

NATURAL GAS

SEVEN REASONS TO EXPECT SUPPLY RELIABILITY AND PRICE STABILITY

- ① **ABUNDANT SUPPLY**—enough for generations and growing with new discoveries and new technology.
- ② **NEAR-TERM SUPPLY IMPACT**—shale delivers very high initial production rates.
- ③ **LONG-TERM SUPPLY STABILITY**—shale wells expected to produce 40 to 50 years.
- ④ **ONSHORE RESOURCE PLAYS**—avoid hurricane interruption.
- ⑤ **PRODUCTION IN 32 STATES**—reduces regional pricing disparities.
- ⑥ **ENHANCED PIPELINE INFRASTRUCTURE**—new gas supplies can get where they're needed – now
- ⑦ **EXPANDED LNG CAPACITY**—additional gas supplies are available if needed.

REDUCED MARKET RISKS EQUAL SECURE GAS SUPPLY AND PRICE STABILITY

NATURAL GAS IS AN AFFORDABLE AND READILY AVAILABLE ENERGY SOURCE WE CAN TURN TO NOW FOR POWER GENERATION, INDUSTRIAL USE, TRANSPORTATION AND HOME HEATING.

ABUNDANT NEW RESOURCES

Thanks to dramatic increases in shale gas development in recent years, North America today has more of this clean-energy source than Saudi Arabia has oil—and this resource will continue to grow with new technological advances.

GREATER SUPPLY RELIABILITY

New shale gas resources have altered the supply outlook in three key ways:

- ◆ Rapid, near-term supply growth due to relatively short well drilling times and very high initial production rates;
- ◆ Greater flexibility and responsiveness to market demand from many smaller individual wells; and
- ◆ Long-term supply stability assured by a larger and geographically diverse well portfolio with shale wells producing for at least 50 years.

MORE ONSHORE PRODUCTION

The new resource areas are predominately onshore, making them generally less difficult and costly to develop than offshore resources, and most importantly, eliminating hurricane-related supply interruptions—one of the historic causes of price volatility.

ENHANCED PIPELINE INFRASTRUCTURE

As domestic natural gas supplies have increased dramatically in recent years, the interstate pipeline infrastructure has responded with a corresponding rapid expansion to keep up with the realization of these new resources and reserves. There are currently 220,000 miles

of pipeline in North America, with 5,000 miles constructed in the last three years alone.

INCREASED GEOGRAPHIC DIVERSITY

Geographic supply diversity, coupled with robust pipeline infrastructure development, has not only improved the ability to quickly move natural gas where it is needed, but has also mitigated regional price disparities and offers end-users a more transparent and competitive gas supply market. Ongoing development will further these positive supply trends.

EXPANDED LNG CAPACITY

LNG import terminal capacity is now more than 10 bcf/day, well in excess of current requirements of about 1.5 bcf/day, ensuring access to expanding global natural gas production and liquefaction capacity if needed in the future.

REDUCED MARKET RISKS

These developments are all important factors in eliminating the likelihood of future natural gas price supply disruption and assuring price stability in the new age of natural gas.

As a result, the market should see greater use of long-term contracts between natural gas suppliers and high-volume customers.

COLLECTIVELY, OUR NEW GAS RESOURCES ARE GOOD NEWS FOR ENERGY CONSUMERS ON MULTIPLE FRONTS: GREATER ENERGY AND ECONOMIC SECURITY; A ROBUST, FLEXIBLE, AND RELIABLE PORTFOLIO OF SUPPLY CHOICES; AND MORE STABLE, PREDICTABLE PRICES.

POWERING OUR NATION'S CLEAN ENERGY FUTURE

FOR MORE INFORMATION, VISIT: WWW.ANGA.US

