

Gas Transit in the Mashreq Region: Potential for new flows

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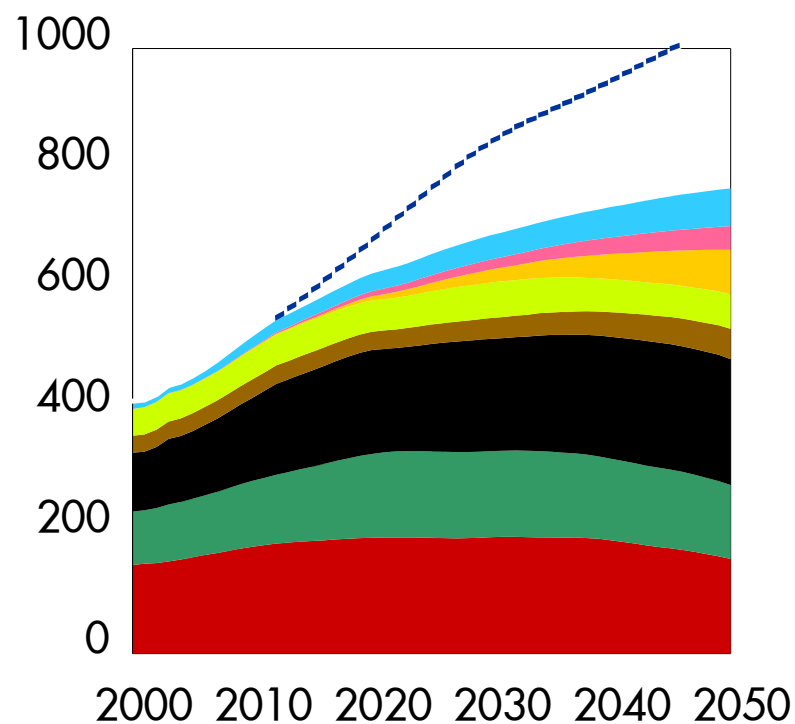
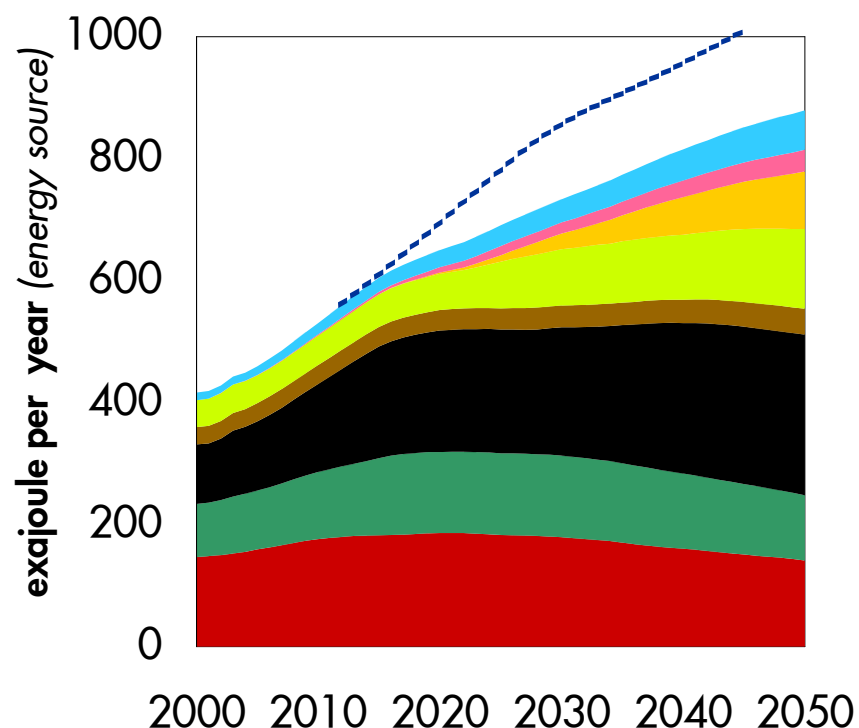
Global energy demand: Growing quickly



Scramble



Blueprints

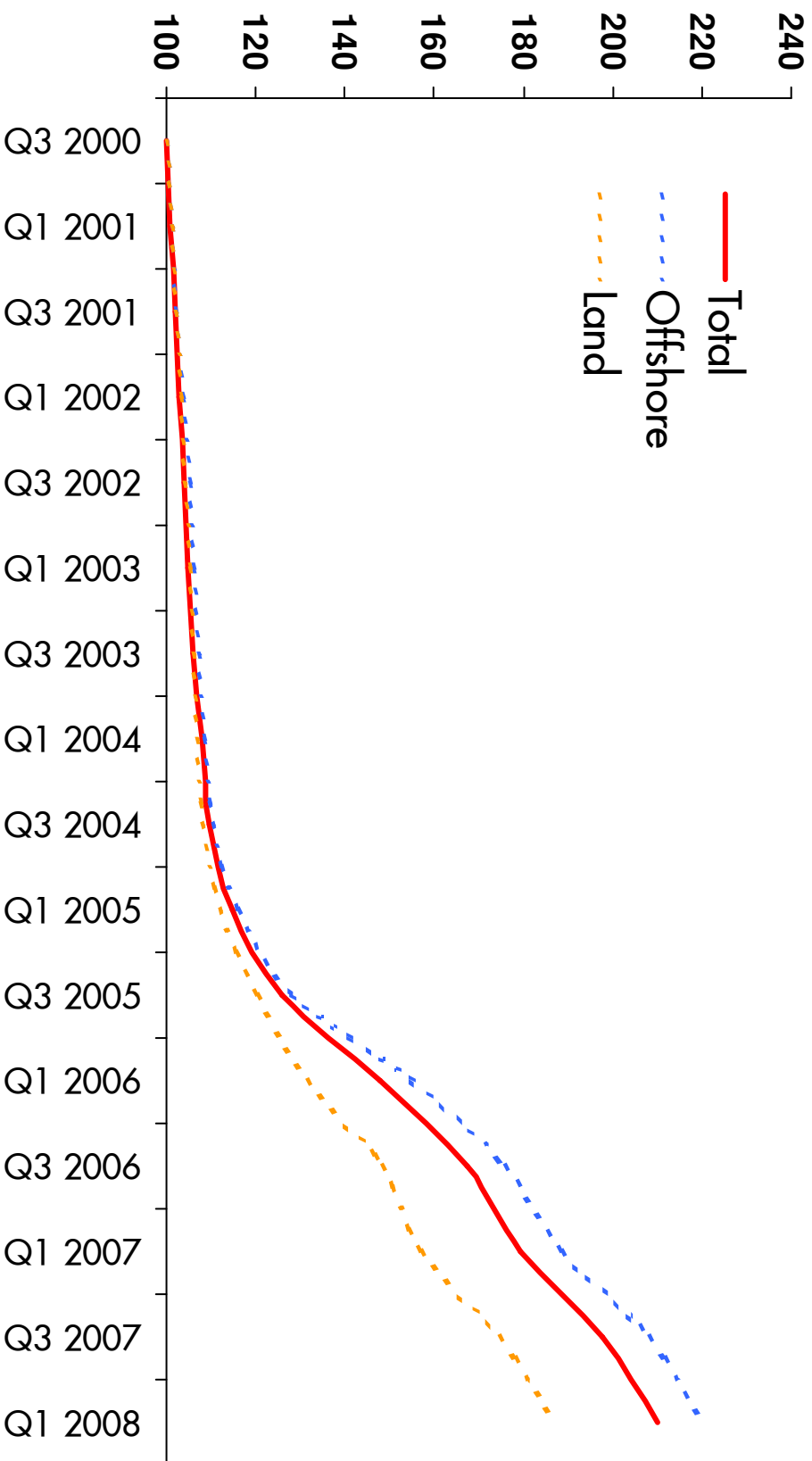


Oil Gas Coal Nuclear Biomass Solar Wind Other Renewables

Source: Shell International BV and Energy Balances of OECD and Non-OECD Countries©OECD/IEA 2006



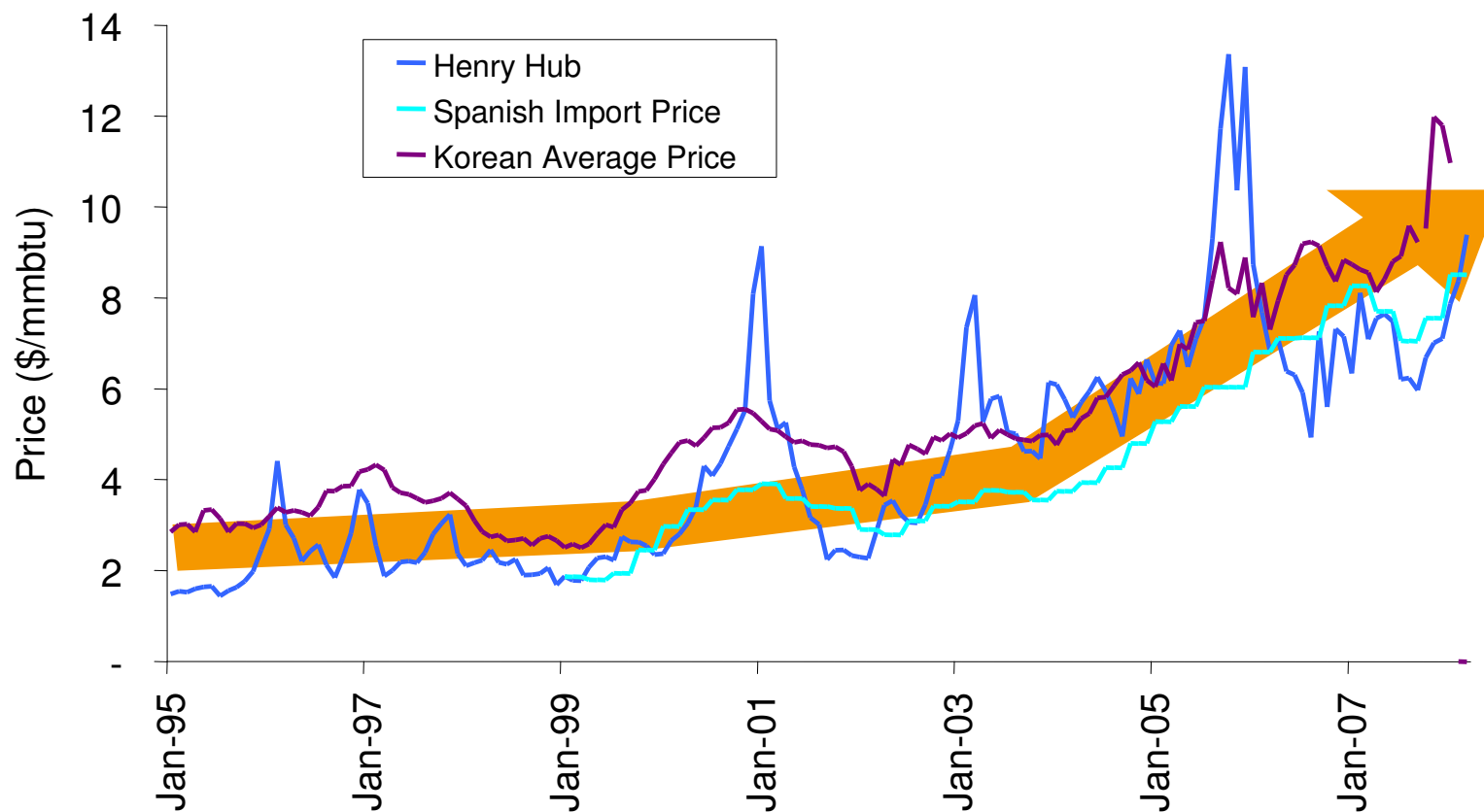
Gas exploration and production: Costs are rising



Sources: CERA Upstream Capital Cost Index



Gas prices: Rapid increases & much volatility

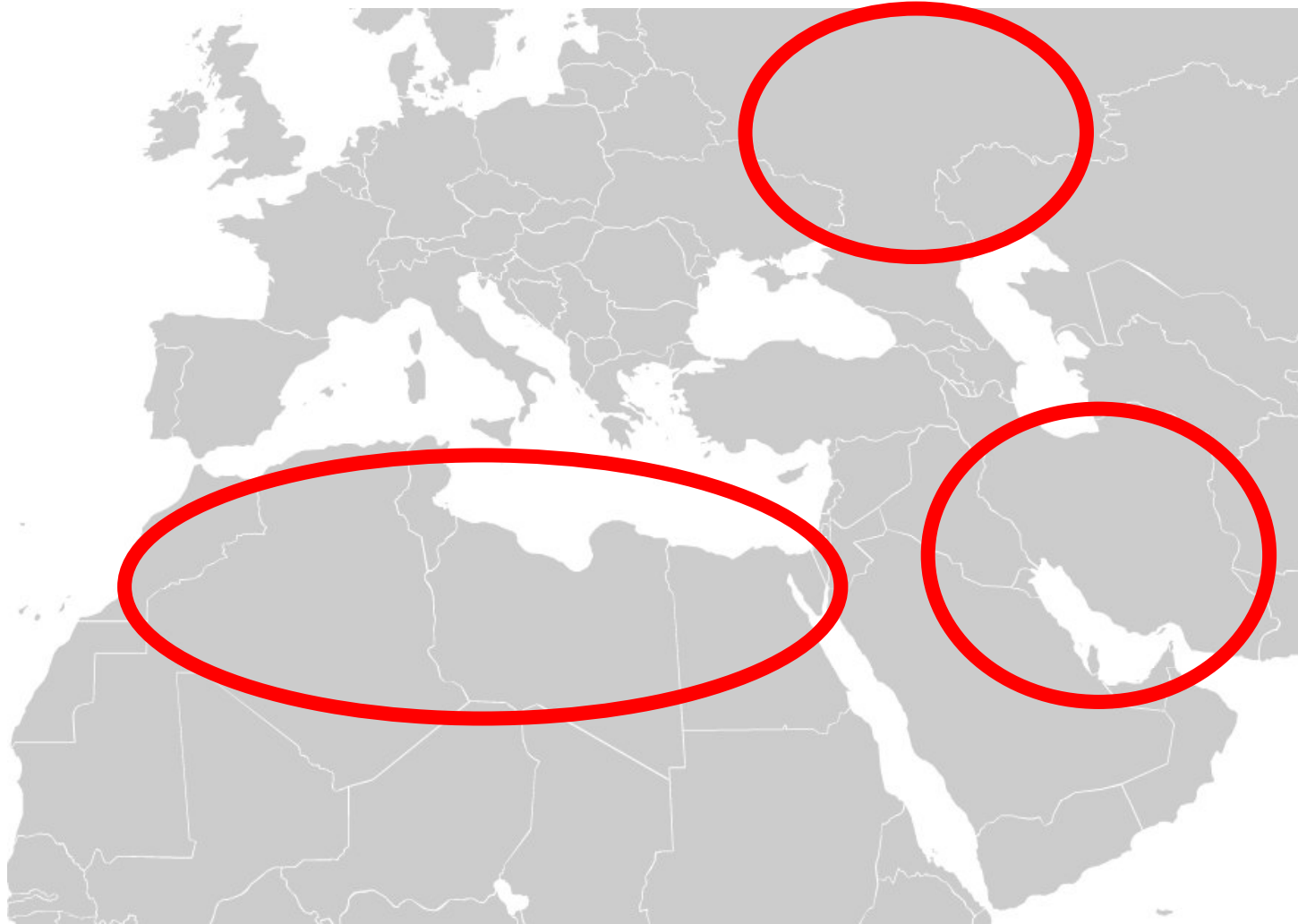


Sources: Government publications, Gas Strategies, Argus, Poten and Partners



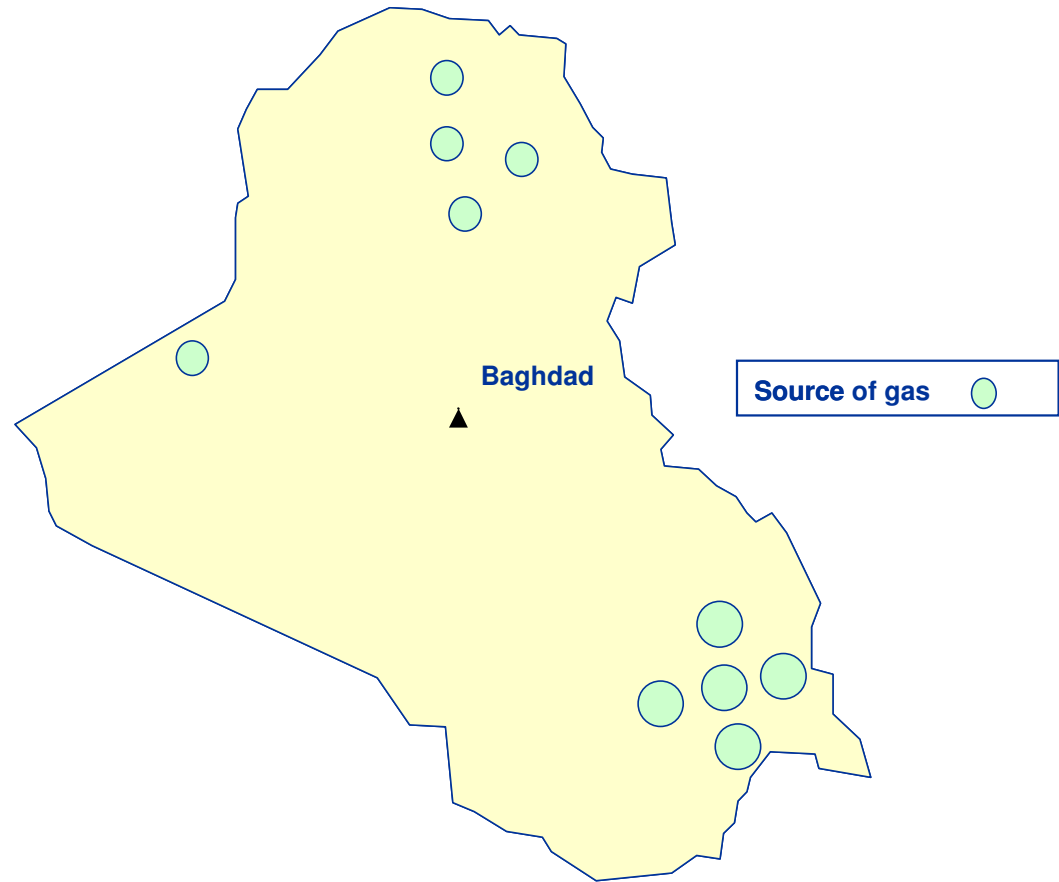
European gas demand and supply:

Demand is growing quickly, supply is falling



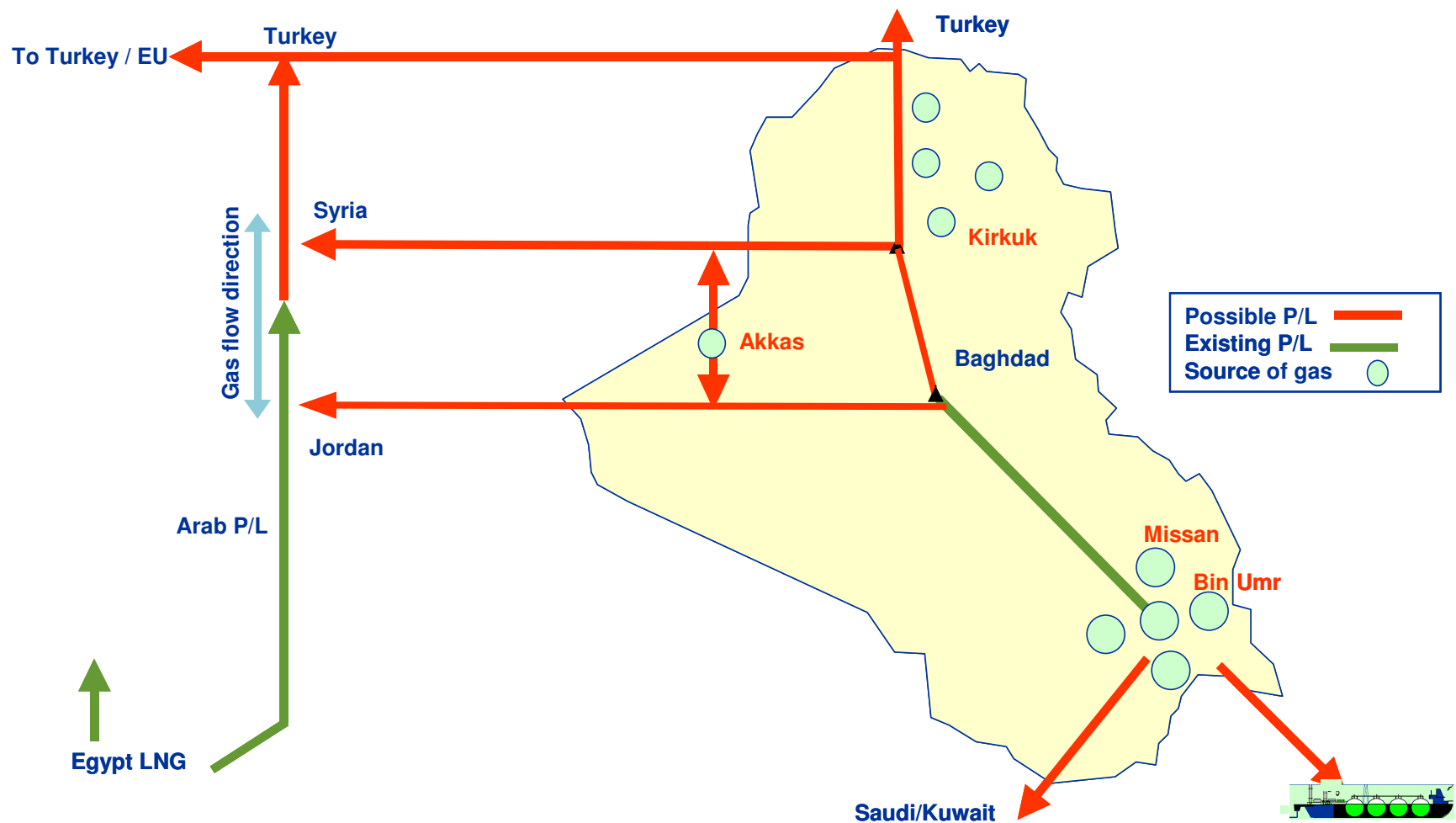
Potential sources of supply: Iraq

Game changer...



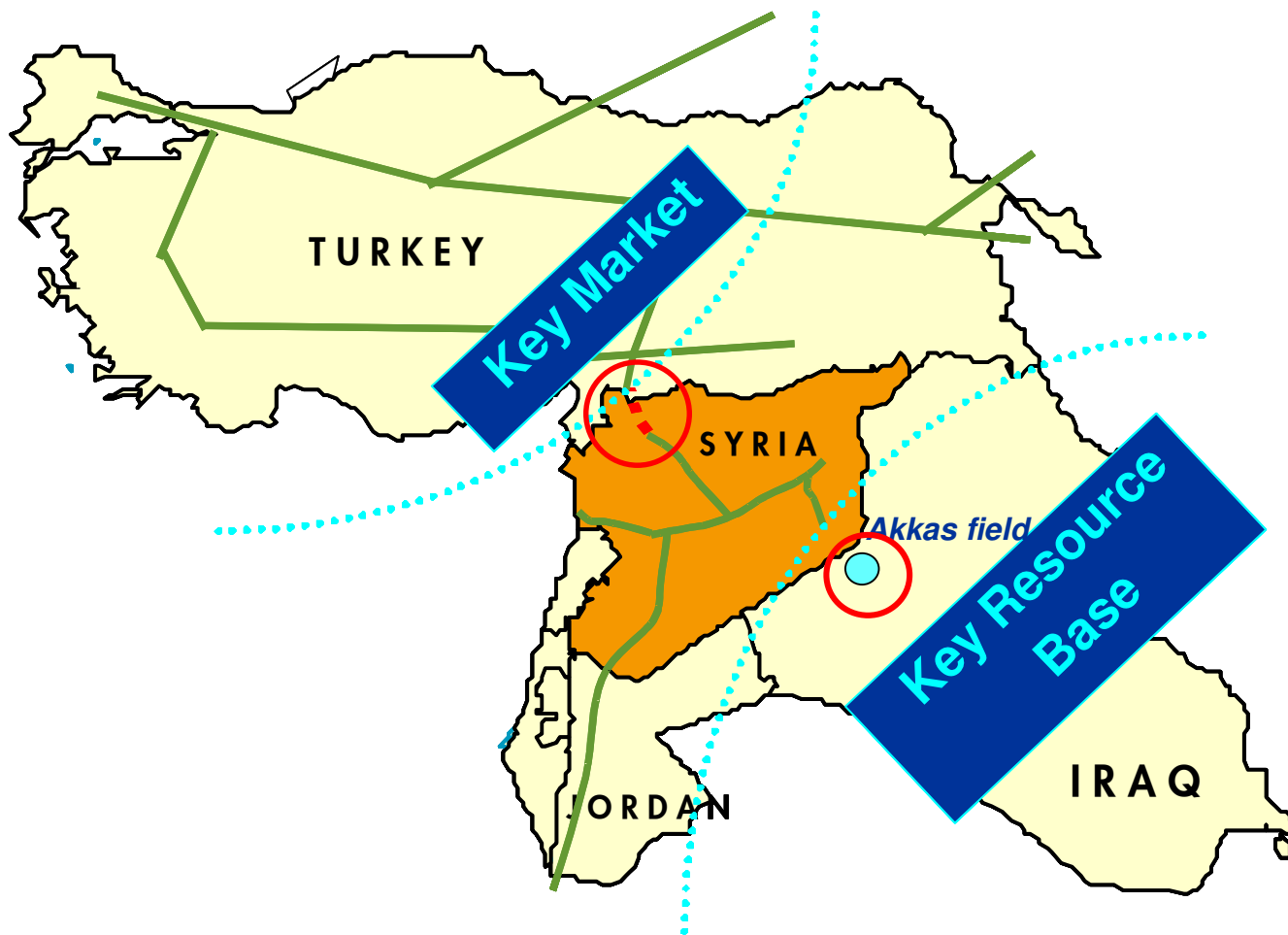
Potential sources of supply: Iraq

... with multiple export options



Syria:

Potential key role for Iraqi gas transit



Syria:

Conditions to succeed as regional transit hub

Direct link



Security of Transit



Transit Tariffs

2007 Benchmark Tariffs
(In US\$ cents / MMBtu/ 100km)

Russia	3.0
Kazakhstan	3.0
Romania	4.5
Slovakia	4.6
Bulgaria	4.6
Czech R.	5.0
Slovakia	5.0
Austria	5.3
Poland	6.0
Austria	8.7
Belgium	10.3

Sources: Various publications & company websites;
+/- 10% due to conversions & assuming load factor 100%



