Expanding LNG Exports from the Middle East to Europe

Dr. Mostefa A. Ouki
Manager, Gas & Upstream
Nexant Ltd
London, United Kingdom


Panel IV: Strategies for Securing EU Energy Supplies while promoting Environmental Policy Goals

The European Parliament
Brussels, Belgium - 18 October 2005
EU Member States – Indigenous Production vs. Imports
EU-25 2004 Gas Consumption ~ 490 bcm

Sources: Cedigaz, BP Statistics, EC (map)
EU-25 Gas Demand Forecasts

Sources: EC, Cedigaz
Global Gas Reserves: 180 tcm as of January 2005
Expanding LNG Export Capacity

Potential(*) Middle East LNG Export Capacity

Potential(*) Atlantic Basin LNG Export Capacity

(*): under construction, planned & other announced projects
Contracted LNG Volumes to Europe

Middle East LNG Export Contracts to Europe

- Abu Dhabi
- Oman
- Qatar

Atlantic Basin LNG Export Contracts to Europe

- Algeria
- Egypt
- Libya
- Nigeria
- Norway
- Trinidad and Tobago

It should be noted that several Atlantic basin contracts will expire before 2015 and their contract renewal status is not known or clear yet.
- Expanding Middle East LNG Exports to Europe will be dominated by Qatari exports
- Incumbent gas exporters will continue to play an important role in supply of gas to Europe
- Increasing importance of African LNG exporters competing against Middle Eastern exporters
- Uncertainties about achievable export potential of some Middle Eastern gas producers
- Significant funding requirements for gas infrastructure development to meet projected European gas demand → Need favorable policy/regulatory measures to facilitate gas infrastructure investments along the LNG chain in gas consuming and gas exporting countries
- Economies of gas exporting countries are heavily dependent on gas exports to key energy markets such as Europe → Thus, there is a need to address both security of gas supply and security of gas demand concerns
- Development of a more competitive market environment for supply of gas to Europe, but gas market developments in the US will have an impact on future prices of gas supplies to Europe