From Greifswald to Balgzand

Cees Hut

18 February 2010
Gasunie: an Introduction
1959  ‘Slochteren’ discovered, the biggest gas field in EU
1963  Gasunie established; State (50%), Shell/Esso (each 25%)
1975  Energy crisis; small fields policy
1990’s Large gas storages (Grijpskerk, Norg)
2001  Unbundling phase 1: Transmission department separated
2002  Unbundling phase 2: Trade department separated
2005  Unbundling phase 3: Shell/Esso sell infrastructure
July 2005: Ownership Unbundling Gasunie

Prior to 1 July 2005
Integrated company

After 1 July 2005
Two companies

N.V. Nederlandse Gasunie

Infrastructure and transport

Gasunie

Natural gas trading

GasTerra
Gasunie organisation

- 100% Subsidiaries
- Implementation of regulated transport activities and tasks
- Asset Management
- New construction activities
- Maintenance
- Development of new activities and participation in projects (e.g. Nord Stream, BBL, Gate, Zuidwending and APX)
Strategic Pillars

- Manage & expand the network
  Operational excellence is our licence to operate

- Promoting gas flow in and to NW-EU
  Promoting market functioning by interconnecting infrastructure

- Offering additional services
  Full service gas infrastructure company
GTS Transport system
- 11500 km H / L -gas system
- 52 entry points (17 cross-border)
- 1100 exit points (23 cross-border)
- 3 connected UGS, 1 LNG peakshaver
- 9 compressor stations
- 640 MW installed capacity
- Total entry capacity
  - 31.0 million m³/h
- Total exit capacity
  - 30.2 million m³/h
- Transported volume
  - 96 billion m³

GUD Transport system
- 3600 km H / L -gas system
- 32 entry points (5 cross-border)
- 173 exit points
- 5 connected UGS
- 8 compressor stations
- 110 MW installed capacity
- Total entry capacity
  - 5.1 million m³/h
- Total exit capacity
  - 5.25 million m³/h
- Transported volume
  - 30 billion m³
Additional import requirements NW-Europe from 2005 to 2020

Investment in cross-border infrastructure

Open Seasons

- GTS Open Season 2005
  - H-gas only

- GTS Open Season 2012 (‘2007’)
  - H, L and G-gas
  - Split into two phases

- GTS/GUD Integrated Open Season (2009)
  - Spanning the networks of GTS and GUD
  - Integral investment decision
Open Season 2005

- **Commercial**
  - H gas
  - 23 participants

- **Business case**
  - Pro-active capacity to accommodate late commitments
  - Investment € 1100 mln
  - Start procedure summer 2005, FID July 2007

- **Implementation phase**
  - Capacity available Q4 2010
Open Season 2012

- **Commercial**
  - H, G and L gas
  - 23 participants
  - Timing problem related to EGT / Fluxys => 2 phases

- **Business case**
  - Pro-active capacity to accommodate late commitments
  - Investment € 500 mln
  - Start procedure summer 2007, FID phase 1 July 2008

- **Implementation phase**
  - Capacity available Q4 2011 and Q4 2012
Welcome
Gas Transport Services (GTS) and Gasunie Deutschland Transport Services GmbH (GUD) have initialized an Integrated Open Season (IOS).
GTS/GUD Integrated Open Season (2009)

- Integrated approach
  - One open season for both networks
  - One investment decision -> reduced risk/exposure for participants

- No upfront barriers
  - Both hi-cal, lo-cal
  - Shippers, industries

- Decisions will be driven by economic feasibility

- Precedent agreements
  - Contracts with more than 30 shippers
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Open seasons and Capacity increases GTS/GUD (totals)

Mlj m³ (35,17)/h

- Total
- IOS - LOI
- OS 2012 + Add
- OS 2005
- Existing
Gasunie Transport Network – Current and future trends in HiCal flows

- **current**
- **future, FID taken**
- **future expected flows**
Integrated Open Season GUD / GTS – Timeline

Market screening

Letters to shippers

Feedback to the market

Oct 2008

2008

2009

2010

Feb - 09

March 2009

1 July 2009

Feedback on capacity and start dates

Non-binding agreements with participants (Letters of Intent)

1 July 2009

1 October 2009

Capacity demands LoI in overview capacity increases
IOS challenges

Complexity of the system
- Integrated system H-gas/ L-gas
- Domestic and transit
- Quality conversion and adaption

- Developments new customers
  - Many new activities power and storages
  - Clustering not always possible

- Uncertainty for shippers
  - Commitment contract for 10 years
  - Uncertain go/no-go moment

- Cross Border investments
Investment Climate

Regulatory focus is national, not regional or European

How to design de-coupled entry-exit systems that cross national borders?

How to harmonise regulatory framework?
EIA and permitting may result in long lead-times
Towards a European market

- International/regional focus
- Cooperation between all parties involved
- Both molecules and infrastructure necessary
- Necessary investments must be viable
  - Market driven
  - Economic
  - Proper regulatory incentives
  - Political support
Thank you for your attention!

Cees Hut

Brussels, 18 February 2010