Building a resilient Houston

28 June 2011

America’s Wetland Foundation

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BG Group

• Market leader
  – Market capitalisation about $74bn
  – Operations in more than 25 countries

• Gas and oil
  – Production approximately 70% gas; 30% oil

• International energy major
  – Over 6,000 employees; 65% outside UK
We operate in three key business sectors

E&P

LNG

Power

Transmission

Distribution

Resources ➔ Enabling ➔ Markets
BG Group in Houston

• HQ for BG Group’s Americas and Global LNG region
• 500+ employees in Houston
• Moving into downtown Houston
  – Energy capital of the world
• BG Group Place
  – 350,000 sq ft of space
  – 13 floors
  – Platinum LEED building
Resilient Houston

• BG Group’s Houston involvement
  – Habitat for Humanity
    • Poverty reduction
  – BG Be Fit
    • Reduce childhood obesity
  – Eco Learning Lab
    • Environment

• NGVs in Houston
  – 25% less CO₂ per mile travelled
  – Reduce smog causing pollutants by up to 90%
  – Lower cost of operations
2001 to 2011 – a decade makes a difference

**Then**
- 60-year supply and falling
- Shale known but uneconomic to develop
- Underground gas storage primarily traditional reservoir
- Pipeline capacity growing incrementally
- Rising prices with several spikes

**Now**
- 100+ years supply and growing
- Flourishing production, vast shale resources now accessible
- Storage boom with more flexible salt-cavern facilities and additional market area storage
- 16,000+ miles of interstate pipeline added since 2000
- Plentiful supplies moderate prices and provide supply diversity
Impact on the US economy

• Nat gas contributed over $4.4 bn per year in royalty payments to the federal govt between 2005 and 10

• Contribution to economy even greater:
  – $385 bn to domestic economy in 2008
  – $180 bn in labor income alone

• Nearly 3 million American jobs

• Over 600,000 Americans are directly employed by natural gas development

Sources: IHS Global Insight, 2010, U.S. Department of the Interior’s, and Office of Natural Resources