



International Association of Oil and Gas Producers

**Twelfth meeting of the European Gas Regulators Forum
20-21 February 2007**

An Energy Policy for Europe – OGP response

The European energy balance

- European resources are essential
 - The energy dialogue with Norway is important
 - Current production from EU/EEA remains 4th largest in the world

- Fully exploit the considerable remaining potential
 - Requires an enduringly competitive regulatory regime
 - Facilitates investment in new capacities
 - Encourages flexibility for infrastructures
 - Access to resources to be provided
 - Investment encouraged through:
 - Stable fiscal regime
 - Cost effective requirements for operations
 - Level playing field for all forms of energy

All sources of energy are equally important to secure supply



Interdependence vs. Independence

- The EU is part of a global energy market
 - 70% of gas reserves are economically transportable to the EU
- Energy security means:
 - Resilient open and competitive market
 - Robust and consistent regulatory regime
 - Reduced vulnerability through diverse sources
- Trade relations with gas producer countries will promote:
 - Access to develop new oil and gas resources
 - Investment
 - Research and Development in low carbon technology
 - Higher energy efficiency



Are strategic stocks necessary?

First evaluate existing and planned measures.....

- Current and growing infrastructure
- New LNG and pipeline imports
- Commercial storage
- Solidarity mechanisms

If strategic stocks are considered.....

- Clearly define rules for triggering release
- Stocks must not be used to influence the price
- Considerable funds allocated for development
- Investment confidence should be maintained

OGP agrees that Member States will need to balance a higher degree of security from gas stocks against the costs for consumers



Thank you for your attention

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The International Association of Oil & Gas Producers represents the interests of Exploration & Production to international regulators and legislative bodies

OGP Members account for:
More than 50% of the world's oil output
About 33% of global gas production

Office in London – global affairs
Office in Brussels – EU

