



25th world gas conference
"Gas: Sustaining Future Global Growth"

The LNG Oversupply that Never Occurred

The Global Consumption of 42 MTA of Qatargas LNG

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Patron



Host



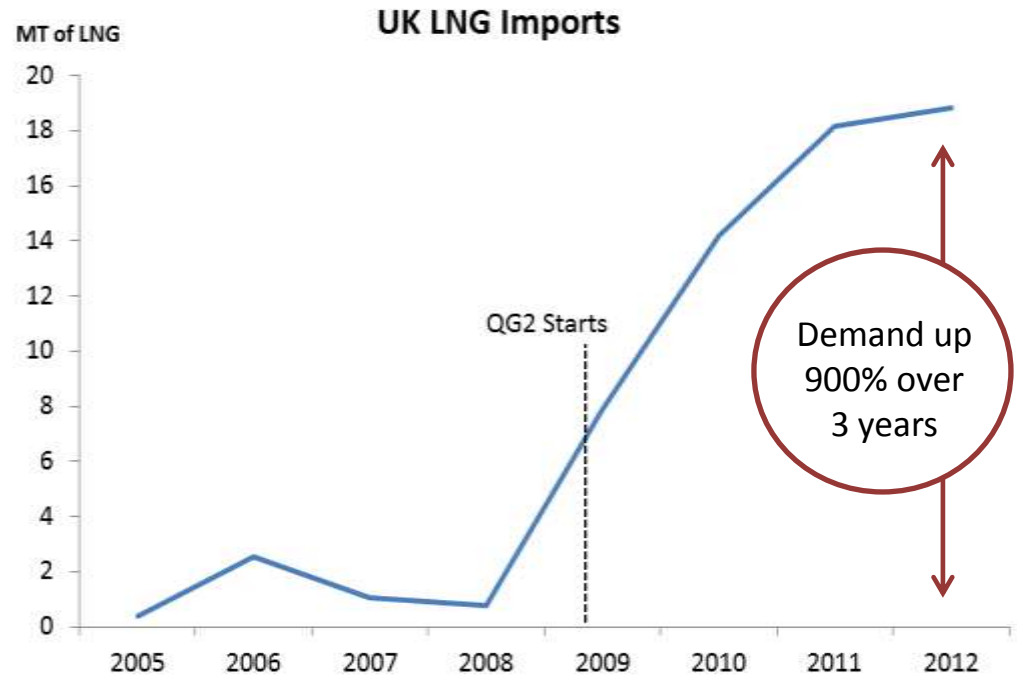
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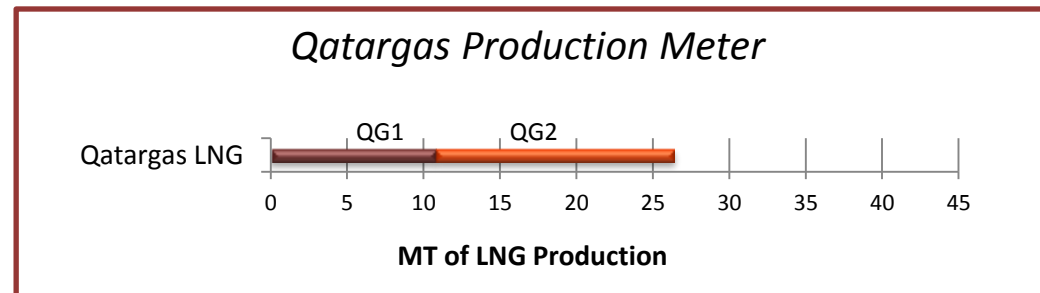
- **Qatargas Mega Train Development**
 - Qatargas 2 Venture
 - Qatargas 3 & 4 Ventures
- **Uncertain Markets**
- **What Happened?**
- **Timeline of Commercial Activity**
- **Qatargas Today**
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Qatargas 2 Mega Train Development UK Market

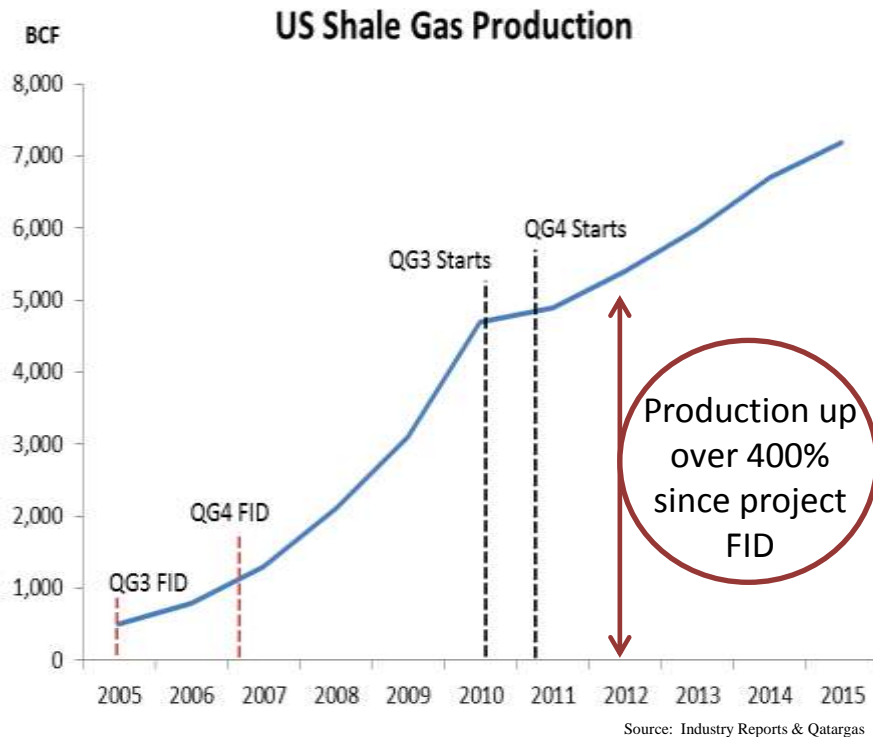
- Global economic recession from 2008 continued.
- Qatargas commercial focus was on the UK market. Concerns regarding oversupply were discussed.
- European market demand for LNG rose due to a focus on security of supply and CO₂ emissions controls.
- Qatargas 2 Train 4 loaded its first cargo in March of 2009 followed by Train 5 in September which effectively increased Qatargas' nameplate production of LNG by 250%.



Source: Industry Reports & Qatargas

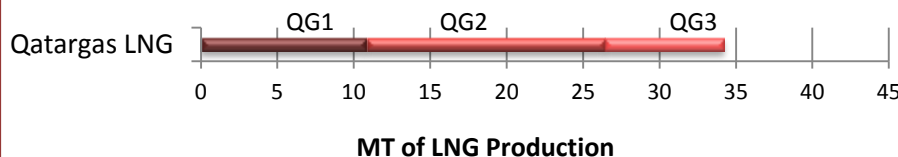


Qatargas 3 & 4 Mega Train Development USA Market

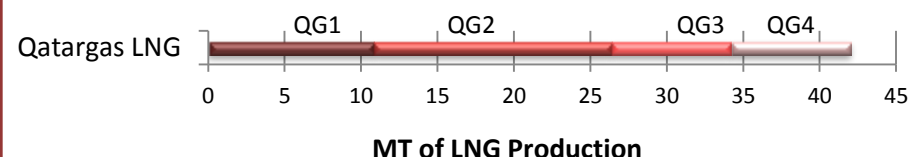


- Since FID the anticipated US demand declined due to large findings of unconventional gas reserves.
- Falling demand translated to falling prices and the US Henry Hub fell to new historical lows.
- Qatargas 3 and Qatargas 4 started in November 2010 and February 2011 respectively.
- The new mega trains increased Qatargas production by an additional 64%.
- Qatargas' contracts were designed with flexibility allowing for cargo diversions and optimization of the Qatargas portfolio.

Qatargas Production Meter



Qatargas Production Meter



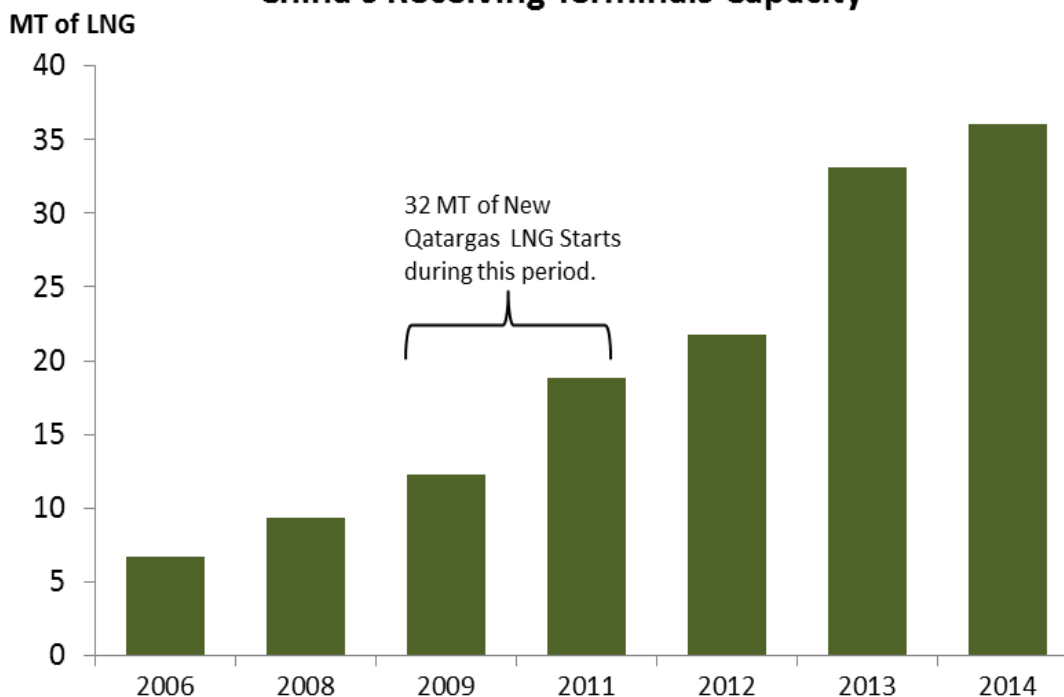
Full Qatargas Production Meets Uncertain Markets

Market Expectations at the start of 2011

- Japan demand to remain flat at best
- Remaining Asian demand led by China however, limited by infrastructure
- European demand, down but proceeding with caution
- US demand to remain weak but to be a market of last resort

Market Concern:
Can China absorb
all new Qatargas
LNG in near term?

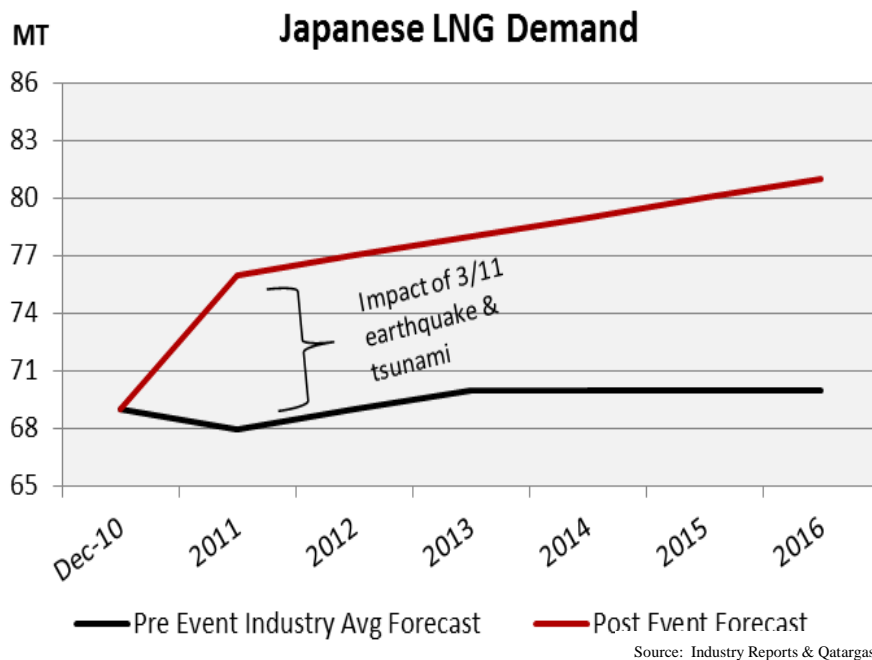
China's Receiving Terminals Capacity



Source: Industry Reports & Qatargas

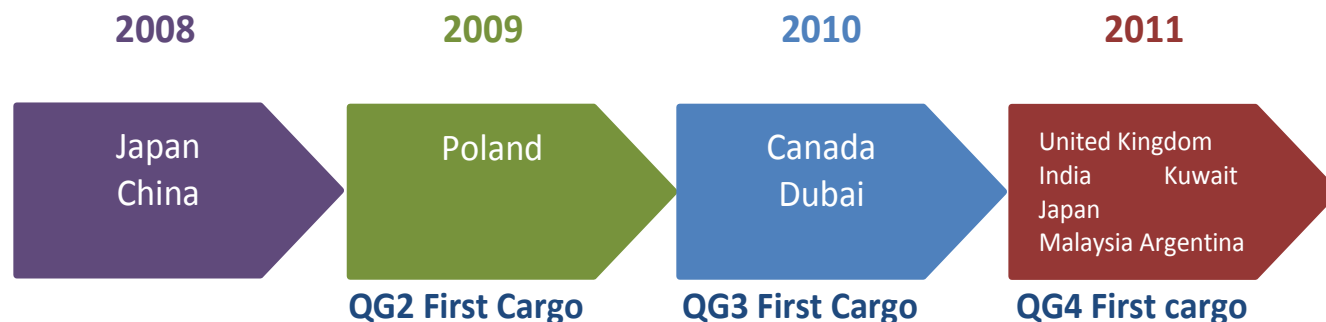
What Happened?

- Colder than expected winter in Europe in early 2011 resulted in stronger than expected demand.
- March 11, 2011 a devastating earthquake and subsequent tsunami struck Japan.
- Qatar responded to its valued long term partners in Japan diverting 4.5 MTA of LNG to supply Japan's immediate energy needs.
- In the forthcoming months, Japan's LNG demand grows and draws additional LNG supplies from around the globe.



Forecasted Japanese LNG demand rises, on average, 12% based on an uncertain future nuclear policy.

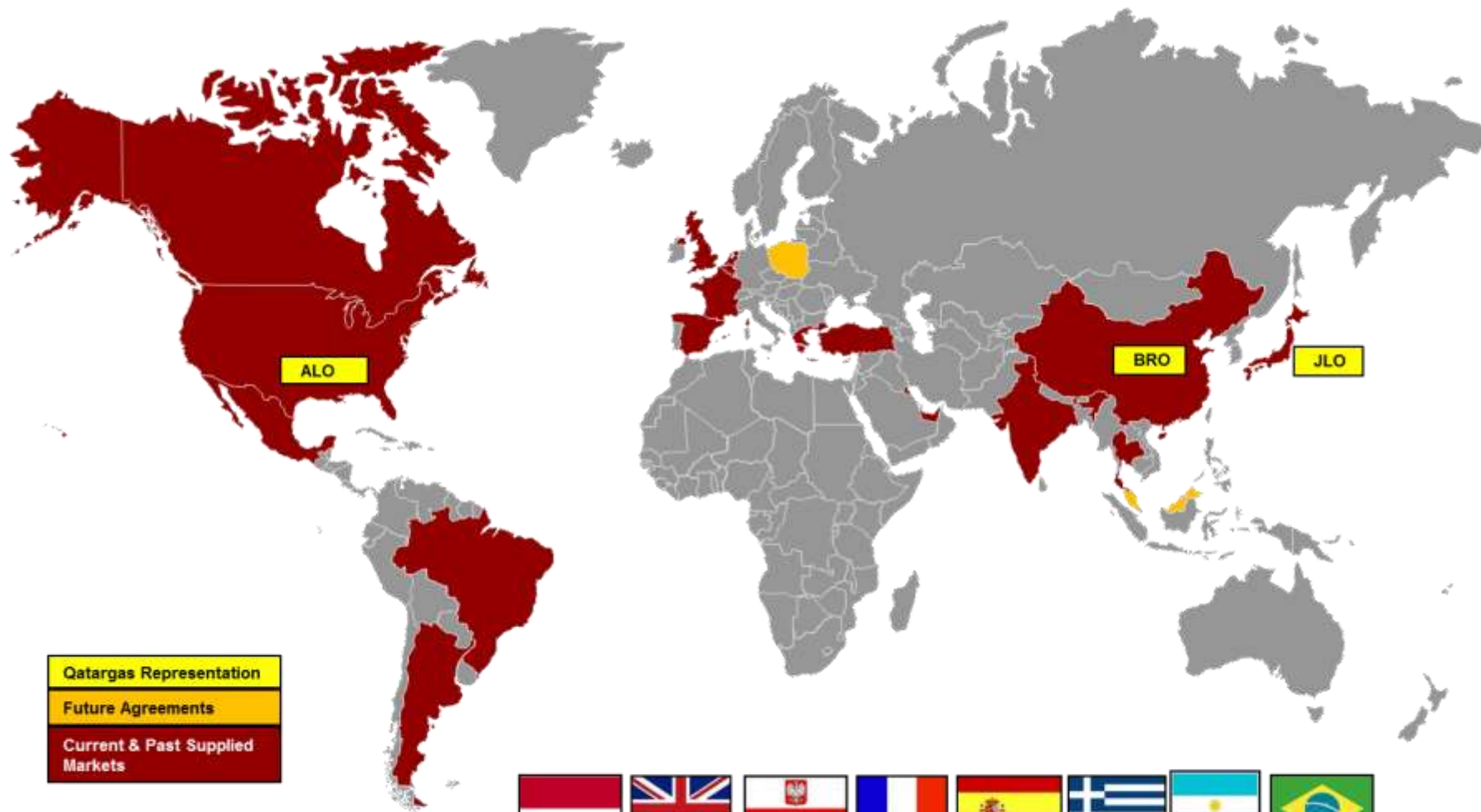
Timeline of Commercial Activity



Source: Qatargas

- Qatargas had foresight to adjust its marketing strategy based on its contractual flexibility.
- Qatargas signed new agreements during the development of its mega trains.
- These agreements included new long-term SPAs, mid-term SPAs, spot cargos and future planned supply arrangements based on HOA agreements.
- These new and potential agreements allow Qatargas to diversify its portfolio and send LNG to the markets that need it most.

Qatargas Markets Today

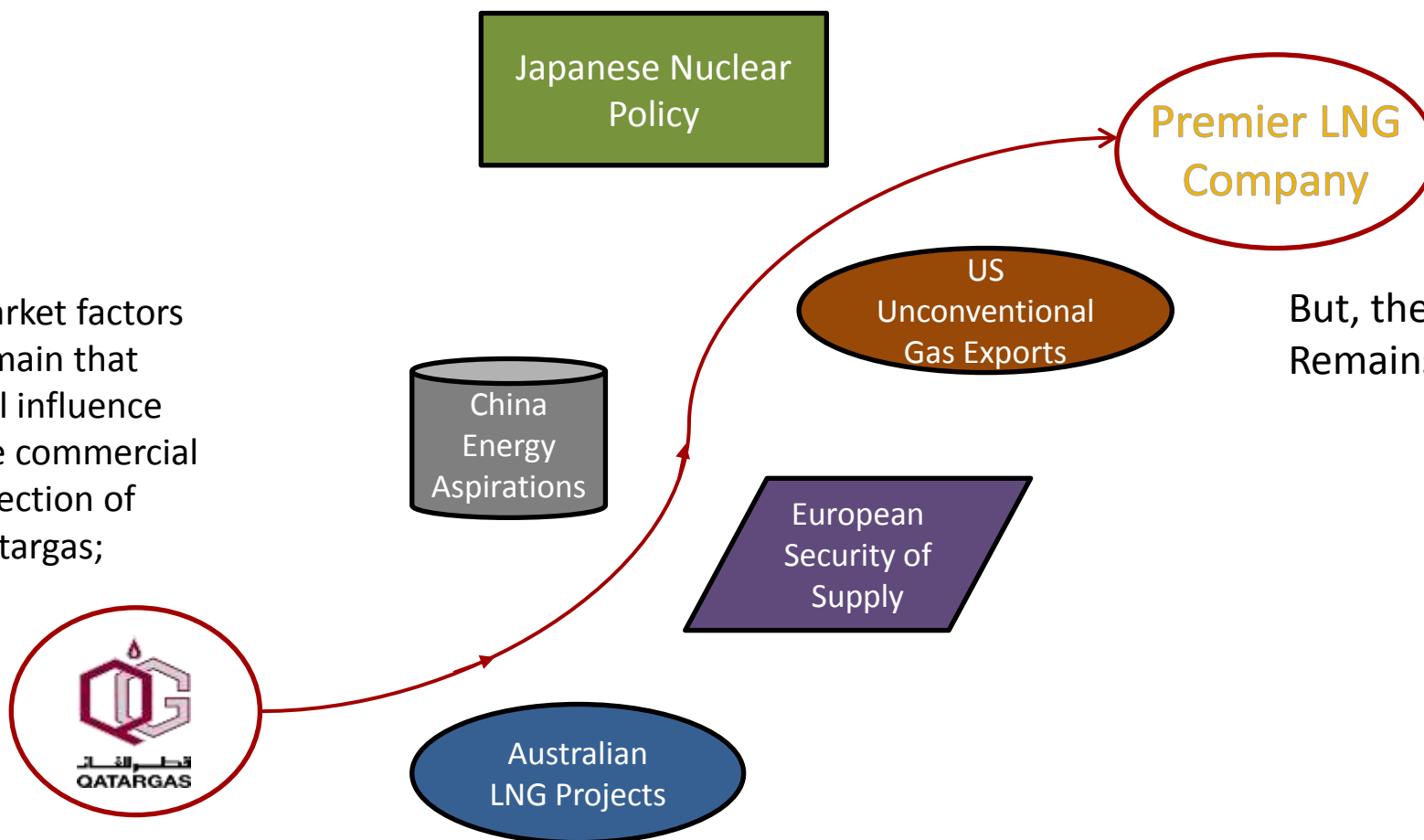


Qatargas Representation
Future Agreements
Current & Past Supplied Markets



Looking Towards the Future

Market factors remain that will influence the commercial direction of Qatargas;



But, the Goal Remains the Same.



THANK YOU

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