

Westminster Energy Forum

Corporate Challenges in the Delivery of LNG diversity –
UK perspectives

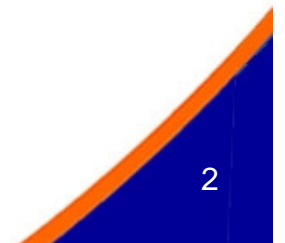
Simon Sydenham
Head of LNG, Centrica

18th September 2007

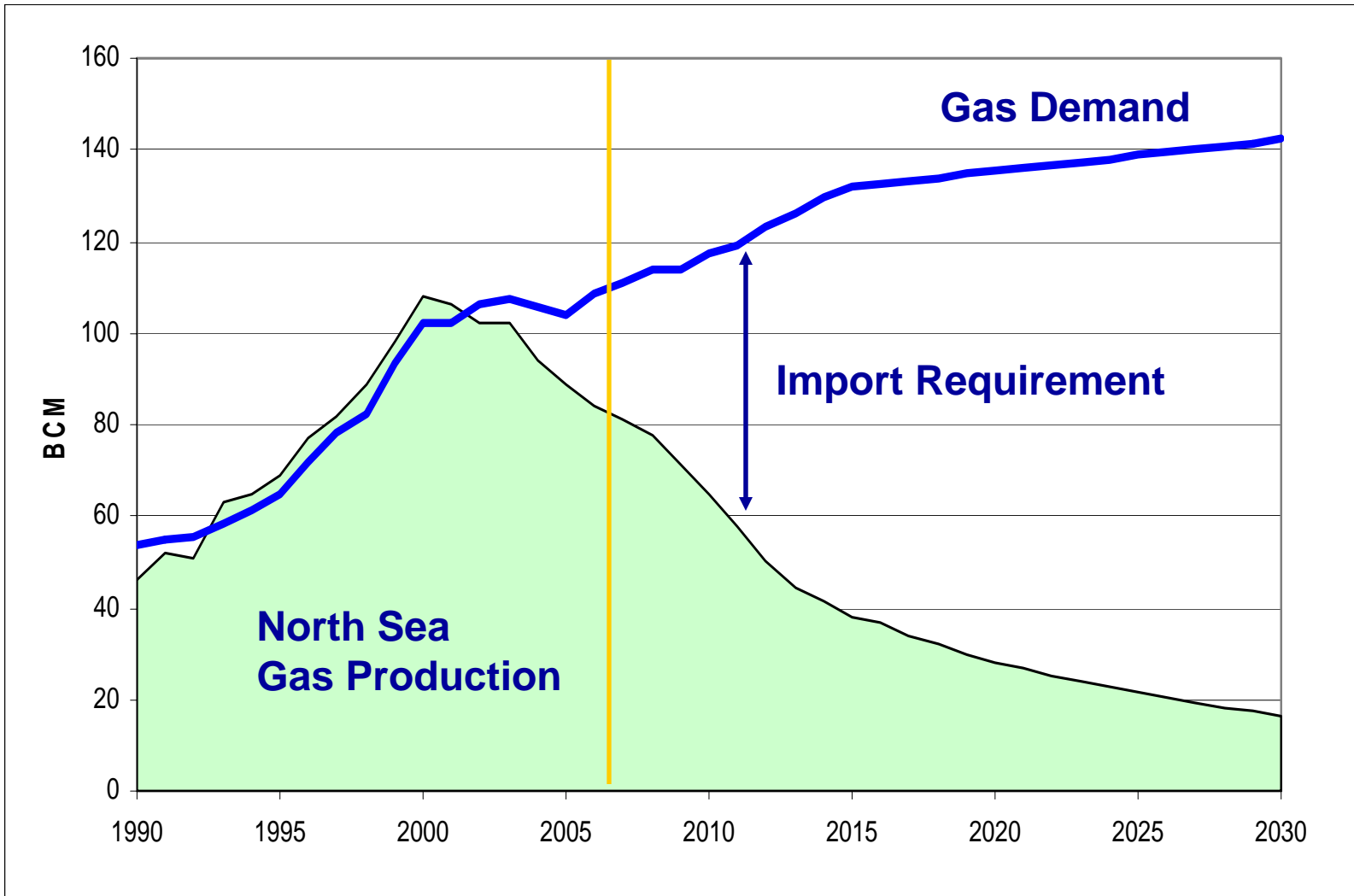
The Centrica logo is located in the bottom right corner of the slide. It consists of the word "centrica" in a white, lowercase, sans-serif font. A small orange dot is positioned above the letter 'i'. The logo is set against a dark blue background that features a large, curved orange shape on the left side, resembling a stylized wave or a partial circle.



1. UK supply/demand
2. LNG & the global gas market
3. Challenges for LNG Buyers

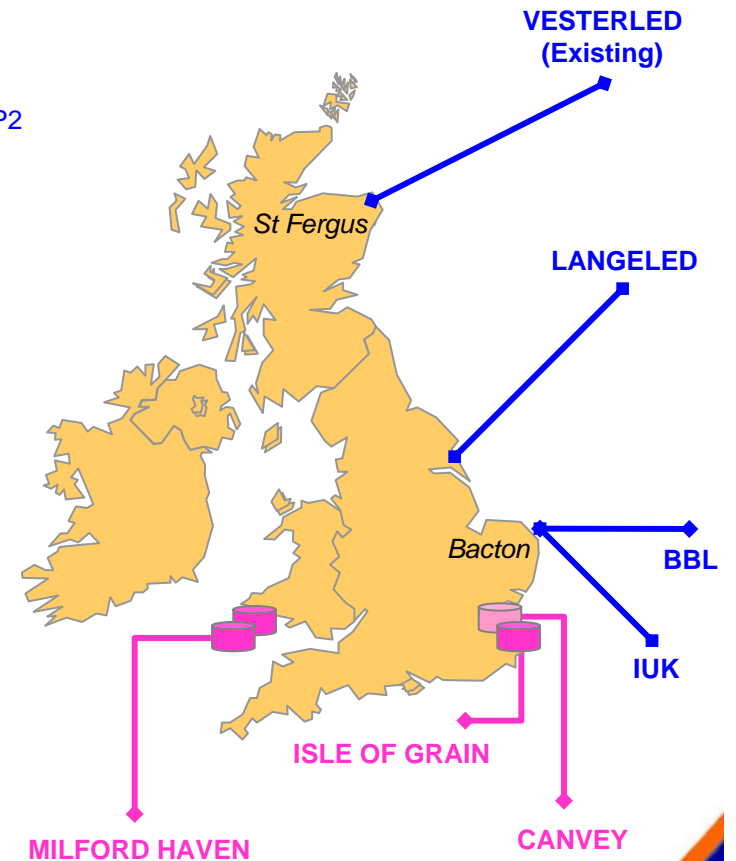
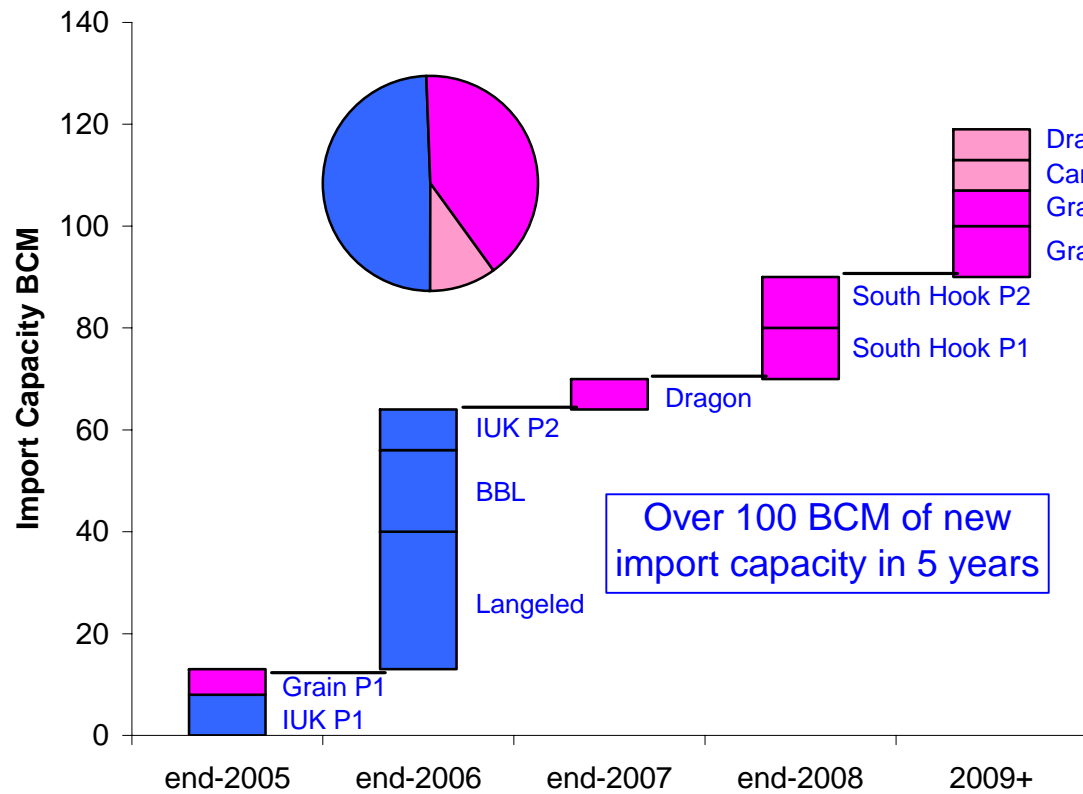


UK gas supply/demand



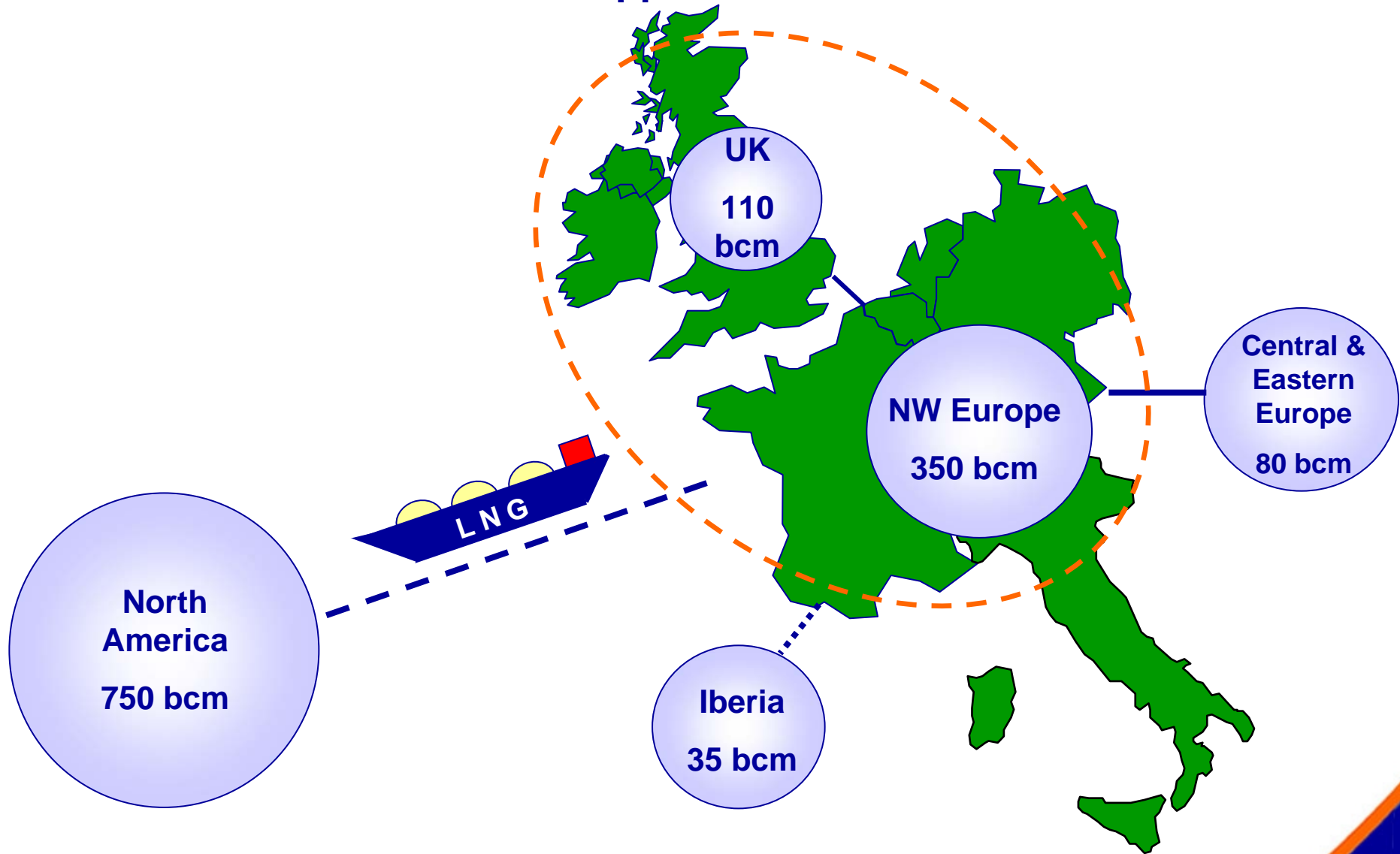
Source: National Grid

UK import capacity projects

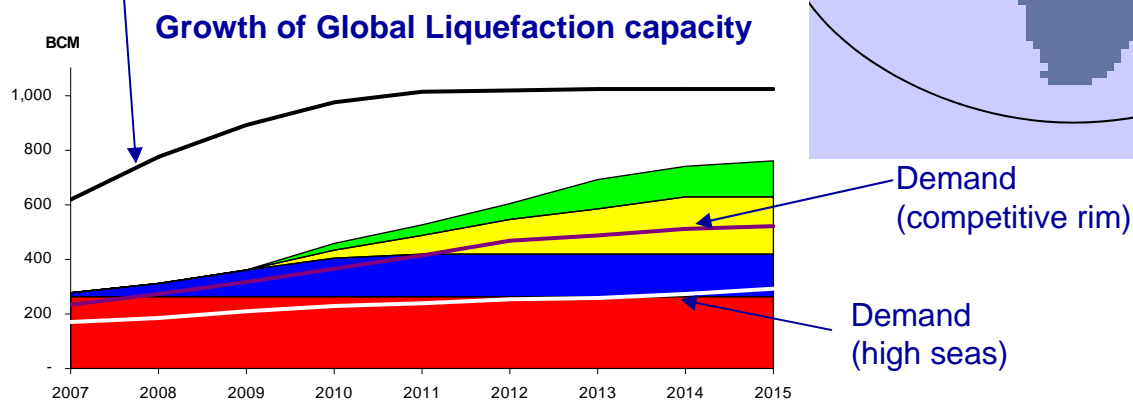
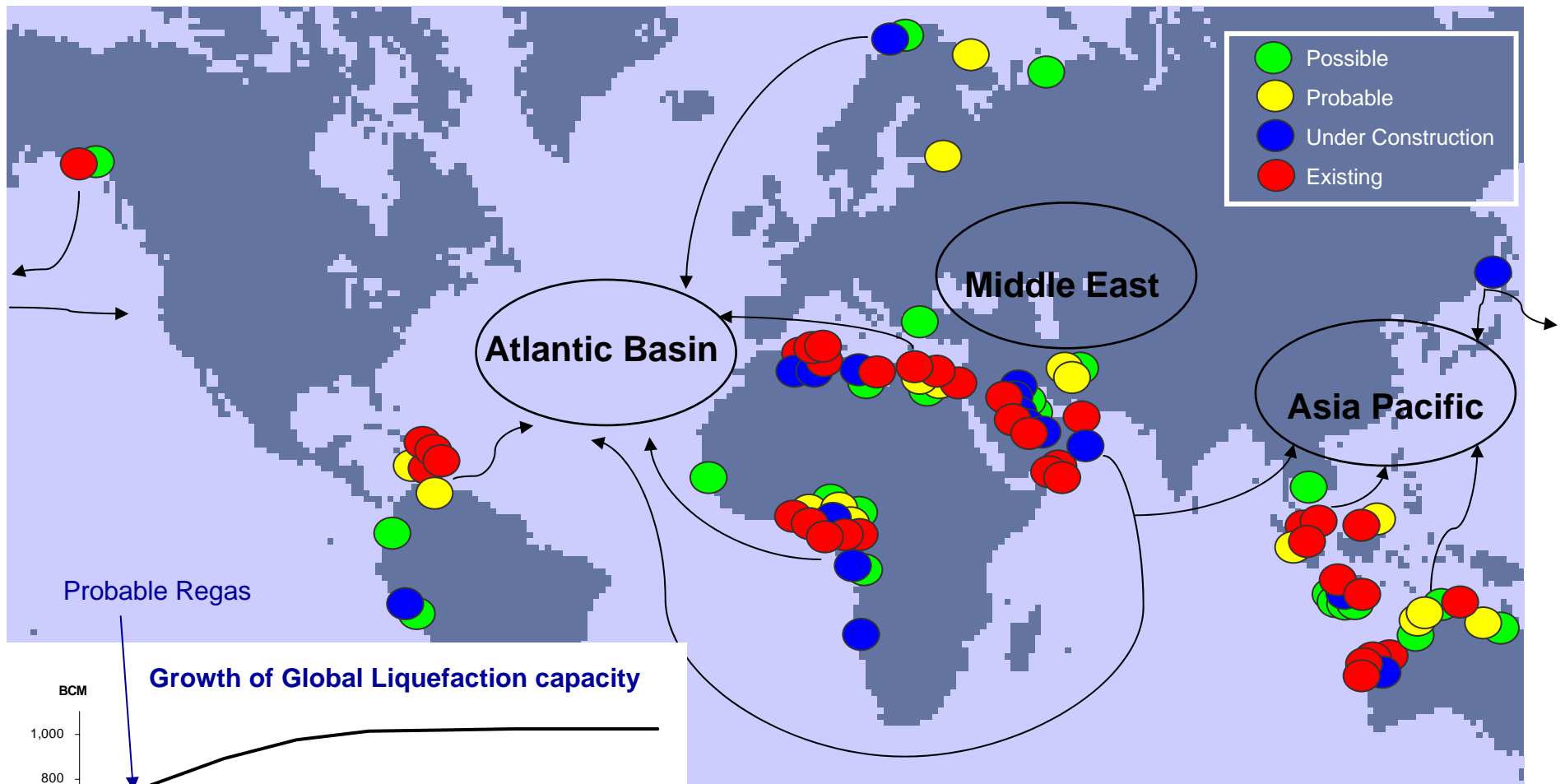


Note: chart shows import capacity not guaranteed gas flows

UK is connected to Europe and Europe is competing with North America for limited LNG supplies

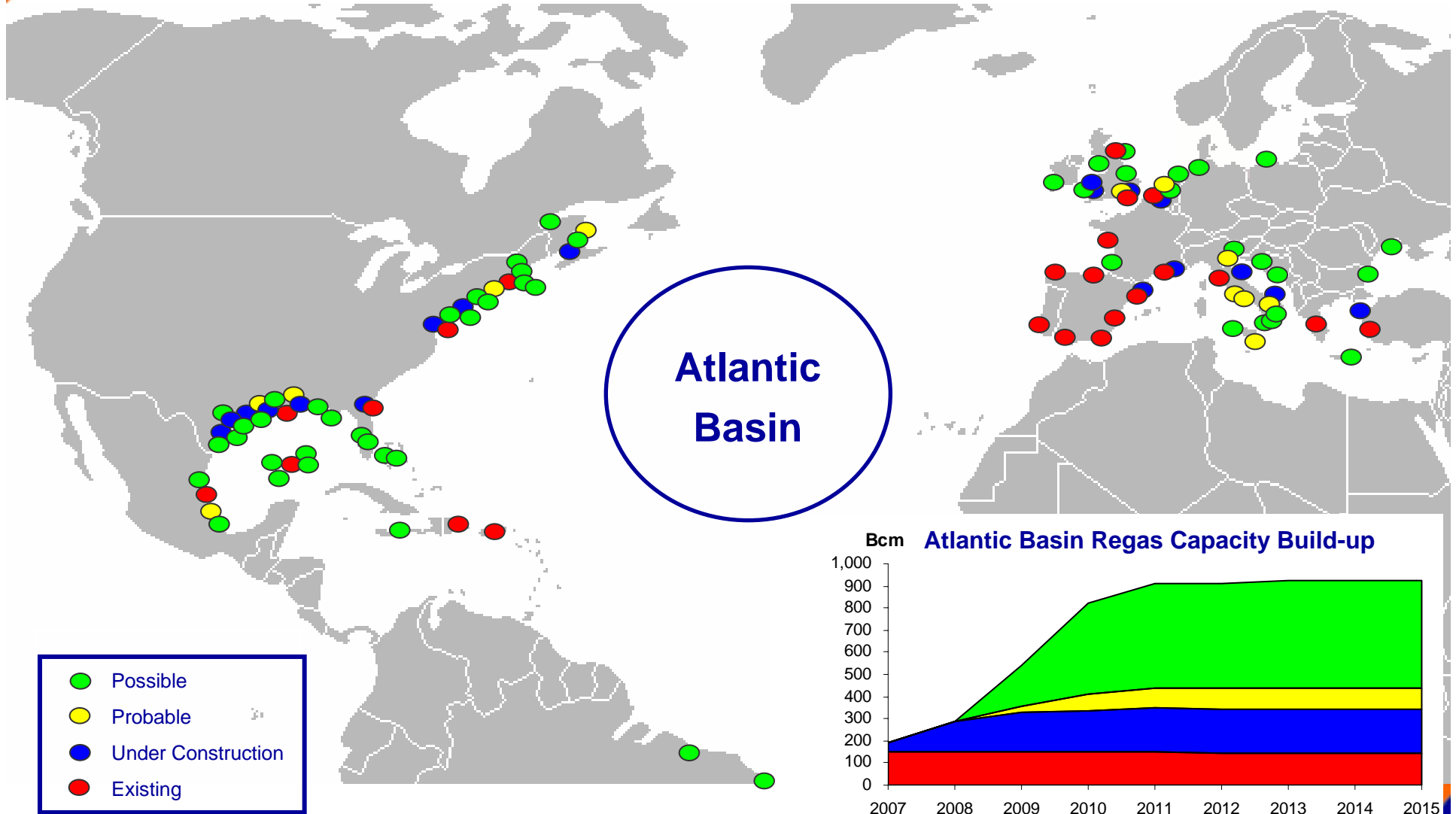


LNG is creating a global gas market, but supplies are tight



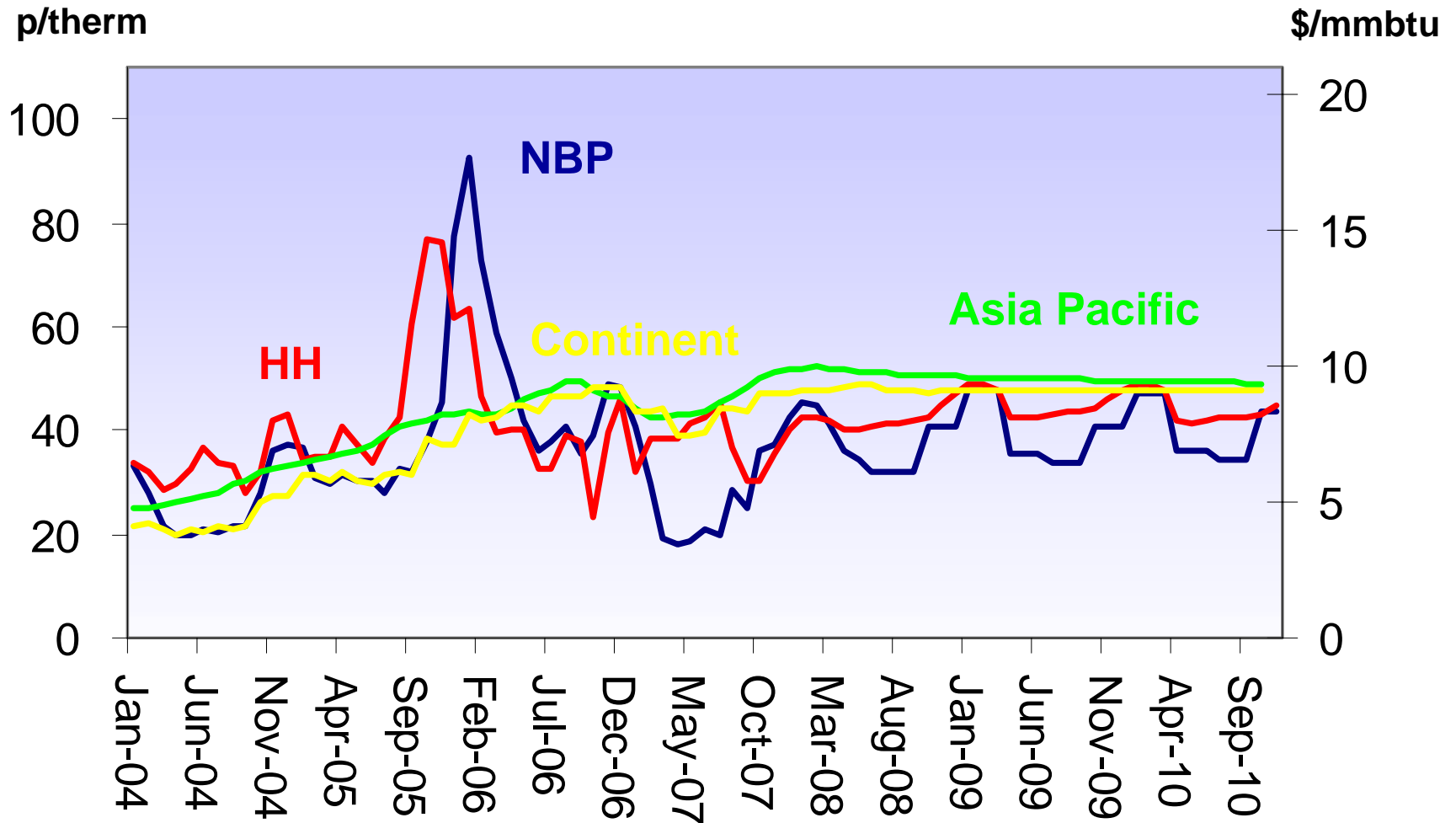
Source: CERA/Platts

Atlantic Regas is being developed ahead of LNG supply



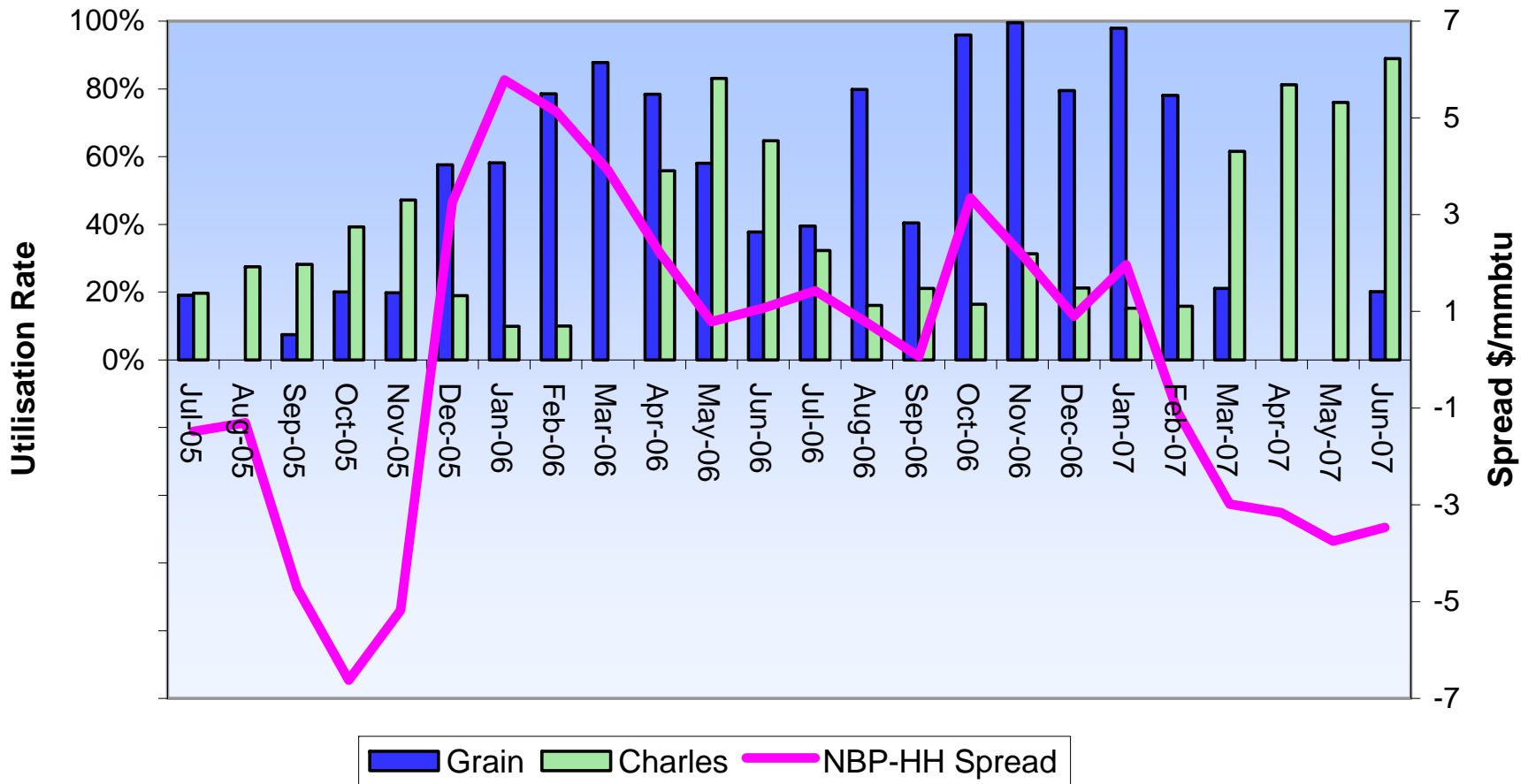
Source: CERA/Platts

Globally there are 4 main price structures

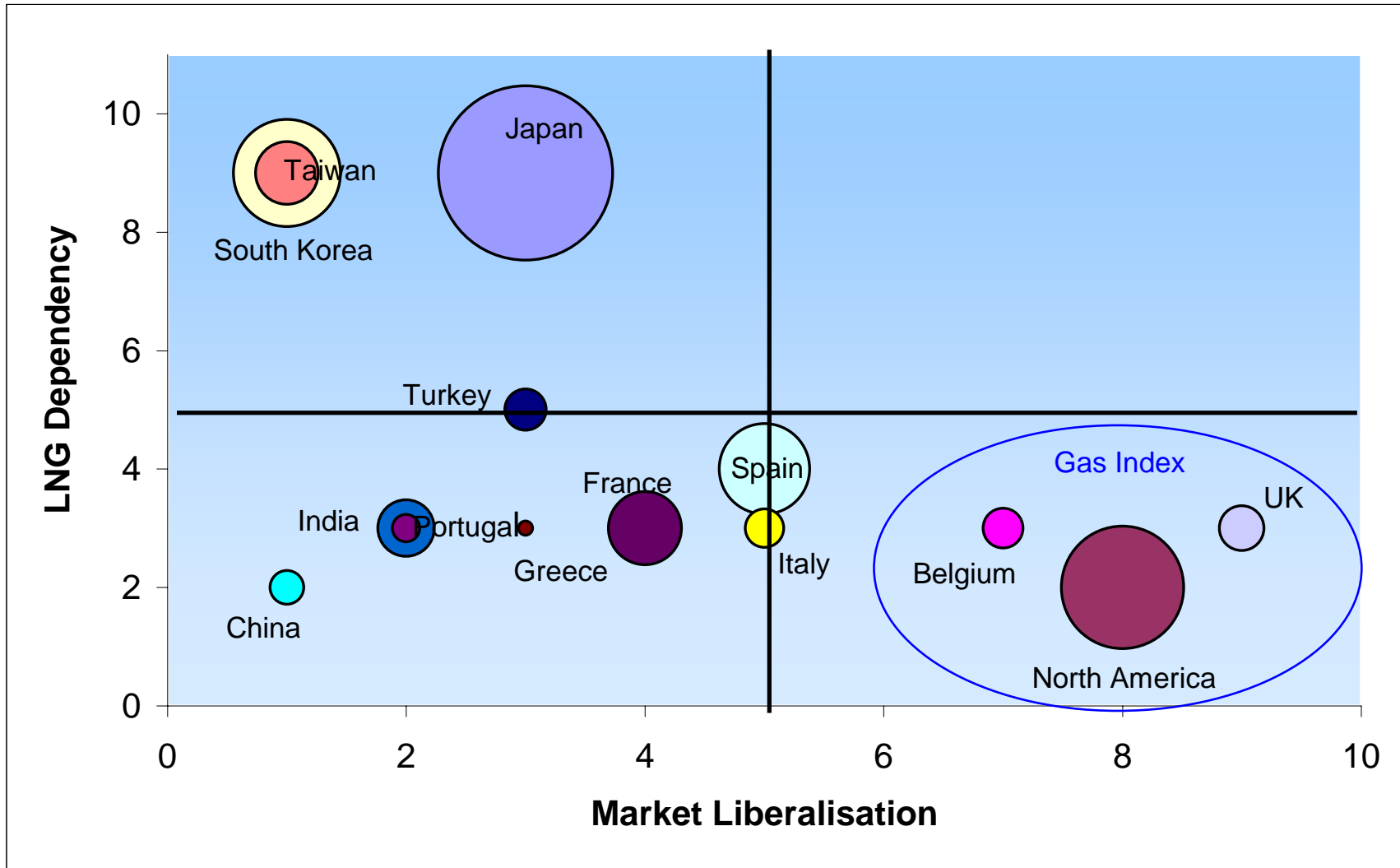


LNG should flow to the highest priced available market

Isle of Grain vs Lake Charles terminal utilisation



LNG Buyers “playing field”





Summary

- The liberalised UK gas market has attracted significant investment in infrastructure
- But capacity does not equal gas
- UK cannot be considered in isolation from Europe ...and the Global gas market
- LNG is creating a creating a global gas market
- LNG supply is increasing but upstream projects are slipping
- Market for LNG supply is highly competitive
- Gas market structures show significant differences across the globe