POTEN & PARTNERS

EXPERT ADVISORS TO THE LNG AND
NATURAL GAS INDUSTRIES
www.poten.com

LNG Industry and Market Overview

Jason Feer – Global Head of Business Intelligence – Poten & Partners

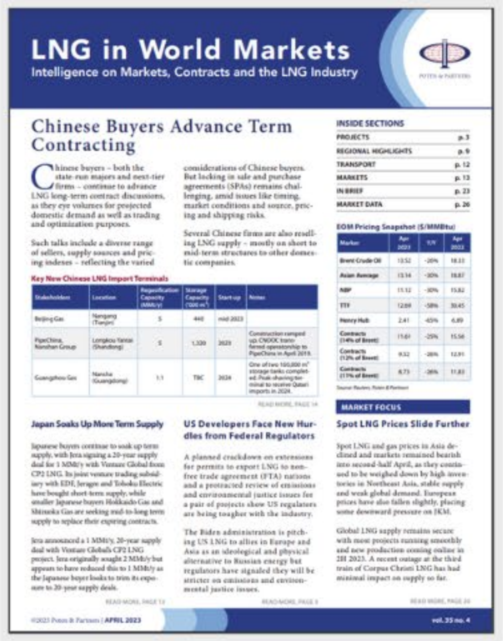
Prepared for the Industrial Energy Consumers of America Meeting

Arlington, VA – November 19, 2025

Volatility, uncertain demand and rising costs pose global concerns

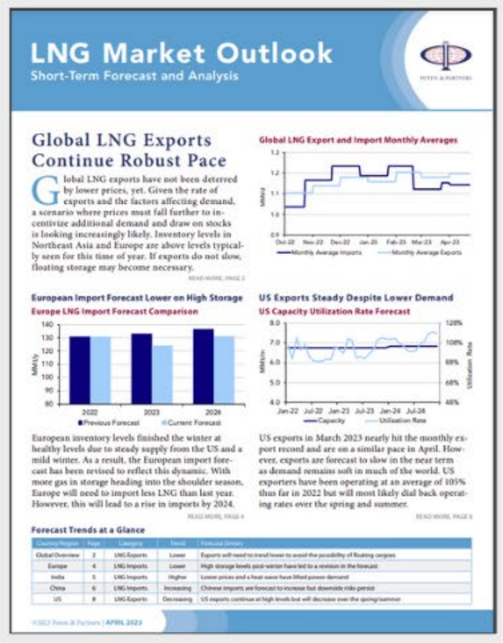
- Global LNG prices continue to be elevated despite new supply
  - Volatility has diminished over the past six months as new supply has come on line
  - Growing view that forward curve is misvalued
- Global supply set to grow by more than 50% over the next 5-7 years amid uncertain demand outlook
- Rising questions about balances between 2027 and 2030 or after
- US projects are progressing despite some concerns
  - Higher costs are affecting US competitiveness
  - Projects are reopening price discussions
  - Growing talk about the impact of exports on natural gas prices
- We are running out of shovel-ready US projects
- US liquefaction prices have been rising as global prices have softened

Poten & Partners: Industry-leading LNG Business Services



Insight on LNG markets, projects, trade and shipping

Uniquely detailed data on LNG contracts and pricing



Actionable market intelligence and 2-year forecast

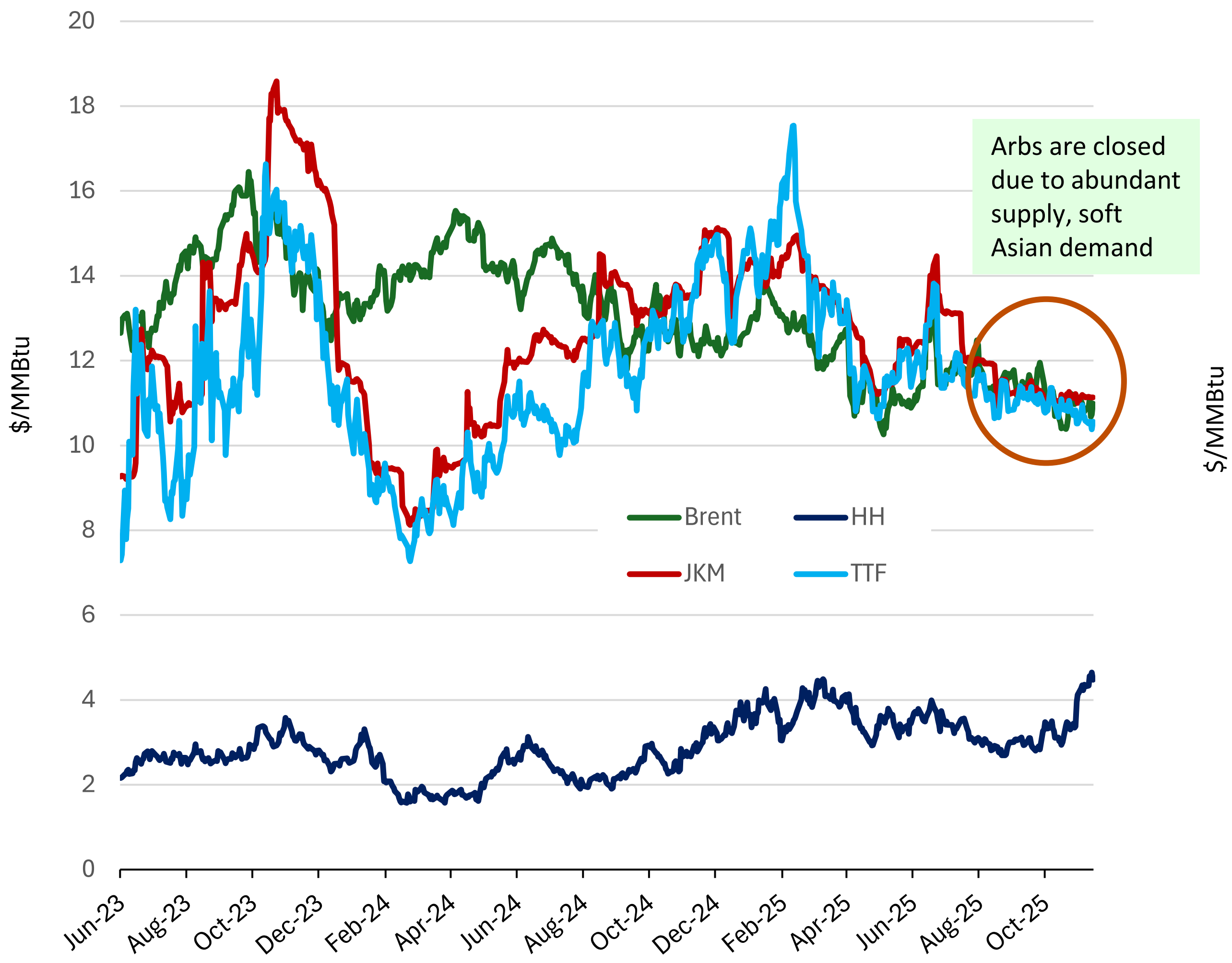
20-year price, supply and demand forecast

POTEN & PARTNERS

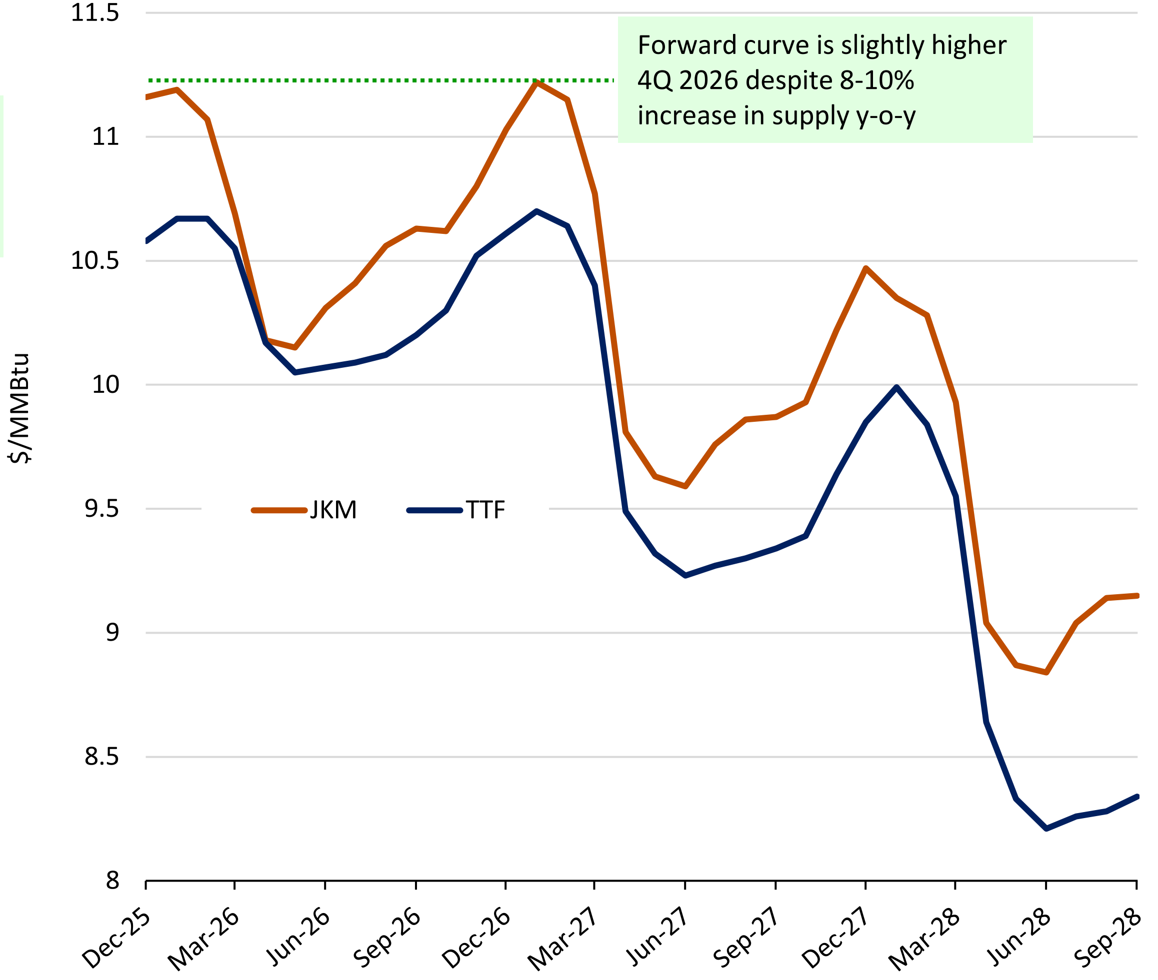
Trusted advisors to the LNG industry for more than 40 years

Volatility has dropped but prices remain high and arbs are closed

LNG and Natural Gas Prices



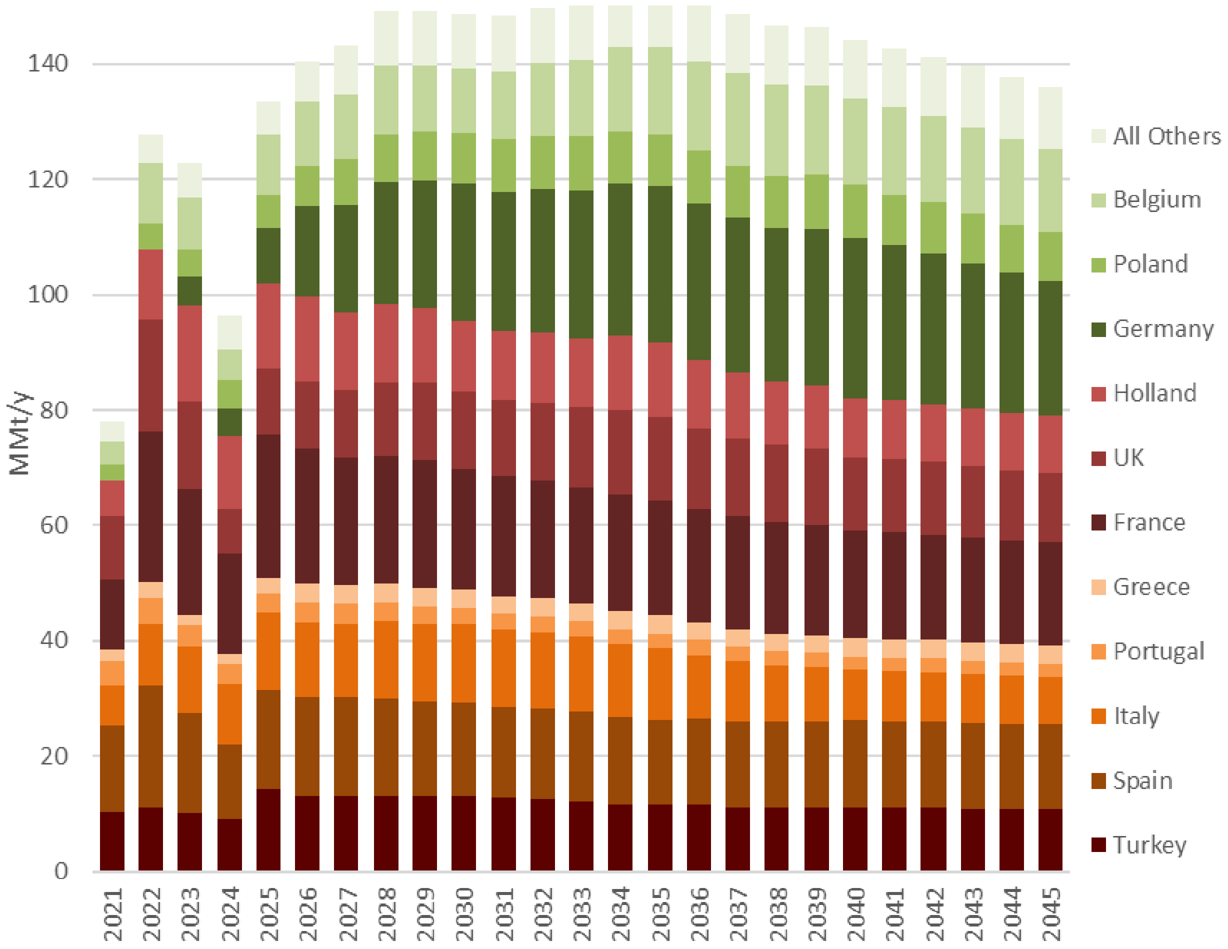
Global LNG/Natural Gas Forward Curves



European LNG demand growth to peak by 2028 and then flatten out

- There are two 'Europes'
  - Germany, central Europe, the Baltic and Balkans will boost overall demand
    - Belgium, Poland, Baltics, E. Europe and some Southern European countries to see growth (30 MMt over 10 years)
    - Most of the rest of Europe will see falling demand (decline of 10 MMt through 2035)
  - The EU is taking a hard look at carbon plans and we could see additional demand
    - US LNG could fill the gap if the EU sticks with plans to ban Russian LNG by 2027
    - This could support demand after mid 2030s
- The $750 bn US-EU trade deal is unrealistic
  - Europe imported just over $51 bn of US LNG
  - Hard to boost that with lower prices
  - Higher volumes would force Europe to move away from traditional suppliers and rely almost exclusively on the US

European LNG Import Forecast

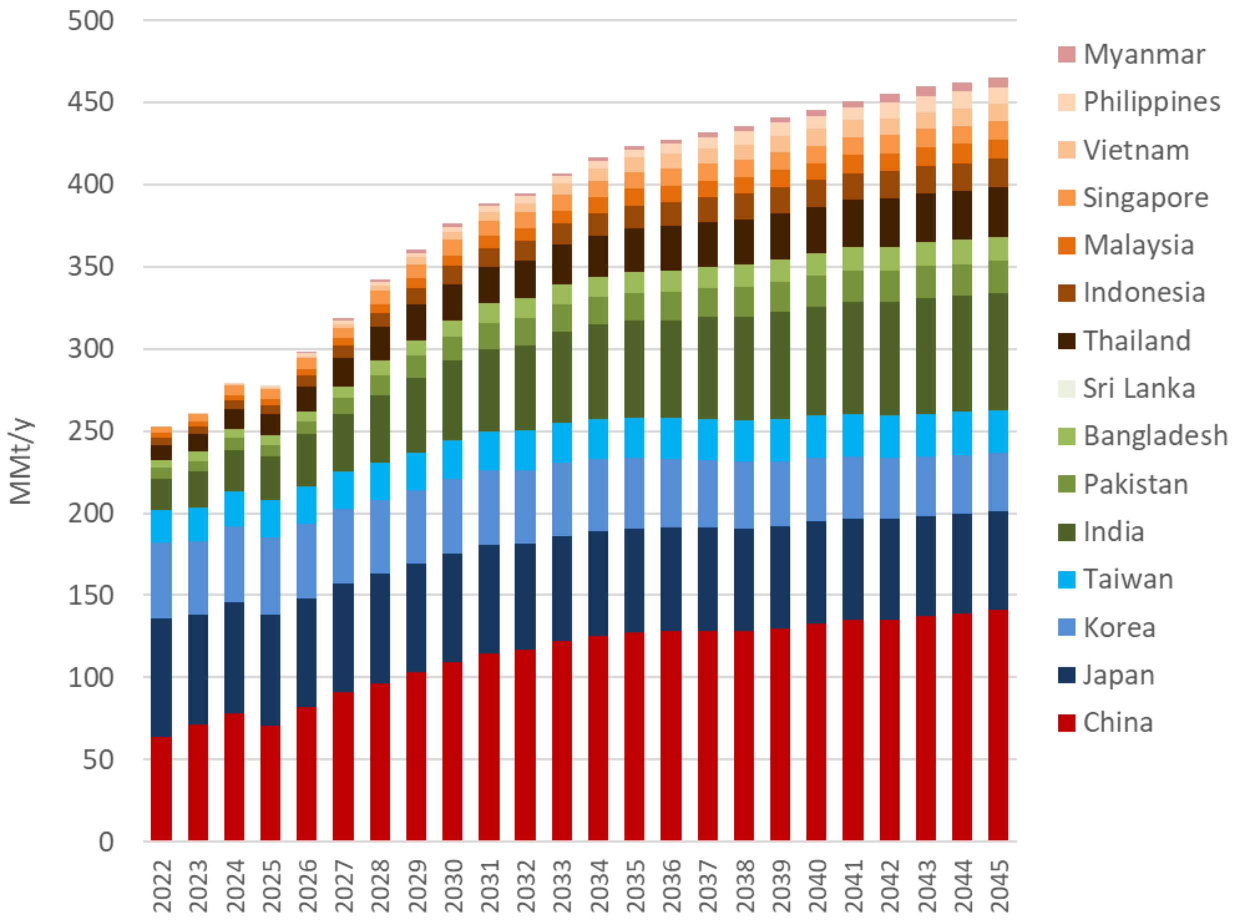


Source: Poten & Partners Global LNG Outlook

Asia Pac will drive sustained global demand growth

- Southeast Asia, South Asia and China will drive long-term demand growth
  - SE Asian demand to rise from 30.1 MMt in 2025 to 77 MMt in 2035
    - More than half of this growth is due to depleting domestic gas reserves
  - South Asia also grows rapidly, from 39.4 MMt in 2025 to 89.6 MMt in 2035
  - Chinese demand to rise from 71 MMt to 128 MMt
  - Traditional JKT consumers flat to lower
- There are downside risks to the forecasts
  - Growing support for nuclear restarts could affect Japanese LNG demand
  - China is growing more slowly than expected and will likely take more pipeline gas from Russia

Asia Pac Import Forecast

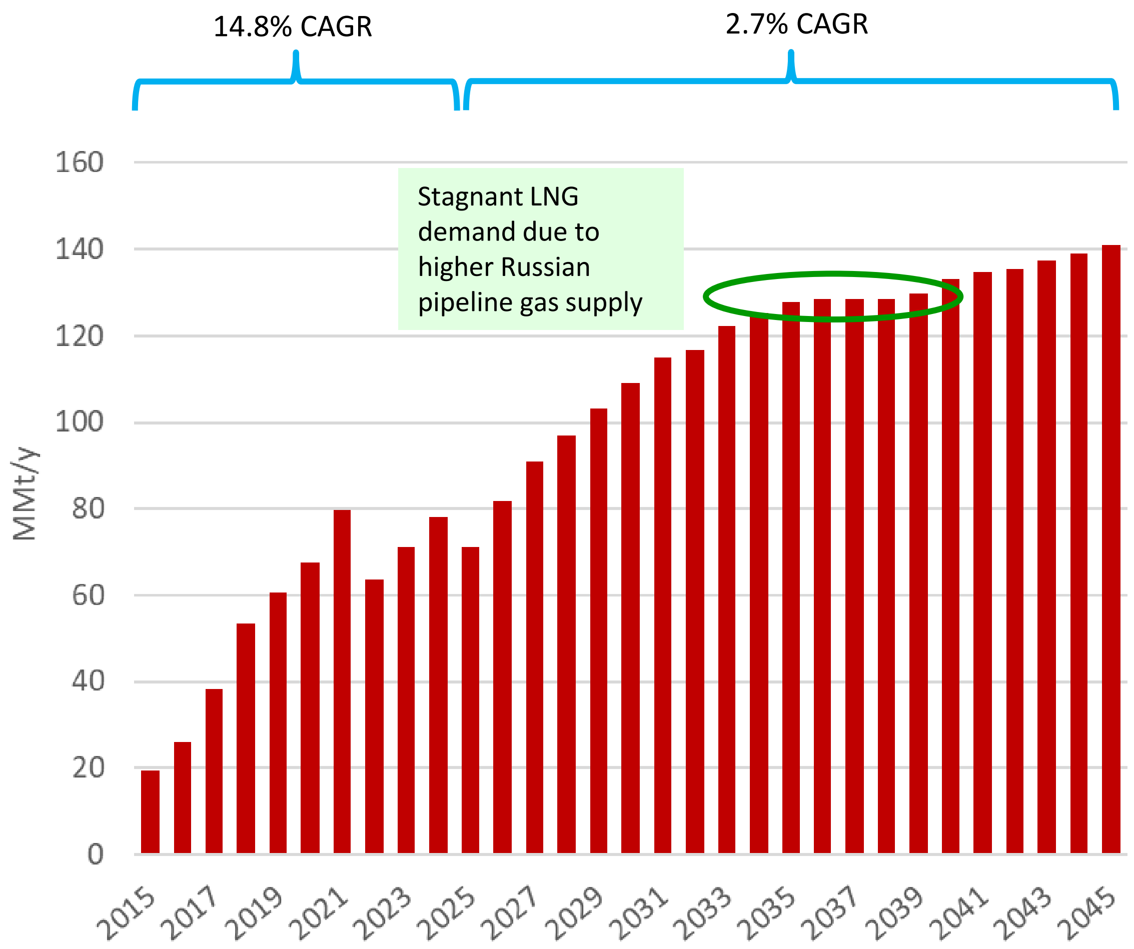


Source: Poten & Partners Global LNG Outlook

Chinese demand will grow, but at slower rates than over the past decade

- China is unlikely to be the strong driver of global demand growth
  - The economy is maturing so economic growth will moderate
  - The effects of the real estate crisis remain
  - Renewables, nuclear and additional pipeline gas will slow LNG demand growth
  - Labor costs are rising and the population is shrinking
    - Manufacturing is becoming less competitive
- Best hope for stronger growth is mandated shift from coal to natural gas
  - But this is unlikely:
    - Hundreds of thousands of jobs depend on the domestic coal industry
    - Switching to gas would make China more dependent on imported LNG indefinitely

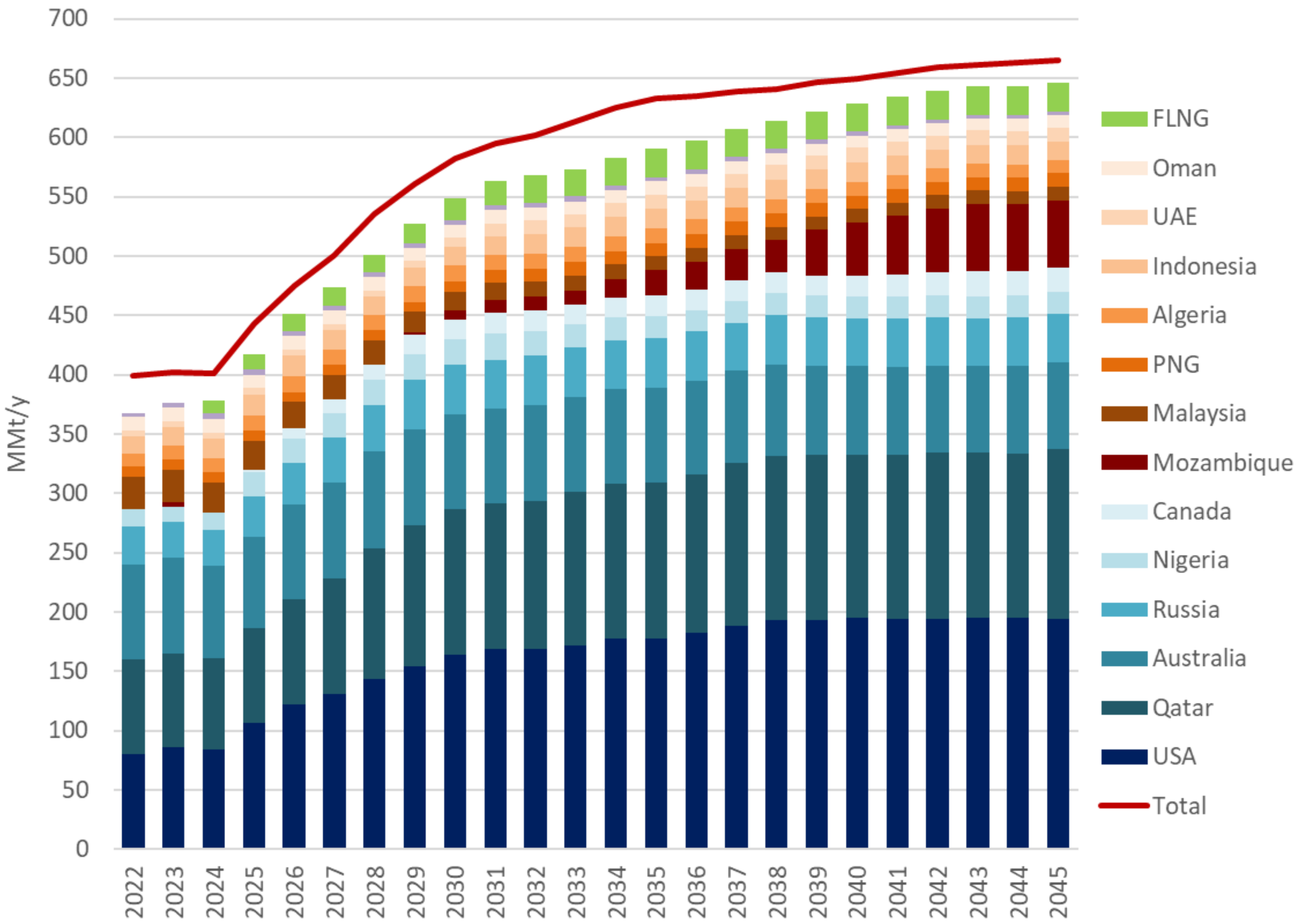
Chinese LNG demand



Source: Poten & Partners Global LNG Outlook

Vast new supplies of LNG are coming

LNG Supply Forecast



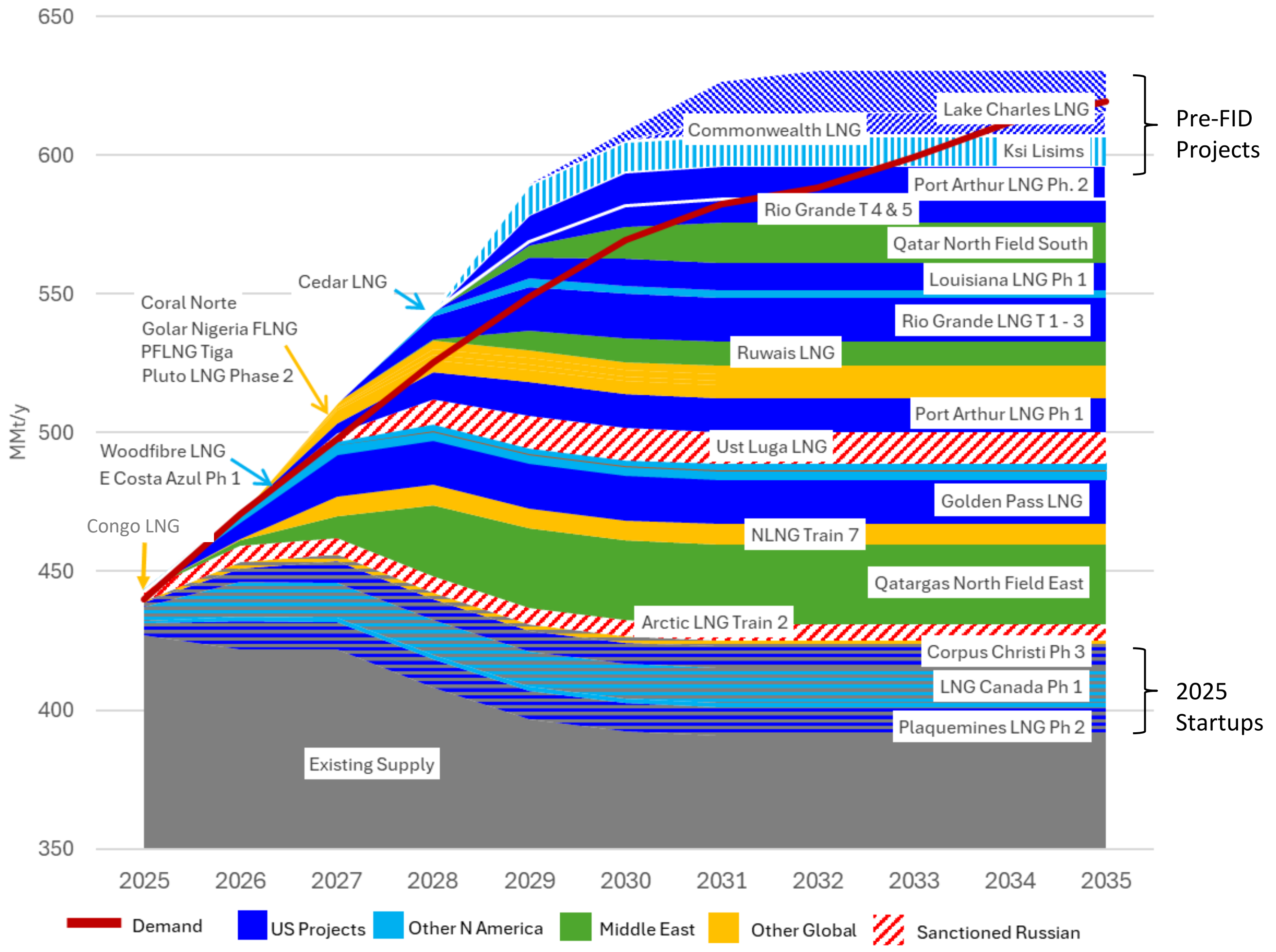
- 222 MMt of net growth over the next 20 years, probably if a few additional FIDs are announced
- Top 7 producers account for nearly all of increase
- Market share of top 10 producers will rise from 84% now to 89%
  - US to rise from 21% share to 27% by 2035
- Including huge portfolios held by majors and state oil companies, the LNG market is the most highly concentrated commodity market
- FLNG is starting to come into its own
  - Volume from FLNG will replace declining output from small legacy producers

Source: Poten & Partners Global LNG Outlook

Rapid US capacity build may produce seasonal surpluses

- Current FIDs ensure adequate supply through 2032
  - Some seasonal cancelations in the US possible 2028-2030
  - Prices likely to be lower than current levels for 4-6 years
- More FIDs could add to surpluses through mid 2030s
  - Does not include Mozambique projects, LNG Canada Ph. 2, many US projects
- Main question is level of price sensitive demand
  - China, India, Pakistan, Bangladesh and SE Asia all might take more
  - But there are infrastructure constraints and questions about depth of market and ability to pay

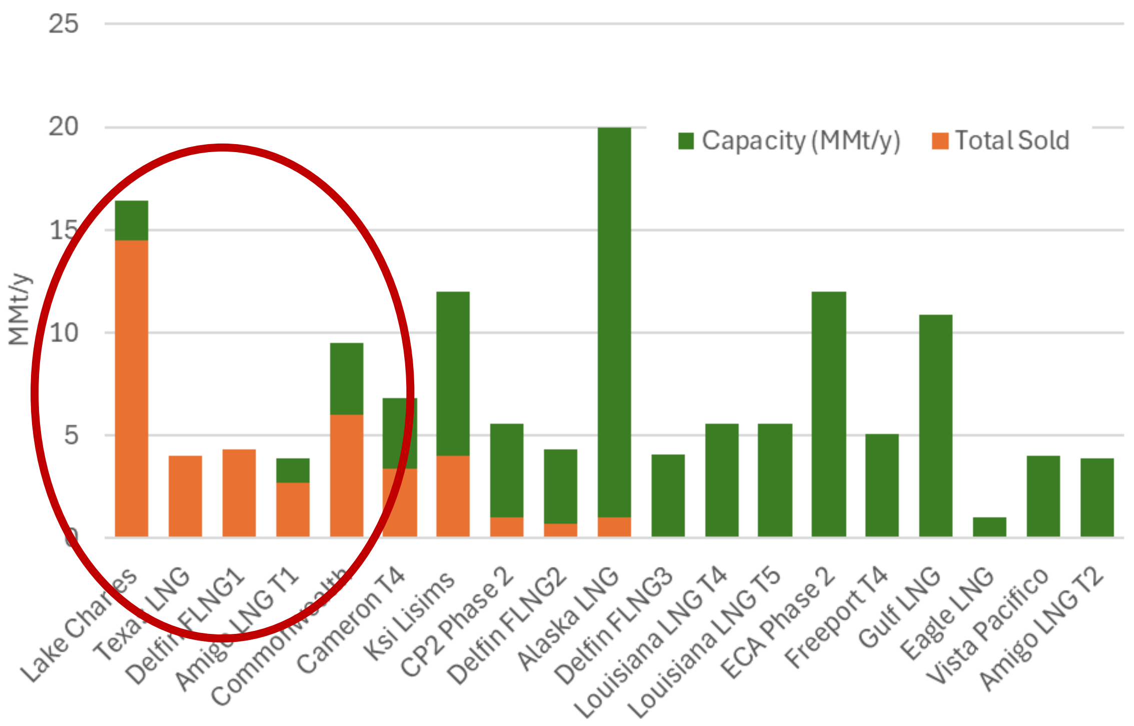
LNG Project Pipeline



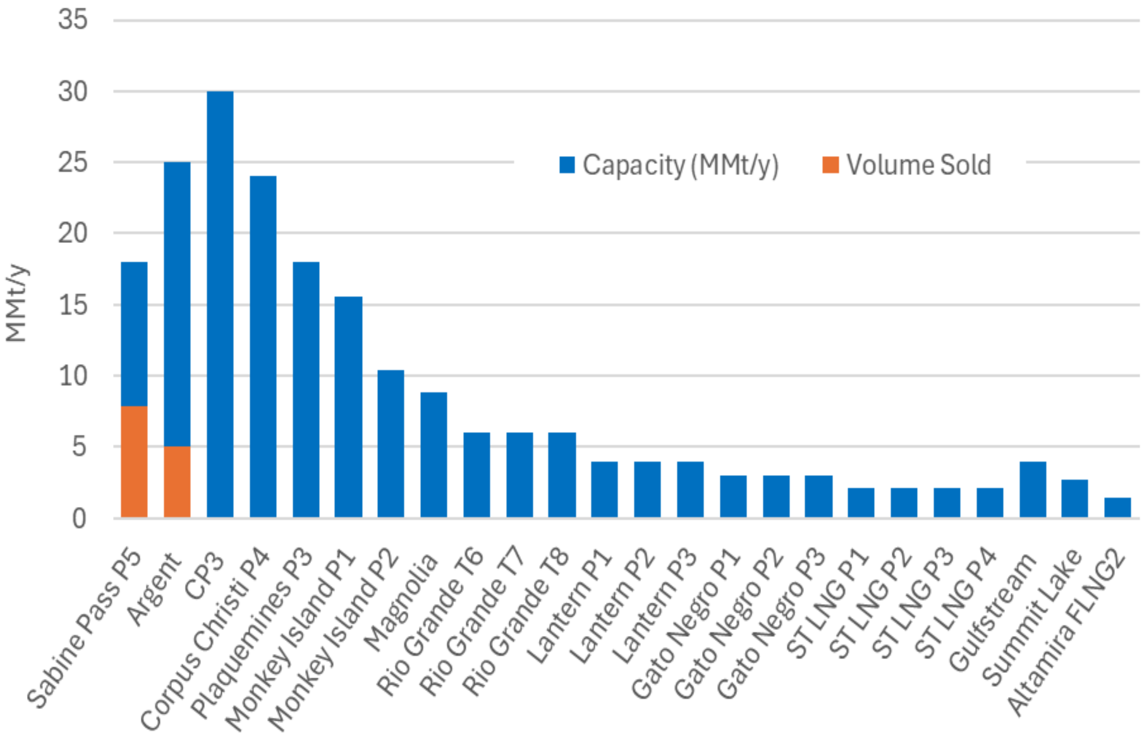
Source: Poten & Partners Global LNG Outlook

We are running out of shovel-ready North American projects

Fully permitted North American LNG projects



Unpermitted North American projects

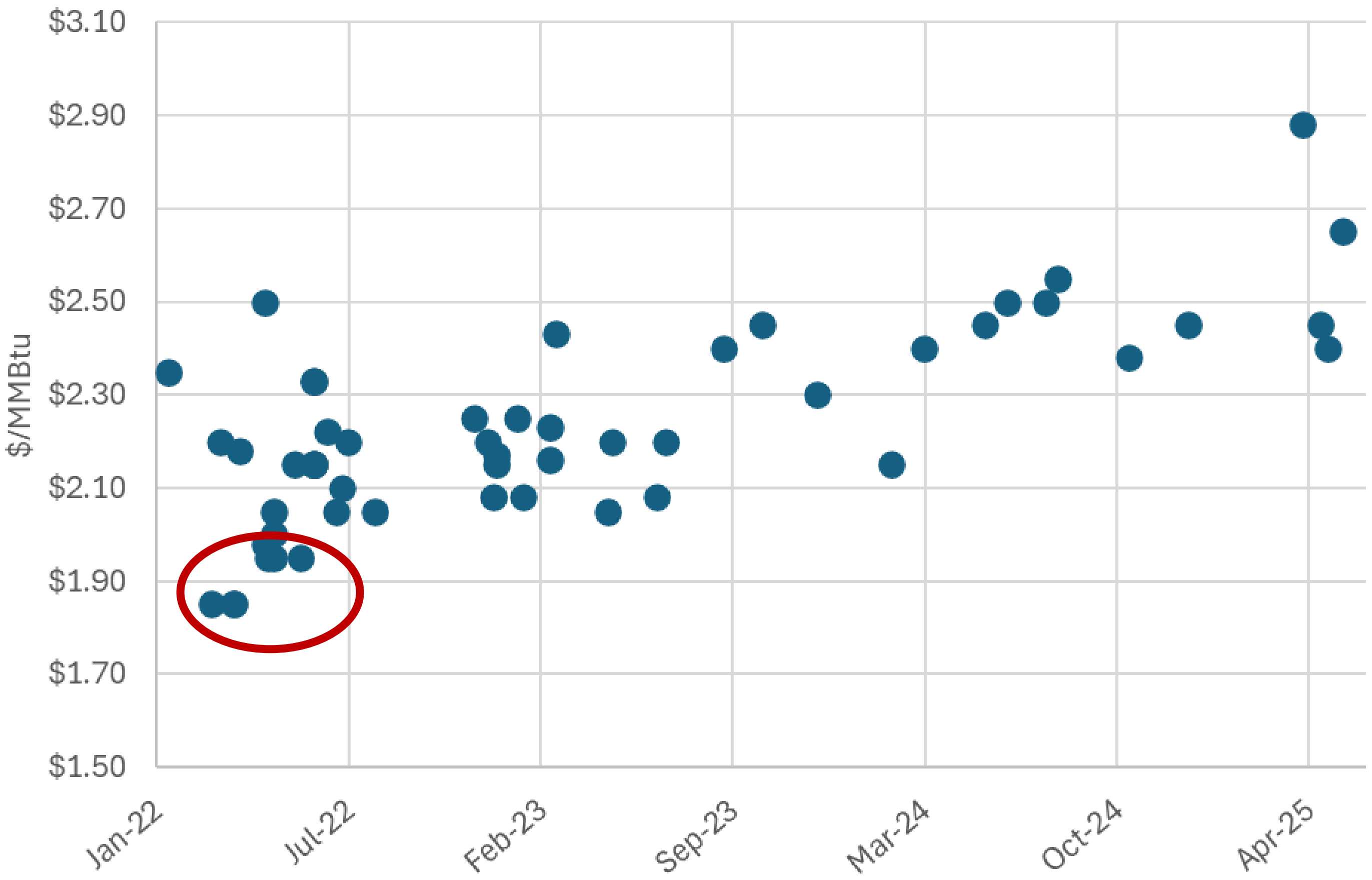


- There are five projects with about 36 MMt of capacity that could go to FID soon
  - After that, there are very few North American projects that have sold much volume and that have permits
  - It is likely the US will need a couple of years to rebuild the project pipeline

Source: Poten & Partners LNG Contract Intelligence Service

Base US liquefaction fees are rising

Pricing for selected 2022 - 2025 ytd US SPAs



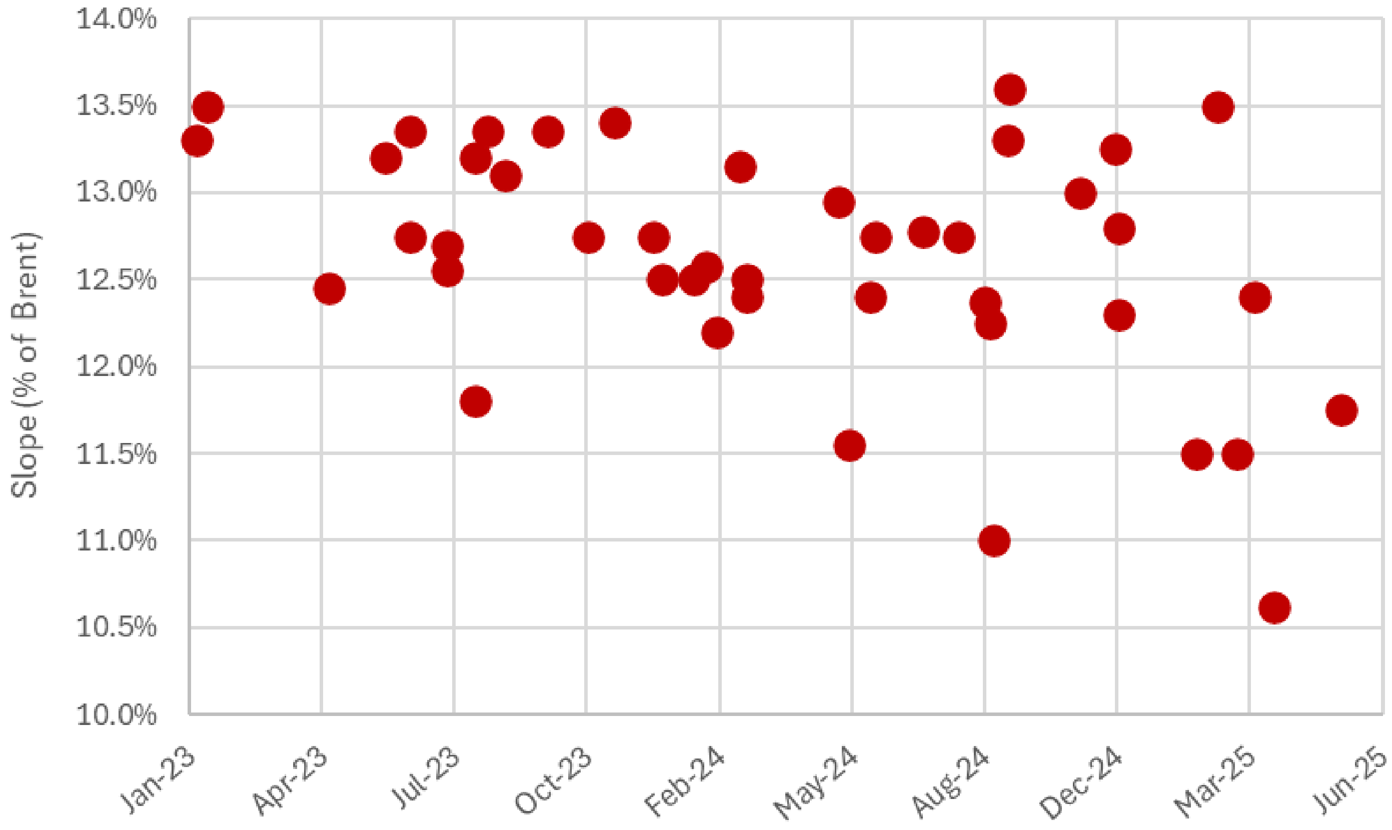
Source: Poten & Partners LNG Contract Intelligence Service

- Typical US deals
  - 1 MMt/y or more for 15+ years
  - 115% of HH
- Current offers for FOB supply are $2.25-$2.60/MMBtu
- The lowest priced deals have been raised 25-35 cents recently
- Starting to see deals with prices tied to guaranteed start of supply and shorter cancellation periods in exchange for higher cancellation fees

Recent deals have seen an erosion of Brent pricing

- LNG imports in Asia have been softer this year
  - Most major markets are down or flat year-on-year
- Several of the most expensive deals include significant flexibility for buyers
- Expectations are that Brent-related pricing will continue to weaken
- They could go much lower – as Brent slopes did in 2019

Pricing for selected long-term, Brent-related SPAs 2023-2025 ytd



Source: Poten & Partners LNG Contract Intelligence Service

Main takeaways

- Markets remain uncertain in the short term
    - But prices will come down as new supply begins to ramp up
- The size of the market will grow rapidly over the next 20 years
    - Near term imbalances are likely as it will take time to absorb new supply
- US projects have been progressing rapidly
    - But we are running out of shovel-ready projects
    - There will be a lull in development
- Higher US liquefaction fees and falling Brent slopes highlight growing competition in global LNG markets

POTEN & PARTNERS

Thank you
for listening

Please scan the QR code,
Visit us at Poten.com
Or email bi-info@poten.com