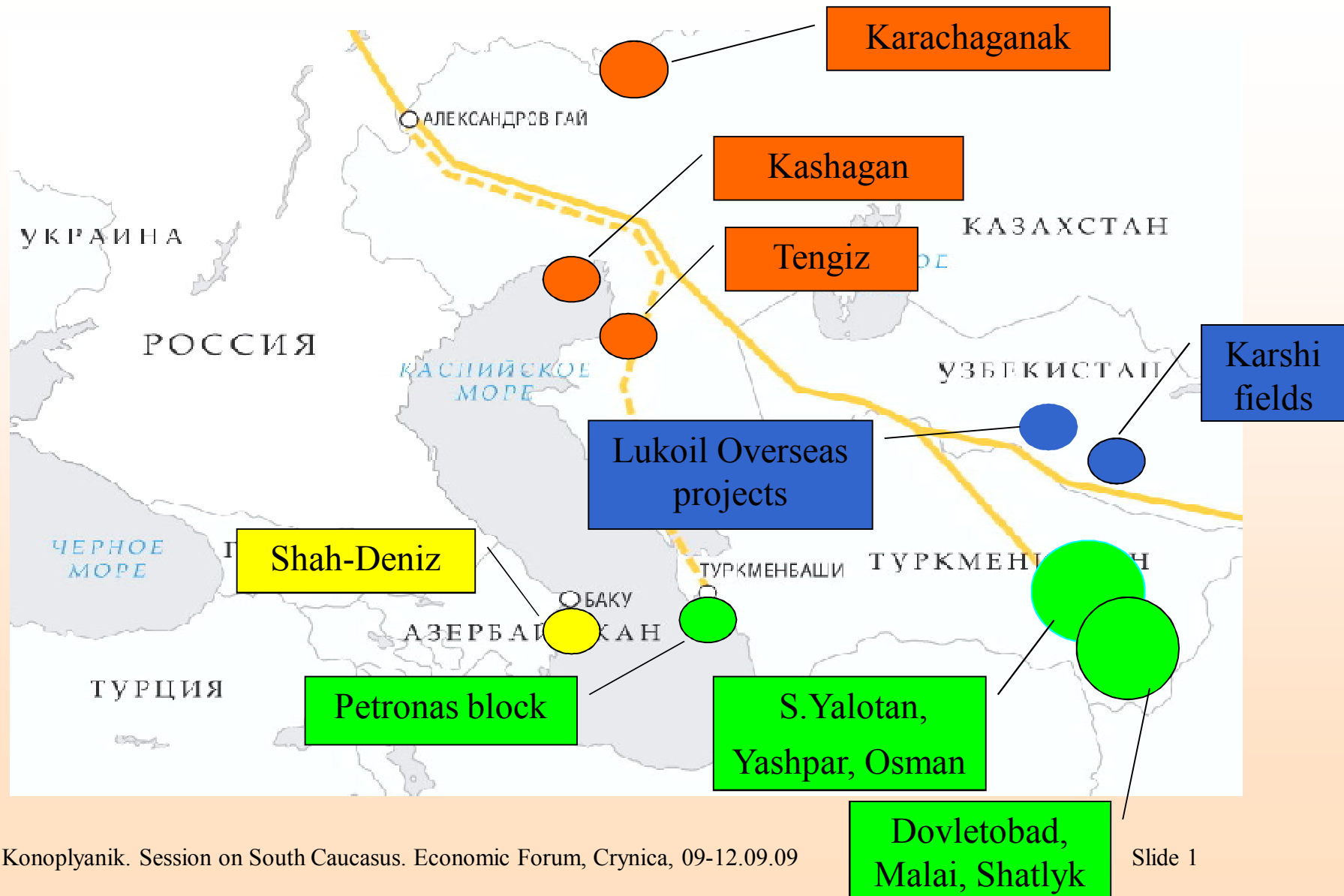


Рынок ЕС в системе меняющихся приоритетов экспортных поставок среднеазиатского газа

**А.А.Конопляник, д.э.н.,
Консультант правления, Газпромбанк,
Профессор, РГУ нефти и газа им.Губкина,
Москва, Россия**

**Выступление на сессии «Безопасность и будущее
поставок энергоносителей в Европейский Союз
через Южный Кавказ», Экономический Форум,
Крыница, Польша,
9-12 сентября 2009 г.**

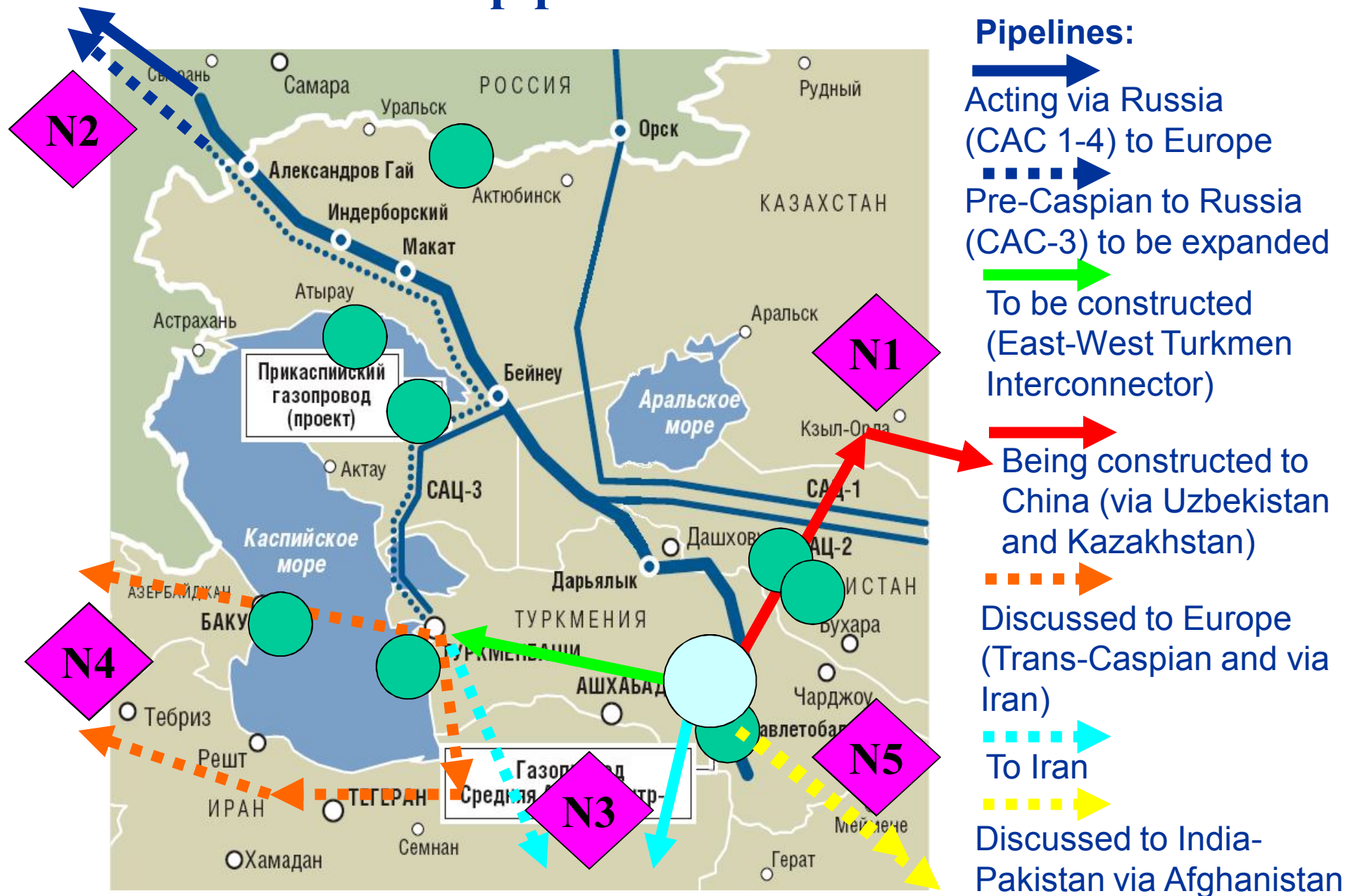
Major Central Asian gas areas



Central Asia gas export potential

State	2009 export, BCM	Max export potential, BCM	
Turkmenistan	50 ?	110-115	S.Yalotan up to 75 BCM; 15-20 BCM offshore
Uzbekistan	15	40-45	Up to 15 BCM Lukoil Overseas & to 10-15 Karshi
Kazakhstan	11	32	Mostly due to Kashagan, Tengiz & Karachaganak
Azerbaijan	8	15-20	Mostly due to production increase at Shah-Deniz

Alternative pipelines from Turkmenistan



Turkmenistan: 5 export options

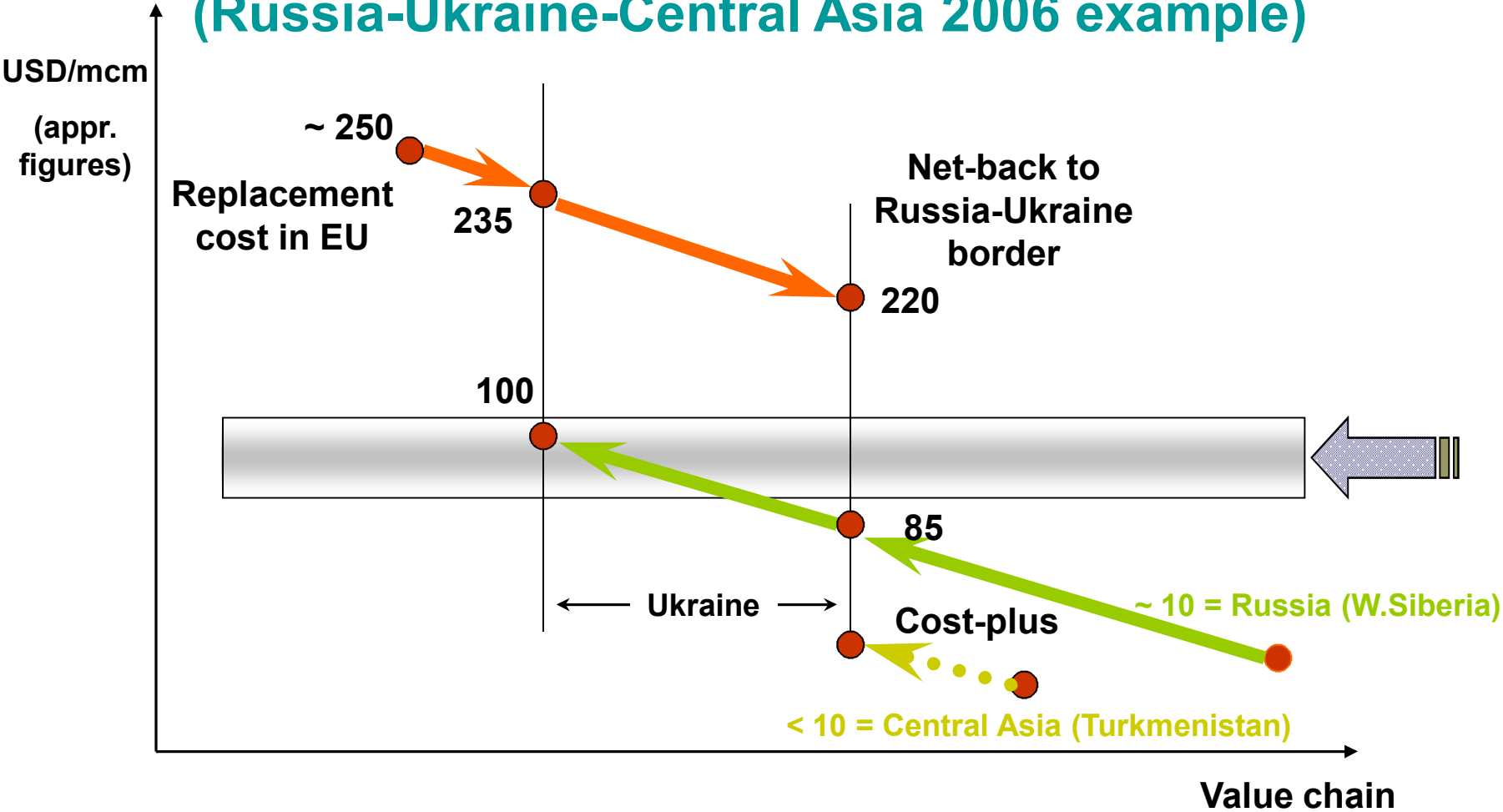
N	Pipeline	Capacity	
1	To China	Up to 30 BCM/y	Start operation 2010; 100% financing by China
2	Via Russia Westward	42.5+30 BCM/y	Current volume + pre-Caspian (expansion CAC-3)
3	By-passing Russia to EU	Up to 31 BCM/y	Nabucco; connection either via trans-Caspian or via Iran;
4	To Iran	Up to 14 BCM/y	Currently 8
5	To India-Pakistan via Afghanistan	Up to 20 BCM/y	Highly speculative due to high transit risks & political instability

Changing Central Asian gas pricing & export priorities

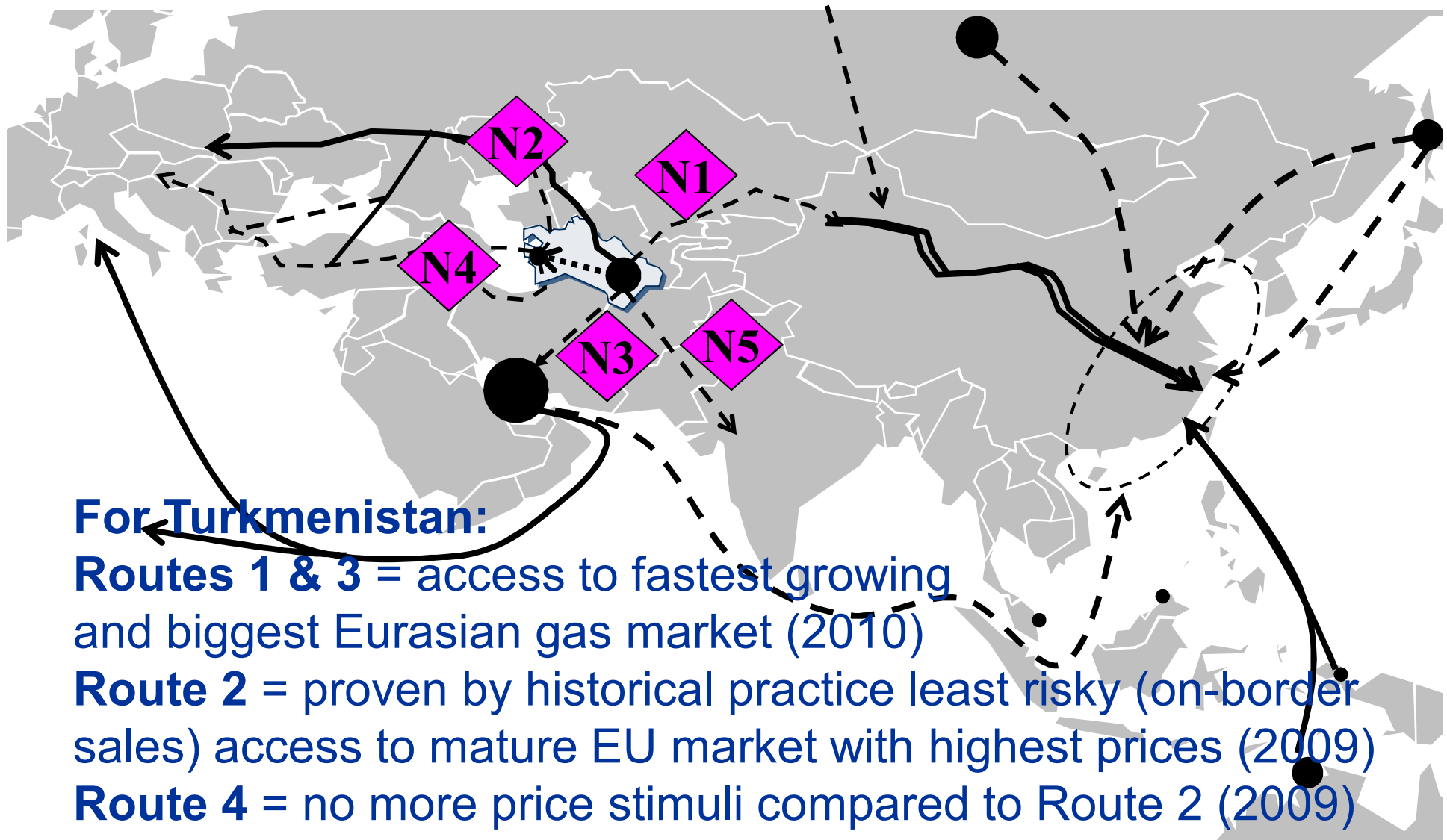
- Central Asian gas exporters long-term interest:
 - to receive max market-based gas export price at their external borders => to exclude transit costs & risks
- Prior to 2009:
 - CA gas export pricing = 'cost-plus-plus' at CA external border = much lower than netted-back 'EU replacement value' => large Hotelling rent
 - EU companies interested to utilize Hotelling rent by direct purchases of CA gas at CA external borders & further reselling it at EU market => EU fight for bringing CA gas to EU market by:
 - transit through Russia (fight for access to Gazprom pipelines at domestic Russian tariffs => long debate within Energy Charter),
 - building alternative pipelines by-passing Russia => Hotelling rent will prove huge CAPEX needed => NABUCCO, etc.
- Since January 1, 2009:
 - CA gas export pricing = 'EU replacement value' netted-back to CA external border =>
 - No further economic (price) stimuli for EU companies to fight for direct purchases of CA gas =>
 - EU came down in export priorities of CA gas exporters

TWO MARKET-BASED OPTIONS OF GAS EXPORT PRICE CALCULATION: WHO WILL RECEIVE HOTELLING RENT?

(Russia-Ukraine-Central Asia 2006 example)



Central Asian Gas at Competitive Eurasian markets



For Turkmenistan:

Routes 1 & 3 = access to fastest growing and biggest Eurasian gas market (2010)

Route 2 = proven by historical practice least risky (on-border sales) access to mature EU market with highest prices (2009)

Route 4 = no more price stimuli compared to Route 2 (2009)

Route 5 = most risky & unpredictable

South Stream and Nabucco

