

Potential – Not a Promise

Skip Horvath

President & CEO,

Natural Gas Supply Association

For U.S. Energy Association

“State of the Energy Industry”

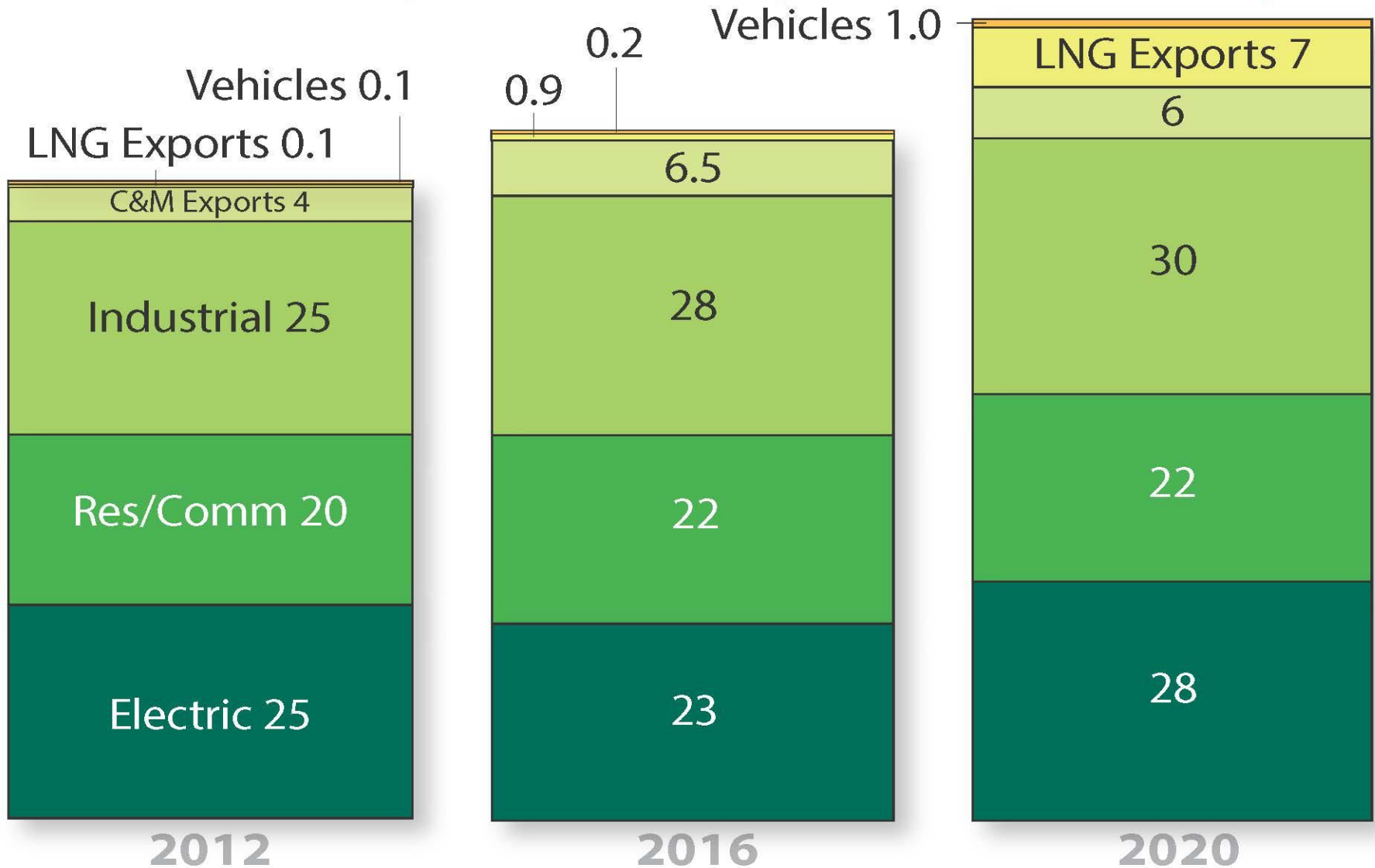
January 16, 2014

2012–2020 Electric and Industrial Demand Grow

DEMAND 74 Bcf/day

81 Bcf/day

94 Bcf/day



Natural gas spurring 83 major industrial projects 2012-2019; \$90-\$100 billion investment required

49

NEW PROJECTS

24 Petrochemical
12 Steel
8 Fertilizer
2 Gas-to-liquids
2 Paper and pulp

25

EXPANSIONS

15 Petrochemical
8 Fertilizer
2 Steel

Increase of 4.1 Bcf/d

9

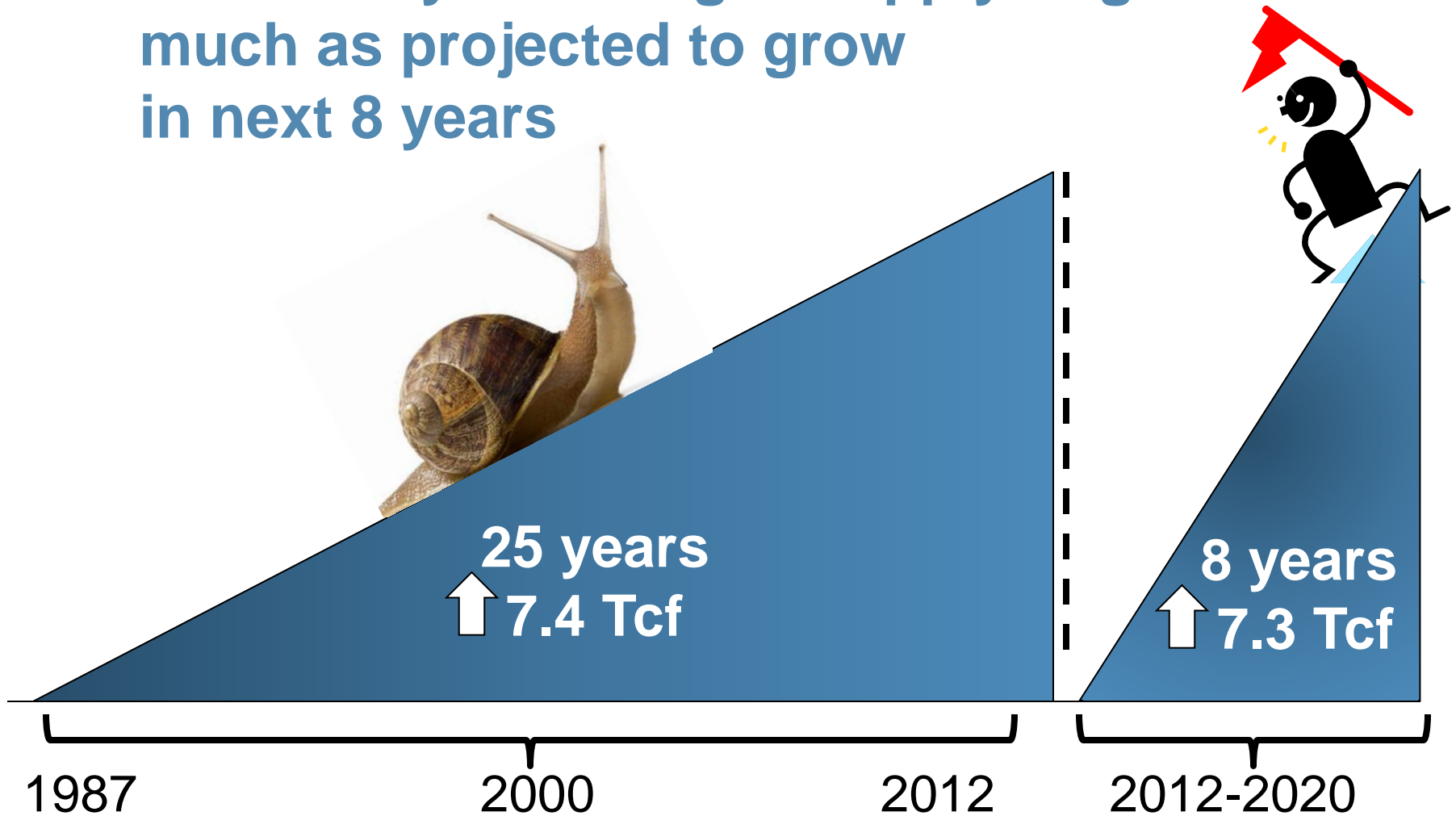
RESTARTS

4 Fertilizer
5 Petrochemical

Data source:
Energy Ventures Analysis, Dec. 2013

Historic Growth in Natural Gas

It took 25 years for gas supply to grow as much as projected to grow in next 8 years



Opportunity -- *Not* Promise

- 34 Tcf/year by 2020 presents opportunity.
- Unprecedented growth requires unprecedented preparation.
- Not possible in previous eras because of lack of industry unity.

Realizing Opportunity

- Keep talking to one another (Natural Gas Council)
- Proactively engage FERC and other regulators to ensure timely certification of infrastructure.
- Communicate with customers and facilitate dialogue among them.
- Trust natural gas market to get it right.