Meeting the Global Energy Challenge
IGU Natural Gas Industry Study to 2030

In an uncertain future, what strategies will satisfy the global demand for a secure, affordable and environmentally friendly energy system? "After three years of research, analysis and challenge, our experts have concluded that, whatever path we take, gas is part of the solution" said Roberto Brandt, leader of the IGU's 2030 study management team.

Buenos Aires, 6 October 2009. The results of the IGU Natural Gas Industry Study were unveiled today at the World Gas Conference in Buenos Aires. Whilst gas market growth cannot be taken for granted, the scenarios show that economic and environmental factors should drive global demand from around 3 Tcm per annum now to well over 4 Tcm per annum by 2030.

The most striking result is that a global political agreement to put a high cost on carbon dioxide emissions and to encourage renewable energy would only be economically successful in combination with an increased share of natural gas. The right policies would boost gas from 21% of the global fuel mix today to 28% by the year 2030. "Gas is a flexible, efficient, low-carbon fuel - the ideal partner for renewable energy technologies", explained Colin Lyle, Co-ordinator for the IGU Study, "and globally there is no 'peak oil' problem for gas"

IGU President, Ernesto L. Anadón, welcomed the 2030 Report. "Gas is the enabler fuel" he said. "The biggest constraints we face are geopolitical, and cannot be solved nationally. We need international agreements and international solutions." Finally he added, "As consumers we can all help meet the future energy challenge: Do it less, do it efficiently, do it with gas!"

Notes for editors:

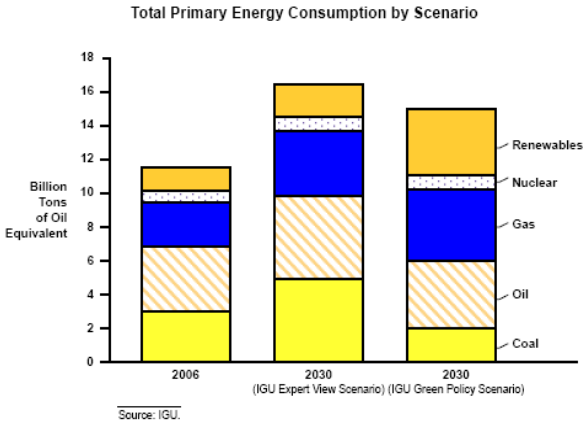
The overall quantitative results of the IGU Natural Gas Industry Study to 2030 are:

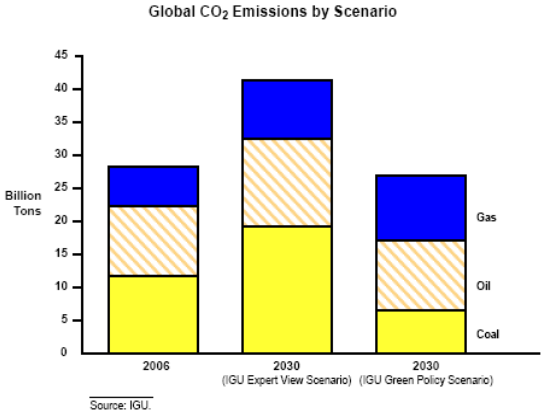
	Primary Energy Demand	Annual Gas Demand	Gas Share in Primary Energy Demand	CO_2 Emissions from All Fuels
	[1]Mtoe/yr	Tcm	percentage	[2]Mt/yr
IGU Experts View Scenario, 2030 (continuation of current policy trends)	**16,500**	**4.3** (153 Tcf)	**23**	**41,600**
IGU Green Policy Scenario, 2030 (global agreement, high cost of CO_2)	**15,000**	**4.8** (168 Tcf)	**28**	**27,200**
The World Today (for comparison)	**12,000**	**3.0** (106 Tcf)	**21**	**30,000**

Source: IGU [1]Mtoe: Million tons equivalent of oil [2]Mt: Million of tons

In the IGU Green Policy Scenario the IGU envisages an agreement in Copenhagen this year, and reinforcement of global climate change policy around the year 2020, leading to further change towards 2030. The results of moving policy towards a low-carbon world are shown in the following

two graphs of the energy mix in global Primary Energy Consumption, and the resulting emissions of CO2 (Exhibits from the IGU 2030 Report).





The report shows that the combination of a global agreement that sustains a high 'cost of carbon', together with policies that continue to promote IGU sustainability principles can produce a dramatic improvement. The practical result would be that economic growth would be sustained while global CO2 emissions start to fall between 2015 and 2020. Primary Energy Consumption (PEC) would stop increasing in the mid 2020s

A global climate change policy agreed in Copenhagen next month, could take as its starting point the aim of a global approach to establishing the 'cost of carbon'. Governments would need to acknowledge that such a policy must be consistent with the maintenance of energy security and the encouragement of optimum economic choice. The policy should also include a clear commitment to a growing role for natural gas—through application of the IGU sustainability principles.

The overall conclusions from the IGU report are

- Natural gas is an abundant fuel. In addition to extensive conventional gas reserves, technological developments for exploiting unconventional gas are further raising the prospect of ample, commercially viable gas resources. Unlike oil, gas resource potential is not a concern on a global basis.

- Natural gas will continue to play a substantial role in global energy demand for many decades: demand from traditional sectors and uses (such as power generation, heating/cooling, feedstock, etc.) will continue to increase, thereby contributing environmental improvements through increased efficiency and low carbon content. In addition, natural gas will also play a new role as a complementary fuel to renewables by enabling increased deployment of energy supply from intermittent renewable technologies.

- Through these two roles, natural gas will play a key role in helping to meet environmental targets related to both local pollution reduction and climate change mitigation. Gas is an essential part of a sustainable global solution.

- Market conditions are right for international trade of natural gas—and especially of liquefied natural gas (LNG)—to expand, linking additional resources to fast growing markets. However, the growth will depend critically on the support for trade and investments from national and international policies and regulations.

- The natural gas industry can and must invest through the current economic cycle if it is to reach its full potential and bring economic and environmental benefits to humankind.

- Political and geopolitical issues can threaten the continuous optimum economic development of the gas industry. International agreements and solutions are needed to ensure that required investments in key parts of the gas chain are not delayed or impeded.

Assuming that the right conditions are created and the appropriate decisions are taken, the global natural gas market is expected to grow from its current annual size of 3 trillion cubic metres (Tcm) to over 4.3 Tcm by 2030, implying a compound annual growth rate of 1.8 percent. If, however, more challenging local environmental and climate mitigation policies are put in place, as is assumed in the IGU Green Policy Scenario, the gas market could grow to nearly 4.8 Tcm, implying an average annual growth rate of 2.2 percent and boosting gas's share in the global energy mix to 28 percent from today's 21 percent.

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