



International Gas Union

4th Session of the UN Economic Commission for Europe

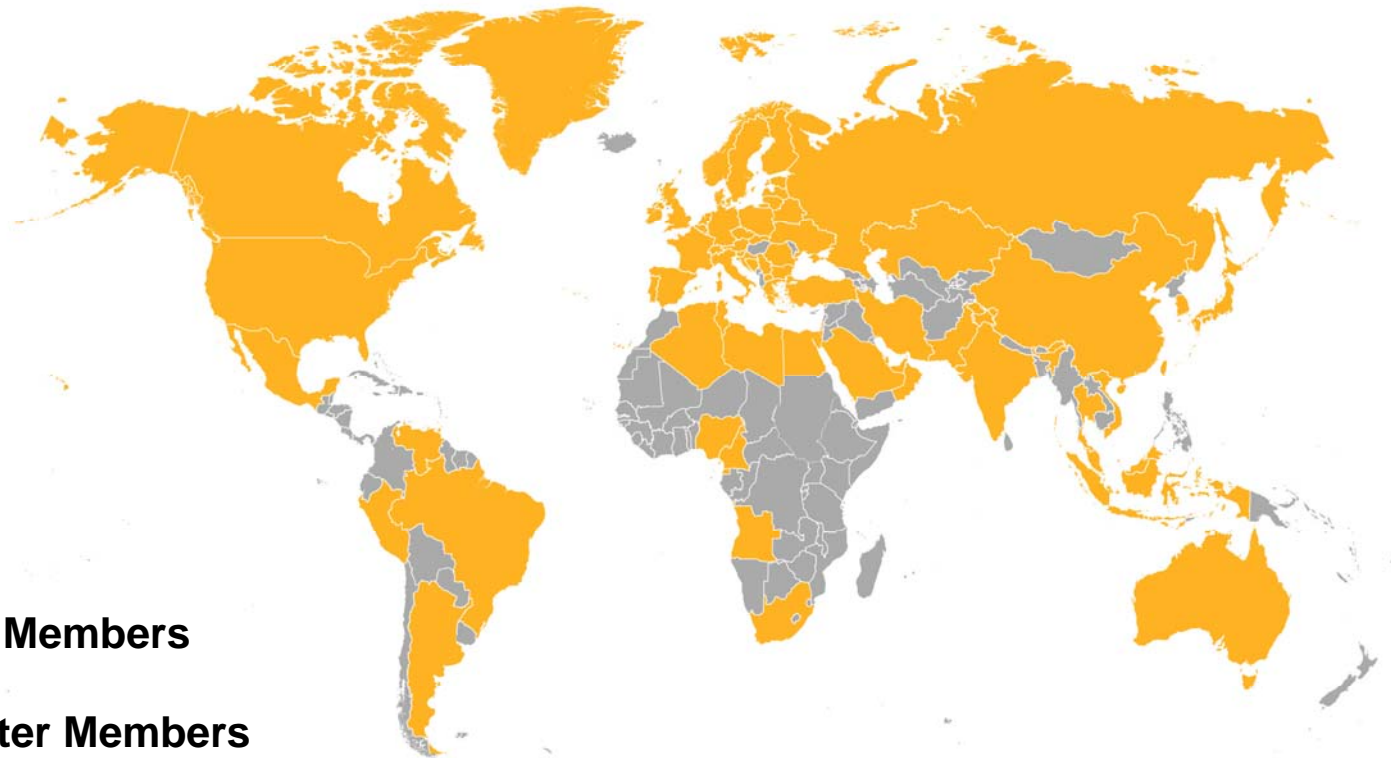
Geneva, 30 March 2011

**Hans Riddervold
Director**





IGU represents around 95% of global gas market



 IGU Members

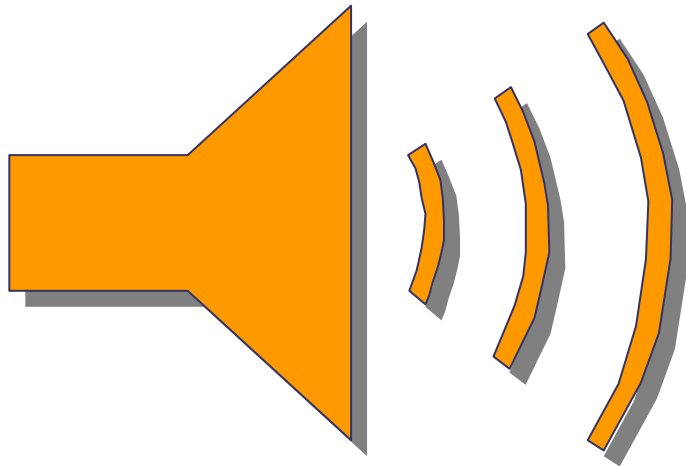
74 Charter Members

35 Associate Members





IGU Gas Advocacy & Climate Initiative



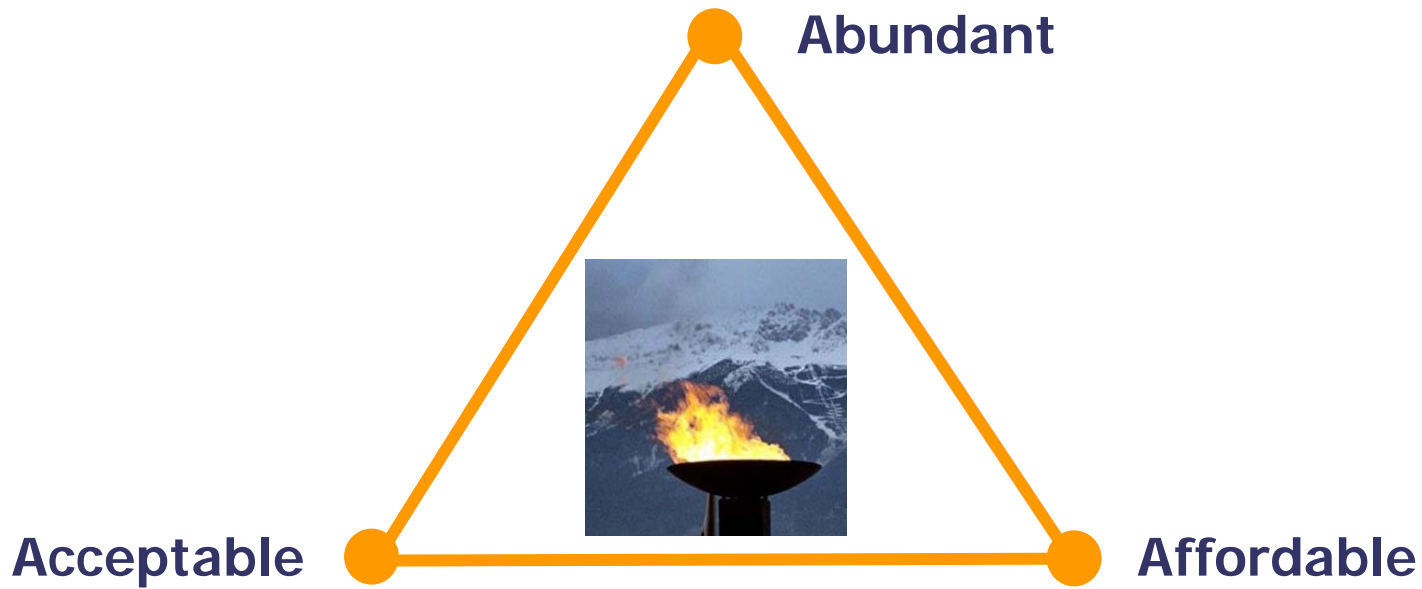
**Natural Gas –
the fuel with a voice!**

IGU vision: The most influential, effective and independent NGO, while serving as the spokesman for the gas industry world-wide





Key messages



➔ Gas: Part of the long term energy solution



Abundant natural gas reserves



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Proven conventional reserves* are growing

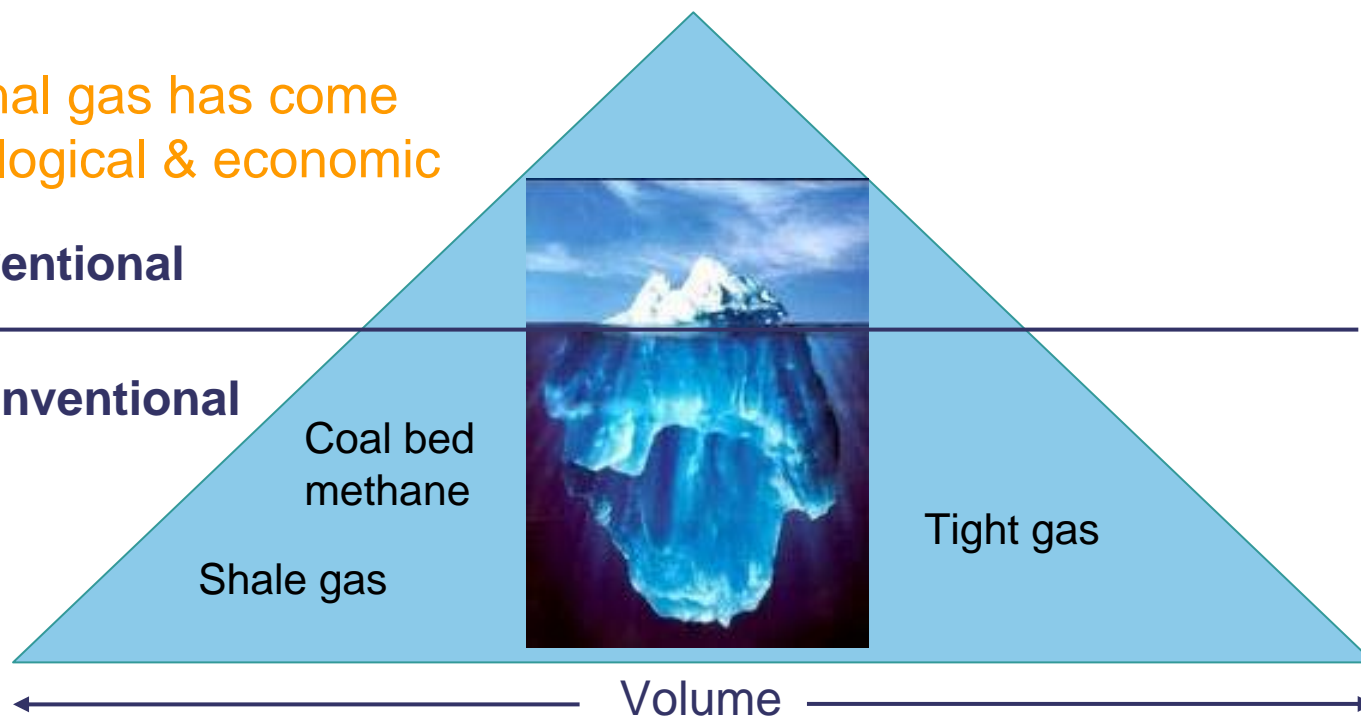
In addition:

Unconventional gas has come within technological & economic reach



Conventional

Unconventional



The total long-term recoverable gas resource base is more than 850 tcm, only 66 tcm has already been produced.

- IEA-WEO2009 -



* 185 tcm in 2008



Affordable: competitive option for new generation

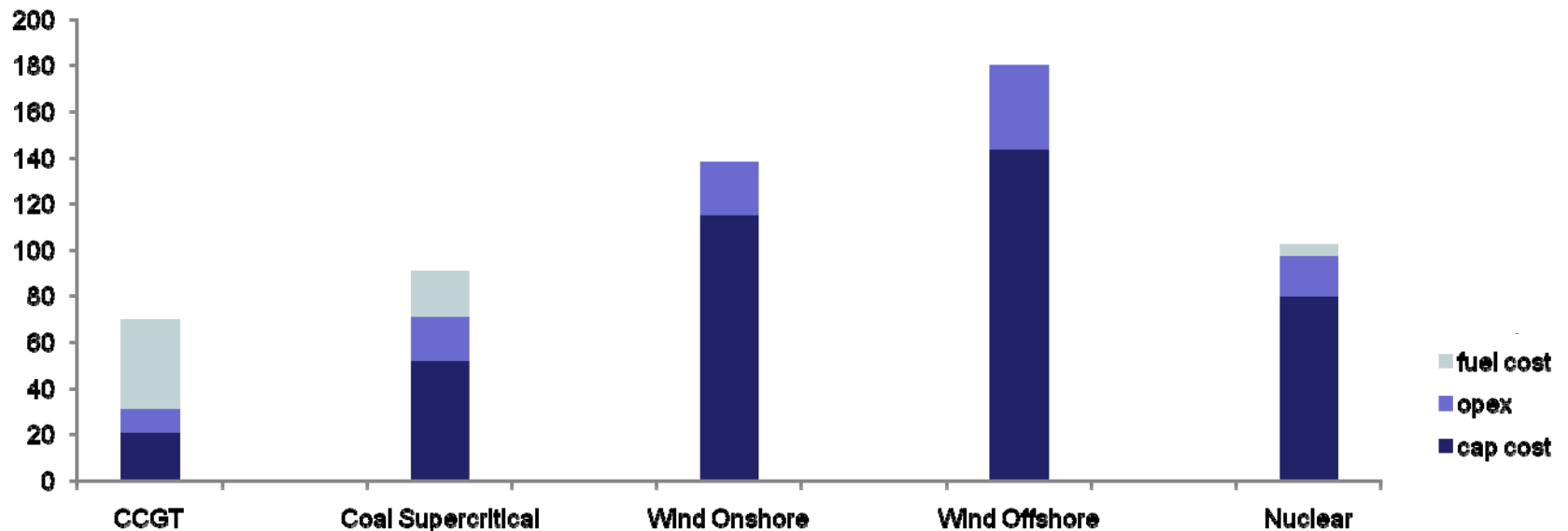


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Low All-in Unit Costs per kwh produced

Based on 7000 hrs operation for gas and coal

\$/MWh



Prices (at plant inlet)

Gas : 8 \$/MMBtu

Coal: 80 \$/t

Source MMD



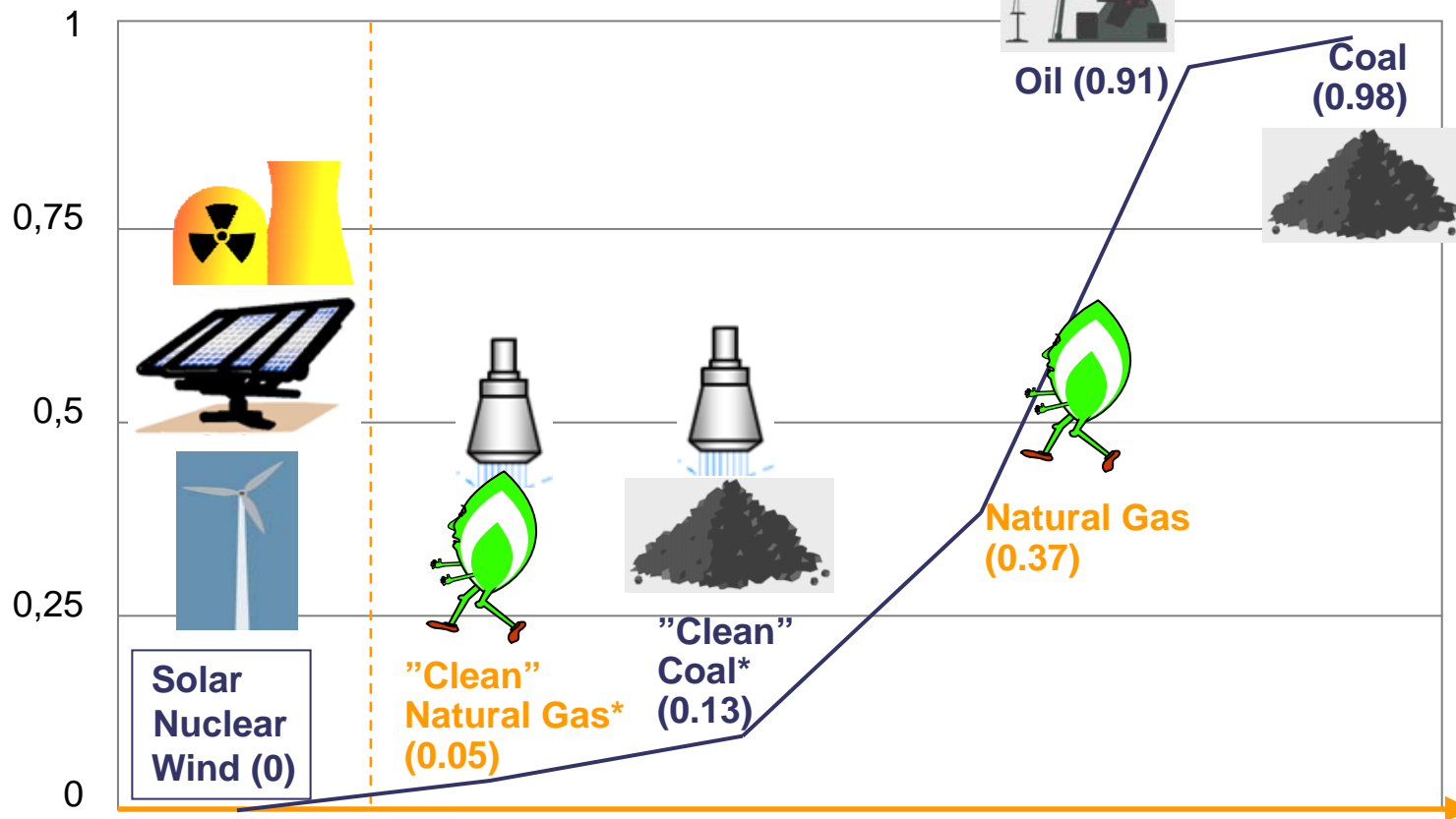
Capital costs of options may vary considerably in absolute terms, but very little in relative terms



Natural Gas with or w/o CCS is the cleanest fossil fuel



Metric Tons CO₂ per MWh



GHG Emissions

* With CCS

Source: IHS Cera/ IGU





Gas Supply Networks



- **Physical Networks**
 - From regional to global
- **Finance Networks**
 - Predictability and Profitability
- **Political Networks**
 - Energy Security and Sustainability





Physical Network Natural Gas Infrastructure in Europe



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http://www.gie.eu.com/maps_data/downloads/GTE_OP_150.pdf

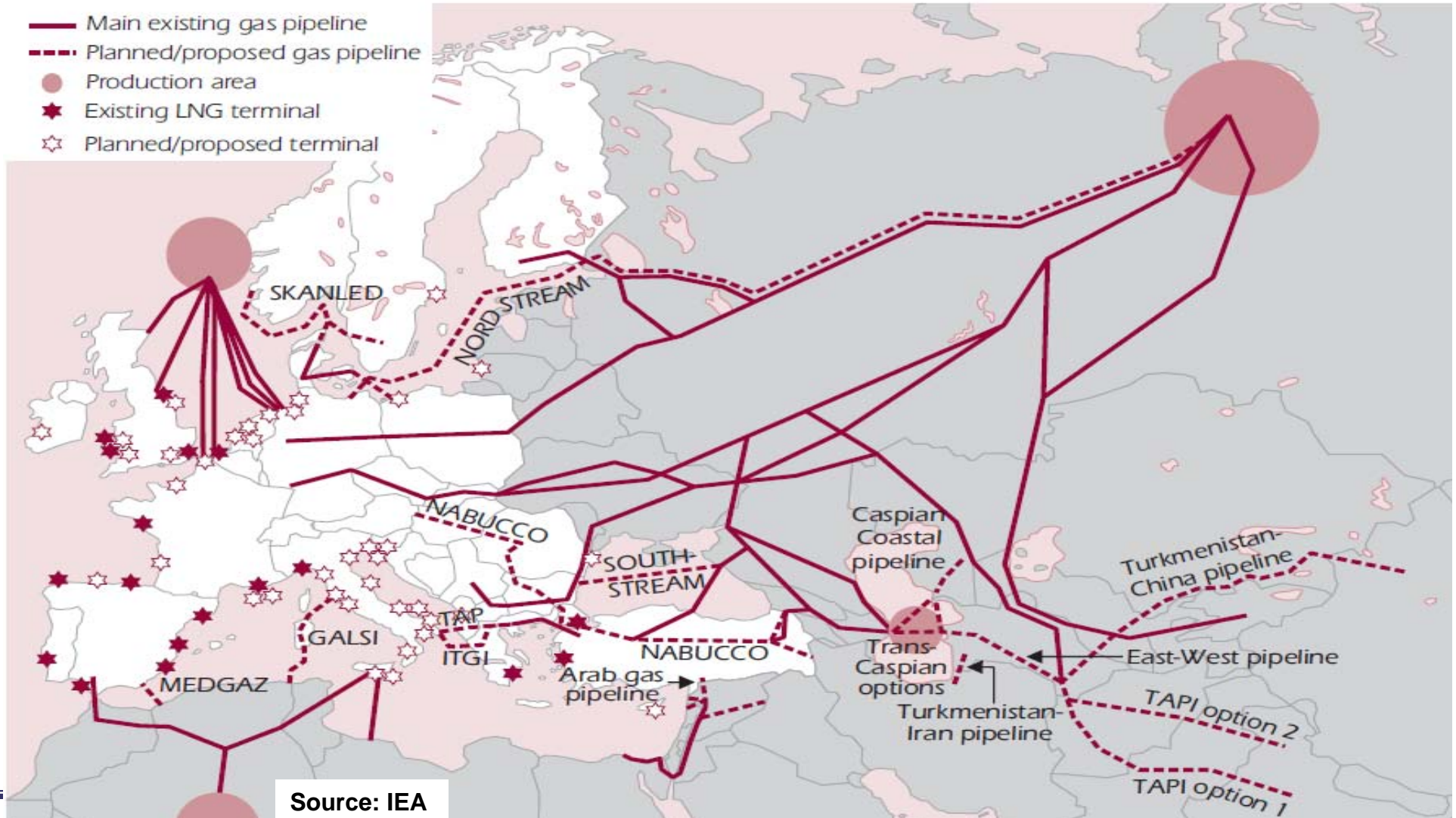


Physical Network

Infrastructure - key to energy security



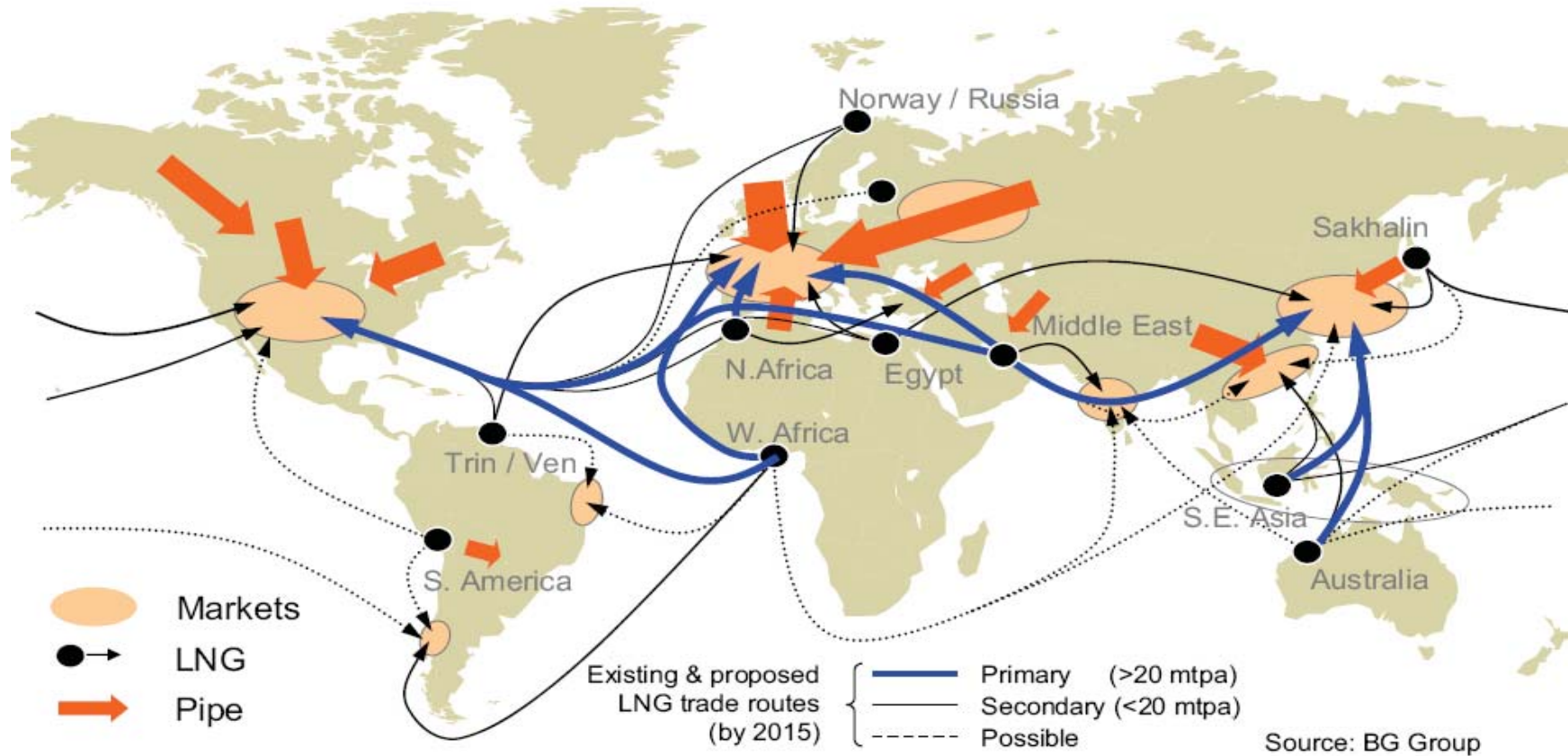
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Physical Network

LNG – the Global market Catalyst





Finance Networks



Funds for new projects are available: Critical factors are

- **Attractiveness and incentives to invest R&D and in projects**

- Exploration
- Pipelines
- LNG plants, terminals and storage
- LNG carriers

- **Predictable regulatory conditions**

- **Country and regional stability**

- **Acceptable rate of return**





Political Networks

Areas for balancing challenges



- **Security of Supply vs Demand (Energy security)**
- **Sustainability Goals vs Energy Demand**
- **Lifecycle (footprint) Exposure**
- **Sources of Energy: Industry and Employment**
- **Regulatory Conditions**





Regulatory challenges



- Large investment risk **vs** long term energy security
- Historical rights **vs** future terms
- National policies **vs** cross border grids/networks
- Third party access: Negotiated **vs** regulated terms
- International law (EU) **vs** national legislation
- Liberalisation **vs** interest of national companies





Messages from the Natural Gas Community



- **Gas is abundant, affordable and acceptable**
 - **Gas is more than a bridge to a sustainable energy future**
 - **Existing gas infrastructure is huge and catalysing**
 - **Policy shapers to secure beneficial framework for investments**
 - **Predictable frame conditions and regulatory regimes create growth**
- ➔ **The role of Natural Gas must be better reflected in policy papers**





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