



RUSI FUTURE MARITIME OPERATIONS CONFERENCE 2011

The Economic
Importance of
Seaborne Energy Trade
to the UK

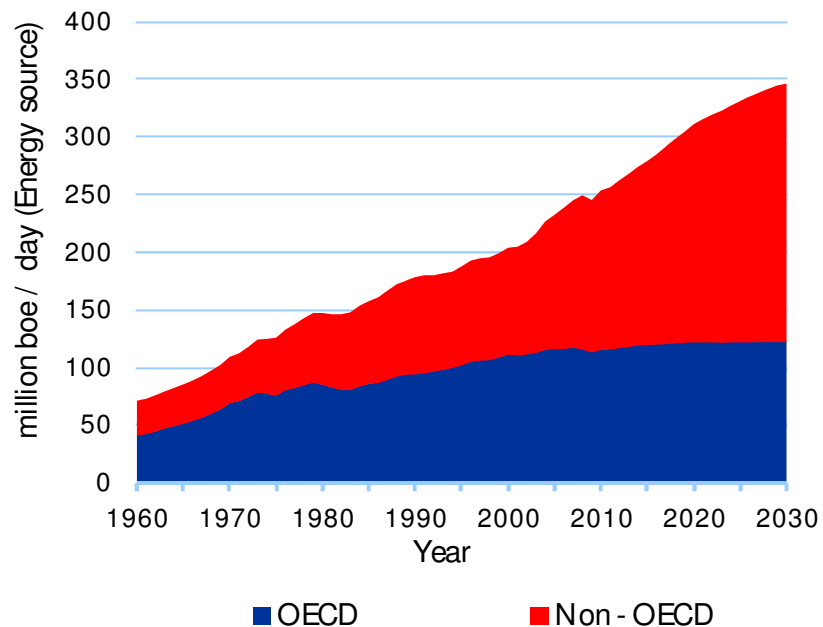


6 July 2011

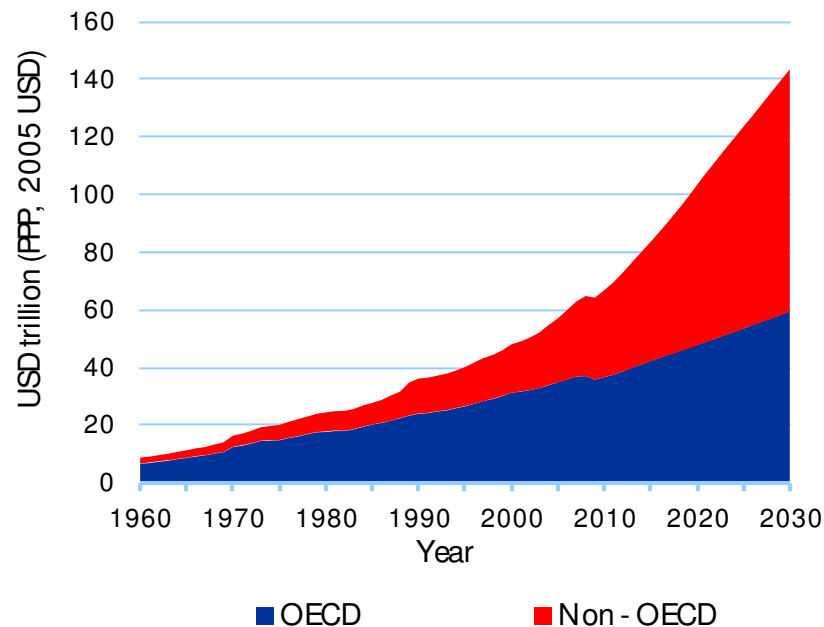
Dr Sophie Fallou, Head of Strategy, Shell Shipping
Shell International Trading and Shipping Company Ltd.

GLOBAL ENERGY CHALLENGE – DEMAND CONTINUES TO RISE

World - Total Primary Energy

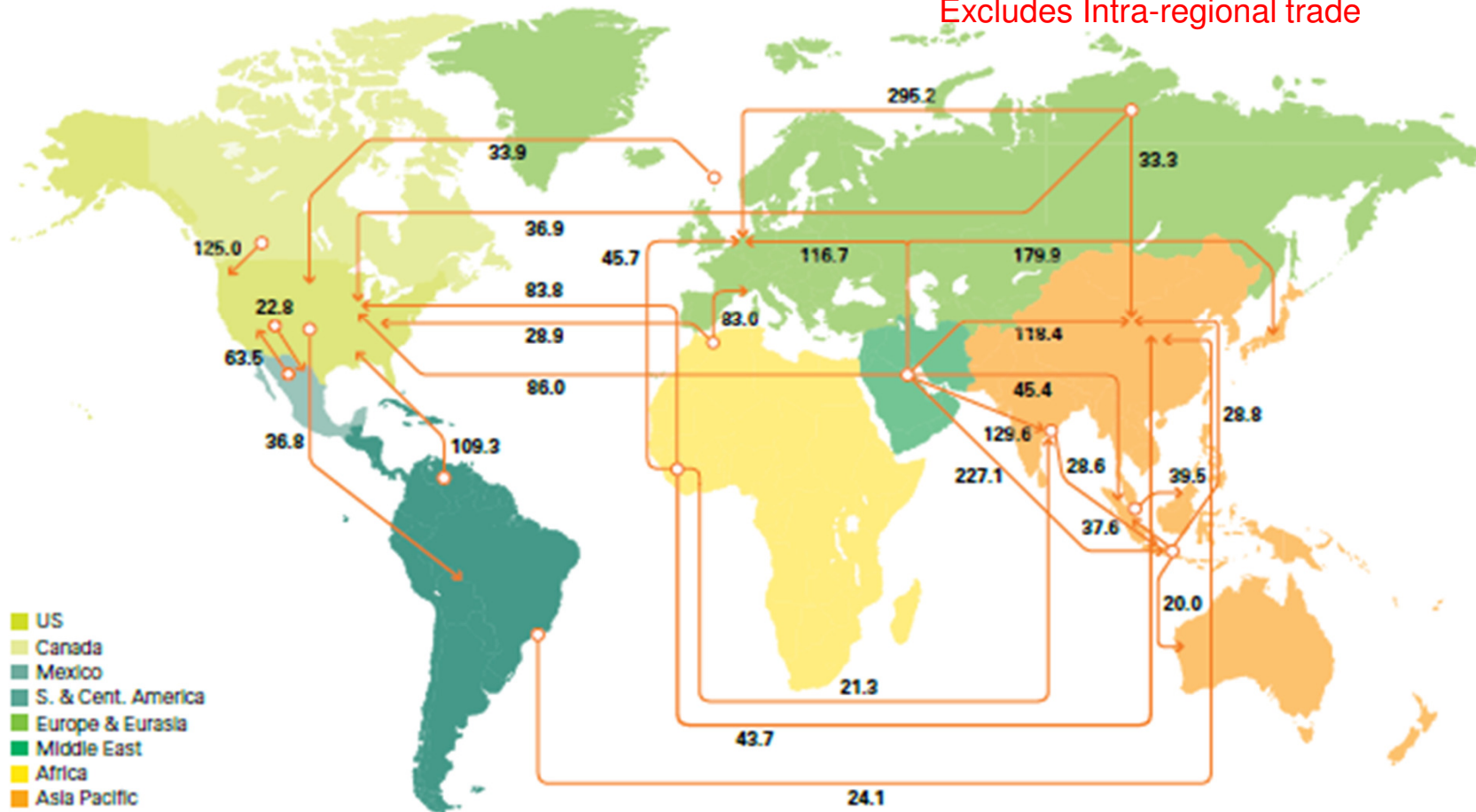


World - GDP



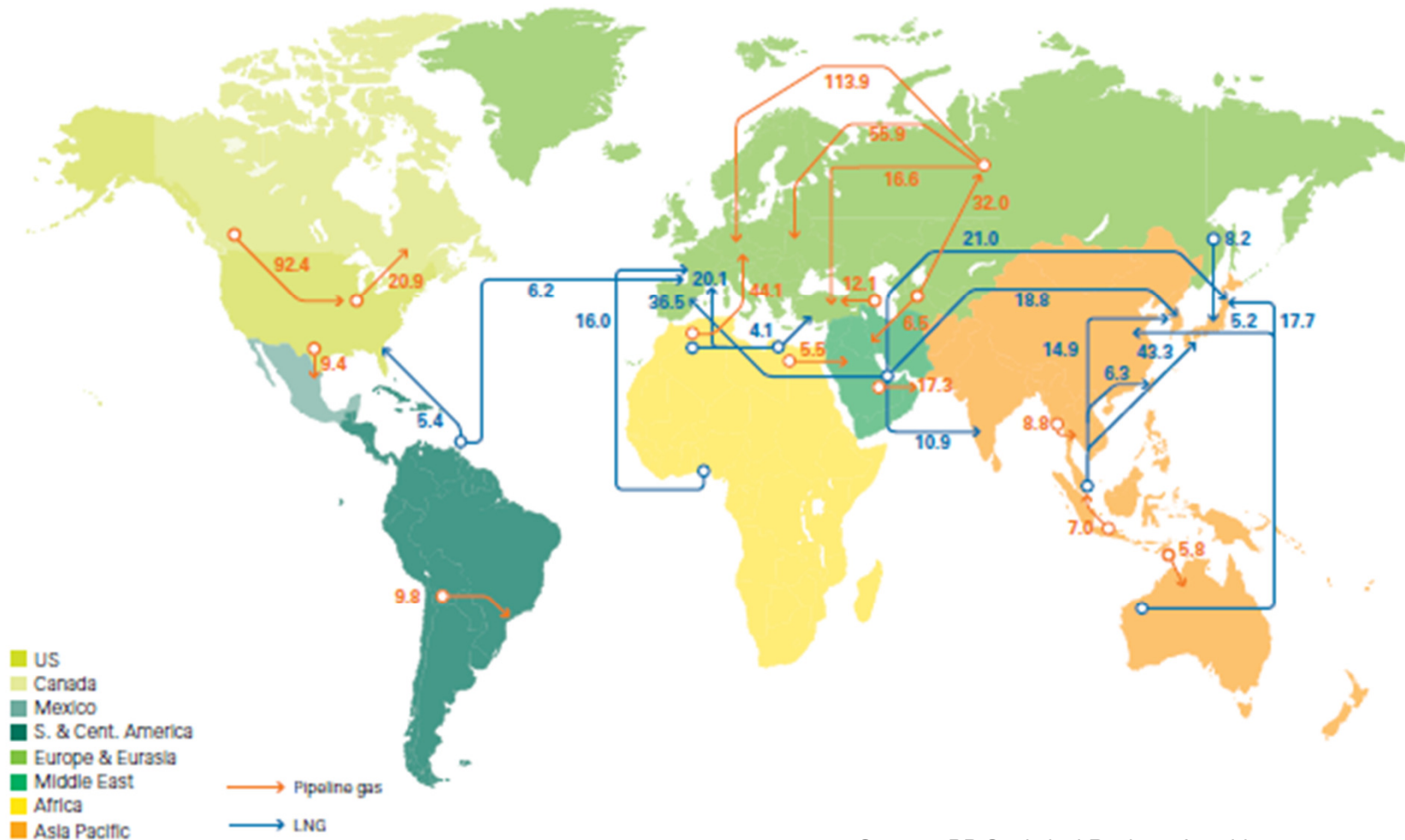
OIL TRADE MOVEMENTS 2010 (MILLION TONNES)

Excludes Intra-regional trade



Source: BP Statistical Review of world energy 2011

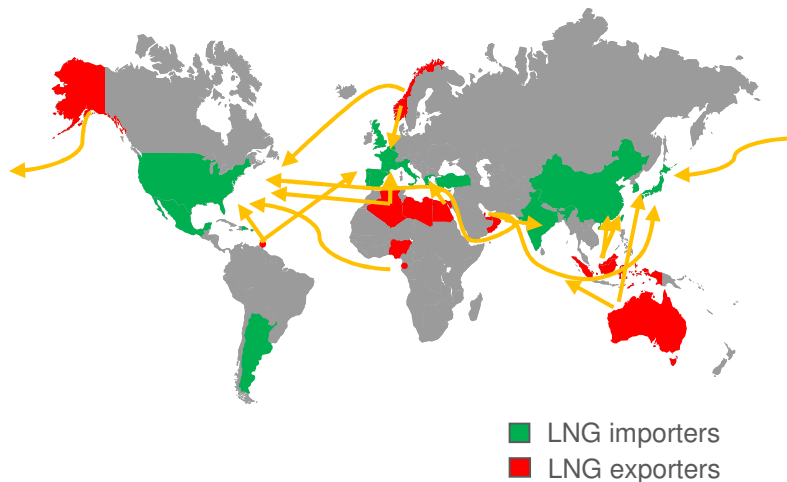
LNG TRADE MOVEMENTS 2010 (MILLION TONNES)



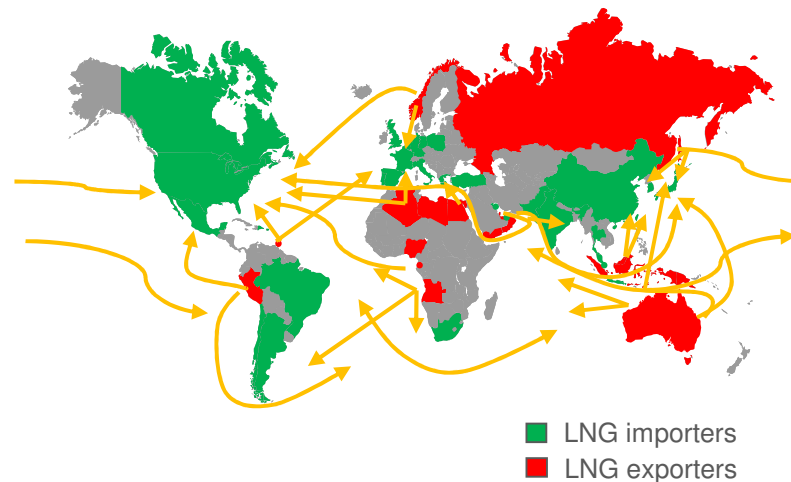
Source: BP Statistical Review of world energy 2011

GLOBAL LNG MARKET DEVELOPMENTS – WATERBORNE FLOWS ARE INCREASING

2008

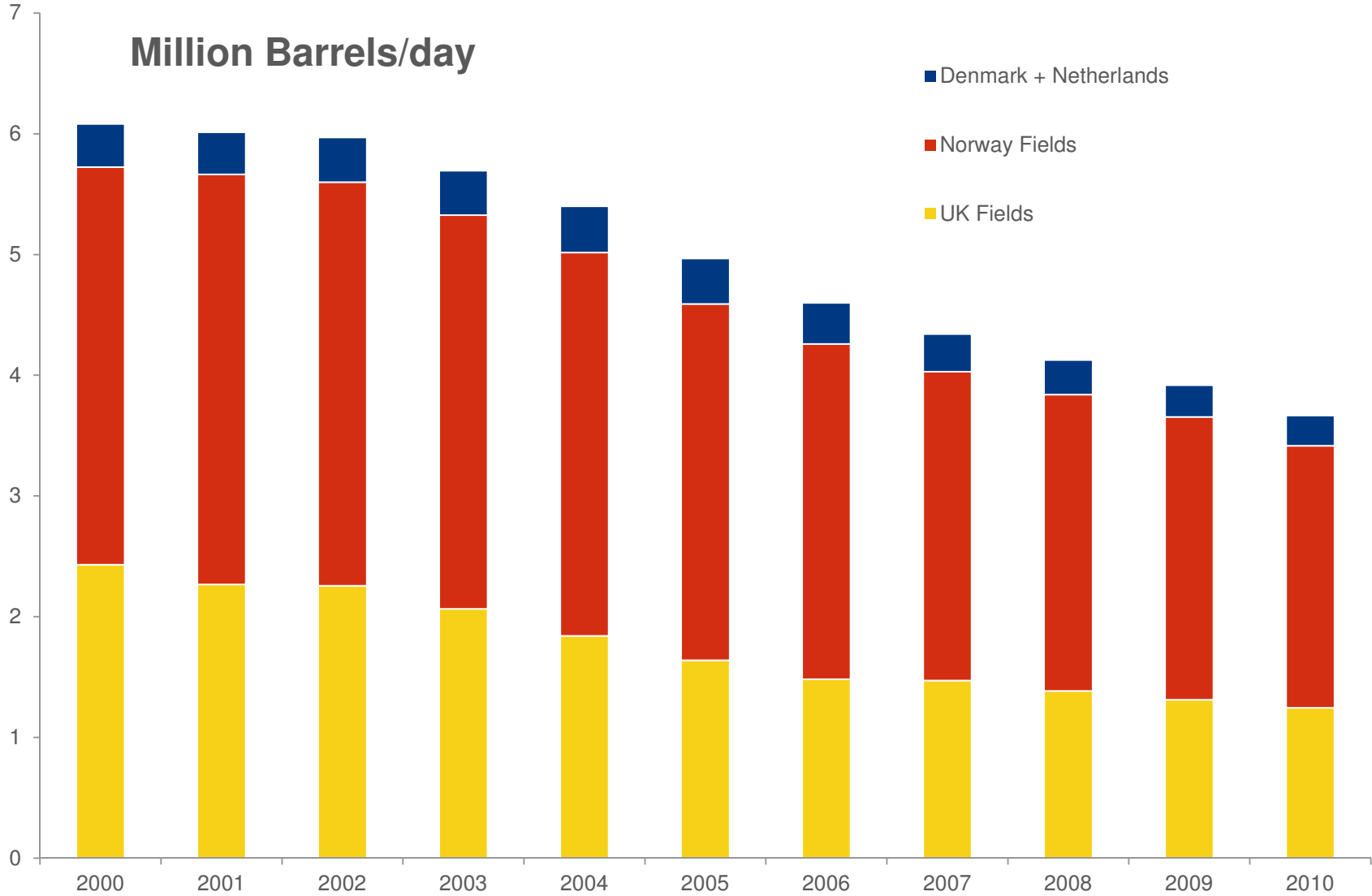


2015

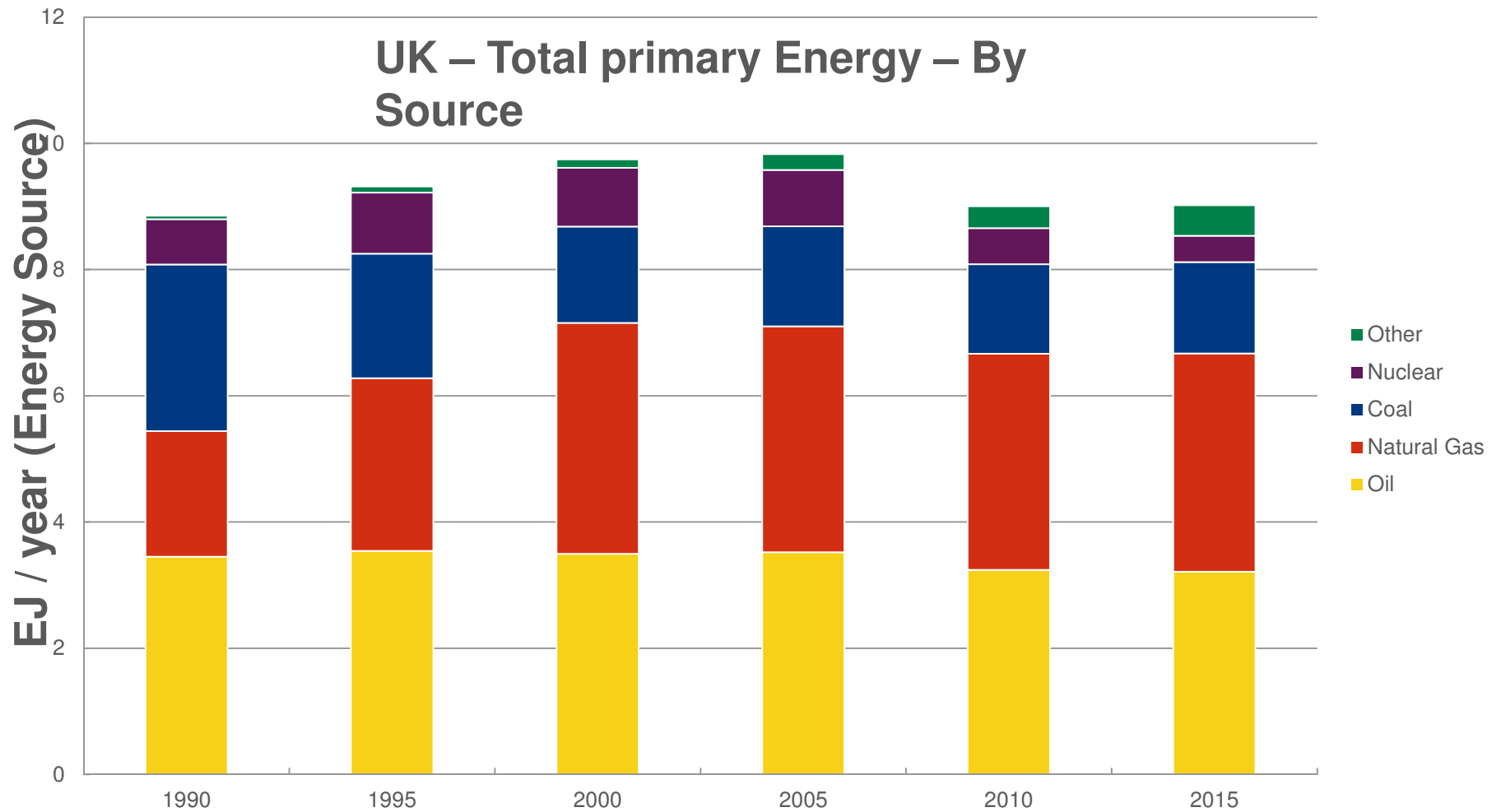


Countries	2008	2015 est.	% increase
LNG importers	19	~30-35	75%
LNG exporters	15	~20	25%

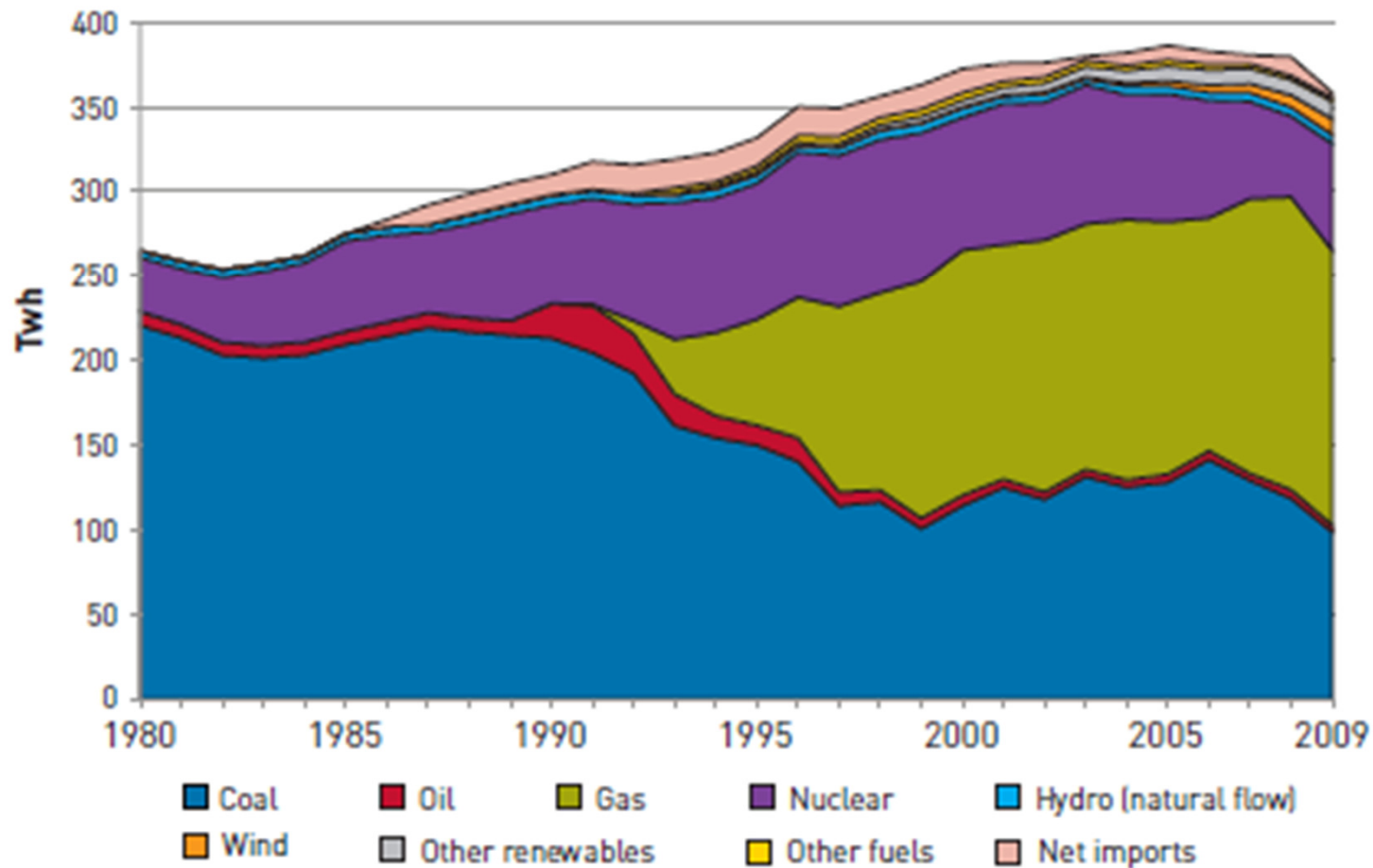
NORTH SEA CRUDE PRODUCTION IS DECLINING



UK PRIMARY ENERGY CONSUMPTION BY SOURCE – CONTINUED RELIANCE ON OIL & GAS

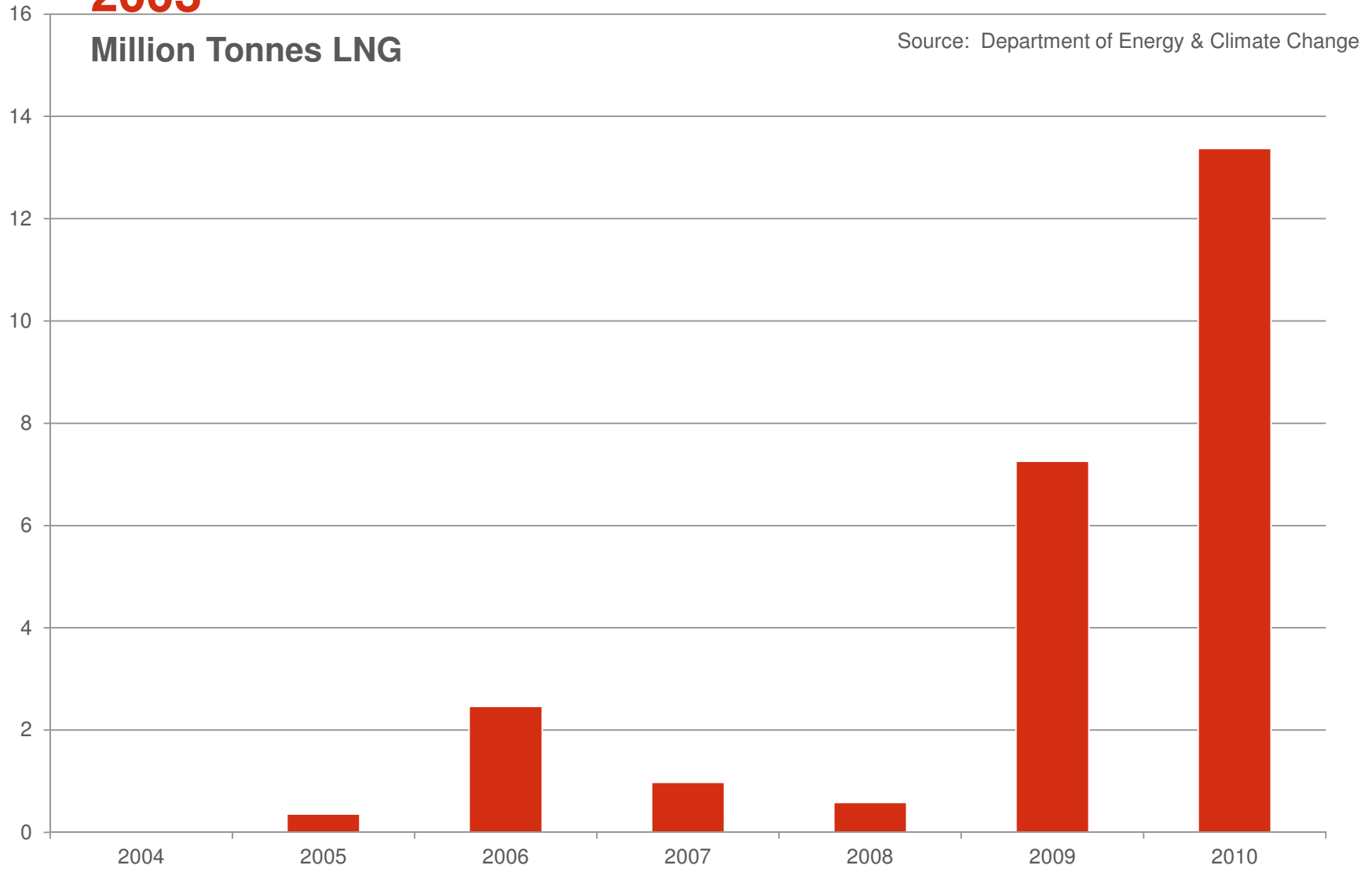


UK ELECTRICITY SUPPLIED BY FUEL TYPE: RISING GAS DEPENDENCY

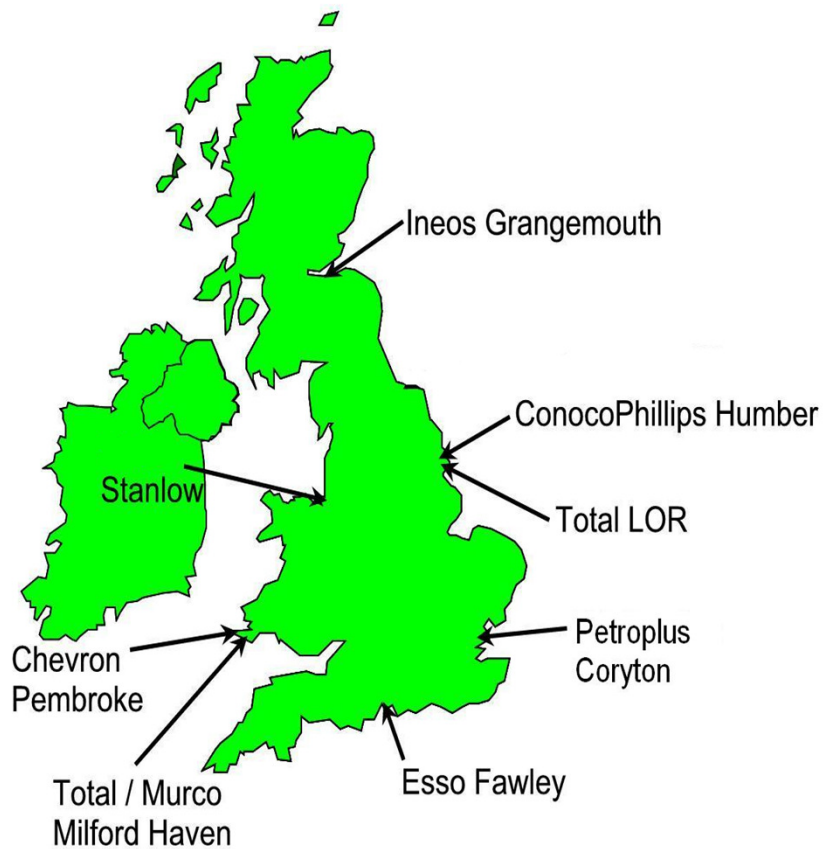


Source: Department of Energy & Climate Change

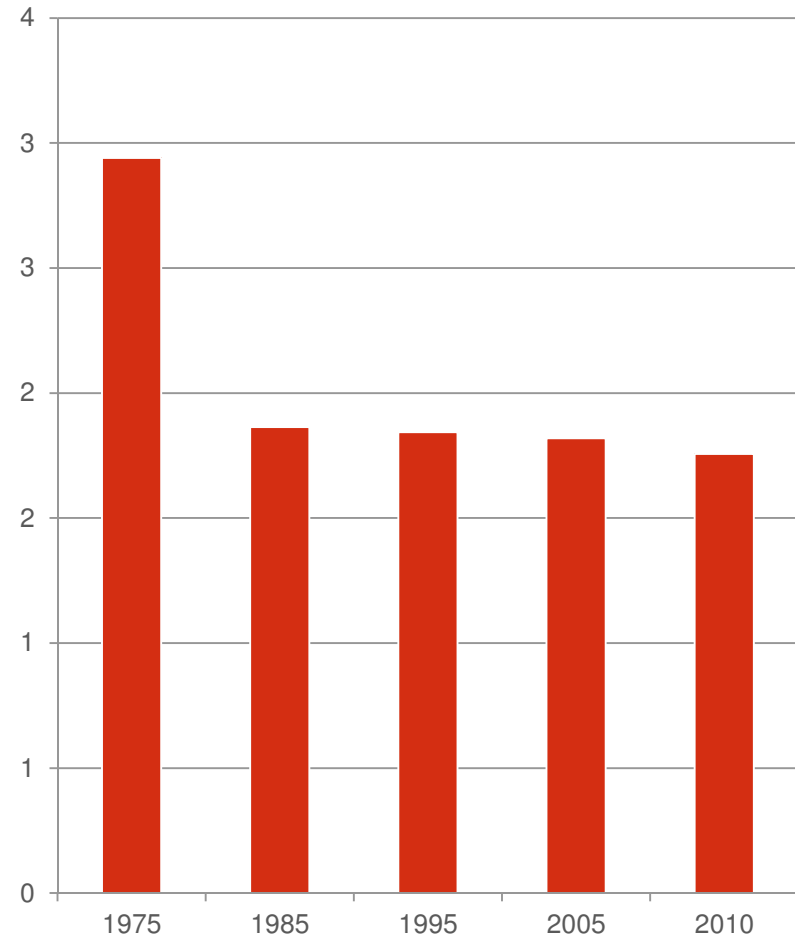
UK LNG IMPORTS RISING - NET IMPORTER SINCE 2003



REFINERIES IN THE UK – 18 IN 1970, 8 TODAY

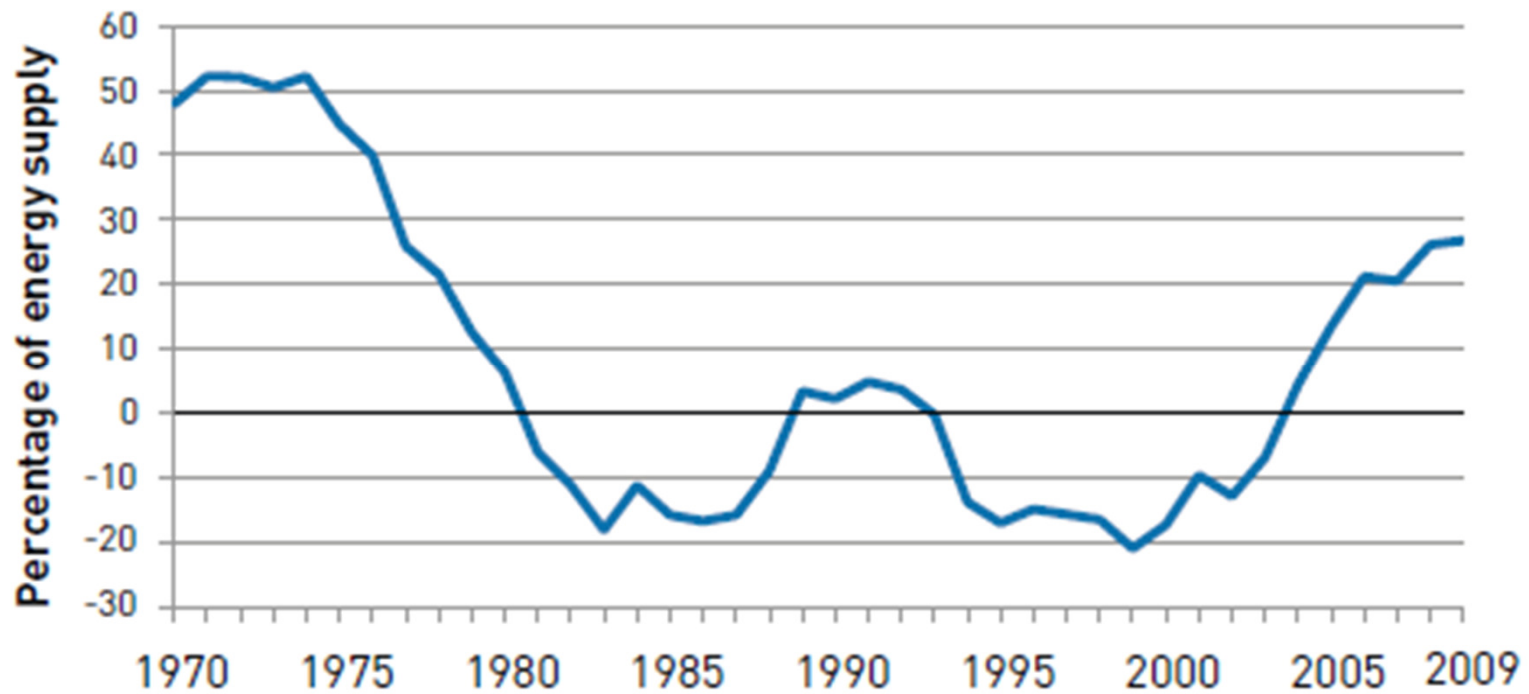


UK Refining Capacity- Mill. barrels/day



Source: BP Statistical Review of World Energy 2011

UK IMPORT DEPENDENCY OF FOSSIL FUELS



Source: Department of Energy & Climate Change

CONCLUSION

- Fossil fuels will continue to be the main global energy source of the future
- Oil and natural gas are likely to remain the dominant sources of the UK's energy mix
- These will primarily be transported by sea





