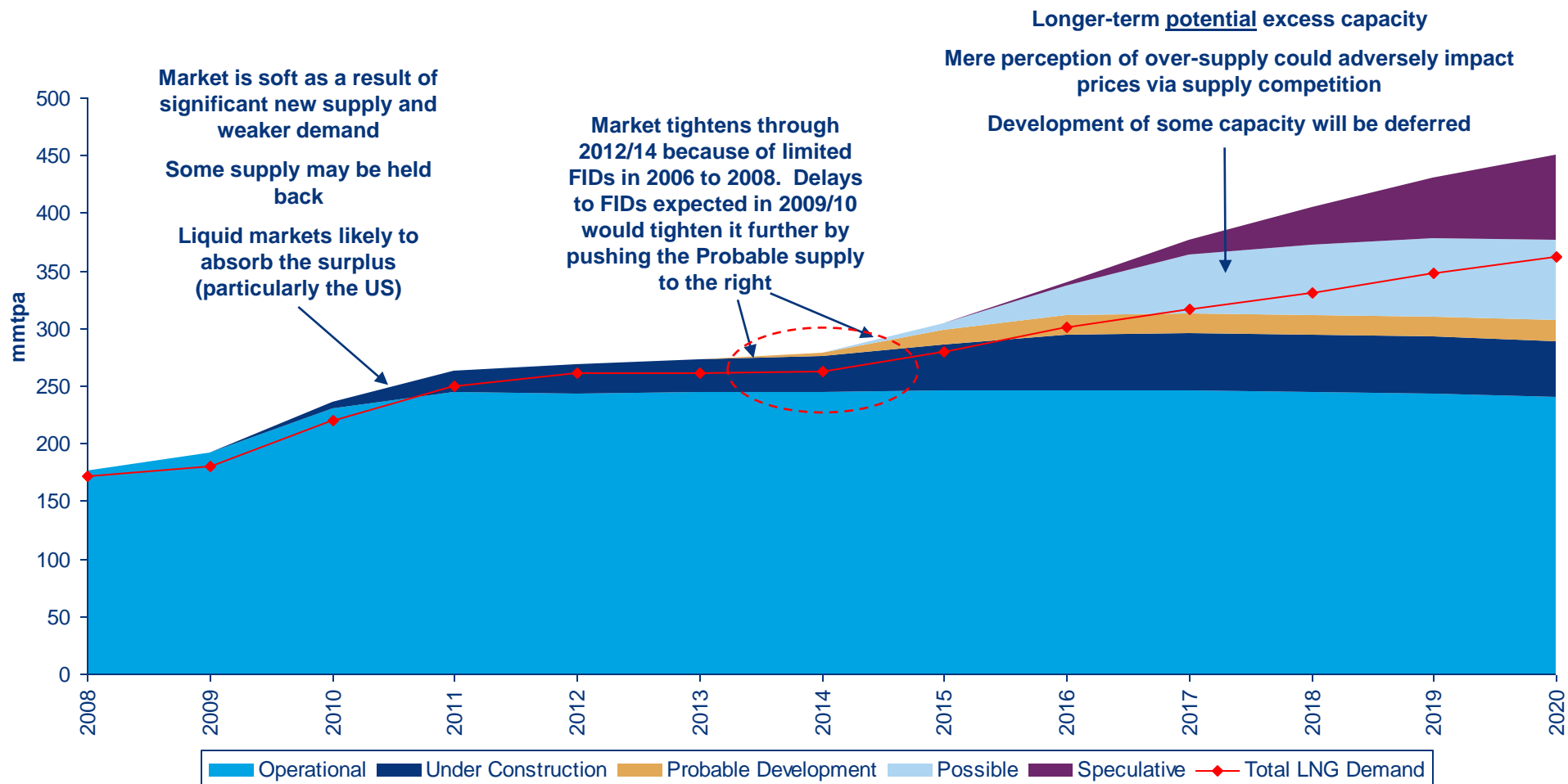


# Australian LNG and North American Shale Gas- A Big Bet on Future Energy

AACC Conference  
David Pruner, Senior Vice President  
January 28, 2010

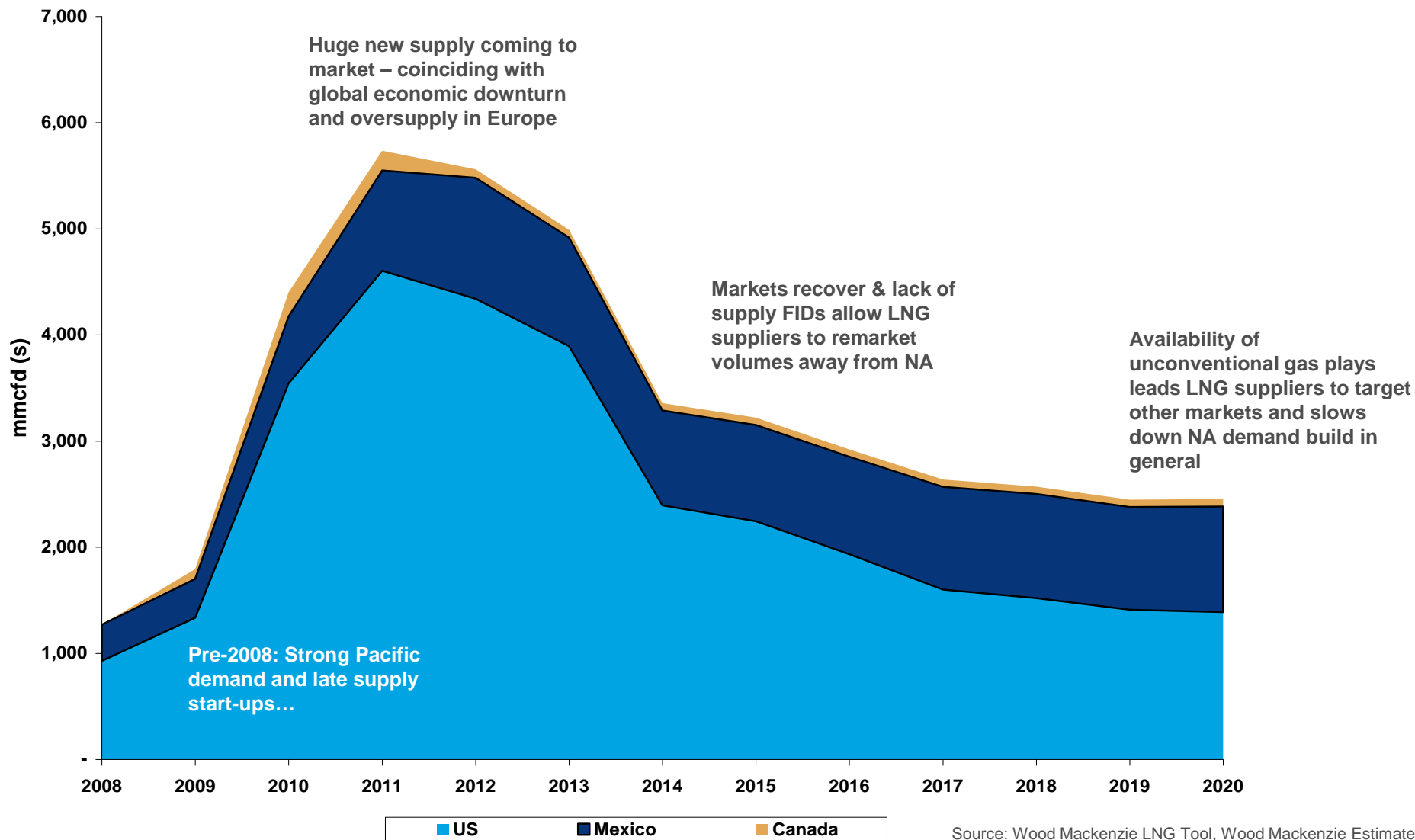


# Putting the demand and supply outlooks together creates an interesting picture



Source: Wood Mackenzie LNG Tool, November 2009

# North American LNG Import Forecast – key indicators through time

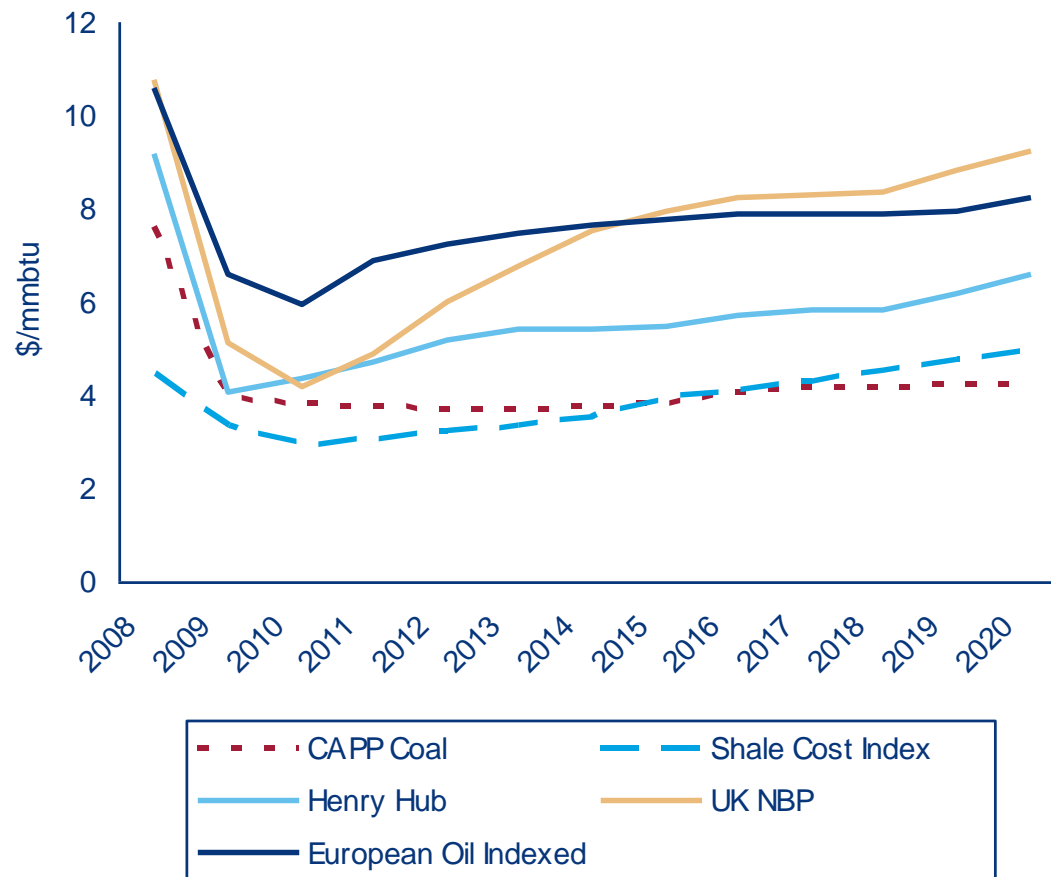


Source: Wood Mackenzie LNG Tool, Wood Mackenzie Estimates

## Global prices are firming by 2012 and some upside potential develops

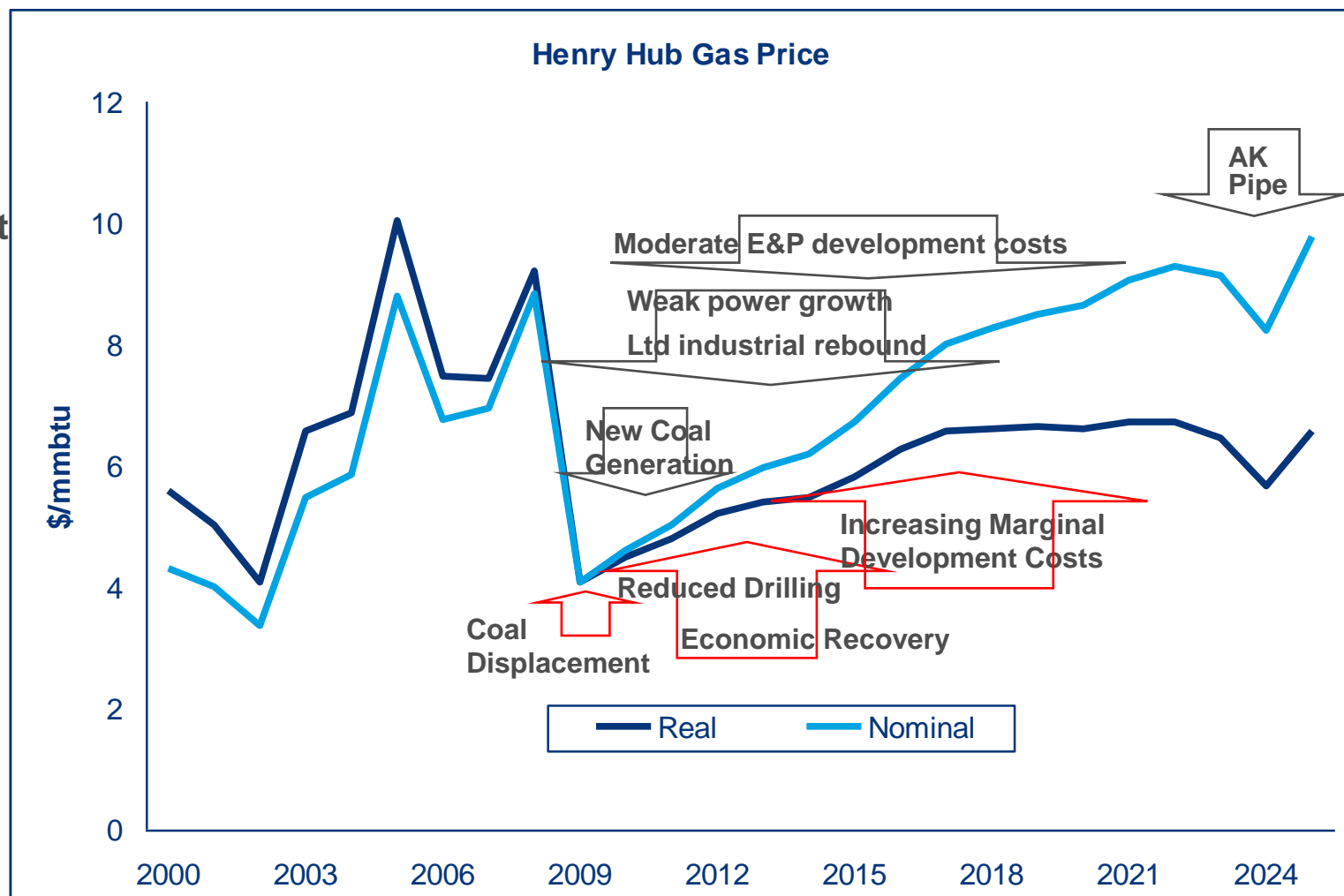
- › Recovery continues 2011-2013
- › By 2012, gas prices recover to levels consistent with development breakevens for non-core Barnett shale
- › Shale gas resource base creates a gap between oil-indexed global prices and US prices
- › Opportunity for upside to demand depends on policy

### Global Price Outlook

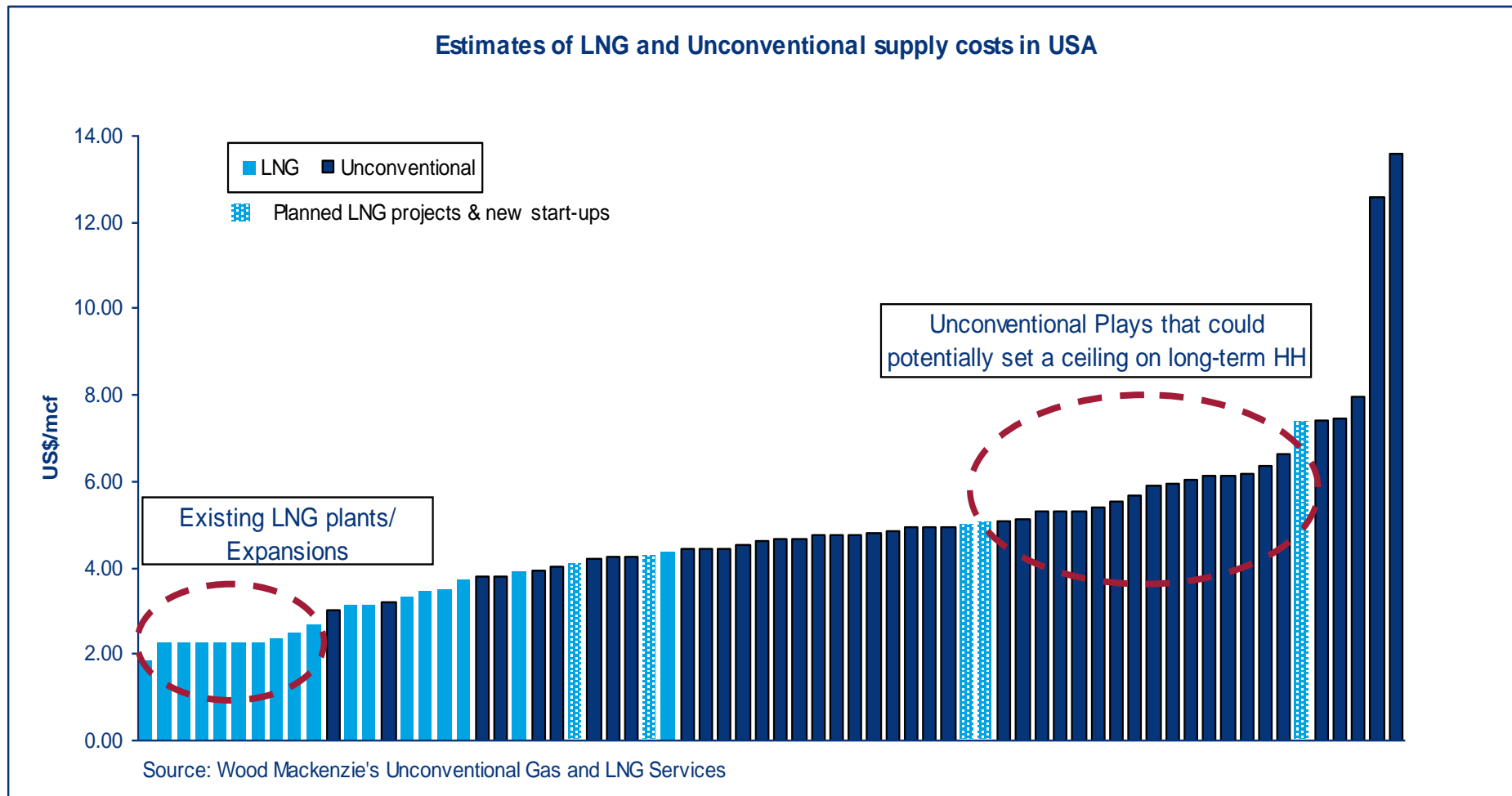


## Bottom Line – Annual gas prices longer term will fluctuate between \$5.00 - \$6.50 (2009\$), trending higher, depending on the cost of US development.

- > BUT – It could be another 2 years before prices are sustained within that range
- > Woodmac Nov-Mar: \$4.85
- > 2011: low \$4.00s at Henry, with static demand and more rigs active.



# Potential impact of Unconventional gas plays on the Atlantic Basin LNG Market



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