

Korea Gas Corporation

Results of 1H FY2019

2019. 8.



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1. Results of 1H FY2019

✓ Variation in Sales Volume

(Unit : Thousand Ton)	1H 2019 (A)	1H 2018 (B)	YoY (A-B)	YoY% (A-B)/B
City Gas(a)	10,678	11,036	-358	-3.2%
Residential	5,016	5,255	-239	-4.5%
Industrial	3,325	3,366	-41	-1.2%
General	881	882	-1	-0.1%
Heating of building	309	348	-39	-11.2%
Cooling & heating	231	258	-27	-10.5%
Others	916	927	-11	-1.2%
Power(b)	7,267	8,704	-1,437	-16.5%
Genco's	2,564	3,251	-687	-21.1%
IPP's & Others	4,703	5,453	-750	-13.8%
Total(a+b)	17,945	19,740	-1,795	-9.1%

[Reasons for Variation]

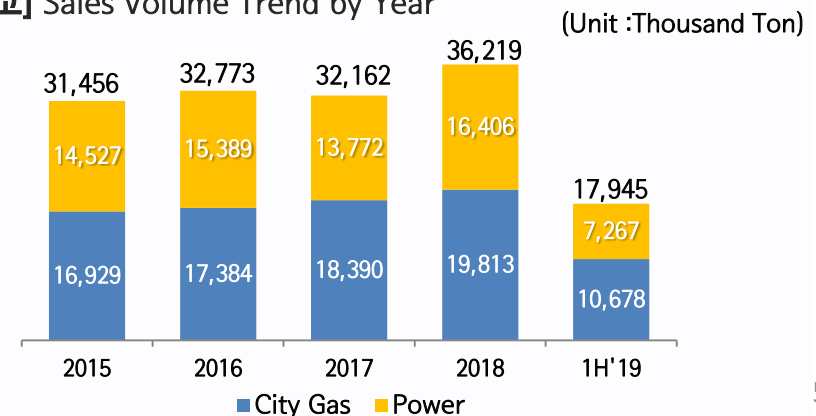
■ City Gas

- The demand in Residential dropped due to the higher average temperature (Jan~Mar, Avg 1.43°C ↑) YoY

■ Power

- The base-load power generation increased due to the recovery in nuclear plant utilization rates, despite Gov. policies to mitigate particulate matters including limited coal-fired plant operations
- The total power generation decreased by 1.7% due to the higher average temperature YoY

[참고] Sales Volume Trend by Year



Consolidated Statement of Comprehensive Income

✓ Variation in Profit/Loss

(Unit:KRW billion)	1H'19(A)	2018		YoY (A-B)	YoY% (A-B)/B
		1H(B)	Year		
Revenue	13,576	13,828	26,185	-252	-1.8%
Power	5,438	5,954	11,634	-516	-8.7%
City Gas	7,305	7,183	13,011	122	1.7%
Ohters	833	692	1,540	141	20.4%
Cost of Sales	12,298	12,675	24,509	-377	-3.0%
SG&A expenses	203	174	400	29	16.7%
Operating Profit(OP)	1,074	979	1,277	95	9.7%
Other income/expense	-5.6	22	-89	-27.6	Turn into Loss
Financial income/expense	-404	-354	-743	-50	-14.3%
Equity method gain/loss	72.2	116	204	-43.8	-37.9%
Income tax	211	112	96	99	88.8%
Net Income(NI)	526	652	527	-126	-19.3%

[Reasons for Variation]

■ Revenue

- Decreased sales volume for power(1.4 MM Ton)

■ Operating Profit(OP)

- Increased OP in domestic business by having adopted the 2019 supply cost adjustment
- Overseas projects showed better performance : Myanmar(KRW8.7bn), Australia GLNG(KRW11bn)

■ Net Income(NI)

- Decreased equity method gains from Associates such as KORAS, DSLNG
- Dwindled corporate tax reimbursement amount (30.1 bnKRW) YoY and overseas corporate tax hikes (Myanmmar, Australia GLNG)

[Reference] Separate Income Statement

(Unit : KRW bn)	1H 2019(a)	2018		YoY (a-b)
		1H(b)	Full Year	
Revenue	13,023	13,291	24,986	-268
OP	973	902	1,109	71
NI	493	503	305	-10

Consolidated Statement of Comprehensive Income

✓ Variation in P/L of Major Overseas Projects - Subsidiaries

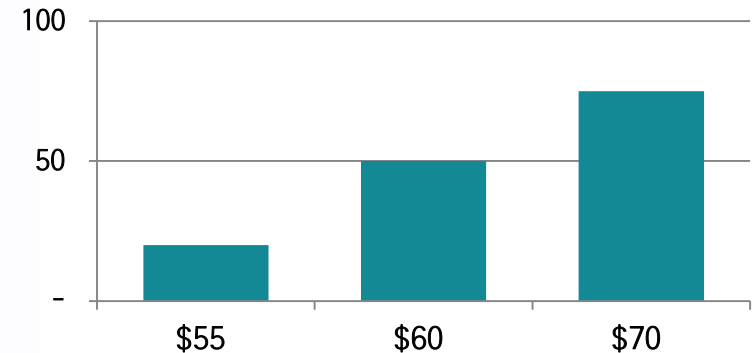
(Unit: KRW Billion)	Australia GLNG		Myanmar		Iraq Zubair		Iraq Badra		Total	
	1H'19	1H'18	1H'19	1H'18	1H'19	1H'18	1H'19	1H'18	1H'19	1H'18
Production	44Cargo	40Cargo	202 Thous.ton	183 Thous.ton	Avg. 46.3M bbl/d	Avg. 43M bbl/d	Avg. 6.7M bbl/d	Avg. 8.2M bbl/d	-	-
Revenue	307.1	247.1	58.7	44.9	176.6	178.7	154.1	188.1	696.5	658.8
OP	46.0	35.0	39.0	30.3	36.2	43.1	24.2	8.6	145.4	117.0
NI	-65.1	-17.1	35.0	30.2	28.1	34.3	27.3	10.5	25.3	57.9

[Reasons for OP Variation]

- Aus GLNG : Increase sales unit price driven by oil price hikes and sales volume growth
- Myanmar : Increase sales unit price YoY and recovery in sales volume
- Iraq Zubair : Increase in OPEX and decrease in CAPEX
- Iraq Badra : Depreciation expenses decreased due to less CAPEX

2019 Forecast of GLNG's OP

(Unit : USD Million)



* Oil Price : JCC

Consolidated Statement of Comprehensive Income

✓ Variation in Equity Method Gains of Major Overseas Projects

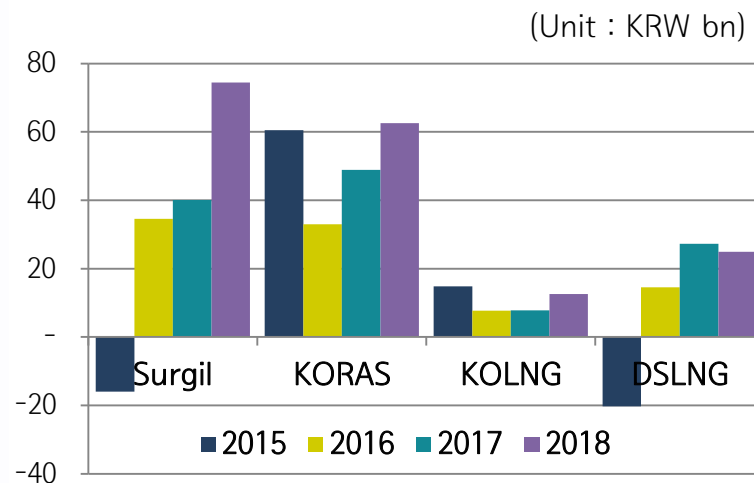
(Unit: KRW Billion)	Uzbekistan Surgil		Qatar KORAS		Oman KOLNG		Indonesia DSLNG		Total	
	1H'19	1H'18	1H'19	1H'18	1H'19	1H'18	1H'19	1H'18	1H'19	1H'18
Equity Method Gains	28.6	33.7	14.5	40.3	9.5	6.2	6.9	13.2	59.5	93.4
Associates	Kor-Uz Gas Chemical Investment Ltd		Korea Ras Laffan LNG Ltd		Korea LNG Ltd		Sulawesi LNG Development Limited		-	
% of Ownership	45%		60% ¹		24%		25%		-	

¹ The corporation cannot exercise significant influence and thus, this associate is excluded from the scope of consideration

[Reasons for Variation]

- **Uzbekistan Surgil** : Recognized allowance for uncollected receivable as a result of the application of new IFRS
- **KORAS** : Decreased equity method gains as a result of the application of new IFRS to financial instrument
* Before : Other Comprehensive Income(OCI) → After : Net Income
- **KOLNG** : Increased equity method gain as oil price and sales volume increase
- **DSLNG** : Dwindled equity method gains due to lower unit sales price as a result of price re-negotiation and lower spot prices

Equity Method Gains by Year



Consolidated Statement of Financial Position

✓ Variation in Financial Position

구분	June30, 2019(A)	Dec31, 2018(B)	Difference (A-B)	Percentage (A-B)/B
Asset(a+b)	37,342	39,690	-2,348	-5.9%
Liabilities(a)	28,440	31,192	-2,752	-8.8%
Interest Bearing Debt	22,147	24,194	-2,047	-8.5%
FX Debt	8,284	9,842	-1,558	-15.8%
KRW Debt	13,863	14,352	-489	-3.4%
Equity(b)	8,902	8,498	404	4.7%
Liabilities to equity ratio(a/b)	319.5%	367.0%	-47.5%p	

[Reasons for Variation]

■ Asset

- Decreased in account receivable due to dwindling sales volume
- Reduced inventory(-1.16MM Ton)

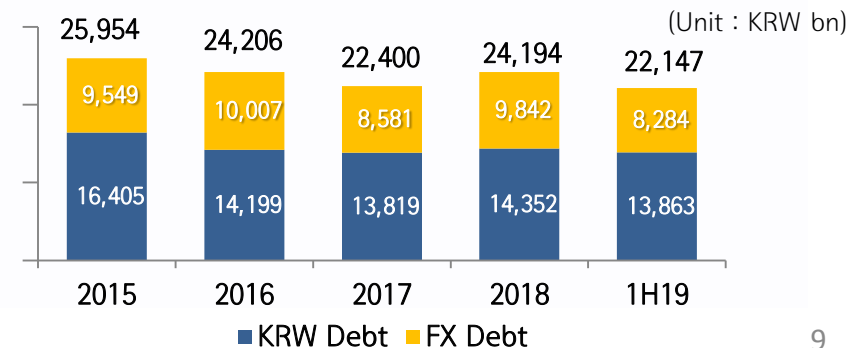
■ Liabilities

- Reduction in payables caused by the decreased procurement volume
- Decreased debts with less working capital

■ Equity

- NI reflected(KRW 525.5bn)
- Paid KRW 119.2bn in dividend for FY2018(Apr, '19)

[Reference] Interest Bearing Debt by Year



Investment related details

✓ Annual CAPEX trend and Forecast

(Unit : KRW Billion)	2016	2017	2018	2019			2020(F) ¹	2021(F) ¹
				Results of 1H(a)	Annual Plan(b) ¹	Execution rate(a/b)		
Domestic	906.9	636.0	633.9	363.9	848.8	42.9%	527.3	814.0
Overseas	941.2	692.6	613.3	257.4	820.2	31.4%	384.9	394.2
Total	1,848.1	1,328.6	1,247.2	621.3	1,669.1	37.2%	912.2	1,208.2

¹ 2019 KOGAS Budget and Forecast numbers are from the mid-to-long term financial management plan approved by the Gov. in Sep.2018

[Status of Operating Terminals]

- Storage Tanks : 72 storage tanks operated at 4LNG Terminals
(Storage capa : 11.47mmkl, 5.23mm ton)



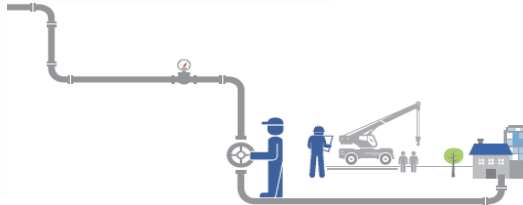
(Million ton)	IC	PT	TY	SC	Total
Start-up	Oct '96	Nov '86	Sep '02	Jul '14	-
No. of tanks	20	23	17	12	72
(Capacity)	(1.31)	(1.53)	(1.20)	(1.19)	(5.23)

[Status of Pipeline]

- Nationwide 4,857km-long pipeline network operated by 404 stations

[Construction Plan]

- Main Pipeline
 - Additional construction of 237km to 5,094km by 2022
- Terminals
 - Incheon expansion(#21~23 tanks)
 - : 0.2mmkl × 3ea., Oct'15 ~ Jul'20
 - Construction of 2 tanks at Jeju Terminal
 - : 0.045mmkl × 2ea., Feb'17~Aug'19





2. Investment Highlights

Paradigm Shift of Rising Natural Gas Demands

- **Energy policy paradigm shift from cost driven to safety and environmental driven**

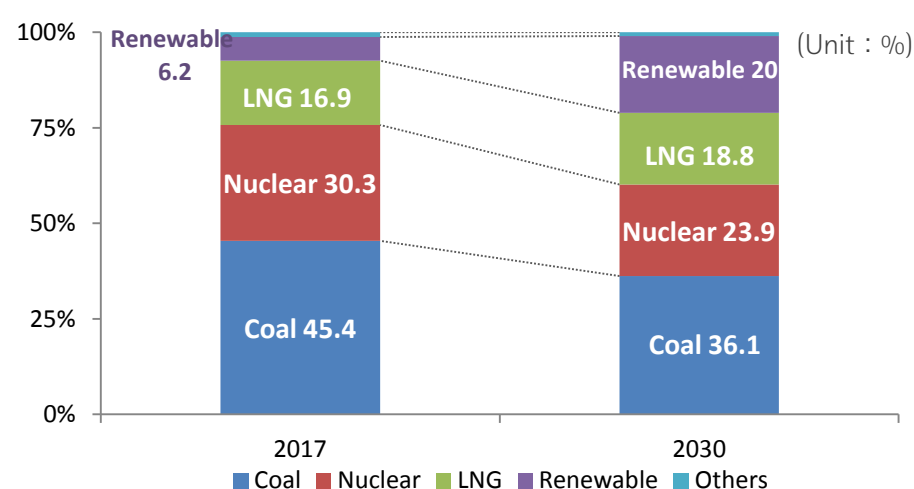
- Early shutdown of ten aged coal-fired power plants('22), Suspended construction of new coal-fired power plants
- The operation of aged plants will halt during Spring, and The upper limit (80%)of operation rates for coal-fired power plants was introduced to be activated when serious fine dust are forecasting
- Shutdown of aged nuclear power plant(Wolsung#1), cancelled plans to build new nuclear power plants

- **A gradual increase in demand for natural gas with eco-friendly energy policies**

- Gain a higher price competitiveness of natural gas over other fuels such as Coal and Bunker C through energy tax adjustment
- LNG demand will rise according to 'The 13th LT natural gas supply and demand plan'(2018: 36.46mn tons→ 2031: 40.49mn tons)

※ Reason for energy tax adjustment : Rational adjustment by considering environmental impact by each fuels(Coal/LNG)

Generation Mix Forecast



Energy Tax Adjustment('19.4.1)

(unit : won)	Before (A)	After(B)	Differenece (B-A), %
consumption tax	60/KG	12/KG	-48(-80%)
Import Tax	24.2/KG	3.8/KG	-20.4(-84%)
Tariff	7.2/KG	Same as the left	Tariff withdrawal under review

* Increased a consumption tax for coal : 36won/KG→46won/KG

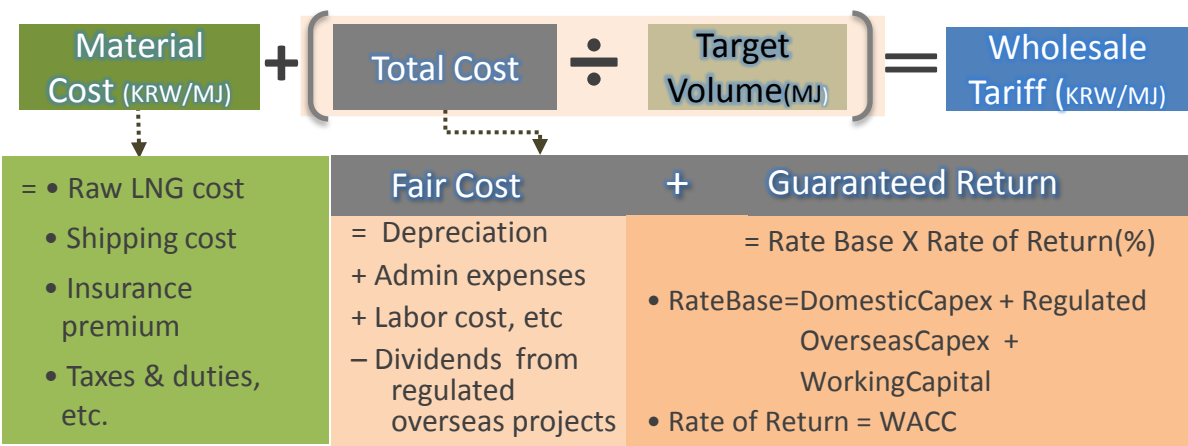
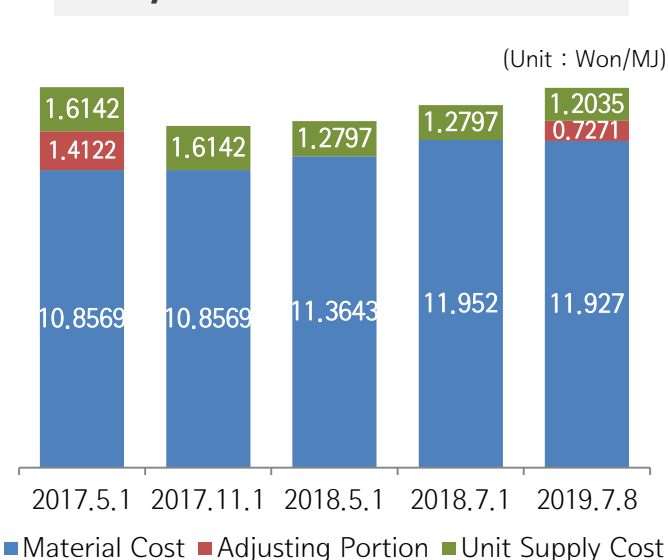
Guaranteed Operating Profit from Tariff Structure

- Stabilized core business with risk-free tariff structure

<Gas tariff : Material cost + Fair cost + Guaranteed Return>

- Material cost** is reflected in the wholesale tariff through the cost pass-through system (No impact on OP and NI)
 - ☞ risk-free from oil price, forex, interest rate
 - Fair Cost** is the direct and indirect costs incurred in relation to production and supply of natural gas
 - Guaranteed Return** is the reasonable opportunity cost on the truthful and effective assets contributed to the natural gas business
- ※ Operating Profit from gas sales : Guaranteed Return + Income tax + α (Cost Saving, Non-regulated overseas profit, and etc.)

City Gas Sales Price Trend



Wholesale Gas Sales Return to Rise Gradually

- **Guaranteed return(2019) increased due to rise in Rate Base and WACC**

- Rise in rate base reflected investment in facilities and higher working capital
- Rate of return increased due to rise in interest rate(2.0%→2.31%) and beta(0.816→0.835)

- **Expectation for operating virtuous cycle from improved Wholesale Gas earnings**

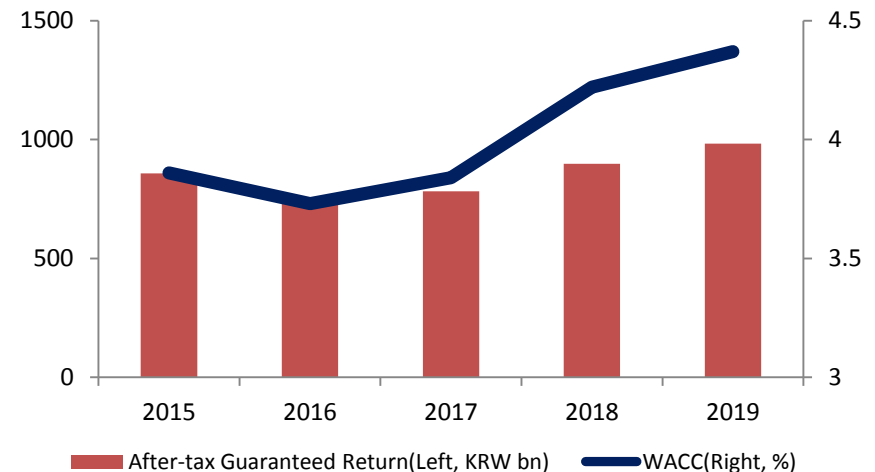
- **Rate Base** will increase due to higher working capital and reflect of investment in 5th storage terminal etc.
- **Rate of Return** is likely to go up thanks to a higher equity portion and beta

* Structure of virtuous cycle : Guaranteed Return ↑ → Net Income ↑ → Equity Portion ↑ → Rate of return ↑

2019 Supply Cost Adjustment

(Unit : KRW bn)	2019(A)	2018(B)	YoY(A-B)
After-tax Guaranteed Return(a*b)	983	898	85
Rate Base(a)	22,509	21,297	1,212
After-tax Rate of Return(b)	4.37%	4.22%	0.15%p
Total Cost	2,111	2,273	-162
Target Volume (Thousand ton)	3,437	3,178	259

Guaranteed Return and WACC Trend



Improving Operating Profit from Overseas E&P

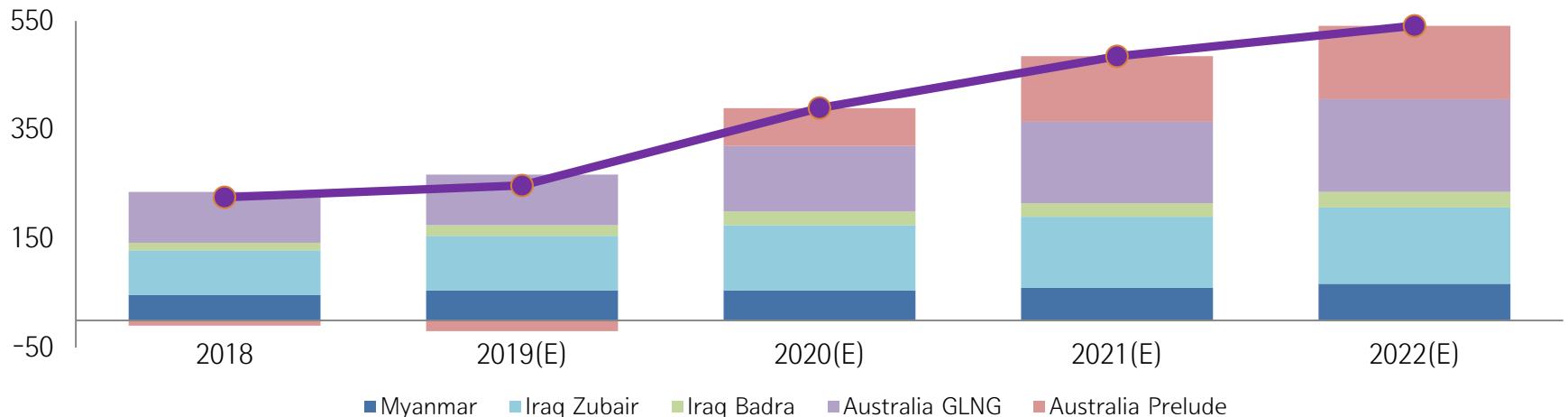
- **Business portfolio reorganization for core business by restructuring overseas projects**

- Canada West Cut Bank : withdrew the business(Dec '18) due to uncertainties about economic efficiency
- LNG Canada : Sold 10% out of KOGAS's 15% equity to Petronas(Jul '18, Recovering sales price, minimizing future CAPEX)
- Iraq Akkas : down-sizing the project step by step by selling equity stakes

- **Expect to generate gradual increase in O.P from overseas projects entering a stabilized production stage**

- GLNG : is likely to generate OP of 90bn KRW in 2019 given increasing oil prices, decreasing depreciation and production cost
- Myanmar : will be generating OP of 55bn KRW in 2019 resulting from recovery in sales volume and oil prices hikes, etc
- Zubair : maintains stable profits with the rising daily production volume (FY2019 OP : 90bn)

Overseas E&P OP Forecast



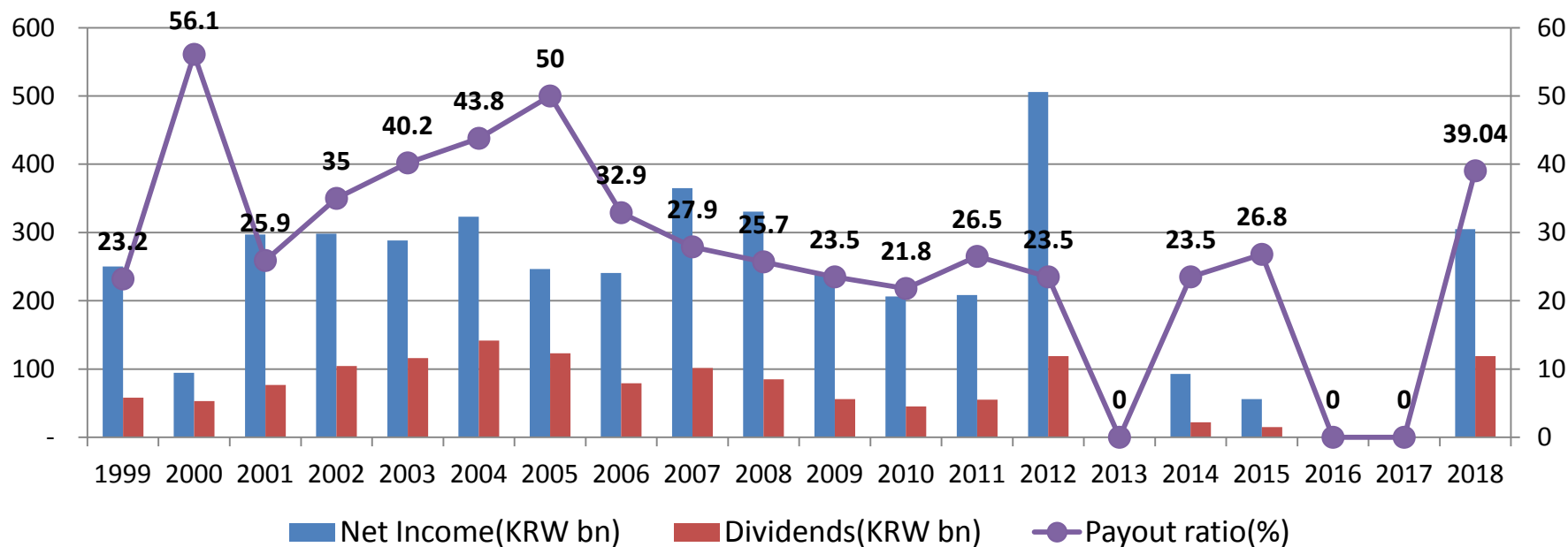
- Source : Mid-long term financial management plan approved by the Gov. in Sep 2018
- Assumed Dubai oil price : '19 \$62/bbl, '20 \$72/bbl, '21년 \$74/bbl, '22년 \$75/bbl

Dividend Policy

● KOGAS will gradually increase payout ratio to create shareholders' value and interest

- Since listed in 1999, KOGAS has maintained payout ratio above 25% on average
- According to the government dividend policy('14), the dividend payout ratio will increase to 40% by 2020.

📌 **2018 Dividend per Share : KRW 1,360 (payout ratio for 2018 : 39.04%)**

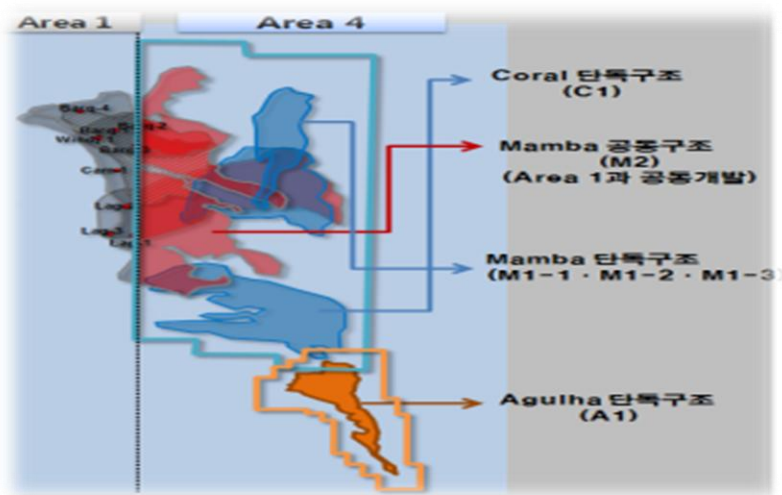


* The dividend was unpaid in 2013, 2016 and 2017 because KOGAS recorded net loss

Revaluation of Mozambique Gas Field

- **Develop step by step for commercializing 85 Tcf gas field**
 - (Coral FLNG) Made a final investment decision at June'17, Start commercial production from 2022 (3.3MMton/year)
 - (Mamba LNG) Working on FID in Jul '19, expect to enter a commercial production stage by 2024 (15MMton/year)
- **Reevaluate in project value considering oil price forecast and stage of development**
 - ENI(Area 4 operator) : Sold 25% stake to Exxon Mobile at US\$2.8 bn(Oil level : \$53)
 - ENI : Sold 20% stake to CNPC at US\$4.2bn (Oil level : \$105)

Mozambique Gas Field



Initial Reserves

	Name	Type	Reserves
1	Coral	non-straddling	16 Tcf
2	Mamba	straddling	51 Tcf
3	Mamba(M1-1)	non-straddling	11 Tcf
4	Mamba(M1-2)	non-straddling	3 Tcf
5	Mamba(M1-3)	non-straddling	1 Tcf
6	Agulha	non-straddling	3 Tcf
TOTAL			85 Tcf

- Found 75 Tcf gas at Area 1 where near Area 4
- Participants: MRV(Operator)*70%, KOGAS/Galp/ENH 10% respectively

* Mozambique Rovuma Venture :Eni/ExxonMobile 35.715% respectively, CNPC 28.57%

Identify Future Growth Engines

● Foster LNG bunkering Business

- Goal : Pioneering the early stage of Bunkering Business by investing the relevant infrastructure
- Target : Construct 1 loading facilities and build 1 LNG Bunkering Ship by 2019(LNG Demand for Bunkering by '30:1.36MM Ton)

● Lay the groundwork for hydrogen Infra Business

- Goal : Lead the hydrogen economy by producing hydrogen and operating H2 distribution centers
- Plan : Deployment Phase(~'22) Construction of 9 production plants, 100km Pipeline, 100 HRS and 140 of T/T
Expansion Phase('23~'30) Construction of 16 production plants, 640km Pipeline, 10 HRS and 360 of T/T

* HRS : Hydrogen Refueling Station , T/T : Tube Trailer

KOGAS's Goal for Hydrogen Biz

2018	2022	2040
Preparation for a hydrogen economy	Hydrogen deployment	Leading the hydrogen economy
<ul style="list-style-type: none">• Create a hydrogen ecosystem• Modify relevant regulations	<ul style="list-style-type: none">• Increase the uses of hydrogen• Build a large-scale hydrogen supply & demand system	<ul style="list-style-type: none">• Oversea hydrogen production and electrolyzer• Build CO2-free hydrogen supply & demand system

Hydrogen Infra. Construction Plan

Deployment(~22)	operate 140 T/T, and build 100 km hydrogen pipeline
Expansion(~25)	operate 100 T/T, and build 500 km hydrogen pipeline
Efficiency(~30)	operate 260 T/T, and build 100 km hydrogen pipeline



3. Status of Major Overseas Projects

Overseas Projects

- 24 Projects in 13 countries (as of June, 2019)
(Exploration 3, Development/Production 9, LNG project 8, Downstream 4)
- 2 Projects as an operator(Iraq Akkas, Mozambique Maputo Pipeline), 22 Projects as a non-operator



Overseas Projects

Commercial Operation



Myanmar

- Jul '13 Startup of commercial production
- FY'17 OP : W46bn
- FY'18OP : W46.3bn
- FY'19 1H OP : W39.0bn



Australia GLNG

- First cargo in Oct '15
- Procurement of 3.5 mtpa contracted by KOGAS
- FY'17 OP : W-21bn
- FY'18 OP : W93.3bn
- FY'19 1H OP : W46.0bn



Australia Prelude

- (Dec'18) startup of Commercial production



Iraq Zubair

- FY'10 Startup of commercial operation
- FY'17 OP : W152bn
- FY'18 OP : W82.5bn
- FY'19 1H OP : W36.2bn



Iraq Badra

- Sep '14 Startup of commercial production
- FY'17 OP : W 21 bn
- FY'18 OP : W 13.9 bn
- FY'19 1H OP : W 24.2bn



Uzbekistan Surgil

- Commercial operation in Feb '16
- Equity Method Gain Trend
- FY'17 : W40.1bn
- FY'18 : W74.5bn
- FY'19 1H : W28.6bn

Equity Participation

Ras Laffan Qatar

- Equity participation by 3% in '99
- Dividend Income : W62bn in '17
- W63bn in '18, W46.5bn in 1H'19

Oman LNG

- Equity participation by 1.2% in '97
- Dividend Income : W7.7bn in '17
- W12.7bn in '18, W9.5bn in 1H'19

YLNG

- Equity participation by 8.88% in '05
- Initial dividend of W38.2billion in '14
- Dividend of W31.7billion in 1Q '15 (YLNG W21.8bn, HYLNG W9.9bn)

Indonesia DSLNG

- Equity participation by 14.975% in '11
- FY'18 Equity Method gain : W24.9bn
- 1H '19 Equity Method gain : W6.9bn

Exploration

Cyprus

- FY'13 : Seismic exploration performed
- FY'14~'20 : Drill 4 exploration wells (2 wells drilled as of the end of '16, remains are expect to drill by '20)

Development



Mozambique

- Commercial Production in '22 (Expect)



LNG Canada

- Made a FID (Oct'18)

Myanmar A-1/A-3 Gas Field

Project Overview

- Total of 23 exploration wells drilled
- Development of gas field and construction of pipeline
: Aug '09 ~ Jul '13
- Production period : Jul '13 ~ '38

Scope of Business		Stake
Gas field	Production, Marketing, Operation (offshore gas field)	8.5%
Offshore pipeline	Construction and Operation (Approx.110km)	8.5%
Onshore pipeline	Construction and Operation (Approx. 800km)	4.17%

- Gas Field & offshore pipeline :
Posco Daewoo(51%), OVL(17%), MOGE(15%), GAIL(8.5%)
- Onshore pipeline :
 - CNPC(50.9%), Posco Daewoo(25.04%), MOGE(7.37%),
OVL(8.35%), GAIL(4.17%)

Performance

- Nov '13 : Startup of Commercial production
- '18 OP : 46.3 billion won
- 1H '19 OP : 39.0billion won

In bn won	1H'19(A)	2018		Difference (A-B)
		1H(B)	Full Year	
Revenue	58.7	44.9	71.3	13.8
OP	39.0	30.3	46.3	8.7
NI	35.0	30.2	45.7	4.8



Australia GLNG Project

Project Overview

Gas Field	Arcadia, Fairview, Roma, and Scotia Gas Field in the East Australia
Proven Reserves	5.4 Tcf (101 MMton)
Liquefaction Plant	Design Capacity 7.8MMton/year (3.9MMton/year x 2 Trains)
Participants	KOGAS 15%, Santos 30%(Operator), Petronas 27.5%, Total 27.5%



Performance

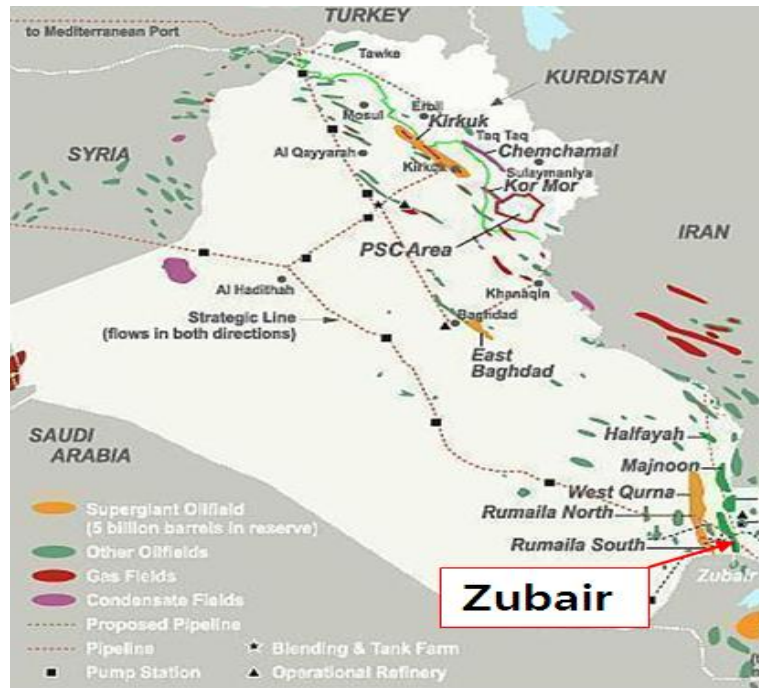
- Sep 24, '15 : 1st cargo loaded
- Oct 27 '15 : 1st cargo discharged at Pyeong Tack
- May 27 '16 : Train 2 production started
- '18 OP : 93.3billion won(80 cargos production in '18)
- 1H '19 OP : 46.0 billion won(44 cargos production in 1H'19)

In bn won	1H '19(A)	2018		Difference (A-B,%)
		1H(B)	Full Year	
Revenue	307.1	247.1	554.7	60(24.3%)
OP	46.0	35.0	93.3	11(31.4%)
NI	-65.1	-17.1	-68.2	-48(-280.7%)

Iraq Zubair Oil Project

Project Overview

- Production Volume : Total 4.7 billion barrels for 25 years
- Partners : KOGAS and 2 other companies
- Contract Type : TSC (Technical Service Contract)



Performance

- '10 : Startup of commercial operation
- '18 OP : 82.5billion won(Avg.445,000bbl/d)
- 1H '19 OP : 36.2billion won(Avg.463,000bbl/d)

In bn won	1H19(A)	2018		Difference (A-B, %)
		1H(B)	Full Year	
Revenue	176.6	178.7	409.2	-2.1(-1.2%)
OP	36.2	43.1	82.5	-6.9(-16.0%)
NI	28.1	34.3	65.5	-6.2(-18.1%)

Iraq Badra Oil Project

Project Overview

- Production Volume : Total 670 million barrels for 20 years
- Partners : KOGAS and 4 other companies
- Contract Type : TSC(Technical Service Contract)



Performance

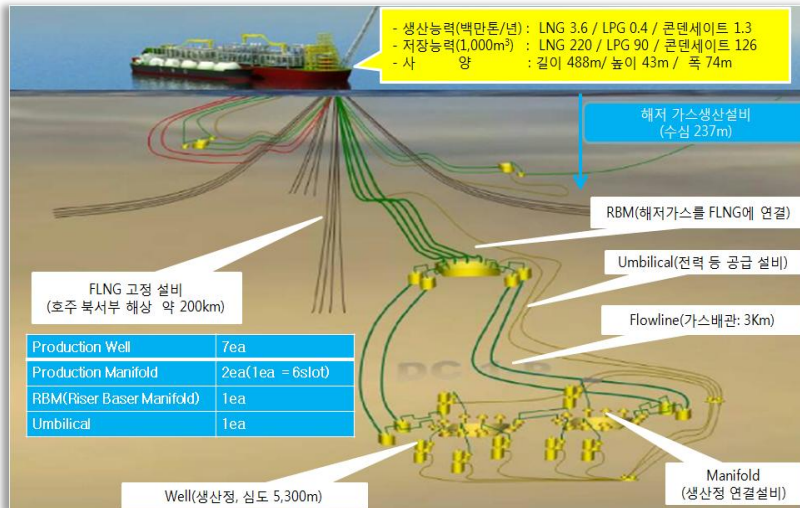
- Sep '14 : Startup of commercial operation
(production : 15,000bbl/d)
- '18 OP : 13.9 billion won(Avg.81,000bbl/d)
- 1H '19 OP : 24.2 billion won(Avg.67,000bbl/d)

(In bn won)	1H19 (A)	2018		Difference (A-B, %)
		1H(B)	Full Year	
Revenue	154.1	188.1	382.2	-34(-18.1%)
OP	24.2	8.6	13.9	15.6(181.4%)
NI	27.3	10.5	19.3	16.8(160.0%)

Australia Prelude FLNG Project

Project Overview

Gas Field	Browse Basin, 475km offshore of Broome, Western Australia
Production	LNG 3.6MMton/year Condensate 1.3MMton/year LPG 0.4MMton/year
Participants	KOGAS 10%, Shell 67.5%(Operator), Inpex 17.5%, CPC 5%



Performance

- Made a Final Investment Decision in May 2011
 - Develop Prelude/Concerto gas into a floating LNG facility
- World's first FLNG development project
- Made an SPA regarding 360,000 tons of LNG in Jan 2018
- Startup of commercial production from Dec 2018

* CAPEX status

(Unit : KRWbn)

Form	~2018	1H'19	Total
Debt	1,058.1	75.4	1,133.5
Equity	1,154.7	47.7	1,202.4
Total	2,212.8	123.1	2,335.9

* Debt amount varies depending on fx rate

Uzbekistan Surgil

Project Overview

- Development of Surgil Gas Field, and Sales of Gas and Chemical Products
- Products : HDPE* 0.38Mtpa, PP * 0.08Mtpa, Methane 2.5Mtpa
 - * HDPE(High Density Polyethylene), PP(poly propylene)
- Reserves : Surgil gas field 97BCM(71MMton)
- Partners : UNG 50%, Kor-Uz Gas Chemical Investment *50%
 - * KOGAS 22.5%, Lotte Chemical 24.5%, GS E&R 3%
- * BCM (Billion Cubic Meter) : 1BCM=0.73MMton of LNG



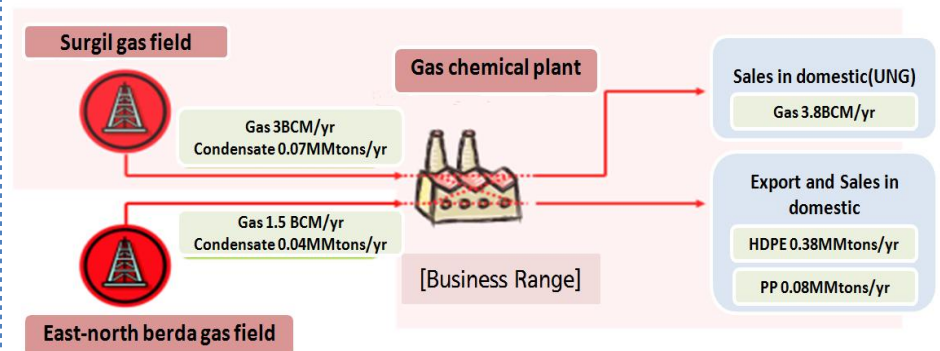
Performance

- Oct '15 : Construction of Chemical Plant Completed
- Feb'16 : Startup of commercial operation
- Equity Method gains of W74.5bn in '18
- Equity Method gains of W28.6bn in 1H'19

“We expect to make annual average earnings of 60 billion won in this project until 2041”

* Brent price assumption : \$70/bbl with annual average increase of 1.9%

<Business Flow Chart>

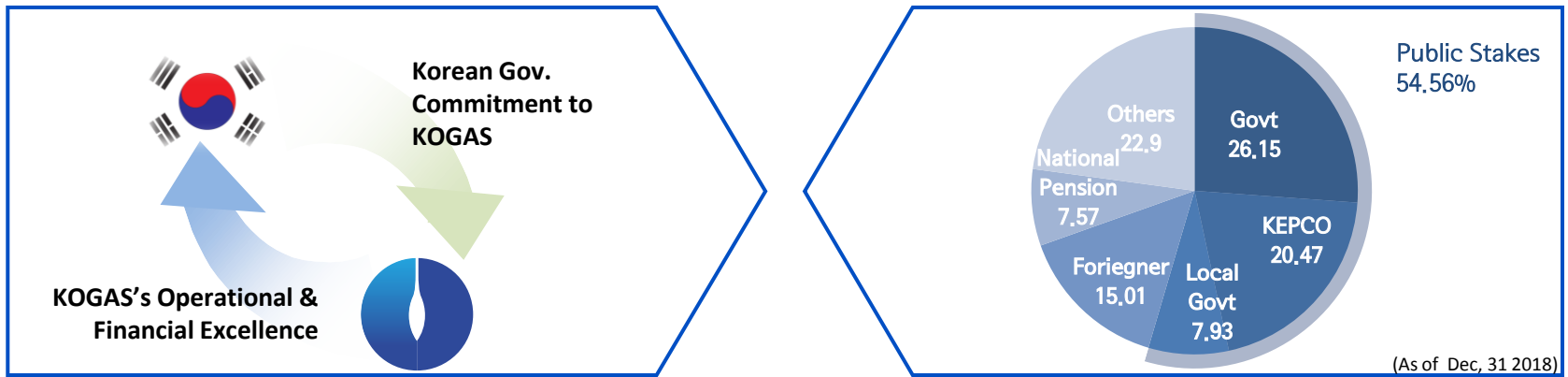




4. KOGAS Overview

KOGAS Overview

- Founded and established in Aug `83, pursuant to 'Korea Gas Corporation Act'
- Major shareholders including Government Ownership account for 54.56%
 - Central Government(26.15%), KEPCO(20.47%) and Local Governments(7.93%)
- Listed on Korea Stock Exchange(KSE) in Dec `99



KOGAS Act

- Founded in August '83, pursuant to the Korea Gas Corporation Act
- Mandates KOGAS the monopolistic position in Korean LNG market

Strong Ties with the Government

- Direct and indirect Gov. ownership 54.56%
- Gov. participated in capital increase (Nov. `13)
- Reinstatement of the Cost Pass-Through System and guaranteed profit by Gov.

Critical Role of KOGAS in Korea

- Korea's only fully-integrated natural gas provider holding monopolistic position
- Imports approximately 86% of Korea's demand for LNG
- Owns and operates nationwide pipeline network and storage tanks
- Secures resources through overseas oil & gas projects

Business Scope of KOGAS

Domestic Business Stable Profitability



LNG Purchasing

- World 2nd largest LNG buyer



Construction & Operation of LNG Storage Tanks and nationwide pipelines

- Monopoly



Supply of Natural Gas

- City Gas and Power Sector

Overseas Business Growth Opportunity

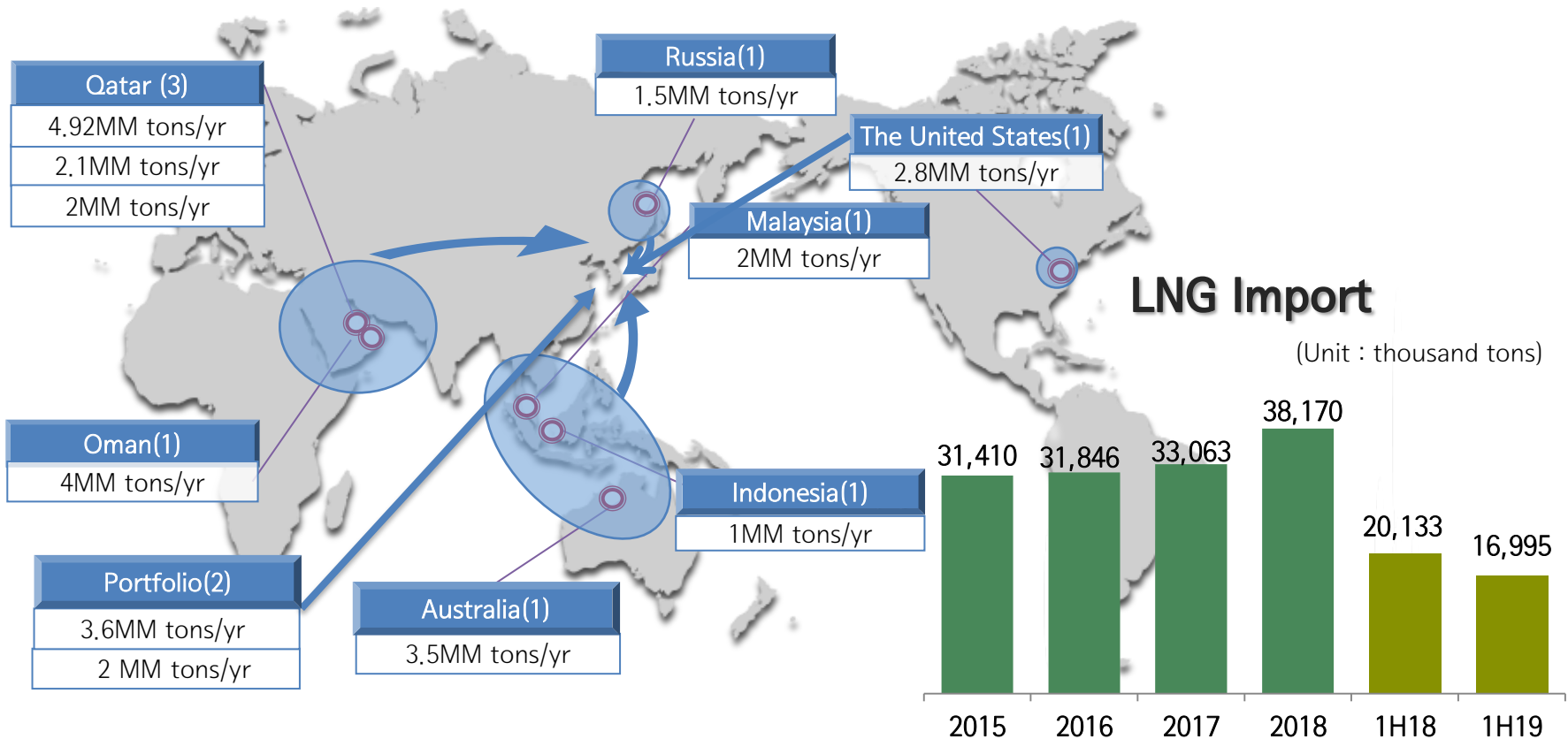


Exploration and Production(E&P) Mozambique, Iraq, Myanmar, etc.

- Engines for Business Expansion & Growth

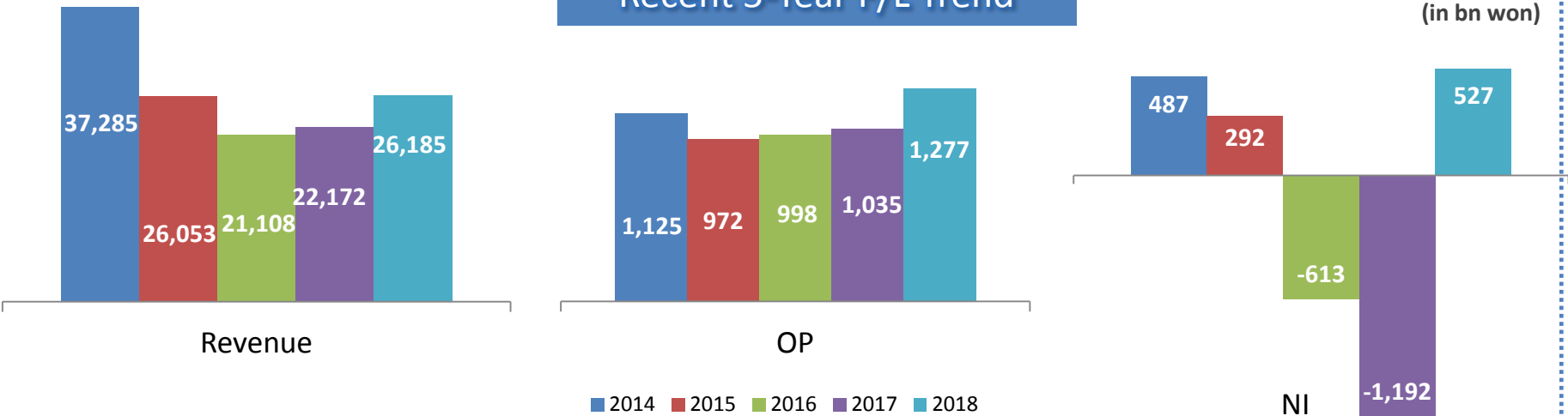
LNG Import Source

- 11 Long-term(20 to 25 years) contracts in 7 countries around the world

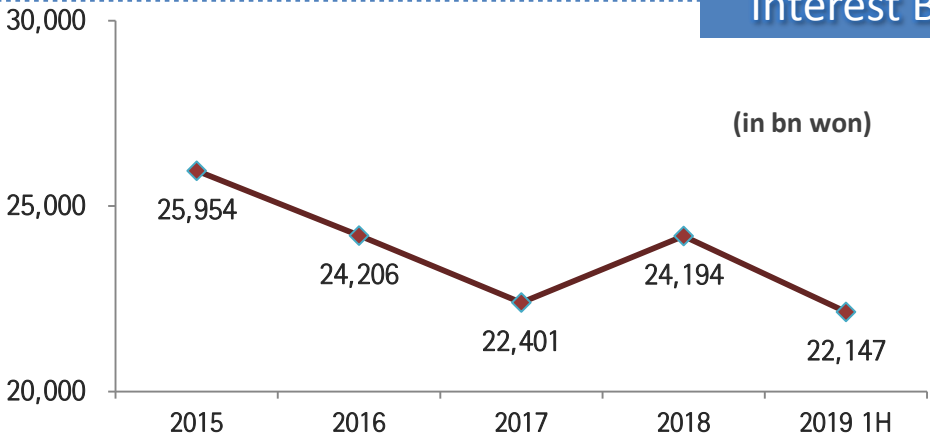


Major Financial Status

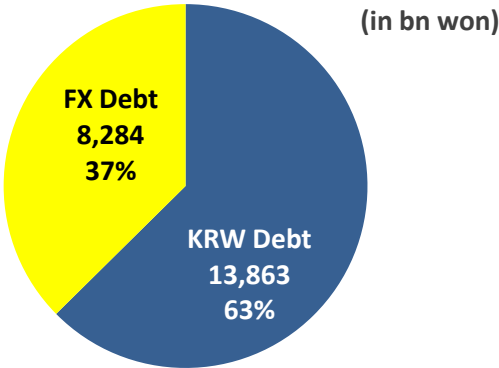
Recent 5-Year P/L Trend



Interest Bearing Debt



Debt by Currency('19 1H End)





THANK YOU !

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