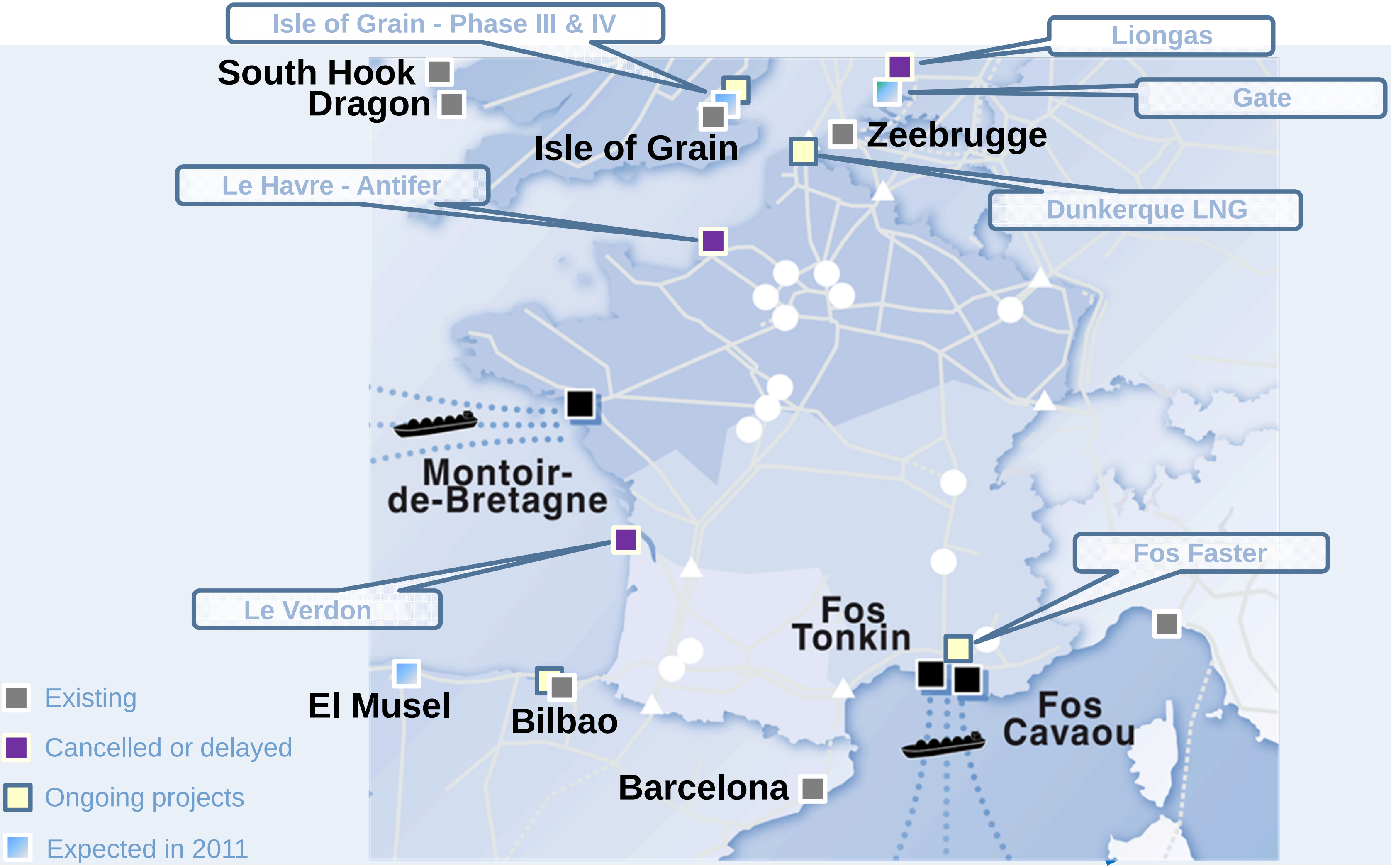
Recent Developments in LNG Terminals in France
A New Dynamic

Thierry Trouvé, CEO

GIE Annual Conference, Vienna
25 June 2010

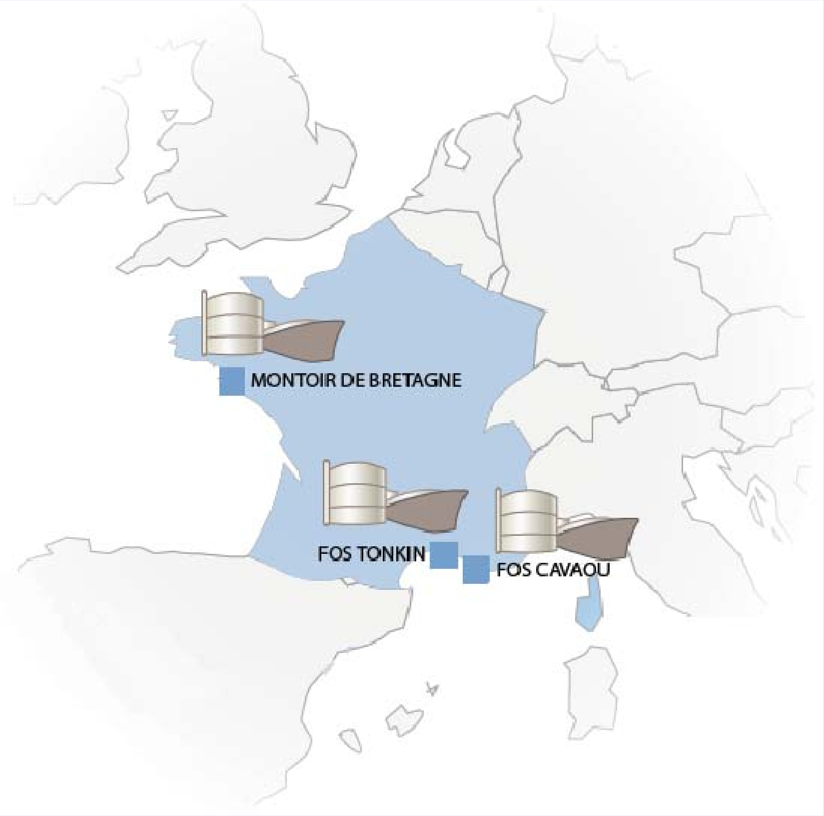
Une société de GDF SUEZ

Extensions and New LNG Terminals projects



Elengy, a « New » LNG Terminal Operator

- **LNG terminal operator fully dedicated to its customers**
- **100% subsidiary of GDF SUEZ, set up on 1st January 2009**
- **Running and developing LNG terminals**
- **Providing expertise for LNG international projects**
- **Drawing on more than 40 years of know-how**



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ELENGY Highlights 2010

15 Clients

Montoir de Bretagne

Fos-Tonkin

Crédit photos © Médiathèque GDF SUEZ

Fos Cavaou*

* STMFC: 71% Elengy, 29% Total
Operated by Elengy

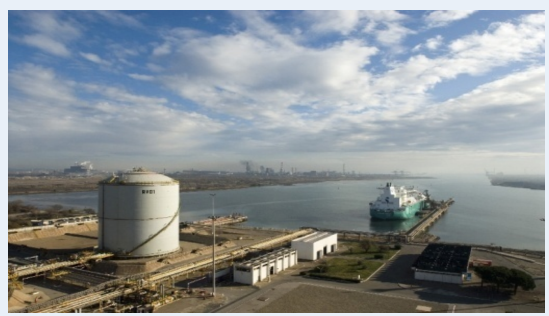
Full Qflex

May: 2 unloadings

80 different vessels received

More than 20 slots

recently sold



Commercial Start-Up

1st April 2010

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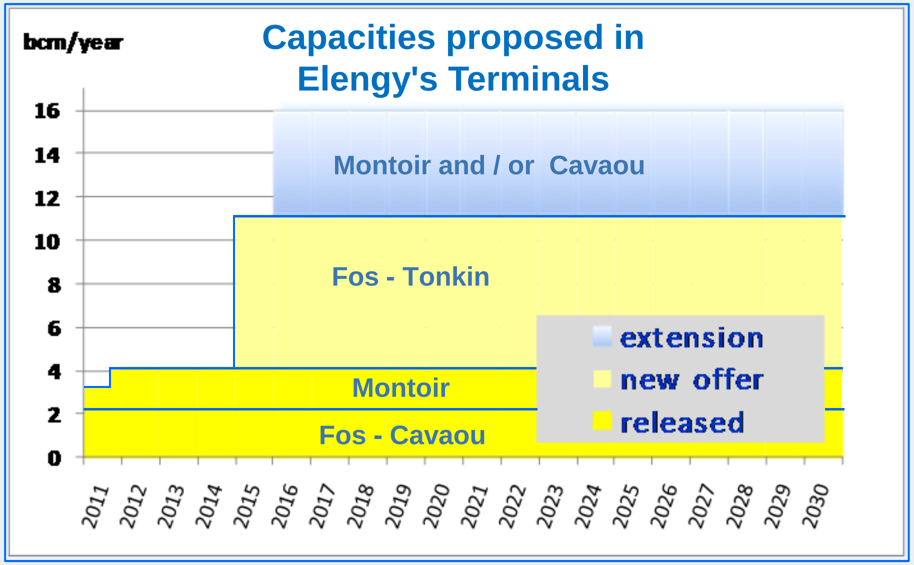
A Unique Offer for European Regas

- As from 1st January 2010, a new regulatory framework improving
  - visibility and stability for both operator and shippers
  - at competitive tariffs

- More than 10 bcm/y of long term capacity, already offered in Elengy's terminals, on the Mediterranean as well as on the Atlantic coasts

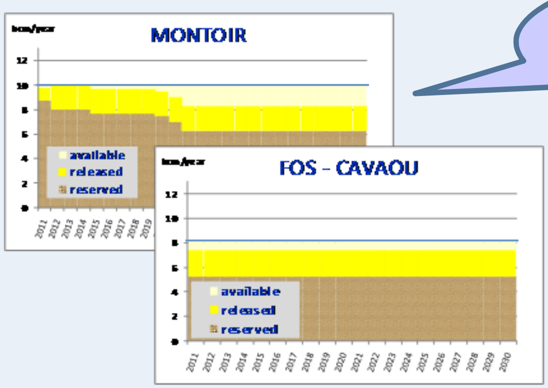
- In addition, possible extensions at Montoir and at Cavaou

equivalent to
a whole LNG terminal,
and possibly more ...



A Unique Offer for European Regas

- **Process under the supervison of trustee and French regulator**
- **Capacity release : <u>4.2 bcm/y up to 2035</u> fully available without any technical investment**
  - **2.0 bcm/y at Montoir**
    connected to the North PEG as from October 2010
  - **2.2 bcm/y at Cavaou**
    connected to the South PEG as from January 2011



Completed in March

Completed in June

- **Same Contractual and Tariff Conditions as those presently in force**
  - **Montoir : 0.90 € / MWh**
  - **Fos Cavaou : 1.65 € / MWh**

Competitive Tariffs

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Fos-Tonkin LNG Terminal Continuation Project

- LNG terminal well adapted to the French Mediterranean trade (Medmax LNG vessels)
- No capacity yet commercialized after 2014
- Significant investments required to maintain capacity
- Open Season for marketing up to 7 bcm/y for 20 years starting 1st October 2014
- Process under supervision by the French regulator and compliant with ERGEG guidelines

Completed in May

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Results: what market appetite for LT capacities ?

- **Montoir : 1bcm/y awarded for 10 years, starting 2011**
  - ***1 bcm/y awarded, of 2 bcm/y on sale***

gasNatural fenosa

- **Cavaou : 1 bcm/y awarded for 5 year, starting 2011**
  - ***1 bcm/y awarded, of 2 bcm/y on sale***

XXXXX

- **Tonkin : economic test not reached, no capacity allocated**
  - ***demand exceeding 3 bcm/y ⇒ encouraging but insufficient at this stage, compared to 5.5 or 7 bcm/y proposed***

➔ Mitigated interest from the market

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How to explain this situation ?

- **Elengy's offer?**

  Doesn't fit with positive survey returns
  - competitive prices ; capacity almost fully booked for 2010 / 2011
- **Unfortunate timing?**

  Certainly
  - General business climate : uncertainty on the future of gas in EU
  - Record spread between LT contracts and spot market prices
  - Special situation in the Mediterranean area
- **Relevance of Open Season procedure?**

  Questionable
  - Working group created by CRE raises some doubts
- **Competition with other projects?**

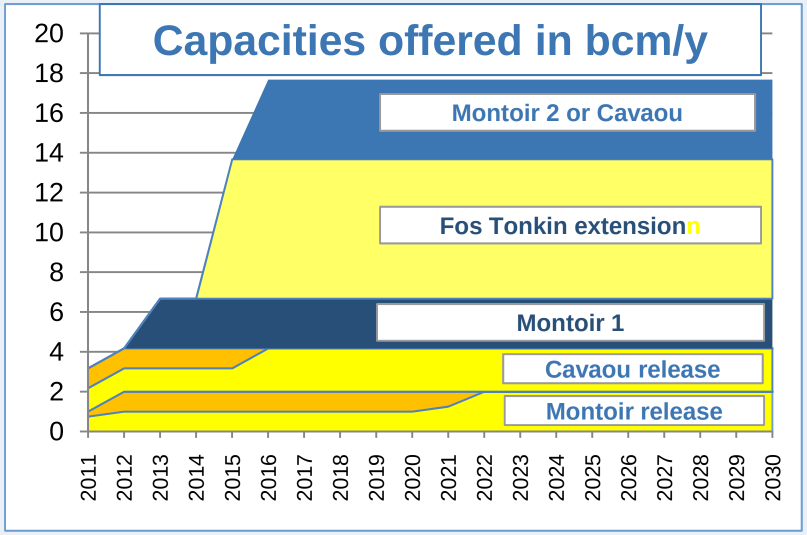
  To be checked
  - Economics could not be the only criteria

Our Views Concerning Regas Capacity

- **Additional regasification capacity is still needed**

- **ELENGY projects have distinctive advantages: extensions vs. greenfield, competitive tariffs, market access : a unique offer on Atlantic as well on Mediterranean coast …**

- **… and will be actively promoted in the coming months ⇒ new rounds of consultation launched in order to:**
  - ✓ ***better understand the reasons for this lukewarm result***
  - ✓ ***define with potential shippers the best projects for future, in coordination with French regulator***



Thank you

for your attention

www.elengy.com

www.cavaou-gnl.com