

PAVILION ENERGY SPAIN AND MIBGAS DERIVATIVES STRENGTHENS COMMITMENT TO SPAIN'S LNG MARKET MAKER SERVICE

- SPAIN'S FIRST LNG MARKET MAKER AGREEMENT SIGNED BETWEEN MIBGAS DERIVATIVES AND PAVILION ENERGY SPAIN S.A.U. SIX MONTHS AGO WILL BE RENEWED FOR THE NEXT HALF-YEAR, REINFORCING THE COMMITMENT BY BOTH COMPANIES TO PROMOTE LIQUIDITY OF LNG.
- THE ROLE OF A MARKET MAKER IS TO FOSTER LIQUIDITY BY ENSURING THE PRESENCE OF OFFERS, IN THIS CASE FOR LNG, ON THE TRADING SCREEN AND TO ENCOURAGE THE TRADING OF THESE PRODUCTS IN THE SINGLE VIRTUAL TANK OR TVB.

Madrid, 20 January 2021 – MIBGAS Derivatives and Pavilion Energy Spain will renew their agreement in which Pavilion Energy Spain provides a market maker service for LNG products traded on the TVB (virtual balancing tank).

This LNG market maker agreement will be offered for the next six months and is an affirmation of Pavilion Energy Spain's commitment to the development of a liquid LNG market in Spain. By ensuring the continuous presence of LNG offers on the trading screen, progress is being made on the creation of a robust LNG market in south-western Europe, taking advantage of the strategic position of the Iberian market and capitalising on all the potential of its infrastructure: six regasification plants in Spain and the existence of a single virtual tank (TVB) for the trading of LNG.

MIBGAS was a pioneer in June 2019 with the launch of LNG spot trading at the six Spanish plants. This organised market place or exchange – the first one to be launched in the world – received a boost on 1 April when the LNG trading was concentrated in the TVB. In this way, the tanks from all the Spanish regasification plants were united as a single virtual tank, thus allowing market participants, from that date, to buy and sell LNG regardless of its physical location, which increases the number of counterparties. MIBGAS Derivatives thanks Pavilion Energy for its commitment to the development and creation of the LNG hub.

ABOUT MIBGAS

MIBGAS has a total of 146 registered agents, and its platform covers natural gas spot products including monthly (M+1), while MIBGAS Derivatives -a subsidiary of MIBGAS- trades natural gas physical futures, spot products in underground storage and LNG spot products. It also offers the service of registering bilateral OTC transactions. MIBGAS is also the Guarantee Manager of the Spanish gas system.

ABOUT PAVILION ENERGY

Pavilion Energy is a wholly-owned subsidiary of Temasek. Headquartered in Singapore, its fully integrated energy business encompasses a downstream supply and marine business; global LNG trading, shipping and optimisation; upstream investments as well as energy hedging and financial solutions.

Today, Pavilion Energy has a full-fledged office in Spain and an expanding global footprint with market access into Europe. As an advocate for LNG and natural gas as fuels of choice, we are driving energy transition efforts towards a more sustainable future for generations to come.