



Chairman's Concluding Remarks

During the last two and a half days of quality presentations and extraordinary discussions we have broached issues of enormous interest to the LNG industry and gas markets in general.

As we move into the next stage of development we have chosen three key issues to close the conference that have arisen and need further attention.

The issues are:

- Improve collaboration between buyers and sellers
- Make prices more transparent and less subject to the extremes of volatility
- Bring down the cost of major projects

Collaboration

To secure the next stage of growth in an industry that has consistently expanded over the last 10 years or so, producers and buyers will need to collaborate much more closely in a difficult business environment if they are to access prompt, adequate and low cost financing for the post-2012 generation of LNG projects. A failure to do so will almost certainly lead us to a new cycle of tight supplies and of rising market tensions.

Pricing

Speakers indicated the importance of moving toward less volatile and more transparent and consistent pricing for LNG.

Specifically we heard from two important actors in the market during the course of this conference. EDF has called for a single European Price Index as an open reference for transactions in Continental Europe.

In Asia the opinion was expressed by Tokyo Gas that a new pricing concept would be welcome in Japan. What is needed are prices that are not too high or too low perhaps based on a mixed base of indexes.

In the Americas, Petrobras stated its willingness to accept the Henry Hub pricing point as the relevant index.

In a market where LNG sales are growing as a percentage of internationally traded gas these views reflect a degree of unhappiness with the status-quo.

We should reflect.

Plant Costs

This is another is another variant of the need to collaborate; in this case what is indicated is collaboration between investors, operators, technology providers and other actors in the value chain to bring down the costs of major projects which have ballooned in the past two or three years and to put them back on the learning curve which so characterised the LNG

industry in the earlier part of this decade. The essence of this approach is scale, technology and efficiency.

In Closing

In drawing this Summit to a close, I should like to express our gratitude for the exceptional quality of the presentations that have served to enrich our understanding of the LNG industry as it moves through an unprecedented financial and economic crisis.

This event has been unusually participative and for that I should like to thank the delegates for their active interest and engagement throughout these two and a half days.

We should not forget to thank also the organisers for developing such an exceptional programme and managing the event so successfully. And finally a word of recognition to our sponsors without whose support this would not have been possible.

Alirio Parra

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