



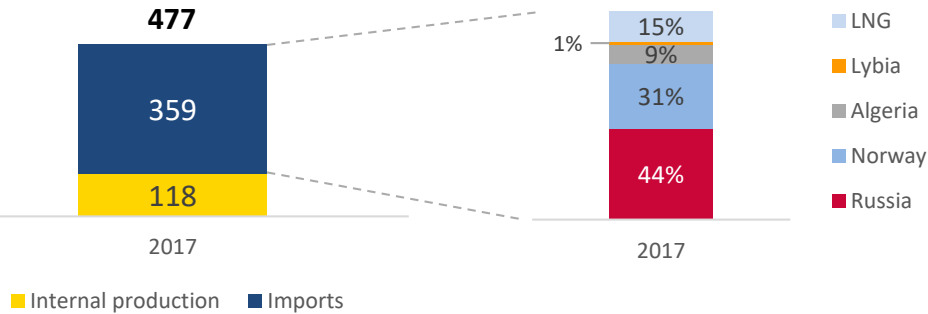
# 6<sup>TH</sup> IEF-IGU MINISTERIAL GAS FORUM

Barcelona, 22 november

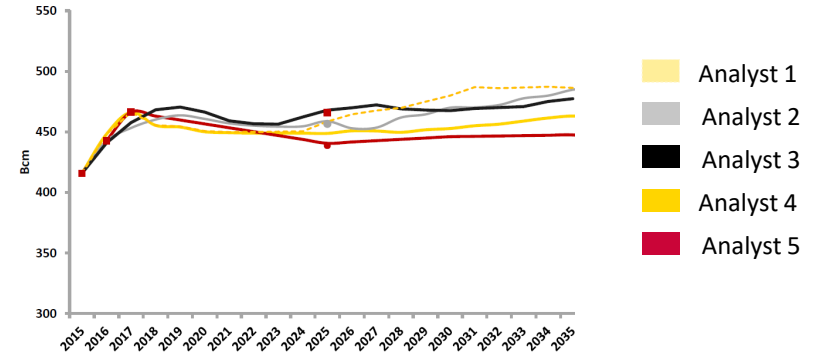
*Massimo Mantovani*

# Overview Europe 2017

## European supply in bcm



## Forecast of European gas demand



## Regasification capacity available in 2017

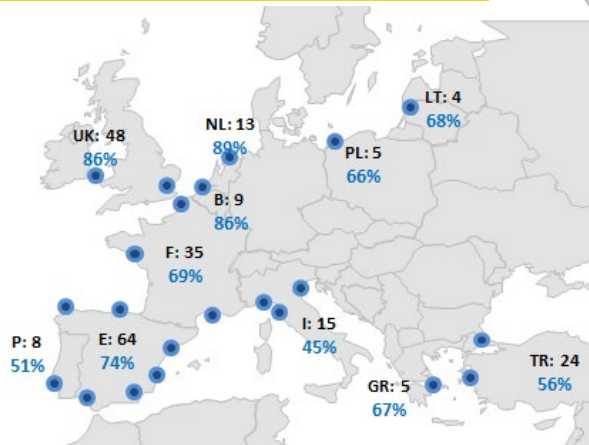
EU in 2017: 206 Bcm  
free capacity 74%

Europe in 2017: 230 Bcm  
free capacity 72%

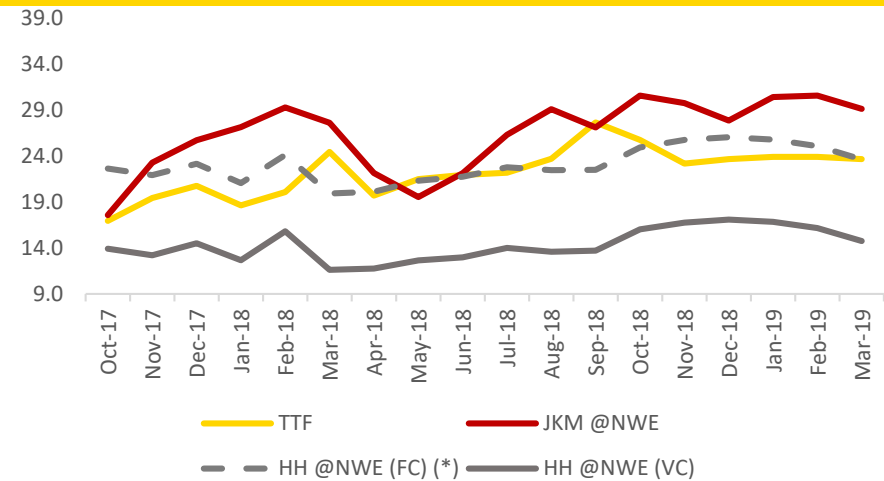


max technical capacity in Bcm

% free capacity 2017



## Spot price level in €/MWh



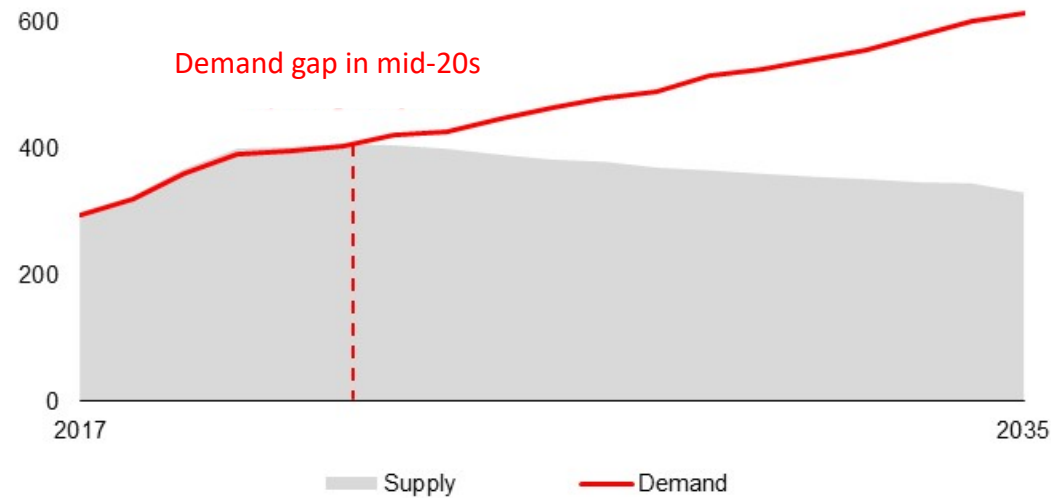
(\*) Considering US LNG liquefaction fix cost equal to 3 \$/Mmbtu (possible range 2,25 - 3 \$/Mmbtu)

**With available regas capacity of over 150 bcm, a competitive price level and increasing gas imports, European markets may easily accommodate new LNG sources**



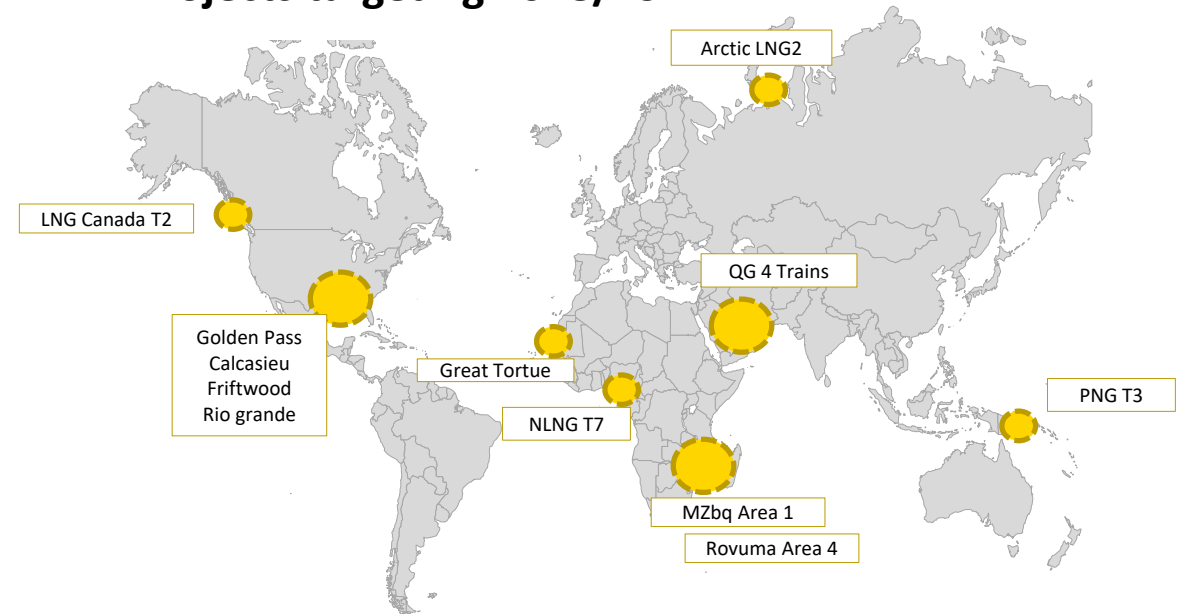
# Global LNG market

## Supply and demand (MTPA)



Source: WoodMac data Q2 2018

## Projects targeting 2018/19 FID

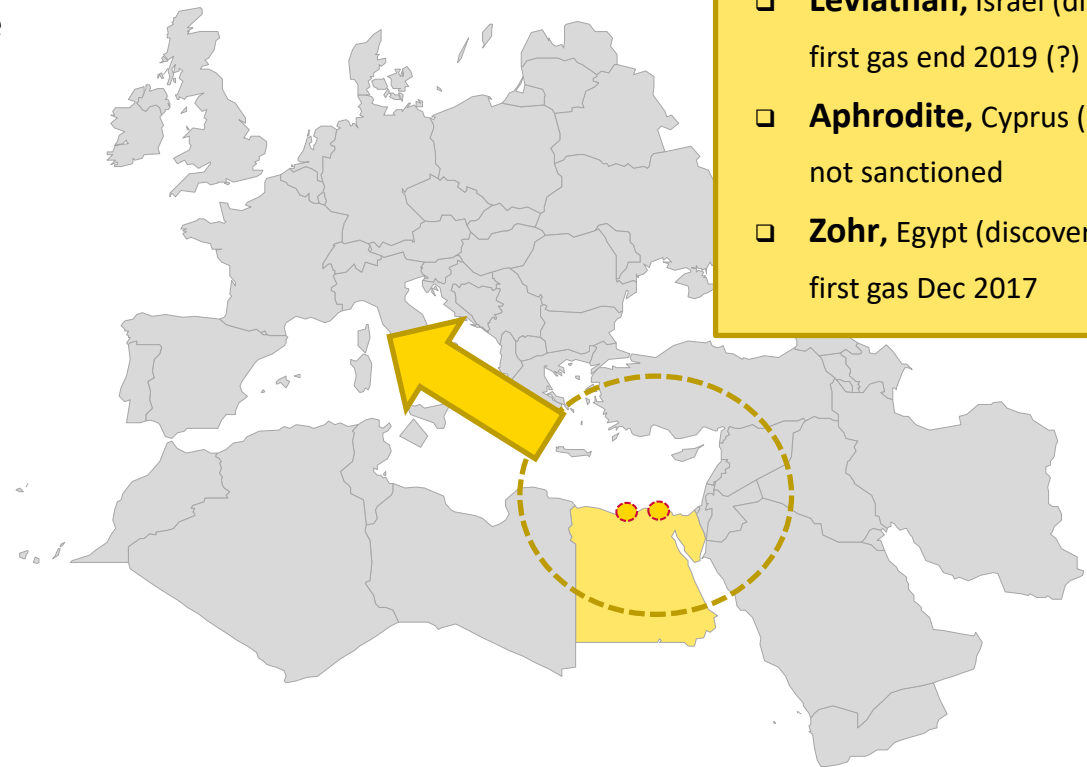


- ❑ sustained growth in LNG demand (4% p.a.), focused in China, India
- ❑ low level of FID in the last two years, incl. Eni's Coral FLNG (Mozambique)
- ❑ demand gap opening by mid-2020s

- ❑ around 100 MTPA of projects plan to reach FID in 2018 or 2019, including brownfield Qatar, US, PNG and Nigeria, as well as new areas such as Mozambique, West Canada and Arctic Russia
- ❑ in addition to projects under construction in the US, this may easily exceed expected demand for the next decade
- ❑ Europe remains crucial to match global market imbalances

# Global LNG market

- ❑ **Egypt gas production** expected to grow to 80 bcm/y by 2020s and outpace domestic demand already in 4Q2018, driven by the development of giant gas field Zohr (Eni)
- ❑ **Additional gas discoveries in the overall East Med Area** may bring the region export potential to 20 MTPA, provided that export facilities are secured:
- ❑ **Existing liquefaction plants in Egypt** are crucial for a prompt export recovery
  - ❑ **Damietta** 5 MTPA
  - ❑ **Idku** 7 MTPA
- ❑ **European market is primary target**, due to proximity and liquidity



- ❑ **Tamar**, Israel (discovered 2009)  
first gas Apr 2013
- ❑ **Leviathan**, Israel (discovered 2010)  
first gas end 2019 (?)
- ❑ **Aphrodite**, Cyprus (disc 2011)  
not sanctioned
- ❑ **Zohr**, Egypt (discovered 2015)  
first gas Dec 2017