News Release

22 November 2016

SGX and TOCOM to cooperate in developing LNG and electricity markets

Singapore Exchange (SGX) and Tokyo Commodity Exchange, Inc. (TOCOM) have signed a memorandum of understanding (MOU) to cooperate in developing the liquefied natural gas (LNG) market in Asia, a region that accounts for over 60% of the world's LNG demand, as well as to share their experiences in developing electricity futures.

The signing of the MOU was announced today ahead of the 5th annual LNG Producer-Consumer Conference in Tokyo, which will be hosted by Japan's Ministry of Economy, Trade and Industry and the Asia Pacific Energy Research Centre later this week.

Singapore has emerged as Asia's LNG trading hub with more than half of global supplies passing through its proximity each year, while Japan is the largest consumer of the fuel in the region. Together, the two countries will play an important role in enhancing price discovery of spot LNG in Asia – a critical component of the industry's move towards gas-on-gas pricing based on an Asian LNG price, away from long-term contracts and pricing linked to oil. SGX listed Asia's first electricity futures in 2015 and will be sharing its experience with TOCOM as Japan looks to develop similar products.

The potential areas of cooperation include:

- Joint study of the benefits of product initiatives, such as the co-listing of LNG derivatives based on relevant indices;
- Joint study of synergies between the market distribution networks of SGX and TOCOM;
- Joint promotion and development activities; and
- Sharing of experiences in developing the electricity market in their respective jurisdictions.

Loh Boon Chye, Chief Executive Officer of SGX, said, "We are pleased to work together with the Tokyo Commodity Exchange to develop initiatives that serve the Asian LNG market. With Singapore enhancing its role as an LNG trading hub, SGX looks forward to bringing value to the cooperation through the depth of our international market distribution. We are also happy to share our experience in developing Asia's first electricity futures."

Takamichi Hamada, President and Chief Executive Officer of TOCOM, said, "Through our cooperative relationship with Singapore Exchange, we expect to provide greater benefits to all market participants in the Asian LNG market. Based in Japan, which is the largest LNG demand centre in the world, TOCOM would like to contribute to this partnership to develop an LNG market which optimally represents the interests of both suppliers and consumers. We also look forward to drawing on SGX's experience in electricity futures, as a liquid electricity market is closely linked to the development of the LNG market."

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About Singapore Exchange
Singapore Exchange is Asia's leading and trusted market infrastructure, operating equity, fixed income and derivatives markets to the highest regulatory standards. As Asia's most international, multi-asset exchange, SGX provides listing, trading, clearing, settlement, depository and data services, with about 40% of listed companies and 75% of listed bonds originating outside of Singapore.

SGX is the world's most liquid offshore market for the benchmark equity indices of China, India, Japan and ASEAN and offers commodities and currency derivatives products. Headquartered in AAA-rated Singapore, SGX is globally recognised for its risk management and clearing capabilities. For more information, please visit www.sgx.com.

About Tokyo Commodity Exchange
Tokyo Commodity Exchange, Inc. (TOCOM) is Japan's largest commodity futures exchange and one of the most prominent in Asia. Products include futures and options on precious metals, energy, natural rubber and agricultural products. TOCOM's Gold market is the most liquid in East Asia and its Platinum market is the most liquid in the world. TOCOM Rubber is the established global benchmark. TOCOM has been committed to developing an Asian LNG market, through its affiliate company, Japan OTC Exchange, Inc. (JOE) since September 2014.

All of TOCOM's products trade electronically, and with over 24 million contracts changing hands in 2015, TOCOM trades 98.5% of Japan's commodity futures. Recent market upgrades are meeting the needs of the global trading community and now half of trading originates outside of Japan. For more information, please visit www.tocom.or.jp.

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