

Graphical Summaries, Comparisons, and Trend Analysis

2009 Year in Review

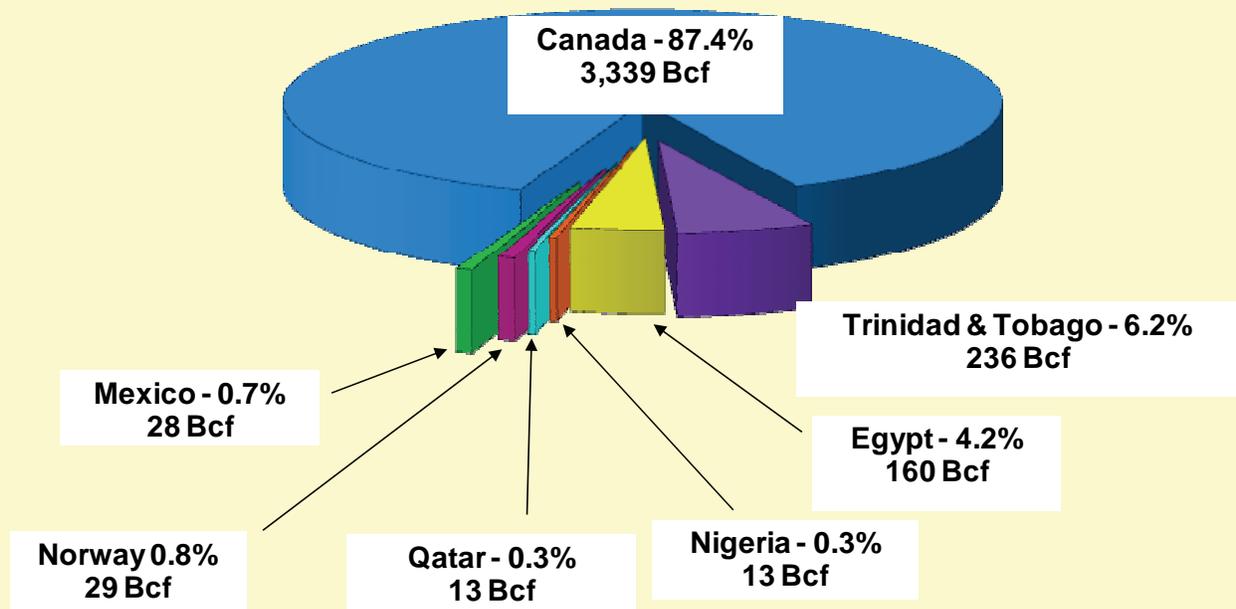
2009 vs. 2008

Long-Term Trend Analysis

2009 Year in Review

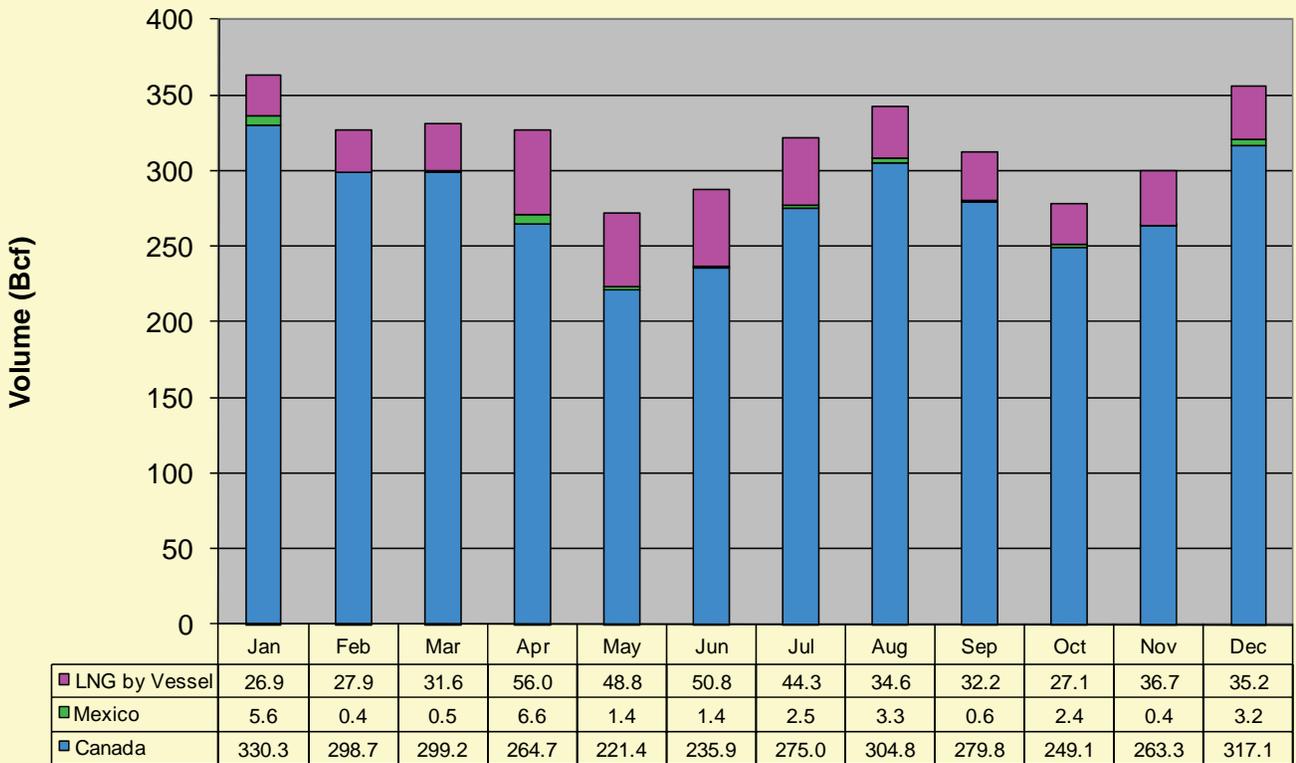
Natural Gas Imports, 2009

Total Imports - 3,819 Bcf



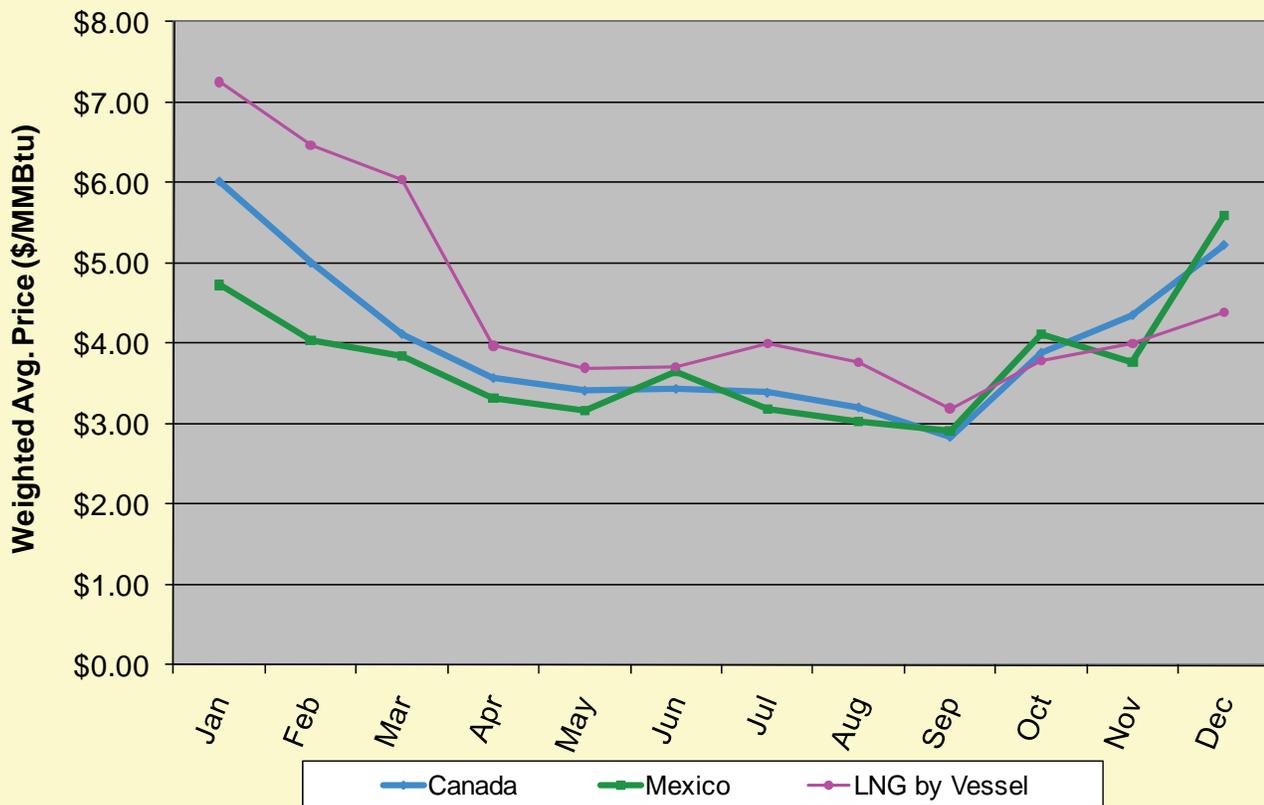
- In 2009, the U.S. imported more than 3.8 trillion cubic feet of natural gas.
- The vast majority of imports originated in Canada, continuing a long-term trend.
- Trinidad & Tobago was the next-largest supplier, providing more than six percent of imports, in the form of LNG, followed by Egypt, contributing more than four percent, also in the form of LNG.
- The remaining imports were supplied by four countries, each contributing less than one percent to the total: Mexico, Norway, Nigeria, and Qatar.

Imports by Origin, 2009



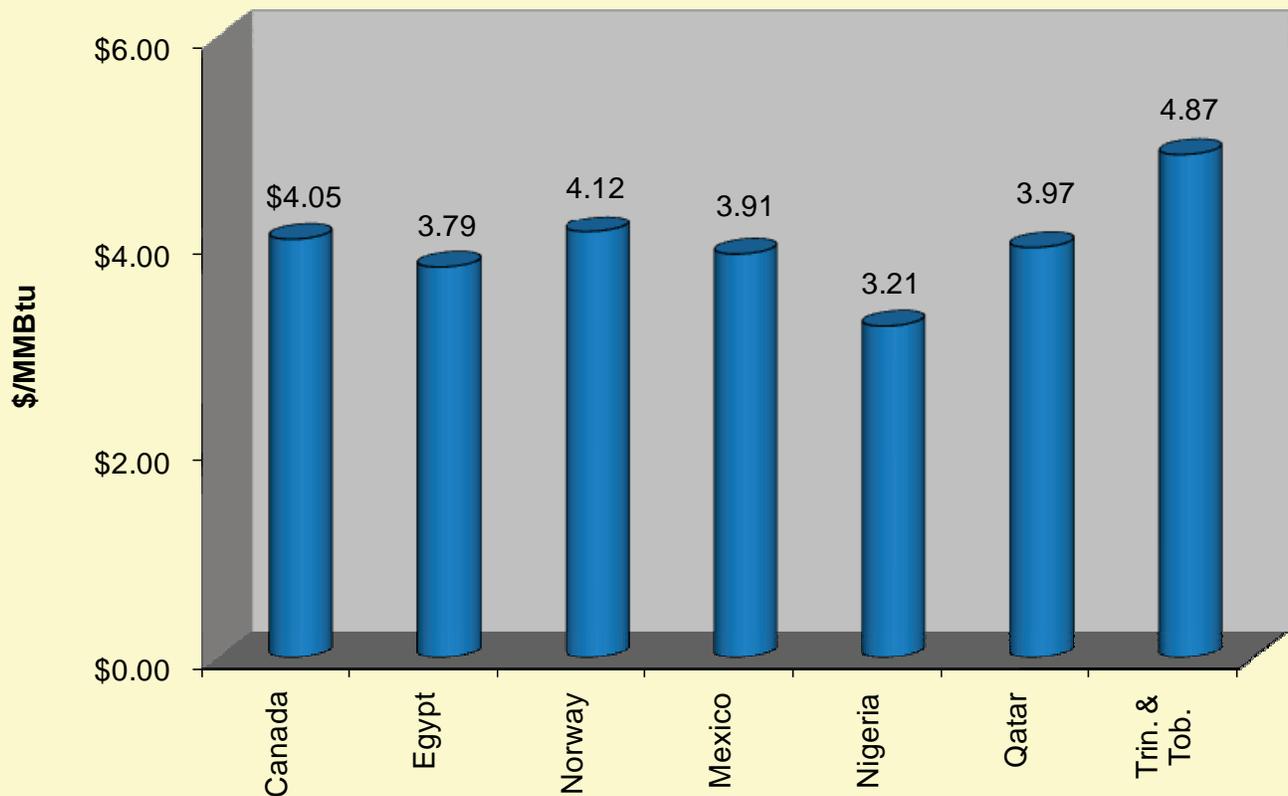
- Canada supplied the vast majority of imports not only for the year as a whole, but consistently throughout 2009.
- LNG, from all world suppliers, was the second-largest source of imports in every month of 2009, followed by Mexico.

Sales Prices of Imports, 2009



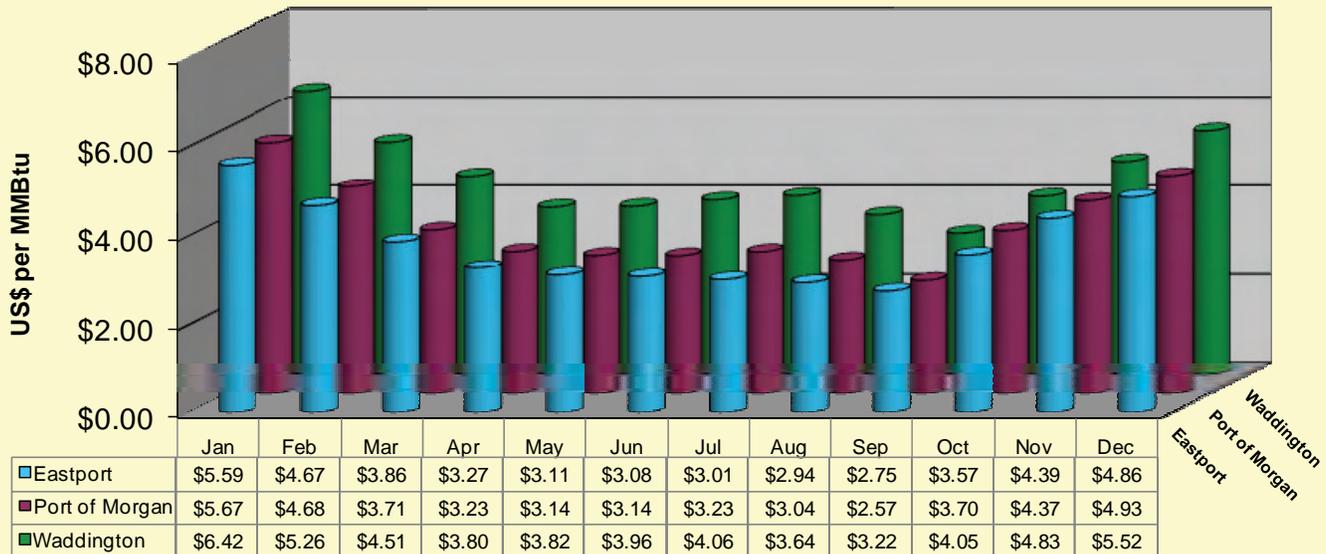
- LNG import prices were consistently at or above those of pipeline imports during most of 2009. The gap narrowed after the first quarter, however, and LNG import prices were at or below pipeline import prices in the fourth quarter.

Weighted Avg. Import Prices, 2009



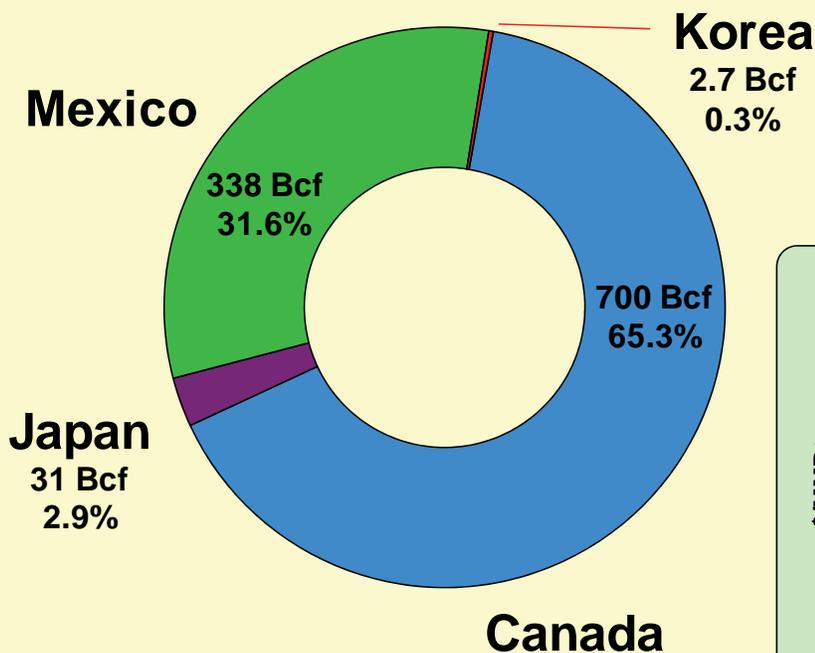
- Canadian and Mexican pipeline imports and LNG imports from several suppliers (Egypt, Norway, Nigeria, and Qatar) averaged in the range of \$3.21 to \$4.12 per MMBtu in 2009.
- Trinidad & Tobago, the largest supplier of LNG to the U.S. (providing almost as much natural gas to the U.S. as all other countries combined), had a higher average price for imports, at \$4.87 per MMBtu.

Prices of Canadian Imports for Selected Points, 2009



- Prices of imports from Canada for these three major entry points fell, along with general natural gas price levels, from winter through spring to the summer months, and increased during the fourth quarter, although not reaching January's highs.
- Among these three points, Waddington, NY had consistently higher import prices throughout the year.

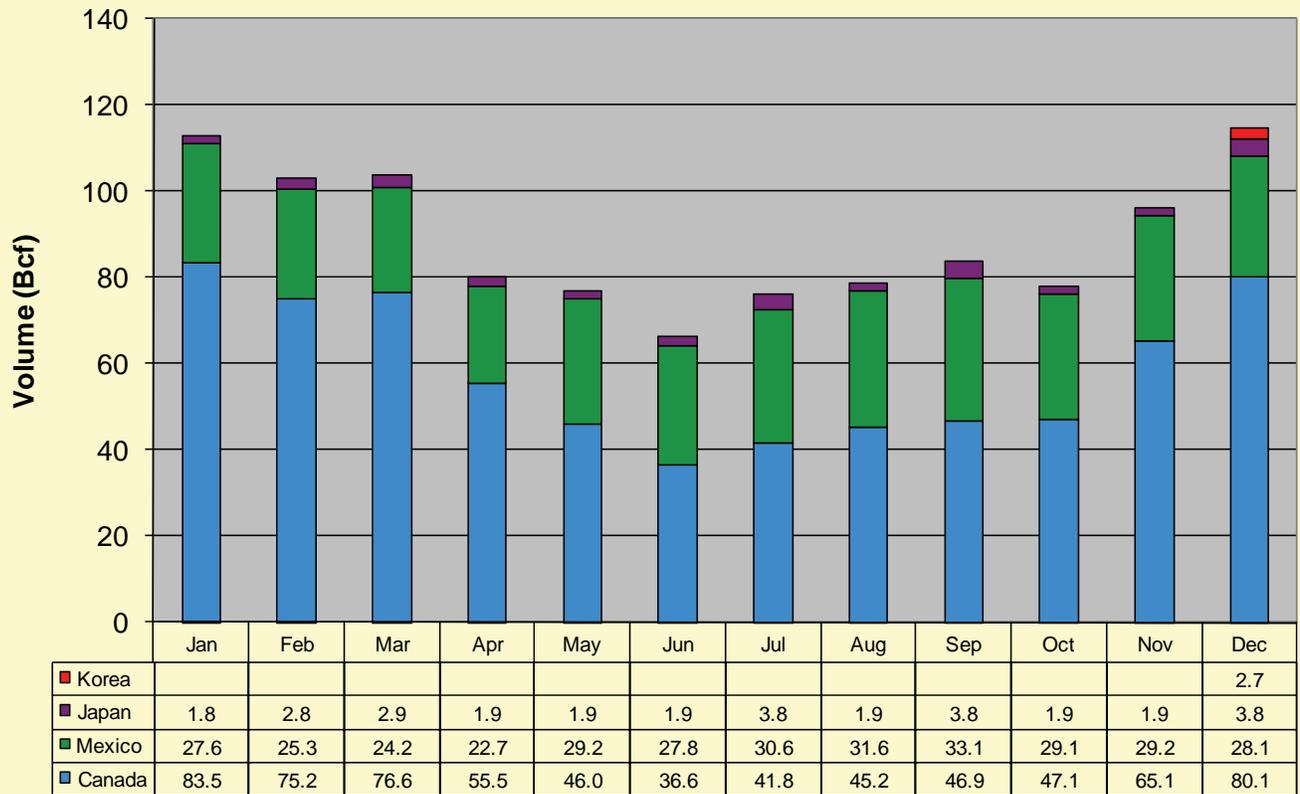
Natural Gas Exports, 2009



Total Exports - 1,069 Bcf

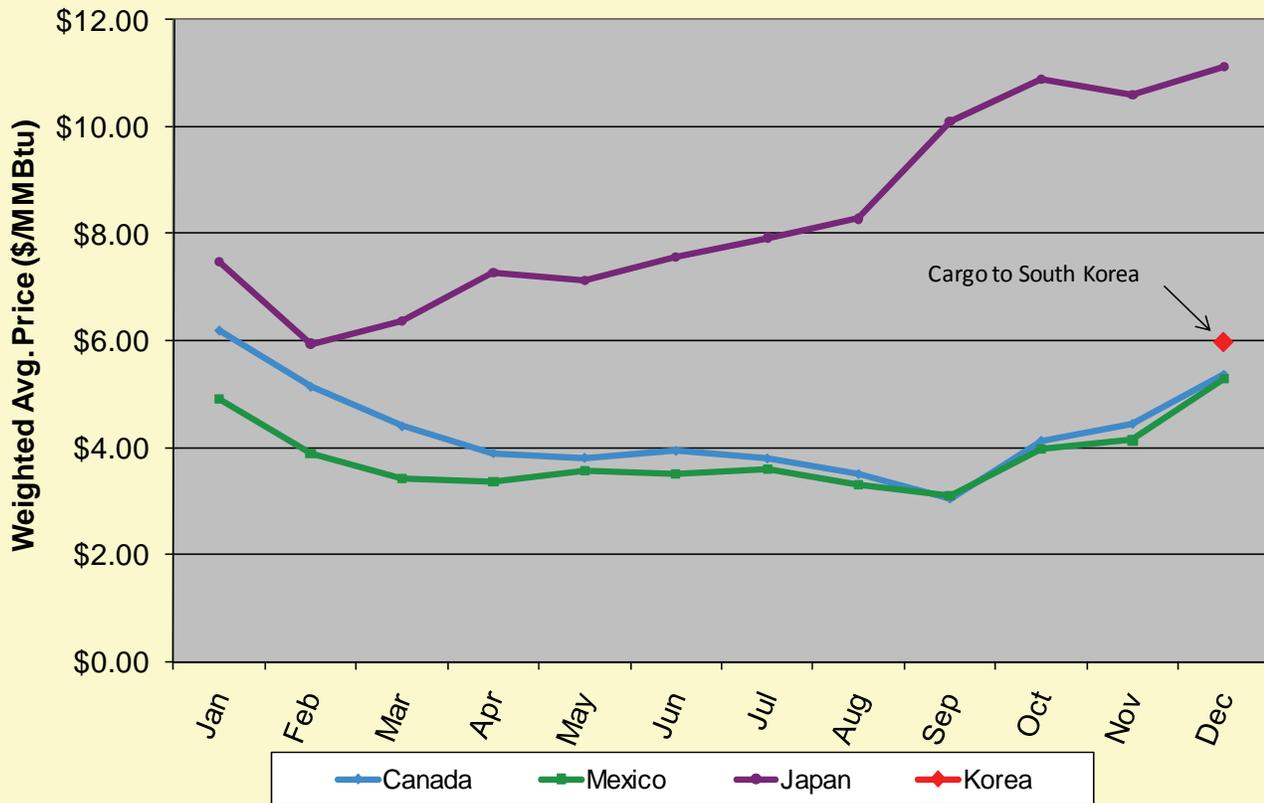
- The single largest destination for U.S. gas exports in 2009 was Canada, although export volumes were far smaller than volumes of imports from Canada to the U.S.
- The U.S. also exported a significant amount of natural gas to its other North American neighbor, Mexico.
- Japan continued to be a destination for LNG exports from Alaska, the only vessel-borne LNG customer for domestically-sourced gas in 2009.
- A new kind of U.S. export transaction, the re-export of previously imported LNG, began in 2009. A cargo of LNG stored in the U.S. was re-exported to South Korea, in the first U.S. LNG shipment to that country.
- Country-annual average prices for exports to Canada, Mexico, and South Korea fell in the range of \$3.83 to \$5.96 for the year. The average price for LNG delivered to Japan was notably higher in 2009, at \$8.51.

Exports by Country of Destination, 2009



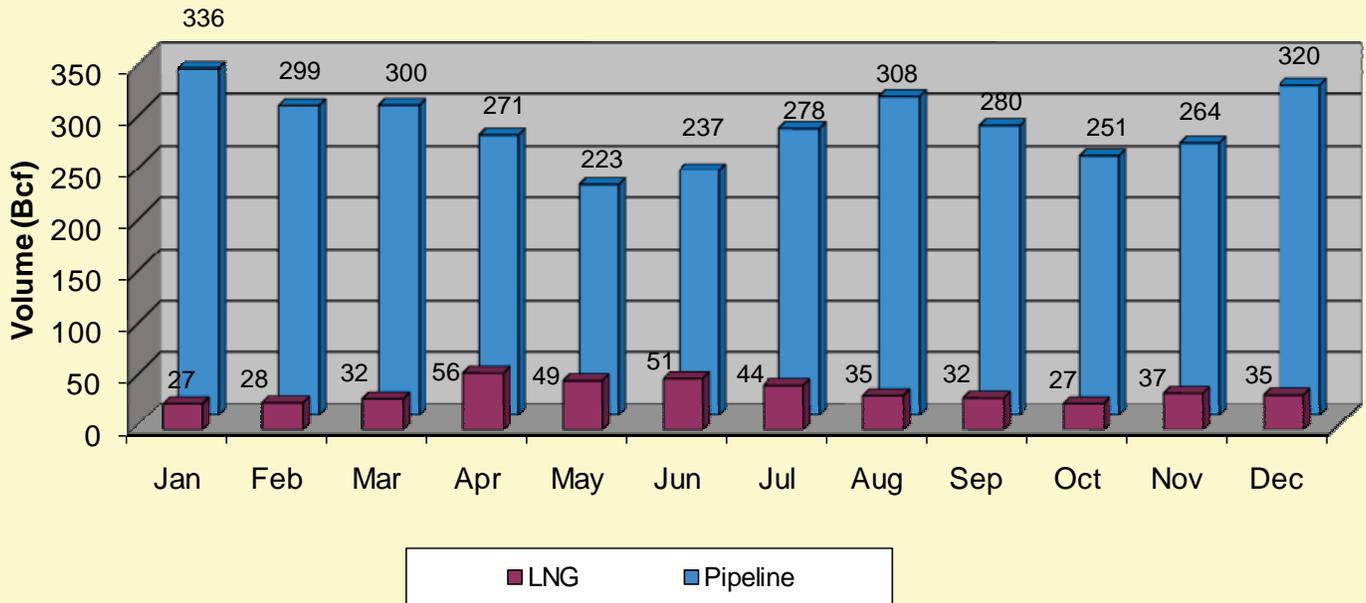
- Exports showed a seasonal pattern, with lower volumes in the spring, summer, and early fall, and a higher level of exports during the colder months.

Sales Prices of Exports, 2009



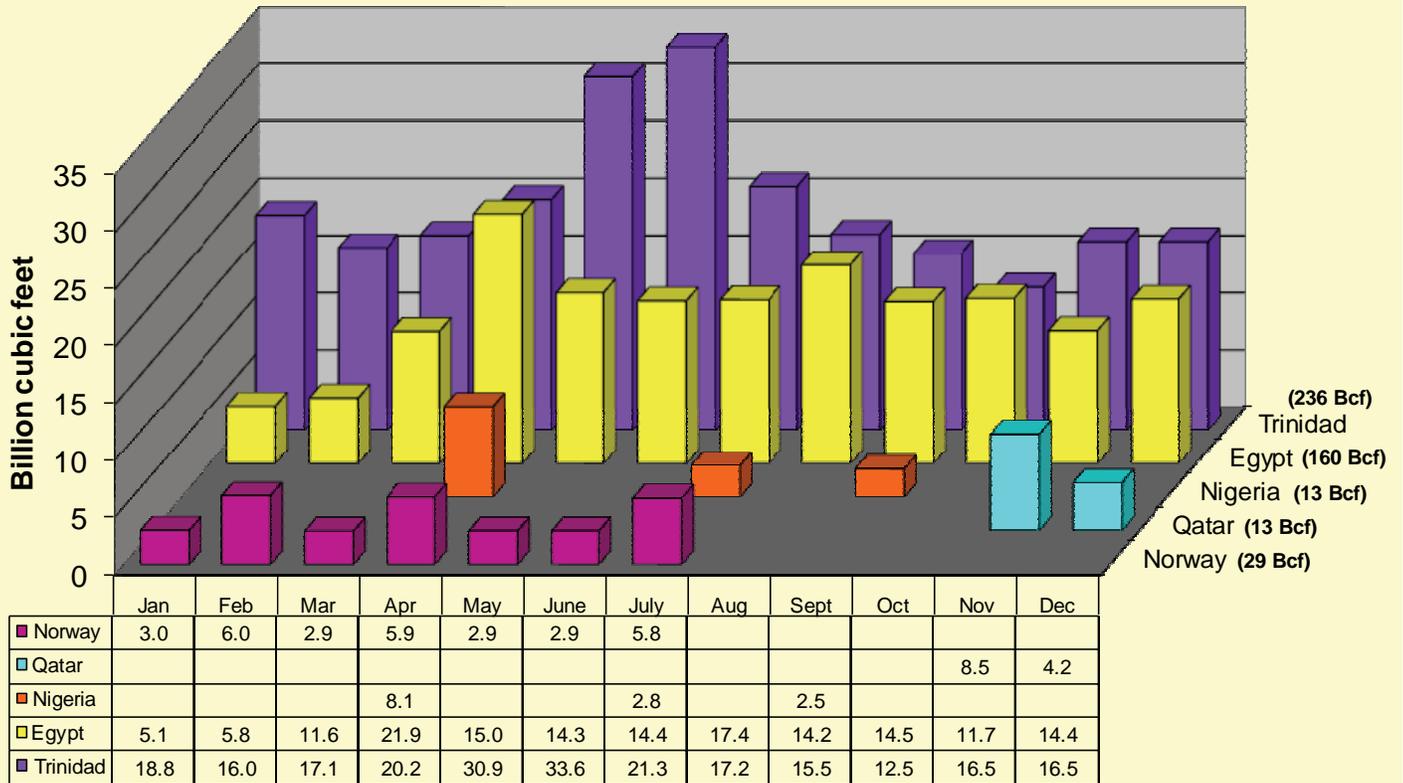
- Prices for pipeline exports were higher to Canada than to Mexico for most of 2009. The disparity was larger during the first quarter, and converged after that. Prices to customers in Canada and Mexico tracked fairly closely for the remainder of the year.
- Prices of LNG exports to Japan were higher than pipeline export prices throughout 2009. This was especially true after February, when prices to Japan ranged between nearly \$2 and over \$7 per MMBtu higher than prices of exports to Canada or Mexico. Export prices to Japan showed an upward trend throughout the year.

Imports, Pipeline vs LNG, 2009



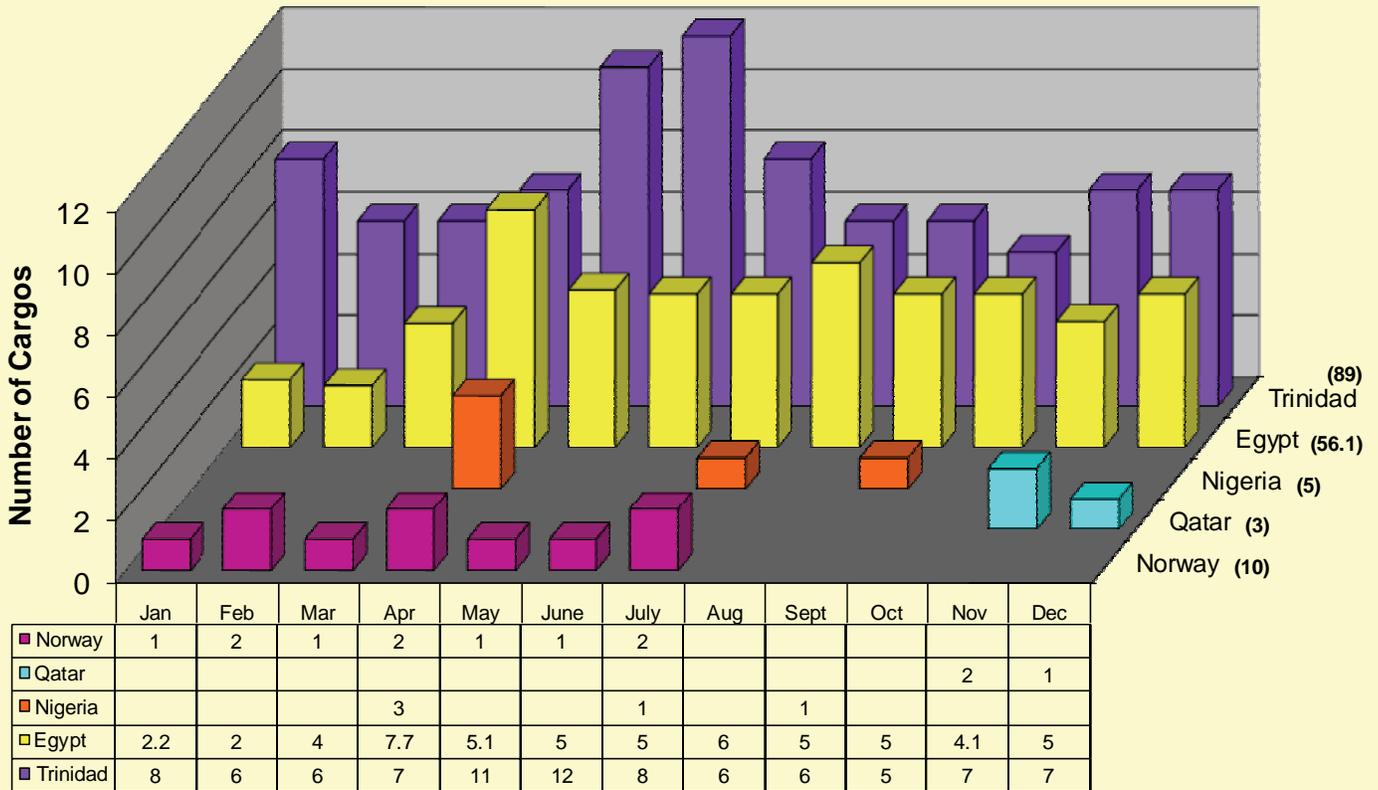
- Pipelines continued to be the major avenue for imports, with pipeline volumes far exceeding volumes of LNG.
- Pipeline imports experienced two peaks during 2009, with imports somewhat higher in the warmer months and in the colder months, but dipping in the spring and fall.

LNG Import Volume by Country, 2009



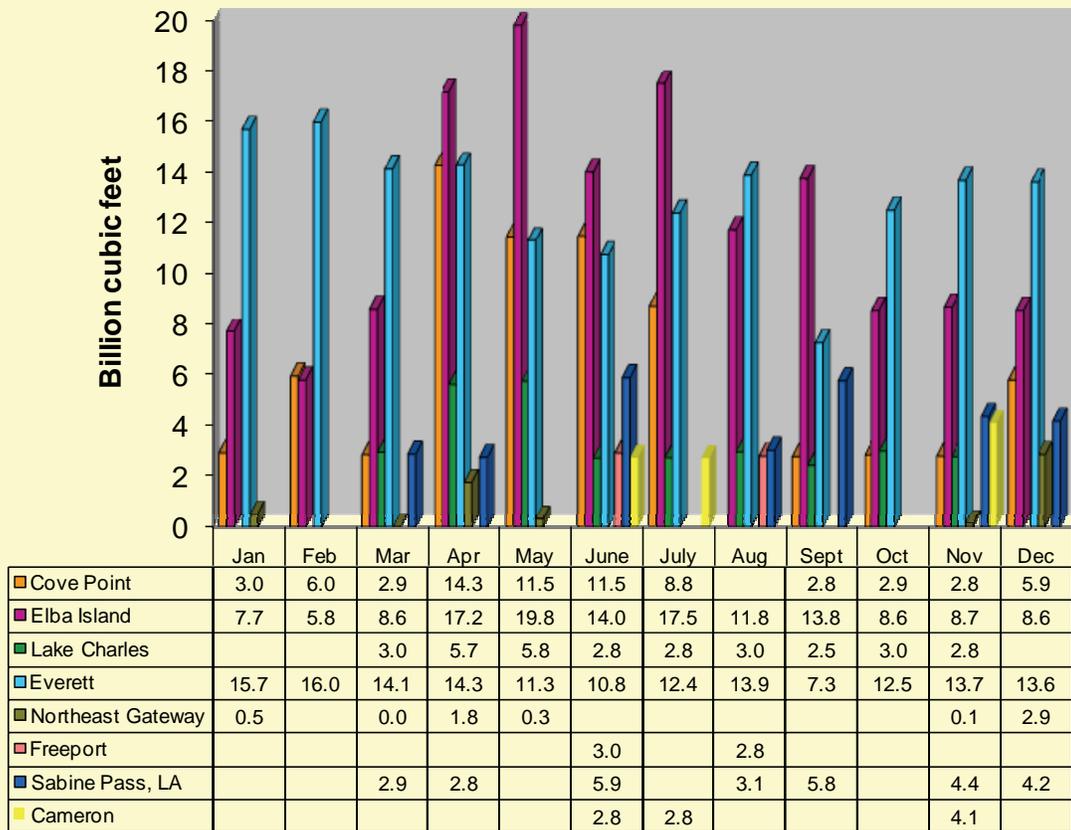
- Trinidad & Tobago was the main supplier of LNG to the U.S. in 2009, providing 160 Bcf, which is close to the total volume of all other LNG source countries combined.
- Egypt was a strong second, supplying 160 Bcf. In three months (April, August, and October), Egypt was the leading LNG supplier to the U.S.
- Trinidad & Tobago and Egypt were the only supplying countries providing LNG to the U.S. in each month of 2009.

Number of LNG Import Cargos by Country, 2009



- Trinidad & Tobago was the source of the largest number of LNG cargoes (89) to the U.S. in 2009, originating more shipments than all other countries combined.
- Egypt was a strong second, with more than 56 cargoes to the U.S. in 2009. (Some partial cargoes are indicated in this graphic because of technical difficulties that required some shipments to be delivered into terminals over time.)

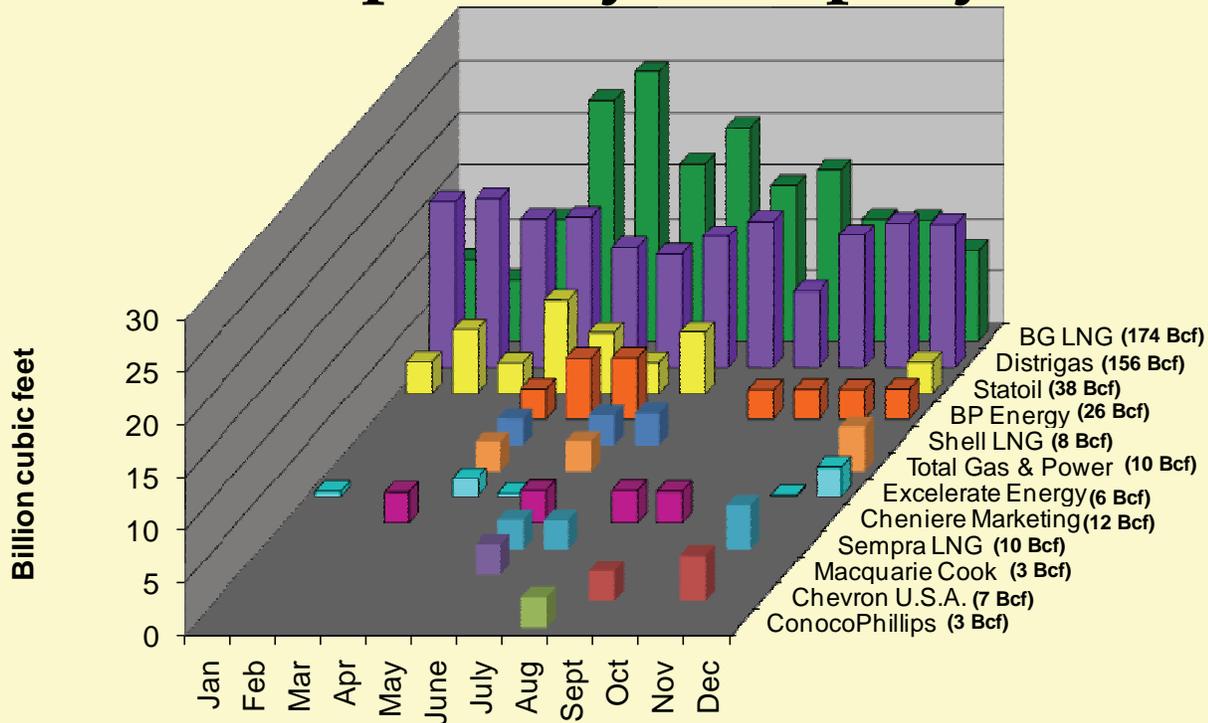
LNG Imports by Terminal, 2009



*A very small volume from a partially-discharged cargo at Northeast Gateway in March rounded to zero in this table.

- Eight of the nine active U.S. LNG terminals received at least one cargo during the year. Everett (156 Bcf) and Elba Island (142 Bcf) received the most LNG of all U.S. terminals in 2009. Both also received volumes in each month of the year.
- Six other terminals received shipments during 2009, but none of these received cargos consistently on a monthly basis.
- One terminal, Gulf Gateway, did not receive any LNG during the year.

LNG Imports by Company, 2009



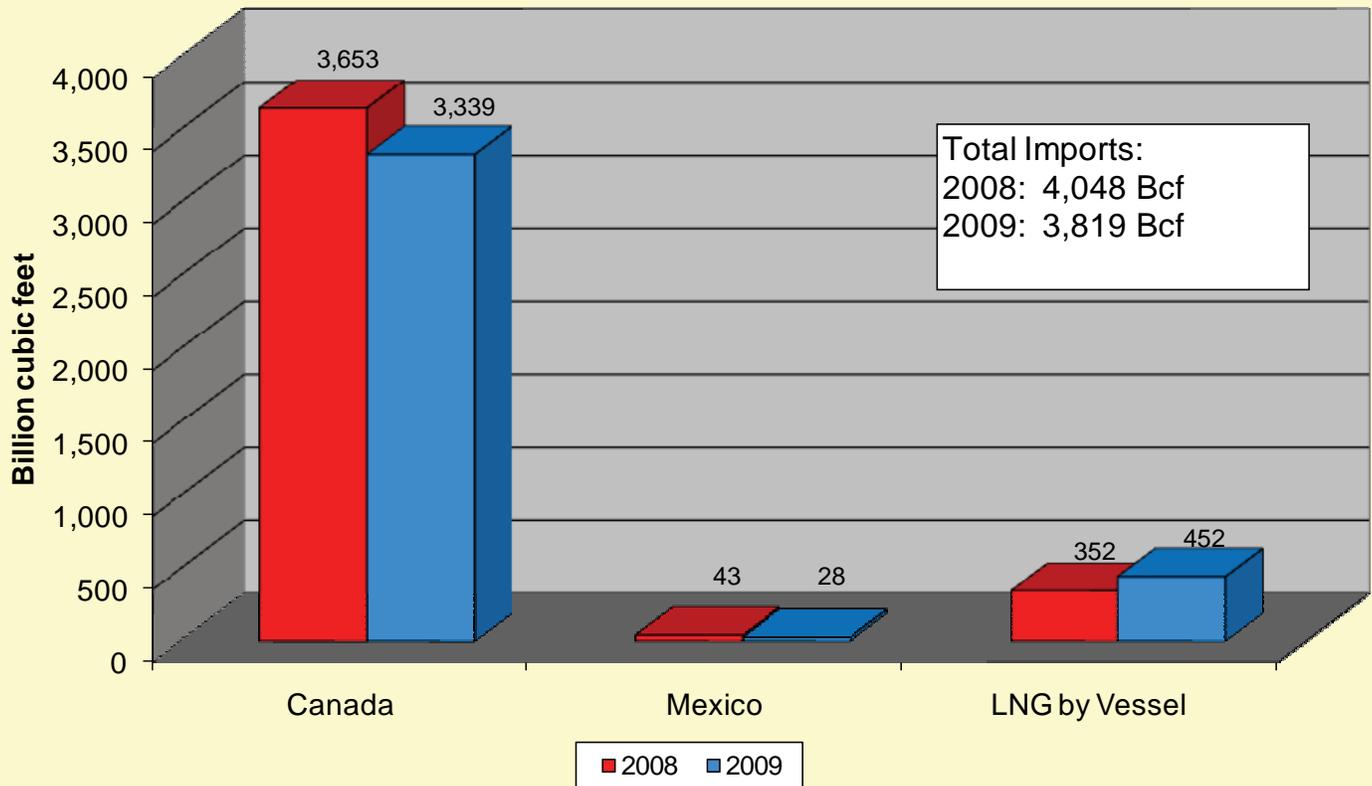
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
BG LNG	7.7	5.8	11.6	22.9	25.6	16.8	20.3	14.8	16.3	11.6	11.6	8.6	173.6
Distrigas	15.7	16.0	14.1	14.3	11.3	10.8	12.4	13.9	7.3	12.5	13.7	13.6	155.8
Statoil	3.0	6.0	2.9	8.9	5.7	2.9	5.8					2.9	38.1
BP Energy				2.9	5.8	5.8			2.8	2.9	2.8	2.9	26.0
Shell LNG				2.5		2.8	3.0						8.3
Total Gas & Power				2.8		2.9						4.2	9.8
Exceleerate Energy	0.5		0.0	1.8	0.3						0.1	2.9	5.7
Cheniere Marketing			2.9			3.1		3.1	3.0				12.0
Sempra LNG						2.8	2.8				4.1		9.7
Macquarie Cook						3.0							3.0
Chevron U.S.A.									2.8		4.4		7.2
ConocoPhillips								2.8					2.8

*A very small volume from a partially-discharged Exceleerate Energy cargo in March rounded to zero in this table.

- BG LNG (174 Bcf) and Distrigas (156 Bcf) were by far the largest LNG importers during 2009. They were also the only companies that received cargos in each month of the year.
- In an expansion of market participation, 10 other companies imported at least one cargo during 2009.

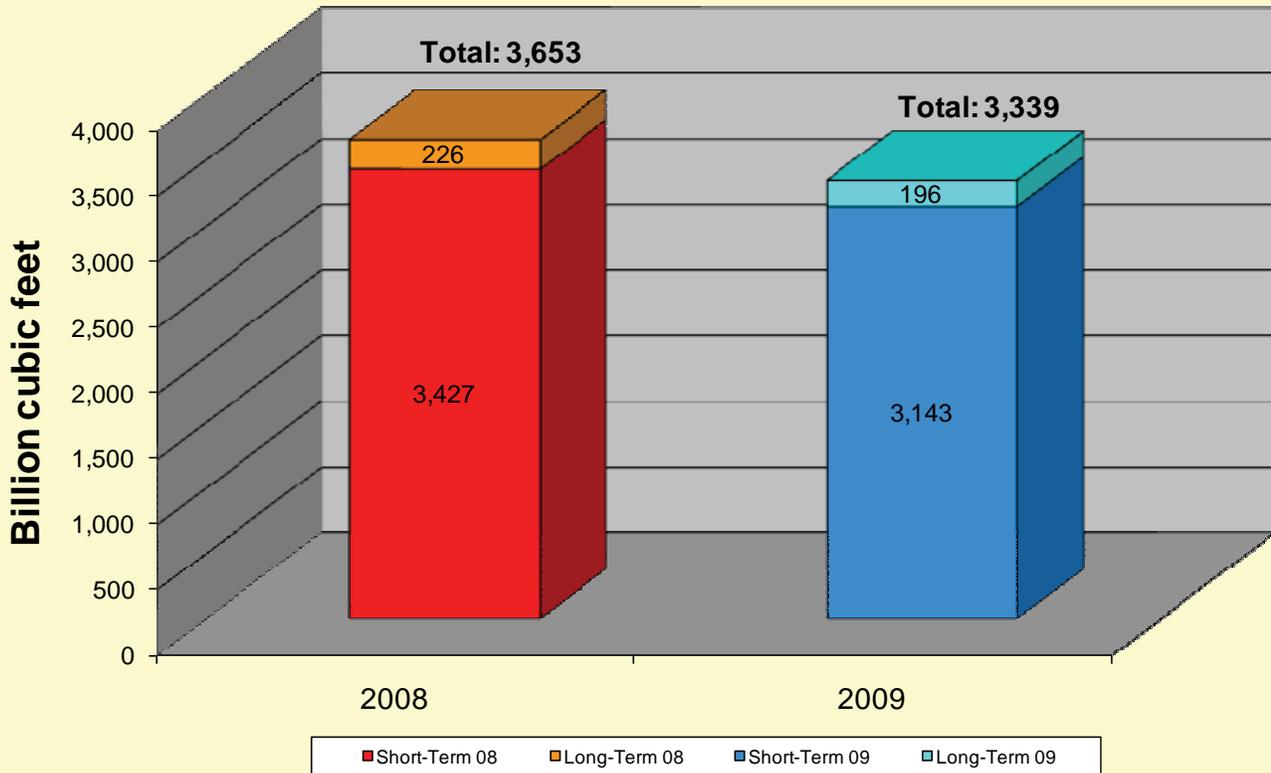
2009 vs. 2008

Natural Gas Imports by Source



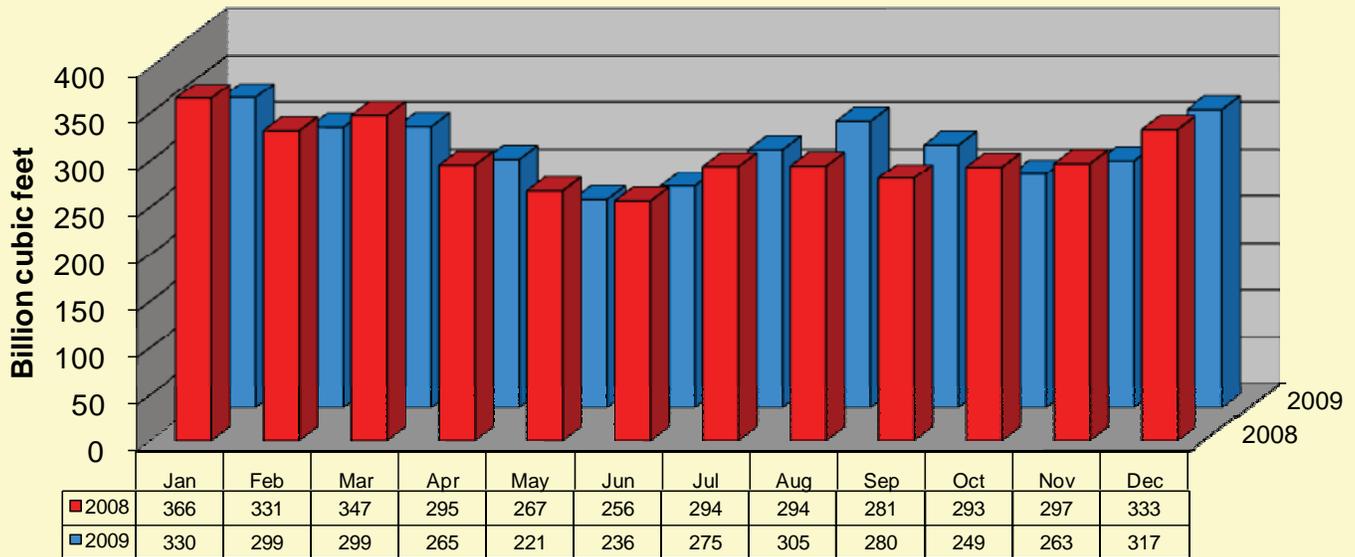
- In 2009, as in 2008, Canada was the leading source for imports into the United States, followed by LNG by vessel, and Mexico.
- In 2009, imports by pipeline were lower than in 2008. Volumes from Canada were only marginally lower. Those from Mexico, already at a low level compared with Canada, were more than one-third off of the 2008 volume. LNG imports increased between 2008 and 2009 by 100 Bcf.

Imports from Canada by Type



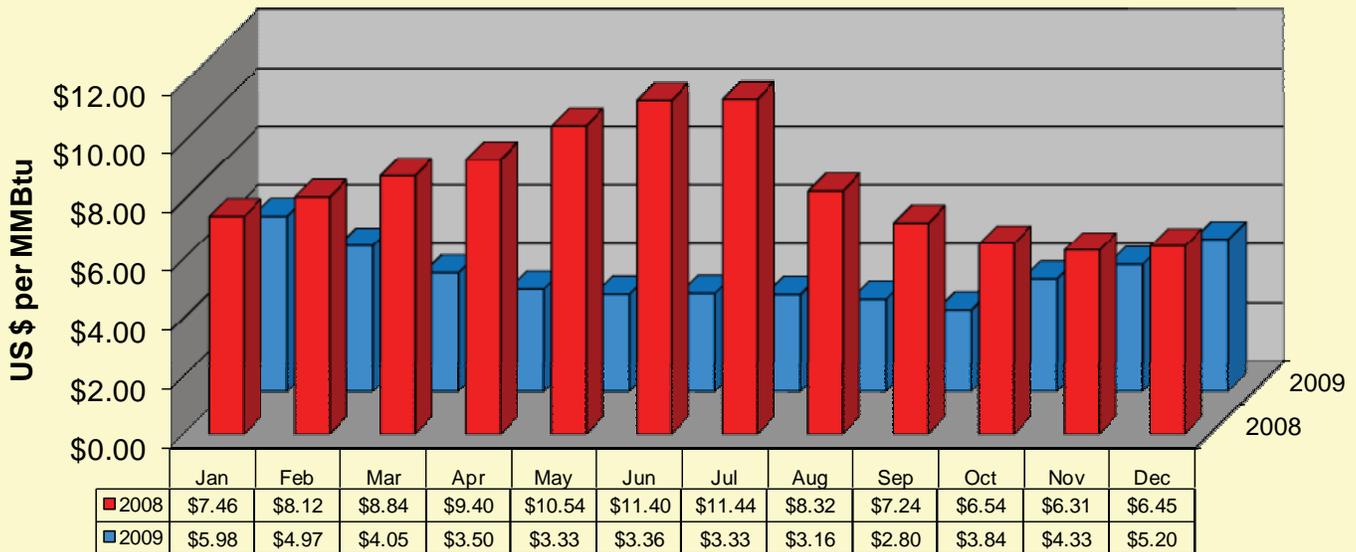
- Both long-term and short-term imports from Canada were lower in 2008 than the previous year, in keeping with lower overall imports levels.

Imports to Canada by Month



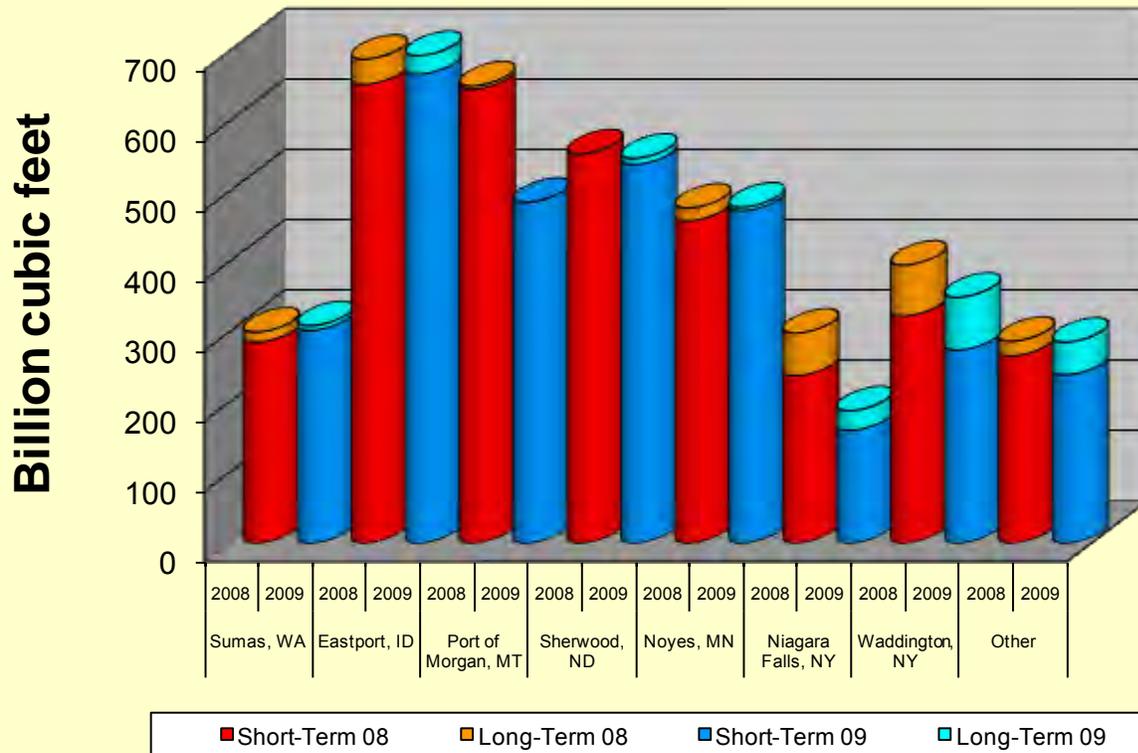
- For most of 2009, Canadian import volumes were below 2008 levels for the corresponding months. This is consistent with the annual drop in imports in 2009. Only in August were 2009 levels slightly higher.

Prices of Canadian Imports by Month



- Average prices of imports from Canada were significantly lower throughout 2009 than in 2008. The highest monthly average in 2009 was lower than the lowest monthly average in the previous year.
- The highest differential occurred in May, June, and July, when 2009 prices were approximately \$7 to \$8 lower than in the corresponding months in 2008. During this three-month period, 2008 prices were more than triple the 2009 counterparts.

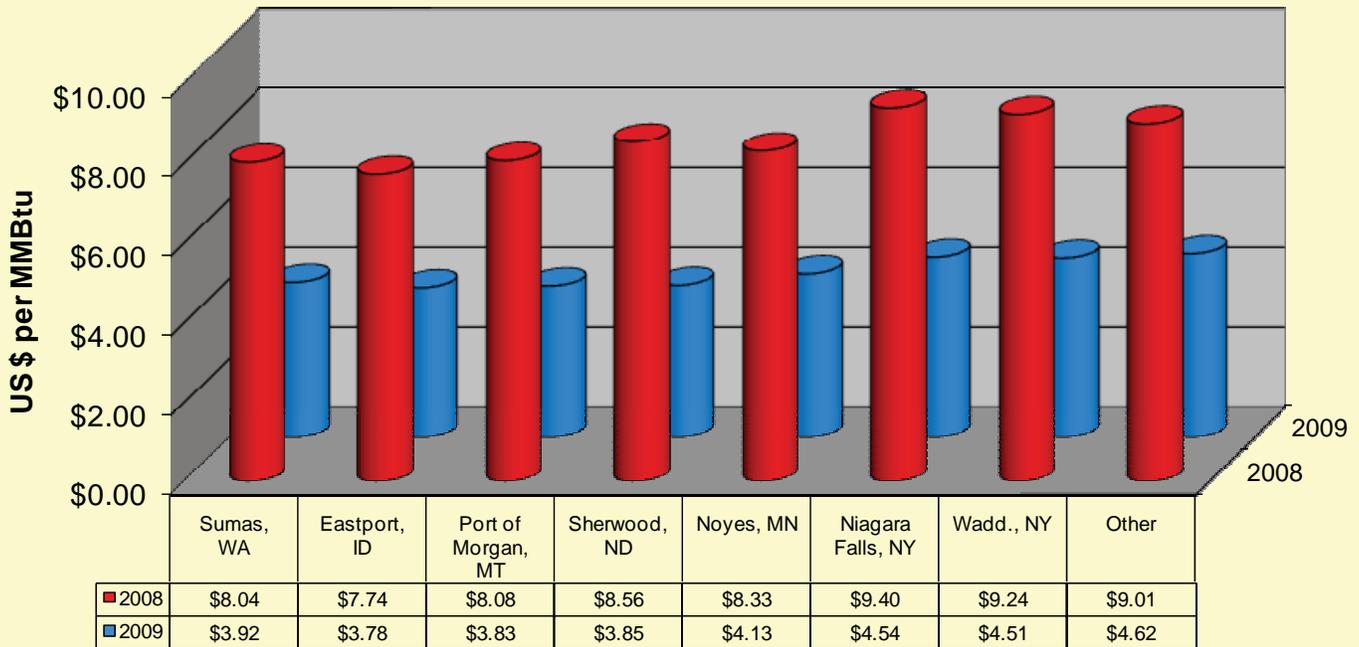
Imports from Canada by Entry Point



		Sumas, WA	Eastport, ID	Port of Morgan, MT	Sherwood, ND	Noyes, MN	Niagara Falls, NY	Waddington, NY	Other
2008	Short-Term	286.3	653.1	646.4	554.0	459.0	238.5	323.5	266.7
	Long-Term	14.1	35.7	4.5	0.0	17.9	60.4	72.3	20.7
	Total	300.5	688.8	650.8	554.0	476.9	298.9	395.8	287.4
2009	Short-Term	302.9	667.5	485.0	539.0	473.1	160.6	275.1	239.8
	Long-Term	6.6	26.4	0.0	8.9	5.3	27.9	74.9	46.3
	Total	309.5	693.9	485.0	547.9	478.4	188.5	350.0	286.1

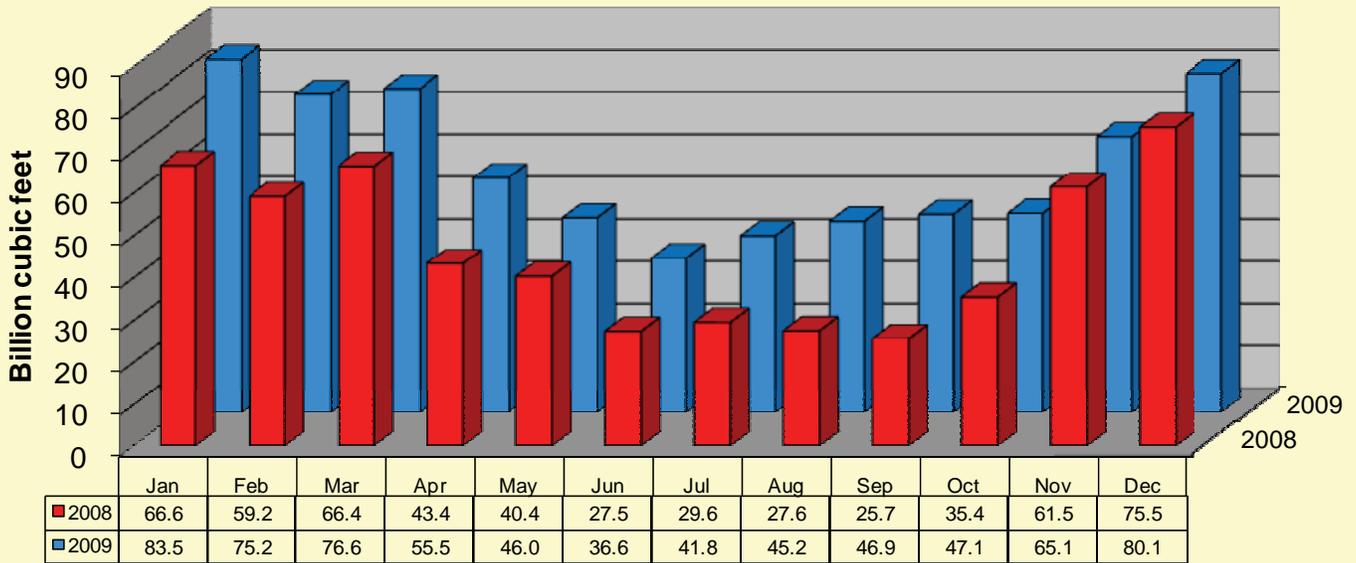
- Among the major import points featured above, the 2009 volume of imports was fairly close to the 2008 volumes at most locations. Port of Morgan and Niagara Falls were the only points where 2009 imports were more than 100 Bcf lower than the previous year.
- Short-term imports dominated long-term flows at all entry points, but some points had more significant long-term traffic than others. Of those featured above, Niagara Falls and Waddington had the greatest percentage of long-term imports in 2009, while Port of Morgan had none.

Prices of Candian Imports by Entry Point



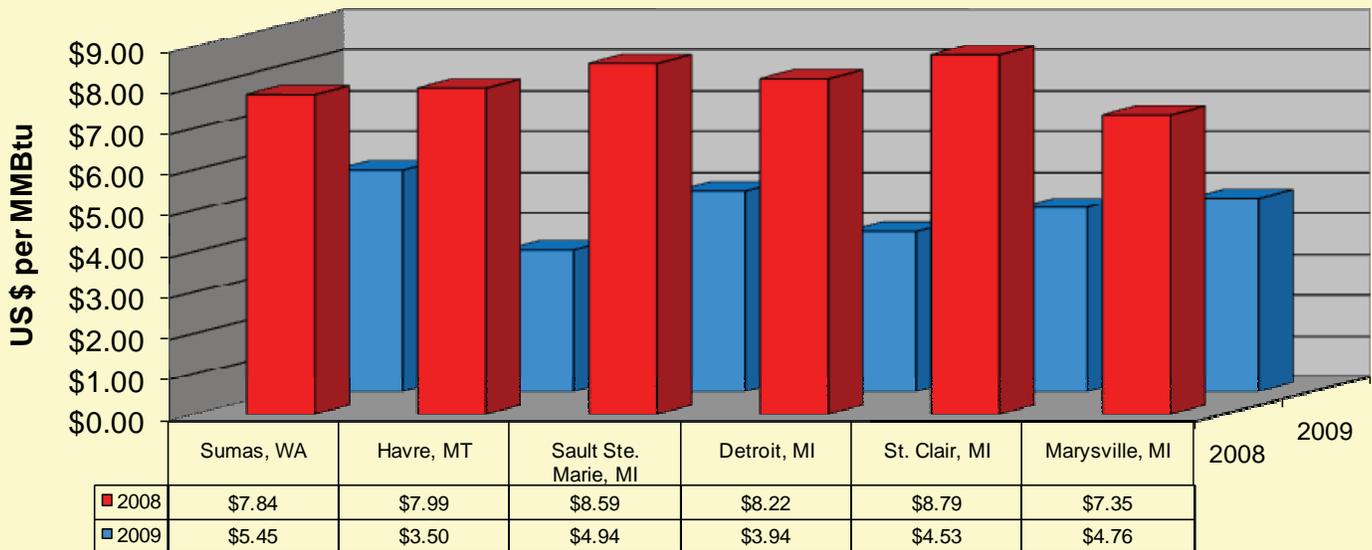
- Annual weighted-average prices were higher in 2008 than in 2009 at each entry point shown. Among the major points shown above, annual prices fell approximately \$4 to \$5 at each point.

Exports to Canada by Month



- Exports to Canada were higher in every month of 2009 than the corresponding month in 2008. The difference was greatest in September, when the 2009 volume was more than 20 Bcf higher than in 2008.

Price of Exports to Canada for Selected Exit Points



Note: These selected export points handle 99% of US gas exports to Canada.

- Annual weighted-average export prices at all of the major exit points featured above were significantly lower in 2009 than in 2008. The difference was most marked at Havre, Detroit, and St. Clair, where the differential exceeded \$4 per MMBtu.

Prices of Exports to Canada by Month



- Weighted-average prices of exports to Canada were lower in 2009 than in 2008 for every corresponding month. The price differential was highest during the months of May, June, and July, when the differential climbed from over \$7 to more than \$8 per MMBtu.

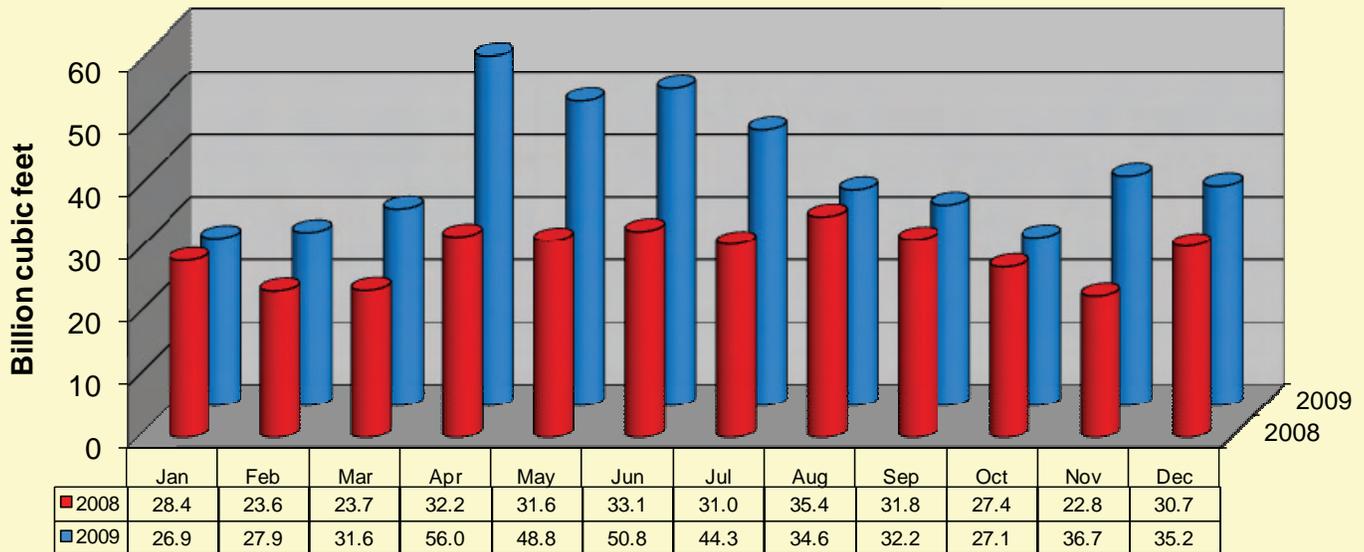
St. Clair, MI Export Prices



Note: The St. Clair export point handles more than 80% of US gas exports to Canada.

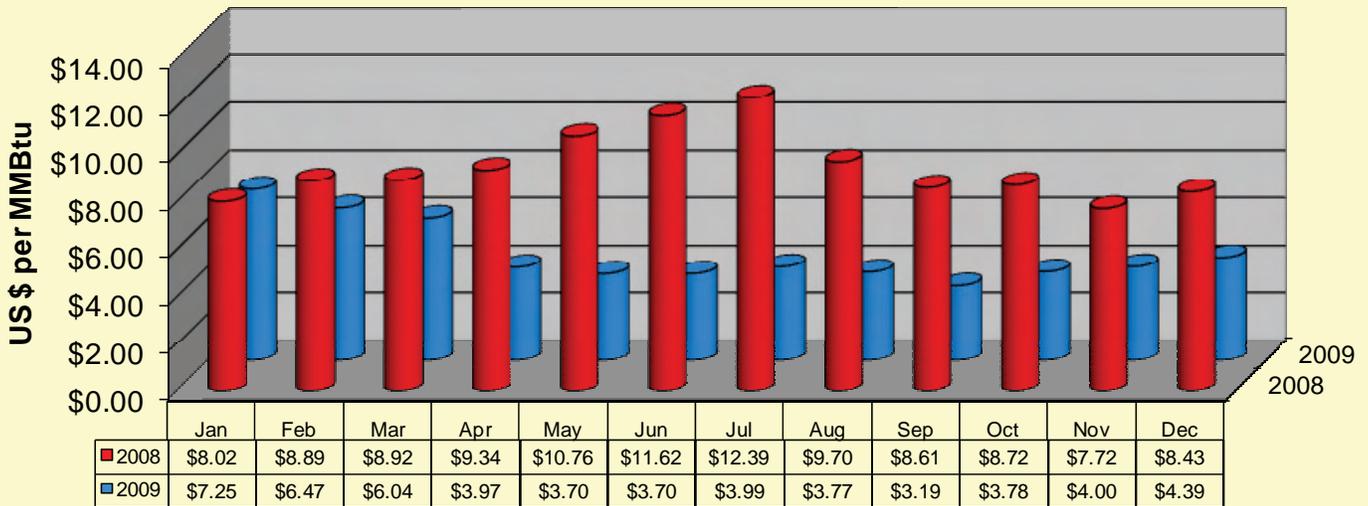
- As with prices of exports to Canada overall, annual weighted-average prices of exports to Canada through the St. Clair, Michigan exit point were substantially lower in 2009 than in 2008 for every corresponding month. St. Clair dominates U.S. exports to Canada, handling more than 80% of those flows. Year-on-year price differentials at St. Clair reflected the trend at other points or in total, with the 2009 monthly differential even reaching \$9 per MMBtu in July.

LNG Imports by Month



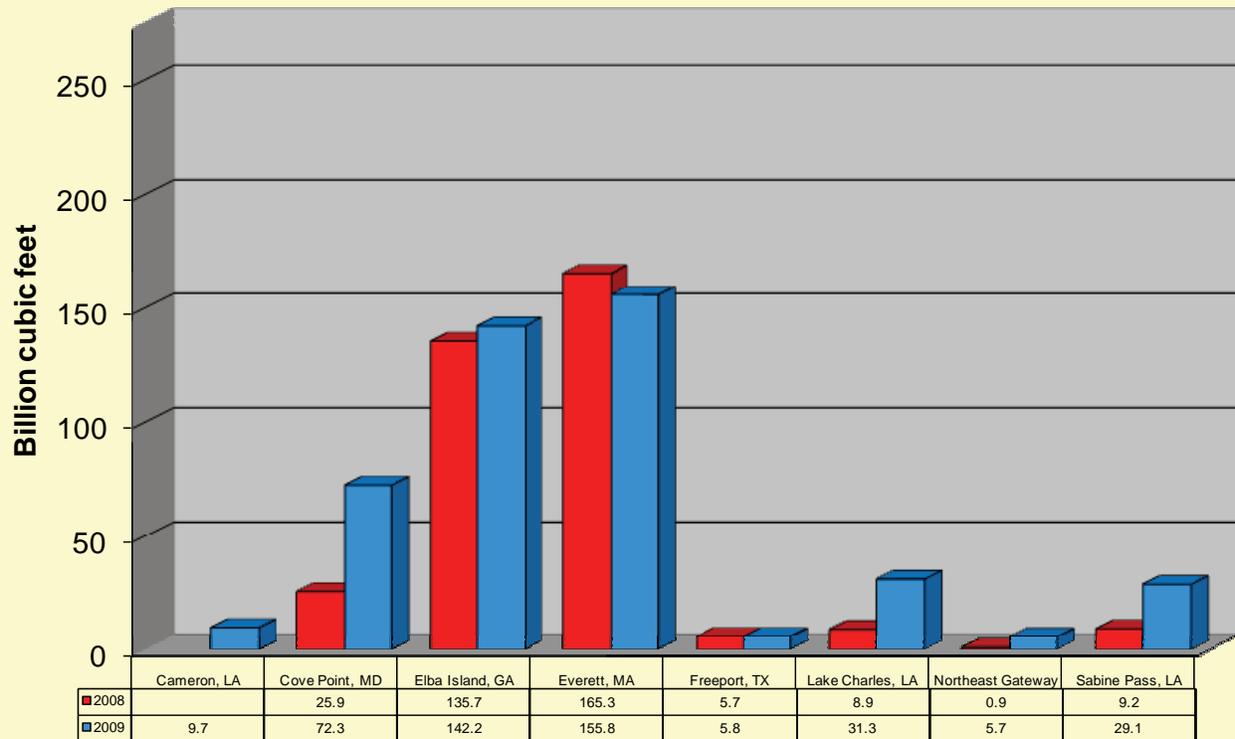
- LNG imports were higher in most months of 2009 than the corresponding month in 2008, reflecting the overall increase in LNG imports in that year. Differentials were largest during the spring and early summer.

Prices of LNG Imports by Month



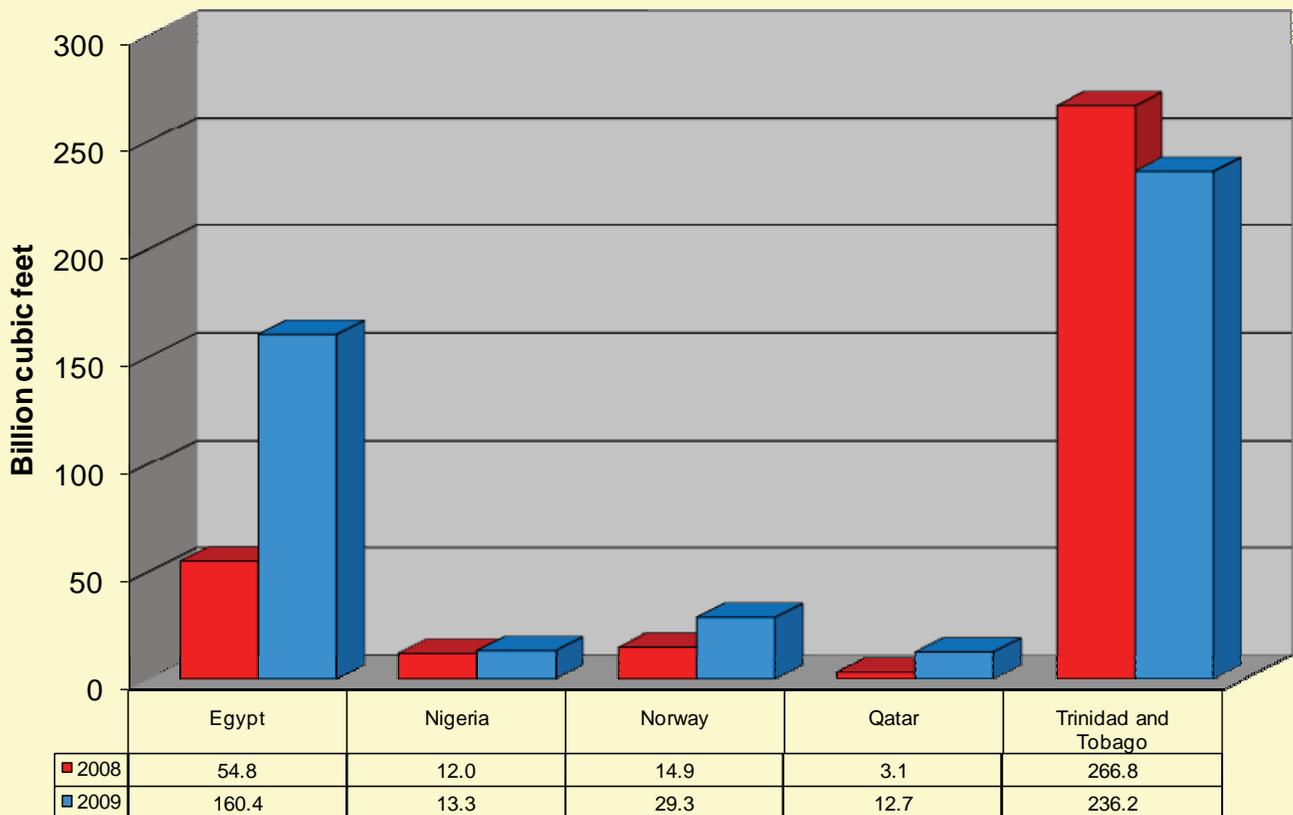
- While LNG import volumes were higher in 2009, prices were lower, with weighted average prices lower in every month than the corresponding month in 2008. Price differentials were highest during May, June, and July, exceeding \$7.00 per MMBtu during that period, and reaching a peak of more than \$8.00 per MMBtu in July.

LNG Imports by Receiving Terminal



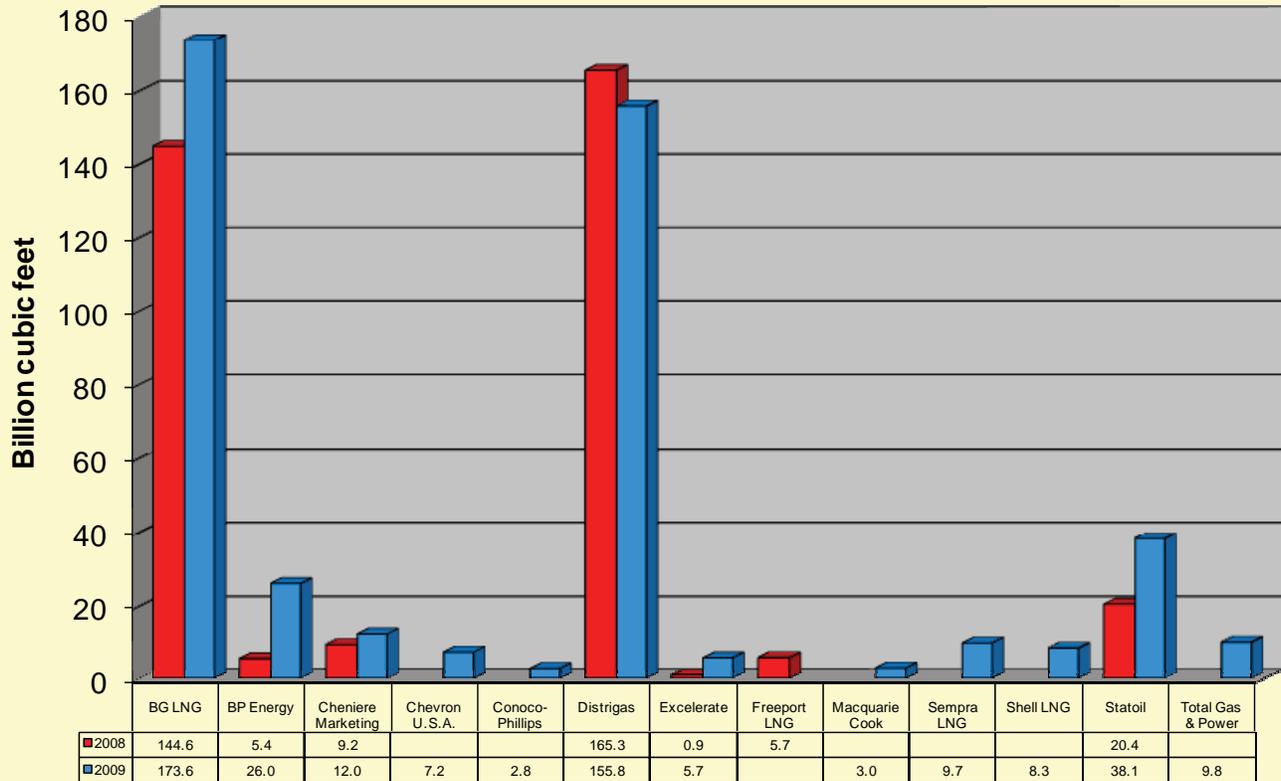
- The increase in LNG imports between 2008 and 2009 was experienced at nearly every terminal that received cargos in 2009. Only at Everett, which received the largest volumes in both years, did the annual volume dip slightly. Gulf Gateway received no cargos in 2009.

LNG Imports by Country of Origin



- The increase in LNG imports from 2008 to 2009 was evidenced in imports from all source countries, except for the largest source, Trinidad & Tobago, which saw a small decrease.

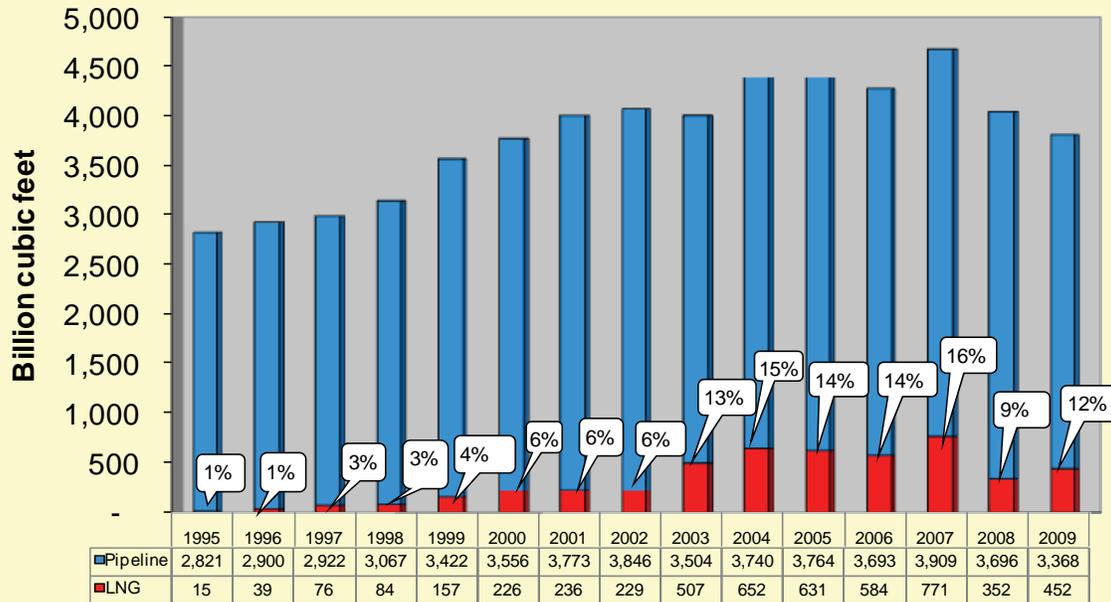
LNG Imports by Company



- In keeping with the year-on-year increase in LNG imports, most importing companies experienced an increase in volume from 2008 to 2009. The percentage increase was largest at Exceletrate Energy, BP Energy, and Statoil, among those active in both years. One company, Freeport LNG, imported in 2008 but not in 2009. Several new entrants began imports in 2009, bringing the number of active companies for the year to 13.

Long-Term Trend Analysis

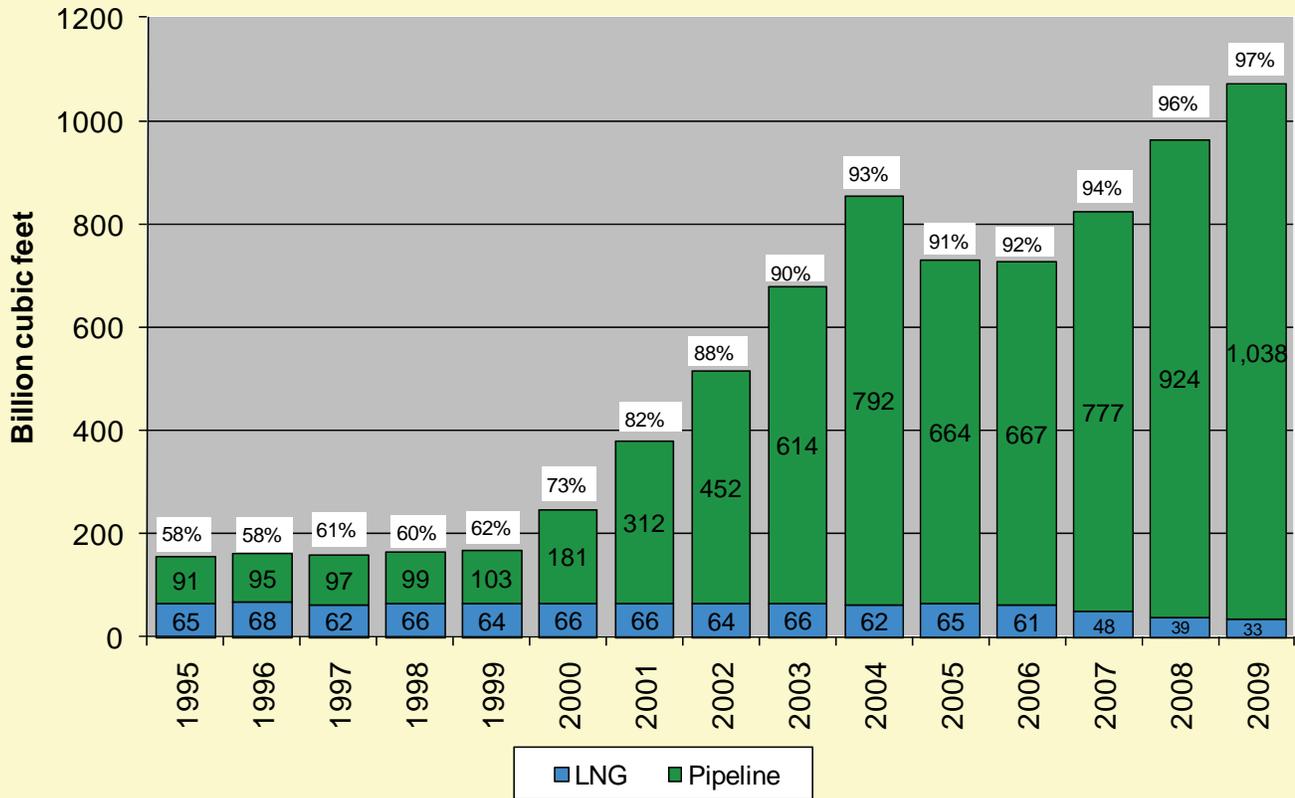
Imports, Pipeline vs LNG & LNG as Percentage of Imports



- In 2009, LNG represented a larger share of U.S. natural gas imports than in 2008, but was still lower than the percentages experienced for several years earlier in the decade.

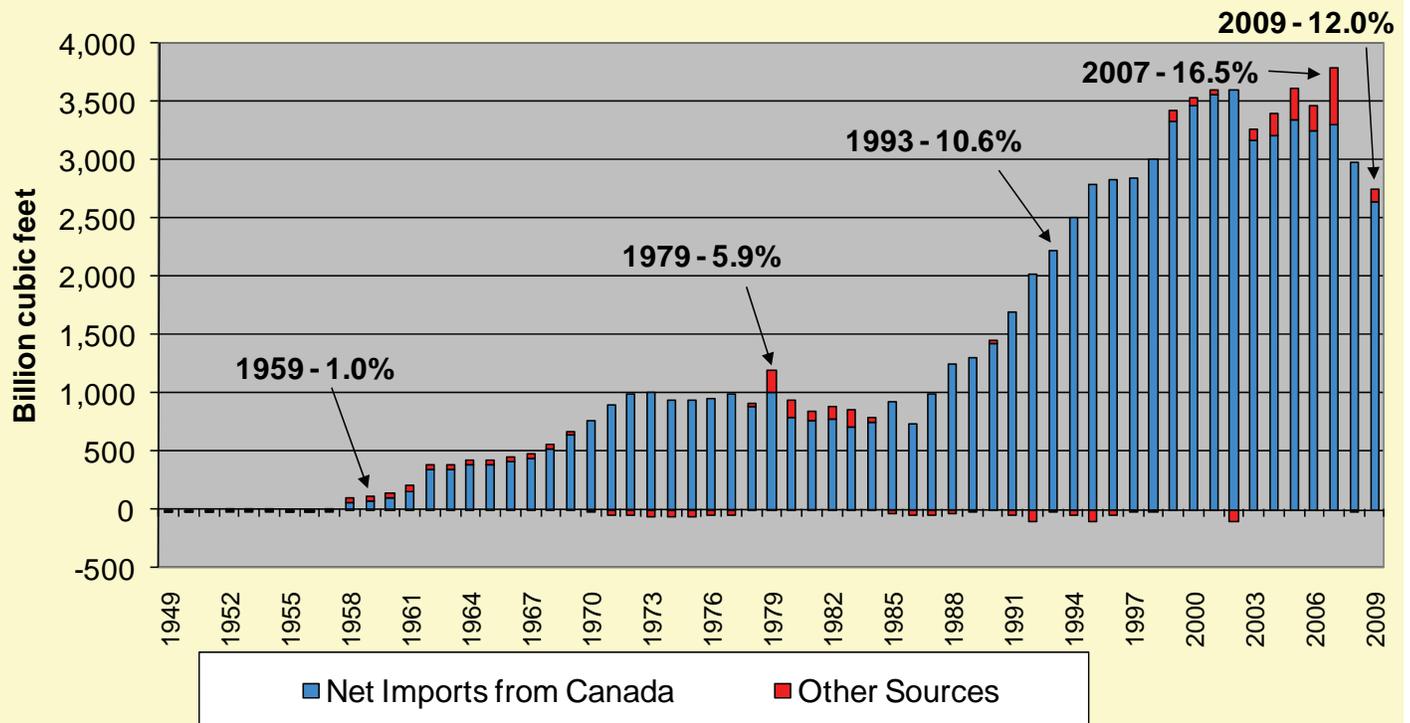
Exports, Pipeline vs LNG

& Pipeline Exports as Percentage of Total



- Continuing a trend, exports via pipeline totaled the highest percentage of U.S. gas exports in recent history, reaching 97%. This record was partly the result of a decline in LNG exports from Kenai, Alaska.

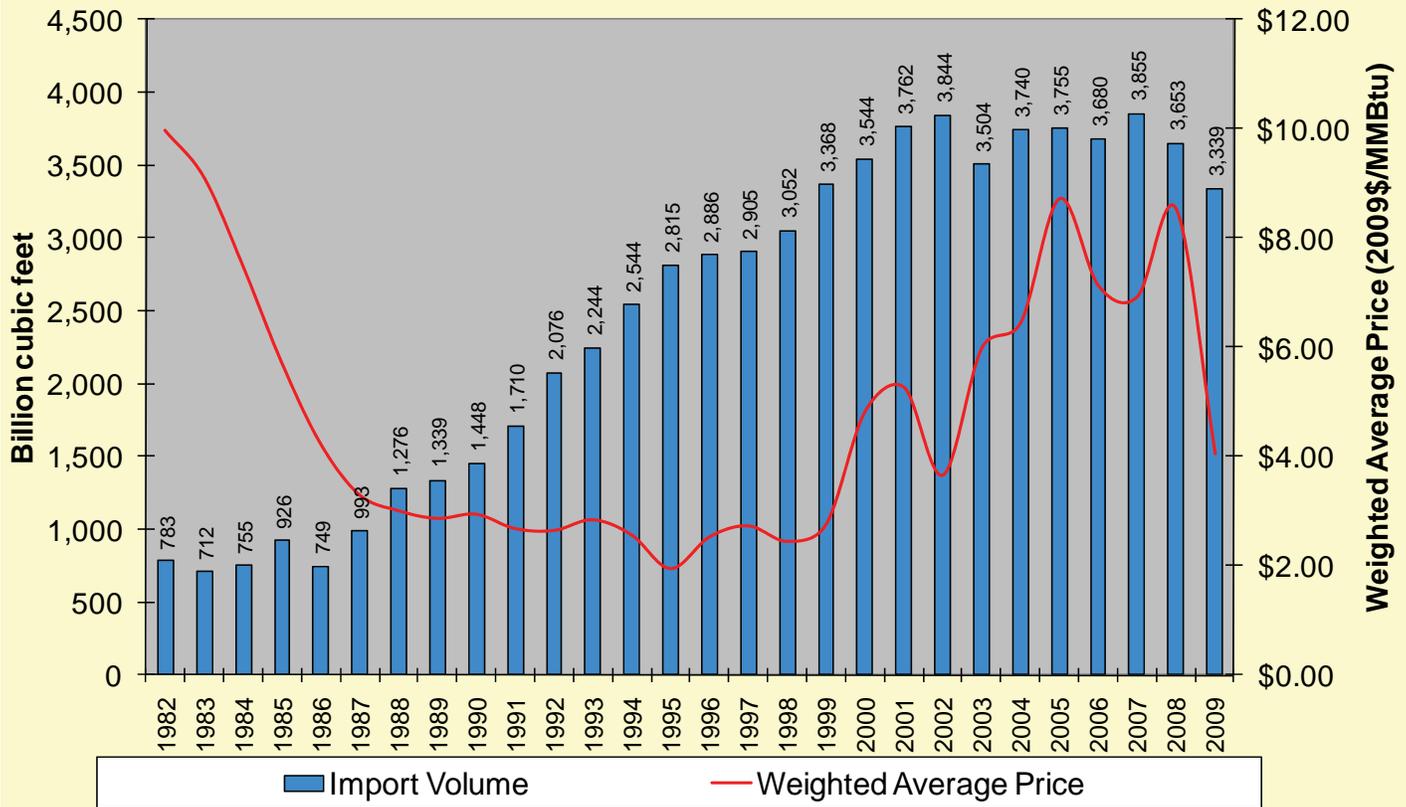
Net Imports from Canada and Other Sources & Imports as Percentage of US Gas Consumption, Selected Years



Sources: Energy Information Administration, Annual Energy Review 2006, Table 6.3, "Natural Gas Imports, Exports, and Net Imports, 1949-2007"; and Office of Fossil Energy, Office of Natural Gas Regulatory Activities.

- This long-term view of imports and exports illustrates the continuing dominance of Canada in American natural gas trade. The U.S. has been a net importer of gas from Canada since the late 1950s. The gas trade with Canada dwarfs all other gas exchange combined.
- 2008 saw the reversal of a recent trend in the importance of gas imports, and this continued in 2009. In 2007, imports reached a peak of 16.5% of annual U.S. gas consumption, based largely on increasing LNG imports. In 2009, net imports were a smaller fraction (12.0%) of U.S. gas consumption than at any time since 1994.

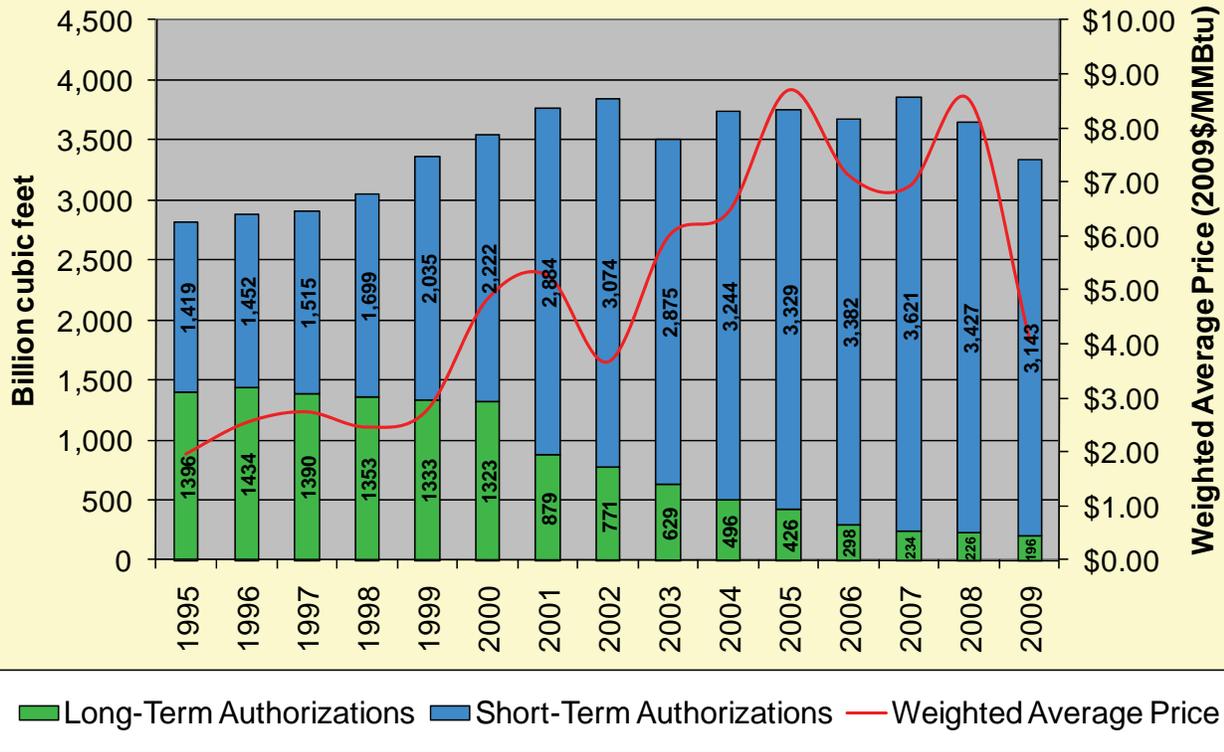
Imports from Canada



- Imports from Canada have grown substantially over the past 25 years, reaching an approximate plateau at about the turn of the century.
- Volume-weighted prices of Canadian 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 had remained at an elevated level until 2009, when prices dropped to a level not seen since 2002.

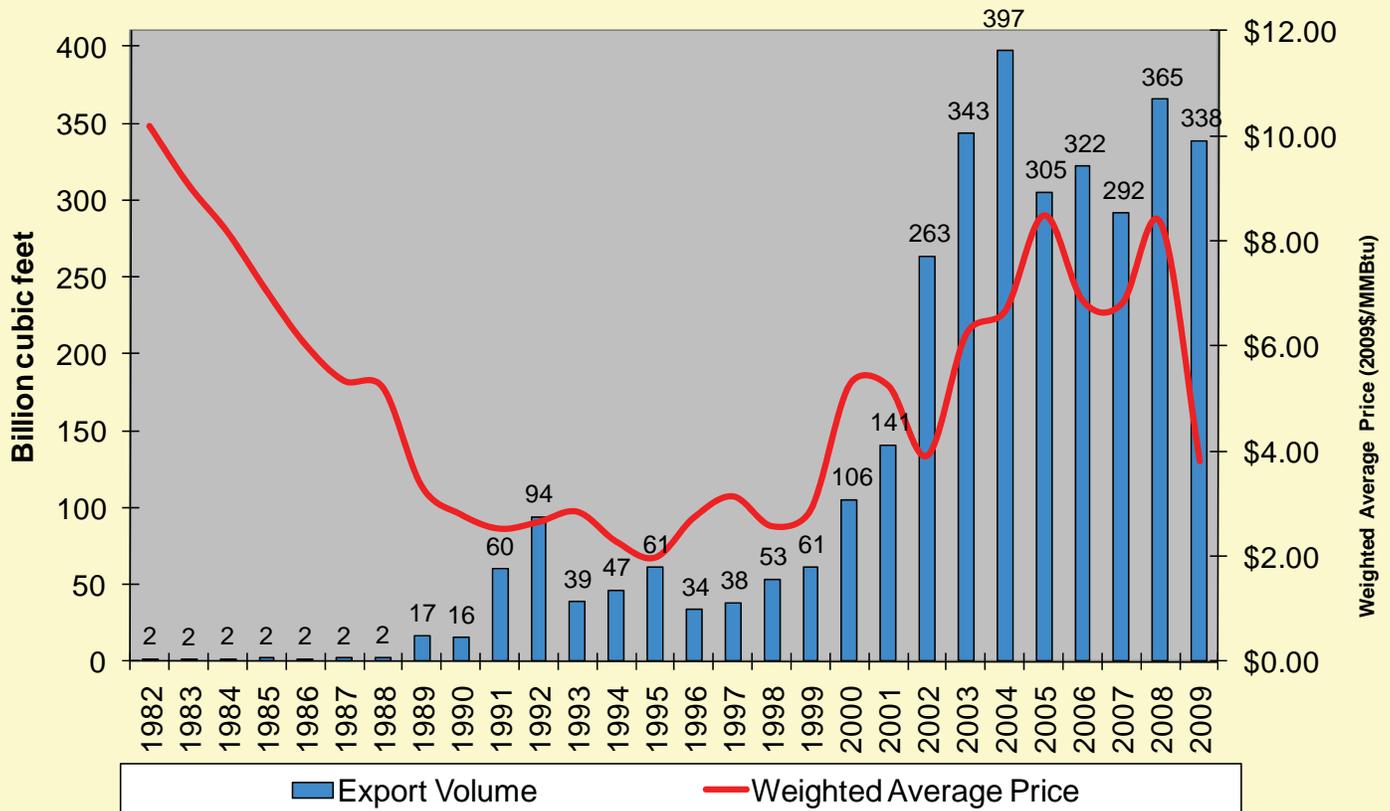
Imports from Canada

Long-Term vs Short-Term Authorizations



- Imports of Canadian natural gas have increasingly been made under short-term 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, or higher, for the last several years. Annual exports to Mexico reached their highest level to date in 2004, at 397 Bcf.