Presentation Overview

• Natural Gas Resource Basins
• Dry Gas & Natural Gas Liquids (NGLs)
• Prices
  – EIA Average Annual Outlook
  – Henry Hub Spot Price
  – NY Citygate Prices
  – Winter Demand Price Impacts
• Northeast Pipeline Expansion Projects
Source U.S. Energy Information Administration based on data from various published studies.
Update: May 9, 2011
Typical Unprocessed Gas

- Methane: 68%
- Ethane: 13%
- Propane: 9%
- Butanes: 4%
- Natural Gasoline: 2%
- Cont.: 4%

Methane 68%
Shale gas offsets declines in other U.S. supply to meet consumption growth and lower import needs

U.S. dry gas trillion cubic feet per year

Source: EIA, Annual Energy Outlook 2011
Estimated annual U.S. dry shale natural gas production, 2000-2011

trillion cubic feet per year

- Rest of US
- Bakken (ND)
- Eagle Ford (TX)
- Marcellus (PA and WV)
- Haynesville (LA and TX)
- Woodford (OK)
- Fayetteville (AR)
- Barnett (TX)
- Antrim (MI, IN, and OH)
Natural Gas Historic and Forecast Prices
(2010 dollars per million Btu)

History

2011

Projections

New Jersey – New York Expansion Project

Purpose:
- Extends Texas Eastern reach farther into New Jersey and into New York City for the first time

Project Scope:
- 800 MMcf/d expansion connecting Northeastern PA Marcellus supplies with a new delivery point in Manhattan
- CapEx: ~$1.2 billion

Customers:
- Chesapeake Energy (20 years)
- Consolidated Edison (15 years)
- Statoil Natural Gas (20 years)

Project Status:
- Filed FERC application Dec 2010
- In-Service: 2H13

Facilities:
- 15.9 miles of new 30” pipe extending from Staten Island to Manhattan, NY
- Replacement of approximately 5 miles of pipe with 42” pipe on Texas Eastern
Natural Gas Storage Volumes

Working Gas in Underground Storage Compared with 5-Year Range

Source: U.S. EIA Office of Energy Statistics
Questions and Discussion