A STUDY ON ECONOMIC FACTORS INFLUENCING RECOVERY OF INVESTMENT ACTIVITY IN OIL AND GAS INDUSTRY: AN ANALYSIS ON MAJOR INTERNATIONAL COMPANIES

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ABSTRACT

Investment strategies are among the most influential factors in development of any mining company particularly oil and gas mining companies. The economic factors play crucial role in adopting efficient strategies for investment recovery particularly during low prices of the products. The present study aims to review the main current worldwide trends of development in oil and gas branch including growth factors of oil and gas industry, regional growth specificity, sources of satisfaction of increasing demand and then to analyse the investment strategies of the seven major international oil and gas mining companies including ExxonMobil, Shevron, British Petroleum (BP), Royal Dutch Shell, Total, Eni and Statoil during the period of low oil prices.

Keywords: Oil and Gas, Investment Strategy, Investment Recovery, International Companies.

INTRODUCTION

During the recent years, rapid and hardly-predictable changes are typical characteristics of the world energy market. Decrease of prices for oil which started in the second half of year 2014 and turned out to be a lingering event, became a serious challenge for the whole branch. Oil and gas companies as well as leading oil-producing countries are forced to reformulate their strategies and adapt for new market realities. Under such condition, adopting appropriate and up-to-date strategies particularly in income management of any organization is necessary (Khorasani & Almasifard, 2017). Economic factors play crucial role in adopting of such efficient strategies for investment recovery particularly during low prices of the products. Oil and gas industry is one of the main branches influencing several aspects of worldwide industries and even international social and political relations. In this regard, conducting up-to-date and comprehensive studies to assess and determine the main current worldwide trends of development in oil and gas branch including growth factors, regional growth specificity, sources of satisfaction of increasing demand and then to analyse the investment strategies based on the real data of the main worldwide companies are of significant importance (Khorasani & Almasifard, 2017). Therefore, the present study was designed to give a fresh look at these factors. The first part of this article is dedicated to analysis of current trends of international energy market and the second part focuses on the investment strategies of major international oil and gas companies. The study cases of this study are the seven major international companies including ExxonMobil, Chevron, British Petroleum (BP), Royal Dutch Shell, Total, Eni and Statoil.

Oil Demand Prediction and Perspectives of Oil-Extraction

Leading analysts predict and expect increasing of demand for hydrocarbons in the next two decades. Table 1 presents the prediction of demand for oil for the 2010 to 2030 period. According to predictions of the International Energy Agency (IEA), 90% of increase of demand for energy resources will be provided by developing countries up to year 2035. The key factor of growth over the last decade will be China's economy; India and countries of South-East Asia will make their important contribution to this since year 2025. The Near East Region will be the second biggest natural gas consumer by 2020 and the third biggest oil consumer by 2030 (after China and USA). The world demand for oil will increase from 87 million barrels per day in 2011 to 101 million barrels per day in 2035; key factors of the increase will be transportation constituent and increase of petrochemical industry (IEA, 2013). In coming six years, the biggest growth of demand for oil is predicted in China again (2.4 million barrels per day), India (1.1 million barrels per day), Saudi Arabia and Iran (0.3 million barrels per day each), Russia (0.2 million barrels per day), Korea and Mexico (0.1 million barrels per day each) (IEA, 2016).

According to the prediction of IEA, the USA will become the greatest oil-extractor in the next decade. Brazil in its turn will join the ranks of big exporters; China will turn into the biggest oil importer and consumer, including the reason of being the largest motor fleet in the world. The European Union will keep its first place among consumers of natural gas. Demand for coal in world power engineering will decrease up to 14% by 2035 in favour of cleaner energy resources (IEA, 2013).

Table 1
PREDICTION OF DEMAND FOR OIL BY 2021, MILLION BARRELS PER DAY

	2015	2021	Change
World	94.4	101.6	7%
ATP	8.1	7.8	0%
OECD	46.2	45.2	-1%
Non-OECD	48.3	56.4	8%
North America	24.4	24.2	0%
Europe	13.7	13.1	-1%

It is remarkable that the main Funder of the Royal Dutch Shell has suddenly admitted in the conference with investors on November 3rd, 2016, that the peak of global demand for oil may be overcome already in 5-15 years. The main contribution into slowing the increase and stabilizing of world demand for oil is made by two factors: first, increasing efficiency of oil use; second, promotion of oil substitutes. In this respect, it should be noted that predictions regarding overcoming of peak of demand for oil are made for at least 25 years and these terms are being suspended permanently.

One of IEA scenarios also presumes overcoming of peak of demand for oil in the next few years. It is based on several backgrounds: the slower tempo of GDP increasing in developed countries and more rapid and deep decrease of economic growth in China (decrease of world economy growth); implementation of new energy-saving technologies, introduction of the global obliging mechanism of payment for greenhouse gases emissions. According to the mentioned scenario, world demand for oil will reach the peak of 94 million barrels per day in 2020 and then will start to decrease rapidly-down to 84 million barrels per day by 2030 and to 74 million barrels per day by 2040.

And still, main scenarios of analysts are oriented onto gradual increase of demand, for satisfaction of which the IEA predicts reasonable increase of oil-extraction in the USA and Brazil, while oil-extraction in Kazakhstan and Russia will presumably decrease. It is interesting that the agency does not expect decrease of oil-extraction in Canada, Norway and Great Britain despite its high cost (IEA, 2016; Outlook, 2016). On one hand, this contradicts the generally accepted prediction approach which defines amounts of gain resulting from cost graph; on the other hand, this is being explained by importance of the sector in countries' economy and efforts of states to preserve employment even at low oil prices.

The main share of increase of oil-extraction is being predicted based on deep marine shelf, non-traditional and stranded reserves what is connected with depletion of traditional deposits and active technology development what allows to significantly decrease net cost of extraction of stranded hydrocarbons reserves. The share of non-traditional reserves in total oil-extraction may increase from 26% in 2015 up to 43% in 2030 (IEA, 2013; Outlook, 2013). More and more active works in stranded regions will naturally be followed by essential increase of capital investments.

In 2010, world natural gas consumption was 3.3 Trillion cubic meters. Prominent international analytic agencies predict the reasonable increase of demand for natural gas for over the next 20 years. Therefore, on evaluation of the IEA, consumption of natural gas will steadily grow averagely 1.7% per year and will reach 3.9 Trillion cubic meters by 2020 and 4.6 Trillion cubic meters by 2030 (Figure 1) (IEA, 2013; Outlook, 2013).

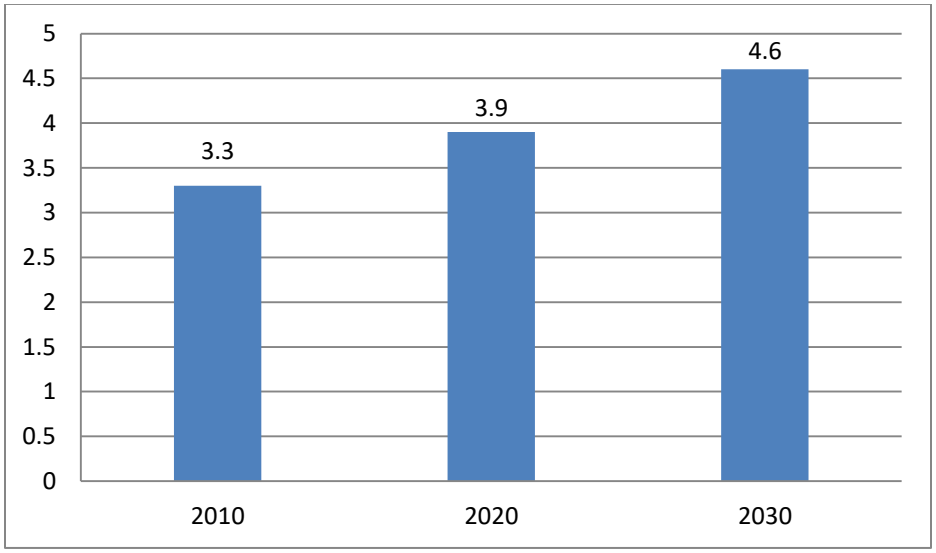

FIGURE 1
CONSUMPTION OF NATURAL GAS ON WORLD MARKET, TRILLION CUBIC METERS

The most significant influence on the demand increase for natural gas is impacted by following factors:

1. Increasing of consumption of electricity as a result of growth of world economy and improvement of life quality in developing countries;
2. Development of "green power engineering" stimulating transfer to ecologically clean types of fuel, among which only natural gas may guarantee stable production of electricity and heat energy;

3. On-going increase of world population and urbanization processes leading to increasing of share of urban population;
4. Development of practice of application of natural gas as engine fuel for automotive and other transportation types.
5. Refusal of a number of countries either to use or taking decision on limitation of share of nuclear energy in power engineering according to safety motivations and negative public perception.
6. Reasonable increase of natural gas consumption in China (today a 5% share of total energy consumption is taken by natural gas) (Novak, 2014).

According to predictions of international and Russian analysts and experts, the most dynamically developing natural gas world market segment will be liquefied natural gas (LNG). Currently, the share of LNG in general natural gas consumption makes less than 10%; dynamic of last years, however, indicates the significant increase potential. LNG consumption amount has increased from 299 billion cubic meters in 2010 to 440 billion cubic meters in 2020 and to 635 billion cubic meters in 2030 (Figure 2). Thus, tempos of LNG market will exceed natural gas market increase for more than 2 times and its share in general consumption amounts will increase to 14% by 2030 (Outlook, 2013).

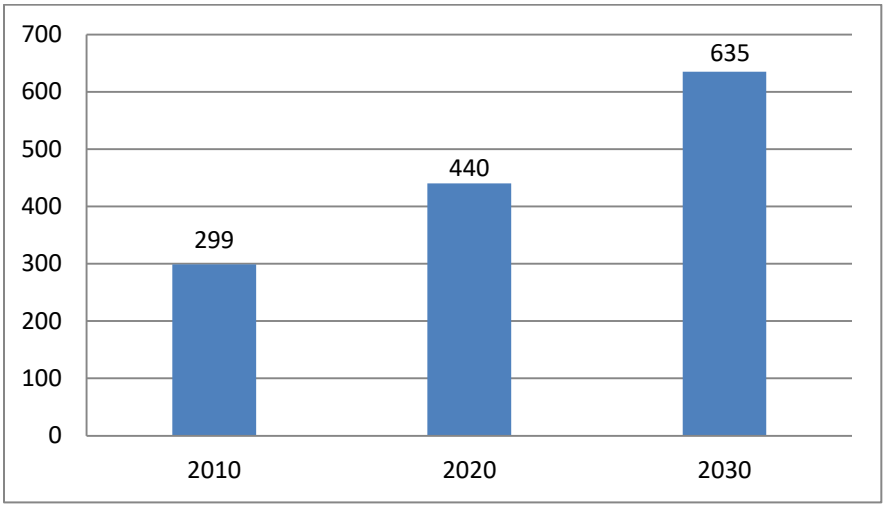

FIGURE 2
CONSUMPTION PREDICTION OF LNG ON WORLD MARKET FOR 2010 TO 2030 (BILLION CUBIC METERS)

The main increase of LNG consumption falls onto countries of Asia and Latin America, what is connected with three main factors:

1. High tempo of economic growth in the mentioned countries leading to increase of general demand for energy;
2. Prevailing of coal in energy balance, use of which leads to serious ecological consequences;
3. Absence or lack of own gas resources at Asian and Latin American countries for satisfaction of increasing demand.

The company Shell has already made a long-term stake for gas market, particularly for LNG. At the beginning of year 2016, the Company completed deal on purchase of large BG group gas company (cost of the deal is 62 billion USD); as a result the share of gas in the

extraction structure of the Company exceeded 50%. In the LNG market, Shell already now takes at least 25%.

Prices for Oil

In 2013-2014, known analytical agencies with no regard have predicted gradual increase of prices for oil referring onto increasing demand, depleting of large reserves and increase of costs for geological survey and arrangement (Baranov, 2015). Despite these predictions, prices for oil have decreased significantly. Last long-term and average-term predictions of these agencies became less definite and include multiple scenarios. Administration for power-engineering information of the US Department of Energy in 2014 and IEA in 2015 have introduced the special low oil prices scenery.

Oil price dynamics is subject to whole number of factors, among which is situation on financial markets, demand and offer balance, macroeconomic, geopolitical and technological factors and USD exchange rate too.

With development of technologies it becomes possible to involve even more technologies into production of even more resources (Sasan Khorasani, 2014). In this regard, the best example is increase of extraction of non-traditional resources in USA. Against this trend, a number of analysts predict an average oil price level up to 2020 and no prominent agencies expect the price for barrel to be higher than 80 USD. Alongside with this, it is important to note a number of other trends which will, possibly, provide relatively high prices in the nearest future.

First of all, it should be noted taking into account the deep investment recession in 2014-2016 and continuation of transfer of extraction projects for later terms, a reasonable increase of oil prices yet in 2017.

According to predictions of McKinsey Global Institute in term from 2010 to 2025, the population of the Earth will increase on 1.1 billion people (Figure 3), India will become the most populated country in the world by 2020 (Dobbs et al., 2011). Urbanization processes will continue in developing countries, consumer class will expand, which provides increase of world demand for infrastructure, goods, automotive transportation.

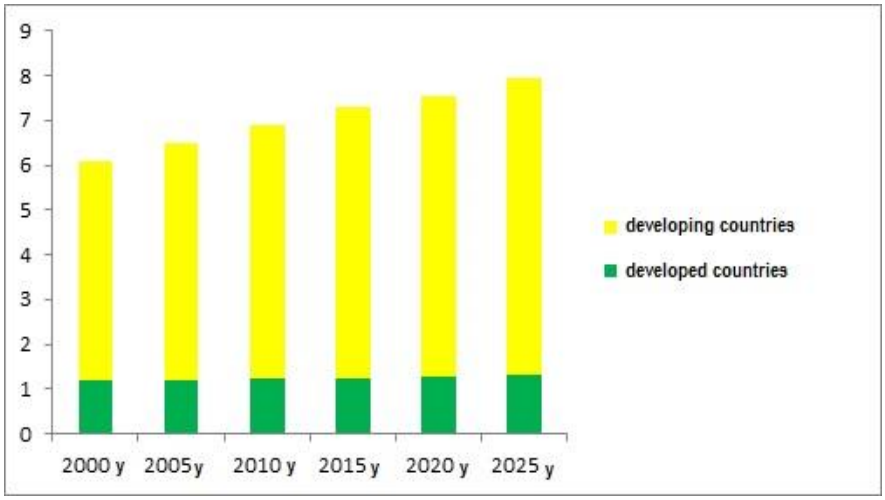

FIGURE 3
THE PREDICTIONS OF MCKINSEY GLOBAL INSTITUTE ON WORLD POPULATION FOR 2010-2025 PERIOD

Demand for oil, as mentioned before, will increase first of all thanks to increase of automotive transportation quantity (in this sense, oil is the main source of energy, its share is 90%) and industrial production in developing countries (Trends, 2013).

According to prediction of Lukoil Company, during the term from 2010 to 2025 the increase of world motor fleet will make 670 million units which provide increasing of fuel consumption per 9 million barrels per day. The key factor of increase will be the market of China, where there are 40 cars per 1000 people; by 2025 this rate will make 200 cars, which presumes increase of motor fleet per 220 million units from 2010 to 2025 (Trends, 2013).

The reasonable increase of number of cars will occur in India and African countries in the nearest time. However, increase of motor fleet will be in parallel to structure change, at this, cars with engine of internal combustion will remain dominant.

During the recent years, unprecedented increase of costs for survey and extraction of hydrocarbons (under estimations of the Lukoil Company, from the start of 2000s, costs of companies for geological survey, mining and extraction have increased more than three times), what was mostly stipulated by depletion of traditional reserves and a reasonable increase of projects of deep marine shelf and non-traditional resources which, including perspective Arctic shelf, are very input-intensive projects (Trends, 2013).

Total capital costs for survey and extraction will increase from 700 billion USD in 2013 to 972 billion in 2018 according to IHS Energy. Capital costs for survey and extraction on land will increase from 500 billion USD in 2013 to 600 billion USD in 2018; at this the third of costs will fall onto non-traditional deposits of resources (Figure 4) (Energy, 2014).

Capital costs for survey and extraction on marine shelf will increase from 200 billion USD in 2013 to 260 billion USD in 2018; at this 55% of costs will fall onto deep-sea resources of deposits (Figure 5). Operational costs will increase from 519 billion USD in 2013 to 680 billion USD by 2018 (Energy, 2014).

In connection to this, even providing decrease of demand for oil, prices for it will hardly be able to maintain the level of 50-60 USD per barrel.

Domination of oil prices in USD causes dependence between USD exchange rate and oil prices: Lightening of American currency causes price increase. Colossal debts of American economy should be perceptively realized on gradual decrease of USD exchange rate.

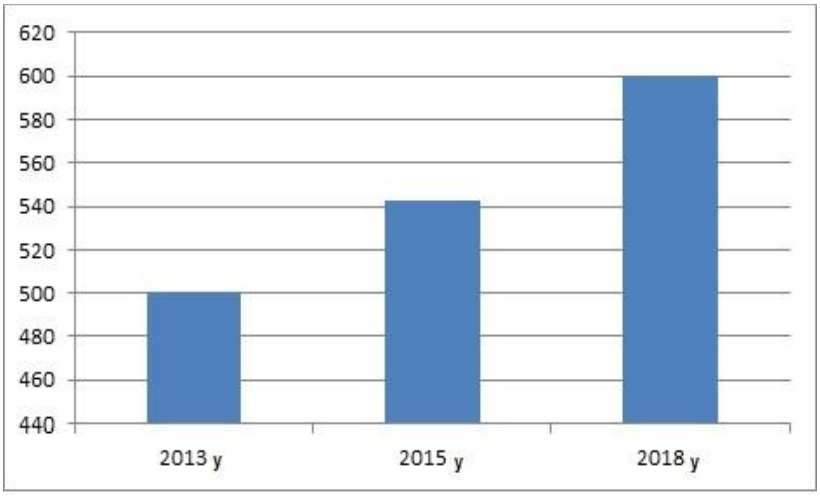

FIGURE 4
CAPITAL COSTS FOR SURVEY AND EXTRACTION ON LAND, BILLION USD

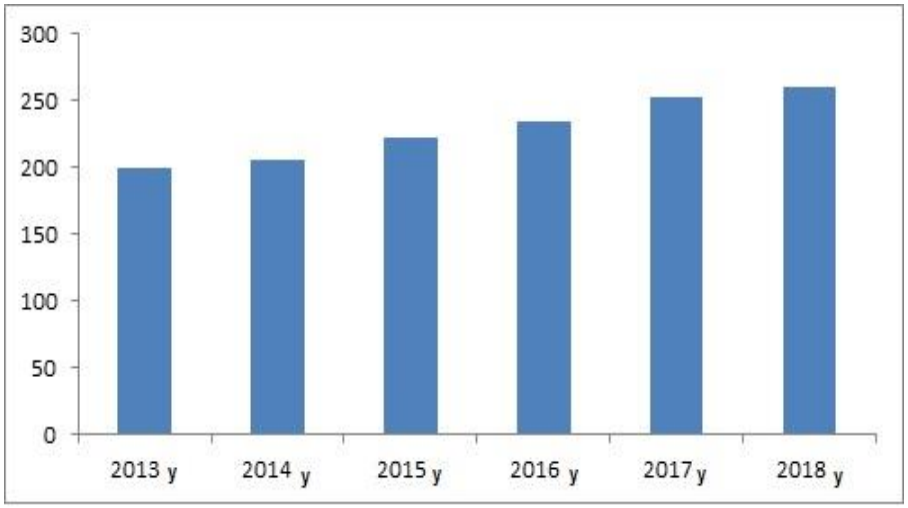

FIGURE 5
CAPITAL COSTS FOR SURVEY AND EXTRACTION ON MARINE SHELF, BILLION USD

The conclusion can be easily driven hereof that natural decrease of oil prices (without consideration of geopolitical factors) is unlikely. The extra factors are moderate tempos of growth of oil-extraction in North America, Iraq and Iran and also planned high budget costs of OPEC countries and, as a consequence, restrictions of extraction amount for price maintenance.

Key Conclusions

The main conclusions that can be drawn from the aforementioned statistics can be summarized as follow:

1. The world demand for oil will increase in following 15-20 years, although more slow tempos than in 2000-2015s. At this, demand for gas will increase at faster rate (the maximal increase will be reached thanks to demand for LNG);
2. Predictions of oil prices for short-term and long-term perspective become more and more indefinite;
3. Asian market will play ever increasingly prominent role on oil and gas market. All the increase of world demand for oil will be provided by developing countries, mainly by China, India;
4. The main source of covering increasing demand for hydrocarbons will be deep-marine and non-traditional resources;
5. Demand for oil products will be warmed up by growth of transportation sector in developing countries (mainly in China and India);
6. Increase of capital costs in the sector of survey and extraction will continue;
7. Renewable energy resources will still play insignificant role in energy consumption totally: Increase will continue, but tempos will certainly decrease;
8. The general competition on energy markets will escalate.

Investment Strategies of International Oil and Gas Companies

In general conditions, during planning their activities, big oil and gas companies first of all are defined with choice of one strategy of two: Orientation on cost increase (income growth) or increasing of extraction level; realties of low oil prices complicate realization of strategy on increase of reserves and enhancement of extraction in connection to serious decrease of money

flow from operational activities which is the main source of financing investments for companies (Table 2). According to this rate, positive dynamics is being detected at the Chinese company of Sinopec, whose business is mostly being concentrated in the branch of oil-processing.

Gradual depletion of reserves and increasing costs of geological survey in recent years, did not allow international oil and gas companies to increase extraction volumes anyway, at this, majority of big oil and gas companies had still encountered the significant decrease of hydrocarbons extraction amounts, but the issue of long-term support of extraction is quite acute for them taking into consideration the length of investment cycle in the branch of survey and extraction and general decrease of investments.

New conditions force companies to decrease capital costs. In the first half-year of 2016, capital costs have decreased in all reviewed companies in comparison to the same period of year 2014; the most significant decrease of rate was fixed at Statoil Company-45% (Table 2). At this, money stream from operational activities of companies has decreased more essentially (at Statoil Company-72%), what means that companies increase debts and decrease dividends.

Table 2
MONEY STREAM FROM OPERATIONAL ACTIVITIES AND CAPITAL COSTS ON COMPANIES

	Money stream from operational activities, billion USD			Capital costs, billion USD		
	1st h. 2014	1st h. 2016	Change	1st h. 2014	1st h. 2016	Change
BP	16.1	5.8	-64%	11.4	8.7	-24%
ExxonMobil	25.3	9.3	-63%	15.9	8.9	-44%
Royal Dutch Shell	21.9	1.9	-91%	15.3	11.1	-27%
Total	10.6	4.8	-55%	12.2	8.2	-33%
Chevron	16.3	3.7	-77%	17.5	10	-43%
Statoil	12.1	3.4	-72%	10.4	5.7	-45%
Eni	7.9	3.5	-56%	7.6	5.4	-28%

Continuing period of low oil prices will cause even more decrease of investments; in connection with this, companies orient themselves at decrease of costs, increase of efficiency of business models and reconsider portfolio of assets considerably, refusing expensive projects with high geological risks.

Reviewed private companies are always unwilling to decrease payments to shareholders because this is instantly reflected on price of assets; moreover, the crisis forces to take these measures too; companies also significantly decrease costs for ransom of own assets.

Some companies have started to pay more attention to renewable energy sources; the leader of this trend became the Total Company which announced its intention to increase the share of renewable energy resources to 20% of its portfolio. In 2016 the company spent 1 billion USD for purchase of the French manufacturer of batteries; prior the company bought a controlling stake of the US manufacturer of solar panels Sun Power for more than 1 billion USD.

General trends are inherent to almost all companies, but tools, especially during increasing instability, becomes more diverse.

Royal Dutch Shell reviews its strategy focused on increasing extraction and concentrates on financial rates. In particular, the company reduces the cost of development of non-traditional reserves in the USA in difference to independent companies such as Royal Dutch Shell, BP and ExxonMobil which have not been able to succeed in this deposit (Schaps & Zhdannikov, 2014).

The money flow compared to 2014 decreased 91%-maximum value of companies considered (Table 2).

One of strong sides of the company is orientation on innovations. The Shell traditionally invests in technically complicated projects, develops non-traditional resources and realizes large-scale projects on LNG and GTL. This strategy is associated with high costs, the company has shown poor financial results, liquidity fall even before decrease of oil prices. At the same time, Shell has strong refining and marketing capacities, significant diversified portfolio of assets, high potential of discovery of large deposits. In early 2016, Shell has completed purchase of major gas company, the BG group (transaction value is 62 billion USD), as a result a share of gas in the company's extraction structure exceeded 50%, in its turn, according to company's claim, operational costs of united company have decreased on 9 billion USD thanks to merging. This purchase is distinctively indicating that the company makes a long-term bet onto LNG, on the market of which the company already takes at least 25%.

In 2016, Shell created a new structure "New energetics" which united assets and efforts of the company in direction of wind power engineering, hydrogen and bio fuel. However, the investment program of the new structure for 2016 is limited to 200 million USD which makes about 1% of total investments of the company.

Total as well as Shell shows not very good financial results and decrease of liquidity. In this case, high reserve replacement ratio is typical for Total and same good prospects in terms of LNG projects as that one’s of Shell. In recent years, the company has seen production levels decrease, only now a positive shift in this direction due to occurrence of several major projects (Russia, Canada and USA) begins to take shape. Total gravitates towards strategic alliances and does not focus on operatorship in projects that, on one hand, makes it possible to obtain a significant share in major projects and, on the other, makes it impossible to control the progress of the project. In the Total there is a diversified asset portfolio, a high potential of discovery of large deposits, at this, the high level of interest in alternative energy sources. The Total has projects in sun power-engineering in Chile, South Africa and Abu-Dhabi.

The BP has oriented onto development of deep-marine deposits in recent years and has peered to projects in Russia (Demianchuk, 2012). Among strong sides of the company it is necessary to allocate a large distribution network, oil-processing and LNG capacities, high reserve replacement ratio. The company, as well as the Total, shows interest to alternative energy sources.

After an accident in the Gulf of Mexico, the Company has conducted structural reforming with the aim of concentration on survey and extraction for the purpose of long-term growth. Such an approach may be explained by decrease of the extraction level of the company, at this, the orientation onto extraction increase cannot byt reflect on financial results. Yet in 2014, the company announced its intention to reduce operating costs by $7 billion by 2017; this result was nearly achieved by the end of 2016. BP managed to reduce the cost of the Mad Dog 2 project in the Gulf of Mexico for more than 2 times (the costs are planned at the level of 22 billion USD).

Chevron has been focused on exploration and extraction projects for a long time, which promise to provide significant production growth for the company. The priority for Chevron Company was gas projects in Australia, where the company is building two large LNG plants (Gorgon & Wheatstone). It should be noted that these projects are associated with growing cost of construction which carries risks in order to achieve economic efficiency. Chevron's net debt in the first half of 2016 turned out to be 286% higher than the one for the same period in 2014 (Table 2).

Table 3
NET DEBT OF OIL AND GAS COMPANIES FOR THE FIRST HALF OF THE YEAR 2016

	Net debt		
	1st h. 2014	1st h. 2016	Change
BP	24.7	31.9	29%
ExxonMobil	15.7	40.1	156%
Royal Dutch Shell	28.7	75.1	162%
Total	28.5	29.8	5%
Chevron	9.3	36	286%
Statoil	7.6	14.8	95%
Eni	26.6	15.8	-41%

Chevron has peculiar focus on large-scale projects, deep-marine deposits and the company behaves itself rather conservative towards unconventional resource projects in the USA. At Chevron, there is a large amount of assets in the field of exploration and extraction and high potential of discovery of large deposits and strong position in the processing respectively.

ENI has a more modest, but still quite geographically diversified portfolio of assets in exploration and extraction which may allow us to achieve good rates of production growth in the short term. At ENI there are strong refining capacities in Europe, high reserve replacement ratio, one of the best figures for extraction costs among international companies. At the same time, companies tend to suffer through reduced profitability over last years. The key position in ENI's assets portfolio is projects in Italy and North Africa. Africa bears essential political risks (instability in Lybia) resources of Italy are close to depletion. In this context, the company focuses on entering into new projects in other countries, among which we should highlight Kazakhstan (Kashagan Project), Venezuela (Junin-5 heavy oil project and Perla shelf gas block). In 2015 ENI discovered a giant gas field in the licensed subsoil plot Zohr on the deep-marine shelf of Egypt, last year the company sold a part of its share to Rosneft and BP companies.

In the first half of 2016, ENI was the only companies among considered ones which managed to reduce its net debt compared with the same period of 2014 (Table 3).

ExxonMobil focused on financial results of activities in the field of exploration and extraction recently which has reflected in reduction of extraction, with significant growth of costs on continental deposits of non-traditional oil deposits in the United States and expressed itself in reduction of financial activities. Decrease of extraction on projects in the North Sea and in Western Africa and reaching upper extraction edges in Qatar contributed to reorientation of ExxonMobil's strategy for research of new assets able to guarantee a long-term growth to the company. The most important element of this strategy became shelf projects in Russian Arctic; during the period from 2011 to 2014 ExxonMobil entered into the list of 11 geological survey projects of the Rosneft company, but anti-Russian sanctions have frozen partners' activity; in year 2014 only one research aperture has been drilled in Kara sea resulting in discovery of a large depository (Rapoza, 2014). In addition, the company's portfolio includes participation in a number of major projects around the world, including the Gorgon LNG in Australia, Kashagan in Kazakhstan and Sakhalin-1 in Russia capable of ensuring profitability and growth to increase production. ExxonMobil is the leading international company in terms of extraction and inventory levels; it has a broad distribution network and global asset portfolio in the field of survey and production capable to ensure production growth for long term.

If oil price quotations remain at a low level, for the company it will be more difficult to finance the investment program. In 2016, ExxonMobil has significantly increased the volume of

loans (Table 3) while remaining the only company from the list under consideration which showed growth of dividends in 2016. ExxonMobil Company has been leading in terms of operations in repurchasing its own shares over last few years, but in 2016 resets costs on this article for the first time.

Strategy of the Statoil Company oriented at extraction level increase. At this, the Statoil begins to abandon projects in Norway in favour of foreign assets, but, of course, Norway will remain a key production location for the company for a long time. The Statoil gives preference to projects at an early stage of exploration works as part of its strategy abandoning absorption policy in the sphere of interests of the company: Deep-marine deposits, non-traditional resources. Good results have been demonstrated by the Statoil in discovery of new deposits in Brazil, Norway, Canada and Tanzania. The company shows interest to assets in Russia too: In year 2013, the company has entered in four projects in Okhotsk and Barents seas, later on it concluded some deals on difficult resources-all projects are realized together with the Rosneft Company. Over the last few years, the Statoil is actively selling its assets, the revenue from this reached 18 billion USD from 2009 to 2013 (Solsvik & Koranyi, 2014). Among Company's strengths there are governmental support and own transport capacities. At this, unfavourable situation has led to decrease in the company's share price by almost a half. Despite refusal of expensive projects, companies are trying to put into operation those deposits, a significant part of costs on which has already been carried out. Thus, the Statoil (35%) and the ENI (65%) have commissioned the expensive Arctic deposit of Goliant in Norway.

CONCLUSION

The present study reviewed the main current worldwide trends of development in oil and gas branch including growth factors of oil and gas industry, regional growth specificity, sources of satisfaction of increasing demand and then to analyse the investment strategies of the seven major international oil and gas mining companies including ExxonMobil, Shevron, British Petroleum (BP), Royal Dutch Shell, Total, Eni and Statoil Companies during the period of low oil prices.

Our findings show that as a result of low oil prices, international oil and gas companies are forced to significantly reduce investment programs. Shortage of cash generated by operating activities, leads to growth of debt, which, in its turn, increases risks of oil and gas business. Companies are reviewing their portfolios giving up the most expensive projects. A number of companies are beginning to pay more interest to renewable energy resources to increase gas projects in their assets. The common trend for all companies is reducing costs. However, forecasts of leading energy analytical agencies show gradual increase in demand for hydrocarbons over next 20 years and gradual rise of oil prices in the medium perspective should lead to increasing of investments into new projects.

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