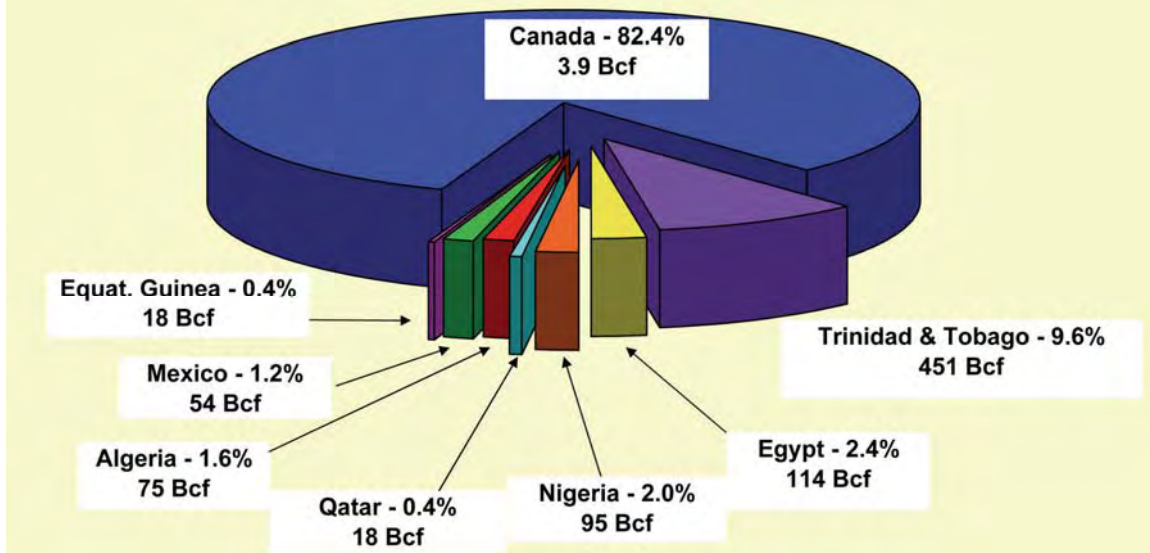
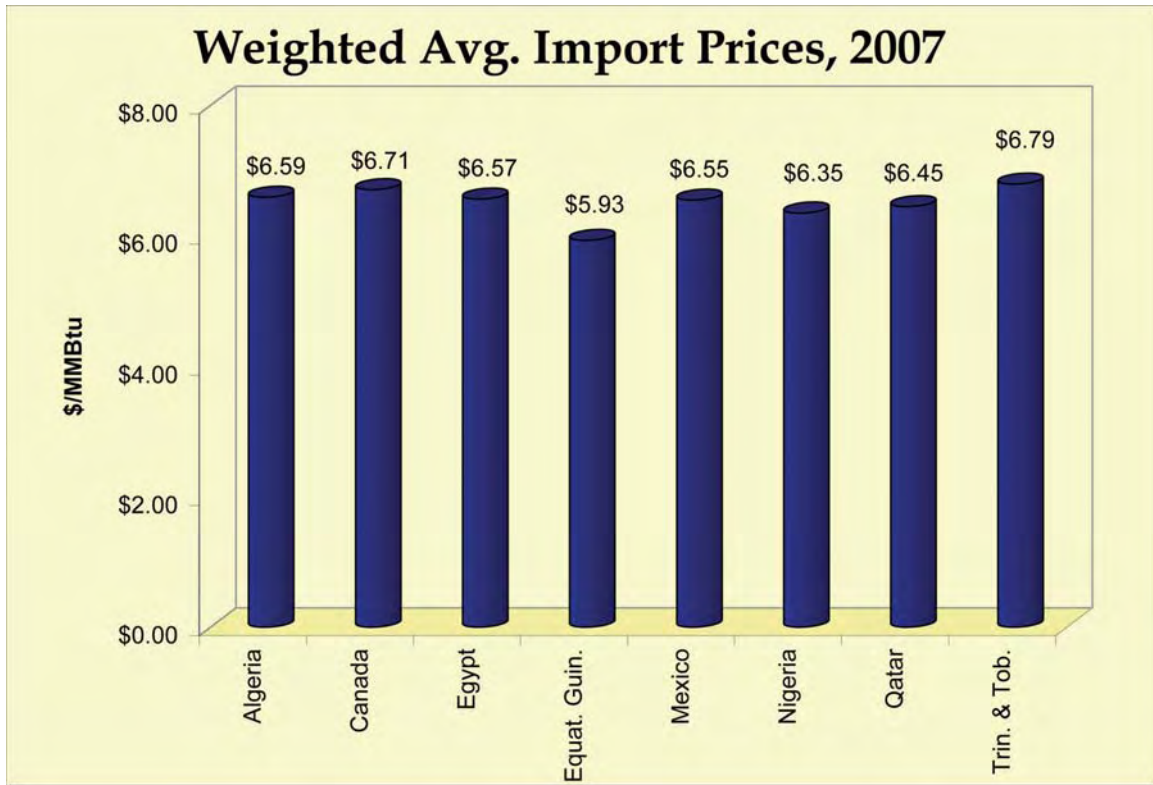


# Natural Gas Imports, 2007

Total Imports - 4,678 Bcf

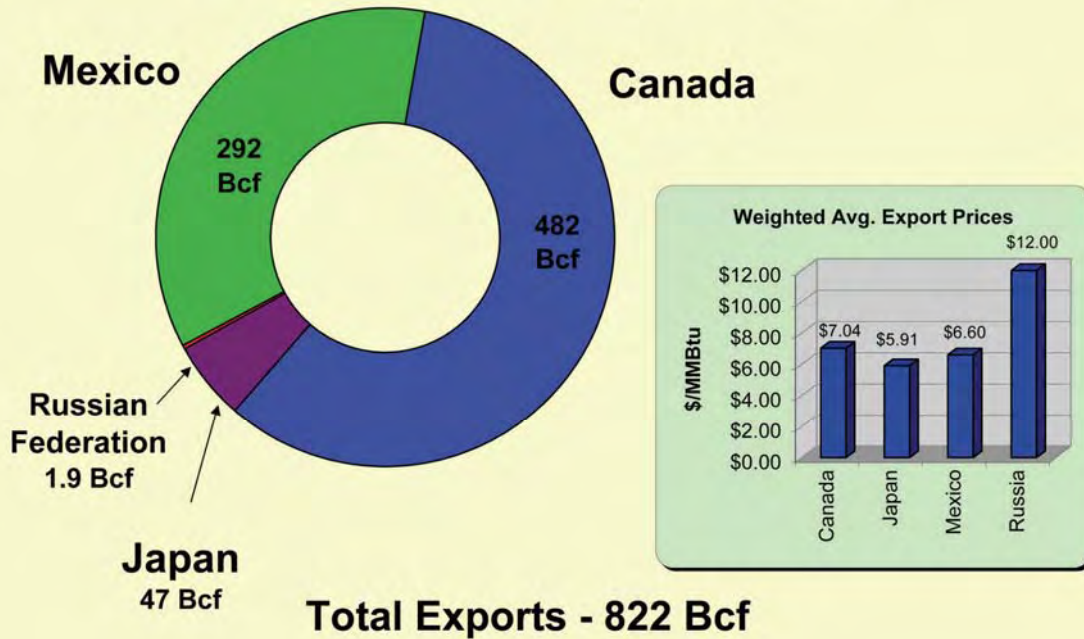


- In 2007, the U.S. imported more than 4.6 trillion cubic feet of natural gas.
- The vast majority of imports originated in Canada, continuing a long-term trend.
- Trinidad & Tobago was also a significant supplier, providing 9.6% of imports.
- Egypt and Nigeria were the source for at least 2% of imports each, with four other countries combining for the remaining three or four percent.



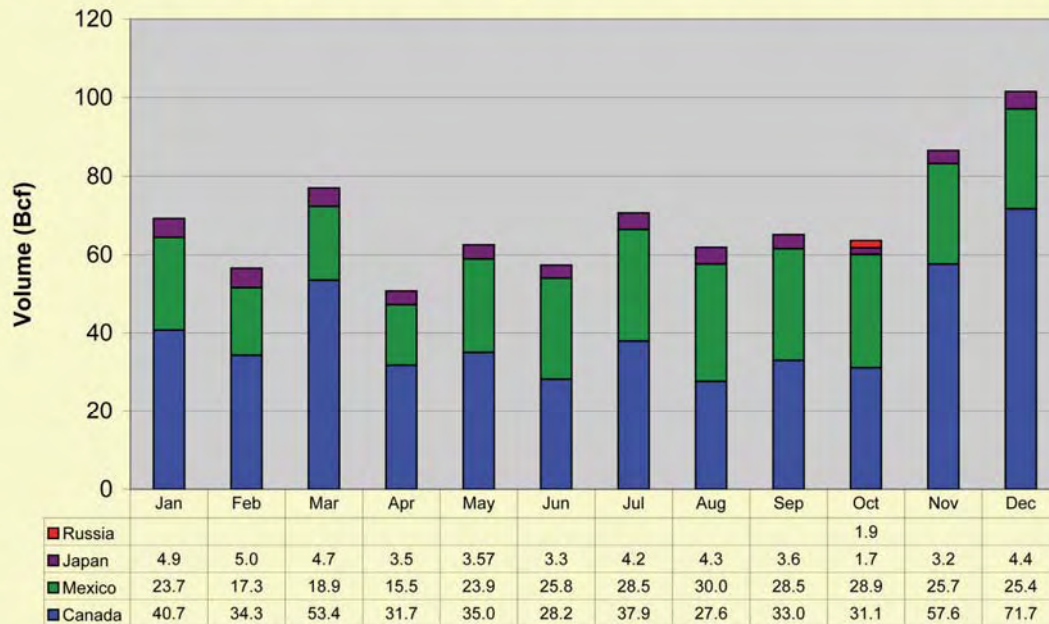
- Volume-weighted prices for imports averaged in the range of \$6.00 to \$7.00 per MMBtu (with the exception of Equatorial Guinea, at \$5.93)
- LNG import prices were consistent with pipeline import prices.

# Natural Gas Exports, 2007



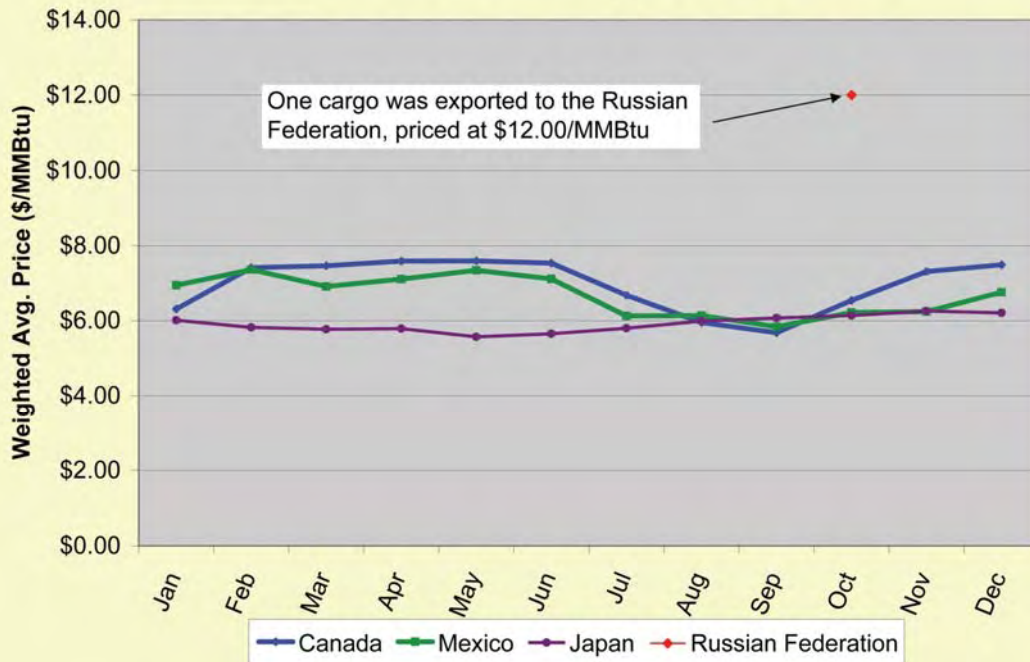
- The single largest destination for U.S. gas exports in 2007 was Canada, although export volumes are far smaller than volumes of imports from Canada.
- The U.S. also exported a significant amount of natural gas to its other North American neighbor, Mexico.
- Japan continued to be a destination for LNG exports from Alaska, and one cargo of LNG was shipped to Russia, a first.
- Prices for exports in 2007 fell in the range of \$5.91 to \$7.04, with the exception of the single Russian LNG shipment, which was sold at \$12.00 per MMBtu.

# Exports by Country of Destination, 2007



- In October, one cargo of LNG was exported to the Russian Federation, marking the first export to that country.

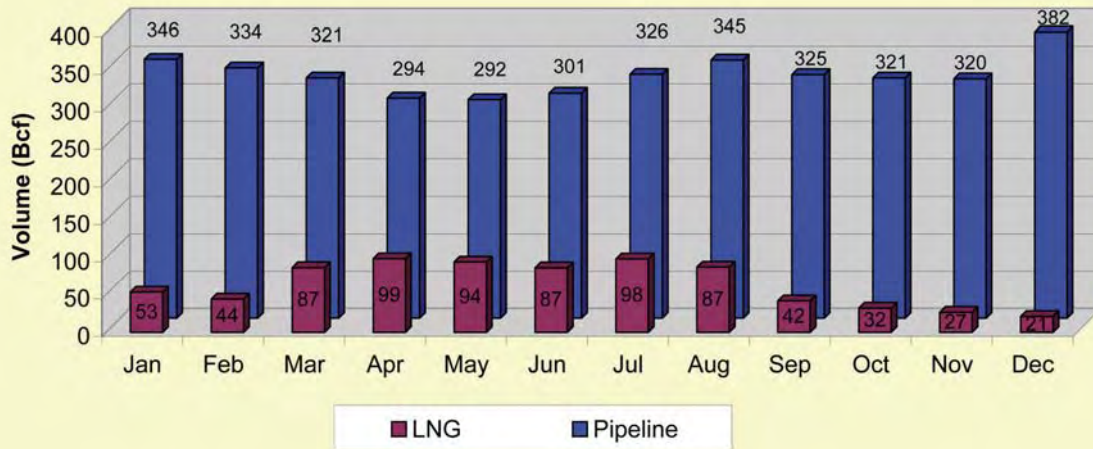
## Sales Prices of Exports, 2007



- Price levels of exports were generally highest to Canadian customers, with exports to Mexico at somewhat lower prices. Monthly weighted-average prices to the Canadian and Mexican markets showed considerable variation during the year, ranging from \$5.68 to \$7.59 per MMBtu.
- Prices of exports to Japan were on average lower than to other countries, and showed less variation, ranging from \$5.57 to \$6.26 per MMBtu.
- The one shipment to Russia was priced very high at \$12.00 per MMBtu.

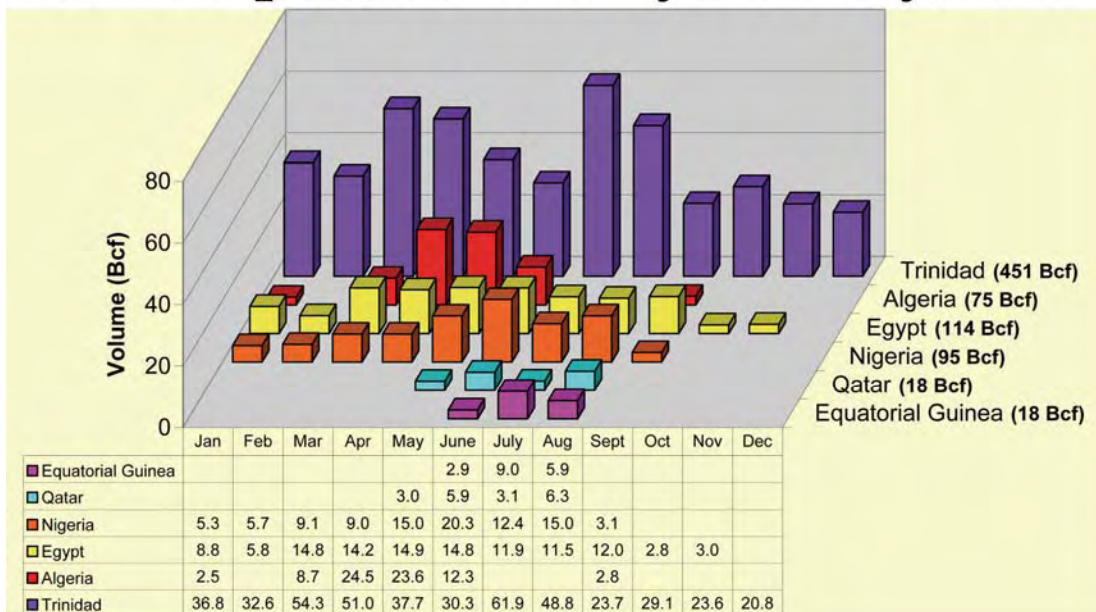
# Imports, Pipeline vs LNG

## 2007



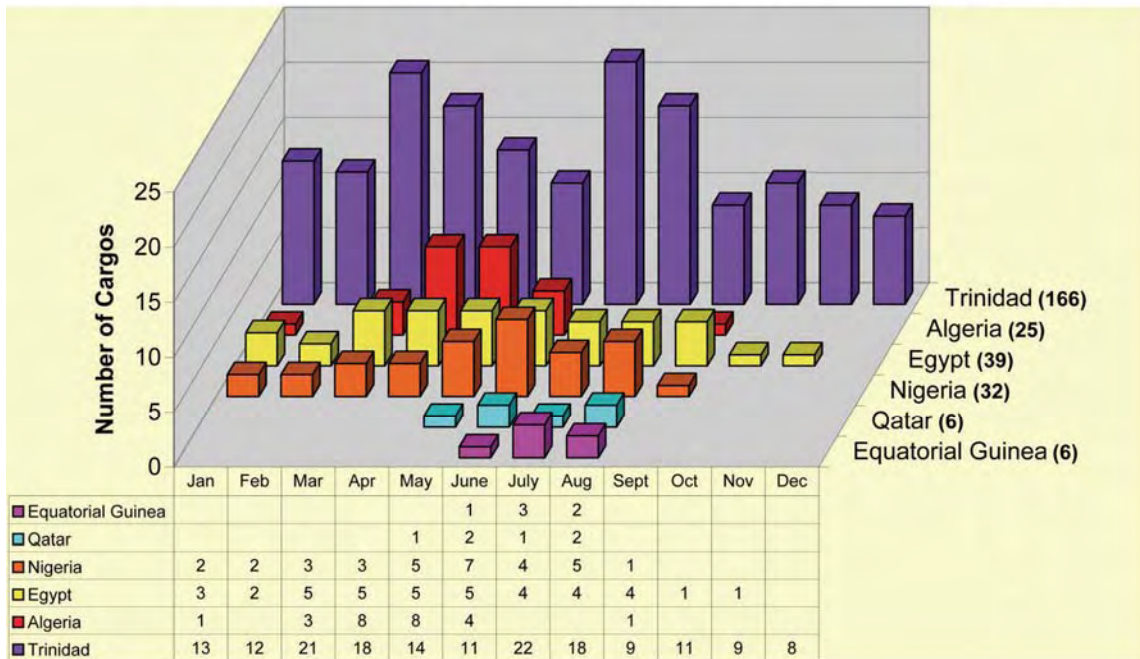
- Pipelines continued to be the major avenue for imports, with pipeline volumes far exceeding volumes of LNG.
- In the aggregate, LNG imports evidenced a seasonal pattern, with concentration in the spring and summer months.

# LNG Import Volume by Country, 2007



- Trinidad & Tobago was the main supplier of LNG to the U.S. in 2007, providing a higher volume than all other countries combined.
- LNG was received at U.S. terminals throughout the year, but in the aggregate, shipments were most concentrated in spring and summer months. Some countries only supplied LNG to the U.S. during warmer periods.
- In recent years, LNG imports to the U.S. have fluctuated with the seasonal changes in demand in Europe and Asia. During the winter months, prices in Europe and Asia are higher than in the U.S. and attract the majority of spot cargos.

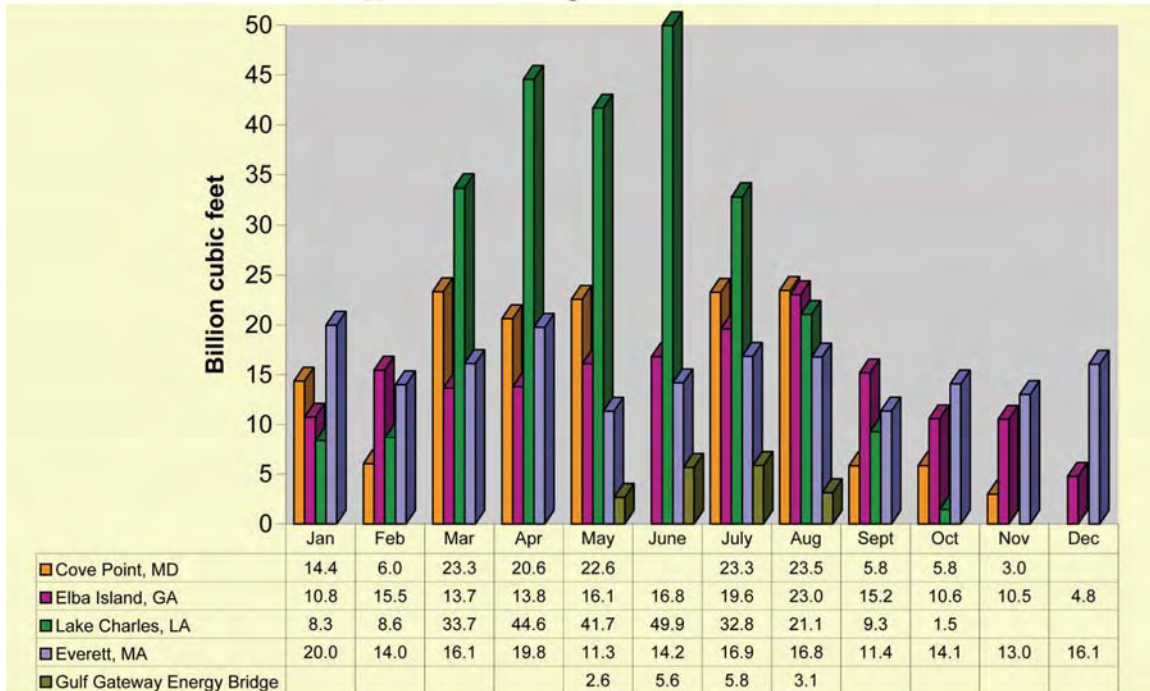
## Number of LNG Import Cargos by Country, 2007



- Trinidad & Tobago was the source of the largest number of LNG cargoes to the U.S. in 2007, originating more shipments than all other countries combined.
- LNG was received at U.S. terminals throughout the year, but in the aggregate, shipments were most concentrated in spring and summer months. Some countries only supplied LNG to the U.S. during warmer periods.

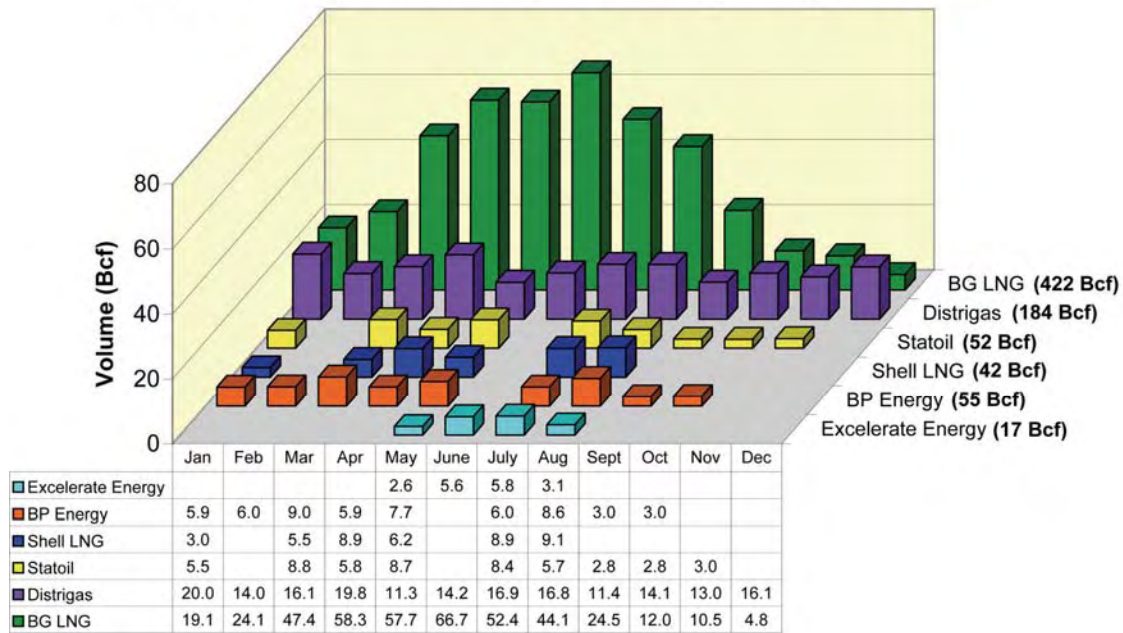


# LNG Imports by Terminal, 2007



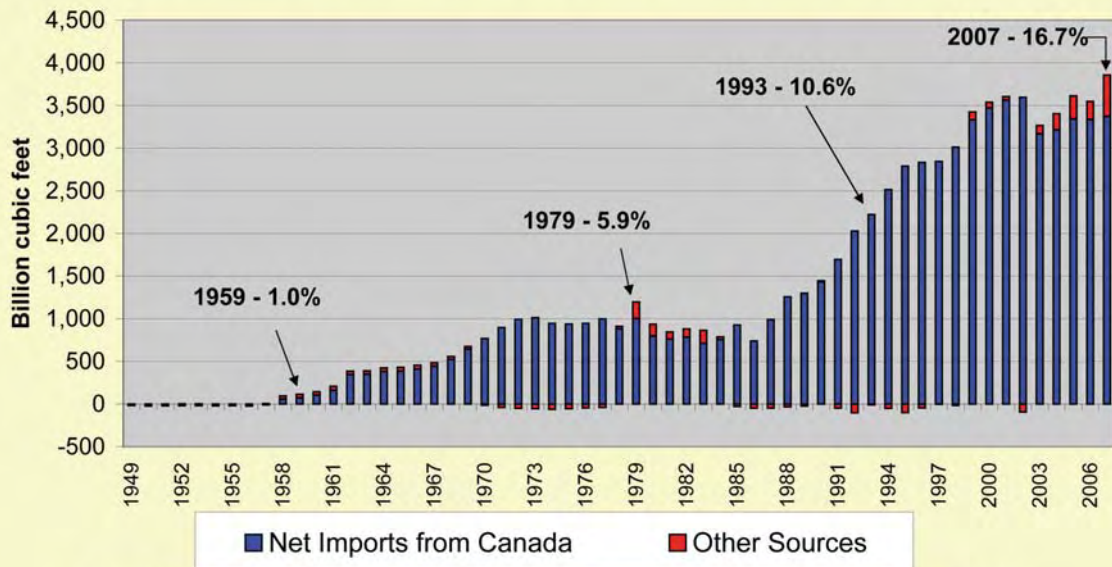
- Over the course of the year, Lake Charles received the largest volume of LNG, but had relatively limited activity during the winter. Cove Point also saw relatively limited activity in the winter, with the exception of January.
- Elba Island and Everett also received significant volumes, with a more steady pattern, receiving volumes throughout the year.
- Gulf Gateway Energy Bridge, an off-shore terminal, received smaller volumes, concentrated in the summer.

# LNG Imports by Company, 2007



- BG LNG was the single largest importer of LNG in 2007, with a larger volume of imports than all others combined. BG LNG's import profile shows a marked summertime peak.
- Distrigas was the only other importer to receive shipments in every month of the year, with a more even import profile through 2007.

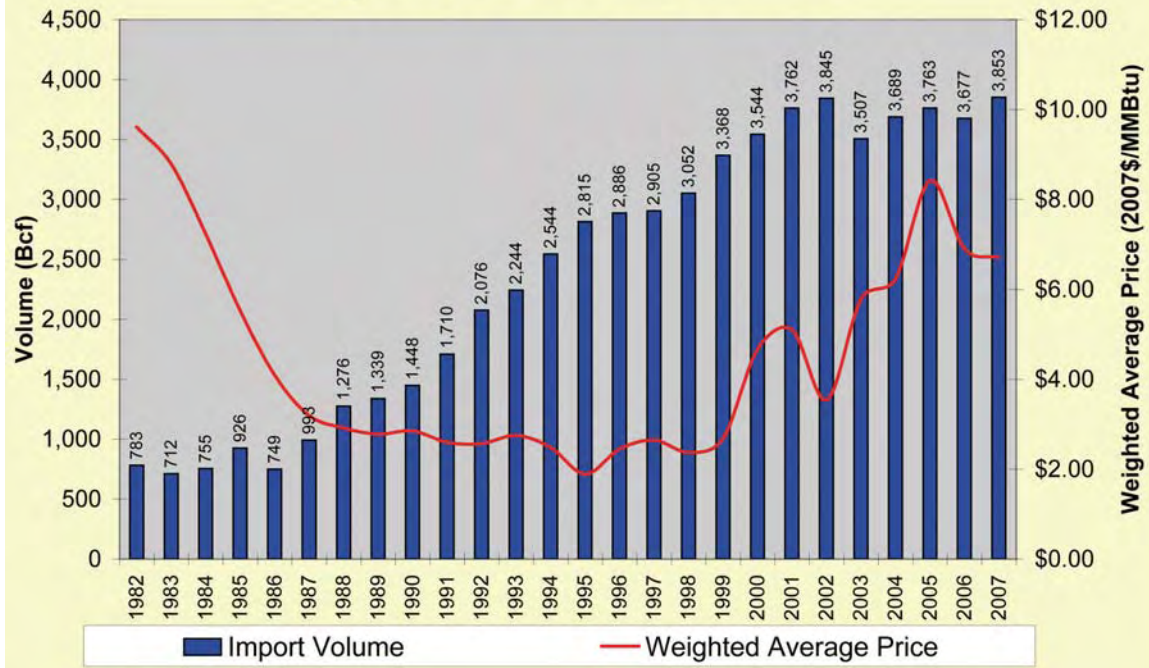
## Net Imports from Canada and Other Sources & Imports as Percentage of US Gas Consumption, Selected Years



Sources: Energy Information Administration, Annual Energy Review 2006, Table 6.3, "Natural Gas Imports, Exports, and Net Imports, 1949-2006"; and Office of Fossil Energy, Office of Natural Gas Regulatory Activities.

- This long-term view of imports and exports illustrates the dominance of Canada in American natural gas trade. The U.S. has been a net importer of gas from Canada since the late 1950s.
- Trade with the rest of the world combined (including Mexico) is dwarfed by volumes from our northern neighbor. In fact, the U.S. has been either a net importer or a net exporter to all other countries (grouped together), depending on the year. Only in recent years can the beginning of a growth trend be seen in net imports from non-Canadian sources, reflecting growth in LNG imports.
- Imports have accounted for a growing fraction of U.S. gas consumption, reaching nearly 17% in 2007.

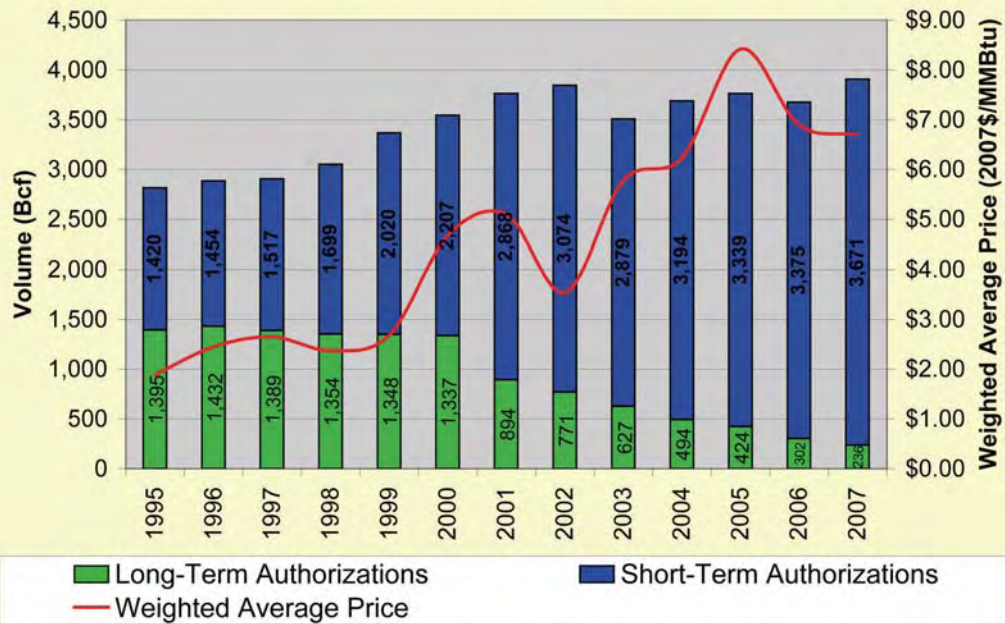
# Imports from Canada



- Imports from Canada have grown substantially over the past 25 years, reaching an approximate plateau at about the turn of the century.
- The volume-weighted average prices of imports, in inflation-adjusted dollars, dropped through the 1980s, held roughly constant in the 1990s, and began climbing in the latter part of that decade. There have been up or down swings from year to year, but import prices have remained at an elevated level, compared with the last 20 years.

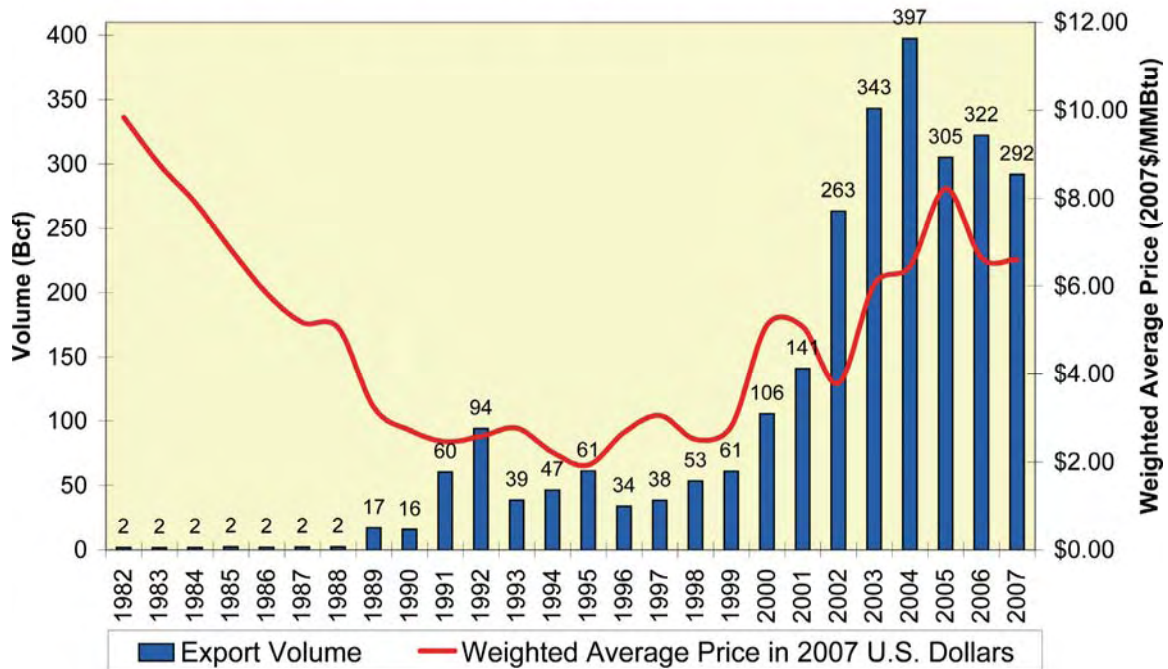
# Imports from Canada

## Long-Term vs Short-Term Authorizations



- Imports of Canadian natural gas have increasingly been made under short-term import authorizations, with the use of long-term authorizations steadily dwindling.

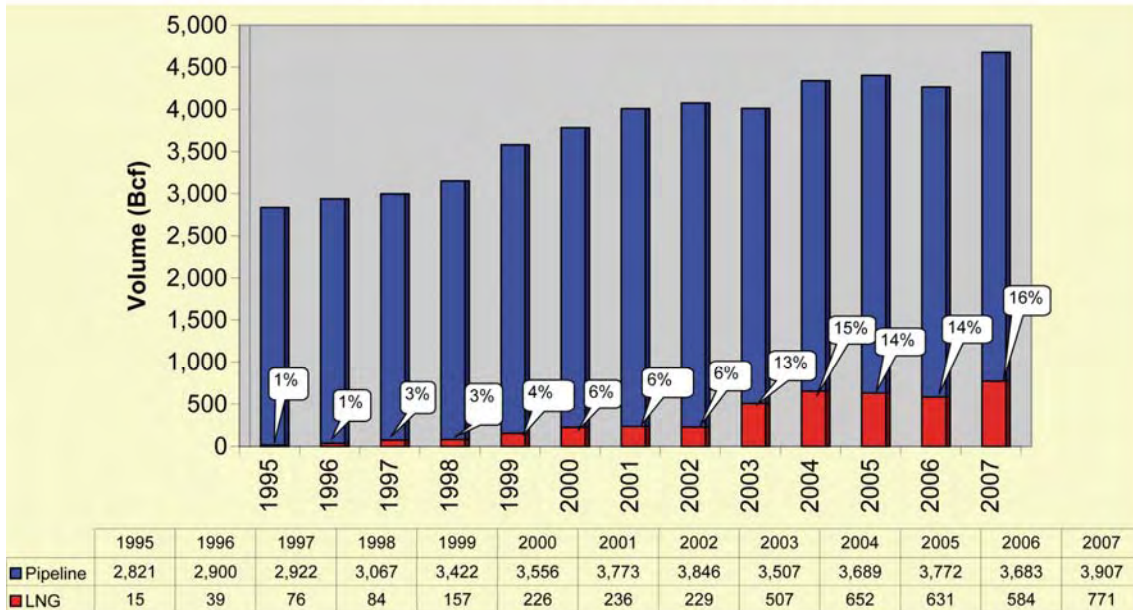
# Natural Gas Exports to Mexico



- From a low level in the early 1980s, U.S. exports to Mexico have grown substantially. While showing fairly large increases and decreases from year to year, the overall level of exports has remained on the order of 300 Bcf per year for the last several years. Exports to Mexico reached their highest level to date in 2004, at 397 Bcf.
- Volume-weighted average prices of exports to Mexico, on an inflation-adjusted basis, fell through the 1980s, held roughly constant in the 1990s, and began climbing in the latter part of that decade. There have been up or down swings from year to year, but export prices have remained at an elevated level, compared with the last 20 years.

# Imports, Pipeline vs LNG

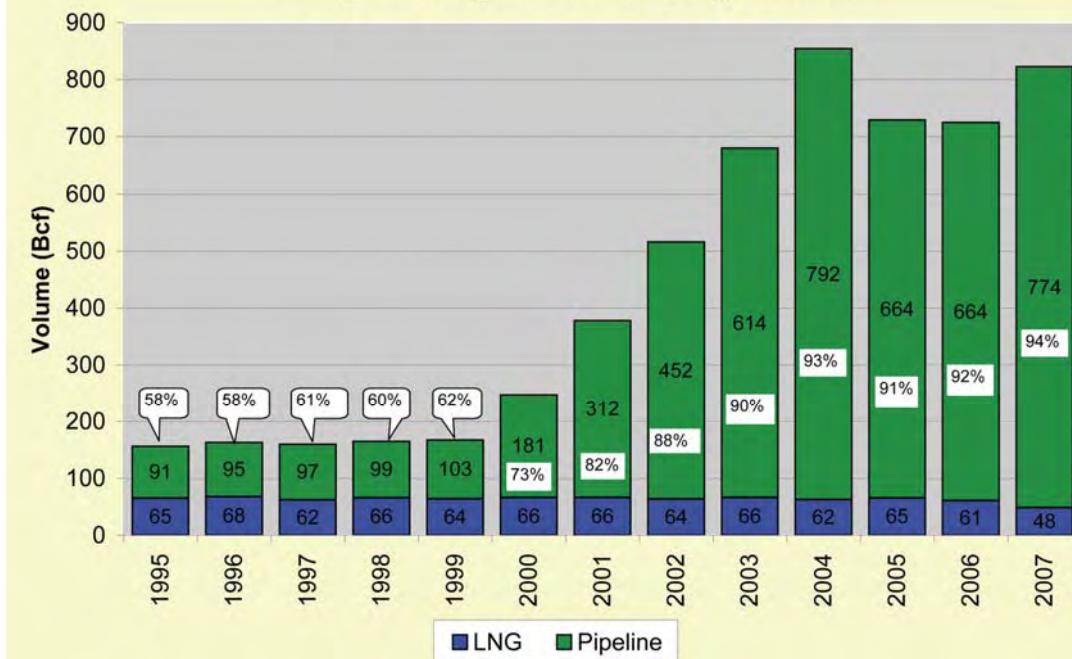
## & LNG as a Percentage of Imports



- Over the past 12 years, total imports have grown steadily.
- Pipelines continue to be the dominant route for imports, by far, but LNG volumes are increasingly important. In 2007, LNG imports comprised 16% of all gas imports.

# Exports, Pipeline vs LNG

& Pipeline Exports as Percentage of Total



- In the past 12 years, U.S. exports have grown significantly. Virtually all export growth has been in pipeline shipments, which are now responsible for 94% of all exports. LNG exports have been fairly constant, consistent with the existence of only one U.S. liquefaction facility – Kenai, Alaska.