

The Role of Natural Gas in EU Energy Security

Presented to “Challenges for a comprehensive European Energy Security Policy for Gas” Conference

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By Angela Cleveland

Commercial Director-Upstream, Scandinavia
Royal Dutch Shell Plc



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Bright Future for Gas Supply

**MORE THAN \$26 BILLION OF LNG PROJECTS PROPOSED
IN EUROPE, AN INDUSTRIAL INFO NEWS ALERT**

Brunei expects bright future for LNG sector

UBAIDILLAH MASLI Feb 10th, 2010

[BRUNEI-MUARA](#)

CERA: Storage levels higher than the previous year

CERA reported recently that "the European Gas Coordination Group met in January 2010, noting that storage levels were higher than in the previous year and praising the industry for ensuring supply."

The Guardian: UK's carbon emission dropped by 2% in 2008

2 Feb 2010

"According to the Department of Energy and Climate Change, the decrease is the result of continuing to switch from coal to natural gas for making electricity, combined with lower consumption of fossil fuels in industry and transport."

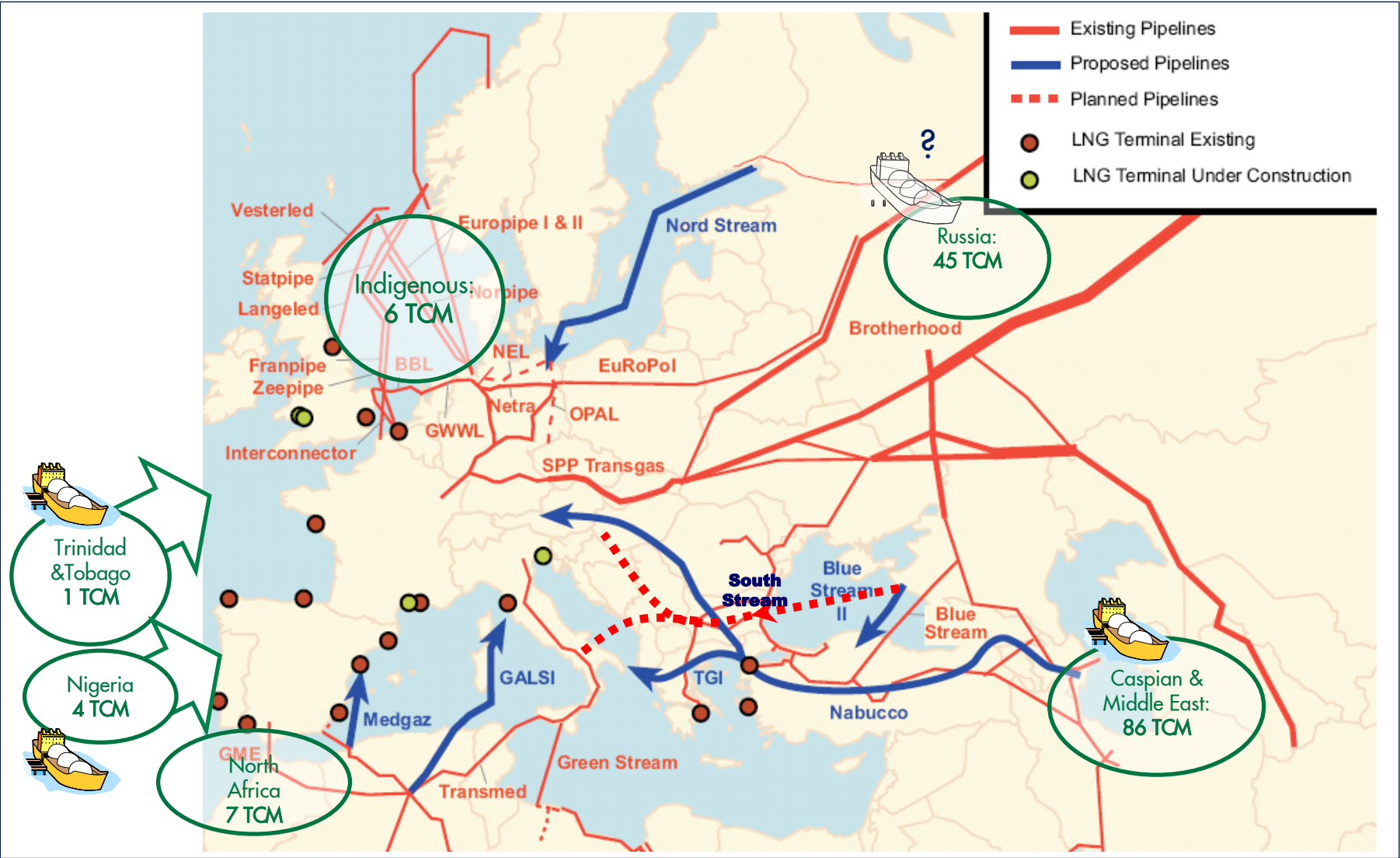
[Energy & Finance > Markets > Article](#)

RPT-UPDATE 1-US LNG imports in January double year-ago levels

Wed Feb 10, 2010 5:51pm GMT

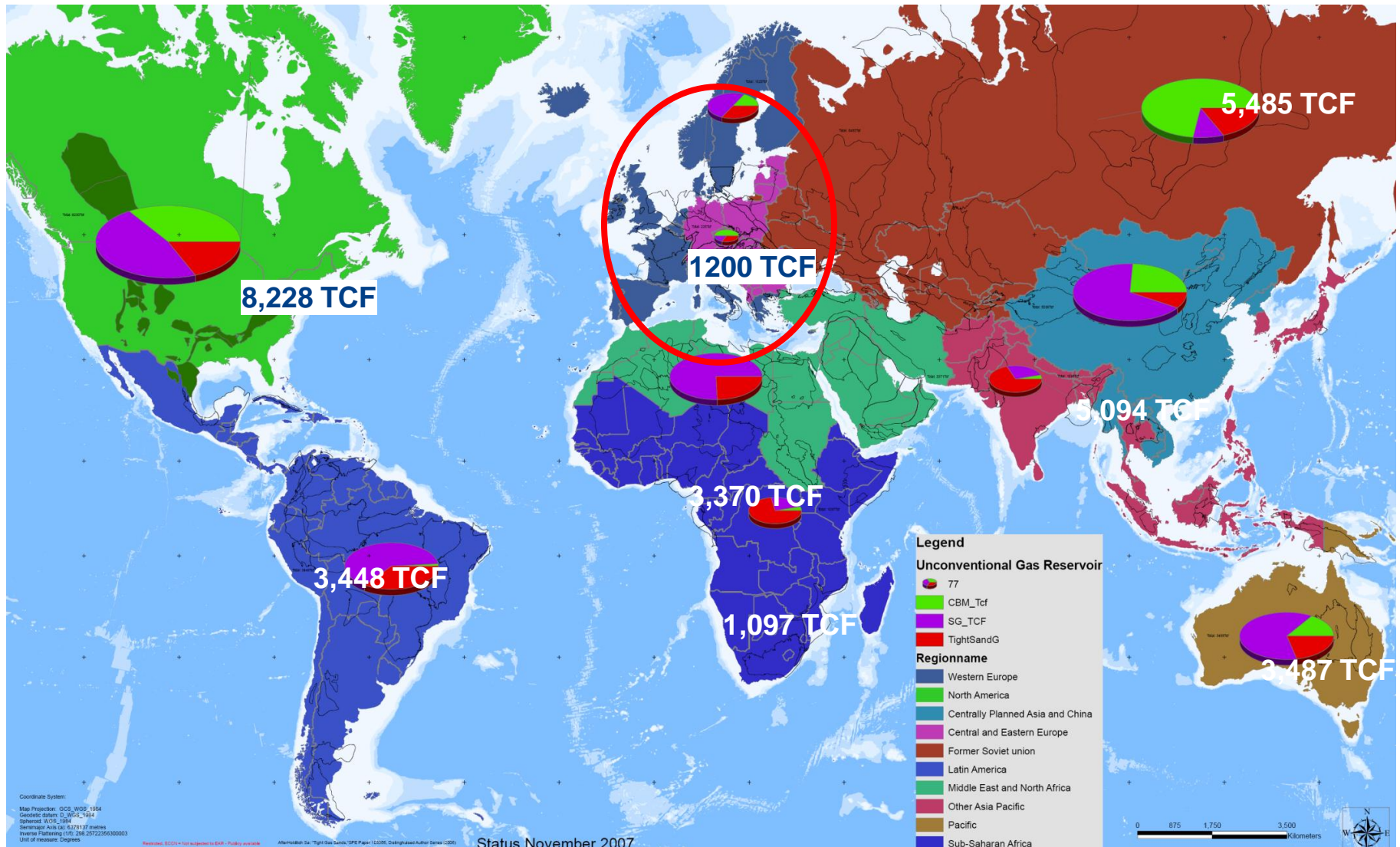


Europe is surrounded by large gas reserves accessible to its market



Unconventional Gas Global Distribution of GIIP -

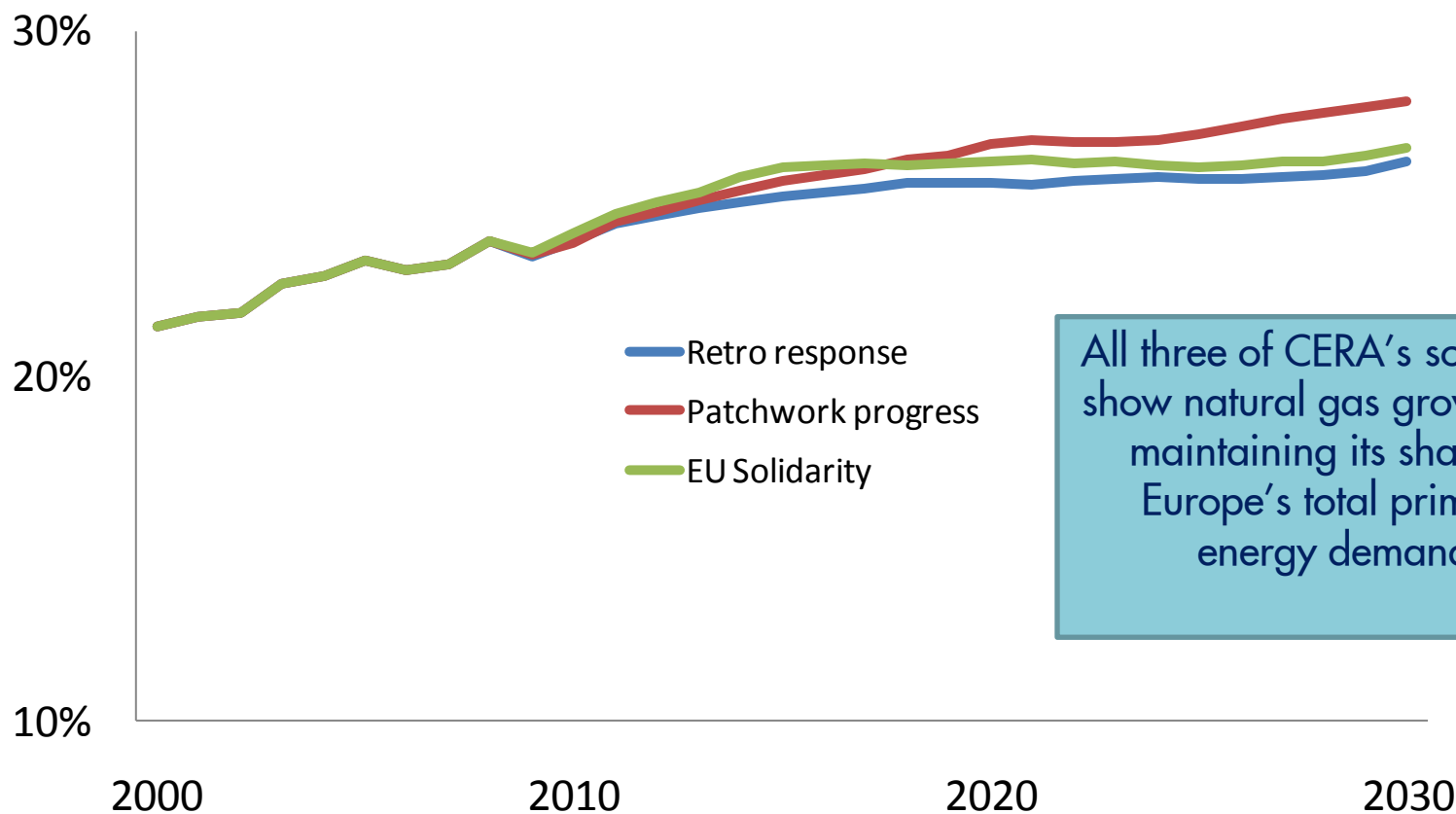
US National Petroleum Council



"Natural gas will play a key role whatever the policy landscape..."

2009 World Energy Outlook, IEA

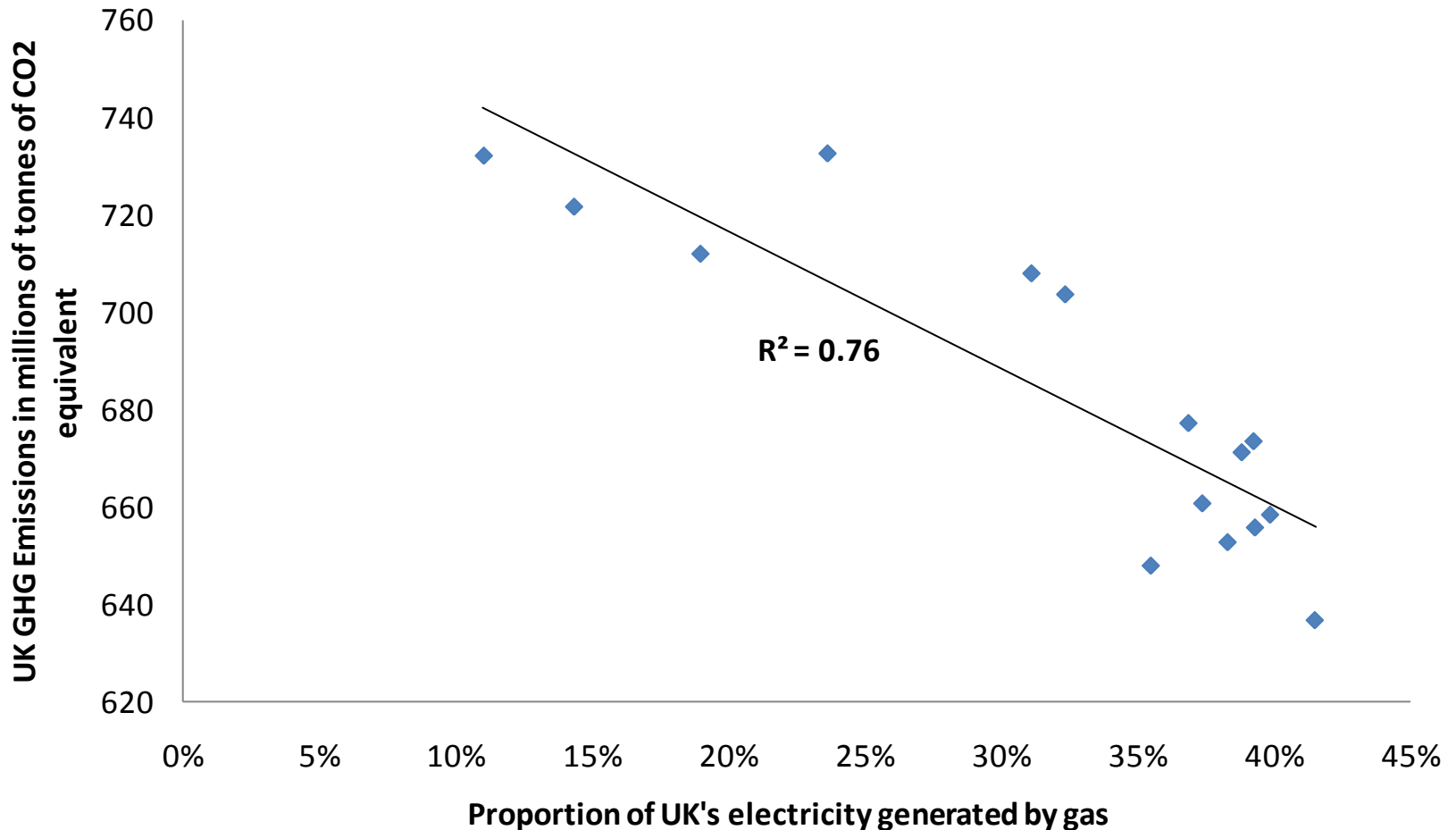
Proportion of Europe's total primary energy demand supplied by natural gas



All three of CERA's scenarios show natural gas growing or maintaining its share of Europe's total primary energy demand

Gas is Core to the Clean Energy Solution

UK CO2 emissions have fallen as gas has generated more of the UK's electricity



Shell is a major contributor to gas supply into Europe

START-UP DATE

2008

2009

2010+

FIRST LNG MARCH 09, TRAIN 2 ONSTREAM MAY 09



Nigeria LNG T6



Start up 2007

Qatargas 4: 2010+



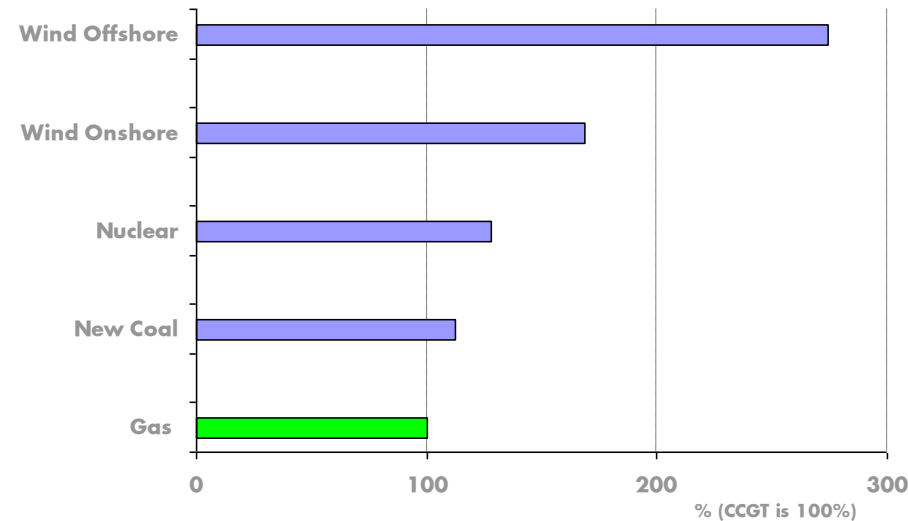
● KEY POST-FID PROJECTS



Towards more power generation from Gas

- **Current UK power generation is 40% gas driven and 80% of UK homes utilise gas for heating**
- **World Gas supply equivalent to 150+ years of current consumption**
- **Gas fired power, when compared to Coal :**
 - **50-70% less CO2 output**
 - **60% less capital intensive per MW installed**
 - **Lower power generation costs compared to other sources**
 - **More flexible to deliver peak outputs**
 - **Can be retrofitted to include CCS**

Comparison of power generation cost (per MWhr)



GAS is the Fossil Fuel of CHOICE

- The Reality is - We need ALL fuels for some decades to come
- Natural gas merits a prominent place in the EU energy mix
- Gas is abundant, safe, less polluting, reliable
- Shell is committed to work with you to realise the full potential for gas in Europe





