Strategic challenges in global energy – the contribution from the oil and gas business

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Executive Director

GE Oil&Gas Annual Meeting
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Oil and gas remains the backbone of energy supply

Growth in total primary energy demand

Today's share of fossil fuels in the global mix, at 82%, is the same as it was 25 years ago; the strong rise of renewables only reduces this to around 75% in 2035
Very large upstream investments are needed even with low demand growth.
Energy poverty in energy rich countries
Coal is powering the Asian miracle
Abundant and well-diversified supplies drive the growth of gas

Natural gas production increases in every region of the world between 2011 & 2035, with the exception of Europe
Well-functioning markets are the foundation of policy trust
Golden rules are needed to maintain acceptance of shale gas
Methane leakage can move gas from solution to part of the problem
So CCS should play a major role – but is it on track?

“...The Dutch government said Thursday it will not allow oil giant Shell to store millions of tonnes of carbon dioxide in a depleted gas reservoir under a small town, upholding the fears of townspeople.

E.ON: incentive could have saved Kingsnorth CCS project

Company suggests "low carbon" version of the Renewables Obligation including CCS and nuclear might have kept project in the UK

By Will Nichols 21 Oct 2010

Storage Concerns Delay Australian CCS Timeline

March 21, 2011

On 27 January 2011, Australia’s federal government announced that it would delay and reduce the funding available to support its A$2 billion carbon capture and storage (CCS) Flagship funding program in order to support Queensland’s flood recovery efforts. As part of those efforts, A$160 million in CCS Flagship funds will be deferred until after 2015, while A$90 million will be cut from the CCS Flagship budget altogether. Key points in this On Point include:

Norway delays CCS project again, angers greens

(Reuters) - Norway said on Tuesday it would delay again a decision to finance a top carbon capture project, this time to 2016, in a setback for a technology that is seen as key to mitigate climate change.

Carbon capture approvals behind UAE-BP project delay

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ABU DHABI (Reuters) - Delays in winning approvals on pricing and scheduling of a carbon capture and storage (CCS) project are holding up a $2.5 billion hydrocarbon power venture by BP and an Abu Dhabi firm. An official document showed... See all stories on this topic » Reuters

Rotterdam offers the location for the construction of a large-scale power station, which has access to the sea for sea ships that can transport the CO2 and the solid fuel.

■ Updates

Announcement - Feasibility study stopped

After close consultation between Havenbedrijf Rotterdam NV and C. GEN NV it has been decided on October 26, 2010 to stop the feasibility study on the establishment of a hydrogen power plant (Integrated Gasification Combined Cycle) on the Kop van de Beer-site. The reason is the technical feasibility of this location, coupled with uncertainties regarding regulation and storage of CO2 in the Netherlands.
Private sector innovation will be key for security and sustainability.
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