

Brussels, March 2, 2015

OPEN LETTER TO THE ENERGY MINISTERS OF THE EUROPEAN UNION

Dear Ministers,

As the Energy Council prepares to discuss the Energy Union package, the International Association of Oil & Gas Producers (IOGP) would like to share some thoughts in order to contribute to the debate. IOGP represents companies that produce half of the world's oil and a third of its natural gas.

Oil and gas will continue to be crucial in providing consumers with secure, readily available and affordable energy. **In 2030, oil and gas will still account for more than 50% of the EU energy mix.** Domestic production is key to improving security of supply and competitiveness – fundamental goals of the Energy Union.

We therefore urge the Energy Council to demonstrate that it values future exploration and production in Europe, at a time when the level of exploration has never been so low. We should strive to make the most of the significant potential for conventional production available in areas such as the Mediterranean, the Black Sea, the North Sea, the Atlantic – not to mention shale gas.

Europe is also surrounded by an abundance of gas resources and should take the full benefit of those by developing new routes and new sources, including the multiple alternatives offered by liquefied natural gas.

Gas will contribute to a more secure supply and can help the EU meet its climate targets. Switching from coal to gas would halve CO₂ emissions in electricity production and air quality would be improved. Gas power plants are needed alongside renewables, because they balance the variability of sun and wind. However, gas power plants across the EU are currently being mothballed. **We encourage the Council to recognize the valuable role that natural gas can play in delivering an effective and cleaner Energy Union.**

IOGP also believes that, to live up to its ambitions, the Energy Union will need a fully-functioning internal energy market. We hope that ministers will encourage the Energy Union to focus on measures that increase gas market competition and liquidity. **We warn against common gas purchasing, but instead encourage you to explore gas release programmes and promote wholesale price liberalization across member states.**

We hope that these points will be a positive contribution to your discussions. **Only a clear acknowledgement of the role that oil and gas will play in the future EU energy mix will encourage companies to invest and contribute to making the Energy Union a success.**

I would be happy to discuss any of these issues personally, and my team and I remain available, should you like any further information. In further support of our comments, please find our detailed position paper on the Energy Union [here](#).

Yours sincerely,



Roland Festor
EU Affairs Director, IOGP