

Securing the UK's energy needs

Paul de Leeuw

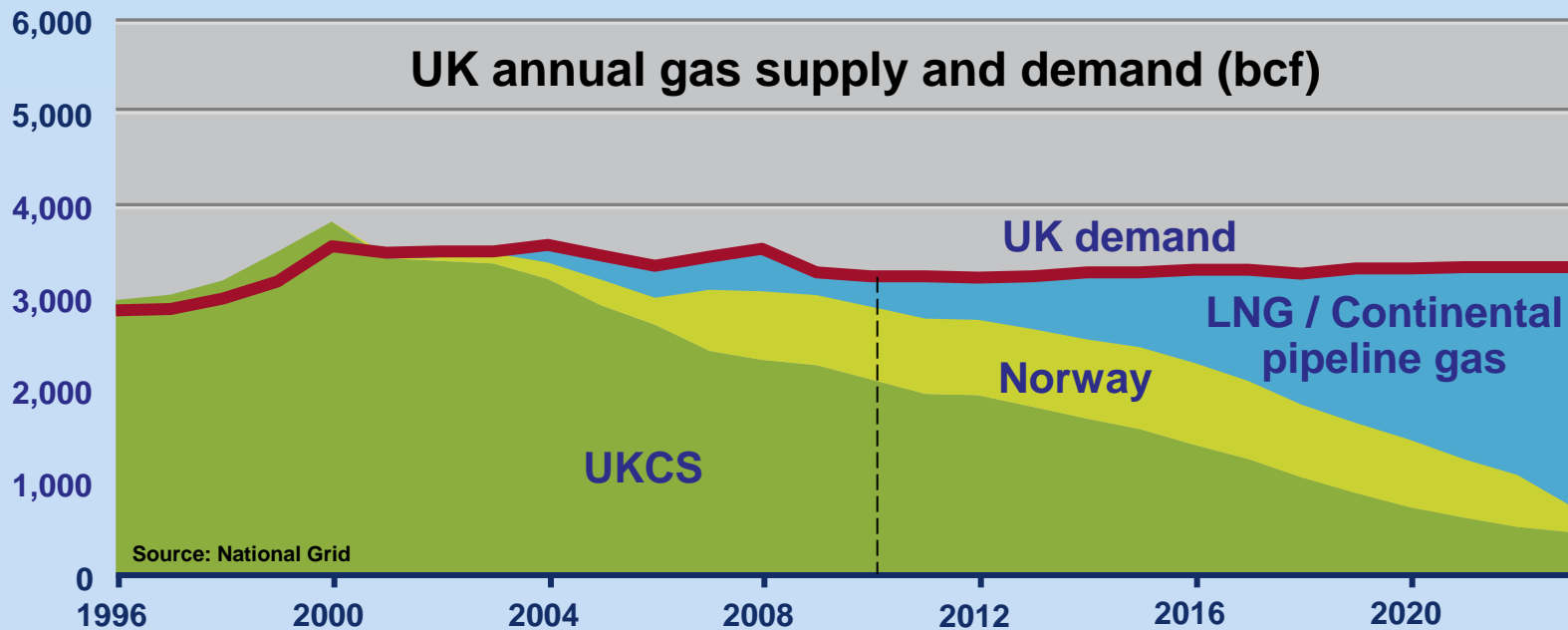
Oil & Gas UK

Breakfast Briefings

26 May 2010

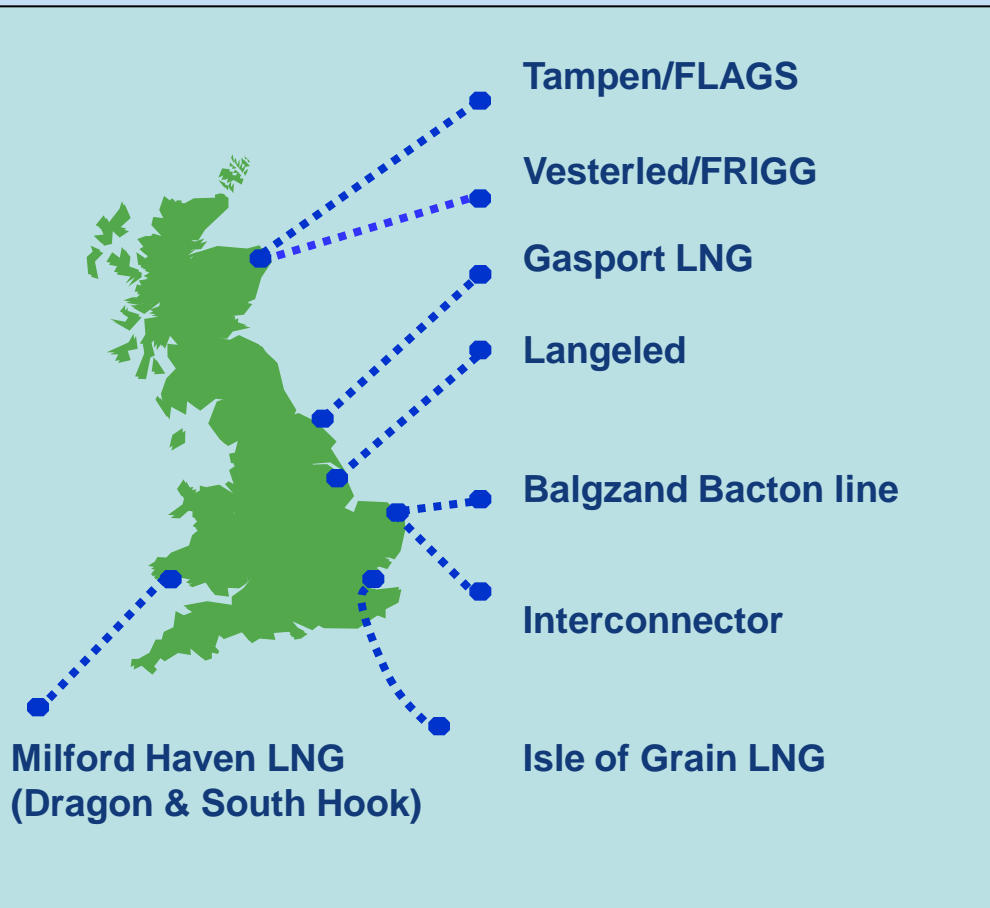


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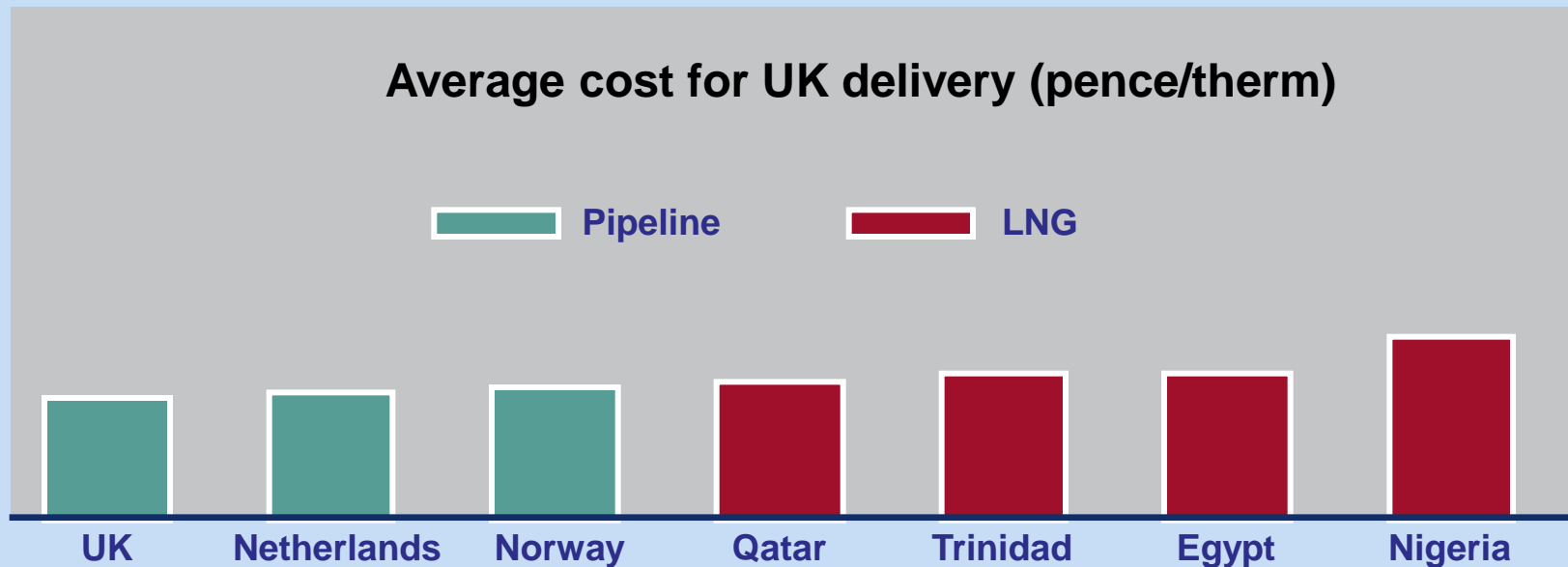
- Demand increasing over next 10 years
- Import dependency growing
- Need to manage the decline of UKCS

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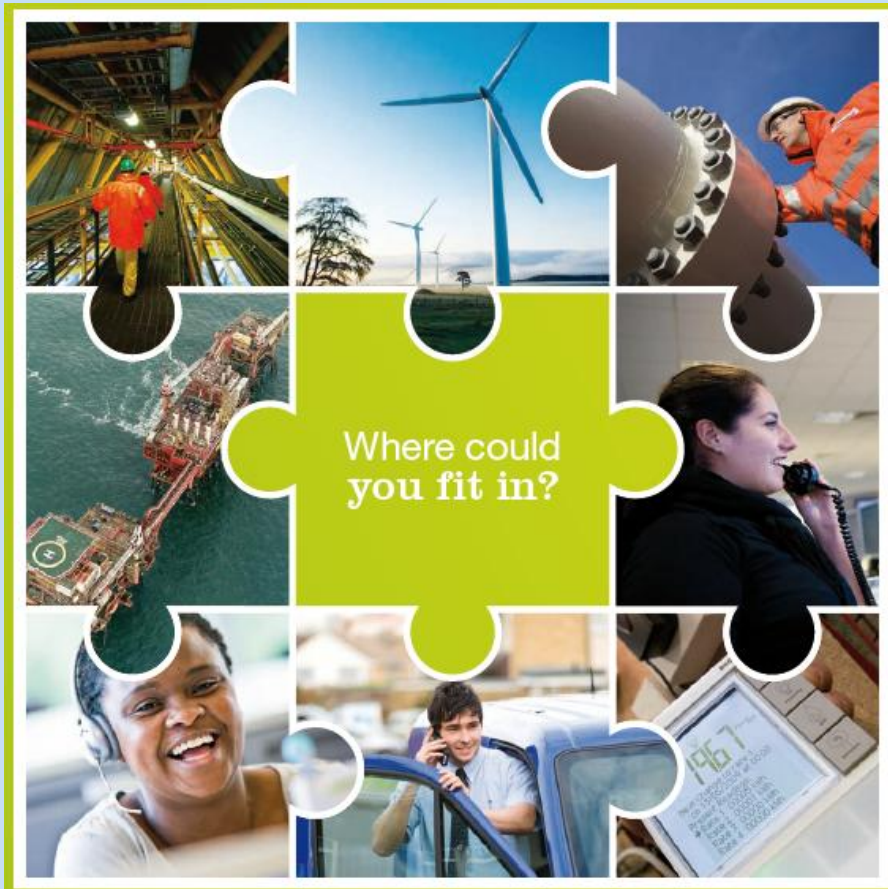
- Import capacity transformed in last 5 years
- Now 25% more import capacity than demand
- “Excess” capacity reflects uncertainty over flows
- Requirement for more storage

Securing the UK's energy needs



- North Sea lowest cost of supply to UK
- Need to ensure UK cost base remains competitive
- Need to recognise supply chain realities for gas

Centrica – leading integrated energy company



- FTSE top 30 company
- c. 21 million customers in UK and North America
- Operate across the energy spectrum
- Leading investor

Centrica Energy Upstream

our strategy

To be the leading consolidator of mature and orphaned assets

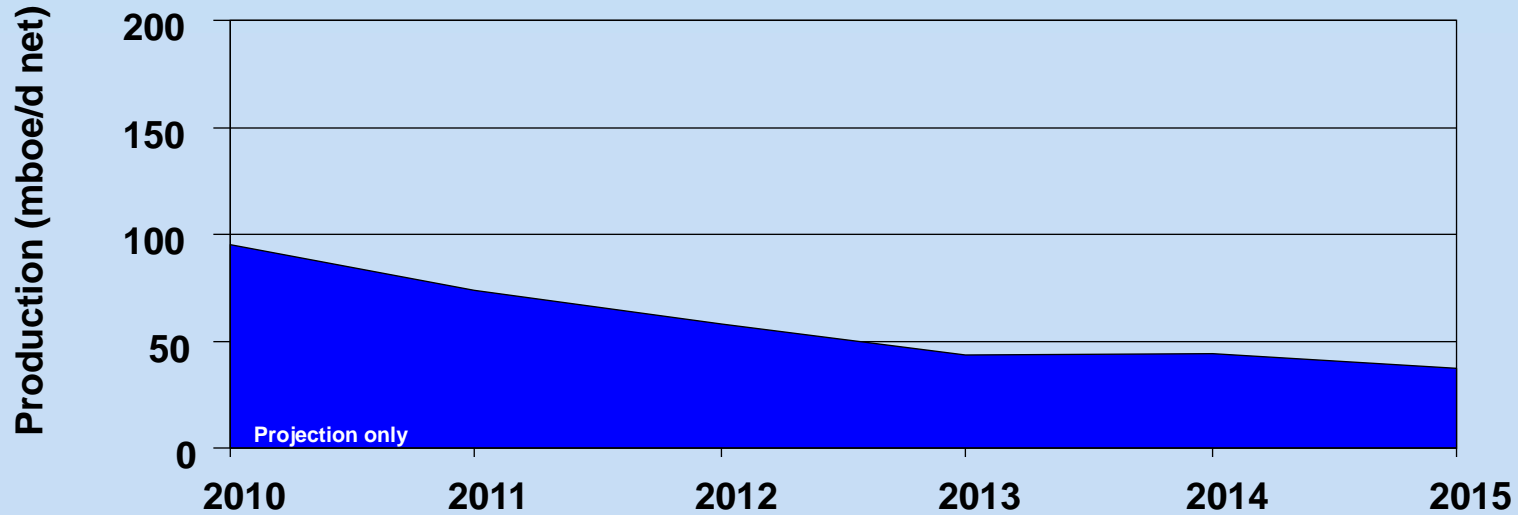


our business

- 7th largest producer in UKCS
- Production in UK, Netherlands, Norway and Trinidad
- Portfolio of developments

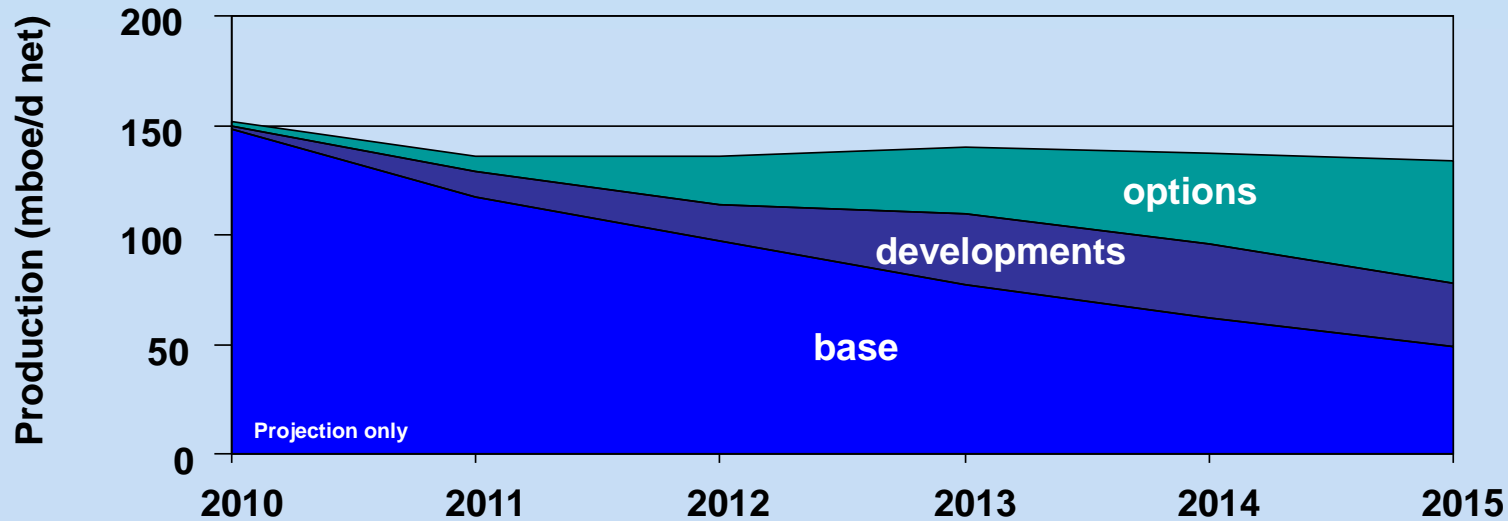


Centrica Energy Upstream – May 2009



- Rapidly declining upstream business
- Limited portfolio options
- Need to purchase gas to satisfy customer demand

Centrica Energy Upstream – May 2010



- Transformed our portfolio
- Investment choices
- Access to infrastructure is key
- Leading investor in the North Sea

Securing the UK's energy needs



- Progress on security and diversity of gas supply
- Clear requirement for more storage
- Need to ensure UKCS longevity
 - Infrastructure is serving UK plc
 - Remain cost competitive
 - Supply chain is ready for the new energy wave
- Centrica will be a leading investor

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