



TOTAL

Changing Paradigms in World Gas Markets and Energy Policy

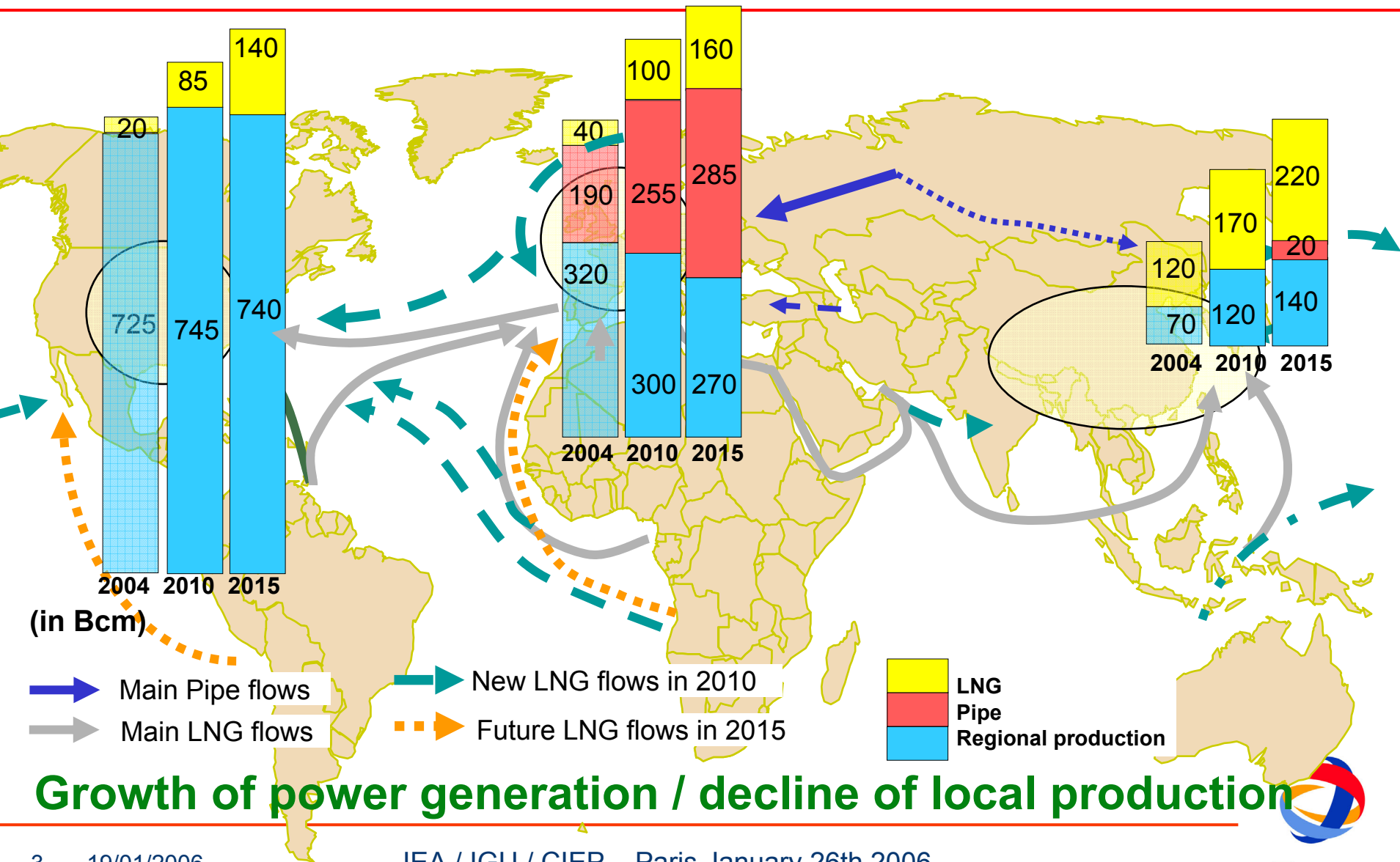
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Paradigms in world gas markets

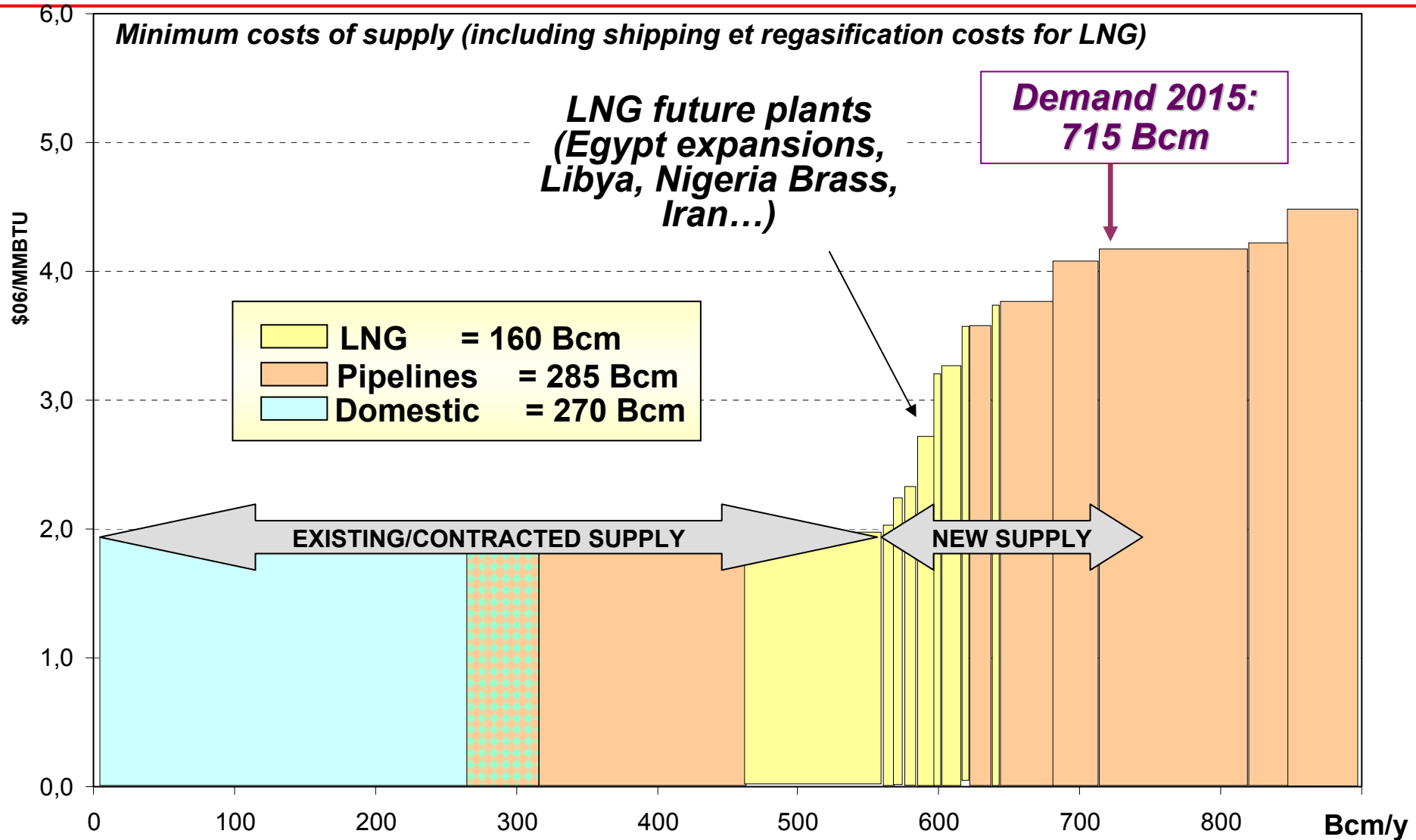
1. New market **fundamentals**
2. Potential **supply** issues
3. Driving factors of **prices**
4. Fundamentals for regulatory **policies**

1 - needs of imports are growing

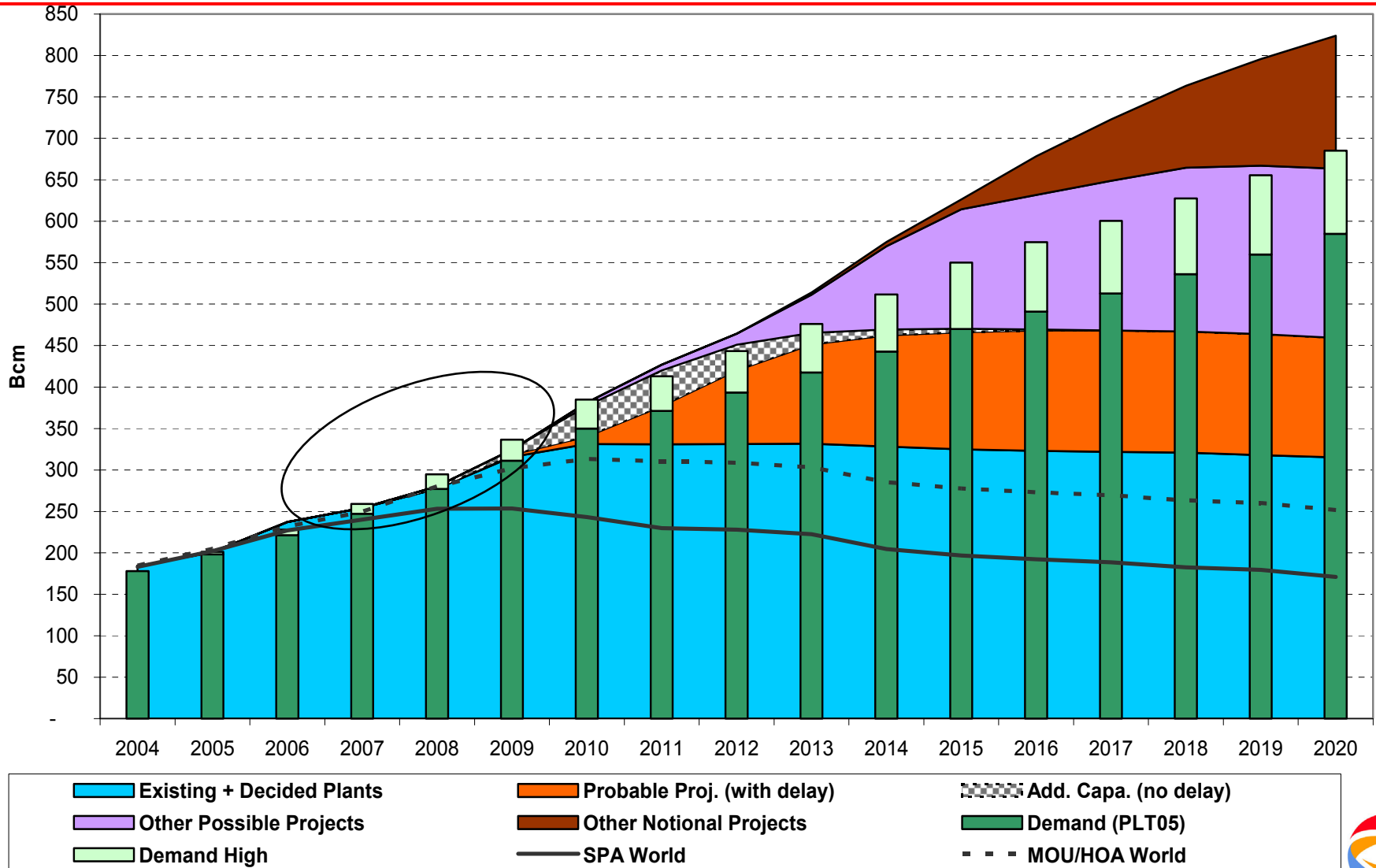


Growth of power generation / decline of local production

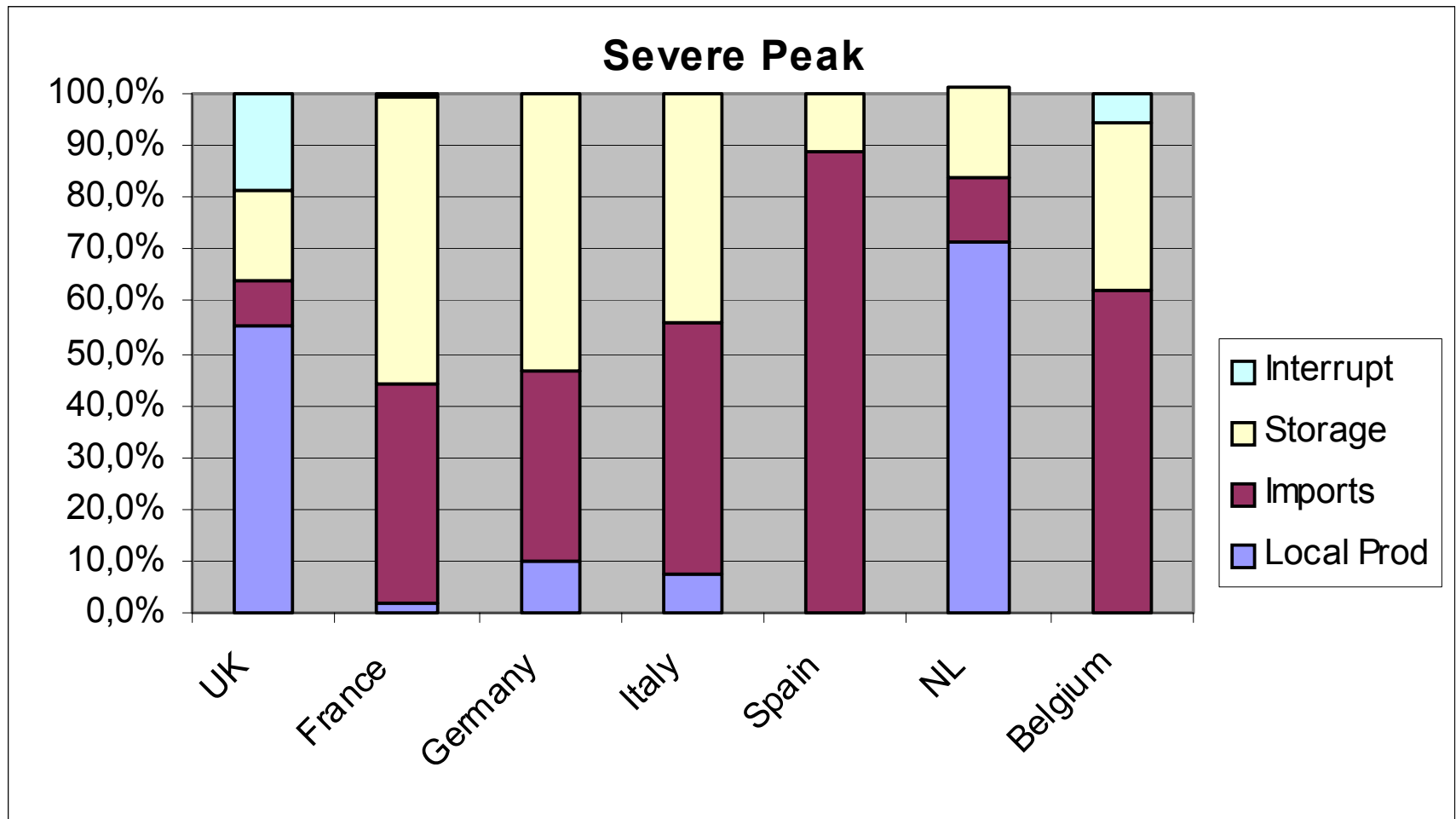
1 - Marginal Gas cost is rising



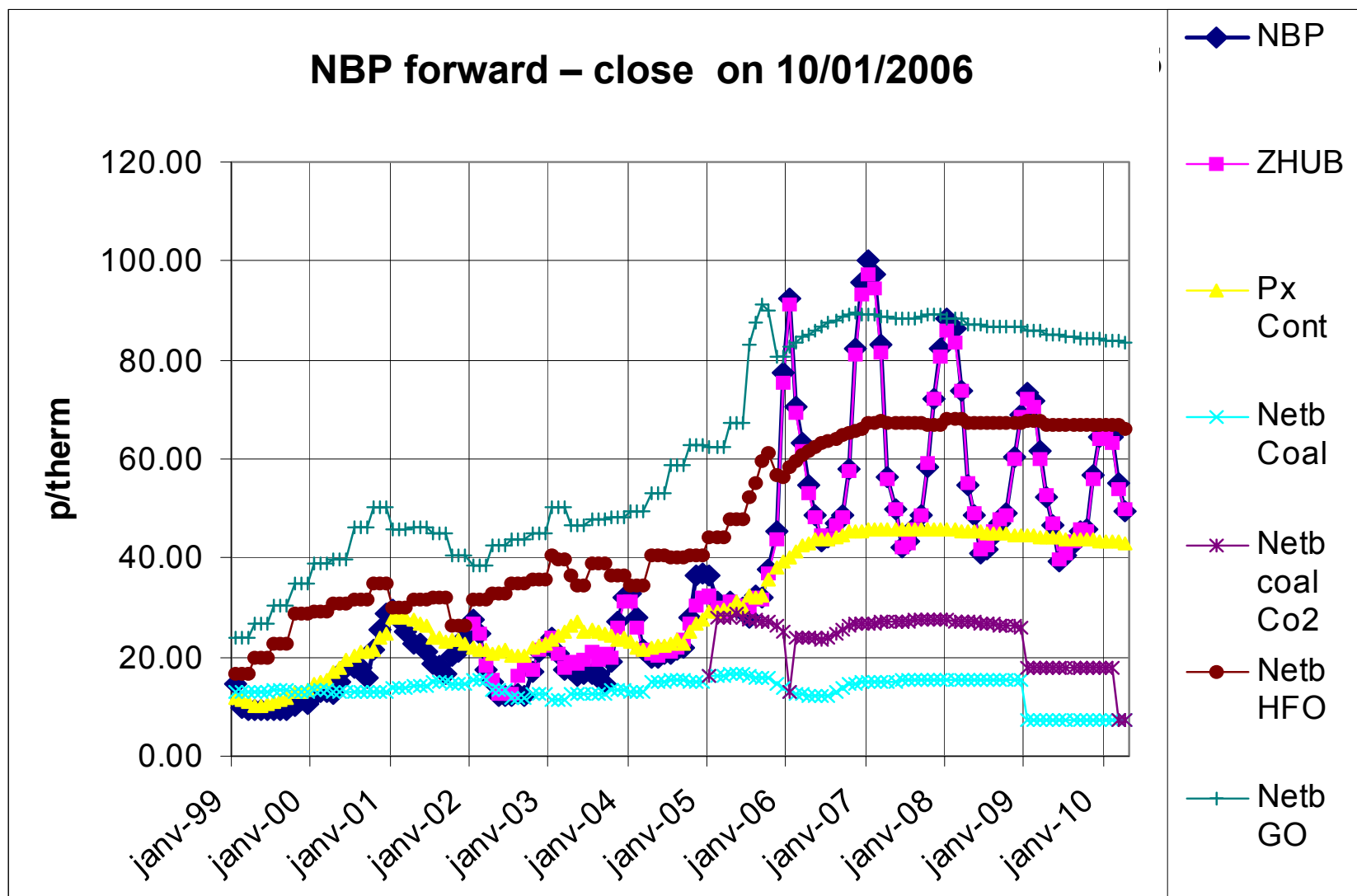
2- LNG should stop being tight from 2009



2- Seasonal demand requires storages



3- markets will compare gas to coal or GO



3- “Nations” want increased revenues

- Europe :

- ✓ Russia’s refusal to maintain cheap price to the Ukraine, or Moldova, ..

- South America

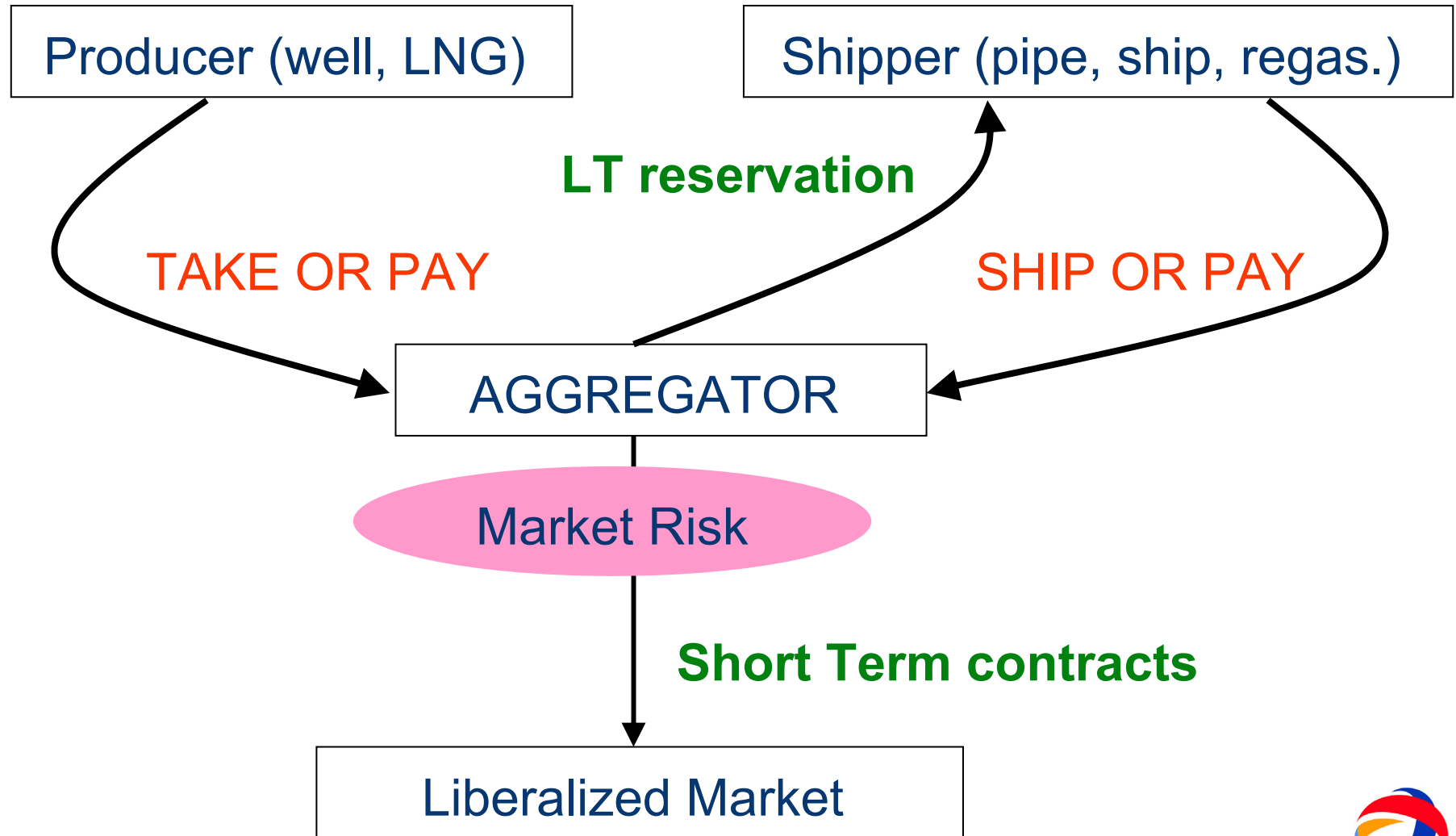
- ✓ Bolivia’s discussion about increasing price to Argentina, or Brazil, ..

- Asia

- ✓ Qatar’s proposal for increased LNG price formula for new contracts with China, or India, ..



4- Expensive Infrastructures requires long term commitment



4- Regulation requires Trust & Continuity

- **TRUST**

- ✓ Competition should be a « win-win » mechanism for market & Industry ... not a « win-loose » !
- ✓ Rules are OK, but Interference is not : no double hands on the wheel

- **CONTINUITY**

- ✓ Financing requires visibility and guarantees for investors
- ✓ Changing rules = no rules

