

LNG infrastructure responding to customers needs

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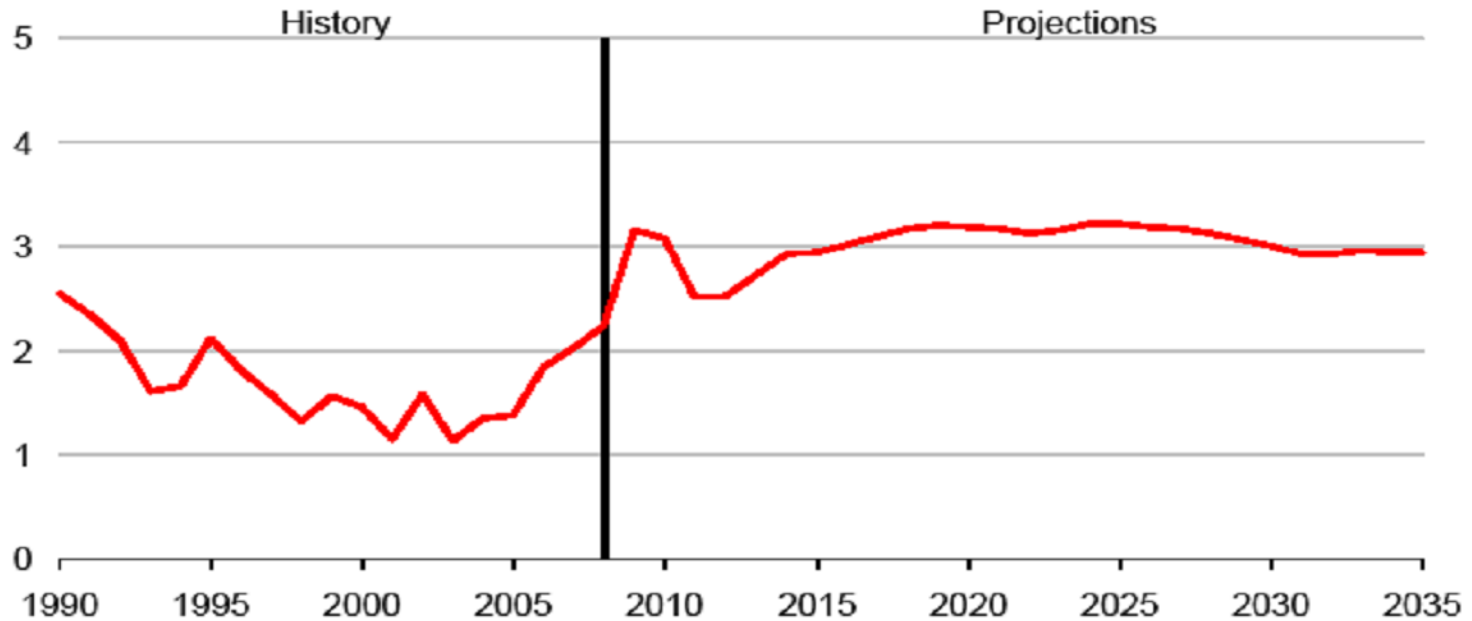
Introduction

- ◆ **Historic decline in UK LNG imports in Summer has failed to materialise.**
- ◆ **Increased demand from UK storage for refill.**
- ◆ **Increased demand from European storage for refill.**
- ◆ **UK LNG terminals have become transient hub.**
- ◆ **Record number of cargo's at Grain in May, and continuation through summer.**

US shale gas

Oil prices are likely to remain well above U.S. gas prices as the availability of shale gas restrains gas price growth

ratio of oil prices to natural gas prices
on a thermal equivalent basis

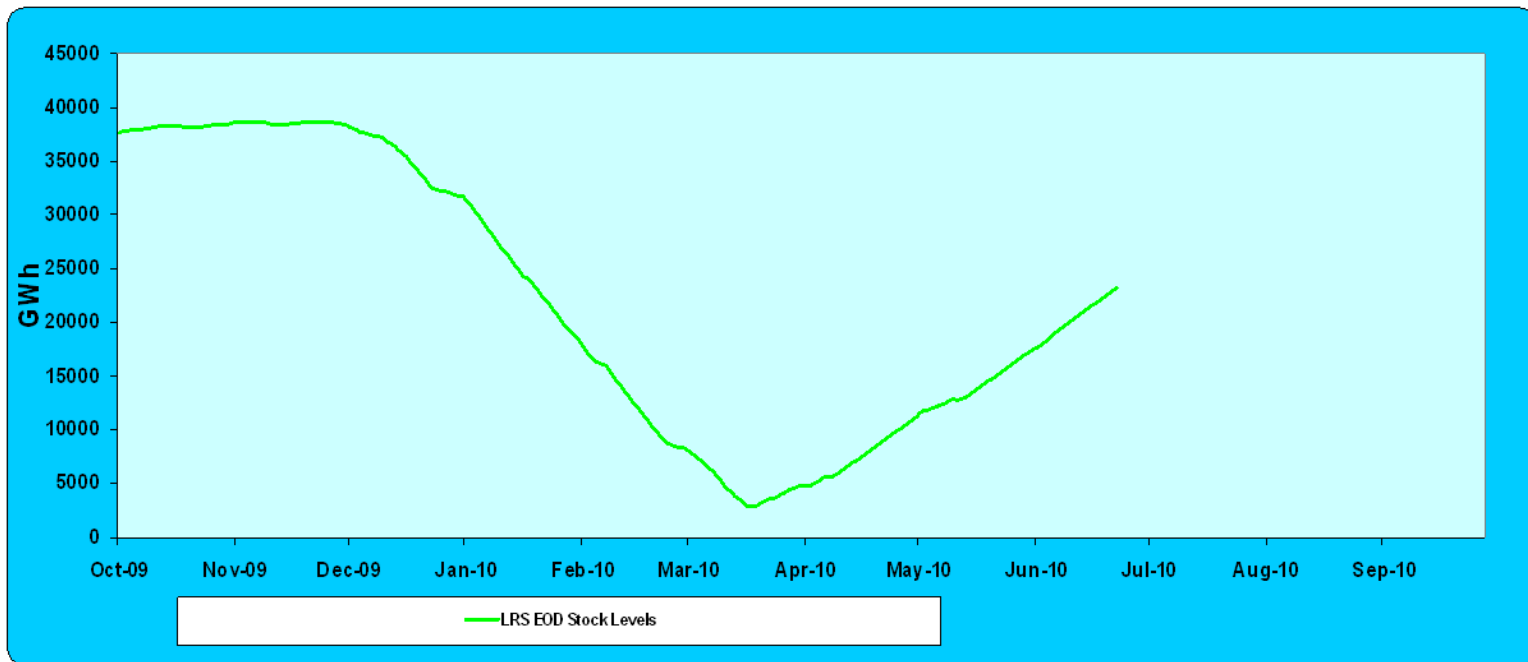


Richard Newell, March 2, 2010

Source: Annual Energy Outlook 2010 16

UK storage – Long range storage

- ◆ 09/10 cold winter – large withdrawals
- ◆ Storage needs to be refilled for winter 10/11 despite higher summer gas prices
- ◆ Storage stocks still require significant volumes to complete fill



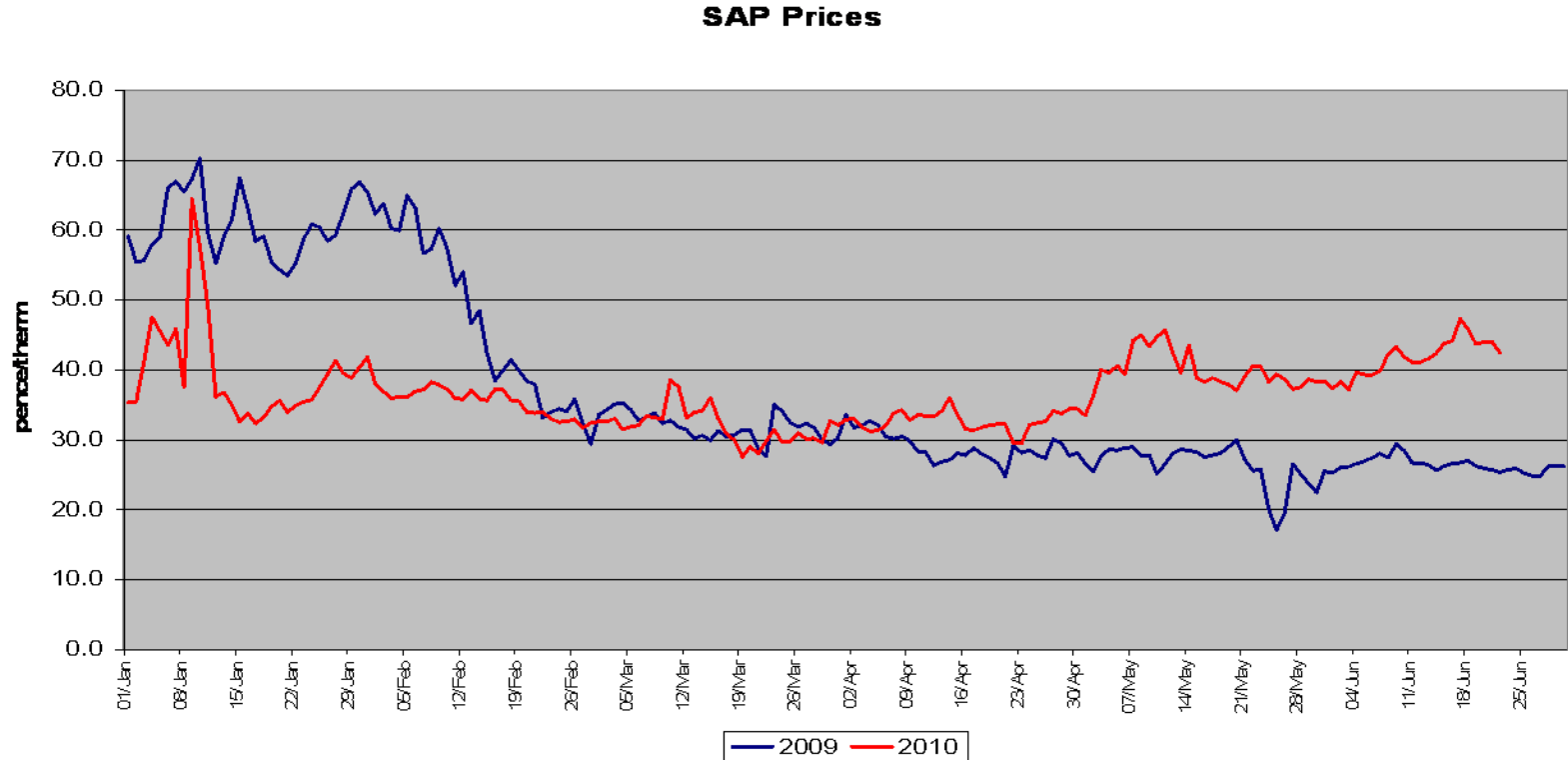
UK storage – Medium range storage

- ◆ 09/10 cold winter – large withdrawals
- ◆ Storage needs to be refilled for winter 10/11 despite higher summer gas prices
- ◆ MRS continues to be withdrawn to meet summer demand requirements



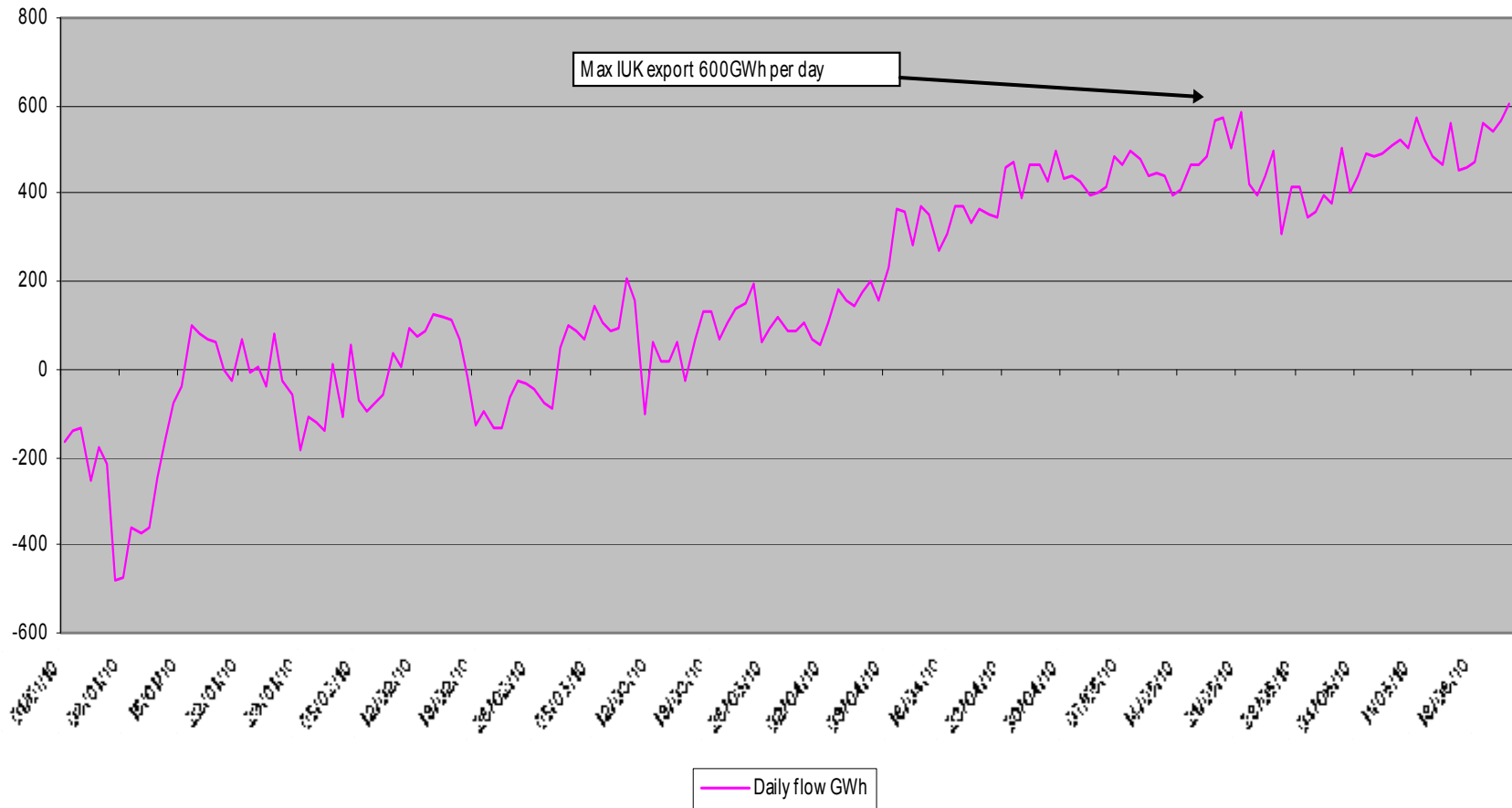
SAP

- ◆ Summer SAP prices up 50% on previous year.
- ◆ Driven by UK demand, although storage requirement the main driver as opposed to colder weather UK weather



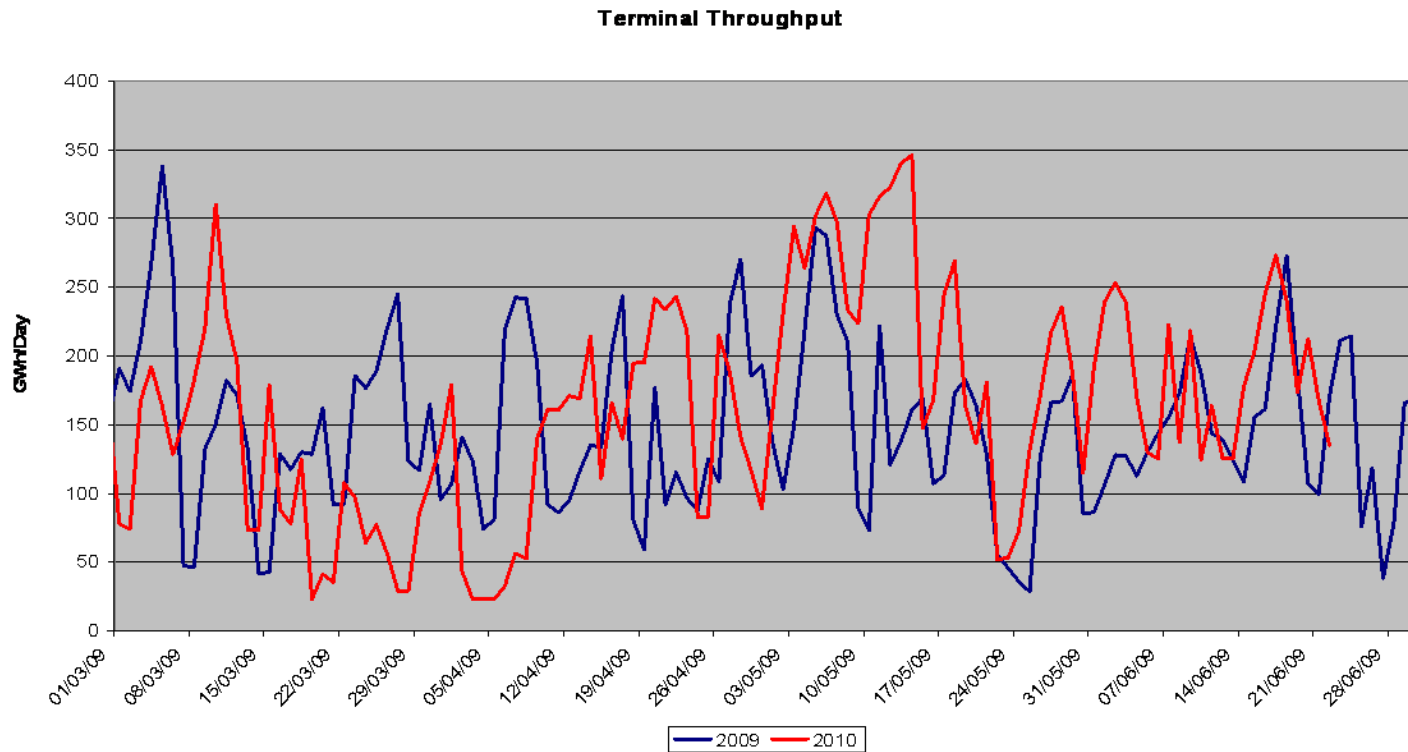
IUK exports

Interconnector exports



Terminal throughput

- ◆ Higher summer demand requirements reflected in higher terminal send out over period
- ◆ Record 8 ships at terminal in May 10 highest number ever at terminal



Conclusions

- ◆ **Infrastructure available to meet customers' needs**
- ◆ **Global events (in this instance) favoured flows to the U.K.**
- ◆ **Interconnections played their part**
- ◆ **Infrastructure investments by customers in receiving terminals allow flexibility as to where to send product:**
 - **Europe**
 - **America**
 - **Asia**