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26

ENERGIZING YOUR BUSINESS

Distrigas and Eni
**ONE PLUS ONE IS
MORE THAN TWO**

BENELUX

Supply to SMEs and
the tertiary sector

REPORT

Puratos and Distrigas:
partners in innovation

MARKET

LNG supply puts pressure
on gas prices



distrigas

» A combination of strengths

Now that Distrigas forms part of the Gas & Power division of Eni, we want to combine the strengths of the two companies for the benefit of our customers. The result is an even broader and more competitive offer. In the Benelux region, we will still use Distrigas as a brand name, while our commercial activities in France and Germany will be progressively integrated with those of Eni. You can read more about this over the following pages.

You will also learn how Distrigas is serving an ever wider share of the market. Increasing numbers of customers from the tertiary sector and SMEs rely on our supply of natural gas and our expertise. We can meet this growing demand with an offer that responds specifically to their needs.

In this edition of Energizing your Business, we will also take a look at Puratos, a producer of bakery products. And for customers with systems that run on low calorific value gas ('L gas') we have good news: thanks to the extension of our contract with the Dutch exporter GasTerra to 2030, the continuity of natural gas supplies is assured!

Enjoy your reading!



John Peuteman,
Marketing & Sales Director

You can also download this magazine on www.distrigas.eu

Would you like more information about an article? If so, call Annelies Verjauw: she will be pleased to help you or collect the information you are looking for:

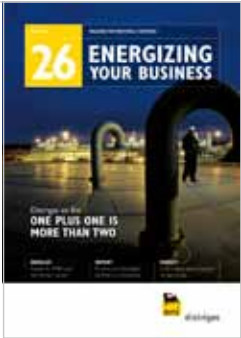
T +32 2 557 30 91

F +32 2 557 31 03

E-mail annelies.verjauw@distri.be



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Nijverheidsstraat 10, 1000 Brussels
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combine their strengths

for an even broader and more competitive offer in the Benelux region, France and Germany.

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sector: Distrigas also has tailor-made solutions for them.

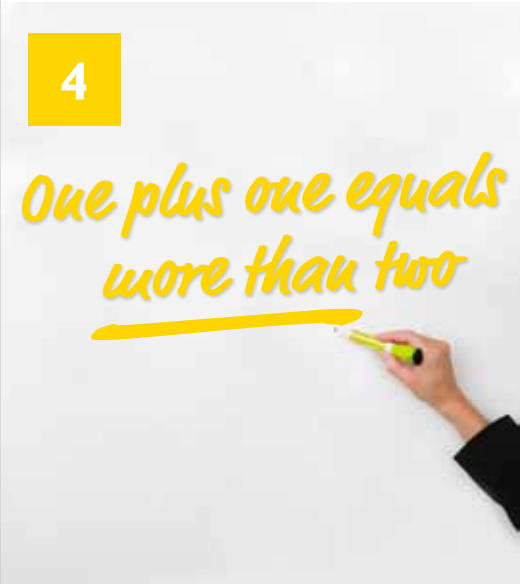
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DISTRIGAS AND ENI, STRONGER

One plus one equals

Since 30 October 2008, Distrigas is part of the Gas & Power division of Eni, Europe's largest natural gas company. While the continuity of natural gas supply and the quality of service to the customers remains the first priority, the integration of the two firms' activities also gets an important part of the attention. Distrigas will remain the brand name for sales in the Benelux countries, while its commercial activities are gradually being integrated into those of Eni in France and Germany.



JOHN PEUTEMAN
DIRECTEUR MARKETING
& SALES, DISTRIGAS



CRISTIAN SIGNORETO
SENIOR VICE PRESIDENT
INTERNATIONAL SALES
ENI GAS & POWER

Said integration is of course more than simply a question of brand names alone. It regards indeed above all pooling the strengths of the two companies and translating the resulting added value into an even wider range of competitive products and services for the customers. The skills of Distrigas regarding industrial sales in the competitive and liquid North-West European markets are now being combined with the broad experience and knowledge Eni possesses as market leader on the European natural gas market. The strengthening of the Trading business under a single centre of excellence within the

TOGETHER

more than two

Group will support the further development of sales in the core markets of Italy, the Benelux countries, France, Germany, Spain and the UK.

A win-win combination

At this time, an integrated sales team is already operational in both France and Germany. All current contracts between Distrigas and its customers in these countries remain of course completely intact and all the usual products and services continue to be available.

Shortly, all offers to customers in France and Germany, as well as in the Benelux countries, will be based on a unique, integrated portfolio of products and services. John Peute-man, Marketing & Sales Manager at Distrigas comments: 'It is clear that customers will benefit from this evolution; one plus one will equal more than two.' Cristian Signoretto, Senior Vice President for International Sales at Eni adds: 'This integration will also open up interesting perspectives for the so called *multi-country* customers, where the Group can now count on the breath of Eni's gas portfolio and the successful experience of Distrigas with its industrial customer base in North West Europe.'

» **It is clear that customers will benefit from this evolution; one plus one equals more than two.**



COMMERCIAL STRATEGY IN THE BENELUX

DISTRIGAS INCREASES IN SME AND TERTIARY SEGMENTS

As a supplier of tailor-made natural gas solutions, Distrigas has built up a strong reputation, particularly among customers who purchase very large amounts of natural gas. Nonetheless, we have also been supplying natural gas to SMEs for quite some time and, more recently, to customers in the tertiary sector as well, who seem to be increasingly in need of solutions that are tailored to their specific needs.

We regard the increasing demand for tailor-made natural gas solutions from SMEs and customers in the tertiary sector (hospitals, university centres, etc.) as an opportunity to further grow our market position in the Benelux countries. For this reason, we have decided to approach this market

segment in a more proactive way and to offer these customers a Distrigas range that is specifically targeted at their needs.

Our own natural gas specialists

A team of three Key Account Managers has been assigned the task of giving this proactive market approach a solid basis. The team is composed of seasoned natural gas specialists who are placing their experience in industrial natural gas sales entirely at the service of these customers. Of course, in doing so, they can rely on the support and competence of the entire Distrigas organisation. Distrigas has further refined its package of products and services for these market segments, so that SMEs and customers in the tertiary sector in Belgium, the Netherlands and Luxembourg can be even better served with products that perfectly match their needs.

Custom-made products

Distrigas has actually much more to



COUNTRIES

MARKET SHARE

offer than just natural gas. We have at our disposal a well-stocked arsenal of specialist products. The price products and pricing formulae for the packages offered are described below.



Customers also have unrestricted access to the customer area on our web site www.distrigas.eu. Here, they can consult market information in complete security and make use of online services, such as a handy, accessible overview of their invoices for the past 36 months and the daily oil price index updates that influence the price of natural gas. In addition, customers can also analyse their own consumption profile, per site and per measur-

ing point for the delivery in question.

Flexible multi-country offer

Our multi-site approach is also very special: one single natural gas contract for all the customer's sites combined. This allows the contracted volumes from the various sites to be managed very smoothly as a single entity, even across national borders. Moreover, the Key Account Manager, together with the customer, examines which pricing formula (fixed, floating or a combination of both) is the most suitable for him. The customer also has a high level of volume flexibility at any time during the entire contract delivery period.

Technical performance

The thermal engineers at Distrigas Gas Services, our natural gas centre of expertise, working with the customer's technical department, look for ways of further improving natural gas consumption. Specifically, a thermal system operating at optimum capacity has a positive effect on natural gas bills.

» **Distrigas also offers a range that is the perfect fit for customers in the tertiary sector.**

No-commitment contact

We invite SMEs and customers from the tertiary sector who are not yet familiar with our offer to contact us, entirely without commitment:

- Freek Libbrecht, tel. +32 (0)2 557 31 69 – freek.libbrecht@distri.be,
- Francesco Perta, tel. +32 (0)2 557 30 89 – francesco.perta@distri.be
- or Renaud Van der Haegen, tel. +32 (0)2 557 30 86 – renaud.vanderhaegen@distri.be



FROM LEFT TO RIGHT:
ALEXANDER DAENEN (INTERNATIONAL
PROJECT LEADER ENERGY &
ENVIRONMENT AT PURATOS),
KATJA BOONEN (PURCHASING
MANAGER AT PURATOS) AND
STEVEN BETTENS, KEY ACCOUNT
MANAGER AT DISTRIGAS)

PURATOS AND DISTRIGAS PARTNERS IN

Many of the delicacies that your baker, confectioner or chocolate confectioner spoil you with are produced using Puratos ingredients. Since 2005, Distrigas has supplied all the natural gas for the Belgian establishments of this successful food company. “But our partnership also extends into other areas”, says Alexander Daenen, International Project Leader for Energy & Environment at Puratos.

Over the last decade, Puratos has developed a range that excels in terms of its inventiveness and variation. ‘We ensure that bakers, confectioners and chocolate confectioners worldwide can sleep with peace of mind’, says Katja Boonen, Purchasing Manager for Goods & Services. ‘We help them to respond appropriately to changes in eating patterns and other new social trends. We continually look for the ideal balance between healthy and tasty food and we also supply our products to our customers in the most user-friendly way.’

Flexible service offers

It is clear: innovation is very important for Puratos. It therefore makes sense for the company to expect its suppliers to adopt a proactive attitude. With Distrigas, Puratos has



Puratos

The Puratos Group specialises in quality solutions for the bakery, confectionery and chocolate industry. Bakers can use Puratos for products such as bread improvers, special bread mixes and leavens. The confectionery range consists of cake, biscuit and choux pastry mixes, fruit and cream fillings, jelly toppings and glazes. Chocolate confectioners can give free rein to their creativity with the endless range of exclusive Puratos chocolate, couverture and chocolate and hazelnut fillings.

Puratos was founded in 1919 in Brussels and has grown into an international family business with as many as 5000 employees and 53 production sites spread across four continents. The products have since become available in more than 100 countries. The annual turnover is around 1 billion euros. The bulk of the 900 Belgian employees work in Groot-Bijgaarden, where the group headquarters are also located. There are also Puratos sites in Erembodegem, Lummen, Sankt Vith and Andenne.

INNOVATION

now found such a partner: 'We have one contract for four production sites in Belgium', says Katja Boonen. 'Sankt Vith is not covered, as no natural gas grid connection is available there.'

Flexibility is a key element in the service package that Distrigas provides to Puratos. Katja Boonen: 'In principle we employ a floating price formula, but we have the capability to respond to opportunities in the market and to switch to a fixed price at any time. This enables us to better spread the risk. We cannot just pass on fluctuations in natural gas prices to our customers. We therefore have to be extra vigilant so that our profitability is not jeopardised. That is why, in the near future, we will work with cross-border natural gas contracts. Distrigas is currently the only gas supplier with a full-fledged multi-country

offer and this brings clear added value. If we have one natural gas contact person across the national borders, it is much easier for us to further optimize our purchasing policy.'

Daily exchange of information

In addition to natural gas, Distrigas also provides a number of other services to Puratos. Last year Distrigas Gas Services, the Distrigas natural gas expertise centre, proactively subjected the site in Lummen to energy scanner tests. 'A measurement programme carried out on two steam boilers led to a better adjustment of the burners', explains Alexander Daenen. 'A short while ago in Erembodegem, where we produce Belgian chocolate under the Belcolade brand, we noticed an inexplicable increase in natural gas consumption. When we

- ▶ approached Distrigas about it, just a few days later there was a team of experts on site. We particularly appreciated the remarkable speed of their response.' Steven Bettens, Key Account Manager at Distrigas, adds: 'When it comes to that type of work, our good professional relations with the network operators are worth their weight in gold. We exchange daily information relating to our customer portfolio, such as on measurements, metering, gas quality with both the transmission grid operator, Fluxys, and the distribution network operators (Eandis, Sibelga, Ores, Infrax...)' ■

» **When we reported the problem to Distrigas, just a few days later there was a team of experts on site.**

Puratos and natural gas

Natural gas plays an important role in the production process at Puratos. Steam is produced from conditioned water that is then distributed across the site and utilised in various ways. Using a system of heat exchangers and double-walled installations, steam indirectly heats and keeps fillings and glazes at the right temperature. The steam return goes back to the boiler and is reused. But Puratos also uses steam directly, for example to pasteurise vegetable cream: it is injected into the product and then removed using a vacuum cyclone.



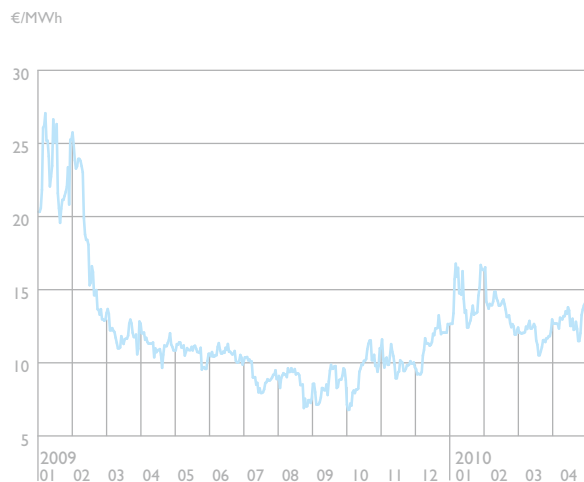


ABUNDANT LNG SUPPLY PUTS PRESSURE ON NATURAL GAS PRICES

ICE BRENT (FRONT MONTH) CLOSING



DOW JONES ZEEBRUGGE GAS INDEX (ZIG)



At the end of 2008, the financial crisis not only resulted in a radical restructuring of the banking world, but also had a negative impact on economic growth at a global level. Just like the financial markets, the commodity markets were also knocked off balance. The Brent price tumbled in less than 6 months from its peak of 146 USD/bbl to 37 USD/bbl. This fall has since been reversed: in early April 2010, Brent crude oil again stood at 85 USD/bbl. Driven by expectations of a significant economic recovery and supported by large industrial markets such as China, India and Brazil and the need for oil to ensure economic recovery in the future, the oil forward curve is rising daily. Economic growth expectations for the future are resulting in continually rising oil prices today.

Strangely enough, the traded gas markets did not follow the same trend as oil, irrespective of where they are located geographically. The gas markets in Zeebrugge, the United Kingdom or the Netherlands all underwent the same downward trend as oil at the end of 2008. The cause of this is mainly due to the fact that the supply of natural gas has increased faster than the demand for natural gas, in spite of the economic recovery of industry. In 2009, many new LNG production plants came on stream, primarily in the Middle East. Even more new LNG production capacity becomes operational in 2010. A substantial proportion of this LNG goes to the West European markets via terminals in the UK, France, Zeebrugge and Italy, which causes natural gas prices to remain under pressure and to not follow the same trend as oil for the time being. ■



distrigas



NEW LONG TERM CONTRACT WITH GASTERRA

At the end of 2009, GasTerra and Distrigas reached a firm agreement on the continuation of natural gas supplies until 2030. This extension enables Distrigas to continue to provide its Belgian customers with low calorific value natural gas ('L gas') until far into the future. The agreement underlines the important role that natural gas continues to play in the transition to sustainable energy supplies. Thanks to this agreement, our customers can continue to enjoy flexibility of supply from the nearby Slochteren field. Within the context of the increasing importance of supply security, this agreement also ensures the availability of natural gas that not only comes from within the European Union but even from a nearby source within the Benelux.

The relationship between GasTerra and Distrigas dates back to 1966, the year in which the first natural gas import took place in Belgium. Gas supplies from the Netherlands have always made an important contribution to the stability of the European and Belgian energy market. This contract extension also demonstrates that a liberalised market still allows for long term agreements, which safeguard the security of supply in the medium and long term. ■

NATURAL GAS TRAINING COURSES IN OCTOBER

Engineers and technicians who want to update their knowledge of natural gas can again take a course this autumn with Distrigas Gas Services on the subject of *Safe and efficient use of natural gas in industry*. The two day training courses are mainly given by the internal technical consultants at Distrigas Gas Services, who work in industrial practice every day. The training courses will be held at Distrigas Gas Services, Rodestraat 125, 1630 Linkebeek.

- Training courses in Dutch:
Tuesday 12 and Thursday 14 October
- Training courses in French:
Tuesday 19 and Thursday 21 October

Register by faxing the completed attached form to Distrigas Gas Services to number 02 557 3106, or by e-mail to Ms Linda Van Rossem linda.vanrossem@distri.be. ■



DISTRIGAS RELOCATES!

The combination of forces of Distrigas and Eni has also meant that all entities of the Eni Group operating in Belgium will soon move into one office building in Brussels. By the summer, we will move into renovated premises on the corner of the rue Guimard and avenue des Arts. This will enable us to welcome our customers in an even better setting and offer services of an optimum quality.

The brand new Eni Building will house all services of Distrigas, the corporate bank, Banque Eni, and the representation of the Eni Group with the European Commission. The entire gas trading of Eni will be managed from Brussels. The Distrigas trading floor is being expanded for this purpose and new IT systems are being installed.

Our new address from the end of June: rue Guimard 1A, 1040 Brussels. Our telephone and fax numbers and our e-mail addresses remain unchanged. ■