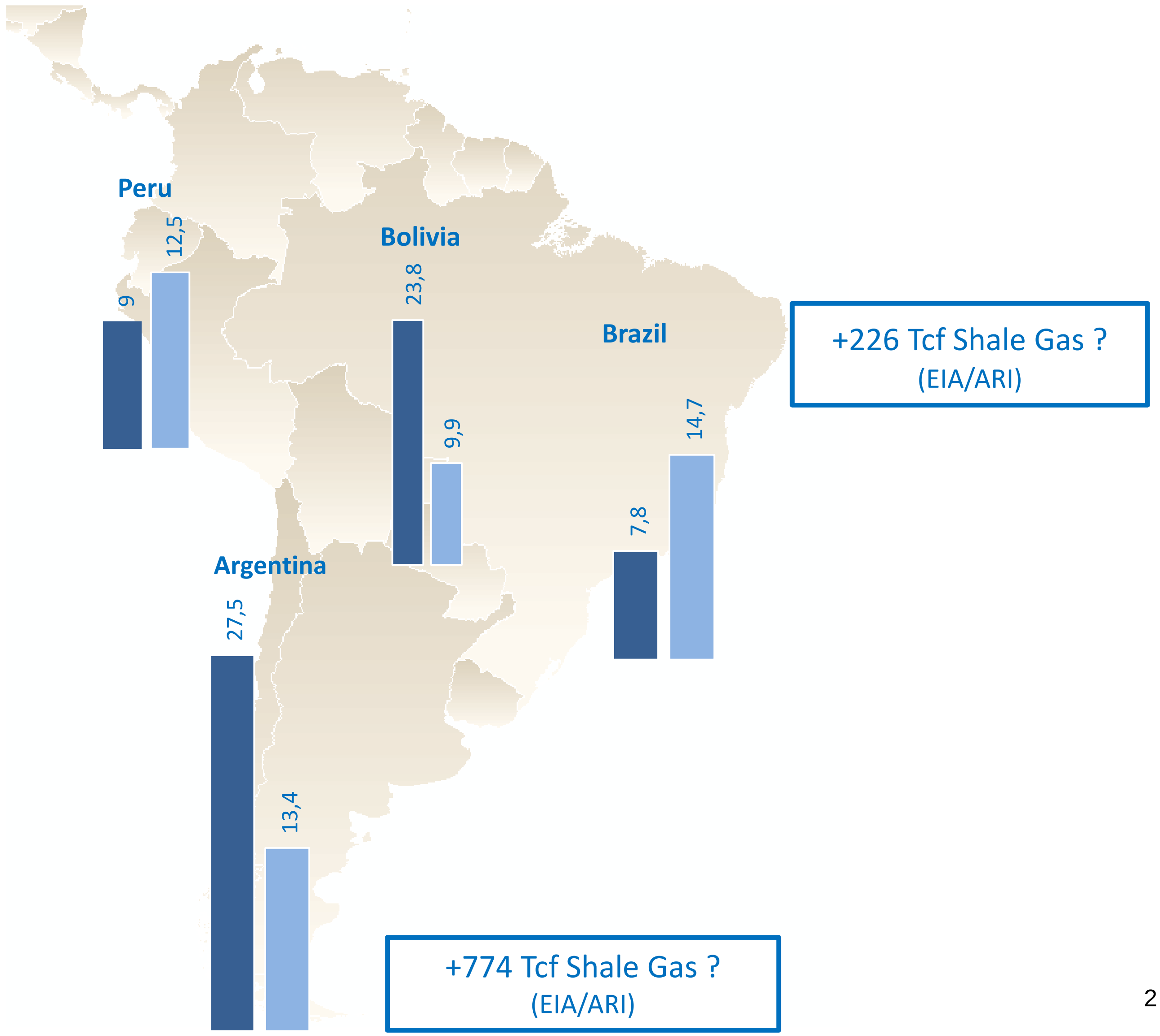
Challenges of the Energy Supply in the 21st Century

Jérôme Ferrier, President IGU

RIO OIL & GAS, 19 September 2012

GAS RESERVES IN THE SOUTHERN CONE – 2011 vs 2001

CEDIGAZ - Tcf

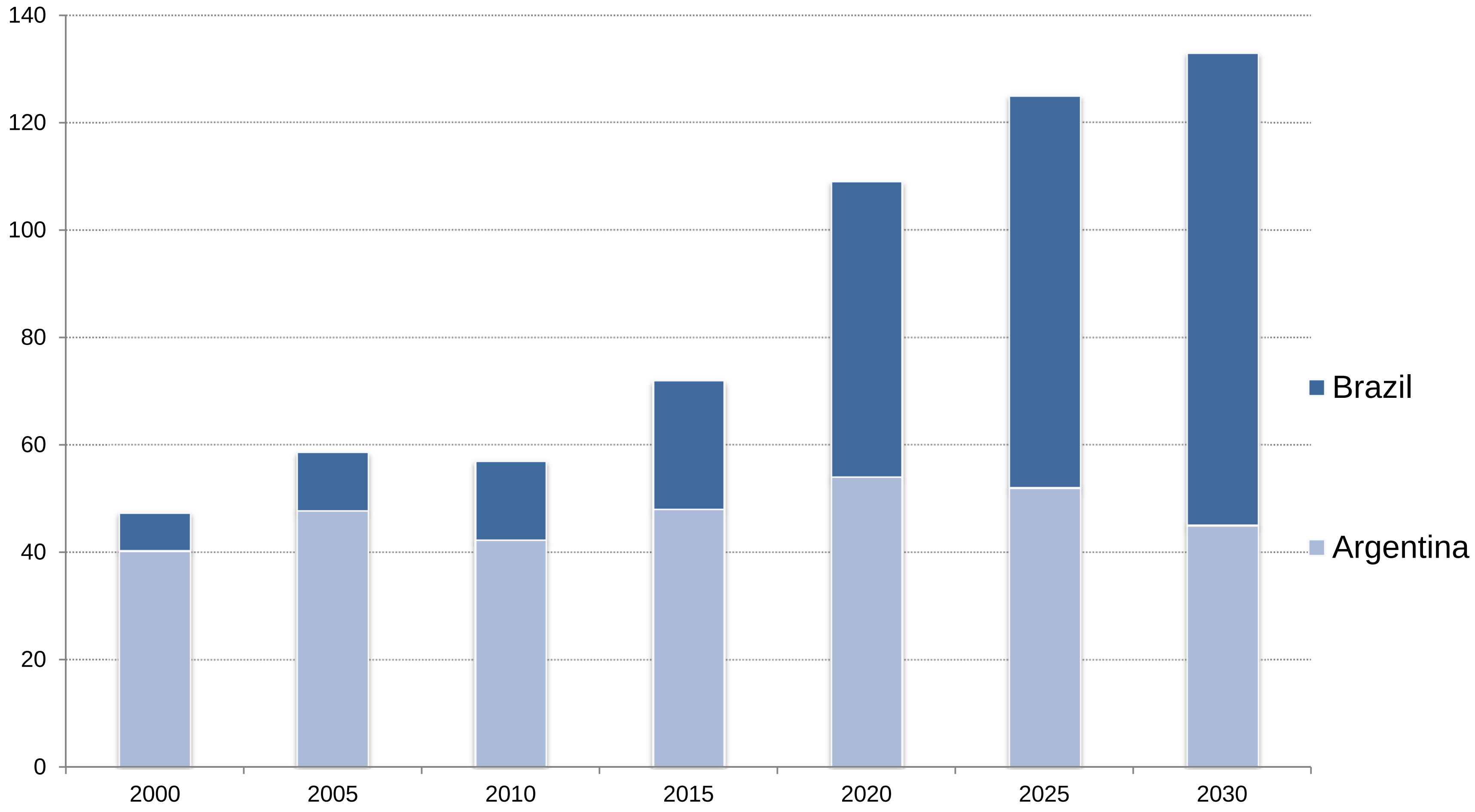


2001

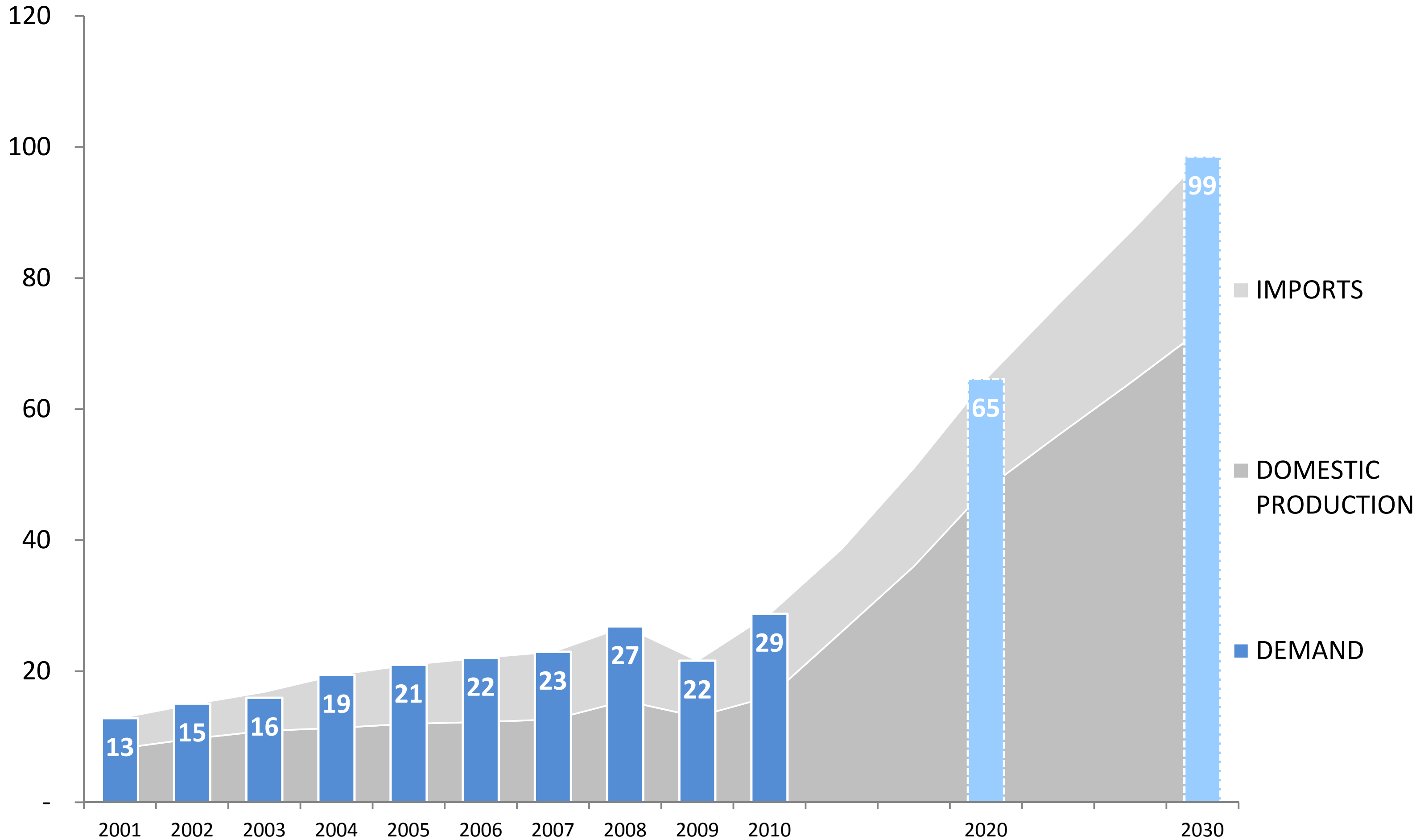
2011

GAS PRODUCTION OUTLOOK – BRAZIL & ARGENTINA

IEA WEO 2011 – New Policies Scenario (Bcm)



BRAZILIAN GAS SUPPLY AND DEMAND
BRAZILIAN DEPARTMENT OF ENERGY (Bcm)



Sources : Historical data : Balance energetico 2011 (MME)
Forecast : Matriz energetica 2030 (MME)

PIPELINES & LNG INFRAS
TOTAL 2012

Liquefaction Facilities

Existing

Planned

Regas Terminals

Existing

Planned

Operating Pipelines

Planned Pipelines

REGULATORY INTEGRATION : 4 KEY CHALLENGES (1)

1. **FOSTER INFRASTRUCTURE INTEGRATION BY ENSURING THE BANKABILITY OF NEW TRANSCONTINENTAL GAS PIPELINES AND CROSS BORDER INTERCONNECTION.**

   - Exemption of Third Party Access

   - Use of an international currency reference

   - Differentiation of the regulatory rates of return

2. **ENSURE COMPATIBILITY OF TARIFF SYSTEMS BETWEEN NATIONAL AND TRANSIT FLOWS.**

   - Harmonization of tariff structures

   - Elimination of « pancaking » of tariffs at the burder

   - Promotion of the « entry-exit » tariff system within balancing zones

REGULATORY INTEGRATION : 4 KEY CHALLENGES (2)

3. **SIMPLIFY ACCESS TO PIPELINES FOR CROSS-BORDER SHIPPERS**

   - Harmonization of the main cross-border access rules for shippers
   - Development of a secondary market of cross border capacity
   - Adressing the issue of a set of commun rules for shippers

4. **DEVELOP A REGIONAL LEVEL OF INTEGRATION, INITIATIVE AND PROGRESS FOR THE GAS INDUSTRY.**

   - Initiatives of « open seasons »
   - Development of hubs and market places
   - Fostering of market coupling and extension of balancing zones

« OBRIGADO PELA SUA ATENCÃO »