



# International Gas Union



## Globalisation of the Gas Industry

**Torstein Indrebø**  
**Secretary General of IGU**

**The Fifth Asia Gas Partnership Summit**  
**New Delhi, 14-15 April 2008**



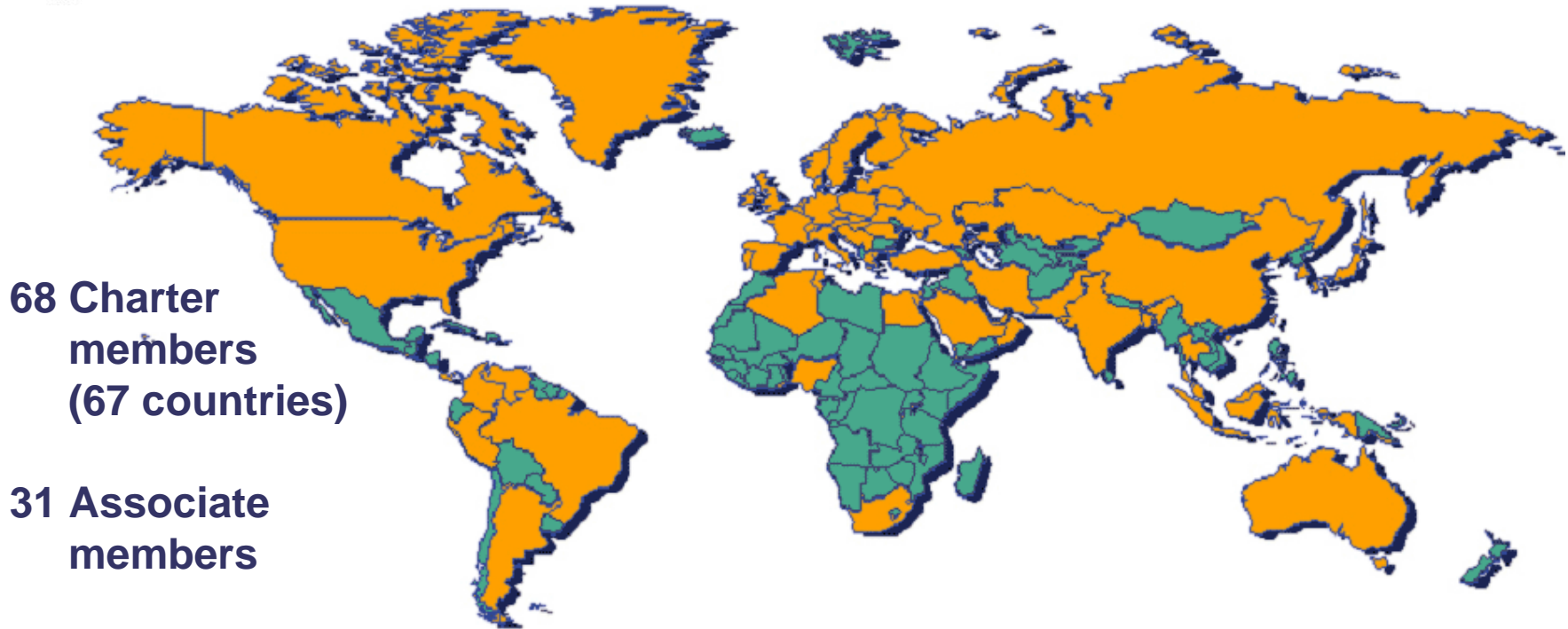
# International Gas Union - representing the gas industry



Members Non Members



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and knowledge  
on Gas - World Wide



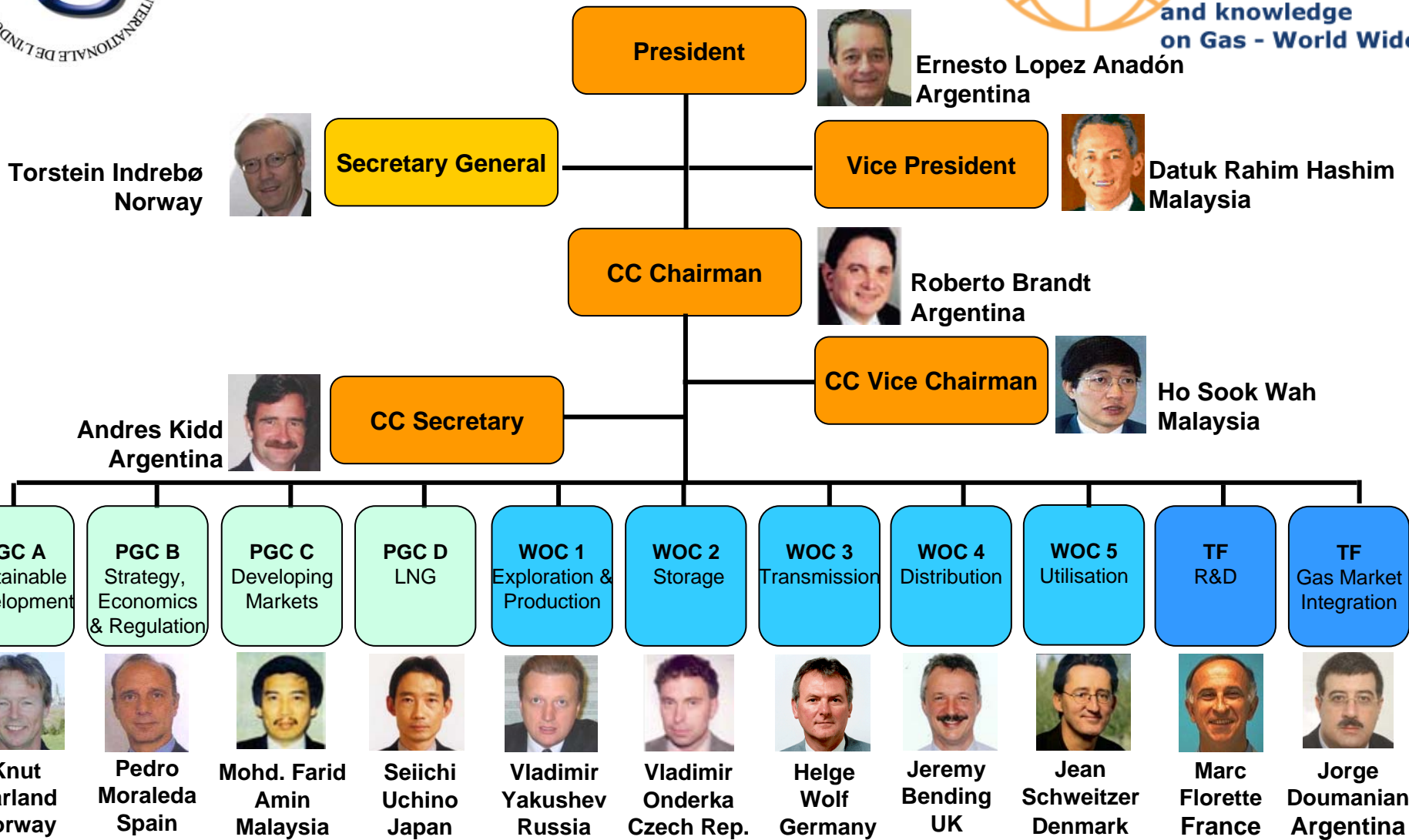
68 Charter  
members  
(67 countries)

31 Associate  
members

Also gas companies can become member and benefit from IGU's vast networking opportunities



# Experts from all over the world are active in the technical teams



# Ambitious Argentine Triennium 2006-2009



**24<sup>th</sup> World Gas Conference** in October 2009  
In Buenos Aires, Argentina

## Theme

The Global Energy Challenge -

**“Reviewing the Strategies for Natural Gas  
towards 2030”**

## Objectives

- 1) Promote the exchange of knowledge and information
- 2) Provide solid and concrete reference tools for decision makers



# Globalisation of gas markets

- **Energy security**
- **Climate protection**
- **Access to reserves**
- **Risk management**
- **Gas pricing**

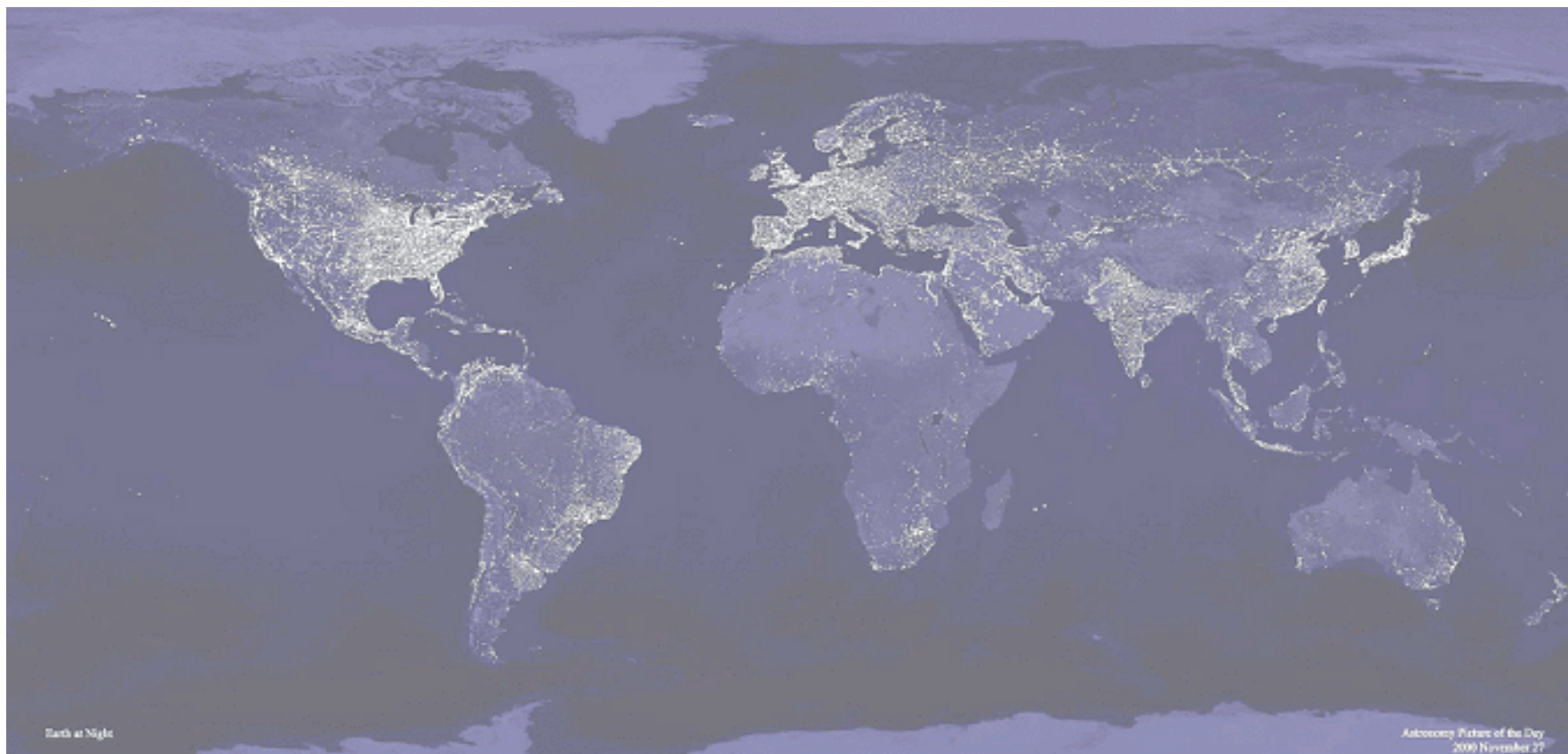




# The mission is the challenge



**Secure, reliable, affordable energy services with minimal environmental impact**

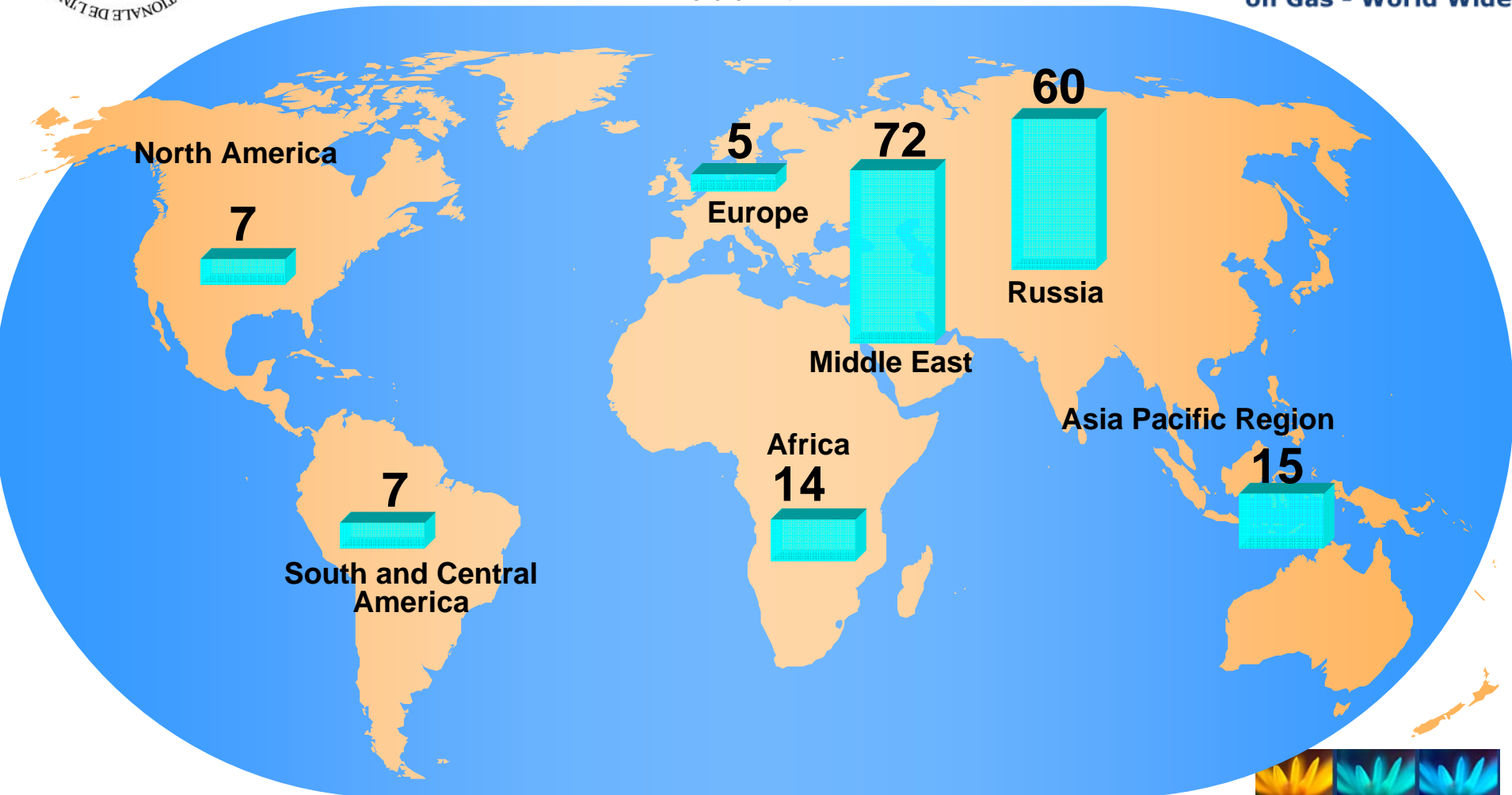


# Location of world proven gas reserves (180 Trillion m<sup>3</sup>)



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in 1000 bcm



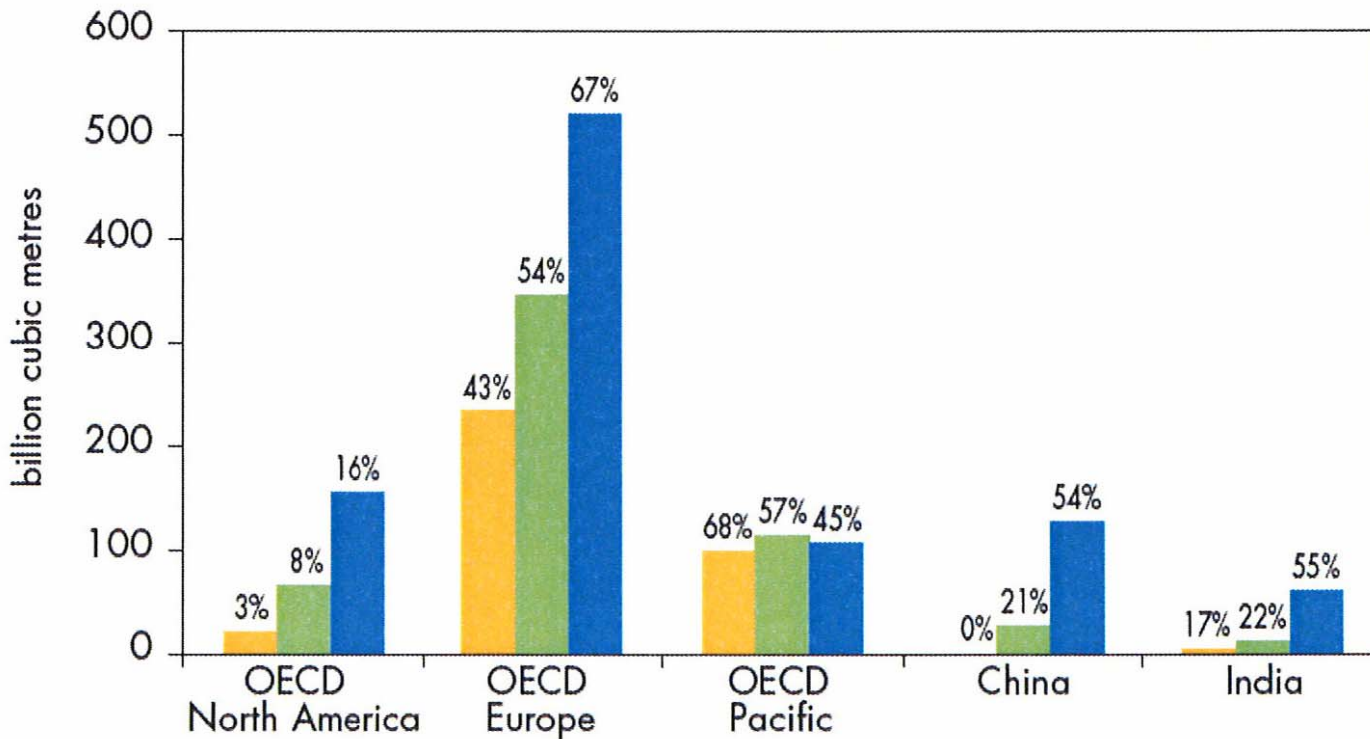
Source: BP Statistical Review 2006, figures from 2005



# Import dependency is increasing



Net Imports of Natural Gas by Major Region in the Reference Scenario



Source:

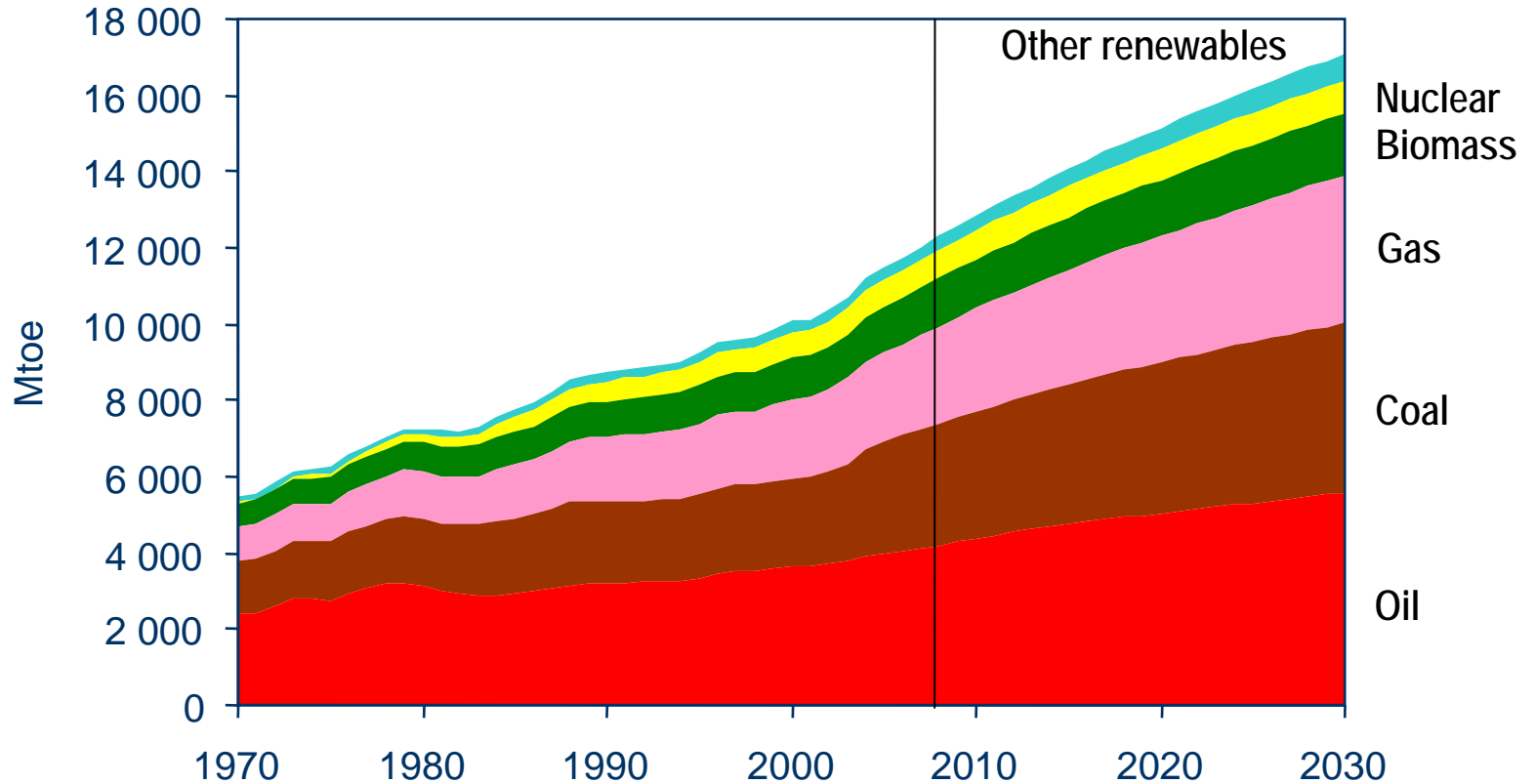
OECD/IEA - 2007

2005 2015 2030 % share of imports in primary demand





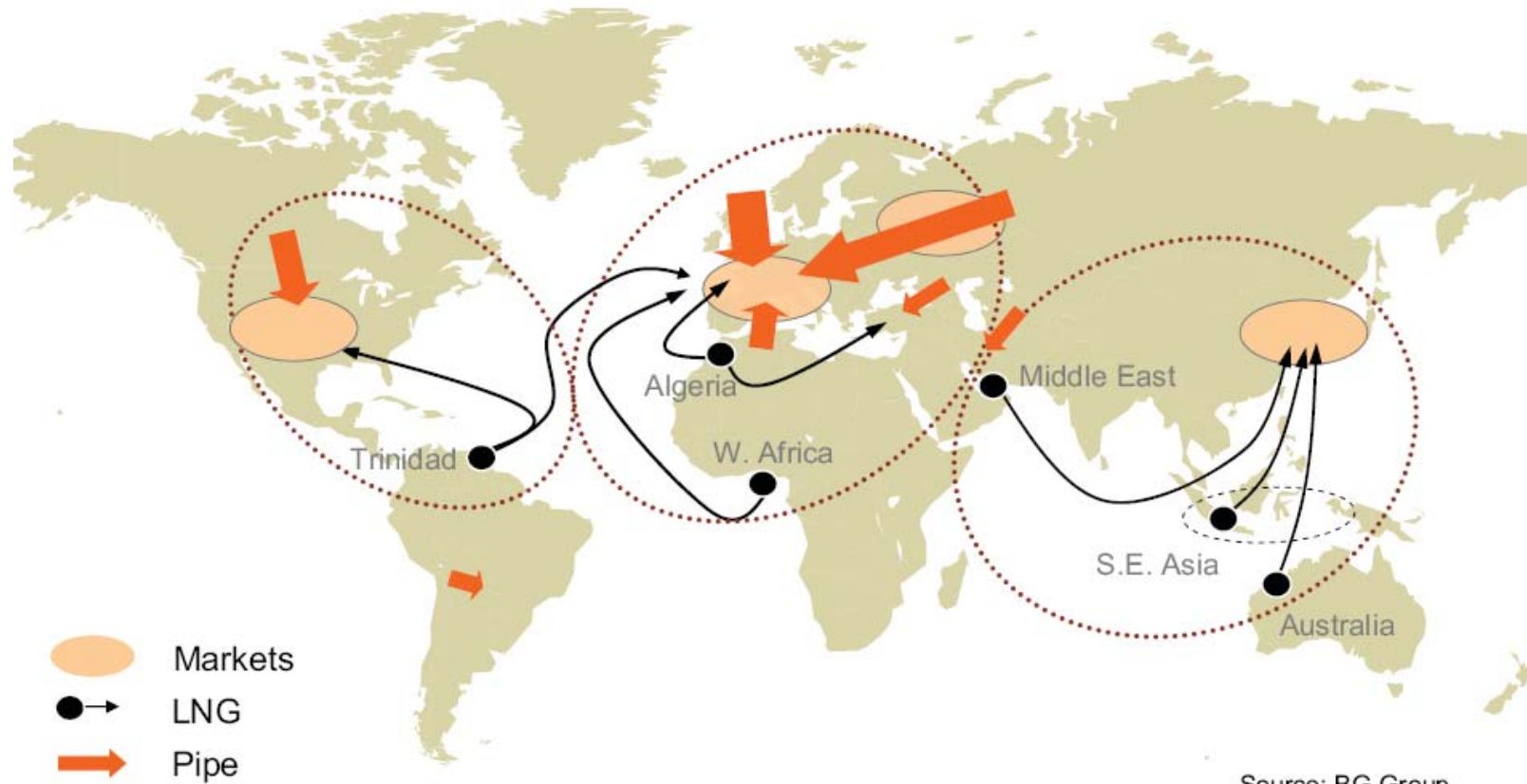
# IEA forecasts growing gas demand in the future



Source: OECD/IEA - 2007



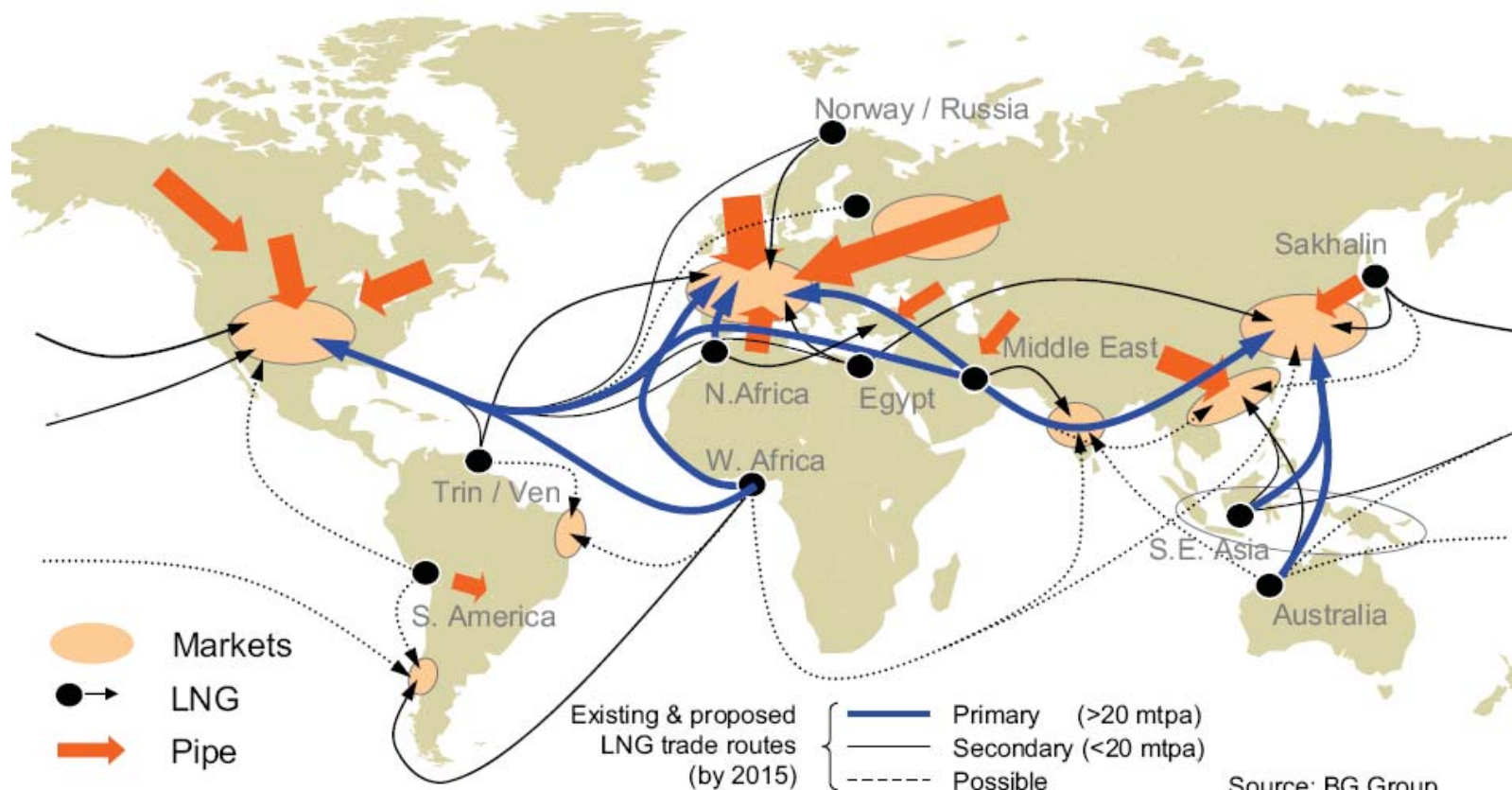
# Gas markets were regional in the recent past



Source: BG Group



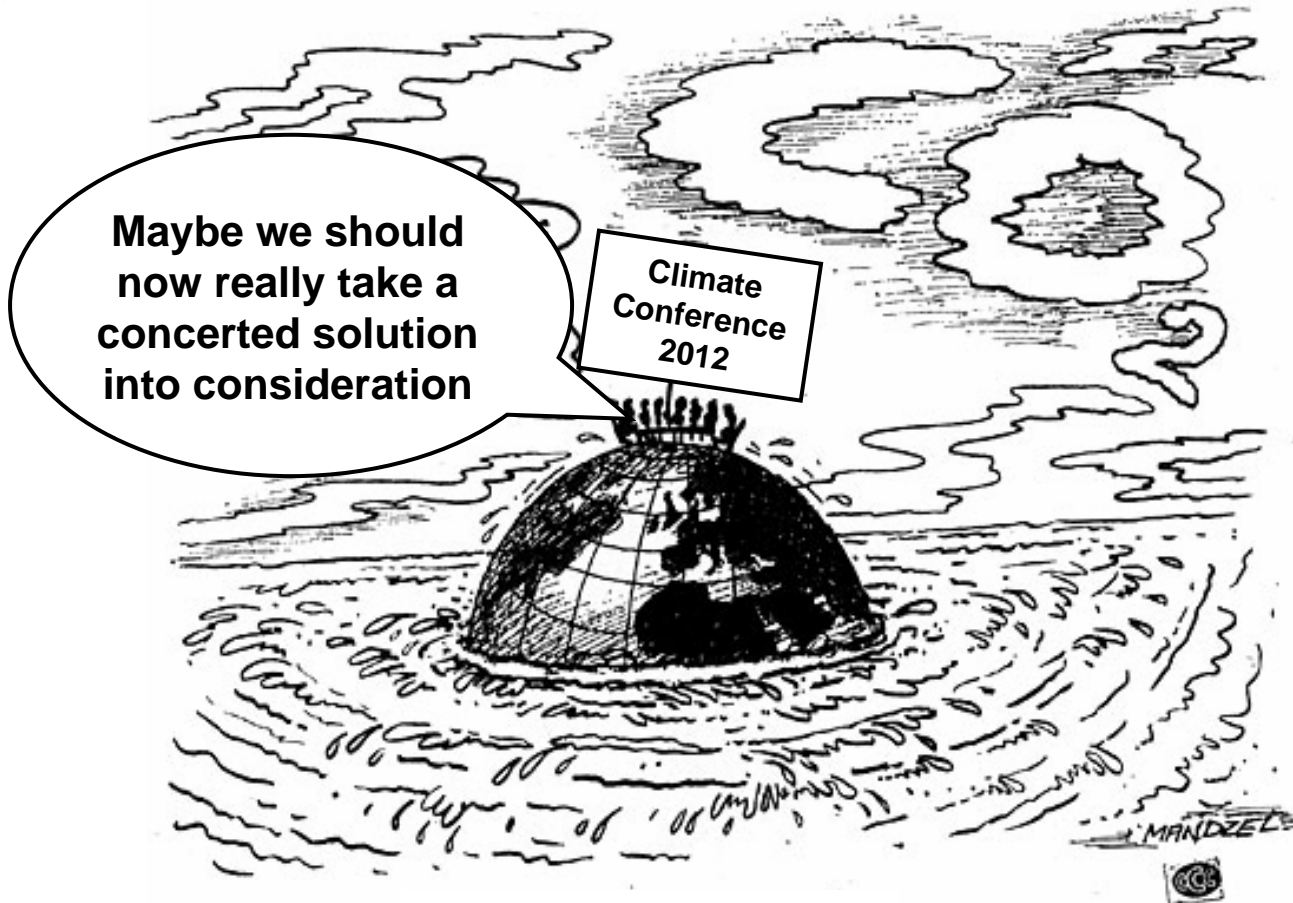
# A global gas trade is evolving



Source: BG Group



# The climate challenge...

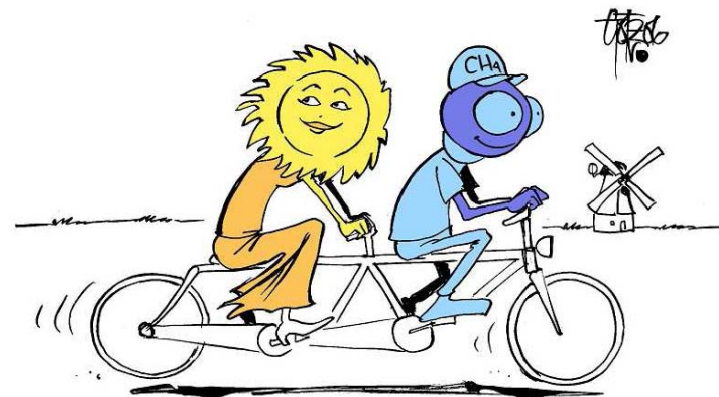


Gas should play a major role!



## Plus factors of gas

- Low carbon dioxide releases
- High efficiency with combined cycle power
- Use in transportation sector great climate protection potential
- Natural gas complements renewable energy
- Gas –the transition fuel in a sustainable world of energy



Source: With courtesy of E.ON  
Ruhrgas

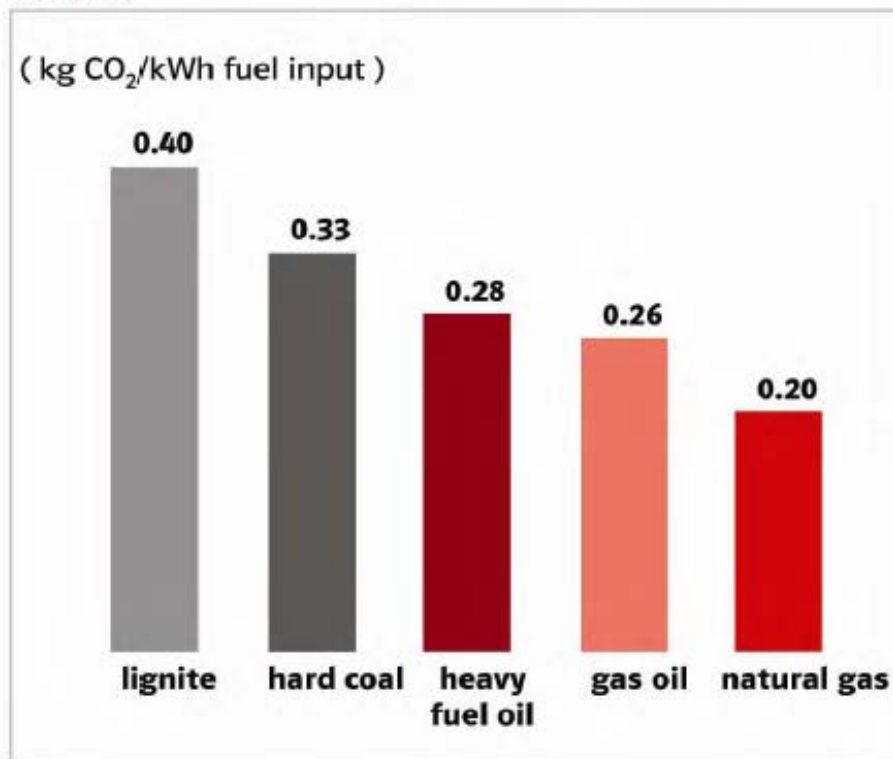




# Natural gas – lowest carbon content



## CO<sub>2</sub> formed by the combustion of fossil fuels:



Source: E.ON Ruhrgas 2007

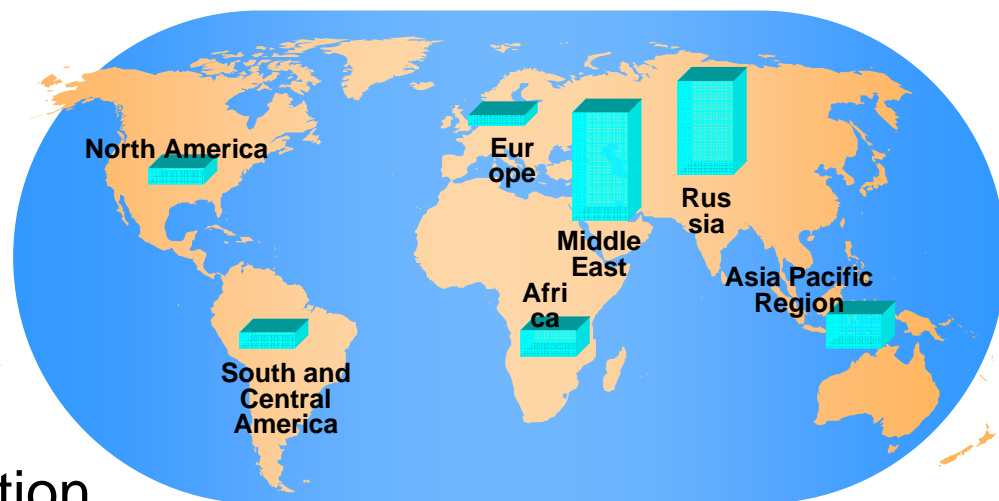
# Gas should continue to be the fuel of choice !



Courtesy of EON.Ruhrgas



- NOCs hold majority of reserves
- Concentrated in few hands, Saudi Arabia, Iran, Russia, Qatar, Venezuela
- New models of cooperation between NOCs and IOCs



Source: Source: BP Statistical review 2006, Figures from 2005





# Access to new supplies - many obstacles to overcome



- Domestic demand versus export markets
- National policies– investment levels
- National policies – acreage
- Environmental concerns



# „Sold out“ at the world resource market





# Investments in energy infrastructure require....



## ...successful risk management

- Long term horizon of projects (20-40 years)
- Project management and cost control
- Long term contracts versus spot sales
- Regulation of business
- Gas price indexation (Oil, Henry Hub, NBP)
- Environmental policies



# Regulation has to reflect market reality



- Coordination of regulation along the gas chain with cross border trading and transit



Production



Transportation



Storage



Distribution



Customers

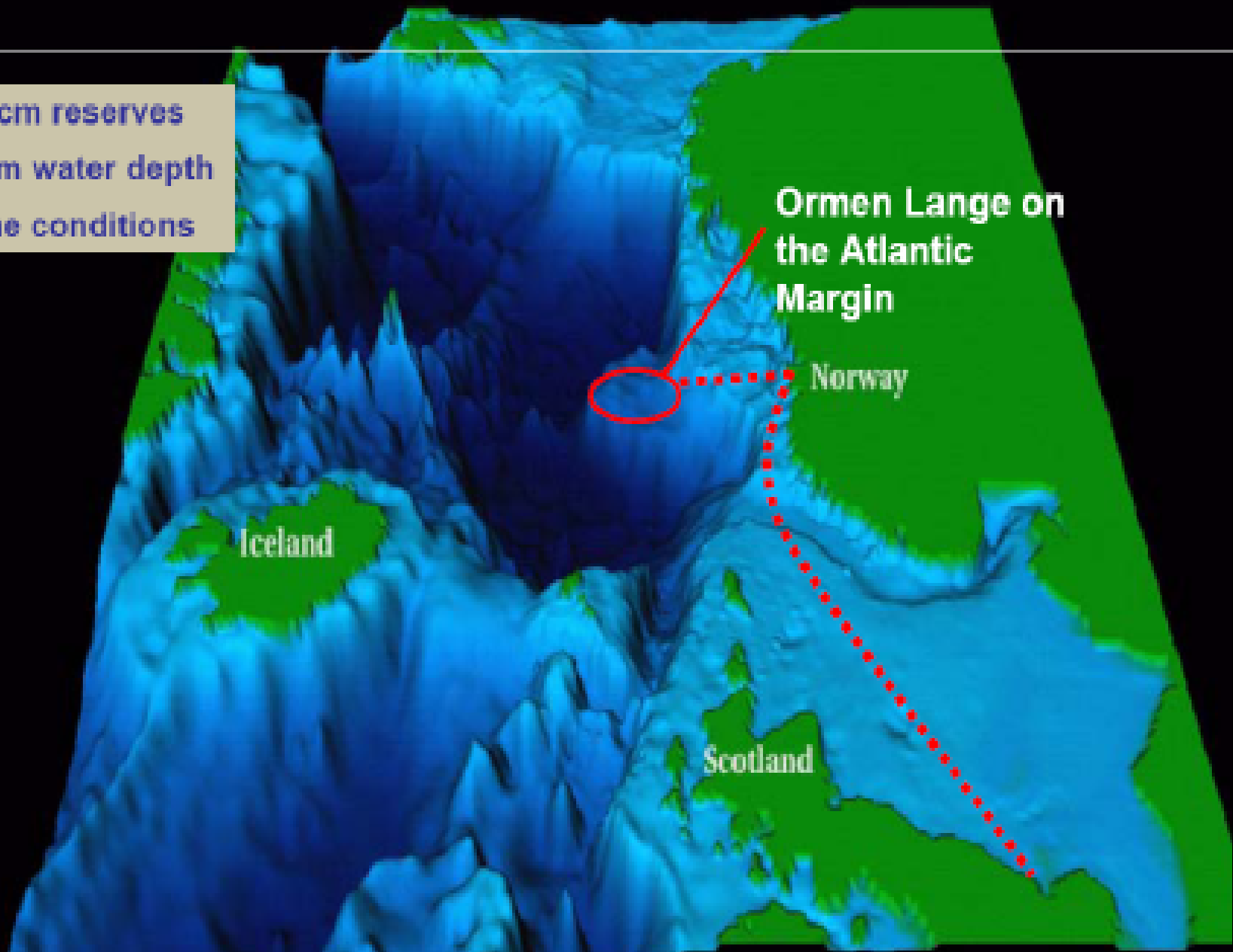
- Real dialogue among stakeholders





# Ormen Lange – the new gas giant for Europe

- ~400 bcm reserves
- ~1000 m water depth
- Extreme conditions



# Nabucco: Connecting Caspian Region with Western European Markets



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Source: [www.nabucco-pipeline.com](http://www.nabucco-pipeline.com)



# Gas pricing in a global market offers new opportunities



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# Spot markets and trading gaining in importance





**But... what counts in the end?  
To make the customers satisfied....**



**Thank you  
for your attention!**

**See you in Buenos Aires!**

**24<sup>rd</sup> World Gas Conference  
and Exhibition**

**October 5 – 9 2009**





[WWW.IGU.ORG](http://WWW.IGU.ORG)



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