



## **Association of European Businesses in the Russian Federation**

### **Russian Energy Market & European Investors**

Investments in the Russian gas industry  
– from past to present

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Moscow, 28<sup>th</sup> October 2009

# Long-term contracts (LTCs) form the basis for new cooperation projects between Gazprom and E.ON Ruhrgas

## Development of business relationship between E.ON Ruhrgas and Gazprom

Ruhrgas and Gazprom

**1973 Start of deliveries**

**1981/82 Major new LTCs signed**

**1998 LTC prolongation until 2020 and start of shareholding in Gazprom by E.ON Ruhrgas**

**2005 Start of Nord Stream-Cooperation**

**2006 LTC prolongation until 2035**

**2008 MoU on Power Plant Lubmin**

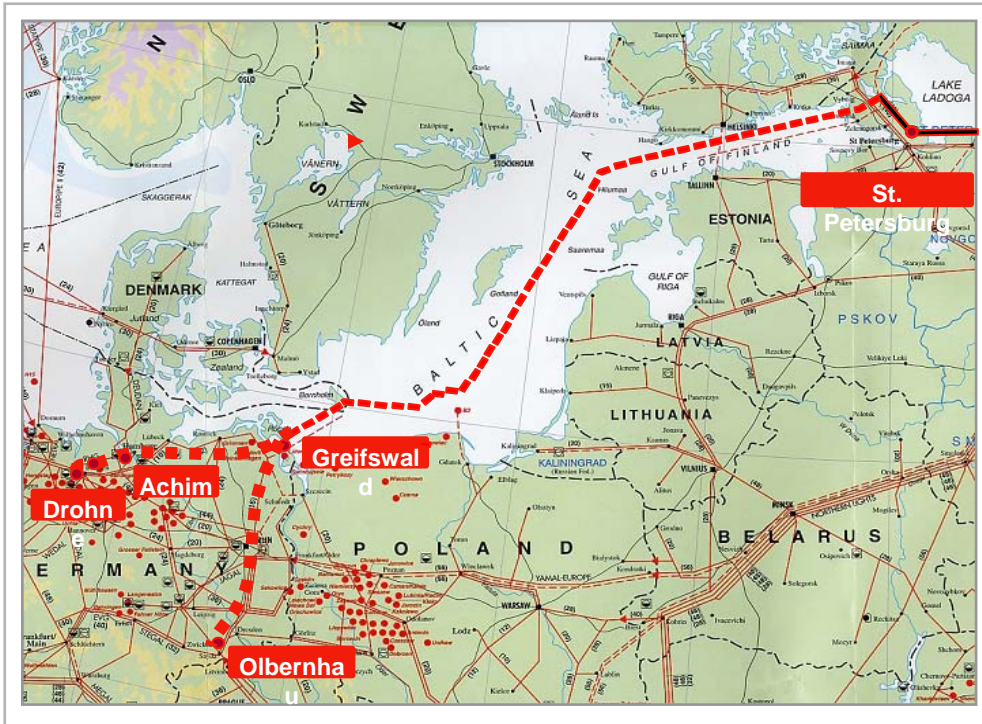
**2009 Participation in Yuzhno-Russkoye**



- **Since 1973 more than 530 BCM worth of approx. 60 billion € have been delivered by Gazprom export to E.ON Ruhrgas**
- **Nord Stream JV invests more than 7.5 billion EUROS in security of supply routes**
- **Yuzhno Russkoye JV major move upstream for E.ON Ruhrgas**

Complex investment projects such as Nord Stream require the close cooperation between producers and importers

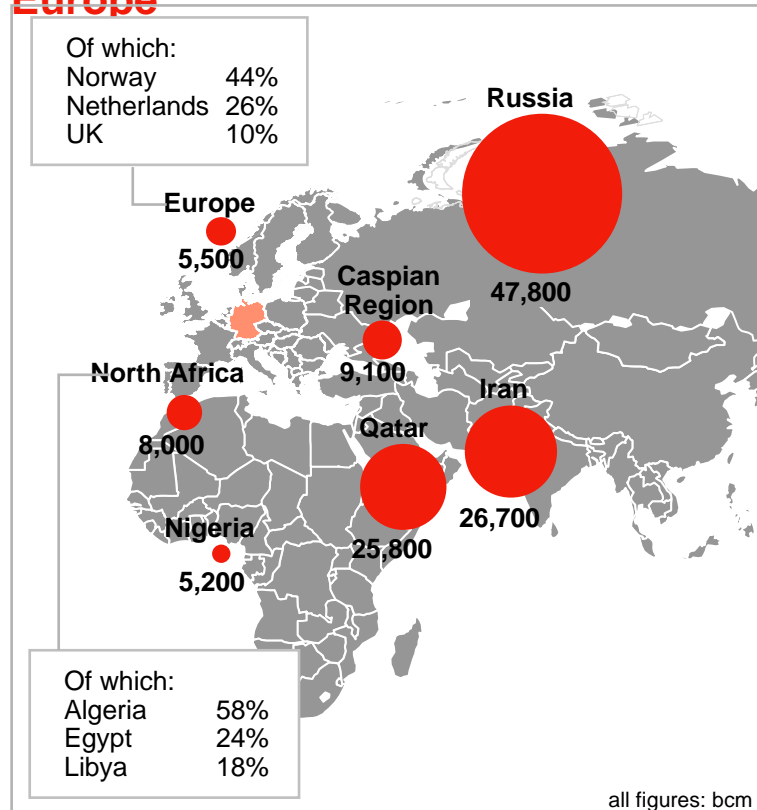
**Nord Stream is one of the largest infrastructure project in the European gas business**



- **Length (offshore):**  
1.220 km
- **Capacity:**  
55 BCM (2 lines with 27,5 BCM each)
- **Completion of the first line:**  
According to plan - in 2011
- **Completion of the second line:**  
According to plan – in 2012
- **Shareholders:**  
OAO Gazprom (51%), Wintershall Holding AG (20%), E.ON Ruhrgas (20%), Gasunie (9%)
- **Estimated investment:**  
~7.5 bn €

# Despite economic upheavals Russia possesses huge potential to keep its role as key supplier for Europe

## Major gas reserves are in reach of Europe



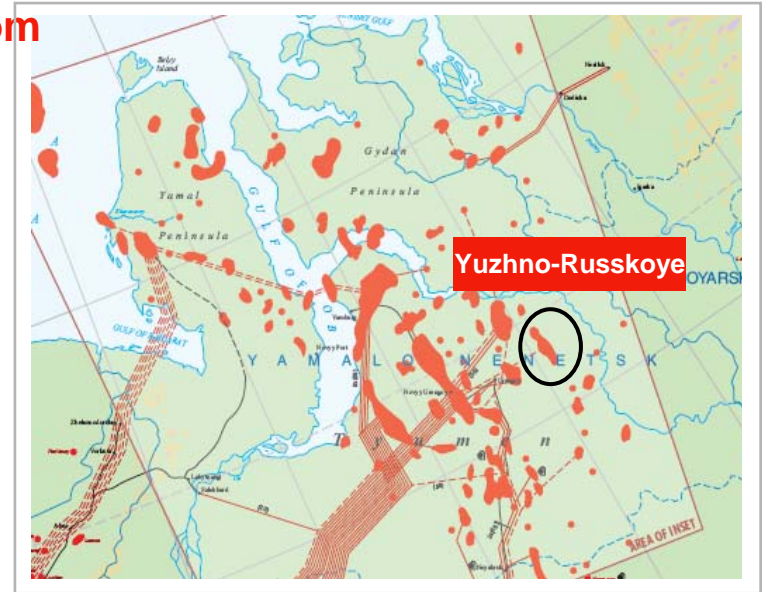
## Projects and necessary investments

- **Russia until 2020**
  - New Russian pipes: ~\$55 bn
  - Upgrade existing pipes: ~\$67 bn
  - Pipes to Europe: ~\$15 bn
- **Shtokman Offshore Field (Russia)**
  - Approx. \$14 bn (first project phase, ~23 bcm/a)
  - 70 – 90 bcm/a possible
- **Nord Stream (Russia)**
  - Approx. \$11 bn (~55 bcm/a)

**Huge investments are necessary but world economic crisis has led to a challenging investment environment with limited financial resources.**

# Yuzhno Russkoye – the biggest single investments in the history of E.ON Ruhrgas

## Yuzhno Russkoye – a new dimension in joint investments of E.ON Ruhrgas and Gazprom



- Joint development of Yuzhno Russkoye via OAO Severneftegazprom (SNGP)
- **Shareholders of SNGP:**  
Gazprom (50% + 6 shares), E.ON and BASF Wintershall (25% - 3 share each)

- **Reserves:** 600 billion m<sup>3</sup>
- **Expected Plateau Production:** 25 bn. m<sup>3</sup>/a
- **Start of production:** 2007
- **Expected lifespan of production:** > 25 years



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