



Allowing LNG to boost liquidity

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ERRA Webinar on Regulation of LNG Supply and Terminals

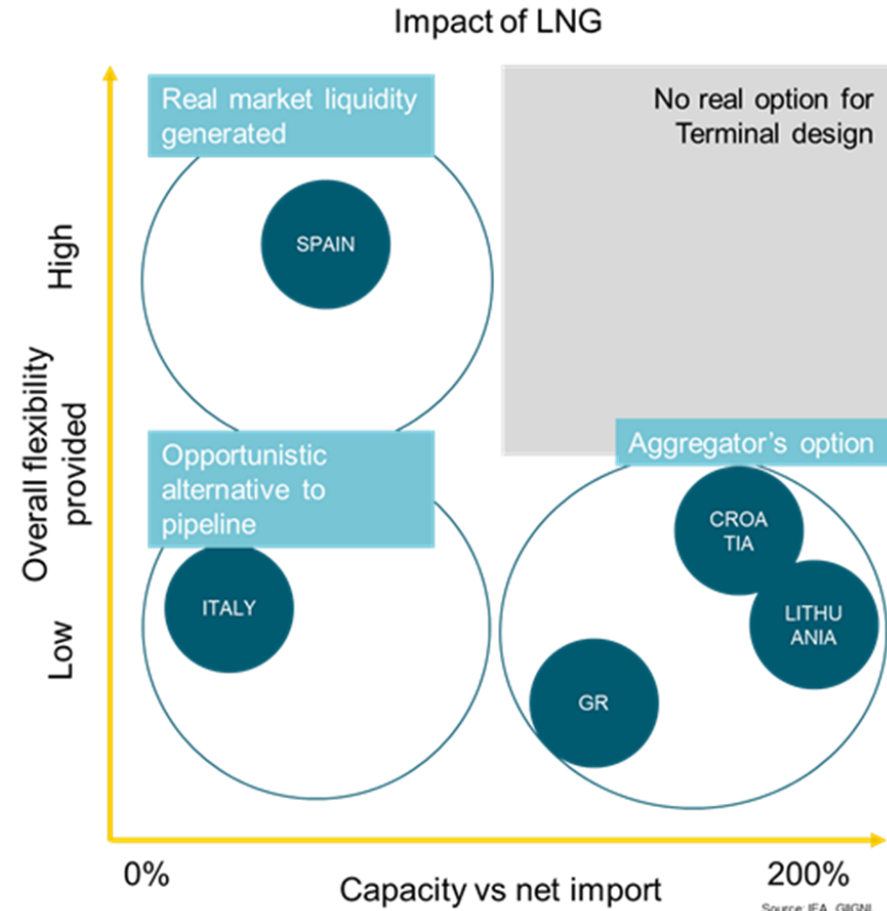
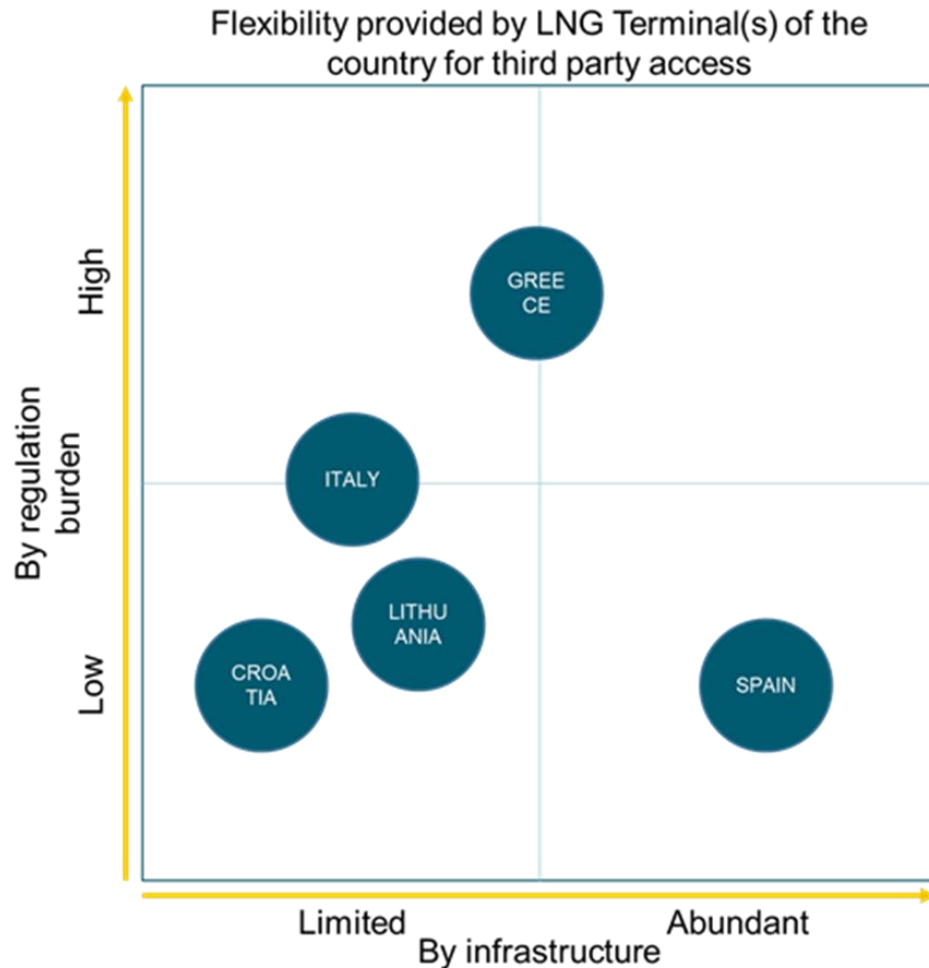
May 11th, 2021

Agenda

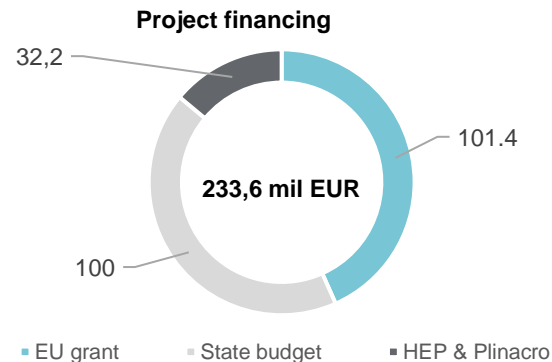
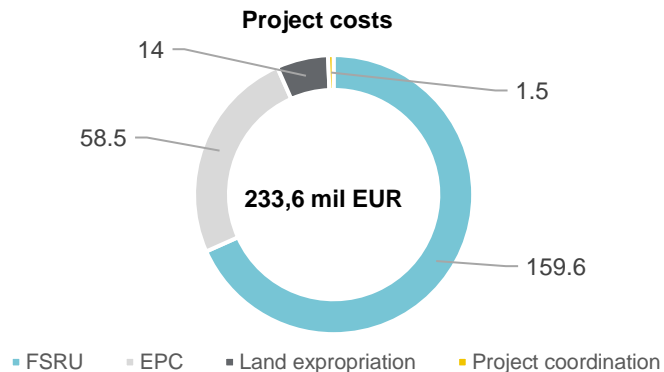
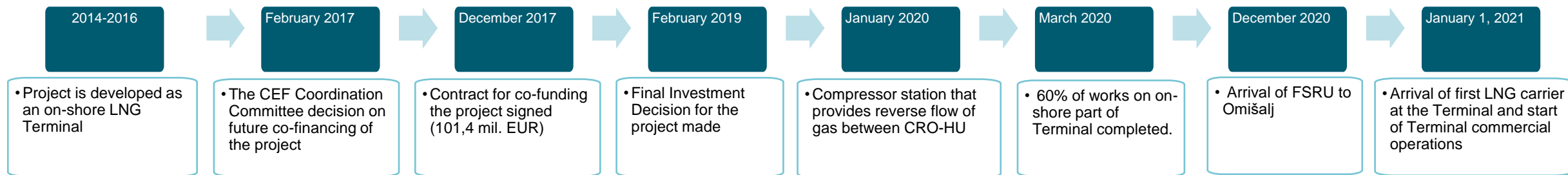


1. Regulations: Each terminal has its own pros and cons
2. Krk LNG terminal
 - a) Project timeline and cost
 - b) Terminal infrastructure
 - c) Access rules
 - d) Tariffs and transparency rules
 - e) Integration with gas transmission network

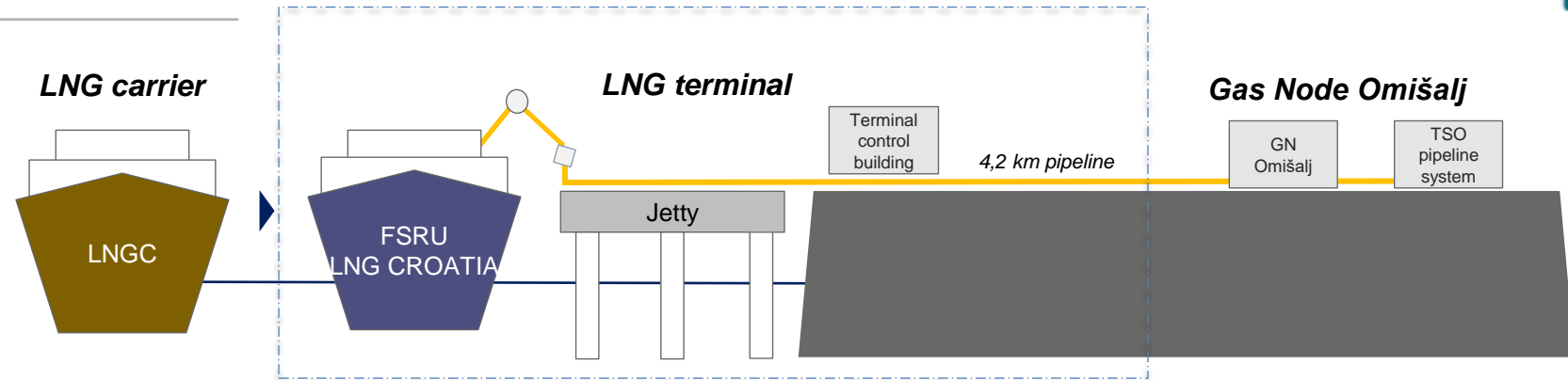
Regulations: Each terminal has its own pros and cons



Krk LNG terminal project timeline and cost



Krk LNG terminal infrastructure



Main technical characteristics of the terminal

| | |
|--|-----------------|
| FSRU cargo tanks capacity (in m ³) | 140,207 |
| Maximum regasification rate (per hour) | 300,000 |
| Minimum regasification rate (per hour) | 60,000 |
| Total regasification capacity (in bcm per year) | 2.6 |
| Maximum rate of transfer of LNG from LNG carrier to the FSRU (in Nm ³ /h) | 8,000 |
| Maximum pressure in the pipeline (in bar) | 100 |
| Maximum capacity of LNG carrier that can berth at the Terminal (in m ³) | 3,500 – 266,000 |



Access rules: primary and secondary capacity allocation



Primary capacity allocation 100% utilized (Open Season procedure)

Short-term booking allowed, but physically not possible

Intention of the terminal is to increase short term access by not allowing 100% primary booking

ToP obligation on yearly basis

Tariffs and transparency rules



1,05 EUR/MWh GCV = **1,17** EUR/MWh NCV

Fix tariff for LNG regasification service includes cost of berthing, joint use of LNG terminal, physical storage, regasification of LNG

•Non-discriminatory TPA

•REMIT reporting compliance

•Regulated tariffs

•Publicly available information, published on website

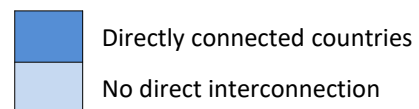
•ROO, Tariffs and other regulation approved by HERA (Regulator)

•Regular all-user calls to share updates and info

➤ No available regasification capacity in next 7 years

| Available capacity in each Gas Year | Quantity in bcm | Quantity in kWh NCV |
|-------------------------------------|-----------------|---------------------|
| 2020/2021 | 0,000 | 0 |
| 2021/2022 | 0,000 | 0 |
| 2022/2023 | 0,000 | 0 |
| 2023/2024 | 0,000 | 0 |
| 2024/2025 | 0,000 | 0 |
| 2025/2026 | 0,000 | 0 |
| 2026/2027 | 0,000 | 0 |
| 2027/2028 | 1,442 | 13.841.000.000 |
| 2028/2029 | 1,435 | 13.772.000.000 |
| 2029/2030 | 1,435 | 13.772.000.000 |

Integration with gas transmission network in domestic and international contexts



- LNG terminal has become the main import route
- FSRU cargo tanks capacity – smaller than average cargo size
- Limited interconnector capacity
- Decrease in domestic gas production
- LNG Croatia will launch public hearing about new Rules of Operation
- Regulation should ensure that investments are made in regasification infrastructure and additional non-standard services to become more attractive



THANK YOU FOR YOUR ATTENTION!

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