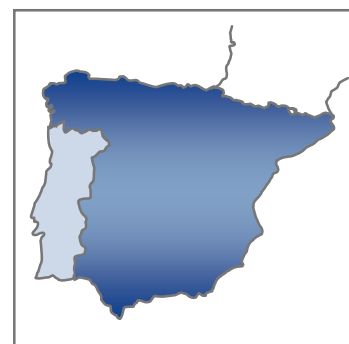


SPANISH GAS MARKET REPORT

NOVEMBER 2010



Pöyry Energy Consulting have recently completed a significant update to our Spanish Gas Market Report, incorporating the impact of the global LNG market.

Pöyry Energy Consulting have **recently completed a significant update to its 2010 ILEX Spanish Gas Market Report**. This new edition incorporates analysis and interactive modelling of Spain as part of the wider European market. We include analysis of the effect of the global LNG market-the increasing Atlantic basin LNG trade, the impact of the US Henry Hub and the effect of Pacific basin demand for LNG.

The Spanish Gas Market Report is essential for any market participant that needs to understand market fundamentals, drivers of prices and what the future might hold in this increasingly uncertain market. It is aimed to established and potential actors with interests in gas

buying and selling and infrastructure investing.

The gas industry in Spain has been marked by rapid growth from a very small base. The Spanish Gas Market Report January 2010 covers the history of the current Spanish gas market including the latest Ministry's and EU regulations that have occurred in the industry. Pöyry's views give a sound perspective to new opportunities and constraints within this new framework.

The starting point of the report is an in-depth analysis of the current state of the Spanish gas industry putting a special regard on the existing infrastructure, segmented demand categories and supply picture taking under consideration current and future strategies

gas market actors might develop.

The current position of Spain is one of a potential over-capacity. Rapid build of CCGT's has been the main driver for gas demand growth, creating a rapidly changing market. Supply diversification is high with an increasing reliance on LNG. This might change when future infrastructure developments are operating (Medgaz and new UGS).

Pöyry examines the state of the current Spanish gas demand and projects how it is likely to grow, out as far as 2030.

The report investigates current forecasts of Spanish supply and import projects, and how the supply/demand picture will look that far in the future.

Pegasus is a detailed purpose-built model covering the global market to ensure accurate simulation of daily demand, interconnector flows, storage utilisation and LNG deliveries. The arbitrage between the global and local markets and summer/winter differentials are optimized to generate fundamental market prices across Europe.

Pegasus analyses all major gas sources and delivery points into GB, Ireland, Continental Europe, the US and the Far East on a daily basis, including indigenous supplies, various pipelines from Norway, Russia, the Caspian Region and Algeria. It also includes a global LNG

database and all the planned import terminals. This allows us to simulate prices during peak winter periods and interpret market interactions.

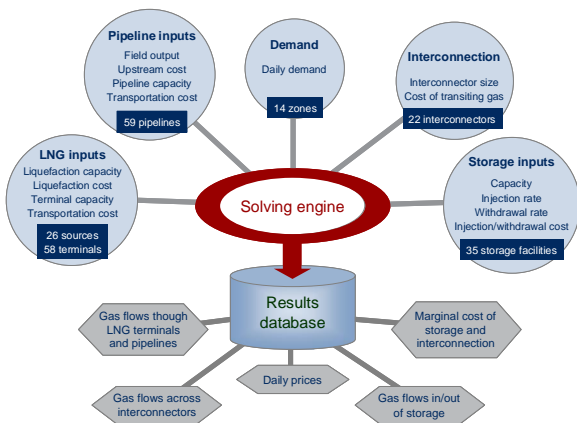
Using the latest industry knowledge on production costs and internal expertise on transit costs for gas, alongside key market drivers, Pöyry forecasts future market prices for three main scenarios, although we often forecast prices for bespoke sensitivities:

- High price (Constrained) which assumes a tight supply-demand balance with high oil prices.
- Central price (Balanced) where central oil prices continue to drive gas prices.

- Low prices (Abundant) where liberalisation takes place quickly.

Pöyry Energy Consulting in Oxford produces ILEX Energy Reports for electricity, gas, carbon and green certificate markets across Europe. Other Pöyry offices produce reports which cover the Nordic area.

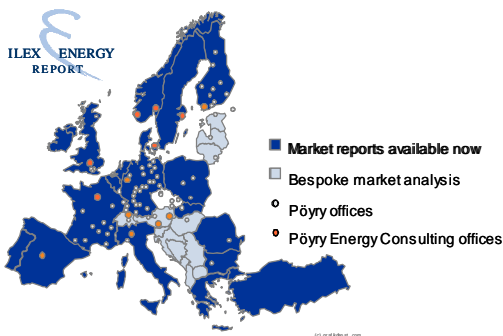
Our team of over 250 European energy specialists located in 15 European offices in 12 countries, offers unparalleled expertise in the rapidly changing energy sector. Poyry Energy Consulting is Europe's leading energy consultancy.



Pegasus Solving Engine



Excerpts from the Spanish Gas Report



Contact Pöyry for more information:

- Pablo Cansado
pablo.cansado@poyry.com
+34 618 031 908
- Steven Taylor
steven.taylor@poyry.com
+34 629 679 283
- Visit our website at:
www.illexenergy.com

