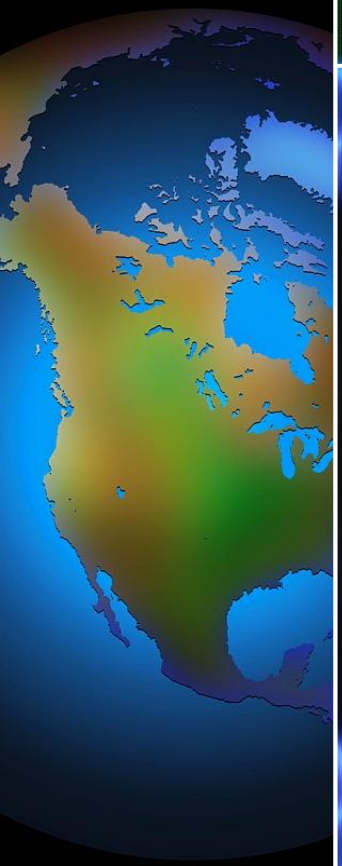
Russia's Strategic Role in International Gas Markets

Carnegie – Baker Institute Conference – Sept 30, 2005



Larry Robison

General Manager

Chevron Global Gas

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Outline

Importance of Russian gas to worldwide markets

How Russia can meet international demand

- West Siberian PL Gas,
- Arctic Offshore (LNG),
- New markets (GTL)

What is the Role of IOCs and how is Chevron Positioned

- Market Access,
- Technology,
- Processes and Experience

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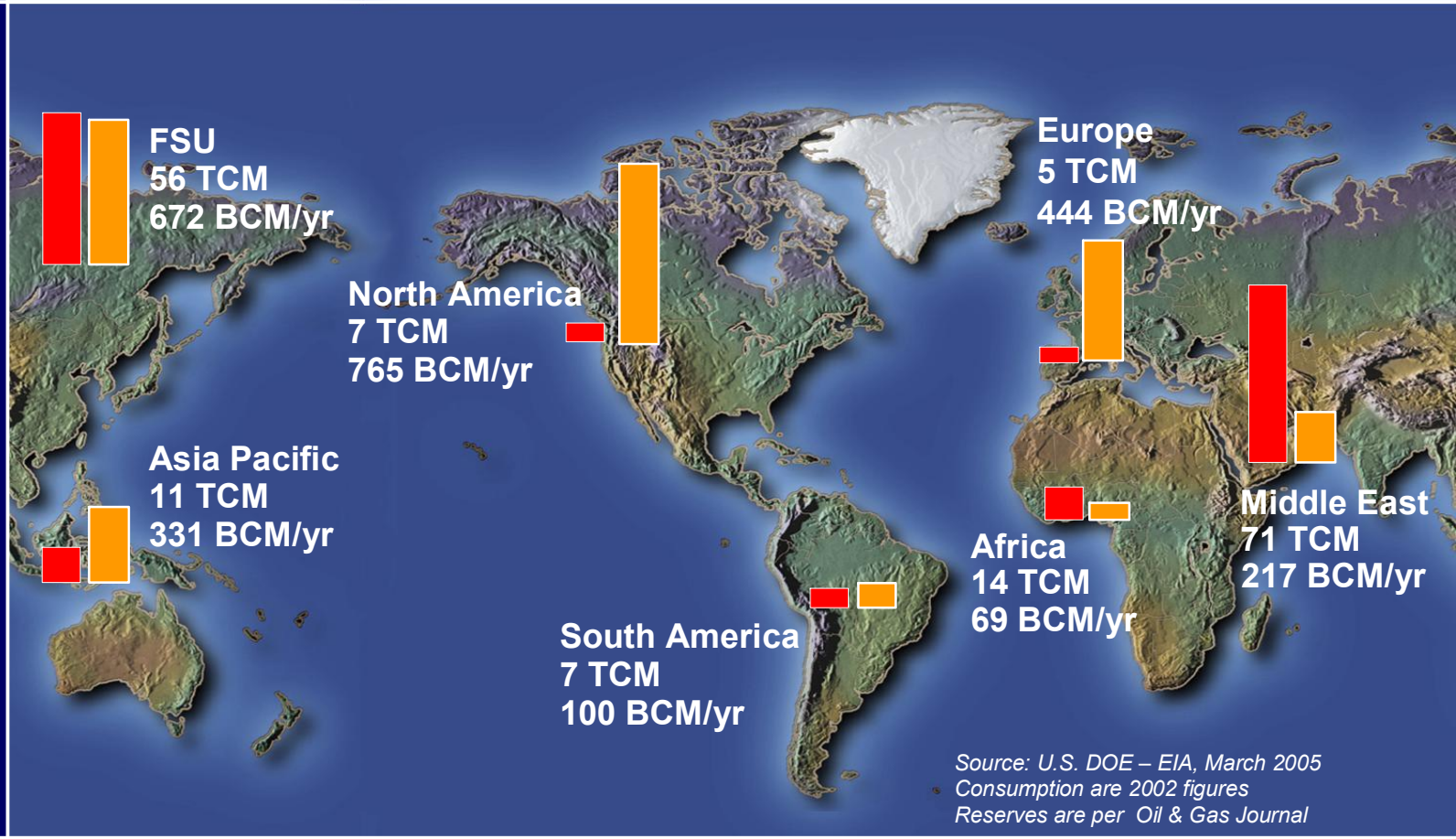
Natural Gas World Market Overview

World Resources 171 TCM

World Consumption 2,594 BCM/yr



Source: U.S. DOE – EIA, March 2005
Consumption are 2002 figures
Reserves are per Oil & Gas Journal

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How Russia Meets this Demand

Russian Arctic

- Barents LNG exports to US Gulf and East Coasts
- Pipeline gas or GTL to Europe

Yamal Peninsula & Kara Sea

- *LNG / GTL to Atlantic Basin*

Sakhalin Island Projects

- LNG exports to Asia and US West Coast
- Pipeline gas to Asian markets

West Siberia

- Continued pipeline gas to the Europe

East Siberia

- *Pipeline gas to the Asian Markets*

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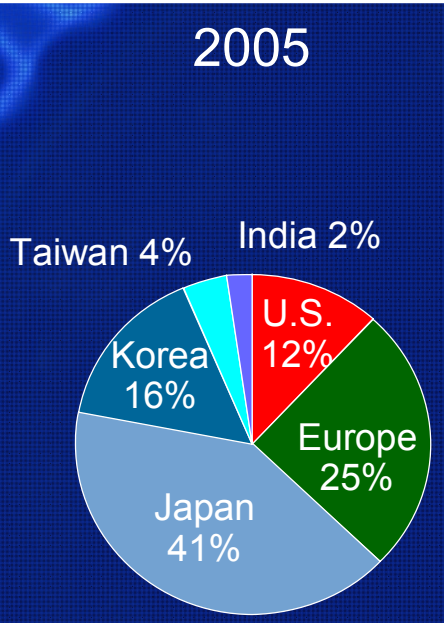
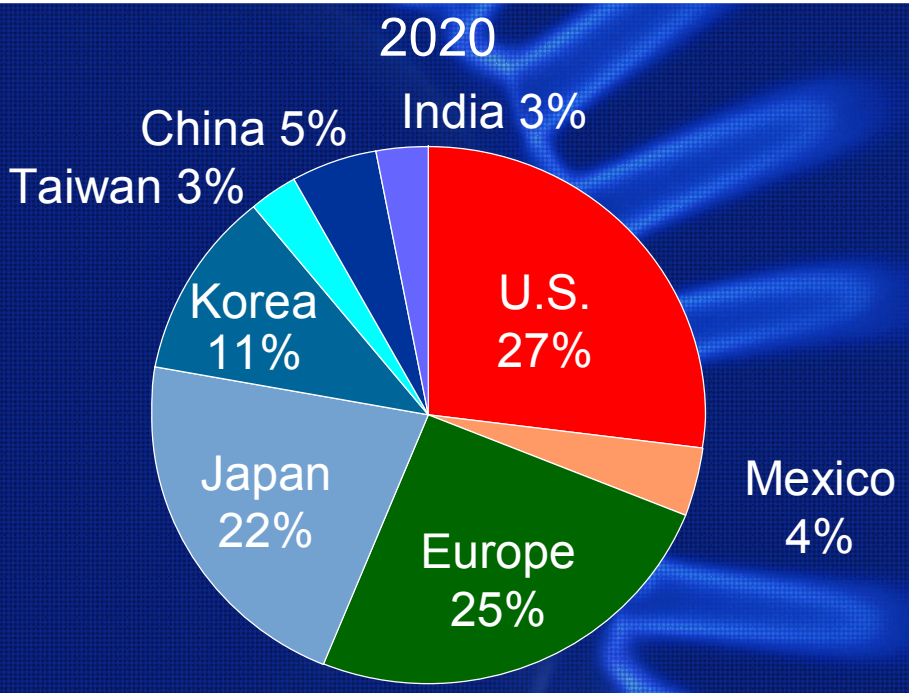
North America market is projected to consume 1/3 of worldwide LNG by 2020



Total Volume
200 BCM/yr
(147 MMTPA)



Total Volume
500 BCM/yr
(365 MMTPA)

Source: NPC, CERA

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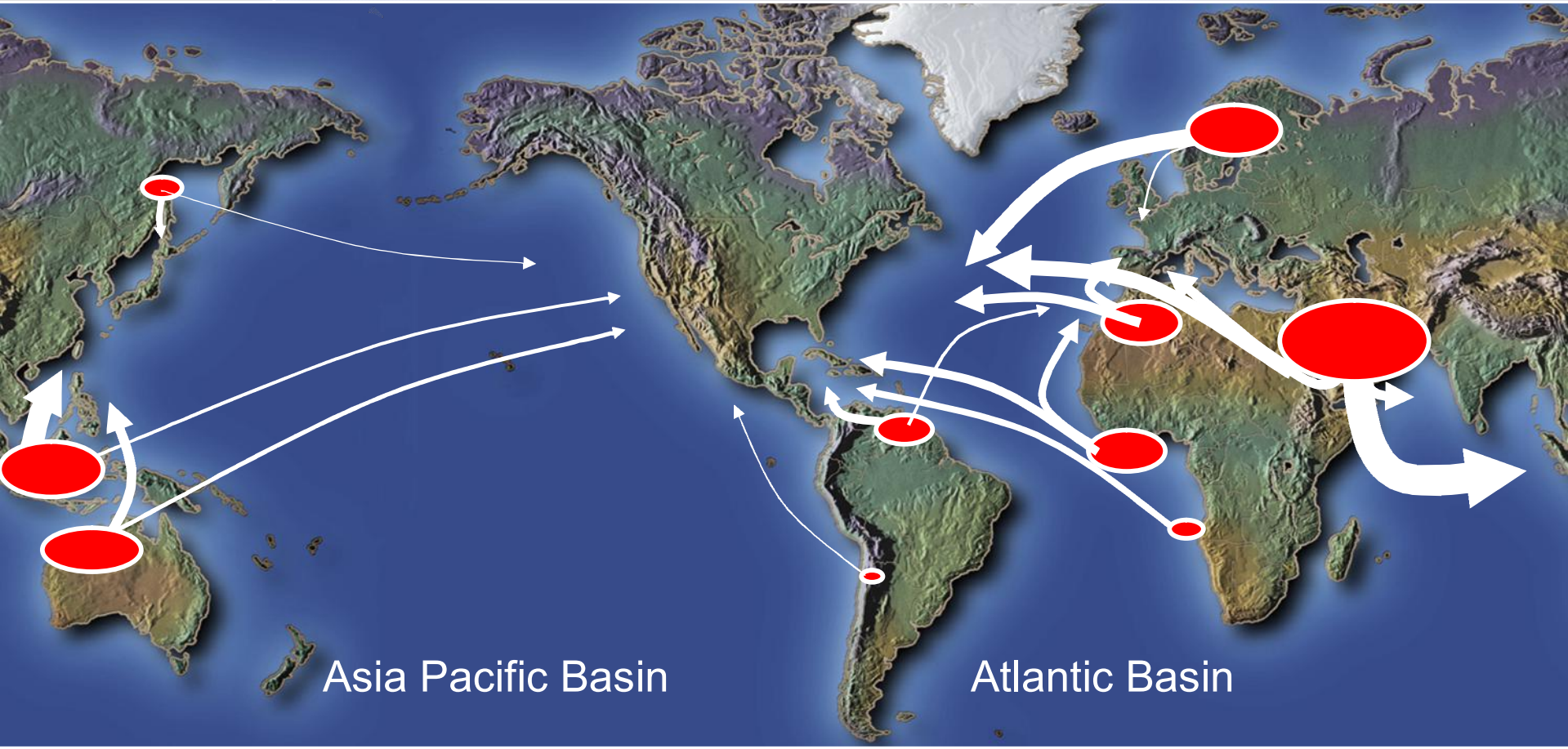
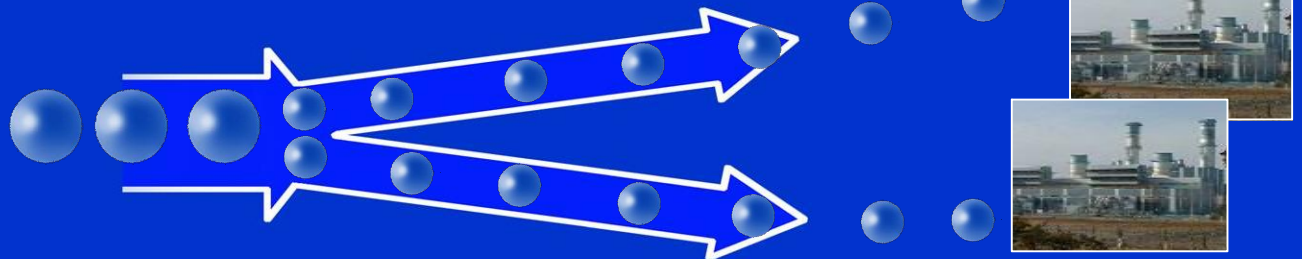
Global LNG Trade - Current Long-Term Contracts

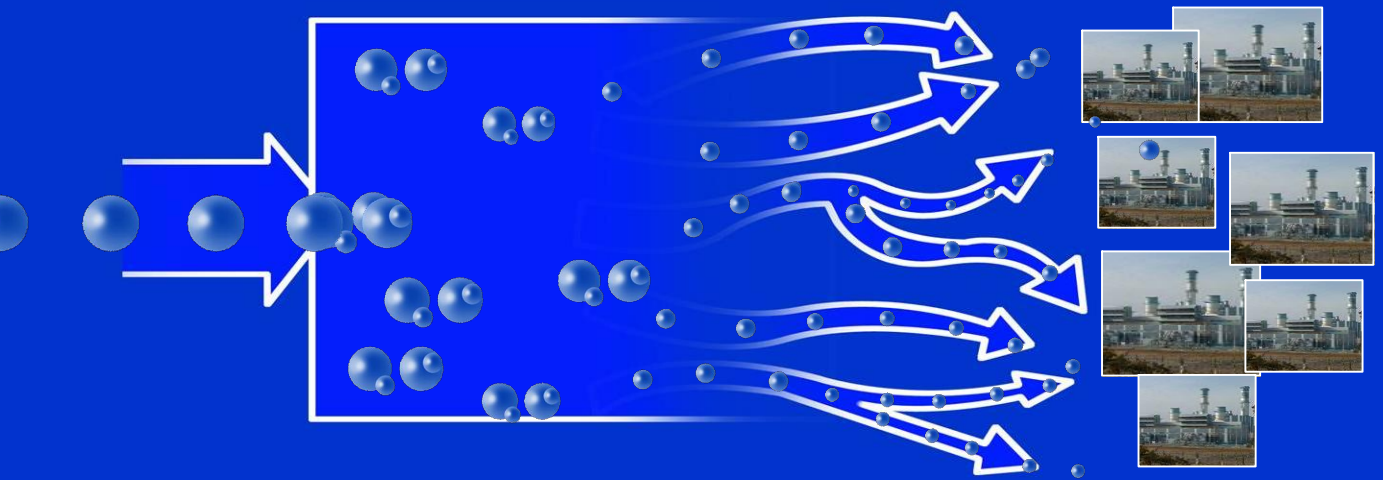


Supplier/Customer Relations Different for North America

Asia



North America



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Role of IOCs

Russian Arctic

- Shtokmanovskoye
- Short-list

West Siberia

- Urengoy deep deposits
- Wintershall

Far East

- Sakhalin Project
- ExxonMobil, Shell, BP, Mitsui, Mitsubishi, ONGC

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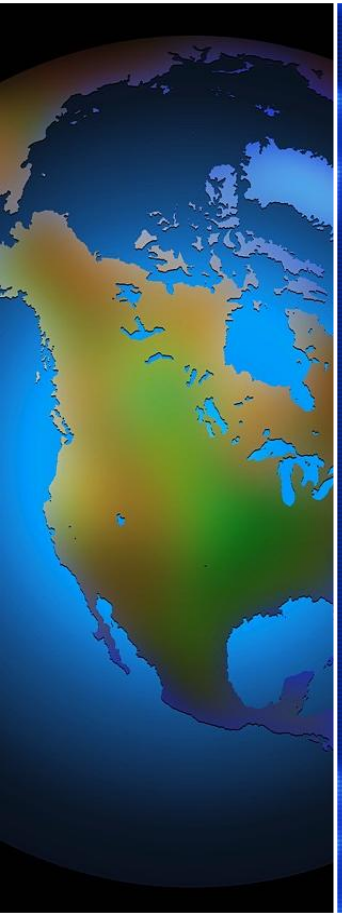
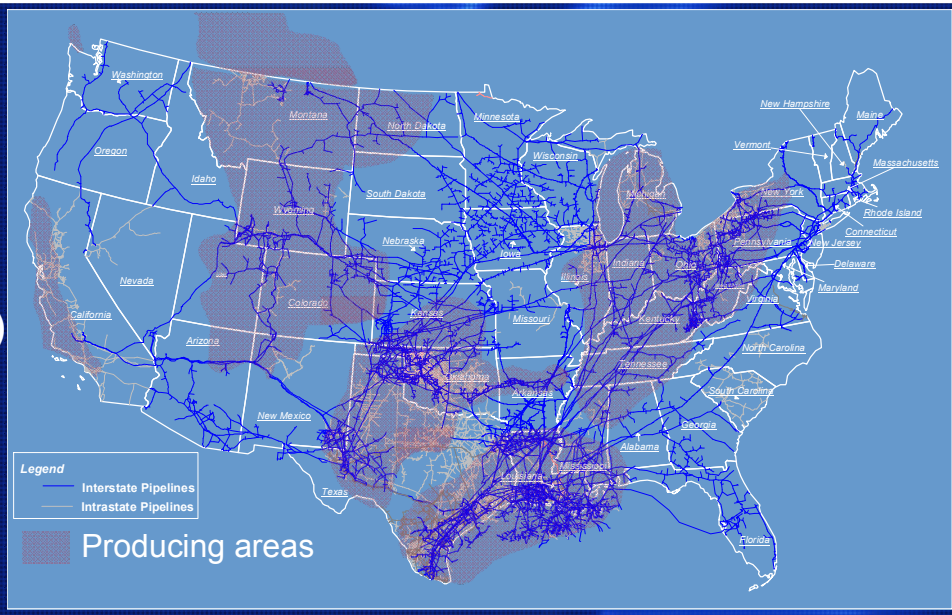
Chevron plays a prominent role in North America natural gas business



Marketing, Supply & Trading:

- Leading US marketer (Transactions: 40 BCM/yr)
- Business relationships with over 90% of 50 largest utilities



Pipelines:

- Reliably operates more than 17,000 km of pipeline in the U.S.
- Operates: gas storage, terminals, gathering and processing systems

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Chevron Global Gas Strategy

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Supply is the foundation for the LNG value chain

- Target Markets
- Chevron LNG Supply Projects

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Chevron North America regasification terminal plans

- Key federal and
- Chevron Capacity: 7 BCM/yr
- Capacity: 16 BCM/yr

Thank you

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