

ENERGYQUOTE JHA



Biannual Energy Price Forecasting Service

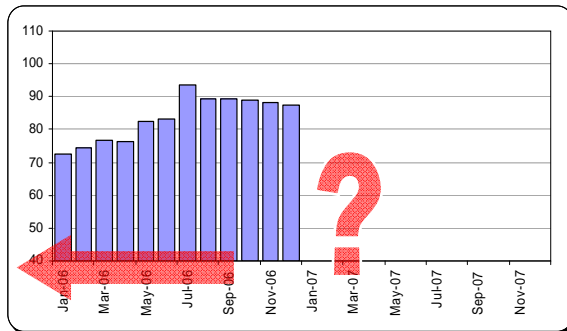
A Unique Perspective

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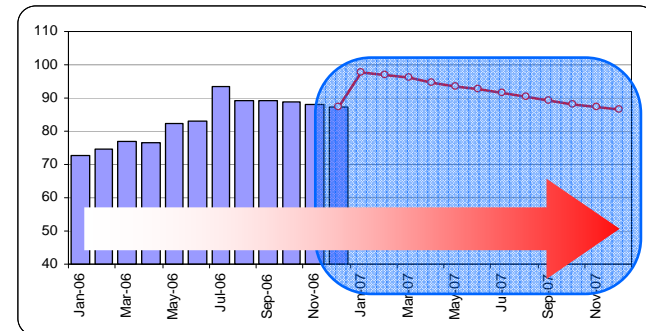
On what do you base buying decisions?



- Waiting for buying opportunities, ('low points'), based on a historical context?
- Technical indicators based on a narrow analysis of energy forward markets
- Supplier or industry market intelligence?
- Forecast target range supported by broad range of analytics?
- Development of distinct scenarios based on an assessment of most probable sets of circumstances



Using Rigorous Forecast

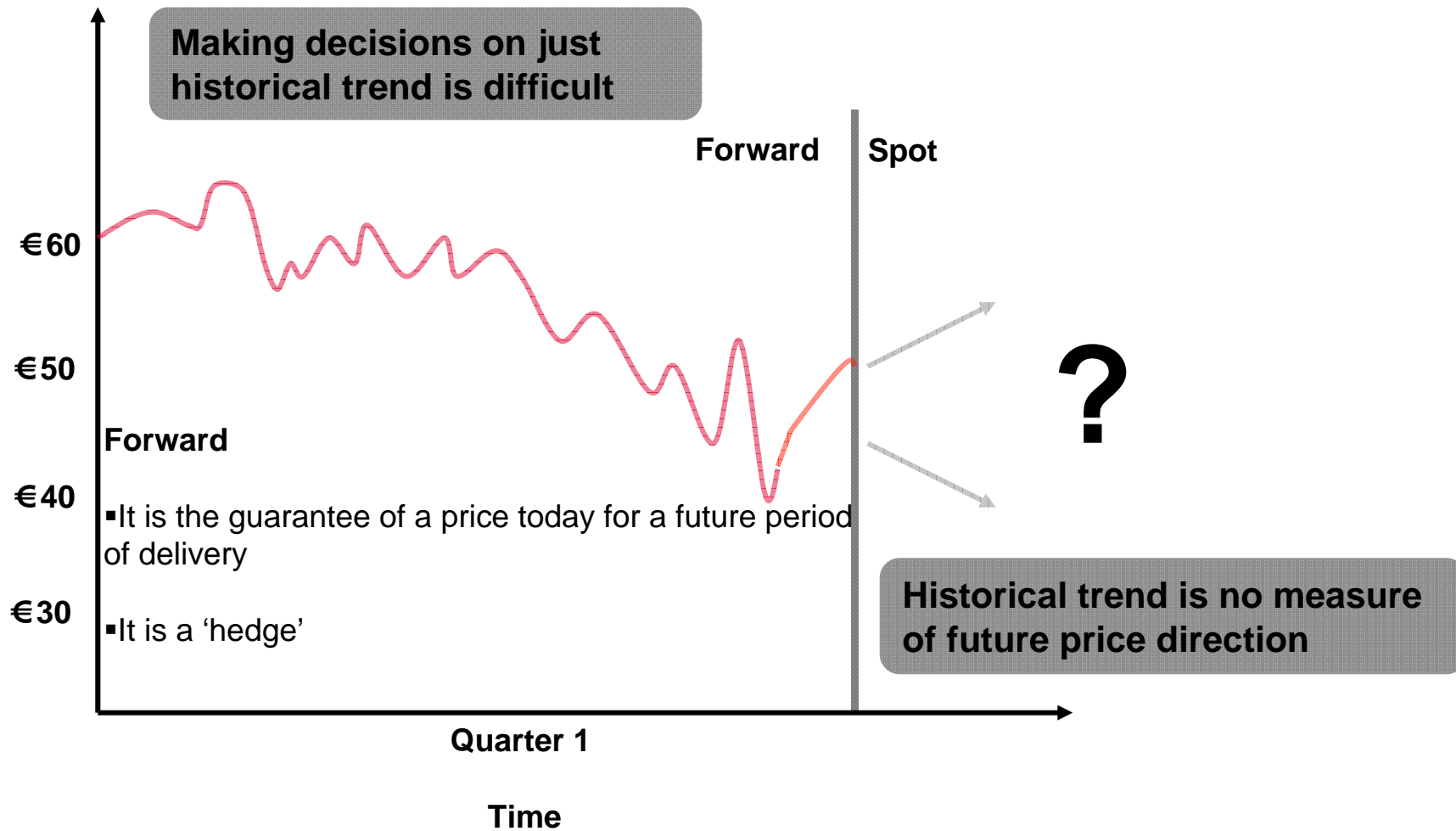


What is a credible forecast?



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- News & Data is NOT a forecast or a credible market view – nor should it be the basis for taking decisions!
 - A forecast is informed opinion based on a foundation of analytics

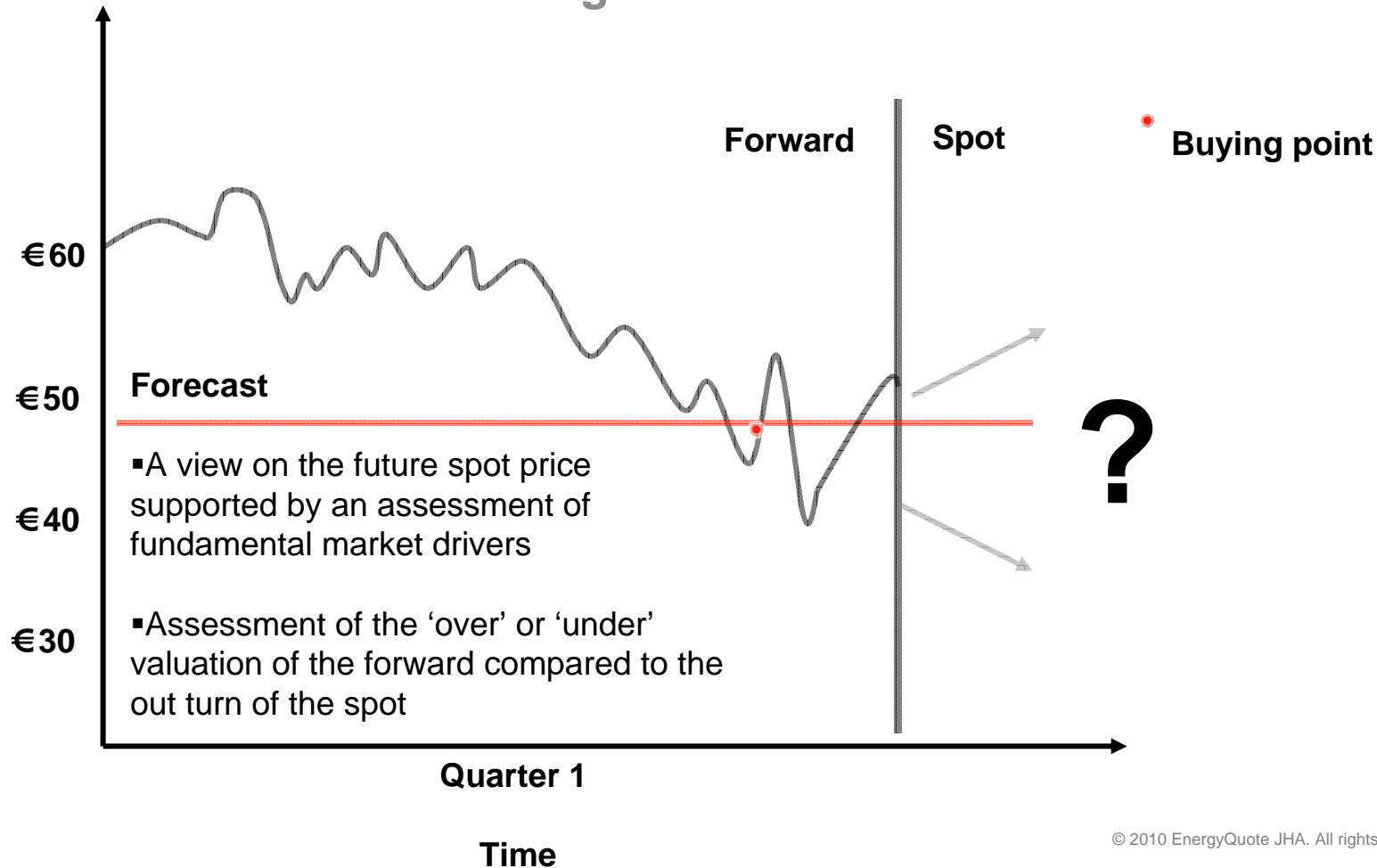
Using a Forward Price to make as the basis of buying decisions?



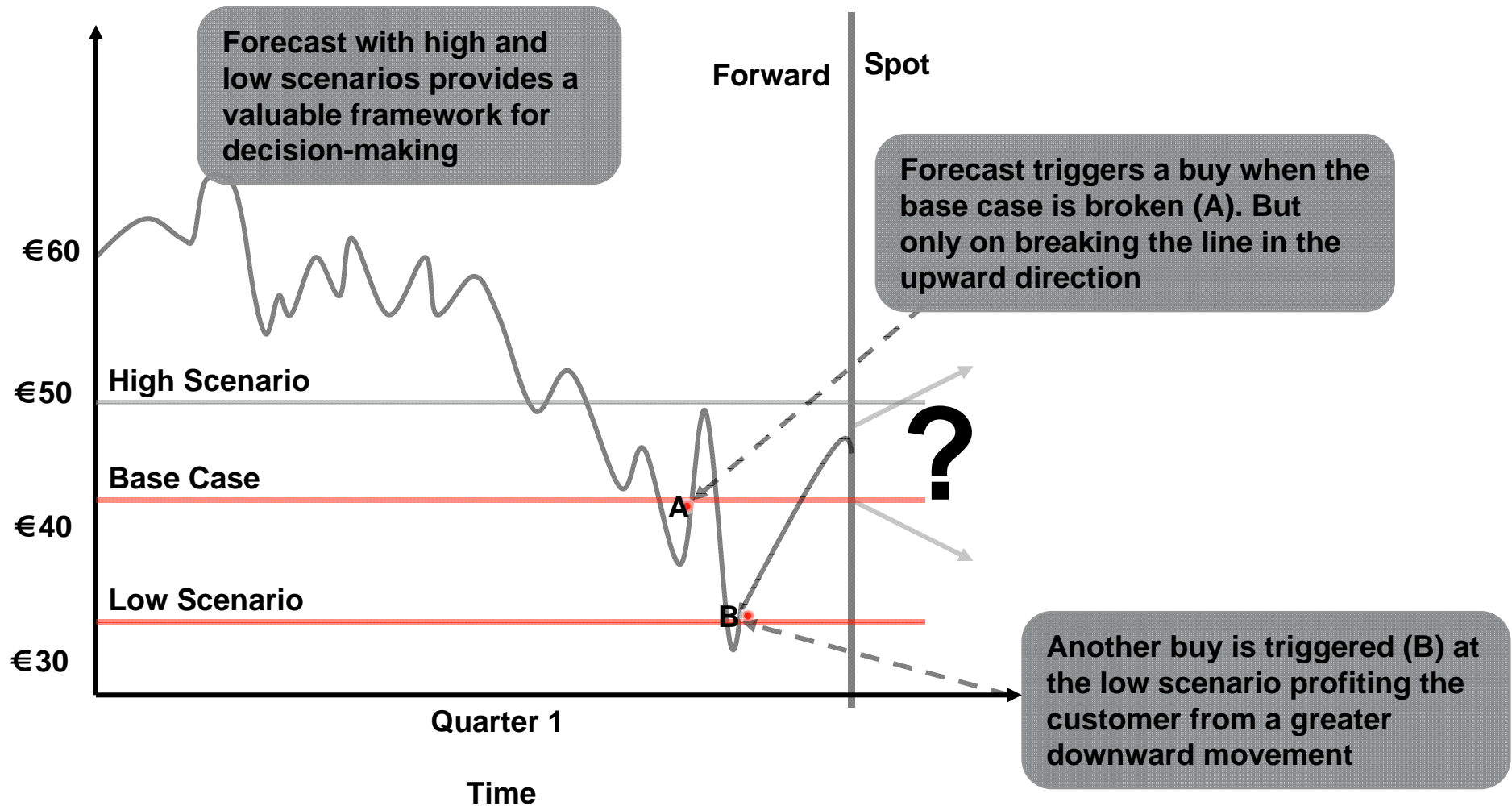
Using a Forecast as the basis of buying decisions?



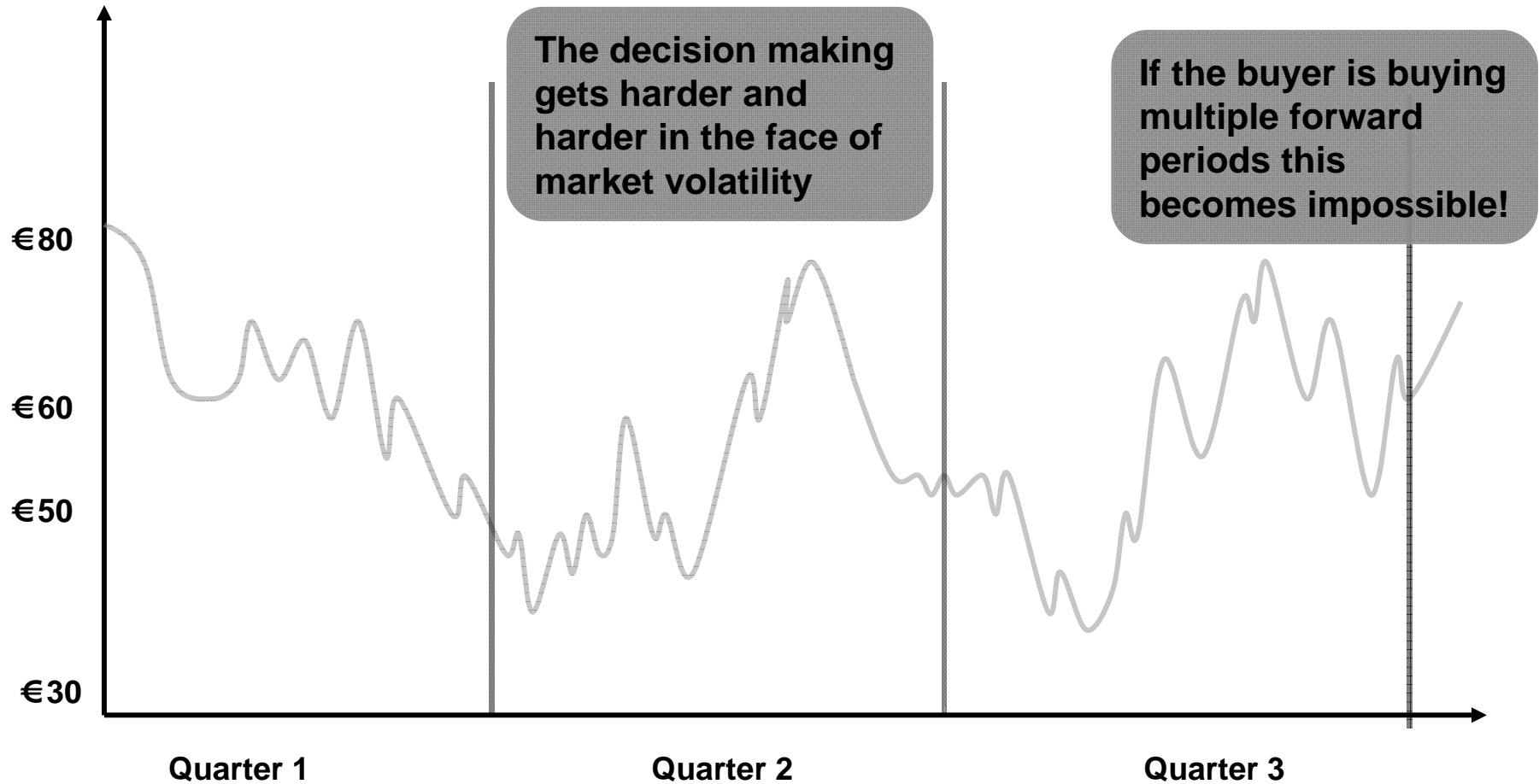
A forecast based on fundamental analytics provides a more solid basis for decision-making



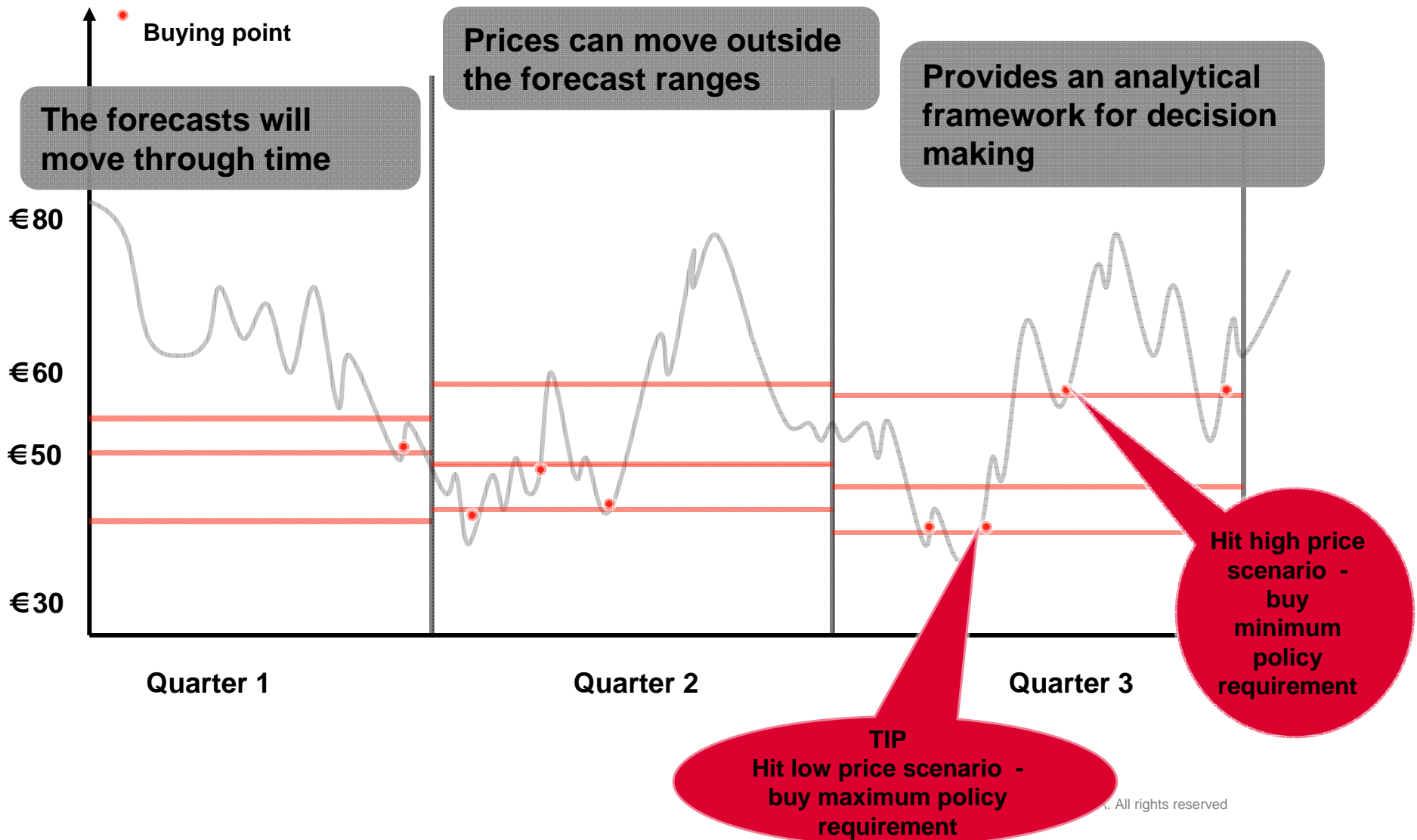
Buying methodology using a Forecasting framework



Multiple periods – without a Forecast?



With a Forecast - Much easier decision-making



Uses Of A Forecast



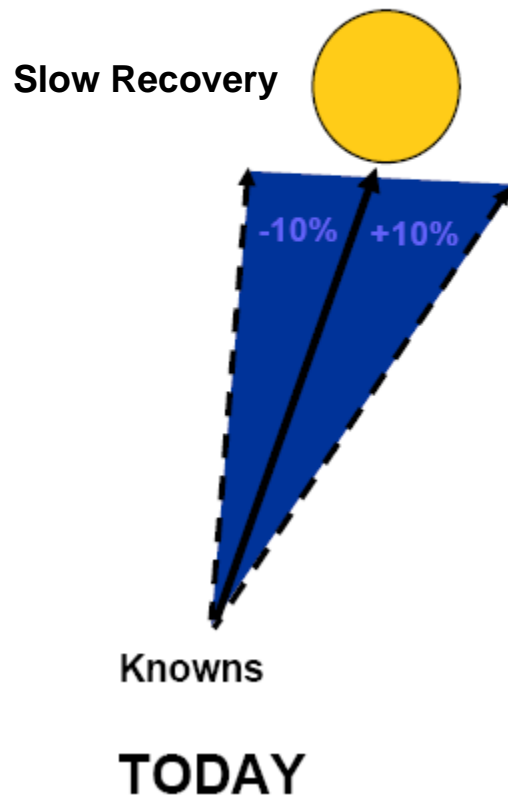
A forecast could be used for:

- Setting upper and lower buying scenarios
- Setting a target price curve
- Choosing supplier product
- Longer term investments e.g CHP or new plant
- Negotiating raw material costs with high energy component.

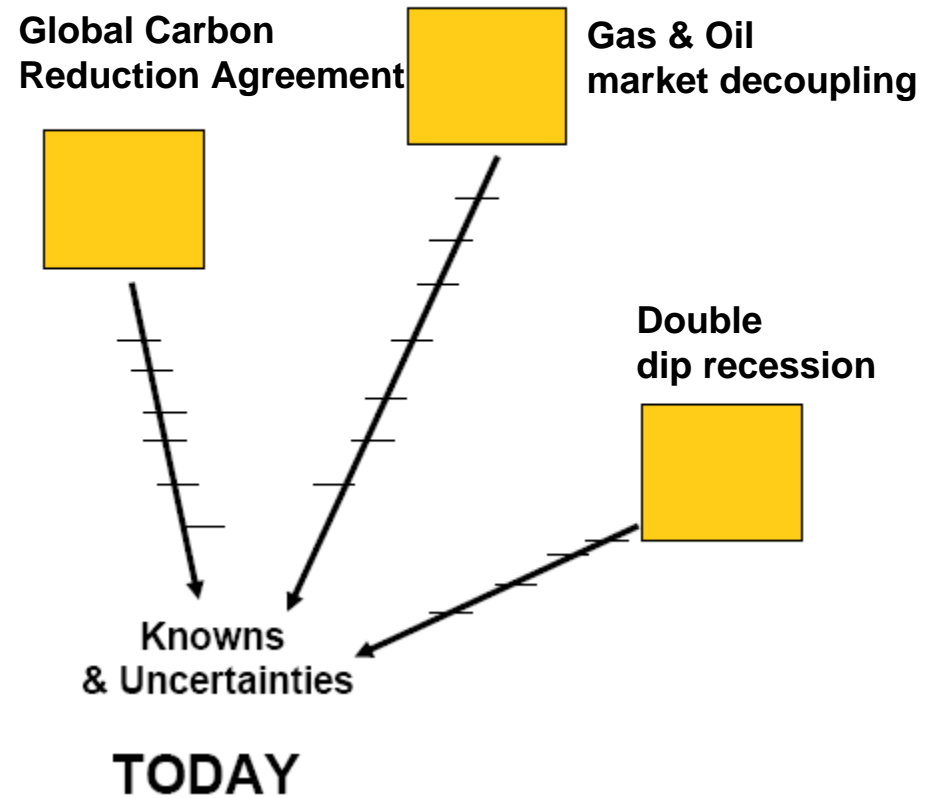
Scenarios are not Forecasts



Forecast Planning *Planning for One Future*



Scenario Planning *Planning for Any Future*



Accuracy of Forecasting



2006 – 2009 - Forecast of decoupling of oil and gas markets by 2010
April 2007 – Oct 2008 – Economic Forecast of deep recession
April 2008 – Forecast of oil at \$70 2009 (only outlying forecaster!)
April 2008 – Forecast of EU gas hubs @ €22 per MWh 2009 – 2010
April 2008 – Forecast of advent of “shale gas” and impact on LNG
April 2007 – Oct 2009 – Bearish on Carbon