

Russia and European Energy Security

2nd South East Europe
Energy Dialogue
Thessaloniki, 21-22 May 2008

The magic procedure
of preparing an egg for the breakfast !



ENERGY SECURITY



Was ist das?
(What is that?)

- No generally recognized definition, so far

Analysis: Supply and Demand equation

- Consuming countries : Energy security = Security of supply
- Producing countries : Energy security = Security of demand
- “G-8” : Energy security = Security of supply + Security of demand

Partnership as the new drive of energy security...

- The global nature of these challenges and the growing **interdependence** between producing, consuming and transiting countries **require strengthened partnership** between all stakeholders to enhance global energy security.

...and the best recipe for successful projects

- Blue Stream, Gas Interconnector Greece-Turkey, Caspian Pipeline Consortium (CPC), Baku-Tbilisi-Ceyhan (BTC), Odessa-Brody
- Bourgas-Alexandroupolis, Constanta-Trieste, Gas Interconnector Greece-Italy, Nabucco, South Stream,

RUSSIA - A MAJOR ROUTE IN TRANSPORTATION OF CASPIAN HYDROCARBONS



Crude Oil Pipelines of Eurasia



PROJECTS AS OF NOVEMBER 2006

- ETC Pipeline (with Kazakh's assent)
- Kazakhstan-China Pipeline
- - - Turkish Straits by-pass options
- ... Murmansk Pipeline
- ... Tansen-Nakhodka Pipeline
- decided
- - - planned

For more information: www.enrcharter.org



ENERGY CHARTER

International Energy Charter for Sustainable Energy Co-operation © 2006



Black Sea

Caspian Sea

Karachaganak-CPC pipeline

Baku-Tbilisi-Ceyhan pipeline

Azeri-Sumadi pipeline

Under construction by a consortium of foreign and local companies. Commissioned in 2005.

Low-bidder Volga-Ural railway to CPC pipeline proposed by Lukoil. Feasibility study completed Dec-03.

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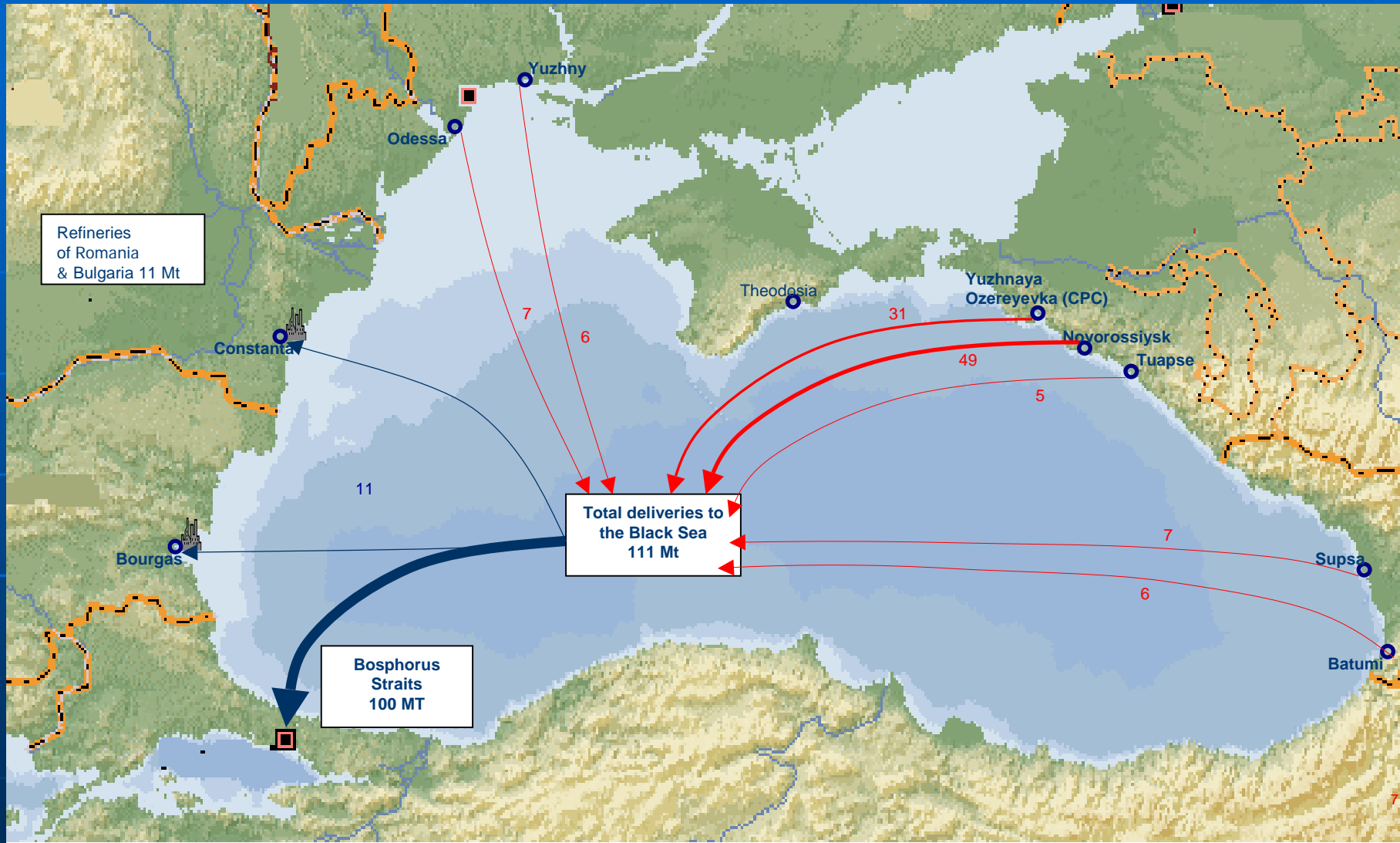
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Black Sea Crude Oil Balance in 2006, mln tons



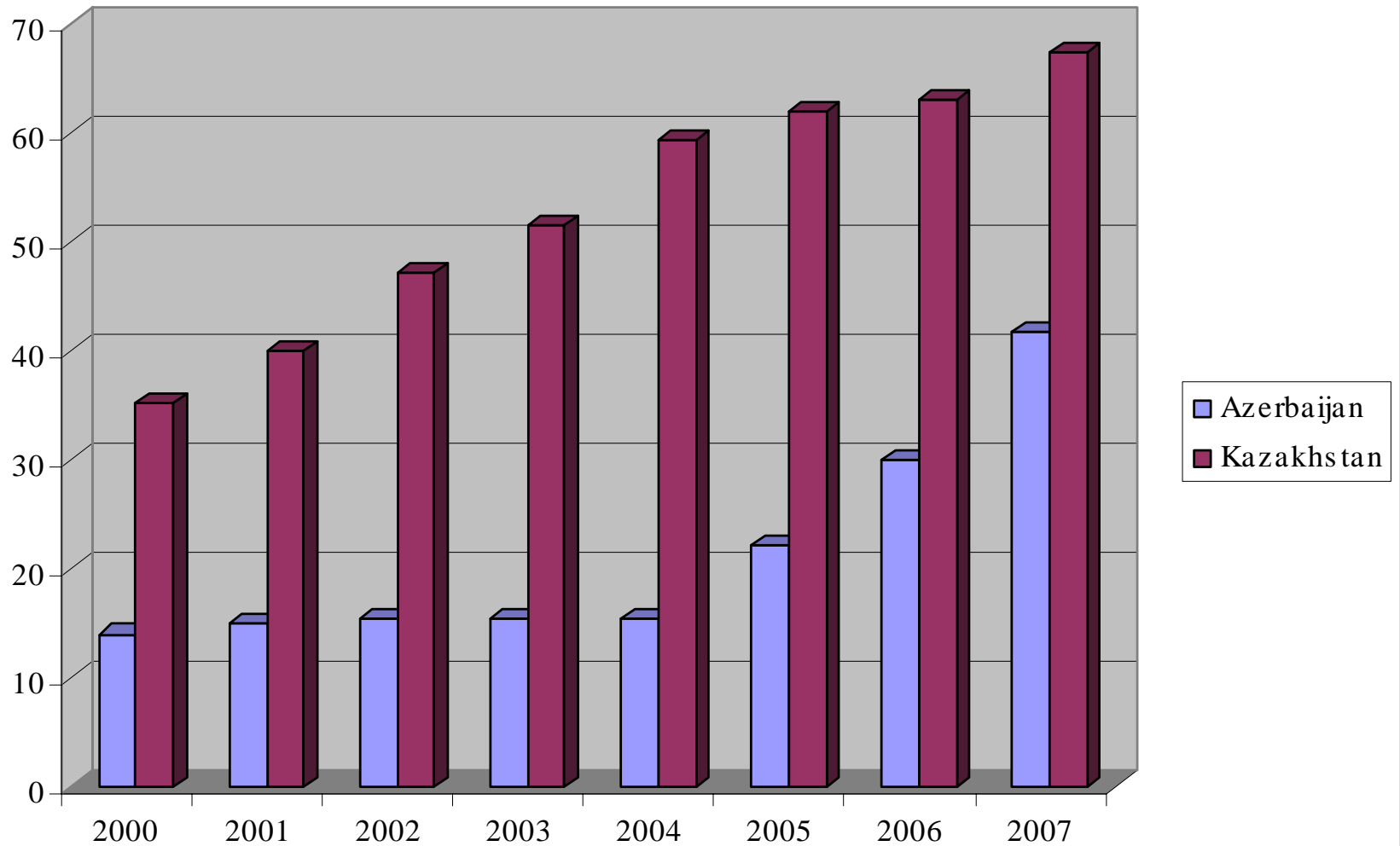
Source: Pipeline Transport Company OAO "Transneft", 2007

Bourgas-Alexandroupolis Pipeline Project



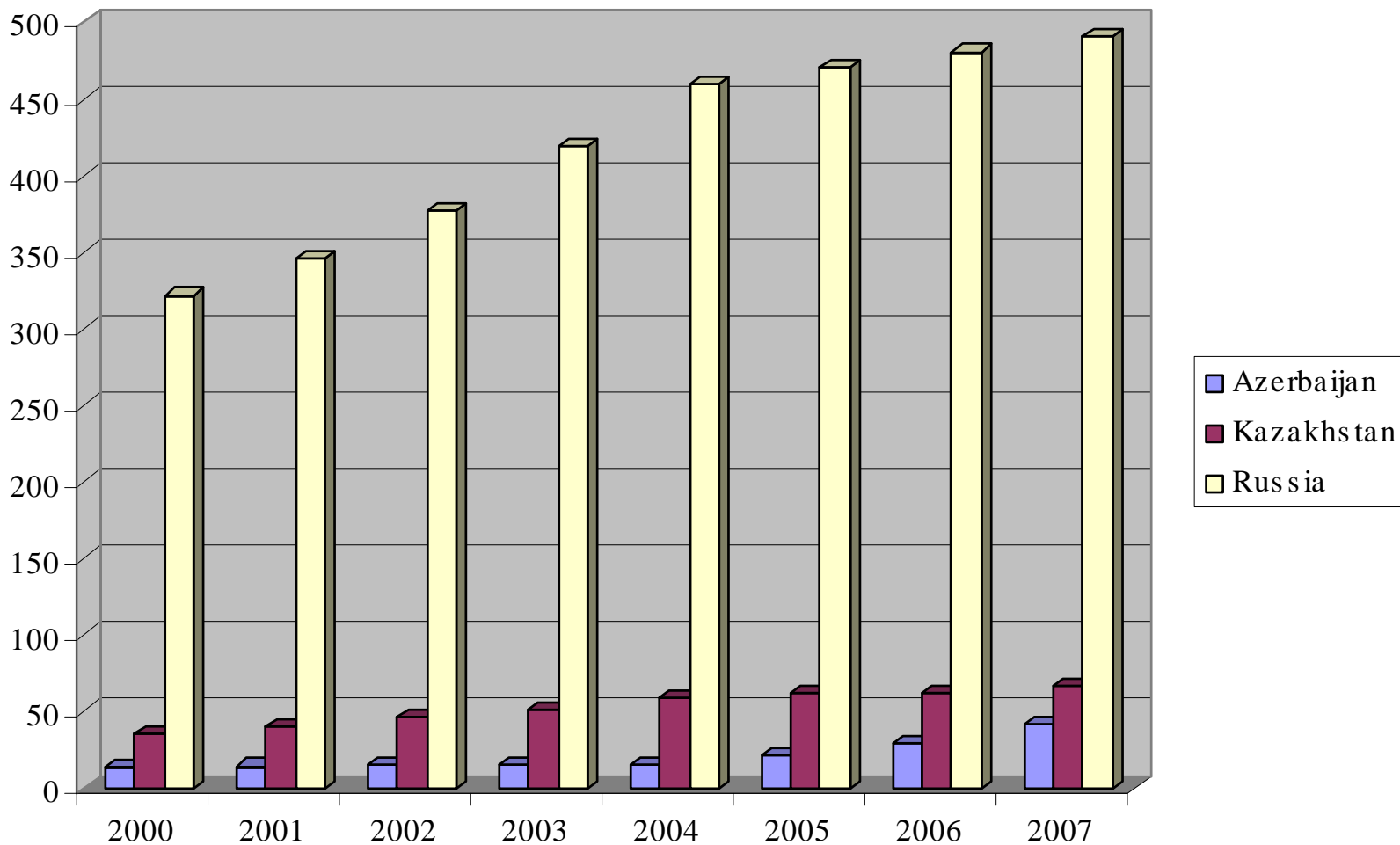
Source: Pipeline Transport Company OAO "Transneft", 2007

Oil Production of Azerbaijan and Kazakhstan (mln tons per year)



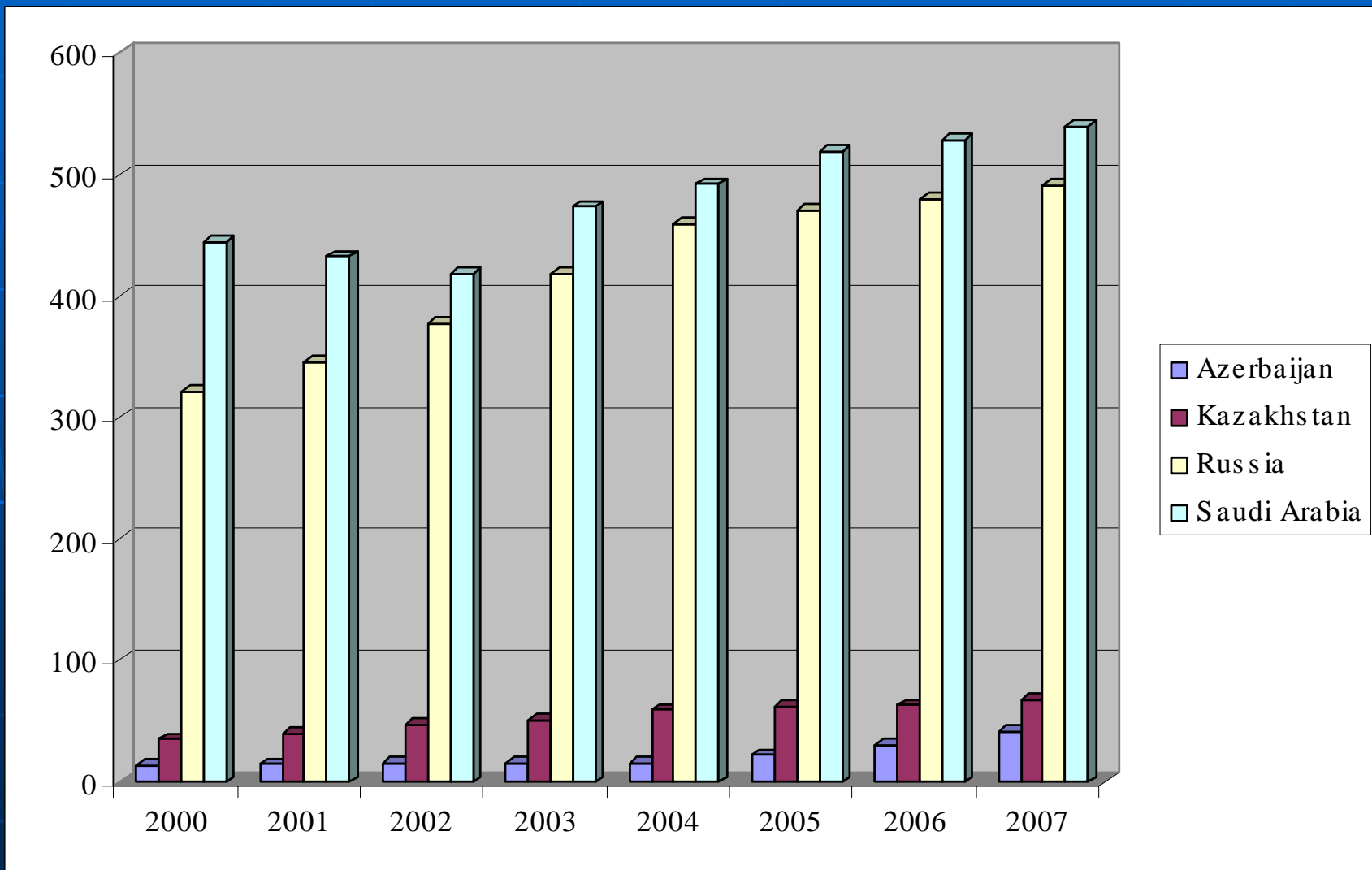
Sources: International Energy Agency (IEA) Oil Information, 2008

Oil Production Azerbaijan, Kazakhstan and Russia (mln tons per year)



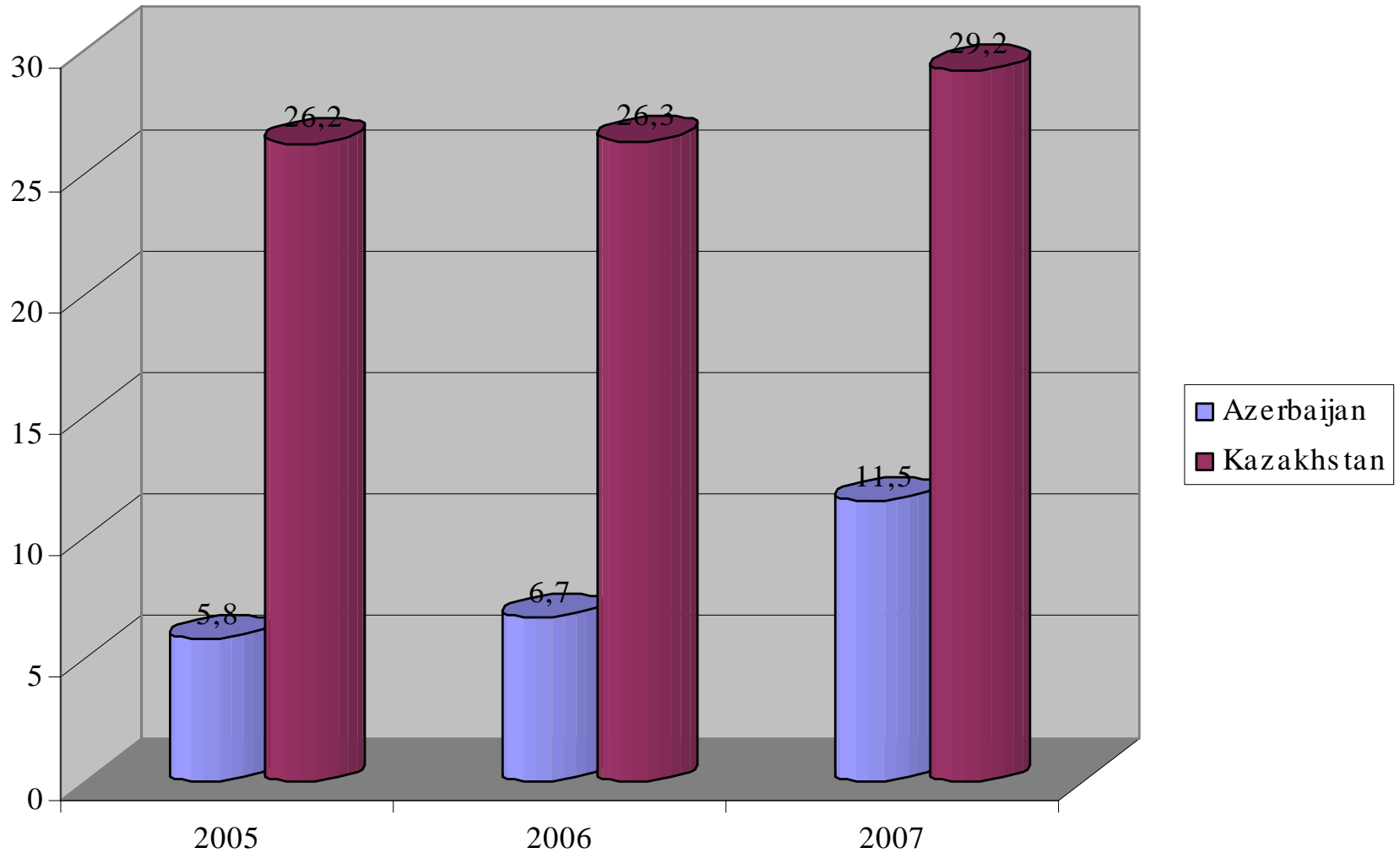
Sources: International Energy Agency (IEA) Oil Information, 2008

Oil Production Azerbaijan, Kazakhstan, Russia and Saudi Arabia (mln tons per year)



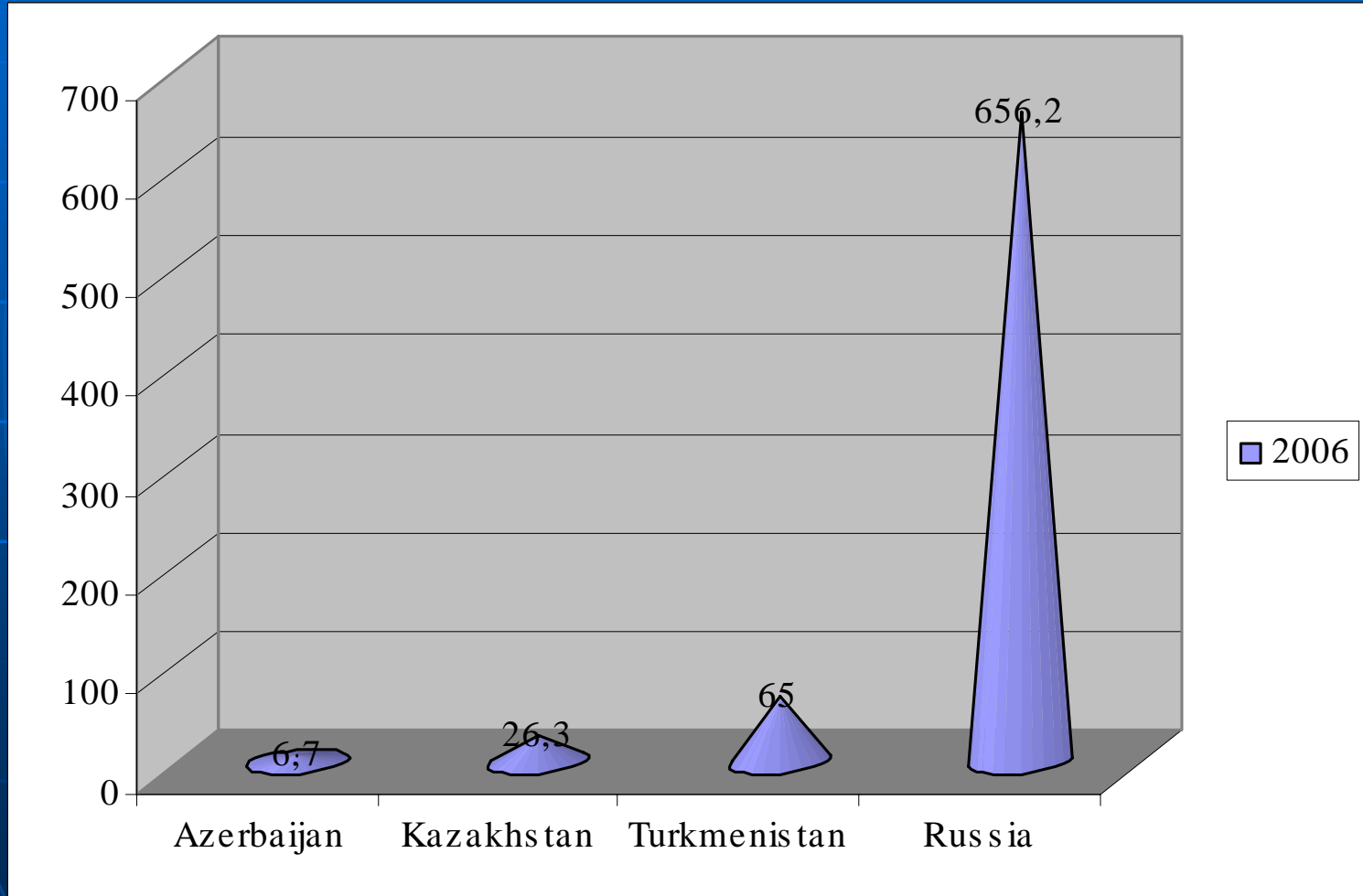
Sources: International Energy Agency (IEA) Oil Information, 2008

Gas Production of Azerbaijan and Kazakhstan (mln tons per year)



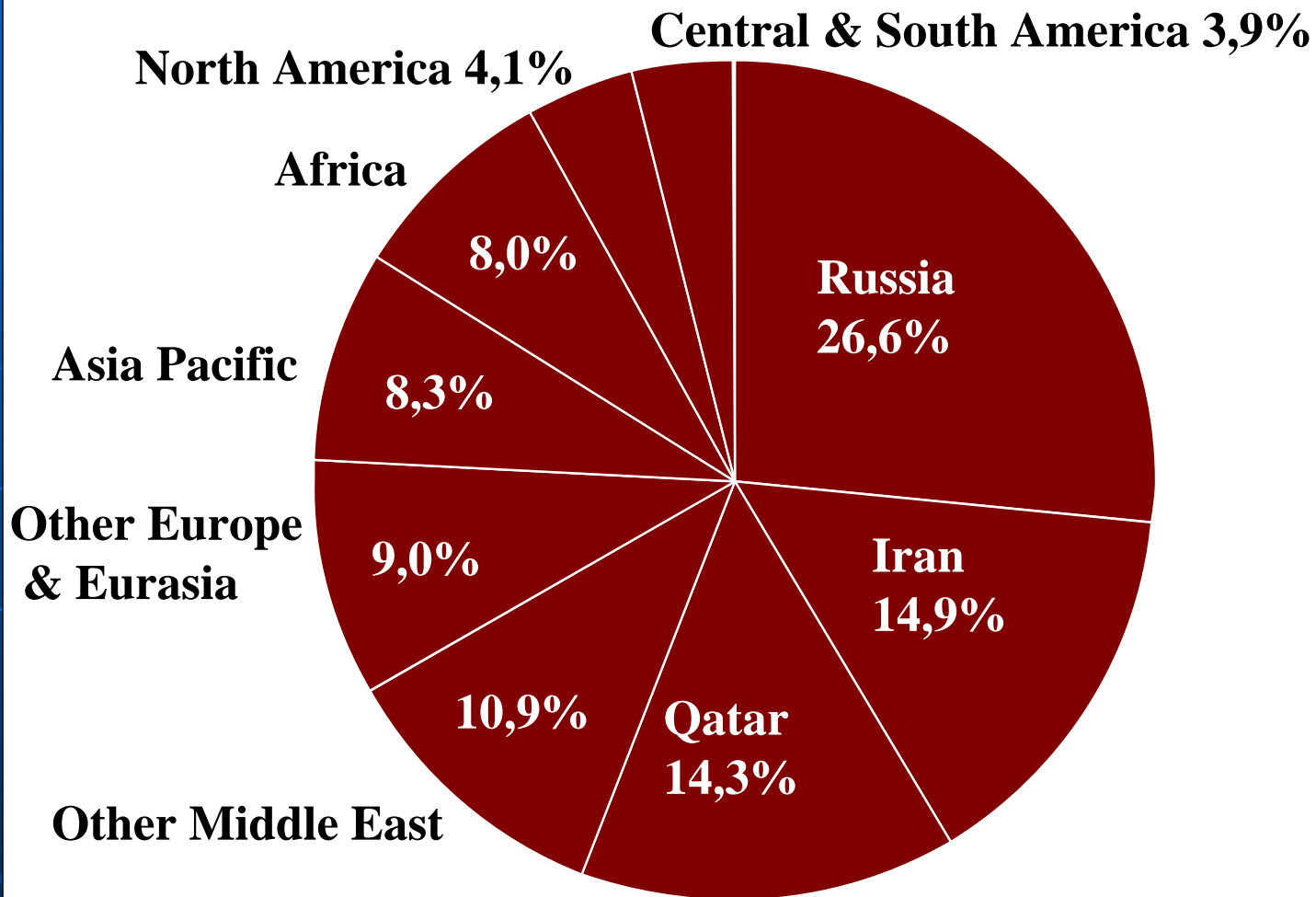
Sources: International Energy Agency (IEA) Gas Information, 2008

Gas Production of Azerbaijan, Kazakhstan, Turkmenistan and Russia in 2006 (bln cub m)



Facts in the Ground

(world proven gas reserves in 2006)



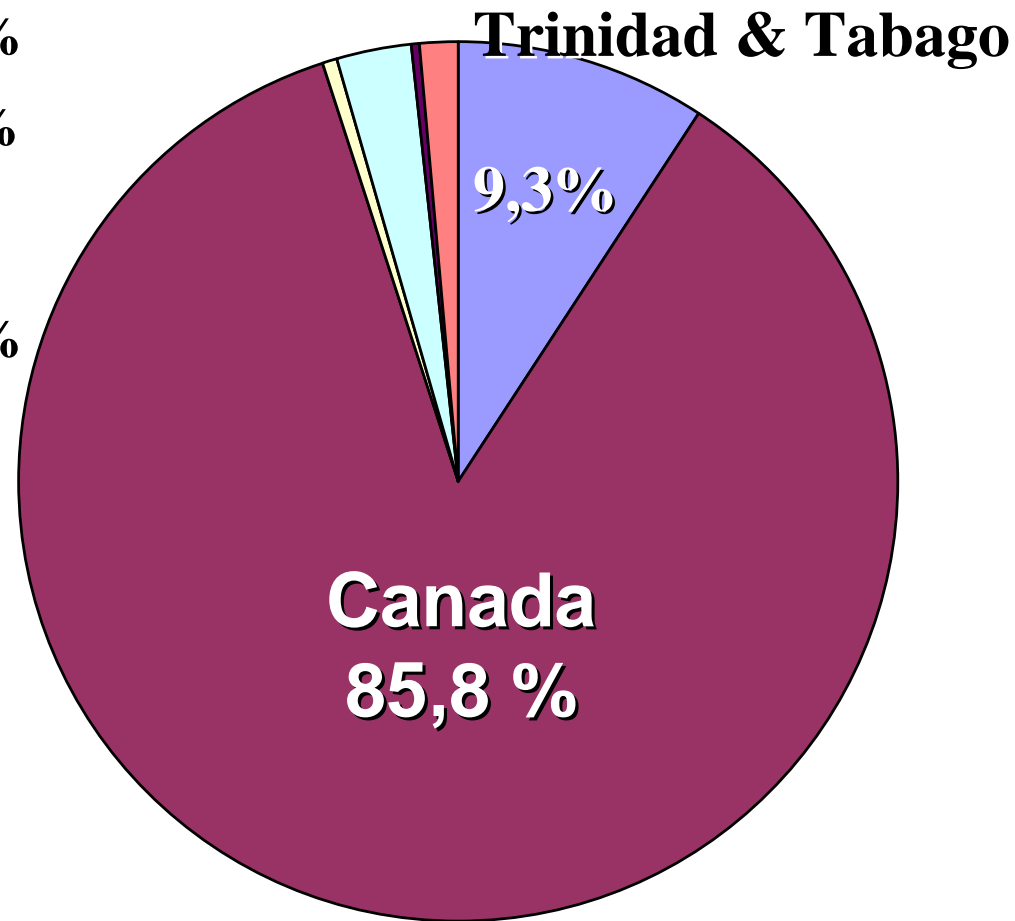
US Natural Gas Imports by country, 2006

Nigeria- 1,4%

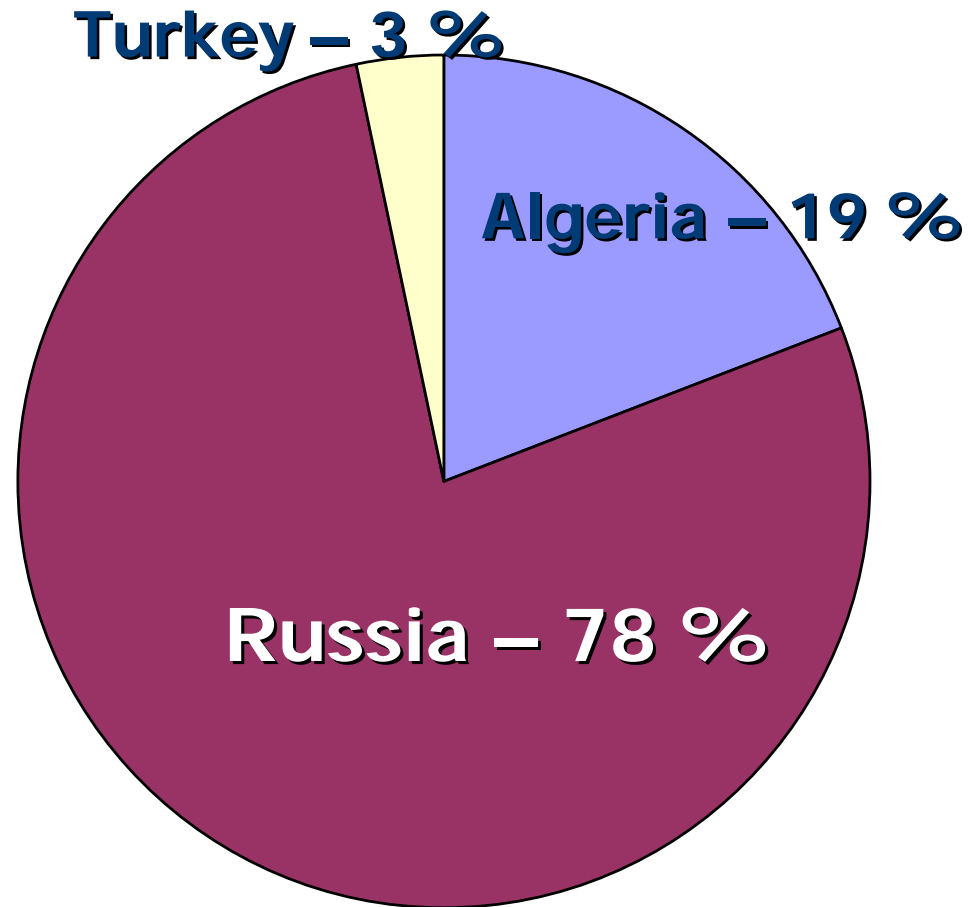
Mexico- 0,3%

Egypt- 2,8%

Algeria- 0,4%

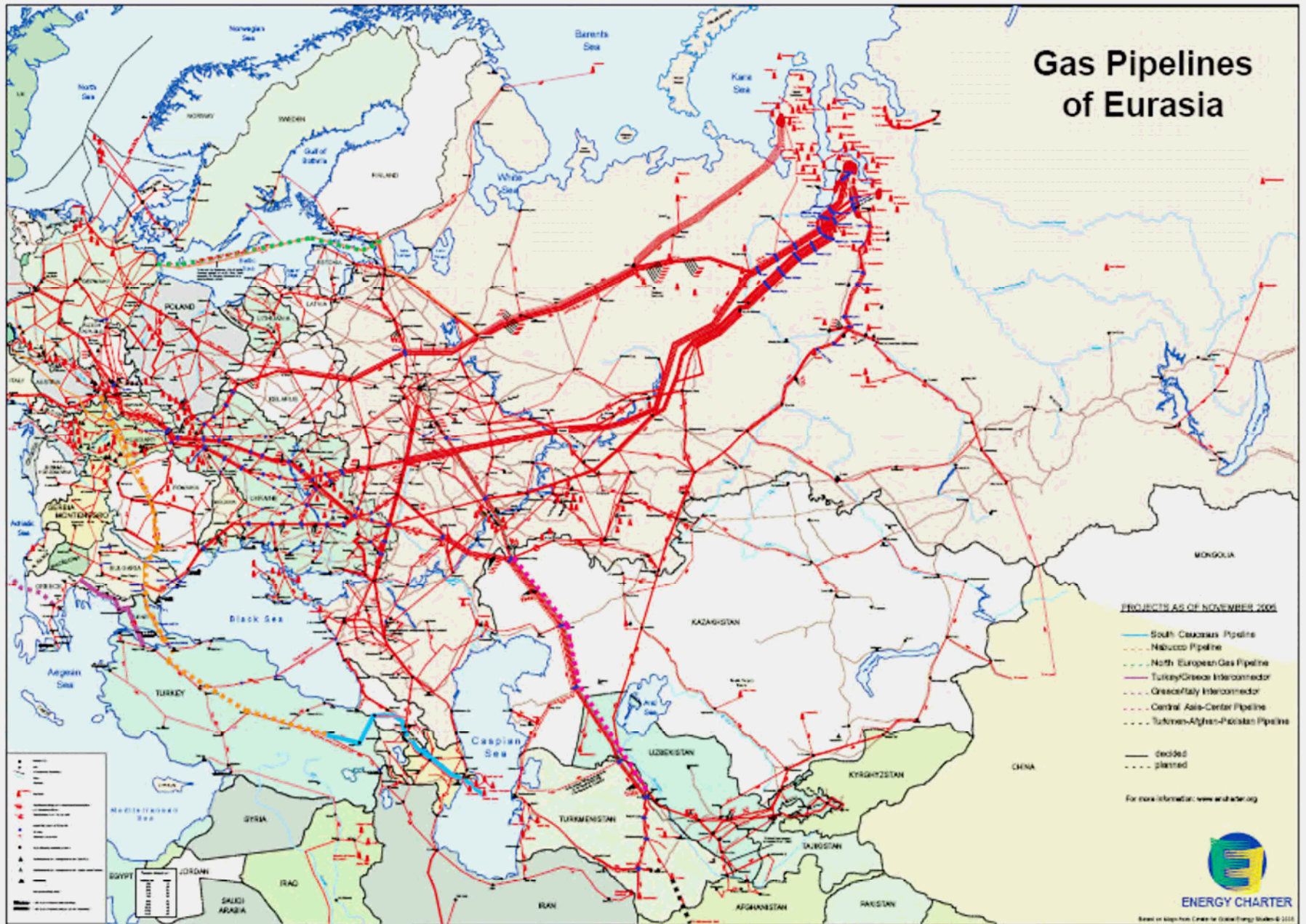


Greece Natural Gas Imports by country, 2007



Source: Greek National Statistic Service,
Greek State Gas Company (DEPA), 2008

Gas Pipelines of Eurasia



"SOUTH STREAM" PROJECT POSSIBLE ROUTES OF THE BRANCHES



CONCLUSIONS

- Russia advocates a cooperative approach towards the issues of global energy security
- Russia is intent to participate in the elaboration of common rules in the energy sector and to abide by rules developed on equitable terms
- Caspian hydrocarbons can't replace the vast volumes of Russian gas and oil on the world market, but they have a genuine complimentary and supportive effect much required and welcomed by the markets
- Russia will remain a major factor in transportation of Caspian oil and gas to the world market, while the construction of the "South Stream" pipeline system will promote multiple transportation routes and enhance the flexibility and reliability of gas supply to Europe

CONCLUSIONS

- Russia is in position to offer integrated, feasible, low risk and mutually beneficiary solutions to the countries of the region in oil and gas supply. It has enough financial resources to support the relevant projects.

Think globally, act locally and... benefit from the new challenges!



From Russia ... with gas!

- **Спасибо!**
- **Spasibo!**

Michael Ivanovitch Savva
Minister-Counsellor
Embassy of the Russian Federation
in Athens