

GDF SUEZ

Energy Trading and the Global Financial Crisis

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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

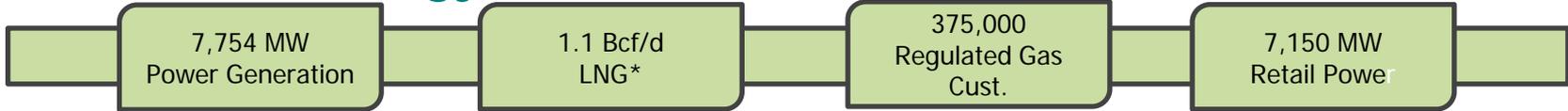
2007 REVENUES: €0.7 billion

ASIA & PACIFIC

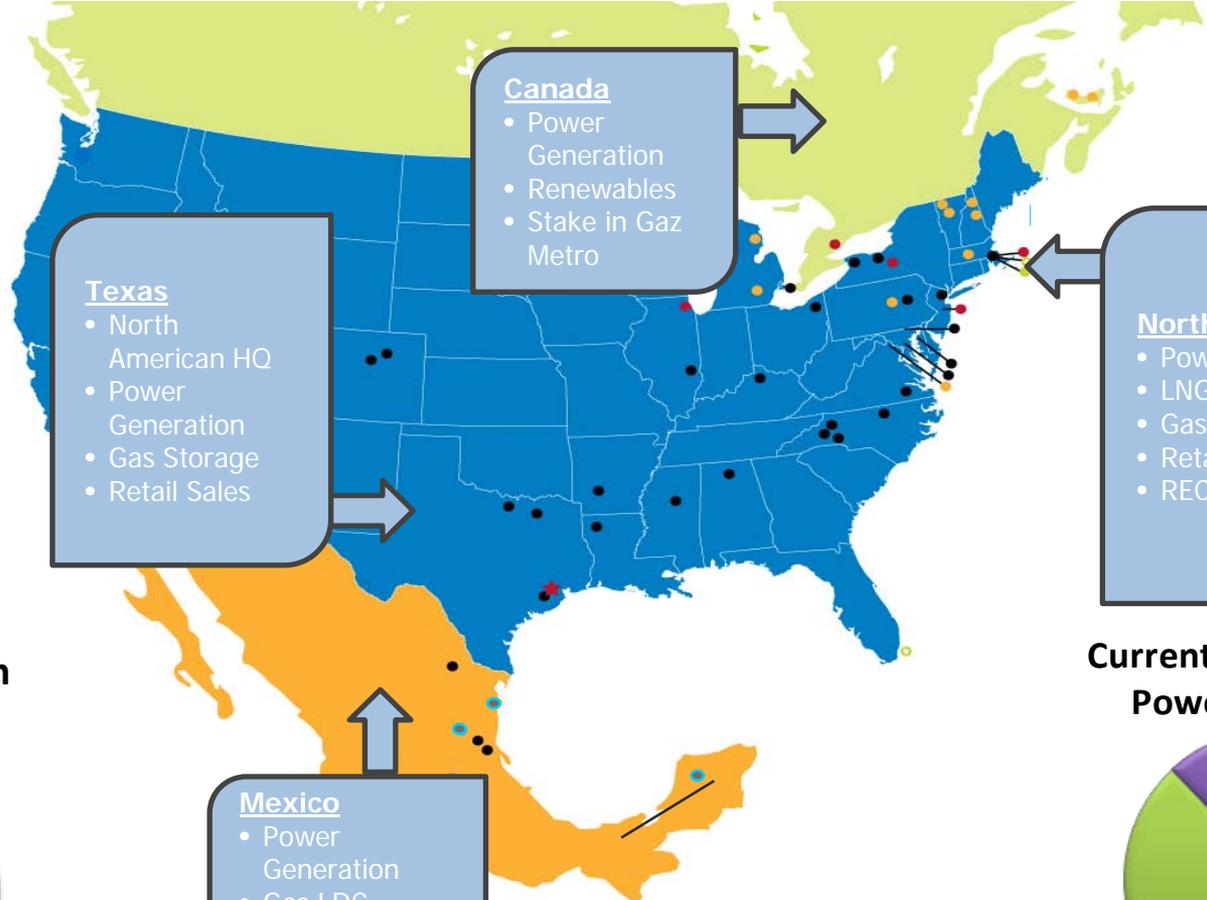
5,800 EMPLOYEES

2007 REVENUES: €2.5 billion

GdF Suez Energy North America



- Office
- Power Plant
- Renewable
- LNG Regas



Texas

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

Canada

- Power Generation
- Renewables
- Stake in Gaz Metro

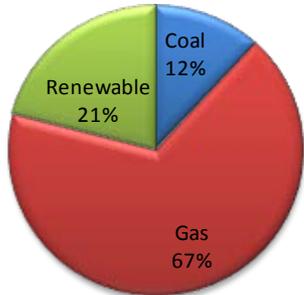
Northeast

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

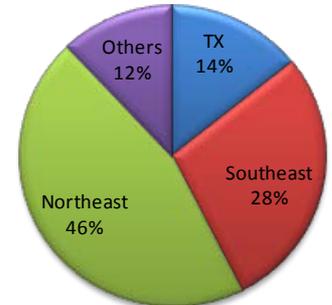
Mexico

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

Current Fuel Mix Power Generation



Current Geographic Mix Power Generation

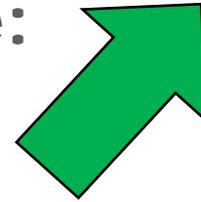


* Includes Neptune

What a difference a Year Makes !

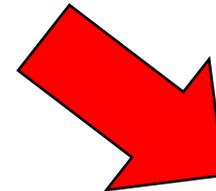
1H08 Commodity Storyline:

- ▶ Growth in China and India



2009 Storyline:

- ▶ Turmoil in Financial Markets



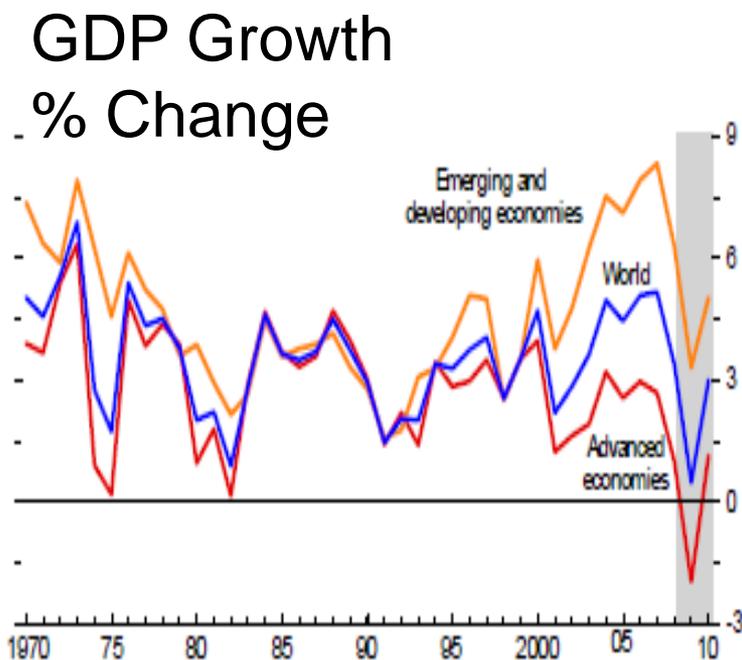
Global Slowdown has impacted Commodity Prices

Since 2008, we have seen the following for 2009 pricing

	Jan 08 – Jun 08	Jul 08 – Mar 09
NYMEX Henry Hub NG	 46%	 61%
ERCOT N On Peak SS	 12%	 72%
PJM W On Peak SS	 35%	 47%
WTI Crude Oil	 54%	 63%

Peak to trough price in 12 months

World growth is projected to fall to ½ percent in 2009



IMF projects GDP growth to fall to ½ percent in 2009, its lowest rate since World War II.

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?

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