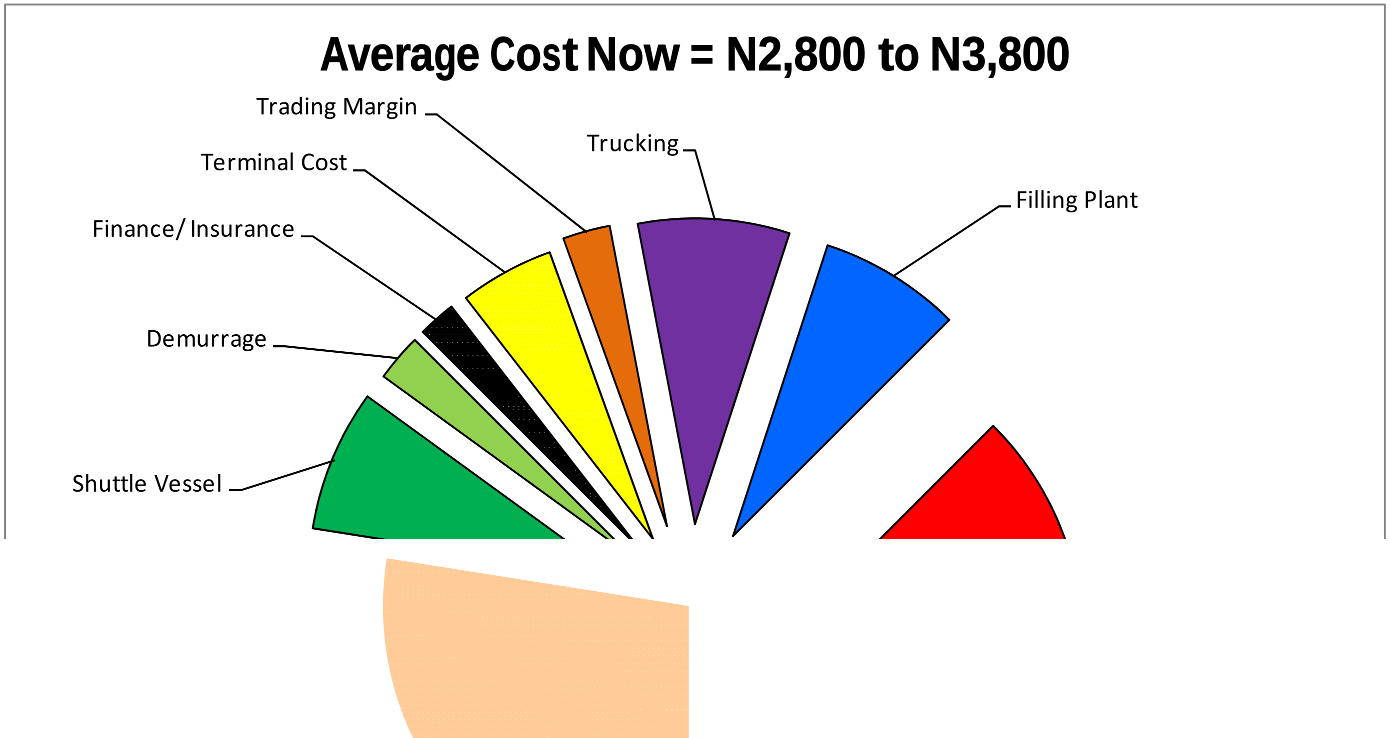
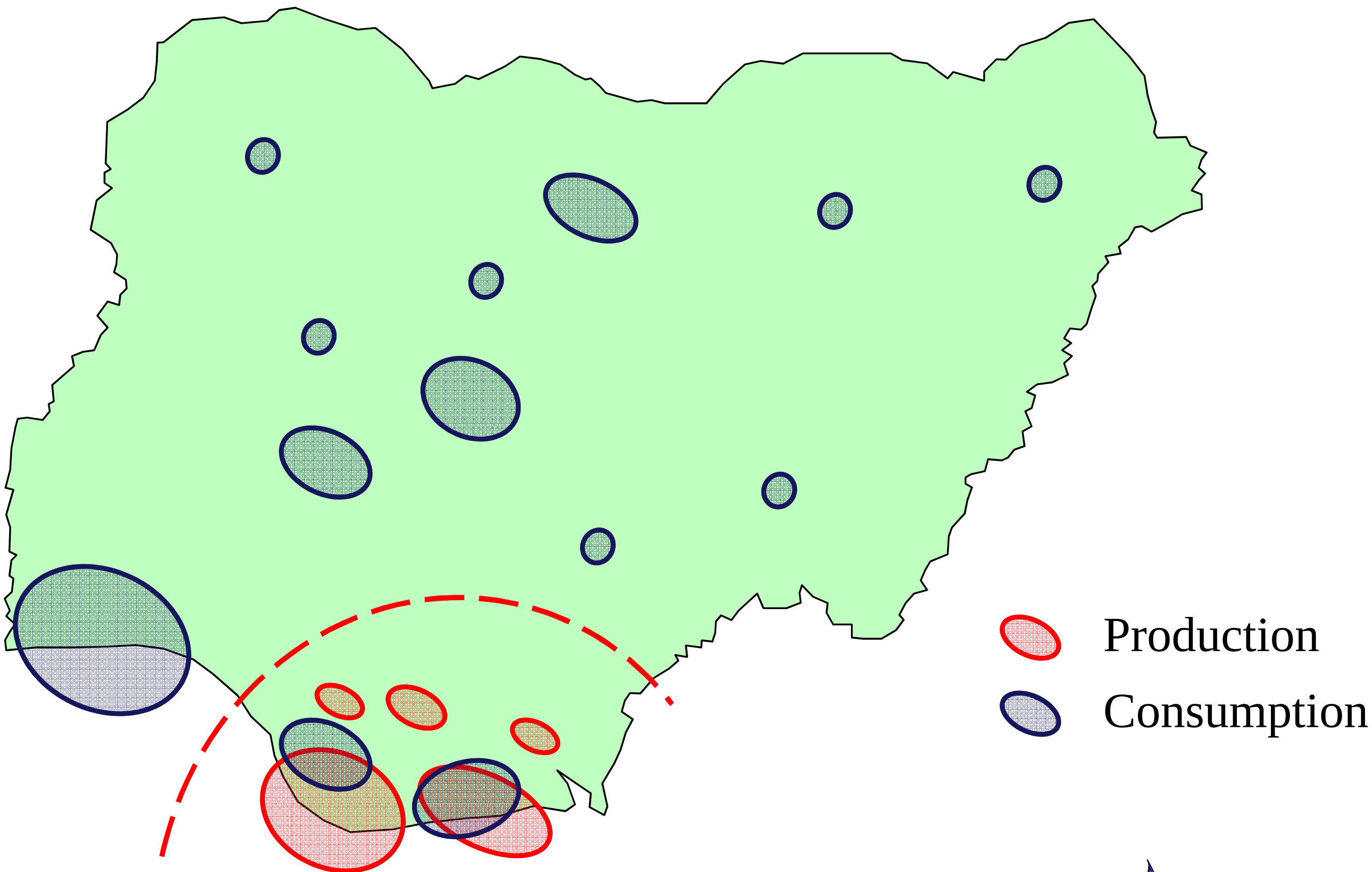
LINETRALE GAS

Encouraging Diversity in LPG Use

Cost of LPG to Consumers (Infrastructure adds $1,000+ / Tonne)



Production vs. Consumption Centres



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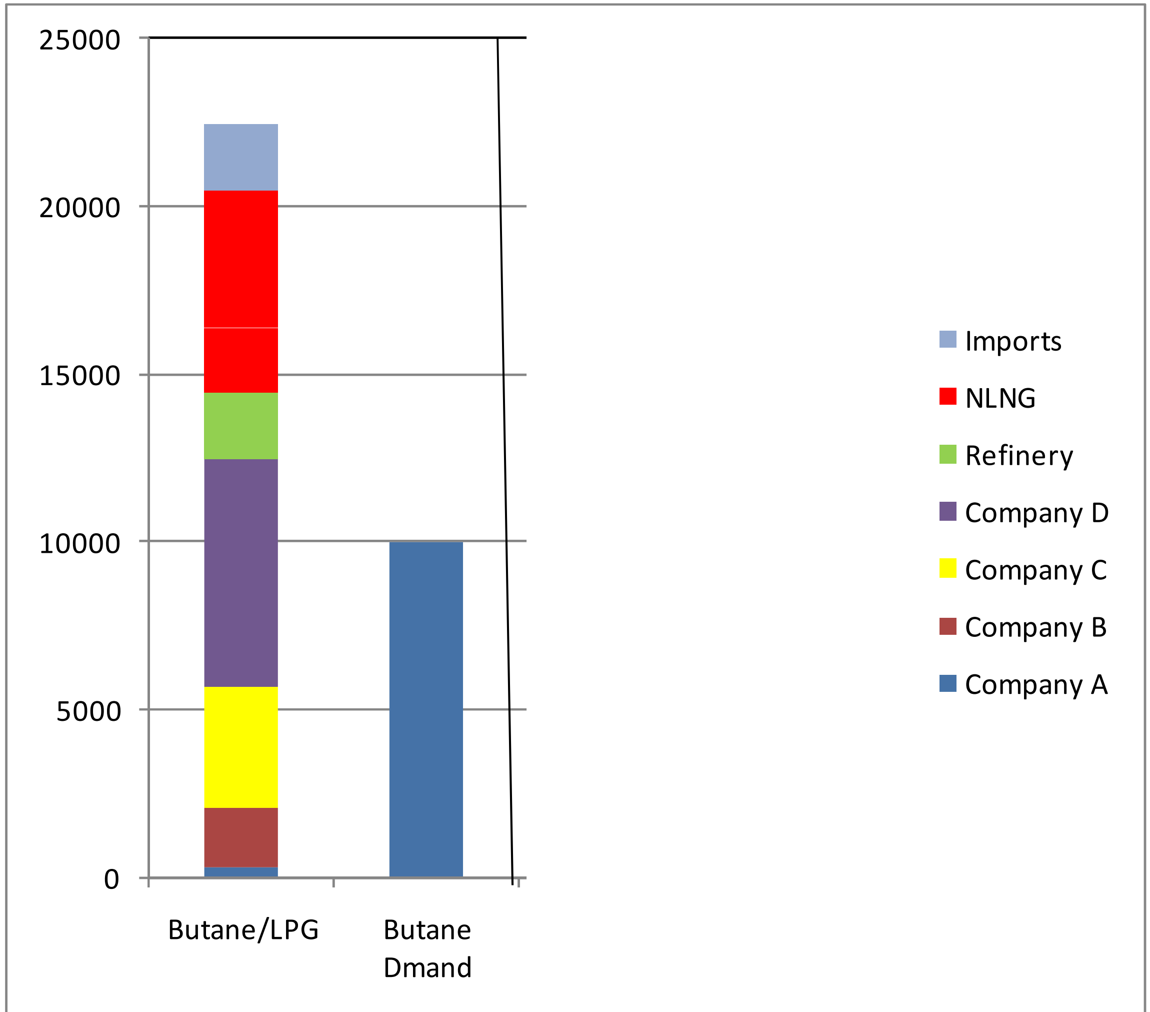
Immediate Supply Sources cf. Demand

- There is clearly an over supply situation in LPG around the corner
- LPG is Supply led and very price elastic
- Dumping will become more common



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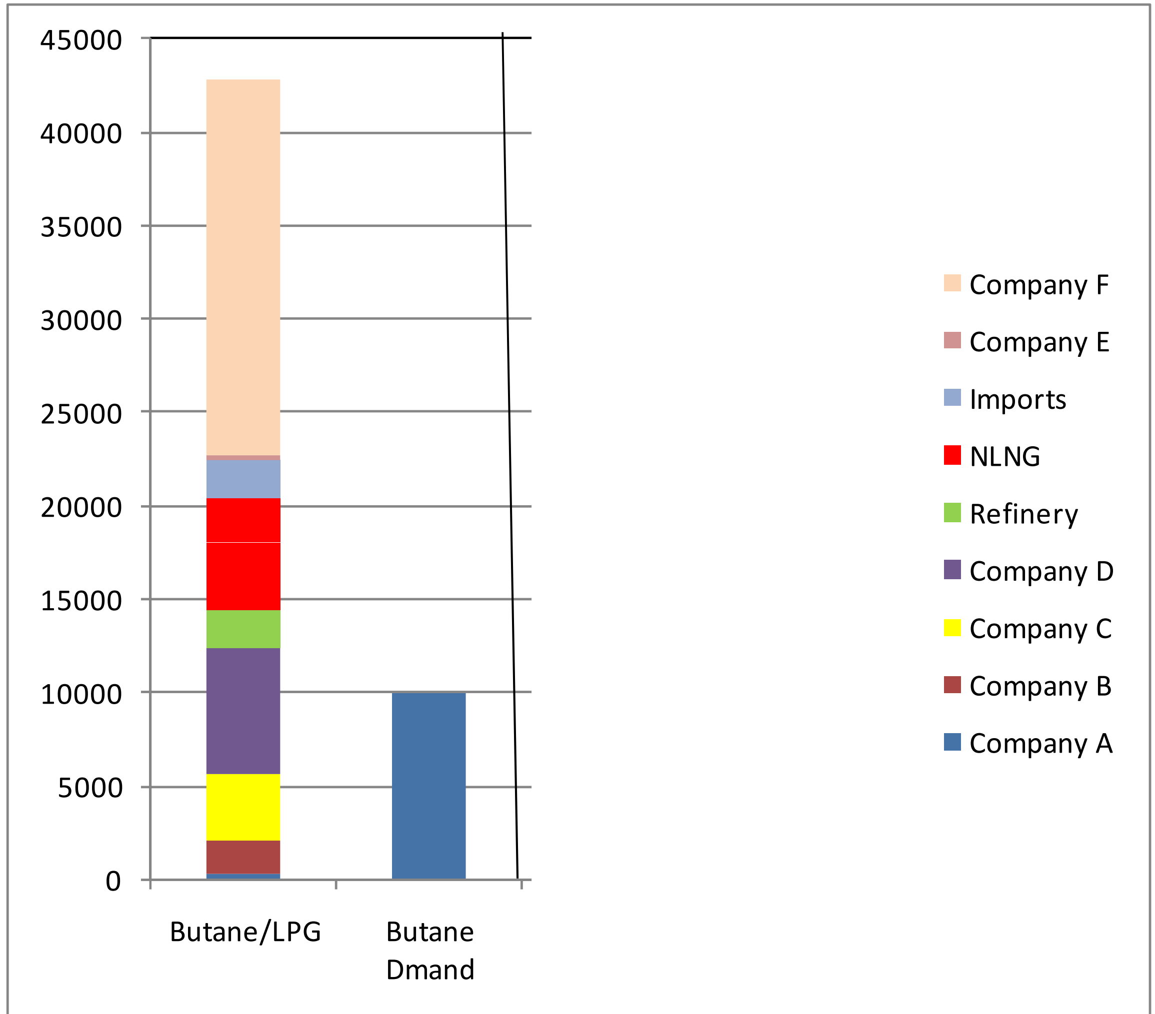
Domestic LPG Supply / Month by 2012

- The chart indicates existing and new sources of LPG coming up in the next 18-24 months
- Figures are in tonnes of supply per month



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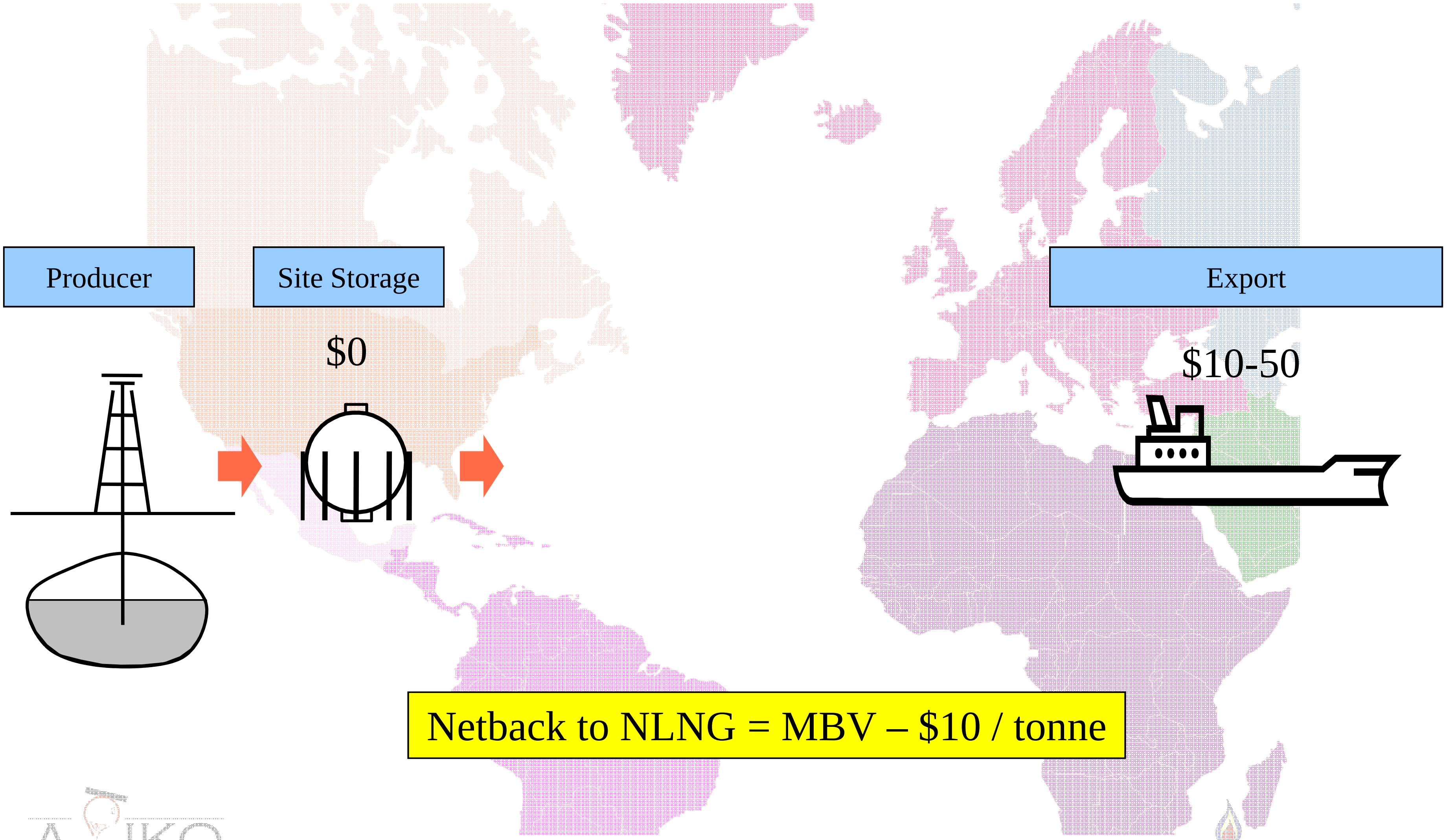
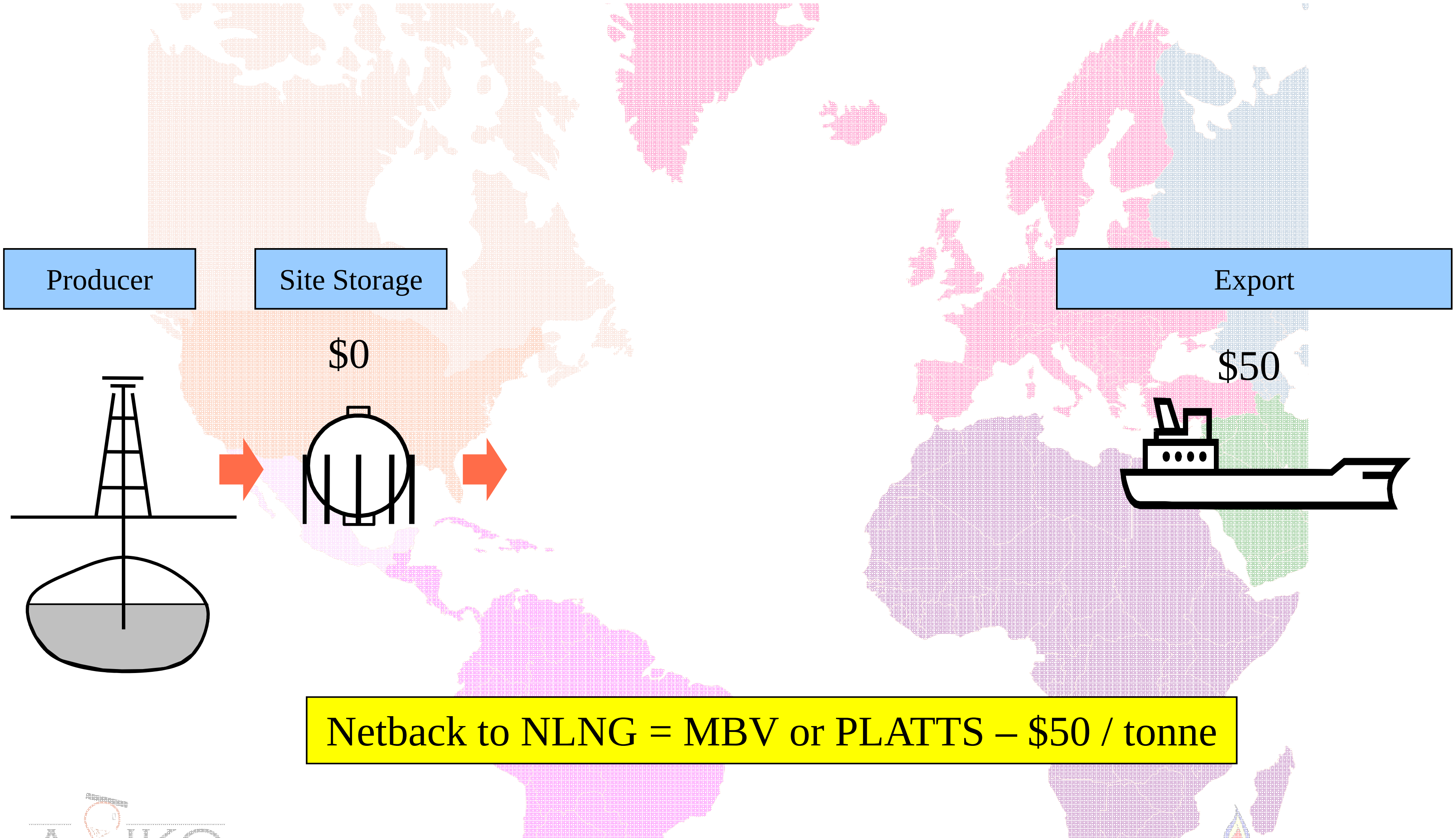
Large Offshore Exports

(NLNG)



Moderate Offshore Exports

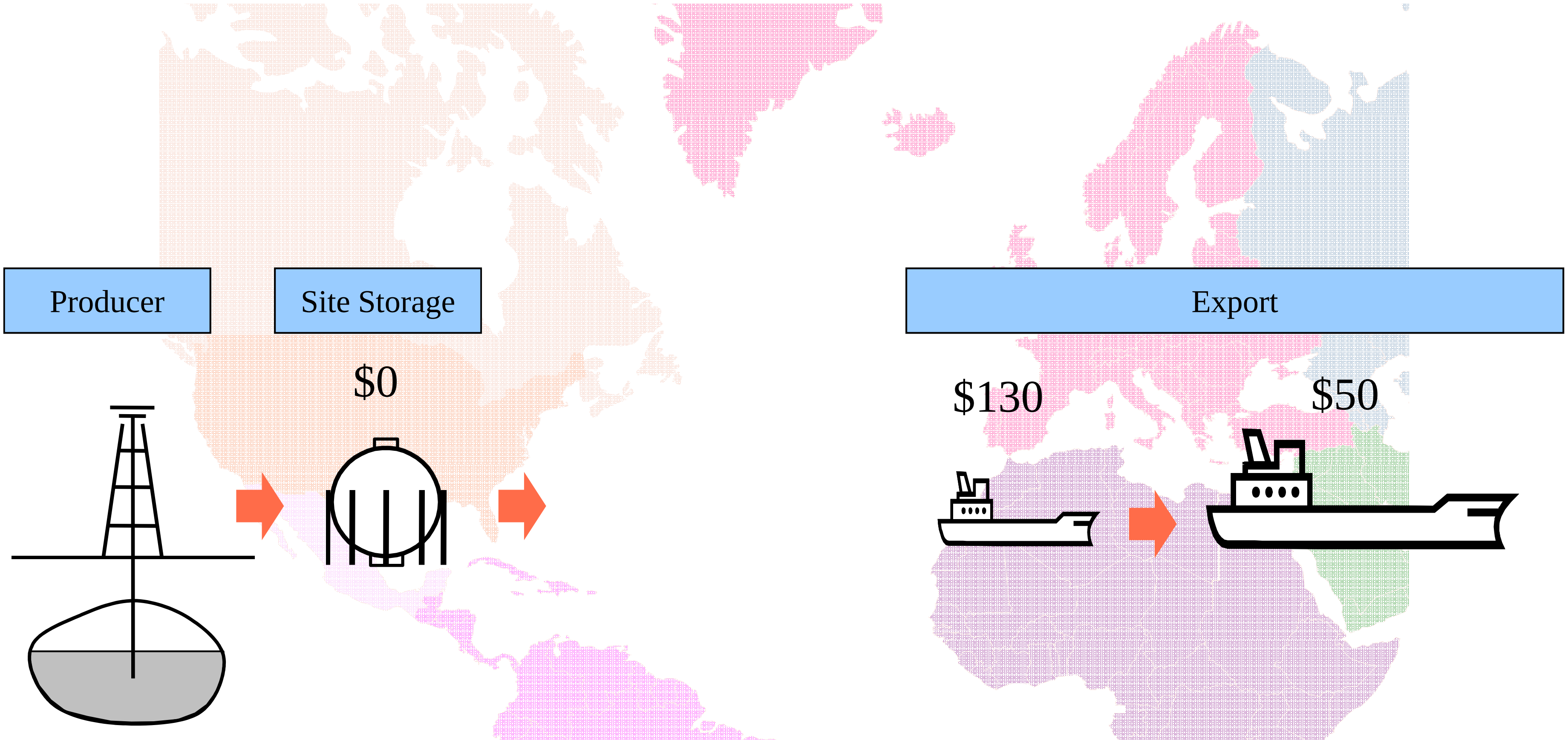
(Mobil Oso)



Netback to NLNG = MBV or PLATTS – $50 / tonne

Small Offshore Exports

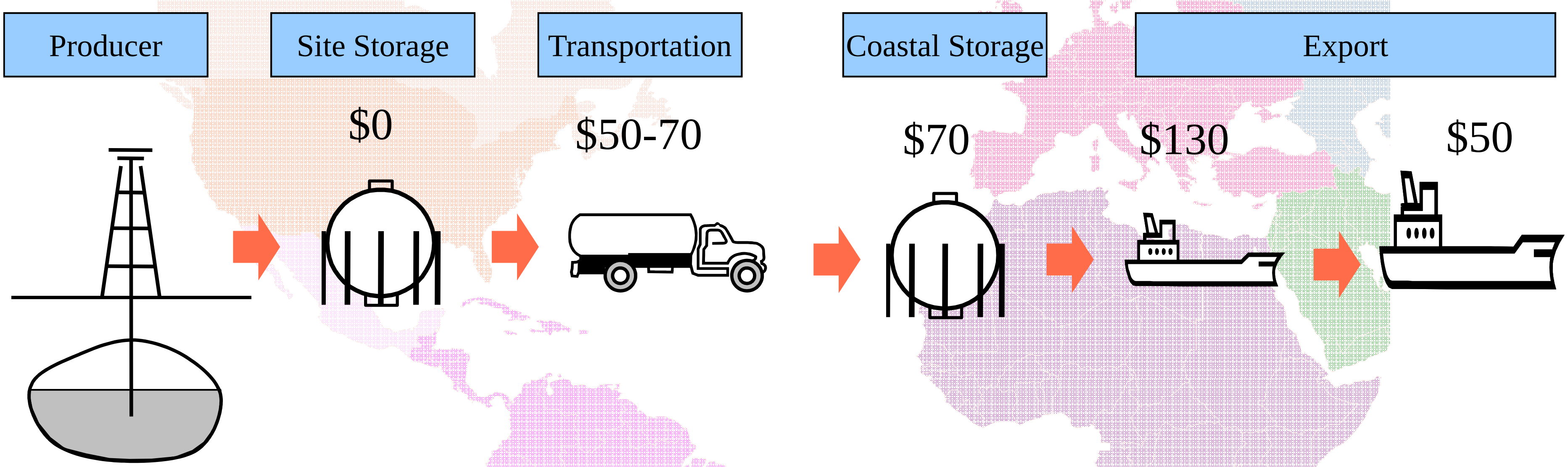
(Mobil Oso)



Netback to NLNG = MBV - $50 - $130 / tonne = MBV -$180

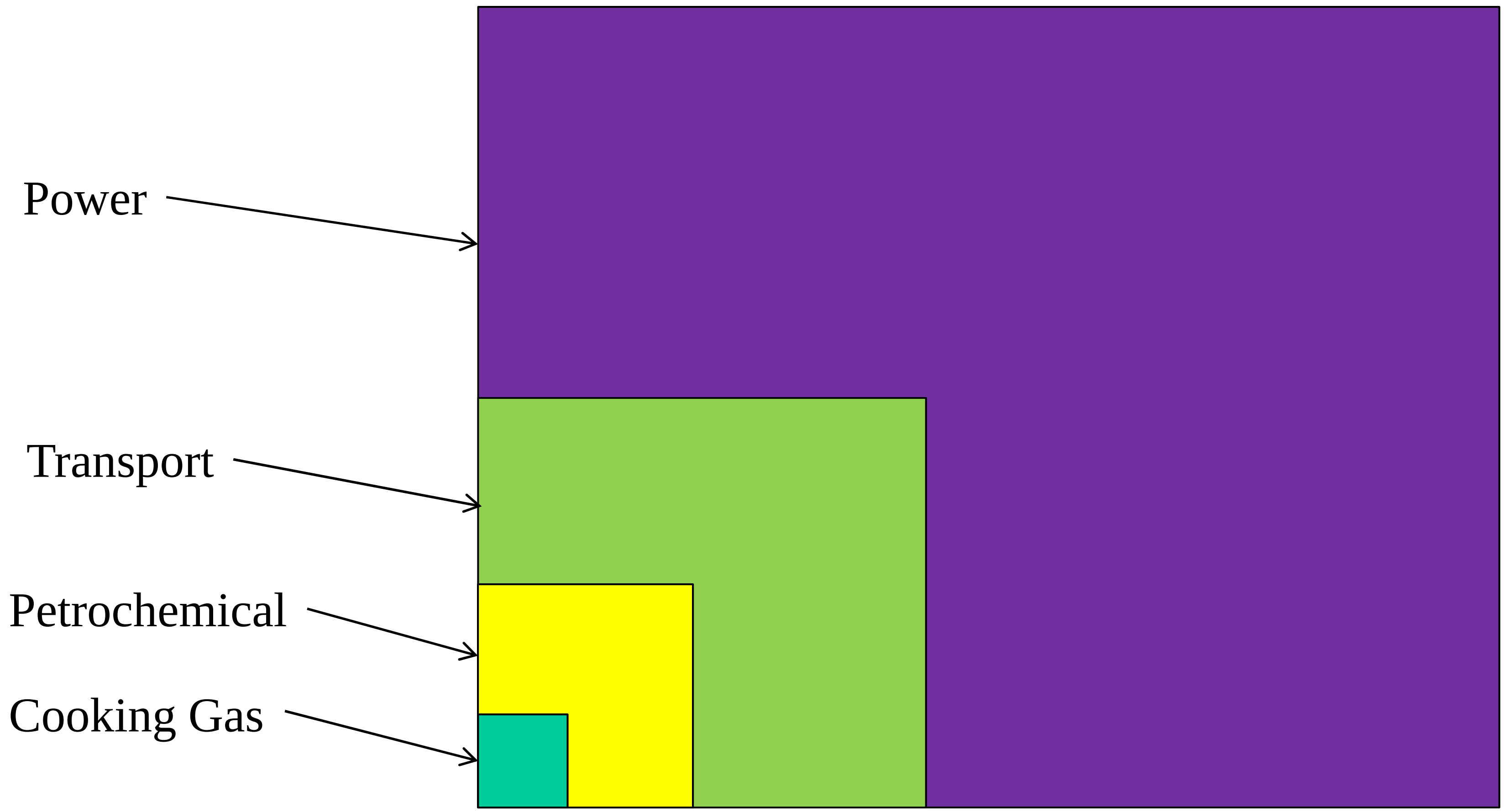
Small Inland Exports

(Company X)



Netback to NLNG = MBV - $50 - $70 - $130 - $50 / tonne = MBV -$300

Relative Market Sizes



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Focus: Power

- LPG prices will continue to drop with increasing local supply
- Prices will become competitive with diesel across the board
- Focus is on Medium to Large Power users and NOT cylinders:
  - Users in the range of 15 – 400kVA
  - Large users in the range 400kVA – 15,000 kVA
- Estimated immediate market size is of the order of 300-400MW
- Equivalent to 700,000 – 1,000,000 TPA

Focus: Transport

- Taxis – Tricycles
- Buses / Mass Transport
- Trucks – Long Distance
  - Lagos-Kano Diesel: N380,000 / trip on diesel
  - We estimate savings of N100,000 using new sources of LPG supply

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LPG Power: 15 – 400 kVA

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