

RUSSIAN GAS SOCIETY



Global Eurasian Energy dialog : EU-Russia & Asia

**Reported at the 3rd Energy Week and the
“Energy & Development 09” Conference
Athens, November 9-13, 2009**

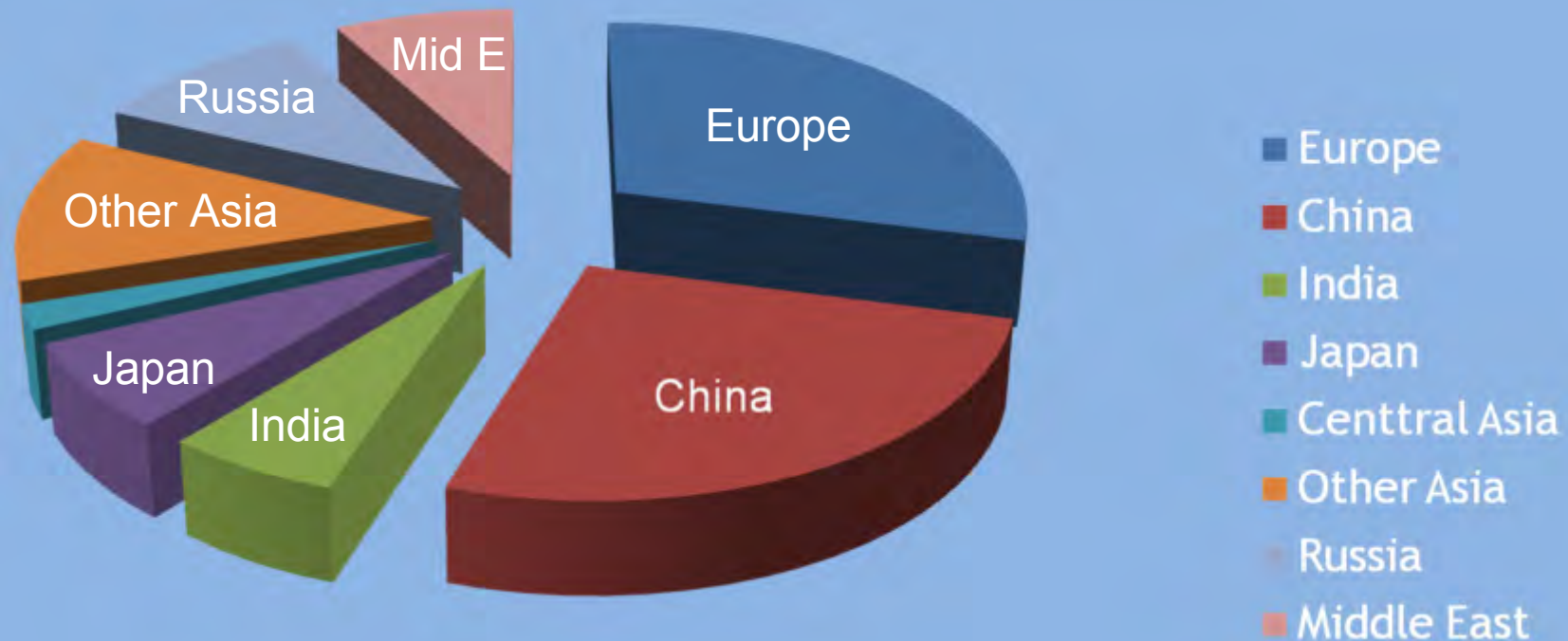
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Post-Crisis Energy global trends



- ❑ Globalization process of the Energy market is going further on;
- ❑ Interdependence between energy producing, transiting and consuming countries is only increasing;
- ❑ «Easy oil & gas» epoch is coming to the end;
- ❑ Imbalance of the globe energy infrastructure: the major resource fields are located far from the main consumption centers. 90% of the world GDP is produced in the countries importing the energy resources. That arises a hot issue of supporting the Global Energy Security;
- ❑ Increasing of natural and technological accident risks for Global warming and human factor reasons;
- ❑ Negative affecting of energy economic sector to Global environment in continuing;
- ❑ Considerable scale of the energy poverty is still remain: 2 billion of the planet population cannot afford to make use of the energy services on acceptable terms.

Eurasian Energy Utilization



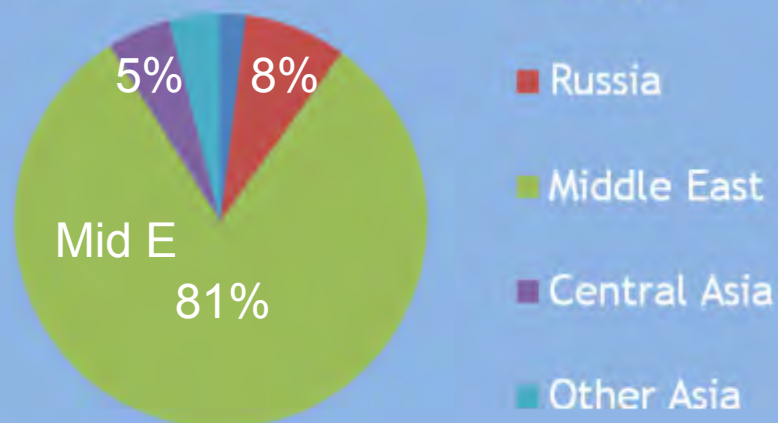
BP Statistical Review of World Energy 2008

- ❑ The European countries and China show the major energy resources demand 29% and 26% respectively;
- ❑ The Eurasian countries shows an 85% of the world energy consumption growth, including China of 50% and India of 7,1% (2000-2007)

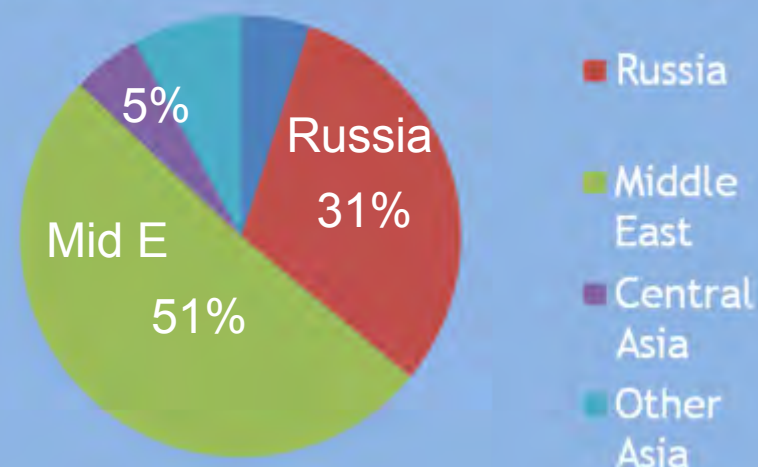
Eurasian Energy Production and Reserves



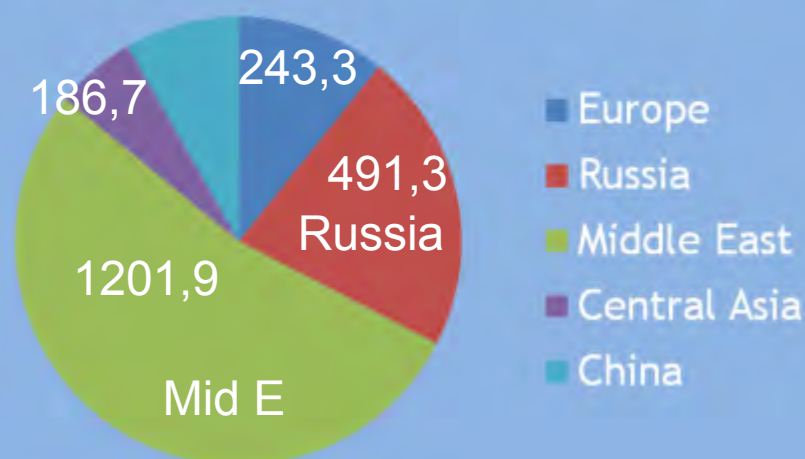
Oil reserves



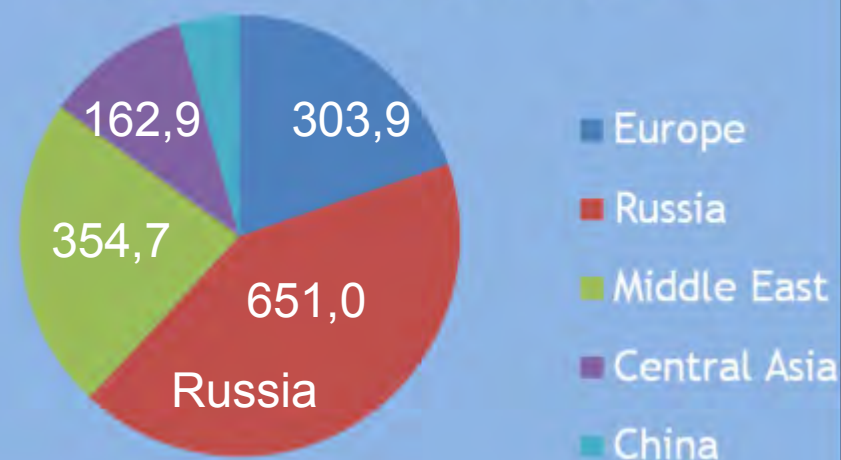
Gas reserves



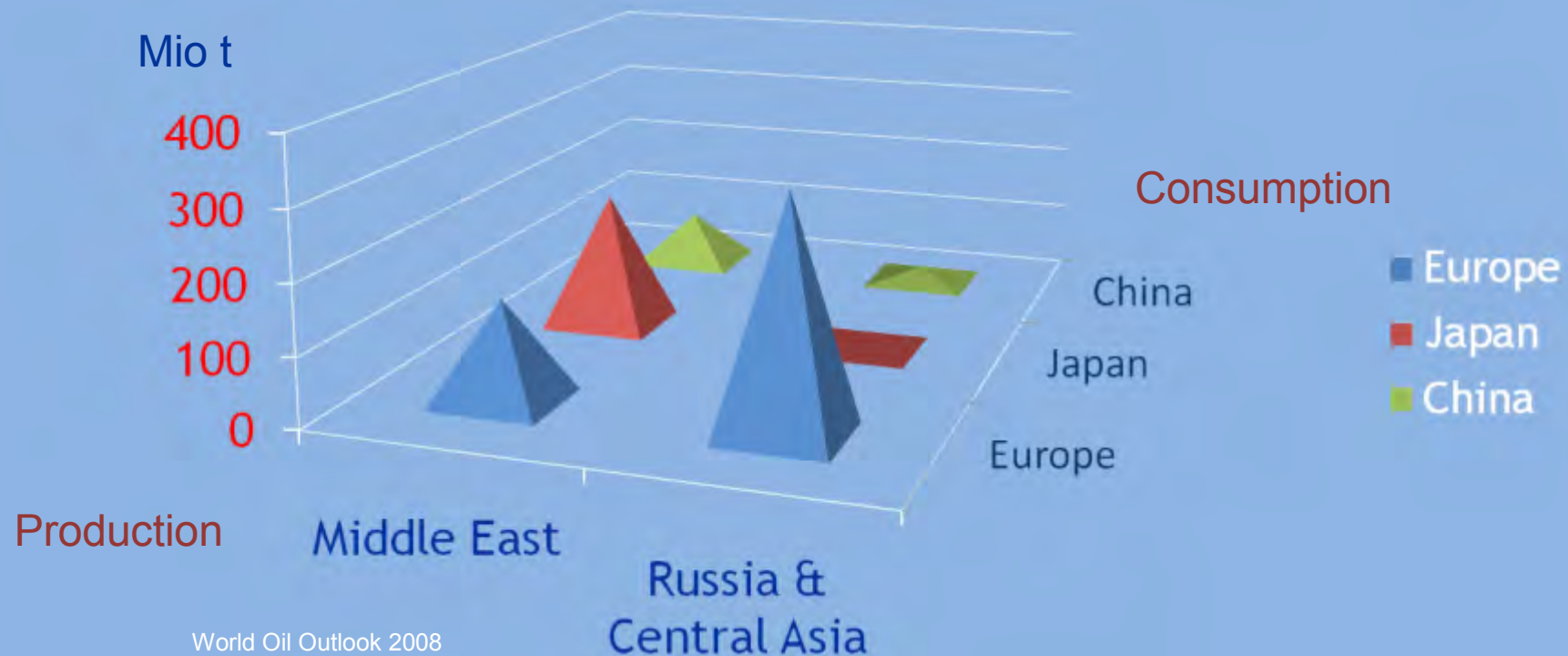
Oil production (2007), Mio t



Gas production (2007), BCM



Eurasian Oil Trade



The major deliveries of the energy resources are based on the interregional trade from the Middle East (oil and LNG) and Australia (coal) to Asia and from Russia (oil & gas) to Europe.



Global Energy Security: key issues

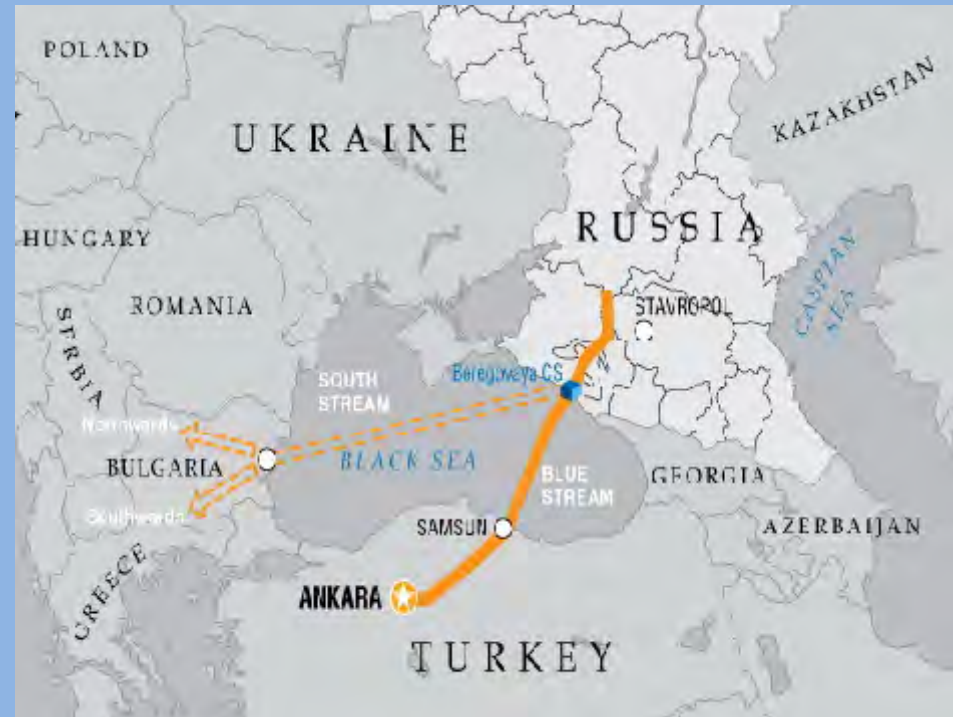
- ❑ The common Eurasian Energy market already has been born;
- ❑ In a long- and mid-term period China and India will dominate in a regional energy demand structure. Such demand will provide 30% of the total Eurasian one;
- ❑ Energy Security is becoming a fundamental basis of the largest Eurasian economics national strategy;
- ❑ World Energy sector still needs a comprehensive Global Energy Regulator which should be free from the Energy Charter shortcomings;
- ❑ Most of Asian Energy majors are out of the Global Energy Regulations processes;
- ❑ Geographical supply and demand imbalance requires stable and sustainable transit and deliveries;
- ❑ Energy transport infrastructure disunity prevents the closer inter-regional energy integration;
- ❑ Trend to GHG emission reduction may radically affect the fuel & energy balance.

Unified Gas Supply System of Russia - Crossing Eurasia



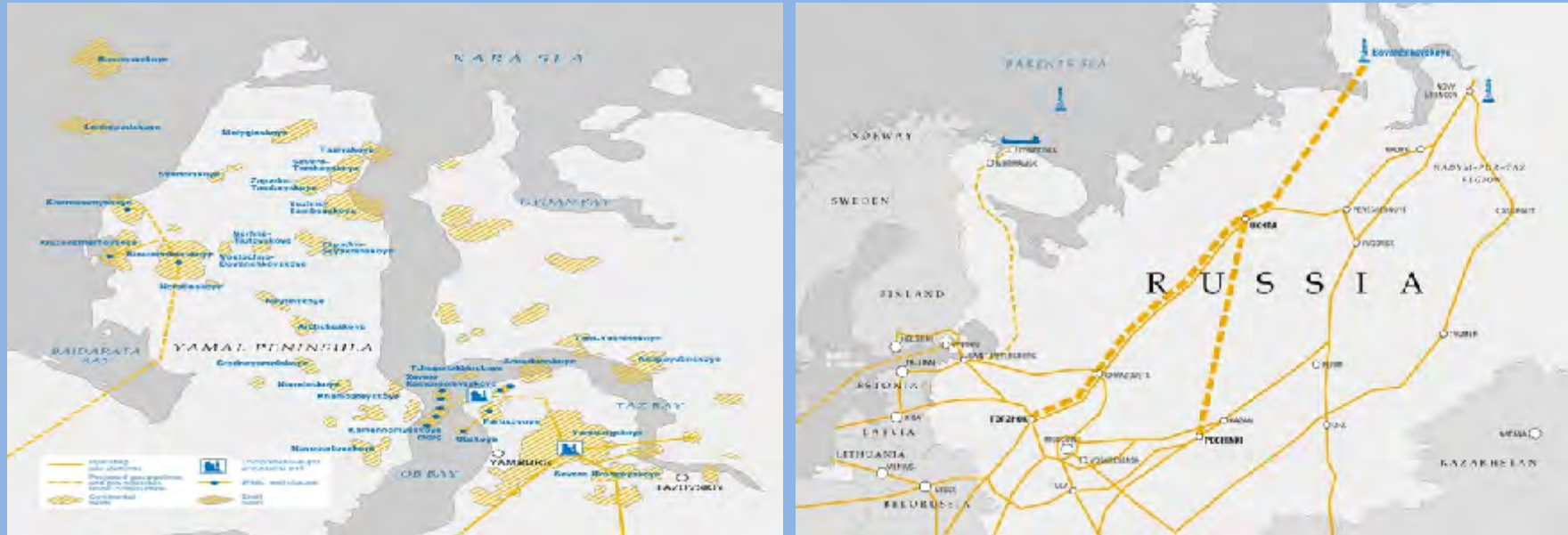
UGSS includes 155 000 km gas mains and branch pipelines, 268 compressor stations and gas-pumping units with a total power of 44.8 mln kW of gas pumping units, 6 gas processing and gas condensate complexes, 24 UGS facilities.

Nord and South Stream- supporting to the European Energy Security



- Real step toward executing the Gazprom strategy to diversify the Russian natural gas supply routes;
- Fundamentally new routes for Russian gas exports to Europe;
- Providing the most reliable gas deliveries to customers in Western Europe;
- There are no transit countries on Nord and South Stream routes, which enables to reduce Russian gas transmission costs and exclude any possible political risks.

Yamal megaproject



- 11 gas and 15 oil, gas and condensate fields with approximately 16 tcm of explored and preliminary estimated gas reserves (ABC1+C2) and nearly 22 tcm of in-place and forecast gas reserves (C3+D3)
- Reserves of condensate (ABC1) are estimated at 230.7 mln t and those of oil – 291.8 mln t.
- Bovanenkovskoye field is the most significant one on the Yamal Peninsula (4.9 tcm). The initial gas reserves of the Kharasaveyskoye, Kruzenshternskoye and Yuzhno-Tambeyskoye fields amount to about 3.3 tcm.



Eurasian Energy Forum



- ❑ The Eurasian Energy Forum (EEF) is a non-governmental voluntary Association of energy companies and non-commercial organizations involved in the unified Energy Production/ Transit/ Utilization network;
- ❑ Decision on forming an International Working Group for convoking the 1st Eurasian Energy Conference (EEC) and establishing the EEF was taken at the Working Meeting of more than 30 major Eurasian Energy companies which was held in Moscow in July, 1st, 2009. It is scheduled for March-April, 2010, in Moscow;
- ❑ EEC and EEF ideas were initiated by the Russian Gas Society, uniting more than 130 Russian and foreign members;
- ❑ The EEF will elaborate and present expert recommendations to the Parliaments and Governments of Eurasian countries which are represented at the Forum, i.e.:
 - World energy regulation concepts;
 - Preventing and conflict settlement mechanism in the area of Energy Production, Transit and Consumption;
 - Common investment access principles in respect of International Production/Transit and Energy Resources Allocation projects;
 - Building of common International energy balances and future energy transportation routes;
 - Common standards and regulations in HSE and Ecological law;
 - Alternative energy and energy saving technologies developing;