

March 14, 2022

Welcome to the TortoiseEcofin QuickTake podcast. Thank you for joining us as we provide timely updates on the market.

Hello. I am Tortoise Senior Portfolio Manager Rob Thummel with this week's TortoiseEcofin QuickTake podcast.

Our thoughts and prayers are with everyone impacted by the ongoing war in Ukraine.

We received a lot of questions on how Russia fits into the global energy mix now and going forward. Let me address a few of these questions.

How much oil and natural gas does Russia produce? According to the Energy Information Administration or EIA, Russia produces approximately 11 million barrels per day of crude oil and condensate making it the second largest global oil producer representing around 11% of the global supply. Russia is also the second large producer of natural gas in the world producing a little over 60 billion cubic feet per day representing 17% of the global natural gas supply.

Where does Russia export oil and gas? Reuters reported that oil and natural gas represented about 36% of the Russia's total fiscal budget in 2021. Currently, Russia exports approximately 5 million barrels per day of crude oil and condensate with 48% exported to Europe and 51% to Asia and Eurasia. 1% of Russian crude oil and condensate in 2020 or 500,000 barrels per day was exported to the U.S. According to the EIA, Russia exported approximately 23 billion cubic feet per day of natural gas with 72% of total exports going to Europe.

What countries have banned Russian oil and gas? Last week, the U.S., U.K., and Australia banned imports of Russian oil. Collectively, these three countries represented less than 3% of total Russian oil exports. So far, no countries have announced bans on Russian natural gas. Oil prices escalated early last week on speculation that European countries would ban Russian oil and natural gas but prices declined when Germany chancellor Scholtz confirmed that Europe needs to develop alternatives to Russian energy supplies but stressed that this cannot be done overnight.

So, what is the long term solution? The Russian conflict with Ukraine is heartbreaking. From a global energy perspective, it emphasizes the importance of energy security. The U.S. and Canada as well as OPEC can assist in replacing Russian oil and natural gas volumes improving energy security both domestically and globally. This means U.S. and Canada producers will need to increase production in the long-term while OPEC needs to return to 2019 production levels.

Why are U.S. producers not increasing production yet? U.S. and OPEC oil producers are caught in a causality dilemma in which U.S. producers are waiting on OPEC to return to full pre-COVID production levels before increasing production while OPEC producers are waiting on a U.S. decision on whether or not to remove sanctions on Iran that could result in an additional of one million barrels per day plus of production added to global supply.

In company specific news, last week marked the return of CERA week that brings together the Who's Who list in the global energy industry. One of the more interesting presentations was delivered by the 40-year CEO and President of EQT, Toby Rice, titled "Unleashing U.S. Liquefied Natural Gas or LNG". EQT is the largest natural gas producer in the U.S. Mr. Rice highlighted that international coal consumption outside U.S. borders is responsible for 48% of energy emissions. EQT's plan is to grow U.S. LNG capacity by 5x from 12 billion cubic feet per day today to 55 bcf per day by 2030. By 2030, emission reductions of U.S. LNG replacing international coal could be the equivalent of electrifying 100% of U.S. vehicles, rooftop solar on every U.S. home, and doubling U.S. wind capacity. We agree with the potential of U.S. LNG to reduce global emissions. We are also in full support of an all of the above approach to decarbonizing through the use of more natural gas, LNG, wind, solar, and renewable fuels that provides energy security and energy transition.

Related to increasing U.S. LNG capacity, Cheniere Energy announced the final construction contract details with Bechtel to build a new series of LNG facilities at its Corpus Christi site. Cheniere's Corpus Christi Stage III project will add more than 10 million tons per year equivalent to 1.3 billion cubic feet per day of additional U.S. LNG export capacity starting in 2025. This project expands Cheniere's LNG asset footprint that is expected to generate contracted cash flows for several decades.

Those are the highlights from last week. Thanks for listening. We will talk to you next week.

Thank you for joining us. And stay tuned for our next episode. Have topics you want covered or other feedback to share? Write us at info@tortoiseecofin.com.

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