A Perspective on the Transit of LNG Through the Panama Canal

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Safe Harbour Statements

Forward-Looking Statements

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- statements regarding future levels of domestic and international natural gas production, supply or consumption or future levels of LNG imports into or exports from North America and other countries worldwide, or purchases of natural gas, regardless of the source of such information, or the transportation or other infrastructure, or demand for and prices related to natural gas, LNG or other hydrocarbon products;
- statements regarding any financing transactions or arrangements, or ability to enter into such transactions;
- statements relating to the construction of our proposed liquefaction facilities and natural gas liquefaction trains ("Trains") and the construction of our pipelines, including statements concerning the engagement of any engineering, procurement and construction ("EPC") contractor or other contractor and the anticipated terms and provisions of any agreement with any EPC or other contractor, and anticipated costs related thereto;
- statements regarding any agreement to be entered into or performed substantially in the future, including any revenues anticipated to be received and the anticipated timing thereof, and statements regarding the amounts of total LNG regasification, natural gas, liquefaction or storage capacities that are, or may become, subject to contracts;
- statements relating to counterparties to our commercial contracts, construction contracts and other contracts;
- statements regarding our planned development and construction of additional Trains or pipelines, including the financing of such Trains or pipelines;
- statements that our Trains, when completed, will have certain characteristics, including amounts of liquefaction capacities;
- statements regarding our business strategy, our strengths, our business and operations plans or any other plans, forecasts, projections or objectives, including anticipated revenues, capital expenditures, maintenance and operating costs, run-rate SG&A estimates, cash flows, EBITDA, Adjusted EBITDA, distributable cash flow, distributable cash flow per share and unit, deconsolidated debt outstanding, and deconsolidated contracted EBITDA, any or all of which are subject to change;
- statements regarding projections of revenues, expenses, earnings or losses, working capital or other financial items;
- statements regarding legislative, governmental, regulatory, administrative or other public body actions, approvals, requirements, permits, applications, filings, investigations, proceedings or decisions;
- statements regarding our anticipated LNG and natural gas marketing activities; and
- any other statements that relate to non-historical or future information.

These forward-looking statements are often identified by the use of terms and phrases such as "achieve," "anticipate," "believe," "contemplate," "develop," "estimate," "example," "expect," "forecast," "goals," "guidance," "opportunities," "plan," "potential," "project," "propose," "subject to," "strategy," "target," and similar terms and phrases, or by use of future tense. Although we believe that the expectations reflected in these forward-looking statements are reasonable, they do involve assumptions, risks and uncertainties, and these expectations may prove to be incorrect. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of a variety of factors, including those discussed in "Risk Factors" in the Cheniere Energy, Inc. and Cheniere Energy Partners, L.P. Annual Reports on Form 10-K filed with the SEC on February 26, 2018, which are incorporated by reference into this presentation. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by these "Risk Factors." These forward-looking statements are made as of the date of this presentation, and other than as required by law, we undertake no obligation to update or revise any forward-looking statement or provide reasons why actual results may differ, whether as a result of new information, future events or otherwise.
The expanded canal and its impact on LNG trade

The Expanded Panama Canal

The First LNG Cargo to Transit the Neopanamax Locks

Source: the Panama Canal Authority (“ACP”); please refer to the ACP website for more detail of the expanded canal (http://www.pancanal.com/eng/index.html)
There are three key sectors that use the new locks:

- Containerships, LPG and LNG vessels accounted for 87% of total transits through November 2018.

### Neopanamax Average Daily Transits by Segment

<table>
<thead>
<tr>
<th>Month</th>
<th>Container</th>
<th>LPG Tanker</th>
<th>LNG Tanker</th>
<th>Dry Bulk</th>
<th>Others</th>
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<tbody>
<tr>
<td>Jul-18</td>
<td>0.1</td>
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<td>Aug-18</td>
<td>0.3</td>
<td>0.4</td>
<td>0.5</td>
<td>0.2</td>
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<td>0.5</td>
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<tr>
<td>Oct-18</td>
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<tr>
<td>Nov-18</td>
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<td>0.8</td>
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<tr>
<td>Jul-19</td>
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<td>0.7</td>
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<tr>
<td>Aug-19</td>
<td>1.0</td>
<td>1.0</td>
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<tr>
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<tr>
<td>Nov-19</td>
<td>0.8</td>
<td>0.8</td>
<td>0.8</td>
<td>0.8</td>
<td>0.8</td>
</tr>
</tbody>
</table>

Source: ACP
Transit patterns of key vessel types are complementary

- Containership transits peak in the third quarter while LNG ship transits peak in the first and fourth quarters

Source: ACP
Containers: new lock use driven by growing Asia-US trade, but could be limited by larger scale vessels

- Forecast Slot Utilization: 4.9 out of 12 total available slots per day by 2030
- Key Assumptions:
  - An addition of one headhaul service (52 transits) per year
  - Challenging for ACP to attract additional backhaul transits
  - Some of the newest containerships are already too large to fit into the Neopanamax locks

<table>
<thead>
<tr>
<th>Classification</th>
<th>Size Range (TEUs)</th>
<th>Number of Vessels</th>
<th>Average Age (Years)</th>
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</thead>
<tbody>
<tr>
<td>Feeder and Panamax</td>
<td>100 – 5,300</td>
<td>3,798 (74%)</td>
<td>13.4</td>
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<tr>
<td>Neopanamax</td>
<td>5,300 – 14,500 (&lt;49m beam)</td>
<td>1,158 (22%)</td>
<td>8.65</td>
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<tr>
<td>VLCV and ULCV</td>
<td>13,500 – 18,000+ (&gt;49m beam)</td>
<td>208 (4%)</td>
<td>3.43</td>
</tr>
</tbody>
</table>

Source: Cheniere interpretation of Drewry Maritime Research data
LPG: U.S. exports likely to be a key future influence. Trade patterns stable since 2016

- Forecast Slot Utilization: 2.4 out of 12 total available slots per day by 2030
- Key Assumptions:
  - U.S. LPG production growth at 2.8% CAGR; U.S. LPG demand growth at 2.4% CAGR
  - Panama Canal addressable market share of total U.S. LPG exports remains flat at 40%

Source: EIA
LNG: transits expected to grow as global trade expands

**Supply-based Method**
- Forecast Slot Utilization: 3.3 out of 12 total slots per day by 2030
- Key assumptions:
  - U.S. LNG production reaches 120 MTPA by 2030
  - ~45% of U.S. laden cargoes transit through the Panama
  - ~60% of total transits are laden

**Demand-based Method**
- Forecast Slot Utilization: 2.8 out of 12 total slots per day by 2030
- Key assumptions:
  - Pacific basin demand for Atlantic basin supply reaches 75 MTPA by 2030
  - ~60% of which transits through the Panama
  - ~60% of total transits are laden

Source: ACP, Wood Mackenzie, Cheniere analysis
In the base case, the Canal can accommodate demand for Neopanamax transits

- ACP is expected to increase total slot allowance to 12 per day by 2023/2024
- Total transits of the three sectors will reach 10.3 per day by 2030, leaving 1.7 per day or 51 slots per month

Source: Cheniere analysis
Several uncertainties to consider – but also proactive approach of ACP to LNG

Uncertainties in Outlook for Neopanamax Transits

- Potential for lower transit demand,
  - Growth in containership vessel average size
  - Shift in trade volume to South/Southeast Asia
  - Growing efficiencies in LNG trade
  - Weaker than expected global GDP growth

- Potential for higher transit demand,
  - Growth in U.S. LPG production and exports
  - Stronger seasonal demand of LNG
  - Stronger than expected global GDP growth

Proactive Steps by ACP to Increase LNG Throughput

Source: ACP

Four LNG Carriers Transiting the Neopanamax on October 1st, 2018
Key Conclusions

- Containerships, LPG and LNG vessels are the three key users of the Neopanamax locks.
- Seasonal demand profiles of different vessels make their transit demand complementary.
- The Panama Canal is expected to be able to accommodate the expected increase in transits by containerships, LPG and LNG vessels in our base case assessment.
- There are upside and downside risk factors to the base case, and potential mitigating steps that users and the Panama Canal can take.
- PCA has taken proactive steps to increase LNG throughput and is taking measures to achieve even more LNG transits.
Thank you 谢谢

Three LNG Carriers Transiting the Neopanamax Locks on April 17, 2018