

A large liquefied natural gas (LNG) carrier ship is docked at a terminal at night. The ship's superstructure is brightly lit with white lights, and several large, spherical storage tanks are visible in the foreground, also illuminated. The sky is dark with some clouds, and the overall scene is industrial and brightly lit against the night.

# The Case for Canadian LNG

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# Updates From Last Publication on Jan. 23, 2026

- 🚩 **Slide 12:** Updated to reflect the latest export data for LNG Canada (to Jan. 2026)
- 🚩 **Slide 13:** Updated to reflect the latest export data for LNG Canada (to Jan. 2026)
- 🚩 **Slide 17:** Updated to reflect the latest project status for North American LNG export facilities (Q1/2026)

# Summary of the Case for Canadian LNG (1/2)

## Canada in a Global Context

- Liquefied natural gas (LNG) is natural gas that has been converted into liquid form for ease of storage and transport, as LNG occupies roughly 1/600th the volume of natural gas. Most global LNG is exported from countries with large natural gas reserves (U.S., Australia, Qatar, Malaysia, etc.) to countries with limited domestic resources (China, Japan, South Korea, India, etc.).
- In 2010, the National Energy Board (now Canada Energy Regulator) started receiving applications for long-term licenses to export Canadian natural gas as LNG to non-U.S. markets. Fifteen years later, LNG Canada Phase 1 reached commercial operation in June 2025 and will export ~1.9 Bcf/d once fully ramped. The start-up marked Canada's entrance into the global LNG market, and the project is the largest private investment in Canadian history.<sup>(1)</sup> Over this same period, Canada's largest trade partner and energy sector competitor, the U.S., has grown its LNG exports from nil to over 18 Bcf/d.

## Canada's Competitive Advantage

- Canadian LNG shipped out of coastal B.C. destined for Asia has significantly shorter shipping distances than American supply from the U.S. Gulf Coast. In addition to shorter relative shipping distances, Canadian LNG has no chokepoints on shipping routes to key markets in Asia, where U.S. Gulf Coast supply must transit the Panama Canal.
- Based on estimates from the Canada Energy Regulator, there is 1,105 Tcf<sup>(2)</sup> of remaining marketable natural gas resources in the Western Canada Sedimentary Basin (WCSB). Using an average annual WCSB natural gas production of ~18 Bcf/d in 2023, this is equivalent to over 160 years of supply.<sup>(2)</sup>
- Based on 2024 data from Rystad Energy, Canadian LNG projects are expected to be among the most cost-competitive for delivery to Asia. Compared to competing sources, Canadian LNG benefits from lower liquefaction costs due to relatively lower ambient temperatures in B.C. and lower shipping costs due to shorter distances.
- A 2020 study from the Conference Board of Canada<sup>(3)</sup> found that an investment scenario in which Canadian LNG export capacity increased to 56 Mtpa (7.4 Bcf/d) would yield an \$11 billion increase in GDP per year, ~100,000 more jobs, and over \$2 billion per year of additional taxes and royalties.

# Summary of the Case for Canadian LNG (2/2)

## Global LNG Trade - Where Will Canada Fit in the Mix?

- According to the International Group of Liquefied Natural Gas Importers (GIIGNL) 2025 Annual Report, global LNG trade hit a record-high of 53.2 Bcf/d (406 Mtpa) in 2024, up over 80% relative to 2010 levels. Since 2010, the annual average growth rate has been roughly 4%.
- Despite ranking as the world's fifth largest natural gas producer in 2024<sup>(1)</sup>, Canada remained on the sidelines in the global LNG trade. With vast natural gas reserves and direct tidewater access from B.C., Canada is ideally suited to supply LNG to growing Asian markets.
- As Canada becomes an LNG exporter in 2025-2028, it will immediately become a major player in the global LNG trade but will still be exceeded by the U.S., Australia, Qatar, Russia, and Malaysia.

## Indigenous Partnerships

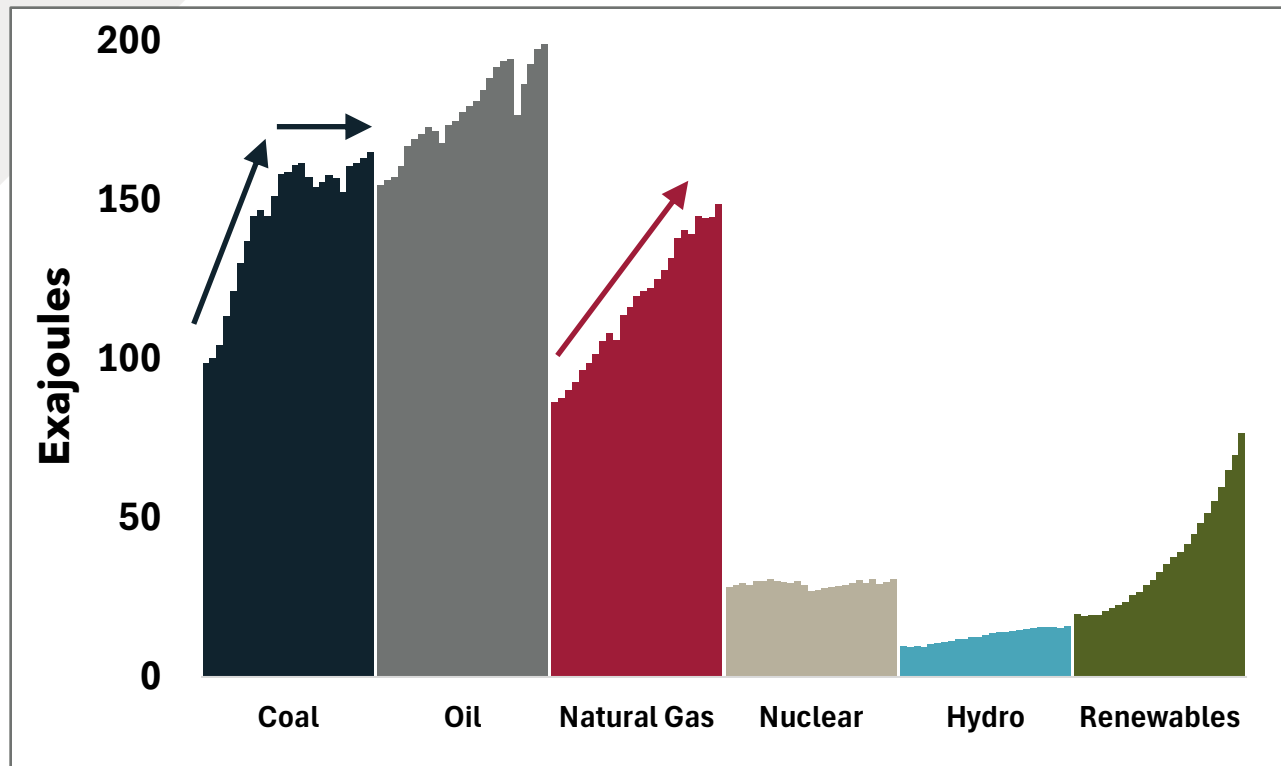
- Indigenous communities are leading the way in LNG development in Canada, making a significant impact through strategic partnerships, ownership stakes, and business agreements.
- For Indigenous communities, Canadian LNG creates jobs, supports Indigenous-owned businesses, and generates own-source revenues that can be used to invest in infrastructure to ensure that communities have clean drinking water, housing, and economic development.

## Technological Advancements

- In Canada, Woodfibre LNG, Cedar LNG, and Ksi Lisims LNG (proposed) will electrify their compression turbines using hydroelectricity. These will be some of the first LNG export facilities in the world with this design. Similarly, LNG Canada will rely on hydroelectricity to power many of its operations but will use efficient natural gas turbines for compression in the liquefaction process.

# Global Primary Energy Consumption by Source

## Annual | 2000 to 2024



- Despite worldwide efforts to reduce the use of coal, the consumption of coal reached an all-time high in 2024 and remains a dominant fixture in the global energy mix, accounting for over 25% of global primary energy demand in 2024.
- Meanwhile, global natural gas consumption is up over 70% relative to 2000 levels, accounting for 23% of global primary energy demand in 2024.

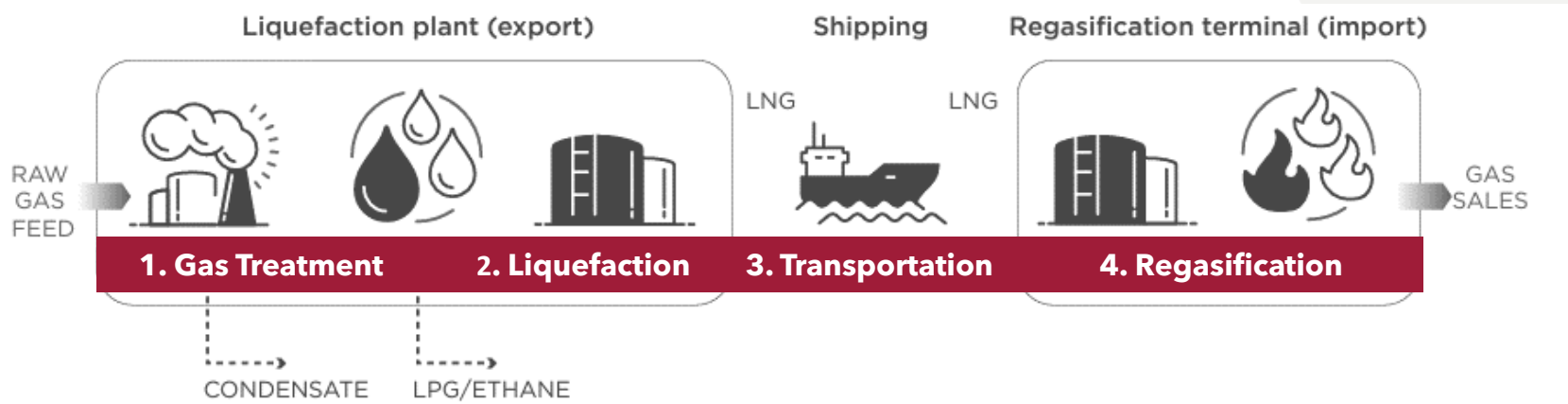
# Canadian LNG 101

# LNG Process Overview

Liquefied natural gas (LNG) is natural gas that has been converted into liquid form for ease of storage and transport, as LNG occupies roughly 1/600th the volume of natural gas. The vast majority of global LNG is exported from countries with large natural gas reserves (U.S., Australia, Qatar, Malaysia, etc.) to countries with limited domestic resources.

As of year-end 2024, according to the IGU 2025 World LNG Report, there is approximately 65 Bcf/d (494 Mtpa) of global liquefaction capacity and an additional ~28 Bcf/d (210 Mtpa) of liquefaction capacity under construction or approved for development - roughly a 40% increase from current levels. Additionally, there is ~147 Bcf/d (1,122 Mtpa) of proposed capacity at the pre-final investment decision (FID) stage.

The process of producing and delivering LNG can be broken down into four key stages:



# LNG Process Overview (Continued)

## 1. Gas Treatment

Before liquefaction, the feed gas undergoes a stripping process to remove contaminants such as carbon dioxide, hydrogen sulfide, and water. Failure to remove impurities can lead to damaged equipment during the liquefaction process. The LNG process aims to achieve pipeline-quality natural gas, which is typically 85% to 99% methane. During this stage, hydrocarbons heavier than methane (e.g., butane, propane) are also separated and sold as raw materials.

## 2. Liquefaction

After the feed gas has been treated to remove contaminants, it is liquified to increase its density to efficiently transport it by ship or truck. Refrigeration technology cools the natural gas to a liquid state at approximately  $-162^{\circ}\text{C}$  ( $-259^{\circ}\text{F}$ ). A single unit of LNG is equivalent to approximately 600 units of natural gas at standard temperature ( $15.6^{\circ}\text{C}$  /  $60^{\circ}\text{F}$ ) and atmospheric pressure.

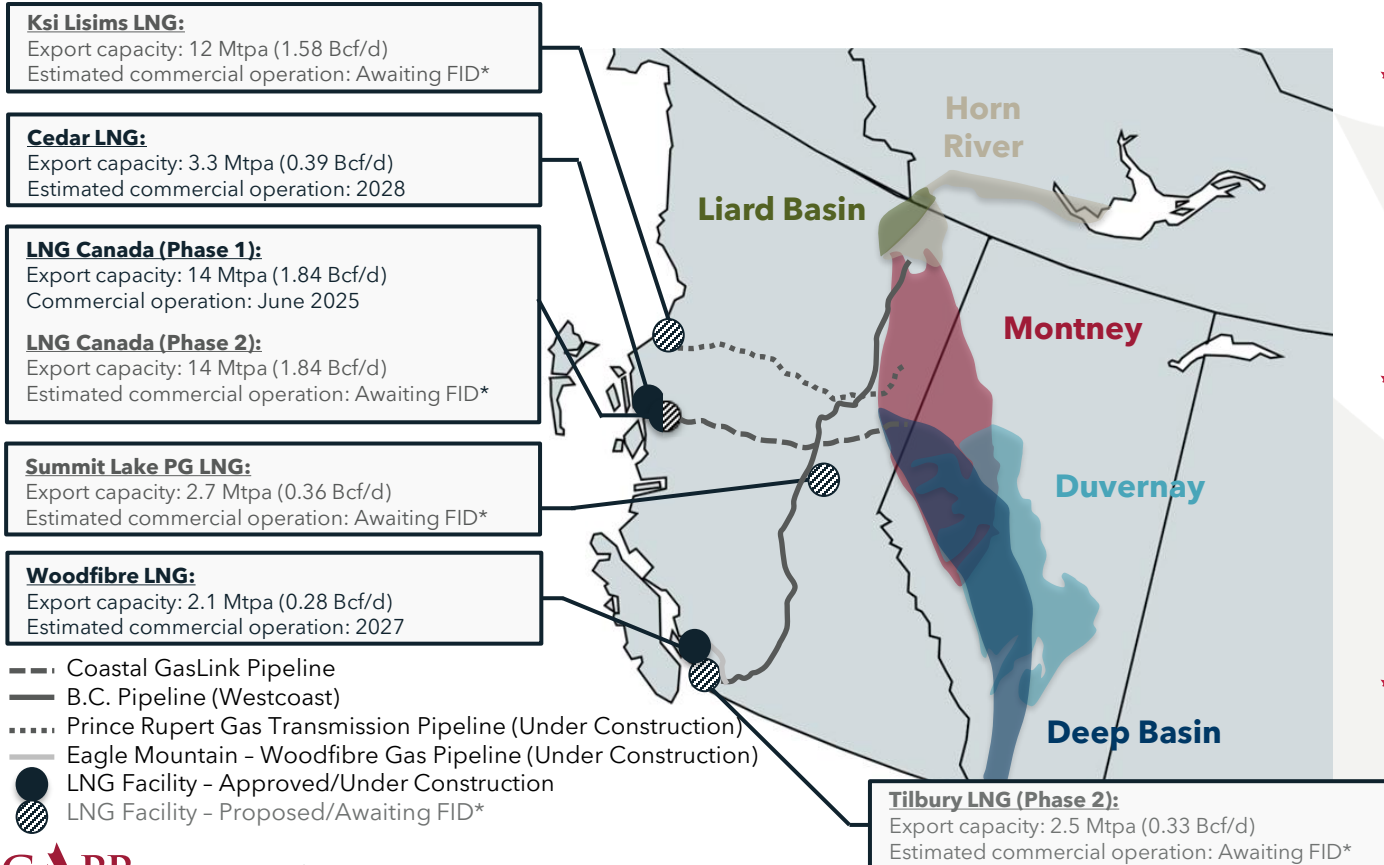
## 3. Transportation

After liquefaction, the LNG is transported to the consumer via sea or truck. Specialized LNG carriers transport the LNG over long distances by sea. The LNG carriers are double-hulled ships designed to maintain the LNG at or near atmospheric pressure and at a cryogenic temperature of approximately  $-162^{\circ}\text{C}$  ( $-259^{\circ}\text{F}$ ). The vessel is insulated to reduce the amount of LNG that boils off or evaporates during transportation. LNG carriers must adhere to stringent international regulations related to construction and operation. The LNG is transported to a regasification terminal that converts the liquified gas back into a gaseous state for end use.

## 4. Regasification

Carriers offload the LNG at regasification terminals. This is the final stage of the LNG process and involves using a vaporizer to warm and regasify the LNG. As of year-end 2024, according to the IGU 2025 World LNG Report, there is approximately 140 Bcf/d (1,065 Mtpa) of global regasification capacity across 47 importing markets.

# Canadian LNG Facility and Pipeline Infrastructure Map



➤ In 2010, the NEB (now CER) started receiving applications for long-term licenses to export natural gas as LNG to non-U.S. markets. Fifteen years later, LNG Canada Phase 1 reached commercial operation in June 2025, marking Canada's entrance into the global LNG market.

➤ Two other projects are under construction – Woodfibre LNG and Cedar LNG – with anticipated commercial operation dates in 2027 and 2028, respectively. These projects will bring Canada's total operational LNG export capacity to ~19 Mtpa (~2.5 Bcf/d).

➤ Four prospective projects – LNG Canada Phase 2, Ksi Lisims LNG, Tilbury LNG, and Summit Lake PG LNG – are also advancing with a combined export capacity of ~31 Mtpa (~4 Bcf/d).

# LNG Canada Overview

**Location:** Kitimat, B.C.

**Joint Venture Participants:** Shell (40%), PETRONAS (25%), PetroChina (15%), Mitsubishi Corporation (15%), Korean Gas Corporation (5%)

**Final Investment Decision:** October 2018 (Phase 1)

**Estimated Commercial Operation Date:** 2025 (Phase 1)

**Export License:** 40 years

**Export Capacity:** Phase 1 - 14 Mtpa (1.84 Bcf/d) - Operational  
Phase 2 - 14 Mtpa (1.84 Bcf/d) - Awaiting FID

## Project Facts

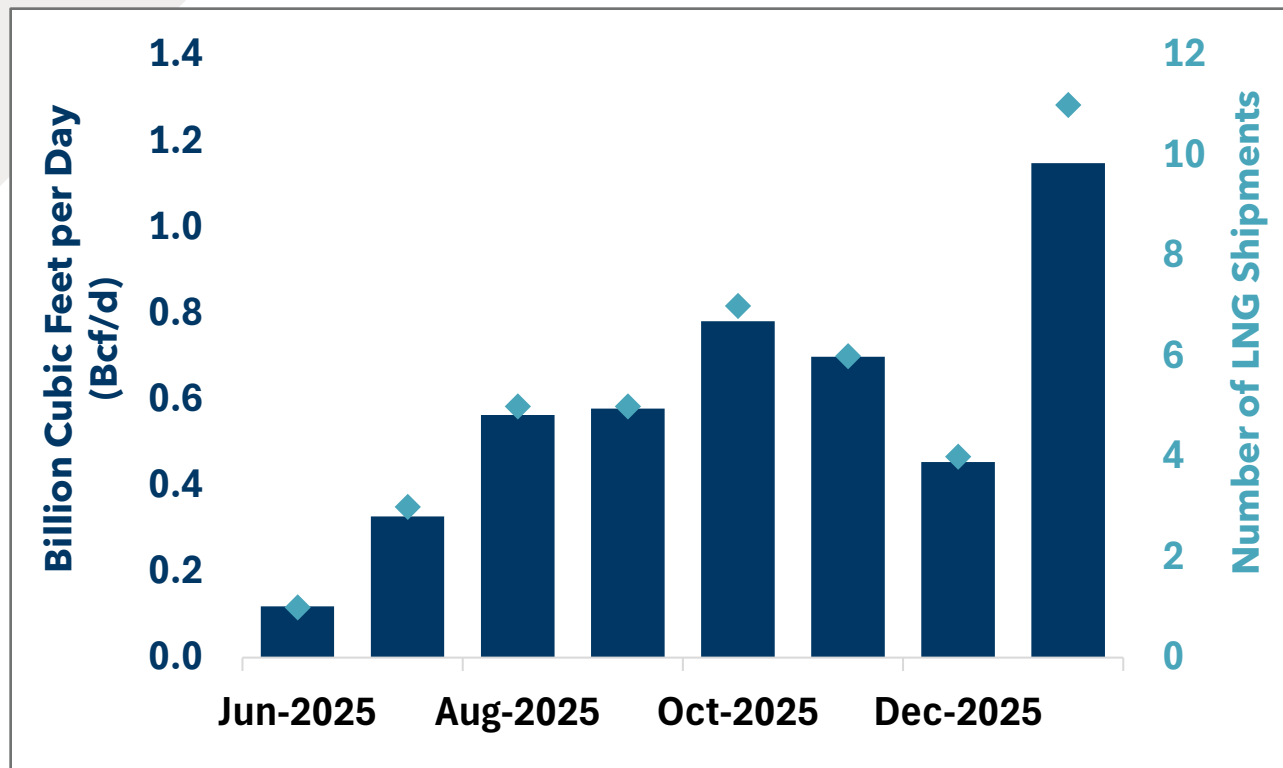
- LNG Canada is Canada's first major LNG export facility and the largest private investment in Canadian history.
- The facility can increase its export capacity by an additional 14 Mtpa through Phase 2, which is subject to a final investment decision.
- The facility is built on the traditional territory of the Haisla people, with the support and involvement of the Haisla and other Indigenous communities.



- LNG Canada has invested more than \$4.7 billion in contracts and procurement to businesses in B.C., including more than \$3.8 billion awarded to Indigenous-owned and local area businesses.
- LNG Canada has provided over \$4 million in funding for several workforce development-related initiatives to support B.C. in meeting the industry's skilled trades requirements.
- The first LNG cargo from Phase 1 was successfully loaded in June 2025.

# LNG Canada Exports

By Volume | Monthly | Jun. 2025 to Jan. 2026



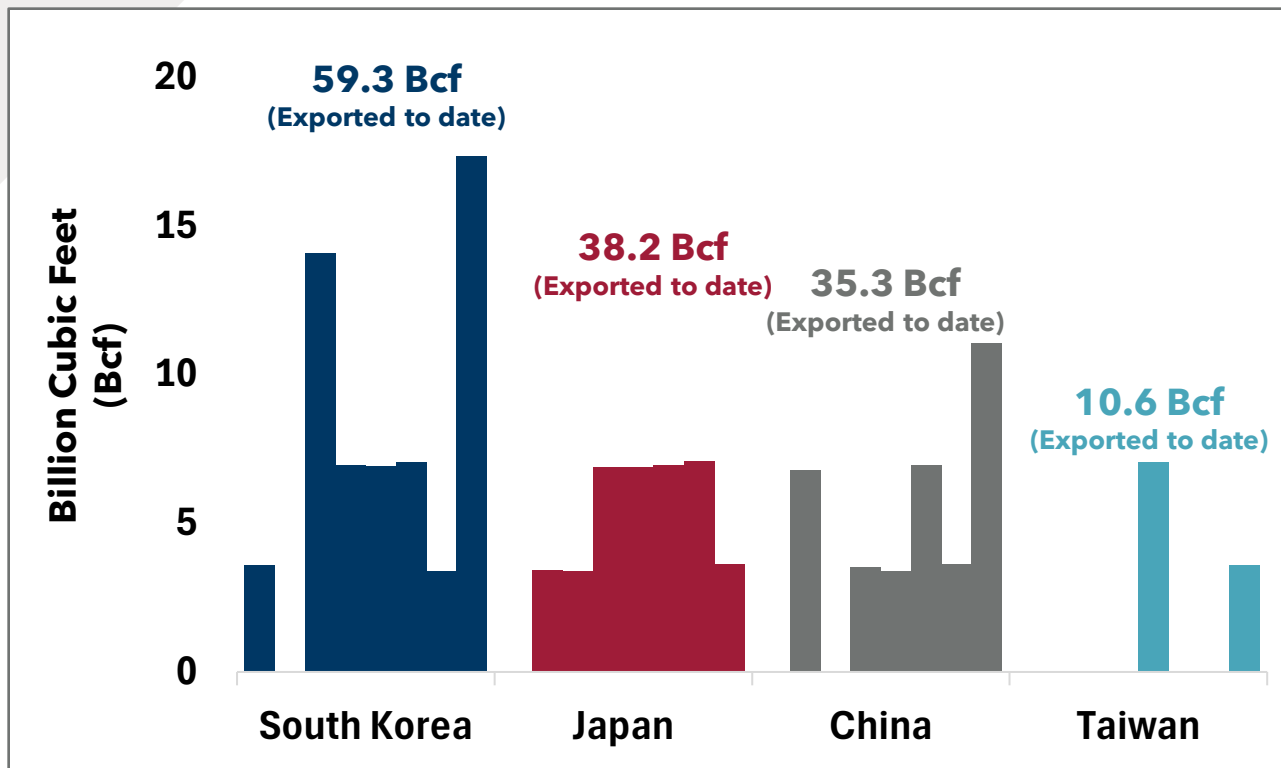
➤ The first cargo from LNG Canada was successfully loaded on June 30, 2025. The vessel, GasLog Glasgow, transported approximately 3.6 Bcf of LNG to South Korea.

➤ Since the inaugural shipment, the facility has been steadily ramping towards its nameplate export capacity of 1.84 Bcf/d.

➤ Based on the latest available data from the Canada Energy Regulator, LNG Canada exported approximately 1.15 Bcf/d in January 2026, which represents 11 total shipments during the month.

# LNG Canada Exports

By Destination | Monthly | Jun. 2025 to Jan. 2026



➤ The start-up of LNG Canada in June 2025 marked Canada's entrance into the global LNG market, expanding the country's export market beyond the U.S.

➤ To date, South Korea, Japan, China, and Taiwan have been export markets for LNG Canada.

➤ Most of the exports have landed in South Korea (59.3 Bcf; 41% of all exports), followed by Japan (38.2 Bcf; 27% total), China (35.2 Bcf; 25% total), and Taiwan (10.6 Bcf; 7% total).

# Woodfibre LNG Overview

**Location:** Howe Sound, B.C.

**Joint Venture Participants:** Woodfibre Management Ltd. (Pacific Energy Corporation 70% / Enbridge Inc. 30%)

**Final Investment Decision:** Fall 2023

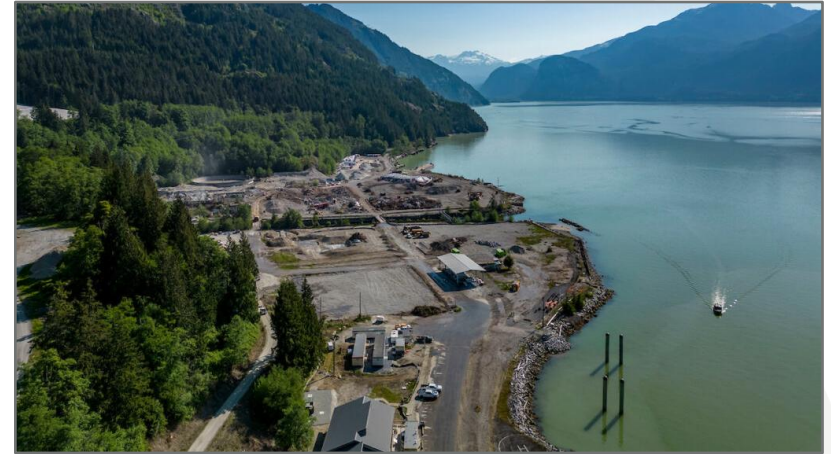
**Estimated Commercial Operation Date:** 2027-2028

**Export License:** 40 years

**Export Capacity:** 2.1 Mtpa (0.28 Bcf/d)

## Project Facts

- ▶ Woodfibre LNG will utilize electricity via B.C. Hydro and electric compressors in its liquefaction process.
- ▶ Upon completion, Woodfibre LNG will be one of the largest employers in the Squamish region, creating 100 new, well-paying careers for local workers.



- ▶ The first-of-its-kind consent-based Squamish Nation Environmental Assessment Agreement was signed in 2015 to establish the Nation as a formal environmental regulator. As a result, the Squamish Nation has provided meaningful feedback and imposed conditions on the development of the project.

# Cedar LNG Overview

**Location:** Kitimat, B.C.

**Joint Venture Participants:** The Haisla Nation (50.1%) and Pembina Pipeline Corporation (49.9%)

**Final Investment Decision:** Summer 2024

**Estimated Commercial Operation Date:** 2028

**Export License:** 25 years

**Export Capacity:** 3.3 Mtpa (0.39 Bcf/d)

## Project Facts

- Cedar LNG will be a floating LNG facility (FLNG), which is a ship or barge constructed to function in the same capacity as an onshore LNG facility. FLNG facilities offer a smaller environmental footprint compared to conventional facilities, and often lower capital costs.
- The project is Indigenous-owned and led by the Haisla Nation, with strong support from neighboring Indigenous Nations and communities.



- With its location in Kitimat, the Cedar LNG project is leveraging existing infrastructure, such as the Coastal GasLink pipeline, a deep-water port, and roads.
- Up to 500 people will be working at Cedar LNG during the peak of construction. Approximately 100 people will be working at the facility full-time during operation.
- Cedar LNG has secured 20-year take-or-pay liquefaction tolling services agreements with ARC Resources Ltd. and Pembina for 1.5 Mtpa each.

# Proposed Projects Awaiting a Final Investment Decision

Since 2010, over 30 applications for long-term LNG export licenses have been submitted to the National Energy Board/Canada Energy Regulator.<sup>(1)</sup> However, due to an uncertain regulatory process, development has been slow-moving, with many proposed projects now canceled. Beyond the three current projects under construction, four additional proposed projects are progressing and are awaiting a final investment decision (FID). These include:

- **LNG Canada Phase 2 Expansion** would double the existing facility's export capacity to 28 Mtpa (3.6 Bcf/d). A final investment decision is expected to be made in 2025.
- **Ksi Lisims LNG** is a proposed floating LNG facility (FLNG) with an export capacity of 12 Mtpa (1.6 Bcf/d) located on a site owned by the Nisga'a Nation near the community of Gingolx on the northwest coast of BC. The project proponents include the Nisga'a Nation, Rockies LNG Partners (a consortium of Canadian natural gas producers<sup>(2)</sup>), and Western LNG. In March 2024, Western LNG and the Nisga'a Nation announced a binding agreement with TC Energy to purchase the permitted Prince Rupert Gas Transmission pipeline project (PRGT), a ~900 km pipeline that would transport natural gas from northeast B.C. to the project site. The pipeline is currently under construction. In September 2025, Ksi Lisims LNG received an Environmental Assessment Certificate from the Government of British Columbia and a positive Decision Statement from the Government of Canada.
- **Tilbury LNG Phase 2 Expansion** is a proposed expansion of the existing FortisBC-owned Tilbury LNG facility in Delta, B.C. It will consist of a new storage tank, liquefaction facilities, and supporting infrastructure, with a capacity of 2.5 Mtpa (0.33 Bcf/d), to produce LNG for marine fueling or overseas export. The existing Tilbury facility has been operational since 1971 as a liquefaction terminal using LNG to meet peak winter heating needs and a source of bunkering fuel for LNG-powered marine vessels.
- **Summit Lake PG LNG** is a proposed LNG facility by JX LNG Canada Ltd. located 30 km north of Prince George, in inland B.C. The facility would differ from others as the produced LNG must be transported by rail to the coast. It would produce up to 2.7 Mtpa (0.36 Bcf/d) in two phases and require a new 2 km pipeline to connect to existing natural gas pipeline infrastructure. Additionally, 10 km of new rail track would need to be built to connect to existing rail infrastructure to accommodate the transportation of LNG to coastal B.C. for overseas shipment.

The B.C. government requires five conditions for LNG project proposals:

- I. Include guarantees of jobs and training opportunities for British Columbians
- II. Provide a fair return for the resource
- III. Respect and partner with First Nations
- IV. Protect our air, land, and water, including living up to the province's climate commitments
- V. Must benefit communities

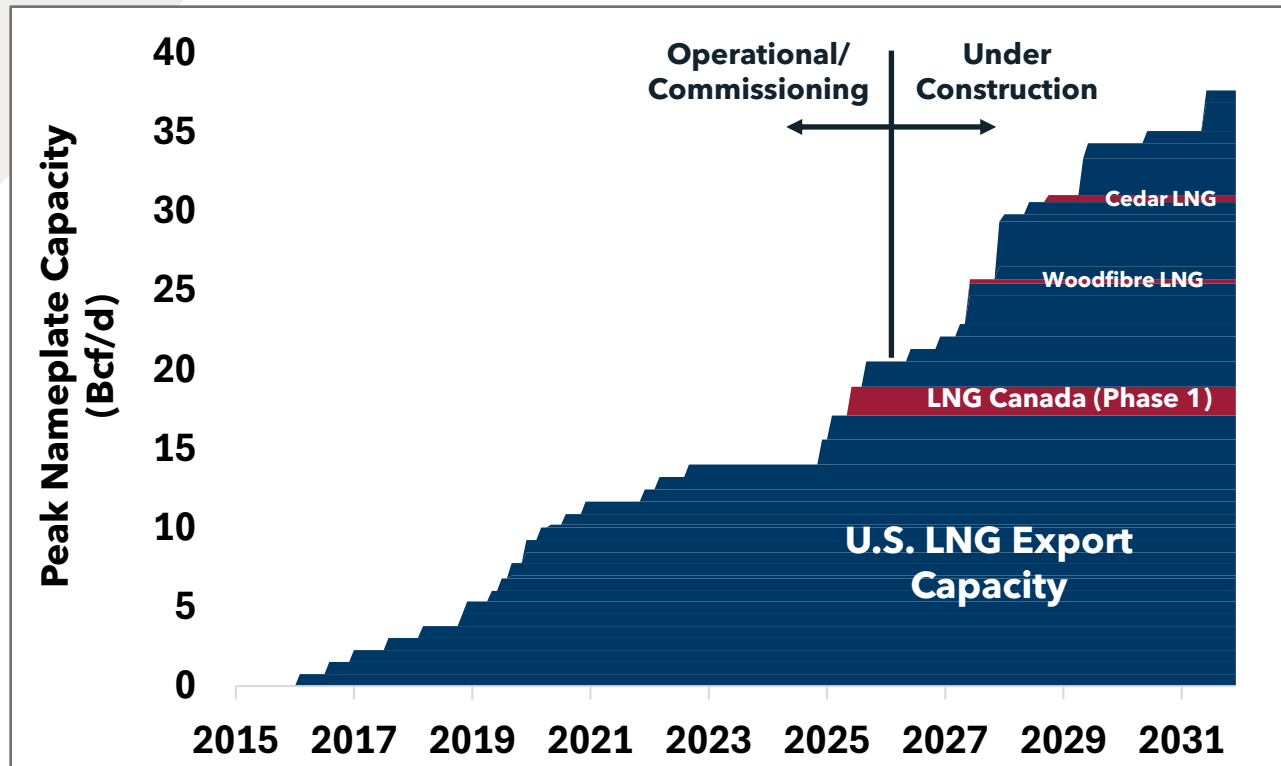
Source: LNG Canada, Ksi Lisims LNG, Government of British Columbia, FortisBC

(1) [The Canada Energy Regulator - Market Snapshot: Update on Canadian LNG export facilities and licenses](#)

(2) Rockies LNG partners includes: Advantage Energy, Birchcliff Energy, Canadian Natural Resources Limited, Murphy Oil, NuVista Energy, Ovintiv Inc., Paramount Resources, Peyto Exploration & Development Corp., Tourmaline Oil Corp., Veren Inc., Whitecap Resources, and Woodside Energy International (Canada) Limited

# North American LNG Export Capacity

## By Project | Operational/Commissioning and Under Construction

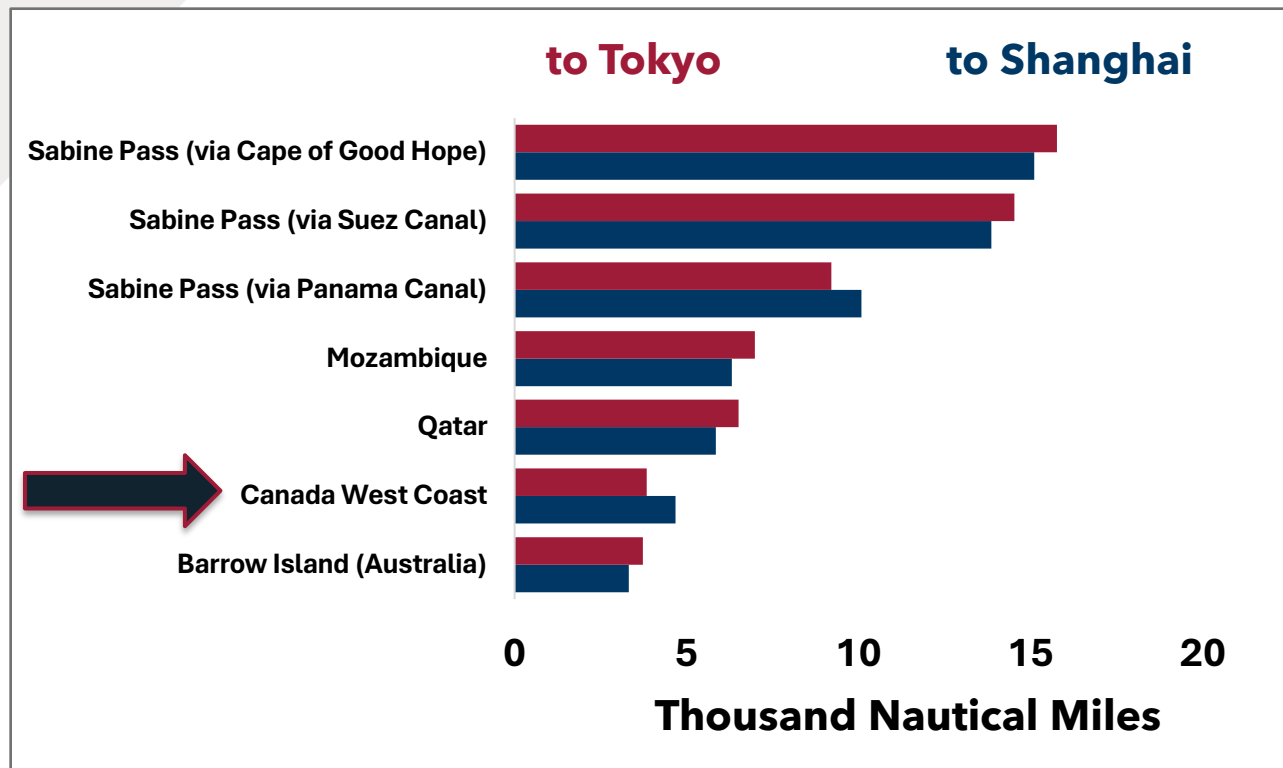


- In 2010, the NEB (now CER) started receiving applications for long-term licenses to export natural gas as LNG to non-U.S. markets.
- Fifteen years later, in June 2025, Canada welcomed its inaugural major LNG export facility, LNG Canada (Phase 1), with roughly 1.9 Bcf/d of export capacity.
- Over the same period, Canada's largest trade partner and energy sector competitor, the U.S., has grown its LNG exports from nil to over 18 Bcf/d.
- While Canada has been slow to act, the U.S. has seen massive investment, jobs, and economic benefits from LNG.

# Canada's Competitive Advantage

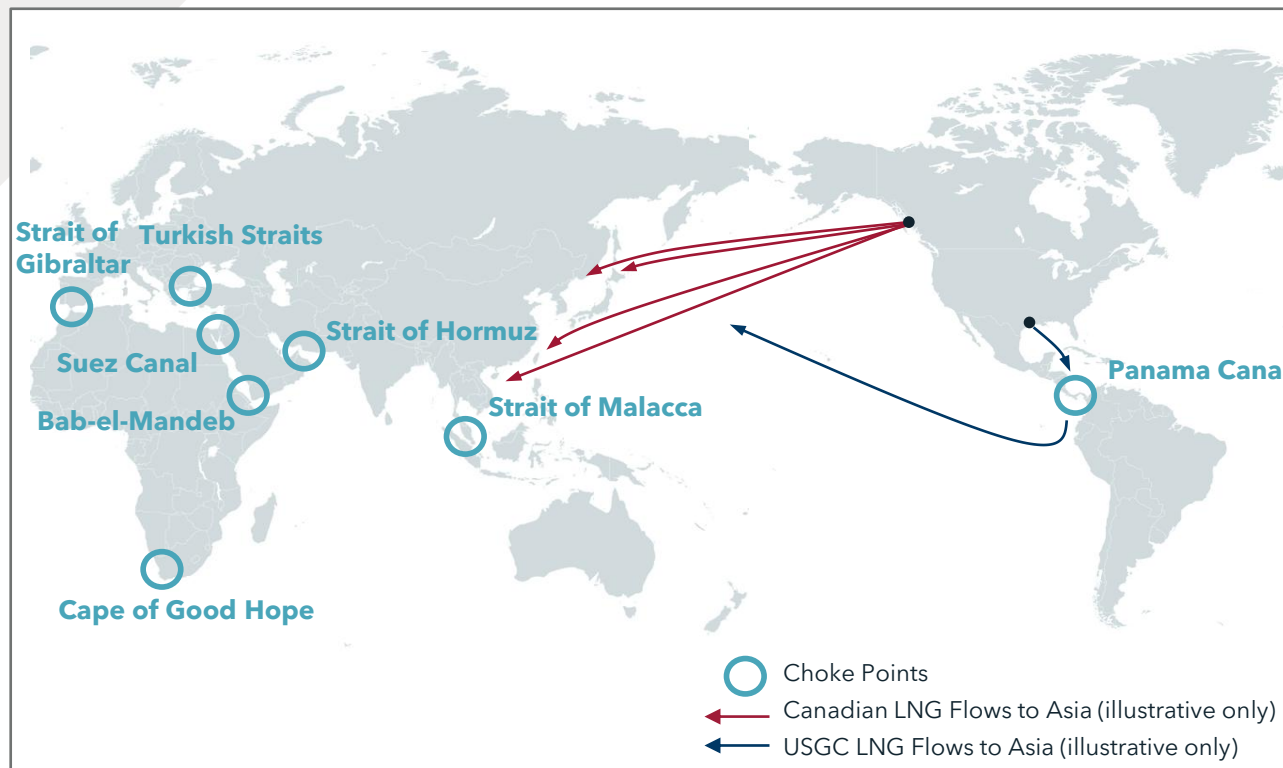
# Canadian Shipping Distance Advantage

## LNG Shipping Distances to Asia



- Canadian LNG shipped out of coastal B.C. destined for Asia will benefit from significantly shorter distances compared to competing sources, specifically in the U.S. Gulf Coast.
- According to a report from the Oxford Institute for Energy Studies, the shipping distance to Tokyo from the west coast of Canada is estimated at approximately 3,800 nautical miles, compared to approximately 9,200 nautical miles for LNG shipped out of Sabine Pass in the U.S. Gulf Coast via the Panama Canal.
- The shorter shipping distance translates to roughly half the time (~10 days vs. ~20 days).

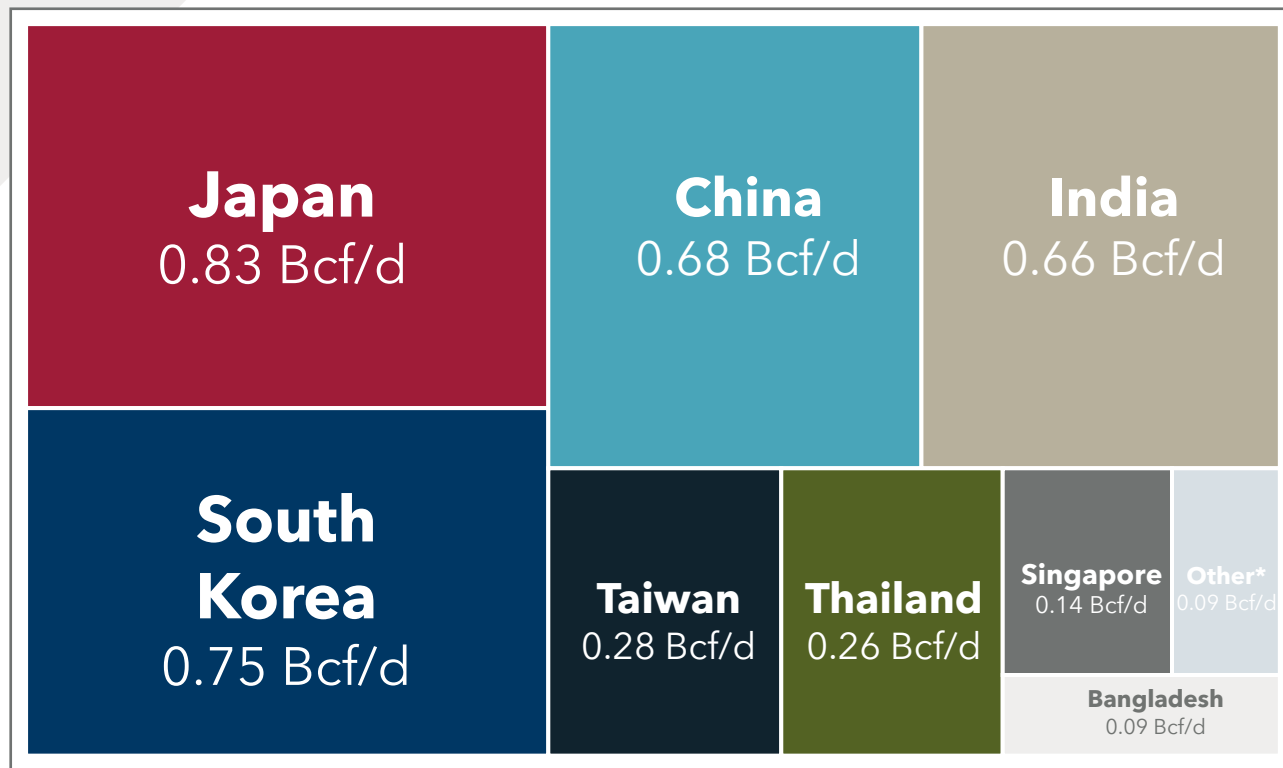
# Global Maritime Choke Points



- In addition to shorter relative shipping distances, Canadian LNG out of coastal B.C. will also be unimpeded by potential chokepoints (e.g., Panama Canal, Suez Canal, Strait of Hormuz, etc.) en route to key markets in Asia.
- Drought-related disruptions led to a ~66% decline in LNG shipments via the Panama Canal between Aug 2023 and Jan 2024, while geopolitical conflicts have led to a halt in LNG shipments via the Suez Canal.<sup>(1)</sup>
- As a result, LNG cargoes are being re-routed, leading to greater shipping times and costs, resulting in less LNG that can be delivered by each vessel over a given period.

# Destination of U.S. LNG Exports to Asia

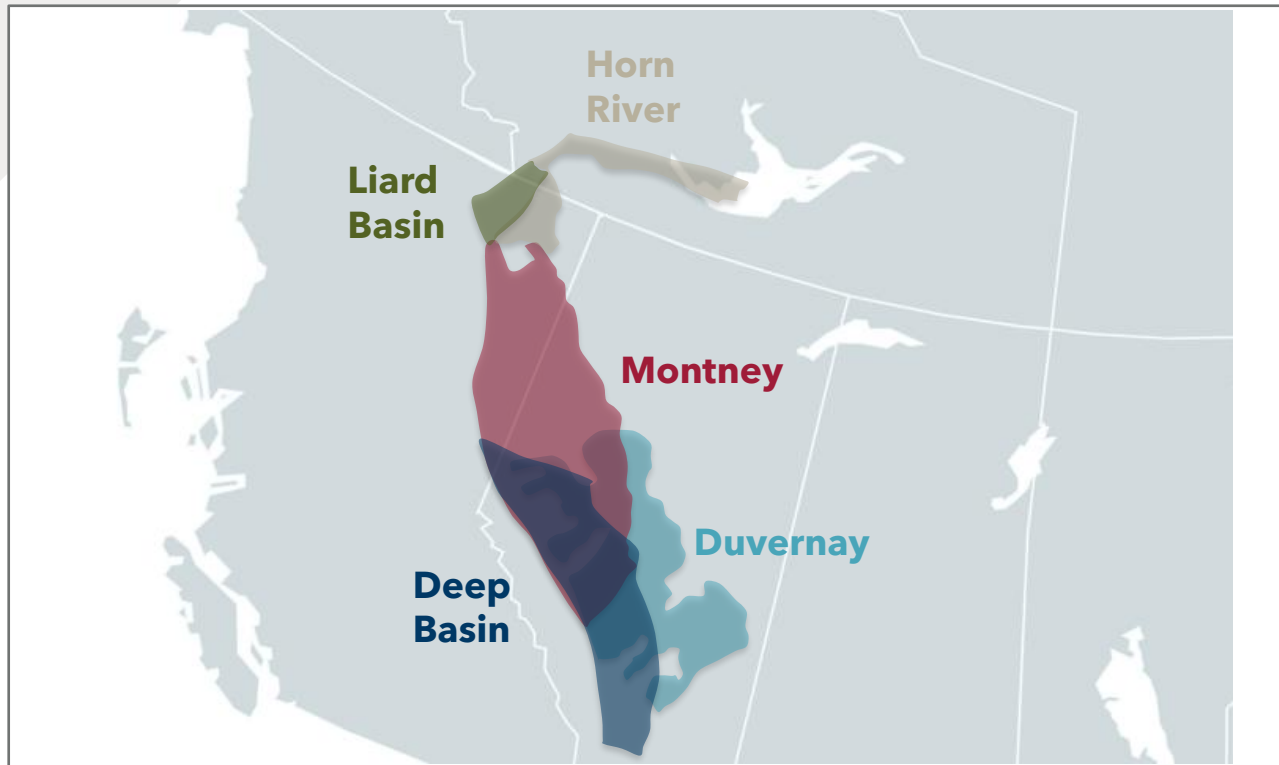
Annual | 2024



- The U.S. exported approximately 3.8 Bcf/d (29 Mtpa) of LNG to various markets in Asia in 2024, representing over 30% of total U.S. LNG exports.
- Conversely, in 2024, the U.S. made up 10% of all Asia LNG imports, which totaled 37 Bcf/d (282 Mtpa) from 21 different markets.
- Supply from Canada and the U.S. is preferred, as many countries seek to reduce dependence on Russian gas. For context, Asia imported 2.2 Bcf/d (17 Mtpa) of Russian LNG in 2024.
- Canadian exports of LNG to Asia would also strengthen Canada's Indo-Pacific investment and trade strategy.

# Western Canada Sedimentary Basin

## Natural Gas Play Overview



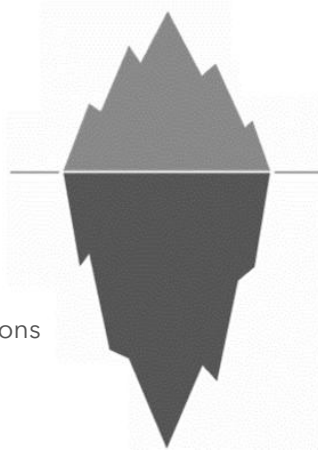
- Major natural gas plays in the Western Canada Sedimentary Basin (WCSB) include the Montney, Deep Basin, Duvernay, Liard Basin, and Horn River, among others. The Montney spans roughly 130,000 km<sup>2</sup> across Alberta and B.C. and is roughly the size of New Brunswick and Nova Scotia combined.
- Based on estimates from the Canada Energy Regulator, there is 1,105 Tcf<sup>(1)</sup> of remaining marketable natural gas resources in the WCSB. Using average annual WCSB natural gas production of ~18 Bcf/d in 2023, this is equivalent to over 160 years of supply.
- A more recent study conducted by McDaniel & Associates Consultants Ltd. found that the total natural gas resource in Alberta between the Montney, Duvernay, and Deep Basin exceeds 1,360 Tcf. Of this, 130 Tcf is estimated to be proved and recoverable natural gas reserves.<sup>(2)</sup>
- Given its resource potential and proximity to coastal BC, the Montney will be the primary source of supply for western Canadian LNG projects.

# Montney Resource Potential

## Resources

What is there:

- Potentially recoverable
- Undiscovered accumulations
- Unknown certainty



**Resources** are the total quantity of oil and natural gas estimated to be contained in subsurface accumulations

**Reserves** are quantities of oil and natural gas that are commercially recoverable with development projects from a given date under defined conditions.

*\* Historically, remaining reserves in the Montney have increased significantly year-over-year and are expected to increase further in the years ahead with continued development of the play and technological advancements.*

## Reserves

What we can get:

- Known accumulations
- Recoverable
- Established technology
- Economic

- A 2013 joint study by the B.C. and Alberta governments estimated the Montney contained an ultimate unconventional resource potential of 449 Tcf of marketable gas (271 Tcf B.C./178 Tcf Alberta).<sup>(1)</sup>
- More recently, a 2019 evaluation by McDaniel & Associates Consultants Ltd. found that the B.C. Montney resource potential based on a long-term AECO gas price of C\$3.00/MMBtu was ~399.6 Tcf, with sub- C\$2.50/MMBtu break-even supply costs for many areas within the Montney.<sup>(2)</sup> Using 2019 average Montney production, this implies over 170 years of Montney supply.
- In comparison, based on the latest reserve estimates, there are approximately 95.5 Tcf<sup>(3)</sup> and 64.5 Tcf<sup>(4)</sup> of remaining raw natural gas Montney reserves\* in B.C. and Alberta, respectively.

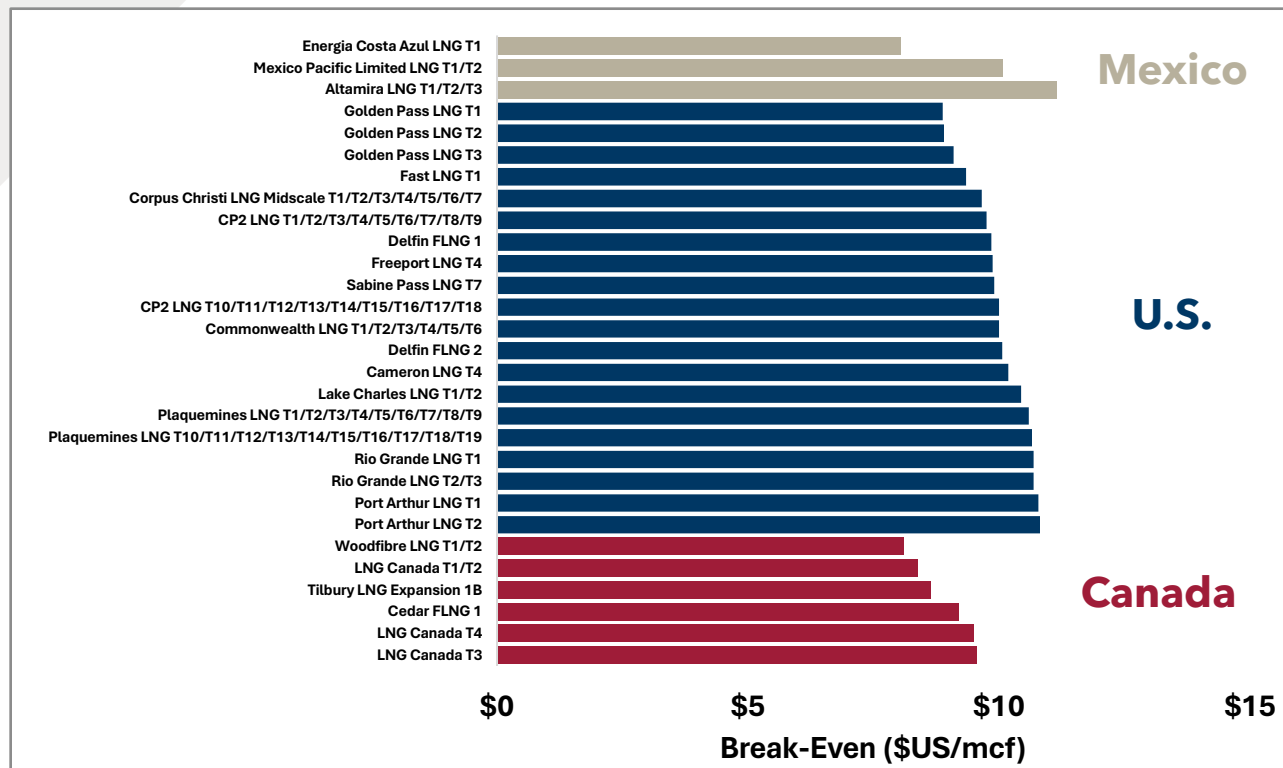
(1) [Canada Energy Regulator - The Ultimate Potential for Unconventional Petroleum from the Montney Formation of British Columbia and Alberta](#)

(2) [McDaniel & Associates Consultants Ltd - British Columbia Montney Supply Study and Type Curve Analysis](#)

(3) [British Columbia's 2024 Oil and Gas Reserves and Production Report](#)

(4) [Alberta Energy Regulator - Reserves](#)

# North American LNG Asset Break-Even Price For Delivery to Asia



According to 2024 data derived from Rystad Energy, Canadian LNG projects are expected to be among the most cost-competitive for delivery to Asia.

The analysis shows that the total costs\* for Canadian LNG into Asia could range from US\$8.10/mcf to US\$9.56/mcf.<sup>(1)</sup>

Compared to competing sources, Canadian LNG will benefit from lower liquefaction costs due to relatively lower ambient temperatures in B.C., lower shipping costs due to shorter distances, and a lower cost of natural gas supplies in western Canada. These competitive advantages help offset typically higher capital costs in Canada related to remote locations.

# Potential Economic Impact of Canadian LNG

Canada stands to benefit from growing its LNG industry through increased investment, jobs, tax revenue, and balancing its trade deficit. A 2020 study from The Conference Board of Canada<sup>(1)</sup> assumes the development of 56 Mtpa (~7.4 Bcf/d) of total LNG export capacity in Canada would provide:

- **Economic Boost:** The B.C. LNG industry could increase Canada's GDP by over \$11 billion annually, with B.C. alone seeing an \$8 billion annual increase, boosting the province's GDP by over 3%.
- **Job Creation:** The LNG industry could create over 96,000 jobs across Canada annually, with 71,000 of those in BC, representing a 3% increase in the province's total employment.
- **Investment Potential:** Over the period from 2020 to 2064, the LNG industry could attract more than \$500 billion in total investment, with \$11 billion spent annually.
- **Government Revenue Boost:** The industry could generate over \$90 billion in revenue for Canadian provinces and territories by 2064, with B.C. alone receiving over \$78 billion.

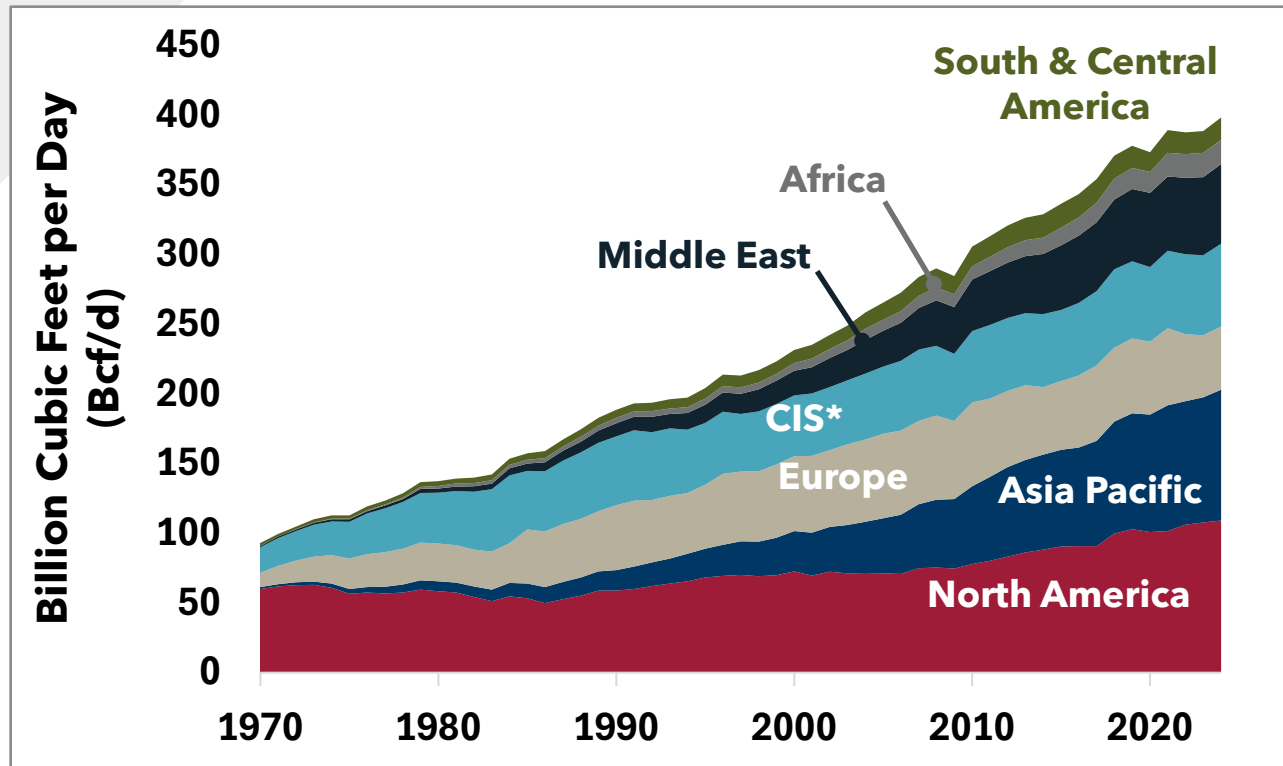
## Average Annual Economic Impacts of Canadian LNG<sup>(1)</sup>

		Upstream	Transmission	Midstream	Power Lines	LNG Terminal (Build)	LNG Terminal (Operational)	Total
<b>Annual investment spending</b>	(2020 \$ millions)	\$8,116	\$308	\$206	\$27	\$1,438	\$1,151	<b>\$11,246</b>
<b>Canada</b>								
<b>GDP at market prices</b>	(2020 \$ millions)	\$8,533	\$266	\$194	\$25	\$1,141	\$993	<b>\$11,153</b>
<b>Employment</b>	(000s)	71.8	2.6	1.9	0.2	12.5	7.6	<b>96.6</b>
<b>Wages</b>	(2020 \$ millions)	\$4,805	\$164	\$123	\$13	\$724	\$472	<b>\$6,302</b>
<b>B.C.</b>								
<b>GDP at market prices</b>	(2020 \$ millions)	\$6,138	\$188	\$137	\$20	\$817	\$788	<b>\$8,089</b>
<b>Employment</b>	(000s)	52.5	1.9	1.4	0.2	9.3	5.8	<b>71.1</b>
<b>Wages</b>	(2020 \$ millions)	\$3,474	\$119	\$90	\$11	\$531	\$364	<b>\$4,589</b>

# Global LNG Trade

# Annual Global Natural Gas Demand by Region

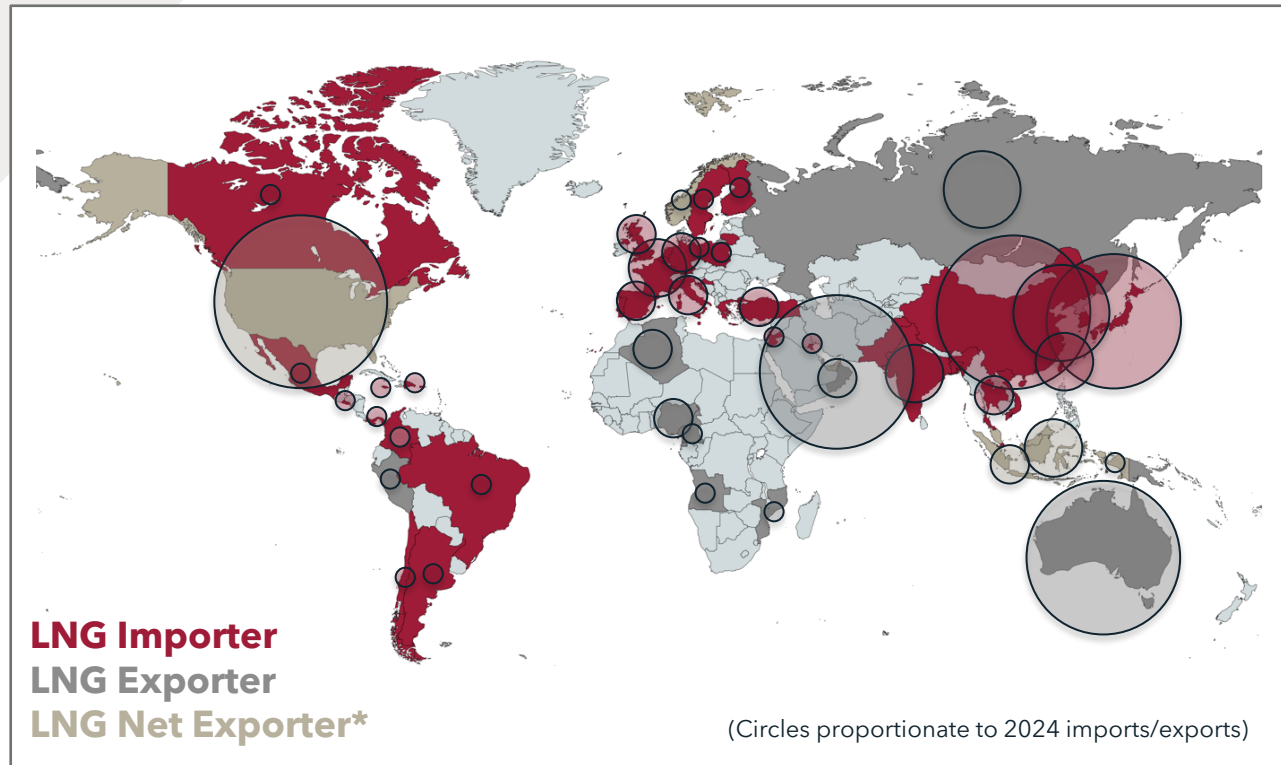
Annual | 1970 to 2024



- Global natural gas consumption has increased steadily since 1970, growing by roughly 5-6 Bcf/d per year, an average of 2-3% per year.
- The U.S. remains the largest consumer of natural gas, accounting for approximately 22% of global demand in 2024.
- Demand growth in the Asia Pacific region began to accelerate in the early 2000s. Since 2000, Asia Pacific demand is up over 60 Bcf/d, representing an annual growth rate of over 5% per year. In 2024, the region accounted for 24% of global natural gas demand, led by China, Japan, India, and South Korea.
- Asian markets are ideally suited destinations for Canadian LNG given their lack of domestic supplies, reliance on LNG, and close proximity to Canada.

# Overview of LNG Exporting and Importing Countries

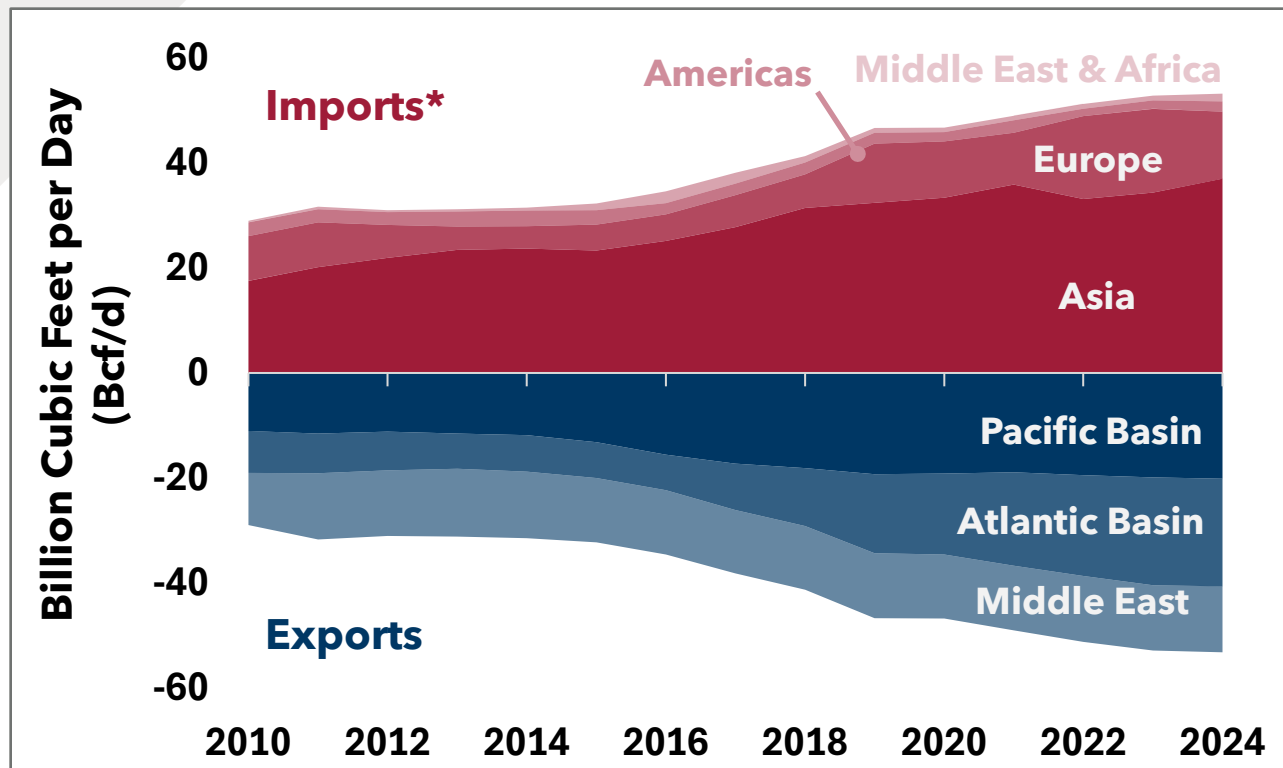
## Annual | 2024



- ▶ Despite ranking as the world's fifth largest natural gas producer in 2024, Canada remained on the sidelines in the global LNG trade.
- ▶ Global LNG trade remained relatively concentrated in the Asia Pacific region in 2024.
- ▶ In 2024, Canada was an LNG importer as it had no major operational LNG export facilities and imported a small amount of LNG in eastern Canada via the Saint John LNG regasification terminal.
- ▶ With vast natural gas reserves and direct tidewater access in coastal BC, Canada is ideally suited to supply LNG to markets in Asia where demand continues to grow.

# Annual Global LNG Exports/Imports by Region

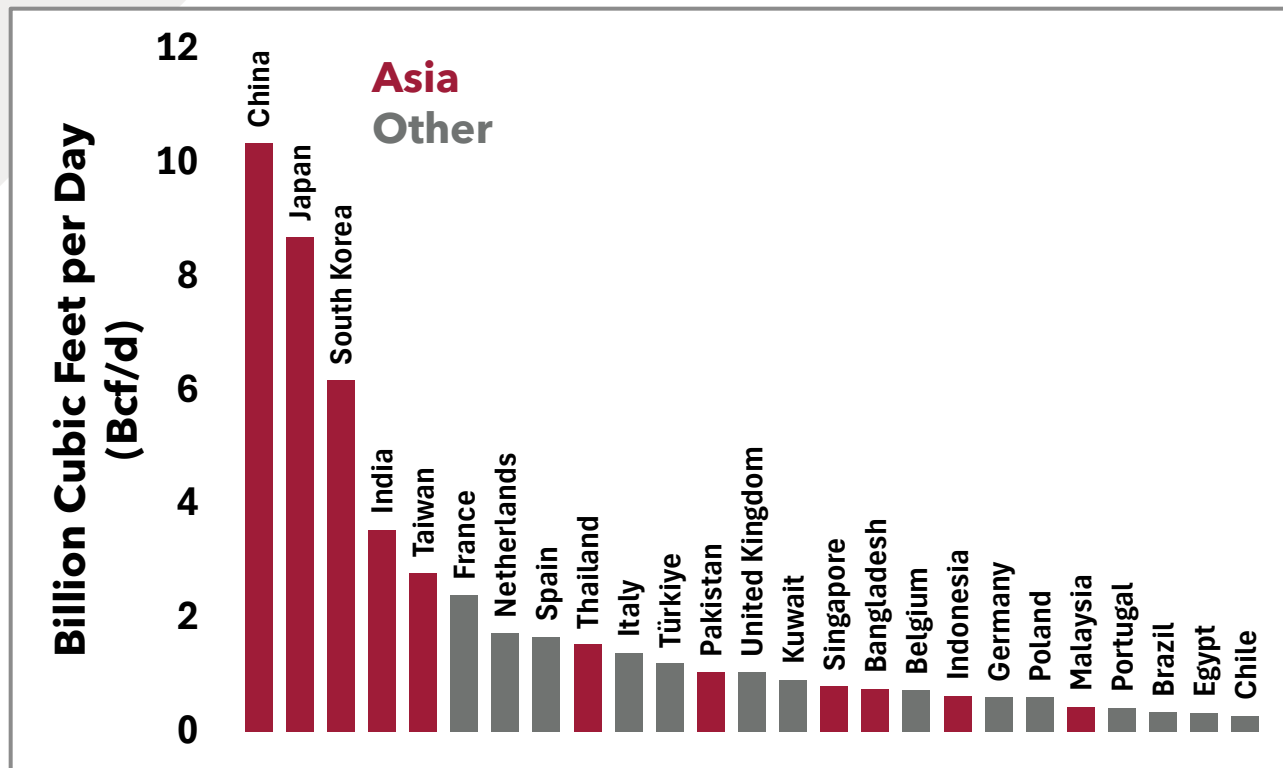
Annual | 2010 to 2024



- Global LNG trade hit a record-high of 53.2 Bcf/d (406 Mtpa) in 2024, up over 80% relative to 2010 levels and equivalent to ~13% of global gas demand in 2024. Since 2010, the annual average growth rate in LNG trade has been roughly 4%.
- In 2024, 47 importing markets were connected to 22 exporting markets.
- From a regional perspective, Asia and Europe are the largest importers of LNG, accounting for roughly 70% and 24% of global LNG imports in 2024, respectively.
- Comparatively, global LNG exports are less concentrated on a regional basis. In 2024, the Atlantic Basin, the Pacific Basin, and the Middle East accounted for 39%, 38%, and 24% of global LNG exports, respectively.

# LNG Imports\* by Country

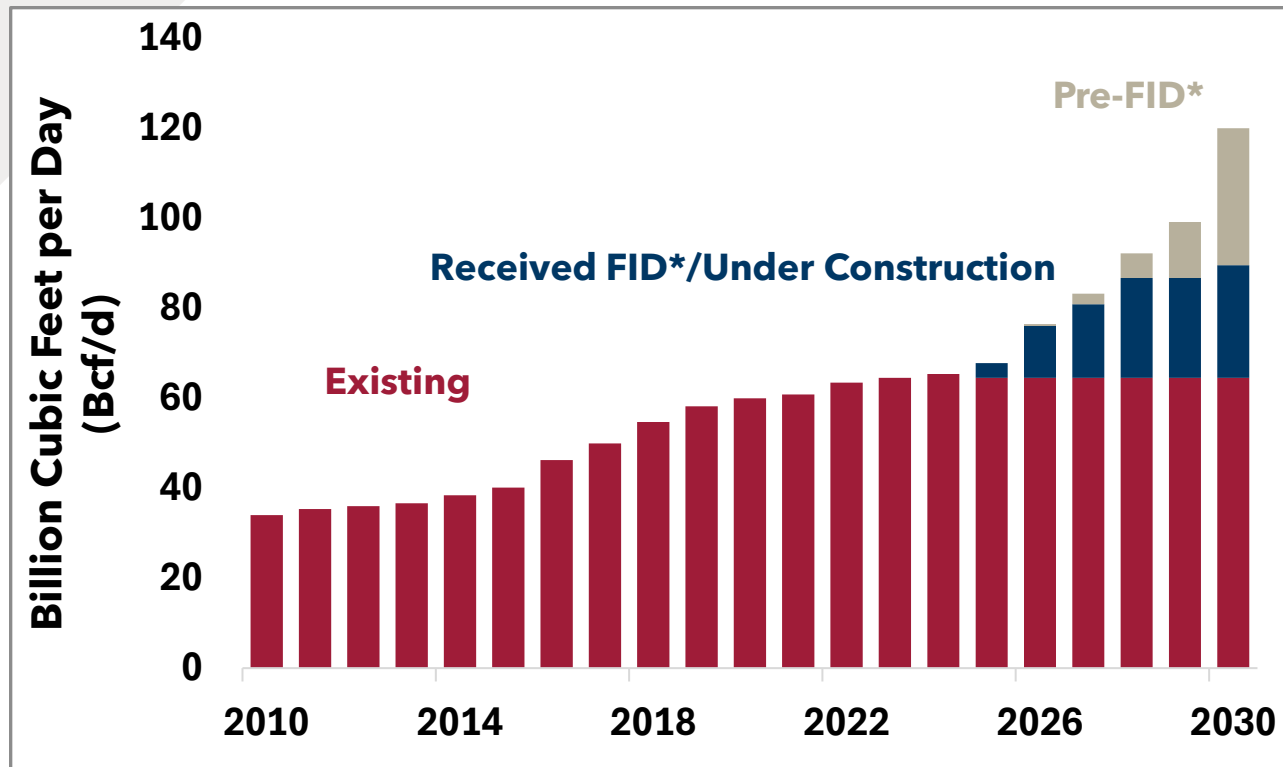
## Annual | Top 25 Countries | 2024



- From an import perspective, Asian countries were the largest importers of LNG in 2024, representing 70% of total LNG imports. Eleven Asian countries ranked in the top 25 in 2024.
- In the years ahead, developing Asian economies are expected to increase their demand for LNG.
- Compared to other exporters like the U.S., Canada is advantaged in serving the Asian market due to its close proximity and lower shipping costs.

# Global Liquefaction Capacity Development

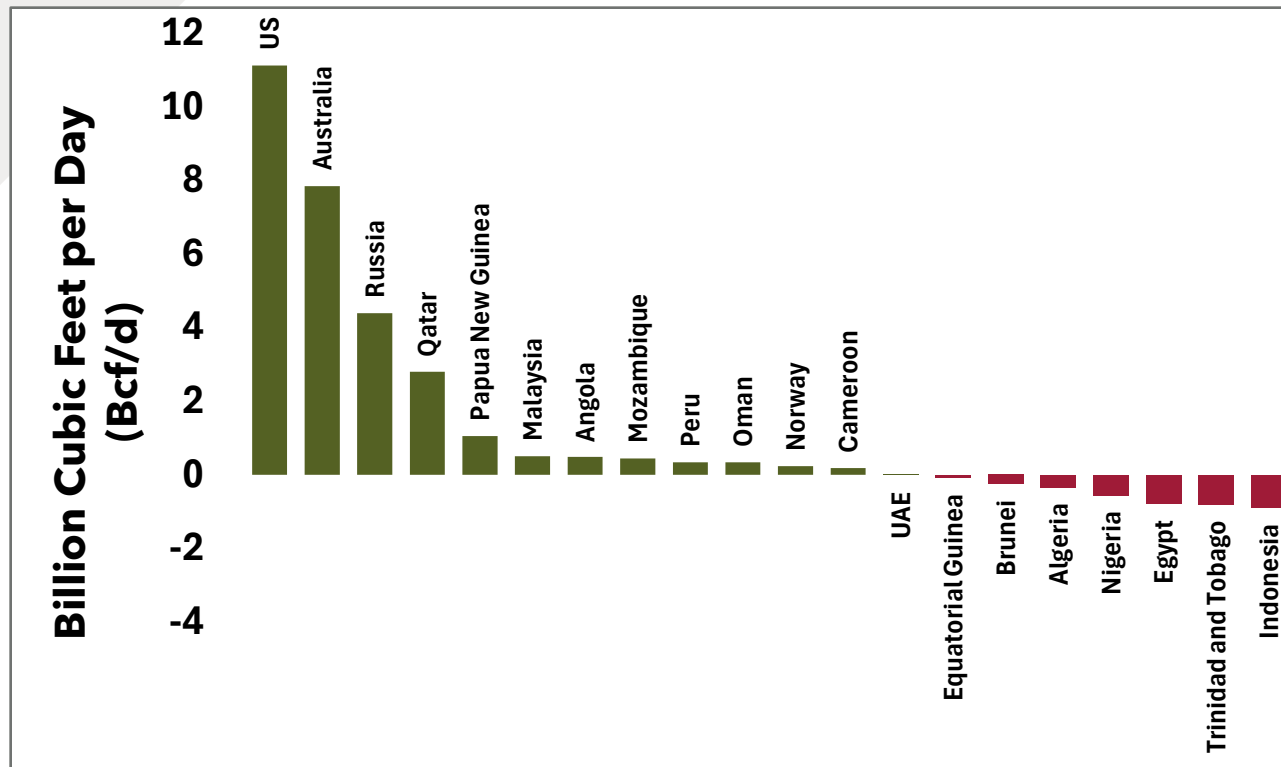
## Annual | 2010 to 2030



- In 2024, global liquefaction capacity reached ~65 Bcf/d (494 Mtpa), with an average weighted utilization rate of ~87%.<sup>(1)</sup>
- From 2010 to 2024, global liquefaction capacity has increased by over 90% and based on projects that have currently received an FID\*, is poised to grow by an additional ~25 Bcf/d (~190 Mtpa) by 2030 (roughly 40% relative to 2024).
- For context, once LNG Canada Phase 1, Woodfibre LNG, and Cedar LNG are collectively operational by 2029, their cumulative export capacity of ~2.5 Bcf/d (19 Mtpa) will represent ~3% of global liquefaction capacity, including existing and projects that have received FID.

# Change in LNG Exports by Country

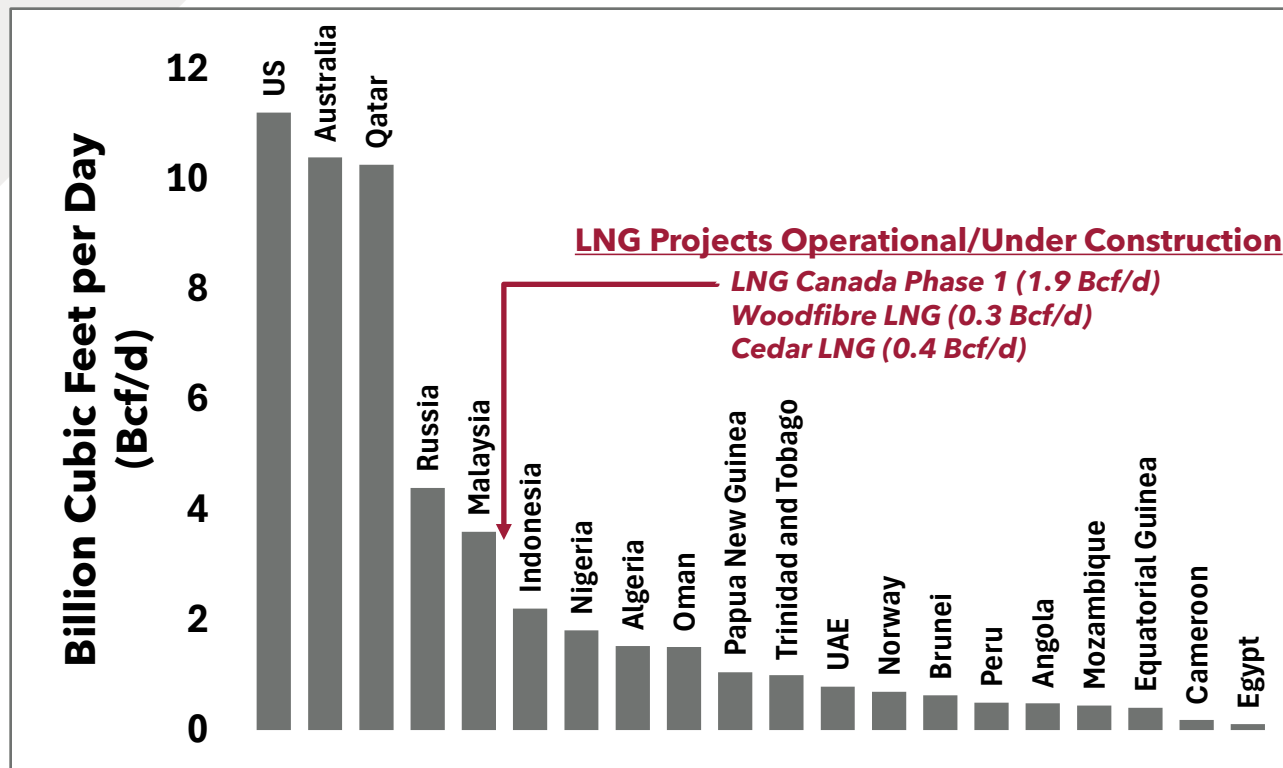
## 2024 vs. 2010



- The global LNG landscape has changed drastically since 2010. Many countries have expanded their LNG industry while Canada's has remained relatively dormant.
- From an economic perspective, Canada has missed significant financial opportunities from the delayed development of LNG. This has resulted in lost market share to other countries, including the U.S., and forfeiting billions in investment, jobs, taxes, and royalties.
- A 2020 study from The Conference Board of Canada<sup>(1)</sup> found that an investment scenario where Canadian LNG export capacity increased to 56 Mtpa (7.4 Bcf/d) would yield a \$11 billion increase in GDP per year, an increase in jobs by ~100,000, and over \$2 billion per year in taxes & royalties.

# LNG Exports by Country

## Annual | 2024



- In 2024, there were 22 countries that exported LNG across the globe.
- Of these, the U.S., Australia, and Qatar are the market leaders, collectively accounting for over 60% of global LNG exports in 2024.
- As Canada joins the fold in 2025-2030, it will immediately become one of the top global LNG exporters but will still be exceeded by the U.S., Australia, Qatar, Russia, and Malaysia.
- Canada's specific ranking in 2025-2030 is uncertain since many countries have projects currently under development and will also grow their exports over that timeframe.

# Indigenous Partnerships

# Indigenous Partnerships in Canadian LNG Development

Indigenous communities are leading the way in LNG development in Canada, making a significant impact through strategic partnerships, ownership stakes, and business agreements.

For Indigenous communities, the impact of Canadian LNG development is significant: it creates jobs, supports Indigenous-owned businesses, and generates own-source revenues that can be used to invest in infrastructure to ensure that communities have clean drinking water, housing, and economic development:<sup>(1)</sup>

- **Woodfibre LNG** - the first company in Canada to recognize a First Nations government as a regulator on a proposed industrial project and to receive environmental approval from Indigenous People without a treaty.
- **Cedar LNG** - the world's first Indigenous majority-owned LNG project, it has strong support from neighboring Indigenous Nations and communities.
- **Ksi Lisims LNG** - the Nisga'a Nation is advancing the proposed Ksi Lisims LNG project in its territory, with meaningful input into project development, management, and operations, ensuring it is designed and operated in a manner consistent with the Nisga'a Nation's commitment to stewardship of the land and its people.
- **Coastal GasLink Pipeline** - CGL First Nations Limited Partnership and the FN CGL Pipeline Limited Partnership, two entities that together represent 17 nations across the project corridor, signed an option agreement to purchase 10% equity in TC Energy's Coastal GasLink Pipeline<sup>(1)</sup>, a critical piece of pipeline infrastructure connecting natural gas from northeastern B.C. to LNG facilities in Kitimat, BC.

# Acronyms and Abbreviations

**Bcf** - Billion Cubic Feet

**BOE** - Barrel of Oil Equivalent

**CCUS** - Carbon Capture, Utilization and Sequestration

**CER** - Canada Energy Regulator

**FID** - Final Investment Decision

**FLNG** - Floating LNG Facility

**GHG** - Greenhouse Gas

**GIIGNL** - International Group of Liquefied Natural Gas Importers

**IEA** - International Energy Agency

**LNG** - Liquefied Natural Gas

**MMBtu** - Million British Thermal Units

**Mtpa** - Million Tonnes Per Annum

**NEB** - National Energy Board

**t** - Tonne

**Tcf** - Trillion Cubic Feet

**USGC** - U.S. Gulf Coast

**WCSB** - Western Canada Sedimentary Basin