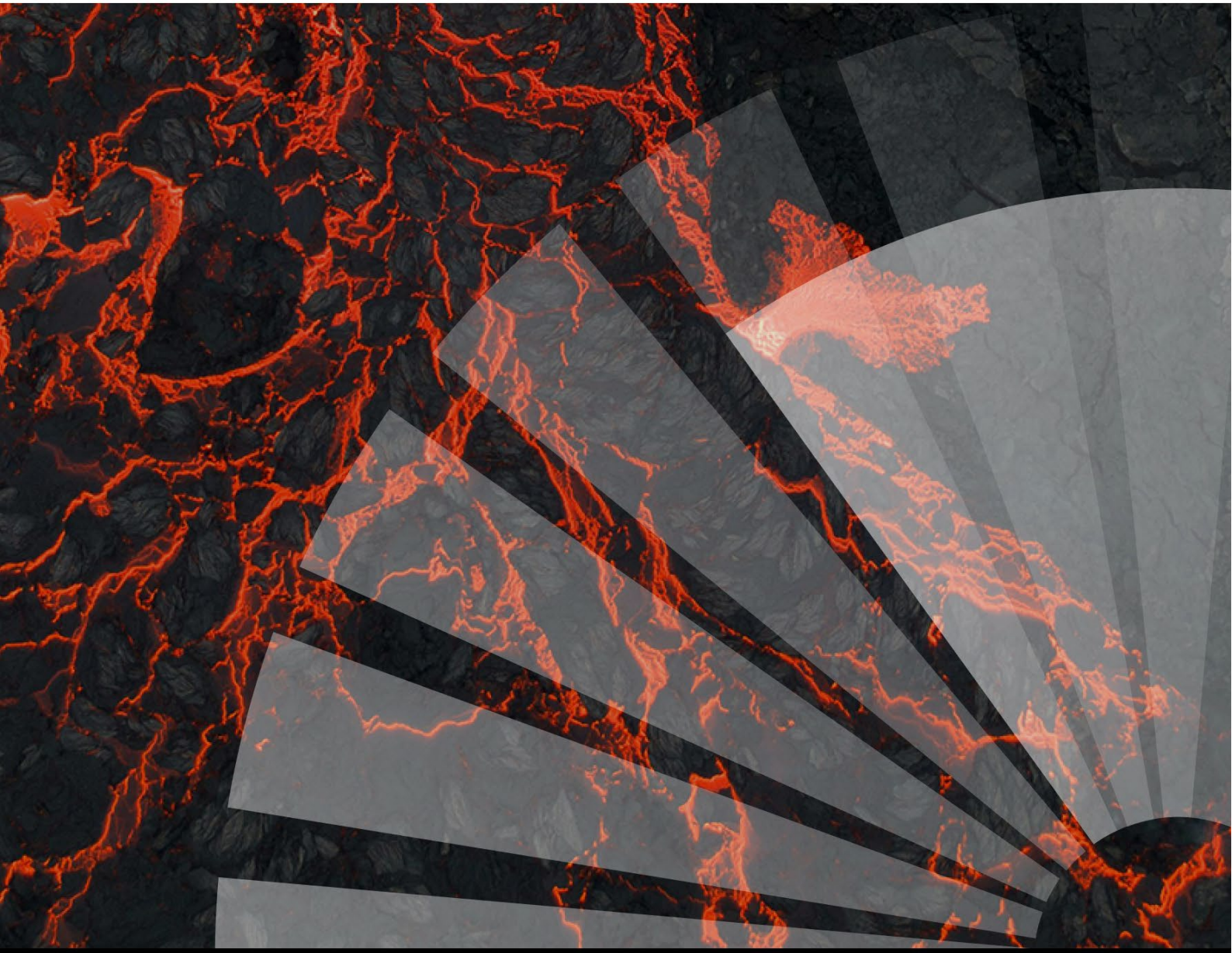
INVESTOR BULLETIN

SHELL LNG SERIES PART 3: ENERGY SECURITY FAVOURS REDUCED LNG DEPENDENCE

02 November 2026



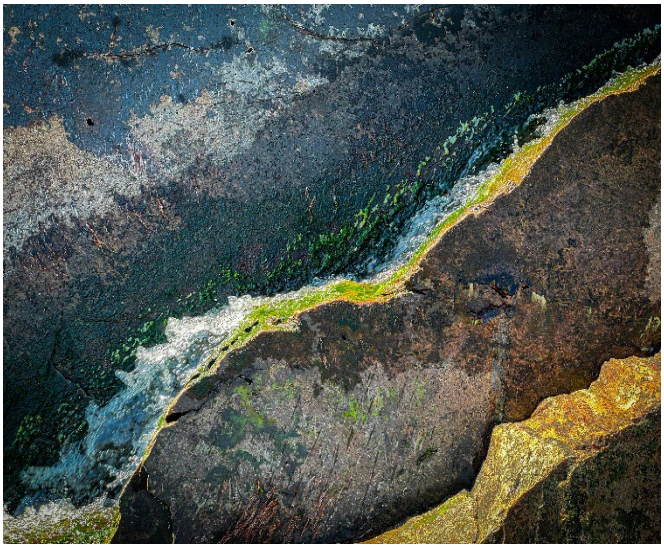
ACCR

CATALYSING CHANGE
FOR A SECURE FUTURE

ABOUT US

ACCR is a not-for-profit, philanthropically funded shareholder advocacy and research organisation.

We engage with listed companies and investors globally, enabling and facilitating active stewardship. Our research team undertakes company-focused research into the climate transition plans of listed companies, offering analysis, research and insights to assist global institutional capital understand investment risks and opportunities during the energy transition.



DISCLAIMER

This document has been prepared by the Australasian Centre for Corporate Responsibility Inc. ("ACCR").

Copyright
Any and all of the content presented in this report is, unless explicitly stated otherwise, subject to a copyright held by the ACCR.
No reproduction is permitted without the prior written permission of ACCR.

No distribution where licence would be required
This document is for distribution only as may be permitted by law. It is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or would subject ACCR to any registration or licensing requirement within such jurisdiction.

Nature of information
ACCR is not providing financial product advice. The purpose of this communication is not to provide financial product advice. Readers should consider obtaining independent advice before making any financial decisions. None of ACCR, its officers, agents, representatives or and employees holds an Australian Financial Services Licence (AFSL), and none of them purports to give advice or operate in any way in contravention of the relevant financial services laws. ACCR, its officers, agents, representatives and employees exclude liability whatsoever in negligence or otherwise, for any loss or damage relating to this document or its publications to the full extent permitted by law. This document has been prepared as information or education only without consideration of any user's specific investment objectives, personal financial situation or needs. It is not professional advice or recommendations (including financial, legal or other professional advice); it is not an advertisement nor is it a solicitation or an offer to buy or sell any financial instruments or to participate in any particular trading strategy. Because of this, no reader should make any financial decisions without having obtained independent advice. By receiving this document, the recipient acknowledges and agrees with the intended purpose described above and further disclaims any expectation or belief that the information constitutes investment advice to the recipient or otherwise purports to meet the investment objectives of the recipient.

Information not complete or accurate
The information contained in this report has been prepared based on material gathered through a detailed industry analysis and other sources and although the findings in this report are based on a qualitative study no warranty is made as to completeness, accuracy or reliability of fact in relation to the statements and representations made by or the information and documentation provided by parties consulted as part of the process. The sources of the information provided are indicated in the report and ACCR has not sought to independently verify these sources unless it has stated that it has done so. ACCR is not under any obligation in any circumstance to update this report in either oral or written form for events occurring after the report has been issued. The report is intended to provide an overview of the current state of the relevant industry or practice. This report focuses on climate related matters and does not purport to consider other or all relevant environmental, social and governance issues. Any prices stated in this document are for information purposes only and do not represent valuations for individual securities or other financial instruments. ACCR does not represent that any transaction can or could have been affected at those prices, and any prices do not necessarily reflect ACCR's internal books and records or theoretical model-based valuations and may be based on certain assumptions. Different assumptions by ACCR or any other source may yield substantially different results.

Rystad Energy is only responsible for asset level and economic data and is not responsible for any conclusions or scenarios drawn from the data. ACCR retains full responsibility for any and all assumptions pertaining to its modelling and any subsequent assumptions and errors.

Links to Other Websites
This document may contain links to other websites not owned or controlled by the ACCR and ACCR assumes no responsibility for the content or general practices of any of these third party sites and/or services whose terms and conditions and privacy policy should be read should you access a site as a result of following a link cited in this report.

ENERGY SECURITY FAVOURS REDUCED LNG DEPENDENCE

Shell expects LNG demand will grow to meet energy security needs. However, recent energy crises have changed how many of LNG's key customers think about energy security. Across a growing number of markets, energy users and policymakers are responding to volatile LNG prices and supply risks by accelerating investment in domestic sources of energy, electrification and alternatives to imported fossil fuels.

Energy price shocks have strengthened the case for reducing LNG dependence

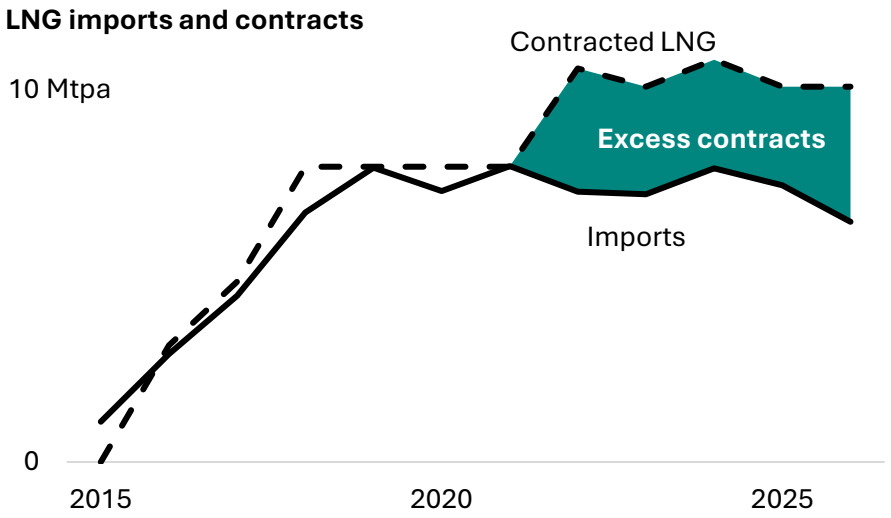
Two major supply shocks within four years have driven a sharp increase in energy prices, particularly LNG. These shocks have reshaped orthodox thinking around the "energy trilemma" – the challenge of balancing energy security, equity and sustainability. Increasingly, renewable energy, storage and electrification are being viewed not only as decarbonisation solutions, but as ways to reduce exposure to volatile international fuel markets, whereas imported fossil fuels are no longer viewed as inherently secure. Energy sources that rely on stocks (e.g. wind turbines) do not carry the same geopolitical risks as those which rely on flows of energy (e.g. diesel).

Countries in Asia, such as Bangladesh and Pakistan, have experienced significant energy security challenges during recent LNG supply disruptions. Governments were forced to absorb higher costs, manage shortages and implement emergency measures (for example, shorter work weeks) to reduce demand.[1] These experiences are likely to influence future investment decisions.

Pakistan illustrates how exposure to LNG market volatility can weaken future LNG demand. During the 2022 energy crisis, the country was priced out of the LNG market by European buyers,[2] contributing to rolling blackouts.[3] Pakistan subsequently increased imports of Chinese solar equipment by 650% between 2021 and 2024,[4] a shift estimated to have saved the country approximately $12 billion in LNG and diesel costs.[5] This is almost twice the $6.6 billion spent on those solar imports.[6] From 2022 to 2025, Pakistan had more contracted LNG than it consumed (Figure 1), and redirected about 30% of its contracted cargoes.

[1] Government of Pakistan, "Notification," March 10, 2026, https://dailysubnews.com/wp-content/uploads/2026/03/Notification-10.3.26-1.pdf.
[2] Ahmad Naeem Sallik, Mian, "Pakistan's LNG Crisis: an Escalation of Power Crisis," *Institute of Strategic Studies Islamabad Issue Brief*, June 28, 2022, p. 1, https://issi.org.pk/wp-content/uploads/2022/06/IB_Salik_Jun_28_2022.pdf.
[3] IEA, *Gas Market Lessons from the 2022-2023 Energy Crisis*, October 1, 2025, p. 19, https://www.iea.org/reports/gas-market-lessons-from-the-2022-2023-energy-crisis.
[4] ACCR analysis of Ember data cited in: Pike, Lili, et al., "Surprise Solar Uptake in Pakistan Cushions Mideast Energy Shock," *Bloomberg*, March 17, 2026, https://www.bloomberg.com/news/articles/2026-03-17/surprise-solar-uptake-in-pakistan-cushions-mideast-energy-shock.
[5] Harrison, Alice, et al., "The hedge that paid off: How Pakistan's solar boom is shielding it from the Hormuz crisis," *Centre for Research on Energy and Clean Air*, March 17, 2026, https://energyandcleanair.org/the-hedge-that-paid-off-how-pakistans-solar-boom-is-shielding-it-from-the-hormuz-crisis/.
[6] ACCR analysis of Ember China Cleantech Export Data, https://ember-energy.org/data/china-cleantech-export-data/.

Figure 1: Pakistan redirected about 30% of its contracted cargos between 2022 and 2025



Source: ACCR analysis of Rystad Energy data. Conclusions are ACCR's.

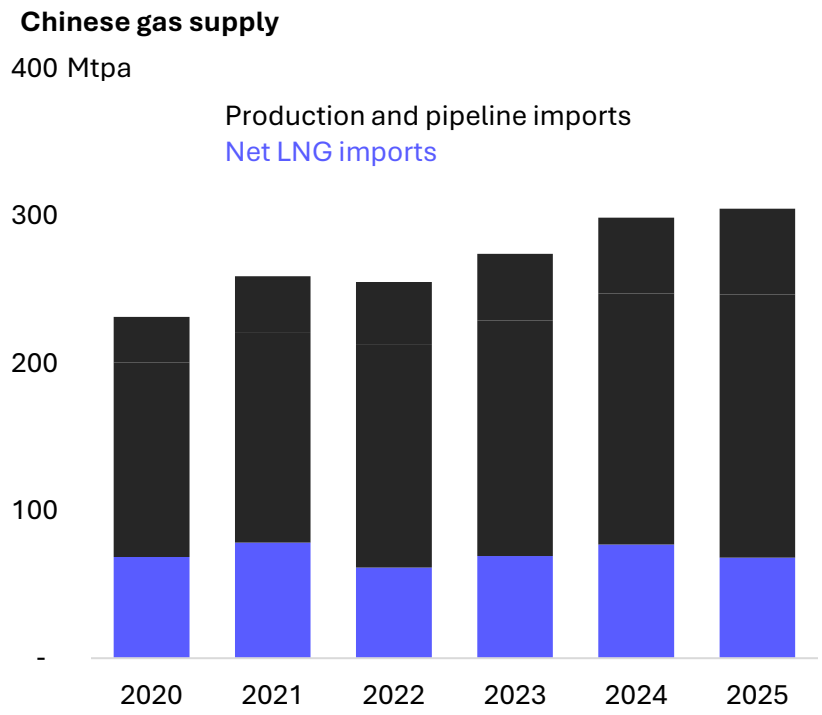
Demand centres are already reducing LNG dependence

Prior to Iran's closure of the Strait of Hormuz, LNG markets were widely expected to enter a period of oversupply. While the loss of Qatari and UAE supply temporarily shifted attention towards security of supply, the attention of some commentators is returning to the scale of the expected glut. Approximately 22 million tonnes per annum (Mtpa) of new North American supply is expected in 2026, with another 100 Mtpa already under construction.[7] Whether this new supply is absorbed depends heavily on LNG prices being low enough for the markets Shell expects to drive future demand growth. Yet several of the markets Shell expects will support future LNG demand growth are already meeting a larger share of their energy needs without increasing LNG imports.

China's LNG imports have plateaued since 2021 despite continued growth in gas demand (Figure 2), due to growth in domestic production and pipeline imports.

[7] ACCR analysis of Rystad Energy data. Conclusions are ACCR's.

Figure 2: While Chinese gas consumption has increased, its LNG imports peaked in 2021



Source: ACCR analysis of Rystad Energy data. Conclusions are ACCR's.

Shell is optimistic about LNG's growth prospects in Asia and expects a major increase in demand from emerging markets, including Vietnam and Thailand. However, Vietnam and Thailand are expected to achieve just 13% and 36% of their respective 2030 targets for new gas-fired power generation.[8] Both countries are accelerating renewables deployment in response to supply shortages, which will likely limit future LNG demand. Vin Group recently abandoned a 5 GW LNG-to-power plant project in Vietnam and asked the government to consider a renewables and batteries project instead,[9] despite already having commenced construction.[10] Thailand is moving in a similar direction. The Thai energy minister recently stated that "the ongoing conflict in the Middle East demonstrates that we must urgently reduce imports of LNG and other fuels"[11] while announcing a doubling of the 2040 clean energy target.

Prior to the current Middle East disruption, LNG imports were already beginning to stall in countries that Shell sees as pivotal for demand growth. Imports declined in both India and China during 2025, as lower-cost renewable sources of electricity increasingly met growth in energy demand.

The same trend is evident in Europe. The European Commission's Electrification Action Plan explicitly links electrification with reducing dependence on imported fossil fuels, which it says have "repeatedly exposed our vulnerability to geopolitical shocks".[12] The Commission aims to increase electrification from 23% of final

[8] Wood Mackenzie, "Southeast Asia to deliver less than one-third of planned gas power capacity by 2030," August 4, 2026, https://www.woodmac.com/press-releases/southeast-asia-to-deliver-less-than-one-third-of-planned-gas-power-capacity-by-2030.
[9] Nguyen, Phuong, "Vingroup plans taxi IPO, scraps LNG power plant project," *Reuters,* April 22, 2026, https://www.reuters.com/world/asia-pacific/vietnams-vingroup-chairman-says-ev-unit-vinfast-break-even-2027-2026-04-22.
[10] "Vingroup breaks ground on Tân Trào IP and Hải Phòng LNG plant," *Vietnam News,* September 26, 2025, https://vietnamnews.vn/economy/1726097/vingroup-breaks-ground-on-tan-trao-ip-and-hai-phong-lng-plant.html.
[11] Nguyen, Anuchit, "Thailand to Shift From LNG Toward Renewables in Wake of Iran War," *Bloomberg,* August 27, 2026, https://www.bloomberg.com/news/articles/2026-08-27/thailand-to-shift-from-lng-toward-renewables-in-wake-of-iran-war.
[12] European Commission, "A plan to make Europe the first electro-continent," July 2026, p. 1, https://ec.europa.eu/commission/presscorner/api/files/attachment/882736/Factsheet%20on%20Electrification%20Action%20Plan.pdf.

energy consumption to 46% by 2040, requiring the European economy to electrify roughly nine times faster than it has over the past decade.[13]

The scale of the potential demand impact is significant. The Commission estimates that meeting this target would reduce gas imports by more than 70%,[14] or approximately 150 million tonnes in 2040.[15] Since LNG is more expensive than piped gas and Europe currently imports about 100 million tonnes of LNG,[16] a reduction of this magnitude could displace most of the bloc's LNG imports. Europe currently imports around a quarter of global LNG production – 50% more than China, the world's largest LNG importer. Even partial delivery of the Commission's objectives would materially reduce European LNG demand and reshape global LNG markets.

Questions for engagement

- How does Shell assess the impact of supply shocks and price volatility on medium- and long-term LNG demand?
- Given the disruptions to LNG supply, have customers adapted their positions around energy security and associated LNG contracts?
- Will Shell adjust its LNG demand expectations for Thailand and Vietnam based on the recent evidence the countries are investing in renewables and batteries over LNG?

[13] Rosenow, Jan, "Nine times faster: the EU wants to double electrification by 2040," *Bright Spots*, July 17, 2026, https://janrosenow.substack.com/p/nine-times-faster-the-eu-wants-to.
[14] European Commission, "A plan to make Europe the first electro-continent," July 2026, p. 1, https://ec.europa.eu/commission/presscorner/api/files/attachment/882736/Factsheet%20on%20Electrification%20Action%20Plan.pdf.
[15] ACCR analysis of Eurostat "Gas supply, transformation and consumption – monthly" data, https://ec.europa.eu/eurostat/databrowser/view/nrg_cb_gasm/default/table?lang=en.
[16] ACCR analysis of Rystad Energy data. Conclusions are ACCR's.