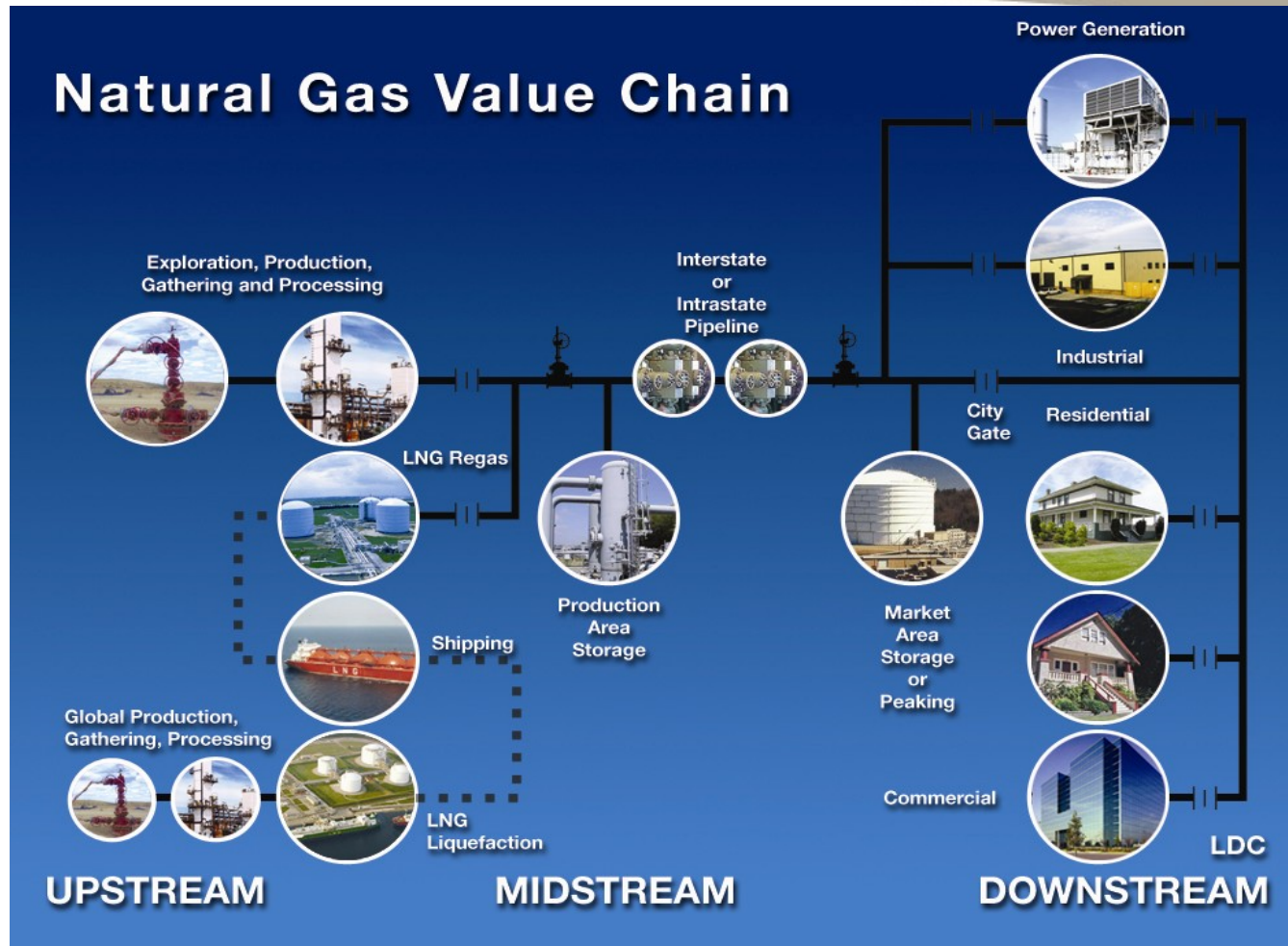
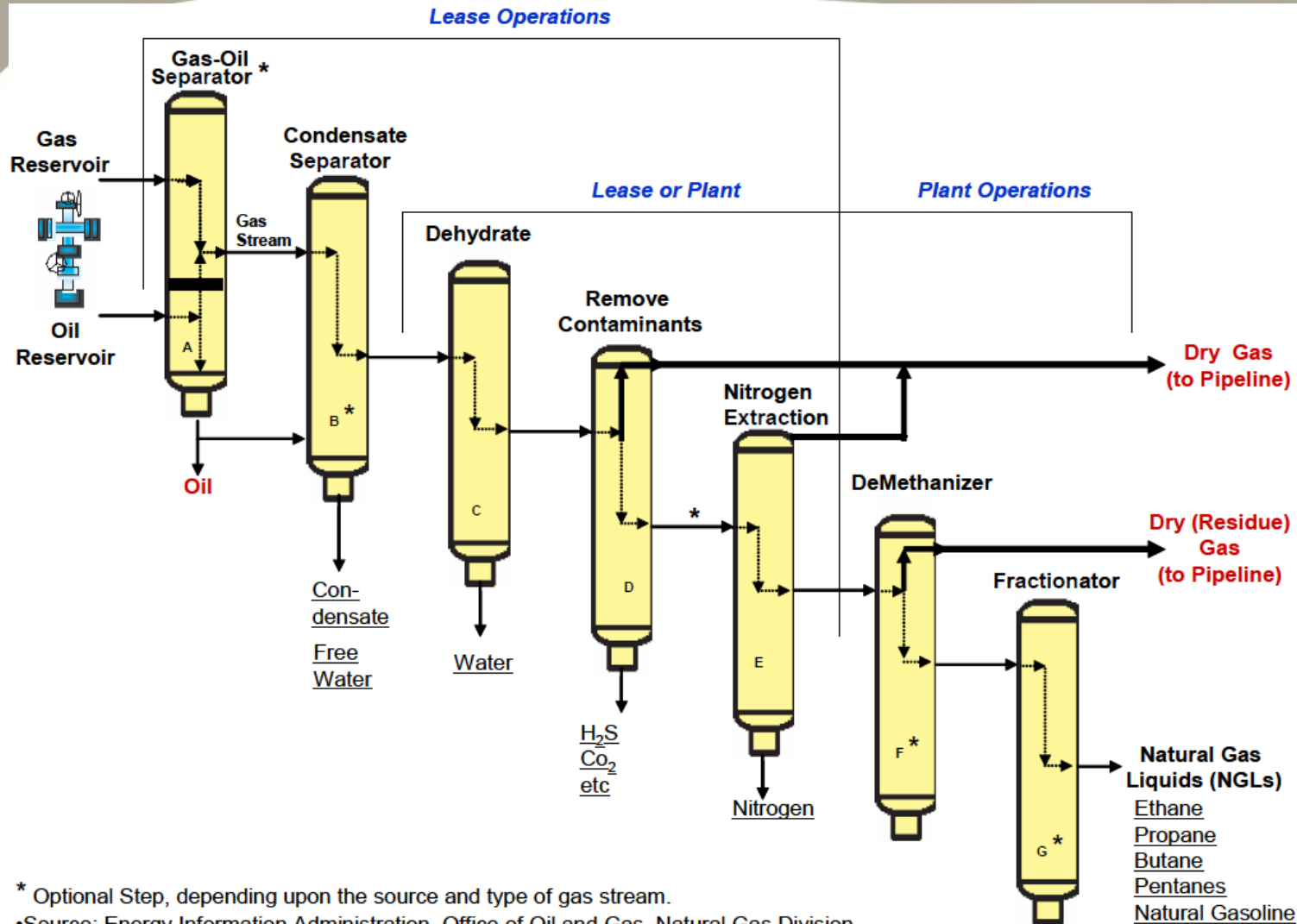


# Natural Gas End-to-End



# Gathering and Processing

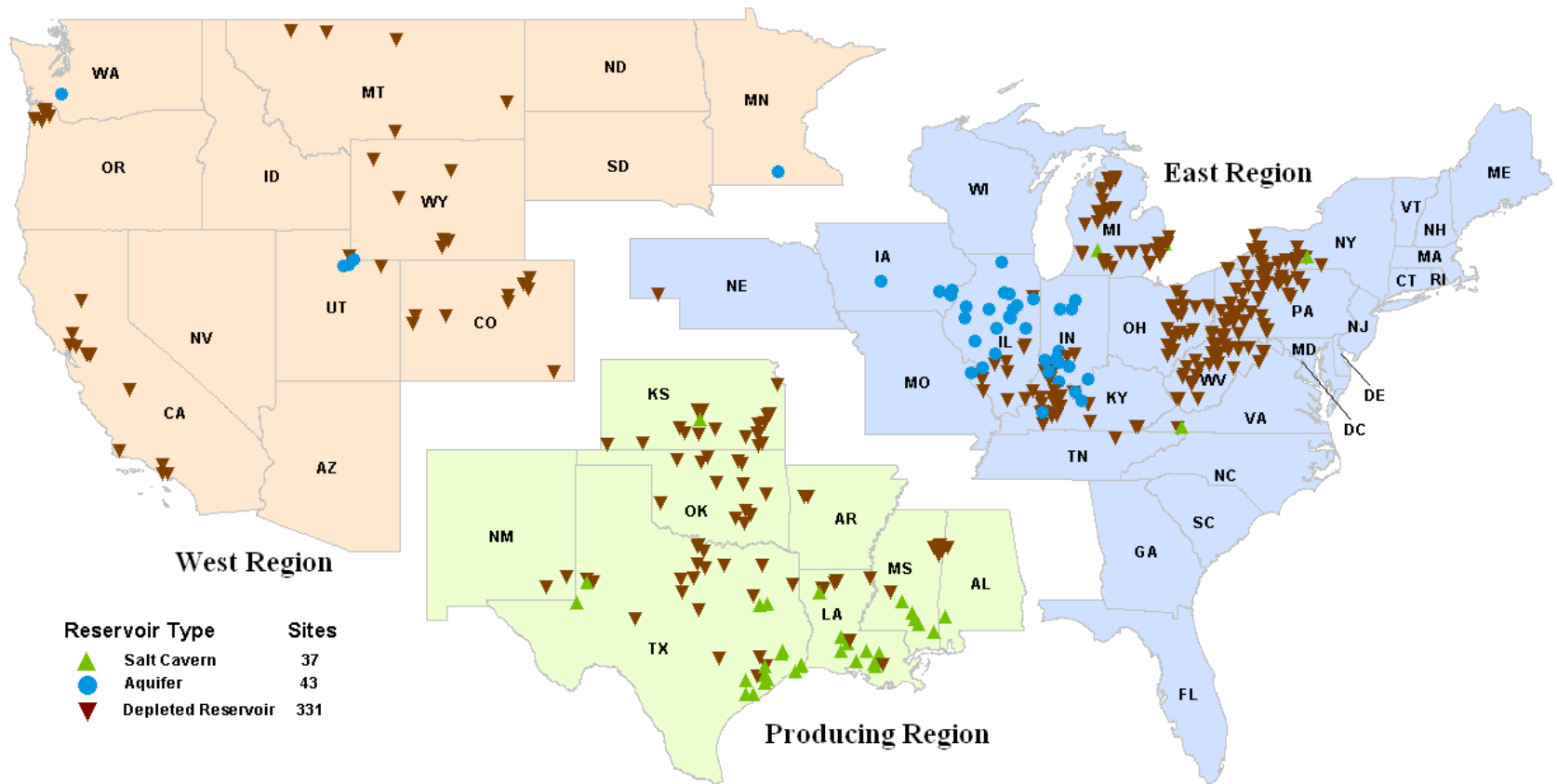


\* Optional Step, depending upon the source and type of gas stream.

•Source: Energy Information Administration, Office of Oil and Gas, Natural Gas Division.

# Storage Facilities

**U.S. Lower 48 Underground Natural Gas Storage Facilities, by Type (December 31, 2010)**



Note: Locations of storage facilities presented in the map are approximate. Some symbols representing storage facilities may overlap.

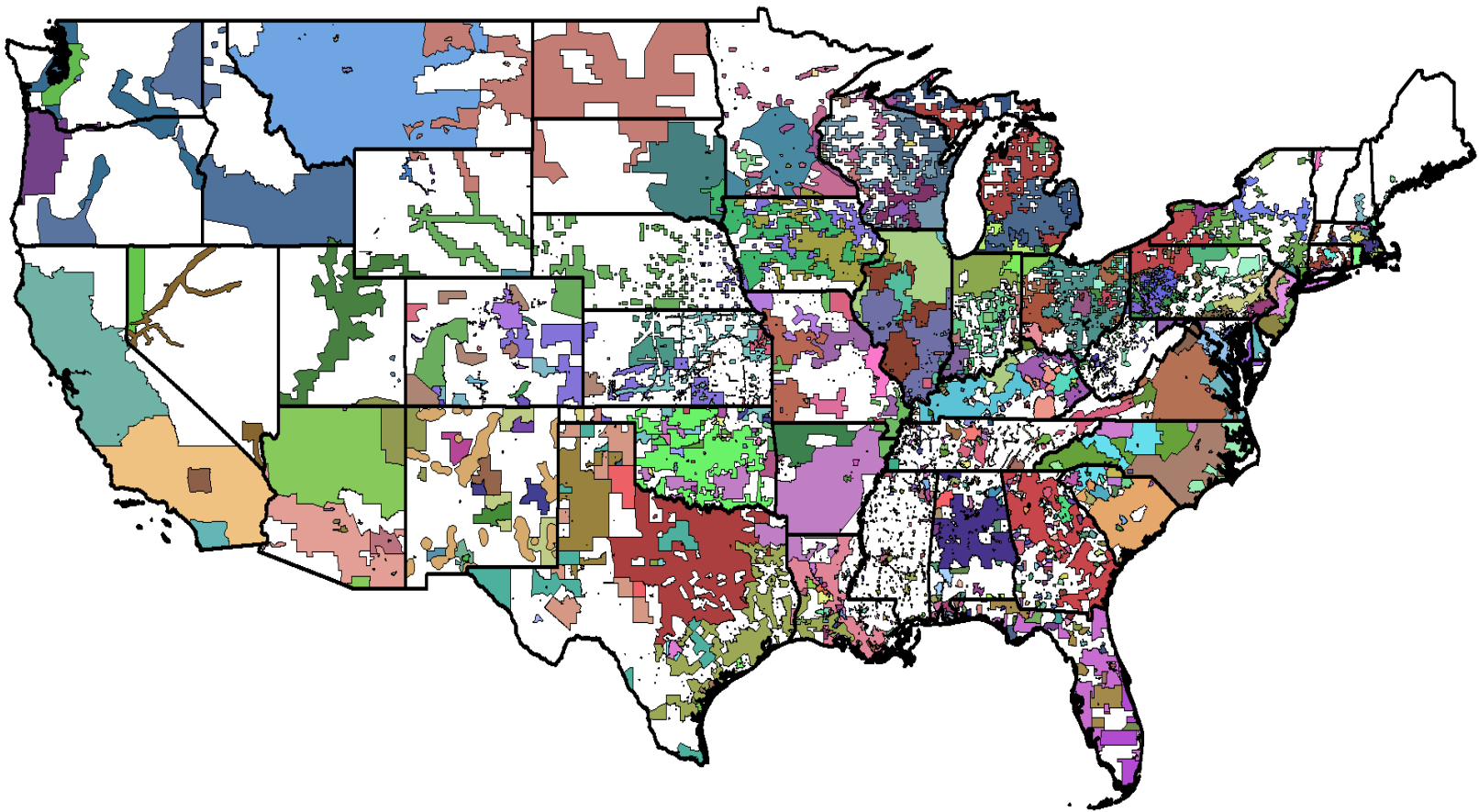
Source: U.S. Energy Information Administration, Form EIA-191A, "Annual Underground Gas Storage Report"

# Extensive Natural Gas Infrastructure Throughout North America

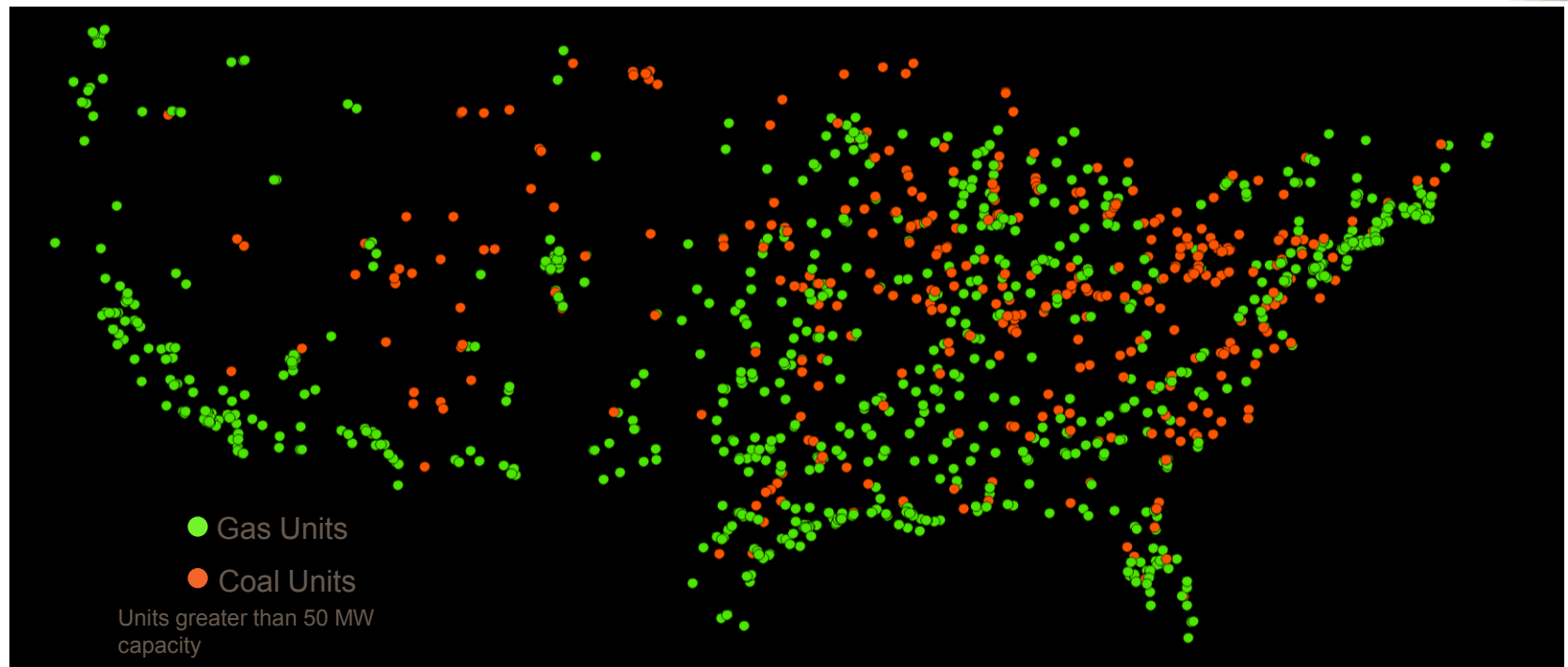


# Gas Utilities

Over 1,200 Unique Service Territories Across the Lower 48 States



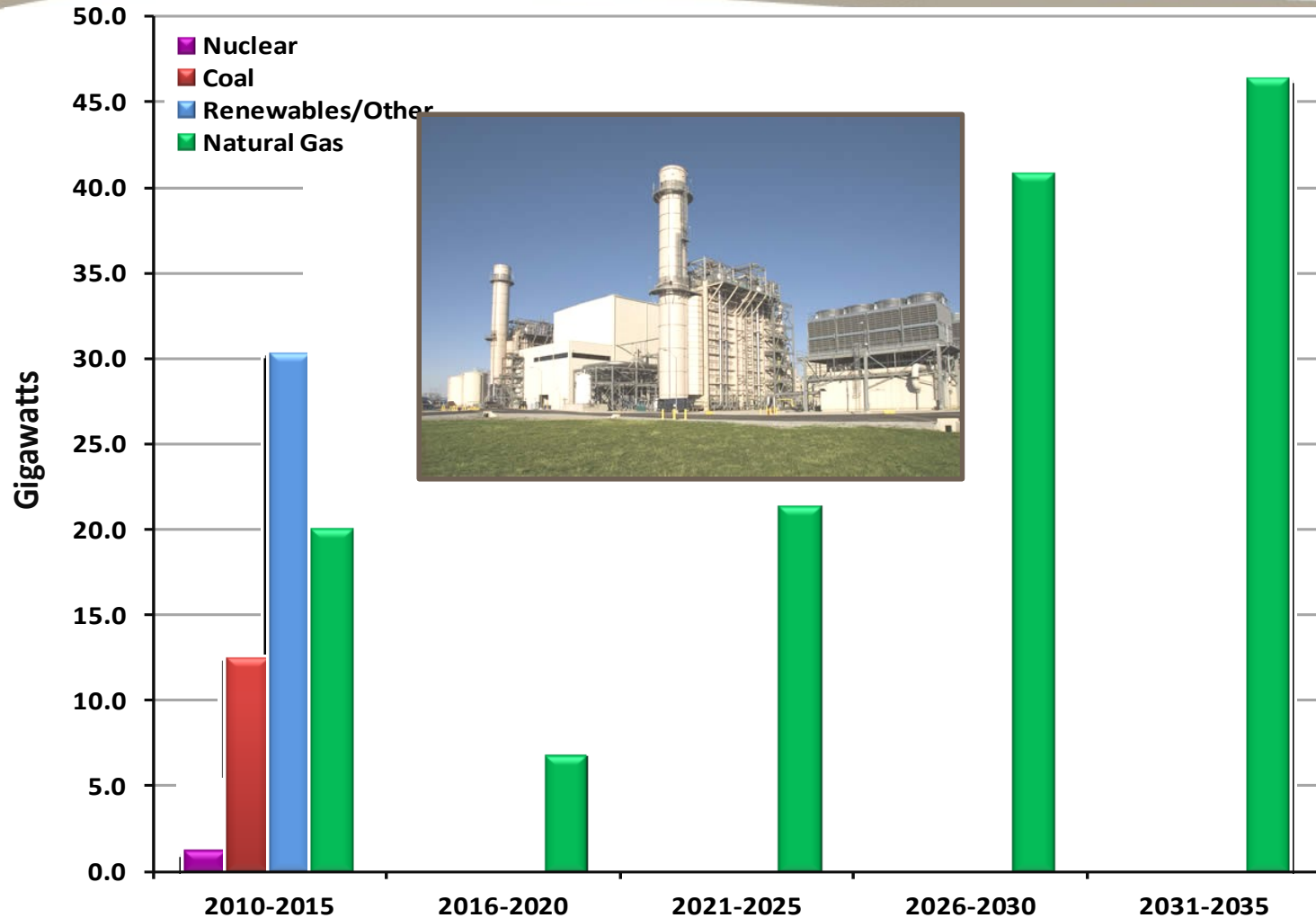
# Gas and Coal Generation Units



	% of Installed Capacity	% of Power Generation
Natural Gas	39%	24%
Coal	31%	44%

*2010 EIA*      *2009 – 2011 MWh generated*

# Projected US Power Plant Additions



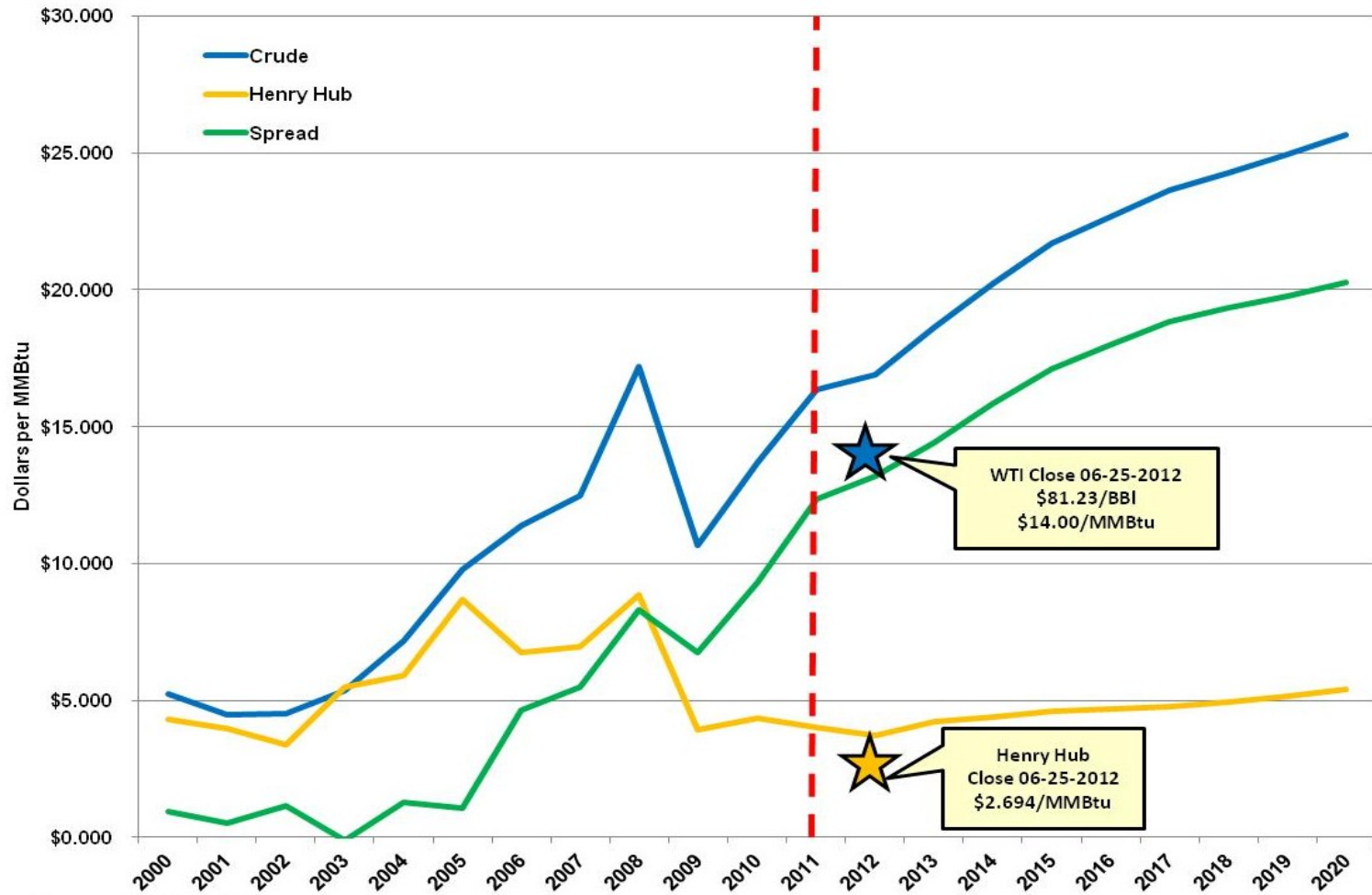
# Additional Growth Markets for Natural Gas

**Export Market:** The first liquefied natural gas export plant in 50 years has been approved by U.S. regulators at Cheniere Energy's Sabine Pass, Louisiana. Expected to start LNG exports in 2015 and will replace oil demand in the international markets of the UK, Spain, Korea, and India.

**Petrochemical Market:** Significant reduction in natural gas prices has resulted in a decline in the price of plastics. Ethane is feedstock for ethylene, a raw material for plastics. American Chemical Council says if ethane output increases 25 percent, \$16 billion in new investment could occur. Mothballed units of Bayer, Eastman Kodak, and Chevron may be put back into service due to low ethane costs.

**Transportation Market:** Only 112,000 natural gas vehicles in the U.S. today. 6 million vehicles switching only increases gas demand by 1 BCF/day load. CNG and LNG becoming more available, although vehicle options are still limited. New engines are being rolled out that could change this dynamic.

# Crude Oil – Natural Gas Price Relationship



Source: EIA AEO 2012

# World Wide Natural Gas Vehicles

Country	2009	Total Vehicles Current	NGVs as % of total vehicle population
Pakistan	2,300,000	6,217,069	36.99%
Argentina	1,807,186	7,608,744	23.75%
Iran	1,665,602	6,966,131	23.91%
Brazil	1,632,101	14,277,600	11.43%
India	935,000	14,554,000	6.42%
Italy	628,624	39,089,755	1.61%
China	450,000	35,860,638	1.25%
Colombia	300,000	1,238,216	24.23%
Ukraine	200,000	4,949,346	4.04%
Bangladesh	177,555	293,472	60.50%
Thailand	162,023	24,931,615	0.65%
Bolivia	121,908	475,632	25.63%
Egypt	119,679	2,373,723	5.04%
<b>USA</b>	<b>110,000</b>	<b>234,646,314</b>	<b>0.05%</b>
Armenia	101,352	327,477	30.95%
Rest of the World	644,754	434,387,292	0.15%
<b>Total</b>	<b>11,355,784</b>	<b>828,197,024</b>	<b>1.37%</b>



Enormous room  
for growth

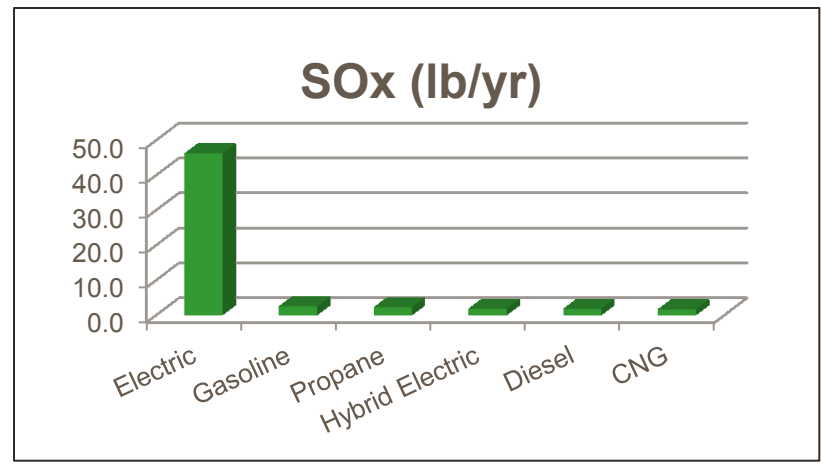
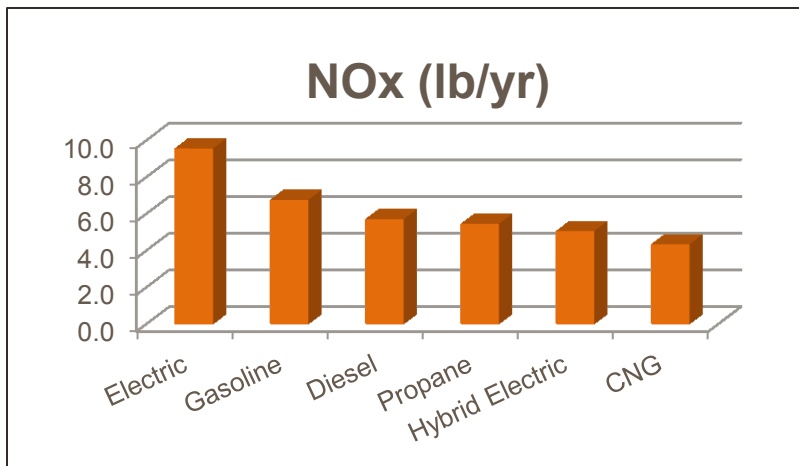
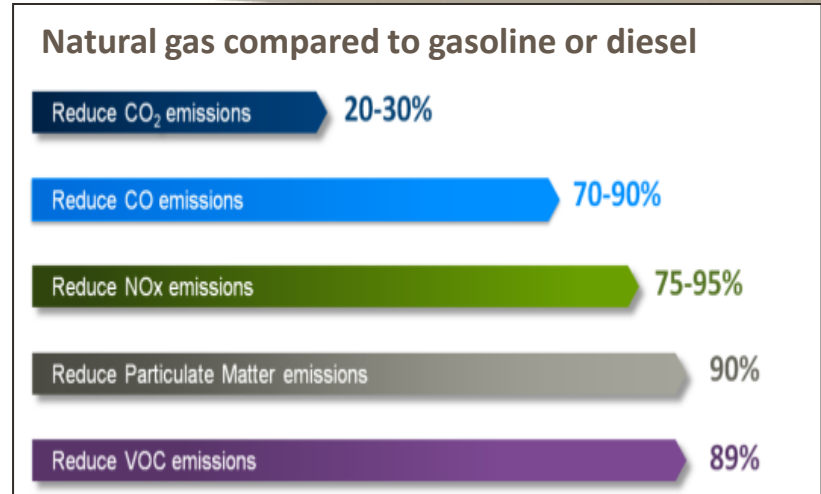
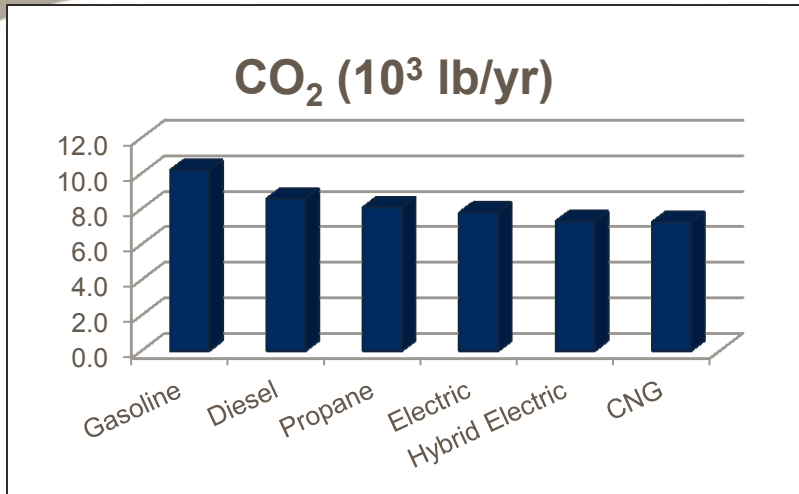
# U.S. Market Potential for Fuel Conversion

## 2010 US Diesel Consumption

End Use	Billions of Gallons
On Highway	35.6
Residential	4.0
Agriculture	3.9
Commercial	3.1
Railroad	2.6
Off Highway	2.6
Industrial	2.5
Marine	1.7
Oil/Gas	1.4
Power Gen	0.5
Military	0.3
<b>Total</b>	<b>58.3</b>

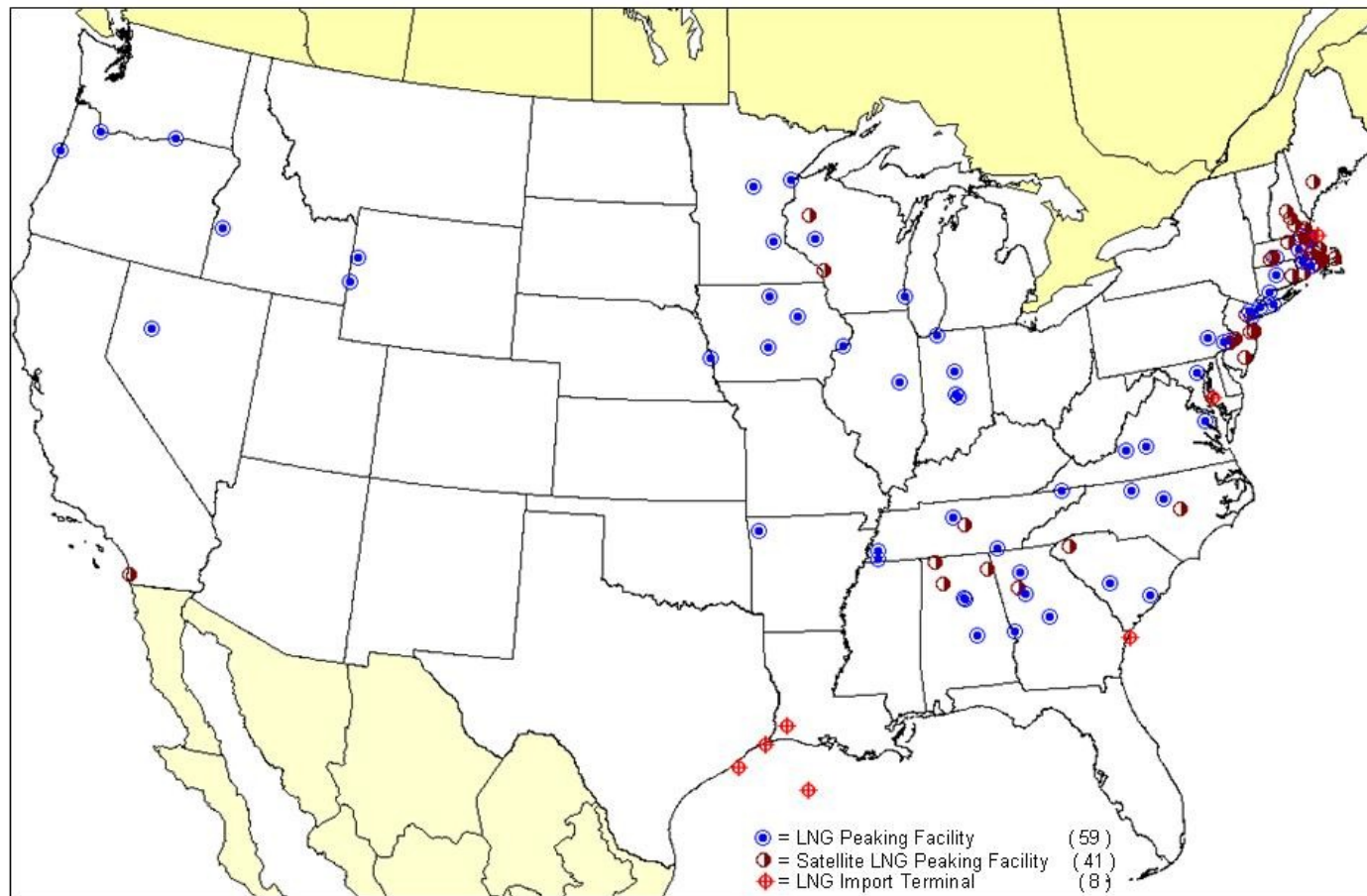
- On Highway market increasing engine orders and showing initial signs to order LNG supply
  - Westport and Cummins engine manufacturers stock up 50-100% in past few years
- Railroad Market has a very long lead time due to testing LNG impacts on horsepower and operations
- Industrial and marine markets showing significant interest

# Natural Gas Environmental Attributes



Source: Carbon Management Information Center  
 Source Energy and Emissions Analysis Tool  
<http://www.cmictools.com>

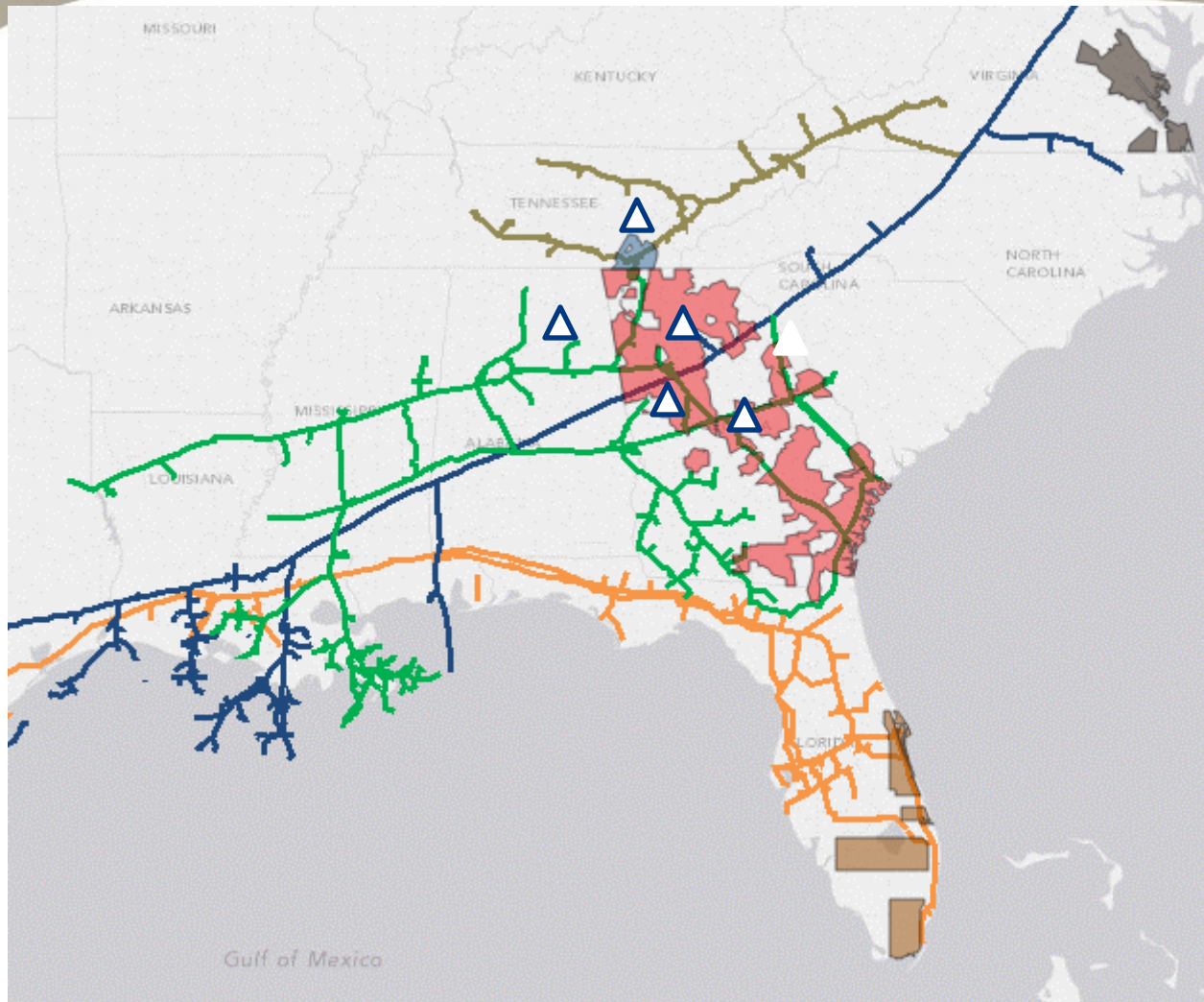
# LNG Facilities



Note: Satellite LNG facilities have no liquefaction facilities. All supplies are transported to the site via tanker truck.

Source: Energy Information Administration, Office of Oil & Gas, Natural Gas Division Gas, Gas Transportation Information System, December 2008.

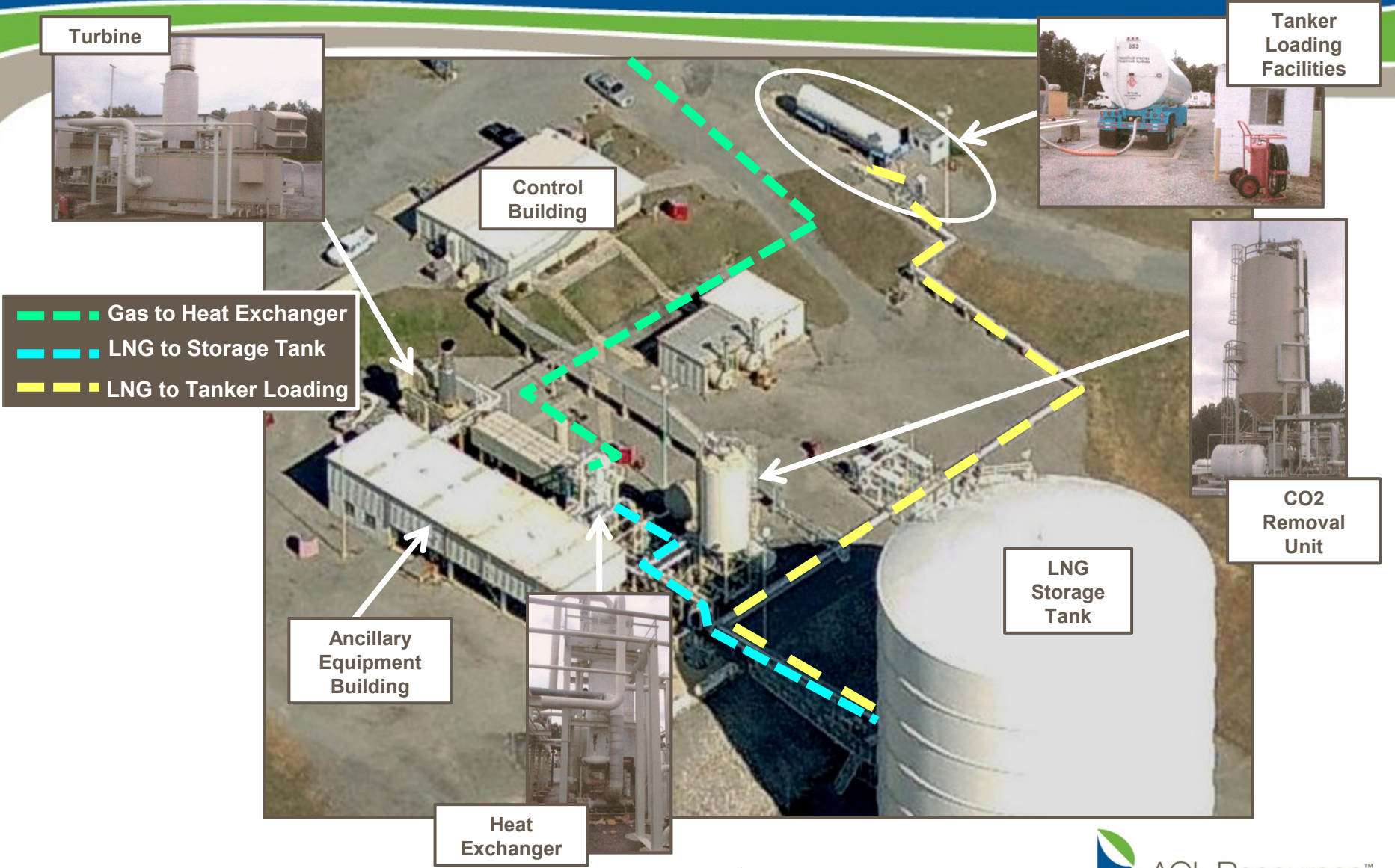
# AGL Resources LNG Capabilities



## Service Areas and LNG Plants

- Atlanta Gas Light
- Chattanooga Gas
- Virginia Natural Gas
- Florida City Gas
- AGL Owned LNG Plant

# Key Elements of an LNG Facility



# Does Downstream Market for Natural Gas Grow?

- A compelling story is here now to increase natural gas use for power generation and as a transportation fuel – Are we at a Tipping Point?
- No government mandates or incentives are required for transportation markets to move more to natural gas