



## A View From the Street

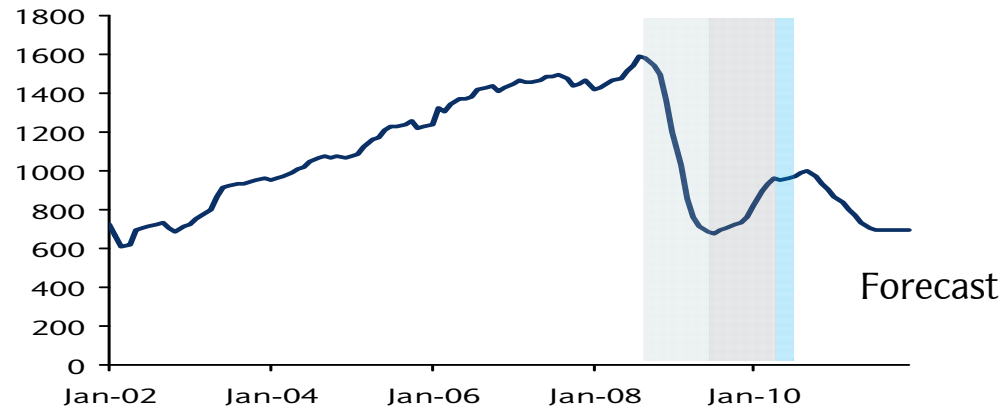
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Michael Zenker  
Barclays Capital Commodities Research  
+1 415 274-5488  
[michael.zenker@barcap.com](mailto:michael.zenker@barcap.com)

Please see analyst certifications and important disclosures starting on page 14.

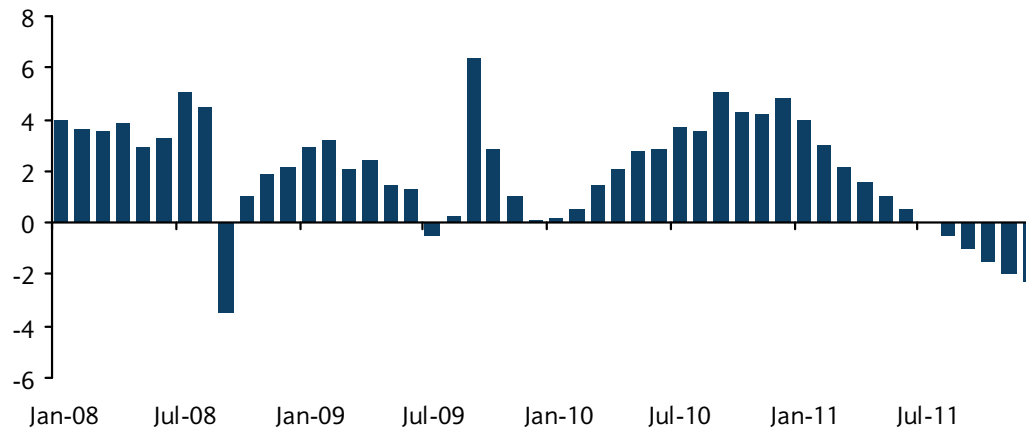
# We see rig momentum resulting in gas supply growth into 2011

Rig count momentum (US gas-directed, on shore rig count)



Supply Change (Bcf/d)	
'10/'09 E	+2.9
'11/'10 E	+0.4

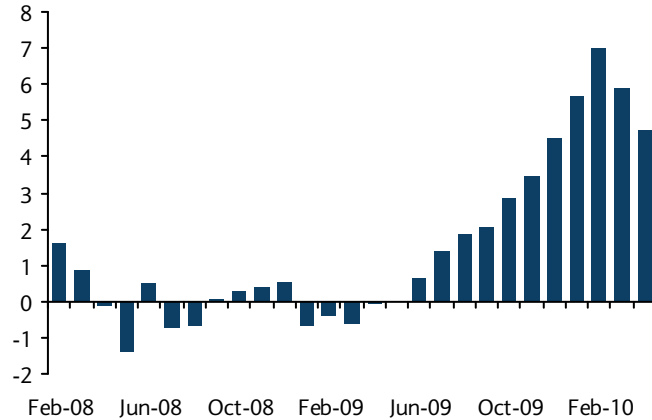
US lower-48 dry gas, reported and forecast monthly y/y growth (Bcf/d)



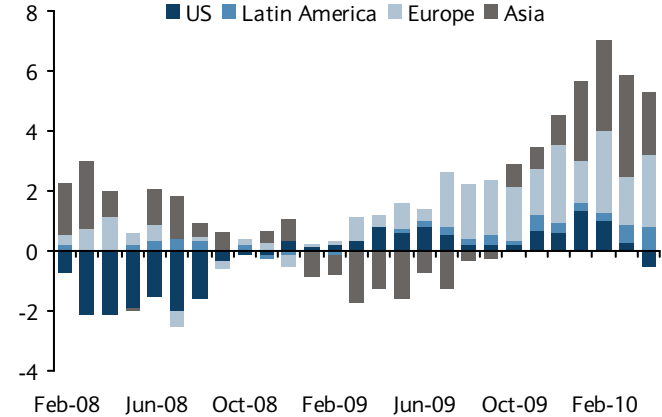
■ Monthly y/y production change

# Strong global demand has absorbed LNG supply rises so far...

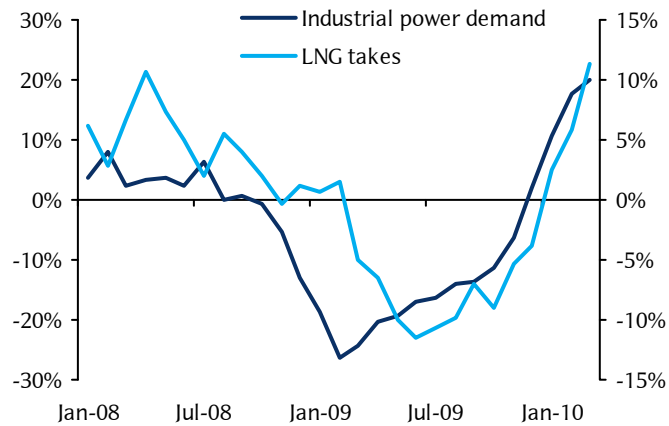
Global LNG supply, y/y change, Bcf/d



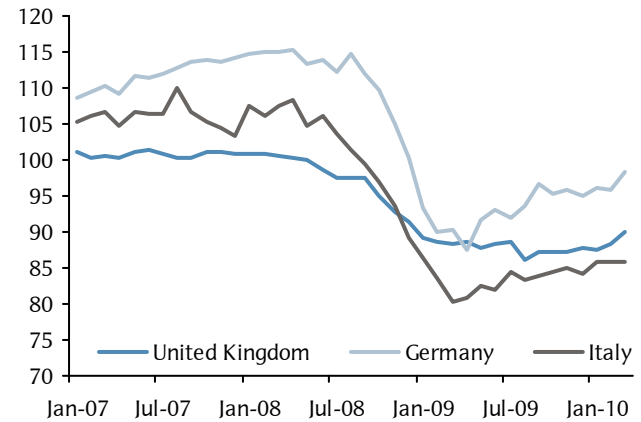
Year-on-year change in regional demand, Bcf/d



Japanese LNG takes and power use, y/y

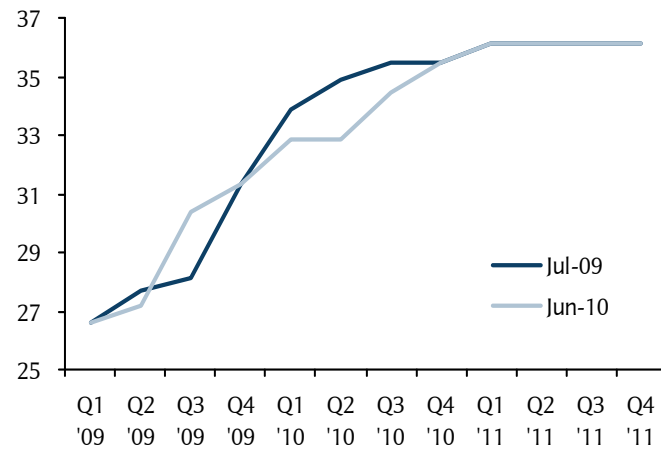


European consumer IP indices

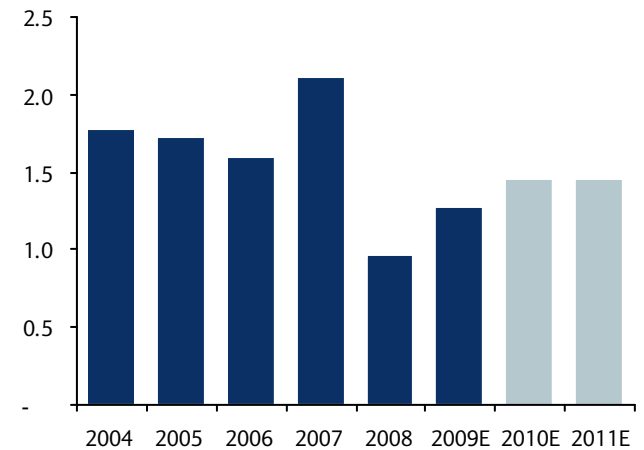


## ...but project delays should limit US LNG imports in H2 2010

Global liquefaction capacity, Bcf/d

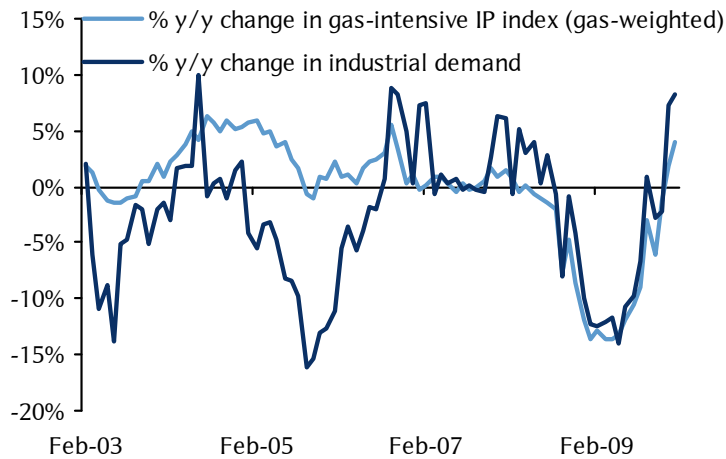


US LNG imports, Bcf/d

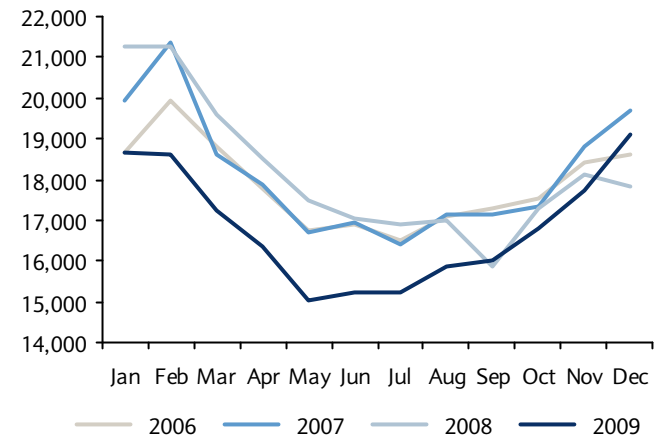


# US industrial sector demand for gas is recovering

### Industrial gas demand vs IP index



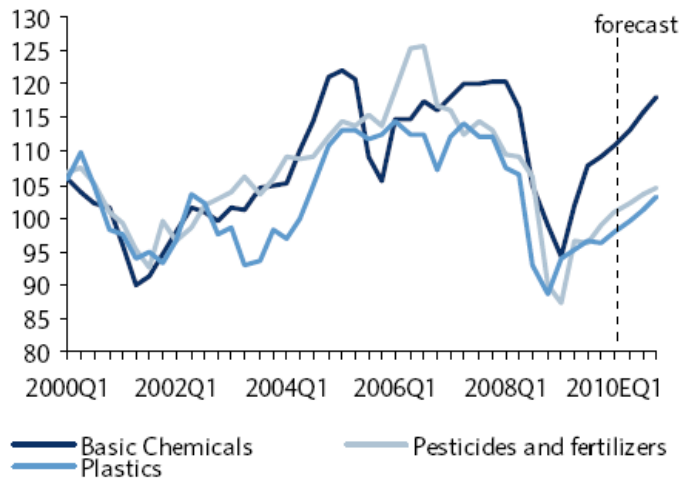
### Industrial sector gas demand, MMcf/d



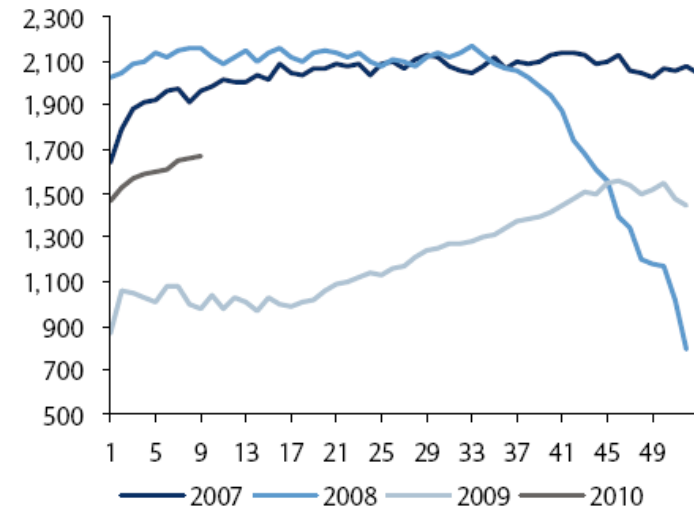
Industrial Demand Change (Bcf/d)

'09/'08	-1.4
'10/'09	+1.0
'11/'10	+0.4

### Historical and forecast chemicals IP



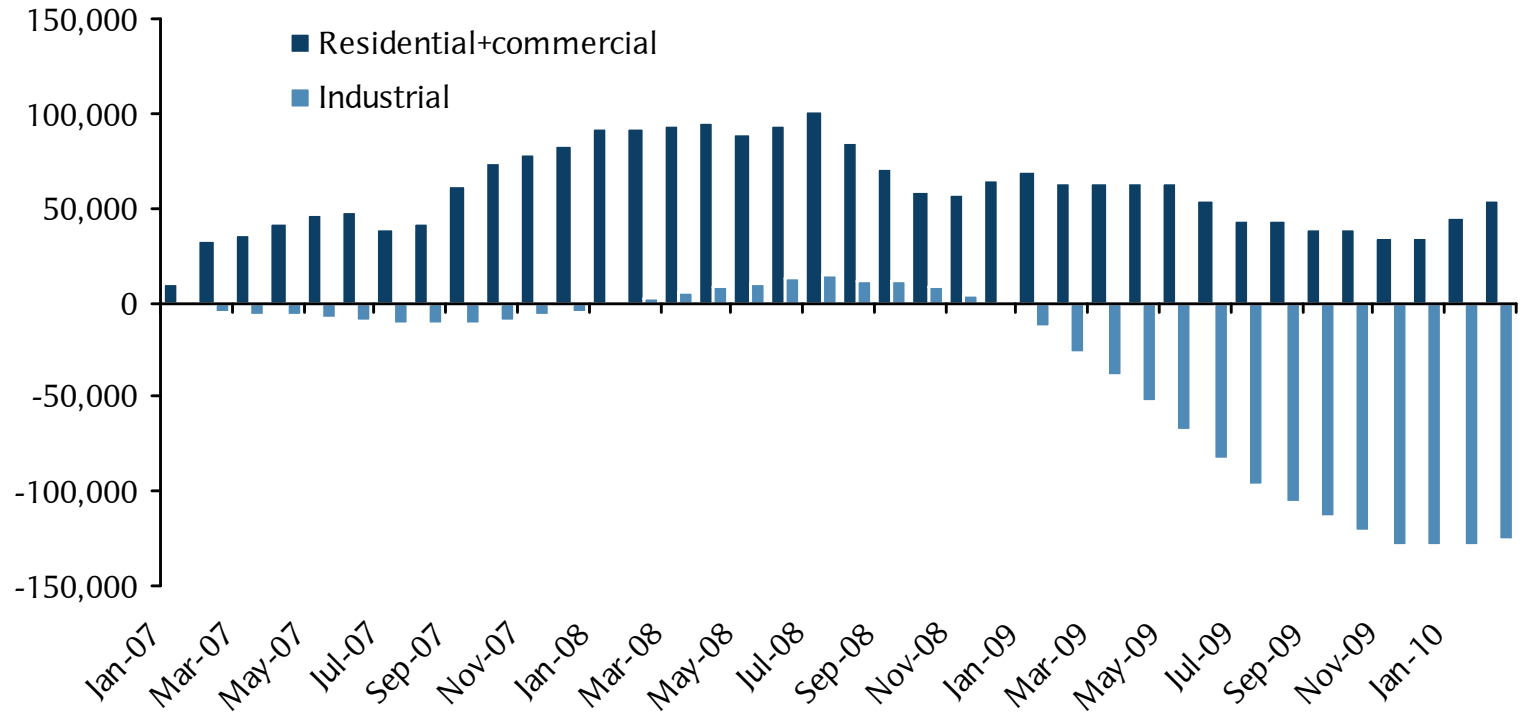
### US raw steel production, weekly '000 tons



Source: Federal Reserve, EIA, Barclays Capital

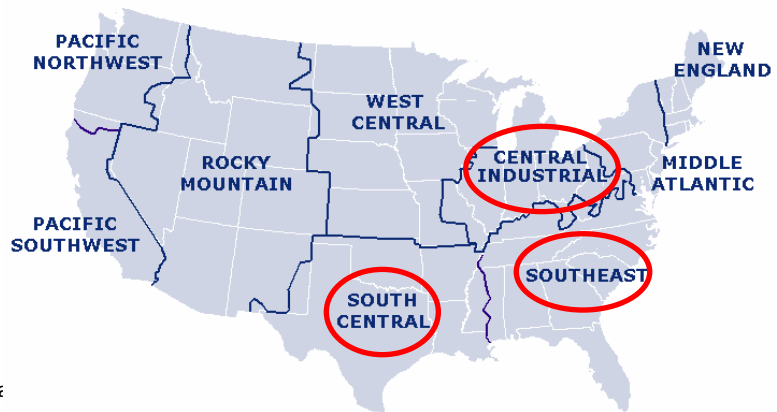
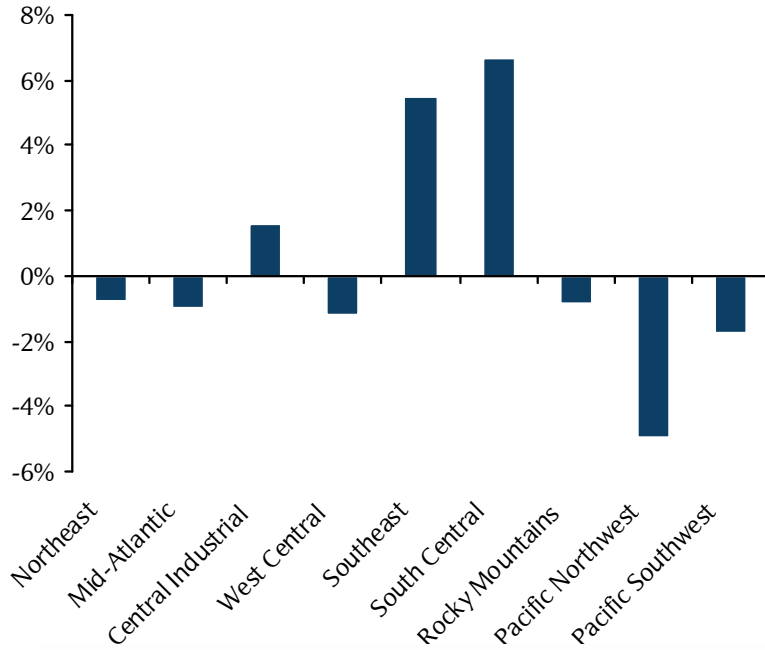
# Industrial demand for power led the decline, and is now leading the recovery in power loads

(total US, GWh per month)



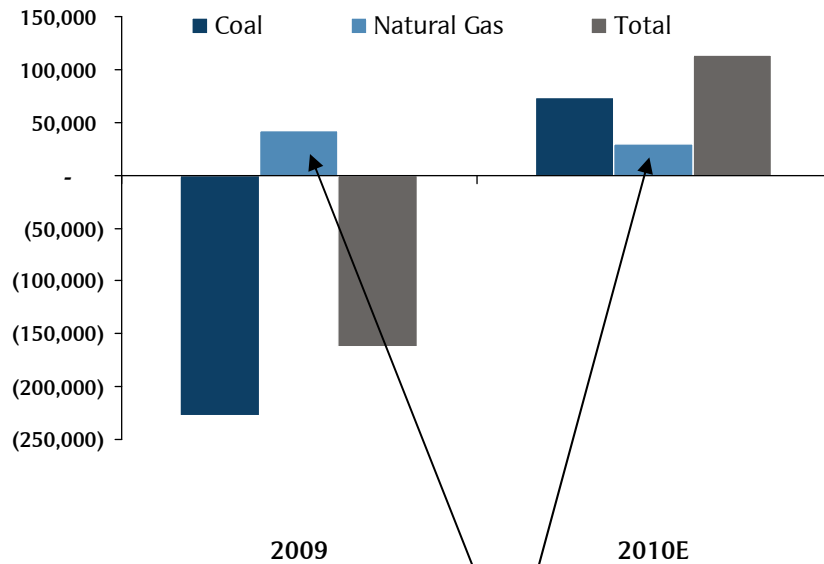
# Power demand recovery is very regional

Regional change in power loads, YTD

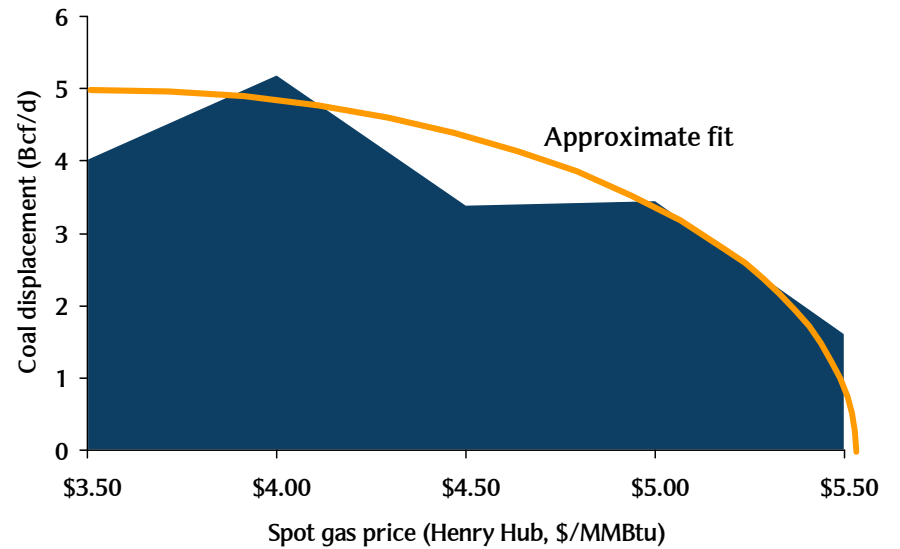


# Coal displacement by gas set to continue in 2010 and 2011

Y/y change in power output by fuel source (GWh/y)



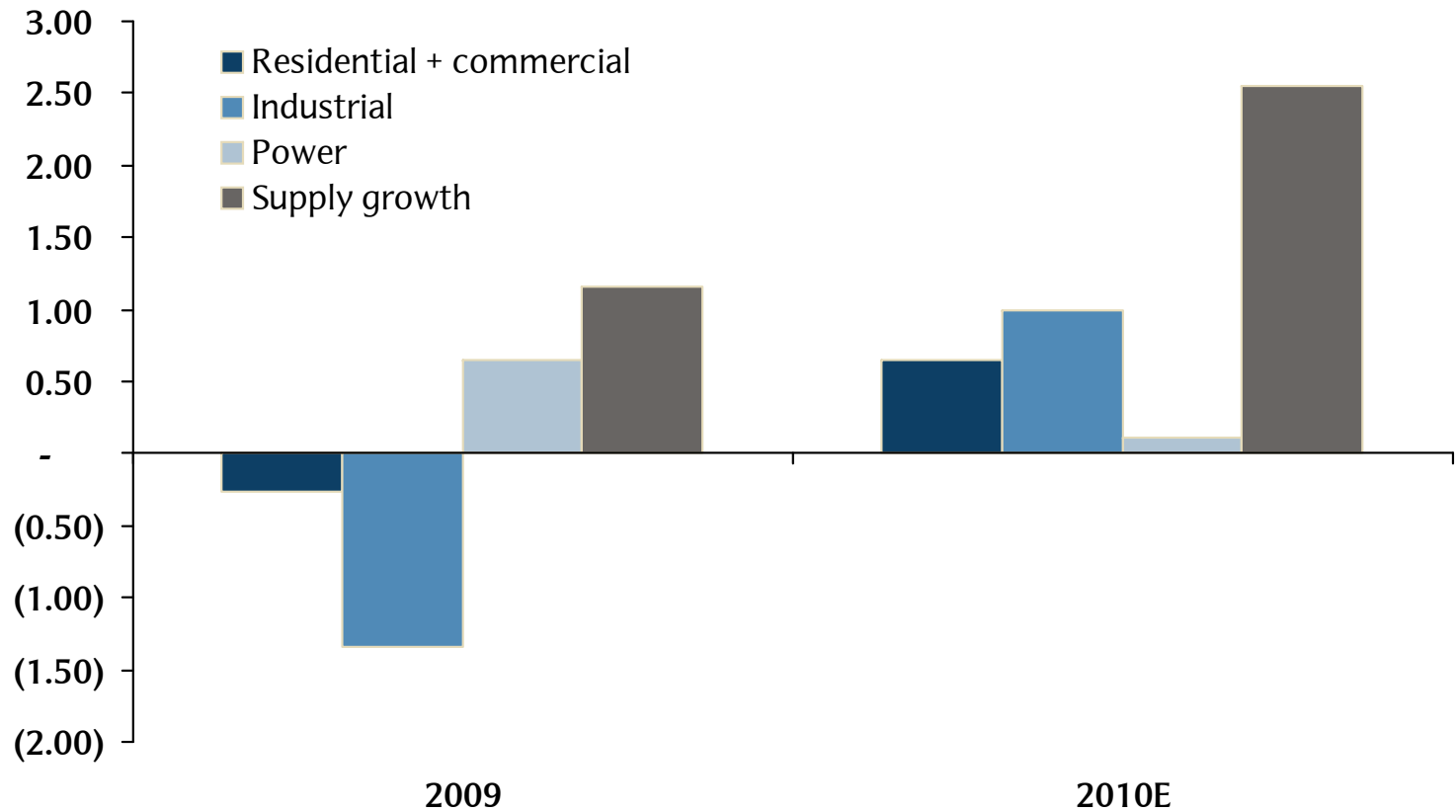
Coal displacement observed in 2009



The displacement of coal supported gas demand in 2009 and should continue to do so in 2010

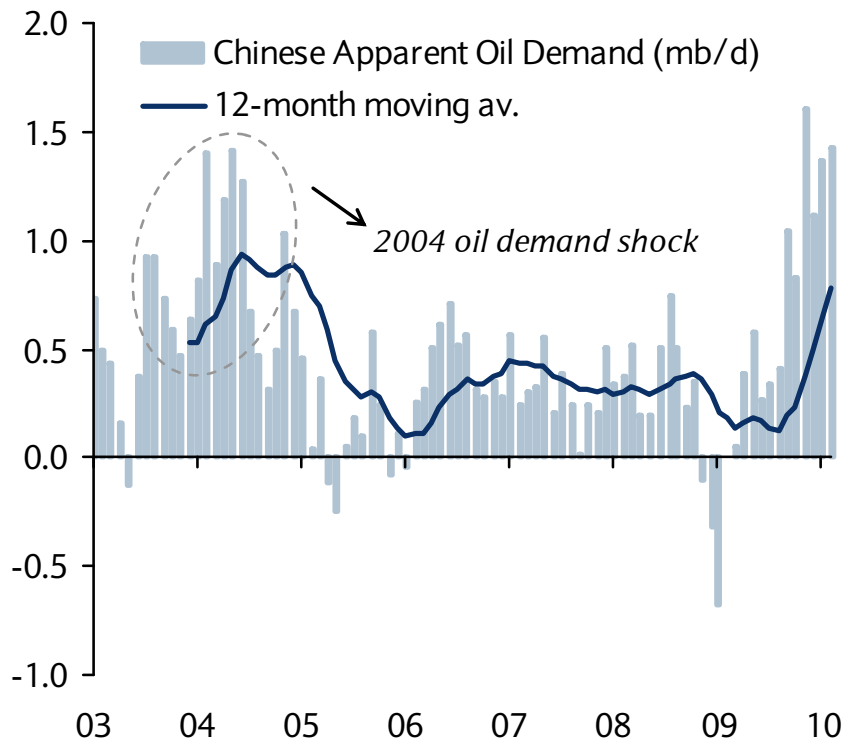


In 2009, supply grew despite demand loss...  
...in 2010, supply is still growing faster than demand (Bcf/d)



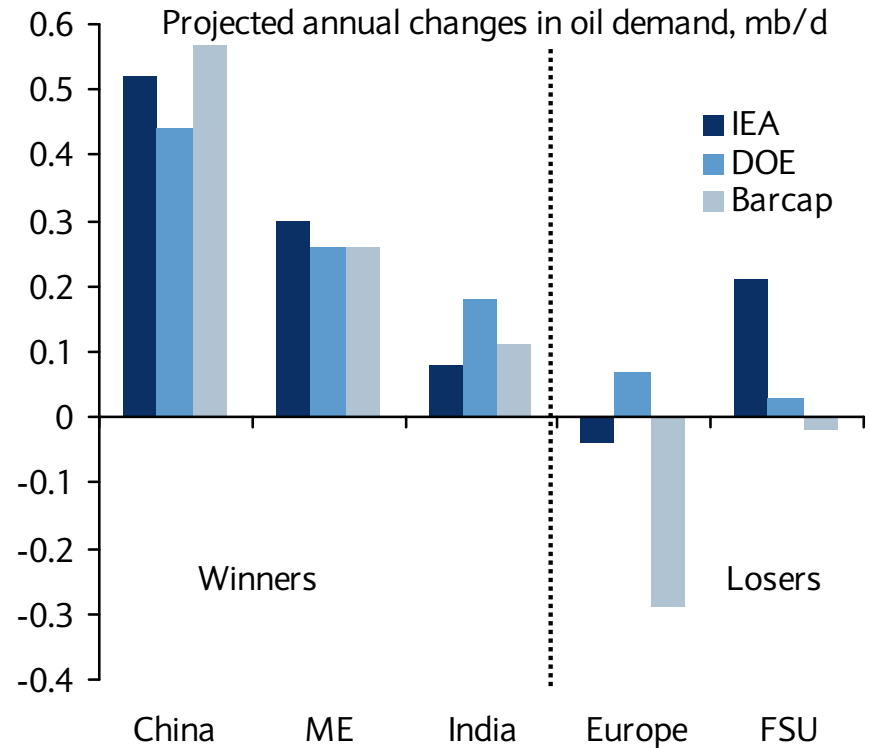
# Non-OECD oil demand growing at a frenetic pace

## Chinese oil demand is surging



Source: Chinese Customs, Barclays Capital

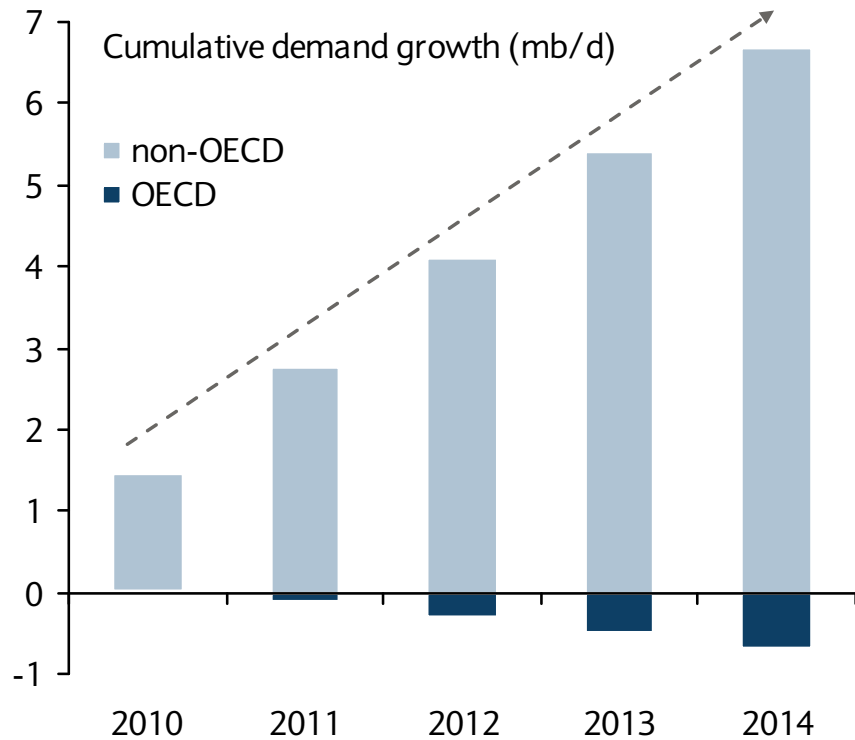
## Consensus expectations for Chinese oil demand growth in 2010 still relatively low



Source: DOE, IEA, Barclays Capital

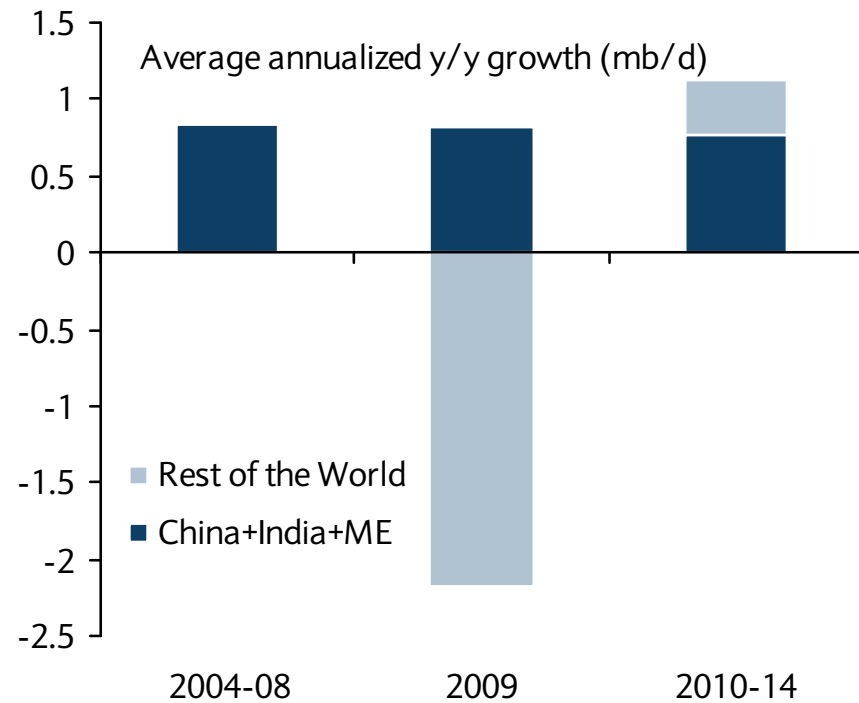
# Global oil demand: Steady growth ahead

Global oil demand growth looks set to continue steadily over the next five years



Source: IEA, Medium Term Energy Outlook December 2009, Barclays Capital

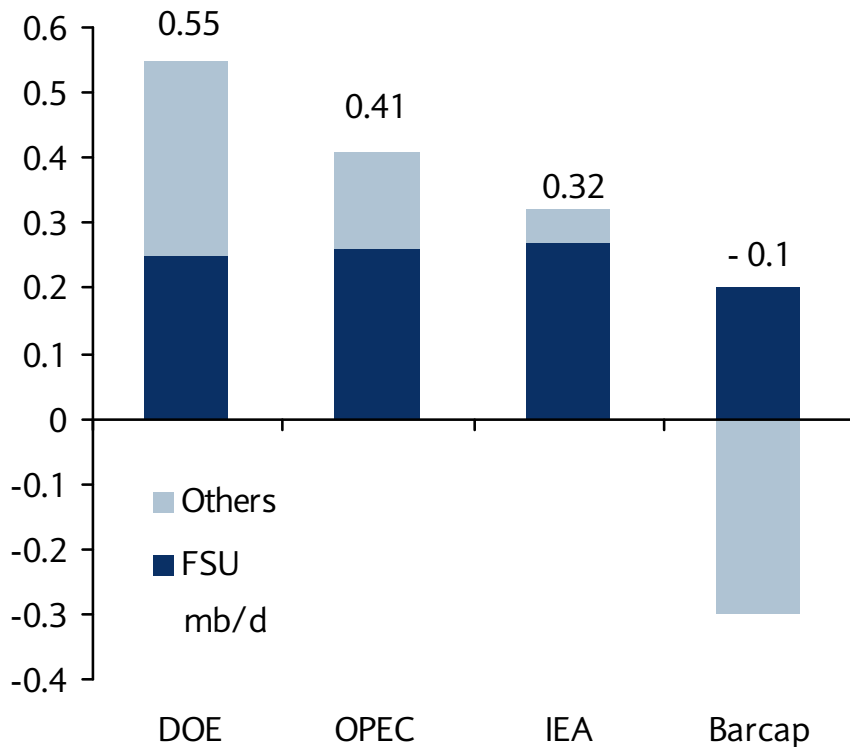
China, India and the Middle East are now a large, stable demand source



Source: IEA, Barclays Capital

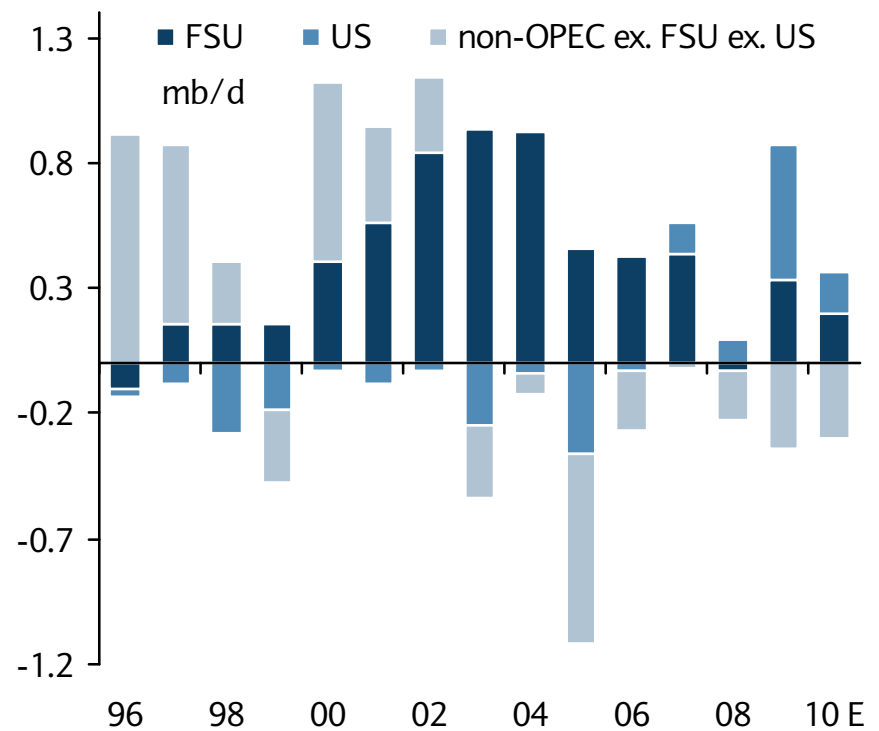
## Non-OPEC production likely to contract in 2010

We expect negative and below-consensus growth for non-OPEC supply ...



Source: DOE, IEA, OPEC, Barclays Capital

... driven by a strong downswing in US and Russian production



Source: Barclays Capital

## We expect oil to retain its premium to natural gas (Barclays Capital gas and oil price outlook)

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	<b>Natural Gas</b> (Henry Hub, \$/MMBtu)	<b>Oil</b> (WTI, \$/bbl)
2010	4.51	85
2011	4.10	97
2012	5.25	106
2015	5.75	137

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