

## California Energy Commission Natural Gas Stakeholders Meeting

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## Forward-Looking Information

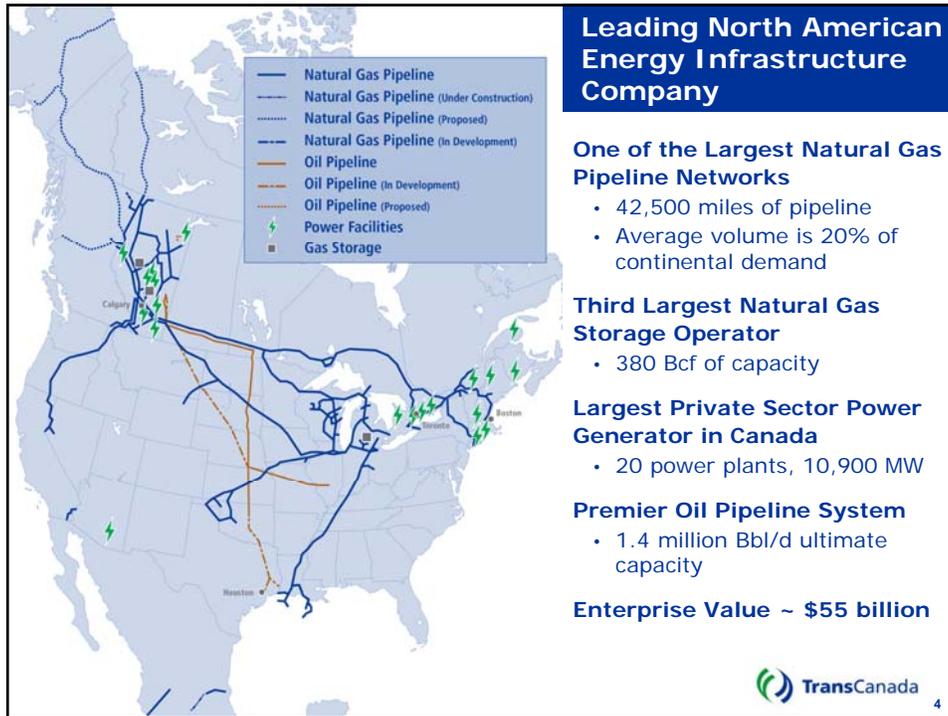


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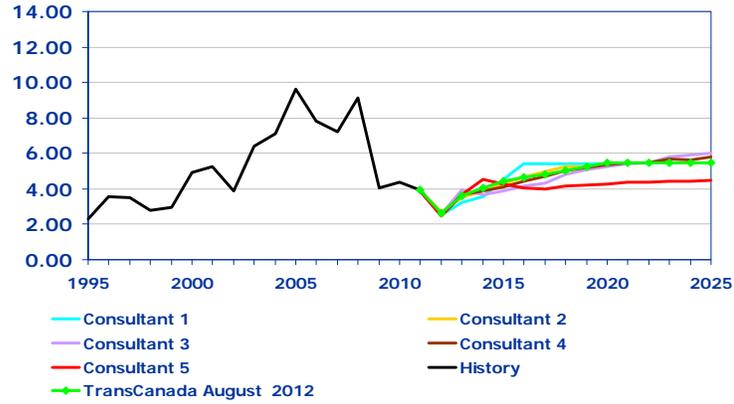
**Overview**

- Gas prices
- North American Supply and Demand
- Western Canada Sedimentary Basin (WCSB)
- LNG Exports

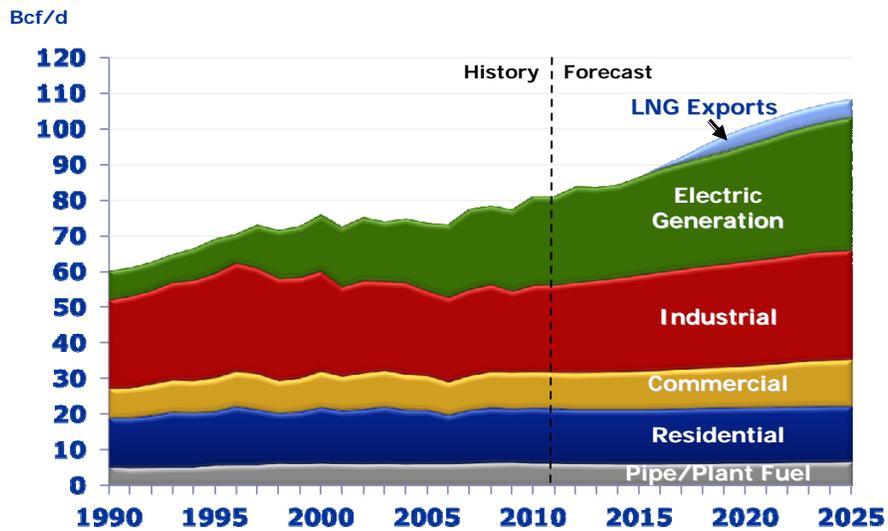
## Latest Comparison of Recent NYMEX Gas Price Forecasts - August 2012



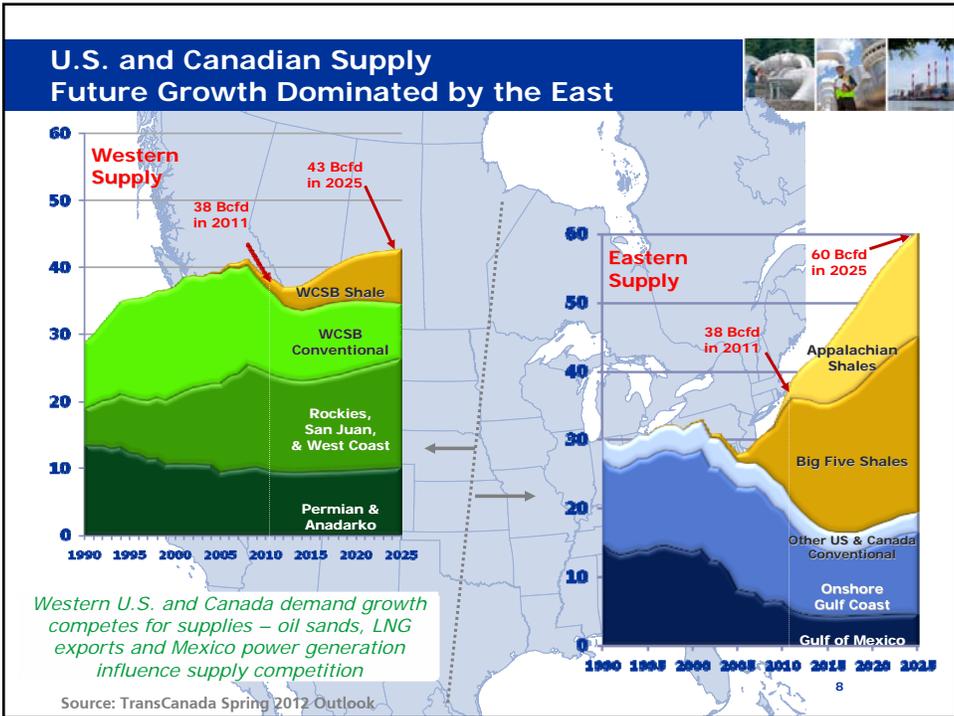
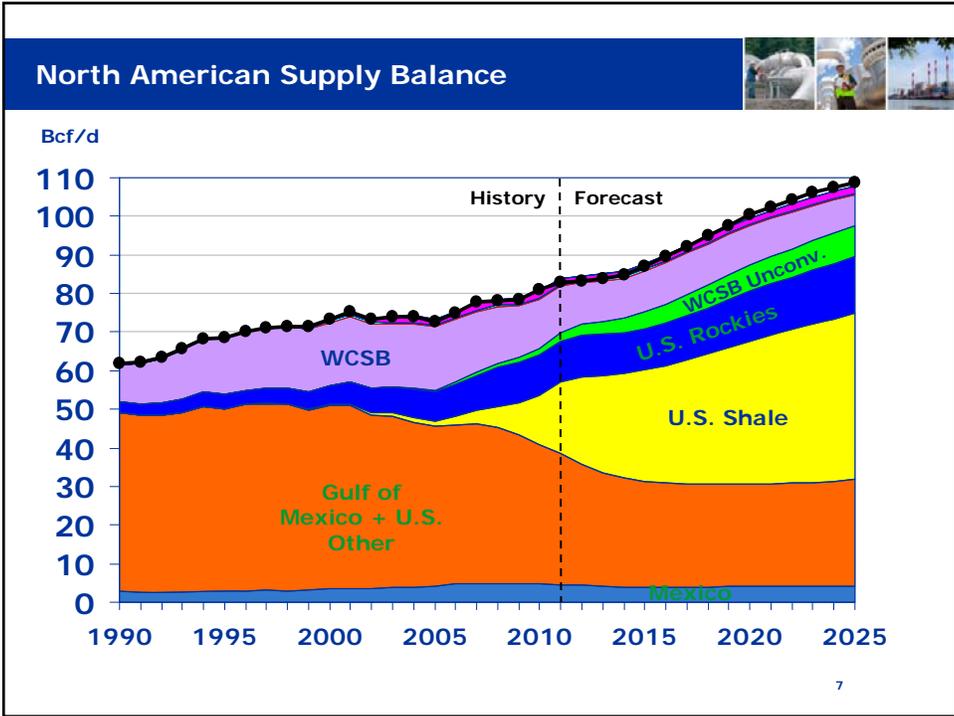
Real 2010 US \$/MMBtu

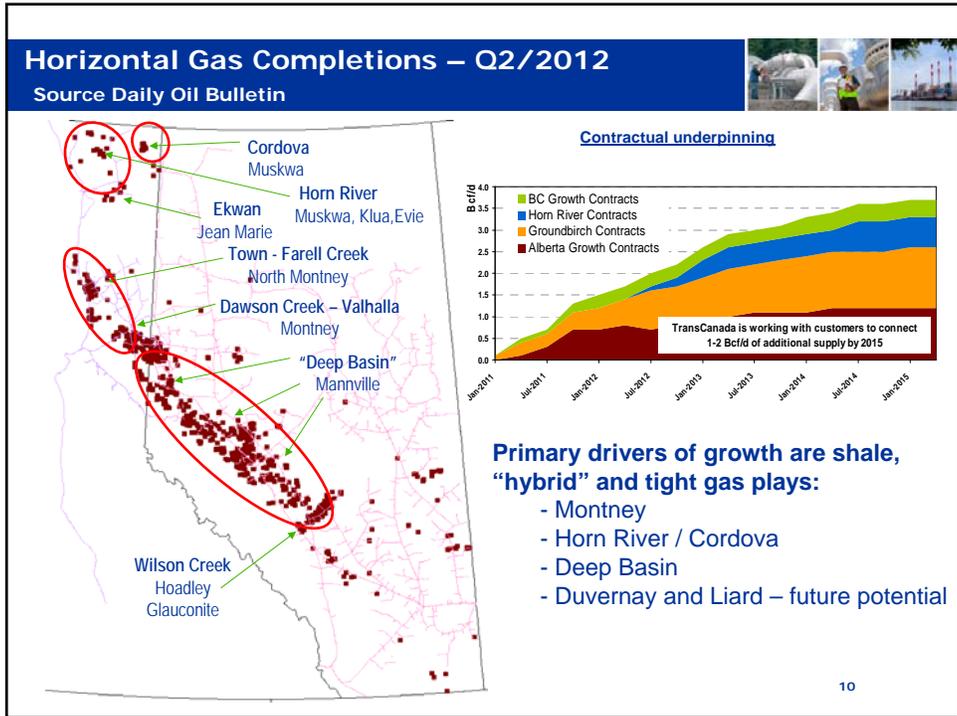
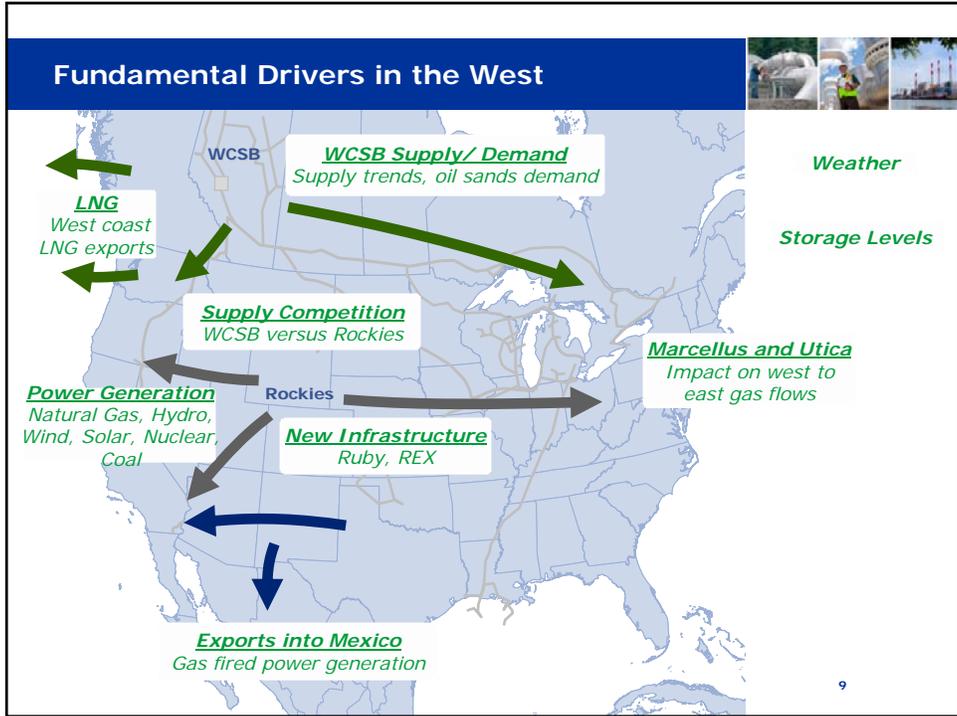


## North American Demand Balance



Source: TransCanada Spring 2012 Outlook





## WCSB Gas Supply Potential (Tcf)

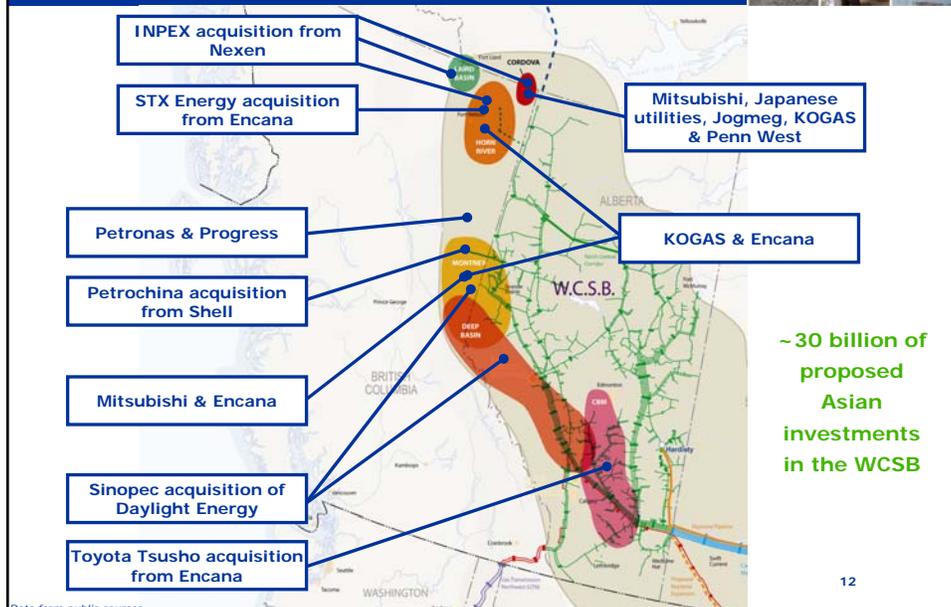


Resource Type	Ultimate Potential	Cumulative Production	Remaining Potential
Conventional	280 – 370	175	105 – 195
CBM	40 - 60	0.91	40 - 60
Montney Hybrid	60 – 100	0.49	60 – 100
Horn River Shale	80 – 130	0.02	80 – 130
Cordova Shale	10 – 25	Negligible	10 – 25
<b>WCSB Total</b>	<b>470 - 685</b>	<b>176</b>	<b>295 - 510</b>

\* Does not include Duvernay or Liard shale plays

11

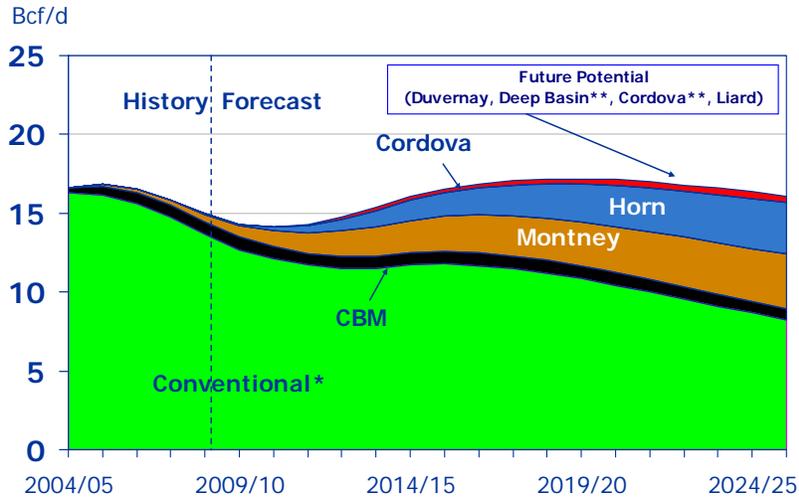
## Asian Investments – WCSB Natural Gas



Data from public sources

12

## WCSB Natural Gas Supply Base Case and Future Potential

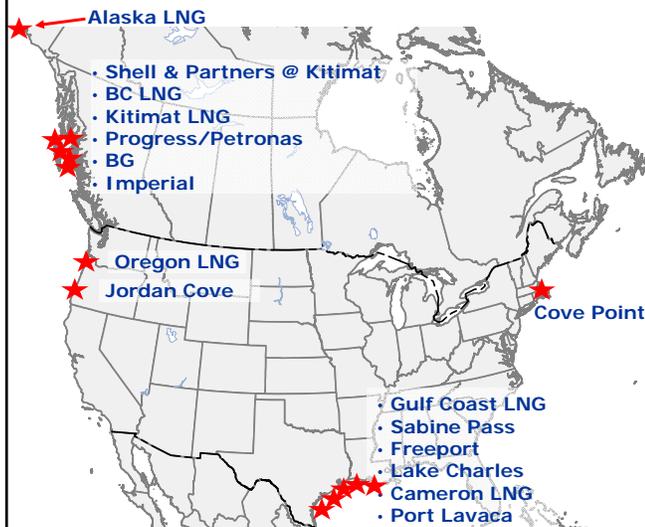


\* Includes Tight Gas

\*\* Expansion of Deep Basin/Cordova

13

## Proposed North American LNG Export Projects



- Total proposed capacity of these projects by 2020 ~ 20 Bcf/d
- How much will actually get built by 2020?
- Key issues / factors
  - Commercial
  - Export licenses
  - Construction costs
  - Regulatory Approvals
  - Global competition
- B.C. export projects in-service ~2018-2020

14

14

## Coastal GasLink – Shell and Partners

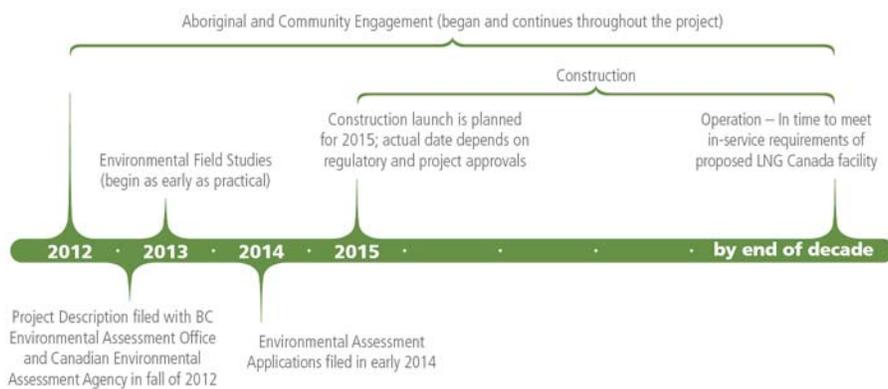


TransCanada's Proposed Coastal GasLink Pipeline Project – Conceptual Route Map

Route planning will take into consideration Aboriginal, landowner and stakeholder input, the environment, archaeological and cultural values, land use compatibility, safety, constructability and economics. To minimize project footprint, TransCanada will parallel and/or use linear disturbances where practical.

June 2012

## Coastal GasLink - Project Timeline



## Key Observations



- There is a substantial amount of natural gas resource available across North America
- Gas prices are expected to remain below \$6 US/MMBtu (Real 2010\$) in the longer-term with less volatility
- Not as much a question about the resource as it is about the timing and price
- Demand continues to increase driven by Gas-Fired Electricity
- North America will become a net LNG Exporter

*Natural gas is a reliable long term fuel choice – a clean, abundant resource at sustainable competitive price*

## Questions



***Thank You!***