

# **World Energy Markets**

## **The Natural Gas Revolution**

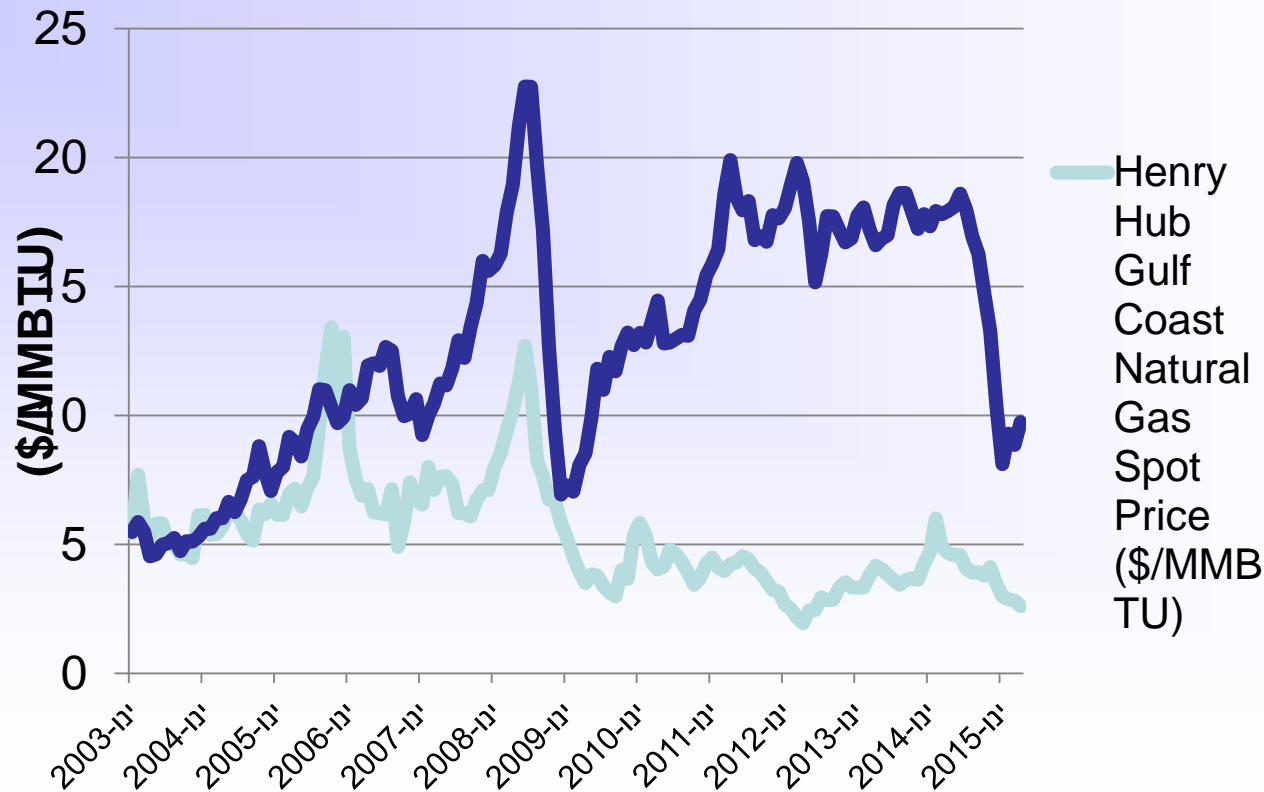
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# **The World is flooded with NG**

- **New Oil is expensive**
- **Most new discoveries are of Natural Gas**
- **Fracking produces more energy in the form of natural gas (and NGLs) than in the form of refinable oil.**

# The gap between oil and NG prices

**U.S. oil and NG prices, 2003-2015**



Source: U.S. Energy  
Information Administration

# **The near future**

- **More natural gas – less oil**
- **More natural gas liquids**
- **Price pressure on NG is growing**
- **Russia – strategic shift to export NG to the east**
- **The rest of the world will learn how to frack within a decade**

# **The NG Revolution**

## **Who will win the economic war**

- **Electricity is already moving to NG when it is as cheap as coal**
- **Industry is moving to NG (from diesel)**
- **Heating is moving to NG**
- **Industry is moving back to the US because of cheap NG – it is not taxed!**
- **Cheap NG is a competitive advantage**

# **Transportation**

## **The greatest Opportunity**

- **A trillion dollar opportunity – using NG products (CNG, LNG, Ethanol, Methanol) in transportation – replacing oil**
- **Countries that will replace gasoline and diesel with cheap NG products will be the winners**