

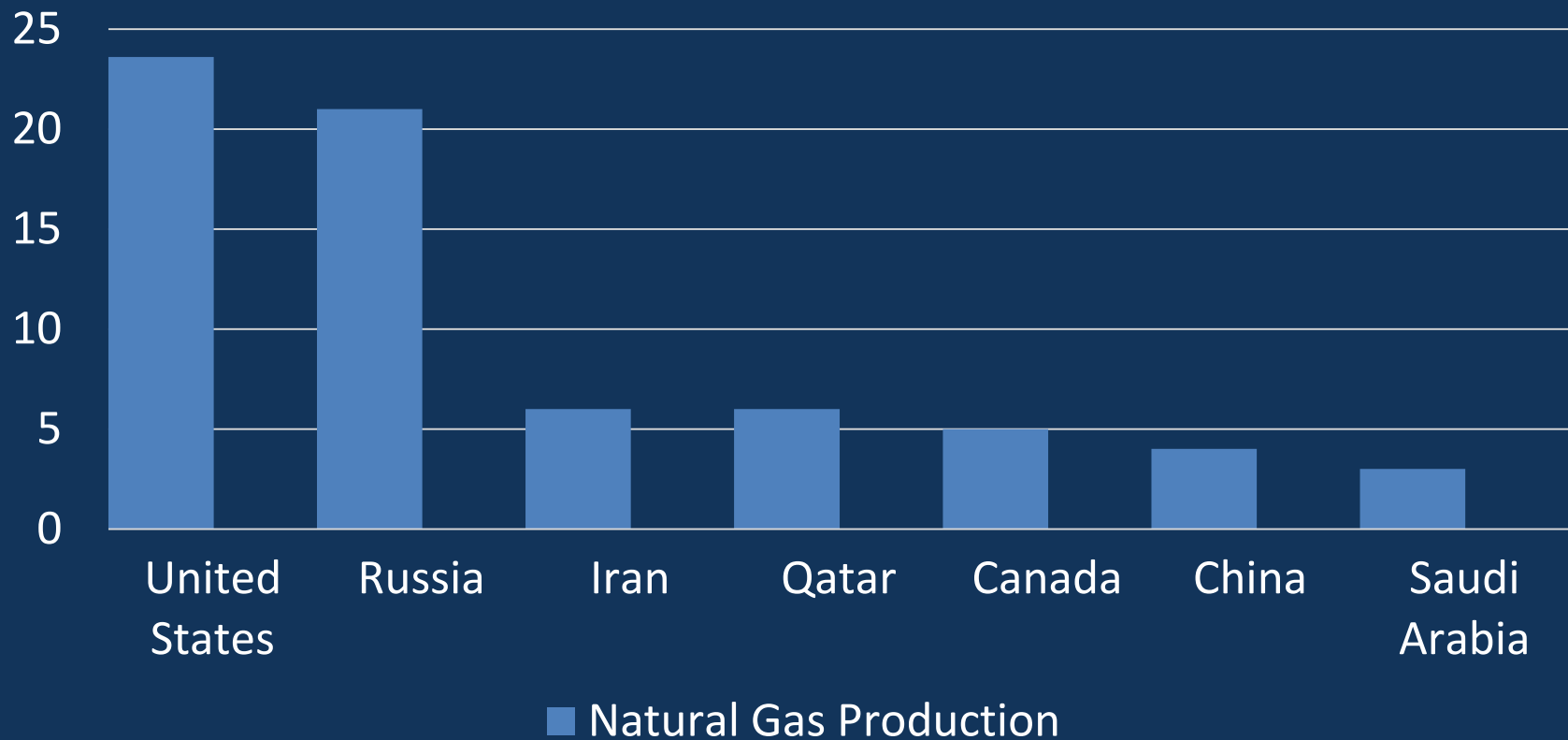
Maximizing The Shale Opportunity

USEA State of the Energy Industry Forum

Marty Durbin
President & CEO
America's Natural Gas Alliance

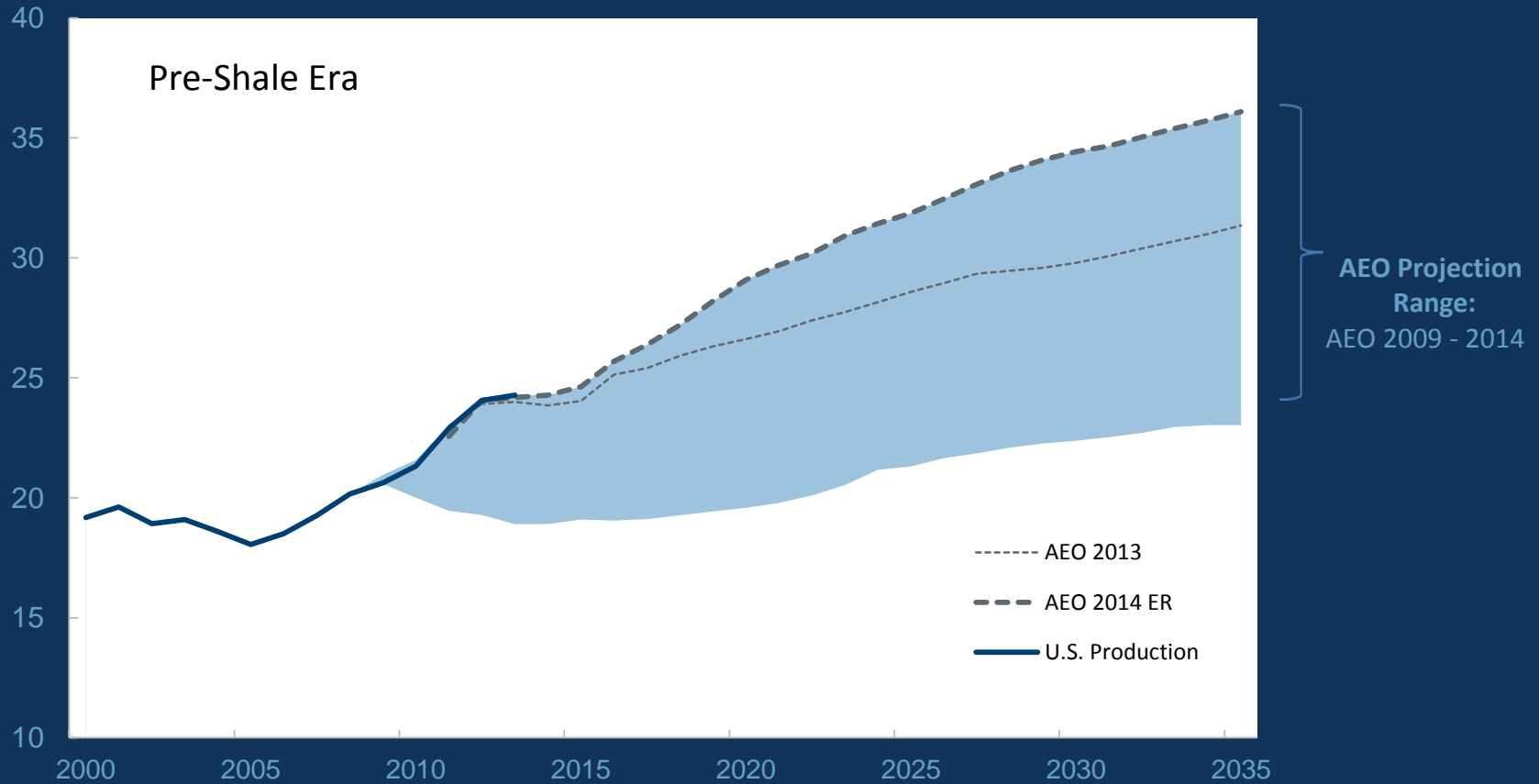
U.S. Leads World in Production

Top Natural Gas Producing Countries



...And We're Poised to Double Again

U.S Production (TCF)



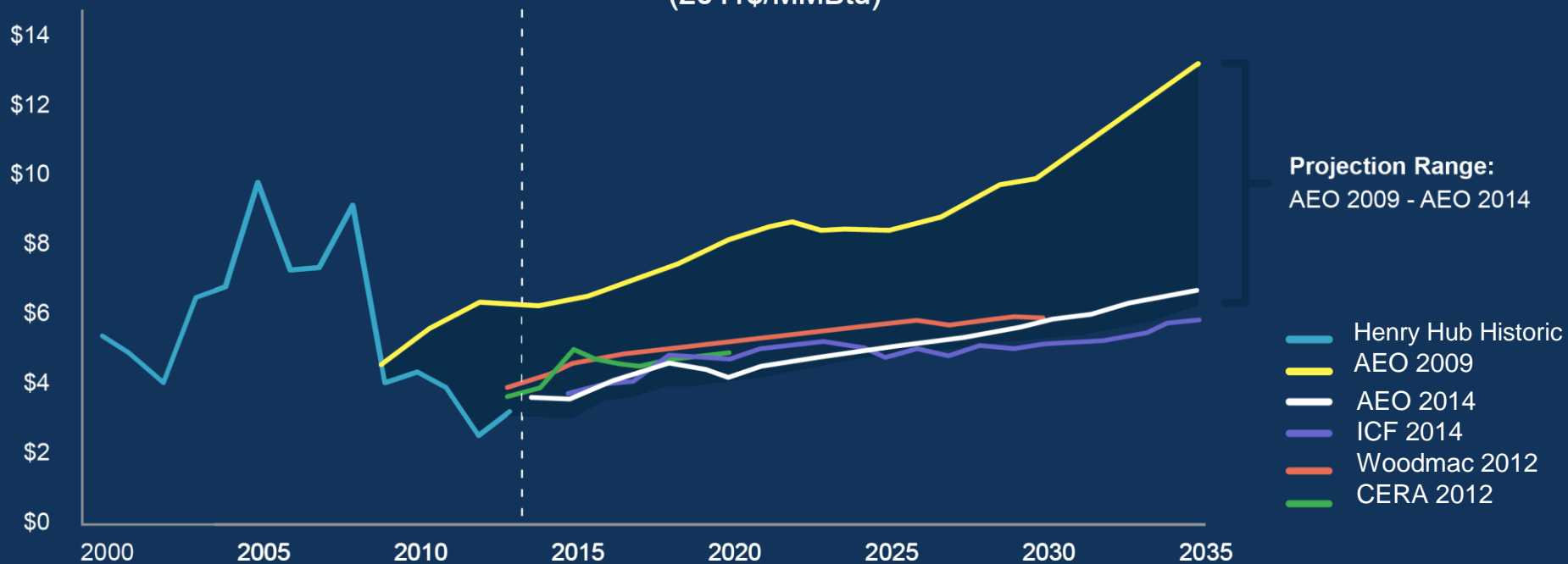
Source: EIA AEO, Historical Production

One Small Well Fuels One Large City



Abundance = Affordability

Henry Hub Spot Natural Gas Price (2011\$/MMBtu)



Source: EIA Annual Energy Outlook: 2009, 2010, 2011, 2012, 2013, 2014
Henry Hub Spot prices (Actual prices: 2000 to 2012)

Ready for Winter: Production

PRODUCTION

Demand for natural gas is greater in the winter months. Higher production levels mean more fuel for heat and electricity.

VITAL SIGN: 2014 production is projected to be 5.1% higher than 2013.

HOW MUCH?

Natural gas production during winter months (Nov. - March) will increase by

383 BILLION
CUBIC FEET.



Or, enough energy to heat
4.1 MILLION HOMES FOR 1 YEAR.

**MARCELLUS SHALE
PRODUCTION ALONE
HAS GROWN 32% IN
JUST ONE YEAR.**

This means more
energy for customers
in the region.



Ready for Winter: Storage

STORAGE

Natural gas storage acts like a spare battery, providing the additional energy needed to keep the heat going and the lights on when we need more than is being produced.

VITAL SIGN: *Despite last winter's record cold, natural gas storage has been replenished.*

GAS IN STORAGE



Add this year's increased production and we have more natural gas available for this winter than we did last winter.

Ready for Winter: Infrastructure

INFRASTRUCTURE

Pipelines bring natural gas to your local utility or directly to your home. When you have more pipelines - or bigger ones - you can deliver more natural gas to the people who need it.

VITAL SIGN: *We have more pipeline infrastructure ready to go this year.*

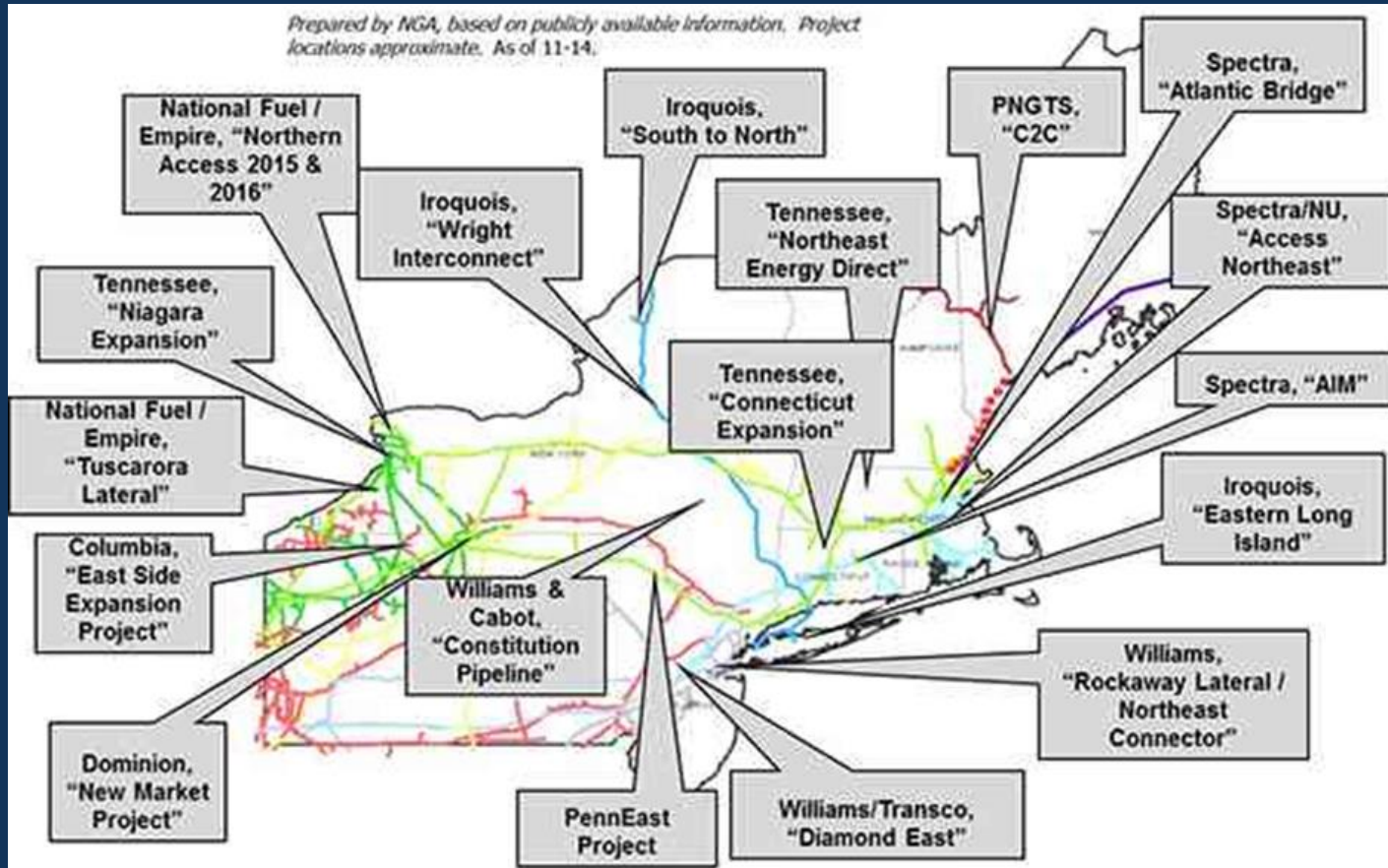
\$19 billion

in pipeline infrastructure came online in 2014 alone. This means that more consumers are able to get the energy they need.



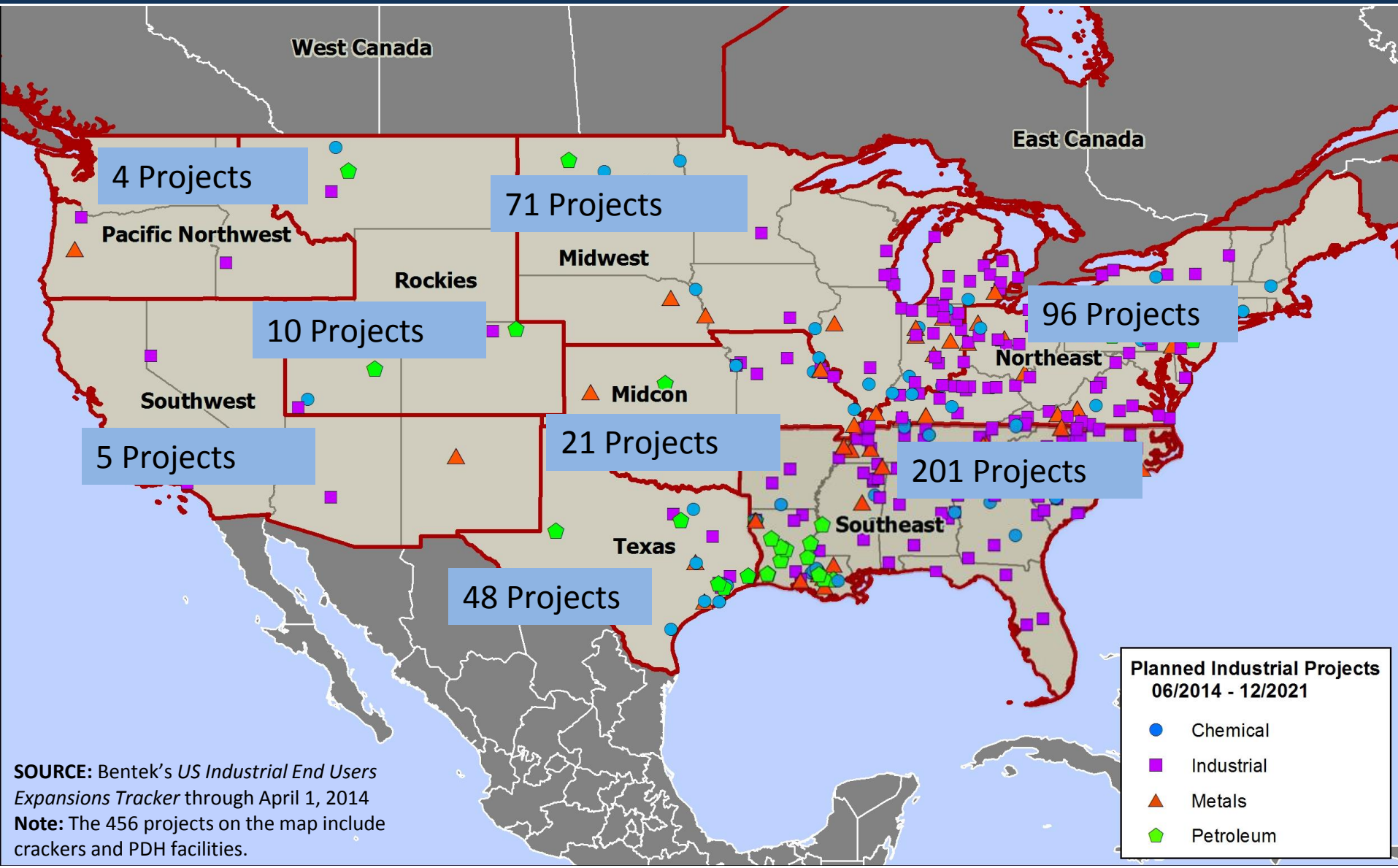
Industry investments have averaged **\$10 billion** per year for the past decade.

Proposed Pipeline Projects



Source: American Gas Association

Planned U.S. Industrial Projects (2014-2021)



SOURCE: Bentek's *US Industrial End Users Expansions Tracker* through April 1, 2014

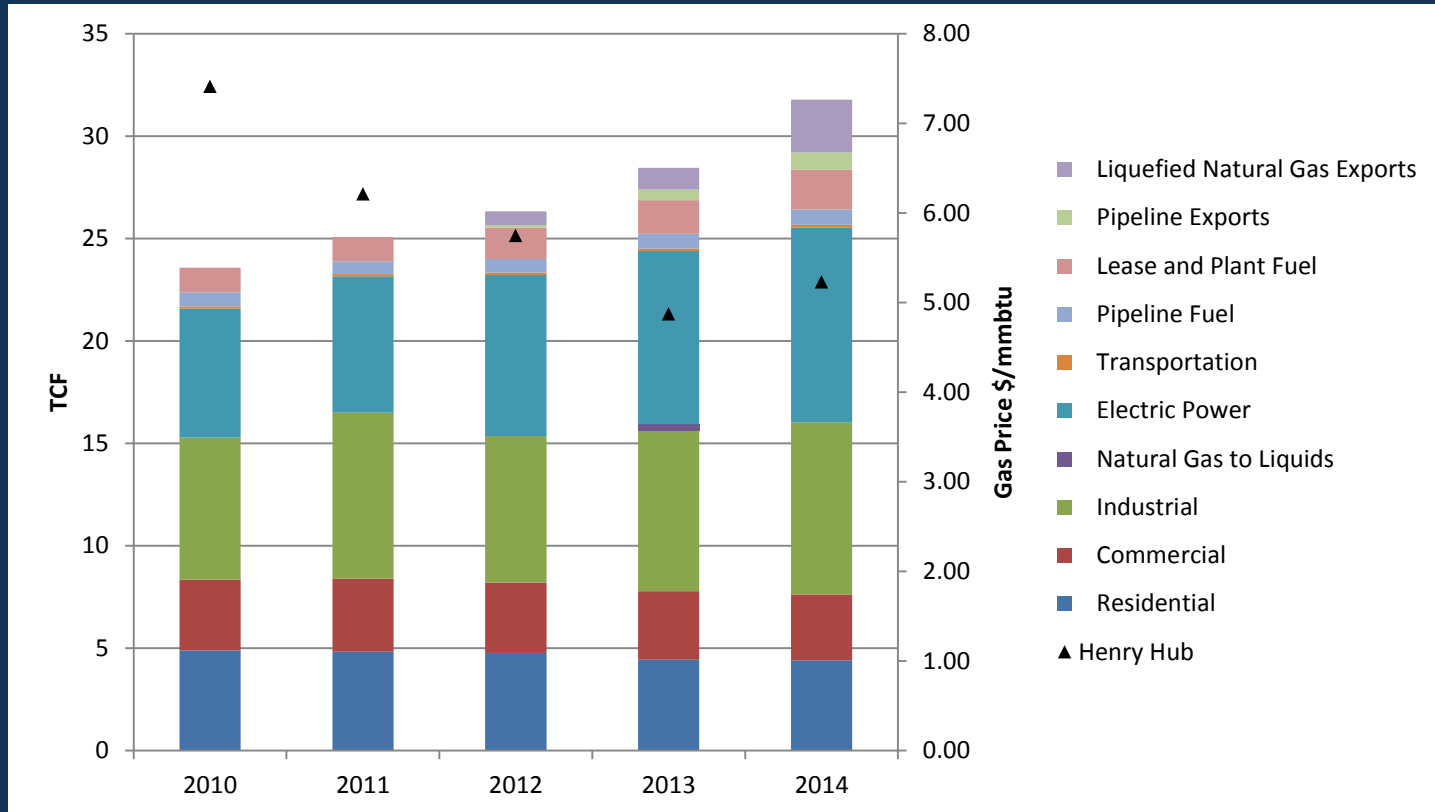
Note: The 456 projects on the map include crackers and PDH facilities.



EXPORTS

Demand and Price Expectations

Comparison of Recent AEO Natural Gas Demand and Price Forecasts: 2025



EIA has increased expected demand for 2025 by 35% since its 2010 AEO release while forecast 2025 prices have fallen 29%.

A Sharp U.S. Competitive Edge

Cost to Produce One Metric Ton of Ethylene: 2013

\$US per metric ton



ICF
INTERNATIONAL

“By 2035, ICF estimates incremental liquids volumes increase between 138,000 bpd and 555,000 bpd, attributable to LNG exports.”

MDE = Middle East, NEA = Northeast Asia, SEA = Southeast Asia

Source: IHS Chemical

Changing the HHP Game



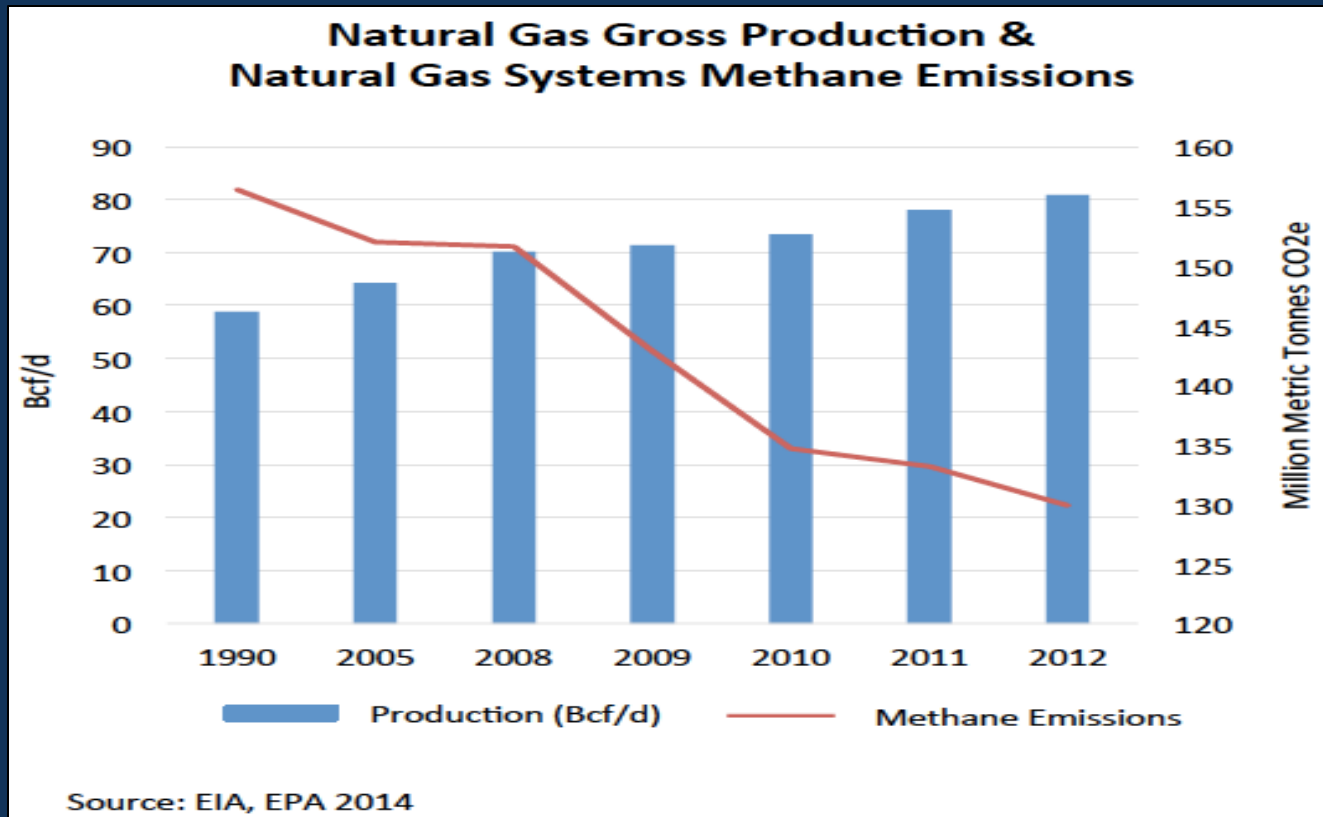
Reducing Emissions



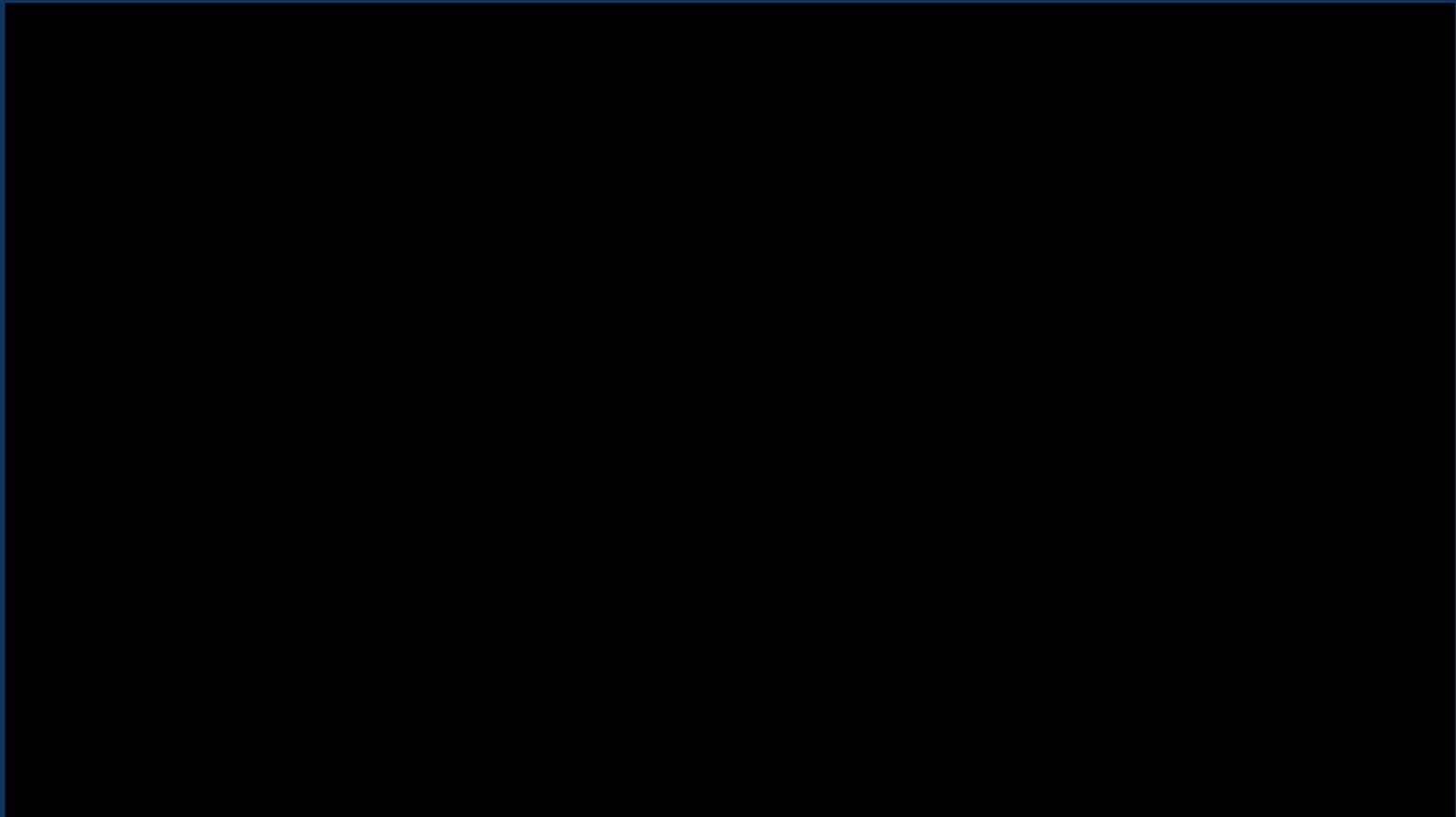
“Natural gas being abundant has been a game-changer in our ability to really move forward with pollution reductions.”

**--EPA Administrator
Gina McCarthy**

An Environmental Success Story



Customer Perspectives





AMERICA'S NATURAL GAS

thinkaboutit.org