

Development of LNG Project Finance

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LNG Producer-Consumer Conference

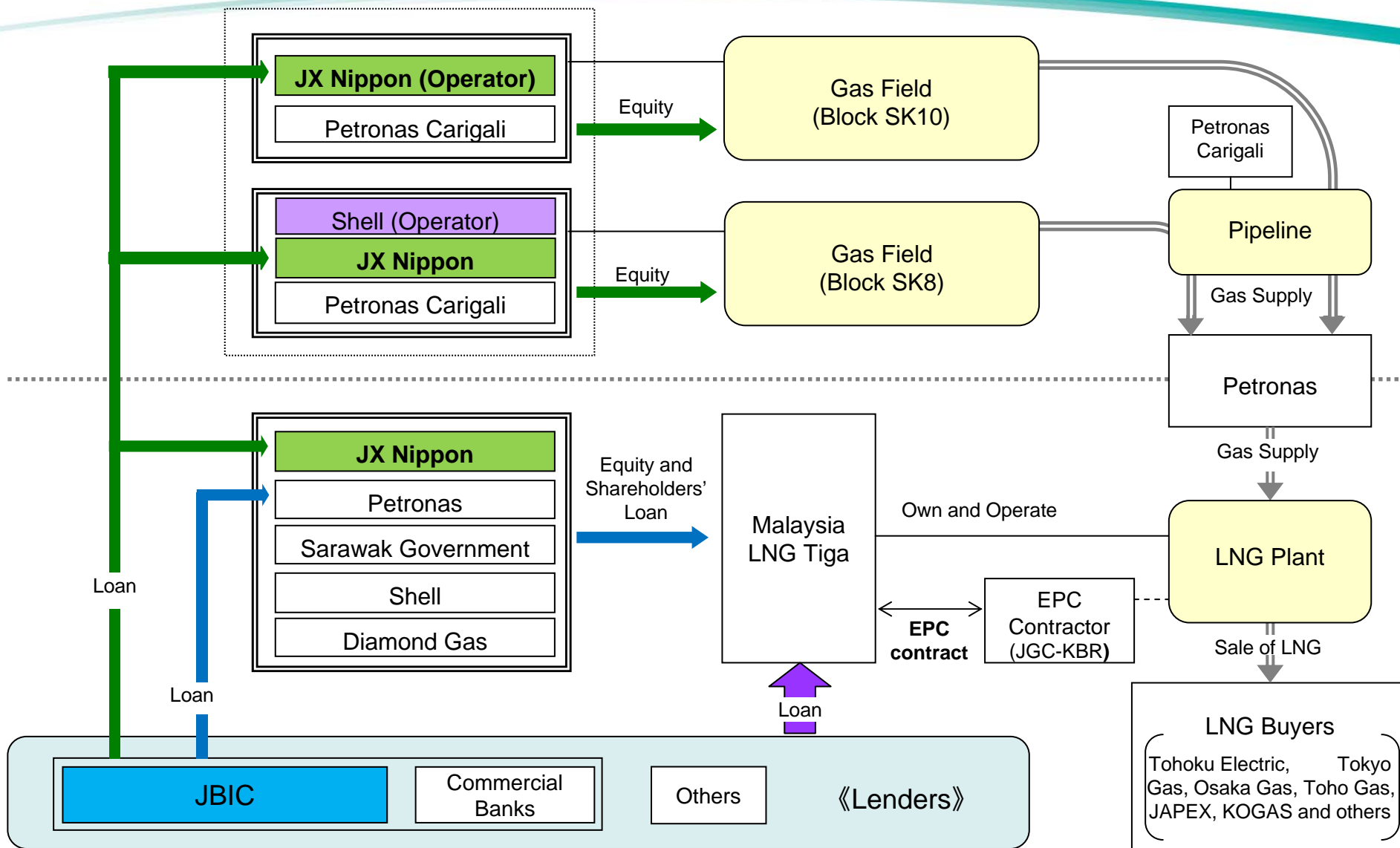
September 19, 2012



The Future of Energy, Resources and Materials

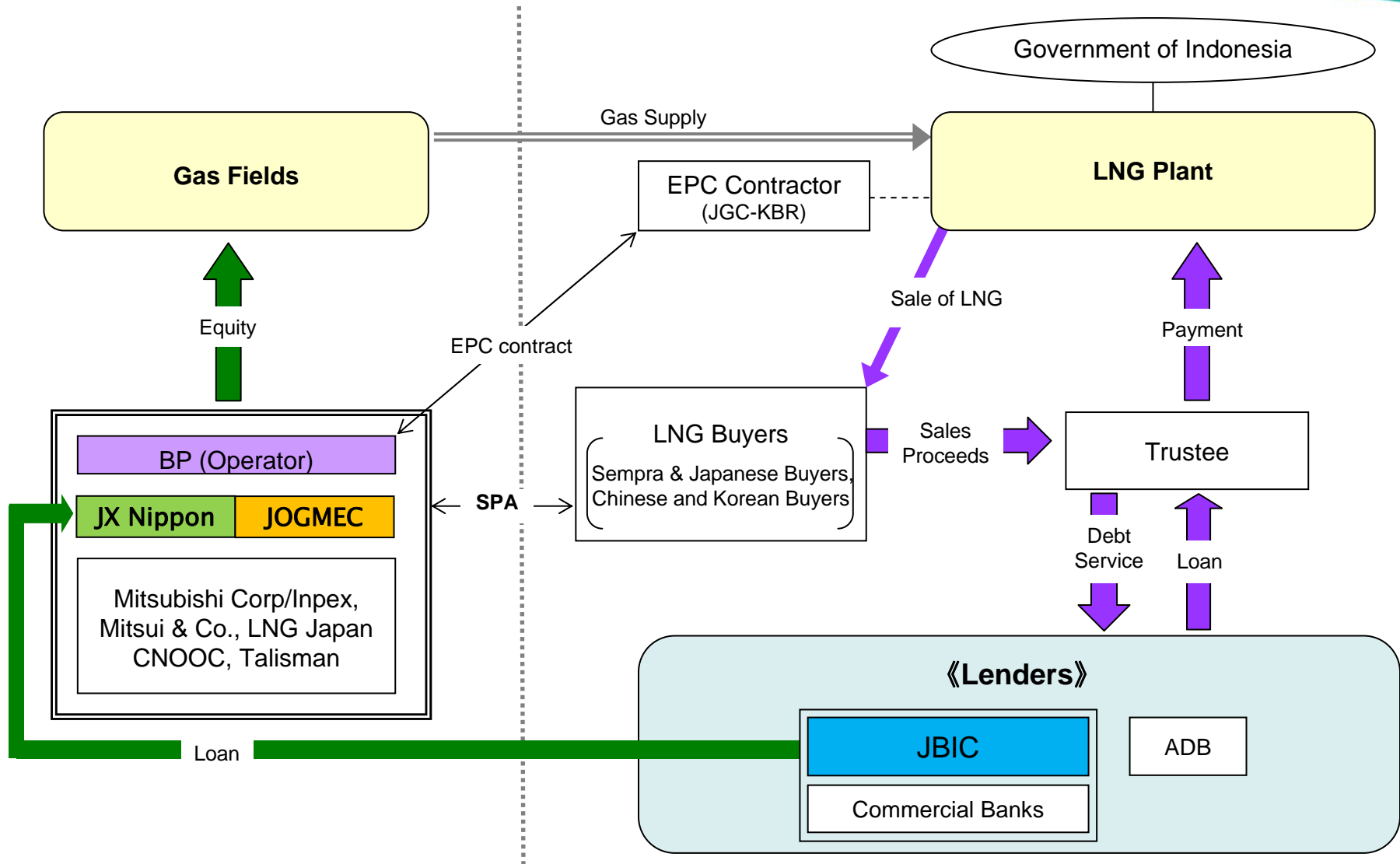
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Malaysia LNG Tiga Project



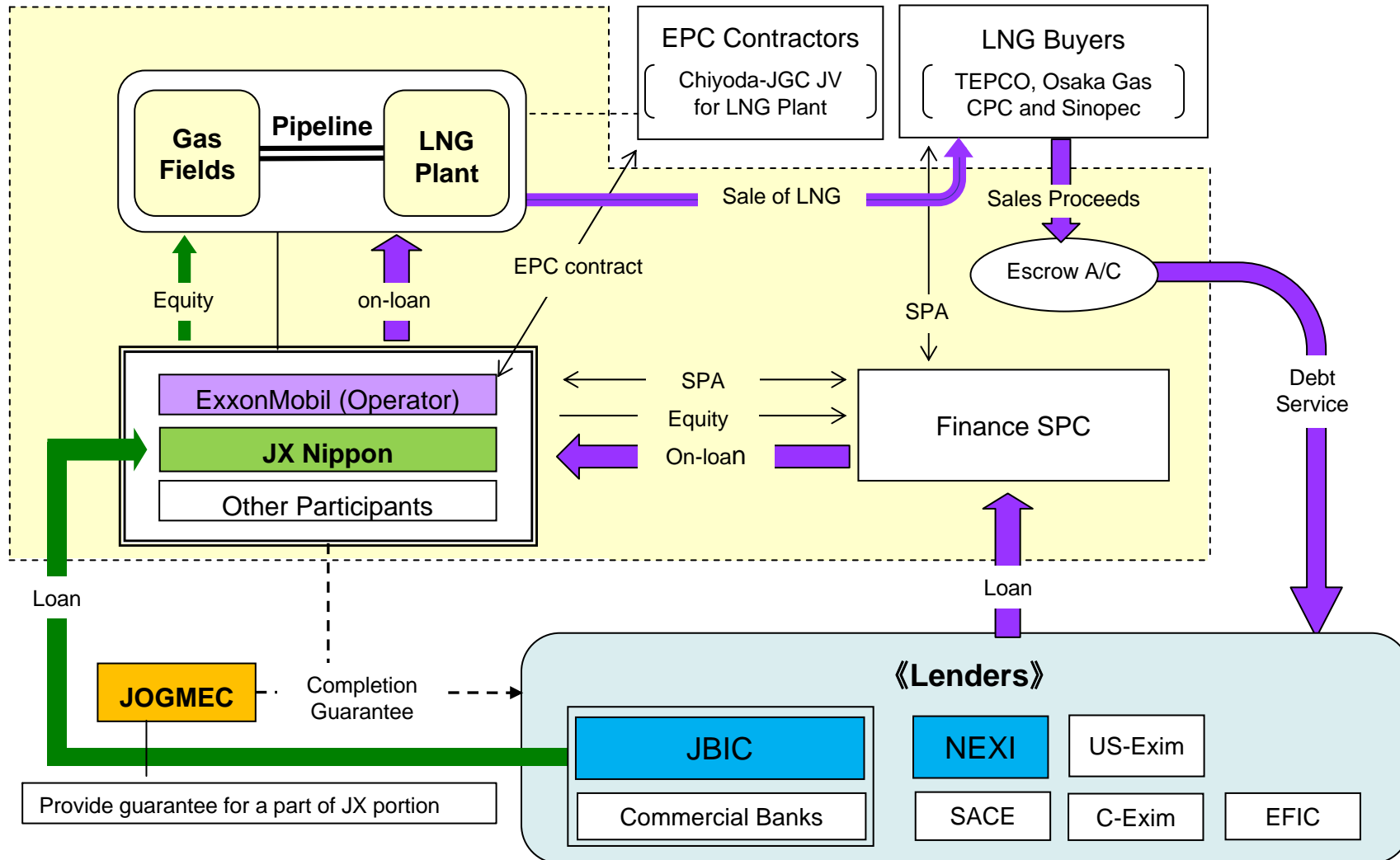


Tanggung LNG Project

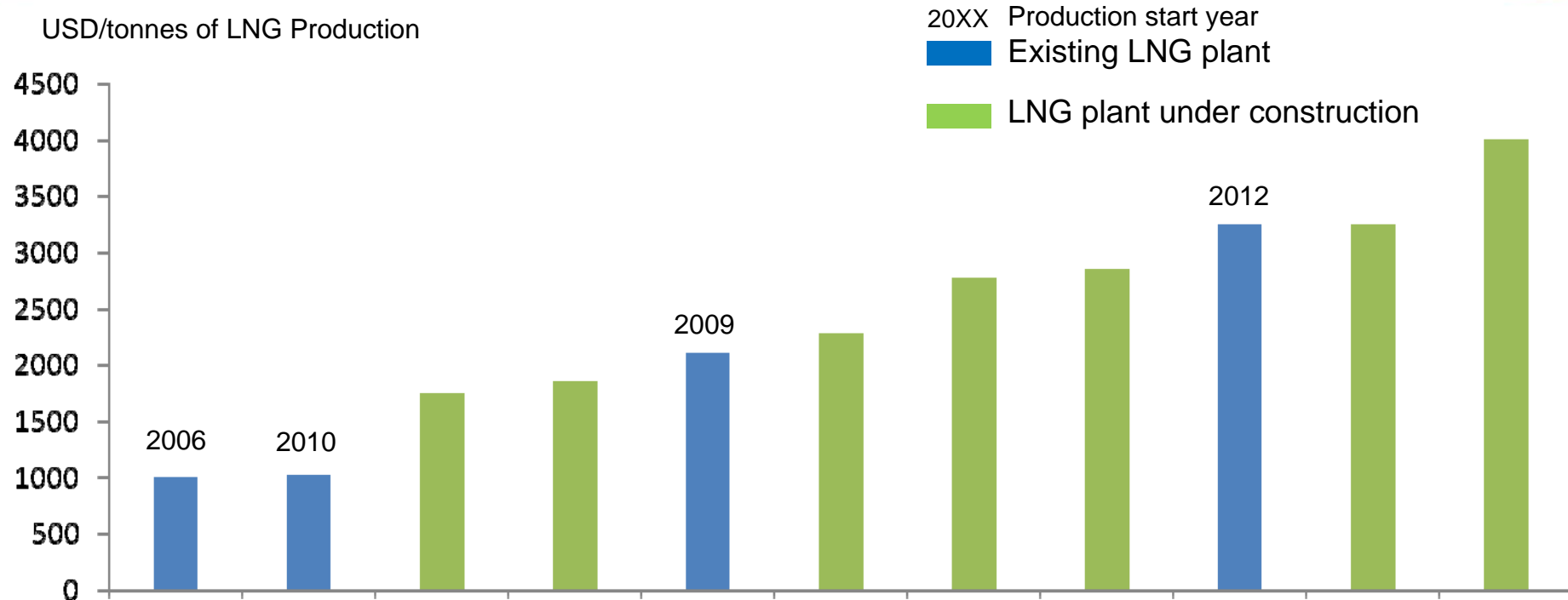




PNG LNG Project



LNG Plant Capital Costs



Source: IEA Medium-Term Market Report 2012

- The costs of LNG plant have been rising / Increasing importance of LNG finance
- Maximum supports from government and governmental institutions are essential to develop LNG projects.

Managing risks associated with LNG business



LNG Project requires LONG LEAD TIME

Major business risks for LNG project;

- **Market risk (Terms of LNG sales)**
- **Completion risk (Project delay, cost overrun)**
- **Financial risk (Large capital, interest volatility)**



- ✓ **Financial strength is imperative to carry out a LNG project, which will be exposed to various risks for an extended period of time.**
- ✓ **Integrated cooperation is essential**
 - ⇒ **LNG producers / Consumers: public, private and financial sectors**