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# ***Regional natural gas market: a view from Romania***

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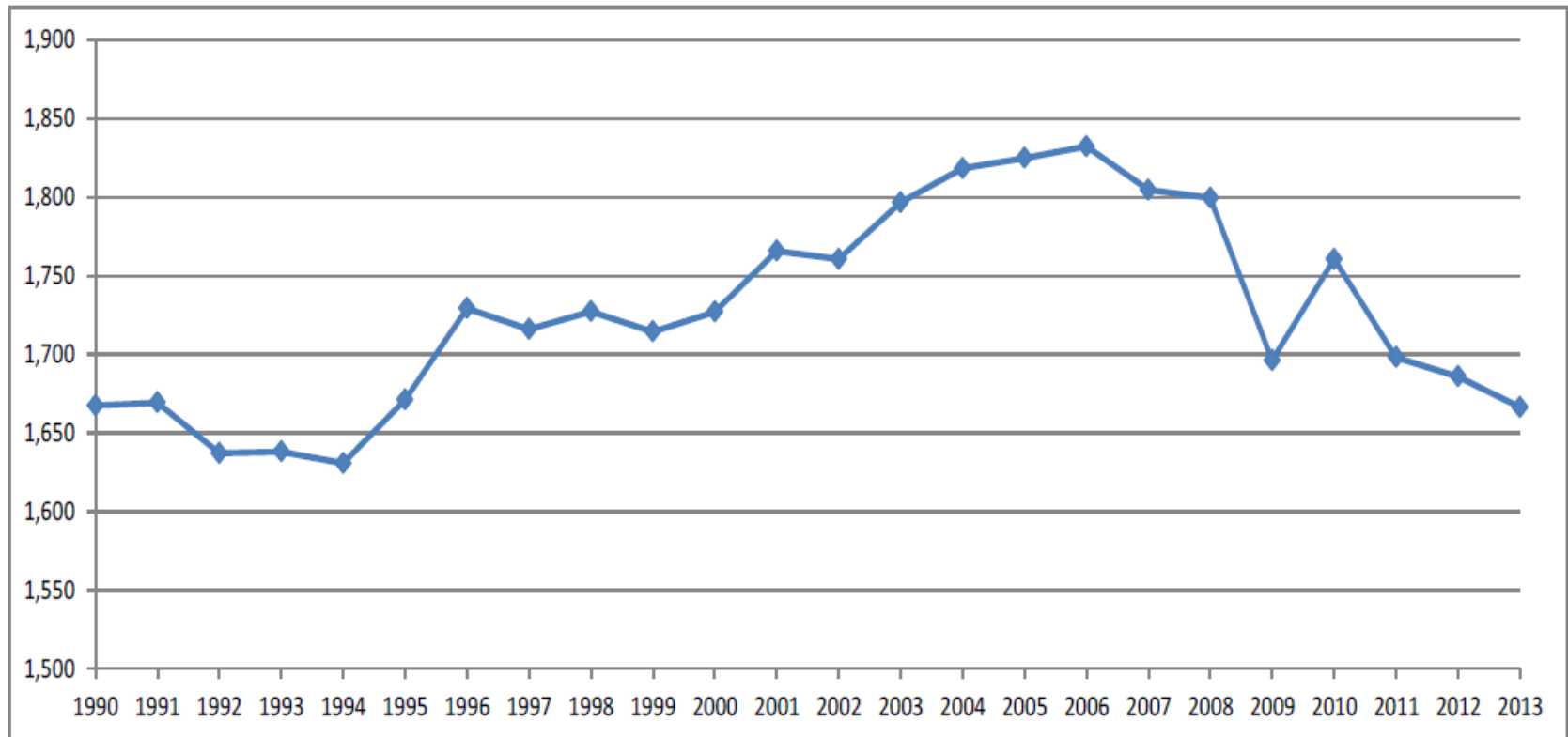
March 12, 2015

Marriott Hotel, Vienna

# Regional realities

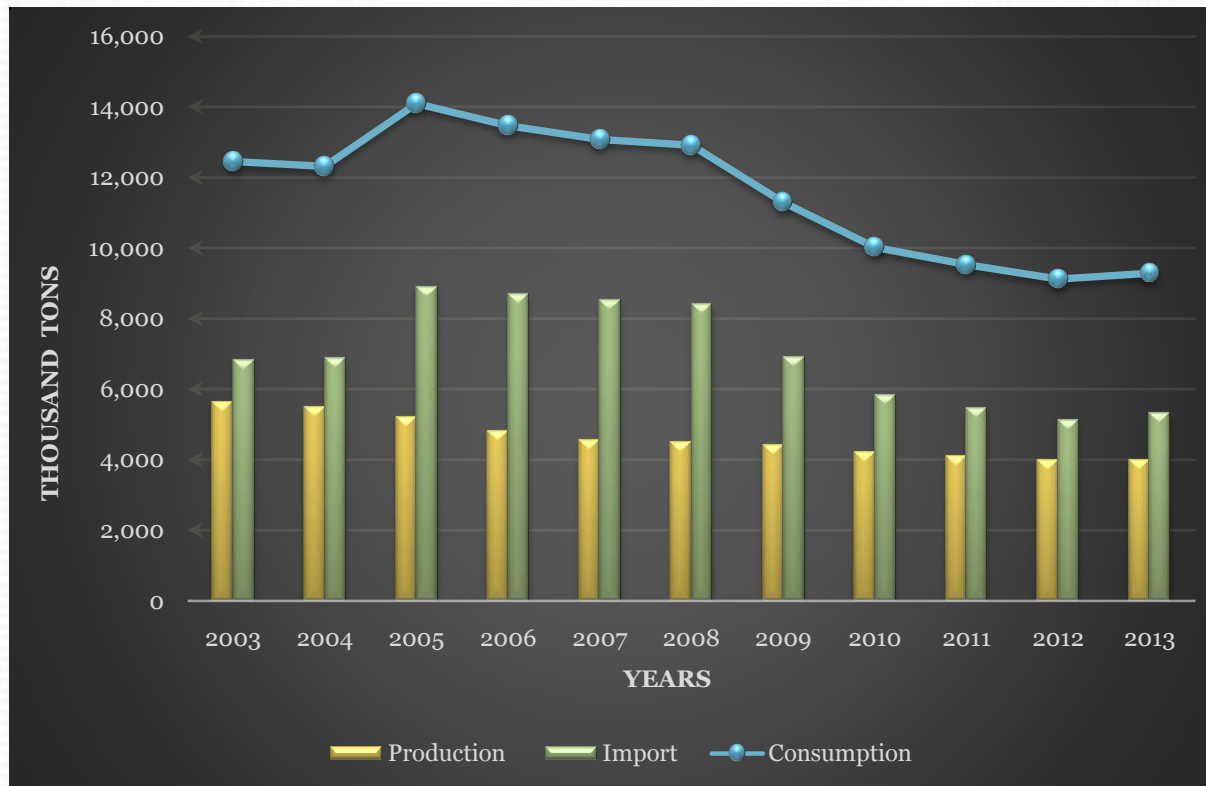
- “South Stream” metamorphosis into “Turkish Stream”
- New project proposals (Eastring, Danubian / Bu-Ro-Hu-Au)
- Low oil price
- Reduced demand for gas in Europe
- Collapse of hopes for regional shale gas development

**Gross inland energy consumption in the EU,  
(in million tonnes of oil equivalent, Mtoe)**



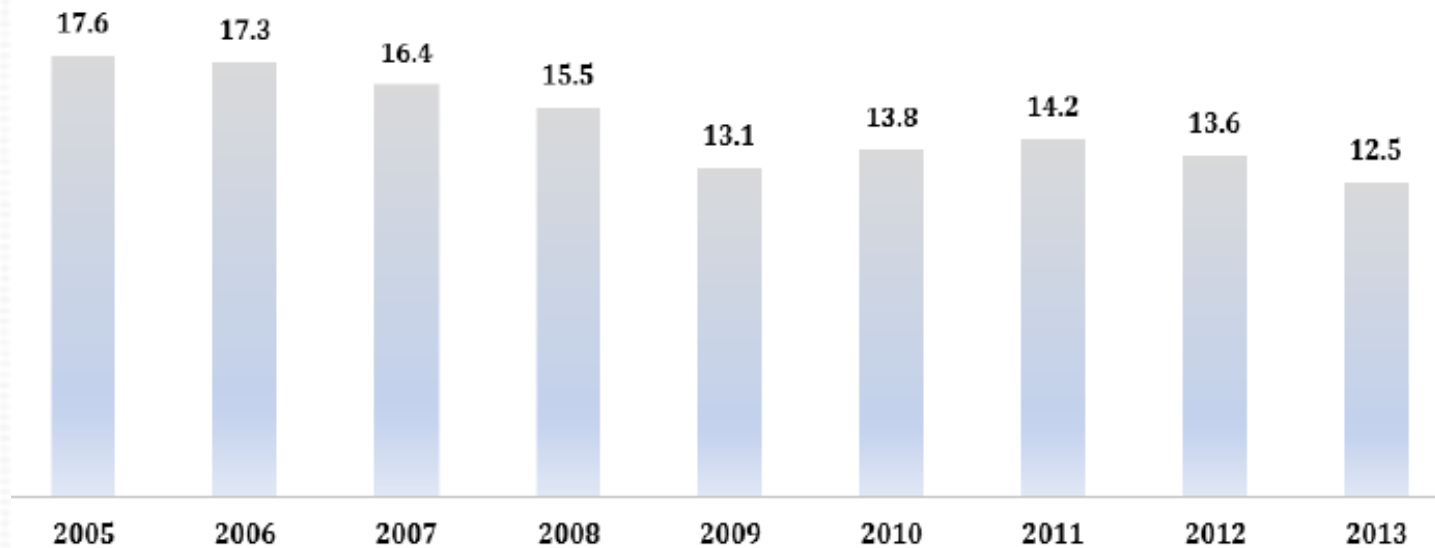
Source: EUROSTAT (February, 2015)

## Romanian **OIL** PRODUCTION, IMPORT & CONSUMPTION (2003-2013)



Source: National Statistics Institute, Romanian Department of Energy, 2014

## Romanian **NATURAL GAS** CONSUMPTION (in Bcm) (2005-2013)



Source: Transgaz (2014)

# Romania – current status

- **Dwindling known natural gas resource base...**

	<b>Bcm</b>	<b>Mtoe</b>	<b>TWh</b>
Resources	615	565	6,569
Reserves	150	138	1,602

Source: NARM, January 2014

- **But, active exploration in the Romanian Black Sea by:**
  - Exxon Mobil & Petrom
  - Lukoil
  - Petroceltic
  - Sterling

# Romanian Black Sea Offshore

- *multiple layers* -

## Geology level:

- So far: great expectations, promising preliminary results  
Biggest interest is in gas, not oil (mostly, a natural gas story)

## Operational level:

- deep-water = “*pioneering work*’ (OMV)
- strong international presence

## Business level:

- XI Petroleum Tender: expected, but not yet announced  
8 offshore +26 onshore perimeters  
(awaits government decision)

# Romanian progress

- In RO: establishing 2 natural gas exchanges (2013)
- Natural gas market liberalization was completed for industry in Jan. 2015
- Joint Statement by BU, RO, and GR to build “Vertical Gas” corridor (Dec. 9, 2014)
- *BG-RO-HU-AU gas transmission corridor*
- March 4, 2015: official start of Romanian natural gas exports to Moldova
- Romania: overcoming national approach, transitioning from an insular gas market to a regional market!

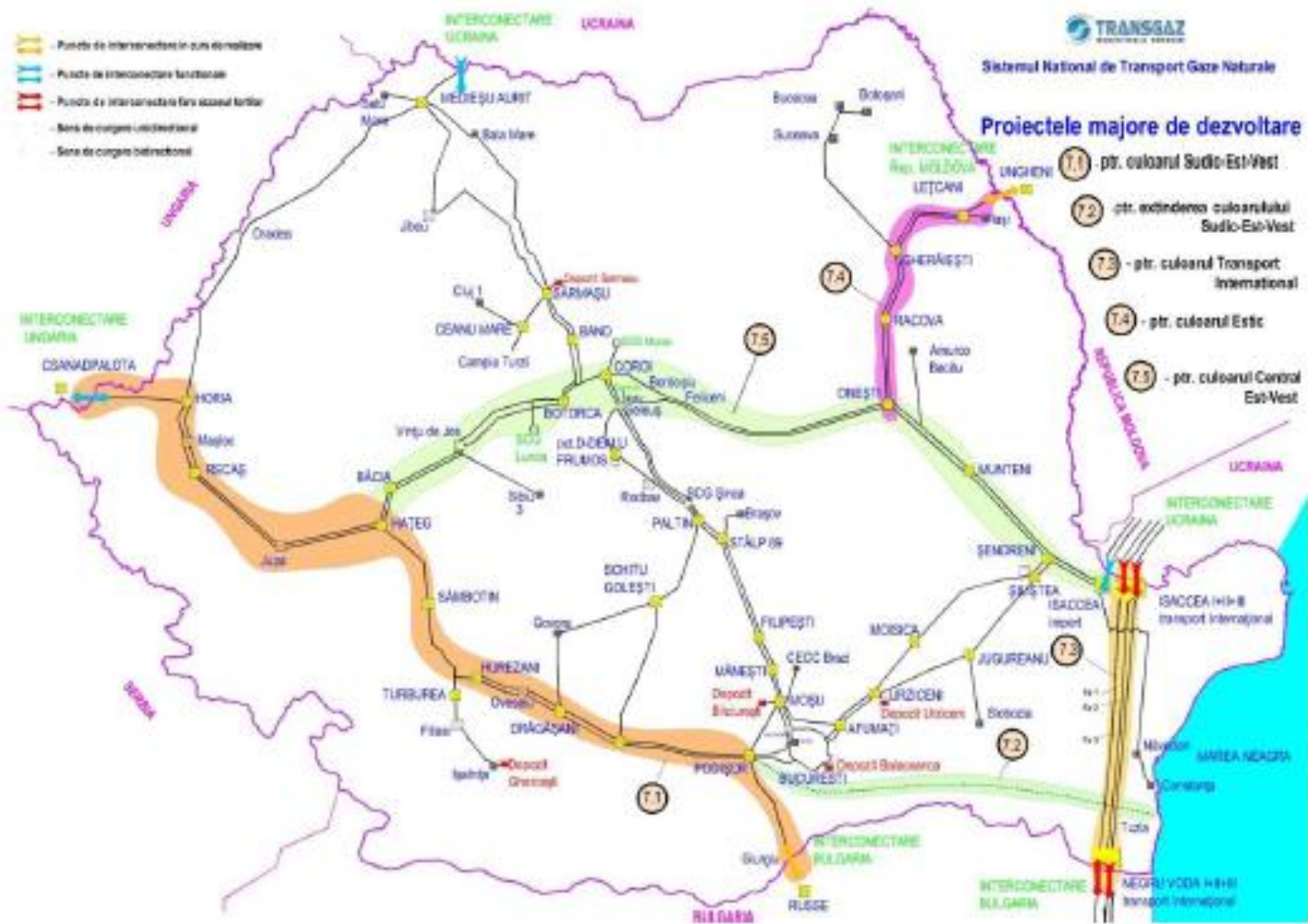


## Natural gas infrastructure priorities (2014-2017)

- **Access corridor between Black Sea production and national gas system (the missing link: Dobrogea-Podisor gas pipeline: “the most important natural gas infrastructure project”)**
- **Bidirectional flow on RO-BU interconnector (by end of 2016)**
- **Connecting the gas transit system to the national gas transportation system and reverse flow at Isaccea I (by end of 2016)**
- **Increase export capacity for RO-HU interconnector up to 1.75 Bcm/yr (by end of 2019)**
- **Possibility to connect to TAP (BG-RO-HU-AU gas transmission corridor)**

*Source: Romanian National Energy Strategy (December 2014 draft)*

# Key natural gas infrastructure projects in Romania (2014-2023)



Source: Transgaz



**Thank you.**

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