Despite hit on demand outlook, European gas market has significant potential – hub gas prices on sustainable level for 2011

European demand outlook 2015

-65 bcm

Pre-crisis outlook
Post-crisis outlook

European LNG supplies 2008 vs. 2010

+30 bcm

Capacity
Utilisation

Development of competitive pricing concepts

Source: IEA 2008/2010, E.ON Ruhrgas

Source: E.ON Ruhrgas
Decarbonisation of European economy is challenging natural gas as a green future energy…

![Graph showing EU GHG reduction goals](image)
- EU aims at GHG-reduction of 80%-95% by 2050
- Uncertain gas demand outlook for 2030
  - Eurogas: 620 bcm
  - IEA: 450ppm 460 bcm
  - Δ: 160 bcm

![Graph showing German energy concept](image)
- German energy concept with roadmap until 2050
- Huge investments in renewables and energy efficiency
- Role of natural gas not appropriately dealt with

... but gas has the potential to secure climate-friendly energy supplies

![Diagram showing gas security, climate protection, and least cost option](image)
- Natural gas balances the triangle of energy policy
- Further diversification of routes and sources (e.g. Nord Stream) needed
- LTCs should remain the basis for future gas supplies to Europe

Adapted LTCs with important role in new environment
- Efficient sales channel for producers of large volumes
- Security of investments in upstream and transport sectors
- Traditional LTC pricing needs to be adjusted to new market conditions
E.ON Ruhrgas is committed to cleaner & better gas supplies – market development and integration of power & gas systems

**Systematic product placement**
- Replacement of old heating systems (oil & gas)
- Market implementation of clean gas technologies (micro-CHP, CNG)
- Development of biomethane as renewable energy

**Integration of power & gas systems**
- Gas-to-Power
- Point-of-use cogeneration e.g. large scale & micro-CHP
- Power storage e.g. power to methane

Note: selected technologies only

Dr. Thomas Jung, VP Gas Supply E.ON Ruhrgas
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