



Gas LNG Europe

GLE Workshop

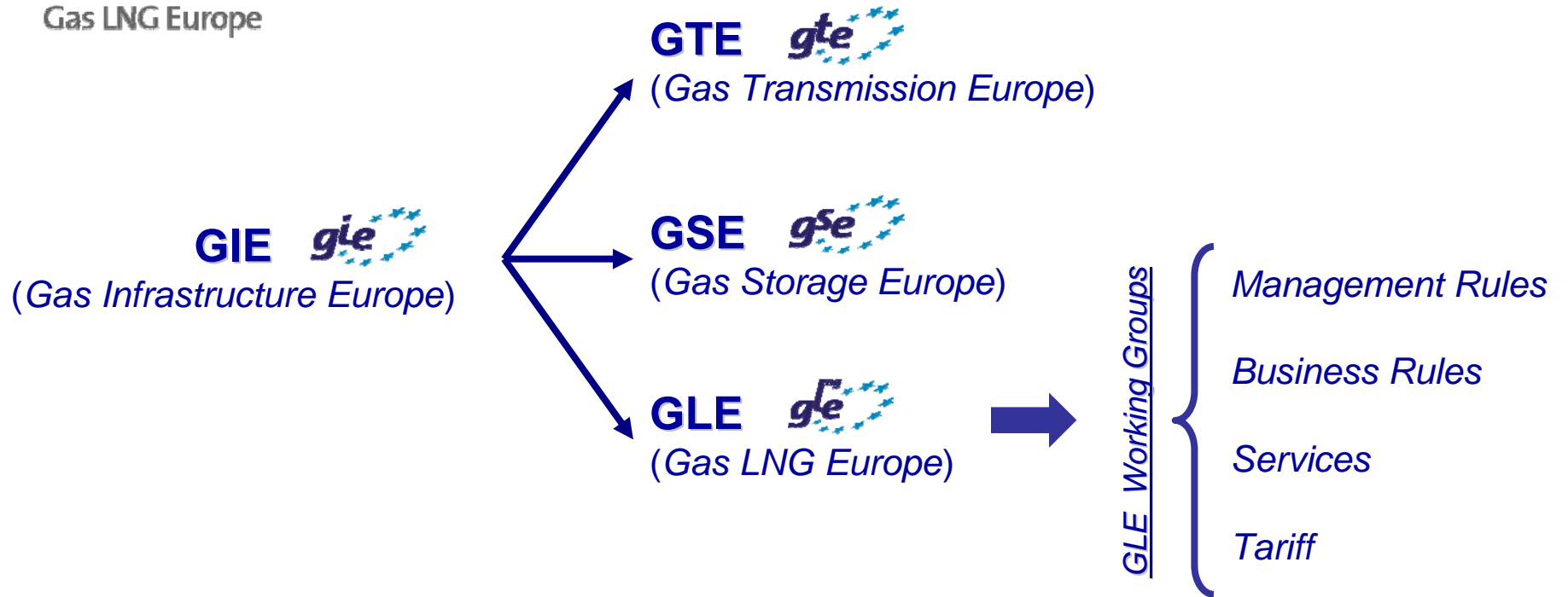
Principal concerns on LNG competition

Paolo CAROPRESO
GLE President

Brussels, 18th January 2006



GIE organisation

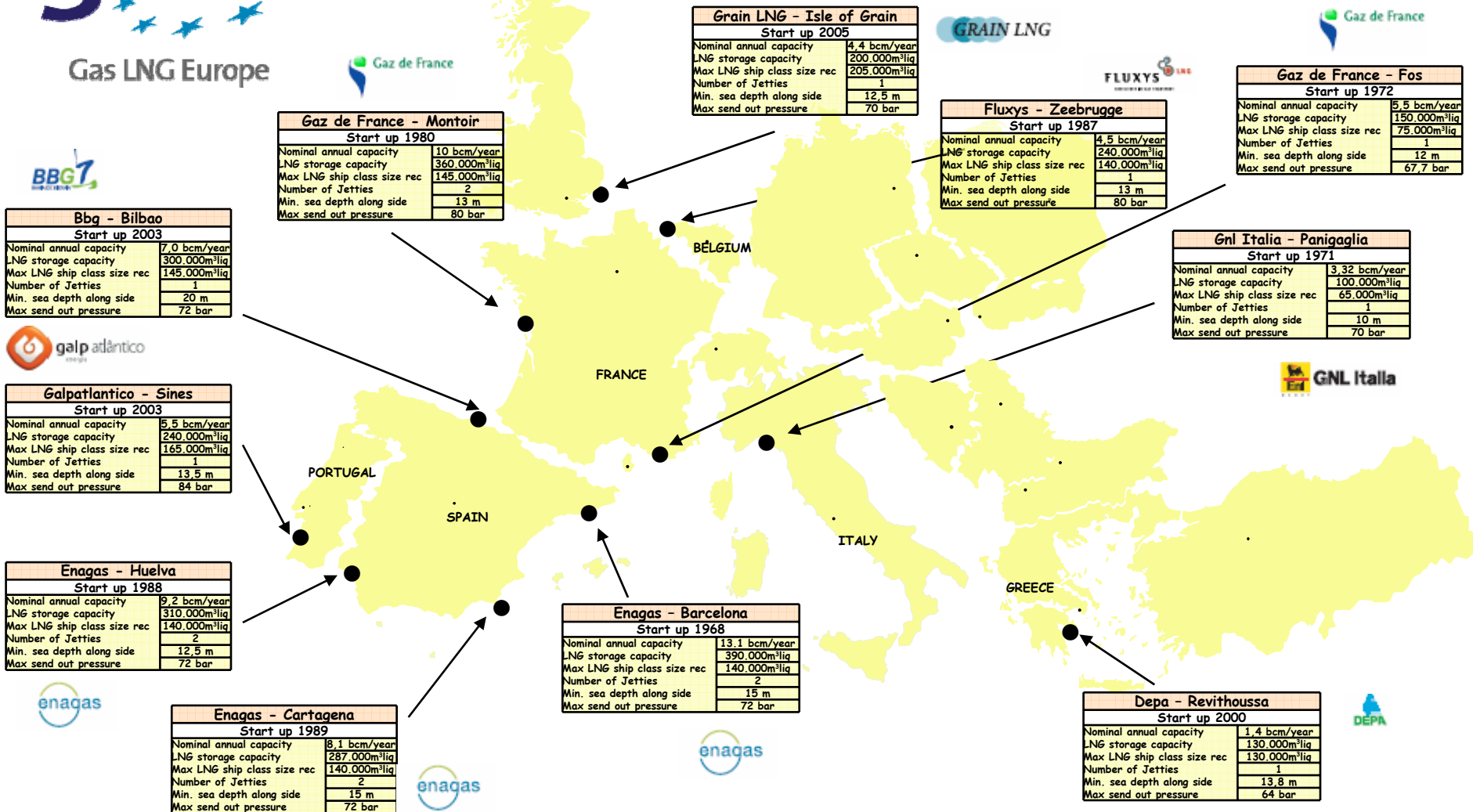


GLE → Main objective is to contribute to the process of harmonisation among the European Terminal Operators

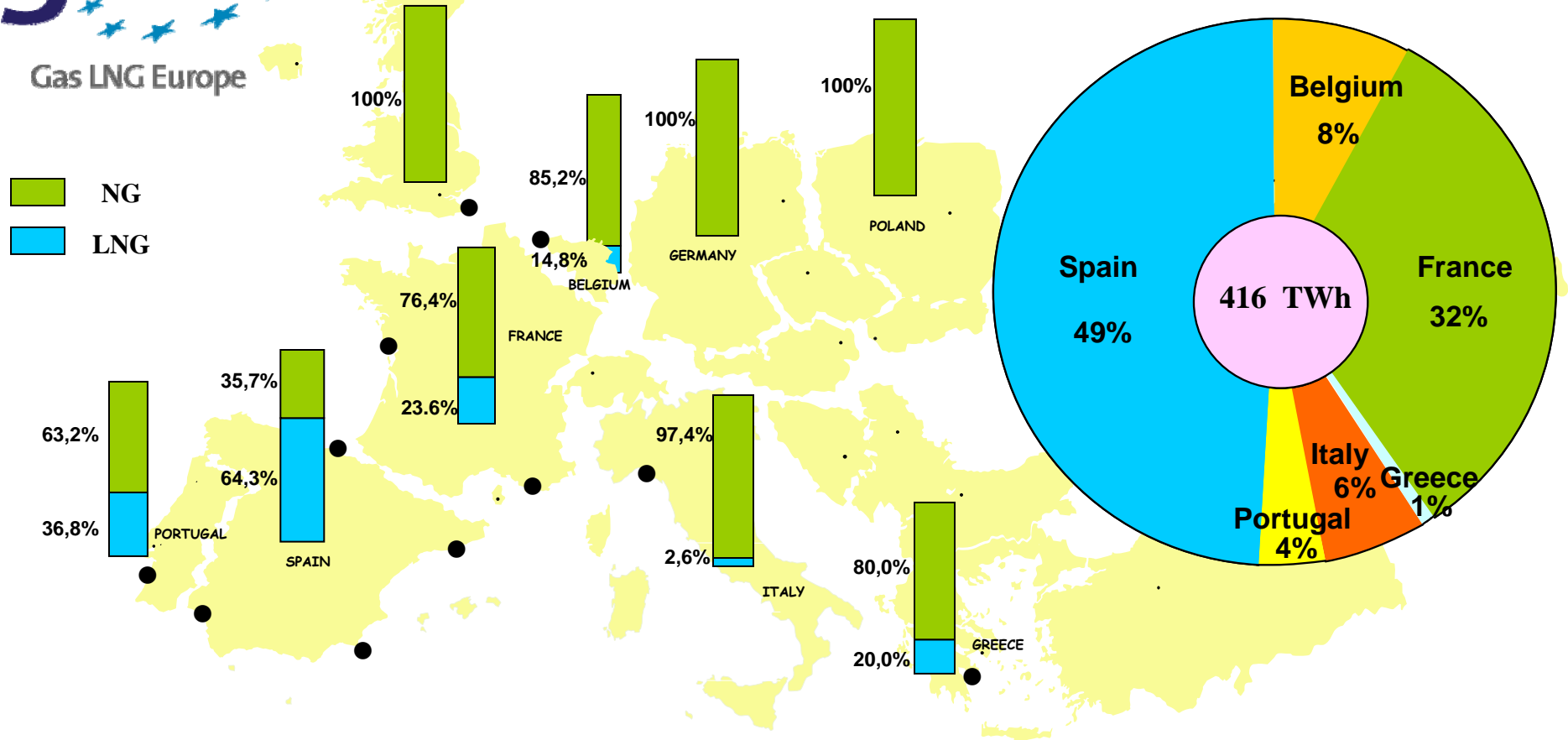


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EU LNG Terminal Operators



LNG in EU(2004)

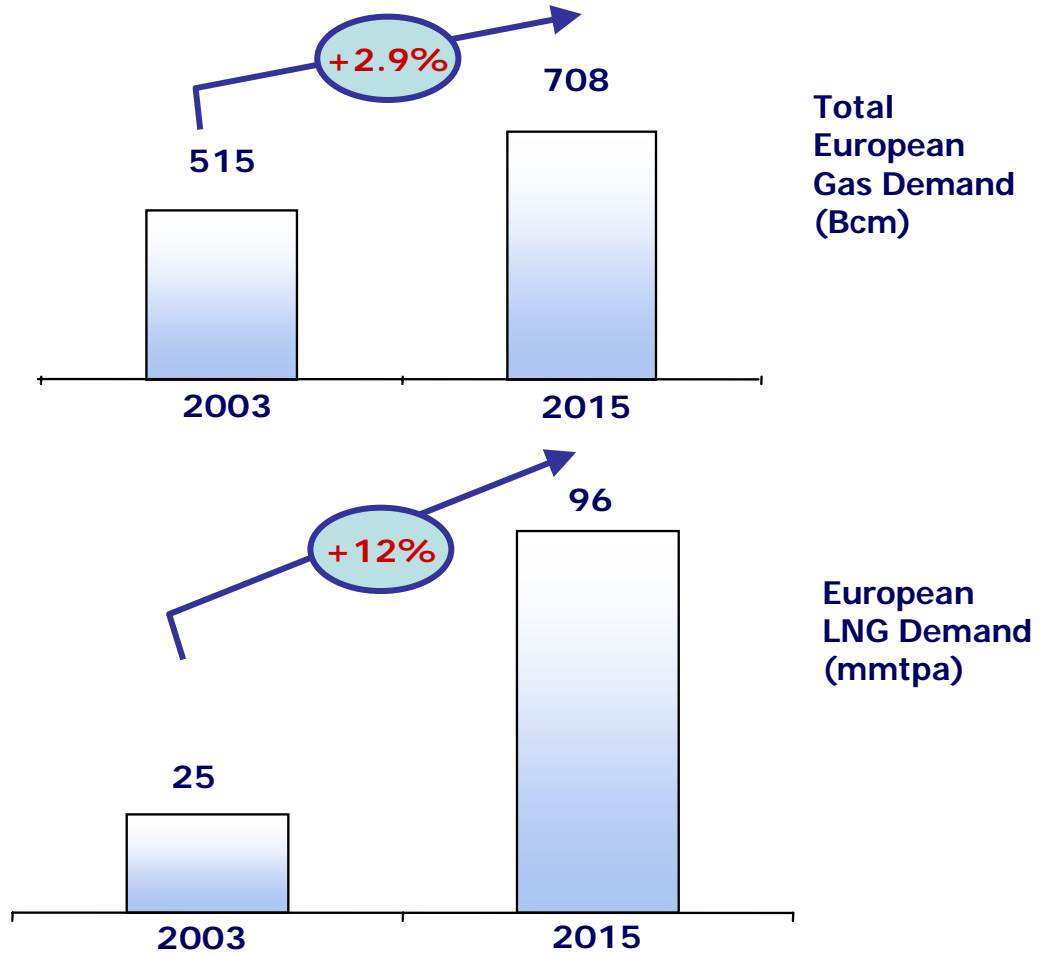


LNG plays different roles in each country

LNG share on EU gas consumption

A Dynamic Demand

Fulfilled by an Increasing of LNG Demand



LNG share on EU gas consumption

7%

15%

Sources: estimates on Wood MacKenzie data

Drivers for LNG business growth

- Lower critical mass



The cost decline based on economies of scale, technical progress and management efficiency is affecting every phase of the LNG chain

- Modular expansion



LNG commercial developments modulate on growth profile of supplying area

- Decreasing transportation costs vs pipe



Cost decline and expected technical progress improve significantly the LNG chain competitiveness

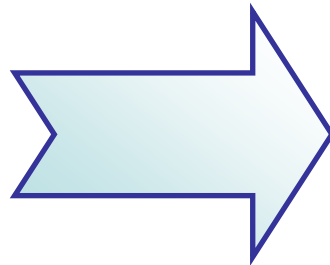
- Flexibility in managing destination



Wider range of supplying final market

Results for LNG business growth

Results



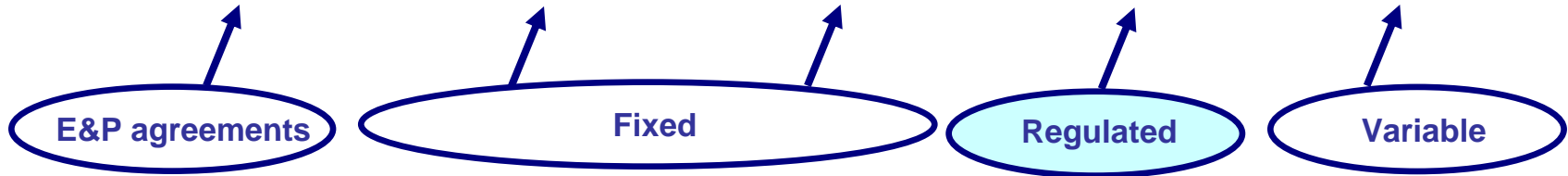
- *Utilisation of remote equity gas*
- *From regional to global market*
- *Multiplication of supply sources*
- *Higher correlation between production development and demand growth*

LNG chain - the role of regulation

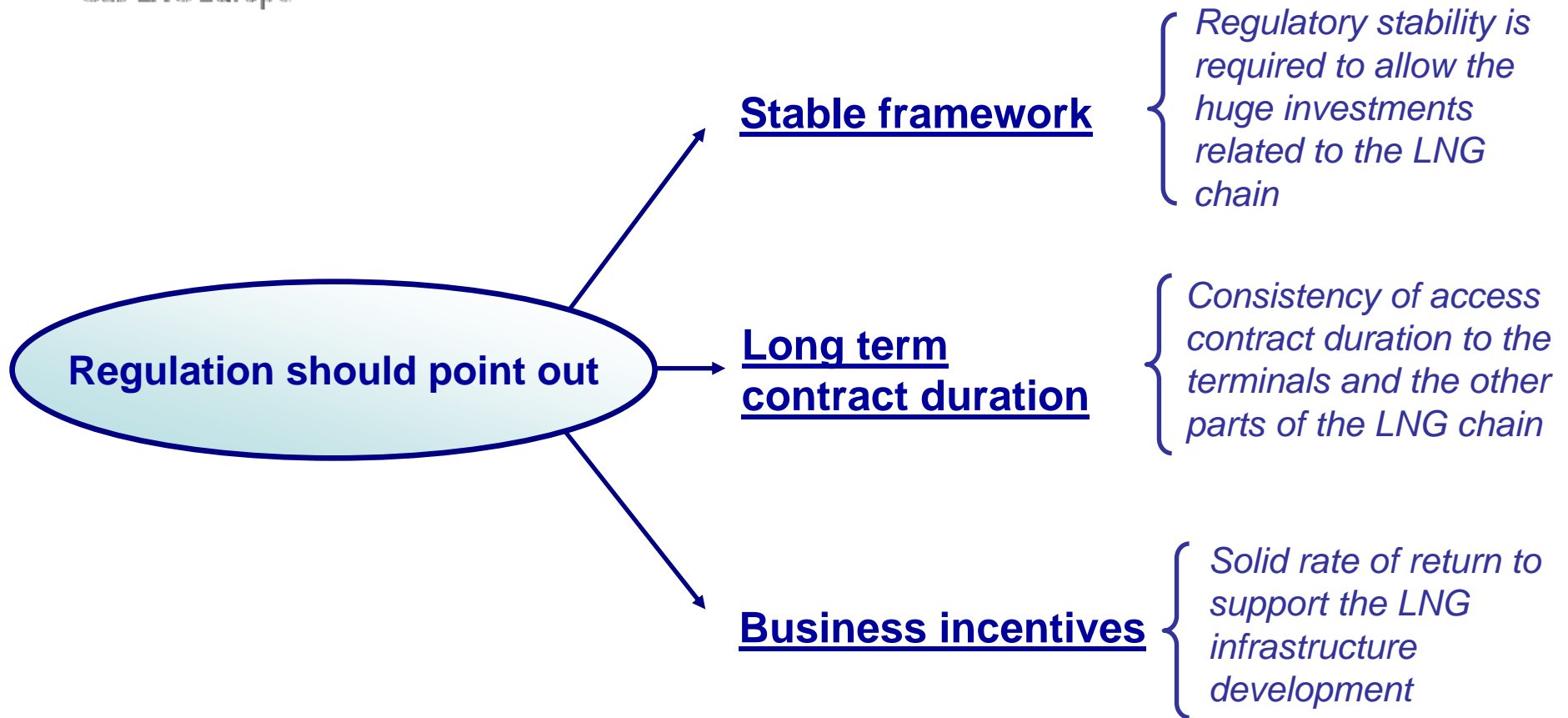


Costs
Vs
Returns

High	High	High	Medium	Low
High	High / Medium	High / Medium	Medium / Low	Medium / Low



Role of regulation





LNG market and GLE scope



Roles and Responsibilities

Tariff

Business Rules

Services

.....GLE scope is to find common positions on some gas practices, trying to give an answer to these topics



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