

Thinking Globally

Presented to

**Houston Association of Professional
Landmen**

by

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Disclaimer

- **This presentation does NOT constitute legal advice**
- **Opinions stated in this presentation are NOT the opinion**
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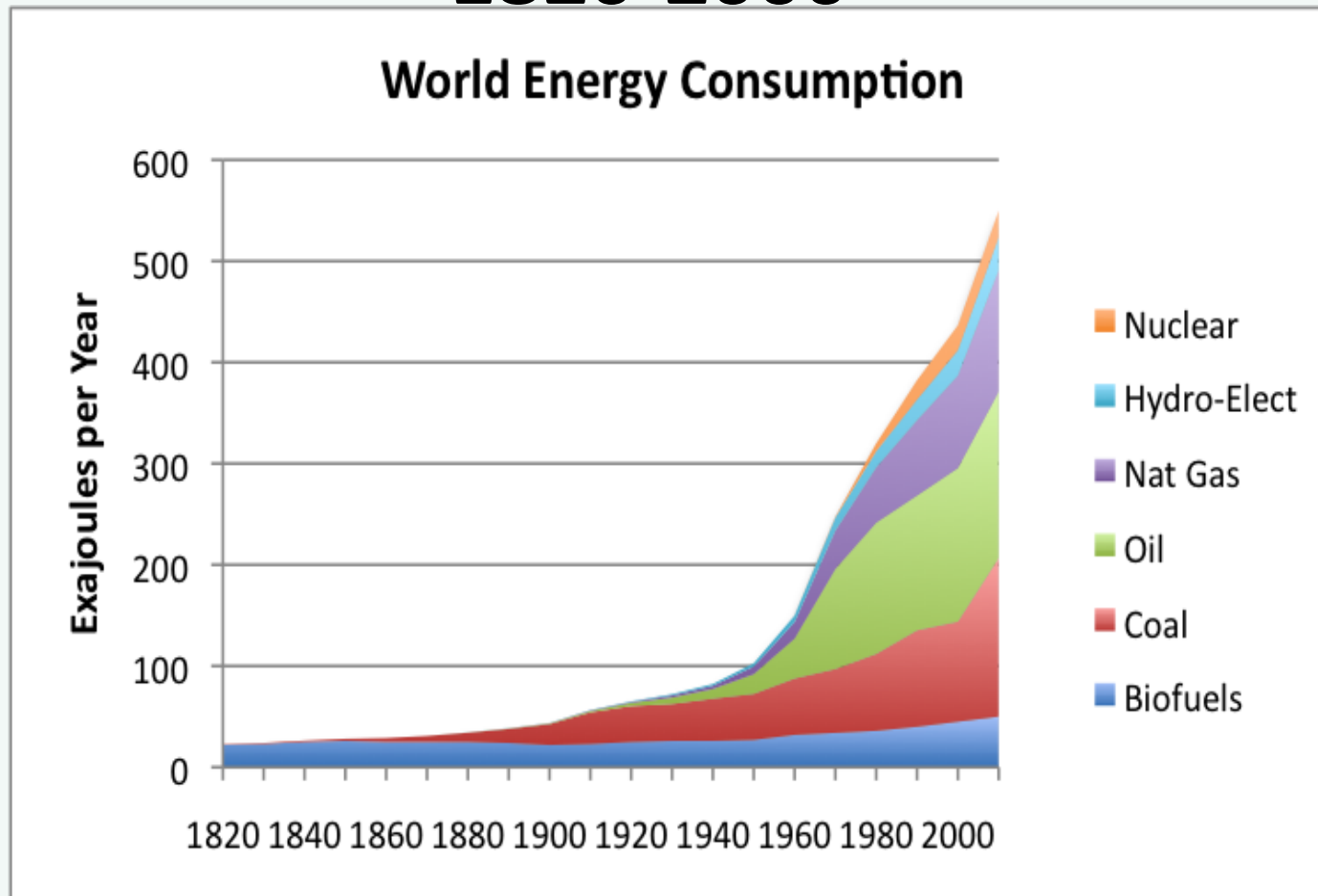
Hachiko – a/k/a @gaslawdog



Goals

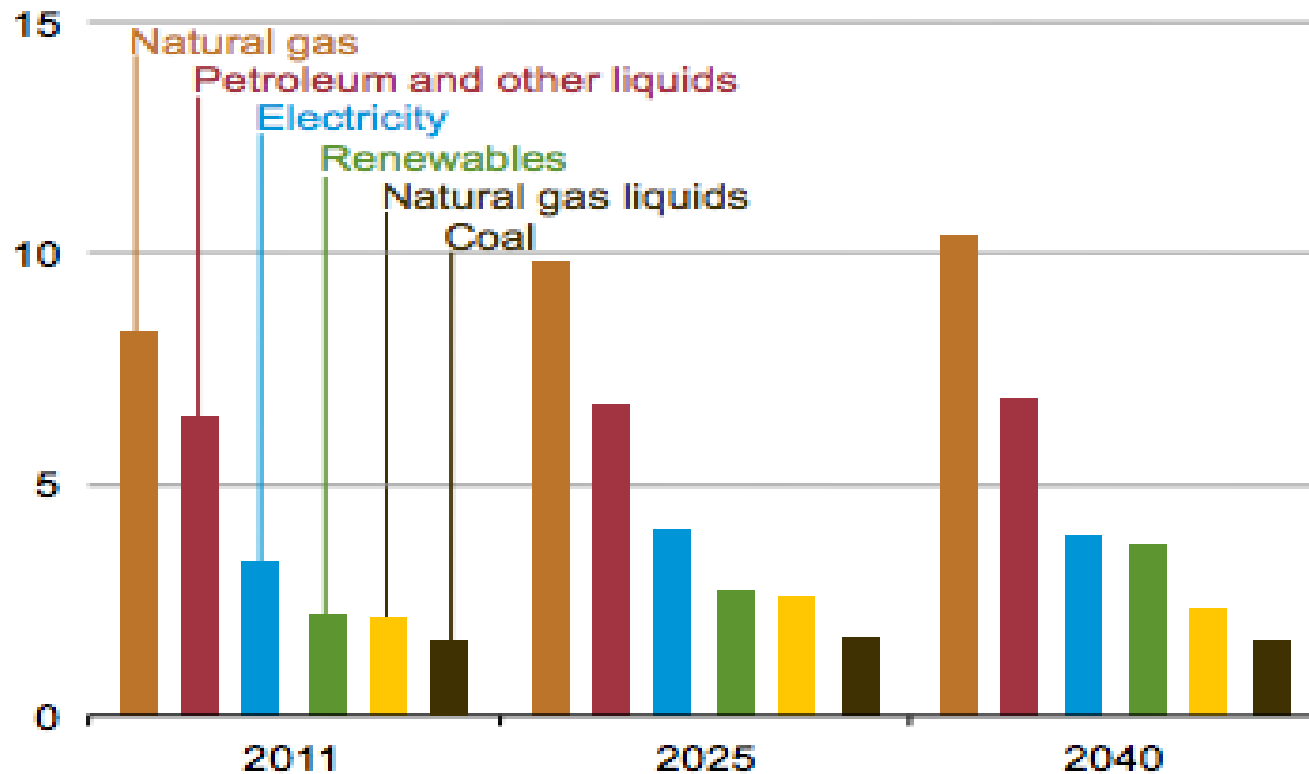
- **Celebrate the good news of growing global demand for ENERGY!**
- **Briefly take a look at shales in global context**
- **Consider why America's Independents are increasingly internationalizing their operations**
- **Consider how landmen can benefit**
- **Consider resources for internationally interested land professionals**

Global Energy Use Growth 1820-2000

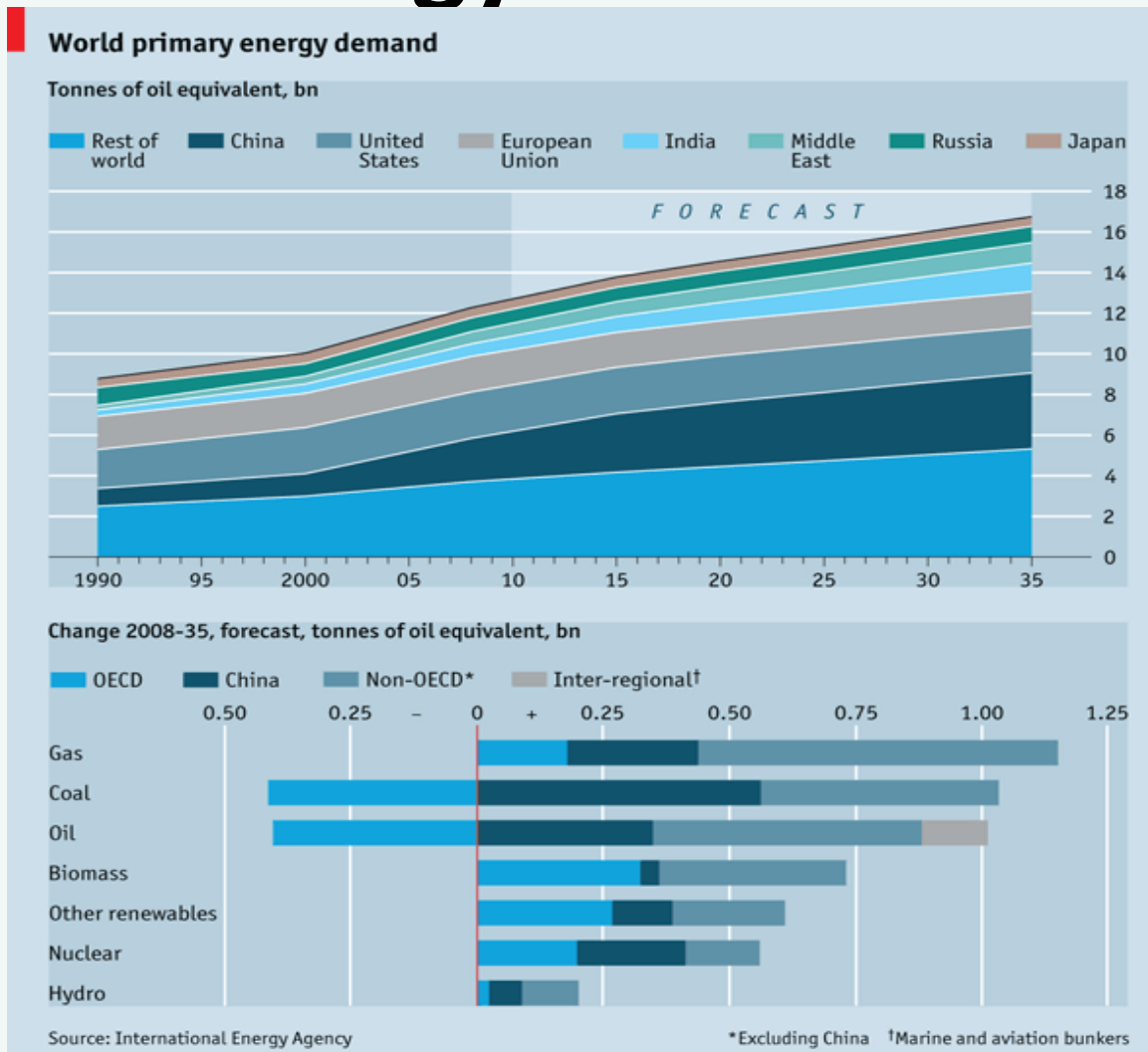


Industrial Energy Consumption by Fuel US EIA

Figure 64. Industrial energy consumption by fuel, 2011, 2025, and 2040 (quadrillion Btu)



World Energy Demand Growth

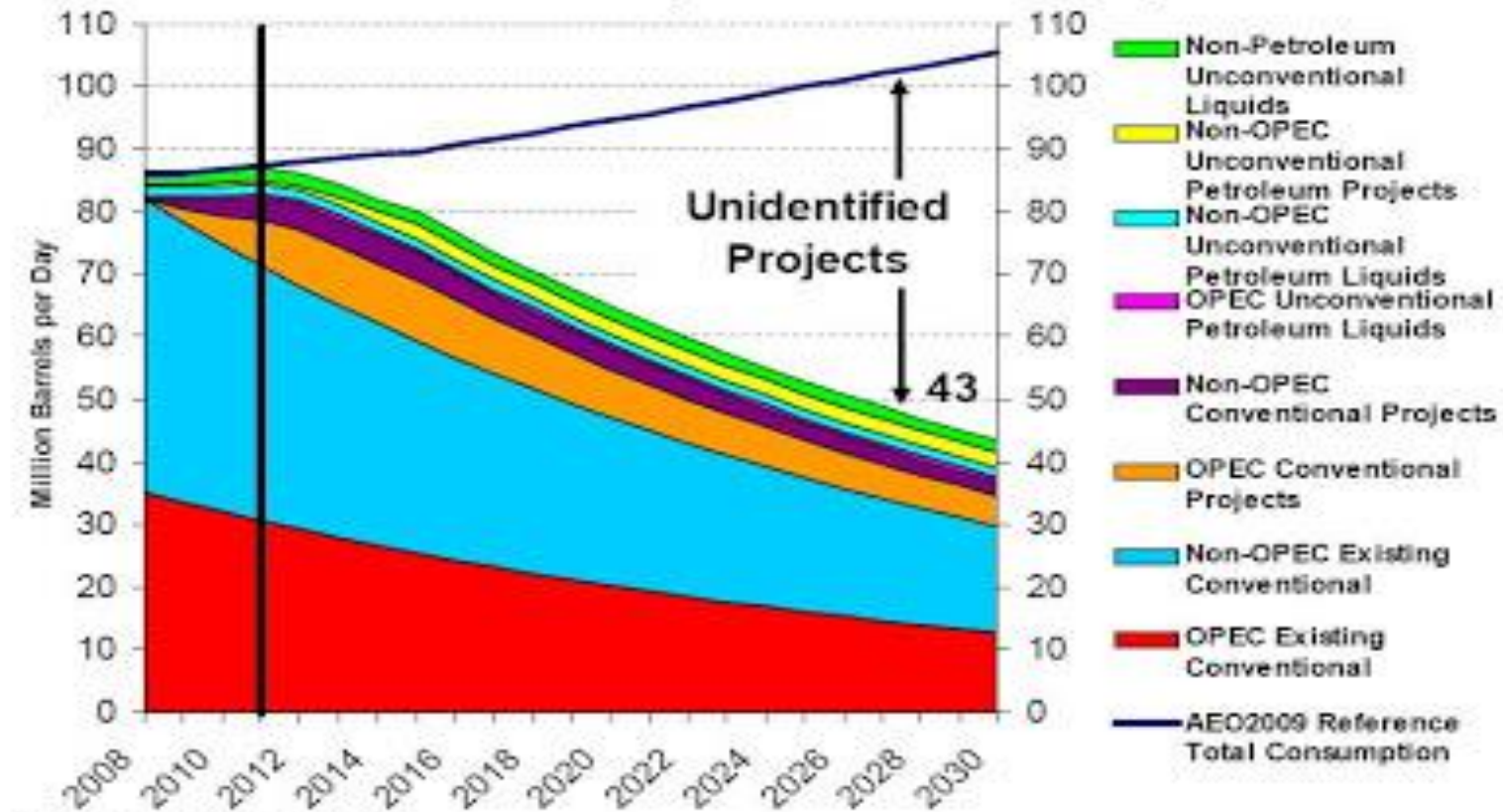


Projected World Energy Demand Growth

- **Per *The Economist*, US EIA predicts**
 - **Worldwide demand for energy will increase by **36%** between 2008 and 2034**
 - **93%** of the increase will be in emerging economies
- **China will increase its energy demand by **75%** over the same period**
- **Carbon fuels will still be the dominant source of energy in 2035**

But—where's it to come from

World's Liquid Fuels Supply

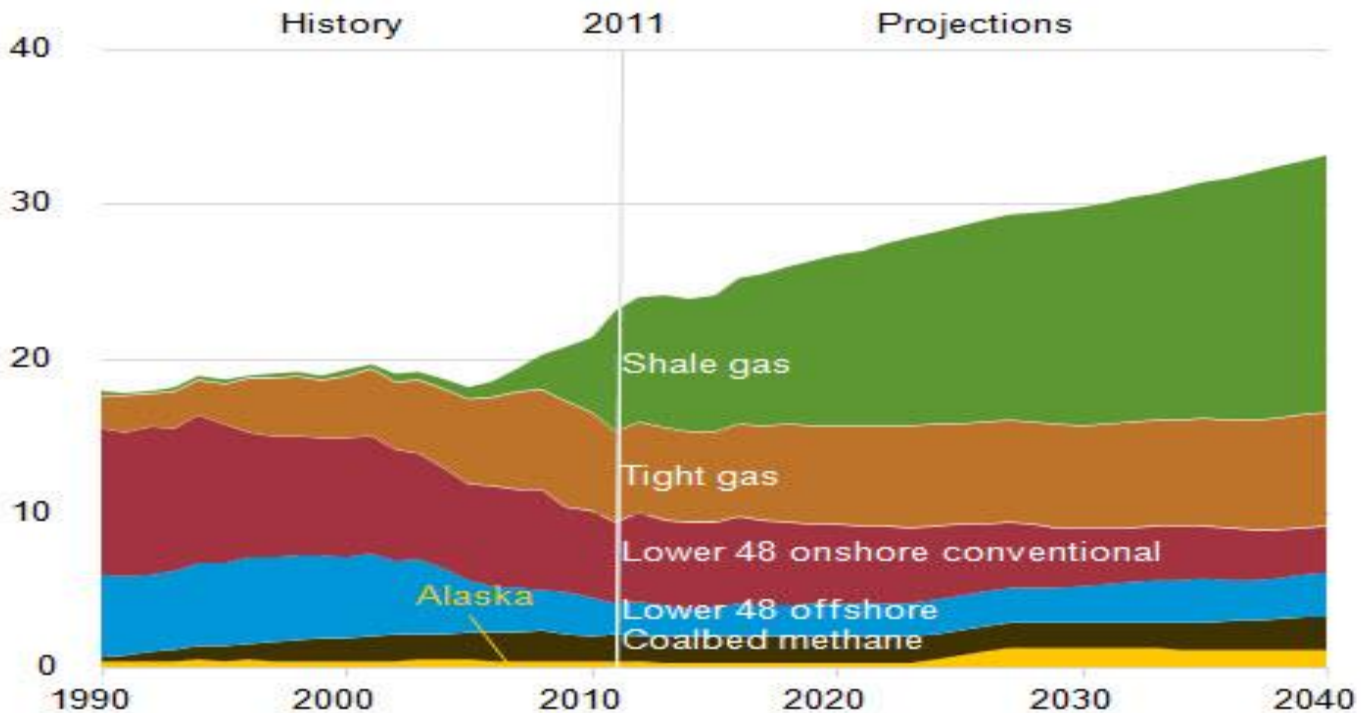


Source: EIA, AEO2009

Natural Gas Production by Source

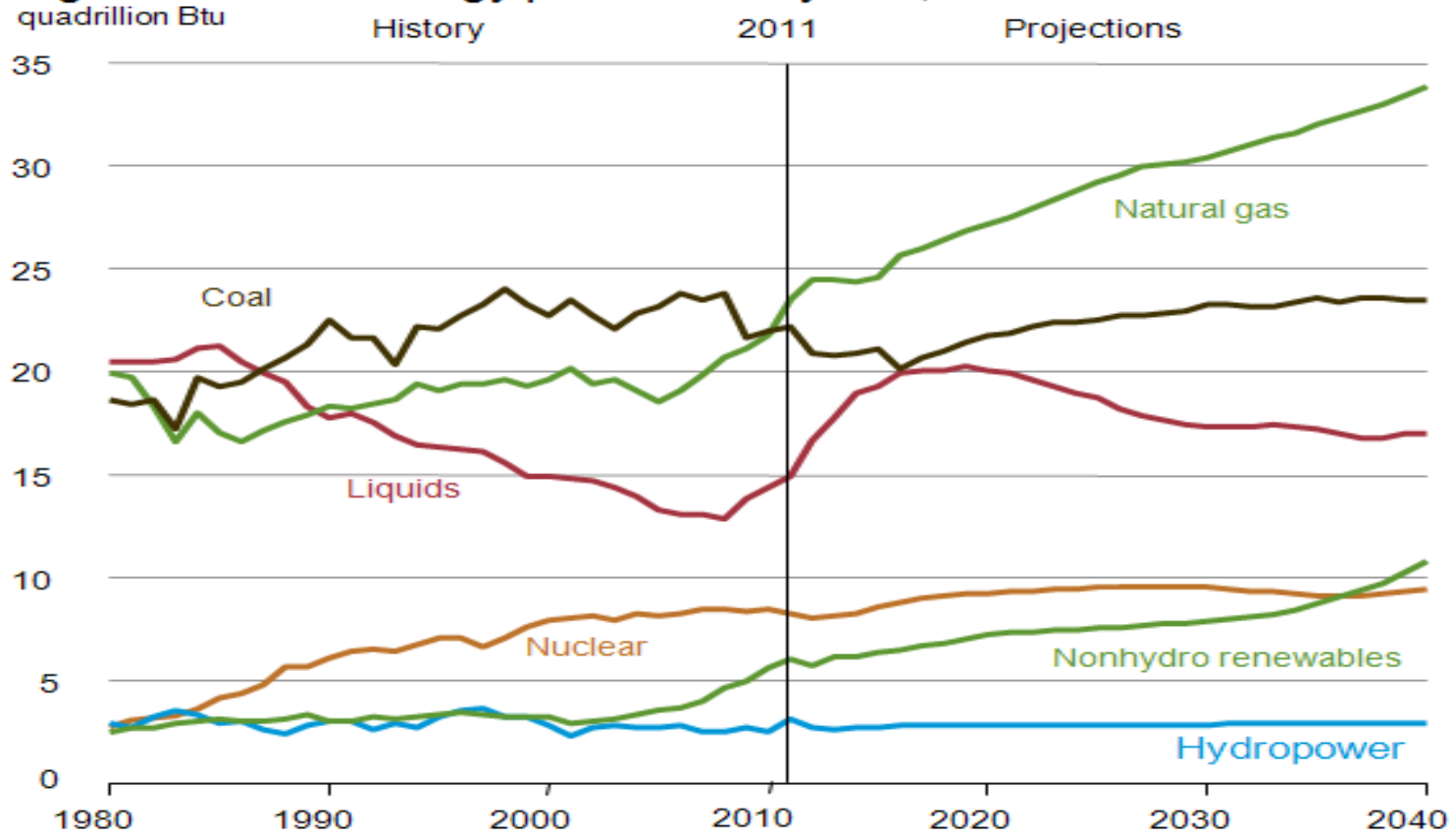
US EIA

Figure 91. Natural gas production by source, 1990-2040 (trillion cubic feet)



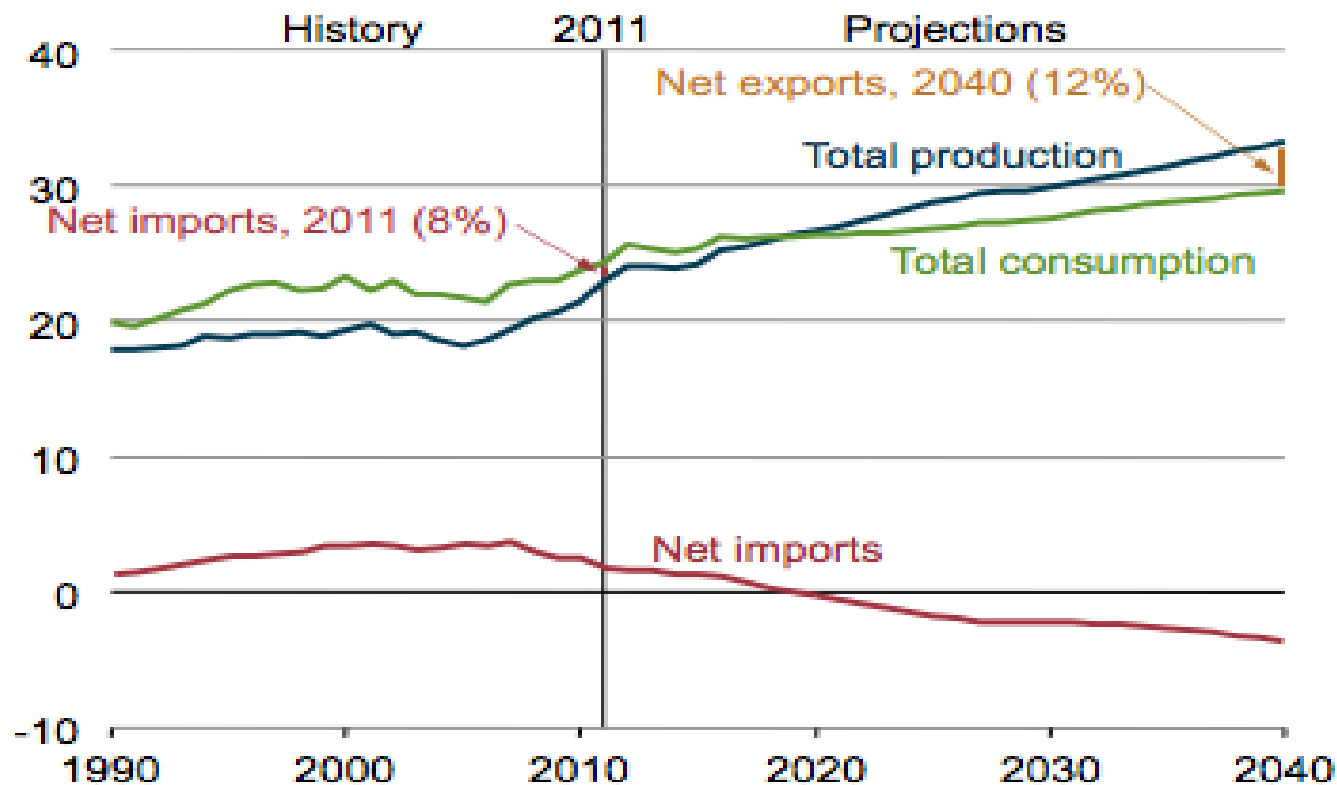
US Energy Production by Fuel

Figure 10. U.S. energy production by fuel, 1980-2040



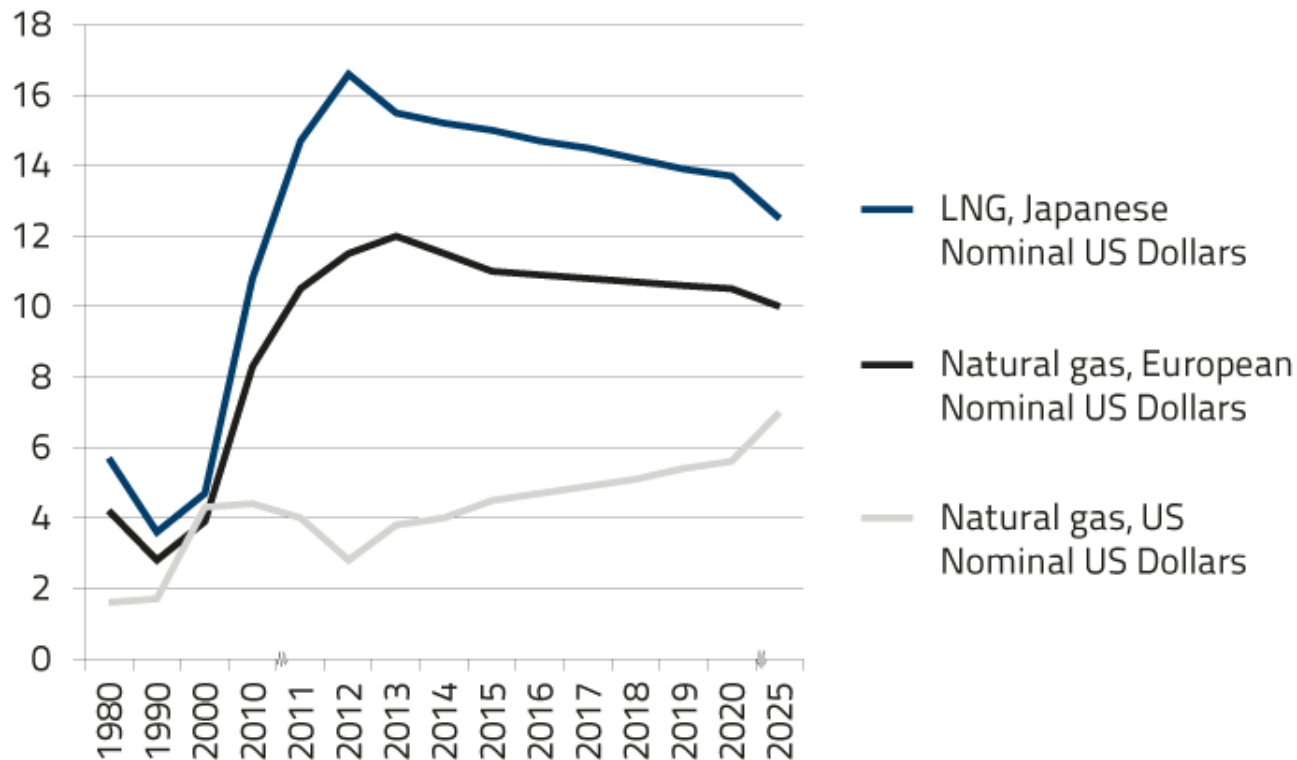
US Natural Gas Imports/Exports

Figure 89. Total U.S. natural gas production, consumption, and net imports, 1990-2040 (trillion cubic feet)

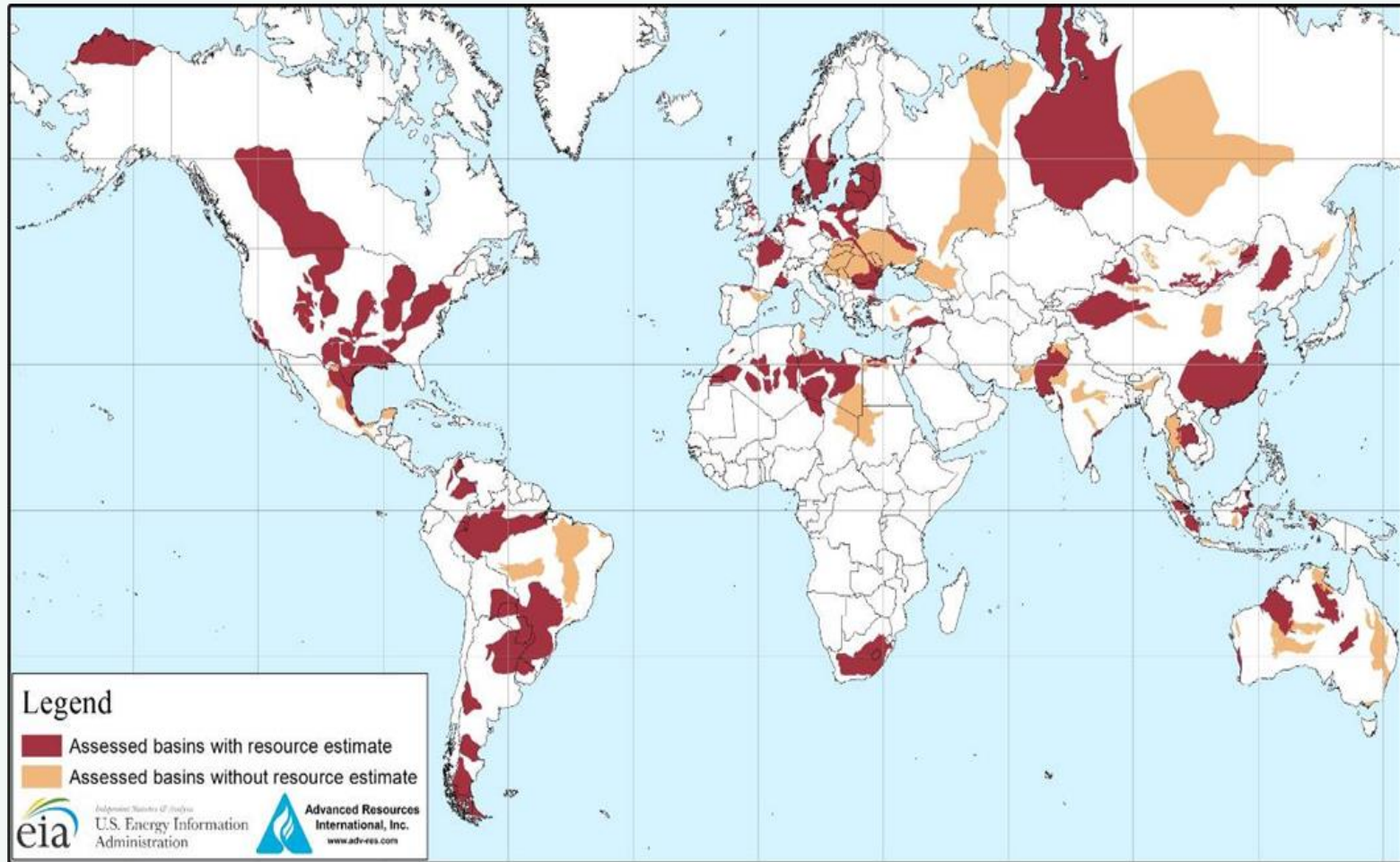


What About Price?

Liquid Natural Gas (LNG) - Prisutveckling



Global Shales



Top Shale Oil Countries

Rank	Country	US EIA Est BB
1	Russia	75
2	U.S.	58
3	China	32
4	Argentina	27
5	Libya	26
6	Australia	18
7	Venezuela	13
8	Mexico	13
9	Pakistan	9
10	Canada	9
Source: US EIA 6/13/2013		

Top Shale Gas Countries

Rank	Country	US EIA Est. TCF Shale Gas
1	China	1,115
2	Argentina	802
3	Algeria	707
4	U.S.	665
5	Canada	573
6	Mexico	545
7	Australia	437
8	South Africa	390
9	Russia	285
10	Brazil	247
Source: US EIA 6/13/2013		

Let's Look At Europe

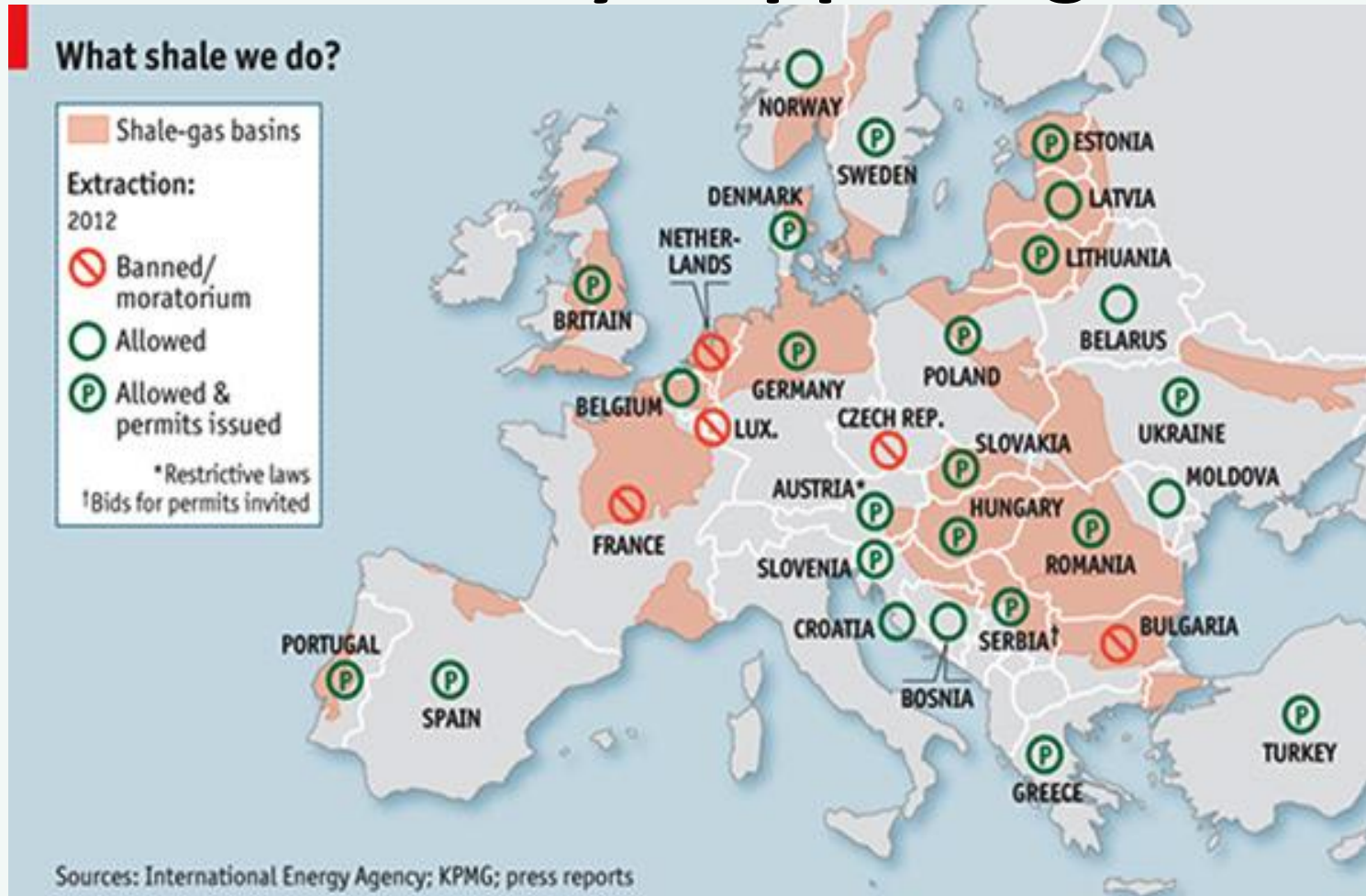
- **Europe depends upon Russia for up to 30% of its natural gas—ever less than 15%**
- **European countries have 15-35 year “unbreakable” supply contracts with Russia**
- **East Europeans have experienced an 80% LNG price to Russia’s Gazprom**
- **Ukraine owes Gazprom > \$2B for past gas**
- **Russia could sell to Japan at a premium over EU pricing**

How To Get Gas/Oil Where Needed Europe



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BUT-What's Really Happening in Europe?

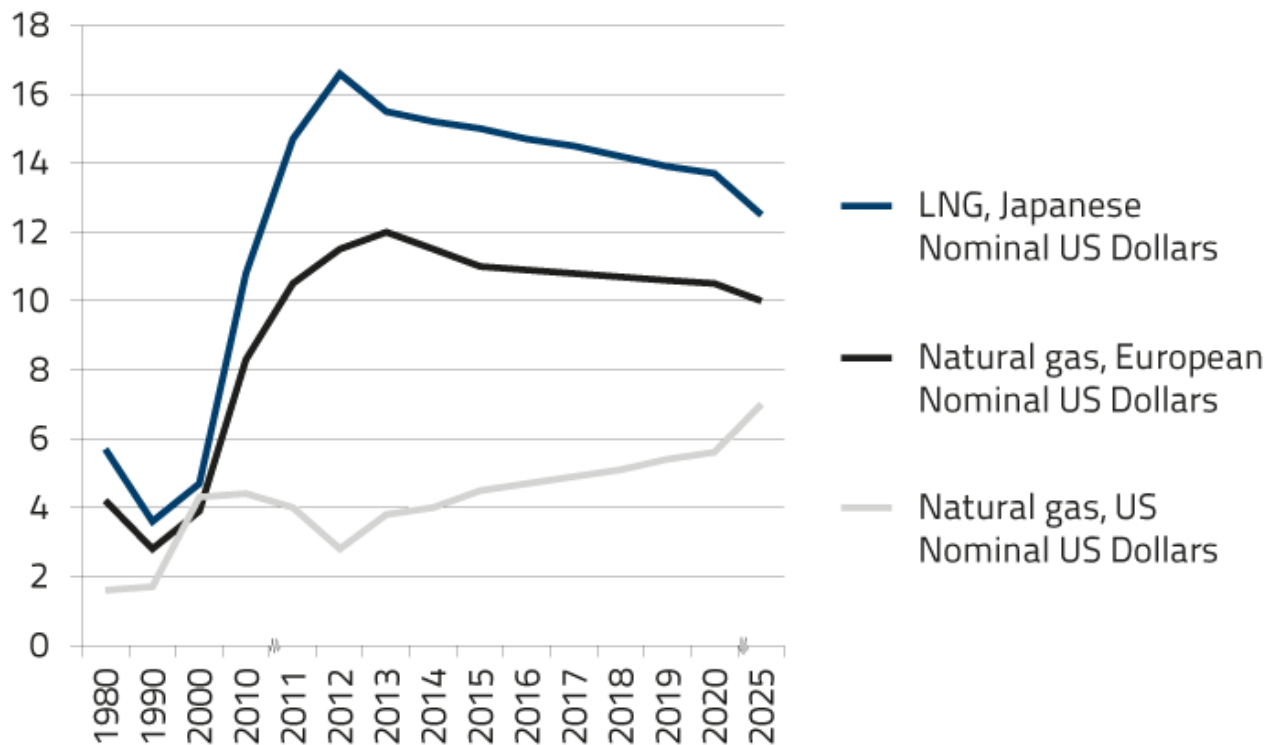


Why Are America's Independents Internationalizing their operations?

- Realize value on intellectual property (a/k/a know how)
- Diversify risk by
 - Product
 - Basin
 - Economy/Market
- **PRICE ! ! ! !**

What About Price?

Liquid Natural Gas (LNG) - Preisentwicklung



What's In This For America's Landmen?

- **Assured, long term work developing America's oil, gas and other resources**
- **Opportunities to internationalize land work**
 - **Negotiating and documenting the deals**
 - **Administering the projects**
 - **Avoiding revolutions thru proper surface owner relationships**
 - **Bring American land expertise to global oil and gas operations**

Where can I get started?

- **RMMLF / IEL Programs**
- **Company resources**
- **Association of International Petroleum Negotiators (AIPN) aipn.org**
 - **Training**
 - **International form sets (JOA's, *etc. etc.*)**
 - **Networking**

PS--What About the Middle East ???



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