



**Northeast Gas Association
Pre-Winter Briefing
Northeast Gateway
Deepwater Port
*Winter 2021/2022***



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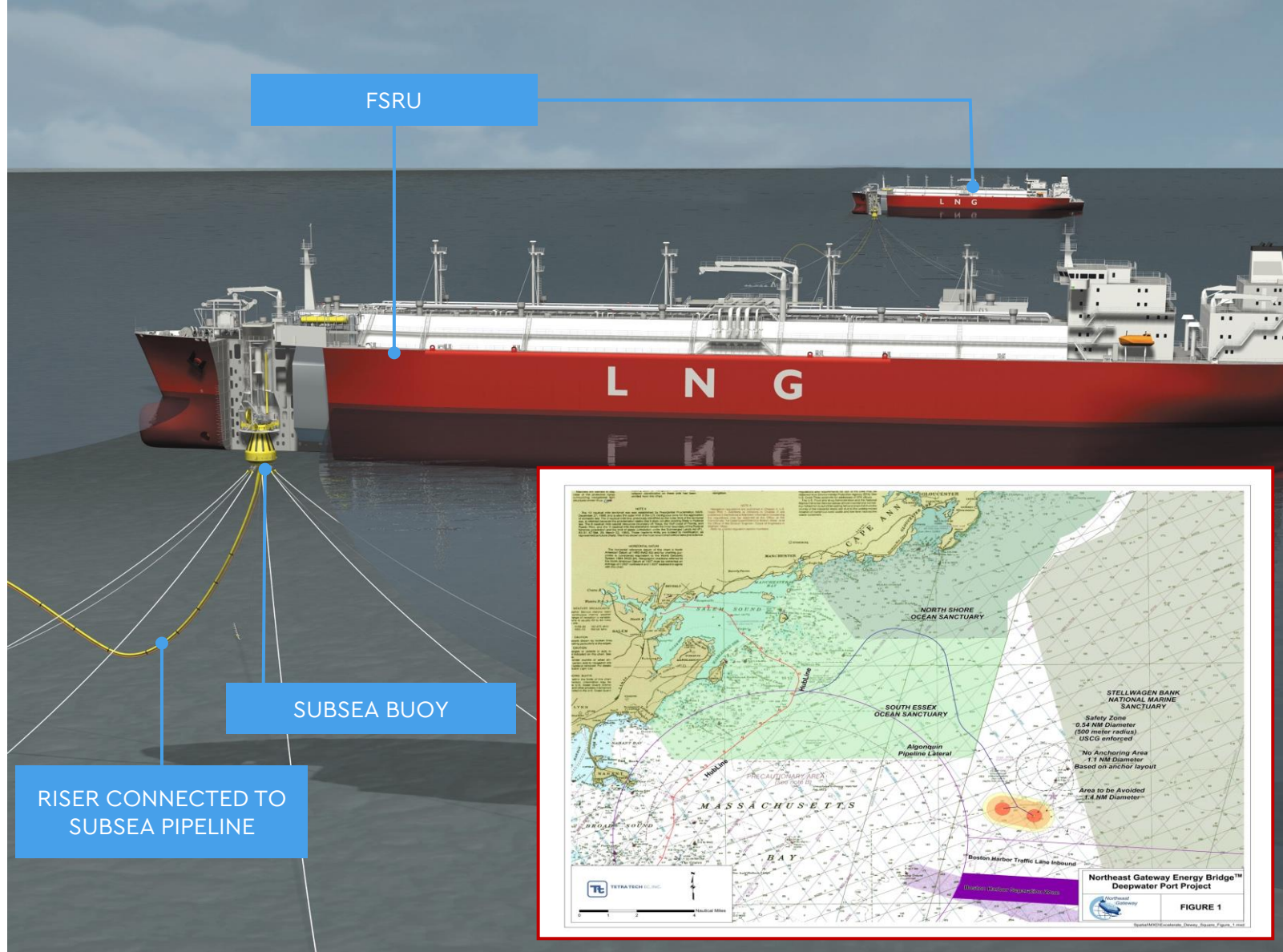
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Northeast Gateway overview

- Northeast Gateway (NEG) is a fully permitted, operational LNG terminal, located 13 miles from shore in Massachusetts Bay.
- The terminal is designed to receive Excelerate's floating storage and regasification units (FSRUs) which have the onboard capability to vaporize LNG while withstanding the unique conditions of the North Atlantic.
- The two-buoy system is used as both the mooring mechanism for our FSRUs and as the conduit through which natural gas is delivered to the existing subsea HubLine pipeline operated by Enbridge's Algonquin Gas Transmission.
- Offshore terminals, like Northeast Gateway, are designed to minimize environmental impacts to the surrounding environment as they require minimal land use and can be situated away from congested areas.



RISER CONNECTED TO SUBSEA PIPELINE

SUBSEA BUOY

FSRU

FACILITY STORAGE	PEAK FSRU CAPACITY:	PEAK FACILITY CAPACITY:	HOURLY CAPACITY:	SENDOUT PRESSURE:
3.2 BCF per Ship (6.4 BCF Total)	Up to 500 MMcf/d (One FSRU)	800 MMcf/d (Two FSRUs)	>20 MMcf/h (One FSRU)	1,450 PSIG (max)

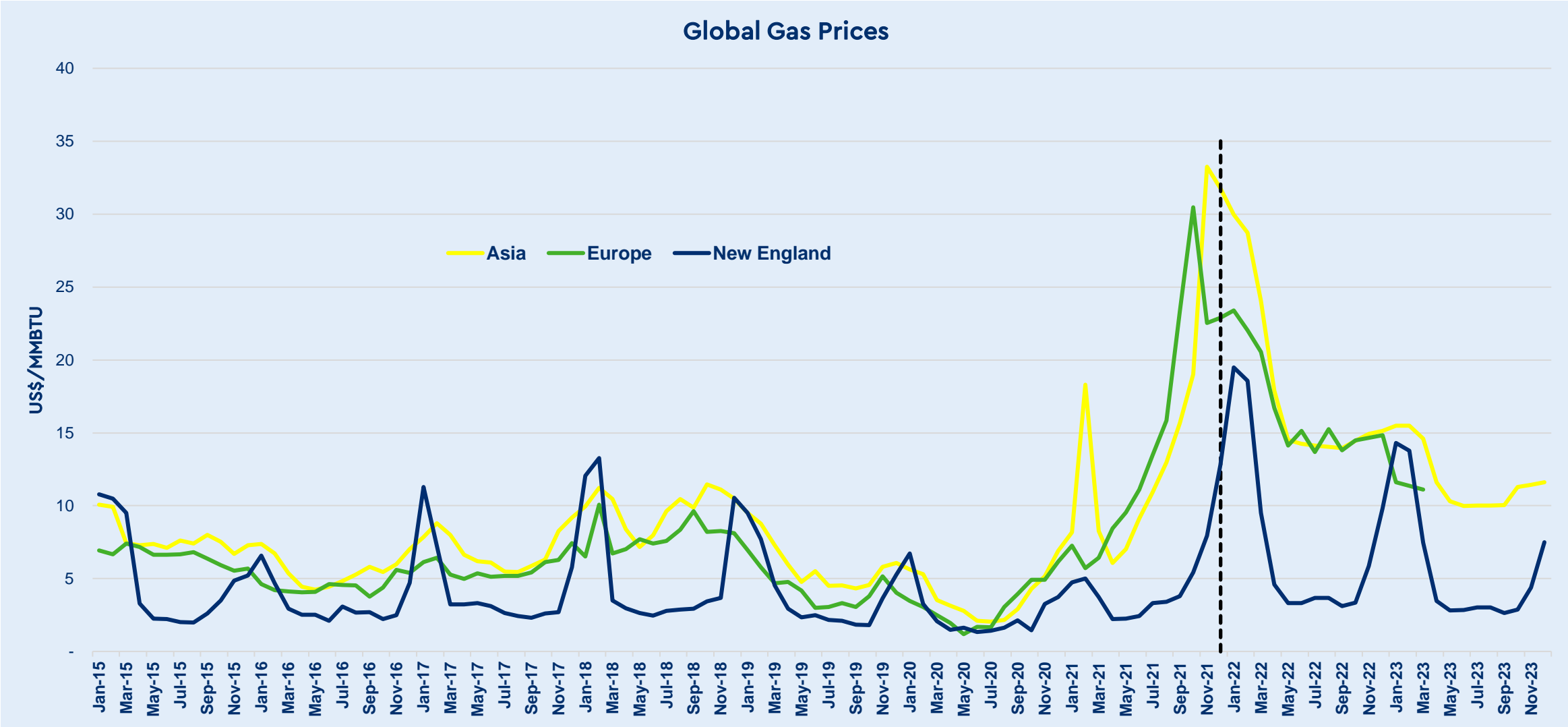
NEG maintenance & preparation

- STL Buoys underwent their annual survey in August 2021
 - American Bureau of Shipping (ABS) certification confirm
- September/October 2021, dive team performed detailed NEG equipment inspection, cleaning and maintenance
- Excelerate Ships maintained to international shipping standards
 - Six (6) of Excelerate's ten FSRUs are metered for Algonquin
 - Periodic dry docks on those ships
- Maintain Boston based offshore support vessel – Semper Offshore
 - Safety, security and monitoring through summer and winter ops



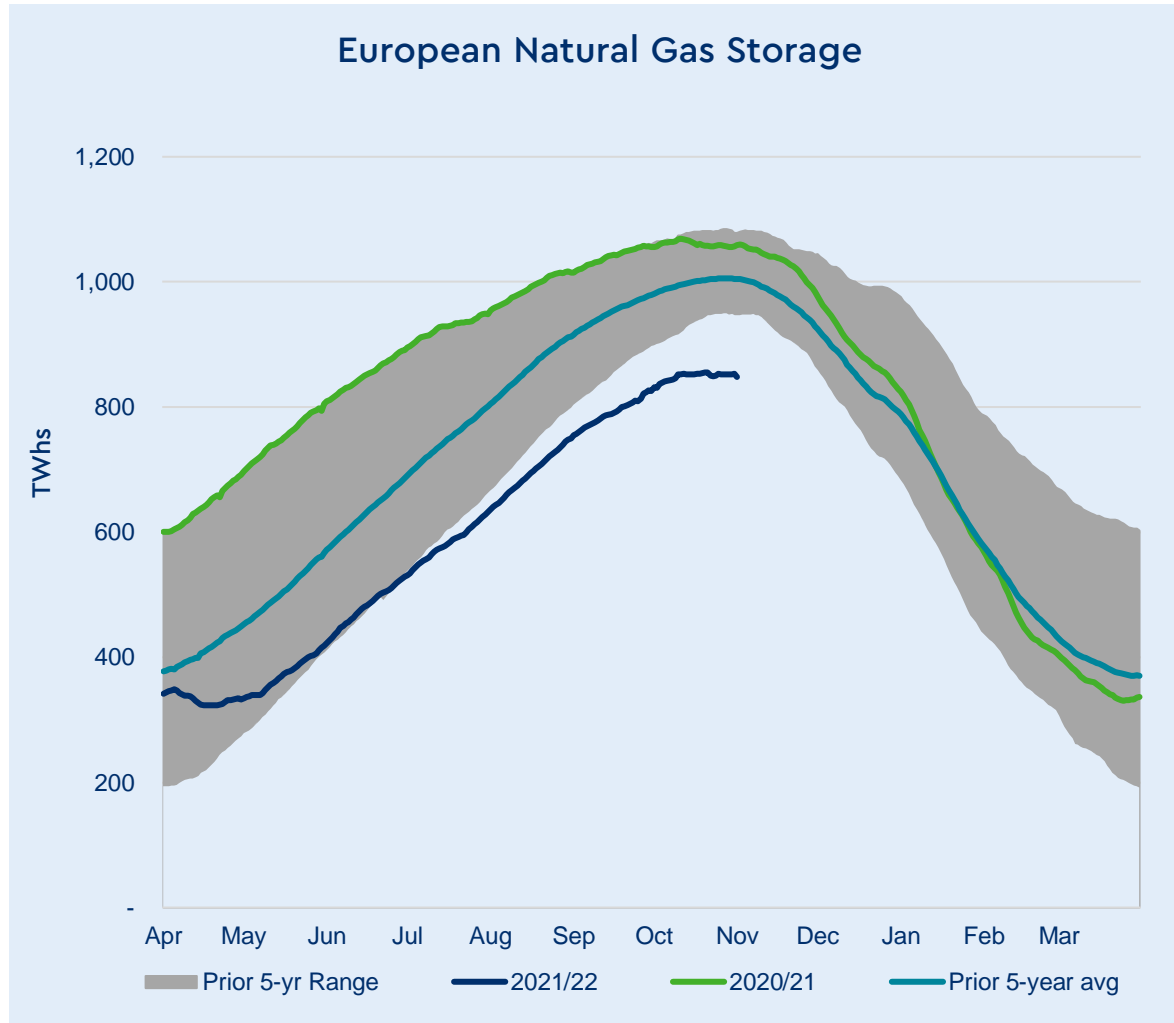
Global LNG prices have reached historical highs

Global Gas Prices



Source: Bloomberg. Prices current as of Nov 10, 2021.

LNG prices will likely remain volatile this winter

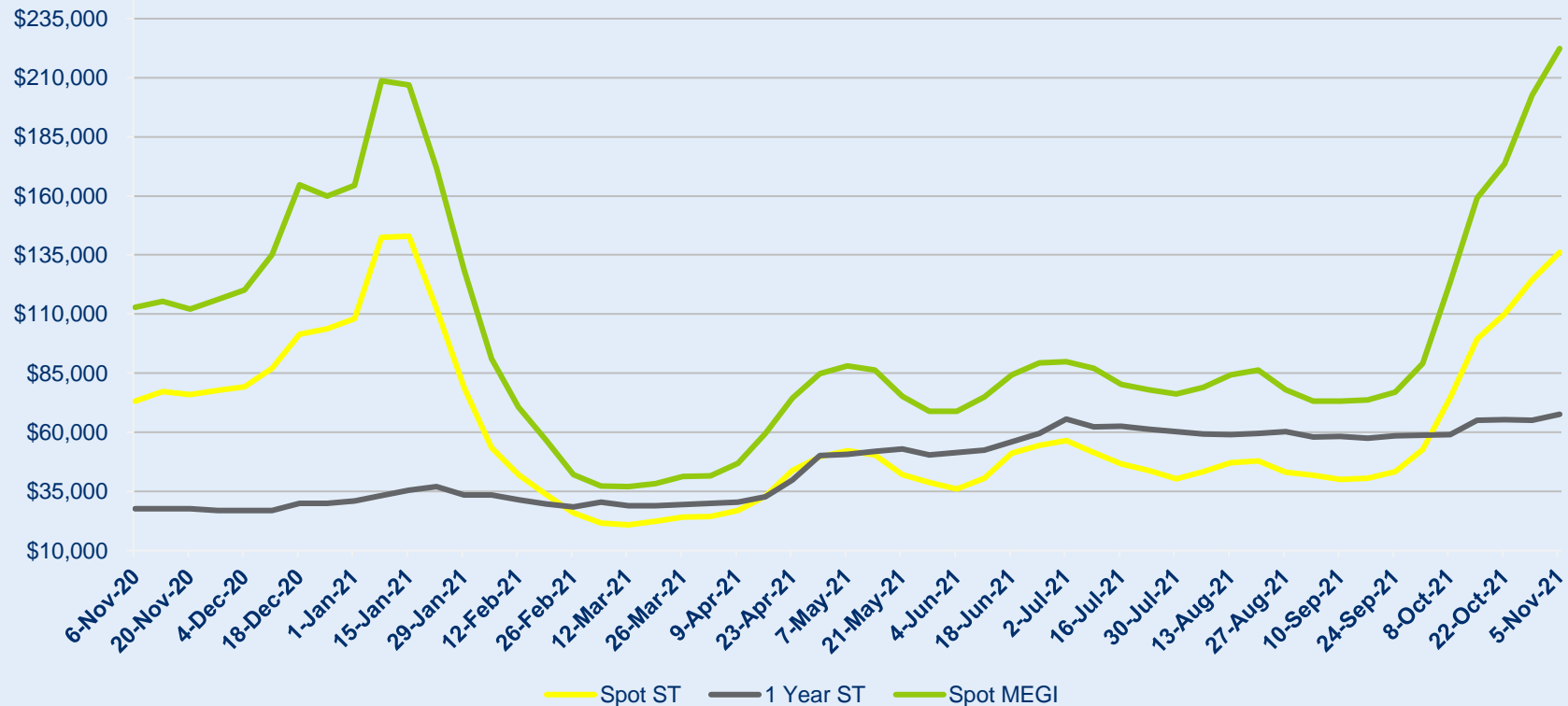


- Several factors have contributed to this spike in prices (many of them short-term):
 - Long and cold 2020/21 winter in Europe and Asia led to historically low storage levels
 - Hot summer in Europe and Asia
 - Faster-than-expected economic recovery from pandemic-related shutdowns (esp. in China)
 - Drought in South America, leading to record high LNG imports from Brazil
 - LNG supply disruptions from planned outages, unplanned outages, and natural declines
 - Lower-than-expected production in Europe
 - Lower-than-expected pipeline flows from Russia
- This winter will likely continue to be volatile, with any further supply disruptions or cold weather snaps pushing LNG prices up again.

Source: Bloomberg. Figures current as of Oct 29, 2021.

LNG ship markets can tighten quickly

2020 - 2021 Average Charter Rates
\$USD/day



- Excess ship capacity gets used up quicker if spreads between Atlantic and Pacific basins are high
- Currently the arbitrage between Gulf of Mexico and Far East is widening leading to higher charter rates
- Expectation was an oversupply of LNG ship newbuilds entering the market from 2021-2022 – now there is only a handful of uncommitted newbuilds until 2023
- Long term charters are strong but more stable

2021 LNG Market Review

- Currently New England is not a premium LNG market
- Increased competition exists from a growing number of global LNG buyers
- The global market will stay sensitive to any supply outages or colder than expected conditions, which would likely lead to further price spikes
- Europe's supply/demand picture and geopolitics will continue to drive global LNG prices this winter
- Ship capacity is getting scarce as Far East prices gain a premium
- 2021 volatile LNG markets have spooked spot buyers enough that many are now seeking long-term supply
 - Less spot trade opportunities in the future
 - More dedicated ship capacity



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