

# The EU and North African Oil and Gas Suppliers

**Dr Sohbet Karbuz**

**SECURE Project**

**Regional Stakeholders Meeting**

*“The Role of South and East Mediterranean  
in the EU Energy Supply Security”*

**Cairo, 19 October 2010**



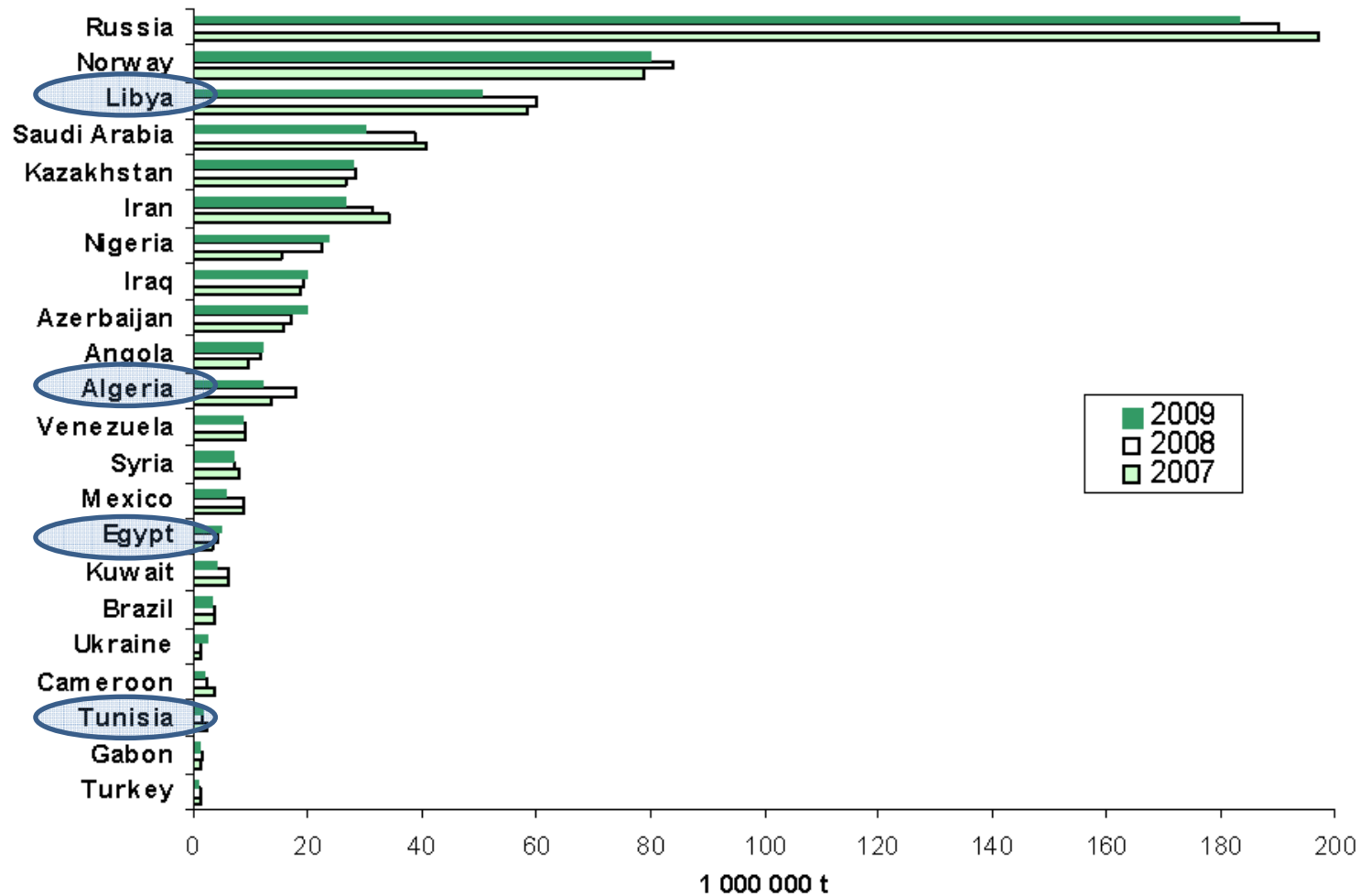
Security of Energy Considering its Uncertainty, Risks and Economic implications



# The EU & North African Oil and Gas Suppliers

- **Traditionally, North African producers have supplied Europe with oil and gas,**
- **They made considerable efforts to remain reliable even at the times when they were confronted to difficult political and economic contexts.**
  - **And there is no reason why this should not continue in the future.**
- **A good example of cooperation and partnership**

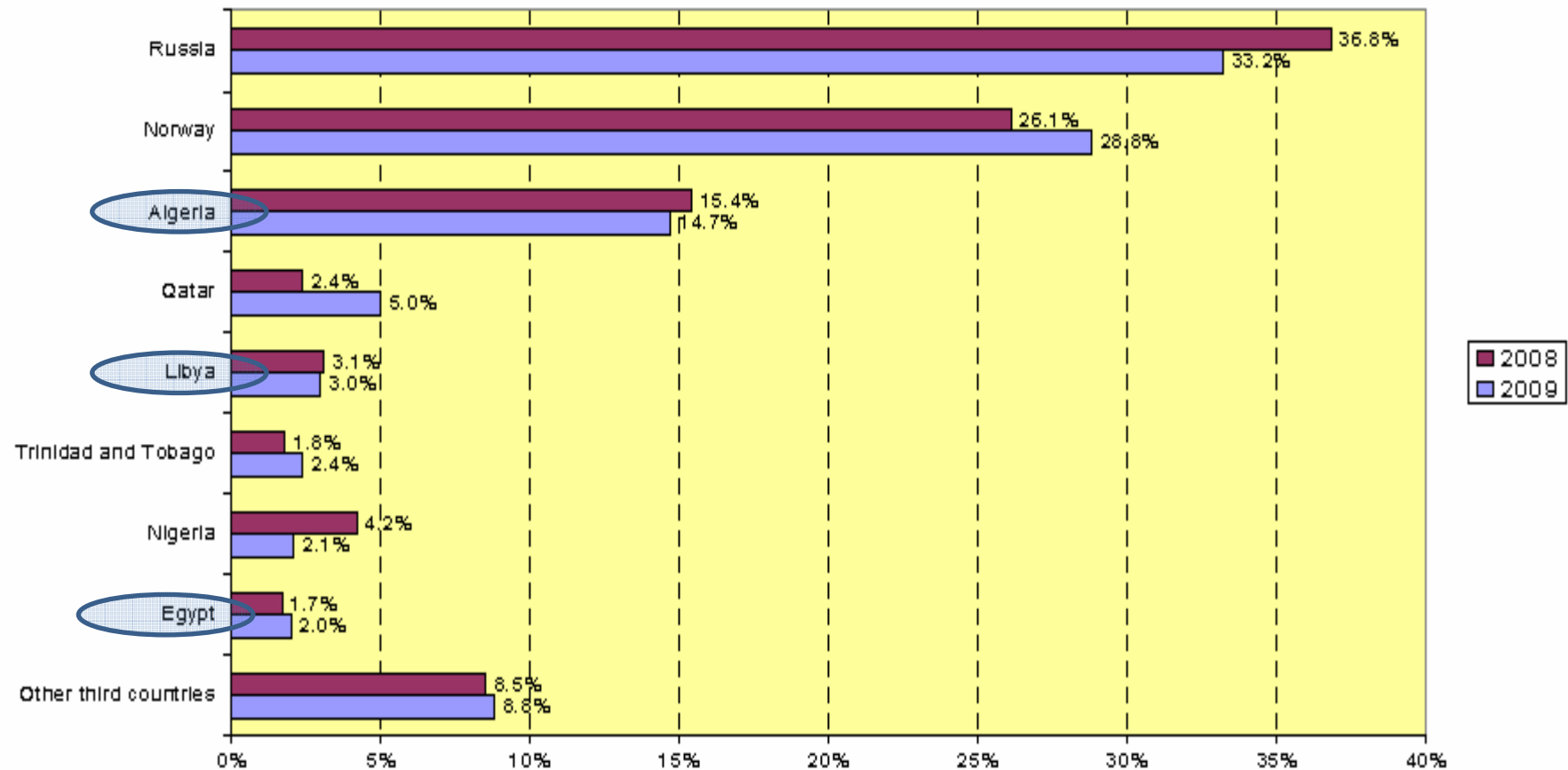
# EU-27 Oil Imports



Source: Eurostat ([nrg\\_123m](#))

**North Africa accounts for 14% of the EU's oil imports  
(15% of the crude oil; 10% of products imports)**

# EU-27 Natural Gas Imports



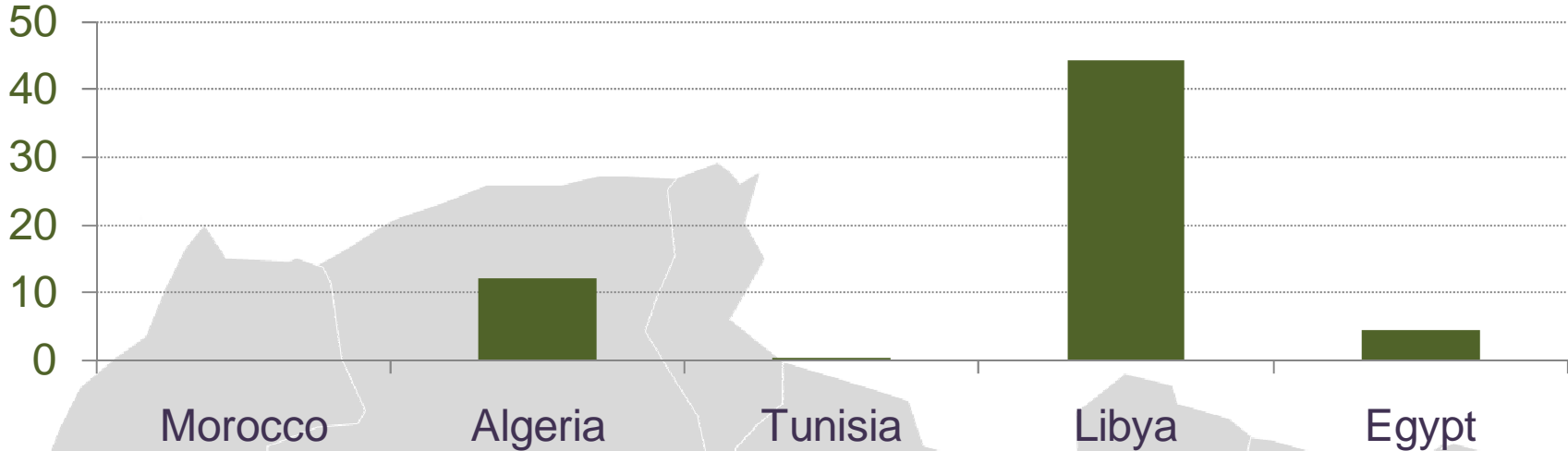
Source: Eurostat ([nrg\\_124m](#))

North Africa accounts for 20% of EU-27 natural gas imports

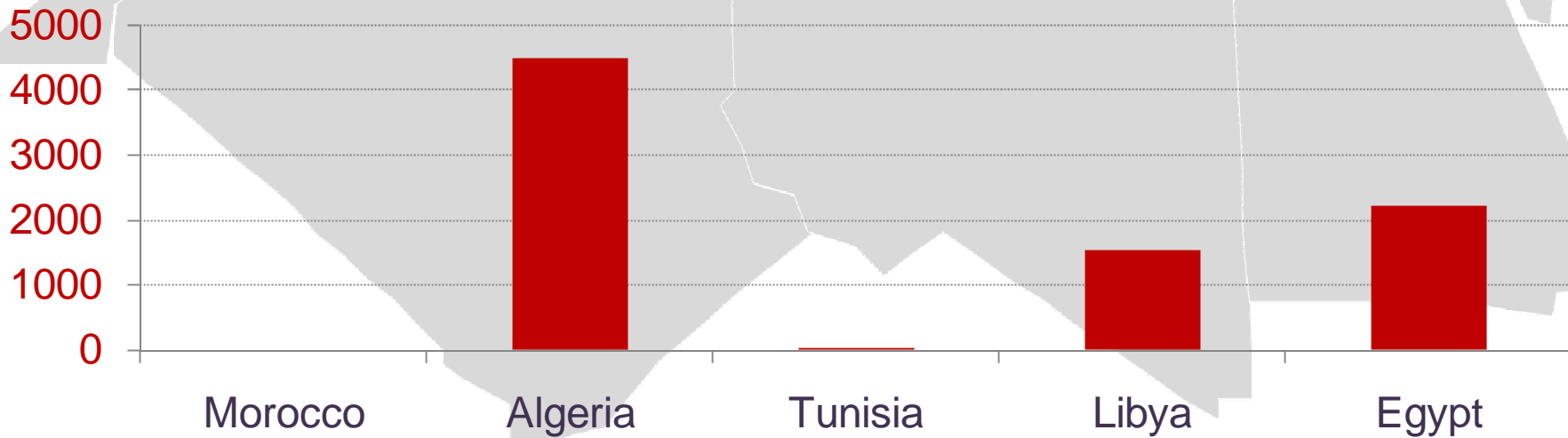
# North Africa: A century old experience in petroleum

- Commercial oil production started in 1910
- Algeria has made gas export development a priority for a long time
- Libya and Egypt have adopted similar approach after decades of oil oriented export strategy
- Still largely unexplored/under-explored

# Oil Reserves in North Africa in 2010 : 61.3 Gb



# Gas Reserves in North Africa in 2010: 8300 bcm



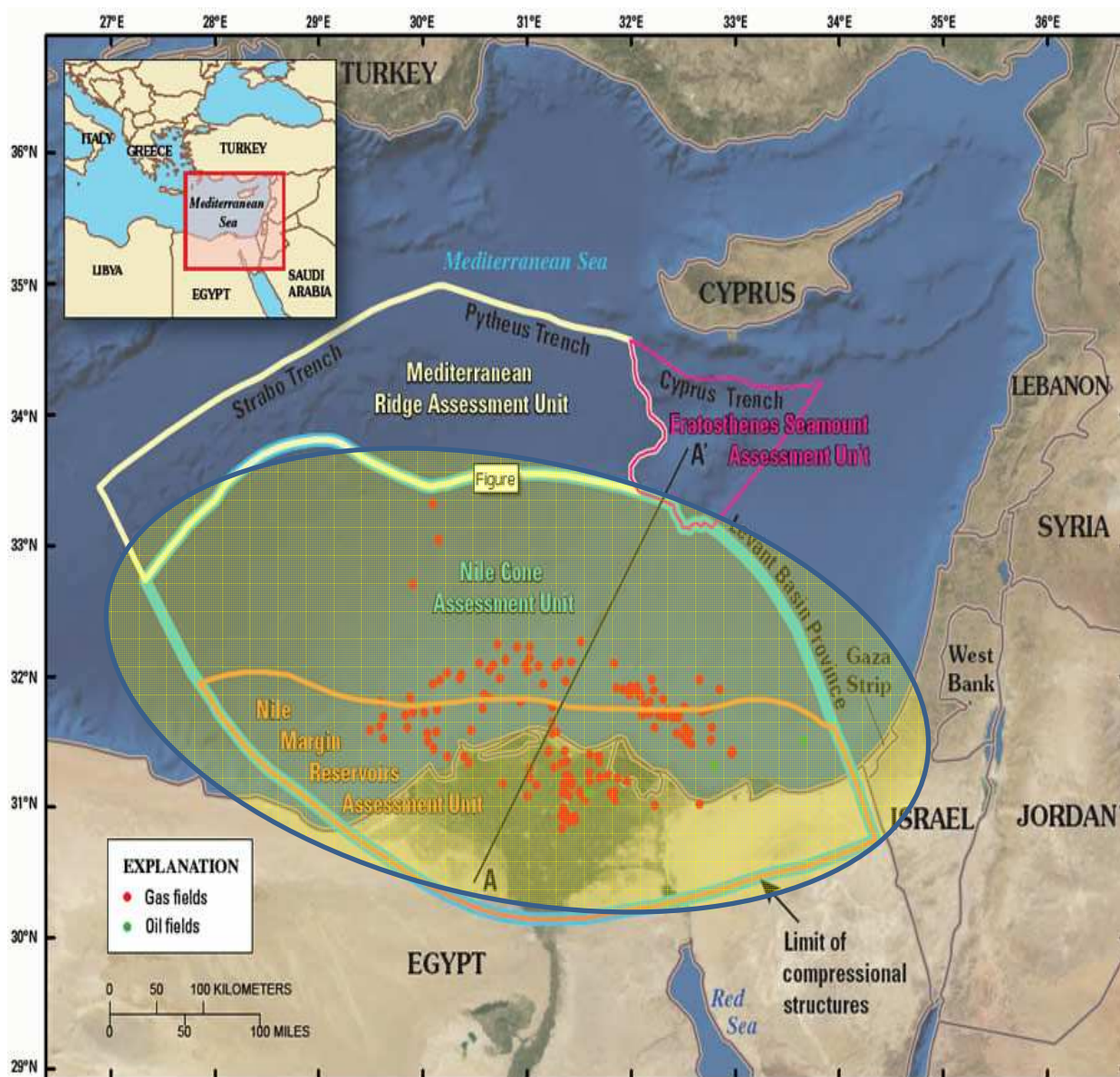
Source: OGJ, Cedigaz, EGAS, EGPC



# North Africa: still under-explored

- The USGS assessments for undiscovered gas resources were too conservative
- Unconventional resources potential not known yet  
no inventory of unconventional resource prospects
  - Morocco and Tunisia took the lead
- Further growth in offshore activity seems assured for the foreseeable future

# The USGS assessment in May 2010



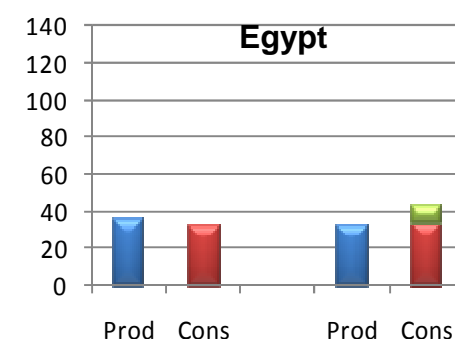
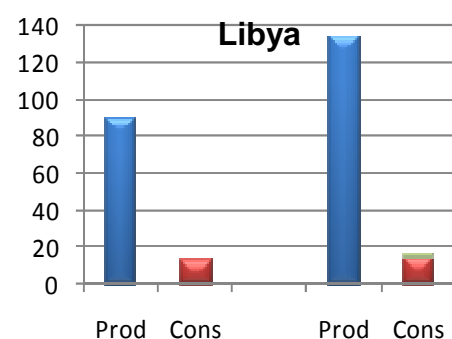
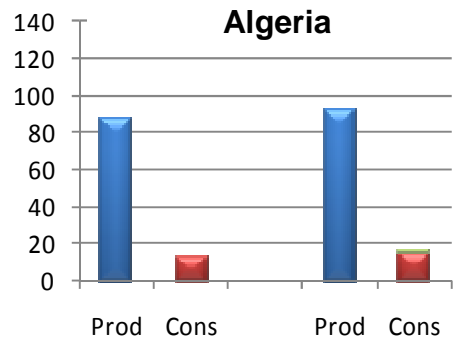
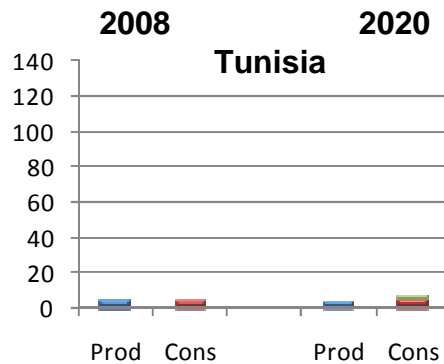
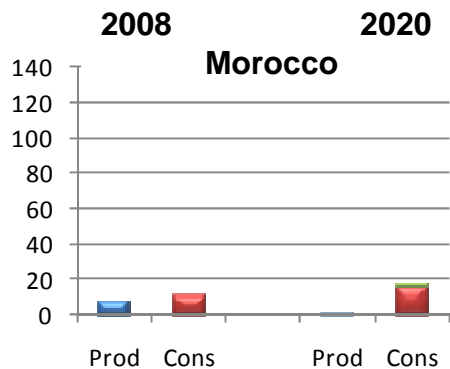
Mean undiscovered technically recoverable natural gas resources

- 6321 bcm
- 1.763 Gb of oil
- 5.9 Gb of NGL.

These figures would place the area as a world class natural gas province.



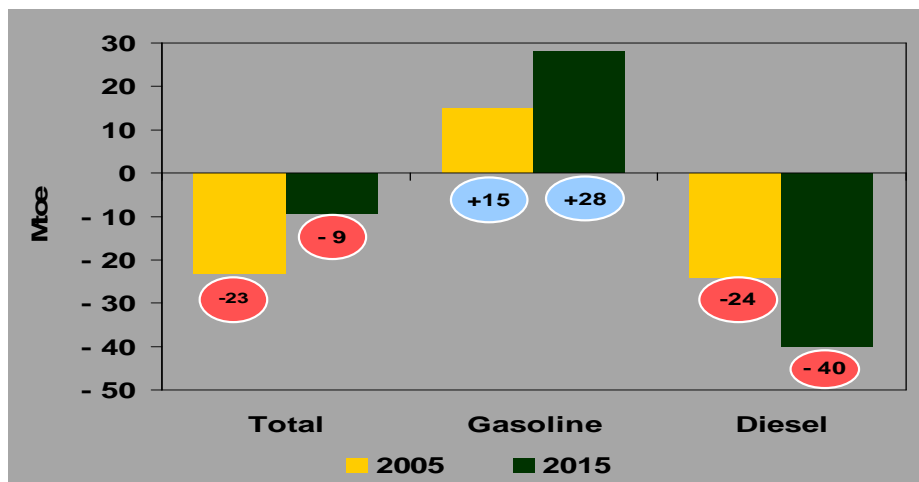
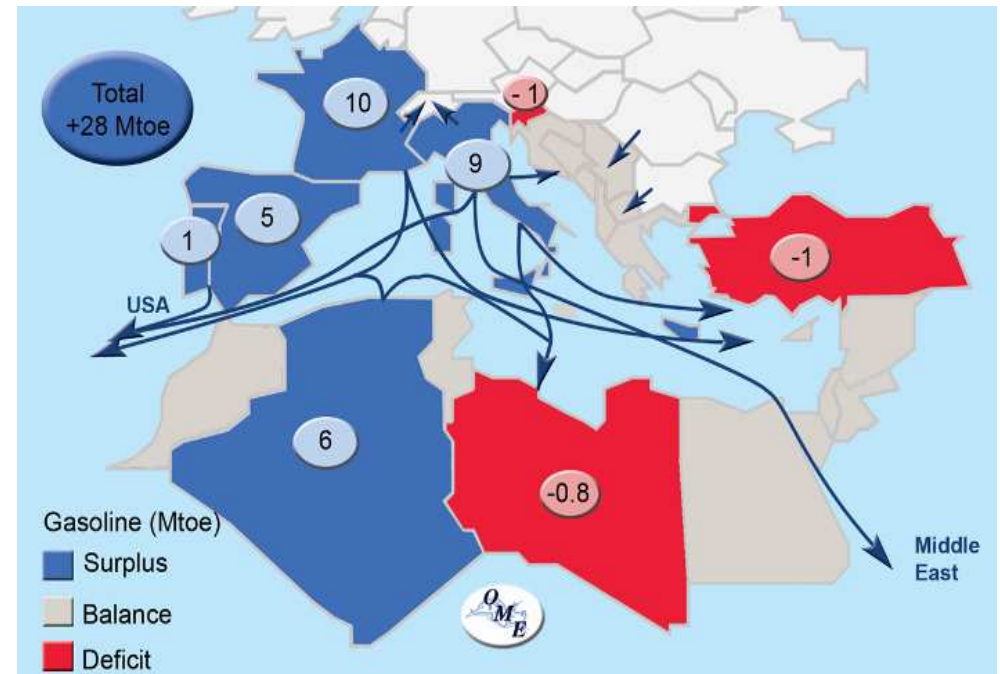
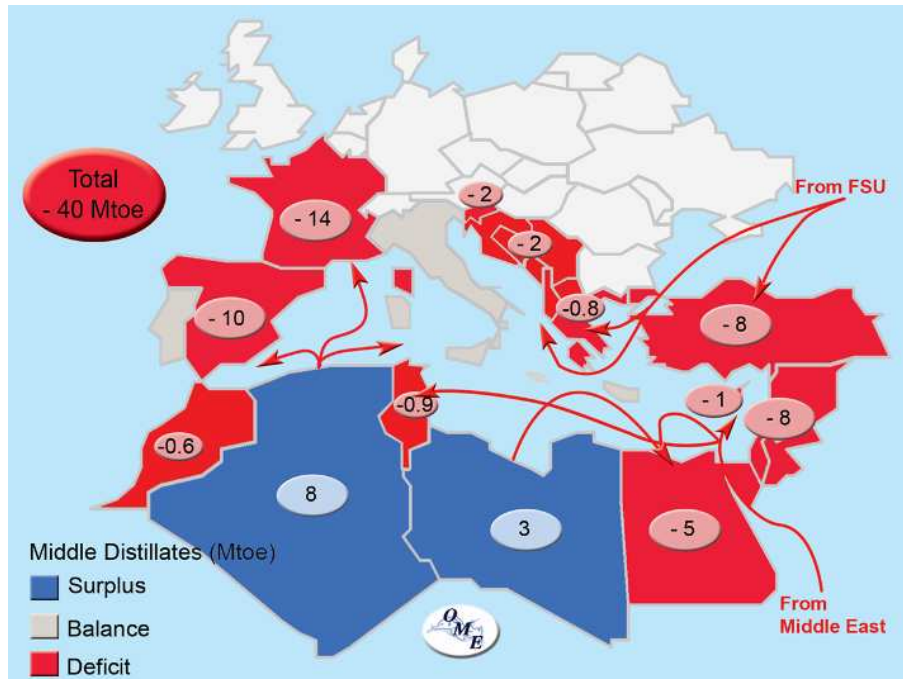
# Oil Production and Consumption in North Africa: 2008 vs 2020 (in Mtoe)



Source: OME

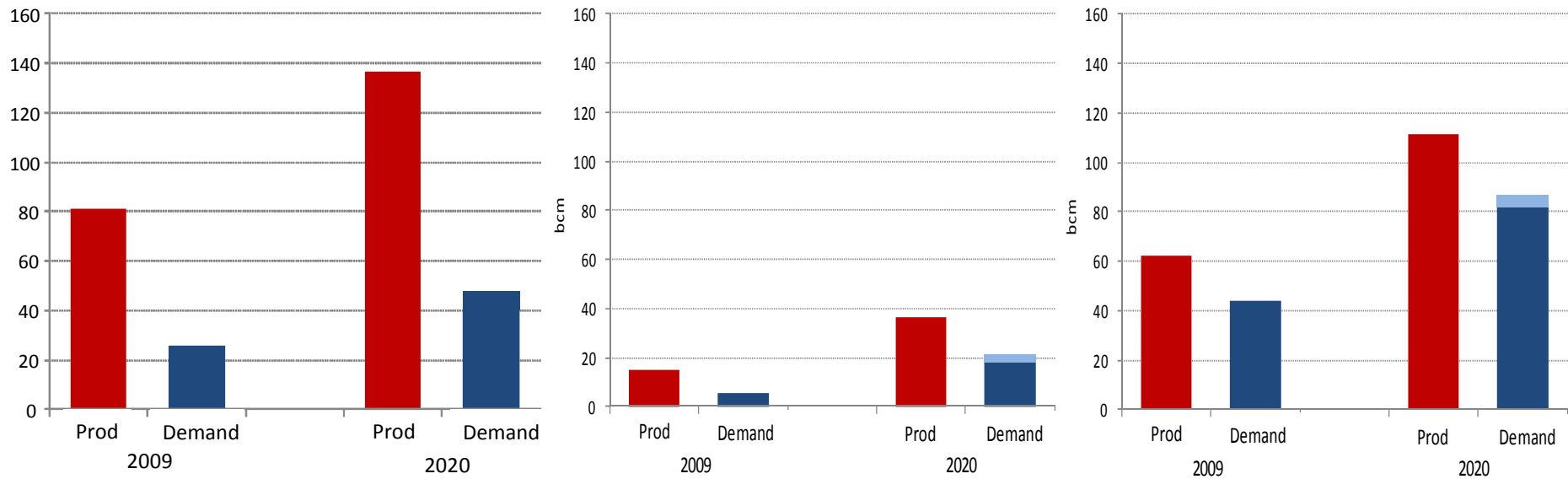
\* Consumption data exclude bunkers

# A common challenge: Further gasoline surplus and a worrying diesel deficit to 2015



- Where to sell gasoline, and from where to get diesel ?
- The new EU biofuels targets could increase gasoline surpluses;
- US ethanol alternative trends would further the issue.

# Natural Gas Production and Demand Balance in Main North African Exporters: 2009 vs 2020 (in bcm)

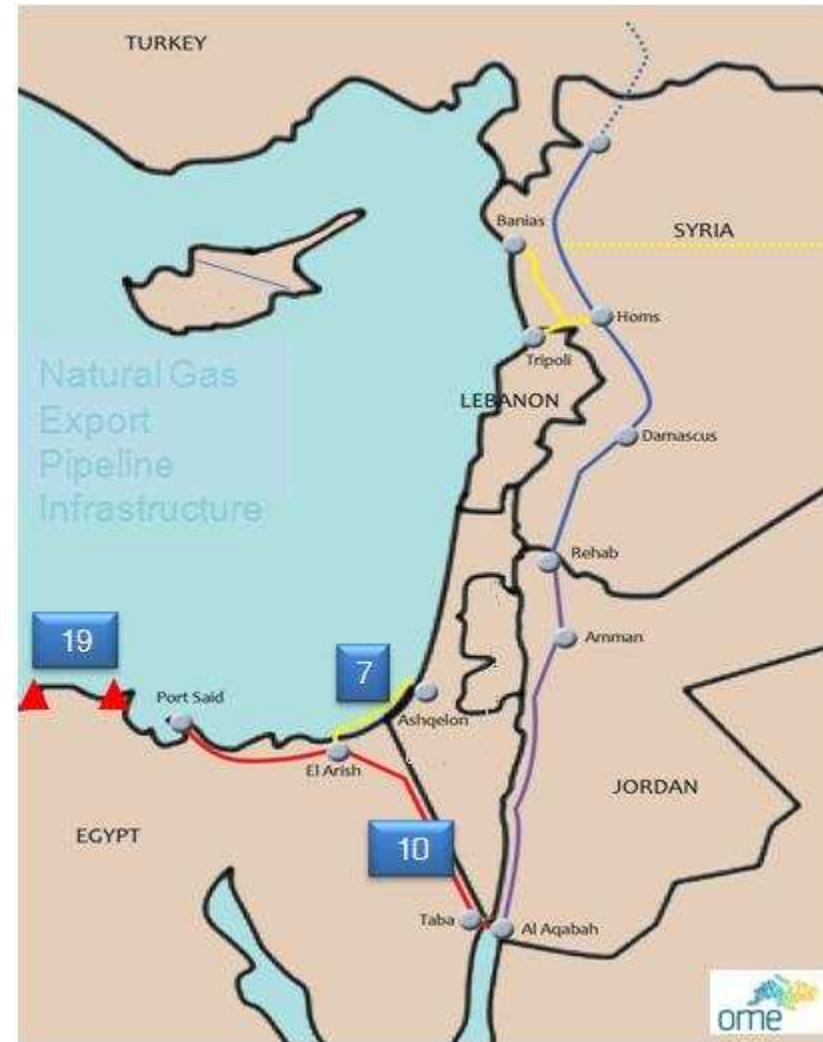
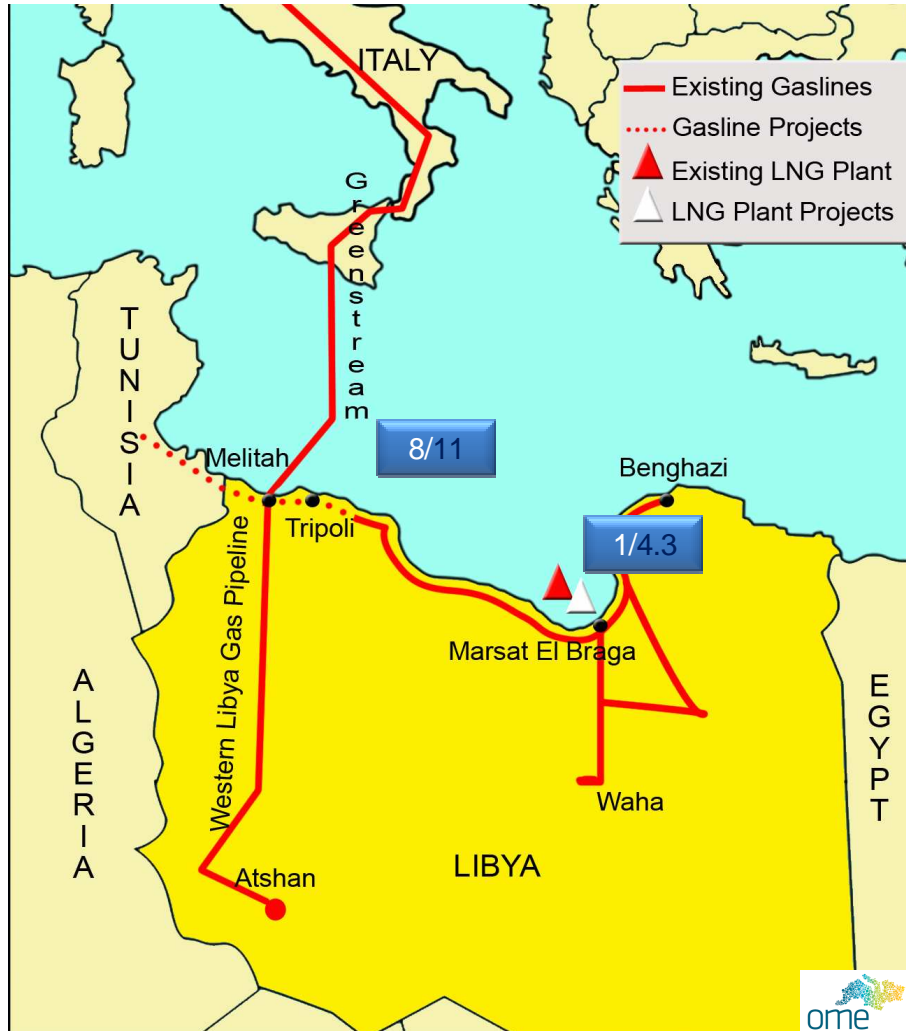


**Total exports in 2009: 81 bcm**  
**Estimated exports in 2020: 127-144 bcm**

# Algeria – Natural Gas Export Infrastructure



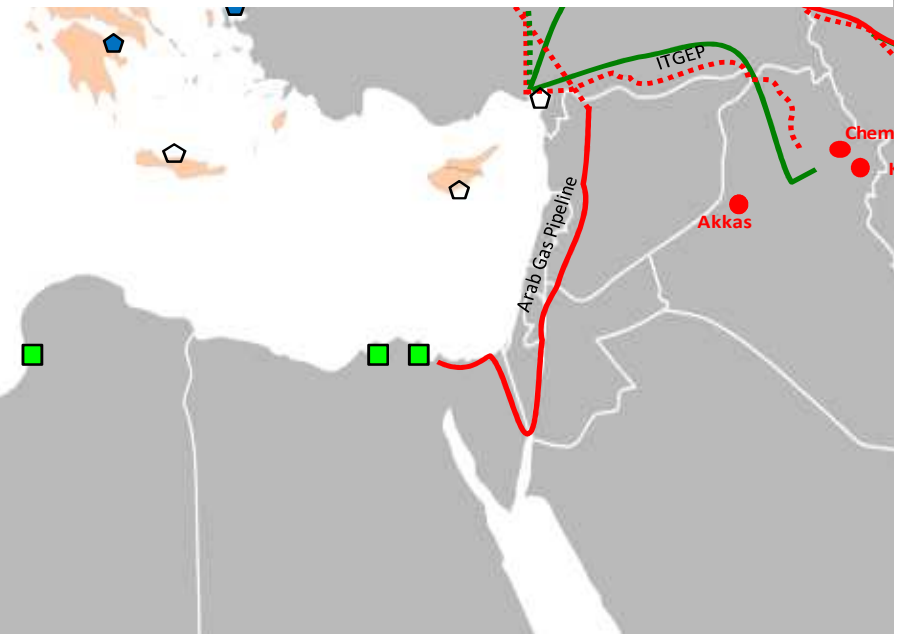
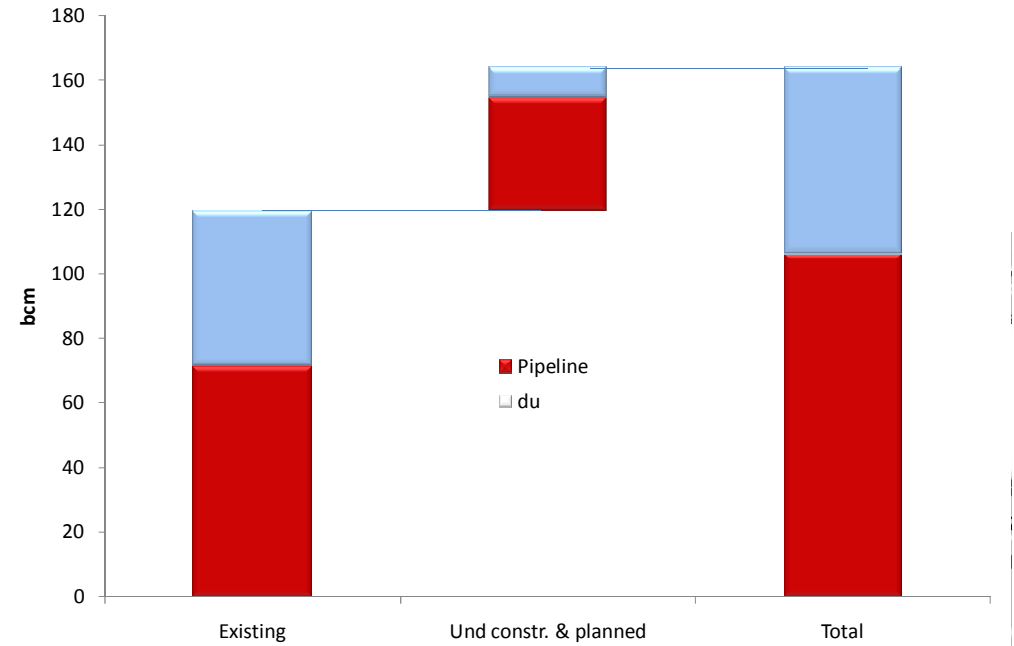
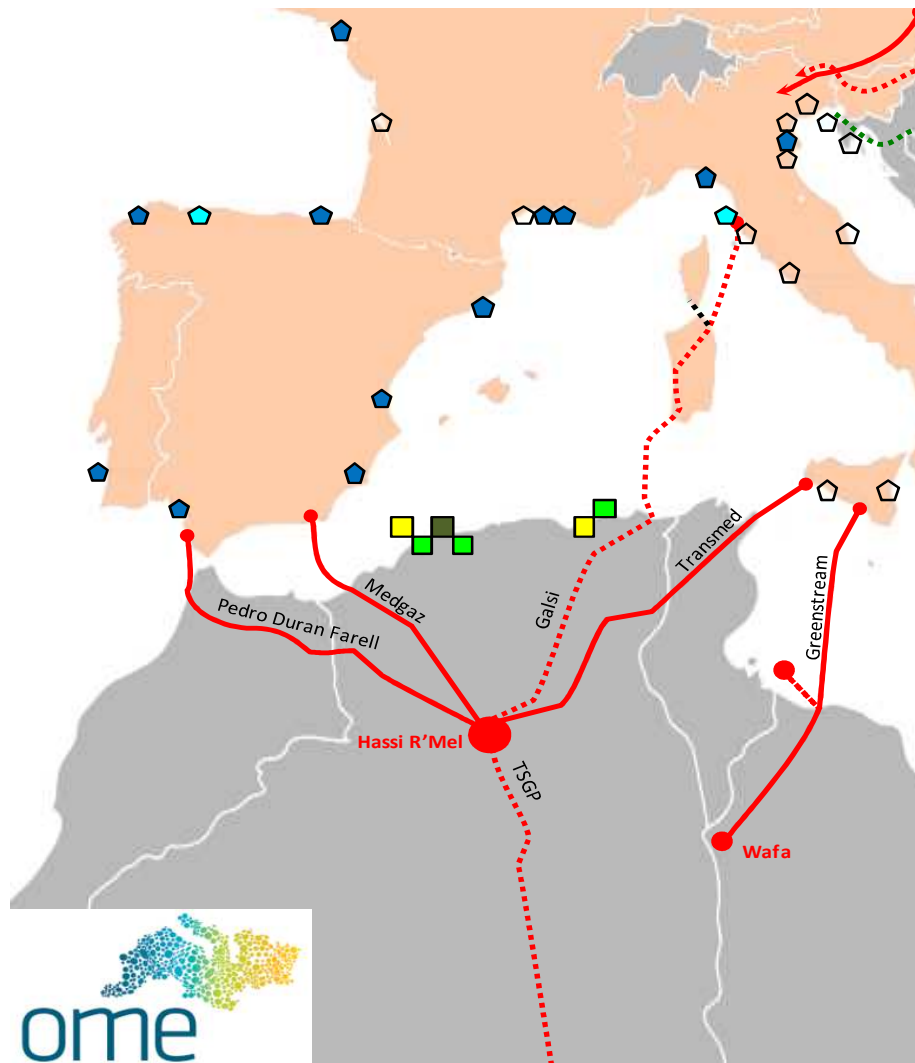
# Gas Export Infrastructure in Libya and Egypt





# Gas Export Capacity in North Africa

..is planned to be increased from the current 120 bcm to over 160 bcm



# Conclusions

- As a source, North Africa offers big potential
- Successful development of these resources will require increasing cooperation between
  - Producer, consumer and transit countries
  - IOCs & NOCs
- Technology and partnership will be vital
  - Particularly to success in offshore where much of the industry's future lies
- Future export potential will largely depend on the evolution of domestic demand and energy policies

# Conclusions

- **As an energy bridge, North Africa is becoming even more important, thanks also to its geographic proximity to Europe**
- **To diversify and improve its energy security, the EU must fully engage North African countries**





Contact: Dr Sohbet Karbuz  
[karbuz@ome.org](mailto:karbuz@ome.org)

Observatoire Méditerranéen de l'Énergie

105, rue des Trois Fontanot

92000 Nanterre - France

Tél : + 33 (0) 1 70 169 120

Fax : + 33 (0) 1 70 169 119

Email : [ome@ome.org](mailto:ome@ome.org)

[www.ome.org](http://www.ome.org)