

## Energy

May 12, 2026

## Global Equity Research

# LNG Exporters and Asian Buyers

Initiation of Coverage

## Ras Laffan Lost 17% of Its Capacity, and Asia Pays for the Repair Years: Initiating on Six LNG Names

**Asia pays; the market sold the wrong payers.** Iran's strikes of 18-19 March put Trains 4 and 6 at Ras Laffan, 12.8 mtpa or 17% of Qatar's capacity, out for three to five years, and Hormuz was still largely closed on 11 May, five weeks after the ceasefire. Our repair-years model loses 193 bcm of LNG over 2026-30 in the base case, against the IEA's ~120 bcm, and adds \$114bn to Asia's import bill over 2026-29. The listed Asian names that fell hardest do not carry that bill.

**TG: Overweight, PT ¥8,500.** Tokyo Gas has no Qatari or Hormuz contracts, yet it is down 12% since the war. It pays through wholesale power and lagged oil prices: about ¥27bn of pre-tax profit in the year to March 2027 on our base case, worth ¥143 a share across our three paths (¥138 in the base case). The shares are ¥911 below their pre-war close. Upside +26%.

**PLNG: Overweight, PT Rs350.** Petronet pays in volume, not price: Qatar supplies about 40% of its throughput and no Qatari cargo has loaded for Petronet since 3 March. Management says the trains that serve India are undamaged, so the volume returns when the strait reopens. We value the outage at Rs11 a share; the shares are Rs48 below their pre-war close. Upside +27%.

**KOGAS: Underweight, PT W35,500.** Korea Gas is the listed company that actually pays. Cost linkage protects its reported profit, but residential tariffs are set by the government, so the gap piles up as uncollected receivables (misu), already W14.1tn. We add W2.8tn of misu by 2029 in the base case; across our three paths the outage costs W10,805 a share after recovery and upstream gains. The shares are down only W4,100. Downside -4%.

**VG: Neutral, PT \$13.25.** Venture Global has the most spot exposure we cover: each \$1/MMBtu on its unsold 2026 cargoes moved EBITDA by \$575-625m in March guidance. We estimate 2026 EBITDA of \$8.4bn against guidance of \$5.2-5.8bn; it reports before today's open. But half the value lands in 2026, and the shares already hold \$1.78 of the \$2.03 we think the outage is worth.

**LNG: Neutral, PT \$275.** Cheniere has about 90% of output contracted into the mid-2030s, so \$1/MMBtu is worth under \$50m of 2026 EBITDA. The repair years add about \$7 a share. **WDS: Neutral, PT A\$34.00.** About half of Woodside's A\$3.47 windfall is oil, and the shares are up 8% against an ASX 200 down 5%.

## Key Points

### 17% for three to five years, and the strait is largely shut

QatarEnergy says the two trains will take three to five years to repair. Replacement refrigeration turbines carry two-to-four-year lead times, and the only full rebuild of a destroyed LNG train we can find, Skikda in Algeria, took nine years (Exhibit 8). The IEA's ~120 bcm assumed a short closure; force majeure now runs to mid-June and the first Qatari cargo since the war crossed only on 10 May. Our base case reopens the strait in August, restores the 12 undamaged trains by November and returns Trains 4 and 6 in 2030.

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| Symbol | PT (Previous)   | Rating (Previous) | Price    |
|--------|-----------------|-------------------|----------|
| TG     | • ¥8,500 (NA)   | Overweight (NA)   | ¥6,745   |
| PLNG   | • Rs350.00 (NA) | Overweight (NA)   | Rs275.75 |
| KOGAS  | • W35,500 (NA)  | Underweight (NA)  | W37,100  |
| VG     | • \$13.25 (NA)  | Neutral (NA)      | \$11.62  |
| LNG    | • \$275.00 (NA) | Neutral (NA)      | \$240.70 |
| WDS    | • A\$34.00 (NA) | Neutral (NA)      | A\$30.51 |

Source: Yahoo Finance and K2 Capital. Prices at 11-May-26 close; Dec-27 PTs in local currency. TG: Tokyo Gas (9531 JT); PLNG: Petronet LNG (PLNG IN); KOGAS: Korea Gas (036460 KS); WDS: Woodside (WDS AU).

| Repair path  | Trains back | Lost 26-30 | Asia 26-29 | Weight |
|--------------|-------------|------------|------------|--------|
| Fast (3 yrs) | Mar-29      | 141 bcm    | \$80bn     | 25%    |
| Base (4 yrs) | Mar-30      | 193 bcm    | \$114bn    | 50%    |
| Slow (5 yrs) | Mar-31      | 283 bcm    | \$183bn    | 25%    |

Lost: Qatari LNG vs the February plan (all paths reopen Hormuz in 2026-27). Asia: extra import bill vs pre-war prices. See Exhibits 3 and 7.

| Priced vs worth | Priced | Worth | Gap  |
|-----------------|--------|-------|------|
| TG              | -15%   | -2%   | +13% |
| PLNG            | -19%   | -4%   | +15% |
| KOGAS           | -13%   | -29%  | -16% |
| VG              | +15%   | +17%  | +2%  |
| LNG             | +1%    | +3%   | +2%  |
| WDS             | +6%    | +11%  | +6%  |

% of 11-May price. Priced: move vs the pre-war close carried at an 8% hurdle. Worth: K2 probability-weighted value of the outage. See Exhibit 11.

### The repair years are 2027-29, and the curve stops at 2027

On our base case Qatar exports 34.5 mt this year against about 80 mt in 2025, then 67 mt and 77 mt in 2027-28 against a pre-war plan of 94 mt and 120 mt, as North Field East slips from late 2026 to 2028 (Exhibit 3). Global supply in 2028 reaches only 513 mt, where the pre-war path stood in 2027 (Exhibit 5). We put JKM at \$12.6 in 2027 and \$12.0 in 2028, against \$9.5 and \$8.5 before the war. The forward curve agrees on 2027 (TTF Cal-27 traded at about €36-41/MWh, or \$12-14/MMBtu, either side of the ceasefire) but not on 2028 (Cal-28 at about €30, or \$10, in late March). It prices the tightness as ending in 2027. We do not: the damaged trains and the North Field delays overlap in 2028.

### Who actually pays

At our base prices Asia's LNG bill rises \$60bn this year and \$114bn over 2026-29 (Exhibit 10): \$75bn through spot cargoes and \$39bn through oil-indexed contracts. It lands unevenly. Pakistan takes 98% of its LNG from Qatar and has idled seven gas-fired plants; India (41-60%) rations industry by decree; Korea (~15%) and Taiwan (~25-30%) hold contracts now under force majeure; Japan (~5%) is the least exposed (Exhibit 9). Inside listed equities the bill falls on regulated buyers that cannot pass it on: Korea Gas, and outside our coverage KEPCO, down 26% since 27 February. Tolling and pass-through models carry far less of it.

### What the market has priced

We take each stock's pre-war close (27 February), carry it at an 8% hurdle and compare the move since with the probability-weighted value of the outage to each company (Exhibit 11). For the three exporters the gap is +2% to +6% of the share price: their windfalls are in the price. For the Asian names it is not: Tokyo Gas and Petronet have fallen 7 and 5 times further than their exposure justifies (gaps of +13% and +15%), while Korea Gas has priced less than half of its bill (-16%). Our PTs add the scenario value of the outage to the hurdle-adjusted pre-war price, weighted 25% fast, 50% base and 25% slow. Ratings are relative to the coverage average total return of +18%.

### The two numbers that would change our minds

A beta adjustment helps Korea Gas: the KOSPI is up 25% since the war, and on its two-year beta of 0.65 the shares look fully priced. We do not use it, because the rally was led by memory chips (SK Hynix +77%), not by anything a gas utility earns. And the Petronet call depends on management's statement that India's trains are intact: the damaged units sit on the same South site as its supply contract.

**Exhibit 1 - Where the Stocks Stand**

| Ticker | 27-Feb-26 | 11-May-26 | Change  | Local index | Relative |
|--------|-----------|-----------|---------|-------------|----------|
| VG     | 9.69      | 11.62     | 19.9%   | 7.8%        | 12.2%    |
| WDS    | 28.31     | 30.51     | 7.8%    | (5.4%)      | 13.2%    |
| LNG    | 235.73    | 240.70    | 2.1%    | 7.8%        | (5.7%)   |
| KOGAS  | 41,200    | 37,100    | (10.0%) | 25.3%       | (35.2%)  |
| TG     | 7,656     | 6,745     | (11.9%) | (1.5%)      | (10.4%)  |
| PLNG   | 323.40    | 275.75    | (14.7%) | (5.4%)      | (9.3%)   |

Local index: S&P 500 (VG, LNG), ASX 200 (WDS), KOSPI (KOGAS), TOPIX (TG), Nifty 50 (PLNG).

Source: Yahoo Finance, K2 Capital. Local currency; closes.

**Exhibit 2 - Price Target Scenarios (Dec-27)**

| Ticker | Fast   | Base   | Slow   | PT     | Upside | Rating      |
|--------|--------|--------|--------|--------|--------|-------------|
| TG     | 8,528  | 8,498  | 8,448  | 8,500  | +26%   | Overweight  |
| PLNG   | 352    | 349    | 345    | 350    | +27%   | Overweight  |
| KOGAS  | 39,073 | 36,108 | 30,559 | 35,500 | -4%    | Underweight |
| VG     | 12.61  | 13.09  | 13.79  | 13.25  | +14%   | Neutral     |
| LNG    | 274    | 275    | 278    | 275    | +14%   | Neutral     |
| WDS    | 32.53  | 33.57  | 35.89  | 34.00  | +11%   | Neutral     |

Scenario values in local currency. Weights: fast 25%, base 50%, slow 25%. Ratings are relative to the coverage average total return.

Source: K2 Capital estimates.

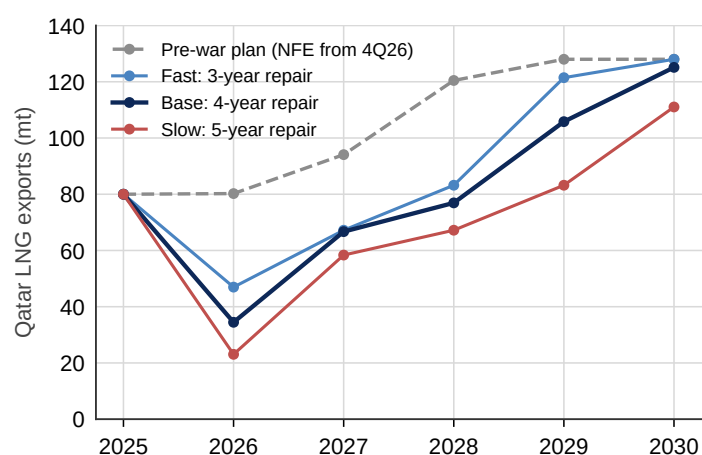
### Exhibit 3 - Repair-Years Supply Model: Qatar's Exports by Path

| Qatar LNG exports (mt)                                                             | 2026        | 2027        | 2028         | 2029         | 2030         | 2026-30      |
|------------------------------------------------------------------------------------|-------------|-------------|--------------|--------------|--------------|--------------|
| Pre-war plan (February 2026): existing 14 trains                                   | 80.0        | 80.0        | 80.0         | 80.0         | 80.0         | 400.0        |
| North Field East (32 mtpa) and South (16 mtpa)                                     | 0.2         | 14.1        | 40.5         | 48.0         | 48.0         | 150.8        |
| <b>Pre-war plan, total</b>                                                         | <b>80.2</b> | <b>94.1</b> | <b>120.5</b> | <b>128.0</b> | <b>128.0</b> | <b>550.8</b> |
| <b>Fast (25%):</b> Strait normal from June; Trains 4 and 6 back Mar-29             |             |             |              |              |              |              |
| Undamaged 12 trains (64.2 mtpa)                                                    | 44.7        | 66.7        | 66.7         | 66.7         | 66.7         | 311.6        |
| Trains 4 and 6 (12.8 mtpa)                                                         | 2.2         | 0.0         | 0.0          | 10.4         | 13.3         | 25.9         |
| North Field East and South                                                         | 0.0         | 0.5         | 16.5         | 44.3         | 48.0         | 109.3        |
| <b>Total</b>                                                                       | <b>47.0</b> | <b>67.2</b> | <b>83.2</b>  | <b>121.5</b> | <b>128.0</b> | <b>446.8</b> |
| Lost vs plan, bcm                                                                  | 45          | 37          | 51           | 9            | 0            | 141          |
| <b>Base (50%):</b> Strait normal from August; Trains 4 and 6 back Mar-30           |             |             |              |              |              |              |
| Undamaged 12 trains (64.2 mtpa)                                                    | 32.2        | 66.7        | 66.7         | 66.7         | 66.7         | 299.0        |
| Trains 4 and 6 (12.8 mtpa)                                                         | 2.2         | 0.0         | 0.0          | 0.0          | 10.4         | 12.6         |
| North Field East and South                                                         | 0.0         | 0.0         | 10.2         | 39.1         | 48.0         | 97.3         |
| <b>Total</b>                                                                       | <b>34.5</b> | <b>66.7</b> | <b>76.9</b>  | <b>105.8</b> | <b>125.1</b> | <b>409.0</b> |
| <b>Lost vs plan, bcm</b>                                                           | <b>62</b>   | <b>37</b>   | <b>59</b>    | <b>30</b>    | <b>4</b>     | <b>193</b>   |
| <b>Slow (25%):</b> Strait at ~25% for the rest of 2026; Trains 4 and 6 back Mar-31 |             |             |              |              |              |              |
| Undamaged 12 trains (64.2 mtpa)                                                    | 20.8        | 58.4        | 66.7         | 66.7         | 66.7         | 279.3        |
| Trains 4 and 6 (12.8 mtpa)                                                         | 2.2         | 0.0         | 0.0          | 0.0          | 0.0          | 2.2          |
| North Field East and South                                                         | 0.0         | 0.0         | 0.5          | 16.5         | 44.3         | 61.3         |
| <b>Total</b>                                                                       | <b>23.1</b> | <b>58.4</b> | <b>67.2</b>  | <b>83.2</b>  | <b>111.0</b> | <b>342.9</b> |
| Lost vs plan, bcm                                                                  | 78          | 49          | 72           | 61           | 23           | 283          |

Exports run at 104% of nameplate (about 80 mt in 2025 on 77 mtpa). Plan: North Field East first LNG in 4Q26, one 8 mtpa train every four months; North Field South from early 2028. Paths delay North Field East to 4Q27, 1Q28 and 4Q28, and South by a similar margin. 1 mt = 1.36 bcm. The IEA's ~120 bcm (24 April) assumes a four-year repair and a short closure.

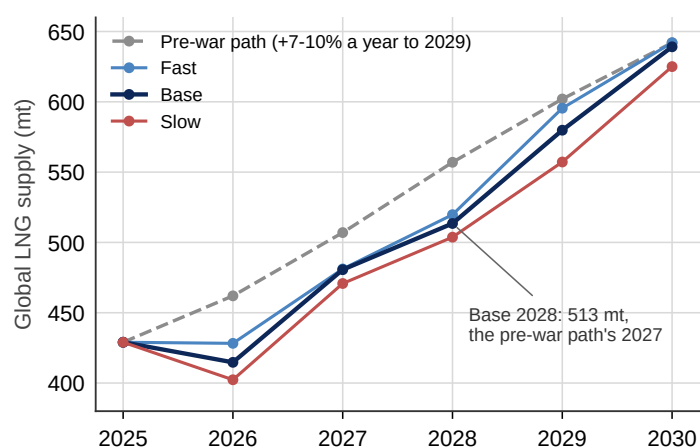
Source: QatarEnergy (19 March), IEA Gas Market Report Q2-2026, Wood Mackenzie and Poten as reported, K2 Capital estimates.

### Exhibit 4 - Qatar's Exports: Three Repair Paths



Source: QatarEnergy, K2 Capital estimates.

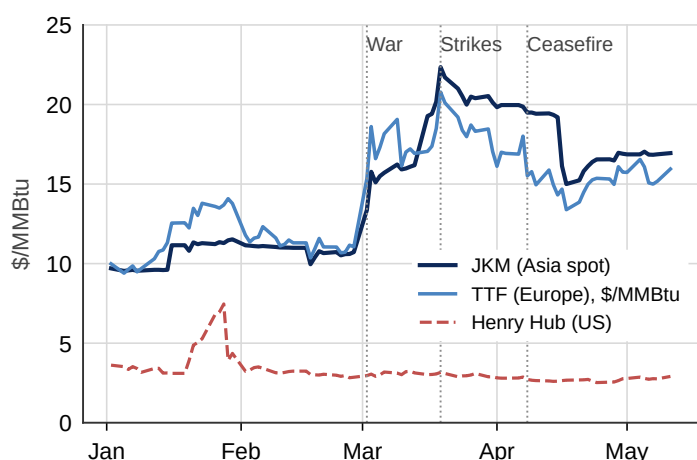
### Exhibit 5 - The Supply Wave, One Year Late



Pre-war path: +33 mt in 2026, then +40-50 mt a year, consistent with the IEA's ~300 bcm of new LNG over five years.

Source: Kpler (2025: 429 mt), IEA, Wood Mackenzie, K2 Capital estimates.

### Exhibit 6 - Asian Spot Gas Doubled, Then Settled 60% H



### Exhibit 7 - Price Decks and Asia's Bill

| Annual average                        | 2026        | 2027        | 2028        | 2029       | 2030       |
|---------------------------------------|-------------|-------------|-------------|------------|------------|
| JKM, pre-war (\$/MMBtu)               | 10.5        | 9.5         | 8.5         | 8.0        | 8.0        |
| JKM, fast                             | 14.9        | 12.6        | 11.5        | 8.4        | 8.0        |
| <b>JKM, base</b>                      | <b>16.6</b> | <b>12.6</b> | <b>12.0</b> | <b>9.3</b> | <b>8.1</b> |
| JKM, slow                             | 18.2        | 13.8        | 12.8        | 10.6       | 8.8        |
| Brent, base (\$/bbl; pre-war \$70)    | 92          | 78          | 72          | 70         | 70         |
| Supply short vs pre-war, base (%)     | 10.2        | 5.2         | 7.8         | 3.7        | 0.4        |
| Asia's extra bill, fast (\$bn)        | 43          | 19          | 16          | 2          | 0          |
| <b>Asia's extra bill, base (\$bn)</b> | <b>60</b>   | <b>26</b>   | <b>21</b>   | <b>7</b>   | <b>1</b>   |
| Asia's extra bill, slow (\$bn)        | 80          | 47          | 35          | 20         | 7          |

JKM: pre-war deck plus \$0.60/MMBtu per 1% of global supply missing in 2026-27, falling to \$0.30 by 2030 as demand and supply respond. Bill: 291 mt of Asian imports, 35% spot-priced, 65% oil-indexed at a 12.5% slope.

Source: Poten (Asian imports), K2 Capital estimates.

### Exhibit 8 - Repairs Take Years: LNG Outages Compared

| Outage                           | Start         | Mtpa        | Cause                  | Time to restart            | Note                                |
|----------------------------------|---------------|-------------|------------------------|----------------------------|-------------------------------------|
| Freeport LNG (US)                | Jun-22        | 15.0        | Fire                   | 8 months                   | No structural loss of trains        |
| Gorgon Train 2 (Australia)       | May-20        | 5.2         | Weld cracks            | ~5 months                  | Found in maintenance                |
| Prelude FLNG (Australia)         | Feb-20        | 3.6         | Electrical and safety  | ~11 months                 | Further outages in 2021-22          |
| Hammerfest LNG (Norway)          | Sep-20        | 4.3         | Fire                   | 20 months                  | 180 km of cable replaced            |
| Skikda (Algeria)                 | Jan-04        | 3 trains    | Explosion              | ~9 years                   | New 4.5 mtpa train in 2013          |
| Yemen LNG                        | Apr-15        | 6.7         | War                    | Not restarted              | Security, not equipment             |
| <b>Ras Laffan Trains 4 and 6</b> | <b>Mar-26</b> | <b>12.8</b> | <b>Missile strikes</b> | <b>3-5 years (company)</b> | <b>Turbine lead times 2-4 years</b> |

Source: Company releases; S&P Global, OGJ, PGJ and GEM as reported; QatarEnergy (19 March); Wood Mackenzie via The National (9 April); K2 Capital.

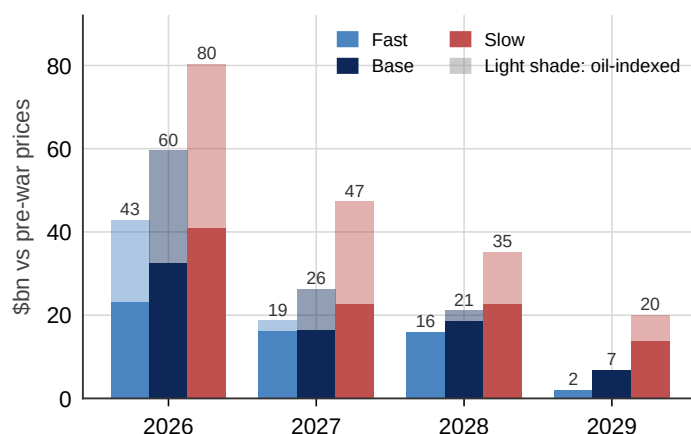
### Exhibit 9 - Who Depends on Qatar

| Country     | Qatar share | Response by 11 May                    |
|-------------|-------------|---------------------------------------|
| Pakistan    | 98%         | Seven gas plants idle; spot at \$18.4 |
| Bangladesh  | 59-72%      | Fertiliser plants shut; spot ~\$17    |
| India       | 41-60%      | Gas rationed: industry at 80%         |
| Taiwan      | ~25-30%     | Tariffs held from April               |
| Italy       | ~30%        | Edison: 10 cargoes lost to June       |
| South Korea | ~15%        | Coal caps lifted; reactors back       |
| China       | ~33% (Gulf) | April imports lowest since 2018       |
| Japan       | ~5%         | Coal limits lifted; ~3 weeks stock    |

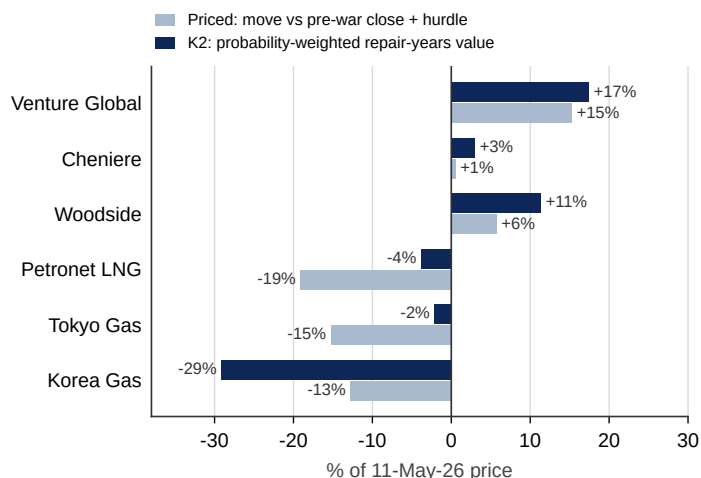
Share of 2025 LNG imports from Qatar; China is Qatar plus the UAE. Ranges show conflicting sources.

Source: IEA, Kpler, IEEFA, Indian government, Korea International Trade Association, national press as reported.

### Exhibit 10 - Asia's Extra LNG Bill by Path



### Exhibit 11 - Priced vs Worth: The Gap Is in Asia



Priced: 11-May price less the 27-Feb close carried at 8% a year. Worth: probability-weighted value of the outage at Dec-27.

Source: Yahoo Finance, K2 Capital estimates.

### Exhibit 12 - Event Windows: Returns vs Local Index

| Abnormal return | War          | Strikes   | Ceasefire | Since war |
|-----------------|--------------|-----------|-----------|-----------|
| Window          | 27 Feb-4 Mar | 17-20 Mar | 7-8 Apr   | to 11 May |
| VG              | 15.4%        | 26.7%     | (13.5%)   | 8.0%      |
| LNG             | 5.7%         | 13.4%     | (4.5%)    | (2.0%)    |
| WDS             | 11.9%        | 10.5%     | (13.0%)   | 13.2%     |
| KOGAS           | (0.3%)       | 6.7%      | (0.6%)    | (26.3%)   |
| TG              | 5.0%         | (2.6%)    | (2.9%)    | (11.0%)   |
| PLNG            | (10.9%)      | (8.7%)    | 2.6%      | (9.8%)    |

Stock return less beta times the local index return (two-year weekly betas, VG since its January 2025 listing: VG 1.53, WDS 1.00, PLNG 0.91, KOGAS 0.65, TG 0.61, LNG 0.53). Korean and Japanese holidays use the nearest close.

Source: Yahoo Finance, K2 Capital calculations.

### Exhibit 13 - How the Outage Reaches Each Company (Value per Share at Dec-27)

| Company | Channel                           | Key K2 input                     | Fast     | Base      | Slow      | In 2026 |
|---------|-----------------------------------|----------------------------------|----------|-----------|-----------|---------|
| VG      | Unsold and commissioning cargoes  | 9 mt (2026), 6-8 mt (2027-29)    | \$1.49   | \$1.98    | \$2.67    | 52%     |
| LNG     | Marketing volumes above contracts | 1 mt (2026), 3-4 mt (2027-30)    | \$5.37   | \$6.90    | \$9.90    | 20%     |
| WDS     | Hub LNG, oil-linked LNG, liquids  | 5.5-7 mt hub; 45% kept after tax | A\$2.11  | A\$3.16   | A\$5.47   | 56%     |
| KOGAS   | Misu on residential gas; upstream | 416 TBtu; 40% recovery haircut   | (W7,194) | (W10,159) | (W15,708) | 67%     |
| TG      | Wholesale power (JEPX), JCC lag   | ¥5bn pre-tax per \$1 of JKM      | (¥107)   | (¥138)    | (¥187)    | 46%     |
| PLNG    | Lost regas volume                 | Qatar off ~6 months (base)       | (Rs7.20) | (Rs10.15) | (Rs14.75) | 70%     |

After-tax cash flows versus the pre-war price deck, 2026-30, compounded or discounted at 8% to Dec-27. In 2026: share of base-case value at Dec-27 arising this year (mainly the Hormuz closure); the rest is the repair years.

Source: Company filings and guidance, K2 Capital estimates.

### Exhibit 14 - LNG Coverage Select Financials

#### Latest Reported Period, Guidance and Consensus (local currency, bn unless stated)

|                             | LNG                | VG               | WDS           | KOGAS        | TG            | PLNG            |
|-----------------------------|--------------------|------------------|---------------|--------------|---------------|-----------------|
| Latest reported period      | 1Q26 (Mar)         | FY25 (Dec)       | FY25 (Dec)    | FY25 (Dec)   | FY3/26        | FY3/26          |
| Revenue (local, bn)         | \$5.87             | \$13.8           | US\$13.0      | W35,727      | ¥2,835        | Rs434.9         |
| EBITDA (E) / op. profit (O) | \$2.33 (E)         | \$6.3 (E)        | US\$9.3 (E)   | W2,101 (O)   | ¥197.7 (O)    | Rs38.4 (PAT)    |
| 2026 / FY3/27 guidance      | EBITDA \$7.25-7.75 | EBITDA \$5.2-5.8 | 172-186 MMboe | Not given    | NP ¥137       | Not given       |
| Exposure                    | ~90% contracted    | Unsold cargoes   | ~30% hub LNG  | Misu W14.1tn | No Qatar SPAs | Qatar ~40% vol. |
| Market cap (local, bn)      | \$50.4             | \$28.6           | A\$58.0       | W3,425       | ¥2,249        | Rs413.6         |
| Net debt (local, bn)        | \$22.4             | \$31.9           | US\$9.3       | W36,800      | ¥1,023        | (Rs101.1)       |
| Consensus PT                | \$268 (Feb)        | n.a.             | n.a.          | W52,500      | n.a.          | Rs343           |
| Buy / Hold / Sell           | 20 / 3 / 0         | Hold avg.        | 0 / 4 / 2     | 4 / 0 / 0    | n.a.          | 9 / 1 / 2       |
| Next results                | Early Aug          | 12 May           | 29 Jul (2Q)   | ~13 May      | ~30 Jul       | Aug             |

Source: Company filings and releases to 11 May 2026; consensus from Hankyung Consensus (KOGAS), Informist (PLNG), FNArena (WDS), 24/7 Wall St and MarketBeat (LNG, VG) as reported. KOGAS 1Q26 results due about 13 May; VG 1Q26 before the open on 12 May.

## Price Target Calculation and Key Risks

### Tokyo Gas Co., Ltd. (9531 JT)

#### Investment Thesis

We rate Tokyo Gas Overweight. The company states that it has no long-term LNG contracts from Qatar or any supplier inside the Strait of Hormuz; it pays through wholesale power and the lag in its fuel-cost adjustment. FY3/26 operating profit rose 48.5% to ¥197.7bn, and FY3/27 guidance (operating profit ¥186bn, net profit ¥137bn, EPS ¥418, DPS ¥120) came in about 10% above QUICK consensus, with a ¥50bn buyback. It already absorbs the war: power profit falls from ¥44.2bn to ¥15.8bn on JEPX costs, and JCC is assumed at \$100/bbl in the first half. Yet the shares are down 11.9% since 27 February, against a TOPIX down 1.5%.

#### Base Case/PT

We charge Tokyo Gas ¥5bn of pre-tax profit for each \$1/MMBtu that JKM sits above our pre-war deck: about ¥27bn in FY3/27, falling to ¥5bn by FY3/30, worth ¥138 a share at Dec-27 after tax. We add that to the 27-February close carried at 8% a year, less ¥185 of expected dividends. Base value ¥8,498. **Our Dec-27 PT of ¥8,500** weights fast 25%, base 50% and slow 25%, and implies 20.3x guided FY3/27 EPS against 18.3x at the pre-war close.

**Fast and slow repair cases.** Fast: ¥8,528. Slow: ¥8,448. The duration of the outage barely touches Tokyo Gas.

#### Risks

Downside risks include: (1) a de-rating of Japanese utilities on higher bond yields, which may explain part of the fall (Osaka Gas is down 14%); (2) a longer JEPX squeeze if nuclear restarts slip; (3) a weaker yen (¥0.6bn of city-gas gross profit per ¥1/\$); (4) a slower buyback.

### Petronet LNG Limited (PLNG IN)

#### Investment Thesis

We rate Petronet Overweight. Its business is a toll on regasification, not a bet on price: term LNG is sold back to back to GAIL, IOC and BPCL, so the outage reaches Petronet as lost volume. Its 7.5 mtpa QatarEnergy contract (12.67% of Brent plus \$0.52/MMBtu) is about 40% of throughput; QatarEnergy served force majeure on 4 March, Petronet passed it on the next day, and Dahej ran at 53% in March against 108% in January-February. FY26 PAT was Rs38.4bn (EPS Rs25.62), with no borrowings. Management says the trains dedicated to India are undamaged and expects normal cargo flow within weeks of the strait reopening.

#### Base Case/PT

We remove Qatar's volume for about 6 months of 2026 in the base case, with 25% replaced by spot cargoes, and cut other regas volume by 1.5% for each \$1 that JKM sits above the pre-war deck, at a Rs63/MMBtu tariff and an 85% margin. That is worth Rs10 a share. Added to the 27-February close carried at 8%, less Rs13 of dividends, the base value is Rs349. **Our Dec-27 PT of Rs350** is 12.2x the Street's average FY28E EPS of Rs28.7.

**Fast and slow repair cases.** Fast: Rs352. Slow: Rs345.

#### Risks

Downside risks include: (1) the damaged trains sit on the same South site as Petronet's QatarEnergy LNG S(2) contract; if any India volume is allocated from them, the loss runs for years, not months; (2) India's price sensitivity if spot LNG stays above \$15 into 2027; (3) Rs207bn of petrochemical capex through FY28; (4) ship-owner claims (Rs89 crore, disputed).

### Korea Gas Corporation (036460 KS)

#### Investment Thesis

We rate Korea Gas Underweight. It is the one company in our coverage that carries the bill, and the Street (four Buys, mean target W52,500) does not count it. Korea holds 6.1 mtpa of Qatari contracts and took about 15% of its 2025 imports from Qatar, and QatarEnergy declared long-term force majeure on Korean contracts on 24 March. Cost linkage keeps reported profit whole, but residential tariffs need government approval: there has been no residential increase since August 2024, and the finance minister said on 17 March that first-half utility charges would be frozen 'as far as possible'. The gap accumulates as misu, W14.1tn at end-2025, against a market cap of W3.4tn.

#### Base Case/PT

We apply costs that are 80% oil-indexed at a 13% slope and 20% spot to 416 TBtu of residential and commercial gas, and leave 85% of the 2026 cost increase and 60% thereafter as misu. That adds W2.8tn by 2029 (W1.8tn this year). We haircut it by 40% for slow recovery without interest, and credit upstream gains of W12bn for each \$1/bbl of Brent. Net, the outage costs W10,159 a share at Dec-27. Base value W36,108. **Our Dec-27 PT of W35,500** is 3.8x the Street's 2027E EPS; a low multiple is what a utility earns when its profit is not its cash.

**Fast and slow repair cases.** Fast: W39,073 (misu W1.9tn). Slow: W30,559 (misu W4.8tn).

#### Risks

Upside risks include: (1) a residential tariff increase after the June local elections, which brokers expect in the third quarter; (2) faster misu recovery or a government settlement; (3) higher overseas upstream profit, which LS Securities sees rising from about W350bn to W600bn in 2026; (4) 1Q26 results, due about 13 May (FnGuide consensus operating profit W795bn).

## Venture Global, Inc. (VG)

### Investment Thesis

We rate Venture Global Neutral. It is the exporter with the most to gain: about 30% of 2026 volume was unsold at its 2 March guidance, priced at an assumed \$5-6/MMBtu fixed liquefaction fee, with each \$1 worth \$575-625m of EBITDA. Plaquemines sells at market until Phase I commercial operation in 4Q26 and Phase II in mid-2027, and CP2 Phase 1 begins producing in late 2027, which puts its commissioning cargoes into the repair years. The shares rose 81% to \$17.53 by 27 March and have since given back most of it.

### Base Case/PT

We assume 9 mt of unsold cargoes from April 2026, 6 mt in 2027 and 8 mt in 2028-29, sold at JKM less \$1.50 for shipping and 115% of Henry Hub. Against the pre-war deck that adds about \$2.9bn of EBITDA this year (2026E \$8.4bn against \$5.2-5.8bn guidance) and \$0.9-1.5bn a year in 2027-28. After 21% tax it is worth \$1.98 a share at Dec-27. Base value \$13.09. **Our Dec-27 PT of \$13.25** is 8.4x EV/2026E EBITDA.

**Fast and slow repair cases.** Fast: \$12.61. Slow: \$13.79.

### Risks

Upside risks include: 2026 guidance above ours at the 12 May results, and long-term sales of CP2 Phase 2 volume at today's prices. Downside risks include: the BP arbitration damages (BP seeks \$3.7bn to more than \$6bn, and VG says its liability cap does not apply), other customer claims of \$3.4-4.1bn, and net debt of \$31.9bn plus \$3.0bn of preferred stock at end-2025, rising with CP2.

## Cheniere Energy, Inc. (LNG)

### Investment Thesis

We rate Cheniere Neutral. It is the highest-quality exporter we cover and the least exposed to the repair years: about 90% of its output is contracted for about 15 years, and less than 1 mt of 2026 volume was unsold at its 7 May results. It raised 2026 EBITDA guidance by \$500m to \$7.25-7.75bn, mostly on production; management said margins on 2027 sales had moved from below \$4 to about \$6-7/MMBtu. Stage 3 Trains 6-7 complete this year and Midscale Trains 8-9 (about 5 mtpa) are 37% built, so marketing volume rises into 2027-29, where our tightness sits.

### Base Case/PT

We assume 1 mt of open volume in 2026 (the margin and optimisation gains in the raised guidance plus the unsold balance) and 3-4 mt a year in 2027-30, with the margin moving 1:1 with JKM. After 21% tax that is worth \$6.90 a share at Dec-27. Base value \$275. **Our Dec-27 PT of \$275** is 12.7x EV/2026E EBITDA at the guidance midpoint (\$7.5bn), including about \$15bn for the public units of Cheniere Energy Partners, against 12.4x at the pre-war close on the pre-war guidance.

**Fast and slow repair cases.** Fast: \$274. Slow: \$278.

### Risks

Upside risks include: a faster buyback (\$9.7bn of authorisation left), further sales of 2027-29 volume at today's margins, and Midscale expansion. Downside risks include: Henry Hub (each \$0.50/MMBtu is worth about \$100m), fair-value swings on its supply agreements (\$5.4bn of non-cash losses in 1Q26) and project delays.

## Woodside Energy Group Ltd (WDS AU)

### Investment Thesis

We rate Woodside Neutral. It gains from the outage, but as much as an oil producer as an LNG seller: about 51% of 1Q26 LNG sales were hub-linked, its three-year average hub exposure is about 30%, and liquids and oil-linked LNG are about half of our windfall. Higher spot prices reach realised prices with a lag. Scarborough (96% complete) delivers its first cargo in 4Q26, into the repair years. The shares are up 7.8% since the war against an ASX 200 down 5.4%.

### Base Case/PT

We apply JKM to 5.5-7 mt of hub-linked LNG, a 13.5% Brent slope to 10 mt of oil-linked LNG and Brent to 70 MMbbl of liquids, keeping 45% after royalties, PRRT and tax. That is worth A\$3.16 a share at Dec-27. Base value A\$33.57. **Our Dec-27 PT of A\$34.00** is 11.2x our 2026E EPS (the pre-war Street FY26E of US\$1.05 plus our windfall).

**Fast and slow repair cases.** Fast: A\$32.53. Slow: A\$35.89. Brent drives most of the range.

### Risks

Upside risks include: Brent above our \$92/bbl 2026 average, a faster Scarborough ramp-up and the Louisiana LNG sell-down. Downside risks include: a durable peace that takes oil lower, the new chief executive's portfolio review and cost pressure at Louisiana LNG.

## What Would Make Us Wrong?

We would revisit our ratings if any of the following occur:

- 1. The strait reopens early.** If Qatar loads more than 5 mt of LNG in any month before August, the fast path is central: the outage costs Korea Gas less and is worth less to the exporters.
- 2. The repair beats our fast path.** If QatarEnergy or its contractors guide Trains 4 and 6 back before end-2028, the 2028 tightness behind our exporter values and our Korea Gas misu goes.
- 3. Korea lets Korea Gas pass the bill on.** If Korea raises residential gas tariffs by more than 10% before October, or announces a misu settlement, our Underweight is wrong.
- 4. Petronet's volume does not come back.** If Dahej utilisation is below 80% in the October-December quarter after the strait reopens, or Petronet discloses Qatar volume from Trains 4 or 6, our Overweight is wrong.
- 5. Tokyo Gas pays more than we think.** If Tokyo Gas cuts FY3/27 operating profit guidance below ¥170bn (the pre-results QUICK consensus) at its 1Q results, the market was right to sell it.
- 6. The windfall is smaller than we model.** If Venture Global guides 2026 EBITDA below \$7.0bn on 12 May, our spot-margin assumptions are too high for all three exporters.

## Signposts

12 May: Venture Global 1Q26 results, before the open. About 13 May: Korea Gas 1Q26 results. Mid-June: QatarEnergy's force majeure expires or is extended. June: Korean local elections, after which a residential tariff decision is expected in the third quarter. July: the IEA's next Gas Market Report. 29 July: Woodside 2Q report. About 30 July: Tokyo Gas 1Q results. Early August: Cheniere 2Q26 and Petronet 1Q FY27. Fourth quarter: Scarborough's first cargo, Plaquemines Phase I commercial operation and the next North Field East timetable.

## Methodology

Every price target uses the same three repair paths and weights (Exhibit 3). For each stock we carry the 27-February close forward at an 8% hurdle to Dec-27, deduct expected dividends and add the after-tax value of the outage in each path, compounded or discounted at 8% to Dec-27 (Exhibit 13). The hurdle is common to all six names, so differences in expected return come only from mispricing of the outage. We do not second-guess the pre-war valuations, and we do not adjust for local-market moves; on a beta-adjusted basis Korea Gas would be fairly priced and Venture Global +11% undervalued. Ratings compare each stock's expected total return with the coverage average (+18%): Overweight at least 5pp above it, Underweight at least 5pp below it.

### Exhibit 15 - Robustness: Ratings Under Other Weights and Anchors

| Expected total return (rating) | Ours: published PTs | All base    | Fast-heavy: 50/50/0 | Slow-heavy: 0/50/50 | Beta-adjusted anchor |
|--------------------------------|---------------------|-------------|---------------------|---------------------|----------------------|
| Tokyo Gas (TG)                 | +29% (OW)           | +29% (OW)   | +29% (OW)           | +28% (OW)           | +26% (OW)            |
| Petronet LNG (PLNG)            | +32% (OW)           | +31% (OW)   | +32% (OW)           | +31% (OW)           | +23% (N)             |
| Korea Gas (KOGAS)              | -1% (UW)            | +1% (UW)    | +5% (UW)            | -7% (UW)            | +18% (N)             |
| Venture Global (VG)            | +14% (N)            | +13% (N)    | +11% (UW)           | +16% (N)            | +23% (N)             |
| Cheniere Energy (LNG)          | +16% (N)            | +16% (N)    | +15% (N)            | +16% (N)            | +19% (N)             |
| Woodside Energy (WDS)          | +19% (N)            | +17% (N)    | +16% (N)            | +21% (N)            | +11% (UW)            |
| <b>Coverage average</b>        | <b>+18%</b>         | <b>+18%</b> | <b>+18%</b>         | <b>+18%</b>         | <b>+20%</b>          |

Beta-adjusted anchor: the pre-war close moved by beta times the local index since 27 February, then carried at the same hurdle. OW/UW: at least 5pp above/below the coverage average.

Source: K2 Capital estimates.

## Important Disclosures

### Analyst Certification

The research analysts of K2 Capital Limited responsible for this report certify that (1) the views expressed in this report accurately reflect their personal views about the subject companies and their securities, and (2) no part of their compensation was, is or will be directly or indirectly related to the specific ratings or views expressed in this report.

### Rating Definitions

**Overweight:** over the duration of the price target, we expect the stock's total return, in local currency, to exceed the unweighted average expected total return of our LNG coverage (Cheniere, Venture Global, Woodside, Korea Gas, Tokyo Gas and Petronet LNG) by at least 5 percentage points. **Neutral:** within 5 percentage points of it. **Underweight:** at least 5 percentage points below it. Price targets are set for the period stated, in local currency, and are based on the methodology and risks described in this report.

### Rating Distribution

| (As of May 12) | % of coverage | Companies |
|----------------|---------------|-----------|
| Overweight     | 33.33%        | 2         |
| Neutral        | 50.00%        | 3         |
| Underweight    | 16.67%        | 1         |

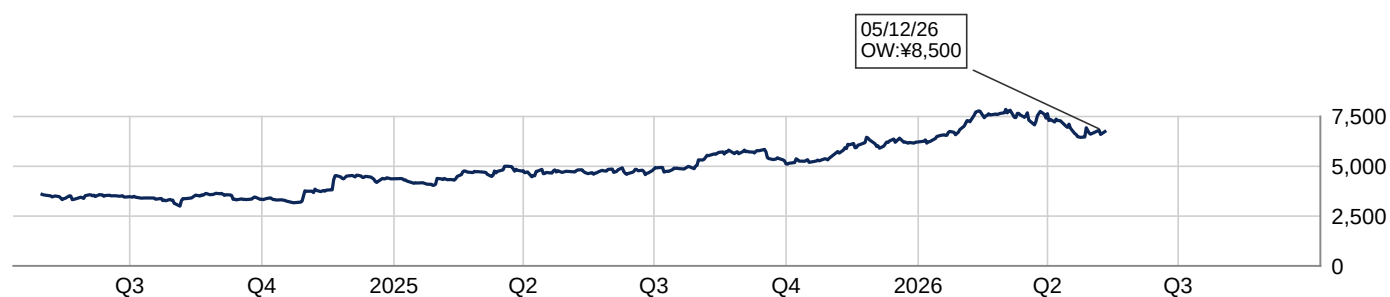
### Rating History

| Date      | Company               | Rating                   | Price    | Price Target |
|-----------|-----------------------|--------------------------|----------|--------------|
| 12-May-26 | Korea Gas (KOGAS)     | Underweight (initiation) | W37,100  | W35,500      |
| 12-May-26 | Cheniere Energy (LNG) | Neutral (initiation)     | \$240.70 | \$275.00     |
| 12-May-26 | Petronet LNG (PLNG)   | Overweight (initiation)  | Rs275.75 | Rs350.00     |
| 12-May-26 | Tokyo Gas (TG)        | Overweight (initiation)  | ¥6,745   | ¥8,500       |
| 12-May-26 | Venture Global (VG)   | Neutral (initiation)     | \$11.62  | \$13.25      |
| 12-May-26 | Woodside Energy (WDS) | Neutral (initiation)     | A\$30.51 | A\$34.00     |

### Positions and Conflicts

K2 Capital Limited, its principals and employees may hold positions in, and may trade, the securities of the companies discussed in this report or related instruments, including positions inconsistent with their ratings.

#### Rating and Price Target History for: Tokyo Gas Co., Ltd. (9531 JT) as of 05-12-2026



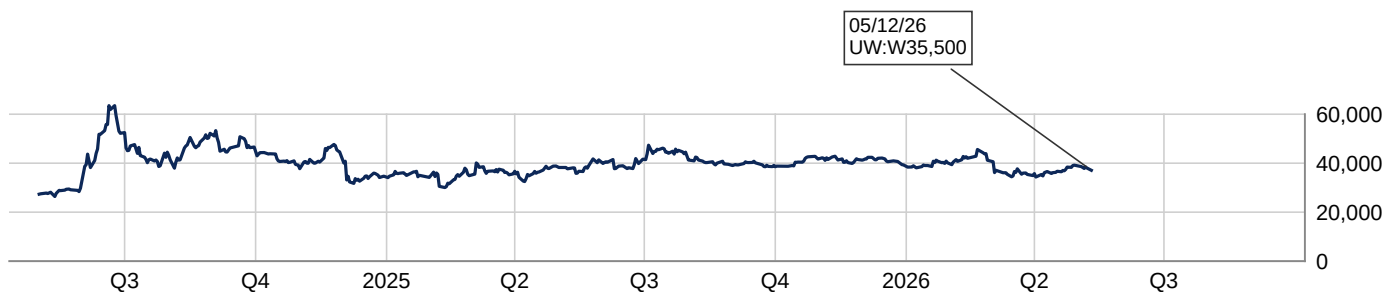
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**Rating and Price Target History for: Petronet LNG Limited (PLNG IN) as of 05-12-2026**



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**Rating and Price Target History for: Korea Gas Corporation (036460 KS) as of 05-12-2026**



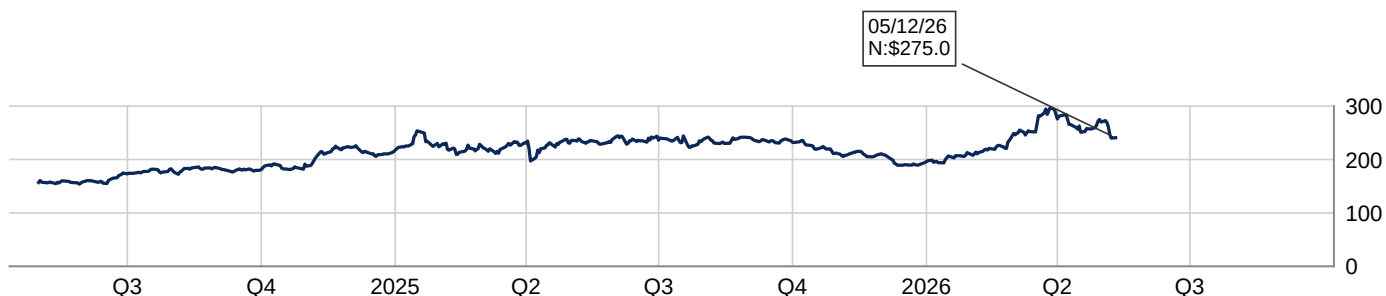
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**Rating and Price Target History for: Venture Global, Inc. (VG) as of 05-12-2026**



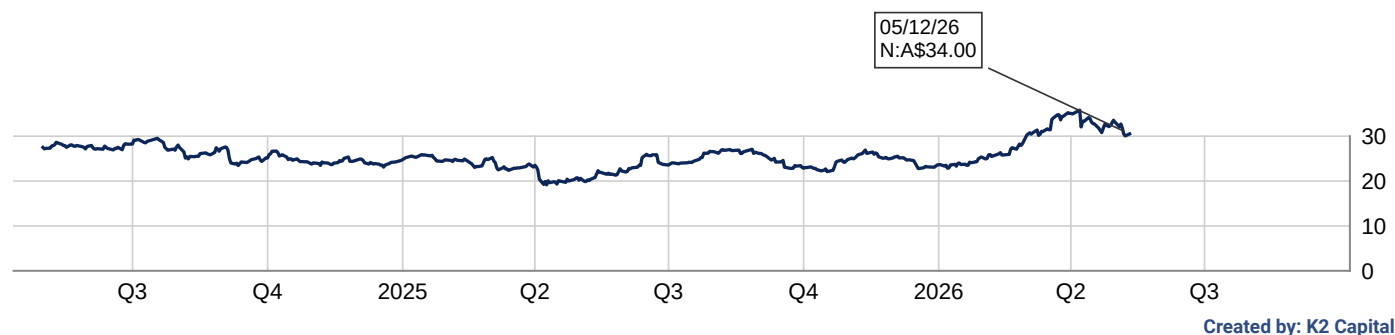
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**Rating and Price Target History for: Cheniere Energy, Inc. (LNG) as of 05-12-2026**



Created by: K2 Capital

**Rating and Price Target History for: Woodside Energy Group Ltd (WDS AU) as of 05-12-2026**



## Sources and Methodology

Prices are as of the close on 11 May 2026 unless stated; no information published after that date is used. Daily prices for the six stocks, their local indices (S&P 500, ASX 200, KOSPI, TOPIX via the TOPIX ETF, Nifty 50), JKM, TTF, Henry Hub and Brent futures and exchange rates are from Yahoo Finance. Company information is from filings and releases: Cheniere's 1Q26 results and Form 10-Q (7 May); Venture Global's 4Q25 results and Form 10-K (2 March), its 1Q26 volume Form 8-K (9 April) and CP2 Phase 2 release (13 March); Woodside's 2025 annual report (24 February) and 1Q26 report (29 April); Korea Gas's preliminary 2025 results; Tokyo Gas's FY3/26 results and presentation (28 April); Petronet LNG's force majeure disclosure (5 March) and FY26 results filing (4 May). Event and market sources include QatarEnergy's statements of 19 March and 4 May; the IEA Gas Market Report Q2-2026 (24 April); Kpler, Wood Mackenzie, Poten, S&P Global, Argus, ICIS, Energy Intelligence and LSEG as reported; Reuters, Bloomberg, AFP, The National, The Peninsula, MEED, Rigzone, gCaptain and OGJ; Edison's release of 27 March; IEEFA; the Korea International Trade Association; Indian government data and the Natural Gas (Supply Regulation) Order 2026; and national press in Korea, Japan, India, Pakistan, Bangladesh and Taiwan. Consensus data are from Hankyung Consensus (Korea Gas), Informist and broker reports (Petronet), FNArena (Woodside), QUICK via Monex (Tokyo Gas), and 24/7 Wall St, MarketBeat and Fintel (Cheniere, Venture Global) as reported. The repair-years supply model, price decks, Asia's import bill, company sensitivities and price targets are K2 Capital calculations using the stated assumptions. Estimates are K2 Capital's and are subject to change without notice.

## General

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