Security of Energy Supplies
EU-Russia Oil & Gas Trading

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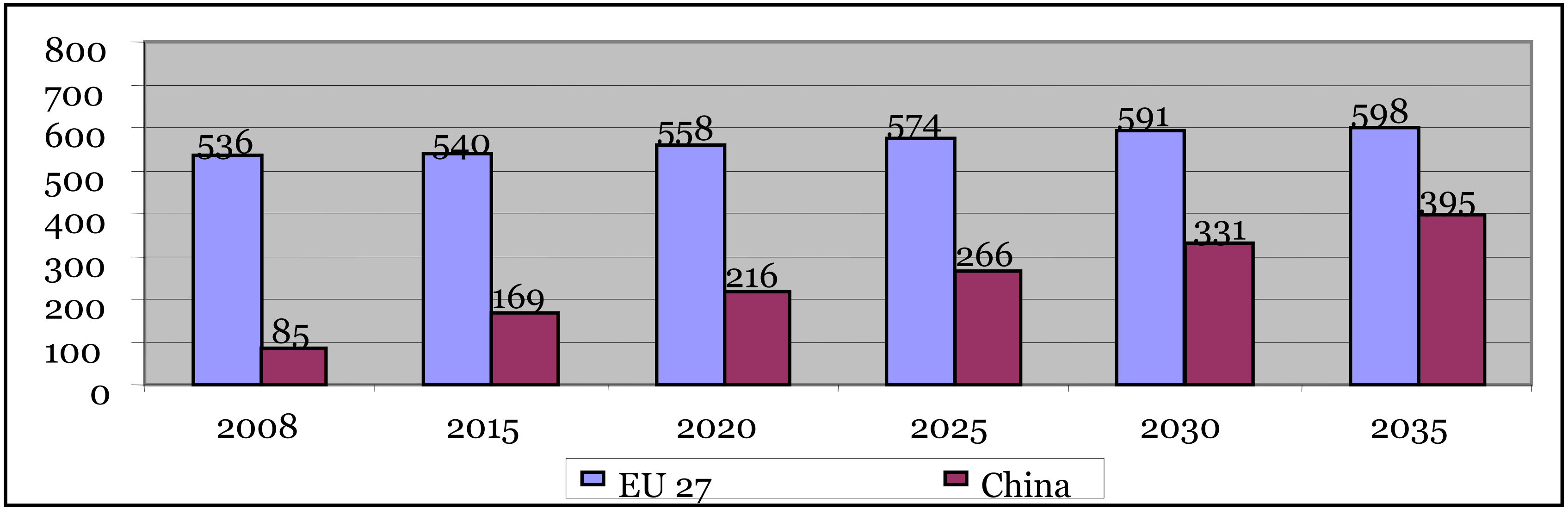
Natural Gas

EU gas market: many advantages for exporters

- 1st gas importer and the 2nd gas consumer on the world
- Growing dependence on the external gas supplying (65% and more)
- High average gas prices

	Natural gas demand	Bcm
1	United Kingdom	94
2	Germany	81
3	Italy	76
4	France	47
5	Netherlands	44
6	Spain	34
7	Belgium	19
8	Poland	15
9	Romania	13
10	Austria	10

Forecast of the natural gas demanding: EU and China

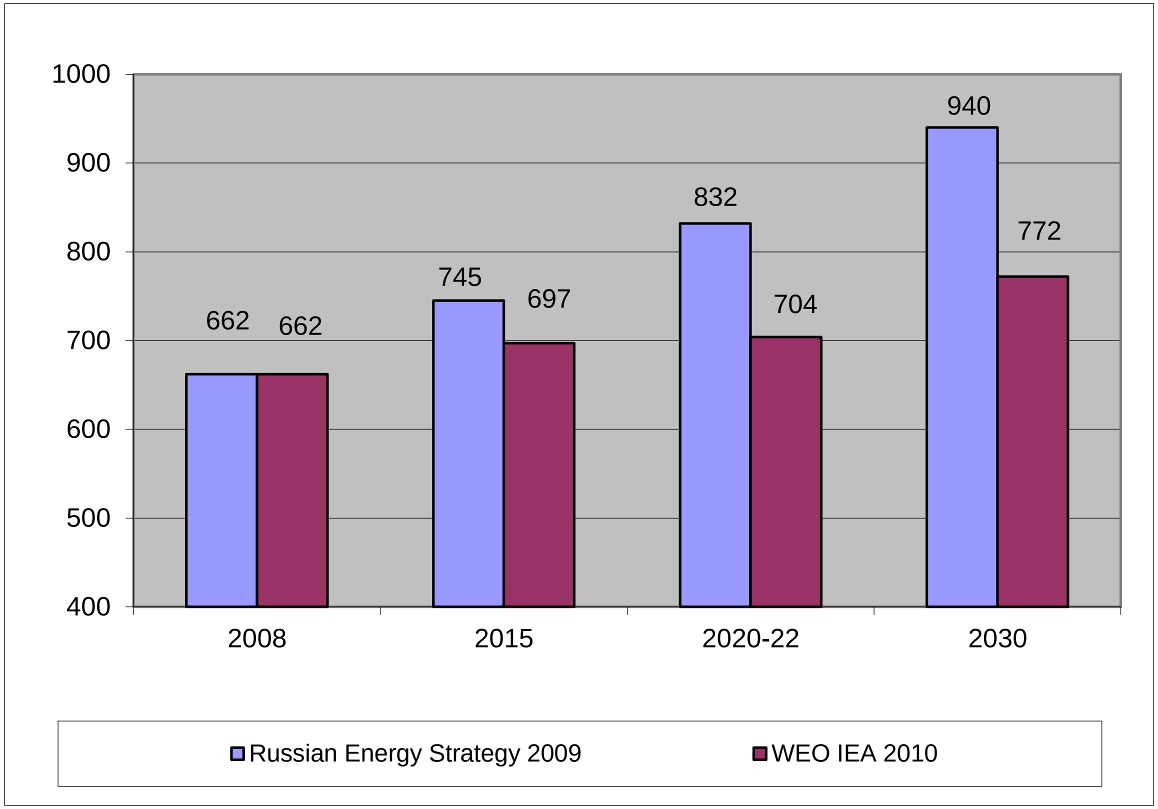


Is Russia a predictable gas supplier?

+ The biggest global proven reserves of conventional gas (44 000 bcm)

+ Longest pipeline system at the world (158 200 km)

+ Huge intenal market (ap. 400 bcm /year)



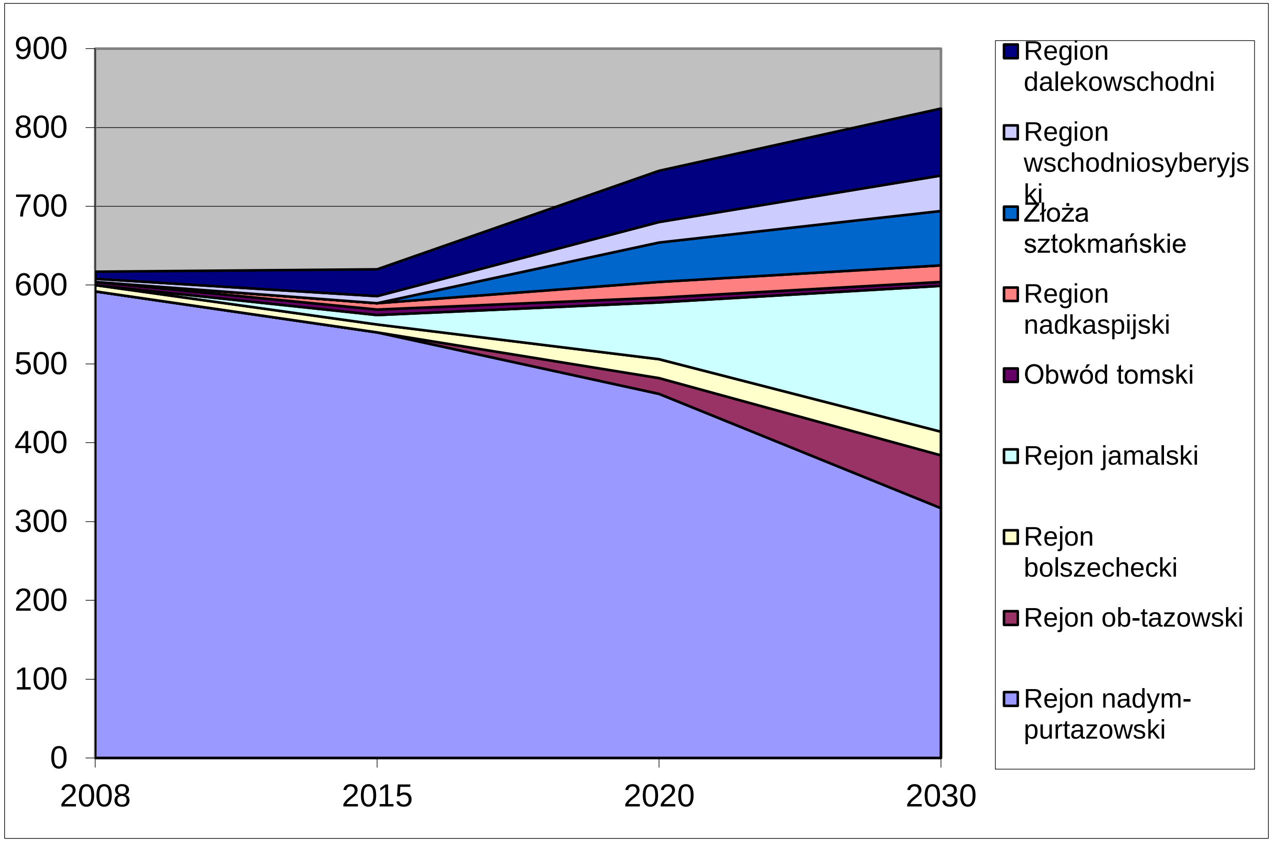
Is Russia a predictable gas supplier?

- Postponed investment of Shtokman project

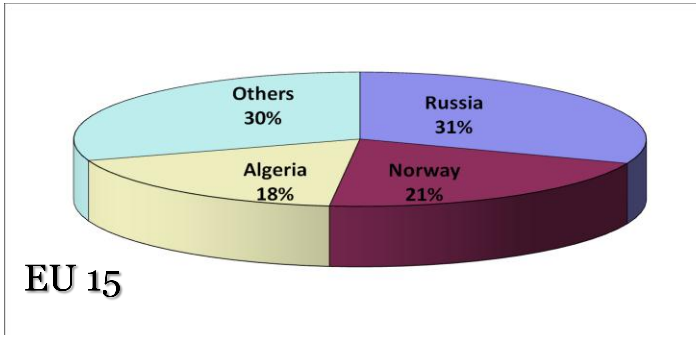
- 30 bln USD per year for keeping high level of production

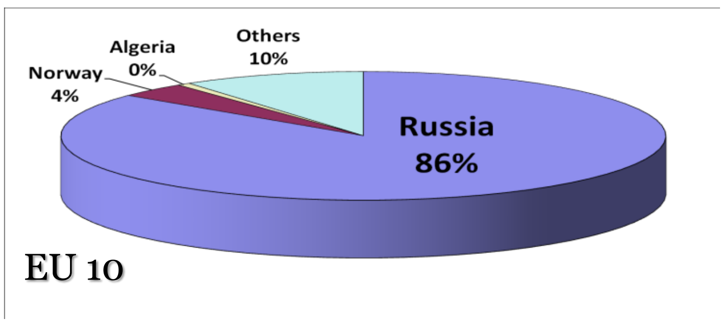
- Decrease of Gazprom's capitalisation (from $350 to $100 bln, 2008-2013)

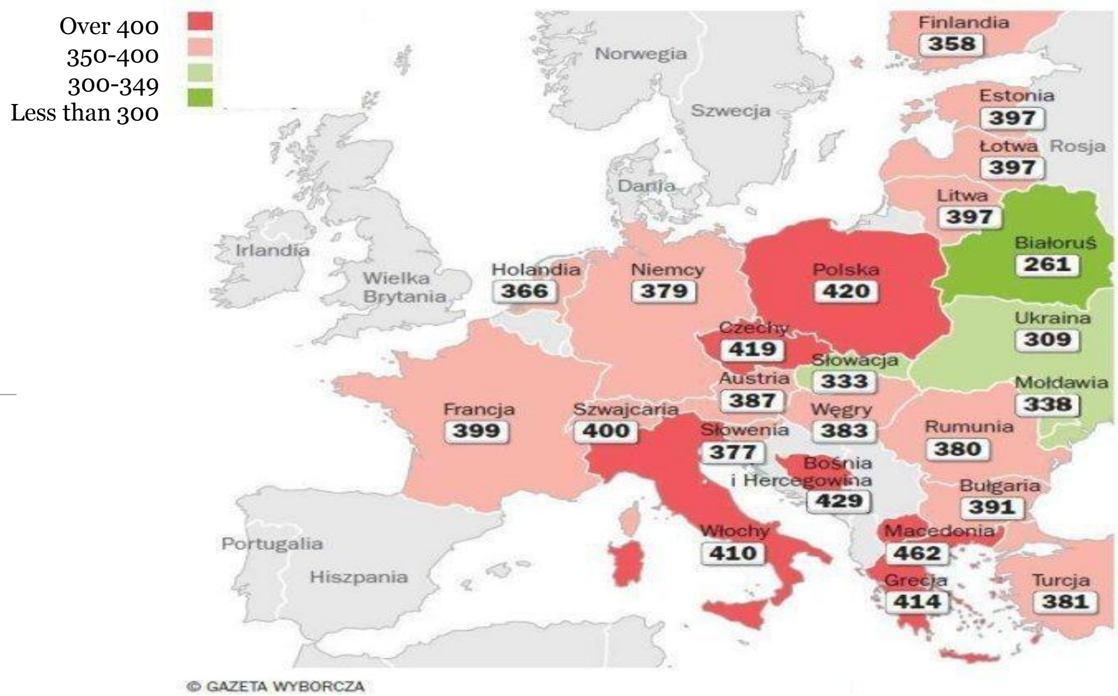
- Antitrust investigation against Gazprom



Different price of Russian gas in Europe







Russia's gas price for all EU countries above the spot price since 2009 (with a few exceptions in January 2012)

Poland’s security of external gas supplies

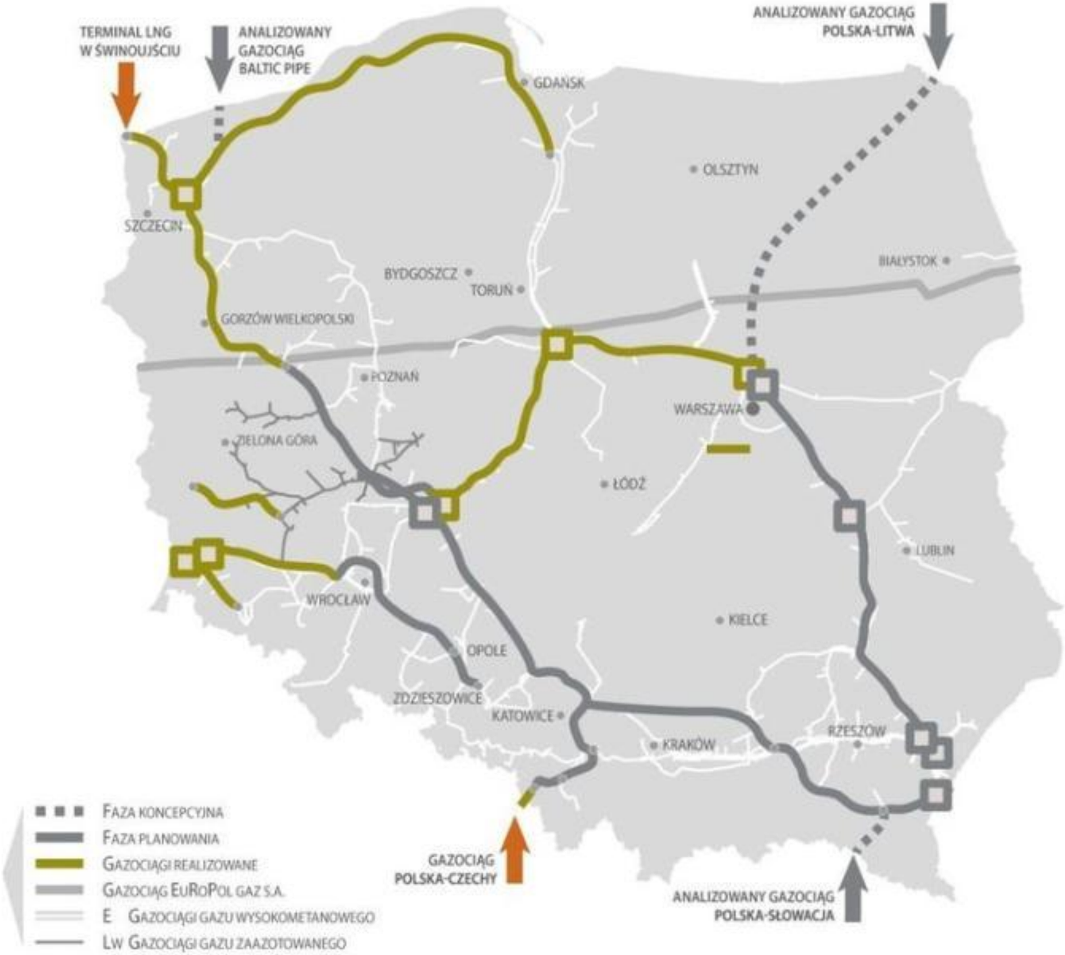
✓Świnoujście LNG terminal: first in CEE and Baltic See regions

✓Operational since July/December 2014

✓5 bcm capacity (max 7,5 bcm)

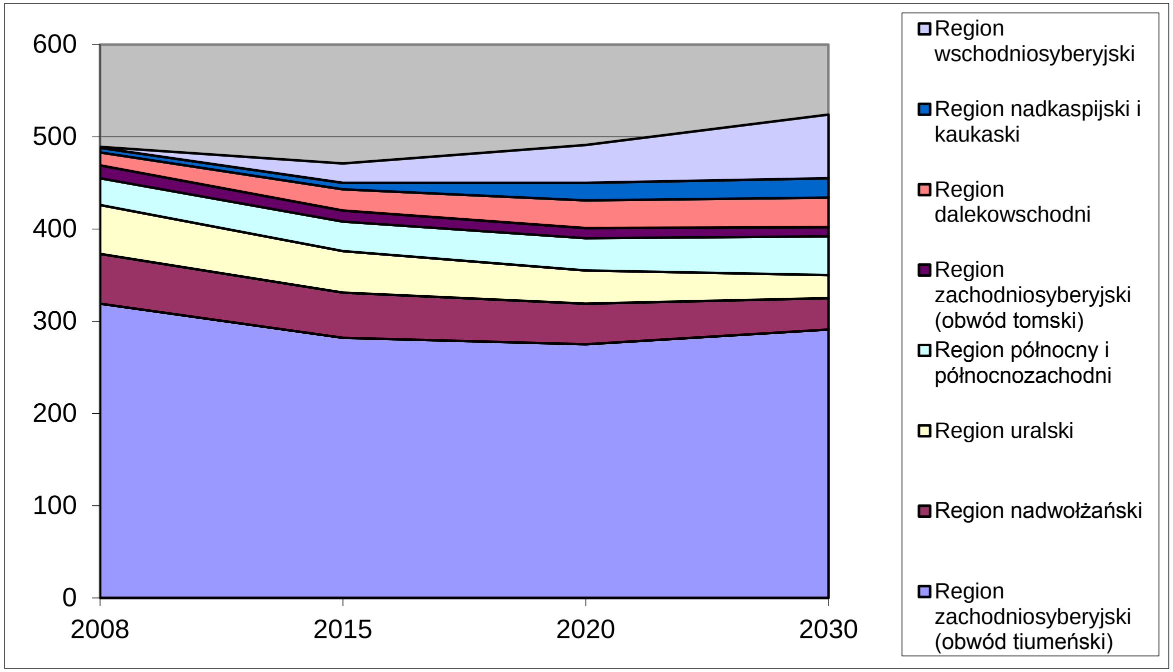
✓PGNiG-Qatargas contract for 1,4 bln per year (2014-2020)

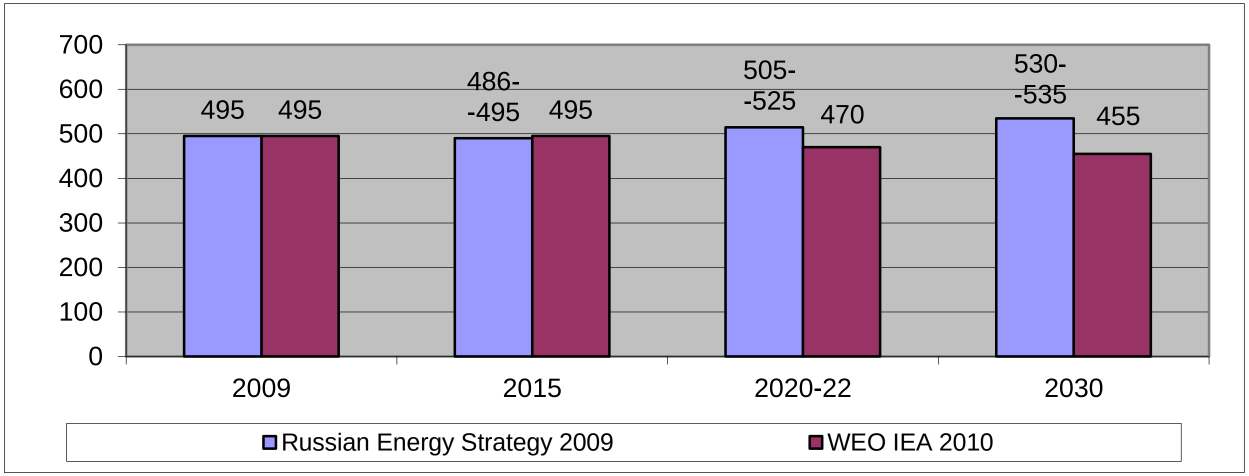
✓EU financial support in 40%



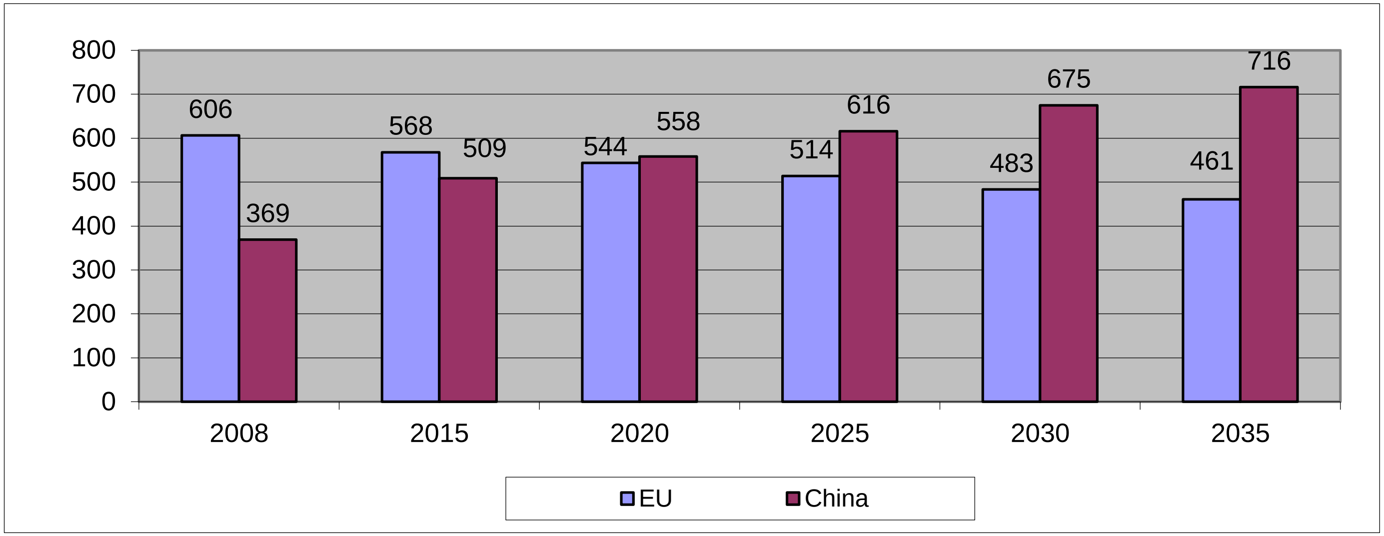
Crude Oil

Crude oil production in Russia

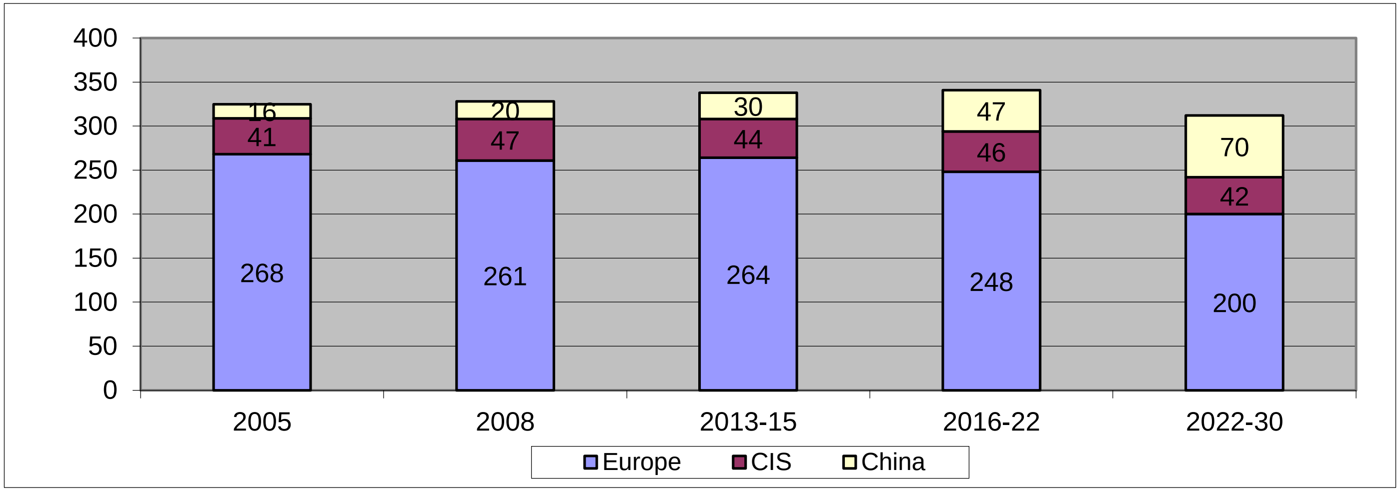




Crude oil demand in the EU



Russian crude oil supplies to Europe & Asia



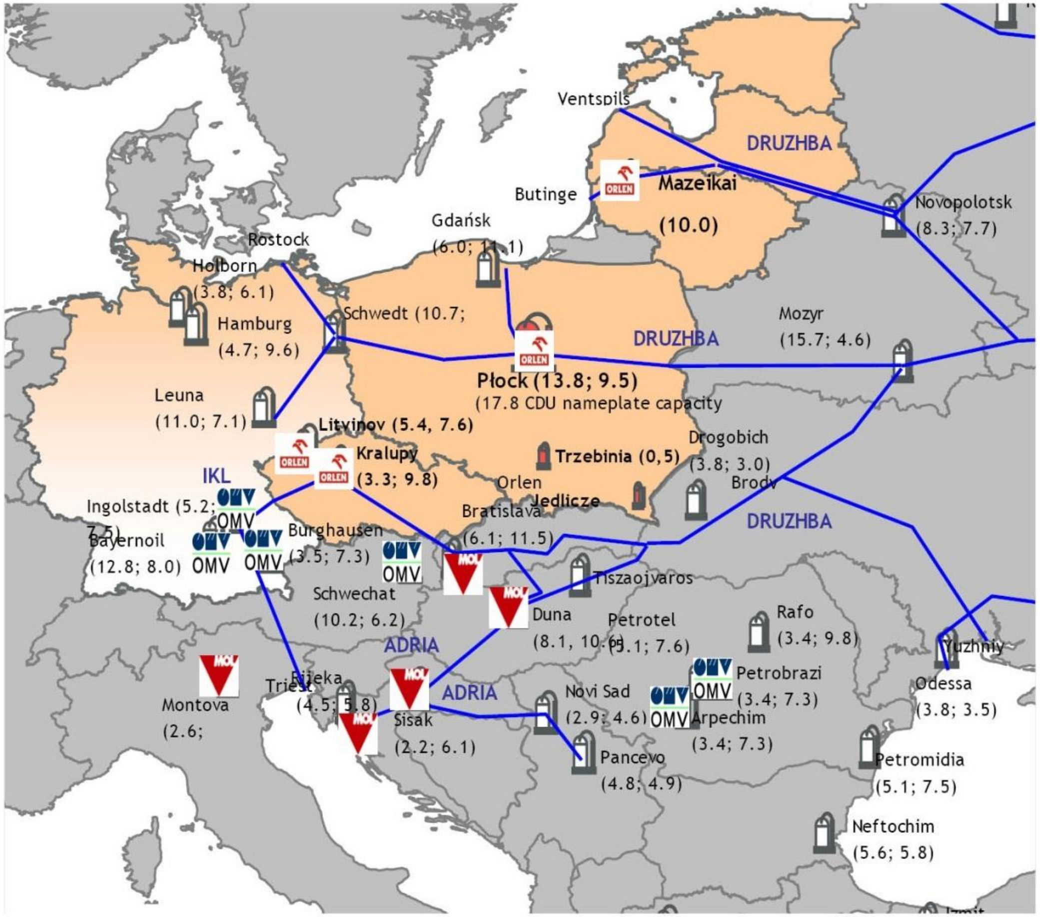
Poland's Crude Oil & Rafinery Products Market

• Plock (Orlen), Gdansk (Lotos) and 5 small refinieries (24 mln t/y)

• Oil terminals in:
Gdansk (34 mln t/y)
Gdynia (3,5 mln t)
Szczecin-Swinoujscie (1,5 mln t)

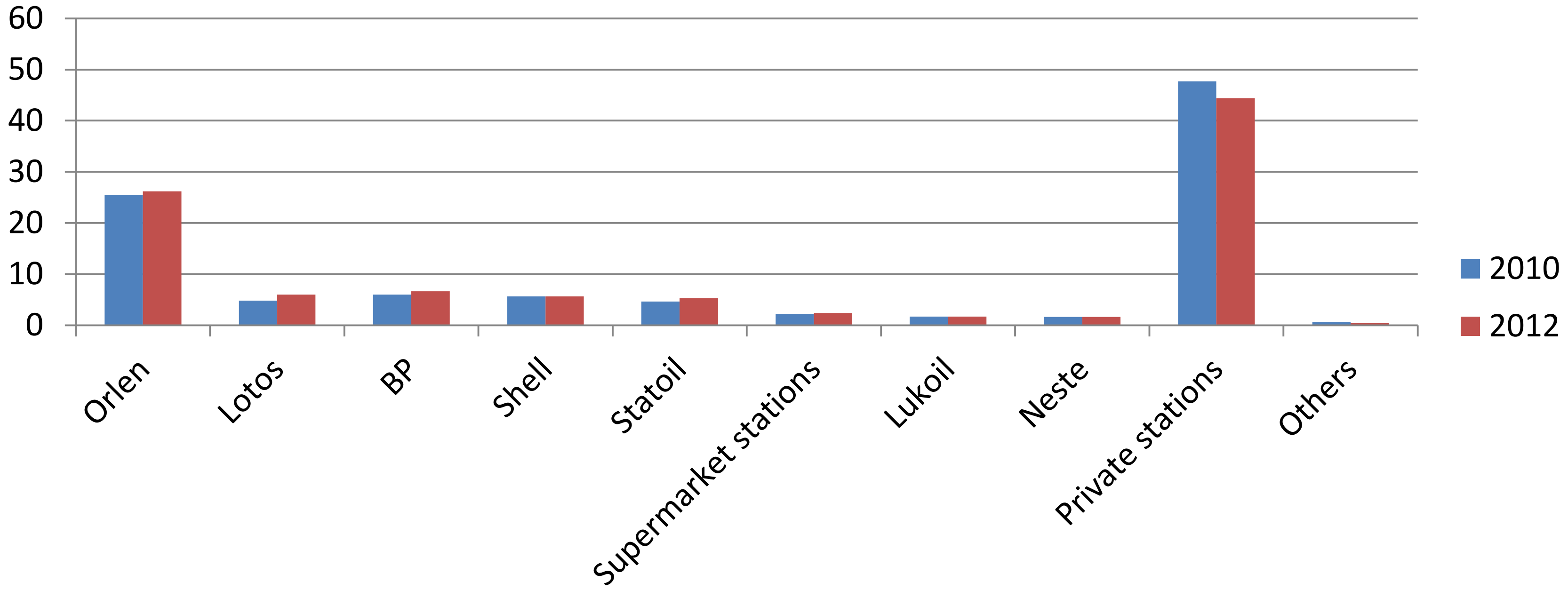
• 22 storages (2 mln t)

• Orlen expansion in Czech Rep. (refineries in Kralupy and Litvinov); Lithuania (Możejki)



Poland's retail oil market

- 80-85% of crude oil in the long-term contracts (2-3 years)
- First direct contracts with suppliers (Rosnieft) not with traders
- Most of the crude oil imported to Poland via Druzhba pipeline, but oil terminal in Gdansk may take all of them (back-up)
- About 7 000 filling stations, increasing share of NOCs
- Imports of diesel (9-18%) and LPG (70-80%)



Thank you for attention!

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