Energy Trading
and the Global Financial Crisis

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GdF SUEZ Energy Marketing NA, Inc.

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GdF Suez -- Employee & Revenue Footprint

196,500 EMPLOYEES
- 134,500 in Energy and Services
- 62,000 in the Environment

EUROPE
180,400 EMPLOYEES
2007 REVENUES: €64.2 billion
France: 99,800 Employees/2007 Revenues: €27.4 billion
Belgium: 22,600 Employees/2007 Revenues: €12.9 billion

NORTH AMERICA
4,400 EMPLOYEES
2007 REVENUES: €4.2 billion

SOUTH AMERICA
2,500 EMPLOYEES
2007 REVENUES: €2.7 billion

AFRICA
3,400 EMPLOYEES
2007 REVENUES: €0.7 billion

ASIA & PACIFIC
5,800 EMPLOYEES
2007 REVENUES: €2.5 billion
GdF Suez Energy North America

7,754 MW Power Generation
1.1 Bcf/d LNG*
375,000 Regulated Gas Cust.
7,150 MW Retail Power

Current Fuel Mix
Power Generation
- Gas 67%
- Renewable 21%
- Coal 12%

Current Geographic Mix
Power Generation
- Northeast 46%
- Southeast 28%
- Others 12%
- TX 14%

Northeast
- Power Generation
- LNG Regas
- Gas Sales
- Retail Sales
- RECs

Texas
- North American HQ
- Power Generation
- Gas Storage
- Retail Sales

Mexico
- Power Generation
- Gas LDC
- Gas Pipeline
- Gas Sales

Canada
- Power Generation
- Renewables
- Stake in Gaz Metro

* Includes Neptune
What a difference a Year Makes!

1H08 Commodity Storyline:
- Growth in China and India

2009 Storyline:
- Turmoil in Financial Markets
Global Slowdown has impacted Commodity Prices

Since 2008, we have seen the following for 2009 pricing:

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Jan 08 - Jun 08</th>
<th>Jul 08 - Mar 09</th>
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</thead>
<tbody>
<tr>
<td>NYMEX Henry Hub NG</td>
<td>46%</td>
<td>61%</td>
</tr>
<tr>
<td>ERCOT N On Peak SS</td>
<td>12%</td>
<td>72%</td>
</tr>
<tr>
<td>PJ M W On Peak SS</td>
<td>35%</td>
<td>47%</td>
</tr>
<tr>
<td>WTI Crude Oil</td>
<td>54%</td>
<td>63%</td>
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Peak to trough price in 12 months
World growth is projected to fall to $\frac{1}{2}$ percent in 2009, its lowest rate since World War II.

IMF projects GDP growth to fall to $\frac{1}{2}$ percent in 2009.

Source: IMF staff estimates, IMF World Economic Outlook, January 2009 Update
Key Issue

How will declining Commodity Prices and Falling Demand impact Trading Risks and Opportunities?
Responses to the Global Financial Crisis

1. Reduction in energy trading liquidity
2. Tightening of credit standards
3. Shift from OTC Market to organized exchanges
4. Development of refined approaches in risk management
5. Introduction of a new wave of regulations
1. Reduction in Energy Trading Liquidity

Decreased participation by Investment Banks--but
Increased activity by Oil Majors

Reduced trading tenors in most markets

Wider Bid-Ask Spreads
2. Tightening of Credit Standards

Limits lowered/ credit lines reduced

Tenors shortened

Troubled counterparties are margined

Fear of the domino effect - credit risks of my customer’s customer.
3. Shift from OTC Markets to Organized Exchanges

Increased use of cleared products
4. Refined approaches in risk management

Liquidity Risk Management

ERCOT Retail Risk Management
5. Probable new wave of regulations

Crack Down on Excessive Energy Speculation
-- White House

Review of Hedge Exemption Policies
-- CFTC

Enforcement Reforms to Enhance Compliance
-- FERC
There is good news

This business cycle won’t last forever

Better days are ahead

Green Power Superhighways
Questions?

Follow-ups:
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