

New risks in the gas chain: More market volatility, less contract security - a gas company's view -

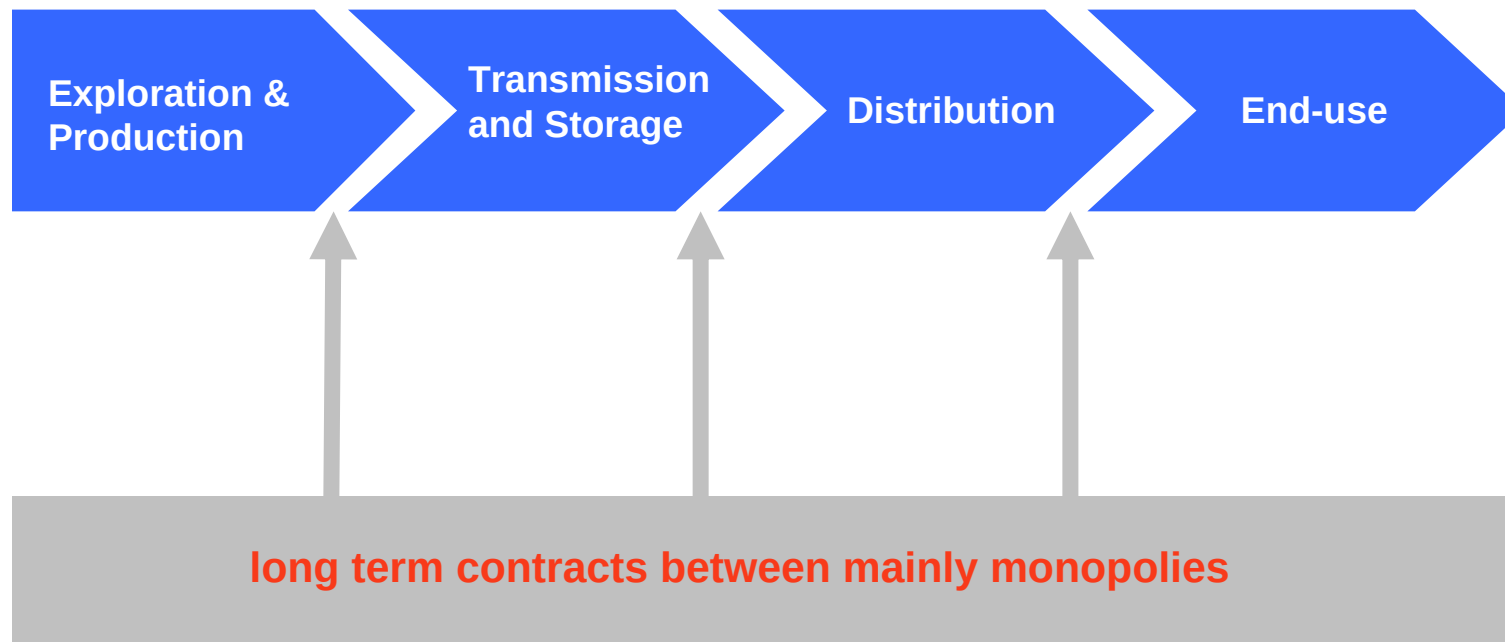
**Reinier Zwitterloot,
Chairman of the Board of Executive Directors**

Conference on Risk Reduction in the Energy Sector
Brussels, 26 October 2005



Vertically separated and operated by different companies

Gas chain in the past



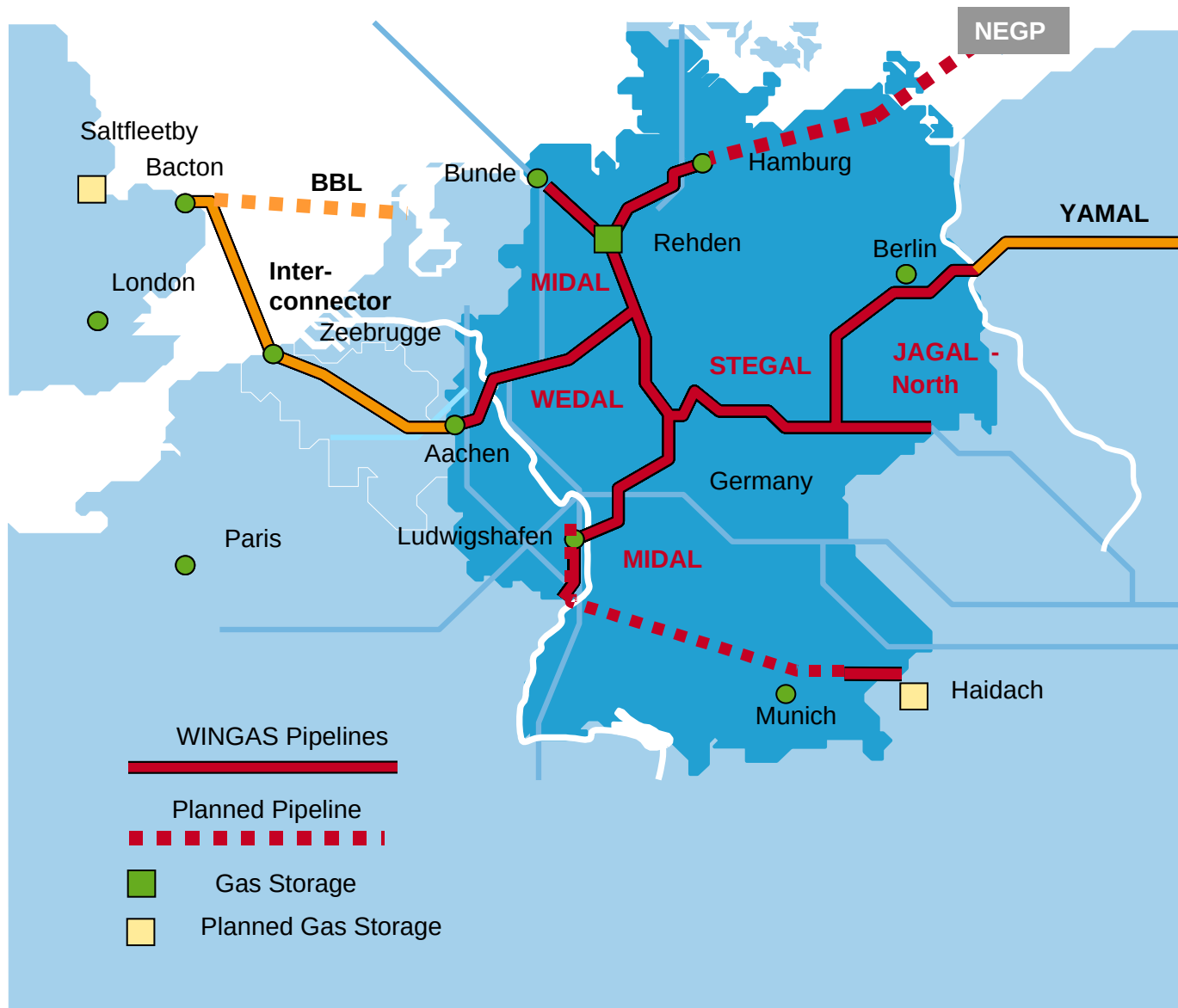
Mix of economic and political risks

Gas world is changing



Investments for security of supply

There is a lot in the pipeline



Less political populism, more long-term thinking

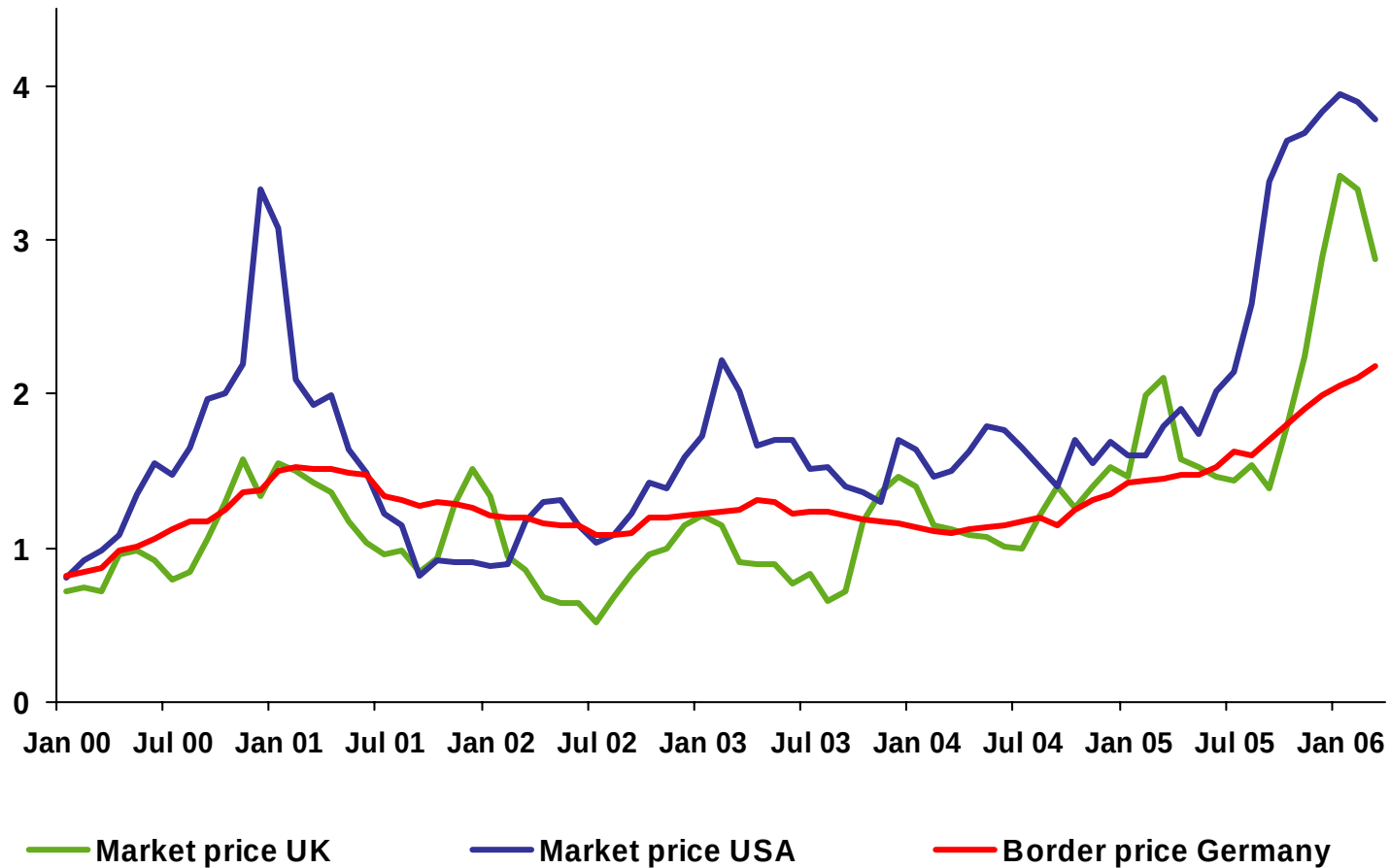
What do we need?

- 1 Joint efforts with producer countries to entice resource development
- 2 Investment security for building new and maintaining existing infrastructure
- 3 Fair and equitable returns on capital employed
- 4 Quicker and less complicated approval procedures
- 5 Less market regulation, more appropriate market mechanisms
- 6 Steady politics based on long-term thinking

More volatility, not lower prices

Spot vs. oil related gas prices

€-cent/ kWh

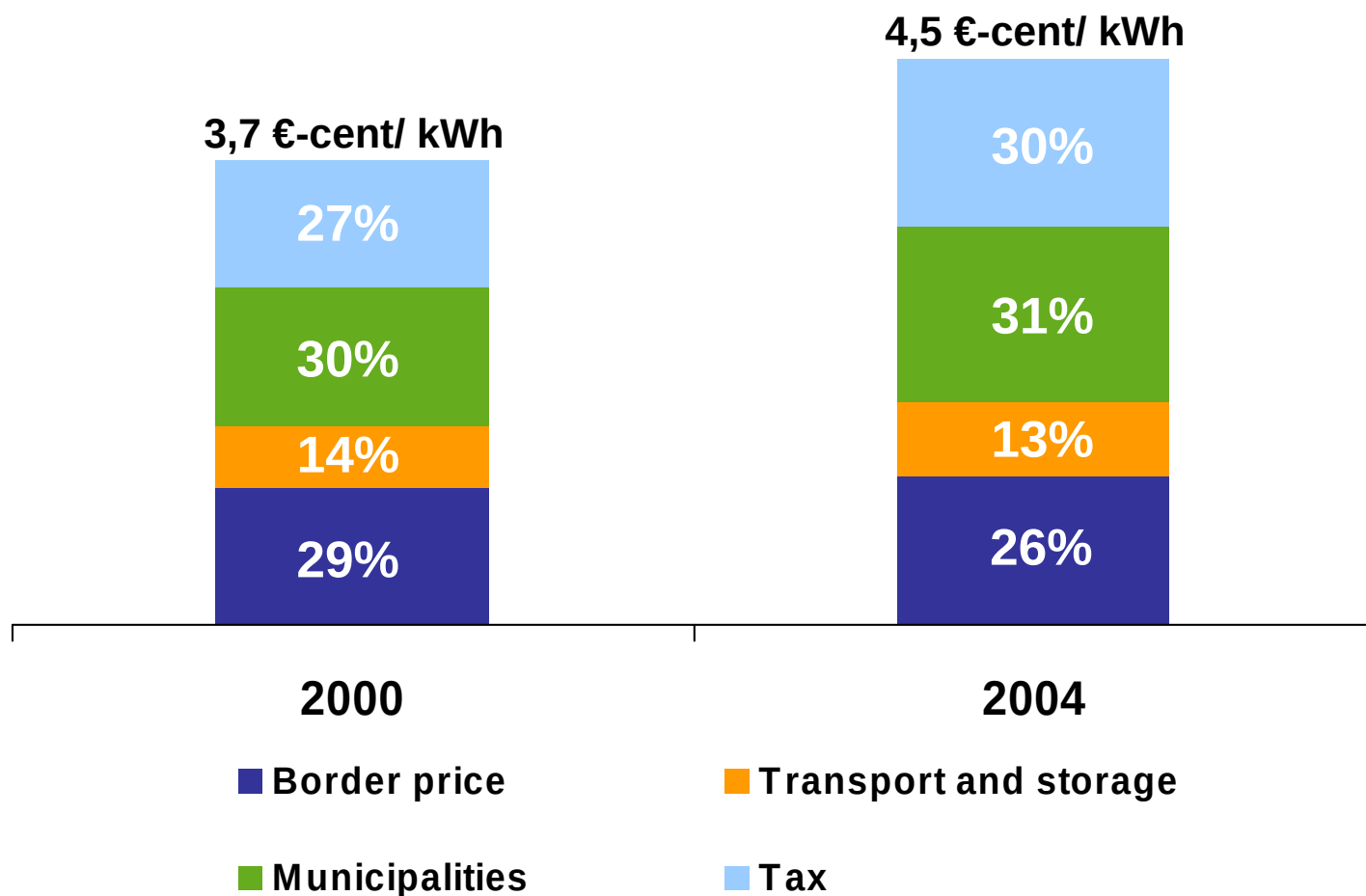


Source: BAFA, CERA, Wintershall AG

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Who takes what?

End consumer price build in Germany



Source: EID, WEC, BAFA, Wintershall AG

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7

We can manage risks together!
Delivering Europe's future gas

