LNG Shipping Market

13 June 2018
IMPORTANT / DISCLAIMER: The statistical and graphic information set forth in the analysis is compiled by Fearnley Consultants A/S based on the databases and time series supplied by Fearnresearch, the research division of Fearnleys A/S, and other external sources of information. Fearnresearch compiles, processes and publishes data for the benefit of the brokering departments of Fearnleys A/S and its clients. Its methodologies for collecting data, and therefore the data collected, may differ from those of other sources, and its data do not reflect all or even necessarily a comprehensive set of actual transactions occurring in the market. Certain estimates may be based on prevailing market conditions. There can be no assurance that such data reflect actual market conditions. Data compilation, especially for earlier historical periods, is subject to limited audit and validation procedures. Both closed and open sources, interviews and market intelligence to gain information on different topics may be used. Accordingly, there can be no assurance as to the accuracy or completeness of the estimates, advice, statements and any other information contained in the analysis.

The analyses, estimates, advice, statement and any other information contained in the analysis are prepared and presented in good faith. However, neither Fearnley Consultants A/S, Fearnleys A/S nor any of their subsidiaries, associated companies, organisations, management personnel, employees, agents or independent contractors (collectively the "Fearnley Interests") shall under any circumstances be under any liability for any losses, damages or costs caused to any person, company or other legal entity arising or resulting directly or indirectly from reliance on any inaccurate, incorrect, incomplete or misleading analyses, estimate, advice, statement or any other information contained in the analysis resulting directly or indirectly from any negligent or gross negligent act(s) or omission(s), or wilful misconduct, committed by any of the Fearnley Interests.

In the event that a court or tribunal, notwithstanding the above liability exemptions, should hold any, some or all of the Fearnley Interests liable in damages for any inaccurate, incorrect, incomplete or misleading analyses, estimate, advice, statement or any other information, the liability shall not under any circumstances whatsoever exceed ten (10) times the fees payable for the analysis in question, or US$ 100,000 (United States Dollar Hundred Thousand), whichever is the higher. Under no circumstances whatsoever shall the individual or individuals who have caused the losses, damage or costs be held personally responsible or liable in any way. The Fearnley Interests shall under no circumstances whatsoever be liable for punitive damages.

The analysis is prepared to the benefit of the named addressee only. No other third party may rely on the analysis or any of its content without prior written approval of Fearnley Consultants A/S.
LNG Shipping Market – June 2018

- Shipping Rates
- Shipping Activity
- LNG Trade
- LNG Carrier Fleet
- LNGC Market Forecast
LNG Shipping Market – June 2018

- Shipping Rates
- Shipping Activity
- LNG Trade
- LNG Carrier Fleet
- LNGC Market Forecast
Spot rates continue to recover...

LNGC Rates

- Spot 155-165k TFDE
- Spot 138-145k ST

<table>
<thead>
<tr>
<th>Year</th>
<th>ST 138-145k</th>
<th>TFDE 155-165k</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>20,409</td>
<td>33,529</td>
</tr>
<tr>
<td>Qtr 1</td>
<td>20,712</td>
<td>29,654</td>
</tr>
<tr>
<td>Qtr 2</td>
<td>17,327</td>
<td>30,615</td>
</tr>
<tr>
<td>Qtr 3</td>
<td>21,250</td>
<td>35,923</td>
</tr>
<tr>
<td>Qtr 4</td>
<td>22,346</td>
<td>37,923</td>
</tr>
<tr>
<td>2017</td>
<td>26,442</td>
<td>43,563</td>
</tr>
<tr>
<td>Qtr 1</td>
<td>22,442</td>
<td>38,231</td>
</tr>
<tr>
<td>Qtr 2</td>
<td>22,327</td>
<td>32,173</td>
</tr>
<tr>
<td>Qtr 3</td>
<td>25,846</td>
<td>40,308</td>
</tr>
<tr>
<td>Qtr 4</td>
<td>35,154</td>
<td>63,538</td>
</tr>
<tr>
<td>2018</td>
<td>35,080</td>
<td>55,864</td>
</tr>
<tr>
<td>Qtr 1</td>
<td>38,442</td>
<td>65,462</td>
</tr>
<tr>
<td>Qtr 2</td>
<td>30,222</td>
<td>42,000</td>
</tr>
</tbody>
</table>

Sources: Fearnleys
Note: Data until 1st June 2018
...with high seasonality

LNGC Rates
- Spot Rate 155-165k TFDE
- Spot Rate 138-145k ST

Sources: Fearnleys
Note: Data until 1st June 2018
Q1 2018 affected by record LNG carrier deliveries

How strong were Q1 deliveries?
Around 10 deliveries would have kept the LNGC market balanced in Q1
Mid-Term rates have also recovered from 2016 lows

LNGC Rates (155-165k TFDE)

- Spot Rate
- 1yr TC
- 3yr TC
- 5yr TC

Sources: Fearnleys
Note: Data until 1st June 2018
LNG Shipping Market – June 2018

- Shipping Rates
- **Shipping Activity**
- LNG Trade
- LNG Carrier Fleet
- LNGC Market Forecast
LNG trade and shipping demand keeps growing

Volume below the expected 9.5% (28mt) for the year
LNGC demand above the expected 11% for the year

<table>
<thead>
<tr>
<th></th>
<th>Loadings</th>
<th>Ton-Miles</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>9.9%</td>
<td>13.9%</td>
</tr>
<tr>
<td>February</td>
<td>8.6%</td>
<td>14.1%</td>
</tr>
<tr>
<td>March</td>
<td>1.3%</td>
<td>19.0%</td>
</tr>
<tr>
<td>April</td>
<td>5.1%</td>
<td>4.6%</td>
</tr>
<tr>
<td>May</td>
<td>4.9%</td>
<td>6.0%</td>
</tr>
<tr>
<td><strong>2018</strong></td>
<td><strong>6.0%</strong></td>
<td><strong>11.7%</strong></td>
</tr>
</tbody>
</table>

Sources: Fearnleys
Note: Loadings measured by loading date, ton-miles measured by discharge date.
LNGC Utilisation recovering strongly from shoulder months
LNG Carriers Speed

Ballast speed recovering and aligned with activity. Winter levels back to those seen in 2014. MEGIs are showing off their efficiency.
LNG is travelling longer distances

Average Distance

Nautical Miles

- 2016: 3,702
- 2017: 3,822
- 2018: 4,053

Sources: Fearnleys

Note:
Spot Market - Vessel Availability

Prompt availability following seasonality.

Prompt LNGC Availability

Sources: Fearnleys Weekly
Note:
Short-term fixtures and Charterers

Short-term fixtures in level of last year...

### Top 10 Charterers 2018

- **Trafigura**
- **BP**
- **Cheniere**
- **Gurvor**
- **N/A**
- **ENGIE**
- **Qatargas**
- **PetroChina**
- **ExxonMobil**
- **APLNG**
- **Centrica**
- **ENI**
- **Glencore**
- **Mitsui & Co.**
- **Shell**

### Short-Term Fixtures – 2018 vs 2017 YTD

#### Spot (<90d)
- **2017**: 111
- **2018**: 108

#### Multi Month (<365d)
- **2017**: 19
- **2018**: 18

#### Short-term (<1095d)
- **2017**: 4

Sources: Fearnleys

Note: Updated 28 February 2018 however some February charters could be confirmed during March.
Short-term loadings

Multi-month fixtures are taking a larger share of short-term trade

LNG Loadings with short-term shipping

- Multi Month (<365d)
- Short term (<1095d)
- Spot (<90d)

Sources: Fearnleys
Note: Updated 28 February 2018 however some February charters could be confirmed during March.
LNG Shipping Market – June 2018

- Shipping Rates
- Shipping Activity
- LNG Trade
- LNG Carrier Fleet
- LNGC Market Forecast
Still riding the LNG wave!

292.5 mt traded in 2017 according to GIIGNL
Around 100mt more to come based on projects under construction
LNG Projects

Smöother supply curve, less oversupply 2019/2020

Not necessarily bad for LNGCs as this supports healthy LNG price and trade

Sources: Fearnleys
Note:
Exports & Imports (YoY)

YTD vs Same Period Last Year

Exports

<table>
<thead>
<tr>
<th>Country</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qatar</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australia</td>
<td>200</td>
<td>150</td>
</tr>
<tr>
<td>Malaysia</td>
<td>100</td>
<td>80</td>
</tr>
<tr>
<td>Nigeria</td>
<td>50</td>
<td>40</td>
</tr>
<tr>
<td>Indonesia</td>
<td>30</td>
<td>20</td>
</tr>
<tr>
<td>Algeria</td>
<td>20</td>
<td>15</td>
</tr>
<tr>
<td>United States</td>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td>Russia</td>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td>Trinidad and Tobago</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Oman</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Brunei</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Papua New Guinea</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>UAE</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Norway</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Angola</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Peru</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Equatorial Guinea</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Egypt</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

Imports

<table>
<thead>
<tr>
<th>Country</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>600</td>
<td></td>
</tr>
<tr>
<td>South Korea</td>
<td>500</td>
<td></td>
</tr>
<tr>
<td>China</td>
<td>400</td>
<td></td>
</tr>
<tr>
<td>India</td>
<td>300</td>
<td></td>
</tr>
<tr>
<td>Taiwan</td>
<td>200</td>
<td></td>
</tr>
<tr>
<td>Spain</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>France</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>Turkey</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>Italy</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td>Pakistan</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>Chile</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Egypt</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Mexico</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Thailand</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>United Kingdom</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Indonesia</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Jordan</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Singapore</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Argentina</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>United States</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Kuwait</td>
<td>10</td>
<td></td>
</tr>
</tbody>
</table>

Sources: Fearnleys
Note: Based on in-house tracking data. Jan-May data included. Only top import countries are represented in slide.
US LNG comes with a lot of shipping demand

US LNG is heading to Asia more than expected and not all of it is taking the shortest route.

**US Exports**

<table>
<thead>
<tr>
<th>Discharge Region</th>
<th>Qtr 1 2017</th>
<th>Qtr 2 2017</th>
<th>Qtr 3 2017</th>
<th>Qtr 4 2017</th>
<th>Qtr 1 2018</th>
<th>Qtr 2 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>23%</td>
<td>20%</td>
<td>24%</td>
<td>20%</td>
<td>22%</td>
<td>20%</td>
</tr>
<tr>
<td>Far East</td>
<td>19%</td>
<td>19%</td>
<td>19%</td>
<td>16%</td>
<td>15%</td>
<td>17%</td>
</tr>
<tr>
<td>MEG &amp; South Asia</td>
<td>19%</td>
<td>20%</td>
<td>15%</td>
<td>20%</td>
<td>13%</td>
<td>20%</td>
</tr>
<tr>
<td>Mexico &amp; Caribbean</td>
<td>19%</td>
<td>20%</td>
<td>15%</td>
<td>15%</td>
<td>15%</td>
<td>15%</td>
</tr>
<tr>
<td>North America</td>
<td>22%</td>
<td>22%</td>
<td>22%</td>
<td>22%</td>
<td>22%</td>
<td>22%</td>
</tr>
<tr>
<td>South America</td>
<td>22%</td>
<td>22%</td>
<td>22%</td>
<td>22%</td>
<td>22%</td>
<td>22%</td>
</tr>
</tbody>
</table>

**Average Distance (miles)**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qtr 1</td>
<td>7,071</td>
<td>8,422</td>
</tr>
<tr>
<td>Qtr 2</td>
<td>6,192</td>
<td>7,004</td>
</tr>
<tr>
<td>Qtr 3</td>
<td>6,720</td>
<td></td>
</tr>
<tr>
<td>Qtr 4</td>
<td>8,740</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>7,253</td>
<td>7,868</td>
</tr>
</tbody>
</table>

**Routes - Total US LNG**

<table>
<thead>
<tr>
<th>Via</th>
<th>Qtr 1 2017</th>
<th>Qtr 2 2017</th>
<th>Qtr 3 2017</th>
<th>Qtr 4 2017</th>
<th>Qtr 1 2018</th>
<th>Qtr 2 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cape Horn/MS</td>
<td>16%</td>
<td>22%</td>
<td>13%</td>
<td>10%</td>
<td>16%</td>
<td>10%</td>
</tr>
<tr>
<td>CGH</td>
<td>63%</td>
<td>33%</td>
<td>40%</td>
<td>54%</td>
<td>56%</td>
<td>44%</td>
</tr>
<tr>
<td>Open Sea</td>
<td>19%</td>
<td>19%</td>
<td>41%</td>
<td>19%</td>
<td>18%</td>
<td>34%</td>
</tr>
<tr>
<td>Panama Canal</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Suez Canal</td>
<td>16%</td>
<td>39%</td>
<td>35%</td>
<td>21%</td>
<td>18%</td>
<td>34%</td>
</tr>
</tbody>
</table>

**Routes - US LNG to Far East**

<table>
<thead>
<tr>
<th>Via</th>
<th>Qtr 1 2017</th>
<th>Qtr 2 2017</th>
<th>Qtr 3 2017</th>
<th>Qtr 4 2017</th>
<th>Qtr 1 2018</th>
<th>Qtr 2 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cape Horn/MS</td>
<td>100%</td>
<td>92%</td>
<td>79%</td>
<td>68%</td>
<td>77%</td>
<td>76%</td>
</tr>
<tr>
<td>CGH</td>
<td>9%</td>
<td>9%</td>
<td>12%</td>
<td>12%</td>
<td>15%</td>
<td>15%</td>
</tr>
<tr>
<td>Open Sea</td>
<td>19%</td>
<td>19%</td>
<td>19%</td>
<td>19%</td>
<td>19%</td>
<td>19%</td>
</tr>
<tr>
<td>Panama Canal</td>
<td>100%</td>
<td>82%</td>
<td>68%</td>
<td>77%</td>
<td>76%</td>
<td>76%</td>
</tr>
<tr>
<td>Suez Canal</td>
<td>9%</td>
<td>12%</td>
<td>23%</td>
<td>24%</td>
<td>25%</td>
<td>25%</td>
</tr>
</tbody>
</table>

Sources: Fearnleys
Note: Updated 28 February 2018.
Panama Canal

Occasional double and triple transits are needed during winters.

**LNGC Transits via Panama Canal**

- **Direction:** Northbound - Southbound
- **Passages:**
  - March: Northbound: 0, Southbound: 0
  - April: Northbound: 0, Southbound: 0
  - May: Northbound: 0, Southbound: 0
  - June: Northbound: 0, Southbound: 0
  - July: Northbound: 0, Southbound: 0
  - August: Northbound: 0, Southbound: 0
  - September: Northbound: 0, Southbound: 0
  - October: Northbound: 0, Southbound: 0
  - November: Northbound: 0, Southbound: 0
  - December: Northbound: 0, Southbound: 0
  - January: Northbound: 0, Southbound: 0
  - February: Northbound: 0, Southbound: 0
  - March: Northbound: 0, Southbound: 0
  - April: Northbound: 0, Southbound: 0
  - May: Northbound: 0, Southbound: 0

**Tank Condition:** Ballast - Laden

- **Passages:**
  - March: Northbound: 0, Southbound: 0
  - April: Northbound: 0, Southbound: 0
  - May: Northbound: 0, Southbound: 0
  - June: Northbound: 0, Southbound: 0
  - July: Northbound: 0, Southbound: 0
  - August: Northbound: 0, Southbound: 0
  - September: Northbound: 0, Southbound: 0
  - October: Northbound: 0, Southbound: 0
  - November: Northbound: 0, Southbound: 0
  - December: Northbound: 0, Southbound: 0
  - January: Northbound: 0, Southbound: 0
  - February: Northbound: 0, Southbound: 0
  - March: Northbound: 0, Southbound: 0
  - April: Northbound: 0, Southbound: 0
  - May: Northbound: 0, Southbound: 0

**Top Charterers via Panama**

- **Transits:**
  - Cheniere: 40
  - Shell: 20
  - Gas Natural: 15
  - KOGAS: 10
  - Total: 5
  - BP: 4
  - Tokyo LNG Tan: 3
  - Cool Pool: 2
  - Gunvor: 2
  - Excelerate Energy: 1
  - Kansai Electric: 1
  - Korea Line: 1
  - SK Shipping: 1

*Sources: Fearnleys*
*Note:*
European Imports and re-loadings

Imports grew around 20% in 2017, over 13% in 2018 YTD.

Sources: Fearnleys
Note: Period Jan-May. Q2 not complete for re-loadings stats.
European re-exports recovering

LNG prices and Yamal volumes are helping to reverse the annual drop in European re-exports.

Yamal LNG Discharges

<table>
<thead>
<tr>
<th>Destination Country</th>
<th>2017</th>
<th>2018</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>13</td>
<td>13</td>
<td>26</td>
</tr>
<tr>
<td>Netherlands</td>
<td>1</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>1</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Belgium</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Spain</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3</strong></td>
<td><strong>27</strong></td>
<td><strong>30</strong></td>
</tr>
</tbody>
</table>
Imports via floating solutions slowing down in 2018 in total, but Pakistan and China growing strongly. Bangladesh soon an important addition to this club.
LNG Shipping Market – June 2018

- Shipping Rates
- Shipping Activity
- LNG Trade
- LNG Carrier Fleet
- LNGC Market Forecast
LNGC Fleet Overview

**Fleet by Status**
- Layup: 22 (4%)
- Live: 85 (16%)
- Order: 436 (80%)

**Fleet by Age**
- Average Age: 10

**Fleet by Capacity**
- Average Capacity: 160K

**Fleet by Propulsion**
- Live LNG Carriers:
  - ST: 201
  - TFDE: 124
- Ordered LNG Carriers:
  - MEGI: 39
  - TFDE: 16
  - TFDE - Azimuth: 9
  - STRH: 16
  - DFDE: 10
  - XDF: 10

Sources: Fearnleys
Note:
Large deliveries expected in 2018/19, although some slippage is expected. Many DDs in 2018. Orders recovering but still below 2000-2015’s average of 27 LNGCs.
Commercial Types and Availability

Large deliveries expected in 2018/19, although some slippage is expected. Many DDs in 2018.
FSRU Overview - Fleet

FSRU Fleet by Owners

- Hoeigh LNG: 8 Live, 2 Order
- Excelerate Energy: 9 Live
- Golar LNG: 7 Live, 1 Order
- BWGas: 2 Live, 1 Order
- Dynagas: 2 Live
- Exmar: 1 Live
- Gazprom: 1 Live
- IREN Group: 1 Live
- Kolin/Kalyon: 1 Live
- Maran Gas Maritime: 1 Live
- MOL: 1 Live
- Pertamina: 1 Live
- Swan Energy: 1 Live

FSRUs Deliveries & Orders

FSRU Orders

- 2000: 1 Live, 0 Order
- 2002: 1 Live, 3 Order
- 2004: 1 Live, 2 Order
- 2005: 2 Live, 4 Order
- 2006: 1 Live, 3 Order
- 2007: 3 Live, 3 Order
- 2008: 2 Live, 3 Order
- 2011: 5 Live
- 2012: 3 Live, 3 Order
- 2013: 3 Live
- 2014: 1 Live, 2 Order
- 2015: 1 Live, 2 Order
- 2016: 1 Live, 3 Order
- 2017: 2 Live, 6 Order

FSRU Deliveries

- 2004: 2 Live, 2 Order
- 2005: 1 Live, 1 Order
- 2006: 3 Live, 3 Order
- 2009: 6 Live
- 2010: 3 Live
- 2014: 4 Live
- 2015: 3 Live
- 2016: 3 Live
- 2018: 3 Live
- 2019: 4 Live
- 2020: 4 Live
- 2021: 2 Live, 2 Order

Sources: Fearnleys
Note:
LNG Shipping Market – June 2018

- Shipping Rates
- Shipping Activity
- LNG Trade
- LNG Carrier Fleet
- LNGC Market Forecast
Sources: Fearnleys
Note: LNGC Supply and Demand are both measured in actual units, but to model market balance we model a 10% overcapacity is needed, hence a requirement of 0.9 carrier will be enough to utilize 1 carrier per year in a balanced market with normal charter rates.
Final Remarks

- Chinese LNG demand still strong in short and mid-term
- Stronger oil price and project delays increases LNG price and arb
- Timing of LNGC deliveries 2H18/2019 still something to follow
- 2018 NB orders YTD still not enough to cover for capacity coming online by 2020
- LNG shipping Market expected to continue recovery (with seasonality)
# Base Case

<table>
<thead>
<tr>
<th><strong>Main Assumptions</strong></th>
<th><strong>Sensitivities – 2020 LNGC Market</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LNG trade growth</strong></td>
<td><strong>LNG trade growth</strong></td>
</tr>
<tr>
<td>2018-2020 ~ 9% p.a. (85 mt)</td>
<td>2018-2020 ~ 7% p.a. (65 mt)</td>
</tr>
<tr>
<td>2018-2022 ~ 6.5% p.a. (106 mt)</td>
<td>LNGC requirements decrease by 25-35 units</td>
</tr>
<tr>
<td><strong>US LNG average distance -&gt; 7600 miles</strong></td>
<td><strong>US LNG average distance -&gt; 7200 miles</strong></td>
</tr>
<tr>
<td>Europe 40%</td>
<td>Europe 50%</td>
</tr>
<tr>
<td>Asia Panama 50%</td>
<td>Asia Panama 40%</td>
</tr>
<tr>
<td>Asia/Middle East 5%</td>
<td>LNGC requirements decrease by 5 units</td>
</tr>
<tr>
<td>Latam 5%</td>
<td><strong>Average speed adjusting to LNGC market</strong></td>
</tr>
<tr>
<td>2017 -&gt; 15 knots</td>
<td>Average speed constant at 15 knots</td>
</tr>
<tr>
<td>2020 -&gt; 16 knots</td>
<td>LNGC requirements increase by 20 units</td>
</tr>
<tr>
<td>Slippage in LNGC deliveries, peak 2019</td>
<td><strong>Re-exports stay at 2017 level (~3mt)</strong></td>
</tr>
<tr>
<td>More re-exports due to strong Asian demand &amp; Yamal</td>
<td>LNGC requirements decrease by 5 units</td>
</tr>
</tbody>
</table>
| ~ 3 LNGCs p.a. out of market (conv./layup) | **Sources:** Fearnleys
**Note:**