU

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