

# U.S. Set to Challenge Russia on European Gas Market

By [The Moscow Times](#)

February 23, 2014



A tanker floating next to Sakhalin-2, a liquefied natural gas plant on a Far Eastern Russian island in the Pacific. **Denis Grishkin**

U.S. liquefied natural gas by the end of the decade is likely to challenge Russian gas for market share in Europe as the region becomes increasingly dependent on imports, ConocoPhillips' head of LNG trading said.

A surge in production worldwide, driven by new projects in the U.S., Australia, East Africa, Russia and Canada, could double LNG output to 600 million tons annually from 2018 and provide ample new supply to global markets, industry estimates suggest.

Kicking off the export growth, after years of stagnating supply, will be Exxon Mobil's Papua New Guinea LNG plant in the third quarter of this year, followed by BG Group's Queensland Curtis project in Australia by year-end.

Most new Australian and East Africa supplies are expected to reach Asia to fill demand, while significant output from the U.S. and elsewhere is expected to arrive at European terminals.

"We believe that the European gas market will be a balancing market for global gas," Birger Balteskard, global LNG marketing manager at ConocoPhillips, told the International Petroleum Week industry conference.

Balteskard said Europe's dependence on gas imports will grow as its domestic fields age and that America's proposed LNG export terminals will help meet that need.

"There is a potential large gap between demand and supply into Europe. We think by 2025 that will be as much as 25 [billion cubic feet] a day, which is significant," Balteskard said.

The U.S., meanwhile, is producing record amounts of gas from shale, and more than a dozen export projects have been proposed, some of which could target Europe from 2015 onwards.

Europe's biggest supplier Russia charges high prices for supplies, offering U.S. LNG shippers a chance to grab market share through cut-rate deals.

In Europe, a case could be made that "there will be competition between Russian pipe gas and LNG from the U.S. and potentially East Africa", Balteskard said.

Original url:

<https://www.themoscowtimes.com/2014/02/23/us-set-to-challenge-russia-on-european-gas-market-a32378>