

EC Second Strategic Energy Review: Low Export Scenario of Gazprom



- The European Commission has proposed a new energy package that reduces the 2020 EU gas import plan by 100-116 bcm/year.
 - There are no doubts that the new energy policy (NEP) can reduce gas consumption by at least 20-25 bcm/year.
 - In that case, the future imports of Russian gas are most likely to be reduced by the same 20-25 bcm/year.
- Any reduction of gas consumption in the EU will result in lower imports from Russia.
- Under the NEP scenario, political pipeline projects, that are designed as bypass routes without increasing export volumes, become too risky.
 - Readiness to take a financial loss for political reasons is inappropriate for a company that claims the priority of profit maximization.

Old (Baseline) and New (NEP) Scenarios: Net Gas Imports in 2020, bcm

	2005	Baseline scenario for oil price of		NEP scenario for oil price of	
		\$61/bbl	\$100/bbl	\$61/bbl	\$100/bbl
Net imports:					
EU-27	301	456	386	340	287
EU-27 and Turkey	328	523	453	407	353
Change:					
from 2005	-	195	125	79	26
from Baseline to NEP	-	-	-	(116)	(99)

Sources: http://ec.europa.eu/energy/strategies/2008/2008_11_ser2_en.htm ; Botas.

Gazprom's Plan of Pipeline Gas Exports to Europe, bcm

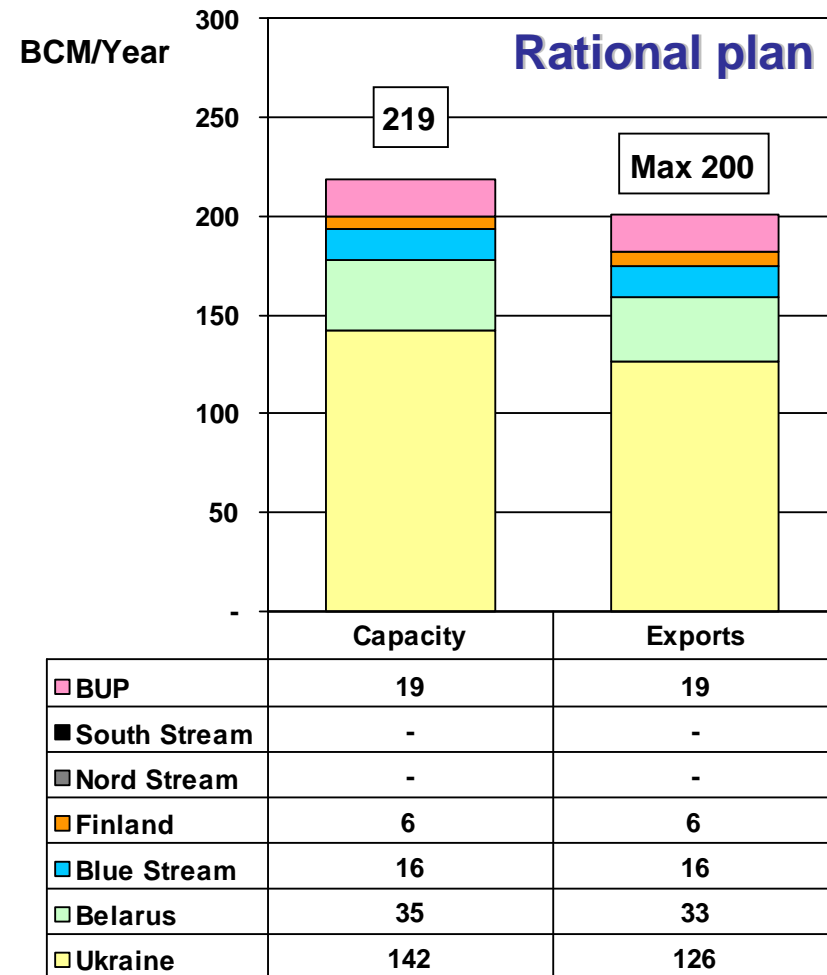
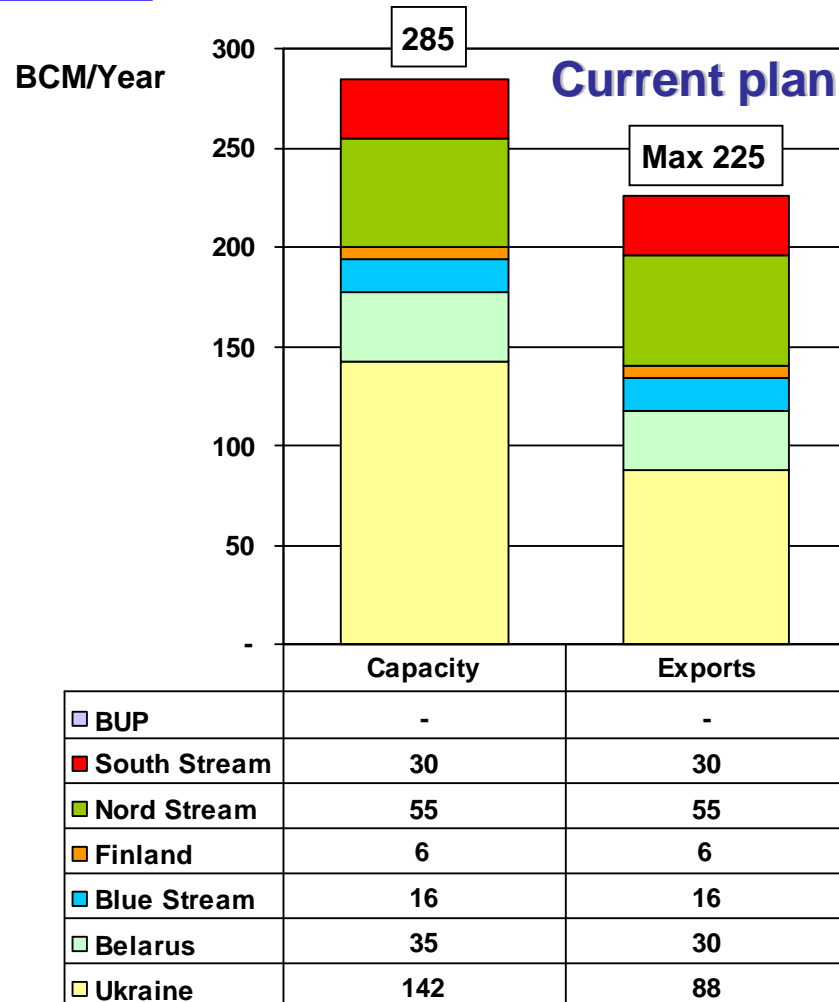
	2005	2020	2025	2030
European countries, including Turkey, but excluding the Baltic states	155	220-225	220-227	220-227

Source: Gazprom

Please note that the two tables have slightly different groups of countries.

Gazprom plans to provide 65 to 70 bcm/year of the incremental imports of the EU and resell some Libyan, Nigerian and other gas on top of that.

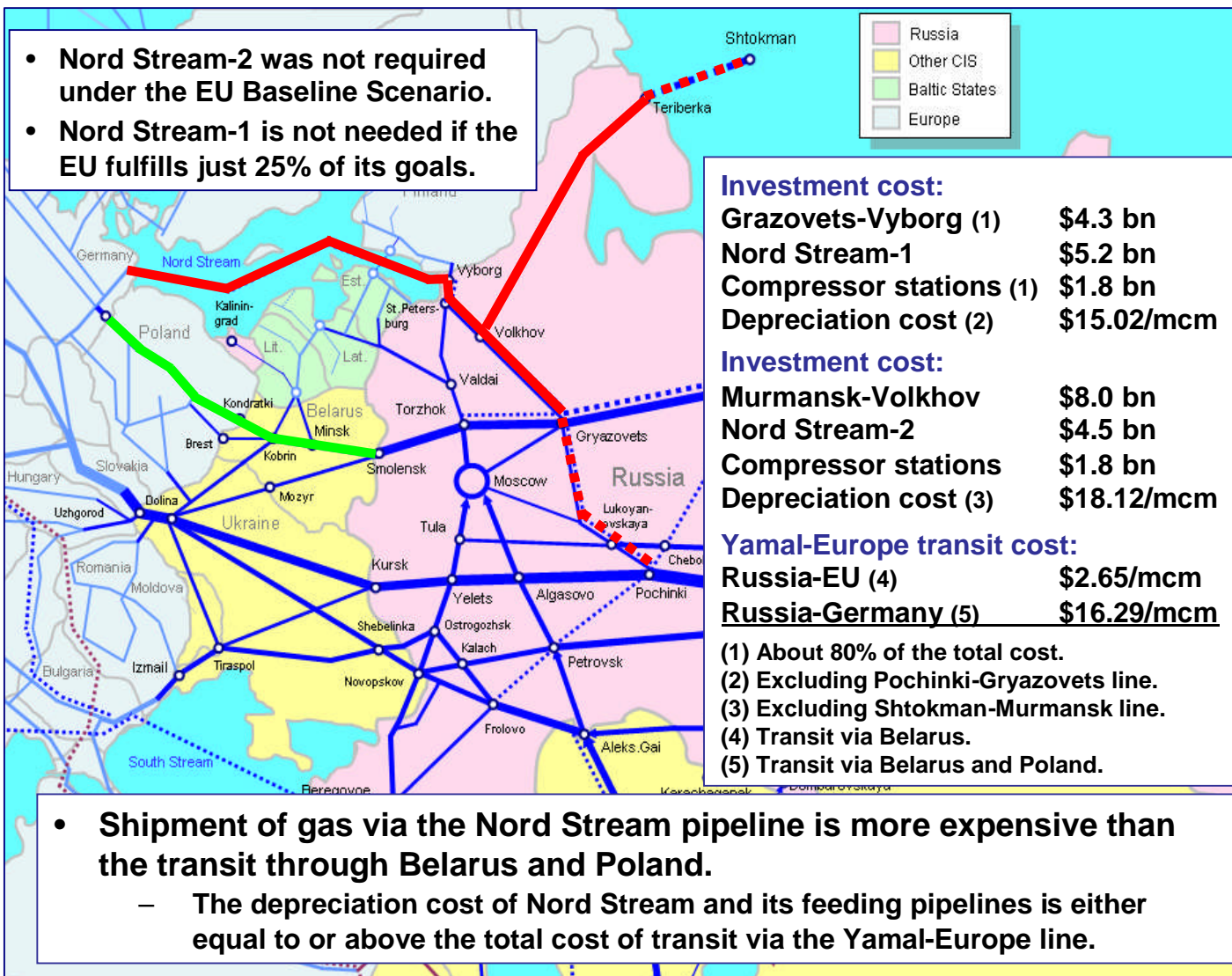
Export Capacity Expansion Plans - 2020



BUP = Bogorodchany-Uzhgorod pipeline, Western Ukraine, 234 km (to be connected to the existing Torzhok-Dolina pipeline).

South Stream and Nord Stream-2 are designed as bypass pipelines without increasing Gazprom's exports.

Nord Stream Versus Yamal-Europe



South Stream Versus Ukrainian Transit

