AMEE/USAEE/CAEE/IAEE - Mexico
Gas & Power – Convergence or Divergence?
Just the Facts, Ma’am

Source: U.S. EIA

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Where’s the Beef?

Source: NYMEX

Period of suspected market manipulation
No suspected market manipulation
Is It Changing Fundamentals?

Natural Gas Prices, Henry Hub, $/mcf

- 12-month MA
- Linear (12-month MA)

Source: NYMEX
LNG Takes Up the Slack as a “Price Taker”

Source: U.S. EIA

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# LNG Value Chain

<table>
<thead>
<tr>
<th>EXPLORATION &amp; PRODUCTION</th>
<th>LIQUEFACTION</th>
<th>SHIPPING</th>
<th>REGASIFICATION &amp; STORAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0.5-$1.0/MMBtu</td>
<td>$0.8-$1.20/MMBtu</td>
<td>$0.4-$1.0/MMBtu</td>
<td>$0.3-$0.5/MMBtu</td>
</tr>
</tbody>
</table>

**TOTAL = $2.00 - $3.70**

*Greatest variability are in upstream feedstock for liquefaction and transportation distance.*

*Sources: Industry*
Global Warming: Contrarian Viewpoint

“Paleoclimatic data also show the great complexity of Earth's climate system, including large (1/3-1/2 of the entire glacial-interglacial amplitude), abrupt (order of a decade), and widespread (to hemispheric or broader scale) climate changes that are not explainable directly by changes in greenhouse gases.”

Science epicenters: Antarctic and Greenland cooling, sediment coring; solar cycles, magnetism and atmospheric water vapor