



A GLOBAL GAS & POWER COMPANY

May 13, 2015



SK GROUP: KOREA'S 3rd LARGEST COMPANY

3rd largest in sales - U\$ 143 Billion
and in assets - U\$ 136 Billion

Ranked 1st in Oil & Gas Sector and
Telecommunication Sector



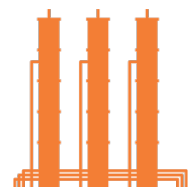
A GLOBAL PLATFORM

Employs over 79,000 talents through a network of 80 affiliates



Energy & Chemicals

34 Companies
13,000 Employees



U\$ 77 Billion Sales in 2013



Holding co. of gas distributors,
power generation



E&P, future energy, R&D



Oil refining & marketing



Petrochemicals



Lubricants



Chemicals & electronic materials



Fine chemicals, life science



LPG marketing & trading

ICT

21 Companies
49,000 Employees



U\$ 33 Billion Sales in 2013



Mobile service provider



Platform services



Semiconductor memories



IT solutions & consulting



Int'l call & VoIP service



Wired/wireless telecom,
broadcasting services



Internet portal,
SNS /messaging

Services

25 Companies
17,000 Employees



U\$ 33 Billion Sales in 2013



Energy distribution, trade,
consumer goods business



Engineering, plant, construction



Marine transportation



Brokerage house



Marketing, advertising



Hotel, duty free, F&B

E&S = ENERGY & SERVICE

Comprehensive energy service company



City Gas



No.1 City Gas Provider in Korea

- 7 city gas companies
- Stable gas supply to 3.6 million venues
- Market share 21%

Region-based Total Energy Solution Provider

- Fuel cell, gas cooling, distributed resources, bio gas, hydrogen, solar power

Power



Contributing to stable power supply

- 2006 Gwangyang Plant (1,074MW)
- 2013 Oseong Plant (833MW)

Major Projects

- 2015 Hanam CHP (399MW)
- 2017 Wirye CHP (450MW)
- 2017 Jangmoon Plant (1,821MW)
- 2018 Yeosu Plant (1,000MW)

LNG



Importing competitive LNG

- 2012 Acquisition Australia Barossa-Caldita gas field
- 2013 LNG tolling agreement with LNG liquefaction facility
- 2014 Acquisition North America Shale gas field

Major Projects

- 2016 Boryeong LNG Terminal commercial operation
- 2019 Import of North America shale gas
- 2020 Australia Barossa-Caldita gas field commercial production

Global



Entry into the Chinese city gas market

- China Gas Holdings (14.52%, one of the three major shareholders)
- Supplying city gas to Wuhan district

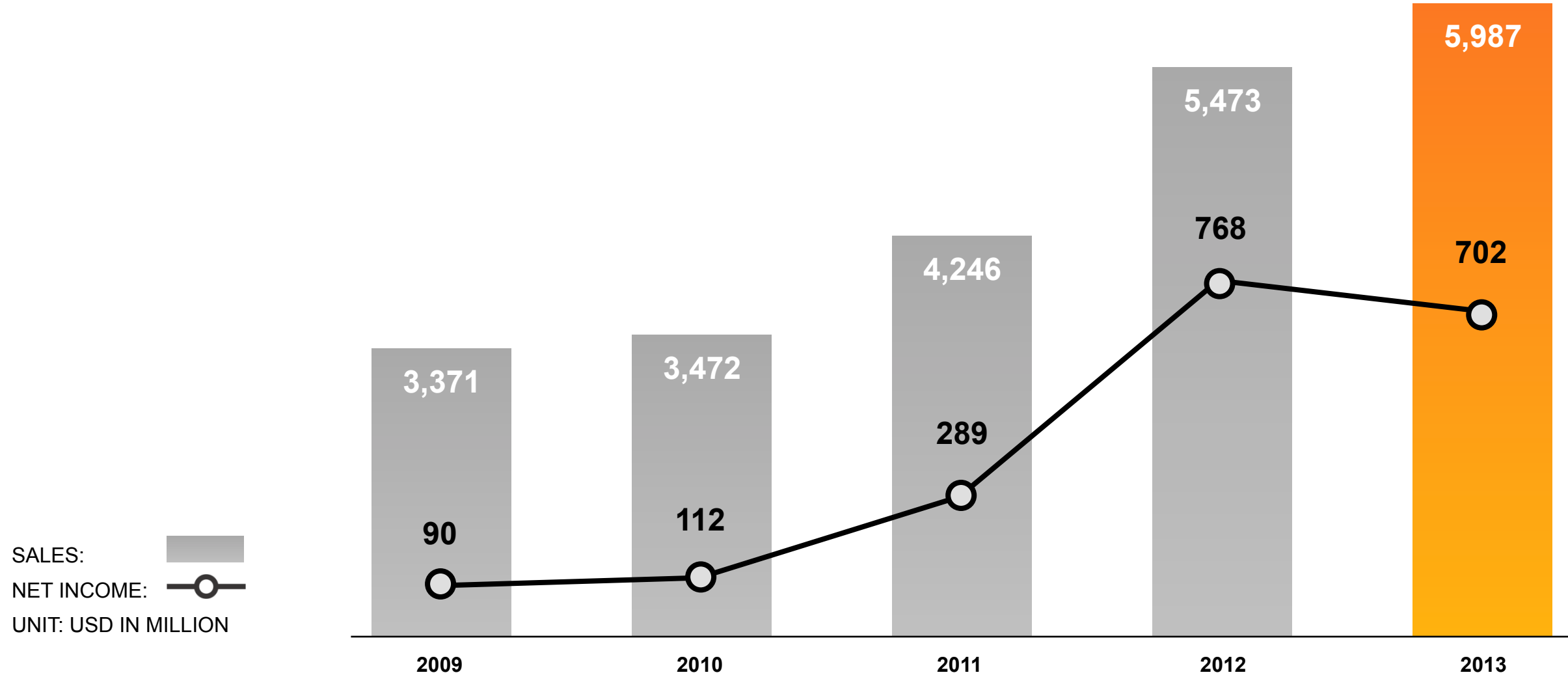
Expanding global Network

- U.S.A
- Australia
- Singapore
- Indonesia

FINANCIAL HIGHLIGHTS

Significantly increased power business since 2011

Sales & Net Income



LNG PORTFOLIO



E&P



North America Shale Gas

Developing Woodford Shale Gas with Continental Resources by entering into Joint Venture



Barossa-Caldita

In 2012, SK E&S acquired a 37.5% interest in the Barossa-Caldita gas fields located in offshore Australia, which will be developed as an LNG project



Sourcing



Tangguh

Secured long-term contracts to receive approximately 0.5~0.6 MTPA of LNG for captive demand.



Liquefaction



Freeport LNG

Established liquefaction tolling agreement (LTA) with Freeport LNG for importing 2.2 MTPA of LNG for 20 years starting in 2019.



LNG Terminal



Boryeong terminal

Currently building an LNG receiving terminal in Boryeong, Korea aimed at COD for the end of 2016.



LNG INTEGRATED WITHIN SK

SK group owns 29 MTPA of LNG liquefaction plant capacity

E&P



Liquefaction



Shipping



Terminal



Power/ Retail



LNG VALUE CHAIN

Up-stream

Mid-stream

Down-stream

SK AFFILIATES



PROJECTS

- 8 production projects
- Peru Camisea
- 20 exploration projects
- Barossa Caldita

- Freeport LNG(4.4 MTPA)
- Peru LNG(4.5 MTPA)
- Yemen LNG(6.9 MTPA)
- Ras Laffan LNG(6.6 MTPA)
- Oman LNG(6.6 MTPA)

- 6 LNG carriers

- 1 Terminal
(COD 2016)

- 7 city gas companies in Korea and 2 companies in China (Wuhan, Shenzhen)
- Power plants & CHPs in Korea

LNG SUPPLY & DEMAND



LNG Supply

Long term procurement

- 0.5~0.6 MTPA (committed)

North America project

- 2.2 MTPA (Freeport)
- Upstream Asset+Plant Capacity

Australia project

- 1.0~2.0 MTPA (planned)
- Barossa-Caldita Project
- SK E&S holds 37.5% interest

Spot /Short term procurement

- Flexible sourcing depending on the demand

LNG Demand

LNG power plant

- Gwangyang (1GW), Pyeongtaek (833MW)
- Jangmun (under construction), Yeosu (approved for construction)

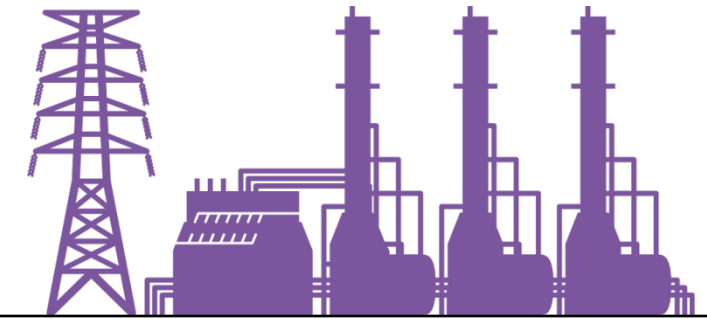
CHP

- Operation in Gimcheon and Iksan
- Construction in Hanam/Misa and Wirye

Third party demand

- Domestic demand
- Global demand

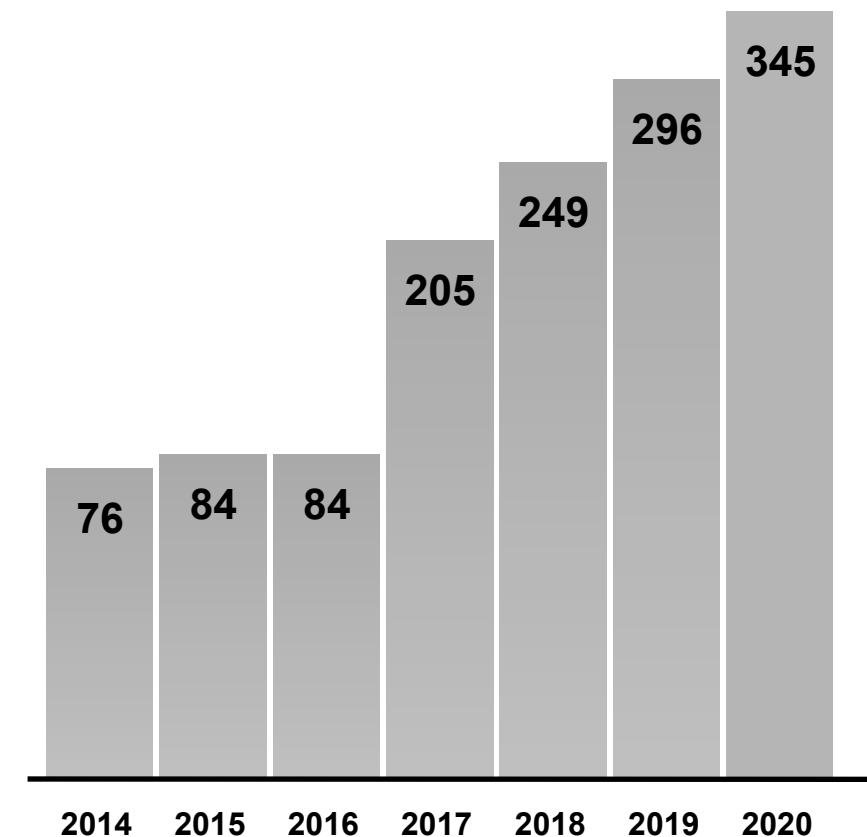
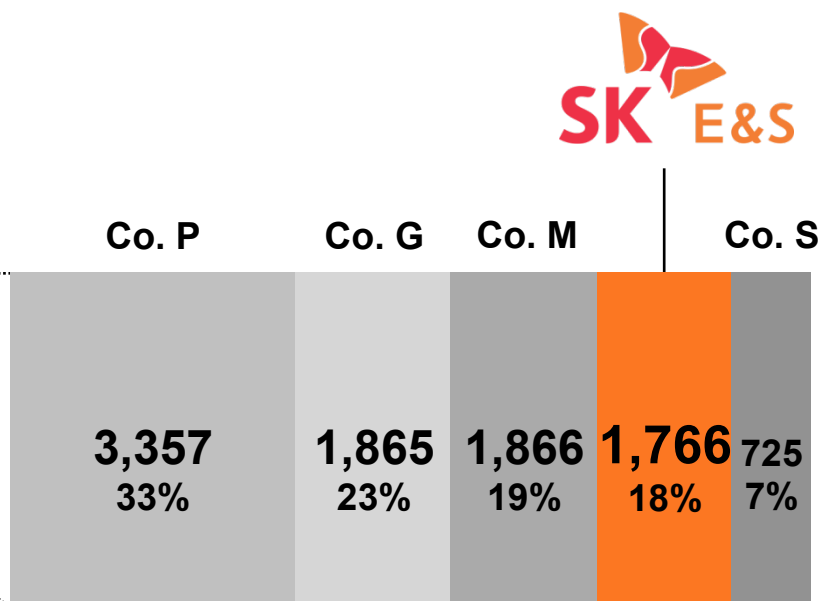
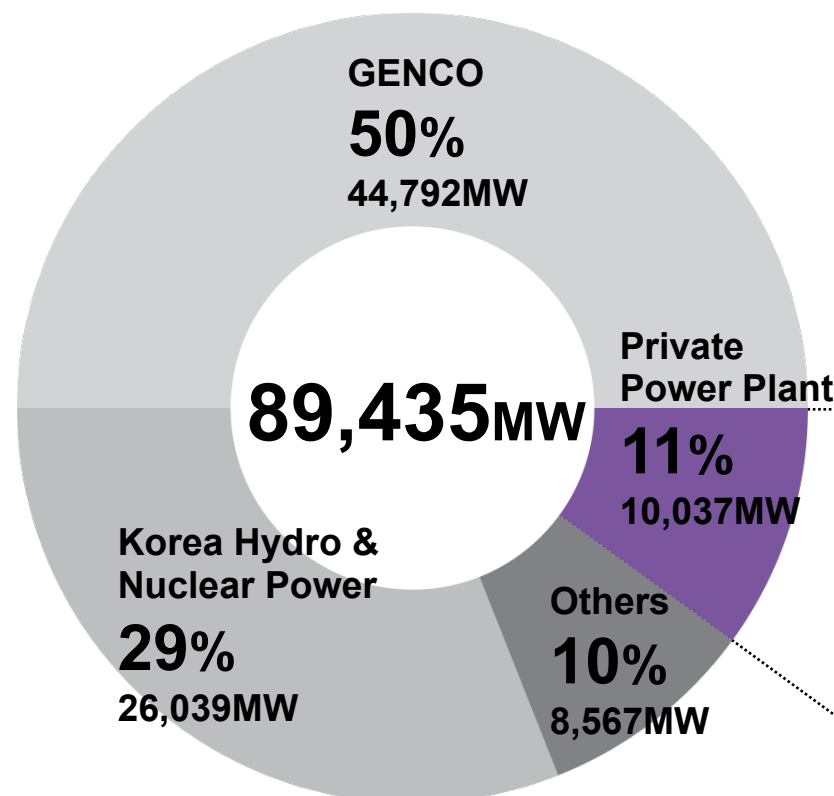
DEMAND FOR POWER DRIVES LNG GROWTH



Total capacity of power plants in Korea

Capacity of private power plants

Annual consumption of directly imported LNG



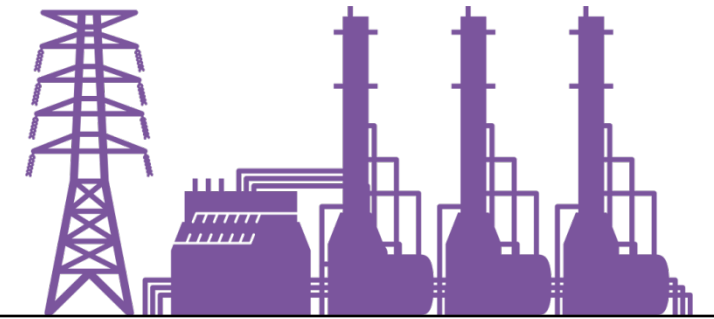
Others : Korea District Heating Corporation,
Water Resources Corporation

Data source : 2014 KPX Power Statistics
Information System

Units : MW (Megawatt)

Units: 10,000 tons

SK's STABLE SUPPLY OF ELECTRICITY



Jangmoon

LNG Power Plant

1,800MW

Oseong

LNG Power Plant

833MW

Jeonbuk

Coal CHP

21MW

Hanam/Wirye

LNG CHP

400/450MW

Yeoju

LNG Power Plant

1,000MW

Gimcheon

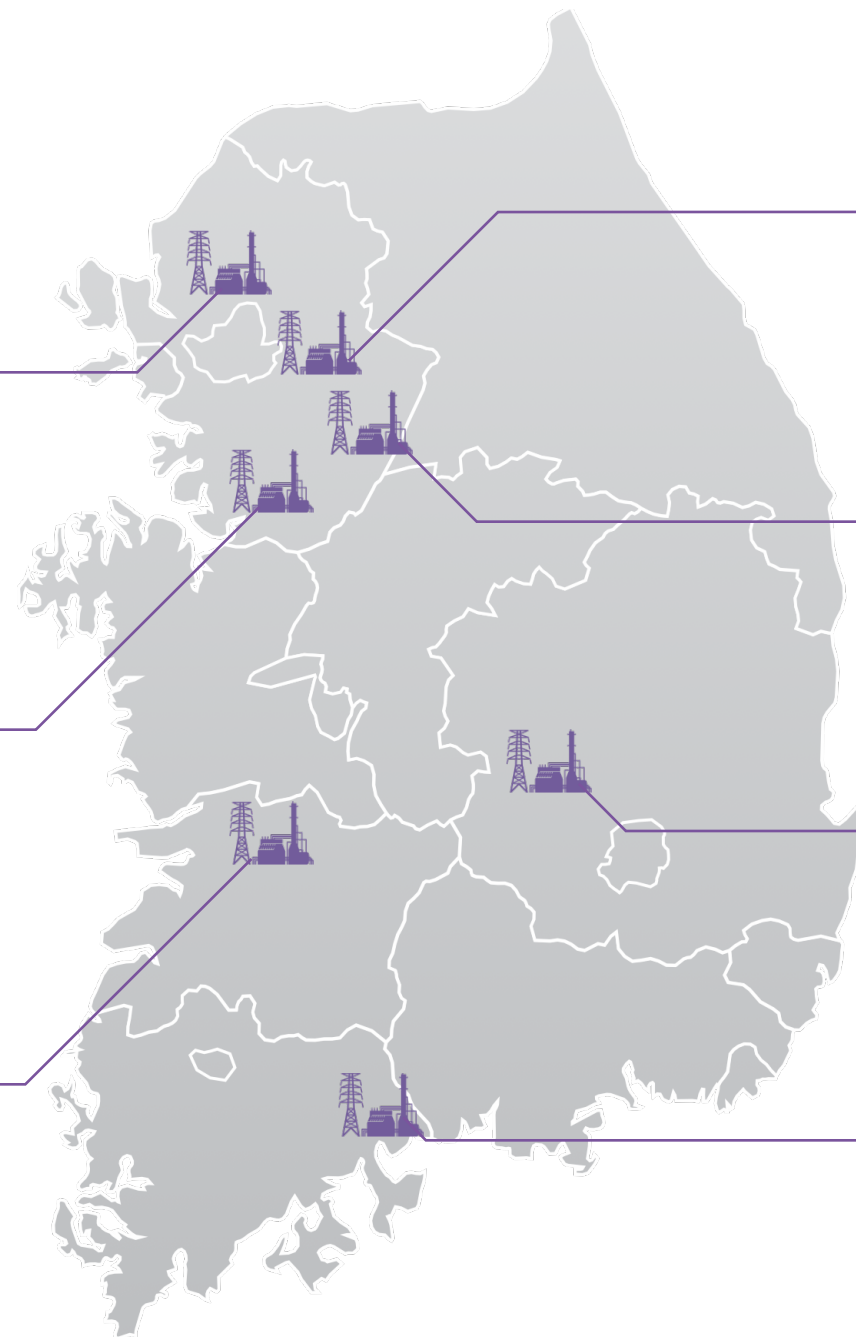
Coal CHP

59MW

Gwangyang

LNG Power Plant

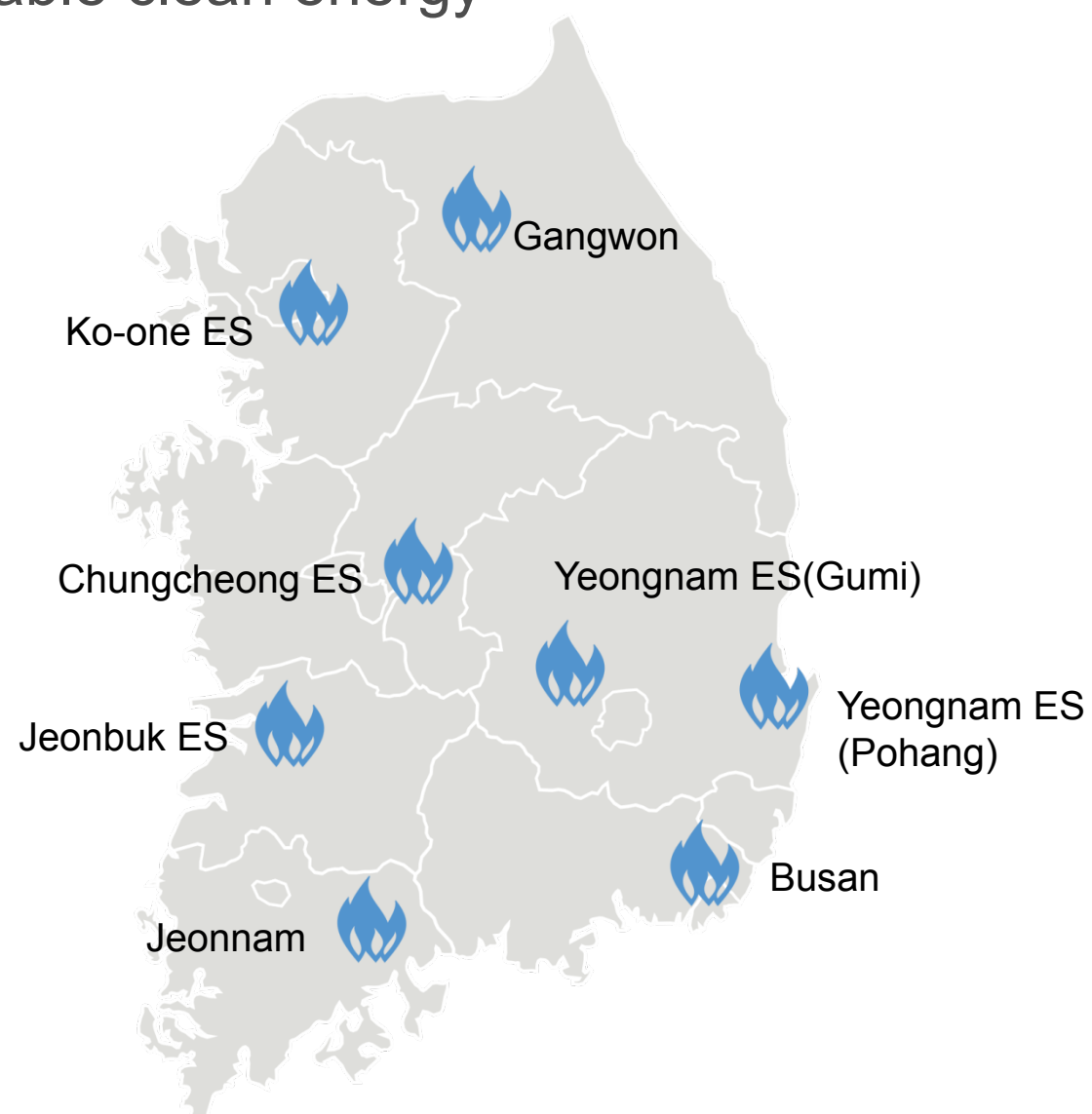
1,074MW



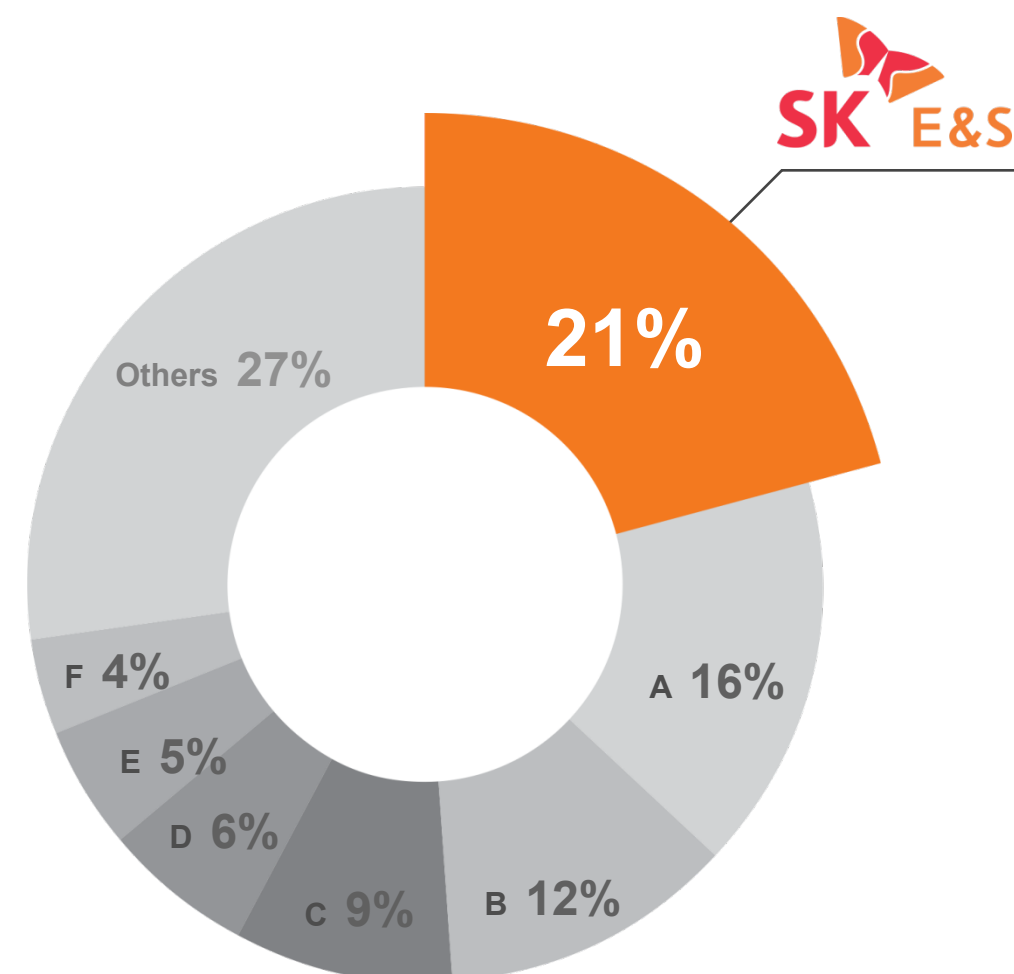
SK's STABLE SUPPLY OF CITY GAS



Our city gas companies strive to supply stable clean energy



City gas market share in Korea



SK's CLEAN ENERGY PORTFOLIO



Yeoju
Solar Power Plant

1MW

Oseong
Fuel Cell Plant

3MW

Changwon
Solar Power Plant

4MW

Cheonsa
Wind Power Plant

100MW

Junnam
Solar Power Plant

3MW



Jungpyoung
Solar Power Plant

1MW

Pohang
Solar Power Plant

4MW

Yangsan
Wind Power Plant

28MW

Hamahn
Solar Power Plant

1MW

Busan
Solar Power Plant

3MW

SK E&S IN CHINA VIA CHINA GAS HOLDINGS



Natural Gas Operation Locations

- Distributor covering 24 provinces and 160 cities
- Pipeline networks reaching out 47,668 km with 207 Storage and distribution stations (City gates)

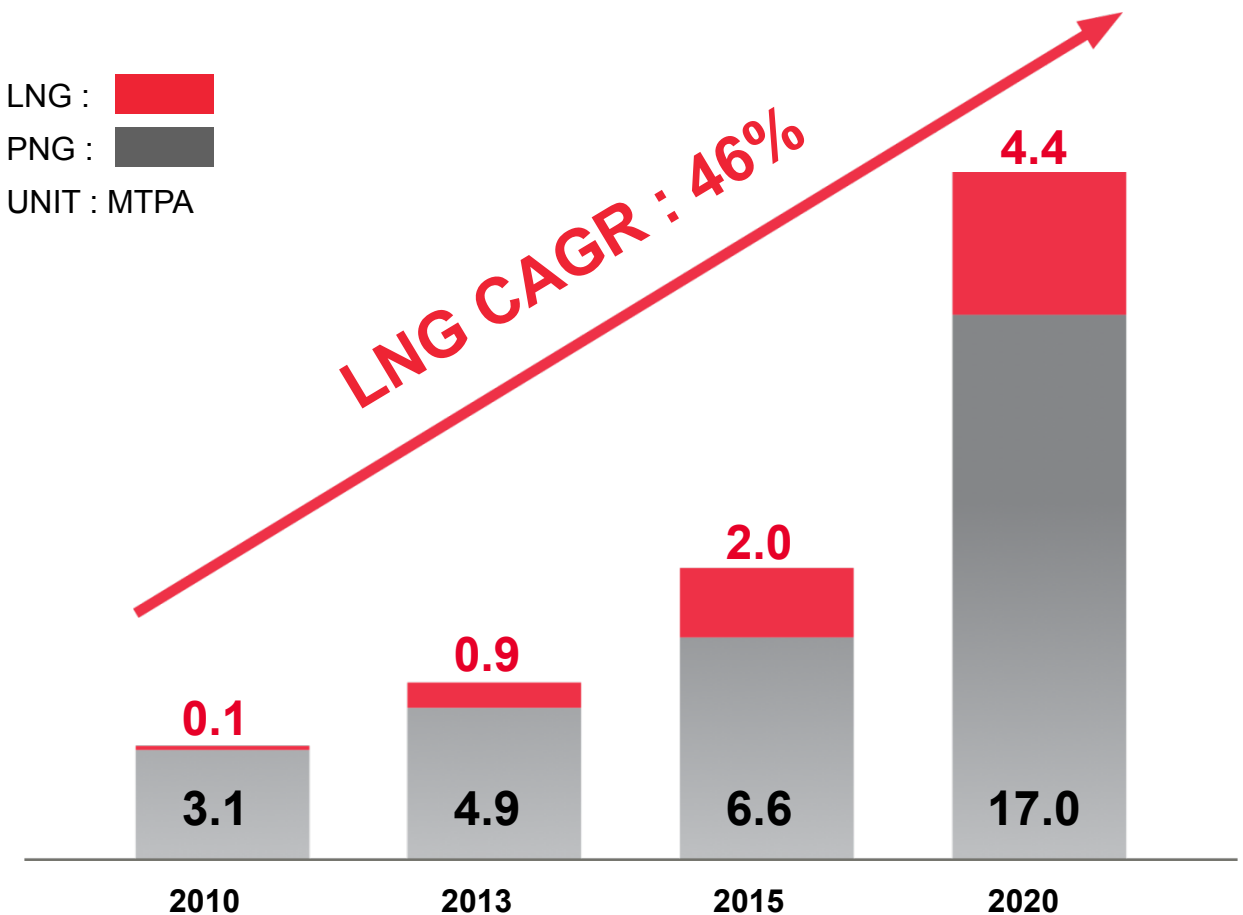
- Anhui
- Chongqing
- Fujian
- Gansu
- Guangdong
- Guangxi
- Guizhou
- Hebei
- Heilongjiang
- Henan
- Hubei
- Hunan
- Inner Mongolia
- Jiangsu
- Jiangxi
- Jilin
- Liaoning
- Ningxia
- Shanxi (山西)
- Shanxi (陕西)
- Shandong
- Tianjin
- Yunnan
- Zhejiang



CGH Gas Sales Projection

- Acquired permission for LNG import (2006)
- The possible construction or acquisition of LNG import terminal

LNG : 
PNG : 
UNIT : MTPA

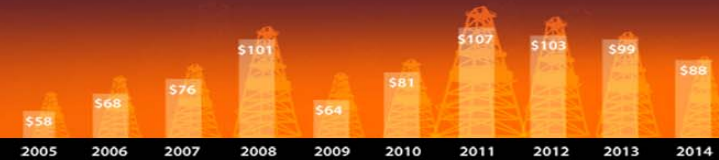




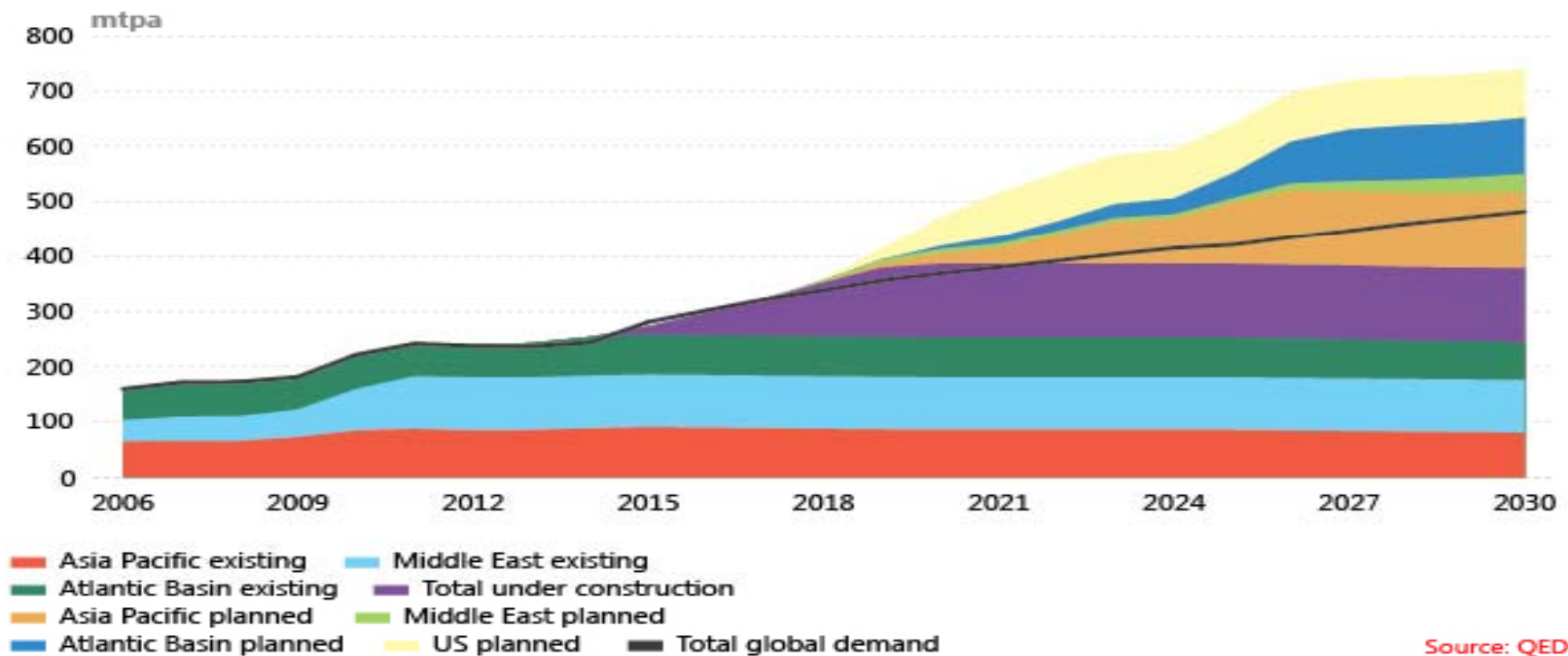
A Global Gas & Power Company

- Thank you -

Global LNG Supply and Demand – All Planned Supply



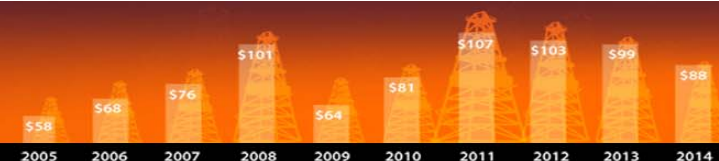
Global LNG supply and demand - all planned supply



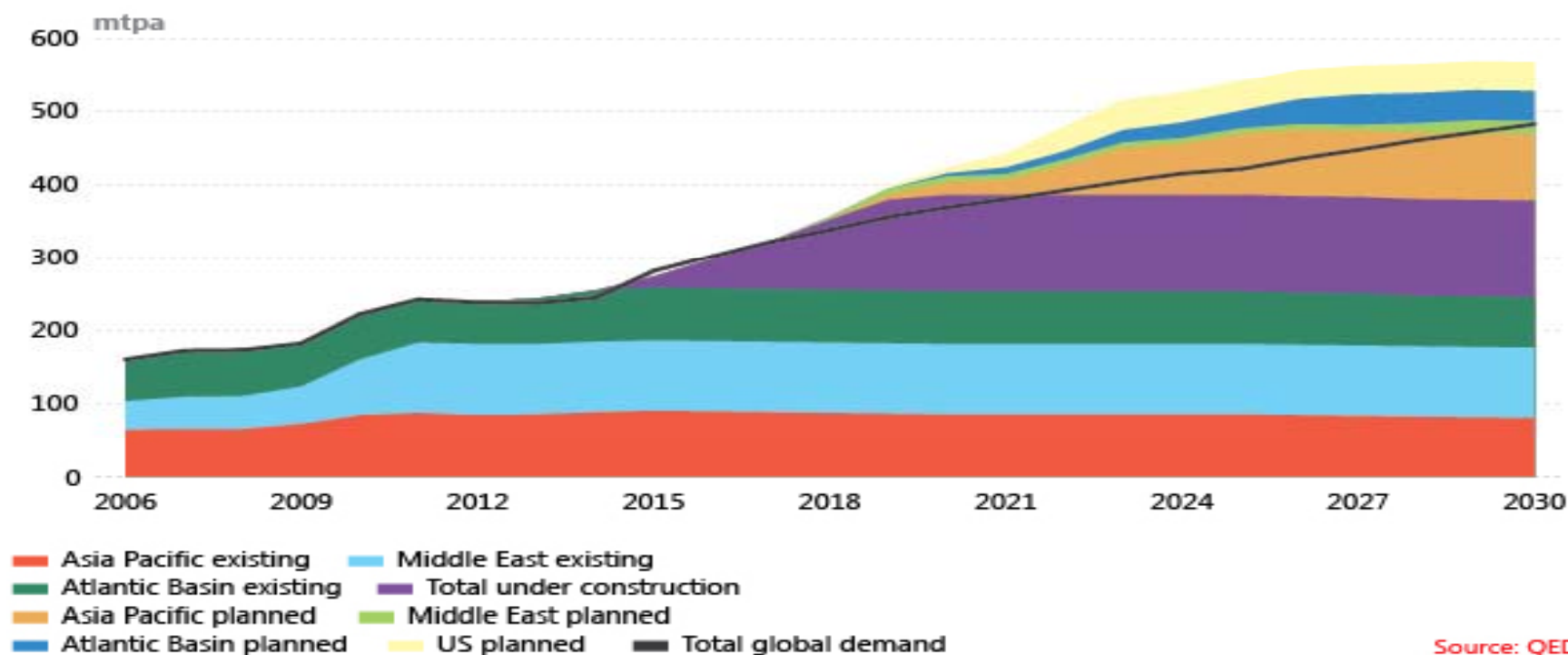
Source: QED

MAYER • BROWN

Global LNG Supply and Demand – Likely Supply

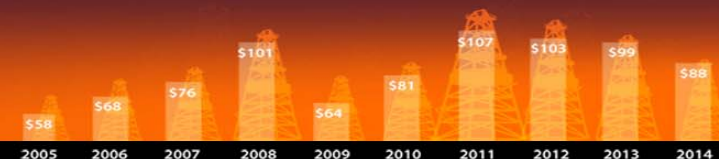


Global LNG supply and demand - likely supply

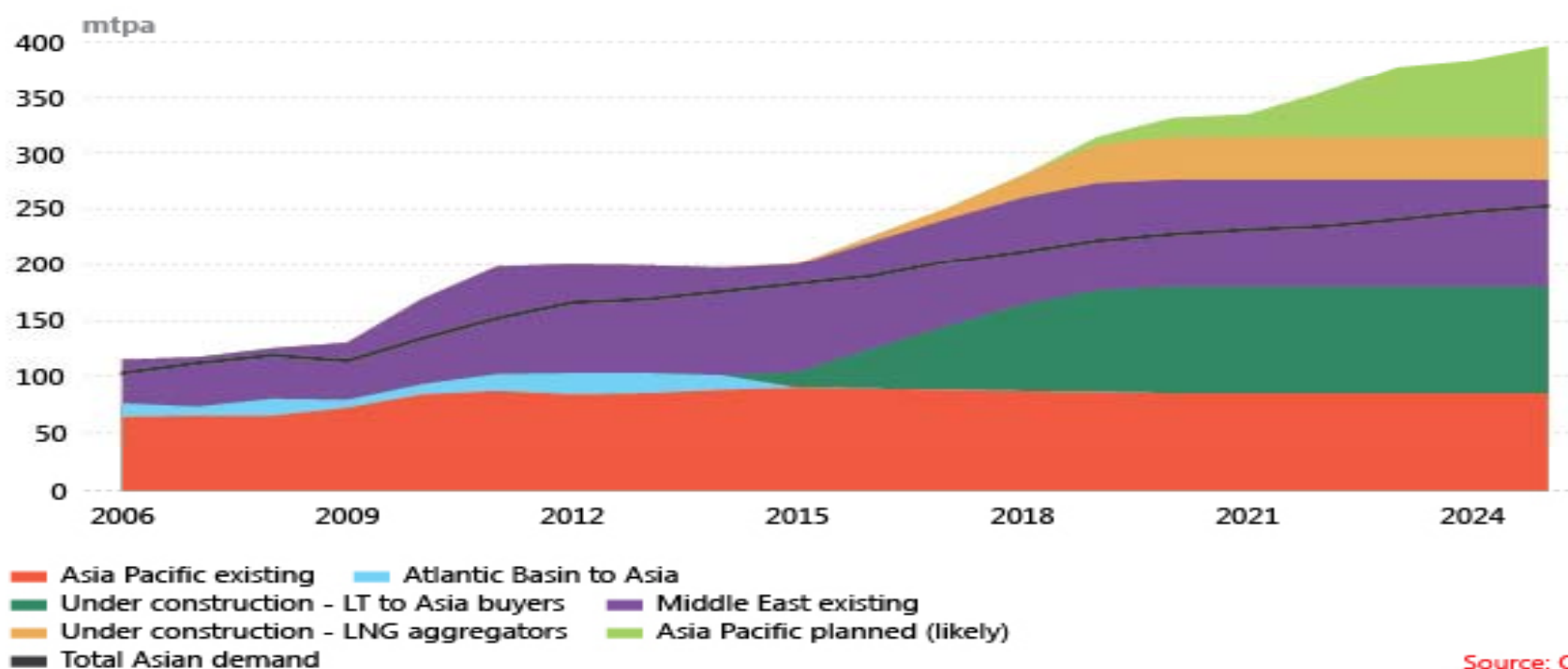


Source: QED

Core Asian Markets LNG Supply and Demand



Core Asian markets LNG supply and demand



Source: QED

MAYER • BROWN

A large red LNG ship named 'EXEMPLAR' is docked at a pier at night. The ship's deck is illuminated by bright lights, and its reflection is visible in the water. A long, illuminated metal walkway extends from the right side of the frame towards the ship. The sky is dark blue.

LNG Market Update

Carlos Wheelock

Vice President: Commercial Strategy & LNG Marketing

excelerate
energy®
ENERGY FAST FORWARD.™

Who We Are:

Pioneer and world leader in innovative LNG midstream solutions.

- Owner and Operator of LNG Carriers
- Designer, owner, and operator of Floating Storage and Regasification Units (FSRUs)
- Developer of Floating Liquefaction, Storage and Offloading (FLSO) Units
- Provider of Operating Services under long-term contracts
- Provider of support services including LNG sourcing, LNG trading and shipping
- In-house expertise to take projects from concept to operation





Excelerate Energy Marketing & Trading

excelerate
energy®
ENERGY FAST FORWARD.™

Unique LNG Model

SPOT MARKET

Over 70 Master Sales & Purchase Agreements with key market participants, and a flexible commercial model allows Excelerate access to many markets/regions

SHIPPING

A highly-flexible fleet with storage/regas capacity that provides Excelerate the ability to capture upswings in both trading and chartering markets

LOGISTICS

Industry-leading experience in floating LNG solutions and operations enables Excelerate to a unique ability to meet the demands of many different markets

HIGH ADAPTABILITY

Excelerate has optimized value by quickly moving to the premium LNG market as it shifted from the US to the UK to the Far East

RISK MANAGEMENT

Excelerate has an experienced trading and marketing team that can provide hedging and analysis to de-risk LNG deals and projects.

Commercial Value Across the Entire LNG Chain

UPSTREAM

We provide a complete monetization solution

- Formulation of marketing strategy
- Fleet management and portfolio optimization
- Outlet for commissioning volumes

MIDSTREAM

We deliver a complete natural gas solution for end-users

- Assist in formulating sourcing strategy
- Portfolio optimization
- Experienced operations to compliment commercial activities
- Fleet Management

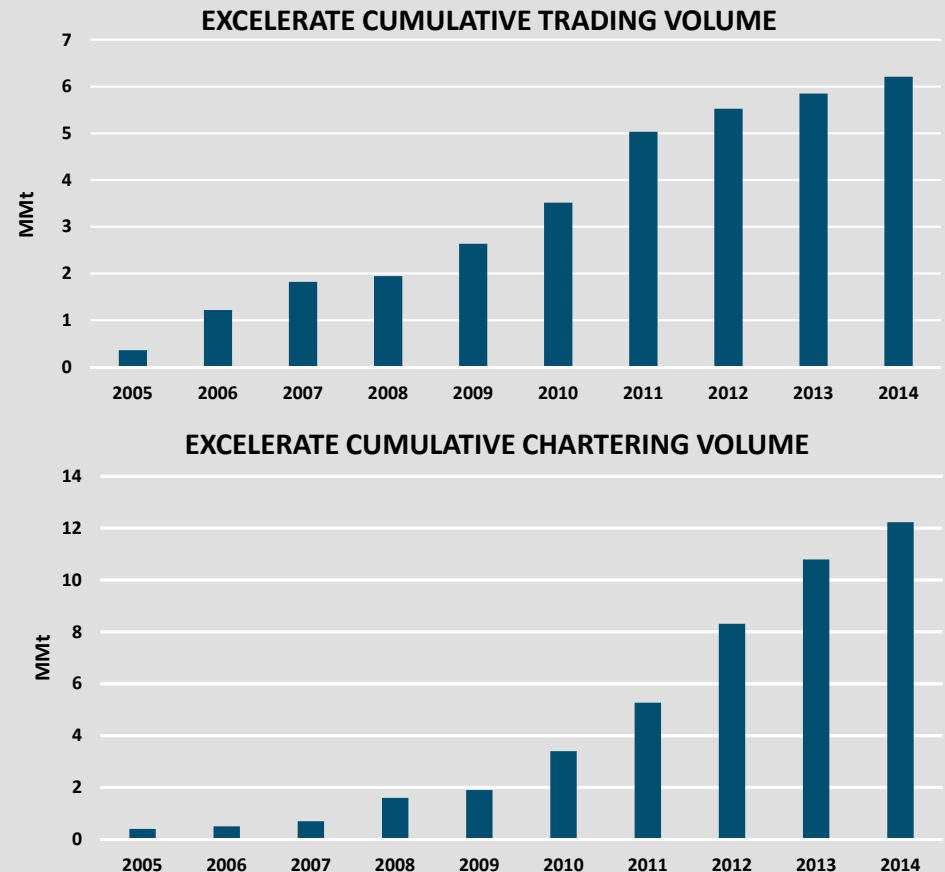
DOWNSTREAM

We offer flexible transport/pricing options

- Manage commodity price exposure
- Optimize shipping length through chartering in/out
- Deal structures benefitting from strong operational track record
- Time/location swaps
- Global market player

Global LNG Trading & Chartering

- Commercially-minded fleet operations
- Established trading team with global relationships
 - 70+ Master Sales & Purchase Agreements with key market participants
 - Offices in Houston, London, and Singapore with a combined 50+ years of direct LNG marketing and trading expertise
 - In-house market fundamentals and financial trading capabilities
 - Established contractual framework for long term FOB and Tolling Structures





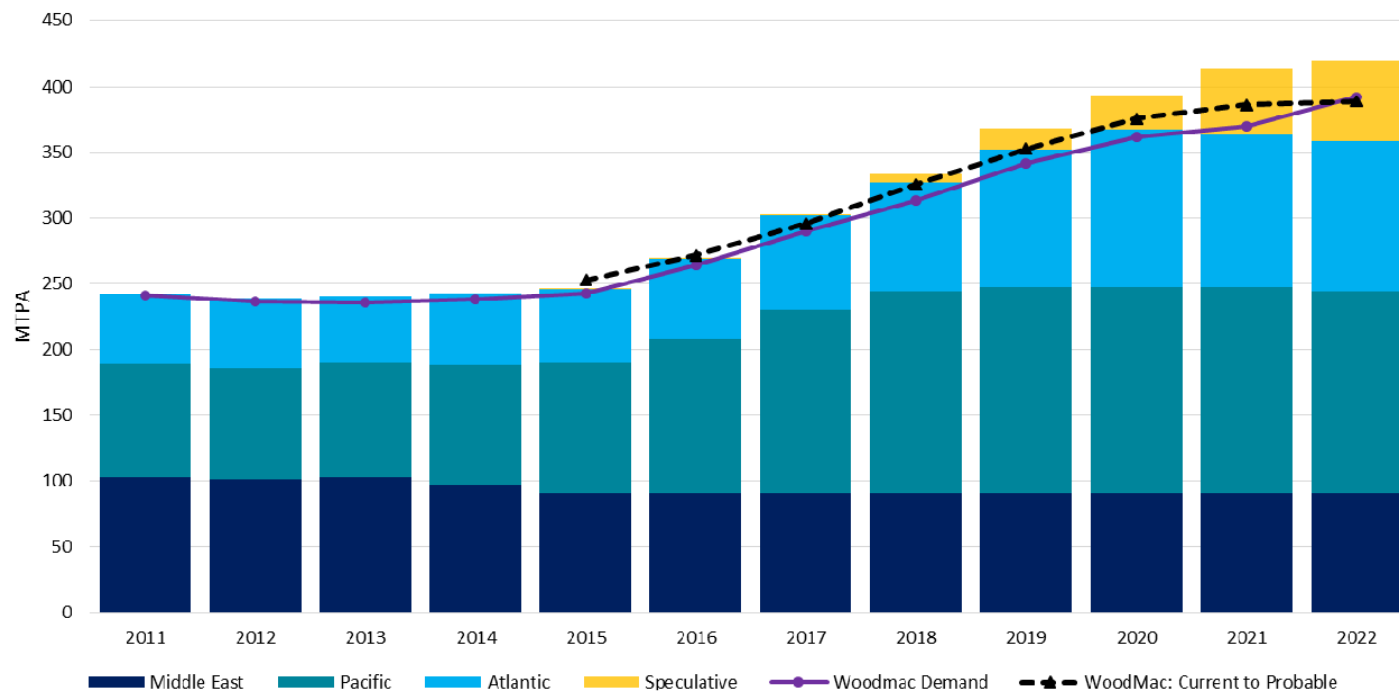
LNG Market Update

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Three Key Themes in LNG

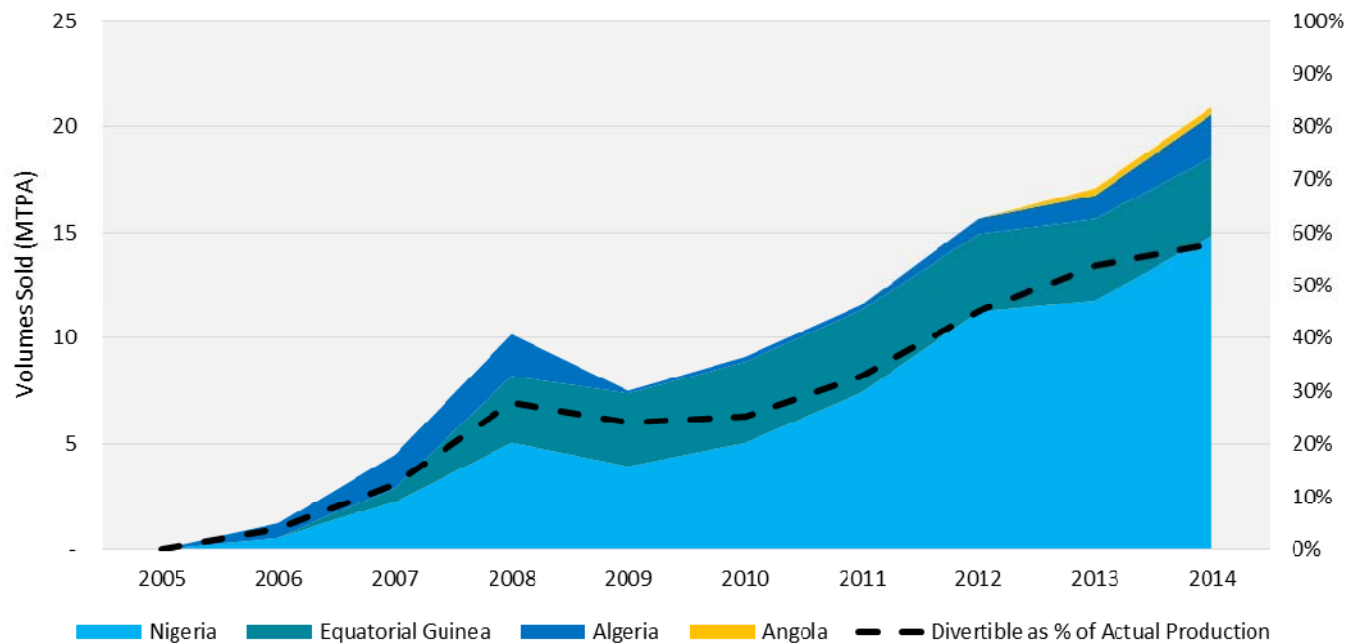
- Supply is Outpacing Demand
 - Over supplied market in the short term
 - Self correcting as speculative projects struggle in this price environment
 - Market balanced in 2019-2020
- Spot Market is Increasing in Size
 - New supply markets are divertible
 - US is take or pay on fixed component only (not commodity)
- Unconventional Buyers
 - Traditional buyers are saturated
 - Smaller entrants are critical to this market
 - FSRU customers went from “Tier 2” to extremely attractive

Current Supply-Demand Outlook



Source: *Excelerate Energy, Wood Mackenzie*

Increasing Spot Market Liquidity



Source: *Excelerate Energy, Waterborne IHS*

Profile of a Current LNG Buyer

- Little demand from traditional markets.
- New demand from unconventional buyers: new entrants and/or taking advantage of low price of LNG.
- Location: emerging markets.
- Volume: <1mtpa.
- Index: open to Oil, HH or Hybrid structure
- Flexibility: volume, destination, shipping, & cancelation rights.
- Receiving Terminal: FSRU preferred. Fast, economical and proven technology.
- Credit Support: required flexibility on performance guarantee

Atlantic: Who We Are



- Five shareholder Joint Venture
- 7th largest LNG production facility in the world, located in Trinidad
- Four LNG trains producing up to 100,000 metres³ of LNG per day = 15mmt p.a.
- >250 cargoes p.a. to over 20 countries
- Significant contributor to T&T's GDP & exports
- 700 +permanent employees, and 2,000 contractors at peak periods
- Train 1 merchant plant. T2/3/4 fixed margin / processing



Trinidad and Tobago

BG TRINIDAD
& TOBAGO



THE NATIONAL GAS COMPANY
OF TRINIDAD AND TOBAGO LIMITED

中国投资有限责任公司
CHINA INVESTMENT CORPORATION

Atlantic

Milestones in 2014

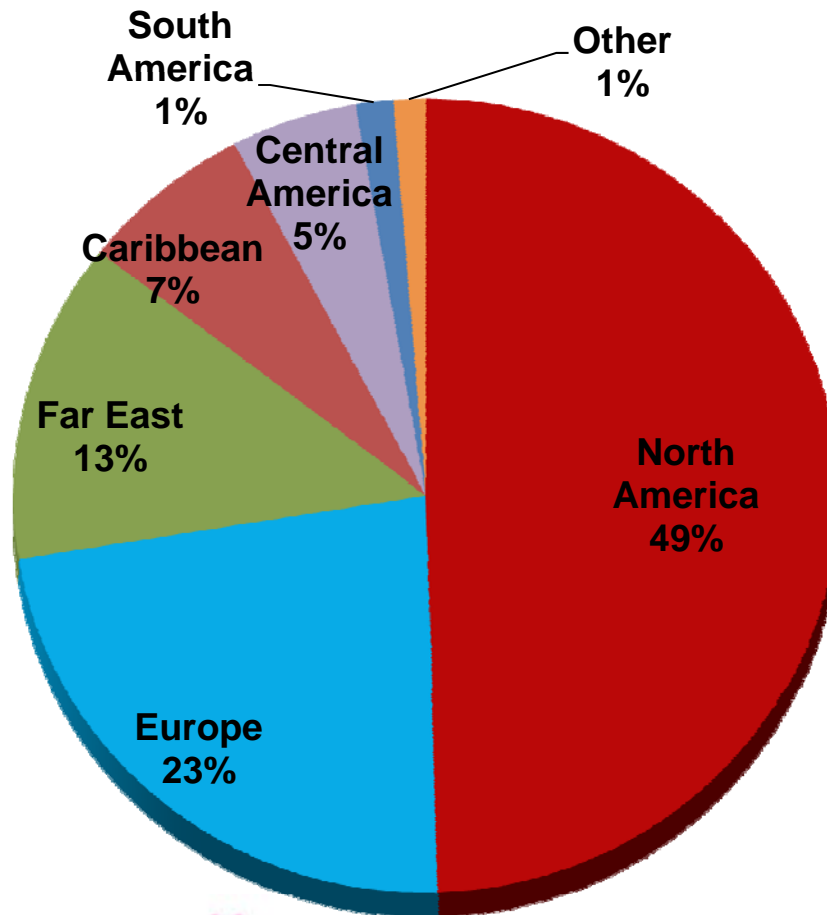


- 15th year of production – May 1st
- 3,000th cargo lifted
- 25 million hours worked without an LTI – 7.5 years
- > 1 year without a recordable incident
- Top quartile reliability
- Largest ever cargo shipped: 169,650 m³

Destinations 2008 & 2014



T1-3 cargoes by region 2008



T1-3 cargoes by region 2014

