

# PRICE PROJECTIONS FOR WHOLESALE GAS IN THE NETHERLANDS

OCTOBER 2006 Edition



**Pöyry Energy Consulting, established experts in the European energy markets, have recently completed an update to our Dutch gas market study.**

This new October 2006 edition has **revised price projections for the wholesale gas market in the Netherlands** and incorporates analysis and interactive modelling of the Netherlands and its neighbouring markets with price projections stretching towards 2025. Modelling of the gas price forecasts utilise Pöyry's own in-house model, Pegasus.

Pegasus analyses all the major sources and delivery points of gas to the UK and NW Europe on a daily resolution, including indigenous gas, various pipelines from Norway, Russia, the Caspian Region and Algeria, plus LNG to all the new import terminals, allowing us to gain a precise view of prices, particularly in peak winter periods.

Using the latest industry knowledge on production costs and internal expertise on transit costs for gas and market drivers, Pöyry forecasts a range of future market prices for four key scenarios:

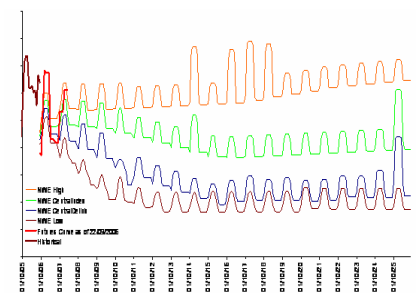
- Constrained, which assumes a tight supply-demand balance with high oil prices;
- Balanced (oil-indexation), where central oil prices drive gas prices;
- Balanced (oil-gas delink), where Continental liberalisation allows gas and oil prices to delink; and
- Abundant, where liberalisation takes place quickly.

The Dutch Gas Market Study is essential for any market participant that needs to understand market fundamentals, drivers of prices and what the future might hold in this increasingly volatile market.

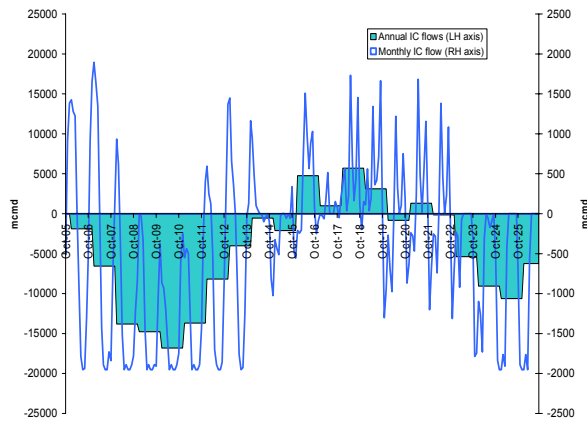
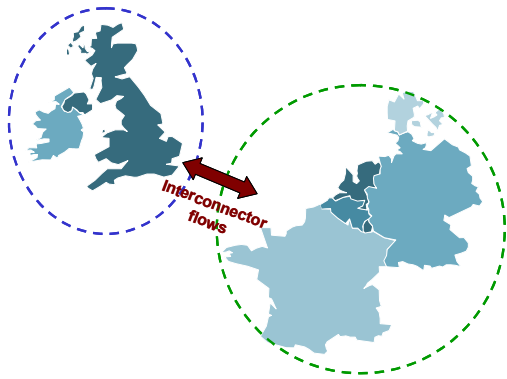
The report covers the possible future evolution in gas prices in Northwest Europe, along with an analysis on supply and demand. It also looks at the influence the UK market has upon the Netherlands,

an area very different from the UK in that supplies are 'managed' (as at Groningen).

### Monthly price projections for all four scenarios to 2025



Coal, oil and gas price projections are explained, plant availabilities given, capacity growth in CHP, renewables and thermal plant reviewed and demand projections presented. All assumptions are fully justified.



The report also covers the development of the Dutch gas market, and looks at storage both for now and in the future.

Pöry analyses the state of gas demand currently and how it is likely to grow going forward to 2025, looking into growth in demand from the different sectors in the Netherlands, Belgium, Luxembourg, France Germany and Denmark. Our forecasts give a range of possibilities for the future, reflecting the wide range of uncertainty that exist over a number of issues (for example, oil prices).

**Contact Pöry for more information:**

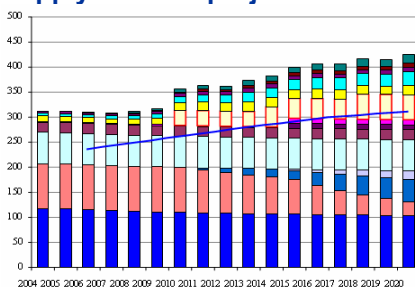
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Our team of over 170 European energy specialists, located across eleven offices and ten countries, offers unparalleled expertise in the rapidly changing energy sector.

**Supply demand projections**



We comment on changes to our results, from previous studies; and we also track how our past projections have performed against outturn prices in the market. This is done not only for the Dutch market but also for the UK gas market.

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