FEDERAL RESERVE BANK OF DALLAS

ENERGY SECTOR: INVESTMENT, REGULATION & BINATIONAL STRATEGY

CURT ANASTASIO: CHAIRMAN, GASLOG PARTNERS LP

September 26, 2019
MACRO OUTLOOK BULLISH FOR GLOBAL LNG
LNG DEMAND CONTINUES TO INCREASE…

- Source: Poten
AND FORECASTED DEMAND GROWTH IS GLOBALLY DIVERSE

Over 80% Of Forecasted Demand Growth Is Outside Of China During 2018-25

* Source: Wood Mackenzie
EXPECTED LNG SUPPLY GROWTH THROUGH 2024 UNDERPINNED BY US PRODUCTION & RECENT FIDS

Source: Wood Mackenzie

Actual And Expected LNG Capacity Additions Q2 18-2024

- Source: Wood Mackenzie
BUT IN MEXICO, US PIPELINE GAS DISPLACING LNG IMPORTS

**2018: 8.7 Billion Cubic Feet**

<table>
<thead>
<tr>
<th>Mexico's Key Energy Statistics</th>
<th>world rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Primary Energy Consumption</td>
<td>7.941</td>
</tr>
<tr>
<td>2016</td>
<td>Quadrillion Btu 14</td>
</tr>
<tr>
<td>Total Primary Energy Production</td>
<td>7.339</td>
</tr>
<tr>
<td>2016</td>
<td>Quadrillion Btu 16</td>
</tr>
<tr>
<td>Total Petroleum and Other Liquids Production</td>
<td>2,084</td>
</tr>
<tr>
<td>2018</td>
<td>Thousand Barrels Per Day 11</td>
</tr>
<tr>
<td>Exports of Crude Oil including Lease Condensate</td>
<td>1,236</td>
</tr>
<tr>
<td>2016</td>
<td>Thousand Barrels Per Day 13</td>
</tr>
<tr>
<td>Imports of Dry Natural Gas</td>
<td>1,770</td>
</tr>
<tr>
<td>2017</td>
<td>Billion Cubic Feet 8</td>
</tr>
</tbody>
</table>
U.S. NATURAL GAS PIPELINE EXPORTS INCREASE WITH COMMISSIONING OF NEW PIPELINES IN MEXICO
US EXPORTS DEPEND ON MEXICAN PIPELINE EXPANSION AND CONSTRUCTION, WHICH HAVE BEEN PROBLEMATIC

THE WALL STREET JOURNAL.

BUSINESS

TransCanada, Sempra to Build Mexican Offshore Pipeline

Companies bid $2.1 billion to build, own and operate the natural gas pipeline from Brownsville, Texas, to the Mexican Gulf port of Tuxpan

By Anthony Harrup
Updated June 13, 2016 4:20 pm ET

MEXICO CITY—TransCanada Corp. and the Mexican unit of Sempra Energy on Monday won a contract to build a 500-mile offshore pipeline to carry natural gas from South Texas to northeastern Mexico.

Infraestructura Marina del Golfo, which is 60% owned by TransCanada and 40% by Infraestructura Energética Nova SAB, bid $2.1 billion to build, own and operate the pipeline from Brownsville, Texas, to the Mexican Gulf port of Tuxpan.

The line will run under the Gulf of Mexico with capacity to transport 2.6 billion cubic feet a day of natural gas. It will supply power plants of Mexican state electric utility Comisión Federal de Electricidad, or CFE, under a 25-year service contract. The CFE said the transport tariff offered was among the most competitive globally.
The Administration of Mexican President Andres Manuel Lopez Obrador has reached a preliminary agreement with four private energy companies to resolve a monthslong conflict over natural-gas-pipeline contracts.

-The Wall Street Journal
August, 2019
BUT MEXICO IS NOT ALONE WITH INFRASTRUCTURE CHALLENGES
GLOBAL LNG SUPPLY-DEMAND OUTLOOK IS ROBUST

RISING US NATURAL GAS PRODUCTION AND DECLINING MEXICAN PRODUCTION HAVE RESULTED IN EXPORTS OF PIPELINE GAS TO MEXICO, RENDERING MEXICAN LNG IMPORT FACILITIES LARGELY REDUNDANT

LOGISTICS CHALLENGES ON BOTH SIDES OF THE BORDER HAVE IMPEDED PROGRESS BUT THEY ARE BEING RESOLVED