

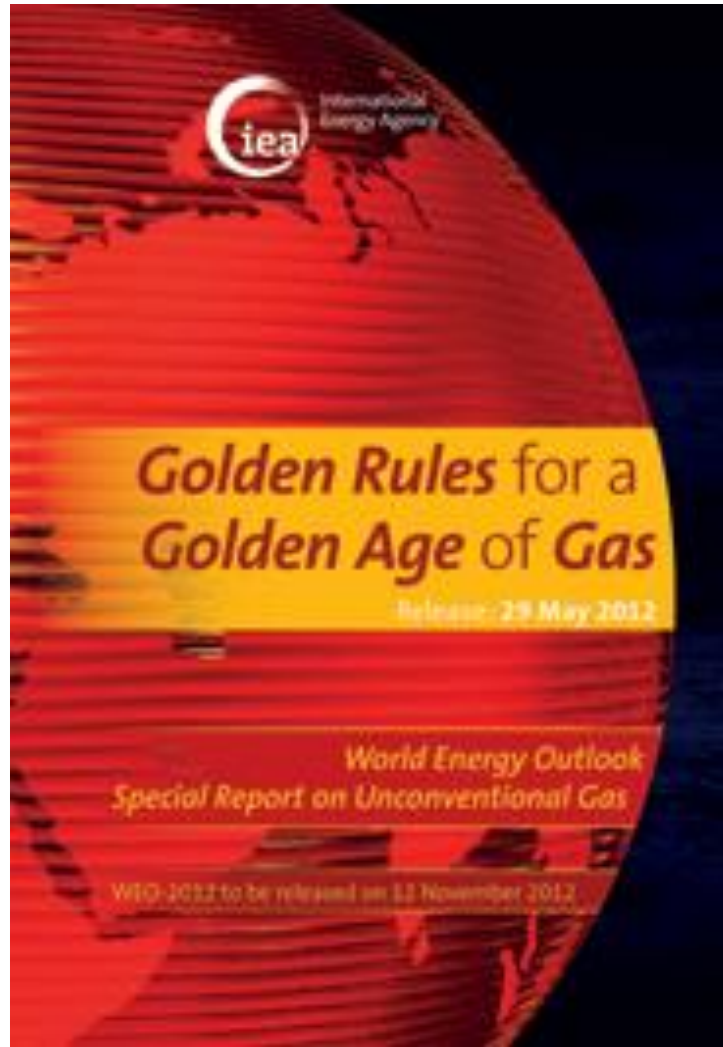
The background of the slide features a sunset scene with silhouettes of palm trees in the foreground. In the distance, an offshore oil rig is visible on the horizon. A white diagonal line runs from the top right towards the bottom center, passing behind the title text.

Natural Gas in 2015 ...and beyond?

October 2015

kpmg.co.uk

The Golden Age of Gas?



***Uncertainty and volatility are the
norm.***

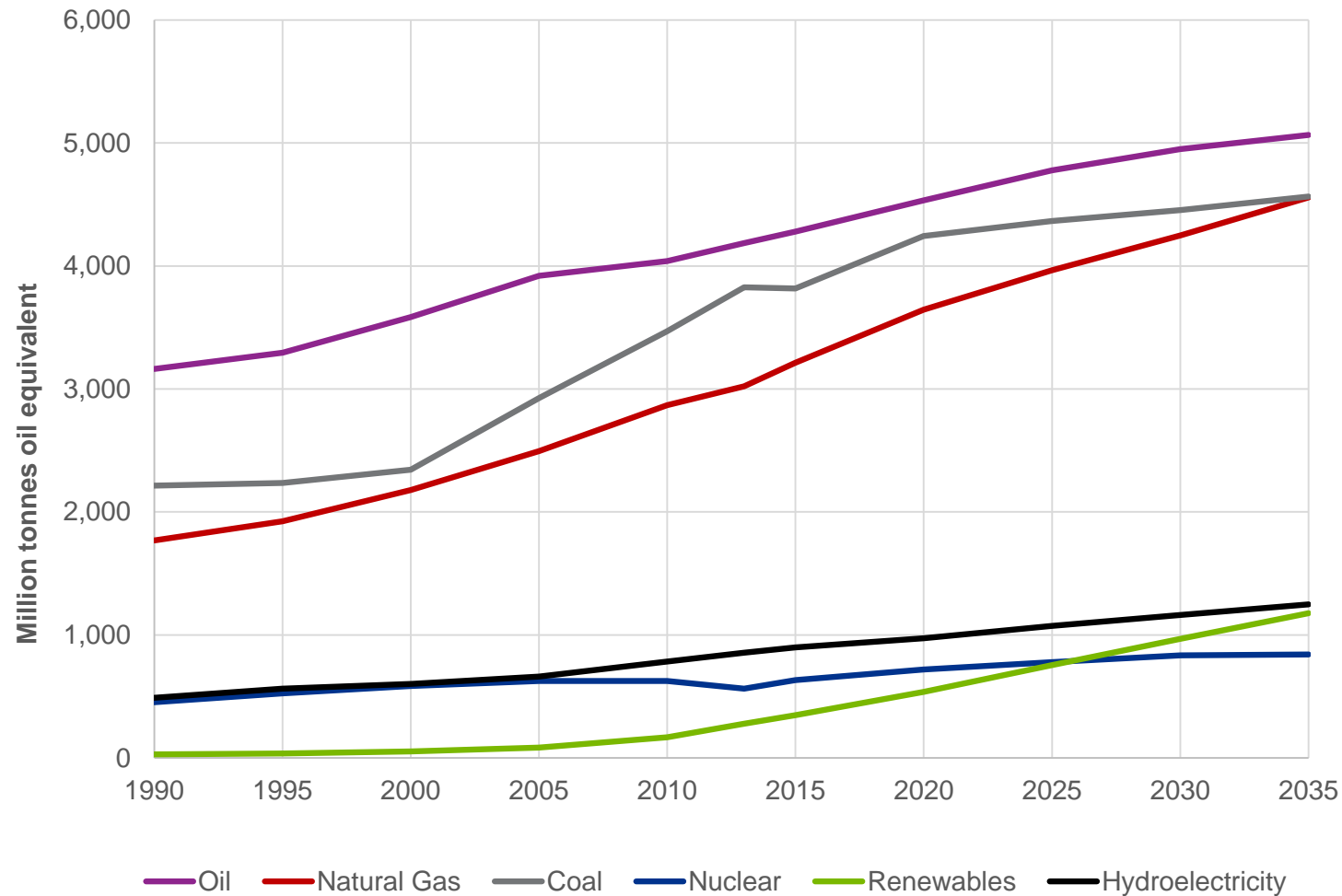
Not the exception.

Spencer Dale – BP Group Chief Economist

It is not the strongest of the species that survives, nor the most intelligent that survive. It is the one that is the most adaptable to change.

Charles Darwin

Non-fossil fuels 14% in 2015...



Increase in 2015 from 2013 energy consumption

Oil – 2%

Coal – 0%

Gas – 6%

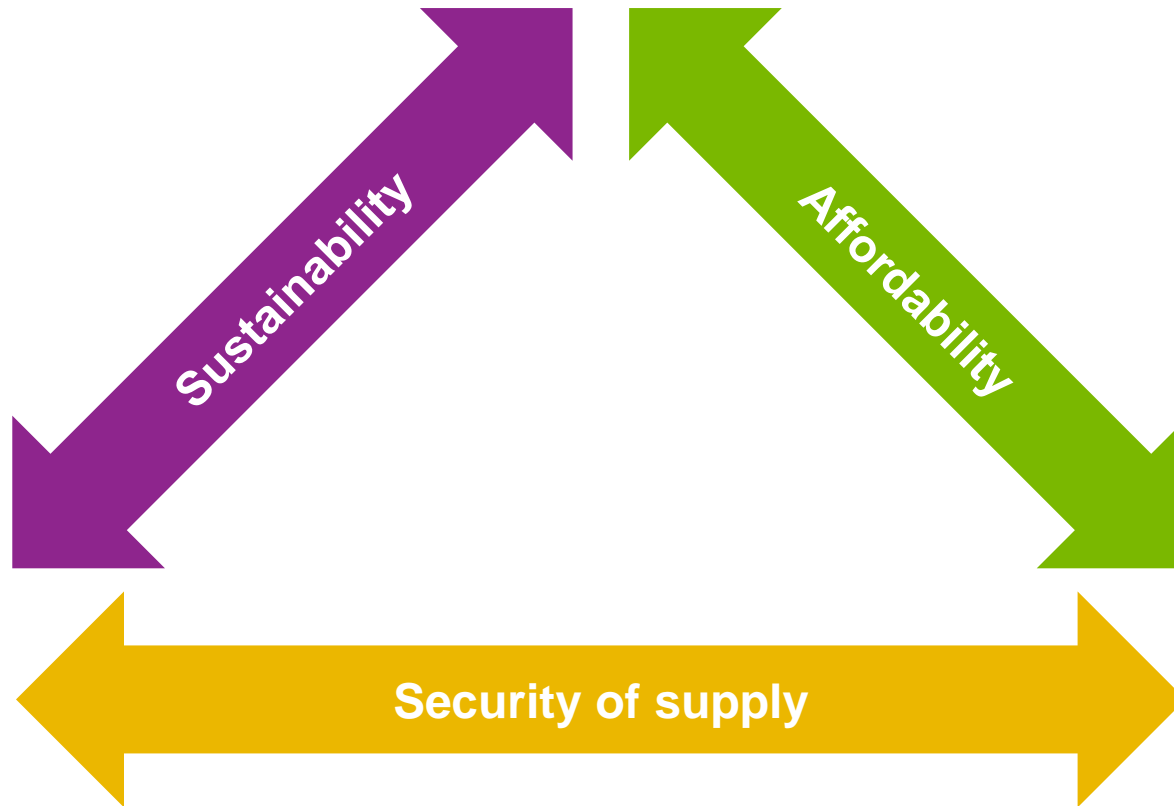
Hydro – 5%

Renewables – 24%

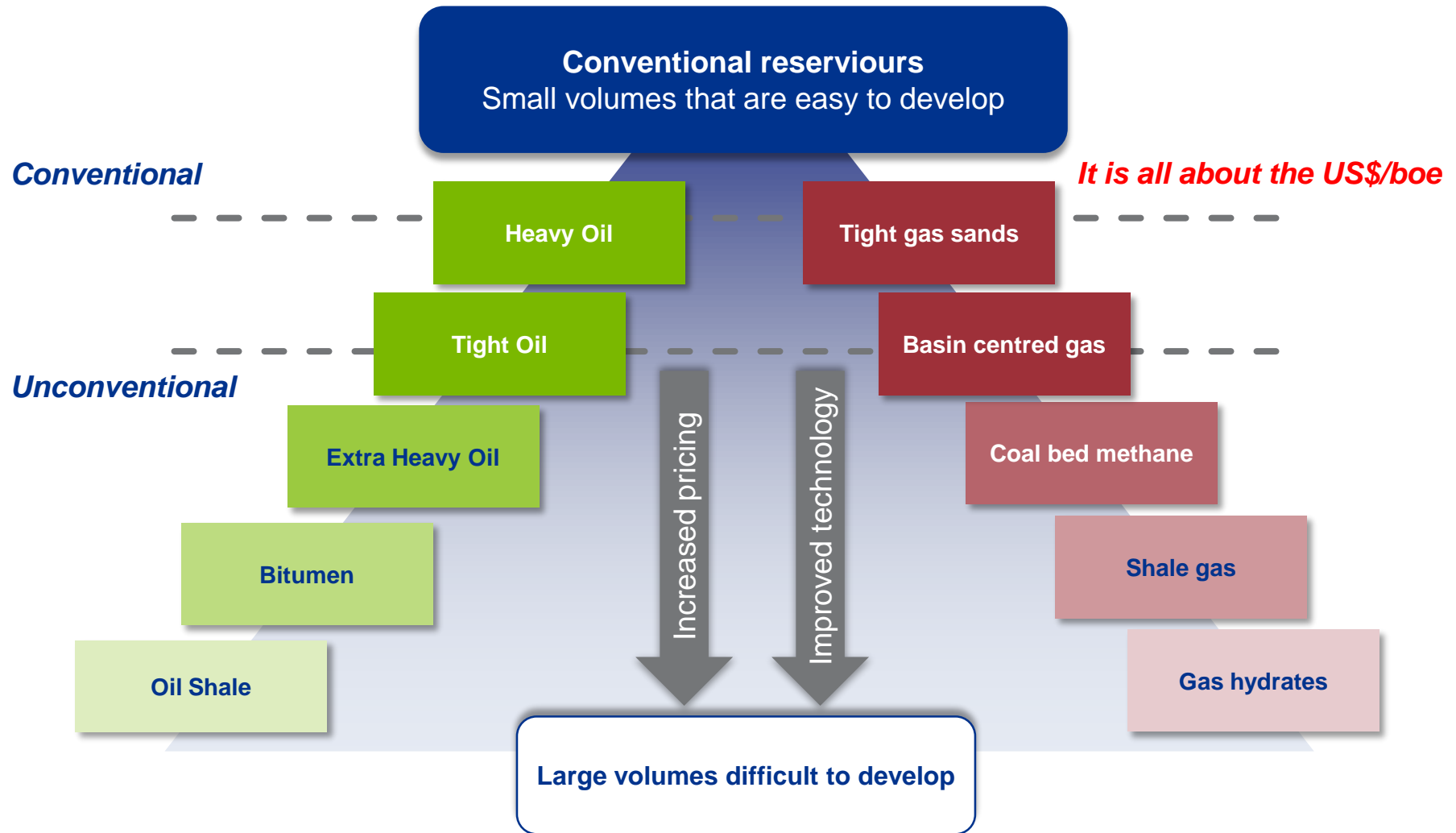
Nuclear – 12%

Source: BP Statistical Review 2015

The Energy Trilemma – Governments have choices to make

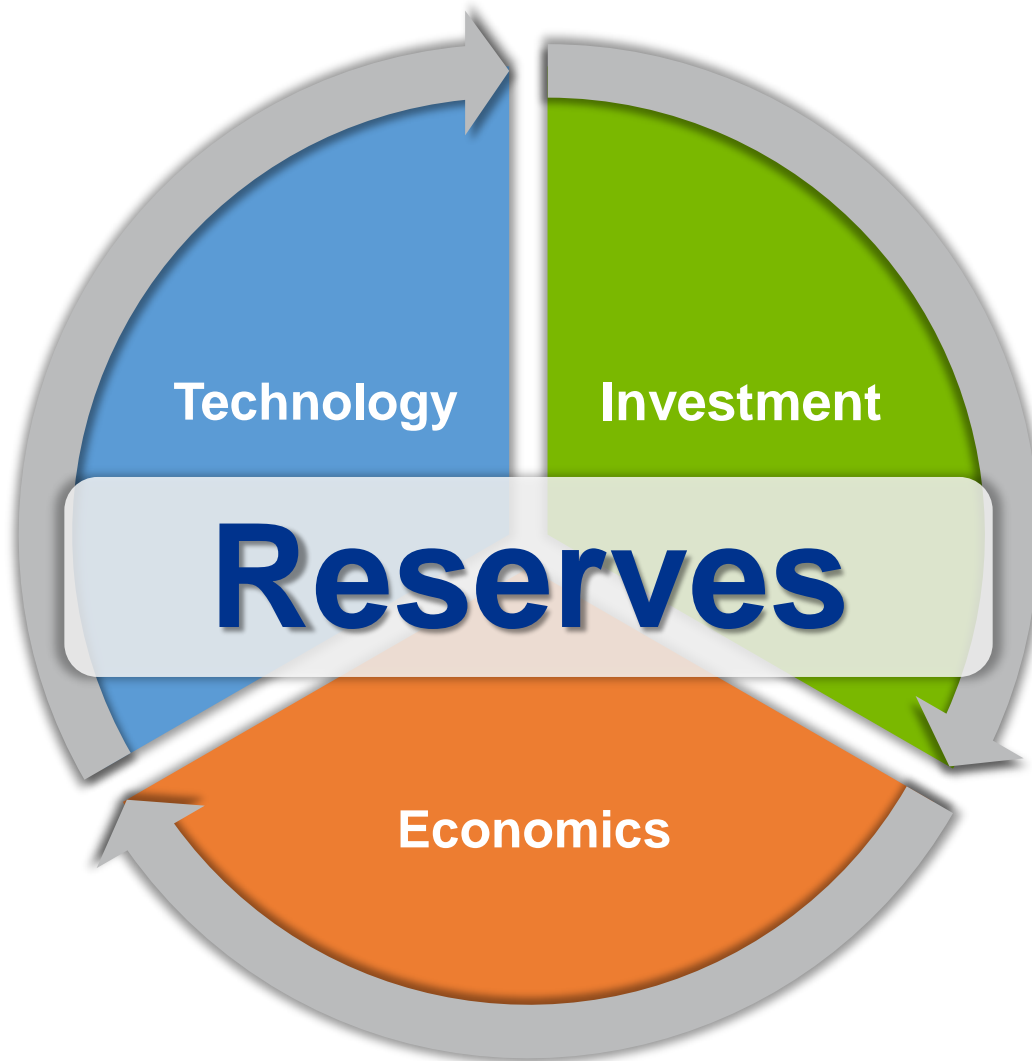


The role of technology – balanced with cost

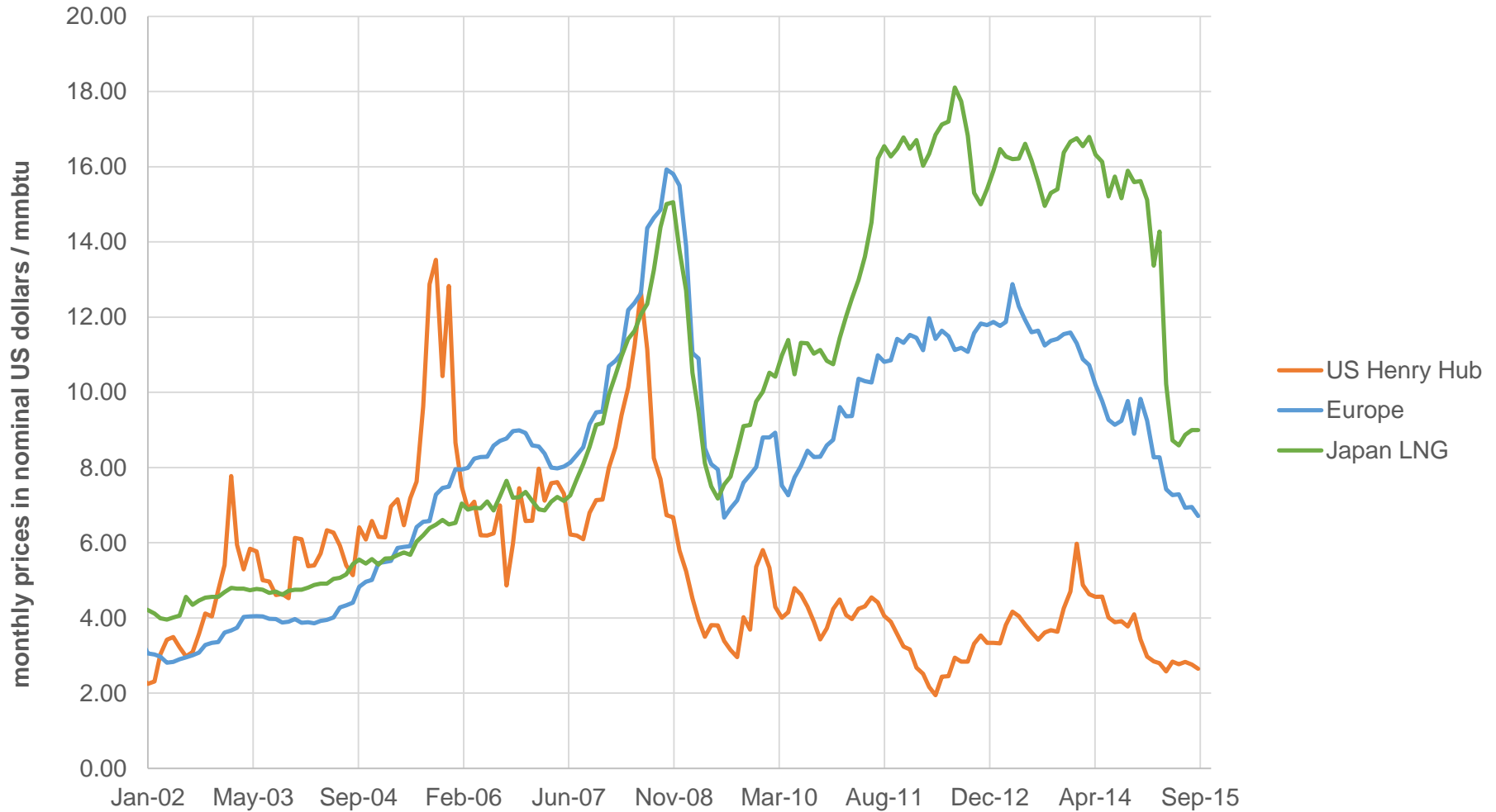


Petroleum Resources Triangle
Modified from Holdich JPT Nov 2002

Price stability drives investment

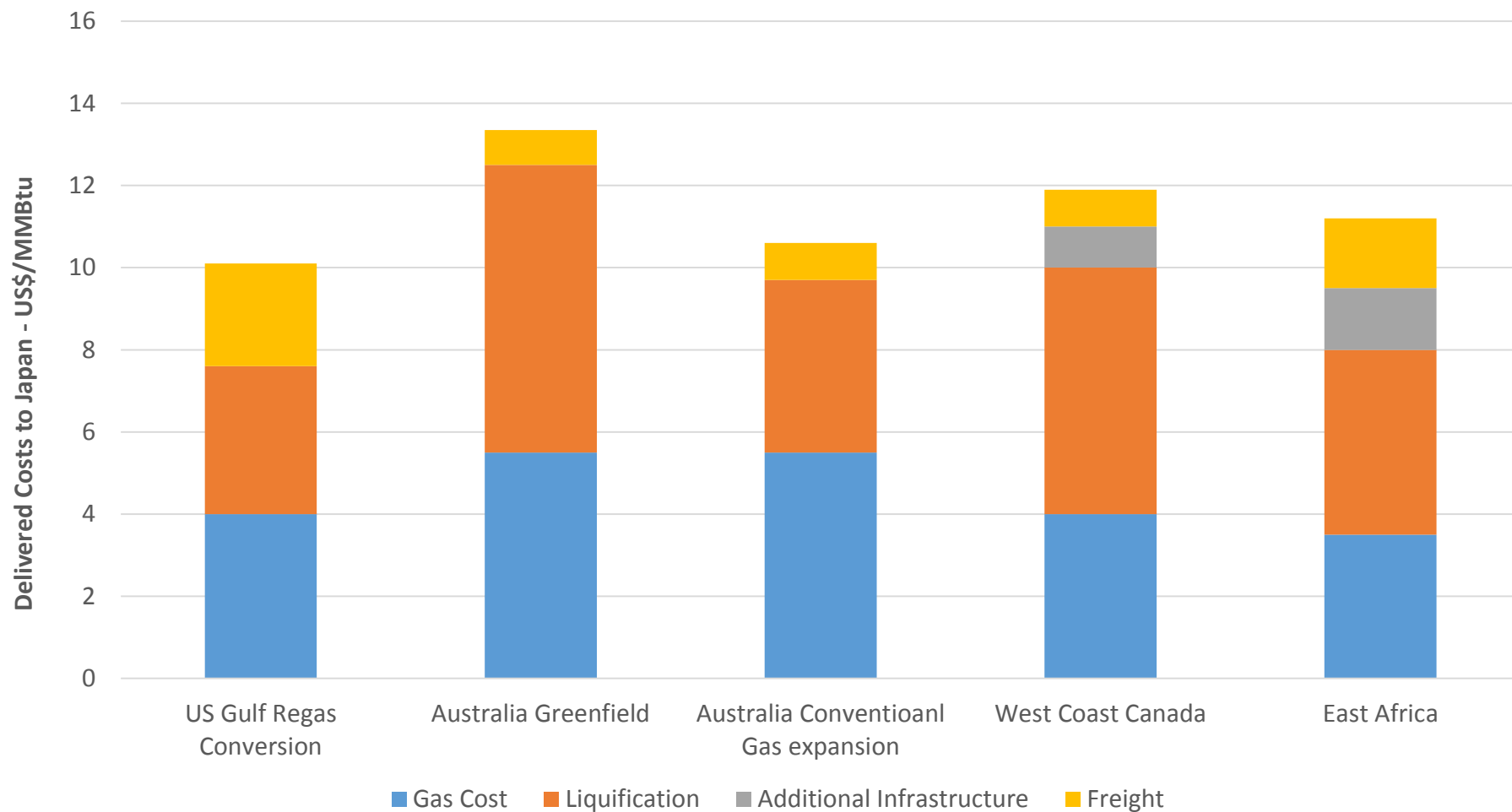


The gas industry is not immune from the oil price crash



Source: The World Bank

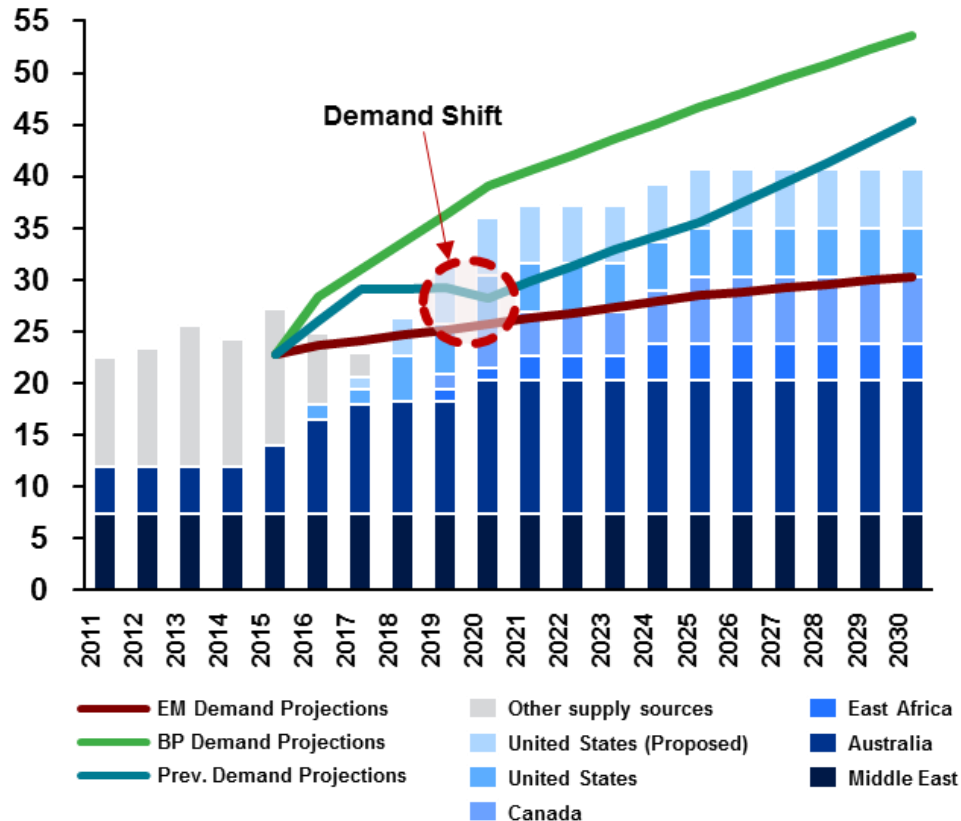
Challenging economics for future LNG projects



Source: Oxford Institute for Energy Studies

LNG Supply and Demand Forecast

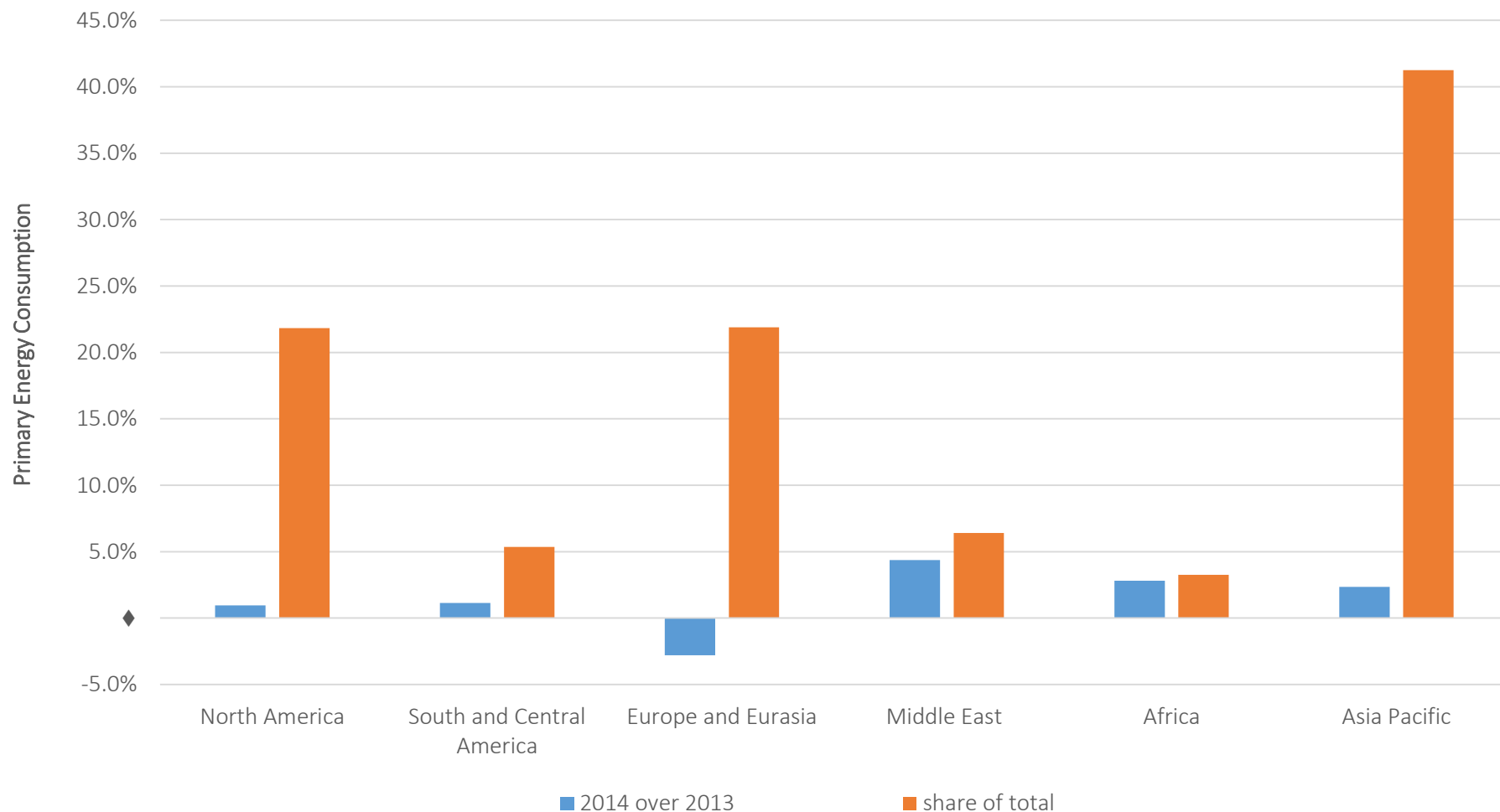
BCFPD



How demand will unfold remains a key question?

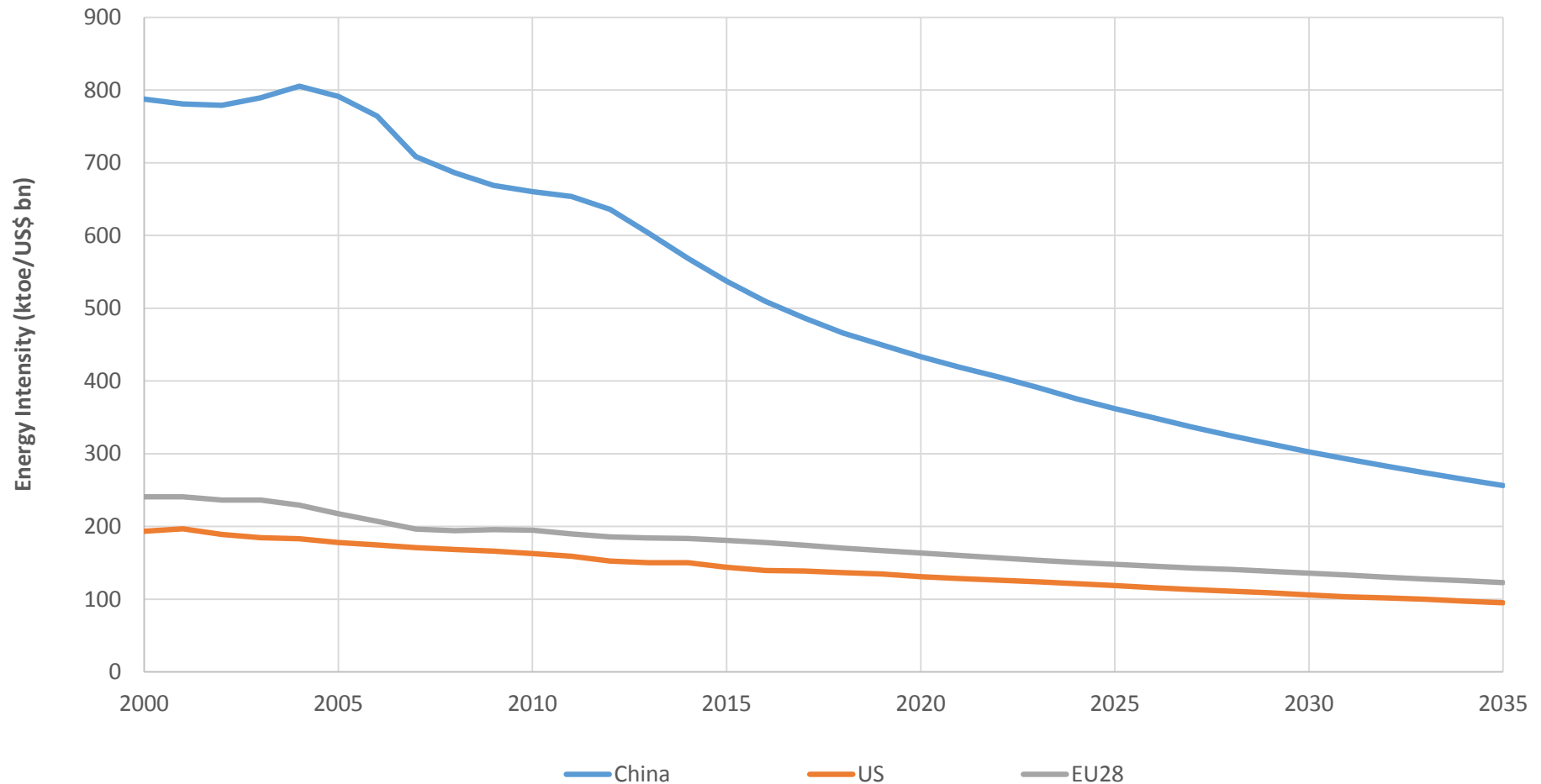
Source: KPMG Analysis, Economist Intelligence Unit, ExxonMobil Energy Outlook, BP Oil 2035 Energy Outlook

Demand has weakened but China still important



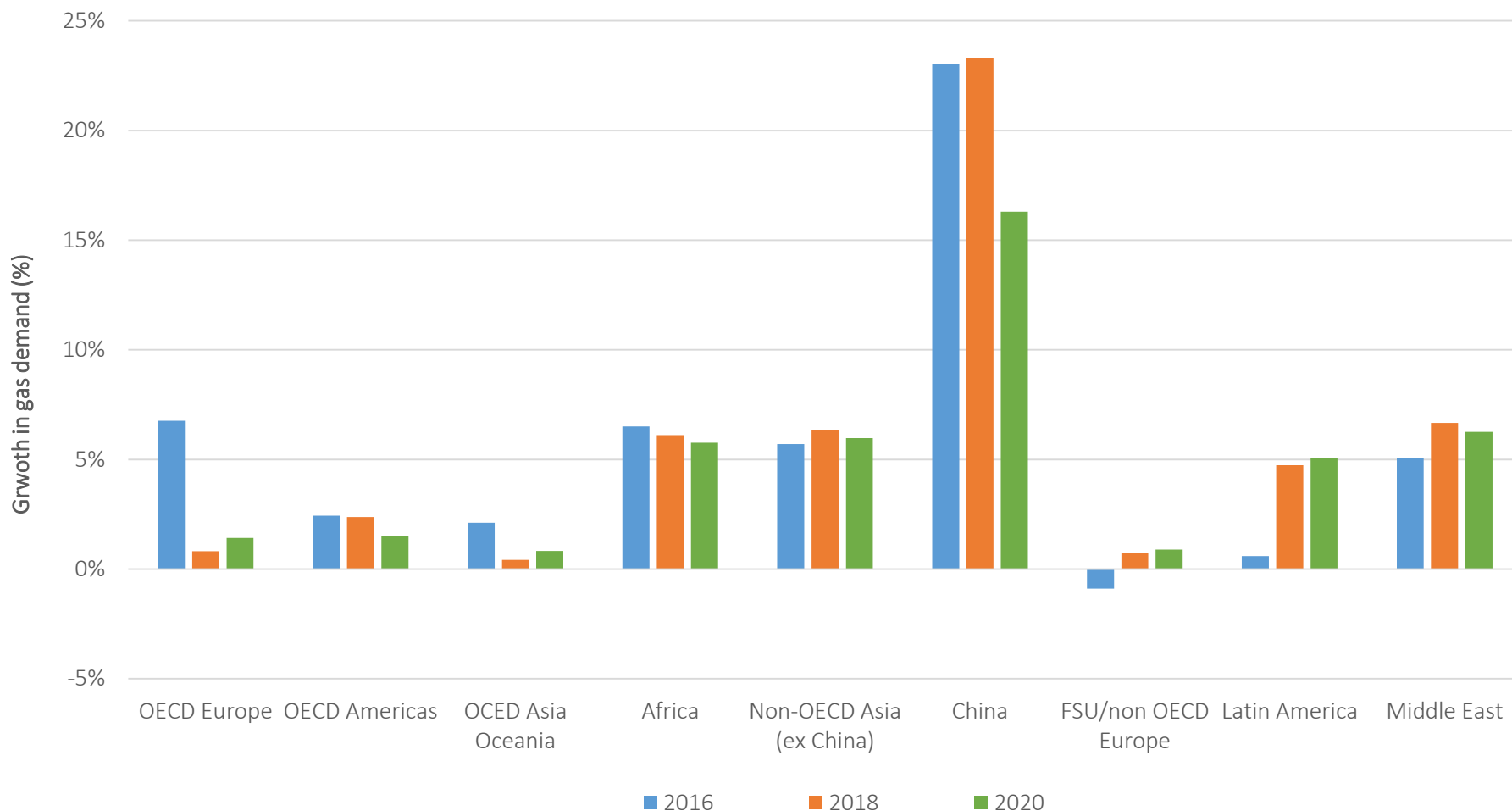
Source: BP Statistical Review 2015

Although energy intensity is declining



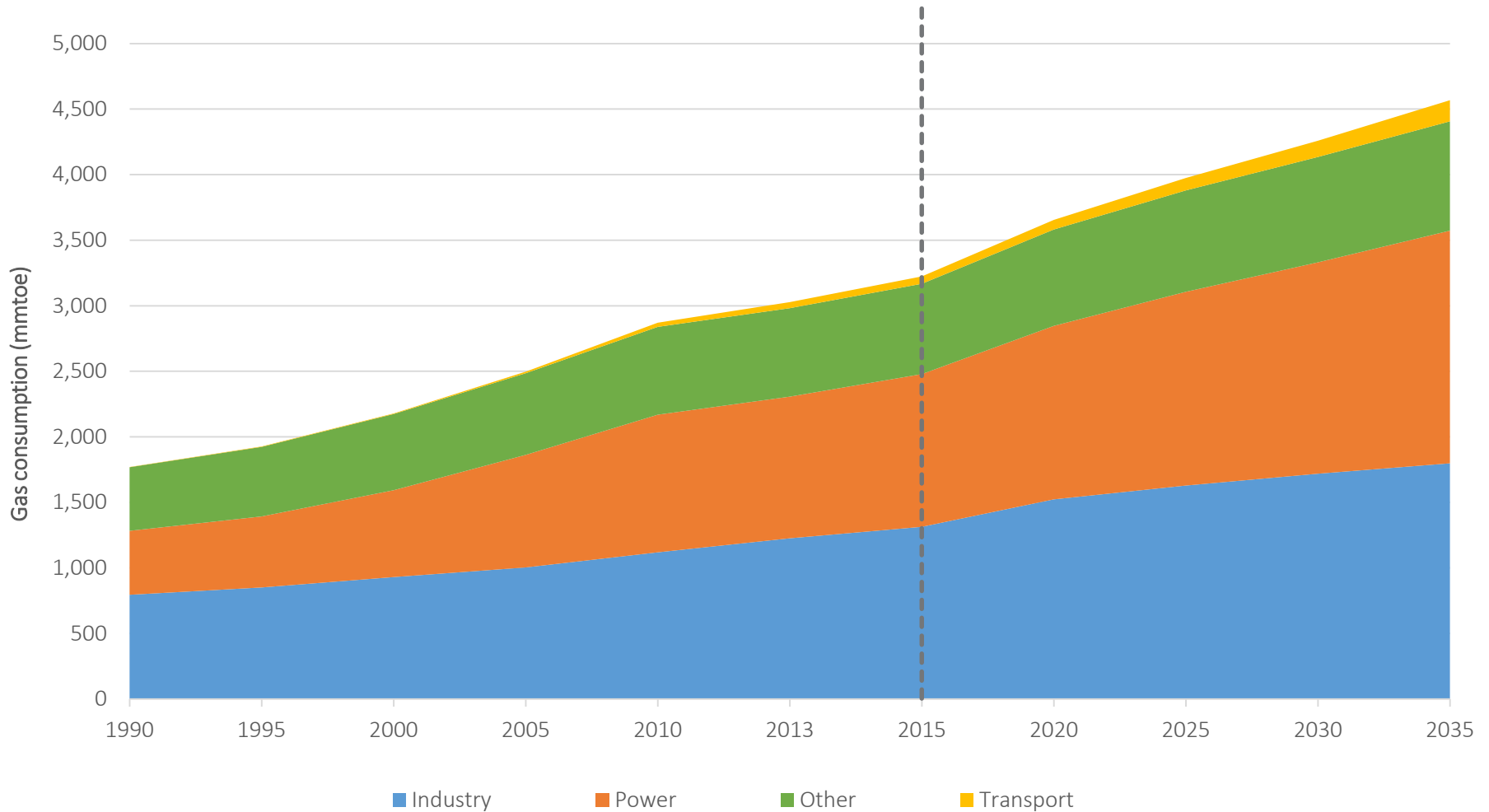
Source: Woodmac

How will demand for gas respond?



Source: IEA

What next for gas?



Source: BP Energy Outlook 2015

But wedged between cheaper coal and renewables



Decarbonisation gaining momentum?

■ June 2015:

6 major oil companies write open letter to the UN

■ 25th September 2015:

China confirmed a 2017 launch for its nationwide carbon trading system

■ 2nd October 2015:

India, the world's third largest carbon-emitting country announced plans to cut its emissions intensity by 33-35% by 2030

■ 6th October 2015:

UN pledges cover more than 80% of global CO2 energy-related emissions

■ 6th October 2015:

Shell CEO Ben van Beurden, asks governments to create a global carbon pricing framework

With key events to come...

■ 8th December 2015:

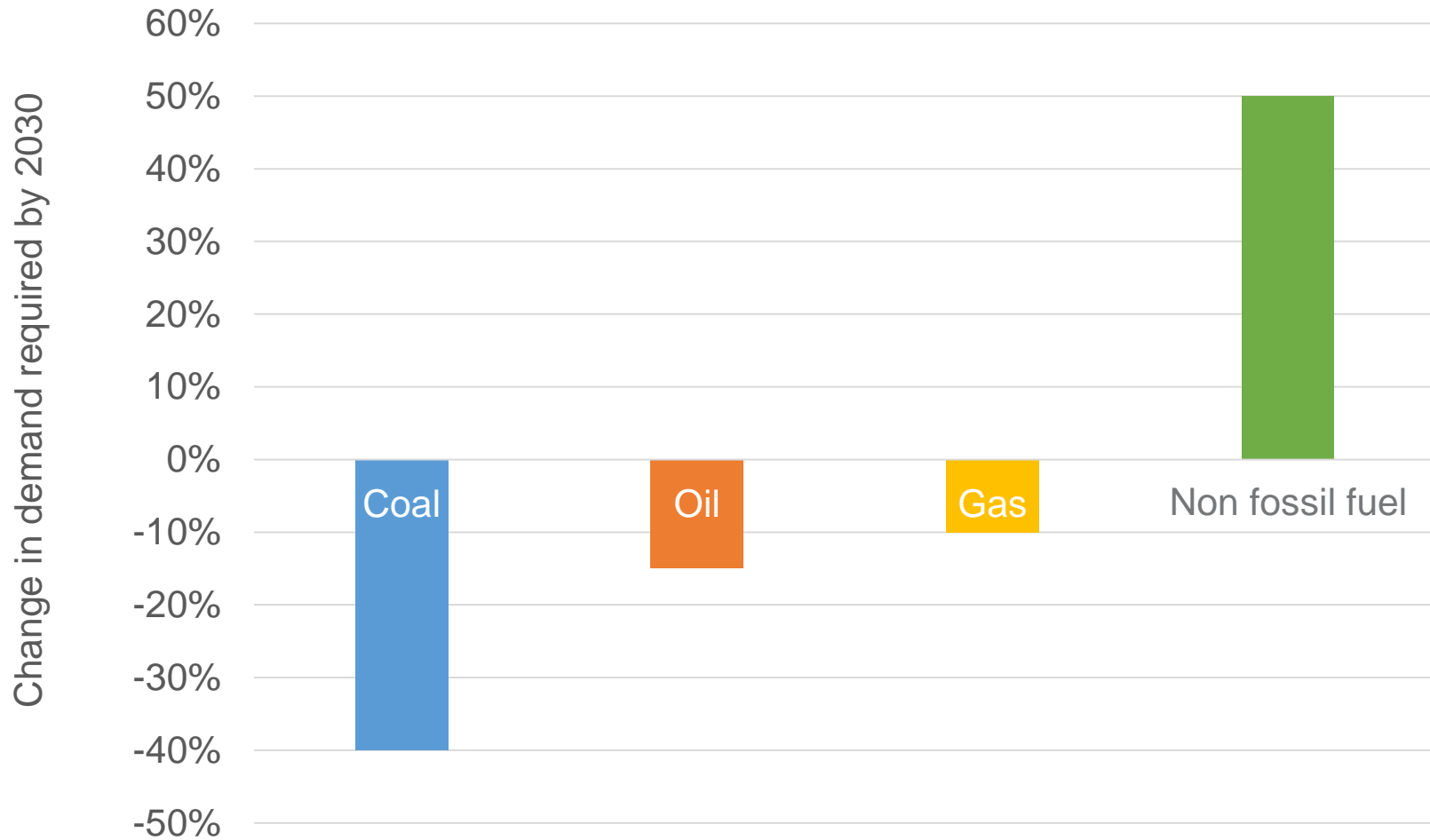
COP21 – United Nations Conference on Climate Change. – ???

■ March 2016:

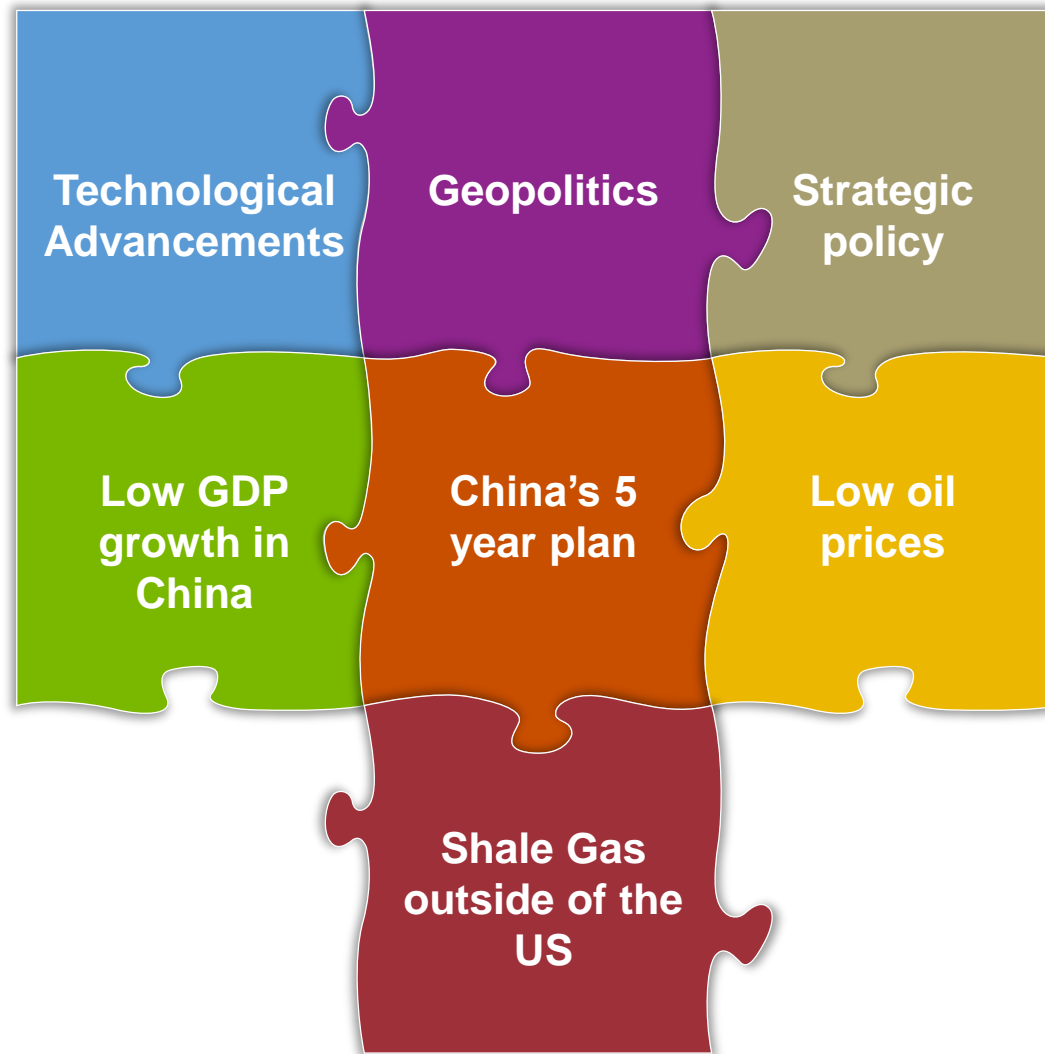
Introduction of China's 5 Year Plan (2016-2020) – ???

Change needed, but will take time





Source: Woodmac

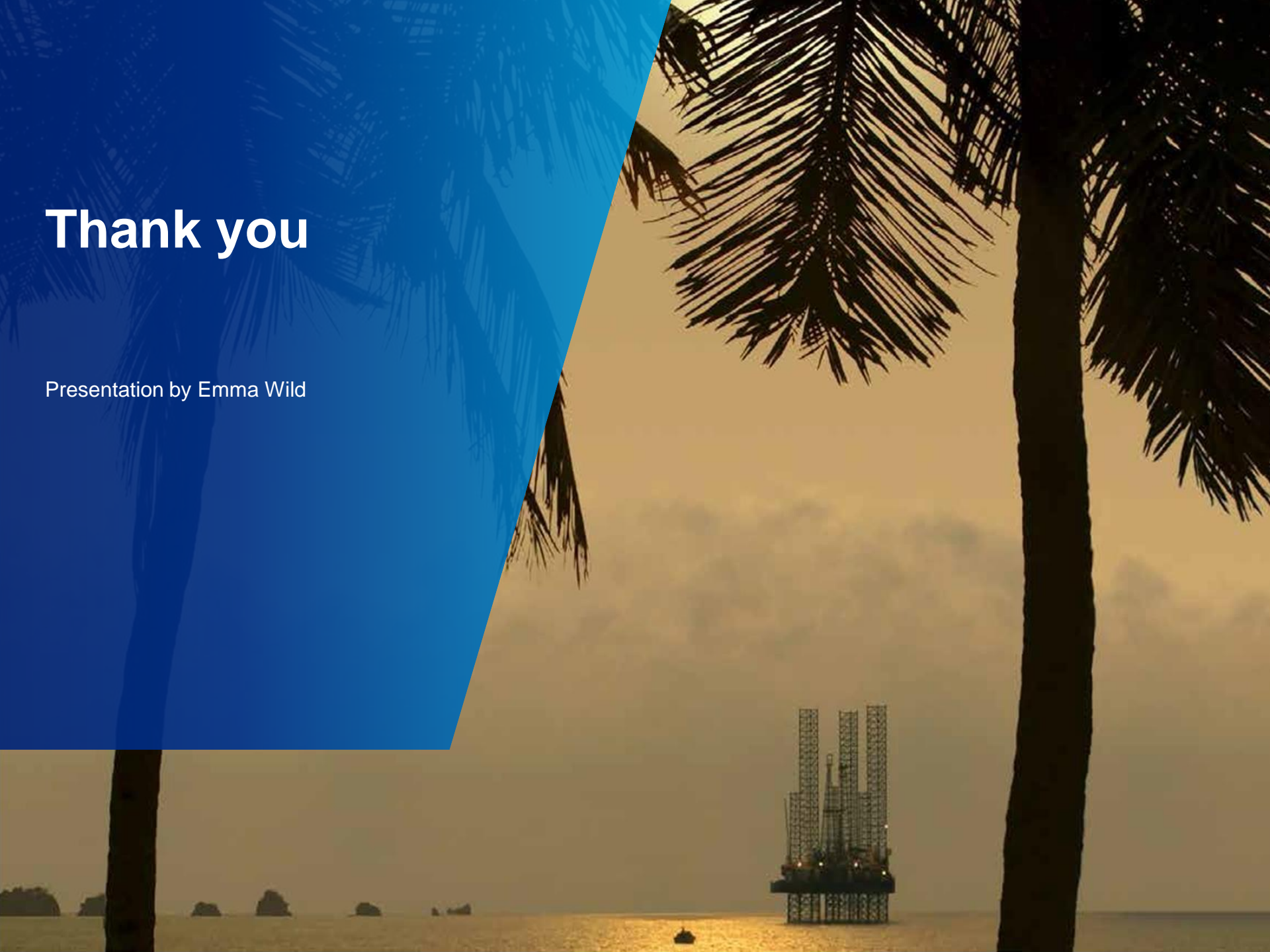


***There is nothing certain but the
uncertain.***

Proverb

Thank you

Presentation by Emma Wild





cutting through complexity

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