



Bureau of Economic Geology, The University of Texas at Austin



Texas Technology Showcase: Competition and the New Landscape

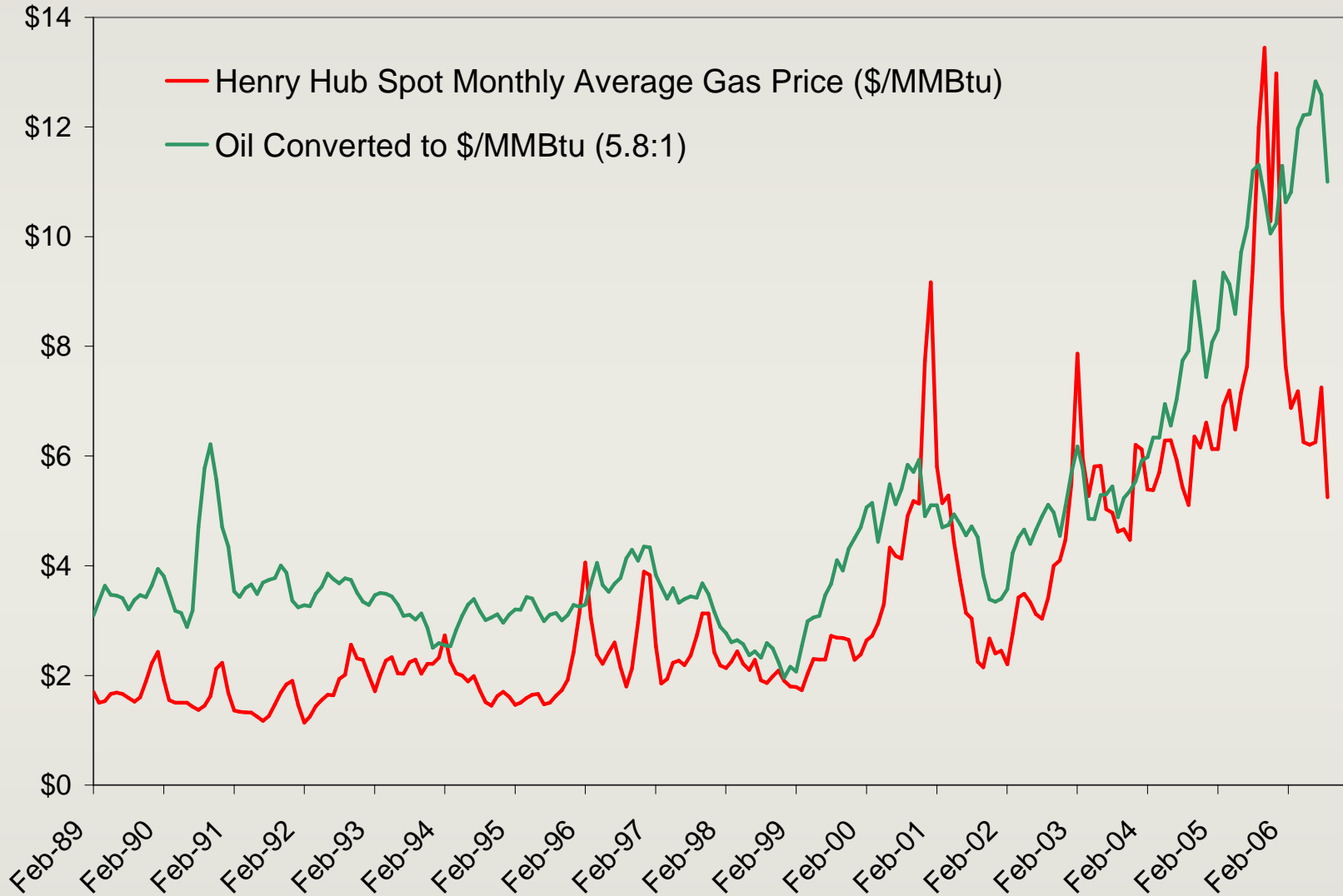
Dr. Michelle Michot Foss

What is the New Landscape?

From a fuel and feedstock perspective:

- Volatility is a permanent feature
 - Changing dynamics at home
 - Uncertainty in the global marketplace
- Efficiency gains provide best hedge
- Longer term, substitute technologies can be implemented

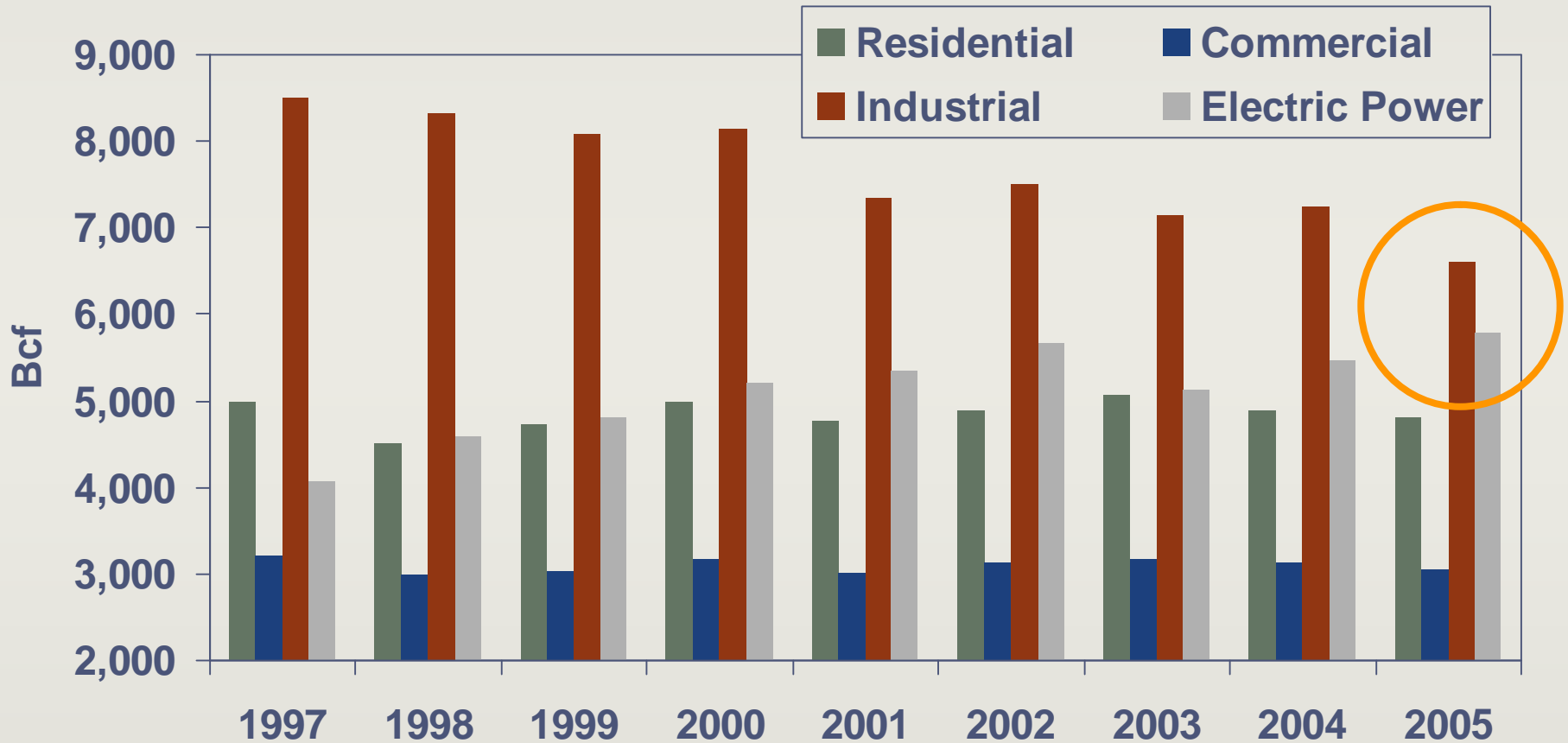
Natural Gas and Oil Prices



3-5 Year Outlook

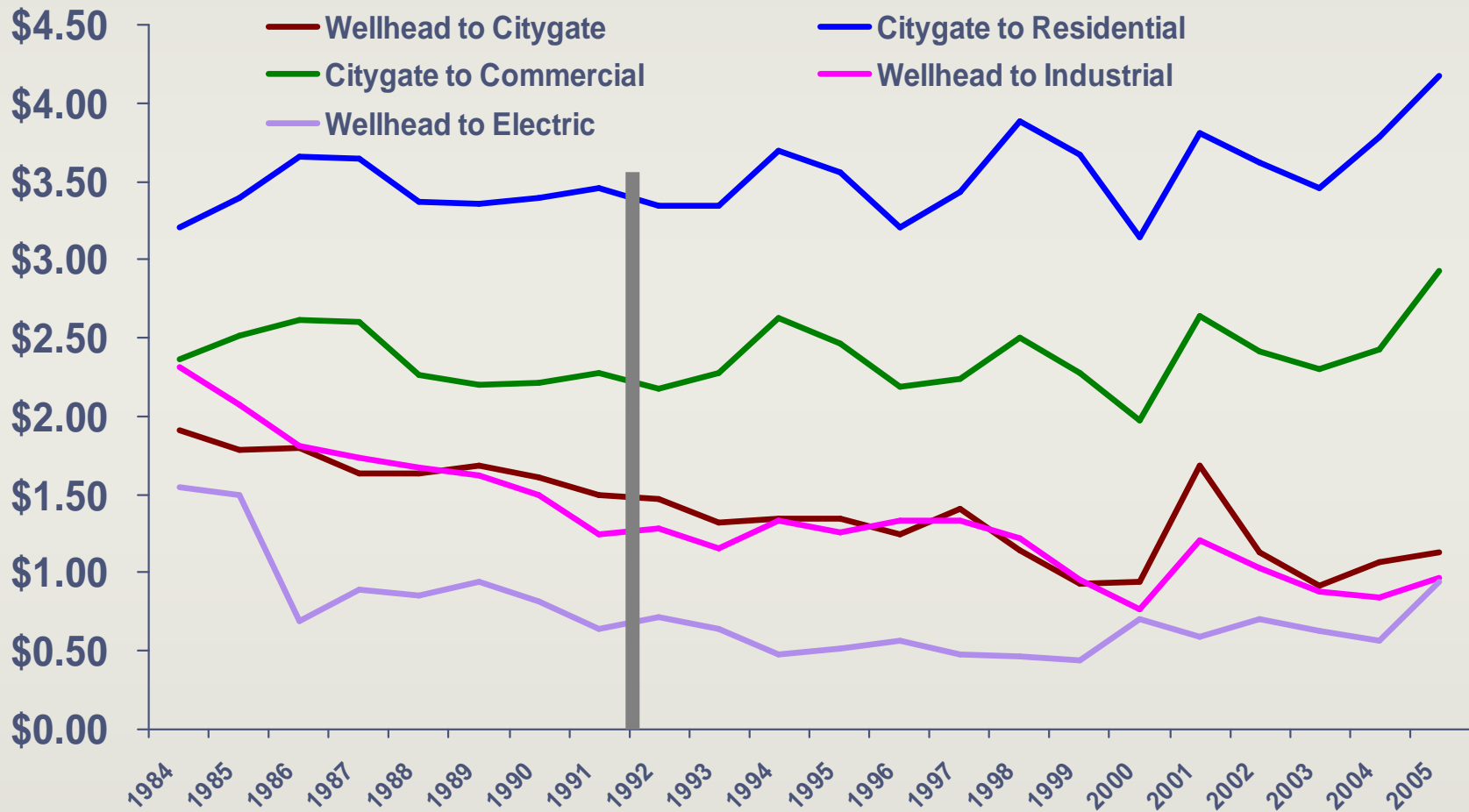
Probability	Scenario
Low	Oil at \$90, gas at \$15: oil price pulls other costs, inflation, gas demand fundamentals
Medium (coin flip)	Oil at \$48, gas at \$8.28: oil approaching equilibrium with oil:gas parity
Higher	Oil \$45-60, gas at \$3-6: diverging fundamentals, new oil:gas parity

Seismic Shifts in Customer Base



U.S. Value Chain Price Trends

Value Chain Segment Price Differentials (\$/Mcf, real)



CEE LNG Import Capacity Outlook

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Based on agency pre-filings, filings, approvals and industry information.

