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CFO Vision 2013

Innovation. Performance. Growth.

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What the Future Holds for Energy

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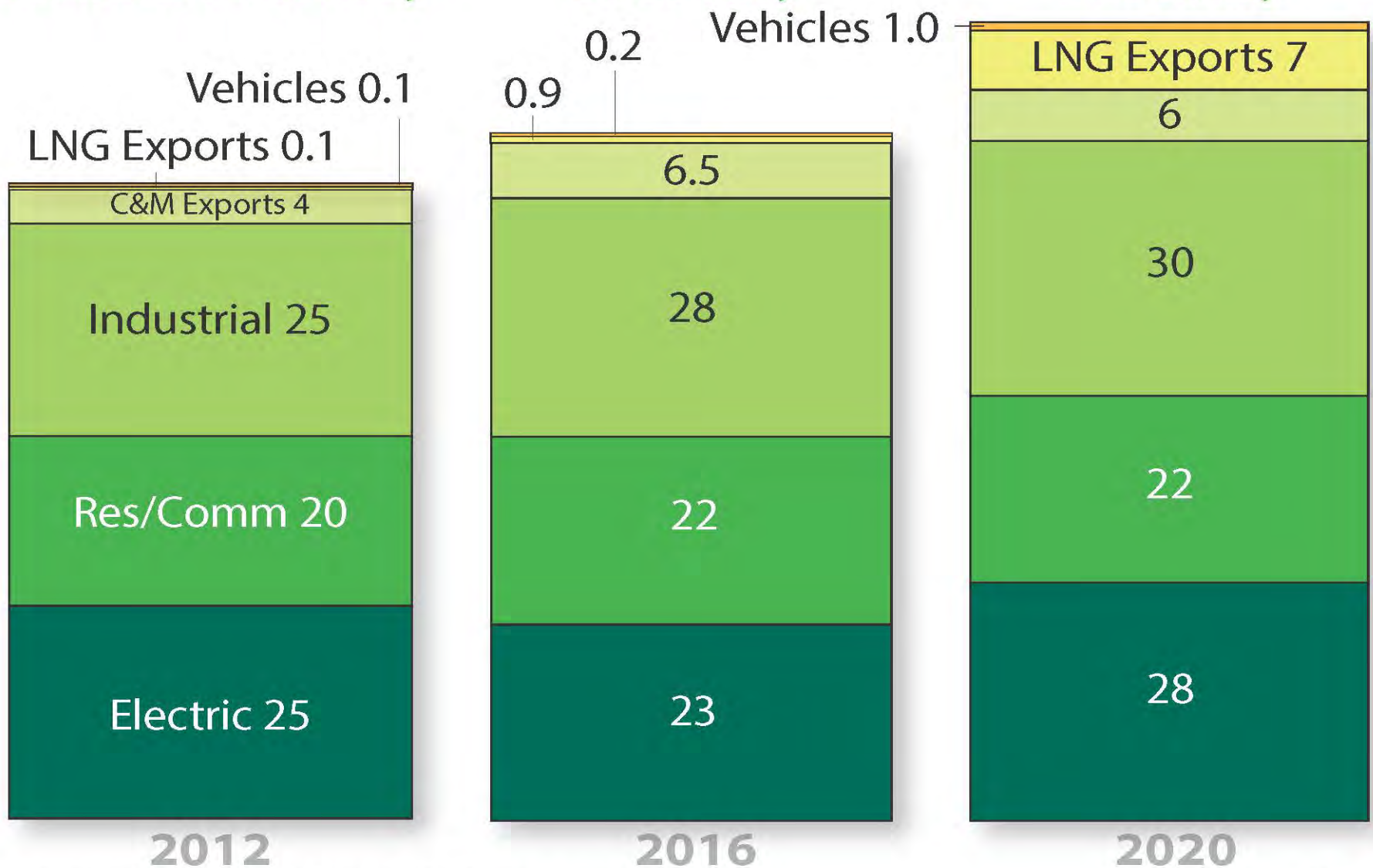


2012–2020 Electric and Industrial Demand Grow

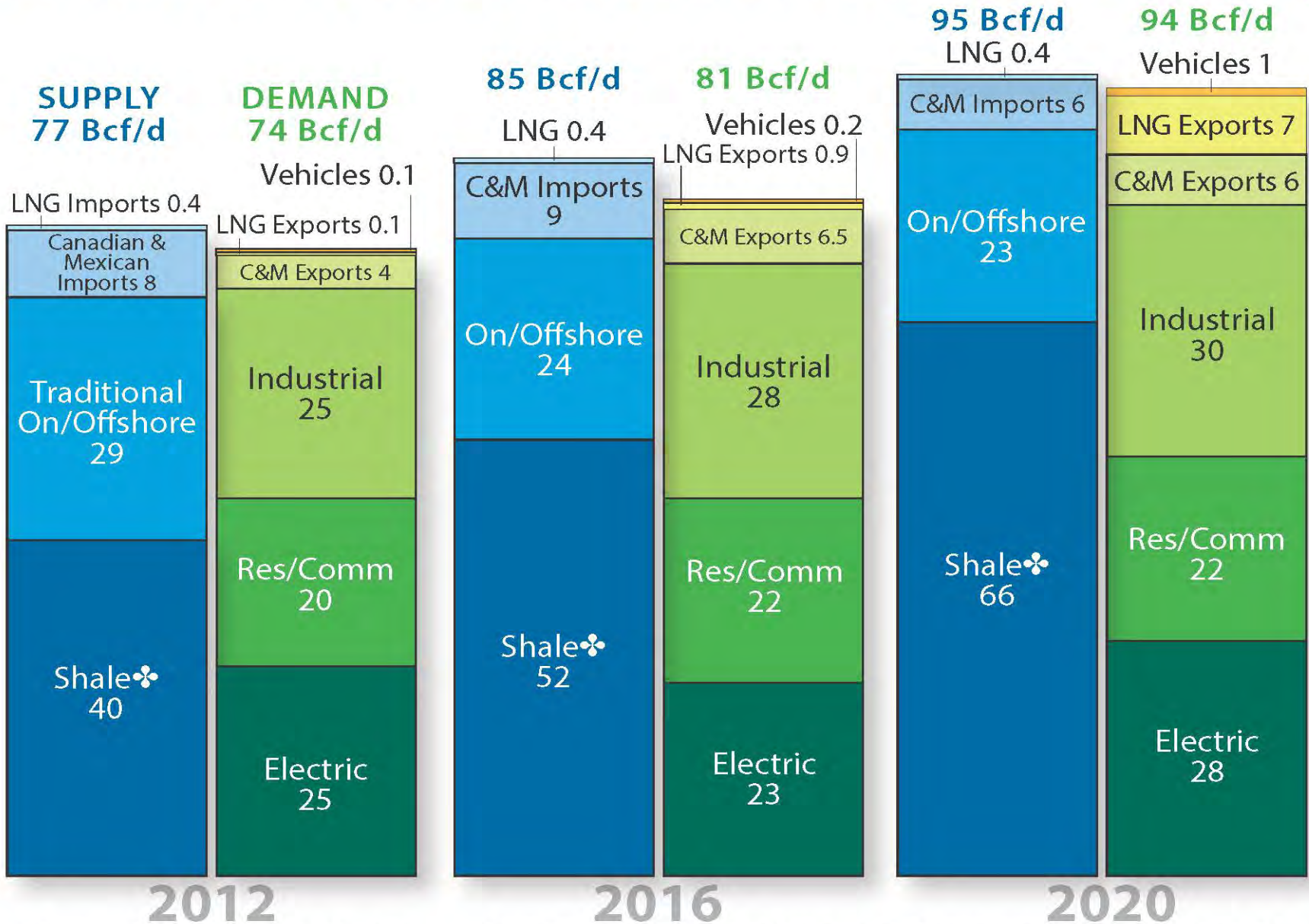
DEMAND 74 Bcf/day

81 Bcf/day

94 Bcf/day



As Electric and Industrial Demand Grow, So Does Supply



♣ Shale = includes tight gas and coalbed methane



Unconventional Oil & Gas: Reshaping Energy Markets

Guy Caruso
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CENTER FOR STRATEGIC &
INTERNATIONAL STUDIES

Energy & National
Security Program

U.S. Perspective: From Resource Scarcity to....

- The United States is heading toward 90% energy self-sufficiency but is still part of a global market
- Changing demand growth centers
- New emerging players but old institutions
- Policies based on resource scarcity and rising U.S. demand need to be revisited
- Environmental issues still loom large
- The “great dilemma” of how we go forward

But...Major Policy Questions Remain

- Industry desire for “demand pull” to increase prices vs. government need to ensure development is done right
- Gas utilization options (power generation, transport, petrochemicals, or refinery feedstocks, industrial use?)
- Export policy and volumes
- Compatibility with industrial policy, energy security, and environmental goals
- Regulation at federal or state/local levels
- Funding for/pace of infrastructure build-out

So What Could Alter the Forecasts?

- Resource over- under-performance or steep decline rates
- Technology advancements, including disruptive technologies in competing areas
- Commerciality/economics/energy prices and costs
- Investment climate for participants
- Timing/expense of infrastructure build-out
- Public sentiment – license to operate (upstream and downstream)
- Geopolitical and/or catastrophic events/accidents
- Policy and regulations
- Saudi/OPEC response
- Climate change and the transformation to low-carbon energy

