



PRESS RELEASE

PUBLICATION OF THE 2019 GLOBAL GAS REPORT

The essential role of gas in the global energy transition is confirmed, with an annual growth rate of around 2% until 2040.

The global gas market recorded significant growth of 5% in 2018.

Snam, the International Gas Union (IGU) and the Boston Consulting Group (BCG) have released the 2019 Global Gas Report, the latest edition of the annual report that examines key global gas market trends, analyses developments and assesses progress towards the leading role that gas is expected to play in the energy transition.

This year, Teréga and other European gas infrastructure operators, such as DESFA (Greece), Interconnector UK (United Kingdom) and TAG (Austria), contributed to the special section dedicated to the future of gas in Europe.

With the rise of LNG, natural gas prices in regional marketplaces have declined steadily and gas has become more affordable for more consumers. This led to a 5% increase in global demand in 2018 (mainly due to consumption in China and the United States) and a 4% increase in international gas trade operations. This increase was notably at the expense of coal.

For its third edition, the report reaffirms this positive scenario for natural gas worldwide. Over the past five years, the market has grown on average by 2% per year, and it is expected to maintain this growth rate until 2040, enabling gas to reach 25% of the global energy mix by that time. This is explained by the lower environmental impact of gas compared to other fossil fuels, but also by an increase in supply sources and increasingly competitive prices.

The growth of global gas demand is thus determined by the competitiveness of gas prices, in addition to the benefits it provides for the transition to a low-carbon world. Gas is an abundant energy, which has the specificity of supplying energy systems all over the world in a context of rapid change, while still being able to support economic growth and help immediately reduce greenhouse gas emissions and improve air quality.

"In a context of radical change in the energy sector, this report has the merit of providing a factual overview of the world of gas, which highlights its key role in the global energy transition for the years to come". **Dominique Mockly - Chief Executive Officer of Teréga.**

The report emphasises that natural gas can contribute to the establishment of a cleaner global energy system. However, it faces its own challenges, such as the need for sustained

investment to expand access to low-cost global gas reserves, as well as transportation, storage and distribution, particularly in emerging economies whose consumption will increase. The cost, availability and improvement of the carbon footprint of gas will also be crucial to the future of this resource. Efforts to reduce methane emissions and the provision of the corresponding data are therefore essential. Finally, governments have a vested interest in setting up aid policies to encourage innovation, in order to support the development of technologies that enable gas to reduce its overall carbon footprint (renewable gas, hydrogen, CO2 capture, storage and use [CCUS]). These types of technology can provide effective ways to drastically reduce greenhouse gas emissions from the energy system in the long term.

The section entitled The Future of Gas in Europe explores the way in which the role of gas is likely to evolve in all sectors, while low-carbon technologies will affect the European energy system in the near future. This analysis confirms the importance of gas infrastructures in Europe, to improve market integration and support the deployment of renewable energies and the development of low-carbon technologies. This section also contains some case studies on the reliability and safety of the gas system in Europe, as well as on the development of renewable gases, in particular biomethane in France.

The report as a whole proves that it is entirely possible to achieve continuous and rapid growth for gas in a scenario of a sustainable global energy future. To achieve this objective, a lot of work will be required, as well as strong commitment and close collaboration between partners and stakeholders.

About Teréga

Established in South-West France, at the crossroads between major European gas flows, Teréga has shared exceptional know-how for over 70 years in the development of gas transport and storage infrastructure. Today, it continues to develop innovative solutions to overcome the major energy challenges facing France and Europe. A true accelerator of the energy transition, Teréga operates over 5,000 km of pipelines and 2 underground storage reservoirs representing 15.6% of the French gas transport network and 24.5% of national storage capacities. In 2018, the company generated revenues of €476 million and had more than 600 employees.

Teréga Media relations:

Céline DALLEST
celine.dallest@terega.fr
05 59 13 35 97 / 06 38 89 11 07

Agence AUVRAY & ASSOCIES:

Candide HEIZ
c.heiz@auvray-associes.com
01 58 22 21 13

Astrid AMEGNRAN

a.amegnran@auvray-associes.com

01 58 22 25 99