

An aerial photograph of a large industrial complex, likely an oil or gas processing plant, situated in a snowy, mountainous region. The facility features numerous buildings, storage tanks, and infrastructure, all partially covered in snow. In the background, there are large, snow-capped mountains under a clear blue sky. The foreground shows a body of water, possibly a fjord or a bay, with some smaller structures and cranes near the shore.

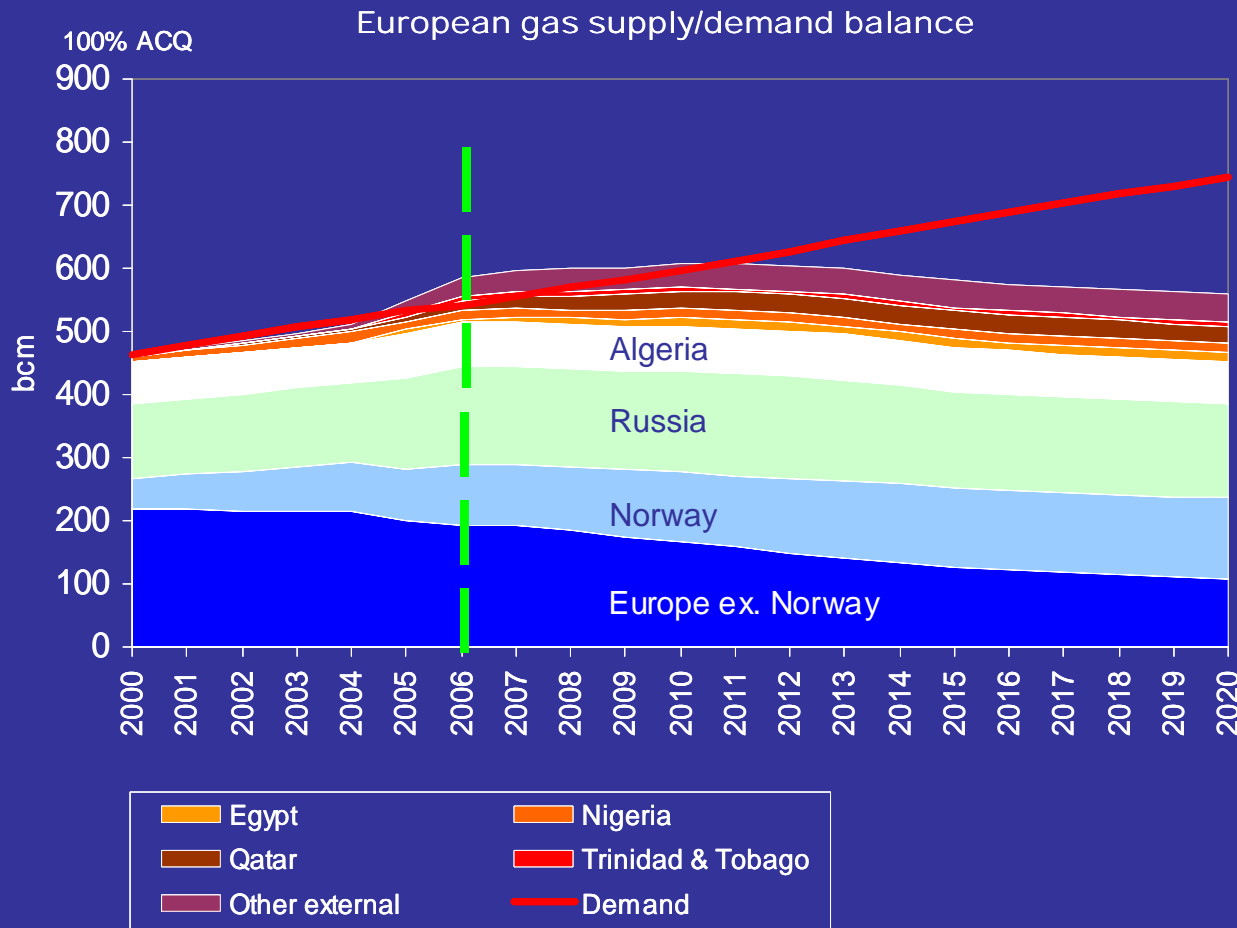
# Securing reliable natural gas supplies in the UNECE region – a Norwegian perspective

**Torstein Indrebo**  
**Vice President**  
**Hydro Oil & Energy**



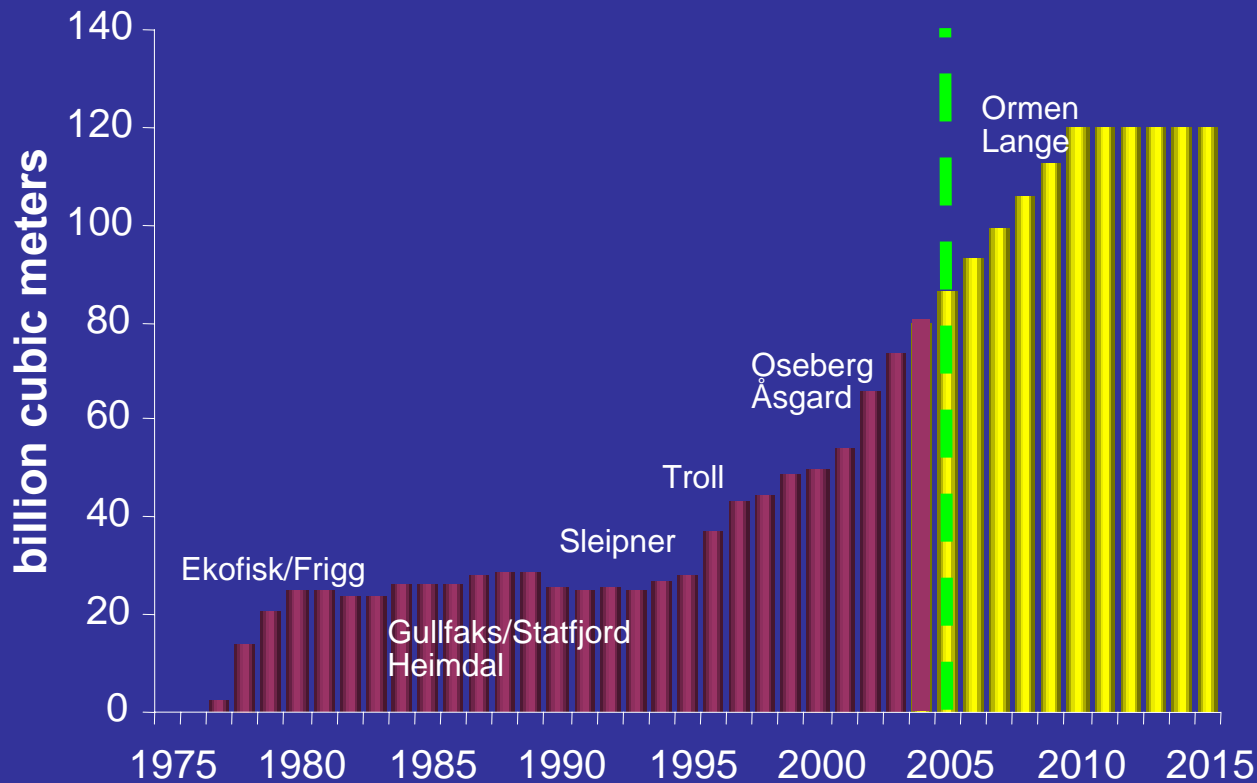
Working Party on Gas, UNECE  
Geneva, 23 January 2007

# Future European demand will be met primarily by pipeline gas



- Major new supplies needed in long-run
- LNG of growing importance

# Historic and expected gas exports from the Norwegian Continental Shelf (NCS)



- Reliable supplies for decades
- Gas production growing steadily
- 82 bcm exported in 2005

Source: Norwegian Petroleum Directorate (historic data); MPE Fact Sheet 2006

# Substantial gas export capacity from NCS

Integrated pipeline system

## NCS export pipelines:

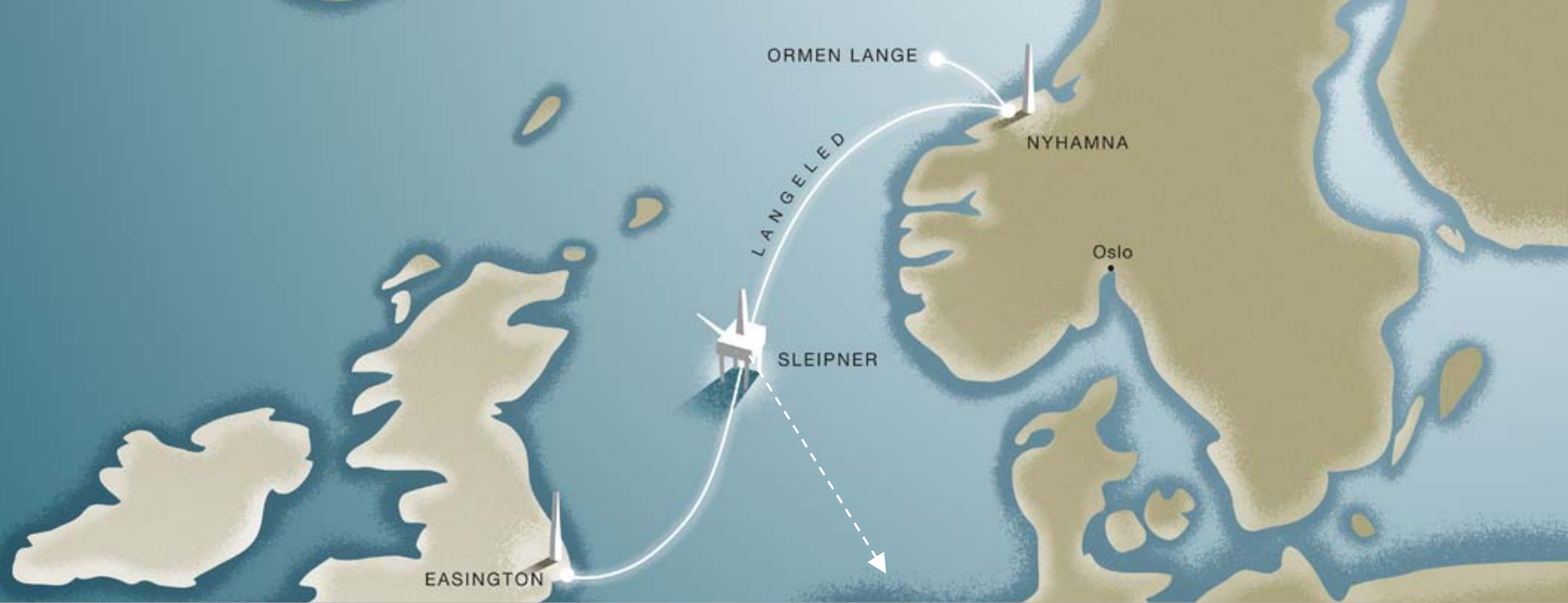
Norpipe  
Europipe I  
Europipe II

Zeepipe  
Franpipe

Vesterled  
Langeled (2006)

Annual NCS capacity: ~120 bcm/yr





## Ormen Lange to supply Europe's largest gas market

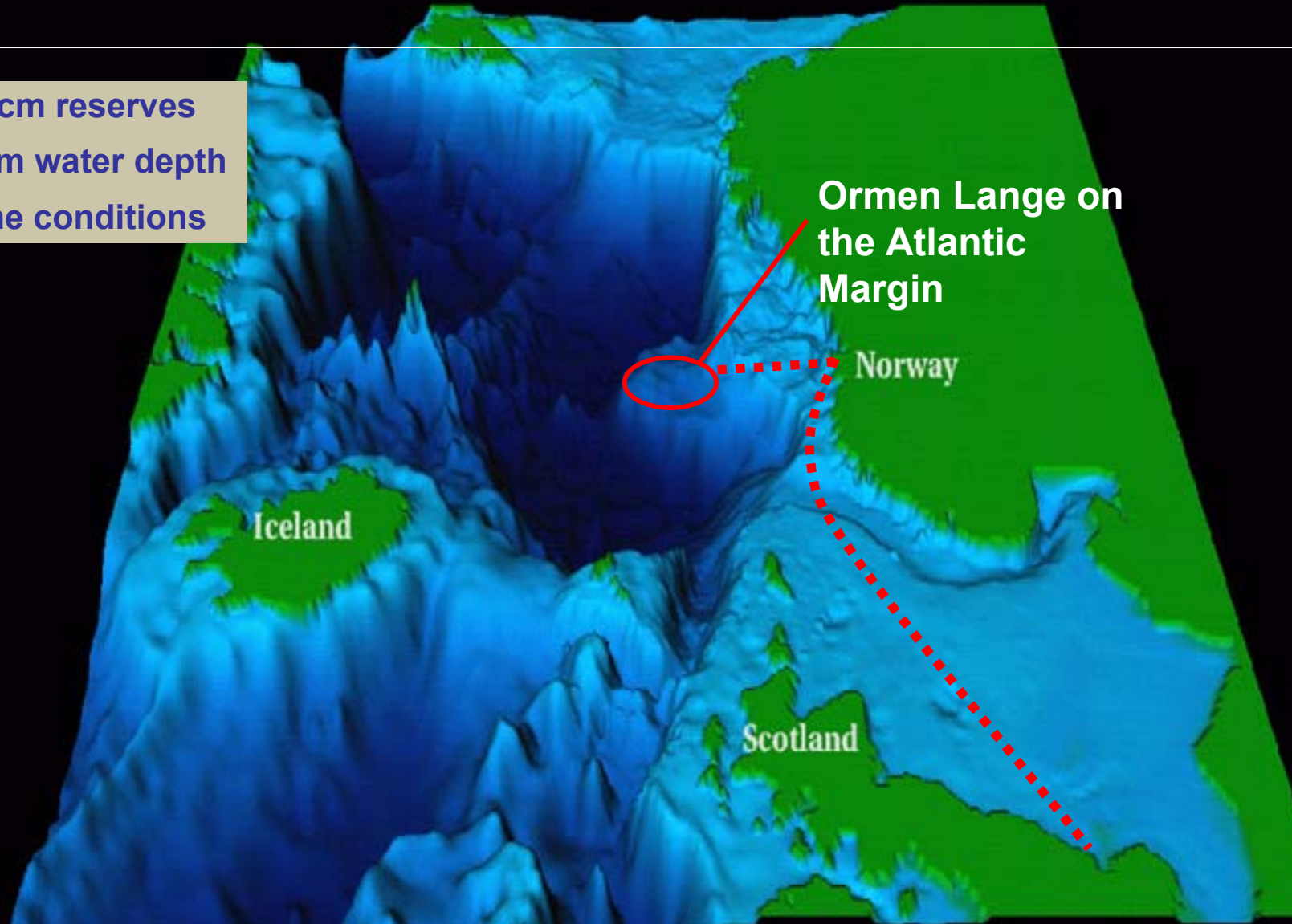
- Ormen Lange will secure 20% of UK's gas demand
- Production to start October 2007
- Langeled is world's longest subsea pipeline
- Hydro is the operator for the development phase



HYDRO

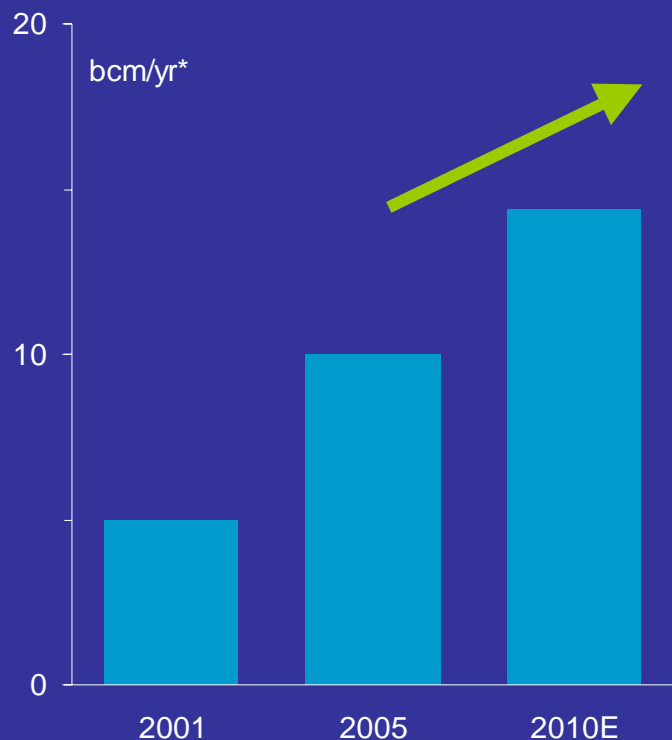
# Ormen Lange – the new gas giant for Europe

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



# Hydro – an asset based gas business focused on North West Europe

- Strong upstream position
- Uncommitted gas
- Diverse transportation portfolio



Source: Hydro Capital Markets Day, Dec.2006; \*gas production excl. US GOM



## Proposed merger with Statoil: 4Q2007 implementation

### Hydro

- Global integrated aluminum co.
- Hydro power production



### NewCo (Hydro/Statoil)

- Oil & gas activities
- Gas-fired power (Naturkraft)





# Shtokman

- the key to open the Barents Sea reserves

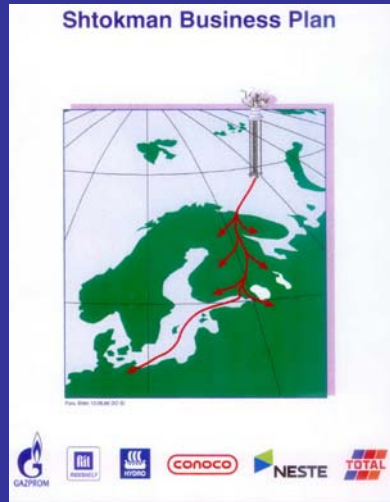


- A new energy province
- USA and EU - security of supply
- Norway- Russia: Energy dialogue
- 25% of the worlds remaining reserves
- Environmental challenges

# Hydro has a long history on Shtokman



1991



1996



2003



2001



2005

# Hydro's contributions

UPSTREAM



LIQUEFACTION



SHIPPING



REGASIFICATION



MARKETING



- ✓ Technology
- ✓ Performance
- ✓ Society



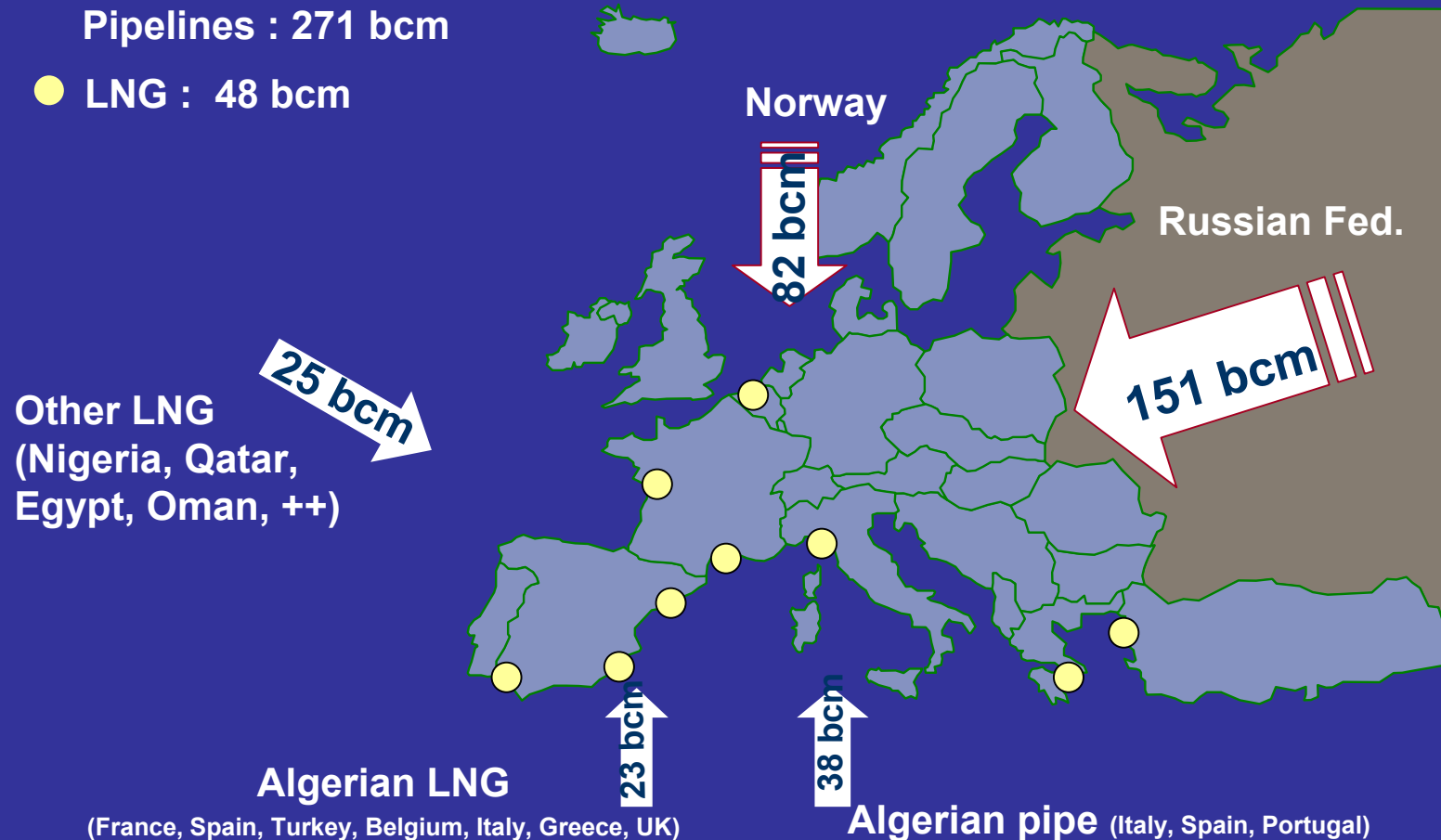
# Nord Stream (formerly North European Gas Pipeline)



- New export channel
- Several possible supply sources
- Total pipeline capacity: 55 bcm/yr.
- Possible Shtokman link to Europe
- Shtokman – a basin opener

# Primarily pipeline gas to Europe, but LNG imports increasing

2005 imports

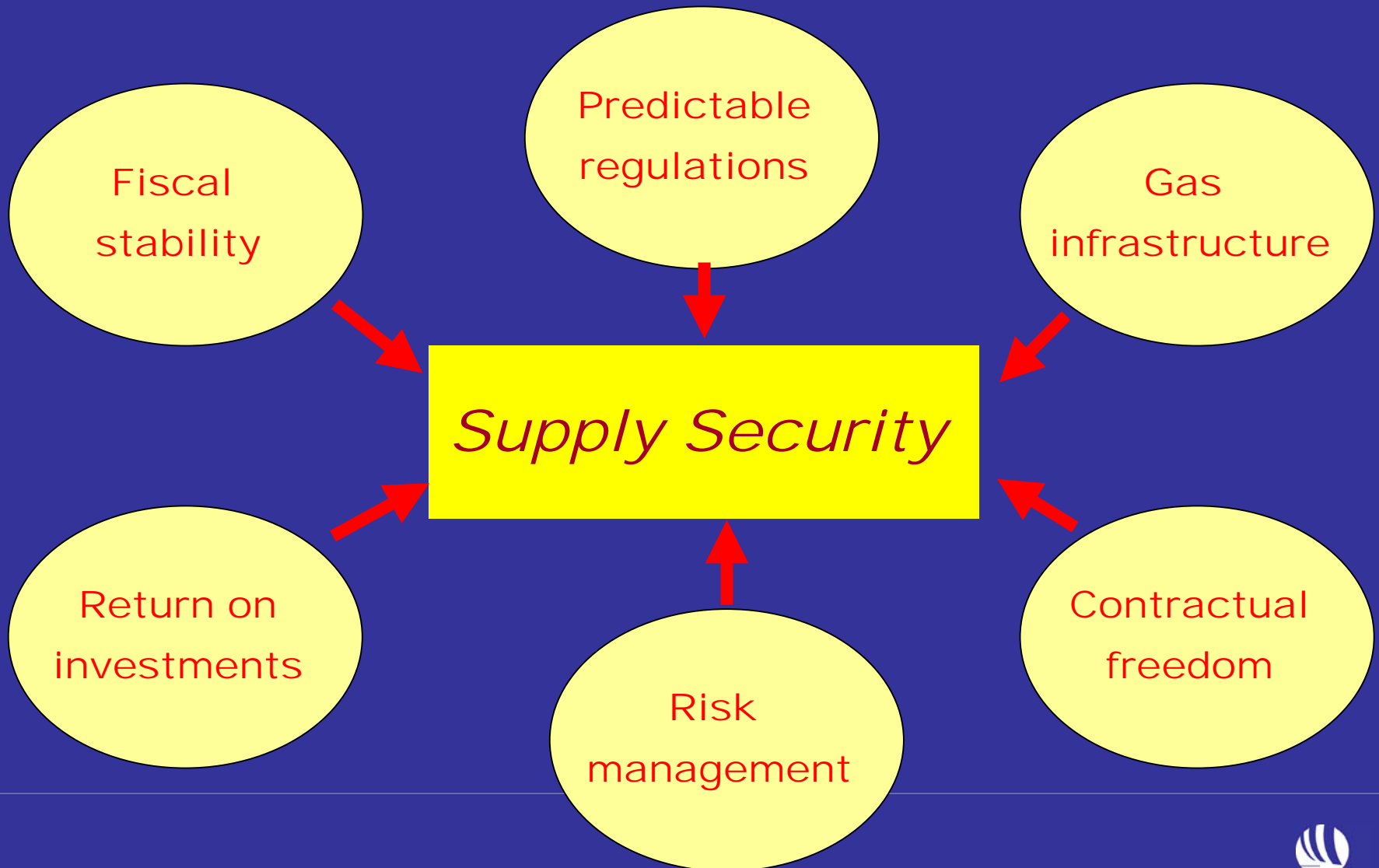


Source: BP Statistical Rev. of World Energy 2006; excl. Norwegian data from MPE/(OED) 2006

\*Trade flows on contractual basis; excl. trade within FSU and Norwegian vols.

# European Supply Security

- A Positive Investment Climate is the Key





## Reliable, long-term gas available for Europe

- **Russia and Norway will be the main pipeline gas exporters**
- **LNG will play an increasingly important role**
- **Long term agreements provide security of supply for consumers and security of demand for producers**
- **Well-functioning hubs provides for balancing and short term sales**

**Gas buyer**



**Gas seller**

***Thank you for your attention !***



# Cautionary note in relation to certain forward-looking statements

Certain statements contained in this announcement constitute “forward-looking information” within the meaning of Section 27A of the US Securities Act of 1933, as amended, and Section 21E of the US Securities Exchange Act of 1934, as amended. In order to utilize the “safe harbors” within these provisions, Hydro is providing the following cautionary statement.

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Progress of a different nature