

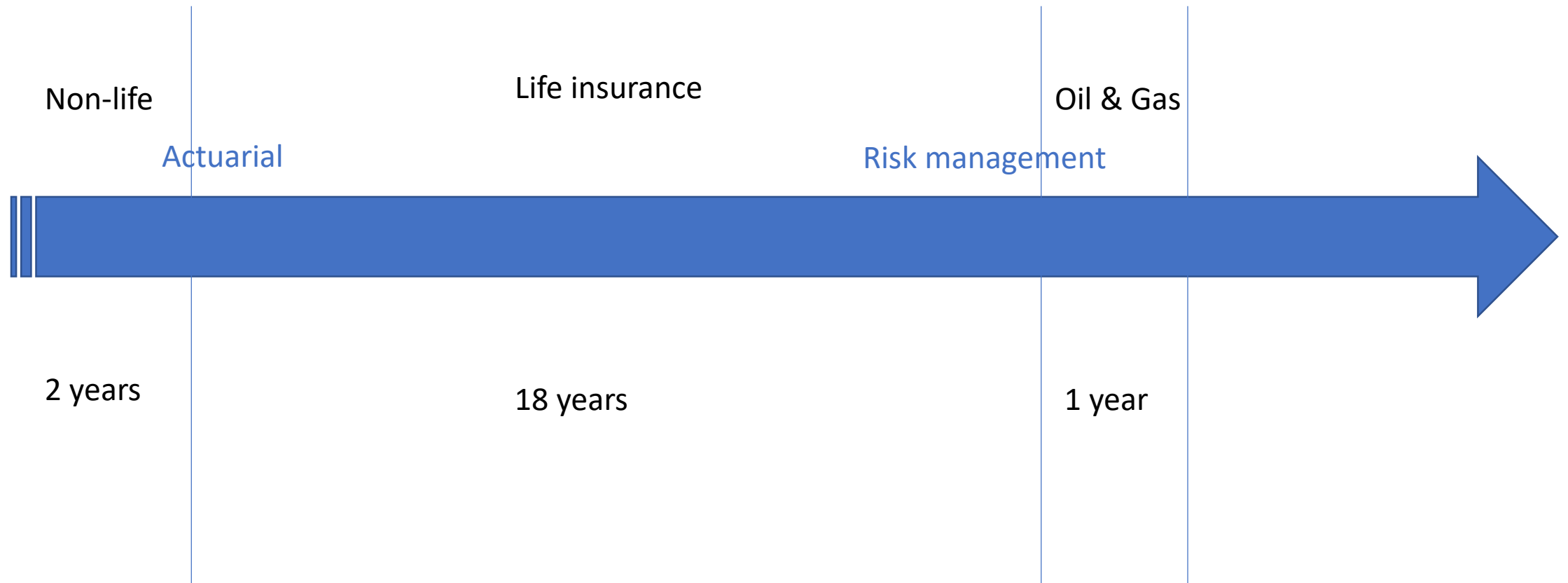
Actuarial competence outside insurance industry

Evaldas Valeiša

2018-08-25

*Based on personal
experience*

Personal work career





KN – AN OIL PRODUCT AND LNG TERMINAL OPERATOR

Traditional business



50+ years of oil product terminal operations



State fuel reserves terminal

Focus on strategic expansion – development, construction and operation of LNG terminals



Klaipeda LNG terminal based on FSRU
Independence



LNG transport and bunkering vessel project for
the Baltic Sea



LNG reloading and bunkering station under
construction in Klaipeda



LNG terminal development
and Advisory services

KN oil terminal





Main challenges

- Operational safety
- Business risk
 - Clients
 - Competition & market development
- Reputation risk
- Control over development projects

Is there a need for actuarial or risk management competence?

KN LNG terminal





THE RATIONALE FOR TECHNOLOGY CHOICE

FSRU
(Floating Storage & Regasification Unit)



Land-based terminal



Capacity



Low capital investment cost



100% of demand in Lithuania

Short construction schedule



100% demand of vulnerable customers in all three Baltic states

Low construction risks



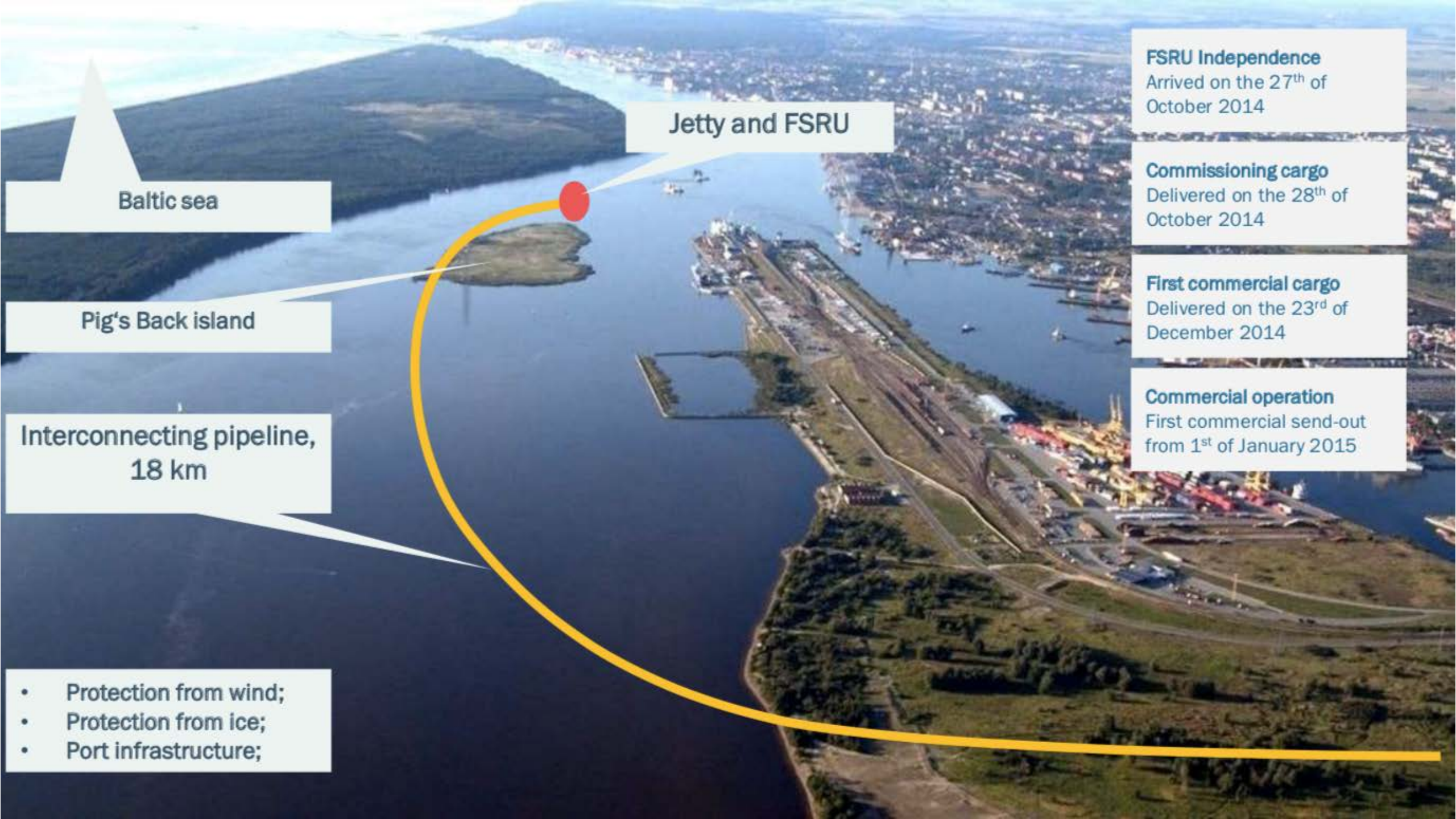
Low environmental impact



High flexibility



90% of all demand in the Baltics states



FSRU Independence
Arrived on the 27th of
October 2014

Commissioning cargo
Delivered on the 28th of
October 2014

First commercial cargo
Delivered on the 23rd of
December 2014

Commercial operation
First commercial send-out
from 1st of January 2015

Jetty and FSRU

Baltic sea

Pig's Back island

**Interconnecting pipeline,
18 km**

- Protection from wind;
- Protection from ice;
- Port infrastructure;



KLAIPEDA LNG TERMINAL INFRASTRUCTURE

Terminal users



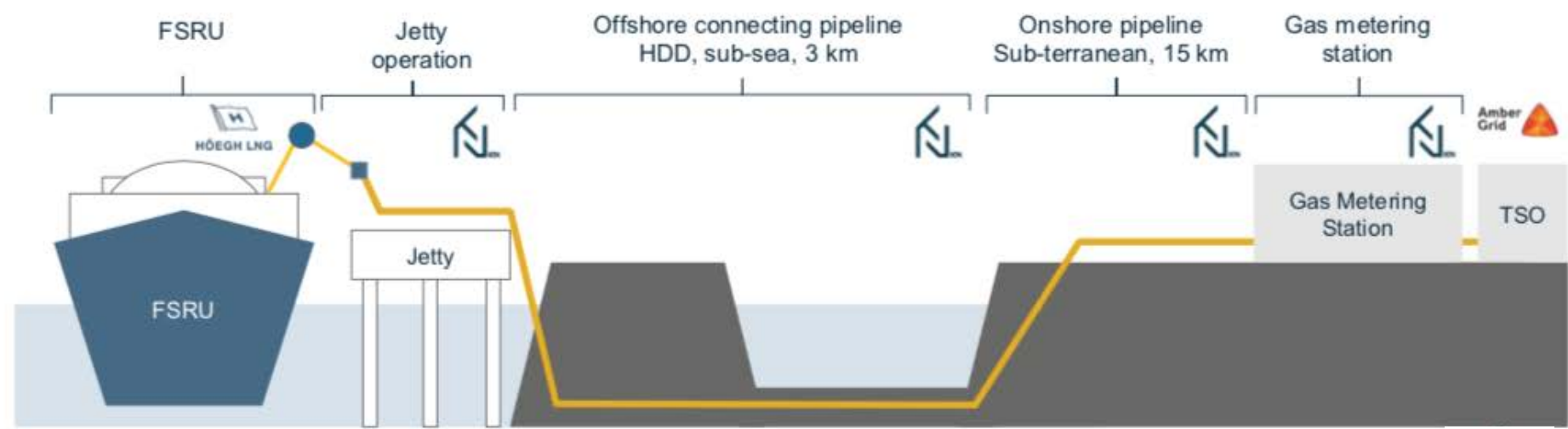
FSRU operator



Terminal operator



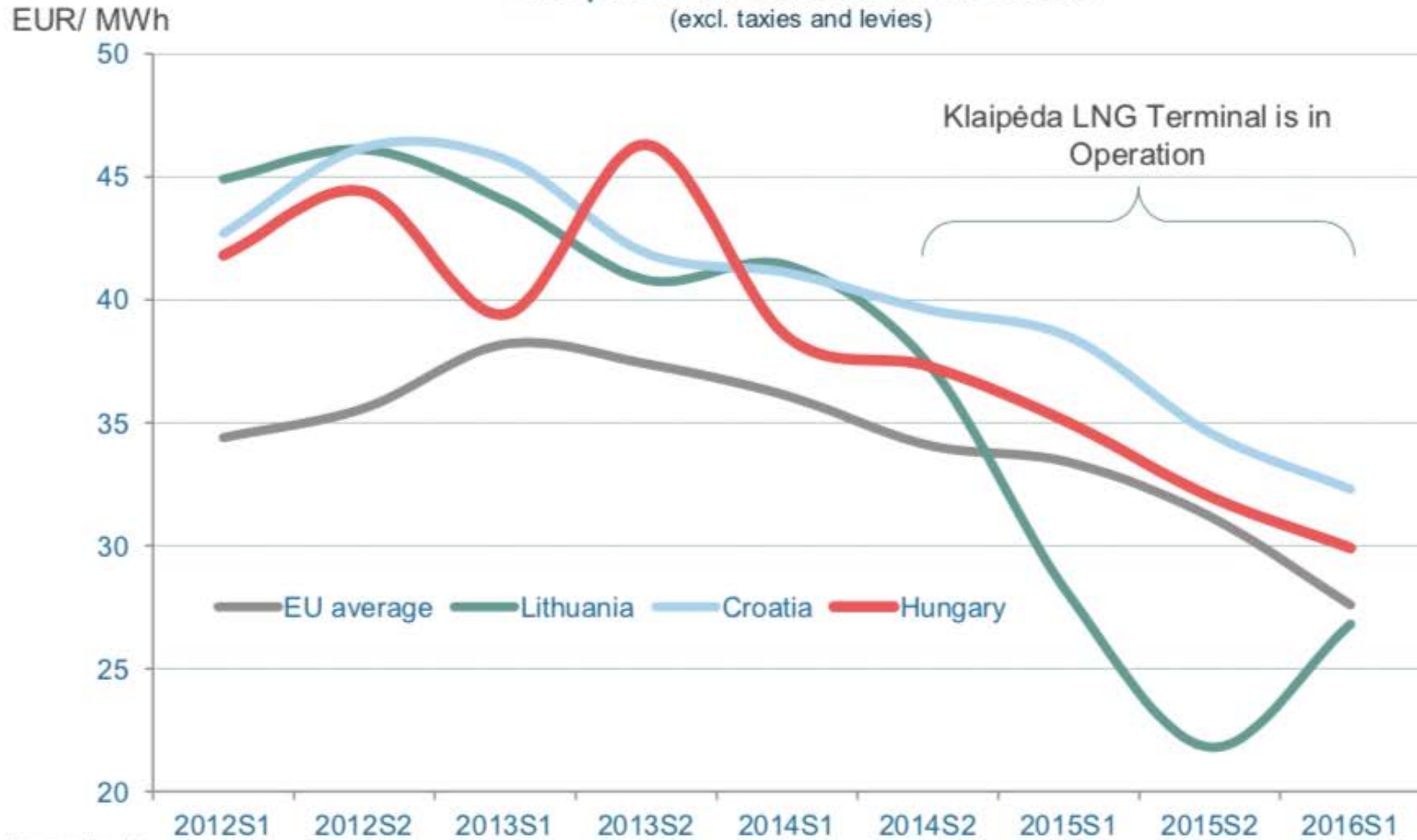
Transmission system operator



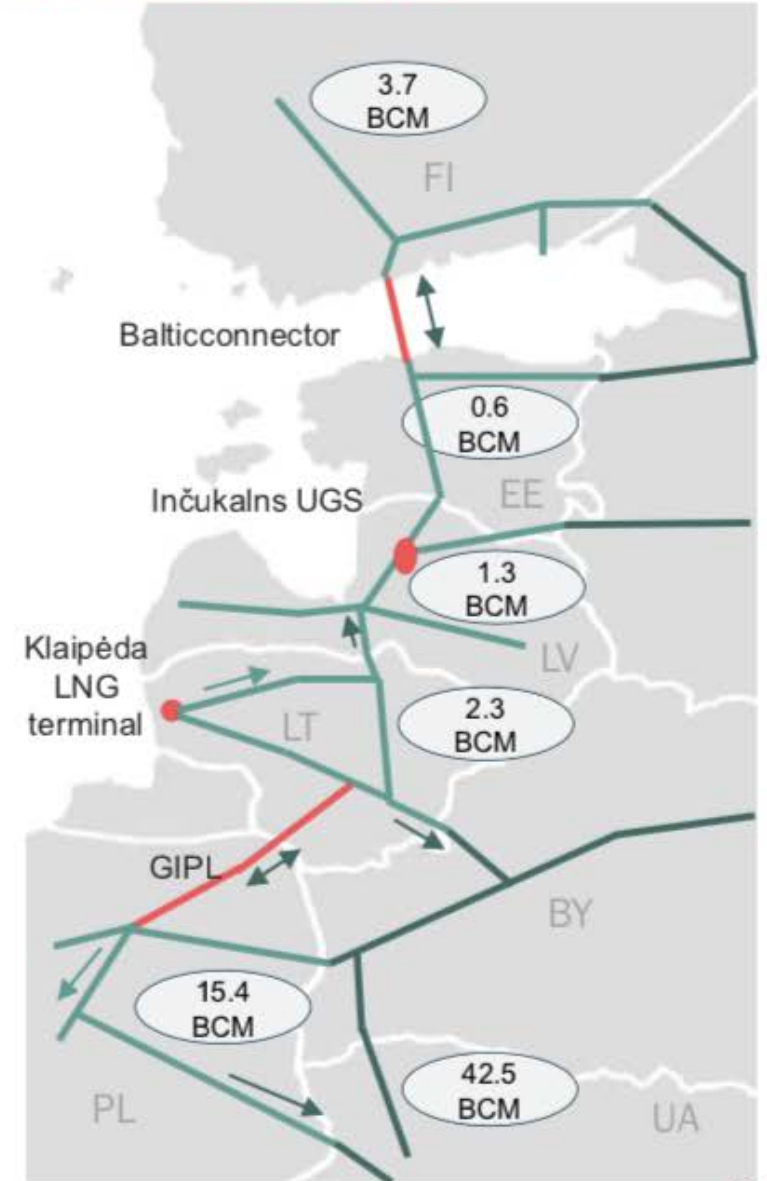


KLAIPEDA LNG TERMINAL - IMPACT ON THE REGIONAL GAS MARKET

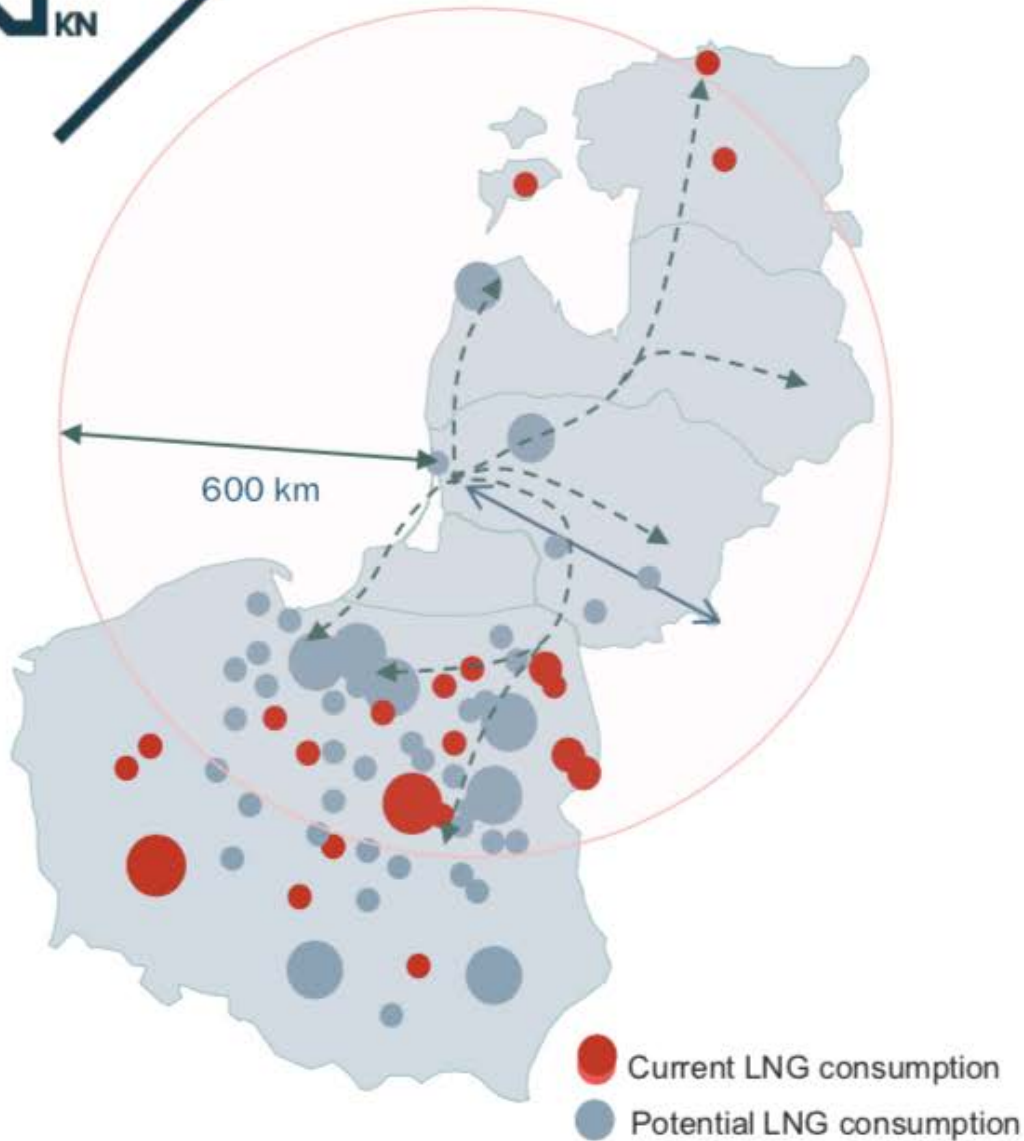
Gas prices for industrial consumers (excl. taxes and levies)



Sources: Eurostat



BROAD FIELD OF APPLICATION INCREASES LNG POTENTIAL IN THE REGION



Local regasification

Remote gas users

Users seeking energy security

L-CNG solutions for public transportation

LNG fuel

Maritime

Heavy trucks and buses



Main challenges

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- Business risk
- Reputation risk

Is there a need for actuarial or risk management competence?

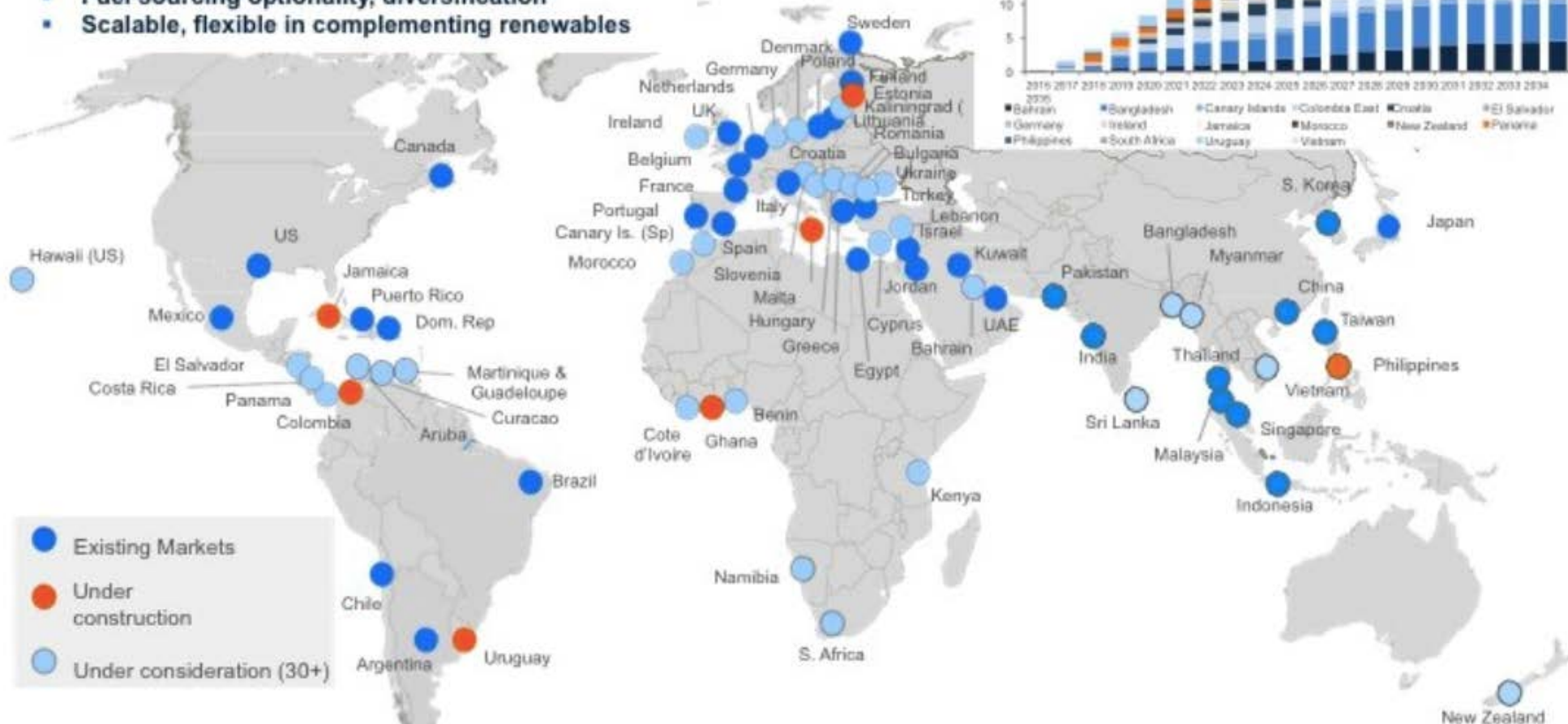
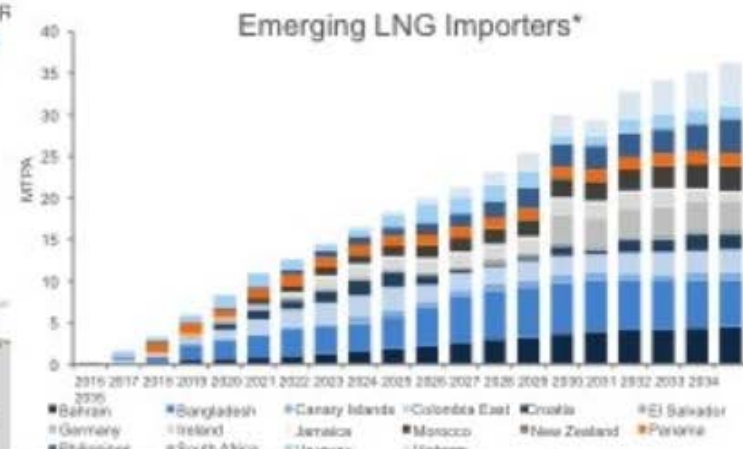
KN LNG terminal development projects



Many Emerging LNG Markets Targeting Integrated LNG to Power

Integration with floating regasification offers competitive advantages^F

- Reduces time to market
- Minimizes capex, reduces stranded asset risk
- Innovative commercial structures to minimize risk
- Financial institutions backing away from coal
- Supports competitive procurement strategies
- Fuel sourcing optionality, diversification
- Scalable, flexible in complementing renewables



Sources: Wood Mackenzie Q2 LNG Tool, Cheniere Research;
 *Represents Wood Mackenzie's view of select emerging LNG importers, map represents a wider collection of potential LNG importers



Main challenges

- Business risk
- Reputation risk

Is there a need for actuarial or risk management competence?

Conclusions

- Businesses outside insurance world are interesting and full of challenges
- Actuarial competence is of little use in Oil & Gas industry
- Risk management competence has more applications

**It's fun and highly interesting exploring other industries
at least for your own development!**

Thanks!