

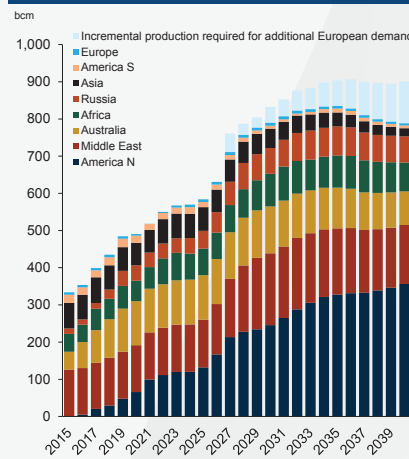
REBALANCING EUROPE'S GAS SUPPLY: OPPORTUNITIES IN A NEW ERA

As global natural gas markets continue to tighten and Europe braces for a challenging winter, the American Petroleum Institute (API) and the International Association of Oil and Gas Producers (IOGP) released a new study from Rystad Energy on Europe's natural gas market that highlighted the immense potential of U.S. liquefied natural gas (LNG) to help Europe displace Russian energy and achieve long-term energy security.

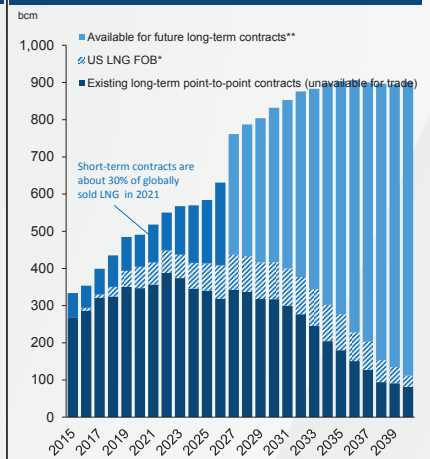
As Europe moves swiftly from reliance on Russian natural gas, U.S. LNG is the most feasible, reliable and competitive option to meet Europe's natural gas demand.

- Without Russian pipeline gas, **Europe's demand for LNG is projected to increase 150% from 2021-2040** as overall natural gas demand declines more slowly than domestic production and non-Russian pipeline imports.
- LNG is projected to **meet approximately 50% of Europe's natural gas demand through 2030**. After 2030, LNG will meet an even greater share, **reaching about 75% of demand by 2040**.
- Growth in European LNG demand will be more than double the 50 bcm (4.8 bcf/d) specified in the March joint agreement between the Biden administration and the EU. **While US LNG is already flowing to Europe at record levels, significantly more will be required to fully rebalance European gas markets.**

Global LNG production by region



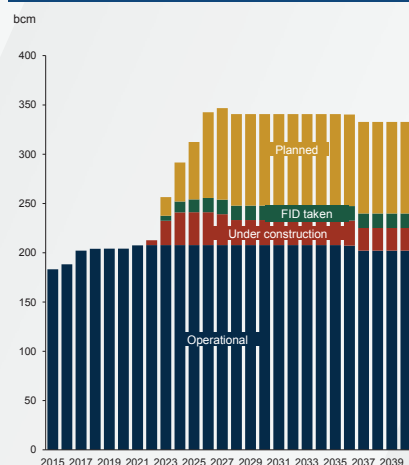
Global LNG production by availability/types of contracting



THE DECISIONS EUROPEAN AND U.S. POLICYMAKERS MAKE TODAY WILL IMPACT EUROPE'S ABILITY TO REBALANCE ITS NATURAL GAS MARKET WITH DEPENDABLE, AFFORDABLE AND SUSTAINABLE ENERGY IN THE YEARS TO COME.

- To meet the shared energy security commitments of the U.S. and the EU, **the U.S. will need to expand its LNG export capacity and the EU will need expand its import capacity** even further over the next several years.
- Timeliness and transparency across the permitting and approval process for the full natural gas and LNG value chain is critical** to helping the United States meet its commitments and strengthen global energy security.
- The flexibility of LNG and natural gas infrastructure can help ensure EU energy security and support climate goals.**
 - Long-term new capacity expansion is required and could act as an insurance policy against future energy supply crises.
 - LNG and natural gas infrastructure is hydrogen-adaptable and biomethane-ready. This makes it a key enabler of the EU's energy transition and gas supply diversification goals.

Infrastructure status on European regas capacity



European regas capacity split by geography

