

International Gas APRIL 2009
INTERNATIONAL GAS UNION

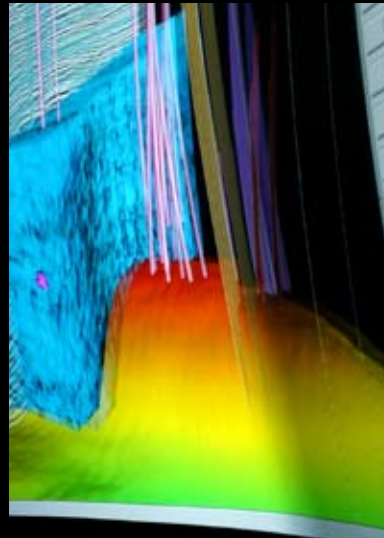
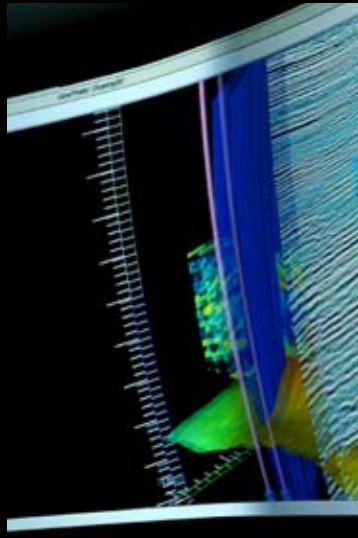



www.igu.org

BOUND FOR BUENOS AIRES

Countdown to 24th World Gas Conference







PETRONAS, the acronym for Petroliam Nasional Berhad, was incorporated on 17 August 1974. Wholly-owned by the Malaysian government, PETRONAS has been vested with the entire ownership and control of the petroleum resources in Malaysia. We have grown to become a fully-integrated oil and gas corporation that is ranked among FORTUNE Global 500's largest corporations in the world and have ventured into more than 32 countries worldwide in our aspiration to be a leading oil and gas multinational of choice.

Over the years, we have developed distinctive strengths in our gas business, making PETRONAS a trusted partner and reliable supplier of choice. Our proven capabilities in fully integrated Liquefied Natural Gas (LNG) and gas processing & transmission pipeline network operations are among our greatest strengths. Leveraging on our ability to ensure security of supply from our large gas reserves and the synergy of connectivity throughout the whole value chain of our gas business, we are able to meet our customers' needs with a high level of reliability and flexibility.



Host of the 25th World Gas Conference & Exhibition, Kuala Lumpur in 2012

L I F E . P O W E R E D B Y G A S

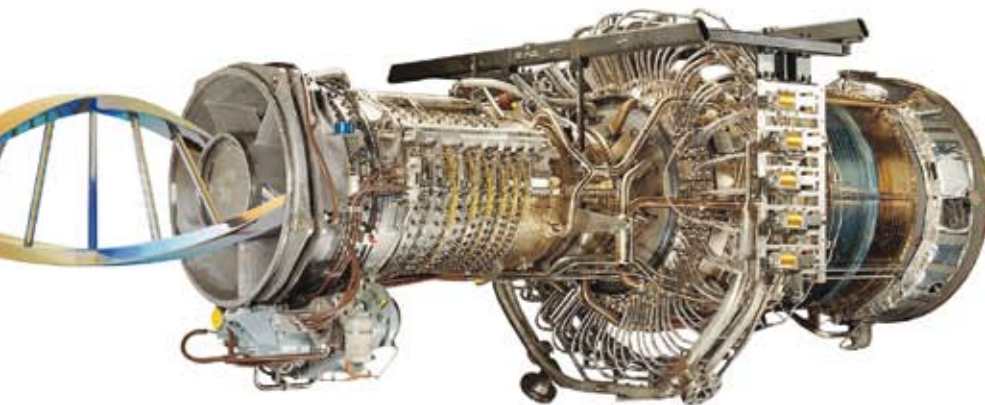
Efficiency: it's genetic

It starts with the right people and it ends with the right solution.

With over 40 years of experience, GE's Oil & Gas business is a recognized leader in turbocompression packages for large pipelines. A perfect example is the PGT25+G4 which was recently installed as the core unit driving 14 compressor stations across a 3,700-km North American mainline system. The PGT25+G4 is a two-stage, high-speed power turbine coupled with an enhanced gas generator using proven aeroderivative technology that achieves significantly higher efficiency and availability than non-aero alternatives. The unit offers 34-MW power output and 41% thermal efficiency – the highest in its class. At 6,100 RPM, it can directly drive a compressor without a gearbox in most oil and gas applications, and comes in both standard and dry-low emissions (DLE) versions.

Turbocompression efficiency – it's in our DNA.

ge.com/oilandgas



imagination at work

International Gas APRIL 2009

The IGU Magazine

Published by International Systems and Communications Limited (ISC)
in conjunction with the International Gas Union (IGU).

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International Systems and
Communications Limited
36 Grosvenor Gardens
London SW1W 0EB
England

Telephone: + 44 20 7730 5454
Facsimile: + 44 20 7730 6936
E-mail: general@isyscom.com
Website: www.isyscom.com

International Gas Union
c/o StatoilHydro
0246 Oslo
Norway

Telephone: + 47 2297 2000
Facsimilie: + 47 2253 6318
E-mail: secrigu@statoilhydro.com
Website: www.igu.org



Vision, Mission and Objectives

The International Gas Union (IGU) is a worldwide, non-profit organisation promoting the progress of the gas industry. Through its many member countries representing approximately 95% of global gas sales, IGU covers all aspects of the natural gas industry.

● The Vision

Recognising that natural gas has an important part to play in satisfying the global need for an environment-friendly energy source, IGU will be the most influential, effective and independent non-profit organisation, while serving as the spokesman for the gas industry worldwide.

● The Mission

IGU will actively, directly and through its members, promote the technical and economic progress of the global gas industry.

IGU will work towards improving the competitiveness of gas in the world energy markets. By promoting the development and application of new technologies and best practices, IGU will help optimise the economics of the entire gas chain, while emphasising sound environmental performance, safety and reliability.

IGU – serving as a global information clearing house – will promote transfer of technology and know-how.

In carrying out this mission, IGU will maximise value to its members and gas customers.

● Objectives

In striving towards the vision and fulfilling the mission, IGU will regard:

ECONOMY: Promote all activities within the entire gas chain, which can add to the technical and economic progress of gas;

CUSTOMERS: Encourage development of good customer services and customer relations;

TECHNOLOGY: Encourage research and development towards new and better technologies for the gas community;

SAFETY: Promote the safe production, transmission, distribution and utilisation of gas;

ENVIRONMENT: Encourage and promote development of clean technology, renewable energy applications and other activities, which will add to the environmental benefits of gas;

INTERNATIONAL GAS TRADE: Encourage international trade in gas by supporting non-discriminatory policies and sound contracting principles and practices;

LEGAL: Promote and contribute to the development of legislation concerning:

- the establishment of equitable, non-discriminatory and reasonable environmental and energy efficiency regulations, and
- efforts to establish appropriate and relevant international standards, as well as
- the promotion of and participation in the exchange of information relating to regulatory processes;

COOPERATION: Enhance partnership with industry and manufacturers, and cooperation with governments, policy makers and international energy related organisations, and promote the exchange of information among members in order to help them in improving the efficiency and safety of gas operations.

The Earth, our world

We use her energy
to live our way.
Let's give our energy
to let her live her way.

Natural gas enables transition



GasTerra

www.gasterra.nl



A natural gas partner.

BP is one of the world's largest and most experienced energy providers, and this year we celebrate our centenary. Working with our partners across the value chain we produce over 8bcfd of natural gas, and are developing new gas supplies in the Middle East, Africa, the Americas and Asia Pacific.

Expanding and investing in our global LNG business, BP is leading the new Tangguh liquefaction project in Indonesia. We are using our expertise to manage complex projects and supply chains, and are enhancing security and ensuring the flexibility our customers require.

We are an active marketer and trader in the world's most liquid markets – North America and the UK. We are also increasingly active in European and Asian markets.

Mutual advantage, experience and commercial innovation make BP a natural gas partner.



beyond petroleum®

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Unless otherwise stated, the dollar (\$) values given in this magazine refer to the US dollar.

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In the energy business, strong working partnerships are the key to success. At every stage, from gas exploration to distribution, we work closely with our partners. We share with them our technical expertise, employ local people, invest in their communities and work together to find the right markets to maximise the value of our partners' natural resources. Their potential. Our expertise. It's a partnership you can rely on.

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into prosperity.**





Message from the President

Natural gas, for better and for worse

Dear Colleagues

Opening this letter by addressing the financial and economic crisis that has swept across the world is as predictable as it is necessary.

Our industry is – and will continue to be – impacted by the events that have affected the very fibre of societies across the globe. However, as spokesman and the leading forum of the gas industry, IGU has the obligation to assert that, as in all major, comprehensive international concerns, taking the right decisions, particularly with regards to infrastructure investments and policies, will be increasingly critical, not only to avoid disruptions that could further fuel the crisis, but – on a more positive note – to help dampen its effects.

Natural gas has already proved to be the cleanest fossil fuel, and in recent years has shown its high potential both to develop energy efficiencies, as well as effectively interact with renewable fuels, providing a solid bridge to the coming generation of sustainable energy sources. Furthermore, the expansion of LNG trading has added a versatility and flexibility to market operations, besides that provided by the new developments in pipeline transmission and underground storage. These are some of the key factors that have led most analysts to concur that natural gas will lead the increasing demand for energy, with an average annual growth rate of around 2% for the next 25 years.

But this expansion will require very ambitious investment plans, which must have two basic cornerstones: a strategic vision, and an enhanced cooperation and sustained dialogue between the energy industry and governments, to address key challenges facing the gas

industry such as market transparency, investment, interdependence, transit and contractual frameworks, at regional and eventually global levels. A new contribution from the Task Force on Gas Market Integration – the third of this series – provides two contrasting case studies (the Iran-Pakistan-India pipeline project and South America), which shed renewed light on the need for a shared regional understanding in order to successfully develop gas markets.

It is only natural that decision-makers pause for thought in the midst of a crisis of these dimensions, but during the Ministerial Forum last November in Vienna – the first to be jointly organised by IGU and the International Energy Forum (IEF) and which gathered government and corporate decision-makers from the major gas producing and consuming countries – it was stirring to hear some voices saying that this pause needs to be a very short one, if we are serious about the strategic considerations mentioned above. I recommend reading the corresponding article, to have a flavour of what was discussed during this very constructive event.

Also stimulating are some of the investment-related articles you will find in this issue, from the specific ones on upstream (coal-bed methane) and downstream (new pipelines to supply European demand) developments, to the overview of gas finance and the need for a long-term approach.

Efficiency and sustainable development – two strongly interrelated topics – are addressed in the report from the World Bank-led Global Gas Flaring Reduction partnership on unlocking the value of gas that is currently wasted, while the contribution from the World Alliance for Decentralised Energy (WADE) will provide further insight on the efficiencies of distributed energy systems. While talking about efficiency, I also invite you to look into the profiles of the first two winners of IGU's Gas Efficiency Award, an

initiative we hope will foster new ideas in the future on how to make better use of natural gas for our daily needs. The IGU Research Conference 2008 (IGRC) held in October provided extensive material on the new ideas for the improvement of the gas chain, nurturing awareness about the need for research and development.

Cost effectiveness, efficiency and sustainability, are three attributes of natural gas which we strive for now in times of need, but which will also prove crucial for the future and better times.



Ernesto López Anadón



Ernesto López Anadón, President.

Accessible, sustainable and safe energy sources are essential for societies to develop and prosper.

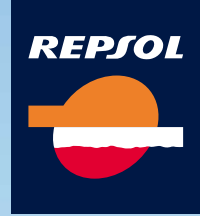
At Repsol, we work every day to develop responsible energy solutions and to contribute efficiently to the energy supply for the markets.

LNG is one of the key areas of the company. Therefore, within its Strategic Plan, Repsol attaches particular importance to the construction of its gas plants, like the ones in Canada and Peru.

Find out more about Repsol LNG projects at [repsol.com](https://www.repsol.com)



Let's invent the future





Message from the Secretary General

Dear Reader

We have now entered the last year of the Argentine Presidency and can look forward to our main event in this Triennium, the World Gas Conference in Buenos Aires. Issued at the end of 2008 the preliminary programme holds out the promise of an unforgettable event both professionally and socially. There can be no doubt that this will be the most important energy event in 2009.

In parallel, the incoming Malaysian Presidency has started the preparations for the 2009-2012 Triennium. The leaders of the IGU Technical Committees have been appointed and the study programme of the each Committee will be discussed with the relevant IGU bodies before it is finally approved. The Secretariat will ensure that the preparations for the transfer of the Presidency take place without disturbing ongoing activities.

I would also like to congratulate France on being elected by the Council meeting in Korea last year to the Presidency for 2012-2015 with the 26th World Gas Conference to be held in Paris in 2015.

Last year saw the implementation of several new initiatives aimed at promoting IGU to the public and enhancing our role as the spokesman for the gas industry.

- The Strategic Statement 2008 focuses on Gas Market Integration and the importance of cooperation across borders to support energy security and sustainability. It was approved by the Executive Committee in September 2008 and will remain in force until October when a new Strategic Statement will be issued.
- The evaluation committee of the IGU Gas



Torstein Indrebø, Secretary General.

Efficiency Award selected two winners in 2008, whose projects are profiled in this issue, and two more will be selected in the 2009 round.

- The Council decided in its last meeting to launch a new award, the Social Gas Award, to further encourage behaviour fostering energy efficiency and conservation.
- Together with the International Energy Forum (IEF) the Secretariat organised the First IEF-IGU Ministerial Gas Forum in Vienna last November aimed at promoting dialogue between political and industrial leaders as gas markets are becoming more global.

The interest for this initiative exceeded our expectations with more than 100 participants including ministerial delegations, international organisations and industrial leaders from all over the world. Based on this success the participants agreed to meet again in Qatar in 2010 at the invitation of the Minister of State for Energy and Industry Affairs, HE Dr Mohammed S. Al-Sada.

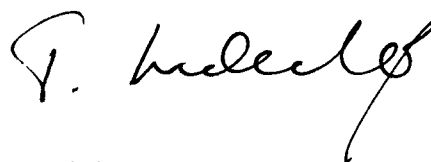


The First IEF-IGU Ministerial Gas Forum was a great success: ABOVE HE Dr Chakib Khelil, Algeria's Minister of Energy & Mines and OPEC President in 2008 (left) and moderator Tim Eggar (centre) listen as Helge Lund, CEO of StatoilHydro, makes a point during the Forum. BELOW IGU's President, Ernesto López Anadón, and Torstein Indrebø at the press conference which followed the Forum.

Judging from the interest shown in the first event, the IEF-IGU Ministerial Gas Forum may become one of the permanent arenas for addressing global natural gas issues.

The IGU family increased in 2008 as the Council approved the accession of Libya, Macedonia, Romania and Vietnam as Charter Members and Bayerngas and GasTerra as Associate Members. I am pleased to welcome

all of you to the IGU community as I am sure that your membership can offer mutual enrichment.



Torstein Indrebø



Energy to go even further.

Petrobras is entering the international market for liquefied gas (LNG) with the installation of the first two LNG regasification terminals in Brazil – one in Ceará, the other in Rio de Janeiro. Using an innovative technology LNG is transferred from the supplying vessel to a gasifier vessel by means of cryogenic arms. These ships are the first to supply and regasify LNG, which is pumped to the network of gas pipelines by pressurized natural gas arms. Which means more energy to fuel Brazil's growth.



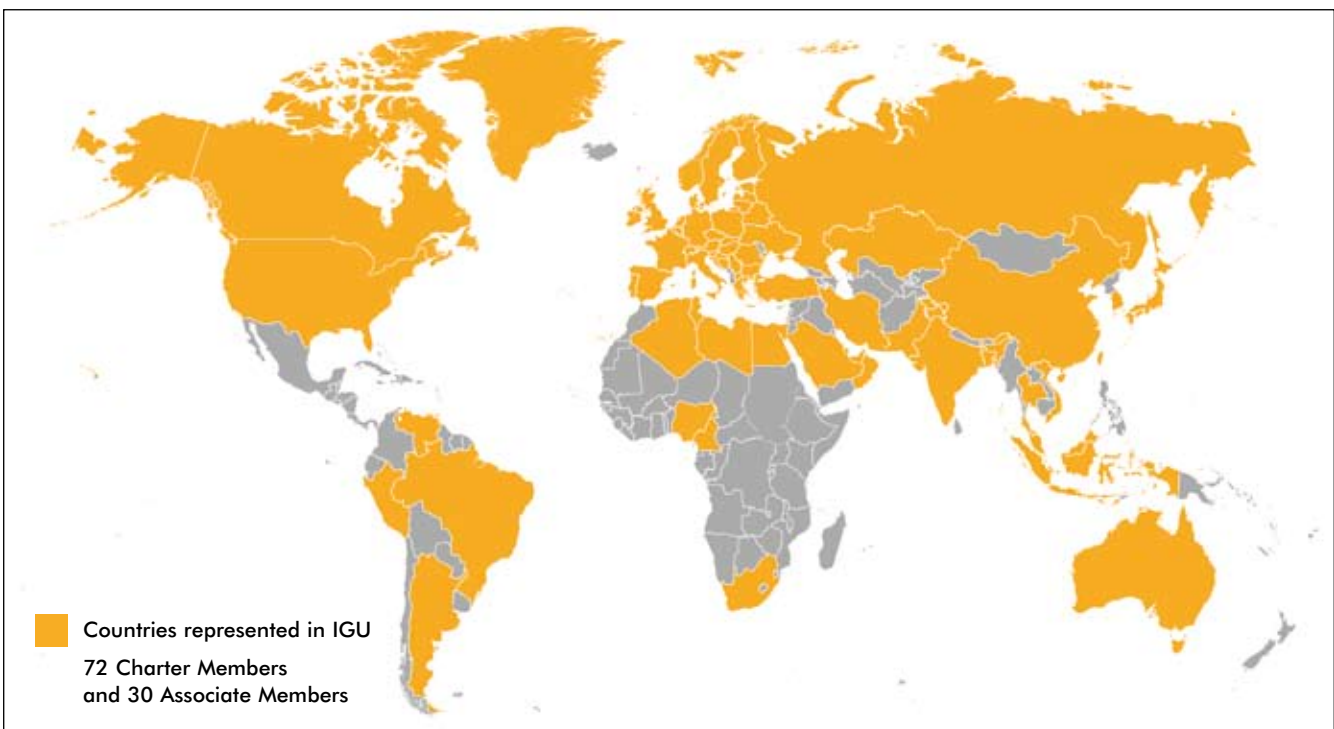


Pecem Terminal – Fortaleza, Ceará, Brazil.



Countries Represented in IGU

Algeria	Estonia	Lithuania	Slovak Republic
Argentina	Finland	Macedonia	Slovenia
Australia	France	Malaysia	South Africa
Austria	Germany	Monaco	Spain
Bangladesh	Greece	Netherlands, The	Sweden
Belarus, Republic of	Hong Kong, China	Nigeria	Switzerland
Belgium	Hungary	Norway	Taiwan, China
Bosnia and Herzegovina	India	Oman, Sultanate of	Thailand
Brazil	Indonesia	Pakistan	Trinidad and Tobago
Brunei	Iran	Peru	Tunisia
Bulgaria	Ireland	Poland	Turkey
Cameroon	Israel	Portugal	Ukraine
Canada	Italy	Qatar	United Arab Emirates
China, People's Republic of	Japan	Romania	United Kingdom
Croatia	Kazakhstan	Russia, Federation of	United States of America
Czech Republic	Korea, Republic of	Saudi Arabia	Venezuela
Denmark	Latvia	Serbia	Vietnam
Egypt	Libya	Singapore	



How green is gas?



Demand for energy is continuing to rise, together with demand for renewable energy solutions. Natural gas plays a crucial role in meeting this requirement. It is the cleanest fossil fuel and has the lowest emissions of CO₂ (greenhouse gases). Moreover, we can always rely on gas, anywhere and at all times, partly due to our advanced gas transport network. This flexible, tried and tested energy base gives innovations the opportunity to grow. For example, in the form of micro-combined heat and power units or gas-powered cars.

We are also working on ways to further 'green' gas through the application of biogas, which is derived from renewable residual gas flows. With our extensive knowledge of transport, we can also ensure that CO₂ is removed to storage sites rather than released into the atmosphere.

Together, we can therefore work to create a greener future.

gasunie

takes gas transport further



CHARTER MEMBERS

<i>Algeria</i> Association Algérienne de l'Industrie du Gaz – AIG	<i>Czech Republic</i> Czech Gas Association	<i>Italy</i> Comitato Italiano Gas (CIG)
<i>Argentina</i> Instituto Argentino del Petróleo y del Gas	<i>Denmark</i> Dansk Gas Forening – Danish Gas Association	<i>Japan</i> The Japan Gas Association
<i>Australia</i> Australian Gas Industry Trust c/o Energy Networks Association	<i>Egypt</i> Egyptian Gas Association	<i>Kazakhstan</i> KazTransGas
<i>Austria</i> Österreichische Vereinigung für das Gas- und Wasserfach (ÖVGW)	<i>Estonia</i> Estonian Gas Association	<i>Korea, Republic of</i> Korea Gas Union
<i>Bangladesh</i> Petrobangla (Bangladesh Oil, Gas & Mineral Corporation)	<i>Eurogas</i>	<i>Latvia</i> JSC Latvijas Gāze
<i>Belarus, Republic of</i> Beltransgas	<i>Finland</i> The Finnish Natural Gas Association	<i>Libya</i> National Oil Corporation of Libya
<i>Belgium</i> Association Royale des Gaziers Belges	<i>France</i> Association Française du Gaz (AFG)	<i>Lithuania</i> Lithuanian Gas Association
<i>Bosnia and Herzegovina</i> Gas Association of Bosnia and Herzegovina	<i>Germany</i> Deutsche Vereinigung des Gas- und Wasserfaches e.V. (DVGW)	<i>Macedonia</i> Macedonian Gas Association
<i>Brazil</i> Associação Brasileira das Empresas Distribuidoras de Gás Canalizado (ABEGAS)	<i>Greece</i> Public Gas Corporation of Greece (DEPA) S.A.	<i>Malaysia</i> Malaysian Gas Association c/o Petronas
<i>Brunei</i> Brunei Energy Association	<i>Hong Kong, China</i> The Hong Kong & China Gas Co. Ltd	<i>Monaco</i> Société Monégasque de l'Électricité et du Gaz (SMEG)
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<i>Cameroon</i> Société Nationale des Hydrocarbures	<i>India</i> Gas Authority of India Ltd (GAIL)	<i>Nigeria</i> Nigerian Gas Association c/o Nigeria LNG Ltd
<i>Canada</i> Canadian Gas Association	<i>Indonesia</i> Indonesian Gas Association (IGA)	<i>Norway</i> Norwegian Petroleum Society (NPF) – Norwegian Gas Association
<i>China, People's Republic of</i> China City Gas Society	<i>Iran</i> National Iranian Gas Company (NIGC)	<i>Oman, Sultanate of</i> Oman LNG L.L.C.
<i>Croatia</i> Croatian Gas Association c/o INA-Naftaplin	<i>Ireland</i> Irish Gas Association – Bord Gais Eireann	<i>Pakistan</i> Petroleum Institute of Pakistan
	<i>Israel</i> The Israel Institute of Petroleum & Energy	<i>Peru</i> Perúpetro S.A.

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Since then we have earned an unrivalled reputation as a pioneering and reliable LNG project, solidly positioning ourselves as a Supplier of First Choice. For almost 40 years we have serviced the gas markets of the North Asian region, successfully and uninterruptedly delivering over 5,500 cargoes of LNG since 1972.

Today we continue to set remarkable standards of reliability and operational excellence. We were the first LNG plant in the world to be accredited with the ISO14001 Environmental Management System. We have been benchmarked as a top-quartile performing organisation, and ranked the number one Shell-advised LNG plant for two consecutive years (2006-2007). Sustaining operational excellence is our key priority as we prepare to extend our business beyond 2013.

This year we are proud to celebrate the 40th anniversary of our establishment. As a pioneer in the industry with a confirmed track record of reliability and operational excellence, Brunei LNG is a proven LNG player and we are ready for more business.



BRUNEI LNG SENDIRIAN BERHAD



LUMUT KC 2935, BRUNEI DARUSSALAM
PHONE : +673-3236901 TO 912 FAX : +673-3236892
EMAIL : GP-External-Affairs@BruneiLNG.com
WEBSITE : www.bruneilng.com

CHARTER MEMBERS (CONTINUED)

Poland

Polskie Zrzeszenie Inżynierów i Techników Sanitarnych (PZITS) – Polish Gas Association

Portugal

GDP – Gás de Portugal, SGPS, S.A.

Qatar

Qatar Liquefied Gas Company Ltd (Qatargas)

Romania

S.N.G.N. Romgaz S. A.

Russia, Federation of
JSC Gazprom

Saudi Arabia
Saudi Aramco

Serbia

Gas Association of Serbia

Singapore

Power Gas Ltd

Slovak Republic

Slovak Gas & Oil Association

Slovenia

Geoplin

South Africa

CEF Ltd

Spain

Spanish Gas Association – Asociación Española del Gas (SEDIGAS)

Sweden

Svenska Gasföreningen – Swedish Gas Association

Switzerland

Schweizerische Aktiengesellschaft für Erdgas (SWISSGAS)

Taiwan, China

The Gas Association of the Republic of China, Taipei

Thailand

PTT Public Company Ltd – Petroleum Authority of Thailand

Trinidad and Tobago

The National Gas Company of Trinidad and Tobago Ltd

Tunisia

Association Tunisienne du Pétrole et du Gaz (ATPG) c/o ETAP

Turkey

BOTAŞ

Ukraine

Naftogaz of Ukraine NJSC

United Arab Emirates

Abu Dhabi Liquefaction Company Ltd (ADGAS)

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The Institution of Gas Engineers and Managers

United States of America
American Gas Association

Venezuela

Petróleos de Venezuela S.A. (PDVSA)

Vietnam

Vietnam Oil and Gas Group (PetroVietnam)



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Natural Gas is the cleanest burning fuel the earth produces.
The direct use of natural gas will help reduce carbon emissions.


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CLEAN FUEL. GREEN FUEL.



American Gas Association

The American Gas Association, founded in 1918, represents 202 local energy companies that deliver natural gas throughout the United States. There are nearly 70 million residential, commercial and industrial natural gas customers in the U.S., of which 92 percent — more than 64 million customers — receive their gas from AGA members. Today, natural gas meets almost one-fourth of the United States' energy needs. For more information, please visit www.aga.org.



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Schweizerische Aktiengesellschaft für Erdgas
Société Anonyme Suisse pour le Gaz Naturel
Società Anonima Svizzera per il Gas Naturale





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Bursagaz (Turkey)

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Chevron Corp. (USA)

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GasTerra (The Netherlands)

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GDF SUEZ (France)

IGDAŞ – Istanbul Gas Distribution Co. (Turkey)

Indian Oil Corporation Ltd (India)

Instituto Brasileiro de Petróleo, Gás e Biocombustíveis – IBP (Brazil)

Interstate Natural Gas Association of America (USA)

Taqa, Arab Company for Energy (Egypt)

Izgaz – Izmit Gaz Dagitim San. Ve Tic A.Ş. (Turkey)

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RWE Gas AG/RWE Energy (Germany)

Shell Gas & Power International B.V. (The Netherlands)

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TBG – Transportadora Brasileira Gasoduto Bolívia-Brasil S/A (Brazil)

TOTAL S.A. (France)

Unión Fenosa Gas (Spain)

Union of Independent Gas Producers (Russia)

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European Gas Research Group (GERG)

Gas Infrastructure Europe (GIE)

International Association for Natural Gas Vehicles (IANGV) including its regional affiliates

IGU Research Conference Foundation

International Pipeline & Offshore Contractors Association (IPLOCA)

Marcogaz

National Gas Vehicle Association of Russia (NGVRUS)

Pipeline Research Council International, Inc. (PRCI)

GATEWAY TO EGYPT



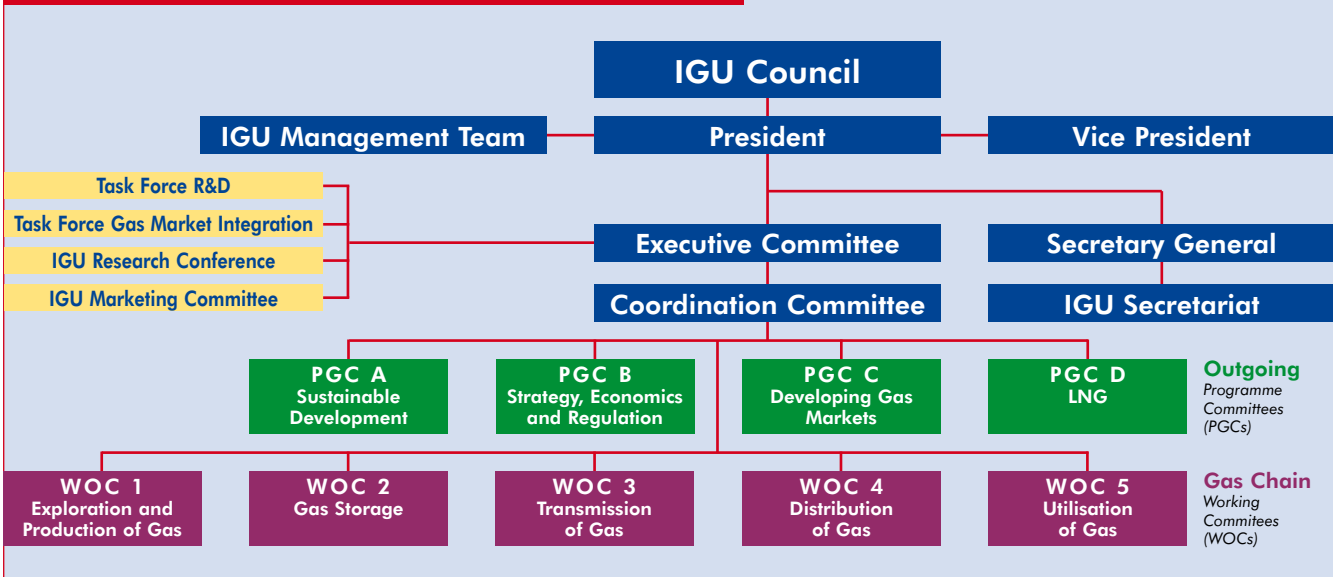
Partnering to Build Egypt's Exciting Future

Staying true to the spirit of Egypt's breathtaking history and traditions, CIB continues to play a key role in supporting the country's extremely bright future. CIB strives enthusiastically to satisfy the extensive and varied banking needs of foreign investors, who have been an integral catalyst of Egypt's strong economic performance. As the largest provider of private project finance and syndicated loans in Egypt, we understand and appreciate the unique needs of foreign direct investors. As your chosen partners, we will continuously work with you to provide the tailored products and services vital to building your operations in Egypt and offer our hands-on support to your rapidly progressing projects.

With us, you are indeed in good hands.



IGU Organisation



This photograph of the Executive Committee was taken in Gyeongju, Korea, in September 2008. From left to right in the front row are Ho Sook Wah, Yves Tournié, Luigi Scopesi (who was substituting for Domenico Dispenza), Roberto D. Brandt, Daniel Paccoud, Ernesto López Anadón, Datuk Abdul Rahim Haji Hashim, Chawki Mohamed Rahal, Ieda Correia Gomes, George H. B. Verberg, Palle Geleff (who was substituting for Peter I. Hinstrup) and Zenorai Rambli (who was substituting for Wan Zulkiflee Wan Ariffin).

From left to right in the back row are Álvaro Alves Teixeira (who was substituting for João Carlos de Luca), Jan Rune Schøpp, Alexander I. Lipatov, Walter Thielen (who was substituting for Klaus Homann), David N. Parker, Torstein Indrebø (who attended as Secretary General and is not a member of the Executive Committee), Tomáš Tichý, Hae-jung Oh, Antoni Peris Mingot, Kunihiro Mori and Robert J. Harris.

IGU MANAGEMENT TEAM



Mr Ernesto López Anadón, IGU President (Chairman) (Argentina)



Datuk Abdul Rahim Haji Hashim, IGU Vice President (Malaysia)



Mr George H. B. Verberg, Immediate Past President (The Netherlands)



Mr Roberto D. Brandt, Chairman of IGU Coordination Committee (Argentina)



Mr Ho Sook Wah, Vice Chairman of IGU Coordination Committee (Malaysia)



Mr Torstein Indrebø, Secretary General

IGU EXECUTIVE COMMITTEE 2006-2009 TRIENNIUM

Dr Chawki Mohamed
Rahal
Algeria

Mr Ernesto López Anadón
Argentina

Mr Roberto D. Brandt
Argentina

Mr Otto Musilek
Austria

Mr Tomáš Tichý
Czech Republic

Mr Peter I. Hinstrup
Denmark

Mr Daniel Paccoud
France

Prof. Dr-Ing. Klaus
Homann
Germany

Mr Domenico Dispenza
Italy

Mr Kunihiro Mori
Japan

Mr Hae-jung Oh
Republic of Korea

Datuk Abdul Rahim Haji
Hashim
Malaysia

Mr Ho Sook Wah
Malaysia

Mr Wan Zulkiflee Wan
Ariffin
Malaysia

Mr George H. B. Verberg
The Netherlands

Mr Jan Rune Schøpp
Norway

Mr Alexander I. Lipatov
Russia

Mr Antoni Peris Mingot
Spain

Dr Robert J. Harris
United Kingdom

Mr David N. Parker
United States of America

Ms Ieda Correia Gomes
BP Gas, Power &
Renewables, Associate
Member

Mr João Carlos de Luca
Instituto Brasileiro de
Petróleo, Gás e
Biocombustíveis,
Associate Member

Mr Yves Tournié
Total, Associate Member

A reliable gas supplier

We will keep on developing our gas positions globally.

Discover more at www.statoilhydro.com



More than three decades of pioneering operations on the Norwegian continental shelf have made StatoilHydro a world leader within maritime oil and gas activities.

We apply our skills and experience from these demanding conditions to the rest of the world.

Being Europe's second largest supplier of gas, we take pride in being a reliable supplier of energy.

Through our development of the Snøhvit-field in the Arctic Barents Sea, we have also started to deliver liquefied natural gas (LNG) to customers world-wide.

StatoilHydro



Well-positioned gas player

StatoilHydro ranks as Europe's second-largest natural gas supplier – and is taking constant steps to further develop its global gas position.

The 2007 gas year, which ended 30 September 2008, set a record for StatoilHydro, with total sales of roughly 80 billion cubic metres representing an increase of roughly 5% from the previous 12-month period. The group meets today about 14% of European gas demand.

“This is a very attractive commodity in high demand,” says Rune Bjørnson, executive vice president for the group's Natural Gas business area.

“I am pleased to note record sales and at the same time ensuring high value on the gas we have sold.”

These figures include the group's own sold entitlement gas (piped and LNG), third party gas and gas sold on behalf of the Norwegian state's direct financial interest (SDFI).

Started

Deliveries of Norwegian pipeline gas started more than 30 years ago, when exports from the Ekofisk field in the Norwegian North Sea began through the Norpipe line to Germany in 1977.

Over three decades, StatoilHydro has played a key role in developing the world's largest network of subsea pipelines.

StatoilHydro's ambition for the NCS is to maintain a daily output of roughly 1.5 million barrels of oil equivalent over the next decade. With gas accounting for no less than 60% of its reserve base, the group's production of this commodity is growing.

Infrastructure

The group sends its gas to the UK and continental Europe through a flexible, integrated and cost-effective infrastructure, based on 7,800 kilometres of pipelines.

This network, operated by Gassco, ties fields to processing facilities on the Norwegian mainland and to six receiving terminals in Germany, Belgium, France and the UK. System regularity is extremely high.

Around 90% of the gas produced from StatoilHydro's portfolio on the NCS is delivered under long-term sales

contracts, Mr Bjørnson explains.

“These agreements secure a high value for our deliveries. They've also made it possible to develop an infrastructure which makes gas competitive with other energy carriers.”

Liquefied natural gas (LNG)

Bringing the arctic Snøhvit-field on stream in 2007 allowed StatoilHydro to market equity gas in liquefied form. Output from the field is piped for 143 kilometres to Europe's first gas liquefaction plant outside Hammerfest in northern Norway.

Nobody has previously produced LNG so far to the north. From there, it is shipped in special carriers to customers throughout the world.

“Gas is on its way to becoming a global commodity, and we're participating in that development,” says Mr Bjørnson.

International

In addition to being the leading gas player on the NCS, StatoilHydro has secured important international growth positions.

The giant Shah Deniz field of Azerbaijan came on stream in December 2006, and StatoilHydro has a 25.5% stake in this development.

Located 70 kilometres south-east of the capital, Baku, it produces some eight billion cubic metres of gas per year for export by pipeline via Georgia to Turkey. A second phase development is under planning and will provide a substantial expansion in Shah Deniz production.

Alliance

The group recently entered into a strategic alliance on the joint pursuit of global opportunities in unconventional gas with Chesapeake Energy Corporation, a leading US gas player.

Under this agreement, the group has initially acquired a 32.5% interest in Chesapeake's Marcellus shale gas acreage. Through this transaction, StatoilHydro has acquired future recoverable resources totalling up to three billion barrels of oil equivalent.



“We’re establishing a solid platform for further development of our gas value chain and for growth in unconventional gas worldwide,” says Mr Bjørnson.

Purposeful

StatoilHydro is making determined efforts to reduce carbon dioxide emissions from its oil and gas activities. One key effort was set-off when it began injecting a million tonnes of this greenhouse gas annually into an underground store in the Sleipner area of the North Sea in 1996.

The group also operates carbon capture and storage on Snøhvit, takes part in a similar project at Algeria’s In Salah gas field and it is involved in the planned carbon capture project at the Mongstad refinery in western Norway.

Gas in itself is an attractive energy source in a climate setting, as it emits much less CO₂ compared to other fossil fuels.

Proud

“We’re proud to be a big producer of energy and a reliable supplier of gas,” says Mr Bjørnson. “In the long term, we see that demand for natural gas will continue to increase.

“Millions of people rely on our regularity, and we are respectful of the responsibility we have taken upon us as a major gas supplier. I’m very proud of the huge amount of work committed by our employees to every single cubic metre of gas we deliver.”

StatoilHydro in figures

- Second largest gas supplier to Europe
- Sells natural gas to customers in 16 countries
- Equity production of 1.9 million barrels of oil equivalent per day in 2008
- Marketed and sold 80 billion standard cubic metres of gas in gas year 2007
- Roughly 29,500 employees in more than 40 countries

Discover more at www.statoilhydro.com