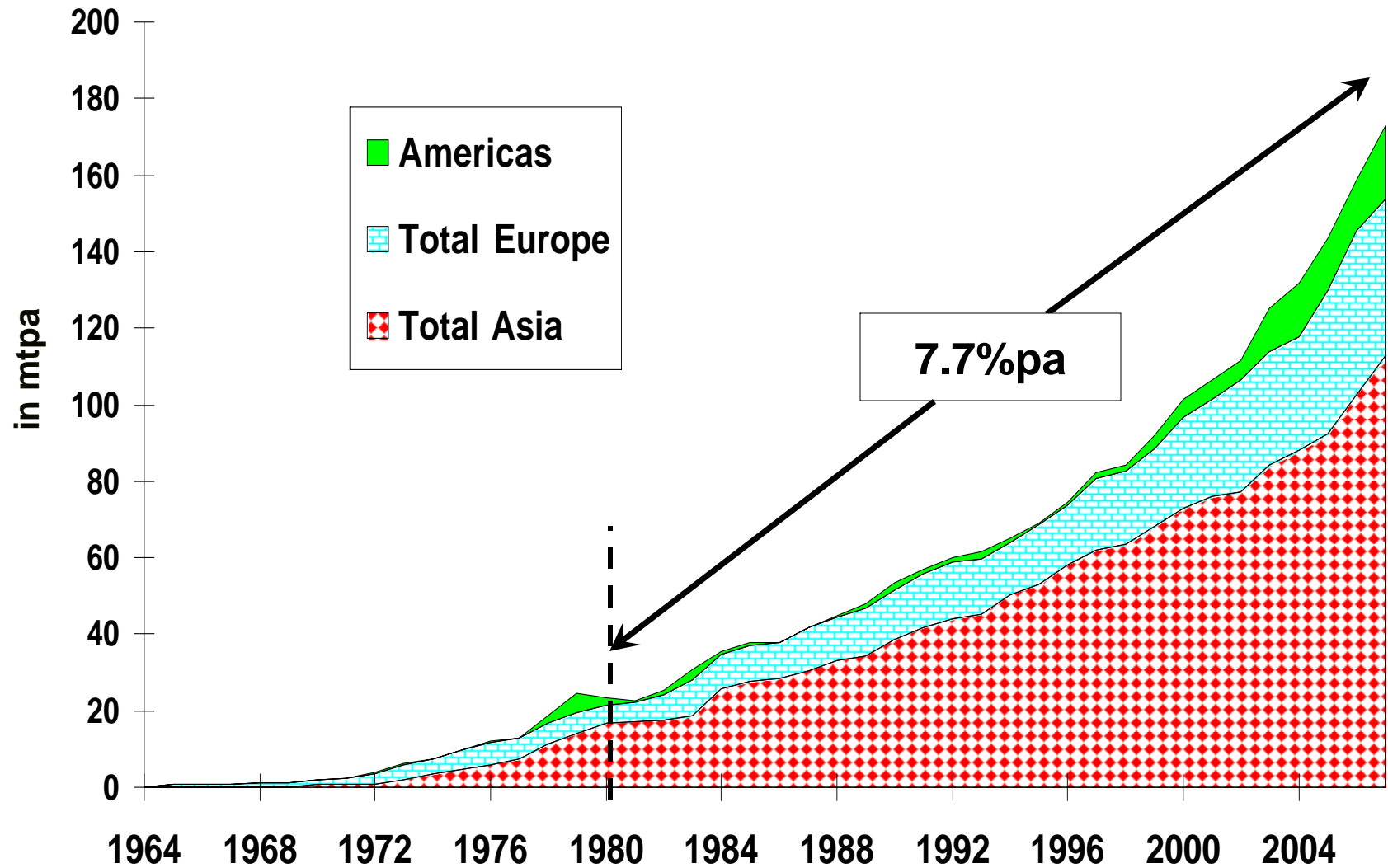
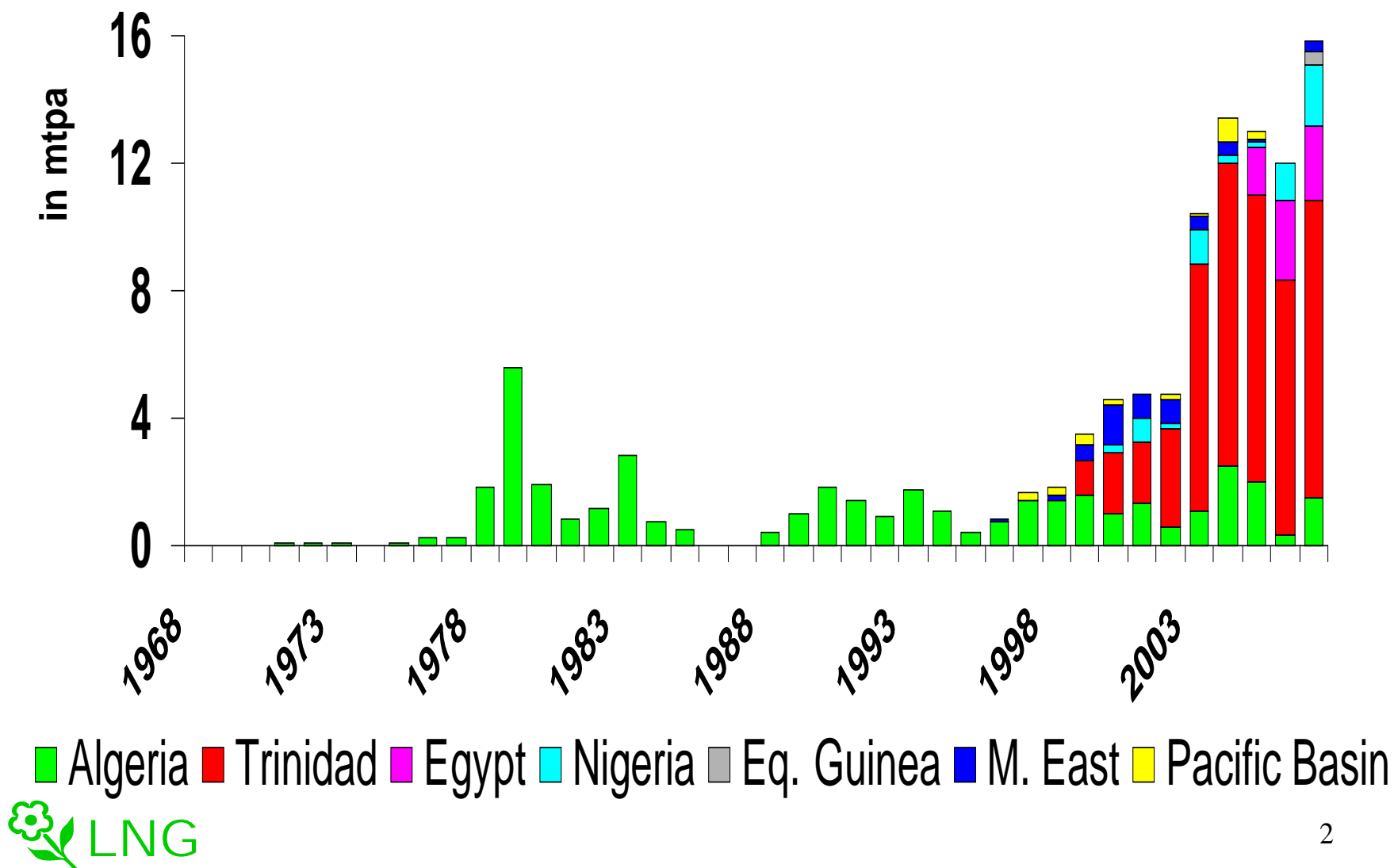


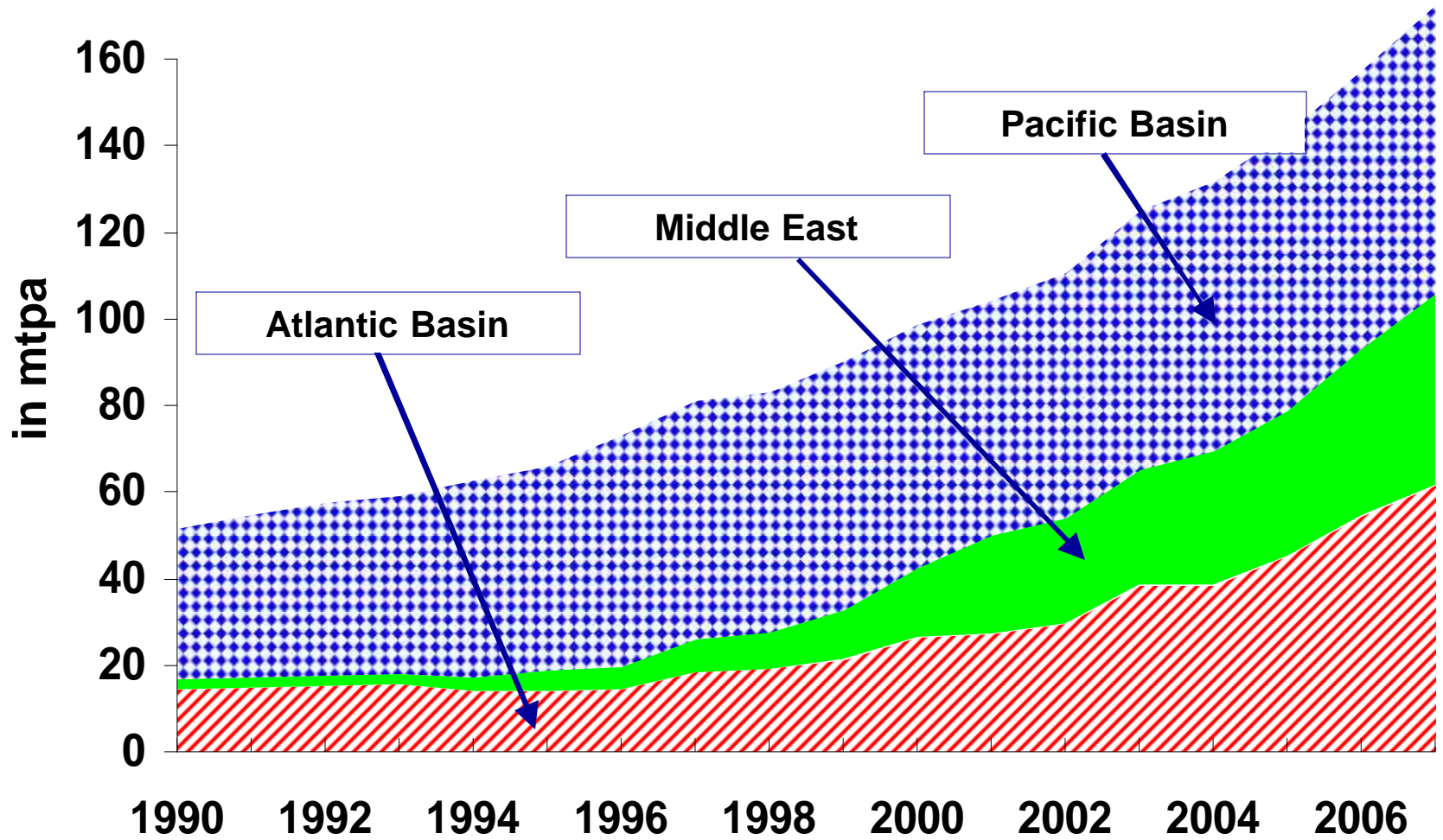
World LNG Imports 1964 – 2007



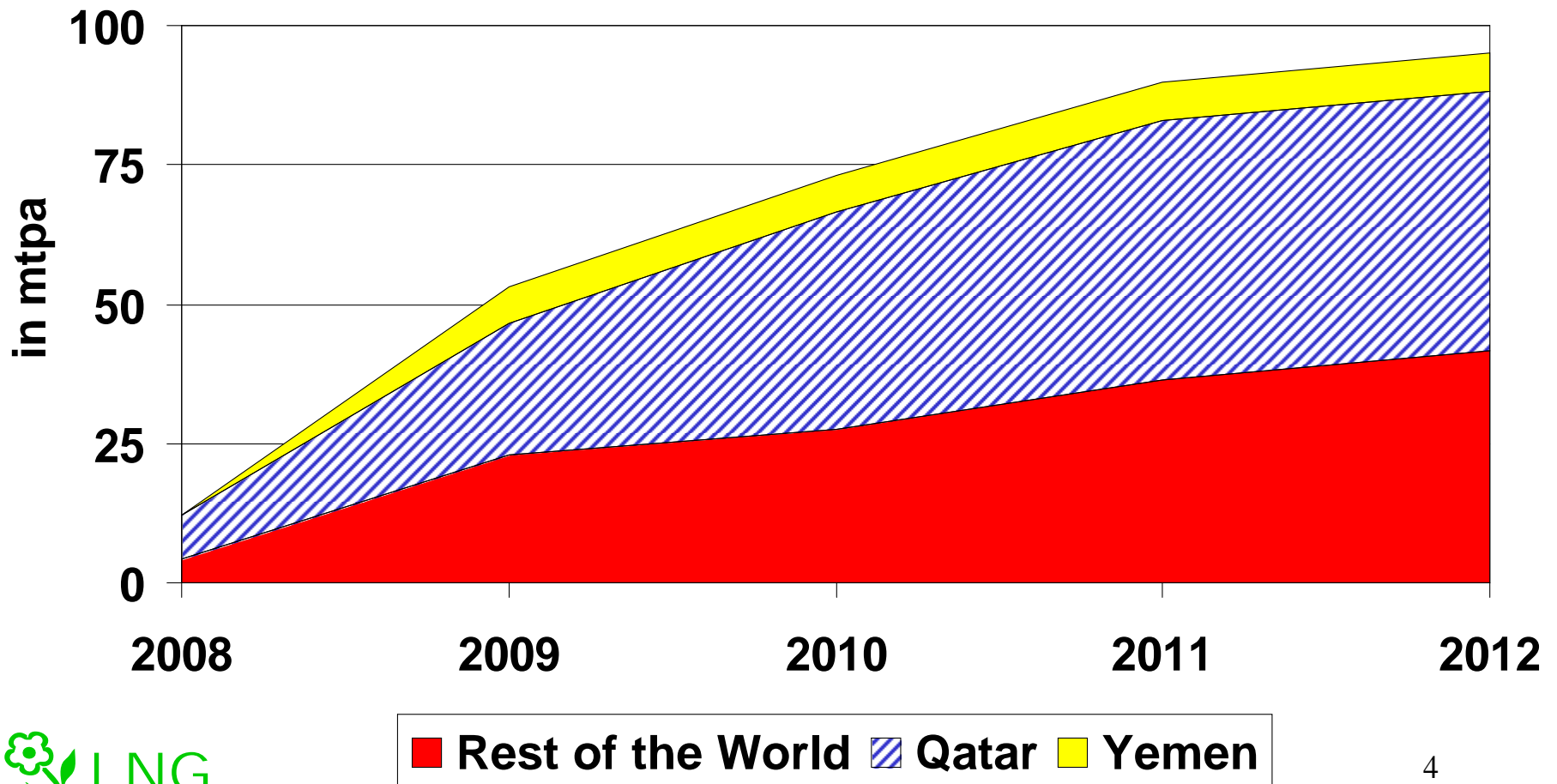
US LNG Imports by Source 1968-2007



Regional LNG Production 1990 - 2007



The Importance of the Middle East – Incremental Liquefaction Capacity 2008-2012



Rest of the World Qatar Yemen

Regas Capacity Exceeds Liquefaction Capacity

	Capacity in Bcf/d	Capacity in mtpa
In operation March 2007	52.7	400.0
Expected by 2010	29.1	221.2
Proposed	33.1	252.2
Total	114.9	873.4

Total Imports 2007: 172.6mt (22.6Bcf/d)

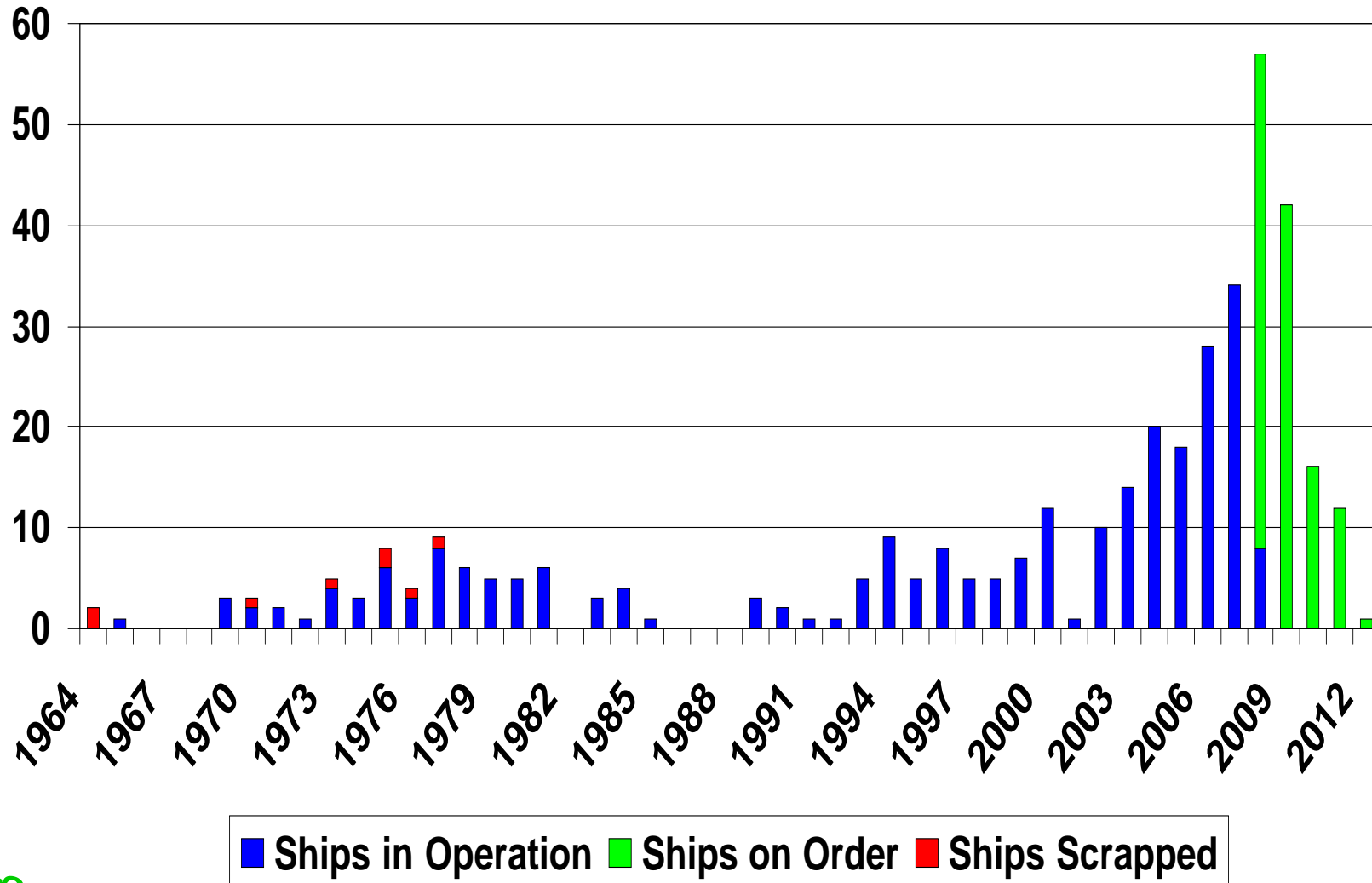


Source: IEA Natural Gas Market Review 2007

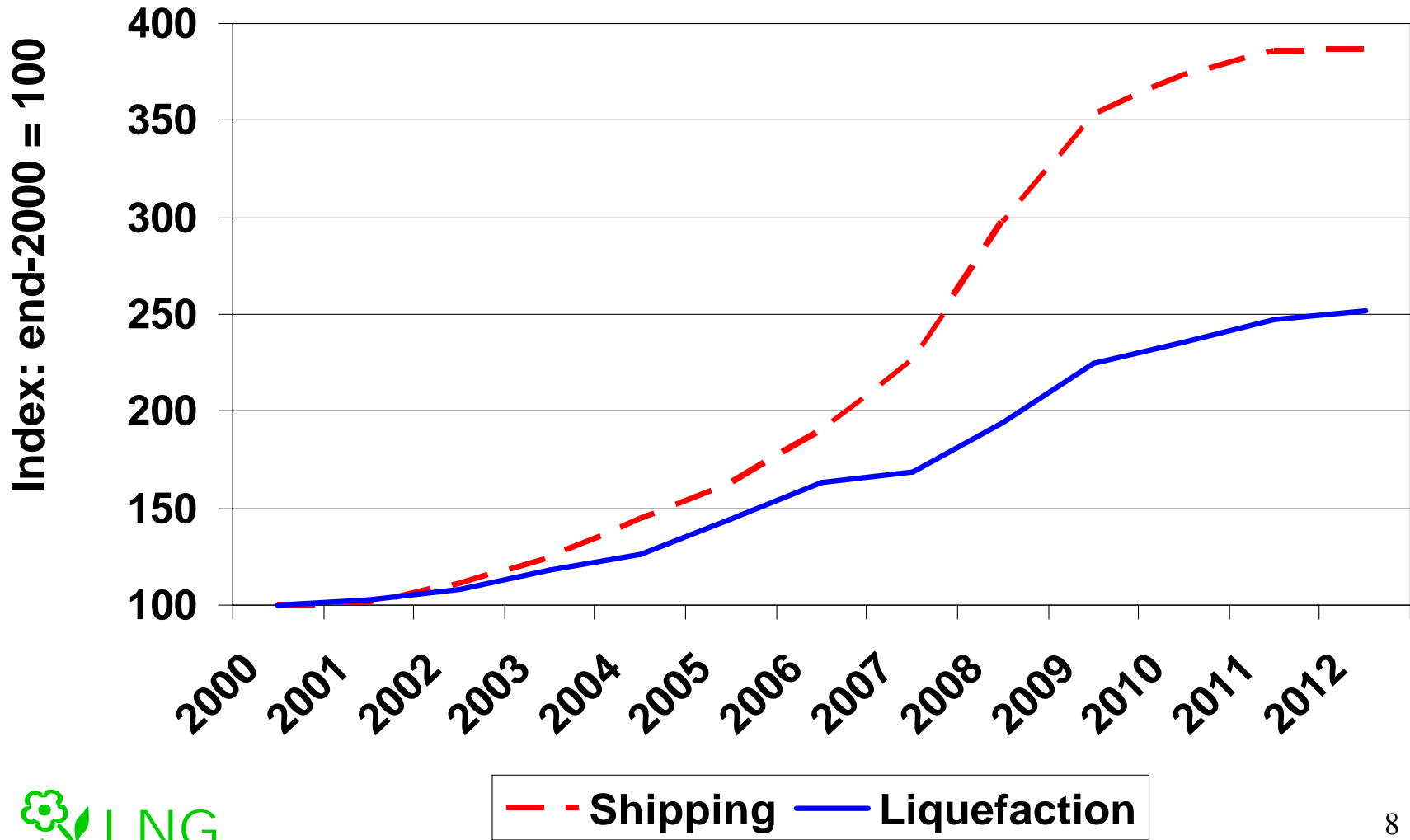
Regasification Capacity Scheduled to be Commissioned in 2008 and 2009

Region	Capacity In Bcf/d	Capacity in mtpa
N. America	10.8	112
Europe	4.1	42
Asia	1.5	16
Total	16.4	170

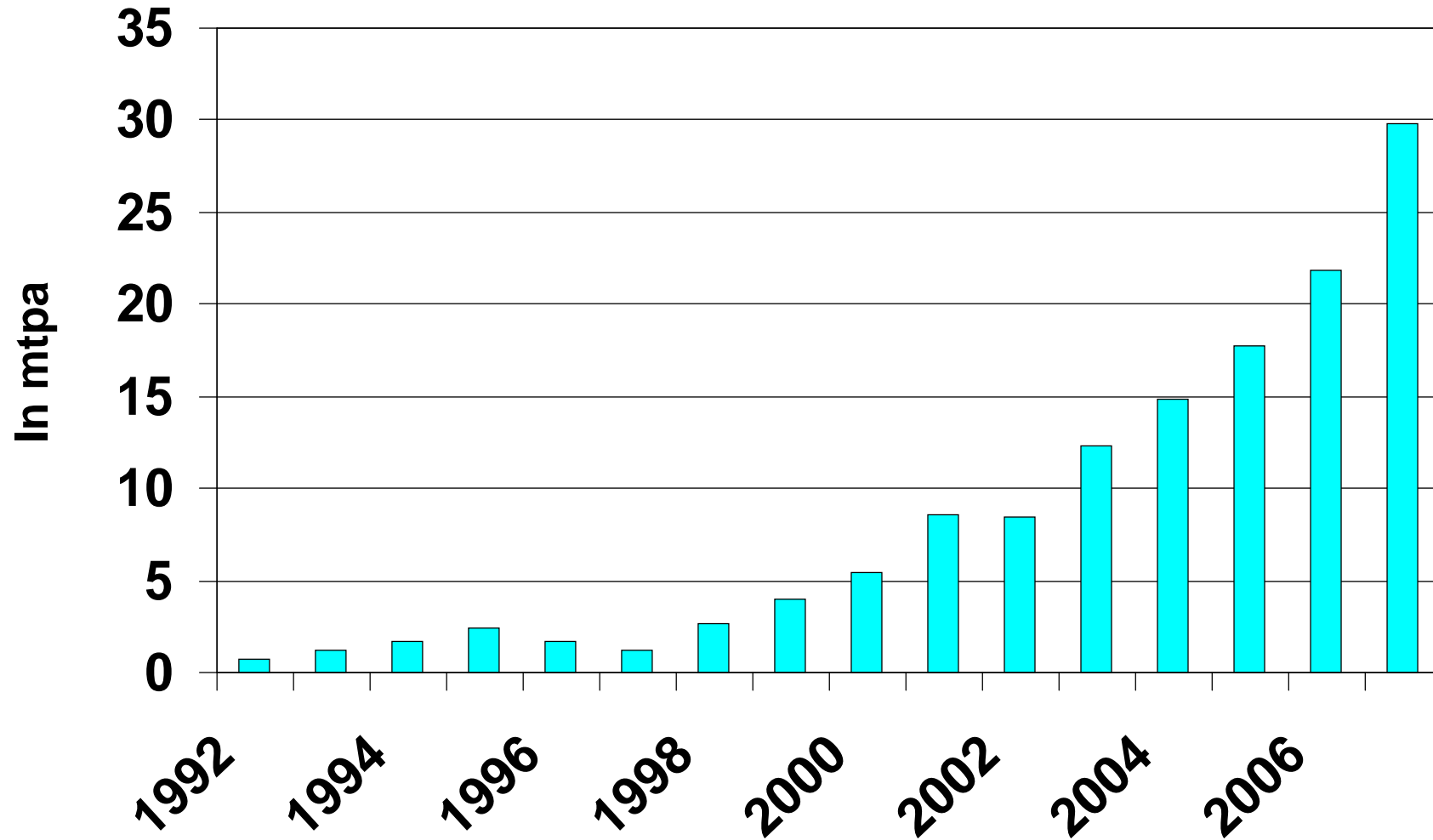
Number of new ships entering into service each year from 1964-2012



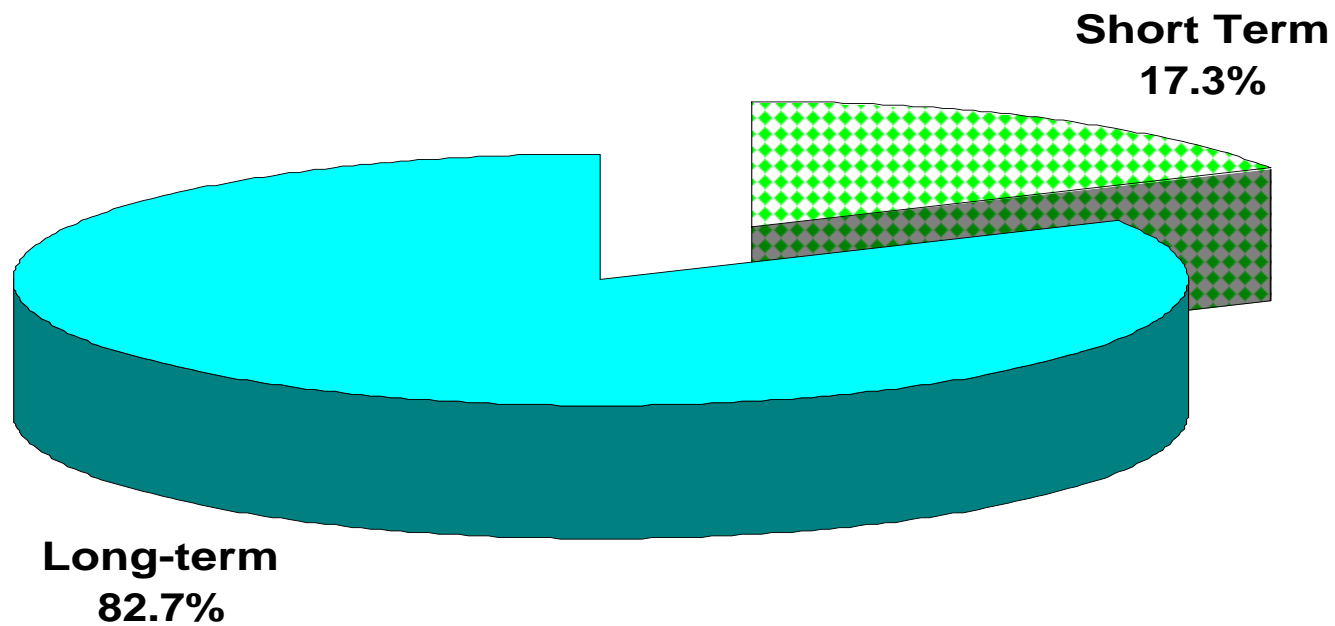
Index of End-year LNG Shipping and Liquefaction Capacity (end-2000 = 100)



LNG Short-Term Trades 1992-2007



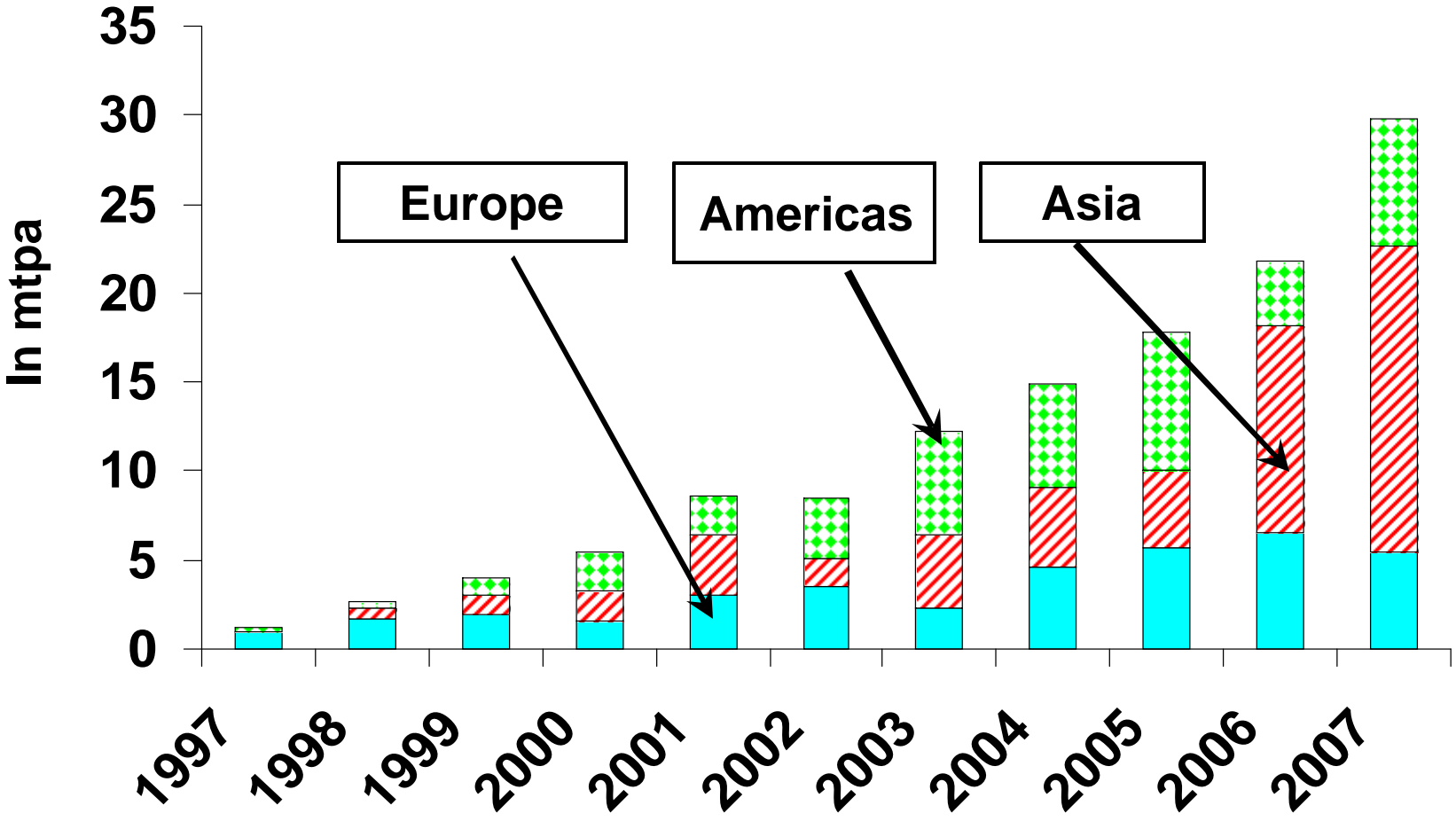
Short-Term v Long-Term Trading in 2007



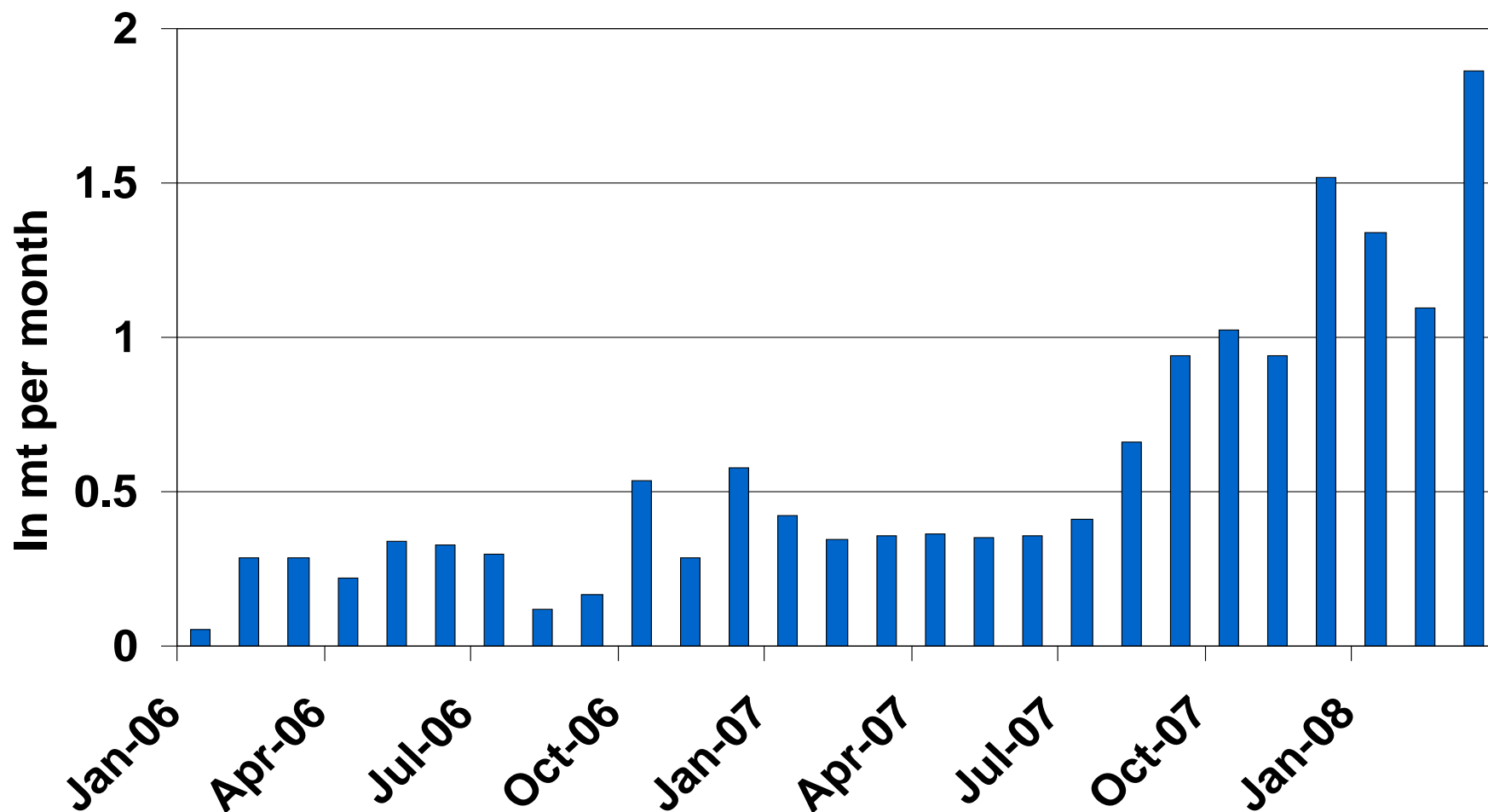
Why Has Short-term Trading Grown?

- Uncommitted LNG output from new LNG trains
- Removal or weakening of destination clauses in long-term contracts
- Unused regas capacity – utilisation rates globally around 50%
- Access to regas capacity in the liquid US and UK markets
- Buyers using short-term LNG to manage unexpected variations in natural gas demand
- Availability of ships for short-term charter
- Major LNG players developing trading functions

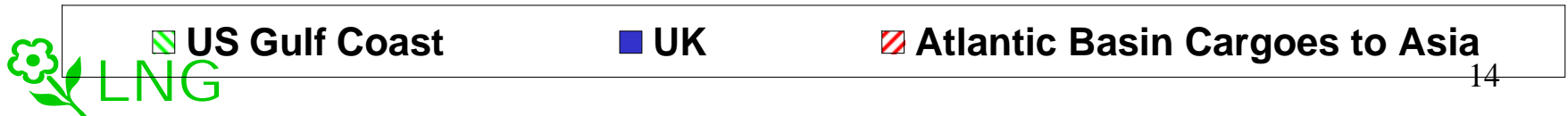
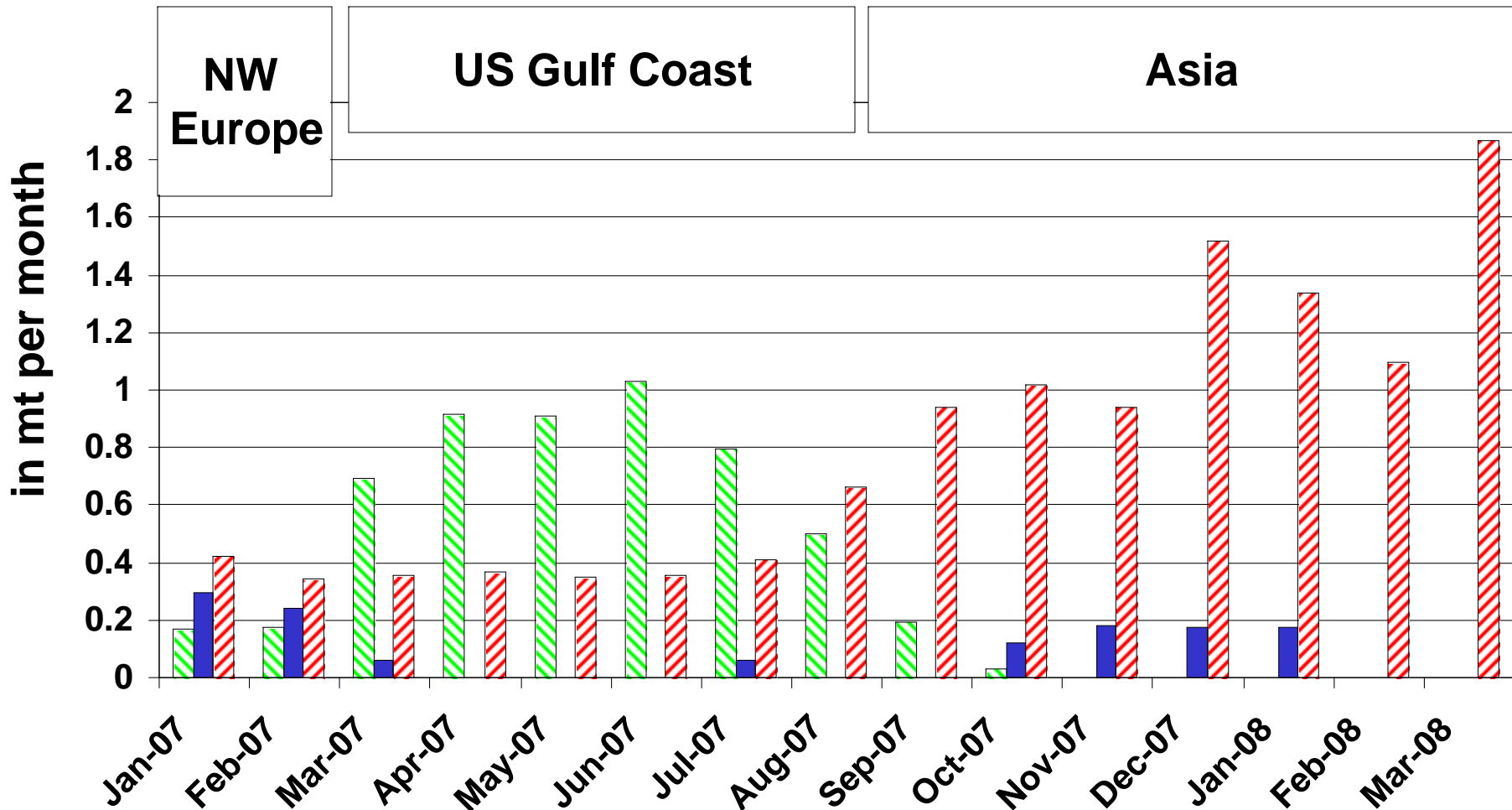
Short-Term LNG Trades 1997-2007 - Markets



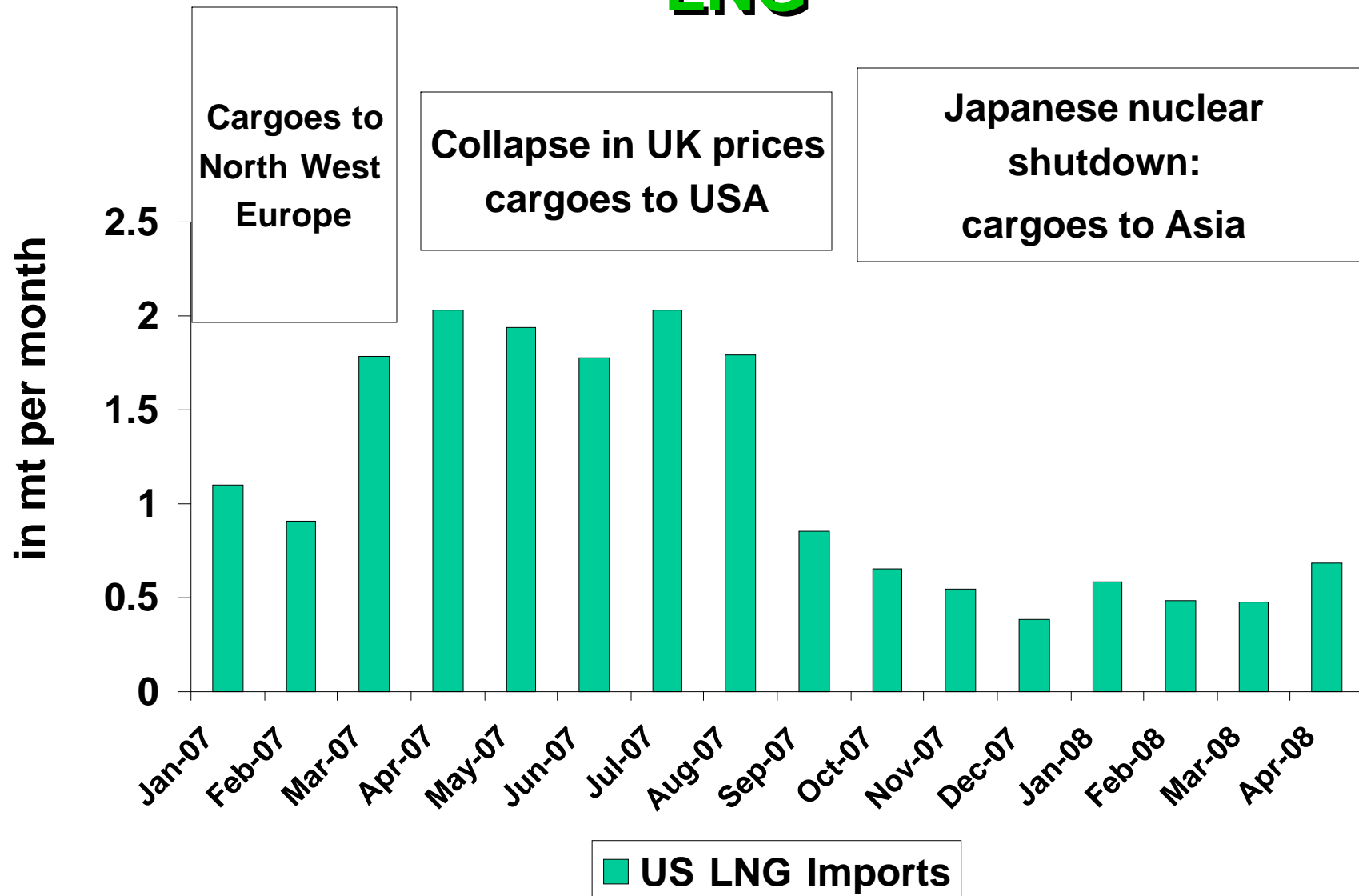
LNG Cargoes from the Atlantic Basin to Asia Jan 2006 to Mar 2008



Flexible LNG Follows the Price



The US has Become the Swing Market for LNG



Summary

- Global LNG Activity has doubled every 9 years over the last three decades
- The Middle East's share of supply has increased from 4% in the mid-nineties to over 25% in 2007
- 57% of the liquefaction capacity due to come on stream by 2012 is in the Middle East
- Regas capacity and shipping capacity has been brought into service more rapidly than liquefaction capacity
- The short-term trading of LNG has grown over the last decade and accounted for nearly 30mtpa of production in 2007, when it represented just over one-sixth of total global activity.
- Flexible LNG follows price with the US acting as the swing market
- US import levels will depend on the demand for LNG in other markets
- The LNG market is expected to remain tight this year with output expected to increase by 4 to 7% - below historic levels and the market demand
- The situation may ease in 2009 and 2010 as the Qatari mega-trains are commissioned and projects delayed from 2008 come on stream
- Longer-term the sellers' market is expected to continue which could constrain US imports.

Thank You