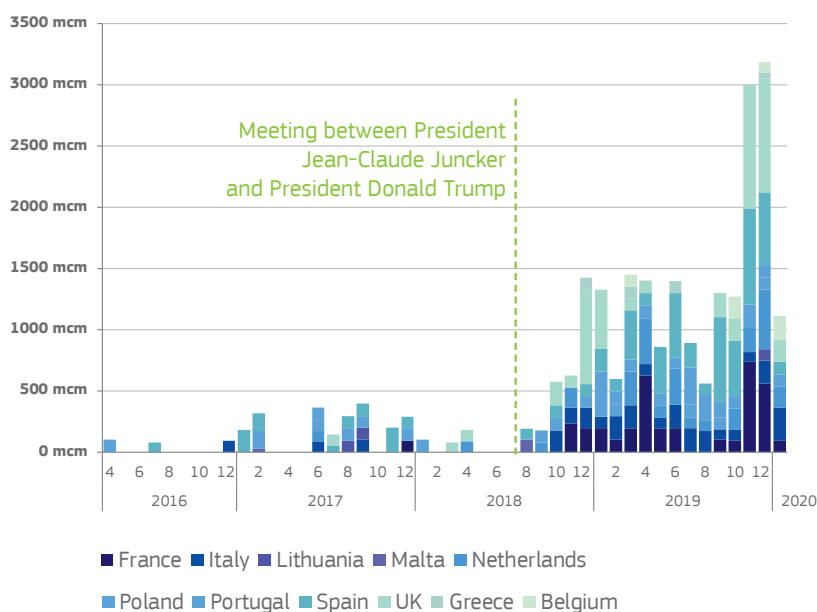


EU-U.S. LNG TRADE

U.S. liquefied natural gas (LNG) has the potential to help match EU gas needs

The European Union imports more and more liquefied natural gas (LNG) from the United States to diversify and render its energy supply more secure. LNG imports from the U.S. have increased substantially since the first shipment in April 2016. Data show that at the end of 2019 LNG exports to the EU recorded the highest volume ever. In November 2019 imports reached 3 billion cubic meters and their value was estimated at €0.5 billion. In December 2019 LNG imports from the US reached a new monthly record: 3.2 billion cubic meters, with an estimated value of €0.5 billion. The High-level Business to Business energy Forum on 2 May 2019 was a clear signal of the strengthened cooperation between the U.S. and the EU in this field. By early 2020 the EU imported more than 24 billion cubic meter LNG from the US since April 2016.

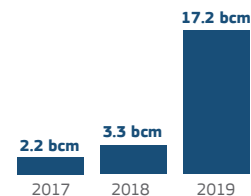
Steep increase of U.S. LNG imports in the EU after the Trump-Juncker agreement in July 2018, mainly in France, Italy, Lithuania, Malta, Netherlands, Poland, Portugal, Spain, UK, Greece and Belgium.



* Data until 8 January 2020
Source: European Commission.



36% of U.S. LNG exports went to the EU in 2019



U.S. LNG exports to the EU could increase even further in the forthcoming years



Final investment decision for EU funded Krk terminal in Croatia in January 2019



Signature of a grant agreement for the extension of the LNG terminal in Świnoujście, in April 2019. The EU invested almost €352 million



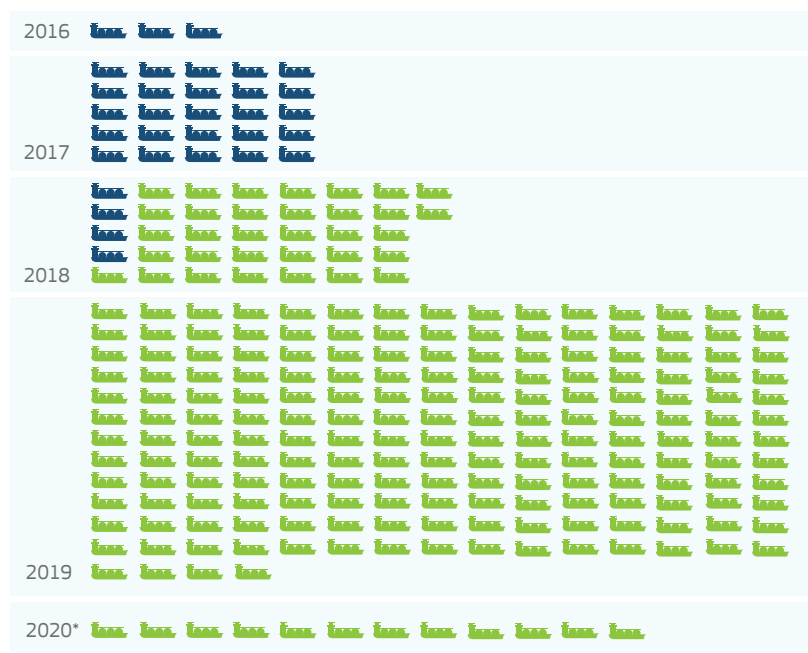
Approval of state aid support for Klaipėda LNG terminal in Lithuania in October 2018



Announcement of new LNG terminals in Brunsbüttel and Wilhelmshaven, Germany

U.S.-EU LNG vessels per year

 LNG vessels arriving BEFORE the EU / U.S. joint statement
 LNG vessels arriving AFTER the EU / U.S. joint statement

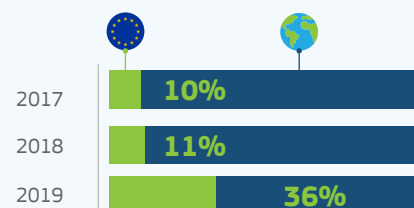


* Data until 8 January 2020.

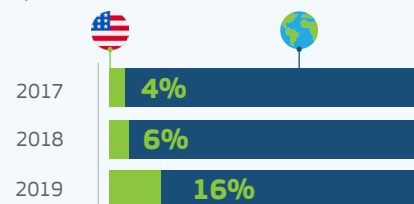
Source: European Commission.

Surge in U.S.-EU LNG trade

U.S. exports to the EU



EU imports from the U.S.



EU and U.S. in the global liquefied natural gas market

The global liquefied natural gas market is becoming increasingly fluid and competitive. Between 2017 and 2023, global liquefied natural gas trade is expected to grow by more than 100 billion cubic meters, from 391 to 505. The International Energy Agency expects liquefied natural gas imports to Europe to increase by almost 20% by 2040 compared to 2016 levels.



U.S.



EU

- Biggest gas producer in the world

- Growing gas production

- Increasing gas exports

- U.S. is significantly increasing its LNG export infrastructure

- 2nd biggest gas consumer after the U.S.

- Rapidly declining domestic gas production

- Increasing gas imports (today 70% of demand); need to diversify imports to improve security of supply

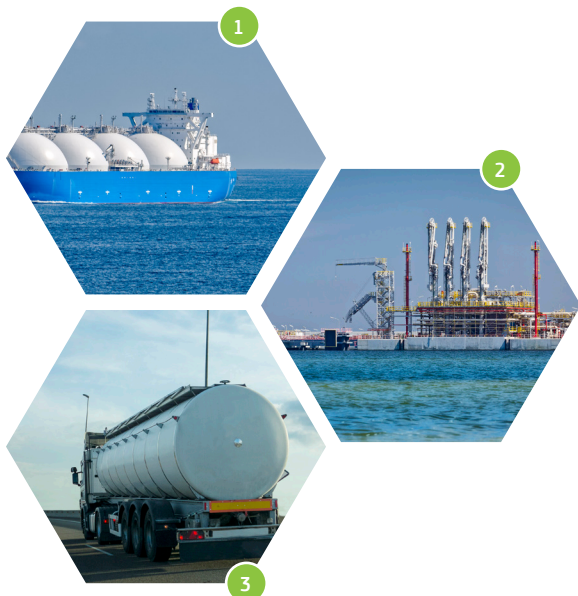
- EU has strongly developed LNG import infrastructure with massively available capacity (utilisation rate was above 50% in 2019)

- Additional LNG terminals in development, some with EU support

The increasing gas production in the U.S. and the start of U.S. LNG exports to the EU in 2016 have improved the security of gas supply in Europe and globally. Europe is currently importing around 70% of the gas it needs, and this share is expected to increase in the coming years. LNG is also an important part of the EU's diversification strategy; and as the second biggest single gas market in the world after the U.S., the EU is therefore an attractive option for the U.S.

Natural gas plays a central role in the EU energy system - including in the context of the clean energy transition - accounting for 23% of energy demand.

The European LNG infrastructure



Further opportunities

In addition to being an insurance policy against threats to the security of gas supply, LNG can contribute to the fight against climate change. LNG is a good solution for air pollution in the maritime sector, as it allows meeting the standards of the International Maritime Organization on maritime emissions, especially for sulfur (SO_x) and nitrogen (NO_x) oxides and the global sulphur cap (0.50% in 2020).

LNG-powered ships could be part of the answer as LNG produces up to 80 % less emissions than fuel oil. In the EU €135 million have been already invested in Motorways of the Sea (MoS) on LNG maritime projects.

1. Liquefied natural gas tanker
2. Offshore liquid natural gas terminal, Świnoujście, Poland
3. Liquefied natural gas transport, Spain

Next Steps

The **EU and the U.S. have much to gain from the LNG trade** as there is real potential for further increase LNG trade in the coming years. Since the meeting of President Trump with President Juncker, U.S. LNG exports into Europe increased by 760%*. A total of 24 billion cubic meters (assessed at EUR 4.1 billion) of U.S. LNG has arrived in the EU since April 2016. The transatlantic trade of LNG could increase even further over the next few years: since 2018 US and EU companies have signed LNG offtake agreements for more than 35 billion cubic meters. In addition, by strengthening their cooperation on energy matters, the E.U. and the U.S. will send a **signal for all Europe**, as well as to the rest of the world, of the advantages of U.S. LNG. **The fact is that U.S. LNG, if priced competitively, can play an increasing role in EU gas supply**, enhancing diversification and EU energy security.

Further transatlantic cooperation will include actions aimed at:



Removing unnecessary U.S. LNG licencing barriers to accelerate U.S. exports



Working on reciprocal solutions to provide equivalence for the purposes of access to markets

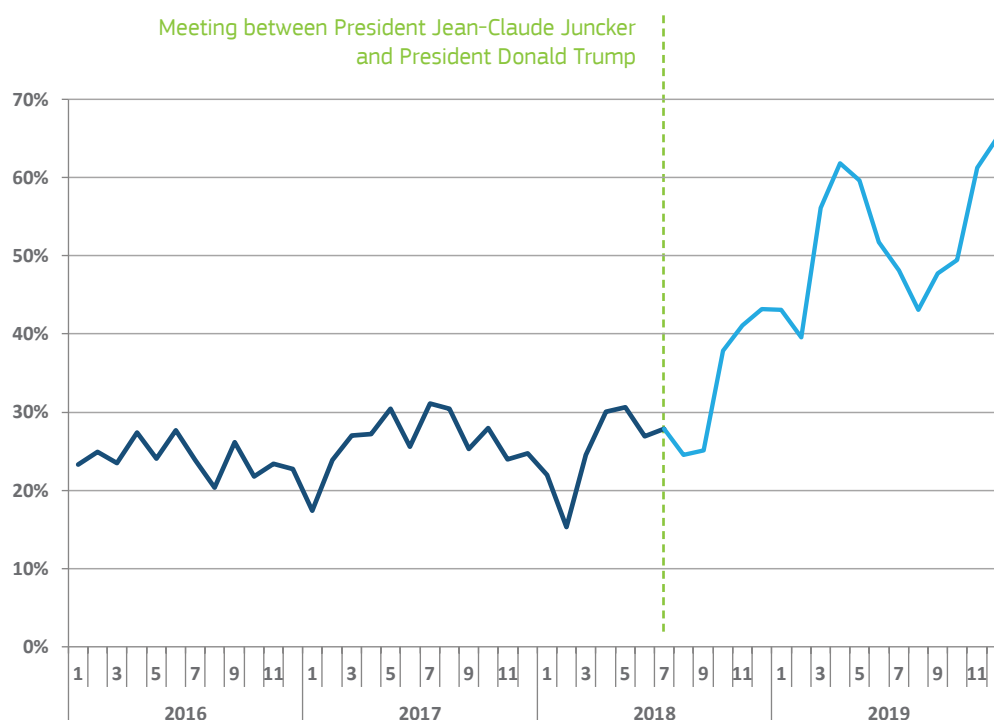


Developing joint efforts to complete key missing infrastructures and investments in Europe to improve access to LNG



Establish regular consultations and promotion activities with market operators to make U.S. the major gas supplier to Europe

Average EU utilisation rate of LNG re-gasification capacities*



* Data until 8 January 2020
Source: European Commission.