



1st Greek-Turkish Energy Forum

Istanbul, April 25, 2024

Swissôtel The Bosphorus Istanbul

14:00 – 15:30 Session III: Gas Markets (presentations and discussion)

Session Chairman: Mr. Christos Dimas, Deputy Chairman of IENE & Chairman of IENE's Geopolitics Committee, Greece

SPEECH - PRESENTATION

I would like to welcome you in this session of our conference.

I consider this session as key one regarding the future of the energy system across the planet.

And this is because, the question for the future of oil and gas demand globally, needs a careful and realistic answer.

There are two factors shaping the energy picture in the years to come.

The climate crisis and the energy transition on one hand and the increasing energy demand around the globe on the other.

Amid these two factors we need to consider the role of the fossil fuels and especially that of the gas.

Clean energy is the most dynamic aspect of global energy investment and certainly the type of energy we need to overcome the climate crisis, the today's severe energy dependencies and because of that the related geopolitical tensions.

On the other hand, the oil and gas industry are a critical component of the global energy mix, accounting for approximately 60% of the world's energy consumption today.

Oil is the most widely used fuel in the world accounting for around 33% of the global energy consumption. It is used in a variety of industries including transportation, heating and cooling and electricity generation.

Gas is also an important fuel, accounting for around 24% of the world's energy consumption. It is used primarily for electric generation and heating but also in transportation and industrial processes.

According to the Exxon Mobil's Global Outlook oil and natural gas are still projected to meet more than half (54%) of the world's energy needs in 2050.

Especially, natural gas use is projected to increase by more than 20% by 2050 given its utility as a reliable and lower emissions source of fuel for electricity generation, hydrogen production and heating for both industrial processes and buildings.

Based also on BP's estimates, oil demand declines over the outlook, driven by falling use in road transport. Even so oil continues to play a major role in the global energy system for the next 15-20 year.

The prospects for natural gas depend on the speed of the energy transition, with increasing demand in emerging economies as they grow (and industrialize offset by the transition to lower carbon energy sources, led by the developed world).

Analyzing the market trends, we understand that the large companies, the non-governmental ones, do not see an end to oil demand any time in the near future. To this end, both Chevron and ExxonMobil are proceeding to acquire oil and gas companies paying tens of billions of dollars.

Continued demand for oil and gas despite growing momentum in clean energy is due to population growth around the globe and in particular, growth in populations "ascending the socioeconomic ladder" in Africa, Asia and to some extent Latin America.

Certainly, the oil and gas industry face significant challenges in terms of environmental concerns related to greenhouse gas emissions.

The industry is exploring ways to reduce its environmental impact, through technological

innovation, including Carbon Capture and Storage (CCUS) and improvements in energy efficiency.

Another challenge for the industry is the volatility of energy prices. The price of oil, in particular, can fluctuate significantly due to factors such as geopolitical tensions (especially in now days), production levels and global demand.

On the other hand, in October 2023, the IEA released its annual Energy Outlook report that projects global demand for coal, oil and natural gas will hit an all-time high by 2030.

“The transition to clean energy is happening worldwide and it is unstoppable. It is not a question of “if”, it is just a matter of “how soon”, says the IEA’s Executive Director Fatih Birol.

But the “how soon” is not also without difficulties.

Clean energy projects are facing headwinds, in some markets, from, cost inflation, supply chain bottlenecks, higher borrowing costs and shortage of grids and storage infrastructure.

Especially in emerging economies marked by population and economic expansion the adoption of low-carbon energy sources may be prohibitively expensive.

Taking all the above into account certainly we need to move steadily and decisively towards the clean energy.

But oil and gas are here:

- To supply energy when there is uncertainty about the pace of energy transition
- To give solutions where the technology of clean energy cannot
- And to fill the gaps for a long, long period of time

THANK YOU