

NGA Regional Market Trends – Spring 2022



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Agenda



- Regional Dynamics
 - Winter 2021/2022
 - Pricing
 - LNG Supplies
 - Canadian Imports
 - Power Gen and End Users
- Saint John LNG ownership and RSG Certification

Regional Dynamics



Winter 2021/2022

Average U.S. temperature for December was 39.3F ranking warmest December in 127-year recorded history.

In Winter 2022, temperatures averaged 32.8°F, relatively flat compared to Winter 2021.

LNG pricing extremely volatile due to low storage levels in Europe exiting this winter, Europe's inability to refill storage as Russia starts putting pressure on Europe to approve Nordstream 2. Today due to the Russian invasion, combined with EU's low storage inventory (no immediately identifiable supply alternatives) have caused LNG price increases to the \$30-70 range.

Natural gas prices averaged \$12.11/MMBtu this winter, up from \$4.575/MMBtu during the previous winter.

January 2022 natural gas prices were particularly high, averaging \$20/MMBtu, 77% higher than the average prices during January 2021.

Liquefied natural gas (LNG) imports this Winter were 20.34 million Dth, a 50.35% decrease compared to last Winter. The decrease was driven by low number of cargos and LNG volumes at Everett (a decrease of 45% in volume) and Saint John (a decrease of 40% in volume)

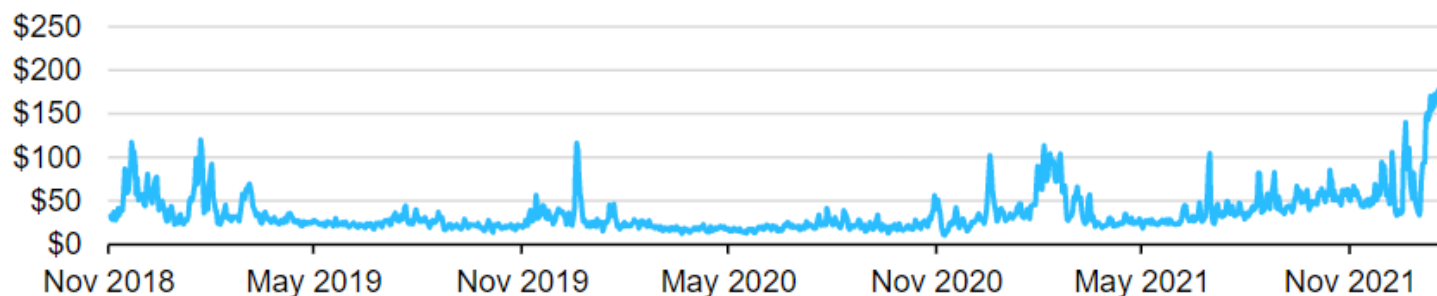
Regional Dynamic

Natural Gas and Electricity prices increase on supply constraints

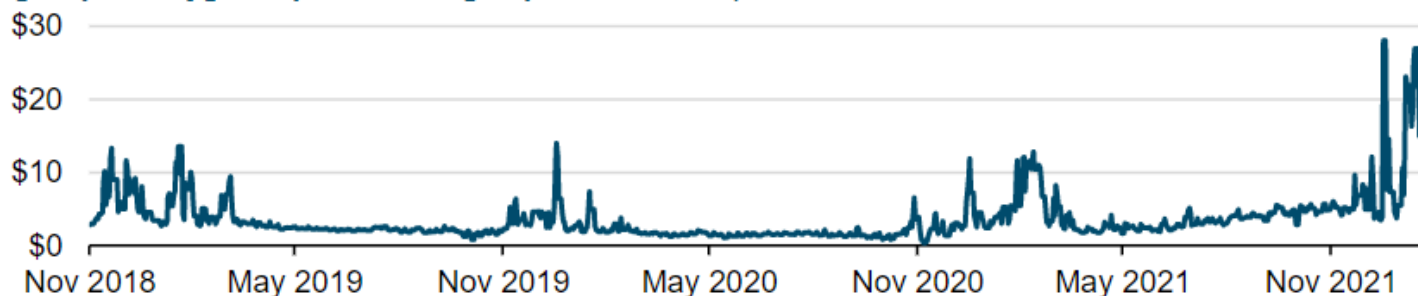


New England daily natural gas and electricity prices (Nov 1, 2018–Jan 31, 2022)

wholesale day-ahead electricity prices, dollars per megawatthour

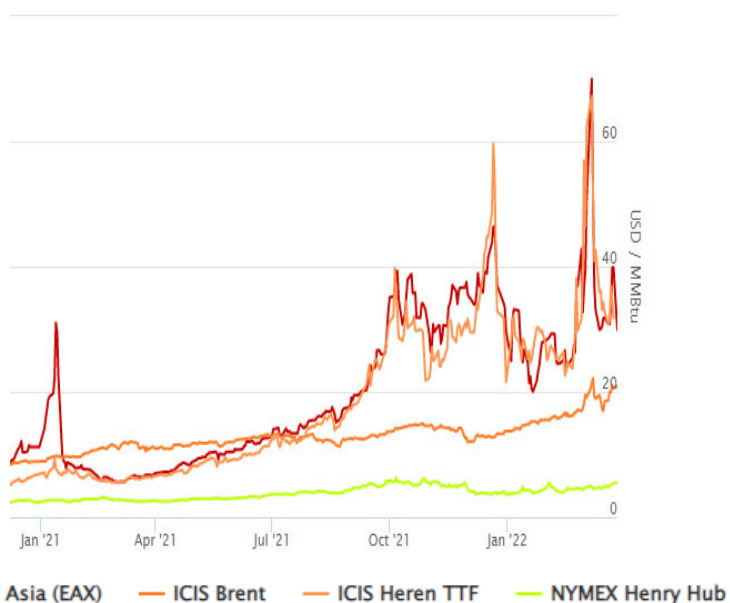


Algonquin Citygate spot natural gas prices, dollars per million British thermal units



Source: Graph created by the U.S. Energy Information Administration, based on data from Natural Gas Intelligence and S&P Capital IQ

Several factors have contributed to significantly higher global spot natural gas and LNG prices this year



Seasonally low natural gas storage inventories in Europe

Reduced global LNG supply because of planned and unplanned outages at LNG export facilities (Norway Australia)

Significant growth in natural gas demand in Asia, led by China, contributed to increased demand for global spot LNG supplies in addition to volumes supplied under long-term contracts.

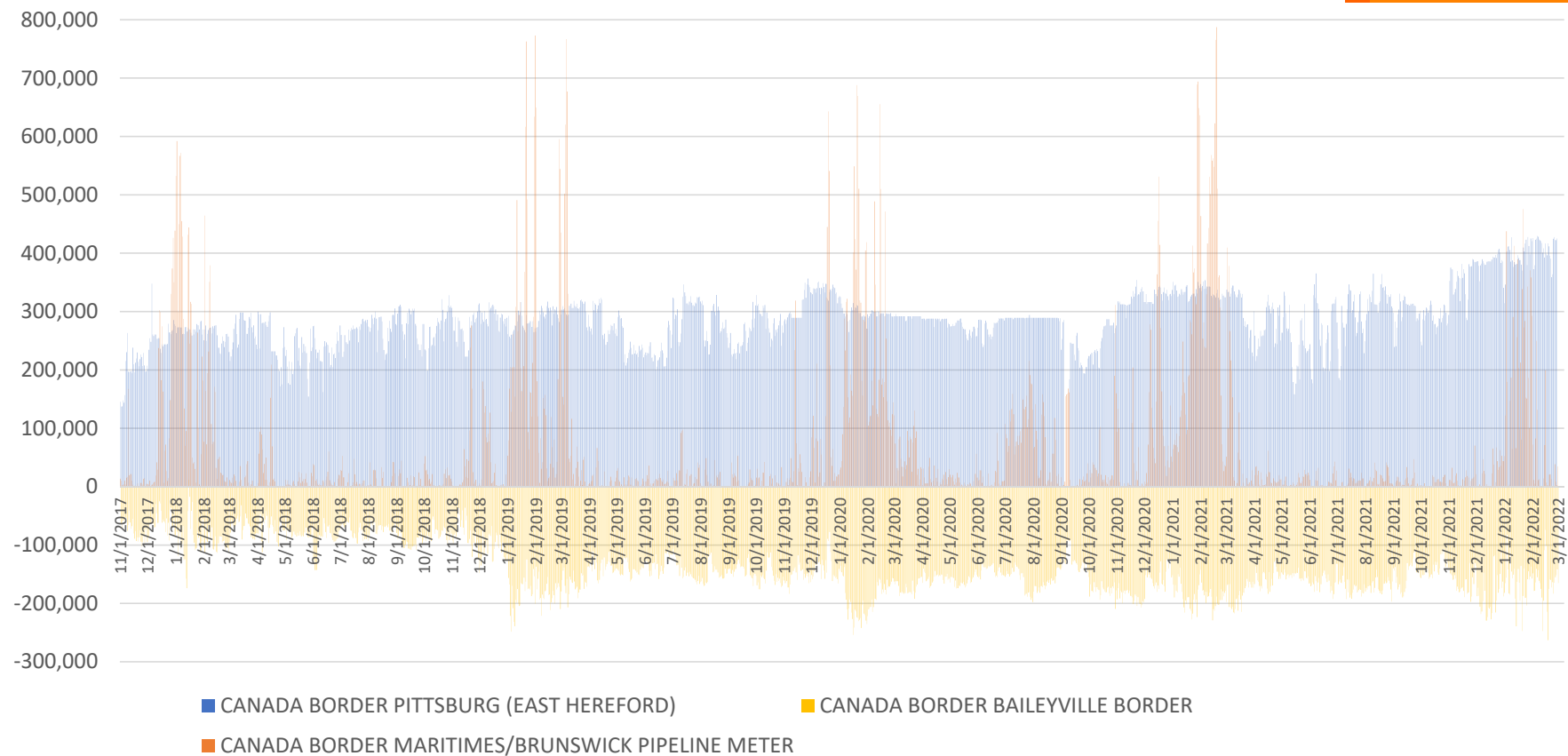
In North Asia, a colder-than-normal winter and a hot summer led to higher natural gas demand and lower inventories. In addition, a [shortage of coal supplies in China](#), [higher LNG demand by the power and industrial sectors in Japan](#), and [lower output by nuclear power plants in South Korea](#) contributed to a significant increase in LNG imports.

Last year, these countries—the world's three largest LNG importers—accounted for 72% of total LNG imports in Asia and 52% of global LNG imports.

Regional Dynamics



Canadian Imports/Exports



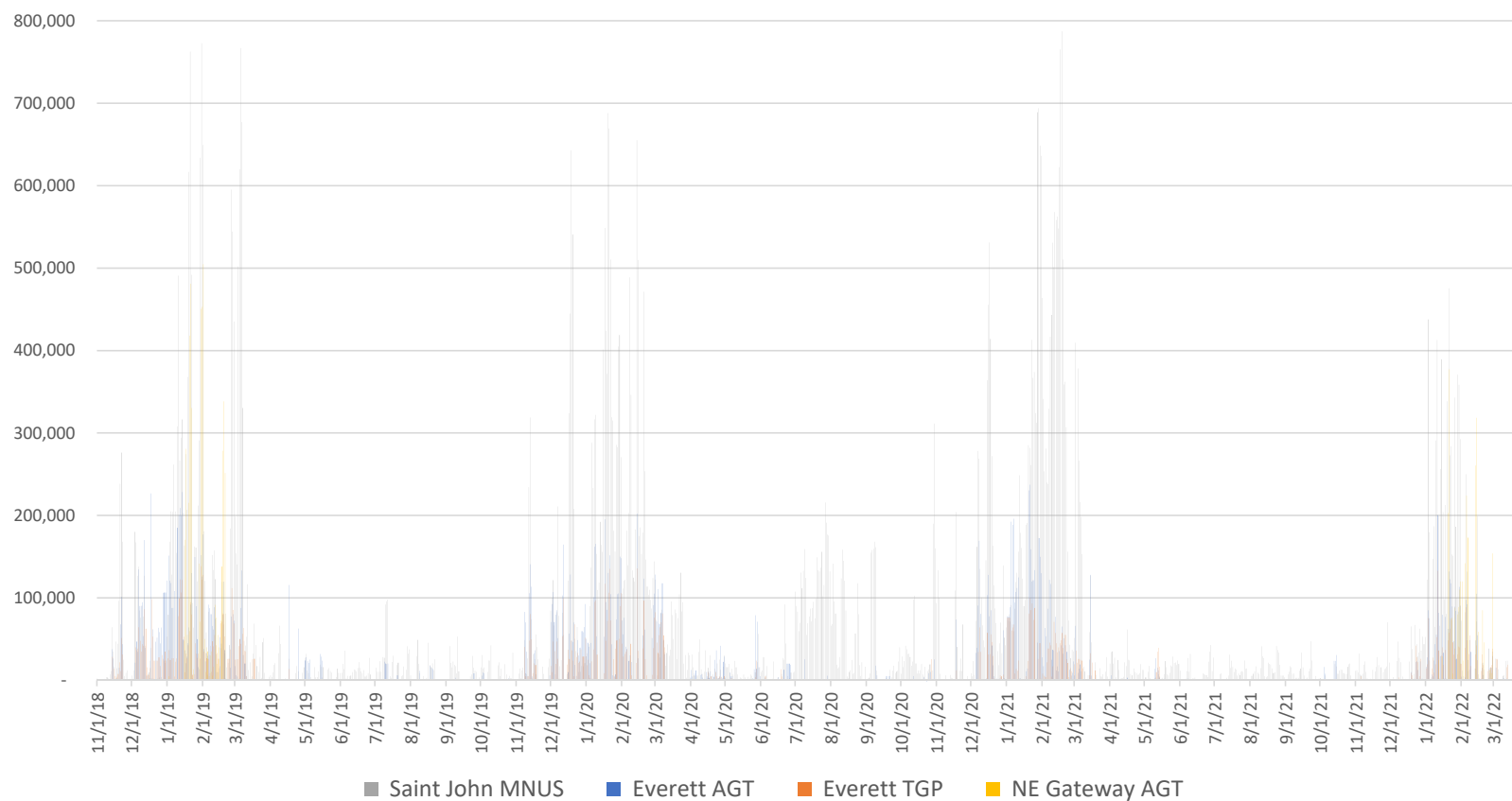
Source Genscape Pipeline Informational Postings

Regional Dynamics

LNG Supply



LNG Pipeline Send Outs

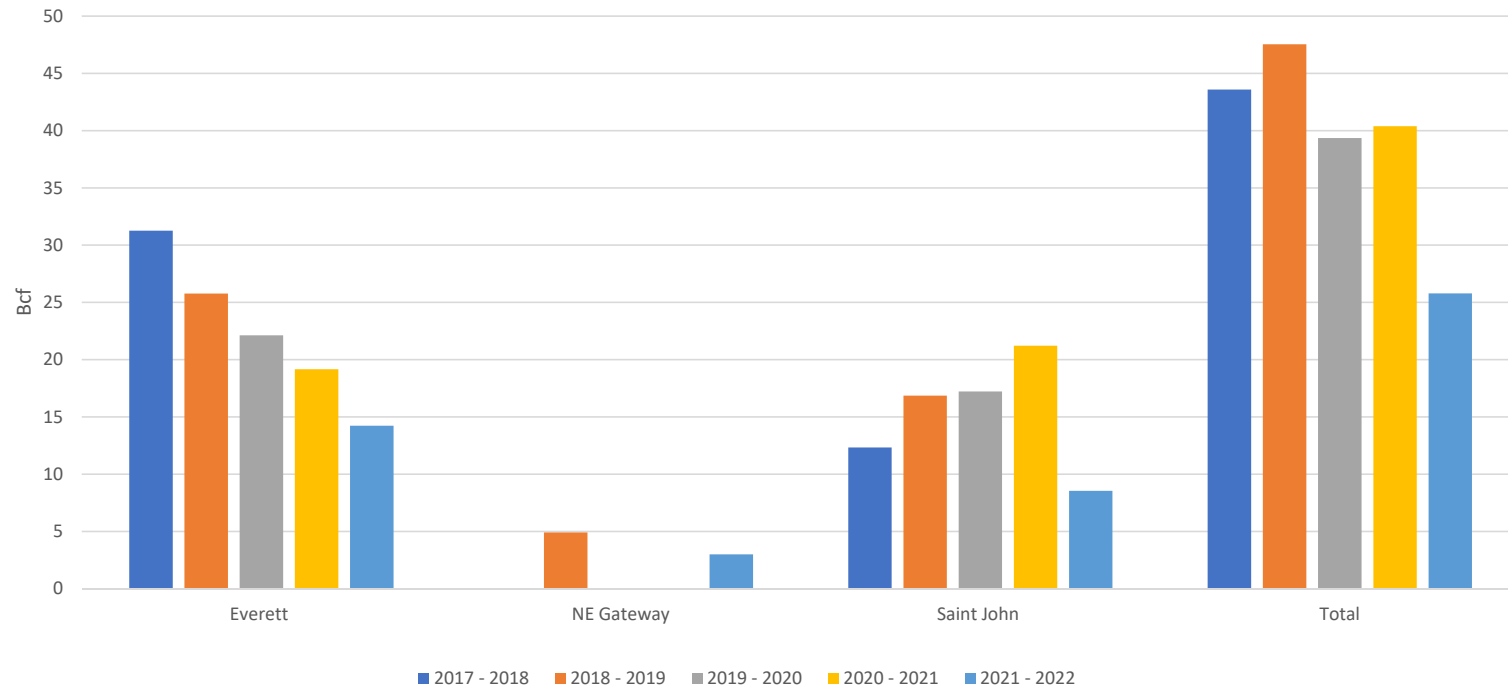


Regional Dynamics

LNG Supply



LNG Imports Overview



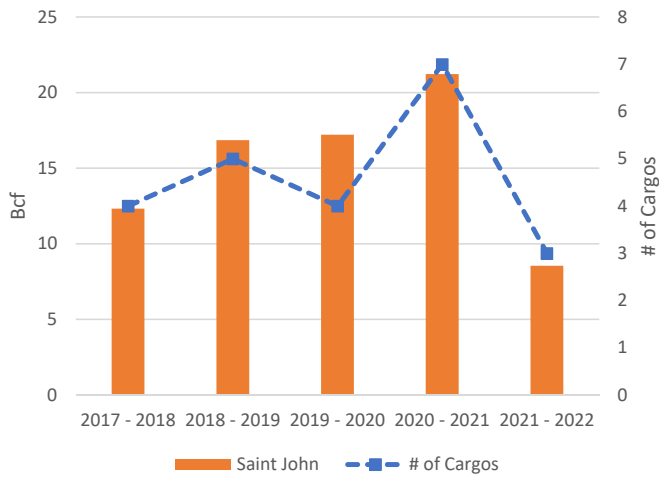
Import (Bcf)	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022
Everett	31.259	25.776	22.128	19.162	14.235
NE Gateway	0	4.915	0	0	3
Saint John	12.33	16.852	17.219	21.22	8.547
Total	43.589	47.543	39.347	40.382	25.782

Regional Dynamics

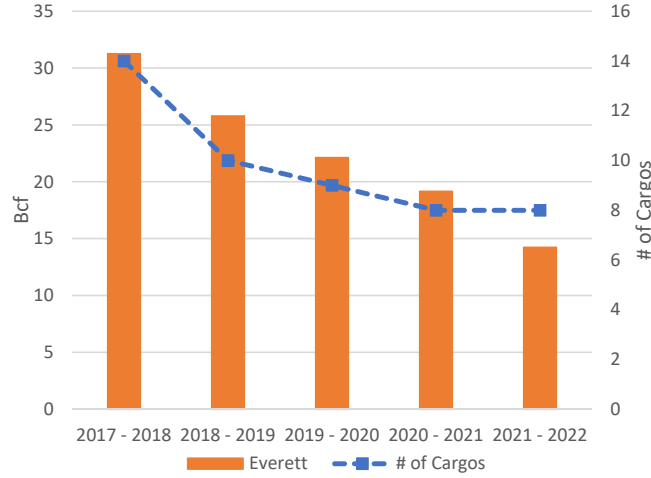
LNG Supply



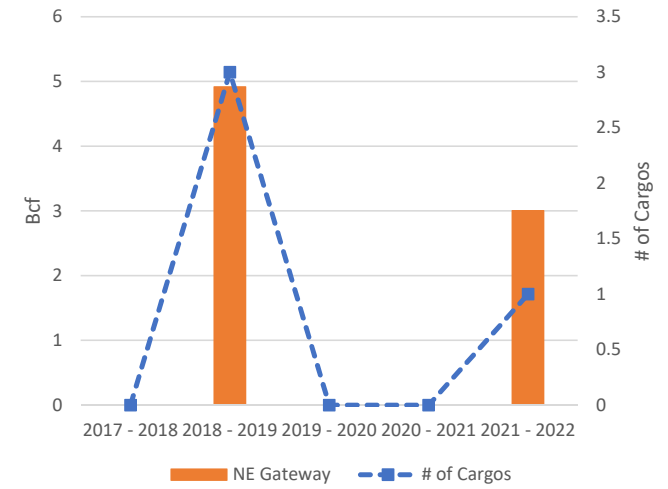
Saint John



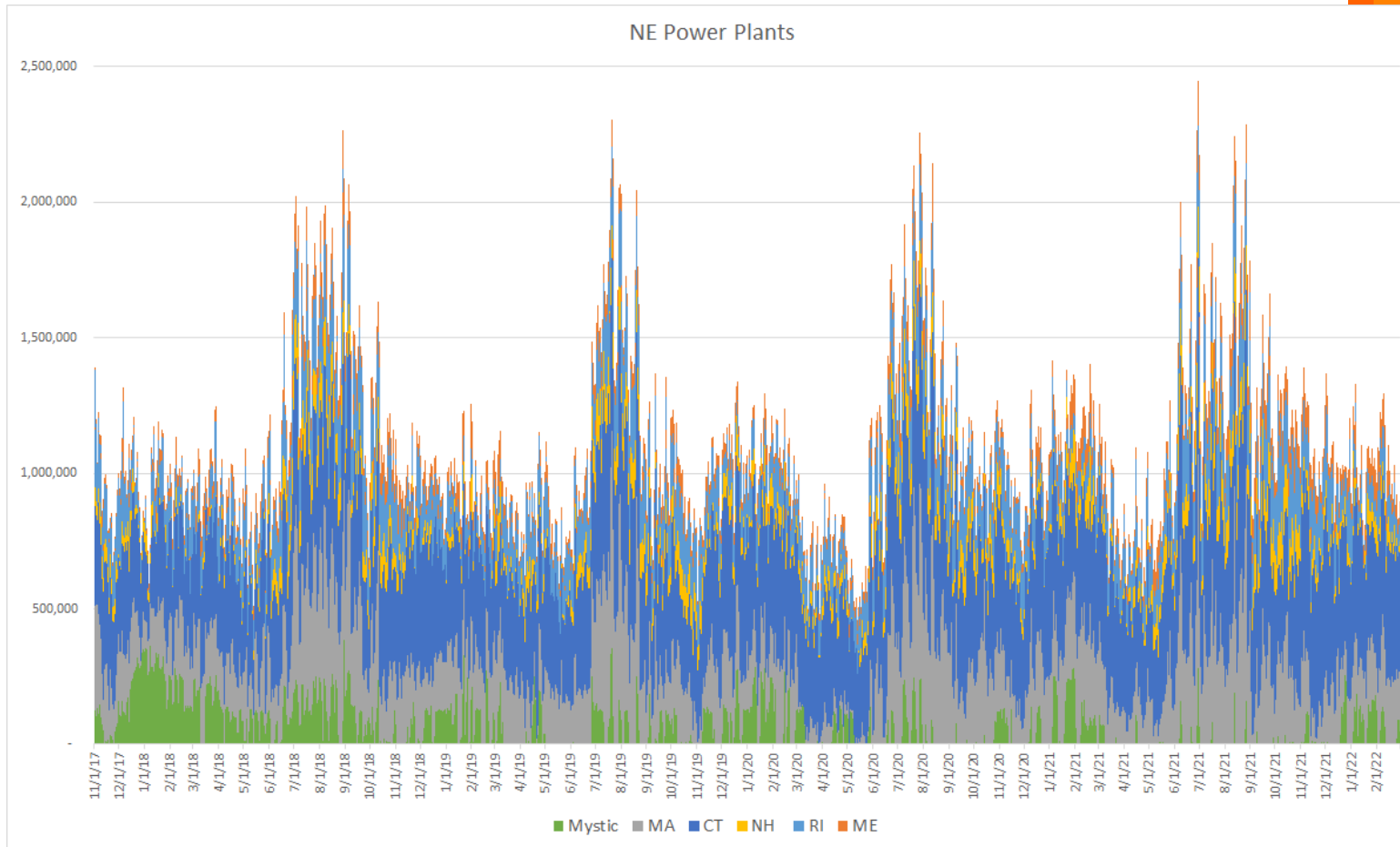
Everett



NE Gateway



Regional Dynamics



Saint John LNG

Ownership



- Repsol has completed the acquisition of 100% ownership of the Canaport LNG terminal in 2021.
- The terminal will be renamed Saint John LNG to mark the transition to new ownership, which aims to continue serving Repsol’s customers in Atlantic Canada and the US Northeast while looking at future developments aligned with its strategy to achieve zero net emissions by 2050.

RSG Certification

- Repsol has signed an agreement with the not-for-profit foundation MiQ – the leading market standard for methane emissions performance in the United States – to pursue certification for its Marcellus Shale production in Pennsylvania.
- This collaboration is part of the company’s push to reduce its methane emissions worldwide and to provide transparency on its performance with measurable and verifiable results in line with its net zero emissions target.