

**Calgary Office**

Mindy Selby, Sr. VP
W. P. (Bill) Gwozd, VP
Ramona DeRose, Director
Jacques Duchesne, Director
Simon Mauger, Director
Gareth Slater, Director
Dennell Griffith, Contoller
Cameron Gingrich, Manager
Edward Kallio, Manager

Melody Veinot, Manager
Min Yang, Manager
Richard G. DeWolf, Exec. Assoc.
G. Christopher Phillips, Exec. Assoc.
G. Gordon Clarke, Sr. Assoc.
Dave Vetsch, Sr. Assoc.
Al Kleinschmidt, Assoc.
Masoud Shahanaghi, Assoc.

Paul Ziff, CEO**Houston Office**

Juan C. Alba, VP
Richard M. Tucker, VP
Geovaldo Hernandez, Manager

Paul Ching, Exec. Assoc.
Richard Parker, Exec. Assoc.
Harald Winter, Exec. Assoc.
Thomas Gray, Sr. Assoc.
James Harvick, Sr. Assoc.
Silvia Portnoy, Sr. Assoc.
Damir Vrcek, Sr. Assoc.

FOR IMMEDIATE RELEASE**Calgary, September 17, 2009*****Industrial Gas Demand to 2020***

Ziff Energy announces the release of a report which forecasts industrial demand to 2020 by six sectors. Overall, the long-term view is for declining industrial demand within the North American gas market. Major industrial sectors analysed in the report:

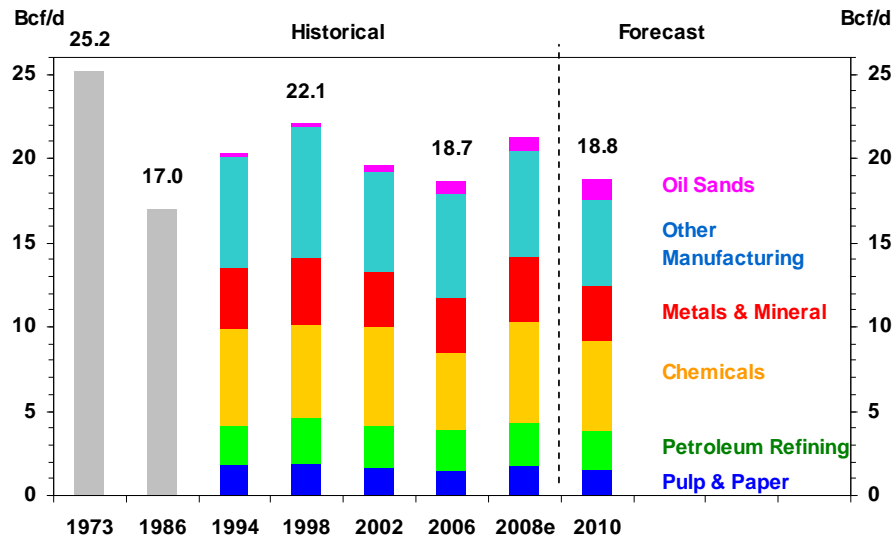
- Petroleum Refining will continue to be adversely impacted by the relative value of oil to gas
- Chemicals sector (which includes fertilizer production) will continue to be at risk as competition for capital investment will favour worldwide regions with stranded natural gas reserves
- Canadian Oil Sands development and growing requirements for natural gas will require almost 2 Bcf/d of incremental gas by 2020
- for other manufacturing such as low intensive energy users (food, beverage, tobacco, and textiles), growth will be dependent on positive economic growth.

“Notwithstanding current supply/demand imbalance within the North American natural gas market,” notes Cameron Gingrich, Manager, Gas Services at Ziff Energy, “The ability of North America to attract LNG near the end of the forecast period will enhance prospects for the industrial sector maintaining natural gas usage.”

It is amazing to note that the North America peak for Industrial gas usage of over 25 Bcf/d did not occur this decade nor is it forecast to occur in the next decade, rather it occurred a third of a century ago in 1973.

One reason for the overall reduction in Industrial gas demand is that natural gas in some other countries is stranded and thus using it to manufacture results in an overall lower cost structure than the equivalent process in North America. For example, North America continues to import large natural gas emission chemicals such as urea and ammonia for fertilizer production instead of manufacturing those in North America.

This figure highlights the change in Industrial natural gas demand over the past 4 decades by sector.



© Ziff Energy Group, 2009
 Permission to reprint is allowed as long as proper credit and citation is given to Ziff Energy Group.

Other recent Ziff Energy Gas Supply, Gas Demand, Gas Transport, Gas Storage, and Gas Price reports include:

- U.S. Rockies Gas Production Outlook to 2020
- 2008 U.S. and Canadian Reserve Replacement
- Western Canada Gas Production Outlook to 2020
- Shale Gas Outlook to 2020
- North American Demand Outlook to 2020
- Natural Gas Implications of Greenhouse Gas
- Mexico’s Gas Supply / Demand Outlook to 2016
- Global LNG Outlook to 2020
- Natural Gas Opportunities for Ethanol
- Gas Price Differentials Forecast to 2017
- North American Gas Storage
- Henry Hub Gas Price Outlook to 2017
- North America Gas Supply - The Next Decade
- North American Power Generation to 2017
- Canadian Natural Gas Exports to 2020
- Pipelines for Growing Oil Sands Production
- Northern Gas Moving Forward
- North American Pipeline Construction
- LNG Terminals – Costs and Timing

###

Bill Gwozd, P.Eng., Vice President, Gas Services, (403) 234-4299, bill.gwozd@ziffenergy.com

Ziff Energy Group, having celebrated its 25th year of client service in 2007, is a leading North American gas consulting firm. On an international basis, Ziff Energy provides sophisticated industry and operational business analysis and custom consulting to the world wide energy industry. We have offices in Calgary and Houston, the primary oil and gas centers in North America. Our growing staff of 55⁺ includes **many industry specialists**, with **15 to 30 years of domestic and international experience**.

