

The European Formula 2013

Press information



Shale gas strengthens natural gas long-term

- **New opportunities for the natural gas industry**
- **IEA: Natural gas demand will rise worldwide by 50% by 2035**

Oslo, 29.11.2013. The world of energy has been turned upside down. The reason for this is shale gas. Since the USA began broad-scale production of unconventional gas, the balance in the global energy sector is shifting significantly. The United States is now the largest natural gas producer worldwide – which has profound consequences for the European energy markets. The low natural gas prices triggered by the successful shale gas production are putting European competitors under pressure. Leading business, scientific and political representatives discussed the opportunities, risks and possibilities of shale gas in Europe at the international energy conference “The European Formula“ in Oslo upon the invitation of the German Council on Foreign Relations (DGAP).

Largest growth by 2035 from natural gas

Keisuke Sadamori from the International Energy Agency (IEA) presented the agency’s new World Energy Outlook in Oslo and drew attention to the continued importance of fossil fuels in meeting global energy demand growth, with gas playing a central role: “Out of all the fossil fuels, natural gas has the highest absolute growth. The global demand for natural gas increases by half over the period to 2035,” Sadamori said. This means that the share of natural gas in the global energy mix would approach 25% by 2035. While gas requirements rise moderately (+13% from 2011-2035) in Europe, the anticipated increase in gas requirements was being driven in particular by a sharp rise in demand in China, India and the Middle East (+60%). Unconventional natural gas resources, such as shale gas, account for about a third of the natural gas produced worldwide in 2035.

Shale gas debate strengthens the role of natural gas overall

Rainer Seele, Chairman of the Board of Executive Directors of Wintershall, underlined the stimulating effect of the shale gas boom on the market. The wholly owned BASF subsidiary, a company steeped in tradition and internationally active, is Germany's largest oil and gas producer. Seele went on to explain how the example of the USA, which was the only leading industrialized nation to record significant reductions in its greenhouse gas emissions, showed how ecological and economic needs can be brought together intelligently. Natural gas was also the backbone of the current new wave of industrialization in the USA. "The shale gas boom has focused attention on natural gas as a product. All producers, whether conventional or unconventional, benefit from this," Seele explained. Even if shale gas production in Europe was not possible on the same scale as in the USA, apart from anything else because of the more limited resources, Europe had to take the opportunity to demonstrate with selected projects that "shale gas made in Europe is possible". Seele added that natural gas had to move higher up the political agenda of European decision-makers again to take advantage of its strengths: low carbon, reliable and secure.

Norway remains central partner in the natural gas supply

In this context, **Helge Lund**, Chairman of the Norwegian energy company, Statoil, emphasized at the conference the special importance of Norway as Europe's second largest supplier of gas. "Norway has sufficient gas and a well-developed infrastructure in order to secure Europe's and Germany's energy supplies in the long term," said Lund.

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