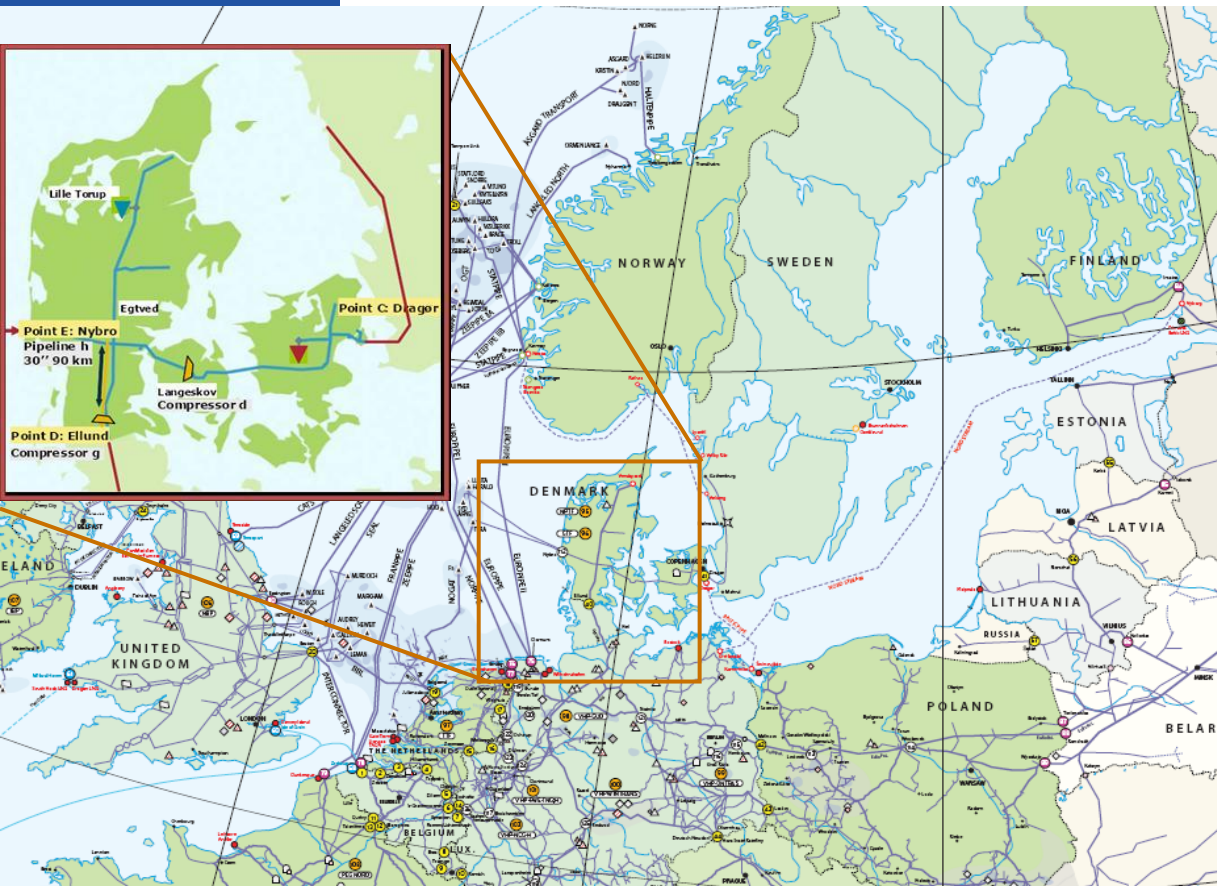




The Swedish perspective

Market characteristics



- Dead end at the outskirts of the European network
 - One way flow
 - No transit
- Oversized system with spare capacity
 - High transportation cost
- Connection only to Energinet.dk
- Total dependence of supply from the Danish fields
 - Limited gas sales competition
 - Very vulnerable security of supply situation

Possibilities?

	Increase gas competition	Improve SoS	Facilitate transit	Improved system utilization	Potential to expand market	Status
Skanded, original	x	x	x	x	x	Suspended
incl. Baltic Pipe	x	x	x	x	x	
Skanded, scaled down	x	x	x	x	x	Still analyzed
Skanded to Jutland	x	x	-	-	-	Not yet analyzed
incl. Baltic Pipe	x	x	-	-	-	
Deudan - Ellund	x	x	-	-	-	On going
incl. addl. compression	x	x	-	-	x	
BGI	x	x	-	-	x	On hold
incl. reverse flow	x	x	-	x	x	
Mid Sweden extention	-	-	-	x	x	On hold
incl. addl. supply	x	x	-	x	x	

Skanded

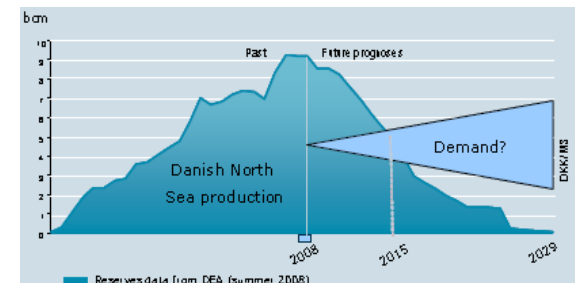
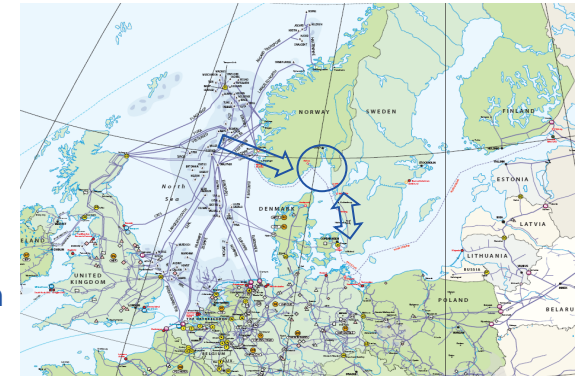
Benefits:

- Security of Supply
 - General, through dual supply routs
 - Specifically in relation to the depletion of the Danish fields
- Overall market function by:
 - Increasing gas sales competition
 - Potentially lower transportation costs
 - Facilitating transit
 - Increasing market and improving system utilization

Barriers:

- General; too complicated and too expensive
- Legal; market model preventing transportation agreements with shippers
- Regulatory; ex ante

Suspended in April 2009,
but the need for action remains



Action post Skanled

June: Support of Energinet.dk EERP application

September: Energinet.dk in Swedish Market Council

- Discussion of Open Season results
- Agreement to further analyze Swedish needs

November: Energinet.dk in Swedish Market Council

- Discussion of market projections - Need for additional open season?
- Agreement to give Energinet.dk clear position a.s.a.p.

December: Conclusions from Swedish shippers

- Only limited growth foreseen
- Concern about the risk of more frequent capacity constraints in the future,
- Especially if the depletion of the Danish fields lead to a gas mix with lower specific energy
- However not enough for shippers to be willing to make long term commitments in an open season process



Encourage Energinet.dk to take action to limit the frequency and effects of possible constraints

Conclusions

- Planned actions by Energinet.dk are needed to maintain the market,
 - but will have to be facilitated without Open season commitments
- Additional action required for stability and development
 - revival of Skanled in scaled down version or others