

X-LNG CASE STUDY · AUG 2025

Which LNG contract rights add value?

Value destination choice, cancellation and volume flexibility separately before negotiating a DES contract.



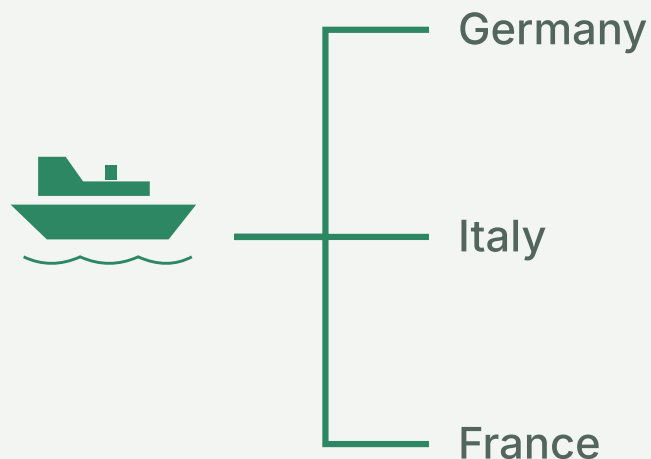
\$2.06/MMBtu

MEAN VALUE OF REGIONAL DESTINATION RIGHTS · OWN REFERENCE CASE

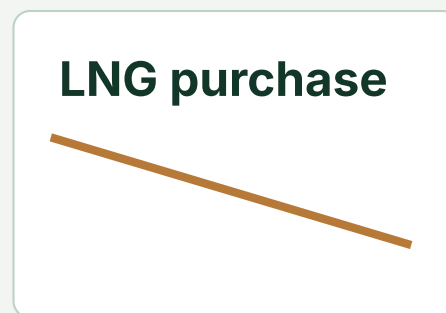
Three LNG contract rights, three separate valuations

Each right is compared with its own reference contract

Destination choice



Cancellation right



Cancel + pay the fee

Volume range



Choose permitted volume

Value the right that is being negotiated. The three results cannot simply be added.

Main portfolio: 30 long cargoes, 24 short cargoes and spot access. Terminal allocation is retained on the next page.

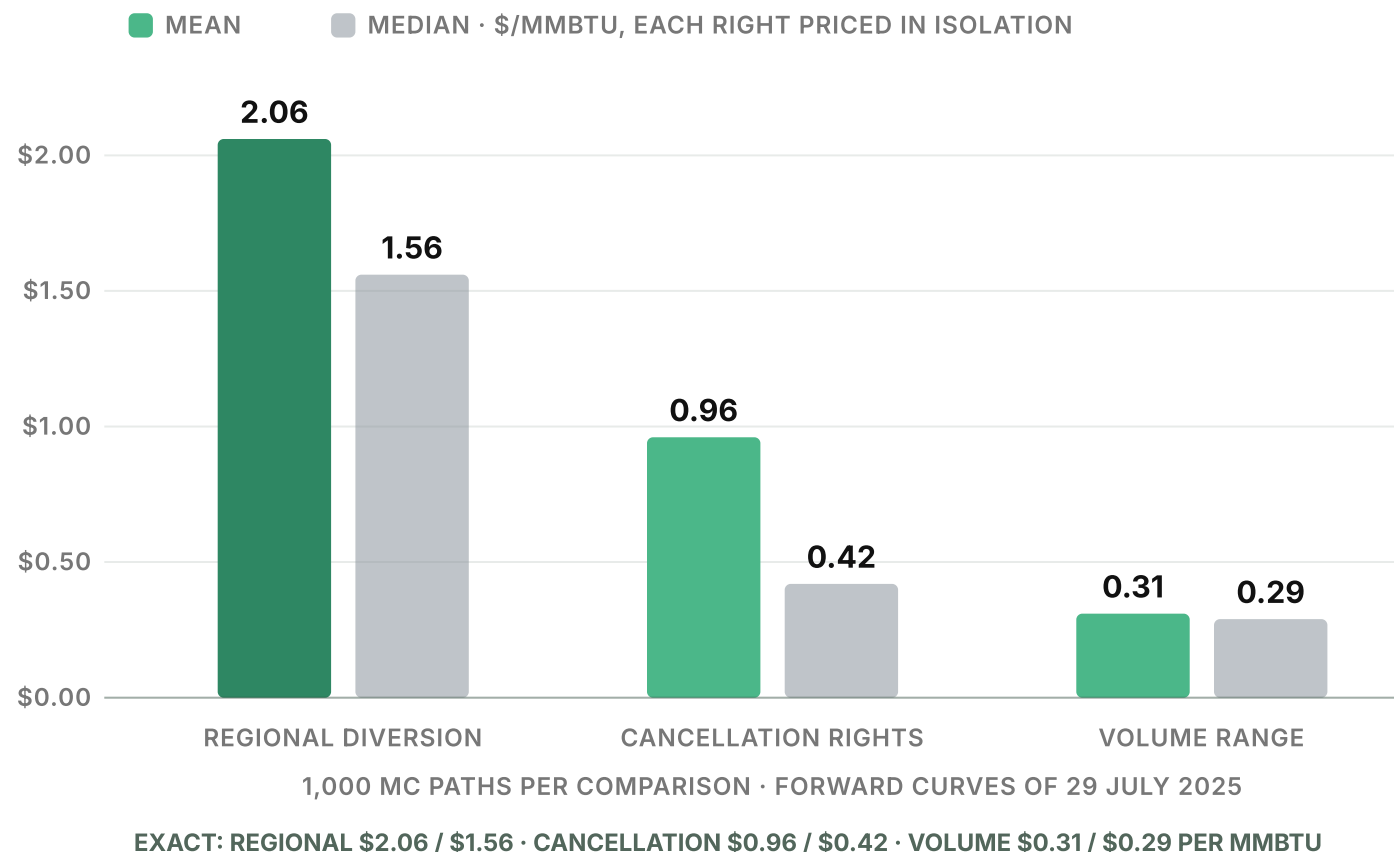
Where the model matches DES deliveries

Cargo counts by terminal entry in the source run · portfolio profit \$82,647,127



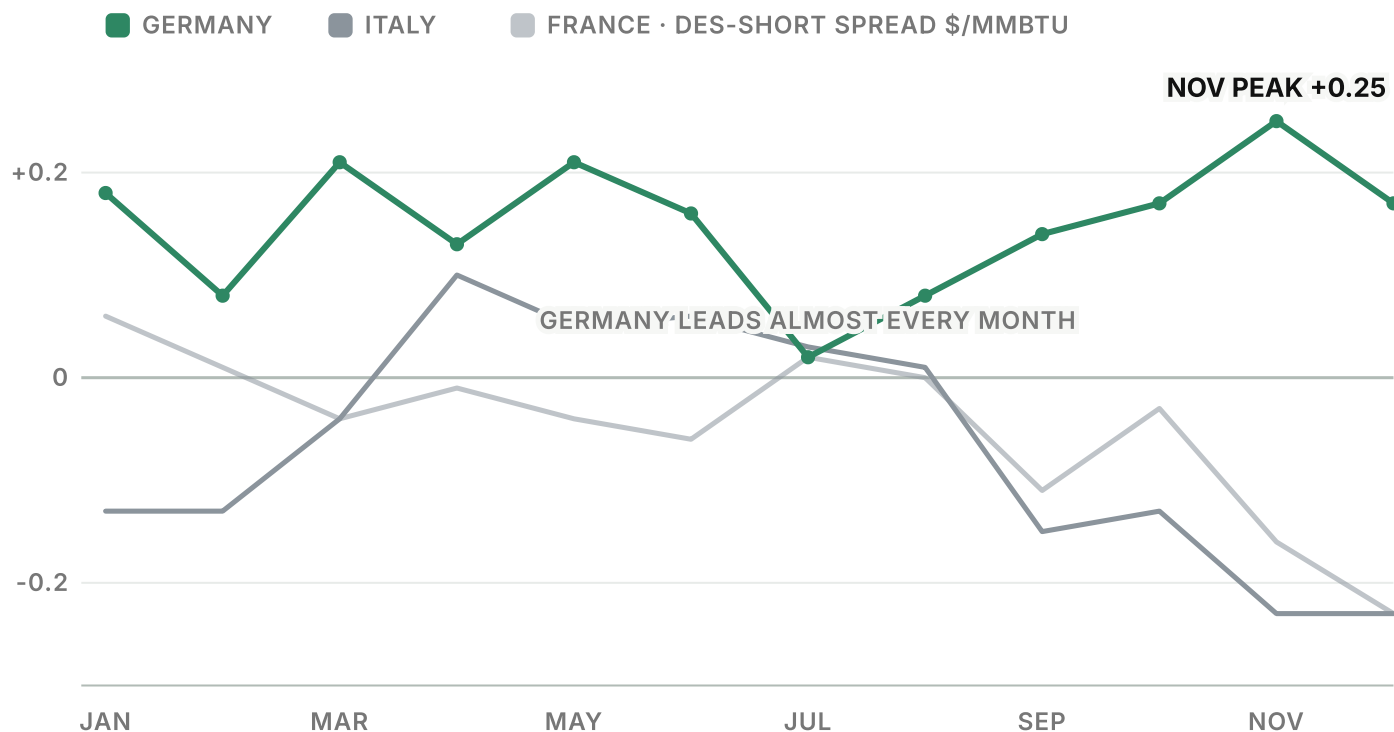
The main portfolio has 30 long cargoes and 24 short cargoes, with additional spot access. Supply windows span two months; the firm sales use eight-day windows.

Destination rights have the highest mean value here



Each comparison uses 1,000 simulated price paths. The model calculates the profit difference between the portfolio with the right and its corresponding reference portfolio.

Germany leads at forwards; other outlets can still add value

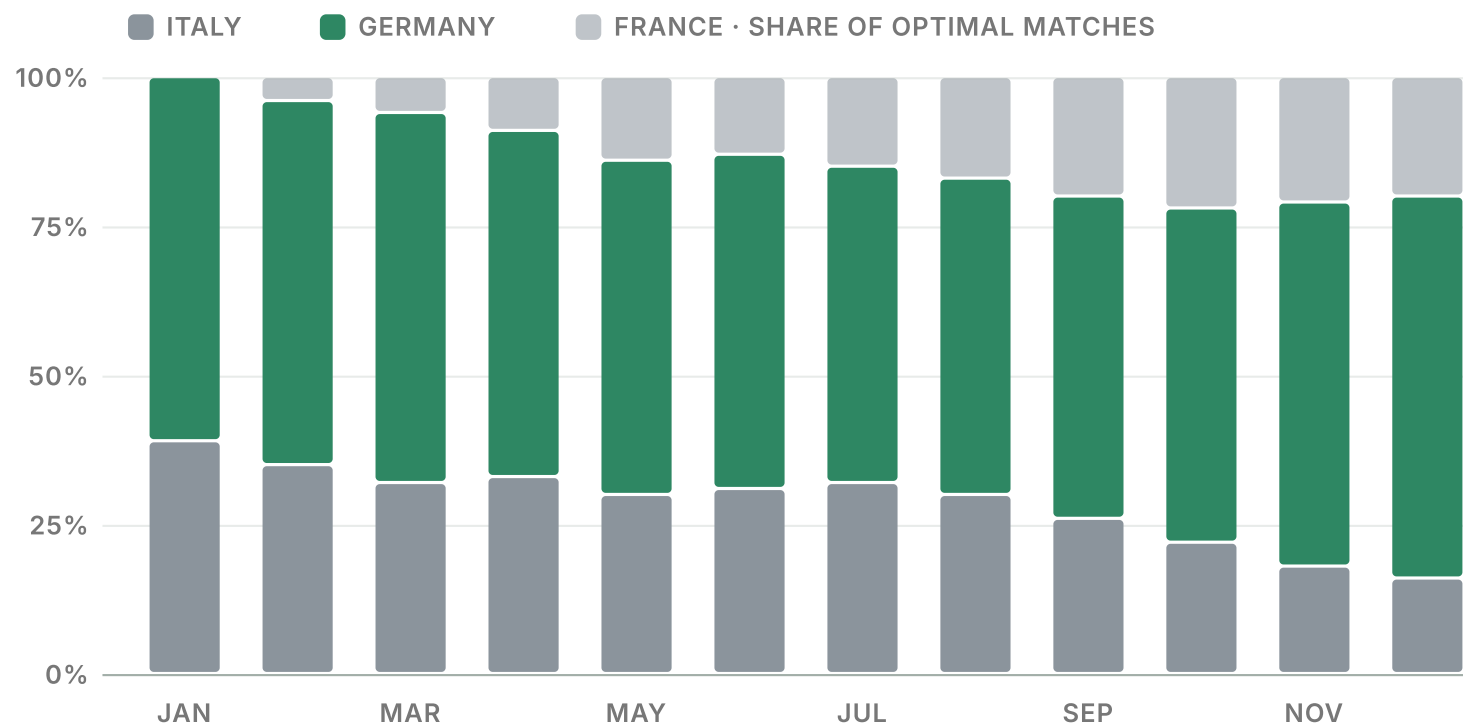


AT CURRENT FORWARDS · GERMANY SERIES EXACT, ITALY AND FRANCE TRACED WITH ANCHORED ENDPOINTS

GERMANY SERIES EXACT · FLEX MINIMUM $-\$0.97$ VS BASE $-\$2.38$ /MMBTU · MC MEANS $\$14.9M$ VS $\$22.4M$

Germany is usually the preferred outlet at forward prices. Access to Italy and France adds value in paths where their relative prices improve.

The preferred destination changes across price paths



DESTINATION CHOSEN PER MONTH ACROSS 1,000 PATHS · EXACT ENGINE SHARES

EXACT ENGINE SHARES · IN JANUARY, ITALY ALONE CONTRIBUTES ROUGHLY 39% OF THE TOTAL SPREAD

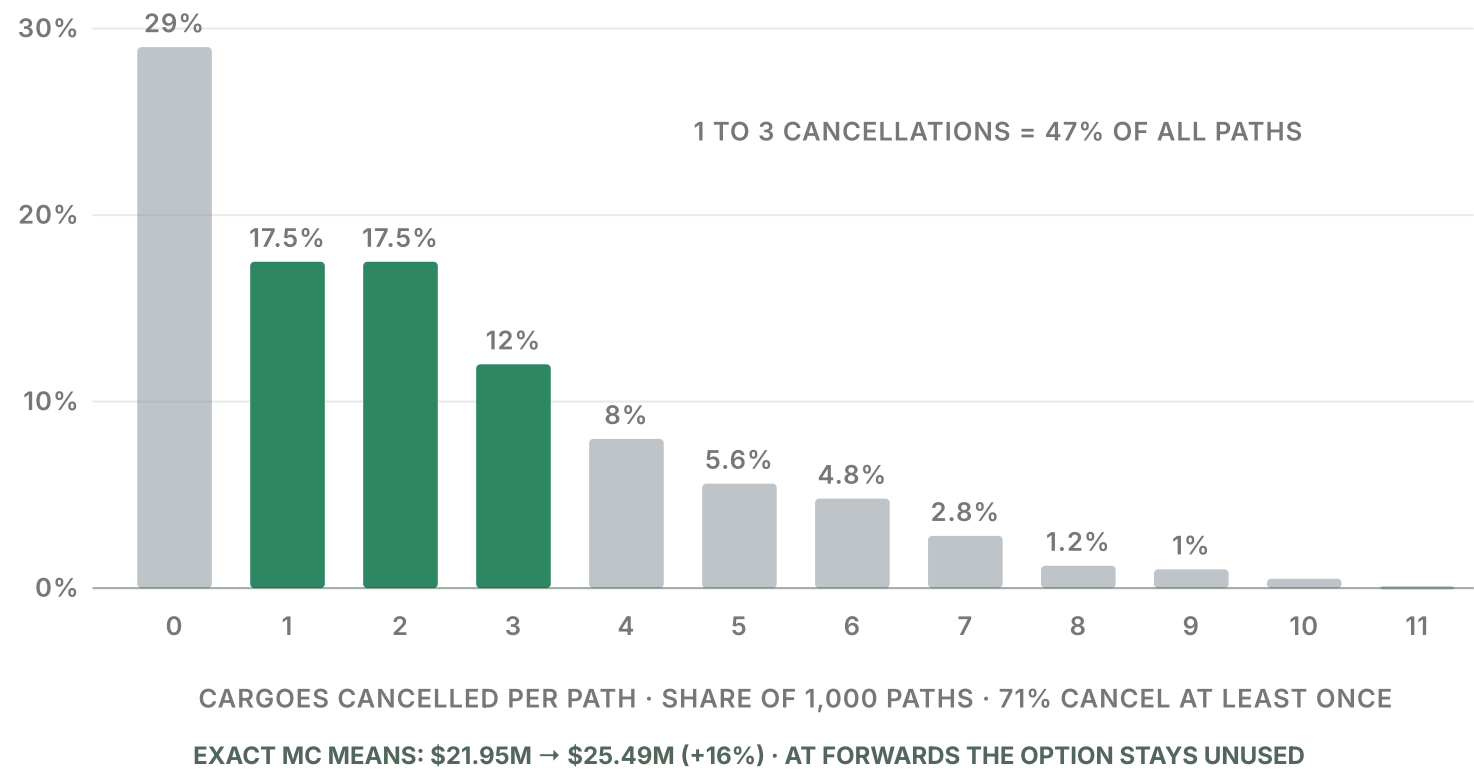
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RESULT AND SCOPE

Mean values: \$2.06/MMBtu for regional destinations, \$0.96 for cancellation and \$0.31 for volume flexibility.

The three rights use different reference comparisons. Their values cannot simply be added. The source also excludes some cross-market correlation effects.

Cancellation rights raise mean simulated profit



The cancellation comparison increases mean profit from \$21.95M to \$25.49M. Volume flexibility adds a mean \$0.31/MMBtu, with the largest seasonal benefit in winter.

Compare the value of individual clauses in your DES contracts

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