

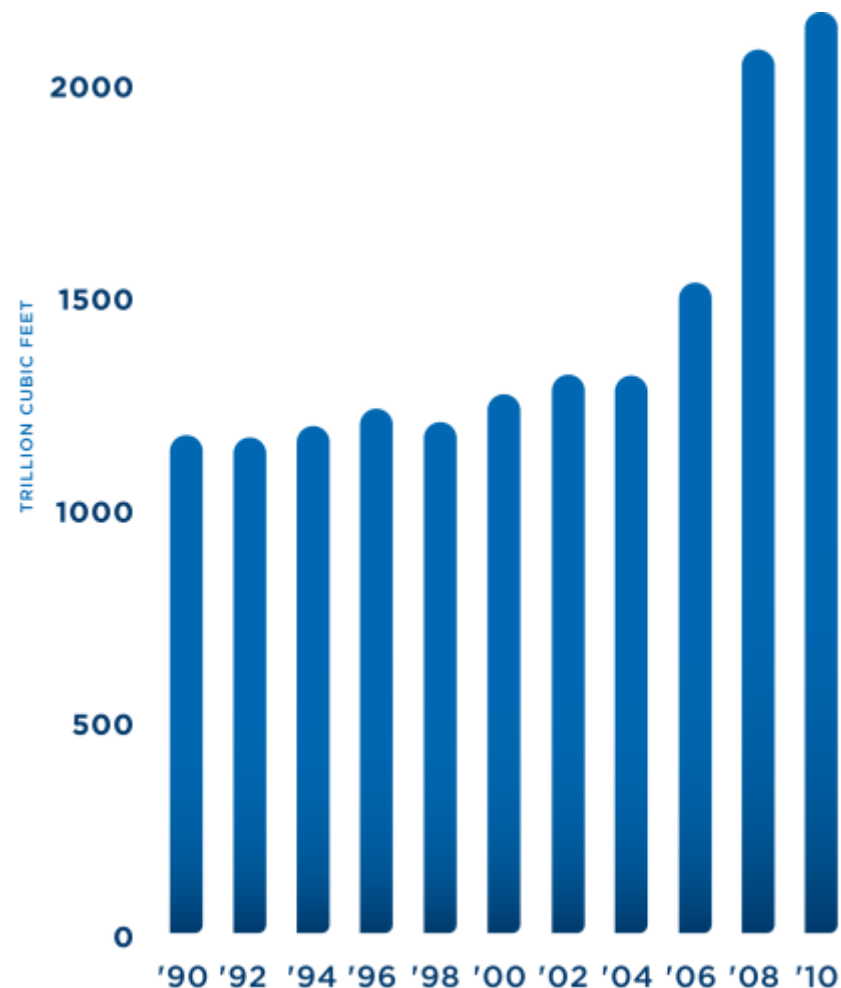
June 7, 2012
World Gas Conference
Kuala Lumpur, Malaysia

A View from the United States:
**Market Growth of Natural Gas
as a Transportation Fuel**

The Honorable Dave McCurdy
President and CEO
American Gas Association

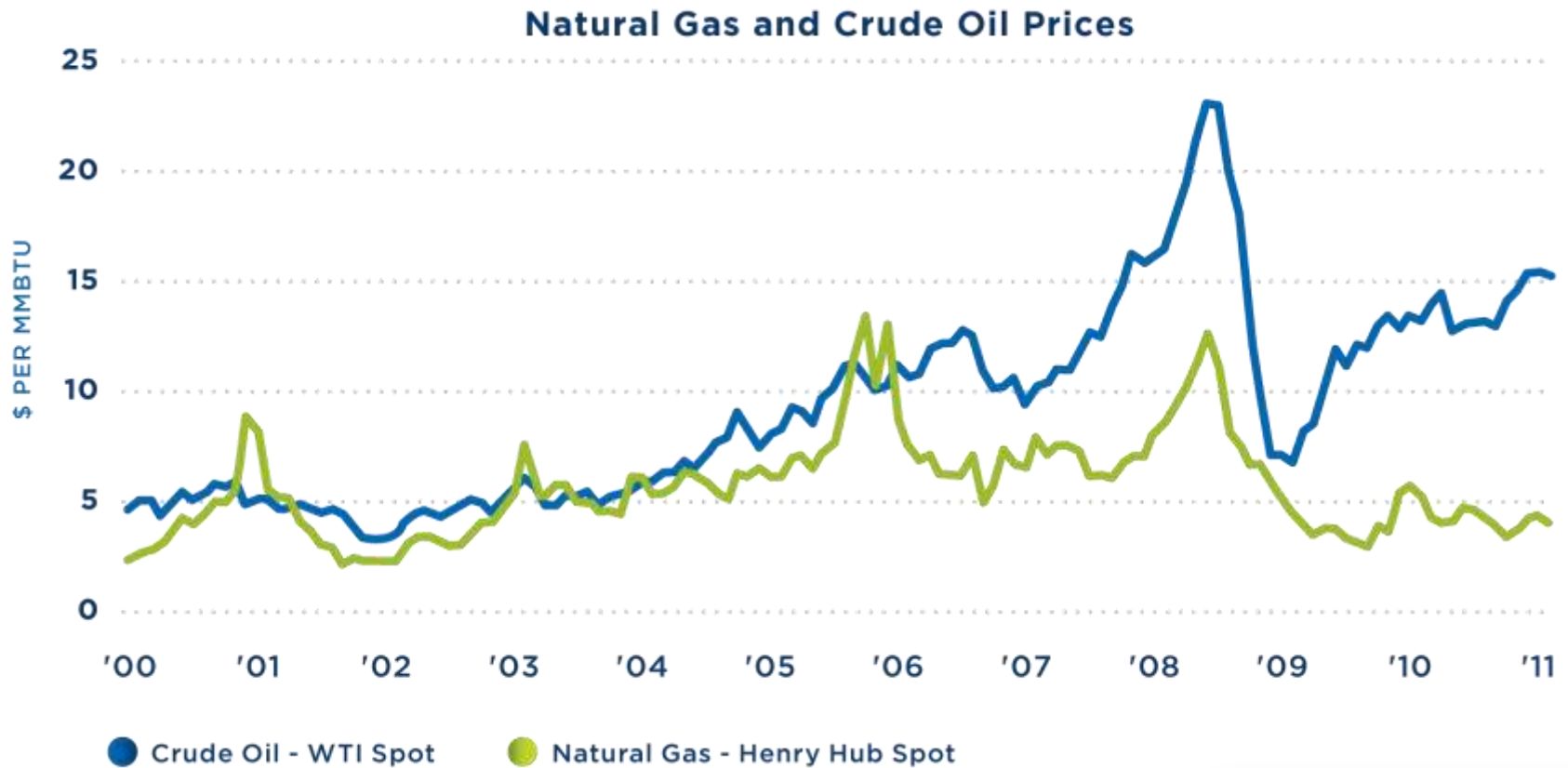
AND THEN There Was Abundance

According to the Energy Information Administration and the Potential Gas Committee, **the U.S. has enough natural gas to meet America's diverse energy needs for 100 years**



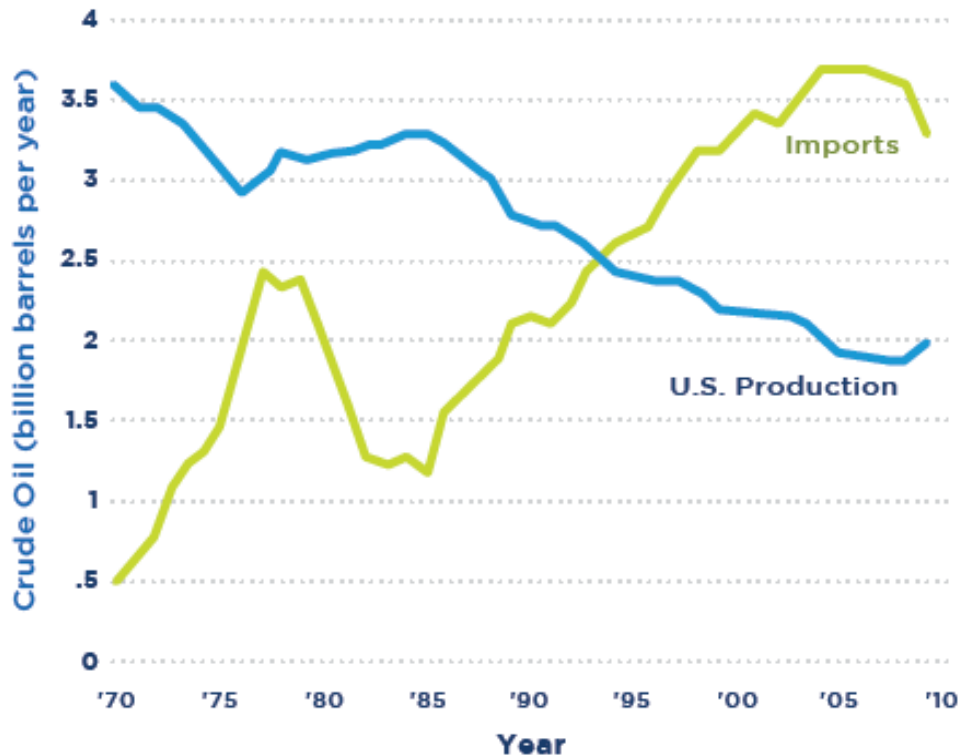
In 2012 we see continued high crude oil prices but natural gas prices remain *relatively low and stable*.

The U.S. national average price of CNG is nearly 50 percent cheaper than gasoline or diesel fuel.



U.S. Dependence on Foreign Oil

Natural gas will help fill the gap



With the right policies in place, we can close the gap between U.S. supply and demand through:

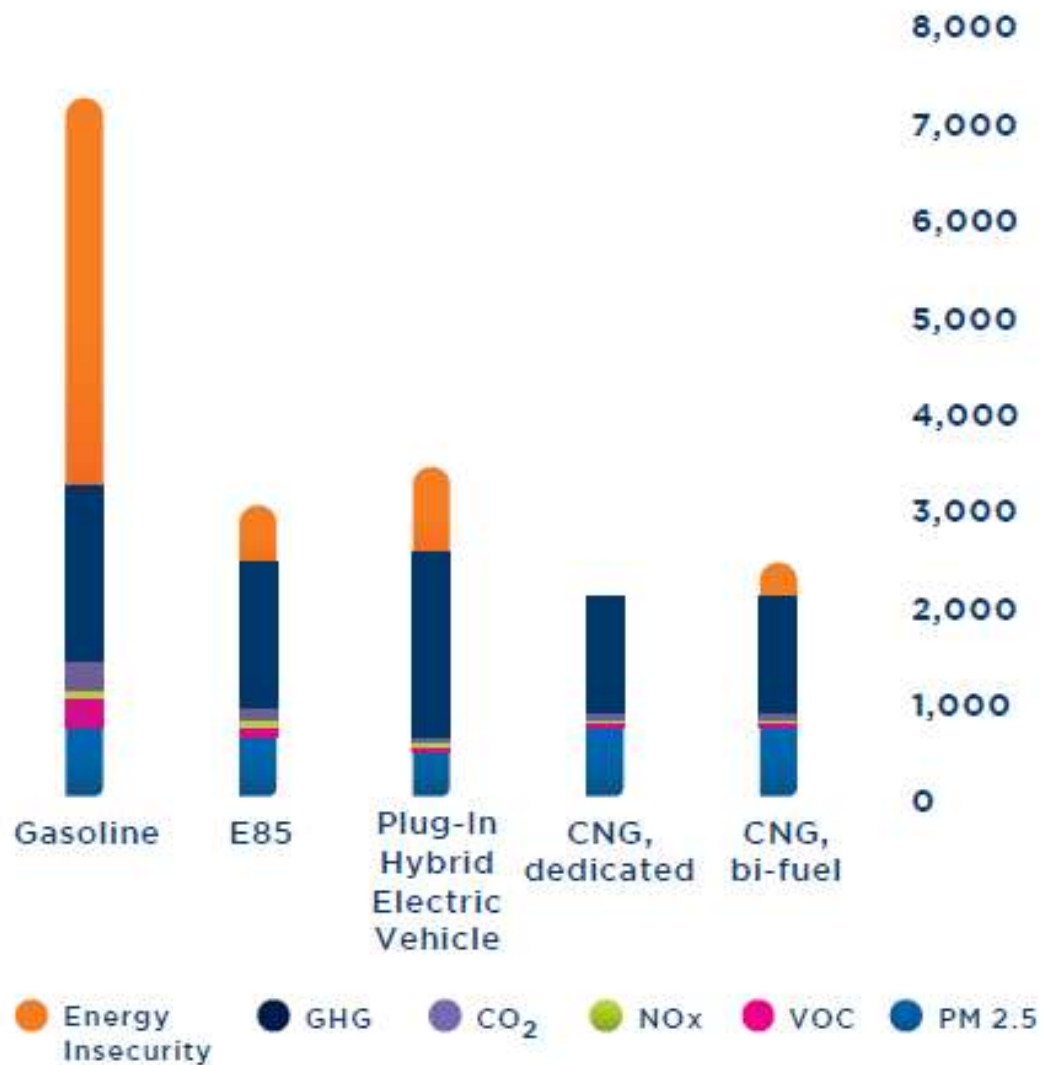
- Increased domestic oil production;
- More fuel efficient vehicles; and
- Greater use of natural gas as a transportation fuel.

In 2009, energy imports made up nearly 60% of the U.S. trade deficit.

SOCIETAL COSTS

for Light-Duty Vehicles by Fuel Type*

Not all fuels are created equal. Natural gas is the preferred choice when the benefits of lower emissions and decreased dependence on foreign oil are compared to other fuels.



* 2016 Model Year, 2010 \$/Vehicle

The U.S. is the world's largest natural gas producer, but lags behind other nations in natural gas transportation

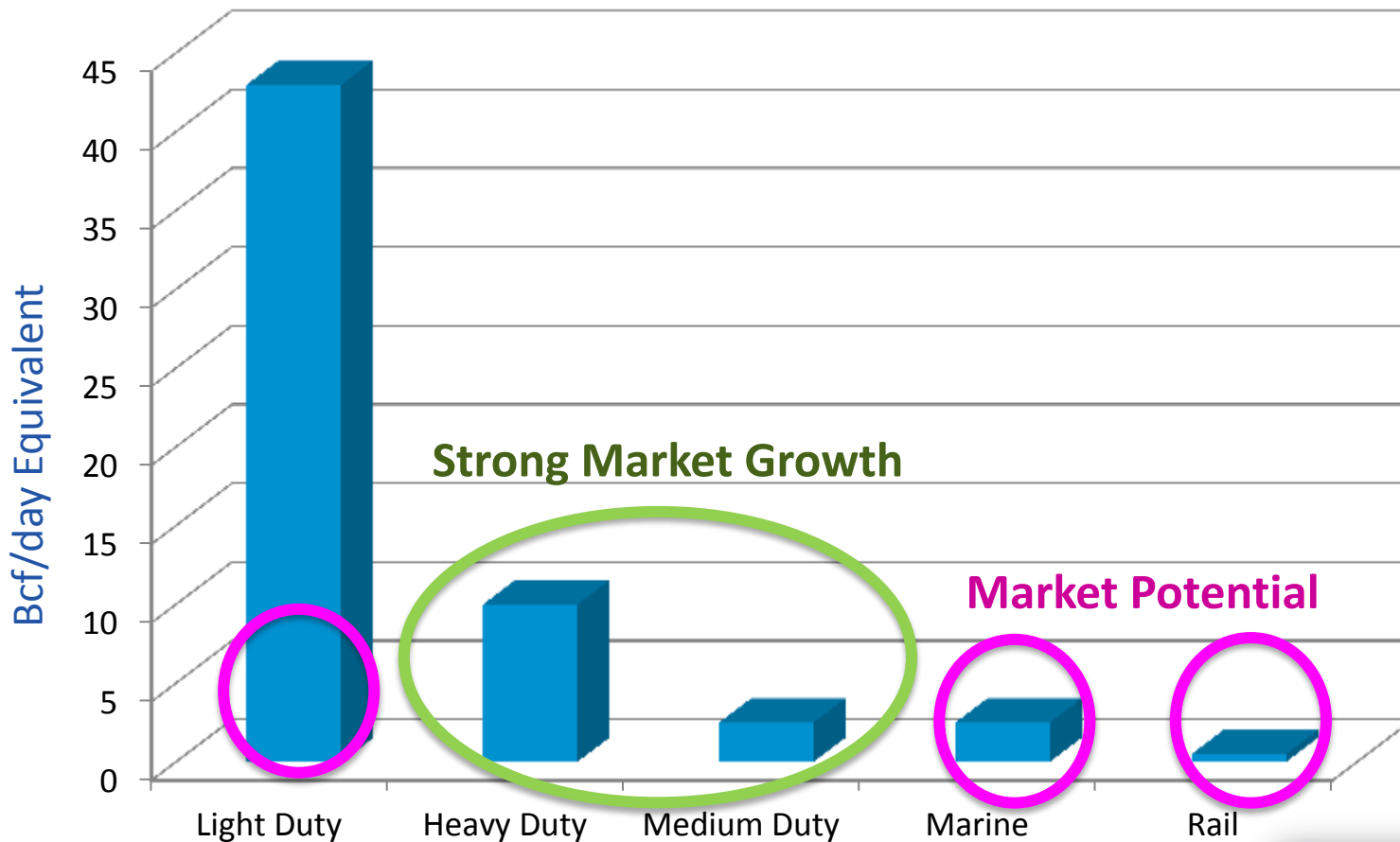


There are more than **12.7 million natural gas vehicles** on the road worldwide – but fewer than **125,000 are in the United States**.

IDENTIFYING THE OPPORTUNITIES

U.S. Fuel Consumption by Transportation Market Segment

Total Transportation Energy Market Equivalent to 61.6 Bcf/day



Major vehicle manufacturers are *bringing NGVs to the North American market*

Medium and Heavy Duty



Light Duty



HONDA



CHRYSLER



RECENT OEM ANNOUNCEMENTS

Bi-Fuel Pickup Trucks Hit the U.S. Market

- Chevrolet Silverado and GMC Sierra 2500 (bi-fuel)
 - 650 miles of combined natural gas and gasoline range
 - GM previously ended NGV production in 2006 – but is now returning
- Chrysler Ram 2500 (bi-fuel)
 - America's only factory-built, CNG-gasoline bi-fuel pickup truck
 - OEM built means more than \$6,000 in savings over comparable vehicle conversions.

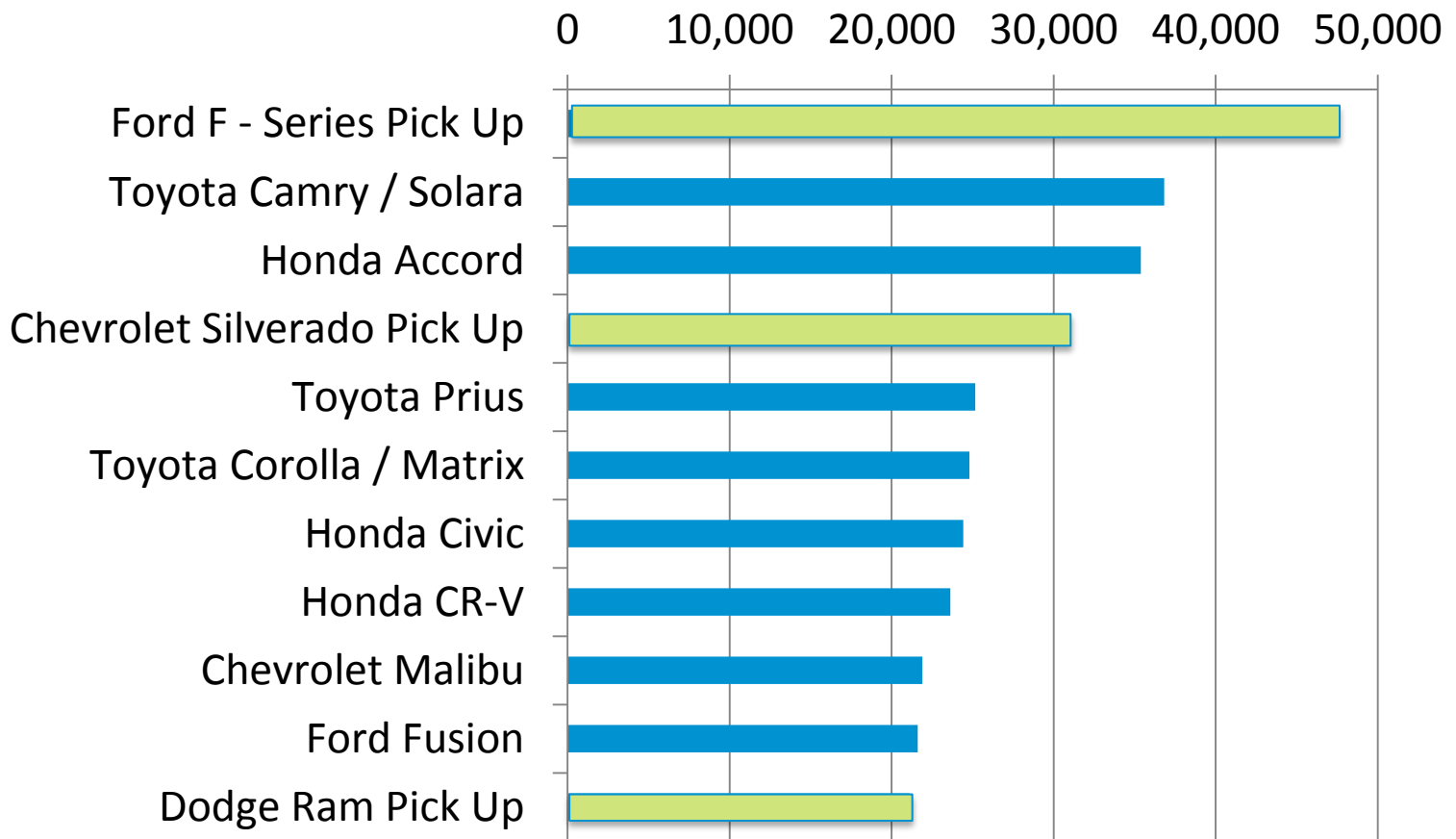


RAM photo at allpar.com:
2013 Ram 2500 with CNG / gasoline
capability.

In America, Trucks Matter

Not just to fleets, but to retail consumers as well

Top Selling Vehicles in U.S. Market (Month of April 2012):



Total Units Sold, Source; Wall Street Journal

LEADING THE WAY

NGVs in Fleets Across America

- Waste Management announced on May 11th it will convert its entire fleet – over 18,000 trucks – from diesel to CNG.
- UPS, AT&T, Comcast, Sysco, and Ryder have made significant commitments to NGVs in their national fleets.
- One-fifth of city transit buses run on natural gas today, and market share of is growing.
- More than 35 U.S. airports use NGVs in their fleets or encourage NGVs in private fleets operating on



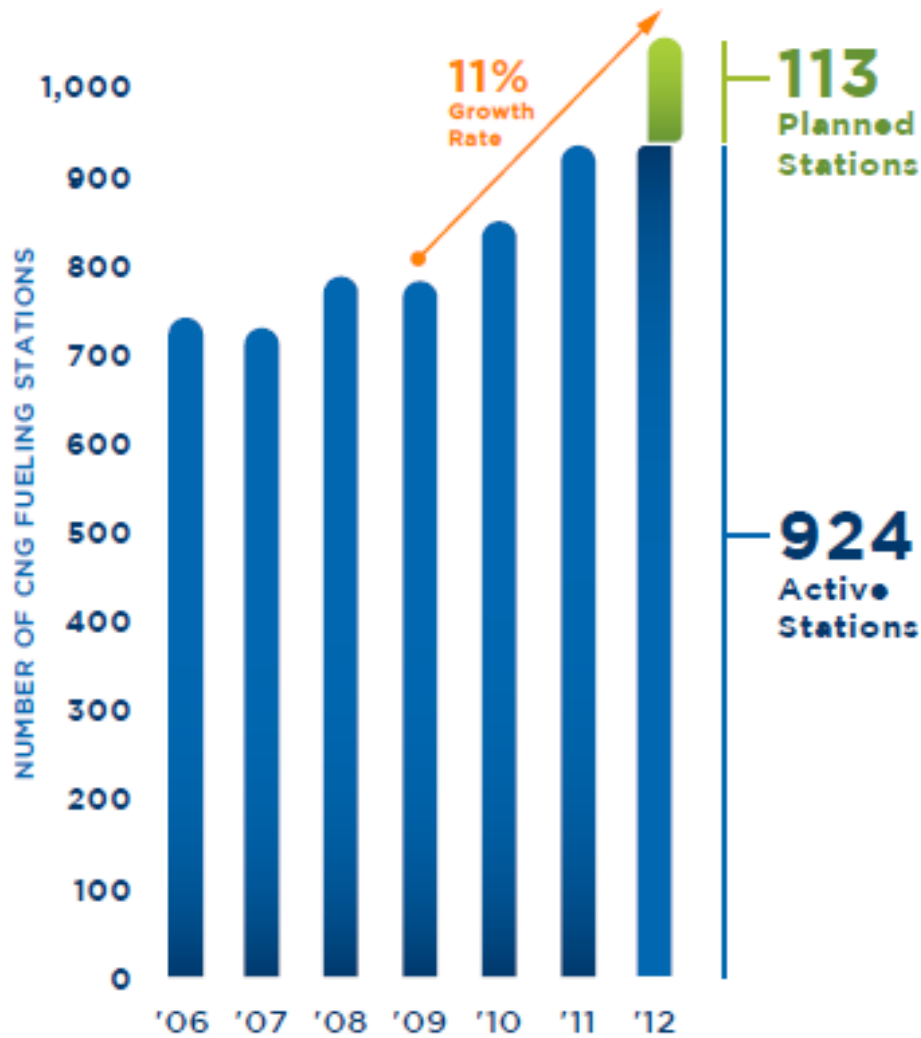
“The economics and payback of natural gas are so strong that it dwarfs any other technology.”

- Eric Woods

Vice President of Fleet and Logistics

Waste Management





Our national CNG refueling infrastructure is growing each year. The period between 2009 to 2012 shows a growth rate of 11 percent annually.

Progress along the Interstate Highway System

BUILDING A NATIONAL FUELING INFRASTRUCTURE
(*Example of one company's investment)



NATURAL GAS

Driving Us to a Cleaner, More Secure Future

- As America's foundation fuel, natural gas can help lead the way in breaking our nation's dependence on oil imports.
- Natural gas can immediately be put to use across the country to fuel a wide range of transportation options from fleet and light-duty vehicles to heavy-duty trucking and off-road applications.
- As a transportation fuel, natural gas offers the same mobility benefits while producing fewer harmful air emissions than gasoline and diesel fuels.



Reduced
emissions

29%

*Natural gas vehicles
can reduce greenhouse
gas emissions by 29%
compared to gasoline-
powered vehicles*



www.aga.org

The American Gas Association, founded in 1918, represents more than 200 local energy companies that deliver clean natural gas throughout the United States. There are more than 71 million residential, commercial and industrial natural gas customers in the United States, of which 92% — more than 65 million customers — receive their gas from AGA members. Today, natural gas meets almost one-fourth of the United States' energy needs.