



# Future of natural gas on the European markets: The view from Gazprom

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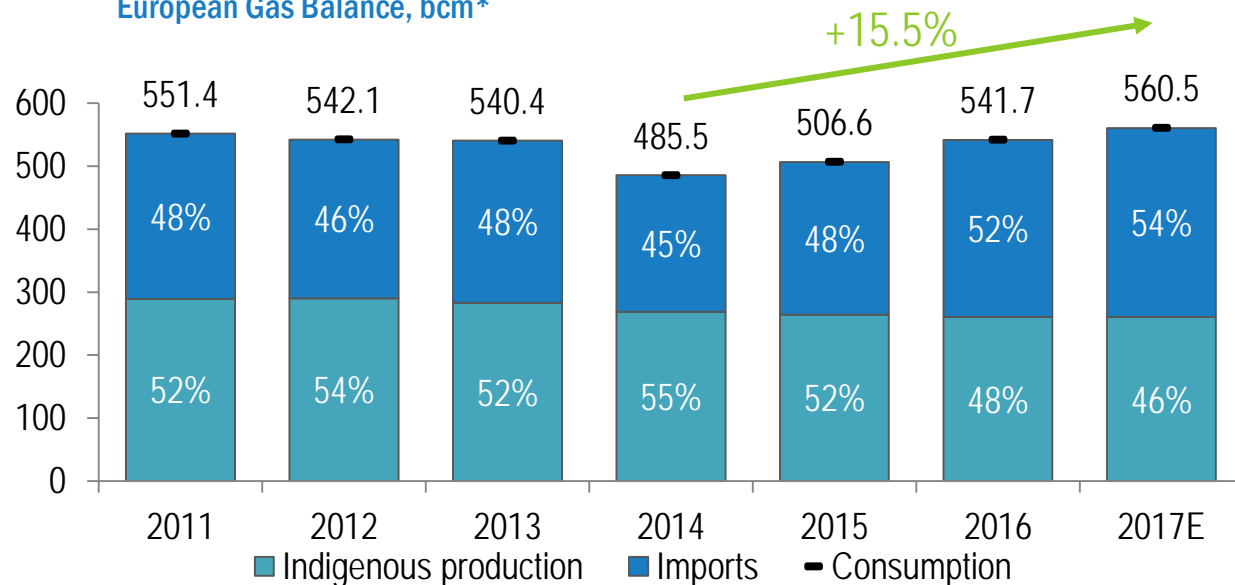
Vienna

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# GROWTH VECTOR: EUROPEAN NATURAL GAS DEMAND RECOVERY

European Gas Balance, bcm\*



Gas demand recovered above 2011 level due to:

- Broader use of gas in power generation (+6.2% YOY)
- Drop in demand for coal
- Economic growth in leading European gas markets

Growing demand and declining indigenous production over the last four years led to increased import requirements

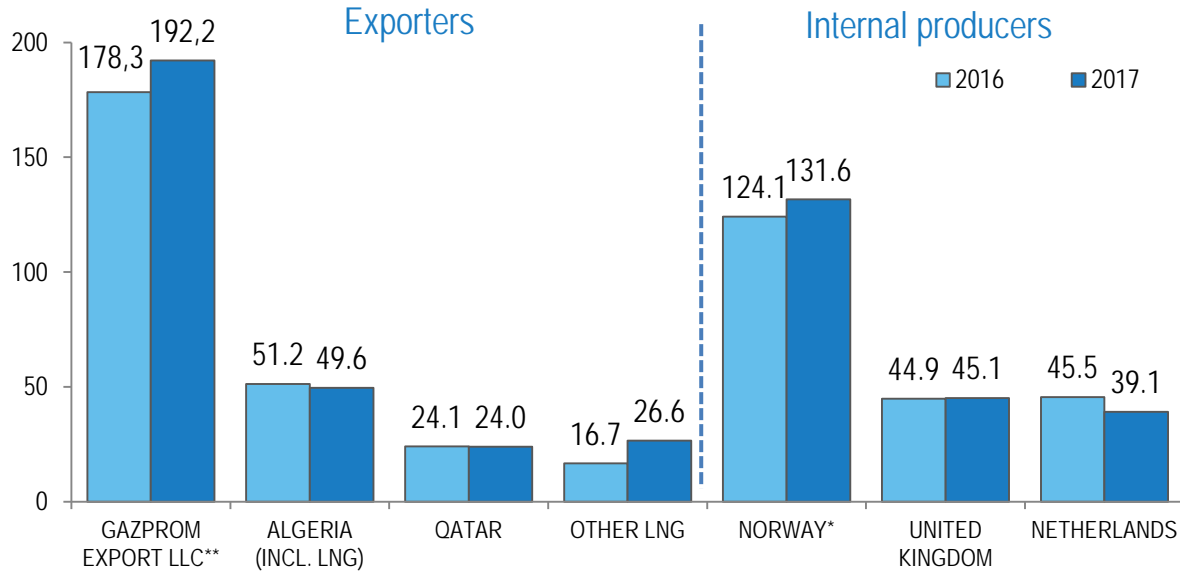
Source: IEA, Eurostat, National Statistics, IHS Markit

\* Hereinafter except as otherwise noted: European countries with Turkey (excluding CIS and Baltics)

GCV = 8,850 kcal/cm, t = 20°C

# MAJOR SUPPLIERS TO EUROPEAN MARKETS

Deliveries by Europe's Major Exporters and Producers, bcm



\*Including domestic consumption, pipeline and LNG deliveries from Norway to the European market, but not LNG to Asia and America

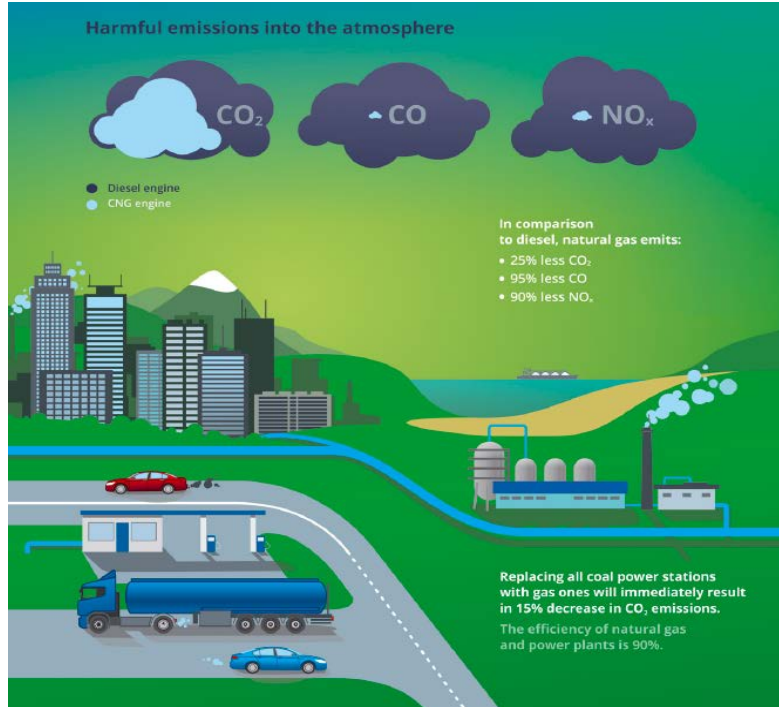
\*\* Gas sales via direct contracts of Gazprom Export LLC, excluding gas sales by other companies of Gazprom Group

Source: Gazprom Export LLC, Eurostat, National Statistics, IEA

In 2017, Gazprom had another year of record high sales on the back of sluggish deliveries by other suppliers except for Norway

The Netherlands inched further on the path of becoming a net importer

On 19 Dec 2017, Gazprom set an absolute record in terms of daily export deliveries at 640 mcm/d, demonstrating its robust ability of being a swing supplier at a time of demand spikes



- Without a reliable and flexible back-up to RES “Energiewende” will result in higher costs and lower supply security;
- Natural gas drives competitiveness and creates economic growth;
- Natural gas ideally suits to fulfill ambitious climate goals of Europe;
- In the era of globalization transborder gas trade creates commercial opportunities for governments and business and improves prosperity of people.

**Thank you for attention!**