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Energy and commodity price benchmarking and market insights

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illuminating the markets

Market Reporting
Consulting
Events

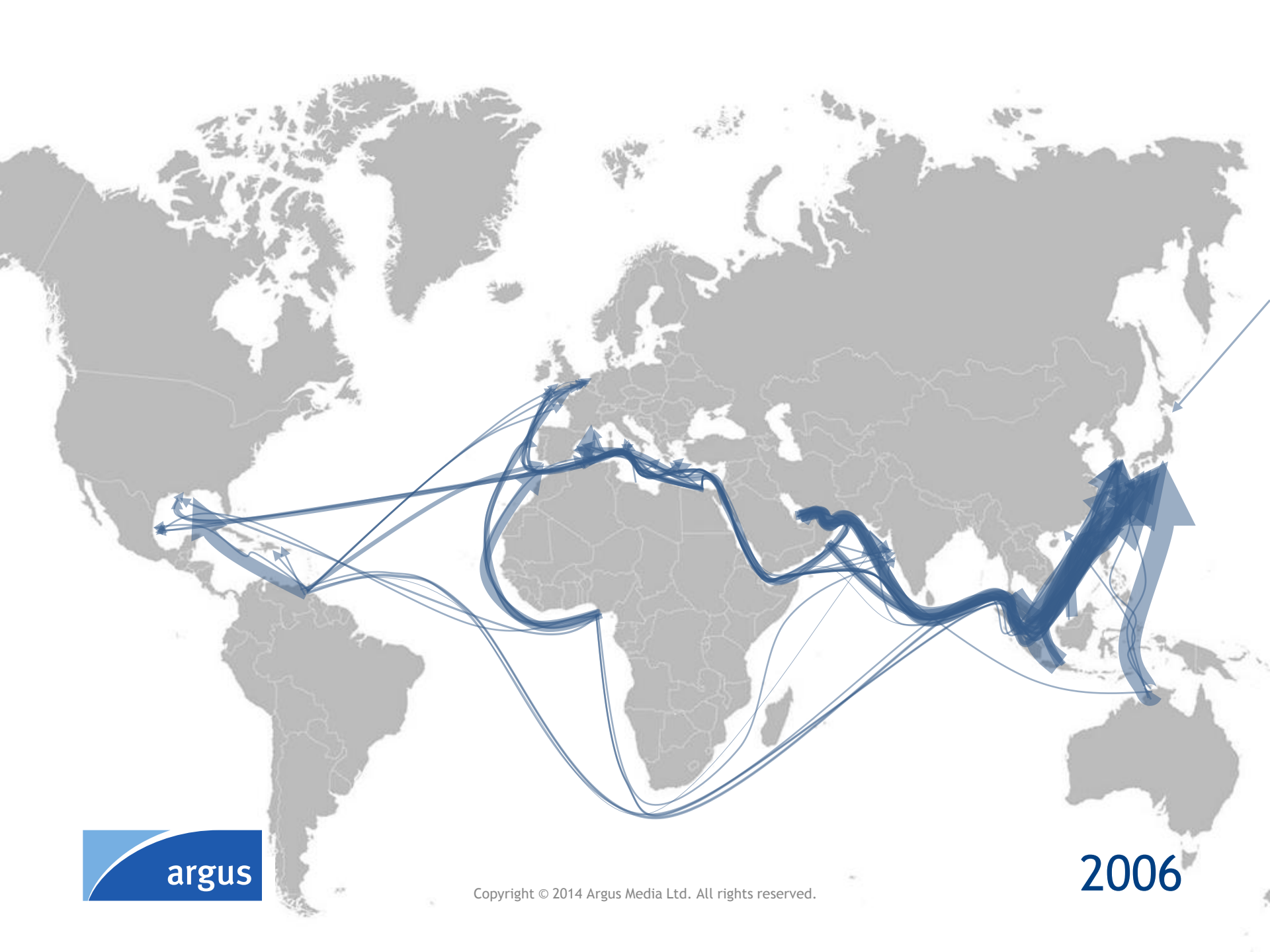
An international perspective on energy prices

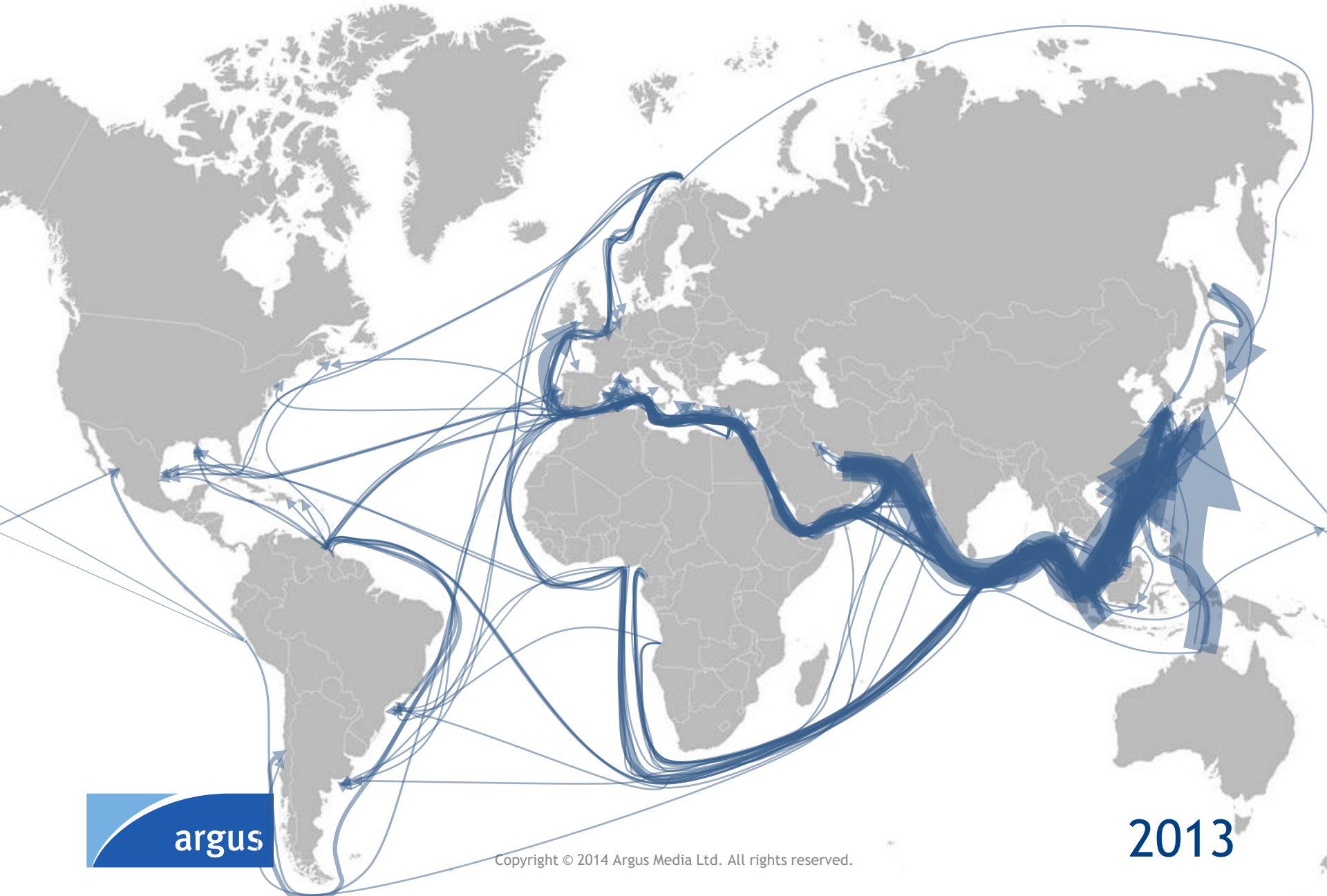
IFIEC Energy Forum 2014

Matthew Monteverde

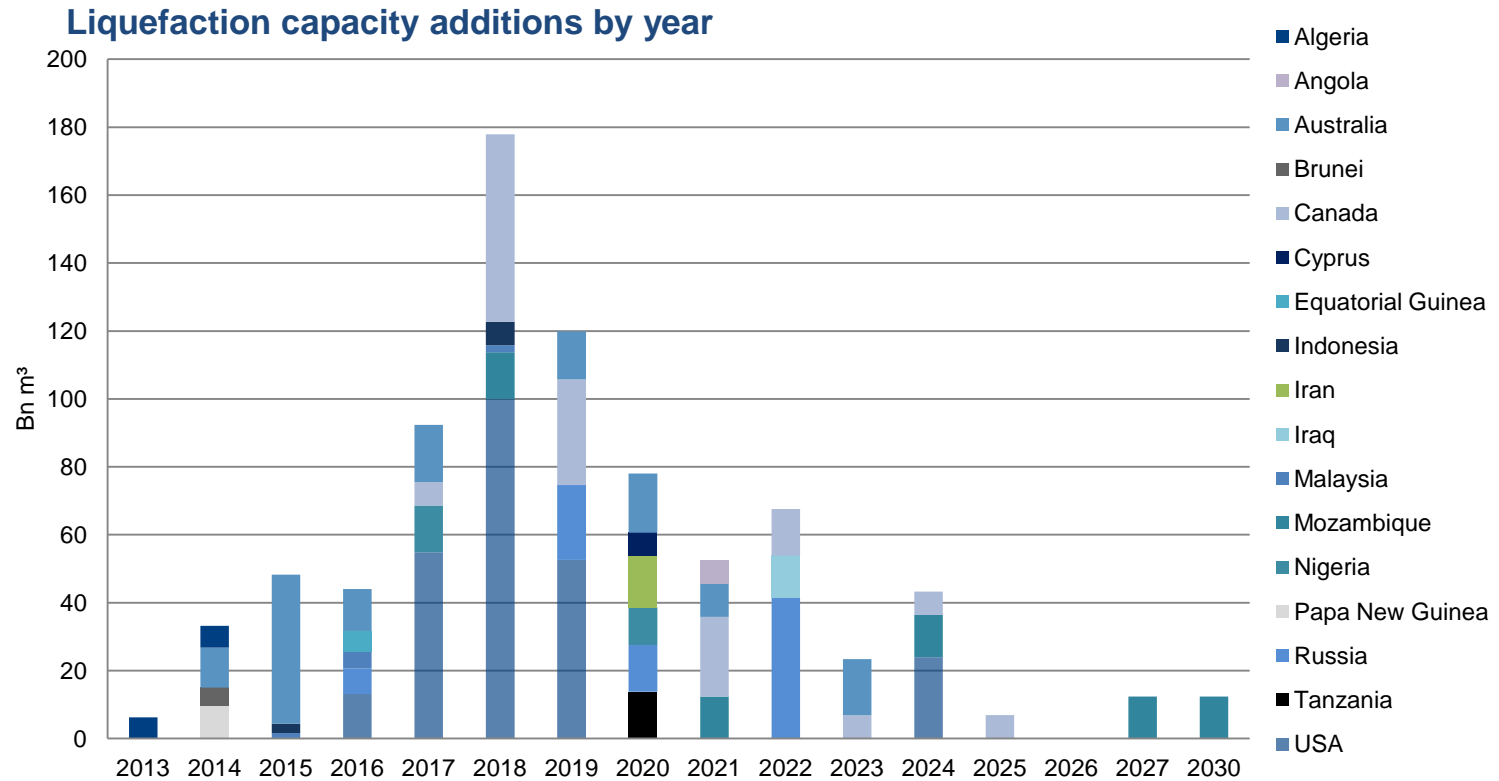
11 June 2014

The slow globalisation of gas

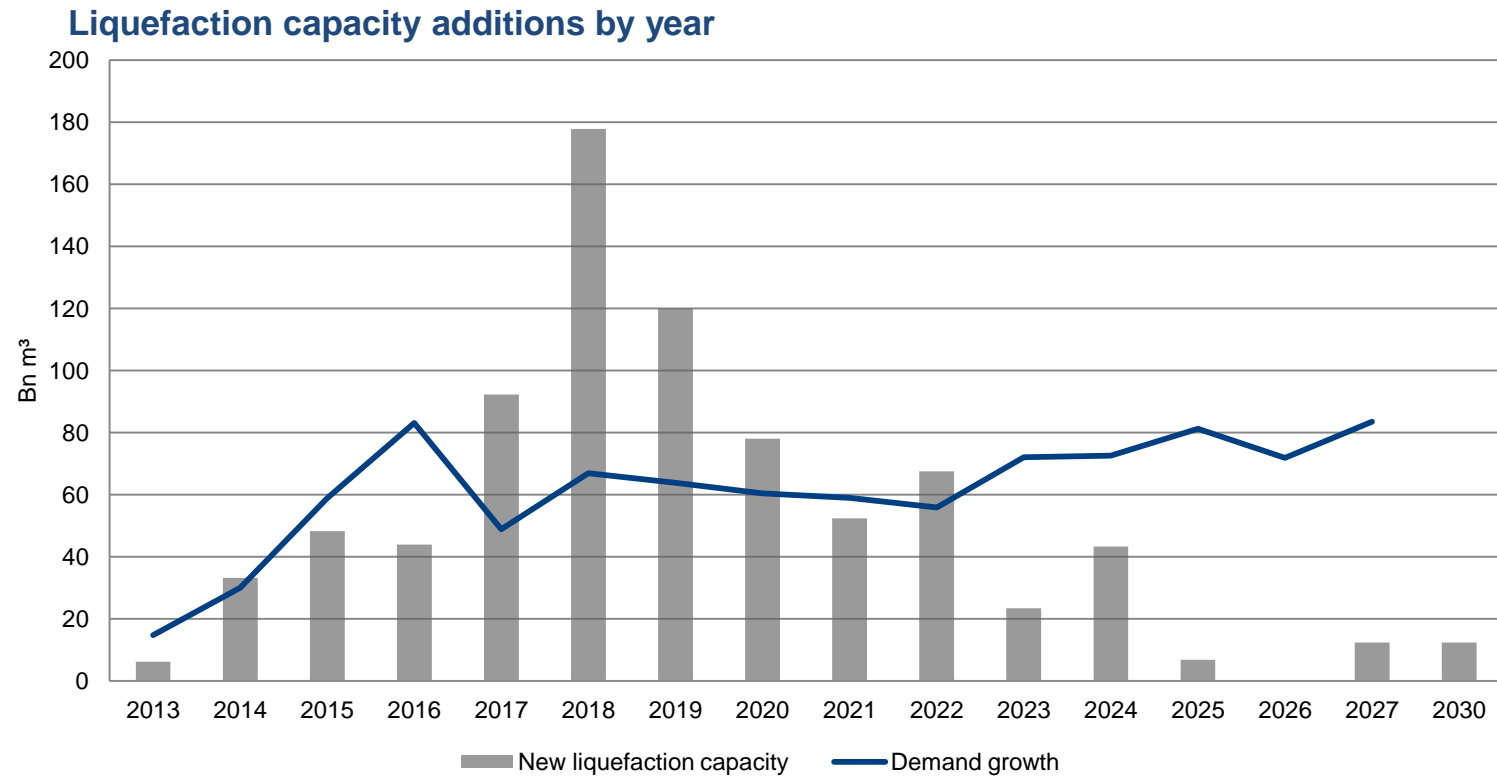




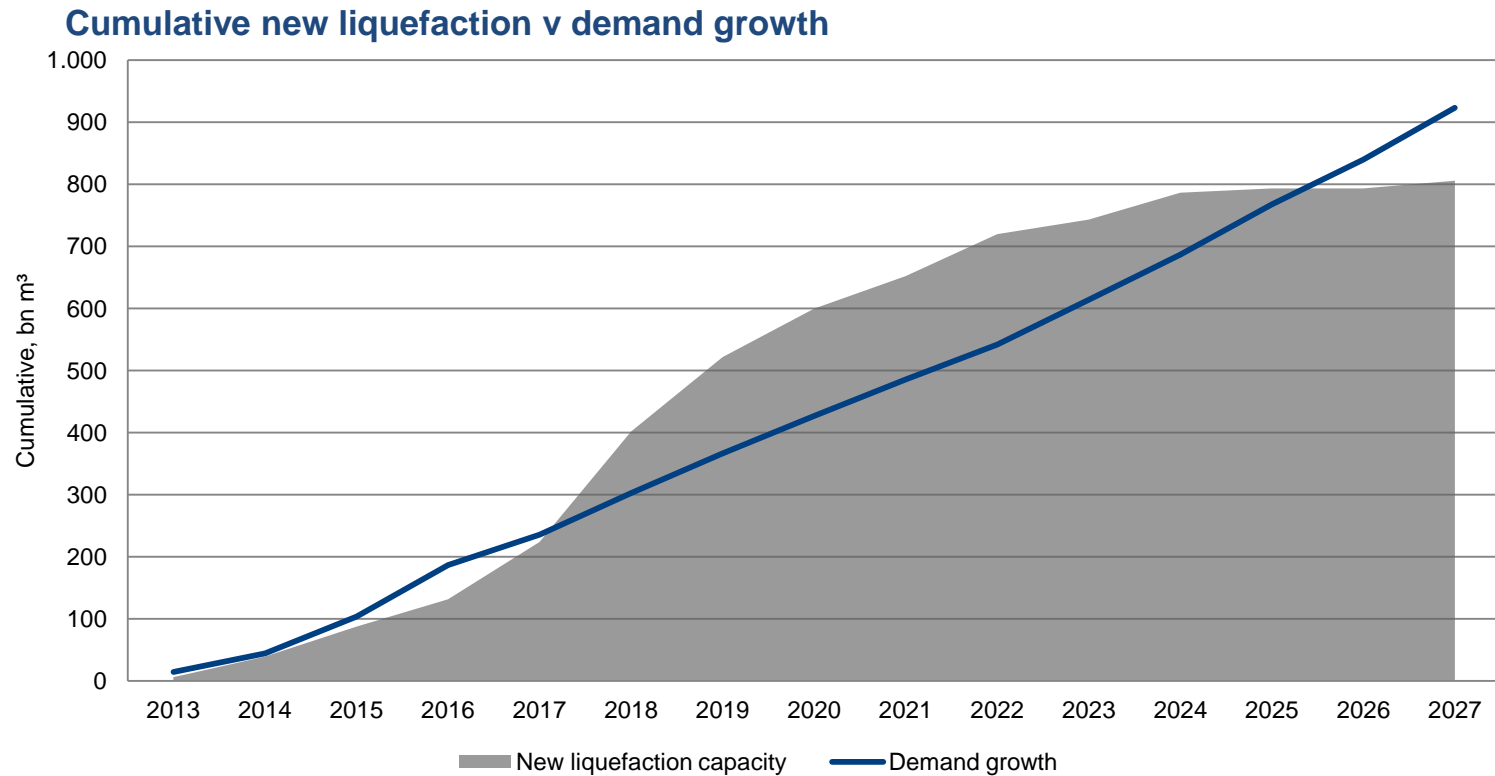
Liquefaction capacity to jump



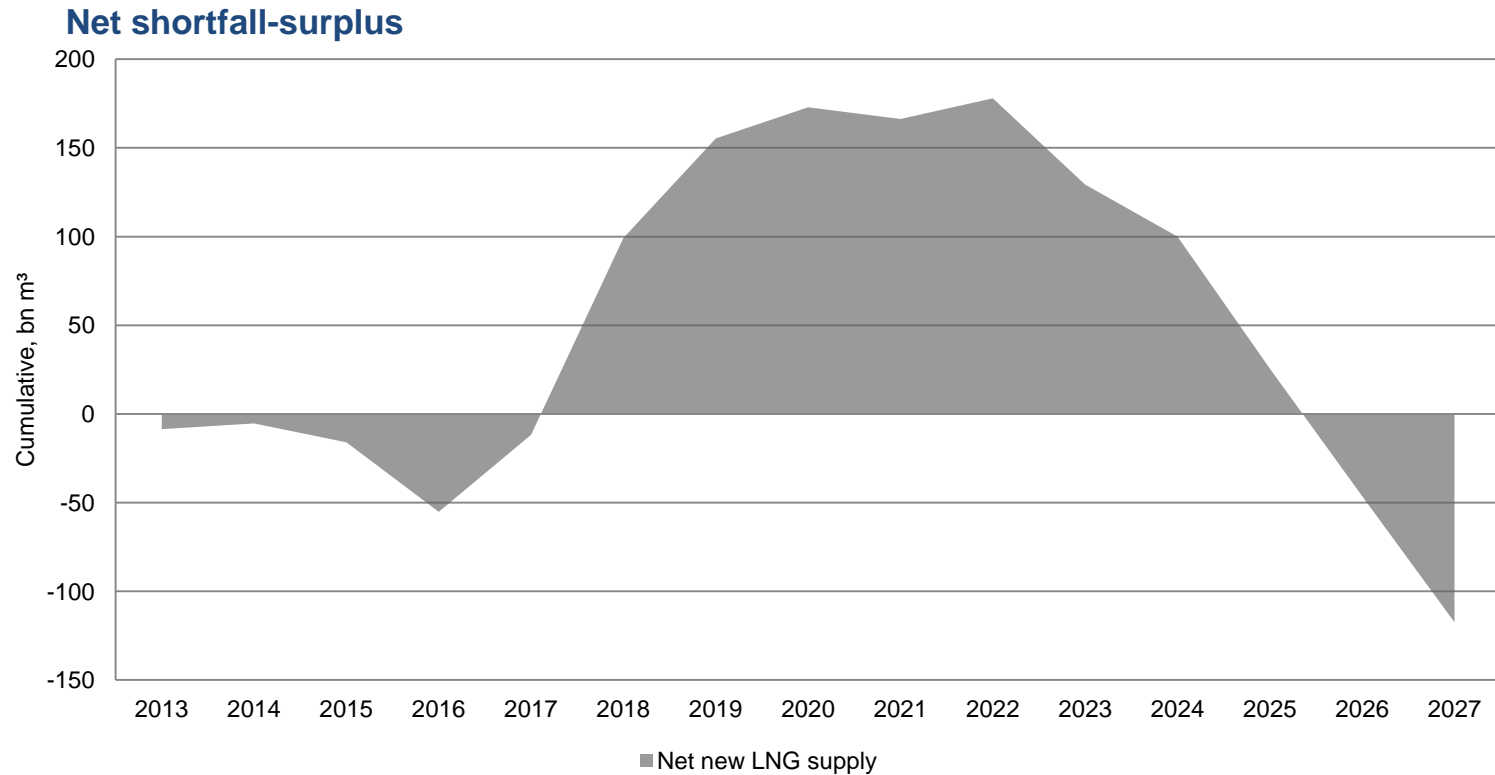
Liquefaction capacity to outpace demand growth



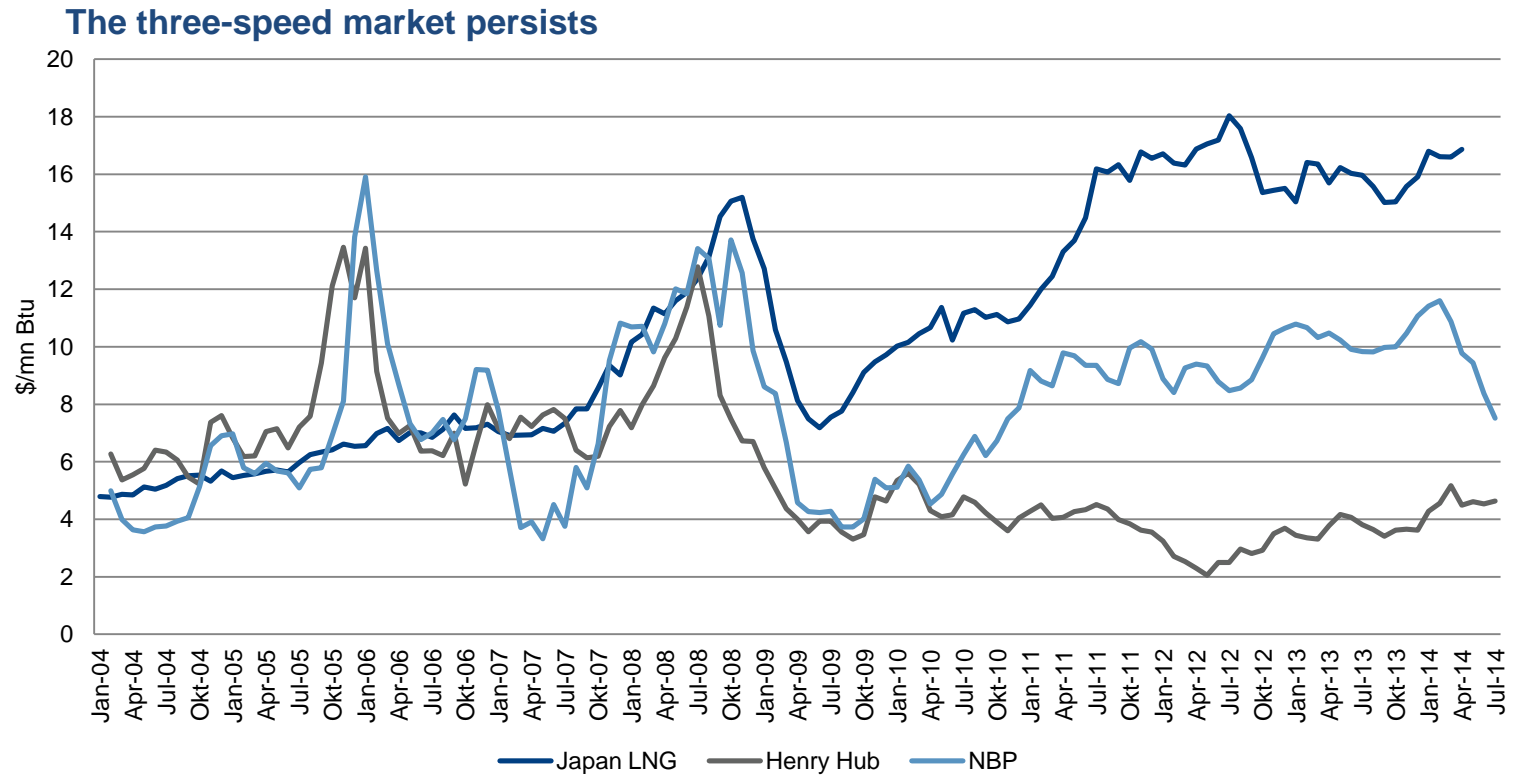
Liquefaction capacity to outpace demand growth



Liquefaction capacity to outpace demand growth



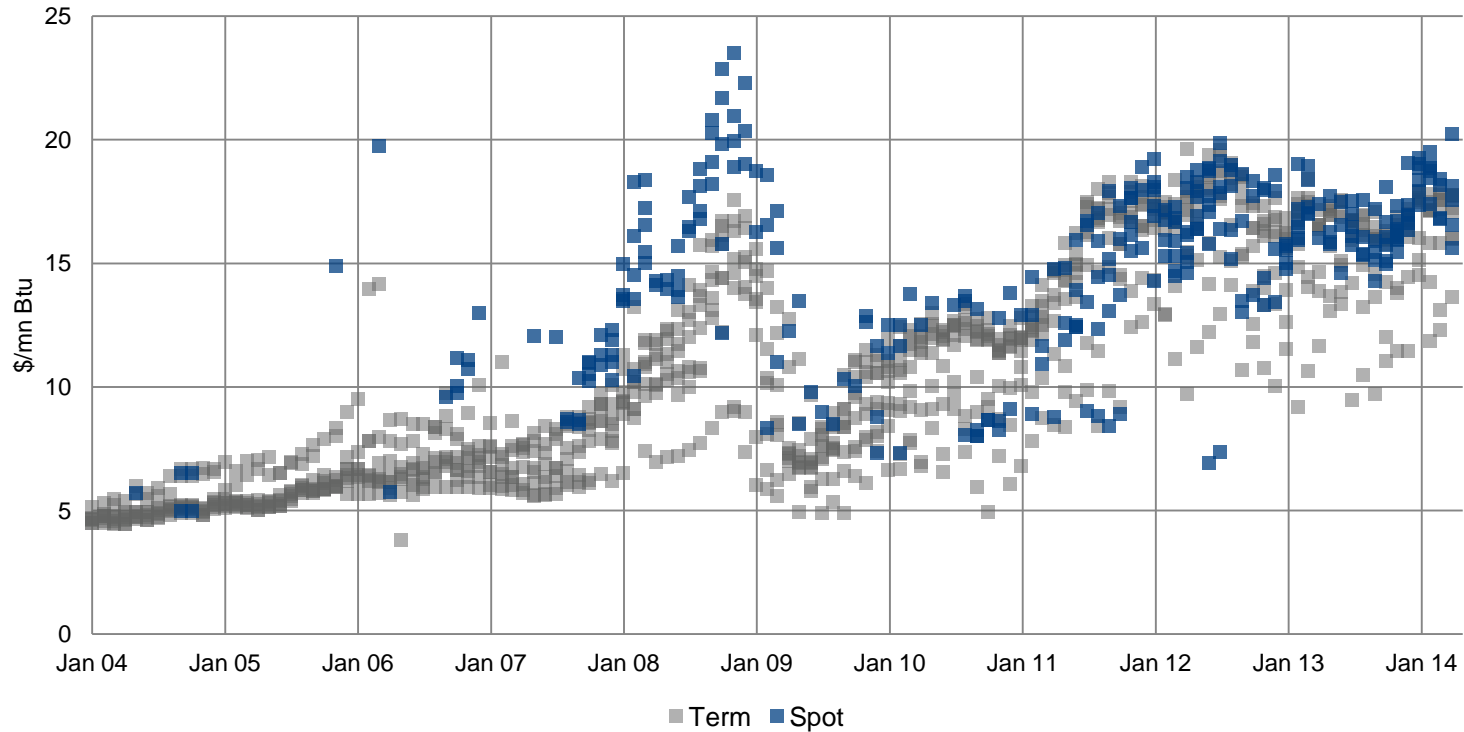
Global prices remain divided



Japan

Japanese import prices

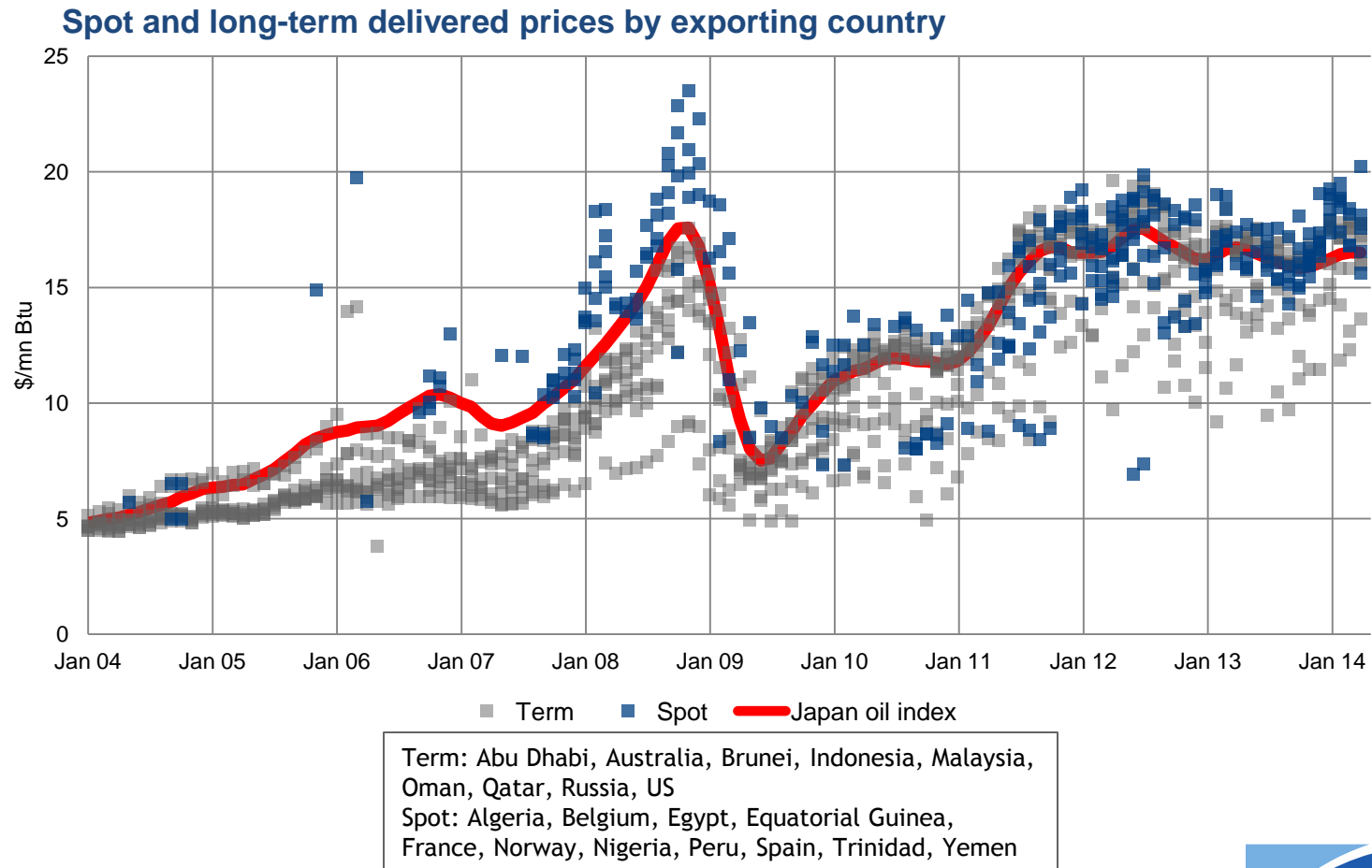
Spot and long-term delivered prices by exporting country



■ Term ■ Spot

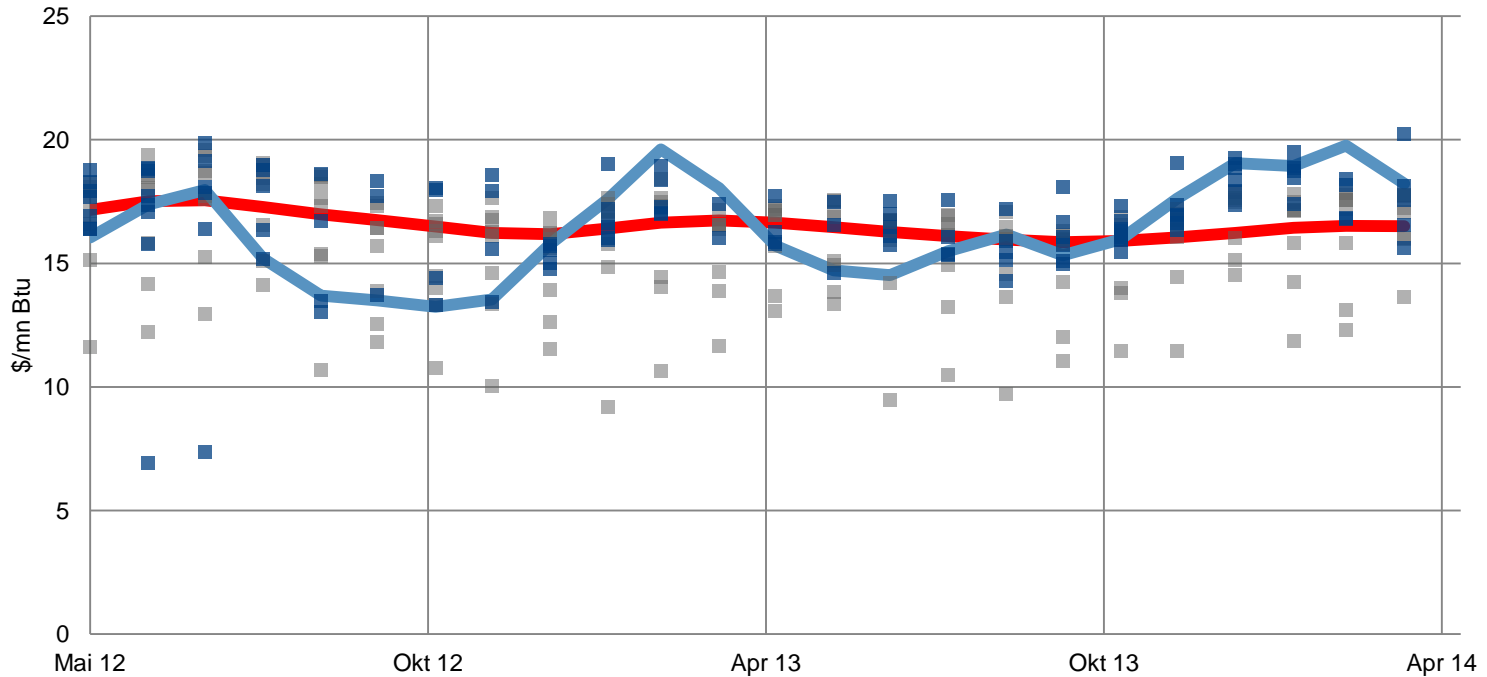
Term: Abu Dhabi, Australia, Brunei, Indonesia, Malaysia, Oman, Qatar, Russia, US
Spot: Algeria, Belgium, Egypt, Equatorial Guinea, France, Norway, Nigeria, Peru, Spain, Trinidad, Yemen

Japanese import prices



Japanese import prices

Spot and long-term delivered prices by exporting country

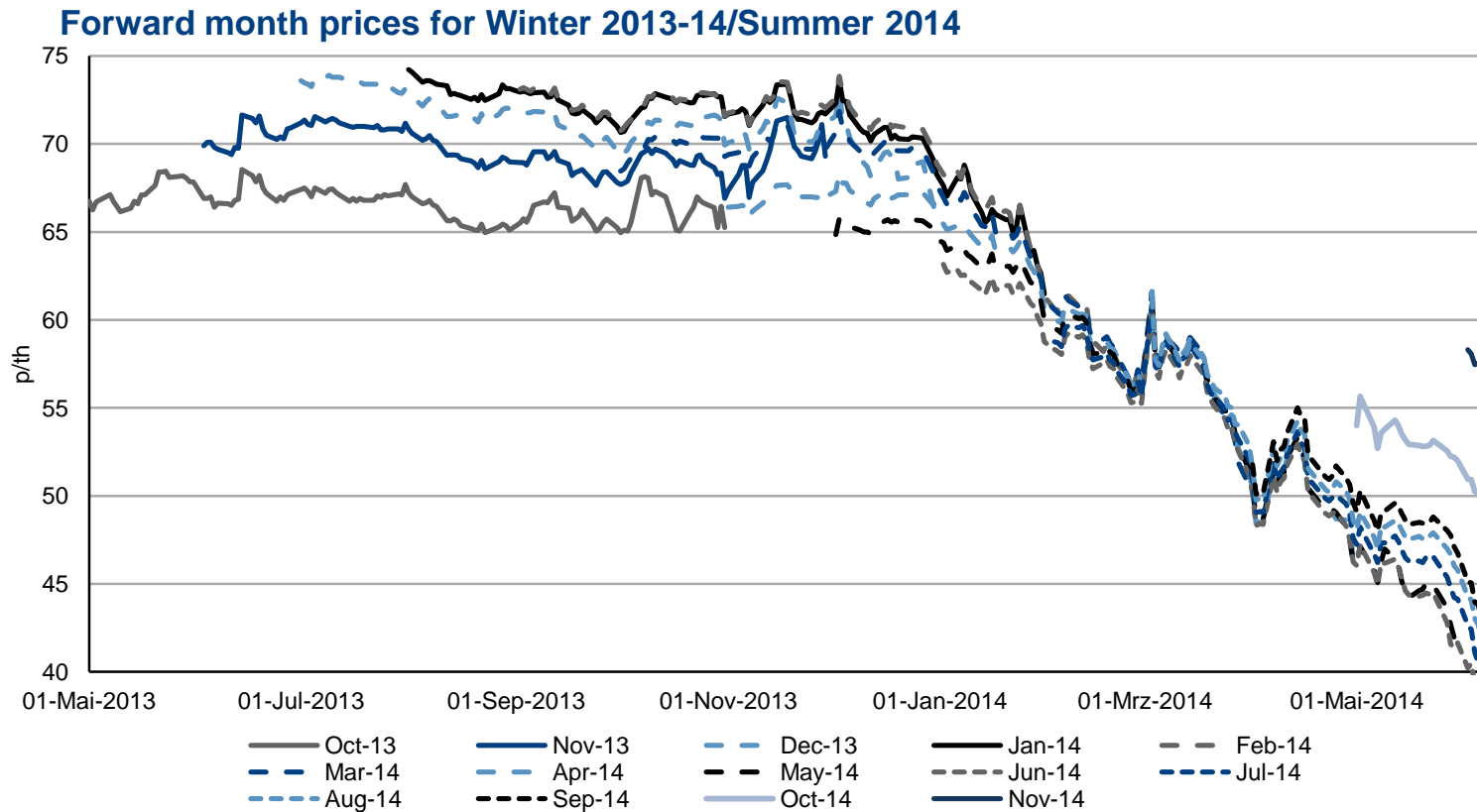


■ Term ■ Spot — Japan oil index — ANEA

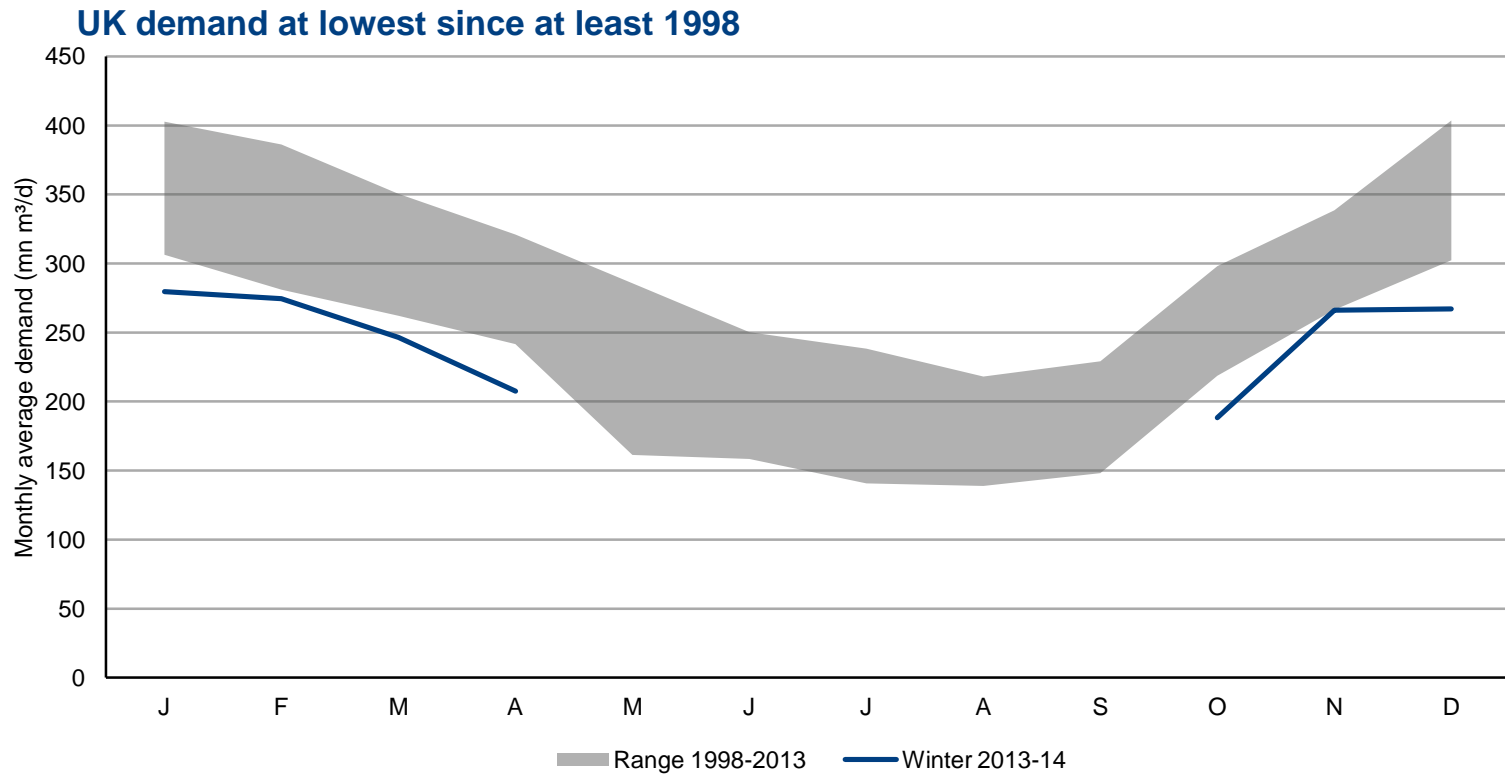
Term: Abu Dhabi, Australia, Brunei, Indonesia, Malaysia, Oman, Qatar, Russia, US
 Spot: Algeria, Belgium, Egypt, Equatorial Guinea, France, Norway, Nigeria, Peru, Spain, Trinidad, Yemen

| Europe

The collapse

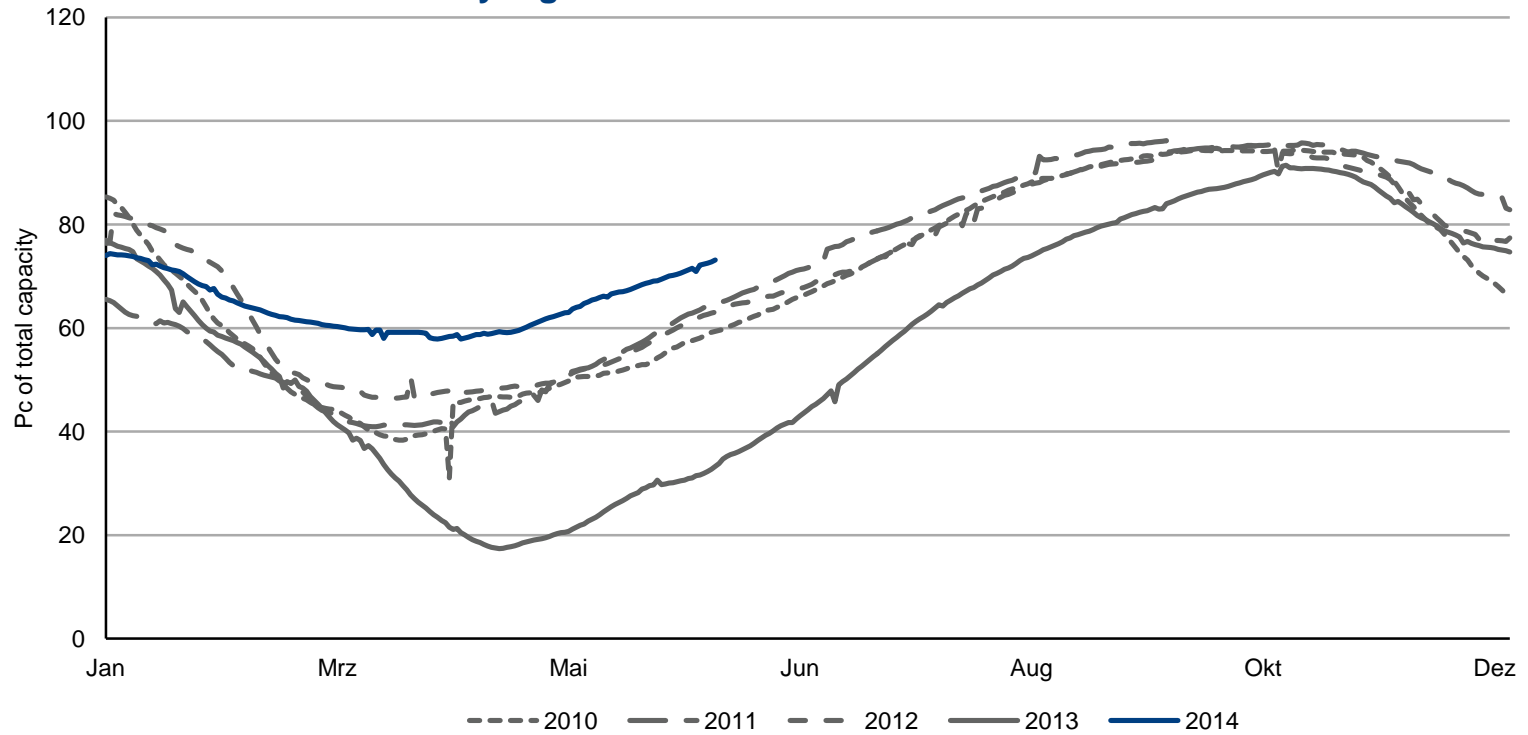


Winter demand at historic lows



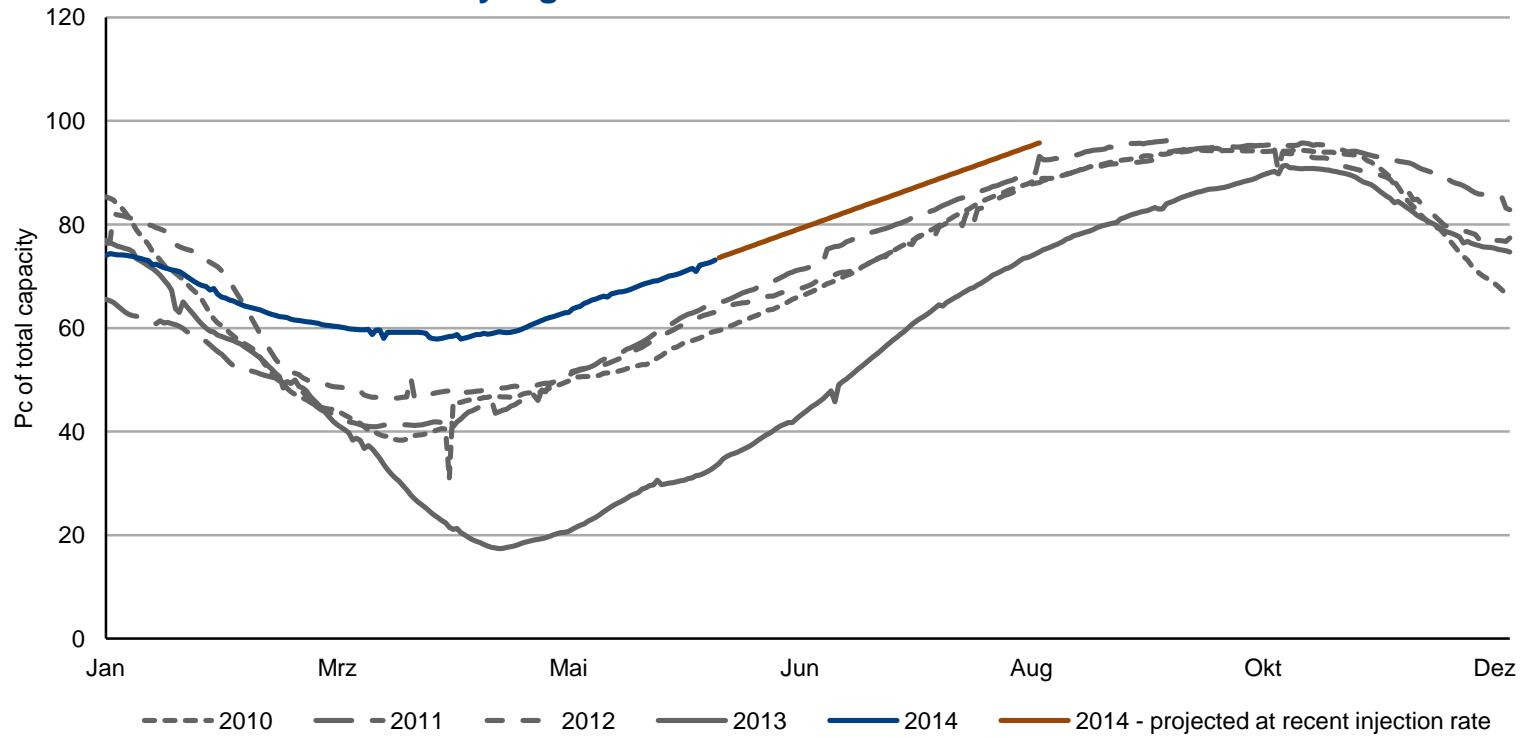
Storage

German stocks unusually high after mild winter



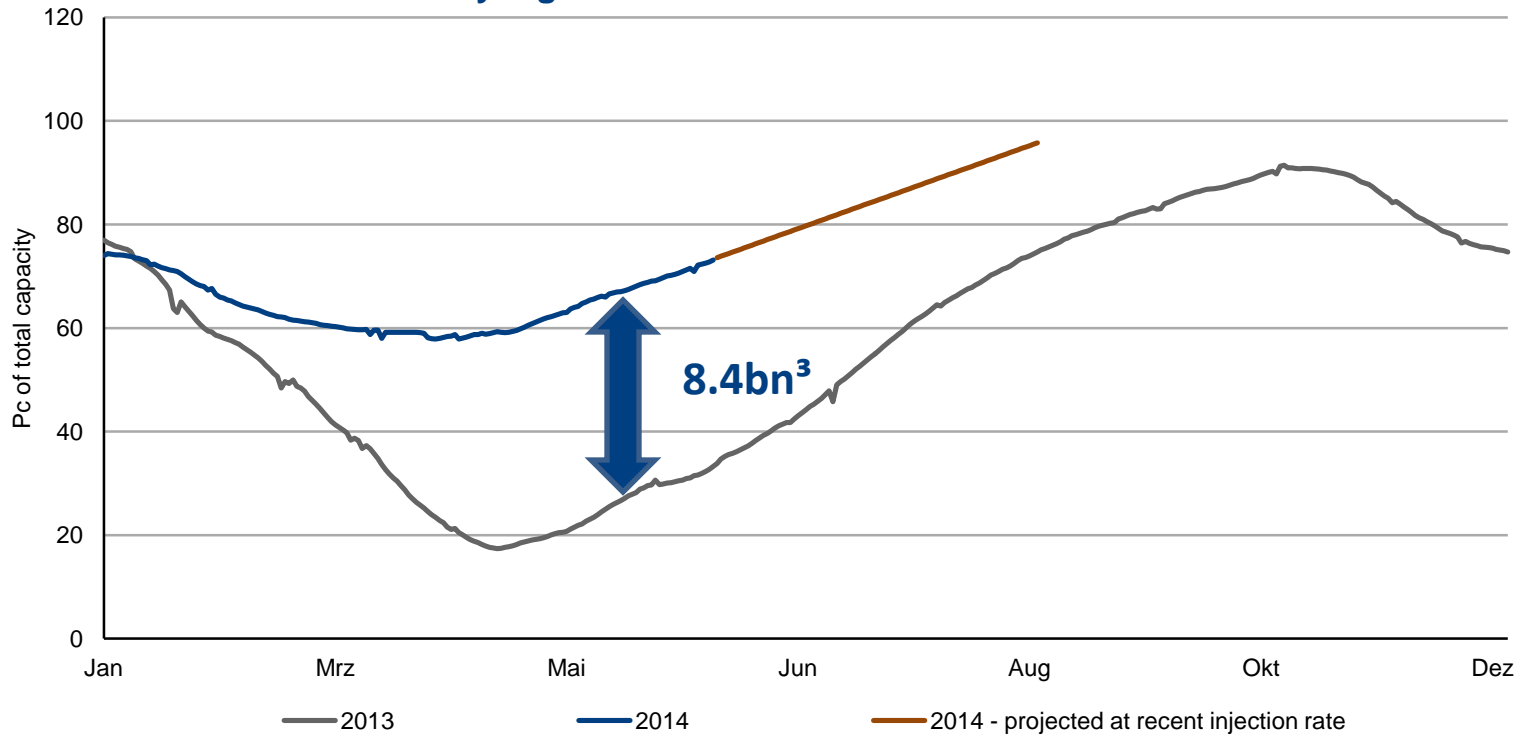
Storage

German stocks unusually high after mild winter



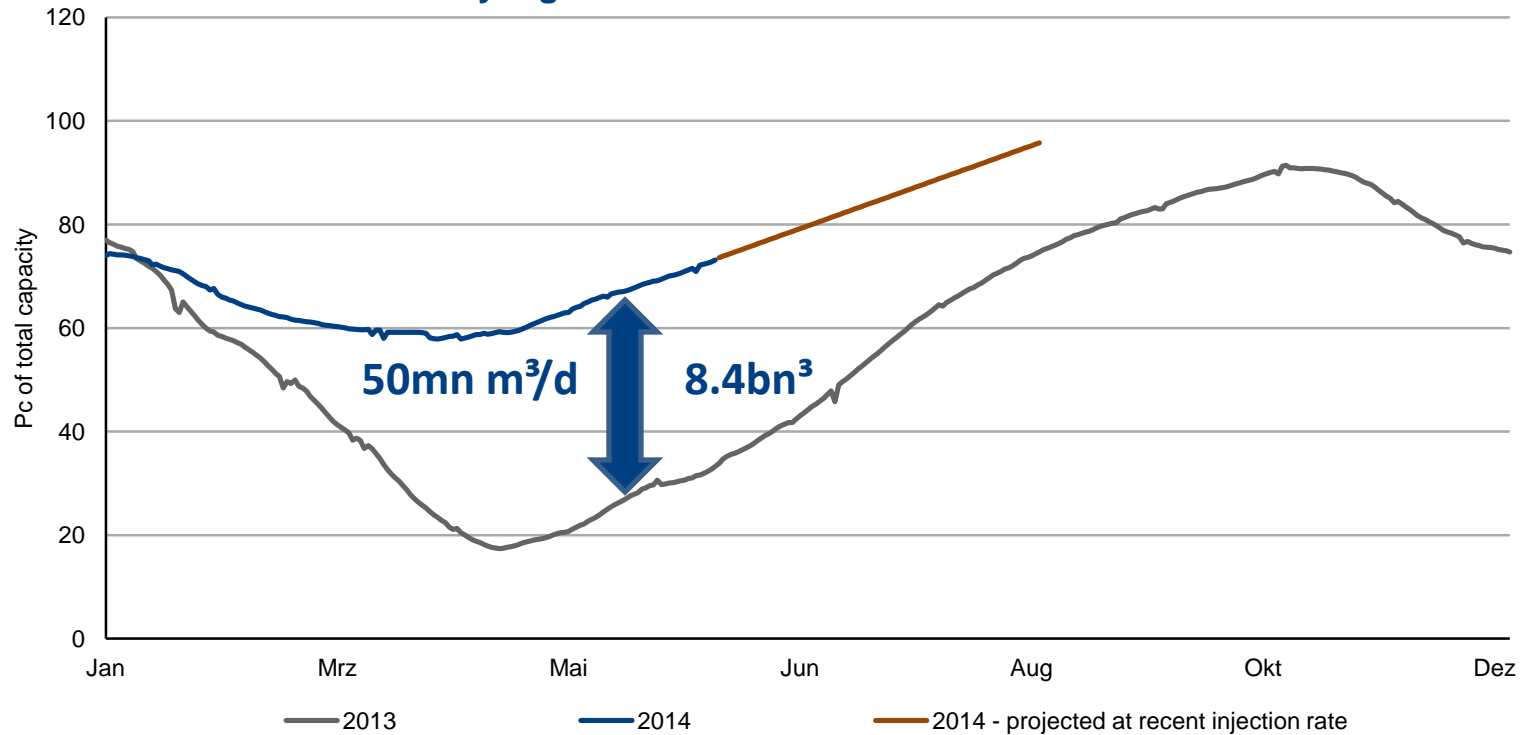
Storage

German stocks unusually high after mild winter



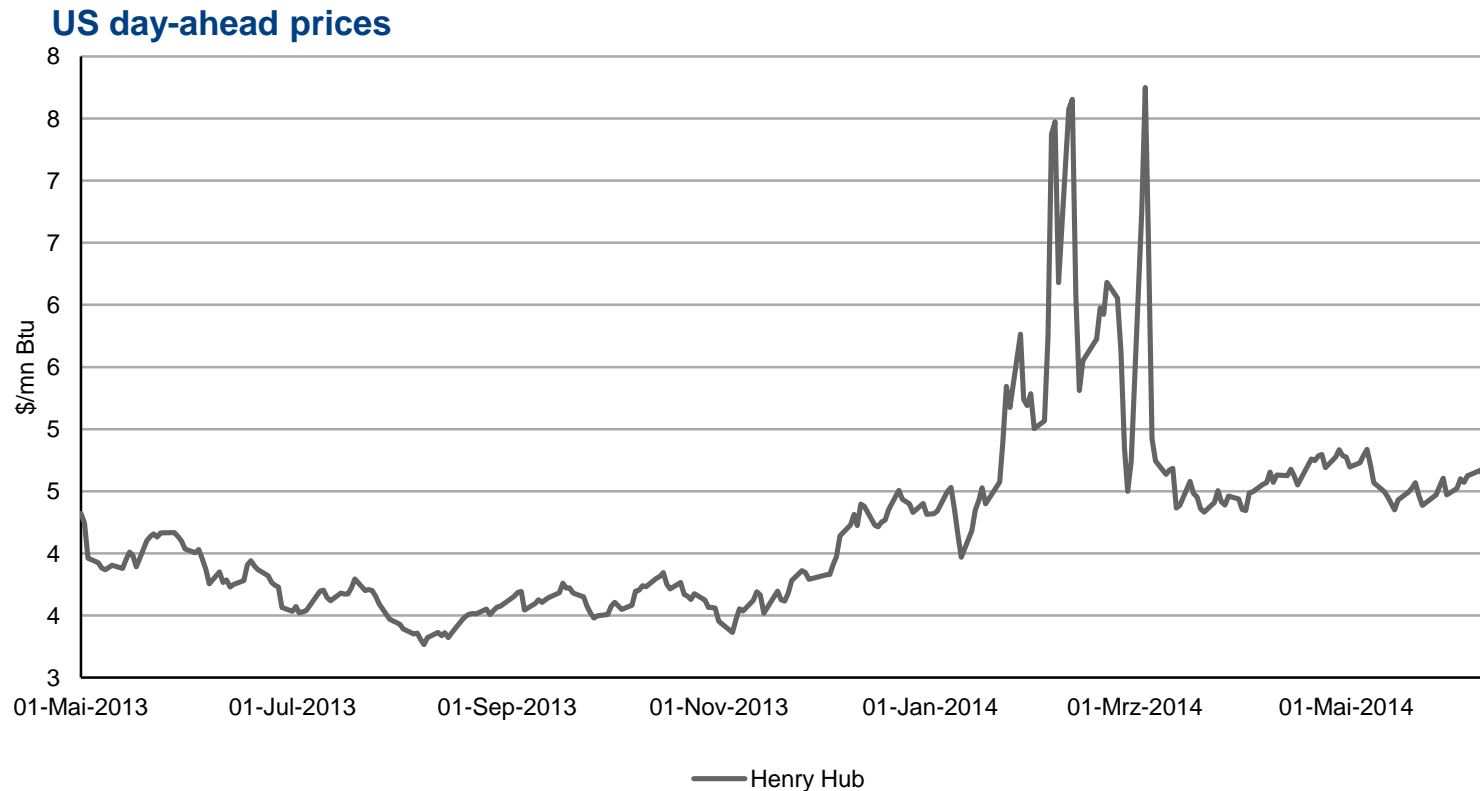
Storage

German stocks unusually high after mild winter

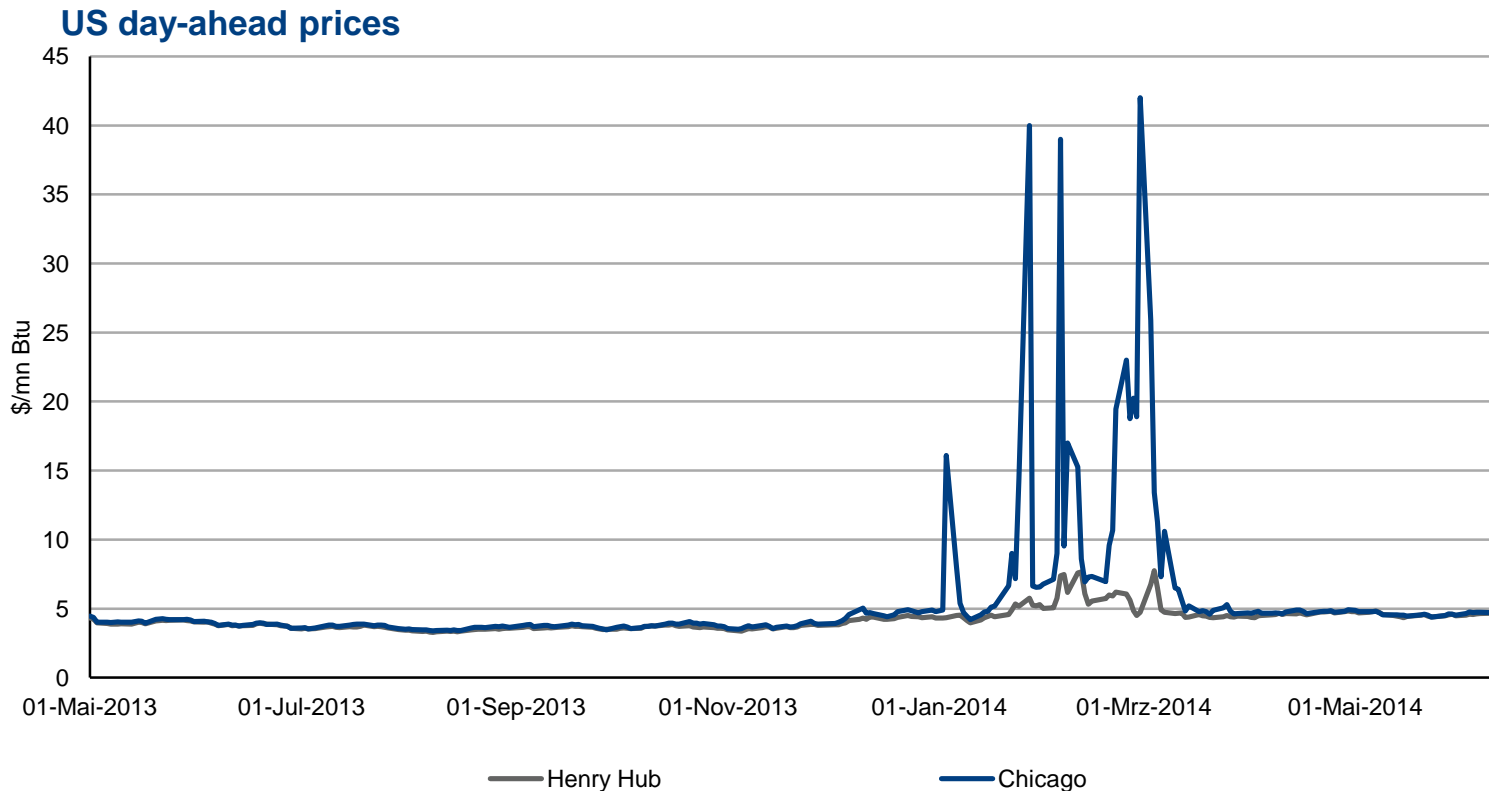


The US

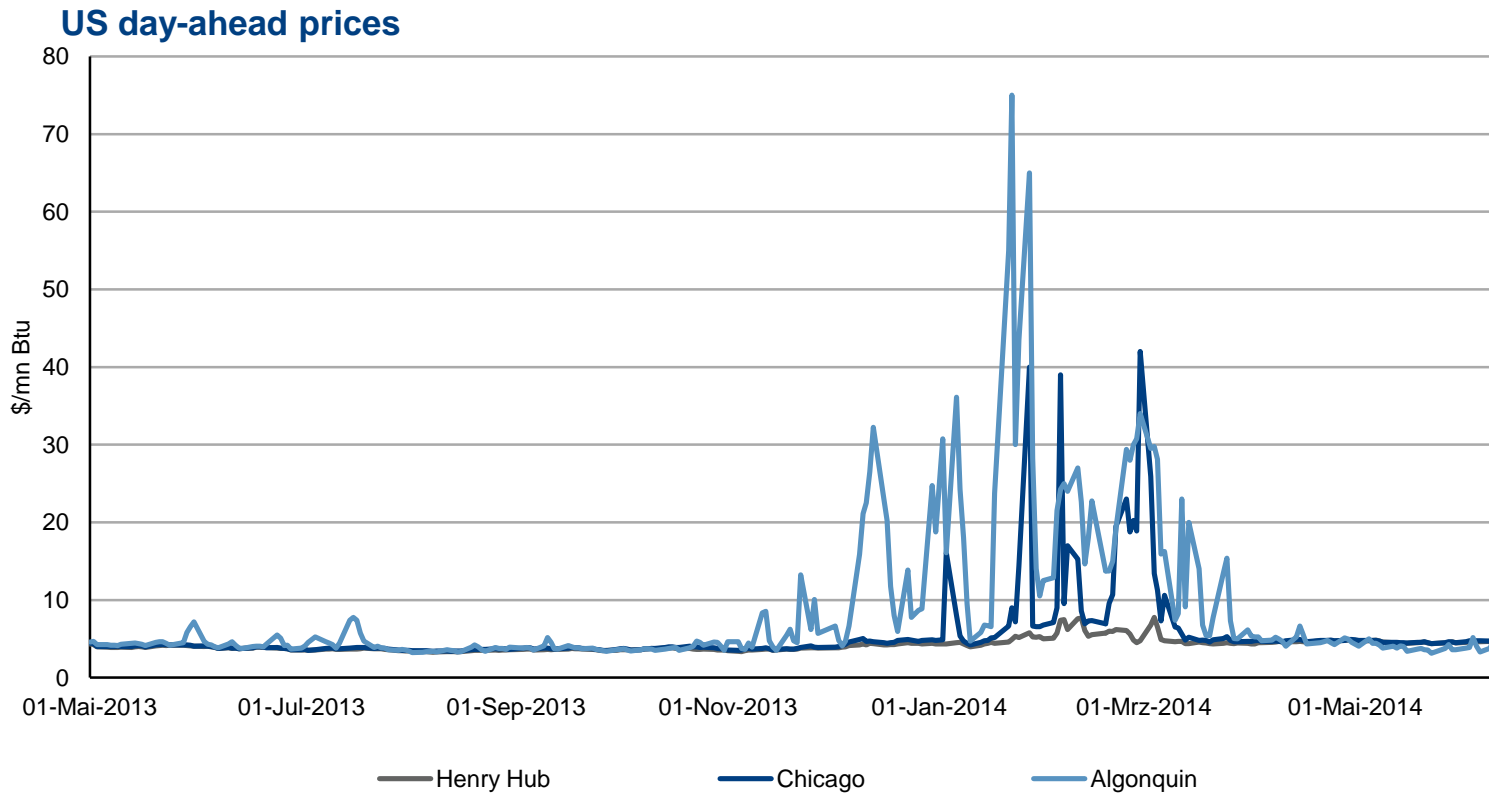
US spot prices and the winter of 2013-14



US spot prices and the winter of 2013-14

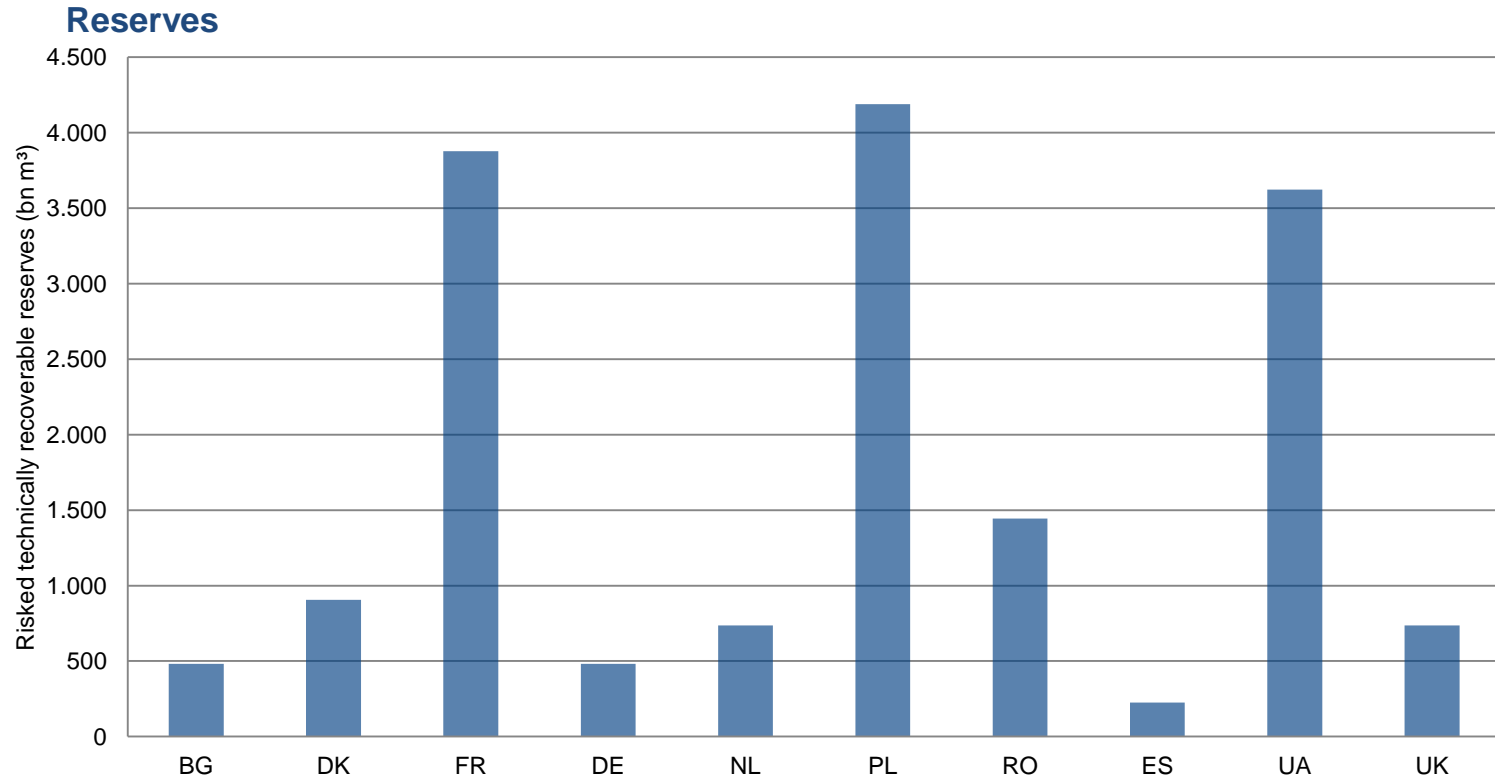


US spot prices and the winter of 2013-14



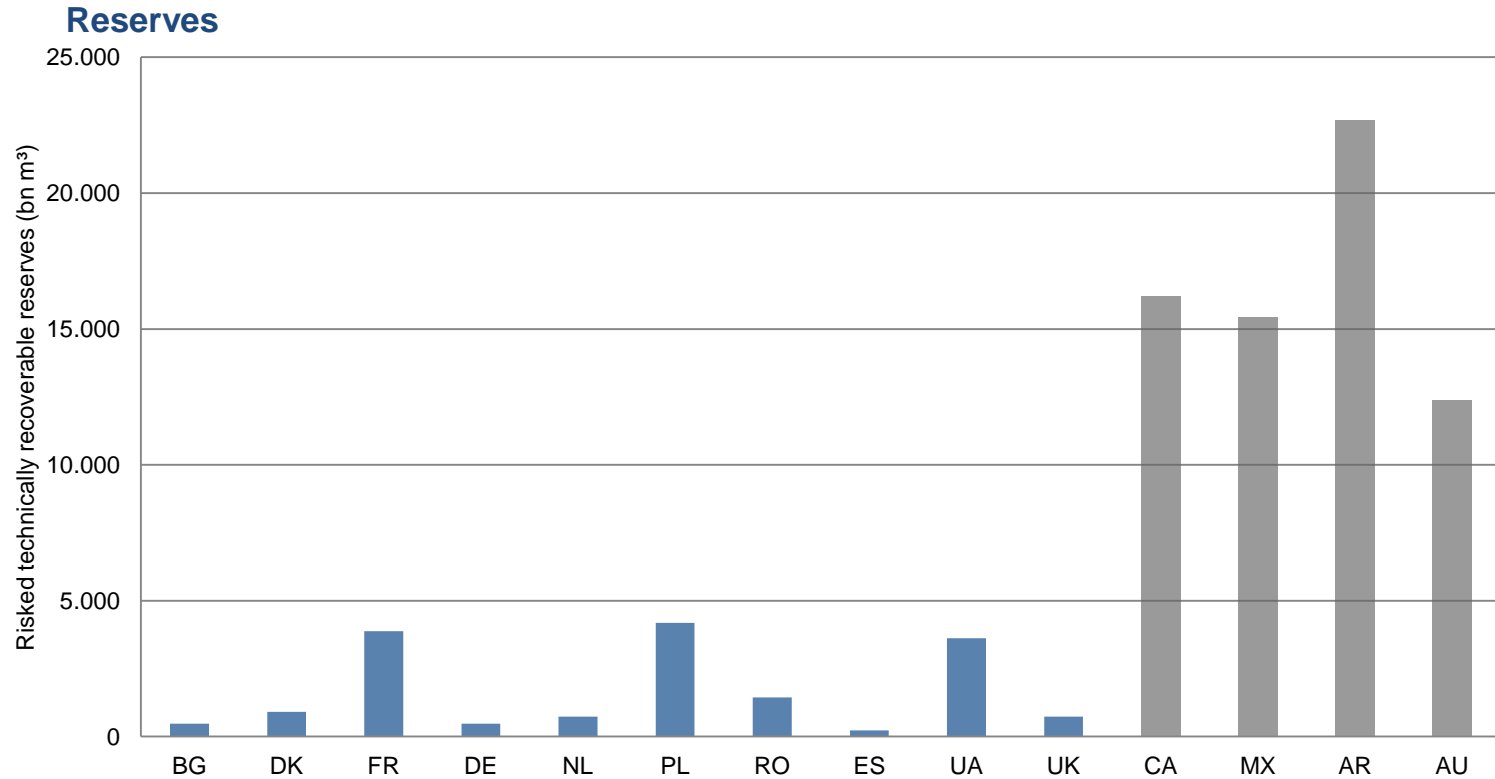
European shale gas

European shale reserves



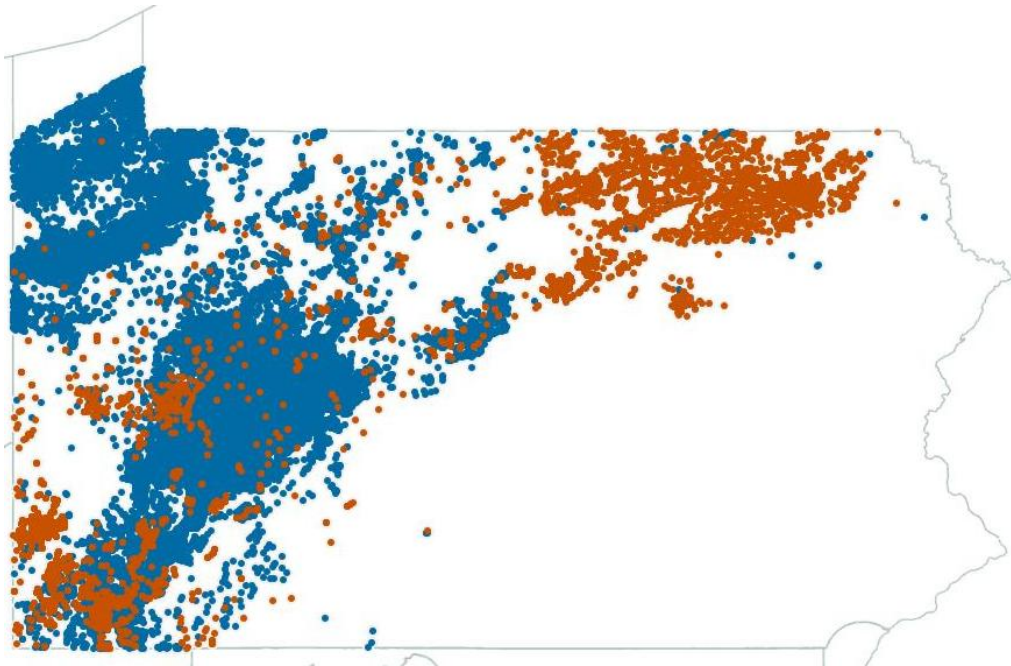
Technically recoverable shale oil and shale gas resources: an assessment of 137 shale formations in 41 countries outside the United States - EIA - June 2013

European shale reserves

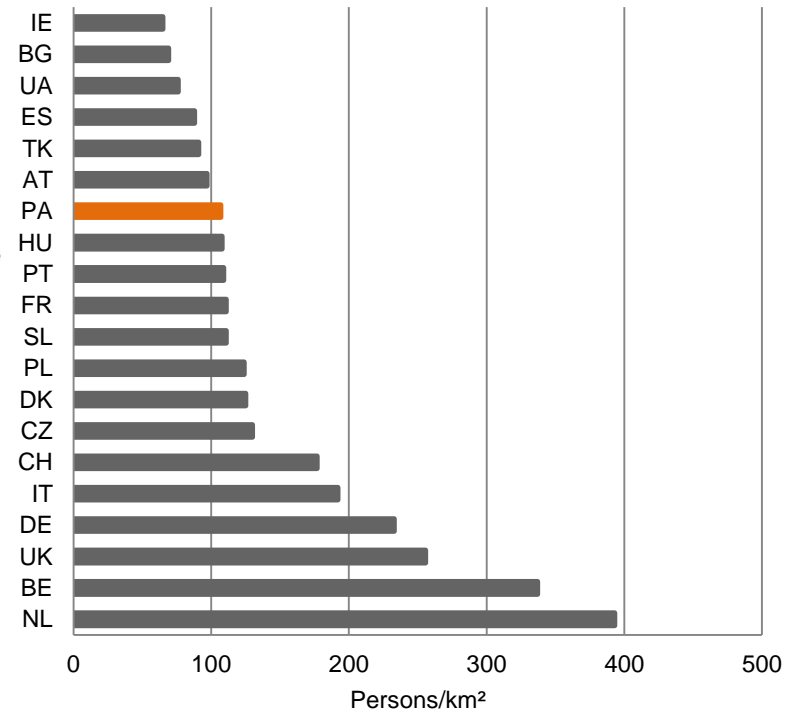


Technically recoverable shale oil and shale gas resources: an assessment of 137 shale formations in 41 countries outside the United States - EIA - June 2013

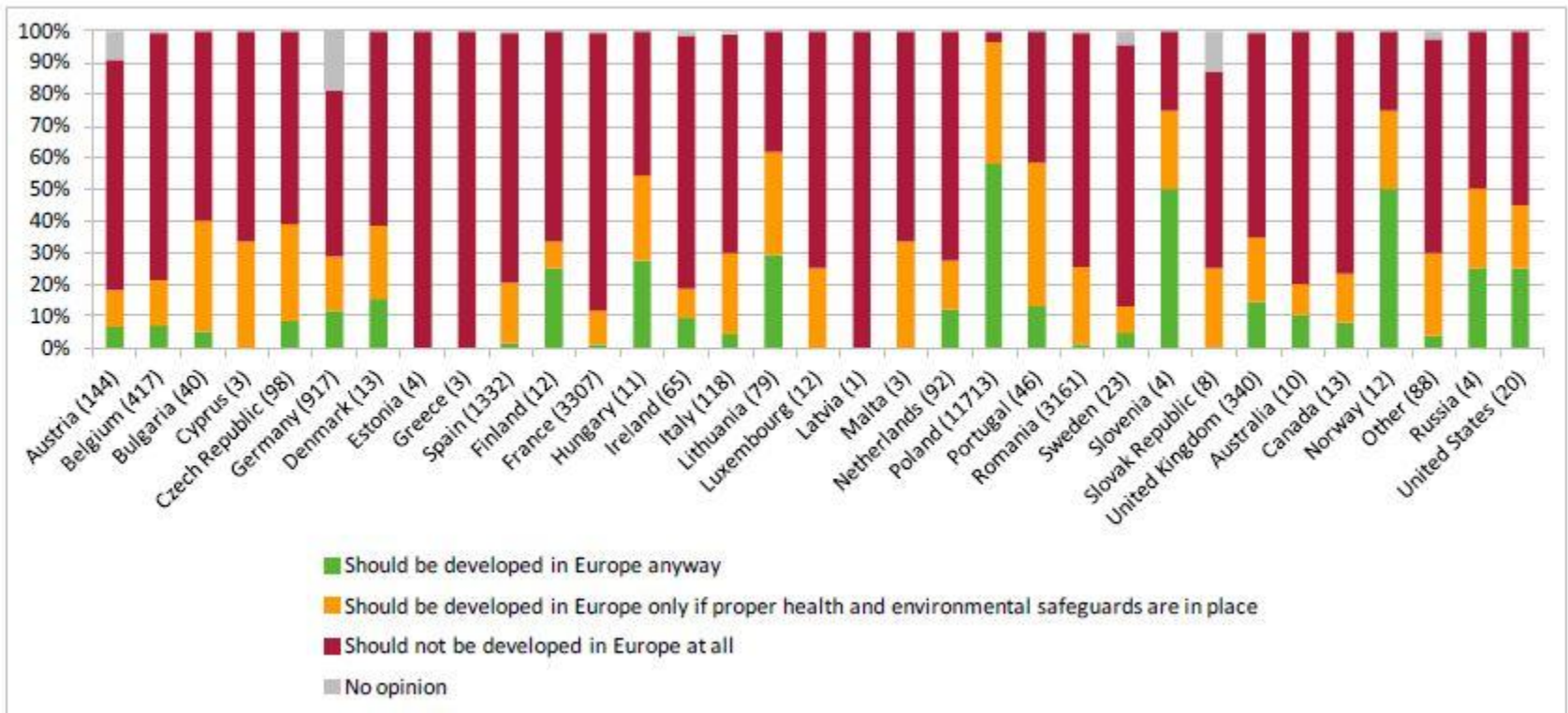
Such drilling is not happening in Europe



Population density



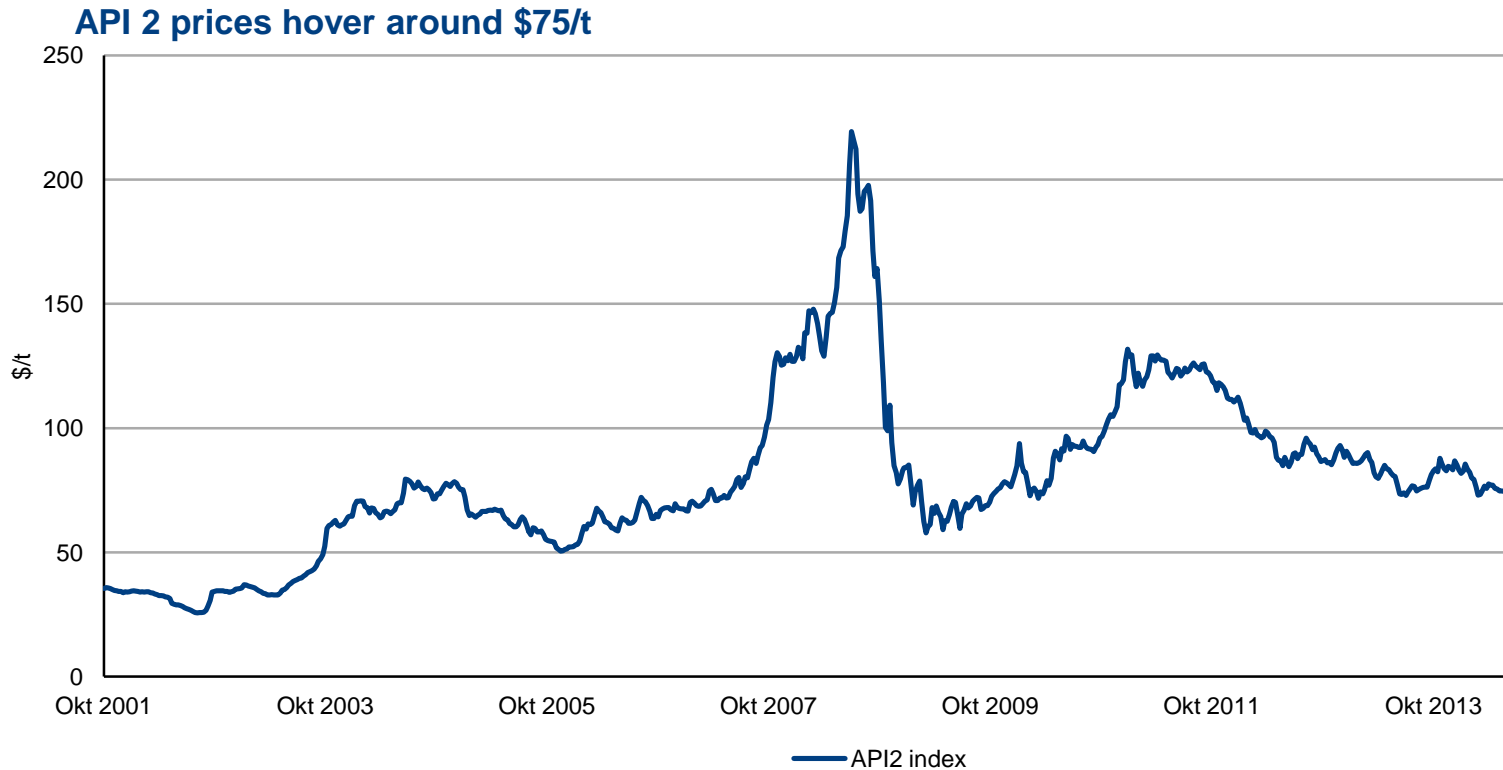
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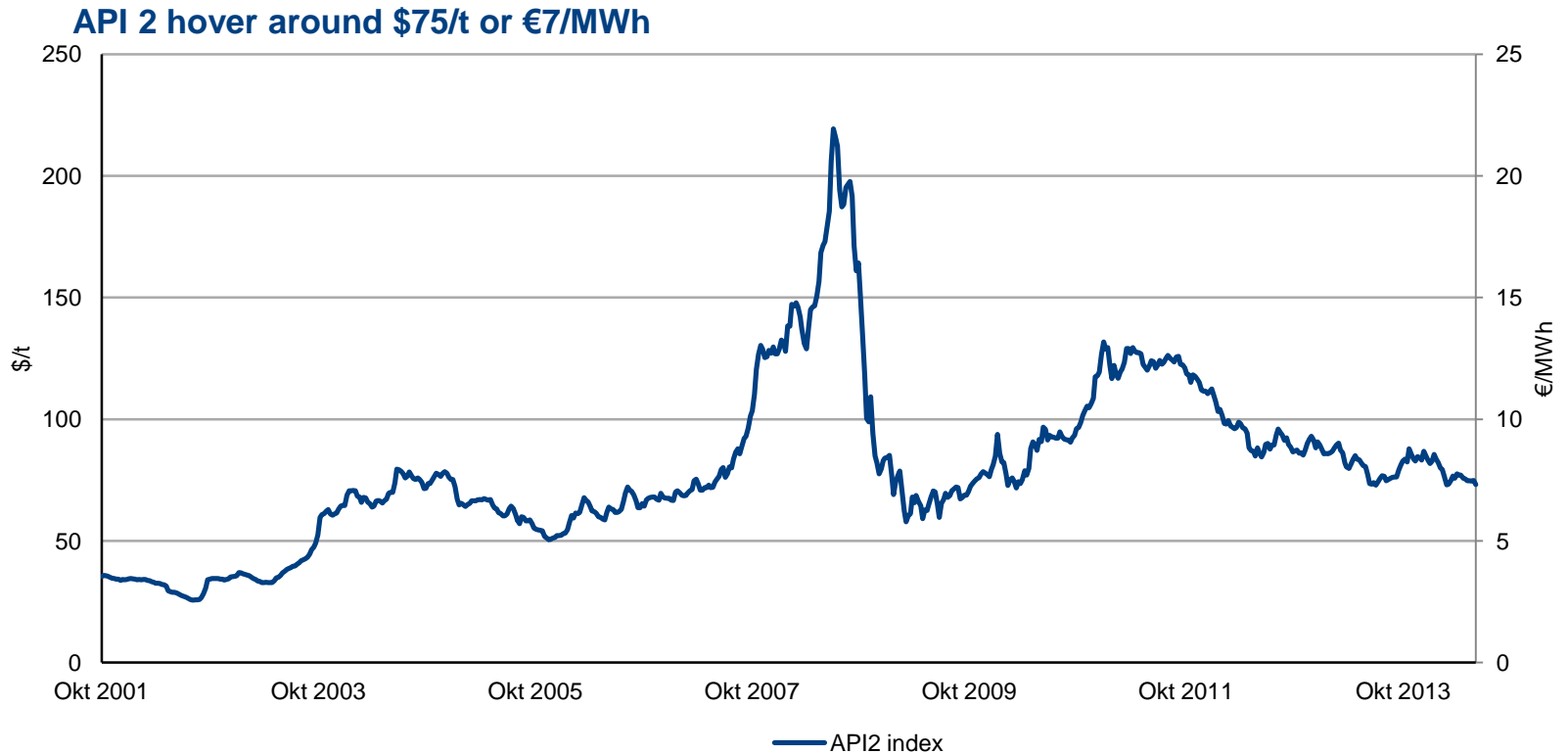
Analysis and presentation of the results of the public consultation “Unconventional fossil fuels (e.g. shale gas) in Europe - Final report - European Commission DG Environment 3 October 2013

Coal

Northwest European prices lowest since 2010



Northwest European prices lowest since 2010



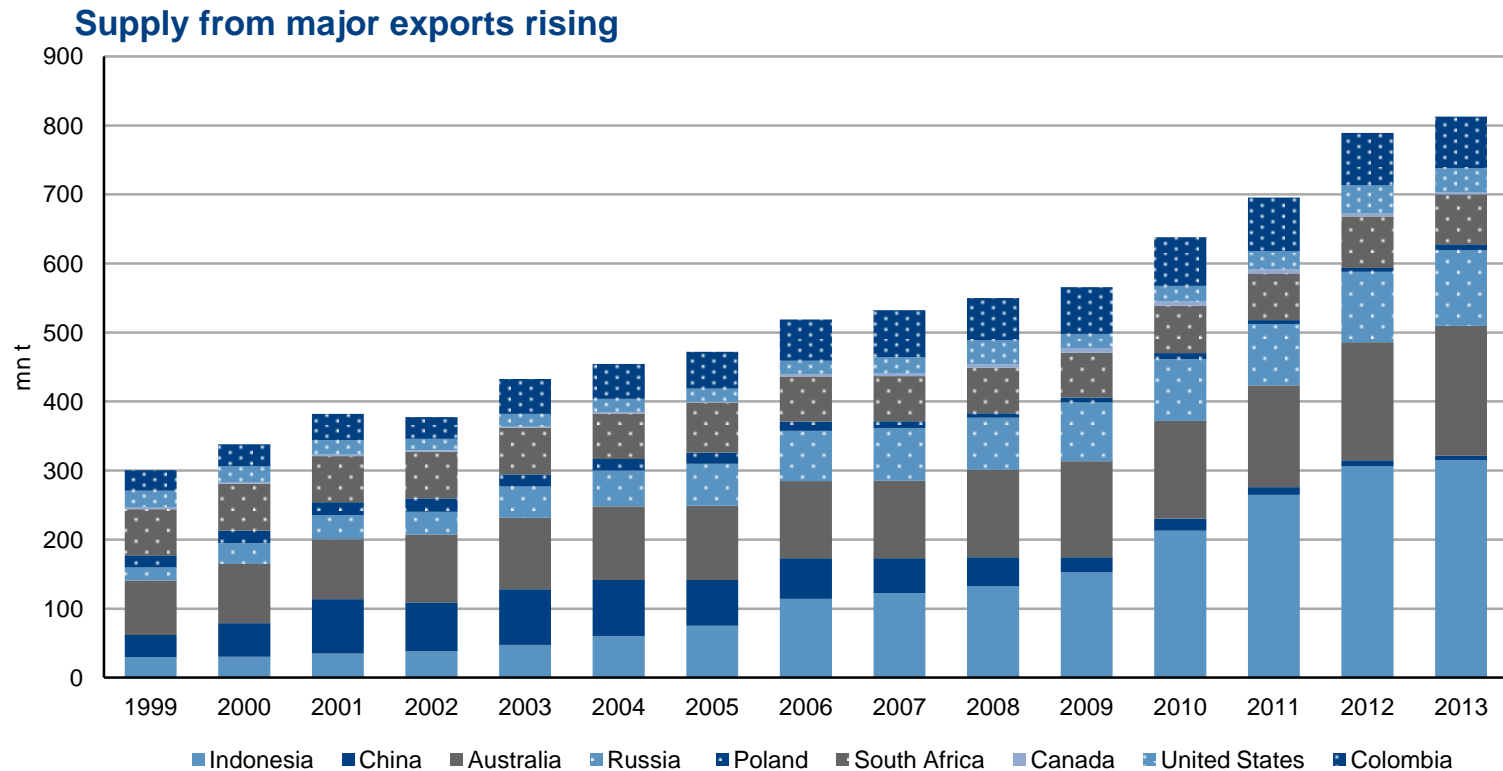
Coal price decline is global

The drop in prices is not limited to northwest Europe

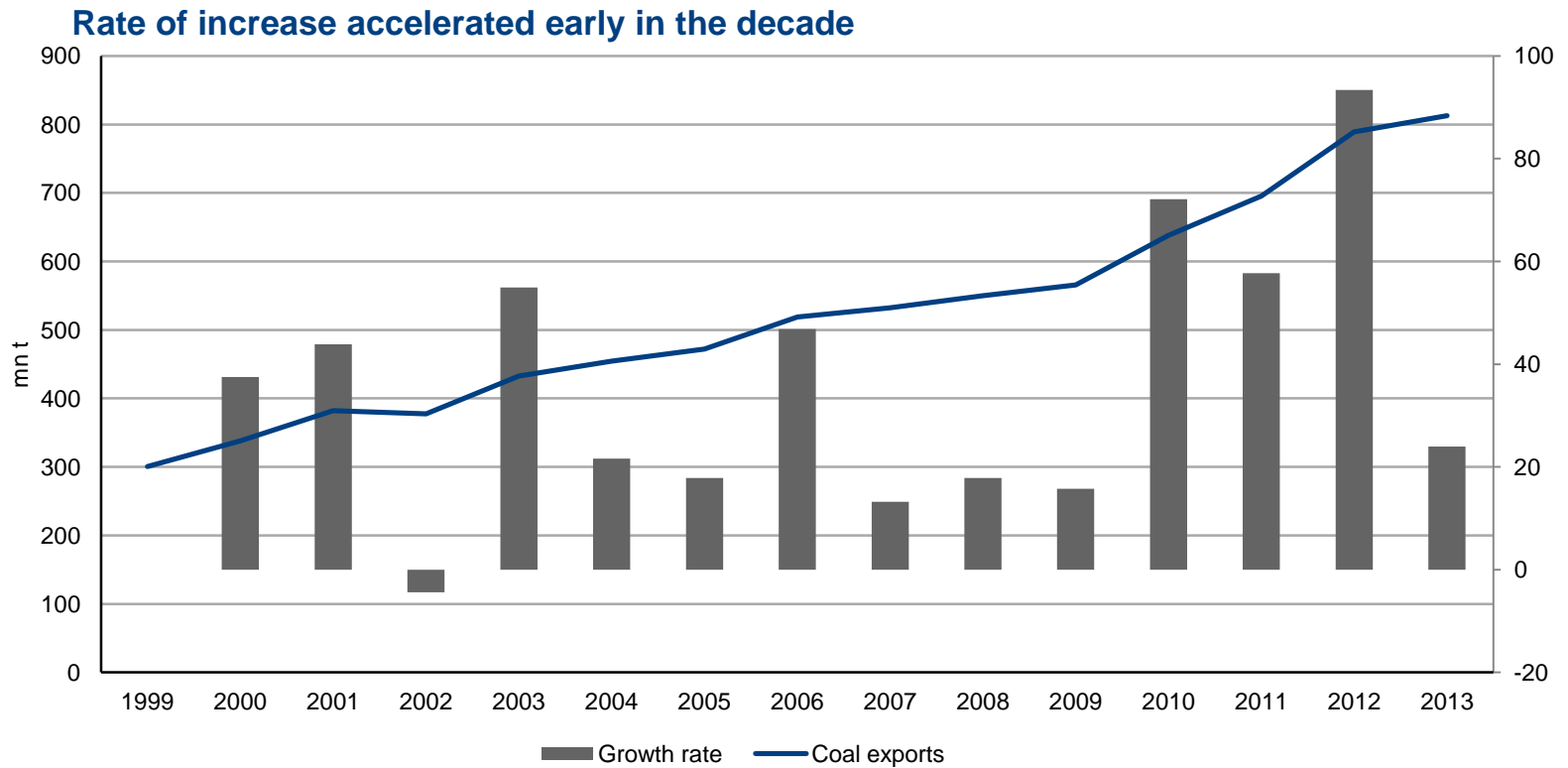


US coal exports and global trade

Worldwide coal exports increasing



Worldwide coal exports increasing



Coal exports: 2007

US: 24mn t

Colombia:
68mn t

South Africa:
65mn t

Russia:
77mn t

Australia:
112mn t

Indonesia:
122mn t

Coal exports: 2013

US: 44mn t

Colombia:
75mn t

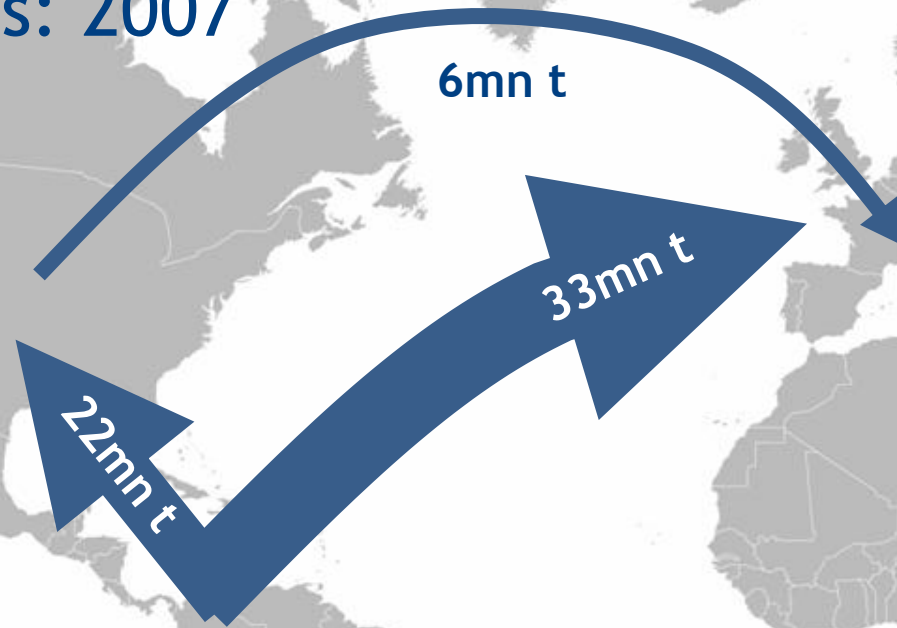
South Africa:
72mn t

Russia:
109mn t

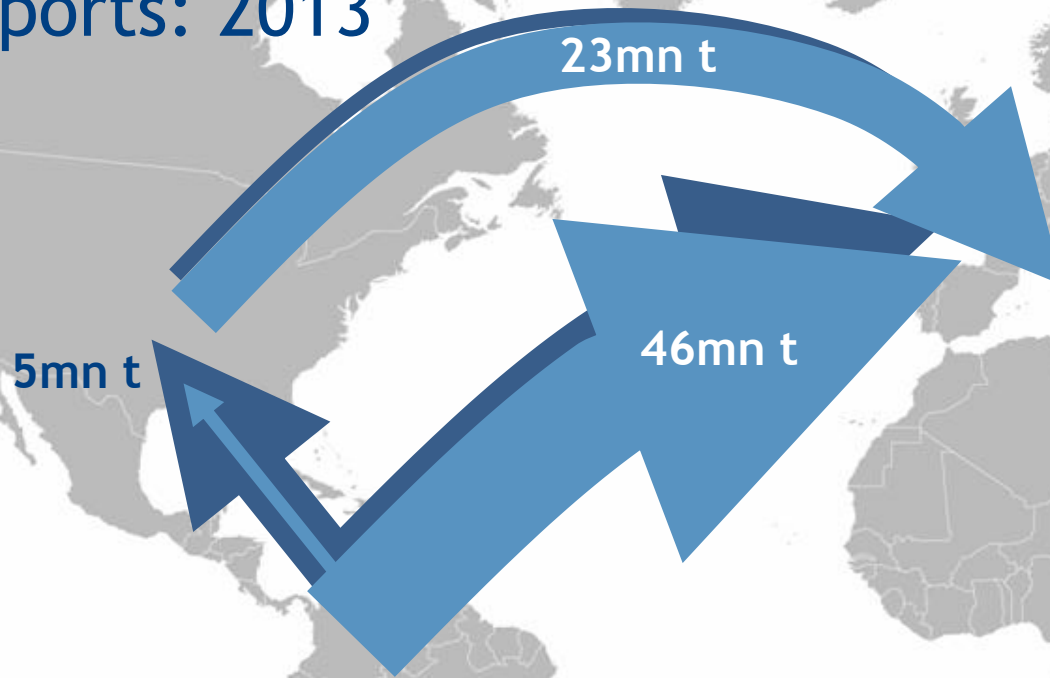
Indonesia:
330mn t

Australia:
188mn t

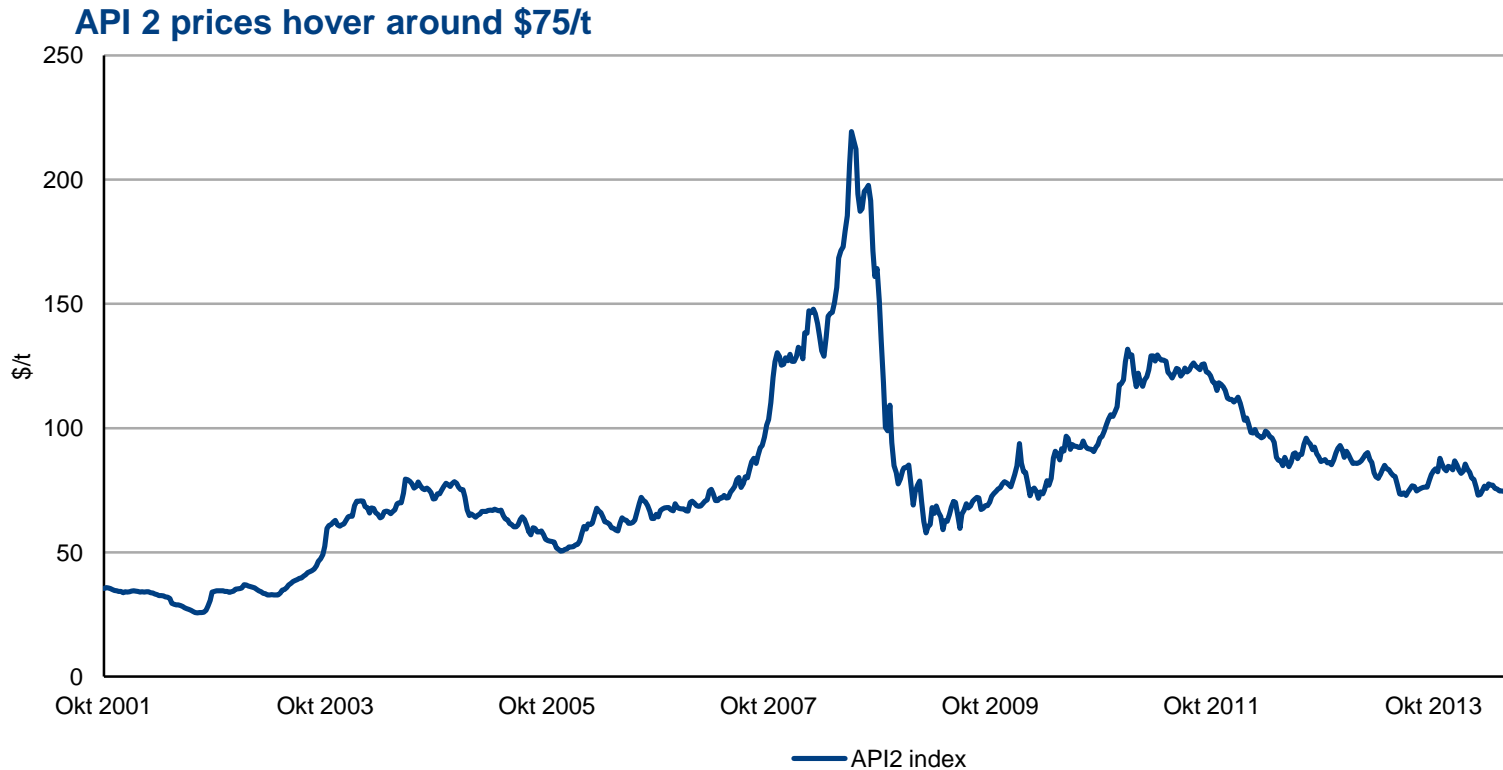
Coal exports: 2007



Coal exports: 2013



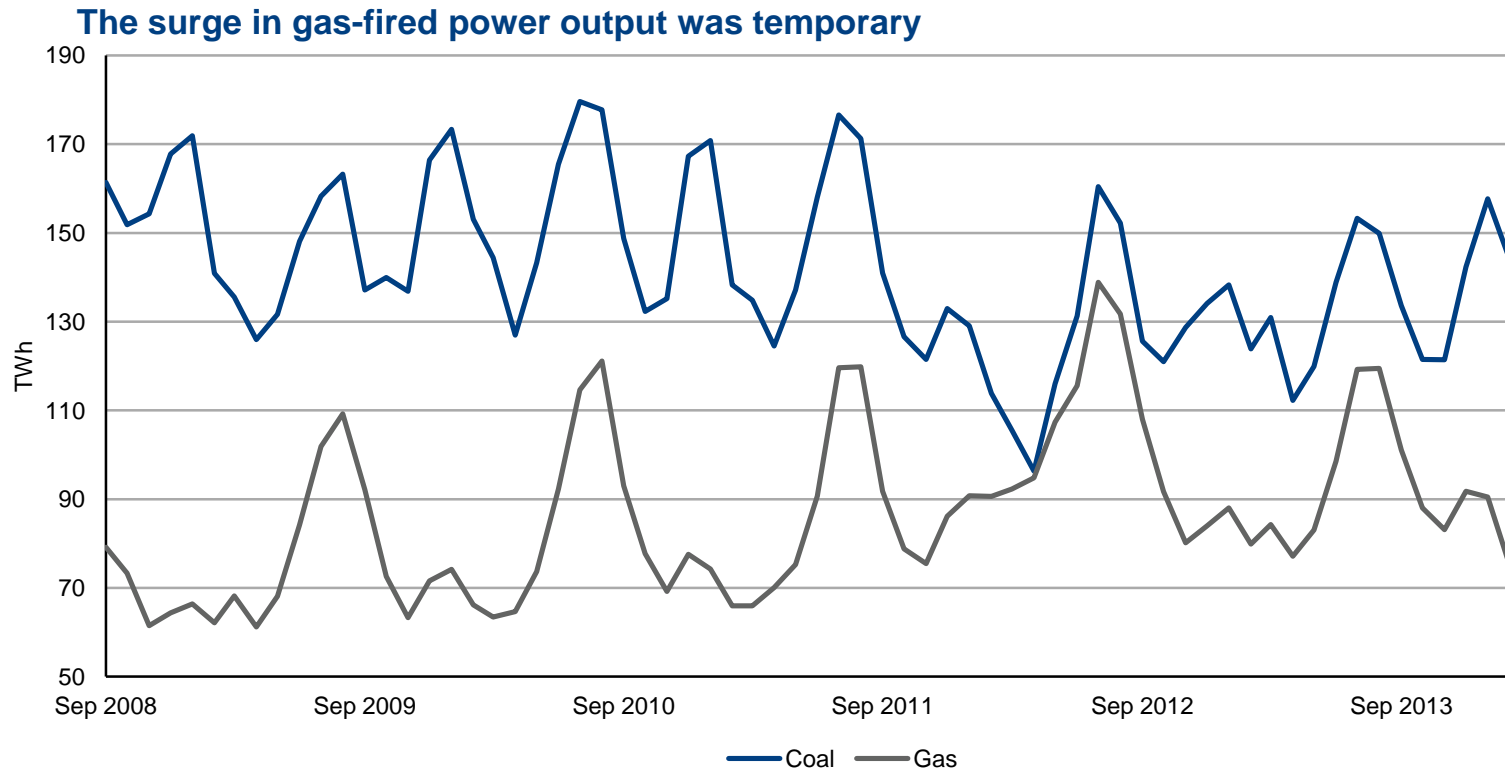
Northwest European prices lowest since 2010



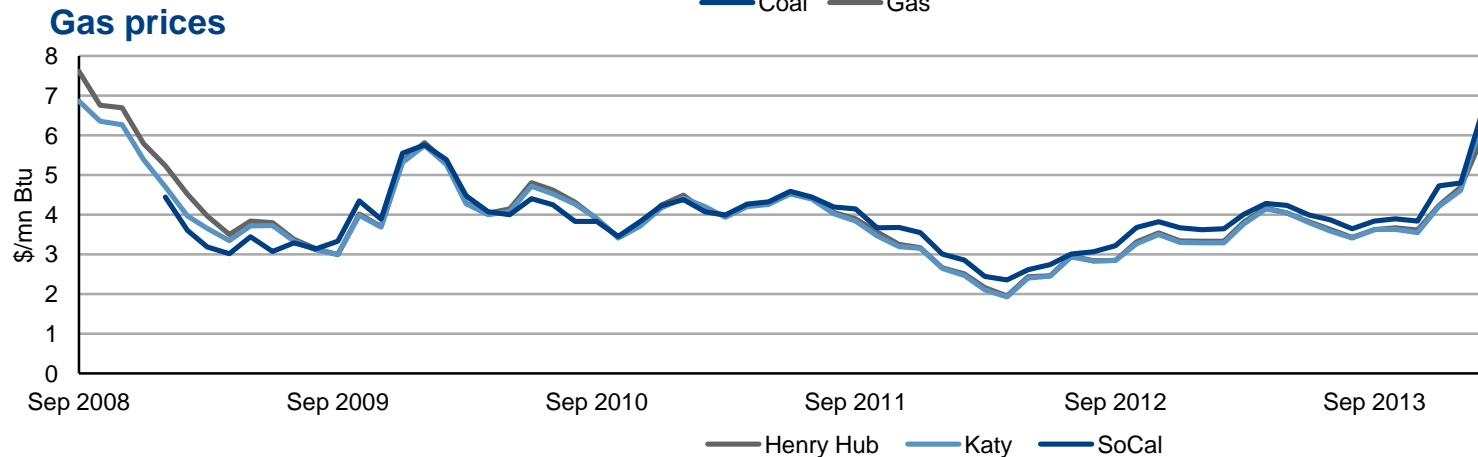
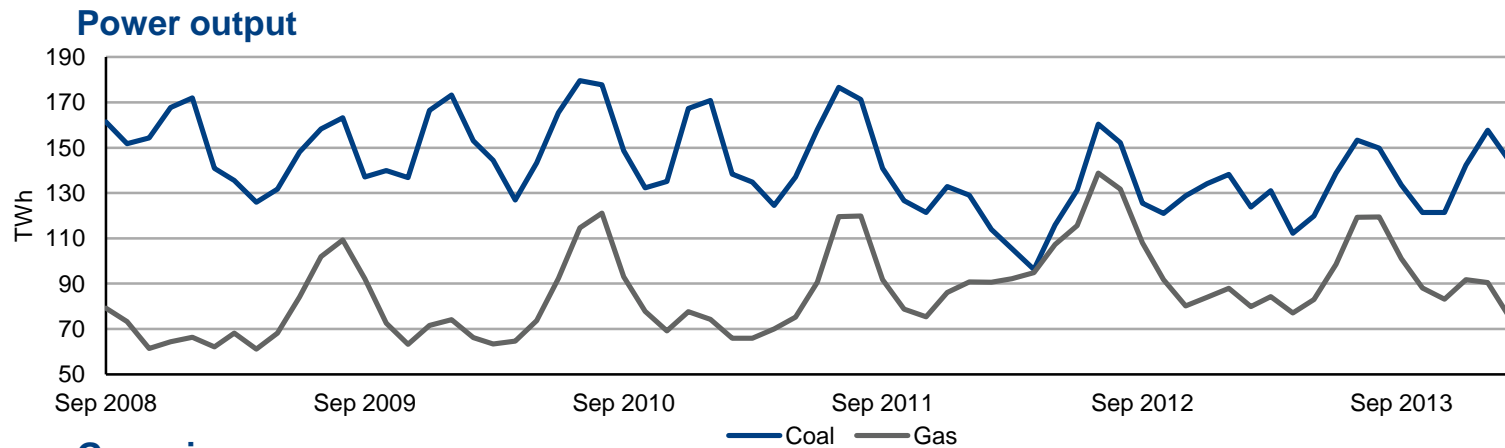
What could change this situation?

The US exports less?

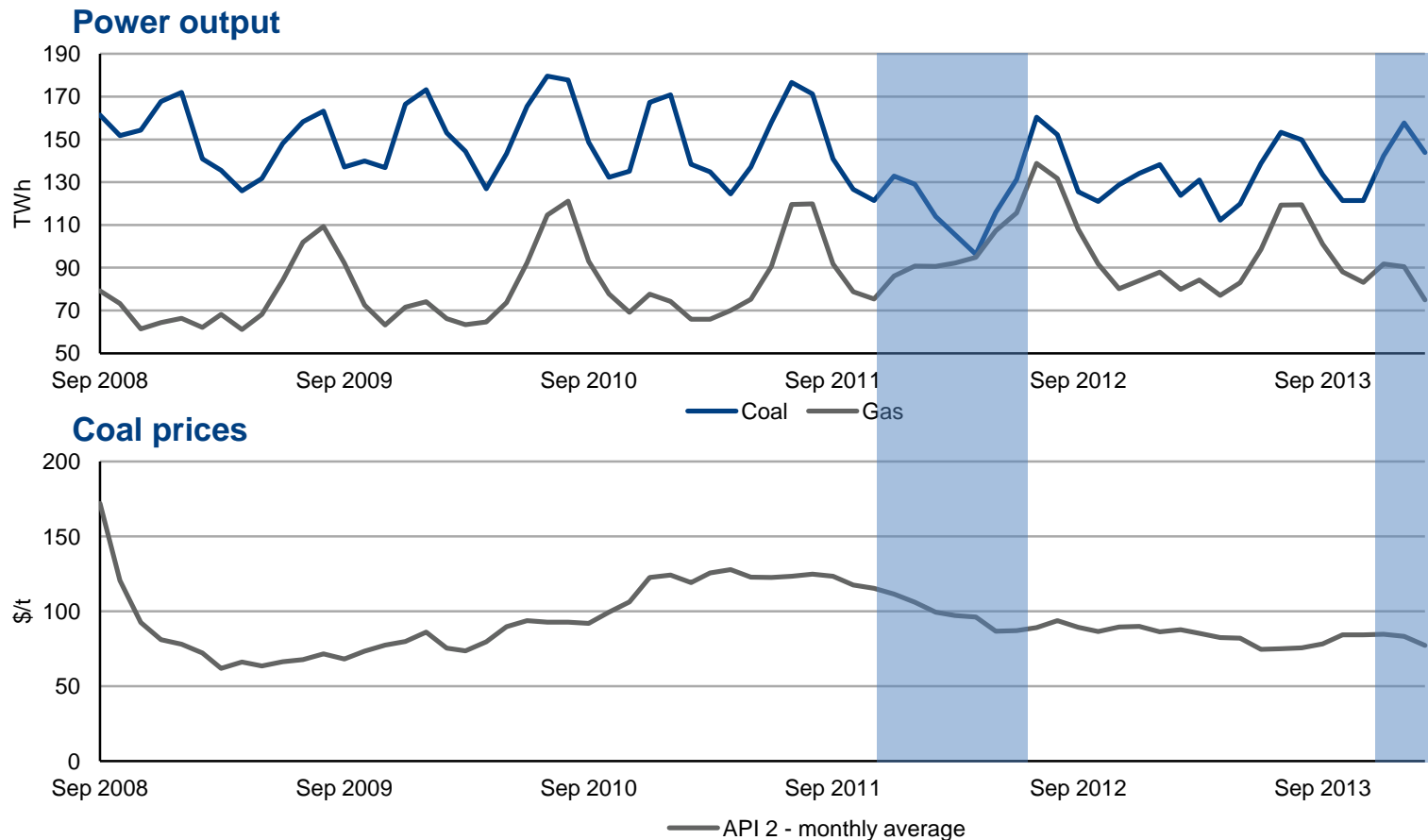
The US power supply mix is price sensitive



The US power supply mix is price sensitive



The US power supply mix is price sensitive



India buys more?

The importance of India

US: 44mn t

Colombia:
75mn t

South Africa:
72mn t

India:
122mn t

Russia:
109mn t

Indonesia:
330mn t

Australia:
188mn t

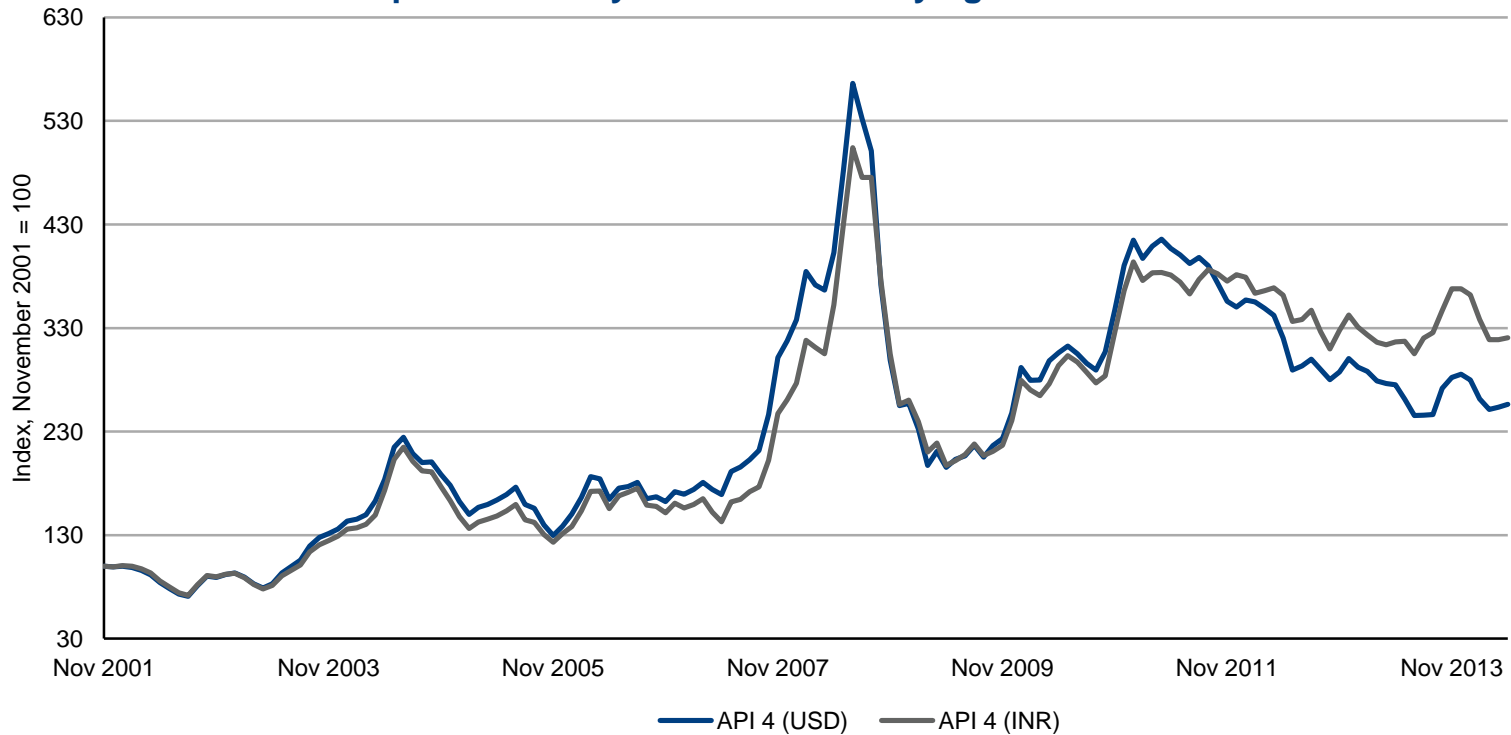
The rupee

Weakness of the rupee effectively lowers Indian buying



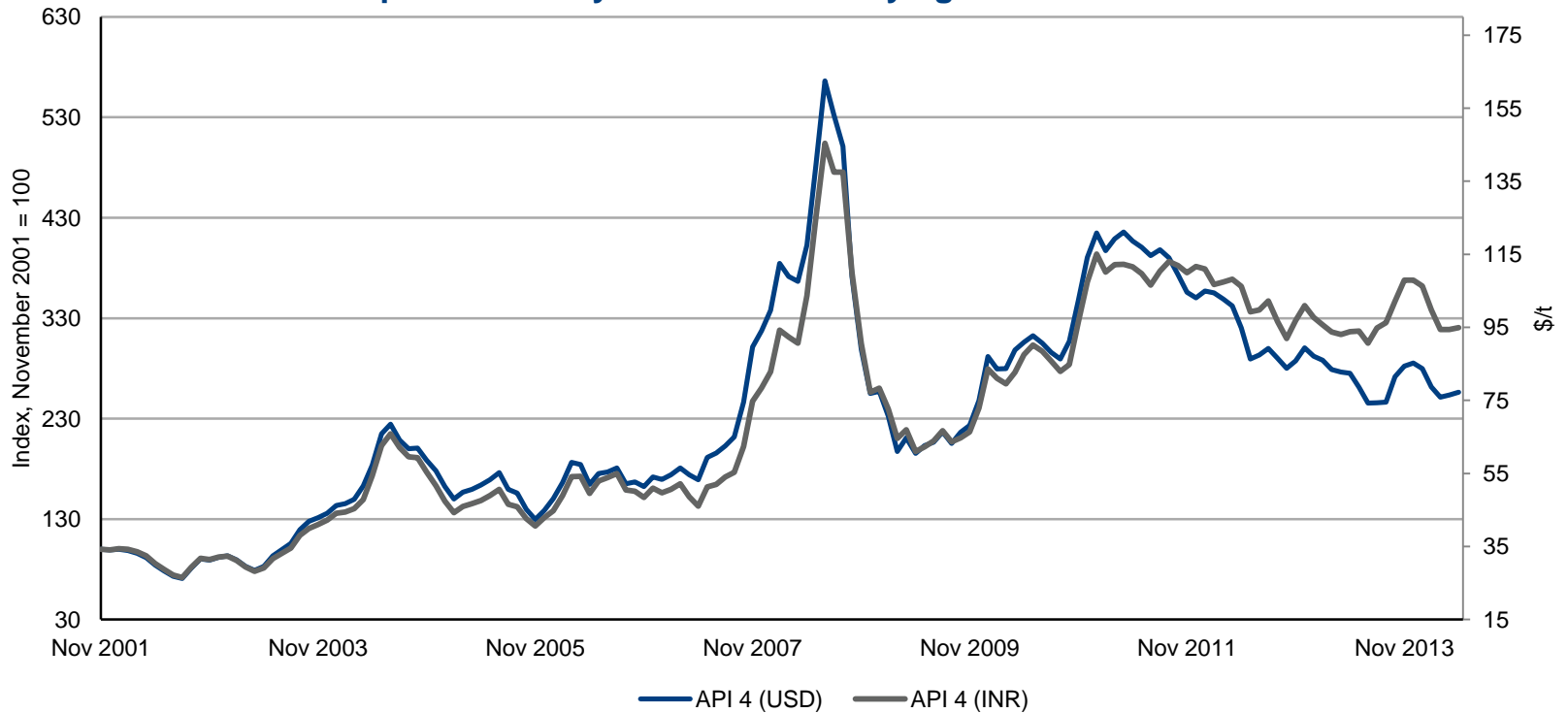
The rupee

Weakness of the rupee effectively lowers Indian buying



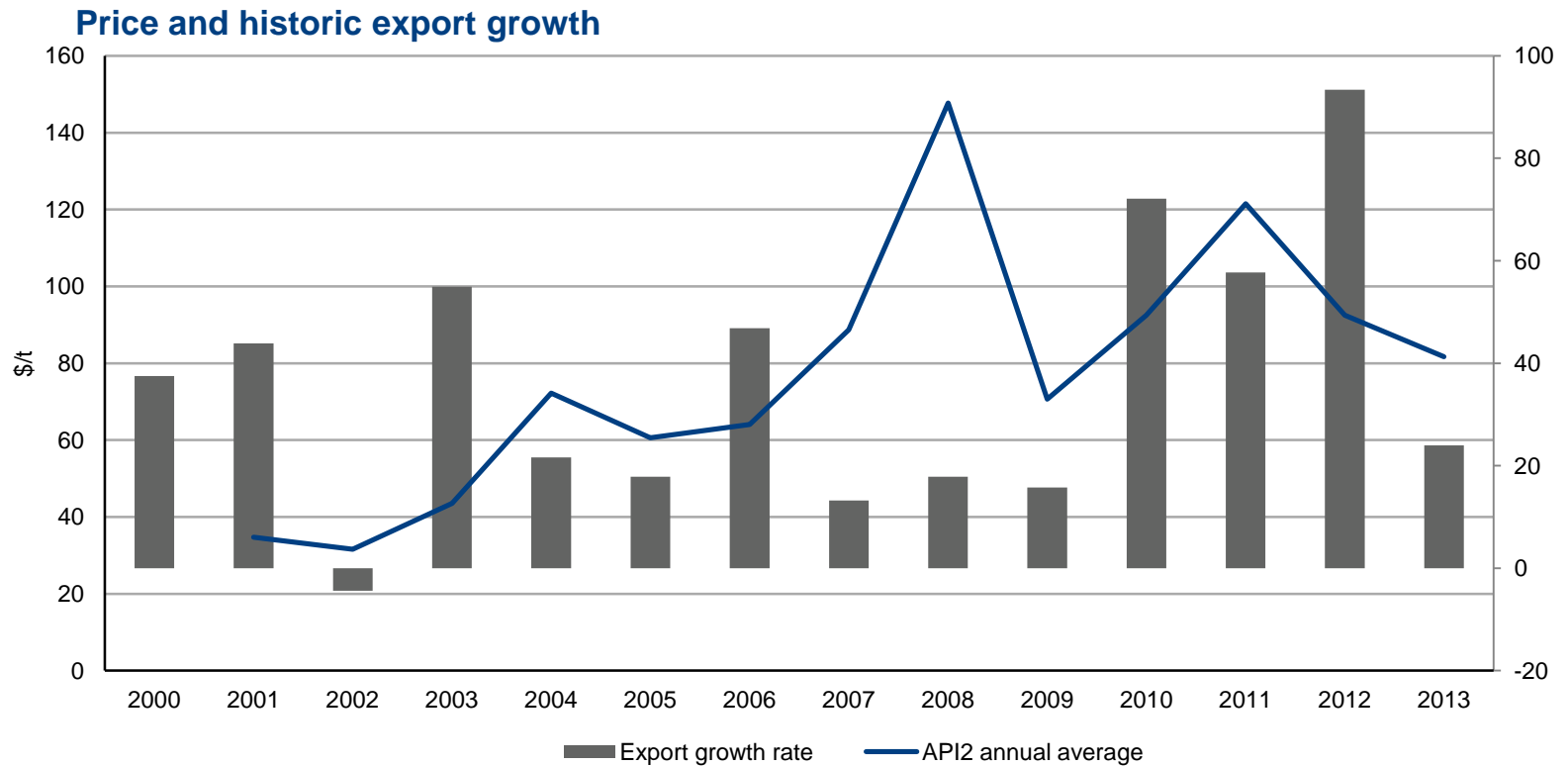
The rupee

Weakness of the rupee effectively lowers Indian buying



Producer investment cycles?

Will overcapacity come out of the market?



Conclusions

| Any questions?

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VP – Generating Fuels

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