A View From the Street

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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)

Source: EIA, Baker Hughes, Barclays Capital
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

Source: Waterborne, Bloomberg, EIA, Barclays Capital
…but project delays should limit US LNG imports in H2 2010

Source: EIA, Barclays Capital
US industrial sector demand for gas is recovering

**Industrial gas demand vs IP index**

- % y/y change in gas-intensive IP index (gas-weighted)
- % y/y change in industrial demand

**Industrial sector gas demand, MMcf/d**

**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)

Source: EIA, Barclays Capital
Power demand recovery is very regional

Regional change in power loads, YTD

Source: EIA, EEI, MECCS, Barclays Capital
Coal displacement by gas set to continue in 2010 and 2011

Coal displacement observed in 2009

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

Source: EIA, Platts, Barclays Capital
In 2009, supply grew despite demand loss... ...in 2010, supply is still growing faster than demand (Bcf/d)

Source: EIA, Barclays Capital
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.

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

Cumulative demand growth (mb/d)
- 2010 2011 2012 2013 2014
- 1.5 1.0 0.5 0.0 -0.5 -1.0 -1.5 -2.0

Average annualized y/y growth (mb/d)
- 2004-08 2009 2010-14
- Rest of the World
- China+India+ME

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

Source: IEA, Barclays Capital
Non-OPEC production likely to contract in 2010

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

… driven by a strong downswing in US and Russian production

Source: DOE, IEA, OPEC, Barclays Capital

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

<table>
<thead>
<tr>
<th></th>
<th>Natural Gas</th>
<th>Oil</th>
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<tbody>
<tr>
<td>(Henry Hub, $/MMBtu)</td>
<td>(WTI, $/bbl)</td>
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<td>2010</td>
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Source: EIA, Barclays Capital
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