

# **Gas Markets – Crisis and Future**

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**Gubkin University,**

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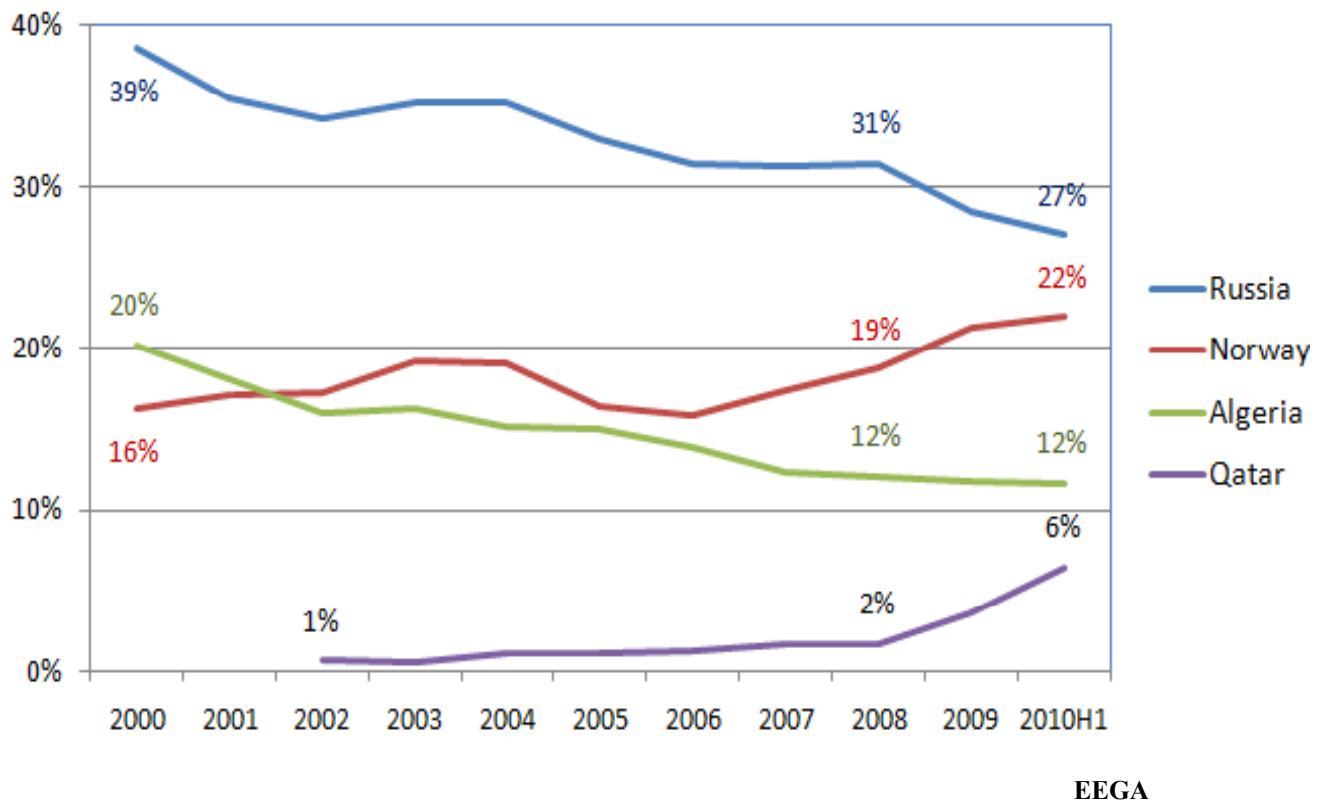
**Director of the Institute of Geopolitics and Energy**

**Security of Russia (ENGIN)**

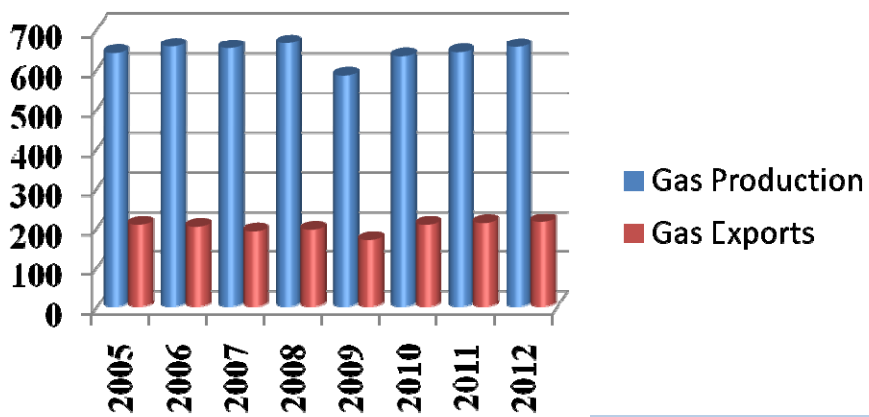
**Doctor of Economics, Professor**

**Nice, December 2010**

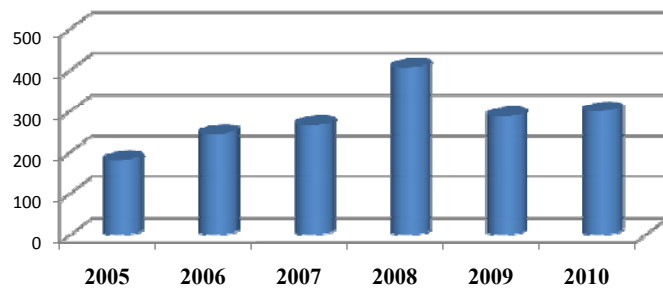
## Major Gas Suppliers' Share in Total Imports of OECD Europe



### Russian Gas Production and Exports, bcm

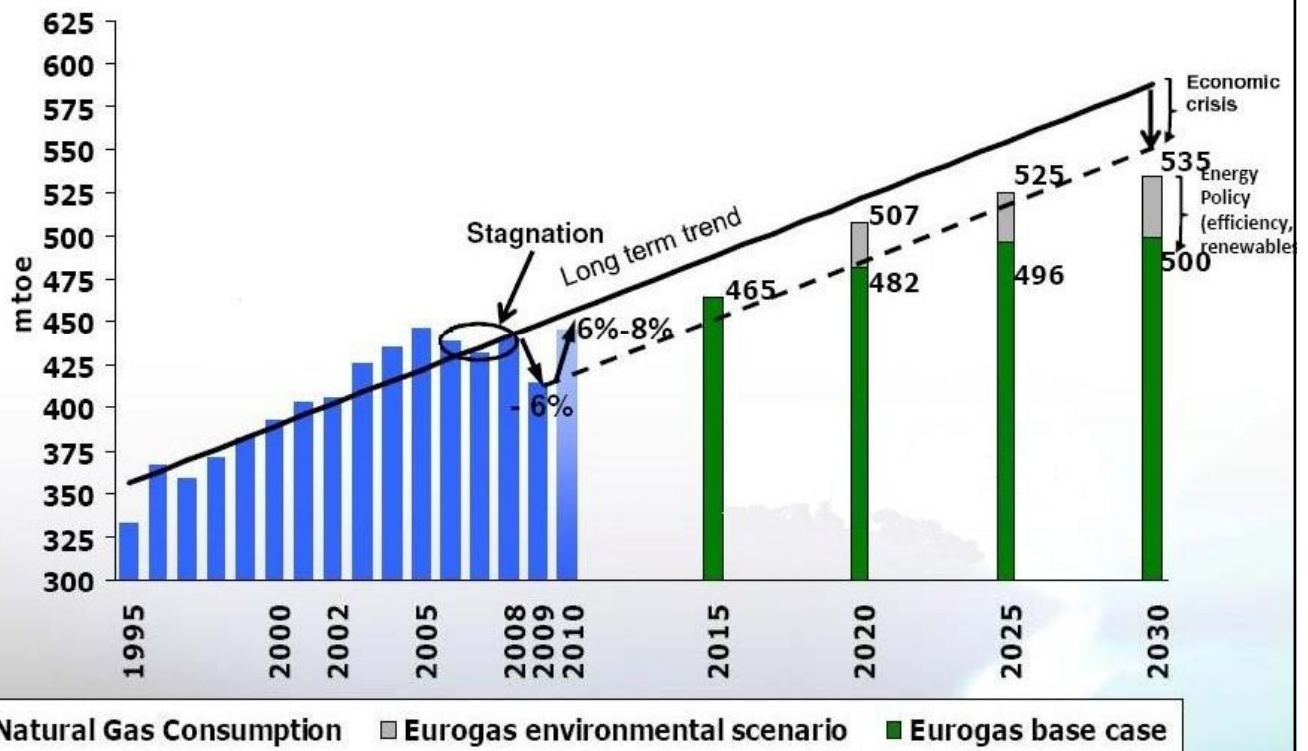


### Gas Prices (farabroad, \$/thousand cm)



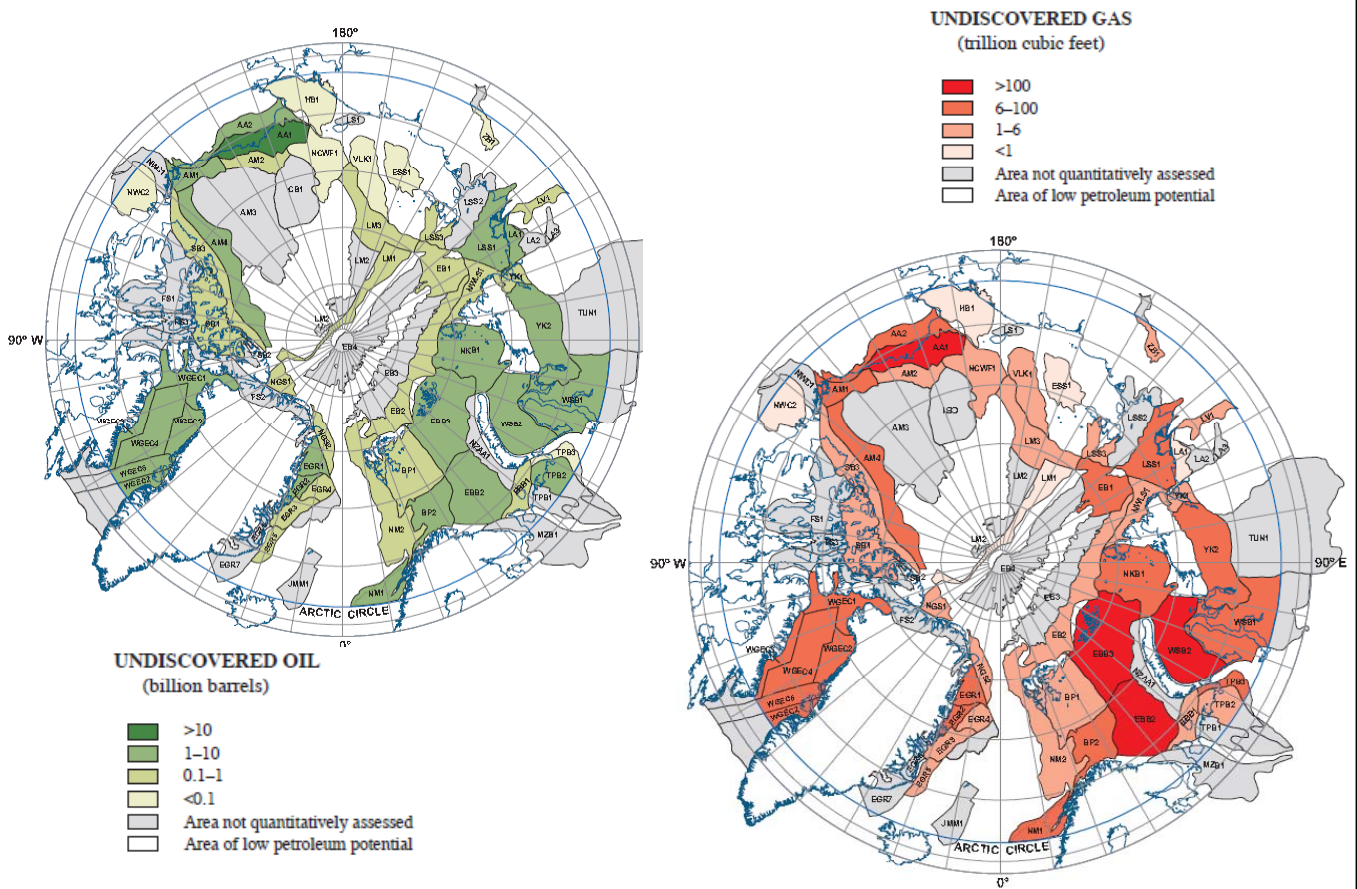
Ministry of Economic Development of Russia, Gazprom

## Natural Gas Demand to 2030



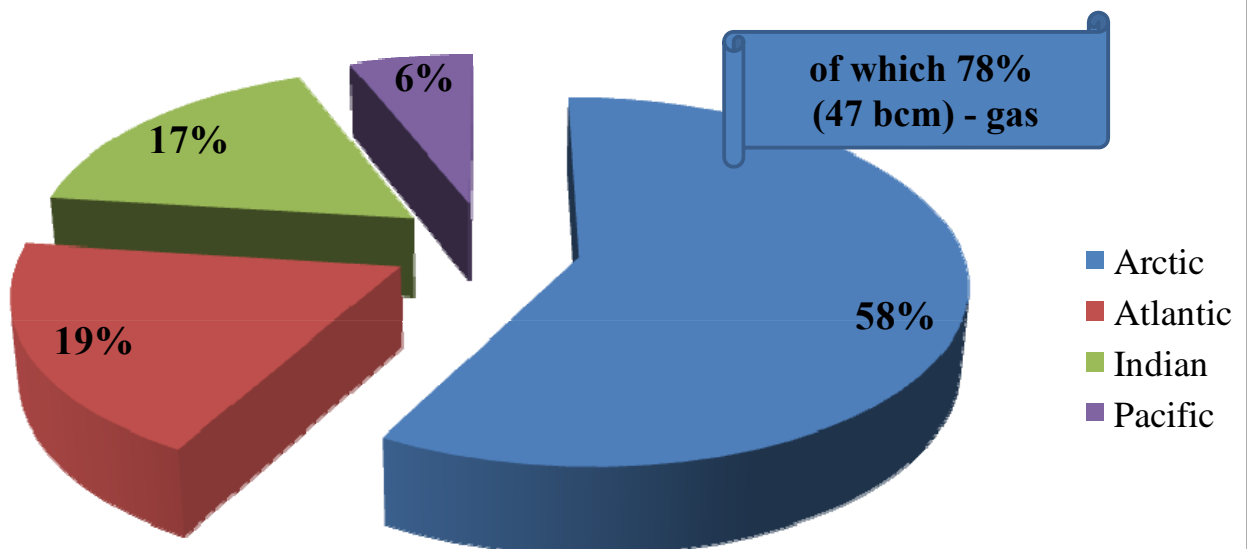
Eurogas ENTSOE TYNDP Workshop, 7 October 2010

# Arctic Oil and Gas Resource Assessment



Final Report U.S. Geological Survey Oil and Gas Resource Assessment of the Russian Arctic, July 2010

## World Shelf Hydrocarbon Resources



**Total Arctic hydrocarbon resources - about 200 bln toe**

**Probable gas resources – about 26% from current proven gas resources**

**Probable oil resources – about 7% world proven oil resources**

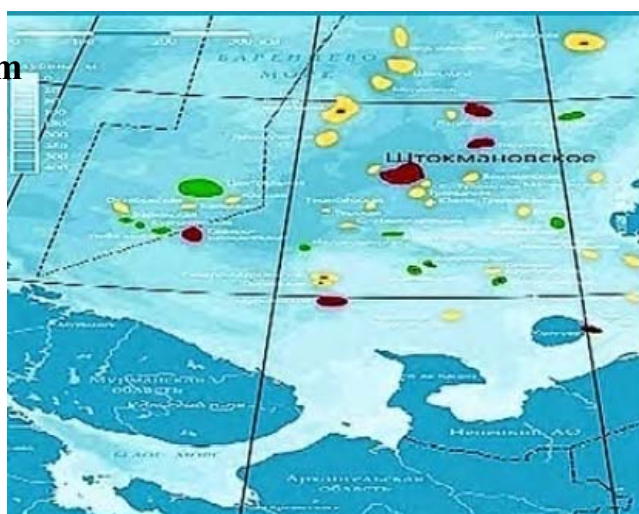
UGCS Arctic Oil and Natural Gas Potential 19.10.2009

## Shtockman gas field

Shtockman gas field is located in the central part of the Barents Sea, 650 km from Murmansk

Depth - 1900–2300 m.

Gas production - 50 years



Reserves (C1+C2) - 3,9 tcm of gas and 53 mln t of oil condensate.

Capital investment - US\$15-20 bln.

[www.bellona.org](http://www.bellona.org)

## Prirazlomnoye Oil Field

**Prirazlomnoye Oil Field is located in the Pechora Sea, 60 km from Varandey terminal and 1025 km from Murmansk.**



**Oil reserves - 83,2 mln t, max annual production– 6,5 mln t.**

**Oil production - 20-22 years.**

**Investment needed (Gasprom estimation) - \$1 bln till 2012 г.**

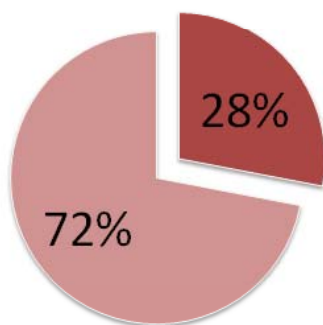
**Payback period-10 years.**

[www.bellona.org](http://www.bellona.org)

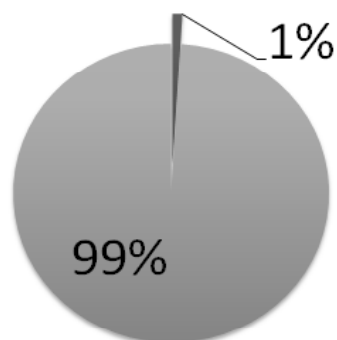


## How much will Arctic oil and gas cost?

In any case Arctic reserves are profitable at oil prices min 100 \$/barrel



10% profitability - 28% of technically accessible reserves



Only 1% of oil reserves is most attractive for investments

As for gas – more than 50% of reserves are profitable

