



LNG: Market Facilitator or Global Driver

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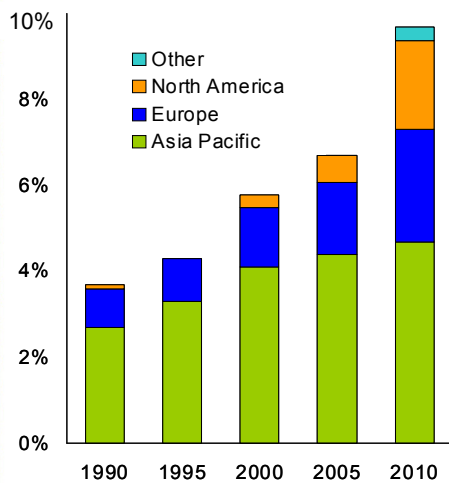
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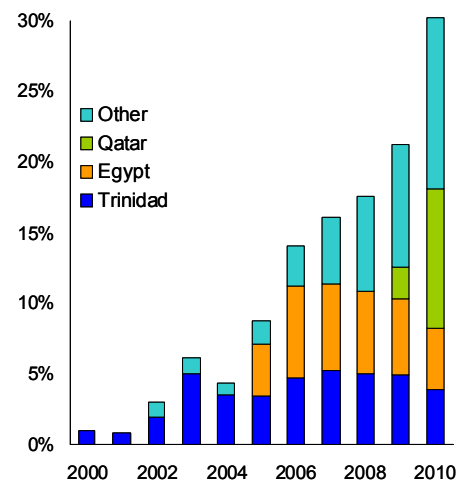
- LNG's changing role in the global gas market
- Increasing LNG market liquidity
- Longer term shifts in global gas demand
- The emergence of unconventional gas
- Some implications for the LNG business
- Conclusions



LNG Share of Global Gas Market



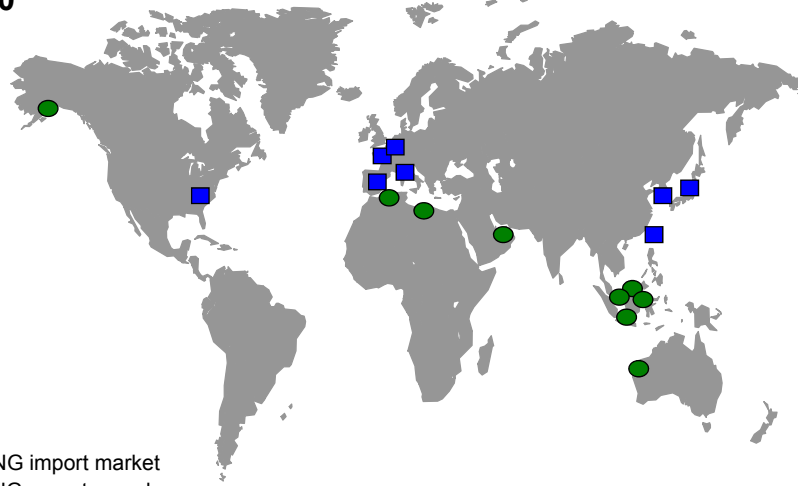
Flexible LNG Share of Total LNG Supply



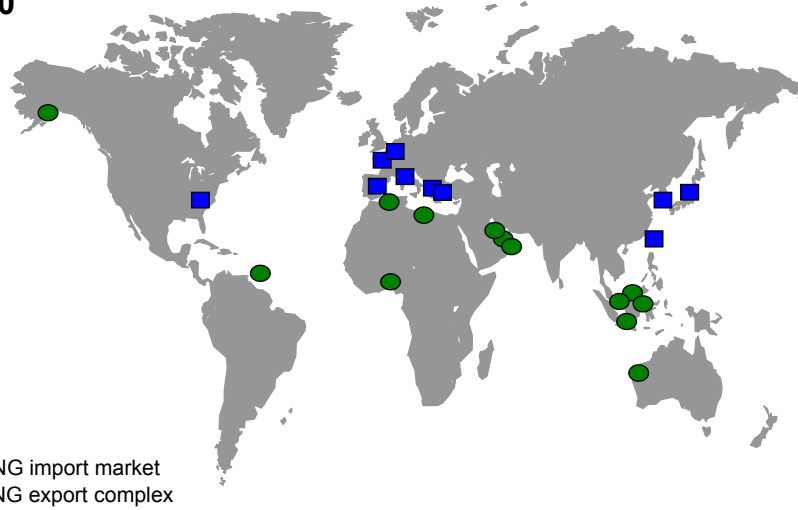
Source: BP Statistical Review/BP analysis



1990

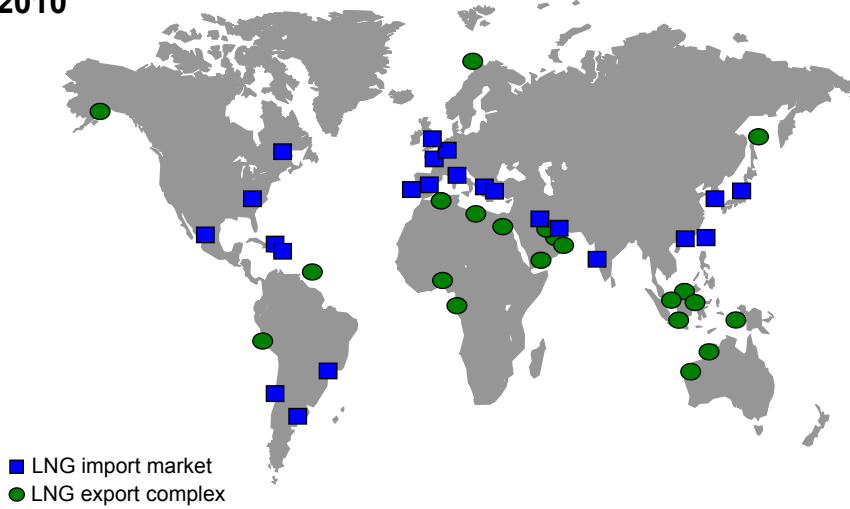


2000

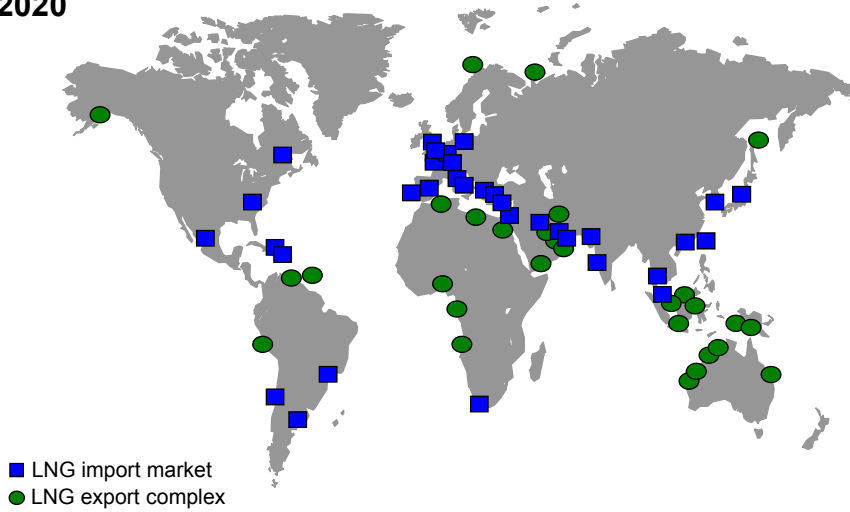




2010

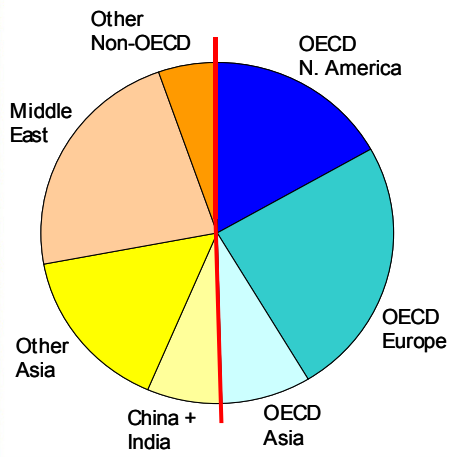


2020

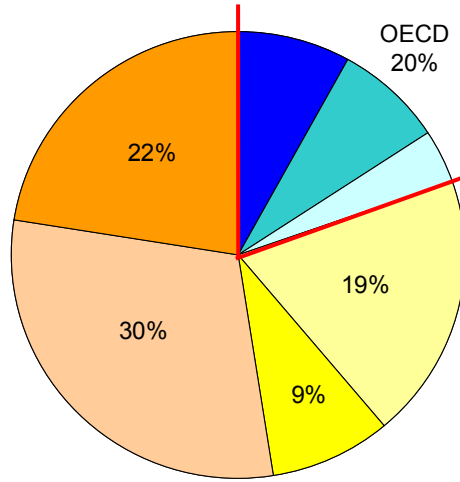




1990-2005: +78 bcf/d (15% LNG)



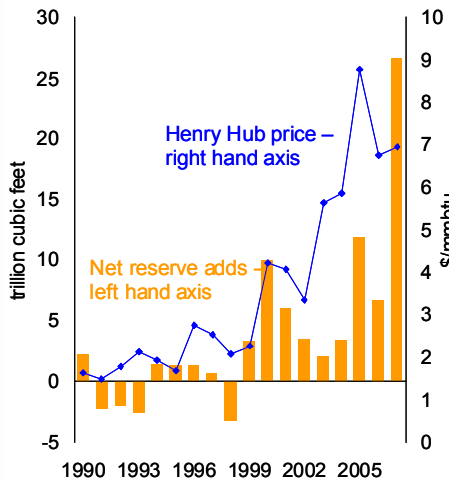
2005-2020: +128 bcf/d (26% LNG)



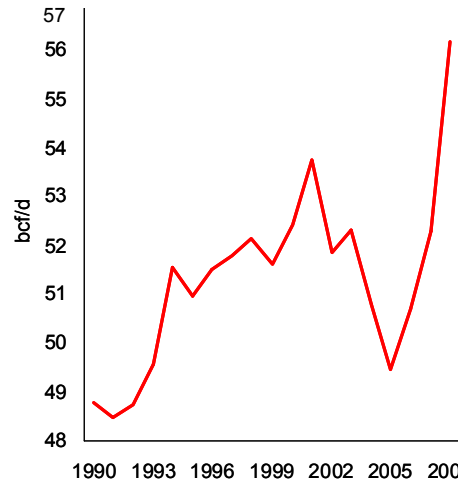
Source: BP Statistical Review/BP analysis



Annual Net Change in US Proven Reserves



US Dry Gas Production

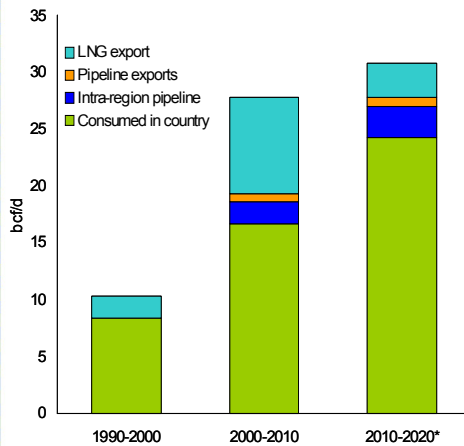


Source: US EIA/Platts

Source: US EIA

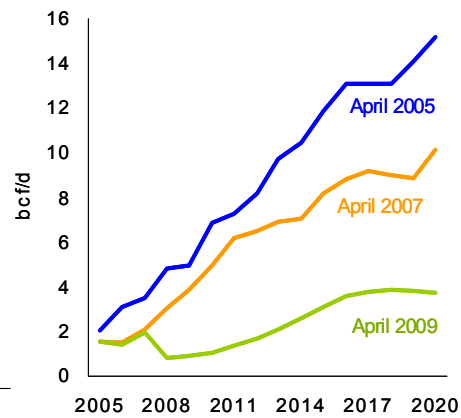


Less Middle East Gas for Export After 2010



Source: BP Forecast

US LNG Imports



Source: US EIA Forecast



- Flexible LNG supply connects regional markets and makes the global gas market more responsive to supply/demand fluctuations
- The LNG market is becoming more liquid with more counterparties and the emergence of the US and UK as LNG importing countries
- The nature of the business is changing in response to wider market dynamics:
 - Unconventional gas technology
 - Non-OECD markets developing rapidly
- LNG market growth looks set to decelerate following the current period of very rapid growth