



LPG Supply and Demand for the future

LPGA Conference October 2011
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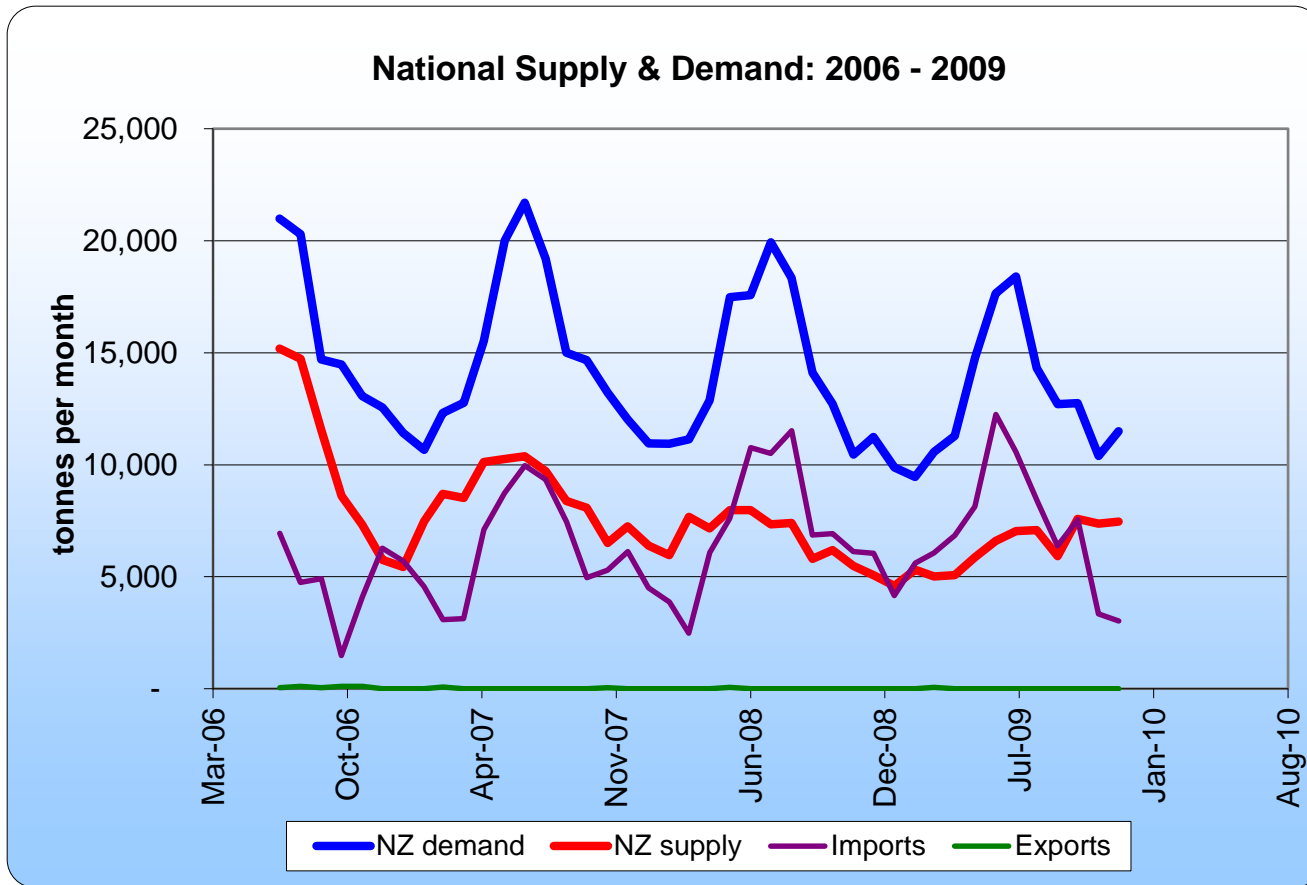
Overview

- ▶ Supply and Demand balance
- ▶ Market Needs
- ▶ Liquigas' role

Situational Awareness

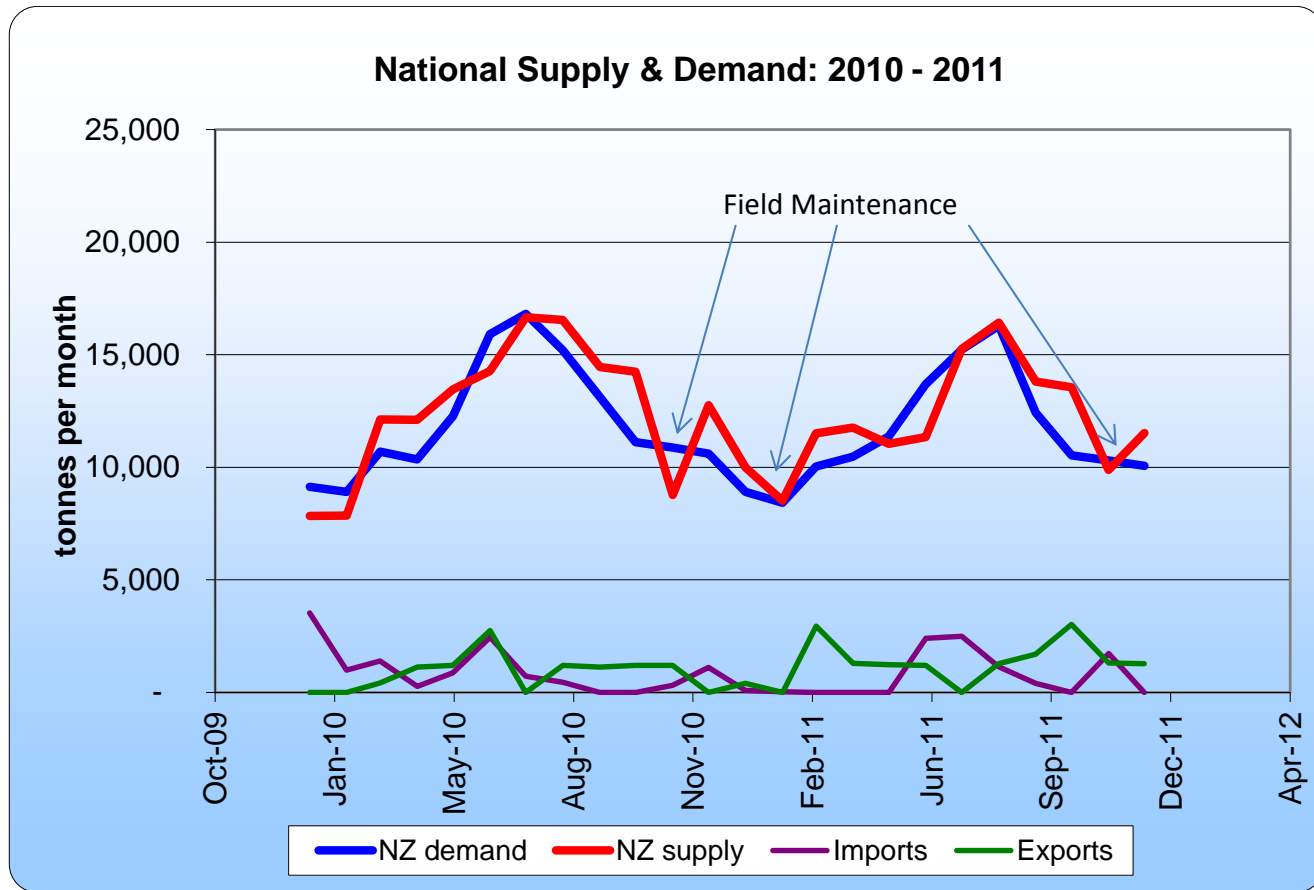


The Past: pre-2010



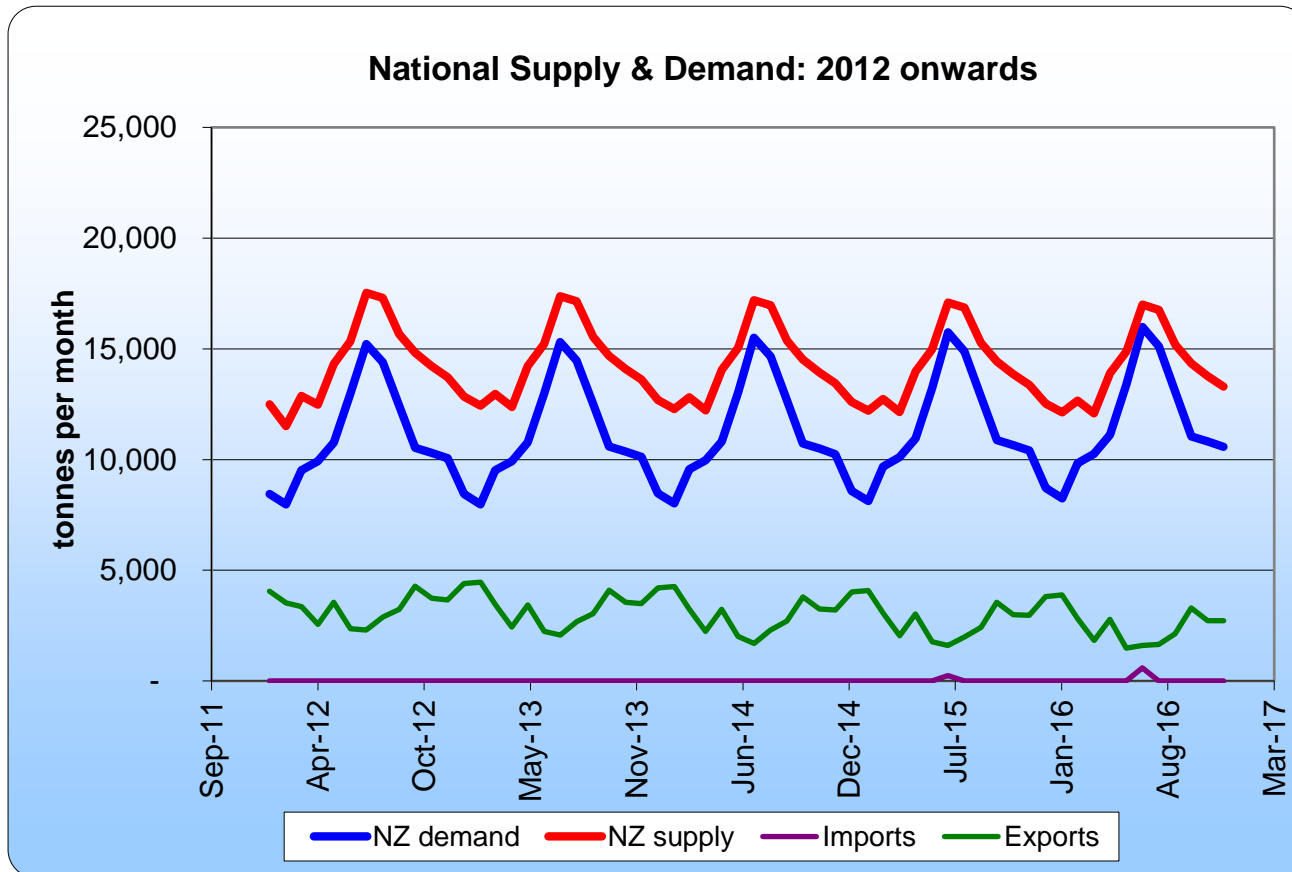
Year	Supply	Demand	(Shortage)/Surplus
2007	101,000	179,000	(78,000)
2008	80,000	168,000	(88,000)
2009	75,000	154,000	(79,000)

The Present: 2010 – 2011



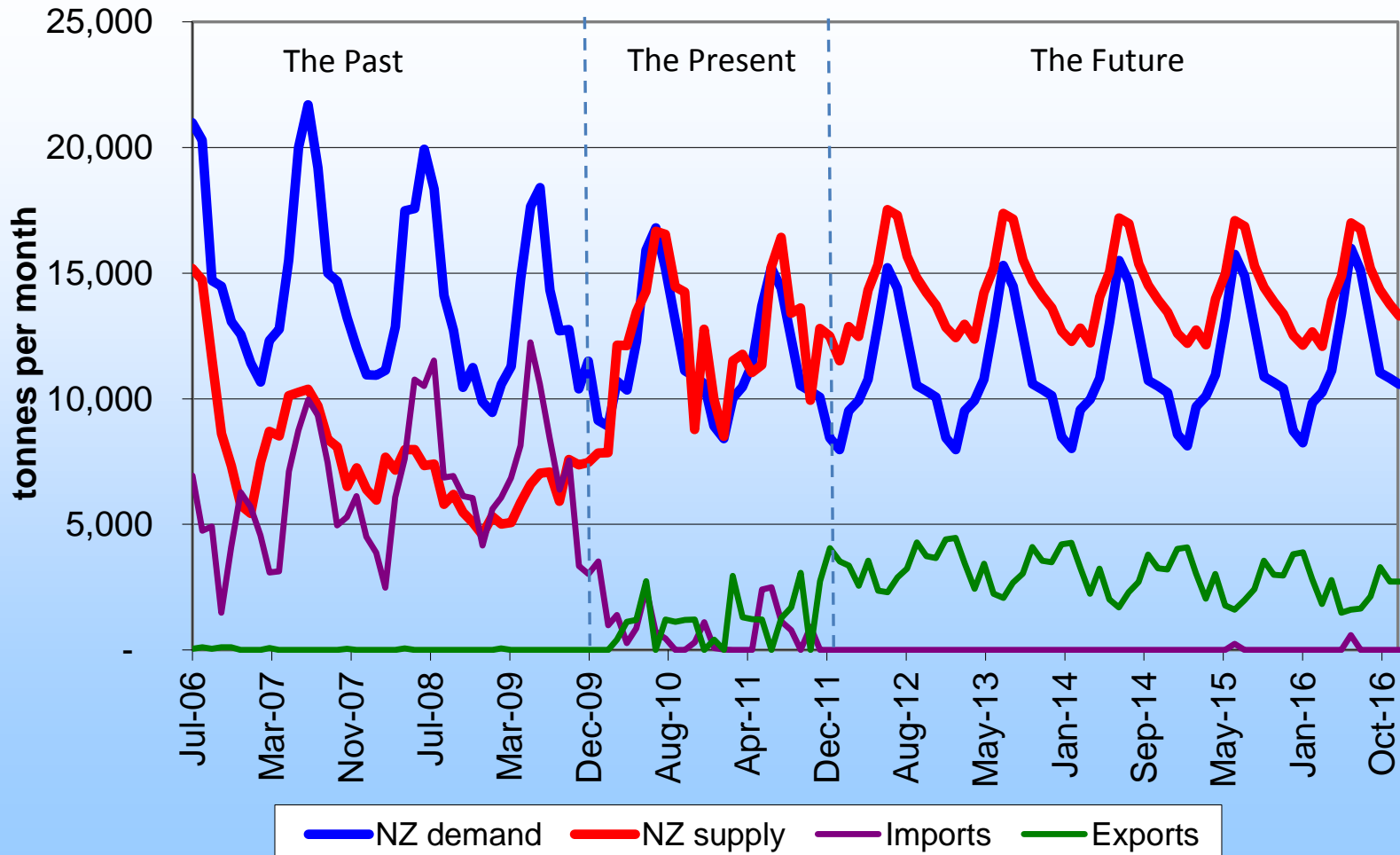
Year	Supply	Demand	(Shortage)/Surplus
2010	151,000	145,000	6,000
2011	145,000	138,000	7,000

The Future: 2012 onwards



Year	Supply	Demand	(Shortage)/Surplus
2012	179,000	134,000	45,000
2013	178,000	135,000	43,000
2014	176,000	136,000	40,000
2015	175,000	138,000	37,000
2016	174,000	140,000	34,000

National Supply & Demand



Market Needs

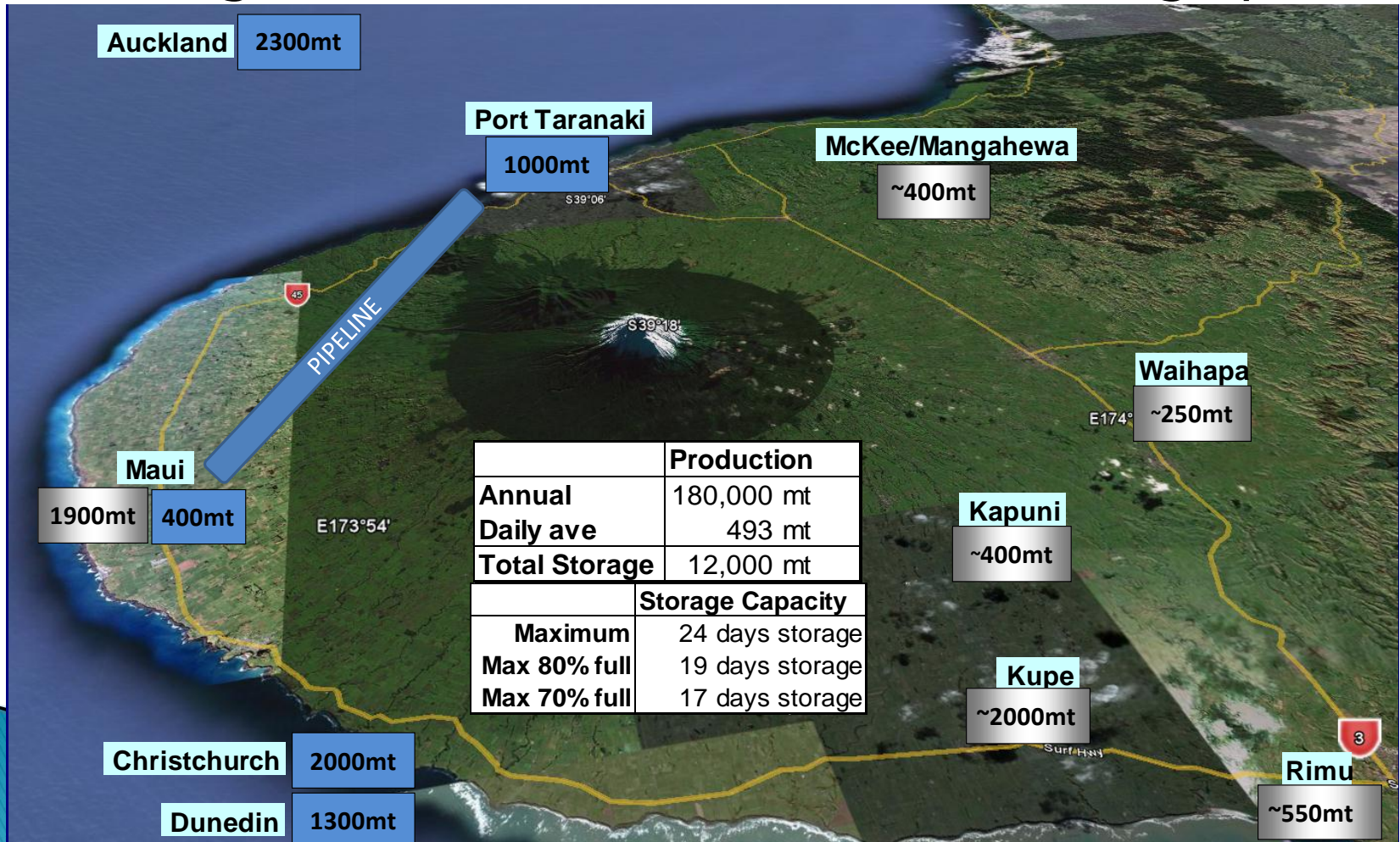
- ▶ Efficient export of excess LPG
- ▶ Minimised reinjection
- ▶ Coordination of exports from multiple parties

	Customer 1	Customer 2	Customer 3	Total
Excess	100mt	600mt	500mt	1200mt

Market Needs

▶ Co-ordinated approach

- Needs a good view of the future stock/storage position



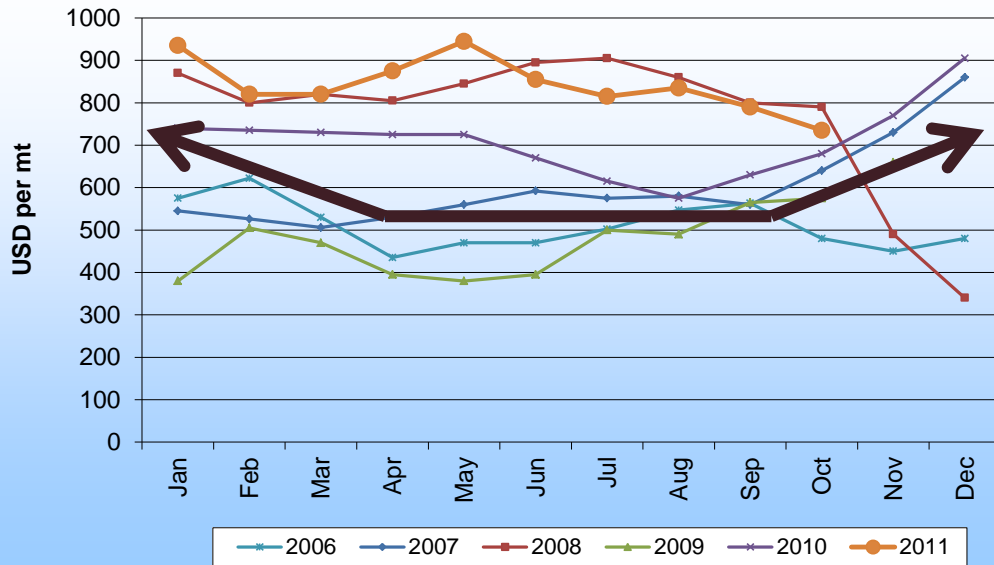
Market Needs

- ▶ Co-ordinated approach
 - Willingness to work together to achieve common goal
 - Shipping industry has long lead times
 - 2–3 months for confirmed parcels, longer if there isn't shipping capacity
 - Shorter lead times may not guarantee an export

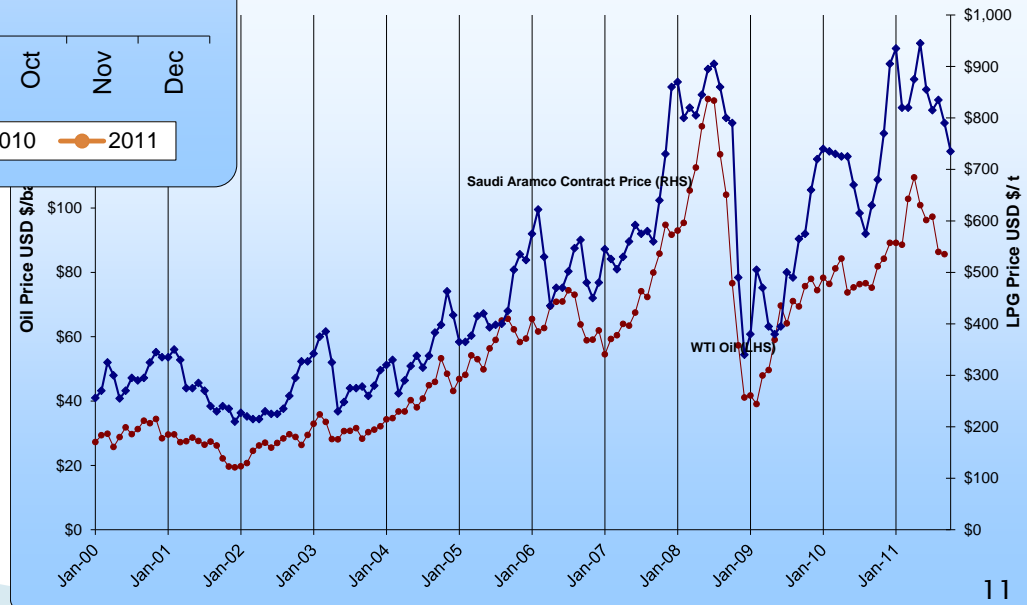
Market Needs

▶ Economics depend on: Contract Price

Saudi Aramco Contract Price

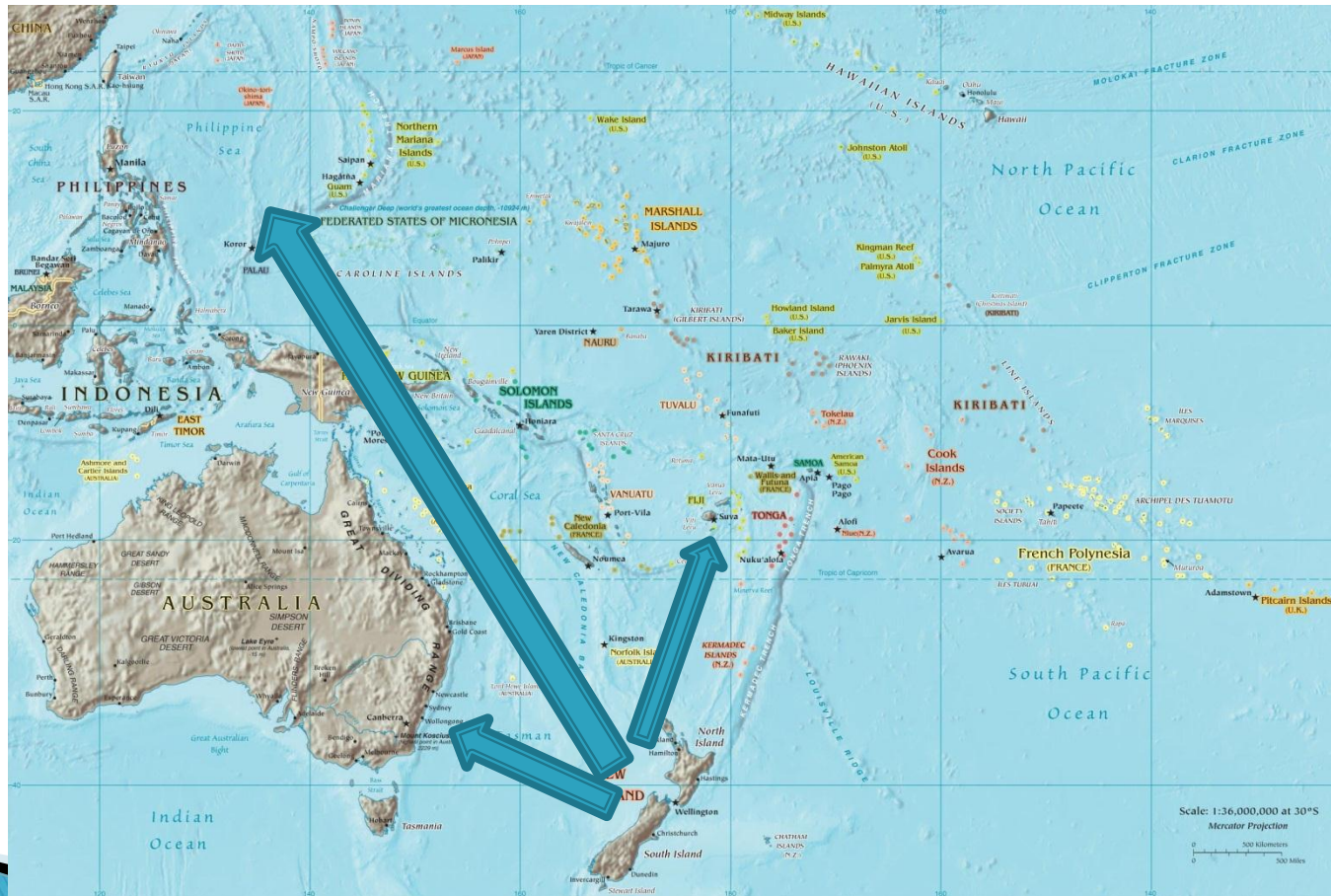


Saudi Contract Price for LPG (Propane)



Market Needs

▶ Economics depend on: Destination



Market Needs

- ▶ Economics depend on:
 - Product Type (CP/Destination)
 - Parcel Size

	Customer 1	Customer 2	Customer 3	Total
Excess	100mt	600mt	500mt	1200mt

- Term vs Spot Contracts

Liquigas' Role

- ▶ Major bulk LPG Storage owner
- ▶ Aggregator/balancer
- ▶ Facilities Code – fair allocation of scarce ullage

Summary

- ▶ Oversupply is coming
- ▶ Exports need to be coordinated between multiple parties
- ▶ Liquigas would like to help

Situational Assessment complete



Questions?

