



# **GAS E&P TRENDS**

## **SG 1.2 Assessment of global reserves and resources**

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**IGU WOC 1 Meeting**

Kota Kinabalu, Malaysia

5 September 2013

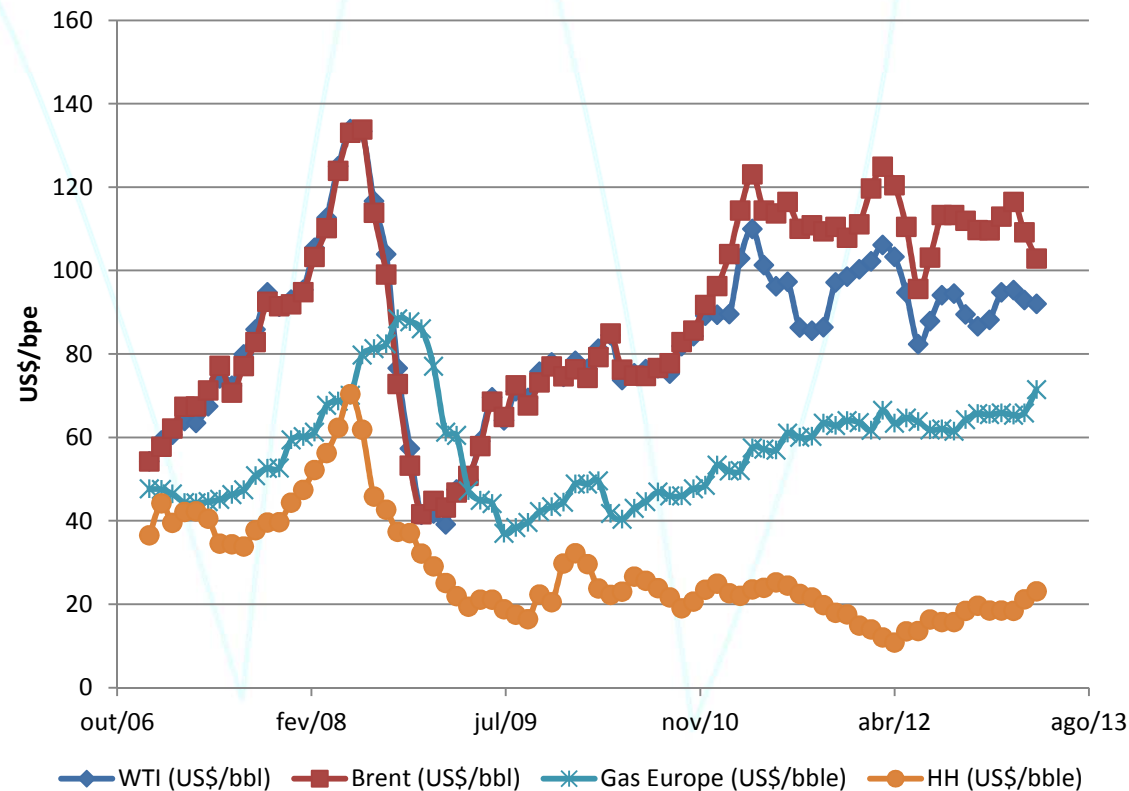


# WOC 1.2 Triennial Report

- ***Gas E&P trends, new frontiers and exploratory areas***
  - ***Gas pricing mechanisms and exploratory risk***
  - ***The role of the IOCs, NOCs and independent producers***
  - ***Discovery trends***
  - ***New frontiers and exploratory areas***

# Gas pricing mechanisms

- ❖ **WGC 2009** → *global prices expected to converge around USA*
- ❖ **WGC 2012** → *three global references for pricing:*
  - *USA/Canada (giant unconventional gas island)*
  - *Europe (Russian pipeline gas and LNG diversification)*
  - *East Asia (LNG)*



# Gas pricing mechanisms

- *Gas on gas competition already almost as important as oil price escalation in Europe*

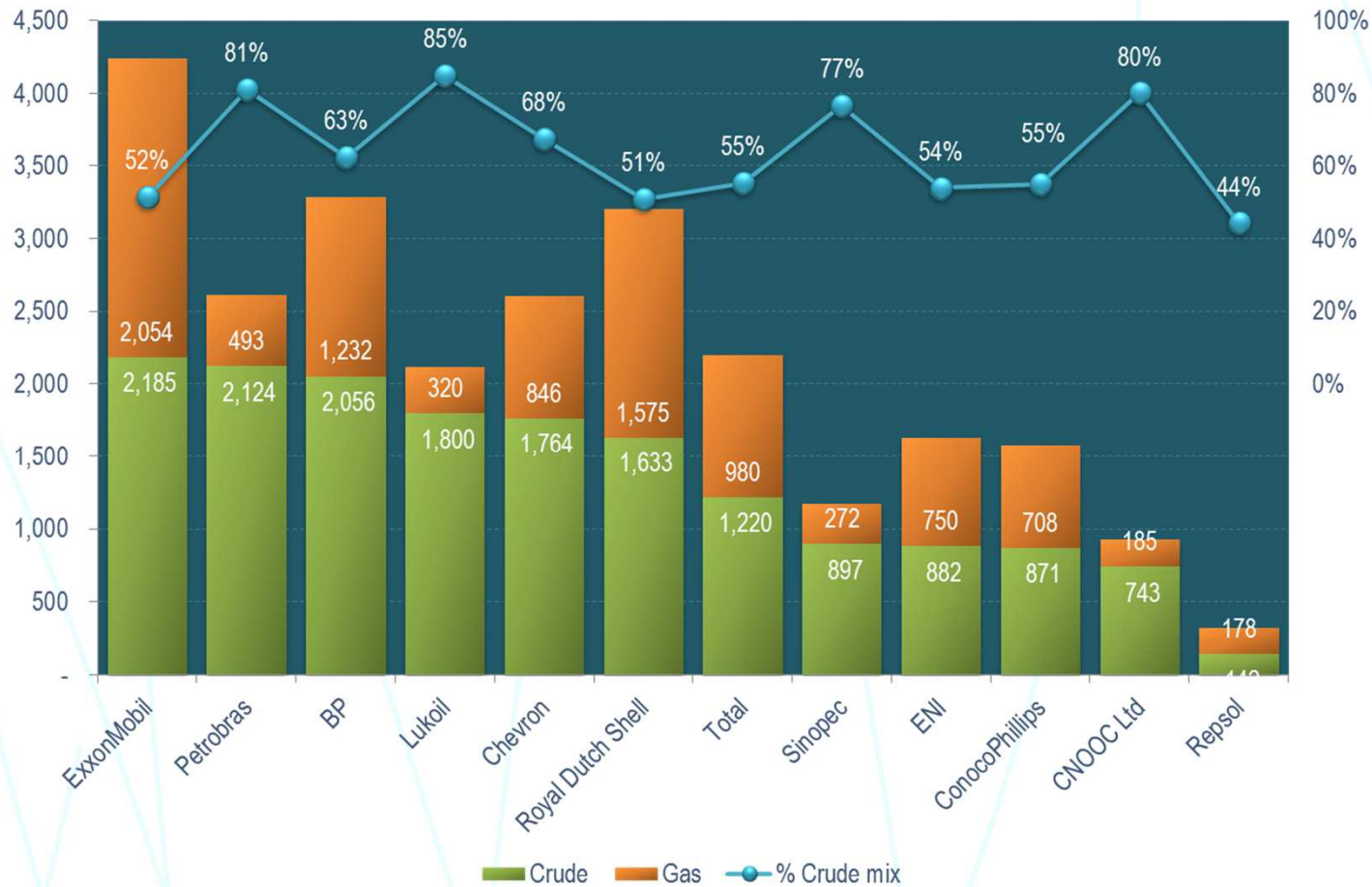
	OPE	GOG
2005	79%	15%
2007	72%	22%
2009	68%	27%
2010	59%	37%

(SOURCE: NEXANT)

- *Hub pricing transfers risks from downstream to upstream businesses*

- *Will producers be less inclined to invest in high risk areas?*
- *Will countries which depend on imports try to reproduce the “unconventional boom” in North America?*
- *How will the price differences between North America, Europe and Asia affect exploration dynamics throughout the world in the long run?*

# Gas is gaining space in the portfolio of IOCs

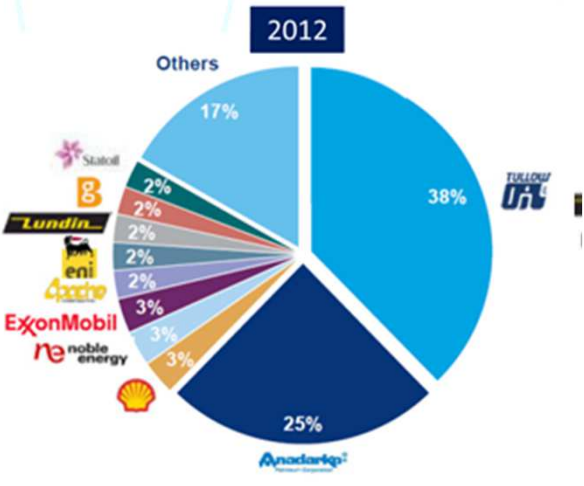
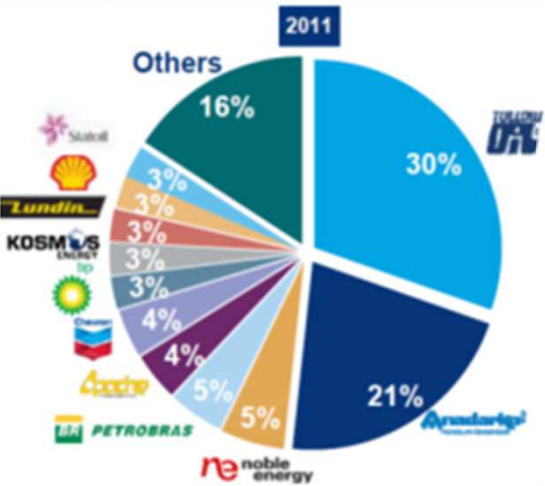
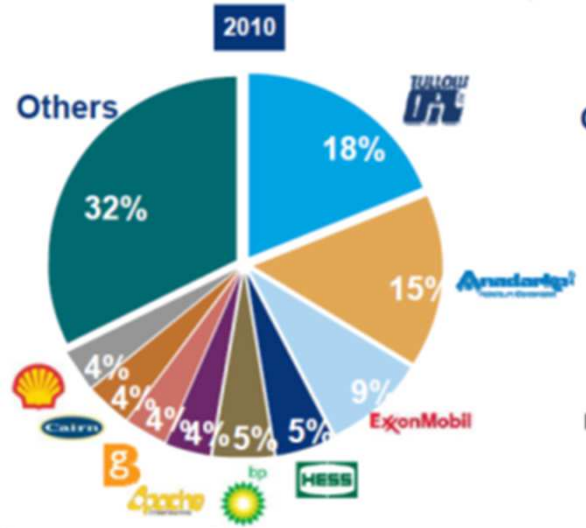
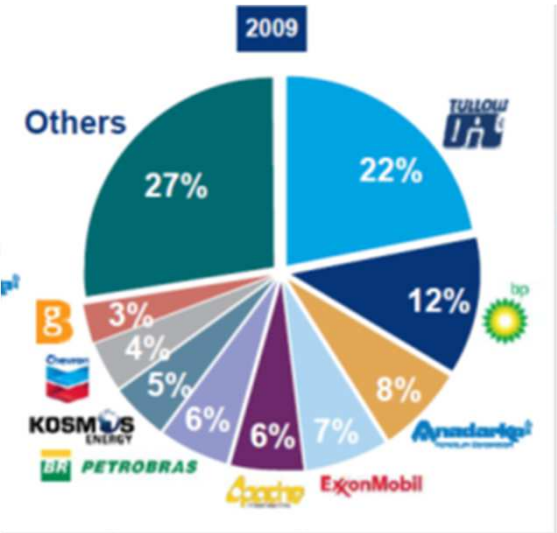


Monteiro, 2013 (data from Evaluate Energy)

# E&P Trends: The Role of Independent Producers

Most admired exploration companies in the world

Wood Mackenzie's Future of Exploration Survey



# New Exploratory Frontiers

- Most attractive resource potentials

Wood Mackenzie's Future of Exploration Survey (2013)



***Terima kasih!***

