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# What role for oil and gas in Europe's – & the Baltic's – energy ecosystem?

François-Régis Mouton de Lostalot  
Managing Director, IOGP Europe

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# IOGP Europe: The European voice of the oil and gas industry

As of August 2026

## Participants – Upstream Companies



## Associate Participants





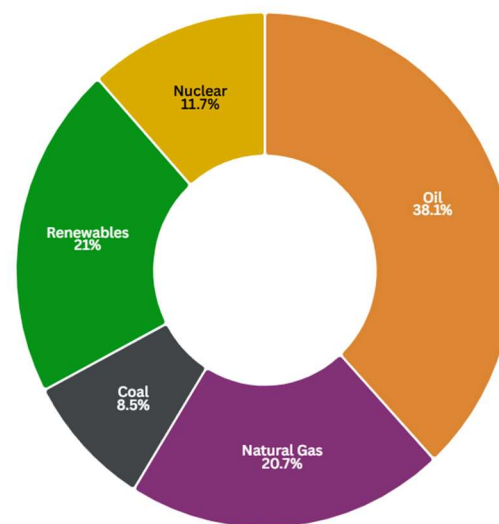
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# Energy realities: oil and gas remain fundamental to Europe's – and the Baltic's – energy ecosystem

- **Oil and gas** remain the backbone of the EU energy mix at **58%**; the Baltic is only slightly below at **53%**
- **Renewables**, following significant growth, make up **21%** in the EU (less than 6% is solar and wind) and nearly **25%** in the Baltic with *more than half* coming from biomass
- **Coal** has fallen rapidly in the EU and make up less than **9%**; the share in the Baltics is nearly **16%**, a legacy of solid fuels.
- Beyond transport and heating, **oil and gas** remain **critical inputs** as **energy** and **feedstocks** to Europe's industry (e.g. chemicals, steel, fertiliser, cement, etc)

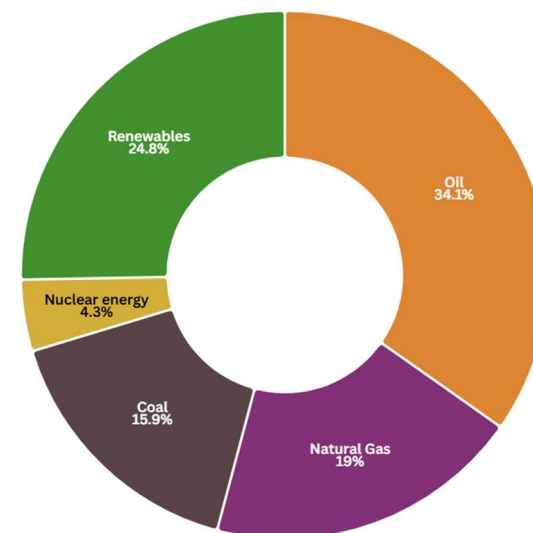
**European Union Energy Demand by Source (2024)**

Energy demand reached 55.44 Exajoules, with oil and gas together accounting for 58.1%



**Baltic Sea Countries Energy Demand by Source (2024)**

Energy demand reached 19.28 Exajoules, with oil and gas together accounting for 53.1%



Source: IOGP Europe based on Eurostat Data

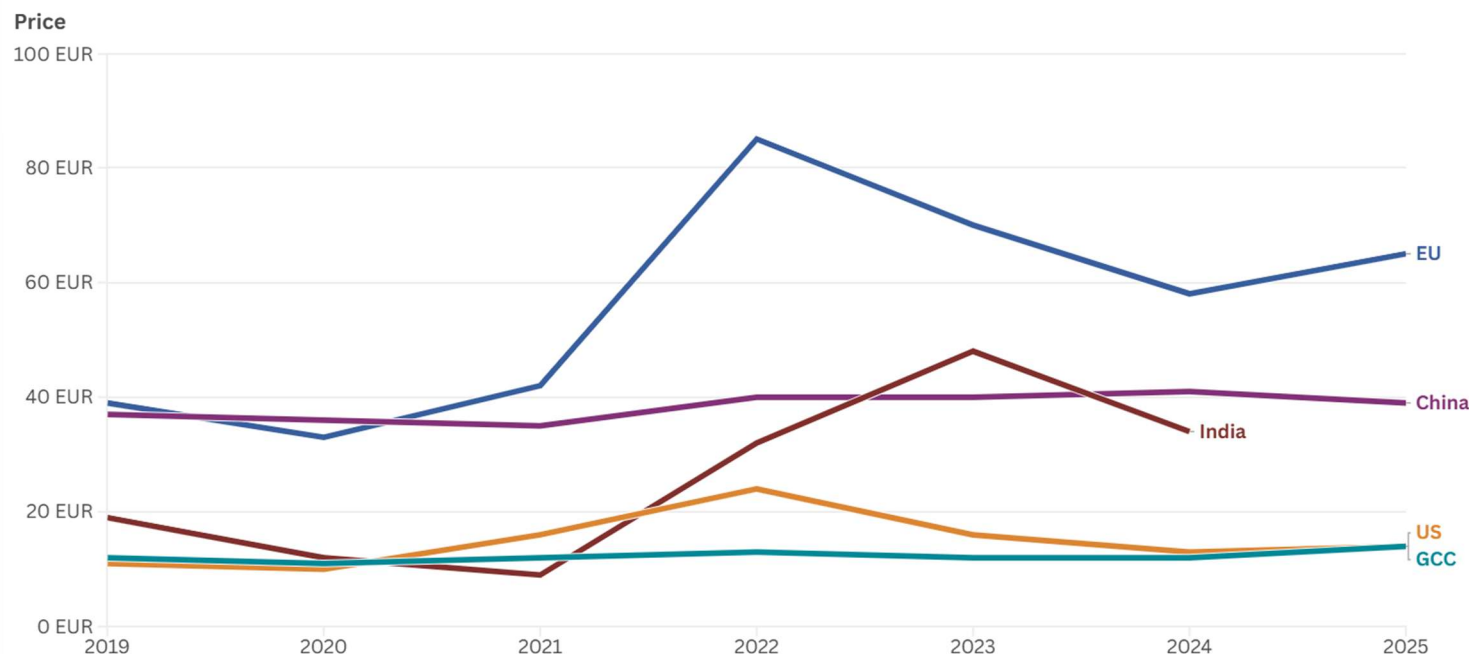
# Competitive energy is essential for a competitive European industry



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## Industrial gas price across regions in EUR/MWh (2019-2025)

In 2025, industrial gas prices in the EU were 4.6 times higher than in the United States.



### IMPACT SINCE 2021

**4.5×**

EU industrial gas prices vs US benchmark

**−17%**

EU industrial gas consumption reduction since 2021

**−10–15%**

Energy-intensive industrial production since 2021

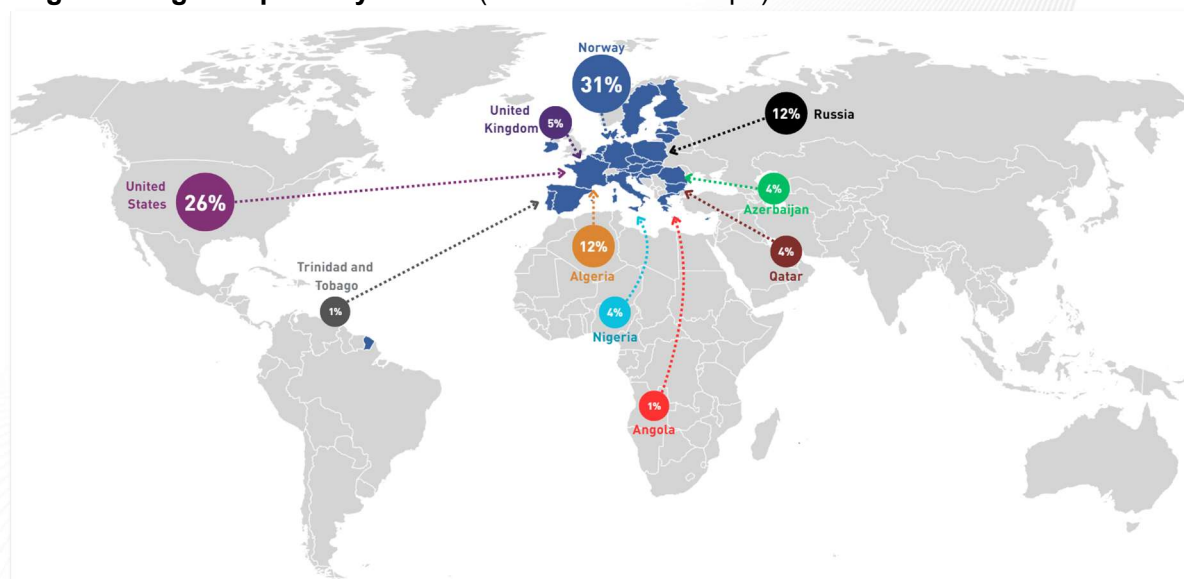


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# Energy security through optionality and diversification ...

- The EU, led by the Baltics, has **significantly diversified its gas supply** since 2021
- **Further diversification** is needed – with **energy optionality, technology neutrality, and flexibility**
  - Multiple supply routes
  - Reduced volatility through longer-term contracting
  - Multiple energies – an ‘**all of the above**’ **approach** combining energy efficiency, renewables, nuclear and oil and gas
- And we need supportive and simplified **regulations** in order **not to put EU energy supply at risk**:
  - E.g. **EU Methane Regulation** needs urgent amendments to avoid another EU supply shock

Figure: EU gas imports by source (Source: IOGP Europe)



*“We need energy solutions that meet the needs of our societies – not the other way around!”*

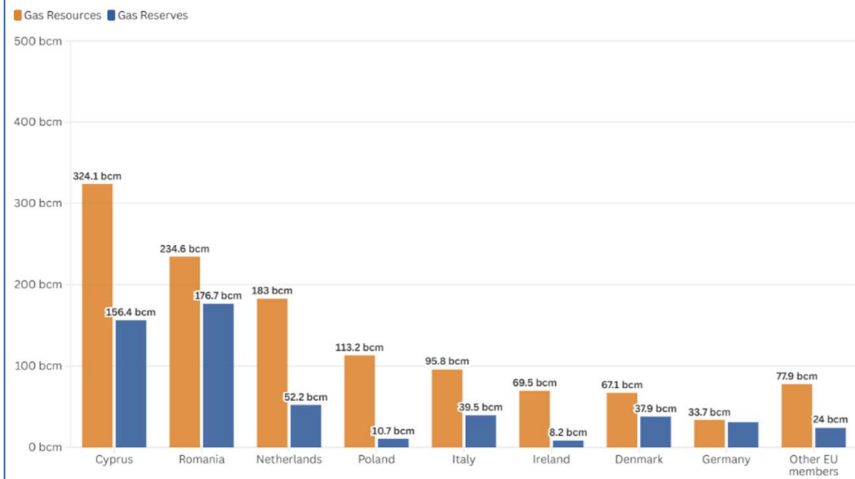
# ... and by reducing barriers and promoting 'homegrown' oil and gas production



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## European Union Natural Gas Resources and Reserves

Volumes expressed in billion cubic metres (bcm), including reserves and technically recoverable resources.



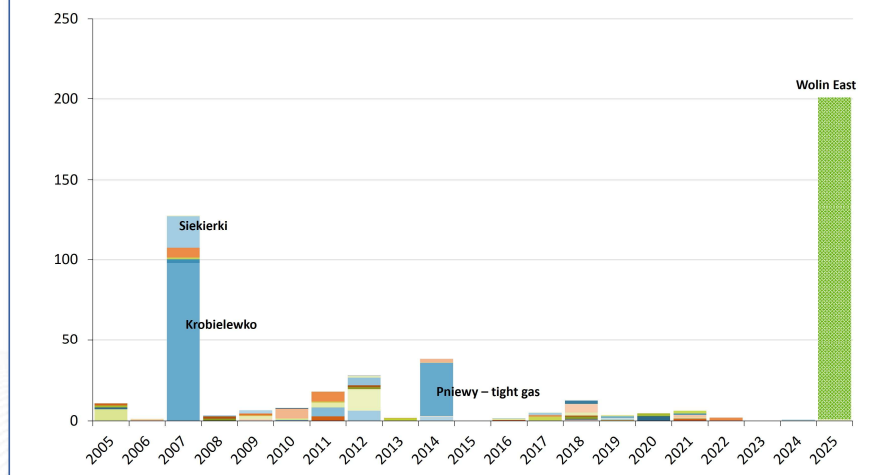
- The EU has more than **530 bcm of gas reserves** and **~2 bn barrels of oil reserves**.
- This rises to over **2240 bcm** and **~10 bn barrels** when including Norway and the UK.
- To strengthen energy resilience, Europe needs to **remove barriers to E&P** and produce these oil and gas resources responsibly

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Source: IOGP Europe, based on country self-reported data and Rystad Energy; Rystad Energy UCube.

## Figure 1a: Poland's discovered oil and gas resources by asset and year

Million barrels of oil equivalent



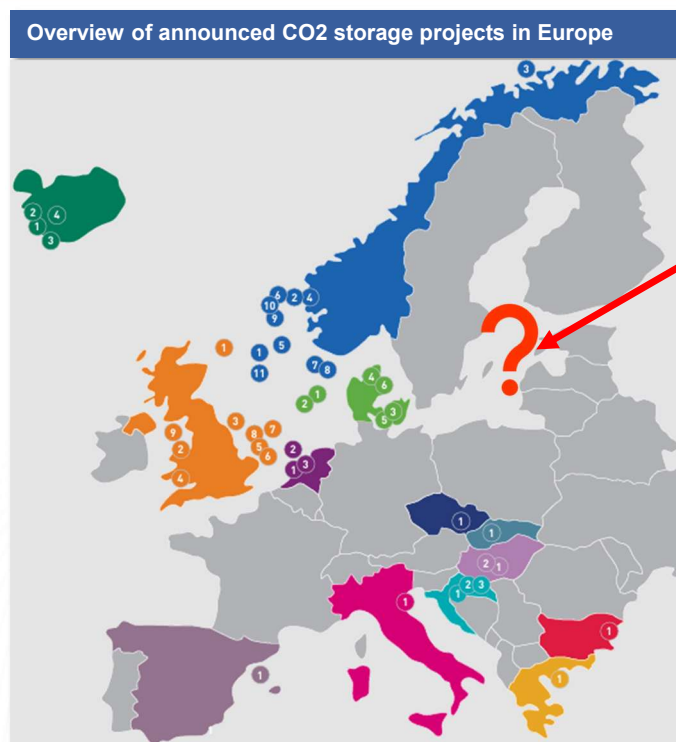
- The Baltic Sea is an **underexplored E&P basin**.
- **Advances in seismic technologies** are opening the Baltic's exploration potential.
- **Last year's Wolin East discovery** could double Poland's national reserves and contribute towards self-sufficiency, and shows that the region can deliver commercial volumes.



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# The role of oil and gas in EU decarbonisation

- **Reducing emissions** from production and products (e.g. methane mitigation, operational excellence)
- **Decarbonisation** of Europe's hard-to-abate industries **through** low-carbon **hydrogen** and **CCS**
  - Targets alone (e.g. CO2 storage obligation) are insufficient
  - Enabling conditions and a full value chain approach is needed
- **Leveraging** oil and gas **resources, infrastructure, and expertise** for the value chains of today and the future



Source: IOGP Europe; \* "Carbon capture and storage in Poland", Clean Air Task Force.

The Baltic can also play a key role in this area, including with **CCS**:

- Large-scale CO2 storage potential (e.g. 10-15 Gt just in Poland)\*
- Optimism that legislative and regulatory barriers to CCS (e.g. Helsinki Convention) can be overcome

The region also contains **assets and capabilities** – e.g. pipelines, ports, subsurface expertise etc – relevant for the 'new frontiers' of energy

# Europe's energy resilience depends on keeping transition pathways open

## Key takeaways

### Oil and gas matters

Oil and gas – and especially gas – continue to support European energy security, affordability and competitiveness and is critical to industry remaining in Europe.

### Resilience requires flexibility

Europe needs optionality, technology neutrality and flexibility to maintain energy ecosystem resilience.

### Policy inconsistency and lack of realism creates risk

Fragmented and unrealistic regulation undermine supply security and investment confidence, e.g.:

- EU Methane Regulation importer requirements
- Barriers to domestic production
- NZIA CO2 storage obligation



For more information please contact:

**François-Regis Mouton de Lostalot**  
Managing Director, IOGP Europe  
[frm@iogp.org](mailto:frm@iogp.org)

## **IOGP Europe**

[www.iogpeurope.org](http://www.iogpeurope.org)

Avenue de Tervueren 188A  
B-1150 Brussels  
Belgium  
T: +32 2 882 16 53  
E: [reception-europe@iogp.org](mailto:reception-europe@iogp.org)

## **IOGP Headquarters**

[www.iogp.org](http://www.iogp.org)

City Tower, 40 Basinghall St  
London EC2V 5DE  
United Kingdom  
T: +44 20 4570 6879  
E: [reception@iogp.org](mailto:reception@iogp.org)