



SE European gas markets

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Presentation outline

- SE Europe – a dynamic region of Europe
- Demand is material; structural change
- Infrastructure expansions, linkages & new developments
- Demand direction
- A market for Caspian gas
- Conclusions



What is SE Europe?

- ECSEE Treaty Athens 2005 (EU + Balkans)
- BP includes Turkey in its definition
- East of Baumgarten
- Mix of markets: developing, transition; recovery



Key indicators

	SE Europe	% of European
Population	147 mn	27%
Gas demand	85 bcm	15%
Income	\$13k	54%

	SE Europe	Europe
Production cover	22%	51%
Russian supply	55%	27%

- Most are small markets
- Turkey the largest
- Above European average demand growth

24th World Gas Conference
 ARGENTINA | 2009
 5-9 October

The Global Energy Challenge:
 Reviewing the Strategies
 for Natural Gas

- Major 4th Corridor projects, moving Caspian / M Eastern gas to Europe
 - Nabucco; IGI; TAP; White Stream
- South Stream
- Regional interconnectors
- Pipeline map in SEE potentially transformed before 2020.
- High political involvement

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Turkey - GDP & Electricity demand growth rates 1990-08

Av growth pa 1990-08
 GDP 4.1%
 Electricity 7.1%

Turkey

- impressive gas growth to be largest fuel in the energy mix - from zero in just 20 years
- gas growth resilient to GDP downturn

Europe

- Demand down 6% this year
- 3-4 years for market recovery

Turkey energy demand 1990-2008
 (in millions tonnes oil equiv)

Over 1990-2008, gas accounts for 65% of incremental energy demand

2008: Coal 28%, Oil 30%, Gas 32%

Source: IEA Energy Balances & Energy Stats for OECD countries



SE Europe as a market for Caspian gas

- BP and partners developing Shah Deniz gas condensate field
- Stage 1 on stream end-2006, first gas to Turkey mid-2007
- Stage 2 concept being finalised, but 16 bcm starting 2016
- Huge customer interest in supply
- Looking at range of marketing possibilities based around expansion of the SCP pipeline
- 4th Corridor pipelines would take the gas further into the SEE region
- IGI & TAP targeting Italy, Nabucco to Baumgarten via 5 transit countries
- We see demand growth in SEE region as higher than European average