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This is a lightly edited version of an address given by John Roberts at the EU Gas Imports Mid-term Outlook Roundtable held by the Brussels Energy Club in Brussels on 11 December 2025. The principal changes are that precise dates have been inserted and some clarifications made.

First of all, can I thank everyone for inviting me? And secondly, I'm going to say, how much can we trust numbers? Why do I say this? I have attempted to do energy estimates myself. I have sat on the bank of a hillside, looking over the road between Zakho and Silope counting the trucks with their underslung tanks of oil that were carrying Saddam Hussein's fuel for export at a time when exports were not allowed. And in theory, I think if I remember correctly, I worked out they were carrying roughly 80,000 barrels a day. And I think there was 50,000 b/d or so also going out by Jordan. I've sat on a balcony on the Bosphorus counting tankers, to see whether the tanker traffic was accurately recorded. It was, but I was really there to check what would happen if the Bosphorus for any reason got closed.

Why do I say this? Because I'm sceptical about some key elements concerning numbers at the moment. The main question is how can you count the returns if you don't know where the actual investment is coming from? There's a clear difference between existing projects and projects that have yet to start. We can start to estimate prospective returns regarding projects that have already secured investment, such as Türkiye's Sakarya field in the Black Sea and Romania's Neptun Deep in the Black Sea. And perhaps, likewise, we can also start to make reasonable assessments for Han Asparuh in the Bulgarian sector.

But what is this supposed to mean in terms of numbers? Sakarya officially is producing at a rate equivalent to about 3.5 bcma (billion cubic metres annually) - except that in practice, as far as we know, it's really 2.8 bcma. What is it supposed to be producing in future? About 14.6 BCM in 2027 or 2028. But that's a target. And we know that they're dredging up sand with the gas, and that they've had persistent technical problems. It's not a question of what is the number. It's the fact that the number and the date don't correlate. They'll get there in the end, I've no doubt of that, but we just don't know when. Neptun Deep, 4 Bcma perhaps in 2028 and in around 2030 or so it may rise to around 8 bcma. That is very, very useful, as indeed is the increase in Sakarya. Such production balances Southeast European demand to a considerable extent. But does it really change the situation for Europe as a whole?

If you want to change the situation, you need more coming in. So we look to the Caspian, we look to Azerbaijan. The MOU of July 2022 between Azerbaijan and the European Commission seeks to double throughput to Europe, essentially meaning an increase from 10 bcma to 20 bcma through the Trans Adriatic Pipeline (TAP), the last stage of the Southern Gas Corridor (SGC). Well, the Azerbaijanis have squeezed everything that they can put into it, and they've got up to 13 bcma, though it's slightly slipping now. It's as if they've pushed as hard as they can go. Some of the new contracts that they do, the swap arrangements with Syria, with Hungary, that have, as it were, increased their footprint in or beyond Türkiye, have come at the expense that they are cutting their exports to Georgia, which is perhaps unexpected.

So we have some strange positions there, because , if it is to increase its output substantially, then Azerbaijan essentially needs to produce from two giant proven resources: Deep Level

ACG, under the Azeri-Chirag-Guneshli oilfield, and a further expansion of Shah Deniz. Technically do-able, say BP, the operator: complex, but do-able. But where is the investment going to come from? Just two days ago, for the first time ever as far as I am aware, Spencer Dale, the Chief Economist of BP, said: "Expansion of the SGC requires long term contracts." The corollary of that, of course, is investment in the upstream required to fill the SGC also requires long term contracts. There were a couple of other interesting points regarding Dale's remarks. One was that he wasn't specifically asked about the SGC. I'd asked him, at a public Q & A, just about the principle of long-term contracts. He had inserted the mention of SGC in his answer.

Secondly, Dale also threw out an odd number that I hadn't heard before, when he spoke of expanding the SGC (by which it was clear that he meant the TAP component that carries the gas from Türkiye to Italy, not the somewhat larger components that carry the gas from Azerbaijan to Türkiye). He spoke of expanding the SGC from 10 or 12 bcma to 20 or 25 bcma. Normally the expansion of TAP is simply spoken of as being 10 to 20 bcma. Now, I think this is no more than the usual elasticity that can be allowed for when you ask the question: what is the capacity of a pipeline and the compression required to secure such capacity. The point is that the capacity of a pipeline is highly elastic. If you want to put 25 bcma into a nominal 20 bcma line, you can do so. Whether you can do so profitably, I'll leave to the economists, but it's technically possible.

But we are still left with a further question. Are we going to get the investment in expanding SGC, effectively TAP, capacity and, of course, the upstream component required to produce the gas in the first place – without the EU changing its policy on long term contracts. We've had no less a person than President Ilham Aliyev of Azerbaijan pushing for the concept of long term contracts for at least two years in public. We'd still don't get them. So if you're not going to get long term contracts for delivery to the EU, for Azerbaijani gas, possibly you might get some long term contracts from Türkiye, though whether that's enough to justify further expansion is a different question.

But it also raises the question, how do you get the investment for Turkmen gas if Turkmen gas is to go west? And I think Turkmen gas is in a very, very, very peculiar situation right now. Because on the surface, it would seem that, quite unexpectedly, almost all the elements are in place for Turkmenistan's gas to go west via the Caspian.

Why do I say this? We had a mention of XRG earlier (*in the presentation by Philip Vorobyov of Standard and Poors)*. The answer is essentially Abu Dhabi's ADNOC. There are at least five significant developments.

One: two years ago, ADNOC took a stake in the Azerbaijan's offshore Absheron field.

Two: An ADNOC subsidiary, XRG, on 30 October 2025, took a stake in Turkmenistan's Magtymguly field, Block One. This was coupled with the extension of the original Production Sharing Agreement for 25 years, an extension that Malaysia's Petronas, the field's operator, had talked about for many years, but you got the feeling it didn't happen because Petronas's heart was not in it.

Three: You get something even more interesting; On 3 November 2025 XRG took a stake in an Azerbaijani company called Southern Gas Corridor CJSC. What is that company? It's the holding company for Azerbaijan state interests in Shah Deniz and in the various component

pipeline companies in the Southern Gas Corridor in which Azerbaijan's state oil company, SOCAR, has a stake.

Four: on 3 June 2025, TotalEnergies, the operator at Absheron, announced that it is going to build a new 140-km pipeline from Absheron to Sangachal - not to the existing BP terminal there, but to its own terminal to be built at Sangachal. Now, in effect, you have got a system that for ADNOC, XRG and Total will enable Absheron to fulfil its commitment to deliver some 3 bcma of expanded production - sometimes they say 4 bcma - into the Southern Gas Corridor, which starts at Sangachal.

Five: One further development should be considered. Dragon Oil, (a UAE company which operates the Cheleken field next door to Magtymguly field in which XRG has just taken a stake), said in London, on 2 December 2025, that it was very appreciative of ADNOC and its work in Turkmenistan, and that "we should cooperate down the road." (In November, Dragon also signed memoranda of understanding for cooperation with both Azerbaijan's SOCAR and with Malaysia's Petronas Carigali, which is the operator at Magtymguly). Ahmed al Bin Obood, Dragon's Chief Financial Officer, said specifically, that the company, which produces around 25,000 b/d of oil at Cheleken, had not previously been interested in gas, but since it had now extended its PSA, he noted, it was looking to see what could be done with gas produced at the field. He also made somewhat worrisome remark concerning what the company currently did with the gas: 70% of the gas was given to the Turkmen authorities free of charge – but the other 30% was flared.

All this opens the way for Turkmen gas to move westwards. In the past, I have suggested that such flows could start with a connection between the Magtymguly field and existing gas gathering facilities at Azerbaijan's ACG field, which would entail just 78 kilometres of new subsea pipeline. I would now argue that the logical option for Turkmenistan would be a roughly 100 kilometre subsea pipeline connection from Magtymguly to the Absheron field.

But what do the Turkmens themselves think about it? "Oh," says a very senior Turkish official with whom I discussed the issue in Istanbul two weeks ago. "They're supportive." OK, I say: "How supportive? Are we talking roughly a 10 bcma scale or the 30 bcma scale?" (which is what the Turkmens have long favoured). "They want the large project." So what about the investment? I asked. The answer was frightening. "If we can realise it." *ie* There seemed to be no readiness on the part of Ashgabat to address the question of how to realise the expansion of the infrastructure required to deliver large scale exports westwards. Would Türkiye be expected, as it would seem, to pay for it?

There's no question of the Turkmans themselves seeming to wish to cover the cost of it. And the cost of expanding the infrastructure to carry a putative 30 bcma of purely Turkmen gas would be radically different from a Turkmen component in an expansion of the SGC as a whole, using both Azerbaijani and Turkmen gas, from the current 12 or 13 bcma to 20 or 25 bcma. That would be a very different question.

I don't think that point has really got across to the Turkmenistan Government and I'm also worried about something else. I don't know, Steven, (*addressing this to Steven Travers of Gaffney Cline/Baker Hughes*) whether you know the answer to this. Does the East-West pipeline in Turkmenistan (which is intended to link the major fields in the heart of Turkmenistan, such as Galkynysh, with the Caspian Sea terminals around Turkmenbashi) actually exist as an operational facility? (The point here is that delivery of mainstream

onshore Turkmen gas production to a Trans Caspian system requires confirmation that the 773-km East-West pipeline, designed to carry some 30 bcma of gas, and reported to have been completed in 2025, is currently operational).

I have no problem in thinking that the infrastructure can be developed to carry *offshore* gas. Alot of work can be done that could make the Southern Gas Corridor deliver 10 or maybe 12 bcma more into Europe with relatively little difficulty - if you could get long term contracts.

So, I'm more or less going to leave it there, but I'm going to leave you with some rather frightening and worrisome points. The Ukraine war has been recently particularly focussed on energy. This is both on the Russian side, destroying Ukrainian energy production and distribution facilities and, on the Ukrainian side, attacks on Russia's 'shadow fleet' in the Black Sea and on the oil loading terminal of Novorossiysk.

There are a couple of peculiar things that are important to bear in mind. One was one day, the night of 5-6 August, when the gas pipeline coming up from Romania and Moldova was hit just as a trial shipment of Azerbaijani shipments of gas was being run through the pipeline, and, a week or so later, the Azerbaijani storage facility in Odessa was hit. On the other side, on October the 21st, you had simultaneous explosions at the Százhalombatta refinery in Hungary and at the Ploesti refinery in Romania, both of which have Russian connections; Ploesti being a Lukoil plant and Százhalombatta serving Russian oil.

So what do we make of this? Well, One of the most significant things is that those particular attacks have not been repeated. But I don't necessarily expect that this round of peace negotiations will necessarily lead to peace. And if the war continues, it seems to me that the most likely trajectory is not a radical change on the battlefield. It is an intensification of the war and the energy sphere. Both sides, it would appear, have undertaken attacks that they deny that they've done. attacks in third countries or the waters associated with third countries. So, how safe are the Black Sea installations, particularly those of Romania and, putatively, Bulgaria. How safe is transit?

Is Georgia now a puppet of Moscow or a country that is trying very delicately to balance things and has come to the conclusion that it cannot afford to break with Russia at all? What it does mean, I think, is that Georgia is no longer a reliable transit route for the kind of investment in electricity required to deliver something like either its own 1.3 gigawatt Black Sea cable project to Europe, or the much bigger 3.9 gigawatt proposed Azerbaijani Black Sea cable to Europe. So if we're going to find alternatives, what are going to be the results?

There's a need to differentiate between existing infrastructure and investment in wholly new infrastructure. The existing investments in Georgia are probably safe, notably in regard to the BTC oil pipeline and, in our particular case, for gas, the Baku Tbilisi Erzurum system known as the South Caucasus Pipeline and Expansion. That's because of their embedded status. Moreover, whatever upgrading is needed can be done and these lines would remain reasonably secure.

But I doubt that would apply to anything that required really fresh investment. So where do we go from here? Maybe, and I'm not really thinking of pipelines although it has been suggested. Maybe we're talking about the Zanzegur corridor, the whole idea of flows between Azerbaijan and Türkiye going along a forty-two kilometre corridor across Armenia, with some assistance, perhaps, from a legalistic regime supervised by the United States.

This is interesting because the infrastructure is being put in place right up to the Azerbaijani land mainland boundary with Zanzegur, and within Nakhichevan, the Azerbaijani exclave on the other side, and Türkiye beyond it. From both ends, full scale railway connections, up to that 42 kilometre gap, and the same for power lines. We have, theoretically, the Trump Route for International Peace and Prosperity (TRIPP) agreement signed in the White House on 8 August 2025, which is supposed to provide the bridge for this.

In many ways, Trump and the US government at moment, in terms of diplomacy, might almost be described as a walking disaster. Yet the TRIPP proposal does look promising. Why I think it probably is promising is that it is precisely the kind of transactional element that appeals to the US, that appeals to Trump personally. That gives it a chance of success. Plus the fact that anything has to be done has to be done before the next Armenian elections in summer (the elections are scheduled for 7 June 2026). And if there's one thing that favours it and gets things going, it's Türkiye. Türkiye is pushing Azerbaijan to settle with Armenia to conclude a full peace agreement. In historical terms, this is absolutely astonishing. It's almost without precedent, but it's happening.

All these elements make me think that the energy consequences of the fallout in Ukraine are major.

I will do a very, very quick run through the slides that I've got here. The first (*Slide Two*) shows what a difference it makes if Russian acceptance of Crimea is recognised. Something like 75% to 80% of what we internationally recognise as Ukrainian waters become Russian. This slide (*Slide Three*) shows the four big blocks that Ukraine was looking to see developed in order to make itself more or less self-sufficient in gas production. Up to 2014, it never got anywhere with two of those fields, Forinska and Tavriya. The most significant was probably Skifska because ExxonMobil and Shell were interested. Shell signed an agreement, but dropped out shortly after the Russians took over Crimea. I can circulate the slides. Vanco of America had Prykerchenska, but it was all bound up with oligarchs and somewhat dubious, so perhaps it's a matter for the historical record as a footnote rather than a reality.

However, just looking at this map (*Slide Four)* showing the different EEZs, It shows how the need to avoid transit through Ukraine’s internationally recognised EEZ forced a change in its original proposed route for South Stream. And in the end, of course, it wound up going not so much to Bulgaria as to Türkiye. But it does show the importance of the Turkish Exclusive Economic Zone as a conduit for everything. And that's about it. I won't do any more, but thank you very much for having me.

(ends)