

Ministry to Adjust Strategy Due to Shale Gas Boom

By [The Moscow Times](#)

August 30, 2012



Gas prices have gone into a downward spiral due to a global shale gas boom. **Maxim Stulov**

The Energy Ministry plans to adjust its strategy for the period until 2030 because of the growth in shale gas production in the United States and liquefied natural gas output in the Asia-Pacific region, Energy Minister Alexander Novak said, Interfax reported Thursday.

Recent technological breakthroughs have spurred a global shale gas boom, which has sent prices into a downward spiral and eroded Gazprom's sway in the natural gas industry.

"We're currently thinking of adjusting our energy strategy to take into account the challenges facing the sector in general, and the changes that have taken place in recent years, including those related to the shale revolution, the emergence of new shale gas production technologies and shale oil," Novak said.

Current natural gas transportation and sales arrangements are different from those forecast

a few years ago, he said. Companies that previously planned to supply LNG to the United States are now abandoning it for the European market, where more LNG is being received from the Middle East, Novak added.

Meanwhile, Australia has said it plans to quadruple LNG production, he said.

"We now need to look more closely at the current global trends," he said.

Under the energy strategy approved in 2009, oil production is expected to reach 530 million to 535 million tons by 2030, while natural gas output is projected to rise to 880 billion to 940 billion cubic meters, and electricity production is expected to increase to 1.8 trillion to 2.2 trillion kilowatt-hours.

By that time, Russia is projected to export 329 million tons of oil and petroleum products and 349 bcm to 368 bcm of gas.

The Economic Development Ministry's updated forecast for 2012 suggests Russia will produce 676 bcm of gas and 514 million tons of oil this year.

Original url:

<https://www.themoscowtimes.com/2012/08/30/ministry-to-adjust-strategy-due-to-shale-gas-boom-a17412>